



Interim Report

January - June 2024

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 2023 and for balance sheet items as per 31 December 2023.

Earnings and financial position

Result

Insurance service result decreased to MSEK 4,446 (4,841) and the combined ratio deteriorated and amounted to 84.9 (82.7). Net financial result was MSEK 4,000 (2,677). Profit before tax for the period amounted to MSEK 8,375 (7,444).

Premiums

Insurance revenue amounted to MSEK 31,816 (29,738) whereof gross written premiums amounted to MSEK 39,904 (37,087). Gross written premium growth was 8.0%. The growth was robust across business areas and countries primarily driven by rate increases.

Claims

Insurance service expenses, claims incurred and reinsurers' share of claims incurred increased to a net of MSEK 20,532 (18,798) during the period. The risk ratio was 64.2% (61.6), including a 4.0 percentage points (4.1) positive impact of prior years' development. The change was primarily attributable to severe weather and large claims.

On 30 June the liability for incurred claims amounted to MSEK 69,178 (67,154). Adjusted for currency effects, the liability for incurred claims increased by MSEK 791 compared to the end of 2023. The reinsurance asset for incurred claims amounted to MSEK 6,241 (3,176). Adjusted for currency effects, the increase during the period was MSEK 337.

Expenses

Insurance service expenses, operating expenses amounted to MSEK 4,497 (4,306) during the first half of the year. The cost ratio improved to 20.8% (21.0).

Net financial result

Net financial result was MSEK 4,000 (2,677) and consists of Investment result and Insurance finance income or expenses, Net.

Investment result increased to MSEK 4,306 (3,816). The result corresponds to a total investment return of 3.4% (3.2), 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 88% (89) and equities 12% (11) of the total investment assets. The duration of the fixed income assets at the end of the period was 2.6 (2.0).

Insurance finance income or expenses, Net was MSEK -306 (-1,139) and included the effect of changes in discount rates of MSEK 710 (-115) and interest expense (unwinding) of MSEK -965 (-944).

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, increased to MSEK 8,683 (5,754) primarily due to change in net investments.

Remuneration of senior executives

During the period the terms for the yearly variable compensation for Group Management have been adjusted. For the CEO the maximum annual variable compensation is now 100% of the fixed salary. For other senior executives the annual variable compensation is now maximized to 75-100% of the fixed salary.

Significant events and effects during and after the reporting period

On 17 June 2024, If's parent company Sampo plc announced that Sampo plc and Topdanmark A/S have entered into a combination agreement, pursuant to which Sampo plc will make a recommended best and final public exchange offer to acquire all outstanding shares in Topdanmark A/S not already owned by Sampo plc.

Following completion of the offer, Sampo plc plans to integrate Topdanmark A/S P&C operations into the pan-Nordic business organisation of the If Group, based on pan-Nordic customer groups and support functions. More information about the offer is found on www.sampo.com/topdanmark.

No significant events have occurred after the reporting period.

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 was MSEK 8,622 (8,017), primarily due to dividends from subsidiaries.

Key figures

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Earnings-related information (2022-2024) ^{1,2)}						
Insurance revenue	31,186	29,738	61,158	56,570		
Reinsurance premium expenses	-2,341	-1,793	-3,832	-3,174		
Insurance service expenses, claims incurred	-21,902	-19,945	-43,180	-38,978		
<i>of which, claims handling expenses</i>	-1,622	-1,576	-3,253	-3,002		
Insurance service expenses, operating expenses	-4,497	-4,306	-8,916	-8,512		
Reinsurers' share of claims incurred	1,370	1,147	4,434	1,247		
Insurance service result	4,446	4,841	9,664	7,152		
Result from other services	-20	-24	-118	-100		
Investment result	4,306	3,816	9,934	2,927		
Insurance finance income or expense, Net	-306	-1,139	-3,801	6,488		
Net financial result	4,000	2,677	6,133	9,415		
Earnings-related information (2020-2021) ^{1,2)}						
Premiums earned, net of reinsurance					48,418	47,028
Allocated investment return transferred from the non-technical account					145	173
Other technical income					1,232	1,079
Claims paid, net of reinsurance					-31,717	-31,204
<i>of which, claims-adjustment costs</i>					-2,701	-2,672
Operating expenses for insurance operations, net of reinsurance					-7,662	-7,416
Other operating expenses					-1,260	-1,159
Technical result from property and casualty insurance					9,155	8,502
Net profit for the period ^{1,2)}	6,630	5,876	12,309	13,023	8,618	7,405
Information regarding financial position ^{1,2)}						
Investment assets	121,646	122,002	120,312	116,288	113,839	108,535
Insurance liabilities / Technical provisions	83,007	80,741	79,162	74,433	92,599	88,629
Consolidation capital	47,318	50,524	47,943	44,739	42,352	37,568
<i>of which, deferred tax</i>	4,181	3,530	3,860	3,307	3,569	2,605
Key data ^{1,2)}						
Claims ratio	69.7%	67.3%	67.6%	70.7%	65.5%	66.4%
Expense ratio	15.3%	15.4%	15.6%	15.9%	15.8%	15.8%
Combined ratio	84.9%	82.7%	83.1%	86.6%	81.3%	82.1%
Risk ratio ⁴⁾	64.2%	61.6%	61.9%	65.0%	59.9%	60.7%
Cost ratio ⁴⁾	20.8%	21.0%	21.2%	21.6%	21.4%	21.5%
Insurance margin ⁴⁾	15.1%	17.3%	16.9%	13.4%	19.0%	18.2%
Total investment return	3.4%	3.2%	8.3%	-4.4%	4.3%	2.3%
Gross written premium ⁴⁾	39,904	37,087	62,743	57,732	52,089	50,582
Total return ^{1,2,3)}	4,306	3,816	9,934	-5,439	4,999	2,548

¹⁾ 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 2020-2021 are unchanged, which means that they are presented in accordance with the previously applied accounting policies.

²⁾ 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 2020-2022 are unchanged, which means that they are presented in accordance with the previously applied accounting policies.

³⁾ 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).

⁴⁾ Refers to alternative performance measures which are defined in Definitions.

Consolidated income statement

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Insurance revenue	31,816	29,738	61,158
Reinsurance premium expenses	-2,341	-1,793	-3,832
Insurance service expenses			
Claims incurred	-21,902	-19,945	-43,180
Operating expenses	-4,497	-4,306	-8,916
	-26,400	-24,251	-52,096
Reinsurers' share of claims incurred	1,370	1,147	4,434
Insurance service result	4,446	4,841	9,664
Other income	912	821	1,647
Other expenses	-932	-845	-1,765
Result from other services	-20	-24	-118
Investment result			
Direct investment income	2,695	2,440	4,982
Changes in value	1,786	1,516	5,248
Management costs	-175	-140	-296
	4,306	3,816	9,934
Insurance finance income or expenses, Net			
Insurance contracts	-391	-1,180	-3,898
Reinsurance contracts held	85	40	97
	-306	-1,139	-3,801
Net financial result	4,000	2,677	6,133
Interest expense, financing	-52	-54	-106
Interest expense, net pension asset	3	4	8
Income from associates	-2	0	1
Result before income taxes	8,375	7,444	15,582
Taxes	-1,746	-1,568	-3,273
Net profit for the period	6,630	5,876	12,309
<i>Of which attributable to owners of the parent</i>	<i>6,630</i>	<i>5,876</i>	<i>12,309</i>

Consolidated statement of comprehensive income

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net profit for the period	6,630	5,876	12,309
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Remeasurements of the net pension asset	-4	204	-70
Taxes related to items which will not be reclassified	1	-43	14
	-3	161	-56
<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	500	677	-663
Taxes related to items which will be reclassified when specific conditions are met	-72	-147	64
	428	530	-599
Total comprehensive income for the period	7,054	6,567	11,654
<i>Of which attributable to owners of the parent</i>	<i>7,054</i>	<i>6,567</i>	<i>11,654</i>

Consolidated balance sheet

Assets				
MSEK	Note	2024 30 Jun	2023 30 Jun	2023 31 Dec
Intangible assets				
Goodwill		1,869	1,883	1,858
Other intangible assets		264	280	261
		2,133	2,162	2,119
Investment assets				
Land and buildings		5	10	5
Investments in associates		47	48	49
Other financial investment assets	4	121,587	121,937	120,251
Deposits with ceding undertakings		7	7	7
		121,646	122,002	120,312
Reinsurance assets				
Asset for remaining coverage		957	645	403
Asset for incurred claims		6,241	3,176	5,848
		7,199	3,821	6,251
Deferred tax assets				
		36	34	40
Debtors				
		4,788	3,302	3,530
Other assets				
Tangible assets		1,846	2,069	1,967
Cash and bank balances		2,768	7,967	2,182
Collaterals and settlement claims		282	81	537
Net pension assets		365	583	355
		5,261	10,700	5,041
Prepayments and accrued income				
Accrued interest and rental income		1,066	789	1,083
Other prepayments and accrued income		710	590	627
		1,776	1,379	1,709
Total assets				
		142,838	143,401	139,001

Consolidated balance sheet

Shareholders' equity, provisions and liabilities

MSEK	Note	2024 30 Jun	2023 30 Jun	2023 31 Dec
Shareholders' equity				
Share capital		2,726	2,726	2,726
Statutory reserve		400	400	400
Profit brought forward		31,886	36,498	27,152
Net profit for the period		6,630	5,876	12,309
		41,641	45,499	42,587
Subordinated debt				
		1,497	1,495	1,496
Insurance liabilities				
Liability for remaining coverage and acquisition cashflow asset		13,828	13,587	10,224
Liability for incurred claims		69,178	67,154	68,938
		83,007	80,741	79,162
Provisions for other risks and charges				
Deferred tax liability		4,217	3,563	3,900
Other provisions		297	311	301
		4,514	3,875	4,201
Creditors				
Derivatives	4	262	10	643
Other creditors		9,815	9,753	8,523
		10,077	9,763	9,166
Accruals and deferred income				
		2,102	2,028	2,390
Total shareholders' equity, provisions and liabilities		142,838	143,401	139,001

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 2024	2,726	400	-	39,461	-	42,587
Total comprehensive income	-	-	-	425	6,630	7,054
Dividend paid	-	-	-	-8,000	-	-8,000
Equity at end of June 2024	2,726	400	-	31,886	6,630	41,641
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 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	-	-	-	-655	12,309	11,654
Dividend paid	-	-	-	-8,000	-	-8,000
Equity at end of 2023	2,726	400	-	27,152	12,309	42,587

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 2,001 (1,501).

Consolidated cash flow statement

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
CASH FLOW FROM OPERATING ACTIVITIES			
Cash flow from insurance operations			
Premium flows, direct insurance	36,047	33,857	61,569
Claim payments, direct insurance	-22,810	-20,169	-42,036
Reinsurance flows	-2,690	-2,258	-3,110
Cost of operations	-4,726	-4,477	-8,503
	5,821	6,952	7,920
Cash flow from asset management			
Interest received ¹⁾	2,216	1,598	3,318
Interest paid	-11	-30	-49
Dividends received, shares	289	357	441
Cash flows from properties	-1	-1	-2
Net investments in financial investment assets ¹⁾	2,283	-2,564	-1,501
	4,776	-639	2,208
Interest payment, financing	-50	-53	-102
Realised foreign exchange transactions	47	1,201	1,098
Paid income tax	-1,911	-1,707	-2,977
	8,683	5,754	8,147
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	-	-	7
	-	-	7
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	-8,000	-	-8,000
Repayments of lease liabilities	-161	-141	-274
Repayments of loans	-	-1,000	-1,000
	-8,161	-1,141	-9,274
Cash flow for the period	522	4,613	-1,120
Cash and bank balances			
Opening cash and bank balances for the period	2,182	3,295	3,295
Effect of exchange rate changes	64	59	8
Cash flow for the period	522	4,613	-1,120
Closing cash and bank balances for the period	2,768	7,967	2,182

¹⁾ Comparative figures for January-June 2023 have been adjusted between line items Interest received and Net investments in financial investment assets with MSEK 689 and January-December 2023 with MSEK 796. Total cash flow from asset management is unchanged.

Income statement

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Other operating income	-	30	30
Other operating expenses	0	-28	-29
Operation result	0	2	1
Result from financial investments			
Dividends from group companies	8,596	8,030	8,211
Interest income and similar income items	153	107	226
Interest expenses and similar expense items	-121	-115	-224
Result after financial items	8,627	8,025	8,214
Group contributions, net	-	-	76
Result before income taxes	8,627	8,025	8,290
Tax on net profit for the period	-5	-8	-18
Net profit for the period	8,622	8,017	8,272

Statement of comprehensive income

MSEK	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net profit for the period	8,622	8,017	8,272
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
Taxes related to items which will be reclassified when specific conditions are met	0	0	0
	0	0	0
Total comprehensive income for the period	8,623	8,017	8,272

Balance sheet

MSEK	2024	2023	2023
Assets	30 Jun	30 Jun	31 Dec
Tangible assets	-	2	-
Financial fixed assets			
Shares in group companies	18,314	18,332	18,309
Shares in associates	20	20	20
	18,334	18,352	18,329
Deferred tax asset	4	15	6
Debtors			
Debtors, group companies	129	7,679	200
Accrued interest income	19	8	14
	148	7,686	214
Short-term investments	2,670	1,406	1,965
Cash and bank balances	1,282	3,284	1,049
Total assets	22,439	30,744	21,563
Shareholders' equity, provisions and liabilities			
Shareholders' equity			
Share capital	2,726	2,726	2,726
Statutory reserve	400	400	400
Profit brought forward	8,064	15,792	7,791
Net profit for the period	8,622	8,017	8,272
	19,811	26,934	19,189
Subordinated debt	1,497	1,495	1,496
Provisions			
Other provisions	9	38	9
	9	38	9
Current creditors			
Creditors, group companies	116	2,108	848
Provision for taxes	-	6	10
Accounts payable	-	0	-
Other creditors	2	26	7
Other accrued expenses and prepaid income	4	136	4
	1,122	2,276	869
Total shareholders' equity, provisions and liabilities	22,439	30,744	21,563

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 2023 Annual Report, except for the

accounting policy for presentation of the change in discounting effect relating to risk adjustment which has been updated. The change in discounting effect is now allocated between the insurance service expenses and insurance finance income or expenses.

Besides the disclosures provided in Notes 1-5 more information can be found in the section Economic overview.

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 and within market risk the main risks are interest rate risk, equity risk, and currency risk.

If has a Risk management framework to manage If's risks in line with the overall risk management objectives and strategy. If bases its Risk Management framework on regulations and industry best practices and applies a three lines model in the day-to-day management of risk. The Risk Management Policy defines the overall risk strategy and the risk appetite for the main risks. If's risks and risk management are described in the 2023 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 2024 Jan-Jun	Total 2023 Jan-Jun
Insurance revenue	16,881	7,741	5,761	1,372	-	62		31,816	29,738
Reinsurance premium expenses	-164	-111	-2,056	-10	-	-		-2,341	-1,793
Insurance service expenses, claims incurred	-11,844	-5,370	-3,836	-885	-	-45	78	-21,902	-19,945
Insurance service expenses, operating expenses	-2,380	-1,249	-593	-314	-	65	-26	-4,497	-4,306
Reinsurers' share of claims incurred	88	66	1,210	6	-	-	-	1,370	1,147
Insurance service result	2,580	1,078	486	168	-	82	52	4,446	4,841
Other income	133	56	15	1	-	957	-250	912	821
Other expense	-175	-46	-17	-	-	-890	195	-932	-845
Result from other services	-42	10	-2	1	-	67	-54	-20	-24
Investment result					4,306			4,306	3,816
Insurance finance income or expenses, Net						-306		-306	-1,139
Net financial result					4,306	-306		4,000	2,677
Interest expenses, financing						-52		-52	-54
Interest expense on net pension asset						3		3	4
Income from associates						-2		-2	0
Result before income taxes	2,538	1,088	484	169	4,306	-207	-3	8,375	7,444

¹⁾ Including insurance finance income or expense, 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							Total	Total
	Private	Com- mercial	Industrial	Baltic	Asset management	Other ¹⁾	2024 30 Jun	2023 30 Jun
Assets								
Intangible assets	-	261	-	-	-	1,871	2,133	2,162
Investment assets	-	-	-	-	121,646	-	121,646	122,002
Reinsurance assets	409	326	6,414	50	-	0	7,199	3,821
Deferred tax assets	-	-	3	0	-	34	36	34
Other ¹⁾	-	-	-	-	2,132	9,692	11,824	15,381
Total assets	409	587	6,416	50	123,778	11,597	142,838	143,401
Shareholders' equity, provisions and liabilities								
Shareholders' equity	-	-	-	-	-	41,641	41,641	45,499
Subordinated debt	-	-	-	-	-	1,497	1,497	1,495
Insurance liabilities	34,365	23,365	22,588	2,491	-	198	83,007	80,741
Provisions for other risk and changes	13	1	17	286	-	4,197	4,514	3,875
Other ¹⁾	-	-	-	-	587	11,592	12,179	11,791
Total shareholders' equity, provisions and liabilities	34,377	23,366	22,605	2,777	587	59,125	142,838	143,401

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

The recognition of financial assets and liabilities depends on their classification.

MSEK	Acquisition value		Fair value		Carrying amount	
	2024	2023	2024	2023	2024	2023
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
Financial assets at fair value through profit or loss (mandatorily)						
Shares and participations	8,942	9,455	15,332	14,151	15,332	14,151
Bonds and other interest-bearing securities	104,868	109,151	104,255	105,302	104,255	105,302
Derivatives	-	6	62	268	62	268
Total financial assets at fair value through profit or loss	113,810	118,612	119,648	119,721	119,648	119,721
Financial assets measured at amortised cost¹⁾						
Other loans	1,958	2,244	1,939	2,216	1,939	2,216
Total other financial investment assets	115,768	120,856	121,587	121,937	121,587	121,937
Financial liabilities at fair value through profit or loss (mandatorily)						
Derivatives	-	3	262	10	262	10
Total financial liabilities at fair value through profit or loss	-	3	262	10	262	10

¹⁾ Other loans are in accordance with If's application of IFRS 9 accounted for at amortised 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 is based on cash-flow valuations.

Financial investment assets and derivative liabilities measured at fair value

Within If, a thorough process is followed and controls are performed in order to determine fair values of financial assets and liabilities in accordance with applicable regulations. For example, controls are made against 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 measured on the basis of latest trade prices on stock markets and are obtained from Bloomberg. The valuation of bonds is also usually based on prices from Bloomberg, where the last bid prices are used for quoted bonds. 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 categorised in three different hierarchy levels depending on their valuation methods, as well as how active the market is and available observable or unobservable inputs. The classification in hierarchy levels is reviewed quarterly. If conditions have changed for the existing level, the holding in question is moved to the correct hierarchy level.

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 characterised by quoted prices that are easily available and that represent actual and regularly occurring transactions at arm's length.

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 are normally updated daily or, in exceptional cases, at least on a monthly basis.

Instruments that are measured at level 2 include interest-bearing assets where the market is not active enough. Most OTC derivatives, standardised derivatives and currency derivatives are also included in this level.

Level 3 – Financial assets and liabilities with valuation based on unobservable inputs for the asset or liability.

When neither quoted prices in active markets nor observable market data are 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 investments 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 of the underlying assets in accordance with market practice. The last obtained value is used.
- For some unlisted shares external evaluations are obtained and used for valuation. The external valuations are based on models that contain non-observable assumptions.
- Other assets in level 3 are normally measured 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	2024 30 Jun				2023 30 Jun			
	Level 1	Level 2	Level 3	Total fair value	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through profit or loss (mandatorily)								
Shares and participations ¹⁾	15,202	-	129	15,332	13,969	-	182	14,151
Bonds and other interest-bearing securities	76,733	27,368	154	104,255	72,706	32,563	33	105,302
Derivatives								
Fixed income derivatives	-	-	-	-	-	38	-	38
Foreign exchange derivatives	-	62	-	62	-	229	-	229
Total financial assets at fair value through profit or loss	91,936	27,430	283	119,648	86,675	32,830	216	119,721
Financial liabilities at fair value through profit or loss (mandatorily)								
Derivatives								
Foreign exchange derivatives	-	262	-	262	-	10	-	10
Total financial liabilities, at fair value	-	262	-	262	-	10	-	10

¹⁾ Mutual equity funds recognised in the above balances amounted to MSEK 5,539 (5,312) of which MSEK 5,442 (5,295) was allocated to level 1 and MSEK 96 (17) to level 3.

Transfers from level 1 to level 2 amounted to MSEK 1,667 (6,030) corresponding to 1.4% (5.0) of the outstanding balance for financial investment assets measured at fair value. Transfers from level 2 to

level 1 amounted to MSEK 1,854 (4,397) corresponding to 1.5% (3.7) of the outstanding balance for financial investment assets measured at fair value.

Financial investment assets in level 3

All assets in level 3 are categorised as financial assets at fair value through profit or loss (mandatorily). On 30 June 2024, the assets presented in level 3 amounted to MSEK 283 (216).

MSEK 2024	Carrying amount 1 Jan	Net gains/losses recorded in Income statement	Purchases	Sales/ maturities	Transfers into/out of level 3	Exchange rate differences	Carrying amount 30 Jun	Net gains/ losses in income statement that are attributable to assets held at end of period
Financial assets at fair value through profit or loss (mandatorily)								
Shares and participations	48	0	80	-	-	2	129	0
Bonds and other interest-bearing securities	163	-2	-	-10	-	3	154	-2
Total	210	-2	80	-10	-	5	283	-2

MSEK 2023	Carrying amount 1 Jan	Net gains/losses recorded in Income statement	Purchases	Sales/ maturities	Transfers into/out of level 3	Exchange rate differences	Carrying amount 30 Jun	Net gains/ losses in income statement that are attributable to assets held at end of period
Financial assets at fair value through profit or loss (mandatorily)								
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	-

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:

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

MSEK	2024 30 Jun		2023 30 Jun	
	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 (mandatorily)				
Shares and participations ¹⁾	129	-26	182	-36
Bonds and other interest-bearing securities	154	-1	33	-
Total	283	-26	216	-36

¹⁾ Includes holding in equity funds.

NOTE 5 – Pledged assets and contingent liabilities

MSEK	2024	2023	2023
	30 Jun	30 Jun	31 Dec
Pledged assets and equivalent securities			
Other financial investment assets	4,610	4,201	4,522
Shares in subsidiaries	1,051	1,027	1,005
Cash and bank balances	17	12	32
Total	5,678	5,240	5,560
Policyholders' beneficiary rights			
Assets covered by policyholders' beneficiary rights	112,291	117,234	111,338
Technical provisions, net ¹⁾	-70,570	-70,602	-68,469
Surplus of registered securities	41,721	46,631	42,869
Contingent liabilities and other commitments			
Surety and guarantee undertakings	19	21	20
Other commitments	303	59	56
Total	322	80	76

¹⁾ Calculated in accordance with Solvency II regulations.

Signature

Stockholm, 23 August 2024

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 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 (claims incurred and operating 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 *)

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) 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

Total 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 2020-2021 that have not been restated in Key figures

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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