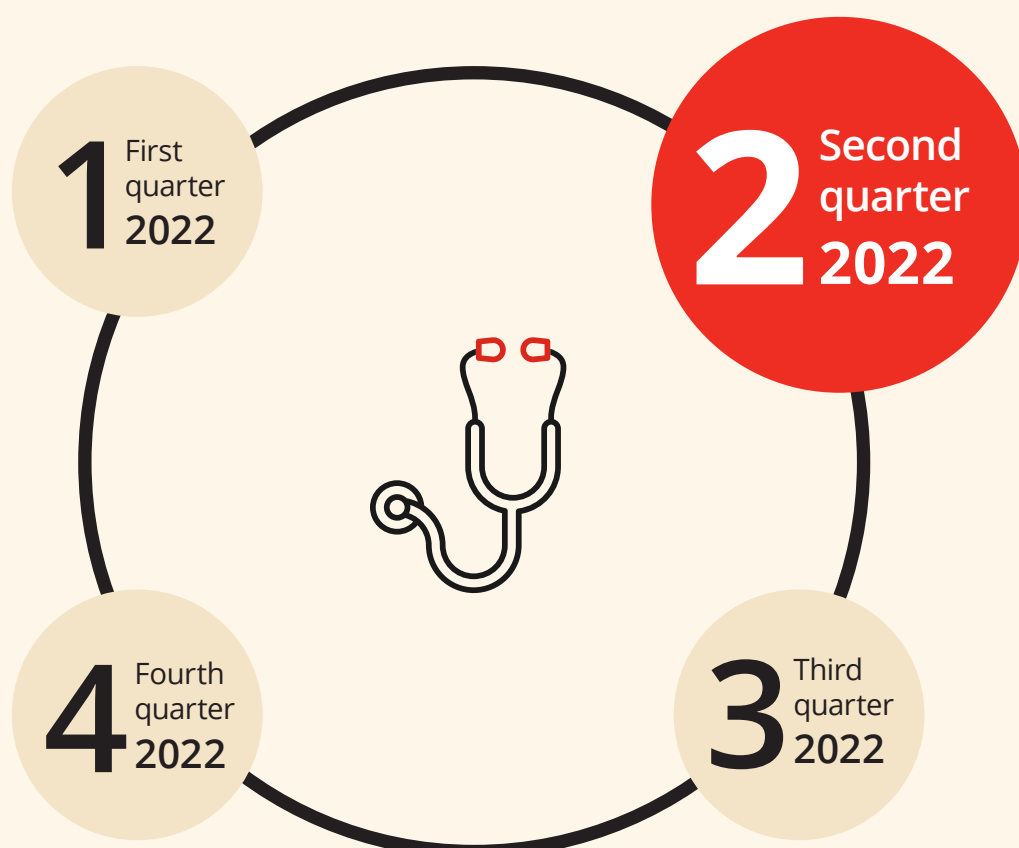


Interim report

Storebrand Helseforsikring AS (unaudited)



Interim Report Storebrand Helseforsikring AS

As at 30 June 2022

Pre tax profit is NOK 0.3 million (NOK 26.6 million) in 2nd quarter and minus NOK 18.9 million (NOK 34.1 million) as at 30.06.2022.

Premiums earned totaled NOK 261.1 million (NOK 225.0 million) in 2nd quarter, an increase of 16 percent from the same period in 2022. So far this year the earned premium for own account totalled NOK 508.3 million (NOK 448.5 million) an increase of 13 per cent compared to the same period last year.

The demand for medical expense insurance in the market remains high and Storebrand Health has strong market position in Norway in terms of written premiums. This type of employee benefits is increasing in popularity among the employees.

Cost of claims amounted to NOK 211.8 million (NOK 157.7 million) in 2nd quarter and NOK 435.6 million (NOK 343.6 million) so far this year. The claims ratio for own account was 81 per cent (70 per cent) in 2nd quarter and 86 per cent (77 per cent) year to date.

Insurance-related operating costs came to NOK 46.4 million (NOK 39.8 million) in 2nd quarter and NOK 89.3 million (NOK 74.7 million) compared with the same period in 2021. The net cost ratio for own account ended up at 18 per cent (18 per cent) in 2nd quarter. Year to date the cost ratio ended up at 18 per cent (17 per cent).

The company has a conservative investment strategy and the investment portfolio has low credit risk and short interest duration, with all of the investment portfolio invested in one of Storebrand's bond funds. The financial return in 2nd quarter was minus 0.23 per cent (0.17 per cent) and minus 0.41 percent (0.46 per cent) year to date.

The net non-technical result amounted to minus NOK 2.7 million (minus NOK 0.9 million) in 2nd quarter and minus NOK 2.7 million (NOK 3.9 million) year to date. Currency fluctuations resulted in a total currency gain/loss including the effects of currency derivatives of minus NOK 1.6 million (minus NOK 1.9 million) in 2nd quarter and minus NOK 0.8 million (NOK 1.1 million) so far this year.

Solvency margin should be above 100 per cent and was 143 per cent at first half year 2022. At year-end 2021 the solvency margin was 160 per cent. The reduction is due to the negative result for the first half of the year, and downwards adjustment of assumptions in the solvency calculation dealing with expected profits in future premiums.

Lysaker, 31th August 2022

Board of directors Storebrand Helseforsikring AS

Storebrand Helseforsikring AS

Statement of comprehensive income

NOK thousand	2Q		01.01.-30.06		Full year
	2022	2021	2022	2021	2021
TECHNICAL ACCOUNTS					
PREMIUMS					
Gross premiums earned	261,825	225,623	509,805	449,767	932,399
- Reinsurers' share	-750	-610	-1,465	-1,239	-2,439
Premium income for own account	261,075	225,013	508,340	448,528	929,961
Other insurance related income	103	8	214	22	189
CLAIMS EXPENSES					
Incurred claims gross	-211,888	-157,957	-436,066	-343,874	-707,231
- Reinsurers' share	113	228	505	256	806
Claims expenses for own account	-211,775	-157,729	-435,561	-343,618	-706,426
INSURANCE RELATED OPERATING EXPENSES					
Sales expenses	-17,075	-18,410	-34,436	-33,550	-63,998
Insurance related administration expenses (incl. commissions for reinsurance received)	-29,313	-21,368	-54,832	-41,131	-121,561
Insurance related operating expenses	-46,389	-39,778	-89,268	-74,681	-185,559
Other insurance related operating costs					
Technical profit	3,015	27,514	-16,276	30,251	38,165
NON-TECHNICAL ACCOUNTS					
NET INCOME FROM FINANCIAL ASSETS					
Interest and dividend etc from financial assets	-51	-13	-80	-16	4,848
Change in value on investments	1,607	7,337	253	4,619	-2,184
Realised gain and loss on investments	-76	-4,400	-2,569	-5,933	-5,262
Net income from investments	1,480	2,925	-2,395	-1,331	-2,598
Other income	-3,368	-3,886	591	5,125	9,773
Other expenses	-821	75	-821	75	316
Non-technical profit	-2,709	-887	-2,625	3,869	7,491
Pre tax profit	305	26,628	-18,901	34,120	45,655
Tax	-96	-6,656	4,706	-8,530	-11,110
Profit/loss for the year	210	19,971	-14,195	25,590	34,545
OTHER COMPREHENSIVE INCOME ELEMENTS AND EXPENSES NOT TO BE CLASSIFIED TO PROFIT/LOSS					
Change in actuarial assumptions					41
Tax on other comprehensive income and expenses not to be classified to profit/loss					-10
Comprehensive income	210	19,971	-14,195	25,590	34,576

Storebrand Helseforsikring AS

Statement of financial position

NOK thousand	30.06 2022	31.12 2021
ASSETS		
Intangible assets	111,210	120,033
Total intangible assets	111,210	120,033
FAIR VALUE FINANCIAL INVESTMENTS		
Bonds and other securities - fixed yield	476,018	456,078
Financial derivatives	1,280	
Total fair value financial instruments	477,297	456,078
RECEIVABLES		
Receivables in connection with direct business transactions		
- Due from policyholders	385,627	251,218
Other receivables	21,607	10,706
Total receivables	407,233	261,924
OTHER ASSETS		
Cash and bank equivalents	33,446	26,153
Pension assets	72	72
Total other assets	33,518	26,225
Prepaid costs and income earned not received	1,317	4,250
Total prepaid costs and income earned not received	1,317	4,250
Total assets	1,030,577	868,511

Storebrand Helseforsikring AS

Statement of financial position cont.

NOK thousand	30.06 2022	31.12 2021
EQUITY AND LIABILITIES		
PAID IN CAPITAL		
Share capital	33,000	33,000
Share premium reserve	122,000	122,000
Total paid in capital	155,000	155,000
EARNED EQUITY		
Allocation to guarantee scheme	18,043	17,191
Other earned equity	123,506	138,554
Total earned equity	141,550	155,745
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	524,008	354,860
Claims reserve gross	133,378	87,346
Total insurance liabilities gross	657,386	442,207
RESERVES FOR LIABILITIES		
Period tax liabilities	1,825	6,836
Deferred tax	3,970	8,677
Total reserves for liabilities	5,795	15,513
LIABILITIES		
Liabilities in connection with direct insurance	38,429	37,210
Financial derivatives		932
Allocation to dividends		18,000
Liabilities to related parties	1,941	423
Other liabilities	9,106	10,495
Total liabilities	49,476	67,059
Accrued expenses and received, unearned income	21,370	32,988
Total accrued expenses and received, unearned income	21,370	32,988
Total equity and liabilities	1,030,577	868,511

Storebrand Helseforsikring AS

Statement of change in equity

NOK thousand	Share capital	Share premi- um reserve	Total paid in capital	Guarantee scheme	Other equity	Total earned equity	Total equity
Equity 01.01.21	33,000	122,000	155,000	15,572	123,596	139,169	294,169
					34,545	34,545	34,545
Profit				1,619	-1,619	0	0
Change in guarantee scheme					41	41	41
Change in actuarial assumptions					-10	-10	-10
Tax on other comprehensive income and expenses					-18,000	-18,000	-18,000
Equity 31.12.21	33,000	122,000	155,000	17,191	138,554	155,745	310,745
Profit					-14,195	-14,195	-14,195
Change in guarantee scheme				852	-852	0	0
Equity 30.06.22	33,000	122,000	155,000	18,043	123,506	141,550	296,550

Storebrand Helseforsikring AS

Statement of cash flow 1. January - 30. June

NOK thousand	2022	2021
Cash flows from operations		
Net receipts - insurance	544,299	508,858
Net payments/claims insurance	-389,529	-292,892
Payment of income tax	-5,011	-3,369
Payments relating to operations	-82,700	-76,147
Net cash flow from operations before financial assets	67,058	136,450
Net receipts/payments - financial assets	-24,784	-100,560
Net cash flow from financial assets	-24,784	-100,560
Net cash flow from operations	42,274	35,890
Cash flows from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-16,981	-20,626
Net cash flow from investment activities	-16,981	-20,626
Cash flows from financing activities		
Payment of dividends	-18,000	
Net cash flow from financing activities	-18,000	0
Net cash flow for the period	7,294	15,264
-of which net cash flow inn the period before financial asset	32,077	115,824
Net movement in cash and cash equivalents	7,294	15,264
Cash and cash equivalents at start of the period	26,153	34,018
Cash equivalents at the end of the period	33,446	49,283

Notes

Storebrand Helseforsikring AS

Note 01 | Accounting principles

A description of the accounting policies applied in the preparation of the financial statements are provided in the 2021 annual report, and the interim financial statements are prepared in accordance with these accounting policies.

There is none new or amended accounting standards that entered into effect as at 1 January 2022 that have caused significant effects on the company's interim financial statements.

Note 02 | Estimates

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 and expected remaining payments for incurred but not finally settled claims for contracts that has been in force. 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 03 | Financial risks

The first half year has been volatile for the financial markets. At the turn of the year, renewed restrictions due to widespread outbreaks of the Omicron-variant of the Covid-19 virus affected the market. The western countries have reopened and reduced measurements to prevent the spread of the virus, despite several local outbreaks. The economic uncertainty from Covid-19 has been replaced by an economic uncertainty from rising inflation, possibility for an energy shortage and risk of a recession, together with a general uncertainty from Russia's invasion of Ukraine. The central banks have forcefully increase interest rates to curb the inflation.

This uncertainty in the economy has led to an increased risk for valuation of financial instruments. Storebrand has established risk management based upon guidelines and established principles which dampens effects from volatile markets, but the investment results are affected by the marked declines.

Note 04 | Solvency II

Storebrand Helseforsikring AS is subject to the European solvency regime Solvency II. The company is largely funded with group 1 capital. In addition, deferred tax assets of NOK 17.4 million counts as group 3 capital and therefore not calculated in the minimum capital requirement. With a total solvency capital of NOK 214.2 million, the company's solvency capital coverage is 143 per cent while the minimum capital requirement is covered by 295 per cent.

SOLVENCY CAPITAL

NOK thousand	Total	30.06.22				31.12.21
		Group 1 unlimited	Group 1 limited	Group 2	Group 3	Totalt
Share capital	33,000	33,000				33,000
Share premium	122,000	122,000				122,000
Reconciliation reserve	41,768	41,768				42,337
Deferred tax assets	17,457				17,457	17,547
Total solvency capital	214,225	196,768			17,457	214,884
Total solvency capital available to cover minimum capital requirement	196,768	196,768				197,337

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 REQUIREMENT AND -MARGIN

NOK thousand	30.06.22	31.12.21
Market	12,956	11,370
Counterparty	17,313	4,728
Health	161,455	146,816
Operational	29,594	27,548
Diversification	-21,163	-11,537
Loss-absorbing capacity of deferred taxes	-50,039	-44,731
Total solvency requirement	150,116	134,194
Solvencymargin	142.7 %	160.1 %
Minimum capital requirement	66,618	54,201
Minimum margin	295.4 %	364.1 %

Note 05 | Tax

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

NOK thousand	30.06.22
Ordinary pre-tax profit	-18,901
Expected tax on income at nominal rate	4,706
Tax charge	4,706
Effective tax rate	25%

