

4th Quarter and Preliminary Full Year 2018 Report

Gjensidige Forsikring Group



Group highlights

Fourth quarter and preliminary full year 2018 report

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

Year as a whole

Group

- Profit/loss before tax expense: NOK 4,265.0 million (5,216.8)
- Earnings per share: NOK 7.44 (9.05)

General Insurance

- Earned premiums: NOK 24,052.8 million (23,398.3)
- Underwriting result: NOK 3,605.8 million (3,410.1)
- Combined ratio: 85.0 (85.4)
- Cost ratio: 15.2 (15.3)
- Financial result: NOK 820.9 million (2,002.6)

Fourth quarter

Group

- Profit/loss before tax expense: NOK 1,661.2 million (995.5)
- Earnings per share: NOK 2.61 (2.01)

General Insurance

- Earned premiums: NOK 6,081.2 million (5,969.5)
- Underwriting result: NOK 1,914.4 million (555.4)
- Combined ratio: 68.5 (90.7)
- Cost ratio: 14.8 (15.8)
- Financial result: NOK negative 231.0 million (489.2)

Proposed dividend

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

Profit performance Group

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
General Insurance Private	811.1	392.9	1,934.8	2,200.0
General Insurance Commercial	1,035.6	314.5	1,548.2	1,634.8
General Insurance Denmark	124.5	70.7	434.5	284.0
General Insurance Sweden	45.5	2.0	78.2	(91.6)
General Insurance Baltics	17.4	19.2	68.5	(7.2)
Corporate Centre/costs related to owner	(80.2)	(83.9)	(379.1)	(272.4)
Corporate Centre/reinsurance ¹	(39.5)	(160.2)	(79.3)	(337.5)
Underwriting result general insurance ²	1,914.4	555.4	3,605.8	3,410.1
Pension	56.3	27.9	166.6	103.7
Financial result from the investment portfolio ³	(231.0)	489.2	820.9	2,002.6
Amortisation and impairment losses of excess value – intangible assets	(63.6)	(72.8)	(264.6)	(261.3)
Other items	(14.9)	(4.1)	(63.8)	(38.3)
Profit/(loss) before tax expense ⁴	1,661.2	995.5	4,265.0	5,216.8
Key figures general insurance				
Large losses ⁵	200.8	259.4	954.7	577.4
Run-off gains/(losses) ⁶	1,384.1	300.6	2,356.9	1,030.3
Loss ratio ⁷	53.8%	74.9%	69.8%	70.1%
Cost ratio ⁸	14.8%	15.8%	15.2%	15.3%
Combined ratio ⁹	68.5%	90.7%	85.0%	85.4%

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, while, from 1 January 2018, the Swedish segment has a retention level of NOK 10 million. Large losses allocated to the Corporate Centre amounted to NOK 202.9 million (220.6) for the year as a whole and NOK 39.5 million (158.7) 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 The profit before tax expense is presented for the continuing operation (excluding Gjensidige Bank).

⁵ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 295.0 million.

⁶ 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.

⁷ Loss ratio = claims incurred etc./earned premiums

⁸ Cost ratio = insurance-related operating expenses/earned premiums

⁹ Combined ratio = loss ratio + cost ratio

A year significantly impacted by extraordinary weather conditions and high run-off gains

Group profit performance

Development during the year

Gjensidige Forsikring Group recorded a profit before tax expense of NOK 4,265.0 million (5,216.8) for the year. The result does not include the profit from Gjensidige Bank, as this is now recorded as a discontinued operation, in accordance with IFRS 5. The closing of the bank sale is expected to take place in the first quarter 2019.

The profit from general insurance operations measured by the underwriting result was NOK 3,605.8 million (3,410.1), corresponding to a combined ratio of 85.0 (85.4). The profit was positively impacted by high run-off gains of NOK 2.4 billion (1.0). Adjusted for this, the underwriting result was 1,248.9 million (2,379.8), corresponding to a combined ratio of 94.8 (89.8).

A provision of NOK 80.0 million was made in the third quarter to cover restructuring costs relating to a reduction of eight local branches in Norway and restructuring initiatives in Denmark and Sweden, resulting among other things in a reduction of 58 full-time equivalent positions. The provision is recognised in the Corporate Centre.

The return on financial assets was 1.5 per cent (3.7) or NOK 820.9 million (2,002.6).

The tax expense amounted to NOK 883.5 million (1,156.6), resulting in an effective tax rate of 20.7 per cent (22.2). The effective tax rate was impacted by realised and unrealised gains and losses on equity investments in the EEA and reduced deferred tax on the guarantee scheme provision of NOK ~ 0.2 billion.

The profit after tax expense from continuing and discontinued operations was NOK 3,716.4 million (4,519.3) and the corresponding earnings per share were NOK 7.44 (9.05).

Earned premiums from general insurance increased to NOK 24.1 billion (23.4) for the year.

Extraordinary weather conditions in Norway, with a harsh and long winter followed by an unusually hot and dry summer and storms and heavy rainfall during the third quarter had a negative impact on the underwriting result. The weather-related deviation in frequency claims for motor, property and agriculture insurance for the first three quarters of the year, considering historical average levels, is estimated to be ~ NOK 530-660 million. Large losses were also higher than the previous year, partly driven by the weather conditions. However, the overall large loss level was still somewhat lower than the long term expected average. Run-off gains were higher than anticipated.

Earned premiums in the Private segment increased by 2.9 per cent. The underwriting result declined due to an unfavourable frequency claims situation, mainly reflecting the extraordinary weather conditions in Norway, and higher large losses.

Earned premiums in the Commercial segment increased by 4.1 per cent. A lower underwriting result was mainly due to an unfavourable frequency claims situation driven mainly by the extraordinary weather conditions in Norway, and higher large losses.

In the Danish segment, earned premiums increased by 1.6 per cent (decreased by 1.0 per cent in local currency), reflecting the acquisition of Mølholm. Underlying growth was negative. An improvement in the underwriting result was primarily due to higher run-off gains and lower large losses, but also to an improved underlying frequency claims situation.

In the Swedish segment, earned premiums decreased by 9.6 per cent (decreased by 6.6 per cent in local currency). The underwriting result improved mainly due to higher run-off gains and a more favourable underlying frequency claims situation.

Earned premiums in the Baltic segment increased by 0.4 per cent (decreased by 2.4 per cent in local currency). The underwriting result improved, mainly as a result of a significant improvement in the frequency claims situation and a favourable cost development.

The Pension segment generated a record high profit for the year.

The return on financial assets was lower than the previous year, primarily due to lower contributions from bonds driven by widening of credit spreads as well as from current equities in the free portfolio.

The Retail Bank's profit decreased as a result of higher expenses, write-downs and losses as well as a decrease in income.

Development during the quarter

The Group recorded a profit before tax expense of NOK 1,661.2 million (995.5) for the quarter. The result does not include the profit from Gjensidige Bank. The profit from general insurance operations measured by the underwriting result was NOK 1,914.4 million (555.4), corresponding to a combined ratio of 68.5 (90.7). The profit was impacted by high run-off gains of NOK 1.4 billion (0.3). Excluding this the underwriting result was NOK 530.3 million (254.8), corresponding to a combined ratio of 91.3 (95.7).

The return on financial assets was minus 0.4 per cent (0.9), or minus NOK 231.0 million (489.2).

The profit after tax expense from continuing and discontinued operations was NOK 1,304.2 million (1,002.1) and the corresponding earnings per share were NOK 2.61 (2.01).

Earned premiums rose 1.9 per cent, driven by ongoing price increases, particularly for the motor insurance lines in Norway. In addition to the run-off gains mentioned above and somewhat lower large losses, a more favourable underlying frequency claims situation also contributed to the increase in the underwriting result.

The Pension segment generated higher profits in the quarter, mainly due to non-recurring items.

The financial return in the quarter was lower than in the same period the previous year, with negative returns from corporate bonds and current equities, partly offset by positive contributions from properties, PE, government bonds and some hedging-instruments.

The Retail Bank recorded a lower result compared with the same quarter the previous year due to a non-recurring positive impact from the sale of the impaired unsecured loans portfolio in the fourth quarter 2017, as well as non-recurring items among other things related to the sale of the bank. The underlying decrease was driven by lower income and higher expenses.

Equity and capital position

The Group's equity amounted to NOK 23,845.2 million (23,703.1) at the end of the year. The annualised return on equity was 17.3 per cent (21.3).

The solvency margins at the end of the period were:

- Approved Partial Internal Model¹: 169 per cent
- Own Partial Internal Model²: 190 per cent

The solvency margins are calculated net of the NOK 3.55 billion dividend proposed by the Board.

Note that the approved version of the internal model from this quarter meets all the requirements of the Financial Supervisory Authority (FSA) of Norway. The pro-forma legal solvency margin as of 31 December 2018, assuming the sale of Gjensidige Bank ASA, is estimated to be 245 per cent.

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

The regulatory uncertainties described below under "Other matters" are not expected to affect annual regular dividends.

Other matters

Internal review of claims reserves

In depth reserve reviews have been performed by actuaries in Gjensidige. The analyses conclude that excess claims reserves related to personal injury in connection with workers compensation and motor TPL in Norway, primarily for the 2008-2014 vintages, are NOK 1,080 million higher than previously anticipated, adding to the previous excess reserves of approximately NOK 4 billion. The additional excess reserves are released in their entirety and recognised as run-off gains in the fourth quarter of 2018, with NOK 331.2 million in the Private segment and NOK 748.9 million in the Commercial segment. The plan for release of the remaining NOK 4 billion in excess reserves, with approximately NOK 1 billion per year through 2022, remains unchanged.

Gjensidige Bank discontinued operations

Gjensidige Bank is reported as a discontinued operation from the third quarter 2018, in accordance with IFRS 5 requirements for non-current assets held for sale and discontinued operations. The profit/loss after tax expense for Gjensidige Bank is reported separately from the profit/loss after tax expense for continuing operations in the consolidated income statement. Comparable figures have been restated. The assets and liabilities of Gjensidige Bank are reported separately from continuing operations in the consolidated statement of financial position. Comparable figures are not restated. Additional information is provided in note 11.

Update on Solvency II-related regulatory uncertainties

In the first quarter, Gjensidige applied the Partial Internal Model (PIM) approved by the Financial Supervisory Authority of Norway (FSA) as the new legal perspective. Endeavours will continue to be made to obtain approval for Gjensidige's own partial internal model in future.

There is uncertainty relating to whether the guarantee scheme provision will be included in eligible own funds. The Financial Supervisory Authority of Norway (FSA) takes the view that the guarantee scheme provision should be treated as a liability, and this is reflected in the reported solvency margins. In Gjensidige's opinion, special Norwegian provisions that are actually equity elements must be treated as solvency capital. Gjensidige will continue to make endeavours to ensure that the regulations are in line with this view. A consultation paper from the Ministry of Finance dated 31 January 2018 proposes a change in the guarantee scheme arrangement that could lead to an increase of approximately NOK 70 million in the guarantee scheme provisions. This could potentially have a negative capital effect. Based on this, the uncertainty concerning available capital related to the guarantee scheme provision is in the range of NOK (0.1) to 0.5 billion.

New tax rules result in increased deferred tax on the security provision and is taken into account in the capital calculations at year-end. No deferred tax is recognised for natural perils capital.

EIOPA has proposed several changes to the calculation of the capital requirement and eligible own funds. These changes are not expected to have any significant impact on Gjensidige's capital position. The EU does not want to change the modelling of interest rate risk in this instance, and the requirements for calculating and documenting the risk-reducing effect of deferred tax in the capital requirement will have no capital effect on Gjensidige's current balance sheet.

Tax regulation in Norway

The proposed changes in tax regulation of 7 February 2018 from the Norwegian Ministry of Finance have been finalised in connection with the approval of the Government's budget proposal for 2019. The proposed changes have effect from 2018, resulting in an increase of NOK ~0.7 billion in the Group's tax payments relating to the security provision, evenly distributed over the next 10 years, starting in 2018. There will be no effect on the tax expense since a provision has already been made.

In addition to this, the tax related to the change in other technical provisions in 2018, will also be evenly distributed over the next 10 years starting in 2018. This does not affect the total tax expense for 2018.

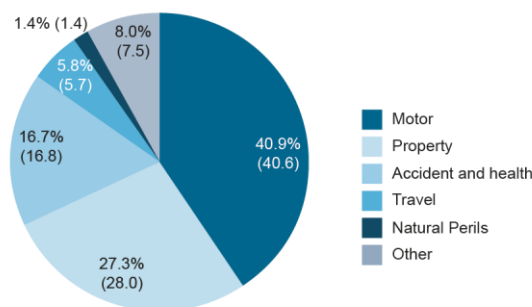
There is also a change in the tax expense and deferred tax relating to the natural perils capital and the guarantee scheme provision. These provisions will be taxable if the company goes into run off. Gjensidige does not expect this to happen in the foreseeable future, and will therefore not make a provision for deferred tax related to these provisions. This leads to a reduction in deferred tax and the tax expense of ~ NOK 0.2 billion in 2018.

¹ Regulatory approved partial internal model

² Partial internal model with own calibration

Product groups Private

Gross earned premiums 2018 (2017)



General Insurance Private

Development during the year

The underwriting result was NOK 1,934.8 million (2,200.0). A more adverse frequency claims situation, particularly driven by extreme weather conditions in Norway, and an increase in large losses were partly offset by an increase in run-off gains. The combined ratio was 77.9 (74.2).

Earned premiums increased to NOK 8,762.5 million (8,516.5). All main product lines recorded higher premiums compared with the same period the previous year, driven by price increases. Gjensidige's competitive position remained strong despite continued fierce competition.

Claims incurred amounted to NOK 5,720.7 million (5,226.2). The loss ratio was 65.3 (61.4), negatively impacted by frequency claims and large losses, partly offset by higher run-off gains. The loss ratio for motor increased as a result of the difficult driving conditions during the winter as well as underlying claims inflation driven by structural changes in the Norwegian vehicle fleet and the new bonus model, which reduces the threshold for reporting claims. Significant pricing measures were initiated at the start of the year to mitigate the effects of claims inflation. The measures typically take 12-24 months to be fully reflected in the accounts. The expectation of reaching a turning point as regards motor profitability during the first half of 2019 remains unchanged. Property showed an increase in the loss ratio following the harsh and long-lasting winter, with significantly larger amounts of snow in the southern and south-eastern parts of Norway, regions where Gjensidige has a high

market share. The loss ratio for property insurance was further impacted by fires and water damage related to the dry summer followed by heavy rainfall and storms towards the end of the third quarter.

Operating expenses amounted to NOK 1,106.9 million (1,090.3), which translates into a cost ratio of 12.6 (12.8).

Development during the quarter

The underwriting result was NOK 811.1 million (392.9). Adjusted for run-off gains recorded in the quarter, the result was NOK 425.6 million (285.7). The increase was driven by premium growth that exceeded the increase in claims incurred from underlying frequency claims and large losses. The combined ratio was 63.6 (81.5).

Earned premiums were NOK 2,230.2 million (2,123.4), with all main product lines recording an increase as a consequence of ongoing pricing measures.

Claims incurred amounted to NOK 1,148.7 million (1,449.5). The loss ratio was 51.5 (68.3). Adjusted for run-off gains, the loss ratio still improved, primarily driven by pricing measures as well as more favourable weather conditions, which affected motor insurance in particular.

Operating expenses amounted to NOK 270.5 million (281.0) and the cost ratio was 12.1 (13.2).

General Insurance Private

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums	2,230.2	2,123.4	8,762.5	8,516.5
Claims incurred etc.	(1,148.7)	(1,449.5)	(5,720.7)	(5,226.2)
Operating expenses	(270.5)	(281.0)	(1,106.9)	(1,090.3)
Underwriting result	811.1	392.9	1,934.8	2,200.0
Amortisation and impairment losses of excess value – intangible assets	(4.3)	(4.6)	(17.5)	(22.2)
Large losses ¹	35.3	22.1	142.2	32.3
Run-off gains/(losses) ²	385.5	107.2	787.2	473.2
Loss ratio ³	51.5%	68.3%	65.3%	61.4%
Cost ratio ⁴	12.1%	13.2%	12.6%	12.8%
Combined ratio ⁵	63.6%	81.5%	77.9%	74.2%

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

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

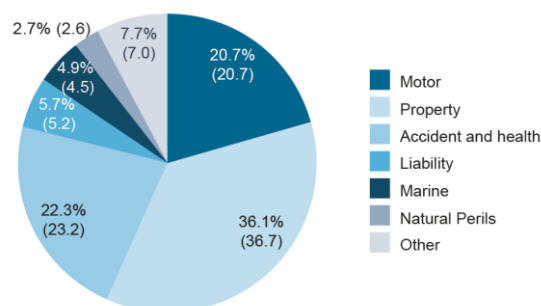
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Commercial

Gross earned premiums 2018 (2017)



General Insurance Commercial

Development during the year

The underwriting result was NOK 1,548.2 million (1,634.8). The decrease was mainly driven by an unfavourable underlying frequency claims situation mainly driven by the extraordinary weather conditions in Norway and an increase in large losses, partly offset by a significant increase in run-off gains. The combined ratio was 79.6 (77.6).

Earned premiums increased to NOK 7,603.3 million (7,300.5) mainly due to new business initiatives and solid renewals throughout the year for most product lines, especially motor, property and liability insurance. Ongoing pricing initiatives contributed to premium growth. Price increases and adjustments of terms and conditions will continue.

Claims incurred amounted to NOK 5,182.8 million (4,825.6), which correspond to a loss ratio of 68.2 (66.1). This increase, despite the significantly higher run-off gains, was primarily driven by motor, property and agriculture lines of business.

Motor and property were significantly impacted by the severe winter conditions. Property was further affected by damages resulting from heavy rainfall and storms during the third quarter.

The hot and dry weather this summer resulted in significant damage to agricultural crops in Norway. Damage to crops in Norway related to drought is to a large extent covered by the Norwegian Government. However, Gjensidige covers part of the damage, over and above compensation from the Government. Gjensidige recorded a claims cost of NOK 80 million relating to crop damage in the third quarter 2018.

Motor insurance was negatively impacted by underlying claims inflation. Pricing measures were stepped up from the first quarter and will continue going forward, with the aim of closing the gap to the expected underlying claims inflation. It takes 12-24 months to see the full effect of price increases in the results. Motor profitability is still expected to reach a turning point during the first half of 2019.

Operating expenses amounted to NOK 872.3 million (840.1), corresponding to a cost ratio of 11.5 (11.5).

Development during the quarter

The underwriting result was NOK 1,035.6 million (314.5). Adjusted for run-off gains recorded in the quarter the result was NOK 146 million (207). The decrease was due to higher large losses and a less favourable frequency claims situation. The combined ratio was 47.0 (82.8).

Earned premiums amounted to NOK 1,953.2 million (1,827.4). All product areas recorded an increase, primarily driven by price increases.

Claims incurred amounted to NOK 701.9 million (1,296.6) and the loss ratio was 35.9 (71.0). Adjusted for the run-off gain in the quarter, the loss ratio increased from the fourth quarter 2017 driven by the impact of higher large losses as well as a somewhat more challenging underlying frequency claims situation for all product lines except motor.

Operating expenses amounted to NOK 215.6 million (216.3) and the cost ratio was 11.0 (11.8).

General Insurance Commercial

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums	1,953.2	1,827.4	7,603.3	7,300.5
Claims incurred etc.	(701.9)	(1,296.6)	(5,182.8)	(4,825.6)
Operating expenses	(215.6)	(216.3)	(872.3)	(840.1)
Underwriting result	1,035.6	314.5	1,548.2	1,634.8
Large losses ¹	112.7	67.9	523.9	195.2
Run-off gains/(losses) ²	889.7	107.8	1,268.4	452.9
Loss ratio ³	35.9%	71.0%	68.2%	66.1%
Cost ratio ⁴	11.0%	11.8%	11.5%	11.5%
Combined ratio ⁵	47.0%	82.8%	79.6%	77.6%

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

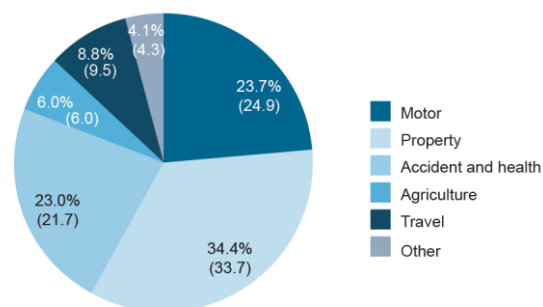
² Run-off gains/(losses) = changes in estimates from previous years

³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Denmark
Gross earned premiums 2018 (2017)



General Insurance Denmark

Development during the year

The underwriting result was NOK 434.5 million (284.0). The increase in the underwriting result was mainly driven by higher run-off gains, lower large losses and a somewhat improved underlying frequency claims situation. The combined ratio was 91.1 (94.1).

Earned premiums amounted to NOK 4,904.6 million (4,827.4). Adjusted for currency effects of NOK 125.3 million, earned premiums decreased somewhat, as a result of pricing and risk selection measures in the commercial portfolio. This was partly offset by growth in the private insurance lines.

Claims incurred amounted to NOK 3,766.2 million (3,863.0). Adjusted for currency effects of NOK 100.0 million, claims incurred decreased significantly compared with the same period last year. The loss ratio improved to 76.8 (80.0), driven by higher run-off gains and lower large losses, as well as a somewhat improved underlying frequency claims situation. In particular property and accident and health insurance contributed positively.

Operating expenses increased to NOK 704.0 million (680.3) of which currency effects accounted for NOK 17.7 million. The cost ratio was 14.4 (14.1).

Development during the quarter

The underwriting result was NOK 124.5 million (70.8). The increase was mainly due to a better frequency claims situation. The combined ratio was 89.8 (94.4).

Earned premiums decreased to NOK 1,226.0 million (1,256.6). The decrease was NOK 1.1 million lower when measured in local currency. The decline was mainly driven by pricing and risk selection measures in the commercial lines.

Claims incurred decreased to NOK 913.2 million (1,012.0). The decrease was NOK 0.2 million lower when measured in local currency. The loss ratio was 74.5 (80.5). The improvement was mainly driven by better underlying loss ratios in property insurance in both private and commercial lines.

Operating expenses increased to NOK 188.3 million (173.8). The increase was NOK 0.3 million higher when measured in local currency. The increase compared to the fourth quarter 2017 was related to write-down of certain IT assets. Underlying operating expenses were lower. The cost ratio was 15.4 (13.8).

General Insurance Denmark

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums	1,226.0	1,256.6	4,904.6	4,827.4
Claims incurred etc.	(913.2)	(1,012.0)	(3,766.2)	(3,863.0)
Operating expenses	(188.3)	(173.8)	(704.0)	(680.3)
Underwriting result	124.5	70.7	434.5	284.0
Amortisation and impairment losses of excess value – intangible assets	(36.5)	(41.0)	(159.0)	(153.1)
Large losses ¹	13.4		55.7	87.6
Run-off gains/(losses) ²	61.9	45.3	171.0	98.9
Loss ratio ³	74.5%	80.5%	76.8%	80.0%
Cost ratio ⁴	15.4%	13.8%	14.4%	14.1%
Combined ratio ⁵	89.8%	94.4%	91.1%	94.1%

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

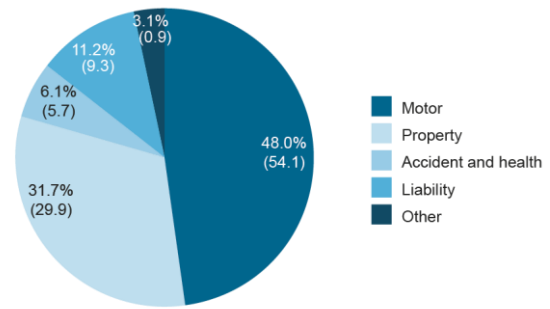
² Run-off gains/(losses) = changes in estimates from previous years

³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Sweden
Gross earned premiums 2018 (2017)



General Insurance Sweden

Development during the year

The underwriting result increased to NOK 78.2 million (minus 91.6). The improvement was primarily driven by a more favourable underlying frequency claims situation and higher run-off gains. The combined ratio was 95.0 (105.3).

Earned premiums decreased to NOK 1,569.2 million (1,736.1), of which NOK 56.7 million was attributed to currency effects. The decrease was mainly the result of repricing measures in the private insurance lines.

Claims incurred decreased to NOK 1,231.7 million (1,491.9), of which NOK 48.7 million was due to currency effects. The loss ratio improved to 78.5 (85.9), partly driven by higher run-off gains and partly by a better underlying frequency claims contribution from both the private and commercial portfolio as a result of improved pricing and risk selection. Negotiations with partners and quality improvements are expected to contribute to continued improved profitability going forward.

Operating expenses decreased to NOK 259.3 million (335.8), of which NOK 11.0 million of the decline being due to currency effects. The underlying improvement was due to the integration of Vardia's operations. The cost ratio improved to 16.5 (19.3).

Development during the quarter

The underwriting result increased to NOK 45.5 million (2.0), mainly driven by lower operating expenses, lower large losses and higher run-off gains.

Earned premiums amounted to NOK 362.5 million (448.5). Currency effects reduced earned premiums by NOK 21.1 million. The underlying decrease is explained by the loss of one large unprofitable account in the private portfolio, and lower volumes following repricing measures, primarily in the private portfolio.

Claims incurred decreased to NOK 252.5 million (347.1), of which currency effects contributed NOK 17.1 million to the decline. The loss ratio was 69.7 (77.4). The improvement was the result of higher run-off gains and lower large losses.

Operating expenses were NOK 64.5 million (99.5). Currency effects reduced operating expenses by NOK 4.4 million. The cost ratio improved to 17.8 per cent (22.2), driven by the Vardia integration.

General Insurance Sweden

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums	362.5	448.5	1,569.2	1,736.1
Claims incurred etc.	(252.5)	(347.1)	(1,231.7)	(1,491.9)
Operating expenses	(64.5)	(99.5)	(259.3)	(335.8)
Underwriting result	45.5	2.0	78.2	(91.6)
Amortisation and impairment losses of excess value – intangible assets	(17.0)	(23.1)	(70.2)	(71.1)
Large losses ¹		10.6	30.0	40.6
Run-off gains/(losses) ²	39.8	16.1	64.7	(5.7)
Loss ratio ³	69.7%	77.4%	78.5%	85.9%
Cost ratio ⁴	17.8%	22.2%	16.5%	19.3%
Combined ratio ⁵	87.5%	99.6%	95.0%	105.3%

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

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

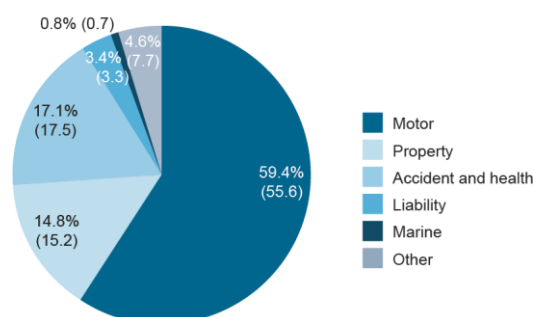
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Product groups Baltics

Gross earned premiums 2018 (2017)



General Insurance Baltics

Development during the year

The underwriting result increased to NOK 68.5 million (minus 7.2), primarily driven by a significant improvement in the frequency claims situation and a favourable cost development. Initiatives to improve profitability were successfully executed during 2018. The combined ratio was 93.7 (100.7).

Earned premiums amounted to NOK 1,078.8 million (1,074.7). Currency effects increased earned premiums by NOK 31.1 million. The decrease, adjusted for currency effects, was the result of portfolio restructuring and repricing. Sales growth initiatives through low-cost channels such as the web, own call centres and new partnerships are expected to gain traction during 2019.

Claims incurred amounted to NOK 675.9 million (736.0). Currency effects increased claims incurred by NOK 21.3 million. The loss ratio was 62.7 (68.5). The significant improvement was primarily the result of improved tariffs, portfolio restructuring and efficient claims handling processes

Operating expenses amounted to NOK 334.4 million (345.9). Currency effects increased operating expenses by NOK 10.0 million. The underlying improvement was mainly due to restructuring and cost saving initiatives. The cost ratio improved to 31.0 per cent (32.2).

Development during the quarter

The underwriting result amounted to NOK 17.4 million (19.2). The result was negatively impacted by lower run-off gains, partly offset by an improved frequency claims situation and lower operating expenses. The combined ratio was 93.5 per cent (92.9).

Earned premiums amounted to NOK 268.0 million (271.6). Currency effects increased earned premiums by NOK 0.3 million. The underlying decrease was driven by repricing measures.

Claims incurred were NOK 171.8 million (168.4). Currency effects decreased claims incurred by NOK 0.5 million. The loss ratio was 64.1 per cent (62.0). A more favourable frequency claims development was offset by lower run-off gains.

Operating expenses amounted to NOK 78.9 million (83.9). The cost ratio improved to 29.4 per cent (30.9).

General Insurance Baltics

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums	268.0	271.6	1,078.8	1,074.7
Claims incurred etc.	(171.8)	(168.4)	(675.9)	(736.0)
Operating expenses	(78.9)	(83.9)	(334.4)	(345.9)
Underwriting result	17.4	19.2	68.5	(7.2)
Amortisation and impairment losses of excess value – intangible assets	(3.6)	(3.7)	(14.5)	(14.5)
Large losses ¹				0.9
Run-off gains/(losses) ²	2.1	13.7	24.4	22.0
Loss ratio ³	64.1%	62.0%	62.7%	68.5%
Cost ratio ⁴	29.4%	30.9%	31.0%	32.2%
Combined ratio ⁵	93.5%	92.9%	93.7%	100.7%

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

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

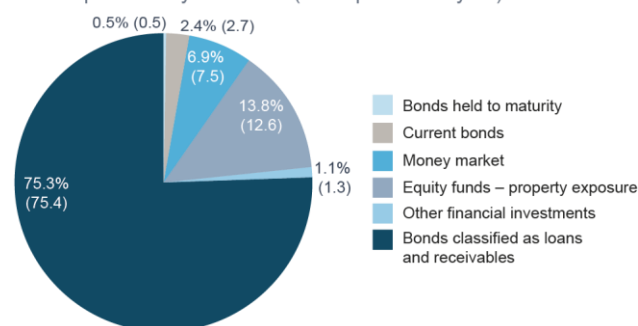
³ Loss ratio = claims incurred etc./earned premiums

⁴ Cost ratio = operating expenses/earned premiums

⁵ Combined ratio = loss ratio + cost ratio

Asset allocation the group policy portfolio

Earned premiums year to date (same period last year)



Pension

Development during the year

Increased operating revenues continued to contribute to significant growth in earnings. The profit before tax expense was NOK 166.6 million (103.7) which is the best yearly result ever for the pension business.

During the fourth quarter the provisioning for longevity relating to the paid-up policy portfolio was completed.

Administration fees increased to NOK 144.4 million (134.6) driven by a growing customer portfolio. Insurance income was NOK 72.6 million (36.3). The main reasons for the improved income was a strengthening of IBNR reserves the same quarter last year and risk result relating to the paid-up policies, previously used for provisioning for longevity, this year. Management income increased to NOK 150.5 million (130.4) as a result of growth in assets under management.

Operating expenses increased to NOK 241.0 million (227.3), driven by increased distribution costs due to higher business volume.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, amounted to NOK 40.2 million (29.7). The improvement was related to an increased return on financial assets, particularly property, as well as a release of excess longevity results in the fourth quarter.

The recognised return on the paid-up policy portfolio was 5.61 per cent (3.75). The improvement was related to non-recurring effects due to the changed classification of unrealised gains relating to property investments. The average annual interest guarantee was 3.3 per cent.

Assets under management have increased by NOK 1,989.2 million since year end 2017, but they decreased by NOK 1,023.3 billion during the fourth quarter as a result of market turmoil. Total pension assets under management amounted to NOK 30,688.2 million (28,699.0) including the group policy portfolio of NOK 6,586.4 million (6,018.4).

Development during the quarter

Profit before tax expense was NOK 56.3 million (27.9).

Administration fees increased to NOK 37.2 million (34.2) as a result of a growing customer portfolio. Insurance income increased to NOK 24.0 million (2.6) for the same reasons as described above.

Management income increased to NOK 40.3 million (39.7), reflecting an increase in assets under management.

Operating expenses were NOK 59.7 million (53.9).

Net financial income increased to NOK 14.5 million (5.1) as a result of an increased return on property investments and the release of excess longevity reserves (NOK 6.8 million).

Pension

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Administration fees	37.2	34.2	144.4	134.6
Insurance income	24.0	2.6	72.6	36.3
Management income etc.	40.3	39.7	150.5	130.4
Operating expenses	(59.7)	(53.9)	(241.0)	(227.3)
Net operating income	41.9	22.7	126.5	74.0
Net financial income	14.5	5.1	40.2	29.7
Profit/(loss) before tax expense	56.3	27.9	166.6	103.7
Operating margin ²	41.23%	29.68%	34.41%	24.55%
Recognised return on the paid-up policy portfolio ³			5.61%	3.75%
Value-adjusted return on the paid-up policy portfolio ⁴			4.30%	4.47%

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

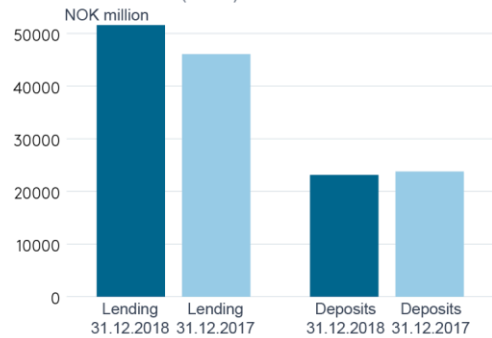
² Operating margin = net operating income/(administration fees + insurance income + management income etc.)

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

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

Deposits and lending

At the end of 2018 (2017)



Retail Bank (discontinued operation)

With reference to IFRS 5, Gjensidige Bank will be reported as discontinued operation from the third quarter 2018. Please refer to page 4 and note 11 for further details.

Development during the year

The profit before tax expense decreased to NOK 447.3 million (612.3). Adjusted for non-recurring items in 2017 (impaired portfolio sale and change in probability of default and loss given default) and this year (impaired and written-off portfolio sale, termination of the distribution agreement, costs as a consequence of the sale of the bank and a correction of individual loan loss provisioning³) profit before tax expense amounted to NOK 384.2 million (445.0). The decrease was mainly driven by higher expenses and lower income.

Net interest income amounted to NOK 1,021.3 million (992.3). The improvement was driven by lending growth, partly offset by lower lending margins.

Net commission income and other income amounted to minus NOK 15.7 million (plus 42.9). The decrease was the result of higher acquisition costs driven by business growth and losses on financial instruments.

The net interest margin¹ was 1.89 per cent (2.03). The decrease was driven by the change in the portfolio composition and an increase in financing costs.

Operating expenses were NOK 488.4 million (412.5). The increase was driven by costs related to sale of the bank to Nordea, termination of the distribution agreement with Gjensidige's Private division and business growth. Expenses, adjusted for non-recurring items were NOK 459.5 million (412.5). The increase is mainly due to business growth.

The cost/income ratio increased to 48.6 per cent (39.8), driven by the decrease in income and increased expenses.

Total write-downs and losses amounted to NOK 70.0 million (10.3). The increase was driven by the non-recurring items mentioned above. Excluding these items, total write-downs and losses amounted to NOK 156.4 million (156.0).

The new IFRS rules have been implemented and the previous year's financials are therefore not directly comparable. The transition from IAS 39 to IFRS 9 rules led to an increase of NOK 13.9 million in the losses and provisioning balance at the beginning of the year. The impact was charged directly to equity, after adjusting for the impact of tax.

Write-downs and losses were 0.14 per cent (0.02) of average gross lending. Adjusted for non-recurring items, write-downs and losses were 0.32 per cent (0.36) of average gross lending.

The weighted average loan-to-value ratio² for the mortgage portfolio was estimated to be 60.9 per cent (60.6).

Gross lending increased by 12.0 per cent and amounted to NOK 51,582.5 million (46,056.1) at the end of 2018. Deposits decreased by 2.7 per cent, reaching NOK 23,123.0 million (23,765.7). The deposits-to-loans ratio was 44.8 per cent (51.6).

As result of the Share Purchase Agreement between Gjensidige Forsikring ASA and Nordea, S&P Global Ratings placed its 'A' long-term and 'A-1' short-term issuer credit ratings for Gjensidige Bank ASA and its subsidiary Gjensidige Bank Boligkreditt AS, on Credit Watch with positive implications. The change took place on 4 July.

1) The net interest margin is calculated as net interest income as a percentage of average total assets, annualised.

2) 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 and taking into account any corrections done manually thereafter to reflect accurate valuation.

3) Following a comprehensive loan-by-loan review of the impaired car loan portfolio, individual write-downs have been adjusted upwards. The increased individual provisions are partly offset by a reduction in group provisions, but the net impact was minus NOK 30.9 million (negative earnings impacts).

Development during the quarter

The profit before tax expense decreased to NOK 14.8 million (247.6). Adjusted for non-recurring items in 2017 (impaired portfolio sale and change in probability of default and loss given default) and this year (provision to cover disputes related to impaired and written-off portfolio sale, costs as a consequence of the sale of the bank and a correction of individual loan loss provisioning³) profit before tax expense amounted to NOK 75.3 million (100.2). The decrease was driven by lower income and higher expenses.

Net interest income amounted to NOK 261.1 million (271.6). The decrease was driven by lower lending margins, partly offset by lending growth.

Net commission income and other income amounted to minus NOK 18.1 million (minus 8.0). The decrease was a result of higher acquisition costs driven by business growth and losses on financial instruments.

Operating expenses amounted to NOK 148.8 million (117.5). The increase was driven by costs related to the sale of the bank and business growth. Expenses, adjusted for non-recurring items were NOK 134.3 million (117.5). The increase was mainly due to higher IT costs and marketing.

The cost/income ratio increased to 61.2 per cent (44.6).

Total write-downs and losses amounted to NOK 79.4 million (minus 101.5). The increase was driven by the non-recurring items mentioned above. Excluding these items, total write-downs and losses amounted to NOK 41.7 million (44.2). The new IFRS rules have been implemented and the previous year's financials are therefore not directly comparable.

Gross lending growth was NOK 2,413.4 million (516.0). Deposits decreased by NOK 435.2 million (901.8).

Retail Bank

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Interest income and related income	456.3	431.2	1,744.6	1,631.7
Interest expenses and related expenses	(195.1)	(159.5)	(723.3)	(639.4)
Net interest income	261.1	271.6	1,021.3	992.3
Net commission income and other income	(18.1)	(8.0)	(15.7)	42.9
Total income	243.0	263.7	1,005.6	1,035.2
Operating expenses	(148.8)	(117.5)	(488.4)	(412.5)
Write-downs and losses	(79.4)	101.5	(70.0)	(10.3)
Profit/(loss) before tax expense	14.8	247.6	447.3	612.3
Net interest margin, annualised ¹			1.89%	2.03%
Write-downs and losses, annualised ²			0.14%	0.02%
Cost/income ratio ³	61.2%	44.6%	48.6%	39.8%

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

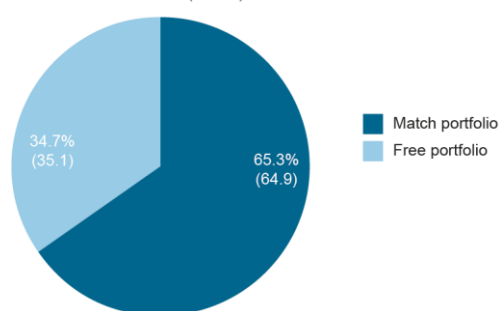
The Group's investment portfolio includes all investment funds in the Group, except for investment funds in the Pension and Retail Bank segments. The investment portfolio is split into two parts: a match portfolio and a free portfolio. The match portfolio is intended to correspond to the Group's technical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

At the end of the period, the investment portfolio totalled NOK 52.8 billion (54.9). The financial result as of the fourth quarter was NOK 820.9 million (2,002.6), which corresponds to a return on total assets of 1.5 per cent (3.7).

Match portfolio

The match portfolio amounted to NOK 34.5 billion (35.6). The portfolio yielded a return of 2.0 per cent (2.8), excluding changes in the value of the bonds recognised at amortised cost. The lower result compared to the previous year was mainly due to widening of the credit spread on current bonds in the match portfolio. Bonds recognised at amortised cost amounted to NOK 15.7 billion (17.6).

Portfolio split
At the end of 2018 (2017)



Unrealised excess value amounted to NOK 0.8 billion (1.2) at the end of the period. The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 3.3 per cent on average for the year, and the running yield was 3.8 per cent at the end of the period.

The average duration of the match portfolio was 3.3 years. The average term to maturity for the corresponding insurance liabilities was 3.8 years. The distribution of counterparty risk and credit rating is shown in the charts on page 14. Securities without an official credit rating amounted to NOK 9.0 billion (10.7). Of these securities, 6.1 per cent (6.5) were issued by Norwegian savings banks, while the remainder were mostly issued by Norwegian power producers and distributors, property companies, industry and municipalities. Bonds with a coupon linked to the development of the Norwegian consumer price index accounted for 6.4 per cent (8.5) of the match portfolio.

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

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

Financial assets and properties

NOK millions	Result Q4		Result 1.1.-31.12.		Carrying amount 31.12.	
	2018	2017	2018	2017	2018	2017
Match portfolio						
Money market	11.8	12.1	57.5	81.4	4,917.9	4,256.6
Bonds at amortised cost	150.4	177.1	642.1	694.7	15,698.5	17,597.5
Current bonds ¹	(116.1)	34.5	7.0	204.9	13,892.5	13,729.6
Match portfolio total	46.1	223.7	706.5	981.0	34,508.9	35,583.6
Free portfolio						
Money market	5.5	4.8	26.9	36.2	3,703.2	4,061.0
Other bonds ²	29.1	23.6	(23.0)	103.9	3,912.7	3,354.6
High yield bonds ³	(19.4)	1.3	(12.8)	51.3	436.1	648.8
Convertible bonds ³	(51.9)	10.1	(11.3)	80.8	713.8	1,160.1
Current equities ⁴	(349.5)	141.2	(217.1)	452.3	2,466.2	3,492.7
PE funds	15.4	9.3	189.5	100.0	1,346.6	1,269.7
Property	113.6	114.5	275.8	331.2	4,608.8	3,494.8
Other ⁵	(20.0)	(39.3)	(113.3)	(134.2)	1,119.6	1,794.9
Free portfolio total	(277.2)	265.5	114.4	1,021.6	18,307.1	19,276.6
Financial result from the investment portfolio	(231.0)	489.2	820.9	2,002.6	52,816.0	54,860.2
Financial income in Pension	14.5	5.1	40.2	29.7		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(8.0)	(7.2)	(30.9)	(30.1)		
Net income from investments	(224.6)	487.1	830.2	2,002.2		

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

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

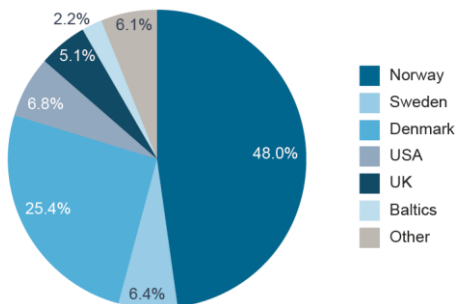
³ Investments in internationally diversified funds that are externally managed.

⁴ Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 598.5 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 a total return swap with Gjensidige Pensjonskasse, hedge funds and finance-related expenses.

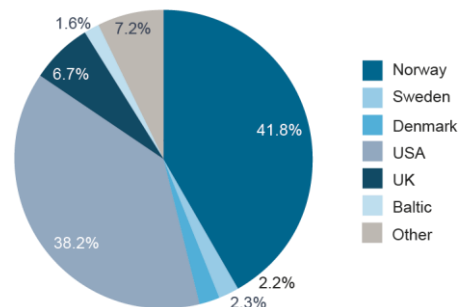
Geographic distribution match portfolio

At the end of 2018



Geographic distribution fixed income instruments in free portfolio

At the end of 2018



Free portfolio

The free portfolio amounted to NOK 18.3 billion (19.3) at the end of the period. The return was 0.6 per cent (5.3).

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 8.8 billion (9.2), of which money market investments, including cash, accounted for NOK 3.7 billion (4.1). 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 minus 0.2 per cent (2.8). The increase in credit spreads was the main driver of the negative returns.

At the end of the period, the average duration in the portfolio was approximately 3.1 years. The distribution of counterparty risk and credit rating is shown in the charts on the next page. Securities without an official credit rating amounted to NOK 1.3 billion (2.3). Of these securities, 6.0 per cent (15.2) were issued by Norwegian savings banks, while the remainder were mostly issued by 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 3.8 billion (4.8), of which NOK 2.5 billion (3.5) consisted of current equities and NOK 1.3 billion (1.3) of PE funds. The return on current equities was minus 6.4 per cent (plus 15.1). The result was influenced by a non-recurring gain of NOK 57.5 million on the sale of a single stock holding. The negative return was driven by a weak market development for equities in general. MSCI World and emerging market equities declined approximately 8 per cent and 16 per cent respectively during the year. PE funds generated a return of 14.8 per cent (8.4).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 4.6 billion (3.5). The property portfolio yielded a return of 7.0 per cent (9.7).

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

Return per asset class

Per cent	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Match portfolio				
Money market	0.2	0.3	1.2	1.8
Bonds at amortised cost	1.0	1.0	4.0	4.0
Current bonds ¹	(0.8)	0.3	0.1	1.6
Match portfolio total	0.1	0.6	2.0	2.8
Free portfolio				
Money market	0.1	0.1	0.6	0.8
Other bonds ²	0.9	0.7	(0.8)	3.1
High yield bonds ³	(4.3)	0.2	(2.8)	6.1
Convertible bonds ³	(7.2)	0.9	(1.1)	7.6
Current equities ⁴	(11.2)	4.2	(6.4)	15.1
PE funds	1.2	0.7	14.8	8.4
Property	2.7	3.3	7.0	9.7
Other ⁵	(1.8)	(2.4)	(8.4)	(8.1)
Free portfolio total	(1.5)	1.4	0.6	5.3
Return on financial assets	(0.4)	0.9	1.5	3.7

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

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

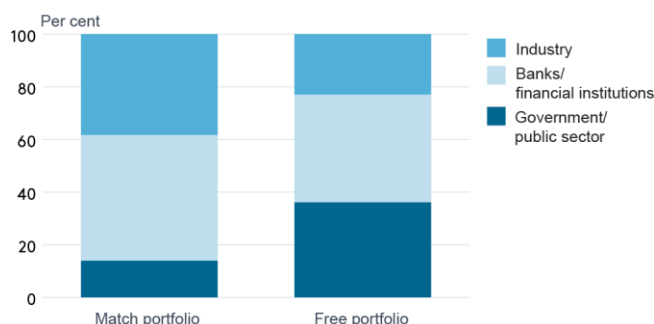
³ Investments in internationally diversified funds that are externally managed.

⁴ Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 598.5 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 a total return swap with Gjensidige Pensjonskasse, hedge funds and finance-related expenses.

Counterparty risk fixed income instruments

At the end of 2018



Credit rating fixed income instruments

At the end of 2018



Development during the quarter

The financial result for the total investment portfolio was negative NOK 231.0 million (489.2) in the quarter. This corresponds to a return on financial assets of minus 0.4 per cent (0.9).

The match portfolio yielded 0.1 per cent (0.6), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was minus 1.5 per cent (1.4). Credit spread widening and decline in value of equities contributed negatively to the result whereas properties, PE and government bonds contributed positively in the quarter together with some hedging-instruments.

Organisation

The Group had a total of 3,893 employees at the end of the year, compared with 3,695 at the end of the third quarter. The discontinued operation, Gjensidige Bank, had a total of 171 (170) employees at the end of the quarter, whereas the continuing operations had a total of 3,722 (3,525) employees.

The composition of the Group's employees broke down as follows: 1,889 (1,869) in general insurance operations in Norway, 171 (170) in Gjensidige Bank, 62 (62) in Gjensidige Pensjonsforsikring, 718 (731) in Denmark, 289 (291) in Sweden and 764 (572) in the Baltic states (excluding agents). The increase in the Baltics was due to the insourcing of agents as permanent employees in line with the aim to increase the share of direct distribution. 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 2018 financial year (regular dividend) of NOK 3,550 million (3,550), corresponding to NOK 7.10 (7.10) per share. The proposal corresponds to a pay-out ratio of approximately 96 per cent (79). The proposal requires an approval from the Financial Supervisory Authority of Norway as the amount exceeds 100 per cent of net profit in Gjensidige Forsikring ASA. Based on the strong capital position for the Group, the Board expects the application to be approved.

Gjensidige targets high and stable nominal dividends to its shareholders, and a pay-out ratio over time of at least 80 per cent³ of profit after tax. When determining the size of the dividend, the expected future capital need will be taken into account. Over time, Gjensidige will also pay out excess capital.

³ At least 80 per cent pay-out ratio is valid from the financial year 2019 and assumes closing of the sale of Gjensidige Bank

Strategy and outlook

The Group's annual financial and solvency targets for the period 2019 through 2022, given disposal of the bank, are as follows:

- Combined ratio between 86 and 89 per cent (undiscounted)
 - Corresponding to 90 to 93 per cent given zero run-off gains
 - Average annual run-off gains of ~NOK 1 billion are still expected through 2022
- Cost ratio <15 per cent
- Solvency margin based on the Partial Internal Model (both the regulatory approved model and the model with internal calibration) between 135 and 200 per cent
 - The solvency margin should remain in the upper half of the range in order to support an 'A' rating, stable regular dividends over time, financial flexibility for smaller acquisitions and organic growth not financed through retained earnings, as well as providing a buffer for regulatory changes.
- Return on equity after tax > 20 per cent
 - Corresponding to > 16 per cent excluding run-off gains
- Underwriting result outside Norway of NOK 750 million in 2022, excluding run-off

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

Gjensidige's ambition is to become the most customer-oriented general insurance company in the Nordic and Baltic region. The Group's priority is to retain its strong and unique position in Norway and to continue improving profitability outside. Furthermore, the Group will focus on ensuring continued capital discipline, including delivering attractive returns to shareholders. The key operational strategic priorities to reach these ambitions are to deliver the best digital customer experiences, focus on business intelligence and advanced analytics and to develop dynamic organisational capabilities.

Organic growth is expected to be in line with nominal GDP growth in Gjensidige's market areas in the Nordic countries and the Baltic states over time. In addition, profitable growth will be achieved by pursuing a disciplined acquisition strategy, as has been done successfully in the past. Strong emphasis will also be placed on further developing cooperation with partners and distributors. The sale of Gjensidige Bank to Nordea is expected to be closed during the first quarter 2019. The mutual distribution of insurance and financing products will commence shortly after, with the parties exploring opportunities in both the private and commercial segments.

Competition is still strong in the Norwegian general insurance market. Gjensidige has managed to capitalise on its position as market leader in Norway, and competitiveness remains good. Continued efforts to maintain and further strengthen Gjensidige's position in the Norwegian market will be prioritised.

In particular, Gjensidige will continue with efforts to improve profitability for the motor insurance line in Norway. Profitability for this insurance line is still expected to reach a turning point during the first half of 2019.

Initiatives to further improve profitability and growth outside Norway continue. New, profitable M&A opportunities will be considered in the Nordic region and the Baltic states.

Gjensidige is currently in a blue-print process for a new core system. The investment in a new core system is expected to be handled within the current cost ratio target, and will be made step-by-step, starting with Denmark, then Sweden and finally Norway.

Gjensidige has a robust investment strategy, although returns are affected by challenging market conditions. There are still some outstanding uncertainties relating to changes to the regulatory framework conditions for the financial sector in Norway and internationally.

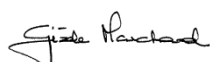
The Group has satisfactory capital buffers in relation to internal risk models, statutory solvency requirements and its target rating. The Board considers the Group's capital situation and financial strength to be good.

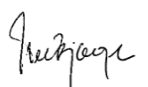
The sale of Gjensidige Bank will, upon closing, have a temporary negative impact on the Group's return on equity, until the proceeds have been reinvested in value-enhancing opportunities or returned to shareholders. The gain on the sale will be excluded from the basis for calculating the pay-out ratio for regular dividends.

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

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

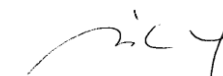
Oslo, 23 January 2019
The Board of Gjensidige Forsikring ASA

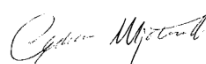

Gisele Marchand
Chair


Per Arne Bjørge


Eivind Elnan


John Giverholt

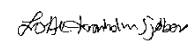

Vibeke Krag


Gunnar Mjåtvedt


Hilde Merete Nafstad


Anne Marie Nyhammer


Terje Seljeseth


Lotte K. Sjøberg


Helge Leiro Baastad
CEO

Consolidated income statement

NOK millions	Notes	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Operating income					
Earned premiums from general insurance	4	6,081.2	5,969.5	24,052.8	23,398.3
Earned premiums from pension		469.3	481.8	2,050.5	1,832.7
Other income including eliminations		42.4	41.1	158.2	135.1
Total operating income	3	6,592.9	6,492.3	26,261.6	25,366.1
Net income from investments					
Results from investments in associates and joint ventures		101.9	116.7	291.8	255.8
Interest income and dividend etc. from financial assets		261.2	246.5	1,032.2	1,024.8
Net changes in fair value on investments (incl. property)		(625.2)	4.4	(502.8)	(355.1)
Net realised gain and loss on investments		66.6	152.4	129.8	1,196.0
Expenses related to investments		(29.1)	(32.9)	(120.8)	(119.3)
Total net income from investments		(224.6)	487.1	830.2	2,002.2
Total operating income and net income from investments		6,368.3	6,979.5	27,091.7	27,368.4
Claims					
Claims incurred etc. from general insurance	5, 6	(3,268.9)	(4,468.4)	(16,791.1)	(16,401.7)
Claims incurred etc. from pension		(408.1)	(444.9)	(1,833.5)	(1,661.8)
Total claims		(3,676.9)	(4,913.3)	(18,624.6)	(18,063.5)
Operating expenses					
Operating expenses from general insurance		(897.9)	(945.7)	(3,655.9)	(3,586.5)
Operating expenses from pension		(59.7)	(53.9)	(241.0)	(227.3)
Other operating expenses		(9.0)	1.7	(40.6)	(12.9)
Amortisation and impairment losses of excess value - intangible assets		(63.6)	(72.8)	(264.6)	(261.3)
Total operating expenses		(1,030.2)	(1,070.7)	(4,202.1)	(4,088.1)
Total expenses		(4,707.1)	(5,984.0)	(22,826.7)	(22,151.6)
Profit/(loss) before tax expense	3	1,661.2	995.5	4,265.0	5,216.8
Tax expense		(367.5)	(179.1)	(883.5)	(1,156.6)
Profit/(loss) from continuing operations		1,293.7	816.4	3,381.6	4,060.2
Profit/(loss) from discontinued operations	11	10.6	185.6	334.9	459.1
Profit/(loss) from continuing and discontinued operations		1,304.2	1,002.1	3,716.4	4,519.3
Profit/(loss) attributable to:					
Owners of the company continuing operations		1,293.7	818.2	3,382.7	4,064.0
Owners of the company discontinued operations		10.6	185.6	334.9	459.1
Non-controlling interests		0.0	(1.8)	(1.2)	(3.8)
Total		1,304.2	1,002.1	3,716.4	4,519.3
Earnings per share from continuing and discontinued operations, NOK (basic and diluted)		2.61	2.01	7.44	9.05
Earnings per share from continuing operations, NOK (basic and diluted)		2.59	1.64	6.77	8.13

Consolidated statement of comprehensive income

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Profit/(loss) from continuing and discontinued operations	1,304.2	1,002.1	3,716.4	4,519.3
Other comprehensive income				
Other comprehensive income that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/asset	(50.8)	(340.2)	(50.8)	(340.2)
Share of other comprehensive income of associates and joint ventures		(0.7)		(0.7)
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss	12.7	85.1	12.7	85.1
Total other comprehensive income that will not be reclassified subsequently to profit or loss	(38.1)	(255.9)	(38.1)	(255.9)
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences from foreign operations	351.9	291.7	14.9	577.2
Tax on other comprehensive income that will be reclassified subsequently to profit or loss	(56.5)	(43.4)	(0.7)	(88.2)
Total other comprehensive income that will be reclassified subsequently to profit or loss	295.3	248.3	14.2	489.1
Total other comprehensive income of continuing operations	257.3	(7.6)	(23.9)	233.2
Total other comprehensive income of discontinued operations	0.1	(1.8)	0.1	(1.8)
Total comprehensive income from continuing and discontinued operations	1,561.6	992.7	3,692.6	4,750.7
Total comprehensive income attributable to:				
Owners of the company continuing operations	1,551.0	810.7	3,358.8	4,297.2
Owners of the company discontinued operations	10.6	183.8	335.0	457.3
Non-controlling interests		(1.8)	(1.2)	(3.8)
Total	1,561.6	992.7	3,692.6	4,750.7

Consolidated statement of financial position

NOK millions	Notes	31.12.2018	31.12.2017
Assets			
Goodwill		3,577.0	3,557.4
Other intangible assets		1,288.1	1,472.2
Deferred tax assets		13.1	11.3
Investments in associates and joint ventures		2,959.7	1,859.4
Interest-bearing receivables from joint ventures		2,513.1	1,620.1
Owner-occupied property, plant and equipment		251.9	290.1
Pension assets		156.6	206.0
Financial assets			
Financial derivatives	8	577.9	674.0
Shares and similar interests	8	5,134.9	7,328.3
Bonds and other securities with fixed income	8	26,374.8	30,734.2
Bonds held to maturity	8	391.5	1,136.0
Loans and receivables	8	20,477.9	67,010.1
Assets in life insurance with investment options		23,909.5	22,565.5
Reinsurers' share of insurance-related liabilities in general insurance, gross		926.9	827.4
Receivables related to direct operations and reinsurance		6,784.7	5,840.8
Other assets and receivables		1,081.7	1,064.5
Prepaid expenses and earned, not received income		81.7	189.9
Cash and cash equivalents		2,363.3	2,685.2
Assets held for sale	11	57,898.8	
Total assets		156,762.9	149,072.4
Equity and liabilities			
Equity			
Share capital		999.9	1,000.0
Share premium		1,430.0	1,430.0
Natural perils capital		2,491.1	2,333.4
Guarantee scheme provision		653.9	638.3
Perpetual Tier 1 capital Gjensidige Bank (held for sale)		444.8	
Other equity		17,824.9	18,283.4
Total equity attributable to owners of the company		23,844.7	23,685.1
Non-controlling interests		0.5	18.0
Total equity		23,845.2	23,703.1
Provision for liabilities			
Subordinated debt		1,498.0	1,947.3
Premium reserve in life insurance		6,336.2	5,784.9
Provision for unearned premiums, gross, in general insurance		10,051.1	9,961.4
Claims provision, gross	7	29,355.8	31,322.7
Other technical provisions		353.2	339.6
Pension liabilities		562.4	578.3
Other provisions		319.3	328.6
Financial liabilities			
Financial derivatives	8	869.9	584.9
Deposits from and liabilities to customers	8		23,765.7
Interest-bearing liabilities	8		23,083.4
Other liabilities	8	2,838.4	1,265.2
Current tax		638.8	1,131.5
Deferred tax liabilities		1,093.0	1,076.8
Liabilities related to direct insurance and reinsurance	8	1,174.5	1,132.8
Liabilities in life insurance with investment options	8	23,909.5	22,565.5
Accrued expenses and deferred income	8	403.3	500.8
Liabilities held for sale	11	53,514.4	
Total liabilities		132,917.7	125,369.3
Total equity and liabilities		156,762.9	149,072.4

Consolidated statement of changes in equity

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Re-measurement of the net defined benefit liab./asset	Other earned equity	Total equity
Equity as at 31.12.2016 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									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					45.9			4,477.2	4,523.1
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
Transactions with owners of the company									
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)
Total transactions with owners of the company		0,0		8.8	25.2	0,0	22,0	(3,431.5)	(3,375.6)
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
Adjustment due to amendment to IFRS 2				8.5					8.5
Adjustment on initial application of IFRS 9 in the bank								(10.4)	(10.4)
Equity as at 1.1.2018									23,701.2
1.1.-31.12.2018									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					47.5			3,670.1	3,717.6
Total components of other comprehensive income				0.1		14.1	(38.0)		(23.8)
Total comprehensive income				0.1	47.5	14.1	(38.0)	3,670.1	3,693.8
Transactions with owners of the company									
Own shares		0,0						(10.9)	(11.0)
Paid dividend								(3,549.9)	(3,549.9)
Equity-settled share-based payment transactions				7.9					7.9
Perpetual Tier 1 capital					75.4			(0.6)	74.7
Perpetual Tier 1 capital - interest paid					(46.9)				(46.9)
Net effect of purchase of non-controlling interests								(7.2)	(7.2)
Total transactions with owners of the company		0,0		7.9	28.4		0,0	(3,568.6)	(3,532.3)
Equity as at 31.12.2018 attributable to owners of the company	1,000.0	(0.1)	1,430.0	64.7	1,445.3	616.0	(1,974.6)	21,263.3	23,844.7
Non-controlling interests as at 31.12.2018									0.5
Equity as at 31.12.2018									23,845.2

Consolidated statement of cash flows

NOK millions	1.1.-31.12.2018	1.1.-31.12.2017
Cash flow from operating activities		
Premiums paid, net of reinsurance	31,022.5	29,645.8
Claims paid, net of reinsurance	(20,168.4)	(18,398.9)
Net payment of loans to customers	(5,498.6)	(4,912.2)
Net payment of deposits from customers	(647.0)	2,495.3
Payment of interest from customers	1,612.1	1,509.0
Payment of interest to customers	(297.2)	(257.2)
Net receipts/payments of premium reserve transfers	(1,266.8)	(1,231.2)
Net receipts/payments from financial assets	(984.1)	(1,812.3)
Net receipt/payments on sale/acquisition of investment property		97.1
Operating expenses paid, including commissions	(4,586.8)	(4,283.3)
Taxes paid	(1,281.7)	(1,250.4)
Net other receipts/payments	204.3	116.4
Net cash flow from operating activities	(1,891.7)	1,718.1
Cash flow from investing activities		
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	(34.7)	(502.6)
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(403.6)	(328.1)
Net receipts/payments on sale/acquisition of customer portfolios - intangible assets		(3.9)
Net cash flow from investing activities	(438.3)	(834.6)
Cash flow from financing activities		
Payment of dividend	(3,549.9)	(3,459.9)
Net receipts/payments on subordinated debt incl. interest	(41.8)	(42.3)
Net receipts of capital from non-controlling interests		2.1
Net receipts/payments on loans to credit institutions	6,455.4	3,462.4
Net receipts/payments on other short-term liabilities	(26.7)	(53.1)
Net receipts/payments on interest on funding activities	(349.7)	(308.8)
Net receipts/payments on sale/acquisition of own shares	(11.0)	(11.1)
Tier 1 issuance/installments	74.7	70.0
Tier 1 interest payments	(58.6)	(56.8)
Net cash flow from financing activities	2,492.5	(397.5)
Effect of exchange rate changes on cash and cash equivalents	(7.9)	40.5
Net cash flow	154.6	526.5
Cash and cash equivalents at the start of the period	2,685.2	2,158.7
Cash and cash equivalents at the end of the period	2,839.9	2,685.2
Net cash flow	154.6	526.5
Specification of cash and cash equivalents		
Deposits with central banks	53.9	229.6
Cash and deposits with credit institutions ¹	2,786.0	2,455.6
Total cash and cash equivalents	2,839.9	2,685.2
¹ Including source-deductible tax account	91.7	85.9
hereof source-deductible tax account from discontinued operations	6.2	6.7
Specification of cash and cash equivalents from discontinued operations		
Deposits with central banks	53.9	229.6
Cash and deposits with credit institutions	422.6	200.4
Total cash and cash equivalents from discontinued operations	476.6	430.1
Specification of cash and cash equivalents from continuing operations		
Cash and deposits with credit institutions	2,363.3	2,255.2
Total cash and cash equivalents from continuing operations	2,363.3	2,255.2
Cash flows from discontinued operations		
Net cash flow from operating activities	(6,162.0)	(3,034.5)
Net cash flow from investing activities	(28.3)	(21.4)
Net cash flow from financing activities	6,236.8	3,366.1
Total cash flows from discontinued operations	46.5	310.2

Notes

1. Accounting policies

The consolidated financial statements as of the fourth quarter of 2018, concluded on 31 December 2018, comprise Gjensidige Forsikring ASA and its subsidiaries (collectively referred to as the Group) and the Group's holdings in associated companies. Except for the changes described below, the accounting policies applied in the interim report is the same as those used in the annual report for 2017.

The consolidated financial statements as of the fourth quarter of 2018 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 2017.

New standards adopted

IFRS 15 Recognition of revenue for customers (2014)

Gjensidige implemented IFRS 15 at 1 January 2018. The standard establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. A five-step model to determine how and when revenues are recognised, but it does not apply to recognition of income from insurance contracts, financial assets or leases, which make up substantially all of the Group's revenue streams, has been used. Other revenue streams, such as revenue from sale of goods, revenue from sale and dissemination of third party services and commission income constitute a negligible part of the revenue. For these revenues, the modified retrospective method of effects from first-time use is recognised on the day of implementation and without restating comparable figures. The new standard has not affected Gjensidige's financial position, earnings or cash flows.

IFRS 9 Financial instruments (2014)

Gjensidige Bank implemented IFRS 9 at 1 January 2018, and there were two implementation effects. The new impairment requirements increased the bank's provision for expected credit losses with NOK 13.8 million. Further, the fixed interest loans to customers were reclassified from amortised cost to fair value, with an effect of increased value of NOK 19.4 million. The net implementation effect of NOK 4.2 million (after tax) were recognised in the opening balance.

Amendments to IFRS 2: Classifications and measurement of share-based payment transactions

Gjensidige implemented amendments to IFRS 2 at 1 January 2018, and there was one implementation effect. The tax liability as at 31 December 2017 amounting to NOK 8.5 million was reclassified from liability to equity as at 1 January 2018.

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 2018. They have not been applied when preparing these consolidated financial statements. Those that may be relevant to Gjensidige are mentioned below. Gjensidige does not plan early implementation of these standards.

IFRS 9 Financial instruments (2014) in the insurance operations

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

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

Impairment provisions according to IFRS 9 shall for the bank 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 and interest rate instruments at fair value through 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 shall equal 12-month expected credit losses. If the credit risk has increased significantly, the provision shall equal lifetime expected credit losses. This dual approach replaces today's collective impairment model.

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

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

- no financial instruments are transferred between the insurance sector and any other sector of the financial conglomerate other than financial instruments that are measured at fair value with changes in fair value recognised through the profit or loss account by both sectors involved in such transfers;
- the financial conglomerate states in the consolidated financial statements which insurance entities in the group are applying IAS 39;
- disclosures requested by IFRS 7 are provided separately for the insurance sector applying IAS 39 and for the rest of the group applying IFRS 9.

Gjensidige is a financial conglomerate which primarily operates insurance business and has therefore decided to make use of this exception.

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.

A rough estimate of expected amount to be recognised as a lease liability and right-of-use asset at the time of implementation is approximately NOK 1.2 billion. An estimate of the effect on equity will be about MNOK 40. The amounts are subject to great uncertainty.

To determine whether a contract contains a lease, it is considered whether the contract conveys the right to control the use of an identified asset. This is considered to be the case for rental contracts, leases for cars and some office machines, etc. However, the latter group is exempted for recognition due to low value. IT agreements are not considered to fall under IFRS 16 since these are based on the purchase of capacity that is not physically separated and thus not identifiable. The rental period will be calculated based on the duration of the agreement plus any option periods if these with reasonable certainty will be exercised. Joint expenses etc. will not be recognised in the lease liability for the rental contracts. The discount rate for the rental contracts will be based on observable borrowing rates in the bond market for each of the countries Gjensidige operates in. The interest rate will furthermore be adjusted to the duration of the lease liabilities. The discount rate for the leasing cars will be based on the interest rate stated in the monthly reports from the leasing company. This is a simplification and a sensitivity analysis has been performed which shows that a change in interest rates in the range of 1.5 to 3 per cent will not have a significant effect on the financial statement.

Gjensidige has chosen to recognise its lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, as well as the recognition of related right-of-use assets to an amount corresponding to the lease liability. For the largest rental agreements in Norway, Sweden and Denmark, Gjensidige has chosen to recognise the right-of-use asset at the carrying amount as if the standard had been applied since the date of implementation, but discounted using the tenant's incremental borrowing rate at the date of initial application. The difference between this and the lease liability will be recognised directly in equity on 1 January 2019.

IFRS 17 Insurance Contracts (2017)

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. IFRS 17 is a complex standard that includes some fundamental differences to current accounting for liability measurement and profit recognition. Insurance contracts will be recognised at a risk-adjusted present value of the future cash flows plus an amount representing the unearned profit in the group of contracts (the contractual service margin). If a group of contracts is or become loss-making, the loss will be recognised immediately. Insurance revenue, insurance service expenses and insurance finance income or expenses will be presented separately. IFRS 17 is expected to be effective 1 January 2022. The standard is expected to have an effect on the group's financial statements, significantly

changing the measurement and presentation of income and expenses.

Amendments to IAS 12: Changes in classification of tax on equity items that are classified as liability for tax purposes

In accordance with IAS 12 paragraph 57A, tax on equity items classified as liability for tax purposes are no longer classified as part of the equity transaction, but as part of the tax expense in income the income statement.

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

The preparation of interim accounts involves the application of assessments, estimates and assumptions that affect the use of accounting policies and the amounts recognised for assets and liabilities, revenues and expenses. The actual results may deviate from these estimates. The most material assessments involved in applying the Group's accounting policies and the most important sources of uncertainty in the estimates are the same regarding preparing the interim report as in the annual report for 2017.

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

Gjensidige Bank was discontinued from the third quarter 2018 and is no longer a separate segment in Gjensidige Group. The segment information reported does therefore not include amounts for Gjensidige Bank. Please see note 11 for further details.

The Group's core operations comprise the segments general insurance Private, Commercial, Denmark, Sweden and Baltics. The Group also has operation in the Pension segment.

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 and earned premiums and other income for Pension.

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

As from 1 January 2018 the former Nordic segment has been divided into two new segments: Denmark and Sweden. Comparable figures are changed accordingly.

Fourth quarter NOK millions	Segment income ²		Claims, interest expenses, loss etc.		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
General Insurance Private	2,230.2	2,123.4	(1,148.7)	(1,449.5)	(270.5)	(281.0)			811.1	392.9
General Insurance Commercial	1,953.2	1,827.4	(701.9)	(1,296.6)	(215.6)	(216.3)			1,035.6	314.5
General Insurance Denmark	1,226.0	1,256.6	(913.2)	(1,012.0)	(188.3)	(173.8)			124.5	70.7
General Insurance Sweden	362.5	448.5	(252.5)	(347.1)	(64.5)	(99.5)			45.5	2.0
General Insurance Baltics	268.0	271.6	(171.8)	(168.4)	(78.9)	(83.9)			17.4	19.2
Pension	509.6	521.5	(408.1)	(444.9)	(59.7)	(53.9)	14.5	5.1	56.3	27.9
Eliminations etc. ¹	43.4	43.4	(80.8)	(194.8)	(152.8)	(162.3)	(239.1)	482.0	(429.2)	168.2
Total	6,592.9	6,492.3	(3,676.9)	(4,913.3)	(1,030.2)	(1,070.7)	(224.6)	487.1	1,661.2	995.5

1.1.-31.12. NOK millions	Segment income ²		Claims, interest expenses, loss etc.		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
General Insurance Private	8,762.5	8,516.5	(5,720.7)	(5,226.2)	(1,106.9)	(1,090.3)			1,934.8	2,200.0
General Insurance Commercial	7,603.3	7,300.5	(5,182.8)	(4,825.6)	(872.3)	(840.1)			1,548.2	1,634.8
General Insurance Denmark	4,904.6	4,827.4	(3,766.2)	(3,863.0)	(704.0)	(680.3)			434.5	284.0
General Insurance Sweden	1,569.2	1,736.1	(1,231.7)	(1,491.9)	(259.3)	(335.8)			78.2	(91.6)
General Insurance Baltics	1,078.8	1,074.7	(675.9)	(736.0)	(334.4)	(345.9)			68.5	(7.2)
Pension	2,201.0	1,963.1	(1,833.5)	(1,661.8)	(241.0)	(227.3)	40.2	29.7	166.6	103.7
Eliminations etc. ¹	142.1	(52.2)	(213.7)	(258.9)	(684.2)	(568.4)	790.0	1,972.5	34.2	1,093.1
Total	26,261.6	25,366.1	(18,624.6)	(18,063.5)	(4,202.1)	(4,088.1)	830.2	2,002.2	4,265.0	5,216.8

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment, and large losses of NOK 202.9 million (220.6) for the year as a whole and 39.5 million (158.7) in the quarter. Interest on subordinated debt is included in Net income from investments.

² There is no significant income between the segments at this level in 2018 and 2017.

4. Earned premiums from general insurance

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums, gross	6,275.6	6,139.1	24,779.3	24,083.0
Ceded reinsurance premiums	(194.4)	(169.6)	(726.5)	(684.7)
Total earned premiums, net of reinsurance	6,081.2	5,969.5	24,052.8	23,398.3

5. Claims incurred etc. from general insurance

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Gross claims	(3,433.1)	(4,496.3)	(17,111.6)	(16,891.7)
Claims, reinsurers' share	164.3	27.9	320.5	490.0
Total claims incurred etc. from general insurance	(3,268.9)	(4,468.4)	(16,791.1)	(16,401.7)

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

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Earned premiums from general insurance	6,081.2	5,969.5	24,052.8	23,398.3
Run-off gain/(loss) for the period, net of reinsurance ¹	1,384.1	300.6	2,356.9	1,030.3
In per cent of earned premiums from general insurance	22.8	5.0	9.8	4.4

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

7. Claims provision, gross from general insurance

NOK millions	31.12.2018	31.12.2017
Claims provision, gross, as at 1 January	31,322.7	31,357.4
Additions from acquisitions		115.7
Claims for the year	19,484.7	18,104.9
Claims incurred in prior years, gross	(2,361.1)	(1,200.9)
Claims paid	(19,083.6)	(17,728.0)
Discounting of claims provisions	68.9	70.5
Change in discounting rate	(55.4)	(66.0)
Other changes		(43.9)
Exchange differences	(20.4)	713.0
Claims provision, gross, at the end of the period	29,355.8	31,322.7
Discounted claims provision, gross - annuities	5,941.8	6,127.1
Nominal claims provision, gross - annuities	6,573.4	6,855.7

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

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

Over the next 4 years, average annual run-off gains are expected to be around NOK 1,000 million.

8. Financial assets and liabilities

Fair value

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

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

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

Quoted prices in active markets

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

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

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

Valuation based on observable market data

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

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

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

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

- Listed subordinated debt where transactions are not occurring regularly.

Valuation based on non-observable market data

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

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

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

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

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 based on 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 31.12.2018	Fair value as at 31.12.2018	Carrying amount as at 31.12.2017	Fair value as at 31.12.2017
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	577.9	577.9	674.0	674.0
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	5,134.9	5,134.9	7,328.3	7,328.3
Bonds and other fixed income securities	26,374.8	26,374.8	30,734.2	30,734.2
Shares and similar interests in life insurance with investment options	20,627.2	20,627.2	20,034.3	20,034.3
Bonds and other fixed income securities in life insurance with investment options	3,282.3	3,282.3	2,531.2	2,531.2
<i>Financial assets held to maturity</i>				
Bonds held to maturity	391.5	392.5	1,136.0	1,158.2
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	20,303.7	21,176.9	21,032.6	22,475.7
Loans	2,687.3	2,687.3	47,597.6	47,617.0
Receivables related to direct operations and reinsurance	6,784.7	6,784.7	5,840.8	5,840.8
Other assets and receivables	1,081.7	1,081.7	1,064.5	1,064.5
Prepaid expenses and earned, not received income	81.7	81.7	189.9	189.9
Cash and cash equivalents	2,363.3	2,363.3	2,685.2	2,685.2
Total financial assets	89,690.9	90,565.1	140,848.5	142,333.2
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	869.9	869.9	584.9	584.9
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	23,909.5	23,909.5	22,565.5	22,565.5
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	1,498.0	1,487.5	1,947.3	1,968.1
Deposits from and liabilities to customers, bank			23,765.7	23,765.7
Interest-bearing liabilities			23,083.4	23,260.2
Other liabilities	2,838.4	2,838.4	1,265.2	1,265.2
Liabilities related to direct insurance	1,174.5	1,174.5	1,132.8	1,132.8
Accrued expenses and deferred income	403.3	403.3	500.8	500.8
Total financial liabilities	30,693.6	30,683.1	74,845.4	75,043.1
Gain/(loss) not recognised in profit or loss		884.7		1,287.0

Valuation hierarchy 2018

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

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non- observable market data	Total
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		577.9		577.9
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	122.0	3,653.8	1,359.1	5,134.9
Bonds and other fixed income securities	13,193.2	12,402.9	778.7	26,374.8
Shares and similar interests in life insurance with investment options	20,610.0	17.3		20,627.2
Bonds and other fixed income securities in life insurance with investment options	3,268.1	14.1		3,282.3
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	255.7	136.8		392.5
Bonds and other fixed income securities classified as loans and receivables		21,173.0	3.8	21,176.9
Loans			2,687.3	2,687.3
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		869.9		869.9
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	23,878.1	31.4		23,909.5
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,487.5		1,487.5

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				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		674.0		674.0
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
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
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	392.6	762.2	3.4	1,158.2
Bonds and other fixed income securities classified as loans and receivables		22,471.1	4.6	22,475.7
Loans			47,617.0	47,617.0
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		584.9		584.9
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Debt in life insurance with investment options	22,536.7	28.8		22,565.5
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,968.1		1,968.1
Interest-bearing liabilities		23,260.2		23,260.2

Reconciliation of financial assets valued based on non-observable market data (level 3) 2018

NOK millions	As at 1.1.2018	Net realised/ unrealised gains recognised in profit or loss	Pur- chases	Sales	Settle- ments	Trans- fers into/out of level 3	Cur- rency effect	As at 31.12.2018	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 31.12.2018
Shares and similar interests	2,211.8	96.6	126.4	(164.1)		(911.7)		1,359.1	70.1
Bonds and other fixed income securities	904.3	60.7		(187.6)			1.3	778.7	
Total	3,116.2	157.4	126.4	(351.7)		(911.7)	1.3	2,137.8	70.1

Sensitivity of financial assets valued based on non-observable market data (level 3) 2018

NOK millions	Sensitivity
Shares and similar interests	Change in value 10% 135.9
Bonds and other fixed income securities	Change in value 10% 77.9
Total	213.8

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

NOK millions	As at 1.1.2017	Net realised/ unrealised gains recognised in profit or loss	Pur- chases	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 31.12.2017
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

9. Contingent liabilities

NOK millions	31.12.2018	31.12.2017
Guarantees and committed capital		
Gross guarantees	0.1	0.1
Committed capital, not paid	702.2	1,392.5

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 702.2 million (1,392.5) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet. Gjensidige Forsikring is liable externally for any insurance claim arising in the cooperating mutual fire insurers' fire insurance operations.

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

10. Related parties

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

11. Discontinued operations

On 2 July Gjensidige Forsikring ASA entered into a share purchase agreement with Nordea for the sale of Gjensidige Bank ASA. The agreed purchase price was NOK 5.5 billion, subject to certain adjustments based on the performance of the bank until the closing of the transaction. Closing is expected to take place within Q1 2019, subject to customary regulatory approvals. Gjensidige Forsikring Group is expected to record an estimated gain of approximately NOK 1.9 billion upon closing of the transaction.

From the third quarter 2018 IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are implemented, due to the sale of Gjensidige Bank. Result from discontinued operations is presented separately in the income statement and assets and liabilities held for sale are presented separately in the statement of financial position. Comparable figures are presented for the income

statement, but not in the statement of financial position. Disclosures are not presented for the bank, apart from information in this note.

Gjensidige Bank ASA, together with its subsidiary Gjensidige Bank Boligkreditt AS, constitutes the Retail Bank segment. An analysis of income and expenses from the discontinued operation can be found in the table on page 11. Additional amounts are presented in the table below.

Gjensidige Bank ASA implemented IFRS 9 on 1 January 2018. The tables below reconcile the carrying amounts of financial assets, from their previous measurement categories in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9. Please refer to Gjensidige Bank ASA's annual report for 2018 for further information.

Income statement, financial position and cash flow items

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Income statement				
Profit /(loss) before tax expense	14.8	247.6	447.3	612.3
Tax expense	(4.3)	(62.0)	(112.4)	(153.2)
Profit /(loss) after tax expense from discontinued operations (attributable to owners of the company)	10.6	185.6	334.9	459.1
Earnings per share from discontinued operations, NOK (basic and diluted)	0.14	0.21	0.65	0.55
Financial position				
Cash and claims from central banks			53.9	229.6
Net loans and receivables to credit institutions			422.6	200.5
Net loans and receivables to customers			51,253.0	45,875.9
Sertificates, bonds etc.			5,746.7	4,957.5
Other assets			422.5	271.3
Total assets			57,898.8	51,534.8
Deposits from and liabilities to customers			23,123.0	23,765.7
Debt through issuance of securities			29,382.4	23,083.4
Subordinated loans			549.8	449.8
Other liabilities			459.2	336.4
Perpetual Tier 1 capital instrument			444.8	369.6
Other equity			3,939.6	3,530.0
Total equity and liabilities			57,898.8	51,534.8

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Cash flows				
Net cash flows from operating activities			(6,162.0)	(3,034.5)
Net cash flows from investing activities			(28.3)	(21.4)
Net cash flows from financing activities			6,236.8	3,353.6
Net cash flow for the period			46.4	297.7

Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

Total negative impact on equity from IFRS 9 at transition amounts to NOK 10.4 million after tax.

NOK millions 1 January 2018	IAS 39 carrying amount 31.12.2017	Reclassifi- cations	Remeasure- ments	IFRS 9 carrying amount 1.1.2018
Net loans to customers at amortised cost	45,875.9		(13.9)	45,862.0
Financial assets	45,875.9		(13.9)	45,862.0

Reconciliation of provisions at transition from IAS 39 to IFRS 9

The total negative impact on equity from IFRS 9 at transition amounts to NOK 10.4 million after tax.

NOK millions 1 January 2018	IAS 39 carrying amount 31.12.2017	Reclassifi- cations	Remeasure- ments	IFRS 9 carrying amount 1.1.2018
Net loans and receivables to customers				
Opening balance under IAS 39	180.3			
Remeasurement ECL allowance			13.9	
Closing balance under IFRS 9				194.1
Total financial assets measured at amortised cost	180.3		13.9	194.1

Alternative performance measures

Gjensidige Forsikring provides alternative performance measures (APMs) in the financial reports, in addition to the financial figures prepared in accordance with the International Financial Reporting Standards (IFRS). The APMs are provided to enhance understanding of the Gjensidige Group's results. The APMs should be viewed as complementary to, rather than a substitute for the IFRS figures. The APMs have been used consistently over time, and relevant definitions have been disclosed. Comparable figures are provided for all APMs.

Return on equity (ROE), return on tangible equity, return on financial assets

These measures provide relevant information for assessment of performance by combining measures on profitability and capital efficiency. ROE is one of the key financial targets for the Group.

Recognised and value-adjusted return on the paid-up policy portfolio

These measures provide relevant information for assessing the pension business' ability to fulfill its obligations on guaranteed returns.

Gross premiums written

This measure provides relevant information on expected future earned premiums for the Group's general insurance business, as it comprises total revenue generated through sale of insurance products, regardless of what portions have been earned.

Underwriting result, combined ratio, loss ratio, cost ratio, operating margin, cost/income ratio and net interest margin

These measures provide relevant information on the Group's profitability. The measures are mainly expressed as a percentage.

The underwriting result is the result of the technical account of the general insurance business in the Group and is calculated based on earned premiums, claims incurred and insurance-related operating expenses.

Underwriting result, combined ratio, loss ratio and cost ratio are used for measuring underwriting profitability for the general insurance business. A combined ratio of below 100 per cent indicates that the underwriting result is positive, whereas a ratio of above 100 per cent indicates an underwriting loss. The combined ratio is further broken down into the loss ratio and the cost ratio. The combined, loss and cost ratio are among the key financial targets for the Group.

Operating margin, cost/income ratio and net interest margin provide relevant information on profitability in the pension and banking segments.

Large losses

This measure provides relevant information for assessing the large losses' relative share of the total losses.

Run-off gains/ (losses)

This measure provides relevant information for the sake of comparability of results (claims) as run-off gains and losses are related to prior periods.

Total eligible own funds to meet the group SCR, SCR margin, total eligible own funds to meet the minimum consolidated group SCR, minimum consolidated group SCR margin, total eligible own funds to meet the MCR, MCR margin. Bank: capital adequacy ratio, Tier 1 capital ratio, common equity Tier 1 capital ratio

These measures provide relevant information on the entities' capital and solvency positions, illustrating the ability to meet obligations to policyholders and beneficiaries. The measures are calculated in accordance with regulatory requirements.

Assets under management, gross lending and deposits

These measures provide relevant information on the size of the operating business of the pension and banking segments.

Deposit-to-loan ratio

This measure reflects the average amount of customer lending funded by customer deposits and is commonly used by banks and industry analysts.

Loss rate, annualised

This measure provides relevant information to indicate the performance and quality of the lending book.

Share of shared commercial customers and shared customers' share of gross lending

These measures provide relevant information on the overlap of customers between the general insurance and the pension/bank segments. A high share of shared customers is assumed to be beneficial in terms of loyalty, retention and satisfaction of customers.

Definitions of the alternative performance measures can be found on page 33.

Alternative performance measures

		Q4 2018	Q4 2017	1.1.-31.12. 2018	1.1.-31.12. 2017
Gjensidige Forsikring Group					
Equity	NOK millions			23,845.2	23,703.1
Equity per share	NOK			47.7	47.4
Earnings per share in the period, basic and diluted ¹	NOK	2.61	2.01	7.44	9.05
Return on equity, annualised ²	%			17.3	21.3
Return on tangible equity, annualised ³	%			22.4	27.5
Return on financial assets ⁴	%	(0.4)	0.9	1.5	3.7
Total eligible own funds to meet the group SCR ⁵	NOK millions			23,665.1	21,052.5
Group SCR margin ⁶	%			168.5	137.5
Total eligible own funds to meet the minimum consolidated group SCR ⁷	NOK millions			15,772.6	13,980.9
Minimum consolidated group SCR margin ⁸	%			321.9	256.2
Gjensidige Forsikring ASA					
Total eligible own funds to meet the SCR ⁹	NOK millions			22,899.5	18,877.4
SCR margin ¹⁰	%			234.6	168.5
Total eligible own funds to meet the MCR ¹¹	NOK millions			19,051.8	16,281.4
MCR margin ¹²	%			465.0	346.3
Issued shares, at the end of the period	Number			500,000,000	500,000,000
General Insurance					
<i>Gross premiums written</i>					
Private	NOK millions	1,974.4	1,897.0	8,942.2	8,614.5
Commercial	NOK millions	1,760.2	1,663.7	8,017.9	7,637.0
Denmark	NOK millions	1,109.1	1,147.0	5,196.8	4,941.9
Sweden	NOK millions	331.5	416.7	1,495.1	1,761.9
Baltics	NOK millions	268.9	255.3	1,110.1	1,074.9
Corporate Centre/reinsurance	NOK millions	0,0	(4.5)	105.7	47.2
Total	NOK millions	5,444.1	5,375.2	24,867.8	24,077.5
Premiums, net of reinsurance ¹³	%			97.1	97.1
<i>Earned premiums</i>					
Private	NOK millions	2,230.2	2,123.4	8,762.5	8,516.5
Commercial	NOK millions	1,953.2	1,827.4	7,603.3	7,300.5
Denmark	NOK millions	1,226.0	1,256.6	4,904.6	4,827.4
Sweden	NOK millions	362.5	448.5	1,569.2	1,736.1
Baltics	NOK millions	268.0	271.6	1,078.8	1,074.7
Corporate Centre/reinsurance	NOK millions	41.3	42.0	134.4	(56.9)
Total	NOK millions	6,081.2	5,969.5	24,052.8	23,398.3
<i>Loss ratio ¹⁴</i>					
Private	%	51.5	68.3	65.3	61.4
Commercial	%	35.9	71.0	68.2	66.1
Denmark	%	74.5	80.5	76.8	80.0
Sweden	%	69.7	77.4	78.5	85.9
Baltics	%	64.1	62.0	62.7	68.5
Total	%	53.8	74.9	69.8	70.1
<i>Cost ratio ¹⁵</i>					
Private	%	12.1	13.2	12.6	12.8
Commercial	%	11.0	11.8	11.5	11.5
Denmark	%	15.4	13.8	14.4	14.1
Sweden	%	17.8	22.2	16.5	19.3
Baltics	%	29.4	30.9	31.0	32.2
Total	%	14.8	15.8	15.2	15.3
<i>Combined ratio ¹⁶</i>					
Private	%	63.6	81.5	77.9	74.2
Commercial	%	47.0	82.8	79.6	77.6
Denmark	%	89.8	94.4	91.1	94.1
Sweden	%	87.5	99.6	95.0	105.3
Baltics	%	93.5	92.9	93.7	100.7
Total	%	68.5	90.7	85.0	85.4
Combined ratio discounted ¹⁷	%	67.9	89.6	84.0	84.8

		Q4 2018	Q4 2017	1.1.-31.12. 2018	1.1.-31.12. 2017
Pension					
Assets under management pension, at the end of the period	NOK millions			30,688.2	28,699.0
of which the group policy portfolio	NOK millions			6,586.4	6,018.4
Operating margin ¹⁸	%	41.23	29.68	34.41	24.55
Recognised return on the paid-up policy portfolio ¹⁹	%			5.61	3.75
Value-adjusted return on the paid-up policy portfolio ²⁰	%			4.30	4.47
Share of shared commercial customers ²¹	%			70.0	69.3
Return on equity, annualised ²	%			15.8	11.0
Retail Bank (discontinued operations)					
Gross lending, addition in the period	NOK millions	2,413.4	516.0	5,526.3	4,806.6
Deposits, addition in the period	NOK millions	(435.2)	901.8	(642.7)	2,495.3
Gross lending, at the end of the period	NOK millions			51,582.5	46,056.1
Deposits, at the end of the period	NOK millions			23,123.0	23,765.7
Deposits-to-loan ratio at the end of the period ²²	%			44.8	51.6
Assets under management, at the end of the period	NOK millions			6,982.1	15,975.1
Net interest margin, annualised ²³	%			1.89	2.03
Loss rate, annualised ²⁴	%			0.14	0.02
Cost/income ratio ²⁵	%	61.2	44.6	48.6	39.8
Shared customers' share of gross lending ²⁶	%			69.4	75.0
Capital adequacy ratio ²⁷	%			17.8	18.1
Tier 1 capital ratio ²⁸	%			15.8	16.2
Common equity Tier 1 capital ratio ²⁹	%			14.2	14.7
Return on equity, annualised ²	%			8.6	14.2

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

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

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

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

⁵ Total eligible own funds to meet the group SCR = Total eligible own funds to meet the group solvency capital requirement, where the group solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017. 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 = Ratio of total eligible own funds to group solvency capital requirement, where the group solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017.

⁷ Total eligible own funds to meet the minimum consolidated group SCR = Total eligible own funds to meet the minimum consolidated group solvency capital requirement, where the minimum consolidated group solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017. 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 = Ratio of eligible own funds to minimum consolidated group solvency capital requirement, where the minimum consolidated group solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017.

⁹ Total eligible own funds to meet the SCR = Total eligible own funds to meet the solvency capital requirement for Gjensidige Forsikring ASA, where the solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017. 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 = Ratio of total eligible own funds to solvency capital requirement for Gjensidige Forsikring ASA, where the solvency capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017.

¹¹ Total eligible own funds to meet the MCR = Total eligible own funds to meet the minimum capital requirement for Gjensidige Forsikring ASA, where the minimum capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017. 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 = Ratio of eligible own funds to minimum capital requirement for Gjensidige Forsikring ASA, where the minimum capital requirement is based on the standard formula for figures per 31.12.2017 and earlier, and based on approved partial internal model for figures after 31.12.2017.

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

²² Deposit-to-loan ratio at the end of the period = deposits as a percentage of gross lending

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

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

²⁵ Cost/income ratio = operating expenses/total income

²⁶ Shared customers' share of gross lending = 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

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

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
NOK millions	2016	2016	2016	2015	2015	2015	2015	2014	2014
Earned premiums from general insurance	5,705.5	5,536.8	5,514.0	5,493.5	5,471.2	5,188.1	5,119.2	5,214.4	5,203.6
Other income	440.2	315.1	338.1	498.6	357.4	333.4	364.0	481.8	264.5
Total operating income	6,145.6	5,851.9	5,852.2	5,992.1	5,828.6	5,521.5	5,483.2	5,696.3	5,468.1
Total net income from investments	709.2	573.9	328.0	618.7	(156.5)	508.0	518.1	363.1	560.0
Total operating income and net income from investments	6,854.8	6,425.8	6,180.2	6,610.8	5,672.1	6,029.4	6,001.3	6,059.4	6,028.1
Claims incurred etc. from general insurance	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)	(3,588.0)	(3,341.8)	(3,933.0)	(3,607.9)	(3,695.3)
Claims incurred etc. from pension	(371.2)	(250.2)	(275.1)	(432.8)	(286.4)	(263.1)	(293.5)	(423.3)	(203.7)
Total claims etc.	(4,375.5)	(3,849.8)	(4,173.2)	(4,167.5)	(3,874.3)	(3,604.9)	(4,226.5)	(4,031.2)	(3,899.1)
Operating expenses from general insurance	(989.4)	(865.6)	(365.2)	(879.5)	(792.3)	(776.1)	(769.6)	(799.3)	(753.2)
Other operating expenses	(115.7)	(119.7)	(114.7)	(176.0)	(111.1)	(93.8)	(95.8)	(118.4)	(110.6)
Total operating expenses	(1,105.1)	(985.2)	(479.9)	(1,055.5)	(903.4)	(869.9)	(865.4)	(917.7)	(863.9)
Total expenses	(5,480.6)	(4,835.1)	(4,653.1)	(5,223.0)	(4,777.7)	(4,474.8)	(5,091.9)	(4,949.0)	(4,762.9)
Profit/(loss) for the period before tax expense	1,374.2	1,590.8	1,527.1	1,387.7	894.4	1,554.6	909.3	1,110.4	1,265.2
Underwriting result general insurance	711.8	1,071.6	1,250.7	879.2	1,091.0	1,070.2	416.5	807.2	755.0

Income statement

Gjensidige Forsikring ASA

NOK millions	Q4 2018	Q4 2017	1.1.-31.12.2018	1.1.-31.12.2017
Premiums				
Earned premiums, gross	5,855.3	5,720.0	23,105.9	22,601.2
Ceded reinsurance premiums	(194.8)	(170.3)	(715.9)	(677.1)
Total earned premiums, net of reinsurance	5,660.5	5,549.7	22,389.9	21,924.1
General insurance claims				
Gross claims	(3,141.9)	(4,183.7)	(15,973.9)	(15,808.7)
Claims, reinsurers' share	163.0	31.9	324.5	481.4
Total claims incurred, net of reinsurance	(2,978.9)	(4,151.8)	(15,649.4)	(15,327.3)
Insurance-related operating expenses				
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(856.1)	(926.0)	(3,558.6)	(3,469.1)
Received commission for ceded reinsurance and profit share	14.3	13.8	51.0	28.2
Total insurance-related operating expenses	(841.8)	(912.2)	(3,507.6)	(3,440.9)
Profit/(loss) of technical account general insurance	1,839.8	485.7	3,233.0	3,155.9
Net income from investments				
Income from investments in subsidiaries, associates and joint ventures	279.1	0.1	374.0	83.9
Impairment losses of investments in subsidiaries, associates and joint ventures			(76.0)	(49.4)
Interest income and dividend etc. from financial assets	289.4	281.0	1,043.1	1,107.4
Changes in fair value on investments	(619.5)	5.8	(494.7)	(368.1)
Realised gain and loss on investments	68.4	152.8	143.2	1,206.1
Administration expenses related to investments, including interest expenses	(69.0)	(72.0)	(166.2)	(239.6)
Total net income from investments	(51.5)	367.8	823.4	1,740.3
Other income	2.5	1.8	10.3	10.2
Other expenses	(9.5)	(10.8)	(37.1)	(41.2)
Profit/(loss) of non-technical account	(58.5)	358.8	796.6	1,709.3
Profit/(loss) before tax expense	1,781.3	844.4	4,029.5	4,865.2
Tax expense	(519.6)	(156.8)	(995.0)	(1,104.6)
Profit/(loss) before components of other comprehensive income	1,261.7	687.6	3,034.5	3,760.6
Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss				
Changes in estimates related to defined benefit plans	(49.4)	(339.3)	(49.4)	(339.3)
Tax on other comprehensive income that will not be reclassified to profit or loss	12.3	84.8	12.3	84.8
Total other comprehensive income that will not be reclassified to profit or loss	(37.0)	(254.5)	(37.0)	(254.5)
Other comprehensive income that may be reclassified to profit or loss				
Exchange differences from foreign operations	232.1	176.5	3.2	359.9
Tax on other comprehensive income that may be reclassified to profit or loss	(56.5)	(43.4)	(0.7)	(88.2)
Total other comprehensive income that may be reclassified to profit or loss	175.6	133.1	2.5	271.7
Total comprehensive income	1,400.3	566.3	3,000.0	3,777.9

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	31.12.2018	31.12.2017
Assets		
Goodwill	1,846.6	1,843.4
Other intangible assets	1,013.0	1,068.8
Total intangible assets	2,859.5	2,912.2
Investments		
<i>Buildings and other real estate</i>		
Owner-occupied property	28.5	27.0
<i>Subsidiaries and associates</i>		
Shares in subsidiaries	3,832.7	6,297.3
Shares in subsidiaries, held for sale	2,461.5	
Shares in associates and joint ventures	1,086.9	1,086.9
Interest-bearing receivables on subsidiaries and joint ventures	2,513.1	1,620.1
<i>Financial assets measured at amortised cost</i>		
Bonds held to maturity	105.8	712.9
Loans and receivables	15,471.3	16,598.3
<i>Financial assets measured at fair value</i>		
Shares and similar interests (incl. shares and similar interests measured at cost)	5,061.4	6,553.7
Bonds and other fixed-income securities	22,152.3	21,974.7
Subordinated loans	44.3	
Financial derivatives	577.9	549.2
Other investments	111.0	111.0
Reinsurance deposits	1,094.7	507.6
Total investments	54,541.4	56,038.7
Reinsurers' share of insurance-related liabilities in general insurance, gross		
Reinsurers' share of provision for unearned premiums, gross	39.6	41.4
Reinsurers' share of claims provision, gross	473.6	698.0
Total reinsurers' share of insurance-related liabilities in general insurance, gross	513.2	739.5
Receivables		
Receivables related to direct operations	6,323.5	5,318.7
Receivables related to reinsurance	75.5	148.5
Receivables within the group	339.6	49.1
Other receivables	820.2	822.5
Total receivables	7,558.9	6,338.9
Other assets		
Plant and equipment	203.7	236.2
Cash and cash equivalents	1,656.4	1,625.0
Pension assets	155.2	204.4
Total other assets	2,015.2	2,065.6
Prepaid expenses and earned, not received income		
Other prepaid expenses and earned, not received income	46.2	36.5
Total prepaid expenses and earned, not received income	46.2	36.5
Total assets	67,534.4	68,131.4

NOK millions	31.12.2018	31.12.2017
Equity and liabilities		
<i>Paid in equity</i>		
Share capital	1,000.0	1,000.0
Own shares	(0.1)	0,0
Share premium	1,430.0	1,430.0
Perpetual Tier 1 Capital	1,000.5	999.8
Other paid in equity	58.2	45.1
Total paid in equity	3,488.6	3,474.9
<i>Retained equity</i>		
<i>Funds etc.</i>		
Fund for valuation variance		
Fund for unrealised gains		
Natural perils capital	2,491.1	2,333.4
Guarantee scheme provision	653.9	638.3
Other retained earnings	10,655.3	11,425.1
Total retained earnings	13,800.3	14,396.8
Total equity	17,288.9	17,871.7
Subordinated debt	1,198.3	1,198.0
Insurance-related liabilities in general insurance, gross		
Provision for unearned premiums, gross	9,399.6	8,769.5
Claims provision, gross	28,769.8	30,676.6
Provision for premium discounts and other profit agreements	75.4	66.5
Total insurance-related liabilities in general insurance, gross	38,244.9	39,512.5
Provision for liabilities		
Pension liabilities	559.9	552.2
Current tax	591.3	904.7
Deferred tax liabilities	1,289.0	1,122.5
Other provisions	316.5	319.3
Total provision for liabilities	2,756.7	2,898.6
Liabilities		
Liabilities related to direct insurance	381.5	646.9
Liabilities related to reinsurance	40.9	132.5
Financial derivatives	869.9	568.6
Accrued dividend	3,550.0	3,550.0
Other liabilities	2,766.0	1,131.5
Liabilities to subsidiaries and associates	104.9	298.8
Total liabilities	7,713.3	6,328.2
Accrued expenses and deferred income		
Other accrued expenses and deferred income	332.3	322.4
Total accrued expenses and deferred income	332.3	322.4
Total equity and liabilities	67,534.4	68,131.4

Statement of changes in equity

Gjensidige Forsikring ASA

NOK millions	Share capital	Own shares	Share premium	Other paid-in capital	Perpetual Tier 1 capital	Exchange differences	Changes in estimates related to def. benefit plans	Other earned equity	Total equity
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									
Comprehensive income									
Profit/(loss)					34.5			3,726.1	3,760.6
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
Transactions with owners of the company									
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)
Total transactions with owners of the company		0,0		8.2	(33.9)			(3,559.6)	(3,585.3)
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
Adjustment due to amendment to IFRS 2				5.5					5.5
Equity as at 1.1.2018	1,000.0	0,0	1,430.0	50.6	999.8	383.8	(1,932.8)	15,945.9	17,877.2
1.1.-31.12.2018									
Comprehensive income									
Profit/(loss)					35.0			2,999.5	3,034.5
Total components of other comprehensive income				0.1		2.4	(37.0)		(34.5)
Total comprehensive income				0.1	35.0	2.4	(37.0)	2,999.5	3,000.0
Transactions with owners of the company									
Own shares		0,0						(10.9)	(11.0)
Accrued and paid dividend								(3,549.9)	(3,549.9)
Equity-settled share-based payment transactions				7.6					7.6
Perpetual Tier 1 capital					0.6			(0.6)	
Perpetual Tier 1 capital - interest paid					(34.9)				(34.9)
Total transactions with owners of the company		0,0		7.6	(34.3)			(3,561.5)	(3,588.2)
Equity as at 31.12.2018	1,000.0	(0.1)	1,430.0	58.2	1,000.5	386.2	(1,969.8)	15,384.0	17,288.9

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 26 billion in 2018, while total assets were NOK 157 billion.

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