

Solvency and Financial Condition Report (SFCR) 2023

Solid Försäkringsaktiebolag
Corp. ID. No. 516401-8482

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Summary

This is Solid Försäkringsaktiebolag's (the "Company") eighth 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 2024. All amounts are presented in thousands of Swedish kronor (KSEK) unless otherwise stated. Figures in brackets refer to the preceding year (31 December 2022) and 2023 has the reference date of 31 December 2023.

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: 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. 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.

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. As per 31 December 2023, the Company's Internal Audit function was outsourced to Ernst & Young AB, 556053-5873.

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.

| <u>The largest directly registered shareholders on 31 December 2023</u> | <u>Percentages of share capital</u> |
|---|-------------------------------------|
| Waldakt AB | 30,0% |
| Investment AB Spiltan | 10,2% |
| Avanza Pension | 4,9% |
| Swedbank Robur Fonder | 4,0% |
| Solid Försäkringsaktiebolag | 3,5% |
| Nordnet Pensionsförsäkring | 3,4% |
| Erik Selin | 3,2% |
| Protector Forsikring ASA | 3,0% |
| Traction | 2,0% |
| Catea Group AB | 1,8% |
| | 66,0% |

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: 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. 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 insurance products comprises private individuals who mainly purchase insurance through the Company's partners when they buy a product or service. The Company has a large customer base of private customers in the Nordic region, which are primarily sourced through partnerships with leading retail chains within several different industries and banks,

credit market companies and other financial institutions, travel agencies, car dealerships and car repair shops. In 2024, the Company will focus on its efforts to realise the potential of completed acquisitions, integrating new acquisitions, developing existing partnerships and signing agreements with new partners as well as additional initiatives to strengthen the Company's IT environment and to streamline management of insurance concepts. The Company will also prepare and adapt operations in line with the DORA and CSRD.

Gross written premiums declined 3 per cent year-on-year to KSEK 1,118,179. The decline is attributable to performance in the Product segment, where sales decreased 10 per cent. The market climate during the year adversely impacted the segment, which resulted in generally lower sales volumes in the segment but related in particular to insurance solutions for the consumer electronics and eyewear industries. Sales in the Assistance segment were in par with last year. The Personal Safety segment reported a weak increase of 1 per cent compared with last year, mainly driven by higher sales of payment protection insurance in the Swedish, Finnish and Danish markets.

Operating expenses decreased KSEK 13,261 to KSEK 699,538 and the expense ratio improved, falling to 63.9 per cent (64.8), which was attributable primarily to lower levels of sales in the Product segment, a changed product and partner mix in the Assistance and Product segments, and higher claim costs. The combined ratio amounted to 88.0 per cent (86.7) mainly due to higher claim costs and administrative expenses.

Profit after tax increased 49 per cent, corresponding to KSEK 54,707, and amounted to KSEK 165,363, which is the highest in the Company's history. As a result, the Company's financial stability and solvency situation was strengthened. The SCR ratio increased, despite the share buy-back and proposed dividend of SEK 82.8 million, from 167 per cent at the end of 2022 to 170 per cent at the end of December 2023.

During the year, the Company continued the buy-back programme of own shares, in accordance with the mandate decided at the 2023 Annual General Meeting. On 31 December, 679,872 own shares had been repurchased from the total mandate of 964,176 shares for a value of KSEK 43,428.

The Board proposes that the AGM on 25 April 2024 authorise a mandate for the Board to carry out a new buy-back programme until the 2025 AGM. The Board also proposes that the Annual General Meeting resolve on a dividend of SEK 4.50 per share (2.85), which is in line with the Company's dividend policy. The assessment is that the level is balanced and provides scope for a new buy-back programme for 2024 and for implementing growth initiatives.

A.2 Technical result

Figures in brackets refer to the preceding year.

The technical result was on par with the previous year at KSEK 162,299 (163,100). Adjusted for currency effects, the technical result declined 3 per cent compared with the year-earlier period. The transfer of the investment return to the insurance operations resulted in a positive effect of KSEK 14,134 compared with last year, which was primarily due to the increased cost of capital as a result of higher market interest rates. Excluding the share of investment return transferred to the insurance operations, the technical result declined 10 per cent compared with the year-earlier period. Operating profit before tax and appropriations increased 58 per cent and amounted to KSEK 219,776 (139,200), which is the highest in the history of the Company. Profit after tax increased 49 per cent to KSEK 165,363 (110,656). The effective tax expense for the year was 24.6 per cent (20.5). The increase is primarily due to tax attributable to effects of translating foreign branches.

Gross written premiums, net of outward reinsurance, decreased 3 per cent to KSEK 1,118,179 (1,151,921) for the year. Adjusted for currency effects, the decrease was 4 per cent. The decline is

attributable to performance in the Product segment, where sales decreased 10 per cent. The market climate during the year adversely impacted the segment, which resulted in generally lower sales volumes in the segment but related in particular to insurance solutions for the consumer electronics and eyewear industries. Sales in the Assistance segment were in par with last year. The Personal Safety segment reported a weak increase of 1 per cent compared with last year, mainly driven by higher sales of payment protection insurance in the Swedish, Finnish and Danish markets.

Premiums earned, net of reinsurance, decreased KSEK 5,611 from the previous year to KSEK 1,094,098 (1,099,709). Adjusted for currency effects, the decrease was 2 per cent. In comparison with the previous year, premiums earned increased 8 per cent within the Personal Safety segment, and decreased 8 per cent and 2 per cent within the Product and Assistance segments, respectively. In the Assistance segment, premiums earned through insurance concepts for car warranties increased primarily in Norway as a result of the acquisition of Car Protect, though also in the Swedish market. On the other hand, premiums earned related to insurance solutions for the travel industry decreased year-on-year due to changed distribution of certain insurance concepts distributed by the Company's largest partner.

Claims incurred, net of reinsurance, increased 9 per cent to KSEK 263,143 (240,558). Adjusted for currency effects, the increase was 8 per cent. The claims ratio rose year-on-year to 24.1 per cent (21.9), attributable primarily to the Assistance and Personal Safety segments. The Company's provisions for claims outstanding amounted to KSEK 53,689 on 31 December, which have been validated and deemed sufficient by the Company.

Operating expenses decreased 2 per cent, or KSEK 13,261, to KSEK 699,538 (712,799) and the expense ratio improved, falling to 63.9 per cent (64.8), which was attributable primarily to lower levels of sales in the Product segment, a changed product and partner mix in the Assistance and Product segments, and higher claim costs. Adjusted for currency effects, the decrease was 3 per cent. Administrative expenses as a percentage of premiums earned amounted to 10.7 per cent for the full-year, which is in line with expectations but higher than last year when the percentage was 9.4 per cent. The increase in administrative expenses compared with last year was mainly due to the acquisition in Norway (Car Protect AS), and costs attributable to the new IT system for car warranties and the ongoing ERP project. The trend in other administrative expenses was stable and in line with last year.

The combined ratio increased to 88.0 per cent (86.7) mainly due to higher claim costs and administrative expenses.

Cash flow from operating activities amounted to KSEK 113,415 (184,861). Cash flow from investing activities amounted to KSEK -235,645 (-173,964). During the period, investment assets were acquired for KSEK 622,179 and the value of divested and mature investment assets amounted to KSEK 394,729. Cash flow from financing activities amounted to KSEK -117,271 (-26,755). During the year, own shares were repurchased for a corresponding KSEK 62,313 and dividends of KSEK 54,958 were paid to shareholders. Cash and cash equivalents fell to KSEK 353,418 (603,864).

Gross provisions in technical provisions (reserves) at year-end declined to KSEK 640,789 (660,659). The decrease in gross provisions was primarily due to the Product and Personal Safety segments. Reinsurers' share of technical provisions increased to KSEK 5,390 (3,936).

The table below presents the Company's earnings trend per insurance line for 2023 in KSEK.

| KSEK | Direct insurance of Swedish risks | | | | | | | Direct insurance of foreign risks | Assumed re-insurance | |
|--|-----------------------------------|------------------------|----------------|------------------------------------|----------------|----------------|----------------|-----------------------------------|----------------------|--------------------------|
| | Total 2023 | Morbidity and accident | Motor vehicle | Property, household and home-owner | Other property | Legal expenses | Assistance | | | Income and severance pay |
| TECHNICAL RESULT FOR NON-LIFE INSURANCE OPERATIONS | | | | | | | | | | |
| Premiums earned (after outward reinsurance)* | 1 094 098 | 242 000 | 141 845 | 187 451 | 2 283 | 106 | 71 569 | 3 473 | 440 388 | 4 983 |
| Allocated investment return transferred from non-technical account | 30 882 | 76 | 7 692 | 4 710 | 95 | 3 | 1 696 | 212 | 16 174 | 224 |
| Claims incurred (after outward reinsurance)* | -263 143 | -27 727 | -38 344 | -48 026 | -1 969 | 0 | -43 218 | 303 | -99 178 | -4 984 |
| Operating expenses | -699 538 | -174 826 | -89 014 | -114 066 | -774 | 0 | -19 332 | -339 | -299 679 | -1 508 |
| Technical result for non-life insurance operations | 162 299 | 39 523 | 22 179 | 30 069 | -365 | 109 | 10 715 | 3 649 | 57 705 | -1 285 |
| Run-off result (net of outward reinsurance) | 15 182 | 798 | 2 451 | 985 | 166 | 0 | 1 436 | 1 056 | 8 290 | 0 |
| Provision for unearned premiums and unexpired risks | 587 100 | 93 | 164 662 | 91 652 | 1 344 | -1 | 26 437 | 1 929 | 291 624 | 9 360 |
| Provision for claims outstanding | 53 689 | 1 322 | 9 312 | 6 440 | 382 | 0 | 6 441 | 1 858 | 27 934 | 0 |
| Technical provisions, net of outward reinsurance | 640 789 | 1 415 | 173 974 | 98 092 | 1 726 | -1 | 32 878 | 3 787 | 319 558 | 9 360 |
| Reinsurers' share of provision for unearned premiums and unexpired risks | 5 147 | 0 | 0 | 3 346 | 0 | 0 | 0 | 0 | 1 801 | 0 |
| Reinsurers' share of provision for claims outstanding | 243 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 243 | 0 |
| Reinsurer's share of technical provisions | 5 390 | 0 | 0 | 3 346 | 0 | 0 | 0 | 0 | 2 044 | 0 |
| * NOTES ON EARNINGS ANALYSIS | | | | | | | | | | |
| Premium income (net of outward reinsurance) | 1 118 179 | 242 092 | 167 754 | 201 099 | 2 064 | -8 | 68 446 | 3 229 | 419 041 | 14 462 |
| Outward reinsurance premiums | -23 751 | 0 | 0 | -19 551 | 0 | 0 | -372 | 0 | -3 828 | 0 |
| Change in provision for unearned premiums and unexpired risks (net of outward reinsurance) | -1 880 | -92 | -25 909 | 6 214 | 219 | 114 | 3 495 | 244 | 23 314 | -9 479 |
| Reinsurers' share of change in provision for unearned premiums and unexpired risks | 1 550 | 0 | 0 | -311 | 0 | 0 | 0 | 0 | 1 861 | 0 |
| Total premiums earned, net of reinsurance | 1 094 098 | 242 000 | 141 845 | 187 451 | 2 283 | 106 | 71 569 | 3 473 | 440 388 | 4 983 |
| Claims paid | | | | | | | | | | |
| net of outward reinsurance | -277 650 | -28 178 | -38 132 | -57 409 | -2 271 | 0 | -44 911 | -766 | -100 999 | -4 984 |
| reinsurers' share | 7 714 | 0 | 0 | 7 706 | 0 | 0 | 0 | 0 | 8 | 0 |
| Change in provision for claims outstanding | | | | | | | | | | |
| net of outward reinsurance | 6 835 | 451 | -212 | 1 677 | 302 | 0 | 1 693 | 1 069 | 1 855 | 0 |
| reinsurers' share | -42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -42 | 0 |
| Total claims incurred (after outward reinsurance) | -263 143 | -27 727 | -38 344 | -48 026 | -1 969 | 0 | -43 218 | 303 | -99 178 | -4 984 |

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

| KSEK | 2023 | 2022 |
|---|------------------|------------------|
| Premium income (net of outward reinsurance), geographical specification | | |
| Sweden | 684 674 | 671 998 |
| Norway | 196 787 | 190 402 |
| Denmark | 82 060 | 92 135 |
| Finland | 59 161 | 50 661 |
| Switzerland | 18 912 | 13 943 |
| Rest of Europe* | 76 585 | 132 782 |
| Total gross written premiums | 1 118 179 | 1 151 921 |

* *The geographic specification of gross written premiums is based on where the customers are domiciled. Germany, France, Italy and Spain comprise 70 per cent (71) of the written premiums in the group Rest of Europe for full-year 2023.

A.3 Earnings from investments

2023 was a year characterised by serious geopolitical challenges and the central banks' focus on fighting rising inflation rates, which led to increased market interest rates. The macroclimate, with weak growth and high inflation, was challenging for the stock market but the Swedish Stock Exchange nonetheless performed well from a full-year perspective. Higher market interest rates were positive for the Company's fixed-income investments since the majority of holdings consist of variable-rate bonds.

The Company's securities portfolio consists primarily of interest-bearing securities with relatively short tenors and variable interest rates. The Company's strategy is to hold bonds until maturity. The percentage of equities comprises a limited share of the total portfolio.

The total value of the investment portfolio including cash and cash equivalents on 31 December was KSEK 1,434,203, of which KSEK 353,418 comprises interest-bearing cash and cash equivalents; KSEK 105,863 in shares; and KSEK 974,922 in other interest-bearing assets, primarily bonds with variable interest rates and relatively short durations. Net investments for the full-year amounted to KSEK 227,450, of which KSEK 225,994 refer to the bond portfolio and KSEK 1,456 to the equities portfolio. During the year, the Company had a robust and stable liquidity situation.

Result of asset management was strong and totalled KSEK 85,583 (-11,514) for the full-year, and the total return from the start of the year was 6.2 per cent (-0.6). Due to rising market interest rates, interest income for the year rose KSEK 35,620 to KSEK 54,255 (18,635), of which KSEK 40,585 was attributable to the interest-rate portfolio and KSEK 13,670 to deposits. The unrealised change in value in the investment portfolio was positive at KSEK 20,231 (-38,459).

The direct yield for asset management amounted to 4.2 per cent (1.8) and the total return to 6.2 per cent (-0.6).

The table below presents the result of asset management.

| KSEK | 2023 | 2022 |
|---|---------------|----------------|
| Investment income | | |
| Dividends on shares and participating interests | 3 905 | 3 016 |
| Interest income, etc. | | |
| Bonds and other interest-bearing securities | 40 585 | 13 386 |
| Other interest income * | 13 670 | 5 249 |
| Exchange gains (net) | 1 425 | 3 050 |
| Capital gains (net) | 8 480 | 5 100 |
| Other | 21 | 18 |
| Total investment income | 68 086 | 29 819 |
| Unrealised gains on investment assets recognised through profit or loss | | |
| Swedish shares and participating interests | 5 216 | 0 |
| Bonds and other interest-bearing securities | 15 015 | 0 |
| Total unrealised gains on investment assets (net gain per asset class) | 20 231 | 0 |
| Investment charges | | |
| Asset management expenses | -1 287 | -1 333 |
| Financial management costs | -1 200 | -1 200 |
| Other interest expense | -247 | -341 |
| Total investment charges | -2 734 | -2 874 |
| Unrealised losses on investment assets recognised through profit or loss | | |
| Swedish shares and participating interests | 0 | -14 237 |
| Bonds and other interest-bearing securities | 0 | -24 222 |
| Unrealised losses on investment assets (net loss per asset class) | 0 | -38 459 |
| Result of asset management | 85 583 | -11 514 |

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

A.4 Earnings from other operations

The Company's non-technical income and expenses are mainly attributable to the sale of registrations in the Company's Norwegian bicycle register and the provision of a consumer disputes service, which is a service for handling disputes regarding second-hand vehicles sold by partners to the Company in the car warranty business on behalf of such partners. The Company recognises revenue at a point in time when a performance obligation has been satisfied, which is when a service is delivered to the customers. Revenue comprises the amount that the Company expects to receive as remunerations for services transferred. The Company recognises an expense at the same time as the expense is incurred.

A.5 Additional information

At the start of June, following approval from the Swedish Financial Supervisory Authority and in accordance with the Board's proposal, 716,478 bought-back shares were cancelled and a bonus issue was carried out to restore restricted equity. The number of shares after the cancellation thus amounted to 19,283,522. The Annual General Meeting held on 26 April 2023 resolved, in accordance with the Board's proposal, to authorise the Board to acquire the company's own shares on one more occasions up until the next Annual General Meeting. A new buy-back programme was initiated on 15 May. 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 share buy-back programme is to give the Board an instrument to continuously adapt and improve the Company's capital structure and thereby create additional value for the shareholders. In addition, the buy-back programme enables the Board to transfer shares to the participants in the incentive programme from 2023 (LTIP 2023). The intention for the shares that are repurchased and that are not attributable to future delivery of shares in relation to LTIP 2023 is to finally be cancelled by resolutions at future general meetings. At the end of the year, 679,872 shares had been acquired by the Company at a value of KSEK 43,428 and an average price of SEK 63.88, which corresponds to 3.5 per cent of the total number of shares and 71 per cent of the mandate as resolved by the Extraordinary General Meeting. The buy-back programme will continue for the period remaining until 8 March 2024.

On 1 January 2023, Solid Försäkring acquired Car Protect AS as part of an agreement to purchase assets and liabilities. Car Protect is a Norwegian insurance intermediary of car warranties with many years of experience in the Norwegian automotive market.

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

Significant events after year-end

On 14 February 2024, the Company announced it had signed an agreement with Svensk Bilhandelsförsäkring AB to acquire the operations as an asset acquisition. Svensk Bilhandelsförsäkring AB is a subsidiary of Assistansbolaget Försäkring Sverige AB, which provides insurance concepts for car warranties in partnerships with well-known car dealerships in Sweden. The Svensk Bilhandelsförsäkring brand will remain and will be developed with the Company as the owner within the framework of car warranties in the Swedish market.

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. The basis of the governance of the Company is the Swedish Companies Act (2005:551), the Company's Articles of Association, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code. The Company also applies the Swedish Annual Accounts Act (1995:1554), the Swedish Insurance Business Act (2010:2043) and 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

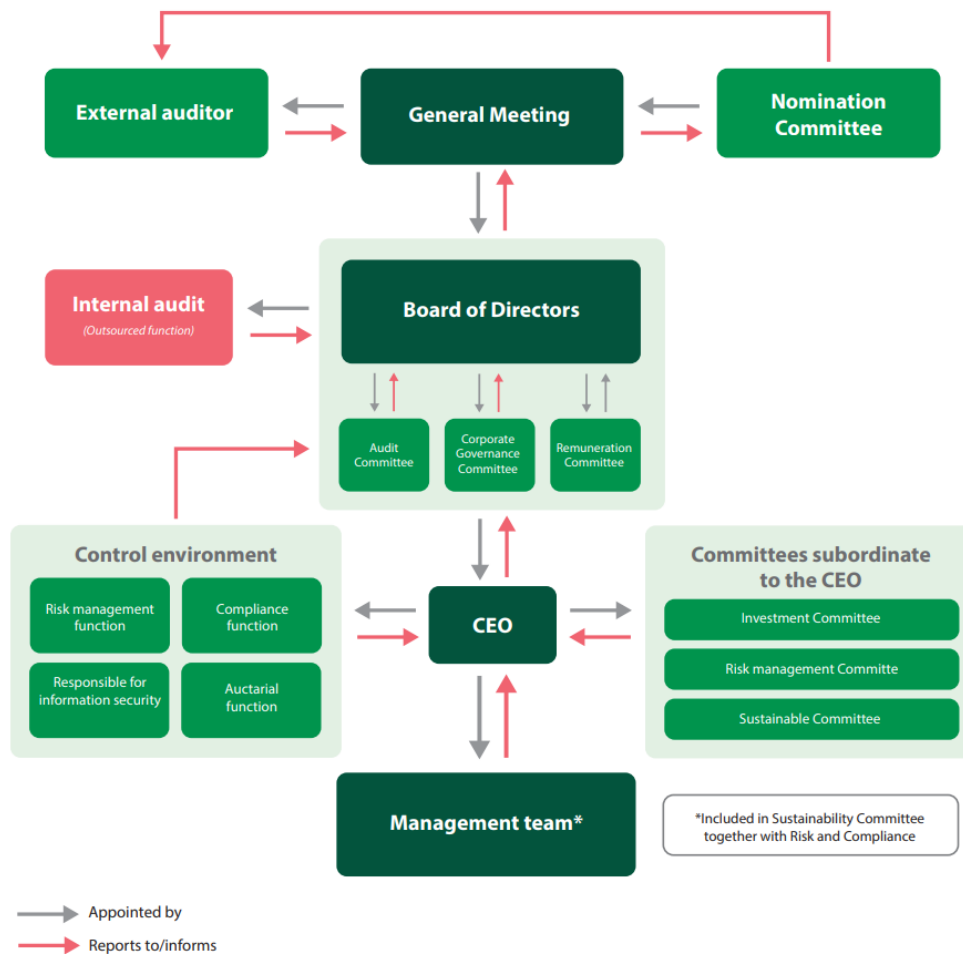
The Company's organisational structure is designed and structured to ensure that the external regulation of the relationship between the Company's shareholders and the Board is fulfilled, and to promote the Company's strategic targets and operations.

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 2023 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.

Solid Försäkring's corporate governance structure



General meetings

General meetings of shareholders are 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, an Investment Committee and a Sustainability Committee.

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.

Corporate Governance Committee

The Corporate Governance Committee's tasks include evaluating the Company's internal control and policies pertaining to compliance, risk control and internal audit, insofar as these do not influence the financial reporting, which is handled by the Audit Committee. The committee is also to evaluate observations and proposals for measures based on reports submitted by the Company's control functions, and review the Company's own risk and solvency assessment (ORSA). 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.

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 external advisors. The Actuarial and Risk Management function have the opportunity to participate to further ensure that internal control is taken into account.

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.

Control functions

The Company's independent control functions and key functions consist of the Actuarial, Compliance, Internal Audit and Risk Management functions. The Company has also made the assessment that its Information Security function is to be considered as an independent control 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.

The Company has also appointed a Data Protection Officer (DPO). The main task of the function is to coordinate the data protection activities and ensure that the Company is compliant with the General Data Protection Regulation. The function is independent in relation to the business activities, and the function's audits are carried out in accordance with the annually adopted audit plan.

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 2023 is linked both to qualitative and to quantitative goals. The Company has ensured that all goals related to variable remuneration for 2023 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 2023 represented 2.0 per cent (2.2) 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 2023.

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 2023 will be published after the approval of the Annual General Meeting on 25 April 2024.

B.2 Fit and proper requirements

The Company's Board has established and had documented the process and the procedures and criteria that the Company has implemented for the assessment of the fit and proper requirements for proposed and appointed persons who lead the Company's operations (the members of the Company's Board of Directors, the CEO and their deputies) and the employees who the Company deems can significantly influence the Company's risk level. The aim is to ensure appropriate management of the Company and thus ensure a high standard of internal governance and control. 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. A senior executive is a person who has a material influence on the Company's direction, i.e., a member of the Board of Directors and their deputy, or a person who the Company has deemed can significantly influence the Company's risk level.

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

- 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, CCO, Head of Legal, Head of Operations and Head of HR & Sustainability.

In the fit and proper assessment, the Company evaluates whether the senior executive has the requisite insight and experience for a person participating in the governance of an insurance company and also whether the person is otherwise suitable for such an assignment. The senior executives are to possess, at any point in time, sufficient qualifications, knowledge and 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; and
- f) sustainability and digitalisation.

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 Head of HR & Sustainability is responsible for ensuring that fit and proper assessments are performed when situations that require such an assessment arise. The CEO approves the fit and proper assessments administered by the Head of HR & Sustainability. The CEO also approves the administrative fit and proper assessment of the Head of HR & Sustainability, in order to establish duality in the assessment. The Board Chairman is responsible for approving 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

It is of great importance for the Company's risk-taking to be conducted under controlled conditions, and its risk management framework comprises an integral component of its operations, and brings together the Company's strategic targets with risk management. The risk management framework includes the Company's functions, governance documents, strategies, key processes, ORSA processes, procedures, internal rules, limits, risk mandates, risk appetite, risk tolerance, 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 entire organisation to create risk awareness and enhance the efficiency of risk management.

Risk strategy

The risk strategy is the Company's strategy for governing and controlling the risks that the Company is, or could be, exposed to. The Company's business must always 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. Risk appetites and tolerances are reviewed annually in the context of the review of governance documents, taking into account the current regulatory framework.

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 an 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 Company's 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.
- Reporting on risk exposures and advising on risk management issues.

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 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.

The Risk Management function works together with the Company's other control functions in the performance of 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, emerging risks and sustainability 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 2023 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 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 operations are based on the customised application of the three lines of defence principle. The aim of this principle is to ensure a well-defined division of responsibilities as regards risk and regulatory compliance in the operations and where the combination of the various lines can ensure effective risk management in the daily operations. These three lines are to cooperate and coordinate their work as far as possible in order to achieve cost-effectiveness and the least possible negative impact on the operating activities. However, such cooperation and coordination may not take place in a manner that interferes with the legal position of the functions in the company. The CEO and the Board receive regular reports from the second and third line of defence functions and have a responsibility to follow up on the issues raised. The CEO and the Board are also responsible for ensuring that the lines of defence function effectively and efficiently for the operations conducted by the Company.

First line of defence

The first line of defence comprises the operating activities. The operating activities are responsible for ensuring that processes, including embedded controls, are effective and well-functioning and that risks in the operations are identified and managed. The Company's operational personnel, meaning the employees in the operations, are closest to the risks and identify and proactively work on risk awareness in the day-to-day business. Risk owners are primarily found in the first line.

Second line of defence

The second line of defence is separate from operating activities and consists of the Risk Management, Compliance, Actuarial and Information Security functions. These functions are to support the Board and the CEO in their work to ensure a high level of and appropriate compliance, risk management and risk control in the Company. The functions are also to independently, objectively and autonomously support the operating activities, in such areas as risk management and regulatory compliance, and perform independent controls and monitoring of the operating activities. These control functions regularly report to the CEO, Board and the Board committees.

Third line of defence

The third line of defence, which is independent and fully separated from operating activities, is the Internal Audit function. This function is responsible for independently auditing the company's overall organisation, procedures and internal control, including functions that are part of the company's second line of defence. The third line of defence is thus responsible for an independent evaluation of the work of both the first and second lines of defence. The Internal Audit function reports continuously to the Board and the Board committees.

Internal governance documents

The Company's system of governance comprises internal rules, in the form of governance documents, adopted at different levels of the Company that interact and together set the framework for its system of internal control. The governance documents are adapted to the applicable rules for the operations and to the Company's business strategy and the size, 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.

The Company shall have a uniform structure for the naming of all documents that involve governance of the Company's operations. A structure that makes it clear and easy for all relevant parties to understand what they have to comply with. The Company uses the following categories of documents, organised by who adopts them.

Policies

Policies set the framework for the Company's corporate governance, containing overall instructions and delegations of responsibility from the Board of Directors. Policies are adopted at Board meetings and the decision is recorded in the minutes. Policies are mandatory and apply to the defined target group. Each policy is to have a person in the management team, or a person responsible for one of the Company's control functions, as the designated document owner. The aim of a policy is to maintain values and ethical norms, manage material operational risks and define frameworks for internal governance and control of the operations.

Guidelines

Guidelines describe, in greater detail, how to comply with policies. They are to be regarded as providing guidance that describes the framework of the practical work and contain instructions on how to comply with the policy. There may be several guidelines for one and the same policy since they might address different aspects of the policy document. Each guideline has an owner who is responsible for monitoring and updating the guideline. Adherence with the guidelines is mandatory. Guidelines are adopted by the CEO or by delegation by the manager/person responsible for the area to which the guideline applies. The document owner of each guideline adopts the guideline alone by communicating it, either by publishing it on the Company's intranet or by the document owner informing all relevant parties in the manner that the document owner deems appropriate.

Procedures

Procedures contain descriptions and detailed information adapted to the daily operations on how the relevant employees are to perform the addressed procedure/instruction, as issued by managers in the organisation. Procedures are adopted by these managers themselves by communicating them, either by publishing the procedures on the Company's intranet or by the document owner informing all relevant parties in the manner that the document owner deems appropriate.

Reporting

Reporting from control functions – Internal Audit, Compliance, Risk Management and Information Security 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, Actuarial, Information Security and Internal Audit functions about circumstances that are relevant to 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 produce a detailed audit plan for regulatory compliance. The strategy describes the function's responsibilities, authorities and reporting obligations. The Board establishes 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 the audit plan proposed by the Compliance function.

Based on materiality and risk, the focus and scope of the audit to be performed by the Compliance function is to be specified in the audit plan in order to ensure regulatory compliance based on applicable regulations regarding licensable operations and the Company's governance documents.

The function is independent in relation to the business activities, is 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, Information Security, 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. As per 31 December 2023, the Company's Internal Audit function was outsourced to Ernst & Young AB, 556053-5873.

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 material operational functions or activities or critical or important cloud services including criteria for determining whether a function or an activity is material, or if a cloud service is critical or important.

The policy states that all of the operations of material significance and/or a critical or important cloud service 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, including summarising the completed risk and vulnerability analysis.

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 a material process. 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 2023 that have been reported to the Financial Supervisory Authority:

- Claims adjustment
- Archiving
- Ancillary insurance brokerage
- IT operation services
- Support for the implementation of a new ERP system
- 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. In cases where the Company's internal functions are unable to monitor and continuously follow up on current legislation and other regulatory requirements, the Company's lawyers engage, if necessary, local law firms in the countries where the Company operates.

B.8 Additional information

Ernst & Young AB was the Company's external auditor until the AGM, with Jesper Nilsson as auditor in charge. At the 26 April 2023 AGM, Öhrlings PricewaterhouseCoopers AB (SE-113 97 Stockholm, Torsgatan 21) was elected the company's new auditor with Catarina Ericsson, member of FAR, as auditor in charge.

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 2023 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 budgets and forecasts for 30 June 2023–31 December 2026 and the SCR was calculated for the full-years 2023–2026 based on this input. 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 calculate 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 2023, the Company has calculated that the total valuation of the Company's risks amounts to KSEK 333,645 (396,173). The internal valuation of all risks compared with own funds according to the financial report, which amounts to KSEK 947,788 (899,594), 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 | 2023-12-31 | 2022-12-31 | Change for the year |
|--------------------------------------|----------------|----------------|---------------------|
| Market risk | 92 864 | 72 964 | 19 900 |
| Counterparty risk | 22 927 | 26 339 | -3 412 |
| Insurance risk | 247 265 | 326 648 | -79 383 |
| Liquidity risk | 0 | 0 | 0 |
| Diversification | -65 560 | -59 621 | -5 939 |
| Operational risk | 21 940 | 18 661 | 3 279 |
| Other risks | 14 209 | 11 181 | 3 028 |
| Total own solvency assessment | 333 645 | 396 173 | -62 528 |

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. To quantify the Company's insurance risk, it is divided into two components, premium risk and reserve risk.

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 declined KSEK 79,383 during the year and amounted to KSEK 247,265 (326,648).

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 or based on differences in the characteristics of assets and liabilities (ALM). 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 19,899 during the year to KSEK 92,863 (72,964), which was primarily driven by spread and equity price risk.

Market risk

| KSEK | 2023-12-31 | 2022-12-31 | Change for the year |
|--------------------------------|---------------|---------------|---------------------|
| Interest rate risk | 7 814 | 3 541 | 4 273 |
| Equity price risk | 54 446 | 45 504 | 8 942 |
| Spread risk | 31 064 | 17 888 | 13 176 |
| Concentration risk | 30 994 | 34 605 | -3 611 |
| Currency risk | 8 478 | 6 880 | 1 598 |
| Diversification in Market risk | -39 933 | -35 454 | -4 479 |
| Total Market risk | 92 863 | 72 964 | 19 899 |

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 receivables attributable to direct insurance.

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.

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. 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 3,412 during the year to KSEK 22,927 (26,339).

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 2023, 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 2023, 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 21,940 (18,661) 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 14,209 (11,181) 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 2023 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 | 14 043 | 0 | -14 043 |
| Deferred acquisition costs (DAC) | 221 902 | 0 | -221 902 |
| Other intangible assets | 5 435 | 0 | -5 435 |
| Property, machinery and equipment for own use | 0 | 0 | 0 |
| Equities | 105 863 | 105 863 | 0 |
| Government bonds | 0 | 0 | 0 |
| Corporate bonds and subordinated debt | 941 515 | 941 515 | 0 |
| Structured products | 0 | 0 | 0 |
| Money market and bond funds | 39 553 | 39 562 | 9 |
| Derivatives | 0 | 0 | 0 |
| Reinsurers' share of technical provisions | 5 390 | 1 481 | -3 909 |
| Receivables, direct insurance | 102 199 | 52 391 | -49 808 |
| Cash and bank balances | 357 177 | 357 177 | 0 |
| Other Assets and Receivables | 9 290 | 9 290 | 0 |
| Deferred tax assets | 0 | 2 897 | 2 897 |
| Own shares | 0 | 43 428 | 43 428 |
| Assets total | 1 802 367 | 1 553 604 | -248 763 |
| Liabilities | | | |
| Gross technical provisions | 640 789 | 358 887 | -281 902 |
| Derivatives | 0 | 0 | 0 |
| Liabilities, direct insurance | 166 134 | 166 136 | 2 |
| Liabilities, reinsurance | 587 | 587 | 0 |
| Other liabilities | 47 069 | 47 050 | -19 |
| Liabilities total | 854 579 | 572 659 | -281 920 |
| Assets minus liabilities | 947 788 | 980 945 | 33 157 |

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 221,902 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 5,435 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 2023 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. Receivables, direct insurance 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 | | |
|---|-----------------|-------------------------------|---------------|
| | Premium reserve | Provision for claims payments | Best estimate |
| Direct non-life insurance | | | |
| Other motor vehicle insurance | 0 | 0 | 0 |
| Insurance for fire and other damage to property | 1 252 | 0 | 1 252 |
| Assistance insurance | 0 | 230 | 230 |
| Insurance for miscellaneous financial loss | 0 | 0 | 0 |
| Total Direct non-life insurance | 1 252 | 230 | 1 481 |

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 buy-back 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 2023 per business line.

Best estimate of gross provisions on 31 December 2023

| Gross, KSEK | Solvency II | | |
|---|-----------------|-------------------------------|----------------|
| | Premium reserve | Provision for claims payments | Best estimate |
| Direct non-life insurance | | | |
| Other motor vehicle insurance | 80 312 | 10 070 | 90 383 |
| Insurance for fire and other damage to property | 150 195 | 13 107 | 163 302 |
| Assistance insurance | 25 868 | 15 360 | 41 228 |
| Insurance for miscellaneous financial loss | 16 850 | 13 963 | 30 813 |
| Total Direct non-life insurance | 273 226 | 52 500 | 325 726 |

Best estimate of net provisions on 31 December 2023

| Net, KSEK | Solvency II | | |
|---|-----------------|-------------------------------|----------------|
| | Premium reserve | Provision for claims payments | Best estimate |
| Direct non-life insurance | | | |
| Other motor vehicle insurance | 80 312 | 10 070 | 90 383 |
| Insurance for fire and other damage to property | 148 943 | 13 107 | 162 050 |
| Assistance insurance | 25 868 | 15 130 | 40 999 |
| Insurance for miscellaneous financial loss | 16 850 | 13 963 | 30 813 |
| Total Direct non-life insurance | 271 974 | 52 271 | 324 245 |

Total net provisions including Risk margin on 31 December 2023

| Net, KSEK | Solvency II | | |
|---|----------------|---------------|----------------------------|
| | Best estimate | Risk margin | Total technical provisions |
| Direct non-life insurance | | | |
| Other motor vehicle insurance | 90 383 | 4 017 | 94 400 |
| Insurance for fire and other damage to property | 162 050 | 7 202 | 169 253 |
| Assistance insurance | 40 999 | 2 646 | 43 645 |
| Insurance for miscellaneous financial loss | 30 813 | 19 294 | 50 107 |
| Total Direct non-life insurance | 324 245 | 33 160 | 357 405 |

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 |
|---|----------------------------|----------------------------|----------------------------|
| | Total technical provisions | Total technical provisions | Total technical provisions |
| Direct non-life insurance | | | |
| Other motor vehicle insurance | 202 819 | 94 400 | -108 419 |
| Insurance for fire and other damage to property | 316 315 | 169 253 | -147 062 |
| Assistance insurance | 50 063 | 43 645 | -6 418 |
| Insurance for miscellaneous financial loss | 66 202 | 50 107 | -16 095 |
| Total Direct non-life insurance | 635 399 | 357 405 | -277 994 |

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 108,419 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 4,017 in risk margin and KSEK -112,437 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 147,062 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 7,202 in risk margin and KSEK -154,264 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 6,418 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 2,646 in risk margin and KSEK -9,064 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 provided in the event of a loss of income due to termination of employment or sick leave. This business line comprises two homogeneous reserve classes.

The difference of KSEK 16,095 in the valuation between the financial statements and Solvency II arises on the basis of KSEK 19,294 in risk margin and KSEK -35,389 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

The item comprises accrued expenses and deferred income. Other liabilities 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 2023

| KSEK | Bridge Equity to Own Funds |
|--|----------------------------|
| Equity Financial reporting | 459 671 |
| Untaxed reserves | 488 118 |
| Equity and untaxed reserves | 947 788 |
| Revaluations: | |
| Goodwill | -14 043 |
| Other intangible assets | -5 435 |
| Deferred acquisition costs (DAC) | -221 902 |
| Deferred tax assets, net | 2 897 |
| Net technical provisions | 277 994 |
| Receivables and liabilities for direct insurance | -49 810 |
| Money market and bond funds | 9 |
| Expected dividend | -82 838 |
| Roundings | 19 |
| Solvency II own funds | 854 679 |

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 | | Tier2 | Tier3 |
|------------------------------------|----------------|----------------|------------|----------|--------------|
| | | Unrestricted | Restricted | | |
| 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* | 821 782 | 821 782 | 0 | 0 | 0 |
| Deferred tax assets, net | 2 897 | 0 | 0 | 0 | 2 897 |
| Total Tier 1 capital | 854 679 | 851 782 | 0 | 0 | 2 897 |
| Ancillary own funds | 0 | 0 | 0 | 0 | 0 |
| Total Own funds | 854 679 | 851 782 | 0 | 0 | 2 897 |

*Reconciliation reserve includes adjustment for own shares and expected dividend

| KSEK | Total | Tier 1 | | Tier2 | Tier3 |
|---|---------------|--------------|------------|-------|-------|
| | | Unrestricted | Restricted | | |
| Total available capital to meet SCR | 854 679 | 851 782 | 0 | 0 | 2 897 |
| Total available capital to meet MCR | 851 782 | 851 782 | 0 | 0 | 0 |
| Total eligible own funds to meet SCR | 854 679 | 851 782 | 0 | 0 | 2 897 |
| Total eligible own funds to meet MCR | 851 782 | 851 782 | 0 | 0 | 0 |
| SCR ratio for eligible own funds | 169,7% | | | | |
| MCR ratio for eligible own funds | 623,0% | | | | |

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement

| KSEK | Build-up of SCR |
|--|-----------------|
| Market risk | 94 060 |
| Counterparty risk | 17 296 |
| Insurance risk | 428 454 |
| Intangible assets risk | 0 |
| Diversification | -69 604 |
| Basic Solvency Capital Requirement (BSCR) | 470 206 |
| Operational risk | 33 489 |
| Solvency Capital Requirement (SCR) | 503 695 |

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 169.7 per cent.

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

Minimum Capital Requirement

| KSEK | Calculation of MCR |
|--|--------------------|
| Linear MCR | 136 727 |
| MCR ceiling (SCR x 0.45) | 226 663 |
| MCR floor (SCR x 0.25) | 125 924 |
| Combined MCR | 136 727 |
| MCR threshold value | 29 569 |
| Minimum Capital Requirement (MCR) | 136 727 |

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 623.0 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 | 2 897 |
| Pension benefit surplus | R0050 | 0 |
| Property, plant & equipment held for own use | R0060 | 0 |
| Investments (other than assets held for index-linked and unit-linked contracts) | R0070 | 1 086 941 |
| Property (other than for own use) | R0080 | 0 |
| Holdings in related undertakings, including participations | R0090 | 0 |
| Equities | R0100 | 105 863 |
| Equities - listed | R0110 | 105 863 |
| Equities - unlisted | R0120 | 0 |
| Bonds | R0130 | 941 515 |
| Government Bonds | R0140 | 0 |
| Corporate Bonds | R0150 | 941 515 |
| Structured notes | R0160 | 0 |
| Collateralised securities | R0170 | 0 |
| Collective Investments Undertakings | R0180 | 39 562 |
| 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 | 1 481 |
| Non-life and health similar to non-life | R0280 | 1 481 |
| Non-life excluding health | R0290 | 1 481 |
| 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 | 52 391 |
| Reinsurance receivables | R0370 | 0 |
| Receivables (trade, not insurance) | R0380 | 0 |
| Own shares (held directly) | R0390 | 43 428 |
| 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 | 357 177 |
| Any other assets, not elsewhere shown | R0420 | 9 290 |
| Total assets | R0500 | 1 553 604 |

S.02.01.02 continued

| Liabilities | | C0010 |
|---|--------------|----------------|
| Technical provisions - non-life | R0510 | 358 887 |
| Technical provisions - non-life (excluding health) | R0520 | 358 887 |
| Technical provisions calculated as a whole | R0530 | 0 |
| Best Estimate | R0540 | 325 726 |
| Risk margin | R0550 | 33 160 |
| 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 | 166 136 |
| Reinsurance payables | R0830 | 587 |
| Payables (trade, not insurance) | R0840 | 0 |
| Subordinated liabilities | R0850 | 0 |
| Subordinated liabilities not in Basic Own Funds | R0860 | 0 |
| Subordinated liabilities in Basic Own Funds | R0870 | 0 |
| Any other liabilities, not elsewhere shown | R0880 | 47 050 |
| Total liabilities | R0900 | 572 659 |
| Excess of assets over liabilities | R1000 | 980 945 |

S.04.05.21

S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

| | Top 5 countries: non-life | | | | | Home country C0010 |
|--|---------------------------|-------------|-------------|-------------|-------------|-----------------------|
| | NO C0020 | DK C0020 | FI C0020 | CH C0020 | DE C0020 | |
| Premiums written (gross) | | | | | | |
| Gross Written Premium (direct reinsurance) | 182 324 | 82 060 | 59 161 | 18 912 | 18 017 | 684 675 |
| Gross Written Premium (proportional reinsurance) | 14 462 | 0 | 0 | 0 | 0 | 0 |
| Premiums earned (gross) | | | | | | |
| Gross Earned Premium (direct reinsurance) | 190 174 | 78 277 | 62 190 | 22 833 | 20 559 | 670 460 |
| Gross Earned Premium (proportional reinsurance) | 4 984 | 0 | 0 | 0 | 0 | 0 |
| Claims incurred (gross) | | | | | | |
| Claims incurred (direct reinsurance) | 42 593 | 12 133 | 10 478 | 8 064 | 5 211 | 147 398 |
| Claims incurred (proportional reinsurance) | 4 984 | 0 | 0 | 0 | 0 | 0 |
| Expenses incurred (gross) | | | | | | |
| Gross Expenses Incurred (direct reinsurance) | 125 595 | 49 258 | 41 388 | 12 337 | 10 578 | 450 636 |
| Gross Expenses Incurred (proportional reinsurance) | 1 | 0 | 0 | 0 | 0 | 0 |
| Gross Expenses Incurred (non-proportional reinsurance) | 0 | 0 | 0 | 0 | 0 | 0 |

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 C0010 | Income protection insurance C0020 | Workers' compensation insurance C0030 | Motor vehicle liability insurance C0040 | Other motor insurance C0050 | Marine, aviation and transport insurance C0060 | Fire and other damage to property insurance C0070 | General liability insurance C0080 | Credit and suretyship insurance C0090 |
| Premiums written | | | | | | | | | | |
| Gross - Direct Business | R0710 | | | | | 211 312 | | 341 448 | | |
| Gross - Proportional reinsurance accepted | R0720 | | | | | 0 | | 0 | | |
| Gross - Non-proportional reinsurance accepted | R0730 | | | | | 0 | | 0 | | |
| Reinsurers share | R0740 | | | | | 0 | | 19 551 | | |
| Net | R0700 | | | | | 211 312 | | 321 896 | | |
| Premiums earned | | | | | | | | | | |
| Gross - Direct Business | R0210 | | | | | 157 080 | | 362 738 | | |
| Gross - Proportional reinsurance accepted | R0220 | | | | | 0 | | 0 | | |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | 0 | | 0 | | |
| Reinsurers share | R0240 | | | | | 0 | | 19 862 | | |
| Net | R0200 | | | | | 157 080 | | 342 876 | | |
| Claims incurred | | | | | | | | | | |
| Gross - Direct Business | R0310 | | | | | 48 345 | | 96 164 | | |
| Gross - Proportional reinsurance accepted | R0320 | | | | | 0 | | 0 | | |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | 0 | | 0 | | |
| Reinsurers share | R0340 | | | | | 0 | | 7 705 | | |
| Net | R0300 | | | | | 48 345 | | 88 459 | | |
| Expenses incurred | R0550 | | | | | 82 265 | | 188 024 | | |
| Balance - other technical expenses/income | R1200 | | | | | | | | | |
| Total expenses | R1300 | | | | | | | | | |

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 | | 171 819 | 393 600 | | | | | | | 1 118 179 |
| Gross - Proportional reinsurance accepted | | 0 | 0 | 0 | | | | | | 0 |
| Gross - Non-proportional reinsurance accepted | | 0 | 0 | 0 | | | | | | 0 |
| Reinsurers' share | | 4 200 | 0 | | | | | | | 23 751 |
| Net | | 167 619 | 393 600 | | | | | | | 1 094 428 |
| Premiums earned | | | | | | | | | | |
| Gross - Direct Business | | 185 829 | 410 652 | | | | | | | 1 116 299 |
| Gross - Proportional reinsurance accepted | | 0 | 0 | 0 | | | | | | 0 |
| Gross - Non-proportional reinsurance accepted | | 2 339 | 0 | | | | | | | 22 201 |
| Reinsurers' share | | 183 490 | 410 652 | | | | | | | 1 094 098 |
| Net | | 58 065 | 41 214 | | | | | | | 243 788 |
| Claims incurred | | | | | | | | | | |
| Gross - Direct Business | | 0 | 0 | | | | | | | 0 |
| Gross - Proportional reinsurance accepted | | 0 | 0 | | | | | | | 0 |
| Gross - Non-proportional reinsurance accepted | | -34 | | | | | | | | 7 671 |
| Reinsurers' share | | 56 099 | 41 214 | | | | | | | 236 117 |
| Net | | 79 364 | 257 956 | | | | | | | 607 628 |
| Expenses incurred | | | | | | | | | | |
| Balance - other technical expenses/income | | | | | | | | | | 118 936 |
| Total expenses | | | | | | | | | | 726 564 |

S.17.01.02

S.17.01.02
Non-life Technical Provisions

| | Direct business and accepted proportional reinsurance | | | | | | | | | |
|-------|---|--------------------------------------|--|--|--------------------------------|---|--|--------------------------------------|--|--|
| | Medical expense insurance C0020 | Income protection insurance C0100 | Workers' compensation insurance C0040 | Motor vehicle liability insurance C0050 | Other motor insurance C0060 | Marine, aviation and transport insurance C0070 | Fire and other damage to property insurance C0080 | General liability insurance C0090 | Credit and suretyship insurance C0100 | |
| R0010 | | | | | 0 | | 0 | | | |
| R0050 | | | | | 0 | | 0 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | 80 312 | | 150 195 | | | |
| R0060 | | | | | 0 | | 1 252 | | | |
| R0140 | | | | | 0 | | 148 243 | | | |
| R0150 | | | | | 80 312 | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | 10 070 | | 13 107 | | | |
| R0240 | | | | | 0 | | 0 | | | |
| R0250 | | | | | 10 070 | | 13 107 | | | |
| R0260 | | | | | 90 383 | | 163 302 | | | |
| R0270 | | | | | 90 383 | | 162 050 | | | |
| R0280 | | | | | 4 017 | | 7 202 | | | |
| | | | | | | | | | | |
| | | | | | 94 400 | | 170 504 | | | |
| R0320 | | | | | 0 | | 1 252 | | | |
| R0330 | | | | | 0 | | | | | |
| | | | | | | | | | | |
| R0340 | | | | | 94 400 | | 169 253 | | | |

S.17.01.02 continued

| | Direct business and accepted proportional reinsurance | | | | | Accepted non-proportional reinsurance | | | | Total Non-Life obligation |
|-------|---|------------|--|-------------------------------------|---------------------------------------|---|---------------------------------------|---------|--|---------------------------|
| | Legal expenses insurance | Assistance | Marine/air/aviation/transport 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 | | |
| R0070 | | 0 | 0 | | | | | 0 | | |
| R0050 | | 0 | 0 | | | | | 0 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| R0060 | | 25 868 | 16 850 | | | | | 273 226 | | |
| R0140 | | 0 | 0 | | | | | 1 252 | | |
| R0150 | | 25 868 | 16 850 | | | | | 271 974 | | |
| R0160 | | 15 360 | 13 963 | | | | | 52 500 | | |
| R0240 | | 230 | 0 | | | | | 230 | | |
| R0250 | | 15 130 | 13 963 | | | | | 52 271 | | |
| R0260 | | 41 228 | 30 813 | | | | | 325 726 | | |
| R0270 | | 40 999 | 30 813 | | | | | 324 245 | | |
| R0280 | | 2 646 | 19 294 | | | | | 33 160 | | |
| R0320 | | 43 875 | 50 107 | | | | | 358 882 | | |
| R0330 | | 230 | 0 | | | | | 1 481 | | |
| R0340 | | 43 645 | 50 107 | | | | | 357 405 | | |

S.19.01.21

S.19.01.21
Non-life Insurance Claims Information

| | |
|-----------------------------------|---------|
| Total Non-Life Business | |
| Accident year / Underwriting year | Z0020 1 |

Gross Claims Paid (non-cumulative)

| Year | Development year | | | | | | | | | | | Sum of years (cumulative) C0180 | | |
|-------|------------------|--------|-------|-------|-------|-----|-----|-----|---|---|--------|------------------------------------|---|----|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | | |
| Prior | | | | | | | | | | | | | | |
| N-9 | | | | | | | | | | | | | | |
| N-8 | | | | | | | | | | | | | | |
| N-7 | | | | | | | | | | | | | | |
| N-6 | | | | | | | | | | | | | | |
| N-5 | | | | | | | | | | | | | | |
| N-4 | | | | | | | | | | | | | | |
| N-3 | | | | | | | | | | | | | | |
| N-2 | | | | | | | | | | | | | | |
| N-1 | | | | | | | | | | | | | | |
| N | | | | | | | | | | | | | | |
| R0100 | 377 687 | 70 339 | 6 204 | -5 | 381 | 19 | 0 | 77 | 0 | 0 | 0 | 0 | 0 | 42 |
| R0160 | 367 934 | 80 655 | 4 616 | 649 | 1 029 | 340 | -29 | 41 | 2 | | | | | |
| R0180 | 319 895 | 37 842 | 1 913 | 1 485 | 42 | 534 | -16 | 127 | | | | | | |
| R0190 | 224 026 | 17 010 | 1 280 | 752 | -4 | 81 | 6 | | | | | | | |
| R0200 | 186 549 | 20 082 | 1 019 | 166 | 129 | 14 | | | | | | | | |
| R0210 | 179 548 | 18 081 | 1 205 | 87 | 24 | | | | | | | | | |
| R0220 | 186 973 | 18 515 | 944 | 132 | | | | | | | | | | |
| R0230 | 194 261 | 22 221 | 550 | | | | | | | | | | | |
| R0240 | 207 674 | 19 565 | | | | | | | | | | | | |
| R0250 | 228 247 | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |

| In Current year | |
|-----------------|---------|
| | C0170 |
| R0100 | 42 |
| R0160 | 0 |
| R0170 | 2 |
| R0180 | 127 |
| R0190 | 6 |
| R0200 | 14 |
| R0210 | 24 |
| R0220 | 132 |
| R0230 | 550 |
| R0240 | 19 565 |
| R0250 | 228 247 |
| R0260 | 248 708 |

Gross undiscounted Best Estimate Claims Provisions

| Year | Development year | | | | | | | | | | | Year end (discounted data) C0360 | | |
|-------|------------------|--------|--------|-------|-------|------|------|-------|-----|---|--------|-------------------------------------|---|---|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 & + | | | |
| Prior | | | | | | | | | | | | | | |
| N-9 | | | | | | | | | | | | | | |
| N-8 | | | | | | | | | | | | | | |
| N-7 | | | | | | | | | | | | | | |
| N-6 | | | | | | | | | | | | | | |
| N-5 | | | | | | | | | | | | | | |
| N-4 | | | | | | | | | | | | | | |
| N-3 | | | | | | | | | | | | | | |
| N-2 | | | | | | | | | | | | | | |
| N-1 | | | | | | | | | | | | | | |
| N | | | | | | | | | | | | | | |
| R0100 | 0 | 0 | 477 | 4 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R0160 | 0 | 3 590 | -1 666 | 962 | 1 263 | 951 | 971 | 1 049 | 153 | | | | | |
| R0170 | 0 | 8 105 | 3 325 | 2 837 | 709 | 609 | 629 | 638 | | | | | | |
| R0180 | 44 915 | 4 524 | 2 380 | 152 | -443 | -551 | -534 | | | | | | | |
| R0190 | 25 700 | 6 072 | 2 802 | 731 | 694 | 288 | | | | | | | | |
| R0200 | 33 016 | 11 610 | 8 118 | 6 718 | 2 817 | | | | | | | | | |
| R0210 | 34 666 | 13 666 | 9 831 | 2 524 | | | | | | | | | | |
| R0220 | 38 608 | 14 767 | 8 003 | | | | | | | | | | | |
| R0230 | 37 143 | 9 721 | | | | | | | | | | | | |
| R0240 | 28 145 | | | | | | | | | | | | | |
| R0250 | 30 077 | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | |

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 | 821 782 | 821 782 | | | |
| Subordinated liabilities | R0140 | | | | | |
| An amount equal to the value of net deferred tax assets | R0160 | 2 897 | | | | 2 897 |
| 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 | 854 679 | 851 782 | | | 2 897 |
| 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 | 854 679 | 851 782 | | | 2 897 |
| Total available own funds to meet the MCR | R0510 | 851 782 | 851 782 | | | |
| Total eligible own funds to meet the SCR | R0540 | 854 679 | 851 782 | | | 2 897 |
| Total eligible own funds to meet the MCR | R0550 | 851 782 | 851 782 | | | |
| SCR | R0580 | 503 695 | | | | |
| MCR | R0600 | 136 727 | | | | |
| Ratio of Eligible own funds to SCR | R0620 | 169,7% | | | | |
| Ratio of Eligible own funds to MCR | R0640 | 623,0% | | | | |

| | | C0060 |
|---|-------|---------|
| Reconciliation reserve | | |
| Excess of assets over liabilities | R0700 | 980 945 |
| Own shares (held directly and indirectly) | R0710 | 43 428 |
| Foreseeable dividends, distributions and charges | R0720 | 82 838 |
| Other basic own fund items | R0730 | 32 897 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Reconciliation reserve | R0760 | 821 782 |
| Expected profits | | |
| Expected profits included in future premiums (EPIFP) - Life business | R0770 | |
| Expected profits included in future premiums (EPIFP) - Non- life business | R0780 | 10 187 |
| Total Expected profits included in future premiums (EPIFP) | R0790 | 10 187 |

S.25.01.21

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

| | | Gross solvency capital requirement | Undertaking specific parameters | Simplifications |
|---|-------|------------------------------------|---------------------------------|-----------------|
| | | C0110 | C0090 | C0120 |
| Market risk | R0010 | 94 060 | | |
| Counterparty default risk | R0020 | 17 296 | | |
| Life underwriting risk | R0030 | 0 | | |
| Health underwriting risk | R0040 | 0 | | |
| Non-life underwriting risk | R0050 | 428 454 | | |
| Diversification | R0060 | -69 604 | | |
| Intangible asset risk | R0070 | 0 | | |
| Basic Solvency Capital Requirement | R0100 | 470 206 | | |
| Calculation of Solvency Capital Requirement | | C0100 | | |
| Operational risk | R0130 | 33 489 | | |
| 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 | 503 695 | | |
| Capital add-on already set | R0210 | 0 | | |
| of which, capital add-ons already set - Article 37 (1) Type a | R0211 | | | |
| of which, capital add-ons already set - Article 37 (1) Type b | R0212 | | | |
| of which, capital add-ons already set - Article 37 (1) Type c | R0213 | | | |
| of which, capital add-ons already set - Article 37 (1) Type d | R0214 | | | |
| Solvency capital requirement | R0220 | 503 695 | | |
| 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 | | | |
| | | | Yes/No | |
| Approach to tax rate | | | C0109 | |
| Approach based on average tax rate | R0590 | | 3 | |

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

Minimum Capital Requirement_{LC} Resultat

| | |
|--------------|--------------|
| | C0010 |
| R0010 | 136 727 |

| | | 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 | 90 383 | 210 666 |
| Marine, aviation and transport insurance and proportional reinsurance | R0070 | 0 | 0 |
| Fire and other damage to property insurance and proportional reinsurance | R0080 | 162 050 | 318 712 |
| 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 | 40 999 | 166 379 |
| Miscellaneous financial loss insurance and proportional reinsurance | R0130 | 30 813 | 389 448 |
| 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

Minimum Capital Requirement_L Resultat

| | |
|--------------|--------------|
| | C0040 |
| 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 | 136 727 |
| SCR | R0310 | 503 695 |
| MCR cap | R0320 | 226 663 |
| MCR floor | R0330 | 125 924 |
| Combined MCR | R0340 | 136 727 |
| Absolute floor of the MCR | R0350 | 29 569 |
| | | C0070 |
| Minimum Capital Requirement | R0400 | 136 727 |