

# SOLVENCY AND FINANCIAL CONDITION REPORT

Single SFCR for  
**Sirius International Försäkringsaktiebolag (publ)**  
and **Sirius International UK Holdings Group**  
for the year ending 31 December 2020





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# EXECUTIVE SUMMARY

**This 2020 single Solvency and Financial Condition Report (SFCR) provides public qualitative and quantitative Solvency II disclosures for Sirius International Insurance Corporation (“SINT”) and the Sirius International UK Holdings Group (“SIUK” or the “Group”).**

All amounts disclosed in this SFCR report are in millions of Swedish Crowns (MSEK), unless stated otherwise.

Section A contains a description of the company’s and the Group’s business and performance.

During August 2020, Sirius International Insurance Group Ltd. (“SIIG”) entered a definitive merger agreement with Third Point Reinsurance Ltd. The transaction was completed on February 26, 2021, after approval from appropriate authorities. Following the merger Third Point Reinsurance Ltd changed its name to SiriusPoint Ltd. As a consequence of the merger China Minsheng Investment Corp now has a minority ownership of the Group. SiriusPoint common shares trade on the NYSE under the symbol SPNT.

For details on the system of governance refer to section B. No material changes during 2020.

The description of the risk profile is presented in section C. No material changes during 2020.

The valuation of assets, technical provisions and other liabilities under Solvency II, and the differences to IFRS, are described in section D. No material changes during 2020.

SINT has available and eligible own funds of MSEK 12,689 (prior year MSEK 14,745) and a solvency capital requirement of MSEK 8,418 (MSEK 8,951). The change in Solvency Capital Requirement is described under section E.2, Solo.

The ratio of eligible own funds to the SCR for SINT has decreased to 151% (165%).

The SIUK Group has available and eligible own funds of MSEK 11,386 (prior year MSEK 13,345) and a solvency capital requirement of MSEK 8,575 (MSEK 8,860). Refer to section E.2, Group.

The ratio of eligible own funds to the Group SCR for SIUK has decreased to 133% (151%).

SINT and SIUK Group are required to submit Quantitative Reporting Templates (QRTs) to the Swedish Financial Supervisory Agency (SFSA), Finansinspektionen.

A subset of QRTs is presented in the appendix to this single SFCR. Amounts in QRTs are in thousands of Swedish Crowns (SEK ‘000).

# **A. BUSINESS AND PERFORMANCE**

## **A.1 BUSINESS**

### **SOLO**

#### **Name and legal form of the undertaking**

This report covers the business of Sirius International Försäkringsaktiebolag (publ), ("SINT"), Corporate Identity Number 516401-8136.

**Financial supervisor** is the Swedish Financial Supervisory Authority:

Finansinspektionen  
Box 7821, 103 97 Stockholm, Sweden  
+46 8 408 980 00  
finansinspektionen@fi.se

#### **External auditors**

Ernst & Young AB  
Jakobsbergsgatan 24, Box 7850, Stockholm SE-103 99, Sweden  
Tel: +46 8 520 590 00

#### **Qualifying owners**

At 31 December 2020, Sirius International Försäkringsaktiebolag (publ) was 100% owned by Fund American Holdings AB (Sweden), which was 100% owned by Sirius Insurance Holdings Sweden AB (Sweden), which was 100% owned by Sirius Group International S.à r.l. ("SGI"), in turn 100% owned by Sirius International UK Holdings Ltd.

Sirius International UK Holdings Ltd. ("SIUK") was 100% owned by Sirius Bermuda Insurance Company Ltd. (Bermuda) ("SBDA"), which in turn was 100% owned by Sirius International Group Ltd. (Bermuda).

Sirius International Group Ltd. was 100% owned by Sirius International Holdings Ltd. (Bermuda), in turn 100% owned by Sirius International Insurance Group Ltd. (Bermuda).

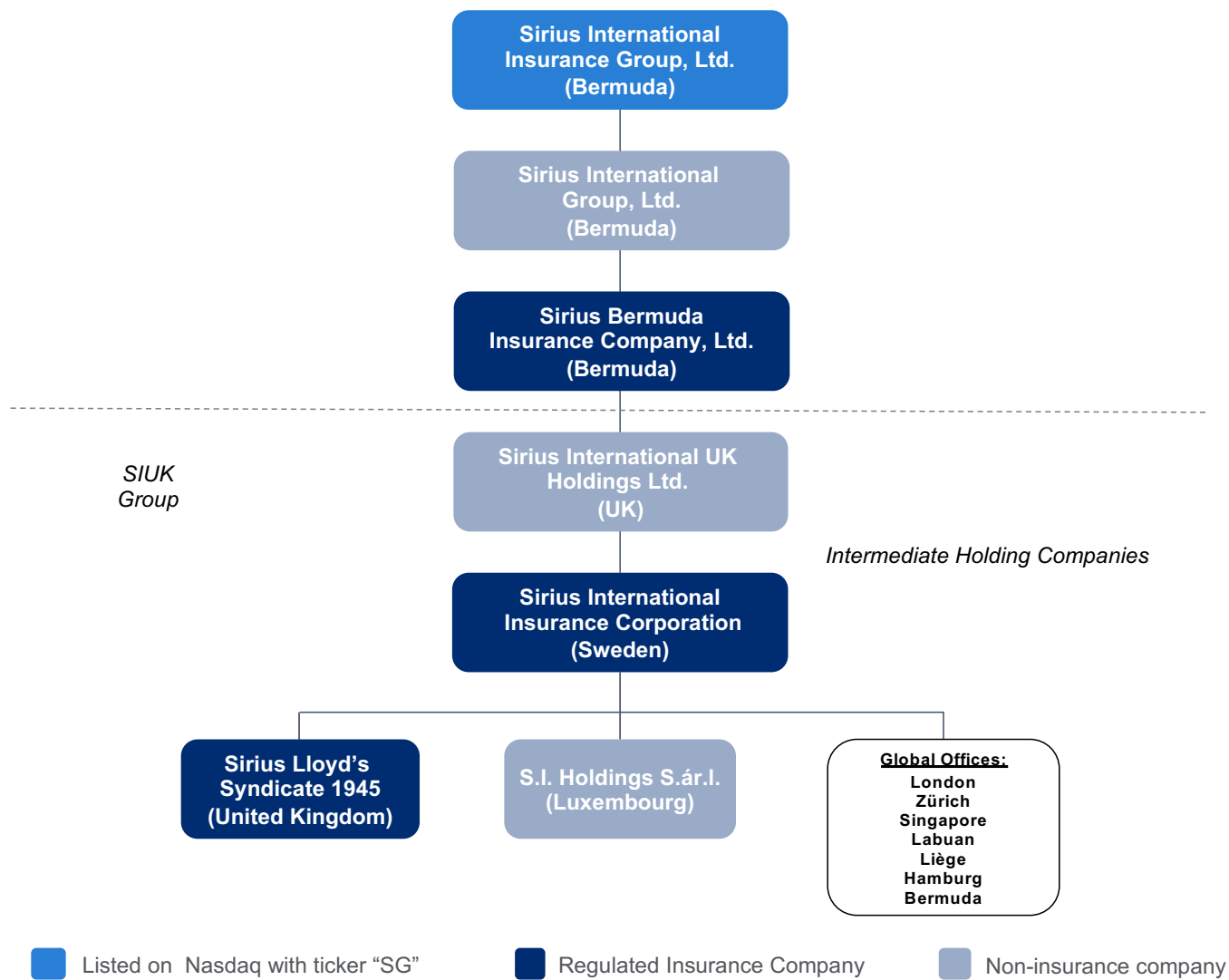
Sirius International Insurance Group Ltd. ("SIIG") was majority owned by CM Bermuda Ltd. (Bermuda). Effective as of November 2018, SIIG was publicly listed on The Nasdaq Global Select Market. As of December 31, 2020, CM Bermuda Ltd. owned 96% of the Company's issued and outstanding Common Shares. CM Bermuda Ltd. (Bermuda) was 100% owned by CM International Holdings Pte. Ltd. (Singapore) which in turn was owned to 81.8% by China Minsheng Investment Group Corp. Ltd. ("CMIG") (P.R. China) and to less than 10% each by three minority shareholders.

CMIG was owned to 14,9% by Horgos Guoxin Baotai Venture Capital Co., Ltd (P.R. China) and by 60 Corporate Shareholders, each owning less than 5%.

SOLVENCY AND FINANCIAL CONDITION REPORT

A. BUSINESS AND PERFORMANCE

Simplified legal structure:



Material lines of business and geographical areas

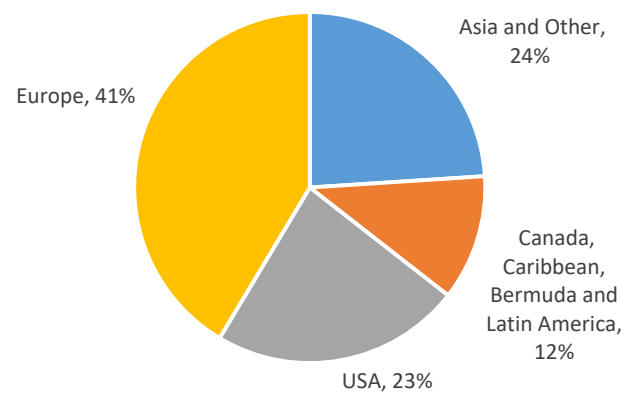
SINT is a global (re)insurer domiciled in Sweden, focused on property and other short-tail lines of business.

The business is well-diversified, both in regard of lines of business and geographical presence.

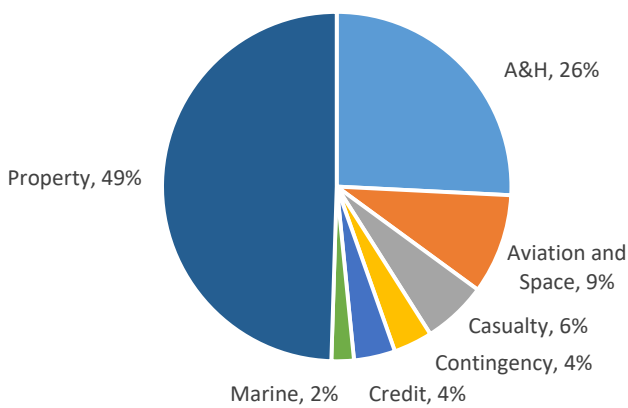
The major lines of business are Property; Life, Accident & Health; Casualty; Aviation & Space; Marine & Energy; and Credit & Bond. Property represents half the portfolio. The major part of the business is reinsurance.

SOLVENCY AND FINANCIAL CONDITION REPORT  
A. BUSINESS AND PERFORMANCE

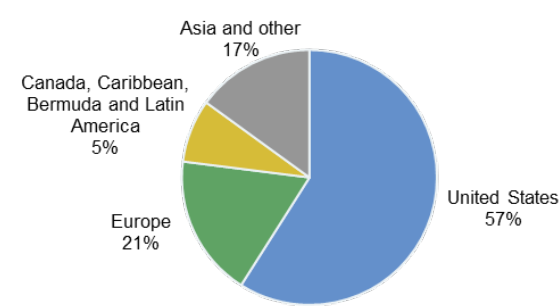
Net Premiums by Continent 2020



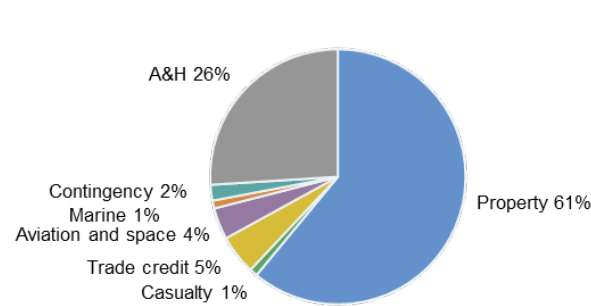
Net Premiums by Class 2020



Net Premiums by Continent 2019



Net Premiums by Class 2019





## SOLVENCY AND FINANCIAL CONDITION REPORT

### A. BUSINESS AND PERFORMANCE

#### GROUP

The sections of this report that cover the Group relate to the business of the Sirius International UK Holdings Group (“SIUK Group” or the “Group”), which up until 31 December 2020 was headed by the holding company Sirius International UK Holdings Ltd (“SIUK”), corporate identity number 10624541. In this Group, Sirius International Försäkringsaktiebolag (publ), Corporate Identity Number 516401-8136, is the only company being subject to the Solvency II regulations on a solo basis.

**Group supervisor** is the Swedish Financial Supervisory Authority:

Finansinspektionen  
Box 7821, 103 97 Stockholm, Sweden  
+46 8 408 980 00  
finansinspektionen@fi.se

The SIUK Group is also included in the scope of group supervision carried out by the Bermuda Monetary Authority (BMA) over the Bermuda-based SIIG Group. Because of this, Solvency II equivalent group supervision is exercised at a higher level for the broader SIIG Group, and the Solvency II Group supervision within the European Economic Area (EEA) was until 31 December 2020 capped at SIUK, but is from 1 January 2021 capped at SGI level (see “Significant events during the financial year”).

#### External auditors

PWC  
113 97 Stockholm, Sweden  
+46 10 212 4000

For SIUK and other companies in the SIUK Group, external audit is carried out by local PWC offices.

For an overview of related undertakings, see section A.6 below.

#### SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

For information on losses emanating from the Covid-19 pandemic refer to A.2 Underwriting Performance.

During August 2020, Sirius Group entered a definitive merger agreement with Third Point Reinsurance Ltd. The transaction was completed on February 26, 2021, after approval from appropriate authorities. Following the merger Third Point Reinsurance Ltd changed its name to SiriusPoint Ltd (“SiriusPoint”). As a consequence of the merger China Minsheng Investment Corp now has a minority ownership of the Group and SiriusPoint is the new parent company of the group. SiriusPoint common shares trade on the NYSE under the symbol SPNT.

As a result of Brexit, SINT has applied with the Prudential Regulation Authority (“PRA”), to convert its UK Branch to a so called third country branch. The company will continue the operations under a temporary permissions regime as legislated by the British government. The Company is expecting to get an approval from the PRA during the transition period.

Sirius Group International S.à r.l. (SGI) is from 1 January 2021 the top-company in the Solvency II Group.

SINT has on February 26, 2021, resolved to change its name to “SiriusPoint International Försäkringsaktiebolag (publ)”. The name change is still subject to approval by the SFSA and the Swedish Companies Registration Office.



## **A.2 UNDERWRITING PERFORMANCE**

The year 2020 will go down in modern history as being one of the most challenging years in the insurance industry. The number of natural catastrophes was higher than the average for the period since year 2000, resulting in great humanitarian and economic losses. This in combination with the most devastating pandemic the world has seen since 1918. A pandemic that will pervasively affect society and the way people live for a long time forward.

Even if the natural catastrophe losses were not record breaking in 2020, they were 40 % higher than the 21st century average. United States was once again the market worst affected in terms of insured losses, where 76% of the global insured natural catastrophe claims incurred. This is above the 21st century average of 56%. The European market on the other hand noted the lowest natural catastrophe claims since 2006. During the unusually active hurricane season over the Atlantic, no less than 30 named storms, 13 hurricanes and 6 major hurricanes were noted. Of these, hurricanes Laura and Sally were the costliest with combined claims estimated to 14 billion USD. Additionally, continuous and powerful consecutive storms, known as the phenomena Derecho, hit and caused claims estimated to 8 billion USD for the whole industry. The global insurance industry's cost for the Covid-19 pandemic cannot yet be reliably estimated.

SINT's insurance portfolio has also been affected by the above events, but the extent varies depending on geographical exposure and net market shares. The largest (re)insurance losses for SINT during 2020 emanate from the Covid-19 pandemic, the weather phenomena Derecho and hurricane Laura. These events combined are estimated to have resulted in claims of approximately MSEK 1,385 for own account. The company's globally diversified insurance portfolio has a dampening effect on the result despite significant losses from specific risks or geographic regions.

Gross premium income amounted to MSEK 9,472 (10,119). The decrease in gross premium income is mainly related to a fronting arrangement, where the premium for own account is 0. The premium income for own account amounted to MSEK 6,150 (3,889), being 58% higher than in the previous year. The increase in premium income for own account is mainly explained by new contracts, previously signed by a sister company. The increase is also partly explained by the insurance contract the Company entered in 2019 with another entity within the Group, which protects the Company from loss development from reinsurance contracts from prior underwriting years.

Claims reserves from previous accident years have been stable during the year, with a positive run-off result in the underlying portfolio of MSEK 0.4. The price levels of the insurance portfolio have been satisfactory during the year for multiple markets and insurance classes, while some segments in the portfolio struggle with profitability. The portion of the insurance portfolio, which was renewed at the beginning of 2021, has noted a stable volume with increased risk adjusted price levels. Overall for the portfolio, the pricing and renewal volume for 2021 is deemed to be satisfactory and in line with expectations.

The loss from insurance operations amounted to MSEK -532 (-479). The combined ratio was 108 % (113%). The weak insurance operating result is mainly due to claims emanating from the Covid-19 pandemic. All business segments are affected, but the majority of claims are found in assumed property reinsurance.

The table below summarizes the company's underwriting performance by major line of business, split by direct insurance and assumed reinsurance. The table is excluding allocated investment return transferred from the non-technical account and non-recurring costs.

## SOLVENCY AND FINANCIAL CONDITION REPORT

### A. BUSINESS AND PERFORMANCE

The Personal Accident & Health line, direct as well as assumed reinsurance, is mainly written out of the company's London office. This combined line produced a profit of MSEK 54 during 2020 (prior year: 17). The Marine, Aviation and Transport lines are written from all branch offices, with the exception of the Zürich office which exclusively writes Aviation on a direct and reinsurance basis and the office in Bermuda writing Property & Casualty reinsurance. All in all, Marine, Aviation and Transport produced a combined profit of MSEK 51 (loss of -134). The line Fire and Other Property damage is by far the largest line of business and is written from all locations with the exception of the Zürich office, as mentioned above. This line is mostly written on an assumed reinsurance basis. On a combined basis including direct insurance as well as assumed reinsurance, this line represents approximately 57% of the total gross premium income and produced underwriting losses for 2020 of MSEK -371 (-392) due to the major losses mentioned above. The line assumed Credit reinsurance is predominately written out of the Liège office and the book produced an underwriting loss of MSEK -56 (profit of 43) for the year. The Casualty line, predominantly written from the offices in Bermuda, New York and London, produced an underwriting loss of MSEK -105 (-44). The Contingency line, predominantly written from the offices in London, Stockholm and Liège, produced an underwriting loss of MSEK -60 (-11).

The gross premium income as well as the underwriting results are below plan, due to the reasons mentioned above.

#### Solo - Class analysis

2020

MSEK

	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Casualty	Con - tingency	Total Direct Insurance	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Casualty	Con - tingency	Total Assumed Reinsurance	TOTAL
Premium income, gross	1 133	52	78	144	0	1 408	559	809	5 283	315	971	129	8 064	9 472
Premiums earned, gross	1 340	52	43	115	0	1 550	574	874	4 865	395	402	108	7 218	8 769
Incurred Claims, gross	-610	-54	-39	-65	0	-768	-420	-794	-4 224	-304	-270	-166	-6 178	-6 946
Operating expenses, gross	-646	-9	-24	-37	-1	-717	-163	-229	-1 159	-157	-245	-22	-1 975	-2 692
Result, ceded reinsurance	-8	-7	1	18	0	3	-13	219	164	10	-23	21	378	381
Equalization provision						0							0	0
<b>Underwriting result</b>	<b>77</b>	<b>-19</b>	<b>-19</b>	<b>31</b>	<b>-1</b>	<b>69</b>	<b>-23</b>	<b>69</b>	<b>-353</b>	<b>-56</b>	<b>-135</b>	<b>-59</b>	<b>-556</b>	<b>-488</b>

#### Solo - Class analysis

2019

MSEK

	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Casualty	Con - tingency	Total Direct Insurance	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Casualty	Con - tingency	Total Assumed Reinsurance	TOTAL
Premium income, gross	1 591	47	0	195	1	1 835	400	981	6 359	504	8	32	8 284	10 119
Premiums earned, gross	1 530	42	10	68	4	1 654	394	909	7 174	465	20	33	8 996	10 650
Incurred Claims, gross	-814	-66	-13	-82	-2	-977	-224	-999	-5 941	-272	-20	-30	-7 486	-8 463
Operating expenses, gross	-708	-6	-14	-22	-6	-755	-131	-219	-1 806	-161	-28	-10	-2 354	-3 109
Result, ceded reinsurance	65	7	0	3	-1	74	-95	196	197	-2	17	1	314	387
Equalization provision						0				13			13	13
<b>Underwriting result</b>	<b>73</b>	<b>-23</b>	<b>-16</b>	<b>-33</b>	<b>-5</b>	<b>-3</b>	<b>-56</b>	<b>-111</b>	<b>-376</b>	<b>43</b>	<b>-11</b>	<b>-6</b>	<b>-518</b>	<b>-521</b>

The underlying profitability in the insurance operations is satisfactory, despite increased competition in the market. The diversified investment portfolio is expected to provide a stable yield. However, the fierce competition requires stringent pricing and underwriting, continued efficiency improvements and sound balancing of risks between the insurance and investment operations, in order to ensure long-term profitability. The company closely monitors available capital with the goal to have an efficient and forward looking capital management process over the insurance cycle, allowing the company to write the business targeted by its business model. In the planning process, as well as on a quarterly basis, the capital impact from our underwriting and investment strategies are reviewed. The analysis shows that the company is properly capitalized to support the medium term planning process and that the company is capable of sustaining its business model also under both internal and external deviations from the view in the base scenario.

## **A.3 INVESTMENT PERFORMANCE**

Ensuring policyholder security for the policyholders of SINT is fundamental to all company endeavours. SIIG Group's investment mission is to maximize long-term total returns (after tax) without assuming risk in an amount which might jeopardize the viability of the Group's insurance franchise. SINT's and the SIUK Group's investment missions are aligned with the SIIG Group's.

Notably, a number of SINT's investment portfolios are constrained by regulatory requirements, liquidity needs or other unique considerations. Such requirements must always be met.

1. Primary Objective: support Policyholder Liabilities (existing and future) and maintain compliance with regulatory and other requirements.
2. Secondary Objective: maximize long-term total returns on an after-tax basis.

An underlying principle of the SIIG Group is to manage all risks on an enterprise wide basis. Further, as a conceptual framework to simplify and facilitate investment deployment, guidelines provide that the SIIG Group ensures that high quality assets support the Policyholder Liabilities of its Group companies. Investments in excess of this amount, Owners' Funds, may be invested across asset classes to maximize long-term total returns (after tax) based on the owners' capital and liquidity requirements and risk appetite.

The table below gives an overview over the portfolio composition:

	<b>SINT</b>		<b>SIUK Group</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
Equities	2,642	1,528	3,341	1,536
Government Bonds	1,918	2,296	2,405	2,864
Corporate Bonds	7,198	5,894	7,500	6,191
Collateralized Securities	598	488	1,170	2,001
Collective Investment Undertakings	78	85	1,248	263
Cash & Cash Equivalents	1,151	2,709	1,269	2,715
Duration	1.6 years	1.4 years	1.5 years	1.1 years
Return	5,06%	0,60%	4,99%	-1,63%
Credit Quality	AA	AA+	A+	AA+

On December 31, 2020 (2019) the SIUK Group held securitised assets to the value of SEK 1,541,803,074 (615,441,465) and US Agency holdings of SEK 460,077,028 (558,934,720).

Sirius International held securitised assets to the value of SEK 29,588,421 (8,456,041) and US Agency holdings of SEK 459,170,301 (554,664,737) on December 31, 2020 (2019).

The securitisation assets in SINT are vetted at purchase to make sure they are allowable securitisations under Solvency II. The assets for all entities are monitored closely for any change in risk.



## **A.4 PERFORMANCE OF OTHER ACTIVITIES**

There are no other activities to comment.

## **A.5 ANY OTHER MATERIAL INFORMATION**

Following the British parliament ratification of a withdrawal agreement, the UK left the EU on 31 January 2020. This began a transition period that ended on 31 December 2020 when an agreement was entered into between the UK and the EU. During 2019, SINT applied for inclusion in the Prudential Regulation Authority's (PRA) Temporary Permissions Regime on behalf of its UK branch and submitted an application for a so called Third Country Branch (TCB) to the PRA. SINT will operate under the Temporary Permissions Regime until the permission of the TCB is granted.

At the end of the transition period, with effect on January 1, 2021, Sirius Group International S.à r.l. (SGI) replaced SIUK as the top-company in the SINT Solvency II Group.

SINT considers all other material information on the business and performance of the company to have been discussed above and/or in other sections.

## **A.6 GROUP LEGAL AND ORGANISATIONAL STRUCTURE**

**For the Group legal and organisational structure, refer to Appendix 1. The ownership of the undertakings is 100% unless otherwise stated in the organisational chart.**

### **Material (Re) Insurance Undertakings and significant branches**

#### **Sirius International Insurance Corporation (SINT)**

SINT is an international (re)insurer headquartered in Stockholm Sweden, focused on property and other short-tail lines of business. Sirius International is the largest reinsurance company in Scandinavia and a leading reinsurer in the European markets. SINT is licensed to write all classes of non-life Insurance, except class 10 (motor liability insurance), and all classes of reinsurance.

Major offices:

- United Kingdom Branch Office, London: A SINT branch office specialising in insurance, with a complimentary reinsurance offering. The branch writes across a multitude of lines in global markets. Classes of business include Accident & Health, Property Direct, Facultative and Binders, Contingency, Casualty and Energy Insurance. The branch has the license to write the same direct insurance and reinsurance as SINT. In addition, it has the license to sell cross-border direct insurance in the same classes as SINT.
- SINT's Belgian Branch Office in Liège actively writes Property, Marine, Miscellaneous and Agriculture treaties in Benelux, France, Italy, Spain, Portugal, the Mediterranean area, Israel, Africa, Latin America including Mexico, Central and South America, as well as Life, Accident and Health treaties in the above-mentioned European countries. Liège is also the centre of expertise for Credit & Bond reinsurance worldwide. The branch is licensed to write all classes of reinsurance. The branch has the license to write the same direct insurance and reinsurance as SINT. In addition, it has the license to sell cross-border direct insurance in the same classes as SINT.
- Bermuda Branch Office: A SINT branch office writing reinsurance business for US and Global insurance companies, with a focus on property catastrophe and casualty business. The branch is licensed to write all classes of property and casualty insurance and reinsurance business.
- Asia Branch Office: A SINT branch office in Singapore has established a strong foothold in underwriting treaty business in Asia with prominent presence in China, focused mainly on property. The branch offers reinsurance solutions attuned to clients' needs and provides lead capacity for excess of loss programs as well as facultative support in property and engineering classes emanating from Asia. The branch is licensed to write all classes of reinsurance.
- Hamburg: A SINT sole agent underwriting business from the Central European markets, including Germany, Austria and Switzerland as well as selected Southeastern European countries, i.e. Romania, Bulgaria and all former Yugoslavian Countries. The office offers both Treaty and Facultative reinsurance solutions for all lines of business with a strong focus on Property.
- Zürich Branch Office: A SINT branch office writing reinsurance business worldwide, focusing on Aviation and Space. The branch is licensed to write all classes of reinsurance.

#### **Sirius International Managing Agency / Lloyd's Syndicate 1945**

The Managing Agency obtained regulatory approval July 1st, 2014 and is 100% owned by SINT. The Managing Agency is responsible for the Syndicate.

Established in 2011 Sirius Syndicate 1945 is authorized to write a multitude of classes on both insurance and reinsurance basis while benefiting from Lloyd's extensive licenses and A+ security. Classes of business include Accident & Health, Property Direct Facultative and Binders, Contingency, Casualty and Energy Insurance.

## **A.7 GROUP TRANSACTIONS INFORMATION**

On 21 Dec 2020 Sirius Group International S.à r.l. (SGI) resolved to put its wholly-owned subsidiary SI Caleta (Gibraltar) Limited (“SI Caleta”) into voluntary liquidation. The liquidation is expected to be effectuated in Q2 2021. In connection with the resolution, it was also resolved to carry out an interim distribution within the framework of the liquidation, of essentially all assets of SI Caleta, save for an amount to cover liquidator fees etc. The only material asset of SI Caleta consisted of a SEK denominated debt instrument (issued by SGI, with SGI as borrower and SI Caleta as lender), with a nominal outstanding value of SEK 2,893,318,745 (Asset Linked Note), together with a minor portion of cash amounting to approximately USD 600,000. The interim distribution was effectuated as per 23 Dec 2020, and the Asset Linked Note was, as an effect of the distribution, cancelled by operation of law.

During the year SINT has transferred MSEK 1,031 in capital contributions to the subsidiary Sirius International Corporate Member Ltd in order to cover losses and meet the capital requirements by Lloyds. An additional contribution of MSEK 100 was made in March 2021.



## **B. SYSTEM OF GOVERNANCE**

## B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

### SOLO

#### The Administrative, management or supervisory body (AMSB) and other key persons

The **SINT Board of Directors (Board)** has the ultimate responsibility for operations of the business and the compliance with the laws and regulations. The Board adopts all policies, the statement of risk tolerance and other matters required by the regulator at least annually, including for example approval of the ORSA and supervisory reporting. Further details on the obligations and authorities of the Board are outlined in a Board Authority and the Board Rules of Procedures.

The **Managing Director (MD)** of SINT manages the company's organisation, under the supervision of the Board, and ensures satisfactory organisation of the operations. Further details on the obligations and authorities of the MD are given in an Instruction for the MD.

The **Executive Team** is a forum in which the management supports the MD by providing information and advice in the decision making process. Generally, overall Group related decisions are made by the MD. Each member of the Executive Team is responsible for a function or a department within which the Manager has a decision-making mandate.

The **Chief Underwriting Officer (CUO)** is responsible for the development and monitoring of adherence with global underwriting guidelines. The MD and CUO perform periodic underwriting reviews at the various legal entities and branches to assess adherence with the global underwriting guidelines.

The **Outward Reinsurance manager** is responsible for the development and monitoring of global retrocessional guidelines. The Security Committee regularly reviews and assesses the credit worthiness of existing and potential retrocessional partners. The Outward Reinsurance manager is also responsible for the coordination and placement of all retrocessional covers.

The **Chief Financial Officer (CFO)** is responsible for the control environment and reasonableness of amounts reported in the SINT legal entity financial statements. The CFO approves a chart of accounts and participates in the coordinated close calendar and reporting process throughout the Group.

The **General Counsel** is responsible for SINT's Legal function (including the Syndicate) and Legal policy as well as for working with the SIIG Group General Counsel in monitoring, assessing and mitigating legal risks as they exist and may emerge. Country specific legal risk monitoring, assessment and mitigation activities are the responsibility of local management.

The **Chief Operating Officer (COO)** supports management and the organisation in respect of risk management, investments and strategic projects.

The **Chief Risk Officer (CRO)** is head of the Risk Management function and is responsible for assisting the Board and the Risk Management Committee to ensure an effective operation of the risk management system, in order to identify, measure, monitor, manage and report SINT risk exposure and development of SINT risk profile.

The **Chief Compliance Officer (CCO)** is head of the Compliance department and the manager for the SINT Data Protection Officer. The CCO is responsible for developing compliance programs, reviewing company policies, and advising on compliance risks.

## SOLVENCY AND FINANCIAL CONDITION REPORT

### B. SYSTEM OF GOVERNANCE

In order for the Board and the MD to make strategic and overall decisions based on relevant information, **committees** are established to assist the Board and the MD. The following Board committees have been established: The Risk Management Committee (RMC), The Investment Committee and The Audit Committee. The following MD Committee has been established: The Security Committee. The Remuneration Committee is placed at SIIG Board level. The committees are established to consider, analyse and act on certain matters and provide advice and recommendations to the Board and the MD ahead of decision making. After the committees have given their advice, decisions related to the overall business and strategies are generally made by the Board and the MD. Decision-making can be delegated according to the mandates described in the Rules of Procedures of each committee. At least one Board member, or a member of the Management Group, is always represented in a committee.

The **four key functions**, Actuarial, Compliance, Risk Management and Internal Audit are described below separately and in chapter B.5 - Internal control system.

#### Changes in the system of governance during the reporting year

There were no material changes in the system of governance in 2020.

#### Remuneration policy and practices

The Remuneration Policy aims at mitigating the risk that the remuneration structure would promote excessive risk-taking, which could have a major impact on SINT's financial stability. In addition, the policy aims at securing that the remuneration to employees does not conflict with the interest of customers. The policy thereby contributes to the mitigation of operational and compliance risks. The overriding principle for compensation to SINT employees is that salaries and other remuneration are in line with the market level in the reinsurance industry. There are both fixed and variable components in the remuneration guidelines. The variable remuneration component is based on a combination of the assessment of the individual and the collective performance, such as business area and the overall results of the undertaking or Group. The variable remuneration program contains a flexible, deferred component that considers the nature and time horizon of the undertaking's business in order to align the remuneration practices with the long term interest of shareholders.

SINT applies the basic principle for occupational pension plans that are common for each different jurisdiction within which SINT operates. The MD has a defined contribution based executive pension plan. Certain members of management can be offered to subscribe to a special premium based pension plan. Both plans are safeguarded by insurance.

#### Material transactions during the reporting period

No material transactions at SINT solo.



## **SOLVENCY AND FINANCIAL CONDITION REPORT**

### **B. SYSTEM OF GOVERNANCE**

#### **GROUP**

The SIIG Group, headed by the Bermuda-based holding company SIIG has been subject to Solvency II equivalent group supervision by the Bermuda Monetary Authority (BMA) since 2016. The ultimate insurance undertaking within SIIG, Sirius Bermuda Insurance Company Ltd, is classified as the designated insurer of the SIIG Group.

As a consequence of the BMA group requirements, a group governance structure was established at SIIG level in 2016. Four group key functions (Actuarial, Compliance, Internal Audit and Risk management) have been established at SIIG level in order to set up common processes and procedures as applicable, taking different regulatory frameworks into account. In addition, managers have been appointed with a SIIG Group responsibility for coordination of finance, underwriting, tax, legal and IT issues.

Different committees (Audit & Risk Management, Compensation, Finance, and Nominating & Corporate Governance) have also been established by the SIIG Board of Directors (SIIG Board) to assist in monitoring of performance, risks and governance of the group. Quarterly reports are presented to the SIIG Board.

Group solvency is calculated both at SIIG Group level and SIUK Group level.

SINT is subject to Solvency II Group supervision by the Swedish FSA with SIUK as the ultimate holding company of the European (sub-) Group. SINT has established sound processes and procedures to comply with the group reporting requirements and produces an annual SIUK Group ORSA. Group solvency is calculated annually and intra-group transactions are monitored continuously in order to capture any transaction above the threshold set by the Swedish FSA. The SIUK Board and the Swedish FSA have approved that SINT is responsible for the Solvency II Group reporting package to the Swedish FSA.

The BMA initiated a group supervisory college in 2016 including supervisors from Bermuda, Sweden, New York and UK. In 2018 the college became operational with the signing of a Memorandum of Understanding. The BMA group supervisory reporting includes information such as group statutory financial returns, capital and solvency return, financial statements, solvency self-assessment and intra-group transactions, retrocession and risk exposures.

#### **Changes in the system of governance during the reporting year**

There have been no changes to the system of governance.

#### **Material transactions during the reporting period**

SIUK paid a dividend of MUSD 60 in 2020 and declared a foreseeable dividend of MUSD 18, to be paid in 2021.

## **B.2 FIT AND PROPER REQUIREMENTS**

### **SOLO**

#### **Fit and proper policy**

SINT has a Fit and Proper Policy and Guidelines in place to ensure that identified key persons and employees directly involved in insurance distribution fulfil requirements of adequate professional qualifications, knowledge and experience to enable sound and prudent management (fit), and honesty, good reputation and integrity (proper).

Key persons are the Board, MD, management team, branch managers and the four key functions (Actuarial, Compliance, Risk Management and Internal Audit).

SINT further has procedures covering requirements from the Insurance Distribution Directive (IDD).

#### **Process for assessing fitness and propriety**

The HR Director is responsible for the Fit & Proper process. The HR Director shall when appropriate liaise with the Legal and Compliance functions. The HR Director registers the Fit & Proper assessments. Key persons and employees directly involved in insurance distribution are assessed prior to their initial appointment; and reassessed annually or every third year depending on category of personnel. The assessment is based on a CV, a questionnaire, extract from criminal record and credit reference.

### **GROUP**

The SINT Solvency II fit and proper procedures are described in the SFCR solo section above. For other insurance companies in the SIUK Group, local legislations apply. Board directors/members of SINT's owner companies are fit and proper tested by the Swedish FSA.

## **B.3 RISK MANAGEMENT SYSTEM**

### **SOLO**

Risk management is an ongoing process with the objective of creating a risk management culture that starts from top management and spreads throughout the entire organisation. The risk management system within SINT and its subsidiaries is built upon the three lines of control concept (as detailed in section B.5 - Internal control system). The Board is ultimately responsible for the company's risk management strategy, risk tolerances and policies.

The Board deploys the responsibility through different risk committees. One such committee is the Risk Management Committee, which is a committee to the SINT Board. The Risk Management Committee formalizes the corporate management of critical risks across the Group, consistent with the overall risk appetite. The Risk Management Committee meets quarterly.

The Board approved Statement of Risk Tolerance (SoRT) sets SINT's overall approach and attitude towards risk, based on current market conditions and strategic opportunities to deploy capital. It provides the framework for risk guidelines and risk limits governing the day-to-day business operations. The SoRT aims at ensuring that SINT controls its risk taking to acceptable tolerance levels when implementing strategies to yield shareholder return. For risk quantification, SINT utilizes various internal aggregate exposure systems, and regulatory and rating agency capital models.

The Risk Management function is responsible for assisting the Board and the Risk Management Committee in the effective operation of the risk management system. The function assists with identification, measurement, monitoring, management and reporting of SINT risk exposure and analysis of the development of the risk profile. The Risk Management function is headed by the Chief Risk Officer (CRO). The CRO, the Risk Control Officer (RCO) and Risk Managers effectuate the responsibilities of the Risk Management function.

### **GROUP**

The Risk management system in SINT, the operating insurance company in the SIUK Group, is described in the solo section above. The SINT Risk Management function is also calculating Group SCR, managing the Group ORSA and monitoring risk at the SIUK Group-wide level, and reporting an independent and comprehensive view of these risks.

The SINT Risk Management function assists the SIIG level Risk Management key function in coordination of risk management activities in the wider Group.

## **B.4 ORSA**

### **SOLO**

The objective of the ORSA is to assess the overall short-term and long-term solvency needs of SINT, consistent with the financial planning period.

An ORSA policy describes the governance and the scope of the ORSA. The Board approves the ORSA policy and ensures that the ORSA process is appropriately designed, implemented and documented. The ORSA report is reviewed, challenged and approved at least yearly before the submission to the regulator. The Board can also request a non-regular ORSA, which will be considered by the Board following any significant change in the risk profile or in the company legal structure.

The ORSA process is based on risk assessments, business reviews and risk monitoring processes both in the first and the second line of control. These activities are integrated in the normal business cycle of the organisation, and the risk management and ORSA process is therefore continuous. The Risk Management function works closely with capital management, the planning function, and the Board to identify scenarios to use in the multi-year ORSA analysis of solvency needs. The scenario selection and projection analysis is part of the company's planning process. Multiple capital requirement perspectives are analysed to determine the own solvency needs. The risk profile, approved risk tolerances and the business strategy are considered. The risk profile is analysed and projected with the Solvency II standard formula and the internal Economic Risk Capital model. The own solvency need is based on the internal Economic Risk Capital model. Insight from the ORSA is used by the Board to assess the feasibility of the Business Plan.

The Risk Management function manages the ORSA report. The assumptions and the conclusions in the ORSA report are challenged and approved in multiple steps; by the CRO, by the Risk Management Committee and ultimately by the Board. The Board approved ORSA report is sent to supervisory authorities and it provides a comprehensive view of the ORSA process, highlights key observations from the analysis performed during the ORSA period, and focuses on the multi-year solvency. The finalization of the ORSA report is undertaken as part of the annual planning cycle, or as part of an evaluation of strategic initiatives, and the ORSA is input to the Board's approval of the business plan.

### **GROUP**

The SIUK Group ORSA process is integrated with the SINT Solo ORSA process, and focuses on group specific risks. The SINT Risk Management function manages the Group ORSA process.

The SINT Risk Management function assists the SIIG level Risk Management key function in coordination of ORSA activities in the wider Group for the corresponding BMA requirement of undertaking a Group Insurer's Solvency Self-Assessment (GISSA).



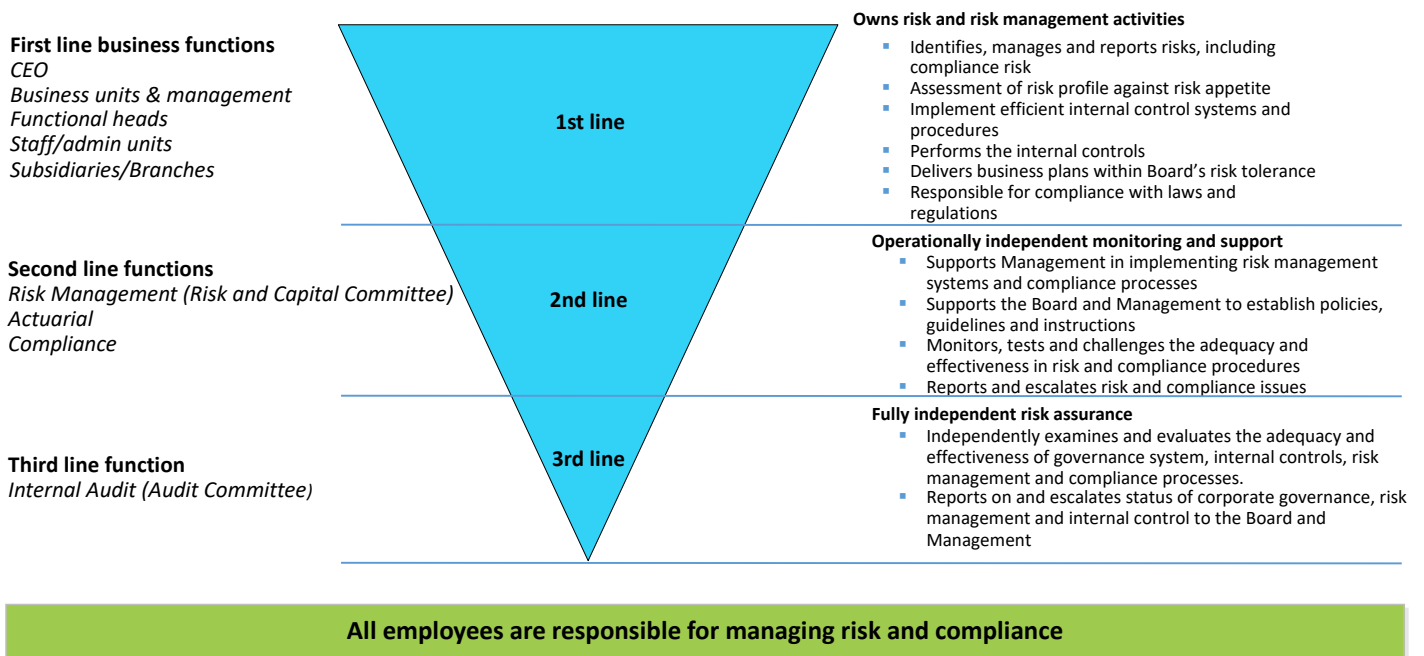
## B.5 INTERNAL CONTROL SYSTEM

### SOLO

Internal control is a process within SINT defined to assure effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations. The Board is ultimately responsible for the internal control system, which consists of the three lines of control structure and various internal control procedures.

#### Three lines of internal control

The three lines of control ensure that roles and responsibilities are clearly defined and separated:



**The 1st line of control** consists of the management, the business units and branches, the accounting and control functions as well as the support and administrative functions. This is where the risks are identified and managed and where the major responsibility for internal control and compliance lies. A clear control structure has been established including regular reviews of underwriting, claims, financial and insurance accounting.

**The 2nd line of control** consists of the Risk Management, Compliance and Actuarial functions performing operationally independent risk and compliance monitoring. These functions report directly to the MD and the Board and do not take part in operational decision making. They are entitled to have access to all information, records and meetings relevant to carrying out their duties and controls. The Actuarial function is established to monitor and coordinate the calculation of technical provisions.

**The 3rd line of control** is the Internal Audit function which performs fully independent reviews of all areas, including the Risk Management, Compliance, Actuarial and Management functions. Independence is secured by a straight reporting line to the SINT Audit Committee and Board.

## **SOLVENCY AND FINANCIAL CONDITION REPORT**

### **B. SYSTEM OF GOVERNANCE**

#### **Strengthened internal control over the financial reporting procedures**

SINT has identified a number of key processes with a material impact on the result of the financial reporting. These processes have clearly defined narratives and flowcharts, from which the internal control procedures can be derived, per Sarbanes Oxley (SOX) regulation. The controls are regularly being tested by the internal audit department and external audit to ensure effectiveness and efficiency. The result of the testing is reported to the Audit Committee and the Board.

#### **Internal Framework**

In order to ensure clear and well-structured governing documents, SINT has set up an internal framework. The governing documents set out the principles, roles and responsibilities, main processes and procedures as well as reporting to Board and management for different areas of the business.

#### **Management meetings**

Important parts of SINT governance are the underwriting reviews, business planning, reserve meetings and the result meetings, as well as the reviews and other regular information meetings performed throughout the organisation.

## **COMPLIANCE FUNCTION**

The operationally independent Compliance function is headed by the Chief Compliance Officer (CCO), who is responsible for assisting the Board in assuring that a proper written framework is in place as required by laws and regulations and adopted to the business conditions. The Compliance function supports the Board and business in identifying, measuring, monitoring and managing regulatory risks that may occur. The CCO reports on the compliance status to the Board, MD and management. Compliance coordinators (in the first line) are appointed in the subsidiaries and branches to support the CCO and to take specific account of applicable local requirements. There is a risk-based annual compliance plan outlining the major activities of the function. The Compliance function's work is governed by a Compliance Policy and Compliance Function Guideline, which has been adopted by the Board and MD respectively. The Compliance function has continued its focus on GDPR and IDD in 2020. The Compliance department includes the Data Protection Officer (DPO) role.

## **GROUP**

Every insurance undertaking of the SIUK Group has an internal control system that is fit for each business and which is in compliance with local legislations. These systems include Boards of Directors (Boards), management, control functions, administrative and accounting procedures, and an internal control framework and appropriate reporting arrangements at all levels of the undertakings.

#### **Strengthened internal control over the financial reporting procedures**

The major insurance companies throughout the SIIG Group apply the same SOX internal control over the financial reporting procedures as described above. Major deficiencies are reported to the SIIG Audit and Risk Management Committee.

#### **Management meetings**

Management meetings as described above are carried out in the insurance companies and coordinated at SIIG Group level as appropriate.

#### **Compliance**

During 2020 the Sirius Group compliance team has continued the projects to harmonise certain compliance processes and procedures throughout the group. These include for example sanctions screening procedures and certain harmonised policies.

## **B.6 INTERNAL AUDIT FUNCTION**

Internal Audit assists Management and the Board in achieving corporate objectives and discharging their duties and responsibilities by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the Company's risk management activities, internal controls, and governance processes. Internal Audit functions as an independent, objective assurance and advisory activity designed to add value and assist in improving operations. Internal Audit provides the Audit Committee of the Board of Directors (Audit Committee) and the Company with an independent appraisal function to assess the Company's internal control and operating environment.

**Internal Audit has the responsibility to:**

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and confirmation. The plan shall be developed in consultation with the Group Head of Internal Audit (GHIA) as part of the annual SIIG Internal Audit plan.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by Management, the GHIA and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Implement a quality assurance program by which the GHIA assures the operation of internal auditing activities and report the results to the Audit Committee.
- Perform advisory services, beyond Internal Audit's assurance services, to assist Management or the Audit Committee in meeting its objectives.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion so as to ensure that the resulting control environment is appropriate as to design and operating effectiveness.
- Issue written reports at the conclusion of each internal audit engagement and distribute such reports to appropriate members of operating and Executive Management, as well as the GHIA. Internal Audit reports will include management's response and corrective action to be taken in regard to specific observations and recommendations.
- Follow up on management's corrective action to ensure that issues arising from recommendations arising from internal audits have been appropriately resolved.
- Issue periodic reports to the Audit Committee, the GHIA and Management summarizing results of audit activities.
- Keep the Audit Committee informed of emerging trends and best practices in internal auditing.
- Provide a list of significant measurement goals and results to the Audit Committee and GHIA.
- Assist in the investigation of significant suspected fraudulent activities within the Company and notify the Audit Committee, and the GHIA of the results.
- Coordinate activities with the other members of the SIIG IA function, as well as external auditors and provide assistance as deemed necessary so as to best ensure an efficient audit and to allow for the maximum level of reliance on IA's work.
- Conduct, support and/or review investigations of potential violations of the Company's Code of Conduct.

## **B.7 ACTUARIAL FUNCTION**

### **General**

The activities of the Actuarial Departments in SINT and the SIUK Group are split between those involved in performing analyses regarding premium calculation, profitability, and sufficiency of the company's reserve provisions, and the Actuarial function that provides independent oversight and validation. The reserve provisions (often referred to as technical provisions) are calculated by reserving specialists using mathematical methods. The Actuarial function is responsible for independent reviews of the work of the reserving specialists, and performs a yearly control of the technical provision calculation.

The Actuarial function's control contains an independent assessment of the reserving needs, but also a check that the calculation is performed consistent with the Solvency II regulation. The control will thus cover not just the results, but also the information used in the calculation together with assumptions, approximations, and used methods. In addition, the Actuarial function explains the results, and material changes in the reporting period, compares these changes to the predicted development, and shares its view on the uncertainties embedded in the calculation. The Actuarial function also performs a yearly review of the underwriting performance, and the SIUK Group's own reinsurance protection (retrocession).

Furthermore, the Actuarial function is responsible for parts of the yearly qualitative reporting to the financial supervisory authority, and contributes to the company's risk control.

The recommendations of the Actuarial function are presented yearly in the Actuarial Function Report to the SINT and SIUK Group Board.

### **Independence of the actuarial function**

The calculation of the reserve provisions is carried out by the actuarial reserving team. The Actuarial function is not involved in any of the steps, but carries out an independent review of the results, at least once a year.

The Actuarial function is not involved in the decision processes for the underwriting policy or the retrocession strategy.

## **B.8 OUTSOURCING**

### **SOLO**

SINT has an Outsourcing Policy to ensure that the development and implementation of any outsourcing activity is carried out in a rigorous and transparent way that maintains the interests of the company and sound internal control. The policy aims at governing the way SINT enters into outsourcing agreements and how these shall be monitored. The objective is to maintain the same internal control over the outsourced operations as if the operations were still performed in-house. SINT has a conservative approach to outsourcing of critical or important functions or activities and only outsources operations after a careful and objective analysis. All potential outsourcing is assessed to assure that important or critical outsourcing complies with the Outsourcing Policy and that relevant contracts are notified to the supervisory authority.

SINT has outsourced parts of the IT operations to a group internal service provider, as well as to an external IT service provider. Investment management is outsourced to four external providers (of which three are based in the US) who operate under the oversight of the Investment Committee as well as in accordance with the SINT Investment Guidelines. SINT has an external provider of a system for accounting and analysis of investments, also based in the US. Underwriting and claims authority for direct Accident & Health insurance, medical short term travel and health insurance for risks located is outsourced to International Medical Group, Inc. (IMG), which is a managing agent within the SIIG Group. At the end of 2019 as part of the reorganisation within the SIIG group, SINT outsourced reinsurance underwriting world-wide in relation to Property, Casualty, Marine and Accident & Health to Sirius Bermuda Insurance Company, Ltd and to Sirius International Managers LLC.

### **GROUP**

The outsourcing policy and procedures of SINT are described in the solo section above. The policy applies to both external and internal outsourcing agreements.

There are outsourcing arrangements in place between SINT and the Sirius International Managing Agency, where SINT supplies the agency with certain services. Various companies in the SIIG Group either provide or receive services, resources or other support (the “services”) pursuant to intercompany service agreements. For example, under these service agreements, Sirius Global Services provides certain bookkeeping, accounting, financial reporting, actuarial support, risk management, legal and IT services to various affiliated companies. Sirius America Insurance Company provides certain catastrophe modelling, human resources support, network support and facilities usage. Certain claims management is also outsourced among affiliates. Some legal and administrative issues of the Luxembourg holding companies within the SIUK Group are outsourced to a corporate service provider.



## **B.9 ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE**

SINT is assessed to have an efficient system of governance that provides for sound and prudent management of the business. The system of governance is adapted to the nature, scale and complexity of the risks inherent in its business. The Board of Directors and management are well aware of and handle both risks inherent in the business and regulatory requirements. Key functions are sufficiently equipped in terms of their role in the organisation, resources and competence. Processes are in place for fit and proper assessments and management of outsourcing. The risk management system is well developed and the ORSA is an integral part of the strategic business cycle. The internal control system promotes segregation of responsibilities and effective transmission of information within the business. Segregation of responsibilities has been implemented in the operations in order to avoid conflicts of interest.

## **B.10 ANY OTHER MATERIAL INFORMATION**

There is no other material information on the system of governance apart from what is described in the sections above.

# C. RISK PROFILE

## **C.1 UNDERWRITING RISK**

### **Measures used to assess the risks, including risk mitigation**

Underwriting risk is the risk of loss, resulting from fluctuations in the frequency and severity of insured events, including uncertain or inadequate pricing assumptions and extreme or exceptional events (catastrophe risk).

The guiding principles for SINT underwriters are profitability, professionalism, consistency and prudence – with the purpose of maximizing the profit at a given level of risk.

- Every underwriting decision shall be taken with the purpose of improving the overall profit, while using the latest underwriting techniques and tools and balancing with experience and common sense.
- Diversification, strong accumulation controls and an active use of reinsurance are important to adjust risks to acceptable tolerance levels.
- Development and maintenance of long-term relationships with brokers and other counterparties is paramount.
- All agreements shall be honoured and claims shall be settled promptly and fairly.
- Underwriters should take advantage of opportunities that arise, provided that such opportunities fall within underwriting guidelines.

SINT writes a variety of classes of business in accordance with its license and focuses on business within the following areas:

- Property
- Life, Accident & Health
- Credit & Bond
- Aviation & Space
- Marine & Energy
- Casualty

Catastrophe risks (losses caused by natural perils or terrorism) within property insurance constitute SINT's largest underwriting risks.

The overall limits and aggregate limits for an event are specified in the Underwriting Guidelines. Specific risk or treaty limits are specified in the detailed guidelines for each class or type of business.

In order to ensure consistency and quality in the underwriting process, all underwriting within SINT shall comply with specific routines. One of the cornerstones of the underwriting process is the four eyes system. This means that the vast majority of the business shall be written by at least two underwriters (usually a Market Underwriter and a Technical Underwriter) who agree to the price and conditions of a potential business before it is signed. By this process, the risk of misjudgements and/or errors is mitigated.

### **Risk mitigation**

Underwriting risk, and thereby result volatility, is mitigated by diversification when it comes to inter alia territories and lines of business. SINT has cedants globally and writes most classes of non-life reinsurance in order to diversify the portfolio and mitigate risk concentration.

Result volatility is further mitigated by retrocession programs. The implementation of retrocession purchases is based on the strategic direction of the inwards portfolio, overall risk tolerances and the search for an optimal portfolio mix.

## SOLVENCY AND FINANCIAL CONDITION REPORT

### C. RISK PROFILE

There are several levels of control functions as well as technical systems, which are in place to monitor and control that underwriting guidelines, policies and procedures are followed. At SINT, there is an underwriting control unit reporting to the Chief Underwriting Officer. This group focuses in detail on how the business is underwritten and that the underwriters follow issued policies and procedures. This is primarily carried out by means of annual Underwriting Reviews. Another group controls the underwriting system and ensures it is used correctly and that input data is accurate. Finally, Risk Control, Compliance and Internal Audit also monitor these control groups, carrying out random inspections/tests, in detail ensuring they use sufficient control.

#### **Reserve risk**

The reserve risk, i.e. the risk that insurance technical provisions will be insufficient to meet incurred claims, is mainly handled by actuarial methods and a careful continuous review of reported claims.

Provisions are made to obtain a correct balance sheet and match revenues and costs with the period in which they emerged. The amount of the provisions shall correspond to the amount that is required to fulfil all expected obligations and reflect the best knowledge available to SINT. Acknowledged and appropriate methods are used in these estimations.

#### **Material risks**

Catastrophe (re)insurance is one of SINT's core businesses and its largest risk. The catastrophe portfolio and any (known) interdependencies and correlations in its total portfolio are captured in the monitoring.

In Non-catastrophe underwriting, SINT continues to focus on short-tailed lines, and diversification of the Property Catastrophe book with the relatively uncorrelated lines of business of Life, Accident & Health, Credit & Bond, Aviation & Space, Marine & Energy, and Casualty.

As SINT is a Non-Life (re)insurer, lapse risk is not a significant risk for the company.

#### **Concentrations and sensitivity analysis**

In underwriting, natural perils exposure (wind, flooding and earthquakes) constitutes the company's largest risk. Through the use of simulation models, the company obtains an estimation of catastrophe risk, both prior to and after retrocession. For an example on how the company and the Group analyse catastrophe risks refer to the SINT annual report, Note 2, Underwriting Risk.

Also refer to section C.7 - Risk Sensitivity.

## **C.2 MARKET RISK**

### **Measures used to assess the risks**

The Investment Guidelines state that the overall investment objective of SINT is to maximise long-term total returns (after-tax,) without assuming risk to an amount that might jeopardise the viability of the Group's insurance franchise. The compositions of the investment portfolio must at all times comply with supervisory authorities' regulations and approved investments guidelines.

The structure of SINT's technical provisions, risk bearing capacities, regulatory requirements, rating targets and risk tolerance are taken into account when defining asset allocation decisions and limits and setting return and liquidity targets.

SINT outsources the investment management to Sirius Investment Advisors (SIA), the Investment Manager, who acts as a discretionary advisor. Investment decisions are overseen by the Investment Committee.

SINT, as well as the Investment Manager, are obliged to ensure compliance with the Investment Management Agreement, the investment strategy as described above, the Investment Guidelines and any local regulatory requirements.

The Investment Manager manages the market risks defined in the Investment Guidelines on a day-to-day basis, whereas the Investment and Accounting function is responsible for the day-to-day operative handling of currency exposures according to the Market Risk Policy. The SINT Investment Committee reviews the investment portfolio, compliance with investment guidelines and regulatory restrictions and cash flows. It also reviews and provides feedback on Investment risks in line with the SoRT on a regular basis. The SINT Investment Committee reports their work to the SINT Board at the regular Board meetings. The SINT Investment Committee reports to the SINT Board and other relevant organisational units any major items or breaches in accordance with the Investment Policy. Further, the SINT RMC monitors compliance with the SoRT and reviews the outcome of a number of predefined stress- and scenario-tests on a quarterly basis.

### **Material risks**

- Under Solvency II's standard formula, market risk can be divided between the following sub-risks:
- Interest Rate risk – The risk of assets or liabilities being adversely affected by changes in current risk-free interest rates.
- Property risk – market risk from changes in the level or in the volatility of market prices of real estate
- Equity Risk – The risk of losses related to the level and volatility of market prices for equities and other risk assets.
- Spread and default risk – The risk of loss related to the level and volatility of the credit spreads above the risk-free rate, including any losses related to default events of investment asset counterparties.
- Currency risk – The risk of financial loss resulting from movements in foreign currency exchange rates.
- Concentration risk – The risk of exposure to losses associated with inadequate diversification of portfolios of assets.
- Macroeconomic Environment Risk - Fluctuations in the global economy and capital markets could impair our investment portfolio and financial position.

All market risks are monitored on an ongoing basis by the SINT Investment Committee and Risk Management Committee.



## SOLVENCY AND FINANCIAL CONDITION REPORT

### C. RISK PROFILE

#### **Prudent person principle**

The SINT investment process is set up to support the prudent person principle. This includes, but is not limited to, the management and committees being staffed to ensure that SINT has the appropriate skills and resources, continuous independent control, appropriate procedures and appropriate reporting procedures to manage the SINT investment portfolio.

The Company forecasts the cash needed based on existing insurance contracts. The bond portfolio is invested in combination with the cash and cash equivalents to align the nature and duration of the insurance liabilities.

#### **Risk concentration**

1. The Investment Committee reviews the investment portfolio and assesses the concentration risk that the Company is exposed to in order to ensure that it is within the risk tolerance and in accordance with the investment policy.
2. The risk concentration in the bond portfolio is mitigated by limiting exposure to any one single name in the investment portfolio as set out in the investment policy. Ongoing monitoring of the concentration risk is undertaken by the Investment Committee which monitors investment holdings against the Investment Policy, which is reviewed at least annually.

#### **Risk mitigation**

The Investment Committee and the Risk Management Committee assess the different market risks and review the effectiveness of the mitigating measures in accordance with the Investment Policy.

#### **Risk sensitivity**

For exhibits on the portfolio's risk sensitivity refer to the SINT annual report, Note 2, market risk. Also refer to section C.7 - Risk Sensitivity

## **C.3 CREDIT RISK**

Credit risk is the risk of incurring a financial loss due to counterparties failing to meet their financial obligations.

Material sources of credit risk stem from business ceded to reinsurers and from investment assets, further described below. Other minor sources of credit risk arise from amounts that are due (receivables) related to direct insurance, assumed and ceded reinsurance and from intermediaries.

### **Retrocession Credit Risk**

Reinsurance/retrocession is used as a tool to actively mitigate insurance risk. This transfer of insurance risk brings credit risk exposures, which are carefully managed.

SINT and the SIUK Group do not strive to take on credit risk and therefore the tolerance for reinsurance/retrocession credit risk is low.

The implementation of the reinsurance purchase is based on the strategic direction of the inwards portfolio, overall risk tolerance and the search for an optimal portfolio mix.

SINT's Security Committee is responsible for managing the risk of reinsurer insolvency. To mitigate this risk, the financial condition of the Company's retrocessionaires is reviewed semi-annually, and periodically monitored.

Counterparty ratings and changes are continuously updated for all retrocessionaires.

The Security Committee uses an internal SINT rating scale that assigns an internal counterparty rating for each insurance/reinsurance company, based on internal credit analysis. External information, such as rating agencies, is used as input.

Twice a year, the liability per reinsurer is reviewed by the Outwards Reinsurance Department against the rating and limits approved by the Security Committee. The report is reviewed by the manager of the Outwards Reinsurance Department and signed off by the company's MD.

For exhibits on the credit rating distribution of the reinsurers' share of technical provisions, refer to the SINT annual report, Note 2, credit risk.

### **Credit Risk in Investments**

SINT places its investments in securities with high credit quality. SINT's investment policy stipulates that 90% of the Policyholders Funds shall be rated no less than Investment Grade. It further stipulates limits for concentration to single issuers. The Investment Manager and the Investment Accounting and Control function monitor limits and exposures on a day-to-day basis. These are reported regularly to the Investment Committee.

For exhibits on the credit rating distribution of fixed income investments, refer to the SINT annual report, Note 2, credit risk.

## C.4 LIQUIDITY RISK

The risk that the company is unable to realise investments and other assets in order to settle financial obligations when they fall due, or can only do so on unfavourable terms. The risk is also due to failure to meet regulatory requirements for liquidity levels. Liquidity is assessed centrally on a daily basis within SINT, ensuring that there are sufficient funds to cover immediate, foreseeable and unexpected cash flow requirements.

Reviews of bank accounts are made on a daily basis assuring that SINT can comply with their obligations on a day-to-day basis.

Bank accounts and investment accounts are reviewed weekly to ensure that there are sufficient funds in cash and invested in easily accessible investments should there be any need for unexpected payments to cover large claims.

All balances are reviewed on a monthly basis by the Investment Committee to ensure that all cash balances are kept at a sufficient, but not excessive, level to comply with the Company's policies and to ensure that all investments are held according to the Investment Committee Rules of Procedure with regards to risk and duration.

Banks and institutions are a counterparty risk and all banks and institutions that SINT has any dealings with must be approved by the Investment Committee before any relations are initiated.

SINT does not deem Liquidity Risk as a major risk as it maintains a high level of liquid assets to meet its liabilities.

### Total amount of expected profit in future premiums

Expected profit in future premiums (EPIFP) as at 2020 Q4 and 2019 Q4 in SEK:

20Q4	EPIFP	19Q4	EPIFP
Gross	1 444 565 859	Gross	1 443 903 431
Ceded	612 395 660	Ceded	627 967 715
<b>Net</b>	<b>832 170 199</b>	<b>Net</b>	<b>815 935 716</b>

The net EPIFP for SINT has only increased marginally from 2019 Q4.

## **C.5 OPERATIONAL RISK**

### **Measures used to assess risks**

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. It is inherent in all business operations.

As the risk tolerance for operational risks is low, there are systems, processes and procedures in place to identify, analyse and report on operational risks. Preventive and detective controls are in place to reduce operational risk exposure. Mitigating actions are continuously followed up by the organisation and by risk management, and reported regularly to the Executive Management Team and to the RMC who decides on further actions, if required.

As part of the company's enterprise risk management (ERM), operational risks are identified, measured and assessed by the organisation through a self-assessment process. Possible operational risks in the daily operations are identified and summarised into a risk register. The organisation also rates the identified risks on an impact and likelihood scale and creates an operational risk heat map showing the severity of all identified risks.

### **Risk mitigation**

Risk mitigation is an outcome from the continued self-assessment processes performed by the organisation. Both the organisation, the RMC and management place a strong focus on risk mitigation.

The organisation uses incident reporting to collect information about incidents and near misses. This information is used for statistical reasons - but it is also a preventive measure for the organisation to adopt new controls in the operation and to set KRIs.

Furthermore, a Business Continuity Policy, including a Business Continuity Plan and Disaster Recovery Plan are well implemented.

### **Risk sensitivity**

Stress tests are performed to validate material risks and events that could have a material effect on the operations and viability of the company.

The current pandemic situation in the world, the spread of the new corona virus, has put the company in a real situation where the company's Business Continuity Plan has been put into action. This event has given proof that the company's Business Continuity Plan is working as intended.

Also refer to section C.7 - Risk Sensitivity.

## **C.6 OTHER MATERIAL RISKS**

Other material risks the company faces are Model Risk, Rating Agency Risk and Macroeconomic Environment Risk. They have been graded High by the RMC in the annual risk identification and risk ranking.

## **C.7 RISK SENSITIVITY**

Additional Risk Sensitivity and Stress Testing of the most material risk categories in the aggregated perspective for the Solo and Group perspective is undertaken as part of the ORSA process.

## **C.8 ANY OTHER INFORMATION**

There is no other material information regarding the risk profile.

## **D. VALUATION FOR SOLVENCY PURPOSES**



## **D.1 ASSETS**

The valuation principles applied to the assets are consistent with those used for IFRS with the following exceptions:

**Property** - Property, plant and equipment that are not measured at economic values should be re-measured at fair value for solvency purposes. The revaluation model under the IFRS on Property, Plant and Equipment could be considered as a reasonable proxy for solvency purposes.

**Participations** – Participations are valued at cost in IFRS for SINT. This is adjusted to Solvency II valuation for participations. For the SIUK Group, the adjustment for this category mainly represents the deconsolidation of the Lloyd's Syndicate S1945. Syndicates at Lloyd's are not considered insurance companies but the fair value of the Corporate Member holding the Lloyd's Syndicate is included as a strategic holding, according to EIOPA guidance

No valuation adjustment has been made to Other Assets (typically receivables and deposits to cedants) with an expected duration of one year or shorter; hence the valuation for Solvency II purpose equals the valuation used in the financial statements. Other Assets with an expected duration longer than one year are valued based on discounting of future expected cash flows, which is deemed to approximate fair value. Discounting is made with the EIOPA official interest rate curves.

Total adjustments before tax per main asset category are summarized in the table below (in MSEK). Please refer to section D.2 for details related to the adjustments for technical provisions.

<b>Adjustment to assets</b>	<b>SOLO</b>		<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
removal of DAC	-578	-637	-578	-761
revaluation of reinsurance recoverables	-5 630	-6 675	-5 597	-7 274
revaluation of property	84	84	86	86
revaluation of participations	-609	-170	1 217	-170
discounting of deposits	-27	-7 067	-27	-8 307
Revaluation of other investments	-	-	-11	-
total adjustments before tax	-6 759	-6 399	-4 910	-9 023

**SOLVENCY AND FINANCIAL CONDITION REPORT**  
**D. VALUATION FOR SOLVENCY PURPOSES**

## D.2 TECHNICAL PROVISIONS

### A) VALUATION OF THE SOLVENCY II TECHNICAL PROVISIONS

Valuation of the SINT solo and SIUK Group technical provisions used for solvency purposes (as at December 31, 2020)

#### SINT SOLO/SIUK GROUP

SII Line of Business Code	SII Line of Business	Best Estimate	Risk Margin	Technical Provision
1	Medical Expenses Insurance	243	12	254
2	Income Protection Insurance	-	1	-
3	Workers Compensation Insurance	-	-	-
4	Motor Vehicle Liability Insurance	-	-	-
5	Other Motor Insurance	-	-	-
6	Marine, Aviation and Transport Insurance	31	4	35
7	Fire and Other Damage to Property Insurance	36	3	39
8	General Liability Insurance	123	19	143
9	Credit and Suretyship Insurance	-	-	-
10	Legal Expenses Insurance	-	-	-
11	Assistance Insurance	1	1	2
12	Miscellaneous Financial Loss Insurance	0	0	1
13	Medical Expenses Proportional Reinsurance	306	12	318
14	Income Protection Proportional Reinsurance	22	2	24
15	Workers Compensation Proportional Reinsurance	35	2	37
16	Motor Vehicle Liability Proportional Reinsurance	5	0	6
17	Other Motor Proportional Reinsurance	-	-	-
18	Marine, Aviation and Transport Proportional Reinsurance	186	21	207
19	Fire and Other Damage to Property Proportional Reinsurance	530	45	575
20	General Liability Proportional Reinsurance	279	25	304
21	Credit and Suretyship Proportional Reinsurance	318	37	354
22	Legal Expenses Proportional Reinsurance	-	-	-
23	Assistance Proportional Reinsurance	2	1	4
24	Miscellaneous Financial Loss Proportional Reinsurance	-	23	4
25	Non-Proportional Health Reinsurance	153	21	174
26	Non-Proportional Casualty Reinsurance	138	42	180
27	Non-Proportional Marine, Aviation and Transport Reinsurance	179	82	261
28	Non-Proportional Property Reinsurance	2 121	279	2 399
29	Health Insurance	-	-	-
30	Insurance with Profit Participation	-	-	-
31	Index-Linked and Unit-Linked Insurance	-	-	-
32	Other Life Insurance	-	-	-
33	Annuities Stemming from Non-Life Insurance and Relating to Health Insurance	-	-	-
34	Annuities Stemming from Non-Life Insurance and Relating to Non-Health Insurance	-	-	-
35	Health Reinsurance	-	-	-
36	Life Reinsurance	17	0	17
<b>Total</b>		<b>4 702</b>	<b>611</b>	<b>5 313</b>

## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. VALUATION FOR SOLVENCY PURPOSES

#### METHODS AND BASES USED IN THE VALUATION OF THE TECHNICAL PROVISIONS USED FOR SOLVENCY PURPOSES

Technical provisions are estimated as part of the calculation of the company book closing result and liability statements. This estimate (referred to below as the IFRS reserves) is not consistent with the requirements for the valuation used for solvency purposes. A series of adjustments needs to be added in order to assess the provision used for solvency calculations.

The IFRS technical reserves consist of reserves for losses and expenses already incurred, but not necessarily reported yet, estimated by claims and reserving specialists. There are also provisions booked for future losses and related expenses from active contracts (premium reserves). These provisions are booked by not releasing any profit from the premium income relating to the future coverage.

**Incoming business:** The IFRS reserves for the incoming business are calculated using premium and claims information as registered by the SIUK Group underwriting and claims handling teams. Premium reserves are calculated in an automated process from information for each contract provided by underwriters and accountants. The claims specialists decide on reserves for individual claims (case reserves), but these reserves need to be adjusted for additional expected development of reported claims, and for claims not yet reported (but incurred). This adjustment is normally referred to as IBNR (Incurred But Not Reported) and is estimated by reserving specialists. Reserves for very large claims are regarded as exceptions. The development of these claims is normally assessed by the underwriters and the claims specialists.

The adjustment estimated by the reserving specialists is calculated using standard actuarial reserving and estimation techniques. The valuation of the IBNR reserves is based on underwriting year and development quarter information, with the segmentation considering individual regional and insurance class and type differences, with sometimes data separated by claims causes. The reserves for the very large claims are reviewed regularly by the reserving specialists. Reserves for future claims administration (referred to as ULAE, "Unallocated Loss Adjustment Expenses") are booked in proportion to case reserves and IBNR using factors set by the reserving specialists.

The premium reserves are checked by the reserving specialists. The process is regulated and described in the Reserving policy document and the more detailed documentation referred to in this document. The process and results for the IFRS technical reserves are subject to internal and external audits, on at least an annual basis.

**Retrocession:** The process for the retrocession is similar to that of the incoming business, but with some differences:

- The retrocession team is responsible for the registration of retrocession premiums, and claims amounts, including the IBNR for very large claims.
- For proportional retrocession agreements (where the reinsurer pays a pre-agreed percentage of the losses, and pays for this by offering the same pre-agreed percentage of the premium), the retrocession IBNR is calculated from the incoming business IBNR using premium proportions.
- For non-proportional retrocession agreements (all other types of agreements, normally the reinsurer pays a part of a large claim or disaster loss), IBNR is only booked in relation to reported individual losses.

*Reserve adjustments for solvency purposes:*

According to the regulation, the technical provisions used for solvency purposes shall be equal to the sum of a best estimate and a risk margin. The best estimate shall correspond to the average of all future cash-flows (premiums, claim payments, expenses), discounted for the expected time to the payment, relating to business where the insurance company has a legal obligation at the time of the book closing. The risk margin should be the additional amount that a potential buyer (of the insurance company) would be expected to require in order to take over and meet the insurance obligations. It is allocated in accordance with rules specified in the solvency regulation.

## **SOLVENCY AND FINANCIAL CONDITION REPORT**

### **D. VALUATION FOR SOLVENCY PURPOSES**

Not all types of future premium, loss and expenses development are represented in the IFRS reserves, which together with the discounting of the reserves and the risk margin is why the adjustments are necessary. The reserve adjustments are set in order to remove provisions in excess of average cash flows, and makes allowance for future cash flows not accounted for in the calculation of the IFRS reserves. The reporting of the reserves for solvency purposes requires detailed estimation on currency and country level. Since SINT accepts premium and pay claims in many different countries and currencies, and in order to avoid unnecessary approximations and simplification, the adjustments are calculated separately for each contract. For the other companies in the SIUK Group, adjustments are calculated by a combination of homogeneous risk groups (reserving classes) and underwriting year. The adjustments can be categorized as follows:

1. Removal of excess reserves
2. Allocation of bulk reserves (SINT only)
3. Inclusion of future cash flows not accounted for in the IFRS reserves
4. Accounting for discounting because of payment delay
  - Discounting of reserves
5. Adding the risk margin
  - Inclusion of Solvency II risk margin

### **ASSUMPTIONS USED IN THE VALUATION FOR TECHNICAL PROVISIONS FOR SOLVENCY PURPOSES**

Since decisions about used methods and data segmentation are necessary for the analysis, there are several underlying assumptions used in the technical provision estimation process. The list below states the significant assumptions.

- Impact from method/model choices, factor selections and data exclusions in the process of estimating the IFRS premium and claims provisions.
- Classification of data in the IFRS reserve analysis
- Choice of premium earning patterns and profitability for recent contracts
- External expert judgement estimates of ENIDs
- Assumptions regarding future new or unwritten insurance and reinsurance contracts
- Using previous year claims, administration and investment expenses to estimate future expenses.

### **SIGNIFICANT SIMPLIFICATION USED IN THE CALCULATION OF THE TECHNICAL PROVISIONS USED FOR SOLVENCY PURPOSES**

A number of simplifications are required in the calculation of the technical provisions for solvency purposes. The significant simplifications are:

1. The best estimate is based not on a probabilistic model, but a standard deterministic calculation using the same actuarial technique that an overwhelming majority of all insurance companies use. Even though this approach is not consistent with the solvency regulation, it is motivated by other wordings in solvency technical provisions guidelines.
1. The ULAE and the premium reserves are calculated using simplified methods that are commonly used across the insurance market
1. The non-claim specific IBNR for every non-proportional retrocession recovery is set to 0.
1. In the calculation of the Solvency II risk margin, method 2 (from the simplification hierarchy in guideline 61 of Guideline on the valuation of technical provision) is used in order to estimate the depreciation of the SCR.

## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. VALUATION FOR SOLVENCY PURPOSES

#### B) LEVEL OF UNCERTAINTY IN THE TECHNICAL PROVISIONS USED FOR SOLVENCY PURPOSES

The uncertainty evaluation for the Solvency II technical provisions stated at year-end is performed as a combination of results from the SIUK Group internal capital model, and alternative calculations and tests of the various cash flows included in the Solvency II technical provisions.

The SIUK Group internal capital model is a stochastic tool for the estimation of the income statement uncertainty, and is used for the reserve uncertainty evaluation. The internal capital model does not consider all the Solvency II reserve adjustments, but gives a reasonable proxy for the reserve uncertainty. Currently uncertainty arising from premium payments, expenses other than claims related, contractual options and the risk margin calculation are not considered. There are also differences between how the internal model and the technical provision calculation includes some of the cash flows, but since underwriting and reserve risk are modelled in accordance with a mature process, and yearly updated volatility assumptions, the model results are considered realistic. The results below show standard deviations for the total insurance risk, and the reserve risk for SINT, and for the SIUK Group, as at December 31, 2020.

SINT Solo/SIUK Group Internal model end-of-year results (Standard deviation)

##### **Insurance risk: 1,201 MSEK of which Reserve risk: 751 MSEK**

Comments: The calculation of insurance risk includes all exposed risk for the calendar year 2020, and covers both underwriting and reserve risk. The reserve risk calculation is based on underwriting year triangles, and estimated with bootstrap technique.

Additional comments on the technical provision uncertainty:

2. The IFRS gross and ceded benefit reserves as at end-of-year 2020 have been estimated in the SINT Actuarial function review, and are deemed to be adequate.
3. Two independent audits of the IFRS gross benefit reserve as of end-of-year including SINT and the Lloyd's Syndicate 1945, but excluding large event claims, and runoff and special accounts have deemed the reserves to be adequate.
4. Historically the SINT IFRS run-off reserves have developed favourably.
5. The Actuarial function review indicates a positive margin in the SINT IFRS premium reserves.
6. Because of the low duration of both insurance periods and loss portfolios for new business, the risks associated with ENID and contractual options are moderate compared to insurance companies with a larger share of long-term commitments.
7. Historically there are very little deviations resulting from the various deduction (commission/brokerage) arrangements, and administration expenses.
8. Investment expenses vary by reserve size and duration, but add to relatively low amounts compared to other types of cash flows, and the volatility contributions are low.
9. A stress test has been performed for the risk margin calculation. The results show that the risk margin will shift proportionally to changes in the SCR estimate, and that changes in the duration increases have relatively small impact on the overall risk margin level.



**SOLVENCY AND FINANCIAL CONDITION REPORT**  
**D. VALUATION FOR SOLVENCY PURPOSES**

**C) MATERIAL DIFFERENCES BETWEEN THE IFRS AND THE SOLVENCY VALUATION OF THE TECHNICAL PROVISIONS (BY SOLVENCY II LINE OF BUSINESS)**

<b>Legend:</b>	
1	Medical Expenses Insurance
2	Income Protection Insurance
3	Workers Compensation Insurance
4	Motor Vehicle Liability Insurance
5	Other Motor Insurance
6	Marine, Aviation and Transport Insurance
7	Fire and Other Damage to Property Insurance
8	General Liability Insurance
9	Credit and Suretyship Insurance
10	Legal Expenses Insurance
11	Assistance Insurance
12	Miscellaneous Financial Loss Insurance
13	Medical Expenses Proportional Reinsurance
14	Income Protection Proportional Reinsurance
15	Workers Compensation Proportional Reinsurance
16	Motor Vehicle Liability Proportional Reinsurance
17	Other Motor Proportional Reinsurance
18	Marine, Aviation and Transport Proportional Reinsurance
19	Fire and Other Damage to Property Proportional Reinsurance
20	General Liability Proportional Reinsurance
21	Credit and Suretyship Proportional Reinsurance
22	Legal Expenses Proportional Reinsurance
23	Assistance Proportional Reinsurance
24	Miscellaneous Financial Loss Proportional Reinsurance
25	Non-Proportional Health Reinsurance
26	Non-Proportional Casualty Reinsurance
27	Non-Proportional Marine, Aviation and Transport Reinsurance
28	Non-Proportional Property Reinsurance
29	Health Insurance
30	Insurance with Profit Participation
31	Index-Linked and Unit-Linked Insurance
32	Other Life Insurance
33	Annuities Stemming from Non-Life Insurance and Relating to Health Insurance
34	Annuities Stemming from Non-Life Insurance and Relating to Non-Health
35	Health Reinsurance
36	Life Reinsurance

Tables on next page:

**SOLVENCY AND FINANCIAL CONDITION REPORT**  
**D. VALUATION FOR SOLVENCY PURPOSES**

2020 (in MSEK)			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	36		
NET			Total Reported Reserve																														
IFRS reserves			7 948	540	1	0	0	0	34	51	163	0	0	1	0	360	45	68	13	0	497	1 293	513	460	0	2	74	201	139	263	3 244	27	
Adjust for Accrued premiums			-2 837	-272	-1	0	0	0	-3	-12	0	0	0	0	0	-77	-21	-19	-8	0	-418	-782	-275	-100	0	-1	-78	-52	-7	-61	-648	-2	
Adjust for DAC			-591	-199	0	0	0	0	0	-4	-66	0	0	0	0	0	0	-2	-17	-2	0	-34	-130	-119	-46	0	0	-2	3	-1	5	24	-1
Adjust for accrued deductions			601	144	0	0	0	0	2	2	0	0	0	0	0	-1	9	3	2	0	96	154	86	12	0	2	11	7	1	6	64	2	
Adjusted IFRS			5 121	214	0	0	0	0	32	37	98	0	0	1	0	282	30	34	5	0	141	535	205	326	0	2	5	159	131	213	2 685	25	
Solvency II adjustments			591	199	0	0	0	0	0	4	66	0	0	0	0	0	2	17	2	0	34	130	119	46	0	0	2	-3	1	-5	-24	1	
Exclusion of UPR			-1 968	-345	0	0	0	0	-2	-23	-99	0	0	0	0	-4	-8	-49	-8	0	-170	-460	-322	-114	0	-1	-21	1	-8	-41	-273	-19	
Removal of Management IBNR			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Induction of unincurred legally obliged business			-656	7	-1	0	0	0	-4	-1	0	0	0	0	0	12	-2	0	0	0	-2	-42	16	-17	0	0	-25	-13	-1	-23	-557	-2	
Premiums related to difference between estimates and written			-630	0	0	0	0	0	0	0	0	0	0	0	0	-4	-6	-26	0	0	-91	-133	-357	-27	0	0	0	0	0	1	15	0	
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)			1 840	157	0	0	0	0	3	16	54	0	0	0	0	3	6	56	5	0	246	412	588	82	0	0	11	-1	6	20	163	13	
Induction of provisions for additional expenses			73	2	0	0	0	0	1	2	2	0	0	0	0	2	0	1	0	0	9	15	7	3	0	0	1	4	3	7	14	0	
Induction for provision for ENID+CO			371	11	0	0	0	0	2	1	5	0	0	0	0	14	2	3	1	0	17	75	38	17	0	0	4	7	6	6	160	1	
Consideration of Retrocession			31	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	4	8	1	0	0	0	0	0	0	3	13	0	
Bad Debt			-71	0	0	0	0	0	0	0	-2	0	0	0	0	1	-1	-1	0	0	-3	-9	-16	0	0	0	0	-1	0	-1	-34	-3	
Discounting of reserves			4 702	243	-1	0	0	0	31	36	123	0	0	1	0	306	22	35	5	0	186	530	279	318	0	2	-23	153	138	179	2 121	17	
Solvency II Best Estimate			611	12	0	0	0	0	4	3	19	0	0	1	0	12	2	2	0	0	21	45	25	37	0	1	4	21	42	82	279	0	
Risk Margin			5 313	254	-1	0	0	0	35	39	143	0	0	2	1	318	24	37	6	0	207	575	304	354	0	4	-19	174	180	261	2 399	17	
Solvency II Technical Provision																																	

2019 (in MSEK)			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	36
NET		Total Reported Reserve	983	0	0	0	0	23	22	183	0	0	10	2	535	30	0	0	0	465	688	1	581	0	13	23	68	141	310	2815	23
IFRS reserves		6 875	-452	0	0	0	0	-9	0	0	0	0	0	0	-146	-33	0	0	0	-637	-378	-5	-216	0	-11	-36	-20	-5	-58	-802	0
Adjust for Accrued premiums		-2 809	12	0	0	0	0	-3	0	-110	0	0	0	0	1	0	0	0	0	12	-452	-82	9	0	1	0	1	0	-5	-31	0
Adjust for DAC		-647	235	0	0	0	0	2	0	0	0	0	0	0	9	17	0	0	0	168	-23	2	33	0	9	7	14	0	9	66	0
Adjust for accrued deductions		548	776	0	0	0	0	13	22	73	0	0	11	2	399	14	0	0	0	8	-165	-83	407	0	11	-6	61	136	257	2 048	23
Adjusted IFRS		3 968	-12	0	0	0	0	3	0	110	0	0	0	0	-1	0	0	0	0	-12	452	82	-9	0	-1	0	-1	0	5	31	0
Solvency II adjustments		647	-727	0	0	0	0	-6	0	-101	0	0	0	0	-30	-15	0	0	0	-311	-181	-2	-229	0	-8	-9	0	0	-60	-330	-20
Exclusion of UPR		-2 031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-161	0
Removal of Management IBNR		-121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Induction of unincurred legally obliged business		-610	18	0	0	0	0	-1	0	0	0	0	0	0	3	-8	0	0	0	-1	7	18	-23	0	0	-10	-15	2	-3	-593	-3
Premiums related to difference between estimates and written		-210	-1	0	0	0	0	-1	0	0	0	0	0	0	-8	-4	0	0	0	-96	-42	-1	-29	0	0	0	-2	0	-1	-25	0
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)		1 452	299	0	0	0	0	8	1	63	0	0	0	0	40	7	0	0	0	381	195	2	159	0	2	6	0	0	34	239	16
Induction of provisions for additional expenses		27	5	0	0	0	0	1	0	2	0	0	0	0	3	0	0	0	0	9	-10	0	1	0	0	0	1	2	7	13	0
Induction for provision for ENID+CO		317	18	0	0	0	0	1	0	6	0	0	0	0	20	1	0	0	0	16	62	9	21	0	0	3	7	7	7	137	1
Consideration of Retrocession		35	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	6	1	0	0	0	0	0	0	4	16	0
Bad Debt		-136	-7	0	0	0	0	-1	-1	-5	0	0	0	0	0	0	0	0	0	-12	-29	-3	-8	0	0	0	-11	-4	-33	-19	-3
Discounting of reserves		3 338	370	0	0	0	0	18	22	146	0	0	11	2	425	-5	0	0	0	-12	294	21	291	0	5	-16	41	144	216	1 356	15
Solvency II Best Estimate		612	16	1	0	0	0	9	4	29	0	0	2	1	18	0	0	0	0	9	66	6	48	0	1	1	39	33	76	253	0
Risk Margin		3 950	385	2	0	0	0	27	26	176	0	0	12	3	442	-5	0	0	0	-3	361	27	339	0	6	-15	80	177	292	1 609	15
Solvency II Technical Provision																															

## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. VALUATION FOR SOLVENCY PURPOSES

#### Explanation of the valuation differences

Comments to the valuation differences:

In the table above, the Solvency II technical provisions are compared to the net IFRS provisions after considering all assets and liabilities included in the Solvency II calculation.

**Inclusion of DAC and UPR:** The remaining part of the UPR (the DAC is already considered as an asset in IFRS) is removed, and later in the calculation associated cash flows (benefits and expenses) are added.

**Removal of Management IBNR:** The management IBNR is the difference between the booked IFRS claims reserve and the actuaries' best estimate. There is currently no management IBNR.

**Inclusion of unaccepted legally obliged business:** Profit from unaccepted legally bound business normally has a reducing impact on the Solvency II best estimate.

**Premiums related to difference between estimates and written:** Premium stemming from incepted but not yet written premium is not included in the IFRS result. This premium would typically be additional premium from assumed proportional reinsurance contracts.

Cost and benefits related to unearned and unwritten premiums:

Estimated costs and benefits relating to the difference between estimated and written premium must be added in order to include all future cash flows.

**Inclusion of future management action:** Adjustments for future retrocession purchase in order to ensure consistency in the retrocession costs across the earning period of the legally bound business. The inclusion of future management action should also include expected but not yet booked adjustments relating to planned internal retrocession agreements.

**Inclusion of provisions for additional expenses:** The earned part of the commission, and the investment expenses are not covered by the IFRS technical provisions.

**Inclusion for provision for Events Not In Data (BE):** Provisions for Events Not in Data are added in accordance with industry benchmarks (3-5% depending on line of business).

**Inclusion of provision for Contractual Options (CO):** Estimated cash flow impact from cancellation rights after downwards shifted rating or reduced solvency margin. Since most treaties are one-year treaties, there are very small customer incentives to exercise the contractual options.

**Consideration of Retrocession Bad Debt:** The effect of counterparty default is estimated from market default rates.

**Discounting of reserves:** The difference between the undiscounted best estimate (after consideration of retrocession bad debt) and the present value of the best estimate after applying benefit, premium and expense payment patterns, and the EIOPA currency specific yield curves.

**Risk Margin:** Risk margin is added in accordance with the Solvency II regulation.

## **SOLVENCY AND FINANCIAL CONDITION REPORT**

### **D. VALUATION FOR SOLVENCY PURPOSES**

#### **D) MATCHING ADJUSTMENT APPLIED IN THE VALUATION OF THE SOLVENCY II TECHNICAL PROVISIONS**

No matching adjustment is applied in the valuation of the Solvency II technical provisions for Sirius and for the SIUK Group.

#### **E) VOLATILITY ADJUSTMENT APPLIED IN THE VALUATION OF THE SOLVENCY II TECHNICAL PROVISIONS**

No volatility adjustment is applied in the valuation of the Solvency II technical provisions for Sirius and for the SIUK Group.

#### **F) TRANSITIONAL RISK-FREE INTEREST RATE-TERM STRUCTURE APPLIED IN THE VALUATION OF THE SOLVENCY II TECHNICAL PROVISIONS**

No transitional risk-free interest rate-term structure is applied in the valuation of the Solvency II technical provisions for Sirius and for the SIUK Group.

#### **G) TRANSITIONAL DEDUCTION APPLIED IN THE VALUATION OF THE SOLVENCY II TECHNICAL PROVISIONS**

No transitional deduction is applied in the valuation of the Solvency II technical provisions for Sirius and for the SIUK Group.

##### **(i) Recoverables from reinsurance contracts and special purpose vehicles**

The companies in the SIUK Group purchase retrocession outlined in the Outwards Reinsurance Retrocession Risk Policy. The retroceded reserve is currently 46% of the gross reserve for SINT.

There are no recoverables from special purpose vehicles affecting the SIUK Group technical provisions.

##### **(ii) Material changes in the assumptions made in the calculation of the technical provisions compared to the previous reporting period.**

No material changes to the underlying assumptions of the calculation of the technical provision used for solvency purposes have been made since the Day 1 reporting.

## **D.3 OTHER LIABILITIES**

No valuation adjustment has been made to Other Liabilities (typically payables, deposits from reinsurers and other provisions) with an expected duration of one year or shorter; hence the valuation for Solvency II purpose equals the valuation used in the financial statements. Other Liabilities with an expected duration longer than one year are valued based on discounting of future expected cash flows, which is deemed to approximate fair value. Discounting is made with the EIPOA official interest rate curves.

Pension benefit obligations are valued in accordance with IAS 19 for Solvency II purposes.

SINT's local ledger contains a safety reserve and other untaxed reserves not allowed in Solvency II. The safety reserve is in its entirety included in own funds, whereas other untaxed reserves are allocated to own funds for 79,4% and 20,6% to deferred tax liabilities.

Total adjustments before tax per main liability category are summarized in the table below (in MSEK). Please refer to section D2 for details related to the adjustments for technical provisions.

<b>Adjustments to liabilities</b>	<b>SOLO</b>		<b>GROUP</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
revaluation of technical provisions	5 606	6 673	5 606	8 529
discounting of deposits	30	176	30	176
revaluation of payables	0	0	0	0
revaluation of pension benefits	41	34	0	0
revaluation of Untaxed reserves	9 702	10 231	1 997	2 105
total adjustments before tax	15 378	17 114	7 633	10 810

## **D.4 ALTERNATIVE METHODS FOR VALUATION**

No alternative methods of valuation have been used.

## **D.5 ANY OTHER MATERIAL INFORMATION**

There is no other material information about the valuation of Asset and Liabilities.

# **E. CAPITAL MANAGEMENT**



## E.1 OWN FUNDS

### SOLO

The company closely monitors available capital. The goal is to have an efficient and forward looking capital management process over longer periods of time/insurance cycle, allowing the company to write the business targeted by its business model. In the planning process, as well as on a quarterly basis, the capital impact from our underwriting and investment strategies are reviewed. The analysis shows that the company is properly capitalised to support the medium term planning process and that the company is capable of sustaining its business model also under both internal and external deviations from the view in the base plan. According to the ORSA analysis, the level of own funds is considered adequate to cater for both growth and adverse results without any further need for capital.

The basic own funds are comprised of tier 1 paid up capital, a tier 1 reconciliation reserve and a tier 3 amount equal to the value of net deferred tax assets. The reconciliation reserve is comprised of the excess of assets over liabilities based on Solvency II valuations, after applicable tax adjustments. The safety reserve is included in the reconciliation reserve. The company has no ancillary own funds; hence the basic own funds equals total available own funds.

Available own funds items classified as tier 1 and tier 3 constitute eligible own funds to meet the Solvency Capital Requirement (SCR). Available Own Fund items classified as tier 1 constitute eligible own funds to meet the Minimum Capital Requirement (MCR).

The own funds composition is summarised below for the reporting periods ending 2020 Q4 and 2019 Q4, respectively (in SEK '000). For further details, refer to the QRTs in Appendix 2.

#### Own Funds per 2020 Q4

**Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35**

Ordinary share capital (gross of own shares)

Reconciliation reserve

An amount equal to the value of net deferred tax assets

**Total basic own funds after deductions**

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

**SCR**

**MCR**

**Ratio of Eligible own funds to SCR**

**Ratio of Eligible own funds to MCR**

	Total	Tier 1 - unrestricted	Tier 3
	C0010	C0020	C0050
R0010	800 000 000	800 000 000	
R0130	11 807 834 233	11 807 834 233	
R0160	81 114 883		81 114 883
R0290	12 688 949 116	12 607 834 233	81 114 883
R0540	12 688 949 116	12 607 834 233	81 114 883
R0550	12 607 834 233	12 607 834 233	
R0580	8 418 459 014		
R0600	2 104 614 754		
R0620	151%		
R0640	599%		

#### Own Funds per 2019 Q4

Ordinary share capital (gross of own shares)

Reconciliation reserve

An amount equal to the value of net deferred tax assets

**Total basic own funds after deductions**

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

**SCR**

**MCR**

**Ratio of Eligible own funds to SCR**

**Ratio of Eligible own funds to MCR**

	Total	Tier 1 - unrestricted	Tier 3
	C0010	C0020	C0050
R0010	800 000	800 000	
R0130	13 900 115	13 900 115	
R0160	45 051		45 051
R0290	14 745 166	14 700 115	45 051
R0540	14 745 166	14 700 115	45 051
R0550	14 700 115	14 700 115	
R0580	8 951 459		
R0600	2 237 865		
R0620	165%		
R0640	657%		

The ratio of eligible own funds to the solvency capital requirement was 151% per 2020 Q4 (165% per 2019 Q4). The ratio of total eligible own funds to the minimum capital requirement was 599% per 2020 Q4 (657% per 2019 Q4).

The decrease in eligible own funds by 2,056 MSEK to 12,689 MSEK was driven by a decrease in assets over liabilities following underwriting losses from Covid-19 and unfavourable foreign exchange development.

## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. CAPITAL MANAGEMENT

#### GROUP

The SIUK Group closely monitors available capital. The goal is to have an efficient and forward looking capital management process over longer periods of time/insurance cycle, allowing the Group to write the business targeted by its business model. In the planning process, as well as on a quarterly basis, the capital impact from our underwriting and investment strategies are reviewed. The analysis shows that the Group is properly capitalised to support the medium term planning process and that the Group is capable of sustaining its business model also under both internal and external deviations from the view in the base plan. According to the ORSA analysis, the level of own funds is considered adequate to cater for both growth and adverse results without any further need for capital.

The basic own funds are comprised of tier 1 paid up capital, a tier 1 reconciliation reserve and a tier 3 amount equal to the value of net deferred tax assets. The majority of the net deferred tax assets are deemed to be not available at the Group level. The reconciliation reserve is comprised of the excess of assets over liabilities based on Solvency II valuations, after applicable tax adjustments. The reconciliation reserve has also been adjusted with foreseeable dividends. Furthermore, the reconciliation reserve has been adjusted for other non-available own funds representing the non-available part of the Swedish safety reserve stemming from SINT (See further details under section E.6 below). The Group has no ancillary own funds; hence the total basic own funds equals total available and eligible own funds.

For Group SCR calculations, the default Method 1 (accounting consolidation-based) has been used.

The own funds composition is summarised below for the reporting periods ending 2020 Q4 and 2019 Q4, respectively (in SEK '000). For further details, refer to the QRTs in Appendix 2.

#### Own Funds 2020-12-31

		Total	Tier 1 - unrestricted	Tier 3
		C0010	C0020	C0050
Total basic own funds after deductions	R0290	11 386 321	11 305 206	81 115
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	11 386 321	11 305 206	81 115
Total eligible own funds to meet the minimum consolidated group SCR	R0570	11 305 206	11 305 206	0
Consolidated Group SCR	R0590	8 575 418		
Minimum consolidated Group SCR	R0610	2 104 615		
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A )	R0630	133%		
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	537%		

#### Own Funds 2019-12-31

		Total	Tier 1 - unrestricted	Tier 3
		C0010	C0020	C0050
Total basic own funds after deductions	R0290	13 344 920	13 068 554	276 366
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A )	R0560	13 344 920	13 068 554	276 366
Total eligible own funds to meet the minimum consolidated group SCR	R0570	13 068 554	13 068 554	
Consolidated Group SCR	R0590	8 859 796		
Minimum consolidated Group SCR	R0610	2 237 865		
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A )	R0630	151%		
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	584%		

The group's ratio of eligible own funds to the solvency capital requirement was 133% per 2020 Q4 (151% per 2019 Q4). The ratio of total eligible own funds to the minimum capital requirement was 537% per 2020 Q4 (584% per 2019 Q4).

The decrease in eligible own funds by 1,959 MSEK to 11,386 MSEK was driven by a decrease in assets over liabilities by 2,544 MSEK from a dividend of 559 MSEK during the first quarter followed by underwriting losses from Covid-19 and unfavourable foreign exchange development. The reduction in assets over liabilities was offset by 585 MSEK from a reduction of expected dividends by 412 MSEK to 147 MSEK and from a reduction in non-available own funds items by 173 MSEK.

## E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

### SOLO

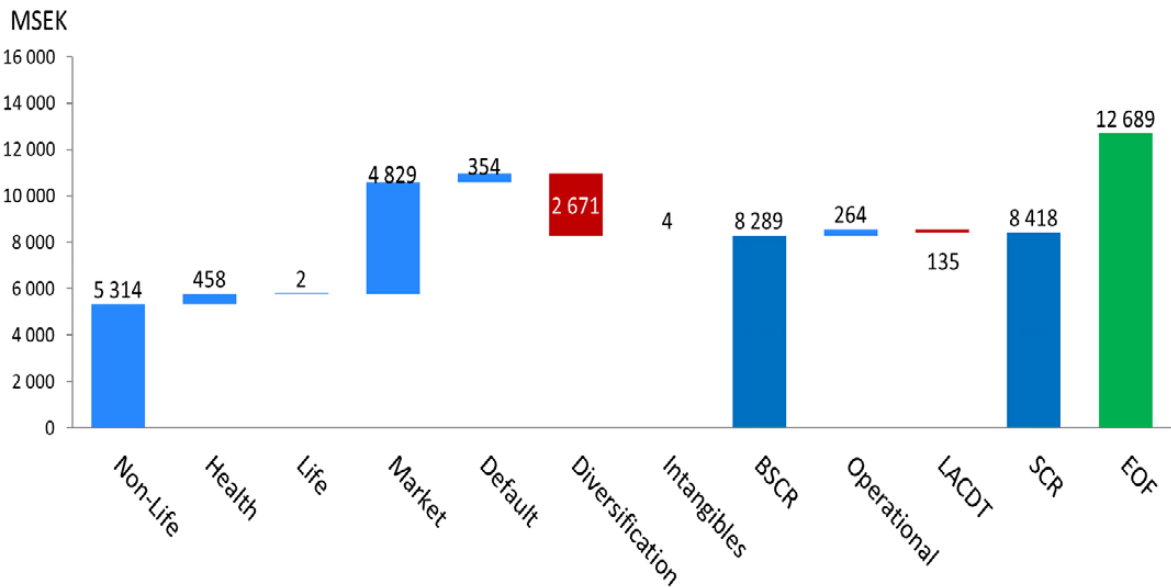
The regulatory SCR and the MCR are calculated based on the Solvency II standard formula, for all risk categories. The MCR is defined as the largest of either a factor based approach applied to net earned premium and net technical provisions, or as an amount equal to 25% of the SCR. Based on the current risk profile the MCR becomes 25% of the SCR.

The SCR at 2020 Q4 is MSEK 8,418. The Minimum Capital Requirement (MCR) is MSEK 2,105. SINT is not required to hold a capital add-on in addition to the SCR.

SINT has from the start acknowledged the full impact of the Solvency II standard formula and does not apply any of the transitional measures that could have decreased the solvency requirement to a lower level during a transitional period. SINT’s application of the standard formula does not use any undertaking-specific parameters, and the regulator has not requested SINT to do so. The application of the standard formula uses simplifications, consistent with the principle of proportionality. Articles 89 – 112 specify different possible simplifications when applying the standard formula. SINT applies simplifications for Article 91 “Simplified calculation of the capital requirement for life mortality risk”, Article 96 “Simplified calculation of the capital requirement for life-catastrophe risk” and Article 107 “Simplifications - risk mitigation for reinsurance or securitisation”.

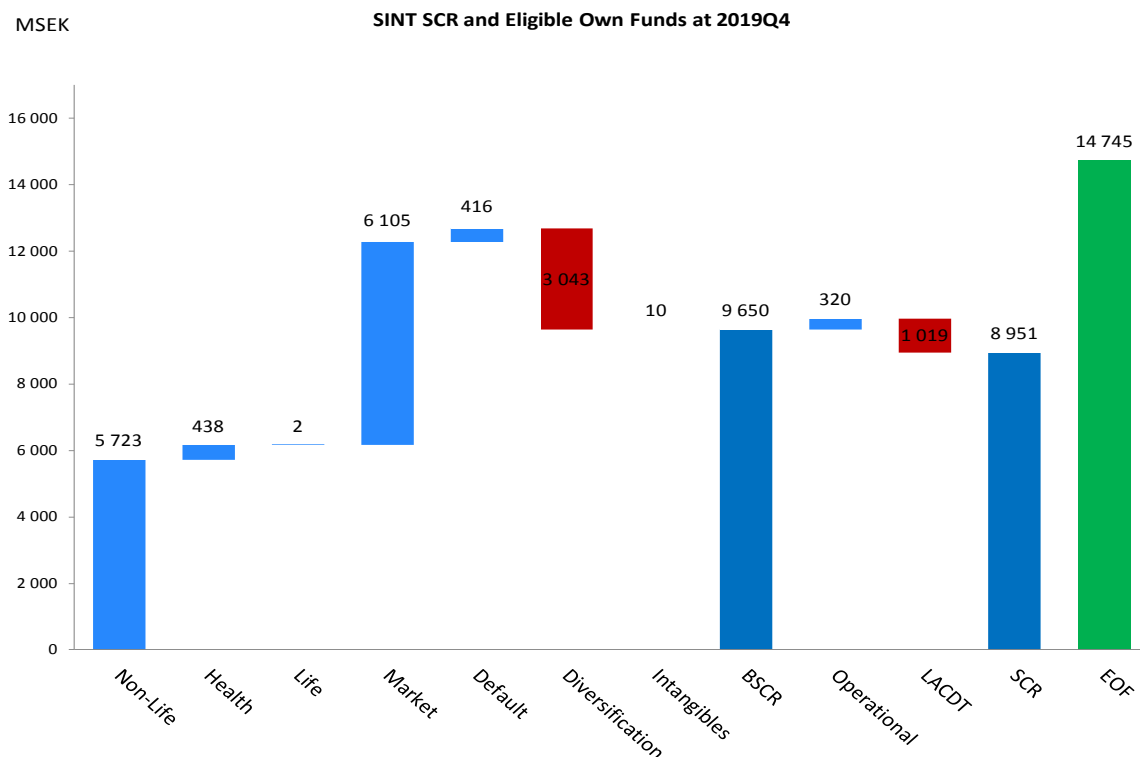
Split by risk module to which SINT has exposure, the SCR is based on the following components:

**SINT SCR and Eligible Own Funds at 2020Q4:**



## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. CAPITAL MANAGEMENT



The SCR of MSEK 8,418 decreased by 6% or MSEK 533 from the 2019 Q4 annual calculation. The largest drivers are the reductions for Currency Risk by MSEK 1,188 and Non-Life Catastrophe Risk by MSEK 635, offset by a reduction of the Loss Absorbing Capacity of Deferred Taxes (LACDT) of MSEK 883.

The MCR of MSEK 2,105, which corresponds to 25% of the SCR has decreased by MSEK 133 or 6% from the 2019 Q4 calculation.

## GROUP

The regulatory Group SCR standard formula is calculated based on the Solvency II standard formula for all risk categories. The accounting consolidation basis is applied. Hence the minimum consolidated Group SCR is equal to the sum of the MCRs for the participating insurance or reinsurance undertakings, i.e. equal to SINT's MCR.

The Group SCR at 2020 Q4 is SEK 8,575 million. The minimum consolidated Group SCR is SEK 2,105 million. SIUK Group is not required to hold a capital add-on in addition to the Group SCR.

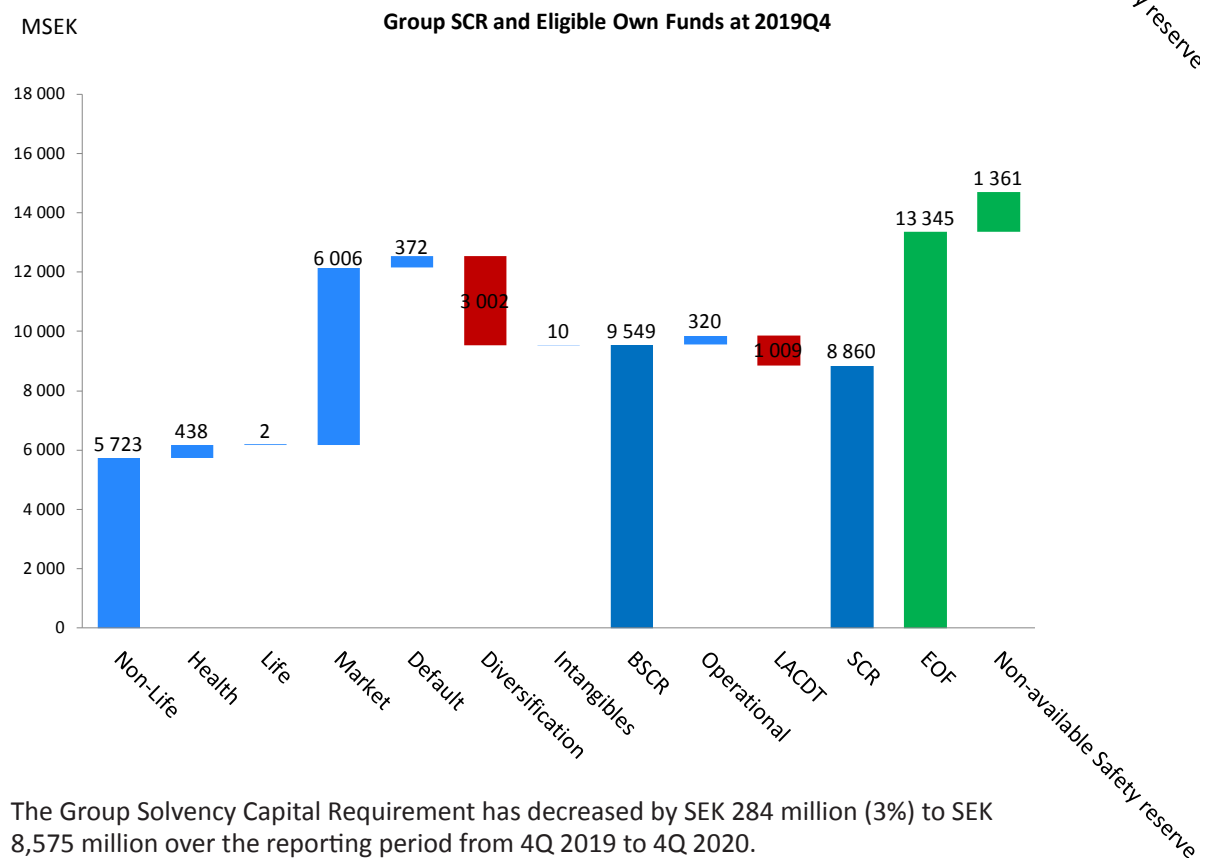
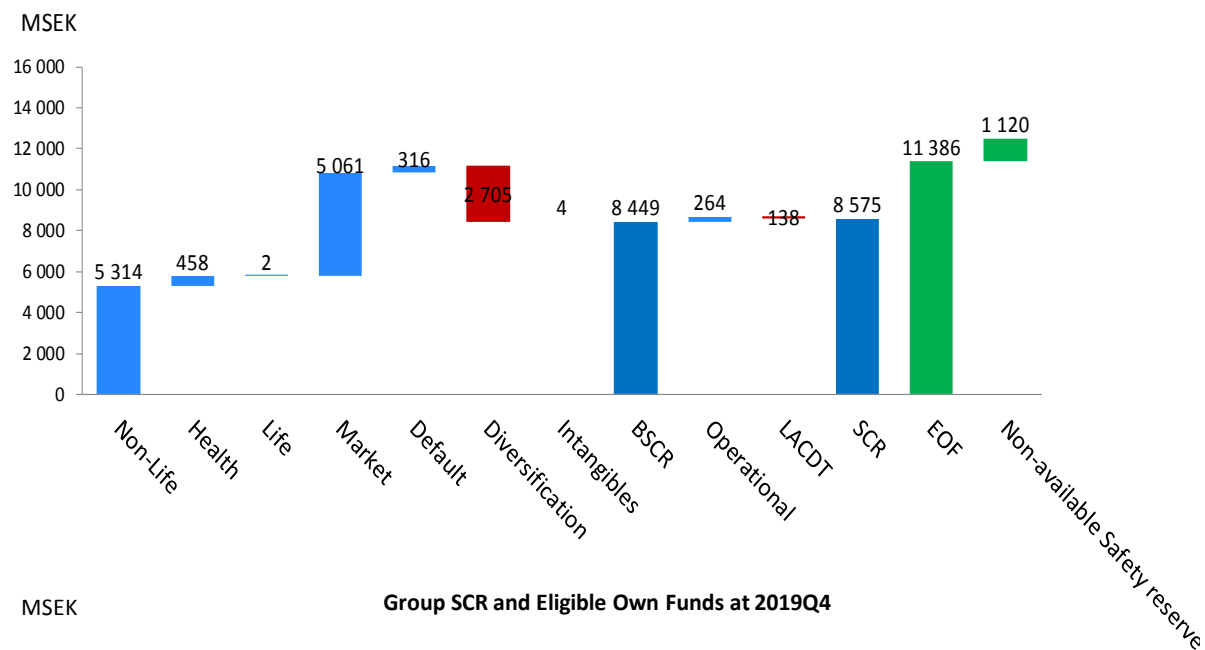
SIUK Group has from the start acknowledged the full impact of the Solvency II standard formula and does not apply any of the transitional measures that could have decreased the solvency requirement to a lower level during a transitional period. SIUK Group's application of the standard formula does not use any undertaking-specific parameters, and the regulator has not requested SIUK Group to do so. The application of the standard formula uses simplifications, consistent with the principle of proportionality. Articles 89 – 112 specify different possible simplifications when applying the standard formula. SIUK Group applies simplifications for Article 91 "Simplified calculation of the capital requirement for life mortality risk", Article 96 "Simplified calculation of the capital requirement for life-catastrophe risk" and Article 107 "Simplifications - risk mitigation for reinsurance or securitisation".

## SOLVENCY AND FINANCIAL CONDITION REPORT

### D. CAPITAL MANAGEMENT

Split by risk module to which SIUK Group has exposure, the SIUK Group SCR is based on the following components in MSEK:

#### Group SCR and Eligible Own Funds at 2020Q4:



The Group Solvency Capital Requirement has decreased by SEK 284 million (3%) to SEK 8,575 million over the reporting period from 4Q 2019 to 4Q 2020.

The largest drivers to the decrease are the reductions of Non-Life Catastrophe Risk, Spread Risk, and Equity Risk, offset by a lower mitigating effect from LACDT.

### **E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR**

SINT and the SIUK Group do not use the duration-based equity risk sub-module in the calculation of the SCR.

### **E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED**

SINT and the SIUK Group do not use an approved internal model.

### **E.5 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR**

SINT has been in full compliance with the MCR and the SCR requirements during the reporting period. SIUK Group has been in full compliance with the minimum consolidated Group SCR and the Group SCR requirements during the reporting period.



## **E.6 ANY OTHER MATERIAL INFORMATION**

SINT and SIUK Group consider all material information on the capital management of the company to have been discussed in other sections.

### **METHOD 1 OR 2 USED FOR GROUP SOLVENCY CALCULATION**

For SIUK Group SCR calculations, the default Method 1 (accounting consolidation-based) was used.

### **FUNGIBILITY AND TRANSFERABILITY OF OWN FUNDS**

The own funds at SIUK Group level discussed in section E.1 above were assessed against restrictions on the fungibility and transferability of own funds that may exist as a consequence of the underlying nature of own funds elements and of the legal and regulatory environments in which the undertakings of the SIUK Group operate. Total own funds have been reduced by MSEK 2,516 due to fungibility and transferability constraints related to net deferred tax assets at SIUK Group level and the Swedish safety reserve in SINT of MSEK 1,396 and MSEK 1,120 respectively.

### **CONSOLIDATED GROUP SCR**

The full amount of the SIUK Group SCR at 2020 Q4 of MSEK 8,575 is calculated based on the basis of consolidated data referred to in Article 335(1)(a) of the Delegated Acts Regulation.

### **MATERIAL SOURCES OF GROUP DIVERSIFICATION BENEFITS**

The main sources of SIUK Group diversification benefits are recognized in non-life risk and market risk. Non-life risk benefits stem from the SIUK Group portfolio being more diversified between lines of business and geographical regions. Market risk benefits at SIUK Group level are driven by the treatment of subsidiaries in the solo and Group calculations. In the solo calculations subsidiaries are treated as equity risk, hence the equity risk category includes the volatility from all risk categories in respective subsidiary's business. In the SIUK Group SCR, the risk from the subsidiaries are consolidated into respective Group risk area, leaving only the other equity investments as equity risk exposure.

## **ADDITIONAL VOLUNTARY INFORMATION**

SINT and SIUK Group consider all material information on the capital management of the company to have been discussed in other sections.

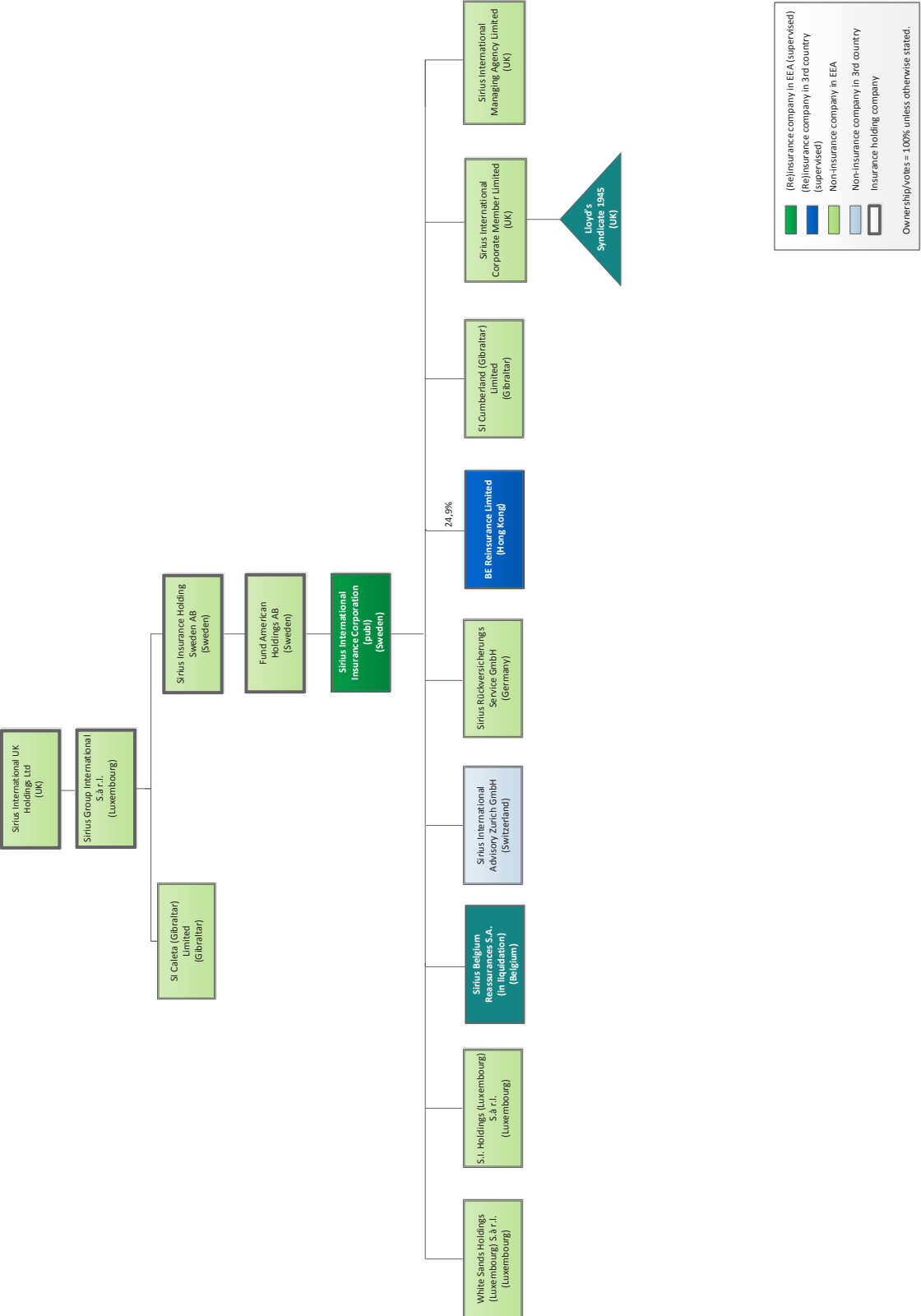
# GLOSSARY OF TERMS AND ABBREVIATIONS

AMSB	Administrative, management or supervisory body
BMA	Bermuda Monetary Authority
Brexit	The United Kingdom's anticipated departure from the European Union
BSEK	Billion Swedish Crowns
CD	Certificate of Deposit
CMIG	China Minsheng Investment Group Corp., Ltd.
CMO	Collateralized Mortgage Obligation
EEA	European Economic Area
ERC	Economic Risk Capital
EU	European Union
IBNR	Incurred But Not Reported
MBS	Mortgage Backed Security
MCR	Minimum Capital Requirement
MM Fund	Money Market Fund
MSEK	Million Swedish Crowns
ORSA	Own Risk and Solvency Assessment
QRT	Quantitative Reporting Template
SBDA	Sirius Bermuda Insurance Company Ltd.
SCR	Solvency Capital Requirement
SFSA	The Swedish Financial Supervisory Authority – Finansinspektionen
SEC	United States Securities and Exchange Commission
SEK	Swedish Crowns
SGI	Sirius Group International S.à r.l.
SIAM	Sirius America Insurance Company
SIG	Sirius Insurance Group, Ltd.
SIIG or Sirius Group	Sirius International Insurance Group Ltd. The Bermuda based holding company at the top of the Sirius Group
SINT	Sirius International Insurance Corporation
SIUK	Sirius International UK Holdings Ltd.
SIUK Group	Sirius International UK Holdings Group
SReHi	Sirius Re Holdings, Inc.
VaR	Value at Risk

# APPENDICES

APPENDIX 1: GROUP LEGAL AND ORGANISATIONAL STRUCTURE

Sirius International European Group  
for SII reporting purposes  
2020 12 31



## APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.02.01.e

### Balance sheet

	Solvency II value
	C0010
<b>Assets</b>	
Goodwill	<b>R0010</b>
Deferred acquisition costs	<b>R0020</b>
Intangible assets	<b>R0030</b> 4 585
Deferred tax assets	<b>R0040</b> 81 115
Pension benefit surplus	<b>R0050</b> 28 236
Property, plant & equipment held for own use	<b>R0060</b> 115 550
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b> 14 327 581
Property (other than for own use)	<b>R0080</b>
Holdings in related undertakings, including participations	<b>R0090</b> 3 535 799
Equities	<b>R0100</b> 1 528 668
Equities - listed	<b>R0110</b> 48 182
Equities - unlisted	<b>R0120</b> 1 480 486
Bonds	<b>R0130</b> 8 679 055
Government Bonds	<b>R0140</b> 2 296 305
Corporate Bonds	<b>R0150</b> 5 894 419
Structured notes	<b>R0160</b>
Collateralised securities	<b>R0170</b> 488 331
Collective Investments Undertakings	<b>R0180</b> 84 786
Derivatives	<b>R0190</b> 499 273
Deposits other than cash equivalents	<b>R0200</b>
Other investments	<b>R0210</b>
Assets held for index-linked and unit-linked contracts	<b>R0220</b>
Loans and mortgages	<b>R0230</b> 380 610
Loans on policies	<b>R0240</b>
Loans and mortgages to individuals	<b>R0250</b>
Other loans and mortgages	<b>R0260</b> 380 610
Reinsurance recoverables from:	<b>R0270</b> 3 966 218
Non-life and health similar to non-life	<b>R0280</b> 3 929 045
Non-life excluding health	<b>R0290</b> 3 739 204
Health similar to non-life	<b>R0300</b> 189 841
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b> 37 173
Health similar to life	<b>R0320</b>
Life excluding health and index-linked and unit-linked	<b>R0330</b> 37 173
Life index-linked and unit-linked	<b>R0340</b>
Deposits to cedants	<b>R0350</b> 1 064 836
Insurance and intermediaries receivables	<b>R0360</b> 1 678
Reinsurance receivables	<b>R0370</b> 71 785
Receivables (trade, not insurance)	<b>R0380</b> 918 708
Own shares (held directly)	<b>R0390</b>
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>
Cash and cash equivalents	<b>R0410</b> 2 708 734
Any other assets, not elsewhere shown	<b>R0420</b>
<b>Total assets</b>	<b>R0500</b> 23 669 636

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.02.01.e

#### Balance sheet

	Solvency II value
	C0010
<b>Liabilities</b>	
Technical provisions - non-life	R0510 9 225 478
Technical provisions - non-life (excluding health)	R0520 8 228 224
Technical provisions calculated as a whole	R0530
Best Estimate	R0540 7 665 509
Risk margin	R0550 562 715
Technical provisions - health (similar to non-life)	R0560 997 254
Technical provisions calculated as a whole	R0570
Best Estimate	R0580 948 798
Risk margin	R0590 48 456
Technical provisions - life (excluding index-linked and unit-linked)	R0600 54 097
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 54 097
Technical provisions calculated as a whole	R0660
Best Estimate	R0670 53 864
Risk margin	R0680 233
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 0
Pension benefit obligations	R0760 0
Deposits from reinsurers	R0770 787 050
Deferred tax liabilities	R0780 0
Derivatives	R0790
Debts owed to credit institutions	R0800
Financial liabilities other than debts owed to credit institutions	R0810
Insurance & intermediaries payables	R0820 115 115
Reinsurance payables	R0830 190 466
Payables (trade, not insurance)	R0840 608 480
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
<b>Total liabilities</b>	R0900 10 980 686
<b>Excess of assets over liabilities</b>	R1000 12 688 950



SOLVENCY AND FINANCIAL CONDITION REPORT
APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

Line of business for non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)																	Line of business for accepted non-proportional reinsurance			
Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total				
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200				
Premiums written																				
R0110	1 129 173	2 750			51 891	78 416	144 357			873	238					1 407 898				
Gross - Direct Business	213 192	54 679	87 342	46 011	521 769	1 461 383	801 709	184 738		3 859	124 234					3 498 816				
Gross - Proportional reinsurance accepted												204 356	35 683	287 208	3 955 523	4 542 772				
R0120																				
Gross - Non-proportional reinsurance accepted	374 586	907			196 428	42 639	294 633	41 748			31 848	67 644	9 168	108 360	1 983 083	3 066 847				
Reinsurers' share																				
R0140																				
Net	967 779	56 342	87 342	46 011	377 232	1 562 438	651 433	142 990		4 732	92 023	196 714	26 515	178 648	1 972 440	6 383 439				
Premiums earned																				
R0210	1 336 698	2 516			51 743	43 230	114 738			1 079	344					1 550 348				
Gross - Direct Business	226 194	58 492	32 391	14 259	586 329	1 290 392	333 412	267 825		10 823	103 648					2 923 965				
R0220																				
Gross - Proportional reinsurance accepted												257 776	22 288	287 173	3 706 378	4 273 817				
R0230																				
Gross - Non-proportional reinsurance accepted	244 270	8	0	0	135 517	139 054	146 425	19 575		0	24 125	66 616	5 576	94 281	1 736 132	2 611 979				
Reinsurers' share																				
R0240																				
Net	1 318 622	61 000	32 391	14 259	602 595	1 194 668	301 725	248 250		11 902	79 867	191 162	16 712	192 892	1 970 246	6 136 151				
Claims Incurred																				
R0310	593 180	1 104			53 834	33 426	64 826			-5 205	-405					740 819				
Gross - Direct Business	143 094	51 008	19 604	9 782	446 805	1 314 243	204 516	296 268		940	102 956					2 588 318				
R0320																				
Gross - Proportional reinsurance accepted												204 821	11 715	313 186	2 878 076	3 407 798				
R0330																				
Gross - Non-proportional reinsurance accepted	149 337	-1 911			144 437	429 781	88 016	26 971			22 034	44 404	3 931	269 717	1 284 467	2 462 884				
Reinsurers' share																				
R0340																				
Net	596 937	54 713	19 604	9 782	356 202	917 887	180 328	268 287		-6 154	79 286	160 417	7 794	43 469	1 950 609	4 272 151				
Changes in other technical provisions																				
R0410																				
Gross - Direct Business																				
R0420																				
Gross - Proportional reinsurance accepted																				
R0430																				
Gross - Non-proportional reinsurance accepted																				
Reinsurers' share																				
R0440																				
Net																				
R0500	670 063	28 408	11 277	4 151	168 649	528 634	218 767	116 801				58 437		23 010	488 260	2 425 893				
Expenses Incurred																				
Other expenses																				
R1000																				
Total expenses																2 425 893				

Premiums, claims and expenses by line of business

Health insurance	Insurance with profit participation	Line of business for life insurance obligations				Life reinsurance obligations			Total
		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 other than health insurance obligations	Health reinsurance	Life reinsurance		
C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300

SOLVENCY AND FINANCIAL CONDITION REPORT  
APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

	Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
			(FR) France	(CH) Switzerland	(US) United States	(CA) Canada	(GB) United Kingdom
	C0220	C0280	C0230	C0230	C0230	C0230	C0230
R1400							
Premiums written							
Gross	0	22 202	14 852	4 964	1 463	476	447
Reinsurers' share	0	1 447	0	0	1 086	361	0
Net	0	20 755	14 852	4 964	377	115	447
Premiums earned							
Gross	0	20 336	11 647	4 653	1 052	2 557	427
Reinsurers' share	0	2 697	0	0	786	1 911	0
Net	0	17 639	11 647	4 653	266	646	427
Claims incurred							
Gross	0	1 359	414	0	945	0	0
Reinsurers' share	0	667	0	0	667	0	0
Net	0	692	414	0	278	0	0
Changes in other technical provisions							
Gross							
Reinsurers' share							
Net							
Expenses incurred	0	12 312	8 629	2 672	590	192	229
Other expenses		0					
Total expenses		12 312					

S.05.02.e.life  
Premiums, claims and expenses  
by country

# SOLVENCY AND FINANCIAL CONDITION REPORT

## APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.05.02.e.life

### 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			(US) United States	(GB) United Kingdom	(DE) Germany	(FR) France	(JP) Japan	
	C0080	C0140	C0090	C0090	C0090	C0090	C0090	
Premiums written								
Gross - Direct Business	R0110	1 198	1 357 768	1 350 144	4 657	765	1 004	0
Gross - Proportional reinsurance accepted	R0120	89 450	2 752 310	1 399 905	870 339	102 463	212 896	77 257
Gross - Non-proportional reinsurance accepted	R0130	93 302	2 472 285	863 781	277 426	588 617	357 153	292 006
Reinsurers' share	R0140	48 602	2 193 119	1 116 495	322 439	375 388	196 086	134 109
Net	R0200	135 348	4 389 244	2 497 335	829 983	316 457	374 967	235 154
Premiums earned								
Gross - Direct Business	R0210	1 197	1 507 819	1 498 260	6 818	638	906	0
Gross - Proportional reinsurance accepted	R0220	88 391	1 869 142	858 915	533 751	100 366	211 267	76 452
Gross - Non-proportional reinsurance accepted	R0230	90 670	2 304 730	735 643	281 021	579 791	354 855	262 750
Reinsurers' share	R0240	44 962	1 638 000	728 767	212 601	362 462	182 331	106 877
Net	R0300	135 296	4 043 691	2 364 051	608 989	318 333	384 697	232 325
Claims incurred								
Gross - Direct Business	R0310	288	694 625	702 853	-8 102	20	-434	0
Gross - Proportional reinsurance accepted	R0320	52 834	919 859	264 203	224 045	68 169	204 323	106 285
Gross - Non-proportional reinsurance accepted	R0330	125 603	1 878 277	424 576	375 170	509 975	246 047	196 906
Reinsurers' share	R0340	53 146	1 495 661	503 494	413 462	252 634	150 541	122 384
Net	R0400	125 579	1 997 100	888 138	177 651	325 530	299 395	180 807
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	32 385	1 720 230	1 158 314	240 011	104 155	118 907	66 458
Other expenses	R1200		0					
Total expenses	R1300		1 720 230					

## APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

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S.12.01.e

## Life and Health SLT Technical Provisions

Technical provisions calculated as a whole

Best Estimate  
Gross Best Estimate  
Total Recoveries from reinsurance SPV and Finite Re after the adjustment for expected losses due to contingency default  
Best estimate minus recoverables from reinsurance SPV and Finite Re - Wall

Risk margin	Amount of the transitional on Technical Provisions	Technical provisions calculated as a whole	Best Estimate	Risk margin	Technical provisions - total
100	100	100	100	100	200
200	200	200	200	200	400
300	300	300	300	300	600
400	400	400	400	400	800
500	500	500	500	500	1000
600	600	600	600	600	1200
700	700	700	700	700	1400
800	800	800	800	800	1600
900	900	900	900	900	1800
1000	1000	1000	1000	1000	2000
1100	1100	1100	1100	1100	2200
1200	1200	1200	1200	1200	2400
1300	1300	1300	1300	1300	2600
1400	1400	1400	1400	1400	2800
1500	1500	1500	1500	1500	3000
1600	1600	1600	1600	1600	3200
1700	1700	1700	1700	1700	3400
1800	1800	1800	1800	1800	3600
1900	1900	1900	1900	1900	3800
2000	2000	2000	2000	2000	4000
2100	2100	2100	2100	2100	4200
2200	2200	2200	2200	2200	4400
2300	2300	2300	2300	2300	4600
2400	2400	2400	2400	2400	4800
2500	2500	2500	2500	2500	5000
2600	2600	2600	2600	2600	5200
2700	2700	2700	2700	2700	5400
2800	2800	2800	2800	2800	5600
2900	2900	2900	2900	2900	5800
3000	3000	3000	3000	3000	6000
3100	3100	3100	3100	3100	6200
3200	3200	3200	3200	3200	6400
3300	3300	3300	3300	3300	6600
3400	3400	3400	3400	3400	6800
3500	3500	3500	3500	3500	7000
3600	3600	3600	3600	3600	7200
3700	3700	3700	3700	3700	7400
3800	3800	3800	3800	3800	7600
3900	3900	3900	3900	3900	7800
4000	4000	4000	4000	4000	8000
4100	4100	4100	4100	4100	8200
4200	4200	4200	4200	4200	8400
4300	4300	4300	4300	4300	8600
4400	4400	4400	4400	4400	8800
4500	4500	4500	4500	4500	9000
4600	4600	4600	4600	4600	9200
4700	4700	4700	4700	4700	9400
4800	4800	4800	4800	4800	9600
4900	4900	4900	4900	4900	9800
5000	5000	5000	5000	5000	10000
5100	5100	5100	5100	5100	10200
5200	5200	5200	5200	5200	10400
5300	5300	5300	5300	5300	10600
5400	5400	5400	5400	5400	10800
5500	5500	5500	5500	5500	11000
5600	5600	5600	5600	5600	11200
5700	5700	5700	5700	5700	11400
5800	5800	5800	5800	5800	11600
5900	5900	5900	5900	5900	11800
6000	6000	6000	6000	6000	12000
6100	6100	6100			

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING

[illegible]

### S.17.01.e Non-life Technical Provisions

SOLVENCY AND FINANCIAL CONDITION REPORT
APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.19.01.e
Non-life insurance
claims information

Total Non-Life Business		2020 (2) Underwriting year											
Accident year / Underwriting year													
Gross Claims Paid (non-cumulative)													
(absolute amount)	Year	Development year											
		0	1	2	3	4	5	6	7	8	9	10 & +	Sum of years (cumulative)
Total	Prior	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0180
	N-9	R0100											33 627
	N-9		1 454 761	716 258	275 584	89 557	80 396	45 547	89 384	18 149			3 058 188
	N-8	R0160											7 964
	N-8		1 204 007	465 416	193 928	101 287	135 827	23 675	35 628	4 090			2 551 149
	N-7	R0170											4 090
	N-7		1 403 491	774 961	243 130	103 642	49 821	34 868	21 085				3 018 795
	N-6	R0180											21 085
	N-6		1 304 901	487 245	198 040	70 757	62 934	-615					2 457 747
	N-5	R0190											-615
	N-5		1 132 834	633 550	310 450	95 217	35 093						3 399 404
	N-4	R0200											107 210
	N-4		1 575 577	1 297 361	258 108								3 621 942
	N-3	R0210											484 814
	N-3		1 87 477	1 842 214									5 147 658
	N-2	R0220											1 128 496
	N-2		3 861 719										4 947 852
	N-1	R0230											2 565 349
	N-1		470 329										3 035 678
	N	R0240											36 644
	N		36 644										4 423 757
	Total												30 308 694

Gross undiscounted Best Estimate Claims Provisions		Year end (discounted data)											
	Year	Development year											
		0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
Total	Prior	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	N-9	R0100											624 924
	N-9												58 547
	N-8	R0160											131 058
	N-8												79 621
	N-7	R0170											118 526
	N-7												81 036
	N-6	R0180											189 187
	N-6												634 697
	N-5	R0190											1 366 795
	N-5		1 083 193	524 156	245 982	141 022	81 803						2 114 501
	N-4	R0200											3 887 680
	N-4		1 319 497	557 248	354 773	191 046							9 286 592
	N-3	R0210											
	N-3		2 710 871	1 976 927	1 065 611	639 763							
	N-2	R0220											
	N-2		2 965 522	1 817 451	1 375 555								
	N-1	R0230											
	N-1		3 183 265	2 124 471									
	N	R0240											
	N		3 905 795										
	Total												



## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.23.01.e

#### Own funds

##### Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35

Ordinary share capital (gross of own shares)

Share premium account related to ordinary share capital

Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings

Subordinated mutual member accounts

Surplus funds

Preference shares

Share premium account related to preference shares

Reconciliation reserve

Subordinated liabilities

An amount equal to the value of net deferred tax assets

Other own fund items approved by the supervisory authority as basic own funds not specified above

##### 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

##### Deductions

Deductions for participations in financial and credit institutions

##### Total basic own funds after deductions

##### Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

##### Total ancillary own funds

##### Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

##### SCR

##### MCR

##### Ratio of Eligible own funds to SCR

##### Ratio of Eligible own funds to MCR

##### Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

##### Reconciliation reserve

##### Expected profits

Expected profits included in future premiums (EIPFP) - Life business

Expected profits included in future premiums (EIPFP) - Non-life business

##### Total EIPFP

Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
-------	-----------------------	---------------------	--------	--------

	C0010	C0020	C0030	C0040	C0050
R0010	800 000	800 000			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	11 807 834	11 807 834			
R0140					
R0160	81 115				81 115
R0180					

R0220					
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R0230					
R0290	12 688 949	12 607 834			81 115

R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					

R0500	12 688 949	12 607 834			81 115
R0510	12 607 834	12 607 834			
R0540	12 688 949	12 607 834			81 115
R0550	12 607 834	12 607 834			
R0580	8 418 459				
R0600	2 104 615				
R0620	151%				
R0640	599%				

	C0060
R0700	12 688 949
R0710	
R0720	0
R0730	881 115
R0740	
R0760	11 807 834

R0770	
R0780	832 170
R0790	832 170

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.25.01.e

#### Solvency Capital Requirement - for undertakings on Standard Formula

Market risk  
Counterparty default risk  
Life underwriting risk  
Health underwriting risk  
Non-life underwriting risk  
Diversification  
Intangible asset risk  
**Basic Solvency Capital Requirement**

#### Calculation of Solvency Capital Requirement

Operational risk  
Loss-absorbing capacity of technical provisions  
Loss-absorbing capacity of deferred taxes  
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

#### Solvency capital requirement, excluding capital add-on

Capital add-ons already set

#### Solvency Capital Requirement

#### Other information on SCR

Capital requirement for duration-based equity risk sub-module  
Total amount of Notional Solvency Capital Requirements for remaining part  
Total amount of Notional Solvency Capital Requirements for ring fenced funds  
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios  
Diversification effects due to RFF nSCR aggregation for article 304

#### Approach to tax rate

Approach based on average tax rate

#### Calculation of loss absorbing capacity of deferred taxes

LAC DT  
LAC DT justified by reversion of deferred tax liabilities  
LAC DT justified by reference to probable future taxable economic profit  
LAC DT justified by carry back, current year  
LAC DT justified by carry back, future years  
Maximum LAC DT

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	4 829 295		
R0020	354 200		
R0030	1 593		
R0040	457 547		
R0050	5 313 996		
R0060	-2 670 817		
R0070	3 668		
R0100	8 289 482		

	C0100
R0130	264 110
R0140	
R0150	-135 132
R0160	
R0200	8 418 460
R0210	
R0220	8 418 460
R0400	
R0410	
R0420	
R0430	
R0440	

	YES/NO	LAC DT
	C0109	C0130
R0590	(1) Yes	

R0640		-135 132
R0650		
R0660		-135 132
R0670		
R0680		
R0690		

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 2: SFCR SOLO QUANTITATIVE REPORTING TEMPLATES

S.28.01.e

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

##### Linear formula component for non-life insurance and reinsurance obligations

		<b>C0010</b>
MCRNL Result	<b>R0010</b>	1 411 930

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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		<b>C0020</b>	<b>C0030</b>
Medical expense insurance and proportional reinsurance	<b>R0020</b>	549 756	967 778
Income protection insurance and proportional reinsurance	<b>R0030</b>	21 627	56 341
Workers' compensation insurance and proportional reinsurance	<b>R0040</b>	35 146	87 342
Motor vehicle liability insurance and proportional reinsurance	<b>R0050</b>	5 343	46 011
Other motor insurance and proportional reinsurance	<b>R0060</b>	0	0
Marine, aviation and transport insurance and proportional reinsurance	<b>R0070</b>	216 447	377 232
Fire and other damage to property insurance and proportional reinsurance	<b>R0080</b>	565 837	1 582 438
General liability insurance and proportional reinsurance	<b>R0090</b>	400 439	651 433
Credit and suretyship insurance and proportional reinsurance	<b>R0100</b>	317 475	142 990
Legal expenses insurance and proportional reinsurance	<b>R0110</b>	0	0
Assistance and proportional reinsurance	<b>R0120</b>	3 260	4 732
Miscellaneous financial loss insurance and proportional reinsurance	<b>R0130</b>	0	92 624
Non-proportional health reinsurance	<b>R0140</b>	152 428	196 714
Non-proportional casualty reinsurance	<b>R0150</b>	138 242	26 515
Non-proportional marine, aviation and transport reinsurance	<b>R0160</b>	179 211	178 848
Non-proportional property reinsurance	<b>R0170</b>	2 122 185	1 972 440

##### Linear formula component for life insurance and reinsurance obligations

		<b>C0040</b>
MCRL Result	<b>R0200</b>	745

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
---	---

		<b>C0050</b>	<b>C0060</b>
Obligations with profit participation - guaranteed benefits	<b>R0210</b>		
Obligations with profit participation - future discretionary benefits	<b>R0220</b>		
Index-linked and unit-linked insurance obligations	<b>R0230</b>		
Other life (re)insurance and health (re)insurance obligations	<b>R0240</b>	16 691	
Total capital at risk for all life (re)insurance obligations	<b>R0250</b>		562 969

##### Overall MCR calculation

Linear MCR	<b>R0300</b>	1 412 674
SCR	<b>R0310</b>	8 418 459
MCR cap	<b>R0320</b>	3 788 307
MCR floor	<b>R0330</b>	2 104 615
Combined MCR	<b>R0340</b>	2 104 615
Absolute floor of the MCR	<b>R0350</b>	38 351

<b>Minimum Capital Requirement</b>	<b>R0400</b>	2 104 615
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# APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

S.02.01.j

## Balance sheet

Deferred tax assets

Pension benefit surplus

Property, plant & equipment held for own use

Investments (other than assets held for index-linked and unit-linked contracts)

Property (other than for own use)

Holdings in related undertakings, including participations

Equities

Equities - listed

Equities - unlisted

Bonds

Government Bonds

Corporate Bonds

Structured notes

Collateralised securities

Collective Investments Undertakings

Derivatives

Deposits other than cash equivalents

Other investments

Assets held for index-linked and unit-linked contracts

Loans and mortgages

Loans on policies

Loans and mortgages to individuals

Other loans and mortgages

Reinsurance recoverables from:

Non-life and health similar to non-life

Non-life excluding health

Health similar to non-life

Life and health similar to life, excluding health and index-linked and unit-linked

Health similar to life

Life excluding health and index-linked and unit-linked

Life index-linked and unit-linked

Deposits to cedants

Insurance and intermediaries receivables

Reinsurance receivables

Receivables (trade, not insurance)

Own shares (held directly)

Amounts due in respect of own fund items or initial fund called up but not yet paid in

Cash and cash equivalents

Any other assets, not elsewhere shown

**Total assets**

<b>R0040</b>	1 477 021
<b>R0050</b>	
<b>R0060</b>	117 491
<b>R0070</b>	14 378 446
<b>R0080</b>	
<b>R0090</b>	1 023 168
<b>R0100</b>	1 536 366
<b>R0110</b>	48 182
<b>R0120</b>	1 488 184
<b>R0130</b>	11 056 817
<b>R0140</b>	2 864 081
<b>R0150</b>	6 191 284
<b>R0160</b>	
<b>R0170</b>	2 001 452
<b>R0180</b>	262 822
<b>R0190</b>	499 273
<b>R0200</b>	
<b>R0210</b>	
<b>R0220</b>	
<b>R0230</b>	380 610
<b>R0240</b>	
<b>R0250</b>	
<b>R0260</b>	380 610
<b>R0270</b>	3 966 218
<b>R0280</b>	3 929 045
<b>R0290</b>	3 739 204
<b>R0300</b>	189 841
<b>R0310</b>	37 173
<b>R0320</b>	
<b>R0330</b>	37 173
<b>R0340</b>	
<b>R0350</b>	1 064 836
<b>R0360</b>	1 678
<b>R0370</b>	71 785
<b>R0380</b>	711 156
<b>R0390</b>	
<b>R0400</b>	
<b>R0410</b>	2 714 722
<b>R0420</b>	98 729
<b>R0500</b>	24 987 277

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

S.02.01.j

#### Balance sheet

##### Liabilities

Technical provisions - non-life

Technical provisions - non-life (excluding health)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - health (similar to non-life)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding index-linked and unit-linked)

Technical provisions - health (similar to life)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - life (excluding health and index-linked and unit-linked)

Technical provisions calculated as a whole

Best Estimate

Risk margin

Technical provisions - index-linked and unit-linked

Technical provisions calculated as a whole

Best Estimate

Risk margin

Other technical provisions

Contingent liabilities

Provisions other than technical provisions

Pension benefit obligations

Deposits from reinsurers

Deferred tax liabilities

Derivatives

Debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions

Insurance & intermediaries payables

Reinsurance payables

Payables (trade, not insurance)

Subordinated liabilities

Subordinated liabilities not in Basic Own Funds

Subordinated liabilities in Basic Own Funds

Any other liabilities, not elsewhere shown

**Total liabilities**

**Excess of assets over liabilities**

	Solvency II value
	C0010
<b>R0510</b>	9 225 478
<b>R0520</b>	8 228 224
<b>R0530</b>	
<b>R0540</b>	7 665 509
<b>R0550</b>	562 715
<b>R0560</b>	997 254
<b>R0570</b>	
<b>R0580</b>	948 798
<b>R0590</b>	48 456
<b>R0600</b>	54 097
<b>R0610</b>	
<b>R0620</b>	
<b>R0630</b>	
<b>R0640</b>	
<b>R0650</b>	54 097
<b>R0660</b>	
<b>R0670</b>	53 864
<b>R0680</b>	233
<b>R0690</b>	
<b>R0700</b>	
<b>R0710</b>	
<b>R0720</b>	
<b>R0730</b>	
<b>R0740</b>	
<b>R0750</b>	
<b>R0760</b>	10 692
<b>R0770</b>	787 050
<b>R0780</b>	0
<b>R0790</b>	
<b>R0800</b>	
<b>R0810</b>	
<b>R0820</b>	115 115
<b>R0830</b>	190 466
<b>R0840</b>	448 191
<b>R0850</b>	
<b>R0860</b>	
<b>R0870</b>	
<b>R0880</b>	106 975
<b>R0900</b>	10 938 064
<b>R1000</b>	14 049 213

SOLVENCY AND FINANCIAL CONDITION REPORT
APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

	Line of business for non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)										Line of business for accepted non-proportional reinsurance						
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
	C0100	C0200	C0300	C0400	C0500	C0600	C0700	C0800	C0900	C1000	C1100	C1200	C1300	C1400	C1500	C1600	C0200
Premiums written																	
Gross - Direct Business	R0110	1 129 173	2 750			51 891	78 416	144 357			873	236					1 407 688
Gross - Proportional reinsurance accepted	R0120	213 192	54 579	87 342	46 011		1 461 383	801 709	184 738		3 859	124 234					3 468 816
Gross - Non-proportional reinsurance accepted	R0130												264 356	35 613	287 208		4 542 772
Reinsurers' share	R0140	374 586	987			196 438	42 636	294 633	41 748			31 849	67 844	9 168	108 360	1 983 083	3 065 847
Net	R0200	967 779	56 342	87 342	46 011	377 232	1 582 436	651 433	142 960		4 732	92 623	198 714	26 515	178 848	1 972 440	6 383 439
Premiums earned																	
Gross - Direct Business	R0210	1 336 688	2 516			51 743	43 230	114 738			1 079	344					1 550 348
Gross - Proportional reinsurance accepted	R0220	226 194	58 492	32 391	14 259	586 328	1 290 382	333 412	267 625		10 823	103 648					2 823 765
Gross - Non-proportional reinsurance accepted	R0230												257 778	22 288	287 173		4 273 617
Reinsurers' share	R0240	244 270	8	0		135 517	139 054	146 425	19 575		0	24 125	66 616	5 576	94 281	1 736 132	2 611 579
Net	R0300	1 318 622	61 000	32 391	14 259	502 655	1 194 568	301 725	248 250		11 802	79 867	191 162	16 712	192 892	1 970 246	6 136 151
Claims incurred																	
Gross - Direct Business	R0310	593 180	1 104			53 834	33 425	64 826			-5 205	-435					740 819
Gross - Proportional reinsurance accepted	R0320	143 094	51 606	19 604	9 782	446 805	1 314 243	204 516	285 236		-849	102 356					2 568 318
Gross - Non-proportional reinsurance accepted	R0330												204 821	11 715	313 186	2 878 076	3 407 798
Reinsurers' share	R0340	148 337	-1 911			144 437	429 781	89 016	26 971			22 634	44 604	3 931	269 717	1 284 467	2 462 798
Net	R0400	598 857	54 713	19 604	9 782	356 202	917 887	180 328	268 267		-6 154	79 286	160 417	7 784	43 468	1 593 608	4 272 151
Changes in other technical provisions																	
Gross - Direct Business	R0410																
Gross - Proportional reinsurance accepted	R0420																
Gross - Non-proportional reinsurance accepted	R0430																
Reinsurers' share	R0440																
Net	R0500																
Expenses incurred	R0600																
Other expenses	R1200	670 063	28 408	11 277	4 131	168 649	528 634	218 767	116 901		3 723	18 199	86 437	23 010	87 144	488 250	2 425 593
Total expenses	R1300																2 425 593

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Premiums, claims and expenses by line of business



## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

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**Premiums, claims and expenses  
by line of business**

### Premiums written

Gross

Reinsurers' share

Net

Premiums earned

Gross

Reinsurers' share

Net

### Claims incurred

Gross

Reinsurers' share

Net

## Changes in other technical provisions

Gross

Reinsurers' share

Net

Expenses incurred

Other expenses

Total expenses

# SOLVENCY AND FINANCIAL CONDITION REPORT

## APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

S.05.02.j.life

### Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
	R1400			(FR) France	(CH) Switzerland	(US) United States	(CA) Canada	(BE) Belgium
		C0220	C0280	C0230	C0230	C0230	C0230	C0230
Premiums written								
Gross	R1410	447	22 561	14 852	4 964	1 463	476	359
Reinsurers' share	R1420	0	1 447	0	0	1 086	361	0
Net	R1500	447	21 114	14 852	4 964	377	115	359
Premiums earned								
Gross	R1510	427	20 690	11 647	4 653	1 052	2 557	354
Reinsurers' share	R1520	0	2 697	0	0	786	1 911	0
Net	R1600	427	17 993	11 647	4 653	266	646	354
Claims incurred								
Gross	R1610	0	1 356	414	0	945	0	-3
Reinsurers' share	R1620	0	667	0	0	667	0	0
Net	R1700	0	689	414	0	278	0	-3
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	229	12 505	8 629	2 672	590	192	193
Other expenses	R2500		0					
Total expenses	R2600		12 505					

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### 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			(US) United States	(DE) Germany	(FR) France	(JP) Japan	(IN) India	
	C0080	C0140	C0090	C0090	C0090	C0090	C0090	
Premiums written								
Gross - Direct Business	R0110	4 657	1 356 570	1 350 144	765	1 004	0	0
Gross - Proportional reinsurance accepted	R0120	870 339	2 794 111	1 399 905	102 463	212 896	77 257	131 251
Gross - Non-proportional reinsurance accepted	R0130	277 426	2 563 045	863 781	588 617	357 153	292 006	184 062
Reinsurers' share	R0140	322 439	2 232 198	1 116 495	375 388	196 086	134 109	87 681
Net	R0200	829 983	4 481 528	2 497 335	316 457	374 967	235 154	227 632
Premiums earned								
Gross - Direct Business	R0210	6 818	1 506 622	1 498 260	638	906	0	0
Gross - Proportional reinsurance accepted	R0220	533 751	1 925 921	858 915	100 366	211 267	76 452	145 170
Gross - Non-proportional reinsurance accepted	R0230	281 021	2 400 922	735 643	579 791	354 855	262 750	186 862
Reinsurers' share	R0240	212 601	1 663 201	728 767	362 462	182 331	106 877	70 163
Net	R0300	608 989	4 170 264	2 364 051	318 333	384 697	232 325	261 869
Claims incurred								
Gross - Direct Business	R0310	-8 102	694 337	702 853	20	-434	0	0
Gross - Proportional reinsurance accepted	R0320	224 045	972 076	264 203	68 169	204 323	106 285	105 051
Gross - Non-proportional reinsurance accepted	R0330	375 170	1 766 269	424 576	509 975	246 047	196 906	13 595
Reinsurers' share	R0340	413 462	1 455 851	503 494	252 634	150 541	122 384	13 336
Net	R0400	177 651	1 976 831	888 138	325 530	299 395	180 807	105 310
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	240 011	1 758 604	1 158 314	104 155	118 907	66 458	70 759
Other expenses	R1200		0					

# SOLVENCY AND FINANCIAL CONDITION REPORT

## APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

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### Own funds

#### Basic own funds before deduction for participations in other financial sector

Ordinary share capital (gross of own shares)  
 Non-available called but not paid in ordinary share capital at group level  
 Share premium account related to ordinary share capital  
 Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings  
 Subordinated mutual member accounts  
 Non-available subordinated mutual member accounts at group level  
 Surplus funds  
 Non-available surplus funds at group level  
 Preference shares  
 Non-available preference shares at group level  
 Share premium account related to preference shares  
 Non-available share premium account related to preference shares at group level  
 Reconciliation reserve  
 Subordinated liabilities  
 Non-available subordinated liabilities at group level  
 An amount equal to the value of net deferred tax assets  
 The amount equal to the value of net deferred tax assets not available at the group level  
 Other items approved by supervisory authority as basic own funds not specified above  
 Non available own funds related to other own funds items approved by supervisory authority  
 Minority interests (if not reported as part of a specific own fund item)  
 Non-available minority interests at group level

**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

#### Deductions

Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities  
 whereof deducted according to art 228 of the Directive 2009/138/EC  
 Deductions for participations where there is non-availability of information (Article 229)  
 Deduction for participations included by using D&A when a combination of methods is used  
 Total of non-available own fund items

#### Total deductions

#### Total basic own funds after deductions

#### Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand  
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand  
 Unpaid and uncalled preference shares callable on demand  
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand  
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC  
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Non available ancillary own funds at group level

Other ancillary own funds

#### Total ancillary own funds

#### Own funds of other financial sectors

Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total  
 Institutions for occupational retirement provision  
 Non regulated entities carrying out financial activities  
 Total own funds of other financial sectors

#### 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

Own funds aggregated when using the D&A and combination of method net of IGT

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 )

Total available own funds to meet the minimum consolidated group SCR

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 )

Total eligible own funds to meet the minimum consolidated group SCR

#### Minimum consolidated Group SCR

#### Ratio of Eligible own funds to Minimum Consolidated Group SCR

**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A )**

#### Group SCR

**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**

#### Reconciliation reserve

Excess of assets over liabilities  
 Own shares (held directly and indirectly)  
 Foreseeable dividends, distributions and charges  
 Other basic own fund items  
 Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds  
 Other non available own funds

#### Reconciliation reserve before deduction for participations in other financial sector

#### Expected profits

Expected profits included in future premiums (EPIFP) - Life business  
 Expected profits included in future premiums (EPIFP) - Non-life business

#### Total EPIFP

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	13 294 819	13 294 819			
R0020					
R0030					
R0040					
R0050					
R0060					
R0070					
R0080					
R0090					
R0100					
R0110					
R0120					
R0130	-1 989 613	-1 989 613			
R0140					
R0150					
R0160	1 477 021				1 477 021
R0170	1 395 906				1 395 906
R0180					
R0190					
R0200					
R0210					
R0220					
R0230					
R0240					
R0250					
R0260					
R0270	1 395 906				1 395 906
R0280	1 395 906				1 395 906
R0290	11 386 321	11 305 206			81 115
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0380					
R0390					
R0400					
R0410					
R0420					
R0430					
R0440					
R0450					
R0460					
R0520	11 386 321	11 305 206			81 115
R0530					
R0560	11 386 321	11 305 206			81 115
R0570	11 305 206	11 305 206			
R0610	2 104 615				
R0650	537%				
R0660	11 386 321	11 305 206			81 115
R0680	8 575 418				
R0690	133%				
C0060					
R0700	14 049 211				
R0710					
R0720	147 017				
R0730	14 771 840				
R0740					
R0750	1 119 967				
R0760	-1 989 613				
R0770					
R0780	832 170				
R0790	832 170				

## SOLVENCY AND FINANCIAL CONDITION REPORT

### APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES

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#### **Solvency Capital Requirement - for groups on Standard Formula**

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	5 060 807		
Counterparty default risk	R0020	316 411		
Life underwriting risk	R0030	1 593		
Health underwriting risk	R0040	457 547		
Non-life underwriting risk	R0050	5 313 996		
Diversification	R0060	-2 705 046		
Intangible asset risk	R0070	3 668		
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>8 448 976</b>		
<b>Calculation of Solvency Capital Requirement</b>		<b>C0100</b>		
Operational risk	R0130	264 110		
Loss-absorbing capacity of technical provisions	R0140			
Loss-absorbing capacity of deferred taxes	R0150	-137 667		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160			
<b>Solvency capital requirement, excluding capital add-on</b>	<b>R0200</b>	<b>8 575 419</b>		
Capital add-on already set	R0210			
<b>Solvency Capital Requirement</b>	<b>R0220</b>	<b>8 575 419</b>		
<b>Other information on SCR</b>				
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 Requirement for matching adjustment portfolios	R0430			
Diversification effects due to RFF nSCR aggregation for article 304	R0440			
Minimum consolidated group solvency capital requirement	R0470	2 104 615		
<b>Information on other entities</b>				
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500			
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510			
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520			
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530			
Capital requirement for non-controlled participation requirements	R0540			
Capital requirement for residual undertakings	R0550			
<b>Overall SCR</b>				
SCR for undertakings included via D and A	R0560			
<b>Solvency Capital Requirement</b>	<b>R0570</b>	<b>8 575 419</b>		

**SOLVENCY AND FINANCIAL CONDITION REPORT**  
**APPENDIX 3: SFCR GROUP QUANTITATIVE REPORTING TEMPLATES**

Country	Identification code and type of code of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non-mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of group supervision		Group solvency calculation
													YES/NO	Date of decision if art. 214 is applied	
C0010	C00020	C00040	C00050	C00060	C00070	C00080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
(GB) United Kingdom	LEE1213600CFUUPGHJ11	Lloyd's Syndicate 1945	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	0.0000%	(4) Not included in the scope (article 214 c)	2015-12-31	(9) No inclusion in the scope of group supervision as defined in Art. 214 Directive 2009/138/EC
(SE) Sweden	LEE14GQ01L5F20Z0U59A0806	Sinus International Försäkringsaktieslag (publ)	(2) Non life insurance undertaking	försäkrings-aktieslag	(2) Non-mutual	Finansinspektionen (Swedish Supervisory Authority)	100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(GB) United Kingdom	LEE1549300HMTU1BWU4TF55	Sinus International UK Holdings Ltd	(5) Insurance holding company as defined in Article 2(21) of Directive 2009/138/EC		(2) Non-mutual								(1) Included in the scope		(1) Method 1: Full consolidation
(LU) Luxembourg	LEE1549300WFX5N6TZG24	Sinus Group International S.à r.l.	(5) Insurance holding company as defined in Article 2(21) of Directive 2009/138/EC		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(LU) Luxembourg	LEE15493001HU27XBULPQ58	S.I. Holdings (Luxembourg) S.à r.l.	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(GI) United Kingdom (Gibraltar)	LEE15493002KJNSY2U77	SI Caleda (Gibraltar) Limited	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(LU) Luxembourg	SC2B 130.267	White Sands Holdings (Luxembourg) S.à r.l.	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(CH) Switzerland	SC/CHE-135.555.500	Sinus International Advisory Zurich LLC	(10) Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(DE) Germany	SC/HRB 22404	Sinus Rückversicherungs Service GmbH	(10) Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(BE) Belgium	SC/0418852532	Sinus Belgium Reassurances S.A. (in liquidation)	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(GB) United Kingdom	SC/0760350350	Sinus International Corporate Member Limited	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(3) Method 1: Adjusted equity method
(GB) United Kingdom	SC/065039857	Sinus International Managing Agency Limited	(10) Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(SE) Sweden	SC/556635-9724	Sinus Insurance Holding Sweden AB	(5) Insurance holding company as defined in Article 2(21) of Directive 2009/138/EC		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(SE) Sweden	SC/556651-1084	Fund American Holdings AB	(5) Insurance holding company as defined in Article 2(21) of Directive 2009/138/EC		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation
(HK) Hong Kong	SC/0329925	BE Reinsurance Limited	(3) Reinsurance undertaking		(2) Non-mutual	HK Insurance Authority	24.9000%	24.9000%	24.9000%		(2) Significant	0.0000%	(3) Not included in the scope (article 214 b)	2020-05-27	(9) No inclusion in the scope of group supervision as defined in Art. 214 Directive 2009/138/EC
(GI) United Kingdom (Gibraltar)	SC/03718	SI Cumberland (Gibraltar) Limited	(99) Other		(2) Non-mutual		100.0000%	100.0000%	100.0000%		(1) Dominant	100.0000%	(1) Included in the scope		(1) Method 1: Full consolidation

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**Undertakings in the scope of the group**

