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Annual Report 2024

ERGO Forsikring AS

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About the company

On September 21, 2023, the parent companies Storebrand ASA and ERGO International AG (ERGO) announced that ERGO International AG would acquire Storebrand ASA’s 50% ownership stake and will thereafter own the company 100%. On April 1, 2024, the sale was approved by the Financial Supervisory Authority of Norway. Storebrand and ERGO have successfully developed the company together for many years. After a strategic review, it was concluded that it is in the company’s best interest to have a single owner going forward. Storebrand will continue to distribute the company’s products in the Norwegian and Swedish markets. On September 24, 2024, the company changed its name from Storebrand Helseforsikring AS to ERGO Forsikring AS.

The company offers insurance against medical treatment costs in the corporate and private markets in Norway and Sweden, and had its headquarters at Professor Kohts vei 9, Lysaker in Bærum. The company operates its business through the headquarters in Norway and via the branch in Sweden.

Account of the financial statement

(Numbers in brackets are comparable figures from 2023).
The annual accounts have been drawn up in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which are in accordance with international accounting principles (IFRS), but with some adjustments. The result before tax expense was NOK 170.4 million (minus NOK 71.4 million).

Gross premium written was NOK 1 448.7 million (NOK 1 284.4 million), a 12.8 per cent increase compared with 2023. Premium income for own account was NOK 1 383.4 million (NOK 1 217.7 million). The growth in premium income in Norway is 8 per cent and in Sweden in local currency, the increase is 17 per cent. Increased premium income is mainly due to price adjustments. Due to increased prices, some individuals have chosen to terminate their health insurance with Ergo Forsikring, some individuals have chosen not to continue their health insurance with Ergo Forsikring. For the same reason, new sales have also stagnated somewhat, particularly in Norway. As of December 31, 2024, Ergo Forsikring had a market share in Norway of 17.5 percent (20.3 percent) measured in premiums, and 13.1 percent (16.8 percent) in the number of insured individuals. The premium has increased, but the number of insured individuals has decreased compared to last year's figures. In Sweden, however, there is an increase in both the number of insured individuals and premiums.
. Health insurance have increased in popularity as an employee benefit.

Claims incurred for own account were NOK 1 012.8 million (NOK 1 083.8 million) for the year, an decrease of 6.6 per cent in 2024. The decrease in claims costs is primarily due to the decline in the number of insured individuals in Norway. The utilization of the insurance (costs per insured) remains high.
The claims ratio was 73.2 per cent (89.0 per cent), a decrease of 15.8 percentage points in 2024. The company is monitoring the claims development closely to ensure a sound profitability.

In May 2023 there was an allocation to Premium Deficiency Reserve of NOK 105.7 million. Thru 2023 it was reduced and stood at NOK 28.9 million at year end 2023. In 2024 the Premium Deficiency Reserve is fully reverted.

Insurance-related operating costs were NOK 277.5 million (NOK 209.0 million). The cost ratio was 20.1 per cent (17.2 per cent), an increase from the previous year of 2.9 per cent. This year's increase in operating expenses is mainly due to an increase in sales costs, IT developments and costs related to integration with the ERGO in 2025. The combined ratio was 93.3 per cent (106.2 per cent) in 2024.

ERGO Forsikring AS achieved a financial return of 5.48 per cent (5.19 per cent) in the investment portfolio. At year end 2024 the investment portfolio consists of a bond fund issued by Storebrand Asset Management AS.

The result of the non-technical account totalled to NOK 48.1 million (NOK 32.3 million) for the year. Currency fluctuations resulted in a total net currency result, including the effects of currency derivatives, of minus NOK 3.0 million (minus NOK 5.7 million). In 2024 the Swedish krone has strengthened against the NOK. The result exchange rate changed from 0.99960 to 1.017133 and the balance sheet exchange rate from 1.0078 to 1.027881. The company has a conservative investment strategy, and the investment portfolio has low credit risk and short interest duration.

Total comprehensive result before tax ended at NOK 170.4 million (loss of NOK 71.4 million). The tax expense for 2024 was NOK 42.3 million (income of NOK 18.2 million). Total comprehensive loss after tax expense is NOK 128.2 million (loss of NOK 53.2 million).

The company's financial position and solvency are satisfying with a solvency at 253.4 per cent.

Pursuant to the Norwegian accounting legislation, the board confirms that the company prepares the financial statements on the basis of a going concern assumption.

In the best judgment of the board, the annual financial statement for 2024 has been prepared in accordance with applicable accounting standards, and the information in the financial statement provides a fair and true picture of the company's assets, liabilities, financial standing and results. The board has no knowledge of events of material importance to the 2024 financial statement having occurred after the reporting date.

Risks

ERGO Forsikring continuously follows up and governs the company's risks.

Business risk

Identification and management of business risk is an integral part of the company's managerial responsibilities. Systematic risk assessments are performed at the organization in relation to operational risks and adopted goals and strategies. These risk analyses are compiled into risk reports with associated risk-reducing measures that are presented to the company's board not less than yearly.

Financial risk

ERGO Forsikring's securities portfolio is mainly exposed to Norwegian credit papers with a good credit rating and short interest rate duration through the investment in the bond fund Storebrand Korte Renter SII. Assessment of price risk, interest rate risk, credit risk, counterparty risk and currency risk are central to management of the securities portfolio. The company conducts regular stress tests to analyze how any unusual market conditions affect the company's securities portfolio. The company checks that the risk level is always appropriate in terms of the company's ability to shoulder risk, and exposure is followed up against the limits set in the company's investment strategy.

Cash Flow and Liquidity Risk

Net cash flow from operating activities mainly consists of receipts in the form of premiums and net receipts/payments from the sale of investment assets, less claims payments, reinsurance purchases, and administrative costs. Net cash flow from investing activities mainly consists of purchases and sales of fixed assets and intangible assets. Cash flows from financing activities relate to dividends and capital contributions. Net cash flow for the year 2024 was positive at NOK 82.9 million. However, liquidity risk is considered low as the company has established an investment strategy that ensures a high degree of liquidity in asset allocation.

Insurance risk

Most of the insurance risk at ERGO Forsikring AS is linked to the development in the cost of medical treatment. To reduce risk, agreements have been entered into with the largest suppliers of health services with which the company collaborates. To dampen the effect of major claims, the company has also written an 'excess of loss' reinsurance policy. The insurance risk is considered to be moderate, with the agreements that have been entered into.

Macroeconomic situation

ERGO Forsikring AS is affected by the uncertainty in the macroeconomic situation in the wake of the pandemic, the Russian invasion of Ukraine and turmoil's in Gaza and the Middle East. Economic uncertainty has had little effect on ERGO Forsikring's results so far, but increased inflation may have a negative effect on both costs and claims ratio. In addition, tighter finances for businesses and households may lead to a deprioritization of the need for insurance. ERGO Forsikring follows the macroeconomic situation closely and will implement measures if needed.

Capital situation

ERGO Forsikring AS had a total balance of NOK 1 405.5 million (NOK 1 244.1 million) at the end of 2024. In ERGO Forsikring AS equity amounted to NOK 640.2 million (NOK 531.0 million). It is decided to pay a dividend for 2024 of NOK 18.9 million.

The solidity in ERGO Forsikring AS is good, and the company had a solvency margin of 253 per cent (251 per cent) for 2024. The company's strategy is to hold a solvency margin of approximate 150 per cent.

The company is subject to the EU Solvency II regulations for insurance companies, that is implemented in Norwegian legislation through "Finansforetaksloven" and regulations and uses the standard model for solvency calculations.

Report on the work on due diligence assessments of human rights and decent working conditions

Purpose and delimitation

Through the Act on Companies' Transparency and Work with Fundamental Human Rights and Decent Working Conditions (the Transparency Act) 01.07.2022, ERGO Forsikring AS is obliged to carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises.

We will comply with universal human and labor rights and minimize the risk of violations through our own operations and in the supply chain. Own operations mean influence through financial services offered and treatment of own employees.
The purpose of this report is to make it easier for consumers, organizations and other stakeholders to gain insight into how ERGO Forsikring AS works with human and employee rights, and whether we have either caused, contributed to or are directly associated with violations of these. In addition to this report, reference is made to the Storebrand Group's joint statement pursuant to the Transparency Act. The latter describes in Chapter 3 group-wide guidelines that form the basis for the work on human rights in ERGO Forsikring AS.

Organization in Storebrand

Group organization

Responsible persons have been identified in each Group company to ensure that risk assessments are regularly carried out and due diligence assessments are carried out of the supply chain and business partners, as well as its own operations. Reference is made to the Storebrand Group's joint statement pursuant to Chapter 2.2 of the Transparency Act for more information on the Group's organization.

Organization in ERGO Forsikring AS

In September 2023, Storebrand ASA entered into an agreement with ERGO International AG to sell its 50 percent stake in ERGO Forsikring AS to ERGO International AG, which thus became the sole owner of the company. Following the completion of the transaction on 2 April 2024, the agreement between Storebrand ASA and ERGO International AG stipulates that ERGO Forsikring AS has a transition period of a maximum of 2 years to complete a separation from Storebrand.
ERGO Forsikring AS offers insurance against the costs of necessary medical treatment for the corporate and private markets in Norway and Sweden. The company conducts its operations through its head office in Norway and via its branch in Sweden.
A common framework has been established in Storebrand for compliance with the Transparency Act, and ERGO Forsikring AS still follows established guidelines and procedures. In practice, the routines for risk and due diligence assessments of ERGO Forsikring AS's suppliers and own operations have been implemented in Storebrand's central procurement function. The CEO of ERGO Forsikring AS is responsible for implementation in the company.
In the due diligence process, Storebrand ensures that relevant internal stakeholders participate, such as subject matter experts in areas such as legal, risk, IT security, privacy and/or compliance, in addition to external assistance. Part of the process is a legal review and assessment, which includes assessing whether the company complies with relevant laws and regulations, such as the Transparency Act.
Storebrand has established systems for complaints and whistleblowing. Employees can report both internally and externally via a third-party channel, and it is possible to submit a complaint from Storebrand's website or by contacting the customer support.

Supplier relationships

Storebrand has Group-wide suppliers in areas such as IT and ICT operations, office services and cleaning, accounting and financial services and consulting services. For a general overview of the Storebrand Group's suppliers, see section 2.3 of the Storebrand Group's report.
ERGO Forsikring AS has suppliers, subcontractors and other business contacts mainly within the EU/EEA.
Sapiens International Corp NV delivers ERGO Forsikring AS's core system. The agreement with the supplier is strictly regulated and has been entered into in accordance with applicable regulations. There is a good and continuous dialogue with the supplier.
Cognizant Worldwide Ltd provides services such as insurance administration, claims handling and analytics. The agreement is regularly followed up and is in accordance with current regulations for outsourcing.

Guidelines

Storebrand aims to be open and transparent about the work within human and labour rights. Therefore, we have a high degree of publicly available guidelines and documents. For an overview of governing documents and guidelines, see chapter 3 in the Storebrand Group's statement. These also include ERGO Forsikring AS.

Risk and due diligence assessments

We assess the risk of human rights violations and decent working conditions through the use of suppliers and their subcontractors and through the distribution of financial services. The following describes the most significant risk areas for ERGO Forsikring AS, as well as associated mitigating measures.
Group-wide risks are described in more detail in the Storebrand Group's statement under Chapter 4 Storebrand ASA. The following sections describe the company-specific ones in addition to these.
IT and data security as well as accessibility and language are two of the most significant risks identified for ERGO Forsikring AS. The company carries out systematic work internally and in collaboration with the system supplier to identify and implement measures that reduce the risk to an acceptable level.

There is an inherent risk that people may experience inadequate customer support if the need for treatment is perceived as critical. However, there is a low probability of this in practice because acute injuries are outside the product offering and because the customer can contact the company by phone, app, e-mail, website or by letter.

Methodology

The assessments are based on the extent to which the rights enshrined in the Declarations of Rights below and the conventions are threatened, and what kind of consequences and damage a violation will entail.

- Universal Declaration of Human Rights (UDHR)
- UN International Covenant on Civil and Political Rights (ICCPR)
- UN International Covenant on Economic, Social and Cultural Rights (ICESCR)
- UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- UN Convention on the Rights of the Child (CRC)
- The fundamental rights of the International Labour Organization (ILO)

For a detailed description of the framework, see the Storebrand Group's statement in Chapter 6.

Sustainability

ERGO Forsikring offers health insurance to private customers, business customers and public enterprises. We must be close to the customer and know them so well that we can always help them with what they need. Customers must be confident that we put their needs first.

Own employees

ERGO Forsikring has a significant influence on employee well-being, although the extent of the impact is largely limited to internal conditions. The company's employees constitute our most important source of innovation, development and growth. We need employees who are courageous pioneers, who challenge and think creatively to contribute to financial security and freedom for our customers. Work with ethics, corporate social responsibility and sustainability constitutes an important value base for our business.
In 2024, 50 per cent of the company's board members were women. There are 40 per cent women with management responsibility in the company. The company's long-term ambition is to ensure a safe and secure working environment for all employees, both physically and mentally, as well as protect the environment in which we operate. Storebrand has a high standard for this and works systematically on measures to prevent the risk of injury, protect our employees and further develop a good and safe working environment. Among the Group's most important goals this work is a stable and low sickness absence rate of less than 3.5 per cent and zero physical injuries. Sickness absence among employees was 2.97 per cent in 2024. ERGO Forsikring AS had no accidents involving personal injury in 2024. There have been no cases of property damage.

Financial remuneration

The financial remuneration in ERGO Forsikring shall contribute to attracting, developing and retaining competent, motivated and adaptable employees who contribute to the company's long-term value creation.

Customers and end users

We offer health insurance solutions that help individuals and businesses achieve financial security and freedom. This is how we can influence society in a positive way. The company's ability to deliver financial security and freedom is critical to attracting customers. When customers take steps to secure their financial future together with Storebrand, they should feel confident that they have made good choices. Customers should experience that we offer relevant and good products.

Corporate governance and compliance

The company is working purposefully to develop our employees' competence, identify risks and opportunities, and develop our internal regulations. This helps build a culture of open communication, trust and respect, while promoting diversity and inclusion, learning and accountability. The company works actively to build and maintain an open corporate culture.

All employees must take mandatory courses in sustainability, ethics, anti-corruption, data protection, information security, money laundering and terrorist financing and sustainability every year.

Board and management changes

Gunnar Andreas Hvattum Heiberg and Heidi Skaaret has resigned from the board.

Insurance for board members and executives

The Board members and executives are covered by the company's D&O insurance policy. This is placed with insurers with a solid rating. Within the framework of the insurance coverage, the insurer will pay compensation for economic loss resulting from claims brought against the insured persons for personal management liability during the insurance period.

Prospects for the Future

ERGO Forsikring AS is a major player in the health insurance market and has established a market-leading position in high-quality treatment covers. The market is still growing but is also characterized by high competition intensity, increased price pressure and increased frequency of claims payments. ERGO Forsikring AS has a competitive advantage due to the quality of claims settlement, unlimited liability period, a comprehensive national and international network of high-quality hospitals, and agreements with specialist clinics, and owners with extensive industry experience.

At the end of the year, ERGO Forsikring's total customer base was 233,000 insured persons. The most important sales channels in Norway were Storebrand's distribution network, Frende and brokers. The most important distribution channels in Sweden were SPP, Handelsbanken and brokered channels.

Both the retail and the corporate markets for health insurance have historically been mostly profitable. The exception has been some challenging times with sharp increases in claims in the period following the COVID pandemic. With relatively large increases in premiums, this has now improved. Greater pressure on margins means that one of the main challenges in the future will be to implement solutions that support cost-efficient and profitable operation, and which further strengthen the growth in volume. ERGO Forsikring AS wants to meet the increased competition in the market with market-adapted products at the right price and level of quality for customers.

Furthermore, our parent company, ERGO International AG, has decided to implement a branch structure between Europaeiske Rejseforsikring A/S (ERV Nordic, Denmark) and ERGO Forsikring, with ERGO Forsikring anticipated to become a branch during 2025.

Ultimately, the merger is designed to create a unified entity to strengthen our ability to serve our customers and stakeholders effectively across Nordic region.

With ERV's focus on travel insurance complementing and ERGO Forsikring's specialization on private health insurance, we are going to be well-equipped to address diverse customer needs. Our flagship health insurance product will continue ensuring timely access to medical care through established networks, and we will continue to deliver these vital services in Norway and Sweden.

The board wishes to thank the company's customers for their constant feedback regarding improvements to the company's processes, other business contacts, and the employees for a good collaboration in 2023.

Allocation of result for the year

The 2024 result for ERGO Forsikring AS was NOK 128.2 million (minus NOK 53.2 million).

In the Board's opinion the company's equity is satisfactory and reasonable in view of the company's business activities.

The Board proposes to the General Meeting the following allocation of result (amounts in NOK million):

NOK million	**2024**
Dividend	18.9
Transferred to guarantee reserve	3.0
Transferred to other equity	106.3
Total	**128.2**

Lysaker, 28 April 2025

The Board of ERGO Forsikring AS

Anja Berner Chairman	Ronald Helmut Kraule	Ketil Eilev Bøe	Beate Palkin Berntsen	Bjarke Thorøe CEO

Statement of Comprehensive income

1 January - 31 December

NOK thousand	Note	**2024**	**2023**
TECHNICAL ACCOUNTS			
PREMIUMS			
Gross premiums earned		1 386 599	1 220 692
- Reinsurers' share		-3 173	-3 009
Premium income for own account	11,12	1 383 426	1 217 683
Other insurance related income		260	278
CLAIMS EXPENSES			
Incurred claims gross		-1 017 170	-1 087 517
- Reinsurers' share		4 351	3 730
Claims expenses for own account	5,12	-1 012 819	-1 083 787
INSURANCE RELATED OPERATING EXPENSES			
Sales expenses		-99 460	-81 006
Insurance related administration expenses (incl. commissions for reinsurance receivable)		-178 016	-128 022
Insurance related operating expenses	13,14,15,16	-277 477	-209 028
Change in premium defiencie reserve	25	28 912	-28 801
Technical profit		122 302	-103 654
NON-TECHNICAL ACCOUNTS			
NET INCOME FROM FINANCIAL ASSETS			
Interest and dividend etc from financial assets		51 583	29 130
Change in value on investments		-7 015	5 845
Realised gain and loss on investments		4 946	6 674
Net income from investments	17	49 514	41 649
Other income		2 156	1 941
Other expenses		-3 557	-11 329
Non-technical profit		48 112	32 261
Pre tax profit		170 415	-71 394
Tax	18	-42 254	18 245
Profit/loss for the year		**128 161**	**-53 149**
OTHER COMPREHENSIVE INCOME ELEMENTS AND EXPENSES NOT TO BE RECLASSIFIED TO PROFIT/LOSS			
Change in actuarial assumptions		-6	-8
Tax on other comprehensive income and expenses not to be reclassified to profit/loss		1	2
Total comprehensive income		**128 156**	**-53 155**

Statement of financial position

31 December

NOK thousand	Note	2024	2023
ASSETS			
Intangible assets		63 582	82 167
Total intangible assets	19	63 582	82 167
FINANCIAL ASSETS AT FAIR VALUE			
Bonds and other fixed-income securities	21	911 675	783 277
Financial derivatives	22	-	428
Total financial assets at fair value	8,10,20	911 675	783 705
RECEIVABLES			
Receivables in connection with direct business transactions			
- Due from policyholders	24	361 521	301 581
Receivables from reinsurers		867	1 331
Receivables from related parties	24	-	-
Other receivables	24	12 210	15 048
Total receivables		374 598	317 960
OTHER ASSETS			
Cash and cash equivalents	8,20	49 885	44 341
Tax assets	18	-	11 430
Pension assets	14	34	36
Total other assets		49 919	55 807
Prepaid costs and income earned not received		5 678	4 420
Total prepaid costs and income earned not received	24	5 678	4 420
Total assets		**1 405 452**	**1 244 060**

Statement of financial position (continued)

NOK thousand	Note	2024	2023
EQUITY AND LIABILITIES			
PAID IN CAPITAL			
Share capital		35 000	35 000
Share premium reserve		395 000	395 000
Total paid in capital		430 000	430 000
EARNED EQUITY			
Allocation to guarantee scheme		25 797	22 766
Other earned equity		184 420	78 195
Total earned equity		210 217	100 961
GROSS INSURANCE LIABILITIES			
Reserve for unearned premiums gross		545 632	476 687
Premium Deficiency Reserve		-	28 863
Claims reserve gross	5	107 323	161 956
Total insurance liabilities gross	25	652 955	667 506
RESERVES FOR LIABILITIES			
Pension liabilities		-	-
Period tax liabilities	18	22 365	-0
Deferred tax	18	2 908	-0
Total reserves for liabilities		25 273	-0
LIABILITIES			
Liabilities in connection with direct insurance	26	26 196	25 768
Financial derivatives	22	1 231	-
Allocation to dividends		18 900	-
Liabilities to related parties	27	-	0
Other liabilities	26	21 558	6 441
Total liabilities	20,26	67 885	32 209
Accrued expenses and received, unearned income		19 122	13 385
Total accrued expenses and received, unearned income	20,26	19 122	13 385
Total equity and liabilities		**1 405 452**	**1 244 060**

Lysaker, 28 April 2025

The Board of ERGO Forsikring AS

Anja Berner Chairman	Ronald Helmut Kraule	Ketil Eilev Bøe	Beate Palkin Berntsen	Bjarke Thorøe CEO

Statement of cash flow

1 January - 31 december

NOK thousand	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Paid-in premiums gross insurance	1 364 461	1 284 486
Paid-out claims gross insurance	-1 067 452	-1 061 483
Tax payable for the period	-5 550	-780
Net receipts/payments operations	-232 680	-200 183
Net receipts/payments other operational activities	28 912	0
Net cash flow from operating activities before financial assets	**87 692**	**22 039**
Net receipts/payments - financial assets	-77 225	-274 841
Net cash flow from financial assets	-77 225	-274 841
Net cash flow from operating activities	**10 468**	**-252 802**
CASH FLOW FROM INVESTING ACTIVITIES		
Net receipts/payments – sale/purchase of fixed assets/intangible assets	-4 924	-5 966
Net cash flow from investing activities	**-4 924**	**-5 966**
CASH FLOW FROM FINANCING ACTIVITIES		
Issuing of share capital and other equity	0	275 000
Dividends paid	0	0
Net cash flow from financing activities	**0**	**275 000**
Net cash flow for the period	**5 544**	**16 232**
of which net cash flow for the period before financial assets	82 768	44 341
Net movement in cash and cash equivalent assets	5 544	16 232
Cash and cash equivalent assets at the start of the period	44 341	28 109
Cash and cash equivalent assets at the end of the periode	**49 885**	**44 341**

Statement of change in equity

NOK thousand	Share capital	Share premium reserve	Total paid in capital	Guarantee scheme	Other equity	Total retained earnings	Total equity
Equity 01.01.23	**33 000**	**122 000**	**155 000**	**19 770**	**134 345**	**154 115**	**309 115**
Paid-in capital	**2 000**	**273 000**	**275 000**				**275 000**
Profit					-53 149	-53 149	**-53 149**
Change in guarantee reserve				2 996	-2 996	0	**0**
Change in pension experience adjustments					-8	-8	**-8**
Tax on other comprehensive income					2	2	**2**
Equity 31.12.23	**35 000**	**395 000**	**430 000**	**22 766**	**78 195**	**100 961**	**530 961**
Paid-in capital	0	0	0				0
Profit					128 161	128 161	**128 161**
Change in guarantee reserve				3 031	-3 031	0	**0**
Change in pension experience adjustments					-6	-6	**-6**
Tax on other comprehensive income					1	1	**1**
Share dividend					-18 900	-18 900	**-18 900**
Equity 31.12.24	**35 000**	**395 000**	**430 000**	**25 797**	**184 420**	**210 217**	**640 217**

Shareholders:

NOK	Number of shares	Nominal value	Share capital
Ergo International AG	35 000	1 000	35 000 000
Total share capital	**35 000**		**35 000 000**

Notes

Note 1 – Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which is in accordance with international accounting principles (IFRS), but with some adjustments. The company has chosen not to transition to IFRS 17 for the fiscal year 2024 and has been granted a deferral by the Financial Supervisory Authority of Norway until the third quarter of 2025.

1.1 - Changes in accounting policies

In 2024, no new accounting standards were implemented that had a significant effect on ERGO Forsikring's company accounts.

1.2 - Financial instruments - General policies and definitions

Recognition and derecognition

Financial assets and liabilities are recognized in the statement of financial position from such time ERGO Forsikring becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognized in the financial statements, it is valued at fair value.

Financial assets are derecognized when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred. Financial liabilities are derecognized in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

According to IFRS 9, ERGO Forsikring AS's financial assets fall under the category "Financial assets at fair value through profit or loss"

1.3 – Accounting for the insurance business

ERGO Forsikring's insurance contracts are calculated in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies.

Insurance premiums are recorded as income according to the insurance period. Costs related to claims are recognised when the claims occur.

1.3.1 - Unearned premiums (premium reserve)

Reserve for unearned premium concerns on-going policies that are in force at the time the financial statements were closed and is intended to cover the contracts' remaining risk period. Accrued entitlements are calculated on a pro rata basis and without any deduction for costs.

1.3.2 – Premium Deficiency Reserve

A premium deficiency reserve (PDR) is the amount needed if the unearned premiums collected may not be sufficient to meet future claims and expenses.

1.3.3 - Claims reserve

The claims reserve is a reserve for expected claims that have been reported, but not settled. In addition, claims reserves shall include a separate provision for future losses on claims that have not been settled.

1.3.4 - Guarantee scheme

A required provision for non-life insurance companies. The reserve is intended to help ensure that the insured obtains settlement in relation to policies entered. The reserve is included in retained earnings. The guarantee applies only to Norwegian business and therefore not calculated guarantee reserve of the business in the Swedish branch.

1.4 - Pension liabilities for own employees

ERGO Forsikring has a defined contribution pension scheme. The defined contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The company does not have any further work-related obligations after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined contribution pension schemes are recognised directly in the financial statements.

1.5 - Intangible assets

The company's intangible assets comprise of IT systems. Intangible assets with limited useful economic lives are measured at acquisition cost less accumulated amortisation and any write downs. The useful life and amortisation method are measured each year. With initial recognition of intangible assets in the balance sheet, it must be demonstrated that probable future economic benefits attributable to the asset will flow to the company. The cost of the asset must also be measured reliably. The value of an intangible asset is tested for impairment when there are indications that its value has been impaired.

1.6 – Tax

The tax expense in the income statement comprises current tax and changes to deferred tax and is based on the accounting standard IAS12 Income Taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities. Deferred tax is calculated on the basis of the company's tax loss carry forwards, deductible temporary differences and taxable temporary differences. Any deferred tax assets shall be recognized if it is considered probable that the tax asset will be recovered.

In December 2023 and January 2024, Norwegian authorities decided to implement changes in tax legislation effective from the 2024 income year. The new legislation introduces a supplementary tax, a global minimum tax aimed at preventing profit shifting between countries and ensuring an effective tax rate of at least 15 percent. We do not think that ERGO Forsikring AS will be affected by the new legislation.

1.7 – Foreign currency

Figures for the Swedish branch is converted to Norwegian kroner by recalculating the income statement using the average exchange rate for the year in question and by converting the balance-sheet using the exchange rate at the end of the financial year. Any difference arising from the conversion is reflected in the ordinary profit.

Note 2 - Important accounting estimates and judgments

In preparing the financial statements the management is required to make judgments, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statements were prepared. Actual results may differ from these estimates.

The most important estimates, in the sense that their ultimate realization could lead to material adjustments of recognized amounts, are the claims reserves. Estimates are made for expected payments for the period up to the renewal date for contracts in force (unearned premiums gross) and expected remaining payments for incurred but not finally settled claims (claims reserve). There is uncertainty connected to the frequency, size and late reporting of claims, and estimates changes may cause increases or reductions in reserves and corresponding changes in claims costs reported in the accounts.

Note 3 – Risk management and internal control

The company's premium income and results are affected by external factors that gives uncertainty. The main external risk factors are the development of the financial markets and the cost development for medical treatment. Internal operational factors may also cause losses, e.g. errors in underwriting or claims payments.

Continuous monitoring and active risk management are core areas of the company's activities and organization. The basis for risk management is laid down in the Board's annual review of the strategy and planning process, which sets the risk appetite, risk targets and overriding risk limits for the operations. In the company, responsibility for risk management and internal control is an integral part of management responsibility.

Organisation of risk management

The company's organization of the responsibility for risk management follows a model based on three lines of defence. The model safeguards risk management responsibility in the company.

The boards of directors have the overall responsibility for limiting and following up the risks associated with the activities. The boards set annual limits and guidelines for risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

Managers at all levels in the company are responsible for risk management within their own area of responsibility. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritization and implementation of improvement measures, and good communication, information and reporting.

Independent control functions

Independent control functions are in place for risk management within the unit (risk management function/Chief Risk Officer), for compliance with the regulations, that the insurance liabilities are calculated correctly (Actuary).

The compliance function is directly under the company's managing director and reports to the company's board. The risk management and actuarial functions are directly under the company's director of sales and finance and report to the company's board. The company's risk management function is outsourced to Aksio Actuarial Intelligence AS, and the actuarial function is outsourced to ERGO Group AG

Internal audit is directly subordinate to the Board of Directors and shall provide the Board with confirmation of the appropriateness and effectiveness of the enterprise's risk management, including the functioning of the lines of defense. Internal audit is performed by ERGO Group AG.

Note 4 – Operational risk

Operational risk is the risk of financial loss, damaged reputation or sanctions related to violations of internal or external regulations as a result of ineffective, insufficient or defective internal processes or systems, human error, external events or rules and guidelines not being followed.

The purpose of operational risk management is to avoid operational incidents that impact customers, result in serious operational disruptions, violations of regulations and/or direct financial loss.

The company seeks to reduce operational risk through an effective system for internal control. Risks are followed up through the management's risk reviews, with documentation of risks, measures and the follow-up of incidents. In addition, Internal Audit carries out independent checks through audit projects adopted by the Board.

Contingency and continuity plans have been prepared to deal with serious incidents in business-critical processes.

Cyber risk is becoming an increasingly important operational risk. The threat picture for cybercrime has increased, partly as a result of organized crime and increased geopolitical sentiment. Technology advances enable the spread and increased automation of fraud, and an increasing targeting of cyber-attacks.

Cyber risk is becoming an increasingly important operational risk. The threat picture for cybercrime increased partly as a result of organized crime and increased geopolitical sentiment. Technology advances enable the spread and increased automation of fraud, and an increasing targeting of cyberattacks.
Our ability to manage cyber risk depends on good and proactive digital resilience. This entails a comprehensive security strategy, good plans for crisis management and continuity for our critical business processes, as well as training and practice on relevant scenarios. This helps to reduce risk and increase the likelihood of good handling of undesirable incidents.

The insurance platform is based on purchased standard systems that are operated and followed up through outsourcing agreements.

Stable and secure technology and infrastructure are vital to the business and for reliable financial reporting. Errors and disruptions may impact both customer and shareholder trust. In a phase of the transition to cloud-based technology services, greater attention is being paid to the complexity and integrations in existing solutions. Cloud-based services and infrastructure have good inbuilt security solutions and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. For those parts of the technology services that have been outsourced, risk-based follow-up of providers has been established with the aim of managing the risk associated with the IT systems' development, management, operation and information security.

Note 5 – Insurance risk

Insurance risk occurs when the company receives a fixed amount, premium, to compensate for an insurance event described in the insurance agreement with the customer. Claims expenses can be both higher and lower than paid premiums. For ERGO Forsikring most insurance risk will be associated with developments in the cost of medical treatment which has a direct effect on the company's claims expenses. To reduce this risk, agreements have been entered with the largest health services providers with which the company has working relationships. ERGO Forsikring has also entered into a reinsurance agreement with Munich Re, which is the company's reinsurer, to offset the effect of large claims. The company had "excess of loss" protection for 80 per cent of all claims paid above NOK 550,000 per person per year. This coverage will be discontinued in 2025.

Developments in insurance claim payments:

NOK thousand	2019	2020	2021	2022	2023	2024	Total
Calculated gross cost of claims							
At end of the policy year	532 611	585 298	680 827	859 017	1 056 022	995 050	
- one year later	535 402	567 066	672 084	841 024	1 020 711		
- two years later	534 645	567 739	671 645	839 700			
- three years later	534 649	567 543	671 329				
- four years later	534 613	567 375					
- five years later	534 559						
Calculated amount 31.12							
Total disbursed to present	534 499	567 283	671 120	839 016	1 017 585	904 861	4 534 364
Claims reserve *)	60	92	208	684	3 126	90 188	94 359
Claims reserve for claims from prior years (before 2017)							198
Total trend in claims disbursed *)							**94 557**

*) Excluding claims handling costs which amounts to NOK 12,766 thousand in 2024

Business in SEK was converted from NOK to SEK with currency at 31.12.2024

Note 6 – Financial market risk

Market risk is the risk of incurring losses on open positions in financial instruments due to changes in market variables and/or market conditions within a specified time horizon. Therefore, market risk is the risk of price changes in the financial markets, including changes in interest rates, and in the currency, equity, property or commodity markets, affecting the value of the company’s financial instruments. Storebrand continuously monitors market risk using a range of evaluation methods. The potential for losses in the investment portfolio on a one-year horizon is calculated and the portfolios are stress tested pursuant to the statutorily defined stress tests as well as internal models.

ERGO Forsikring's portfolio consists of interest-bearing investments and is therefore mainly exposed to changes to the interest rate markets. The duration of the portfolio is 0.5. The low duration, together with active follow-up of the portfolio's credit risk means that the exposure to market risk is deemed to be low.

Note 7- Liquidity risk

Liquidity risk is the risk that the company will not have sufficient liquidity to meet its payment obligations when they fall due, or that the company will not be able to sell securities at acceptable prices. ERGO Forsikring’s insurance liabilities are usually known long before they fall due, but a solid liquidity buffer is still important for handling unforeseen events.

At the same time company-specific liquidity strategies have been drawn up in line with statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategy defines limits for allocations to various types of assets and means that ERGO Forsikring generally has money market investments which can be sold if necessary.

Note 8 Credit risk

ERGO Forsikring has risk of loss associated with a counterparty does not meet their debt obligations. The risks include losses related to lack of contractual non-performance by counterparties to derivative financial instruments.

Maximum limits for credit exposure to individual debtors and for overall credit exposure within rating categories are set by the Board. Particular attention is paid to diversification of credit exposure to avoid concentrating credit risk on any particular debtors or sectors. Changes in the credit rating of debtors are monitored and followed up.
The table below shows the bond funds underlaying investments.

Credit risk by counterparty

Bonds and other fixed-income securities at fair value **Category of issuer or guarantor** NOK thousand	**AAA** **Fair value**	**AA** **Fair value**	**A** **Fair value**	**BBB** **Fair value**	**Total** **Fair value**
Government and government guaranteed bonds		8 778			8 778
Corporate bonds	281 278	41 481	466 960	93 336	883 055
Total interest-bearing securities	**298 292**	**50 260**	**466 960**	**93 336**	**908 848**
Non-interest bearing securities managed by Storebrand					**2 827**
Total 2024	**298 292**	**50 260**	**466 960**	**93 336**	**911 675**
Total interest-bearing securities 2023	286 144	68 765	349 817	77 432	783 277

Counterparties NOK thousand	**AAA** **Fair value**	**AA** **Fair value**	**A** **Fair value**	**BBB** **Fair value**	**Total** **Fair value**
Derivatives			1 115		1 115
Of witch derivatives in bond funds, managed by Storebrand			1 115		1 115
Total derivatives excluding derivatives in bond fund 2024	**0**	**0**	**0**	**0**	**0**
Total derivatives excluding derivatives in bond fund 2023	0	0	0	0	428
Bank deposits		12 822	39 550		52 372
Of witch bank deposits in bond funds, managed by Storebrand			2 487		2 487
Bank deposit 2024 [1]	**0**	**0**	**37 063**	**0**	**49 885**
Bank deposit 2023	0	0	44 341	0	44 341

Rating classes are based on Standard & Poor's ratings.

[1] of which tied-up bank deposits (tax deduction account) 1940

Note 9 – Climate risk

ERGO Forsikring conducts a yearly assessment of climate risk in order to estimate the influence this risk has on the business financially, regulatory and reputation-wise Climate risk often is divided into two categories: physical risk and transition risk. Physical climate risk is impacted by the extent and speed of climate change. Transition risk is the main economic risk connected to the shift to the low emission society. The climate risk in ERGO Forsikring AS is considered to be low because the health of the insured is only moderately influenced by the annual climatic changes.

Note 10 – Valuation of financial instruments at fair value

The Investment Manager conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. The Investment Manager categorises financial instruments valued at fair value on three different levels, according to IFRS 9. ERGO Forsikring AS only has investments in valued according to level 2.

Level 2: Financial instruments valued on the basis of observable market information not covered by level 1.
This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Bonds and equivalent instruments are generally classified in this level. Bonds are generally valued based on prices obtained from Nordic bond pricing or Bloomberg. Bonds for which reliable prices are not regularly quoted are theoretically valued based on discounted cash flow. The discount rate consists of swap rates plus a credit spread specific to each bond.

	Level 2	**Fair value**	
NOK thousand	**Observable assumptions**	**2024**	**2023**
Bonds and other fixed income securities			
Bond fund	911 675	**911 675**	
Total bonds and other fixed income securities 2024	**911 675**	**911 675**	
Total bonds and other fixed income securities 2023	783 277		783 277
Derivatives:			
- Currency derivatives	-1 231	**-1 231**	
Total derivatives 2024	**-1 231**	**-1 231**	
Total derivatives 2023	428		428

Note 11 – Premium income per country

Breakdown between operations in Norway and Sweden:

NOK thousand	Norway		Sweden		Total	
	2024	2023	2024	2023	2024	2023
Gross premiums written	631 643	601 030	817 051	683 399	1 448 694	1 284 430
Gross premium earned	626 741	581 970	759 858	638 722	1 386 599	1 220 692
Reinsurers' share	-2 083	-2 096	-1 090	-913	-3 173	-3 009
Earned premium for own account	**624 658**	**579 874**	**758 768**	**637 809**	**1 383 426**	**1 217 683**

Note 12 – Insurance profit and loss

NOK thousand	2024	2023
Gross business		
Written premiums	1 448 694	1 284 430
Earned premiums	1 386 599	1 220 692
Losses incurred	-1 017 170	-1 087 517
Technical result gross	**369 428**	**133 175**
Ceded business		
Earned premiums	-3 173	-3 009
Losses incurred	4 351	3 730
Technical result ceded	**1 178**	**721**
For own account		
Earned premiums	1 383 426	1 217 683
Losses incurred	-1 012 819	-1 083 787
Technical result for own account	**370 606**	**133 896**
Losses incurred gross		
Incurred this year	-1 054 345	-1 106 132
Incurred in previous years	37 174	18 615
Total for the financial year	**-1 017 170**	**-1 087 517**

Note 13 - Insurance related sales and administration expenses

NOK thousand	2024	2023
Personnel expenses	2 878	2 380
Commissions	99 295	80 911
Other sales expenses	186	75
Total insurance-related sales expenses	**102 359**	**83 366**
Personnel expenses	37 034	29 465
Other insurance-related operating expenses	138 083	96 197
Total insurance-related operating expenses	**277 477**	**209 028**

Note 14 - Pension expenses and liabilities

ERGO Forsikring AS is obliged to have an occupational pension scheme pursuant to the Mandatory Occupational Pension Act. The company's pension schemes meet the requirements of the law.

The company’s employees in Norway have a defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). ERGO Forsikring AS has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:

- Saving starts from the first krone of salary.
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount “G” was NOK 124 028 as at 31 December 2024)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

ERGO Forsikring AS participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.7 per cent in 2024 and will be unchanged at 2.7 per cent in 2025.
There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (BTP).
SPP has a defined-contribution occupational pension known as BTP1. All new employees were enrolled in this pension agreement from and including 1 January 2014. In BTP1, the employer pays a premium for pension savings that is calculated based on pensionable salary up to 30 times the “basic income amount” (inkomstbasbelopp). The insurance includes retirement pension with or without mortality inheritance, disability pension and children’s pension. The premium is calculated independently of age and is calculated primarily based on the monthly salary. The premium is paid monthly in two parts, a fixed part that is 2.5 per cent of the pensionable salary up to and including 7.5 times the “basic income amount”. The optional part of the premium is 2 per cent of salary up to and including 7.5 times the “basic income amount” and 30 per cent of salary between 7.5 and 32 times the “basic income amount”.

Reconciliation of pension assets and liabilities in the statement of financial position

NOK thousand	2024	2023
Present value of insured pension benefit liabilities	65	55
Pension assets as fair value	-145	-139
Net pension liability/surplus for the insured schemes	-80	-84
Upper limit pension funds	46	48
Net pension liabilities in the statement of financial position	**-34**	**-36**

Provision for employment taxes are included in the gross obligation.

Net pension cost booked to profit and loss account, specified as follows

NOK thousand	2024	2023
This periods payments to defined benefit pension scheme/net interest cost	-4	-6
This periods payments to contribution scheme [1])	4 244	3 309
The period's payment to contractual pension [1])	595	443
Net pension expenses booked to profit and loss account in the period	**4 834**	**3 746**

[1]) includes employer tax

Note 15 – Remuneration of senior employees and elected officers of the company

The Managing Director is a member of Storebrand's pension scheme. At the end of the employment relationship the Managing Director has six months' notice. The company's managing director in 2024 has an agreement for a special compensation upon transitioning to a new position within the company. This compensation amounts to one year's salary and is paid in full upon transitioning to the new position.

NOK thousand	Ordinary salary	Other benefits 1)	Total remuneration for the year	Pension accrued for the year	Loan 2)
Senior employees					
Bjarke Thorøe	2 535	131	2 666	389	2 097
Total 2024	**2 535**	**131**	**2 666**	**389**	**2 097**
Total 2023	2 532	128	2 660	396	2 096

1) Comprises company car, telephone, insurance, concessionary interest rate, other taxable benefits.

2) Employees can borrow up to NOK 7.0 million at a subsidised interest rate at 4.89 % as of 31.12.24.

Excess loan amounts will be subject to market terms.

The Company has no obligations towards the Chairman upon termination or change of job. Members of the Board receive no other compensation than remuneration.

NOK thousand	Remune-ration
Board of Directors	75
Total 2024	**75**
Total 2023	154

Note 16 – Remuneration paid to auditors

	2024			2023
NOK thousand	Norway	Sweden	Total	Total
Statutory audit	614	144	758	704
Total	**614**	**144**	**758**	**704**

The amounts above is including VAT.

Note 17 – Net income from different classes of financial instruments

NOK thousand	Dividend/interest income etc.	Net gains and losses on investments	Net revaluation on investments	Total
Net income on bonds and other fixed-income securities at fair value	51 583	2 723	-5 356	48 950
Net income from derivatives	0	2 223	-1 659	564
Total gains and losses on financial assets at fair value 2024	**51 583**	**4 946**	**-7 015**	**49 514**
Total gains and losses on financial assets at fair value 2023	29 130	6 674	5 845	41 649

Note 18 – Tax expenses

Tax expenses in profit and loss

NOK thousand	2024	2023
Payable tax [1]	-25 519	0
Change in deferred tax	-16 735	18 245
Total tax expenses	**-42 254**	**18 245**

[1] Payable tax in the balance sheet

NOK thousand	2024	2023
Payable tax in profit and loss account	-25 519	0
Prepaid taxes	11 848	0
Correction tax previous years	-59	0
Payable tax in the balance sheet	**-13 730**	**0**

Calculation of deferred tax assets and deferred tax on temporary differences and losses carried forward

NOK thousand	2024	2023
Tax increasing temporary differences		
Pension assets	34	36
Security reserve	19 239	25 652
Total tax increasing temporary differences	19 274	25 689
Tax reducing temporary differences		
Fixed assets and intangible assets	0	-2 200
Financial assets	-4 644	2 371
Allocations	-2 998	0
Total tax reducing temporary differences	-7 642	171
Net deferred tax assets/deferred tax before losses carried forward	11 632	25 859
Loss carried forward	0	-73 779
Temporary differences not eligible for deferred tax	0	2 200
Net basis for deferred tax/tax assets	11 632	-45 720
Net deferred tax asset/liability	2 908	-11 430

Reconciliation of expected and actual tax charge

NOK thousand	2024	2023
Ordinary pre-tax profit	170 409	-71 394
Expected tax on income at nominal rate	-42 602	17 848
Tax effect of:		
permanent differences	-53	-82
skattefunn (Norwegian tax incentive scheme)	344	0
Changes from previous years	59	
Tax charge	**-42 253**	**18 245**
Effective tax rate	24,8 %	25,6 %

Note 19 – Intangible assets

	IT- systems	
NOK thousand	2024	2023
Acquisition cost 01.01	250 028	244 062
Additions in the period:		
Purchased separately	4 924	5 966
Scrapped	-57 924	0
Acquisition cost 31.12	**197 027**	**250 028**

Accumulated depreciation & write-downs 01.01	-167 861	-142 828
Write-down	0	0
Amortisation in the period	-23 509	-25 032
Scrapped	57 924	
Accumulated depreciation & write-downs 31.12	**-133 445**	**-167 861**
Book value 31.12	**63 582**	**82 167**

The intangible assets consist of IT systems. In 2018, the decision was made to invest in a new insurance system from the Danish provider TIA Technology. The system satisfies the requirements for activation in accordance with IAS 38.57 with all the demands fulfilled and will be amortized over the expected economic lifespan, which has been set at seven years. Tia was implemented in June 2021. Other IT-systems are depreciated over a period of 5 years.

Note 20 - Classification of financial assets and liabilities

NOK thousand	Loans and receivables	Fair value in profit and loss	Liabilities at amortised cost	Total
Financial assets				
Bank deposits	49 885			**49 885**
Bonds and other fixed-income securities (interes fund)		911 675		**911 675**
Accounts receivable and other short-term receivables	374 598			**374 598**
Derivatives		0		**0**
Total financial assets 2024	**424 482**	**911 675**		**1 336 158**
Total financial assets 2023	362 302	783 705		1 146 007

Financial liabilities				
Derivatives		1 231		**1 231**
Other current liabilities			85 776	**85 776**
Total financial liabilities 2024			**85 776**	**87 007**
Total financial liabilities 2023		0	45 593	45 593

Note 21 - Bonds and other securities with fixed return

	Fair value	
NOK thousand	2024	2023
Bond fund	911 675	783 277
Total bonds and other fixed-income securities	**911 675**	**783 277**

Modified duration	0,16	0,33
Average effective yield	4,81 %	5,36 %

The effective yield for each security is calculated using the observed market price. Weighted effective yields for the whole portfolio is calculated on the basis of each security's share of the market value.

Note 22 – Derivatives

Nominal volume:
Financial derivatives are linked to underlying amounts which are not reported in the statement of financial position. In order to quantify a derivative position, reference is made to such underlying amounts described as the underlying nominal principal, nominal volume and the like. Nominal volume is arrived at differently for different classes of derivatives and provides some indication of the size of the position and risk the derivative creates.
Gross nominal volume mainly gives an indication of the amount, while net nominal volume gives an impression of risk positions. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivatives. Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions.
For currency derivatives, a long position results in a positive change in value if the relevant exchange rate strengthens against the NOK. The average gross nominal volume is based on daily calculations of gross nominal volume.

					Amounts that can, but are not presented net in the balance sheet		
NOK thousand	Gross nominal volume	Gross booked value financial assets	Gross booked value financial liabilities	Net booked financial assets/ liabilities	Financial assets	Financial liabilities	Net amount
Currency derivatives	163 492	82 189	83 420	0	0	0	-1 231
Total derivatives 2023	**163 492**	**82 189**	**83 420**	**0**	**0**	**0**	**-1 231**
Total derivatives 202	160 233	80 296	79 868	0	0	0	428

Note 23 – Currency exposure

Financial assets and liabilities in foreign currencies	Balance sheet items excl. currency derivatives	Currency derivatives	Net position	
NOK thousand	Net on balance sheet	Net sales	in currency	in NOK
SEK	-154 611	82 189	-74 652	-76 733
Total net position foreign currency 2024				**-76 733**
Total net position foreign currency 2023				-84 323

Note 24 – Receivables due from policyholders and other receivables

NOK thousand	2024	2023
Receivables due from policyholders	361 521	301 581
Pre-paid commissions	867	1 331
Related parties - receivables from reinsurers	5 678	4 420
Other receivables	12 210	15 048
Book value 31.12	**380 276**	**322 380**

Age distribution for accounts receivable, etc 31.12 (gross)

NOK thousand	2024	2023
Receivables not fallen due	350 523	294 113
Past not distributed	10 997	7 468
Gross accounts receivable/receivables from reinsurance	**361 521**	**301 581**
Net accounts receivable/receivables from reinsurance	**361 521**	**301 581**

Note 25 - Technical insurance reserves

NOK thousand	2024	2023
Gross insurance liabilities		
Book value 01.01	**667 506**	**506 771**
Change in premium and claims reserves	6 224	111 391
Change in Premium Deficiency Reserve	-28 912	28 863
Exchange rate changes	8 138	20 481
Book value 31.12.	**652 955**	**667 506**

Assets and liabilities

NOK thousand	2024	2023
Receivables concerning insurance contracts	361 521	301 581
Total assets	**361 521**	**301 581**
Premium reserve	545 632	476 687
Claims reserve	107 323	161 956
- of which IBNS	94 558	142 692
- of which settlement expenses	12 765	19 263
Premium Deficiency Reserve	0	28 863
Liabilities in connection with direct insurance	26 196	25 768
Total liabilities	**679 151**	**693 273**

Note 26 – Other current liabilities

NOK thousand	2024	2023
Liabilities in connection with direct insurance	26 196	25 768
Accounts payable	7 381	483
Governmental fees and tax withholdings	8 100	5 474
Other current liabilities	6 076	484
Total liabilities	**66 654**	**32 209**
Accrued expenses	19 122	13 385
Book value 31.12	**85 776**	**45 593**

Note 27 – Transactions with related parties

ERGO Forsikring AS was a jointly controlled company (Joint Ventures) between Storebrand ASA and ERGO International AG until April 1, 2024. The company was owned equally by the two companies. On April 1, 2024, Storebrand ASA sold its 50% ownership stake to ERGO International AG, which now owns 100% of the company.

Transactions with related parties consist of services performed by other companies in the ERGO Group. The transactions are conducted on market terms.

For more detail, see information on executives in note 15.

	2024				2023			
NOK thousand	**Purchase of services**	**Net reinsurance cost**	**Receivables**	**Liabilities**	**Purchase of services**	**Commission costs**	**Net reinsurance cost**	**Receivables**
Munich Re		-1 178	867				-721	1 331
ERGO International AG				18 900				
ERV Danmark, filial Sverige	688							
ERV Danmark	2 628							
ERGO Group	2 758							
Storebrand ASA					62			
Storebrand Bank ASA					197			
Storebrand & SPP Business Services NUF					12 270			
Storebrand Livsforsikring AS					4 384	24 667		1 500
SPP Pension & Försäkring AB						18 464		
Storebrand Forsikring AS					1 672			538
Total	6 073	-1 178	867	18 900	18 585	43 130	-721	3 369

Note 28 – Solvency requirements

ERGO Forsikring AS is an insurance company subject to the European solvency regime Solvency II.

The solvency margin and the coverage of the minimum capital requirement are the key ratios in Solvency II. Companies that fall below 100 per cent solvency margin will be put under stricter supervision, and it is forbidden to have less capital than the minimum capital requirement.

The solvency margin over is the quotient between the company's solvency margin capital at the company's solvency capital requirements. The solvency margin capital that the company arrived at by first allocating regulatory capital between three groups basis capital and a residual category of supplementary capital in line with solvency II Regulation, then applying rules for how much of each category of capital that can be used. ERGO Forsikring AS is financed with capital belonging to Group 1 without limitations and Group 3. Group 3 capital can't be used in the calculation of the minimum capital requirement. An overview of the company's basis capital is given below.

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.

NOK thousand	31.12.24					31.12.23
	Total	Tier 1 Unlimited	Tier 1 Limited	Tier 2	Tier 3	Total
Share capital	35 000	35 000				35 000
Share premium	395 000	395 000				395 000
Reconciliation reserve	130 879	130 879				-1 706
Deferred tax assets	13 780				13 780	28 548
Shortening of Tier 3 capital	0				0	-1 299
Total solvency capital	**574 658**	560 879			13 780	**455 542**
Total solvency capital available to cover the minimum capital requirement	**560 879**					**428 294**

Solvency capital requirement and -margin

NOK thousand	2024	2023
Market	29 010	18 325
Counterparty	3 994	1 240
Health	251 054	199 682
Operational	41 598	36 846
Diversification	-23 124	-13 882
Loss Absorbing tax effect	-75 792	-60 553
Total solvency requirement	**226 740**	**181 658**
Solvency margin	**253,4 %**	**250,8 %**
Minimum capital requirement	**81 510**	**45 415**
Minimum margin	**688,1 %**	**943,1 %**

Difference provisions statutory accounts and solvency II balance

NOK thousand	2024	2023
Technical provisions statuary accounts	**652 955**	**667 506**
Future premium payments	-350 523	-286 377
Risk margin	16 859	13 598
Discounting	-13 690	-35 030
Technical provisions solvency II value	**305 600**	**359 697**

Future premium payments on policies in force reduces reserves for solvency, which is based on cash flows. Accounts receivable on the asset side is reduced by the same amount, so that the net assets are not affected.
Risk margin shall ensure that insurance companies can be refinanced in the case of insolvency and are included only reserves for solvency purposes.
Expected margin in future premiums reduces premium provisions for solvency purposes.
Future cash flows relating to technical provisions have been discounted as a requirement after Solvency II. This decreases the allocations.

Note 29 – Number of employees

	2024	2023
Number of employees at 31.12.	35	31
Average number of employees	34	31
Fulltime equivalent positions at 31.12.	35	31
Average number of fulltime equivalents	34	30

Words and expressions

Insurance profit and loss
Premium income less cost of claims and operating costs.

Risk profit and loss
Premium income less cost of claims.

Cost ratio
Operating costs as a percentage of accrued premiums.

Claims ratio
Claims paid as a percentage of accrued premiums.

Combined ratio
Cost ratio plus claims ratio.

Own account
Amounts added/subtracted for re-insurance.

Reinsurance
Transfer of part of the risk to another insurance company.

Insurance-related allocations [non-life insurance]
For a more detailed description of insurance-related allocations and accrual of premiums and claims, see note 1 - Accounting principles.

Duration
Average remaining period of an income stream from interest-bearing securities. Modified duration is calculated on the basis of the duration and reflects value sensitivity to underlying interest rate changes.

ERGO

A Munich Re company

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Medlem av
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To the General Meeting of
Ergo Forsikring AS

INDEPENDENT AUDITOR'S REPORT

Opinion on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Ergo Forsikring AS, which comprise:

- the financial statements, including financial position as at 31 December 2024, the income statement, the statement of changes in equity and the cash flow statement for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements comply with applicable legislation, and
- the financial statements give a true and fair view of the financial position of Ergo Forsikring AS as at 31 December 2024, and of its financial performance and cash flows for the year then ended, in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, including the regulations on annual accounts for non-life insurance companies.

Our opinion is consistent with the additional report to the Audit Committee.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section "Auditor's Responsibilities for the Audit of the Financial Statements" below. We are independent of the company in accordance with applicable laws and regulations and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are not aware of having provided any services that are prohibited under Article 5(1) of the EU Audit Regulation (Regulation (EU) No 537/2014).

We have been the auditor of Ergo Forsikring AS for 1 year, having been appointed by the general meeting on 29 January 2025 for the financial year 2024.

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Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Insurance Liabilities – Claims settlements
The company's routines and systems for claims processing and settlements, as well as the evaluation and calculation of future insurance liabilities, were considered key audit matters.

The valuation of insurance liabilities is a significant accounting estimate. The estimate requires management to apply judgment, particularly in relation to the development of reported but unsettled claims, as well as incurred but not reported claims.

The estimates are based on a model-based framework with elements that require the use of judgment. The use of models, assumptions, and appropriate and accurate data inputs are critical to the measurement of gross claims provisions in the financial statements.

Refer to notes 2, 5 and 25 of the company's financial statements for further information from management on claims provisions.

How We Addressed This Matter in the Audit
Our audit procedures included obtaining an understanding of and testing the company's internal controls. Our testing of these controls informed the nature, timing and extent of our further audit procedures.

We obtained an understanding of the company's processes and evaluated procedures used to estimate insurance provisions. This included controls related to the use of models, data quality, validation of assumptions and methods used, as well as claims settlement routines. Together with management and the external actuary, we assessed the company's insurance provisions.

We also read the notes and assessed whether the disclosures related to insurance liabilities were adequate and comprehensive.

IT Environment Supporting Financial Reporting
The company uses complex IT systems within an automated IT environment and is dependent on secure IT systems for its financial reporting. A significant portion of the company's transactions are system-generated. The core system is operated by an external service provider.

To ensure complete and accurate financial reporting, it is important that controls over transaction processing and measurement are well-designed and operating effectively. Similarly, access controls and controls over system changes must be properly designed and functioning effectively, both at the company and the service provider.

How We Addressed This Matter in the Audit
We obtained an understanding of the company's IT systems and environment relevant to financial reporting. We obtained and evaluated the third-party assurance report (ISAE 3402 report) from the service provider of the core system to assess whether adequate internal controls were in place for IT areas relevant to the company's financial reporting. We assessed the competence and objectivity of the auditors and reviewed the report to evaluate any deficiencies and their impact on our audit.

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We also assessed relevant internal controls at the company, focusing on access controls, override procedures and manual entries. We analyzed and evaluated the reasonableness of system-based calculations and transactions.

Other Information
The Board of Directors and the CEO (management) are responsible for the other information contained in the annual report and other information published together with the financial statements. The other information comprises all information in the annual report other than the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Based on the knowledge we have obtained during the audit, we believe that the Board of Directors' report

- is consistent with the financial statements, and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements
The Board of Directors and the CEO are responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, including the regulations on annual accounts for non-life insurance companies. Management is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with law, regulations and auditing standards generally accepted in Norway, including ISAs, will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with law, regulation, and auditing standards generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The financial statements for the year ended 31 December 2023 were audited by another auditor, whose report dated 5 March 2024 expressed an unmodified opinion.

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Tynset, 28 April 2025
Revisorkonsult AS

Rune Negård
State Authorised Public Accountant
Note: This transaction form Norwegian has been prepared for information purposes only.

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