

# Interim report 1st quarter 2024

Storebrand Helseforsikring (unaudited)



# Interim Report Storebrand Helseforsikring AS

As at 31 March 2024

Storebrand ASA (Storebrand) has entered into an agreement to sell its 50 % stake in Storebrand Helseforsikring AS (the Company) to ERGO International AG (ERGO). ERGO currently owns 50% of the Company and will own 100 % after the transaction. The closing of the transaction was at 2. April 2024.

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

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

Pretax profit is NOK 9.0 million (minus NOK 52.5 million) in the 1st quarter. The improved result is due to low claims in the quarter and high financial income.

A Premium Deficiency Reserve (PDR) totaling 105.7 million was booked as at 30.6.2023. This reserve will be released against claims over the remaining time of policies in force. The Premium Deficiency Reserve (PDR) totals 8.6 million as at 31.3.2024. In the first quarter 2024 NOK 20.3 million was released from the PDR.

Premiums earned totaled to NOK 336.2 million (NOK 287.5 million) in 1st quarter, an increase of 17 per cent from the same period in 2023.

Cost of claims amounted to NOK 302.5 million (NOK 292.8 million) in the first quarter. The claims ratio in first quarter 2024 is down from 102 per cent in 2023 to 90 per cent. Claims ratio as at year end 2023 was 91 per cent.

Insurance-related operating costs was NOK 56.7 million (NOK 47.6 million) in 1st quarter. The cost increase is mainly caused by increased business volume. The net cost ratio for own account ended up at 17 per cent (17 per cent) in 1st quarter 2024.

The company has a conservative investment strategy, and the investment portfolio is invested in one of Storebrand's bond funds with low credit risk and short interest duration. The financial return in 1st quarter 2024 was 1.3 per cent (+0.67 per cent).

Currency fluctuations resulted in a total currency gain/loss including the effects of currency derivatives of minus NOK 0.9 million (minus NOK 4.3 million) in the first quarter.

The net non-technical result amounted to NOK 11.2 million (NOK 0.6 million) in 1st quarter 2024.

The solvency margin should be above 100 per cent and was 247 per cent at 31.03.2024. At year-end 2023 the solvency margin was 251 per cent.

Lysaker, 27 May 2024

Board of directors Storebrand Helseforsikring AS

# Statement of comprehensive income

NOK thousand	01.01.-31.03		Full year
	2024	2023	2023
<b>Technical accounts</b>			
Premiums			
Gross premiums earned	336,247	287,503	1,220,692
- Reinsurers' share	-837	-779	-3,009
<b>Premium income for own account</b>	<b>335,410</b>	<b>286,724</b>	<b>1,217,683</b>
Other insurance related income	80	69	278
<b>Claims expenses</b>			
Incurred claims gross	-302,479	-292,843	-1,087,517
- Reinsurers' share	1,144	487	3,730
<b>Claims expenses for own account</b>	<b>-301,335</b>	<b>-292,355</b>	<b>-1,083,787</b>
<b>Insurance related operating expenses</b>			
Sales expenses	-24,830	-18,188	-81,006
Insurance related administration expenses (incl. commissions for reinsurance received)	-31,873	-29,369	-128,022
<b>Insurance related operating expenses</b>	<b>-56,704</b>	<b>-47,557</b>	<b>-209,028</b>
Other insurance related operating costs			
Change in premium deficiency reserve	20,283		-28,801
<b>Technical profit</b>	<b>-2,265</b>	<b>-53,120</b>	<b>-103,654</b>
<b>Non-technical accounts</b>			
Net income from financial assets			
Interest and dividend etc from financial assets	204	1	29,130
Change in value on investments	10,876	8,511	5,845
Realised gain and loss on investments	419	1,012	6,674
<b>Net income from investments</b>	<b>11,499</b>	<b>9,524</b>	<b>41,649</b>
Other income	807	437	1,941
Other expenses	-1,088	-9,337	-11,329
<b>Non-technical profit</b>	<b>11,218</b>	<b>624</b>	<b>32,261</b>
<b>Pre tax profit</b>	<b>8,953</b>	<b>-52,496</b>	<b>-71,394</b>
Tax	-2,155	13,124	18,245
<b>Profit/loss for the year</b>	<b>6,798</b>	<b>-39,372</b>	<b>-53,149</b>
<b>Other comprehensive income elements and expenses not to be classified to profit/loss</b>			
Change in actuarial assumptions			-8
Tax on other comprehensive income and expenses not to be classified to profit/loss			2
<b>Comprehensive income</b>	<b>6,798</b>	<b>-39,372</b>	<b>-53,155</b>

# Statement of Financial Position

NOK thousand	31.03.24	31.12.23
<b>Assets</b>		
Intangible assets	77,693	82,167
<b>Total intangible assets</b>	<b>77,693</b>	<b>82,167</b>
<b>Fair value financial investments</b>		
Bonds and other securities - fixed yield	874,373	783,277
Financial derivatives	208	428
<b>Total fair value financial instruments</b>	<b>874,581</b>	<b>783,705</b>
<b>Receivables</b>		
Receivables in connection with direct business transactions		
- Due from policyholders	411,868	301,581
Receivables arising from reinsurance business	307	1,331
Other receivables	15,136	15,048
<b>Total receivables</b>	<b>427,312</b>	<b>317,960</b>
<b>Other assets</b>		
Cash and bank equivalents	41,279	44,341
Deferred tax assets	11,671	11,430
Pension assets	36	36
<b>Total other assets</b>	<b>52,986</b>	<b>55,807</b>
Prepaid costs and income earned not received	5,253	4,420
<b>Total prepaid costs and income earned not received</b>	<b>5,253</b>	<b>4,420</b>
<b>Total assets</b>	<b>1,437,825</b>	<b>1,244,060</b>
<b>Equity and liabilities</b>		
<b>Paid in capital</b>		
Share capital	35,000	35,000
Share premium reserve	395,000	395,000
<b>Total paid in capital</b>	<b>430,000</b>	<b>430,000</b>

Storebrand Helseforsikring AS

# Statement of Financial Position (continues)

NOK thousand	31.03.24	31.12.23
<b>Earned equity</b>		
Allocation to guarantee scheme	23,752	22,766
Other earned equity	84,007	78,195
<b>Total earned equity</b>	<b>107,759</b>	<b>100,961</b>
<b>Gross insurance liabilities</b>		
Reserve for unearned premiums gross	658,051	505,550
Claims reserve gross	173,081	161,956
<b>Total insurance liabilities gross</b>	<b>831,132</b>	<b>667,506</b>
<b>Reserves for liabilities</b>		
Period tax liabilities		
Deferred tax		
<b>Total reserves for liabilities</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>		
Liabilities in connection with direct insurance	33,311	25,768
Financial derivatives		
Other liabilities	12,966	6,441
<b>Total liabilities</b>	<b>46,277</b>	<b>32,209</b>
Accrued expenses and received, unearned income	22,657	13,385
<b>Total accrued expenses and received, unearned income</b>	<b>22,657</b>	<b>13,385</b>
<b>Total equity and liabilities</b>	<b>1,437,825</b>	<b>1,244,060</b>

Lysaker, 27 May 2024

Board of directors Storebrand Helseforsikring AS

# Statement of cash flow

## 1. January – 31. March

NOK thousand	2024	2023
<b>Cash flow from operations</b>		
Net receipts - insurance	385,166	370,837
Net payments/claims insurance	-290,209	-261,753
Payment of income tax	-2,374	-780
Payments relating to operations	-34,997	-54,365
Net receipts/payments other operational activities	20,283	0
<b>Net cash flow from operations before financial assets</b>	<b>77,870</b>	<b>53,939</b>
Net receipts/payments - financial assets	-79,377	-58,988
<b>Net cash flow from financial assets</b>	<b>-79,377</b>	<b>-58,988</b>
<b>Net cash flow from operations</b>	<b>-1,507</b>	<b>-5,049</b>
Cash flow from investment activities		
Net receipts/payment - sale/purchase of fixed assets	-1,555	-1,130
<b>Net cash flow from investment activities</b>	<b>-1,555</b>	<b>-1,130</b>
Cash flow from financing activities		
Payment of dividends	0	0
<b>Net cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>Net cash flow for the period</b>	<b>-3,062</b>	<b>-6,179</b>
-of which net cash flow inn the period before financial asset	76,315	52,809
<b>Net movement in cash and cash equivalents</b>	<b>-3,062</b>	<b>-6,179</b>
Cash and cash equivalents at start of the period	44,341	28,109
<b>Cash equivalents at the end of the period</b>	<b>41,279</b>	<b>21,930</b>

# Statement of changes in equity

NOK thousand	Share capital	Share premium reserve	Total paid in capital	Guarantee scheme	Other equity	Total earned equity	Total equity
<b>Equity 01.01.23</b>	<b>33,000</b>	<b>122,000</b>	<b>155,000</b>	<b>19,770</b>	<b>134,345</b>	<b>154,115</b>	<b>309,115</b>
Paid-in capital	2,000	273,000	275,000				275,000
Profit					-53,149	-53,149	-53,149
Change in guarantee scheme				2,996	-2,996	0	0
Change in actuarial assumptions					-8	-8	-8
Tax on other comprehensive income and expenses					2	2	2
<b>Equity 31.12.23</b>	<b>35,000</b>	<b>395,000</b>	<b>430,000</b>	<b>22,766</b>	<b>78,195</b>	<b>100,961</b>	<b>530,961</b>
Profit					6,798	6,798	6,798
Change in guarantee scheme				986	-986	0	0
<b>Equity 31.03.24</b>	<b>35,000</b>	<b>395,000</b>	<b>430,000</b>	<b>23,752</b>	<b>84,007</b>	<b>107,759</b>	<b>537,759</b>

# Notes

## Note 1 Accounting principles

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

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

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

## Note 2 Financial risk

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

## Note 3 Solvency II

Storebrand Helseforsikring AS is subject to the EU's solvency regime Solvency II. The company is largely funded with group 1 capital. In addition, net counting deferred tax assets of NOK 25.3 million counts as group 3 capital and therefore not calculated in the minimum capital requirement. With a total solvency capital of NOK 473.2 million, the company's solvency capital coverage is 247 per cent while the minimum capital requirement is covered by 541 per cent.

### Solvency capital

NOK thousand	31.03.24					31.12.23
	Total	Group 1 unlimited	Group 1 limited	Group 2	Group 3	Totalt
Share capital	35,000	35,000		0		35,000
Share premium	395,000	395,000		0		395,000
Reconciliation reserve	17,892	17,892				-1,706
Deferred tax assets	25,282				25,282	28,548
Not counting tier 3 capital	0				0	-1,299
<b>Total solvency capital</b>	<b>473,174</b>	<b>447,892</b>	<b>0</b>	<b>0</b>	<b>25,282</b>	<b>455,543</b>
<b>Total solvency capital available to cover minimum capital requirement</b>	<b>447,892</b>	<b>447,892</b>	<b>0</b>	<b>0</b>		<b>428,294</b>

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



## Solvency capital

NOK thousand	31.03.24	31.12.23
Market	23,816	18,325
Counterparty	6,951	1,240
Health	208,073	199,682
Operational	38,296	36,846
Diversification	-21,599	-13,882
Loss-absorbing capacity of deferred taxes	-63,884	-60,553
<b>Total solvency requirement</b>	<b>191,652</b>	<b>181,658</b>
<b>Solvencymargin</b>	<b>246.9 %</b>	<b>250.8 %</b>
<b>Minimum capital requirement</b>	<b>82,801</b>	<b>45,415</b>
<b>Minimum margin</b>	<b>540.9 %</b>	<b>943.1 %</b>

