Länsförsäkringar AB

Solvency and financial condition of the insurance operations

2021

Table of contents

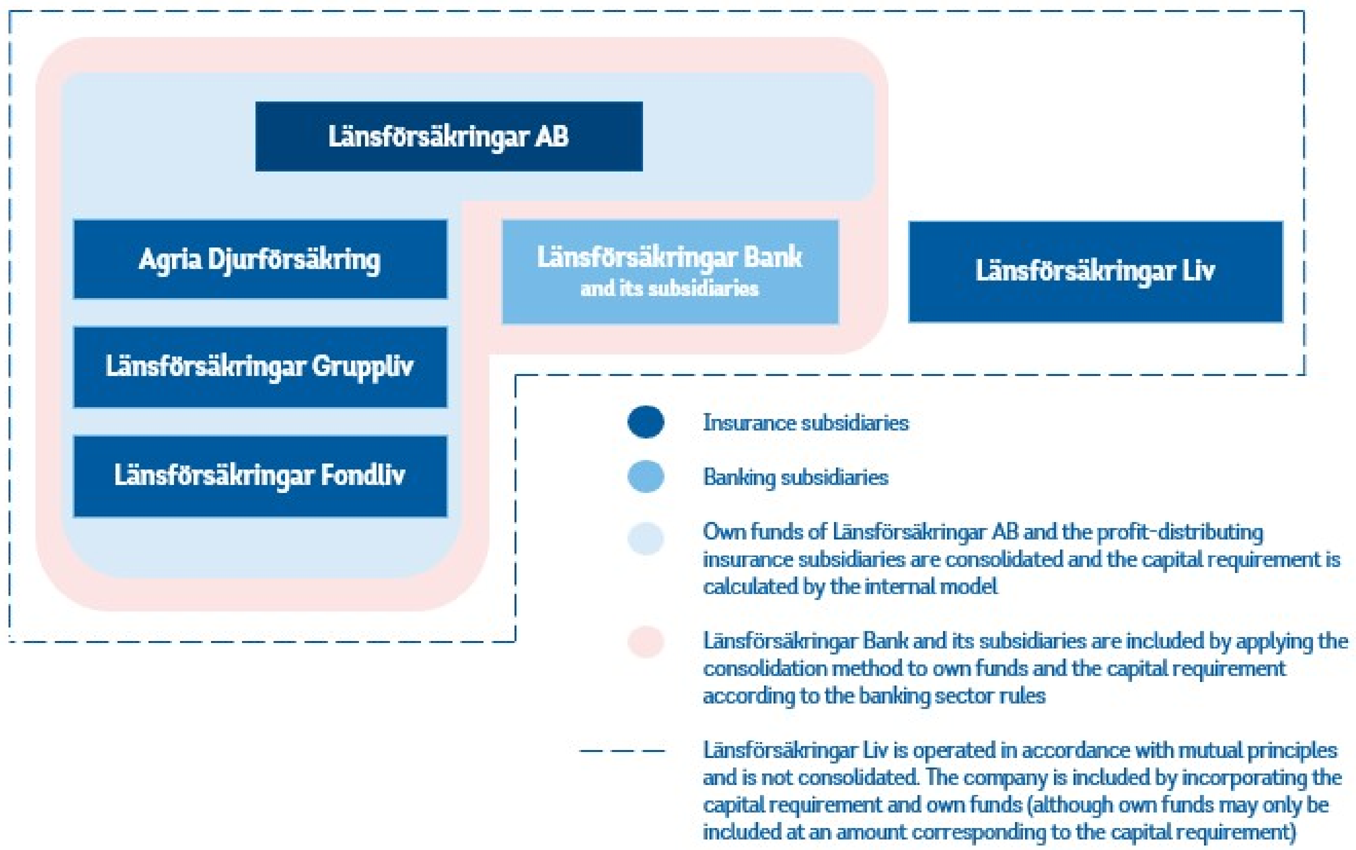
Insurance operations at group level

Introduction

Länsförsäkringar Liv is a subsidiary of Länsförsäkringar AB and is operated according to mutual principles. This means that the policyholders of Länsförsäkringar Liv have the right to receive any surplus in the operations while at the same time bearing the risk for any deficit. Länsförsäkringar Liv's capital requirement is included in the capital requirement at group level, but for own funds only an amount corresponding to the capital requirement is included in own funds at group level since the surplus capital in Länsförsäkringar Liv cannot be distributed to the Parent Company Länsförsäkringar AB. Länsförsäkringar Liv is also treated differently than the profit-distributing insurance subsidiaries in certain other respects because the company is operated according to mutual principles. The group reporting to be submitted must include information on Länsförsäkringar Liv in certain specifications. Each section of this report states whether or not the information on Länsförsäkringar Liv is included. The differences between how Länsförsäkringar Liv is included in the group under the solvency rules of the Swedish Insurance Business Act (IBA) are highly significant compared with the rules for the financial statements. Länsförsäkringar Liv is not consolidated in the Annual Report for the Länsförsäkringar AB Group. The value of the shares is recognised at an amount corresponding to the company's share capital.

The IBA's rules on groups include, in a certain sense, credit institutions. For Länsförsäkringar AB, this means, for example, that the IBA's solvency rules for groups stipulate that the capital position of Länsförsäkringar Bank and its subsidiaries is to be included in own funds and the capital requirement at group level. This is to take place by applying the rules on own funds and capital requirement for credit institutions. Länsförsäkringar Bank and its subsidiaries is included in the group under the IBA's rules on solvency by what is referred to in the Act as a "consolidation method" but which does not entail full consolidation of the Länsförsäkringar Bank Group's assets and liabilities. In this way, the concept of "group" in the IBA and in the Solvency II balance sheet at group level differ in significant respects from the consolidation of both the insurance operations and the banking operations that takes place in the Annual Report for the Länsförsäkringar AB Group.

Figure 1. Länsförsäkringar AB's insurance operations at group level



Accordingly, there are material differences between the concept of “group” in the IBA and the concept of “Group” in the Swedish Annual Accounts Act. The term “group” is used henceforth in this report for the group of companies that is encompassed by the IBA’s rules on groups.

It is also the case that the group featuring Länsförsäkringar AB as the Parent Company that is encompassed by the IBA’s rules for groups consists of the same companies as those included in the Länsförsäkringar AB Group under the accounting regulations. The operational governance of the companies in the Länsförsäkringar AB Group is adapted to meet both the IBA’s rules on groups and the rules on groups found in legislation for banks and credit institutions. Consequently, it is sometimes appropriate for descriptions of the insurance operations at group level here to use the term “the Länsförsäkringar AB Group,” which thus means the same companies as those included under the IBA’s concept of group.

Note to the reader

This Solvency and Financial Condition Report (SFCR) contains information about the insurance operations conducted within the Länsförsäkringar AB Group. The Report encompasses Länsförsäkringar AB and its subsidiaries at group level, and each individual insurance subsidiary of Länsförsäkringar AB. Accordingly, the Report is written as a single, joint SFCR. The Report has been prepared in accordance with the public disclosure requirements for a solvency and operations report in the Swedish Insurance Business Act (2010:2043)[1], the Commission Delegated Regulation[2] and EIOPA’s guidelines[3].

The Swedish version of the SFCR includes all of the insurance subsidiaries. This English version includes the insurance operations at group level and Agria Djurförsäkring since Agria conducts insurance operations outside Sweden. All of the insurance operations are described at group level first, followed by Agria.

[1] https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/forsakringsrorelselag-20102043_sfs-2010-2043

[2] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AL%3A2015%3A012%3ATOC

[3] https://eiopa.europa.eu/publications/eiopa-guidelines/guidelines-on-reporting-and-public-disclosure

About the Länsförsäkringar Alliance

Länsförsäkringar comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB and its subsidiaries. Customers are provided with a complete offering of banking, insurance, pension and real-estate brokerage services through the regional insurance companies. The Länsförsäkringar Alliance has 3.9 million customers and 7,900 employees.

Through its distinct role in the Länsförsäkringar Alliance's value chain, Länsförsäkringar AB contributes to increasing competitiveness and reducing costs for joint development. In turn, this creates possibilities for the regional insurance companies to be successful in their respective markets. The Länsförsäkringar AB Group comprises the Parent Company Länsförsäkringar AB, the subsidiaries Agria Djurförsäkring, Länsförsäkringar Gruppliv, Länsförsäkringar Fondliv, Länsförsäkringar Liv and Länsförsäkringar Bank as well as the subsidiaries of these companies. Länsförsäkringar Liv and its subsidiaries are not consolidated in the Group since the company is operated according to mutual principles.

Summary

Länsförsäkringar AB and its subsidiaries are commissioned by the regional insurance companies to conduct joint banking, non-life insurance, pension and life-assurance operations, strategic development activities and to provide service in areas that generate economies of scale and efficiency. All to create conditions for the regional insurance companies to develop the offering close to their customers.

The Parent Company Länsförsäkringar AB underwrites health care, accident and health and commercial special insurance and international reinsurance. Länsförsäkringar AB also manages the Länsförsäkringar Alliance's total reinsurance cover. Agria Djurförsäkring ("Agria") is the Länsförsäkringar Alliance's specialist company for pet and crop insurance. Länsförsäkringar Gruppliv underwrites group life assurance cover and occupational group life insurance. Länsförsäkringar Fondliv underwrites life assurance and pension savings primarily with fund management and a smaller portion of guarantee management.

The effects of the COVID-19 pandemic on the Länsförsäkringar AB Group's earnings were limited in 2021. The technical result for the group amounted to SEK 1,399 M (1,072). The technical result for the Parent Company Länsförsäkringar AB was SEK 206 M (88). The earnings improvement was mainly due to lower claims costs and significant positive run-off gains in reserves for claims reserves in prior years. Agria's technical result amounted to SEK 342 M (66). The strong improvement in earnings was due to continuing strong growth and a stabilised claims-cost trend. Länsförsäkringar Fondliv's technical result amounted to SEK 775 M (836). The change in profit was primarily due to an updated business model, involving increased remuneration to the regional insurance companies. Länsförsäkringar Gruppliv's technical result declined to SEK 76 M (82), attributable to higher claims costs compared with last year.

The group's business activities are primarily conducted in Sweden, but there are also operations in Denmark, Finland, France, Norway, the UK and Germany through Agria's branches. Based on "freedom of service," Agria's subsidiary Agria Vet Guide also conducts digital vet consultations in Denmark, Finland and Norway. Growth in Agria's foreign operations was high, particularly in Norway and the UK. The UK delivered strongly positive earnings, and the earnings in Norway made a clear improvement.

The group's investment return excluding Länsförsäkringar Liv amounted to 8.9% (2.6). Equities performed very well during the year, contributing 4.3 percentage points. Properties contributed 3.1 percentage points, driven by positive changes in market value. Alternative investments contributed 1.2 percentage points and the fixed-income portfolio 0.3 of a percentage point.

Own funds

SEK **65,203 M**

Capital requirements

SEK **45,368 M**

The future trend in the Länsförsäkringar AB Group's earnings is closely linked to the drivers and trends in the business environment that affect future customer requirements and thereby the Group's operations, business model and development needs. Rapid technological advances are creating new conditions, while at the same time significant changes and innovation are needed to leverage the opportunities that are emerging. Expertise, the technical environment and the organisation must be adapted to support rapid developments so as to meet customers' evolving needs.

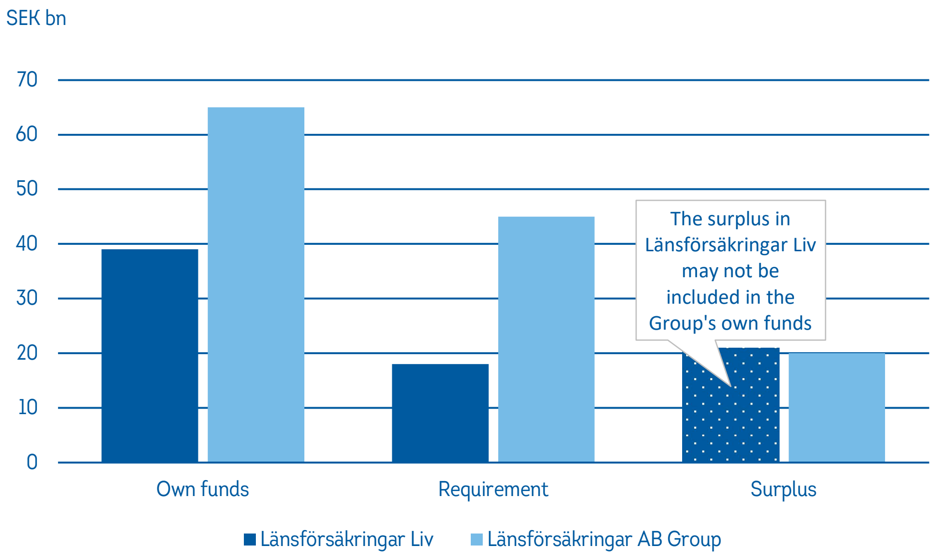
Sustainability is a fundamental element of future developments, and has played a part in Länsförsäkringar's operations since the very beginning when the first regional insurance company was founded more than 200 years ago. Länsförsäkringar's products and services must not only strengthen the business but must also contribute to the sustainable development of society.

Länsförsäkringar AB and its subsidiaries have a healthy financial position. Financial strength is primarily measured by comparing own funds with the solvency capital requirement. The comparison shows the group's ability to fulfil its commitments to policyholders and other creditors even when the group's financial position is very highly stressed. Own funds at group level are by law to be higher than the solvency capital requirement at group level.

The Länsförsäkringar AB Group calculates the solvency capital requirement by using a partial internal model at group level and at solo level for Länsförsäkringar AB, Länsförsäkringar Fondliv, Agria and Länsförsäkringar Liv. A standard formula is used at solo level for Länsförsäkringar Gruppliv. At group level, the capital requirement is also included for Länsförsäkringar Bank, calculated in accordance with applicable capital requirement rules for banks and credit institutions.

Own funds at group level amounted to SEK 65.2 billion at year-end and comprise Tier 1 capital. The capital requirement amounted to SEK 45.4 billion, which is higher than the regulatory requirement by a healthy margin and represents surplus capital of SEK 19.8 billion. Länsförsäkringar Liv is included in the calculation of own funds and the capital requirement, but excluding its surplus capital. Länsförsäkringar Liv's surplus capital amounted to SEK 21.3 billion at year-end.

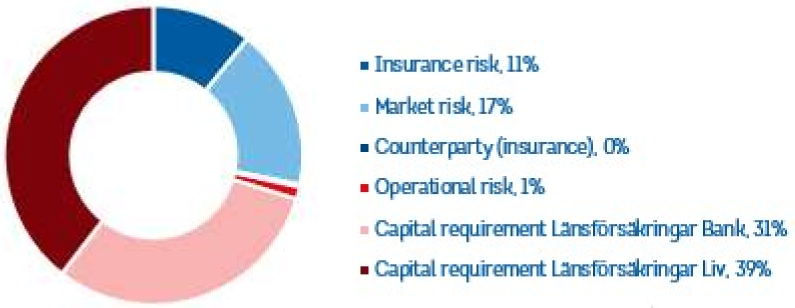
Figure 2. Own funds and capital requirement for Länsförsäkringar AB and its subsidiaries, 31 Dec 2021



Surplus capital at group level increased SEK 1.6 billion year-on-year. Own funds strengthened SEK 7.8 billion during the year, mainly due to the change in the revaluation of the technical provisions, primarily attributable to Länsförsäkringar Fondliv. The capital requirement increased SEK 6.2 billion during the year, mainly due to a higher capital requirement for Länsförsäkringar Liv. The surplus capital in Länsförsäkringar Liv increased SEK 7.5 billion, primarily attributable to an increase in own funds, which in turn was due to profit for the period.

The solvency capital requirement shows how much capital the company needs based on the risks in the company's business operations. The risk profile for Länsförsäkringar AB and its subsidiaries is dominated by the banking operations' credit risk, the market and long-life expectancy risk of the traditional life-assurance operations, the unit-linked insurance operations' market and cancellation risk, and the non-life insurance operations' market and insurance risk.

Figure 3: Länsförsäkringar AB and its subsidiaries' risks by category, 31 Dec 2021



The capital requirements for Länsförsäkringar Liv and Länsförsäkringar Bank jointly account for 70% of the total capital requirement at group level. Market risk is the third largest risk with a capital requirement comprising 17% of the group's capital requirement. Market risk is the risk of losses due to changes in the value of assets in the financial markets. The capital requirement for market risk primarily derives from Länsförsäkringar Fondliv, whose future earnings are heavily dependent on the trend in unit-linked insurance capital and thus the performance of the equities markets since a large portion of the unit-linked insurance capital is invested in equities funds.

In calculating the solvency capital requirement, the company's assets and liabilities are valued for solvency purposes, which differs from the financial statements. Under the Solvency II regulations, assets and liabilities are to be measured at market value, which entails that the company is to make certain revaluations. In the group's case, the valuation resulted in a reduction in both the assets and liabilities. This is attributable to the separate valuations of the subsidiaries.

Länsförsäkringar AB's Board assumes the overall responsibility for the organisation and administration of the company and the Group and for assessing and making decisions on issues of material significance and of an overall nature relating to the company's and the Group's operations. The Board appoints the President and CEO, adopts an appropriate operating organisation as well as the goals and strategies of the operations, and ensures that efficient systems are in place for internal control and risk management. The Board has established a Risk and Capital Committee, an Audit Committee, a Non-life Insurance Committee and a Remuneration Committee. These Committees do not generally have any decision-making mandates, and instead support the Board and prepare decisions in their relevant areas. The President and CEO of Länsförsäkringar AB is responsible under the Swedish Companies Act for the daily management and operations of Länsförsäkringar AB. As the CEO of the Länsförsäkringar AB Group, the President assumes the same responsibility for the Group. Länsförsäkringar AB's Group management comprises the Presidents and heads of the various business units.

A Group-wide corporate-governance system, with an internal-governance and -control system that includes a risk-management system and regulatory compliance, has been established in the Länsförsäkringar AB Group. The risk-management system includes a Group-wide *Own Risk and Solvency Assessment (ORSA),* the overall aim of which is to ensure that own funds are and remain sufficient for bearing the risks associated with realising the business plan. Internal control aims to ensure that the organisation is efficient and fit for its purpose, that operations are conducted in accordance with decided strategies in order to achieve established targets, that financial accounting and reporting are reliable, that information systems are managed and operated efficiently and that there is a strong capability to identity, measure, monitor and manage risks as well as full regulatory compliance. No material changes were made to the corporate governance system during the year other than the changes in the operating organisation.

A. Operations and earnings

A.1 Operations

A.1.1 About Länsförsäkringar AB

Ownership structure

Länsförsäkringar AB is wholly owned by the 23 customer-owned regional insurance companies, together with 14 local insurance companies. The regional insurance companies and the Länsförsäkringar AB Group jointly comprise the Länsförsäkringar Alliance. The Länsförsäkringar AB Group comprises the Parent Company Länsförsäkringar AB with a number of directly and indirectly owned subsidiaries, as described below. The business operations of the Länsförsäkringar AB Group are those deemed by the Länsförsäkringar Alliance as best suited to be run jointly. Most of the Länsförsäkringar Alliance's development and service operations are coordinated with Länsförsäkringar AB, with shared priorities.

Figure A1(1): Ownership structure of Länsförsäkringar AB Group, 31 Dec 2021

The merger between Länsförsäkringar Sak Försäkrings AB and Länsförsäkringar AB was completed on 3 May 2021. Operations are now conducted under the name Länsförsäkringar AB.

Regional insurance companies' participating interests in Länsförsäkringar AB

Table A1(1): Regional insurance companies' participating interests in Länsförsäkringar AB, 31 Dec

Shareholdings in Länsförsäkringar AB	Number of shares*			
Company	**A**	**B**	**C**	**Share of equity, %**
Länsförsäkringar Skåne	141,849	882,046	–	9.8
Länsförsäkringar Stockholm	129,212	802,382	–	8.9
Länsförsäkringar Östgöta	114,155	663,463	–	7.5
Dalarnas Försäkringsbolag	104,708	609,639	–	6.9
Länsförsäkringar Göteborg och Bohuslän	87,010	605,143	821	6.6
Länsförsäkringar Älvsborg	100,176	581,374	–	6.5
Länsförsäkringar Bergslagen	86,351	495,089	–	5.6
Länsförsäkringar Jönköping	82,812	474,021	–	5.3
Länsförsäkringar Uppsala	73,298	424,791	–	4.8
Länsförsäkringar Västerbotten	57,195	330,919	–	3.7
Länsförsäkringar Halland	56,785	329,857	–	3.7
Länsförsäkringar Södermanland	58,117	323,139	–	3.7
Länsförsäkringar Göinge-Kristianstad	49,982	322,347	–	3.6
Länsförsäkringar Kalmar län	56,717	295,878	–	3.4
Länsförsäkringar Gävleborg	60,058	281,083	–	3.3
Länsförsäkringar Skaraborg	64,058	253,172	–	3
Länsförsäkringar Västernorrland	50,186	257,122	–	2.9
Länsförsäkringar Jämtland	35,795	226,453	–	2.5
Länsförsäkring Kronoberg	36,701	203,130	–	2.3
Länsförsäkringar Värmland	31,160	202,208	–	2.2
Länsförsäkringar Norrbotten	16,960	127,878	–	1.4
Länsförsäkringar Blekinge	23,088	120,500	–	1.4
Länsförsäkringar Gotland	16,305	74,315	–	0.9
14 local insurance companies	–	–	5,134	0
Total number of shares	**1,532,678**	**8,885,949**	**5,955**	**100**

* Class A shares carry ten votes and Class B and C shares carry one vote.

Affiliated companies and branches

Länsförsäkringar AB (publ) 502010-9681

Wholly owned subsidiaries, including branches, of Länsförsäkringar AB (publ)

- *Försäkringsaktiebolaget Agria (publ), 516401-8003*
  - Agria Pet Insurance Ltd (wholly owned subsidiary of Agria)
  - Agria Vet Guide AB, 559132-0451 (wholly owned subsidiary of Agria)
    - Agria Dyreforsikring in Denmark, branch
    - Försäkringsaktiebolaget Agria (publ), branch in Finland
    - Agria Dyreforsikring in Norway, branch
    - Försäkringsaktiebolaget Agria (publ), branch in France
    - Agria Forsakring in the UK, branch
    - Försäkringsaktiebolaget Agria (publ), branch in Germany
- *Länsförsäkringar Grupplivförsäkrings AB, 516401-6692*
- *LF Sak Fastighets AB, 556683-6416)*
- *Länsförsäkringar Fondliv Försäkrings AB (publ), 516401-8219*
- *Länsförsäkringar Bank AB (publ), 516401-9878*
  - Länsförsäkringar Fondförvaltning AB (publ), 556364-2783 (wholly owned subsidiary of Länsförsäkringar Bank)
  - Länsförsäkringar Hypotek AB (publ), 556244-1781 (wholly owned subsidiary of Länsförsäkringar Bank)
  - Wasa Kredit AB, 556311-9204 (wholly owned subsidiary of Länsförsäkringar Bank)

- *Länsförsäkringar Liv Försäkrings AB (publ), 516401-6627*
  - Länsförsäkringar Komplement AB, 556660-1257 (wholly owned subsidiary of Länsförsäkringar Liv)

Refer also to the quantitative reporting template (referred to below as "QRT") s.32.01 in Appendix 1 for more detailed information about the companies included in the group.

Consolidation methods for calculations at group level

The Swedish Financial Supervisory Authority (Finansinspektionen) has granted permission for Länsförsäkringar AB's subsidiary Länsförsäkringar Liv, which is operated according to mutual principles, to be included in the group calculations using the deduction and aggregation method, method 2 according to Article 233 of Directive 2009/138/EC. This entails that the company's solvency situation in the group calculation is handled differently to other companies in the group. The other companies in the group are included in the calculations using a consolidation method, method 1 according to Article 230 of Directive 2009/138/EC. Subsidiaries in the other financial sector, Länsförsäkringar Bank and its subsidiaries, are consolidated by applying method 1 according to Article 335 (e) of Commission Delegated Regulation (EU) 2015/35.

Financial supervision and external auditors

Finansinspektionen is the home supervisory authority in Sweden that is responsible for the financial supervision under the insurance-operation rules of the Länsförsäkringar AB Group and all of the insurance companies (solo companies) included in the Länsförsäkringar AB Group.

Finansinspektionen: www.fi.se
Postal address: Finansinspektionen, Box 7821, SE-103 97 Stockholm, Sweden
Street address: Brunnsgatan 3 in central Stockholm

External auditors

Länsförsäkringar AB: Mårten Asplund, KPMG AB
Försäkringsaktiebolaget Agria: Magnus Ripa, KPMG AB
Länsförsäkringar Grupplivförsäkrings AB: Magnus Ripa, KPMG AB
Länsförsäkringar Fondliv Försäkrings AB: Gunilla Wernelind, KPMG AB
Länsförsäkringar Liv Försäkrings AB: Gunilla Wernelind, KPMG AB
Länsförsäkringar Bank AB: Dan Breitner, KPMG AB
Länsförsäkringar Fondförvaltning AB: Anders Tagde, KPMG AB
Länsförsäkringar Hypotek AB: Dan Breitner, KPMG AB
Wasa Kredit AB: Mårten Asplund, KPMG AB

Contact information for external auditors:
KPMG AB
Evenemangsgatan 17
Box 3018 SE-169 03 SOLNA, SWEDEN
Tel +46 8 723 91 00
www.kpmg.se
info@kpmg.se

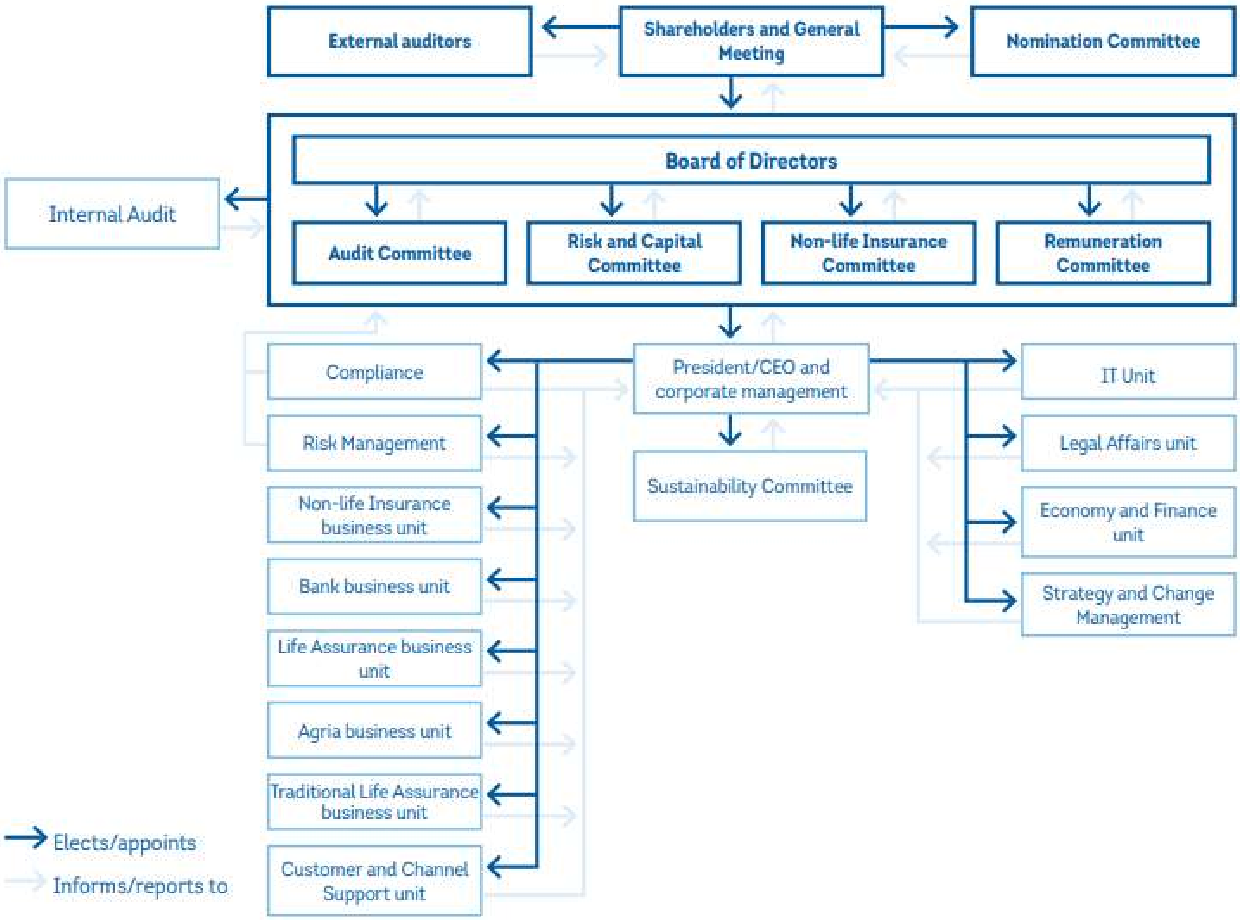
Organisation

The Board of Länsförsäkringar AB establishes an operating organisation for the Länsförsäkringar AB Group with an appropriate and transparent organisational structure, a clear distribution of responsibilities and duties between the various company bodies and between the so-called lines of defence, and a clear decision and reporting procedure. An internal-control system is integrated into the operating organisation, including a regulatory-compliance system and a risk-management system. Economies of scale, for example, are guaranteed within the framework of the organisation via Group-wide functions and outsourced operations, continuity management and contingency plans, efficient systems for reporting and transferring information, information security, management of conflicts of interest and ensuring that Board members and employees are suited to their tasks.

The operating organisation ensures that systems, resources and procedures are in place that are suitable for conducting the business activities in accordance with applicable regulations. The responsibilities and duties in the operating organisation are clearly stipulated to ensure a distribution of responsibilities, that important duties are performed and that double work is avoided. Work methods and processes are efficient and based on established responsibilities.

Figure A1(2): Länsförsäkringar AB Group's operating organisation, 31 December 2021

Länsförsäkringar AB's governance structure



Group-wide functions and outsourced operations

The distribution of work in the Länsförsäkringar AB Group is a key tool for achieving economies of scale in terms of both finance and expertise. It is also a method of implementing effective and proactive governance within the Group. The operating organisation with the business activities conducted in the business units and Group-wide functions in the Parent Company was established based on this approach.

Outsourcing operations to external parties is also a key tool for achieving economies of scale in terms of both finance and expertise. Outsourcing takes place in both Länsförsäkringar AB and in the subsidiaries.

Operations by geographic area and insurance lines

The following table illustrates the group's operations specified by geographic area and insurance lines.

Table A1(2): Operations per geographic area 2021

	Länsförsäkringar AB	Agria	Länsförsäkringar Grupplív	Länsförsäkringar Fondliv	Länsförsäkringar Liv
Sweden	√	√	√	√	√
Denmark		√			
Finland		√			
France		√			
Norway		√			
UK		√			
Germany		√			

Table A1(3): Operations per insurance line 2021

	Länsförsäkringar AB	Agria	Länsförsäkringar Gruppliv	Länsförsäkringar Fondliv	Länsförsäkringar Liv
Insurance operations					
Health care	√				
Accident and health	√				
Motor	√				
Motor third-party liability	√				
Marine, air and cargo	√				
Commercial	√				
Property, other property*		√			
Liability	√				
Legal expenses	√				
Credit and guarantees	√				
Direct insurance, foreign risks	√	√			
Assumed reinsurance	√				
Life-assurance operations					
Unit-linked insurance				√	
Defined-contribution traditional insurance				√	√
Premium exemption				√	√
Accident and health insurance				√	
Health insurance					√
Invalidity benefit insurance and health					√
Group life assurance			√		

* Comprises pet and crop insurance in Agria.

Significant business events during the reporting period

On 1 January 2021, Gamla Länsförsäkringar AB (Länsförsäkringar AB's legal name was changed to Gamla Länsförsäkringar AB on 30 December 2020 ahead of the forthcoming merger) grouped together the responsibility for business, development and service for the Länsförsäkringar Alliance's non-life insurance business in a single unit to enhance efficiency. This involved merging the Non-life Insurance business unit, LB Sak, and risk assessment and claims adjustment from the Life Assurance business unit.

Länsförsäkringar Sak and Gamla Länsförsäkringar AB were merged on 3 May 2021. Under this merger, Länsförsäkringar Sak became the Parent Company of the Group and changed its company name to Länsförsäkringar AB. The Board and management are essentially unchanged from before the merger. The purpose of the change in the legal structure within the Group was primarily to make the Länsförsäkringar AB Group a more appropriate, transparent and efficient legal organisation through such measures as establishing a consolidated situation for the banking operations that only comprises the Bank Group.

Agria launched operations in Germany in October 2021. The company now serves seven countries.

Länsförsäkringar AB has been pursuing a climate-smart vision since 2019, and in 2021 a new climate target to be climate-positive by 2045 was adopted. This means that all of the units in the Länsförsäkringar AB Group are to contribute positively towards counteracting climate change at the same time as climate risks in operations are reduced.

The rate of infection of COVID-19 increased substantially towards the end of 2021 due to the omicron variant. To date however, the increased rate of infection has had a limited impact on the business activities. Robust stimulus measures were taken by the government and relevant authorities when the pandemic broke out in the first quarter of 2020, and monetary policy remains expansive even though the Riksbank has started to cut back its bond buying. The stimulus packages contributed positively to the macroeconomic performance, strong stock markets and a continued rise in housing prices in 2021, which combined have had a positive effect on the operations. Since the first quarter of 2020, the Länsförsäkringar AB Group has taken a number of measures to ensure the continuation of operations. The aim of the measures taken is to minimise the impact on Länsförsäkringar's 3.9 million customers and to continue to provide excellent service. To reduce the risk of contagion, the operations were adapted to follow the restrictions of the authorities, for example, customer meetings via digital channels were expanded, employees working remotely and separate premises for the critical operational functions and tasks.

A.1.2 Internal transactions

Transactions between Group companies are of both a non-recurring nature and take place on a continuous basis.

Non-recurring transactions comprise the acquisition and divestment of assets and similar transactions. These are limited in scope. Non-recurring transactions are based on written agreements and their scope complies with market standards and terms.

Transactions of a continuous nature include goods and services provided within the Länsförsäkringar AB Group and to the regional insurance companies for carrying out development projects and service. Transactions of this nature are to follow established routines as below.

Pricing for service and development activities within the Länsförsäkringar Alliance is based on direct and indirect costs according to use or consumption.

The business operations of the Länsförsäkringar AB Group excluding Länsförsäkringar Liv are conducted for profit-making purposes to enable Länsförsäkringar AB to distribute returns through value growth and dividends to the regional insurance companies, whose profits in turn accrue to the non-life insurance collective. For Länsförsäkringar Liv's operations, conducted in mutual form, customers are entitled to the surplus that is generated, which is why the company does not pay dividends.

Transfers of capital within the Länsförsäkringar AB Group are regulated in internal policies and primarily take place in the form of Group contributions, dividends and capital contributions. Subsidiaries in the Group pay dividends to the Parent Company if the company's capital strength is considered to exceed set medium-term targets and the amount of the dividend is determined so that the actual capitalisation level after payments of dividends is at the set target level. Target levels for the company's capital strength are established under the framework of the Group-wide Own Risk and Solvency Assessment (ORSA) and are approved by the Board of each company.

The following table shows the significant internal transactions conducted between subsidiaries and Parent Companies in the Länsförsäkringar AB Group in 2021.

Table A1(4): Significant internal transactions

TSEK	2021	Balance at end of report-period
Länsförsäkringar AB's Group contributions to Länsförsäkringar Fondliv	190,000	-
Agria's Group contributions to Länsförsäkringar AB	180,000	-
Agria's Group contributions to Agria Vet Guide	17,000	-
Agria's capital contributions to Agria Vet Guide	28,000	-
Länsförsäkringar Grupplivs's Group contributions to Länsförsäkringar AB	50,000	-
Länsförsäkringar Grupplivs's dividends to Länsförsäkringar AB	5,000	-
Länsförsäkringar Fondliv's dividends to Länsförsäkringar AB	1,200,000	-

A.2 Technical result

The following section provides commentary on the technical result for the Länsförsäkringar AB Group excluding Länsförsäkringar Liv and Länsförsäkringar Bank. For information about earnings deriving from Länsförsäkringar Bank, refer to section *A.4 Earnings from other operations*.

A.2.1 Technical result during reporting period

Performance analysis

The effects of the COVID-19 pandemic on the Länsförsäkringar AB Group's earnings were limited in 2021. The technical result for the group amounted to TSEK 1,399,473 (1,071,520), with the largest contribution from unit-linked insurance in Länsförsäkringar Fondliv (TSEK 842,704) and pet and crop insurance in Agria (TSEK 288,322).

The technical result for the Parent Company Länsförsäkringar AB was TSEK 206,309 (88,435). The earnings improvement was mainly due to lower claims costs in liability insurance and significant positive run-off gains in reserves for claims reserves in prior years.

Agria's technical result was TSEK 342,497 (65,538). The strong improvement in earnings was due to continuing strong growth and a stabilised claims-cost trend. The trend of higher interest in getting a pet during the pandemic has persisted. Growth in Horse & Agriculture was healthy, although the claims frequency and veterinary costs remain at high levels.

Länsförsäkringar Fondliv's technical result was TSEK 775,135 (835,987). The change in profit was primarily due to an updated business model, involving increased remuneration to the regional insurance companies. According to the updated business model, which aims to support growth, remuneration is partly based on earnings as of 2021. This increased distribution costs, which resulted in higher operating expenses.

Länsförsäkringar Grupppliv's technical result declined to TSEK 75,532 (81,560), attributable to a higher claims costs compared with last year.

The following table show the technical result per material insurance line, according to IFRS, for the group.

Table A2(1): Technical result per insurance line

TSEK	2021	2020
Insurance operations		
Accident and health	82,554	52,206
Health care	20,023	-25,891
Commercial	23,139	1,729
Liability	129,285	40,787
Motor third-party liability	-10,528	9,681
Motor	10,803	8,724
Marine, air and cargo	1,502	10,226
Direct insurance, foreign risks	56,315	-35,608
Total assumed reinsurance	-52,775	-15,124
Other property	288,322	108,212
Other insurance classes	165	-970
Total technical result, non-life insurance operations	**548,806**	**153,972**
Life-assurance operations		
Unit-linked insurance	842,704	857,830
Defined-contribution traditional insurance	-1,594	-3,152
Premium exemption	-41,561	-25,125
Accident and health insurance	-24,414	6,434
Group life assurance	75,532	81,560
Total technical result, life-assurance operations	**850,667**	**917,547**
Total technical result	**1,399,473**	**1,071,520**

Technical result per material geographic area

The group's business activities are conducted in Sweden as well as Denmark, Finland, France, Norway, the UK and Germany through Agria's branches. Based on "freedom of service," Agria's subsidiary Agria Vet Guide also conducts digital vet consultations in Denmark, Finland and Norway. Only Agria conducts operations in branches outside the home country of Sweden.

Growth was strong in the international operations, particularly in the UK and Norway. The UK delivered strongly positive earnings, and the earnings in Norway made a clear improvement. Earnings also improved in Denmark and Finland.

Investments continue to be made in building up new markets. A branch was established in Germany in 2021.

Refer also to the QRT form s.05.01 and s.05.02 in Appendix 1 for information about income and expenses per line of business in accordance with Solvency II and geographic area.

The following table presents the technical result per material geographic area.

Table A2(2): Technical result per material geographic area

TSEK	2021	2020
Home country (Sweden)	1,345,298	1,114,195
Denmark	-6,784	-13,730
Finland	-19,796	-23,766
France	-26,405	-26,667
Norway	53,849	7,390
UK	61,429	14,098
Germany	-8,118	-
Total technical result	**1,399,473**	**1,071,520**

A.3 Earnings from investments

The following section provides commentary on the earnings from investments for the Länsförsäkringar AB Group excluding Länsförsäkringar Liv and Länsförsäkringar Bank.

A.3.1 Income and expenses per class of asset

The Länsförsäkringar AB Group's investment return attributable to the insurance operations' and Parent Company's assets amounted to 8.9% (2.6).

Equities performed very well during the year, contributing 4.3 percentage points (0.9). Properties contributed 3.1 percentage points (0.6), driven by positive changes in market value. Alternative investments contributed 1.2 percentage points (0.8), with the largest contribution from the private equity portfolio. Within the fixed-income portfolio, which contributed a total of 0.3 of a percentage point (0.3), the most positive contributions were mainly from US senior loans.

Investment income recognised in profit or loss includes expenses for other financial expenses and revaluations of the annuity reserve and are not included in the recognised investment return ratio.

Investment income per class of asset as recognised in the financial statements is presented below, with comments on the relationship with the recognised return of 8.9% (2.6).

Table A3(1): Income and expenses per class of asset

Class of asset 2021 (TSEK)	Income	Expenses	Earnings
Shares and participations	1,665,910	-4,549	1,661,361
Bonds and other interest-bearing securities, and bank balances	62,973	-29,951	33,022
Derivatives	11,804	-9,693	2,111
Shares and participations in associated companies	0	-24,631	-24,631
Exchange-rate gains/losses, net	9	-69,793	-69,784
Other financial expenses (not included in return ratio)	0	-15,816	-15,816
Value-preserving interest rate, annuity reserve (not included in return ratio)	0	-8,220	-8,220
Revaluation of annuity reserve (not included in return ratio)	0	-7,336	-7,336
Total return according to income statement	**1,740,696**	**-169,989**	**1,570,707**

Class of asset 2020 (TSEK)	Income	Expenses	Earnings
Shares and participations	396,587	-7,403	389,184
Bonds and other interest-bearing securities, and bank balances	208,546	-47,885	160,661
Derivatives	18,549	-32,743	-14,194
Shares and participations in associated companies	9,948	0	9,948
Exchange-rate gains/losses, net	12,097	-14,356	-2,259
Other financial expenses (not included in return ratio)	0	-16,513	-16,513
Revaluation of annuity reserve (not included in return ratio)	0	-1,189	-1,189
Total return according to income statement	**645,727**	**-120,089**	**525,638**

A.3.2 Gains and losses impacting equity

Unrealised changes in the value of shares and participations presented in other comprehensive income in 2021 amounted to TSEK -1,569. Owner-occupied property is recognised by applying the revaluation technique, which entails a market valuation with revaluations recognised in other comprehensive income.

The table below shows the gains and losses on financial assets and liabilities impacting equity through the statement of other comprehensive income.

Table A3(2): Gains and losses impacting equity

2021 (TSEK)	Income	Expenses	Earnings
Change in fair value of financial assets			
Shares and participations	0	1,569	1,569
Cash flow hedges			
Change in value for the period	0	0	0
Owner-occupied property			
Revaluation of owner-occupied property	0	0	0
Comprehensive income for the year	**0**	**1,569**	**1,569**

2020 (TSEK)	Income	Expenses	Earnings
Change in fair value of financial assets			
Shares and participations	0	1,772	1,772
Cash flow hedges			
Change in value for the period	0	0	0
Owner-occupied property			
Revaluation of owner-occupied property	0	0	0
Comprehensive income for the year	**0**	**1,772**	**1,772**

A.3.3 Investments in securitised products
Not applicable.

A.4 Earnings from other operations

Leases
Länsförsäkringar AB Group's leases mainly comprise rent for office premises and IT. The Länsförsäkringar AB Group's losses on leases amounted to TSEK -51 (-881) for the reporting period. The loss was mainly attributable to costs for premises.

Finance lease activities are also conducted on the Länsförsäkringar Bank Group's behalf by the subsidiary Wasa Kredit AB.

Länsförsäkringar Bank AB
Länsförsäkringar Bank offers banking services to private individuals, agricultural customers and small businesses. Sales, advisory services and customer service are carried out through the branches of the regional insurance companies and via digital channels and by telephone. Deposits and certain lending operations are conducted in Länsförsäkringar Bank, while most of the lending and funding operations are conducted through the subsidiary Länsförsäkringar Hypotek AB. The subsidiary Länsförsäkringar Fondförvaltning AB offers mutual funds. The subsidiary Wasa Kredit AB offers financing services to corporate customers and private individuals – primarily leasing, renting and hire purchase. Business volumes in the banking operations in 2021 amounted to SEK 852 billion (729).

Income and expenses

Table A4(1): Länsförsäkringar Bank Group income and expenses

TSEK	2021	2020
Net interest income	4,740,603	4,845,436
Net commission	-330,690	-558,808
Operating expenses	2,522,648	2,109,054
Operating profit	2,296,199	1,843,804

A.5 Other information

Significant events after the end of the year

On 4 February 2022, Agria acquired the Irish company Capstone Financial Services Limited which provides pet insurance.

Fredrik Bergström stepped down as the President and CEO of Länsförsäkringar AB on 14 February 2022. In connection with this, Malin Rylander Leijon, who most recently served as the CFO of Länsförsäkringar AB, was appointed President and CEO of Länsförsäkringar AB, and Jonas Ekegren was appointed CFO of Länsförsäkringar AB on 15 February 2022.

Following a period of geopolitical tension, Russia invaded Ukraine on 24 February 2022. Developments in the financial markets have had a moderate impact on the Länsförsäkringar AB Group's capital position as per 29 March 2022. There is considerable uncertainty but Länsförsäkringar AB Group is monitoring developments. We currently predict only a limited decline in growth in Europe and an upturn in inflation driven by energy prices, among other factors.

There is no other material information about the company's operations and earnings to report.

B. Corporate governance system

B.1 General information about the corporate governance system

B.1.1 Responsibilities of the Board of Directors and Committees

Board of Directors
The Board is responsible for the organisation and administration of the company and decisions on issues of material significance and of an overall nature relating to the company's operations. The Board appoints, evaluates and dismisses the President, adopts an appropriate operating organisation as well as the goals and strategies of the operations, and ensures that efficient systems are in place for internal control and risk management.

The Board is to continuously remain informed about the performance of the company to be able to continuously assess the company's financial situation and position. The Board must also regularly manage and evaluate the company's risk development and risk management. During the year, the Board regularly reviews the earnings and sales trends, investment income, financial position and capital position, risk trends, etc., in relation to the business plan and forecasts. The Board receives regular reports from the control functions and continuously monitors the company's current matters with authorities. The Board of Länsförsäkringar AB, given the company's capacity as Parent Company of a group, has the same duties, where relevant, from a group perceptive.

The Boards of Länsförsäkringar AB, Länsförsäkringar Liv, Länsförsäkringar Fondliv and Agria have established a Risk and Capital Committee and an Audit Committee. Länsförsäkringar AB has also established a Non-life Insurance Committee. All companies except for Länsförsäkringar Grupphiv have also established a Remuneration Committee. The duties of the Committees are determined by the Board in its separate formal work plans for the committees. None of the Committees has any general decision-making mandate.

Risk and Capital Committee
The Risk and Capital Committee supports the Board in risk and capital adequacy issues and serves as a forum for analysing and holding in-depth discussions on the company's and the Group's level of risk and capital requirements. The Committee prepares and discusses these matters ahead of Board decisions on the issues. The Committee reports on its work, observations and standpoints to the Board.

Audit Committee
The Audit Committee is responsible for preparing the Board's work in accordance with the provisions of the Swedish Companies Act (2005:551) and the Regulation (EU) No 537/2014 of the European Parliament and of the Council on such matters as financial reporting, auditors' independence and the selection procedure when procuring auditors. In addition, the Audit Committee is responsible for preparing the Regular Supervisory Reports (RSR) and Solvency and Financial Condition Reports (SFCR) and the Board's work on monitoring the effectiveness of the corporate governance system, which includes governance and control and the internal control of operational risks. The Committee reports on its work, observations and standpoints to the Board.

Remuneration Committee
The Remuneration Committee prepares issues on remuneration of corporate management, and, for Länsförsäkringar AB, remuneration of employees with overall responsibility for any of the company's control functions, and prepares decisions for measures to monitor application of the remuneration policy. The Committee reports on its work, observations and standpoints to the Board.

Non-life Insurance Committee
The Non-life Insurance Committee is to prepare matters concerning risk-taking and profitability in the non-life insurance operations, and serve as a forum for analysis and in-depth discussions into Länsförsäkringar AB's non-life insurance business, including product management, underwriting and distribution of insurance, reinsurance and claims handling. The Committee reports on its work, observations and standpoints to the Board.

B.1.2 Responsibilities of central functions

Independent audit function – Internal Audit
The function (refer also to section B.5) is an independent review function that supports the Board in the evaluation of the corporate governance system, including the organisation's risk management, governance and controls. The function also audits and evaluates the reliability of the financial reporting. Internal Audit works on behalf of the Board and in accordance with the instruction adopted by the Board. Based on its reviews and recommendations, Internal Audit evaluates and assures that the operations' overall internal governance and control systems are conducted in an efficient manner, that the overall reporting to the Board provides a true and fair view of the operations, that the operations are conducted in accordance with applicable internal and external regulations, and in compliance with the Board's decisions. Regular risk reports are submitted to the Audit Committee and to the Board, when necessary.

Independent Risk Management function – Risk Management
The function is responsible for independent risk control (refer also to section B.3.1) and provides support for the President, management and operating units in fulfilling their responsibility to conduct operations with a high level of risk control. Regular risk reports are submitted to the President, and, where applicable, the Risk and Capital Committee, the Audit Committee and to the Board.

Regulatory compliance function – Compliance
The function is an independent control function (refer also to section B.4.2) responsible for monitoring and controlling regulatory compliance in the licensable operations. The function identifies and reports on risks that may arise as a result of non-compliance with regulations and provides recommendations for action to relevant personnel, the President and the Board.

Compliance provides support and recommendations to the companies on regulatory compliance risks in the licensable operations. Compliance ensures that operations are informed about new and amended regulations, conducts follow-ups to ensure that the necessary training is implemented and takes part in the implementation of training.

Regular compliance risk reports and a description of actions taken are submitted to the President and, when appropriate, the Audit Committee and the Board.

Actuarial function
The Actuarial function is responsible for coordinating and ensuring the quality of the technical calculations and investigations and assisting the Board and President in actuarial matters. The Actuarial function is also responsible for reporting, on its own initiative, to the Board and President on matters pertaining to methods, calculations and assessments of the technical provisions, the valuation of insurance risks, reinsurance cover and other risk-reduction techniques. The Actuarial function is also to contribute to the company's risk-management system. Actuarial reports are submitted to the President and the Board. The Actuarial function of Länsförsäkringar AB is also responsible for actuarial matters at group level.

B.1.3 Material changes to the corporate governance system
The Länsförsäkringar AB Group's operating organisation was changed due to the merger of Gamla Länsförsäkringar AB with Länsförsäkringar AB (formerly Länsförsäkringar Sak Försäkringsaktiebolag (publ), name changed to Länsförsäkringar AB (publ) in connection with the merger), which thus comprises a new Parent Company of the Länsförsäkringar AB Group. No material changes were made to the corporate governance system during the reporting period other than the abovementioned changes in the operating organisation.

B.1.4 Information on remuneration of Boards and employees

Board fees
Remuneration of Board members is paid in accordance with the resolution of the Annual General Meeting in the form of fees. Fees are not paid to salaried employees of the Länsförsäkringar AB Group or to employee representatives.

Remuneration policy and remuneration model
The Board of Länsförsäkringar AB adopts a remuneration policy every year that is approved by the Boards of the subsidiaries. The remuneration policy stipulates the bases and principles for remuneration in the Länsförsäkringar AB Group and how it is to be adopted.

The basis of the remuneration model is that it must contribute to generating favourable conditions for the Länsförsäkringar AB Group to satisfactorily perform its mission from the owners. The remuneration model must be compatible with, and promote sound and efficient risk management and counteract excessive risk-taking, while conforming to the Group's long-term interests, business strategy, risk culture, targets and values. Furthermore, the reimbursement system for employees of the insurance companies who are employed in insurance distribution is to be structured in a manner that does not inhibit the ability of the insurance company to satisfy the fundamental requirements regarding insurance distribution. Employees are to have market-based employment terms and the principles for remuneration of employees are not to discriminate on the basis of gender, ethnic background, age, disability or any other factor.

The base of the remuneration model comprises fixed remuneration in the form of a fixed cash monthly salary.

In addition to cash remuneration, the Länsförsäkringar AB Group may offer benefits to employees in the form of, for example, discounts on company products, company cars, collectively agreed lunch subsidies and health care benefits. Pension and severance terms and conditions generally follow collective agreements. The Länsförsäkringar AB Group may, within the framework of the remuneration principles adopted by the Annual General Meeting, agree on separate pension and severance terms and conditions for senior executives.

The Boards decide on remuneration of employees who are members of corporate management and, for Länsförsäkringar AB, also employees who have overall responsibility for the control functions. The Board is to appoint a Remuneration Committee from within its ranks, assigned with the duties as described in section B.1.1.

Main features of systems for supplementary pensions or early retirement pensions
The systems for supplementary pensions or early retirement pensions follow collective agreements.

B.1.5 Material transactions between shareholders, persons with significant influence in the company and members of the administration, management or supervisory body

The only material transactions during the reporting period were with shareholders. The following table provides information on material transactions with direct and indirect shareholders specified by company.

Table B1(1): Material transaction with direct and indirect shareholders specified by company

TSEK	2021
Länsförsäkringar AB	
Länsförsäkringar AB services sold to regional insurance companies (owner)	2,686,388
Länsförsäkringar AB services purchased from regional insurance companies (owner)	69,229
of which, net expense of transactions with the regional insurance companies in reinsurance pools	*749,775*
Länsförsäkringar AB's Group contributions to Länsförsäkringar Fondliv (subsidiary)	190,000
Länsförsäkringar AB's dividend to regional insurance companies (owner)	1,000,760
Agria	
Agria services purchased from Länsförsäkringar AB (owner)	181,923
Agria's Group contributions to Länsförsäkringar AB (owner)	180,000
Agria's Group contributions to Agria Vet Guide (subsidiary)	17,000
Agria's capital contributions to Agria Vet Guide (subsidiary)	28,000
Länsförsäkringar Gruppliv	
Länsförsäkringar Gruppliv services purchased from Länsförsäkringar AB (owner)	53,040
Länsförsäkringar Gruppliv's Group contributions to Länsförsäkringar AB (owner)	50,000
Länsförsäkringar Gruppliv's dividends to Länsförsäkringar AB (owner)	5,000
Länsförsäkringar Fondliv	
Länsförsäkringar Fondliv services purchased from regional insurance companies	1,296,605
Länsförsäkringar Fondliv services purchased from Länsförsäkringar AB (owner)	299,595
Länsförsäkringar Fondliv's dividends to Länsförsäkringar AB (owner)	1,200,000
Länsförsäkringar Bank	
Länsförsäkringar Bank services purchased from regional insurance companies	312,019
Länsförsäkringar Bank services purchased from Länsförsäkringar AB (owner)	554,681
Länsförsäkringar Liv	
Länsförsäkringar Liv services purchased from Länsförsäkringar AB (owner)	158,375

B.2 Fit and proper requirements

The Board members and certain executives of the Länsförsäkringar AB Group's companies must be fit and proper for the duties that are intended to perform. These fit and proper requirements encompass knowledge, skills and experience, good repute, integrity, any conflicts of interest, and the ability to commit sufficient time for the assignment.

Regarding the Board, Länsförsäkringar AB's Nomination Committee is responsible for submitting proposals, in consultation with the President and CEO of Länsförsäkringar AB, on such issues as Board members in the Länsförsäkringar AB Group's companies. Consultations are held with the head of the Non-life Insurance business unit ahead of nominations of Board members of Länsförsäkringar Gruppliv. The Nomination Committee is to assess whether the Board has a suitable composition that ensures that the overall competence necessary for the company are in place and that each of the Board members appointed by the General Meeting and by the trade organisation are suitable for their Board appointments.

Based on the company's operations, stage of development and other circumstances, the suitability assessment of Board members also considers relevant training and experience, as well as professional experience in senior positions. In addition to the knowledge, skills and experience of individual Board members, the Board is assessed in its entirety to ensure that it possesses the competence required for leading and managing the company. The competence requirements include competence in the financial markets, insurance operations, insurance distribution, regulatory requirements, strategic planning and understanding of business strategy, business model and business plan, risk management, corporate governance, financial analyses and actuarial analyses.

The assessment of fit and proper President, Executive Vice President and branch representatives is performed by the Board, while for other executives subject to particular suitability requirements, relevant managers are responsible for assessing whether an individual is fit and proper. Such an assessment is to be performed in recruitment processes based on a requirements specification prepared for the position in question and every year giving consideration to the duties to be performed.

These fit and proper assessments also consider good repute, any conflicts of interest, and the ability to commit sufficient time for the assignment.

Assessments of whether Board members and certain executives are fit and proper are to be carried out in accordance with applicable guidelines for such assessment when a new Board member or a person in an above-mentioned position takes office. Assessments are also to be conducted annually, and when necessary, to ensure that these individuals are, at any given time, fit and proper to carry out their duties. In addition, a new fit and proper assessment is to be performed if an event occurs that could entail a change to the assessment of whether a person is fit and proper.

If a function subject to special suitability requirements is outsourced, the contractor performing the function is to be subject to a fit and proper assessment as is the client manager at the company in the Länsförsäkringar AB Group that outsourced the function.

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

B.3.1 Risk-management system

The Länsförsäkringar AB Group's risk-management system is defined as the strategies, processes, procedures, internal rules, limits, controls and reporting procedures needed to ensure that the companies in the Group are able to continuously identify, measure, monitor, govern, manage, report and have control over the risks to which the companies are, or could be expected to become, exposed to, and the interdependence of these risks.

The risk-management system is illustrated and described in figure B3(1).

Figure B3(1): Länsförsäkringar AB Group's risk-management system

The Group's risk-management system is described in the Group directive and a Group-wide risk policy adopted by the Board of Länsförsäkringar AB and approved by the Board of each subsidiary. Based on this Group-wide risk-management system, each subsidiary has prepared more detailed rules for managing company-specific risks. This approach and the coordinated risk control within the Group ensure that the risk-management system is consistently implemented in all of the companies in the Group.

The system comprises an integrated part of the organisational structure and decision-making processes and helps the business to meet its targets with a higher degree of certainty. In addition to risk management in the operations, it also encompasses the independent Risk Management function. The Compliance and Actuarial functions also play key roles in risk management.

Responsibilities and roles

The Board is ultimately responsible for ensuring that an effective risk-management system is in place and adopting frameworks for risk management based on internal rules in the form of governance documents.

The President and CEO is responsible for incorporating these governance documents as adopted by the Board into the operations. The Chief Risk Officer Group (CRO Group) is responsible for the design of the risk-management system and coordination within the Länsförsäkringar AB Group, while each manager in the Länsförsäkringar AB Group is responsible for the risks in their own operations. All employees also have an individual responsibility for working towards a healthy risk culture by complying with internal rules on the Group's risk-management system.

The CRO Group and the Head of Risk Management at Länsförsäkringar AB lead the Risk Management function that in the organisational structure is directly under the President and CEO of Länsförsäkringar AB and is thus independent from the other operations. The Risk Management function has the operational responsibility for the independent risk control, which includes identifying, measuring, monitoring, controlling and reporting risks in the company's and the Group's operations. The function reports directly to the President and CEO and, when appropriate, the Risk and Capital Committee, Audit Committee and the Board. The function supports the Board, President and CEO and other members of management in ensuring that the operations are conducted with a high degree of risk management and risk control.

The Actuarial function helps ensure the efficient operation of the risk-management system, for example, by ensuring that calculations of capital requirements for insurance risks correctly reflect the operations' insurance risks. The Compliance function identifies and reports on risks that may arise as a result of non-compliance with regulatory requirements.

Strategies, processes and reporting

The risk strategy is an integrated component of operational governance that, given the business strategy, aims to control risk-taking. The overall risk strategy for the Länsförsäkringar AB Group is that the operations are to be conducted following a conscious risk-taking approach to enable the business strategy to be realised without jeopardising the Group's solvency. The estimated risk level and the organisation's expertise in managing specific risks are taken into consideration in decisions on, for example, the products that the company offers, the customer groups to which sales are directed, the instruments that the company's assets are invested in and how the operations are otherwise conducted.

Prospective analyses in the form of own risk and solvency assessments (ORSA), recovery plans and internal capital and internal liquidity adequacy assessment processes are performed every year. Ongoing activities include handling known risks and identifying new risks. Internal models are used in the first instance to quantitatively measure risks. The regulatory capital requirements are also supplemented with other risk measures and stress tests. Some risk types, such as operational risk and business risk, are mainly assessed on a qualitative basis. Qualitative risk measurement makes use of an overall assessment of the risk's potential consequences for the operations and the probability or frequency of the risk occurring. Control activities are performed regularly and incidents are continuously reported and monitored.

A complete report of all risks in the company's operations is submitted every quarter to, where appropriate, the Risk and Capital Committee, Audit Committee and Board.

Partial internal model

In May 2016, Länsförsäkringar AB and its insurance subsidiaries received permission from Finansinspektionen to calculate the solvency capital requirement for insurance operations using a partial internal model. Capital requirements for most market risks, non-life insurance risks and health-insurance risks are calculated using an internal model, whereas other types of risk are calculated by applying the standard formula. The partial internal model is described in more detail in *section E. Capital management (financing).*

Since the partial internal model is used jointly by several companies in the Länsförsäkringar AB Group (except Länsförsäkringar Grupppliv) and is thus an internal group model, the following shared management model is applied.

- The Board of each company is responsible for ensuring that systems are in place that ensure the model functions correctly, is appropriate and provides a satisfactory expression for the company's risk profile. The Board decides on new models and material further development of the model.
- The President of each company is responsible for ensuring that the model is integrated into the company's risk-management system and ORSA and forms the basis of business decisions and strategic standpoints. The President of each company and the CRO Group are also members of the Decision Group for the partial internal model. The Decision Group is a preparatory group for Board decisions on new models or material further developments to the model.

- The CRO Group and the Head of Risk Management at Länsförsäkringar AB are responsible for designing and carrying out calculations in the partial internal model and for testing and validating the model every year. The CRO Group is the Chairman of the Management Group, comprising experts and representatives from the business activities in all relevant companies. The Management Group has a mandate to decide on minor further developments to the partial internal model.

Changes to the partial internal model that involve material further development require the approval of Finansinspektionen. A new model requires that a new application be submitted to Finansinspektionen.

Further development includes, alongside changes to calculation methods, changes to the companies' risk profiles, changes to the governance of the internal model and major changes to IT systems that impact the model. The management model only encompasses the internal model, meaning that changes to calculations using the standard formula are not included.

The internal model is validated at least once a year by an independent function in Risk Management in Länsförsäkringar AB. The purpose of the validation is to ensure that the model encompasses all material risks that it is intended to measure, that the selected methods are suitable, that assumptions are reasonable and inputs are correct, that the calculation results from the model are used appropriately in the operations and that the model and the company's use of the model meet all regulatory requirements.

B.3.2 Own Risk and Solvency Assessment (ORSA)

The overall aim of an ORSA is to ensure that own funds are and remain sufficient for bearing the risks associated with realising the business plan. Accordingly, the ORSA is based on risk and is part of the risk-management system and its starting point is the work on the business plan. Both risks identified using the internal model and other risks are to be analysed and described. The results of the analysis are to lead to potential modifications of the business plan in order to maintain an acceptable risk level aligned with the risk strategy.

The business planning and ORSA are conducted in parallel and form part of the companies' and the Group's operational governance. The Board discusses and adopts the business plan and the ORSA once a year and the Risk and Capital Committee and the Board conduct regular monitoring. In the event of exceptional circumstances, the entire ORSA, or specific elements of it, may be carried out an extra time during the year, known as an extraordinary ORSA.

An ORSA is prepared for each of the Länsförsäkringar AB Group's insurance companies and for the Länsförsäkringar AB insurance group.

The Länsförsäkringar AB Group has an overall Group-wide process for performing ORSAs and the companies base their ORSA on a shared macro-economic base or alternative scenario, but apply their own process in certain areas. The main stages of the ORSA process are described below.

A joint description of the business environment for a base scenario and an alternative scenario for the Länsförsäkringar AB Group is producing containing courses of events and associated quantified trends in financial and macroeconomic variables. Risks arising in the operations and the management of them are described.

The base scenario forms the starting point of the ORSA. The base scenario covers the three-year business plan horizon and provides a forecast of the performance of the balance sheet and income statement under IFRS as well as the capital requirement and own funds under the insurance rules. Data is made up of business-environment descriptions, forecast instructions and the forecasts prepared for trends in business volumes. The alternative scenario covers the same areas as the base scenario but shows a significantly less favourable trend in the business environment.

A Group-wide stress test is defined that is carried out in the company and the Group. The company also decides on supplementary stress tests so that the company's analysis is sufficiently complete. Results are calculated for each stress test as regards to the outcome of own funds and the capital requirement as if the stress had occurred.

An analysis is also conducted as to whether the capital requirement calculations produced from risk calculations using the partial internal model (or the standard formula for Länsförsäkringar Grupppliv) reflect the risk profile. Furthermore, consideration is also given to capital requirements resulting from risks not included in the calculations using the partial internal model (or the standard formula for Länsförsäkringar Grupppliv), the results from the alternative negative scenario, stress tests and the analysis of potential capital measures and risk-reducing measures.

The solvency requirement is thus determined by taking into account regulatory requirements, including buffers for negative events for example, taking into consideration risks that are difficult to quantify and any other specific circumstances.

The ORSA is summarised in a report to the Board and Finansinspektionen. The completes ORSAs are also to be documented by reproducing assumptions, calculation methods and results, and experience feedback is noted for each ORSA to improve the process.

B.4 Internal-control system

B.4.1 Internal-control system

The internal-control system is shared by the Länsförsäkringar AB Group and is part of the governance and management of the companies and the Group. Internal control aims to ensure that the organisation is efficient and fit for its purpose, that operations are conducted in accordance with decided strategies in order to achieve established targets, that financial accounting and reporting are reliable, that information systems are managed and operated efficiently and that there is a strong capability to identity, measure, monitor and manage risks as well as full regulatory compliance. Risk and capital control and capital planning are a part of the internal control. The internal control process encompasses all parts of the organisation, including outsourced operations, and must be an integral part of the organisational structure and decision-making processes. Internal control is based on a system with a strong culture of risk and regulation, with three lines of defence.

The *first line of defence* is the operations. The first line of defence includes responsibility for the operation's risks and regulatory compliance and the operations are responsible for ensuring that control processes for monitoring are in place, implemented and reported.

Controls are to be built into critical processes, and shortcomings or deviations are to be reported. Each manager is to ensure that material risks in their areas of operation are identified and managed. These managers are also to ensure that risk-management controls are prepared and that these controls are documented. All managers are also to ensure that follow-ups and controls are performed. Such follow-ups and controls are to ensure that the operations are reasonably reflected in the reports to superior managers and, where appropriate, other stated functions.

The internal control comprises the work of the ongoing operations on formulating targets, risk identification, risk indicators, key controls, self-assessments and reporting.

The internal-control system is described in Länsförsäkringar AB's Group directive adopted by the Board of Länsförsäkringar AB and approved by the Board of each subsidiary. The subsidiaries prepare more detailed procedures for internal control and reporting based on the Group-wide internal-control system, including reporting processes. In this way, it can be assured that the internal-control system is performed consistently in all companies in the Group.

To support the internal-control process, a compliance function and an independent Risk Management function are in place and form the *second line of defence* along with the Actuarial function. There is also an internal audit function that serves as the *third line of defence*.

B.4.2 Compliance function

Those responsible for the Compliance function are employed in each insurance company and independent of the operations that are controlled but, in terms of organisational structure, are also part of the central compliance function of Länsförsäkringar AB. The Compliance function controls the first line of defence and reports on the results of its controls directly to the President, and, where appropriate, the Audit Committee and the Board. The Compliance function is to have the resources, authorities and expertise required for carrying out its duties. The Compliance function is also to have access to the information necessary for performing its duties.

B.5 Internal Audit function

Those responsible for the independent audit function are employed in each insurance company and independent of the operations that are audited but that, in terms of organisational structure, are also part of the central Internal Audit function of Länsförsäkringar AB. Internal Audit examines and evaluates both the first and second lines of defence and reports on the results of its audits directly to, where appropriate, the Audit Committee and the Board, which forms part of ensuring independence and objectivity. Internal auditors are to be objective in performing their duties and are to avoid conflicts of interest, and the function is to be assigned sufficient resources and granted access to the information required for completing its duties. Internal Audit also has documented procedures for rotating auditors to different assignments and procedures that ensure that internally recruited internal auditors do not, within a reasonable time period, examine areas of the business that they previously worked in so as to avoid conflicts of interest.

B.6 Actuarial function

The heads of the Actuarial function are, within the organisation, affiliated to each insurance subsidiary and independent from the operations that are controlled. The Actuarial function submits reports to the President and Board and, when necessary, the Audit Committee. The Actuarial function is to be assigned sufficient resources and granted access to the information required for completing its duties.

B.7 Outsourcing agreements

B.7.1 Governance documents for outsourcing agreements

The Board of Länsförsäkringar AB has adopted a Group-wide policy regarding outsourced operations, which has been approved by the Boards of the subsidiaries. The policy stipulates the Group-wide principles that Länsförsäkringar AB and the other licensable companies in the Group are to comply with when managing outsourced operations in order to ensure that the management approach is as standardised as possible within the Group, and to ensure the companies' compliance with the requirements of the outsourcing agreements in the external rules.

The policy provides a general description of the process that is to be followed from preparations prior to outsourcing to the discontinuation of the assignment. An assessment of the company's requirements and suitability for outsourcing is first performed based on such factors as risk, cost and efficiency, and taking into account the requirements of internal and external regulations. Potential contractors are subsequently evaluated to ensure that they have the requisite know-how, resources and permits for performing the operations. The company also prepares a suitable structure for governing, controlling and monitoring the outsourced operations, which includes drawing up plans for ensuring business continuity and how the company can return to performing the outsourced operations itself or outsource them to another contractor. The assignment is regulated in a written outsourcing agreement that meets the relevant outsourcing regulations. The policy also describes the preparation and decision-making process before, during and after discontinuation of the assignment and, where applicable, reporting to Finansinspektionen.

Each insurance company prepares its own governance documents within the framework of the policy that regulates the outsourcing of operations in more detail. In addition, Länsförsäkringar AB has prepared guidelines for how it engages sub-suppliers to ensure that Länsförsäkringar AB's outsourcing of operations performed on behalf of the subsidiaries is conducted in adherence with the applicable rules.

B.7.2 Outsourced operations of material significance

Länsförsäkringar AB has outsourced the operations and functions of material significance stated below.

Table B7(1): Outsourced operations of material significance, 31 Dec 2021

Operations	Jurisdiction of the contractor
Claims adjustment and claims administration	Sweden
Roadside assistance and claims adjustment	Sweden
Medical insurance advice	Sweden
Data storage and claims prevention	Sweden
IT operations, development and management	Sweden
IT operations, development and management	India
IT security	Sweden
IT security	US
Data storage	Sweden
Out data services	Sweden
Asset Management*	Sweden

B.8 Other information

B.8.1 Description of the corporate governance system

The corporate governance system is considered to be effective and appropriate given the nature, scope and complexity of the risks inherent in the operation, and is thus deemed to ensure healthy and responsible governance and control of the Group and its subsidiaries.

B.8.2 Other information

There is no other material information.

C. Risk profile

The Länsförsäkringar AB Group conducts business activities in banking, insurance and pensions and its customers are mostly private individuals and small companies.

The risk profile for Länsförsäkringar AB and its subsidiaries at group level is dominated by the market risk in the traditional life-assurance and unit-linked insurance operations as well as the banking operations' credit risk from lending. The life-assurance and unit-linked insurance operations also bring a certain level of life-assurance risk, while the non-life insurance risk deriving from the non-life insurance operations is moderate after applying reinsurance. Operational risk is inherent in all type of operations and specific group risks are also found in the Group's risk profile since Länsförsäkringar AB comprises a group that also includes both banking and insurance operations. Climate risk is a relatively new type of risk that has been added to the risk profile and the emergence of new types of risk, emerging risks, is continuously monitored.

The following factors characterise the Länsförsäkringar AB Group's current risk-taking:

- The operations are conducted in Sweden, Except for Agria, which has pet insurance business in the Nordic countries, UK, France and Germany. All 23 regional insurance companies broker the Group's products, which thereby creates a geographic distribution throughout Sweden. The operations primarily focus on private individuals and small and medium-sized businesses, directly or mediated by the regional insurance companies, and have few major commitments entailing risk with large companies.

- The management of insurance capital in the traditional life-assurance operations gives rise to various types of market risks. In the unit-linked insurance operations, the policyholders primarily bear the market risks, but since the trend in insurance capital is governed by the company's earnings, the company is also exposed to market risk. The risks in the investment assets managed by the Group's companies for own account are held at a low level.

- Loans in the banking operations primarily pertain to households and to a smaller extent to agriculture and businesses. Low loan-to-value ratios, combined with a well-diversified geographic spread and local presence, are the core pillars in ensuring that the loan portfolio maintains high credit quality. The regional insurance companies cover 80% of the provision requirement in the Bank Group (excluding Wasa Kredit) on the date when an impairment is identified, by means of an off-set against accrued distribution remuneration.

- The Länsförsäkringar Bank Group's cash flow is characterised by customers who are primarily retail customers together with well-known, larger flows in the financing activities. The Bank Group's management of liquidity risk is based on highly diversified funding regarding investor base, instruments, currencies and maturities, and a satisfactory liquidity reserve comprising securities with very high liquidity and credit quality, and deposits with the Riksbank and the Swedish National Debt Office. The business activities of the insurance companies are based on premiums being paid in advance and being managed until insurance compensation is to be paid out.

- For the traditional life-assurance operations, correct assumptions about the life expectancy of policyholders are important in order to ensure that the technical provisions are sufficient for fulfilling guaranteed commitments. If unit-linked life assurance customers buy back or transfer their insurance policies to other companies, the long-term profitability of the unit-linked life assurance operations will be negatively affected.

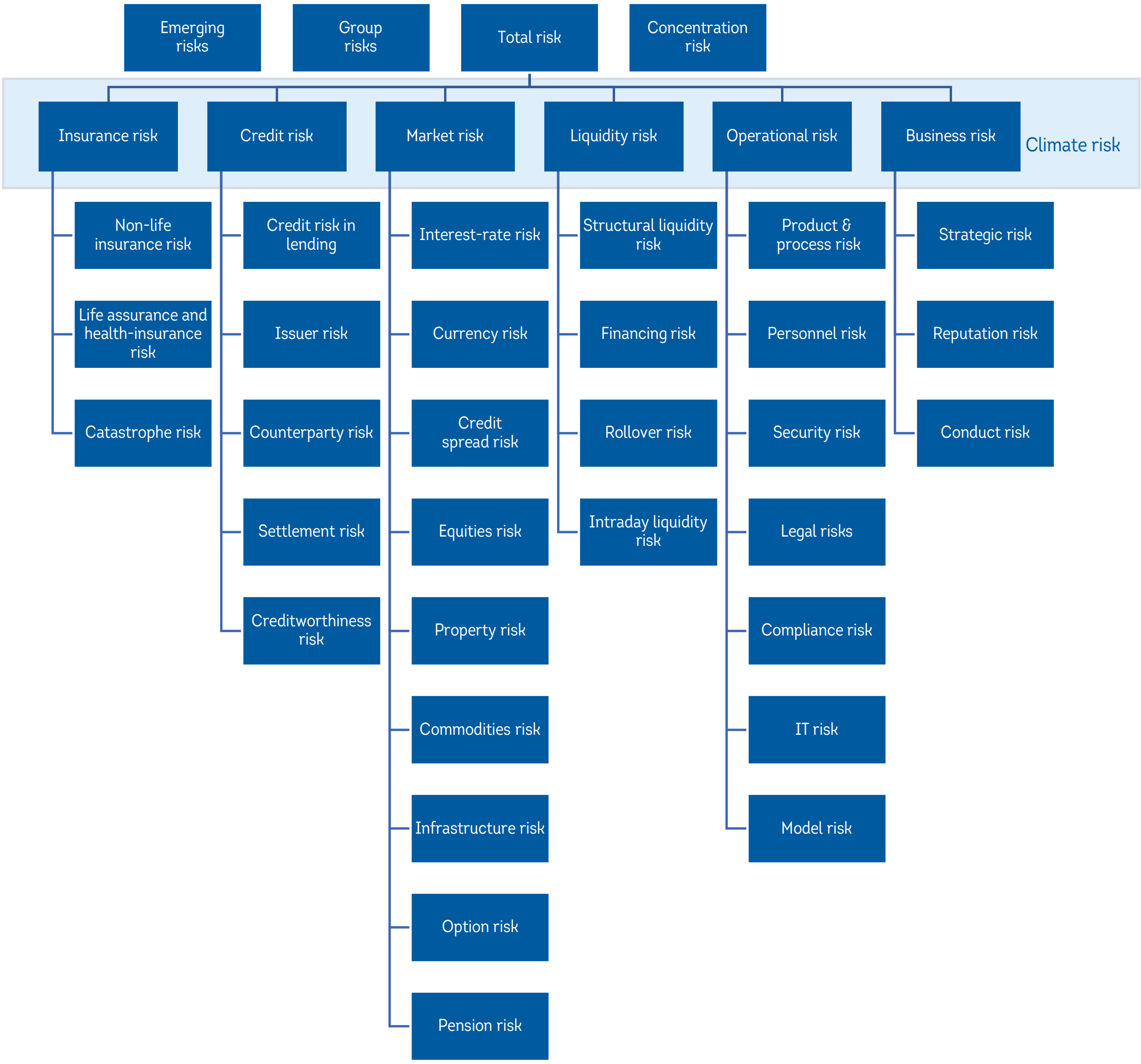
- The non-life insurance operations are well-diversified, including pet insurance, health care, accident and health insurance, some commercial insurance and international reinsurance. The risks taken in non-life insurance are reinsured, where deemed appropriate, and extensive reinsurance operations are conducted on behalf of the Länsförsäkringar Alliance.

- Operational risk comprises a central part of the Group's risk profile. The day-to-day operations include a variety of process risks and the subsidiaries' products and services may be associated with different types of product risks. Security risks, for example, external crime and internal fraud cannot be completely avoided and as digitisation increases greater focus has been directed to cyber risks and IT risks. Compliance risks are continuously in focus, particularly risks associated with money laundering and terror financing, which are the areas actively worked on by the banking operations and in part by the life-assurance operations.

- Climate risk represents a financial risk in the form of potential impact on the insurance business, lending and investments for the Länsförsäkringar AB Group. Länsförsäkringar AB works on climate risk based on both the impact of the operations on the climate and the climate's impact on the operations.

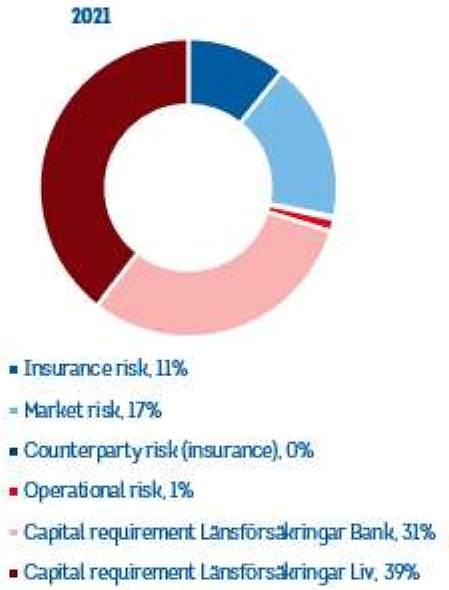
Länsförsäkringar AB applies a joint risk division and definitions of risks to which the operations are exposed. An outline is provided in figure C(1). *A number of risks in the figure are attributable to the banking operations.*

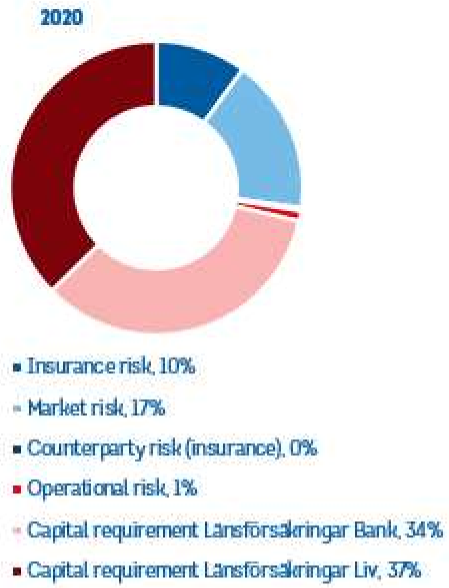
Figure C(1): Specification of the risks to which the operations are exposed



The following figure illustrates the relative specification of the Länsförsäkringar AB Group's solvency capital requirement at group level under the insurance rules on 31 December 2021 compared with the preceding year-end. The positive value growth trend in the equities markets and a positive inflow of premiums and capital to the unit-linked insurance operations contributed to primarily the capital requirements for market risk and life-assurance risk increasing relatively more than the capital requirements for the banking operations.

Figure C(2): Länsförsäkringar AB's capital requirement under the insurance rules for groups, 31 Dec 2021 compared with 31 Dec 2020

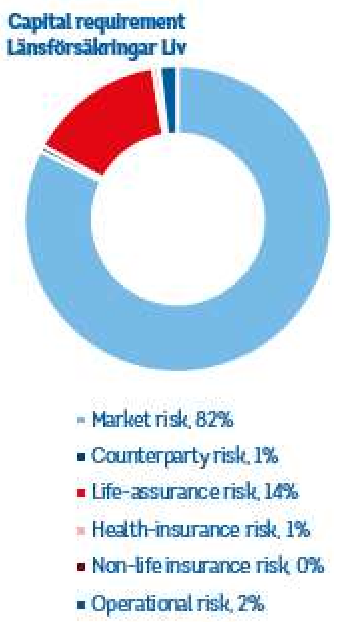


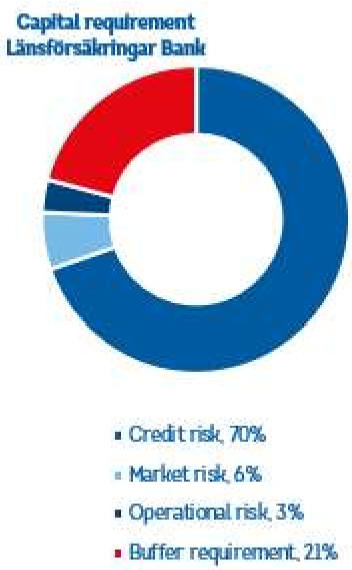


The Länsförsäkringar Bank Group is subject to the sector rules under the Capital Requirements Directive CRD 2013/36/EU and the Regulation CRR (EU) 575/2013, and provides information about the risks to which the institution is exposed in the document *Risk and capital management Länsförsäkringar Bank AB*, which is why no additional commentary on these matters is presented in this report. The Länsförsäkringar Bank Group's capital requirements are specified by type of risk in the right-hand graph in figure C(3).

Länsförsäkringar Liv is operated in accordance with mutual principles and is not consolidated in the Länsförsäkringar AB insurance group. The solvency capital requirements for risks in Länsförsäkringar Liv are included in the Länsförsäkringar AB Group's solvency capital requirements in accordance with the deduction and aggregation method, with the consent of Finansinspektionen. Länsförsäkringar Liv's capital requirements are specified by type of risk in the left-hand graph in figure C(3).

Figure C(3): Capital requirements in Länsförsäkringar Liv and Länsförsäkringar Bank specified by type of risk, 31 Dec 2021





General commentary on the risk profile for Länsförsäkringar AB and its consolidated insurance subsidiaries is presented below. Länsförsäkringar AB and its consolidated insurance subsidiaries include the Parent Company Länsförsäkringar AB and the insurance subsidiaries Agria, Länsförsäkringar Grupppliv and Länsförsäkringar Fondliv.

C.1 Underwriting risk[4]

Underwriting risk ("insurance risk" below) refers to the risk of losses arising due to a negative deviation in technical provisions or the valuation of the insurance commitment. The Länsförsäkringar AB Group's insurance risk includes non-life insurance risk, life-assurance and health-insurance risks that arise in insurance subsidiaries.

- Non-life insurance risk refers to the risk of losses arising due to claims costs being higher than expected. Non-life insurance risk also includes cyber insurance risk.
- Life-assurance risk and health-insurance risk refer to the risk of losses in connection with the insurance of a specific person's life and health.
- Catastrophe risk refers to the risk of losses arising due to natural disasters, epidemics or disasters caused by human activities leading to very large claims payments.
- Insurance risk in Länsförsäkringar Liv is described separately in the company's solo report.

C.1.1 Risk exposure

Exposure to non-life insurance risk arises in the Parent Company and the insurance subsidiaries Agria and Länsförsäkringar Grupp-liv. Premium risk is the largest risk in non-life insurance risk, followed by reserve risk and cancellation risk.

The exposure to life-assurance risks primarily derives from the operations in Länsförsäkringar Fondliv, and to a lesser extent from group and occupational group life insurance in Länsförsäkringar Grupplív and annuities in Länsförsäkringar AB.

Länsförsäkringar Fondliv's product range has two different management forms: fund management that entails customers to decide the investment orientation and risk level themselves; and guarantee management which is traditional management whereby the company is responsible for the investment orientation and a portion of the customer's savings are guaranteed. Unit-linked insurance operations comprise about 97% of total managed assets.

The dominating life-assurance risk derives from the unit-linked insurance operations and the risk of customers choosing to transfer their insurance capital. The new right of transfer rules could result in a higher level of transfer activity in the unit-linked insurance market and have a material impact on the capital requirement for this life-assurance risk. Increased mobility in the labour market could entail an increase in the number of occupational pensions with paid-up policies, where premium payments cease.

The exposure to health-insurance risk derives from health care insurance and group health and group accident insurance in Länsförsäkringar AB, and from health and premium exemption as well as from accident and financial disability insurance in Länsförsäkringar Fondliv.

The Länsförsäkringar AB Group has low exposure to catastrophe risk for its own account. Länsförsäkringar AB manages common reinsurance cover for the Länsförsäkringar Alliance for which Länsförsäkringar AB assumes a certain level of risk for its own account for selected parts. Länsförsäkringar AB is also exposed to some catastrophe risk in internally assumed reinsurance.

A measure of the exposure to insurance risk is the expected present value of the future cash flows from all insurance contracts. The measure reflects the company's commitments to its customers and corresponds to the best estimate under the IBA. Table C1(1) shows the consolidated best estimate for the Länsförsäkringar AB and its consolidated insurance subsidiaries net, meaning after reinsurance, based on data from the consolidated insurance subsidiaries. Data was collected from each company's insurance and claims system.

The trend in best estimate for non-life insurance and health-insurance risk follows the performance of the business. The best estimate in non-life insurance can normally be expected to fluctuate slightly, related to the time variation of payment streams, the trend in the portfolio and other, sometimes random, factors. The fluctuation during the year is not deemed to be material.

In 2021, the net best estimate increased by a total of TSEK 50,393,219. The increase was primarily attributable to a higher best estimate for unit-linked insurance and was mainly due to the positive change in value and premium payments. Table C1(2) shows the net best estimate per company compared with the preceding year-end.

[4] Underwriting risk is known internally in the Länsförsäkringar AB Group as Insurance risk.

Table C1(1): Exposure to insurance risk, 31 Dec 2021. The table shows the net best estimate, after ceded reinsurance

Best estimate, net (TSEK)	Parent Company Länsförsäkringar AB	of which: Agria	of which: Länsförsäkringar Grupppliv	of which: Länsförsäkringar Fondliv
Non-life insurance risk	2,705,174	681,587	0	0
Health-insurance risk	1,335,641	0	0	415,791
Life-assurance risk	204,415,794	0	37,809	204,150,279
of which, unit-linked insurance	*198,710,471*	*0*	*0*	*198,710,471*
Total	**208,456,608**	**681,587**	**37,809**	**204,566,070**

Table C1(2): Change in net best estimate for the period

Best estimate, net (TSEK)	31 Dec 2021	31 Dec 2020
Non-life insurance risk	2,705,174	2,599,038
Health-insurance risk	1,335,641	1,276,772
Life-assurance risk	204,415,794	154,187,579
of which, unit-linked insurance	*198,710,471*	*149,414,207*
Total	**208,456,608**	**158,063,389**

C.1.2 Risk concentration

As seen in table C1(1), the Länsförsäkringar AB Group conducts diversified operations in non-life, life assurance and health insurance. The market for Länsförsäkringar AB's insurance subsidiaries is primarily Sweden, but Agria has branches and conducts sales in the Nordic region, France, the UK and Germany.

Länsförsäkringar AB conducts well-diversified business, including pet insurance, health care, accident and health insurance, some commercial insurance and international reinsurance. The business is divided into 26 reporting classes that make the operations highly diverse with few or minor elements of risk concentration inherent in non-life insurance risk. The subsidiary Agria's business comprises insurance for pets (dogs, cats and other pets), horses, livestock and crop insurance. Operations in the Länsförsäkringar Grupppliv subsidiary are concentrated to purely death benefit insurance that, with well-differentiated groups of policyholders, represents all of society.

Länsförsäkringar AB's main risk concentration in insurance risk comprises assumed reinsurance from individual regional insurance companies. Länsförsäkringar AB assumes reinsurance from these individual companies in a number of pools and subsequently immediately retrocedes the risk back to the regional insurance companies. Examples of risks that are reinsured through pool arrangements are property damage, accidents and motor insurance.

Länsförsäkringar Fondliv conducts unit-linked insurance operations and offers various forms of pension savings and risk insurance that can be taken out together with savings insurance. Länsförsäkringar Fondliv primarily targets private individuals and small and medium-sized businesses. A geographic distribution throughout Sweden is created since all 23 regional insurance companies broker the company's products. As a result, Länsförsäkringar Fondliv's individual concentrations of life-assurance and health-insurance risk are considered to be limited.

C.1.3 Risk-reduction techniques

Reinsurance

Reinsurance agreements with both internal reinsurers within the Länsförsäkringar Alliance and external reinsurers are used to cover the companies in the event of insurance claims. Länsförsäkringar AB manages the Länsförsäkringar Alliance's joint reinsurance cover and internal Alliance reinsurance with a number of pool solutions. The system ensures a stable solution at low cost by distributing risk within the Länsförsäkringar Alliance and procuring external cover for large claims. Reinsurance cover as regards retention and level of protection is adapted based on each company's reinsurance needs. The Länsförsäkringar Alliance has shared catastrophe reinsurance cover for accident and life assurance. Länsförsäkringar AB has reinsurance for risk and disaster claims. Agria's reinsurance cover comprises an important tool in providing protection from large individual claim incidents and high total claims costs in the more volatile businesses in the company. Morbidity and mortality risks in Länsförsäkringar Fondliv are reinsured. The efficiency of reinsurance cover is monitored by the Actuarial function and reported to the Board every year.

Other risk-reduction techniques

Other factors that affect risks are the product composition including diversification, structure of insurance terms and conditions, underwriting limits, risk selection rules and risk inspections.

C.1.4 Risk sensitivity
Table C1(3) shows the sensitivity of the Länsförsäkringar AB Group's own funds to changes in the claims frequency or the size of the average claim or momentary external transfers from Länsförsäkringar Fondliv.

Table C1(3): Sensitivity analysis, insurance risk

Effect on own funds (TSEK)	31 Dec 2021	31 Dec 2020
10% increased claims frequency or average claim in the Parent Company Länsförsäkringar AB	-140,459	-143,052
10% increased claims frequency or average claim in Agria	-281,076	-248,376
10% momentary external transfer from Länsförsäkringar Fondliv	-1,698,187	-1,381,339

C.1.5 Use of special purpose vehicles
The Länsförsäkringar AB Group does not make use of special purpose vehicles in accordance with Article 211 of the Solvency II Directive.

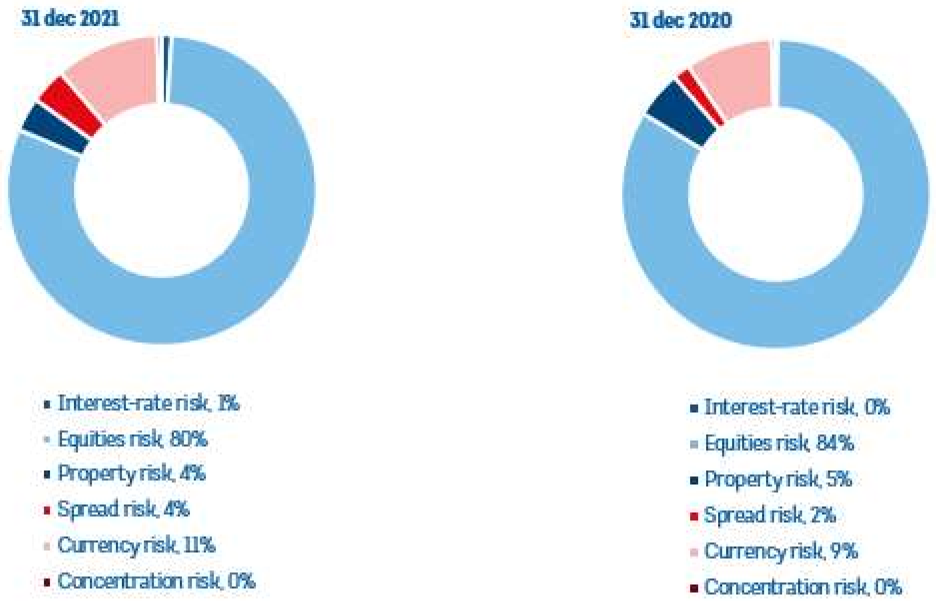
C.2 Market risk
Market risk pertains to the risk of loss arising that is directly or indirectly caused by changes in the level or volatility in the market price of assets, liabilities and financial instruments, including losses caused by shortcomings in the matching between assets and liabilities.

The dominant risk at group level is market risk attributable to Länsförsäkringar Liv. Market risk for Länsförsäkringar AB and its consolidated insurance subsidiaries primarily arises in Länsförsäkringar Fondliv's unit-linked insurance operations, but also through asset management in the Parent Company Länsförsäkringar AB.

C.2.1 Risk exposure
Market risks in the Länsförsäkringar AB Group's investment assets for own account are moderately high and primarily derive from the Parent Company's investments in mainly bonds, properties and equities funds. The Group's main exposure to market risk derives from the fact that earnings in the unit-linked insurance operations in Länsförsäkringar Fondliv are sensitive to trends in fund values, which are largely affected by the share price trend. Länsförsäkringar Fondförvaltning's earnings are also impacted by the share price trend. Market risk is also inherent in insurance liabilities by provisions being discounted by the market interest rate. The Länsförsäkringar AB Group's assets and liabilities, excluding Länsförsäkringar Liv and Länsförsäkringar Bank, are presented in table D1(1).

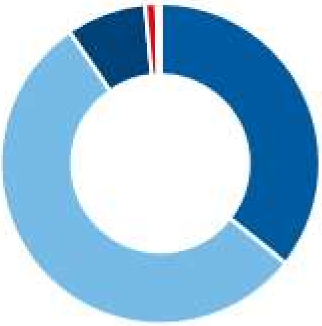
Exposure to market risk is measured as the solvency capital requirement for net market risk in assets and liabilities including diversification effects. The Länsförsäkringar AB Group's solvency capital requirement at group level is presented in table E2(1). The solvency capital requirement for market risk amounted to TSEK 9,703,327 on 31 December 2021 and is specified by type of risk in market risk as shown in figure C2(1).

Figure C2(1): Solvency capital requirement for net market risk in assets and liabilities including diversification effects



Future earnings in the unit-linked insurance operations are dependent on the performance of the unit-linked insurance assets in the insurance capital and the specification of these on 31 December 2021 is shown in figure C2(2).

Figure C2(2): Unit-linked insurance assets, 31 Dec 2021



Price information for valuation and information on credit quality has been obtained from several different accepted external sources. External appraisers are engaged to value illiquid assets, such as properties and forests. Theoretic valuations also occur, mainly for currency futures. For liabilities, the exposure corresponds to the best estimate of liabilities to policyholders.

More detailed commentary on the market risks of interest-rate risk, equities risk, property risk, credit-spread risk and currency risk is provided below.

Interest-rate risk
Interest-rate risk is defined as the risk of losses arising due to changes in market interest rates.

The interest-bearing asset portfolios include interest-rate risk from covered bonds, government bonds, sustainability-focused bonds, fixed-income funds and derivative instruments. Interest-rate risk is also found in insurance liabilities by provisions being discounted by a yield curve stipulated by the supervisory authority with the assumption of an Ultimate Forward Rate (UFR).

The Länsförsäkringar AB Group's insurance companies currently have contracts that refer to IBORs with EURIBOR, STIBOR and USD LIBOR as benchmark rates in contracts for interest-bearing securities with variable interest rates as well as in interest-rate derivatives. In 2022, the UK, among others, will start to use a new method for risk-free benchmark rates by moving from GBP LIBOR to SONIA. However, the transition for EURIBOR, STIBOR and USD LIBOR is expected to take place at a later date.

A project is currently being conducted within the Länsförsäkringar AB Group to investigate the effects of the Interest Rate Benchmark Reform. The project is monitoring developments for the transition of the Swedish and other currencies to the new method so as to identify at an early stage needs for changes to processes and systems and to handle any tax and accounting consequences. Effects on interest-bearing securities bearing floating interest rates or interest-rate derivatives in GBP discounted using the new methods for risk-free benchmark rates are expected to be minor. The transition from STIBOR to the new SWESTR benchmark rate is expected to be delayed by a few years. Accordingly for the discounting of technical provisions, it is more likely that the extrapolation of the risk-free interest rate structure will change according to EIOPA's proposal in the 2020 review of the Solvency II regulations.

Equities risk
Equities risk is defined as the risk of losses arising due to changes in share prices.

Länsförsäkringar AB is exposed to equities risk mainly through Länsförsäkringar Fondliv, since the unit-linked insurance capital (84% of which comprises holdings in various equities funds) affects the company's future earnings. Guarantee management's investments in funds and fund units in the trading book, which the company holds to facilitate customer fund trading, also give risk to equities risk. Länsförsäkringar Fondliv's equities exposure primarily derives from Swedish, European and US equities.

Property risk
Property risk is the risk of losses arising due to changes in property prices. The property prices are primarily an effect of the assumptions made on, for example, applicable yield requirements, rental levels and vacancy rates.

Länsförsäkringar AB is exposed to property risk mainly through the Parent Company Länsförsäkringar AB's and Länsförsäkringar Fondliv's participations in Humlegården Fastigheter AB.

Credit-spread risk
Credit-spread risk is defined as the risk of losses arising due to changes in the swap spread over the swap rate that are not attributable to gap or basis risk, and are a result of, for example, changes in credit quality.

Länsförsäkringar AB and its consolidated insurance subsidiaries are exposed to credit-spread risk through their holdings in interest-bearing instruments, for example, Swedish mortgage bonds, sustainability-focused bonds of primarily investment grade quality, and public and private loan funds.

Currency risk
Currency risk is defined as the risk of losses arising due to exchange-rate fluctuations.

Länsförsäkringar AB and its consolidated insurance subsidiaries face currency exposure from insurance liabilities and investment assets as well as from the Bank Group's funding in other currencies. Currency risk is managed using currency and cross-currency interest rate swaps, refer to section *C.2.3 Risk-reduction techniques*.

Table C2(1): Net exposure* by currency in each company, 31 Dec 2021

Currency (TSEK)	Parent Company Länsförsäkringar AB	of which: Agria	of which: Länsförsäkringar Grupplív	of which: Länsförsäkringar Fondliv
USD	1,036,829	55,640	7,113	762,982
EUR	236,136	-21,549	887	168,328
GBP	232,028	194,179	391	26,898
DKK	137,023	35,077	141	9,685
CHF	76,432	4,322	551	37,924
NOK	76,023	56,101	40	2,731
JPY	70,787	4,913	632	44,654
CNY	-18,901	0	0	0
ZAR	-14,355	0	0	0
KRW	-14,201	0	0	0
Other currencies	-40,828	0	0	972
Total	**1,776,973**	**328,683**	**9,755**	**1,054,173**

* Net after taking into account derivatives, assets and liabilities.

Option risk
Option risk refers to the risk of losses arising due to opportunities to change the level and timing of cash flows. Option risk is included as part of other market risks.

Pension risk
Pension risk refers to the risk of losses arising due to fluctuations in the market value of defined-benefit pension plans.

Investments in accordance with the prudent person principle
Insurance assets are invested in the best interests of the policyholders and the management of the companies' own assets is conducted in the best interests of the owners, meaning ultimately the interests of the local regional insurance companies and the interests of customers. In turn, this imposes demands on ensuring adequate expertise and following clear, structured and documented processes that take into account prudence, risk diversification and the situation in the financial markets.

Investments are made only in assets that can be fairly valued and whose risks can be identified, measured, managed, monitored and reported. The main asset classes are interest-bearing securities, equities, alternative investments and property. Derivative instruments are utilised in the management of investment assets in order to reduce risks or enhance management efficiency.

Insurance contracts in Länsförsäkringar Fondliv's guarantee management form extend over long periods and technical provisions are thus less sensitive to interest-rate fluctuations. The degree of matching between assets and commitments together with forecasts of the insurance operations' performance are therefore taken into account and assets are invested with respect to the nature and term of the commitments.

Matching deviations between assets and liabilities are identified by performing Asset Liability Management (ALM) analyses of duration gaps, curve risks, currency risks and other market risks. The largest matching risks are found in Länsförsäkringar Liv.

Investment assets are kept at prudent levels if they are not traded on a regulated market and contain a significant element of model valuation whose valuation is not based on observable market data, or have a lack of liquidity or transparency. Directly owned properties, unlisted shares, securitisation, private equity, private debt, infrastructure and forests are examples of investment assets for which assessments of prudent levels are performed that take into account the strength of the balance sheet and the company's commitments in each individual case.

Risk exposure, capital requirements and available capital are continuously monitored and reported to the Board every quarter or more often if dictated by the circumstances.

C.2.2 Risk concentration

Concentration risk pertains to the risk of the company's risk exposure not being sufficiently diversified, leading to a single exposure, homogeneous group of exposures or a specific market event threatening the solvency of the company or its financial position.

The dominating portion of the Länsförsäkringar AB Group's market risk is found in the insurance companies' investment assets. Market risks can also be found to a lesser extent in the Parent Company Länsförsäkringar AB's investment assets and in the Länsförsäkringar Bank Group. The main asset classes in portfolio management are interest-bearing securities, equities, property and alternative investments.

Concentration risk in market risk is deemed to be small in relation to other market risks. However, from time to time, there may be individual investments that may comprise a certain concentration of market risk.

C.2.3 Risk-reduction techniques

Diversification

The main risk-reduction technique applied to the management of directly owned assets is diversification. The companies' investments are spread over several classes of assets and segment in these classes, leading to exposure to various risk factors that react in different ways to fluctuations in the financial markets. This means that as a whole the portfolio is less sensitive to market fluctuations than its portfolio components. The diversification effect is modelled using the internal model that Länsförsäkringar AB has had approved by Finansinspektionen to use in calculations of the solvency capital requirement and is regularly measured as an integrated part of these calculations.

Reducing market risk by using derivatives

Derivative instruments are utilised in the management of investment assets in order to reduce risks or enhance management efficiency. Each new type of derivative instrument undergoes an approval process before it can be used in management. In connection with this, assurances are made that there is understanding of the characteristics of the instruments in the relevant parts of the organisation, that valuations, risk measurement and follow-ups are satisfactory and that risks are adequately identified.

Fixed-income futures and forwards and interest-rate swaps are used in management to reduce interest-rate risk. Using these instruments helps to enhance the efficiency of portfolio management by reducing the interest-rate sensitivity without needing to sell the underlying bonds, and thus any coupons and excess returns can be kept. The effect of these derivative strategies is continuously monitored by measuring the interest-rate duration and interest-rate sensitivity of the portfolio.

Management uses equity index forward contracts when it needs to temporarily reduce equities risk. In this way, the portfolio is protected from sharp price drops in the equities market without needing to sell the underlying equities and equities fund holdings, which improves the efficiency of the portfolio management. The effect of this risk-reducing strategy is measured by equities allocation (including derivatives) being reconciled on a daily basis.

Management makes regular use of derivative instruments to reduce currency risk in the portfolio. This means that the company can consider established limits on currency exposure without having to refrain from investing in desirable assets that have a different currency risk than SEK. Currency exposure (total and to individual currencies) is monitored on a daily basis.

C.2.4 Risk sensitivity

The impact of a selection of other sensitivity measures for market risks on own funds is presented in the table C2(2) below. For Länsförsäkringar Fondliv, the indirect effect that lower share prices, higher credit spreads or interest-rate effects have on future earnings in the unit-linked insurance operations are also included in the sensitivity in the table.

Table C2(2): Sensitivity to market risks, effect on own funds, 31 Dec 2021

Sensitivity measures* (TSEK)	Parent Company Länsförsäkringar AB	of which: Agria	of which: Länsförsäkringar Grupplіv	of which: Länsförsäkringar Fondliv
1% higher interest rate	221,830	-12,506	-1,525	131,265
1% lower interest rate	-246,559	12,766	1,557	-144,282
10% lower share prices	-1,765,509	-32,963	-4,891	-1,605,202
10% strengthening of SEK	-162,808	-26,097	-775	-105,417
1% higher credit spread	-167,329	-23,511	-3,298	-96,579
10% lower property prices	-234,480	0	0	9,617

* Net change in value of investment assets, future earnings from unit-linked insurance operations and technical liabilities.

C.3 Credit risk

Credit risk pertains to the risk of losses arising due to counterparties being unable to fulfil their undertakings and of any collateral provided not covering the receivable. This report describes the Länsförsäkringar AB Group's credit risk, which derives from ceded reinsurance, counterparties in financial derivatives and bank balances.

C.3.1 Risk exposure

The Parent Company and the insurance subsidiaries' exposure to counterparty-related credit risk primarily arises through ceded reinsurance and the use of financial derivatives in the insurance subsidiaries' investment portfolios.

The insurance subsidiaries take out reinsurance to avoid assuming greater individual liability than that stated in the insurance guidelines and reinsurance policy of each subsidiary. Reinsured risks instead become the responsibility of the reinsurers. However, there is the risk that the reinsurer is unable to fulfil its obligations, which in such a case revert to become a liability for the company to meet.

Derivatives are purchased to protect items the balance sheet against, for example, interest-rate risk, equities risk and currency risk and entail that the counterparty undertakes, through derivative contracts, to compensate for negative results arising from changes in, for example, market interest rates, share prices or exchange rates. As a result, a receivable from the counterparty may arise in the event of market changes. Credit risk pertains to the risk of losses arising due to counterparties being unable to fulfil their undertakings and that part of the receivable can thus not be paid.

The table below presents the Parent Company's and the consolidated insurance subsidiaries' total counterparty risk to derivatives and reinsurance including collateral received expressed as market values. The calculation uses consolidated data from the securities system of the Group-wide Asset Management Unit and from the actuarial systems of the consolidated insurance subsidiaries.

In addition to the exposure below, the Parent Company and consolidated insurance subsidiaries had joint commitments of TSEK 1,140,392 in amounts outstanding to invest in investment assets, and also other contingent liabilities in an amount of TSEK 906,300, but otherwise had no pledged assets for bonds, derivatives or repurchase agreements and had not pledged any securities on 31 December 2021.

Table C3(1): Exposure to counterparty-related credit risks per credit quality step including collateral received*

Credit quality step (TSEK)	31 Dec 2021					31 Dec 2020
		Collateral				
Financial derivatives and cash	**Maximum exposure for credit risk**	**Cash and cash**	**Securities**	**Other**	**Net exposure**	**Net exposure**
AA	24,327	0	-	-	24,327	26,028
A	3,722,828	0	-	-	3,722,828	3,900,277
BBB or lower	116,089	0	-	-	116,089	129,393
Total	**3,863,244**	**0**	-	-	**3,863,244**	**4,055,698**
Reinsurance						
Regional insurance companies	6,354,232	0	-	-	6,354,232	5,983,841
AA	627,826	0	-	-	627,826	679,519
A	829,664	0	-	-	829,664	790,686
BBB or lower	102,474	0	-	-	102,474	168,337
Total	**7,914,197**	**0**	**-**	**-**	**7,914,197**	**7,622,383**

*The table does not include exposure to mortgage funds in which the value of collateral received far exceeds exposure.

C.3.2 Risk concentration

The largest potential loss if an external counterparty in financial derivatives or bank accounts were to default was TSEK 1,536,953 at year-end, and the largest potential loss if a reinsurance counterparty were to default was TSEK 85,009. All ten of the largest counterparty exposures, comprising 74% of the total exposure to external counterparties, had a rating of AA or A or had a solvency ratio of more than 200%.

C.3.3 Risk-reduction techniques

The credit risk that arises through counterparties in financial derivatives is primarily reduced by diversifying the counterparties used by the company for trading in financial derivatives and bank balances. Credit risk is managed by limits for derivative exposures per counterparty, and by standardised collateral agreements signed with all counterparties regarding OTC derivatives. The size of the permitted exposure depends on the credit rating of the counterparty.

Credit risk from counterparties in ceded reinsurance is limited in the first instance by selecting counterparties with high credit ratings and by applying limits for maximum exposure to each counterparty.

C.3.4 Risk sensitivity

Table C3(1) presents the exposure of the Parent Company and the consolidated insurance subsidiaries to credit risk from counterparties in financial derivatives and ceded reinsurance both excluding and including collateral received. Exposure to credit risk in other receivables is not deemed to be material since the past history of these other receivables shows a low incidence of default receivables and no losses have been confirmed.

C.4 Liquidity risk

Liquidity risk is defined as the risk that payment commitments cannot be fulfilled due to insufficient cash funds.

C.4.1 Risk exposure

For the Länsförsäkringar AB Group's insurance companies, the lack of liquidity could lead to the companies not being able to fulfil their commitments to customers and stakeholders or that these commitments can only be fulfilled by raising funding at significantly higher costs than usual or by divesting assets below their market value. Funding opportunities for the insurance companies are restricted by Chapter 4, Item 6 of the Swedish Insurance Business Act. The business activities of the insurance companies are based on premiums being paid in advance and being managed until insurance compensation is to be paid out. The liquidity risk in the insurance subsidiaries is closely related to the investment assets in the companies' investment portfolios, including liquidity requirements for signed derivative agreements.

Management of liquidity risk is based on management taking place in each subsidiary and in the Parent Company of Länsförsäkringar AB, rather than at Group level. The nature of the operations differs between the banking and insurance operations and there are legal restrictions on for the scope of internal loans. The subsidiaries also have clear rules regarding how assets are to be deposited to ensure that they are readily available to the company and can thus be realised as needed. In practice, liquidity risk is primarily an issue for the Länsförsäkringar Bank Group.

The Parent Company Länsförsäkringar AB's liquidity risks are low since premiums are received in advance and large individual claims and payouts outside normal cash flows are known well in advance of when they fall due. The Parent Company's liquidity is mainly affected by dividends and Group contributions from subsidiaries, any requirements for contributions to be made to subsidiaries and dividends to owners. To meet liquidity requirements, the Parent Company maintains cash and cash equivalents, which at year-end amounted to TSEK 838,346.

Länsförsäkringar Fondliv's liquidity is relatively stable, since fund units are divested in line with payments being made to policyholders. The company's liquidity was primarily affected by fund changes and costs for the sale. Liquidity risk is managed by continuously adjusting the need for cash and surplus liquidity based on established liquidity forecasts for the payment of securities transactions and claims payments and, where necessary, other inward and outward payments, such as premiums and operating expenses. The majority of the funds in the trading book are liquid in the short term and purchases on behalf of the insured are not performed until payment has been received for the sales transaction.

The insurance subsidiaries sign collateral agreements with counterparties in financial derivatives. The agreements require that collateral be pledged for derivatives that have a negative value for the company in question. This collateral is pledged in the form of cash funds that are transferred to the counterparties, thus entailing a certain liquidity risk. For derivatives with positive values for the company, collateral is received which can reduce this risk.

The specification of investment assets per class of asset with various liquidity is presented in the table C4(1).

Table C4(1): Specification of assets per liquidity class, 31 Dec 2021, as a percentage of total investment assets

Liquidity class	Class of asset	Parent Company Länsförsäkringar AB	of which: Agria	of which: Länsförsäkringar Gruppliv	of which: Länsförsäkringar Fondliv
1	Cash	16%	15%	29%	10%
2	Direct holdings of treasury bills, government bonds, covered bonds	35%	56%	34%	28%
3	Funds traded daily, listed shares	23%	18%	23%	36%
4	Corporate bonds and other bonds	7%	7%	11%	8%
5	Funds with less frequent trading	0%	0%	0%	0%
6	Unlisted shares, Private Equity, Private Debt, directly owned properties, infrastructure and forest	19%	3%	3%	18%

Investments in accordance with the prudent person principle
Each of the Länsförsäkringar AB Group's insurance company's investment guidelines also state that the investment assets are to be invested by taking into account each company's liquidity needs for meeting their commitments.

C.4.2 Risk concentration
Länsförsäkringar AB believes that the Länsförsäkringar AB Group does not have any concentrations of liquidity risk.

C.4.3 Risk-reduction techniques
Liquidity risk is minimised by the predominant proportion of investments being made in securities with high liquidity that are listed on established exchanges. To further limit liquidity risk, levels of the liquidity reserve have been established to cover various forecasted requirements and rules exist on how investments are to be made in unlisted assets.

C.4.4 Risk sensitivity
The risk sensitivity for the liquidity risk in the Länsförsäkringar AB Group's insurance companies is low. Investments are primarily made in assets with high liquidity in well-established markets, which limits liquidity risk.

C.5 Operational risk
Operational risk refers to the risk of losses arising due to inadequate or failed internal processes, human error, erroneous systems or external events and includes legal and compliance risk.

C.5.1 Risk exposure
Operational risk comprises a central part of the Group's risk profile. The day-to-day operations include a variety of process risks and the subsidiaries' products and services may be associated with different types of product risks. Security risks, for example, external crime and internal fraud cannot be completely avoided and as digitisation increases greater focus has been directed to cyber risks and IT risks. Compliance risks are continuously in focus, particularly risks associated with money laundering and terror financing, mainly in the banking operations but also in the insurance operations, which requires active management.

C.5.2 Risk concentration
Länsförsäkringar AB believes that there are no material concentrations of operational risk in the Group companies or overall in the Länsförsäkringar AB Group.

C.5.3 Risk-reduction techniques
Work on operational risk is based on Group-wide methods that encompass business-critical processes and key controls as well as reported incidents and the operations' self-assessment of operational risk. All employees are responsible for actively managing operational risk within their individual operations. The department that takes the risk owns the risk, which means that the daily management of operational risk primarily takes place in the business operations. Risks are minimised by proactive preventive measures and awareness of operational risk in every decision-making situation.

The process of managing and controlling operational risk includes identifying, measuring, monitoring, managing and reporting. Business-critical processes and associated risks have been analysed and documented. Controls of process risks are performed every quarter and reported to each company Board. Operational risk analyses are performed annually. Operational risks are identified, the potential consequences evaluated and probability of the risk occurring assessed. Action plans are prepared for material risks, which are followed up every quarter at management level.

The Länsförsäkringar AB Group has a Group-wide framework for identifying, measure and documenting risks in the decision-making process for decisions that are expected to have a material impact on the Group's profitability, risk profile, organisation or brand. The purpose is to ensure efficient decision-making through proactive and appropriate management of the risks so as to thereby achieve established targets with a higher degree of certainty, to ensure compliance with applicable laws and regulations and to create customer value. Furthermore, the organisation applies a special process for the approval of new investment assets that aims to highlight and manage potential risks prior to investments in a new class of asset, type of instrument or fund.

The Länsförsäkringar AB Group's continuity management involves ensuring the organisation's ability to manage critical operations at an acceptable level, regardless of what disruptions occur, with the aim of protecting customers, confidence in the company and the brand. Preparing business continuity plans and procedures creates contingency and the capability to manage incidents before, during and after a disruption or a crisis has occurred. The overall goal for security work is to protect the organisation's assets from all types of threats – internal or external, intentional or unintentional. Security activities are conducted in accordance with the information security standards SS-ISO/IEC 27001:2014 and 27002:2014 and the normative standard in business continuity management SS-ISO/IEC 22301.

The companies in the Länsförsäkringar AB Group may, from time to time, outsource parts of the operations to external contractors, for example, to enhance the efficiency of operations. In order to maintain a high level of control, the companies' guidelines address issues including the procurement skills of the companies, suitability assessment, impact analysis and realisation plans.

C.5.4 Risk sensitivity

The Länsförsäkringar AB Group regularly carries out exercises to ensure that every company is highly capable of managing crisis situations. Exercises and testing comprise both manual response procedures and automated IT support. Desktop and system testing of applications and administration objects are carried out annually. Large-scale crisis management exercises are conducted at least every three years. Desktop and system testing of applications and administration objects and crisis management exercise were carried during the year according to plan. The result of the tests and exercises showed that the companies generally have a sound ability and business contingency to manage crises that arise.

C.6 Other material risks

Climate risk

Climate risk refers to the risks that the consequences of climate change may have on the company's business activities. Climate risks can materialise either through physical risks, such as more cases of extreme weather and gradually rising sea levels, or through transition risks, such as regulatory, political and market changes related to the transition to a low-carbon society.

C.6.1 Risk exposure

Climate risk represents a direct financial risk in the form of potential impact on the insurance business, lending and investments for the Länsförsäkringar AB Group. These areas are likely to be affected simultaneously, which makes the risk both complex and significant. Climate-related risks and opportunities and the direct and indirect climate impact of the operations are identified annually in the business and prioritised by the Sustainability Committee. The table on the following pages presents a non-exhaustive list and a summary of identified direct climate risks for Länsförsäkringar AB as well as indirect climate risks via companies that Länsförsäkringar AB finances or invests in. The probability and consequences of each risk have been estimated for each business area. The assessment of probability was made according to the following: short term (1-5 years), medium term (5-20 years) or long term (+20 years).

Table C6(1): Identified climate risks at various time horizons

Name of risk	Direct risk for Länsförsäkringar AB	Indirect risk via companies that Länsförsäkringar AB finances/invests in (named "companies" in the table below)
Transition risks		
Regulatory risks		
Stricter requirements for emissions reporting and other climate-related reporting and compliance.	Länsförsäkringar AB risks incurring higher costs as a result of stricter reporting requirements and increased regulations. *The risk is deemed to be probable in the short term.*	Companies risk incurring higher costs as a result of stricter reporting requirements and increased regulations. *The risk is deemed to be highly probable in the short term, but the effect on Länsförsäkringar AB is deemed to be limited.*
Higher climate taxes and costs for GHG emissions due to stricter regulations.	Higher climate taxes in the future could result in insolvency among borrowers. *The risk is deemed to occur in the short to medium term. Any costs related to Länsförsäkringar AB's own GHG emissions from its operations are estimated to be relatively low since the company's emissions are relatively small.*	Companies in carbon-intense industries risk incurring higher costs and declining in value if costs for emissions were to increase. *The risk is deemed to be probable in the short term, but the effect on Länsförsäkringar AB's deemed to be limited.*
Risk of compulsory regulations for insuring high-risk areas.	This risk is identified as probable in the medium to long term and entails that insurance companies are not permitted to refuse insuring of areas with higher physical risk. *The risk for Länsförsäkringar AB is not necessarily material given the reinsurance solutions that are applied.*	
Market risks		
Products and services with significant climate impact risk declining demand.	Demand for Länsförsäkringar AB's products is impacted if they are not developed in line with customer preferences for sustainability-focused products and services, or if Länsförsäkringar AB is unsuccessful in conveying that the products are sustainability-focused. *The risk is deemed to be probable in the short term but analysis of longer time perspectives with more uncertain preference developments shows a rising risk trend.*	Lower demand could affect companies that do not meet new customer preferences for sustainability- focused products and services. *The risk is deemed to be probable in the short term but more significant in the medium term as more industries come into focus.*
Stranded assets.		Large financial values risk becoming worthless if certain assets cannot be commercialised due to, for instance, changes in markets, customer preferences or regulatory requirements. These risks negatively affecting the companies' earnings and financial position. *This risk is deemed to be probable in the medium term. Länsförsäkringar AB applies and over time has tightened its criteria for excluding companies operating in fossil fuels. These companies are deemed to be most exposed to having stranded assets in the short term. Applying the criteria reduces the risk in the investment portfolio.*

Technological risks		
Costs for the transition to low-carbon technologies.	Changes in technology may affect Länsförsäkringar AB, for example, that the company's own fleet of vehicles must transition to environmentally friendlier alternatives. *The risk is deemed to be probable in the short term but is materially limited.*	Companies could experience lower demand for products and services that do not meet new environmental standards, which entails higher costs for development and new sustainability-focused products and services. Companies could also experience those investments in new technology do not generate the expected returns. *The risk is deemed to be probable in the short term, but with a limited effect on Länsförsäkringar AB.*
Lack of sufficient expertise and resources for managing a transition.	The climate transition entails extensive work requiring both resources and expertise. If these are not available, Länsförsäkringar AB risks falling behind in the climate transition.	
Reputation risk/brand risk		
Business risk in adapting the offering.	Risk of competitive disadvantages such as squeezed margins and lower income if the product offering or conditions are not adapted in line with competitors.	
Unreliable data sources and methods.	Data and models used for measuring and following up climate risks are still associated with uncertainty. This gives rise to potential reputation risk if it proves to be the case that the data used was unreliable.	
Brand risk being damaged if they are associated with products or services with a negative climate impact.	Länsförsäkringar AB's brand risks being damaged if it is associated with products or services with a negative climate impact. Damage to the brand could also affect the ability to attract and retain personnel. *The risk has been identified in both the short and the long term. The probability is deemed to be low due to Länsförsäkringar AB's current sustainability profile.*	Companies' brands risk being damaged if they are associated with products or services with a negative climate impact, which could result in lower sales. *The risk is deemed to be probable in the short term, but the effect on Länsförsäkringar AB's returns is deemed to be limited.*

Physical risks

Acute risks		
Higher costs due to more serious extreme weather events.	The Länsförsäkringar Alliance risks being affected by a higher number of and more extensive extreme weather events, which entails losses for Länsförsäkringar AB via the internal reinsurance pool. The international reinsurance market risks being affected by a higher number of and more extensive extreme weather events, which entails higher prices of catastrophe insurance. This could result in higher reinsurance costs for the Länsförsäkringar Alliance and Länsförsäkringar AB. *The risk is deemed to be material in the medium to short term.*	Serious extreme weather events are a risk for Länsförsäkringar AB's investments, particularly directly owned holdings, such as properties and forests. *The risk that companies and their delivery chains, particularly in vulnerable areas, are affected by extreme weather events is deemed to be high, particularly in the medium term. The consequences for Länsförsäkringar AB are deemed to be medium.*
Model risk.	The risk that Länsförsäkringar AB's pricing and risk models are correctly adapted or sufficiently detailed to capture a higher number of acute risks.	

Chronic/permanent risks		
Higher costs due to permanently changed weather patterns and water levels.	Most of Länsförsäkringar Bank's lending takes place using property as collateral and there is the risk of the value of these properties declining in areas affected by frequent natural catastrophes or higher water levels. This affects the credit risk since there is the risk that the value of the collateral for the loan declines. *The risk is deemed to be probable in the medium to long term.* Via the internal reinsurance pool, Länsförsäkringar AB could be affected by higher insurance costs and lower income due to a decrease in the insurability of certain areas and assets. The reinsurance market could be negatively affected by weather phenomena causing such extensive damage that reinsurers have their rating lowered or go bankrupt due to a weaker financial position, which could make the counterparty risk Länsförsäkringar has with reinsurance companies more material. Another effect could be that the costs for reinsuring weather-related events increase sharply, which affects Länsförsäkringar AB. *The risk on the insurance business is deemed to be material, particularly in the medium to long term.*	Companies, especially those situated in risk areas, risk incurring costs for relocating production and facilities and higher costs for raw materials. There is the risk that costs for companies for insuring assets against weather-related damage will increase when weather patterns change. *The risk is deemed to be high in the medium and long term. The consequences for Länsförsäkringar AB are deemed to be medium since exposure in the most vulnerable areas is limited by a diverse investment portfolio.*
Higher costs due to unknown illnesses.	Climate change could entail the spread of illnesses that have not existed before in geographical areas in which Länsförsäkringar has operations and thus are not included in the product structures and pricing.	

The effects of the climate risks described above will affect Länsförsäkringar AB's operations over time. Climate risk is a systematic risk that as a result of its impact on society is impossible to completely eliminate. Strategies and business models will need to be gradually adapted to manage the effects of climate risks in each business area, and also to leverage any opportunities.

C.6.2 Risk concentration

Given that the Länsförsäkringar AB Group conducts well-diversified operations in non-life insurance, traditional life assurance, unit-linked insurance and banking operations with a geographic spread throughout Sweden, concentration risk is deemed to be low.

C.6.3 Risk-reduction techniques

Länsförsäkringar AB has a climate-smart vision that entails that the company is to work actively to reduce climate impact and the climate risks throughout its operations and to encourage climate adaptation to reduce the damaging impact of climate change. In autumn 2021, a target was adopted for the Länsförsäkringar AB Group to be climate-positive by 2045. A goal under this target is for investment portfolios and own managed funds to have an emissions level in line with the target of the Paris Agreement by 2030, meaning limiting global warming to 1.5°C.

Climate risk is included in Länsförsäkringar AB's risk-management system and is reported and followed up in the same way as other risks. The Risk Management function reports on climate risk to the Board at least once a year. The risk appetite for climate risk is moderate, which means that climate risks are limited through proactive efforts to reduce exposure both to transition risks and to physical climate risks. Exposure is reduced mainly through proactive measures, changes to investments, engagement with investments and creating the conditions for customers to change, for example, through product development.

The Risk Management function coordinates the operations' monitoring of climate risk via a climate risk team with representatives from all business units. The objective of the team is to compile at an overall level identified climate risks that each business unit is exposed to and analyse how they interrelate so as to provide a collective assessment of the Länsförsäkringar AB Group's climate risk exposure.

Länsförsäkringar AB works on identifying and reducing climate risk in its investments by applying a systematic process for allocation and investment analyses, selection of investments or asset managers, and engagement. To reduce the risk of higher claims costs for weather-related insurance claims, risk management in the non-life insurance operations focuses on predicting and preventing such claims. In addition to proactive measures carried out jointly with the Länsförsäkringar Alliance, the Alliance's reinsurance programme is also regularly updated to ensure it is always suitable in relation to approved strategies and developments in the insurance and reinsurance markets. An appropriately structured reinsurance programme not only helps to manage climate risk in Länsförsäkringar AB's share of the reinsurance pool but also to manage climate risk for the entire Alliance.

C.6.4 Risk sensitivity

Macroeconomic scenario analysis
Länsförsäkringar AB continuously develops metrics for monitoring climate risk and every year performs a macroeconomic scenario analysis under the framework of the ORSA to analyse how various potential development lines for climate change impact the companies' expected risk and return over time. The analysis uses climate-adjusted economic and financial variables for three different climate scenarios from an external data and tool supplier. These climate scenarios include physical climate risks and transition risks as well as facilitate a coherent analysis of the impact of the climate on the business. The climate-adjusted economic and financial variables in each scenario are calculated as instantaneous stress tests at each point in time, which is a method proposed by such organisations as the European Insurance and Occupational Pensions Authority (EIOPA). Calculations use statistical calculations with no assumptions for business volume changes, investment income or reallocation of the companies' investment portfolios or in unit-linked insurance capital.

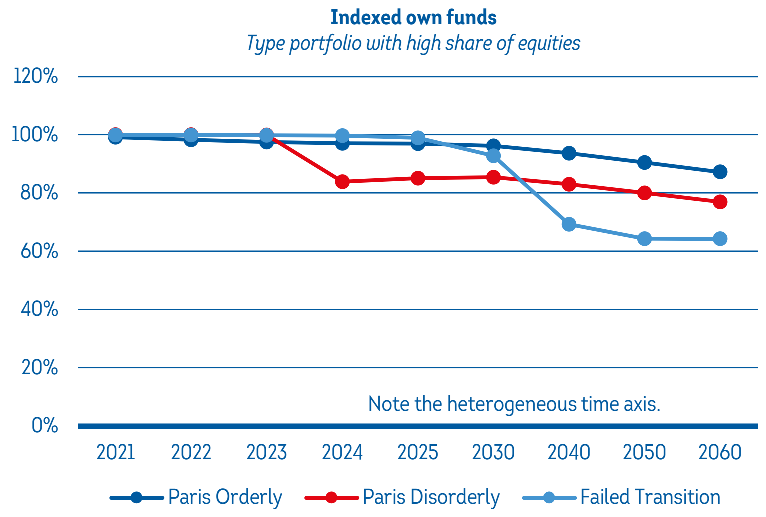
The three climate scenarios are:
Paris Orderly Transition
An immediate transition involving ambitious policy and low carbon emissions in order to meet the target of the Paris Agreement to limit global warming to 1.5°C by 2100. Despite this, the world will be physically affected by climate change linked to the warmer climate in the long term. No major changes in market prices.

Paris Disorderly Transition
The same policy and technology changes are created as those in the Paris Orderly Transition scenario, but at a later date and more abruptly. Delayed awareness and underestimating the extent of the transition leads to a shock for the financial systems as a result of aggressive market corrections of carbon-intensive assets. Extensive changes in market prices within five years.

Failed Transition
The world's countries do not do enough to promote low carbon emissions, which instead leads to a failed transition to global warming of 4°C by 2100. This scenario entails serious consequences caused by the physical impact on the climate, agriculture is seriously affected and the increase both in the frequency and in strength of extreme weather events causes a higher number and more extensive claims. Very extensive changes in market prices in the long term.

The graph below shows the trend in own funds in a type portfolio with a high share of equities in the various scenarios in relation to non-climate adjusted own funds. The effect for Paris Orderly Transition is limited but negative for the entire analysis period. Paris Disorderly Transition has a more negative impact in the short term (within five years) since own funds are affected by the market pricing caused by the sharp transition measures. In the long term, own funds will recover and follow the same trend as Paris Orderly Transition. Failed Transition has a minor short-term effect but the climate effects resulting from no transition taking place impact the financial markets in the long term and lead to a negative effect on own funds that will fall sharply after 2030.

Figure C6(1): Indexed own funds



It is important to be aware of the major uncertainties in models, assumptions and results for this type of analysis. It is impossible for the climate scenarios available today to contain all information about the transition and physical effects that affect risk and return. Uncertainty also increases markedly when analyses cover longer time horizons.

Sensitivity analysis for the insurance business

A sensitivity analysis was performed for the insurance business aimed at mapping sensitivity against future climate change in a Failed Transition scenario. Past claims costs for natural catastrophes were stress tested based on data from reports from the Projection of Economic impacts of climate change in Sectors of the EU based on bottom-up Analysis (PESETA), Network for Greening the Financial System (NGSF), Swiss Re and SMHI. The results of the sensitivity analysis showed that the business is robust against a higher frequency and scope of claims costs for natural catastrophes related to a Failed Transition scenario. The effect is limited to reinsurance cover that encompasses large natural catastrophes and also a slight increase in claims frequencies.

Cost stress for carbon emissions

Based on the carbon footprint of Länsförsäkringar AB's investment portfolios, estimates are made of the potential cost, based on a one-year horizon, for Länsförsäkringar AB to purchase emissions rights corresponding to size of the carbon footprint. The calculations are performed based on the Network for Greening the Financial System (NGSF) and International Energy Agency's (IEA) estimated CO2 price to achieve net zero emissions by 2050. The result showed that emissions costs could amount to about SEK 180 M next year. The result should be interpreted cautiously due to the great uncertainty in assumptions and estimates in the price trends for emission rights and carbon.

Table C6(2): Cost stress for carbon emissions	Q2 2021	Q2 2020
Price carbon emissions, SEK per ton	572	282
Emissions institutional portfolios in ton (Scope 1 and 2)	159,075	208,000
Scenario (Cost, SEK M)		
IEA's Net Zero scenario*	100	64
NGFS Net Zero scenario**	123	79
100% price increase in one year	182	117

* In the International Energy Agency's (IEA) forecast for achieving net zero emissions by 2050, the price is forecast at USD 130 per ton Co2e in 2030, corresponding to a price increase of about 10% per year.

** In the Network for Greening the Financial Systems (NGSF) forecast for achieving net zero emissions by 2050, the price is forecast at USD 800 per ton Co2e in 2050. It is assumed that the price will be realised in 2030, corresponding to a price increase of about 35% per year.

In addition to climate risk described above, the Länsförsäkringar AB Group is also exposed at group level to business risks, emerging risks, group risks and concentration risk.

- Business risk pertains to the risk of lower earnings, higher expenses or loss of confidence from customers or other stakeholders.
- Emerging risks refers to new or changed behaviour patterns, situations or trends that may have a material impact on the company's financial situation, market position or brand in a negative direction within the company's business planning horizon.
- Group risk refers to the risks associated with the complexity of conducting both banking operations and life-assurance and non-life insurance operations in the same group.
- Concentration risk refers to the risk of a single exposure, homogeneous group of exposures or a specific market event resulting in widespread losses even if the operations were to be well-diversified. Concentration risk may derive from concentrations of both assets and liabilities as well as sources of income and suppliers, including suppliers of outsourced services.

C.7 Other information

There is not deemed to be any other relevant information to be provided in this section.

D. Valuation for solvency purposes

Under the Solvency II regulations, assets and liabilities are to be measured at market value in Solvency II balance sheet. The market values of the investment assets can often be read in the financial markets, while the market values of, for example, technical provisions that are not bought or sold to any great extent must be calculated by applying an approximate method.

The group and the subsidiaries value assets and liabilities in the Solvency II balance sheet according to the following main principles.

- Assets are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction, in accordance with the Solvency II Directive, 2009/138/EC, Article 75:1a.
- Liabilities are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction, in accordance with the Solvency II Directive, 2009/138/EC, Article 75:1b.
- Assets and liabilities are to be valued based on the assumption that the undertaking will pursue its business as a going concern, in accordance with Article 7 of the Commission Delegated Regulation (EU) 2015/35.

The Group values its assets and liabilities in the financial statements in accordance with IFRS. Assets and liabilities are to be revalued if the Solvency II regulations prescribe different valuation rules to IFRS. In most cases, the IFRS and Solvency II balance sheets are the same. The group's Solvency II revaluations are described in section D.1 and D.3 below.

The Solvency II balance sheet for the Group includes the Parent Company Länsförsäkringar AB and the insurance subsidiaries Agria, Länsförsäkringar Grupplív and Länsförsäkringar Fondliv. The capital requirement and own funds of Länsförsäkringar Bank and its subsidiaries are to be added to the group's capital requirements and own funds. Länsförsäkringar Liv's capital requirement and own funds must also be added, but own funds are included at a maximum of the company's solvency capital requirement.

No assumptions on future management decisions are deemed to have a material impact on the carrying amounts in the Solvency II balance sheet.

D.1 Assets

D.1.1 Valuation of assets

In accordance with QRT s.02.01 (refer to Appendix 1), the following balance sheet shows the material asset items and an overview of total liabilities on 31 December 2021 for the group with carrying amounts for the financial statements supplemented with re-classifications and Solvency II amounts[5]. The group's balance sheet does not include Länsförsäkringar Liv's or Länsförsäkringar Bank's assets and liabilities.

Table D1(1): Assets and liabilities, 31 Dec 2021

Assets (TSEK)	Financial statements	Revaluation	Solvency II amount
Goodwill	633,978	-633,978	0
Deferred acquisition costs	2,536,084	-2,536,084	0
Intangible assets	2,691,386	-2,691,386	0
Property, machinery & equipment for own use	1,344,308	-	1,344,308
Shares and participations in subsidiaries and associated companies	9,312,994	9,390,150	18,703,144
Other equities	2,808,529	-	2,808,529
Bonds	8,451,479	-	8,451,479
Mutual funds	5,541,292	-	5,541,292
Derivatives	20,338	-	20,338
Bank balances that are not cash and cash equivalents	65,644	-	65,644
Assets unit-linked insurance or index-linked insurance	219,102,007	-	219,102,007
Loans and mortgage loans	9,370	-	9,370
Reinsurers' portion of technical provisions	10,701,383	-1,818,820	8,882,563
Insurance receivables	3,239,497	-3,000,143	239,354
Reinsurance receivables	531,637	12,190	543,827
Cash and bank balances	3,668,369	-	3,668,369
Other asset items	1,949,551	-13,802	1,935,749
Total assets	**272,607,846**	**-1,291,873**	**271,315,973**

Liabilities (TSEK)	Financial statements	Revaluation	Solvency II amount
Technical provisions gross before ceded reinsurance			
Non-life insurance	16,086,616	-4,688,258	11,398,358
Life assurance excluding unit-linked insurance	7,860,709	-65,749	7,794,960
Unit-linked insurance or index-linked insurance	219,473,971	-16,935,184	202,538,787
Other liabilities (refer to section D.3)	5,874,102	-1,037,103	4,836,999
Total liabilities	**249,295,398**	**-22,726,294**	**226,569,104**
Assets minus liabilities	**23,312,448**	**21,434,421**	**44,746,869**

D.1.2 Valuation principles in the solvency calculation of various classes of asset compared with the financial statements

This section addresses the valuation principles, methods and main assumptions used to value the group's material assets items under the Solvency II rules. It also describes, where applicable, how such valuations differ from valuations in the financial statements. The items described below derive from the group's balance sheet in the table above and from the subsidiaries' balance sheets or are included in the item Other assets.

[5] In the balance sheet, amounts are recognised according to IFRS but classified according to the Solvency II rules in the "financial statements" column. The main difference in classification is that investments are distributed between other asset items.

Goodwill
The item is not assigned a value in the Solvency II balance sheet since it is to be valued at zero. According to the financial statements, goodwill is valued at cost adjusted for any accumulated impairment and pertains to acquisitions of insurance portfolios. Goodwill is distributed to cash-generating units and is tested for impairment at least once annually.

Deferred acquisition costs (DAC)
Selling expenses that have a clear connection to underwriting insurance contracts are capitalised as Deferred acquisition costs in the balance sheet and are depreciated over the useful life according to the financial statements. Intangible assets, such as deferred acquisition costs, are valued at market value if they are separable, can be sold separately and if the valuation is based on quoted market prices on active market for the same or similar assets. These conditions are not met since the item deferred acquisition costs is not separable and cannot be sold separately and thus the item is valued at zero in the Solvency II balance sheet.

Other intangible assets
Other intangible assets are valued at market value if they are separable, can be sold separately and if the valuation is based on quoted market prices on active markets for the same or similar assets. The other intangible assets that the Group recognises in the financial statements refer to proprietary IT systems, acquired IT systems and acquired customer assets. None of these assets are deemed to meet the requirement of being possible to sell with a valuation that can be attributed to quoted market prices in active markets. This means that the item does not have any value in the Solvency II balance sheet.

Other intangible assets in the financial statements are valued at amortised cost less accumulated amortisation and impairment. This differs from the Solvency II valuation under which the value is zero.

Deferred tax assets
Deferred tax is calculated for temporary differences between carrying amounts and tax bases of assets and liabilities. Deferred tax assets are recognised only to the extent that it is likely that taxable surpluses will be available against which to utilise the deferred tax assets. The revaluation between Solvency II and the financial statements also entails a calculation of deferred tax assets or tax liabilities for applicable items. The item deferred tax assets is recognised net in the Solvency II balance sheet against calculated deferred tax liabilities.

In terms of reporting, there is no difference in the principles for calculating deferred tax between the financial statements and Solvency II, except for the revaluations to be carried out under Solvency II.

Property, machinery and equipment for own use
This asset item primarily pertains to property for own use (owner-occupied property). IFRS 16 entails accounting by lessees whereby all leases (with certain exemptions) are to be recognised in the statement of financial position as a right-of-use asset for the right to use an underlying asset.

There are no differences in valuation principles and assumptions between the financial statements and Solvency II since the carrying amount is deemed to be a reasonable approximation of the fair value.

The Parent Company and subsidiaries apply legally restricted IFRS and therefore the right-of-use assets according to IFRS 16 are not included in the financial reporting of each company, which differs compared with the group.

Investments
Shares in subsidiaries and associated companies
At group level, shares in subsidiaries that are not consolidated in the Solvency II balance sheet refer to holdings of unlisted shares in Länsförsäkringar Bank and Länsförsäkringar Liv. The value of Länsförsäkringar Bank is measured in the Solvency II balance sheet according to the adjusted equity method, which means the Länsförsäkringar Bank Group's equity less any goodwill and intangible assets. However, the valuation of equity excludes Additional Tier 1 capital despite this comprising an equity instrument since external parties own the instruments and it is the most conservative way of estimating a fair value of the Länsförsäkringar Bank Group. The wholly owned insurance company Länsförsäkringar Liv, which is operated in accordance with mutual principles and is not consolidated, is measured at an amount corresponding to the share capital, which is the same amount that is recognised in the Länsförsäkringar AB Group. Shares in associated companies refer to holdings of unlisted shares. Associated companies are measured according to the equity method according to the financial statements less any goodwill and intangible assets.

Other equities
Equities refer to holdings of both listed and unlisted shares. The valuation techniques for listed shares applied are based on market data as far as possible, whereas company-specific information is used a little as possible. Holdings of unlisted shares are measured at cost for cases in which it is not possible to determine a fair value reliably. There are differences in the valuation of equities between the IFRS and the Solvency II balance sheets.

Bonds
Bonds refer to holdings of government bonds and corporate bonds that are essentially listed in an active market. The fair value was calculated based on the quoted buying-rate of the assets on the balance-sheet date. The valuation techniques applied are based on market data as far as possible, whereas company-specific information is used as little as possible.

Mutual funds
Mutual funds primarily refer to equities funds and interest-bearing funds that are essentially listed in an active market. The fair value was calculated based on the quoted buying-rate of the assets on the balance-sheet date.

Derivatives
The calculation bases for derivatives may differ. For derivatives listed in an active market, the fair value is determined as the listed price. However, for derivatives not listed in an active market, the fair value is determined by applying a valuation technique. This technique is based on discounted expected future cash flows.

Assets in unit-linked insurance or index-linked insurance
For this class of asset, Länsförsäkringar holds unit-linked insurance assets policyholder bears the risk. The calculation base for the valuation is prices listed in an active market. There are no differences in bases for calculation and assumptions between the financial statements and Solvency II.

Reinsurers' portion of technical provisions
For ceded reinsurance, the benefits to which the company is entitled under the reinsurance contract are recognised as the reinsurers' portion of technical provisions. The bases for calculation and assumptions differ between the financial statements and Solvency II. This is described in section D.2.

Insurance receivables
Premium receivables are included in the item in IFRS, but in Solvency II they are included in the best estimate. Premiums due for payment after the balance-sheet date are thus measured in the premium reserve and consequently excluded from the assets side in the Solvency II balance sheet (see also section D.2).

Reinsurance receivables
Premium receivables are included in the item in IFRS, but in Solvency II they are included in the best estimate. Premiums due for payment after the balance-sheet date are thus measured in the premium reserve and consequently excluded from the assets side in the Solvency II balance sheet (see also section D.2).

Cash and bank balances
The calculation base for cash and bank balances in the solvency calculation is the nominal amount, which is deemed to be a suitable base for calculating fair value. There are no differences in bases for calculation and assumptions between the financial statements and Solvency II.

Other asset items
Other asset items may refer to deposits with companies that have ceded reinsurance, receivables (operations, not insurance) and prepaid expenses and accrued income. No special calculation methods were used for the items encompassed by other assets. There are no differences in bases for calculation and assumptions between the financial statements and Solvency II.

D.1.3 Material differences between the group's valuation principles and those used by its subsidiaries
There are no material differences between the group's and the subsidiaries' valuation principles applied to valuations for solvency purposes.

D.1.4 Other information about assets

Assumptions and judgements, including those about future and other significant sources of estimation uncertainty
Judgements and estimates must sometimes be applied to the preparation of financial statements and regulatory reports. The relevance and reasonableness of such judgements and estimates is continuously evaluated. In calculating the life-assurance reserve, assumptions are made regarding the discount rate, mortality, morbidity and expenses. When calculating technical provisions, an actuarial estimate of anticipated additional costs for claims incurred and expenses for claims that may be incurred during the remaining term of the insurance policy is made. There may be some uncertainty in the estimates for the depreciation period for deferred acquisition costs for unit-linked insurance contracts since the assumption for the depreciation period is based on statistics in the term of the insurance contracts. The uncertainty of the valuation of the currency and interest-rate derivatives that exist to a limited extent is deemed to be low since the theoretical value is based on observable data and the fact that standard systems are used.

Effects may arise on the basis of the new accounting policies that will be introduced in future year and that could impact the amounts recognised in valuations in the solvency calculation. Accounting policies that have been adopted, or are expected to be adopted, but that have not yet been applied may affect assets and liabilities in the Group.

IFRS 17 Insurance Contracts

On 22 November 2021, the Swedish Financial Supervisory Authority published a proposal on amendments to its regulations and general guidelines regarding annual accounts at insurance undertakings and institutions for occupational retirement provision (FFFS 2019:23) to apply from 1 January 2023. One of the proposals is that IFRS 17 Insurance Contracts should not be applied to legal entities, and thus not in consolidated financial statements under legally restricted IFRS.

Länsförsäkringar AB intends to transition to legally restricted IFRS for preparing its consolidated financial statements from 1 January 2023 when IFRS 17 Insurance Contracts comes into effect. The FFFS regulations had been adapted to the provisions on consolidated financial statements for unlisted companies stipulated in the Swedish Annual Accounts Act for Insurance Companies (1995:1560). If legally restricted IFRS is applied, IFRS 17 will not be applied to the consolidated financial statements. The effect on the Solvency II balance sheet when legally restricted reporting according to the above takes place is expected to be limited compared with the balance sheet used in the current reporting.

Amended accounting policies applied from 2021 and that impact the financial reporting

Changes to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (phase 2)

The Group applies the Interest Rate Benchmark Reform – Phase 2 from 1 January 2021. The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 primarily entail a practical expedient for changes to contractual cash flows of financial assets and liabilities (including lease liabilities) that allow the effective interest rate to be changed to the new interest rate benchmark and thus entail that the carrying amount remains the same as before the change. This is not deemed to have a material impact on the Solvency II calculations.

D.2 Technical provisions

Technical provisions are valued at the relevant amount that each company in the Group would need to pay if it were to immediately transfer its insurance and reinsurance obligations to another insurance company. The value is calculated as the total of the best estimate and a risk margin.

An outline of the valuation principles for the technical provisions applied by the Group is provided below. A more detailed description of the bases for calculation, methods and main assumptions, including a description of the degree of uncertainty related to the value of the technical provisions, is provided in Agria's report which follows after the report at group-level.

D.2.1 Valuation of technical provisions

Best estimate

The best estimate corresponds to the probability-weighted average of future cash flows, taking account of the time value of money (expected present value of future cash flows). A discount rate is used according to the Solvency II rules for the best estimate, based on the risk-free base interest rate being calculated on the rate for interest-rate swaps, adjusted to take account of credit risk.

The calculation of the best estimate is based upon up-to-date and credible information and realistic assumptions, and is performed using adequate, applicable and relevant actuarial and statistical methods. The cash-flow projection used in the calculation of the best estimate shall take account of all the cash in and outflows required to settle the insurance and reinsurance obligations over the lifetime thereof. The calculation is to take account of the contractual options of the policyholders and the company.

Risk margin

The risk margin is calculated to correspond to the cost of maintaining the capital that corresponds to the solvency capital requirement (SCR) needed to meet the group's commitments until they have been finally settled. The risk margin is calculated using the cost of capital method (CoC), with the rate of 6% as stipulated in the rules, separately for the individual companies in the Group and separately for life assurance and non-life insurance in the individual companies. The trend in the solvency capital requirement is assumed to be proportional to the best estimate for existing insurance obligations over their lifetime. Accordingly, the Group makes use of method number 2 of EIOPA's Guidelines on the valuation of technical provisions EIOPA-BoS-14/166 SV for the trend in the solvency capital requirement.

Technical provisions gross before ceded reinsurance on 31 December 2021 by insurance company in the group are presented in the table D2(1). The reinsurers' portion of technical provisions is presented in section D.2.4, which can also be used to obtain the net technical provisions after ceded reinsurance.

Table D2(1): Technical provisions gross before ceded reinsurance, 31 Dec 2021

Operations (TSEK)	Gross best estimate	Risk margin	Technical provisions, gross
Länsförsäkringar AB	11,969,425	148,044	12,117,469
Agria	707,671	45,034	752,705
Länsförsäkringar Grupplív	37,752	4,951	42,703
Länsförsäkringar Fondliv	204,624,322	4,194,905	208,819,227
Länsförsäkringar Liv	75,172,262	2,777,121	77,949,383
Total	**292,511,432**	**7,170,055**	**299,681,487**

Material changes in valuation principles compared with preceding reporting period

The main reason for the changes in the technical provisions during the year are premium payments, claims payments and changes in value of unit-linked insurance.

D.2.2 Valuation principles in the solvency calculation of various business lines compared with the financial statements

In the financial statements, technical provisions are valued in accordance with the Annual Accounts Act for Insurance Companies (ÅRFL) and Finansinspektionen's regulations and general guidelines. For information about the material differences between the rules, methods and assumptions applied to valuations for solvency purposes and those used in the financial statements, refer to section D.2.2 of Agria's Solvency and Financial Condition Report, which follows the group-level report.

D.2.3 Material differences between the group's valuation principles and those used by its subsidiaries

There are no material differences between valuation principles used at group level and the valuation principles used by the group's subsidiaries in valuations for solvency purposes.

D.2.4 Other information about technical provisions

Other information about technical provisions

Länsförsäkringar AB and its insurance subsidiaries do not apply the matching adjustment, volatility adjustment or the transitional measures for the risk-free interest rate term structure or the transitional measures for calculating technical provisions.

Recoverables from reinsurance contracts and special purpose vehicles

The reinsurers' portion of technical provisions, specified by insurance company in the group, is presented below. For more information about the reinsurers' portion of technical provisions, refer to section D.2.3 of Agria's Solvency and Financial Condition Report.

Table D2(2): Reinsurers' portion of technical provisions

Operations (TSEK)	31 Dec 2021
Länsförsäkringar AB	8,798,282
Agria	26,084
Länsförsäkringar Grupplív	-56
Länsförsäkringar Fondliv	58,252
Länsförsäkringar Liv	0
Total	**8,882,562**

D.3 Other liabilities

D.3.1 Valuation of other liabilities

In accordance with QRT s.02.01 (refer to Appendix 1), the following table shows the material liability items, excluding technical provisions, on 31 December 2021 for the group with carrying amounts for the financial statements supplemented with reclassifications and Solvency II amounts.[6]

Table: D3(1): Other liabilities, 31 Dec 2021

Other liabilities (TSEK)	Financial statements	Revaluation	Solvency II amount
Contingent liabilities	0	139,800	139,800
Deferred tax liabilities	1,309	242,729	244,038
Derivatives	82,773	-	82,773
Other financial liabilities than due to credit institutions	1,278,473	-	1,278,473
Insurance liabilities and liabilities to brokers	1,245,395	-200,291	1,045,104
Reinsurance liabilities	413,272	-379,173	34,099
Liabilities (operations, not insurance)	996,487	-	996,487
Other liability items	1,856,393	-840,168	1,016,225
Total other liabilities	**5,874,102**	**-1,037,103**	**4,836,999**

D.3.2 Valuation principles in the solvency calculation of various liability items compared with the financial statements

This section addresses the valuation principles, methods and main assumptions used to value the Group's material liability items under the Solvency II rules. It also describes, where applicable, how such valuations differ from valuations in the financial statements.

Deferred tax liabilities

Deferred tax is calculated for temporary differences between carrying amounts and tax bases of assets and liabilities. The revaluation between the financial statements and Solvency II now also entails a calculation of deferred tax liabilities for applicable items. The item deferred tax liabilities is recognised net against estimated deferred tax assets. Deferred taxes are recognised and valued in relation to all assets and liabilities, including technical provisions recognised for solvency purposes. In addition, deferred tax assets are assigned a positive value only if it is likely that taxable surpluses will be available against which to utilise the deferred tax assets. This corresponds to the valuation of deferred tax in the financial statements.

The differences between the financial statements and Solvency II are attributable to deferred tax on the revaluation amounts and certain untaxed reserves, and that deferred tax liabilities were recognised net against deferred tax assets in Solvency II. In terms of valuation, there is no difference between the financial statements and Solvency II, except for the revaluation amounts under Solvency II.

[6] In the balance sheet, amounts are recognised according to IFRS but classified according to the Solvency II rules in the "financial statements" column.

Table D3(2): Deferred tax liabilities, 31 Dec 2021

TSEK	Financial statements	Revaluation	Solvency II amount	Date of maturity
Non-deductible pension costs	-10,339	-	-10,339	
Loss carryforwards	-3,463	-	-3,463	
Tax allocation reserve:				
– Reserve for 2016	-	15,623	15,623	31/12/2022
– Reserve for 2017	-	14,419	14,419	31/12/2023
– Reserve for 2018	-	10,019	10,019	31/12/2024
– Reserve for 2019	-	11,128	11,128	31/12/2025
– Reserve for 2020	-	13,467	13,467	31/12/2026
– Reserve for 2021	-	23,072	23,072	31/12/2027
Equalisation reserve	-	7,250	7,250	
Revaluation of intangible assets	-	-76,640	-76,640	
Revaluation DAC	-	-60,425	-60,425	31/12/2022
Revaluation technical provisions, net	-	298,618	298,618	
Other temporary differences	1,309	-	1,309	
Deferred tax assets (-)/liabilities (+)	**-12,493**	**256,531**	**244,038**	

Derivatives

Refer to section *D.1.2 Investments.*

Other financial liabilities than due to credit institutions

Other financial liabilities than due to credit institutions refer to lease liabilities according to IFRS 16 whereby all leases (with certain exemptions) are recognised as a right-of-use asset together with a lease liability for the right to use an underlying asset. There are no differences in bases for calculation and assumptions between the financial statements and Solvency II for the group. The Parent Company and subsidiaries apply legally restricted IFRS and therefore the right-of-use assets according to IFRS 16 are not included in the financial reporting of each company, which differs compared with the group.

Liabilities to insurance companies and brokers

This item comprises liabilities to insurance companies and brokers. The financial reporting includes all insurance liabilities, but Solvency II includes only the amounts fallen due for payment that are not technical provisions. The insurance liabilities that have not fallen due are included in Solvency II when measuring the technical provisions (refer also to section D.2).

Reinsurance liabilities

The financial reporting includes all reinsurance liabilities, but Solvency II includes only the amounts fallen due for payment that are not included in receivables according to the reinsurance contract. The reinsurance liabilities that have not fallen due are included in Solvency II when measuring the technical provisions (refer also to section D.2).

Liabilities (operations, not insurance)

Liabilities (operations, not insurance) comprises liabilities that are not to insurance companies and brokers, such as VAT liabilities, tax liabilities, certain current accounts, other financial liabilities, etc. There are no differences in bases for calculation and assumptions between the financial statements and Solvency II.

Other liability items

Other liability items refer to such items as other provisions, pensions and similar commitments, deposits from reinsurers, liabilities (operations, not insurance) and accrued expenses and deferred income. No special calculation methods were used for the items encompassed by Other liabilities. Accrued expenses and deferred income include advance premiums. The bases of calculation and assumptions according to the financial statements are accrued expenses and deferred income, and differ from the valuation according to Solvency II for which the premium receivable encompasses only past due receivables meaning that deferred premiums earned under Solvency II are included in the technical provisions. For the other items, there are no differences in bases for calculation and assumptions between the financial statements and Solvency II.

D.3.3 Material differences between the group's valuation principles and those used by the insurance parent company and its subsidiaries

There are no material differences between valuation principles used at group level and the valuation principles used by the group's insurance parent company or insurance subsidiaries in valuations for solvency purposes.

D.3.4 Other information about other liabilities

Assumptions and judgements, including those about future and other significant sources of estimation uncertainty
Regarding assumptions and judgements, including those about future and other significant sources of estimation uncertainty, refer to section D.1.4 above.

Leases and pension provisions
The insurance group is a lessor and to a slight extent also lessee in the form of external lease contracts classified as operating lease and where expenses are recognised as rents.

The group has a number of defined-benefit pension plans that mainly encompass employees who have already reached retirement age. These plans cover old-age pensions and in some cases also survivor's pension. The pension amounts are paid in relation to the final salary level when the employee retires and in the majority of cases are life annuities. In the event that upward adjustment of the pension has been agreed, the group follows the norms applied by the Insurance Industry's Pension Fund (FPK).

The pension provision, except for early retirement, on 31 December 2021 amounts to TSEK 49,312.

Defined-contribution pension plans are plans according to which the company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions.

The pension agreement for the insurance industry, the FTP plan, through insurance with the FPK, is a multi-employer defined-benefit pension plan. FPK is unable to provide necessary information which is why the pension plans above are recognised as defined-contribution plans.

D.4 Alternative valuation methods

The default valuation method for solvency purposes under Solvency II is to value assets and liabilities at market value, meaning using quoted market prices for the same assets or liabilities. Where the use of listed prices in active markets for the same assets or liabilities is not possible, assets and liabilities using are to be valued using listed market prices in active markets for similar assets and liabilities with adjustments to reflect differences. If this option is not available, alternative valuation methods are to be used. Assets valued using alternative valuation methods are primarily illiquid assets such as unlisted shareholdings and properties.

For a number of balance-sheet items, alternative valuation methods are used in accordance with Article 10.5 of the Commission Delegated Regulation (EU) 2015/35.

An alternative valuation method is used for properties where a combination of the market approach and the income approach is applied. Refer also to section *D.1.2. Property, machinery and equipment for own use.*

An alternative valuation method is applied to unlisted shares. These are mostly valued at amortised cost. Refer also to section *D.1.2. Investments.*

An alternative valuation method is applied to certain bonds. Refer also to section *D.1.2. Investments.*

D.5 Other information

Material information about the valuation of the assets and liabilities for solvency purposes is presented in the commentary on each balance-sheet item and in the section on uncertainties.

E. Capital management (financing)

The Länsförsäkringar AB Group's own funds at group level amounted to TSEK 65,203,017 at year-end and comprises Tier 1 capital. The capital requirement amounted to TSEK 45,368,491, resulting in a healthy margin compared with the regulatory requirement and surplus capital of TSEK 19,834,526 at year-end. Surplus capital increased by TSEK 1,609,044 year-on-year.

Own funds strengthened by TSEK 7,791,481 during the year. The increase was mainly due to a change in the revaluation of technical provisions, primarily attributable to Länsförsäkringar Fondliv. The capital requirement increased TSEK 6,182,437, mainly due to a higher capital requirement for Länsförsäkringar Liv.

Since Länsförsäkringar Liv is conducted in a mutual form, no more of its own funds can be included at group level than the amount corresponding to the company's solvency capital requirement, which was TSEK 17,919,223 at year-end. Länsförsäkringar Liv's surplus capital, amounting to TSEK 21,315,163 at year-end, is thus not included in the surplus calculated according to the regulatory requirements at group level.

E.1 Own funds

E.1.1 Management of own funds: Targets, governance and processes

The Länsförsäkringar AB Group applies Group-wide Guidelines for Financial and Capital Management and Control for ORSAs. The ORSA process is described in section *B.3.2. Own Risk and Solvency Assessment (ORSA).* Governance documents in these areas apply jointly for Group companies, after adoption by the Board of the Parent Company and subsidiaries.

The business activities of the companies consolidated in the Länsförsäkringar AB Group are conducted for profit-making purposes to enable Länsförsäkringar AB to pay returns through value growth and dividends to the owners. All capital that is not required for operations that the Group is commissioned to conduct by the regional insurance companies is to be paid as a dividend over time, on the condition that a credit rating of A for the Group's credit-rated units can be justified. Länsförsäkringar Liv is a subsidiary that is operated according to mutual principles and is not consolidated in the Länsförsäkringar AB Group. For this reason, specific considerations apply to capital management for this company.

Quantitative capital targets are set at both Group level and for each legal entity. These capital targets are decided every year by each Board and the Board of Länsförsäkringar AB. As a rule, a target for the solvency ratio is set for the Group's insurance companies as well as a limit for the minimum level of acceptable capitalisation. The limit for the minimum level of acceptable capitalisation clearly exceeds the regulatory requirement of 100%. The solvency ratio refers to own funds divided by the solvency capital requirement. A capital target at a specific level is also set at Group level that is supplemented with a limit for the minimum level of acceptable capitalisation. The target level and the limit for the minimum level of acceptable capitalisation at Group level are also based on the contributions to own funds and capital requirements made by the operations in Länsförsäkringar Bank and its subsidiaries.

The Group's capital planning is conducted annually and is integrated into the business planning. These plans include the current year and three years in the future, and are prepared during the autumn. The process analyses the level of the capital requirement and the access to capital based on sales and profitability forecasts.

The purpose of the Group's capital planning is to ensure that own funds are sufficient for bearing the risks associated with realising the business plan in every subsidiary and at Group level. The analysis is based on the business plan activities and its base scenario, but also includes a demanding but realistic negative scenario and stress tests. The capital position of the entire Länsförsäkringar AB Group can be highlighted by performing analyses of shared scenarios and stress tests. In addition, unit-specific stress tests are performed in the Group's insurance companies and in the banking operations to provide supplementary data on the capital position of each company. The analysis is to be performed in such a manner that the Board and management of each subsidiary – and for the Group, the Board of the Parent Company – gain greater joint understanding of issues relating to capital structure, capital requirement and business contingency to reduce risks and acquire new capital.

Capital planning results in, for example, forecasts for the income statement and balance sheets at Group and subsidiary level, and the capital position in relation to regulatory requirements. The process also creates a plan for dividends and contributions within the Group, and a plan for capital transactions between the Parent Company and its owners and issues of capital instruments to external investors.

After the capital planning has been documented and adopted by each subsidiary Board for its company, and the Parent Company's Board for the Group, the plans are regularly monitored throughout the year in quarterly reports. The plans are continuously updated during the fiscal year as required.

E.1.2 Composition of own funds

Own funds comprise Tier 1 capital and ancillary own funds. Own funds in the companies encompassed by this report and own funds at group level solely comprise Tier 1 capital.

The items in own funds are divided into three tiers depending on the characteristics of each items in terms of their availability for loss absorption ("permanent availability"), the degree to which the items have a lower right to payment than other liabilities ("subordination") and the long-term nature of the items ("sufficient duration"). The group's entire Tier 1 capital less deductions refers to Tier 1, the highest tier. At group level, Tier 1 instruments and subordinated debt issued by Länsförsäkringar Bank are included as own fund items classified as Tier 1 and Tier 2, respectively. These are included in own funds from other financial sectors.

Tier 1 instruments are classified as "restricted Tier 1" that may amount to a maximum of 20% of the total own fund items in Tier 1.

Länsförsäkringar Fondliv and Länsförsäkringar Liv have reported that the regulations introduced through the EU's Solvency II Directive are applied to the entire operations. The transitional measures for occupational pension operations are thus not applied.

Own funds at group level increased during the reporting period by TSEK 7,791,481 to TSEK 65,203,017. The increase was mainly due to a change in the revaluation of technical provisions that strengthened own funds by TSEK 3,561,902, primarily attributable to Länsförsäkringar Fondliv. Eligible own funds from Länsförsäkringar Liv increased TSEK 3,280,337 and own funds attributable to Länsförsäkringar Bank and its subsidiaries increased TSEK 1,670,617 during the year. The proposed dividend from the Parent Company increased TSEK 1,052,883 from last year, which negatively affects own funds.

During the year, ordinary share capital and the share premium reserve for ordinary share capital reduced due to the merger. However, this did not lead to any change in the group's total own funds since the reconciliation reserve increased in a corresponding amount.

For further information on own funds at group level and its composition including the composition of the reconciliation reserve at the end of the reporting period, refer to QRT s.23.01 in Appendix 1.

Table E1(1): Composition of own funds

Länsförsäkringar AB and its subsidiaries, group level (TSEK)	**31 Dec 2021**	**31 Dec 2020**
Ordinary share capital	200,000	1,042,459
Share premium reserve for ordinary share capital	0	5,483,958
Reconciliation reserve	42,795,539	33,762,589
Tier 1 capital before deductions	**42,995,539**	**40,289,006**
Deductions for participations in related credit institutions	-18,619,728	-18,761,921
Deductions for participations in Länsförsäkringar Liv	-8,199	0
Total Tier 1 capital less deductions (Tier 1 unrestricted)	**24,367,612**	**21,527,085**
Total own funds from other financial sector (related credit institutions)	22,916,182	21,245,565
- of which tier 1 unrestricted	*18,126,228*	*16,455,909*
- of which tier 1 restricted	*2,200,000*	*2,200,000*
- of which tier 2	*2,589,954*	*2,589,656*
Eligible own funds from Länsförsäkringar Liv (tier 1 unrestricted)	17,919,223	14,638,886
Own funds to cover solvency capital requirement at group level	**65,203,017**	**57,411,536**

Description of individual sub-items in own funds

Ordinary share capital

Paid-in share capital according to Parent Company balance sheet.

Share premium reserve for ordinary share capital

Share premiums paid in connection with issues of share capital in the Parent Company. There is no share premium reserve after the merger.

Reconciliation reserve

The Group's equity excluding ordinary share capital and any share premium reserve, Solvency II revaluations of assets and liabilities, the tax portion of parts of untaxed reserves in consolidated insurance companies, and deductions for the Parent Company's proposed dividends.

Deductions for participations in related credit institutions
Deductions are to be made in own funds for the carrying amount of participations in related credit institutions according to the Solvency II balance sheet. The deduction refers to the wholly owned subsidiary Länsförsäkringar Bank AB.

Deductions for participations in Länsförsäkringar Liv
Deductions are to be made in own funds for the carrying amount of participations included by using D&A when a combination of methods is used according to the Solvency II balance sheet. The deduction refers to the wholly owned subsidiary Länsförsäkringar Liv which is operated according to mutual principles.

Total own funds from other financial sector (related credit institutions)
Related credit institutions' total own funds at Group level, calculated according to the capital adequacy rules.

Eligible own funds from Länsförsäkringar Liv
Since Länsförsäkringar Liv is operated in accordance with mutual principles, only the portion of own funds that correspond to the amount of the company's capital requirement may be included in the Group's own funds.

Reconciliation reserve
The reconciliation reserve primarily comprises the effects from the revaluation of assets and liabilities, retained earnings and other capital items that are not specified on a separate line. The composition of the reconciliation reserve is presented in the table below. Refer also to QRT s.23.01 in Appendix 1. For a specification of the items encompassed by *Revaluation of items from the financial statements to the Solvency II balance sheet*, refer to table E1(3) which presents a bridge from recognised equity to own funds.

The largest item regarding the revaluation of items from the financial statements to the Solvency II balance sheet is the revaluation of technical provisions.

Table E1(3) in section *E.1.4. Bridge from recognised equity to own funds* shows to adjustments made on 31 December 2021 from recognised equity in the consolidated balance sheet to calculate the group's own funds.

Table E1(2): Specification of composition of reconciliation reserve at group level

Länsförsäkringar AB and its subsidiaries, group level (TSEK)	**31 Dec 2021**	**31 Dec 2020**
Other equity than ordinary share capital and share premium reserve	21,063,134	14,351,967
Untaxed reserves	2,049,314	2,012,072
Revaluation of items from the financial statements to the Solvency II balance sheet	21,434,421	18,096,997
Expected dividends	-1,751,330	-698,447
Total reconciliation reserve	**42,795,539**	**33,762,589**

E.1.3 Own funds to cover solvency capital requirement and minimum capital requirement
The items that may comprise own funds to cover the solvency capital requirement are primarily the same as those to cover the minimum capital requirement (the minimum capital requirement only applies to legal entities, not at group level). The differences take the form of stricter rules on the tier classification of the items for covering the minimum capital requirement. Own fund items in Tier 3 are not permitted to be used at all for covering the minimum capital requirement, and a smaller portion of Tier 2 own fund items may be used for covering the minimum capital requirement compared with the portion of own fund items permitted for covering the solvency capital requirement.

As stated in the preceding section, the group level has two items that are classified as restricted Tier 1 and Tier 2. However, these items are not of such a high amount that they infringe the limitation rules established for how items may be included in own funds to cover the capital requirement. Accordingly, the own fund items that exist may be included in the group's own funds in their entirety to cover the solvency capital requirement. Own funds at group level on 31 December 2021 amounted to TSEK 65,203,017, as stated in the preceding section.

E.1.4 Bridge from recognised equity to own funds
The following table presents a bridge from recognised equity to own funds at group level. More detailed explanations on the rules for items revalued from the financial statements to the Solvency II balance sheet according to the table below are presented in sections D.1.2 and D.3.2.

Goodwill, intangible assets and deferred acquisition costs are not assigned a value in the Solvency II balance sheet under the solvency rules, which is why the revaluation had a negative impact on own funds.

Technical provisions are revalued in accordance with the solvency rules. The largest item refers to the unit-linked insurance operations in Länsförsäkringar Fondliv. The valuation of technical provisions in accordance with the solvency rules is described in section D.2.

Own funds in Länsförsäkringar Bank and its subsidiaries are included in the group's own funds by applying the rules on own funds in the banking sector. This results in an add-on to own funds for the banking operations according to the sector's rules and adjustments to eliminate the portion of the Group's equity that is attributable to the banking operations. Länsförsäkringar Bank's own funds includes subordinated debt.

Länsförsäkringar Liv is included at group level by applying the deduction and aggregation method. Since Länsförsäkringar Liv is conducted in a mutual form, no more of its own funds can be included than the amount corresponding to its solvency capital requirement.

Table E1(3): Bridge from recognised equity to own funds

Länsförsäkringar AB and its subsidiaries, group level (TSEK)	31 Dec 2021	31 Dec 2020
Equity according to statutory accounts	35,386,739	33,051,322
Subordinated debt	2,589,954	2,589,656
Revaluation of goodwill	-633,978	-618,360
Revaluation of intangible assets	-3,651,503	-3,982,091
Revaluation of deferred acquisition costs	-2,531,187	-1,826,095
Revaluation of technical provisions	18,320,712	14,758,810
Revaluation of deferred tax	188,708	294,503
Contingent liabilities	-139,800	-150,100
Other items	-494,521	-646,548
Deductions for proposed dividends	-1,751,330	-698,447
Eligible own funds from Länsförsäkringar Liv	17,919,223	14,638,886
Total own funds	**65,203,017**	**57,411,536**

E.1.5 Specific information about own funds at group level

Method for calculating own funds at group level

Own funds at group level are calculated, with the exceptions listed below, by applying the consolidation method stipulated in the IBA and the Commission Delegated Regulation (EU) 2015/35. Länsförsäkringar AB and the Group's profit-distributing insurance companies are consolidated. Own funds for Länsförsäkringar Bank and its subsidiaries are included in accordance with the banking sector rules. Länsförsäkringar Liv is included by utilising the deduction and aggregation method in accordance with the permit received from Finansinspektionen.

Own fund items at group level are issued by Länsförsäkringar Bank

Länsförsäkringar Bank has issued Tier 1 instruments and subordinated debt. These are included in Länsförsäkringar Bank's own funds, according to the banking sector rules, as follows: Länsförsäkringar Bank's Tier 1 instruments and subordinated debt were classified as restricted Tier 1 and Tier 2, respectively, when included in the group's own funds.

Table E1(4): Länsförsäkringar Bank Tier 1 capital and subordinated debt, 31 Dec 2021

Type of instrument (TSEK)	Amount	Classification according to banking sector rules
Tier 1 instruments	2,200,000	Tier 1 capital (AT1)
Subordinated debt	2,589,954	Tier 2 capital (T2)

Calculating the Group's own funds taking into account internal transactions

All internal items that impact own funds were eliminated in the calculation of own funds for Länsförsäkringar AB and its subsidiaries at group level.

Limitations on transferability and capacity to absorb losses

The contingency reserve in Agria has been deemed to be an own funds item that is not available to absorb losses in other parts of the Länsförsäkringar AB Group. Accordingly, it has been included in own funds at group level only to the extent that the contingency reserve corresponds to that company's share of the solvency capital requirement for the insurance operations at group level excluding Länsförsäkringar Liv. On 31 December 2021, Agria's share of the solvency capital requirement was higher than its contingency reserve, which is why no deductions were made from group own funds. There are not deemed to be any own fund items in the other companies in the Länsförsäkringar AB Group for which the consolidation method is applied that are of such a nature that they are to be included in the group's own funds at only the corresponding company's share of the group's solvency capital requirement.

Since Länsförsäkringar Liv is operated in mutual form, no more of its own funds may be included in the Länsförsäkringar AB Group's own funds than the amount corresponding to Länsförsäkringar Liv's solvency capital requirement.

E.1.6 Other information about own funds

None of the companies encompassed by this report make use of any of the transitional measures for including certain instruments in own funds. Such options refer to instruments that are not otherwise approved under current regulations but that were approved own funds instruments under the previous rules.

The option of including a type of ancillary own funds in own funds is also not used.

None of the companies have any ring-fenced funds or use matching adjustment that would give rise to a deduction from own funds.

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Amount of solvency capital requirement and minimum capital requirement

The following table shows the amount of the solvency and, where applicable, the minimum capital requirement as a total and per company included in the Länsförsäkringar AB Group on 31 December 2021 and 2020. Länsförsäkringar Liv is conducted in mutual form, which is why its capital requirement is added using the deduction and aggregation method. The minimum capital requirement for Länsförsäkringar Liv is reported for information purposes but is not included in the calculation of the floor for the Group's consolidated solvency capital requirement (refer to section E.4.8).

Table E2(1): Solvency capital requirement and minimum capital requirement

	2021		2020	
TSEK	**Solvency capital req.**	**Minimum capital req.**	**Solvency capital req.**	**Minimum capital req.**
Parent Company Länsförsäkringar AB	13,499,048	3,374,762	1,943,643	874,639
Gamla Länsförsäkringar AB	-	-	153,727	-
Group-eliminations – insurance	-11,851,946	-	-979,985	-
Länsförsäkringar Fondliv	12,067,262	3,016,816	9,866,241	2,466,560
Agria	941,629	423,733	918,216	406,626
Länsförsäkringar Grupprliv	68,569	36,766	61,769	38,351
Diversification	-1,225,515	-	-733,833	-
Länsförsäkringar Liv*	17,919,223	4,479,806	14,638,886	3,659,722
Total capital requirement insurance	**31,418,270**	**6,852,077**	**25,868,664**	**3,786,176**
Länsförsäkringar Bank Group**	**13,950,221**	**-**	**13,317,389**	**-**
Capital requirement Länsförsäkringar AB Group at group level	**45,368,491**	**-**	**39,186,054**	**-**

* Länsförsäkringar Liv is conducted in mutual form, which is why its capital requirement is added by using the deduction and aggregation method (method 2).

** Capital requirement according to sector rules for banking operations.

According to QRT s.25.02 (refer to Appendix 1), the table below shows the Länsförsäkringar AB Group's solvency capital requirement specified by risk category according to Länsförsäkringar AB's partial internal model and the capital requirement for the Länsförsäkringar Bank Group according to the banking sector rules as well as the solvency capital requirement for Länsförsäkringar Liv which is operated according to mutual principles and is thus included by applying the deduction and aggregation method.

The various risk categories are described in more detail in section C. The partial internal model is described in section E.4.

Table E2(2): Capital requirement decomposition – regulatory capital requirements per risk category including Länsförsäkringar Bank and Länsförsäkringar Liv

Solvency capital requirement (TSEK)	2021	2020
Life-assurance risk	6,098,694	4,859,208
Health-insurance risk	491,854	454,758
Non-life insurance risk	1,026,555	973,292
Market risk	9,703,327	8,256,122
Counterparty risk	255,004	273,382
Operational risk	605,783	443,631
Risk absorption in deferred tax	-278,831	-267,555
Diversification	-4,403,337	-3,763,059
Capital requirement Länsförsäkringar Bank	13,950,221	13,317,389
Capital requirement Länsförsäkringar Liv	17,919,223	14,638,886
Capital requirement Länsförsäkringar AB group	**45,368,491**	**39,186,054**

E.2.2 Reason for use of simplified calculations
None of the companies in the Länsförsäkringar AB Group use any such simplification in its calculation of solvency capital requirements that are permitted under certain conditions in accordance with European Commission Delegated Regulation (EU) 2015/35. No such simplified calculations are used at group level.

E.2.3 Reason for use of undertaking-specific parameters
None of the companies in the Länsförsäkringar AB Group use undertaking-specific parameters for calculating the solvency capital requirement for insurance risk. No such undertaking-specific parameters are used at group level.

E.2.4 Capital add-on
Finansinspektionen has not decided on any capital add-on for any of the companies. Finansinspektionen has also not decided on any capital add-on at group level.

E.2.5 Data used for calculating minimum capital requirement
The minimum capital requirement for the Länsförsäkringar AB Group's insurance companies at solo level is calculated by taking into account technical provisions, premium income, positive risk amounts, deferred taxes, administrative costs, ceded reinsurance and the solvency capital requirement. The minimum capital requirement is stated in table E2(1) above.

The calculation of the floor for the Group's consolidated solvency capital requirement calculated according to method 1 is described in section E.4 below.

E.2.6 Material changes to capital requirements during the reporting period
The Länsförsäkringar AB Group's capital requirement did not change materially during the reporting period, which can be seen in table E2(2) above. During the year, an application was submitted to and approval granted from Finansinspektionen to adapt Länsförsäkringar AB's partial internal model for calculating the capital requirement for the merger between Länsförsäkringar Sak AB and Gamla Länsförsäkringar AB.

E.3 Use of duration-based equity risk in calculation of solvency capital requirement
An insurance company that underwrites pension insurance in accordance with the Swedish Income Tax Act has the option to apply to use a duration-based method for calculating the solvency capital requirement for equity risk. None of the companies encompassed by this report have applied to use such a method.

E.4 Partial internal model in calculation of solvency capital requirement

E.4.1 Area of application for internal model

Länsförsäkringar AB's partial internal model is an integrated part of the company's risk management and business governance system. The model is used to calculate the solvency capital requirement according to the rules for insurance companies and the rules for financial conglomerates. The model is used to govern risk-taking, for example, by setting limits, as a basis for ALM analyses and portfolio structure and for effect analyses under the framework of the Group's approval process, for example, in connection with procuring reinsurance cover.

The model is also an important to tool in the ORSA process for stress tests and scenario analyses, etc. and for calculating whether the company's capital resources are sufficient for the future.

Furthermore, the model is used for risk reporting to management and the Board, including monitoring the risk profile, capital targets and limits.

E.4.2 Scope of the internal model

The partial internal model is used to calculate the solvency capital requirements in the Länsförsäkringar AB Group at group level and at solo level for Länsförsäkringar AB, Länsförsäkringar Fondliv, Agria and Länsförsäkringar Liv. For Länsförsäkringar Gruppliv, a standard formula is used at solo level, while the internal model is used for the calculation of the solvency capital requirement at group level for the Länsförsäkringar AB Group.

The following risk categories are calculated using the internal model:

- Market risks, excluding concentration risk which is modelled using the standard formula.
- Insurance risk (underwriting risk); premium and reserve risk (for both non-life insurance risk and health-insurance risk) and to a certain extent catastrophe risk in Länsförsäkringar AB and Agria.

Companies encompassed by the partial internal model used to calculate the solvency capital requirement at group level:

- Länsförsäkringar AB (publ)
    - Länsförsäkringar Fondliv Försäkrings AB (publ)
    - Försäkringsaktiebolaget Agria (publ)
    - Länsförsäkringar Grupplivförsäkrings AB
    - Länsförsäkringar Liv Försäkrings AB (publ)

At group level, the capital requirement is also included for Länsförsäkringar Bank Group, calculated in accordance with applicable capital requirement rules for banks and credit institutions.

Länsförsäkringar AB's partial internal model encompasses the capital requirement calculation for all risk modules defined in the standard formula of the Solvency II regulations. Risks not encompassed by the model, such as business risk and liquidity risk, are monitored following internally established policies.

E.4.3 Integration of the internal model with the standard formula

Capital requirements for risk categories calculated using the internal model are integrated with the capital requirements for risk categories using the standard formula by following the stipulated standard approaches.

E.4.4 Calculation methods of the internal model

The model for calculating solvency capital requirements for market risk comprise two main components: (i) an economic scenario generator that models such market risk factors are interest rates, share prices, credit spread, property prices and currencies, etc. and (ii) valuation techniques for assets and liabilities. The scenario generator was supplied by Moody's Analytics, a well-established global supplier of system support for financial companies. The valuation model for assets – Algorithmica Risk Management System from Algorithmica – is used by several large companies in the Swedish financial market.

The market risk factors are simulated in the economic scenario generator based on statistical probability distributions in a large number of realistic scenarios. The assets and liabilities are then valued on a one-year basis under the framework of each scenario in the valuation models. The solvency capital requirement can be seen in the forecast probability distribution created from the total result of all of the scenarios. The model for calculating the solvency capital requirement for market risk is calibrated to the shared underlying data for all companies in the Group.

The solvency capital requirement for counterparty risk is calculated using the framework of the standard formula. Counterparty risk is calculated for each counterparty and type of exposure based on credit quality, any collateral and calculated risk mitigating effect. The risk mitigating effect is calculated depending on how the market risk is calculated for the company in question; if the market risk is calculated using the internal model then the effect is calculated using the internal model, otherwise it is calculated using the standard formula (currently only Länsförsäkringar Grupppliv calculates market risk using the standard formula).

The model for calculating the solvency capital requirement for premium and reserve risk and catastrophe risk for non-life and health-insurance risks is based on the company's own claims history and internally produced expert judgements. One-year simulations create a forecast probability distribution from which the solvency capital requirement can be ascertained.

To calculate the capital requirement for catastrophe risks for internationally assumed reinsurance, an external model from Risk Management Solutions is used that simulates scenarios based on a selection of causes of claims, such as storms in Europe, hurricanes and earthquakes in North America and hurricanes and earthquakes in Japan. A distribution for each claim cause is produced based on the company's exposure in various geographic areas and the solvency capital requirement can be ascertained from this distribution.

E.4.5 Internal model versus standard formula: Most important differences in methods and assumptions

The differences between Länsförsäkringar AB's partial internal model and the standard formula derive from the risk modules that are modelled internally, meaning the market risk and the non-life insurance risk, and from the risk module for counterparty risk where the results of the internal models comprise the inputs for calculations using the standard formula.

The most important differences in the module for market risk compared with the standard formula are:

- The internal model is a simulation model that provides the entire probability distribution for the balance sheet's sensitivity to market risks as opposed to the standard formula, which is a factor model and only estimates the risk in the 99.5th percentile.
- The calculation in the internal model is regularly updated with a new calibration, meaning that the solvency capital requirement for market risk is adjusted by the market trend as opposed to the standard formula, which is static.
- The internal model contains significantly more risk factors than the standard formula and thus enables a more precise calculation of the solvency capital requirement that can be adapted to the company's investment assets.
- The dependence between various types of risk in market risks is modelled in the internal model, which means that these dependences are dynamic compared with the static dependences in the standard formula.

The most important differences in the module for non-life insurance risk compared with the standard formula are:

- The model for calculating the solvency capital requirement for premium and reserve risk and catastrophe risk for non-life and health-insurance risks is based on the company's own claims history and internally produced expert judgements.
- The model also models the dependence between various types of insurance risk, which means that these are dynamic compared with the static dependences in the standard formula.

The difference between the internal model and the standard formula for the counterparty risk module is that the risk mitigating effect from signed derivative contracts is calculated using the internal model and comprises inputs for the standard formula calculation of counterparty risk.

E.4.6 Risk measures and periods of the internal model

The internal model uses the same risk measures and periods that are used in the IBA to describe the minimum amount of capital that an insurance company must have. Accordingly, the measure states, with a probability of 99.5%, the amount of capital required for having sufficient assets for twelve months in order to cover the value of the commitments to policyholders and other parties eligible to receive payouts.

E.4.7 Data used in the internal model

Data is one of the most important business assets and risk models are entirely dependent on the quality of underlying data for providing correct results.

For market risks, important data for the calculations is the position data from the current asset portfolio and associated market data for valuing the portfolio, as well as the historical market data used to calibrate the probability distribution for all modelled risk factors.

For non-life insurance risk, critical data for the calculations is the data for calculating technical provisions, such as historical claims data, forecasts of volumes and claims costs and data for calibrating probability distribution.

Expert judgements and assumptions are also used in the internal model. Expert judgements are used as substitutes for data when data is unavailable or incomplete. The expert judgements used in Länsförsäkringar AB's partial internal model are updated every year and are also independently validated. Assumptions are largely the result of a modelling decision. Fundamental modelling decisions are made in accordance with internal policies.

Data, expert judgements, assumptions, the internal model and its integration with the standard formula are regularly validated. The management and application of the internal model in the operations are also included in the validation. Such validation is performed at least once a year by an external party. The assessment of the most recent validation is that the model as a whole is reliable.

E.4.8 Specific information about the capital requirement at group level

Sources of diversification at group level
The solvency capital requirement for Länsförsäkringar AB and its consolidated insurance subsidiaries is calculated by applying Länsförsäkringar AB's partial internal model for which the results of the internal model are integrated with the results calculated using the standard formula. The model takes account of diversification effects between the various classes of assets, the various types of insurance commitments and between liabilities and assets. Since the solvency capital requirement is calculated on consolidated data for assets and liabilities, a diversification effect also arises between the companies consolidated, meaning between Länsförsäkringar AB, Länsförsäkringar Fondliv, Agria and Länsförsäkringar Gruppliv.

The solvency capital requirement for Länsförsäkringar Liv is also calculated by applying the partial internal model, with the same diversification effects arising in the company. Länsförsäkringar Liv is operated according to mutual principles and is thus not consolidated. Instead, its solvency capital requirement is added by applying method 2 (deduction and aggregation method) for which no diversification effects arise.

The capital requirement for the Länsförsäkringar Bank Group is calculated under the sector rules for banking operations and is added to the consolidated solvency capital requirement by applying method 1 without any diversification effects.

Diversification effects in the calculation of the Länsförsäkringar AB Group's solvency capital requirement are stated in table E2(1) above.

The floor for the consolidated solvency capital requirement calculated according to method 1
The Länsförsäkringar AB Group's consolidated solvency capital requirement calculated according to method 1 comprises the Parent Company's, the consolidated insurance subsidiaries' and the Länsförsäkringar Bank Group's capital requirement and amounted to TSEK 27,449,268 on 31 December 2021.

Länsförsäkringar Liv is conducted in mutual form, which is why its capital requirement is added by using method 2 (deduction and aggregation method).

The floor for the Länsförsäkringar AB Group's consolidated solvency capital requirement comprises the total of the minimum capital requirements for the Parent Company and the consolidated insurance subsidiaries and amounted to TSEK 6,852,077 on 31 December 2021, as seen in table E2(1) above. The minimum capital requirement for Länsförsäkringar Liv is reported for information purposes but is not included in the calculation.

Difference between internal model at solo level and group level
Länsförsäkringar AB's partial internal model applies to all of the companies above that are encompassed by the model. The model is calibrated to the shared underlying data for all companies in the Group.

However, a difference between the application of the model at solo level and at group level is that the solvency capital requirement for Länsförsäkringar Gruppliv is calculated by applying an internal model to calculate the solvency capital requirement at group level for Länsförsäkringar AB, while the calculation of the solvency capital requirement for Länsförsäkringar Gruppliv at solo level uses the standard formula.

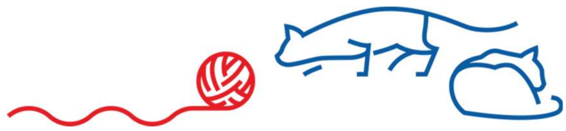
E.5 Infringements of minimum capital requirement and solvency capital requirement

Neither the minimum capital requirement nor the solvency capital requirement were breached by any of the Länsförsäkringar AB Group's insurance companies during the reporting period. Furthermore, no infringements took place at group level.

E.6 Other information

There is not deemed to be any other relevant information to be provided in this section on *Capital management* for either the insurance companies or at group level.

Agria Djurförsäkring



About Agria Djurförsäkring

Agria is a wholly owned subsidiary of Länsförsäkringar AB, which in turn is owned by 23 customer-owned regional insurance companies and 14 local insurance companies. Agria conducts operations in Sweden and has branches in Denmark, Finland, France, Norway, the UK and Germany. The subsidiary Agria Pet Insurance Ltd (API) also operates in the UK. Agria offers insurance cover for animals and crops to private individuals, the agricultural sector and other companies. Insurance cover comprises veterinary care insurance, life assurance and business interruption insurance. Agria also offers video calls with vets through the wholly owned subsidiary Agria Vet Guide AB.

Summary

Agria Djurförsäkring (referred to below as "Agria") is the Länsförsäkringar Alliance's specialist company for pet and crop insurance, and Länsförsäkringar's subsidiary brand. This specialisation involves a streamlined focus on and involvement with animals and their owners. In addition to Sweden, Agria conducts operations in Denmark, Finland, France, Norway, the UK and Germany through branch operations. Based on "freedom of service," Agria's subsidiary Agria Vet Guide also conducts digital vet consultations in Denmark, Finland and Norway.

The strong Agria brand is based on such factors as a deep commitment to animal health and research programmes. Agria also participates at various animal events in the form of competitions, exhibitions and clinics. Continuous dialogue is maintained with Agria's customers through partnerships with several animal-owner organisations, such as the Nordic kennel clubs and various pedigree clubs.

Agria's earnings are primarily driven by earnings from the non-life insurance operations, and partly from earnings in investment operations. The main stream of income in the non-life insurance operations is premiums earned. Costs in the insurance operations largely comprise claims payments. A small amount of costs is made up of operating expenses in the form of, for example, costs for insurance contracts, salaries for employees and costs for IT systems and development. Earnings from investment operations are, to a certain extent, sensitive to fluctuations in the financial markets, but a large percentage of investment assets are invested at low risk.

The technical result amounted to SEK 342 M (66). The increase in the result was due to continued strong growth and a stabilised claims-cost trend. Premiums earned after ceded reinsurance increased 18%. Volumes increased in all business lines, with growth both in the international and the Swedish operations. The claims ratio declined to 72% (76) and the expense ratio amounted to 21% (22).

Investments continue to be made in building up new markets. A new branch in Germany was launched in 2021, and the product offering was given a positive reception by animal owners. Agria is now represented in seven countries.

Technical result

SEK **342 M**

Own funds

SEK **1,962 M**

Capital requirement

SEK **942 M**

Solvency ratio

208%

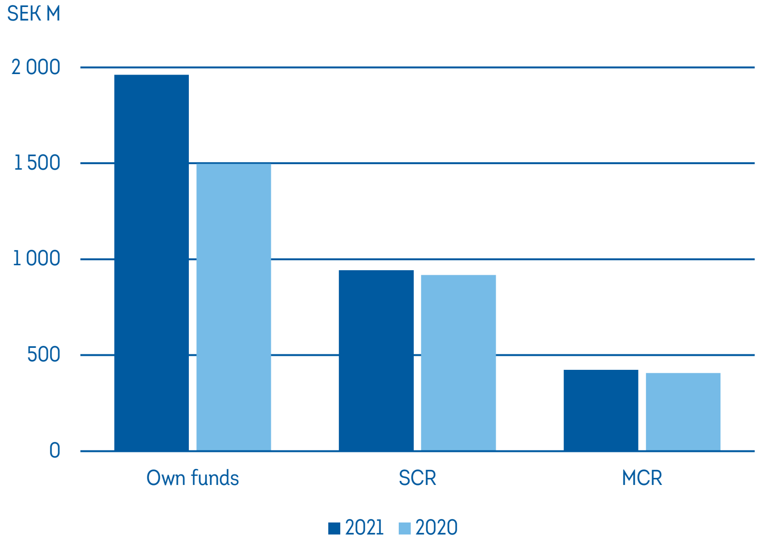
The total investment return on investment assets was 6.1% (1.0). The investment portfolio mainly consists of interest-bearing assets, and has a short duration. The fixed-income portfolio contributed a total of 0.2 of a percentage point (–0.1). Equities performed very well during the year, contributing 3.0 percentage points (0.5), as did properties, which contributed 2.6 percentage points (–0.1).

Agria has a healthy financial position. Financial strength is primarily measured by comparing the company's own funds with the solvency capital requirement. The comparison shows the company's ability to fulfil its commitments to policyholders and other creditors even when the company's financial position is very highly stressed. By law, own funds must be higher than the solvency capital requirement. Agria calculates its solvency capital requirement by using a partial internal model.

Agria's own funds at year-end amounted to SEK 1,962 M (1,497), comprised of capital of the highest quality. The solvency capital requirement amounted to SEK 942 M (918). This provides a solvency ratio (own funds divided by the solvency capital requirement) of 208% (163) at year-end, thus exceeding the statutory capital requirement.

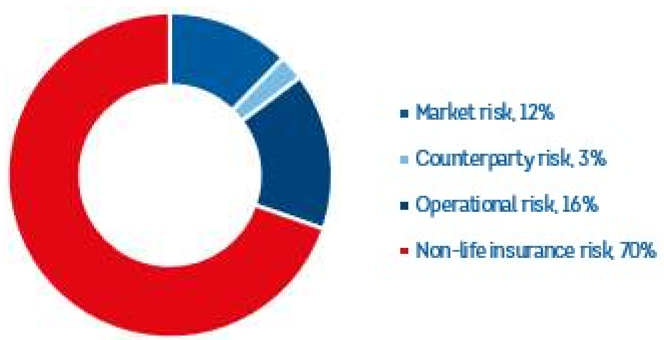
Legislation also contains a minimum capital requirement that is normally significantly lower than the solvency capital requirement. It means that significantly more severe consequences are imposed on the company if it were to contravene the minimum capital requirement compared with contravening the solvency capital requirement. Agria's minimum capital requirement amounted to SEK 424 M (407), which own funds cover by a very healthy margin.

Figure 1: Agria's own funds, solvency capital requirement (SCR) and minimum capital requirement (MCR)



The solvency capital requirement shows how much capital the company needs based on the risks in the company's business operations. The relative amount of the capital requirement for different types of risks makes up the company's risk profile. Agria's solvency capital requirement is based on the operations' exposure to non-life insurance risk, market risk, operational risk and counterparty risk.

Figure 2: Agria' risks by category, 31 Dec 2021



Non-life insurance risk represents Agria's largest risk and pertains to premium, reserve, catastrophe risk and cancellation risk. Non-life insurance risk comprises 70% of Agria's regulatory capital requirement and the company is specifically exposed to the risk of losses arising due to claims in the next year being larger than expected, known as premium risk. The reason for this is that the business has short settlement periods, meaning that the time from claim to final payout is short. Agria is also exposed to operational risk, for example, through the risk of cyber attacks, and market risk comprising the risk of losses due to changes in the value of assets in the financial markets.

In calculating the solvency capital requirement, the company's assets and liabilities are valued for solvency purposes, which differs from the financial statements. Under the Solvency II regulations, assets and liabilities are to be measured at market value, which entails that the company is to make certain revaluations. In Agria's case, the valuation resulted in a reduction in both the assets and liabilities. The revaluation of the technical provisions as per 31 December 2021 corresponded to SEK 2,215 M for both before and after ceded reinsurance. The technical provisions are measured gross at SEK 753 M and net at SEK 727 M in the Solvency II balance sheet.

Agria's Board assumes the ultimate responsibility for the organisation and management of the company. The Board appoints the President and CEO, adopts an appropriate operating organisation as well as the goals and strategies of the operations, and ensures that efficient systems are in place for internal control and risk management. The Board has established a Risk and Capital Committee, an Audit Committee and a Remuneration Committee. These Committees do not generally have any decision-making mandates, and instead support the Board and prepare decisions in their relevant areas.

A shared corporate-governance system, with an internal-governance and -control system that includes a risk-management system and regulatory compliance, has been established in the Länsförsäkringar AB Group. The risk-management system includes an Own Risk and Solvency Assessment (ORSA), the overall aim of which is to ensure that own funds are and remain sufficient for bearing the risks associated with realising the business plan. Internal control aims to ensure that the organisation is efficient and fit for its purpose, that operations are conducted in accordance with decided strategies in order to achieve established targets, that financial accounting and reporting are reliable, that information systems are managed and operated efficiently and that there is a strong capability to identity, measure, monitor and manage risks as well as full regulatory compliance. No material changes were made to the corporate governance system during the year.

Note to the reader

The information in this part of the Solvency and Financial Condition Report is specific to Agria. The information presented here provides more details on the group-level report. References to the group-level report are provided where relevant.

A. Operations and earnings

A description of Agria's operations and earnings is presented below. For additional information about the company's operations and earnings, refer to the corresponding section of the group-level report.

A.1 Operations

Significant business events during the reporting period

The changes that Agria made in 2020 due to the COVID-19 pandemic also applied in 2021. The majority of employees continued to work from home in 2021 with, at times, slightly more flexibility and some physical meetings. The trend in getting a pet or a horse persisted in 2021 as a result of many people spending more time at home, which led to greater loneliness. Agria's strong brand meant that the company was chosen by more people to be their animal insurer, and the results at year-end showed that the number of animals insured was once again at an all-time high and the portfolio was larger than ever before.

At the same time, the organisation succeeded in maintaining a high level of service and availability in all channels resulting in improved customer satisfaction. The pandemic also accelerated the changeover to digital channels for customer meetings. Sales, service and events largely moved over to digital channels, which resulted in Agria reaching even more animal owners.

Agria is also continuing to grow strongly in its international operations. The performance in all countries was positive with strong demand for pet insurance. Investments in digital channels have quickly contributed to robust growth. Market shares and customer awareness of the Agria brand increased in the UK. A new branch in Germany was successfully launched during the year, and the unique product offering was given a positive reception by animal owners. In the UK, Agria applied for a third-party branch, given that the UK has left the European Union. The company is continuously monitoring developments and successively taking the action necessary for this change, focusing on minimising impact on customers.

Agria has offered digital vet consultations in Sweden since autumn 2020 through its subsidiary Agria Vet Guide. Agria Vet Guide also launched digital vet consultations in Norway, Denmark and Finland in 2021. An increasing number of animal owners have discovered digital vet consultations, resulting in the number of app users doubling in 2021. The Swedish operations are driving developments and introduced, for example, a new platform for helping animal owners to book appointments at physical clinics and offer behaviour training for dogs and advice for dog breeders.

Part of the company's insurance premiums have been set aside for the Agria Research Fund every year since 1938. In 2021, the Agria Research Fund awarded more than SEK 10 M to help dogs, cats, horses and farm animals.

A.2 Technical result

Performance analysis
The technical result is presented so that it corresponds to the technical results of the non-life insurance operations in the annual report, which amounted to TSEK 342,497 (65,538).

Premiums earned after ceded reinsurance increased 18% to TSEK 4,891,162 M (4,143,376). Volumes increased in all business lines, with growth both in the international and the Swedish operations.

The UK and Norway stood out in particular, reporting strong technical results. Investments were made in digital channels during the year and the focus on increased customer loyalty contributed to customers increasingly choosing to renew their pet insurance. In Sweden, the strong trend of greater interest in pets continued, which is why sales increased for all types of animals during the year. The same applies to Horse & Agriculture, although the claims frequency and veterinary costs remain at high levels.

Investments continue to be made in building up new markets. A new branch in Germany was launched in 2021, and the product offering was given a positive reception by animal owners. Agria is now represented in seven countries.

Claims payments after ceded reinsurance amounted to TSEK 3,536,848 (3,162,899) and the claims ratio increased to 72% (76). Operating expenses increased to TSEK 1,012,347 (915,547) but the expense ratio fell 21% (22). The combined ratio amounted to 93% (98).

Refer also to the QRT form s.05.01 and s.05.02 in Appendix 1 for information about income and expenses per line of business in accordance with Solvency II and geographic area. The technical result for non-life insurance per insurance line by Performance analysis and geographic area is presented in the following tables.

Table A2(1): Technical result per insurance line

TSEK	2021	2020
Non-life insurance commitments		
Other property*	288,322	108,212
Direct insurance, foreign risks	54,175	-42,674
Total technical result, non-life insurance commitments	**342,497**	**65,538**

* Comprises pet and crop insurance

Table A2(2): Technical result per geographic area

TSEK	2021	2020
Home country (Sweden)	288,322	108,212
Denmark	-6,784	-13,730
Finland	-19,796	-23,766
Norway	53,849	7,390
France	-26,405	-26,667
UK*	61,429	14,098
Germany	-8,118	-
Total technical result	**342,497**	**65,538**
of which, investment income transferred from financial operations	35	96
Total technical result, non-life insurance commitments	**342,532**	**65,634**

* Refers only to branches, meaning excluding the subsidiary Agria Pet Insurance.

A.3 Earnings from investments

A.3.1 Income and expenses per class of asset

The investment return on investment assets was 6.1% (1.0).

The investment portfolio mainly consists of interest-bearing assets, and has a short duration. The fixed-income portfolio contributed a total of 0.2 of a percentage point (-0.1). Equities performed very well during the year, contributing 3.0 percentage points (0.5), as did properties, which contributed 2.6 percentage points (-0.1). The forest class of asset in alternative investments contributed 0.2 of percentage point (0.6).

Investment income recognised in profit or loss also includes expenses for asset management and other financial expenses that are not included in the recognised investment return ratio.

Table A3(1): Income and expenses per class of asset

Class of asset 2021 (TSEK)	Income	Expenses	Earnings
Shares and participations	133,616	0	133,616
Bonds and other interest-bearing securities, and bank balances	4,741	-9,894	-5,153
Derivatives	5,503	-1,606	3,897
Shares and participations in associated companies	338	0	338
Exchange-rate gains/losses, net	0	-12,706	-12,706
Asset management expenses (not included in return ratio)	0	-3,793	-3,793
Other financial expenses (not included in return ratio)	0	-932	-932
Total return according to income statement	**144,198**	**-28,931**	**115,267**

Class of asset 2020 (TSEK)	Income	Expenses	Earnings
Shares and participations	24,068	-603	23,465
Bonds and other interest-bearing securities, and bank balances	29,221	-7,348	21,873
Derivatives	2,950	-6,787	-3,837
Shares and participations in associated companies	338	0	338
Exchange-rate gains/losses, net	0	-4,576	-4,576
Asset management expenses (not included in return ratio)	0	-3,884	-3,884
Other financial expenses (not included in return ratio)	0	-1,052	-1,052
Total return according to income statement	**56,577**	**-24,250**	**32,327**

A.3.2 Gains and losses impacting equity

Income and expenses in branches of foreign operations are translated to SEK at the average exchange rate for the year. The loss on currency translations amounted to TSEK 2,300 (1,536) before tax and was recognised in other comprehensive income and accumulated in the revaluation reserve under non-restricted equity.

A.4 Earnings from other operations

There are no other material income or expenses to report.

A.5 Other information

Significant events after the end of the year

On 4 February 2022, Agria acquired the Irish company Capstone Financial Services Limited which provides pet insurance.

Following a period of geopolitical tension, Russia invaded Ukraine on 24 February 2022. Developments in the financial markets have had a moderate impact on Agria's capital position as per 25 March 2022. There is considerable uncertainty but Agria is monitoring developments. We currently predict only a limited decline in growth in Europe and an upturn in inflation driven by energy prices.

There is no other material information about the company's operations and earnings to report.

B. Corporate governance system

B.1 General information about the corporate governance system
General information about the corporate governance system is provided in the group-level report, section B.1.

B.2 Fit and proper requirements
Information about the fit and proper requirements is provided in the group-level report, section B.2.

B.3 Risk-management system including own risk and solvency assessment
Information about the risk-management system including own risk and solvency assessment is provided in the group-level report, section B.3.

B.4 Internal-control system
Information about the company's internal-control system is provided in the group-level report, section B.4.

B.5 Internal Audit
Information about the company's Internal Audit function is provided in the group-level report, section B.5.

B.6 Actuarial function
Information about the company's Actuarial function is provided in the group-level report, section B.6.

B.7 Outsourcing agreements

B.7.1 Governance documents for outsourcing agreements
A Group-wide policy has been adopted for the Länsförsäkringar AB Group regarding outsourced operations, refer to section B.7.1 in the group-level report.

With the framework of this policy, Agria's Board has adopted guidelines for outsourced activities that describe the company's implementation and management of outsourcing in more detail so as to ensure that the company fulfils its obligations under law and other regulations on outsourcing agreements and that the outsourced activities are performed efficiently. The guidelines describe Agria's process for outsourced operations from preparations ahead of outsourcing operations until the termination of the assignment, and stipulate the requirements on the company, the contractor and outsourcing agreement. More detailed instructions on governance and follow-ups of outsourced operations have been decided on by the President.

B.7.2 Outsourced operations of material significance
Agria has outsourced the following operations and functions of material significance.

Table B7(1): Outsourced operations of material significance, 31 Dec 2021	Jurisdiction of the contractor
Telephony platform and contact center and related services	Sweden
Accounting and Finance*	Sweden
Asset Management*	Sweden
Actuarial services*	Sweden
IT management and operations*	Sweden
Information and IT security*	Sweden
Sales and insurance administration and claims adjustment (UK branch) *	UK
IT management and operations, and information and IT security (UK branch) *	UK
Claims adjustment for liability insurance, liability claims (Danish branch)	Denmark
Claims adjustment for liability insurance, liability claims (Finnish branch)	Finland
Claims adjustment for liability insurance, liability claims (French branch)	France
Claims adjustment for liability insurance, liability claims (German branch)	Germany

* Outsourced to other companies in the Länsförsäkringar AB Group.

B.8 Other information

B.8.1 Description of the corporate governance system

The corporate governance system is considered to be effective and appropriate given the nature, scope and complexity of the risks inherent in the operation, and is thus deemed to ensure healthy and responsible governance and control of the company.

B.8.2 Other information

There is no other material information.

C. Risk profile

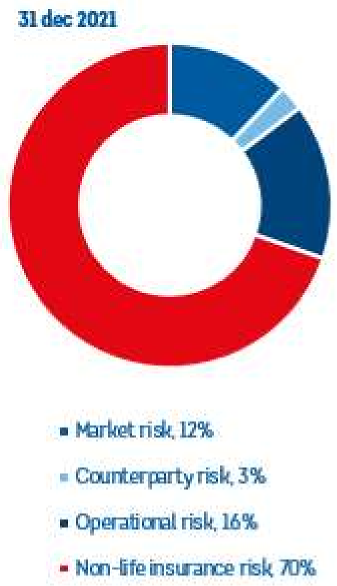
Agria is exposed to a variety of risks that impact the company's financial position, earnings and target fulfilment. The following describes Agria's operations and risk-taking:

- The company conducts non-life insurance operations, specifically pet and crop insurance
- Operations are conducted in Sweden, Denmark, Finland, France, Norway, the UK and Germany
- The company's products and services are targeted to private individuals and, to a lesser extent, to agricultural companies
- The business has reinsurance cover in the areas where it is deemed relevant
- The company is exposed to market risks through the management of investment assets

Agria's largest risk exposure to large claims is estimated to be commitments in crop insurance, farm animals insurance and horse insurance, which are limited with reinsurance cover.

The figure below illustrates the relative specification of Agria's regulatory capital requirement under the insurance rules calculated by applying Länsförsäkringar's partial internal model. The specification does not change compared with 2020 or 2021.

Figure C(1): Agria's regulatory capital requirement in accordance with Solvency II, including diversification under Länsförsäkringar's internal model



C.1 Underwriting risk[7]

C.1.1 Risk exposure

Agria's business comprises insurance for pets (dogs, cats and other pets), horses and livestock and crop insurance, and is conducted in Sweden, Denmark, Finland, France, Norway, the UK and Germany. From a non-life insurance perspective, the business has short settlement times, meaning that the time from claim to final payout is short. As a result, claims reserves at any given time are small in relation to the premium portfolio and reserve risk is relatively small. Instead, Agria's underwriting risk, referred to below as insurance risk, is dominated by premium risk. The company is also exposed to cancellation risk since expected profit included in future premiums for existing insurance contracts is part of the company's own funds.

A measure of the exposure to insurance risk is the present value of the expected future cash flows from all insurance contracts. The measure reflects the company's commitments to its customers and corresponds to the best estimate under the Solvency II regulations. Table C1(1) shows the consolidated best estimate for Agria's business areas. Data was collected from the company's insurance and claims system.

The change that results in the best estimate for non-life insurance risk declining is that the company expects a lower claims ratio than last year, thereby leading to a lower premium reserve.

[7] Underwriting risk is known internally in the Länsförsäkringar AB Group as Insurance risk.

Table C1(1): Exposure to insurance risk. The table shows the net best estimate, after ceded reinsurance

Business (TSEK)	31 Dec 2021	31 Dec 2020
Sweden	493,824	533,487
International	187,762	207,125
Total	**681,587**	**740,612**

C.1.2 Risk concentration

Concentration of risk (accumulation risk) could arise when the insurance business is not sufficiently diversified, leading to a single exposure, homogeneous group of exposures or a specific event threatening the solvency of the company or its financial position. Most business, measured in premium income, is conducted in Sweden. Business is growing in other countries in which Agria conducts operations and expansion to more counties is planned for the next few years. Agria's livestock and crop insurance business increases diversification since it has little covariance with other business lines. Sweden benefits from the fact that the country is sparsely populated and has a cold climate, which makes it difficult for infectious diseases in horses and livestock to spread. Close concentrations of sensitive stud farms for cattle, pigs and poultry are taken into consideration in insurance. The product range contains a number of different products, divided into several different animal types without any clear risk correlation. There is no covariance in the significance between life assurance and veterinary care or between types of animals.

The fact that a large share of the business is linked to Sweden is taken into consideration in calculations of capital requirements and stress tests in order to highlight the dependence on and importance of the business area for the company.

C.1.3 Risk-reduction techniques

Reinsurance

Agria's reinsurance cover comprises an important tool in providing protection from large individual claim incidents and high total claims costs in the more volatile businesses in the company. In addition to horse insurance, livestock and crop, Agria takes out reinsurance for dogs (liability) in foreign branches.

The programme provides cover for selected retention up to set limits. Discretionary reinsurance is purchased for insurance amounts exceeding the upper limits of the cover. In addition, the Board regulates the risk levels in the insurance policy by regulating the maximum risk exposure per claim incident and individual risk.

The company's Actuarial function makes an annual statement on the suitability of the reinsurance cover, for which comments are provided in the actuarial report to the Board. The Board decides on the retention and reinsurance conditions, etc., of ceded reinsurance at least once a year.

Other risk-reduction techniques

Other factors that affect risks are the product composition including diversification, structure of insurance terms and conditions, risk selection rules and risk inspections.

C.1.4 Risk sensitivity

The following table shows the sensitivity of Agria's own funds to changes claims frequency and claims inflation.

Table C1(2): Sensitivity analysis, insurance risk

Effect on own funds (TSEK)	2021	2020
10% increased claims frequency	-281,076	-248,376
1% higher claims inflation	-12,704	-10,532

C.1.5 Use of special purpose vehicles

Agria does not make use of special purpose vehicles in accordance with Article 211 of the Solvency II Directive.

C.2 Market risk

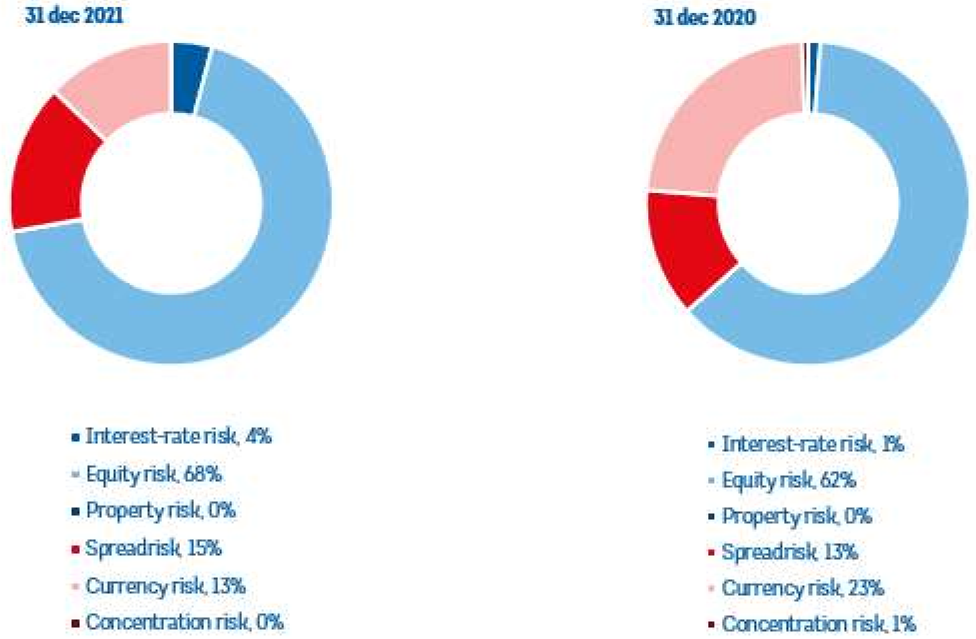
C.2.1 Risk exposure

Exposure to market risk is measured as the solvency capital requirement for net market risk in assets and liabilities including diversification effects.

Price information for valuation and information on credit quality has been obtained from several different accepted external sources. For liabilities, the exposure corresponds to the best estimate of liabilities to policyholders.

Market risk in the company primarily derives from investment assets and to a lesser extent from insurance liabilities. The main classes in the investment assets are interest-bearing instruments and equities. The interest-bearing asset portfolios include exposure to interest-rate risk from government bonds, sustainability-focused bonds and derivative instruments. Interest-rate exposure is also inherent in insurance liabilities by provisions being discounted, but is highly limited due to the short duration in the provisions. The company is exposed to share indexes in developed markets and the currency exposure that exists is due to insurance liabilities and investment assets in other currencies.

Figure C2(1): Solvency capital requirement for net market risk in assets and liabilities including diversification effects



The company's currency exposure is due to insurance liabilities and investment assets in other currencies, refer to table C2(1).

Table C2(1): Net exposure* by currency in SEK

Currency (TSEK)	31 Dec 2021	31 Dec 2020
GBP	194,179	348,892
USD	55,640	104,171
NOK	56,101	53,727
DKK	35,077	14,213
CHF	4,322	4,508
EUR	-21,549	-11,637
Other currencies	4,913	328
Total	**328,683**	**514,202**

* Net after taking into account derivatives, assets and liabilities.

Investments in accordance with the prudent person principle

Refer to section C.2.1 in the group-level report.

C.2.2 Risk concentration

Concentration risk pertains to the risk of the company's risk exposure not being sufficiently diversified and leading to a single exposure, homogeneous group of exposures or a specific market event threatening the solvency of Agria or its financial position.

Agria has exposure that in relation to the company's total volume generates solvency capital requirements for concentration risk since it exceeds the Solvency II threshold. This exposure is with Svenska Cellulosa aktiebolaget (publ) (SCA).

C.2.3 Risk-reduction techniques

The Board of Agria decides on the framework for risk-taking, for example, by adopting investment guidelines and limits for various types of market risk.

Diversification

The main risk-reduction technique applied to the management of Agria's assets is diversification. The company's investments are spread over several different classes of assets, leading to exposure to various risk factors that react in different ways to fluctuations in the financial markets. This means that as a whole the portfolio is less sensitive to market fluctuations than its portfolio components.

Reducing market risk by using derivatives

Agria uses derivative instruments to a certain extent in the management of its assets to protect the company's balance sheet from undesired market risks. Each new type of derivative instrument undergoes an approval process before it can be used in management. In connection with this, assurances are made that there is understanding of the characteristics of the instruments in the relevant parts of the organisation, that valuations, risk measurement and follow-ups are satisfactory and that risks are adequately identified.
Fixed-income futures and forwards and interest-rate swaps may be used in management to reduce interest-rate risk. The effect of these derivative strategies is continuously monitored by measuring the resulting interest-rate duration and interest-rate sensitivity (DV01) of the portfolio on a daily basis. Management makes regular use of derivative instruments to reduce currency risk in the portfolio. Currency exposure (total and to individual currencies) is monitored on a daily basis.

C.2.4 Risk sensitivity

The impact of a selection of other sensitivity measures for market risks on own funds is presented in the following table:

Table C2(2): Sensitivity to market risks, effect on own funds (TSEK)

Sensitivity measures (TSEK)	2021	2020
1% higher interest rate*	-12,506	-5,824
1% lower interest rate**	12,766	6,172
10% lower share prices	-32,963	-30,663
10% strengthening of SEK	-26,097	-40,416
1% higher credit spread	-23,511	-20,860

* Interest-rate sensitivity to a 1% higher interest-rate level in assets and liabilities. Bond holdings are stressed including accrued interest.

** Interest-rate sensitivity to a 1% lower interest-rate level in assets and liabilities. Bond holdings are stressed including accrued interest.

C.3 Credit risk

For additional information about the company's credit risk, refer to section C.3 of the group-level report.

C.3.1 Risk exposure

Agria's exposure to counterparty-related credit risk (counterparty risk) primarily arises through cash in hand and to a lesser extent ceded reinsurance and the use of financial derivatives.

The following table shows the total counterparty exposure expressed as the market value of financial derivatives, cash in hand and for reinsurers. The calculation uses consolidated data from the securities system of the Group-wide Asset Management Unit and from insurance systems. The table does not include exposure to mortgage funds in which the value of collateral received far exceeds exposure.

Table C3(1): Exposure to counterparty-related credit risks per credit quality step

Credit quality step (TSEK)	31 Dec 2021					31 Dec 2020
		Collateral				
Financial derivatives and cash	**Maximum exposure for credit risk**	**Cash and cash**	**Securities**	**Other**	**Net exposure**	**Net exposure**
AA	0	0	-	-	0	0
A	801,900	0	-	-	801,900	990,166
BBB or lower	507	0	-	-	507	700
Total	**802,407**	**0**	**-**	**-**	**802,407**	**990,866**
Reinsurance						
Regional insurance companies	24,795	0	-	-	24,795	7,659
AA	1,292	0	-	-	1,292	1,671
Total	**26,087**	**0**	**-**	**-**	**26,087**	**9,330**

Investments in accordance with the prudent person principle

Refer to section C.3.1 in the group-level report.

C.3.2 Risk concentration

Agria's largest exposure to a single external counterparty on 31 December 2021 was Barclays, which represented 43% of the total expected loss given default. All five of the largest counterparty exposures, comprising 99% of the total exposure to external counterparties, had a rating of A or higher.

C.3.3 Risk-reduction techniques

The credit risk that arises through counterparties in financial derivatives is primarily reduced by diversifying the counterparties that the company used for trading in financial derivatives, and is managed by applying limits to derivative exposures per counterparty and by signing agreements with all counterparties for OTC derivatives. The size of the permitted exposure depends on the credit rating of the counterparty.

Credit risk from counterparties in ceded reinsurance is limited in the first instance by selecting counterparties with high credit ratings and by applying limits for maximum exposure to each counterparty.

C.3.4 Risk sensitivity

Most of the counterparty risk exposure has a credit quality step of A or higher.

C.4 Liquidity risk

C.4.1 Risk exposure

A non-life insurance company's liquidity risks are low since premiums are received in advance and large individual claims payments and normal payment flows are known well in advance of their maturity dates. In addition, most of the investment assets in the company are available at short notice.

The specification of investment assets per class of asset with various liquidity is presented in the table below.

Table C4(1): Specification of assets per liquidity class, as a percentage of total investment assets

Liquidity class	Class of asset	2021	2020
1	Cash	15%	34%
2	Direct holdings of treasury bills, government bonds, covered bonds	56%	35%
3	Funds traded daily, listed shares	18%	21%
4	Corporate bonds and other bonds	7%	9%
5	Funds with less frequent trading	0%	0%
6	Unlisted shares, Private Equity, Private Debt, directly owned properties, infrastructure and forest	3%	1%

C.4.2 Risk concentration

Agria believes that the company does not have any risk concentration in liquidity risk.

C.4.3 Risk-reduction techniques

Investment assets are invested by taking into account the Agria's liquidity needs for meeting its commitments. Liquidity risk is managed by preparing daily forecasts of the company's short-term liquidity requirements (1-2 days), taking into account both inward and outward flows. A liquidity reserve is always maintained to ensure a high level of short-term access to funds. The company also has clear rules regarding how assets are to be deposited to ensure that they are readily available to the company and can thus be realised as needed.

Agria's medium-term liquidity requirements (up to one year) are determined based on, for example, actuarial cash-flow forecasts. Agria identifies any scenarios where forced sales of assets must take place and estimates the expected loss in such scenarios. The cost of any alternative financing sources is included in liquidity planning, but not funding according to the provisions of the Insurance Business Act.

C.4.4 Risk sensitivity

A non-life insurance company mostly receives payment of premiums in advance. Combined with responsible management of these advance premium payments, and given the liquidity flows of the business, this means that the company's liquidity risk is limited.

C.5 Operational risk
Agria's exposure to operational risk is aligned with the risk strategy and risk appetite that the group has adopted for operational risk. Information about the company's operational risk is thus provided in the group-level report, section C.5.

C.6 Other material risks

C.6.1 Risk exposure
Climate risk represents a direct financial risk in the form of potential impact both on the insurance business and on investments in Agria. Climate risk refers to the risks that the consequences of climate change may have on the company's business activities. Climate risks can materialise either through physical risks, such as more cases of extreme weather and gradually rising sea levels, or through transition risks, such as regulatory, political and market changes related to the transition to a low-carbon society. These are likely to be affected simultaneously, which makes the risk both complex and significant. Identified climate risks at various time horizons are presented in table C6(1) in the group-level report.

In addition to climate risk, Agria is also exposed to business risks, emerging risks and concentration risks.

- Business risk pertains to the risk of lower earnings, higher expenses or loss of confidence from customers or other stakeholders.
- Emerging risks refers to new or changed behaviour patterns, situations or trends that may have a material impact on the company's financial situation, market position or brand in a negative direction within the company's business planning horizon.
- Concentration risk refers to the risk of a single exposure, homogeneous group of exposures or a specific market event resulting in widespread losses even if the operations were to be well-diversified. Concentration risk may derive from concentrations of both assets and liabilities as well as sources of income and suppliers, including suppliers of outsourced services.

C.6.2 Risk concentration
Concentration risk is deemed to be low since Agria conducts highly diverse investment operations.

C.6.3 Risk-reduction techniques
The Länsförsäkringar AB Group has a climate-smart vision that entails that the companies are to work actively to reduce climate impact and the climate risks throughout its operations and to encourage climate adaptation to reduce the damaging impact of climate change. Agria's investments are to be in line with the Paris Agreement by 2030, meaning limiting climate change to 1.5°C.

Climate risk is part of Agria's risk-management system and the Risk Management function reports on climate risk to the Board at least once a year. Agria works on identifying and reducing climate risk in its investments by applying a systematic process for allocation and investment analyses, selection of investments or asset managers, and engagement.

C.7 Other information
There is not deemed to be any other relevant information to be provided in this section.

D. Valuation for solvency purposes

D.1 Assets

D.1.1 Valuation of assets

In accordance with QRT form s.02.01 (refer to Appendix 1), the following balance sheet shows the material asset items and an overview of total liabilities on 31 December 2021 for Agria with carrying amounts for the financial statements supplemented with reclassifications and Solvency II amounts.[8]

Table D1(1): Assets and liabilities, 31 Dec 2021

Assets (TSEK)	Financial statements	Revaluation	Solvency II amount
Deferred acquisition costs	219,015	-219,015	0
Shares and participations in subsidiaries and associated companies	400,723	-72,016	328,707
Other equities	46,763	-	46,763
Bonds	1,755,519	-	1,755,519
Mutual funds	536,346	-	536,346
Derivatives	5,860	-	5,860
Bank balances that are not cash and cash equivalents	20,230	-	20,230
Insurance receivables	2,317,435	-2,262,732*	54,703
Reinsurers' portion of technical provisions (refer to section D.2)	25,614	470	26,084
Cash and bank balances	415,964	-	415,964
Other asset items	109,505	1,274	110,779
Total assets	**5,852,974**	**-2,552,019**	**3,300,955**

* The revaluation item attributable to current premiums that in the Solvency II balance sheet are not included in insurance receivables and instead are taken into best estimate of the technical provisions

Liabilities (TSEK)	Financial statements	Revaluation	Solvency II amount
Technical provisions total, gross before ceded reinsurance (refer to section D.2)	2,967,692	-2,214,987	752,705
Other liabilities (refer to section D.3)	1,073,374	-487,347	586,027
Total liabilities	**4,041,066**	**-2,702,334**	**1,338,732**
Assets minus liabilities	**1,811,908**	**150,315**	**1,962,223**

D.1.2 Valuation principles in the solvency calculation of various classes of asset compared with the financial statements

A more detailed description of the bases for calculation, methods and main assumptions for valuations of tangible assets in the solvency calculation and how these differ from the financial statements is provided in the group-level report, section D.1.2.

Under Solvency II, the best estimate takes into consideration premium receivables, which differs from the financial statements whereby premium receivables are included in receivables. Premiums due for payment after the balance-sheet date are thus measured in the premium reserve and consequently excluded from the assets side in the Solvency II balance sheet (see also section D.2).

The wholly owned subsidiary Agria Pet Insurance brokers insurance and performs claims adjustment for Agria's branch in the UK. The subsidiary is valued at the difference between assets and liabilities under the rules for the Solvency II balance sheet, any goodwill and intangible assets in Agria Pet Insurance are valued at zero.

[8] In the balance sheet, amounts are recognised according to IFRS but classified according to the Solvency II rules in the "financial statements" column. The difference in classification is that investments are primarily distributed between other asset items.

The wholly owned subsidiary Agria Vet Guide AB offers digital veterinary care through the Agria Vårdguide app. The subsidiary is valued at the difference between assets and liabilities under the rules for the Solvency II balance sheet, any goodwill, and intangible assets in Agria Vet Guide AB are valued at zero.

D.1.3 Other information about assets

Assumptions and judgements, including those about future and other significant sources of estimation uncertainty
Refer to the group-level report, section D.1.4.

D.2 Technical provisions

D.2.1 Valuation of technical provisions

Agria divides its operations into two different lines of business, of which the most dominant is business line 7, Insurance for fire and other property damage.

The technical provisions comprise the sum of the best estimate and the risk margin. The best estimate also comprises the provision for claims and premium provision. Provision for claims refers to expenses for claims incurred and the cost for adjusting these claims. The premium provision refers to expenses for future claims and other expenses for signed agreements. Uncertainty regarding claims incurred could be significant since not all claims are normally known and the cost for settling known claims can be highly uncertain. The same applies to future claims when the number of and amounts in claims are unknown.

The provision for claims is calculated using actuarial methods. The most common methods used are:

- Traditional triangulation techniques, known as Development Factor Methods (DFM) based on the historic claims trend for claims paid, known claims costs and number of claims.
- Bornhuetter-Ferguson (B-F), which is a combination of DFM and experienced-based estimates of the claims costs and which is used for claims periods in the near future.
- Cape Cod, which is similar to B-F, where the estimate of claims costs is based on historical exposure data within the scope of the method.
- Naive Loss Ratio provides an expected claims cost based on an assumed claims ratio. This method is typically used for claims periods in the near future where the claims trend is short or for operations for which there is no internal claims history.

The method is applied to the various homogeneous risk groups that exist in the same business line. The method chosen for each homogeneous risk group is based on the circumstances and conditions at the time of each analysis. The methods are developed, evaluated, calibrated and adjusted continuously.

The claims adjustment reserve was calculated using Esbjörn Ohlsson's method (Esbjörn Ohlsson (2014): Unallocated loss adjustment expense reserving, Scandinavian Actuarial Journal).

The premium provision refers to future claim incidents that are within the framework of the contracts and encompasses claims costs, operating expenses and premiums that have not yet been paid.

Gross technical provisions on 31 December 2021 are presented in the following table.

Table D2(1): Technical provisions gross before ceded reinsurance, 31 Dec 2021

Business line (TSEK)	Gross best estimate	Risk margin	Technical provisions, gross
Direct insurance			
Insurance for fire and other property damage	689,680	44,343	734,023
General liability insurance	17,991	691	18,682
Total	**707,671**	**45,034**	**752,705**

Material changes in valuation principles compared with preceding reporting period
Agria has no material changes to the valuation principles used in the calculation of the technical provisions.

D.2.2 Valuation principles in the solvency calculation of various business lines compared with the financial statements

In the financial statements, technical provisions are valued in accordance with the Annual Accounts Act for Insurance Companies (ÅRFL) and Finansinspektionen's regulations and general guidelines.

Non-life insurance, premium provision

Provisions for unearned premiums in the financial statements are calculated based on allocation of premium income. For most of the business, the calculation is made in relation to the remaining term of the contracts (pro rata temporis) and for business for which the costs are not assumed to be distributed in proportion to the term, the calculation is based on an earnings curve. For unprofitable business, future costs for ongoing contracts are assessed. If these costs exceed the allocated value, the difference (provision for unexpired risks) is added.

In the Solvency II balance sheet, the premium provision is calculated based on cash-flow forecasts of expenses and premiums related to signed insurance contracts. Premiums due for payment after the balance-sheet date are thus measured in the premium provision and consequently excluded from the assets side in the Solvency II balance sheet (see also section D.1). The insurance contracts are limited by the contract boundaries stipulated in Article 18 of the Delegated Regulation[9]. The cash flows are discounted by a prescribed market interest rate and a risk margin is added in accordance with Solvency II rules.

Non-life insurance, provision for claims

The basis for the provision for claims is an estimate of the future cash flows performed by actuarial and statistical methods. In the financial statements, discounting is only permitted for business with long settlement periods, for which Agria has none. In the Solvency II balance sheet, all business is discounted by the prescribed market interest rate. In addition, the Solvency II balance sheet includes a risk margin calculated according to the Solvency II rules for risk margins. The financial statements contain a safety margin based on the internal guidelines for financial statements. This margin is normally greater than the risk margin under Solvency II.

The revaluation of technical provisions can be summarised as follows. The total revaluation effect amounted to TSEK -2,214,987. The difference between the undiscounted best estimate in Solvency II and the carrying amount in the financial statements was TSEK -2,259,734, for which TSEK -2,217,750 derived from the premium provision and TSEK -41,984 from the provision for claims. The discount effect on the technical provisions in the Solvency II balance sheet was TSEK -286 and the risk margin in the Solvency II balance sheet was TSEK 45,034.

The differences between the Solvency II balance sheet and the financial statements per business line on 31 December 2021 are presented below.

Table D2(2): Technical provisions (TP) gross according to financial statements and Solvency II balance sheet on 31 Dec 2021

Business line (TSEK)	TP Financial statements, gross	Revaluation	TP Solvency II balance sheet, gross
Direct insurance			
Insurance for fire and other property damage	2,949,542	-2,215,519	734,023
General liability insurance	18,150	532	18,682
Total technical provisions	**2,967,692**	**-2,214,987**	**752,705**

[9] Commission Delegated Regulation (EU) 2015/35

D.2.3 Other information about technical provisions

Recoverables from reinsurance contracts and special purpose vehicles

The reinsurers' portion of the provision for claims has, where appropriate, been calculated based on the relevant ceded portion of known events discounted by and adjusted for default of the counterparty.

The reinsurers' portion of the premium provision refers to future claim incidents and encompasses cash flows for future inward and outward payments, in accordance with the Solvency II rules. Cash flows are discounted and adjusted for default of the counterparty.

Adjustments for default of the counterparty have been based on the company's rating, if it has one, and on the solvency ratio if it does not have a rating.

The reinsurers' portion of technical provisions per line of business on 31 December 2021 is presented below.

Table D2(3): Reinsurers' portion of technical provisions, 31 Dec 2021

Business line (TSEK)	Best estimate
Direct insurance	
Insurance for fire and other property damage	24,672
General liability insurance	1,412
Total	**26,084**

D.3 Other liabilities

The following section encompasses all categories of liabilities that are deemed to be material to Agria, except technical provisions.

D.3.1 Valuation of other liabilities

In accordance with QRT form s.02.01 (refer to Appendix 1), the following table shows the material liability items, excluding technical provisions, and an overview of total liabilities on 31 December 2021 for Agria with carrying amounts for the financial statements supplemented with reclassifications and Solvency II amounts.[10]

Table: D3(1): Other liabilities, 31 Dec 2021

Other liabilities (TSEK)	Financial statements	Revaluation	Solvency II amount
Deferred tax liabilities	9	153,015	153,024
Derivatives	27,458	-	27,458
Liabilities (operations, not insurance)	299,298	-	299,298
Accrued expenses and deferred income	718,317	-646,418*	71,899
Other liability items	28,292	6,056	34,348
Total other liabilities	**1,073,374**	**-487,347**	**586,027**

* The revaluation is attributable to current premiums that in the Solvency II balance sheet are not included in deferred income and instead are taken into ac-technical provisions.

D.3.2 Valuation principles in the solvency calculation of various liability items compared with the financial statements

A more detailed description of the bases for calculation, methods and main assumptions for valuations of material liabilities in the solvency calculation and how these differ from the financial statements is provided in the group-level report, section D.3.2.

Deferred tax liabilities

Deferred tax is calculated for temporary differences between carrying amounts and tax bases of assets and liabilities. The revaluation between the financial statements and Solvency II now also entails a calculation of deferred tax liabilities for applicable items. The differences between the financial statements and Solvency II are attributable to deferred tax on the revaluation amounts and certain untaxed reserves, and that deferred tax liabilities were recognised net against deferred tax assets in Solvency II.

The company's Solvency II balance sheet includes recognition of net deferred tax liabilities amounting to TSEK 153,024 attributable to untaxed reserves in an amount of TSEK 75,714, revaluation of intangible assets in an amount of TSEK -999, deferred acquisition costs (DAC) in an amount of TSEK -45,117 and revaluation of technical provisions, net in an amount of TSEK 123,457 and other items in an amount of TSEK -31. The tax allocation reserves can be reversed regardless of earnings in the company but not later than six years after a provision is made. The equalisation reserve is an untaxed reserve that according to the Articles of Association may be used only to cover losses in the actual insurance operations and – after such losses have been absorbed – losses in the business operations in their entirety, unless the losses according to the Articles of Association are to be covered by other provisions. Deferred tax attributable to intangible assets is changed in connection with amortisation, any impairment and new acquisitions recognised in the legal reports.

The following table shows deferred tax liabilities in the Solvency II balance sheet.

[10] In the balance sheet, amounts are recognised according to IFRS but classified according to the Solvency II rules in the financial statements column.

Table D3(2): Deferred tax liabilities, 31 Dec 2021

TSEK	Financial statements	Revaluation	Solvency II amount	Date of maturity
Non-deductible pension costs	-40		-40	
Tax allocation reserve:				
– Reserve for 2016	-	13,104	13,104	31/12/2022
– Reserve for 2017	-	10,920	10,920	31/12/2023
– Reserve for 2018	-	8,954	8,954	31/12/2024
– Reserve for 2019	-	9,202	9,202	31/12/2025
– Reserve for 2020	-	8,774	8,774	31/12/2026
– Reserve for 2021	-	17,510	17,510	31/12/2027
Equalisation reserve	-	7,250	7,250	
Revaluation of intangible assets	-	-999	-999	
Revaluation DAC	-	-45,117	-45,117	31/12/2022
Revaluation technical provisions, net	-	123,457	123,457	
Other	9		9	
Deferred tax assets (-)/liabilities (+)	**-31**	**153,055**	**153,024**	

D.3.3 Other information about other liabilities

Assumptions and judgements, including those about future and other significant sources of estimation uncertainty
Regarding assumptions and judgements, including those about future and other significant sources of estimation uncertainty, refer to the group-level report, section D.1.4.

Leases and pension provisions
For information on leases and forms of employment, refer to the group-level report, section D.3.4.

D.4 Alternative valuation methods

Information about the alternative valuation methods is provided in the group-level report, section D.4.

D.5 Other information

Other information about the valuation for solvency purposes is provided in the group-level report, section D.5.

E. Capital management (financing)

Agria's own funds at year-end amounted to TSEK 1,962,223, comprised capital of the highest quality. The solvency capital requirement amounted to TSEK 941,629, providing a solvency ratio (own funds divided by the solvency capital requirement) of 208% at year-end. The minimum capital requirement amounted to TSEK 423,733, which own funds cover by a very healthy margin.

Own funds increased TSEK 464,988 during the year, while the solvency capital requirement increased TSEK 23,413. The reasons for the changes are presented under the relevant sections below. In total, Agria's solvency ratio increased 45 percentage points compared with the end of the preceding year when the ratio was 163%.

E.1 Own funds

E.1.1 Management of own funds: Targets, governance and processes

Information about own funds is provided in the group-level report, section E.1.1.

E.1.2 Composition of own funds

Own funds comprise Tier 1 capital and ancillary own funds. More detailed information about this is provided in the group-level report, section E.1.2. All capital in Agria comprises Tier 1 capital, which is capital of the highest quality.

Own funds in Agria increased TSEK 464,988 during the reporting period to TSEK 1,962,223. Net profit for the year resulted in a positive effect of TSEK 348,989 on own funds. At the same time, equity was negatively impacted by a Group contribution of TSEK 180,000 paid to Länsförsäkringar AB which, net after tax, reduced equity at year-end by TSEK 142,920. Large items that otherwise impacted own funds were the revaluation of technical provisions, which increased by TSEK 239,104 during the year, and a revaluation of shares in subsidiaries and associated companies, which increased by TSEK 89,377.

The following table shows the composition of own funds for Agria at the end of the reporting period and at the beginning of the period, and specifies the composition of the reconciliation reserve. For further information on the composition of own funds at the end of the reporting period (including the composition of the reconciliation reserve), refer to QRT form s.23.01 in Appendix 1.

No own funds instruments were issued or redeemed during the reporting period.

For a specification of the items encompassed by *Revaluation of items from the financial statements to the Solvency II balance sheet*, refer to table E1(2) which presents a bridge from recognised equity to own funds.

Table E1(1): Composition of own funds

Own funds (TSEK)	31 Dec 2021	31 Dec 2020
Ordinary share capital	40,000	40,000
Reconciliation reserve	1,922,223	1,457,235
Total own funds	**1,962,223**	**1,497,235**

Specification of composition of reconciliation reserve (TSEK)	31 Dec 2021	31 Dec 2020
Other equity than ordinary share capital	951,791	742,951
Untaxed reserves	820,116	807,199
Revaluation of items from the financial statements to the Solvency II balance sheet	150,316	-92,915
Total reconciliation reserve	**1,922,223**	**1,457,235**

All items comprise level 1 Tier 1 capital.

E.1.3 Own funds to cover solvency capital requirement and minimum capital requirement

Information about the eligibility criteria of own funds is provided in the group-level report, section E.1.3.

E.1.4 Bridge from recognised equity to own funds

The following table presents a bridge from recognised equity to own funds for Agria. The table refers to own funds available to cover solvency capital requirements. See the reference in the preceding section on the difference compared with own funds available to cover minimum capital requirements.

More detailed explanations for items revalued from the financial statements to the Solvency II balance sheet according to the table below are presented in sections D.1.2 and D.3.2 in the group-level report.

Agria has relatively high deferred acquisition costs that are allocated over the term of the insurance contract. These costs are valued at zero in own funds, which gave rise to a revaluation of TSEK -219,015.

Revaluation of technical provisions, net, amounted to TSEK 599,312. The largest portion refers to revaluation of premium reserves of TSEK 604,687 and a smaller portion refers to the provision for claims payments of TSEK 39,372. The revaluation of premium reserves is positive since the expected profits are included in the Solvency II balance sheet when the insurance contract is signed. The revaluation effect gradually reduces when the premium reserve is dissolved and the actual earnings are accrued in the income statement. Revaluation of technical provisions also comprised a discount effect that amounted to TSEK 287 and a risk margin of TSEK -45,034.

The adjustment of the value of equities in subsidiaries and associated companies of TSEK -72,016 primarily pertains to the subsidiaries Agria Pet Insurance and Agria Vet Guide AB.

Revaluation of deferred tax was TSEK -153,055 and primarily derives from the positive revaluation item for technical provisions and from untaxed reserves.

Table E1(2): Bridge from recognised equity to own funds

TSEK	31 Dec 2021	31 Dec 2020
Equity according to statutory accounts including untaxed reserves	1,811,907	1,590,150
Revaluation of intangible assets	-4,850	-5,592
Revaluation of deferred acquisition costs	-219,015	-175,197
Revaluation IFRS 16 Leases	-60	-32
Revaluation of technical provisions	599,312	360,208
Revaluation of deferred tax	-153,055	-110,908
Revaluation of shares in subsidiaries and associated companies	-72,016	-161,393
Total own funds	**1,962,223**	**1,497,236**

E.2 Solvency capital requirement and minimum capital requirement

E.2.1 Amount of solvency capital requirement and minimum capital requirement

In accordance with QRT form s.25.02 and s.28.01 (refer to Appendix 1), the company's solvency and minimum capital requirements are presented in the table below. Agria's capital requirement increased during the year mainly as a result of increased insurance risk and increased operational risk due to growing business.

Table E2(1): Capital requirement per risk category and minimum capital requirements

TSEK	31 Dec 2021	31 Dec 2020
Market risk	204,781	208,096
Non-life insurance risk	833,373	803,931
Counterparty risk	42,444	51,962
Operational risk	146,888	124,435
Diversification	-151,462	-156,720
Adjustment, risk absorption tax	-134,395	-113,487
Solvency capital requirement (SCR), Agria	**941,629**	**918,216**
Minimum capital requirement (MCR), Agria	**423,733**	**406,626**

E.2.2 Reason for use of simplified calculations

Agria does not use any such simplification in its calculation of solvency capital requirements that are permitted under certain conditions in accordance with European Commission Delegated Regulation (EU) 2015/35.

E.2.3 Reason for use of undertaking-specific parameters

Agria does not use undertaking-specific parameters for calculating the solvency capital requirement for insurance risk.

E.2.4 Capital add-on

Finansinspektionen has not decided on any capital add-on for Agria.

E.2.5 Data used for calculating minimum capital requirement

Information regarding the data used for calculating the minimum capital requirement is provided in the group-level report, section E.2.5.

E.2.6 Material changes to capital requirements during the reporting period

No material change to the capital requirement has taken place, refer to table E2(1).

E.3 Use of duration-based equity risk in calculation of solvency capital requirement

The company does not use the duration-based method for calculating the solvency capital requirement for equity risk.

E.4 Partial internal model in calculation of solvency capital requirement

Information regarding the internal model for calculating the solvency capital requirement is provided in the group-level report, section E.4.

E.5 Infringements of minimum capital requirement and solvency capital requirement

Neither the minimum capital requirement nor the solvency capital requirement were breached during the reporting period.

E.6 Other information

There is not deemed to be any other relevant information to be provided in this section.

Appendix

Appendix 1: Quantitative reporting templates

Länsförsäkringar Group under the insurance rules

Agria Djurförsäkring

Insurance operations at group level

Balance sheet S.02.01

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	1,344,308
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	35,590,426
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	18,703,144
Equities	R0100	2,808,529
Equities - listed	R0110	308,134
Equities - unlisted	R0120	2,500,395
Bonds	R0130	8,451,479
Government Bonds	R0140	1,777,629
Corporate Bonds	R0150	6,673,850
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	5,541,292
Derivatives	R0190	20,338
Deposits other than cash equivalents	R0200	65,644
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	219,102,007
Loans and mortgages	R0230	9,370
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	9,370
Reinsurance recoverables from:	R0270	8,882,563
Non-life and health similar to non-life	R0280	7,541,897
Non-life excluding health	R0290	7,483,406
Health similar to non-life	R0300	58,491
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1,340,659
Health similar to life	R0320	58,158
Life excluding health and index-linked and unit-linked	R0330	1,282,501
Life index-linked and unit-linked	R0340	7
Deposits to cedants	R0350	111,924
Insurance and intermediaries receivables	R0360	239,354
Reinsurance receivables	R0370	543,827
Receivables (trade, not insurance)	R0380	1,366,133
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	3,668,369
Any other assets, not elsewhere shown	R0420	457,692
Total assets	R0500	271,315,973

Liabilities		Solvency II value
		C0010
Technical provisions - non-life	R0510	11,398,358
Technical provisions - non-life (excluding health)	R0520	10,328,485
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	10,188,580
Risk margin	R0550	139,905
Technical provisions - health (similar to non-life)	R0560	1,069,873
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	1,017,453
Risk margin	R0590	52,420
Technical provisions - life (excluding index-linked and unit-linked)	R0600	7,794,960
Technical provisions - health (similar to life)	R0610	610,557
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	434,836
Risk margin	R0640	175,721
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	7,184,403
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	6,987,824
Risk margin	R0680	196,579
Technical provisions - index-linked and unit-linked	R0690	202,538,787
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	198,710,478
Risk margin	R0720	3,828,309
Other technical provisions	R0730	
Contingent liabilities	R0740	139,800
Provisions other than technical provisions	R0750	41,567
Pension benefit obligations	R0760	49,312
Deposits from reinsurers	R0770	67,247
Deferred tax liabilities	R0780	244,038
Derivatives	R0790	82,773
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	1,278,473
Insurance & intermediaries payables	R0820	1,045,104
Reinsurance payables	R0830	34,099
Payables (trade, not insurance)	R0840	996,487
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	858,099
Total liabilities	R0900	226,569,104
Excess of assets over liabilities	R1000	44,746,869

Premiums, claims and expenses by line of business

S.05.01 skadeförsäkring

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)						
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross - Direct Business	R0110	819,064	452,434		52,959	383,276	155,565	5,274,408
Gross - Proportional reinsurance accepted	R0120		1,285		0	3,221	2,872	141,791
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	0	2,259		4,071	213,534	6,986	174,032
Net	R0200	819,064	451,460		48,888	172,963	151,451	5,242,167
Premiums earned								
Gross - Direct Business	R0210	804,930	447,517		49,884	335,423	150,983	4,951,228
Gross - Proportional reinsurance accepted	R0220		1,205		0	5,338	2,863	154,523
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	0	2,259		4,071	173,677	6,969	172,162
Net	R0300	804,930	446,463		45,813	167,084	146,877	4,933,589
Claims incurred								
Gross - Direct Business	R0310	571,178	212,818		21,354	285,776	94,983	3,293,736
Gross - Proportional reinsurance accepted	R0320		1,053		35,372	4,588	1,842	71,286
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	0	0		19,045	170,442	8,307	123,366
Net	R0400	571,178	213,871		37,681	119,922	88,518	3,241,656
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0		0	0	0	0
Gross - Proportional reinsurance accepted	R0420		0		0	0	0	0
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	0	0		0	0	0	0
Net	R0500	0	0		0	0	0	0
Expenses incurred	R0550	224,967	158,519		15,884	36,137	57,125	1,321,790
Other expenses	R1200							
Total expenses	R1300							

Premiums, claims and expenses by line of business

S.05.01 skadeförsäkring

							Line of business for: accepted non-proportional reinsurance				
		General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written											
Gross - Direct Business	R0110	367,160	9,848	2,888	27,750						7,545,352
Gross - Proportional reinsurance accepted	R0120	17,622									166,791
Gross - Non-proportional reinsurance accepted	R0130						59,624	320,378	11,288	1,419,601	1,810,891
Reinsurers' share	R0140	18,799	8,052	135	27,750		49,037	315,329	0	976,921	1,796,905
Net	R0200	365,983	1,796	2,753	0		10,587	5,049	11,288	442,680	7,726,129
Premiums earned											
Gross - Direct Business	R0210	332,410	7,759	2,867	23,969						7,106,970
Gross - Proportional reinsurance accepted	R0220	17,381									181,310
Gross - Non-proportional reinsurance accepted	R0230						59,640	320,381	12,239	1,423,604	1,815,864
Reinsurers' share	R0240	21,015	6,380	141	23,990		49,037	315,329	0	976,233	1,751,263
Net	R0300	328,776	1,379	2,726	-21		10,603	5,052	12,239	447,371	7,352,881
Claims incurred											
Gross - Direct Business	R0310	85,295	1,321	558	16,014						4,583,033
Gross - Proportional reinsurance accepted	R0320	20,844									134,985
Gross - Non-proportional reinsurance accepted	R0330						-80,885	253,808	7,169	1,671,218	1,851,310
Reinsurers' share	R0340	5,342	1,026	0	15,818		-64,347	253,994	0	1,204,896	1,737,889
Net	R0400	100,797	295	558	196		-16,538	-186	7,169	466,322	4,831,439
Changes in other technical provisions											
Gross - Direct Business	R0410	0	0	0	0						0
Gross - Proportional reinsurance accepted	R0420	0									0
Gross - Non-proportional reinsurance accepted	R0430						0	0	0	0	0
Reinsurers' share	R0440	0	0	0	0		0	0	0	0	0
Net	R0500	0	0	0	0		0	0	0	0	0
Expenses incurred	R0550	113,456	1,273	1,452	0		735	226	3,259	63,573	1,998,396
Other expenses	R1200										1,317
Total expenses	R1300										1,999,713

Premiums, claims and expenses by line of business

S.05.01 livförsäkring

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	239,982	585,739	23,796,757	376,380	0	1,000			24,999,858
Reinsurers' share	**R1420**	31,286	0	69	1,328	0	1,000			33,683
Net	**R1500**	208,696	585,739	23,796,688	375,052	0	0			24,966,175
Premiums earned										
Gross	**R1510**	239,982	585,739	23,796,757	376,380	0	1,000			24,999,858
Reinsurers' share	**R1520**	31,286	0	69	1,328	0	1,000			33,683
Net	**R1600**	208,696	585,739	23,796,688	375,052	0	0			24,966,175
Claims incurred										
Gross	**R1610**	140,607	243,585	8,988,129	215,790	-26	61,355			9,649,440
Reinsurers' share	**R1620**	16,595	0	0	9	0	61,585			78,189
Net	**R1700**	124,012	243,585	8,988,129	215,781	-26	-230			9,571,251
Changes in other technical provisions										
Gross	**R1710**	0	-804,003	-39,279,454	-9,212	0	0			-40,092,669
Reinsurers' share	**R1720**	0	0	0	0	0	0			0
Net	**R1800**	0	-804,003	-39,279,454	-9,212	0	0			-40,092,669
Expenses incurred	**R1900**	134,952	33,777	1,494,735	104,547					1,768,011
Other expenses	**R2500**									85,528
Total expenses	**R2600**									1,853,539

Premiums, claims and expenses by country
S.05.02 livförsäkring

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
	R1400							
		C0220	C0280	C0230	C0230	C0230	C0230	C0230
Premiums written								
Gross	R1410	24,999,858	24,999,858					
Reinsurers' share	R1420	33,683	33,683					
Net	R1500	24,966,175	24,966,175					
Premiums earned								
Gross	R1510	24,999,858	24,999,858					
Reinsurers' share	R1520	33,683	33,683					
Net	R1600	24,966,175	24,966,175					
Claims incurred								
Gross	R1610	9,649,440	9,649,440					
Reinsurers' share	R1620	78,189	78,189					
Net	R1700	9,571,251	9,571,251					
Changes in other technical provisions								
Gross	R1710	-40,092,669	-40,092,669					
Reinsurers' share	R1720	0	0					
Net	R1800	-40,092,669	-40,092,669					
Expenses incurred	R1900	1,768,011	1,768,011					
Other expenses	R2500		85,528					
Total expenses	R2600		1,853,539					

Premiums, claims and expenses by country
S.05.02 skadeförsäkring

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(GB) United Kingdom	(NO) Norway			
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	5,353,146	7,076,834	1,009,647	714,041			
Gross - Proportional reinsurance accepted	R0120	66,145	77,678	6,162	5,371			
Gross - Non-proportional reinsurance accepted	R0130	1,416,724	1,442,006	17,139	8,143			
Reinsurers' share	R0140	1,751,315	1,758,747	3,096	4,336			
Net	R0200	5,084,700	6,837,771	1,029,852	723,219			
Premiums earned								
Gross - Direct Business	R0210	5,087,091	6,682,547	941,525	653,931			
Gross - Proportional reinsurance accepted	R0220	66,118	77,726	6,285	5,323			
Gross - Non-proportional reinsurance accepted	R0230	1,414,703	1,440,364	17,417	8,244			
Reinsurers' share	R0240	1,704,837	1,712,430	3,076	4,517			
Net	R0300	4,863,075	6,488,207	962,151	662,981			
Claims incurred								
Gross - Direct Business	R0310	3,236,463	4,280,902	576,017	468,422			
Gross - Proportional reinsurance accepted	R0320	4,773	12,297	2,953	4,571			
Gross - Non-proportional reinsurance accepted	R0330	1,369,142	1,390,087	5,299	15,646			
Reinsurers' share	R0340	1,670,827	1,675,188	3,390	971			
Net	R0400	2,939,551	4,008,098	580,879	487,668			
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0	0			
Gross - Proportional reinsurance accepted	R0420	0	0	0	0			
Gross - Non-proportional reinsurance accepted	R0430	0	0	0	0			
Reinsurers' share	R0440	0	0	0	0			
Net	R0500	0	0	0	0			
Expenses incurred	R0550	1,271,494	1,714,719	309,893	133,332			
Other expenses	R1200		1,317					
Total expenses	R1300		1,716,036					

Own funds S.23.01

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	200,000	200,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	0	0		0	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	42,795,539	42,795,539			
Subordinated liabilities	R0140					
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	0				0
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	18,619,728	18,619,728	0	0	0
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260	8,199	8,199	0	0	0
Total of non-available own fund items	R0270	0	0	0	0	0
Total deductions	R0280	18,627,927	18,627,927	0	0	0
Total basic own funds after deductions	R0290	24,367,612	24,367,612	0	0	0
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					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	R0410	22,916,182	18,126,228	2,200,000	2,589,954	
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	22,916,182	18,126,228	2,200,000	2,589,954	
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	17,919,223	17,919,223	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	17,919,223	17,919,223	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	24,367,612	24,367,612	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	24,367,612	24,367,612	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	24,367,612	24,367,612	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	24,367,612	24,367,612	0	0	
Minimum consolidated Group SCR	R0610	6,852,077				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	355.6238%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	65,203,017	60,413,063	2,200,000	2,589,954	0
Group SCR	R0680	45,368,491				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	143.7187%				

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	44,746,869
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	1,751,330
Other basic own fund items	R0730	200,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve before deduction for participations in other financial sector	R0760	42,795,539
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	54,157
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	781,606
Total EPIFP	R0790	835,763

S.25.02

Solvency Capital Requirement - for groups using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market risk	9,703,327	9,702,902		
2	Counterparty default risk	255,004	0		
3	Life underwriting risk	6,098,694	0		
4	Health underwriting risk	491,854	209,911		
5	Non-life underwriting risk	1,026,555	931,610		
6	Intangible asset risk	0	0		
7	Operational risk	605,783	0		
9	LAC Deferred Taxes (negative amount)	-278,831	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	17,902,385
Diversification	R0060	-4,403,337
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement, excluding capital add-on	R0200	13,499,048
Capital add-ons already set	R0210	0
Solvency capital requirement for undertakings under consolidated method	R0220	27,449,268
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-278,831
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	
Minimum consolidated group solvency capital requirement	R0470	6,852,077
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	13,950,221
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	13,950,221
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	0
Overall SCR		
SCR for undertakings included via D and A	R0560	17,919,223
Solvency Capital Requirement	R0570	45,368,491

Undertakings in the scope of the group S.32.01

Country	Identification code and type of code of the undertaking	Legal name of the undertaking	Type of undertaking
C0010	C0020	C0040	C0050
(SE) Sweden	LEI/549300C6TUMDXNOVXS82	Länsförsäkringar Bank AB (publ)	(8) Credit institution, investment firm and financial institution
(SE) Sweden	LEI/549300DVNMHS8M33J723	Wasa Kredit AB	(8) Credit institution, investment firm and financial institution
(SE) Sweden	LEI/549300FOASW7JFUQV048	Länsförsäkringar AB (publ)	(2) Non life insurance undertaking
(SE) Sweden	LEI/549300HT0F6CFLJR3Y69	Humlegården Fastigheter AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	LEI/549300M8P0LTMZZSMQ10	Länsförsäkringar Fondliv Försäkrings AB (publ)	(4) Composite undertaking
(SE) Sweden	LEI/549300Y3H3YIK6S2H942	Försäkringsaktiebolaget Agria (publ)	(2) Non life insurance undertaking
(SE) Sweden	LEI/5493000M8THYN8D5I395	Länsförsäkringar Liv Försäkrings AB (publ)	(4) Composite undertaking
(SE) Sweden	LEI/5493000PQMGYILN5JL39	Länsförsäkringar Grupplivförsäkrings AB	(1) Life insurance undertaking
(SE) Sweden	LEI/5493001P7BX1N0JAG961	Länsförsäkringar Hypotek AB (publ)	(8) Credit institution, investment firm and financial institution
(SE) Sweden	LEI/54930025SK6LRZC6QF89	Länsförsäkringar Fondförvaltning AB (publ)	(8) Credit institution, investment firm and financial institution
(CH) Switzerland	SC/549300FOASW7JFUQV048CH00214	European Alliance Partners Company AG	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(GB) United Kingdom	SC/549300FOASW7JFUQV048SE00101	Agria Pet Insurance Ltd	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00105	Agria Vet Guide AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00196	LF Sak Fastighets AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00223	Länsförsäkringar Trygghetstjänster AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00256	CAB Group AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00281	Svenska Andelshästar AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00343	Länsförsäkringar Komplement AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00351	Lansa Fastigheter AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE00363	Fastighets AB S-holt i Kista	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35
(SE) Sweden	SC/549300FOASW7JFUQV048SE556482-4471	Försäkringsgirot Sverige AB	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35

			Criteria of influence					
Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation
C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230
bankaktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
försäkringsaktiebolag	(2) Non-mutual	Finansinspektionen						
aktiebolag	(2) Non-mutual		21.3600%	8.2000%	21.3600%	Inga	(2) Significant	21.3600%
försäkringsaktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
försäkringsaktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
försäkringsaktiebolag	(1) Mutual	Finansinspektionen	100.0000%	0.0000%	100.0000%	Ömsesidigt	(2) Significant	100.0000%
försäkringsaktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual	Finansinspektionen	100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual		12.5000%	12.5000%	12.5000%	Inga	(2) Significant	12.5000%
aktiebolag	(2) Non-mutual		100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual		100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual		100.0000%	100.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual		23.4000%	23.4000%	23.4000%	Inga	(2) Significant	23.4000%
aktiebolag	(2) Non-mutual		28.8000%	28.8000%	28.8000%	Inga	(2) Significant	28.8000%
aktiebolag	(2) Non-mutual		45.0000%	45.0000%	45.0000%	Inga	(2) Significant	45.0000%
aktiebolag	(2) Non-mutual		100.0000%	0.0000%	100.0000%	Inga	(1) Dominant	100.0000%
aktiebolag	(2) Non-mutual		34.6000%	4.5000%	34.6000%	Inga	(2) Significant	34.6000%
aktiebolag	(2) Non-mutual		49.9000%	0.0000%	49.9000%	Inga	(2) Significant	49.9000%
aktiebolag	(2) Non-mutual		16.6000%	0.0000%	16.6000%	Inga	(2) Significant	0.0000%

Inclusion in the scope of group supervision		Group solvency calculation
YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0240	C0250	C0260
(1) Included in the scope		(4) Method 1: Sectoral rules
(1) Included in the scope		(4) Method 1: Sectoral rules
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(10) Other method
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(5) Method 2: Solvency II
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(4) Method 1: Sectoral rules
(1) Included in the scope		(4) Method 1: Sectoral rules
(1) Included in the scope		(3) Method 1: Adjusted equity method
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(1) Method 1: Full consolidation
(1) Included in the scope		(3) Method 1: Adjusted equity method
(1) Included in the scope		(3) Method 1: Adjusted equity method
(1) Included in the scope		(3) Method 1: Adjusted equity method
(1) Included in the scope		(5) Method 2: Solvency II
(1) Included in the scope		(10) Other method
(1) Included in the scope		(5) Method 2: Solvency II
(1) Included in the scope		(3) Method 1: Adjusted equity method

Agria Djurförsäkring

Balance sheet S.02.01

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	14,569
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,693,425
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	328,707
Equities	R0100	46,763
Equities - listed	R0110	46,763
Equities - unlisted	R0120	
Bonds	R0130	1,755,519
Government Bonds	R0140	499,655
Corporate Bonds	R0150	1,255,864
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	536,346
Derivatives	R0190	5,860
Deposits other than cash equivalents	R0200	20,230
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	26,084
Non-life and health similar to non-life	R0280	26,084
Non-life excluding health	R0290	26,084
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	54,703
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	70,213
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	415,964
Any other assets, not elsewhere shown	R0420	25,997
Total assets	R0500	3,300,955

Liabilities		Solvency II value
		C0010
Technical provisions - non-life	R0510	752,705
Technical provisions - non-life (excluding health)	R0520	752,705
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	707,671
Risk margin	R0550	45,034
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	2,454
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	153,024
Derivatives	R0790	27,458
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	6,224
Insurance & intermediaries payables	R0820	25,495
Reinsurance payables	R0830	175
Payables (trade, not insurance)	R0840	299,298
Subordinated liabilities	R0850	
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	
Any other liabilities, not elsewhere shown	R0880	71,899
Total liabilities	R0900	1,338,732
Excess of assets over liabilities	R1000	1,962,223

Premiums, claims and expenses by line of business

S.05.01 skadeförsäkring

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)							
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Premiums written									
Gross - Direct Business	R0110							5,203,861	15,297
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140							3,426	1,675
Net	R0200							5,200,435	13,622
Premiums earned									
Gross - Direct Business	R0210							4,881,159	15,104
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240							3,426	1,675
Net	R0300							4,877,733	13,429
Claims incurred									
Gross - Direct Business	R0310							3,282,683	3,542
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340							26,568	-310
Net	R0400							3,256,115	3,852
Changes in other technical provisions									
Gross - Direct Business	R0410							0	0
Gross - Proportional reinsurance accepted	R0420								
Gross - Non-proportional reinsurance accepted	R0430								
Reinsurers' share	R0440							0	0
Net	R0500							0	0
Expenses incurred	R0550							1,280,680	8,547
Other expenses	R1200								
Total expenses	R1300								

Premiums, claims and expenses by line of bu

S.05.01 skadeförsäkring

					Line of business for: accepted non-proportional reinsurance				
	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business									5,219,158
Gross - Proportional reinsurance accepted									
Gross - Non-proportional reinsurance accepted									
Reinsurers' share									5,101
Net									5,214,057
Premiums earned									
Gross - Direct Business									4,896,263
Gross - Proportional reinsurance accepted									
Gross - Non-proportional reinsurance accepted									
Reinsurers' share									5,101
Net									4,891,162
Claims incurred									
Gross - Direct Business									3,286,225
Gross - Proportional reinsurance accepted									
Gross - Non-proportional reinsurance accepted									
Reinsurers' share									26,258
Net									3,259,967
Changes in other technical provisions									
Gross - Direct Business									0
Gross - Proportional reinsurance accepted									
Gross - Non-proportional reinsurance accepted									
Reinsurers' share									0
Net									0
Expenses incurred									1,289,227
Other expenses									
Total expenses									1,289,227

S.05.02 skadeförsäkring

Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(GB) United Kingdom	(NO) Norway			
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	3,030,401	4,753,437	1,009,529	713,507			
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	3,205	3,426	0	221			
Net	R0200	3,027,196	4,750,011	1,009,529	713,286			
Premiums earned								
Gross - Direct Business	R0210	2,879,654	4,474,463	941,419	653,390			
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	3,205	3,426	0	221			
Net	R0300	2,876,449	4,471,037	941,419	653,169			
Claims incurred								
Gross - Direct Business	R0310	1,939,789	2,984,332	576,017	468,526			
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	26,568	26,568	0	0			
Net	R0400	1,913,221	2,957,764	576,017	468,526			
Changes in other technical provisions								
Gross - Direct Business	R0410	0	0	0	0			
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440	0	0	0	0			
Net	R0500	0	0	0	0			
Expenses incurred	R0550	675,130	1,109,897	303,973	130,794			
Other expenses	R1200							
Total expenses	R1300		1,109,897					

Non-life Technical Provisions S.17.01

		Direct business and accepted proportional reinsurance							
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Technical provisions calculated as a whole	R0010							0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Premium provisions									
Gross	R0060							293,725	8,067
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140							609	-334
Net Best Estimate of Premium Provisions	R0150							293,116	8,401
Claims provisions									
Gross	R0160							395,956	9,923
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240							24,064	1,746
Net Best Estimate of Claims Provisions	R0250							371,892	8,177
Total Best estimate - gross	R0260							689,681	17,990
Total Best estimate - net	R0270							665,008	16,578
Risk margin	R0280							44,343	691
Amount of the transitional on Technical Provisions									
Technical provisions calculated as a whole	R0290								
Best Estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320							734,023	18,682
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330							24,672	1,412
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340							709,351	17,270

Non-life Technical Provisions S.17.01

						Accepted non-proportional reinsurance				
		Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010									0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Premium provisions										
Gross	R0060									301,792
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140									275
Net Best Estimate of Premium Provisions	R0150									301,517
Claims provisions										
Gross	R0160									405,879
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240									25,810
Net Best Estimate of Claims Provisions	R0250									380,069
Total Best estimate - gross	R0260									707,671
Total Best estimate - net	R0270									681,586
Risk margin	R0280									45,034
Amount of the transitional on Technical Provisions										
Technical provisions calculated as a whole	R0290									
Best Estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320									752,705
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330									26,084
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340									726,621

Non-life insurance claims information S.19.01

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	(1) Accident year

Gross Claims Paid (non-cumulative)

(absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											-26
N-9	**R0160**	1,176,730	114,123	3,715	1,241	440	823	173	155	13	70	
N-8	**R0170**	1,268,761	132,420	4,112	1,654	1,612	124	38	17	-115		
N-7	**R0180**	1,390,456	135,360	3,853	1,299	469	1,080	5	-78			
N-6	**R0190**	1,505,018	153,481	8,626	1,490	529	139	128				
N-5	**R0200**	1,683,763	187,374	4,855	1,182	399	92					
N-4	**R0210**	1,863,494	178,661	4,977	1,031	447						
N-3	**R0220**	2,072,251	198,431	5,995	946							
N-2	**R0230**	2,334,334	219,256	6,232								
N-1	**R0240**	2,683,518	249,504									
N	**R0250**	2,985,051										

		In Current year	Sum of years (cumulati
		C0170	**C0180**
	R0100	-26	-26
	R0160	70	1,297,484
	R0170	-115	1,408,622
	R0180	-78	1,532,444
	R0190	128	1,669,412
	R0200	92	1,877,664
	R0210	447	2,048,611
	R0220	946	2,277,623
	R0230	6,232	2,559,823
	R0240	249,504	2,933,022
	R0250	2,985,051	2,985,051
Total	**R0260**	3,242,251	20,589,730

Gross undiscounted Best Estimate Claims Provisions

Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											94
N-9	**R0160**	0	0	0	0	4,918	1,554	1,371	1,499	1,472	1,493	
N-8	**R0170**	0	0	0	3,028	1,432	1,300	900	902	894		
N-7	**R0180**	0	0	9,444	9,911	9,769	871	35	33			
N-6	**R0190**	0	18,907	5,505	3,993	2,744	39	19				
N-5	**R0200**	231,093	10,461	3,490	689	291	161					
N-4	**R0210**	235,033	17,373	11,098	4,671	3,024						
N-3	**R0220**	242,142	14,746	5,897	2,331							
N-2	**R0230**	274,637	22,519	5,545								
N-1	**R0240**	319,059	20,619									
N	**R0250**	371,832										

		Year end (discounted data)
		C0360
	R0100	94
	R0160	1,493
	R0170	894
	R0180	33
	R0190	19
	R0200	161
	R0210	3,025
	R0220	2,322
	R0230	5,543
	R0240	20,607
	R0250	371,688
Total	**R0260**	405,879

Own funds S.23.01

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	40,000	40,000			
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	1,922,223	1,922,223			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that shall 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 shall 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	1,962,223	1,962,223			0
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	1,962,223	1,962,223			0
Total available own funds to meet the MCR	R0510	1,962,223	1,962,223			
Total eligible own funds to meet the SCR	R0540	1,962,223	1,962,223			0
Total eligible own funds to meet the MCR	R0550	1,962,223	1,962,223			
SCR	R0580	941,629				
MCR	R0600	423,733				
Ratio of Eligible own funds to SCR	R0620	208.3860%				
Ratio of Eligible own funds to MCR	R0640	463.0801%				

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	1,962,223
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	40,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	1,922,223
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	449,189
Total EPIFP	R0790	449,189

S.25.02

Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market risk	204,781	204,781		
2	Counterparty default risk	42,444	0		
3	Life underwriting risk	0	0		
4	Health underwriting risk	0	0		
5	Non-life underwriting risk	833,373	784,358		
6	Intangible asset risk	0	0		
7	Operational risk	146,888	0		
9	LAC Deferred Taxes (negative amount)	-134,395	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	1,093,091
Diversification	R0060	-151,462
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement, excluding capital add-on	R0200	941,629
Capital add-ons already set	R0210	0
Solvency Capital Requirement	R0220	941,629
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-134,395
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		YES/NO C0109	LAC DT C0130
Approach based on average tax rate	R0590	(2) No	
Calculation of loss absorbing capacity of deferred taxes			
LAC DT	R0640		-134,395
LAC DT justified by reversion of deferred tax liabilities	R0650		-134,395
LAC DT justified by reference to probable future taxable economic profit	R0660		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		-221,661

S.28.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	456,035

		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	0	0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	665,008	5,200,435
General liability insurance and proportional reinsurance	R0090	16,579	13,621
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
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

		C0040
MCRL Result	R0200	0

		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	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation		C0070
Linear MCR	R0300	456,035
SCR	R0310	941,629
MCR cap	R0320	423,733
MCR floor	R0330	235,407
Combined MCR	R0340	423,733
Absolute floor of the MCR	R0350	36,766
Minimum Capital Requirement	R0400	423,733