Solvency and financial condition report 2019

SEB Life and Pension Holding AB

SEB

Introduction

This report has been prepared in accordance with Commission Delegated Regulation (EU) 2015/35 and EIOPA Guidelines for Reporting and Publication.

The report describes the activities carried out in SEB Life and Pension Holding AB ("the Company") and its subsidiaries that carry out insurance activities. The term "Insurance Group" is used for this group (unless otherwise stated).

There are some differences between the group concept of the solvency reporting and the group concept of the financial reporting according to the Annual Accounts Act's Group Concept.

Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ) ("Gamla Liv") that is a subsidiary of SEB Life and Pension Holding AB operates in accordance with mutual principles. Gamla Liv does not pay dividends and the Company has no determinative influence on the design of Gamla Liv's financial and operational business. Gamla Liv is therefore not consolidated in the SEB Life and Pension Holding Group or in the SEB Group in the financial statements.

The solvency reporting includes Gamla Liv and its subsidiaries with the deduction and aggregation method in the calculation of the Group-based Capital requirement and Own Funds. Other subsidiaries are included in the Group with the full consolidation method. The analysis of the Insurance Group's risk profile and solvency position is performed excluding Gamla Liv. Gamla Liv's Own Funds and Solvency Capital Requirement under Solvency II rules are significant in relation to the Group's Own Funds and Capital Requirements. Gamla Liv is included only as shares in subsidiaries in the Insurance Group's solvency balance sheet.

In accordance with transitional rules, older solvency rules of the Insurance Business Act (Solvency I) are applied to the occupational pension activities in Sweden for the two Swedish subsidiaries. The transitional rules can be applied until 2022.

The Board of Directors of the Company has adopted this report on May 15, 2020. The Board has participated in the preparation of the report.

Summary

This report contains information about the Insurance Group's Business and Performance, its Corporate Governance, Risk Profile, Own Funds and Solvency Capital Requirements for the reporting period 1 January to 31 December 2019. The report on Solvency and financial condition is also prepared separately for each subsidiary of the Insurance Group.

Business and performance

The Insurance Group carries out life insurance and unit-linked insurance business mainly in the Nordic and the Baltic countries.

Earlier decision to simplify the legal structure in the Baltic operation, was executed during 2019 with the final approval in Latvia December 18th. The Latvia company changed name to SEB Life and Pension Baltic SE and have branches in Estonia and Lithuania.

Total assets under management including Gamla Liv were SEK 524 (466) billion at 31 December 2019 and the gross premium income amounted to SEK 25 (29) billion in 2019.

Operating profit for the Insurance Group according to the financial reporting decreased to SEK 1,663 (5,408) million. The decrease is due to previous year included the profit from the divestment of the Danish subsidiaries. Current result of the year is in line with the previous adjusted result of the year of SEK 1,654 million. In the adjusted result has the profit from the divestment of SEK 3,548 million and result contribution of SEK 206 million from the divested subsidiaries been excluded.

System of governance

In the Company's capacity as an insurance holding company, the Board has adopted an instruction on the Insurance Group's system of governance. Through the instruction, the Company controls the elements that the system of governance should contain in the subsidiaries within the Insurance Group.

At the group level, there are three key functions: the Compliance function, the Internal Audit function and the Risk Management function. At the group level, the key functions primarily have a coordinating and supportive role regarding the key functions in the respective subsidiaries within the Insurance Group.

Risk profile

The Insurance Group's business activities give rise to market-, counterparty-, underwriting- and operational risks. The two greatest risks expressed as Solvency Capital Requirement are life underwriting risk and market risk. During the autumn, a so-called Own Risk and Solvency Assessment ("ORSA") was carried out showing that there is a good balance between business strategy, risk profile and solvency position.

No material changes in the Insurance Group's Risk profile have been made during the reporting period.

Valuation for solvency purposes

The consolidated balance sheet has been prepared in accordance with IASB IFRS (International Financial Reporting Standards) of the European Commission. In the solvency balance sheet, assets and liabilities have been revalued in cases where Solvency II prescribes other valuation rules than IFRS.

The value of investment assets increased significantly, as well as technical provisions compared to 2018. The parent company has issued two new subordinated loans in total 900 SEK million, which has increased Own Funds.

There have been no material changes in assumptions in the calculation of assets, technical provisions and other liabilities of the Insurance Group have been made during the reporting period.

Capital Management

The Insurance Group's total Own Funds including Gamla Liv amounted to SEK 44,721 (42,013) million at the end of the reporting period.

The Solvency Capital Requirement (SCR) amounted to SEK 38,316 (36,224) million, giving a quota of 1.17 (1.16). The Insurance Group's Solvency Capital Requirement increased by SEK 2,092 million or 5.8 percent during the reporting period. The increase in SCR is mainly attributable to increased solvency capital requirements related to the market risk.

Significant changes after the reporting period

At the end of February the concern accelerated what effects the spread of the Corona virus would have on the world economy. This concern had great effect on the financial markets with large declines on the stock markets all over the world. Governments and Central banks took vigorous actions, including lowering of interest rates and new programs of so called quantitative easing.

Due to the market movement, the Insurance Group's asset under management in traditional insurance as well unit-linked insurance decreased significantly. The formal decision on the proposed dividend of SEK 1,500 million is taken on the annual general meeting of the shareholder in the month of June.

A Business and performance

A.1 Business

Overview according to the financial statements, SEK million

	2019	2018
Assets under Management (AuM), the Holding Group	348,720	291,439
Assets under Management (AuM) Gamla Liv	174,889	174,961
Premiums gross, the Holding Group 1)	24,550	29,287
Operating profit, the Holding Group 2)	1,663	5,408

1) In 2018, SEB Pension Denmark is included only during the first quarter in the Insurance Group's QRT reporting
2) In 2018, SEB Pension Denmark is included until the divestment

SEB Life and Pension Holding AB ("the Company") with registration number 556201-7904 is a Swedish insurance holding company with the task of streamlining capital supply and co-ordinating life insurance operations within the SEB Group. The Company's business mainly consists of the management of shares in subsidiaries. The Company is registered in Sweden and based in Stockholm. The Company's address is 106 40 Stockholm.

The Company is a wholly owned subsidiary of Skandinaviska Enskilda Banken AB (publ) ("SEB"), company number 502032-9081, Stockholm.

The Company has subsidiaries that operate life insurance and unit-linked insurance operations in Estonia, Ireland, Latvia, Lithuania and Sweden (Appendix 1, Form S.32.01). Together with the subsidiaries, the Company constitutes the SEB Life and Pension Holding Group and is consolidated in SEB's consolidated accounts. The reorganisation of SEB Life and Pension Baltic SE was approved on the 18th of December 2019 after the merge of the three Baltic life insurance companies, , SEB Dzīvības apdrošināšana in Latvia acquired SEB Elu-ja Pensionikindlustus Eestis in Estonia and SEB gyvybės draudimas in Lithuania. The Company has branches in Estonia and Lithuania.

The purpose of the merger was to improve the operational efficiency of the Company and improve the offer and service to the customers.

The Company's internal organisation is established in an instruction adopted by the Board. In addition to the Board and the Managing Director, the Company's organisation consists of a management team.

Supervisory Authority and external auditors

The Insurance Group's Supervisory Authority is Finansinspektionen, Box 7821, 103 97 Stockholm, e-mail: finansinspektionen@fi.se. Telephone +46 (0)8 408 980 00

The subsidiaries are supervised by the local supervisory authority of the respective country.

The Company's external auditors are Ernst & Young AB ("EY"), 103 99 Stockholm. The auditor appointed is Daniel Eriksson.

Description of the subsidiaries

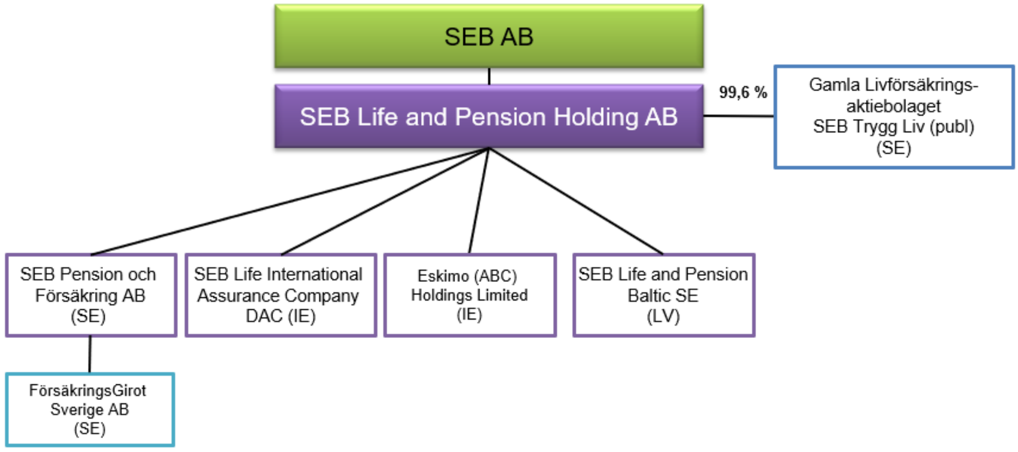
Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ) ("Gamla Liv") operates traditional life insurance business. Gamla Liv has been closed for new subscriptions since 1997 and operates in accordance with mutual principals and with policyholders, through the Trygg-Stiftelsen, as an indirect decision-making party on issues essential to the business. Given that Gamla Liv does not pay dividends and that the Company has no controlling influence on the design of Gamla Liv's financial and operational activities, Gamla Liv is not consolidated in the Holding group or in the SEB Group in the financial statements. Solvency reporting includes Gamla Liv in the Insurance Group's own funds and Solvency Capital Requirement under the deduction and aggregation method.

SEB Pension and Försäkring AB ("Pension & Försäkring") operates both unit-linked insurance and traditional life insurance business. Pension & Försäkring also operates insurance administration for Gamla Liv. Pension & Försäkring owns 25 percent of FörsäkringsGirot Sverige AB.

SEB Life International Assurance Company DAC ("Life International") operates unit-linked insurance and is a life insurance company regulated and licensed in Ireland. The subsidiary Eskimo (ABC) Holdings Limited ("Life Eskimo") is dormant and runs no business.

In the Latvian subsidiary, SEB Life and Pension Baltic SE and its branches in Estonia and Lithuania operate unit-linked insurance as well as traditional life insurance with or without profit sharing and risk protection products.

Image A.1.2 SEB Life group - legal structure



Intra-group transactions

Pension & Försäkring and Gamla Liv have an agreement, which means that Pension & Försäkring is mandated to carry out Gamla Liv's insurance administration. The compensation amounted to SEK 122 (120) million during the reporting period.

For further information about outsourcing within the Insurance Group, refers to Chapter B.7.

The Company issued two new subordinated loans, one of SEK 450 million from SEB, one of SEK 450 million from SEB pension foundation, total of SEK 900 million. The Company's total amount of subordinated loans is SEK 2,100 million.

During the reporting period the subsidiaries Pension & Försäkring and Life International also paid dividend amounting to SEK 1,000 (1,000) million and SEK 159 (154) million respectively to the Company. Furthermore, during the year Pension & Försäkring submitted a group contribution of

SEK 250 (236) million to the Company. At the end of the year, the Company reported a corresponding receivable because the amount is settled the following year.

Business segments and geographical areas

The Insurance Group provides savings and risk insurance for companies, individuals and institutions in the Nordic and Baltic countries.

For the purposes of solvency, the Insurance Group's insurance obligations are divided into the following business segments:

- Insurance with profit participation
- Unit-linked and index-linked insurance
- Other life insurance
- Health insurance
- Medical expense insurance for non-life insurance
- Income protection insurance for non-life insurance

SEB Pension & Försäkring (Sweden)
SEB Pension & Försäkring offers insurance solutions on the Swedish market within risk and unit-linked insurance and traditional life insurance. The insurance offer includes endowment insurance, custody insurance, private pension insurance, occupational pension insurance, health insurance, group life insurance and medical expense insurance.

Gamla Liv (Sweden)
Gamla Liv operates traditional life insurance business and is closed for new subscription. The business essentially consists of two branches, defined-contribution traditional occupational pension insurance and individual traditional insurance. All policyholders are residents in Sweden.

SEB Life International (Ireland)
The Company conducts most of its operations in Ireland, but also has branches in Luxembourg and Finland. During 2019 the Company continued to increase its focus on the high net worth client segment via private banking distribution through SEB Sweden and Luxembourg (non-Swedish residents). The Company operates with several tied agents in the Finnish market and distributes through SEB Bank in Finland as well.

SEB Life International primarily offers life insurance products with a single premium whereby customers have the flexibility to manage their own investment portfolio of shares, funds and other financial instruments. From a Solvency II perspective, all products are classified as "Unit-linked Insurance and Index Insurance".

SEB Life Estonia
SEB Life Estonia offers insurance solutions on the Estonian market in risk insurance, unit-linked insurance and life insurance with guarantees. The customers are mainly private individuals. Offered products include products for loan protection, term life, pension products and annuities.

SEB Life Latvia
SEB Life Latvia offers insurance solutions on the Latvian market in risk insurance, life insurance and unit-linked insurance. Offered products include guaranteed and fund-linked capital insurance, life and accident insurance for private and corporate customers and loan protection and annuity product for private customers. Sales focus is on unit-linked insurance and risk insurance.

SEB Life Lithuania
SEB Life Lithuania offers insurance solutions on the Lithuanian market in risk and unit-linked insurance as well as traditional life insurance. Customers include private individuals, companies

and organisations. The products include unit-linked insurance, annuity insurance, risk protection products, loan protection products and life insurance products. Sales focus is on unit-linked insurance and risk insurance.

Significant events during the reporting period

At the beginning of the year, a decision was made to consolidate the life insurance operations in the three Baltic companies in the Latvian company with branches in Estonia and Lithuania, which was registered on the 18th of December 2019. Through coordinated governance and operations, new services will be offered to customers in a more efficient manner. It was also decided to close-down the Company's branch in Riga, which was completed in March 2020.

During 2019 has the work of developing the distribution of products due to the new regulation on distribution of insurance (IDD) continued. Implementation of stricter rules against money laundering and financing of terrorism has also streamlined and improved processes and system support for knowing your customer.

A.2 Underwriting performance

Table A.2.1.

SEK million	31 Dec 2019	31 Dec 2018	Change %
Income investments contracts	3,246	3,371	-4
Income insurance contracts	686	966	-29
Gains from the sale of subsidiaries	-	3,548	-
Other Income	271	115	+136
Total income, gross	**4,203**	**7,999**	**-47**
Distribution expenses including deferred acquisition costs	-984	-962	+2
Operating expenses	-1,556	-1,629	-4
Operating profit	**1,663**	**5,408**	**-69**

During 2018, SEB Pension Denmark is included until May

The Insurance group's operating profit according to financial reporting decreased from the previous year as a result of a profit on the sale of the Danish subsidiaries. Current year profit is in line with previous year adjusted profit of SEK 1,654 million. In the adjusted result has the disposal gain of SEK 3,548 million plus the contribution of the result of the divested companies been excluded with SEK 206 million.

Tables A.2.2 and A.2.3 shows the Insurance Group's premiums per country and per line of business.

Table A.2.2 Premiums gross per country

SEK million	2019	2018
Sweden	21,999	21,353
Denmark	0	4,085
Italy	120	1,076
Finland	1,103	913
Lithuania	499	455
Latvia	404	388
France	0	350
Estonia	235	253
Other countries	190	415
Total	**24,550**	**29,287**

Table A.2.3 Premiums and expenses per line of business

2019	Life insurance				Accident insurance		
SEK million	Health insurance	Insurance with bonus entitlement	Unit-linked insurance	Other life insurance	Health insurance	Income protection insurance	**Total**
Premiums	377	3,977	19,550	296	288	62	**24,550**
Expenses *)	-190	-1,360	-25,202	-90	-303	-29	**-27,174**

2018	Life insurance				Accident insurance		
SEK million	Health insurance	Insurance with bonus entitlement	Unit-linked insurance	Other life insurance	Health insurance	Income protection insurance	**Total**
Premiums	443	4,741	23,524	272	270	36	**29,287**
Expenses *)	-230	-2 558	-27,725	-85	-258	-17	**-30,871**

*) Expenses include operating expenses and claims incurred

The decrease in premiums and expenses compared with the previous year is due to that SEB Pension Denmark was divested during 2018 and same year a write-down of deferred acquisition cost with SEK 2 billion in SEB Pension and Försäkring.

A.3 Investment performance

The Insurance Group’s total assets under management (including unit-linked insurance capital) amounted to SEK 349 (291) billion as of 31 December 2019, an increase of 20 percent compared with the same period last year. The increase is mostly explained by the rise on the stock market

The Insurance Group’s total investment performance is shown per asset class in Table A.3.1. The largest positive return is attributable to fund units that are included in the unit-linked insurance portfolio, which is explained by the fact that the world's stock markets went up during the year. All asset classes except derivatives had a positive return during the year, the negative return for derivatives is attributable to cost incurred for currency hedging.

The Insurance Group has no gains or losses recognised directly against equity.

The Company doesn’t invest directly in securitization, but receive exposure indirectly through fund investments.

Table A.3.1 Investment performance

Asset Class, SEK million	2019	2018
Equities	3,214	-829
Fund units	49,717	-11,152
Properties	0	380
Corporate bonds	567	- 978
Cash and deposits	14	231
Mortgage bonds	1	22
Government bonds	87	6
Structured securities	333	29
Secured securities	-0	- 11
Derivatives	-460	-1,664
Total	**53,473**	**- 13,966**

A.4 Performance of other activities

Other major income and expenses during the reporting period mainly relate to insurance administrative services between Pension & Försäkring and Gamla Liv. For the reporting period, the compensation was SEK 122(120) million.

All leases within the Insurance Group refer to operational leasing. All subsidiaries have leases for their offices in each country. In addition, there are lower value leases such as garage spaces, telephones, computers and other office equipment.

A.5 Any other information

The Insurance Group has no other material information to report regarding business and performance.

B System of governance

B.1 General Information on the system of governance

The Company's administrative and management structures

The Company's highest decision-making body is the shareholders' meeting with a number of formal tasks, as regulated in law and articles of association, such as the election of the auditor.

The Company's management bodies consist of its board of directors and Managing Director. The Board has decided on the Company's organisation by an Instruction regarding the Company's organization and activities.

The Board is responsible for the Company's organisation and the management of the Company's affairs. The Board consists of three members. The Board has appointed a Managing Director to handle the daily running of the Company. In order to clarify the Managing Director's duties in relation to the Board, the Board has adopted an Instruction regarding the Managing Director which indicates the duties of the Managing Director.

In the Company's capacity as an insurance holding company, the Board has adopted an instruction on the Insurance Group's system of governance. Through this instruction, the Company manages the elements of the system of governance that should be present at all subsidiaries within the Insurance Group. The Company's Board has furthermore adopted instructions on, for example, key functions, risk and internal control which are to be implemented throughout the Insurance Group through decisions in the administrative, management or supervisory bodies of each Insurance company.

The Company monitors the business of the Insurance Group through ongoing reporting from the subsidiaries to the Board and the Managing Director.

Key functions

The Company has three key functions: the Compliance function, the Internal Audit function and the Risk Management function (within the Company called the Risk function). The activities of the key functions are governed by specific instructions adopted by the Board. Through the Board instructions, the Board has provided the key functions with the necessary powers and operational independence to fulfil their commitments.

The Company's Compliance function primarily has a co-ordinating and supporting role regarding the compliance functions that exist in the respective subsidiaries of the Insurance Group. The Company's Compliance function also monitors the development of various external regulations. The Compliance function reports to the Board and the Managing Director.

The Company's Internal Audit function primarily has a co-ordinating and supporting role regarding the internal audit functions that exist in the respective subsidiaries of the Insurance Group. The function shall also assist the Company's Board with investigations deemed to require internal audit expertise. The scope of such investigations is determined by the function taking into account available resources and the impact on audit activities in other areas. The internal audit function reports to the Board.

The Company's Risk function primarily has a co-ordinating and supporting role regarding the risk functions that exist in each of the subsidiaries of the Insurance Group. The function is furthermore responsible for developing a group-wide risk management structure and monitoring its implementation within the Insurance Group. The Risk function reports to the Board.

Material changes in the system of governance

During the reporting period, the person responsible for the Compliance function has been replaced.

Company principles and practice regarding remuneration

The Company’s board of directors has adopted an Instruction regarding remuneration that applies to all employees. The Instruction shall be implemented within the entire Insurance Group through decisions in the respective insurance company’s administrative, management or supervisory body. The Instruction aims to attract and retain talents and strengthen a culture that rewards results and behaviours that ensure sound risk management and sustainable long-term value creation in line with the interests of customers and shareholders. The basis for the remuneration structure rests on three main components: fixed remuneration, profit share programme, pension and other benefits. The executive management and certain other senior executives, key personnel may also be covered by the SEB Group’s long-term share-based programmes. The goal is for the Company’s staff to have an appropriate balance between fixed and variable remuneration.

Within the SEB Group, Group-wide equity-based programmes are used. The programmes are described in SEB’s Annual Report, note 8 d. The Annual Report is available on the web: https://sebgroup.com/investor-relations/reports-and-presentations/financial-reports/2019/annual-report-2019.

Employees within the SEB Group do not receive additional remuneration for their board assignments.

Board members who are employees of the SEB Group and persons responsible for key functions can, as key persons, be offered premium-based supplementary pensions and, like other employees within the Group, may also have the option of going into early retirement from the age of 62 according to the applicable collective agreements in the financial industry.

The company’s Managing Director is employed by the subsidiary Pension & Försäkring, which pays the Managing Director’s salary. The Company bears a share of the costs incurred. See the Annual Report for Pension & Försäkring, note 48, for more details. The annual report is available on the web: https://sebgroup.com/sv/om-seb/vilka-vi-ar/organisation/vara-divisioner/livforsakringsverksamheten/arsredovisningar-och-rapporter-om-solvens-och-finansiell-stallning.

B.2 Fit and proper requirements

Special requirements for competence, knowledge and expertise

The Company’s Board has adopted an Instruction regarding the fit and proper assessment. The Instruction contains requirements for both fitness and probity and sets out the Company’s process for the fit and proper assessment. The Instruction is to be implemented throughout the Insurance Group by decisions made by the administrative, management or supervisory bodies of each subsidiary.

According to the Instruction, everyone in the Company must have appropriate qualifications, experience and knowledge based on their duties. In terms of Board members and the Managing Director, it also states that they should have appropriate qualifications, experience and knowledge from the insurance sector, other financial sectors or other industries. In addition, the Managing Director must have relevant accounting knowledge and relevant leadership skills.

In terms of probity, it follows from the instruction that everyone in the Company should have a good reputation. When assessing whether a person meets the requirements for a good reputation, consideration should be given to the person's integrity and financial circumstances based on relevant information about the person's personality, personal conduct and reputation, as well as possible criminal, financial and supervisory aspects. The assessment also takes into account potential conflicts of interest and the role of the person within the Company.

The process of a fit and proper assessment for persons in key positions

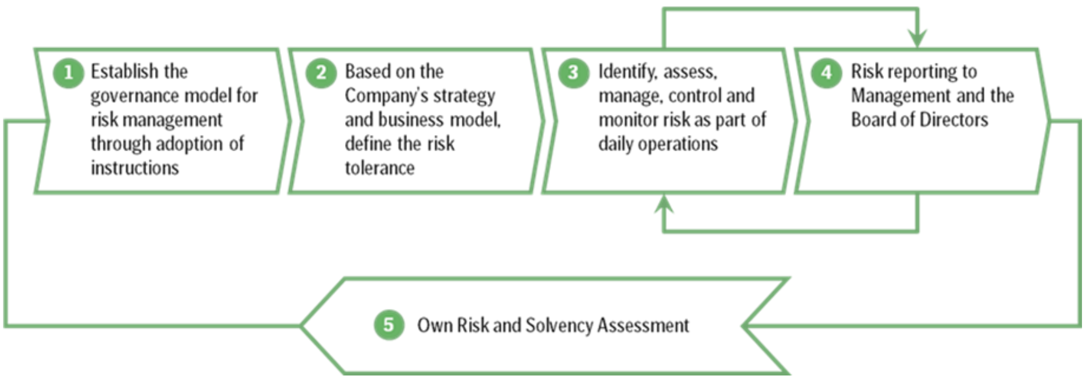
Prior to an employment with the Company, the Company applies a SEB Group-wide regulatory framework for screening. The basic screening, which applies to everyone, includes identity checks, checks on grade sheets and certificate of education, references, credit information, extracts from the register on criminal acts and random drug tests. An extended screening, which applies to Managing Directors and other persons in key positions means that the background of the person is checked for a number of years in the past and checks are made of court disputes and the person's media exposure.

An employee's qualifications and reputation will then be assessed by the immediate manager at annual employee interviews.

B.3 Risk management system including the own risk and solvency assessment

The Insurance Group's business activities give rise to underwriting risk, financial risks, operational risks and business risks. Image B.3.1 shows the components that form the risk management system of the Group and each subsidiary.

Image B.3.1 Risk management system



Governance model for Risk Management

The Company's Board and CEO annually establish the guidelines that apply to risk management, risk reporting, internal control and follow-up within the Insurance Group. This is done by adopting an instruction regarding risk, an instruction regarding capital and own risk and solvency assessment as well as an instruction on internal control. These instructions are then adopted by the Board of each subsidiary with some local adjustment.

In addition, each subsidiary has more specific instructions and guidelines which define the risk management for each risk category in more detail. Examples of this are investment guidelines that govern the management of financial risks and insurance guidelines that govern the management of underwriting risks.

The Company's risk function primarily has a co-ordinating and supporting role regarding the risk functions that exist in each of the subsidiaries of the Insurance Group. The function is further responsible for following up and monitoring the implementation of the group-wide risk management structure and reporting any material deviations to the Company's Board.

In addition, monitoring of the Insurance Group's internal control and compliance is done through the work performed by the Company's independent control functions Compliance and Internal Audit.

Risk tolerance and solvency need

The Company's Board annually establishes the Insurance Group's tolerance of risk by adopting a so-called "Risk tolerance statement".

The overall tolerance of risk is defined by a solvency tolerance level which is set to avoid a situation where the ratio of Own Funds to its statutory Solvency Capital Requirement is at a level that adversely affects the Insurance Group's ability to achieve its business goals in the short and long term. In addition to a minimum tolerance level for the solvency ratio, the Board has also defined an internal target for the solvency ratio aimed at ensuring that there is enough time to implement appropriate measures in an orderly manner if a negative scenario develops which has not been anticipated in the business plan nor taken into account in the financial plan.

Within each subsidiary there are also defined risk measures per risk category, which are monitored continuously in order to ensure that the business is conducted within the framework of established risk tolerance. Examples are the maximum accepted loss on stress testing of current assets and liabilities (market risk), difference in modified duration between assets and liabilities (market risk), technical risk result in relation to premiums (underwriting risk), and operational losses (operational risk).

The derivation of the tolerance level and the desired solvency level is an activity that is part of the ORSA process which takes the following perspectives into account:

- The insurance group's risk profile and sensitivity to changes in the world at large
- The effectiveness of available measures that can be used to strengthen the solvency position
- Long-term financial stability
- Potential deficiencies in the models used for forward-looking assessments and data quality regarding inputs used in these models

Furthermore, the tolerance of risk per risk category is defined in qualitative terms and, at subsidiary level, through quantitative limits.

The Company's risk function continuously monitors that business is conducted within defined levels of risk tolerance and it reports any deviations to the Board and the CEO.

Risk management principles

The following risk management principles are common to the subsidiaries within the Insurance Group.

Underwriting risks are managed through risk assessments, underwriting limits and by using prudent assumptions in premiums and in calculating technical provisions as well as through reinsurance.

The management of the financial risks is determined by investment guidelines in each subsidiary, which are adopted by the Board. Investment guidelines indicate the companies' financial risk profile, strategic asset allocation, risk budgets and financial risk management organisation. Furthermore, the financial risks are monitored through simulations of historical financial crises and analyses of historical portfolio variances. A considerable part of the Insurance Group's business is unit-linked insurance where the companies do not carry a direct financial risk because the policyholder is responsible for the investment risk. However, revenues from unit-linked insurance mainly consist of fees based on the value of fund units and are therefore affected by the value development of the funds.

Operational risks are managed primarily through a clearly distributed responsibility for processes, internal controls and well-functioning system support. There are also procedures for crisis management, business continuity planning, incident reporting and quality routines for the introduction of new products and processes. Furthermore, the subsidiaries carry out ongoing exercises aimed at identifying significant operational risks in different parts of the business. In cases where risk management is not considered sufficient, necessary improvement measures are identified.

Business risks, including strategic risks, are handled in the context of business planning and in the ongoing follow-up of operations. Business planning is based on, among other things, competitor and world surveillance, analyses of developments in the insurance market and analysis of proposed changes in legislation and regulations and how these can affect the business model.

Further information about the Insurance Group's risk management, risk exposure and sensitivity to risks are set out in section C. Risk profile.

Reporting of risk

The aggregate risk position of the Insurance Group is reported by the risk function to the Company's Managing Director and Board at all board meetings. The risk report contains an overall analysis against the established risk tolerance, as well as sections per risk category describing risk exposure more in detail.

In addition, the risk function is responsible for escalation and reporting to the Company's CEO and Board if business is conducted outside the defined risk tolerance.

Own Risk and Solvency Assessment (ORSA)

Within the framework of the ORSA process, the business plan is analysed from a risk and solvency perspective. The overall objective is to evaluate whether identified risks and capital requirements are acceptable and manageable or whether the strategy should be reviewed to balance the risk profile in relation to the ability to manage risks and the financial position of the Insurance Group.

The ORSA process is carried out annually, but if there are significant changes in the Insurance Group's risk profile, the Company will evaluate whether there is a need to initiate a non-regular ORSA. Examples of events that could potentially involve a significant change in the risk profile are major adjustments to the business model or strategy such as launch of new products, material changes in the current investment strategy, dividend policy or similar.

The instruction regarding capital and the own risk and solvency assessment, adopted by the Board, stipulates that the Insurance Group's capitalisation should be risk-based and forward-looking. The ORSA process is designed to fulfil this purpose and is structured around the following activities:

1) Establish the business strategy and identify significant risks

2) Evaluation of the suitability of the standard formula

3) Prognosis of the financial position based on the business plan

4) Define stress scenarios

5) Prognosis of the financial position based on stress scenarios

6) Analyse the result of stress scenarios

7) Evaluation of solvency requirement

8) Review and approval of the ORSA report

9) Communicate ORSA results to interested parties

B.4 Internal control system

Description of internal control system

All subsidiaries in the Insurance Group have implemented customised internal control systems in order to achieve business efficiency, to ensure reliability in internal and external reporting and to support compliance with external regulations and internal guidelines.

The internal control system of each subsidiary is structured around the following five components, which are further explained below: Control Environment, Risk Assessment, Control Activities, Information and Communication as well as Monitoring.

Control Environment
The control environment is defined by the corporate culture of the Insurance Group and each subsidiary and the overall attitude communicated by senior executives regarding the internal control system and its importance.

Examples of important components that contribute to a good control environment are clear division of responsibilities and continuous skill development for employees.

Risk Assessment
Each subsidiary continuously conducts various risk assessment activities in order to identify risks that need to be managed within the internal control framework. Examples of risk assessment activities are regular review of significant processes, the New Product Approval Process and analysis and follow-up of operational incidents.

Control Activities
Each subsidiary has defined control activities in order to create a structure that effectively addresses identified risks. The control structure includes both manual and automated controls and is documented in control catalogues per unit or in some similar way.

Information and communication
The Information and Communication component supports the other components within the framework and includes, for example:

- Compulsory education about internal instructions
- Discussions at group and unit levels about the respective control directories
- Various workshops on operational risks/internal controls facilitated by the risk function

All subsidiaries also have procedures for escalation such as whistle blower functionality.

Monitoring of control effectiveness within each subsidiary
In order to ensure that the internal control system is effective over time, each subsidiary has implemented suitable monitoring activities linked to defined control responsibilities.

- Regular follow-up of key risk indicators such as outstanding reconciliation differences, etc.
- Self-assessment of control effectiveness initiated by the risk function
- Random sampling performed by compliance
- Random sampling performed by internal audit
- Random sampling performed by external audit

The result of the monitoring activities, i.e. if the internal control system is effective or if improvements are necessary, will be presented to management and the Board as part of the regular risk reporting as well as in the form of compliance and audit reports.

Monitoring of control effectiveness from the perspective of the Group
The Company's key functions (Risk Function, the Compliance Function and Internal Audit) all take note of the reporting from the key function of each subsidiary including results from monitoring the effectiveness of internal control systems. This information is then consolidated in reports on the Insurance Group which are presented to the Company's management and Board.

The Compliance Function

The Company and its subsidiaries have a separate compliance function (the Compliance Function) whose role and responsibility are stated in special instructions adopted by the Board in each company.

The Compliance Function's responsibility covers mainly the following regulatory areas:

- Business regulation and Permit issues
- Consumer Protection
- Market Conduct
- Prevention of money laundering and terrorist financing

The main tasks of the Compliance Function are:

- Managing compliance risks
- Monitoring
- Investigate incidents
- Provide advice on compliance issues and application of rules
- Develop internal rules on compliance
- Educate and inform
- Relationship with authorities

The Compliance Function is independent in relation to the Company's business and reports to the Managing Director and the Board. The Compliance Function shall be provided with full access to materials, staff and property relevant to the performance of the function's duties and all employees are required to co-operate fully with the Compliance Function. Any limitation of this right shall be reported to the Board and the Managing Director.

The Compliance Function annually establishes a written compliance plan to be approved by the Board. The plan describes activities for the coming year. In addition, the Compliance Function must provide a written report annually summarising the compliance work carried out during the past year and the outcome of the work.

The Compliance Function attends board meetings and management team meetings when dealing with compliance issues.

The Compliance Function co-ordinates its activities with the internal audit function and risk management function to ensure an appropriate distribution of activities and minimise duplication.

The subsidiaries in the Baltics have outsourced the Compliance Function to SEB and this is performed by SEB's Compliance Function in each country.

B.5 Internal audit function

The Company's Internal audit function is provided by Pension & Försäkring. The Internal audit function is independent in relation to the business activities. The function maintains its independence and its objectivity from the business it reviews by not participating in the Company's operational activities and by adhering to the Board's instruction on the function and The Institute of Internal Auditor's Standard according to the International Professional Practices Framework. The Internal Audit Function further decides independently of its audit activities.

B.6 Actuarial function

The Company has no actuarial function. Actuarial competence and coordination are, however, provided by Pension & Försäkring. Within the Insurance Group there are instead actuarial functions within each subsidiary.

B.7 Outsourcing

The Board has adopted an Instruction regarding outsourcing which shall be implemented by the subsidiaries in the Insurance Group. The Instruction specifies the conditions under which such arrangements may be made and how the outsourcing process is to be carried out. The Instruction states that critical or important operational functions should not be outsourced if it leads to:

- a significant deterioration of the quality of the system of governance,
- a significant increase in the operational risk,
- a deterioration of the supervisory authorities' ability to exercise supervision, or
- inability to maintain the ability to provide customers with satisfactory and continuous service.

The Instruction further specifies what is to be governed by the agreement to be concluded between the client and the service provider. In summary, the requirements mean that the roles and responsibilities of the client and service provider are to be specified, that the client should be entitled to information about the performance of the services, that the service provider must co-operate with the supervisory authority and allow the supervisory authority access to the supplier's premises, that the service provider must protect confidential information, that the service provider must establish, implement and maintain a catastrophe plan, that the service provider must undertake to comply with applicable laws and regulations as well as instructions from the client, and that the service provider's staff shall meet the client's eligibility requirements.

Material group-internal outsourcing

The subsidiaries within the Insurance Group mainly have the following material internal outsourcing. In all cases, the supplier is SEB or another company within the SEB Group.

Table B.7.1

Description	Country
Asset Management and Administration	Sweden
Services to prevent money laundering and terrorist financing	Sweden and Latvia
IT services mainly include application management services, network and internet services, workplace-related services, support services, management and operation of development and testing environments, system development services	Sweden, Latvia and Lithuania
Risk control services	Sweden

Gamla Liv has also outsourced its insurance administration to Pension & Försäkring.

For more detailed information about outsourcing within the various insurance companies, see the respective solvency and financial condition report of each subsidiary.

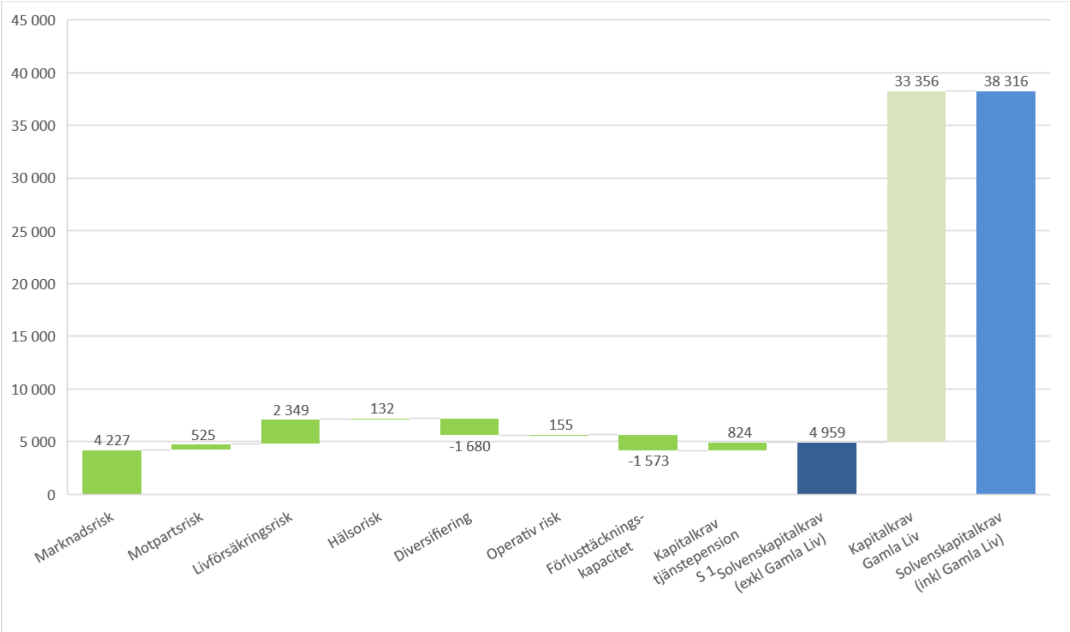
B.8 Any other information

The Insurance Group has no other material information to provide regarding the system of governance.

C Risk profile

The Insurance Group’s business give rise to underwriting risks (life risk and health risk),market risks, counterparty risks (credit risks), liquidity risks, operational risks and business risks. The two greatest risks expressed as Solvency Capital Requirement are market risk and life underwriting risk, which is shown by the diagram below (in SEK million).

Figure C. Capital requirement per risk module, 31 December 2019



C.1 Underwriting risk

The Insurance Group is exposed to underwriting risks through its subsidiaries.

Underwriting risk is the risk of loss or adverse changes in the value in technical provisions due to incorrect assumptions regarding mortality risk, longevity risk, health/disability risk, lapse risk, expense risk and catastrophe risk.

Underwriting risks are managed by underwriting guidelines in terms of risk assessment, through reinsurance, appropriate product design and pricing and by diversification of underwriting risks through a spread over a large number of insurance contracts. In addition, the outcome of underwriting risks is continuously monitored. Each subsidiary has defined risk tolerance levels for these risks and the limits established are monitored by each subsidiary.

The Insurance Group calculates the exposure of underwriting risks according to the Solvency Capital Requirement of the standard formula under Solvency II.

Mortality risk
Mortality risk is the risk of loss or adverse changes in the value of technical provisions due to the fact that the actual mortality of the life assureds, are higher than the subsidiaries have assumed in their pricing or in their assumptions in determining the technical provisions.

The exposure of each subsidiary to mortality risk is limited by applying underwriting guidelines to ensure that the products are priced in correspondence with the life assured’s health status and further by limiting the insurance amounts through reinsurance.

Longevity risk
Longevity is the risk of loss or adverse changes in the value of technical provisions due to the fact that the life assureds live longer than the subsidiaries each have assumed in their pricing or in their assumptions in determining the technical provisions.

The exposure of each subsidiary to longevity risk is limited by using careful assumptions for remaining life. Assumptions on future mortality include trends with a gradually longer life expectancy and are based on both internal and external data.

Health/disability risk
Health/disability risk of loss or adverse changes in the value of technical provisions due to the fact that the actual rate of disability of the insured is higher than the subsidiaries each have assumed in their pricing or in their assumptions in determining the technical provisions.

The exposure of each subsidiary to the risk of illness is limited by applying underwriting guidelines to ensure that the products are priced in correspondence with the insured's health status and further by limiting the insurance amounts through reinsurance.

Lapse and expense risk
Lapse risk is the risk of loss or adverse changes in the value of technical provisions due to the fact that policyholders cease to pay premiums, surrender, transfer or change the insurance contract in a way that the subsidiaries have not predicted in their pricing or in their assumptions when determining the technical provisions.

Expense cost risk is the risk of loss or adverse changes in the value of technical provisions due to the fact that the actual operating costs are higher than the subsidiaries each have assumed in their pricing or in their assumptions in determining the technical provisions.

Lapse or expense risk risks are managed through appropriate product design and pricing and by a regular follow-up of outcomes against assumptions. In practise:

- The insurance premium shall be set to cover future expected costs and expenses of the insurance contract.
- A product profitability analysis, including sensitivity analysis, shall be performed and compiled on a regular basis.
- Previously paid commission shall, as far as possible, be recovered in the event of premium lapses or similar.
- Regular follow-up of expense levels, and initiation of activities to further improve efficiency in the Company's operations.

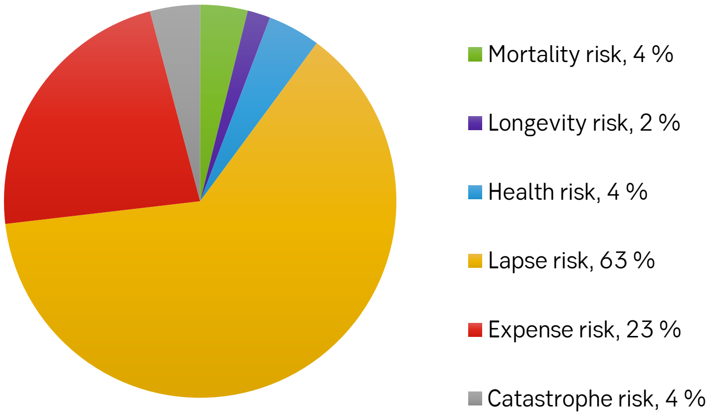
Concentration of risk
The Insurance Group has only limited exposure to concentration of risk in terms of underwriting risk.

Reinsurance
Reinsurance is used at each subsidiary in order to limit exposure to mortality risk and health/disability risk. The reinsurance arrangements may differ between the subsidiaries but usually include protection through retention limits for individual risks and for cumulative claims (catastrophe claims).

The reinsurers are carefully selected and take into account the credit rating, competence, experience, solvency and service level of the counterparty.

The reinsurance programmes are evaluated continuously, inter alia in order to evaluate their effectiveness, and the actuarial function of each subsidiary submits an opinion on the appropriateness of reinsurance programmes to the Board at least once a year.

Figure C. 1. Life and health underwriting risks - Solvency capital requirement per type of risk, 31 December 2019



C.2 Market risk

The Insurance Group is exposed to market risks through the investments linked to traditional life assurance and risk insurance operations at each subsidiary, as well as through investments of own equity.

In order to maintain a good balance between risk and return, each subsidiary has defined risk tolerance levels as well as strategic asset allocation per investment portfolio. Fixed limits are continuously monitored by the respective risk function, which also daily monitors how the market risk exposure has developed through, for example, Value-at-Risk calculations as well as historical scenario analyses.

In terms of unit-linked insurance, the Insurance Group does not carry the direct market risk because the policyholder is responsible for the investment risk. However, the income from unit-linked insurance to a large extent comes from fees for assets under management based on the value of fund units and is therefore affected by the fund's value development.

Risk exposure in terms of market risk

The main market risks the Insurance Group is exposed to is equity risk, interest rate risk, property risk, spread risk and currency risk.

Equity risk is the risk that the market value of equity investments will fall due to market and socioeconomic factors.

The Insurance Group is exposed to interest rate risk through the risk that the market value of assets carrying interest will decrease as interest rates rise. Interest rate risk increases with the maturity of the asset. Furthermore, there is a risk of interest rate exposure linked to the policyholders being entitled to guaranteed insurance sums and that technical provisions for life insurance are discounted at projected market rates.

Property risk is the risk that the market value of the property portfolio will fall due to market and socioeconomic factors.

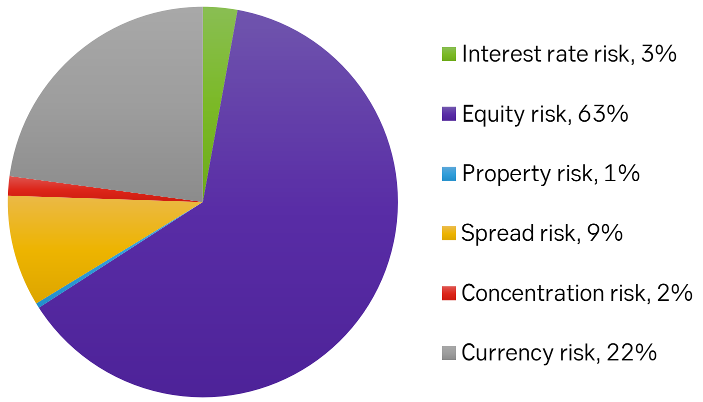
Spread risk arises when investing in investments in instruments such as corporate bonds and mortgage bonds and symbolises the risk premium over the risk-free interest rate.

Currency risk arises in the Insurance Group by the subsidiaries operating in local currency, which differ from the group's currency. The subsidiaries investments may involve currency positions in relation to the currency of the Group. Furthermore, there is a currency risk exposure within the Company as the shares in subsidiaries are reported in Swedish kronor while the subsidiaries' equity is in local currency. (However, this risk is mostly managed through currency hedging.)

The Insurance Group is also exposed to risk in alternative investments, which includes venture capital funds, hedge funds and credit funds. Since underlying investments mostly consists of unlisted assets, valuation and liquidity risk also arises, in addition to equity and credit risk. The value of the unlisted holdings may increase or decrease due to a number of different factors, of which changes in trends in the stock market is one.

The Insurance Group calculates the exposure of market risks according to the Solvency Capital Requirements of the standard formula under Solvency II.

Figure C.2. Market risk - Solvency capital requirement per type of risk, 31 December 2019



Prudent person principle

The Boards of each subsidiary have defined investment guidelines, or similar steering documents, in accordance with prudent person principle. The following general principles apply to all subsidiaries in the Insurance Group:

- Investments should always be based on the policyholders' best interests and any conflicts of interest associated with the investment should always be evaluated and managed, especially regarding investments in securitised instruments.
- The portfolio's security, availability, liquidity and profitability shall be continuously analysed, evaluated and managed, compared against commitments and other management requirements.
- There must always exist a good picture of the purpose of the investment as well as understanding and knowledge about the investment's characteristics risk and return profile in isolation and how the portfolio as a whole is influenced by investment).
- Ensuring that all investments can be managed, valued and followed up in relevant systems and that sufficient expertise and experience exists to manage and administer the investment.
- Ensuring that the return on investment and risk, including solvency requirements, can be calculated and reported correctly.

- When using derivatives, it must be ensured that the exposure of the derivative reflects the underlying asset and that the expected risk transfer is achieved and that new risks arising from the use of derivatives are analysed and handled.

Material risk concentrations relating to market risk

For maximum exposures to specific geographic markets, instrument types and individual counterparties, these are regulated and limited within the framework of the investment guidelines of each subsidiary

The Insurance Group’s traditional portfolios are highly diversified. The greatest concentrations, apart from shares in well-diversified funds, are bonds with high creditworthiness.

The operational organisation regarding investments is partly co-ordinated with a joint Investment Manager and there is co-operation between the subsidiaries in the preparation of investment plans etc. However, the management and Board of each subsidiary own the final approval of the strategic asset allocation, risk tolerance and specific investments in each portfolio.

Risk reduction in terms of market risk

The steering and risk reduction regarding market risk is determined by the investment guidelines adopted by the Board of respective subsidiary.

Equity risk is primarily managed through diversification across several markets and sectors which helps reduce the risk of individual factors impact on the equity portfolio of each subsidiary and the aggregated exposure for the Insurance Group.

As the Insurance Group’s portfolios consist largely of interest-bearing assets and the technical provisions are largely discounted at market rates, the analysis of the interest rate sensitivity of the assets and liabilities is central to the asset management of respective subsidiary. Examples of measures to balance these risks are interest rate immunisation programmes where derivatives are used to limit unwanted outcomes due to changes in market interest rates.

Property risk is managed through a highly diversified portfolio with a breakdown between different markets and because investments are made both in property-related securities and in directly owned properties.

Risks in alternative investments such as valuation and liquidity risk is handled by ongoing analysis of uncertainty in the valuation and projections of cash flow. Sensitivity analysis of alternative investments is included in the sensitivity analysis for equity.

The Insurance Group’s exposure to spread risk is continuously monitored through defined limit structures and stress tests. Currency risk is managed through currency hedging using derivatives.

C.3 Credit risk

Credit risk is the risk that a counterparty cannot fulfil its commitments. The risk can be split into issuer risk, which is defined as the risk that borrowers on the bond market cannot fulfil their obligations, counterparty risk and settlement risk.

Issue risk is defined as the risk that borrowers in the bond market cannot fulfil their obligations. The company's issue risk is governed by a rating-based limit model.

Counterparty risk in derivative contracts is the risk that a counterparty does not live up to its contractual obligations since the Company has a claim on the counterparty and the claim corresponds to a positive market value to the Company's advantage. Counterparty risk is limited by netting agreements where all positive and negative market values during a contract can be offset at counterparty level, and through standard agreements for managing collateral from counterparties for unrealized gains from the derivative market. Counterparty risk also arises through the reinsurance programs that are subscribed, and is limited by careful selection of counterparties, taking into account credit ratings, competence, experience, solvency and service level.

Settlement risk refers to the risk that a counterparty does not fulfil its obligation in connection with a transaction being matured, and that the price of the security has changed when the transaction must be changed with a new counterparty at a new price. This risk is a result of the fact that delivery and payment of securities are not always synchronized. The settlement risk is limited by, as far as possible, settling according to the Delivery Versus Payment (DVP) principle.

C.4 Liquidity risk

Liquidity risk refers to the risk that the Insurance Group or any of its subsidiaries may find it difficult to fulfil its short-term financial obligations due to a lack of liquid assets.

Liquidity risk is managed through ongoing monitoring of future payments and through limits designed to maintain sufficient liquidity in the investment portfolios of each subsidiary.

In order to assess the assets' market liquidity, each asset class is classified based on market turnover, etc. The result is then compared with expected outflow of debt. In addition, hypothetical stress tests are performed with assumptions regarding unexpected outflow of debt and reduced asset disposal rates. Based on this, a liquidity quota can be prepared which is analysed in order to assess short-term payment ability.

The outcome of these liquidity analyses shows that the short-term payment ability is good.

C.5 Operational risk

The Insurance Group's operational risks are primarily managed through a clearly distributed responsibility within each subsidiary for processes and internal controls as well as well-functioning system support (for more information, see section B.4 Internal Control System).

In addition, each subsidiary of the Insurance Group has implemented the following tools/processes for managing operational risks:

SEB Operational Risk Self-Assessment
In order to identify operational risks where the risk management needs to be strengthened, regular evaluations and assessments are conducted at the process level.

Identification of operational risks associated with business planning
As part of the business planning process, operational risks that potentially compromise the ability to achieve strategic and financial goals are identified and analysed.

Registration and follow-up of operational incidents
All operational incidents are recorded in a central incident management system and analysed to understand the root cause and whether there is a need to strengthen the internal control structure or initiate other activities to reduce the risk of similar incidents occurring again.

New Product Approval Process (NPAP)
The purpose of NPAP is to ensure that the business does not start activities that contain risks that cannot be managed and controlled in a professional and sustainable manner.

Business Continuity Planning
Each subsidiary has plans and procedures to ensure preparedness associated with critical processes and systems in the event of large-scale interference. The purpose of these continuity plans is to restore operations as quickly and smoothly as possible.

The plans are tested and updated annually.

Crisis management
Each subsidiary has appointed a crisis management with the task of, in the event of a crisis, quickly determine the scope, assessing the effects, identifying, prioritising and co-ordinating the actions that should be initiated.

Information Security
There are appointed security officers within the Insurance Group with the task of monitoring the management of information security as well as raising awareness of the risks and how they are to be addressed. This role also participates in NPAP which evaluates all new initiatives.

Examples of routines implemented to handle information security risks are regular review of system permissions as well as selected log files.

Cyber Security
The Insurance Group bases its work on cyber security in the following framework: "NIST Cyber security framework" and "ISF Cyber resilience framework". The goal is efficiently to prevent/handle negative outcomes in the event of cyber-attacks.

Compliance and legal risks
The Compliance Function is responsible for informing and educating the business in terms of regulatory requirements and monitoring their handling (see section B.4).

In terms of the management of the Insurance Group's legal risks, these are co-ordinated and supervised by the Legal Department.

Follow-up and analysis of outstanding audit observations
The Insurance Group has a process for the continuous monitoring and analysis of outstanding audit observations to mitigate the risks identified by internal and/or external auditors.

C.6 Other material risks

In addition to the risks described in previous sections, the Insurance Group is exposed to business risks. Common to all identified business risks is that they may potentially adversely affect sales volumes or product margins.

Business risks are handled in the context of business planning and in the ongoing follow-up of the business.

Business planning is based on, among other things, competitor and world surveillance, analyses of developments in the insurance market and analysis of proposed changes in legislation and regulations and how these can affect the business. Alongside business planning, a forward assessment of the insurance group's risks and solvency situation is carried out as described above under the heading "Own Risk and Solvency Assessment" in Section B.3.

C.7 Any other information

The Insurance Group's business is highly diversified and there is only limited concentration of risk. The concentration of risk that should be highlighted is that most of the Insurance Group's IT administration is outsourced to SEB AB, potentially causing all subsidiaries to suffer from central IT incidents and malfunctions.

D Valuation for Solvency purposes

The Group's balance sheet has been prepared in accordance IASBs IFRS (International Financial Reporting Standards) by European Commission. Assets and liabilities have been revalued in the solvency balance sheet where Solvency II prescribes valuation rules other than IFRS and these are described in the following sections.

Gamla Liv is not consolidated in the solvency balance sheet. Gamla Liv is only included as shares in subsidiaries.

There have been no material changes in assumptions in the calculation of assets, technical provisions and other liabilities of the Insurance Group during the reporting period.

Table D. Balance sheet for financial statement and solvency purposes in summary

31 Dec 2019, SEK Million	Solvency	Financial reporting	Difference
Assets	360,535	361,944	-1,409
Technical provisions	-339,738	-343,753	4,015
Other liabilities	-10,032	-10,386	354
Excess of assets over liabilities	**10,765**	**7,805**	**2,960**

D.1 Assets

The valuation principles and the differences between the valuation in IFRS and Solvency II are described below for each significant item in the solvency balance sheet. The Insurance Group's complete solvency balance sheet will be found in Appendix 1 (S.02.01.02).

Goodwill

Goodwill is valued according to the financial statements at acquisition value adjusted for accumulated impairment losses. According to Solvency II, goodwill is valued at zero and no value is reported in the solvency balance sheet.

Deferred acquisition cost

For occupational pension in Pension & Försäkring, valued under Solvency I, deferred acquisition cost (DAC) is reported under "Other" on the asset side and valued at the same value as in the financial statement. For other business DAC is valued at zero in the solvency balance sheet.

Intangible assets

Intangible assets are reported at amortised cost less accumulated amortisation and impairment losses according to the financial statements. Under Solvency II, intangible assets are valued at zero.

Assets held for unit-linked and deposit insurance contracts

Assets held for unit-linked and deposit insurance agreements together constitute the securities portfolio that covers the policyholders' unit-linked and custody agreements. Assets include financial instruments, liquid assets and other financial assets and the valuation follows the same principles as described below.

Investment assets

Financial instruments
Financial instruments include listed and unlisted equities, fund units, interest-bearing securities and derivatives.

Assets are mostly market-listed assets, meaning that they are traded on an active market. An active market is a market with publicly available prices that represent actual market transactions. The assets traded on an active market are shares, fund units, bonds, derivatives and currencies.

For assets where there is no active market, different valuation techniques are used to estimate a fair value at the point of valuation that is deemed to correspond to the price at which a transaction between competent, independent parties can be implemented. Assets not traded on an active market are Private Equity,hedge funds, infrastructure funds, illiquid credits and distressed debt plus certain short-term interest rate instruments.

Fund units are valued at the net asset value, which is the rate at which transactions are made when trading units in the funds. Holdings in funds are reported to the Company's share of the valuation made by the fund manager of the fund's total holdings and is usually updated when new valuation has been obtained. Hedge funds are usually valued monthly or quarterly. Private Equity funds are valued quarterly. Other funds are valued daily.

Interest-bearing instruments traded on an active market are valued at fair value at the latest quoted buy rate or, if no such price, at the latest quoted transaction rate. Interest-bearing instruments that are not traded on an active market and where quoted prices are missing are valued after a present value calculation taking into consideration the market interest rates of comparable securities on the closing date.

Derivatives are valued at fair value. Derivatives with positive fair values are reported as investments while derivatives with negative fair values are reported as liabilities. Where there are listed courses, these are used. For non-listed derivatives, valuation is made through accepted theoretical models based on information about underlying instruments.

Investment Properties
Properties held for the purpose of generating rental income and/or value growth is reported as investment properties and is valued at fair value. Different forecasts on discounted cash-flow based on reliable estimates of future cash-flow are used for the valuation.

Receivables under reinsurance contracts

See section D.2. for differences in valuation between financial reporting and solvency II.

Table D.1.1 Change in assets according to Solvency during the reporting period.

Assets according to Solvency, SEK million	31 dec 2019	31 dec 2018	Change
Intangible assets	0	0	0
Deferred tax receivables	2	3	--1
Tangible fixed assets held for own use	17	6	11
Investment assets (other than assets held for index and unit-linked contracts) **)	33,531	26,944	6,587
Assets held for index-regulated agreements and unit-linked insurance contracts	317,085	269,962	47,123
Loans and mortgage loans	6	6	0
Receivables under reinsurance contracts	78	128	-50
Insurance claims and receivables from intermediaries	146	205	-59
Reinsurance receivables	12	15	-3
Receivables (accounts receivable, non-insurance)	563	16	547
Cash and cash equivalents	8,428	6,543	1,885
Other	667	1,084	-417
Total assets	**360,535**	**304,912**	**55,623**

Total assets increased with SEK 55,623 during the period and major part due increase in values of unit-linked assets.

Table below show the Insurance Group's assets according to financial reporting and solvency, and valuation differences between the two balance sheets.

Table D.1.2 Differences in financial reporting and Solvency

Assets per 31 Dec 2019, SEK million	Solvency	Financial reporting	Difference
Goodwill	0	321	-321
Deferred acquisition costs "DAC" *)	0	1,581	-1,581
Intangible assets	0	126	-126
Deferred tax receivables	2	0	+2
Tangible fixed assets held for own use	17	34	-17
Investment assets (other than assets held for index and unit-linked contracts) **)	33,531	33,428	103
Assets held for index-regulated agreements and unit-linked insurance contracts	317,085	317,086	-1
Loans and mortgage loans	6	6	0
Receivables under reinsurance contracts	78	140	-62
Insurance claims and receivables from intermediaries	146	149	-3
Reinsurance receivables	12	12	0
Receivables (accounts receivable, non-insurance)	563	563	0
Cash and cash equivalents	8,428	8,428	0
Other	667	70	+597
Total assets	**360,535**	**361,944**	**-1,409**

*) For occupational pension, valued according to Solvency I for the Swedish companies, DAC is reported at SEK 609 (666) million under Other. DAC related to other businesses at SEK 972 (1,170) million is valued at zero in the solvency

balance sheet. **) The difference in investment assets in solvency and financial reporting is due to differences in the classification of derivatives between assets and liabilities. This is not difference in valuation.

D.2 Technical provisions

In this section, the valuation of technical provisions (TP) is defined for solvency purposes and how this differs from the financial reporting.

Table D.2.1 shows technical provisions within the Insurance Group broken down by lines of business (material class), including how these are allocated to different types of provisions: TP as a whole best estimate and risk margin.

Table D.2.1 Technical provisions

Per 31 Dec 2019, SEK million	TP calculated as a whole	Best estimate	Risk margin	TP
Index-/unit-linked	188,005	124,823	1,182	314,011
With profit participation	14,065	10,320	72	24,457
Other life	27	-293	70	-196
Health similar to life	1,089	98	17	1,203
Health similar to non-life	0	233	31	264
Total	**203,185**	**135,181**	**1,372**	**339,738**

Per 31 Dec 2018, SEK million	TP calculated as a whole	Best estimate	Risk margin	TP
Index-/unit-linked	158,547	107,273	1,037	266,857
With profit participation	11,394	8,573	58	20,026
Other life	3	-200	47	-150
Health similar to life	1,104	39	39	1,182
Health similar to non-life	0	249	23	272
Total	**171,049**	**115,934**	**1,204**	**288,187**

For occupational pension, Pension & Försäkring has chosen to use transitional rules, which means that older rules in accordance with the Insurance Business Act (Solvency I) are used in the valuation of the technical provisions. These are reported as TP as a whole.
The best estimate corresponds to the probability weighted average of future cash-flows, taking account of the time value of money. All valuation of best estimate is based on mark to model techniques as there are no clear market values.

For the major part of with profit participation business in Pension & Försäkring, the estimated time value of financial options and guarantees (TVFOG) is added by using stochastic valuation. For that purpose, an Economic Scenario Generator has been used.

When calculating the risk margin, subsidiaries in the Insurance Group have used a simplified method in accordance with the Solvency II regulatory framework. As the main method, the Solvency Capital Requirement is calculated approximately for each future year by multiplying the initial Solvency Capital Requirement with the ratio between the best estimate for the coming years and the initial best estimate while other methods have been used for some line of businesses where different types of risk factors have been used to calculate the Solvency

Capital Requirement for coming years. When calculating the Solvency Capital Requirement for risk margin purposes, the market risk and counterparty risk (except for reinsurance) have been excluded, except for Life International, which has also included the market risk except for interest rate risk.

The most important assumptions that influence the valuation of technical provisions are discount rates, lapse rates, cancellations, mortality rates, expense assumptions and management actions related to the pay-out of future discretionary bonuses.

Uncertainties in the valuation

The uncertainty in the valuation of the technical provisions is related to the extent to which future cash-flows can be estimated and whether the data used in the calculation cannot be considered complete, accurate and appropriate. Due to the uncertainty about future events, the modelling of future cash-flows will necessarily be incomplete, leading to a certain degree of error and ambiguity in the valuation.

The valuation of best estimate is based on different cash-flow models with many different assumptions about parameters, which generally is derived from historical data. These assumptions contain uncertainties that may have a non-significant deviation from future outcomes.

In particular, there is uncertainty in:

- Policyholders' behaviour regarding the exercise of contractual rights to change the agreement
- Assumptions of cost
- Changes in demographic, legal, medical, technical, social and economic development
- Times, frequency and extent of injury events, including uncertainty in injury inflation

The level of sufficient level of detail should also be continuously assessed.

The difference between valuation methods for financial reporting and Solvency

Tables D.2.2 shows the differences between the valuation of technical provisions for solvency purposes and those used in the financial statements for each business area excluding Gamla Liv.

Table D.2.2. Technical provisions

Per 31 Dec 2019 SEK million	TP Solvency	TP Financial reporting	Difference
Index-/unit-linked	314,011	317,632	-3,621
With profit participation and other life	24,261	24,593	-333
Health similar to life	1,203	1,182	21
Health similar to non-life	264	346	-82
Total	**339,738**	**343,753**	**-4,015**

The difference is primarily attributable to future profits being recognised in the Solvency Valuation, thereby reducing the technical provisions as compared to those in the financial reporting. This is in turn an effect of the present value of future expected expenses being lower than the corresponding present value of future expected fees.

Other differences relate to the risk margin being added to Solvency valuation.

The Insurance Group does not use the following adjustments or transitional rules:

- Matching adjustment or volatility adjustment in accordance with Article 77b respective 77d of Solvency II Directive 2009/138 / EC.
- Transitional rules for risk-free interest rates in accordance with Article 308c of Solvency II Directive 2009/138 / EC.
- Transitional rules for technical provisions in accordance with Article 308d of Solvency II Directive 2009/138 / EC.

Table D.2.3. Change of technical provisions Solvency during the reporting period

Solvency TP SEK million	**2019**	**2018**	**Difference**
Index-/unit-linked	314,011	266,857	47,154
With profit participation and other life	24,261	19,875	4,385
Health similar to life	1,203	1,182	21
Health similar to non-life	264	272	-8
Total	**339,738**	**288,187**	**51,552**

The increase in technical provisions is mainly attributable to positive changes in value of the underlying market assets for index-/unit-linked.

Valuation of reinsurance recoverables under reinsurance contracts

Tables D.2.4. Reinsurance recoverables (RR) separately for each line of business.

SEK million	**RR Solvency**	**RR Financial reporting**	**Difference**
Index-/unit-linked	-14.0	7.8	-21.8
With profit participation and other life	-37.3	1.9	-39.2
Health similar to life	130.7	129.6	1.1
Health similar to non-life	-1.8	0.8	-2.6
Total	**77.6**	**140.1**	**-62.5**

The difference to the financial reporting primarily relates to the fact that future cash-flows are to a greater extent included in the Solvency Valuation. In addition, the premium of waiver component for unit-linked insurance in Pension & Försäkring in the financial reporting has been segmented to health insurance similar to life insurance in Solvency.

D.3 Other liabilities

Other liabilities have been valued in accordance with IFRS and subsequently adjusted according to Solvency II requirements. Below describes the valuation principles and the differences against the solvency valuation of the essential items.

Provisions other than technical provisions

Provisions other than technical provisions relate to deferred front-end fees in SEB Life International. The difference to the financial statement is that prepaid fees from customers are excluded in solvency reporting.

Deferred tax liabilities

Deferred tax liabilities refer to temporary differences between the reported values of assets and liabilities according to the financial reporting and the values used as tax base, with the addition of adjustment between IFRS and Solvency II.

Derivatives

Derivatives with negative market values are reported as a liability and valued at fair value according to the same principles as for derivatives with positive market values.

Subordinated liabilities

Subordinated liabilities are subordinated loan and valued at nominal value.

Other liabilities

Other liabilities include non-cash-settled securities transactions, accounts payables and other liabilities. At the first reporting date, the liabilities are valued at fair value including transaction costs. After the first reporting date, the liabilities are valued at accrued acquisition value including transaction costs using the effective interest rate method.

The table below shows the change in other liabilities in the solvency balance sheet during the reporting period

Table D.3.1 Change in other liabilities during reporting period

Other liabilities according to Solvency, SEK million	31 Dec 2019	31 Dec 2018	Difference
Provisions other than technical provisions	202	195	7
Deferred tax liabilities	169	177	-8
Derivatives	3,916	1,250	2,666
Financial liabilities other than liabilities to credit institutions	81	203	-122
Insurance liabilities and liabilities to intermediaries	371	254	117
Reinsurance liabilities	10	10	0
Liabilities (accounts payables, non-insurance)	2,986	107	2,879
Subordinated liabilities	2,100	1,200	900
Other liabilities not shown elsewhere	197	2,737	-2,540
Sum all other liabilities	**10,032**	**6 133**	**3,899**

Two new subordinated loans were issued in the Company of total SEK 900 million. The increase in derivatives relates to the company SEB Pension and Försäkring AB.

Table D.3.2 shows the difference between financial reporting and Solvency for other liabilities for the Insurance Group.

Table D.3.2 Differences in financial reporting and Solvency

Other liabilities per 31 Dec 2019, SEK million	Solvency	Financial reporting	Difference
Provisions other than technical provisions	202	832	-630
Deferred tax liabilities	169	0	+169
Derivatives	3,916	3,801	+115
Financial liabilities other than liabilities to credit institutions	81	81	0
Insurance liabilities and liabilities to intermediaries	371	372	-1
Reinsurance liabilities	10	17	-7
Liabilities (accounts payables, non-insurance)	2,986	2,986	0
Subordinated liabilities	2,100	2,100	0
Other liabilities not shown elsewhere	197	197	0
Sum other liabilities	**10,032**	**10,386**	**-354**

The difference in derivatives in solvency and financial reporting is not due to differences in valuation differences but in the classification between assets and liabilities.

Table D.3.3 Deferred tax liabilities

Per 31 Dec 2019, SEK million	Financial reporting	Revaluation Solvency	Solvency	Matures
Tax effect of revaluations:				
Technical provisions, net	0	169	169	-
Total deferred tax liabilities	**0**	**169**	**169**	**-**

D.4 Alternative methods for valuation

To used alternative valuation methods, see the description of the various asset classes in section D1.

D.5 Any other information

The insurance group has no other material information to provide regarding valuation for solvency purposes.

E Capital Management

E.1 Own Funds

Capital management

The capital management is described and illustrated in section B.3 "Risk management system including own risk and solvency assessment (ORSA)". The aim of ORSA is to analyse the Insurance Group's business plan from a perspective of risk to ensure that all significant risks associated with the proposed strategy are identified and evaluated. The ORSA process is also the main tool for the Board and the management to determine if identified risks are acceptable and manageable in view of the Group's capital strength and overall risk management capability, or whether measures are needed to balance the risk in relation to available capital resources.

The outcome of the 2019 ORSA process shows that the Insurance Group is financially strong and well capitalised in relation to its risk exposure and capital requirements. This conclusion is based on the analysis of the Insurance Group's risk profile and forward-looking financial forecasts for the Solvency Position of the Insurance Group in four different scenarios:

- A baseline scenario with assumptions in line with the Insurance Group's business plan
- Three negative scenarios based on the risks identified in the Insurance Group's business environment and potential downturns in the macroeconomic environment

Own Funds components and levels (Tiers)

Table E.1.1a Own Funds breakdown into tiers under the solvency rules.

Tier, SEK million	Own Funds item	31 Dec 2019	31 Jan 2018
Basic own funds Tier 1, unrestricted	Share capital	120	120
	Share premium reserve	24	24
	Reconciliation reserve	4,462	4,396
	Other items approved by supervisory authority as basic own funds not specified above	4,659	4,553
Total basic own funds Tier 1, unrestricted		**9,265**	**9,093**
Basic own funds Tier 1, restricted	Subordinated liabilities	-	-
Basic own funds Tier 2	Subordinated liabilities	2,100	1,200
Basic own funds Tier 3	Deferred tax assets	-	-
Own funds excluding Gamla Liv	**Available own funds**	**11,365**	**10,293**
Eligible own funds Gamla Liv	Mainly bonus potential to policyholders	33,356	31,721
Total own funds including Gamla Liv	**Available own funds**	**44,721**	**42,013**

The Insurance Group's Own Funds consist of the share capital, share premium reserve, retained earnings (reconciliation reserve) tier 1, other items approved by supervisory authority as basic

Own Funds not specified above and subordinated liabilities (subordinated loan) tier 2. In 2019, two new subordinated loans were issued by SEK 900 million.

The reconciliation reserve is directly available for loss coverage.

Table E.1.2b Specification of the reconciliation reserve's composition

SEK million	31 Dec 2019	31 Dec 2018
Equity other than share capital and share premium reserve	**7,661**	**7,618**
Foreseeable dividend	-1,500	-1,500
Difference in valuation of technical provisions	4,015	3,906
Deduct surplus from occupational pension	-4,659	-4,553
Revaluation of other items	-1,055	-1,076
Total	**4,462**	**4,396**

Gamla Liv is owned at 99.6% but is operated under mutual principles where no profit distribution to shareholders is allowed but all surpluses are attributed to the policyholders. Gamla Liv is therefore not consolidated in the financial reporting. When the Solvency Capital Requirement for the Insurance Group is calculated, the authorities require the company to be included. Therefore, when the Own Funds is calculated to meet the requirement, Gamla Liv is included according to the deduction and aggregation (D&A) method (alternative consolidation method 2). The method means that an amount corresponding to Gamla Liv's capital requirements is included in the Insurance Group's Own Funds. If the Own Funds were below the requirement, the lower amount would be included.

The Insurance Group's total Own Funds at the end of the reporting period amounted to SEK 11,365 (10,293) million. SEK 9,265 (9,093) million of Own Funds is Tier 1 capital unrestricted and SEK 2,100 (1,200) million is Tier 2 capital.

Table E.1.2 Bridge from equity in the financial statement to available Own Funds in accordance with the solvency rules.

SEK million	**31 Dec 2019**	**31 Dec 2018**
Shareholders' equity according to the Group's financial reporting	**7,805**	**7,762**
Intangible assets from acquisition of subsidiaries and goodwill are excluded	-447	-464
Deferred acquisition costs are excluded *	-983	-1,169
Technical provisions are valued lower	+4,015	+3,906
Other provisions are valued lower	+630	+767
Deferred tax liabilities are valued higher	-169	-177
Reinsurance recoverables are valued lower	-63	-23
Subordinated liabilities are included	+2,100	+1,200
Foreseeable dividend	-1,500	-1,500
Other adjustments	-23	-9
Own Funds according to the solvency rules, excluding Gamla Liv	**11,365**	**10,293**

* Deferred acquisition costs related to the Occupational Pensions Directive are still included by SEK 609 million as at 31 Dec 2019 and at SEK 666 million as at 31 Dec 2018.

The main difference between equity in the financial statements and Own Funds in Solvency reporting is the effect of revaluation of technical provisions. Provisions are lower in Solvency reporting as they are reduced by expected future fees from existing customers. Other provisions are valued lower as the part relating to prepaid fees (deferred front end fees) within SEB Life International is excluded from the solvency reporting. Because the technical provisions are valued lower, additional deferred tax liabilities are calculated.

Other major differences are that deferred acquisition costs (except the part attributable to the Occupational Pensions Directive), intangible assets and goodwill from acquisition of subsidiaries are excluded while subordinated liabilities in the form of subordinated loans are included. Finally, Own Funds are reduced with foreseeable dividend of profits from the reporting period.

Table E.1.3 Change in Own Funds

SEK million	Excluding Gamla Liv	Including Gamla Liv
Own funds 31 December 2018	**10,293**	**42,013**
Profit after tax according to the Group's financial reporting	1,567	
Change in valuation differences between solvency and financial reporting	129	
Ordinary share dividend paid to the shareholder	-1,500	
Raising of new subordinated loans	900	
Group contribution from the owner	-39	
Other (mainly currency revaluation of equity in foreign subsidiaries)	15	
Change in the Own funds during the year excluding Gamla Liv	**1,072**	**2,708**
Change of SCR in Gamla Liv which is included in the Insurance group's Own funds during the year	**-**	**1,635**
Own funds 31 December 2019	**11,365**	**44,721**

*other than impairment effect of deferred acquisition costs

During the year total Own Funds including Gamla Liv has increased by SEK 2,708 million. The capital related to Gamla Liv increased during the year by SEK 1,635 million due to increased capital requirements for this company (higher equity risk due to increasing equity markets). Own Funds excluding Gamla Liv has increased by SEK 1,072 million during the year. The increase is mainly due to two new subordinated loans issued to SEB and SEB pension foundation of SEK 450 million each, other valuation differences between solvency and financial reporting increased.

Own Funds in relation to capital requirements

The Solvency Capital Requirement excluding Gamla Liv amounted to SEK 4,959 (4,503) million at the end of the period, which means that the solvency ratio was 2.29 (2.29). At the same time, the capital requirement including Gamla Liv was SEK 38,316 (36,224) million which gives a ratio of 1.17 (1.16). The Solvency Capital Requirement is described in more detail in Section E2.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

As of 31 December, 2019, the Solvency Capital Requirement of the Insurance Group excluding Gamla Liv amounted to SEK 4,959 (4,503) million and SEK 38,316 (36,224) million including Gamla Liv.

Solvency Capital Requirement broken down by risk modules

Table E.2.1 shows Solvency Capital Requirement broken down by risk module.

SEK million	31 Dec 2019	31 Dec 2018
Market risk	4,227	3,428
Counterparty risk	525	471
Underwriting risk for life insurance	2,349	2,055
Underwriting risk for health insurance	132	153
Underwriting risk for accident insurance	-	-
Diversification	-1,680	-1,471
Intangible asset risk	0	0
Primary Solvency Capital Requirement	**5,553**	**4,635**
Operational risks	155	180
Loss absorption capacity of technical provisions	-1,416	-886
Loss absorption capacity in deferred taxes	-157	-139
Capital requirements for business carried out in accordance with Article 4 of Directive 2003/41 / EC	824	713
Solvency Capital Requirements	**4,959**	**4,503**
Solvency Capital Requirements for Gamla Liv	33,356	31,721
Solvency Capital Requirements including Gamla Liv	**38,316**	**36,224**

Pension & Försäkring and Gamla Liv have chosen to apply transitional rules for its occupational pension business, which means that older provisions of the Insurance Business Act (Solvency 1) are used in determining Solvency Capital Requirements. These are reported as “Capital requirements for business carried out in accordance with Article 4 of Directive 2003/41 / EC”

The Insurance Group uses a combination of the consolidation method (Method 1 under Articles 230-232 of the Solvency II Directive) and the aggregation and settlement method (Method 2 under Article 233 of Solvency II Directive). The combination means that Gamla Liv is included with the combination and aggregation method in the calculation of the Group-based Solvency Capital Requirement and the Own Funds, while the consolidation method is used for the Insurance Group in general.

The Solvency Capital Requirement for the Insurance Group calculated according to Method 1 amounts to SEK 4,959 (4,503) million.

Standard formula and the use of simplifications

The calculation of the Solvency Capital Requirement for the Insurance Group uses the standard formula for all risk modules. Simplified calculations of the standard formula are used to a limited extent in the risk modules counterparty risk, life insurance risk and health insurance risk.

Minimum Capital Requirements

Minimum Capital Requirements are only calculated at the subsidiary level and not at the group level, but for information it may be mentioned that the Solvency Capital Requirement for the Insurance Group exceeds the sum of the Minimum Capital Requirements of the subsidiaries SEK 2,096 (2,833) excluding Gamla Liv.

Material changes in the Solvency Capital Requirement

Table E.2.2 Change in the Solvency Capital Requirement over the reporting period.

SEK million	31 Dec 2019	31 Dec 2018	Change	Change %
Solvency Capital Requirements	**4,959**	**4,503**	**456**	**10**
Solvency Capital Requirements for Gamla Liv	33,356	31,721	1,636	5
Solvency Capital Requirements including Gamla Liv	**38,316**	**36,224**	**2,092**	**6**

The Insurance Group's Solvency Capital Requirement excluding Gamla Liv has increased by SEK 456 million or10percent. The Solvency Capital Requirement including Gamla Liv increased with SEK 2,092 million or 6 percent. The increase in the Solvency Capital Requirement is mainly due to higher Solvency Capital Requirement of market risks.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Insurance Group does not apply duration-based equity risk when calculating the Solvency Capital Requirement.

E.4 Differences between the standard formula and any internal model used

The insurance group only uses the standard formula.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Insurance Group has met the capital requirements throughout the reporting period.

E.6 Any other information

The Insurance Group does not use any company specific parameters.

Appendix 1 Templates

All amounts in SEK thousands. The forms that are applicable to the Insurance Group are reported below.

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	1 985
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	17 155
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	33 531 124
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	45 919
Equities	**R0100**	596 815
Equities – listed	**R0110**	0
Equities – unlisted	**R0120**	569 815
Bonds	**R0130**	13 005 651
Government Bonds	**R0140**	3 952 538
Corporate Bonds	**R0150**	8 270 232
Structured notes	**R0160**	782 881
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	14 888 715
Derivatives	**R0190**	4 994 024
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	317 085 350
Loans and mortgages	**R0230**	5 975
Loans on policies	**R0240**	1 267
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	4 708
Reinsurance recoverables from:	**R0270**	77 579
Non-life and health similar to non-life	**R0280**	-1 833
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	-1 833
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	93 387
Health similar to life	**R0320**	130 675
Life excluding health and index-linked and unit-linked	**R0330**	-37 288
Life index-linked and unit-linked	**R0340**	-13 975
Deposits to cedants	**R0350**	0
Insurance and intermediaries' receivables	**R0360**	145 575
Reinsurance receivables	**R0370**	11 804
Receivables (trade, not insurance)	**R0380**	563 217
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	8 427 925
Any other assets, not elsewhere shown	**R0420**	667 582
Total assets	**R0500**	**360 535 271**

S.02.01.02 Balance sheet, continue		**Solvency II value**
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	263 914
Technical provisions – non-life (excluding health)	**R0520**	0
Technical provisions calculated as a whole	**R0530**	0
Best Estimate	**R0540**	0
Risk margin	**R0550**	0
Technical provisions - health (similar to non-life)	**R0560**	263 914
Technical provisions calculated as a whole	**R0570**	0
Best Estimate	**R0580**	232 968
Risk margin	**R0590**	30 947
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	25 463 399
Technical provisions - health (similar to life)	**R0610**	1 202 870
Technical provisions calculated as a whole	**R0620**	1 088 624
Best Estimate	**R0630**	97 714
Risk margin	**R0640**	16 533
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	24 260 529
Technical provisions calculated as a whole	**R0660**	14 091 594
Best Estimate	**R0670**	10 027 078
Risk margin	**R0680**	141 857
Technical provisions – index-linked and unit-linked	**R0690**	314 010 894
Technical provisions calculated as a whole	**R0700**	188 005 087
Best Estimate	**R0710**	124 823 315
Risk margin	**R0720**	1 182 491
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	201 747
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	168 615
Derivatives	**R0790**	3 916 064
Debts owed to credit institutions	**R0800**	9 400
Financial liabilities other than debts owed to credit institutions	**R0810**	71 863
Insurance & intermediaries payables	**R0820**	371 139
Reinsurance payables	**R0830**	10 137
Payables (trade, not insurance)	**R0840**	2 986 283
Subordinated liabilities	**R0850**	2 100 000
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	2 100 000
Any other liabilities, not elsewhere shown	**R0880**	196 938
Total liabilities	**R0900**	349 770 394
Excess of assets over liabilities	**R1000**	**10 764 877**

S.05.01.02 Premium, claims and expenses by line of business (The Company has only Medical expense insurance and Income protection insurance in non-life insurance)

Line of business: non-life insurance and reinsurance obligations (direct business and non-proportional reinsurance)				
		Medical expense insurance	Income protection insurance	Total
		C0010	C0020	C0200
Premiums written				
Gross – direct business	**R0110**	287 626	62 012	349 638
Gross – proportional reinsurance	**R0120**	0	0	0
Gross – non-proportional reinsurance	**R0130**			
Reinsurer's share	**R0140**	0	1 853	1 853
Net	**R0200**	287 626	60 158	347 785
Premiums earned				
Gross – direct business	**R0210**	279 557	61 477	341 034
Gross – proportional reinsurance		0	0	0
Gross – non-proportional reinsurance	**R0230**			
Reinsurer's share	**R0240**	0	1 813	1 813
Net	**R0300**	279 557	59 664	339 221
Claims incurred				
Gross – direct business	**R0310**	214 026	20 434	234 460
Gross – proportional reinsurance	**R0320**	-279	0	-279
Gross – non-proportional reinsurance	**R0330**			
Reinsurer's share	**R0340**	0	78	78
Net	**R0400**	213 747	20 356	234 102
Changes in other technical provisions				
Gross – direct business	**R0410**	0	411	411
Gross – proportional reinsurance	**R0420**	0	0	0
Gross – non-proportional reinsurance	**R0430**			
Reinsurer's share	**R0440**	0	122	122
Net	**R0500**	0	289	289
Expenses incurred	**R0550**	**88 560**	**8 073**	**96 633**
Other expenses	**R1200**			**0**
Total expenses	**R1300**			**96 633**

S.05.01.02 Premium, claims and expenses by line of business, life insurance obligations

		Line of business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	**R1410**	376 578	3 977 352	19 550 377	296 368					24 200 674
Reinsurer's share	**R1420**	31 808	7 069	9 690	154 274					202 842
Net	**R1500**	344 770	3 970 283	19 540 686	142 093					23 997 832
Premiums earned										
Gross	**R1510**	377 803	3 978 079	19 550 441	296 576					24 202 900
Reinsurer's share	**R1520**	31 863	7 075	9 699	154 382					203 019
Net	**R1600**	345 940	3 971 005	19 540 742	142 194					23 999 881
Claims incurred										
Gross	**R1610**	117 134	1 159 299	23 280 282	78 753					24 635 468
Reinsurer's share	**R1620**	9 430	1 385	4 277	48 675					63 767
Net	**R1700**	107 704	1 157 914	23 276 006	30 077					24 571 702
Changes in other technical provisions										
Gross	**R1710**	-7 189	-4 552 243	-33 119 581	-4 567					-37 683 580
Reinsurer's share	**R1720**	0	-3 340	13	3 710					383
Net	**R1800**	-7 189	-4 548 903	-33 119 594	-8 277					-37 683 963
Expenses incurred	**R1900**	73 275	200 700	1 922 085	11 522					2 207 583
Other expenses	**R2500**									
Total expenses	**R2600**									2 207 583

S.05.02.01 Premium, claims and expenses by country, non-life obligations		Home Country	Country (by amount of gross premiums written) – non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) – non-life obligations
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		Lithuania	Estonia	Latvia			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross – direct business	R0110	287 636	29 710	17 827	14 465			349 638
Gross – proportional reinsurance	R0120	0	0	0	0			0
Gross – non-proportional reinsurance	R0130	0	0	0	0			0
Reinsurer's share	R0140	0	883	496	474			1 853
Net	R0200	287 636	28 827	17 331	13 991			347 785
Premiums earned								
Gross – direct business	R0210	279 566	28 364	17 827	15 276			341 034
Gross – proportional reinsurance	R0220	0	0	0	0			0
Gross – non-proportional reinsurance	R0230	0	0	0	0			0
Reinsurer's share	R0240	0	843	496	474			1 813
Net	R0300	279 566	27 521	17 331	14 802			339 221
Claims incurred								
Gross – direct business	R0310	214 392	12 529	3 696	3 842			234 460
Gross – proportional reinsurance	R0320	0	-279	0	0			-279
Gross – non-proportional reinsurance	R0330	0	0	0	0			0
Reinsurer's share	R0340	0	80	-2	0			78
Net	R0400	214 392	12 170	3 698	3 842			234 102
Changes in other technical provisions								
Gross – direct business	R0410	0	0	-28	439			411
Gross – proportional reinsurance	R0420	0	0	0	0			0
Gross – non-proportional reinsurance	R0430	0	0	0	0			0
Reinsurer's share	R0440	0	0	0	122			122
Net	R0500	0	0	-28	317			289
Expenses incurred	R0550	88 557	3	6 053	2 020			96 633
Other expenses	R1200							0
Total expenses	R1300							96 633

S.05.02.01 Premium, claims and expenses by country, life obligations

		Home Country	Country (by amount of gross premiums written) – life obligations					Total for top 5 countries and home country (by amount of gross premiums written) – life obligations
		C0150	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
	R1400		Finland	Lithuania	Latvia	Estonia	Italy	
		C0220	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**
Premieinkomst								
Gross	**R1410**	21 710 988	1 102 955	469 005	389 783	216 961	119 903	24 009 595
Reinsurer's share	**R1420**	185 364	745	8 967	2 235	4 984	0	202 394
Net	**R1500**	21 525 624	1 102 210	460 038	387 449	211 977	119 903	23 807 202
Intjänade premier								
Gross	**R1510**	21 710 988	1 102 955	470 350	390 664	216 961	119 903	24 011 281
Reinsurer's share	**R1520**	185 364	745	9 143	2 335	4 984	0	202 571
Net	**R1600**	21 525 624	1 102 210	461 206	388 329	211 977	119 903	23 809 250
Inträffade skadekostnader								
Gross	**R1610**	18 414 920	2 958 291	287 262	370 762	152 120	730 412	22 913 768
Reinsurer's share	**R1620**	59 780	0	1 595	0	2 392	0	63 767
Net	**R1700**	18 355 140	2 958 291	285 668	370 762	149 728	730 412	22 850 001
Ändringar inom övriga avsättningar								
Gross	**R1710**	-39 091 057	967 443	-477 681	107	-145 869	430 606	-38 316 450
Reinsurer's share	**R1720**	0	13 927	20	364	0	0	14 311
Net	**R1800**	-39 091 057	967 443	-477 701	-256	-145 869	430 606	-38 316 834
Expenses incurred	**R1900**	1 721 723	117 659	73 837	56 728	44 371	64 447	2 078 764
Other expenses	**R2500**							0
Total expenses	**R2600**							2 078 764

S.23.01.22 Own funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	120 000	120 000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	24 000	24 000			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	4 462 145	4 462 145			
Subordinated liabilities	R0140	2 100 000			2 100 000	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	0				
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180	4 658 733	4 658 733			
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					

S.23.01.22 Own funds, continue		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	**R0290**	11 364 877	9 264 877	0	2 100 000	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**			0		
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0350**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC						
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Non available ancillary own funds at group level	**R0380**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	**R0410**					0
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**					
Total own funds of other financial sectors	**R0440**					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**	33 356 471	33 356 471	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**	33 356 471	33 356 471	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	11 364 877	9 264 877	0	2 100 000	0
Total available own funds to meet the minimum consolidated group SCR	**R0530**	11 364 877	9 264 877	0	2 100 000	

S.23.01.22 Own funds, continue		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	9 684 027	9 264 877	0	419 150	
Consolidated Group SCR	**R0590**	4 959 111				
Minimum consolidated Group SCR	**R0610**	2 095 750				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	**R0630**	2,29				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	4,62				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	44 721 348	42 621 348	0	2 100 000	0
SCR for entities included with D&A method	**R0670**	33 356 471				
Group SCR	**R0680**	38 315 582				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	1,17				

Reconciliation reserve		**C0060**	**Tier 1 - unrestricted**
Excess of assets over liabilities	**R0700**	10 764 877	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	1 500 000	
Other basic own fund items	**R0730**	4 802 733	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Other non available own funds	**R0750**	0	
Reconciliation reserve	**R0760**	4 462 145	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	518 672	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	23 462	
Total Expected profits included in future premiums (EPIFP)	**R0790**	542 134	

S.25.01.22 Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	2 650 997	-	
Counterparty default risk	R0020	406 125	-	-
Life underwriting risk	R0030	2 286 698		
Health underwriting risk	R0040	131 929		
Non-life underwriting risk	R0050			
Diversification	R0060	-1 373 884	-	-
Intangible asset risk	R0070	0	-	-
Basic Solvency Capital Requirement	R0100	4 101 865	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	154 854
Loss-absorbing capacity of technical provisions	R0140	-1 416 113
Loss-absorbing capacity of deferred taxes	R0150	-156 786
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	823 897
Solvency Capital Requirement excluding capital add-on	R0200	4 959 111
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	4 959 111
Other information on SCR		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Net future discretionary benefits	R0460	1 657 476
Minimum consolidated group solvency capital requirement	R0470	2 095 750
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non--regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	33 356 471
Solvency capital requirement	R0570	38 315 582

S.32.01.22 List of the undertaking's

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)
C0010	C0020	C0030	C0040	C0050	C0060	C0070
Ireland	LEI/635400ATDJAWUVSBWM50	LEI	SEB LIFE INTERNATIONAL ASSURANCE COMPANY DAC	Life undertakings	incorporated companies limited by shares or by guarantee or unlimited	Non-mutual
Sweden	LEI/5493006M54JZLSHYA349	LEI	SEB Life and Pension Holding AB	Insurance holding company as defined in Art. 212.1 section f of Directive 2009/138/EG		Non-mutual
Sweden	LEI/549300JSCP0FWW1SE044	LEI	SEB Pension och Försäkring AB	Composite insurer	försäkringsaktiebolag	Non-mutual
Sweden	LEI/5493007QZK2UFPJ6NV33	LEI	Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ)	Composite insurer	ömsesidiga försäkringsbolag	Mutualt
Latvia	LEI/549300EOIPME5OPE8U19	LEI	SEB Life and Pension Baltic SE	Composite insurer	apdrošinašanas akciju sabiedriba	Non-mutual
Sweden	SC/556375-9603	Specific code	Fastighetsaktiebolaget Meteor	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/LU04480117441	Specific code	Gamla Liv International Real Estate Fund	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/556022-3447	Specific code	AB Framtidsvärden	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/916613-4115	Specific code	HB Släggan 3	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual

S.32.01.22 List of the undertaking's, continue

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)
C0010	C0020	C0030	C0040	C0050	C0060	C0070
Sweden	SC/556660-5514	Specific code	Livfastigheter S-berget Större 14 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/556048-4486	Specific code	Hiby AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/556881-3736	Specific code	Livfastigheter Läraren 5 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Sweden	SC/556683-9097	Specific code	Livfastigheter Käpplingeholmen 4 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU)		Non-mutual
Ireland	LEI/635400UE4GWNAQFWJJ92	LEI	Eskimo Holdings ABC Limited	Other		Non-mutual