Solvency and financial condition report 2021

SEB Life and Pension Holding AB

Contents

Introduction

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).

This report is aimed at SEB Life and Pension Holding AB's stakeholders and describes the Insurance Group's solvency, which is a measure of financial strength that shows an insurance company's ability to fulfill its payment obligations.

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

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”) is a subsidiary of SEB Life and Pension Holding AB that operates in accordance with mutual principles. Gamla Liv does not pay dividends and the Company has no decisive influence on the financial and operational business of Gamla Liv. Gamla Liv is therefore not consolidated in the SEB Life and Pension Holding Group or in the SEB Group in the financial statements.

Gamla Liv is included in some sections when this is stated. Otherwise Gamla Liv is not included.The solvency reporting includes Gamla Liv and its subsidiaries with the deduction and aggregation method. This means that Gamla Liv is only included as a shareholding in subsidiaries in the Insurannce Group solvency balance sheet. Own funds includes Gamla Liv with the corresponding amount that this company contribute to the Insurance Group's capital requirement (Solvency Capital Requirement, SCR). The analysis of the Insurance Group’s risk profile and solvency position is performed excluding Gamla Liv.

On 31 December 2021, the subsidiary SEB Pension och Försäkring AB (“Pension & Försäkring”) applied Solvency II for the entire business. During the year, Gamla Liv continued to apply transitional rules for occupational pension activities, i.e., that older rules in the Insurance Business Act (Solvency I) are used in determining solvency capital requirements. In 2022 Gamla Liv has decided to apply Solvency II.

The Board of Directors of the Company has adopted this report on May 10, 2022. 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 2021. 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 Unit-linked, Life and Risk insurance business mainly in the Nordic and the Baltic countries.

Operating profit for the Insurance Group according to the financial reporting amounted to SEK 2,262 (1,408) million, which is an increase of SEK 854 million. The increase of the result is mainly explained by a higher return on capital in 2021. The result in 2020 was strongly affected by the negative financial effects during the first quarter when the covid 19 pandemic occurred.

Total assets under management including Gamla Liv amounted to SEK 653 (536) billion on 31 December 2021 and the gross premium income amounted to SEK 43 (27) billion in 2021.

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 this instruction, the Company manages the elements of the system of governance that should be present at all subsidiaries within the Insurance Group.

At 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 each subsidiary within the Insurance Group.

During the reporting period, one board member in the Company has been replaced.

Risk profile

The Insurance Group's business give rise to market, counterparty, life underwriting and operational risks. The two largest risks expressed as Solvency Capital Requirement are life underwriting risk and market risk. During the year, an Own Risk and Solvency Assessment ("ORSA") was carried out showing that the Insurance Group has 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 regulation prescribes other valuation rules than IFRS.

The technical provisions have been significantly affected by the fact that Pension & Försäkring as of 31 December 2021 began to apply Solvency II regulation for the entire business. 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 67,501 (41,740) million at the end of the reporting period.

The Solvency Capital Requirement (SCR) amounted to SEK 61,027 (35,173) million, giving a Solvency quota of 1.11 (1.19). The Insurance Group's Solvency Capital Requirement increase by SEK 25,854million or 73,5 percent during the reporting period. The increase in SCR is mainly attributable to the effect of Pension & Försäkring's transition to Solvency II on the entire business, but also on the increased SCR for market risk.

Significant changes after the reporting period

In 2022, the Baltic company SEB Life and Pension Baltic SE acquired two fund companies and a pension administration company. Another fund company in Estonia will be acquired in 2022.

On January 1, 2022, the distribution organization was transferred from Pension & Försäkring to the parent company SEB AB, the Corporate & Private Customers division. The transition includes a relocation of 181 employees.

During the month of February, Russia invades Ukraine, and the invasion leads to strong reactions from the outside world and very extensive sanctions against Russia and Russian interests as a result. Energy prices rose, and the stock market was strongly affected. Within the Insurance Group's unit-linked insurance, there are a few funds that are covered by this situation.

During 2022 Gamla Liv has decided to transition into valuation according to Solvency II for the entire business.

A Business and Performance

A.1 Business

Table A.1.1 Overview according to the financial statements, SEK million

	2021	2020
Assets under Management (AuM), the Holding Group	464,601	366,271
Assets under Management (AuM), Gamla Liv	188,539	170,221
Premium gross, the Holding Group	42,480	26,729
Operating profit, the Holding Group	2,262	1,408

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"), Stockholm, registration number 502032-9081.

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 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.

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.

Subsidiaries

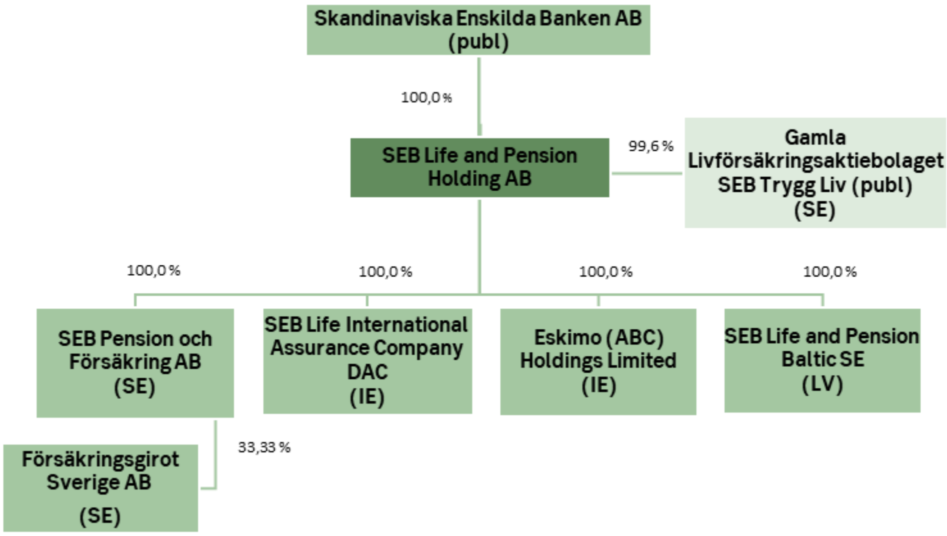
Pension & Försäkring operates both unit-linked insurance, traditional life insurance business and risk insurance. Pension & Försäkring performes insurance administration for Gamla Liv. Pension & Försäkring owns 33,33 percent of FörsäkringsGirot Sverige AB.

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 decisive influence on the 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 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 has no business.

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 and risk protection products.

Image A.1.2 Insurance Group - legal structure



Intra-group transactions

Pension & Försäkring and Gamla Liv have an agreement, entailing that Pension & Försäkring is mandated to perform Gamla Liv's insurance administration. The compensation amounted to SEK 115 (117) million during the reporting period.

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

The Company's total amount of three subordinated loans is SEK 2,100 million. The counterparties in these are SEB AB and the SEB Foundation. No new loans have been taken during 2021.

During the reporting period, the subsidiaries Pension & Försäkring and Life International paid SEK 650 (0) million and SEK 15 (0) million in dividends to the Company,

Furthermore, during the year Pension & Försäkring submitted a group contribution of SEK 333 (214) million to the Company. At the end of the year, the Company reported a corresponding receivable as 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

Pension & Försäkring (Sweden)
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.

SEB Life International (Ireland)
The Company conducts most of its operations in Ireland, but also has a branch in Luxembourg. The company continues to increase its focus on distribution of its products through SEB in Sweden and through SEB Luxembourg. The Company operates with several tied agents in the Finnish market and distributes through SEB Bank in Finland.

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 and Pension Baltic SE (Baltics)
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, income protection, pension products and annuities.

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 endowment 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 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
2021 continued to be marked by the effects of the covid 19 pandemic on both society and the economy. However, the year has meant a certain normalization of business volumes and activity in the occupational pension area, while the extremely strong stock market development in combination with the low interest rate situation has led to high activity, primarily in the endowment insurance area.

Liquidation of the dormant subsidiary Eskimo (ABC) Holdings Limited was initiated during the financial year. A dividend was paid to the company in connection with this, and a write-down was made at the same time. The liquidation is planned to be completed in 2022.

From 31 December 2021, Pension & Försäkring applies Solvency II for the entire business from having previously applied transitional rules for occupational pension operations, which meant that older rules in the Insurance Business Act (Solvency I) were used in determining solvency capital requirements (for more detailed information see part D.2).

A.2 Underwriting Performance

Table A.2.1 Underwriting Performance

SEK million	31-dec-21	31-dec-20	Change %
Income investments contracts	3 504	3 110	13
Income insurance contracts	1,063	660	61
Other Income	187	153	22
Total income, gross	**4,755**	**3,923**	**21**
Commission expenses including deferred acquisition costs	-966	-937	3
Operating expenses	-1 526	-1 578	-3
Operating profit	**2,262**	**1,408**	**61**

The improvement in earnings is mainly explained by higher asset values in the unit-linked insurance business. A stable and good return in the traditional portfolios and a continued strong risk insurance result also increased net profit compared with the previous year.

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 milloins	2021	2020
Sweden	40,362	24,597
Finland	877	844
Lithuania	526	514
Latvia	240	349
Estonia	208	215
Portugal	172	-
Italy	-	79
Other countries	93	131
Total	**42 480**	**26 729**

Table A.2.3 Premiums and expenses per line of business

2021		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	365	4,161	37,219	360	295	80	42,480
Expenses *)	-192	-1,761	-27,560	-144	-209	-20	-29,886

*) Expenses include operating expenses and claims incurred

2020	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	285	3,841	21,823	342	360	78	26,729
Expenses *)	-296	-1,526	-20,889	-81	-221	-55	-23,068

*) Expenses include operating expenses and claims incurred

The increase in premiums consists of increased sales of unit-linked insurance, mostly in SEB Life International with an increased premium volume. Reduced costs are largely due to lower operating costs within Pension & Försäkring.

A.3 Investment Performance

The Insurance Group’s total assets under management (including unit-linked insurance capital) amounted to SEK 465 (366) billion as of 31 December 2021, an increase of 27 percent compared with the same period last year. The increase is primarily explained by a strong performance on the stock market , along with a net inflow of premiums during the year.

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, to which the world's stock markets contributed during the year. All asset classes except derivatives had a positive return during the year.

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	2021	2020
Equities	14,999	1,898
Fund units	69,622	12,628
Properties	0	0
Corporate bonds	911	602
Cash and deposits	418	-13
Mortgage bonds	34	1
Government bonds	23	41
Structured securities	1,166	174
Secured securities	0	0
Derivatives	-2,024	936
Total	**85,149**	**16,267**

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 amounted to SEK 115 (117) million.

A.5 Any other information

Significant changes after the reporting period

During the year, SEB Life and Pension Baltic SE announced its intention to acquire four new companies in the Baltics. The companies manage pension funds. The acquisitions will take place gradually in 2022.

On January 1, 2022, the distribution organization was transferred from Pension & Försäkring to the parent company SEB AB, the Corporate & Private Customers division. The transition includes a relocation of 181 employees.

During the month of February, Russia invades Ukraine, and the invasion leads to strong reactions from the outside world and very extensive sanctions against Russia and Russian interests as a result. Energy prices rose, and the stock market was strongly affected. Within the Insurance Groups's unit-linked insurance, there are a few funds that are covered by this situation.

Gamla Liv has decided to transition into valuation according to Solvency II for the entire business during 2022.

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. 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 recurring 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 and is responsible for supporting the Company’s management in complying with certain governance and oversight requirements applicable on group level. 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 considering 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, no material changes have occurred in the system of governance except that one board member 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/sv/investor-relations/rapporter-och-presentationer/arsredovisningar/arsrapport-2021

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 61 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 46, 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

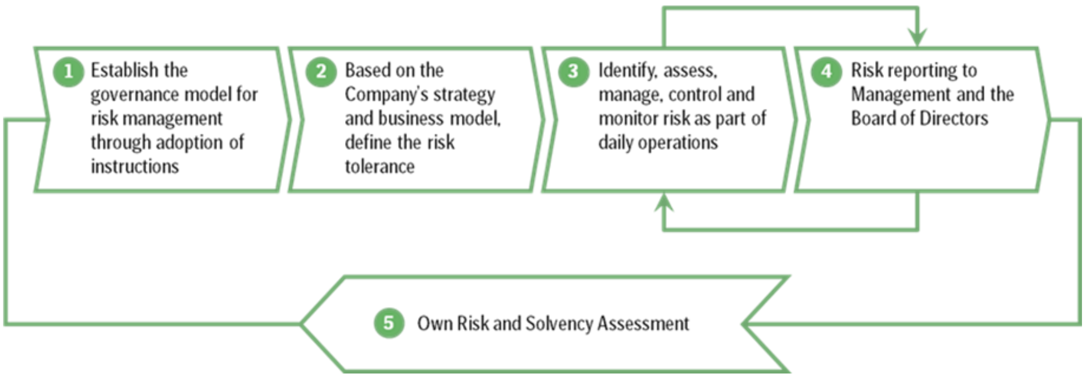
Prior to an employment with the Company, the Company applies a SEB Group-wide regulatory framework for screening. The basic screening, which applies to everyone, includes identity checks, checks on grade sheets and certificate of education, references, credit information, extracts from the register on 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. Further, the Companys control functions are annually performing a review of the system of governance for the Insurance Group, in order to ensure its suitable given the operations of the Insurance Group.

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 considered in the financial plan.

Within each subsidiary there are also defined risk measures per risk category, which are monitored continuously 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).

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, where applicable, 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 sample checks performed by compliance
- Random sample checks performed by internal audit
- Random sample checks 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 minimize duplication.

The subsidiary 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, internal rules on the assessment and classification of outsourcing arrangements as well as the principles for the governance, oversight and documentation of outsourcing. Furthermore, the Instruction establishes a procedure for the approval and follow-up of outsourcing arrangements, including requirements related to risk assessments, service provider due diligence, contractual requirements in outsourcing agreements, follow-up routines and exit strategies.

The Instruction establishes specific requirements when outsourcing to cloud service providers.

According to the Instruction, the subsidiaries in the Insurance Group may not enter into outsourcing arrangements regarding critical or important operational functions 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.

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, Latvia and Lithuania
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 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 section B.7 in the respective solvency and financial condition report of each subsidiary.

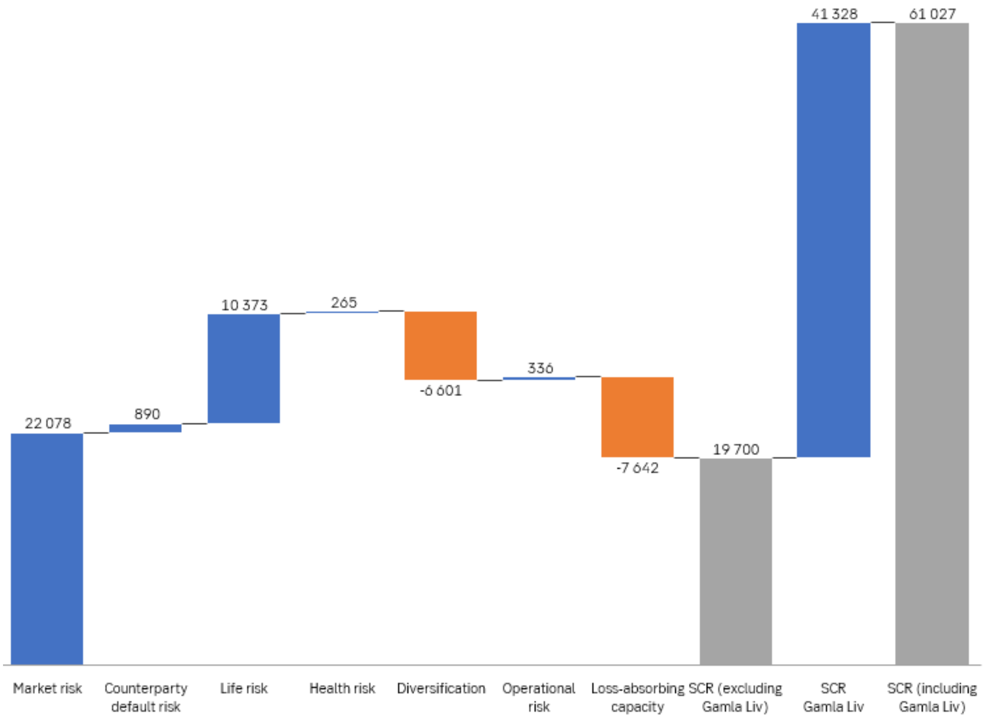
B.8 Any other information

The Insurance Group is assessed to have a mainly well-functioning system of governance at the level of the group.

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 2021



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 regulation.

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 because 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.
- Regular follow-up of expense levels, and initiation of activities to further improve efficiency in the Company's operations.

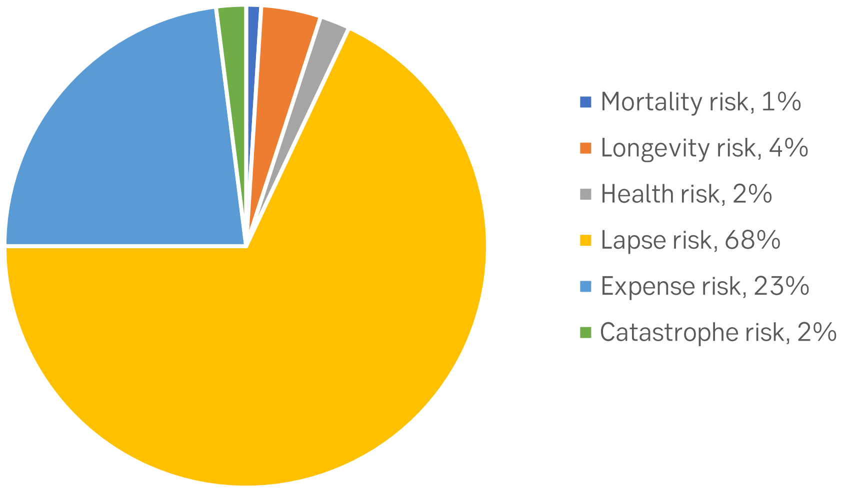
Concentration of risk
The Insurance Group has only limited exposure to concentration of risk in terms of underwriting risk.

Reinsurance
Reinsurance is used at each subsidiary 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 consider 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 2021



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.

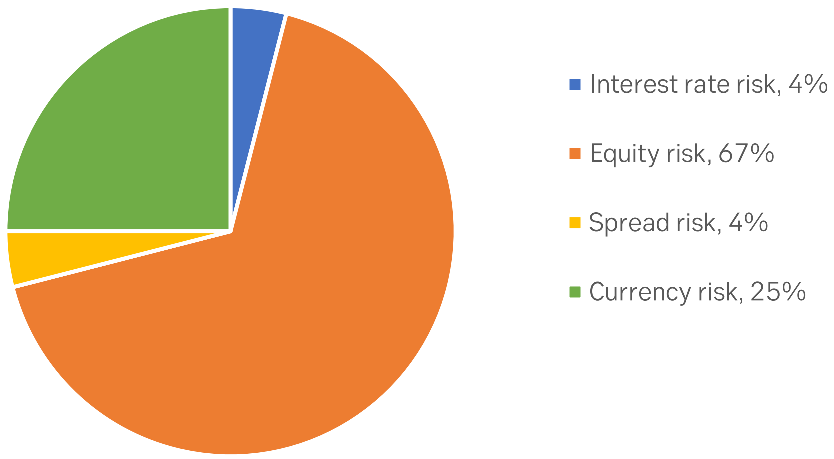
Spread risk arises when investing in investments in instruments such as corporate bonds and mortgage bonds and symbolises the risk premium over the risk-free interest rate.

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 regulation.

Figure C.2 Market risks - Solvency capital requirement per type of risk, 31 December 2021



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 managedThe 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, measured, monitored, controlled 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 are 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 from liabilities. In addition, hypothetical stress tests are performed with assumptions regarding unexpected liabilities outflow and reduced asset disposal rates. Based on this, a liquidity quota can be prepared which is analysed 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 to efficiently 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 and sustainability 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.

Sustainability risks are defined as risks linked to environmental, social and governance related factors, so called ESG factors. Sustainability risk has during recent years increased in relevance, and these risk factors can also have an impact on other risk categories such as financial, business and operational risk.

The main sustainability risk for the Insurance Group is that ESG factors or events that, if materialized, could have a direct or indirect negative impact on the value of an investment. Insufficient standards within the ESG area could also affect the reputation and good standing of the Insurance Group. The Insurance Group continuously ensures that ESG standards are integrated in relevant governance and instructions, and in strategy planning. The policy and processes of the Insurance Group for integration of sustainability risks into the investment decision process are outlined in the investment restrictions of the respective insurance company

Further, work is continuously ongoing to increase access to data in relation to sustainability risk, to enable sufficient management and control of related risks. Prior to a new investments or onboarding of a fund, the insurance companies perform analysis and evaluation as part of the due diligence process to identify material sustainability risks. How ESG related matters have been implemented in the investment process also forms a central part of the evaluation of a potential new fund.

The insurance companies are also introducing sustainability criteria in applicable exclusion lists, and the ongoing work in the sustainability is also coordinated with the SEB Group. The insurance companies are also represented in the SEB Group sustainability committee.

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 regulation 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. The technical provisions have been affected by the fact that as of December 31, 2021, Pension och Försäkring switched to applying Solvency II for the entire business.

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

31 Dec 2021, SEK Million	Solvency	Financial reporting	Difference
Assets	477,377	479,031	-1,654
Technical provisions	-440,469	-458,051	17,582
Other liabilities	-12,210	-12,276	66
Excess of assets over liabilities	**24,698**	**8,703**	**15,994**

D.1 Assets

The valuation principles and the differences between the valuation in IFRS and Solvency II regulation 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 gains and losses. According to Solvency II regulation, goodwill is valued at zero and no value is reported in the solvency balance sheet.

Deferred acquisition cost

Prepaid acquisition costs are the variable costs that are linked to subscribing an investment or insurance contract. According to the financial statements, prepaid acquisition costs are capitalized in the balance sheet and depreciated during the useful life. Prepaid acquisition costs (DAC) are valued to zero in the solvency balance sheet.

Intangible assets

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

Tangible fixed assets

The Company's assumption is that the reporting and valuation of balance sheet items in accordance with IFRS 16 is compatible with the Solvency II regulations' requirements for how assets and liabilities are to be valued. A leasing liability is also reported within Other liabilities.

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, cash and deposits 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 regulation.

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

Assets according to Solvency, SEK million	31-dec-21	31-dec-20	Change
Intangible assets	0	0	0
Deferred tax receivables	4	2	2
Tangible fixed assets held for own use	234	228	6
Investment assets (other than assets held for index and unit-linked contracts) **)	44,456	38,037	6,419
Assets held for index-regulated agreements and unit-linked insurance contracts	423,120	331,863	91,257
Loans and mortgage loans	1	1	0
Receivables under reinsurance contracts	2	33	-31
Insurance claims and receivables from intermediaries	124	171	-47
Reinsurance receivables	7	15	-8
Receivables (accounts receivable, non-insurance)	740	714	26
Cash and cash equivalents	8,485	8,694	-209
Other *)	204	604	-400
Total assets	**477,377**	**380,362**	**97,015**

Total assets increased with SEK 97,015 million during the period and the major part is due to an 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 Assets

Assets per 31 Dec 2021, SEK million	Solvency	Financial reporting	Difference
Goodwill	0	321	-321
Deferred acquisition costs "DAC" *)	0	1,137	-1,137
Intangible assets	0	132	-132
Deferred tax receivables	4	0	3
Tangible fixed assets held for own use	234	234	0
Investment assets (other than assets held for index and unit-linked contracts) **)	44,456	44,456	0
Assets held for index-regulated agreements and unit-linked insurance contracts	423,120	423,120	0
Loans and mortgage loans	1	1	0
Receivables under reinsurance contracts	2	103	-101
Insurance claims and receivables from intermediaries	124	127	-3
Reinsurance receivables	7	7	0
Receivables (accounts receivable, non-insurance)	740	740	0
Cash and cash equivalents	8,485	8,449	36
Other *)	204	204	0
Total assets	**477,377**	**479,031**	**-1,654**

*) For occupational pension DAC is reported at SEK 470 (542) million.

**) 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 2021 SEK million	TP calculated as a whole	Best estimate	Risk margin	TP
Index-/unit-linked	0	402,051	5,003	407,054
With profit participation	0	32,152	204	32,356
Other life	0	-305	88	-217
Health similar to life	0	959	67	1,027
Health similar to non-life	0	208	40	248
Total	**0**	**435,066**	**5,403**	**440,469**

Per 31 Dec 2020 SEK million	TP calculated as a whole	Best estimate	Risk margin	TP
Index-/unit-linked	194,300	133,159	1,255	328,715
With profit participation	16,545	11,102	67	27,715
Other life	35	-333	64	-235
Health similar to life	1,090	58	18	1,166
Health similar to non-life	0	199	42	242
Total	**211,971**	**144,186**	**1,446**	**357,603**

As of 31 December, 2021, Pension & Försäkring applied the Solvency II-rules for all business. Prior, Pension & Försäkring had chosen to use transitional rules for occupational pension, which meant that older rules in accordance with the Insurance Business Act (Solvency I) were used in the valuation of the technical provisions. These were then reported as TP calculated 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 a major part of with profit participation business in Pension & Försäkring, the estimated time value of financial options and guarantees (TVOG) 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.

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.

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 sufficient level of detail should also be continuously assessed.

The difference between valuation methods for financial reporting and Solvency regulation

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. Difference between valuation methods for financial reporting and Solvency regulation

Per 31 dec 2021 SEK million	TP Solvency	TP Financial reporting	Difference
Index-/unit-linked	407,054	423,609	-16,555
With profit participation and other life	32,139	32,929	-790
Health similar to life	1,027	1,175	-148
Health similar to non-life	248	338	-89
Total	**440,469**	**458,051**	**-17,582**

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

SEK million	2021	2020	Difference
Index-/unit-linked	407,054	328,715	78,339
With profit participation and other life	32,139	27,480	4,659
Health similar to life	1,027	1,166	-139
Health similar to non-life	248	242	7
Total	**440,469**	**357,603**	**82,865**

The increase in technical provisions is mainly attributable to positive changes in value of the underlying market assets.

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	-18,1	0,0	-18,1
With profit participation and other life	-57,6	1,8	-59,3
Health similar to life	81,3	100,7	-19,5
Health similar to non-life	-3,2	0,5	-3,7
Total	**2,3**	**103,0**	**-100,6**

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.

D.3 Other liabilities

Other liabilities have been valued in accordance with IFRS and subsequently adjusted according to the requirements in the Solvency II regulation. 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 regulation.

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 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 in Solvency balance sheet during the reporting period

Other liabilities according to Solvency, SEK million	31-dec-21	31-dec-20	Difference
Provisions other than technical provisions	349	208	141
Deferred tax liabilities	255	165	90
Derivatives	5,341	4,976	365
Financial liabilities other than liabilities to credit institutions	550	222	328
Insurance liabilities and liabilities to intermediaries	521	500	21
Reinsurance liabilities	6	3	3
Liabilities (accounts payables, non-insurance)	2,808	3,561	-753
Subordinated liabilities	2,100	2,100	0
Other liabilities	280	218	62
Sum all other liabilities	**12,210**	**11,953**	**257**

The increase in derivatives refers to the company Pension & Försäkring.

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

Table D.3.2 Differences in financial reporting and Solvency II regulation

Other liabilities per 31 Dec 2021, SEK million	Solvency	Financial reporting	Difference
Provisions other than technical provisions	349	688	-339
Deferred tax liabilities	255	0	255
Derivatives	5,341	5,313	28
Financial liabilities other than liabilities to credit institutions	550	550	0
Insurance liabilities and liabilities to intermediaries	521	604	-83
Reinsurance liabilities	6	14	-9
Liabilities (accounts payables, non-insurance)	2,808	2,808	0
Subordinated liabilities	2,100	2,100	0
Other liabilities	280	198	82
Sum other liabilities	**12,210**	**12,276**	**-66**

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 2021, SEK million **Tax effect of revaluations:**	**Financial reporting**	**Revaluation Solvency**	**Solvency**	**Matures**
Technical provisions, net	0	255	255	-
Total deferred tax liabilities	**0**	**255**	**255**	**-**

D.4 Alternative methods for valuation

For 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 2020 ORSA process shows that the Insurance Group is still 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 three different scenarios:

- A baseline scenario with assumptions in line with the Insurance Group's business plan
- Two 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-21	31-dec-20
Basic own funds Tier 1, unrestricted	Share capital	120	120
	Share premium reserve	-	-
	Reconciliation reserve	23,978	5,287
	Other items approved by supervisory authority as basic own funds not specified above	0	4,399
Total basic own funds Tier 1, unrestricted		**24,098**	**9,807**
Basic own funds Tier 1, restricted	Subordinated liabilities	-	-
Basic own funds Tier 2	Subordinated liabilities	2,100	2,100
Basic own funds Tier 3	Deferred tax assets	-	-
Deduction	Included through the settlement and aggregation method	-25	-25
Own funds excluding Gamla Liv	**Available own funds**	**26,173**	**11,882**
Eligible own funds Gamla Liv	Mainly bonus potential to policyholders	41,328	29,858
Total own funds including Gamla Liv	**Available own funds**	**67,501**	**41,740**

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 2020, a change was introduced in the Own Funds in the split of occupational pension, which meant that the capital requirement occupational pension was deducted from Other items. As Pension & Försäkring as of 31 December 2021 has switched to applying Solvency II for the entire business, this item is now zero. The reconciliation reserve is directly available for loss coverage.

Table E.1.1b Specification of the reconciliation reserve's composition

SEK million	31-dec-21	31-dec-20
Equity other than share capital and share premium reserve	8,583	7,490
Foreseeable dividend	-600	-1,000
Difference in valuation of technical provisions	17,582	4,199
Deduct surplus from occupational pension	0	-4,399
Revaluation of other items	-1,588	-1,003
Total	**23,978**	**5,287**

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 26,173 (11,882) million. SEK 24,098 (9,807) million of Own Funds is Tier 1 capital unrestricted and SEK 2,100 (2,100) million is Tier 2 capital.

Table E.1.2 Bridge from equity in the financial statement to available Own Funds

SEK million	31-dec-21	31-dec-20
Shareholders' equity according to the Group's financial reporting	**8,703**	**7,610**
Intangible assets from acquisition of subsidiaries and goodwill are excluded	-453	-426
Deferred acquisition costs are excluded *	-1,137	-782
Technical provisions are valued lower	17,582	4,199
Other provisions are valued lower	339	452
Deferred tax liabilities are valued higher	-255	-165
Reinsurance recoverables are valued lower	-101	-79
Subordinated liabilities are included	2,100	2,100
Foreseeable dividend	-600	-1,000
Other adjustments	-6	-27
Own Funds, excluding Gamla Liv	**26,173**	**11,882**

* Deferred acquisition costs related to the Occupational Pensions Directive are still included by SEK 470 million as at 31 Dec 2021 and at SEK 542 million as at 31 Dec 2020.

The main difference between equity in the financial statements and Own Funds in Solvency regulation is the effect of revaluation of technical provisions. Provisions are lower in Solvency regulation as they are reduced by expected future fees from the existing customers of the individual companies. 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 regulation. 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 2020	**11,882**	**41,739**
Profit after tax according to the Group's financial reporting	2,191	0
Change in valuation differences between solvency regulation and financial reporting	12,798	0
Ordinary share dividend paid to the shareholder	-1,000	0
Group contribution	-94	0
Change in anticipated dividend	400	0
Other (mainly currency revaluation of equity in foreign subsidiaries)	-4	0
Change in the Own funds during the year	**14,291**	25,762
Change of SCR in Gamla Liv which is included in the Insurance group's Own funds during the year	**0**	**11,469**
Own funds 31 December 2021	**26,173**	**67,501**

During the year total Own Funds including Gamla Liv has increased by SEK 25,762 million. The capital related to Gamla Liv increased during the year by SEK 11,469 million due to increased capital requirements within market risk. Own Funds excluding Gamla Liv has increased by SEK 14,291 million during the year. The increase is mainly due to the fact that Pension och Försäkring now applies Solvency II for the entire business.

Own Funds in relation to capital requirements

The Solvency Capital Requirement excluding Gamla Liv amounted to SEK 19,700 (5,315) million at the end of the period, which means that the solvency ratio was 1.33 (2.24). At the same time, the capital requirement including Gamla Liv was SEK 61,027 (35,173) million which gives a ratio of 1.11 (1.19). 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, 2021, the Solvency Capital Requirement of the Insurance Group excluding Gamla Liv amounted to SEK 19,700 (5,315) million and SEK 61,027 (35,173) 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-21	31-dec-20
Market risk	22,078	4,385
Counterparty risk	890	443
Underwriting risk for life insurance	10,373	2,447
Underwriting risk for health insurance	265	156
Diversification	-6,601	-1,697
Primary Solvency Capital Requirement	**27,005**	**5,734**
Operational risks	336	134
Loss absorption capacity of technical provisions	-7,417	-1,456
Loss absorption capacity in deferred taxes	-225	-167
Capital requirements for business carried out in accordance with Article 4 of Directive 2003/41 / EC	0	1,070
Solvency Capital Requirements	**19,700**	**5,315**
Solvency Capital Requirements for Gamla Liv	41,328	29,858
Solvency Capital Requirements including Gamla Liv	**61,027**	**35,173**

As of 31 December 2021, Pension & Försäkring switched to applying the Solvency II-rules for all business. Prior, Pension & Försäkring had chosen to use transitional rules for its occupational pension business, which means that older rules in accordance with the Insurance Business Act (Solvency 1) were used in determining Solvency Capital Requirements. These were then reported as "Capital requirements for business carried out in accordance with Article 4 of Directive 2003/41 / EC". Gamla Liv still apply Solvency I rules for its occupational pension business.

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 19,700 (5,315) 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 5,251 (2,274) excluding Gamla Liv.

Material changes in the Solvency Capital Requirement
The Insurance Group's Solvency Capital Requirement excluding Gamla Liv has increased by SEK 14,385 (356) million, which is mainly due to Pension & Försäkring applying the Solvency II rules to the entire business as of 31 December 2021. The Solvency Capital

Requirement including Gamla Liv increased with SEK 25,854 (- 3,142) million, which in turn refers to increased capital requirement for the market in risk in Gamla Liv.

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 Templates

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

Contents

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	3 737
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	233 525
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	44 455 962
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	40 927
Equities	**R0100**	1 190 872
Equities – listed	**R0110**	0
Equities – unlisted	**R0120**	1 190 872
Bonds	**R0130**	14 756 780
Government Bonds	**R0140**	3 993 361
Corporate Bonds	**R0150**	10 099 985
Structured notes	**R0160**	663 434
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	22 444 751
Derivatives	**R0190**	5 422 632
Deposits other than cash equivalents	**R0200**	600 000
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	423 119 799
Loans and mortgages	**R0230**	774
Loans on policies	**R0240**	774
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	2 342
Non-life and health similar to non-life	**R0280**	-3 214
Non-life excluding health	**R0290**	0
Health similar to non-life	**R0300**	-3 214
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	23 693
Health similar to life	**R0320**	81 252
Life excluding health and index-linked and unit-linked	**R0330**	-57 558
Life index-linked and unit-linked	**R0340**	-18 137
Deposits to cedants	**R0350**	0
Insurance and intermediaries' receivables	**R0360**	124 027
Reinsurance receivables	**R0370**	6 857
Receivables (trade, not insurance)	**R0380**	740 404
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**	8 485 038
Any other assets, not elsewhere shown	**R0420**	204 168
Total assets	**R0500**	**477 376 634**

S.02.01.02 Balance sheet, continue		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	248 325
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**	248 325
Technical provisions calculated as a whole	**R0570**	0
Best Estimate	**R0580**	208 405
Risk margin	**R0590**	39 920
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	33 166 054
Technical provisions - health (similar to life)	**R0610**	1 026 808
Technical provisions calculated as a whole	**R0620**	0
Best Estimate	**R0630**	959 309
Risk margin	**R0640**	67 499
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	32 139 246
Technical provisions calculated as a whole	**R0660**	0
Best Estimate	**R0670**	31 847 159
Risk margin	**R0680**	292 087
Technical provisions – index-linked and unit-linked	**R0690**	407 054 124
Technical provisions calculated as a whole	**R0700**	0
Best Estimate	**R0710**	407 054 124
Risk margin	**R0720**	5 003 031
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	348 650
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	255 359
Derivatives	**R0790**	5 340 791
Debts owed to credit institutions	**R0800**	12 716
Financial liabilities other than debts owed to credit institutions	**R0810**	550 247
Insurance & intermediaries payables	**R0820**	521 030
Reinsurance payables	**R0830**	5 824
Payables (trade, not insurance)	**R0840**	2 808 330
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**	267 277
Total liabilities	**R0900**	**452 678 725**
Excess of assets over liabilities	**R1000**	**24 697 909**

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**	295 629	79 967	375 596
Gross – proportional reinsurance	**R0120**	0	0	0
Gross – non-proportional reinsurance	**R0130**			
Reinsurer's share	**R0140**	0	1 856	1 856
Net	**R0200**	295 629	78 111	373 740
Premiums earned				
Gross – direct business	**R0210**	298 533	82 466	380 999
Gross – proportional reinsurance		0	0	0
Gross – non-proportional reinsurance	**R0230**			
Reinsurer's share	**R0240**	0	1 828	1 828
Net	**R0300**	298 533	80 637	379 170
Claims incurred				
Gross – direct business	**R0310**	193 108	18 332	211 440
Gross – proportional reinsurance	**R0320**	0	0	0
Gross – non-proportional reinsurance	**R0330**			
Reinsurer's share	**R0340**	0	-181	-181
Net	**R0400**	193 108	18 513	211 621
Changes in other technical provisions				
Gross – direct business	**R0410**	0	0	0
Gross – proportional reinsurance	**R0420**	0	0	0
Gross – non-proportional reinsurance	**R0430**			
Reinsurer's share	**R0440**	0	0	0
Net	**R0500**	0	0	0
Expenses incurred	**R0550**	**85 666**	**45 802**	**131 468**
Other expenses	**R1200**			**0**
Total expenses	**R1300**			**131 468**

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**	364 995	4 159 508	37 518 540	361 778					42 104 821
Reinsurer's share	**R1420**	25 398	3 744	4 066	170 204					203 411
Net	**R1500**	339 597	4 155 764	37 214 475	191 574					41 901 410
Premiums earned										
Gross	**R1510**	364 873	4 159 513	37 218 540	361 590					42 104 516
Reinsurer's share	**R1520**	25 398	3 745	4 066	170 208					203 416
Net	**R1600**	339 475	4 155 768	37 214 475	191 383					41 901 100
Claims incurred										
Gross	**R1610**	153 407	1 714 177	27 126 245	117 697					29 111 526
Reinsurer's share	**R1620**	8 019	944	1 927	69 581					80 471
Net	**R1700**	145 388	1 713 234	27 124 318	48 116					29 031 055
Changes in other technical provisions										
Gross	**R1710**	-841	-5 009 818	-38 553 556	-10 692					-43 574 907
Reinsurer's share	**R1720**	0	0	0	58					58
Net	**R1800**	-841	-5 009 818	-38 553 556	-10 750					-43 574 965
Expenses incurred	**R1900**	88 691	192 819	1 862 108	23 159					2 166 776
Other expenses	**R2500**									26 362
Total expenses	**R2600**									2 193 139

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		Estonia	Lithuania	Latvia			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross – direct business	R0110	295 629	19 326	41 531	19 110			375 596
Gross – proportional reinsurance	R0120	0	0	0	0			0
Gross – non-proportional reinsurance	R0130	0	0	0	0			0
Reinsurer's share	R0140	0	458	813	585			1 856
Net	R0200	295 629	18 868	40 718	18 525			373 740
Premiums earned								
Gross – direct business	R0210	298 533	19 300	41 502	21 663			380 999
Gross – proportional reinsurance	R0220	0	0	0	0			0
Gross – non-proportional reinsurance	R0230	0	0	0	0			0
Reinsurer's share	R0240	0	458	818	553			1 828
Net	R0300	298 533	18 842	40 684	21 111			379 170
Claims incurred								
Gross – direct business	R0310	193 107	3 601	10 118	4 613			211 440
Gross – proportional reinsurance	R0320	0	0	0	0			0
Gross – non-proportional reinsurance	R0330	0	0	0	0			0
Reinsurer's share	R0340	0	-238	56	1			-181
Net	R0400	193 108	3 839	10 062	4 611			211 621
Changes in other technical provisions								
Gross – direct business	R0410	0	28	-672	-26			0
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	0			0
Net	R0500	0	27	-672	-26			0
Expenses incurred	R0550	85 666	8 130	23 274	14 397			131 468
225	R1200							0
Total expenses	R1300							131 468

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
		C0220	C0230	C0230	C0230	C0230	C0230	C0280
	R1400		Estland	Finland	Litauen	Lettland	Portugal	
		C0220	C0230	C0230	C0230	C0230	C0230	C0280
Premieinkomst								
Gross	R1410	40 066 723	189 061	876 793	485 056	221 143	172 950	42 011 727
Reinsurer's share	R1420	184 469	5 769	564	9 328	2 973	0	203 103
Net	R1500	39 882 254	183 292	876 229	475 729	281 170	172 950	41 808 624
Intjänade premier								
Gross	R1510	40 066 723	189 292	876 793	484 751	221 143	172 950	42 011 421
Reinsurer's share	R1520	184 469	5 769	564	9 332	2 973	0	203 107
Net	R1600	39 882 254	183 292	876 229	475 419	218 170	172 950	41 808 314
Inträffade skadekostnader								
Gross	R1610	25 954 519	287 646	782 328	313 927	238 801	9 475	27 586 696
Reinsurer's share	R1620	75 920	1 502	0	2 747	302	0	80 471
Net	R1700	25 878 599	286 144	782 328	311 179	238 500	9 475	27 506 225
Ändringar inom övriga avsättningar								
Gross	R1710	-44 904 6332	164 264	1 088 335	-534 018	40 699	50 088	- 44 095 264
Reinsurer's share	R1720	0	0	0	0	58	0	58
Net	R1800	-44 904 632	164 264	1 088 335	-534 018	40 640	50 088	-44 095 322
Expenses incurred	R1900	1 820 349	49 130	87 074	55 070	47 103	2 667	2 061 393
Other expenses	R2500							26 362
Total expenses	R2600							2 087 756

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					
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	23 977 909	23 977 909			
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	0	0			
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	24 900	24 900			
Total of non-available own fund items	R0270					
Total deductions	R0280	24 900	24 900			

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	26 173 009	24 073 009	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	41 327 511	41 327 511	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	41 327 511	41 327 511	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	26 173 009	24 073 009	0	2 100 000	0
Total available own funds to meet the minimum consolidated group SCR	R0530	26 173 009	24 073 009	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**	25 123 111	24 073 009	0	1 050 102	
Consolidated Group SCR	**R0590**	19 699 790				
Minimum consolidated Group SCR	**R0610**	5 250 511				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	**R0630**	1,33				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	4,78				
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**	67 500 520	65 400 520	0	2 100 000	0
SCR for entities included with D&A method	**R0670**	41 327 511				
Group SCR	**R0680**	61 027 301				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	1,11				

Reconciliation reserve		C0060	Tier 1 - unrestricted
Excess of assets over liabilities	**R0700**	24 697 909	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	600 000	
Other basic own fund items	**R0730**	120 000	
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**	23 977 909	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	711 675	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	56 758	
Total Expected profits included in future premiums (EPIFP)	**R0790**	768 434	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	22 078 347	-	
Counterparty default risk	R0020	890 090	-	-
Life underwriting risk	R0030	10 373 148		
Health underwriting risk	R0040	265 200		
Non-life underwriting risk	R0050			
Diversification	R0060	-6 601 366	-	-
Intangible asset risk	R0070		-	-
Basic Solvency Capital Requirement	R0100	27 005 418	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	336 472
Loss-absorbing capacity of technical provisions	R0140	-7 416 803
Loss-absorbing capacity of deferred taxes	R0150	-225 297
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	19 699 790
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	19 699 790
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	9 103 814
Minimum consolidated group solvency capital requirement	R0470	5 250 511
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	41 327 511
Solvency capital requirement	R0570	61 027 301

S.32.01.22 Undertakings in the scope of the group

Country	Identification code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)
C0010	C0020	C0040	C0050	C0060	C0070
Sweden	LEI/5493006M54JZLSHYA349	SEB Life and Pension Holding AB	Insurance holding company as defined in Art. 212.1 section f of Directive 2009/138/EC		Non-mutual
Sweden	LEI/5493007QZK2UFPJ6NV33	Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ)	Composite insurer	Ömsesidiga försäkringsbolag	Mutual
Latvia	LEI/549300EOIPME5OPE8U19	SEB Life and Pension Baltic SE	Composite insurer	Apdrošinašanas akciju sabiedriba	Non-mutual
Sweden	LEI/549300JSCP0FWW1SE044	SEB Pension och Försäkring AB	Composite insurer	Försäkringsaktiebolag	Non-mutual
Ireland	LEI/635400ATDJAWUVSBWM50	SEB LIFE INTERNATIONAL ASSURANCE COMPANY DAC	Life undertakings	Incorporated companies limited by shares or by guarantee or unlimited	Non-mutual
Ireland	LEI/635400UE4GWNAQFWJJ92	Eskimo Holdings ABC Limited	Life undertakings		Non-mutual
Sweden	SC/556022-3447	AB Framtidsvärden	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/LU04480117441	Gamla Liv International Real Estate Fund	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/556375-9603	Fastighetsaktiebolaget Meteor	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/916613-4115	HB Släggan 3	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual

S.32.01.22 Undertakings in the scope of the group, continue

Country	Identification code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)
C0010	C0020	C0040	C0050	C0060	C0070
Sweden	SC/556660-5514	Livfastigheter S-berget Större 14 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/556048-4486	Hiby AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/556881-3736	Livfastigheter Läraren 5 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/556683-9097	Livfastigheter Käpplingeholmen 4 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual
Sweden	SC/556482-4471	Försäkringsgirot Sverige AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		Non-mutual