Solvency and financial condition report 2016

SEB Life and Pension Holding AB

LEI 5493006M54JZLSHYA349

Adopted by the board

on 29 June 2017

Summary

The new Solvency II regulatory framework, which entered into force on 1 January 2016, sets out new requirements for annual qualitative reporting for insurance companies and this report is the first report published by SEB Life and Pension Holding AB (the Company). The Company, along with the subsidiaries, constitutes SEB Life and Pension Holding Group and is in this report referred to as the "Insurance Group".

The 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 2016. Solvency and financial condition report is also prepared separately for each subsidiary of the Insurance Group.

The Insurance Group mainly carries out insurance business in the Nordic and the Baltic countries. Total assets under management were SEK 580 billion at 31 December 2016 and the gross premium income amounted to SEK 35 billion in 2016.

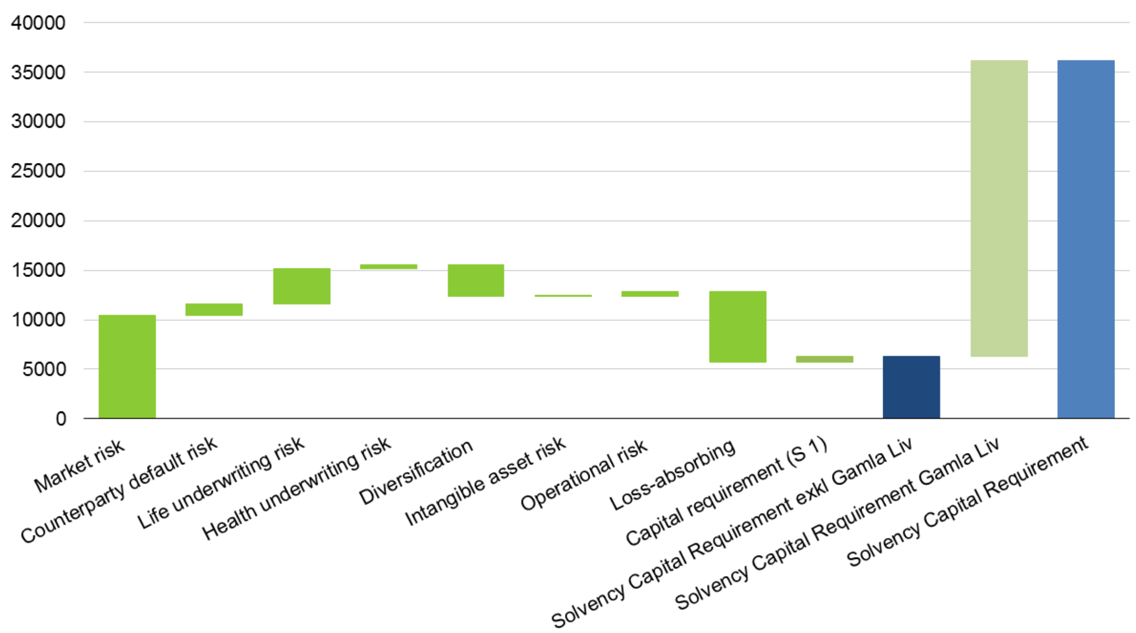
The Insurance Group's business activities give rise to market-, counterparty-, underwriting- and operational risks. The two greatest risks expressed as Solvency Capital Requirement are underwriting risk and market risk. During the autumn, a so-called Own Risk and Solvency Assessment ("ORSA") was carried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

In accordance with transitional rules for Swedish Solvency II legislation, older solvency rules of the Insurance Business Act (Solvency I) are applied to the occupational pension activities in Sweden for the two Swedish companies. The transitional rules are expected to be in place until and including 2019.

The Insurance Group's total own funds at the end of the reporting period amounted to SEK 43 843 million. The Solvency Capital Requirement (SCR) amounted to SEK 36 172 million, giving a quota of 1.21.

The Insurance Group's Solvency Capital Requirement increased by SEK 2,951 million or 8,9 percent during the reporting period.

The table shows the Insurance Group's overall risks (capital requirement) in SEK millions.



Differences in concept of group

There are differences between the group concept of the Solvency Report and the group concept of the Annual Accounts Act, as described below.

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

The solvency reporting includes Gamla Liv and its subsidiaries with the deduction and aggregation method in the calculation of the group-based capital requirement and own funds, while the consolidation method is used for the Group in general.The analysis of the Group's risk profile and solvency position is mainly performed excluding Gamla Liv. Gamla Liv's own funds and Solvency Capital Requirement under Solvency II rules are significant in relation to the other Group's own funds and capital requirements. Gamla Liv is included as shares in subsidiaries in the solvency balance sheet.

The subsidiary SEB Pensionforsikring A/S owns a number of real estate companies and a management company which are consolidated in the Holding and SEB Group according to the financial statements. The group's solvency balance sheet includes the holdings of these companies as shares in subsidiaries.

A Business and performance

A.1 Business

Overview according to the financial statements, 31 December 2016, SEK millions

• Assests under Management (AuM), the Holding Group	402,695
• Assests under Management (AuM) Gamla Liv	176,892
• Premiums gross, the Holding Group	34,609
• Operating profit, the Holding Group	1,975

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

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

The Company has subsidiaries that operate life insurance and unit linked insurance operations in Denmark, 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.
Telephone +46 (0)8 408 980 00

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

The Company's external auditors are PricewaterhouseCoopers AB ("PwC"), 113 97 Stockholm. The auditor appointed is Eva Fällén.

Description of the subsidiaries

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

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

SEB Administration A/S operates administrative activities.

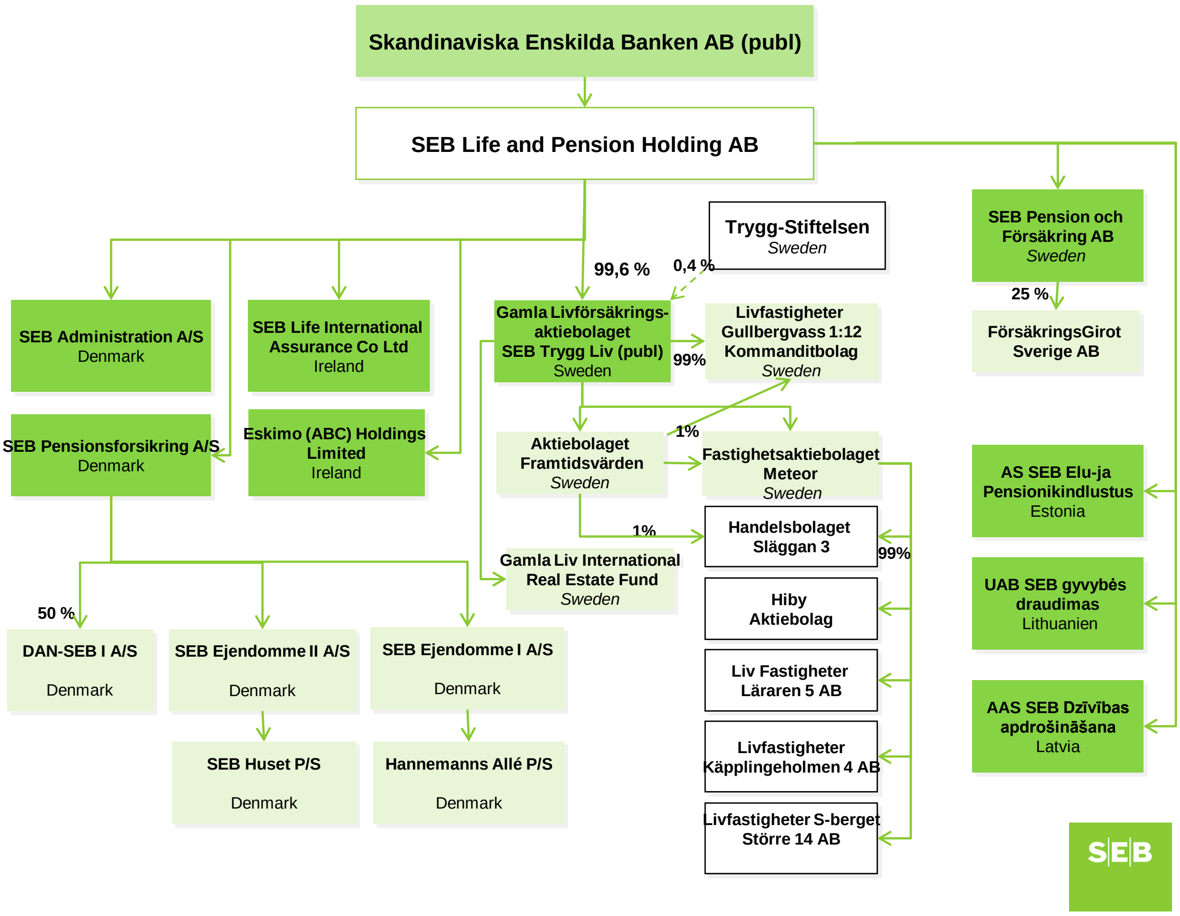
SEB Pensionsforsikring A/S ("SEB Pension Denmark") operates both unit-linked insurance and traditional life insurance activities. The companies in Denmark do pay a dividend and both companies are consolidated in the Holding and SEB Group according to the financial statements, while SEB Administration A / S is reported as a holding in subsidiaries on the solvency balance sheet.

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") does not operative any activities.

The three Baltic subsidiaries *AS SEB Elu-ja Pensionikindlustus ("SEB Life, Estonia"), AAS SEB Dzīvības apdrošināšana ("SEB Life, Latvia"), and UAB SEB gyvybės draudimas ("SEB Life, Lithuania")* operate unit-linked insurance. The subsidiaries SEB Life Estonia and SEB Life Latvia operate both traditional life insurance activities and they pay a dividend.

The Company has *a branch* SEB Life and Pension Holding AB Riga Branch ("Riga Branch") in Latvia tasked with co-ordinating activities in the Baltic countries.

Image A.1.2 Group structure 2016-12-31



Intra-group transactions

Pension & Försäkring and Gamla Liv have an agreement, which means that Pension & Försäkring is mandated to carry out Gamla Liv's insurance administration. The compensation is paid at a market rate and for 2016 it amounted to SEK 125 million.

During the year, intercompany receivables and liabilities arise between the Swedish companies due to payment flows for premium and claims payments on behalf of other group companies. The amount for these internal items totalled SEK 70 million as at 31 December.

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

The Company has given a subordinated loan to SEB Pension Denmark and the receivable amount was SEK 1233 million at 31 December. The interest rate is set twice a year and interest receivables were SEK 37 million at year-end.

During the reporting period, Pension & Försäkring provided SEK 950 million, SEB Pension Danmark SEK 643 million and Life International SEK 124 million in dividend to the Company. Pension & Försäkring had at year-end a group contribution debt of SEK 236 million to the Company.

Business segments and geographical areas

The Company is tasked with streamlining capital supply and co-ordinating life insurance business within the SEB Group. The Company's business mainly consist of the management of shares in subsidiaries.

The Insurance Group provides insurance and asset management solutions for companies, individuals and institutions, primarily 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 expence 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 capital insurance, custody insurance, private pension insurance, occupational pension insurance, health insurance, group life insurance and health insurance. With a new range of traditional life insurance in Sweden, a wide range of products is offered.

Gamla Liv (Sweden)

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

SEB Pension Danmark (Denmark)

SEB Pension Danmark offers pension products and risk insurance, classified as life insurance products, to private individuals and companies in Denmark. The business is divided into the following business areas:

- Insurance with bonus entitlement
- Unit-linked insurance and index insurance
- Other life insurance
- Health insurance

Life International (Irland)

Life International is based in Ireland with branches in the United Kingdom and Luxembourg and operates throughout Europe.

Life International primarily offers life insurance products with a single premium whereby customers have the flexibility to manage their own individualided unit-linked fund.

From a Solvency II perspective, all products are classified as "Unit-linked Insurance and Index Insurance".

SEB Life Estonia

SEB Life Estonia offers insurance solutions on the Estonian market in risk insurance, unit linked insurance and life insurance with guarantees. The customers are mainly private individuals.

Offered products include products for loan protection, term life, pension’s produts and annuities.

SEB Life Latvia

SEB Life Latvia offers insurance solutions on the Latvian market in risk insurance, life insurance with guarantees and unit linked insurance

Offered products include guaranteed and fund-linked capital insurance, life and accident insurance for private and corporate customers and loan protection and annuity product for private customers. Most of the sales concern life insurance with guarantees.

SEB Life Lithuania

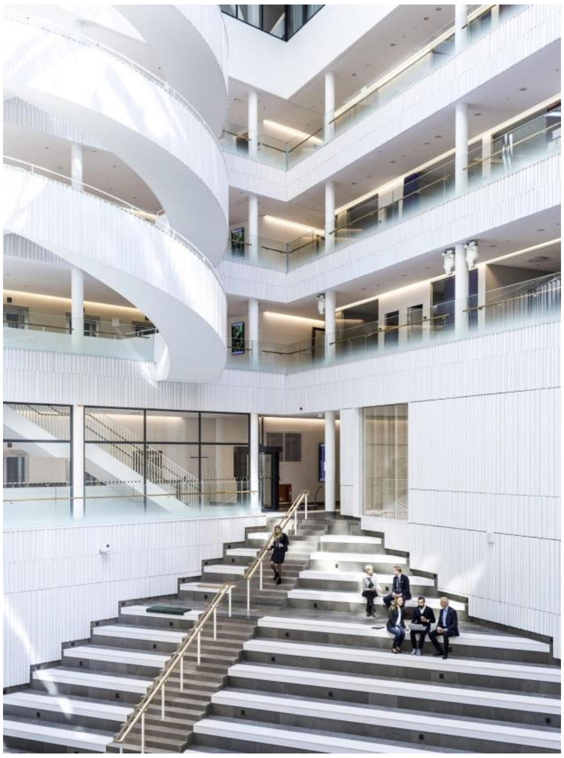
SEB Life Lithuania offers insurance solutions on the Lithuanian market in risk and unit linked insurance as well as traditional life insurance and health insurance. The traditional life insurance portfolio is closed for new subscription. Customers include private individuals, companies and organisations.

The products offered include pension insurance, unit-linked insurance, annuity insurance, capital insurance, risk protection products for children, loan protection products, life insurance products and health insurance solutions. Sales focus is on unit linked insurance.

Significant events during the reporting period

SEB introduced its new customer-focused organisation on 1 January 2016. The new division Life & Investment Management comprises the former Life division as well as the Investment Management business which was previously part of Capital Management. There was no change in the legal structure.

During 2015, Pension & Försäkring started offering its customers traditional insurance as a form of savings for new subscriptions to capital insurances and since March 2016, customers can also choose traditional insurance for their occupational pension. During the year the market share has grown in the total market, measured as new subscriptions, and the total market share increased to 9.3 (8.3) percent thanks to an attractive and wide pension and insurance offer.



A.2 Underwriting performance

Table A.2.1

MSEK	31 Dec 2016	31 Dec 2015	Change %
AuM	402 695	370 040	9
Income investments contracts	3 234	3 367	-4
Income insurance contracts	1 621	1 270	28
Other Income	213	213	0
Distribution expenses net of DAC	-953	- 906	5
Operating expenses	-2 140	-1 824	17
Operating profit	1 975	2 120	-7

Operating profit, excluding Gamla Liv, according to the financial reporting was 7 per cent lower than for the previous year and this is primarily due to an impairment of goodwill during the reporting period. Revenue from insurance contracts increased by 28 percent and it is risk insurance in Sweden which accounts for the largest increase. Revenue from investment contracts were slightly lower mainly due to the negative growth on the financial markets during the first half of 2016.

Tables A.2.2 and A.2.3 shows the Insurance Group's (excluding Gamla Liv) premium revenue and expenses per business area and gross premiums per country.

Table A.2.2 Premiums gross per country

SEK millions	2016	%
Sweden	18,872	54.5
Denmark	11,580	33.5
Finland	1,681	4.9
Italy	602	1.7
Latvia	515	1.5
Lithuania	346	1.0
Estonia	201	0.6
Other countries	812	2.3
Total	34,609	100

Table A.2.2 Premiums and expenses per business area

	Life insurance				Accident insurance		
SEK millions	Health insurance	Insurance with bonus entitlement	Unit-linked insurance	Other life insurance	Health insurance	Income protection insurance	Total
Premiums	641	6,758	26,646	229	308	27	34,609
Expenses	-649	-5,805	-25,814	-282	-262	-10	-32,821

A.3 Investment performance

The Insurance Group's total assets under management amounted to SEK 580 (544) billion (including Gamla Liv and unit-linked insurance capital) as of 31 December 2016, an increase of 7 percent compared with the same period last year.

The Insurance Group's (including Gamla Liv) total investment results are shown per asset class in Table A.3.1. The greatest return is attributable to equity exposure primarily in Sweden and Denmark and fund units in Sweden. The largest negative return came from currency hedges.

Table A.3.1 Investment performance

Asset class, SEK million	2016
Equities	11,454
Fund units	7,973
Properties	3,938
Corporate bonds	3,836
Cash and deposits	1,461
Mortgage bonds	1,308
Government bonds	1,046
Structured securities	130
Secured securities	96
Derivatives	-3,140
Total	28,102

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

Investments in securitization

Investments in instruments that are characterized as securitization only occur to a limited extent within the Insurance Group. These investments are made within the Danish subsidiary SEB Pension Danmark. The scope of this exposure is defined in SEB Pension Denmark's investment policy. The current exposure includes instruments with different ratings - from AAA to positions that lack ratings (equity). SEB Pension Denmark does not invest directly in securitized credit structures but has exposure through external managers. Routines for managing risks associated with this kind of instrument are described in the subsidiary's investment policy.

A.4 Performance of other activities

Other tangible income and expenses during the reporting period mainly relate to assignments between Pension & Försäkring and Gamla Liv. For the reporting period, the compensation was SEK 125 (125) million.

All leases within the Insurance Group refer to operational leasing. Life International, SEB Life Latvia and SEB Life Lithuanien have a lease for their offices in each country.

A.5 Other information

In accordance with transitional rules for Swedish Solvency II legislation, older provisions of the solvency rules of the Insurance Business Act (Solvency I) are applied to the occupational pension activities in Sweden for the two Swedish companies. The transitional rules are expected to be in place until and including 2019.

B System of governance

B.1 General information on system of governance

The Company's administrative and management structures

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 as well as a deputy. The Board has appointed a Managing Director to handle the daily running of the Company. In order to clarify the Managing Director's duties in relation to the Board, the Board has adopted an Instruction regarding the Managing Director which indicates the duties of the Managing Director.

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

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

Key functions

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

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

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

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

Company principles and practice regarding remuneration

The Instruction regarding remuneration, etc.

The Company's Board has adopted an Instruction regarding remuneration that sets out the Company's principles for employee remuneration

The Company's remuneration structure consists of three main components:

- basic salary
- variable remuneration, as well as
- pension and other benefits.

The Company applies a remuneration policy that means that an employee's total remuneration level should be a combination of the above-mentioned components and be a reflection of the employee's position and performance. The remuneration package is structured in different ways for different categories of employees in order to create the best balance taking into account the interests of customers, those entitled to remuneration and shareholders.

The total remuneration should reflect the complexity, responsibility and leadership skills required for the job, as well as the employee performance and the current salary level in the market. Fixed remuneration shall primarily reflect relevant professional experience and position according to the employee's job description and employment contract. The fixed salary will furthermore constitute a sufficiently high proportion of total remuneration in order to enable flexible models for variable remuneration including models where the variable remuneration is not paid. However, in order to achieve sound and efficient risk management and not to encourage excessive risk taking, the Company is restrictive with variable remuneration. For the great majority of the Company's employees, variable remuneration is only done through the collective profit sharing program (SEB Resultatandel 2016) which employees are included in.

SEB Resultatandel 2016 is a profit sharing program for all employees in the SEB Group and is managed by the Company's ultimate owner Skandinaviska Enskilda Banken AB (publ). 50 percent of the dividend is paid in cash and 50 percent is postponed for three years and is paid in the form of SEB A shares. The shares will normally be lost if the employment expires during the three-year period. The individual maximum allocation in the programme is limited to SEK 75,000 and the outcome is based on how the predetermined financial targets (i) return on equity and (ii) cost development and non-financial target (iii) customer satisfaction have been met at group level. The outcome is conditional on a dividend being proposed for the shareholders of Skandinaviska Enskilda Banken AB (publ) for 2016 at the Annual General Meeting in 2017. Should the total outcome under the programme be below a level equivalent to approximately 20 percent of the maximum outcome, the entire outcome can be paid in cash without any part being postponed.

SEB Share Programme 2016 is a programme for the Managing Director, certain other senior executives and a group of other key persons within the Insurance Group. Participants are allocated an individually determined number of conditional share rights, based on the fulfilment of predefined objectives at group, unit and individual levels according to SEB's business plan. Objectives are set annually and consist of the financial target return on equity/return on allocated capital, cost targets as well as objectives such as customer satisfaction and parameters such as compliance, employee involvement, SEB's sustainability work and risk according to SEB's business plan. For the Managing Director, the initial allocation shall not exceed 100 percent of the fixed salary. For the Managing Director and other senior executives, ownership for 50 percent of the shares is transferred after three years, 50 percent after five years. For other participants, ownership of shares will be transferred after three years. After the end of each qualifying period, the restriction of the right of disposal remains for another year after which the rights of shares can be redeemed over a three-year period. Each share right entitles the participant to acquire one A share in SEB. A prerequisite for the participant to acquire share rights is that the participant remains within the SEB Group during the first three years of the programme. An additional prerequisite for final outcome is that the participant owns shares in SEB at a predetermined amount, for the Managing Director corresponding to a net annual salary. The shares shall be acquired no later than during the initial three-year qualification period.

The Board

In 2016, the Board members received neither fees nor pension contributions for their work on the Board.

The Managing Director

The Managing Director participates in SEB's long-term equity-based incentive programme. The Managing Director has a defined contribution pension plan, with the exception of a share which is a defined benefit plan under the collective agreement service pension (BTP2), which includes employees who started before 1 May 2013. Pensionable salary mainly consists of fixed salary. The retirement age is 65. In the event that the Company terminates the Managing Director, severance pay of 12 months' salary will be paid.

Senior executives

The variable salary for senior executives in the Company is made up of the long-term equity-based incentive programmes and the overall profit sharing within SEB, which covers all employees, with a maximum amount of SEK 75 000 per person per year.

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 management, supervisory 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

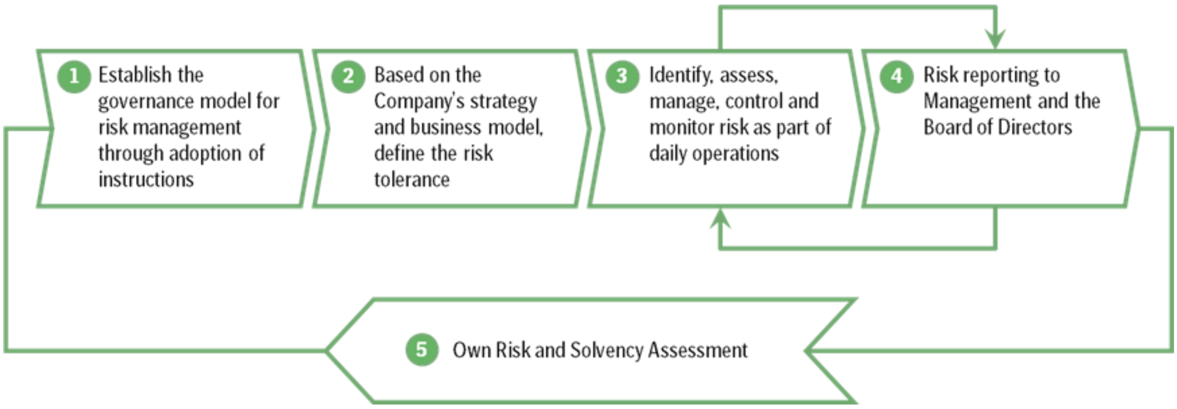
Prior to an employment with the Company, the Company applies a SEB group-wide regulatory framework for screening. The basic screening, which applies to everyone, includes identity checks, checks on grade sheets and certificate of education, references, credit information, extracts from the register on 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



Governance model for Risk Management

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

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

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

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

Risktolerance and solvency need

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

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

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

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

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

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

Risk management principles

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

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

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

Operational risks are managed primarily through a clearly distributed responsibility for processes, internal controls and well-functioning system support. There are also procedures for crisis management, business continuity planning, incident reporting and quality routines for the introduction of new products and processes.

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 an 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 systems

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.

<u>Control Environment</u>

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.

<u>Risk Assessment</u>

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.

<u>Control Activities</u>

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.

<u>Information and communication</u>

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.

<u>Monitoring of control effectiveness - within each subsidiary</u>

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

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

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

<u>Monitoring of control effectiveness - from the perspective of the Group</u>

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

The Compliance Function

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

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

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

The main tasks of the Compliance Function are:

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

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

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

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

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

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

B.5 Internal Audit Function

The Company's Internal Audit function is provided by Pension & Försäkring.

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

B.6 Actuarial function

The Company has no actuarial function. Acturial competence and coordination is, 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 on outsourcing. The instruction specifies the conditions under which such arrangements may be made and how the process of outsourcing the business is to be carried out. The instruction states that critical or important operational functions should not be outsourced if it leads to:

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

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

It follows from the instruction that the subsidiaries of the Insurance Group should implement the requirements that follow from the instruction.

Material group-internal outsourcing

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

Table B.7.1

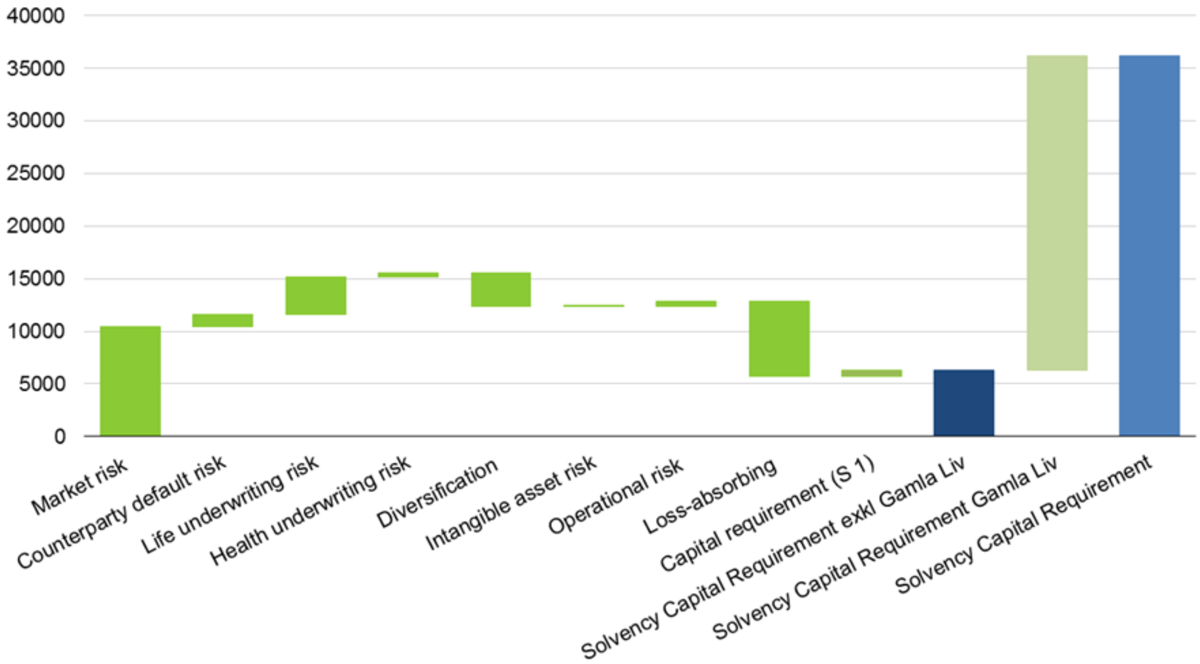
Description	Country
Asset Management and Administration	Sweden
Services to prevent money laundering and terrorist financing	Sweden and Latvia
IT services mainly include application management services, network and internet services, workplace-related services, support services, management and operation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

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

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

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 underwriting risk and market risk, which is shown by the diagram below.



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, aapropriate 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 are continuously monitored. Each subsidiary has defined risk tolerance levels for these risks and the limits established are monitored by the each subsidiary.

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

Mortality risk

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

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

Longevity risk

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

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

Health/disability risk

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

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

Lapse and expense risk

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

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

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

- The insurance premium shall be set to cover future expected costs and expenses of the insurance contract.
- A product profitability analysis, including sensitivity analysis, shall be performed and compiled on a regular basis.

- Previously paid commission shall, as far as possible, be recovered in the event of premium lapses or similar.
- Regular follow-up of expense levels, and initiation of activities to further improve efficiency in the Company's operations.

Concentration of risk

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

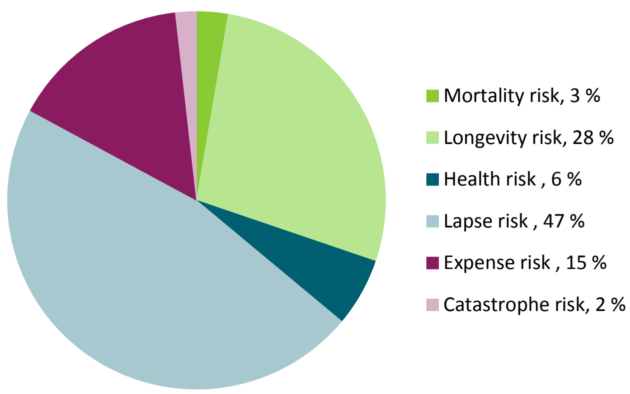
Reinsurance

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

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

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

Underwriting risks – Solvency Capital requirement per typ of risk



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.

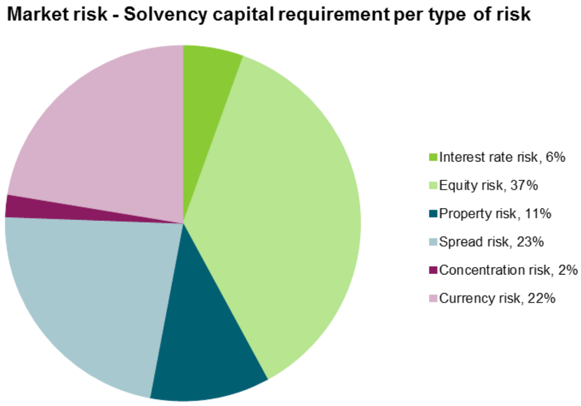
The Insurance Group is exposed to interest rate risk through the risk that the market value of assets carrying interest will decrease as interest rates rise. Interest rate risk increases with the maturity of the asset. Furthermore, there is a risk of interest rate exposure linked to the policyholders 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 currecy. 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 calculates the exposure of market risks according to the Solvency Capital Requirements of the standard formula under Solvency II.



Prudent person principle

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

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

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

Material risk concentrations relating to market risk

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

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

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

Risk reduction in terms of market risk

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

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

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

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

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, as well as settlement risk associated with temporary exposures in securities trading.

The Insurance Group's issuer risk is governed by rating-based limit models implemented within each subsidiary.

The settlement risk is handled by requiring collateral from counterparties for all unrealised gains from the repo and derivatives markets. Correspondingly, collateral is provided for unrealised commitments. Collateral management is governed by standard agreements.

The Insurance Group's exposure to counterparty risk amounts to seven percent of the total Solvency Capital Requirement.

Information on the credit quality of bonds and other interest-bearing securities is described in the solvency and financial condition reports for each subsidiary.

C.4 Liquidity risk

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

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

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

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

C.5 Operational risks

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

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

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

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

C.6 Other material risks

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

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

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

C.7 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 key IT incidents and malfunctions.

D Valuations for Solvency purposes

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

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

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

D.1 Assets

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

Goodwill

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

Deferred acquisition cost

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

Intangible assets

Intangible assets are reported at amortised cost less accumulated amortisation and impairment losses according to the financial statements. Under Solvency II, intangible assets from subsidiary acquisition are valued at zero. Other intangible assets relate to capitalised development costs and are valued in accordance with the financial statements.

Assets held for unit-linked and deposit insurance contracts

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

Investment assets

Financial instruments

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

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

For assets where there is no active market, different valuation techniques are used to estimate a fair value at the point of valuation that is deemed to correspond to the price at which a transaction between competent, independent parties can be implemented. Assets not traded on an active market are Private Equity and hedge funds and 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 forecaster with discounted cash-flow based on reliable estimates of future cash-flow are used for valuation.

Receivables under reinsurance contracts

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

Cash and cash equivalents are estimated at fair value.

Table D.1.1 shows the various asset classes and differences in the solvency and financial statements of the Insurance Group excluding Gamla Liv.

Table D.1.1

Assets, SEK millions	Solvency	Financial Reporting	Difference
Goodwill	-	321	-321
Deferred acquisition costs “DAC” *)	-	4,023	-4,023
Intangible assets	51	206	-155
Deferred tax receivables	20	14	6
Tangible fixed assets held for own use	4	4	0
Investment assets (other than assets held for index and unit-linked contracts) **)	141,156	140,790	366
Assets held for index-regulated agreements and unit-linked insurance contracts	318,884	318,884	0
Loans and mortgage loans	3,833	3,833	0
Receivables under reinsurance contracts	516	539	-22
Insurance claims and receivables from intermediaries	225	225	0
Reinsurance receivables	6	6	0
Receivables (accounts receivable, non-insurance)	180	180	0
Cash and cash equivalents	7,020	7,019	0
Other	2,423	477	1,946
Sum assets	474,319	476,521	-2,202

*) For occupational pension, valued according to Solvency I for the Swedish companies, DAC is reported at SEK 1 947 million under Other. For other business at SEK 2 076 million, DAC is valued at zero in the solvency balance sheet.
**) The difference of SEK 366m 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 excluding Gamla Liv broken down by lines of busines (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 As per 31 December 2016, SEK millions	TP calculated as a whole	Best estimate	Risk margin	TP
Index-/unit-linked	182,769	130,717	962	314,448
With profit participation	8,733	66,451	230	75,414
Other life	20	1,747	78	1,845
Health similar to life	1,198	4,000	174	5,371
Health similar to non-life	0	291	37	329
Total	192,719	203,206	1,481	397,407

For occupational pension, Pension & Försäkring has used the option to continue with Solvency I rules for valuation of technical provisions. Occupational pension is reported as TP as a whole. In SEB Pension Denmark and in SEB Life, Lithuania the asset values of the policyholders' fund units within unit-linked is reported as TP as a whole.

The best estimate corresponds to the probability weighted average of future cash-flows, taking account of the time value of money. All valuation of best estimate is based on mark to model techniques. as there are no clear market values.

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

When calculating the risk margin, subsidiaries in the Insurance Group have used a simplified method in accordance with the Solvency 2 regulatory framework. As the man method, the Solvency Capital Requirement is calculated approximately for each future year by multiplying the initial Solvency Capital Requirement with the ratio between the best estimate for the coming years and the initial best estimate while other methods have been used for some line of businesses where different types of risk factors have been used to calculate the Solvency Capital Requirement for coming years. When calculating the Solvency Capital Requirement for risk margin purposes, the market risk and counterparty risk (except for reinsurance) have been excluded, except for Life International, which included also the later.

The most important assumptions that influence the valuation of technical provisions are discount rates, lapse rates, 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, accuratt 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 a large number of different assumptions about parameters, which generally is derived from historical data. These assumptions contain uncertainties that may have a non-significant deviation from future outcomes.

In particular, there is uncertainty in:

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

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

Table D.2.2.

Technical provisions as per 31 December 2016 SEK millions	TP Solvency	TP Financial reporting	Difference
Index-/unit-linked	314,448	318,456	-4,009
With profit participation and other life	77,259	79,550	-2,291
Health similar to life	5,371	5,247	125
Health similar to non-life	329	345	-17
Total	397,407	403,598	-6,192

The difference between valuation methods for financial reporting and Solvency

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

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 in accordance with Article 77b 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.

The Insurance Group uses volatility adjustments in accordance with Article 77d of Solvency II Directive 2009/138/EC as this is applied at SEB Pension Danmark. If no volatility adjustment was used, FTA would be SEK 116 million higher.

Valuation of reinsurance recoverables under reinsurance contracts

Tables D.2.3. shows reinsurance recoverables (RR) separately for each line of business..

Table D.2.3

SEK millions	RR Solvency	RR Financial reporting	Difference
Index-/unit-linked	-15.5	9.5	-25.0
With profit participation and other life	53.0	339.5	-286.5
Health similar to life	478.6	189.3	289.3
Health similar to non-life	0.2	0.4	-0.2
Total	516.3	538.8	-22.4

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

D.3 Other liabilities

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

Deferred tax liabilities

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

Derivatives

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

Subordinated liabilities

Subordinated liabilities are subordinated loan from third parties and valued at nominal value.

All 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.

Table D.3.1 shows the difference between financial reporting and Solvency for other liabilities for the Insurance Group excluding Gamla Liv.

Table D.3.1

Other liabilities, SEK million	Solvency	Financial Reporting	Difference
Provisions other than technical provisions	128	790	-662
Deferred tax liabilities	890	223	667
Derivatives	42,704	42,338	366
Financial liabilities other than liabilities to credit institutions	311	311	0
Insurance liabilities and liabilities to intermediaries	226	226	0
Reinsurance liabilities	377	377	0
Liabilities (accounts payables, non-insurance)	10,162	10,162	0
Subordinated liabilities	2,575	2,575	0
Other liabilities not shown elsewhere	5,630	5,630	0
Sum all other liabilities	63,004	62,633	371

The difference in deferred tax is explained by the fact that the technical provisions for risk area are lower according to Solvency. A provision is therefore made to deferred tax for the difference.

The difference in other provisions refers to capitalised contributions in the Irish insurance subsidiary which are excluded from the solvency balance sheet.

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

D.4 Alternative valuation methods

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

D.5 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 2016 ORSA process shows that the Insurance Group is financially strong and well capitalised in relation to its risk exposure and capital requirements. This conclusion is based on the analysis of the Insurance Group’s risk profile and forward-looking financial forecasts for the Solvency Position of the Insurance Group in four different scenarios:

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

Own funds components and levels (Tiers)

Table E.1.1 shows the bridge from equity in the financial statement (IFRS) to available own funds in accordance with the solvency rules

Table E.1.1

SEK millions	31 Dec 2016	1 Dec 2016
Equity according to the Group’s financial reporting	10 129	10 388
Intangible assets from acquisition of subsidiaries and goodwill are excluded	– 476	– 782
Deferred acquisition costs are excluded *	– 2 076	– 2 360
Net technical provisions are valued lower	+6 169	+6 033
Subordinated liabilities are included	+2 575	+2 575
Foreseeable dividend	– 2 500	– 1 800
Other adjustments	+162	+339
Own funds according to the solvency rules, excluding Gamla Liv	13 983	14 393

* Deferred acquisition costs related to the Occupational Pensions Directive are still included by SEK 1 947 million as at 31 Dec 2016 and at SEK 1 890 million as at 1 Jan 2016.

The main difference between equity in the financial statements and the own funds in Solvency reporting is the effect of revaluation of technical provisions. Provisions are lower in solvency reporting as they are reduced by expected fees in the future premiums from existing customers. Other major differences are that deferred acquisition costs and 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.1.2 shows the available own funds breakdown into tiers under the solvency II rules.

Table E.1.2

Tier, SEK millions	Own funds item	31 Dec 2016	1 Jan 2016
Basic own funds Tier 1, unrestricted	Share capital	120	120
	Share premium reserve	24	24
	Reconciliation reserve	11 261	11 662
Basic own funds Tier 1, restricted	Subordinated liabilities	2 575	2 575
Basic own funds Tier 3	Deferred tax assets	4	11
Own funds excluding Gamla Liv	Available own funds	13 983	14 393
Eligible own funds Gamla Liv	Mainly bonus potential to policyholders	29 860	27 019
Total own funds including Gamla Liv	Available own funds	43 843	41 411

The Insurance Group's own funds consist of the share capital, share premium reserve and retained earnings (reconciliation reserve) Tier 1, subordinated liabilities (subordinated loan) Tier 1 restricted and deferred tax assets Tier 3. No capital items are dealt with in accordance with the transitional rules.

The reconciliation reserve is directly available for loss coverage. The subordinated liabilities of Tier 1 with restricted refer to subordinated loans that the Company has received from its owner Skandinaviska Enskilda Banken AB (publ).

Gamla Liv is owned at 99.6% but is operated under mutualal principles where no profit distribution to shareholders is allowed but all surpluses are attributed to the policyholders. Therefore Gamla Liv is 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 capital base 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 capital base. If the capital base 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 13 983 million. SEK 11 404 million of own funds is Tier 1 capital, unrestricted. SEK 2 575 million is Tier 1 capital with restrictions and SEK 4 million is Tier 3 capital. During the year, own funds excluding Gamla Liv decreased by SEK 410 million. SEK 1 800 million has been paid in dividend to the shareholder which equals reported foreseeable dividend in the solvency reporting day 1 2016. At the end of 2016, the foreseeable dividend has reduced the own funds by SEK 2 500 million. Group contributions from the owner have been received at SEK 91 million and in addition to this, profit for the year and minor currency translation effects (translation of equity in foreign subsidiaries to Swedish kronor) have increased own funds by SEK 1 999 million. The capital that may be included for Gamla Liv increased during the year by SEK 2 841 million due to increased capital requirements for this company. The total own funds including Gamla Liv has therefore increased by SEK 2 432 million during the year.

Own funds in relation to capital requirements

The Solvency Capital Requirement excluding Gamla Liv amounted to SEK 6 312 million at the end of the period, which means that the solvency ratio was 2.22. At the same time, the requirement including Gamla Liv was SEK 36 172 million which gives a ratio of 1.21. Corresponding ratios at the beginning of the year were 2.32 and 1.25 respectively. 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 2016, the Solvency Capital Requirement of the Insurance Group excluding Gamla Liv amounted to SEK 6,312 million and SEK 36,172 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:

Table E.2.1

SEK millions	31 Dec 2016
Market risk	10,407
Counterparty risk	1,178
Underwriting risk for life insurance	3,585
Underwriting risk for health insurance	431
Underwriting risk for accident insurance	-
Diversification	-3,236
Intangible asset risk	10
Primary Solvency Capital Requirement	12,376
Operational risks	451
Loss absorption capacity of technical provisions	-6,884
Loss absorption capacity in deferred taxes	-257
Capital requirements for business carried out in accordance with Article 4 of Directive 2003/41 / EC	626
Solvency Capital Requirements	6,312
Solvency Capital Requirements for Gamla Liv	29,860
Solvency Capital Requirements including Gamla Liv	36,172

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

The Insurance Group uses a combination of the consolidation method (Method 1 under Articles 230-232 of the Solvency 2 Directive) and the aggregation and settlement method (Method 2 under Article 233 of Solvency 2 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 6 312 million.

Standard formula and the use of simplifications

The calculation of the Solvency Capital Requirement for the Insurance Group uses the standard formula for all risk modules.

Simplified calculations of the standard formula are used to a limited extent in the risk modules counterparty risk, life insurance risk and health insurance risk.

Minimum Capital Requirements

Minimum Capital Requirements are only calculated at the subsidiary level and not at the group level, but for information it may be mentioned that the Solvency Capital Requirement for the Insurance Group exceeds the sum of the Minimum Capital Requirements of the subsidiaries (SEK 2 646 million).

Material changes in the Solvency Capital Requirement

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

The Insurance Group's Solvency Capital Requirement excluding Gamla has increased by SEK 110 million or 1.8 per cent. The Solvency Capital Requirement including Gamla Liv has increased by SEK 2,951 million or 8.9 percent. The increase for Gamla Liv is almost exclusively attributable to increased Solvency Capital Requirements for market risk

Table E.2.2

SEK millions	31 Dec 2016	1 Jan 2016	Change	Change %
Solvency Capital Requirements	6,312	6,202	110	1.8%
Solvency Capital Requirements for Gamla Liv	29,860	27,019	2,841	10.5%
Solvency Capital Requirements including Gamla Liv	36,172	33,220	2,951	8.9%

E.3 Use of the sub-group for duration-based equity risk when calculating 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 internal models used

SEB Pension Danmark uses a partially internal model for longevity risk. However, no account has been taken of this in the Insurance Group but all capital requirements are calculated according to the standard formula.

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

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

E.6 Other information

The Insurance Group does not use any company-specific parameters.

Appendix 1 Templates

All amounts in SEK thousands.

S.02.01.02
Balance sheet

		Solvency II value
Assets		C0010
Intangible assets	R0030	51 252
Deferred tax assets	R0040	19 833
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	4 175
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	141 155 736
Property (other than for own use)	R0080	747 170
Holdings in related undertakings, including participations	R0090	2 000 436
Equities	R0100	11 740 508
Equities - listed	R0110	2 369 872
Equities - unlisted	R0120	9 370 635
Bonds	R0130	56 974 958
Government Bonds	R0140	10 508 202
Corporate Bonds	R0150	45 728 863
Structured notes	R0160	402
Collateralised securities	R0170	737 491
Collective Investments Undertakings	R0180	17 992 625
Derivatives	R0190	51 578 838
Deposits other than cash equivalents	R0200	121 201
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	318 884 224
Loans and mortgages	R0230	3 833 206
Loans on policies	R0240	1 106
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	3 832 100
Reinsurance recoverables from:	R0270	516 332
Non-life and health similar to non-life	R0280	221
Non-life excluding health	R0290	0
Health similar to non-life	R0300	221
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	531 602
Health similar to life	R0320	478 585
Life excluding health and index-linked and unit-linked	R0330	53 017
Life index-linked and unit-linked	R0340	-15 491
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	225 075
Reinsurance receivables	R0370	5 962
Receivables (trade, not insurance)	R0380	179 679
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	7 019 902
Any other assets, not elsewhere shown	R0420	2 423 319
Total assets	R0500	474 318 697

S.02.01.02 Balace sheet, continue

		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	328 507
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	328 507
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	291 046
Risk margin	R0590	37 461
Technical provisions - life (excluding index-linked and unit-linked)	R0600	82 630 538
Technical provisions - health (similar to life)	R0610	5 371 328
Technical provisions calculated as a whole	R0620	1 198 188
Best Estimate	R0630	3 999 535
Risk margin	R0640	173 605
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	77 259 210
Technical provisions calculated as a whole	R0660	8 752 375
Best Estimate	R0670	68 198 483
Risk margin	R0680	308 353
Technical provisions – index-linked and unit-linked	R0690	314 447 736
Technical provisions calculated as a whole	R0700	182 768 521
Best Estimate	R0710	130 717 390
Risk margin	R0720	961 825
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	128 336
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	175
Deferred tax liabilities	R0780	890 398
Derivatives	R0790	42 704 095
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	310 654
Insurance & intermediaries payables	R0820	226 303
Reinsurance payables	R0830	377 008
Payables (trade, not insurance)	R0840	10 161 618
Subordinated liabilities	R0850	2 575 000
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	2 575 000
Any other liabilities, not elsewhere shown	R0880	5 630 153
Total liabilities	R0900	460 410 521
Excess of assets over liabilities	R1000	13 908 176

S.05.01.02 Premiums, claims and expenses by line of business																		
		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of business for: **accepted non-proportional**				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	307 875	26 710															334 585
Gross - Proportional reinsurance accepted	**R0120**	1 050	1 067															2 117
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**	0	1 278															1 278
Net	**R0200**	308 925	26 499															335 424
Premiums earned																		
Gross - Direct Business	**R0210**	288 990	26 626															315 615
Gross - Proportional reinsurance accepted	**R0220**	961	976															1 937
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**	8	1 279															1 287
Net	**R0300**	289 943	26 323															316 266
Claims incurred																		
Gross - Direct Business	**R0310**	184 761	4 638															189 399
Gross - Proportional reinsurance accepted	**R0320**	2 059	595															2 654
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**	0	300															300
Net	**R0400**	186 820	4 933															191 753
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	0	295															295
Gross - Proportional reinsurance accepted	**R0420**	196	0															196
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**	0	32															32
Net	**R0500**	196	262															459
Expenses incurred	**R0550**	75 072	4 586															79 658
Other expenses	**R1200**																	
Total expenses	**R1300**																	79 658

S.05.01.02 Premiums, claims and expenses by line of business

		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**	640 771	6 758 287	26 645 890	229 292					34 274 241
Reinsurers' share	**R1420**	128 152	11 578	23 354	146 107					309 192
Net	**R1500**	512 619	6 746 710	26 622 536	83 184					33 965 049
Premiums earned										
Gross	**R1510**	661 131	6 758 139	26 645 887	228 970					34 294 128
Reinsurers' share	**R1520**	128 133	11 585	23 358	146 119					309 196
Net	**R1600**	532 999	6 746 553	26 622 529	82 851					33 984 932
Claims incurred										
Gross	**R1610**	616 961	5 318 905	23 851 384	348 651					30 135 901
Reinsurers' share	**R1620**	70 497	1 643	11 113	61 118					144 372
Net	**R1700**	546 463	5 317 262	23 840 271	287 533					29 991 529
Changes in other technical provisions										
Gross	**R1710**	5 909	4 574 080	16 401 338	-39 789					20 941 537
Reinsurers' share	**R1720**	0	53	-1	23					76
Net	**R1800**	5 909	4 574 026	16 401 339	-39 813					20 941 462
Expenses incurred	**R1900**	102 497	487 632	1 973 280	-5 146					2 558 263
Other expenses	**R2500**									
Total expenses	**R2600**									2 558 263

S.05.02.01 Premiums, claims and expenses by country		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	C0070
	R0010		Estonia	Latvia	Lituanien	
		C0080	C0090	C0100	C0110	C0140
Premiums written						
Gross - Direct Business	R0110	297 008	15 851	10 868	10 859	334 585
Gross - Proportional reinsu	R0120			2 117		2 117
Gross - Non-proportional r	R0130					
Reinsurers' share	R0140		634		645	1 278
Net	R0200	297 008	15 217	12 985	10 214	335 424
Premiums earned						
Gross - Direct Business	R0210	277 343	15 851	11 664	10 758	315 615
Gross - Proportional reinsu	R0220			1 937		1 937
Gross - Non-proportional r	R0230					
Reinsurers' share	R0240		634	8	645	1 287
Net	R0300	277 343	15 217	13 593	10 113	316 266
Claims incurred						
Gross - Direct Business	R0310	175 929	3 068	8 761	1 642	189 399
Gross - Proportional reinsu	R0320			2 654		2 654
Gross - Non-proportional r	R0330					
Reinsurers' share	R0340		300			300
Net	R0400	175 929	2 768	11 415	1 642	191 753
Changes in other technical provisions						
Gross - Direct Business	R0410		168		127	295
Gross - Proportional reinsu	R0420			196		196
Gross - Non- proportional r	R0430					
Reinsurers'share	R0440				32	32
Net	R0500		168	196	95	459
Expenses incurred	R0550	74 121	3 268	978	1 291	79 658
Other expenses	R1200					
Total expenses	R1300					79 658

		Home Country	Country (by amount of gross premiums written) - life obligations					Total for top 5 countries and home country (by amount of gross premiums
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		Denmark	Finland	Italy	Lituanien	France	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	18 575 335	11 579 799	1 681 161	602 101	504 488	328 725	33 271 609
Reinsurers' share	R1420	196 099	98 834	484	0	8 598	0	304 015
Net	R1500	18 379 237	11 480 964	1 680 677	602 101	495 890	328 725	32 967 595
Premiums earned								
Gross	R1510	18 575 335	11 600 217	1 681 161	602 101	504 428	328 725	33 291 968
Reinsurers' share	R1520	196 099	98 834	484	0	8 602	0	304 019
Net	R1600	18 379 237	11 501 383	1 680 677	602 101	495 826	328 725	32 987 950
Claims incurred								
Gross	R1610	15 230 554	11 457 296	1 151 789	761 102	233 572	81 676	28 915 989
Reinsurers' share	R1620	75 338	67 042	0	0	1 176	0	143 556
Net	R1700	15 155 217	11 390 254	1 151 789	761 102	232 396	81 676	28 772 433
Changes in other technical provisions								
Gross	R1710	15 086 068	4 475 142	452 383	204 914	312 467	45 470	20 576 443
Reinsurers' share	R1720	0	0	0	0	-4	0	-4
Net	R1800	15 086 068	4 475 142	452 383	204 914	312 471	45 470	20 576 448
Expenses incurred	R1900	1 534 445	790 287	44 051	11 125	53 429	2 390	2 435 727
Other expenses	R2500							8 923
Total expenses	R2600							2 444 650

S.22.01.04

Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
			C0030	C0050	C0070	C0090
Technical provisions	R0010	397 406 781			155 546	
Basic own funds	R0020	13 983 176			-121 326	
Eligible own funds to meet Solvency Capital Requirement	R0050	43 843 189			-121 326	
Solvency Capital Requirement	R0090	36 171 614			-14 240	

S.23.01.22

Own funds		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	120 000	120 000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	24 000	24 000			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	11 260 502	11 260 502			
Subordinated liabilities	R0140	2 575 000		2 575 000		
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	3 673				3 673
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					
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					
Non-available minority interests at group level	R0210					
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						
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	R0220-C0010				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270					
Total deductions	R0280					

S.23.01.22 Own funds continue		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total basic own funds after deductions	R0290	13 983 176	11 404 502	2 575 000	0	3 673
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					
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 insitutions, alternative investment fund manager, financial institutions	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	29 860 013	29 860 013	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	29 860 013	29 860 013	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	13 983 176	11 404 502	2 575 000	0	3 673
Total available own funds to meet the minimum consolidated group SCR	R0530	13 979 502	11 404 502	2 575 000	0	0
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	13 983 176	11 404 502	2 575 000	0	3 673
Total eligible own funds to meet the minimum consolidated group SCR	R0570	13 979 502	11 404 502	2 575 000	0	0
Consolidated Group SCR	R0590	6 311 132				
Minimum consolidated Group SCR	R0610	2 645 765				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	2,22				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	5,28				
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	43 843 189	0	0	0	0
SCR for entities included with D&A method	R0670	29 860 013				
Group SCR	R0680	36 171 614				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1,21				

S.23.01.22 Reconciliation reserve

		C0060	Tier 1 - unrestricted
Excess of assets over liabilities	R0700	13 908 176	
Own shares (held directly and indirectly)	R0710	0	
Foreseeable dividends, distributions and charges	R0720	2 500 000	
Other basic own fund items	R0730	147 673	
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	11 260 502	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	544 895	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	31 500	
Total Expected profits included in future premiums (EPIFP)	R0790	576 395	

S.25.01.22 Solvency Capital Requirement - for groups on Standard Formula		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	10 407 051		
Counterparty default risk	R0020	1 178 205		
Life underwriting risk	R0030	3 585 358		
Health underwriting risk	R0040	431 098		
Non-life underwriting risk	R0050			
Diversification	R0060	-3 236 236		
Intangible asset risk	R0070	10 382		
Basic Solvency Capital Requirement	R0100	12 375 857		
Calculation of Solvency Capital Requirement		C0100		
Operational risk	R0130	451 272		
Loss-absorbing capacity of technical provisions	R0140	-6 884 863		
Loss-absorbing capacity of deferred taxes	R0150	-256 816		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	626 150		
Solvency Capital Requirement excluding capital add-on	R0200	6 311 601		
Capital add-ons already set	R0210			
Solvency capital requirement for undertakings under consolidated method	R0220	6 311 601		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400			
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	11 935 815		
Minimum consolidated group solvency capital requirement	R0470	2 645 765		
Information on other entities				
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500			
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510			
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	29 860 013		
Solvency capital requirement	R0570	36 171 614		

S.32.01.22 List of undertaking's							Criteria of influence						Inclusion in the scope of Group supervision	
Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Included into scope of group supervision[YES/NO]	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI	SEB Pensionsforsikring A/S	Life insurer	aktieselskaber	Non-mutual	Finanstilsynet	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	SEB LIFE INTERNATIONAL ASSURANCE COMPANY DAC	Life insurer	incorporated companies limited by shares or by guarantee or unlimited	Non-mutual	Central Bank of Ireland	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	SEB Life and Pension Holding AB	Insurance holding company as defined in Art. 212 section [f] of Directive 2009/138/EC	försäkringsaktiebolag	Non-mutual	Finansinspektionen	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	UAB SEB gyvybes draudimas	Composite insurer	akcine bendrove	Non-mutual	The Bank of Lithuania	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	Aktsiaselts SEB Elu-ja Pensionikindlustus	Composite insurer	aktsiaselts	Non-mutual	Financial Supervision Authority	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ)	Life insurer	försäkringsaktiebolag	Mutual	Finansinspektionen	99,6000%	100,0000%	0,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
LEI	SEB Pension och Försäkring AB	Composite insurer	försäkringsaktiebolag	Non-mutual	Finansinspektionen	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	Apdrošinašanas akciju sabiedriba "SEB Dzivibas apdrošinašana"	Composite insurer	apdrošinašanas akciju sabiedriba	Non-mutual	Financial and Capital Market Commission	100,0000%	100,0000%	100,0000%	N/A	Dominant	100,0000%	Yes	.	Method 1: Full consolidation
Specific code	Fastighetsaktiebolaget Meteor	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Gamla Liv International Real Estate Fund	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Livfastigheter Gullbergsvass 1:12 KB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	AB Framtidsvärden	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	HB Släggan 3	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Livfastigheter S-berget Större 14 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Hiby AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Livfastigheter Läraren 5 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
Specific code	Livfastigheter Käpplingeholmen 4 AB	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		99,6000%	100,0000%	100,0000%		Significant	100,0000%	Yes	.	Method 2: Solvency II
LEI	SEB Ejendomme I	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	SEB Ejendomme II	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	DAN-SEB I	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		40,0000%	40,0000%	40,0000%		Significant	40,0000%	Yes	.	Method 1: Full consolidation
LEI	Hannemanns Allé P/S	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	SEB Huset P/S	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	Eskimo Holdings ABC Limited	Other	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation
LEI	SEB Administration A/S	Other	_NR_	Non-mutual		100,0000%	100,0000%	100,0000%		Dominant	100,0000%	Yes	.	Method 1: Full consolidation