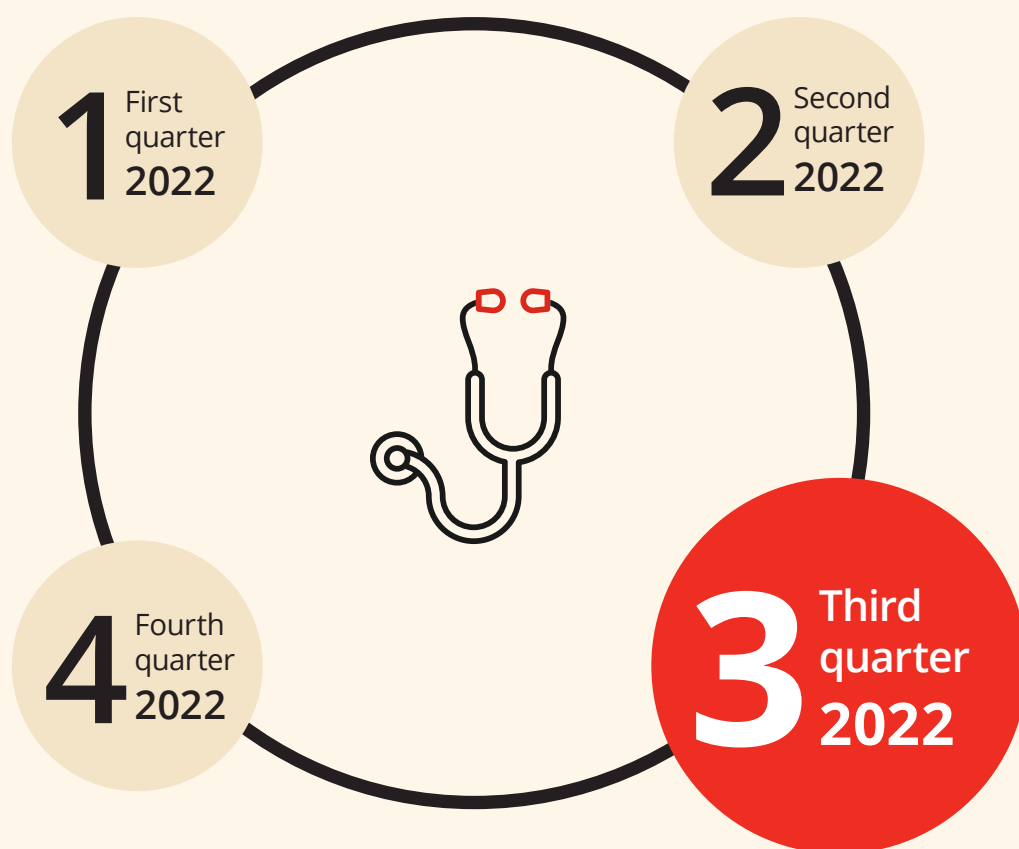


Interim report

Storebrand Helseforsikring AS (unaudited)



Interim Report Storebrand Helseforsikring AS

As at 30 September 2022

Pre tax profit is NOK 17.9 million (NOK 34.9 million) in 3rd quarter and minus NOK 1.0 million (NOK 69.0 million) as at 30.09.2022. Premiums earned totaled NOK 266.0 million (NOK 238.8 million) in 3rd quarter, an increase of 11 percent from the same period in 2021. So far this year the earned premium for own account totalled NOK 774.3 million (NOK 687.4 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 positions in Norway and Sweden in terms of written premiums. This type of employee benefits is increasing in popularity among the employees.

Cost of claims amounted to NOK 202.3 million (NOK 166.5 million) in 3rd quarter and NOK 637.8 million (NOK 510.1 million) so far this year. The claims ratio for own account was 76 per cent (70 per cent) in 3rd quarter and 82 per cent (74 per cent) year to date.

Insurance-related operating costs came to NOK 44.5 million (NOK 39.0 million) in 3rd quarter and NOK 133.7 million (NOK 113.7 million) compared with the same period in 2021. The net cost ratio for own account ended up at 17 per cent (16 per cent) in 3rd quarter. Year to date the cost ratio ended up at 17 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 3rd quarter was 0.16 per cent (0.17 per cent) and minus 0.25 percent (0.64 per cent) year to date.

The net non-technical result amounted to minus NOK 1.4 million (NOK 1.5 million) in 3rd quarter and minus NOK 4.1 million (NOK 5.4 million) year to date. Currency fluctuations resulted in a total currency gain/loss including the effects of currency derivatives of minus NOK 2.5 million (minus NOK 0.4 million) in 3rd quarter and minus NOK 3.3 million (NOK 1.5 million) so far this year.

The solvency margin should be above 100 per cent and was 145 per cent at 30.09.2022. At year-end 2021 the solvency margin was 160 per cent. The reduction is due to the negative result and a downwards adjustment of assumptions in the solvency calculation dealing with expected profits in future premiums.

Lysaker, 30th November 2022

Board of directors Storebrand Helseforsikring AS

Storebrand Helseforsikring AS

Statement of comprehensive income

NOK thousand	3Q		01.01.-30.09		Full year
	2022	2021	2022	2021	2021
TECHNICAL ACCOUNTS					
PREMIUMS					
Gross premiums earned	266,699	239,429	776,504	689,197	932,399
- Reinsurers' share	-694	-595	-2,159	-1,834	-2,439
Premium income for own account	266,005	238,835	774,345	687,363	929,961
Other insurance related income	73	73	286	95	189
CLAIMS EXPENSES					
Incurred claims gross	-202,418	-166,867	-638,485	-510,741	-707,231
- Reinsurers' share	131	399	636	654	806
Claims expenses for own account	-202,287	-166,468	-637,848	-510,086	-706,426
INSURANCE RELATED OPERATING EXPENSES					
Sales expenses	-16,952	-14,669	-51,388	-48,219	-63,998
Insurance related administration expenses (incl. commissions for reinsurance received)	-27,520	-24,367	-82,352	-65,498	-121,561
Insurance related operating expenses	-44,472	-39,036	-133,741	-113,717	-185,559
Other insurance related operating costs					
Technical profit	19,318	33,404	3,042	63,655	38,165
NON-TECHNICAL ACCOUNTS					
NET INCOME FROM FINANCIAL ASSETS					
Interest and dividend etc from financial assets	-21	7	-101	-9	4,848
Change in value on investments	1,790	-3,203	2,044	1,416	-2,184
Realised gain and loss on investments	211	3,291	-2,358	-2,642	-5,262
Net income from investments	1,980	95	-415	-1,236	-2,598
Other income	-92	1,479	499	6,603	9,773
Other expenses	-3,335	-75	-4,156		316
Non-technical profit	-1,447	1,499	-4,072	5,368	7,491
Pre tax profit	17,871	34,903	-1,030	69,023	45,655
Tax	-4,449	-8,726	258	-17,256	-11,110
Profit/loss for the year	13,423	26,177	-773	51,767	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	13,423	26,177	-773	51,767	34,576

Storebrand Helseforsikring AS

Statement of financial position

NOK thousand	30.09 2022	31.12 2021
ASSETS		
Intangible assets	106,052	120,033
Total intangible assets	106,052	120,033
FAIR VALUE FINANCIAL INVESTMENTS		
Bonds and other securities - fixed yield	502,018	456,078
Financial derivatives	2,320	
Total fair value financial instruments	504,338	456,078
RECEIVABLES		
Receivables in connection with direct business transactions		
- Due from policyholders	329,484	251,218
Other receivables	17,989	10,706
Total receivables	347,473	261,924
OTHER ASSETS		
Cash and bank equivalents	34,233	26,153
Pension assets	72	72
Total other assets	34,305	26,225
Prepaid costs and income earned not received	853	4,250
Total prepaid costs and income earned not received	853	4,250
Total assets	993,021	868,511

Storebrand Helseforsikring AS

Statement of financial position cont.

NOK thousand	30.09 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	18,469	17,191
Other earned equity	136,503	138,554
Total earned equity	154,972	155,745
GROSS INSURANCE LIABILITIES		
Reserve for unearned premiums gross	429,166	354,860
Claims reserve gross	155,565	87,346
Total insurance liabilities gross	584,732	442,207
RESERVES FOR LIABILITIES		
Period tax liabilities		6,836
Deferred tax	8,419	8,677
Total reserves for liabilities	8,419	15,513
LIABILITIES		
Liabilities in connection with direct insurance	63,563	37,210
Financial derivatives		932
Allocation to dividends		18,000
Liabilities to related parties	67	423
Other liabilities	11,260	10,495
Total liabilities	74,890	67,059
Accrued expenses and received, unearned income	15,008	32,988
Total accrued expenses and received, unearned income	15,008	32,988
Total equity and liabilities	993,021	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
Profit					34,545	34,545	34,545
Change in guarantee scheme				1,619	-1,619	0	0
Change in actuarial assumptions					41	41	41
Tax on other comprehensive income and expenses					-10	-10	-10
Share dividend					-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					-773	-773	-773
Change in guarantee scheme				1,278	-1,278	0	0
Equity 30.09.22	33,000	122,000	155,000	18,469	136,503	154,972	309,972

Storebrand Helseforsikring AS

Statement of cash flow 1. January - 30. September

NOK thousand	2022	2021
Cash flow from operations		
Net receipts - insurance	796,738	704,524
Net payments/claims insurance	-569,630	-482,249
Payment of income tax	-6,836	-3,369
Payments relating to operations	-133,261	-124,369
Net cash flow from operations before financial assets	87,011	94,537
Net receipts/payments - financial assets	-49,108	-89,075
Net cash flow from financial assets	-49,108	-89,075
Net cash flow from operations	37,903	5,462
Cash flow from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-11,823	-25,772
Net cash flow from investment activities	-11,823	-25,772
Cash flow from financing activities		
Payment of dividends	-18,000	
Net cash flow from financing activities	-18,000	0
Net cash flow for the period	8,080	-20,310
-of which net cash flow in the period before financial asset	57,189	68,765
Net movement in cash and cash equivalents	8,080	-20,310
Cash and cash equivalents at start of the period	26,153	34,018
Cash equivalents at the end of the period	34,233	13,708

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

Inflation and economic uncertainty have continued to increase also in the 3rd quarter and the global GDP growth expectations have been sharply adjusted negatively throughout the year. The economic uncertainty is a result of 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. The stock markets have both been volatile and seen a sharp decline since peaks around year end. The recession in the EU has in many ways become a consensus and the question is to what extent future rescue packages in the form of energy subsidies or for the labor market will mitigate the recession, which has been partly triggered by the war and subsequent energy crisis. It is expected that the Fed will deliver another triple interest rate increase in November, before they possibly slow down the pace.

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. Financial instruments which are priced based upon models have increased uncertainty of the value.

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 12.8 million counts as group 3 capital and therefore not calculated in the minimum capital requirement. With a total solvency capital of NOK 227.7 million, the company's solvency capital coverage is 145 per cent while the minimum capital requirement is covered by 323 per cent.

SOLVENCY CAPITAL

NOK thousand	Total	30.09.22				31.12.21
		Group 1 unlimited	Group 1 limited	Group 2	Group 3	Total
Share capital	33,000	33,000				33,000
Share premium	122,000	122,000				122,000
Reconciliation reserve	59,865	59,865				42,337
Deferred tax assets	12,845				12,845	17,547
Total solvency capital	227,710	214,865			12,845	214,884
Total solvency capital available to cover minimum capital requirement	214,865	214,865				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	30.09.22	31.12.21
Market	12,874	11,370
Counterparty	15,392	4,728
Health	170,322	146,816
Operational	30,974	27,548
Diversification	-19,931	-11,537
Loss-absorbing capacity of deferred taxes	-52,408	-44,731
Total solvency requirement	157,223	134,194
Solvencymargin	144.8 %	160.1 %
Minimum capital requirement	66,620	54,201
Minimum margin	322.5 %	364.1 %

Note 05 | Tax

RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

NOK thousand	30.09.22
Ordinary pre-tax profit	-1,030
Expected tax on income at nominal rate	258
Tax charge	258
Effective tax rate	25 %

