



Interim Report 2nd quarter 2020

Gjensidige Forsikring Group



Gjensidige

Group highlights

First half-year and second quarter 2020

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 1,979.7 million (4,753.6)
- Earnings per share: NOK 2.95 (8.25)

General Insurance

- Earned premiums: NOK 13,335.8 million (12,019.5)
- Underwriting result: NOK 2,401.4 million (2,055.7)
- Combined ratio: 82.0 (82.9)
- Cost ratio: 14.8 (14.9)
- Financial result: NOK minus 360.8 million (plus 1,195.1)

Second quarter

Group

- Profit/(loss) before tax expense: NOK 2,476.8 million (1,722.9)
- Earnings per share: NOK 3.90 (2.68)

General Insurance

- Earned premiums: NOK 6,765.3 million (6,082.8)
- Underwriting result: NOK 1,343.8 million (1,257.6)
- Combined ratio: 80.1 (79.3)
- Cost ratio: 14.5 (14.9)
- Financial result: NOK 1,158.5 million (512.9)

Profit performance Group

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
General Insurance Private	747.0	584.2	1,266.9	979.1	2,025.1
General Insurance Commercial	522.6	493.0	1,016.4	826.3	1,729.8
General Insurance Denmark	236.7	221.1	412.6	323.9	599.3
General Insurance Sweden	(15.5)	13.7	5.5	35.5	75.9
General Insurance Baltics	47.8	14.4	53.1	20.1	60.9
Corporate Centre - costs related to owner	(76.1)	(72.3)	(181.1)	(151.8)	(317.7)
Corporate Centre - reinsurance ¹	(118.7)	3.6	(171.9)	22.6	(136.9)
Underwriting result general insurance	1,343.8	1,257.6	2,401.4	2,055.7	4,036.4
Pension	33.6	39.4	69.3	92.8	196.9
Financial result from the investment portfolio	1,158.5	512.9	(360.8)	1,195.1	2,306.4
Amortisation and impairment losses of excess value – intangible assets	(43.7)	(63.3)	(95.8)	(125.4)	(256.4)
Other items	(15.5)	(23.7)	(34.5)	1,535.4	1,470.5
Profit/(loss) before tax expense ²	2,476.8	1,722.9	1,979.7	4,753.6	7,753.8
Alternative performance measures					
Large losses ^{3,4}	348.1	158.5	543.4	241.1	635.0
Run-off gains/(losses) ³	292.8	368.9	566.3	734.5	1,363.2
Loss ratio ³	65.6%	64.4%	67.2%	68.0%	68.9%
Underlying frequency loss ratio ^{3,5}	64.8%	67.8%	67.4%	72.1%	71.8%
Cost ratio ³	14.5%	14.9%	14.8%	14.9%	14.7%
Combined ratio ³	80.1%	79.3%	82.0%	82.9%	83.6%

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 208.4 million (22.0) for the year-to-date and NOK 134.2 (22.0) in the quarter. Accounting items related to reinsurance are also included.

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

³ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

⁴ Large losses = loss events in excess of NOK 10.0 million. Expected large losses for the quarter were NOK 300.0 million.

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

Best ever second quarter result

Strong retention, effective pricing measures and solid renewals resulted in continued high premium growth in the second quarter and a further improvement in the underlying underwriting result. The investment return in the second quarter was high, reflecting the financial market rebound. The Group's long term outlook remains good. The capital position is significantly stronger than what is needed to support the business. The Board maintains its intention to distribute dividends to shareholders as soon as the situation allows.

Group profit performance

Year-to-date development

Gjensidige Forsikring Group recorded a profit before tax expense of NOK 1,979.7 million (4,753.6) for the period. The result in the first half-year 2020 was significantly impacted by negative returns on the investment portfolio, reflecting the turmoil in the financial market in the wake of the Covid-19 situation. The corresponding result in the first half-year 2019 included the gain from the sale of Gjensidige Bank with NOK 1.6 billion.

The profit from general insurance operations measured by the underwriting result was NOK 2,401.4 million (2,055.7), corresponding to a combined ratio of 82.0 (82.9).

The Covid-19 pandemic had a limited impact on the Group's underwriting result. Claims related to travel insurance increased significantly, but reinsurance coverage limited net claims incurred to NOK 162.1 million, of which NOK 131.6 million was recognised in the Corporate Centre. Several insurance products, in particular motor insurance, recorded lower claims because of the pandemic, which had a positive impact on claims in all segments except Sweden.

The income tax expense amounted to NOK 506.9 million (676.6), resulting in an effective tax rate of 25.6 per cent (14.0). The effective tax rate was impacted by realised and unrealised gains and losses on equity investments in the EEA.

The profit after tax expense from continuing and discontinued operations was NOK 1,472.8 million (4,127.2) and the corresponding earnings per share were NOK 2.95 (8.25).

Earned premiums from general insurance increased by 11.0 per cent to NOK 13,335.8 million (12,019.5) for the period. Measured in local currency, the premiums increased by 8.2 per cent. The underwriting result increased due to higher premiums following solid renewals and effective pricing measures, which in addition to more favourable weather conditions for motor in Norway during the first quarter, resulted in a 4.7 percentage point improvement in the underlying frequency loss ratio. This was partly offset by higher large losses, lower run-off gains and higher operating expenses.

Earned premiums in the Private segment increased by 5.9 per cent, which together with an improved underlying frequency loss ratio resulted in a higher underwriting result.

Earned premiums in the Commercial segment increased by 10.0 per cent. The underwriting result increased mainly due to significantly higher earned premiums and an improved underlying frequency loss ratio.

The Danish segment recorded an increase of 10.4 per cent in earned premiums measured in local currency. Underlying growth was 5.9 per cent. The underwriting result increased due to premium growth and a lower underlying frequency loss ratio.

Earned premiums in the Swedish segment were up 2.1 per cent measured in local currency. The underwriting result decreased, mainly due to higher large losses.

Earned premiums in the Baltic segment decreased by 1.0 per cent measured in local currency. The underwriting result increased, driven by a lower underlying frequency loss ratio, partly offset by lower run-off gains.

The Pension segment generated a lower profit for the period, driven by lower net financial income due to the financial turmoil in the first quarter and higher operating expenses.

The return on financial assets was minus 0.6 per cent (plus 2.1) or minus NOK 360.8 million (plus 1,195.1). Current bonds in the match portfolio and high yield bonds, convertible bonds, current equities and PE funds in the free portfolio recorded negative results for the period.

Development during the quarter

The Group recorded a profit before tax expense of NOK 2,476.8 million (1,722.9) for the quarter. The profit from general insurance operations measured by the underwriting result was NOK 1,343.8 million (1,257.6), corresponding to a combined ratio of 80.1 (79.3). The return on financial assets was 1.9 per cent (0.9) or NOK 1,158.5 million (512.9).

The profit after tax expense was NOK 1,952.1 million (1,341.5). Earnings per share amounted to NOK 3.90 (2.68).

The increase in the underwriting result was driven by 11.2 per cent growth in earned premiums and an improved underlying frequency loss ratio, partly offset by lower run-off gains and higher large losses. Earned premiums rose 7.6 per cent in local currency. The underlying frequency loss ratio improved due to effective pricing measures and lower claims because of the pandemic. Overall the Covid-19 pandemic had a slightly positive impact on the Group's underwriting result, with lower claims on several insurance products due to the pandemic, partly offset by higher travel insurance claims. Covid-19 related claims for travel insurance amounted to NOK 71.5 million, recognised in the Corporate Centre.

Multi-year distribution agreements with 11 mutual fire insurers in Norway were renewed during the second quarter. Agreements with the four remaining mutual fire insurers will be terminated with effect from 1 January 2021. Gjensidige is in the process of establishing internal distribution set ups for private and commercial customers in the affected regions.

The Pension operation recorded a lower profit due to higher operating expenses.

All asset classes contributed positively to the financial result in the second quarter, reflecting lower interest rates and credit spreads in combination with strong equity markets.

Equity and capital position

The Group's equity amounted to NOK 28,080.8 million (23,732.3) at the end of the period. The annualised return on equity for the year-to-date was 11.1 per cent (36.8). The solvency margins at the end of the period were:

- Approved Partial Internal Model¹: 283 per cent
- Own Partial Internal Model²: 350 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. The Board did not propose any dividend for the 2019 financial year at the Annual General Meeting held on 25 May this year. This was due to the pronounced expectation of regulators that financial institutions would halt dividends payments until the significant uncertainty related to the economic development is reduced. It is the Board's intention to distribute dividends to shareholders as soon as the situation allows.

The Group has a very strong solvency position, significantly above the Board's target range for solvency margin and what is needed to run the business in a prudent manner. Based on a thorough assessment of potential fall-out from the Covid-19 pandemic, the Board is of the opinion that it will not have an impact on the Group's ability to continue as a going concern.

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 brought into line with this view.

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

Other

Sustainable development

Gjensidige's sustainability targets focus on three areas: a safer society, reduced carbon intensity and socially responsible investments, which also support the Group's financial targets. For a more detailed description, see the Integrated Annual Report for 2019. Below are a few examples of recent results and operational initiatives:

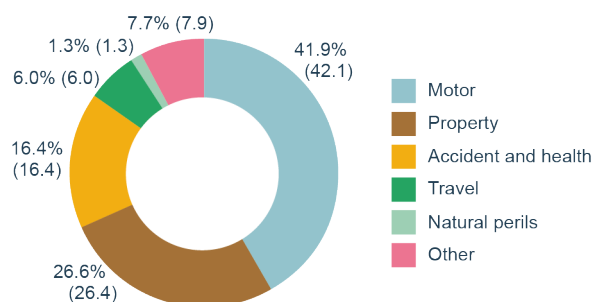
- Expansion of the settlement terms for commercial and apartment buildings in the Commercial segment, adding 5 per cent to the settlement if the building achieves BREEAM certification when rebuilt. BREEAM is a sustainability assessment method that is used to masterplan projects, infrastructure and buildings.
- Entered into a 2-year partnership with the highly reputed annual ZERO Conference, giving Gjensidige an opportunity to share knowledge on the consequences of climate change.
- Fast tracked the Group's timeline for reaching climate neutrality to 2020. This will be achieved through less travel and lower energy consumption, in addition to compensating emissions through carbon offsets.
- Signatory to the UN's Principles for Responsible Investments, and the UN Environmental Principles Finance Initiative - Principles for Sustainable Insurance - to support the initiatives and increase the transparency of Gjensidige's insurance and investment activities.

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 1,266.9 million (979.1). The increase was driven by higher earned premiums and a significantly lower underlying frequency loss ratio. This was partly offset by an increase in large losses and somewhat higher operating expenses. The combined ratio was 72.3 (77.3).

Earned premiums increased to NOK 4,566.8 million (4,312.5). Adjusted for the transfer of a product insurance portfolio to the Danish segment, the increase was 6.1 per cent. Price increases for motor and property insurance, as well as accident and health insurance were the main drivers of the rise in earned premiums. Gjensidige maintained a strong position in the market. Competitiveness remains good and the number of customers increased somewhat.

Claims incurred amounted to NOK 2,701.8 million (2,771.5). The loss ratio improved to 59.2 (64.3), primarily driven by a 7.0 percentage point improvement in the underlying frequency loss ratio. The motor, property and accident and health insurance lines saw improved profitability due to effective pricing measures. Motor insurance was also positively impacted by more favourable weather conditions in the first quarter and lower claims as a result of less driving because of the pandemic. The travel insurance line was significantly impacted by higher claims in the first quarter, but reinsurance coverage limited net claims incurred. The Covid-19 situation had a positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 598.2 million (561.9). The cost ratio was 13.1 (13.0).

Development during the quarter

The underwriting result was NOK 747.0 million (584.2). The increase was driven by higher earned premiums and a significantly lower underlying frequency loss ratio. Run-off gains were somewhat lower. The combined ratio was 67.8 (73.6).

Earned premiums increased to NOK 2,319.9 million (2,211.0). Adjusted for the transfer of a product insurance portfolio to the Danish segment, the increase was 5.7 per cent. The main drivers were price increases for motor and property insurance, as well as accident and health insurance, although the remaining products also recorded higher earned premiums. The number of customers increased.

Claims incurred amounted to NOK 1,270.9 million (1,330.9). The loss ratio improved to 54.8 (60.2), primarily driven by a 6.2 percentage point improvement in the underlying frequency loss ratio. Effective pricing measures improved profitability for the motor, property and accident and health insurance lines. Motor and travel claims were also positively impacted by lower activity because of the pandemic. The Covid-19 situation had a positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 302.0 million (295.9). The cost ratio was 13.0 (13.4).

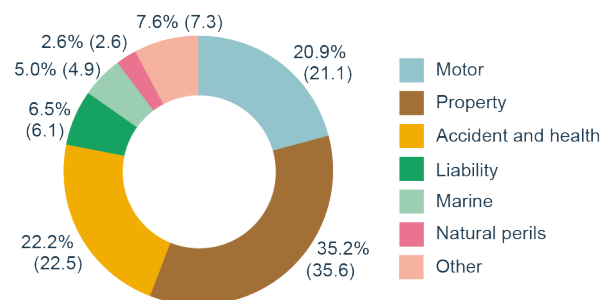
General Insurance Private

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums	2,319.9	2,211.0	4,566.8	4,312.5	8,872.4
Claims incurred etc.	(1,270.9)	(1,330.9)	(2,701.8)	(2,771.5)	(5,682.6)
Operating expenses	(302.0)	(295.9)	(598.2)	(561.9)	(1,164.7)
Underwriting result	747.0	584.2	1,266.9	979.1	2,025.1
Amortisation and impairment losses of excess value – intangible assets	(7.3)	(7.9)	(14.6)	(12.3)	(26.6)
Large losses ¹	-	-	76.8	8.1	38.9
Run-off gains/(losses) ¹	111.1	123.4	224.2	227.2	467.3
Loss ratio ¹	54.8%	60.2%	59.2%	64.3%	64.0%
Underlying frequency loss ratio ¹	59.6%	65.8%	62.4%	69.3%	68.9%
Cost ratio ¹	13.0%	13.4%	13.1%	13.0%	13.1%
Combined ratio ¹	67.8%	73.6%	72.3%	77.3%	77.2%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

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 1,016.4 million (826.3). The increase was due to significantly higher earned premiums, an improved underlying frequency loss ratio and a lower level of large losses, partly offset by lower run-off gains. The combined ratio was 76.9 (79.3).

Earned premiums increased to NOK 4,391.6 million (3,992.1), driven by effective pricing measures, solid renewals and portfolio growth. All the main product lines recorded higher earned premiums.

Claims incurred amounted to NOK 2,931.6 million (2,740.6). The loss ratio was 66.8 (68.7), mainly driven by a 3.8 percentage point improvement in the underlying frequency loss ratio and a lower level of large losses. Pricing and re-underwriting measures, particularly for the motor and property insurance lines, were the main drivers of this improvement.

The Covid-19 pandemic had a negligible impact on the segment's overall underwriting result, with higher travel insurance claims in the first quarter, limited by reinsurance, and lower motor claims in the second quarter due to less driving.

Operating expenses amounted to NOK 443.5 million (425.3), corresponding to a cost ratio of 10.1 (10.7).

Development during the quarter

The underwriting result was NOK 522.6 million (493.0). The increase was due to higher earned premiums and lower large losses. Run-off gains were significantly lower than in the same period last year. The combined ratio was 76.5 (75.3).

Earned premiums increased to NOK 2,219.5 million (1,997.8), driven by effective pricing measures, solid renewals and portfolio growth. All the main product lines recorded higher earned premiums.

Claims incurred amounted to NOK 1,475.0 million (1,288.2). The loss ratio was 66.5 (64.5), reflecting lower run-off gains and an unchanged underlying frequency loss ratio. Property and accident and health insurance recorded somewhat lower profitability. The profitability of motor insurance improved as a result of effective pricing measures and less driving because of the pandemic. The Covid-19 situation had a negligible impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 221.9 million (216.6), corresponding to a cost ratio of 10.0 (10.8).

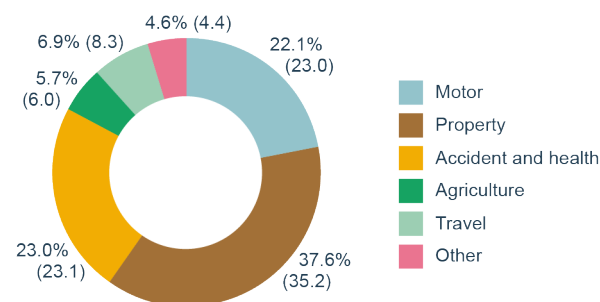
General Insurance Commercial

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums	2,219.5	1,997.8	4,391.6	3,992.1	8,164.1
Claims incurred etc.	(1,475.0)	(1,288.2)	(2,931.6)	(2,740.6)	(5,608.6)
Operating expenses	(221.9)	(216.6)	(443.5)	(425.3)	(825.7)
Underwriting result	522.6	493.0	1,016.4	826.3	1,729.8
Large losses ¹	93.9	119.2	125.2	193.7	355.4
Run-off gains/(losses) ¹	97.6	162.3	216.2	352.4	617.0
Loss ratio ¹	66.5%	64.5%	66.8%	68.7%	68.7%
Underlying frequency loss ratio ¹	66.6%	66.6%	68.8%	72.6%	71.9%
Cost ratio ¹	10.0%	10.8%	10.1%	10.7%	10.1%
Combined ratio ¹	76.5%	75.3%	76.9%	79.3%	78.8%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

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 412.6 million (323.9). The increase was driven by premium growth and a lower underlying frequency loss ratio. The significant depreciation of the Norwegian krone against the Danish krone contributed to the increased result. The combined ratio was 86.0 (86.6).

Earned premiums amounted to NOK 2,936.4 million (2,409.2). Measured in local currency, earned premiums increased by 10.4 per cent, mainly due to portfolio growth and solid renewals in the commercial lines. Adjusted for the discontinuation of a quota share reinsurance contract and the transfer of a product portfolio from Private to the Danish segment, the underlying growth in local currency was 5.9 per cent. Premium growth was subdued as a result of lower demand for travel insurance in the second quarter due to travel restrictions.

Claims incurred amounted to NOK 2,095.4 million (1,730.5). The loss ratio improved to 71.4 (71.8), mainly driven by a 5.4 percentage point decrease in the underlying frequency loss ratio, partly offset by higher large losses and lower run-off gains. The improvement in the underlying frequency loss ratio was due to fewer claims as a result of the impact of the Covid-19 situation on motor, accident, home content and health insurance. Effective pricing measures in the commercial lines also contributed to the improvement. Travel insurance was significantly impacted by higher claims in the first quarter. The pandemic had a slightly positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 428.4 million (354.8). The increase was driven by depreciation of the Norwegian krone, lower commissions received from the discontinued quota share and impairment of receivables. Underlying expenses remained broadly stable measured in local currency. The cost ratio was 14.6 (14.7).

Development during the quarter

The underwriting result was NOK 236.7 million (221.1). The increase was driven by premium growth, a lower underlying frequency loss ratio, and depreciation of the Norwegian krone against the Danish krone, partly offset by higher large losses and lower run-off gains. The combined ratio was 84.1 (81.8).

Earned premiums amounted to NOK 1,492.1 million (1,212.9). Measured in local currency, earned premiums increased by 8.3 per cent, mainly due to portfolio growth in the commercial lines. Adjusted for the discontinuation of a quota share reinsurance contract as well as the transfer of a product portfolio from Private to the Danish segment, the underlying growth in local currency was 3.9 per cent. Premium growth was subdued in the quarter as a result of lower demand for travel insurance due to travel restrictions.

Claims incurred amounted to NOK 1,039.0 million (811.0). The loss ratio increased to 69.6 (66.9), driven by higher large losses and lower run-off gains. This was partly offset by a 5.1 percentage point decrease in the underlying frequency loss ratio, driven by fewer claims related to motor, accident, home content and health insurance as a result of the pandemic. Effective pricing measures in the commercial lines also contributed to the improvement. The Covid-19 situation had a positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 216.4 million (180.8). The increase was driven by depreciation of the Norwegian krone, lower commissions received from the discontinued quota share and impairment of receivables. Underlying operating expenses remained stable measured in local currency. The cost ratio was 14.5 (14.9).

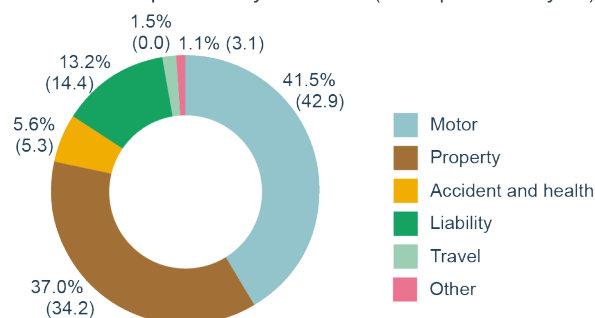
General Insurance Denmark

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums	1,492.1	1,212.9	2,936.4	2,409.2	4,960.1
Claims incurred etc.	(1,039.0)	(811.0)	(2,095.4)	(1,730.5)	(3,642.0)
Operating expenses	(216.4)	(180.8)	(428.4)	(354.8)	(718.8)
Underwriting result	236.7	221.1	412.6	323.9	599.3
Amortisation and impairment losses of excess value – intangible assets	(15.2)	(35.3)	(40.0)	(71.9)	(142.9)
Large losses ¹	90.0	17.3	102.3	17.3	77.3
Run-off gains/(losses) ¹	33.5	66.5	67.6	107.5	174.9
Earned premiums in local currency (DKK) ¹	1,009.5	931.9	2,040.2	1,848.2	3,759.6
Loss ratio ¹	69.6%	66.9%	71.4%	71.8%	73.4%
Underlying frequency loss ratio ¹	65.9%	70.9%	70.2%	75.6%	75.4%
Cost ratio ¹	14.5%	14.9%	14.6%	14.7%	14.5%
Combined ratio ¹	84.1%	81.8%	86.0%	86.6%	87.9%

¹ Defined as an alternative performance measure (APM). APMS are described at www.gjensidige.no/reporting in a document named APMS Gjensidige Forsikring Group Q2 2020.

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 5.5 million (35.5). The decrease in the underwriting result was mainly driven by an increase in large losses and the underlying frequency loss ratio, partly offset by higher run-off gains. The combined ratio was 99.3 (94.9).

Earned premiums increased to NOK 776.6 million (698.8). Measured in local currency, earned premiums increased by 2.1 per cent, reflecting price and volume growth in the commercial lines, partly offset by lower volumes in the private lines.

Claims incurred amounted to NOK 627.4 million (535.1). The loss ratio increased to 80.8 (76.6), mainly due to higher large losses but also reflecting a 0.8 percentage point increase in the underlying frequency loss ratio. This was driven by an increase in the loss ratio of payment protection insurance, partly offset by a positive development for property and liability insurance.

The Covid-19 pandemic had a slightly negative impact on the segment's overall underwriting result.

Operating expenses increased to NOK 143.7 million (128.2), reflecting the depreciation of the Norwegian krone and higher marketing, IT and commission costs. The cost ratio was 18.5 per cent (18.3).

Development during the quarter

The underwriting result was minus NOK 15.5 million (plus 13.7). The decrease was driven by higher large losses and operating expenses, partly offset by higher run-off gains. The combined ratio was 103.9 (96.0).

Earned premiums increased to NOK 400.3 million (345.9). Measured in local currency, earned premiums increased by 2.4 per cent, reflecting price and volume growth in the commercial lines, partly offset by lower volumes in the private lines.

Claims incurred amounted to NOK 336.0 million (272.8). The loss ratio increased to 83.9 (78.9), reflecting higher large losses, partly offset by higher run-off gains. The underlying frequency loss ratio was in line with the same quarter last year, with higher claims related to payment protection insurance, partly offset by lower motor claims. The Covid-19 pandemic had a negative impact on the segment's overall underwriting result.

Operating expenses increased to NOK 79.7 million (59.4), reflecting the depreciation of Norwegian Krone, higher marketing IT and commission costs. The cost ratio was 19.9 per cent (17.2).

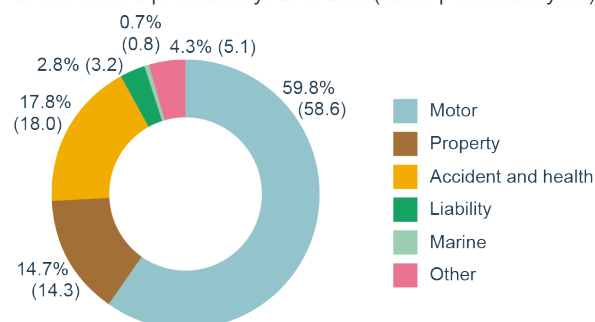
General Insurance Sweden

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums	400.3	345.9	776.6	698.8	1,405.8
Claims incurred etc.	(336.0)	(272.8)	(627.4)	(535.1)	(1,058.6)
Operating expenses	(79.7)	(59.4)	(143.7)	(128.2)	(271.3)
Underwriting result	(15.5)	13.7	5.5	35.5	75.9
Amortisation and impairment losses of excess value – intangible assets	(17.1)	(16.0)	(33.3)	(32.7)	(63.9)
Large losses ¹	30.0	0.0	30.0	0.0	0.0
Run-off gains/(losses) ¹	19.5	7.8	32.2	25.8	31.6
Earned premiums in local currency (SEK) ¹	387.2	378.0	770.9	755.3	1,511.0
Loss ratio ¹	83.9%	78.9%	80.8%	76.6%	75.3%
Underlying frequency loss ratio ¹	81.3%	81.1%	81.1%	80.3%	77.5%
Cost ratio ¹	19.9%	17.2%	18.5%	18.3%	19.3%
Combined ratio ¹	103.9%	96.0%	99.3%	94.9%	94.6%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

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 53.1 million (20.1), driven by a lower underlying frequency loss ratio, partly offset by lower run-off gains. The combined ratio was 91.1 (96.3).

Earned premiums amounted to NOK 595.5 million (544.8). Measured in local currency, earned premiums decreased by 1.0 per cent, reflecting lower volume in the travel and motor insurance lines, and lower prices for motor insurance due to fierce competition.

Claims incurred amounted to NOK 368.0 million (356.0). The loss ratio decreased to 61.8 (65.3). The underlying frequency loss ratio improved by 6.7 percentage points, mainly due to favourable weather conditions in the first quarter and lower claims incurred in the motor and health insurance lines as a result of the pandemic restrictions. This was partly offset by an increase in claims in the travel and suretyship insurance lines. The Covid-19 situation had a positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 174.5 million (168.7), reflecting the depreciation of the Norwegian krone, lower sales expenses and cost-saving initiatives. The cost ratio was 29.3 (31.0).

Development during the quarter

The underwriting result amounted to NOK 47.8 million (14.4), primarily driven by an improved underlying frequency loss ratio. Run-off gains were higher than in the same quarter last year. The combined ratio was 83.9 (94.8).

Earned premiums amounted to NOK 297.4 million (276.6). Measured in local currency, earned premiums decreased by 5.3 per cent, reflecting lower sales in the motor insurance line due to lower prices as a result of fierce competition and lower volume for motor and travel insurance due to the pandemic restrictions.

Claims incurred amounted to NOK 165.0 million (178.5). The loss ratio decreased to 55.5 (64.5), reflecting a 7.0 percentage point improvement in the underlying frequency loss ratio. This was mainly due to lower claims for the motor and health insurance lines due to the pandemic restrictions. The Covid-19 situation had a positive impact on the segment's overall underwriting result.

Operating expenses amounted to NOK 84.6 million (83.7), reflecting the depreciation of the Norwegian krone, lower sales expenses and cost-saving initiatives. The cost ratio was 28.4 (30.3).

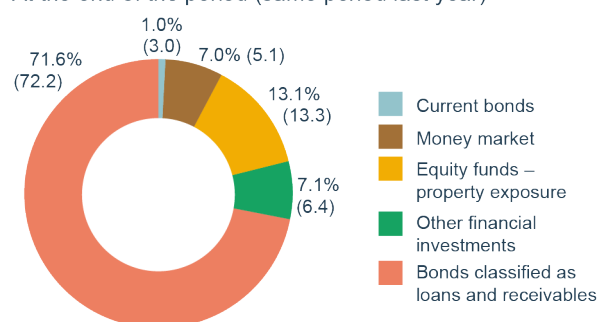
General Insurance Baltics

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums	297.4	276.6	595.5	544.8	1,126.9
Claims incurred etc.	(165.0)	(178.5)	(368.0)	(356.0)	(728.7)
Operating expenses	(84.6)	(83.7)	(174.5)	(168.7)	(337.3)
Underwriting result	47.8	14.4	53.1	20.1	60.9
Amortisation and impairment losses of excess value – intangible assets	(4.1)	(3.6)	(8.0)	(7.3)	(14.7)
Large losses ¹	0.0	0.0	0.5	0.0	0.0
Run-off gains/(losses) ¹	11.6	5.1	4.8	21.0	35.8
Earned premiums in local currency (EUR) ¹	27.0	28.5	55.4	56.0	114.4
Loss ratio ¹	55.5%	64.5%	61.8%	65.3%	64.7%
Underlying frequency loss ratio ¹	59.4%	66.4%	62.5%	69.2%	67.8%
Cost ratio ¹	28.4%	30.3%	29.3%	31.0%	29.9%
Combined ratio ¹	83.9%	94.8%	91.1%	96.3%	94.6%

¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

Asset allocation in the group policy portfolio

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



Pension

Year-to-date development

The profit before tax expense was NOK 69,3 million (92,8). The decrease was due to lower net financial income and higher operating expenses.

Administration fees and insurance income were NOK 77.7 million (75.3) and NOK 43.2 million (42.8) respectively. The growth was somewhat subdued following the loss of one large client during the first quarter.

Management income increased to NOK 86.5 million (79.2) mainly as a result of higher assets under management than in the same period last year. The growth in management income was somewhat subdued following a decrease in assets under management towards the end of the first quarter, as a result of the financial turmoil.

Operating expenses increased to NOK 150.9 million (127.3), mainly driven by increased depreciation as a result of a shortened depreciation timeframe for IT-investments. Higher head counts in response to the growth in business volume also had an impact on operating expenses.

Net financial income, including returns on both the group policy portfolio and the corporate portfolio, amounted to NOK 12.9 million (22.8). The decrease was due to non-recurring gains from divestments last year and modest returns in the first quarter following the financial turmoil.

The recognised return on the paid-up policy portfolio was 0,5 per cent (1.7). The average annual interest guarantee was 3.4 per cent.

Assets under management decreased by NOK 204.1 million from year end 2019. This was due to the loss of one large account and the negative development in the financial markets.

Total pension assets under management amounted to NOK 37,131.0 million (34,167.4) including the group policy portfolio of NOK 7,376.1 million (6,946.2).

Development during the quarter

The pension segment reported a profit before tax expense of NOK 33.6 million (39.4). The Covid-19 pandemic had a negligible impact on the segment's results for the quarter.

Administration fees were NOK 38.9 million (37.7) and insurance income was NOK 20.1 million (21.4). Management income was NOK 42.9 million (40.4) due to growth in assets under management.

Operating expenses were NOK 76.4 million (64.3) for the same reasons as described above.

Net financial income was NOK 8.1 million (4.1) as a result of good returns on real estate investments and the recovery of the financial markets.

Pension

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Administration fees	38.9	37.7	77.7	75.3	152.3
Insurance income	20.1	21.4	43.2	42.8	111.4
Management income etc.	42.9	40.4	86.5	79.2	167.2
Operating expenses	(76.4)	(64.3)	(150.9)	(127.3)	(275.6)
Net operating income	25.5	35.3	56.4	69.9	155.3
Net financial income	8.1	4.1	12.9	22.8	41.5
Profit/(loss) before tax expense	33.6	39.4	69.3	92.8	196.9
Run-off gains/(losses) ¹	0.0	0.0	0.0	0.0	0.0
Operating margin ¹	25.06%	35.44%	27.22%	35.46%	36.05%
Recognised return on the paid-up policy portfolio ²			0.47 %	1.74 %	4.34 %
Value-adjusted return on the paid-up policy portfolio ³			(0.01 %)	2.18 %	4.72 %

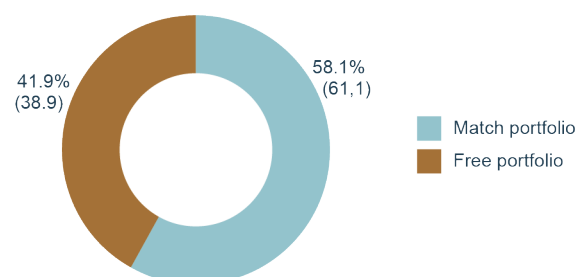
¹ Defined as an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

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

Portfolio split

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



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

The Covid-19 pandemic caused a significant downturn in the financial markets towards the end of the first quarter, resulting in a broad decline in most asset classes. This changed in the second quarter, although the market has not yet fully recovered.

At the end of the period, the investment portfolio totalled NOK 63.0 billion (56.6). The financial result for the period was minus NOK 360.8 million (plus 1,195.1), which corresponds to a return on total assets of minus 0.6 per cent (plus 2.1).

Financial assets and properties

NOK millions	Result Q2		Result 1.1.-30.6.		Carrying amount 30.6.	
	2020	2019	2020	2019	2020	2019
<i>Match portfolio</i>						
Money market	72.1	20.7	68.6	47.4	4,968.4	5,080.4
Bonds at amortised cost	130.9	144.7	275.2	287.2	15,026.6	15,841.0
Current bonds ¹	134.7	5.1	(345.4)	68.4	16,588.6	13,665.6
Match portfolio total	337.7	170.5	(1.5)	403.0	36,583.6	34,587.0
<i>Free portfolio</i>						
Money market	29.6	13.4	60.0	26.4	9,008.0	4,710.8
Other bonds ²	280.4	103.6	237.9	173.5	6,435.9	4,860.9
High yield bonds ³	12.2	23.4	(81.0)	64.9	507.5	1,061.1
Convertible bonds ³	163.8	36.6	(110.7)	94.2	1,141.7	1,393.0
Current equities ⁴	133.0	48.6	(391.2)	246.9	2,000.1	2,818.1
PE funds	165.7	59.0	(99.0)	106.8	1,276.1	1,334.8
Properties	64.2	107.2	108.0	151.9	4,895.9	4,657.4
Other ⁵	(28.0)	(49.5)	(83.3)	(72.6)	1,157.0	1,214.7
Free portfolio total	820.8	342.4	(359.3)	792.1	26,422.2	22,050.8
Financial result from the investment portfolio ⁶	1,158.5	512.9	(360.8)	1,195.1	63,005.9	56,637.8
Financial income in Pension	8.1	4.1	12.9	22.8		
Interest expense on subordinated debt Gjensidige Forsikring ASA	(7.9)	(8.7)	(18.2)	(17.1)		
Interest expense on the lease liability	(7.4)	(7.9)	(15.7)	(15.9)		
Realised gains on subsidiaries				1,584.5		
Net income from investments	1,151.3	500.5	(381.8)	2,769.4		

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

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

³ Investments in internationally diversified funds that are externally managed.

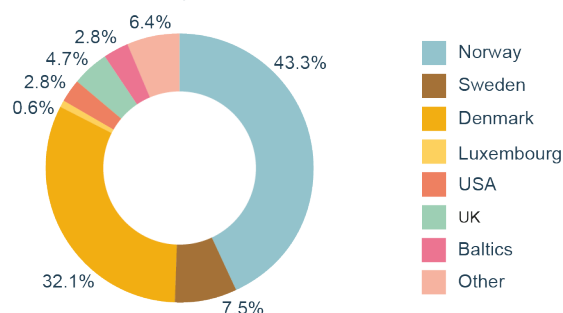
⁴ Investments mainly in internationally diversified funds that are externally managed. The equity risk exposure is reduced by NOK 864.4 million due to derivatives.

⁵ The item includes currency hedging related to Gjensidige Sweden, Denmark and Baltics, 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 an alternative performance measure (APM). APMs are described at www.gjensidige.no/reporting in a document named APMs Gjensidige Forsikring Group Q2 2020.

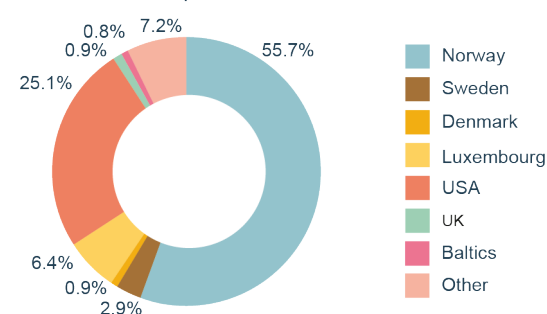
Geographic distribution match portfolio

At the end of the period



Geographic distribution fixed income instruments in free portfolio

At the end of the period



Match portfolio

The match portfolio amounted to NOK 36.6 billion (34.6). The portfolio yielded a return of 0.0 per cent (1.2), excluding changes in the value of bonds recognised at amortised cost. The main drivers of the flat return were increased credit spreads (negative contribution), a fall in interest rates (positive contribution) and some de-risking during the period of falling markets (negative contribution). Bonds recognised at amortised cost amounted to NOK 15.0 billion (15.8). Unrealised excess value amounted to NOK 1.1 billion (0.9) at the end of the period.

The reinvestment rate for new investments in the portfolio of bonds held at amortised cost was approximately 3.4 per cent on average in the first half-year, while the running yield on the portfolio of bonds held at amortised cost was 3.4 per cent at the end of the period.

The average duration of the match portfolio was 3.4 years. The average term to maturity for the corresponding insurance liabilities was 3.9 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 7.9 billion (8.8). Of these securities, 4.7 per cent (5.7) 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 2.3 per cent (6.4) of the match portfolio. The geographical distribution³ of the match portfolio is shown in the chart above.

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

Return per asset class

Per cent	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Match portfolio					
Money market	1.5	0.4	1.4	0.9	1.8
Bonds at amortised cost	0.9	0.9	1.9	1.8	5.0
Current bonds ¹	0.8	0.0	(2.2)	0.5	0.6
Match portfolio total	0.9	0.5	(0.0)	1.2	2.8
Free portfolio					
Money market	0.3	0.2	0.7	0.5	1.0
Other bonds ²	4.4	1.9	4.2	3.6	4.9
High yield bonds ³	4.1	2.2	(16.2)	6.9	10.5
Convertible bonds ⁴	16.4	2.9	(7.9)	8.6	12.3
Current equities ⁴	6.8	1.8	(16.2)	9.2	15.6
PE funds	14.2	4.5	(8.2)	8.0	6.9
Properties	1.3	2.3	2.2	3.3	8.0
Other ⁵	(2.7)	(4.6)	(6.6)	(7.5)	(12.1)
Free portfolio total	3.2	1.5	(1.4)	3.7	6.0
Return on financial assets ⁶	1.9	0.9	(0.6)	2.1	4.1

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

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

³ Investments in internationally diversified funds that are externally managed.

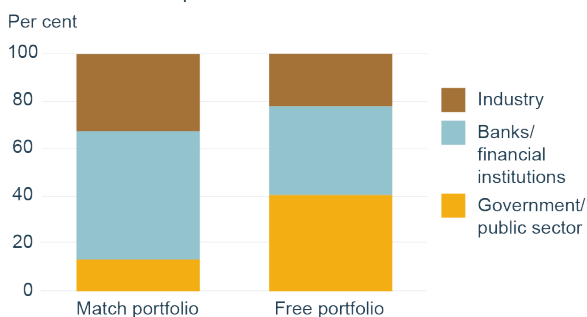
⁴ Investments mainly in internationally diversified funds that are externally managed. The equity risk exposure is reduced by NOK 864.4 million due to derivatives.

⁵ The item includes currency hedging related to Gjensidige Sweden, Denmark and Baltics, lending, paid-in capital in Gjensidige Pensjonskasse, profit/loss effects from a total return swap with Gjensidige Pensjonskasse, hedge funds and finance-related expenses.

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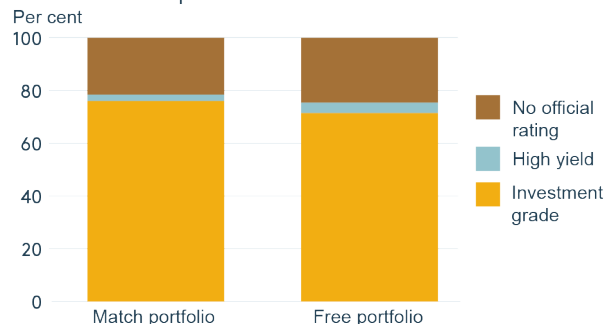
Counterparty risk fixed income instruments

At the end of the period



Credit rating fixed income instruments

At the end of the period



Free portfolio

The free portfolio amounted to NOK 26.4 billion (22.1) at the end of the period. The return was minus 1.4 per cent (plus 3.7).

Weak equity-markets and credit-spread widening in combination with somewhat lower market risk exposure in the second quarter were the main drivers of the negative return.

Fixed-income instruments

The fixed-income instruments in the free portfolio amounted to NOK 17.1 billion (12.0), of which money market investments, including cash, accounted for NOK 9.0 billion (4.7). 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 0.7 per cent (3.0), which was negatively affected by increased credit spreads.

At the end of the period, the average duration in the portfolio was approximately 3.9 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 4.2 billion (2.7). Of these securities, 9.3 per cent (12.0) were issued by Norwegian savings banks, while the remainder were mostly issued by industry and municipalities. The geographical distribution⁴ of the fixed-income instruments in the free portfolio is shown in the chart on the previous page.

Equity portfolio

The total equity exposure at the end of the period was NOK 3.3 billion (4.2), of which NOK 2.0 billion (2.8) consisted of current equities and NOK 1.3 billion (1.3) of PE funds. The return on current equities was minus 16.2 per cent (plus 9.2). PE funds generated a return of minus 8.2 per cent (plus 8.0).

Property portfolio

At the end of the period, the exposure to commercial real estate in the portfolio was NOK 4.9 billion (4.7). The property portfolio yielded a return of 2.2 per cent (3.3).

Development during the quarter

The financial result for the total investment portfolio was NOK 1,158.5 million (512.9) in the quarter. This corresponds to a return on financial assets of 1.9 per cent (0.9).

The match portfolio yielded 0.9 per cent (0.5), excluding changes in the value of the portfolio valued at amortised cost. The return on the free portfolio was 3.2 per cent (1.5).

All asset classes contributed positively in the second quarter, reflecting lower interest rates and credit spreads in combination with strong equity markets.

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

Key risk and uncertainty factors

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

Insurance risk

Gjensidige's core business is general insurance, and the risk related to non-life and health insurance risk is therefore a major part of the risk to which Gjensidige is exposed. Gjensidige is also exposed to life insurance risk through its operations in Gjensidige Pensjonsforsikring AS.

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

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

The Group continuously endeavours to set the technical provisions at the correct level. There is nonetheless an inherent risk that the technical provisions will be insufficient. To reduce this risk, regular efforts are made to improve the actuarial methods used. In addition, both external actuaries and the actuarial function are used to conduct independent reviews of the level of provisions.

Reinsurance is purchased to protect the company against major individual events such as natural disasters and large individual losses.

Financial risk

Financial risk is a collective term for various types of risk relating to financial assets and liabilities. Financial risk is the risk of experiencing losses due to changes in macroeconomic conditions and/or changes in financial asset values and liabilities. The primary purpose of the investment operations is to support the insurance business by securing the value of insurance liabilities against fluctuations in market variables. Free assets are invested to contribute to the Group's overall profitability goals, with a controlled downside risk. The investment strategy is approved by the Board and sets limits on the allocation of investment assets. The investment strategy defines several risk limitations, both at the aggregate level and on different types of risks and investments, in order to achieve a diversified investment portfolio. Financial performance and risk positions are continuously monitored. A large proportion of highly liquid assets makes it possible to quickly adapt the risk level.

The liquidity risk is quite limited for most general insurers. Premium income is paid up-front, and claims are paid out at a later stage. Future payments are not based on contractual

payment dates, but rather on when claims arise and how long the claims handling takes.

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

Operational risk

Operational risk is the risk of potential incidents or events that may arise and have financial consequences and/or negative consequences for our reputation. Operational risk can be due to human error, weaknesses in systems, faults in processes or external events. This also includes the risk of non-compliance with external and internal regulations. To reduce the risk, emphasis has been placed on having well-defined and clear lines of reporting and a clear division of responsibility in the organisation. Operational incidents are continuously reported and followed-up.

Strategic and business risk

Strategic and business risk is the risk of losses due to inability to establish or carry out business plans and strategies, make decisions, allocate resources or respond to external changes. Risk is managed by identifying, assessing and handling the most important strategic and business risks. As part of the company's strategy process, global trends and scenarios are identified and assessed in terms of how they might impact competition and framework conditions.

Covid-19

The ongoing pandemic and the measures taken by the authorities to reduce the infection rate have triggered significant turmoil in the financial markets.

The situation has had a limited impact on Gjensidige's insurance operations so far, with higher claims for travel insurance, compensated by lower claims for several other insurance products because of lower activity. Moving into the second half of 2020, the increase in economic activity and domestic leisure activities is expected to bring claims back to a more normal pattern.

Gjensidige made assessments of potential direct and indirect impacts of covid-19 at a granular level in the early phase of the outbreak. Analyses of both expected effects and stress-scenarios have been done for specific product lines. The impact of the pandemic is also considered for the continuous forecasting and portfolio steering processes. Although certain insurance products are to some extent impacted, the overall effect is expected to be limited.

Gjensidige has a well-diversified insurance portfolio, where the most significant risk factors will not be influenced by the pandemic. Fires, car accidents and weather events are typically key risk factors for claims development, random in their nature and mostly independent from an event such as a pandemic. For business interruption coverages in general, pandemics are specifically excluded or clearly linked to specific claims causes such as fire and water damages. Naturally a long lasting or comprehensive development in the pandemic situation may have a significant negative effect on economic growth and, in turn, impact insurance volumes. Further, a significant and persistent increase in unemployment could increase claims cost for disability insurance, however this constitutes a relative limited part of Gjensidige's exposure. The insurance portfolio to a large extent consists of one-year contracts that enables the insurer to change prices and coverages in line with expectations for future claims development. However, the full effect from price

increases on earned premiums will take 12-24 months depending on the renewal pattern.

From an operational perspective Gjensidige's business has also been impacted by the situation. Multiple precautionary measures have been taken, including a transition to remote work for the majority of employees, and very stringent travel restrictions. However, all critical business functions and operations have been maintained. Significant turmoil in the capital markets led to negative financial returns in the first quarter. There is still uncertainty about the further development of the pandemic and the impact on the financial markets. Gjensidige has a strong capital position and is well-equipped to withstand further negative market movements.

Organisation

The Group had a total of 3,620 employees at the end of the second quarter, compared with 3,638 at the end of the first quarter.

The composition of the Group's employees was as follows: 1,879 (1,890) in general insurance operations in Norway, 73 (72) in Gjensidige Pensjonsforsikring, 729 (726) in Denmark, 247 (241) in Sweden and 692 (709) in the Baltic states (excluding agents). The figures in brackets refer to the number of employees at the end of the first quarter.

Events after the balance sheet date

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

Dividend

Gjensidige Forsikring ASA's Annual General Meeting was held on 25 May. The Board did not propose any dividend for the 2019 financial year, due to the pronounced expectation of regulators that financial institutions would halt dividends payments until the significant uncertainty related to economic developments is reduced. It is the Board's intention to distribute dividends to shareholders as soon as the situation allows.

Strategy and outlook

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

- A combined ratio of 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 approximately NOK 1 billion are still expected through 2022
- A cost ratio <15 per cent
- A solvency margin based on the Partial Internal Model (both the regulatory approved model and the model with internal calibration) of 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 losses and run-off gains or losses could contribute to a combined ratio that is above or below the annual target range. Given the negative return on the investment portfolio in the first quarter of 2020, and the solvency ratio being significantly above

the target range, the Group's return on equity target is not expected to be achieved for the 2020 fiscal year.

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. A fundamental prerequisite for long term value creation is sustainable choices and solutions.

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 and Baltic countries over time. In addition, profitable growth will be achieved by pursuing a disciplined acquisition strategy, as has been done successfully in the past.

The Covid-19 pandemic outbreak has had a significant impact on the financial result, while the impact on Gjensidige's insurance operations so far has been limited. Higher claims for travel insurance have been compensated by lower claims for several other insurance products because of lower activity. Moving into the second half of 2020, the increase in economic activity and domestic leisure activities is expected to bring claims back to a more normal pattern. A long lasting or comprehensive development in the pandemic situation may have a significant negative effect on economic growth and, in turn, impact insurance volumes. Further, a significant and persistent increase in unemployment could increase claims cost for disability insurance, however this constitutes a relative limited part of the Gjensidige's exposure. The insurance portfolio consists to a large extent of one-year contracts that enables the insurer to change prices and coverages in line with expectations for future claims development.

In the next few years it is expected that Gjensidige's business model and the market participants will broadly stay the same. Gjensidige has different positions and preconditions for further growth and development in the segments. Best practices will be implemented across segments where natural and expedient. Profitability will be prioritised over growth.

A key strategic priority for the next few years is maintaining and cultivating the direct customer relationship. Gjensidige aims to achieve greater relevance and create sales opportunities by offering customers a broader value proposition than ever before – in terms of both services and products, alone or in partnership with other providers. The goal is to become an even better and more relevant partner for customers – a problem-solver with a stronger focus on claims prevention – and thereby further strengthening the customer relationship.

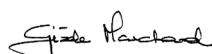
Continued investments in technology and data are key to reducing cost and achieving enhanced functionality and flexibility. This is necessary to enable a more flexible partner integration and product modularity. The launch of next generation tariffs and CRM and investments in a new core system and IT infrastructure are important in order to succeed in becoming an analytics-driven company. This will result in better customer experiences, more efficient operations and create sufficient capacity for innovation. Gjensidige has started the process of developing and configuring its new core IT system. The investment is expected to be handled within the current cost ratio target, and will be made step-by-step, starting with Denmark.

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 high 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 very strong.

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, 13 July 2020
The Board of Gjensidige Forsikring ASA



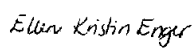
Gisele Marchand

Chair of the Board



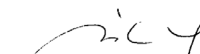
Eivind Elnan

Board member



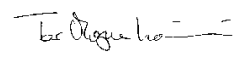
Ellen Kristin Enger

Board member



Vibeke Krag

Board member



Tor Magne Lønnum

Board member



Hilde M. Nafstad

Board member




Ruben Pettersen

Board member



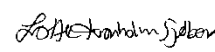
Terje Seljeseth

Board member



Gunnar Robert Sellæg

Board member



Lotte K. Sjøberg

Board member



Helge Leiro Baastad

CEO

Consolidated income statement

NOK millions	Notes	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Operating income						
Earned premiums from general insurance	4	6,765.3	6,082.8	13,335.8	12,019.5	24,650.4
Earned premiums from pension		208.8	197.0	426.8	401.9	880.0
Other income including eliminations		43.5	42.0	87.6	82.2	171.6
Total operating income	3	7,017.5	6,321.7	13,850.2	12,503.6	25,702.0
Net income from investments						
Results from investments in associates and joint ventures		52.1	92.2	78.8	123.0	309.2
Interest income and dividend etc. from financial assets		251.4	258.8	531.3	518.4	1,043.4
Net changes in fair value on investments (incl. property)		1,570.0	215.4	(632.9)	837.0	1,453.7
Net realised gain and loss on investments		(680.3)	(15.4)	(264.2)	1,388.4	1,282.9
Interest expenses and expenses related to investments		(41.9)	(50.6)	(94.7)	(97.4)	(228.8)
Total net income from investments		1,151.3	500.5	(381.8)	2,769.4	3,860.3
Total operating income and net income from investments		8,168.9	6,822.2	13,468.5	15,273.0	29,562.2
Claims						
Claims incurred etc. from general insurance	5, 6	(4,440.8)	(3,916.4)	(8,965.0)	(8,173.3)	(16,978.6)
Claims incurred etc. from pension		(149.8)	(137.8)	(306.0)	(283.9)	(616.3)
Total claims		(4,590.6)	(4,054.3)	(9,271.0)	(8,457.1)	(17,594.9)
Operating expenses						
Operating expenses from general insurance		(980.6)	(908.7)	(1,969.4)	(1,790.6)	(3,635.4)
Operating expenses from pension		(76.4)	(64.3)	(150.9)	(127.3)	(275.6)
Other operating expenses		(0.9)	(8.7)	(1.6)	(19.1)	(46.2)
Amortisation and impairment losses of excess value - intangible assets		(43.7)	(63.3)	(95.8)	(125.4)	(256.4)
Total operating expenses		(1,101.6)	(1,045.0)	(2,217.8)	(2,062.3)	(4,213.6)
Total expenses		(5,692.1)	(5,099.3)	(11,488.7)	(10,519.4)	(21,808.5)
Profit/(loss) before tax expense	3	2,476.8	1,722.9	1,979.7	4,753.6	7,753.8
Tax expense		(524.7)	(381.4)	(506.9)	(664.0)	(1,197.6)
Profit/(loss) from continuing operations		1,952.1	1,341.5	1,472.8	4,089.6	6,556.1
Profit/(loss) from discontinued operations					37.6	37.6
Profit/(loss) from continuing and discontinued operations		1,952.1	1,341.5	1,472.8	4,127.2	6,593.8
Profit/(loss) attributable to:						
Owners of the company continuing operations		1,952.1	1,341.5	1,472.8	4,089.5	6,556.1
Owners of the company discontinued operations					37.6	37.6
Non-controlling interests					0.1	0.1
Total		1,952.1	1,341.5	1,472.8	4,127.2	6,593.8
Earnings per share from continuing and discontinued operations, NOK (basic and diluted)		3.90	2.68	2.95	8.25	13.19
Earnings per share from continuing operations, NOK (basic and diluted)		3.90	2.68	2.95	8.18	13.11

Consolidated statement of comprehensive income

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Profit/(loss) from continuing and discontinued operations	1,952.1	1,341.5	1,472.8	4,127.2	6,593.8
Other comprehensive income					
Other comprehensive income that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset			(141.7)		(117.1)
Share of other comprehensive income of associates and joint ventures			(0.8)		
Tax on other comprehensive income that will not be reclassified subsequently to profit or loss			35.4		29.3
Total other comprehensive income that will not be reclassified subsequently to profit or loss			(107.0)		(87.9)
Other comprehensive income that will be reclassified subsequently to profit or loss					
Exchange differences from foreign operations	(464.4)	13.3	654.4	(189.7)	(67.3)
Tax on other comprehensive income that will be reclassified subsequently to profit or loss	78.5	(0.7)	(103.8)	34.0	17.1
Total other comprehensive income that will be reclassified subsequently to profit or loss	(385.9)	12.6	550.6	(155.7)	(50.2)
Total other comprehensive income from continuing operations	(385.9)	12.6	443.6	(155.7)	(138.1)
Comprehensive income from continuing and discontinued operations	1,566.2	1,354.1	1,916.4	3,971.5	6,455.7
Comprehensive income attributable to:					
Owners of the company continuing operations	1,566.2	1,354.1	1,916.4	3,933.8	6,418.0
Owners of the company discontinued operations				37.6	37.6
Non-controlling interests				0.1	0.1
Total	1,566.2	1,354.1	1,916.4	3,971.5	6,455.7

Consolidated statement of financial position

NOK millions	Notes	30.6.2020	30.6.2019	31.12.2019
Assets				
Goodwill		3,877.3	3,506.5	3,554.6
Other intangible assets		1,153.5	1,222.2	1,124.8
Investments in associates and joint ventures		3,408.3	3,096.5	3,318.6
Owner-occupied and right-of-use property, plant and equipment		1,347.2	1,413.5	1,264.9
Pension assets		157.1	156.6	244.3
Financial assets				
Interest-bearing receivables from joint ventures	8	2,415.9	2,439.8	2,401.4
Financial derivatives	8	1,190.3	685.5	934.1
Shares and similar interests	8	4,661.3	6,077.9	6,551.6
Bonds and other securities with fixed income	8	36,740.2	28,745.1	30,992.4
Bonds held to maturity	8	193.8	217.6	210.7
Loans and receivables	8	20,379.6	20,933.9	19,963.3
Assets in life insurance with investment options	8	29,695.2	27,135.1	29,989.4
Receivables related to direct operations and reinsurance	8	8,479.6	7,748.6	7,097.6
Other assets and receivables	8	598.4	949.0	1,192.0
Cash and cash equivalents	8	3,130.9	2,125.4	2,419.5
Other assets				
Deferred tax assets		22.8	12.5	21.2
Reinsurers' share of insurance-related liabilities in general insurance, gross		1,340.0	1,265.5	1,072.5
Prepaid expenses and earned, not received income		81.2	150.9	53.2
Total assets		118,872.5	107,882.0	112,405.9
Equity and liabilities				
Equity				
Share capital		1,000.0	1,000.0	1,000.0
Share premium		1,430.0	1,430.0	1,430.0
Natural perils capital		2,725.4	2,560.9	2,676.3
Guarantee scheme provision		676.3	653.9	676.3
Other equity		22,248.5	18,087.0	20,409.0
Total equity attributable to owners of the company		28,080.2	23,731.7	26,191.6
Non-controlling interests		0.6	0.6	0.6
Total equity		28,080.8	23,732.3	26,192.2
Insurance liabilities				
Premium reserve in life insurance		7,136.6	6,648.0	6,896.1
Provision for unearned premiums, gross, in general insurance		13,881.2	12,583.0	10,499.1
Claims provision, gross	7	28,600.3	28,227.8	28,164.8
Other technical provisions		362.5	398.3	410.4
Financial liabilities				
Subordinated debt	8	1,498.6	1,498.2	1,498.4
Financial derivatives	8	1,017.5	714.3	641.0
Interest-bearing liabilities	8			
Liabilities in life insurance with investment options	8	29,695.2	27,135.1	29,989.4
Other financial liabilities	8	3,238.6	2,417.8	2,735.4
Liabilities related to direct insurance and reinsurance	8	737.9	828.6	709.4
Other liabilities				
Pension liabilities		668.7	561.7	610.6
Lease liability		1,131.4	1,231.2	1,125.1
Other provisions		226.3	243.4	297.3
Current tax		1,138.7	218.2	1,046.1
Deferred tax liabilities		990.5	1,034.5	1,168.6
Accrued expenses and deferred income		467.8	409.6	422.0
Total liabilities		90,791.6	84,149.7	86,213.7
Total equity and liabilities		118,872.5	107,882.0	112,405.9

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 31.12.2018 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.-31.12.2019									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					53.9			6,539.8	6,593.7
Total other comprehensive income				0.0		(50.1)	(87.9)		(138.1)
Comprehensive income				0.0	53.9	(50.1)	(87.9)	6,539.8	6,455.6
Transactions with owners of the company									
Own shares		0.0						(9.2)	(9.2)
Paid dividend								(3,549.9)	(3,549.9)
Remeasurement of the net defined benefit liability/asset of liquidated companies							4.4	(4.4)	
Equity-settled share-based payment transactions				4.8				4.6	9.4
Perpetual Tier 1 capital					(445.5)			(0.6)	(446.2)
Perpetual Tier 1 capital - interest paid					(51.4)				(51.4)
Total transactions with owners of the company				4.8	(496.9)		4.4	(3,559.6)	(4,047.3)
Equity as at 31.12.2019 attributable to owners of the company	1,000.0	0.0	1,430.0	69.5	1,002.3	565.9	(2,058.1)	24,182.1	26,191.6
Non-controlling interests as at 31.12.2019									0.6
Equity as at 31.12.2019									26,192.2
1.1.-30.6.2020									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					25.9			1,446.9	1,472.8
Total other comprehensive income				0.7		549.2	(105.6)	(0.8)	443.6
Comprehensive income				0.7	25.9	549.2	(105.6)	1,446.1	1,916.4
Transactions with owners of the company									
Own shares		0.0						(7.1)	(7.0)
Equity-settled share-based payment transactions				6.0					6.0
Perpetual Tier 1 capital					0.3			(0.3)	
Perpetual Tier 1 capital - interest paid					(26.8)				(26.8)
Total transactions with owners of the company				6.0	(26.5)			(7.4)	(27.8)
Equity as at 30.6.2020 attributable to owners of the company	1,000.0	0.0	1,430.0	76.2	1,001.7	1,115.1	(2,163.7)	25,620.9	28,080.2
Non-controlling interests as at 30.6.2020									0.6
Equity as at 30.6.2020									28,080.8
1.1.-30.6.2019									
Comprehensive income									
Profit/(loss) (the controlling interests' share)					27.2			4,099.9	4,127.1
Total other comprehensive income				(0.1)		(155.4)	(0.1)		(155.7)
Comprehensive income				(0.1)	27.2	(155.4)	(0.1)	4,099.9	3,971.4
Transactions with owners of the company									
Own shares		0.0						(4.5)	(4.5)
Paid dividend								(3,549.9)	(3,549.9)
Remeasurement of the net defined benefit liability/asset of liquidated companies							4.4	(4.4)	
Equity-settled share-based payment transactions				(1.6)				4.6	3.0
Perpetual Tier 1 capital					(445.9)			(0.3)	(446.2)
Perpetual Tier 1 capital - interest paid					(25.4)				(25.4)
Total transactions with owners of the company		0.0		(1.6)	(471.2)		4.4	(3,554.6)	(4,023.0)
Equity as at 30.6.2019 attributable to owners of the company	1,000.0	0.0	1,430.0	63.0	1,001.3	460.6	(1,970.4)	21,747.2	23,731.7
Non-controlling interests as at 30.6.2019									0.6
Equity as at 30.6.2019									23,732.3

Consolidated statement of cash flows

NOK millions	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Cash flow from operating activities			
Premiums paid, net of reinsurance	17,831.0	16,366.5	30,499.5
Claims paid, net of reinsurance	(9,717.6)	(9,985.9)	(19,365.9)
Net payment of loans to customers		827.8	827.8
Net payment of deposits from customers		(589.9)	(589.9)
Payment of interest from customers		279.5	279.5
Payment of interest to customers		(15.0)	(15.0)
Net receipts/payments of premium reserve transfers	(1,622.5)	(1,306.7)	(2,143.7)
Net receipts/payments from financial assets	(2,857.4)	(3,974.2)	(5,822.9)
Operating expenses paid, including commissions	(1,874.9)	(2,294.7)	(4,089.7)
Taxes paid	(644.5)	(1,179.3)	(797.8)
Net other receipts/payments	2.1	(9.1)	(17.4)
Net cash flow from operating activities	1,116.2	(1,881.1)	(1,235.7)
Cash flow from investing activities			
Net receipts/payments from sale/acquisition of subsidiaries and associates/joint venture		5,275.4	5,261.9
Net receipts/payments on sale/acquisition of owner-occupied property, plant and equipment and intangible assets	(306.2)	(233.5)	(438.5)
Net cash flow from investing activities	(306.2)	5,041.9	4,823.4
Cash flow from financing activities			
Payment of dividend		(3,549.9)	(3,549.9)
Net receipts/payments on subordinated debt incl. interest	(27.2)	(22.7)	(47.5)
Net receipts/payments on loans to credit institutions		(140.9)	(140.9)
Net receipts/payments on other short-term liabilities		52.9	52.9
Net receipts/payments on interest on funding activities		(61.6)	(61.6)
Net receipts/payments on sale/acquisition of own shares	(7.0)	(4.5)	(9.2)
Repayment of lease liabilities	(93.8)	(88.8)	(161.6)
Payment of interest related to lease liabilities	(15.8)	(16.3)	(32.2)
Tier 1 interest payments	(26.8)	(26.1)	(52.1)
Net cash flow from financing activities	(170.6)	(3,857.9)	(4,002.0)
Effect of exchange rate changes on cash and cash equivalents	72.0	(17.4)	(6.1)
Net cash flow	711.4	(714.4)	(420.4)
Cash and cash equivalents at the start of the period	2,419.5	2,839.9	2,839.9
Cash and cash equivalents at the end of the period	3,130.9	2,125.4	2,419.5
Net cash flow	711.4	(714.4)	(420.4)
Specification of cash and cash equivalents			
Cash and deposits with credit institutions	3,130.9	2,125.4	2,419.5
Total cash and cash equivalents	3,130.9	2,125.4	2,419.5
Cash flows from discontinued operations			
Net cash flow from operating activities		(7.0)	(7.0)
Net cash flow from investing activities		(318.8)	(318.8)
Net cash flow from financing activities		(150.8)	(150.8)
Total cash flows from discontinued operations		(476.6)	(476.6)

Notes

1. Accounting policies

The consolidated financial statements as of the second quarter of 2020, concluded on 30 June 2020, 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 2019.

The consolidated financial statements as of the second quarter of 2020 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 2019.

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 2020. 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. The IFRS 9 will be effective 1 January 2023, 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 effective from 1 January 2023. 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 2019.

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

The group has six reportable segments, as described below, which offers different products and services within different geographical areas. The Group's reportable segments are identified based on the Group's internal reporting. The Group CEO holds regular meetings with its reporting managers for the different segments, concerning performance management, which focuses on future measures to ensure performance and deliveries.

General insurance is the Group's core activity. General insurance is divided into five segments, mainly based on the customer's geographical placement. Other operational segments deliver products and services mainly to customers in Norway.

	Segment income ²		Claims		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
Second quarter										
NOK millions	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
General Insurance Private	2,319.9	2,211.0	(1,270.9)	(1,330.9)	(302.0)	(295.9)			747.0	584.2
General Insurance Commercial	2,219.5	1,997.8	(1,475.0)	(1,288.2)	(221.9)	(216.6)			522.6	493.0
General Insurance Denmark	1,492.1	1,212.9	(1,039.0)	(811.0)	(216.4)	(180.8)			236.7	221.1
General Insurance Sweden	400.3	345.9	(336.0)	(272.8)	(79.7)	(59.4)			(15.5)	13.7
General Insurance Baltics	297.4	276.6	(165.0)	(178.5)	(84.6)	(83.7)			47.8	14.4
Pension	251.7	237.4	(149.8)	(137.8)	(76.4)	(64.3)	8.1	4.1	33.6	39.4
Eliminations etc. ¹	36.8	40.1	(154.9)	(35.0)	(120.6)	(144.3)	1,143.3	496.3	904.6	357.2
Total	7,017.5	6,321.7	(4,590.6)	(4,054.3)	(1,101.6)	(1,045.0)	1,151.3	500.5	2,476.8	1,722.9

	Segment income ²		Claims		Operating expenses		Net income from investments		Segment result/profit/(loss) before tax expense	
1.1.-30.6.										
NOK millions	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
General Insurance Private	4,566.8	4,312.5	(2,701.8)	(2,771.5)	(598.2)	(561.9)			1,266.9	979.1
General Insurance Commercial	4,391.6	3,992.1	(2,931.6)	(2,740.6)	(443.5)	(425.3)			1,016.4	826.3
General Insurance Denmark	2,936.4	2,409.2	(2,095.4)	(1,730.5)	(428.4)	(354.8)			412.6	323.9
General Insurance Sweden	776.6	698.8	(627.4)	(535.1)	(143.7)	(128.2)			5.5	35.5
General Insurance Baltics	595.5	544.8	(368.0)	(356.0)	(174.5)	(168.7)			53.1	20.1
Pension	513.3	481.1	(306.0)	(283.9)	(150.9)	(127.3)	12.9	22.8	69.3	92.8
Eliminations etc. ¹	70.0	65.2	(240.8)	(39.6)	(278.6)	(296.2)	(394.7)	2,746.6	(844.0)	2,475.9
Total	13,850.2	12,503.6	(9,271.0)	(8,457.1)	(2,217.8)	(2,062.3)	(381.8)	2,769.4	1,979.7	4,753.6

¹ Eliminations etc. consist of internal eliminations and other income and expenses not directly attributable to one single segment, and large losses of NOK 208.4 million (22.0) year-to-date and NOK 134.2 (22.0) 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 2020 and 2019.

4. Earned premiums from general insurance

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums, gross	6,910.6	6,280.6	13,626.4	12,384.6	25,371.9
Ceded reinsurance premiums	(145.4)	(197.8)	(290.6)	(365.0)	(721.5)
Total earned premiums, net of reinsurance	6,765.3	6,082.8	13,335.8	12,019.5	24,650.4

5. Claims incurred etc. from general insurance

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Gross claims	(4,470.7)	(4,059.2)	(9,200.5)	(8,383.5)	(17,396.0)
Claims, reinsurers' share	29.9	142.7	235.5	210.3	417.4
Total claims incurred etc. from general insurance	(4,440.8)	(3,916.4)	(8,965.0)	(8,173.3)	(16,978.6)

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

NOK millions	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Earned premiums from general insurance	6,765.3	6,082.8	13,335.8	12,019.5	24,650.4
Run-off gains/(losses) for the period, net of reinsurance ¹	292.8	368.9	566.3	734.5	1,363.2
In per cent of earned premiums from general insurance	4.3	6.1	4.2	6.1	5.5

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	30.6.2020	30.6.2019	31.12.2019
Claims provision, gross, as at 1 January	28,164.8	29,355.8	29,355.8
Claims for the year	9,686.6	9,048.8	18,669.8
Claims incurred in prior years, gross	(499.5)	(665.9)	(1,271.3)
Claims paid	(9,777.2)	(9,425.9)	(18,710.8)
Discounting of claims provisions	7.4	25.3	33.2
Change in discounting rate	39.5	152.3	198.1
Exchange differences	978.6	(262.7)	(110.0)
Claims provision, gross, at the end of the period	28,600.3	28,227.8	28,164.8
Discounted claims provision, gross - annuities	6,422.6	5,818.4	5,904.9
Nominal claims provision, gross - annuities	6,515.8	6,088.8	6,203.7

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

The reason why the claims provisions for annuities are discounted is due to very long cash flows and substantial future interest income. The claims for occupational injuries in Denmark are paid either as annuities or as lump-sum indemnities (which are calculated mainly as discounted annuities). Therefore, it is

most expedient to regard the whole portfolio as annuities. For Swedish MTPL personal injuries are paid as lifelong annuities. The discount rate used is a swap interest rate.

Over the next three 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 measurements date at the prevailing market conditions.

Different valuation techniques and methods are used to estimate fair value depending on the type of financial instruments and to which extent they are traded in active markets. Instruments are classified in their entirety in one of three valuation levels in a hierarchy 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.
- Loan funds with secured loans and real estate funds. The 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

Shares and similar interests (mainly unlisted private equity investments and loan funds and real estate funds), as well as bonds and other fixed-income securities are included in level three in the valuation hierarchy. 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 of shares and similar interests. Bonds and other fixed-income securities primarily have interest rate and credit risk as a result of changes in the yield curve or losses due to unexpected default on Gjensidige's debtors. However, the sensitivity to changes in the yield curve is reduced through hedging using interest rate swaps classified as level 2.

NOK millions	Carrying amount as at 30.6.2020	Fair value as at 30.6.2020	Carrying amount as at 30.6.2019	Fair value as at 30.6.2019
Financial assets				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	1,190.3	1,190.3	685.5	685.5
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	4,661.3	4,661.3	6,077.9	6,077.9
Bonds and other fixed income securities	36,740.2	36,740.2	28,745.1	28,745.1
Shares and similar interests in life insurance with investment options	25,176.0	25,176.0	24,169.5	24,169.5
Bonds and other fixed income securities in life insurance with investment options	4,519.1	4,519.1	2,965.6	2,965.6
Loans	1.9	1.9	48.9	48.9
<i>Financial assets held to maturity</i>				
Bonds held to maturity	193.8	194.8	217.6	219.3
<i>Loans and receivables</i>				
Bonds and other fixed income securities classified as loans and receivables	20,369.8	21,961.9	20,873.0	21,985.7
Loans	2,423.8	2,423.8	2,451.8	2,451.8
Receivables related to direct operations and reinsurance	8,479.6	8,479.6	7,748.6	7,748.6
Other assets and receivables	598.4	598.4	949.0	949.0
Cash and cash equivalents	3,130.9	3,130.9	2,125.4	2,125.4
Total financial assets	107,485.1	109,078.2	97,057.9	98,172.3
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss	1,017.5	1,017.5	714.3	714.3
<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				
Liabilities in life insurance with investment options	29,695.2	29,695.2	27,135.1	27,135.1
<i>Financial liabilities at amortised cost</i>				
Subordinated debt	1,498.6	1,358.9	1,498.2	1,489.9
Other liabilities	3,238.6	3,238.6	2,417.8	2,417.8
Liabilities related to direct insurance	737.9	737.9	828.6	828.6
Total financial liabilities	36,187.7	36,048.0	32,594.0	32,585.8
Gain/(loss) not recognised in profit or loss		1,732.8		1,122.6

Valuation hierarchy 2020

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		1,190.3		1,190.3
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	71.6	3,236.5	1,353.1	4,661.3
Bonds and other fixed income securities	14,879.0	21,168.6	692.7	36,740.2
Shares and similar interests in life insurance with investment options		25,176.0		25,176.0
Bonds and other fixed income securities in life insurance with investment options		4,519.1		4,519.1
Loans			1.9	1.9
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	194.8			194.8
Bonds and other fixed income securities classified as loans and receivables		21,961.9		21,961.9
Loans			2,423.8	2,423.8
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		1,017.5		1,017.5
<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		29,695.2		29,695.2
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,358.9		1,358.9

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		685.5		685.5
<i>Financial assets at fair value through profit or loss, designated upon initial recognition</i>				
Shares and similar interests	67.3	4,601.3	1,409.4	6,077.9
Bonds and other fixed income securities	11,396.7	16,604.8	743.6	28,745.1
Shares and similar interests in life insurance with investment options	24,132.4	37.0		24,169.5
Bonds and other fixed income securities in life insurance with investment options	2,945.6	20.0		2,965.6
Loans		45.0	3.9	48.9
<i>Financial assets at amortised cost</i>				
Bonds held to maturity	219.3			219.3
Bonds and other fixed income securities classified as loans and receivables		21,985.7		21,985.7
Loans			2,451.8	2,451.8
Financial liabilities				
<i>Financial derivatives</i>				
Financial derivatives at fair value through profit or loss		714.3		714.3
<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	27,078.1	57.0		27,135.1
<i>Financial liabilities at amortised cost</i>				
Subordinated debt		1,489.9		1,489.9

Reconciliation of financial assets valued based on non-observable market data (level 3) 2020

NOK millions	As at 1.1.2020	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 30.6.2020	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.6.2020
Shares and similar interests	1,306.3	(14.1)	81.5	(21.2)			0.7	1,353.1	(14.1)
Bonds and other fixed income securities	708.6	(63.9)		(23.0)			70.9	692.7	
Loans at fair value	2.2	1.6		(1.9)				1.9	1.8
Total	2,017.1	(76.4)	81.5	(46.1)			71.6	2,047.7	(12.3)

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 30.6.2019	Amount of net realised/ unrealised gains recognised in profit or loss that are attributable to instruments held as at 30.6.2019
Shares and similar interests	1,359.1	28.1	119.3	(96.9)			(0.1)	1,409.4	47.7
Bonds and other fixed income securities	778.7	22.7		(42.8)			(15.0)	743.6	
Loans at fair value						3.8		3.9	
Total	2,137.8	50.8	119.3	(139.7)		3.8	(15.1)	2,156.9	47.7

9. Contingent liabilities

NOK millions	30.6.2020	30.6.2019	31.12.2019
Guarantees and committed capital			
Committed capital, not paid	589.1	757.7	590.5
Credit facility Oslo Areal	1,584.1	1,560.2	1,598.6

As part of its ongoing financial management Gjensidige has committed, but not paid up to NOK 589.1 million (757.7) in loan funds containing secured debt and various private equity and real estate funds, over and above the amounts recognised in the balance sheet.

The timing of the outflow of capital is dependent on when the funds are making capital calls from their investors. Average remaining operating time for the funds, based on fair value, is slightly less than three years (four) and slightly less than four years (five) in average including option for of extension.

Gjensidige Forsikring has granted a loan to Oslo Areal amounting to approximately NOK 2.4 billion. The loan is interest-bearing and total loan limit is NOK 4.0 billion.

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

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

10. Related parties

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

Declaration

Today, the Board and the CEO have considered and approved the half-yearly report and the consolidated half-yearly accounts for Gjensidige Forsikring ASA for the period 1 January to 30 June 2020.

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2020 has been prepared in accordance with current accounting standards and gives a true and fair view of the Group's assets,

liabilities, financial position and result for the period viewed in their entirety. Furthermore, that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, a description of the principal risks and uncertainties for the business in the following accounting period and related parties' significant transactions.

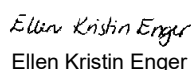
Oslo, 13 July 2020
The Board of Gjensidige Forsikring ASA


Gisele Marchand

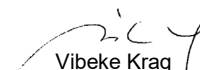
Chair of the Board


Eivind Elnan

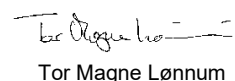
Board member


Ellen Kristin Enger

Board member


Vibeke Krag

Board member


Tor Magne Lønnum

Board member


Hilde M. Nafstad

Board member


Ruben Pettersen

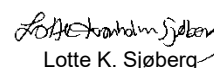
Board member


Terje Seljeseth

Board member


Gunnar Robert Selæg

Board member


Lotte K. Sjøberg

Board member


Helge Leiro Baastad

CEO

Alternative performance measures and key figures

		Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Gjensidige Forsikring Group						
Equity	NOK millions			28,080.8	23,732.3	26,192.2
Equity per share	NOK			56.2	47.5	52.4
Earnings per share, basic and diluted ¹	NOK	3.90	2.68	2.95	8.25	13.19
Return on equity, annualised ²	%			11.1	36.8	28.2
Return on tangible equity, annualised ²	%			13.8	46.8	35.6
Return on financial assets ²	%	1.9	0.9	(0.6)	2.1	4.1
Total eligible own funds to meet the group SCR ³	NOK millions			28,072.5	24,433.2	21,855.1
Group SCR margin ⁴	%			283.1	241.8	205.7
Total eligible own funds to meet the minimum consolidated group SCR ⁵	NOK millions			24,833.4	21,364.8	18,670.7
Minimum consolidated group SCR margin ⁶	%			500.2	430.2	373.6
Gjensidige Forsikring ASA						
Total eligible own funds to meet the SCR ⁷	NOK millions			27,535.2	24,014.9	21,261.9
SCR margin ⁸	%			301.7	254.5	219.2
Total eligible own funds to meet the MCR ⁹	NOK millions			24,428.9	21,079.0	18,220.9
MCR margin ¹⁰	%			594.7	512.9	434.7
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	2,317.6	2,200.4	5,274.5	4,965.3	9,136.3
Commercial	NOK millions	1,650.1	1,468.0	5,942.1	5,391.2	8,692.8
Denmark	NOK millions	1,091.1	946.1	3,814.9	3,168.6	5,291.6
Sweden	NOK millions	375.7	315.1	930.6	775.2	1,440.7
Baltics	NOK millions	272.5	283.3	593.0	588.8	1,179.3
Corporate Centre/reinsurance	NOK millions		(0.1)	114.3	113.4	113.6
Total General Insurance	NOK millions	5,706.9	5,212.8	16,669.4	15,002.5	25,854.2
Premiums, net of reinsurance ²	%			96.9	96.0	97.2
<i>Earned premiums</i>						
Private	NOK millions	2,319.9	2,211.0	4,566.8	4,312.5	8,872.4
Commercial	NOK millions	2,219.5	1,997.8	4,391.6	3,992.1	8,164.1
Denmark	NOK millions	1,492.1	1,212.9	2,936.4	2,409.2	4,960.1
Sweden	NOK millions	400.3	345.9	776.6	698.8	1,405.8
Baltics	NOK millions	297.4	276.6	595.5	544.8	1,126.9
Corporate Centre/reinsurance	NOK millions	36.2	38.6	68.9	62.2	121.2
Total General Insurance	NOK millions	6,765.3	6,082.8	13,335.8	12,019.5	24,650.4
<i>Loss ratio ²</i>						
Private	%	54.8	60.2	59.2	64.3	64.0
Commercial	%	66.5	64.5	66.8	68.7	68.7
Denmark	%	69.6	66.9	71.4	71.8	73.4
Sweden	%	83.9	78.9	80.8	76.6	75.3
Baltics	%	55.5	64.5	61.8	65.3	64.7
Total General Insurance	%	65.6	64.4	67.2	68.0	68.9
<i>Underlying frequency loss ratio ²</i>						
Private	%	59.6	65.8	62.4	69.3	68.9
Commercial	%	66.6	66.6	68.8	72.6	71.9
Denmark	%	65.9	70.9	70.2	75.6	75.4
Sweden	%	81.3	81.1	81.1	80.3	77.5
Baltics	%	59.4	66.4	62.5	69.2	67.8
Total General Insurance	%	64.8	67.8	67.4	72.1	71.8
<i>Cost ratio ²</i>						
Private	%	13.0	13.4	13.1	13.0	13.1
Commercial	%	10.0	10.8	10.1	10.7	10.1
Denmark	%	14.5	14.9	14.6	14.7	14.5
Sweden	%	19.9	17.2	18.5	18.3	19.3
Baltics	%	28.4	30.3	29.3	31.0	29.9
Total General Insurance	%	14.5	14.9	14.8	14.9	14.7

		Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Combined ratio ²						
Private	%	67.8	73.6	72.3	77.3	77.2
Commercial	%	76.5	75.3	76.9	79.3	78.8
Denmark	%	84.1	81.8	86.0	86.6	87.9
Sweden	%	103.9	96.0	99.3	94.9	94.6
Baltics	%	83.9	94.8	91.1	96.3	94.6
Total General Insurance	%	80.1	79.3	82.0	82.9	83.6
Combined ratio discounted ²	%	80.0	78.4	81.8	82.0	83.0
Pension						
Assets under management pension, at the end of the period	NOK millions			37,131.0	34,167.4	37,335.1
of which the group policy portfolio	NOK millions			7,376.1	6,946.2	7,204.2
Operating margin ²	%	25.06	35.44	27.22	35.46	36.05
Recognised return on the paid-up policy portfolio ¹¹	%			0.47	1.74	4.34
Value-adjusted return on the paid-up policy portfolio ¹²	%			(0.01)	2.18	4.72
Share of shared commercial customers ¹³	%			66.5	68.0	67.5
Return on equity, annualised ²	%			11.2	17.6	17.9

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 Q2 2020.

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 based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

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 based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

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 based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

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 based on 80 per cent of year to date Group profit after tax. In case of loss, the formulaic dividend is set at 0.

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

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
NOK millions	2020	2020	2019	2019	2019	2019	2018	2018	2018
Earned premiums from general insurance	6,765.3	6,570.6	6,313.8	6,317.0	6,082.8	5,936.7	6,081.2	6,118.1	5,987.2
Other income	252.3	262.1	286.7	823.5	1,076.0	714.7	511.7	499.2	595.0
Total operating income	7,017.5	6,832.7	6,600.6	7,140.6	7,158.9	6,651.5	6,592.9	6,617.4	6,582.1
Total net income from investments	1,151.3	(1,533.1)	826.6	264.3	500.5	2,268.9	(224.6)	429.7	370.4
Total operating income and net income from investments	8,168.9	5,299.6	7,427.1	7,404.9	7,659.3	8,920.4	6,368.3	7,047.1	6,952.5
Claims incurred etc. from general insurance	(4,440.8)	(4,524.2)	(4,437.6)	(4,367.7)	(3,916.4)	(4,256.8)	(3,268.9)	(4,591.7)	(4,371.0)
Claims incurred etc. from pension	(149.8)	(156.2)	(156.7)	(718.5)	(974.9)	(615.6)	(408.1)	(406.1)	(503.0)
Total claims etc.	(4,590.6)	(4,680.4)	(4,594.3)	(5,086.3)	(4,891.4)	(4,872.4)	(3,676.9)	(4,997.8)	(4,874.0)
Operating expenses from general insurance	(980.6)	(988.7)	(956.6)	(888.2)	(908.7)	(881.8)	(897.9)	(953.0)	(909.3)
Other operating expenses	(120.9)	(127.5)	(147.6)	(158.8)	(136.3)	(135.5)	(132.3)	(132.3)	(134.3)
Total operating expenses	(1,101.6)	(1,116.2)	(1,104.3)	(1,047.0)	(1,045.0)	(1,017.3)	(1,030.2)	(1,085.3)	(1,043.6)
Total expenses	(5,692.1)	(5,796.6)	(5,698.5)	(6,133.3)	(5,936.4)	(5,889.7)	(4,707.1)	(6,083.1)	(5,917.6)
Profit/(loss) for the period before tax expense	2,476.8	(497.0)	1,728.6	1,271.5	1,722.9	3,030.7	1,661.2	964.0	1,034.9
Underwriting result general insurance	1,343.8	1,057.6	919.6	1,061.1	1,257.6	798.1	1,914.4	573.4	706.8

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
NOK millions	2018	2017	2017	2017	2017	2016	2016	2016	2016
Earned premiums from general insurance	5,866.3	5,969.5	6,056.4	5,824.7	5,547.7	5,685.6	5,705.5	5,536.8	5,514.0
Other income	602.8	522.9	553.6	352.2	539.1	476.5	440.2	315.1	338.1
Total operating income	6,469.1	6,492.3	6,610.0	6,177.0	6,086.8	6,162.1	6,145.6	5,851.9	5,852.2
Total net income from investments	254.7	487.1	475.5	471.0	568.6	541.5	709.2	573.9	328.0
Total operating income and net income from investments	6,723.8	6,979.5	7,085.5	6,648.0	6,655.4	6,703.6	6,854.8	6,425.8	6,180.2
Claims incurred etc. from general insurance	(4,559.5)	(4,468.4)	(4,013.7)	(3,961.7)	(3,957.9)	(4,013.8)	(4,004.3)	(3,599.6)	(3,898.1)
Claims incurred etc. from pension	(516.4)	(444.9)	(478.1)	(282.6)	(456.2)	(387.1)	(371.2)	(250.2)	(275.1)
Total claims etc.	(5,075.9)	(4,913.3)	(4,491.9)	(4,244.2)	(4,414.1)	(4,400.9)	(4,375.5)	(3,849.8)	(4,173.2)
Operating expenses from general insurance	(895.7)	(945.7)	(892.5)	(890.7)	(857.6)	(971.3)	(989.4)	(865.6)	(365.2)
Other operating expenses	(147.3)	(124.9)	(123.1)	(132.1)	(121.5)	(120.0)	(115.7)	(119.7)	(114.7)
Total operating expenses	(1,043.0)	(1,070.7)	(1,015.6)	(1,022.8)	(979.0)	(1,091.3)	(1,105.1)	(985.2)	(479.9)
Total expenses	(6,118.8)	(5,984.0)	(5,507.5)	(5,267.0)	(5,393.1)	(5,492.2)	(5,480.6)	(4,835.1)	(4,653.1)
Profit/(loss) for the period before tax expense	605.0	995.5	1,578.1	1,381.0	1,262.2	1,211.4	1,374.2	1,590.8	1,527.1
Underwriting result general insurance	411.2	555.4	1,150.2	972.3	732.2	700.4	711.8	1,071.6	1,250.7

Income statement

Gjensidige Forsikring ASA

NOK millions	Restated ¹			Restated ¹	
	Q2 2020	Q2 2019	1.1.-30.6.2020	1.1.-30.6.2019	1.1.-31.12.2019
Premiums etc.					
Earned premiums, gross	6,612.5	6,002.8	13,019.0	11,833.9	24,236.4
Ceded reinsurance premiums	(144.6)	(196.6)	(278.7)	(359.1)	(712.9)
Total earned premiums, net of reinsurance	6,467.9	5,806.2	12,740.3	11,474.8	23,523.5
Claims					
Gross claims	(4,308.5)	(3,886.5)	(8,840.6)	(8,025.2)	(16,662.5)
Claims, reinsurers' share	32.6	148.5	243.6	207.9	412.6
Total claims incurred, net of reinsurance	(4,275.9)	(3,737.9)	(8,597.0)	(7,817.3)	(16,249.9)
Insurance-related operating expenses					
Insurance-related administration expenses incl. commissions for received reinsurance and sales expenses	(932.6)	(892.0)	(1,871.8)	(1,750.9)	(3,544.5)
Received commission for ceded reinsurance and profit share	2.5	14.9	3.8	26.1	45.2
Total insurance-related operating expenses	(930.0)	(877.1)	(1,868.1)	(1,724.8)	(3,499.3)
Other insurance-related operating expenses					(12.7)
Technical profit/(loss)	1,262.0	1,191.1	2,275.2	1,932.7	3,761.7
Net income from investments					
Income from investments in subsidiaries, associates and joint ventures				3,097.3	3,093.3
Impairment losses of investments in subsidiaries, associates and joint ventures				(58.0)	(153.2)
Interest income and dividend etc. from financial assets	251.7	254.9	515.8	499.0	1,000.8
Changes in fair value on investments	1,553.1	209.4	(628.1)	821.6	1,451.6
Realised gain and loss on investments	(687.4)	(16.4)	(249.4)	(197.0)	(312.8)
Administration expenses related to investments, including interest expenses	(35.8)	(43.4)	(80.6)	(85.2)	(201.6)
Total net income from investments	1,081.5	404.5	(442.4)	4,077.7	4,878.1
Other income	0.2	3.1	3.9	5.6	12.7
Other expenses	(8.1)	(9.0)	(19.0)	(18.1)	(38.5)
Profit/(loss) of non-technical account	1,073.6	398.5	(457.5)	4,065.2	4,852.3
Profit/(loss) before tax expense	2,335.5	1,589.6	1,817.7	5,997.9	8,613.9
Tax expense	(508.1)	(372.4)	(490.0)	(644.1)	(1,153.6)
Profit/(loss) before other comprehensive income	1,827.4	1,217.2	1,327.7	5,353.8	7,460.3
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss					
Changes in estimates related to defined benefit plans			(141.7)		(116.4)
Tax on other comprehensive income that will not be reclassified to profit or loss			35.4		29.1
Total other comprehensive income that will not be reclassified to profit or loss			(106.3)		(87.3)
Other comprehensive income that may be reclassified to profit or loss					
Exchange differences from foreign operations	(389.7)	10.0	528.0	(168.8)	(65.1)
Tax on other comprehensive income that may be reclassified	78.6	(0.7)	(103.7)	34.0	17.1
Total other comprehensive income that may be reclassified	(311.1)	9.3	424.3	(134.8)	(48.0)
Comprehensive income	1,516.3	1,226.5	1,645.7	5,219.0	7,325.1

¹ As at 2.9.2019 Gjensidige Forsikring ASA merged with its wholly owned subsidiaries Nykredit Forsikring A/S and Mølholm Forsikring A/S. The merger was effective from 1.1.2019.

Statement of financial position

Gjensidige Forsikring ASA

NOK millions	Restated ¹		
	30.6.2020	30.6.2019	31.12.2019
Assets			
Goodwill	3,212.9	2,911.3	2,950.1
Other intangible assets	746.2	1,083.1	1,026.0
Total intangible assets	3,959.1	3,994.3	3,976.2
Investments			
<i>Buildings and other real estate</i>			
Owner-occupied property	28.5	28.5	28.5
Right-of-use property	936.8	1,053.1	966.7
<i>Subsidiaries and associates</i>			
Shares in subsidiaries	2,250.8	1,995.3	2,063.8
Shares in associates and joint ventures	1,086.9	1,086.9	1,086.9
Interest-bearing receivables on subsidiaries and joint ventures	2,415.9	2,439.8	2,401.4
<i>Financial assets measured at amortised cost</i>			
Loans and receivables	14,840.7	15,635.4	14,714.8
<i>Financial assets measured at fair value</i>			
Shares and similar interests (incl. shares and similar interests measured at cost)	4,652.0	6,059.1	6,545.3
Interest-bearing securities	34,328.8	26,649.7	28,446.3
Subordinated loans	1.9	48.9	2.2
Financial derivatives	1,190.3	685.5	934.1
Other financial assets	111.0	111.0	111.0
Total investments	61,843.5	55,793.3	57,301.0
Reinsurers' share of insurance-related liabilities, gross			
Reinsurers' share of provision for unearned premiums, gross	280.6	275.7	42.3
Reinsurers' share of claims provision, gross	556.5	552.3	554.5
Total reinsurers' share of insurance-related liabilities, gross	837.1	828.0	596.8
Receivables			
Receivables related to direct operations	8,177.1	7,476.2	6,843.3
Receivables related to reinsurance	86.6	62.7	23.7
Receivables within the group	62.8	42.4	7.1
Other receivables	372.2	709.7	864.4
Total receivables	8,698.7	8,291.0	7,738.4
Other assets			
Plant and equipment	174.1	231.9	189.8
Cash and cash equivalents	2,416.5	1,597.4	1,796.1
Pension assets	154.6	155.2	241.8
Total other assets	2,745.2	1,984.5	2,227.6
Prepaid expenses and earned, not received income			
Other prepaid expenses and earned, not received income	61.7	109.4	37.7
Total prepaid expenses and earned, not received income	61.7	109.4	37.7
Total assets	78,145.4	71,000.5	71,877.7

NOK millions	Restated ¹		
	30.6.2020	30.6.2019	31.12.2019
Equity and liabilities			
<i>Paid in equity</i>			
Share capital	1,000.0	1,000.0	1,000.0
Share premium	1,430.0	1,430.0	1,430.0
Perpetual Tier 1 Capital	1,001.7	1,001.3	1,002.3
Other paid-in equity	73.9	61.2	67.4
Total paid-in equity	3,505.6	3,492.4	3,499.6
Retained equity			
<i>Funds etc.</i>			
Natural perils capital	2,725.4	2,560.9	2,676.3
Guarantee scheme provision	676.3	653.9	676.3
Other retained earnings	19,147.1	15,648.2	11,459.6
Total retained earnings	22,548.9	18,863.0	14,812.2
Total equity	26,054.5	22,355.4	18,311.9
Subordinated debt	1,198.7	1,198.4	1,198.6
Insurance-related liabilities in general insurance, gross			
Provision for unearned premiums, gross	13,375.3	12,097.2	10,003.0
Claims provision, gross	28,122.6	27,759.7	27,693.3
Provision for premium discounts and other profit agreements	82.0	72.5	77.3
Total insurance-related liabilities in general insurance, gross	41,579.9	39,929.4	37,773.6
Provision for liabilities			
Pension liabilities	666.2	559.2	608.1
Current tax	1,077.8	194.8	984.6
Deferred tax liabilities	1,213.5	1,261.4	1,391.4
Other provisions	222.9	242.5	294.5
Total provision for liabilities	3,180.5	2,257.8	3,278.5
Liabilities			
Liabilities related to direct insurance	311.3	367.2	380.9
Liabilities related to reinsurance	213.4	240.9	46.1
Financial derivatives	1,017.5	714.3	641.0
Accrued dividend			6,125.0
Other liabilities	4,161.4	3,519.8	3,711.2
Liabilities to subsidiaries and associates	49.2	75.8	56.7
Total liabilities	5,752.9	4,917.9	10,960.9
Accrued expenses and deferred income			
Other accrued expenses and deferred income	378.8	341.6	354.2
Total accrued expenses and deferred income	378.8	341.6	354.2
Total equity and liabilities	78,145.4	71,000.5	71,877.7

¹ As at 2.9.2019 Gjensidige Forsikring ASA merged with its wholly owned subsidiaries Nykredit Forsikring A/S and Mølholm Forsikring A/S. The merger was effective from 1.1.2019.

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 31.12.2018	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.-31.12.2019									
Comprehensive income									
Profit/(loss)					51.3			7,409.0	7,460.3
Total other comprehensive income				0.0		(48.0)	(87.3)		(135.3)
Comprehensive income				0.0	51.3	(48.0)	(87.3)	7,409.0	7,325.1
Transactions with owners of the company									
Own shares		0.0						(9.2)	(9.2)
Accrued and paid dividend								(6,124.9)	(6,124.9)
Equity-settled share-based payment transactions				9.2					9.2
Perpetual Tier 1 capital					0.6			(0.6)	
Perpetual Tier 1 capital - interest paid					(50.1)				(50.1)
Total transactions with owners of the company		0.0		9.2	(49.5)			(6,134.8)	(6,175.1)
Equity as at 31.12.2019	1,000.0	0.0	1,430.0	67.4	1,002.3	338.2	(2,057.1)	16,531.2	18,311.9
1.1.-30.6.2020									
Comprehensive income									
Profit/(loss)					25.9			1,301.8	1,327.7
Total other comprehensive income				0.7		422.8	(105.6)		318.0
Comprehensive income				0.7	25.9	422.8	(105.6)	1,301.8	1,645.7
Transactions with owners of the company									
Own shares		0.0						(7.1)	(7.0)
Reversed dividend								6,125.0	6,125.0
Equity-settled share-based payment transactions				5.8					5.8
Perpetual Tier 1 capital					0.3			(0.3)	
Perpetual Tier 1 capital - interest paid					(26.8)				(26.8)
Total transactions with owners of the company		0.0		5.8	(26.5)			6,117.6	6,096.9
Equity as at 30.6.2020	1,000.0	0.0	1,430.0	73.9	1,001.7	761.0	(2,162.7)	23,950.6	26,054.5
1.1.-30.6.2019 Restated ¹									
Comprehensive income									
Profit/(loss)					24.7			5,329.2	5,353.8
Total other comprehensive income				(0.1)		(134.6)	(0.1)		(134.8)
Comprehensive income				(0.1)	24.7	(134.6)	(0.1)	5,329.2	5,219.0
Transactions with owners of the company									
Own shares		0.0						(4.5)	(4.5)
Accrued and paid dividend								0.1	0.1
Equity-settled share-based payment transactions				3.0					3.0
Perpetual Tier 1 capital					0.3			(0.3)	
Perpetual Tier 1 capital - interest paid					(24.1)				(24.1)
Total transactions with owners of the company		0.0		3.0	(23.8)			(4.8)	(25.5)
Equity as at 30.6.2019 Restated	1,000.0	0.0	1,430.0	61.2	1,001.3	251.6	(1,969.9)	20,581.3	22,355.4

¹ As at 2.9.2019 Gjensidige Forsikring ASA merged with its wholly owned subsidiaries Nykredit Forsikring A/S and Mølholm Forsikring A/S. The merger was effective from 1.1.2019.

Gjensidige is a leading Nordic insurance group listed on the Oslo Stock Exchange. We have about 3,700 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 2019, while total assets were NOK 112 billion.