

# Interim report 2nd quarter 2024

Storebrand Helseforsikring (unaudited)



# Interim Report Storebrand Helseforsikring AS

As at 30 June 2024

ERGO International AG (ERGO) is the sole owner of Storebrand Helseforsikring AS from 2. April 2024.

Storebrand and ERGO have successfully developed the Company together for many years. After a strategic review it has been concluded that it is in the Company's best interest to have one owner going forward. Storebrand will continue distributing the Company's products in the Norwegian and Swedish market.

Because of the change in ownership, the Company will be required to start accounting for its insurance liabilities using the international financial reporting standard for insurance liabilities, IFRS 17. The new accounting standard will be implemented from the interim report as of 30 September 2025 at the latest.

Pretax profit is NOK 55.7 million (minus NOK 138.0 million) in the 2nd quarter and NOK 64.6 million (minus NOK 190.5 million) as at 30.6.2024. The improved result is due to increased premiums, lower claims and high financial income.

A Premium Deficiency Reserve (PDR) totaling NOK 105.8 million was booked as at 30.6.2023. This reserve will be released against claims over the remaining time of policies in force. The Premium Deficiency Reserve (PDR) totals NOK 0.9 million as at 30.6.2024. In the second quarter 2024 NOK 7.7 million was released from the PDR and NOK 28.0 million year to date at 30.6.2024.

Premiums earned totaled to NOK 336.9 million (NOK 302.6 million) in 2nd quarter, an increase of 11 per cent from the same period in 2023. Year to date at 30.6.2024 premiums earned amounted to NOK 672.3 million (NOK 589.3 million), an increase of 14 per cent from the same period in 2023.

Cost of claims amounted to NOK 240.0 million (NOK 288.0 million) in the second quarter and NOK 541.4 million (NOK 580.3 million) so far this year. The claims ratio in second quarter 2024 is down from 95 per cent in 2023 to 71 per cent and down from 99 per cent to 81 per cent as at 30.6.2024. The claims ratio as at year end 2023 was 89 per cent.

Insurance-related operating costs was NOK 62.9 million (NOK 53.2 million) in 2nd quarter. At 30.6.2024 the insurance-related operating costs was NOK 119.6 million (NOK 100.7 million). The cost increase is mainly caused by increased business volume, but also from ERGO integration activities. The net cost ratio for own account ended up at 19 per cent (18 per cent) in 2nd quarter and 18 per cent (17 per cent) as at 30.6.2024.

The company has a conservative investment strategy, and the investment portfolio is invested in one of Storebrand's bond funds with low credit risk and short interest duration. The financial return in 2nd quarter 2024 was 1.42 per cent (+0.79 per cent) and 2.74 per cent (1.70 per cent) as at 30.6.2024.

Currency fluctuations resulted in a total currency gain/loss including the effects of currency derivatives of NOK 0.6 million (NOK 1.2 million) in the 2nd quarter and minus NOK 0.3 million (minus NOK 3.1 million) so far this year.

The net non-technical result amounted to NOK 13.9 million (NOK 6.3 million) in 2nd quarter and NOK 25.1 million (NOK 6.9 million) as at 30.6.2024.

The solvency margin should be above 100 per cent and was 243 per cent at 30.6.2024. At year-end 2023 the solvency margin was 251 per cent.

Lysaker, 29 August 2024

Board of directors Storebrand Helseforsikring AS

# Statement of comprehensive income

NOK thousand	Q2		01.01.-30.06		Full year
	2024	2023	2024	2023	2023
<b>Technical accounts</b>					
Premiums					
Gross premiums earned	337,702	303,313	673,949	590,816	1,220,692
- Reinsurers' share	-789	-735	-1,626	-1,514	-3,009
<b>Premium income for own account</b>	<b>336,913</b>	<b>302,579</b>	<b>672,323</b>	<b>589,302</b>	<b>1,217,683</b>
Other insurance related income	79	72	159	141	278
<b>Claims expenses</b>					
Incurred claims gross	-240,684	-288,277	-543,163	-581,119	-1,087,517
- Reinsurers' share	654	319	1,798	806	3,730
<b>Claims expenses for own account</b>	<b>-240,030</b>	<b>-287,958</b>	<b>-541,365</b>	<b>-580,313</b>	<b>-1,083,787</b>
<b>Insurance related operating expenses</b>					
Sales expenses	-23,992	-19,724	-48,822	-37,913	-81,006
Insurance related administration expenses (incl. commissions for reinsurance received)	-38,888	-33,448	-70,761	-62,817	-128,022
<b>Insurance related operating expenses</b>	<b>-62,880</b>	<b>-53,172</b>	<b>-119,583</b>	<b>-100,730</b>	<b>-209,028</b>
Other insurance related operating costs					
Change in premium deficiency reserve	7,694	-105,800	27,978	-105,800	-28,801
<b>Technical profit</b>	<b>41,776</b>	<b>-144,280</b>	<b>39,511</b>	<b>-197,399</b>	<b>-103,654</b>
<b>Non-technical accounts</b>					
Net income from financial assets					
Interest and dividend etc from financial assets	43	22	246	23	29,130
Change in value on investments	12,506	-2,447	23,382	6,064	5,845
Realised gain and loss on investments	-802	6,024	-383	7,035	6,674
<b>Net income from investments</b>	<b>11,746</b>	<b>3,599</b>	<b>23,245</b>	<b>13,122</b>	<b>41,649</b>
Other income	1,040	3,156	1,847	3,593	1,941
Other expenses	1,088	-474	0	-9,811	-11,329
<b>Non-technical profit</b>	<b>13,874</b>	<b>6,281</b>	<b>25,092</b>	<b>6,905</b>	<b>32,261</b>
<b>Pre tax profit</b>	<b>55,650</b>	<b>-137,999</b>	<b>64,603</b>	<b>-190,495</b>	<b>-71,394</b>
Tax	-13,772	34,500	-15,927	47,624	18,245
<b>Profit/loss for the year</b>	<b>41,878</b>	<b>-103,499</b>	<b>48,676</b>	<b>-142,871</b>	<b>-53,149</b>
<b>Other comprehensive income elements and expenses not to be classified to profit/loss</b>					
Change in actuarial assumptions					-8
Tax on other comprehensive income and expenses not to be classified to profit/loss					2
<b>Comprehensive income</b>	<b>41,878</b>	<b>-103,499</b>	<b>48,676</b>	<b>-142,871</b>	<b>-53,155</b>

# Statement of Financial Position

NOK thousand	30.06.24	31.12.23
<b>Assets</b>		
Intangible assets	73,378	82,167
<b>Total intangible assets</b>	<b>73,378</b>	<b>82,167</b>
<b>Fair value financial investments</b>		
Bonds and other securities - fixed yield	896,958	783,277
Financial derivatives	129	428
<b>Total fair value financial instruments</b>	<b>897,087</b>	<b>783,705</b>
<b>Receivables</b>		
Receivables in connection with direct business transactions		
- Due from policyholders	461,824	301,581
Receivables arising from reinsurance business	262	1,331
Other receivables	8,979	15,048
<b>Total receivables</b>	<b>471,066</b>	<b>317,960</b>
<b>Other assets</b>		
Cash and bank equivalents	43,374	44,341
Deferred tax assets	0	11,430
Pension assets	36	36
<b>Total other assets</b>	<b>43,410</b>	<b>55,807</b>
Prepaid costs and income earned not received	4,979	4,420
<b>Total prepaid costs and income earned not received</b>	<b>4,979</b>	<b>4,420</b>
<b>Total assets</b>	<b>1,489,919</b>	<b>1,244,060</b>
<b>Equity and liabilities</b>		
<b>Paid in capital</b>		
Share capital	35,000	35,000
Share premium reserve	395,000	395,000
<b>Total paid in capital</b>	<b>430,000</b>	<b>430,000</b>

# Statement of Financial Position (continues)

NOK thousand	30.06.24	31.12.23
<b>Earned equity</b>		
Allocation to guarantee scheme	24,737	22,766
Other earned equity	124,899	78,195
<b>Total earned equity</b>	<b>149,637</b>	<b>100,961</b>
<b>Gross insurance liabilities</b>		
Reserve for unearned premiums gross	699,905	505,550
Claims reserve gross	144,299	161,956
<b>Total insurance liabilities gross</b>	<b>844,205</b>	<b>667,506</b>
<b>Reserves for liabilities</b>		
Period tax liabilities		
Deferred tax	2,160	
<b>Total reserves for liabilities</b>	<b>2,160</b>	<b>0</b>
<b>Liabilities</b>		
Liabilities in connection with direct insurance	31,889	25,768
Financial derivatives		
Liabilities to related parties	90	0
Other liabilities	16,169	6,441
<b>Total liabilities</b>	<b>48,148</b>	<b>32,209</b>
Accrued expenses and received, unearned income	15,770	13,385
<b>Total accrued expenses and received, unearned income</b>	<b>15,770</b>	<b>13,385</b>
<b>Total equity and liabilities</b>	<b>1,489,919</b>	<b>1,244,060</b>

Lysaker, 29 August 2024

Board of directors Storebrand Helseforsikring AS

# Statement of cash flow

## 1. January – 30. June

NOK thousand	2024	2023
<b>Cash flow from operations</b>		
Net receipts - insurance	712,556	789,469
Net payments/claims insurance	-559,021	-636,415
Payment of income tax	-2,337	-780
Payments relating to operations	-86,860	-113,798
Net receipts/payments other operational activities	27,978	0
<b>Net cash flow from operations before financial assets</b>	<b>92,316</b>	<b>38,475</b>
Net receipts/payments - financial assets	-90,137	-302,942
<b>Net cash flow from financial assets</b>	<b>-90,137</b>	<b>-302,942</b>
<b>Net cash flow from operations</b>	<b>2,179</b>	<b>-264,467</b>
Cash flow from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-3,146	-2,550
<b>Net cash flow from investment activities</b>	<b>-3,146</b>	<b>-2,550</b>
Cash flow from financing activities		
Issuance of share capital/surplus fund	0	275,000
Payment of dividends	0	0
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>275,000</b>
<b>Net cash flow for the period</b>	<b>-968</b>	<b>7,983</b>
-of which net cash flow in the period before financial asset	89,169	310,925
<b>Net movement in cash and cash equivalents</b>	<b>-968</b>	<b>7,983</b>
Cash and cash equivalents at start of the period	44,341	28,109
<b>Cash equivalents at the end of the period</b>	<b>43,374</b>	<b>36,092</b>

# Statement of changes in equity

NOK thousand	Share capital	Share premium reserve	Total paid in capital	Guarantee scheme	Other equity	Total earned equity	Total equity
<b>Equity 01.01.23</b>	<b>33,000</b>	<b>122,000</b>	<b>155,000</b>	<b>19,770</b>	<b>134,345</b>	<b>154,115</b>	<b>309,115</b>
Paid-in capital	2,000	273,000	275,000				275,000
Profit					-53,149	-53,149	-53,149
Change in guarantee scheme				2,996	-2,996	0	0
Change in actuarial assumptions					-8	-8	-8
Tax on other comprehensive income and expenses					2	2	2
<b>Equity 31.12.23</b>	<b>35,000</b>	<b>395,000</b>	<b>430,000</b>	<b>22,766</b>	<b>78,195</b>	<b>100,961</b>	<b>530,961</b>
Profit					48,676	48,676	48,676
Change in guarantee scheme				1,972	-1,972	0	0
<b>Equity 30.06.24</b>	<b>35,000</b>	<b>395,000</b>	<b>430,000</b>	<b>24,737</b>	<b>124,899</b>	<b>149,637</b>	<b>579,637</b>

# Notes

## Note 1 Accounting principles

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2023 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

Storebrand Helseforsikring is classified as a medium-sized P&C insurance company in Norwegian regulation and can therefore choose to use IFRS 17 in the company accounts from 2023, or still use the calculation and measurements in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies as today. The Board of the company has chosen not to shift to IFRS 17 for 2024. Because of the change in ownership, the Company will be required to start accounting for its insurance liabilities using the international financial reporting standard for insurance liabilities, IFRS 17. The new accounting standard will be implemented from the interim report as of 30 September 2025 at the latest.

There are no new or amended accounting standards that entered into effect as at 1 January 2024 that have caused significant effects on the company's interim financial statements.

## Note 2 Financial risk

There is no change in the financial risk from the description in the annual report for 2023.

## Note 3 Solvency II

Storebrand Helseforsikring AS is subject to the EU's solvency regime Solvency II. The company is largely funded with group 1 capital. In addition, net counting deferred tax assets of NOK 10.3 million counts as group 3 capital and therefore not calculated in the minimum capital requirement. With a total solvency capital of NOK 481.1 million, the company's solvency capital coverage is 243 per cent while the minimum capital requirement is covered by 546 per cent.

### Solvency capital

NOK thousand	30.06.24					31.12.23
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Totalt
Share capital	35,000	35,000		0		35,000
Share premium	395,000	395,000		0		395,000
Reconciliation reserve	40,841	40,841				-1,706
Deferred tax assets	10,268				10,268	28,548
Not counting tier 3 capital	0				0	-1,299
<b>Total solvency capital</b>	<b>481,109</b>	<b>470,841</b>	<b>0</b>	<b>0</b>	<b>10,268</b>	<b>455,543</b>
<b>Total solvency capital available to cover minimum capital requirement</b>	<b>470,841</b>	<b>470,841</b>	<b>0</b>	<b>0</b>		<b>428,294</b>

Solvency is calculated with the standard model under Solvency II, and the distribution of the capital requirement of the different risk modules included is shown below.

## Solvency capital

NOK thousand	30.06.24	31.12.23
Market	25,668	18,325
Counterparty	21,169	1,240
Health	209,955	199,682
Operational	39,196	36,846
Diversification	-32,344	-13,882
Loss-absorbing capacity of deferred taxes	-65,911	-60,553
<b>Total solvency requirement</b>	<b>197,732</b>	<b>181,658</b>
<b>Solvencymargin</b>	<b>243.3 %</b>	<b>250.8 %</b>
<b>Minimum capital requirement</b>	<b>86,176</b>	<b>45,415</b>
<b>Minimum margin</b>	<b>546.4 %</b>	<b>943.1 %</b>

