Gjensidige

Interim Report 4th quarter 2017 and preliminary report

Gjensidige Forsikring Group

Group highlights
Fourth quarter and preliminary result 2017

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

Year as a whole

Group

- Profit/loss before tax expense: NOK 5,829.1 million (6,139.9)
- Earnings per share: NOK 9.05 (9.34)

General Insurance

- Earned premiums: NOK 23,398.3 million (22,441.9)
- Underwriting result: NOK 3,410.1 million (3,734.6)
- Combined ratio: 85.4 (83.4)
- Cost ratio: 15.3 (14.2)
- Financial result: NOK 2,002.6 million (2,155.1)

Fourth quarter

Group

- Profit/loss before tax expense: NOK 1,243.1 million (1,305.8)
- Earnings per share: NOK 2.01 (2.18)

General Insurance

- Earned premiums: NOK 5,969.5 million (5,685.6)
- Underwriting result: NOK 555.4 million (700.4)
- Combined ratio: 90.7 (87.7)
- Cost ratio: 15.8 (17.1)
- Financial result: NOK 489.2 million (561.4)

Proposed dividend

- Proposed regular dividend: NOK 3,550 million (3,400)
- Proposed regular dividend per share: NOK 7.10 (6.80)

Profit performance Group

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
General Insurance Private	392.9	549.9	2,200.0	2,196.7
General Insurance Commercial	314.5	382.2	1,634.8	1,631.3
General Insurance Nordic	72.8	20.4	192.4	247.3
General Insurance Baltics	19.2	(36.6)	(7.2)	(99.5)
Corporate Centre/costs related to owner	(83.9)	(128.3)	(272.4)	(10.6)
Corporate Centre/reinsurance [1]	(160.2)	(87.1)	(337.5)	(230.6)
Underwriting result general insurance [2]	**555.4**	**700.4**	**3,410.1**	**3,734.6**
Pension	27.9	26.0	103.7	114.8
Retail Bank	247.6	97.1	612.3	439.1
Financial result from the investment portfolio [3]	489.2	561.4	2,002.6	2,155.1
Amortisation and impairment losses of excess value – intangible assets	(72.8)	(60.1)	(261.3)	(254.2)
Other items	(4.1)	(19.1)	(38.3)	(49.5)
Profit/(loss) before tax expense	**1,243.1**	**1,305.8**	**5,829.1**	**6,139.9**
Key figures general insurance				
Large losses [4]	259.4	181.9	577.4	871.8
Run-off gains/(losses) [5]	300.6	314.4	1,030.3	1,023.4
Loss ratio [6]	74.9%	70.6%	70.1%	69.1%
Cost ratio [7]	15.8%	17.1%	15.3%	14.2%
Combined ratio [8]	90.7%	87.7%	85.4%	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 220.6 million (205.5) for the year as a whole and NOK 158.7 million (47.6) in the quarter. Accounting items related to written reinsurance and reinstatement premiums 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

Yet another year with solid growth and profitability

Group profit performance

Development during the year

The Gjensidige Forsikring Group recorded a strong profit before tax expense of NOK 5,829.0 million (6,139.9) in 2017. The profit from general insurance operations measured by the underwriting result was NOK 3,410.1 million (3,734.6), corresponding to a combined ratio of 85.4 (83.4). Adjusted for non-recurring items in 2016, the comparable full-year underwriting result in 2016 was NOK 3,445.0 million, corresponding to a combined ratio of 84.6.

The return on financial assets was 3.7 per cent (3.9), or NOK 2,002.6 million (2,155.1).

The tax expense amounted to NOK 1,309.8 million (1,474.1), resulting in an effective tax rate of 22.5 per cent (24.0). The effective tax rate was influenced by realised and unrealised gains and losses on equity investments in the EEA.

The profit after tax expense was NOK 4,519.3 million (4,665.9), corresponding to NOK 9.05 (9.34) per share.

The strong underwriting result was positively influenced by premium growth of 4.3 per cent, leading to earned premiums totalling NOK 23.4 billion (22.4) for the full-year. The result also reflects continued good customer and risk selection, and risk pricing. The result was also positively affected by a benign weather situation and a lower level of large losses than in the same period the year before. 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 2016.

Earned premiums in the Private segment increased by 2.7 per cent. The underwriting result was marginally higher than in 2016. The higher level of run-off gains was offset by a higher level of underlying frequency claims.

Earned premiums in the Commercial segment were slightly higher than in 2016, reflecting the fact that the market continued to be highly competitive. A lower level of large losses contributed positively to the underwriting result, while the underlying frequency claims profitability was less favourable.

In the Nordic segment, earned premiums increased by 10.9 per cent (10.7 per cent in local currency), mainly due to the acquisitions of Vardia and Mølholm. Underlying growth was 1.7 per cent, driven by both the Danish and the Swedish portfolio. The underwriting result decreased compared to 2016, primarily due to a lower level of run-off gains.

Earned premiums in the Baltic segment increased by 3.7 per cent (by 3.1 per cent in local currency). The underwriting result improved from 2016 driven by lower operating expenses, although it was still negative, impacted by several medium-sized claims.

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

The return on financial assets was 3.7 per cent (3.9). Equities and property delivered good returns, which were offset by weaker returns on fixed income instruments.

Development during the quarter

The Group recorded a profit before tax expense of NOK 1,243.1 million (1,305.8) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 555.4 million (700.4), corresponding to a combined ratio of 90.7 (87.7). The return on financial assets was 0.9 per cent (1.0), or NOK 489.2 million (561.4).

The profit after tax expense was NOK 1,002.1 million (1,090.4), corresponding to NOK 2.01 (2.18) per share.

The underwriting result was driven by 5.0 per cent growth in premiums, which was offset by a less favourable claims development. This can partly be explained by variations in winter weather. Large losses were higher than in the fourth quarter 2016, but lower than normally expected. Included in large losses were two larger natural peril events in Norway totaling NOK 199 million in claims. Run-off gains were somewhat higher than the expected level. Non-recurring costs in the amount of NOK 66.9 affected the fourth quarter 2016 underwriting result.

The Retail Bank showed an improved profit performance compared to the same quarter the year before, due to underlying positive development and the positive impact of NOK 116.6 million from the sale of an impaired unsecured lending portfolio.

The Pension operation recorded a higher profit, due to a higher financial result and management income.

The financial return in the quarter was close to the level in the fourth quarter the preceding year, with good returns on equities and properties.

Equity and capital position

The Group's equity amounted to NOK 23,703.1 million (22,326.0) at the end of the year. The return on equity was 21.3 per cent (21.4).

The solvency margins at the end of the year were:

- Standard Formula (SF): 137 per cent
- Partial Internal Model (PIM): 169 per cent

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

- Standard Formula (SF): 141 per cent
- Partial Internal Model (PIM): 172 per cent

Available capital in excess of the risk-based requirement calculated using the Group's partial internal model (PIM) constitutes the Group's economic excess capital. In addition, a deduction is made for the higher of the calculated supplementary capital required to maintain the current A-rating and the capital required to meet the statutory solvency requirements. Excess capital above and beyond this amounted to NOK 0.8 billion at the end of the period.

The solvency margins and excess capital are calculated net of the NOK 3.55 billion dividend proposed by the Board. The solvency margins do not reflect the communicated reserve releases which would increase the margins significantly.

Other matters

Internal review of loss reserves –revised plan for reserve releases

In depth reserve reviews have been performed by actuaries in Gjensidige. The reviews confirm and strengthen previous analyses and point to the conclusion that claims related to personal injury tend to be even smaller than assumed up until now. This trend seems particularly evident in workers compensation in Norway and motor TPL in Norway, and is related to the same accident years as before. In addition, workers compensation in Denmark shows a similar trend. A revised plan is made to release reserves of approximately NOK 3.0-5.0 billion over the next 3-5 years, corresponding to an expected annual amount of approximately NOK 1.0 billion on average, up from previously communicated NOK 900 million. The expected annual release -level corresponds to a positive effect on the combined ratio of around 4.3 percentage points, based on the current annual premium level. This gradual approach of releasing reserves secures that releases are based on actual trends that are permanent and not randomness. The development will be monitored closely over time.

Update on Solvency II-related regulatory uncertainties

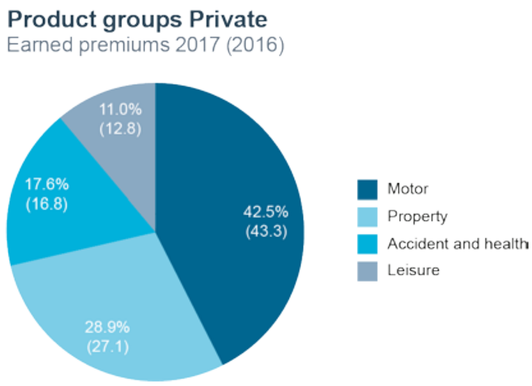
There is still some uncertainty about how capital requirements and qualifying funds will be calculated under the Solvency II rules.

There is uncertainty related to whether the guarantee scheme provisions will be included in qualifying funds. The Financial Supervisory Authority of Norway (FSA) takes the view that the guarantee provision should be treated as a liability. In Gjensidige's opinion, special Norwegian provisions that are actually an equity element should be treated as solvency capital. Gjensidige will continue to make endeavours to ensure that the regulations are in line with this view.

The Norwegian national budget for 2018 suggests that new tax rules for insurance companies will soon be distributed for consultation, but it is still unclear whether and how the rules will be changed. In Gjensidige's assessment, the transition to Solvency II principles should not involve significant changes in the tax position, and Gjensidige expects that the final regulations will reflect this.

There is uncertainty associated with the risk-reducing effect of deferred tax. This is taken into account when calculating the capital requirement.

Gjensidige is awaiting approval of the partial internal model.



General Insurance Private

Development during the year

The underwriting result was NOK 2,200.0 million (2,196.7). The positive effect from higher run-off gains was offset by a higher underlying loss ratio. The combined ratio was 74.2 (73.5).

Earned premiums increased to NOK 8,516.5 million (8,291.3), and Gjensidige's competitive position remained strong despite intense and increased competition. With effect from October 2016, the Mondux product insurance portfolio was moved from the Nordic segment to the Private segment. Earned premiums in this portfolio amounted to NOK 154.3 million. Adjusted for this and for one large leisure contract that was not renewed from 1 January 2017, premium growth was a satisfactory 3.1 per cent. Premiums for property and accident and health insurance increased, while leisure insurance premiums decreased. Adjusted for the one contract mentioned above, leisure insurance showed growth in premiums. Motor premiums were stable.

Claims incurred amounted to NOK 5,226.2 million (5,030.8). At 61.4 (60.7), the loss ratio was still at a very strong level. Motor and leisure showed an increased underlying loss ratio, while property and accident and health insurance showed positive development. Pricing measures were taken throughout the year to mitigate the effects of higher expected claims inflation in motor insurance going forward. Competition has increased during the year, and price adjustments are made based on an analytical, dynamic and segmented approach to ensure a good balance between profitability and growth. In general insurance, effects of price increases to mitigate effects from expected claims inflation will gradually materialise over 12 - 24 months from implementation. The Mondux product portfolio had a negative effect of 0.5 percentage points on the underlying loss ratio.

Operating expenses amounted to NOK 1,090.3 million (1,063,8) and the cost ratio was 12.8 (12.8).

Development during the quarter

The underwriting result was NOK 392.9 million (549.9). The decrease was driven by a higher underlying loss ratio and lower run-off gains. The combined ratio was 81.5 (74.0).

Earned premiums amounted to NOK 2,123.4 million (2.111,6). Premiums increased for motor, property and accident and health insurance, while leisure insurance premiums decreased. Adjusted for the above-mentioned large contract that was not renewed, leisure insurance showed underlying growth in premiums. Premium growth adjusted for the non-renewed leisure contract was 3.3 per cent.

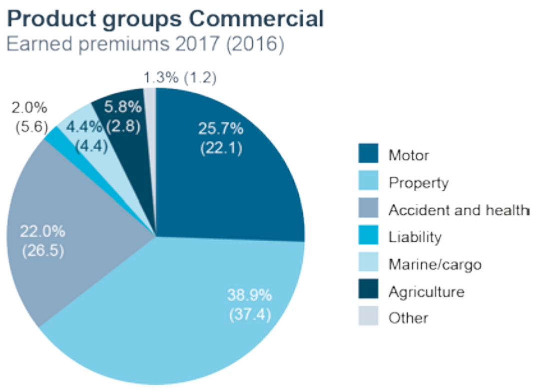
Claims incurred amounted to NOK 1,449.5 million (1,283.4). The loss ratio was 68.3 (60.8). In addition to lower run-off gains, the underlying loss ratio increased. The increase can partly be explained by variations in winter weather. Furthermore, the underlying claims development trend for motor that has been seen over the past 1.5 years, persisted.

Operating expenses amounted to NOK 281.0 million (278.3) and the cost ratio was 13.2 (13.2).

General Insurance Private

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums	2,123.4	2,111.6	8,516.5	8,291.3
Claims incurred etc.	(1,449.5)	(1,283.4)	(5,226.2)	(5,030.8)
Operating expenses	(281.0)	(278.3)	(1,090.3)	(1,063.8)
Underwriting result	**392.9**	**549.9**	**2,200.0**	**2,196.7**
Amortisation and impairment losses of excess value – intangible assets	(4.6)	(6.4)	(22.2)	(25.8)
Large losses [1]	22.1	20.8	32.3	56.2
Run-off gains/(losses) [2]	107.2	143.9	473.2	377.5
Loss ratio [3]	68.3%	60.8%	61.4%	60.7%
Cost ratio [4]	13.2%	13.2%	12.8%	12.8%
Combined ratio [5]	81.5%	74.0%	74.2%	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



General Insurance Commercial

Development during the year

The underwriting result was NOK 1,634.8 million (1,631.3). The lower level of large losses was offset by a less favourable underlying frequency claims development. The combined ratio was 77.6 (77.5).

Earned premiums were NOK 7,300.5 million (7,257.4). The Norwegian economic upturn is moderate, and the market environment for commercial lines remains highly competitive. Premium growth was driven by a well-balanced book of business, with both market activities and pricing measures contributing positively.

Claims incurred amounted to NOK 4,825.6 million (4,825.1) and the loss ratio was 66.1 (66.5). The lower level of large losses contributed positively to the development. The underlying loss ratio was somewhat weaker, in particular for accident and health insurance and motor insurance. Overall, the underlying profitability was still good in absolute terms. Measures have been taken during the year to mitigate the effects of expected higher claims inflation in motor insurance, and the effects will gradually feed into the portfolio.

Operating expenses amounted to NOK 840.1 million (801.1) and the cost ratio was 11.5 (11.0). Continued initiatives to strengthen the distribution model affected the cost base somewhat.

Development during the quarter

The underwriting result was NOK 314.5 million (382.2). Increased premiums and lower large losses were more than offset by lower run-off gains and increased underlying frequency claims loss ratio. The combined ratio was 82.8 (78.9).

Earned premiums were NOK 1,827.4 million (1,808.1). Property insurance in particular contributed positively to premium development in the quarter.

Claims incurred amounted to NOK 1,296.6 (1,220.7) and the loss ratio was 71.0 (67.5). Large losses were lower than in the corresponding period the year before. The underlying frequency claims levels were somewhat higher, mainly driven by accident and health insurance and motor insurance. The increase in motor insurance can partly be explained by variations in winter weather.

Operating expenses amounted to NOK 216.3 million (205.2) and the cost ratio was 11.8 (11.3).

General Insurance Commercial

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums	1,827.4	1,808.1	7,300.5	7,257.4
Claims incurred etc.	(1,296.6)	(1,220.7)	(4,825.6)	(4,825.1)
Operating expenses	(216.3)	(205.2)	(840.1)	(801.1)
Underwriting result	**314.5**	**382.2**	**1,634.8**	**1,631.3**
Large losses [1]	67.9	103.2	195.2	448.6
Run-off gains/(losses) [2]	107.8	137.1	452.9	486.5
Loss ratio [3]	71.0%	67.5%	66.1%	66.5%
Cost ratio [4]	11.8%	11.3%	11.5%	11.0%
Combined ratio [5]	82.8%	78.9%	77.6%	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

Development during the year

The underwriting result was NOK 192.4 million (247.3). The reduction in the underwriting result was driven by higher large losses and a run-off loss in Sweden. This was partly offset by an increase in the underwriting result in Denmark, mainly due to lower large losses and higher run-off gains. The combined ratio was 97.1 (95.8). The combined ratio in Denmark was 94.1 (94.7), while the combined ratio in Sweden was 105.3 (99.9).

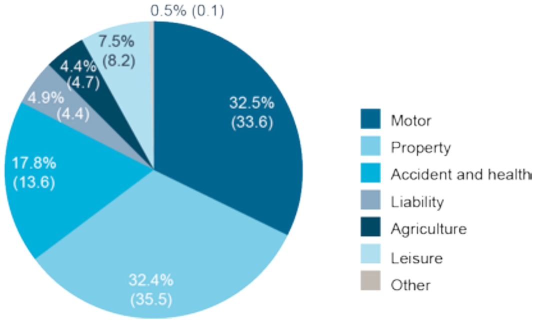
Earned premiums increased to NOK 6,563.5 million (5,917.8). Currency effects increased earned premiums by NOK 9.8 million. The Mondux transfer reduced earned premiums by NOK 105.4 million, and the Mølholm acquisition contributed NOK 345.4 million. The premiums in the Danish portfolio accounted for around 74 per cent of total premiums in the segment. In Denmark, growth was slightly negative, driven by a decline in commercial insurance lines that was partly offset by growth in private insurance lines. The underlying premium development in the Swedish portfolio was positive, driven by both private and commercial insurance lines.

Claims incurred amounted to NOK 5,354.9 million (4,739.6). Currency effects increased incurred claims by NOK 7.2 million. The loss ratio was 81.6 (80.1). The higher loss ratio was mainly due to higher large losses and a run-off loss in Sweden. The underlying frequency claims development in Sweden was positive. In Denmark, profitability improved, mainly due to lower large losses and higher run-off gains, which offset a less favourable underlying frequency claims development. Pricing measures have been taken during 2017 to compensate for higher expected overall claims inflation in Denmark. In addition, new and more up to date insurance products were launched during the year. They will contribute to better agility, risk pricing and improved renewal processes. Similar initiatives have been taken in the Swedish portfolio.

Operating expenses were NOK 1,016.1 million (930.9). Currency effects increased operating expenses by NOK 0.9 million. The Mølholm acquisition contributed NOK 32.1 million. The cost ratio was 15.5 (15.7).

From 1 January 2018, the Nordic segment will be reported as two segments, Denmark and Sweden, respectively.

Product groups Nordic
Earned premiums 2017 (2016)



Development during the quarter

The underwriting result was NOK 72.8 million (20.4). The increase in the underwriting result was mainly driven by a significantly more favourable underlying frequency claims development in Sweden and a reduction in operating expenses in Denmark. The combined ratio was 95.7 (98.7). The combined ratio in Denmark was 94.4 (96.1). The combined ratio in Sweden was 99.6 (105.9).

Earned premiums increased to NOK 1,705.1 million (1,542.9). Currency effects increased earned premiums by NOK 78.3 million. The Mølholm acquisition contributed NOK 132.5 million. The underlying premium development was positive in Sweden and negative in Denmark, where the development was driven by a reduction in commercial insurance lines, partly offset by private insurance lines. In Sweden, growth was driven by both private and commercial insurance lines.

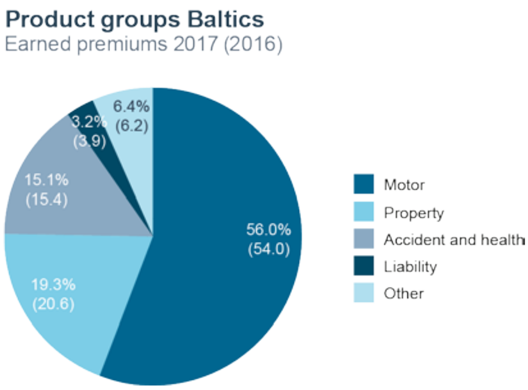
Claims incurred amounted to NOK 1,359.0 million (1,258.4). Currency effects increased incurred claims by NOK 61.8 million. The loss ratio was 79.7 (81.6). The lower loss ratio was due to a more favourable underlying frequency claims development in Sweden. The underlying frequency claims development in Denmark was almost unchanged.

Operating expenses amounted to NOK 273.3 million (264.1). Currency effects increased operating expenses by NOK 11.7 million. The Mølholm acquisition contributed NOK 11.5 million. The cost ratio was 16.0 (17.1).

General Insurance Nordic

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums	1,705.1	1,542.9	6,563.5	5,917.8
Claims incurred etc.	(1,359.0)	(1,258.4)	(5,354.9)	(4,739.6)
Operating expenses	(273.3)	(264.1)	(1,016.1)	(930.9)
Underwriting result	**72.8**	**20.4**	**192.4**	**247.3**
Amortisation and impairment losses of excess value – intangible assets	(64.1)	(53.4)	(224.2)	(216.8)
Large losses [1]	10.6	10.3	128.3	161.6
Run-off gains/(losses) [2]	61.4	61.0	93.2	150.7
Loss ratio [3]	79.7%	81.6%	81.6%	80.1%
Cost ratio [4]	16.0%	17.1%	15.5%	15.7%
Combined ratio [5]	95.7%	98.7%	97.1%	95.8%

[1] Large losses = loss events in excess of NOK 10.0 million. Claims incurred in excess of NOK 30.0 million per event are charged to the Corporate Centre.
[2] Run-off gains/(losses) = changes in estimates from previous years
[3] Loss ratio = claims incurred etc./earned premiums
[4] Cost ratio = operating expenses/earned premiums
[5] Combined ratio = loss ratio + cost ratio



General Insurance Baltics

Development during the year

The underwriting result was negative at minus NOK 7.2 million (minus 99.5). The improvement was mainly driven by lower operating expenses and an improved frequency claims development. The combined ratio was 100.7 (109.6), negatively affected by several medium-sized claims.

Earned premiums increased to NOK 1,074.7 million (1,036.3), although the underlying increase was NOK 6.2 million lower when adjusted for currency effects. The positive premium development was driven by portfolio restructuring and repricing measures.

Claims incurred amounted to NOK 736.0 million (748.4). The underlying difference was NOK 4.5 million higher when adjusted for currency effects. The reported loss ratio was 68.5 (72.2), mainly due to an improved underlying frequency claims development. Continued improvements in tariffs and the claims handling process are expected to further improve profitability going forward.

Operating expenses amounted to NOK 345.9 million (387.4). The underlying difference was NOK 2.3 million higher when adjusted for currency effects. The cost ratio improved to 32.2 percent (37.4), mainly due to restructuring and cost-saving initiatives.

Development during the quarter

The underwriting result was positive at NOK 19.2 million (minus 36.6). The combined ratio was 92.9 per cent (114.5). The segment is thereby on track to deliver profitability for the full year 2018 as targeted.

Earned premiums amounted to NOK 271.6 million (252.4). The underlying difference was NOK 15.2 million lower when adjusted for currency effects.

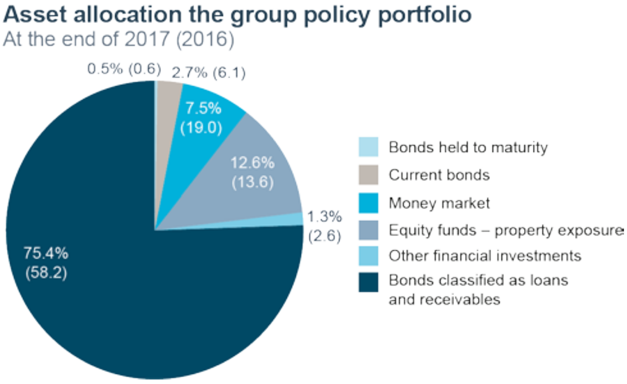
Claims incurred amounted to NOK 168.4 million (195.0). The underlying difference was NOK 10.9 million higher when adjusted for currency effects. The loss ratio improved to 62.0 per cent (77.3) driven by portfolio restructuring, higher run-off gains and an improved underlying frequency claims level.

Operating expenses decreased to NOK 83.9 million (94.0). The underlying difference was NOK 5.7 million higher when adjusted for currency effects. The cost ratio improved to 30.9 per cent (37.3), mainly due to restructuring and cost-saving initiatives.

General Insurance Baltics

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums	271.6	252.4	1,074.7	1,036.3
Claims incurred etc.	(168.4)	(195.0)	(736.0)	(748.4)
Operating expenses	(83.9)	(94.0)	(345.9)	(387.4)
Underwriting result	**19.2**	**(36.6)**	**(7.2)**	**(99.5)**
Amortisation and impairment losses of excess value – intangible assets	(3.7)	(3.5)	(14.5)	(14.9)
Large losses [1]				
Run-off gains/(losses) [2]	13.7	(1.8)	22.0	12.8
Loss ratio [3]	62.0%	77.3%	68.5%	72.2%
Cost ratio [4]	30.9%	37.3%	32.2%	37.4%
Combined ratio [5]	92.9%	114.5%	100.7%	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



Pension

Development during the year

The year was dominated by strong portfolio growth and a good underlying operational development. Operating revenues increased due to a growing number of customers and growth in assets. However, the strengthening of IBNR reserves and generally low interest rates hampered earnings growth which resulted in a profit before tax expense of NOK 103.7 million (114.8).

Administration fees increased to NOK 134.6 million (127.8) in step with the growing customer portfolio. Insurance income decreased to NOK 36.3 million (68.0) as a result of strengthened IBNR reserves.

Management income increased to NOK 130.4 million (83.6), driven by an increase in assets as well as a change in the classification of management costs of NOK 22.9 million, which were previously reported as income reductions but are now treated as operating expenses.

Operating expenses were NOK 227.3 million (191.1) after the change in the classification of management costs as described above and as a result of increased business volume.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, increased to NOK 29.7 million (26.4) due to reclassifications of income the preceding year following clarifications from the Norwegian FSA. Apart from this, net financial income decreased in 2017 due to reduced interest income related to the company portfolio after the issuing of a subordinated loan (Tier 2) of NOK 300 million in June the year before, in addition to a generally reduced yield on the group portfolio. The company's share of the profit related to the paid-up policy portfolio was allocated in its entirety as a longevity provision.

Assets under management increased by NOK 5,461.7 million. At the end of the year, pension assets under management amounted to NOK 28,699.0 million (23,237.3) including the group policy portfolio of NOK 6,018.4 million (5,409.6).

The recognised return on the paid-up policy portfolio was 3.75 per cent (4.08). The average annual interest guarantee is 3.34 per cent (3.50).

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

Development during the quarter

The profit before tax expense increased to NOK 27.9 million (26.0), mainly due to growth in management income.

Administration fees and insurance income were NOK 34.2 million (35.7) and NOK 2.6 million (27.5), respectively. The reduced insurance income was due to a strengthening of IBNR reserves and the reclassification the year before of income previously reported as financial income following clarifications from the Norwegian FSA. Management income increased to NOK 39.7 million (22.1) for the same reasons as described above.

Operating expenses were NOK 53.9 million (44.7), of which NOK 5.9 million was related to the abovementioned reclassification of management income this year.

Net financial income was NOK 5.1 million (minus14.5). The 2016 figure was affected by the reclassification.

Pension

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Administration fees	34.2	35.7	134.6	127.8
Insurance income	2.6	27.5	36.3	68.0
Management income etc.	39.7	22.1	130.4	83.6
Operating expenses	(53.9)	(44.7)	(227.3)	(191.1)
Net operating income	**22.7**	**40.5**	**74.0**	**88.4**
Net financial income	5.1	(14.5)	29.7	26.4
Profit/(loss) before tax expense	**27.9**	**26.0**	**103.7**	**114.8**
Run-off gains/(losses) [1]				
Operating margin [2]	29.68%	47.53%	24.55%	31.62%
Recognised return on the paid-up policy portfolio [3]			3.75%	4.08%
Value-adjusted return on the paid-up policy portfolio [4]			4.47%	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

Development during the year

The profit before tax expense increased to NOK 612.3 million (439.1). The improvement was the result of higher income driven by portfolio growth and increased margins as well as lower write-downs and losses. The result includes a non-recurring gain of NOK 116.6 million from the sale of an impaired unsecured lending portfolio during November 2017. The contribution from the merged savings and investment operations was NOK 11.2 million (10.1).

Net interest income amounted to NOK 992.3 million (797.3). The improvement was driven by business growth and increased margins.

Net commission income and other income amounted to NOK 42.9 million (117.7). The decrease was a result of lower gains on financial instruments and higher acquisition costs driven by business growth. In addition, the 2016 financials included a gain on the sale of Visa Europe to Visa International, of which Gjensidige Bank's share was NOK 12.3 million.

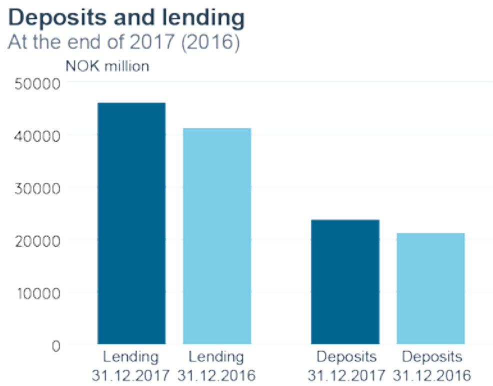
The net interest margin was 2.03 per cent (1.85). The increase was driven by improved funding costs.

Operating expenses were NOK 412.5 million (406.5). The expenses were positively impacted by a change in the bank's distribution strategy, which allowed for a higher share of the acquisition costs to be amortised over the life of the loans. The positive impact was offset by an increase in expenses driven by the growth of the business. The cost/income ratio decreased to 39.8 per cent (44.4).

Total write-downs and losses amounted to NOK 10.3 million (69.5). The sale of the impaired unsecured lending portfolio resulted in a gain of NOK 116.6 million, of which NOK 107.7 was related to write-downs. Adjusted for the portfolio sales in 2017 and 2016, total write-downs and losses were NOK 118.0 million (82.1), primarily related to the unsecured lending portfolio. This was the result of portfolio growth and changes in credit policy. Write-downs and losses were 0.02 per cent (0.18) of average gross lending. Normalised for the portfolio sale, the ratio was 0.27 per cent (0.21). The weighted average loan-to-value ratio[1] was estimated to be 60.6 per cent (61.7) for the mortgage portfolio.

Gross lending increased by 11.7 per cent and amounted to NOK 46,056.1 million (41,249.5) at the end of the year. Deposits increased by 11.7 per cent, reaching NOK 23,765.7 million (21,270.4). The deposits-to-loans ratio was 51.6 per cent (51.6).

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



On 20 April 2017, the Pillar 2 requirement for Gjensidige Bank ASA was set at 1.5 per cent by the Norwegian Financial Supervisory Authority. The core equity Tier 1 capital for the bank had to be increased to 13.0 per cent with effect from 30 June 2017. As a result, 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. As of 31 December, the requirement for core equity Tier 1 capital was 13.5 per cent.

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

Development during the quarter

The profit before tax expense was NOK 247.6 million (97.1). The increase was primarily driven by net interest income and the non-recurring positive impact of the portfolio sale.

Net interest income was NOK 271.6 million (210.5), driven by business growth and increased margins. Net commission income and other income fell to minus NOK 8.0 million (12.0), driven by lower gains on financial instruments and increased acquisition costs.

Operating expenses amounted to NOK 117.5 million (99.0). The cost/income ratio was 44.6 per cent (44.5).

Total write-downs and losses resulted in an income of NOK 101.5 million (loss of 26.5). The improvement was driven by the non-recurring positive impact of the sale of an impaired unsecured loans portfolio.

Gross lending growth was NOK 516.0 million (1,334.4). Deposits increased by NOK 901.8 million (892.1).

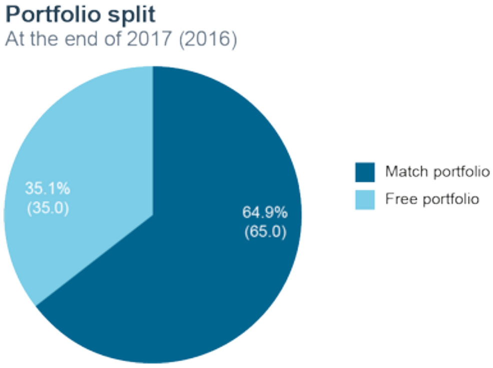
[1] The loan-to-value ratio estimate is calculated on the basis of the exposure on the reporting date and the property valuation, including any higher priority pledge(s), at the time the loan was approved.

Retail Bank

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Interest income and related income	431.2	362.2	1,631.7	1,408.0
Interest expenses and related expenses	(159.5)	(151.7)	(639.4)	(610.7)
Net interest income	**271.6**	**210.5**	**992.3**	**797.3**
Net commission income and other income	(8.0)	12.0	42.9	117.7
Total income	**263.7**	**222.6**	**1,035.2**	**915.0**
Operating expenses	(117.5)	(99.0)	(412.5)	(406.5)
Write-downs and losses	101.5	(26.5)	(10.3)	(69.5)
Profit/(loss) before tax expense	**247.6**	**97.1**	**612.3**	**439.1**
Net interest margin, annualised [1]			2.03%	1.85%
Write-downs and losses, annualised [2]			0.02%	0.18%
Cost/income ratio [3]	44.6%	44.5%	39.8%	44.4%

[1] Net interest margin, annualised = net interest income/average total assets
[2] Write-downs and losses, annualised = write-downs and losses/average gross lending
[3] Cost/income ratio = operating expenses/total income

Management of financial assets and properties



The Group's investment portfolio includes all investment funds in the Group, except for investment funds in the Pension and Retail Bank segments. The investment portfolio is split into two parts: a match portfolio and a free portfolio. The match portfolio is intended to correspond to the Group's technical provisions. It is invested in fixed-income instruments with a duration and currency that matches the duration and currency of the technical provisions. The free portfolio consists of various assets. The allocation of assets in this portfolio must be seen in 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 year, the investment portfolio totalled NOK 54.9 billion (54.0). The financial result for the year was NOK 2,002.6 million (2,155.1), which corresponds to a return on total assets of 3.7 per cent (3.9).

Match portfolio

The match portfolio amounted to NOK 35.6 billion (35.1). The portfolio yielded a return of 2.8 per cent (3.5), excluding changes in the value of the bonds recognised at amortised cost.

Bonds recognised at amortised cost amounted to NOK 17.6 billion (17.5). Unrealised excess value amounted to NOK 1.2 billion (1.3) at the end of the period. The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 3.1 per cent on average during the fourth quarter, and the running yield was 4.0 per cent at the end of the period.

The average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance liabilities was 3.6 years. The distribution of counterparty risk and credit rating is shown in the charts on page 13. Securities without an official credit rating amounted to NOK 10.7 billion (11.5). Of these securities, 6.5 per cent (10.2) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies, industry and municipalities. Bonds with a coupon linked to the development in the Norwegian consumer price index accounted for 8.5 per cent (10.1) of the match portfolio.

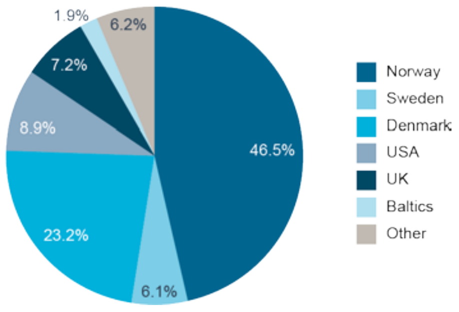
The geographical distribution[1] of the match portfolio is shown in the chart on page 12.

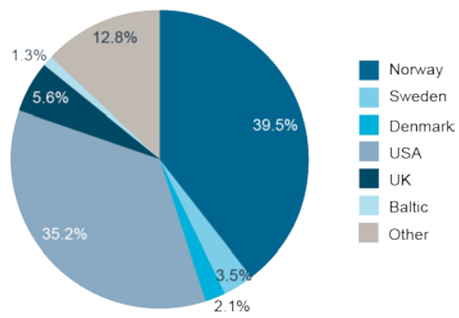
[1] The geographical distribution is related to issuers and does not reflect actual currency exposure.

Financial assets and properties

NOK millions	Result Q4 2017	Result Q4 2016	Result 1.1.-31.12. 2017	Result 1.1.-31.12. 2016	Carrying amount 31.12. 2017	Carrying amount 31.12. 2016
Match portfolio						
Money market	12.1	18.1	81.4	130.8	4,256.6	5,159.5
Bonds at amortised cost	177.1	192.3	694.7	858.4	17,597.5	17,491.3
Current bonds [1]	34.5	46.0	204.9	275.3	13,729.6	12,417.0
Match portfolio total	**223.7**	**256.4**	**981.0**	**1,264.5**	**35,583.6**	**35,067.8**
Free portfolio						
Money market	4.8	9.1	36.2	43.8	4,061.0	4,321.1
Other bonds [2]	23.6	(8.3)	103.9	296.5	3,354.6	3,689.5
High yield bonds [3]	1.3	16.1	51.3	208.7	648.8	1,072.2
Convertible bonds [3]	10.1	(4.1)	80.8	10.2	1,160.1	1,045.3
Current equities [4]	141.2	217.2	452.3	410.1	3,492.7	2,870.3
PE funds	9.3	(21.8)	100.0	(150.6)	1,269.7	1,145.7
Property	114.5	114.7	331.2	250.8	3,494.8	3,072.2
Other [5]	(39.3)	(17.8)	(134.2)	(179.0)	1,794.9	1,673.5
Free portfolio total	**265.5**	**305.1**	**1,021.6**	**890.6**	**19,276.6**	**18,889.9**
Financial result from the investment portfolio	**489.2**	**561.4**	**2,002.6**	**2,155.1**	**54,860.2**	**53,957.7**
Financial income in Pension and Retail Bank	(8.3)	(17.6)	56.4	72.6		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(7.2)	(8.1)	(30.1)	(31.6)		
Net income from investments	**473.7**	**535.7**	**2,029.0**	**2,196.1**		

[1] The item includes discounting effects of the insurance liabilities in Denmark and Sweden, and a mismatch between interest rate adjustments on the liability side in Denmark and the corresponding interest rate hedge. Investments include mortgage, sovereign and corporate bonds, investment grade bond funds and loan funds containing secured debt.
[2] The item includes investment grade, emerging market and current bonds. Investment grade and emerging market bonds are investments in internationally diversified funds that are externally managed.
[3] Investments in internationally diversified funds that are externally managed.
[4] Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 202.9 million.
[5] 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.





Free portfolio
The free portfolio amounted to NOK 19.3 billion (18.9) at the end of the period. The return was 5.3 per cent (4.6) for the full-year.

Fixed-income instruments
The fixed-income instruments in the free portfolio amounted to NOK 9.2 billion (10.1), of which money market investments, including cash, accounted for NOK 4.1 billion (4.3). The rest of the portfolio was invested in international bonds (investment grade, high yield and convertible bonds). The total fixed-income portfolio yielded a return of 2.8 per cent (5.2). 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 and cash.

At the end of the period, the average duration in the portfolio was approximately 2.5 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 2.3 billion (2.6). Of these securities, 15.2 per cent (12.4) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies, industry and municipalities.

The geographical 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 4.8 billion (4.0), of which NOK 3.5 billion (2.9) was current equities and NOK 1.3 billion (1.1) PE funds. The return on current equities was 15.1 per cent (15.1). The return was driven by a good market performance by international equities in general, and by emerging market equities in particular. The return on PE funds was 8.4 per cent (minus 12.5).

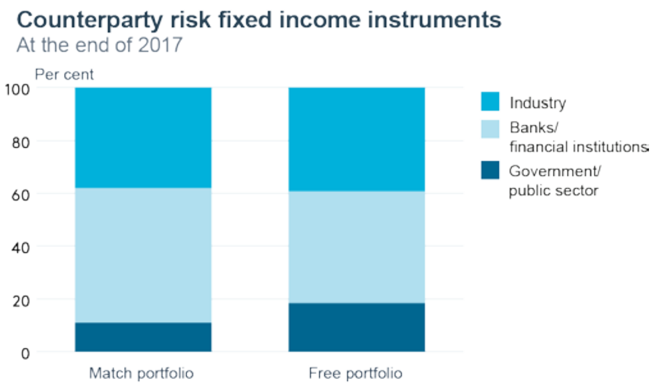
Property portfolio
At the end of the period, the exposure to commercial real estate in the portfolio was NOK 3.5 billion (3.1). The property portfolio yielded a return of 9.7 per cent (7.9). The good performance was driven by a general price appreciation in the market during the year.

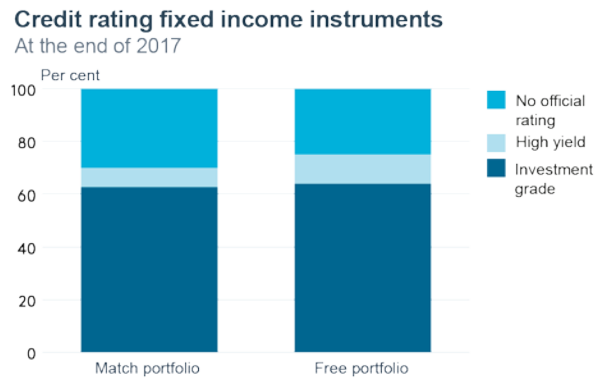
[1] The geographical distribution is related to issuers and does not reflect actual currency exposure.

Return per asset class

Per cent	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Match portfolio				
Money market	0.3	0.3	1.8	2.2
Bonds at amortised cost	1.0	1.1	4.0	4.7
Current bonds [1]	0.3	0.4	1.6	2.3
Match portfolio total	**0.6**	**0.7**	**2.8**	**3.5**
Free portfolio				
Money market	0.1	0.2	0.8	1.0
Other bonds [2]	0.7	(0.2)	3.1	8.1
High yield bonds [3]	0.2	1.2	6.1	11.5
Convertible bonds [3]	0.9	(0.4)	7.6	1.1
Current equities [4]	4.2	8.1	15.1	15.1
PE funds	0.7	(1.9)	8.4	(12.5)
Property	3.3	3.7	9.7	7.9
Other [5]	(2.4)	(1.2)	(8.1)	(11.0)
Free portfolio total	**1.4**	**1.6**	**5.3**	**4.6**
Return on financial assets	**0.9**	**1.0**	**3.7**	**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 investment grade, emerging markets and current bonds. Investment grade and emerging market bonds are investments in internationally diversified funds that are externally managed.
[3] Investments in internationally diversified funds that are externally managed.
[4] Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 202.9 million.
[5] 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.





Development during the quarter

The financial result for the total investment portfolio was NOK 489.2 million (561.4) in the quarter. This corresponds to a return on financial assets of 0.9 per cent (1.0).

The match portfolio yielded 0.6 per cent (0.7), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 1.4 per cent (1.6). The positive return was primarily driven by returns on the investments in equities and properties.

Organisation

The Group had a total of 3,834 employees at the end of the year, compared with 3,858 at the end of the third quarter. The reduction is a result of ongoing efficiency programmes in the Group.

The number of employees broke down as follows: 1,873 (1,890) in general insurance operations in Norway, 169 (159) in Gjensidige Bank, 61 (61) in Gjensidige Pensjonsforsikring, 760 (764) in Denmark, 351 (357) in Sweden and 620 (627) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the third quarter.

Events after the balance sheet date

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

Dividend

The Board has proposed a dividend based on the profit for the 2017 financial year (regular dividend) of NOK 3,550 million (3,400). This corresponds to NOK 7.10 (6.80) per share and is around 79 (73) per cent of the Group's profit after tax expense.

Gjensidige's goal is to distribute high and stable nominal dividends (regular dividends) to its shareholders, and at least 70 per cent of the profit after tax expense over time. In addition, any future excess capital will be distributed to the shareholders over time (special dividends).

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

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 twelve 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 that is above or below the target range.
3. Over the next 3-5 years, average annual run-off gains are expected to be around NOK 1,000 million, moving the expected reported combined ratio to the lower end of the 86-89 corridor (undiscounted).
4. Regulatory uncertainty relating to Solvency II is unchanged. All else being equal, this supports the already strong capital position.

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

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

The strategic priorities in the period up until 2020 are:

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

In order to support the three strategic priorities and ensure strong competiveness 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 intensified to deliver the best digital customer experiences in the Nordic general insurance industry. To support this, Gjensidige is currently evaluating the need for future investments in a new core system. Such investments are not expected to impact the financial targets.

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

Competition is still strong in the Norwegian general insurance market. Gjensidige has managed to capitalise on its position as market leader in Norway, and its competitiveness remains good. It has strengthened its leading position relative to its main competitors in parallel with delivering good profitability and high customer satisfaction. The growth rate is expected to remain subdued in the short to medium term, although an uptick in inflation and growth will lead to increased insurance premiums. Continued efforts to maintain and further strengthen Gjensidige's position in the Norwegian market will be prioritised, with particular focus on ensuring cost-efficiency and improving digital customer experiences. At the same time, new, profitable opportunities for growth will be considered in the Nordic region and the Baltic states in order to ensure good utilisation of a scalable business model and best practice. Strong emphasis will also be placed on further developing cooperation with partners and distributors.

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

Other matters

The Board has decided to pay employees of Gjensidige Forsikring ASA a collective bonus corresponding to NOK 20,700, including holiday pay, per full-time employee. The bonus is based on the combined ratio achieved, on the development in the portfolio and customer satisfaction in 2017 and a discretionary part based on other elements.

The Board wishes to thank all employees for their efforts and their contribution to Gjensidige's good results in 2017.

Oslo, 25 January 2018
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	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Operating income					
Earned premiums from general insurance	4	5,969.5	5,685.6	23,398.3	22,441.9
Earned premiums from pension		481.8	450.3	1,832.7	1,479.4
Interest income etc. from banking operations		431.2	362.2	1,631.7	1,408.0
Other income including eliminations		46.5	41.4	151.3	162.0
Total operating income	**3**	**6,928.9**	**6,539.5**	**27,014.0**	**25,491.4**
Net income from investments					
Results from investments in associates and joint ventures		116.7	81.2	255.8	184.1
Interest income and dividend etc. from financial assets		242.0	253.5	1,040.5	1,262.0
Net changes in fair value on investments (incl. property)		4.4	23.2	(355.1)	(1,040.3)
Net realised gain and loss on investments		143.4	205.4	1,207.1	1,920.8
Expenses related to investments		(32.9)	(27.5)	(119.3)	(130.5)
Total net income from investments		**473.7**	**535.7**	**2,029.0**	**2,196.1**
Total operating income and net income from investments		**7,402.7**	**7,075.2**	**29,042.9**	**27,687.5**
Claims, interest expenses, loss etc.					
Claims incurred etc. from general insurance	5, 6	(4,468.4)	(4,013.8)	(16,401.7)	(15,515.9)
Claims incurred etc. from pension		(444.9)	(387.1)	(1,661.8)	(1,283.5)
Interest expenses etc. and write-downs and losses from banking operations		(58.1)	(178.2)	(649.8)	(680.1)
Total claims, interest expenses, loss etc.		**(4,971.4)**	**(4,579.0)**	**(18,713.3)**	**(17,479.6)**
Operating expenses					
Operating expenses from general insurance		(945.7)	(971.3)	(3,586.5)	(3,191.4)
Operating expenses from pension		(53.9)	(44.7)	(227.3)	(191.1)
Operating expenses from banking operations		(117.5)	(99.0)	(412.5)	(406.5)
Other operating expenses		1.7	(15.2)	(12.9)	(24.8)
Amortisation and impairment losses of excess value - intangible assets		(72.8)	(60.1)	(261.3)	(254.2)
Total operating expenses		**(1,188.2)**	**(1,190.3)**	**(4,500.6)**	**(4,068.0)**
Total expenses		**(6,159.6)**	**(5,769.3)**	**(23,213.8)**	**(21,547.5)**
Profit/(loss) before tax expense	**3**	**1,243.1**	**1,305.8**	**5,829.1**	**6,139.9**
Tax expense		(241.0)	(215.4)	(1,309.8)	(1,474.1)
Profit/(loss)		**1,002.1**	**1,090.4**	**4,519.3**	**4,665.9**
Profit/(loss) for the period attributable to:					
Owners of the company		1,003.9	1,091.1	4,523.1	4,670.4
Non-controlling interests		(1.8)	(0.7)	(3.8)	(4.5)
Total		**1,002.1**	**1,090.4**	**4,519.3**	**4,665.9**
Earnings per share, NOK (basic and diluted)		**2.01**	**2.18**	**9.05**	**9.34**

Consolidated statement of comprehensive income

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Profit/(loss)	**1,002.1**	**1,090.4**	**4,519.3**	**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	(342.7)	74.0	(342.7)	(158.7)
Share of other comprehensive income from associates and joint ventures	(0.7)	0.3	(0.7)	0.3
Tax on items that are not reclassified to profit or loss	85.7	(18.5)	85.7	39.7
Total items that are not reclassified subsequently to profit or loss	**(257.7)**	**55.8**	**(257.7)**	**(118.7)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences from foreign operations	291.7	89.4	577.2	(391.3)
Investments available for sale	0,0	4.5	0,0	(12.5)
Tax on items that may be reclassified to profit or loss	(43.4)	(13.6)	(88.2)	66.7
Total items that may be reclassified subsequently to profit or loss	**248.3**	**80.3**	**489.1**	**(337.1)**
Total components of other comprehensive income	**(9.4)**	**136.1**	**231.3**	**(455.8)**
Total comprehensive income	**992.7**	**1,226.5**	**4,750.7**	**4,210.1**
Total comprehensive income for the period attributable to:				
Owners of the company	994.5	1,227.2	4,754.4	4,214.6
Non-controlling interests	(1.8)	(0.7)	(3.8)	(4.5)
Total	**992.7**	**1,226.5**	**4,750.7**	**4,210.1**

Consolidated statement of financial position

NOK millions	Notes	31.12.2017	31.12.2016
Assets			
Goodwill		3,557.4	3,140.2
Other intangible assets		1,472.2	1,360.5
Deferred tax assets		11.3	19.1
Investments in associates and joint ventures		1,859.4	1,601.6
Interest-bearing receivables from joint ventures		1,620.1	1,420.2
Owner-occupied property, plant and equipment		290.1	321.9
Pension assets		206.0	488.7
Financial assets			
Financial derivatives	7	674.0	1,335.4
Shares and similar interests	7	7,328.3	6,892.1
Bonds and other securities with fixed income	7	30,734.2	30,385.8
Bonds held to maturity	7	1,136.0	1,625.9
Loans and receivables	7	67,010.1	60,030.6
Assets in life insurance with investment options		22,565.5	17,780.0
Reinsurance deposits		0,0	0.3
Reinsurers' share of insurance-related liabilities in general insurance, gross		827.4	706.8
Receivables related to direct operations and reinsurance		5,840.8	5,621.5
Other receivables		1,064.5	945.9
Prepaid expenses and earned, not received income		189.9	91.3
Cash and cash equivalents		2,685.2	2,158.7
Total assets		**149,072.4**	**135,926.6**
Equity and liabilities			
Equity			
Share capital		1,000.0	999.9
Share premium		1,430.0	1,430.0
Natural perils capital		2,333.4	2,266.2
Guarantee scheme provision		638.3	628.9
Other equity		18,283.4	16,981.2
Total equity attributable to owners of the company		**23,685.1**	**22,306.3**
Non-controlling interests		18.0	19.8
Total equity		**23,703.1**	**22,326.0**
Provision for liabilities			
Subordinated debt		1,947.3	1,946.8
Premium reserve in life insurance		5,784.9	4,127.0
Provision for unearned premiums, gross, in general insurance		9,961.4	9,527.9
Claims provision, gross	8	31,322.7	32,447.5
Other technical provisions		339.6	297.3
Pension liabilities		578.3	511.8
Other provisions		328.6	342.1
Financial liabilities			
Financial derivatives	7	584.9	1,191.8
Deposits from and liabilities to customers	7	23,765.7	21,270.4
Interest-bearing liabilities	7	23,083.4	19,596.5
Other liabilities	7	1,265.2	1,368.5
Current tax		1,131.5	1,272.7
Deferred tax liabilities		1,076.8	871.7
Liabilities related to direct insurance and reinsurance	7	1,132.8	555.2
Liabilities in life insurance with investment options		22,565.5	17,780.0
Accrued expenses and deferred income	7	500.8	493.3
Total liabilities		**125,369.3**	**113,600.5**
Total equity and liabilities		**149,072.4**	**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)					21.4			4,649.0	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					**21.4**	**(324.7)**	**(119.0)**	**4,637.0**	**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					997.7				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.-31.12.2017									
Profit/(loss) (the controlling interests' share)					45.9			4,477.2	4,523.1
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined liability/asset							(342.7)		(342.7)
Share of other comprehensive income of associates and joint ventures								(0.7)	(0.7)
Tax on items that are not reclassified to profit or loss							85.7		85.7
Total items that are not reclassified subsequently to profit or loss							**(257.0)**	**(0.7)**	**(257.7)**
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.3		576.6	0.4		577.2
Tax on items that may be reclassified to profit or loss						(88.2)			(88.2)
Total items that may be reclassified subsequently to profit or loss				**0.3**		**488.4**	**0.4**		**489.1**
Total components of other comprehensive income				**0.3**		**488.4**	**(256.6)**	**(0.7)**	**231.3**
Total comprehensive income				**0.3**	**45.9**	**488.4**	**(256.6)**	**4,476.5**	**4,754.4**
Own shares		0,0						(9.4)	(9.4)
Paid dividend								(3,399.6)	(3,399.6)
Remeasurement of the net defined benefit liability/asset of liquidated companies							22.0	(22.0)	
Equity-settled share-based payment transactions				8.8					8.8
Perpetual Tier 1 capital					70.5			(0.6)	69.8
Perpetual Tier 1 capital - interest paid					(45.3)				(45.3)
Equity as at 31.12.2017 attributable to owners of the company	**1,000.0**	**0,0**	**1,430.0**	**48.2**	**1,369.4**	**602.0**	**(1,936.7)**	**21,172.2**	**23,685.1**
Non-controlling interests as at 31.12.2017									18.0
Equity as at 31.12.2017									**23,703.1**

Consolidated statement of cash flows

NOK millions	1.1.-31.12.2017	1.1.-31.12.2016
Cash flow from operating activities		
Premiums paid, net of reinsurance	29,645.8	27,023.8
Claims paid, net of reinsurance	(18,398.9)	(17,547.5)
Net payment of loans to customers	(4,912.2)	(4,545.8)
Net payment of deposits from customers	2,495.3	1,848.1
Payment of interest from customers	1,509.0	1,326.3
Payment of interest to customers	(257.2)	(264.7)
Net receipts/payments of premium reserve transfers	(1,231.2)	(645.2)
Net receipts/payments from financial assets	(1,812.3)	953.5
Net receipt/payments on sale/acquisition of investment property	97.1	
Operating expenses paid, including commissions	(4,283.3)	(4,400.0)
Taxes paid	(1,250.4)	(1,376.5)
Net other receipts/payments	116.4	140.8
Net cash flow from operating activities	**1,718.1**	**2,512.8**
Cash flow from investing activities		
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	(502.6)	(92.2)
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(328.1)	(110.7)
Net receipts/payments on sale/acquisition of customer portfolios - intangible assets	(3.9)	(45.5)
Net cash flow from investing activities	**(834.6)**	**(248.4)**
Cash flow from financing activities		
Payment of dividend	(3,459.9)	(6,139.5)
Net receipts/payments on subordinated debt incl. interest	(42.3)	261.7
Net receipts of capital from non-controlling interests	2.1	
Net receipts/payments on loans to credit institutions	3,462.4	2,003.6
Net receipts/payments on other short-term liabilities	(53.1)	(19.9)
Net receipts/payments on interest on funding activities	(308.8)	(301.5)
Net receipts/payments on sale/acquisition of own shares	(11.1)	(3.7)
Tier 1 issuance/installments	70.0	997.0
Tier 1 interest payments	(56.8)	(22.1)
Net cash flow from financing activities	**(397.5)**	**(3,224.5)**
Effect of exchange rate changes on cash and cash equivalents	40.5	(33.1)
Net cash flow	**526.5**	**(993.2)**
Cash and cash equivalents at the start of the period	2,158.7	3,151.9
Cash and cash equivalents at the end of the period	2,685.2	2,158.7
Net cash flow	**526.5**	**(993.2)**
Specification of cash and cash equivalents		
Deposits with central banks	229.6	57.0
Cash and deposits with credit institutions	2,455.6	2,101.7
Total cash and cash equivalents	**2,685.2**	**2,158.7**

Notes

1. Accounting policies

The consolidated financial statements as of the fourth quarter of 2017, concluded on 31 December 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 fourth 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.

During 2017, the bank has worked extensively to put together an internal model to comply with the new IFRS 9 guideline. The new impairment requirements are expected to increase the bank's provisioning for expected credit losses with NOK 13.8 million or 7.7 per cent. Total provisioning for credit losses amounted to NOK 180.3 million at the end of 2017. The changes generated by the new requirements will be accounted for at fair value through other comprehensive income (FVOCI), based on the amortisation schedule proposed by the Norwegian regulations (transition rule). The impact on the Common Equity Tier 1 capital ratio, before the transition rules, was assessed as immaterial at 0.044 per cent. Year 1 impact in the Common Equity Tier 1 capital ratio after transition rules was estimated at 0.002 per cent. 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.

Gjensidige will make use of this exception.

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															
	Private		Commercial		Nordic		Baltics		Pension		Retail Bank		Eliminations etc. [1]		Total	
Fourth quarter																
NOK millions	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Segment income																
Segment income	2,123.4	2,111.6	1,827.4	1,808.1	1,705.1	1,542.9	271.6	252.4	521.5	472.3	436.6	377.4	43.4	(25.3)	6,928.9	6,539.5
Total segment income [2]	**2,123.4**	**2,111.6**	**1,827.4**	**1,808.1**	**1,705.1**	**1,542.9**	**271.6**	**252.4**	**521.5**	**472.3**	**436.6**	**377.4**	**43.4**	**(25.3)**	**6,928.9**	**6,539.5**
- Claims, interest expenses, loss etc.	(1,449.5)	(1,283.4)	(1,296.6)	(1,220.7)	(1,359.0)	(1,258.4)	(168.4)	(195.0)	(444.9)	(387.1)	(58.1)	(178.2)	(194.8)	(56.3)	(4,971.4)	(4,579.0)
- Operating expenses	(281.0)	(278.3)	(216.3)	(205.2)	(273.3)	(264.1)	(83.9)	(94.0)	(53.9)	(44.7)	(117.5)	(99.0)	(162.3)	(204.9)	(1,188.2)	(1,190.3)
+ Net income from investments									5.1	(14.5)	(13.4)	(3.2)	482.0	553.4	473.7	535.7
Segment result/profit/(loss) before tax expense	**392.9**	**549.9**	**314.5**	**382.2**	**72.8**	**20.4**	**19.2**	**(36.6)**	**27.9**	**26.0**	**247.6**	**97.1**	**168.2**	**266.9**	**1,243.1**	**1,305.8**

	General insurance															
	Private		Commercial		Nordic		Baltics		Pension		Retail Bank		Eliminations etc. [1]		Total	
1.1.-31.12.																
NOK millions	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Segment income																
Segment income	8,516.5	8,291.3	7,300.5	7,257.4	6,563.5	5,917.8	1,074.7	1,036.3	1,963.1	1,563.0	1,647.9	1,479.6	(52.2)	(54.1)	27,014.0	25,491.4
Total segment income [2]	**8,516.5**	**8,291.3**	**7,300.5**	**7,257.4**	**6,563.5**	**5,917.8**	**1,074.7**	**1,036.3**	**1,963.1**	**1,563.0**	**1,647.9**	**1,479.6**	**(52.2)**	**(54.1)**	**27,014.0**	**25,491.4**
- Claims, interest expenses, loss etc.	(5,226.2)	(5,030.8)	(4,825.6)	(4,825.1)	(5,354.9)	(4,739.6)	(736.0)	(748.4)	(1,661.8)	(1,283.5)	(649.8)	(680.1)	(258.9)	(172.0)	(18,713.3)	(17,479.6)
- Operating expenses	(1,090.3)	(1,063.8)	(840.1)	(801.1)	(1,016.1)	(930.9)	(345.9)	(387.4)	(227.3)	(191.1)	(412.5)	(406.5)	(568.4)	(287.2)	(4,500.6)	(4,068.0)
+ Net income from investments									29.7	26.4	26.7	46.1	1,972.5	2,123.5	2,029.0	2,196.1
Segment result/profit/(loss) before tax expense	**2,200.0**	**2,196.7**	**1,634.8**	**1,631.3**	**192.4**	**247.3**	**(7.2)**	**(99.5)**	**103.7**	**114.8**	**612.3**	**439.1**	**1,093.1**	**1,610.3**	**5,829.1**	**6,139.9**

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

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

4. Earned premiums from general insurance

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums, gross	6,139.1	5,828.2	24,083.0	23,031.6
Ceded reinsurance premiums	(169.6)	(142.7)	(684.7)	(589.7)
Total earned premiums, net of reinsurance	**5,969.5**	**5,685.6**	**23,398.3**	**22,441.9**

5. Claims incurred etc. from general insurance

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Gross claims	(4,496.3)	(4,181.7)	(16,891.7)	(15,983.4)
Claims, reinsurers' share	27.9	167.9	490.0	467.5
Total claims incurred etc. from general insurance	**(4,468.4)**	**(4,013.8)**	**(16,401.7)**	**(15,515.9)**

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

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Earned premiums from general insurance	5,969.5	5,685.6	23,398.3	22,441.9
Run-off gain/(loss) for the period, net of reinsurance [1]	300.6	314.4	1,030.3	1,023.4
In per cent of earned premiums from general insurance	5.0	5.5	4.4	4.6

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

7. Financial assets and liabilities

Fair value

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

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

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

Quoted prices in active markets

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

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

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

Valuation based on observable market data

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

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

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

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

Valuation based on non-observable market data

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

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

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

- Unlisted private equity investments. The private equity investments that are not organized as funds are valued using cash flow analysis, price multiples and recent market transactions. The private equity investments that are organized as funds are valued based on NAV (Net Asset Value) as reported by the fund administrators in accordance with IPEV guidelines (International Private Equity and Venture capital Valuation. 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.
- 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 31.12.2017	Fair value as at 31.12.2017	Carrying amount as at 31.12.2016	Fair value as at 31.12.2016
Financial assets				
Financial derivatives				
Financial derivatives at fair value through profit or loss	674.0	674.0	1,335.4	1,335.4
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	7,328.3	7,328.3	6,892.1	6,892.1
Bonds and other fixed income securities	30,734.2	30,734.2	30,385.8	30,385.8
Shares and similar interests in life insurance with investment options	20,034.3	20,034.3	16,002.8	16,002.8
Bonds and other fixed income securities in life insurance with investment options	2,531.2	2,531.2	1,777.2	1,777.2
Financial assets held to maturity				
Bonds held to maturity	1,136.0	1,158.2	1,625.9	1,702.3
Loans and receivables				
Bonds and other fixed income securities classified as loans and receivables	21,032.6	22,475.7	19,045.5	20,530.5
Loans	47,597.6	47,617.0	42,405.2	42,425.2
Receivables related to direct operations and reinsurance	5,840.8	5,840.8	5,621.5	5,621.5
Other receivables	1,064.5	1,064.5	945.9	945.9
Prepaid expenses and earned, not received income	189.9	189.9	91.3	91.3
Cash and cash equivalents	2,685.2	2,685.2	2,158.7	2,158.7
Total financial assets	**140,848.5**	**142,333.2**	**128,287.5**	**129,868.8**
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss	584.9	584.9	1,191.8	1,191.8
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	22,565.5	22,565.5	17,780.0	17,780.0
Financial liabilities at amortised cost				
Subordinated debt	1,947.3	1,968.1	1,946.8	1,904.9
Deposits from and liabilities to customers, bank	23,765.7	23,765.7	21,270.4	21,270.4
Interest-bearing liabilities	23,083.4	23,260.2	19,596.5	19,649.2
Other liabilities	1,265.2	1,265.2	1,368.5	1,368.5
Liabilities related to direct insurance	1,132.8	1,132.8	555.2	555.2
Accrued expenses and deferred income	500.8	500.8	493.3	493.3
Total financial liabilities	**74,845.4**	**75,043.1**	**64,202.5**	**64,213.3**
Gain/(loss) not recognised in profit or loss		**1,287.0**		**1,570.5**

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		674.0		674.0
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	47.0	5,069.5	2,211.8	7,328.3
Bonds and other fixed income securities	11,218.3	18,611.6	904.3	30,734.2
Shares and similar interests in life insurance with investment options	20,021.1	13.2		20,034.3
Bonds and other fixed income securities in life insurance with investment options	2,515.5	15.6		2,531.2
Financial assets at amortised cost				
Bonds held to maturity	392.6	762.2	3.4	1,158.2
Bonds and other fixed income securities classified as loans and receivables	0,0	17,704.1	4,771.6	22,475.7
Loans	0,0	4,767.1	42,850.0	47,617.0
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss		584.9		584.9
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	22,536.7	28.8		22,565.5
Financial liabilities at amortised cost				
Subordinated debt		1,968.1		1,968.1
Interest-bearing liabilities		23,260.2		23,260.2

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		1,335.4		1,335.4
Financial assets at fair value through profit or loss, designated upon initial recognition				
Shares and similar interests	820.4	3,764.6	2,307.0	6,892.1
Bonds and other fixed income securities	10,840.6	18,211.7	1,333.5	30,385.8
Shares and similar interests in life insurance with investment options	15,993.6	9.2		16,002.8
Bonds and other fixed income securities in life insurance with investment options	1,764.3	12.9		1,777.2
Financial assets at amortised cost				
Bonds held to maturity	382.8	1,319.5		1,702.3
Bonds and other fixed income securities classified as loans and receivables		20,529.0	1.5	20,530.5
Loans			42,425.2	42,425.2
Financial liabilities				
Financial derivatives				
Financial derivatives at fair value through profit or loss		1,191.8		1,191.8
Financial liabilities at fair value through profit or loss, designated upon initial recognition				
Debt in life insurance with investment options	17,757.9	22.1		17,780.0
Financial liabilities at amortised cost				
Subordinated debt		1,904.9		1,904.9
Interest-bearing liabilities		19,649.2		19,649.2

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

NOK millions	As at 1.1.2017	Net realised/ unrealised gains recognised in profit or loss	Purch-ases	Sales	Settle-ments	Trans-fers into/out of level 3	Cur-rency effect	As at 31.12.2017	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2017
Shares and similar interests	2,307.0	(33.6)	177.1	(128.2)		(111.0)	0.5	2,211.8	25.2
Bonds and other fixed income securities	1,333.5	65.7	358.5	(929.7)		(4.6)	80.9	904.3	2.3
Total	**3,640.5**	**32.1**	**535.7**	**(1,057.9)**		**(115.6)**	**81.4**	**3,116.2**	**27.5**

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

NOK millions		Sensitivity
Shares and similar interests	Change in value 10%	221.2
Bonds and other fixed income securities	Change in value 10%	90.4
Total		**311.6**

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 31.12.2016	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2016
Shares and similar interests	1,943.7	(342.8)	905.7	(199.3)			(0.3)	2,307.0	(303.9)
Bonds and other fixed income securities	2,174.6	(114.4)	324.2	(119.2)		(832.9)	(98.7)	1,333.5	24.0
Total	**4,118.3**	**(457.2)**	**1,229.9**	**(318.5)**		**(832.9)**	**(99.0)**	**3,640.5**	**(279.9)**

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

NOK millions		Sensitivity
Shares and similar interests	Change in value 10%	230.7
Bonds and other fixed income securities	Change in value 10%	133.4
Total		**364.1**

8. Claims provision, gross

NOK millions	31.12.2017	31.12.2016
General insurance		
Claims provision, gross, as at 1 January	31,357.4	32,300.5
Additions from acquisitions	115.7	348.3
Claims for the year	18,104.9	17,858.4
Claims incurred in prior years, gross	(1,200.9)	(1,045.8)
Claims paid	(17,728.0)	(17,779.6)
Discounting of claims provisions	70.5	44.9
Change in discounting rate	(66.0)	194.5
Other changes	(43.9)	
Exchange differences	713.0	(563.7)
Claims provision, gross, at the end of the period	**31,322.7**	**31,357.4**
Pension		
Claims provision, gross, as at 1 January	1,090.1	878.0
Claims for the year	1,659.2	1,294.4
Claims incurred in prior years, gross	36.1	12.6
Claims paid	(464.1)	(414.7)
Transfer of pension savings [1]	(2,321.3)	(680.1)
Claims provision, gross, at the end of the period		**1,090.1**
Group		
Claims provision, gross, as at 1 January	32,447.5	33,178.5
Additions from acquisitions	115.7	348.3
Claims for the year	19,764.1	18,311.9
Claims incurred in prior years, gross	(1,164.8)	(1,033.2)
Claims paid	(18,192.1)	(17,331.9)
Discounting of claims provisions	70.5	44.9
Change in discounting rate	(66.0)	194.5
Transfer of pension savings [1]	(2,321.3)	(680.1)
Other changes	(43.9)	
Exchange differences	713.0	(585.2)
Claims provision, gross, at the end of the period	**31,322.7**	**32,447.5**
Discounted claims provision, gross - annuities	6,127.1	4,905.2
Nominal claims provision, gross - annuities	6,855.7	5,449.1

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

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

The reason why the claims provisions for annuities are discounted is due to very long cash flows and substantial future interest income. The claims for occupational injuries in Denmark are paid either as annuities or as lump-sum indemnities (which are calculated mainly as discounted annuities). Therefore, it is most expedient to regard the whole portfolio as annuities. For Swedish MTPL personal injuries are paid as lifelong annuities. The discount rate used is a swap interest rate.

9. Contingent liabilities

NOK millions	31.12.2017	31.12.2016
Guarantees and committed capital		
Gross guarantees	0.1	0.1
Committed capital, not paid	1,392.5	1,174.3

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 1,392.5 million (1,174.3) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet.

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

Gjensidige Forsikring ASA owns all shares in Mondux Assurance Agentur A/S, Denmark. As of December 2017, Gjensidige Forsikring has acquired all assets and liabilities of Mondux Assurance Agentur. The transaction was conducted at fair value and amounts to DKK 216.7 million. Settlement of the payment will most likely be made in Q1 2018, and will accrue an arm's length interest up to the final payment. All consequences of the transaction have been eliminated in the consolidated accounts. Apart from this sale, there have not been any significant transactions with related parties other than ordinary current transactions conducted at arm's length distance.

Key figures

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

		Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Gjensidige Forsikring Group					
Equity	NOK millions			23,703.1	22,326.0
Equity per share	NOK			47.4	44.7
Earnings per share in the period, basic and diluted [1]	NOK	2.01	2.18	9.05	9.34
Return on equity, annualised [2]	%			21.3	21.4
Return on tangible equity, annualised [3]	%			27.5	26.9
Return on financial assets [4]	%	0.9	1.0	3.7	3.9
Total eligible own funds to meet the group SCR (SF) [5]	NOK millions			21,052.5	20,377.9
Group SCR margin (SF) [6]	%			137.5	146.8
Total eligible own funds to meet the minimum consolidated group SCR (SF) [7]	NOK millions			13,980.9	14,065.2
Minimum consolidated group SCR margin (SF) [8]	%			256.2	266.4
Gjensidige Forsikring ASA					
Total eligible own funds to meet the SCR (SF) [9]	NOK millions			18,877.4	18,625.0
SCR margin (SF) [10]	%			168.5	181.5
Total eligible own funds to meet the MCR (SF) [11]	NOK millions			16,281.4	16,124.4
MCR margin (SF) [12]	%			346.3	349.2
Issued shares, at the end of the period	Number			500,000,000	500,000,000
General Insurance					
Gross premiums written					
Private	NOK millions	1,897.0	1,860.1	8,614.5	8,375.9
Commercial	NOK millions	1,663.7	1,644.3	7,637.0	7,446.1
Nordic	NOK millions	1,563.7	1,409.8	6,703.9	6,262.4
Baltics	NOK millions	255.3	261.6	1,074.9	1,080.6
Corporate Centre/reinsurance	NOK millions	(4.5)	(20.1)	47.2	53.0
Total	NOK millions	5,375.2	5,155.7	24,077.5	23,218.0
Premiums, net of reinsurance [13]	%			97.1	97.5
Earned premiums					
Private	NOK millions	2,123.4	2,111.6	8,516.5	8,291.3
Commercial	NOK millions	1,827.4	1,808.1	7,300.5	7,257.4
Nordic	NOK millions	1,705.1	1,542.9	6,563.5	5,917.8
Baltics	NOK millions	271.6	252.4	1,074.7	1,036.3
Corporate Centre/reinsurance	NOK millions	42.0	(29.4)	(56.9)	(60.9)
Total	NOK millions	5,969.5	5,685.6	23,398.3	22,441.9
Loss ratio [14]					
Private	%	68.3	60.8	61.4	60.7
Commercial	%	71.0	67.5	66.1	66.5
Nordic	%	79.7	81.6	81.6	80.1
Baltics	%	62.0	77.3	68.5	72.2
Total	%	74.9	70.6	70.1	69.1
Cost ratio [15]					
Private	%	13.2	13.2	12.8	12.8
Commercial	%	11.8	11.3	11.5	11.0
Nordic	%	16.0	17.1	15.5	15.7
Baltics	%	30.9	37.3	32.2	37.4
Total	%	15.8	17.1	15.3	14.2
Combined ratio [16]					
Private	%	81.5	74.0	74.2	73.5
Commercial	%	82.8	78.9	77.6	77.5
Nordic	%	95.7	98.7	97.1	95.8
Baltics	%	92.9	114.5	100.7	109.6
Total	%	90.7	87.7	85.4	83.4
Combined ratio discounted [17]	%	89.6	86.7	84.8	82.4

		Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Pension					
Assets under management pension, at the end of the period	NOK millions			28,699.0	23,237.3
of which the group policy portfolio	NOK millions			6,018.4	5,409.6
Operating margin [18]	%	29.68	47.53	24.55	31.62
Recognised return on the paid-up policy portfolio [19]	%			3.75	4.08
Value-adjusted return on the paid-up policy portfolio [20]	%			4.47	4.87
Share of shared commercial customers [21]	%			69.4	70.0
Return on equity, annualised [2]	%			11.0	13.8
Retail Bank					
Gross lending, addition in the period	NOK millions	516.0	1,334.4	4,806.6	4,514.0
Deposits, addition in the period	NOK millions	901.8	892.1	2,495.3	1,913.1
Gross lending, at the end of the period	NOK millions			46,056.1	41,249.5
Deposits, at the end of the period	NOK millions			23,765.7	21,270.4
Deposits-to-loan ratio at the end of the period [22]	%			51.6	51.6
Assets under management, at the end of the period	NOK millions			15,975.1	15,141.6
Net interest margin, annualised [23]	%			2.03	1.85
Write-downs and losses, annualised [24]	%			0.02	0.18
Cost/income ratio [25]	%	44.6	44.5	39.8	44.4
Shared customers' share of gross lending [26]	%			75.0	76.2
Capital adequacy ratio [27]	%			18.1	17.1
Tier 1 capital ratio [28]	%			16.2	15.0
Common equity Tier 1 capital ratio [29]	%			14.7	13.5
Return on equity, annualised [2]	%			14.2	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	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Earned premiums from general insurance	5,969.5	6,056.4	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0	5,493.5
Other income	959.5	975.2	759.5	921.5	853.9	818.7	679.2	697.7	832.7
Total operating income	**6,928.9**	**7,031.6**	**6,584.2**	**6,469.2**	**6,539.5**	**6,524.2**	**6,216.0**	**6,211.7**	**6,326.2**
Total net income from investments	**473.7**	**488.9**	**480.8**	**585.6**	**535.7**	**737.0**	**591.0**	**332.4**	**604.8**
Total operating income and net income from investments	**7,402.7**	**7,520.5**	**7,065.0**	**7,054.8**	**7,075.2**	**7,261.2**	**6,807.1**	**6,544.1**	**6,931.0**
Claims incurred etc. from general insurance	(4,468.4)	(4,013.7)	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)
Other claims, interest expenses, loss etc.	(503.0)	(684.8)	(477.5)	(646.3)	(565.2)	(535.7)	(412.4)	(450.4)	(579.7)
Total claims, interest expenses, loss etc.	**(4,971.4)**	**(4,698.5)**	**(4,439.2)**	**(4,604.2)**	**(4,579.0)**	**(4,540.0)**	**(4,012.0)**	**(4,348.5)**	**(4,314.5)**
Operating expenses from general insurance	(945.7)	(892.5)	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)	(879.5)
Other operating expenses	(242.5)	(211.1)	(232.4)	(228.1)	(219.0)	(216.0)	(220.1)	(221.5)	(266.5)
Total operating expenses	**(1,188.2)**	**(1,103.6)**	**(1,123.1)**	**(1,085.7)**	**(1,190.3)**	**(1,205.3)**	**(1,085.7)**	**(586.6)**	**(1,146.0)**
Total expenses	**(6,159.6)**	**(5,802.1)**	**(5,562.3)**	**(5,689.8)**	**(5,769.3)**	**(5,745.3)**	**(5,097.7)**	**(4,935.2)**	**(5,460.5)**
Profit/(loss) for the period before tax expense	**1,243.1**	**1,718.4**	**1,502.7**	**1,365.0**	**1,305.8**	**1,515.9**	**1,709.3**	**1,608.9**	**1,470.6**
Underwriting result general insurance	**555.4**	**1,150.2**	**972.3**	**732.2**	**700.4**	**711.8**	**1,071.6**	**1,250.7**	**879.2**

NOK millions	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Earned premiums from general insurance	5,471.2	5,188.1	5,119.2	5,214.4	5,203.6	5,061.5	4,907.2	4,766.3	4,866.9
Other income	686.4	666.4	697.8	830.1	600.5	645.2	636.1	630.2	513.8
Total operating income	**6,157.7**	**5,854.6**	**5,817.0**	**6,044.5**	**5,804.1**	**5,706.8**	**5,543.4**	**5,396.5**	**5,380.6**
Total net income from investments	**(174.0)**	**518.1**	**524.4**	**352.5**	**574.3**	**765.3**	**783.5**	**892.2**	**846.0**
Total operating income and net income from investments	**5,983.6**	**6,372.7**	**6,341.3**	**6,397.0**	**6,378.4**	**6,472.1**	**6,326.8**	**6,288.8**	**6,226.6**
Claims incurred etc. from general insurance	(3,588.0)	(3,341.8)	(3,933.0)	(3,607.9)	(3,695.3)	(3,357.9)	(3,809.3)	(3,664.2)	(3,293.7)
Other claims, interest expenses, loss etc.	(447.3)	(434.2)	(466.6)	(604.0)	(399.3)	(448.3)	(440.7)	(440.8)	(332.8)
Total claims, interest expenses, loss etc.	**(4,035.3)**	**(3,776.1)**	**(4,399.6)**	**(4,211.9)**	**(4,094.7)**	**(3,806.2)**	**(4,249.9)**	**(4,105.0)**	**(3,626.5)**
Operating expenses from general insurance	(792.3)	(776.1)	(769.6)	(799.3)	(753.2)	(752.5)	(748.9)	(726.4)	(720.6)
Other operating expenses	(204.3)	(180.4)	(184.8)	(226.7)	(193.8)	(165.4)	(172.0)	(174.2)	(206.1)
Total operating expenses	**(996.6)**	**(956.5)**	**(954.4)**	**(1,026.0)**	**(947.1)**	**(917.9)**	**(921.0)**	**(900.7)**	**(926.7)**
Total expenses	**(5,031.9)**	**(4,732.6)**	**(5,354.0)**	**(5,238.0)**	**(5,041.7)**	**(4,724.2)**	**(5,170.9)**	**(5,005.7)**	**(4,553.3)**
Profit/(loss) for the period before tax expense	**951.7**	**1,640.1**	**987.3**	**1,159.0**	**1,336.7**	**1,747.9**	**1,155.9**	**1,283.1**	**1,673.3**
Underwriting result general insurance	**1,091.0**	**1,070.2**	**416.5**	**807.2**	**755.0**	**951.0**	**349.1**	**375.7**	**852.5**

Income statement

Gjensidige Forsikring ASA

NOK millions	Q4 2017	Q4 2016	1.1.-31.12.2017	1.1.-31.12.2016
Premiums				
Earned premiums, gross	5,720.0	5,552.8	22,601.2	21,930.6
Ceded reinsurance premiums	(170.3)	(142.0)	(677.1)	(578.0)
Total earned premiums, net of reinsurance	**5,549.7**	**5,410.7**	**21,924.1**	**21,352.6**
General insurance claims				
Gross claims	(4,183.7)	(3,974.2)	(15,808.7)	(15,205.3)
Claims, reinsurers' share	31.9	175.3	481.4	497.1
Total claims incurred, net of reinsurance	**(4,151.8)**	**(3,799.0)**	**(15,327.3)**	**(14,708.2)**
Insurance-related operating expenses				
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(926.0)	(914.6)	(3,469.1)	(2,973.4)
Received commission for ceded reinsurance and profit share	13.8	12.2	28.2	23.7
Total insurance-related operating expenses	**(912.2)**	**(902.4)**	**(3,440.9)**	**(2,949.7)**
Profit/(loss) of technical account general insurance	**485.7**	**709.3**	**3,155.9**	**3,694.8**
Net income from investments				
Income from investments in subsidiaries, associates and joint ventures	0.1	(89.6)	83.9	113.3
Impairment losses of investments in subsidiaries, associates and joint ventures			(49.4)	(94.2)
Interest income and dividend etc. from financial assets	281.0	302.2	1,107.4	1,266.1
Changes in fair value on investments	5.8	26.4	(368.1)	(1,053.4)
Realised gain and loss on investments	152.8	206.4	1,206.1	1,889.6
Administration expenses related to investments, including interest expenses	(72.0)	(58.8)	(239.6)	(187.3)
Total net income from investments	**367.8**	**386.6**	**1,740.3**	**1,934.1**
Other income	1.8	3.9	10.2	11.9
Other expenses	(10.8)	(10.7)	(41.2)	(40.8)
Profit/(loss) of non-technical account	**358.8**	**379.8**	**1,709.3**	**1,905.2**
Profit/(loss) before tax expense	**844.4**	**1,089.1**	**4,865.2**	**5,600.0**
Tax expense	(156.8)	(180.1)	(1,104.6)	(1,322.0)
Profit/(loss) before components of other comprehensive income	**687.6**	**909.0**	**3,760.6**	**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	(339.3)	73.5	(339.3)	(159.2)
Tax on items that are not reclassified to profit or loss	84.8	(18.4)	84.8	39.8
Total items that are not reclassified subsequently to profit or loss	**(254.5)**	**55.1**	**(254.5)**	**(119.4)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences from foreign operation	176.5	57.5	359.9	(273.0)
Tax on items that may be reclassified to profit or loss	(43.4)	(13.5)	(88.2)	66.6
Total items that may be reclassified subsequently to profit or loss	**133.1**	**43.9**	**271.7**	**(206.5)**
Total comprehensive income	**566.3**	**1,008.1**	**3,777.9**	**3,952.1**

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	31.12.2017	31.12.2016
Assets		
Goodwill	1,843.4	1,587.0
Other intangible assets	1,068.8	955.5
Total intangible assets	**2,912.2**	**2,542.5**
Investments		
Buildings and other real estate		
Owner-occupied property	27.0	19.0
Subsidiaries and associates		
Shares in subsidiaries	6,297.3	5,741.7
Shares in associates and joint ventures	1,086.9	1,086.9
Interest bearing receivables within the group incl. joint ventures	1,620.1	1,420.2
Financial assets measured at amortised cost		
Bonds held to maturity	712.9	1,226.8
Loans and receivables	16,598.3	16,018.9
Financial assets measured at fair value		
Shares and similar interests (incl. shares and similar interests measured at cost)	6,553.7	6,134.4
Bonds and other fixed-income securities	21,974.7	23,108.2
Financial derivatives	549.2	1,207.8
Other investments	111.0	
Reinsurance deposits	507.6	457.8
Total investments	**56,038.7**	**56,421.6**
Reinsurers' share of insurance-related liabilities in general insurance, gross		
Reinsurers' share of provision for unearned premiums, gross	41.4	115.5
Reinsurers' share of claims provision, gross	698.0	512.2
Total reinsurers' share of insurance-related liabilities in general insurance, gross	**739.5**	**627.7**
Receivables		
Receivables related to direct operations	5,318.7	4,983.0
Receivables related to reinsurance	148.5	340.1
Receivables within the group	49.1	89.5
Other receivables	822.5	833.5
Total receivables	**6,338.9**	**6,246.0**
Other assets		
Plant and equipment	236.2	273.8
Cash and cash equivalents	1,625.0	1,143.0
Pension assets	204.4	486.2
Total other assets	**2,065.6**	**1,903.0**
Prepaid expenses and earned, not received income		
Other prepaid expenses and earned, not received income	36.5	4.2
Total prepaid expenses and earned, not received income	**36.5**	**4.2**
Total assets	**68,131.4**	**67,745.0**

NOK millions	31.12.2017	31.12.2016
Equity and liabilities		
Paid in equity		
Share capital	1,000.0	1,000.0
Own shares	0,0	(0.1)
Share premium	1,430.0	1,430.0
Perpetual Tier 1 Capital	999.8	999.2
Other paid-in equity	45.1	36.7
Total paid in equity	**3,474.9**	**3,465.9**
Retained equity		
Funds etc.		
Natural perils capital	2,333.4	2,266.2
Guarantee scheme provision	638.3	628.9
Other retained earnings	11,425.1	11,318.2
Total retained earnings	**14,396.8**	**14,213.3**
Total equity	**17,871.7**	**17,679.1**
Subordinated debt	1,198.0	1,197.7
Insurance-related liabilities in general insurance, gross		
Provision for unearned premiums, gross	8,769.5	8,585.9
Claims provision, gross	30,676.6	30,802.6
Provision for premium discounts and other profit agreements	66.5	56.3
Total insurance-related liabilities in general insurance, gross	**39,512.5**	**39,444.8**
Provision for liabilities		
Pension liabilities	552.2	493.2
Current tax	904.7	1,149.4
Deferred tax liabilities	1,122.5	905.4
Other provisions	319.3	327.2
Total provision for liabilities	**2,898.6**	**2,875.1**
Liabilities		
Liabilities related to direct insurance	646.9	289.6
Liabilities related to reinsurance	132.5	88.2
Financial derivatives	568.6	1,173.1
Accrued dividend	3,550.0	3,400.0
Other liabilities	1,131.5	1,252.9
Liabilities to subsidiaries and associates	298.8	43.1
Total liabilities	**6,328.2**	**6,246.9**
Accrued expenses and deferred income		
Other accrued expenses and deferred income	322.4	301.4
Total accrued expenses and deferred income	**322.4**	**301.4**
Total equity and liabilities	**68,131.4**	**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.-31.12.2017									
Profit/(loss) before components of other comprehensive income					34.5			3,726.1	3,760.6
Components of other comprehensive income									
Items that are not reclassified subsequently to profit or loss									
Remeasurement of the net defined benefit liability/asset							(339.3)		(339.3)
Tax on items that are not reclassified to profit or loss							84.8		84.8
Total items that are not reclassified subsequently to profit or loss							**(254.5)**		**(254.5)**
Items that may be reclassified subsequently to profit or loss									
Exchange differences from foreign operations				0.3		359.3	0.4		359.9
Tax on items that may be reclassified to profit or loss						(88.2)			(88.2)
Total items that may be reclassified subsequently to profit or loss				**0.3**		**271.1**	**0.4**		**271.7**
Total components of other comprehensive income				**0.3**		**271.1**	**(254.1)**		**17.3**
Total comprehensive income				**0.3**	**34.5**	**271.1**	**(254.1)**	**3,726.1**	**3,777.9**
Own shares		0,0						(9.4)	(9.4)
Accrued and paid dividend								(3,549.6)	(3,549.6)
Equity-settled share-based payment transactions				8.2					8.2
Perpetual Tier 1 capital					0.6			(0.6)	
Perpetual Tier 1 capital - interest paid					(34.6)				(34.6)
Equity as at 31.12.2017	**1,000.0**	**0,0**	**1,430.0**	**45.1**	**999.8**	**383.8**	**(1,932.8)**	**15,945.9**	**17,871.7**

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,800 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 27 billion in 2017, while total assets were NOK 149 billion.

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