Solid Försäkring

Solvency and Financial Condition Report (SFCR) 2022

Solid Försäkringsaktiebolag
Corp. ID. No. No. 516401-8482

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Public

Contents

Summary

This is Solid Försäkringsaktiebolag's (the Company) seventh annual Solvency and Financial Condition Report (SFCR) as a solo company. The Report was adopted by the Company's Board and published on the Company's official website on 5 April 2023. All amounts are presented in thousands of Swedish kronor (KSEK) unless otherwise stated. Figures in brackets refer to the preceding year (31 December 2021) and 2022 has the reference date of 31 December 2022.

Operations and earnings
The Company is one of the leading niche insurance companies in the Nordic region in non-life insurance, and is under the supervision of the Swedish Financial Supervisory Authority in Sweden. The head office is located in Helsingborg, Sweden, and the operations in Norway, Finland and Switzerland are conducted in the form of branches, while operations in other countries are conducted as cross-border operations.

The Company was founded in 1993 and was granted authorisation from the Financial Supervisory Authority to conduct non-life insurance business. The Company has been listed on Nasdaq Stockholm (Small Cap) since 1 December 2021.

The Company offers non-life insurance with a main focus on niche insurance. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance. The Company partners with leading retail chains in various sectors, banks, credit market companies, other financial institutions, travel agencies, car workshops and car dealerships, and has about 2.3 million customers across the Nordic region. The target group for insurance products comprises private individuals who mainly purchase insurance through the Company's partners when they buy a product or service. The Company's partnerships are mainly long term.

System of governance
The Company's system of governance encompasses the risk management system and the internal control system, which aim to manage, identify, measure, control, monitor and report the risks found in the operations. The Company's Internal Audit function remains outsourced to Öhrlings Pricewaterhousecoopers AB, 556029-6740.

Risk profile
The major risks in the Company's operations have been identified as insurance risk and market risk.

Valuation for solvency purposes
The Company's assets and liabilities are valued in the Solvency II balance sheet according to the main valuation principles of the Solvency II regulations.

- Assets are valued at the amount for which they could be exchanged in a transaction.
- Liabilities are valued at the amount for which they could be transferred, or settled, in a transaction.

Financing
The Company uses EIOPA's standard formula to calculate its Solvency Capital Requirement (SCR).

Annexes
The annexes present the quantitative reports on the Company's solvency and financial position.

A Operations and earnings

A.1 Operations

Solid Försäkringsaktiebolag (publ), Landskronavägen 23, Box 22068, SE-252 32 Helsingborg, Sweden, Corp. ID. No. 516401-8482, (the Company) was founded in 1993 and was granted authorisation from the Financial Supervisory Authority to conduct non-life insurance business. The Company has been listed on Nasdaq Stockholm (Small Cap) since 1 December 2021.

The Company is one of the leading niche insurance companies in the Nordic region in non-life insurance, and is under the supervision of the Swedish Financial Supervisory Authority in Sweden. The head office is located in Helsingborg, Sweden, and the operations in Norway, Finland and Switzerland are conducted in the form of branches, while operations in other countries are conducted as cross-border operations.

Solid Försäkringsaktiebolag's (publ) share is listed on Nasdaq Stockholm (Small Cap) under the ticker SFAB and its ISIN is SE0017082548.

The largest directly registered shareholders on 31 December 2022	Percentages of share capital
Waldakt AB	28,9%
Investment AB Spiltan	8,1%
Avanza Pension	4,9%
Swedbank Robur Fonder	4,2%
Nordnet Pensionsförsäkring	3,0%
Protector Forsikring ASA	2,9%
Solid Försäkringsaktiebolag	2,4%
Swedbank Försäkring	2,3%
Traction	2,0%
Catea Group AB	1,7%
	60,4%

The Company conducts non-life insurance operations under the brand Solid Försäkring in Sweden, the rest of Scandinavia and, to a certain extent, in other countries in Europe. The operations in Norway, Finland and Switzerland are conducted by branches, and operations in other countries are conducted as cross-border operations. Detailed information about the classes of insurance for which the Company has authorisation in each country and where cross-border activities are conducted is available on the Financial Supervisory Authority's website: www.fi.se/en/our-registers/company-register/details?id=2659, www.fi.se/en/our-registers/company-register/details?id=449468, www.fi.se/en/our-registers/company-register/details?id=27468 and www.fi.se/en/our-registers/company-register/details?id=24488.

The Company offers non-life insurance with a main focus on niche insurance. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance. The Company partners with leading retail chains in various sectors, banks, credit market companies, other financial institutions, travel agencies, car workshops and car dealerships, and has about 2.3 million customers across the Nordic region. The target group for insurance products comprises private individuals who mainly purchase insurance through the Company's partners when they buy a product or service. The Company's partnerships are mainly long term.

In addition, the Company conducts asset management, which is a separate function responsible for all of the Company's investment assets.

The Company is one of the leading niche insurance companies in the Nordic region in non-life insurance. The target group for the Company's products comprises private individuals who mainly purchase insurance through the Company's partners when they buy a product or service. The Company works continuously to conclude agreements with new partners, to expand the existing partnerships in current and new markets, and to further develop the offering by simplifying, improving and enhancing the efficiency of the process from taking out insurance to renewal and claims – both for partners and for consumers. The overall assessment is that ahead of 2023 the Company has a high level of financial preparedness to develop its offering as well as to refine existing partnerships and to initiate new ones.

Gross written premiums increased 14 per cent in 2022 to SEK 1,152 million and premiums earned increased by 12 per cent to SEK 1,100 million. All segments contributed to the increase but it was primarily driven by the sharp increase in sales in the travel industry. The year-on-year increase in the Assistance segment amounted to 37 per cent, primarily as a result of sales of travel insurance, a 5 per cent sales increase in the Personal Safety segment, primarily as a result of growth within payment protection insurance in the Norwegian and Swedish markets, and a 4 per cent increase in sales in the Product segment, primarily driven by consumer electronics in Denmark, where the Company expanded its market shares during the year via the partnership with Power. Operating expenses increased 11 per cent to SEK 713 million, mainly due to the impact of higher acquisition costs resulting from the increase in sales. However, the combined ratio improved to 86.7 per cent (88.2 adjusted for non-recurring costs), driven by stable and profitable underlying business, growth in premiums earned and good cost control. The technical result increased 31 per cent to SEK 163.1 million, excluding non-recurring costs, which is the highest in the Company's history. At the end of 2022, the SCR ratio was 167 per cent, corresponding to a decrease of 6 percentage points compared with the end of 2021. The decline in the SCR ratio was due to repurchases of own shares that took place during the year and the adjustment to the solvency capital that was made due to the expected dividend of portions of earnings for 2022. This SCR ratio is comfortably above the target of at least 150 per cent.

This strong position represented a prerequisite for the Board of Directors' decision of 26 October to initiate a programme to repurchase own shares to create additional value for shareholders. At the end of the fourth quarter, 457,402 shares had been acquired at an average price of SEK 58.62 corresponding to a total value of SEK 26.8 million, which represents 2.3 per cent of the total number of shares and 45.7 per cent of the mandate resolved by the Extraordinary General Meeting on 29 September. The repurchase programme may continue until the forthcoming Annual General Meeting (AGM) is held. In addition to the repurchase programme, the Company's Board proposes that the AGM on 26 April resolve on a dividend of SEK 2.85 per share, which is in line with the Company's dividend target communicated in connection with the separate listing.

A.2 Technical result

Figures in brackets refer to the preceding year.

Operating profit before tax and appropriations amounted to KSEK 139,200 (151,365). The technical result increased KSEK 48,864, corresponding to 43 per cent, to KSEK 163,100 (114,236). Adjusted for non-recurring costs of KSEK 10,400 for the listing process in 2021, the increase was 31 per cent.

Gross written premiums increased 14 per cent to KSEK 1,151,921 (1,013,421). Adjusted for currency effects, the increase was 11 per cent. All segments contributed to the increase but were primarily driven by the sharp increase in sales related to the travel industry in the Assistance segment. The increase in the Assistance segment amounted to 37 per cent year-on-year. In the Personal Safety segment, the increase was 5 per cent and was mainly attributable to payment protection insurance in the Norwegian and Swedish markets. In the Product segment, the increase was 4 per cent, and was primarily driven by the consumer electronics industry in Denmark where the Company expanded its market share during the year through its partnership with Power that was launched in the latter part of 2021.

Claims paid increased to KSEK 252,952 (232,902). Claims incurred, net of reinsurance increased to KSEK 240,558 (231,021). Adjusted for currency effects, the increase in claims incurred net of reinsurance was 2 per cent. The claims ratio margin in all segments improved year-on-year to 21.9 per cent (23.5).

Operating expenses in the insurance operations increased 11 per cent to KSEK 712,799 (644,934). The increase was mainly due to higher acquisition costs primarily driven by higher sales, but also to a changed product and partner mix in the Assistance and Product segments. Adjusted for non-recurring costs in 2021, the increase was 12 per cent, and adjusted for currency effects the increase was 8 per cent. Administrative expenses as a percentage of premiums earned amounted to 9.4per cent for the full-year, which is lower than last year when the percentage was 10.2 per cent, adjusted for non-recurring costs. The combined ratio improved to 89.3 per cent (88.2) Excluding non-recurring costs, the combined ratio amounted to 86.7 per cent, and to 88.2 per cent adjusted for non-recurring costs, driven by stable and profitable underlying business, growth in premiums earned and good cost control.

Net profit amounted to KSEK 110,656 (119,980). The effective tax expense for the year was 20.5 per cent (20.6).

Cash flow from operating activities amounted to KSEK 184,861 (163,053). Cash flow from investing activities amounted to KSEK -173,964 (173,275). The subordinated loan of KSEK 200,000 to Resurs Bank fell due for payment in April 2021. The repurchase programme commenced in October and as of 31 December the Company had acquired 457,402 shares for a value of KSEK 26,811. Cash flow from financing activities amounted to KSEK -26,755 (-59,000). Cash and cash equivalents declined to KSEK 603,864 (613,139).

Gross provisions in technical provisions (reserves) at year-end increased to KSEK 660,659 (615,900). Reinsurers' share of technical provisions increased to KSEK 3,936 (3,811). This increase in gross provisions was primarily attributable to growth in the Assistance segment.

The table below presents the Company's earnings trend per insurance line for 2022 in KSEK.

Solid Försäkring

KSEK	Total 2022	Swedish risks							Foreign risks
		Morbidity and accident	Motor vehicle liability	Household and homeowner	Other property	Legal expenses	Assistance	Income and severance pay	
Technical result for non-life insurance operations									
Premiums earned, net of reinsurance*	1 099 709	217 649	135 640	208 604	2 580	266	72 920	3 860	458 190
Allocated investment return transferred from non-technical account	16 748	44	3 673	2 844	58	3	983	156	8 987
Claims incurred, net of reinsurance*	-240 558	-18 660	-33 342	-54 923	-2 318	0	-39 015	135	-92 435
Operating expenses	-712 799	-159 249	-81 275	-119 603	-834	-21	-26 715	-321	-324 781
Technical result for non-life insurance operations	**163 100**	**39 784**	**24 696**	**36 922**	**-514**	**248**	**8 173**	**3 830**	**49 961**
Run-off result	3 108	-181	151	808	57	0	63	1 527	683
Provision for unearned premiums and unexpired risks	599 376	0	138 753	97 866	1 563	113	29 932	2 173	328 976
Provision for claims outstanding	61 283	1 774	9 100	8 117	683	0	8 133	2 927	30 549
Technical provisions, net of outward reinsurance	**660 659**	**1 774**	**147 853**	**105 983**	**2 246**	**113**	**38 065**	**5 100**	**359 525**
Reinsurers' share of provision for unearned premiums and unexpired risks	3 657	0	0	3 657	0	0	0	0	0
Reinsurers' share of provision for claims outstanding	279	0	0	0	0	0	0	0	279
Reinsurer's share of technical provisions	**3 936**	**0**	**0**	**3 657**	**0**	**0**	**0**	**0**	**279**
* Notes on earnings analysis									
Premiums earned, net of reinsurance									
Gross written premiums	1 151 921	217 641	152 618	220 838	2 393	229	74 745	3 535	479 922
Outward reinsurance premiums	-22 871	0	0	-20 853	0	0	-524	0	-1 494
Change in provision for unearned premiums and unexpired risks	-29 419	8	-16 978	8 541	187	37	-1 301	325	-20 238
Reinsurers' share of change in provision for unearned premiums and unexpired risks	78	0	0	78	0	0	0	0	0
Total premiums earned, net of reinsurance	**1 099 709**	**217 649**	**135 640**	**208 604**	**2 580**	**266**	**72 920**	**3 860**	**458 190**
Claims incurred, net of reinsurance									
Claims paid									
net of outward reinsurance	-252 952	-18 408	-32 856	-64 505	-2 049	0	-38 692	-1 165	-95 277
reinsurers' share	11 116	0	0	7 433	0	0	0	0	3 683
Change in provision for claims outstanding									
net of outward reinsurance	1 308	-252	-486	2 149	-269	0	-323	1 300	-811
reinsurers' share	-30	0	0	0	0	0	0	0	-30
Total claims incurred, net of reinsurance	**-240 558**	**-18 660**	**-33 342**	**-54 923**	**-2 318**	**0**	**-39 015**	**135**	**-92 435**

The table below shows the geographic specification of gross written premiums in KSEK.

KSEK	2022	2021
Gross written premiums, geographical specification		
Sweden	671 998	646 602
Norway	190 402	170 667
Denmark	92 135	69 978
Finland	50 661	48 669
Rest of Europe	146 725	77 505
Total gross written premiums	**1 151 921**	**1 013 421**

A.3 Earnings from investments

The Company's securities portfolio is listed primarily in Sweden and mainly comprises interest-bearing securities with floating interest rates. The Company's strategy is to hold bonds until maturity. The securities portfolio mainly comprises interest-bearing securities with floating interest rates. The percentage of equities comprises a limited share of the total portfolio. 2022 was dominated by a turbulent world, particularly due to Russia's invasion of Ukraine on 24 February. The capital markets were negatively affected during the year, which resulted in reduced market values for the Company's investment assets during the first three quarters of the year.

The total value of the investment portfolio on 31 December amounted to KSEK 1,434,013, of which 6 per cent, or KSEK 91,318, consisted of shares and KSEK 738,831 consisted of other interest-bearing assets, mainly bonds at floating interest rates. Cash and cash equivalents in the portfolio amounted to KSEK 603,864, of which a corresponding KSEK 304,996 during the year was tied at fixed interest rates with 12- and a 3-month terms. Net investments for the full-year amounted to KSEK 175,287, of which KSEK 154,810 pertains to the bond portfolio and KSEK 20,477 to the equities portfolio.

The result of asset management for the full-year amounted to KSEK -11,514 (41,888) and total return to -0.6 per cent (3.6). The negative result comprised unrealised changes in the value of investment assets, which amounted to KSEK -38,457 (19,008) for the full-year, of which KSEK -14,237 was related to the equities portfolio and KSEK -24,222 was related to the bond portfolio.

The direct yield for asset management amounted to 1.8 per cent (1.4) and the total return to -0.6 per cent (3.6).

The table below presents the result of asset management.

KSEK	2022	2021
Investment income		
Dividends on shares and participating interests	3 016	3 561
Interest income, etc.		
Bonds and other interest-bearing securities	13 386	7 670
Other interest income *	5 249	4 061
Exchange gains (net)	3 050	1 468
Capital gains (net)	5 100	8 291
Other	18	17
Total investment income	**29 819**	**25 068**
Unrealised gains on investment assets recognised through profit or loss		
Swedish shares and participating interests	0	20 057
Bonds and other interest-bearing securities	0	0
Total unrealised gains on investment assets (net gain per asset class)	**0**	**20 057**
Investment charges		
Asset management expenses	-1 333	-701
Financial management costs	-1 200	-1 200
Other interest expense	-341	-287
Total investment charges	**-2 874**	**-2 188**
Unrealised losses on investment assets recognised through profit or loss		
Swedish shares and participating interests	-14 237	0
Bonds and other interest-bearing securities	-24 222	-1 049
Unrealised losses on investment assets (net loss per asset class)	**-38 459**	**-1 049**
Result of asset management	**-11 514**	**41 888**

* All Other interest income consists of interest income on assets measured at fair value.

A.4 Earnings from other operations

Other income refers mainly to registration fees in the Company's theft prevention register for bicycles in Norway. Other expenses are attributable to administration and operations related to the theft prevention register for bicycles in Norway.

A.5 Additional information

The year was dominated by a turbulent world with rising inflation, interest-rate hikes, higher energy prices and Russia's ongoing invasion of Ukraine. The volatility and turbulence in the financial markets impacted the Company's investment portfolio during the year and both the equities and the bond portfolios noted lower market values. The Company is continuing to closely monitor developments in the external environment and any impact to identify any signs of potential changes in consumer behaviour that could affect the Company's insurance operations.

The Extraordinary General Meeting held on 29 September resolved, in accordance with the Board's proposal, to authorise the Board to acquire the Company's own shares on one or more occasions up until the next Annual General Meeting. The repurchase programme commenced on 26 October.

The acquisition of own shares may occur of at most as many shares as are needed so that the Company's holdings of own shares at any given time do not exceed five per cent of all shares in the Company. The purpose of the authorisation to acquire own shares is to create a tool for the Board to continuously during the year adapt and improve the Company's capital structure and thereby create additional value for shareholders. The intention is for the repurchased shares to later be cancelled by resolutions of upcoming Annual General Meetings.

On 2 December, the Company announced it had signed an agreement to acquire Car Protect AS as an asset acquisition. Car Protect is a Norwegian insurance intermediary of car warranties with many years of experience in the Norwegian automotive market. The Company will take over the operations on 1 January 2023.

Except for the above, no other significant events occurred during the year.

B System of governance

B.1 General information about the system of governance

Solid Försäkring is a Swedish public limited-liability Company whose shares were listed on Nasdaq Stockholm on 1 December 2021. The Company's corporate governance practices are predominantly based on Swedish law, the Swedish Financial Supervisory Authority's regulations, the Company's Articles of Association and internal governance documents. In addition to the regulations of the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), the Swedish Insurance Business Act (2010:2043) and the Company's Articles of Association, the Company also applies Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code, as well as other applicable Swedish and international laws and regulations that affect listed companies.

The Company's system of governance encompasses the risk management system and the internal control system, which aim to manage, identify, measure, control, monitor and report the risks found in the operations. This applies to risks that are individual and aggregated that the Company is, or could be, exposed to and the mutual dependencies of the risks.

The purpose of the system of governance is to ensure sound and prudent governance of the Company. The framework of the Company's governance is set by external regulations, meaning applicable laws and ordinances, EIOPA's guidelines, regulations/general advice and technical standards for the Company's operations, market practice, internal guidelines and the Company's Articles of Association.

The Company's Board of Directors is ultimately responsible for governing the operations by establishing an effective organisation and by preparing internal governance documents that contain, for example, decision mandates, processes and control activities, as well as deciding on the Company's accepted risk appetite and tolerances.

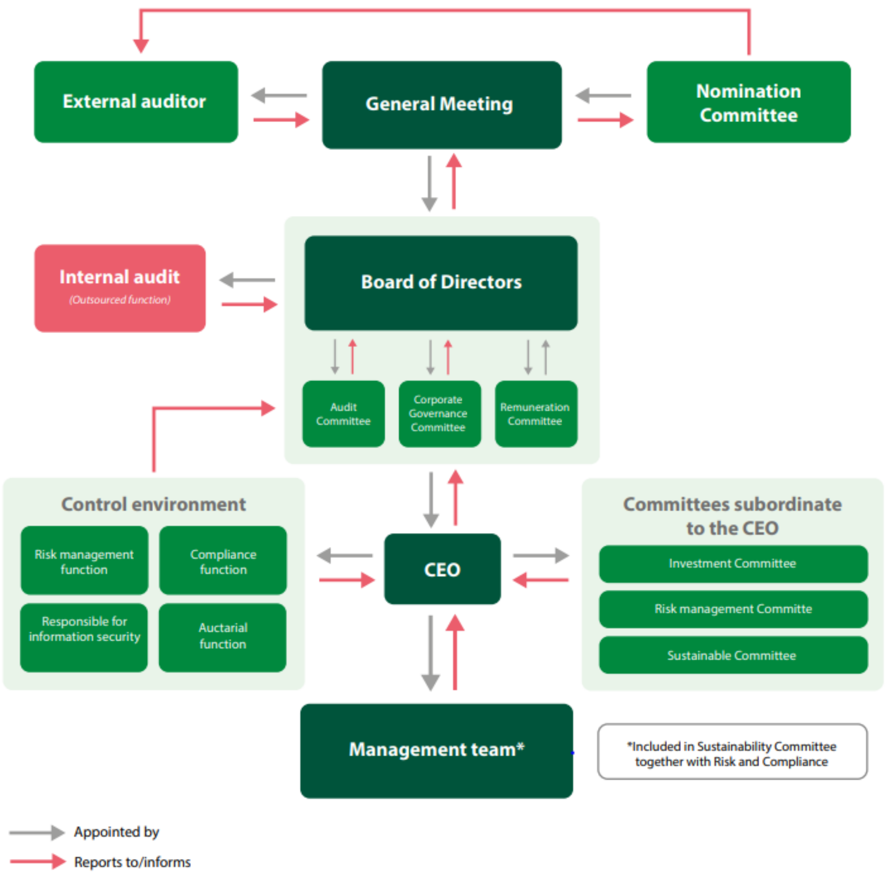
The system of governance is to be structured in relation to the operations' nature and scale and the complexity of the inherent risks in the operations.

Organisation and responsibility
The Company's organisational structure is designed and structured to ensure that the external regulation of the relationship between the Company's shareholders and the Board is fulfilled, and to promote the Company's strategic targets and operations.

The Company's Board evaluates the organisational structure and the system of governance at least once a year to ensure that, within a reasonable time, the Company can adapt its structure to changes that affect the Company's strategic targets, operations or business environment.

The Company's corporate governance structure as per 31 December 2022 is presented below, including information on the Company's Board and CEO in the diagram below, Board committees and key functions. For further information, refer to https://corporate.solidab.se/en/governance/

All roles under the Board are situated in Helsingborg except for the Internal Audit function and other outsourced operations.



General meetings
Pursuant to the Swedish Companies Act, a general meeting is the Company's highest decision-making body. A general meeting may resolve on every issue in the Company that does not expressly

fall under another Company unit's exclusive competence. At the Annual General Meeting, which is to be held within six months of the end of the financial year, the shareholders exercise their voting rights on issues such as the adoption of income statements and balance sheets, appropriation of the Company's profit or loss, discharge from liability of Board members and the CEO for the financial year, election of Board members and auditors and remuneration of Board members and auditors.

In addition to the AGM, Extraordinary General Meetings may be convened. In accordance with the Articles of Association, the official notice of a general meeting must be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the notice available on the Company's website. That the official notification has been issued must simultaneously be announced in Svenska Dagbladet. Prior to each general meeting, a press release is published in Swedish and English, including the official notice in its entirety.

The Chairman of the Board and as many of the other Board members as are required for the Board of Directors to be quorate, as well as the CEO, must attend Extraordinary General Meetings in the Company. In addition to the aforementioned, at least one member of the Nomination Committee, at least one of the Company's auditors and, if possible, all Board members must participate in AGMs.

The Articles of Association contain no specific clauses governing the appointment or dismissal of Board members, limitations on the shares' transferability or amendments of the Articles of Association. At present, there are no resolutions issued by general meetings authorising the Board to decide that the Company will issue new shares.

Nomination Committee

The Nomination Committee represents the Company's shareholders. The Nomination Committee's task is to formulate and submit proposals concerning resolutions on the number and election of Board members, the Chairman of the Board, fees to be paid to the Board of Directors and for work on its committees, election of and fees to be paid to the Company's auditors and the instructions for the Nomination Committee that are to govern the Nomination Committee's work and composition.

The Nomination Committee's work focuses particularly on ensuring that the Board is composed of members possessing knowledge and experience matching the requirements that the prevailing rules and regulations and the Company's owners place on the Company's Board, including the requirements specified in the rules and regulations for insurance companies and the Swedish Corporate Governance Code. In the process of formulating proposals concerning election of Board members, the Chairman of the Board therefore also presents to the Nomination Committee the evaluation that has been conducted of the work of the Board and the individual members over the past year, and the Nomination Committee is provided with an opportunity to meet the Board members. The Nomination Committee also prepares the election of an auditor. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions presented on the Company's website.

Board of Directors and Board Committees

After a general meeting, the Board of Directors is the highest decision-making body of the Company and the highest executive body. The Board's assignments are primarily governed by the Swedish Companies Act. The work of the Board is also governed by the rules of procedure adopted annually by the Board. The rules of procedure regulate, inter alia, the division of work and responsibilities between the Board and the CEO, and contain procedures for financial reporting by the CEO.

The Board also adopts rules of procedure for the Board's committees. The Board's duties include establishing strategies, business plans and budgets, issuing interim reports and statutory accounts and adopting policies. The Board must also monitor the Company's financial development, ensure the quality of the financial reporting and the control functions' reporting and evaluate the Company's operations based on the established objectives and policies adopted by the Board of

Directors. Finally, the Board also takes decisions about major investments and organisational and operational changes in the Company.

The Chairman of the Board, in close cooperation with the CEO, shall oversee the Company's performance. The Chairman of the Board directs the work of the Board of Directors and creates an open and constructive dialogue. Other duties of the Chairman include monitoring and evaluating the competencies and work of individual Board members and their contribution to the Board of Directors.

Board Committees
The Board of Directors' overriding responsibility may not be delegated but the Board establishes from among its own members committees that prepare, evaluate and follow up issues within various areas prior to Board decisions. The Board has established an Audit Committee in accordance with the Swedish Companies Act and a Remuneration Committee in accordance with the Swedish Corporate Governance Code. In addition, the Company has also established a Corporate Governance Committee. All committees have rules of procedure established by the Board that regulate the work of the committees. Furthermore, the Company has, through the CEO, appointed a Risk Committee and an Investment Committee.

Corporate Governance Committee
The Corporate Governance Committee's tasks include evaluating the Company's internal control and policies pertaining to compliance, risk management and internal audit, insofar as these do not influence financial reporting, which is handled by the Audit Committee. In addition, the Corporate Governance Committee is to evaluate observations and proposals for improvement measures based on reports submitted by the Compliance function, Risk Management function, Information Security function and Internal Audit function, and review the Company's own risk and solvency assessment (ORSA). The Committee advises the Company's Board on issues concerning internal control and corporate governance. The Corporate Governance Committee advises the Board on issues concerning internal control and corporate governance. The Corporate Governance Committee has rules of procedure established by the Board that regulate the Committee's work.

Audit Committee
The primary tasks of the Audit Committee include ensuring that the Board fulfils the requirements for monitoring responsibility in respect of internal control, audits, internal audits and risk management connected to accounting and financial reporting. Additionally, the Audit Committee's tasks include, following consultation with the Corporate Governance Committee, ensuring that the Company complies with the applicable laws and regulations for the Company's auditing, capital requirements and other financial requirements. In addition, the Audit Committee is to prepare issues about the procurement of audits and other services from the auditor and prepare certain accounting and audit matters that are to be handled by the Board. The committee is also to examine and monitor the auditor's impartiality and independence and, insofar as the Nomination Committee is not assigned this task, the committee is to assist in the preparation of proposals for the general meeting's election of auditors. The Audit Committee satisfies the requirements of accounting and auditing competencies stipulated in the Swedish Companies Act. The Audit Committee is subject to rules of procedure established by the Board that regulate the Committee's work.

Remuneration Committee
The primary tasks of the Remuneration Committee are to prepare the Board's motions on remuneration principles, remuneration and other terms of employment for Company management, to follow and evaluate ongoing programmes of variable remuneration for Company management and programmes completed during the year, as well as to follow and evaluate the application of any guidelines for remuneration of senior executives established by the general meeting as well as the applicable remuneration structures and levels. The Remuneration Committee is also to monitor the completed audits of the control functions concerning remuneration and assess if the remuneration

system takes into account all of the risks based on the Company's risk profile and, if necessary, submit proposals for an action plan to the Board. The Remuneration Committee also examines the Board's report on remuneration ("remuneration report"). The Remuneration Committee is subject to rules of procedure established by the Board that regulate the Committee's work.

CEO and CEO Committees
The Company's CEO is subordinated to the Board and is responsible for the continuous management of the Company and day-to-day operations. The CEO is also responsible for preparing reports and compiling information from Management prior to Board meetings and serves as a presenter at Board meetings. According to internal governance documents for financial reporting, the CEO is responsible for financial reporting in the Company and thus for ensuring that the Board receives adequate information for being able to continuously evaluate the Company's financial position. Accordingly, the CEO keeps the Board continuously informed about the operations' development, earnings and financial position, liquidity development, major business events and every other event, circumstance or condition that may be assumed to be of significant importance to the Company's shareholders. The CEO shall also lead executive management and execute the decisions made by the Board. In accordance with the regulations governing management suitability assessments for companies under the supervision of the Swedish Financial Supervisory Authority, the Company's CEO must be approved by Authority.

Committees
The CEO has the overall responsibility for the Company's ongoing administration and to assist him in this task, alongside the management team, has established cross-functional committees for preparing, evaluating and monitoring the operations.

Risk Committee
The primary task of the Risk Committee is to continuously address risk and incidents identified by the Company. The Risk Committee's other duties are as follows:

- Assessing, classifying and monitoring the follow-up of reported matters in the Company's risks and incident database.
- Evaluating the control functions' proposals for areas to be included in audits ahead of the audit plans that the control functions are to present to the Board.
- Serving as the reporting authority for the audits that have been carried out by the Company's control functions.
- Recipient of operations reports regarding investments and insurance risks.
- Evaluating and approving the RSR and SFCR prior to distribution to the Corporate Governance Committee and the Board
- The first instance in the ORSA process regarding risk profile valuation, proposer of stress and scenario tests for the Board, issuer of opinion on risk exposure and solvency and reviewer of ORSA documentation prior to distribution to the Corporate Governance Committee and the Board.

The Risk Committee comprises the CEO and CFO, and in addition the Actuarial function, Compliance function, Risk Management function and Information Security function serve as rapporteurs but are not decision-making functions.

Investment Committee
The primary task of the Investment Committee is to support the CEO in decisions regarding the ongoing administration of the Company's investment portfolio. The Investment Committee's other duties are as follows:

- Right to decide on the Company's management of financial risks in investments, trading in currencies and financial instruments.

- Monitor and analyse the financial markets, and
- Right to execute on all financial instruments, including currencies, on the Company's behalf.
- Review and adopt every year, or whenever necessary, the Company's return targets
- Monitor and manage currency exposure every month

The Investment Committee comprises the CEO, CFO and an external advisor.

Sustainability Committee
The Company's Sustainability Committee is a link between the operational and strategic sustainability efforts and is responsible for initiating, driving and following up the operational sustainability efforts with the aim of ensuring compliance with the Company's long-term undertakings. The Committee prepares matters concerning the focus areas, orientation and activities required to achieve decided sustainability targets, prior to them being addressed and decided by the Board of Directors. The Committee is headed by the HR and Sustainability Manager and comprises senior executives and the Risk Management function and Compliance function.

Key functions
The Company has five independent key functions – the Risk Management function, the Compliance function, the Actuarial function, the Information Security function and the Internal Audit function. These functions are responsible for reviewing, auditing and supporting operations as well as for reporting to the Company's Board to ensure the Company's internal control.

These functions are permanent, are assigned the resources they need for performing their duties and work independently of the Company's operating activities.

The control functions report regularly and continuously on identified material shortcomings and risks to the Company's Board, the Company's Corporate Governance Committee, the CEO and the Risk Committee. The key functions are described in more detail later in the report.

Remuneration
The Board of the Company has adopted a remuneration policy that complies with FFFS 2019:23 regarding remuneration policies in management companies, exchanges, clearing organisations and institutions for the issuance of electronic money, and which are designed to create an overall regulatory framework regarding remuneration of all the Company's employees. The Board has established a Remuneration Committee that is responsible for preparing material remuneration decisions, and the Company has a control function that, when appropriate and at least annually, is to independently review how the Company's remuneration corresponds to the regulations. The tasks of the Remuneration Committee include preparing the Board's resolutions on proposals for guidelines concerning remuneration of senior executives. The Remuneration Committee shall also follow and evaluate the programme for variable remuneration for the management team, the application of guidelines for remuneration for senior executives and the relevant remuneration structures and levels in the Company. The Board shall prepare proposals for new guidelines at least once every four years, and submit the proposals for resolution by the Annual General Meeting. The guidelines apply until new guidelines have been adopted by the general meeting.

The Chairman and members of the Board are paid the remuneration resolved by the Annual General Meeting. Remuneration of the Company's senior executives is resolved by the Board in consultation with the Remuneration Committee, in accordance with the Swedish Corporate Governance Code. The Board has delegated to the CEO to negotiate remuneration of other employees who are members of management and senior executives, and executives responsible for the key functions, such as Risk Management, Compliance and the Actuarial function.

The main principle is that remuneration is to promote the Company's business strategy, long-term interests and sustainability, as well as counteract unsound risk-taking. In addition, remuneration aims to enable competitive total remuneration to senior executives in the Company. Remuneration to the

Company's senior executives shall be market-based and consist of fixed salary, pension benefits and other benefits. Additionally, the general meeting can resolve on such matters as share and share-price-related remunerations.

Variable remuneration earned in 2022 is linked both to qualitative and to quantitative goals. The Company has ensured that all goals related to variable remuneration for 2022 can be reliably measured and, in the Company's assessment, the level of risk applied is well in proportion to the Company's earnings capacity. Variable remuneration for 2022 represented 2.2 per cent (1.6) of fixed remuneration.

The fixed/variable remuneration ratio must be commensurate with the individual's responsibility and authority. The Company believes that there is an appropriate balance and has set a limit on variable remuneration in relation to fixed remuneration. All agreements that regulate variable remuneration have been capped to allow such a limit to be applied. There was no guaranteed variable remuneration in 2022 and it is the Company's intention to continue to limit this type of remuneration.

Further Information about remuneration at the Company is published at https://corporate.solidab.se/en/governance/remuneration-and-incentive-programmes/. The Company's remuneration report for 2022 will be published after the approval of the Annual General Meeting on 26 April 2022.

B.2 Fit and proper requirements

The Company's Board has established and had documented criteria and processes for the assessment of the fit and proper requirements for persons who are responsible for important functions within the Company and for sub-suppliers that the Company has decided to outsource important functions to. These processes and procedures have been prepared to ensure that the senior executives, either jointly or individually, have suitable qualifications, experience and knowledge, and to ensure that the Company has procedures for taking measures when such persons are not suitable for the positions in question.

The Company has assessed that the following employees can significantly influence the Company's risk level:

- Board members of the Company
- employees in senior positions
- head of the Actuarial function
- head of the Compliance function
- head of the Risk Management function
- head of the Information Security function
- head of the Internal Audit function

Employees in senior positions means: CEO, CFO, CIO, Head of Operations, Head of Legal, Head of IR, Head of HR & Sustainability and CCO.

The Company believes that the senior executives have the insight and experience that must be required of a person participating in the governance of an insurance company and are otherwise suitable for such an assignment. The senior executives are to possess, at any point in time, sufficient qualifications, knowledge and theoretical experience in the area of operations to enable them to exercise sound and prudent management, and in addition their reputation ('proper') and integrity must meet high requirements.

When assessing the experience the senior executives have in relation to the experience required, the Company considers the nature, scale and degree of complexity of the Company's operations, and the work duties that the position has. However, the senior executives must always be proper.

Overall competence of the Board
The members of the Board are to jointly possess the necessary qualifications, competence and experience in the relevant areas of operations so that they can effectively and professionally manage and oversee the Company.

At a minimum, the Board is to collectively possess appropriate qualifications, experience and knowledge about the following:
a) insurance and financial markets;
b) business strategy and business model;
c) system of governance;
d) financial and actuarial analysis;
e) regulatory frameworks and requirements.

Criteria and processes have been documented for each function/executive in the Company's internal governance documents. In these governance documents, the Company has also determined the situations that could result in a new review of the fit and proper requirements.

The CEO is responsible for ensuring that fit and proper assessments of senior executives are carried out when situations that require such an assessment arise. The Chairman is responsible for the fit and proper assessment of the CEO.

The CEO and all Board members have been subject to a suitability assessment by the Financial Supervisory Authority. The client managers for outsourced key functions have also undergone a suitability assessment by the Financial Supervisory Authority.

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

The Company's framework for risk management is an integrated part of the Company's operations and unites the Company's strategic targets with risk management. The risk management framework includes the Company's functions, risk owners, strategies, governance documents, risk appetite, tolerances, limits, controls and reporting procedures necessary for identifying, measuring, monitoring, managing and reporting risks.

The Company has standardised the process for identifying, assessing and reporting risk and it has been implemented in the organisation to create risk awareness, encourage risk culture and enhance the efficiency of risk management.

Risk strategy
The Company's business is to be conducted in a risk-aware manner with a responsible level of risk-taking that ensures at all times that the Company has adequate solvency in relation to the risks to which the Company is exposed.

Risk-related governance documents
The Company has adopted internal governance documents as part of the Company's system of governance. These governance documents follow the requirements of external regulations and have been adapted to each other and to the Company's business strategy and the scale, nature and complexity of the operations.

Risk appetite and risk tolerance
The Company's overall risk appetite is adopted every year by the Company's Board and is expressed in the form of a solvency ratio based on SCR. The risk tolerances for each risk group are also adopted by the Board annually and communicated in the Company's internal governance documents.

Limits and indicators

Limits are primarily controlled by the Risk Management function's audits and indicators via quarterly reports to the Risk Management function.

Identify and measure risks
The identification and measurement of risks in the Company's operations take place in connection with analysing and updating key processes, self-assessments of control activities, reporting via the Company's risk and independent reporting, other operational reporting and the control functions' audits.

The Company has determined which processes in its operations are of material importance. Each material process is documented and has a designated process owner. The process documentation is to include a description of the primary activities of the process and their inter-connection, identified risks, when the control is to be performed and decisions made in the process, stakeholders and the results of the process. The documentation is to be updated by the process owner when changes are made to the process. The process documentation is to be revised at least once a year.

A more detailed risk assessment is to be carried out or updated at least once per year. The Company has established a number of control activities that counteract the most material risks in the risk assessment with the aim of ensuring a minimum level of control. These control activities serve as a basis for the minimum level of control that must be established and function in the Company's overall processes.

A self-assessment of minimum requirements of defined controls is to be conducted and reported each year. The CFO is responsible for the self-assessment process concerning the financial risks that are reported to the Audit Committee and thereafter to the Board. The CEO is responsible for the self-assessment process for the remaining components, which are reported to the Corporate Governance Committee and thereafter to the Board. The Risk Management function is responsible for the practical implementation of the self-assessment process and follows up that all of the sub-sections are tested and reported internally.

The Company's employees report risks and incidents to the Company's Risk Management function, which documents and analyses reported risks and incidents. Any losses arising in conjunction with incidents are also documented. The Company has procedures in place to ensure the accuracy of this information. Reported risks are registered in a risk database, and the purpose of this database is to enable the Company to take action to minimise losses and reduce the risk.

A risk owner is appointed for all identified risks and incidents, and this owner appoints an individual as responsible for implementing an action plan. All actions are marked with a implementation deadline and degree of severity. The degree of severity of the risk or the incident reported to the risk database is then assessed by the Risk Committee based on probability and consequence. The Risk Committee also assesses the adequacy of proposed controls and/or actions, and whether the risk should be mitigated or accepted. The Risk Committee provides the Board with proposals for risk-reducing measures for the areas in which risks have been identified.

Management and oversight of risks
It is primarily the risk owner who manages risks in the operations and the Risk Committee. Monitoring mainly takes place via audits performed by the control functions according and in addition to plan, and via documented controls in the first and second lines.

Reporting and monitoring
The risk owner reports back to the Risk Management function and, when applicable, the Risk Committee.

The Risk Management function and the Compliance function report to the CEO, Board and Corporate Governance Committee at least four times a year, both in writing and verbally. In the case of material risks, the Risk Management function, Compliance function or the Actuarial function are to inform the CEO and the Board outside the regular reporting.

Risk Management function
The function is tasked with the independent and autonomous monitoring and review of the Company's risks. The review is to include, inter alia, analysis of the development of risks as well as how the Company manages existing and expected risk factors in its operating activities.

The responsibilities, tasks and reporting procedures of the function are governed by the policy for the Risk Management function adopted by the Board. The function's tasks include the following:

- Assist the Board, CEO and other functions for the purpose of ensuring the effective operation of the risk management system.
- Oversee the risk management system.
- Report on risks

The function is independent in relation to the business activities, and the function's audits are carried out in accordance with the audit plan adopted annually by the Board. The audit plan includes the focus and scope of the audits, meaning the scale of the auditing activities to be carried out, the areas in which the audits are to take place and the resources required for performing the audits. The focus and scope are based on the annual overall risk analysis.

The function is an independent key function immediately under the CEO and is ultimately responsible to and reports directly to the CEO and Board. Completed audits and observations are reported on a quarterly basis both verbally and in writing to the CEO, the Board and the Parent Company's Corporate Governance Committee.

In its work, the Risk Management function is to have access to all parts of the operations and also be granted access to company management and the management teams if required. Furthermore, the CEO is to ensure that the function has access to the necessary and adequate resources to be able to carry out its duties and unrestricted access to all information required to be able to carry out its duties.

When necessary, the Risk Management function works together with the Company's other functions for the purpose of performing its duties. The Risk Management function has an obligation to inform the Compliance, Internal Audit and Actuarial functions about any circumstances that are relevant for their respective duties. The Company must also ensure that the relevant organisational units in the Company inform the Risk Management function of any circumstances relevant to its duties.

Own risk and solvency assessment
The Company makes use of an Own Risk And Solvency Assessment (ORSA) to combine Pillar I and II according to the Solvency II Directive. Under Pillar I, quantitative calculations are made of the risk-weighted Solvency Capital Requirement (SCR) using EIOPA's standard formula, which is to compare the Company's own view of risks identified and measured based on the Company's risk management system and handled in Pillar II.

Accordingly, the ORSA is used to ensure that risks are adequately managed and to evaluate how well the Company-specific risks correspond to the capital requirements for the various risk groups under Pillar I. The second purpose of the ORSA is to carry out a forward-looking assessment for at least a three-year period of the development of the operations, risk profile and capital requirements, and the relationship with the Company's established risk appetite and available capital. The ORSA process takes place at least once annually.

The process is based on the ORSA policy adopted by the Board. This policy describes the activities and functions that are involved.

1. The Board adopts the risks that the Company accepts based on budget, business plan and other commitments by determining the Company's risk appetite, tolerances and limits to ensure that the operations are governed according to the desired risk level. The established levels are communicated in the Company's policies.
2. The Company's risks are quantified using the internal risk model, which results in the own solvency assessment. This assessment is based on the exposures measured according to the financial reporting and are described in more detail in section C Risk profile.
3. The current solvency situation is assessed based on the Solvency II regulations by reviewing the SCR calculation, which is then qualitatively compared with the own solvency assessment. The assessment of the current solvency situation also includes risks that are not specifically managed by the capital requirement calculations of the standard formula, such as reputation risk, strategic risks and emerging risks.
4. The assessment of the future solvency situation for three years is carried out by analysing the trend in the risk appetite over the selected time elapsed if the adopted business plan and budget are executed as planned and given a base scenario of assumptions for risk drivers. The analysis is supplemented with stress tests and scenario analyses which stress test the calculations. These stress tests mean that a number of selected risk drivers are individually stressed and the outcome described. A scenario analysis is a description of a number of risk drivers that combine to form a scenario and their joint impact on the Company.
   The forward-looking assessment is used to ensure that the Company will maintain sufficient capital in the future to cover the risks inherent in the business plan and budget. If the results show that the risk appetite is exceeded, a decision must be made as to whether to change the business plan or budget, introduce risk-reducing measures, raise capital or carry out a combination of these actions.
5. An ORSA is adopted by the Board and submitted to the Financial Supervisory Authority within two weeks. This takes place at least once annually. Once the ORSA has been adopted, the relevant parts are communicated to the employees concerned at the Company and the necessary governance documents are updated.

The ORSA process is an integrated part of the framework of the Company's risk management and the ORSA is integrated into the decision-making progress of the operations, and thus material and strategic decisions and business planning. This process includes evaluating capital requirements based on the SCR, which involves evaluating the effects on capital planning and measuring risks in connection with new initiatives.

Materiality assessment of climate risks in the Company
As part of the 2022 ORSA process, the Company carried out a materiality assessment of the Company's exposure to future climate change in the long term and has thus identified and quantified the climate-related risks to which the Company is exposed. The materiality assessment performed shows that the Company's exposure to effects from climate change is deemed to be low and immaterial in relation to the Company's risk profile. This aligns well with the valuation of climate-related risks included in the Company's risk profile and quantified by the Company's own solvency assessment and within the framework of the Company's normal risk management activities. Since the effects of climate change are only deemed to have a minor impact on the Company's operations, no additional climate scenarios were analysed in the ORSA report.

B.4 Internal control system

The Company integrated a control system into the business in order to establish a good corporate culture for internal governance and control whereby all employees and functions strive to achieve a good control environment. This system is documented and communicated to all employees.

Since the corporate culture is, in the first instance, established by the management body and then implemented in the rest of the organisation, the Board and the CEO are responsible for establishing such an integrated control system for the entire business. The central parts of this system are:

- The Company's control environment, which can be described as three lines of defence with different areas of responsibility with joint responsibility for a high level of internal governance and control,
- The Company's internal governance documents that contain the Company's integrated control processes,
- The Company's contingency and continuity management,
- The Company's procedures and processes for reporting and communication, and
- The Company's internal controls carried out in the first line.

The Company's three lines
The Company's risk management is based on the approach of three lines of defence whereby the combination of the different lines ensures effective risk management in the daily operations.

First line – Administrative body
The first line comprises the entire operations and all employees apart from those included in the second and third lines, meaning the control functions. The line thus encompasses the operating and business activities, administrative functions and staff functions. This is the risk-taking part of operations and is responsible for compliance with internal and external regulations in the daily operations. The responsibility assigned to every employee is documented in internal governance documents and procedures. Each area of operations has regular internal controls in place with individuals designated to manage and conduct. Control logs are filled in for each control completed. The Company's internal controls are monitored in conjunction with the control functions' audits and through an annual follow-up of the Risk Management and Compliance functions and through audits performed by Internal Audit.

Second line – Control functions
The second line comprises the Risk Management, Compliance, Information Security and Actuarial functions, which are independent from the administrative body since they do not participate in the business activities. These control functions are responsible for verifying that the first line complies with internal and external regulations. In addition, the second line is to provide support for the first line in its work on internal governance and control and follow a risk-based and proactive approach to create a good and effective control environment at the Company. The second line is also responsible for analysing, monitoring and reporting to the Board, CEO and other stakeholders.

Third line
The third line is the Internal Audit function. This function continuously reviews the Company's operations as well as the activities of the first and second lines to ensure that the administrative, management and supervisory bodies discharge their undertakings pursuant to external and internal regulations and possess an appropriate level of competence. The third line is independent of the Company's operating activities and reports directly to the Company's Board. Recommendations from the third line trigger prioritised activities in the first and second lines.

Internal governance documents
The Company has adopted internal governance documents as part of the Company's system of governance and internal control systems. These governance documents follow the requirements of external regulations and have been adapted to each other and to the Company's business strategy and the scale, nature and complexity of the operations.

The Company's internal governance documents define the areas of responsibility and the duties of the three lines of defence. The internal governance documents have consistently been prepared based on the requirements of transparency and clarity so as to thereby ensure continuity in the operations.

All governance documents contain descriptions of the purpose, the tasks to be performed and the person or function who is responsible for them, the reporting and monitoring procedures for internal and, if applicable, external reporting that are to be applied and how each governance document is to be communicated to stakeholders in the Company's organisation. Each governance document is also to have a document owner who is responsible for updates/revisions of the governance document and to ensure compliance with the governance document.

All governance documents are to be reviewed annually, revised if necessary and adopted by the appointed management, supervisory or administrative body, regardless of whether changes have been made. The Company's Board has established a schedule for when each governance document is to be adopted during the financial year.

Governance documents containing documented control processes must always include:

- a description of the scope of internal audits of the system of governance and how often they should be conducted given the nature, scale, complexity and structure of the operations, meaning how the requirement of a risk-based approach is met,
- procedures for documenting audits and reporting of audits,
- procedures for monitoring and control when shortcomings are identified.

Internal governance documents are divided into three levels with varying aims and degree of detail, see below. External regulations stipulate which function is to adopt a specific internal governance document. However, the Company may deviate from these regulations regarding certain governance documents of key importance.

Level 1 – Policies
The policies are adopted by the Company's Board and determine general principles and values and set the ultimate frameworks for the work that is to be performed. The policies are the Board's tools for implementing external regulations and overall strategies and targets under this framework. This level of governance document sets the structure for the operations and clarifies the overall division of responsibilities between the first, second and third lines of defence.

Level 2 – Guidelines
Guidelines are, as a rule, determined by the Company's CEO and/or the head of function and define the areas of responsibility for the Company's function and describe the work that is to be performed. Furthermore, the governance documents at this level stipulate the monitoring and reporting that is to take place for this work. The level of detail of the guidelines depends directly on the requirements set in external regulations, although documents at this level generally address more specific areas in more detail than similar instructions.

Level 3 – Descriptions of procedures and processes
Descriptions of procedures and processes are adopted by the CEO and/or the head of function and include detailed descriptions of how work that is generally governed by instructions and guidelines is to be performed. The aim of this level of governance document is to ensure the continuity of the day-to-day work.

Reporting
Reporting from control functions – Internal Audit, Compliance and Risk Management regularly report on their observations, assessments and proposed action to the CEO, the Corporate Governance Committee and the Company's Board. The Actuarial function reports significant events continuously and in an Actuarial Report every year to the CEO and Board.

Reporting procedures for the functions are documented in governance documents for each function.

Reporting from the administrative body – In order to ensure that relevant information is reported to the management and administrative body for the decision-making processes, the Company has established reporting procedures for each function. These procedures are detailed in the Company's adopted position descriptions and the head of each function is ultimately responsible for the reporting.

External reporting – The Company's external reporting and reporting processes are documented in internal governance documents. The governance document states the responsible reporting function, the reporting process, who is to prepare the report, who is to check the report and who is to approve the report, and the time schedule for the reporting.

Internal communication

In order to promote a good internal control environment with continuity, all functions and employees must notify the Risk Management, Compliance and Actuarial function about circumstances that negatively impact the internal control of the Company.

The control functions are to have the right to gain access to all the information required in order for the functions to be able to perform their duties. The control functions are, in turn, to handle this information with the level of due care required in each individual case.

The CEO and all heads of functions must ensure and promote that all employees in the Company are aware of and have information about how they are to work towards and contribute to achieving efficient and good internal governance and control. This is mainly achieved through regular training on internal and external regulations. On the Company's intranet, employees are able to access the Company's governance documents and other training material.

Continuity management

The Company has adopted a continuity plan to ensure its ability to maintain its operations and limit losses in the event of a major disruption to the operations. Based on an analysis, the Company has assessed in the plan the most important main and support processes, established an order of priority among these processes and identified the risks that should be considered.

Compliance function

The Compliance function is responsible for monitoring and assessing the adequacy and effectiveness of the measures implemented by the Company to meet its obligations under applicable external regulatory frameworks pertaining to the licenced operations.

The responsibilities, tasks and reporting procedures of the function are governed by the policy for the Compliance function adopted by the Board. The function is independent in relation to the business activities.

The Compliance function is to establish a strategy and a detailed work programme for regulatory compliance. The strategy describes the function's responsibilities, authorities and reporting obligations. The work programme describes the function's planned activities, taking into consideration all relevant areas of operation for insurance and reinsurance entities as well as their exposure to non-compliance risk. The Board is to be informed of the Compliance function's work programme.

The Board is to establish the scope and frequency of internal audits of the system of governance, taking into account the nature, scale and complexity of the Company's operations. The Board establishes the scope and frequency of the Compliance function's internal audits of the system of governance in a general audit plan for the Compliance function. The audit plan for the Compliance function is to be adopted by the Board.

The function is an independent key function immediately under the CEO and is ultimately responsible to and reports directly to the CEO and Board. Completed audits and observations are reported on a quarterly basis both verbally and in writing to the CEO, Board and the Company's Corporate Governance Committee.

In its work, the Compliance function is to have access to all parts of the operations and also be granted access to company management and the management teams if required. Furthermore, the CEO is to ensure that the function has access to the necessary and adequate resources to be able to carry out its duties and unrestricted access to all information required to be able to carry out its duties.

When necessary, the Compliance function works together with the Company's other functions for the purpose of performing its duties. The Compliance function has an obligation to inform the Risk Management, Internal Audit and Actuarial functions about any circumstances that are relevant for their respective duties. The Company must also ensure that the relevant organisational units in the Company inform the Compliance function of any circumstances relevant to its duties.

Information Security function
This function is an independent second line function that provides support for the Board, the CEO and other members of management in their work on ensuring a high level, and appropriate management and control of the Company's information and communication technology (ICT) and security risks and business continuity. The function is to work independently, base its work on risk and independently and objectively check to ensure that ICT and security risks to which the Company is exposed are identified and managed by the relevant functions, and control and analyse the Company's risk exposure and development of ICT and security risks, and business continuity. The function is to have suitable and customised work processes for risk management, which are to comprise regular action and annual activities. The function is to follow an audit plan that is established every year and approved by the Board, and the Company's risk framework.
The function is an independent key function immediately under the CEO and is ultimately responsible to and reports directly to the CEO and Board. Completed audits and observations are reported on a quarterly basis both verbally and in writing to the CEO, the Board and the Corporate Governance Committee.

B.5 Internal Audit function

The role of the Internal Audit function is, independent of the Company's operating activities and the other control functions, to audit and evaluate the Company's operations to ensure that they are being conducted in accordance with external regulations and the internal rules determined by the Company's Board and/or CEO/head of function. Under the framework of this work, the function is to audit and evaluate to ensure that the Company's organisation, governance and internal control are effective and appropriate. Furthermore, the function is to present recommendations and estimated time schedules for taking action on potential shortcomings to the relevant stakeholders, based on the observations made and monitor to ensure compliance with the recommendations provided.

The responsibilities, tasks and reporting procedures of the Internal Audit function are governed by the policy for internal audit adopted by the Board and the Internal Audit function. The internal audit work is conducted pursuant to the audit plan, adopted annually by the Board, and based on a general multi-year plan. The audit plan aims to describe the internal audit's focus and actions linked to specified risk areas. These risk areas are based on a completed risk analysis. The Company's Internal Audit function is outsourced to an external party.

The responsibility of the Internal Audit function is, by applying an independent, impartial, systematic and structured way of working, to evaluate and improve the efficiency of and provide recommendations about the Company's risk management, internal governance, IT systems, regulatory compliance, financial reporting and systems for internal control and other parts of the system of governance.

The Internal Audit function is an independence key function and reports to the Company's Corporate Governance Committee and the Company's Board. The Company's Internal Audit function is outsourced to Öhrlings Pricewaterhousecoopers AB, 556029-6740.

When necessary, the Internal Audit function works together with the Company's other functions for the purpose of performing its duties. The Internal Audit function has an obligation to inform the Risk Management, Compliance and Actuarial functions about any circumstances that are relevant for their respective duties. The Company must also ensure that the relevant organisational units in the Company inform the Internal Audit function of any circumstances relevant to its duties.

The function is to cooperate and exchange information with the Company's external auditors.

B.6 Actuarial function

The Actuarial function is responsible for the coordination and validation of technical calculations as well as the data quality on which they are based. It also includes the evaluation of the appropriateness of the methods, models and assumptions used. Furthermore, the Actuarial function checks and validates the calculations of the legal Solvency Capital Requirements under Solvency II and the valuation principles used for the technical provisions. Validation follows the framework established by the Board in the policy for technical guidelines and the reserve levels. The function also participates in the Company's risk management and supports the effective implementation of the Company's risk management system.

The Actuarial function is an independent key function immediately under the CEO and is ultimately responsible to and reports directly to the CEO and Board. The primary role of the function is to audit and coordinate.

The head of the function is responsible for submitting a written report to the CEO and Board, at least once a year in connection with the closing of the annual accounts, that describes and provides commentary on the validations of the technical provisions that have been completed. The Actuarial function shall, at least once a year, report a compilation and commentary on the legal capital requirement calculations to the Risk Management function and the Company's risk management system. At least once a year, a written report is submitted to the Board and the CEO in which the Actuarial function documents all activities that it has carried out and their results, clearly identifies all shortcomings and provides recommendations on what action to take to remedy these shortcomings.

The Actuarial function is to rapidly report all major problems within its area of responsibility to the CEO and the Board.

The Actuarial function is to have the opportunity, on its own initiative, to communicate with all employees and have the necessary authority and expertise and unrestricted access to all relevant information that the function needs in order to carry out its obligations. In its work, the Actuarial function is to have access to all parts of the operations and also be granted access to Company management and the management teams if required. Furthermore, the CEO is to ensure that the function has access to the necessary and adequate resources to be able to carry out its duties.

When necessary, the Actuarial function works together with the Company's other functions for the purpose of performing its duties.

The Compliance function has an obligation to inform the Risk Management, Internal Audit and Actuarial functions about any circumstances that are relevant for their respective duties. The Company must ensure that the organisational units concerned inform the Actuarial function of any circumstances relevant to its tasks.

B.7 Outsourcing

The Company has documented processes and procedures for outsourcing to service providers as regards functions and/or other parts of the Company's insurance operations in the Company's policy for outsourcing operations. The processes and procedures include:

1. procedures, processes and criteria for the selection of service provider,
2. procedures for examining and documenting the effects of the outsourcing agreement on the Company's operations, risks and risk profile,
3. the Company's requirements for information and structure as regards written agreements between the Company and the service provider,
4. procedures for evaluating performance and results,
5. reporting and monitoring procedures,
6. business contingency plans, and
7. procedures and processes for outsourcing critical or important operational functions or activities including criteria for determining whether a function or an activity is critical or important.

The processes and procedures above are applied by the Company regardless of whether the work or function is outsourced to a completely external party or a party within the same Group to which the Company belongs.

The policy states that outsourcing of a key function is to be defined by the Company as an operation of material significance. All operations of material significance are to be approved by the Company's Board before they are outsourced to external contractors. The CEO is responsible for presenting any outsourcing of operations to the Board.

When the Company gives partners, agents and insurance intermediaries the right to enter into insurance contracts, based on outsourcing, and in certain cases the right to adjust claims, in the Company's name and on its behalf, the Company has identified the process for outsourcing operations as critical. As a result, the process is to be regularly assessed and examined by both the administrative and supervisory body. The Compliance function is to ensure monitoring, control and compliance with this policy. The results of such controls are reported in writing to the CEO, Corporate Governance Committee and the Company's Board. Any serious shortcomings that are identified are to be reported to the Company's Board immediately.

The Company's material outsourcing agreements as per 31 December 2022 that have been reported to the Financial Supervisory Authority:

- Claims adjustment
- Archiving
- Ancillary insurance brokerage
- IT operation services
- Internal Audit function

The jurisdictions regarding outsourcing of claims adjustment are Switzerland, the UK, Denmark and Finland. The jurisdiction is otherwise Sweden.

The Company checks legislation and updates to laws and monitors relevant amendments and regulations on an annual basis to ensure that the Company complies with the regulatory requirements stipulated for the Company's operations. Partnerships are entered into with local lawyers in the countries in which the Company is unable to monitor or continuously follow up the above itself.

B.8 Additional information

No other information.

C Risk profile

The operations conducted by the Company are non-life insurance and the most material risk exposures are insurance risks and market risks. The Company is exposed to counterparty risk through reinsurance, bank deposits and other receivables. Finally, the business is exposed to operational risks. Sustainability risks are an integrated part of the Company's risk management, but from a reporting perspective these types of risks are handled separately (under Other risks).

The Company's ORSA that was submitted to the Financial Supervisory Authority for 2022 presented a base scenario, two scenario analyses including stress tests and a reverse stress test of the identified material risks in order to prepare an appropriate basis for assessing the Company's total solvency requirements. To develop the base scenario, the Company used a new forecast adopted by the Board. The base scenario shows a strong solvency position over the time horizon. The scenarios and stresses established for testing the strength and resilience of the solvency position over a given time horizon provide good insight into the types of risk that the Company is most sensitive to. The Company's risks are quantified in the Company's annual ORSA process, using the internal risk model, which results in the own solvency assessment.

Internal risk model for quantifying risks

The Company has developed an internal risk measure for each risk group in the Company's risk profile. The measure is used to quantify the Company's risks used in the own solvency assessment. The internal model is adapted to match the Company's operations and is used to highlight any differences compared with the calculations in the standard model. The assessment of the current solvency situation also includes risks that are not specifically managed by the capital requirement calculations of the standard formula, such as reputation risk, strategic risks, emerging risks and sustainability risks.

The Company's internal risk model and own solvency assessment are based on exposures valued according to the financial reporting and are thus related to the Company's earnings according to the financial reporting and the volatility that can arise in this. Accordingly, this model should not be compared with the model (EIOPA's standard formula) that the Company uses to calculated the regulatory Solvency and Minimum Capital Requirements (SCR and MCR) since these models are based on exposures valued according to Solvency II. The internal valuation of the Company's risks is presented in the table below.

Based on how the Company's internal risk model quantifies risks in the various groups above, and how these risks are expected to arise, the Company has assumed in its internal risk model that there is a certain correlation (diversification) between the various risk groups. This means that the total risk estimates for the total of all risk groups are considered together with a set correlation between the risk types. According to the internal valuation of the Company's risks on 31 December 2022, the Company has calculated that the total valuation of the Company's risks amounts to KSEK 396,135 (390,623). The internal valuation of all risks compared with own funds according to the financial report, which amounts to KSEK 899,594 (815,531), means that the own solvency assessment of the Company is deemed to be good. The Company's quantified total risk profile does not exceed the statutory SCR and the Company thus believes that no additional capital add-on to the SCR is needed.

Total own solvency assessment KSEK	2022-12-31	2021-12-31	Change for the year
Market risk	72 964	67 167	5 797
Counterparty risk	26 339	38 775	-12 435
Insurance risk	326 648	317 751	8 897
Liquidity risk	0	0	0
Diversification	-59 621	-61 374	1 753
Operational risk	18 661	20 047	-1 386
Other risks	11 181	8 257	2 924
Total own solvency assessment	**396 173**	**390 623**	**5 550**

C.1 Underwriting risk (Insurance risk)

Insurance risk is the risk of a change in value due to deviations between actual and expected insurance costs. This means the risk that actual outcome deviates from the expected outcome due to, for example, a higher claims frequency, larger average claims costs, or one or more major claims.

Insurance risk primarily comprises premium and reserve level risk and disaster risk. The Company defines insurance risk as the single largest risk group.

The Company manages and minimises insurance risk by means of the policies issued by the Board on managing underwriting and reinsurance risks, technical provisions and reserve levels. These policies govern the limits and areas in which insurance may be taken out and how and using which methods the technical provisions are to be calculated.

The risks that the Company may assume and the deductible that is to apply are set by the Company's Board, taking into consideration the Articles of Association, the Company's policy for actuarial guidelines and the limits that apply for the Company regarding its equity and otherwise taking into account the limits stipulated in the Insurance Business Act. The Company's CEO is responsible for ensuring that the Company has satisfactory reinsurance cover for underwritten risks.

The Company's insurance risk in the own solvency assessment increased KSEK 8,897 during the year and amounted to KSEK 326,648 (317,751). The increase was primarily driven by an increase in exposure in the Company's Assistance segment.

C.2 Market risk

Market risk is the risk of loss or an adverse change in the financial position caused directly or indirectly by fluctuations in the market prices of assets and liabilities. Losses in the investment portfolio may arise as a result of unfavourable changes in the level or volatility of interest rates, equity prices or currencies. The Company's asset management, and also the Company's investment strategy, must be characterised by risk-taking that is commensurate with the Company's risk appetite, and with compliance and efficiency ensured through regular monitoring.

The Company's assets are invested according to the prudent person principle, which means that investments are made in instruments whose risks the Company can identify, measure, oversee, manage, control and report. Assets held to cover technical provisions are entered into a precedence register with information about their localisation and availability.

The Company has a policy established by the Board that regulates such matters as limits and power for the type of investments, counterparties and trading venues. These limits are continuously monitored and considered when making new investments.

A large proportion of the Company's investments are in interest-bearing securities, which means that the Company is exposed to the risk of changes in market interest rates. Investment decisions are managed and limited by the policy on investments adopted by the Board and by monitoring the duration of these investments. Cash flows from investments are matched against cash flows from the insurance operations. Fixed interest-rate periods for the investments corresponding to provisions for net technical liabilities are to essentially be the same as the durations of the technical liabilities. The Company's durations for technical liabilities are short and matching takes place by investing a large portion of the investment assets in interest-bearing instruments.

The insurance operations short-tailed, which leads to relatively low exposure to changes in interest rates. The Company's fixed-income investments are in conventional government and corporate bonds.

The Company is exposed to changes in equity prices through its investments in shares, which represent a relatively small proportion of the Company's total investments.

Equity risk is managed and restricted by issuing governance documents in the form an investment policy that describes the proportion of the Company's total investments that may be invested in shares. The Company has, as per the reference date of this report, not made use of the full mandate and instead is restrictive in its equities investments.

Currency risk arises when the values of assets and liabilities in foreign currency translated to SEK are subject to unfavourable changes due to fluctuations in exchange rates.

To minimise the Company's currency risk, the Company endeavours to ensure that assets and liabilities in each individual currency match. If over exposure arises that cannot be managed by matching, the use of currency derivatives is considered to handle this. However, any currency derivatives are not used speculatively.

Concentration risk inherent in investments is primarily the result of a small number of investments that exceed the Company's concentration limits. These investments are primarily in well-capitalised Swedish companies that are in line with the Company's accepted tolerances and limits. The reason that the concentration exists is that the investments offer relatively high returns on the Company's operational risk and compared with other investment options in the current low interest-rate climate.

The impact of concentration risk is continuously monitored by the Investment Committee when investments are made or changed in the investment portfolio.

The Company's market risk increased KSEK 5,797 during the year to KSEK 72,964 (67,167), which was primarily driven by concentration risk.

Market risk KSEK	2022-12-31	2021-12-31	Change for the year
Interest rate risk	3 541	1 117	2 424
Equity price risk	45 504	46 698	-1 193
Spread risk	17 888	15 170	2 718
Concentration risk	34 605	26 007	8 598
Currency risk	6 880	7 473	-593
Diversification in Market risk	-35 454	-29 298	-6 156
Total Market risk	**72 964**	**67 167**	**5 797**

C.3 Credit risk (Counterparty risk)

Counterparty risk is the type of risk that is inherent in every type of contractual relationship and financial stability is mainly taken into consideration. Counterparty risk is limited using limits for individual counterparties and analyses of the counterparty's financial position. The Company is exposed to counterparty risk in the receivables included in deposits in commercial banks, reinsurance and accounts receivable.

The Company manages and restricts the risk through policies issued by the Board of directors that set out the framework for assessing the counterparty's ability to discharge its obligations. Counterparty risk to reinsurers is limited by only signing agreements with reinsurers that have a credit rating of BBB for short contractual periods or A or higher for long contractual periods.

Accounts receivable are recognised at the amounts expected to be received, meaning after deductions for doubtful receivables. The Company makes an assessment at the end of every reporting period as to whether there is objective evidence of an impairment requirement. Objective evidence includes indications that a borrower or group of borrowers has significant financial difficulties, default or delinquency in interest or principal payments or that the borrower will enter bankruptcy or other financial reorganisation. Impairment is not reversed until there is verifying information that the impairment requirement no longer exists.

Counterparty risk in the Company's own solvency assessment decreased KSEK 12,435 during the year to KSEK 26,339 (38,775).

C.4 Liquidity risk

Liquidity risk is defined as the risk of the Company being unable to realise investments and other assets in order to discharge its financial obligations when they fall due for payment. To limit liquidity risk, investments in bonds, bills, commercial paper and equities are to be made in securities that are listed in a marketplace where there are conditions for daily trading and high volumes in relation to the investment made. Total liquidity risk is governed by limits for each type of investment by a counterparty. Short and long-term liquidity are monitored on a monthly basis via the Company's Investment Committee.

The Company consciously monitors its excess liquidity, meaning the liquidity available in bank accounts that is not needed in the daily operations for 12 months ahead. Since the Company has a large amount of excess liquidity as per 31 December 2022, liquidity risk in the own solvency assessment is deemed to be SEK 0 (0).

C.5 Operational risk

Operational risk refers to the risk of loss due to incorrect or non-appropriate internal processes and procedures, human errors, incorrect systems or external events, including legal risks.

Operational risk is countered by internal control. The establishment of effective internal control is an ongoing process in the Company, and this includes:

- the requirement for appropriate policies, guidelines and procedures for recurring work duties;
- a defined division of responsibilities and duties for employees;
- compliance with laws, regulations and provisions;
- IT support in the form of an accounting and finance system with built-in automated checks and controls;
- internal information and reporting systems, for example, to meet management's demands for information; and
- information security and physical safety to protect the Company's assets and personnel.

All risks reported via risk and incident reporting and other highlighted risks are addressed by the Risk Committee and valued and documented in the Company's risk register. The risk register enables the Company to gain an overall view of the quantification of all of the Company's identified operational risks. At least once a year, the Company is to review all registered operational risks in the risk register together with the risk owner to ensure that sufficient controls are in place or that other risk-reducing processes are appropriate and effective and to potentially reassess the risk in question. If a material risk with shortcomings is identified, a specific action plan is prepared that is continuously monitored.

Every year, the Company reviews its insurance coverage as regards, for example, liability and property, to ensure that the Company's insurance coverage corresponds to the Company's desired risk level.

In 2022, the Company analysed its operational risks together with the risk owners in the Company, the risk and incident reporting, other operational reporting, process mapping, control functions' audits and follow-ups of risk appetites, tolerances, limits and indicators. The purpose of the analysis is to map the operational risks to which the Company is exposed and assess their potential impact on the Company's operations. The operational risks that have been identified based on the analysis have been quantified based on their probability and consequence with the help of each risk owner and have been entered into the Company's risk register. Net risks have then been aggregated to provide the Company of an idea of the capital required for the operational risks. The various parts of operational risks are: compliance risks, personnel risks, process risks, IT and system risks, and external risks.

Based on the Company's total risk register for operational risks, the aggregated net exposure to these risks amounts to KSEK 18,661 (20,047) in the Company's own solvency assessment. In many cases, the Company has a control environment for reducing the probability of the risk occurring and/or the consequence of its occurring.

C.6 Other material risks

A description is provided below of the other risks to which the Company believes it is exposed and the reasoning behind the Company's management of these risks. The Company has identified the other risks as strategic risk, reputation risk, liquidity risk, emerging risks and sustainability risks. During the year, the Company analysed the other risks to which the Company believes it is exposed. Based on expert statements from senior executives at the Company, an assessment was made of the potential impact that these risks could have on the Company's operations. Using this input, the other risks have been quantified based on their probability and consequence and have been entered into the Company's risk register. Net risks have then been aggregated to provide the Company with an idea of the capital required for the other risks. Parts of the other risks are described below.

Strategic risk
The Company has a tradition of working in a changing environment where conditions constantly vary over time. The adaptability that the Company possesses is a strength. The Company has increasingly transitioned to selling insurance valid for a period of one year, which means that changes in terms and conditions have a rapid impact that reduces the strategic risk. Policy decisions that result in changes to consumer laws and tax legislation or other regulatory requirements that apply to the Company may also pose a risk.

One of the Company's pillars involves continuously taking account of changes in external factors, for example through regular external analysis meetings regarding the factors that affect the markets in which the Company operates in order to minimise strategic risks. Insurance cycles, changes in customer behaviour and the competitive situation are considered.

Reputation risk
The Company is stable and has a good reputation. If serious rumours were to circulate about the Company, it could result in lower sales and fewer opportunities to partner with agents. The Company has a highly functional organisation for managing mass media questions and clearly defined reporting procedures for handling customer complaints.

Emerging risks
Emerging risks are defined as future, potential risks that the Company could be exposed to moving forward. The Company works continuously to identify emerging risks and, when they appear, categorises them in the following sub-categories: Market risk, Counterparty risk, Insurance risk, Operational risks and Strategic risks.

Sustainability risks
Under the framework of its normal risk activities and in its Sustainability Report, the Company identified during the year the types of sustainability risks to which the Company is exposed, which encompasses the areas of diversity and equal opportunity, insurance distribution and environment and climate. Regarding climate-related risks, the Company identified unique risks in the Company's operations from climate change and categorised them into the following main categories, meaning that sustainability risks are thus included in the Company's risk profile though:

- Lower earnings due to higher claim costs

- Lower earnings due to lower premiums
- Lower earnings due to operational risks
- Lower earnings due to strategic risks
- Lower earnings due to market and financial risks

The various risks identified above are already included in the Company's risk profile and in its own solvency assessment. In the Company's own solvency assessment, these types of risk are managed by estimating the probability of the risk occurring with an assessment horizon of 12 months and consistency in the form of an impact on earnings if they occur. The risks were quantified by obtaining expert opinions from the Company's senior executives and key individuals and the risks were entered into the Company's risk register by using this input, which means that sustainability risks are an integrated part of the Company's risk management framework.

Based on the Company's total risk register for other risks, the aggregated net exposure to these risks amounts to KSEK 11,181 (8,257) in the Company's own solvency assessment. This is a weighting of probability multiplied by consequence, whereby a risk owner makes an estimate and the Risk Committee validates and an assessment following the methods and models described above.

C.7 Additional information

No other information.

D Valuation for solvency purposes

The following section describes the overall valuation principles followed by a table of the Company's Solvency II balance sheet as per 31 December 2022 and the carrying amounts for these items according to the financial statements. This section also provides a more detailed description of the valuation principles for the various items in assets, technical provisions and other liabilities.

The Company's assets and liabilities are valued in the Solvency II balance sheet according to the main valuation principles of the Solvency II directive below.

- Assets are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.
- Liabilities are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The valuation of assets and liabilities is based on their valuation in the Company's statutory reporting (financial statements) according to legally restricted IFRS. As necessary, assets and liabilities are revalued if the Solvency II regulations prescribe different valuation rules to these financial statements.

The Company does not apply matching and volatility adjustments.

KSEK	Financial reporting	Solvency balance sheet	Revaluation
Assets			
Goodwill	9 286	0	-9 286
Deferred acquisition costs (DAC)	228 874	0	-228 874
Other intangible assets	7 709	0	-7 709
Property, machinery and equipment for own use	914	914	0
Equities	91 318	91 318	0
Government bonds	10 657	10 657	0
Corporate bonds and subordinated debt	690 833	690 833	0
Structured products	0	0	0
Money market and bond funds	40 109	40 107	-2
Derivatives	0	0	0
Reinsurers' share of technical provisions	3 936	1 627	-2 309
Receivables, direct insurance	83 800	41 123	-42 677
Cash and bank balances	605 822	605 822	0
Other Assets and Receivables	14 799	14 799	0
Deferred tax assets	0	4 097	4 097
Own shares	0	26 811	26 811
Assets total	1 788 055	1 528 107	-259 948
Liabilities	0	0	0
Gross technical provisions	660 659	387 096	-273 563
Derivatives	0	0	0
Liabilities, direct insurance	188 892	190 223	1 331
Liabilities, reinsurance	1 258	1 258	0
Other liabilities	37 652	37 652	0
Liabilities total	888 461	616 229	-272 232
	0	0	0
Assets minus liabilities	899 594	911 878	12 285

D.1 Assets

Goodwill

The item goodwill relates to the result of restructuring in 2010 when the operations of the former subsidiary Nord Assurance & Services AB were taken over by the Company, and the acquisition of a former intermediary of the Company's car guarantee products that took place in April 2019. This asset is not expected to be eligible according to the Solvency II regulations.

In the financial statements, goodwill represents the difference between the cost of acquisition and the fair value of the acquired identifiable assets, assumed liabilities and contingent liabilities. Goodwill is carried at cost less accumulated amortisation. The value of goodwill is assessed regularly and amortised over its estimated useful life at any given time. In accordance with Solvency II, the Company's total goodwill of KSEK 0 thus entails a negative adjustment in relation to the financial statements.

Deferred acquisition costs (DAC)
The asset Deferred acquisition costs is not expected to be eligible according to the Solvency II regulations since we cannot report a value for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

Direct costs that have a clear connection with the signing of insurance contracts are recognised as an asset in the financial statements. Direct costs mainly refer to fee & commission expense.

The valuation principle in the Solvency II regulations entails a negative adjustment of KSEK 228,874 for the asset item DAC, but this is offset by a corresponding change in the liability item for technical provisions.

Other intangible assets
Intangible assets refers to the value of the acquisition of the bicycle insurance operations of Falck Secure AB completed on 1 April 2015 and a Norwegian customer register of bicycle registrations that took place on 31 January 2020. Other intangible assets are amortised over five to seven years and amortisation is recognised through profit or loss.

The Company believes that the intangible assets do not warrant the same value according to the Solvency II regulations since they are not directly transferable to a third party and thus a negative adjustment of KSEK 7,709 has been made to the value recognised in the financial statements.

Property, machinery and equipment for own use
Items of property, plant & equipment are recognised at cost less accumulated depreciation. Cost includes expenses directly attributable to the acquisition of an asset. Subsequent expenditure is added to the asset's carrying amount or recognised as a separate asset (whichever is more suitable) only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised from the balance sheet. All other types of repair and maintenance are recognised as an expense through profit or loss in the period in which they arise.

Depreciation of property, plant & equipment for the Company's own use is applied on a straight-line basis in order to allocate the cost or the revalued amount down to the residual value over the estimated useful life. Assets are depreciated over their estimated useful life of five years from the date of acquisition.

This valuation principle is considered to provide a market-based value under Solvency II and therefore no adjustment is made.

Investments
Financial instruments are measured at their fair value. Derivatives and instruments classified as financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, but also according to the options specified in IFRS 9. Classification determines how a financial instrument is measured subsequent to initial recognition, as described below. Financial instruments in the category of assets measured at fair value through

profit or loss are regularly measured at fair value, with changes in fair value recognised through profit or loss. For financial instruments measured at fair value through profit or loss, both realised and unrealised changes in value are recognised under the income statement item "Non-technical account." For the 2022 financial year, the Company has held bonds, other interest-bearing securities and shares measured at fair value through profit or loss. The measurement category of amortised cost primarily comprises subordinated loans, cash and bank balances, and receivables attributable to direct insurance and reinsurance that have fixed or fixable payments and that are not listed on an active market. Amortised cost is calculated based on the effective interest rate used at initial recognition. Accounts receivable are recognised at the amounts expected to be received, meaning after deductions for doubtful receivables.

Reinsurer's share of technical provisions

A table of the best estimate of the reinsurers' share of technical provisions using the Solvency II valuation principles is presented below.

The differences in the valuation between Solvency II and the financial statements for the reinsurer's share of technical provisions follow the same valuation principles as the provisions (gross) described in section D.2.

Reinsurer's share, KSEK		**Solvency II**	
Direct non-life insurance	Premium reserve	Provision for claims payments	Best estimate
Other motor vehicle insurance	0	0	0
Insurance for fire and other damage to property	1 363	0	1 363
Assistance insurance	0	265	265
Insurance for miscellaneous financial loss	0	0	0
Total Direct non-life insurance	1 363	265	1 627

Receivables, direct insurance

Receivables, direct insurance are recognised at the amounts expected to be received, meaning after deductions for doubtful receivables. The Company makes an assessment at the end of every reporting period as to whether there is objective evidence of an impairment requirement for a financial asset or a group of financial assets. Objective evidence that an impairment requirement exists includes indications that a borrower or group of borrowers has significant financial difficulties, default or delinquency in interest or principal payments or that the borrower will enter bankruptcy or other financial reorganisation. Impairment is reversed when there is verifying information that the impairment requirement no longer exists. Other financial assets are also frequently subject to testing as to whether there is objective evidence for reserves and if impairment testing indicates a loss.

In the Solvency II valuation, adjustments are made to this item since the valuation of the technical provisions includes the cash flow for the recognised premium income that has not yet fallen due for payment. The adjustments that arise from future premium payments are also included as adjustments to the Solvency II balance-sheet items Technical provisions and Liabilities, direct insurance, and thus have no effect on own funds under Solvency II.

Cash and bank balances

The carrying amount of bank balances is deemed to reflect the fair value and the financial statements correspond to the Solvency II regulations.

Other assets and receivables

Other assets and receivables refers to prepaid expenses and accrued income and receivables from the Swedish Tax Agency. The value was recognised at the amount that is expected to be received and the financial statements are considered to be compatible with the Solvency II regulations.

Deferred tax assets
In the financial statements, no values are recognised for this item, whereas under the Solvency II regulations the Company recognises the net effect of the deferred tax assets and deferred tax liabilities that arise in the revaluation of the balance sheet on the transition from the financial statements and the Solvency II regulations. The tax assets are not deemed to be material.

Own shares
When the Company buys back its own shares under its repurchase programme, these are recognised directly against equity in the financial statements and therefore are not accounted for as an asset in the balance sheet. However, under Solvency II balance sheet no own shares are to be recognised as an asset item in the Solvency II balance sheet. To ensure solvency capital does not increase on the basis of the asset item, own shares, solvency capital is adjusted down with a corresponding item in the reconciliation reserve, which is a component of the solvency capital.

D.2 Technical provisions

The technical provisions recognised in the Solvency II balance sheet are valued at the current amount that would need to be paid in order to transfer the insurance and reinsurance undertaking to another insurance company. This value comprises the total of the best estimate and the risk margin.

The best estimate corresponds to the expected present value of future cash flows. The calculation of the best estimate is based on up-to-date and credible information and realistic assumptions. Applicable and relevant actuarial and statistical methods are used to calculate the technical provisions and the expected present value of the future cash flows. The cash-flow projection used in the calculation of the best estimate shall take account of all the cash inflows and outflows required to settle the insurance and reinsurance obligations over the lifetime thereof. The Company conducts only operations in non-life insurance with insurance contracts without the options of guaranteed renewals or bonuses.

The risk margin is part of the technical provisions to ensure that the value of these provisions corresponds to an amount that an insurance company can be expected to demand for taking over the undertakings. The risk margin is calculated to correspond to the cost of maintaining the capital that corresponds to the SCR needed to meet the commitments until they have been finally settled. This cost has been estimated using the simplified method entitled Method 3 in EIOPA's Guidelines on the valuation of technical provisions.

The gross and net best estimate according to the Solvency II valuation principles for each line of business are presented below. A table is also provided for the total net provisions recognised in the Solvency II balance sheet as per 31 December 2022 per business line.

Best estimate of gross provisions on 31 December 2022

Gross, KSEK	**Solvency II**		
Direct non-life insurance	Premium reserve	Provision for claims payments	Best estimate
Other motor vehicle insurance	62 232	8 902	71 134
Insurance for fire and other damage to property	164 932	17 859	182 791
Assistance insurance	35 055	15 760	50 816
Insurance for miscellaneous financial loss	31 362	17 356	48 718
Total Direct non-life insurance	293 581	59 876	353 458

Best estimate of net provisions on 31 December 2022

Net, KSEK	**Solvency II**		
Direct non-life insurance	Premium reserve	Provision for claims payments	Best estimate
Other motor vehicle insurance	62 232	8 902	71 134
Insurance for fire and other damage to property	163 569	17 859	181 428
Assistance insurance	35 055	15 495	50 551
Insurance for miscellaneous financial loss	31 362	17 356	48 718
Total Direct non-life insurance	292 219	59 612	351 830

Total net provisions including Risk margin on 31 December 2022

Net, KSEK		**Solvency II**	
Direct non-life insurance	Best estimate	Risk margin	Total technical provisions
Other motor vehicle insurance	71 134	3 243	74 377
Insurance for fire and other damage to property	181 428	8 422	189 849
Assistance insurance	50 551	3 314	53 864
Insurance for miscellaneous financial loss	48 718	18 660	67 377
Total Direct non-life insurance	351 830	33 638	385 468

In the financial statements, the valuation of the technical provisions differs from the valuation used for the provisions in the Solvency II balance sheet, and an explanation of these valuation differences is provided below.

For the premium reserve, provisions for unearned premiums for the financial statements are calculated individually for each separate insurance commitment using an adopted earnings pattern and remaining lifetime. For unprofitable business, an add-on is made to the expected costs that exceed the provision for unearned premiums on the basis of a provision for unexpired risks. The Company does not discount premium reserves in the financial statements.

Under Solvency II, the best estimate of the premium reserve is calculated as the present value of future net cash flows that are expected to arise on the undertaking for existing insurance contracts. Under Solvency II, the premium reserves are also adjusted for accrued premium income that has not yet fallen due for payment. In practice, the above means that the premium reserve for the financial statements is adjusted by capitalised acquisition costs (DAC, see the section above), expected future gains and future premium payments. The cash flows are also discounted since the valuation comprises the present value of future cash flows. The adjustments that arise from future premium payments are also included as adjustments to the Solvency balance-sheet items Receivables, direct insurance and Liabilities, direct insurance, and thus have no effect on own funds under Solvency II.

The provision for claims payments is calculated for the financial statements using actuarial and statistical models that provide an estimate of the future cash flows for claims incurred. In the financial statements, discounting is only permitted for classes to which the Company does not have any exposure. The Company did not include any uncertainty margin in its valuation of provisions for the provision for claims payments under the rules for the financial statements, and instead recognised the provisions as best estimates of the future cash flows. The Company does not discount provisions for claims payments in the financial statements.

In Solvency II, the best estimate of the provision for claims payments is valued as the present value of the expected net cash flows for claims that have already occurred, both known and unknown. This valuation is not different to how the provision for claims payments is valued under the financial statements, except that the cash flows under Solvency II are discounted.

A summary of the changes in the technical net provisions due to changed valuation principles between the financial statements and the valuation under Solvency II is provided below along with a description of the valuation principles used for each separate business line.

Net, KSEK	**Financial reporting**	**Solvency II**	**Revaluation**
Direct non-life insurance	Total FTA	Total FTA	Total FTA
Other motor vehicle insurance	147 853	74 377	-73 476
Insurance for fire and other damage to property	352 310	189 849	-162 461
Assistance insurance	65 714	53 864	-11 850
Insurance for miscellaneous financial loss	90 845	67 377	-23 468
Total Direct non-life insurance	656 723	385 468	-271 255

Other motor vehicle insurance
This business line largely comprises separate insurance that covers repairs of car glass and are all within the same homogeneous reserve class.
The difference of KSEK 73,476 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 3,243 in risk margin and KSEK -76,720 devaluation of the best estimate. The majority of the devaluation of the best estimate is related to the premium reserve, while only a small portion derives from discounting of the provision for claims payments.

Insurance for fire and other damage to property
This business line comprises several different homogeneous reserve classes of which the largest by far is product insurance.

The difference of KSEK 162,461 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 8,422 in risk margin and KSEK -170,882 devaluation of the best estimate. The majority of the devaluation of the best estimate is related to the revaluation of the premium reserve for which only a small portion derives from discounting.

Assistance insurance
This business line comprises the two homogeneous reserve classes of travel insurance and roadside assistance insurance.

The difference of KSEK 11,850 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 3,314 in risk margin and KSEK -15,164 devaluation of the best estimate. The majority of the devaluation of the best estimate is related to the revaluation of the premium reserve for which only a small portion derives from discounting.

Insurance for miscellaneous financial loss
This business line comprises insurance in the Personal Safety segment for which temporary and time-limited financial compensation is provide in the event of a loss of income due to termination of employment or sick leave. This business lines comprises two homogeneous reserve classes.

The difference of KSEK 23,468 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 18,660 in risk margin and KSEK -42,127 devaluation of the best estimate. The majority of the devaluation of the best estimate is related to the revaluation of the premium reserve for which only a small portion derives from discounting.

D.3 Other liabilities
Liabilities are current obligations arising from past events, the settlement of which is expected to result in an outflow of resources from the Company. A liability is capitalised when it is probable that an outflow of resources from the Company will result from the settlement of a current obligation and the amount at which the settlement will take place can be measured reliably.

Derivatives
Derivatives are regularly measured at fair value, with changes in fair value recognised through profit or loss. The valuation is provided by external suppliers and checked by the Company following an internally established process.

Derivatives are measured at fair value excluding transaction costs. Transaction costs are the costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

No revaluation takes place between the financial statements and Solvency II.

Liabilities, direct insurance
Liabilities attributable to direct insurance are measured in the financial statements at amortised cost and accrued interest expense is continuously allocated according to the effective interest method. In the Solvency II valuation, adjustments are made to this item since the valuation of the technical provisions includes the cash flow for the recognised premium income that has not yet fallen due for payment. The adjustments that arise from future premium payments are also included as adjustments to the Solvency II balance-sheet items Technical provisions and Receivables, direct insurance, and thus have no effect on own funds under Solvency II.

Liabilities, reinsurance
Liabilities, reinsurance are measured, where applicable, at amortised cost and accrued interest expense is continuously allocated according to the effective interest method. The amount is KSEK 0.

No revaluation takes place between the financial statements and Solvency II.

Other liabilities
This item comprises accrued expenses and deferred income Other liabilities are measured at fair value.

No revaluation takes place between the financial statements and Solvency II.

D.4 Alternative valuation methods

The Company does not use any alternative valuation methods.

D.5 Additional information

No other information.

E Financing

E.1 Own funds

The following section describes the build-up of Solvency II own funds and the bridge from equity according to the financial statements. The section also describes the structure and quality of the Solvency II own funds.

The table below describes the build-up of Solvency II own funds and the bridge from equity according to the financial statements.

Bridge from equity financial reporting to own funds Solvency II on 31 December 2022

KSEK	Bridge Equity to Own Funds
Equity Financial reporting	411 476
Untaxed reserves	488 118
Equity and untaxed reserves	899 594
Revaluations:	
Goodwill	-9 286
Other intangible assets	-7 709
Deferred acquisition costs (DAC)	-228 874
Deferred tax assets, net	4 097
Net technical provisions	271 255
Receivables and liabilities for direct insurance	-44 008
Money market and bond funds	-2
Expected dividend	-57 000
Solvency II own funds	828 067

Own funds according to Solvency II comprise equity according to the financial statements, untaxed reserves (contingency reserve) och revaluations of the Solvency II balance sheet in the financial statements.

Structure and quality of the Solvency II own funds

The table below shows the items that are included in the Solvency II own funds and their distribution between Tiers 1–3. The classification of these items depends on whether they are Tier 1 capital or ancillary own funds and the extent to which they meet the prescribed characteristics in the form of permanent availability, subordination and sufficient duration. Except for the item deferred tax assets, net, which is classified as Tier 3 capital, the Company's entire own funds have been deemed to meet the requirements for unrestricted Tier 1 capital.

Change in own funds

No own-fund items were issued during the reporting period.

Eligible own funds

KSEK	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
Share capital	30 000	30 000	0	0	0
Surplus funds	0	0	0	0	0
Other approved balance-sheet items	0	0	0	0	0
Reconciliation reserve	793 970	793 970	0	0	0
Deferred tax assets, net	4 097	0	0	0	4 097
Total Tier 1 capital	828 067	823 970	0	0	4 097
Ancillary own funds	0	0	0	0	0
Total Own funds	828 067	823 970	0	0	4 097

*Reconciliation reserve includes adjustment for own shares and expected dividend

KSEK	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
Total available capital to meet SCR	828 067	823 970	0	0	4 097
Total available capital to meet MCR	823 970	823 970	0	0	0
Total eligible own funds to meet SCR	828 067	823 970	0	0	4 097
Total eligible own funds to meet MCR	823 970	823 970	0	0	0
SCR ratio for eligible own funds	167,5%				
MCR ratio for eligible own funds	558,2%				

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement

KSEK	Build-up of SCR
Market risk	76 696
Counterparty risk	28 798
Insurance risk	419 857
Intangible assets risk	0
Diversification	-64 604
Basic Solvency Capital Requirement (BSCR)	460 747
Operational risk	33 675
Solvency Capital Requirement (SCR)	**494 422**

The Solvency Capital Requirement (SCR) has been calculated in accordance with EIOPA's standard formula. Since the operations conducted are non-life insurance activities, the Company is exposed to insurance risk for non-life insurance, market risks, counterparty risks and operational risks.

SCR and the Company's eligible own funds result in an SCR ratio of 167.5 per cent.

The Company does not use any simplified methods or undertaking-specific parameters.

Minimum Capital Requirement

KSEK	Calculation of MCR
Linear MCR	147 600
MCR ceiling (SCR x 0.45)	222 490
MCR floor (SCR x 0.25)	123 605
Combined MCR	147 600
MCR threshold value	27 253
Minimum Capital Requirement (MCR)	**147 600**

Linear MCR is calculated separately for non-life and life insurance and is then added together to obtain the total linear MCR. Since the Company only underwrites non-life insurance, only this portion contributes to linear MCR. It is calculated based on set parameters, best estimate of net FTA and net premium income for the various business lines. Combined MCR is calculated by first taking the largest of linear MCR and the MCR floor and then subtracting the smaller of this value and the MCR ceiling. The Company's MCR is above the MCR threshold value and between the values of 25 per cent and 45 per cent of SCR.

MCR and the Company's eligible own funds result in an MCR ratio of 558.2 per cent.

E.3 Use of the duration-based equity risk sub-module in calculation of the SCR

The Company does not use the duration-based equity risk sub-module in the calculation of the SCR.

E.4 Difference between the standard formula and internal models used

The Company does not use any internal models.

E.5 Breaches of MCR and SCR

The Company has no breaches of the MCR or the SCR.

E.6 Additional information

No other information.

Forms
S.02.01.02

S.02.01.02
Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	4 097
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	914
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	832 914
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	91 318
Equities - listed	R0110	91 318
Equities - unlisted	R0120	0
Bonds	R0130	701 490
Government Bonds	R0140	10 657
Corporate Bonds	R0150	690 833
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	40 107
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	1 627
Non-life and health similar to non-life	R0280	1 627
Non-life excluding health	R0290	1 627
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	41 123
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	0
Own shares (held directly)	R0390	26 811
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	605 822
Any other assets, not elsewhere shown	R0420	14 799
Total assets	R0500	1 528 107

S.02.01.02 continued

Liabilities		C0010
Technical provisions - non-life	R0510	387 096
Technical provisions - non-life (excluding health)	R0520	387 096
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	353 458
Risk margin	R0550	33 638
Technical provisions - health (similar to non-life)	R0560	0
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	0
Technical provisions - health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	0
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions - index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	0
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	190 223
Reinsurance payables	R0830	1 258
Payables (trade, not insurance)	R0840	0
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	0
Any other liabilities, not elsewhere shown	R0880	37 652
Total liabilities	R0900	616 229
Excess of assets over liabilities	R1000	911 878

S.05.01.02

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)								
		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
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110					152 618		379 896		
Gross - Proportional reinsurance accepted	R0120					0		0		
Gross - Non-proportional reinsurance accepted	R0130					0		0		
Reinsurers' share	R0140					0		20 853		
Net	R0200					152 618		359 043		
Premiums earned										
Gross - Direct Business	R0210					135 640		390 928		
Gross - Proportional reinsurance accepted	R0220					0		0		
Gross - Non-proportional reinsurance accepted	R0230					0		0		
Reinsurers' share	R0240					0		20 775		
Net	R0300					135 640		370 153		
Claims incurred										
Gross - Direct Business	R0310					31 397		103 104		
Gross - Proportional reinsurance accepted	R0320					0		0		
Gross - Non-proportional reinsurance accepted	R0330					0		0		
Reinsurers' share	R0340					0		7 433		
Net	R0400					31 397		95 671		
Changes in other technical provisions										
Gross - Direct Business	R0410					0		0		
Gross - Proportional reinsurance accepted	R0420					0		0		
Gross - Non- proportional reinsurance accepted	R0430					0		0		
Reinsurers'share	R0440					0		0		
Net	R0500					0		0		
Expenses incurred	R0550					72 337		201 645		
Other expenses	R1200									
Total expenses	R1300									

C1 Public

S.05.01.02 continued

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110		230 186	389 220					1 151 921
Gross - Proportional reinsurance accepted	R0120		0	0					0
Gross - Non-proportional reinsurance accepted	R0130		0	0					0
Reinsurers' share	R0140		2 017	0					22 871
Net	R0200		228 169	389 220					1 129 050
Premiums earned									
Gross - Direct Business	R0210		215 300	380 633					1 122 501
Gross - Proportional reinsurance accepted	R0220		0	0					0
Gross - Non-proportional reinsurance accepted	R0230		0	0					0
Reinsurers' share	R0240		2 017	0					22 792
Net	R0300		213 283	380 633					1 099 709
Claims incurred									
Gross - Direct Business	R0310		63 638	30 184					228 323
Gross - Proportional reinsurance accepted	R0320		0	0					0
Gross - Non-proportional reinsurance accepted	R0330		0	0					0
Reinsurers' share	R0340		3 653	0					11 086
Net	R0400		59 985	30 184					217 237
Changes in other technical provisions									
Gross - Direct Business	R0410		0	0					0
Gross - Proportional reinsurance accepted	R0420		0	0					0
Gross - Non-proportional reinsurance accepted	R0430		0	0					0
Reinsurers' share	R0440		0	0					0
Net	R0500		0	0					0
Expenses incurred	R0550		103 910	245 181					623 072
Other expenses	R1200								113 048
Total expenses	R1300								736 120

C1 Public

S.05.02.01

S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		DK	FI	FR	DE	NO	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	671 999	92 136	50 661	32 607	31 563	190 402	1 069 368
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0130	0	0	0	0	0	0	0
Reinsurers' share	R0140	21 378	222	0	202	61	101	21 963
Net	R0200	650 621	91 914	50 661	32 405	31 503	190 301	1 047 405
Premiums earned								
Gross - Direct Business	R0210	658 318	70 257	55 529	29 959	29 668	193 045	1 036 776
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0230	0	0	0	0	0	0	0
Reinsurers' share	R0240	21 300	222	0	202	61	101	21 885
Net	R0300	637 018	70 035	55 529	29 758	29 608	192 944	1 014 891
Claims incurred								
Gross - Direct Business	R0310	137 334	8 986	9 727	5 711	8 686	36 777	207 222
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0330	0	0	0	0	0	0	0
Reinsurers' share	R0340	7 433	0	0	0	0	0	7 433
Net	R0400	129 901	8 986	9 727	5 711	8 686	36 777	199 789
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	R0420	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	R0430	0	0	0	0	0	0	0
Reinsurers' share	R0440	0	0	0	0	0	0	0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550	334 413	44 018	36 205	19 055	14 793	124 289	572 775
Other expenses	R1200							110 312
Total expenses	R1300							683 088

C1 Public

S.17.01.02

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010					0		0		
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0		0		
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060					62 232		164 932		
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0		1 363		
Net Best Estimate of Premium Provisions	R0150					62 232		163 569		
Claims provisions										
Gross	R0160					8 902		17 859		
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0		0		
Net Best Estimate of Claims Provisions	R0250					8 902		17 859		
Total Best estimate - gross	R0260					71 134		182 791		
Total Best estimate - net	R0270					71 134		181 428		
Risk margin	R0280					3 243		8 422		
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	R0290					0		0		
Best estimate	R0300					0		0		
Risk margin	R0310					0		0		
Technical provisions - total										
Technical provisions - total	R0320					74 377		191 212		
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330					0		1 363		
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340					74 377		189 849		

C1 Public

S.17.01.02 continued

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010		0	0					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050		0	0					0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060		35 055	31 362					293 581
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		0	0					1 363
Net Best Estimate of Premium Provisions	R0150		35 055	31 362					292 219
Claims provisions									
Gross	R0160		15 760	17 356					59 876
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		265	0					265
Net Best Estimate of Claims Provisions	R0250		15 495	17 356					59 612
Total Best estimate - gross	R0260		50 816	48 718					353 458
Total Best estimate - net	R0270		50 551	48 718					351 830
Risk margin	R0280		3 314	18 660					33 638
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	R0290		0	0					0
Best estimate	R0300		0	0					0
Risk margin	R0310		0	0					0
Technical provisions - total									
Technical provisions - total	R0320		54 129	67 377					387 096
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		265	0					1 627
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340		53 864	67 377					385 468

C1 Public

S.19.01.21

S.19.01.21
Non-life Insurance Claims Information
Total Non-life Insurance

Accident year / Underwriting year	Z0010	1

Gross Claims Paid (non-cumulative)
(absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +			In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100											3		R0100	3	463 546
N-9	R0160	375 384	59 353	353	982	1 257	118	3	154	36	0			R0160	0	437 639
N-8	R0170	377 424	69 509	6 119	-25	376	20	0	77	0				R0170	0	453 498
N-7	R0180	368 027	79 441	4 544	641	1 015	336	-29	41					R0180	41	454 017
N-6	R0190	320 521	37 650	1 903	1 471	42	535	-16						R0190	-16	362 106
N-5	R0200	226 139	17 095	1 287	759	-4	80							R0200	80	245 357
N-4	R0210	188 775	20 217	1 046	169	131								R0210	131	210 338
N-3	R0220	181 483	18 326	1 241	86									R0220	86	201 137
N-2	R0230	189 000	18 885	945										R0230	945	208 829
N-1	R0240	196 026	22 112											R0240	22 112	218 138
N	R0250	209 616												R0250	209 616	209 616
													Total	R0260	232 998	3 464 220

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year 0	1	2	3	4	5	6	7	8	9	10 & +			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			C0360
Prior	R0100											0		R0100	0
N-9	R0160	0	0	0	26	26	0	0	0	0	0			R0160	0
N-8	R0170	0	0	477	4	5	0	0	0	0				R0170	0
N-7	R0180	0	3 590	-1 666	962	1 283	951	971	1 049					R0180	0
N-6	R0190	44 915	8 105	3 325	2 837	709	609	629						R0190	974
N-5	R0200	25 700	4 524	2 380	152	-443	-551							R0200	601
N-4	R0210	33 016	6 072	2 802	731	694								R0210	-441
N-3	R0220	34 666	11 610	8 118	6 718									R0220	726
N-2	R0230	38 608	13 666	9 831										R0230	8 101
N-1	R0240	37 143	14 767											R0240	13 645
N	R0250	28 145												R0250	37 098
													Total	R0260	60 703

C1 Public

S.23.01.01

S.23.01.01
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 as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	30 000	30 000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	793 970	793 970			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	4 097				4 097
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	828 067	823 970			4 097
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
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	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
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					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	828 067	823 970			4 097
Total available own funds to meet the MCR	R0510	823 970	823 970			
Total eligible own funds to meet the SCR	R0540	828 067	823 970			4 097
Total eligible own funds to meet the MCR	R0550	823 970	823 970			
SCR	R0580	494 422				
MCR	R0600	147 600				
Ratio of Eligible own funds to SCR	R0620	167,5%				
Ratio of Eligible own funds to MCR	R0640	558,2%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	911 878
Own shares (held directly and indirectly)	R0710	26 811
Foreseeable dividends, distributions and charges	R0720	57 000
Other basic own fund items	R0730	34 097
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	793 970
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	7 537
Total Expected profits included in future premiums (EPIFP)	R0790	7 537

S.25.01.21

S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Undertaking specific parameters	Simplyfications
		C0110	C0090	C0100
Market risk	R0010	76 696		
Counterparty default risk	R0020	28 798		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	0		
Non-life underwriting risk	R0050	419 857		
Diversification	R0060	-64 604		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	460 747		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	33 675
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	494 422
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	494 422
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	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
Linear formula component for non-life insurance and reinsurance obligations

		C0010
Minimum Capital Requirement$_{NL}$ Resultat	R0010	147 600

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	0	0
Other motor insurance and proportional reinsurance	R0060	71 134	152 618
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	181 428	362 315
General liability insurance and proportional reinsurance	R0090	0	0
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	50 551	235 882
Miscellaneous financial loss insurance and proportional reinsurance	R0130	48 718	394 074
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
Minimum Capital Requirement$_{L}$ Resultat	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	147 600
SCR	R0310	494 422
MCR cap	R0320	222 490
MCR floor	R0330	123 605
Combined MCR	R0340	147 600
Absolute floor of the MCR	R0350	27 253
		C0070
Minimum Capital Requirement	R0400	147 600