

Interim Report 3rd quarter 2019

Gjensidige Forsikring Group



Group highlights

Third quarter 2019

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

Year-to-date

Group

- Profit/(loss) before tax expense: NOK 6,025.2 million (2,603.9)
- Earnings per share: NOK 10.24 (4.83)

General Insurance

- Earned premiums: NOK 18,336.6 million (17,971.6)
- Underwriting result: NOK 3,116.8 million (1,691.4)
- Combined ratio: 83.0 (90.6)
- Cost ratio: 14.6 (15.3)
- Financial result: NOK 1,473.9 million (1,052.0)

Third quarter

Group

- Profit/(loss) before tax expense: NOK 1,271.5 million (964.0)
- Earnings per share: NOK 1.99 (1.75)

General Insurance

- Earned premiums: NOK 6,317.0 million (6,118.1)
- Underwriting result: NOK 1,061.1 million (573.4)
- Combined ratio: 83.2 (90.6)
- Cost ratio: 14.1 (15.6)
- Financial result: NOK 278.8 million (426.5)

Profit performance Group

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
General Insurance Private	495.5	408.7	1,474.6	1,123.7	1,934.8
General Insurance Commercial	475.3	136.4	1,301.5	512.6	1,548.2
General Insurance Denmark	176.5	160.9	500.3	309.9	434.5
General Insurance Sweden	22.2	9.3	57.7	32.7	78.2
General Insurance Baltics	21.4	31.0	41.5	51.1	68.5
Corporate Centre - costs related to owner	(75.6)	(133.3)	(227.3)	(298.9)	(379.1)
Corporate Centre - reinsurance ¹	(54.2)	(39.5)	(31.6)	(39.8)	(79.3)
Underwriting result general insurance	1,061.1	573.4	3,116.8	1,691.4	3,605.8
Pension	43.0	40.2	135.8	110.3	166.6
Financial result from the investment portfolio	278.8	426.5	1,473.9	1,052.0	820.9
Amortisation and impairment losses of excess value – intangible assets	(67.8)	(61.5)	(193.2)	(201.0)	(264.6)
Other items	(43.5)	(14.6)	1,491.9	(48.8)	(63.8)
Profit/(loss) before tax expense ²	1,271.5	964.0	6,025.2	2,603.9	4,265.0
Alternative performance measures					
Large losses ^{3,4}	182.5	319.0	423.6	753.9	954.7
Run-off gains/(losses) ³	290.7	340.7	1,025.2	972.9	2,356.9
Loss ratio ³	69.1%	75.1%	68.4%	75.2%	69.8%
Underlying frequency loss ratio ^{3,5}	70.9%	75.4%	71.7%	76.5%	75.6%
Cost ratio ³	14.1%	15.6%	14.6%	15.3%	15.2%
Combined ratio ³	83.2%	90.6%	83.0%	90.6%	85.0%

¹ Large losses in excess of NOK 30.0 million are charged to the Corporate Centre, while claims of less than NOK 30.0 million are charged to the segment in which the large losses occur. As a main rule, the Baltics segment has a retention level of EUR 0.5 million, while the Swedish segment has a retention level of NOK 10 million. Large losses allocated to the Corporate Centre amounted to NOK 78.5 million (163.4) for the year to date and NOK 56.5 million (67.5) in the quarter. Accounting items related to written reinsurance and reinstatement premiums are also included.

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

³ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

⁴ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 295.0 million.

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

A strong third quarter result

The result for the third quarter 2019 was strong, with the improvement on the corresponding quarter last year primarily being driven by effective pricing and re-underwriting measures, as well as more favourable weather conditions. The Norwegian operations continued to show strong improvement and performance outside Norway progressed according to plan.

Group profit performance

Year-to-date development

Gjensidige Forsikring Group recorded a profit before tax expense of NOK 6,025.2 million (2,603.9) for the year to date. The sale of Gjensidige Bank was completed on 1 March, with proceeds of approximately NOK 5.6 billion and a gain for the Group of NOK 1.6 billion recorded in the first quarter. The profit before tax expense excluding this gain was NOK 4,443.3 million.

The profit from general insurance operations measured by the underwriting result was NOK 3,116.8 million (1,691.4), corresponding to a combined ratio of 83.0 (90.6).

The return on financial assets was 2.6 per cent (2.0) or NOK 1,473.9 million (1,052.0).

The tax expense amounted to NOK 942.4 million (516.0), resulting in an effective tax rate of 15.6 per cent (19.8). The effective tax rate was impacted by the sale of shares in Gjensidige Bank and other realised and unrealised gains and losses on equity investments in the EEA.

The profit after tax expense from continuing and discontinued operations was NOK 5,082.8 million (2,087.9) and the corresponding earnings per share were NOK 10.24 (4.83).

Earned premiums from general insurance increased to NOK 18,336.6 million (17,971.6) for the year to date. The underwriting result increased due to price increases, adjustments to terms and conditions, re-underwriting and efficiency measures in addition to more favourable weather conditions in Norway compared to the same period last year. The underlying frequency loss ratio improved by 4.8 percentage points. Lower large losses and higher run-off gains also contributed to the improved results.

The 12-month rolling underlying profitability of the motor insurance line in Norway reached a turning point during the first quarter and continued to improve through the third quarter as a result of effective profitability measures.

Earned premiums in the Private segment increased by 1.7 per cent. The underwriting result increased, primarily due to more favourable weather conditions than in the same period last year as well as the improvement in the profitability of the motor insurance line mentioned above.

Earned premiums in the Commercial segment increased by 7.3 per cent due to increased prices, which together with more favourable weather conditions led to an increase in underwriting results.

The Danish segment recorded 2.2 per cent lower earned premiums measured in local currency. The underwriting result improved due to a lower underlying frequency loss ratio.

Earned premiums in the Swedish segment were 12.5 per cent lower measured in local currency. The underwriting result was further impacted by improvements in the underlying frequency loss ratio, lower large losses and a run-off loss.

Earned premiums in the Baltic segment increased by 1.0 per cent measured in local currency. The underwriting result was lower than in the same period last year, driven by a higher underlying frequency loss ratio and lower run-off gains.

The Pension segment generated higher profit for the year to date, driven by a growing customer portfolio and increased assets under management.

Gjensidige Bank was recorded as a discontinued operation until the closing of the sale on 1 March 2019. The profit after tax expense in the first two months of the year was NOK 37.6 million (324.3 for the first three quarters of 2018).

The return on financial assets was higher than in the same period last year, with the largest contribution coming from the free portfolio where bonds, current equities and property in particular yielded good returns.

Development during the quarter

The Group recorded a profit before tax expense of NOK 1,271.5 million (964.0) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,061.1 million (573.4), corresponding to a combined ratio of 83.2 (90.6). The return on financial assets was 0.5 per cent (0.8) or NOK 278.8 million (426.5).

The profit after tax expense was NOK 993.2 million (803.5). Earnings per share amounted to NOK 1.99 (1.75).

The underwriting result was primarily driven by 3.3 per cent growth in earned premiums, an improved underlying frequency loss ratio and lower large losses. The underlying frequency loss ratio improved primarily due to improved weather conditions in addition to effective pricing and re-underwriting measures across all segments. In addition, a restructuring provision of NOK 80.0 million was made in the third quarter of 2018.

The Pension operation recorded an increased profit due to higher net operating income, which was partly offset by lower returns on property investments.

The financial return in the quarter was lower than in the same period last year. Good returns on property were partly offset by low returns from convertible bonds, current equities and PE-funds in the free portfolio.

Equity and capital position

The Group's equity amounted to NOK 24,819.9 million (22,233.9) at the end of the period. The annualised return on equity was 29.9 per cent (15.0). Excluding the NOK 1.6 billion gain on the sale of Gjensidige Bank, the annualised return on equity was 21.6 per cent. The solvency margins at the end of the period were:

- Approved Partial Internal Model¹: 235 per cent
- Own Partial Internal Model²: 283 per cent

Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio of 80 per cent of net profit (excluding the gain on the sale of Gjensidige Bank). The guarantee scheme provision is treated as a liability in accordance with instructions from the Financial Supervisory Authority of Norway. In Gjensidige's opinion, special Norwegian provisions that are actually an equity element must be treated as solvency capital. Gjensidige will continue to make endeavours to ensure that the regulations are in line with this view.

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

Other matters

Solvency target

The Gjensidige Group's financial and solvency targets have been reviewed in connection with the annual Own Risk and Solvency Assessment (ORSA) process. The new target range for the solvency margin, based on the Partial Internal Model (both the regulatory approved model and the model with internal calibration) is 150-200%. This range supports both rating ambitions and the necessary financial flexibility for the Group. The remaining financial targets are unchanged.

External review technical provisions

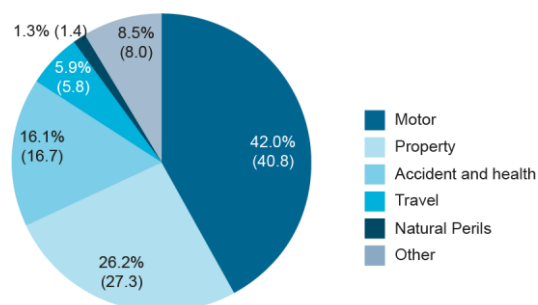
The Group continuously endeavours to set the technical provisions at the correct level. There is nonetheless an inherent risk that the technical provisions will be insufficient. In order to reduce this risk, regular efforts are made to improve the actuarial methods used. External actuaries are used from time to time to conduct independent reviews of the provisions. A review carried out by such third party during the third quarter confirmed the Group's gross loss reserves as at 30 September 2019.

¹ Regulatory approved partial internal model

² Partial internal model with own calibration

Product groups Private

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



General Insurance Private

Year-to-date development

The underwriting result was NOK 1,474.6 million (1,123.7). The increase in the underwriting result was driven by more favourable weather conditions than in the same period last year and by the improvement in the profitability of the motor insurance line following successful profitability measures. The combined ratio was 77.8 (82.8).

Earned premiums increased to NOK 6,642.3 million (6,532.3), mainly due to price increases for motor and property insurance. Price increases were implemented for all main product lines. The number of insured objects declined somewhat compared with the same period last year, both as a result of the ongoing pricing measures for motor and property in particular, and because of the previously announced termination of the NITO partner agreement with effect from 1 January 2019. However, the trend improved during the period.

Claims incurred amounted to NOK 4,307.3 million (4,572.0). The loss ratio improved to 64.8 (70.0), primarily driven by a 4.8 percentage point improvement in the underlying frequency loss ratio. Lower large losses also contributed positively, while run-off gains were somewhat lower than in the same period last year. Both the motor and property insurance lines showed improved profitability, reflecting the difference in weather conditions. The profitability of the motor insurance line also reflected significant pricing measures and adjustments to terms and conditions in response to claims inflation. The negative 12-month rolling underlying profitability trend for motor, excluding the extraordinary weather effects last year, reached a turning point during the first quarter of 2019, and continued to improve through the third quarter.

Operating expenses increased to NOK 860.4 million (836.5). The cost ratio was 13.0 (12.8).

Development during the quarter

The underwriting result was NOK 495.5 million (408.7). The increase in the underwriting result was driven by improved profitability in all the main product lines. The combined ratio was 78.7 (82.1).

Earned premiums increased to NOK 2,329.8 million (2,279.0), mainly due to price increases for motor and property insurance. The number of insured objects declined compared with the same quarter last year, although the number was up compared with the second quarter this year.

Claims incurred amounted to NOK 1,535.8 million (1,572.7). The loss ratio improved to 65.9 (69.0), reflecting a 0.9 percentage point improvement in the underlying frequency loss ratio and lower large losses. Run-off gains were slightly higher. The property insurance line showed improved profitability driven by somewhat better weather conditions. Motor insurance showed an improved loss ratio as a result of effective profitability measures. Travel insurance, and accident and health also recorded improved profitability.

Operating expenses amounted to NOK 298.5 million (297.6). The cost ratio was 12.8 (13.1).

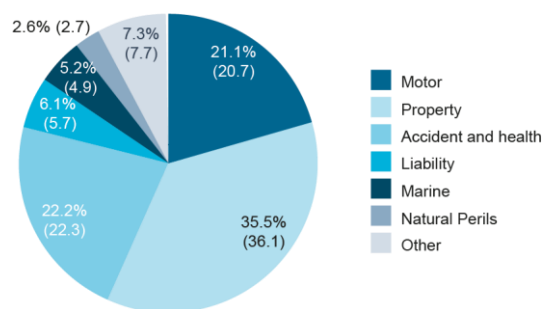
General Insurance Private

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums	2,329.8	2,279.0	6,642.3	6,532.2	8,762.5
Claims incurred etc.	(1,535.8)	(1,572.7)	(4,307.3)	(4,572.0)	(5,720.7)
Operating expenses	(298.5)	(297.6)	(860.4)	(836.5)	(1,106.9)
Underwriting result	495.5	408.7	1,474.6	1,123.7	1,934.8
Amortisation and impairment losses of excess value – intangible assets	(7.1)	(4.3)	(19.4)	(13.2)	(17.5)
Large losses ¹	8.0	54.8	16.1	106.9	142.2
Run-off gains/(losses) ¹	109.8	103.8	337.0	401.8	787.2
Loss ratio ¹	65.9%	69.0%	64.8%	70.0%	65.3%
Underlying frequency loss ratio ¹	70.3%	71.2%	69.7%	74.5%	72.6%
Cost ratio ¹	12.8%	13.1%	13.0%	12.8%	12.6%
Combined ratio ¹	78.7%	82.1%	77.8%	82.8%	77.9%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Product groups Commercial

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



General Insurance Commercial

Year-to-date development

The underwriting result was NOK 1,301.5 million (512.6). The increase was primarily driven by higher premium levels and more favourable weather conditions. The combined ratio was 78.5 (90.9).

Earned premiums increased to NOK 6,064.5 million (5,650.2), reflecting pricing measures and solid renewals. All the main product lines recorded higher premiums. The overall portfolio quality is solid, reflecting good risk selection and risk pricing.

Claims incurred amounted to NOK 4,131.7 million (4,480.9). The loss ratio improved to 68.1 (79.3), reflecting a 7.9 percentage point improvement in the underlying frequency loss ratio, in addition to a lower level of large losses and higher run-off gains. The underlying frequency loss ratio declined as a result of effective pricing and re-underwriting measures and improved weather conditions. The improvement in profitability was mainly in the property insurance line.

Operating expenses amounted to NOK 631.3 million (656.6), corresponding to a cost ratio of 10.4 (11.6). The decrease was mainly due to higher earned premiums and continued efficient operations.

Development during the quarter

The underwriting result was NOK 475.3 million (136.4). The increase was primarily driven by higher premium levels and more favourable weather conditions. The combined ratio was 77.1 (92.9).

Earned premiums increased to NOK 2,072.4 million (1,932.5), reflecting pricing measures and solid renewals. All the main product lines recorded higher premiums.

Claims incurred amounted to NOK 1,391.2 million (1,574.1). The loss ratio improved to 67.1 (81.5), reflecting an 11.9 percentage point improvement in the underlying frequency loss ratio and a lower level of large losses, partly offset by lower run-off gains. The underlying frequency loss ratio decreased as a result of improved weather conditions, in addition to effective pricing and re-underwriting measures, particularly for the property and motor insurance lines.

Operating expenses amounted to NOK 206.0 million (222.1), corresponding to a cost ratio of 9.9 (11.5). The cost ratio was positively impacted by higher earned premiums and efficient operations.

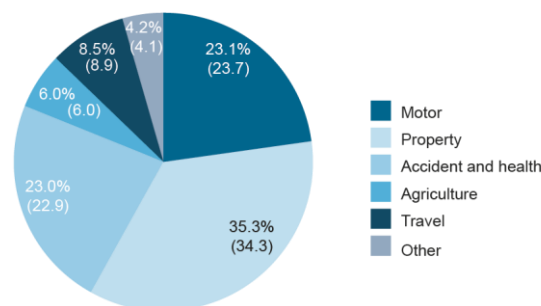
General Insurance Commercial

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums	2,072.4	1,932.5	6,064.5	5,650.2	7,603.3
Claims incurred etc.	(1,391.2)	(1,574.1)	(4,131.7)	(4,480.9)	(5,182.8)
Operating expenses	(206.0)	(222.1)	(631.3)	(656.6)	(872.3)
Underwriting result	475.3	136.4	1,301.5	512.6	1,548.2
Large losses ¹	118.0	186.7	311.7	411.2	523.9
Run-off gains/(losses) ¹	124.4	145.1	476.8	378.6	1,268.4
Loss ratio ¹	67.1%	81.5%	68.1%	79.3%	68.2%
Underlying frequency loss ratio ¹	67.4%	79.3%	70.9%	78.7%	78.0%
Cost ratio ¹	9.9%	11.5%	10.4%	11.6%	11.5%
Combined ratio ¹	77.1%	92.9%	78.5%	90.9%	79.6%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Product groups Denmark

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



General Insurance Denmark

Year-to-date development

The underwriting result was NOK 500.3 million (309.9). The increase was driven by a lower underlying frequency loss ratio, higher run-off gains and lower large losses. The combined ratio was 86.3 (91.6).

Earned premiums amounted to NOK 3,659.0 million (3,678.6). Measured in local currency, earned premiums decreased by 2.2 per cent, as a result of price increases and re-underwriting for the commercial lines as well as for selected private lines.

Claims incurred amounted to NOK 2,640.8 million (2,853.0). The loss ratio improved to 72.2 (77.6), mainly driven by a 3.4 percentage point decrease in the underlying frequency loss ratio. Higher run-off gains and lower large losses also contributed positively. The decrease in the underlying frequency loss ratio reflects the gradual improvement in the profitability of private and commercial lines as the ongoing pricing measures feed through the portfolio.

Operating expenses amounted to NOK 517.9 million (515.7). The cost ratio was 14.2 (14.0).

Development during the quarter

The underwriting result was NOK 176.5 million (160.9). The increase in the underwriting result was mainly driven by a lower underlying frequency loss ratio and currency movements. The combined ratio was 85.9 (86.8).

Earned premiums amounted to NOK 1,249.9 million (1,221.8). Measured in local currency, earned premiums decreased by 0.4 per cent. The premium development reflects a gradual stabilisation of the portfolio after a period of customer attrition driven by higher pricing.

Claims incurred amounted to NOK 910.3 million (903.2). The loss ratio was 72.8 (73.9), positively impacted by a 0.9 percentage point decrease in the underlying frequency loss ratio. The decrease reflects improvements in the profitability for private and commercial lines.

Operating expenses amounted to NOK 163.1 million (157.7). The cost ratio was 13.1 (12.9).

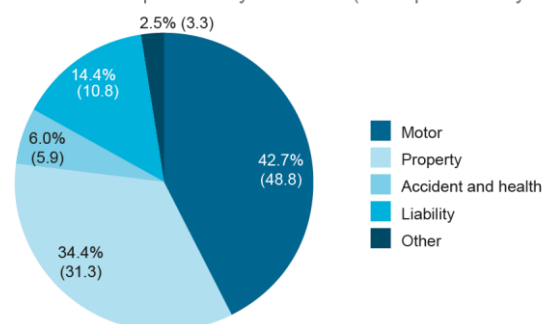
General Insurance Denmark

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums	1,249.9	1,221.8	3,659.0	3,678.6	4,904.6
Claims incurred etc.	(910.3)	(903.2)	(2,640.8)	(2,853.0)	(3,766.2)
Operating expenses	(163.1)	(157.7)	(517.9)	(515.7)	(704.0)
Underwriting result	176.5	160.9	500.3	309.9	434.5
Amortisation and impairment losses of excess value – intangible assets	(35.9)	(36.1)	(107.8)	(122.5)	(159.0)
Large losses ¹			17.3	42.3	55.7
Run-off gains/(losses) ¹	48.3	44.9	155.7	109.0	171.0
Earned premiums in local currency (DKK) ¹	946.8	950.8	2,795.1	2,856.7	3,805.8
Loss ratio ¹	72.8%	73.9%	72.2%	77.6%	76.8%
Underlying frequency loss ratio ¹	76.7%	77.6%	76.0%	79.4%	79.1%
Cost ratio ¹	13.1%	12.9%	14.2%	14.0%	14.4%
Combined ratio ¹	85.9%	86.8%	86.3%	91.6%	91.1%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Product groups Sweden

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



General Insurance Sweden

Year-to-date development

The underwriting result was NOK 57.7 million (32.7). The increase in the underwriting result was primarily driven by lower large losses, partly offset by lower earned premiums and run-off gains. The combined ratio was 94.5 (97.3).

Earned premiums decreased to NOK 1,041.1 million (1,206.7). Measured in local currency, earned premiums decreased by 12.5 per cent, reflecting a reduction in the insurance portfolio following repricing measures in private insurance lines and the termination of two large unprofitable accounts.

Claims incurred amounted to NOK 795.4 million (979.2). The loss ratio was 76.4 (81.1), positively affected by a 2.7 percentage point improvement in the underlying frequency loss ratio and lower large losses. The improvement in the underlying frequency loss ratio was a consequence of ongoing price increases and efforts to improve risk selection in both the private and commercial portfolios.

Operating expenses decreased to NOK 188.0 million (194.8) due to efficiency measures. The cost ratio was 18.1 per cent (16.1), reflecting lower earned premiums.

Development during the quarter

The underwriting result was NOK 22.2 million (9.3). The increase was driven by improvements in the underlying frequency loss ratio and lower large losses, partly offset by lower earned premiums and a run-off loss. The combined ratio was 93.5 (97.5).

Earned premiums decreased to NOK 342.3 million (374.8). Measured in local currency, earned premiums decreased by 9.3 per cent, reflecting a reduction in the insurance portfolio following repricing measures in private insurance lines and the termination of a large unprofitable account.

Claims incurred amounted to NOK 260.3 million (307.8). The loss ratio was 76.0 (82.1), positively impacted by a 6.8 percentage points improvement in the underlying frequency loss ratio and lower large losses, partly offset by a run-off loss. The improvement in the underlying frequency loss ratio was the result of ongoing price increases and efforts to improve risk selection in both the private and commercial portfolios.

Operating expenses increased to NOK 59.8 million (57.8). The cost ratio was 17.5 per cent (15.4), negatively impacted by lower earned premiums and slightly higher expenses.

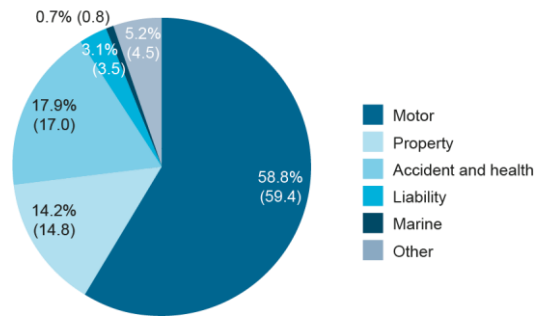
General Insurance Sweden

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums	342.3	374.8	1,041.1	1,206.7	1,569.2
Claims incurred etc.	(260.3)	(307.8)	(795.4)	(979.2)	(1,231.7)
Operating expenses	(59.8)	(57.8)	(188.0)	(194.8)	(259.3)
Underwriting result	22.2	9.3	57.7	32.7	78.2
Amortisation and impairment losses of excess value – intangible assets	(15.5)	(17.1)	(48.1)	(53.3)	(70.2)
Large losses ¹	0.0	10.0	0.0	30.0	30.0
Run-off gains/(losses) ¹	(8.7)	3.1	17.0	25.0	64.7
Earned premiums in local currency (SEK) ¹	370.5	408.3	1,125.8	1,287.3	1,675.6
Loss ratio ¹	76.0%	82.1%	76.4%	81.1%	78.5%
Underlying frequency loss ratio ¹	73.5%	80.3%	78.0%	80.7%	80.7%
Cost ratio ¹	17.5%	15.4%	18.1%	16.1%	16.5%
Combined ratio ¹	93.5%	97.5%	94.5%	97.3%	95.0%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Product groups Baltics

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



General Insurance Baltics

Year-to-date development

The underwriting result amounted to NOK 41.5 million (51.1), mainly negatively affected by higher underlying frequency loss ratio. The combined ratio was 95.0 (93.7).

Earned premiums amounted to NOK 834.2 million (810.8). Measured in local currency, earned premiums rose by 1.0 per cent, reflecting sales growth in the health and motor insurance lines, offset by somewhat lower prices as a result of fierce competition, particularly for motor.

Claims incurred amounted to NOK 538.8 million (504.1). The loss ratio was 64.6 (62.2), reflecting a 2.8 percentage point increase in the underlying frequency loss ratio, mainly due to less favourable weather conditions in the first quarter.

Operating expenses amounted to NOK 253.9 million (255.5). The cost ratio was 30.4 (31.5). The improvement was mainly due to ongoing restructuring and cost saving initiatives, with the focus on operational efficiency.

Development during the quarter

The underwriting result amounted to NOK 21.4 million (31.0), negatively affected by a higher underlying frequency loss ratio and lower run-off gains. The combined ratio was 92.6 (88.7).

Earned premiums amounted to NOK 289.5 million (273.9). Measured in local currency, earned premiums increased by 2.8 per cent, driven by sales growth in the health and motor insurance lines.

Claims incurred amounted to NOK 182.9 million (158.4). The loss ratio increased to 63.2 (57.8) due to a 3.4 percentage point increase in the underlying frequency loss ratio and lower run-off gains.

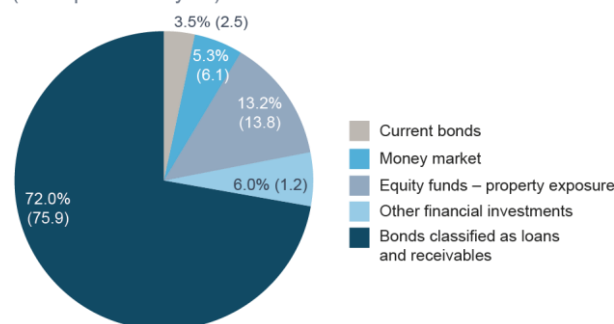
Operating expenses amounted to NOK 85.2 million (84.5). The increase was due to currency effects. The cost ratio was 29.4 (30.9). The improvement was mainly due to effective ongoing restructuring and cost saving initiatives, with the focus on operational efficiency.

General Insurance Baltics

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums	289.5	273.9	834.2	810.8	1,078.8
Claims incurred etc.	(182.9)	(158.4)	(538.8)	(504.1)	(675.9)
Operating expenses	(85.2)	(84.5)	(253.9)	(255.5)	(334.4)
Underwriting result	21.4	31.0	41.5	51.1	68.5
Amortisation and impairment losses of excess value – intangible assets	(3.7)	(3.6)	(10.9)	(10.9)	(14.5)
Large losses ¹					
Run-off gains/(losses) ¹	4.9	9.9	25.8	22.3	24.4
Earned premiums in local currency (EUR) ¹	29.4	28.6	85.4	84.5	112.3
Loss ratio ¹	63.2%	57.8%	64.6%	62.2%	62.7%
Underlying frequency loss ratio ¹	64.9%	61.4%	67.7%	64.9%	64.9%
Cost ratio ¹	29.4%	30.9%	30.4%	31.5%	31.0%
Combined ratio ¹	92.6%	88.7%	95.0%	93.7%	93.7%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Asset allocation in the group policy portfolio (same period last year)



Pension

Year-to-date development

The profit before tax expense was NOK 135.8 million (110.3). The increase was driven by higher operating and financial income.

Administration fees increased to NOK 113.5 million (107.2) and insurance income increased to NOK 65.7 million (48.6), both driven by a growing customer portfolio. Management income increased to NOK 122.4 million (110.2) as a result of growth in assets under management.

Operating expenses increased to NOK 194.1 million (181.3), driven by increased business volume.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, amounted to NOK 28.3 million (25.7). The increased return was related to gains on divestments of loans and receivables during the first quarter.

The year-to-date return on the paid-up policy portfolio was 2.8 per cent (4.5). The decline was related to non-recurring effects last year due to a change in the classification of unrealised gains relating to property investments. The average annual interest guarantee was 3.3 per cent.

Assets under management increased by NOK 4,683.9 million from year end 2018. Total pension assets under management amounted to NOK 35,372.1 million (31,711.5) including the group policy portfolio of NOK 7,082.5 million (6,474.3).

Development during the quarter

The pension segment reported a profit before tax expense of NOK 43.0 million (40.2).

Administration fees increased to NOK 38.2 million (36.7), insurance income to NOK 22.9 million (16.9) and management income to NOK 43.2 million (37.5), all for the same reasons as described above.

Operating expenses were NOK 66.8 million (61.9).

Net financial income was NOK 5.4 million (11.0) mainly due to lower returns on property investments than in the same period last year.

Assets under management increased by NOK 1,204.6 million during the quarter, reflecting a positive market trend.

Pension

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Administration fees	38.2	36.7	113.5	107.2	144.4
Insurance income	22.9	16.9	65.7	48.6	72.6
Management income etc.	43.2	37.5	122.4	110.2	150.5
Operating expenses	(66.8)	(61.9)	(194.1)	(181.3)	(241.0)
Net operating income	37.6	29.2	107.5	84.6	126.5
Net financial income	5.4	11.0	28.3	25.7	40.2
Profit/(loss) before tax expense	43.0	40.2	135.8	110.3	166.6
Run-off gains/(losses) ¹					
Operating margin ¹	36.02%	32.09%	35.65%	31.81%	34.41%
Recognised return on the paid-up policy portfolio ²			2.81%	4.53%	5.61%
Value-adjusted return on the paid-up policy portfolio ³			3.34%	3.41%	4.30%

¹ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

² Recognised return on the paid-up policy portfolio = realised return on the portfolio

³ Value-adjusted return on the paid-up policy portfolio = total return on the portfolio

Management of financial assets and properties

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

Year-to-date development

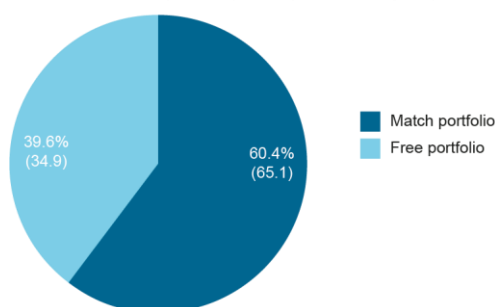
At the end of the period, the investment portfolio totalled NOK 57.5 billion (52.7). The financial result for the year to date was NOK 1,473.9 million (1,052.0), which corresponds to a return on total assets of 2.6 per cent (2.0).

Match portfolio

The match portfolio amounted to NOK 34.7 billion (34.4). The portfolio yielded a return of 1.7 per cent (1.9), excluding changes in the value of the bonds recognised at amortised cost. Bonds recognised at amortised cost amounted to NOK 15.4 billion (15.6). Unrealised excess value amounted to NOK 0.9 billion (0.8) at the end of the period. The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 2.7 per cent on average in the third quarter, while the running yield on the portfolio of bonds held at amortised cost was 3.7 per cent at the end of the period.

Portfolio split

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



The average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance liabilities was 4.0 years. The distribution of counterparty risk and credit rating is shown in the charts on page 13. Securities without an official credit rating amounted to NOK 8.4 billion (11.2). Of these securities, 5.2 per cent (4.4) 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 5.5 per cent (6.4) of the match portfolio.

The geographical distribution³ of the match portfolio is shown in the chart on the next page.

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

Financial assets and properties

NOK millions	Result Q3		Result 1.1.-30.9.		Carrying amount 30.9.	
	2019	2018	2019	2018	2019	2018
Match portfolio						
Money market	23.2	15.1	70.5	45.7	5,116.5	4,916.2
Bonds at amortised cost	200.6	158.3	487.8	491.6	15,421.6	15,619.1
Current bonds ¹	(50.9)	37.5	17.5	123.1	14,178.0	13,816.9
Match portfolio total	172.8	211.0	575.8	660.4	34,716.1	34,352.3
Free portfolio						
Money market	13.2	6.0	39.6	21.4	5,444.2	4,256.1
Other bonds ²	21.0	7.1	194.5	(52.2)	4,603.8	2,642.2
High yield bonds ³	16.6	9.3	81.5	6.5	1,077.7	455.4
Convertible bonds ³	(9.8)	8.8	84.5	40.6	1,697.8	716.8
Current equities ⁴	3.3	84.7	250.2	132.4	3,186.8	3,775.3
PE funds	7.9	87.7	114.6	174.1	1,356.6	1,292.1
Properties	87.1	54.9	239.1	162.2	4,729.9	3,968.6
Other ⁵	(33.2)	(42.9)	(105.8)	(93.3)	683.3	1,290.0
Free portfolio total	106.0	215.5	898.1	391.6	22,780.1	18,396.5
Financial result from the investment portfolio ⁶	278.8	426.5	1,473.9	1,052.0	57,496.3	52,748.8
Financial income in Pension	5.4	11.0	28.3	25.7		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(9.3)	(7.7)	(26.4)	(22.9)		
Interest expense on the lease liability	(8.0)		(23.9)			
Realised gains on subsidiaries	(2.6)		1,581.9			
Net income from investments	264.3	429.7	3,033.7	1,054.8		

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

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

³ Investments in internationally diversified funds that are externally managed.

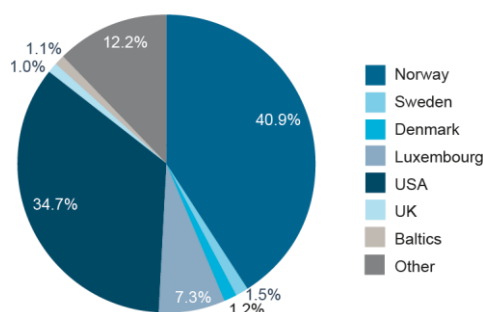
⁴ Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 568.8 million.

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.

⁶ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Geographic distribution fixed income instruments in free portfolio

At the end of the period



Free portfolio

The free portfolio amounted to NOK 22.8 billion (18.4) at the end of the period. The return was 4.1 per cent (2.1). The increase in assets was mainly due to the sale of Gjensidige Bank ASA.

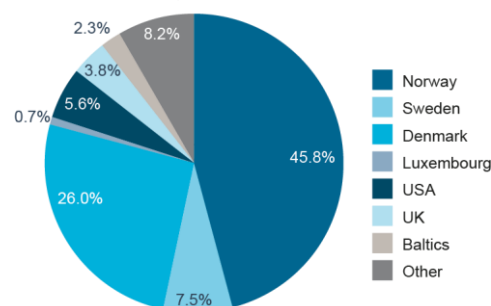
Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 12.8 billion (8.1), of which money market investments, including cash, accounted for NOK 5.4 billion (4.3). The rest of the portfolio was invested in Norwegian government bonds and international bonds (investment grade, high yield and convertible bonds). The total fixed-income portfolio yielded a return of 3.3 per cent (0.2). A fall in interest rates and lower credit spreads were the main drivers of the positive returns.

At the end of the period, the average duration in the portfolio was approximately 3.3 years. The distribution of counterparty risk and credit rating is shown in the charts on the next page. Securities without an official credit rating amounted to NOK 3.0

Geographic distribution match portfolio

At the end of the period



billion (2.0). Of these securities, 15.9 per cent (14.6) were issued by Norwegian savings banks, while the remainder was mostly issued by industry and municipalities. The geographical distribution⁴ of the fixed-income instruments in the free portfolio is shown in the chart above.

Equity portfolio

The total equity exposure at the end of the period was NOK 4.5 billion (5.1), of which NOK 3.2 billion (3.8) consisted of current equities and NOK 1.4 billion (1.3) of PE funds. The return on current equities was 8.9 per cent (3.8). PE funds generated a return of 8.6 per cent (13.8).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 4.7 billion (4.0). The property portfolio yielded a return of 5.2 per cent (4.2).

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

Return per asset class

Per cent	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Match portfolio					
Money market	0.4	0.3	1.4	1.0	1.2
Bonds at amortised cost	1.3	1.0	3.1	3.0	4.0
Current bonds ¹	(0.4)	0.3	0.1	0.9	0.1
Match portfolio total	0.5	0.6	1.7	1.9	2.0
Free portfolio					
Money market	0.3	0.2	0.8	0.5	0.6
Other bonds ²	0.4	0.3	4.0	(1.9)	(0.8)
High yield bonds ³	1.6	2.1	8.3	1.4	(2.8)
Convertible bonds ³	(0.6)	0.9	6.7	3.8	(1.1)
Current equities ⁴	0.1	2.3	8.9	3.8	(6.4)
PE funds	0.6	6.9	8.6	13.8	14.8
Properties	1.9	1.4	5.2	4.2	7.0
Other ⁵	(3.7)	(3.4)	(11.6)	(6.5)	(8.4)
Free portfolio total	0.5	1.2	4.1	2.1	0.6
Return on financial assets ⁶	0.5	0.8	2.6	2.0	1.5

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

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

³ Investments in internationally diversified funds that are externally managed.

⁴ Investments mainly in internationally diversified funds that are externally managed. In addition, there is negative derivative exposure of NOK 568.8 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.

⁶ Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

Counterparty risk fixed income instruments

At the end of the period



Development during the quarter

The financial result for the total investment portfolio was NOK 278.8 million (426.5) in the quarter. This corresponds to a return on financial assets of 0.5 per cent (0.8).

The match portfolio yielded 0.5 per cent (0.6), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 0.5 per cent (1.2). The return was negatively impacted by negative returns in the Danish match portfolio and on convertible bonds whereas all other asset classes yielded positive returns.

Organisation

The Group had a total of 3,711 employees at the end of the third quarter, compared with 3,716 at the end of second quarter.

The composition of the Group's employees was as follows: 1,884 (1,874) in general insurance operations in Norway, 70 (69) in Gjensidige Pensjonsforsikring, 736 (729) in Denmark, 267 (283) in Sweden and 754 (761) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the second quarter.

Events after the balance sheet date

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

Strategy and outlook

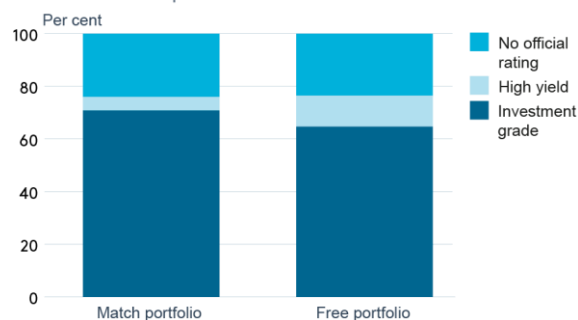
The Group's annual financial and solvency targets for the period 2019 through 2022 are as follows:

- 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 150 and 200 per cent
 - To support an 'A' rating, stable regular dividends over time, financial flexibility for smaller acquisitions and organic growth not financed through retained earnings, as well as providing a buffer for regulatory changes.
- Return on equity after tax > 20 per cent
 - Corresponding to > 16 per cent excluding run-off gains

These are financial targets and should not be regarded as guidance for any specific quarter or year. Unexpected circumstances relating to the weather, the proportion of large

Credit rating fixed income instruments

At the end of the period



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 region. The Group's priority is to retain its strong and unique position in Norway and to continue improving its profitability outside Norway. Furthermore, the Group will focus on ensuring continued capital discipline, including delivering attractive returns to shareholders. The key operational strategic priorities with a view to achieving these ambitions are to deliver the best digital customer experiences, focus on business intelligence and advanced analytics, and develop dynamic organisational capabilities.

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

Organic growth is expected to be in line with nominal GDP growth in Gjensidige's market areas in the Nordic 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.

Competition is still strong in the Norwegian general insurance market. Gjensidige's competitiveness remains good. Continued efforts to maintain and further strengthen Gjensidige's position in the Norwegian market will be prioritised, ensuring cost-efficiency and improving digital customer experiences. At the same time, new, profitable opportunities for growth will be considered in the Nordic region and the Baltic states to ensure good utilisation of a scalable business model and best practice. Strong emphasis will also be placed on further developing cooperation with partners and distributors.

The profitability of the motor insurance line in Norway has improved significantly following effective pricing measures and adjustments to terms and conditions. Price increases will continue going forward to counter the impact from expected claims inflation. Profitability is expected to remain at the current high level.

Efforts to deliver the best digital customer experiences in the Nordic and Baltic general insurance industry will be intensified. To support this, Gjensidige has started the process of developing and configuring the new core IT system, starting with Denmark. 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 strong.

The sale of Gjensidige Bank will 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 payout ratio for regular dividends.

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, 22 October 2019
The Board of Gjensidige Forsikring ASA


Gisele Marchand
Chair


Per Arne Bjørge


Eivind Elnan


John Giverholt


Vibeke Krag


Gunnar Mjølhus


Hilde Merete Nafstad


Anne Marie Nyhammer


Terje Seljeseth


Lotte Kronholm Sjøberg


Helge Leiro Baastad
CEO

Consolidated income statement

NOK millions	Notes	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Operating income						
Earned premiums from general insurance	4	6,317.0	6,118.1	18,336.6	17,971.6	24,052.8
Earned premiums from pension		779.7	459.7	2,488.3	1,581.2	2,050.5
Other income including eliminations		43.8	39.6	126.0	115.8	158.2
Total operating income	3	7,140.6	6,617.4	20,950.9	19,668.6	26,261.6
Net income from investments						
Results from investments in associates and joint ventures		71.4	50.7	194.4	189.9	291.8
Interest income and dividend etc. from financial assets		237.3	250.6	719.7	771.0	1,032.2
Net changes in fair value on investments (incl. property)		(7.3)	331.4	829.7	122.4	(502.8)
Net realised gain and loss on investments		(7.4)	(167.7)	1,381.0	63.2	129.8
Expenses related to investments		(29.8)	(35.3)	(91.1)	(91.8)	(120.8)
Total net income from investments		264.3	429.7	3,033.7	1,054.8	830.2
Total operating income and net income from investments		7,404.9	7,047.1	23,984.6	20,723.4	27,091.7
Claims						
Claims incurred etc. from general insurance	5, 6	(4,367.7)	(4,591.7)	(12,541.0)	(13,522.2)	(16,791.1)
Claims incurred etc. from pension		(718.5)	(406.1)	(2,309.1)	(1,425.5)	(1,833.5)
Total claims		(5,086.3)	(4,997.8)	(14,850.1)	(14,947.7)	(18,624.6)
Operating expenses						
Operating expenses from general insurance		(888.2)	(953.0)	(2,678.8)	(2,758.0)	(3,655.9)
Operating expenses from pension		(66.8)	(61.9)	(194.1)	(181.3)	(241.0)
Other operating expenses		(24.2)	(8.9)	(43.3)	(31.5)	(40.6)
Amortisation and impairment losses of excess value - intangible assets		(67.8)	(61.5)	(193.2)	(201.0)	(264.6)
Total operating expenses		(1,047.0)	(1,085.3)	(3,109.3)	(3,171.9)	(4,202.1)
Total expenses		(6,133.3)	(6,083.1)	(17,959.4)	(18,119.6)	(22,826.7)
Profit/(loss) before tax expense	3	1,271.5	964.0	6,025.2	2,603.9	4,265.0
Tax expense		(278.4)	(160.5)	(942.4)	(516.0)	(883.5)
Profit/(loss) from continuing operations		993.2	803.5	5,082.8	2,087.9	3,381.6
Profit/(loss) from discontinued operations			69.7	37.6	324.3	334.9
Profit/(loss) from continuing and discontinued operations		993.2	873.1	5,120.4	2,412.2	3,716.4
Profit/(loss) attributable to:						
Owners of the company continuing operations		993.2	803.5	5,082.7	2,089.1	3,382.7
Owners of the company discontinued operations			69.7	37.6	324.3	334.9
Non-controlling interests				0.1	(1.2)	(1.2)
Total		993.2	873.1	5,120.4	2,412.2	3,716.4
Earnings per share from continuing and discontinued operations, NOK (basic and diluted)		1.99	1.75	10.24	4.83	7.44
Earnings per share from continuing operations, NOK (basic and diluted)		1.99	1.61	10.17	4.18	6.77

Consolidated statement of comprehensive income

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Profit/(loss) from continuing and discontinued operations	993.2	873.1	5,120.4	2,412.2	3,716.4
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)
Share of other comprehensive income of associates and joint ventures					
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss					12.7
Total other comprehensive income that will not be reclassified subsequently to profit or loss					(38.1)
Other comprehensive income that will be reclassified subsequently to profit or loss					
Exchange differences from foreign operations	125.4	(37.3)	(64.3)	(337.0)	14.9
Share of exchange differences of associates and joint ventures					
Tax on other comprehensive income that will be reclassified subsequently to profit or loss	(18.5)	5.0	15.4	55.8	(0.7)
Total other comprehensive income that will be reclassified subsequently to profit or loss	106.9	(32.3)	(48.9)	(281.2)	14.2
Total other comprehensive income from continuing operations	106.9	(32.3)	(48.9)	(281.2)	(23.9)
Total other comprehensive income from discontinued operations					0.1
Comprehensive income from continuing and discontinued operations	1,100.0	840.8	5,071.5	2,131.0	3,692.6
Comprehensive income attributable to:					
Owners of the company continuing operations	1,100.0	771.2	5,033.8	1,807.9	3,358.8
Owners of the company discontinued operations		69.7	37.6	324.3	335.0
Non-controlling interests			0.1	(1.2)	(1.2)
Total	1,100.0	840.8	5,071.5	2,131.0	3,692.6

Consolidated statement of financial position

NOK millions	Notes	30.9.2019	30.9.2018	31.12.2018
Assets				
Goodwill		3,566.1	3,430.0	3,577.0
Other intangible assets		1,149.3	1,286.0	1,288.1
Deferred tax assets		12.7	10.4	13.1
Investments in associates and joint ventures		3,182.5	2,845.4	2,959.7
Interest-bearing receivables from joint ventures		2,440.6	1,971.7	2,513.1
Owner-occupied property, plant and equipment		1,367.5	261.2	251.9
Pension assets		156.6	206.0	156.6
Financial assets				
Financial derivatives	8	784.0	431.5	577.9
Shares and similar interests	8	6,799.8	6,530.8	5,134.9
Bonds and other securities with fixed income	8	29,562.7	26,165.4	26,374.8
Bonds held to maturity	8	221.3	384.6	391.5
Loans and receivables	8	20,596.6	20,285.6	20,477.9
Assets in life insurance with investment options		28,222.4	25,178.3	23,909.5
Reinsurers' share of insurance-related liabilities in general insurance, gross		1,090.4	670.0	926.9
Receivables related to direct operations and reinsurance		7,405.7	6,911.4	6,784.7
Other assets and receivables		1,662.0	693.6	1,081.7
Prepaid expenses and earned, not received income		109.0	109.4	81.7
Cash and cash equivalents		2,364.2	1,901.9	2,363.3
Assets held for sale			54,639.1	57,898.8
Total assets		110,693.4	153,912.1	156,762.9
Equity and liabilities				
Equity				
Share capital		1,000.0	1,000.0	999.9
Share premium		1,430.0	1,430.0	1,430.0
Natural perils capital		2,596.9	2,449.0	2,491.1
Guarantee scheme provision		653.9	638.3	653.9
Perpetual Tier 1 capital Gjensidige Bank (held for sale)			369.9	444.8
Other equity		19,138.5	16,346.2	17,824.9
Total equity attributable to owners of the company		24,819.3	22,233.4	23,844.7
Non-controlling interests		0.6	0.5	0.5
Total equity		24,819.9	22,233.9	23,845.2
Provision for liabilities				
Subordinated debt		1,498.3	1,497.9	1,498.0
Premium reserve in life insurance		6,766.6	6,187.2	6,336.2
Provision for unearned premiums, gross, in general insurance		11,200.8	10,727.6	10,051.1
Claims provision, gross	7	28,601.5	30,603.5	29,355.8
Other technical provisions		419.3	390.1	353.2
Pension liabilities		562.4	552.4	562.4
Other provisions		270.8	289.3	319.3
Financial liabilities				
Financial derivatives	8	1,088.5	515.2	869.9
Interest-bearing liabilities	8	1,208.1		
Other liabilities	8	3,425.8	2,826.5	2,838.4
Current tax		568.3	469.0	638.8
Deferred tax liabilities		981.3	909.6	1,093.0
Liabilities related to direct insurance and reinsurance	8	660.9	740.6	1,174.5
Liabilities in life insurance with investment options	8	28,222.4	25,178.3	23,909.5
Accrued expenses and deferred income	8	398.5	373.5	403.3
Liabilities held for sale			50,417.7	53,514.4
Total liabilities		85,873.5	131,678.2	132,917.7
Total equity and liabilities		110,693.4	153,912.1	156,762.9

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 31.12.2017 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 other comprehensive income				0.1		14.1	(38.0)		(23.8)
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			(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
Adjustment on initial application of IFRS 16								(61.4)	(61.4)
Equity as at 1.1.2019									23,783.8
1.1.-30.9.2019									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					40.3			5,080.0	5,120.3
Total other comprehensive income				0,0		(48.8)	0,0		(48.9)
Comprehensive income				0,0	40.3	(48.8)	0,0	5,080.0	5,071.4
Transactions with owners of the company									
Own shares		0,0						(7.0)	(7.0)
Paid dividend								(3,549.9)	(3,549.9)
Remeasurement of the net defined benefit liability/asset of sold companies							4.4	(4.4)	
Equity-settled share-based payment transactions				1.1				4.6	5.7
Perpetual Tier 1 capital					(445.7)			(0.5)	(446.2)
Perpetual Tier 1 capital - interest paid					(38.0)				(38.0)
Total transactions with owners of the company		0,0		1.1	(483.7)		4.4	(3,557.2)	(4,035.5)
Equity as at 30.9.2019 attributable to owners of the company	1,000.0	0,0	1,430.0	65.8	1,001.9	567.2	(1,970.2)	22,724.7	24,819.3
Non-controlling interests as at 30.9.2019									0.6
Equity as at 30.9.2019									24,819.9
1.1.-30.9.2018									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					35.2			2,378.2	2,413.4
Total other comprehensive income				(0.2)		(280.7)	(0.3)		(281.2)
Comprehensive income				(0.2)	35.2	(280.7)	(0.3)	2,378.2	2,132.2
Transactions with owners of the company									
Own shares		0,0						(8.7)	(8.7)
Paid dividend								(3,549.9)	(3,549.9)
Equity-settled share-based payment transactions				4.3					4.3
Perpetual Tier 1 capital					0.5			(0.5)	
Perpetual Tier 1 capital - interest paid					(35.1)				(35.1)
Purchase of non-controlling interests								(7.2)	(7.2)
Total transactions with owners of the company		0,0		4.3	(34.6)			(3,566.2)	(3,596.5)
Equity as at 30.9.2018 attributable to owners of the company	1,000.0	0,0	1,430.0	60.9	1,370.0	321.2	(1,936.9)	19,988.3	22,233.4
Non-controlling interests as at 30.9.2018									0.5
Equity as at 30.9.2018									22,233.9

Consolidated statement of cash flows

NOK millions	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Cash flow from operating activities			
Premiums paid, net of reinsurance	23,204.4	23,929.0	31,022.5
Claims paid, net of reinsurance	(14,337.4)	(14,890.2)	(20,168.4)
Net payment of loans to customers	827.8	(3,091.6)	(5,498.6)
Net payment of deposits from customers	(589.9)	(207.5)	(647.0)
Payment of interest from customers	279.5	1,191.5	1,612.1
Payment of interest to customers	(15.0)	(89.2)	(297.2)
Net receipts/payments of premium reserve transfers	(1,849.5)	(1,024.1)	(1,266.8)
Net receipts/payments from financial assets	(4,638.1)	(280.3)	(984.1)
Operating expenses paid, including commissions	(3,218.0)	(3,462.7)	(4,586.8)
Taxes paid	(1,166.1)	(1,247.9)	(1,281.7)
Net other receipts/payments	(7.9)	196.3	204.3
Net cash flow from operating activities	(1,510.2)	1,023.2	(1,891.7)
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture	5,263.2	(34.3)	(34.7)
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(296.9)	(302.4)	(403.6)
Net cash flow from investing activities	4,966.3	(336.7)	(438.3)
Cash flow from financing activities			
Payment of dividend	(3,549.9)	(3,549.9)	(3,549.9)
Net receipts/payments on subordinated debt incl. interest	(34.7)	(31.0)	(41.8)
Net receipts/payments on loans to credit institutions	(140.9)	2,768.2	6,455.4
Net receipts/payments on other short-term liabilities	52.9	6.3	(26.7)
Net receipts/payments on interest on funding activities	(61.6)	(256.3)	(349.7)
Net receipts/payments on sale/acquisition of own shares	(7.0)	(8.7)	(11.0)
Repayment of lease liabilities	(116.7)		
Payment of interest related to lease liabilities	(24.5)		
Tier 1 issuance/installments			74.7
Tier 1 interest payments	(38.8)	(43.8)	(58.6)
Net cash flow from financing activities	(3,921.2)	(1,115.1)	2,492.5
Effect of exchange rate changes on cash and cash equivalents	(10.7)	(34.3)	(7.9)
Net cash flow	(475.7)	(462.9)	154.6
Cash and cash equivalents at the start of the period	2,839.9	2,685.2	2,685.2
Cash and cash equivalents at the end of the period	2,364.2	2,222.3	2,839.9
Net cash flow	(475.7)	(462.9)	154.6
Specification of cash and cash equivalents			
Deposits with central banks		59.6	53.9
Cash and deposits with credit institutions ¹	2,364.2	2,162.7	2,786.0
Total cash and cash equivalents	2,364.2	2,222.3	2,839.9
Specification of cash and cash equivalents from discontinued operations			
Deposits with central banks		59.6	53.9
Cash and deposits with credit institutions		260.8	422.6
Total cash and cash equivalents from discontinued operations		320.4	476.6
Specification of cash and cash equivalents from continuing operations			
Cash and deposits with credit institutions	2,364.2	1,901.9	2,363.3
Total cash and cash equivalents from continuing operations	2,364.2	1,901.9	2,363.3
Cash flows from discontinued operations			
Net cash flow from operating activities	(7.0)	(2,597.4)	(6,162.0)
Net cash flow from investing activities	(4.5)	(21.6)	(28.3)
Net cash flow from financing activities	(150.8)	2,509.3	6,236.8
Total cash flows from discontinued operations	(162.3)	(109.7)	46.5

Notes

1. Accounting policies

The consolidated financial statements as of the third quarter of 2019, concluded on 30 September 2019, 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 2018.

The consolidated financial statements as of the third quarter of 2019 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 2018.

New standards adopted

IFRS 16 Leases (2016)

Gjensidige implemented IFRS 16 at 1 January 2019 and there were significant implementation effects on the balance sheet, as well as an effect on equity. Please refer to note 11 for further details.

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 the income statement.

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 2019. They have not been applied when preparing these consolidated financial statements. Those that may be relevant to Gjensidige are mentioned below. Gjensidige does not plan early implementation of these standards.

IFRS 9 Financial instruments (2014) in the insurance operations

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

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

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

The amendments to IFRS 4 permit entities that predominantly undertake insurance activities the option to defer the effective date of IFRS 9 until 1 January 2021. The effect of such a deferral is that the entities concerned may continue to report under the existing standard, IAS 39 Financial Instruments. In

addition, the insurance sector of a financial conglomerate is allowed to defer the application of IFRS 9 until 1 January 2021, where all of the following conditions are met:

- no financial instruments are transferred between the insurance sector and any other sector of the financial conglomerate other than financial instruments that are measured at fair value with changes in fair value recognised through the profit 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. According to the Exposure Draft "Amendments to IFRS 17" published June 2019, the IFRS 9 will be effective 1 January 2022, at the same date as IFRS 17.

IFRS 17 Insurance Contracts (2017)

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

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 2018.

Comparable figures are based on IFRS. All amounts are shown in NOK millions unless otherwise indicated. Due to rounding-off differences, figures and percentages may not exactly add up to the exact total figures.

Notes are presented on a Group level. Separate notes for Gjensidige Forsikring ASA (GF ASA) are not presented as GF ASA is the material part of the Group and therefore the notes for the Group give a sufficient presentation of both the Group and GF ASA.

A complete or limited audit of the interim report has not been carried out.

2. Seasonal variations

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

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 sale was completed on 1 March.

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.

	Segment income ²		Claims, interest expenses, loss etc.		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
Third quarter										
NOK millions	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
General Insurance Private	2,329.8	2,279.0	(1,535.8)	(1,572.7)	(298.5)	(297.6)			495.5	408.7
General Insurance Commercial	2,072.4	1,932.5	(1,391.2)	(1,574.1)	(206.0)	(222.1)			475.3	136.4
General Insurance Denmark	1,249.9	1,221.8	(910.3)	(903.2)	(163.1)	(157.7)			176.5	160.9
General Insurance Sweden	342.3	374.8	(260.3)	(307.8)	(59.8)	(57.8)			22.2	9.3
General Insurance Baltics	289.5	273.9	(182.9)	(158.4)	(85.2)	(84.5)			21.4	31.0
Pension	822.9	497.2	(718.5)	(406.1)	(66.8)	(61.9)	5.4	11.0	43.0	40.2
Eliminations etc. ¹	33.8	38.2	(87.3)	(75.6)	(167.6)	(203.7)	258.9	418.8	37.8	177.6
Total	7,140.6	6,617.4	(5,086.3)	(4,997.8)	(1,047.0)	(1,085.3)	264.3	429.7	1,271.5	964.0

	Segment income ²		Claims, interest expenses, loss etc.		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
1.1.-30.9.										
NOK millions	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
General Insurance Private	6,642.3	6,532.2	(4,307.3)	(4,572.0)	(860.4)	(836.5)			1,474.6	1,123.7
General Insurance Commercial	6,064.5	5,650.2	(4,131.7)	(4,480.9)	(631.3)	(656.6)			1,301.5	512.6
General Insurance Denmark	3,659.0	3,678.6	(2,640.8)	(2,853.0)	(517.9)	(515.7)			500.3	309.9
General Insurance Sweden	1,041.1	1,206.7	(795.4)	(979.2)	(188.0)	(194.8)			57.7	32.7
General Insurance Baltics	834.2	810.8	(538.8)	(504.1)	(253.9)	(255.5)			41.5	51.1
Pension	2,610.7	1,691.4	(2,309.1)	(1,425.5)	(194.1)	(181.3)	28.3	25.7	135.8	110.3
Eliminations etc. ¹	99.0	98.7	(127.0)	(133.0)	(463.8)	(531.5)	3,005.5	1,029.1	2,513.7	463.4
Total	20,950.9	19,668.6	(14,850.1)	(14,947.7)	(3,109.3)	(3,171.9)	3,033.7	1,054.8	6,025.2	2,603.9

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment, and large losses of NOK 78.5 million (163.4) for the year to date and NOK 56.5 million (67.5) 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 2019 and 2018.

4. Earned premiums from general insurance

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums, gross	6,501.5	6,292.7	18,886.1	18,503.7	24,779.3
Ceded reinsurance premiums	(184.5)	(174.5)	(549.5)	(532.1)	(726.5)
Total earned premiums, net of reinsurance	6,317.0	6,118.1	18,336.6	17,971.6	24,052.8

5. Claims incurred etc. from general insurance

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Gross claims	(4,432.3)	(4,679.4)	(12,815.8)	(13,678.5)	(17,111.6)
Claims, reinsurers' share	64.6	87.6	274.8	156.3	320.5
Total claims incurred etc. from general insurance	(4,367.7)	(4,591.7)	(12,541.0)	(13,522.2)	(16,791.1)

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

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Earned premiums from general insurance	6,317.0	6,118.1	18,336.6	17,971.6	24,052.8
Run-off gains/(losses) for the period, net of reinsurance ¹	290.7	340.7	1,025.2	972.9	2,356.9
In per cent of earned premiums from general insurance	4.6	5.6	5.6	5.4	9.8

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	30.9.2019	30.9.2018	31.12.2018
Claims provision, gross, as at 1 January	29,355.8	31,322.7	31,322.7
Claims for the year	13,767.1	14,646.0	19,484.7
Claims incurred in prior years, gross	(950.9)	(964.0)	(2,361.1)
Claims paid	(13,794.7)	(13,942.0)	(19,083.6)
Discounting of claims provisions	29.3	52.0	68.9
Change in discounting rate	292.9	(39.9)	(55.4)
Exchange differences	(98.0)	(471.3)	(20.4)
Claims provision, gross, at the end of the period	28,601.5	30,603.5	29,355.8
Discounted claims provision, gross - annuities	6,002.3	5,852.9	5,941.8
Nominal claims provision, gross - annuities	6,080.3	6,434.2	6,573.4

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 four years, average annual run-off gains are expected to be around NOK 1,000 million, moving the expected reported combined ratio to the lower end of the 86-89 corridor (undiscounted).

8. Financial assets and liabilities

Fair value

Financial assets and liabilities measured at fair value are carried at the amount each asset/liability can be settled to in an orderly transaction between market participants at the 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 30.9.2019	Fair value as at 30.9.2019	Carrying amount as at 30.9.2018	Fair value as at 30.9.2018
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	784.0	784.0	431.5	431.5
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	6,799.8	6,799.8	6,530.8	6,530.8
Bonds and other fixed income securities	29,562.7	29,562.7	26,165.4	26,165.4
Shares and similar interests in life insurance with investment options	24,202.7	24,202.7	22,043.5	22,043.5
Bonds and other fixed income securities in life insurance with investment options	4,019.7	4,019.7	3,134.7	3,134.7
Loans	49.2	49.2		
<i>Financial assets held to maturity</i>				
Bonds held to maturity	221.3	223.0	384.6	387.5
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	20,537.0	21,662.3	20,184.5	21,083.0
Loans	2,451.1	2,451.1	2,072.8	2,072.8
Receivables related to direct operations and reinsurance	7,405.7	7,405.7	6,911.4	6,911.4
Other assets and receivables	1,662.0	1,662.0	693.6	693.6
Prepaid expenses and earned, not received income	109.0	109.0	109.4	109.4
Cash and cash equivalents	2,364.2	2,364.2	1,901.9	1,901.9
Total financial assets	100,168.3	101,295.3	90,564.1	91,465.5
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	1,088.5	1,088.5	515.2	515.2
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Interest-bearing liabilities at fair value through profit or loss				
Debt in life insurance with investment options	28,222.4	28,222.4	25,178.3	25,178.3
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	1,498.3	1,506.2	1,497.9	1,493.8
Interest-bearing liabilities	1,208.1	1,208.1		
Other liabilities	3,425.8	3,425.8	2,826.5	2,826.5
Liabilities related to direct insurance	660.9	660.9	740.6	740.6
Accrued expenses and deferred income	398.5	398.5	373.5	373.5
Total financial liabilities	36,502.5	36,510.4	31,132.0	31,127.9
Gain/(loss) not recognised in profit or loss		1,119.1		905.4

Valuation hierarchy 2019

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

NOK millions	Level 1 Quoted prices in active markets	Level 2 Valuation techniques based on observable market data	Level 3 Valuation techniques based on non- observable market data	Total
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		784.0		784.0
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	60.4	5,303.4	1,436.0	6,799.8
Bonds and other fixed income securities	11,087.4	17,796.5	678.8	29,562.7
Shares and similar interests in life insurance with investment options	24,164.8	37.9		24,202.7
Bonds and other fixed income securities in life insurance with investment options	3,996.5	23.2		4,019.7
Loans		45.8	3.4	49.2
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	223.0			223.0
Bonds and other fixed income securities classified as loans and receivables		21,662.3		21,662.3
Loans			2,451.1	2,451.1
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		1,088.5		1,088.5
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Interest-bearing liabilities at fair value through profit or loss				
Debt in life insurance with investment options	28,161.3	61.1		28,222.4
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,506.2		1,506.2
Interest-bearing liabilities		1,208.1		1,208.1

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		431.5		431.5
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	114.7	5,109.6	1,306.5	6,530.8
Bonds and other fixed income securities	12,393.5	13,028.1	743.8	26,165.4
Shares and similar interests in life insurance with investment options	22,023.3	20.2		22,043.5
Bonds and other fixed income securities in life insurance with investment options	3,119.2	15.6		3,134.7
Loans				
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	251.1	136.3		387.5
Bonds and other fixed income securities classified as loans and receivables		21,079.2	3.8	21,083.0
Loans			2,072.8	2,072.8
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		515.2		515.2
<i>Financial liabilities at fair value through profit or loss, designated upon initial recognition</i>				
Interest-bearing liabilities at fair value through profit or loss				
Debt in life insurance with investment options	25,142.5	35.8		25,178.3
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,493.8		1,493.8

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

NOK millions	As at 1.1.2019	Net realised/ unrealised gains recognised in profit or loss	Pur- chases	Sales	Settle- ments	Trans- fers into/out of level 3	Cur- rency effect	As at 30.9.2019	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2019
Shares and similar interests	1,359.1	62.6	152.2	(137.9)				1,436.0	41.6
Bonds and other fixed income securities	778.7	39.5		(138.2)			(1.2)	678.8	
Loans at fair value				(0.4)		3.8		3.4	
Total	2,137.8	102.1	152.2	(276.6)		3.8	(1.2)	2,118.2	41.6

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

NOK millions	Sensitivity
Shares and similar interests	Change in value 10% 143.6
Bonds and other fixed income securities	Change in value 10% 67.9
Loans at fair value	Change in value 10% 0.3
Total	211.8

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 30.9.2018	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.9.2018
Shares and similar interests	2,211.8	43.3	100.8	(137.5)		(911.7)	(0.3)	1,306.5	67.6
Bonds and other fixed income securities	904.3	48.4		(176.0)			(32.9)	743.8	
Total	3,116.2	91.7	100.8	(313.5)		(911.7)	(33.2)	2,050.3	67.6

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% 130.7
Bonds and other fixed income securities	Change in value 10% 74.4
Total	205.0

9. Contingent liabilities

NOK millions	30.9.2019	30.9.2018	31.12.2018
Guarantees and committed capital			
Gross guarantees	0.1	0.1	0.1
Committed capital, not paid	743.4	687.4	702.2

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 743.4 million (687.4) 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. Leasing

IFRS 16 requires all contracts that qualify under its definition as a lease to be reported on a lessee's statement of financial position 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.

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 for Gjensidige considered to be the case for rental contracts, leases for cars and some office machines etc. However, the main part of 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 is calculated based on the duration of the agreement plus any option periods if these with reasonable

certainty will be exercised. Joint expenses etc. are not recognised in the lease liability for the rental contracts.

The discount rate for the rental contracts is determined by looking at observable borrowing rates in the bond market for each of the countries in which Gjensidige operates. The interest rates are adapted to the actual lease contracts duration etc. The discount rate for the leasing cars is determined based on an assessment of which loan interest Gjensidige would achieve for financing cars from a financing company.

Gjensidige has recognised 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 according to the modified retrospective approach. However, 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 commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. Comparative figures were not adjusted. The difference between this and the lease liability, less deferred tax, amounted to NOK 61.4 million and was recognised directly in equity on 1 January 2019.

NOK millions	30.9.2019	1.1.2019
Leases in the statement of financial position		
<i>Assets</i>		
Right-of-use assets - property	1,114.5	1,210.2
Right-of-use assets - plant and equipment	8.8	13.6
Total	1,123.3	1,223.8
<i>Liabilities</i>		
Lease liabilities	1,208.1	1,304.4
Leases in the income statement		
Depreciation right-of-use assets	(123.5)	
Interest expense on lease liabilities	(24.5)	

Alternative performance measures and key figures

		Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Gjensidige Forsikring Group						
Equity	NOK millions			24,819.9	22,233.9	23,845.2
Equity per share	NOK			49.6	44.5	47.7
Earnings per share in the period, basic and diluted ¹	NOK	1.99	1.75	10.24	4.83	7.44
Return on equity, annualised ²	%			29.9	15.0	17.3
Return on tangible equity, annualised ²	%			37.8	19.5	22.4
Return on financial assets ²	%	0.5	0.8	2.6	2.0	1.5
Total eligible own funds to meet the group SCR ³	NOK millions			24,488.2	24,957.6	23,665.1
Group SCR margin ⁴	%			234.8	181.4	168.5
Total eligible own funds to meet the minimum consolidated group SCR ⁵	NOK millions			21,388.9	17,334.8	15,772.6
Minimum consolidated group SCR margin ⁶	%			427.8	348.3	321.9
Gjensidige Forsikring ASA						
Total eligible own funds to meet the SCR ⁷	NOK millions			23,982.3	23,420.6	21,899.5
SCR margin ⁸	%			248.5	252.0	234.6
Total eligible own funds to meet the MCR ⁹	NOK millions			21,021.9	20,618.2	19,051.8
MCR margin ¹⁰	%			503.3	493.0	465.0
Issued shares, at the end of the period	Number			500,000,000	500,000,000	500,000,000
General Insurance						
<i>Gross premiums written ²</i>						
Private	NOK millions	2,134.2	2,041.9	7,099.4	6,967.8	8,942.2
Commercial	NOK millions	1,408.0	1,312.4	6,799.1	6,257.7	8,017.9
Denmark	NOK millions	948.2	907.1	4,116.8	4,087.7	5,196.8
Sweden	NOK millions	261.0	234.6	1,036.2	1,163.6	1,495.1
Baltics	NOK millions	311.1	272.3	899.9	841.2	1,110.1
Corporate Centre/reinsurance	NOK millions	0,0	0,0	113.4	105.7	105.7
Total General Insurance	NOK millions	5,062.4	4,768.3	20,064.9	19,423.6	24,867.8
Premiums, net of reinsurance ²	%			96.7	96.6	97.1
<i>Earned premiums</i>						
Private	NOK millions	2,329.8	2,279.0	6,642.3	6,532.2	8,762.5
Commercial	NOK millions	2,072.4	1,932.5	6,064.5	5,650.2	7,603.3
Denmark	NOK millions	1,249.9	1,221.8	3,659.0	3,678.6	4,904.6
Sweden	NOK millions	342.3	374.8	1,041.1	1,206.7	1,569.2
Baltics	NOK millions	289.5	273.9	834.2	810.8	1,078.8
Corporate Centre/reinsurance	NOK millions	33.2	36.1	95.4	93.1	134.4
Total General Insurance	NOK millions	6,317.0	6,118.1	18,336.6	17,971.6	24,052.8
<i>Loss ratio ²</i>						
Private	%	65.9	69.0	64.8	70.0	65.3
Commercial	%	67.1	81.5	68.1	79.3	68.2
Denmark	%	72.8	73.9	72.2	77.6	76.8
Sweden	%	76.0	82.1	76.4	81.1	78.5
Baltics	%	63.2	57.8	64.6	62.2	62.7
Total General Insurance	%	69.1	75.1	68.4	75.2	69.8
<i>Underlying frequency loss ratio ²</i>						
Private	%	70.3	71.2	69.7	74.5	72.6
Commercial	%	67.4	79.3	70.9	78.7	78.0
Denmark	%	76.7	77.6	76.0	79.4	79.1
Sweden	%	73.5	80.3	78.0	80.7	80.7
Baltics	%	64.9	61.4	67.7	64.9	64.9
Total General Insurance	%	70.9	75.4	71.7	76.5	75.6
<i>Cost ratio ²</i>						
Private	%	12.8	13.1	13.0	12.8	12.6
Commercial	%	9.9	11.5	10.4	11.6	11.5
Denmark	%	13.1	12.9	14.2	14.0	14.4
Sweden	%	17.5	15.4	18.1	16.1	16.5
Baltics	%	29.4	30.9	30.4	31.5	31.0
Total General Insurance	%	14.1	15.6	14.6	15.3	15.2

		Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Combined ratio ²						
Private	%	78.7	82.1	77.8	82.8	77.9
Commercial	%	77.1	92.9	78.5	90.9	79.6
Denmark	%	85.9	86.8	86.3	91.6	91.1
Sweden	%	93.5	97.5	94.5	97.3	95.0
Baltics	%	92.6	88.7	95.0	93.7	93.7
Total General Insurance	%	83.2	90.6	83.0	90.6	85.0
Combined ratio discounted ²	%	82.4	89.5	82.1	89.4	84.0
Pension						
Assets under management pension, at the end of the period	NOK millions			35,372.1	31,711.5	30,688.2
of which the group policy portfolio	NOK millions			7,082.5	6,474.3	6,586.4
Operating margin ²	%	36.02	32.09	35.65	31.81	34.41
Recognised return on the paid-up policy portfolio ¹¹	%			2.81	4.53	5.61
Value-adjusted return on the paid-up policy portfolio ¹²	%			3.34	3.41	4.30
Share of shared commercial customers ¹³	%			68.0	67.8	70.0
Return on equity, annualised ²	%			16.8	14.3	16.0

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

² Defined as alternative performance measure (APM). APMs are described on www.gjensidige.no/reporting in document named APMs Gjensidige Forsikring Group Q3 2019.

³ Total eligible own funds to meet the group SCR = Total eligible own funds to meet the group solvency capital requirement, where the group solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio of 80 per cent of net profit (excluding the gain from Gjensidige Bank).

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

⁵ Total eligible own funds to meet the minimum consolidated group SCR = Total eligible own funds to meet the minimum consolidated group solvency capital requirement, where the minimum consolidated group solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio of 80 per cent of net profit (excluding the gain from Gjensidige Bank).

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

⁷ Total eligible own funds to meet the SCR = Total eligible own funds to meet the solvency capital requirement for Gjensidige Forsikring ASA, where the solvency capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio of 80 per cent of net profit (excluding the gain from Gjensidige Bank).

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

⁹ Total eligible own funds to meet the MCR = Total eligible own funds to meet the minimum capital requirement for Gjensidige Forsikring ASA, where the minimum capital requirement is based on approved partial internal model. Total comprehensive income for the year-to-date is included in the solvency calculations, minus a formulaic dividend pay-out ratio of 80 per cent of net profit (excluding the gain from Gjensidige Bank).

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

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

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

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

Quarterly earnings performance

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
NOK millions	2019	2019	2019	2018	2018	2018	2018	2017	2017
Earned premiums from general insurance	6,317.0	6,082.8	5,936.7	6,081.2	6,118.1	5,987.2	5,866.3	5,969.5	6,056.4
Other income	823.5	1,076.0	714.7	511.7	499.2	595.0	602.8	522.9	553.6
Total operating income	7,140.6	7,158.9	6,651.5	6,592.9	6,617.4	6,582.1	6,469.1	6,492.3	6,610.0
Total net income from investments	264.3	500.5	2,268.9	(224.6)	429.7	370.4	254.7	487.1	475.5
Total operating income and net income from investments	7,404.9	7,659.3	8,920.4	6,368.3	7,047.1	6,952.5	6,723.8	6,979.5	7,085.5
Claims incurred etc. from general insurance	(4,367.7)	(3,916.4)	(4,256.8)	(3,268.9)	(4,591.7)	(4,371.0)	(4,559.5)	(4,468.4)	(4,013.7)
Claims incurred etc. from pension	(718.5)	(974.9)	(615.6)	(408.1)	(406.1)	(503.0)	(516.4)	(444.9)	(478.1)
Total claims etc.	(5,086.3)	(4,891.4)	(4,872.4)	(3,676.9)	(4,997.8)	(4,874.0)	(5,075.9)	(4,913.3)	(4,491.9)
Operating expenses from general insurance	(888.2)	(908.7)	(881.8)	(897.9)	(953.0)	(909.3)	(895.7)	(945.7)	(892.5)
Other operating expenses	(158.8)	(136.3)	(135.5)	(132.3)	(132.3)	(134.3)	(147.3)	(124.9)	(123.1)
Total operating expenses	(1,047.0)	(1,045.0)	(1,017.3)	(1,030.2)	(1,085.3)	(1,043.6)	(1,043.0)	(1,070.7)	(1,015.6)
Total expenses	(6,133.3)	(5,936.4)	(5,889.7)	(4,707.1)	(6,083.1)	(5,917.6)	(6,118.8)	(5,984.0)	(5,507.5)
Profit/(loss) for the period before tax expense	1,271.5	1,722.9	3,030.7	1,661.2	964.0	1,034.9	605.0	995.5	1,578.1
Underwriting result general insurance	1,061.1	1,257.6	798.1	1,914.4	573.4	706.8	411.2	555.4	1,150.2

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
NOK millions	2017	2017	2016	2016	2016	2016	2015	2015	2015
Earned premiums from general insurance	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0	5,493.5	5,471.2	5,188.1
Other income	352.2	539.1	476.5	440.2	315.1	338.1	498.6	357.4	333.4
Total operating income	6,177.0	6,086.8	6,162.1	6,145.6	5,851.9	5,852.2	5,992.1	5,828.6	5,521.5
Total net income from investments	471.0	568.6	541.5	709.2	573.9	328.0	618.7	(156.5)	508.0
Total operating income and net income from investments	6,648.0	6,655.4	6,703.6	6,854.8	6,425.8	6,180.2	6,610.8	5,672.1	6,029.4
Claims incurred etc. from general insurance	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)	(3,734.7)	(3,588.0)	(3,341.8)
Claims incurred etc. from pension	(282.6)	(456.2)	(387.1)	(371.2)	(250.2)	(275.1)	(432.8)	(286.4)	(263.1)
Total claims etc.	(4,244.2)	(4,414.1)	(4,400.9)	(4,375.5)	(3,849.8)	(4,173.2)	(4,167.5)	(3,874.3)	(3,604.9)
Operating expenses from general insurance	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)	(879.5)	(792.3)	(776.1)
Other operating expenses	(132.1)	(121.5)	(120.0)	(115.7)	(119.7)	(114.7)	(176.0)	(111.1)	(93.8)
Total operating expenses	(1,022.8)	(979.0)	(1,091.3)	(1,105.1)	(985.2)	(479.9)	(1,055.5)	(903.4)	(869.9)
Total expenses	(5,267.0)	(5,393.1)	(5,492.2)	(5,480.6)	(4,835.1)	(4,653.1)	(5,223.0)	(4,777.7)	(4,474.8)
Profit/(loss) for the period before tax expense	1,381.0	1,262.2	1,211.4	1,374.2	1,590.8	1,527.1	1,387.7	894.4	1,554.6
Underwriting result general insurance	972.3	732.2	700.4	711.8	1,071.6	1,250.7	879.2	1,091.0	1,070.2

Income statement

Gjensidige Forsikring ASA

NOK millions	Q3 2019	Q3 2018	1.1.-30.9.2019	1.1.-30.9.2018	1.1.-31.12.2018
Premiums etc.					
Earned premiums, gross	6,210.8	5,873.5	18,044.7	17,250.6	23,105.9
Ceded reinsurance premiums	(183.2)	(173.6)	(542.3)	(521.1)	(715.9)
Total earned premiums, net of reinsurance	6,027.6	5,699.9	17,502.4	16,729.5	22,389.9
Claims					
Gross claims	(4,247.9)	(4,417.2)	(12,273.5)	(12,832.0)	(15,973.9)
Claims, reinsurers' share	63.5	94.1	271.3	161.5	324.5
Total claims incurred, net of reinsurance	(4,184.4)	(4,323.2)	(12,002.2)	(12,670.5)	(15,649.4)
Insurance-related operating expenses					
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(865.8)	(932.3)	(2,616.7)	(2,702.5)	(3,558.6)
Received commission for ceded reinsurance and profit share	13.1	13.3	39.2	36.7	51.0
Total insurance-related operating expenses	(852.7)	(919.0)	(2,577.5)	(2,665.8)	(3,507.6)
Other insurance-related operating expenses	(12.7)		(12.7)		
Technical profit/(loss)	977.7	457.7	2,910.0	1,393.2	3,233.0
Net income from investments					
Income from investments in subsidiaries, associates and joint ventures	(2.6)		3,094.6	94.9	374.0
Impairment losses of investments in subsidiaries, associates and joint ventures	(13.7)		(71.7)	(76.0)	(76.0)
Interest income and dividend etc. from financial assets	249.3	241.2	748.3	753.7	1,043.1
Changes in fair value on investments	(12.5)	332.3	809.1	124.8	(494.7)
Realised gain and loss on investments	(4.9)	(162.6)	(202.0)	74.8	143.2
Administration expenses related to investments, including interest expenses	(39.5)	(36.0)	(124.7)	(97.2)	(166.2)
Total net income from investments	176.0	374.9	4,253.6	874.9	823.4
Other income	3.2	2.7	8.8	7.8	10.3
Other expenses	(9.8)	(8.8)	(27.8)	(27.6)	(37.1)
Profit/(loss) of non-technical account	169.4	368.8	4,234.6	855.0	796.6
Profit/(loss) before tax expense	1,147.1	826.5	7,144.6	2,248.2	4,029.5
Tax expense	(270.7)	(142.4)	(914.6)	(475.4)	(995.0)
Profit/(loss) before other comprehensive income	876.4	684.1	6,229.9	1,772.8	3,034.5
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)
Tax on other comprehensive income that will not be reclassified to profit or loss					12.3
Total other comprehensive income that will not be reclassified to profit or loss					(37.0)
Other comprehensive income that may be reclassified to profit or loss					
Exchange differences from foreign operations	106.0	(20.7)	(62.6)	(228.9)	3.2
Tax on other comprehensive income that may be reclassified	(18.5)	5.0	15.4	55.8	(0.7)
Total other comprehensive income that may be reclassified	87.5	(15.7)	(47.1)	(173.1)	2.5
Comprehensive income	963.9	668.4	6,182.8	1,599.7	3,000.0

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	30.9.2019	30.9.2018	31.12.2018
Assets			
Goodwill	2,958.9	1,767.5	1,846.6
Other intangible assets	1,032.4	997.3	1,013.0
Total intangible assets	3,991.3	2,764.9	2,859.5
Investments			
<i>Buildings and other real estate</i>			
Owner-occupied property	28.5	28.5	28.5
Right-of-use property	1,031.6		
<i>Subsidiaries and associates</i>			
Shares in subsidiaries	1,981.6	3,744.0	3,832.7
Shares in subsidiaries, held for sale		2,366.5	2,461.5
Shares in associates and joint ventures	1,086.9	1,086.9	1,086.9
Interest-bearing receivables on subsidiaries and joint ventures	2,440.6	1,971.7	2,513.1
<i>Financial assets measured at amortised cost</i>			
Bonds held to maturity		104.2	105.8
Loans and receivables	15,210.8	15,369.6	15,471.3
<i>Financial assets measured at fair value</i>			
Shares and similar interests (incl. shares and similar interests measured at cost)	6,781.3	6,471.1	5,061.4
Bonds and other fixed-income securities	27,269.0	22,139.1	22,152.3
Subordinated loans	49.2		44.3
Financial derivatives	784.0	431.5	577.9
Other investments	111.0	111.0	111.0
Reinsurance deposits		1,077.6	1,094.7
Total investments	56,774.5	54,901.6	54,541.4
Reinsurers' share of insurance-related liabilities, gross			
Reinsurers' share of provision for unearned premiums, gross	156.1	160.3	39.6
Reinsurers' share of claims provision, gross	480.7	403.8	473.6
Total reinsurers' share of insurance-related liabilities, gross	636.7	564.2	513.2
Receivables			
Receivables related to direct operations	7,100.8	6,471.5	6,323.5
Receivables related to reinsurance	85.3	70.0	75.5
Receivables within the group	29.1	46.6	339.6
Other receivables	1,452.8	471.4	820.2
Total receivables	8,667.9	7,059.4	7,558.9
Other assets			
Plant and equipment	209.3	210.4	203.7
Cash and cash equivalents	1,905.7	1,325.8	1,656.4
Pension assets	155.2	204.4	155.2
Total other assets	2,270.2	1,740.7	2,015.2
Prepaid expenses and earned, not received income			
Other prepaid expenses and earned, not received income	79.6	70.7	46.2
Total prepaid expenses and earned, not received income	79.6	70.7	46.2
Total assets	72,420.1	67,101.4	67,534.4

NOK millions	30.9.2019	30.9.2018	31.12.2018
Equity and liabilities			
<i>Paid in equity</i>			
Share capital	1,000.0	1,000.0	1,000.0
Own shares	0.0	0.0	(0.1)
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	1,001.9	1,000.1	1,000.5
Other paid-in equity	63.8	54.7	58.2
Total paid-in equity	3,495.6	3,484.8	3,488.6
<i>Retained equity</i>			
<i>Funds etc.</i>			
Natural perils capital	2,596.9	2,449.0	2,491.1
Guarantee scheme provision	653.9	638.3	653.9
Other retained earnings	16,560.0	12,874.4	10,655.3
Total retained earnings	19,810.9	15,961.7	13,800.3
Total equity	23,306.5	19,446.5	17,288.9
Subordinated debt	1,198.5	1,198.2	1,198.3
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	10,684.8	10,080.1	9,399.6
Claims provision, gross	28,122.5	30,009.3	28,769.8
Provision for premium discounts and other profit agreements	76.1	68.3	75.4
Total insurance-related liabilities in general insurance, gross	38,883.4	40,157.7	38,244.9
Provision for liabilities			
Pension liabilities	559.9	550.5	559.9
Current tax	532.4	391.2	591.3
Deferred tax liabilities	1,213.0	984.0	1,289.0
Other provisions	267.4	284.4	316.5
Total provision for liabilities	2,572.7	2,210.1	2,756.7
Liabilities			
Liabilities related to direct insurance	388.0	361.7	381.5
Liabilities related to reinsurance	68.7	131.3	40.9
Financial derivatives	1,088.5	515.2	869.9
Accrued dividend			3,550.0
Other liabilities	4,520.1	2,742.4	2,766.0
Liabilities to subsidiaries and associates	61.9	30.6	104.9
Total liabilities	6,127.2	3,781.2	7,713.3
Accrued expenses and deferred income			
Other accrued expenses and deferred income	331.8	307.7	332.3
Total accrued expenses and deferred income	331.8	307.7	332.3
Total equity and liabilities	72,420.1	67,101.4	67,534.4

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 defined benefit plans	Other earned equity	Total equity
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 other comprehensive income				0.1		2.4	(37.0)		(34.5)
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
Adjustment on initial application of IFRS 16								(61.4)	(61.4)
Merger losses								(65.7)	(65.7)
Equity as at 1.1.2019	1,000.0	(0.1)	1,430.0	58.2	1,000.5	386.2	(1,969.8)	15,256.9	17,161.9
1.1.-30.9.2019									
Comprehensive income									
Profit/(loss)					37.7			6,192.2	6,229.9
Total other comprehensive income				0,0		(47.1)	0,0		(47.1)
Comprehensive income				0,0	37.7	(47.1)	0,0	6,192.2	6,182.8
Transactions with owners of the company									
Own shares		0,0						(7.0)	(7.0)
Accrued and paid dividend								0.1	0.1
Equity-settled share-based payment transactions				5.6					5.6
Perpetual Tier 1 capital					0.5			(0.5)	
Perpetual Tier 1 capital - interest paid					(36.8)				(36.8)
Total transactions with owners of the company		0,0		5.6	(36.3)			(7.4)	(38.1)
Equity as at 30.9.2019	1,000.0	0,0	1,430.0	63.8	1,001.9	339.0	(1,969.8)	21,441.7	23,306.5
1.1.-30.9.2018									
Comprehensive income									
Profit/(loss)					26.0			1,746.8	1,772.8
Total other comprehensive income				(0.2)		(172.6)	(0.3)		(173.1)
Comprehensive income				(0.2)	26.0	(172.6)	(0.3)	1,746.8	1,599.7
Transactions with owners of the company									
Own shares		0,0						(8.7)	(8.7)
Accrued and paid dividend								0.1	0.1
Equity-settled share-based payment transactions				4.3					4.3
Perpetual Tier 1 capital					0.5			(0.5)	
Perpetual Tier 1 capital - interest paid					(26.1)				(26.1)
Total transactions with owners of the company		0,0		4.3	(25.7)			(9.1)	(30.4)
Equity as at 30.9.2018	1,000.0	0,0	1,430.0	54.7	1,000.1	211.1	(1,933.1)	17,683.6	19,446.5

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,900 employees and offer insurance products in Norway, Denmark, Sweden and the Baltic states. In Norway, we also offer pension and savings. The Group's operating income was NOK 26 billion in 2018, while total assets were NOK 157 billion.