



Interim Report

January – June 2023

If P&C Insurance Holding Ltd (publ), 556241-7559



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If is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. The Group's headquarters is located in Solna, Sweden and the Parent Company of the If Group, If P&C Insurance Holding Ltd (publ), is a wholly owned subsidiary of Sampo plc, a Finnish listed company. If's subsidiaries and branches provide insurance solutions and services in Sweden, Norway, Denmark, Finland and the Baltic countries. If's operations are divided into four business areas: Private, Commercial, Industrial and Baltic.

The totals in tables and statements in the interim report may not always reconcile due to rounding. The aim is for each line item to correspond to the source and therefore rounding differences may arise in totals. Comparative figures for income statement items refer to the period January – June 2022 and for balance sheet items as per December 31, 2022.

Changes in accounting policies

For the 2023 fiscal year the accounting standards IFRS 17 Insurance contracts and IFRS 9 Financial instruments have been applied for the first time, which has caused a significant change for the Group. Comparison figures for 2022 have been restated for IFRS 17 but not for IFRS 9. Refer to Note 1 for the main accounting policies applied and Note 6 for the transition effects. The changes in accounting policies introduced by IFRS 17 and IFRS 9 were also described in the 2022 Annual report, Note 41.

Earnings and financial position

Result

Insurance service result increased to MSEK 4,841 (4,653) and the combined ratio deteriorated slightly and amounted to 82.7 (82.1). Net financial result was MSEK 2,677 (8,114). Profit before tax for the period amounted to MSEK 7,444 (12,850).

Premiums

Insurance revenue amounted to MSEK 29,738 (27,473) whereof gross written premiums amounted to MSEK 37,087 (34,218). Gross written premium growth was 5.9 %. The growth was robust across the business areas and driven primarily by rate increases.

Claims

Insurance service expense, claims incurred and reinsurers' share of claims incurred increased to a net of MSEK 18,798 (17,371) during the period. The risk ratio was 61.6% (61.4), including a 4.1 percentage points (2.4) positive impact of prior years' development. The change was primarily attributable to high large claims and severe weather (including natural catastrophes).

On June 30, the liability for incurred claims amounted to MSEK 67,154 (64,702). Adjusted for currency effects, the liability for incurred claims increased by MSEK 955 compared to the end of 2022. The reinsurance asset for incurred claims amounted to MSEK 3,176 (2,621). Adjusted for currency effects, the increase during the period was MSEK 470.

Expenses

Insurance service expense, operating expenses amounted to MSEK 4,306 (3,966) during the first half of the year. The cost ratio deteriorated to 21.0% (20.7), mainly driven by increased activity levels compared to the same period last year.

Net financial result

The Net financial result was MSEK 2,677 (8,114) and consists of Investment result and Insurance finance income or expenses, Net.

Investment result increased to MSEK 3,816 (1,557, but at full market value was negative 5,868). The result corresponds to a total investment return of 3.2 % (negative 4.8), driven by a strong first half-year for equity investments and fixed income portfolio being gradually reinvested at higher rates. The allocation of the investment assets has remained stable, fixed income comprises 89% (89) and equities 11% (11) of the total investment assets. The duration of the fixed income assets at the end of the period was 2.0 (1.9).

Insurance finance income or expenses, Net was negative MSEK 1,139 (positive 6,557) and included the effect of changes in discount rates of negative MSEK 115 (positive 7,238) and interest expense (unwinding) of negative MSEK 944 (negative 340).

Solvency and cash flow

Insurance is a regulated business with EU common rules for calculating capital requirements and available capital. All If's insurance subsidiaries have regulatory solvency capital requirements under Solvency II and have fulfilled those during the reporting period. As a subsidiary of Sampo plc, If P&C Insurance Holding Ltd (publ) is a member of the Sampo insurance group and is not subject to any requirement to report the If Group solvency position.

Cash flow from operating activities, including net investments in financial investment assets, strongly increased to MSEK 5,754 (406) due to lower net investments and higher interest received.

Significant events and effects during and after the reporting period

No significant events have occurred.

Parent Company earnings

The operations of the Parent Company If P&C Insurance Holding Ltd (publ) consist primarily of ownership and management of shares in subsidiaries. Parts of the cash surplus are also managed in a dedicated investment portfolio.

Profit for the period decreased to MSEK 8,017 (8,395), primarily due to a small decrease in dividends from subsidiaries.

Key figures

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Earnings-related information (2022-2023) ^{2,3)}						
Insurance revenue	29,738	27,473	56,570			
Reinsurance premium expense	-1,793	-1,483	-3,174			
Insurance service expense, claims incurred	-19,945	-17,855	-38,978			
<i>of which, claims handling expenses</i>	-1,576	-1,408	-3,002			
Insurance service expense, operating expenses	-4,306	-3,966	-8,512			
Reinsurers' share of claims incurred	1,147	484	1,247			
Insurance service result	4,841	4,653	7,152			
Result from other services	-24	-8	-100			
Investment result	3,816	1,557	2,927			
Insurance finance income or expense, Net	-1,139	6,557	6,488			
Net financial result	2,677	8,114	9,415			
Earnings-related information (2019-2021) ^{2,3)}						
Premiums earned, net of reinsurance				48,418	47,028	46,451
Allocated investment return transferred from the non-technical account				145	173	167
Other technical income				1,232	1,079	332
Claims paid, net of reinsurance				-31,717	-31,204	-31,756
<i>of which, claims-adjustment costs</i>				-2,701	-2,672	-2,635
Operating expenses for insurance operations, net of reinsurance				-7,662	-7,416	-7,472
Other operating expenses				-1,260	-1,159	-472
Technical result from property and casualty insurance				9,155	8,502	7,250
Net profit for the period ^{2,3,4)}	5,876	10,199	13,023	8,618	7,405	7,301
Information regarding financial position ^{2,3)}						
Investment assets	122,002	116,445	116,288	113,839	108,535	112,394
Insurance liabilities / Technical provisions	80,741	73,028	74,433	92,599	88,629	91,704
Consolidation capital	50,524	49,566	44,739	42,352	37,568	36,559
<i>of which, deferred tax</i>	3,530	3,924	3,307	3,569	2,605	2,728
Key data ^{2,3)}						
Claims ratio	67.3%	66.8%	70.7%	65.5%	66.4%	68.4%
Expense ratio	15.4%	15.3%	15.9%	15.8%	15.8%	16.1%
Combined ratio	82.7%	82.1%	86.6%	81.3%	82.1%	84.5%
Risk ratio ¹⁾	61.6%	61.4%	65.0%	59.9%	60.7%	62.7%
Cost ratio ¹⁾	21.0%	20.7%	21.6%	21.4%	21.5%	21.8%
Insurance margin ¹⁾	17.3%	17.9%	13.4%	19.0%	18.2%	15.9%
Total investment return	3.2%	-4.8%	-4.4%	4.3%	2.3%	5.0%
Gross written premium	37,087	34,218	57,732	52,089	50,582	49,484
Total return ^{2,3,4)}	3,816	-5,868	-5,439	4,999	2,548	5,740

¹⁾ Refers to alternative performance measures which are defined in Definitions.

²⁾ Since 1 January, 2023 If applies the new standard IFRS 17 Insurance contracts whereby all figures for 2022 have been recalculated in accordance with these policies. The figures presented for 2019-2021 are unchanged, which means that they are presented in accordance with the previously applied accounting policies.

³⁾ Since 1 January, 2023 If applies the new standard IFRS 9 Financial instruments, where the comparative year 2022 has not been restated in accordance with these policies. The figures presented for 2019-2022 are unchanged, which means that they are presented in accordance with the previously applied accounting policies.

⁴⁾ The total return for 2023 consists of the Investment result. For 2022 and earlier, this consists of the Investment result and effects presented in Other comprehensive income (Remeasurement of financial assets available for sale and Value changes on financial assets available for sale reclassified to the income statement).

Consolidated income statement

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Insurance revenue	29,738	27,473	56,570
Reinsurance premium expenses	-1,793	-1,483	-3,174
Insurance service expenses			
Claims incurred	-19,945	-17,855	-38,978
Operating expenses	-4,306	-3,966	-8,512
	-24,251	-21,821	-47,490
Reinsurers' share of claims incurred	1,147	484	1,247
Insurance service result	4,841	4,653	7,152
Other income	821	698	1,470
Other expenses	-845	-706	-1,570
Result from other services	-24	-8	-100
Investment result			
Direct investment income	2,440	1,354	3,082
Changes in value	1,516	351	147
Management costs	-140	-148	-302
	3,816	1,557	2,927
Insurance finance income or expenses, Net			
Insurance contracts	-1,180	6,644	6,579
Reinsurance contracts held	40	-87	-91
	-1,139	6,557	6,488
Net financial result	2,677	8,114	9,415
Interest expense, financing	-54	-31	-81
Interest expense, net pension asset / liability	4	-2	-4
Income from associates	0	124	97
Result before income taxes	7,444	12,850	16,479
Taxes	-1,568	-2,651	-3,456
Net profit for the period	5,876	10,199	13,023
<i>Of which attributable to owners of the parent</i>	<i>5,876</i>	<i>10,199</i>	<i>13,023</i>

Consolidated statement of comprehensive income

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net profit for the period	5,876	10,199	13,023
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Remeasurements of the net pension asset / liability	204	535	344
Taxes related to items which will not be reclassified	-43	-112	-72
	161	424	273
<i>Items that will be reclassified subsequently to profit and loss when specific conditions are met</i>			
Effects of changes in exchange rates, foreign operations	677	813	1,724
Effects of changes in exchange rates, foreign associates	-	0	0
Remeasurements of financial assets available for sale	-	-7,026	-8,159
Value changes on financial assets available for sale reclassified to the income statement	-	-400	-208
Taxes related to items which will be reclassified when specific conditions are met	-147	1,411	1,456
	530	-5,201	-5,186
Total comprehensive income for the period	6,567	5,422	8,110
<i>Of which attributable to owners of the parent</i>	<i>6,567</i>	<i>5,422</i>	<i>8,110</i>

Consolidated balance sheet

Assets				
MSEK	Note	2023 Jun 30	2022 Jun 30	2022 Dec 31
Intangible assets				
Goodwill		1,883	1,915	1,940
Other intangible assets		280	232	294
		2,162	2,148	2,233
Investment assets				
Land and buildings		10	9	9
Investments in associates		48	76	48
Other financial investment assets	4	121,937	116,353	116,223
Deposits with ceding undertakings		7	7	7
		122,002	116,445	116,288
Reinsurance assets				
Asset for remaining coverage		645	314	312
Asset for incurred claims		3,176	2,329	2,621
		3,821	2,643	2,934
Deferred tax assets				
		34	48	98
Debtors				
		3,302	2,578	2,711
Other assets				
Tangible assets		2,069	1,989	2,115
Cash and bank balances		7,967	6,068	3,295
Collaterals and settlement claims		81	39	86
Net pension assets		583	559	382
		10,700	8,654	5,878
Prepayments and accrued income				
Accrued interest and rental income		789	339	702
Other prepayments and accrued income		590	526	502
		1,379	865	1,204
Total assets				
		143,401	133,381	131,345

Consolidated balance sheet

Shareholders' equity, provisions and liabilities

MSEK	Note	2023 Jun 30	2022 Jun 30	2022 Dec 31
Shareholders' equity				
Share capital		2,726	2,726	2,726
Statutory reserve		400	400	400
Fair value reserve		-	1,818	1,083
Profit brought forward		36,498	28,007	21,706
Net profit for the period		5,876	10,199	13,023
		45,499	43,150	38,937
Subordinated debt				
		1,495	2,492	2,494
Insurance liabilities				
Liability for remaining coverage and acquisition cashflow asset		13,587	12,525	9,731
Liability for incurred claims		67,154	60,503	64,702
		80,741	73,028	74,433
Provisions for other risks and charges				
Deferred tax liability		3,563	3,972	3,405
Other provisions		311	346	345
		3,875	4,318	3,750
Creditors				
Derivatives	4	10	53	74
Other creditors		9,753	8,566	9,258
		9,763	8,619	9,332
Accruals and deferred income				
		2,028	1,774	2,399
Total shareholders' equity, provisions and liabilities				
		143,401	133,381	131,345

Changes in shareholders' consolidated equity

MSEK	Restricted equity		Unrestricted equity			Total equity
	Share capital	Statutory reserves	Fair value reserve	Profit brought forward	Net profit for the period	
Equity at beginning of 2023	2,726	400	1,083	34,729	-	38,937
Effect of changes in accounting policies (IFRS 9)	-	-	-1,083	1,078	-	-5
Adjusted equity at beginning of 2023	2,726	400	-	35,807	-	38,933
Total comprehensive income	-	-	-	691	5,876	6,567
Equity at end of June 2023	2,726	400	-	36,498	5,876	45,499
Equity at beginning of 2022	2,726	400	7,699	25,467	-	36,292
Effect of changes in accounting policies (IFRS 17)	-	-	-	1,435	-	1,435
Adjusted equity at beginning of 2022	2,726	400	7,699	26,903	-	37,727
Total comprehensive income	-	-	-5,882	1,104	10,199	5,422
Equity at end of June 2022	2,726	400	1,818	28,007	10,199	43,150
Equity at beginning of 2022	2,726	400	7,699	25,467	-	36,292
Effect of changes in accounting policies (IFRS 17)	-	-	-	1,435	-	1,435
Adjusted equity at beginning of 2022	2,726	400	7,699	26,903	-	37,727
Total comprehensive income	-	-	-6,617	1,703	13,023	8,110
Dividend paid	-	-	-	-6,900	-	-6,900
Equity at end of 2022	2,726	400	1,083	21,706	13,023	38,937

There are a total of 136,350,000 shares with a quota value of SEK 19.99 each, including 103,525,000 Series A shares carrying one vote and 32,825,000 Series B shares carrying one tenth of a vote.

The accumulated translation difference amounted to MSEK 2,841 (2,164).

Consolidated cash flow statement

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
CASH FLOW FROM OPERATING ACTIVITIES			
Cash flow from insurance operations			
Premium flows, direct insurance	33,857	30,939	56,550
Claim payments, direct insurance	-20,169	-17,856	-36,308
Reinsurance flows	-2,258	-1,546	-2,129
Cost of operations	-4,477	-4,107	-7,807
	6,952	7,429	10,305
Cash flow from asset management			
Interest received	2,287	948	1,878
Interest paid	-30	-73	-159
Dividends received, shares	357	351	455
Cash flows from properties	-1	-5	-1
Net investments in financial investment assets	-3,253	-6,904	-5,929
	-639	-5,681	-3,756
Interest payment, financing	-53	-28	-73
Realized foreign exchange transactions	1,201	309	924
Paid income tax	-1,707	-1,624	-2,788
	5,754	406	4,613
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	-	-	-38
Dividends received and sale of shares, associates	-	218	218
	-	218	180
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	-	-	-6,900
Repayments of lease liabilities	-141	-121	-247
Repayments of loans	-1,000	-	-
	-1,141	-121	-7,147
Cash flow for the period	4,613	503	-2,354
Cash and bank balances			
Opening cash and bank balances for the period	3,295	5,342	5,342
Effect of exchange rate changes	59	223	307
Cash flow for the period	4,613	503	-2,354
Closing cash and bank balances for the period	7,967	6,068	3,295

Income statement

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Other operating income	30	56	162
Other operating expenses	-28	-54	-155
Operation result	2	3	7
Result from financial investments			
Dividends from group companies	8,030	8,424	8,424
Income from associates	-	-8	-50
Interest income and similar income items	107	22	63
Interest expenses and similar expense items	-115	-44	-110
Result after financial items	8,025	8,397	8,335
Group contributions, net	-	-	4
Result before income taxes	8,025	8,397	8,339
Tax on net profit for the period	-8	-2	-6
Net profit for the period	8,017	8,395	8,333

Statement of comprehensive income

MSEK	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Net profit for the period	8,017	8,395	8,333
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit and loss when specific conditions are met</i>			
Effects of changes in exchange rates, foreign operations	0	0	0
Remeasurements of financial assets available for sale	-	-23	-37
Value changes on financial assets available for sale reclassified to the income statement	-	0	0
Taxes related to items which will be reclassified when specific conditions are met	0	5	8
	0	-18	-29
Total comprehensive income for the period	8,017	8,377	8,304

Balance sheet

MSEK	2023	2022	2022
Assets	Jun 30	Jun 30	Dec 31
Tangible assets	2	-	1
Financial fixed assets			
Shares in group companies	18,332	18,299	18,322
Shares in associates	20	41	20
	18,352	18,340	18,342
Deferred tax asset	15	12	14
Debtors			
Debtors, group companies	7,679	8,225	141
Accrued interest income	8	3	17
	7,686	8,228	158
Short-term investments	1,406	1,930	2,956
Cash and bank balances	3,284	2,329	1,354
Total assets	30,744	30,839	22,826
Shareholders' equity, provisions and liabilities			
Shareholders' equity			
Share capital	2,726	2,726	2,726
Statutory reserve	400	400	400
Fair value reserve	-	-10	-21
Profit brought forward	15,792	14,379	7,479
Net profit for the period	8,017	8,395	8,333
	26,934	25,890	18,917
Subordinated debt	1,495	2,492	2,494
Provisions			
Other provisions	38	37	39
	38	37	39
Current creditors			
Creditors, group companies	2,108	2,307	1,214
Provision for taxes	6	2	6
Accounts payable	0	-	0
Other creditors	26	17	18
Other accrued expenses and prepaid income	136	95	139
	2,276	2,420	1,377
Total shareholders' equity, provisions and liabilities	30,744	30,839	22,826

NOTE 1 – Accounting policies

For the Group, this Interim report was prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Annual Accounts Act (1995:1560) for Insurance Companies (ÅRFL), and for the Parent Company in accordance with the Annual Accounts Act (1995:1554) (ÅRL). The accounting policies for the Group and the Parent Company that have been applied in this Interim report are the same as those applied in the 2022 Annual Report, except for the changes described in the section below.

Besides the disclosures provided in Notes 1-6 more information can be found in the section Economic overview.

Changes in accounting policies

The accounting standards IFRS 17 Insurance contracts and IFRS 9 Financial instruments are applied since January 1, 2023 and presented for the first time in this Interim report.

IFRS 17 Insurance Contracts has replaced IFRS 4 Insurance Contracts where IFRS 17 contains a complete framework for the measurement and presentation of insurance contracts. The Group has determined that the premium allocation approach can be applied to all insurance business, as well as a full retrospective approach to the transition of the new standard with restated financial statements for the comparative year 2022. The implementation of IFRS 17 has had a major impact on the presentation, with new line items in the income statement and for the balance sheet both assets and liabilities have decreased due to reclassification of premium receivables and deferred acquisition costs from assets to insurance liabilities. Insurance finance income or expenses, as defined by the standard, is presented fully in the income statement, and thus, the allowed OCI option is not applied.

IFRS 9 Financial Instruments has superseded IAS 39 Financial Instruments: Recognition and Measurement, where IFRS 9 has changed the principles of classification and measurement of financial assets and introduced a new impairment model based on expected, rather than incurred, credit losses. The implementation of IFRS 9 has not had a material impact on the Group's balance sheet, as the main part of the financial assets were already previously measured at fair value. At transition to IFRS 9 the main part of debt instruments has been classified at fair value through profit or loss (mandatorily) based on the business model assessment. Equity instruments have also been classified at fair value through profit or loss, as the option to irrevocably classify these at fair value through OCI is not applied. Consequently, unlike previous accounting, the changes in fair value under IFRS 9 are recognized in the income statement. If only has a limited amount of financial assets measured at amortized costs and the amount of expected credit losses at transition was insignificant. There has been no change in the measurement of financial liabilities. The comparative figures for 2022 are not restated,

Refer to Note 41 in the 2022 Annual report for further details regarding the changes in accounting policies and significant estimations and judgements introduced by IFRS 17 and IFRS 9. The accounting policies applied from January 1, 2023 are presented in the sections below. For more information regarding the impact of transition see Note 6.

Accounting policies: IFRS 17 Insurance contracts

Insurance liabilities and reinsurance assets

Insurance liabilities for issued insurance contracts consist of Liability for remaining coverage and acquisition cash flow asset, and also Liability for incurred claims. Correspondingly, Reinsurance assets for reinsurance contracts held consist of Asset for remaining coverage and Asset for incurred claims.

Measurement model

The premium allocation approach (PAA) is applied to all insurance business in If, as the coverage period for the main part of the insurance and reinsurance contracts is one year or less, and longer-term contracts fulfil the eligibility criteria.

Level of aggregation

Portfolios of insurance contracts comprise contracts subject to similar risks and managed together. If has determined the portfolios based on a combination of business area, country and product. The portfolios are then divided into two groups, onerous contracts or all remaining contracts (profitable contracts). Since the premium allocation approach is applied, the groups of contracts are assumed to not be onerous unless facts and circumstances indicate otherwise, where internal management information from the plan process has been used to identify any onerous groups of contracts. A very limited number of onerous groups of contracts have been identified.

The carrying amount of the portfolios of insurance and reinsurance contracts determines if they are presented as assets or liabilities in the balance sheet.

Liability for remaining coverage and acquisition cash flow assets

On initial recognition of a group of insurance contracts, the carrying amount of the liability for remaining coverage (LRC) is measured at premiums received less insurance acquisition cash flows paid. Subsequent of initial recognition, the carrying amount is decreased by the amount recognized as insurance revenue for services provided in the period. For most products this is based on the passage of time i.e., calculated on a pro rata temporis basis. Consequently, any premium receipts pertaining to insurance services to be provided after the closing date remains in this liability. The carrying amount is also increased for any premiums received in subsequent periods less additional insurance acquisition cash flows paid.

The insurance acquisition cash flows reducing the carrying amount of LRC relate to commissions expenses as well as personnel expenses for internal sales units. The acquisitions cash flows are deferred over the coverage period of the contracts, generally one year. The option to recognize these cash flows as an expense when they are incurred is applied to portfolios relating to Business Area Private. Any acquisition cash flows paid relating to a group of insurance contracts not yet recognized are presented as a separate acquisition cash flow asset included in the related portfolio's total carrying amount.

For groups of onerous contracts, a loss component is part of the liability for remaining coverage, where the loss component is calculated as the difference in the liability measured with the general measurement model compared to the premium allocation approach.

The carrying amount of LRC is not discounted as the time between providing services and the related premium due date generally is not more than a year.

Liability for incurred claims

The liability for incurred claims (LIC) is intended to cover the future payments of all claims incurred, including claims not yet reported to If (IBNR) and all claims handling expenses. The estimated future cash flows (best estimate) in direct property and casualty insurance and reinsurance are calculated with the aid of statistical methods or through individual assessments of individual claims. Often a combination of the two methods is used, meaning large claims are assessed individually while small claims and claims incurred but not reported (IBNR) are calculated using statistical methods.

In addition to the best estimate, the liability for incurred claims includes an explicit risk adjustment, which reflects the uncertainty about the amount and timing of cash flows arising from non-financial risk.

Both the best estimate and risk adjustment are discounted to present value using standard actuarial methods, and applying market-based yield curves, which are constructed based on a risk-free rate and an illiquidity premium for each of the main currencies.

Reinsurance assets

The corresponding policies as for measuring the insurance contracts issued are applied when measuring the reinsurance contracts held. The asset for incurred claims also takes into consideration the effect of the risk of non-performance by the issuer of the reinsurance contract.

Income statement

Insurance revenue

Insurance revenue reflects the compensation that If receives from the policyholder in return for the transfer of risk (insurance contract services) on an earned basis. The insurance revenue recognized in the reporting period is based on premium receipts and expected premium receipts allocated linearly over the underlying terms of the insurance contracts, i.e. based on the passage of time. The liability for remaining coverage is reduced with a corresponding amount as the insurance revenue.

Reinsurance premium expenses

Reinsurance premium expenses relating to reinsurance contracts held are recognized similarly to insurance revenue and reflect the premium payments by If that are attributable to the reporting period for the reinsurance contract services received. Any commissions received reduce the reinsurance premium expenses.

Insurance service expenses

The insurance service expenses comprise of both claims incurred and operating expenses.

Claims incurred for the reporting period include claims payments during the period and changes in the liability for incurred claims. The change in liability for incurred claim includes the changes in undiscounted best estimate, discounted risk adjustment and the changes in discounting effect due to changes in underlying best estimate or changes in payment patterns. The claims incurred also include claims handling expenses and changes in the loss component.

Operating expenses reported in the Insurance service result relate to administrative expenses arising from the handling of insurance contracts. Additionally, the operating expenses include the change in acquisition cash flows, where the liability for remaining coverage changes with a corresponding amount.

Reinsurers' share of claims incurred

The reinsurers' share of claims incurred is reported consistently with Insurance service expenses, claims incurred and also includes changes in the risk of non-performance.

Insurance finance income or expenses

Insurance/ Reinsurance finance income or expenses comprise of changes in the liability/ asset for incurred claims relating to the change in discounting effect due to changes in interest rates and interest expense/ income (unwinding). The effect of changes in financial risk relating to indexation of annuities is also presented within insurance finance income or expenses. The option to present changes in discounting effect in other comprehensive income is not applied.

Accounting policies: IFRS 9 Financial Instruments

Other financial investment assets

A financial asset or financial liability is recognized in the balance sheet when the Group becomes party to the contractual terms of the financial instrument. A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expire or as a result of a transfer of the assets whereby the Group no longer retains significant risks and benefits from the assets as well as it loses control over them. A financial liability is derecognized from the balance sheet when the obligation in the agreement has been fulfilled, cancelled, or otherwise terminated. Furthermore, a contract is derecognized if a significant modification has been made to the contract terms of a financial asset or liability.

The purchase and sale of money market and capital market instruments on the spot market as well as derivative transactions are reported in the balance sheet on the transaction date. Between the transaction date and payment date the counterparty's liability/ receivable is reported at the gross amount under the item Collaterals and settlement claims or Other creditors.

Debt instruments (Bonds and other interest-bearing securities and Other loans) are classified as measured at either fair value through profit or loss (mandatorily) or amortized cost, based on the business model for managing the assets and the asset's contractual terms. The business model reflects how the Group manages portfolios of financial assets to achieve business objectives and to generate cash flows. The factors considered in determining the portfolio's business model include how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed, past experience of how the cash flows have been collected and how compensation is linked to performance.

Debt instruments are classified as measured at fair value through profit or loss (mandatorily) when the business model reflects the assets being managed and evaluated on a fair value basis or being held for trading, alternatively if the contractual cash flows do not consist of solely payments of principal and interest, i.e. not consistent with a basic lending arrangement.

Debt instruments are classified as measured at amortized cost if held within a business model with the objective to hold the financial assets to collect contractual cash flows, and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, i.e. consistent with a basic lending arrangement.

Other financial investment assets consist of Shares and participations, Bonds and other interest-bearing securities, Other loans and Derivatives. The presentation below describes the detailed valuation for each type of asset.

Shares and participations

Shares and participations are classified as measured at fair value through profit or loss. For shares listed on a regulated stock exchange or marketplace, the sales value normally refers to the latest trade price on the closing date. Unlisted securities included in private equity investments are measured using established valuation models.

Bonds and other interest-bearing securities

Bonds and other interest-bearing securities are classified as measured at fair value through profit or loss (mandatorily) as the portfolio is managed and evaluated on a fair value basis. The instruments are initially recognized and subsequently measured at fair value. Transaction costs that are directly attributable to the issue or acquisition of the assets are expensed in profit or loss.

The return on bonds and interest-bearing securities is divided into interest income and changes in value. The change in value is calculated as the difference between the fair value (market value) of the instruments and their amortized cost.

Other loans

Other loans are classified as measured at amortized cost as the business model is hold to collect, and the contractual cash flows consist of solely payments of principal and interest. Other loans are initially recognized at fair value plus directly attributable transaction costs for the acquisition. In subsequent reporting periods, other loans are measured at amortized cost, calculated using the effective interest rate method and adjusted for a loss allowance based on expected credit losses (ECL). The calculation of total expected credit loss for a financial asset is calculated using the general approach with a three staged model.

Derivatives

All derivative instruments are individually measured at fair value both at initial recognition and in subsequent periods. Derivative transactions with a positive fair value on the closing date are reported as Other financial investment assets and derivative positions with a negative fair value are reported on the liabilities side of the balance sheet under the heading Derivatives.

NOTE 2 – Risks and uncertainties

Risks and risk management are an essential and inherent element of If's business activities and operating environment. A high-quality risk management process is a prerequisite for running the business effectively and achieving established goals. The risk categories are: underwriting risk, market risk, credit risk, operational risk and other risks. External drivers, sustainability factors and emerging risks have a potential impact on all risk categories. The main underwriting risks in insurance operations are premium risks and reserve risks.

Investment result

The investment result is divided into direct investment income, changes in value and deductions for management costs. Direct investment income primarily includes dividends on shareholdings and interest income from investments reported using the effective interest rate method, where the premiums / discounts resulting from acquisitions are distributed across the remaining useful life of the asset. Changes in value mainly comprises unrealized and realized value changes on investment assets, but also changes in the loss allowance. The Group's currency result is included in Changes in value.

The administrative expenses relating to asset management are reported within the Investment result.

In addition, market risks (such as changes in interest rates, foreign exchange rates and equity prices, as well as changes in their volatility) and credit risks affect the market values of financial assets and liabilities. Operational risk, that refer to the risk of loss arising from inadequate or failed processes or systems, from personnel, or from external events, are also handled through the risk-management processes. If's risks and risk management are described in the 2022 Annual Report.

NOTE 3 – Result per business area

Income statement per business area

MSEK	Private	Com- mercial	Industrial	Baltic	Asset management	Other ¹⁾	Eliminations and adjustments to consolidated policies ²⁾	Total 2023 Jan-Jun	Total 2022 Jan-Jun
Insurance revenue	16,081	7,448	5,008	1,201	-	-	-	29,738	27,473
Reinsurance premium expenses	-156	-96	-1,529	-12	-	-	-	-1,793	-1,483
Insurance service expenses, claims incurred	-10,825	-4,823	-3,599	-766	-	7	61	-19,945	-17,855
Insurance service expenses, operating expenses	-2,291	-1,245	-535	-277	-	62	-19	-4,306	-3,966
Reinsurers' share of claims incurred	66	23	1,061	-3	-	-	-	1,147	484
Insurance service result	2,875	1,306	405	143	-	69	42	4,841	4,653
Other income	134	36	18	0	-	820	-187	821	698
Other expense	-155	-45	-16	-	-	-771	142	-845	-706
Result from other services	-21	-8	2	0	-	49	-46	-24	-8
Investment result					3,816			3,816	1,557
Insurance finance income or expenses, Net						-1,139		-1,139	6,557
Net financial result					3,816	-1,139		2,677	8,114
Interest expenses, financing						-54		-54	-31
Interest expense on net pension asset / liability						4		4	-2
Income from associates						0		0	124
Result before income taxes	2,854	1,298	407	144	3,816	-1,072	-3	7,444	12,850

¹⁾ Including road assistance, Run Off and other operations not allocated to the business areas.

²⁾ Relating to elimination of transactions between business areas.

Balance sheet per business area

MSEK	Private	Com- mercial	Industrial	Baltic	Asset management	Other ¹⁾	Total 2023 Jun 30	Total 2022 Jun 30
Assets								
Intangible assets	-	276	-	-	-	1,887	2,162	2,148
Investment assets	-	-	-	-	122,002	-	122,002	116,445
Reinsurance assets	166	103	3,507	43	-	2	3,821	2,643
Deferred tax assets	0	0	4	-1	-	31	34	48
Other assets 1)	-	-	-	-	6,687	8,694	15,381	12,097
Total assets	166	379	3,511	42	128,689	10,614	143,401	133,381
Shareholders' equity, provisions and liabilities								
Shareholders' equity	-	-	-	-	-	45,499	45,499	43,150
Subordinated debt	-	-	-	-	-	1,495	1,495	2,492
Insurance liabilities	34,128	23,938	20,300	2,374	-	-	80,741	73,028
Provisions for other risk and changes	26	6	21	282	-	3,539	3,875	4,318
Other liabilities 1)	-	-	-	-	661	11,130	11,791	10,393
Total shareholders' equity, provisions and liabilities	34,155	23,944	20,321	2,657	661	61,664	143,401	133,381

¹⁾ Other assets and liabilities are not divided on the basis of business areas except for those related to asset management.

NOTE 4 – Other financial investment assets and derivative liabilities

Classification of other financial investment assets and derivative liabilities in accordance with IFRS 9

The recognition of financial assets and liabilities depends on their classification. The classification of assets and liabilities categorized in accordance with IFRS 9 is shown below. Comparative figures are not restated and follow IAS 39.

MSEK	Acquisition value	Fair value	Carrying amount
	2023 Jun 30	2023 Jun 30	2023 Jun 30
Financial assets at fair value through profit or loss (mandatory)			
Shares and participations	9,455	14,151	14,151
Bonds and other interest-bearing securities	109,151	105,302	105,302
Derivatives	6	268	268
Total financial assets at fair value through profit or loss	118,612	119,721	119,721
Financial assets measured at amortised cost¹⁾			
Other loans	2,244	2,216	2,216
Total other financial investment assets	120,856	121,937	121,937
Financial liabilities at fair value through profit or loss (mandatory)			
Derivatives	3	10	10
Total financial liabilities at fair value through profit or loss	3	10	10

¹⁾ Other loans are in accordance with If's application of IFRS 9 accounted for at amortized cost. The fair value is only shown for disclosure purposes. Financial instruments with fair value information are classified in three different hierarchy levels depending on their liquidity and valuation methods. All loans are classified in level 3 and the fair value of these loans are based on cash-flow valuations.

MSEK	Acquisition value	Fair value	Carrying amount
	2022 Jun 30	2022 Jun 30	2022 Jun 30
Financial assets, mandatory at fair value through profit or loss (trading)			
Derivatives	22	429	429
Financial assets available for sale			
Shares and participations	9,394	12,923	12,923
Bonds and other interest-bearing securities	102,011	99,445	99,445
Total financial assets, at fair value	111,427	112,796	112,796
Loans¹⁾			
Other loans	3,557	3,557	3,557
Total other financial investment assets	114,984	116,353	116,353
Financial liabilities, mandatory at fair value through profit or loss (trading)			
Derivatives	9	53	53
Total financial liabilities, at fair value	9	53	53

¹⁾ Other loans are in accordance with If's application of IAS 39 accounted for at amortized cost. The fair value is only shown for disclosure purposes. Financial instruments with fair value information are classified in three different hierarchy levels depending on their liquidity and valuation methods. All loans are classified in level 3 and the fair value of these loans are based on cash-flow valuations.

Financial investment assets and derivative liabilities at fair value

A careful process is followed and controls are performed in order to ensure correct fair values of financial assets and liabilities. For example, controls are made by several different external sources and assessments of abnormal price changes are performed when necessary.

Different valuation methods are used to determine the fair value depending on the type of financial instruments and to what extent they are traded on active markets. In order to evaluate the activity in a market with respect to frequency and volume If mainly uses information compiled by Bloomberg. Quoted shares are valued on the basis of latest trade price on stock markets and are obtained by Bloomberg. The valuation of bonds is also usually based on prices from Bloomberg. Quoted bonds are valued on the basis of last bid price. For model-valued interest bearing instruments, yield curves based on last mid prices are used.

If's financial instruments, which are measured at fair value, are classified in three different hierarchy levels depending on their valuation methods as well as how active the market is. The control of the classification in hierarchy levels is done quarterly. If conditions have changed for the existing level, the holding in question is moved to the correct hierarchy level in consent with the Risk Management function.

Level 1 – Financial assets and liabilities with values based on quoted prices in active markets for identical assets or liabilities.

Quoted prices in active markets are considered the best estimate of an asset/liability's fair value. An active market is typically characterized by quoted prices that are easily and regularly available and that represent actual and regularly occurring transactions at arm's length distance.

Assets and liabilities in the category include shares, listed funds (ETF), equity- and interest rate funds and interest bearing assets that have quoted prices in an active market at the time of valuation.

Level 2 – Financial assets and liabilities with values based on quoted prices or valuation based on directly or indirectly observable market data.

In the level 2 hierarchy, all essential inputs are observable either directly or indirectly. The large majority of the instruments in level 2 are traded in a market with daily quoted prices and regularly occurring market transactions but where the market is not considered to be active enough regarding frequency and volume and/or when the standard deviation of the prices is high. A very limited part of the instruments are model valued with the help of market data that is indirectly observable, meaning that prices can be derived from observable markets where market interest rates and underlying rates normally are updated daily or, in exceptional cases, at least on a monthly basis.

Instruments that are valued at level 2 include interest bearing assets where the market is not active enough. Most OTC derivatives, standardized derivatives as well as currency derivatives are also included in this level.

Level 3 – Financial assets and liabilities that are traded on an illiquid market, with non-observable market data or indications of trading levels without any actual trade.

When neither quoted prices in active markets nor observable market data is available, the fair value of financial instruments is based on valuation techniques that are based on non observable market data.

– Level 3 comprises private equity, unlisted shares, certain high-yield assets and distressed assets encountering financial difficulties where trading has essentially ceased to exist.

– The types of financial instruments classified as level 3 in the valuation hierarchy are discussed below with reference to type of securities and valuation method:

– Private equity is classified as level 3. The majority of If's investment in private equity is made in mutual funds. The fair values are based on prices and share values obtained from the funds administrators. These quotations are based on the value in the underlying assets in accordance with market practice. The last obtained value is used;

– For some unlisted shares external evaluations are obtained, which are used for valuation. The external valuations are based on models that contain non-observable assumptions; and

– Other assets in level 3 are normally valued at least yearly and the valuation is based either on external estimates, cash flow analyses or latest market transactions.

Financial investment assets and derivative liabilities in fair value hierarchy

MSEK	2023 Jun 30			Total fair value
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss (mandatory)				
Shares and participations ¹⁾	13,969	-	182	14,151
Bonds and other interest-bearing securities	72,706	32,563	33	105,302
Derivatives				
Equity derivatives	-	-	-	-
Fixed income derivatives	-	38	-	38
Foreign exchange derivatives	-	229	-	229
Total financial assets at fair value through profit or loss	86,675	32,830	216	119,721
Financial liabilities at fair value through profit or loss (mandatory)				
Derivatives				
Fixed income derivatives	-	-	-	-
Foreign exchange derivatives	-	10	-	10
Total financial liabilities at fair value through profit or loss	-	10	-	10

¹⁾ Mutual equity funds recognized in the above balances totaled MSEK 5,312 of which MSEK 5,295 was allocated to level 1 and MSEK 17 to level 3.

Financial investment assets and derivative liabilities in fair value hierarchy

MSEK	2022 Jun 30			Total fair value
	Level 1	Level 2	Level 3	
Financial assets, mandatory at fair value through profit or loss (trading)				
Derivatives				
Equity derivatives	-	-	-	-
Fixed income derivatives	-	44	-	44
Foreign exchange derivatives	-	385	-	385
Financial assets, available for sale				
Shares and participations ¹⁾	12,842	23	57	12,923
Bonds and other interest-bearing securities	64,059	35,122	263	99,445
Total financial assets, at fair value	76,902	35,574	320	112,796
Financial liabilities, mandatory at fair value through profit and loss (trading)				
Derivatives				
Fixed income derivatives	-	-	-	-
Foreign exchange derivatives	-	53	-	53
Total financial liabilities, at fair value	-	53	-	53

¹⁾ Mutual equity funds recognized in the above balances totaled MSEK 4,498 of which MSEK 4,468 was allocated to level 1 and MSEK 29 to level 3.

Transfers from level 1 to level 2 amounted to MSEK 6,030 (6,324) corresponding to 5.0% (5.6) of the outstanding balance for financial investment assets measured at fair value, while transfers from level 2

to level 1 amounted to MSEK 4,397 (4,244) corresponding to 3.7% (3.8) of the outstanding balance for financial investment assets measured at fair value.

Financial investment assets in level 3

Financial assets presented in level 3 are included in financial instruments carried at fair value on the balance sheet. At June 30,

2023, the assets presented in level 3 amounted to MSEK 216 (320). All assets in level 3 are categorized as financial assets at fair value through profit or loss (financial assets available for sale).

MSEK 2023	Carrying amount Jan 1	Net gains/losses recorded in		Purchases	Sales/ maturities	Transfers into/out of level 3	Exchange rate differences	Carrying amount Jun 30	Net gains/ losses in income statement that are attributable to assets held at end of period
		Income- state- ment	Other com- prehensive income						
Financial assets at fair value through profit or loss (mandatory)									
Shares and participations	47	-13	-	154	-7	-	1	182	-
Bonds and other interest-bearing securities	30	-	-	4	-	-	-1	33	-
Total	78	-13	-	158	-7	-	1	216	-

MSEK 2022	Carrying amount Jan 1	Net gains/losses recorded in		Purchases	Sales/ maturities	Transfers into/out of level 3	Exchange rate differences	Carrying amount Jun 30	Net gains/ losses in income statement that are attributable to assets held at end of period
		Income- state- ment	Other com- prehensive income						
Financial assets, available for sale									
Shares and participations	65	-	-6	-	-7	-	5	57	-
Bonds and other interest-bearing securities	28	-	-	-	-	229	6	263	-
Total	93	-	-6	-	-7	229	10	320	-

Sensitivity analysis of the fair values of financial investment assets in level 3

The sensitivity of the fair value of level 3 instruments to changes in key assumptions, by category and financial instrument is shown below.

The following changes in key assumptions have been used:

- a 1% increase in the yield curve for bonds and other interest-bearing securities;
- a 20% decrease in prices for equity related securities.

MSEK	2023 Jun 30		2022 Jun 30	
	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Financial assets, at fair value through profit or loss (mandatory)				
Shares and participations ¹⁾	182	-36		
Bonds and other interest-bearing securities	33	-		
Financial assets, available for sale				
Shares and participations ¹⁾			57	-11
Bonds and other interest-bearing securities			263	-2
Total	216	-36	320	-13

¹⁾ Includes holding in equity funds.

NOTE 5 – Pledged assets and contingent liabilities

MSEK	2023	2022	2022
	Jun 30	Jun 30	Jun 30
Pledged assets and equivalent securities			
Other financial investment assets	4,201	3,045	4,029
Shares in subsidiaries	1,027	995	1,045
Cash and bank balances	12	21	3
Total	5,240	4,062	5,077
Policyholders' beneficiary rights			
Assets covered by policyholders' beneficiary rights	117,234	111,157	107,257
Technical provisions, net ¹⁾	-70,602	-66,491	-67,646
Surplus of registered securities	46,631	44,666	39,611
Contingent liabilities and other commitments			
Surety and guarantee undertakings	21	18	21
Other commitments	59	55	56
Total	80	73	77

¹⁾ Calculated in accordance with Solvency II regulations.

NOTE 6 – Transition effects of changed accounting policies applied from 2023 (IFRS 17 and IFRS 9)

The accounting standards IFRS 17 Insurance contracts and IFRS 9 Financial Instruments are applied since January 1, 2023 and presented for the first time in this interim report. IFRS 17 Insurance Contracts has replaced IFRS 4 Insurance Contracts, where IFRS 17 contains a complete framework for the measurement and presentation of insurance contracts. IFRS 9 Financial Instruments has superseded IAS 39 Financial Instruments: Recognition and Measurement, where

IFRS 9 has changed the principles of classification and measurement of financial assets and introduces a new impairment model based on expected, rather than incurred, credit losses. Refer to Note 1 for the new accounting policies applied and Note 41 in the 2022 Annual report for further details regarding the changes in accounting policies introduced.

Transition to IFRS 9 Financial instruments

For financial instruments the comparative figures for 2022 are not restated. Financial assets classified as available for sale under IAS 39 are at transition to IFRS 9 classified as measured at fair value through profit or loss, consequently the fair value reserve has been transferred to retained earnings. The transition effect for the Group per January 1, 2023 with regards to changed measurement categories and impact on equity is presented below.

MSEK	Classification under IAS 39	Classification under IFRS 9	Carrying amount Dec 31, 2022	Reclas- sifications	Remeasure- ments ¹⁾	Carrying amount Jan 1, 2023
Derivatives	Fair value through profit or loss (trading)	Fair value through profit or loss (mandatory)	608	-	-	608
Shares and participations	Available for sale	Fair value through profit or loss (mandatory)	12,983			12,983
Bonds and other interest-bearing securities	Available for sale	Fair value through profit or loss (mandatory)	100,301	-	-	100,301
Other loans	Loans and receivables	Amortized cost	2,331	-	-6	2,325
Other Financial investment assets			116,223	-		116,217

¹⁾ The remeasurement relates to expected credit losses. The amount effected equity on 1 January 2023 with MSEK -5 of which deferred tax asset of MSEK 1.

Transition to IFRS 17 Insurance contracts

For insurance contracts a full retrospective approach to the transition of the new standard has been applied with restated financial statements for the comparative year 2022. The transition effect for

the Group per January 1, 2022 was presented in Note 41 of the 2022 Annual report, and changes in the restated comparative periods June 30, 2022 and December 31, 2022 are presented below.

MSEK	IFRS 4 Jun 30 2022	Reclass- ifications	Remeasu- rements	IFRS 17 Jun 30 2022	
Consolidated balance sheet according to IFRS 4					Consolidated balance sheet according to IFRS 17
Reinsurers' share of technical provisions					Reinsurance assets
Provisions for unearned premiums and unexpired risks	1,854	-1,540		314	Asset for remaining coverage
Provisions for claims outstanding	2,371		-42	2,329	Asset for incurred claims
	4,225	-1,540	-42	2,643	
Deferred tax asset	47		1	48	Deferred tax asset
Debtors					
Debtors arising out of dir.insurance	18,536	-17,527			
Debtors arising out of reinsurance	1,847	-1,227			
Other debtors	949				
	21,332	-18,753		2,578	Debtors
Prepayments and accrued income					Prepayments and accrued income
Accrued interest and rental income	339			339	Accrued interest and rental income
Deferred acquisition costs	1,275	-1,275			
Other prepayments and accrued income	526			526	Other prepayments and accrued income
	2,141	-1,275		865	
Total asset change					
		-21,569	-41		
Shareholders' equity					Shareholders' equity
Retained earnings including profit for the period 2022	31,969		6,238	38,206	Retained earnings including profit for the period 2022
Other items in equity	4,943			4,943	Other items in equity
	36,912		6,238	43,150	
Technical provisions (gross)					Insurance liabilities
Provisions for unearned premiums and unexpired risks	31,581	-19,967	911	12,525	Liability for remaining coverage and acquisition cashflow asset
Provisions for claims outstanding	69,312		-8,810	60,503	Liability for incurred claims
	100,893	-19,967	-7,899	73,028	
Provision for other risks & charges					Provision for other risks & charges
Deferred tax liability	2,352		1,620	3,972	Deferred tax liability
Other provisions	346			346	Other provisions
	2,698		1,620	4,318	
Creditors					Creditors
Creditors arising out of dir.insurance	1,589				
Creditors arising out of reinsurance	1,460	-1,416			
Derivatives	53			53	Derivatives
Other creditors	6,933			8,566	Other creditors
	10,035	-1,416		8,619	
Accruals and deferred income					
Reinsurers' share of DAC	124	-124			
Other accruals and deferred income	1,836	-62			
	1,960	-186		1,774	Accruals and deferred income
Total equity, provisions, liabilities change					
		-21,569	-41		

MSEK	IFRS 4			IFRS 17	
Consolidated balance sheet according to IFRS 4	Dec 31	Reclass-	Remeasu-	Dec 31	Consolidated balance sheet according to IFRS 17
	2022	ifications	rements	2022	
Reinsurers' share of technical provisions					Reinsurance assets
Provisions for unearned premiums and unexpired risks	899	-587		312	Asset for remaining coverage
Provisions for claims outstanding	2,723		-102	2,621	Asset for incurred claims
	3,622	-587	-102	2,934	
Deferred tax asset	95		2	98	Deferred tax asset
Debtors					
Debtors arising out of dir.insurance	16,982	-15,530			
Debtors arising out of reinsurance	1,107	-864			
Other debtors	1,016				
	19,105	-16,394		2,711	Debtors
Prepayments and accrued income					Prepayments and accrued income
Accrued interest and rental income	702			702	Accrued interest and rental income
Deferred acquisition costs	1,321	-1,321			
Other prepayments and accrued income	502			502	Other prepayments and accrued income
	2,525	-1,321		1,204	
Total asset change		-18,301	-100		
Shareholders' equity					Shareholders' equity
Retained earnings including Net income for 2022	30,287		4,442	34,729	Retained earnings including Net income for 2022
Other items in equity	4,208			4,208	Other items in equity
	34,495		4,442	38,937	
Technical provisions (gross)					Insurance liabilities
Provisions for unearned premiums and unexpired risks	26,504	-17,696	923	9,731	Liability for remaining coverage and acquisition cashflow asset
Provisions for claims outstanding	71,349		-6,647	64,702	Liability for incurred claims
	97,853	-17,696	-5,724	74,433	
Provision for other risks & charges					Provision for other risks & charges
Deferred tax liability	2,223		1,182	3,405	Deferred tax liability
Other provisions	345			345	Other provisions
	2,568		1,182	3,750	
Creditors					Creditors
Creditors arising out of dir.insurance	2,174				
Creditors arising out of reinsurance	528	-519			
Derivatives	74			74	Derivatives
Other creditors	7,074			9,258	Other creditors
	9,850	-519		9,332	
Accruals and deferred income					Accruals and deferred income
Reinsurers' share of DAC	64	-64			
Other accruals and deferred income	2,421	-23			
	2,486	-87		2,399	
Total equity, provisions, liabilities change		-18,301	-100		

MSEK	IFRS 4 2022		IFRS 17 2022	
Consolidated income statement according to IFRS 4	Jan-Jun	Change	Jan-Jun	Consolidated income statement according to IFRS 17
TECHNICAL ACCOUNT INSURANCE OPERATIONS				
Premiums written, gross	34,218			
Change in provision for unearned premiums and unexpired risks	-6,745			
	27,473		27,473	Insurance revenue
Premiums ceded	-2,684	20		
Reinsurers' share of change in provision for unearned premiums and unexpired risks	1,074			
Commissions and profit participations in ceded reinsurance	107			
	-1,503	20	-1,483	Reinsurance premium expenses
Claims paid, gross	-18,361			
Change in provision for claims outstanding, gross	1,369	-863		
	-16,992	-863	-17,855	Insurance service expenses, claims incurred
Operating expenses in insurance operations, Gross	-3,981	15	-3,966	Insurance service expenses, operating expenses
Claims paid, reinsurers' share	880	-20		
Change in provision for claims outstanding, reinsurers' share	-413	38		
	467	18	484	Reinsurers' share of claims incurred
	5,463	-810	4,653	Insurance service result
Other technical income	698		698	Other income
Other operating expenses	-706		-706	Other expenses
	-8		-8	Result from other services
Allocated investment return transferred from the non-technical account	55	-55		
Technical result from property and casualty insurance	5,510			
NON-TECHNICAL ACCOUNT				
Investment result	1,530	27	1,557	Investment result
				Insurance finance income or expenses, Net
			6,644	Insurance contracts
			-87	Reinsurance contracts held
			6,557	
Allocated investment return transferred to the technical account	-200	200		
			8,114	Net financial result
Interest expense, financing	-31		-31	Interest expense, net pension asset / liability
Interest expense on net pension liability	-2		-2	Interest expense, financing
Income from associates	124		124	Income from associates
Result before income taxes	6,930	5,920	12,850	Result before income taxes
Taxes	-1,422	-1,228	-2,651	Taxes
Net profit for the period	5,508	4,691	10,199	Net profit for the period

MSEK	IFRS 4 2022		IFRS 17 2022	
Consolidated income statement according to IFRS 4	Jan-Dec	Change	Jan-Dec	Consolidated income statement according to IFRS 17
TECHNICAL ACCOUNT INSURANCE OPERATIONS				
Premiums written, gross	57,732			
Change in provision for unearned premiums and unexpired risks	-1,162			
	56,570		56,570	Insurance revenue
Premiums ceded	-3,497	0		
Reinsurers' share of change in provision for unearned premiums and unexpired risks	91			
Commissions and profit participations in ceded reinsurance	232			
	-3,173	0	-3,174	Reinsurance premium expenses
Claims paid, gross	-36,820			
Change in provision for claims outstanding, gross	1,062	-3,220		
	-35,758	-3,220	-38,978	Insurance service expenses, claims incurred
Operating expenses in insurance operations, Gross	-8,429	-83	-8,512	Insurance service expenses, operating expenses
Claims paid, reinsurers' share	1,372	0		
Change in provision for claims outstanding, reinsurers' share	-108	-18		
	1,264	-17	1,247	Reinsurers' share of claims incurred
	10,473	-3,320	7,152	Insurance service result
Other technical income	1,470		1,470	Other income
Other operating expenses	-1,570		-1,570	Other expenses
	-100		-100	Result from other services
Allocated investment return transferred from the non-technical account	115	-115		
Technical result from property and casualty insurance	10,488			
NON-TECHNICAL ACCOUNT				
Investment result	2,902	25	2,927	Investment result
				Insurance finance income or expenses, Net
			6,579	Insurance contracts
			-91	Reinsurance contracts held
			6,488	
Allocated investment return transferred to the technical account	-471	471		
			9,415	Net financial result
Interest expense, financing	-81		-81	Interest expense, net pension asset / liability
Interest expense on net pension liability	-4		-4	Interest expense, financing
Income from associates	97		97	Income from associates
Result before income taxes	12,931	3,548	16,479	Result before income taxes
Taxes	-2,693	-762	-3,456	Taxes
Net profit for the period	10,237	2,786	13,023	Net profit for the period

Signature

Stockholm, August 23, 2023

Morten Thorsrud
President and CEO

The interim report has not been reviewed by the company's auditors.

Definitions applied from 2023 and restated comparative period 2022

Alternative performance measures

An alternative performance measure which is not defined in applicable accounting standards (IFRS, ÅRFL, FFFS 2019:23 and FRL), but where If considers it relevant to monitor and describe the Group's/company's financial situation and to provide additional useful information to the users of its financial statements. Since these measures have been developed and adapted for If, they are not fully comparable with similar performance measures presented by other companies. These are marked below with ^{*)}.

Claims ratio

Total sum of insurance service expenses, claims incurred including claims handling expenses and reinsurers' share of incurred claims in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Combined ratio

Total sum of insurance service expenses and reinsurers' share of claims incurred in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Consolidation capital

Shareholders' equity less deferred tax assets plus untaxed reserves, subordinated debt and deferred tax liability.

Cost ratio ^{*)}

Total sum of insurance service expenses, operating expenses and claims handling expenses in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Expense ratio

Insurance service expenses, operating expenses in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Gross written premium ^{*)}

The gross written premium refers to the compensation that If receives from the policyholder in return for the transfer of risk. Gross written premium is the contractually determined premium for the entire coverage period of the contract for insurance contracts where risk coverage began during the period, subsequently adjusted for any expected losses and write-offs.

Gross written premium growth ^{*)}

Change in gross written premium adjusted for currency effects and excluding any adjustments for the expected losses and write-offs, expressed as a percentage.

Insurance margin ^{*)}

Insurance service result in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Risk ratio ^{*)}

Total sum of insurance service expenses, claims incurred excluding claims handling expenses and reinsurers' share of incurred claims, in relation to the sum of insurance revenue and reinsurance premium expenses, expressed as a percentage.

Total investment return

Investment return in relation to other financial investment assets, land and buildings, cash and bank balances, accrued financial income, securities settlement claims/liabilities and derivative liabilities, expressed as a percentage. The return has been calculated using a daily time-weighted return calculation method.

Definitions applied for periods 2019-2021 that have not been restated in the Five-year summary

Alternative performance measures

An alternative performance measure which is not defined in applicable accounting standards (IFRS, ÅRFL, FFFS 2019:23 and FRL), but where If considers it relevant to monitor and describe the Group's/company's financial situation and to provide additional useful information to the users of its financial statements. Since these measures have been developed and adapted for If, they are not fully comparable with similar performance measures presented by other companies. These are marked below with ^{*)}.

Claims ratio

Total sum of claims incurred on own account including claims-adjustment costs in relation to premiums earned on own account, expressed as a percentage.

Combined ratio

Total sum of claims incurred and operating expenses on own account in insurance operations in relation to premiums earned on own account, expressed as a percentage.

Consolidation capital

Shareholders' equity less deferred tax assets plus untaxed reserves, subordinated debt and deferred tax liability.

Cost ratio ^{*)}

Total sum of operating expenses in insurance operations on own account and claims-adjustment costs in relation to premiums earned on own account, expressed as a percentage.

Expense ratio

Operating expenses in insurance operations on own account in relation to net premiums earned, expressed as a percentage.

Insurance margin ^{*)}

Technical result less other technical income and other operating expense in relation to premiums earned on own account, expressed as a percentage.

Risk ratio ^{*)}

Total sum of insurance claims on own account, excluding claims-adjustment costs, in relation to premiums earned on own account, expressed as a percentage.

Total investment return

Investment return in relation to other financial investment assets, land and buildings, cash and bank balances, accrued financial income, securities settlement claims/liabilities and derivative liabilities, expressed as a percentage. The return has been calculated using a daily time-weighted return calculation method.

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