Gjensidige

Interim Report
2nd quarter 2017

Gjensidige Forsikring Group

Group highlights
First half-year and second quarter 2017

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

Year-to-date

Group

- Profit/loss before tax expense: NOK 2,867.6 million (3,318.2)
- Earnings per share: NOK 4.41 (4.82)

General Insurance

- Earned premiums: NOK 11,372.5 million (11,050.8)
- Underwriting result: NOK 1,704.6 million (2,322.4)
- Combined ratio: 85.0 (79.0)
- Cost ratio: 15.4 (11.1)
- Financial result: NOK 1,036.1 million (893.3)

Second quarter

Group

- Profit/loss before tax expense: NOK 1,502.7 million (1,709.3)
- Profit per share: NOK 2.19 (2.60)

General Insurance

- Earned premiums: NOK 5,824.7 million (5,536.8)
- Underwriting result: NOK 972.3 million (1,071.6)
- Combined ratio: 83.3 (80.6)
- Cost ratio: 15.3 (15.6)
- Financial result: NOK 469.9 million (569.5)

Profit performance Group

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
General Insurance Private	644.9	629.9	1,163.7	1,111.1	2,196.7
General Insurance Commercial	469.1	531.3	819.2	848.1	1,631.3
General Insurance Nordic	1.5	47.6	(26.8)	167.2	247.3
General Insurance Baltics	(19.2)	(36.2)	(31.1)	(41.4)	(99.5)
Corporate Centre/costs related to owner	(72.2)	(83.1)	(132.2)	313.3	(10.6)
Corporate Centre/reinsurance [1]	(51.8)	(17.8)	(88.2)	(76.0)	(230.6)
Underwriting result general insurance [2]	**972.3**	**1,071.6**	**1,704.6**	**2,322.4**	**3,734.6**
Pension	23.1	23.6	54.2	52.0	114.8
Retail Bank	121.7	118.6	224.4	200.4	439.1
Financial result from the investment portfolio [3]	469.9	569.5	1,036.1	893.3	2,155.1
Amortisation and impairment losses of excess value – intangible assets	(65.8)	(64.7)	(125.9)	(130.5)	(254.2)
Other items	(18.5)	(9.2)	(25.8)	(19.2)	(49.5)
Profit/(loss) before tax expense	**1,502.7**	**1,709.3**	**2,867.6**	**3,318.2**	**6,139.9**
Key figures general insurance					
Large losses [4]	142.8	197.6	247.3	368.5	871.8
Run-off gains/(losses) [5]	246.2	227.1	486.2	475.4	1,023.4
Loss ratio [6]	68.0%	65.0%	69.6%	67.8%	69.1%
Cost ratio [7]	15.3%	15.6%	15.4%	11.1%	14.2%
Combined ratio [8]	83.3%	80.6%	85.0%	79.0%	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 51.5 million (84.3) for the year to date and 38.0 million (22.5) 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

Solid second-quarter result

Group profit performance

Year-to-date development

The Gjensidige Forsikring Group recorded a strong profit before tax expense of NOK 2,867.6 million (3,318.2) in the first half year. The profit from general insurance operations measured by the underwriting result was NOK 1,704.6 million (2,322.4), corresponding to a combined ratio of 85.0 (79.0). 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. Adjusted for this, the comparable underwriting result was NOK 1,845.8 million, corresponding to a combined ratio of 83.3.

The return on financial assets was 1.9 per cent (1.6), or NOK 1,036.1 million (893.3).

The tax expense amounted to NOK 663.1 million (914.5), corresponding to an effective tax rate of 23.1 per cent (27.6). The effective tax rate was influenced by realised and unrealised gains and losses on equity investments in the EEA. In the second quarter, the effective tax rate was negatively affected by an updated basis for the tax return, but without this affecting tax payable.

The profit after tax expense was NOK 2,204.6 million (2,403.7), corresponding to NOK 4.41 (4.82) per share.

The solid underwriting result was positively influenced by premium growth of 2.9 per cent, leading to earned premiums totalling NOK 11.4 billion (11.1) in the first half-year. Adjusted for currency effects, growth was 3.6 per cent. The result also reflects continued good customer and risk selection, and risk pricing. Furthermore, the result was 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 3.0 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 continued soft market conditions. A lower level of large losses contributed positively to the underwriting result, but this was more than offset by an increase in the underlying frequency claims level.

In the Nordic segment, earned premiums increased by 12.0 per cent (14.9 per cent in local currency), mainly due to the acquisitions of Vardia and Mølholm. Underlying growth was 3.5 per cent, mainly related to the Swedish portfolio. The underwriting result was negative and lower than in the same period last year, primarily due to a less favourable frequency claims development in Denmark, a lower level of run-off gains and a negative, but improving contribution from the acquired Vardia portfolio.

Earned premiums in the Baltic segment increased by 0.9 per cent (by 3.0 per cent in local currency). The underwriting result improved from the same period last year, but was still negative, impacted by several medium-sized claims.

The Retail Bank's profit performance improved, largely driven by portfolio growth and an improved interest margin. The Pension segment's profit performance developed positively, mainly due to higher business volume. In February 2017, Gjensidige Investeringsrådgivning was merged with Gjensidige Bank. Comparable figures have been disclosed accordingly.

The return on financial assets was satisfactory, and higher than in the same period last year. Convertible bonds, equities and property in particular delivered good returns.

Development during the quarter

The Group recorded a profit before tax expense for the quarter of NOK 1,502.7 million (1,709.3). The profit from general insurance operations measured by the underwriting result was NOK 972.3 million (1,071.6), corresponding to a combined ratio of 83.3 (80.6). The return on financial assets was 0.9 per cent (1.0), or NOK 469.9 million (569.5).

The profit after tax expense was NOK 1,094.5 million (1,294.8), corresponding to NOK 2.19 (2.60) per share.

The solid underwriting result was driven by 5.2 per cent growth in premiums combined with a somewhat higher underlying frequency claims loss ratio. Large losses were lower than in the second quarter 2016, and below what is normally expected. However, due to one very large fire in the quarter that affected the Commercial segment, a negative reinstatement premium of NOK 55 million was recognised in the Corporate Centre. Run-off gains were close to the expected level.

The Retail Bank showed a positive profit development compared to the same quarter last year, mainly driven by portfolio growth and improved margins. Pension recorded a profit at the same level as in the same period last year.

The financial result in the quarter was positively impacted by good returns, especially on convertible bonds, equities and property.

Equity and capital position

The Group's equity amounted to NOK 21,517.1 million (21,177.1) at the end of the period. The annualised return on equity was 21.1 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): 144 per cent
- Partial Internal Model (PIM): 171 per cent

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

- Standard Formula (SF): 147 per cent
- Partial Internal Model (PIM): 174 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 constitutes the strategic buffer. The buffer 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 pay-out ratio of 70 per cent of net profit.

Other matters

Update on Solvency II-related regulatory uncertainties

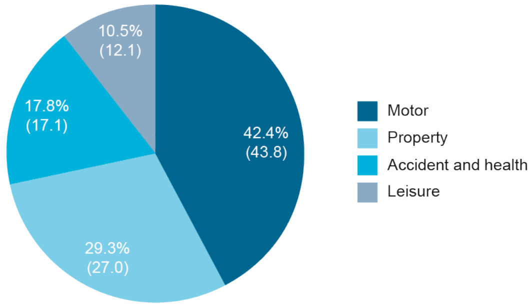
There is still some uncertainty about how capital requirements and qualifying funds will be calculated under the Solvency II rules.

For Gjensidige, the main remaining uncertainty is whether the guarantee scheme provisions will be included in qualifying funds. The 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. Such approval is expected during 2017.

Product groups Private
Earned premiums year to date (same period last year)



General Insurance Private

Year-to-date development

The underwriting result was NOK 1,163.7 million (1,111.1). The increase was mainly driven by increased run-off gains. The combined ratio was 72.1 (72.5).

Earned premiums increased to NOK 4,164.1 million (4,042.1), 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 97.1 million. Adjusted for this and for one large leisure contract that was not renewed from 1 January 2017, premium growth was a satisfactory 2.5 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 showed a small decrease in premiums.

Claims incurred amounted to NOK 2,481.6 million (2,421.6). The loss ratio was 59.6 (59.9). Motor and property insurance showed increased loss ratios, while leisure and accident and health insurance showed positive development. Overall, the weather situation was benign also in the first half-year 2017, resulting in a positive impact on frequency claims development. As previously communicated, pricing measures have been taken in order to offset higher expected claims inflation in motor insurance going forward. The effects will materialise gradually 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 518.9 million (509.4) and the cost ratio was 12.5 (12.6).

Development during the quarter

The underwriting result was NOK 644.9 million (629.9). The increase was mainly driven by increased run-off gains. The combined ratio was 69.7 (69.3).

Earned premiums amounted to NOK 2,129.8 million (2,053.6). 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 53.8 million. Premium growth adjusted for Mondux and the not-renewed leisure contract was 3.4 per cent.

Claims incurred amounted to NOK 1,224.1 million (1,167.5). The loss ratio was 57.5 (56.8). Motor and property showed an increase in loss ratios, whereas leisure and accident and health showed a reduction. Underlying, the Mondux product portfolio negatively affected the loss ratio by 0.6 percentage points.

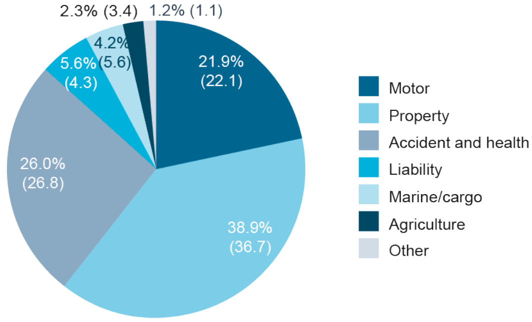
Operating expenses amounted to NOK 260.8 million (256.3) and the cost ratio was 12.2 (12.5).

General Insurance Private

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums	2,129.8	2,053.6	4,164.1	4,042.1	8,291.3
Claims incurred etc.	(1,224.1)	(1,167.5)	(2,481.6)	(2,421.6)	(5,030.8)
Operating expenses	(260.8)	(256.3)	(518.9)	(509.4)	(1,063.8)
Underwriting result	**644.9**	**629.9**	**1,163.7**	**1,111.1**	**2,196.7**
Amortisation and impairment losses of excess value – intangible assets	(6.4)	(6.4)	(12.9)	(12.9)	(25.8)
Large losses [1]			10.2	11.0	56.2
Run-off gains/(losses) [2]	131.1	48.6	253.5	158.3	377.5
Loss ratio [3]	57.5%	56.8%	59.6%	59.9%	60.7%
Cost ratio [4]	12.2%	12.5%	12.5%	12.6%	12.8%
Combined ratio [5]	69.7%	69.3%	72.1%	72.5%	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 819.2 million (848.1). The positive impact from lower large losses was more than offset by weaker underlying frequency claims development. The combined ratio was 77.3 (76.6).

Earned premiums were NOK 3,613.2 million (3,618.9). The Norwegian economy is in a recovery phase, and the competitive environment for commercial lines remains challenging. Property contributed positively to premium development, while pricing in accident and health lines remain soft.

Claims incurred amounted to NOK 2,373.0 million (2,369.4) and the loss ratio was 65.7 (65.5). Lower large losses and higher run-off gains contributed positively to the development. The underlying loss ratio was somewhat weaker compared with the same period last year, in particular for accident and health insurance and motor insurance. Overall, profitability was still good in absolute terms. As previously communicated, measures have been taken to offset expectations of higher claims inflation in motor insurance. The effects will materialise gradually over a 12-24-month period after implementation.

Operating expenses amounted to NOK 421.0 million (401.4) and the cost ratio was 11.7 (11.1).

Development during the quarter

The underwriting result was NOK 469.1 million (531.3). The decrease reflects a less benign frequency claims development and higher costs due to extraordinary provisions. The combined ratio was 74.1 (70.7).

Earned premiums were NOK 1,814.8 million (1,813.1). Property insurance contributed positively to premium development in the quarter.

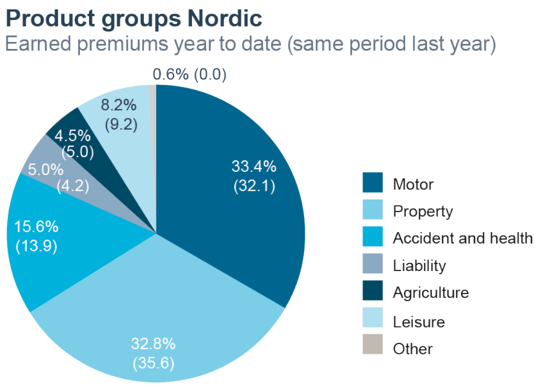
Claims incurred amounted to NOK 1,134.1 (1,082.4) and the loss ratio was 62.5 (59.7). Large losses were somewhat lower than in the corresponding period last year, despite a large fire in April that affected property and business interruption insurance. Most of the claim was covered by the reinsurance programme. Underlying frequency claims levels were higher than in the same quarter last year. In particular, accident and health insurance, marine/ cargo insurance and motor insurance showed an increase in the underlying loss ratio. Profitability was still good for most products, however.

Operating expenses amounted to NOK 211.6 million (199.5) and the cost ratio was 11.7 (11.0). The increase was mainly due to provisions relating to organisational changes.

General Insurance Commercial

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums	1,814.8	1,813.1	3,613.2	3,618.9	7,257.4
Claims incurred etc.	(1,134.1)	(1,082.4)	(2,373.0)	(2,369.4)	(4,825.1)
Operating expenses	(211.6)	(199.5)	(421.0)	(401.4)	(801.1)
Underwriting result	**469.1**	**531.3**	**819.2**	**848.1**	**1,631.3**
Large losses [1]	74.7	85.5	89.7	164.5	448.6
Run-off gains/(losses) [2]	118.7	109.1	236.1	221.7	486.5
Loss ratio [3]	62.5%	59.7%	65.7%	65.5%	66.5%
Cost ratio [4]	11.7%	11.0%	11.7%	11.1%	11.0%
Combined ratio [5]	74.1%	70.7%	77.3%	76.6%	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



General Insurance Nordic

Year-to-date development

The underwriting result was negative at minus NOK 26.8 million (positive 167.2). 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 Vardia portfolio also contributed to the weaker result. The combined ratio was 100.9 (94.0).

Earned premiums increased to NOK 3,145.9 million (2,809.6). Currency effects negatively affected earned premiums by NOK 72.4 million. The transfer of the Mondux product portfolio to the Private segment reduced earned premiums by NOK 70.0 million. Vardia contributed NOK 298.2 million and Mølholm NOK 85.4 million to earned premiums. The premiums in the Danish portfolio accounted for around 73 per cent of total premiums in the segment. The underlying premium development in the Danish portfolio was marginally positive. The underlying premium development in the Swedish portfolio was positive.

Claims incurred amounted to NOK 2,675.9 million (2,206.3). Currency effects reduced claims incurred by NOK 57.0 million. The loss ratio was 85.1 (78.5). The higher loss ratio was due to a less favourable underlying frequency claims development, primarily in commercial property insurance in Denmark, and lower run-off gains. Pricing measures have been taken to compensate for higher expected overall claims inflation in Denmark going forward, and the launch of new and more sophisticated tariffs later this year will contribute to better agility and risk-pricing, and improved renewal processes. Due to similar initiatives, the Swedish portfolio is on track to achieve underlying profitability towards the end of 2017.

Operating expenses were NOK 496.8 million (436.2). Currency effects reduced operating expenses by NOK 11.6 million. The increase in costs was mainly due to the acquisitions of Vardia and Mølholm. The cost ratio was 15.8 (15.5).

Development during the quarter

The underwriting result was NOK 1.5 million (47.6). The decline in the underwriting result was mainly due to a less favourable underlying frequency claims development. The combined ratio was 99.9 (96.6).

Earned premiums increased to NOK 1,659.2 million (1,388.8). NOK 5.0 million of the increase was related to currency effects. The Mondux transfer reduced earned premiums by NOK 35.6 million. Vardia contributed NOK 153.8 million and Mølholm NOK 85.4 million to the premium increase. The underlying premium development was slightly positive in Denmark, driven by an increase in the private portfolio that was partly counteracted by negative growth in property insurance in the commercial portfolio. Sweden showed positive underlying growth for both the private and the commercial portfolios.

Claims incurred amounted to NOK 1,400.3 million (1,113.7). Currency effects increased claims incurred by NOK 3.0 million. The loss ratio was 84.4 (80.2). The higher loss ratio was mainly due to a less favourable underlying frequency claims development in the Commercial portfolio in Denmark.

Operating expenses amounted to NOK 257.4 million (227.5). The currency effect was immaterial. The increase is attributed to the acquisitions of Vardia and Mølholm. The cost ratio was 15.5 (16.4).

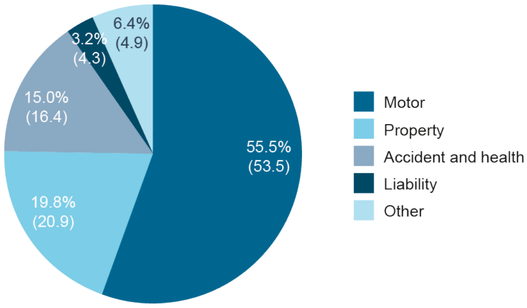
The acquisition of Mølholm Forsikring A/S was closed on 1 May 2017.

General Insurance Nordic

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums	1,659.2	1,388.8	3,145.9	2,809.6	5,917.8
Claims incurred etc.	(1,400.3)	(1,113.7)	(2,675.9)	(2,206.3)	(4,739.6)
Operating expenses	(257.4)	(227.5)	(496.8)	(436.2)	(930.9)
Underwriting result	**1.5**	**47.6**	**(26.8)**	**167.2**	**247.3**
Amortisation and impairment losses of excess value – intangible assets	(55.7)	(54.7)	(105.9)	(109.8)	(216.8)
Large losses [1]	30.0	89.6	95.9	108.7	161.6
Run-off gains/(losses) [2]	(4.7)	60.8	(8.5)	70.3	150.7
Loss ratio [3]	84.4%	80.2%	85.1%	78.5%	80.1%
Cost ratio [4]	15.5%	16.4%	15.8%	15.5%	15.7%
Combined ratio [5]	99.9%	96.6%	100.9%	94.0%	95.8%

[1] Large losses = loss event 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 31.1 million (minus 41.4). The combined ratio was 105.9 (107.9), negatively affected by several medium-sized claims.

Earned premiums increased to NOK 526.5 million (522.0). Adjusted for currency effects, premiums increased further NOK 10.8 million. The positive underlying premium development was driven by portfolio restructuring and repricing activities.

Claims incurred amounted to NOK 382.7 million (371.0). Currency effects contributed positively by NOK 7.7 million. The reported loss ratio was 72.7 (71.1). Lower run-off gains negatively affected the loss ratio compared with the same period last year. The underlying frequency claims development was stable, but it was affected by several medium-sized claims. Continued improvements in tariffs and the claims handling process are expected to improve profitability going forward.

Operating expenses amounted to NOK 174.9 million (192.5). NOK 4.0 million of the decrease in operating expenses was related to currency effects. The cost ratio fell to 33.2 percent (36.9). The decrease was mainly due to restructuring and cost-saving initiatives.

The Baltic segment is on track to reach break-even during 2017 and to deliver profitability in 2018.

Development during the quarter

The underwriting result was negative at minus NOK 19.2 million (minus 36.2). The combined ratio was 107.1 per cent (114.1).

Earned premiums amounted to NOK 271.1 million (257.7). NOK 2.9 million of the increase was related to currency effects.

Claims incurred amounted to NOK 201.1 million (194.5). NOK 1.5 million of the increase was related to currency effects. The loss ratio was 74.2 per cent (75.5). The loss ratio was negatively affected by lower run-off gains. The underlying frequency claims development improved somewhat.

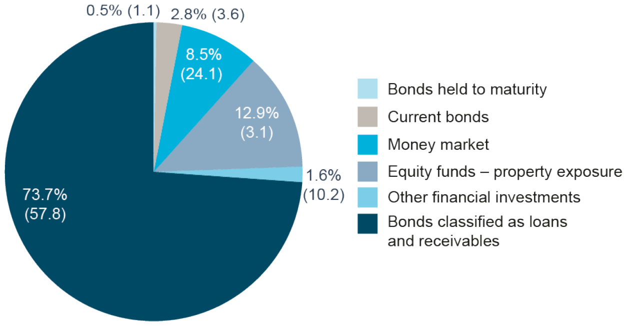
Operating expenses decreased to NOK 89.2 million (99.4). Currency effects negatively affected expenses by NOK 0.8 million. The cost ratio decreased to 32.9 per cent (38.6), driven by restructuring and cost-saving initiatives. The cost base is expected to decrease further as reductions in sales commissions and other saving initiatives are realised.

General Insurance Baltics

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums	271.1	257.7	526.5	522.0	1,036.3
Claims incurred etc.	(201.1)	(194.5)	(382.7)	(371.0)	(748.4)
Operating expenses	(89.2)	(99.4)	(174.9)	(192.5)	(387.4)
Underwriting result	**(19.2)**	**(36.2)**	**(31.1)**	**(41.4)**	**(99.5)**
Amortisation and impairment losses of excess value – intangible assets	(3.7)	(3.6)	(7.1)	(7.8)	(14.9)
Large losses [1]					
Run-off gains/(losses) [2]	(1.5)	3.4	4.1	11.1	12.8
Loss ratio [3]	74.2%	75.5%	72.7%	71.1%	72.2%
Cost ratio [4]	32.9%	38.6%	33.2%	36.9%	37.4%
Combined ratio [5]	107.1%	114.1%	105.9%	107.9%	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 54.2 million (52.0).

Administration fees increased to NOK 66.4 million (59.6) as a result of a growing customer portfolio. Insurance revenues declined to NOK 24.3 million (26.3) as a result of increased claims provisions.

Management income increased to NOK 59.3 million (39.8), driven by an increase in assets and a change in the classification of management costs of NOK 11.3 million, which were previously reported as income reductions but are now treated as operating expenses.

The defined contributions market remains competitive but highly active, creating ample business opportunities.

Operating expenses were NOK 114.9 million (98.1) after the change in the classification of management costs 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 amounted to NOK 19.1 million (24.4). The reduction was driven by reduced interest income related to the corporate portfolio following the issue of a subordinated bond in June last year, and by generally reduced interest rates, which resulted in a lower overall yield on the group portfolio. The company's share of the profit relating to the paid-up policy portfolio was allocated in its entirety as a longevity provision.

During the first six months of the year, assets under management increased by NOK 3,012.1 million. At the end of the period, pension assets under management amounted to NOK 26,249.4 million (21,160.5), including the group policy portfolio of NOK 5,726.7 million (5,147.0).

The recognised return on the paid-up policy portfolio was 1.90 per cent (2.19). The average annual interest guarantee was 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 was NOK 23.1 million (23.6).

Administration fees and insurance revenues were NOK 33.7 million (30.3) and NOK 8.6 million (13.8), respectively. The reduced insurance revenue was due to a strengthening of claims provisions. Management income increased to NOK 30.5 million (19.6) for the same reasons as described above.

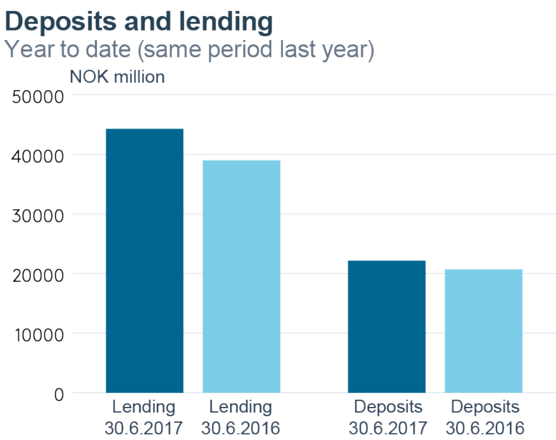
Operating expenses were NOK 58.5 million (52.3), of which NOK 5.6 million was related to the above-mentioned reclassification.

Net financial income decreased to NOK 8.7 million (12.1).

Pension

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Administration fees	33.7	30.3	66.4	59.6	127.8
Insurance income	8.6	13.8	24.3	26.3	68.0
Management income etc.	30.5	19.6	59.2	39.8	83.6
Operating expenses	(58.5)	(52.3)	(114.9)	(98.1)	(191.1)
Net operating income	**14.4**	**11.5**	**35.1**	**27.6**	**88.4**
Net financial income	8.7	12.1	19.1	24.4	26.4
Profit/(loss) before tax expense	**23.1**	**23.6**	**54.2**	**52.0**	**114.8**
Run-off gains/(losses) [1]					
Operating margin [2]	19.70%	17.99%	23.40%	21.97%	31.62%
Recognised return on the paid-up policy portfolio [3]			1.90%	2.19%	4.08%
Value-adjusted return on the paid-up policy portfolio [4]			2.24%	2.23%	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



Retail Bank

Year-to-date development

The profit before tax expense increased to NOK 224.4 million (200.4). The increase was a result of higher income driven by portfolio growth, partly offset by an increase in write-downs and losses. Operations grew efficiently, with expenses remaining flat compared to the previous year. The contribution from the merged savings and investment operations was NOK 7.3 million (5.5).

Net interest income amounted to NOK 464.5 million (379.6). The improvement was driven by business growth and increased margins. In 2016, the payment of the Deposits Guarantee Fund fee, amounting to NOK 12.6 million, impacted the earnings during the first quarter of the year. In 2017, the fee will be distributed equally over a period of 12 months.

Net commission income and other income were NOK 33.7 million (51.6).This was a result of higher acquisition costs driven by business growth.

The net interest margin was 2.00 per cent (1.82). The increase was driven by improved funding costs and the above-mentioned changed accounting practice for the fee to the Deposit Guarantee Fund.

Operating expenses were NOK 206.9 million (207.2). The development was positively impacted by a change in accounting practice regarding the amortisation of acquisition costs directly related to loans. The change was driven by the bank's distribution strategy. The cost/income ratio decreased to 41.5 per cent (48.1).

Total write-downs and losses amounted to NOK 66.8 million (23.6). 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 provisions built up for this group of loans. Total write-downs and losses increased compared to last year as a result of portfolio growth and changes in credit policy, driven by decreased expectations of repayment by delinquent customers. The overall portfolio continues to be of high quality. Write-downs and losses were 0.32 per cent (0.13, or 0.19 excluding the portfolio sale) of average gross lending. The weighted average loan-to-value ratio [1] was estimated to be 60.3 per cent (63.4) for the mortgage portfolio.

Gross lending increased by 13.6 per cent and amounted to NOK 44,264.3 million (38,959.1) at the end of the period. Deposits increased by 7.1 per cent, reaching NOK 22,153.9 million (20,682.3) at the end of the period. The deposits-to-loans ratio was 50.0 per cent (53.1).

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 in this report.

Retail Bank

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Interest income and related income	403.7	349.8	782.8	693.5	1,408.0
Interest expenses and related expenses	(161.4)	(148.9)	(318.3)	(313.9)	(610.7)
Net interest income	**242.3**	**200.9**	**464.5**	**379.6**	**797.3**
Net commission income and other income	13.3	31.4	33.7	51.6	117.7
Total income	**255.6**	**232.4**	**498.2**	**431.2**	**915.0**
Operating expenses	(100.3)	(100.5)	(206.9)	(207.2)	(406.5)
Write-downs and losses	(33.6)	(13.3)	(66.8)	(23.6)	(69.5)
Profit/(loss) before tax expense	**121.7**	**118.6**	**224.4**	**200.4**	**439.1**
Net interest margin, annualised [1]			2.00%	1.82%	1.85%
Write-downs and losses, annualised [2]			0.32%	0.13%	0.18%
Cost/income ratio [3]	39.3%	43.2%	41.5%	48.1%	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

On 20 April 2017, the Pillar 2 requirement for Gjensidige Bank ASA was set at 1.5 per cent by the Financial Supervisory Authority of Norway. The core equity Tier 1 capital for the bank had to be increased to 13.0 per cent starting 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.

After the annual evaluation process, Standard and Poor's kept the rating for Gjensidige Bank ASA unchanged at a long-term and short-term counterparty credit rating of A/A-1; outlook '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 121.7 million (118.6).The improvement was a result of business growth and increased margins, partly offset by higher write-downs and losses and lower gains on financial instruments.

Net interest income was NOK 242.3 million (200.9), driven by business growth and increased margins. The net commission income and other income fell to NOK 13.3 million (31.4) as a result of lower gains on financial instruments and higher acquisition costs.

Operating expenses amounted to NOK 100.3 million (100.5). The cost/income ratio was 39.3 per cent (43.2).

Total write-downs and losses amounted to NOK 33.6 million (13.3). The increase was driven by portfolio growth and changes in the credit policy that led to decreased expectations of repayment by delinquent customers.

Gross lending growth was NOK 1,367.1 million (1,242.9), while deposits decreased by NOK 553.2 million (580.2).

[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.

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 second quarter, the investment portfolio totalled NOK 52.7 billion (54.3). The financial result for the first half-year was NOK 1,036.1 million (893.3), which corresponds to a return on total assets of 1.9 per cent (1.6).

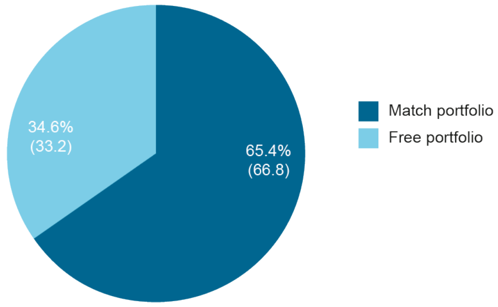
Match portfolio

The match portfolio amounted to NOK 34.5 billion (36.3). The portfolio yielded a return of 1.6 per cent (1.9), excluding changes in the value of the bonds recognised at amortised cost.

Bonds recognised at amortised cost amounted to NOK 17.1 billion (18.8). Unrealised excess value amounted to NOK 1.3 billion (1.7) at the end of the period. The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 2.8 per cent on average during the period, and the running yield was 4.2 per cent at the end of the second quarter.

Portfolio split

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



The average duration of the match portfolio was 3.5 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 10.3 billion (11.5). Of these securities, 7.0 per cent (11.4) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or municipalities. Bonds with a coupon linked to the development in the Norwegian consumer price index accounted for 10.2 per cent (11.2) of the match portfolio.

The geographical distribution [1] 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.

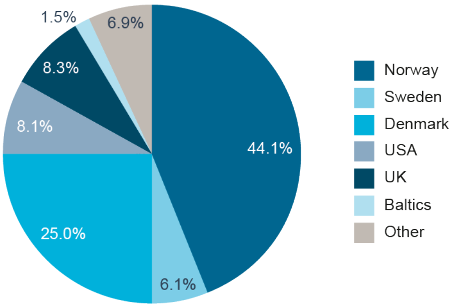
Financial assets and properties

	Result Q2		Result 1.1.-30.6.		Carrying amount 30.6	
NOK millions	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Match portfolio						
Money market	19.4	34.7	51.5	84.2	4,212.7	5,607.1
Bonds at amortised cost	174.6	222.6	353.5	439.7	17,117.8	18,807.0
Current bonds [1]	83.7	104.3	131.7	157.4	13,177.7	11,879.9
Match portfolio total	**277.7**	**361.7**	**536.6**	**681.3**	**34,508.2**	**36,294.0**
Free portfolio						
Money market	7.8	7.9	24.5	27.8	3,643.5	3,478.1
Other bonds [2]	34.2	116.0	57.3	248.3	3,256.7	3,513.1
High yield bonds [3]	16.1	59.7	35.9	116.1	834.9	1,779.4
Convertible bonds [4]	23.8	1.6	57.3	(19.7)	1,075.7	787.7
Current equities [5]	79.5	56.7	197.1	38.2	2,907.8	2,534.8
PE funds	26.5	(6.3)	46.8	(147.2)	1,192.2	1,166.2
Property	63.3	37.3	175.9	86.4	3,442.9	3,208.5
Other [6]	(59.0)	(65.0)	(95.2)	(138.0)	1,865.5	1,558.6
Free portfolio total	**192.2**	**207.8**	**499.5**	**212.0**	**18,219.2**	**18,026.4**
Financial result from the investment portfolio	**469.9**	**569.5**	**1,036.1**	**893.3**	**52,727.4**	**54,320.4**
Financial income in Pension and Retail Bank	18.4	29.2	45.9	45.8		
Interest expense on subordinated loan Gjensidige Forsikring ASA	(7.6)	(7.7)	(15.6)	(15.7)		
Net income from investments	**480.8**	**591.0**	**1,066.4**	**923.4**		

[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 (514.6) 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.

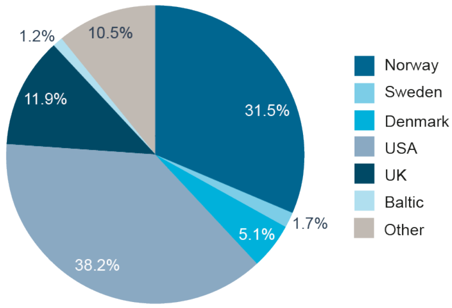
Geographic distribution match portfolio

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 18.2 billion (18.0) at the end of the period. The return was 2.6 per cent (1.1).

Fixed-income instruments
The fixed-income instruments in the free portfolio amounted to NOK 8.8 billion (9.6), of which money market investments, including cash, accounted for NOK 3.6 billion (3.5). 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 1.7 per cent (3.4). 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 2.1 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 1.4 billion (1.4). Of these securities, 20.9 per cent (8.1) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies or municipalities.

The geographical distribution[1] 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 4.1 billion (3.7), of which NOK 2.9 billion (2.5) was current equities and NOK 1.2 billion (1.2) PE funds. The return on current equities was 7.0 per cent (1.4). The return was driven by a general good market performance by international equities, in particular emerging market equities. The return on PE funds was 4.0 per cent (minus 11.7).

Property portfolio
At the end of the period, the exposure to commercial real estate in the portfolio was NOK 3.4 billion (3.2). The property portfolio yielded a return of 5.2 per cent (2.7), positively influenced by the termination of the forward contract as of 31 December 2016, contributing a net profit of NOK 48 million. One property sale and some valuation changes contributed NOK 30 million and NOK 29 million, respectively, in the first half-year.

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

Return per asset class

Per cent	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Match portfolio					
Money market	0.4	0.6	1.1	1.3	2.2
Bonds at amortised cost	1.0	1.2	2.0	2.3	4.7
Current bonds [1]	0.7	0.9	1.0	1.4	2.3
Match portfolio total	**0.8**	**1.0**	**1.6**	**1.9**	**3.5**
Free portfolio					
Money market	0.2	0.2	0.5	0.6	1.0
Other bonds [2]	1.1	3.4	1.7	6.8	8.1
High yield bonds [3]	1.9	3.1	4.0	5.6	11.5
Convertible bonds [4]	2.2	0.2	5.4	(2.2)	1.1
Current equities [5]	2.8	2.2	7.0	1.4	15.1
PE funds	2.2	(0.5)	4.0	(11.7)	(12.5)
Property	1.8	1.2	5.2	2.7	7.9
Other [6]	(3.4)	(3.7)	(5.6)	(8.0)	(11.0)
Free portfolio total	**1.0**	**1.1**	**2.6**	**1.1**	**4.6**
Return on financial assets	**0.9**	**1.0**	**1.9**	**1.6**	**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 (514.6) million.
[7] 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 469.9 million (569.5) in the quarter. This corresponds to a return on financial assets of 0.9 per cent (1.0).

The match portfolio yielded 0.8 per cent (1.0), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 1.0 per cent (1.1). The positive return was primarily driven by returns on the investments in convertible bonds, equities and properties. This was partly offset by negative returns from tactical allocations.

Key risk and uncertainty factors

Managing risk is an integral part of Gjensidige's day-to-day operations. Identification, assessment, monitoring and control of risk exposure against risk appetite, as well as analysing the effects of potential strategic decisions on the risk profile, are an essential part of operations.

Insurance risk

General insurance operations account for most of the Group's business and most of the risk. The risk under any insurance contract is the probability of the insured event occurring and the uncertainty about the amount of the resulting claim. Because of the very nature of an insurance contract, this risk is random and must therefore be estimated. For a portfolio of insurance contracts to which the theory of probability is applied in order to calculate prices and technical provisions, the principal risk the Group faces under its insurance contracts is that the actual claims and benefit payments will exceed the carrying amount of the insurance liabilities. This could occur because the frequency and/or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year in relation to the level calculated using statistical techniques.

The insurance markets in which the Group operates will continue to be characterised by strong competition. The risk of the general premium level not being satisfactory is continuously monitored. The same applies to developments in the frequency and average size of claims, and methods are continuously being developed in order to set prices more precisely. Gjensidige mainly manages these risks through close monitoring of profitability development, underwriting guidelines and proactive claims handling. If profitability shows an adverse development, sufficient measures will be implemented. This includes necessary premium increases to ensure that profitability remains within the accepted range.

The Group continuously endeavours to set the technical provisions at the correct level. There is nonetheless an inherent risk that the technical provisions will be insufficient. In order to reduce this risk, regular efforts are made to improve the actuarial methods used. Both external actuaries and the actuarial function are used to conduct independent reviews of the provisions. The reviews have confirmed that the technical provisions are sufficient, and that the risk of substantial run-off losses is low. Gjensidige purchases reinsurance to protect the Group's equity capital and reinsurance is a capital management tool. The maximum retention is approved by the Board.

Financial risk

Financial risk is a collective term for various types of risk relating to financial assets and liabilities. Financial investments are vulnerable to changes in macroeconomic factors and more short-term changes in the market's appetite for risk. The financial investments largely consist of fixed-income investments, property and equities. Continuous monitoring of financial performance in relation to adopted performance requirements and the expected development in profit performance, combined with a large proportion of highly liquid assets, makes it possible to quickly adapt the risk level in the event of negative developments. This entails a moderate fluctuation risk for future financial results.

For most general insurers, the liquidity risk is quite limited. Premium income is paid up-front, and claims are paid out at a later stage. Future payments are not based on contractual payment dates, but rather on when claims arise and how long the claims handling takes.

The Group is exposed to credit risk, i.e. the risk that a counterparty is unable or unwilling to settle its liability on the due date or the risk that the credit spreads will increase. The exposure to credit risk in the investments is primarily in the insurance companies, and through receivables from insurance customers and reinsurers. The Group is also exposed to credit risk through its lending business in the bank. Limits have been set for credit operations, and reinsurers are required to have at least an A rating from Standard & Poor's or an equivalent rating.

Operational risk

Operational risk is the risk of losses resulting from inadequate or failing internal processes or systems, human error or external events. In order to reduce the risk, emphasis has been placed on having well-defined and clear lines of reporting and a clear division of responsibility in the organisation of the business.

Organisation

The Group had a total of 3,919 employees at the end of the second quarter, compared with 3,883 at the end of the first quarter. The increase is due to the acquisition of Mølholm Insurance in Denmark.

The number of employees broke down as follows: 1,921 (1,953) in general insurance operations in Norway, 160 (159) in Gjensidige Bank, 62 (58) in Gjensidige Pensjonsforsikring, 765 (687) in Denmark, 376 (373) in Sweden and 635 (653) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the first 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 for the past ten years.
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 2.5-4.5 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 capital in excess of the targeted capitalisation.

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. Although the macroeconomic situation is still somewhat challenging, the outlook for the Norwegian and Nordic general insurance operations is still 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, and approval is expected in 2017. 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, 13 July 2017
The Board of Gjensidige Forsikring ASA

Inge K. Hansen
Chair

Per Arne Bjørge

Eivind Elnan

John Giverholt

Gisele Marchand

Gunnar Mjåtvedt

Hilde Merete Nafstad

Anne Marie Nyhammer

Lotte K. Sjøberg

Helge Leiro Baastad
CEO

Consolidated income statement

NOK millions	Notes	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Operating income						
Earned premiums from general insurance	4	5,824.7	5,536.8	11,372.5	11,050.8	22,441.9
Earned premiums from pension		324.9	294.4	829.5	611.2	1,479.4
Interest income etc. from banking operations		403.7	349.8	782.8	693.5	1,408.0
Other income including eliminations		30.9	35.1	68.7	72.2	162.0
Total operating income	**3**	**6,584.2**	**6,216.0**	**13,053.4**	**12,427.7**	**25,491.4**
Net income from investments						
Results from investments in associates and joint ventures		49.4	29.8	107.7	63.2	184.1
Interest income and dividend etc. from financial assets		283.9	366.0	545.1	673.0	1,262.0
Net changes in fair value on investments (incl. property)		107.1	(159.5)	(59.7)	(1,216.3)	(1,040.3)
Net realised gain and loss on investments		71.5	389.6	534.6	1,472.9	1,920.8
Expenses related to investments		(31.2)	(34.9)	(61.2)	(69.3)	(130.5)
Total net income from investments		**480.8**	**591.0**	**1,066.4**	**923.4**	**2,196.1**
Total operating income and net income from investments		**7,065.0**	**6,807.1**	**14,119.8**	**13,351.1**	**27,687.5**
Claims, interest expenses, loss etc.						
Claims incurred etc. from general insurance	5, 6	(3,961.7)	(3,599.6)	(7,919.6)	(7,497.7)	(15,515.9)
Claims incurred etc. from pension		(282.6)	(250.2)	(738.7)	(525.3)	(1,283.5)
Interest expenses etc. and write-downs and losses from banking operations		(195.0)	(162.2)	(385.0)	(337.5)	(680.1)
Total claims, interest expenses, loss etc.		**(4,439.2)**	**(4,012.0)**	**(9,043.4)**	**(8,360.6)**	**(17,479.6)**
Operating expenses						
Operating expenses from general insurance		(890.7)	(865.6)	(1,748.3)	(1,230.7)	(3,191.4)
Operating expenses from pension		(58.5)	(52.3)	(114.9)	(98.1)	(191.1)
Operating expenses from banking operations		(100.3)	(100.5)	(206.9)	(207.2)	(406.5)
Other operating expenses		(7.8)	(2.7)	(12.7)	(5.7)	(24.8)
Amortisation and impairment losses of excess value - intangible assets		(65.8)	(64.7)	(125.9)	(130.5)	(254.2)
Total operating expenses		**(1,123.1)**	**(1,085.7)**	**(2,208.8)**	**(1,672.3)**	**(4,068.0)**
Total expenses		**(5,562.3)**	**(5,097.7)**	**(11,252.2)**	**(10,032.9)**	**(21,547.5)**
Profit/(loss) before tax expense	**3**	**1,502.7**	**1,709.3**	**2,867.6**	**3,318.2**	**6,139.9**
Tax expense		(408.1)	(414.6)	(663.1)	(914.5)	(1,474.1)
Profit/(loss)		**1,094.5**	**1,294.8**	**2,204.6**	**2,403.7**	**4,665.9**
Profit/(loss) for the period attributable to:						
Owners of the company		1,095.3	1,298.0	2,206.8	2,407.4	4,670.4
Non-controlling interests		(0.8)	(3.2)	(2.2)	(3.6)	(4.5)
Total		**1,094.5**	**1,294.8**	**2,204.6**	**2,403.7**	**4,665.9**
Earnings per share, NOK (basic and diluted)		**2.19**	**2.60**	**4.41**	**4.82**	**9.34**

Consolidated statement of comprehensive income

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Profit/(loss)	**1,094.5**	**1,294.8**	**2,204.6**	**2,403.7**	**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	0,0	0,0	0,0	(232.7)	(158.7)
Share of other comprehensive income from associates and joint ventures	0,0	0,0	0,0	0,0	0.3
Tax on items that are not reclassified to profit or loss	0,0	0,0	0,0	58.2	39.7
Total items that are not reclassified subsequently to profit or loss	**0,0**	**0,0**	**0,0**	**(174.5)**	**(118.7)**
Items that may be reclassified subsequently to profit or loss					
Exchange differences from foreign operations	296.7	(95.5)	398.8	(218.8)	(391.3)
Investments available for sale	0,0	0,0	0,0	0,0	(12.5)
Tax on items that may be reclassified to profit or loss	(43.4)	16.4	(62.0)	36.2	66.7
Total items that may be reclassified subsequently to profit or loss	**253.4**	**(79.1)**	**336.8**	**(182.6)**	**(337.1)**
Total components of other comprehensive income	**253.4**	**(79.1)**	**336.8**	**(357.2)**	**(455.8)**
Total comprehensive income	**1,347.9**	**1,215.7**	**2,541.4**	**2,046.6**	**4,210.1**
Total comprehensive income for the period attributable to:					
Owners of the company	1,348.7	1,218.9	2,543.6	2,050.2	4,214.6
Non-controlling interests	(0.8)	(3.2)	(2.2)	(3.6)	(4.5)
Total	**1,347.9**	**1,215.7**	**2,541.4**	**2,046.6**	**4,210.1**

Consolidated statement of financial position

NOK millions	Notes	30.6.2017	30.6.2016	31.12.2016
Assets				
Goodwill		3,471.1	3,127.2	3,140.2
Other intangible assets		1,521.5	1,230.6	1,360.5
Deferred tax assets		24.3	28.1	19.1
Investments in associates and joint ventures		1,710.7	1,501.1	1,601.6
Interest-bearing receivables from joint ventures		1,690.5	1,648.1	1,420.2
Owner-occupied property		31.7	34.3	29.5
Plant and equipment		293.6	295.6	292.5
Pension assets		488.7	292.4	488.7
Financial assets				
Financial derivatives	7	1,103.3	1,481.3	1,335.4
Shares and similar interests	7	6,917.5	5,922.4	6,892.1
Bonds and other securities with fixed income	7	29,081.5	30,160.5	30,385.8
Bonds held to maturity	7	1,614.4	2,351.5	1,625.9
Loans and receivables	7	63,698.5	58,221.2	60,030.6
Assets in life insurance with investment options		20,472.5	15,976.4	17,780.0
Reinsurance deposits		0.3	0.6	0.3
Reinsurers' share of insurance-related liabilities in general insurance, gross		1,118.7	518.9	706.8
Receivables related to direct operations and reinsurance		6,609.2	6,118.5	5,621.5
Other receivables		1,001.7	432.5	945.9
Prepaid expenses and earned, not received income		192.9	128.5	91.3
Cash and cash equivalents		2,985.5	3,352.9	2,158.7
Total assets		**144,028.4**	**132,822.4**	**135,926.6**
Equity and liabilities				
Equity				
Share capital		1,000.0	1,000.0	999.9
Share premium		1,430.0	1,430.0	1,430.0
Other equity		19,067.5	18,726.5	19,876.3
Total equity attributable to owners of the company		**21,497.5**	**21,156.5**	**22,306.3**
Non-controlling interests		19.6	20.6	19.8
Total equity		**21,517.1**	**21,177.1**	**22,326.0**
Provision for liabilities				
Subordinated loan		1,947.1	1,947.1	1,946.8
Premium reserve in life insurance		5,502.1	4,014.1	4,127.0
Provision for unearned premiums, gross, in general insurance		12,180.0	11,430.3	9,527.9
Claims provision, gross	8	31,245.8	32,184.8	32,447.5
Other technical provisions		331.7	262.5	297.3
Pension liabilities		507.4	504.3	511.8
Other provisions		293.5	278.6	342.1
Financial liabilities				
Financial derivatives	7	812.0	1,241.4	1,191.8
Deposits from and liabilities to customers	7	22,153.9	20,682.3	21,270.4
Interest-bearing liabilities	7	23,012.3	18,910.8	19,596.5
Other liabilities	7	926.4	800.9	1,368.5
Current tax		656.7	1,271.6	1,272.7
Deferred tax liabilities		977.3	716.1	871.7
Liabilities related to direct insurance and reinsurance	7	880.0	824.7	555.2
Liabilities in life insurance with investment options		20,472.5	15,976.4	17,780.0
Accrued expenses and deferred income	7	612.5	599.4	493.3
Total liabilities		**122,511.2**	**111,645.3**	**113,600.5**
Total equity and liabilities		**144,028.4**	**132,822.4**	**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 differ-ences	Re-measure-ment 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.-30.6.2017									
Profit/(loss) (the controlling interests' share)					23.0			2,183.8	2,206.8
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.2		398.6			398.8
Tax on items that may be reclassified to profit or loss						(62.0)			(62.0)
Total items that may be reclassified subsequently to profit or loss				**0.2**		**336.6**			**336.8**
Total components of other comprehensive income				**0.2**		**336.6**			**336.8**
Total comprehensive income				**0.2**	**23.0**	**336.6**		**2,183.8**	**2,543.6**
Own shares		0,0						(5.1)	(5.1)
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				5.2					5.2
Perpetual Tier 1 capital					70.1			(0.3)	69.8
Perpetual Tier 1 capital - interest paid					(22.7)				(22.7)
Equity as at 30.6.2017 attributable to owners of the company	**1,000.0**	**0,0**	**1,430.0**	**44.6**	**1,368.8**	**450.2**	**(1,696.1)**	**18,900.0**	**21,497.5**
Non-controlling interests as at 30.6.2017									19.6
Equity as at 30.6.2017									**21,517.1**

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differ-ences	Re-measure-ment of the net defined benefit liab./asset	Other earned equity	Total equity
1.1.-30.6.2016									
Profit/(loss) (the controlling interests' share)					5.1			2,402.3	2,407.4
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						(218.8)			(218.8)
Tax on items that may be reclassified to profit or loss						36.2			36.2
Total items that may be reclassified subsequently to profit or loss						**(182.6)**			**(182.6)**
Total components of other comprehensive income						**(182.6)**	**(174.5)**		**(357.2)**
Total comprehensive income					**5.1**	**(182.6)**	**(174.5)**	**2,402.3**	**2,050.2**
Own shares		0.1						(0.3)	(0.3)
Paid dividend								(4,199.8)	(4,199.8)
Equity-settled share-based payment transactions				5.0					5.0
Perpetual Tier 1 capital - interest paid					(5.0)				(5.0)
Equity as at 30.6.2016 attributable to owners of the company	**1,000.0**	**0,0**	**1,430.0**	**36.6**	**298.9**	**255.6**	**(1,757.5)**	**19,892.8**	**21,156.5**
Non-controlling interests as at 30.6.2016									20.6
Equity as at 30.6.2016									**21,177.1**

Consolidated statement of cash flows

NOK millions	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Cash flow from operating activities			
Premiums paid, net of reinsurance	15,874.5	14,159.8	27,023.8
Claims paid, net of reinsurance	(9,271.5)	(8,828.2)	(17,547.5)
Net payment of loans to customers	(3,007.2)	(2,244.3)	(4,545.8)
Net payment of deposits from customers	883.5	1,325.1	1,848.1
Payment of interest from customers	732.2	653.2	1,326.3
Payment of interest to customers	(45.7)	(37.4)	(264.7)
Net receipts/payments of premium reserve transfers	(524.5)	(224.9)	(645.2)
Net receipts/payments from financial assets	485.6	1,374.2	953.5
Net receipt/payments on sale/acquisition of investment property	97.1		
Operating expenses paid, including commissions	(2,272.3)	(2,071.9)	(4,400.0)
Taxes paid	(1,279.2)	(989.5)	(1,376.5)
Net other receipts/payments	29.1	33.6	140.8
Net cash flow from operating activities	**1,701.6**	**3,149.8**	**2,512.8**
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	(494.0)	2.0	(92.2)
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(179.6)	(71.0)	(110.7)
Net receipts/payments on sale/acquisition of customer portfolios - intangible assets			(45.5)
Net cash flow from investing activities	**(673.6)**	**(69.1)**	**(248.4)**
Cash flow from financing activities			
Payment of dividend	(3,459.9)	(4,199.8)	(6,139.5)
Net receipts/payments on subordinated loans incl. interest	(22.0)	282.2	261.7
Net receipts/payments regarding perpetual Tier 1 capital and non-controlling interests	43.5	(6.6)	974.9
Net receipts/payments on loans to credit institutions	3,388.2	1,197.4	2,003.6
Net receipts/payments on other short-term liabilities	(37.7)	(8.4)	(19.9)
Net receipts/payments on interest on funding activities	(141.9)	(137.0)	(301.5)
Net receipts/payments on sale/acquisition of own shares	(6.8)	(0.3)	(3.7)
Net cash flow from financing activities	**(236.7)**	**(2,872.6)**	**(3,224.5)**
Effect of exchange rate changes on cash and cash equivalents	35.5	(7.2)	(33.1)
Net cash flow	**826.8**	**201.0**	**(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	2,985.5	3,352.9	2,158.7
Net cash flow	**826.8**	**201.0**	**(993.2)**
Specification of cash and cash equivalents			
Deposits with central banks	473.9	213.7	57.0
Cash and deposits with credit institutions	2,511.6	3,139.2	2,101.7
Total cash and cash equivalents	**2,985.5**	**3,352.9**	**2,158.7**

Notes

1. Accounting policies

The consolidated financial statements as of the second quarter of 2017, concluded on 30 June 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 second 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 2016, Gjensidige Bank continued the process to analyse the need for changes to the bank's models and IT systems following the implementation of the new rules for impairment provisions. The work has started and is expected to continue during 2017. It is currently too early to estimate the expected impact to the group's financial statements. 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 of loss account by both sectors involved in such transfers;
- the financial conglomerate states in the consolidated financial statements which insurance entities in the group are applying IAS 39;
- disclosures requested by IFRS 7 are provided separately for the insurance sector applying IAS 39 and for the rest of the group applying IFRS 9.

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.

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.

2. Seasonal variations

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

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

3. Segment information

The Group´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															
Second 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	2,129.8	2,053.6	1,814.8	1,813.1	1,659.2	1,388.8	271.1	257.7	355.4	314.0	407.2	364.1	(53.4)	24.7	6,584.2	6,216.0
Segment income – group [2]																
Total segment income	**2,129.8**	**2,053.6**	**1,814.8**	**1,813.1**	**1,659.2**	**1,388.8**	**271.1**	**257.7**	**355.4**	**314.0**	**407.2**	**364.1**	**(53.4)**	**24.7**	**6,584.2**	**6,216.0**
- Claims, interest expenses, loss etc.	(1,224.1)	(1,167.5)	(1,134.1)	(1,082.4)	(1,400.3)	(1,113.7)	(201.1)	(194.5)	(282.6)	(250.2)	(195.0)	(162.2)	(2.1)	(41.5)	(4,439.2)	(4,012.0)
- Operating expenses	(260.8)	(256.3)	(211.6)	(199.5)	(257.4)	(227.5)	(89.2)	(99.4)	(58.5)	(52.3)	(100.3)	(100.5)	(145.2)	(150.4)	(1,123.1)	(1,085.7)
+ Net income from investments									8.7	12.1	9.7	17.1	462.3	561.8	480.8	591.0
Segment result/profit/(loss) before tax expense	**644.9**	**629.9**	**469.1**	**531.3**	**1.5**	**47.6**	**(19.2)**	**(36.2)**	**23.1**	**23.6**	**121.7**	**118.6**	**261.6**	**394.6**	**1,502.7**	**1,709.3**

	General insurance															
1.1.-30.6.	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	4,164.1	4,042.1	3,613.2	3,618.9	3,145.9	2,809.6	526.5	522.0	888.7	651.0	789.7	723.6	(74.6)	60.4	13,053.4	12,427.7
Segment income – group [2]																
Total segment income	**4,164.1**	**4,042.1**	**3,613.2**	**3,618.9**	**3,145.9**	**2,809.6**	**526.5**	**522.0**	**888.7**	**651.0**	**789.7**	**723.6**	**(74.6)**	**60.4**	**13,053.4**	**12,427.7**
- Claims, interest expenses, loss etc.	(2,481.6)	(2,421.6)	(2,373.0)	(2,369.4)	(2,675.9)	(2,206.3)	(382.7)	(371.0)	(738.7)	(525.3)	(385.0)	(337.5)	(6.4)	(129.5)	(9,043.4)	(8,360.6)
- Operating expenses	(518.9)	(509.4)	(421.0)	(401.4)	(496.8)	(436.2)	(174.9)	(192.5)	(114.9)	(98.1)	(206.9)	(207.2)	(275.4)	172.4	(2,208.8)	(1,672.3)
+ Net income from investments									19.1	24.4	26.8	21.5	1,020.5	877.6	1,066.4	923.4
Segment result/profit/(loss) before tax expense	**1,163.7**	**1,111.1**	**819.2**	**848.1**	**(26.8)**	**167.2**	**(31.1)**	**(41.4)**	**54.2**	**52.0**	**224.4**	**200.4**	**664.1**	**980.8**	**2,867.6**	**3,318.2**

[1] Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment. Interest on subordinated loan 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	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums, gross	6,033.8	5,642.3	11,760.6	11,284.8	23,031.6
Ceded reinsurance premiums	(209.0)	(105.5)	(388.1)	(234.0)	(589.7)
Total earned premiums, net of reinsurance	**5,824.7**	**5,536.8**	**11,372.5**	**11,050.8**	**22,441.9**

5. Claims incurred etc. from general insurance

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Gross claims	(4,517.2)	(3,573.8)	(8,407.5)	(7,481.3)	(15,983.4)
Claims, reinsurers' share	555.5	(25.8)	487.9	(16.5)	467.5
Total claims incurred etc. from general insurance	**(3,961.7)**	**(3,599.6)**	**(7,919.6)**	**(7,497.7)**	**(15,515.9)**

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

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Earned premiums from general insurance	5,824.7	5,536.8	11,372.5	11,050.8	22,441.9
Run-off gain/(loss) for the period, net of reinsurance [1]	246.2	227.1	486.2	475.4	1,023.4
In per cent of earned premiums from general insurance	4.2	4.1	4.3	4.3	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 notes 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 30.6.2017	Fair value as at 30.6.2017	Carrying amount as at 30.6.2016	Fair value as at 30.6.2016
Financial assets				
Financial derivatives				
Financial derivatives at fair value through profit or loss	1,103.3	1,103.3	1,481.3	1,481.3
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	6,917.5	6,917.5	5,922.4	5,922.4
Bonds and other fixed income securities	29,081.5	29,081.5	30,160.5	30,160.5
Shares and similar interests in life insurance with investment options	18,254.5	18,254.5	14,430.1	14,430.1
Bonds and other fixed income securities in life insurance with investment options	2,218.0	2,218.0	1,546.3	1,546.3
Financial assets held to maturity				
Bonds held to maturity	1,614.4	1,667.2	2,351.5	2,462.4
Loans and receivables				
Bonds and other fixed income securities classified as loans and receivables	19,752.9	21,284.6	16,511.7	18,150.2
Loans	45,636.2	45,661.6	43,357.5	43,697.2
Receivables related to direct operations and reinsurance	6,609.2	6,609.2	6,118.5	6,118.5
Other receivables	1,001.7	1,001.7	432.5	432.5
Prepaid expenses and earned, not received income	192.9	192.9	128.5	128.5
Cash and cash equivalents	2,985.5	2,985.5	3,352.9	3,352.9
Total financial assets	**135,367.7**	**136,977.5**	**125,793.6**	**127,882.7**
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss	812.0	812.0	1,241.4	1,241.4
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	20,472.5	20,472.5	15,976.4	15,976.4
Financial liabilities at amortised cost				
Subordinated debt	1,947.1	1,948.7	1,947.1	1,854.7
Deposits from and liabilities to customers, bank	22,153.9	22,153.9	20,682.3	20,682.3
Interest-bearing liabilities	23,012.3	23,190.6	18,910.8	18,889.8
Other liabilities	926.4	926.4	800.9	800.9
Liabilities related to direct insurance	880.0	880.0	824.7	824.7
Accrued expenses and deferred income	612.5	612.5	599.4	599.4
Total financial liabilities	**70,816.7**	**70,996.7**	**60,983.0**	**60,869.6**
Gain/(loss) not recognised in profit or loss		**1,429.9**		**2,202.6**

Valuation hierarchy 2017

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

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non-observable market data	Total
Financial assets				
Financial derivatives				
Financial derivatives at fair value through profit or loss		1,103.3		1,103.3
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	80.0	4,592.9	2,244.6	6,917.5
Bonds and other fixed income securities	11,108.6	16,846.0	1,126.9	29,081.5
Shares and similar interests in life insurance with investment options	18,244.0	10.5		18,254.5
Bonds and other fixed income securities in life insurance with investment options	2,202.8	15.2		2,218.0
Financial assets at amortised cost				
Bonds held to maturity	363.2	1,304.0		1,667.2
Bonds and other fixed income securities classified as loans and receivables		21,284.6		21,284.6
Loans			45,661.6	45,661.6
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss		812.0		812.0
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	20,446.8	25.8		20,472.5
Financial liabilities at amortised cost				
Subordinated debt		1,948.7		1,948.7
Interest-bearing liabilities		23,190.6		23,190.6

Valuation hierarchy 2016

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

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non-observable market data	Total
Financial assets				
Financial derivatives				
Financial derivatives at fair value through profit or loss		1,481.3		1,481.3
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	1,159.0	2,978.7	1,784.7	5,922.4
Bonds and other fixed income securities	11,658.6	16,275.6	2,226.3	30,160.5
Shares and similar interests in life insurance with investment options	14,421.0	9.1		14,430.1
Bonds and other fixed income securities in life insurance with investment options	1,533.5	12.8		1,546.3
Financial assets at amortised cost				
Bonds held to maturity	482.2	1,980.3		2,462.4
Bonds and other fixed income securities classified as loans and receivables		18,148.7	1.5	18,150.2
Loans		3,285.2	40,412.0	43,697.2
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss		1,241.4		1,241.4
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	15,954.5	21.9		15,976.4
Financial liabilities at amortised cost				
Subordinated debt		1,854.7		1,854.7
Interest-bearing liabilities		18,889.8		18,889.8

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 30.6.2017	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.12.2016
Shares and similar interests	2,307.0	(76.5)	72.0	(58.2)			0.3	2,244.6	(97.4)
Bonds and other fixed income securities	1,333.5	(308.3)	410.7	(368.5)			59.5	1,126.9	
Total	**3,640.5**	**(384.8)**	**482.7**	**(426.7)**			**59.8**	**3,371.5**	**(97.4)**

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

NOK millions		Sensitivity
Shares and similar interests	Decrease in value 10%	224.5
Bonds and other fixed income securities	Decrease in value 10%	112.7
Total		**337.2**

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 30.6.2016	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.12.2015
Shares and similar interests	1,943.7	(310.1)	262.4	(111.0)			(0.2)	1,784.7	(227.4)
Bonds and other fixed income securities	2,174.6	(116.8)	273.4	(38.2)			(66.7)	2,226.3	
Total	**4,118.3**	**(426.9)**	**535.8**	**(149.2)**			**(66.9)**	**4,011.0**	**(227.4)**

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

NOK millions		Sensitivity
Shares and similar interests	Decrease in value 10%	178.5
Bonds and other fixed income securities	Decrease in value 10%	222.6
Total		**401.1**

8. Claims provision, gross

NOK millions	30.6.2017	30.6.2016	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		348.3
Claims for the year	9,034.1	7,930.0	17,858.4
Claims incurred in prior years, gross	(620.8)	(462.1)	(1,045.8)
Claims paid	(8,935.3)	(8,379.2)	(17,779.6)
Discounting of claims provisions	34.2	26.9	44.9
Change in discounting rate	(144.4)	140.3	194.5
Other changes	(43.9)		
Exchange differences	490.6	(329.8)	(563.7)
Claims provision, gross, at the end of the period	**31,245.8**	**31,226.7**	**31,357.4**
Pension			
Claims provision, gross, as at 1 January	1,090.1	878.0	878.0
Claims for the year	738.7	525.3	1,294.4
Claims incurred in prior years, gross	13.9	(5.3)	12.6
Claims paid	(228.1)	(212.0)	(414.7)
Transfer of pension savings [1]	(1,614.6)	(227.9)	(680.1)
Claims provision, gross, at the end of the period	**0,0**	**958.1**	**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		348.3
Claims for the year	9,772.9	8,455.3	18,311.9
Claims incurred in prior years, gross	(606.9)	(467.3)	(1,033.2)
Claims paid	(9,163.4)	(8,591.2)	(17,331.9)
Discounting of claims provisions	34.2	26.9	44.9
Change in discounting rate	(144.4)	140.3	194.5
Transfer of pension savings [1]	(1,614.6)	(227.9)	(680.1)
Other changes	(43.9)		
Exchange differences	490.6	(329.8)	(585.2)
Claims provision, gross, at the end of the period	**31,245.8**	**32,184.8**	**32,447.5**
Discounted claims provision, gross - annuities	5,932.6	5,066.5	4,905.2
Nominal claims provision, gross - annuities	6,731.8	5,467.0	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	30.6.2017	30.6.2016	31.12.2016
Guarantees and committed capital			
Gross guarantees	0.1	0.1	0.1
Committed capital, not paid	1,657.2	1,735.7	1,174.3

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 1,657.2 million (1,735.7) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet.

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

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

10. Related parties

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

Declaration

Today, the Board and the CEO have considered and approved the half-yearly report and the consolidated half-yearly accounts for Gjensidige Forsikring ASA for the period 1 January to 30 June 2017.

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2017 has been prepared in accordance with current accounting standards and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety. Furthermore that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, a description of the principal risks and uncertainties for the business in the following accounting period and related parties' significant transactions.

Oslo, 13 July 2017
The Board of Gjensidige Forsikring ASA

Inge K. Hansen
Chair

Per Arne Bjørge

Eivind Elnan

John Giverholt

Gisele Marchand

Gunnar Mjåtvedt

Hilde Merete Nafstad

Anne Marie Nyhammer

Lotte K. Sjøberg

Helge Leiro Baastad
CEO

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.

		Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Gjensidige Forsikring Group						
Equity	NOK millions			21,517.1	21,177.1	22,326.0
Equity per share	NOK			43.0	42.4	44.7
Earnings per share in the period, basic and diluted [1]	NOK	2.19	2.60	4.41	4.82	9.34
Return on equity, annualised [2]	%			21.1	21.7	21.4
Return on tangible equity, annualised [3]	%			27.2	27.3	26.9
Return on financial assets [4]	%	0.9	1.0	1.9	1.6	3.9
Total eligible own funds to meet the group SCR (SF) [5]	NOK millions			21,171.0	20,459.7	20,377.9
Group SCR margin (SF) [6]	%			143.6	148.1	146.8
Total eligible own funds to meet the minimum consolidated group SCR (SF) [7]	NOK millions			14,521.4		14,065.2
Minimum consolidated group SCR margin (SF) [8]	%			266.2		266.4
Gjensidige Forsikring ASA						
Total eligible own funds to meet the SCR (SF) [9]	NOK millions			19,252.1	19,885.2	18,625.0
SCR margin (SF) [10]	%			183.2	192.1	181.5
Total eligible own funds to meet the MCR (SF) [11]	NOK millions			16,631.5		16,124.4
MCR margin (SF) [12]	%			351.6		349.2
Issued shares, at the end of the period	Number			500,000,000	500,000,000	500,000,000
General Insurance						
Gross premiums written						
Private	NOK millions	2,037.8	1,932.6	4,762.0	4,633.7	8,375.9
Commercial	NOK millions	1,303.5	1,317.2	4,772.9	4,649.4	7,446.1
Nordic	NOK millions	1,390.3	1,135.1	3,856.2	3,673.8	6,262.4
Baltics	NOK millions	257.4	252.3	528.8	530.9	1,080.6
Corporate Centre/reinsurance	NOK millions	(3.8)	(20.4)	97.4	93.6	53.0
Total	NOK millions	4,985.3	4,616.8	14,017.3	13,581.5	23,218.0
Premiums, net of reinsurance [13]	%			95.6	97.1	97.5
Earned premiums						
Private	NOK millions	2,129.8	2,053.6	4,164.1	4,042.1	8,291.3
Commercial	NOK millions	1,814.8	1,813.1	3,613.2	3,618.9	7,257.4
Nordic	NOK millions	1,659.2	1,388.8	3,145.9	2,809.6	5,917.8
Baltics	NOK millions	271.1	257.7	526.5	522.0	1,036.3
Corporate Centre/reinsurance	NOK millions	(50.2)	23.6	(77.2)	58.1	(60.9)
Total	NOK millions	5,824.7	5,536.8	11,372.5	11,050.8	22,441.9
Loss ratio [14]						
Private	%	57.5	56.8	59.6	59.9	60.7
Commercial	%	62.5	59.7	65.7	65.5	66.5
Nordic	%	84.4	80.2	85.1	78.5	80.1
Baltics	%	74.2	75.5	72.7	71.1	72.2
Total	%	68.0	65.0	69.6	67.8	69.1
Cost ratio [15]						
Private	%	12.2	12.5	12.5	12.6	12.8
Commercial	%	11.7	11.0	11.7	11.1	11.0
Nordic	%	15.5	16.4	15.8	15.5	15.7
Baltics	%	32.9	38.6	33.2	36.9	37.4
Total	%	15.3	15.6	15.4	11.1	14.2
Combined ratio [16]						
Private	%	69.7	69.3	72.1	72.5	73.5
Commercial	%	74.1	70.7	77.3	76.6	77.5
Nordic	%	99.9	96.6	100.9	94.0	95.8
Baltics	%	107.1	114.1	105.9	107.9	109.6
Total	%	83.3	80.6	85.0	79.0	83.4
Combined ratio discounted [17]	%	83.1	79.8	84.9	78.0	82.4

		Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Pension						
Assets under management pension, at the end of the period	NOK millions			26,249.4	21,160.5	23,237.3
of which the group policy portfolio	NOK millions			5,726.7	5,147.0	5,409.6
Operating margin [18]	%	19.70	17.99	23.40	21.97	31.62
Recognised return on the paid-up policy portfolio [19]	%			1.90	2.19	4.08
Value-adjusted return on the paid-up policy portfolio [20]	%			2.24	2.23	4.87
Share of shared commercial customers [21]	%			69.4	70.3	70.0
Return on equity, annualised [2]	%			12.0	13.2	13.8
Retail Bank						
Gross lending, addition in the period	NOK millions	1,367.1	1,242.9	3,014.8	2,223.6	4,514.0
Deposits, addition in the period	NOK millions	553.2	580.2	883.5	1,325.1	1,913.1
Gross lending, at the end of the period	NOK millions			44,264.3	38,959.1	41,249.5
Deposits, at the end of the period	NOK millions			22,153.9	20,682.3	21,270.4
Deposits-to-loan ratio at the end of the period [22]	%			50.0	53.1	51.6
Assets under management, at the end of the period	NOK millions			15,743.6	15,510.1	15,141.6
Net interest margin, annualised [23]	%			2.00	1.82	1.85
Write-downs and losses, annualised [24]	%			0.32	0.13	0.18
Cost/income ratio [25]	%	39.3	43.2	41.5	48.1	44.4
Shared customers' share of gross lending [26]	%			76.1	77.1	76.2
Capital adequacy ratio [27]	%			17.1	16.3	17.1
Tier 1 capital ratio [28]	%			15.1	14.0	15.0
Common equity Tier 1 capital ratio [29]	%			13.5	12.6	13.5
Return on equity, annualised [2]	%			11.1	12.0	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 periode/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

NOK millions	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Earned premiums from general insurance	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0	5,493.5	5,471.2	5,188.1
Other income	759.5	921.5	853.9	818.7	679.2	697.7	832.7	686.4	666.4
Total operating income	**6,584.2**	**6,469.2**	**6,539.5**	**6,524.2**	**6,216.0**	**6,211.7**	**6,326.2**	**6,157.7**	**5,854.6**
Total net income from investments	**480.8**	**585.6**	**535.7**	**737.0**	**591.0**	**332.4**	**604.8**	**(174.0)**	**518.1**
Total operating income and net income from investments	**7,065.0**	**7,054.8**	**7,075.2**	**7,261.2**	**6,807.1**	**6,544.1**	**6,931.0**	**5,983.6**	**6,372.7**
Claims incurred etc. from general insurance	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)	(3,588.0)	(3,341.8)
Other claims, interest expenses, loss etc.	(477.5)	(646.3)	(565.2)	(535.7)	(412.4)	(450.4)	(579.7)	(447.3)	(434.2)
Total claims, interest expenses, loss etc.	**(4,439.2)**	**(4,604.2)**	**(4,579.0)**	**(4,540.0)**	**(4,012.0)**	**(4,348.5)**	**(4,314.5)**	**(4,035.3)**	**(3,776.1)**
Operating expenses from general insurance	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)	(879.5)	(792.3)	(776.1)
Other operating expenses	(232.4)	(228.1)	(219.0)	(216.0)	(220.1)	(221.5)	(266.5)	(204.3)	(180.4)
Total operating expenses	**(1,123.1)**	**(1,085.7)**	**(1,190.3)**	**(1,205.3)**	**(1,085.7)**	**(586.6)**	**(1,146.0)**	**(996.6)**	**(956.5)**
Total expenses	**(5,562.3)**	**(5,689.8)**	**(5,769.3)**	**(5,745.3)**	**(5,097.7)**	**(4,935.2)**	**(5,460.5)**	**(5,031.9)**	**(4,732.6)**
Profit/(loss) for the period before tax expense	**1,502.7**	**1,365.0**	**1,305.8**	**1,515.9**	**1,709.3**	**1,608.9**	**1,470.6**	**951.7**	**1,640.1**
Underwriting result general insurance	**972.3**	**732.2**	**700.4**	**711.8**	**1,071.6**	**1,250.7**	**879.2**	**1,091.0**	**1,070.2**

NOK millions	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Earned premiums from general insurance	5,119.2	5,214.4	5,203.6	5,061.5	4,907.2	4,766.3	4,866.9	4,646.6	4,457.2
Other income	697.8	830.1	600.5	645.2	636.1	630.2	513.8	516.7	486.9
Total operating income	**5,817.0**	**6,044.5**	**5,804.1**	**5,706.8**	**5,543.4**	**5,396.5**	**5,380.6**	**5,163.3**	**4,944.1**
Total net income from investments	**524.4**	**352.5**	**574.3**	**765.3**	**783.5**	**892.2**	**846.0**	**615.6**	**184.2**
Total operating income and net income from investments	**6,341.3**	**6,397.0**	**6,378.4**	**6,472.1**	**6,326.8**	**6,288.8**	**6,226.6**	**5,778.8**	**5,128.3**
Claims incurred etc. from general insurance	(3,933.0)	(3,607.9)	(3,695.3)	(3,357.9)	(3,809.3)	(3,664.2)	(3,293.7)	(3,487.3)	(3,414.4)
Other claims, interest expenses, loss etc.	(466.6)	(604.0)	(399.3)	(448.3)	(440.7)	(440.8)	(332.8)	(343.2)	(318.9)
Total claims, interest expenses, loss etc.	**(4,399.6)**	**(4,211.9)**	**(4,094.7)**	**(3,806.2)**	**(4,249.9)**	**(4,105.0)**	**(3,626.5)**	**(3,830.5)**	**(3,733.3)**
Operating expenses from general insurance	(769.6)	(799.3)	(753.2)	(752.5)	(748.9)	(726.4)	(720.6)	(710.8)	(699.9)
Other operating expenses	(184.8)	(226.7)	(193.8)	(165.4)	(172.0)	(174.2)	(206.1)	(160.6)	(154.5)
Total operating expenses	**(954.4)**	**(1,026.0)**	**(947.1)**	**(917.9)**	**(921.0)**	**(900.7)**	**(926.7)**	**(871.4)**	**(854.4)**
Total expenses	**(5,354.0)**	**(5,238.0)**	**(5,041.7)**	**(4,724.2)**	**(5,170.9)**	**(5,005.7)**	**(4,553.3)**	**(4,701.9)**	**(4,587.6)**
Profit/(loss) for the period before tax expense	**987.3**	**1,159.0**	**1,336.7**	**1,747.9**	**1,155.9**	**1,283.1**	**1,673.3**	**1,076.9**	**540.7**
Underwriting result general insurance	**416.5**	**807.2**	**755.0**	**951.0**	**349.1**	**375.7**	**852.5**	**448.5**	**342.9**

Income statement

Gjensidige Forsikring ASA

NOK millions	Q2 2017	Q2 2016	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Premiums					
Earned premiums, gross	5,664.3	5,375.1	11,116.3	10,733.1	21,930.6
Ceded reinsurance premiums	(206.8)	(103.3)	(378.8)	(222.0)	(578.0)
Total earned premiums, net of reinsurance	**5,457.4**	**5,271.8**	**10,737.4**	**10,511.1**	**21,352.6**
General insurance claims					
Gross claims	(4,237.0)	(3,388.9)	(7,935.0)	(7,117.7)	(15,205.3)
Claims, reinsurers' share	551.9	(5.0)	483.8	10.3	497.1
Total claims incurred, net of reinsurance	**(3,685.1)**	**(3,393.9)**	**(7,451.2)**	**(7,107.4)**	**(14,708.2)**
Insurance-related operating expenses					
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(856.0)	(804.7)	(1,684.5)	(1,124.8)	(2,973.4)
Received commission for ceded reinsurance and profit share	3.8	0.2	13.0	1.2	23.7
Total insurance-related operating expenses	**(852.3)**	**(804.5)**	**(1,671.5)**	**(1,123.7)**	**(2,949.7)**
Profit/(loss) of technical account general insurance	**920.0**	**1,073.4**	**1,614.7**	**2,280.1**	**3,694.8**
Net income from investments					
Income from investments in subsidiaries, associates and joint ventures	80.9		81.1	108.7	113.3
Impairment losses of investments in subsidiaries, associates and joint ventures	(49.4)		(49.4)		(94.2)
Interest income and dividend etc. from financial assets	272.4	336.4	579.1	639.9	1,266.1
Changes in fair value on investments	107.2	(169.3)	(61.9)	(1,233.9)	(1,053.4)
Realised gain and loss on investments	65.7	381.0	525.3	1,470.1	1,889.6
Administration expenses related to investments, including interest expenses	(42.8)	(33.1)	(150.4)	(95.9)	(218.9)
Total net income from investments	**433.8**	**515.1**	**923.8**	**888.9**	**1,902.5**
Other income	0,0	2.2	6.7	5.5	11.9
Other expenses	(2.9)	(2.2)	(7.2)	(4.4)	(9.2)
Profit/(loss) of non-technical account	**430.9**	**515.1**	**923.3**	**890.0**	**1,905.2**
Profit/(loss) before tax expense	**1,351.0**	**1,588.4**	**2,538.0**	**3,170.0**	**5,600.0**
Tax expense	(367.6)	(364.1)	(589.9)	(836.4)	(1,322.0)
Profit/(loss) before components of other comprehensive income	**983.3**	**1,224.4**	**1,948.1**	**2,333.6**	**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	178.1	(69.5)	254.1	(151.1)	(273.0)
Tax on items that may be reclassified to profit or loss	(43.4)	16.4	(62.0)	36.2	66.6
Total items that may be reclassified subsequently to profit or loss	**134.8**	**(53.1)**	**192.2**	**(114.9)**	**(206.5)**
Total comprehensive income	**1,118.1**	**1,171.2**	**2,140.2**	**2,044.2**	**3,952.1**

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Assets			
Goodwill	1,644.0	1,622.7	1,587.0
Other intangible assets	989.4	799.5	955.5
Total intangible assets	**2,633.4**	**2,422.3**	**2,542.5**
Investments			
Buildings and other real estate			
Owner-occupied property	27.0	19.0	19.0
Subsidiaries and associates			
Shares in subsidiaries	6,309.0	5,710.7	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	1,690.5	1,648.1	1,420.2
Financial assets measured at amortised cost			
Bonds held to maturity	1,230.7	1,832.6	1,226.8
Loans and receivables	15,647.1	16,645.3	16,018.9
Financial assets measured at fair value			
Shares and similar interests (incl. shares and similar interests measured at cost)	6,150.0	5,733.9	6,134.4
Bonds and other fixed-income securities	20,752.1	22,406.2	23,108.2
Financial derivatives	978.3	1,297.4	1,207.8
Reinsurance deposits	491.4	466.4	457.8
Total investments	**54,363.0**	**56,858.2**	**56,421.6**
Reinsurers' share of insurance-related liabilities in general insurance, gross			
Reinsurers' share of provision for unearned premiums, gross	252.8	203.4	115.5
Reinsurers' share of claims provision, gross	779.9	228.6	512.2
Total reinsurers' share of insurance-related liabilities in general insurance, gross	**1,032.7**	**431.9**	**627.7**
Receivables			
Receivables related to direct operations	5,957.7	5,627.2	4,983.0
Receivables related to reinsurance	263.5	189.1	340.1
Receivables within the group	97.6	69.4	89.5
Other receivables	904.9	353.7	833.5
Total receivables	**7,223.7**	**6,239.4**	**6,246.0**
Other assets			
Plant and equipment	267.6	280.8	273.8
Cash and cash equivalents	1,503.5	1,555.6	1,143.0
Pension assets	486.2	292.4	486.2
Total other assets	**2,257.4**	**2,128.7**	**1,903.0**
Prepaid expenses and earned, not received income			
Earned, not received interest income	0,0	24.1	0,0
Other prepaid expenses and earned, not received income	64.0	9.2	4.2
Total prepaid expenses and earned, not received income	**64.0**	**33.4**	**4.2**
Total assets	**67,574.3**	**68,113.9**	**67,745.0**

NOK millions	1.1.-30.6.2017	1.1.-30.6.2016	1.1.-31.12.2016
Equity and liabilities			
Paid in equity			
Share capital	1,000.0	1,000.0	1,000.0
Own shares	0,0	0,0	(0.1)
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	999.4		999.2
Other paid in equity	42.0	34.4	36.7
Total paid in equity	**3,471.3**	**2,464.3**	**3,465.9**
Retained equity			
Funds etc.			
Natural perils capital	2,381.1	2,194.4	2,266.2
Guarantee scheme provision	628.9	616.2	628.9
Other retained earnings	13,320.7	14,906.3	11,318.2
Total retained earnings	**16,330.7**	**17,716.9**	**14,213.3**
Total equity	**19,802.1**	**20,181.2**	**17,679.1**
Subordinated loan	1,197.8	1,197.5	1,197.7
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	10,981.1	10,445.2	8,585.9
Claims provision, gross	30,585.6	30,663.2	30,802.6
Provision for premium discounts and other profit agreements	62.1	53.0	56.3
Total insurance-related liabilities in general insurance, gross	**41,628.8**	**41,161.4**	**39,444.8**
Provision for liabilities			
Pension liabilities	488.7	474.2	493.2
Current tax	542.9	1,170.8	1,149.4
Deferred tax liabilities	1,001.3	784.4	905.4
Other provisions	284.3	269.1	327.2
Total provision for liabilities	**2,317.3**	**2,698.6**	**2,875.1**
Liabilities			
Liabilities related to direct insurance	402.4	303.6	289.6
Liabilities related to reinsurance	267.3	373.3	88.2
Financial derivatives	798.0	1,204.1	1,173.1
Accrued dividend			3,400.0
Other liabilities	820.7	683.6	1,252.9
Liabilities to subsidiaries and associates	27.3	1.2	43.1
Total liabilities	**2,315.7**	**2,565.9**	**6,246.9**
Accrued expenses and deferred income			
Other accrued expenses and deferred income	312.7	309.3	301.4
Total accrued expenses and deferred income	**312.7**	**309.3**	**301.4**
Total equity and liabilities	**67,574.3**	**68,113.9**	**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 differ-ences	Re-measure-ment 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.-30.6.2017									
Profit/(loss) before components of other comprehensive income					17.6			1,930.5	1,948.1
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.2		254.0			254.1
Tax on items that may be reclassified to profit or loss						(62.0)			(62.0)
Total items that may be reclassified subsequently to profit or loss				**0.2**		**192.0**			**192.2**
Total components of other comprehensive income				**0.2**		**192.0**			**192.2**
Total comprehensive income				**0.2**	**17.6**	**192.0**		**1,930.5**	**2,140.2**
Own shares		0,0						(5.1)	(5.1)
Accrued and paid dividend								0.4	0.4
Equity-settled share-based payment transactions				5.1					5.1
Perpetual Tier 1 capital					0.3			(0.3)	
Perpetual Tier 1 capital - interest paid					(17.7)				(17.7)
Equity as at 30.6.2017	**1,000.0**	**0,0**	**1,430.0**	**42.0**	**999.4**	**304.6**	**(1,678.7)**	**17,704.8**	**19,802.1**
1.1.-30.6.2016									
Profit/(loss) before components of other comprehensive								2,333.6	2,333.6
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						(151.1)			(151.1)
Tax on items that may be reclassified to profit or loss						36.2			36.2
Total items that may be reclassified subsequently to profit or loss						**(114.9)**			**(114.9)**
Total components of other comprehensive income						**(114.9)**	**(174.5)**		**(289.5)**
Total comprehensive income						**(114.9)**	**(174.5)**	**2,333.6**	**2,044.2**
Own shares		0.1						(0.3)	(0.3)
Accrued and paid dividend								0.2	0.2
Equity-settled share-based payment transactions				5.0					5.0
Equity as at 30.6.2016	**1,000.0**	**0,0**	**1,430.0**	**34.4**		**204.2**	**(1,733.8)**	**19,246.5**	**20,181.2**

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.

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