Sirius

Solvency and Financial Condition Report

Single SFCR for Sirius International Försäkringsaktiebolag (publ)
and Sirius International UK Holdings Group
for the year ending 31 December 2018

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Executive Summary

This 2018 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.

Effective as of November 6, 2018, Sirius International Insurance Group Ltd. ("SIIG") has been publicly listed on the Nasdaq Global Select Market under the symbol "SG". Three prestigious directors have been added to the Board, which is now comprised of a majority of independent directors in accordance with Nasdaq listing standards and each of the audit & risk management, compensation and nominating & governance committees are comprised entirely of independent directors. The group further complies with the SEC disclosure requirements.

For details on the system of governance refer to section B. No material changes during 2018.

The description of the risk profile is presented in section C. No material changes during 2018.

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 2018.

SINT has available and eligible own funds of MSEK 15,145 (up from MSEK 13,410 in prior year) and a solvency capital requirement of MSEK 7,282 (MSEK 6,584). The increase in available and eligible own funds was mainly driven by the fact that the Armada companies have been sold to an affiliated company.[1] This disposal had a positive effect on the Solvency II valuation of Sirius Re Holdings, Inc. (SReHi). The change in Solvency Capital Requirement is described under section E.2, Solo.

The SIUK Group has available and eligible own funds of MSEK 10,710 (up from MSEK 8,732) and a solvency capital requirement of MSEK 8,637 (MSEK 7,838). The increase in available and eligible own funds was mainly driven by the sale of the Armada companies to an affiliated company outside the SIUK Group, leading to an increase in the Solvency II value of SReHi in Q1 and an increased availability of the safety reserve. The change in Solvency Capital Requirement is described under section E.2, Group.

The ratio of eligible own funds to the SCR for SINT has increased to 208% (204%).

The ratio of eligible own funds to the Group SCR for SIUK has increased to 124% (111%).

Subject to certain limitations under Swedish law, SINT is permitted to transfer pre-tax income amounts into an untaxed reserve referred to as a "safety reserve". SINT holds a safety reserve of MSEK 10,690. Access to the safety reserve is restricted to coverage of insurance and reinsurance losses. Access for any other purpose requires the approval of Swedish regulatory authorities.

Due to the specifics of the treatment of the safety reserve, it acts as a dampener for decrease in group solvency ratios at SIUK Group level, if driven by SINT losses. If part of the SINT safety reserve is dissolved, the group solvency ratio could effectively be reinstated. **In the SIUK Group there is hence a SEK 4.4 billion latent capital component that under a group solvency deficit scenario would be able to reinstate the group solvency ratio.** In the current Solvency II Group rules **this latent capital buffer is not acknowledged in the ratio between eligible own funds and consolidated group SCR, while it is obvious that the capital strength of our Group with this significant amount of latent capital component far exceeds a group with the same reported solvency ratio but without this type of latent buffer capital.** For details refer to section E.6.

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 off Swedish Crowns (SEK '000).

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[1] For further information on the Armada companies, refer to A.1 – Business, Group.

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

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
+46 8 520 590 00

Qualifying owners

At 31 December 2018, Sirius International Försäkringsaktiebolag (publ) was 100% owned by Fund American Holdings AB (Sweden) which was 100% owned by Sirius Insurance Holdings Sweden AB (Sweden), in turn 100% owned by Sirius International UK Holdings Ltd.

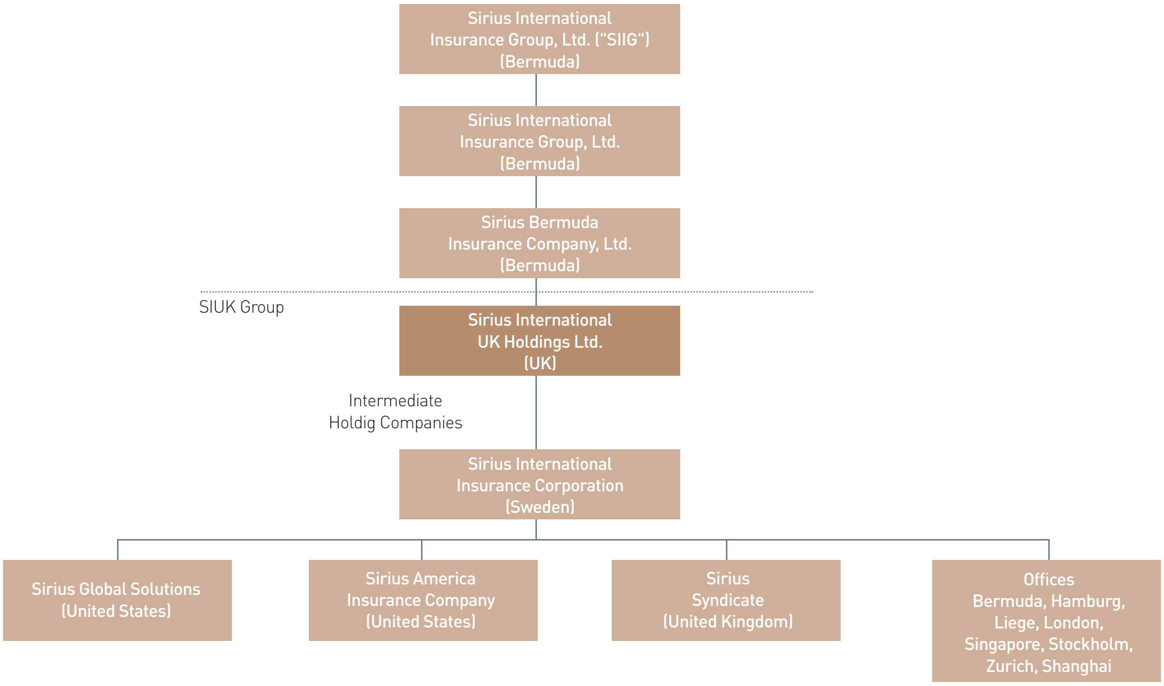
Sirius International UK Holdings Ltd. ("SIUK") was 100% owned by Sirius Bermuda Insurance Company Ltd. (Bermuda) ("SBDA"), which in turn was 100% owned by Sirius International Group Ltd. (Bermuda).

Sirius International Insurance Group Ltd. ("SIIG") is majority owned by CM Bermuda Ltd. (Bermuda). Effective as of November 6, 2018, SIIG is publicly listed on The Nasdaq Global Select Market. As of December 31, 2018, CM Bermuda Limited owns 96% of the Company's issued and outstanding Common Shares, and 80% of the Company on a fully-diluted basis, taking into account Series B preferred shares and warrants issued to certain shareholders of the Company.

CM Bermuda Ltd. (Bermuda) is 100% owned by CM International Holdings Pte. Ltd. which in turn is 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 is owned to 14,9% by Horgos Guoxin Baotai Venture Capital Co., Ltd (P.R. China) and by 62 Corporate Shareholders, each owning less than 10%.

Simplified legal structure:



Material lines of business and geographical areas

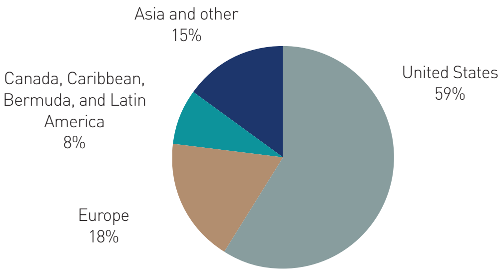
SINT is a global (re)insurer domiciled in Sweden, focused on property and other short-tail lines of business.

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

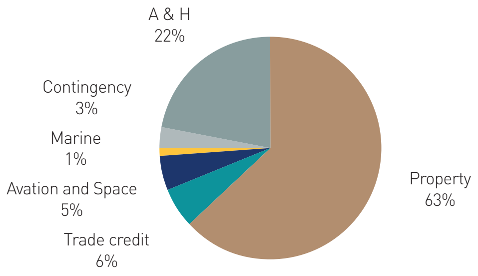
The major lines of business are Property, Accident & Health, Casualty, Aviation & Space, Marine & Energy, and Credit & Bond. Property represents more than half the portfolio. The major part of the business is reinsurance.

Solo

Net Premiums by continent 2018

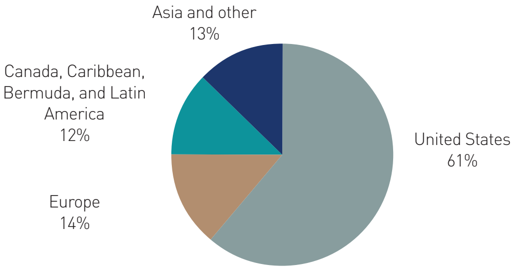


Net Premiums by class 2018

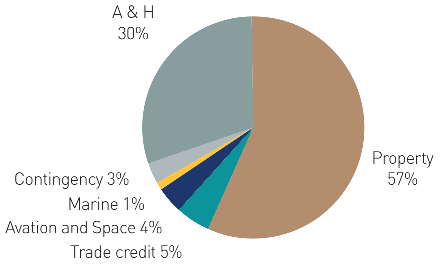


Group

Net Premiums by continent 2018



Net Premiums by continent 2018



Significant events during the financial year

On November 6, 2018, SIIG common shares were listed on the Nasdaq Global Select Market to be publicly traded. CMIG remains the majority owner after the listing.

During the year the company has continued its work with the project to identify and manage the consequences Brexit, i.e. the United Kingdom's anticipated departure from the European Union (the EU) may have for the company. Amongst other forms, the company has operations in the UK in a branch to SINT. Brexit will have a direct impact on the possibility to continue the operation in branch form. Consequently, SINT will apply to the Prudential Regulation Authority (PRA) to convert its UK Branch to a so called Third Country Branch (TCB). At a hard Brexit, SINT intends to make use of the so called Temporary Permissions Regime for its UK branch until the TCB is approved. Other Brexit preparations include an overview of the European group organisational structure to secure that the Solvency II Group remains as intact as possible after Brexit.

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 is 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.

An internal reorganisation has taken place in the Sirius Group during the year, whereby Armada has been moved out of the Solvency II Group: ArmadaCare LLC, ArmadaCorp Capital LLC, ArmadaHealth LLC and ArmadaHealth LLC were sold by Sirius Re Holdings, Inc. to Sirius Bermuda Insurance Company Ltd. On 28 March 2018.

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) is capped at SIUK.

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.

A.2 Underwriting Performance[2]

Globally, the number of major catastrophes arising from natural disasters decreased in 2018 compared to the record-setting tally set in 2017, both expressed in terms of global economic losses and in terms of global insured losses for the industry. The 2018 natural catastrophe losses were in line with the average for the period since year 2000, in terms of economic losses. However, approximately 40% higher than the average in terms of insured losses. The major events for the industry include hurricanes Michael and Florence in the United States, typhoon Jebi in Japan, extensive wildfire outbreaks in the state of California, USA, along with major claims from both droughts and floods in Europe and Asia. Sirius International's insurance portfolio has also been affected by the above events, but the extent varies depending on geographical exposure and market shares. The major claims events for Sirius International, for the Parent company as well as for the Group, are summarized below.

The largest insurance losses for Sirius International during 2018 emanate from typhoons Jebi and Trami in Japan, flooding in the Kerala region in India and typhoon Mangkhut that brought widespread damage in Hong Kong and southern China. These events combined are estimated to have resulted in claims of approximately MSEK 990.

For the Sirius International Group, additional claims have arisen from the Lloyd's Syndicate 1945 (the Syndicate) and the US operations. These claims derive primarily from hurricanes Michael, Florence and the California wildfires mentioned above.

Overall, claims reserves from previous accident years have been stable during the year and resulted in a positive run-off result for the 2018 financial year for the Group.

For the Parent company the claims reserves from previous accident years had a favorable development during the year and resulted in a positive run-off result for the 2018 financial year. The price levels of the insurance portfolio for the current year have been satisfactory for the majority of markets and insurance classes. The portion of the insurance portfolio, which was renewed at the beginning of 2019, has noted an increased volume and stable risk adjusted price levels. The Japanese portfolio is mainly renewed as of April 1. For the overall portfolio, the pricing and renewal volume for 2019 is deemed to be satisfactory and in line with expectations

During 2018, the business operations for the Syndicate have not achieved plan and results have not reached the profitability targets set, mainly due to larger claims outcome compared to plan. The profitability in the Syndicate has not been satisfactory.

The US operations, primarily conducted in Sirius America Insurance Corporation, reported satisfactory growth in volume. However, due to the loss activity mentioned above the results were below expectations.

Gross premium income amounted to MSEK 13,514 (11,053) for the Group and MSEK 9,376 (8,357) for the Parent Company. The Group's premium income for own account amounted to MSEK 8,236 (6,022), and MSEK 5,301 (4,524) for the Parent Company. For the Group the premium volume was

22% higher than previous year and 12% higher for the Parent Company. The increases in gross premium volume are noted mainly in the lines Fire and Other Property Damage, while other insurance lines only show a smaller variation compared to the previous year.

The Group's operating loss from insurance operations amounted to MSEK –351 (–784) and to MSEK –5 (–16) for the Parent Company. The combined ratio was 105% (110%) for the Group and 101% (100%) for the Parent Company. The insurance operating result is heavily impacted by the above mentioned catastrophe claims.

The tables below summarize the underwriting performance by major line of business, split by direct insurance and assumed reinsurance. The tables exclude allocated investment return transferred from the non-technical account and non-recurring costs.

The Personal Accident & Health line, direct as well as assumed reinsurance, is mainly written out of the offices in London and New York. This combined line produced a profit of MSEK 51 (49) during 2018 on the Solo level. The corresponding profit at Group level was MSEK 104 (34). The Marine, Aviation and Transport lines are written from most offices, with the exception of the Zürich office which exclusively writes Aviation & Space on a direct and reinsurance basis. All in all, Marine, Aviation and Transport produced a combined profit of MSEK 14 (41) on the Solo level. For the Group, the profit for this line was MSEK 10 (54) during 2018. 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 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 71% of the total gross premium income at the Solo level and 58% at the Group level. This combined line produced underwriting losses for 2018 of MSEK –214 (–196) at the Solo level and MSEK –509 (–720) at the Group level, due to the catastrophe losses mentioned above. The line assumed Credit reinsurance is predominately written out of the Liège office and the book produced an underwriting profit of MSEK 60 (39) for the year. In the Group accounts, the release of the equalization provision has been posted to Other Comprehensive Income.

Gross premium income for 2018 is above plan, both on a Solo and Group level. The underwriting results are however below plan on a Solo as well as Group level, due to the reasons mentioned above.

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[2] The Group figures referenced in this section include the Syndicate even though the Lloyd's Syndicate 1945 (the Syndicate) is carved out and deconsolidated from the Solvency II Group. The reason for the inclusion of the Syndicate in this section is to be consistent with the presentation in the Group's financial statements.

SOLO – CLASS ANALYSIS 2018

SEK in millions	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Other	**Total Direct insurance**	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Other	**Total Assumed Reinsurance**	**TOTAL**
Premium income, gross	1,255	18	17	104	**1,394**	242	685	6,611	393	51	**7,982**	**9,376**
Premiums earned, gross	1,253	31	22	31	**1,337**	342	738	6,296	396	55	**7,827**	**9,164**
Incurred Claims, gross	–510	–34	–22	–20	**–586**	–174	–395	–4,292	–205	11	**–5,055**	**–5,641**
Operating expenses, gross	–640	–11	–23	–12	**–685**	–127	–192	–1,700	–129	–24	**–2,172**	**–2,858**
Result, ceded reinsurance	–43	–6	–18	0	**–67**	–50	–118	–476	–18	–8	**–670**	**–737**
Equalization provision	0	0	0	0	**0**	0	0	0	16	0	**16**	**16**
UNDERWRITING RESULT	**60**	**–20**	**–42**	**–1**	**–2**	**–9**	**34**	**–172**	**60**	**33**	**–54**	**–56**

SOLO – CLASS ANALYSIS 2017

SEK in millions	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Other	**Total Direct Insurance**	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Other	**Total Assumed Reinsurance**	**TOTAL**
Premium income, gross	1,254	27	48	25	**1,354**	495	538	5,295	349	327	**7,003**	**8,357**
Premiums earned, gross	1,225	36	53	26	**1,340**	456	536	5,041	315	253	**6,600**	**7,940**
Incurred Claims, gross	–563	–21	–111	–9	**–704**	–290	–329	–3,317	–219	–129	**–4,283**	**–4,987**
Operating expenses, gross	–593	–10	–25	–15	**–643**	–140	–123	–1,315	–124	–85	**–1,787**	**–2,430**
Result, ceded reinsurance	–53	–2	35	–4	**–24**	8	–47	–557	52	14	**–530**	**–554**
Equalization provision	0	0	0	0	**0**	0	0	0	15	0	**15**	**15**
UNDERWRITING RESULT	**16**	**3**	**–48**	**–2**	**–31**	**33**	**38**	**–148**	**39**	**53**	**15**	**–16**

GROUP – CLASS ANALYSIS 2018

SEK in millions	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Other	**Total Direct Insurance**	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Other	**Total Assumed Reinsurance**	**TOTAL**
Premium income, gross	3,169	128	417	237	**3,951**	781	757	7,374	410	242	**9,563**	**13,514**
Premiums earned, gross	3,082	175	368	139	**3,764**	662	788	6,857	412	143	**8,862**	**12,626**
Incurred Claims, gross	–1,755	–107	–358	–55	**–2,275**	–267	–404	–4,762	–211	–85	**–5,729**	**–8,004**
Operating expenses, gross	–1,113	–69	–145	–73	**–1,401**	–211	–199	–1,988	–140	–58	**–2,596**	**–3,998**
Result, ceded reinsurance	–201	–46	–18	–11	**–275**	–92	–127	–463	–18	12	**–688**	**–964**
Equalization provision	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
UNDERWRITING RESULT	**12**	**–47**	**–153**	**1**	**–187**	**92**	**57**	**–356**	**43**	**12**	**–153**	**–340**

GROUP – CLASS ANALYSIS 2017

SEK in millions	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Other	**Total Direct Insurance**	Personal Accident & Health	Marine, Aviation and Transport	Fire and Other Property damage	Credit	Other	**Total Assumed Reinsurance**	**TOTAL**
Premium income, gross	3,327	27	267	255	**3,876**	638	527	5,303	349	360	**7,177**	**11,053**
Premiums earned, gross	2,694	36	287	247	**3,264**	653	553	5,523	315	355	**7,399**	**10,663**
Incurred Claims, gross	–1,670	–21	–564	–221	**–2,476**	–363	–332	–3,949	–219	–235	**–5,099**	**–7,575**
Operating expenses, gross	–970	–10	–118	–106	**–1,204**	–207	–129	–1,549	–124	–102	**–2,111**	**–3,315**
Result, ceded reinsurance	–108	–2	58	3	**–49**	5	–42	–408	52	39	**–353**	**–402**
Equalization provision	0	0	0	0	**0**	0	0	0	0	0	**0**	**0**
UNDERWRITING RESULT	**–54**	**3**	**–337**	**–77**	**–465**	**88**	**51**	**–383**	**24**	**57**	**–164**	**–629**

The underlying profitability in the insurance operations is good, despite increased competition in the market. The fierce competition requires stringent pricing and underwriting, continued efficiency improvements and sound balancing of risks in order to ensure long-term profitability. The company's underwriting performance target for 2019 is to achieve a combined ratio below 92%. The corresponding target at Group level for 2019 is to achieve a combined ratio below 97%.

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 ensure 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.

Return overview	**SINT**		**SIUK Group**	
	2017	**2018**	**2017**	**2018**
Equities	1,148	1,022	1,821	1,798
Government Bonds	1,032	978	2,495	2,757
Corporate Bonds	2,845	3,618	7,017	6,146
Collateralized Securities	265	790	4,69	6,184
Collective Investment Undertakings	82	621	1,966	3,328
Cash & Cash Equivalents	1,31	892	1,868	1,022
Duration	2.8 years	1.7 years	2.3 years	1.9 years
Return	3.26%	–3,7%	2.40%	–1.1%
Credit Quality	AA-	AA	AA-	AA

On December 31, 2018 (2017) the SIUK Group held securitised assets to the value of SEK 2,713,344,830 (3,122,898,255) and US Agency holdings of SEK 2,040,344,830 (1,510,932,939). Sirius International held securitised assets to the value of SEK 9,437,781 (17,960,083) and US Agency holdings of SEK 775,573,944 (246,819,231) on December 31, 2018 (2017). The securitisation assets in Sirius International 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

On November 6, 2018, SIIG common shares were listed on the Nasdaq Global Select Market to be publicly traded.

Three external directors have been added to the SIIG Group Board, which is now comprised of a majority of independent directors (with only one director affiliated with CMIG) in accordance with Nasdaq listing standards. Each of the audit & risk management, compensation and nominating & governance committees are comprised entirely of independent directors. The group further complies with the SEC disclosure requirements.

For further information, refer to the investor relations section on siriusgroup.com

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:

- *Belgian Branch Office, Liège:* A SINT branch office writing reinsurance business in Africa, Benelux, Cyprus, France, Greece, Israel, Italy, Latin America, Malta, Portugal, Spain, Turkey. In addition, it is globally responsible for all credit and bond reinsurance. 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

- *Hamburg:* A SINT sole agent writing reinsurance business on behalf of SINT in Albania, Austria, Bosnia, Bulgaria, Croatia, Germany, Macedonia, Montenegro, Romania, Serbia, Slovenia, Switzerland.

- *Asia Branch Office:* A SINT branch office in Singapore writing reinsurance business in Cambodia, China, Hong Kong, Indonesia, Korea, Laos, Macau, Malaysia, Mongolia, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam. The branch is licensed to write all classes of reinsurance.

- *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.

- *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 America Insurance Company (SIAM)

SIAM is an insurance and reinsurance company domiciled in the state of New York with offices in New York, New York; Norwalk, Connecticut; Miami, Florida; San Francisco, California; Berwyn, Pennsylvania; Glastonbury, Connecticut; and Toronto, Ontario.

Sirius America writes property insurance and reinsurance primarily in the United States of America, Canada, Latin America and the Caribbean; accident and health and surety insurance and reinsurance as well as primary workers' compensation insurance in the United States of America. Most of the Company's primary insurance is obtained through managing general underwriters ("MGUs"). Most of the Company's assumed reinsurance is obtained through reinsurance intermediaries.

Branch offices

- *Miami:* A SIAM branch office located in Miami, Florida, writing reinsurance in Latin America and the Spanish Caribbean Islands.

- *Toronto:* A SIAM branch office located in Toronto (Canada), writing reinsurance in Canada and the non-Spanish speaking Caribbean Islands for the lines of Liability, Private Passenger Auto, Hail, Personal and Commercial Property.

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 Fac and Binders, Contingency, Casualty and Energy Insurance.

A.7 Group transactions information

During 2018:

- Sirius Group Holdings (NL) BV and Sirius International Holdings (NL) B.V. were liquidated as per 31 December 2018.

- SI Limestone (Luxembourg) S.a.r.l. was merged into Sirius Group International S.à.r.l (Lux) on 2 October 2018.

- Sirius International Advisory Zurich GmbH was formed 12 of July 2018.

- ArmadaCare LLC, ArmadaCorp Capital LLC, ArmadaHealth LLC and ArmadaHealth LLC were sold by Sirius Re Holdings, Inc to Sirius Bermuda Insurance Company Ltd. on 28 March 2018.

- WRM America Indemnity Company Inc. was bought by Sirius America Insurance Company on 30 October 2018.

- Empire Insurance Company and Oakwood Insurance Company were transferred from Sirius Global Solutions Company to Sirius America Insurance Company on 6 June 2018.

There is a capital maintenance agreement from SINT to Sirius America to the maximum of MUSD 200.

B. System of Governance

B.1 General Information on the System of Governance

Solo

The 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 President and Chief Executive Officer (CEO) 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 CEO are given in an Instruction for the President and CEO.

The Management Team is a forum in which the management supports the CEO by providing information and advice in the decision making process. Generally, overall Group related decisions are made by the CEO. Each member of the Management Group 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 CEO and CUO perform annual underwriting reviews at the various legal entity 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 reviews the Sirius America legal entity financial statements discussing relevant business and accounting exposures with the Sirius America CFO. 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 and Sirius America General Counsels 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 Information Officer (CIO) is responsible for the overall IT Strategy and oversees the people, processes and technology within the company's IT organisation to ensure they deliver outcomes that support the goals of the business.

In order for the Board and the CEO to make strategic and overall decisions based on relevant information, **committees** are established to assist the Board and the CEO. The following Board committees have been established: The Risk Management Committee (RMC), The Investment Committee and The Audit Committee. The following CEO 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 CEO 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 CEO. 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 2018

In 2018, SINT designated two **Data Protection Officers** (DPOs), one in Stockholm and one in London, to assist in complying with data protection laws and regulations and to cooperate with, and act as a contact point to, the supervisory authorities. The DPO in Stockholm is responsible for coordination of data protection activities within SINT and its European subsidiaries.

Remuneration policy and practices

The Remuneration Policy aims at mitigating the risk that the remuneration structure could promote excessive risk-taking, which could have a major impact on SINT's financial stability. 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 CEO 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

There have been no material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, or with members of the Board.

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 underwriting, tax, legal and IT issues.

Different committees (Audit & Risk Management, Compensation, Investment, 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 2018

In 2018 a Chief Operating Officer and a new Chief Compliance Officer were appointed at Sirius Group level.

B.2 Fit and proper requirements

Solo

Fit and proper policy

SINT has a Fit and Proper Policy in place to ensure that identified Key persons and employees directly involved in insurance distribution have appropriate managerial and technical skills, experience and knowledge so that SINT is managed and overseen in a professional manner and that each person acts with honesty and integrity as their actions could place SINT at risk. Key persons are the Board, CEO, Management team, branch managers and the four key functions (Actuarial, Compliance, Risk Management and Internal Audit). The fit and proper procedures are to ensure that all Key persons and employees directly involved in insurance distribution at all times fulfil the requirements of adequate professional qualifications, knowledge and experience to enable sound and prudent management (fit), and honesty, good reputation and integrity (proper). In 2018 the procedures were extended to include requirements from the Insurance Distribution Directive (IDD).

Process for assessing fitness and proprietary

The HR Manager is responsible for the Fit & Proper process. The HR Manager shall when appropriate liaise with the Legal and Compliance functions. The HR Manager registers the Fit & Proper assessments. Key persons and employees directly involved in insurance distribution are assessed prior to their initial appointment; and reassessed annually. The assessment is based on a CV, a questionnaire, extract from criminal record and credit reference. Every fifth year a full reassessment is made and the years in between a simplified reassessment is made.

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 subcommittee 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 top 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, 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).

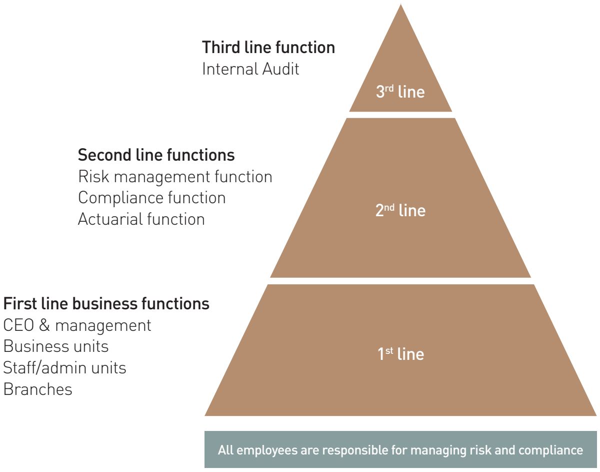
B.5 Internal control system

Solo

Internal control is a process within SINT defined to provide assurance regarding the achievement of objectives when it comes to 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 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 CEO 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.

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, CEO and management. Compliance coordinators 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 CEO respectively.

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

In 2018, the function has focused on continuous support to the business on Solvency II, GDPR and various other supervisory issues. The development of the GDPR and IDD regulations as well as Brexit has been closely monitored and compliance actions have been on-going. Compliance reports are submitted to the SINT Board and the SIIG Audit and Risk Management Committee quarterly. The reports cover all insurance undertakings of the SIIG Group. In addition, there is an annual compliance risk assessment made as basis for the annual compliance plan. During 2018 the function's responsibilities were extended to include the Data Protection Officer (DPO) role. In 2018 a new SIIG Group Chief Compliance Officer was appointed.

B.6 Internal audit function

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

The Board has the ultimate responsibility for Internal Audit. The Board has appointed the Audit Committee to assist the Board. The Internal Audit function is established by the Audit Committee, and the Internal Audit function's responsibilities are defined by the Audit Committee as part of its oversight role. The Audit Committee and Internal Audit function are governed through the Audit Committee rules of procedures and the Internal Audit policy, both adopted by the Board.

Independence

Objectivity is essential for effective operation of the Internal Audit function. The Internal Audit function shall: have direct, unencumbered access to the Audit Committee; be independent from and free of undue management, other functions, including key functions influence; and not perform any operational functions. Further, the Audit Director and his/her staff are authorized to have full, free, and unrestricted access to all SINT functions, activities, operations, records, data, files, computer programs, property and personnel as well as its outside legal counsel, external auditors and any other external consultant working for the Company.

Appraisal and termination of the Internal Audit function

In the interest of Internal Audit's independence, the performance and salary review is conducted by the SIIG Audit Committee chairman.

Internal Audit Roles and Responsibilities

The Internal Audit responsibilities include to effectively lead audit initiatives and projects that add value by assessing the adequacy and effectiveness of SINT´s internal control systems, other element of system of governance, as well as monitoring the business and relevant ongoing projects and developments. Further, the responsibilities include ensuring that relevant risks to SINT's financial and operating objectives are being effectively monitored and addressed by management.

Subject to guidelines from the Audit Committee, the Internal Audit function shall be responsible for the planning, execution and reporting of audits. For this purpose, the Internal Audit function shall:

- annually prepare an Audit Plan based on its risk assessment and get the audit plan adopted by the Audit Committee, as well, discuss the operations and effectiveness of the Internal Audit function including budget and resource requirements and the impact of resource limitations, if any;

- document Internal Audit activities, keep a record of its work in order to allow for an assessment of the effectiveness of the work and for retracing the audits undertaken and the findings they produced;

- provide management recommendations on policy and procedures to improve the internal control environment and the effectiveness and efficiency of operations and organisational structures;

- coordinate audit activities, to the extent possible, with the independent public accountants to enhance audit efficiencies;

- although the Internal Audit function shall have an independent status in SINT, it shall interact with and complement other control functions to promote overall control within the business;

- provide a full audit report in writing to the Business Management and Audit Committee, in connection to each audit to ensure that everyone is updated on a frequent basis, stating key audit findings and related recommendations. If necessary, escalate critical matters to the SINT Board;

- communicate significant deficiencies, material weaknesses or solvency concerns to the Audit Committee.

Where appropriate, Internal Audit provides consultancy activities, i.e. Risk & Control Advisory, in its capacity as an independent control and risk expert.

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 Reports 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 an external data center. 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 and 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 Sirius Group.

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. There are also outsourcing arrangements in place covering IT system and maintenance supplied by SINT to subsidiaries. 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. The assessment is based on a Solvency II Governance gap analysis carried out by the Compliance function in 2016, the annual review of all policy documents and continuous communication with the business. There have been no material changes in the system of governance during 2018. In addition, in 2017, the Internal Audit function performed an audit of the system of governance resulting in an overall audit opinion of Satisfactory with a couple of low risk exceptions.

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.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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
- 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.

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 A&H, Trade Credit, Aviation & Space and Marine & Energy.

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 IFRS 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 Instruction. 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 – market risk from changes in the term structure of interest rates, or in the volatility of interest rates

- Property risk – market risk from changes in the level or in the volatility of market prices of real estate

- Equity Risk – market risk from changes in the level or in the volatility of market prices of equities

- Spread risk – market risk from changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure

- Currency risk – market risk from changes in the level or in the volatility of currency exchange rates

- Concentration risk – market risk from either the lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer.

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

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

a) 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.

b) 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 IFRS annual report, Note 2, market risk.

Also refer to section C.7 – Risk Sensitivity

C.3 Credit risk

Credit risk is the risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of counterparties, issuers of securities, and other debtors.

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.

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.

Counterparty ratings and changes are continuously updated for all retrocessionaires.

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 CEO.

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

C.4 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay the obligations of the company when they are due.

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) at year end (in MSEK)

SINT – 2018		SINT – 2017	
EPIFP Gross	675	EPIFP Gross	457
EPIFP Ceded	323	EPIFP Ceded	335
EPIFP Net	352	EPIFP Net	122
SIUK GROUP – 2018		**SIUK GROUP – 2017**	
EPIFP Gross	822	EPIFP Gross	699
EPIFP Ceded	412	EPIFP Ceded	516
EPIFP Net	410	EPIFP Net	183

The EPIFP for SINT has moved significantly from 2017 Q4 to 2018 Q4. Total movement: 230 MSEK. There are three major explanations:

1. Increased volumes of Non-proportional Property business. This improves the cash flows: 140 MSEK
2. In 2017 we allocated regular administration expenses to the SBDA->SINT internal QS which results in an overstatement of the costs: 58 MSEK.
3. In 2017, commission cash flows were estimated for Direct Accident & Health binder business. These are excluded in Solvency II since binder contracts are not considered insurance contracts.

The relatively high ceded-to-gross relation is mostly explained by the fact that the administration and most of the claims handling expenses are not ceded, and not fully compensated by the overriding commission in the retrocession contracts.

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 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.

The risk register and the heat map are reviewed by risk management and further reported to the Operational Risk Committee (ORC). The outcome from ORC is reported to the Risk Management Committee and to top management on a quarterly basis.

Risk Mitigation

Risk mitigation is an outcome from the continued self-assessment processes performed by the organisation. Both the organisation and the RMC 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 and tested annually.

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.

Also refer to section C.7 – Risk Sensitivity.

C.6 Other material risks

Other material risks that the company and the Group face are: Regulatory Risk, Risk Interdependencies, Compliance Risk, Reputation Risk, and Emerging risk. These have been graded medium by the Risk Management Committee.

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 material 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:

Goodwill – Goodwill is not considered an identifiable and separable asset in the market place. Furthermore, the consequence of inclusion of goodwill would be that two undertakings with similar tangible assets and liabilities could have different basic own funds. The reason is that one of them has grown through business combinations and the other through organic growth, without any business combination. It would be inappropriate if these two undertakings were treated differently for regulatory purposes. The economic value of goodwill for solvency purposes is nil.

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 EIPOA 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.

	SOLO		GROUP	
ADJUSTMENT TO ASSETS	**2018**	**2017**	**2018**	**2017**
removal of Goodwill	–4	–9	0	–1,007
removal of DAC	–614	–403	–901	–516
revaluation of reinsurance recoverables	–6,084	–4,777	–7,879	–6,273
revaluation of property	78	67	80	69
revaluation of intangible assets	0	0	10	9
revaluation of participations	303	–1,108	–210	371
discounting of deposits	–79	–59	–124	–49
total adjustments before tax	**–6,399**	**–6,289**	**–9,023**	**–7,395**

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, 2018)

		SINT Solo			SIUK Group		
	Solvency II Line of Buiness	Best Estimate	Risk Margin	Technical Provision	Best Estimate	Risk Margin	Technical Provision
1	Medical Expenses Insurance	369	12	381	679	22	701
2	Income Protection Insurance	0	0	0	0	0	0
3	Workers Compensation Insurance	0	0	0	184	47	232
4	Motor Vehicle Liability Insurance	0	0	0	0	0	0
5	Other Motor Insurance	0	0	0	0	0	0
6	Marine, Aviation and Transport Insurance	33	3	36	33	3	36
7	Fire and Other Damage to Property Insurance	29	3	32	43	4	46
8	General Liability Insurance	29	1	30	29	1	30
9	Credit and Suretyship Insurance	0	0	0	6	0	6
10	Legal Expenses Insurance	0	0	0	0	0	0
11	Assistance Insurance	9	2	11	9	2	11
12	Miscellaneous Financial Loss Insurance	2	1	3	2	1	3
13	Medical Expenses Proportional Reinsurance	381	13	394	405	17	423
14	Income Protection Proportional Reinsurance	27	4	30	27	4	30
15	Workers Compensation Proportional Reinsurance	12	0	12	76	8	85
16	Motor Vehicle Liability Proportional Reinsurance	50	0	51	67	6	73
17	Other Motor Proportional Reinsurance	0	0	0	0	0	0
18	Marine, Aviation and Transport Proportional Reinsurance	431	47	478	491	50	541
19	Fire and Other Damage to Property Proportional Reinsurance	696	97	792	1,330	125	1,455
20	General Liability Proportional Reinsurance	450	20	470	989	113	1,101
21	Credit and Suretyship Proportional Reinsurance	310	33	343	356	39	395
22	Legal Expenses Proportional Reinsurance	0	0	0	0	0	0
23	Assistance Proportional Reinsurance	5	2	6	5	2	6
24	Miscellaneous Financial Loss Proportional Reinsurance	3	2	4	3	2	4
25	Non-Proportional Health Reinsurance	44	23	67	380	112	493
26	Non-Proportional Casualty Reinsurance	148	54	202	2,002	509	2,511
27	Non-Proportional Marine, Aviation and Transport Reinsurance	277	97	374	300	101	401
28	Non-Proportional Property Reinsurance	1,541	169	1,710	1,852	201	2,053
	Total	**4,846**	**583**	**5,428**	**9,268**	**1,369**	**10,637**

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:

1. The retrocession team is responsible for the registration of retrocession premiums, and claims amounts, including the IBNR for very large claims.

2. 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.

3. 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.

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.
2. The ULAE and the premium reserves are calculated using simplified methods that are commonly used across the insurance market
3. The non-claim specific IBNR for every non-proportional retrocession recovery is set to 0.
4. 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.
5. The calculation of the best estimate for SIAM, and other insurance companies under Sirius Global Solutions is performed for aggregated groups of contracts (by homogeneous risk groups and underwriting year).

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 Sirius, and for the SIUK Group, as at December 31, 2018.

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

Insurance risk: 1,006 MSEK
of which Reserve risk: 550 MSEK

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

Insurance risk: 1,261 MSEK
of which Reserve risk: 732 MSEK

Comments: The calculation of insurance risk includes all exposed risk for the calendar year 2019, and covers both underwriting and reserve risk. The reserve risk calculation is based on underwriting year triangles, and estimated with bootstrap technique. The difference in reserve risk between SINT and the SIUK Group is explained by the relatively high volatility of the SIAM casualty runoff portfolio. The impact of binary events such as ENIDs and Contractual Options are not considered. For the underwriting risk, the volatility in the unearned risk and the unincepted but legally bound business is approximated by the volatility in the risk exposed in the next 12 months.

Additional comments on the technical provision uncertainty:

1. The IFRS gross and ceded benefit reserves as at end-of-year 2018 have been estimated in the SINT Actuarial function review with indication of a reserve redundancy.
2. The IFRS gross reserves for SIAM and SINT have been reviewed by the SIIG Group Chief Actuary.
3. The independent audit of the IFRS gross benefit reserve as of end-of-year including SINT, Lloyd's Syndicate 1945, and SIAM, but with Oakwood, Empire and WRM excluded), showed a total reserve deficiency of 56 MSEK. A separate independent audit for SINT, excluding the Lloyd's Syndicate and late process adjustments for typhoon Jebi, showed a total reserve redundancy of 153 MSEK.
4. Historically the SIUK Group IFRS run-off reserves have developed favourably.
5. The Actuarial function review indicates a positive margin in the SINT and SIUK 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.

c) Material differences between the IFRS and the solvency valuation of the technical provisions (by Solvency II line of business)

Legend:	
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
12	Miscellaneous financial loss
13	Proportional medical expenses reinsurance
14	Proportional income protection reinsurance
15	Proportional workers' compensation reinsurance
16	Proportional motor vehicle liability reinsurance
17	Proportional other motor reinsurance
18	Proportional marine, aviation and transport reinsurance
19	Proportional fire and other damage to property reinsurance
20	Proportional general liability reinsurance
21	Proportional credit and suretyship reinsurance
22	Proportional legal expenses reinsurance
23	Proportional assistance
24	Proportional miscellaneous financial loss
25	Non-proportional health reinsurance
26	Non-proportional casualty reinsurance
27	Non-proportional marine, aviation and transport reinsurance
28	Non-proportional property reinsurance

See next page

Solo

2018 (in MSEK): NET	Total Reported reserve	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
IFRS reserves	7,693	915	1	0	0	0	35	28	45	0	0	27	2	369	43	18	76	0	633	1,689	660	507	0	25	27	73	149	333	2,038
Adjust for Accrued premiums	-2,348	-393	-1	0	0	0	-6	-3	0	0	0	-21	-1	-64	-11	-4	-19	0	-305	-661	-224	-143	0	-18	-32	-14	-3	-36	-391
Adjust for DAC	-614	-355	0	0	0	0	0	-2	-12	0	0	-10	0	64	-4	-4	-13	0	-42	-49	-92	-61	0	-9	-1	-1	-1	-3	-21
Adjust for accrued deductions	506	208	1	0	0	0	2	1	0	0	0	11	0	-8	10	2	7	0	78	-11	77	33	0	13	6	4	1	6	65
Adjusted IFRS	**5,237**	**375**	**0**	**0**	**0**	**0**	**31**	**25**	**34**	**0**	**0**	**8**	**1**	**362**	**38**	**12**	**50**	**0**	**364**	**968**	**421**	**337**	**0**	**12**	**-1**	**62**	**146**	**301**	**1,692**
Solvency II adjustments																													
Exclusion of DAC	614	355	0	0	0	0	0	2	12	0	0	10	0	-64	4	4	13	0	42	49	92	61	0	9	1	1	1	3	21
Exclusion of UPR	-1,996	-732	-1	0	0	0	-2	-4	-37	0	0	-22	-1	123	-27	-10	-38	0	-140	-462	-266	-181	0	-17	-8	-7	-2	-28	-134
Removal of Management IBNR	-67	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	-67
Inclusion of unincepted legally obliged business	-460	6	0	0	0	0	1	0	0	0	0	0	0	0	-4	0	0	0	12	-175	14	-17	0	-1	1	-10	0	4	-291
Premiums related to difference between estimates and writtten	-145	0	0	0	0	0	0	0	0	0	0	0	0	-9	-21	0	0	0	-62	-80	0	-30	0	-8	-2	0	0	1	67
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)	1,381	367	0	0	0	0	2	8	21	0	0	10	2	-66	34	6	24	0	179	366	170	135	0	4	5	-5	2	8	108
Inclusion of future management action	32	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	3	28
Inclusion of provisions for additional expenses	94	-9	0	0	0	0	2	0	0	0	0	2	0	11	7	0	0	0	51	-31	7	-1	0	6	5	5	3	9	27
Inclusion for provision for ENID+CO	382	17	0	0	0	0	1	1	1	0	0	1	0	25	2	1	3	0	21	111	46	22	0	1	1	2	7	9	109
Consideration of Retrocession Bad Debt	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	4	0	0	0	0	0	0	0	2	14
Discounting of reserves	-251	-9	0	0	0	0	-2	-1	-2	0	0	0	0	-1	-6	-1	-3	0	-40	-53	-34	-17	0	0	0	-5	-9	-35	-33
Solvency II Best Estimate	**4,846**	**369**	**0**	**0**	**0**	**0**	**33**	**29**	**29**	**0**	**0**	**9**	**2**	**381**	**27**	**12**	**50**	**0**	**431**	**696**	**450**	**310**	**0**	**5**	**3**	**44**	**148**	**277**	**1,541**
Risk Margin	583	12	0	0	0	0	3	3	1	0	0	2	1	13	4	0	0	0	47	97	20	33	0	2	2	23	54	97	169
Solvency II Technical Provision	**5,428**	**381**	**0**	**0**	**0**	**0**	**36**	**32**	**30**	**0**	**0**	**11**	**3**	**394**	**30**	**12**	**51**	**0**	**478**	**792**	**470**	**343**	**0**	**6**	**4**	**67**	**202**	**374**	**1,710**

2017 (in MSEK): NET	Total	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
IFRS reserves	6,911	549	0	0	0	0	35	33	4	0	0	26	3	181	44	0	0	0	492	2,462	31	429	0	20	16	80	262	566	1,676
Adjust for Accrued premiums	-2,202	-218	0	0	0	0	-8	-3	0	0	0	-14	-2	12	-14	0	0	0	-304	-1,067	-2	-129	0	-17	-23	-16	0	-46	-352
Adjust for DAC	-403	-188	0	0	0	0	-1	-2	0	0	0	-8	0	78	-4	0	0	0	-26	-162	-1	-56	0	-7	0	-2	0	-3	-20
Adjust for accrued deductions	458	106	0	0	0	0	3	2	0	0	0	11	0	-3	8	0	0	0	69	128	1	48	0	9	4	12	0	9	51
Adjusted IFRS	**4,763**	**250**	**0**	**0**	**0**	**0**	**28**	**30**	**4**	**0**	**0**	**15**	**1**	**267**	**35**	**0**	**0**	**0**	**232**	**1,361**	**29**	**291**	**0**	**6**	**-3**	**74**	**263**	**526**	**1,356**
Reallocation of internal quotas																													
IFRS reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	211	49	4	27	0	182	-607	108	8	0	6	12	0	0	0	0
Accrued Premiums	0	0	0	0	0	0	0	0	0	0	0	0	0	-126	-15	-5	-22	0	-49	307	-78	-7	0	-1	-4	0	0	0	0
DAC	0	0	0	0	0	0	0	0	0	0	0	0	0	-28	-7	-2	-8	0	-21	102	-31	-1	0	-3	-3	0	0	0	0
Accrued Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	34	0	2	8	0	11	-92	32	2	0	0	1	0	0	0	0
Adjusted IFRS after reallocation	**4,763**	**250**	**0**	**0**	**0**	**0**	**28**	**30**	**4**	**0**	**0**	**15**	**1**	**357**	**62**	**0**	**6**	**0**	**355**	**1,071**	**61**	**293**	**0**	**8**	**3**	**74**	**263**	**526**	**1,356**
Solvency II adjustments inclusion of DAC	403	188	0	0	0	0	1	2	0	0	0	8	0	-50	11	2	8	0	47	61	31	57	0	9	3	2	0	3	20
inclusion of UPR	-1,552	-407	0	0	0	0	-6	-7	0	0	0	-17	-2	100	-63	-4	-19	0	-179	-493	-76	-160	0	18	-16	-12	0	-30	-144
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
Inclusion of unincepted legally obliged business	-189	17	0	0	0	0	-2	0	1	0	0	0	2	-4	-4	0	0	0	24	-152	93	-2	0	-2	9	-13	1	9	-167
Premiums related to difference between estimates and writtten	-974	0	0	0	0	0	-1	0	0	0	0	0	0	-16	-16	0	0	0	-140	-781	-3	-19	0	-7	-7	0	0	-3	19
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)	1,666	146	0	0	0	0	4	10	0	0	0	5	3	-84	49	2	10	0	288	935	56	96	0	8	21	-9	0	10	116
Inclusion of future management action	24	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	2	22
Inclusion of provisions for additional expenses	281	36	0	0	0	0	3	1	0	0	0	3	0	53	14	0	2	0	56	25	3	22	0	5	4	12	5	17	20
Inclusion for provision for ENID+CO	366	10	0	0	0	0	1	2	0	0	0	1	0	31	3	0	1	0	26	132	18	19	0	1	2	3	12	15	91
Consideration of Retrocession Bad Debt	22	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	2	1	0	0	0	0	0	0	2	12
Discounting of reserves	-276	-5	0	0	0	0	-2	0	-1	0	0	0	0	-3	-6	0	0	0	-41	-59	-12	-8	0	0	-1	-6	-22	-54	-58
Solvency II Best Estimate	**4,535**	**235**	**0**	**0**	**0**	**0**	**28**	**38**	**5**	**0**	**0**	**15**	**5**	**386**	**50**	**0**	**6**	**0**	**439**	**740**	**173**	**299**	**0**	**4**	**18**	**51**	**258**	**498**	**1,287**
Risk Margin	680	11	0	0	0	0	3	3	0	0	0	4	2	19	3	0	0	0	60	70	8	47	0	1	7	34	74	114	221
Solvency II Technical Provision	**5,216**	**245**	**0**	**0**	**0**	**0**	**31**	**40**	**5**	**0**	**0**	**19**	**6**	**405**	**53**	**0**	**6**	**0**	**499**	**810**	**181**	**346**	**0**	**6**	**25**	**85**	**332**	**612**	**1,507**

Group

2018 (in MSEK): NET	Total Reported reserve	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
IFRS reserves	13,323	1,492	1	226	0	0	35	41	45	18	0	27	2	496	43	96	101	0	700	2,521	1,293	566	0	25	27	475	2,311	361	2,419
Adjust for Accrued premiums	-3,004	-636	-1	-16	0	0	-6	-1	0	2	0	-21	-1	-141	-11	-4	-19	0	-309	-876	-228	-159	0	-18	-32	-31	-13	-41	-444
Adjust for DAC	-746	-388	0	-5	0	0	0	-2	-12	-5	0	-10	0	31	-4	-4	-13	0	-43	-93	-94	-63	0	-9	-1	-2	-1	-3	-27
Adjust for accrued deductions	653	260	1	4	0	0	2	0	0	0	0	11	0	19	10	1	3	0	78	55	67	42	0	13	6	2	-9	6	80
Adjusted IFRS	**10,226**	**729**	**0**	**209**	**0**	**0**	**31**	**38**	**34**	**15**	**0**	**8**	**1**	**405**	**38**	**90**	**72**	**0**	**427**	**1,608**	**1,038**	**387**	**0**	**12**	**-1**	**445**	**2,289**	**324**	**2,028**
Solvency II adjustments																													
Exclusion of DAC	746	388	0	5	0	0	0	2	12	5	0	10	0	-31	4	4	13	0	43	93	94	63	0	9	1	2	1	3	27
Exclusion of UPR	2,646	-1,068	-1	-22	0	0	-2	-5	-37	-14	0	-22	-1	7	-27	-10	-38	0	-143	-585	-269	-187	0	-17	-8	10	-2	-28	-159
Removal of Management IBNR	-72	0	0	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-3	0	0	0	0	0	0	0	-67
Inclusion of unincepted legally obliged business	-489	-10	0	18	0	0	1	0	0	0	0	0	0	-5	-4	0	0	0	11	-177	12	-18	0	-1	1	13	0	4	-311
Premiums related to difference between estimates and writtten	-218	0	0	0	0	0	0	0	0	0	0	0	0	-14	-21	0	0	0	-63	-140	-1	-36	0	-8	-2	0	0	1	67
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)	1,818	609	0	17	0	0	2	6	21	0	0	10	2	7	34	6	24	0	178	461	172	136	0	4	5	-3	0	8	118
Inclusion of future management action	32	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	3	28
Inclusion of provisions for additional expenses	322	14	0	7	0	0	2	0	0	0	0	2	0	15	7	3	1	0	55	11	23	7	0	6	5	14	98	10	41
Inclusion for provision for ENID+CO	658	50	0	22	0	0	1	2	1	0	0	1	0	41	2	4	4	0	23	149	74	24	0	1	1	20	103	10	126
Consideration of Retrocession Bad Debt	47	3	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	4	3	0	0	0	0	0	11	2	14
Discounting of reserves	1,156	-35	0	-77	0	0	-2	-1	-2	0	0	0	0	-21	-6	-20	-9	0	-44	-94	-153	-21	0	0	0	75	-498	-37	-60
Solvency II Best Estimate	**9,268**	**679**	**0**	**184**	**0**	**0**	**33**	**43**	**29**	**6**	**0**	**9**	**2**	**405**	**27**	**76**	**67**	**0**	**491**	**1,330**	**989**	**356**	**0**	**5**	**3**	**380**	**2,002**	**300**	**1,852**
Risk Margin	1,369	22	0	47	0	0	3	4	1	0	0	2	1	17	4	8	6	0	50	125	113	39	0	2	2	112	509	101	201
Solvency II Technical Provision	**10,637**	**701**	**0**	**232**	**0**	**0**	**36**	**46**	**30**	**6**	**0**	**11**	**3**	**423**	**30**	**85**	**73**	**0**	**541**	**1,455**	**1,101**	**395**	**0**	**6**	**4**	**493**	**2,511**	**401**	**2,053**

2017 (in MSEK): NET	Total	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
IFRS reserves	11,951	963	0	194	0	0	35	53	4	0	0	26	3	217	44	80	33	0	558	3,070	700	483	0	20	16	534	2,342	610	1,966
Adjust for Accrued premiums	-2,381	-423	0	0	0	0	-8	-2	0	0	0	-14	-2	22	-14	0	6	0	-320	-990	-9	-137	0	-17	-23	-34	-8	-53	-355
Adjust for DAC	-438	-212	0	0	0	0	-1	-2	0	0	0	-8	0	78	-4	0	0	0	-27	-175	-1	-57	0	-7	0	-1	0	-3	-17
Adjust for accrued deductions	451	154	0	0	0	0	3	3	0	0	0	11	0	-3	8	-1	-5	0	75	86	-4	51	0	9	4	10	-8	9	47
Adjusted IFRS	**9,584**	**483**	**0**	**194**	**0**	**0**	**28**	**51**	**4**	**0**	**0**	**15**	**1**	**315**	**35**	**79**	**34**	**0**	**286**	**1,991**	**686**	**340**	**0**	**6**	**-3**	**509**	**2,326**	**563**	**1,641**
Reallocation of internal quotas																													
IFRS reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	211	49	4	27	0	182	-607	108	8	0	6	12	0	0	0	0
Accrued Premiums	0	0	0	0	0	0	0	0	0	0	0	0	0	-126	-15	-5	-22	0	-49	307	-78	-7	0	-1	-4	0	0	0	0
DAC	0	0	0	0	0	0	0	0	0	0	0	0	0	-28	-7	-2	-8	0	-21	102	-31	-1	0	-3	-3	0	0	0	0
Accrued Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	34	0	2	8	0	11	-92	32	2	0	0	1	0	0	0	0
Adjusted IFRS after reallocation	**9,584**	**483**	**0**	**194**	**0**	**0**	**28**	**51**	**4**	**0**	**0**	**15**	**1**	**405**	**62**	**79**	**40**	**0**	**409**	**1,701**	**717**	**342**	**0**	**8**	**3**	**509**	**2,326**	**563**	**1,641**
Solvency II adjustments inclusion of DAC	438	212	0	0	0	0	1	2	0	0	0	8	0	-50	11	2	8	0	47	73	32	58	0	9	3	1	0	3	17
inclusion of UPR	1,845	-652	0	0	0	0	-6	-7	0	0	0	-17	-2	97	-63	-4	-19	0	-179	-522	-76	-161	0	-18	-16	-14	0	-30	-156
Removal of Management IBNR	-57	0	0	-3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-41	-2	0	0	0	0	0	0	0	-11
Inclusion of unincepted legally obliged business	-217	-15	0	0	0	0	-2	0	1	0	0	0	2	-4	-4	0	0	0	24	-151	93	-2	0	-2	9	-14	1	9	-163
Premiums related to difference between estimates and writtten	1,047	0	0	0	0	0	-1	0	0	0	0	0	0	-16	-16	0	0	0	-142	-850	-3	-23	0	-7	-7	3	0	-3	19
Cost and benefits related to unearned and unwritten premiums (accrued deductions excluded)	2,028	317	0	0	0	0	4	10	0	0	0	5	3	-75	49	2	23	0	285	1,075	59	95	0	8	21	-7	5	11	137
Inclusion of future management action	24	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	2	22
Inclusion of provisions for additional expenses	368	47	0	7	0	0	3	1	0	0	0	3	0	51	14	3	-3	0	61	-17	18	27	0	5	4	23	87	17	18
Inclusion for provision for ENID+CO	589	32	0	8	0	0	1	3	0	0	0	1	0	32	3	4	2	0	28	159	48	21	0	1	2	23	104	16	102
Consideration of Retrocession Bad Debt	39	2	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3	2	0	0	0	0	0	7	2	13
Discounting of reserves	1,025	-24	0	-33	0	0	-2	-1	-1	0	0	0	0	-3	-6	-18	-6	0	-44	-83	-123	-13	0	0	-1	-72	-461	-55	-79
Solvency II Best Estimate	**8,877**	**402**	**0**	**177**	**0**	**0**	**28**	**59**	**5**	**0**	**0**	**15**	**5**	**437**	**50**	**68**	**44**	**0**	**492**	**1,347**	**766**	**343**	**0**	**4**	**18**	**452**	**2,070**	**536**	**1,560**
Risk Margin	1,368	21	0	24	0	0	3	10	0	0	0	4	2	21	3	9	3	0	64	91	97	54	0	1	7	105	484	117	248
Solvency II Technical Provision	**10,246**	**424**	**0**	**200**	**0**	**0**	**31**	**69**	**5**	**0**	**0**	**19**	**6**	**458**	**53**	**77**	**47**	**0**	**556**	**1,438**	**863**	**397**	**0**	**6**	**25**	**557**	**2,554**	**653**	**1,808**

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.

Reallocation of internal quota shares: The internal quota share results assumed by SINT are not booked on individual lines of business, although business from several business lines are ceded. Instead everything is booked as proportional property business. The results by line of business are manually booked in the Solvency II best estimate calculation process by the actuarial team

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 unincepted legally obliged business: Profit from unincepted 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.

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 26% of the gross reserve for SINT, and 24% for the SIUK Group.

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.

	SOLO		GROUP	
ADJUSTMENTS TO LIABILITIES	**2018**	**2017**	**2018**	**2017**
revaluation of technical provisions	6,540	4,775	9,496	6,680
discounting of deposits	76	11	110	36
revaluation of payables	0	0	1	1
revaluation of pension benefits	39	39	0	0
revaluation of Untaxed reserves	10,721	10,746	2,334	2,352
total adjustments before tax	**17,375**	**15,571**	**11,941**	**9,069**

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 (as applicable). 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. Furthermore, the reconciliation reserve has been adjusted for foreseeable dividends as applicable. 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 2018 Q4 and 2017 Q4, respectively (in SEK ´000). For further details, refer to the QRTs in Appendix 2.

Own Funds per 2018 Q4

		Total	Tier 1 – unrestricted	Tier 3
		C0010	C0020	C0050
Ordinary share capital (gross of own shares)	R0010	800,000	800,000	
Reconciliation reserve	R0130	14,344,595	14,344,595	
An amount equal to the value of net deferred tax assets	R0160	0		0
Total basic own funds after deductions	R0290	15,144,595	15,144,595	0
Total eligible own funds to meet the SCR	R0540	15,144,595	15,144,595	0
Total eligible own funds to meet the MCR	R0550	15,144,595	15,144,595	
SCR	R0580	7,282,339		
MCR	R0600	1,820,585		
Ratio of Eligible own funds to SCR	R0620	208%		
Ratio of Eligible own funds to MCR	R0640	832%		

Own funds per 2017 Q4

		Total	Tier 1 – unrestricted	Tier 3
		C0010	C0020	C0050
Ordinary share capital (gross of own shares)	R0010	800,000	800,000	
Reconciliation reserve	R0130	12,511,333	12,511,333	
An amount equal to the value of net deferred tax assets	R0160	98,382		98 382
Total basic own funds after deductions	R0290	13,409,715	13,311,333	98 382
Total eligible own funds to meet the SCR	R0540	13,409,715	13,311,333	98 382
Total eligible own funds to meet the MCR	R0550	13,311,333	13,311,333	
SCR	R0580	6,583,592		
MCR	R0600	1,645,898		
Ratio of Eligible own funds to SCR	R0620	204%		
Ratio of Eligible own funds to MCR	R0640	809%		

SINT has available and eligible own funds of MSEK 15,145 (up from MSEK 13,410). The increase in available and eligible own funds was mainly driven by the fact that Armada has been sold to an affiliated company. This disposal had a positive effect on the Solvency II valuation of SReHi.

The ratio of eligible own funds to the SCR for SINT has increased to 208% (204%).

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 as applicable. 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 2018 Q4 and 2017 Q4, respectively (in SEK ´000). For further details, refer to the QRTs in Appendix 2.

Own funds 2018-12-31

		Total	Tier 1 – unrestricted	Tier 3
		C0010	C0020	C0050
Total basic own funds after deductions	R0290	10,709,527	10,250,908	458,619
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	10,709,527	10,250,908	458,619
Total eligible own funds to meet the minimum consolidated group SCR	R0570	10,250,908	8,104,170	
Consolidated Group SCR	R0590	8,637,029		
Minimum consolidated Group SCR	R0610	2,441,628		
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	124%		
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	420%		

Own funds per 2017-12-31

		Total	Tier 1 – unrestricted	Tier 3
		C0010	C0020	C0050
Total basic own funds after deductions	R0290	8,731,981	8,214,174	517,807
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	8,731,981	8,214,174	517,807
Total eligible own funds to meet the minimum consolidated group SCR	R0570	8,214,174	8,104,170	
Consolidated Group SCR	R0590	7,837,930		
Minimum consolidated Group SCR	R0610	2,382,152		
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	111%		
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	345%		

The SIUK Group's available and eligible own funds of 10,710 MSEK are up from 8,732 MSEK in prior year. The increase in available and eligible own funds was mainly driven by the sale of Armada to an affiliated company outside the SIUK Group, leading to an increase in the Solvency II value of SReHi in Q1 and an increased availability of the safety reserve.

The ratio of eligible own funds to the Group SCR for SIUK has increased to 124% (111%).

For an explanation on the Dynamics of the safety reserve at SINT and its dampening effect on the adverse impact for the Solvency ratio of the SIUK Group, refer to E.6.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

Solo

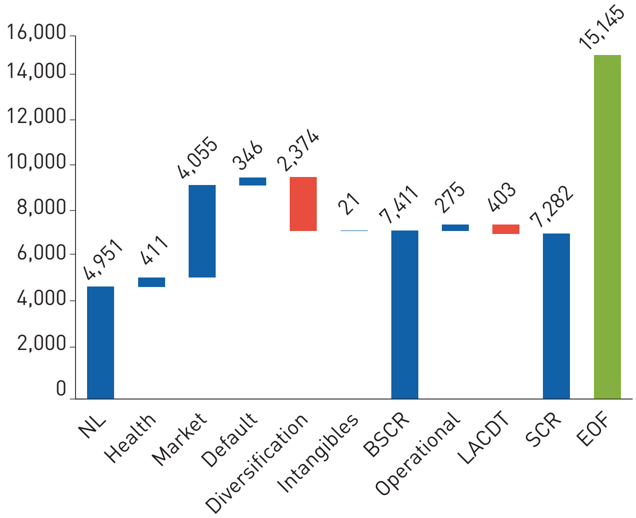
The regulatory SCR and the MCR are calculated based on the Solvency II standard formula, for all risk categories. The MCR is defined as the largest of either a factor based approach applied to net earned premium and net technical provisions, or as an amount equal to 25% of the SCR. Based on the current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

The SCR at 4Q18 is MSEK 7,282. The Minimum Capital Requirement (MCR) is MSEK 1,820. 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. Sirius applies simplifications for 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:

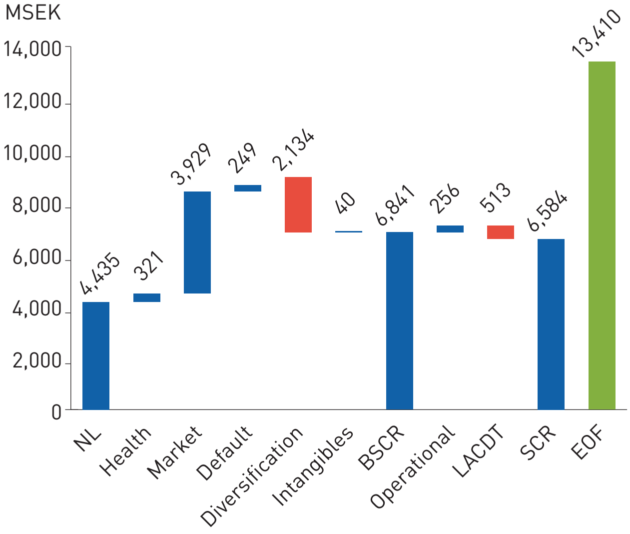
SINT SCR and Eligible Own Funds at 2018Q4



In total the Solvency Capital Requirement (SCR) of MSEK 7,282 (MUSD 815) increased by 11% or MSEK 699 from the 2017 Q4 calculation. The increase in SCR is driven by an increase in Non-life underwriting risk of MSEK 516 and a decrease in Loss absorbing capacity of deferred taxes by MSEK 110.

The MCR, which corresponds to 25% of the SCR has increased by MSEK 175 (11%) over the reporting period.

SINT Solo SCR and Eligible Own Funds at Q4-17



Group

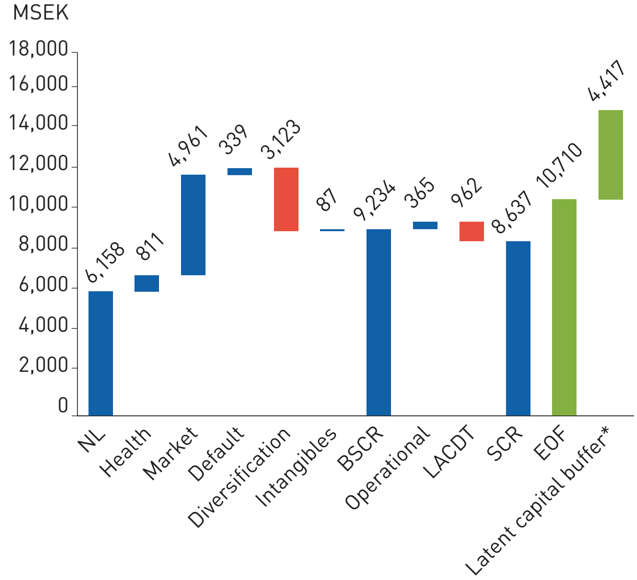
The regulatory Group SCR standard formula is calculated based on the Solvency II standard formula for all risk categories. The accounting consolidation basis is applied. Hence the minimum consolidated Group SCR is equal to the sum of the MCR:s for the participating insurance or reinsurance undertakings. As clarified in Level 3, Guidelines on group solvency, the Solvency II MCR should be used for EEA based insurance and reinsurance undertakings, and the local capital requirements, at which the authorization would be withdrawn, for third country insurance and reinsurance undertakings.

The Group SCR at 4Q18 is MSEK 8,637. The minimum consolidated Group SCR is MSEK 2,442. SIUK Group is not required to hold a capital add-on in addition to the Group SCR.

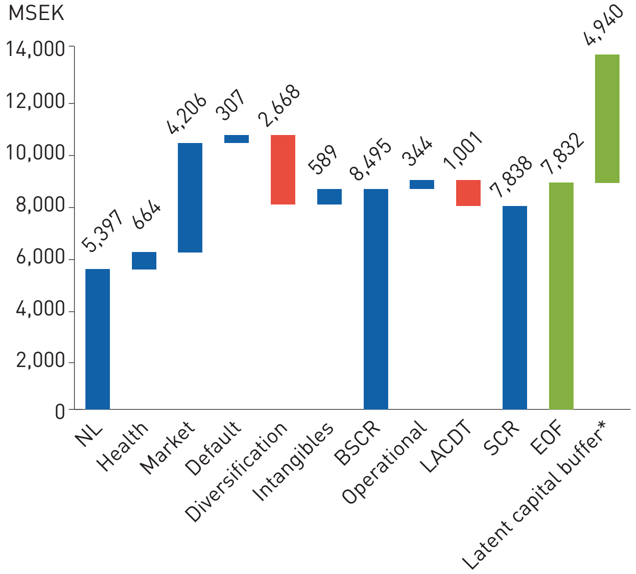
SIUK Group has from the start acknowledged the full impact of the Solvency II standard formula and does not apply any of the transitional measures that could have decreased the solvency requirement to a lower level during a transitional period. SIUK Group's application of the standard formula does not 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 107 "Simplifications – risk mitigation for reinsurance or securitisation".

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 2018Q4



Group SCR and Eligible Own Funds Q4-17



* For an explanation of the Latent capital buffer refer to Dynamics of the Safety Reserve in chapter E.6

The Group Solvency Capital Requirement has increased by MSEK 799 (10%) to MSEK 8,637 over the reporting period from 2017 Q4 to 2018 Q4.

The increase in the Group SCR is driven by an increase of Market risk and Non-life underwriting risk offset by a decrease of Intangible asset risk. Underwriting risk increased due to increased expected premiums and Market risk increased due to increased Currency risk, Concentration Risk and Equity Risk. Intangible asset risk decreased due to that Armada was moved outside of the SII Group.

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 6,184 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 1,767 and MSEK 4,417 respectively.

Dynamics of the Safety Reserve

Further analysis providing insight into the dynamics of the SINT Solo and SIUK Group Solvency ratios following a capital management action in a situation with underwriting losses at SINT:

- If SINT would experience underwriting losses, it has direct and negative impact on SINT Solo solvency ratio. During such a year, if SINT chose to dissolve part of the safety reserve to cover these losses, such an action would dampen the adverse impact for the Solvency ratio of the SIUK Group. The dampening effect would exist as long as the remaining safety reserve at SINT remains above the level corresponding to SINT's so called contribution to the Group SCR.
- At SIUK Group level, the solvency ratio will decrease if SINT absorbed the loss using surplus. The solvency ratio at SIUK Group will be unaffected if SINT dissolved the safety reserve to absorb the loss (as long as the remaining safety reserve exceeds SINT's contribution to the Group SCR).

Due to the mechanics of the Solvency II Group framework, under some situations the ratio between eligible own funds and the consolidated group SCR may be close to the regulatory requirement of 100%, even if the situation resembles the current SIUK Group where the individual (re-)insurance companies are well capitalized. At year end the ratios between eligible own funds and the SCR of the SIUK Group and SINT were 124% and 208% respectively.

This non-intuitive result is due to the special characteristics where the safety reserve in SINT is only partly recognized in available own funds at SIUK Group level, despite the fact that the SINT safety reserve acts as a dampener for decrease in group solvency ratios if driven by SINT losses. If part of the SINT safety reserve is dissolved, the group solvency ratio could effectively be reinstated. **In the Solvency II Group there is hence a SEK 4.4 billion latent capital component that under a group solvency deficit scenario would be able to reinstate the group solvency ratio.** In the current Solvency II Group rules **this latent capital buffer is not acknowledged in the ratio between eligible own funds and consolidated group SCR, while it is obvious that the capital strength of our Group with this significant amount of latent capital component far exceeds a group with the same reported solvency ratio but without this type of latent buffer capital.** There is a risk that the value of the SINT safety reserve for protection of SIUK Group solvency is not sufficiently understood by external parties.

The SINT Board considers the lack of recognition of the latent capital component in the Group solvency ratio to be a major deficiency of the Group rules. The Board considers the inclusion of the latent capital component from the safety reserve to be a better internal view of capital strength to base its decision on the suitability of the current risk profile on.

Consolidated Group SCR

The full amount of the SIUK Group SCR at 4Q18 of MSEK 8,637 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

All relevant information is considered to have been discussed in other sections above.

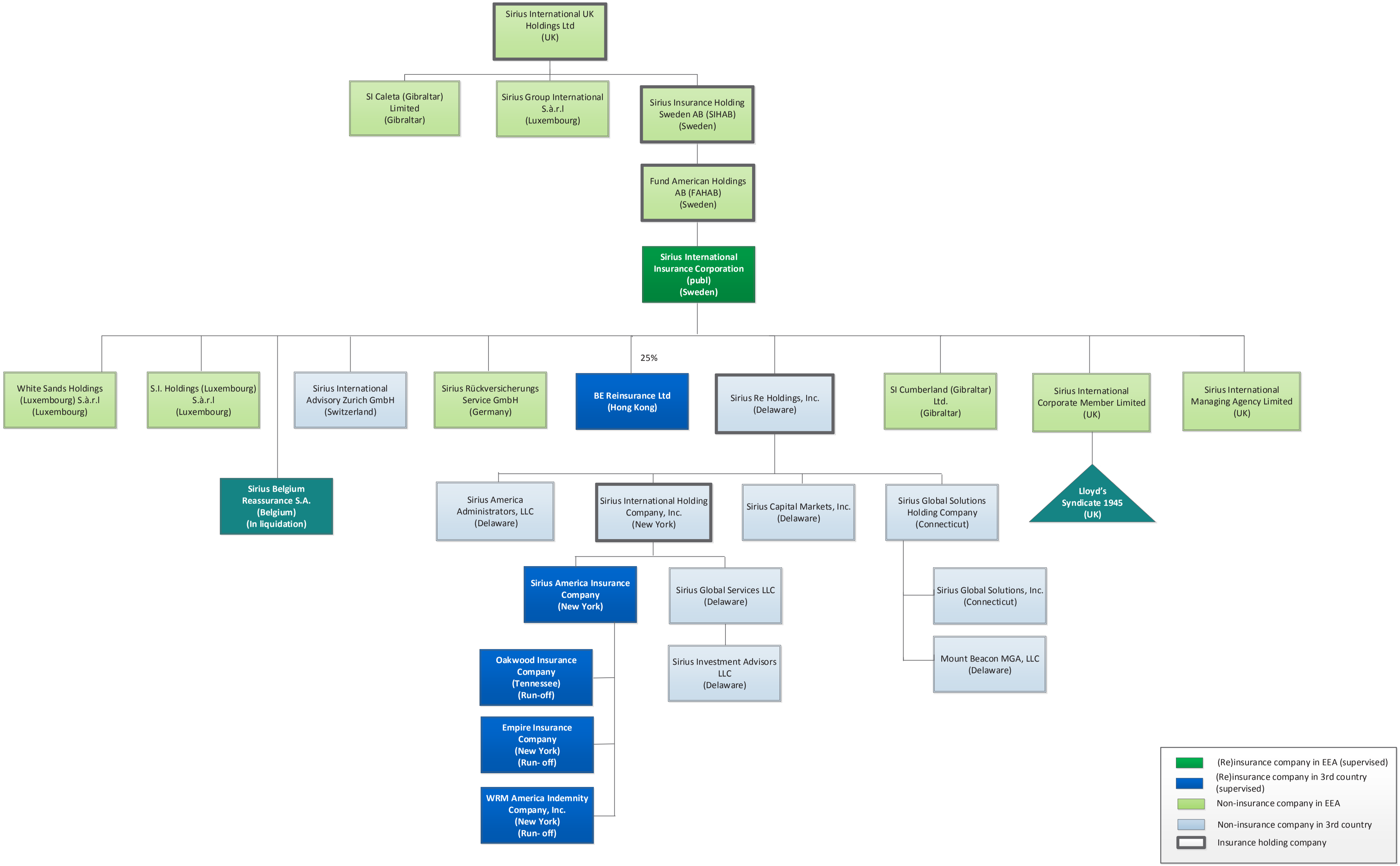
Glossary of Terms and Abbreviations

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
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.

Appendices

Appendix 1: Group legal and organizational structure

Sirius International European Group
2018-12-31



Appendix 2: SFCR Quantitative Reporting Templates

Solo Quantitative Reporting Templates

All amounts in SEK ‘000

Appendix 2: SFCR Quantitative Reporting Templates

SFCR Solo Quantitative Reporting Templates

All amounts in SEK ‘000

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Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	26 683
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	26 842
Property, plant & equipment held for own use	**R0060**	132 301
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	17 924 119
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	10 892 316
Equities	**R0100**	1 021 578
Equities - listed	**R0110**	838 857
Equities - unlisted	**R0120**	182 721
Bonds	**R0130**	5 386 541
Government Bonds	**R0140**	978 158
Corporate Bonds	**R0150**	3 618 019
Structured notes	**R0160**	
Collateralised securities	**R0170**	790 364
Collective Investments Undertakings	**R0180**	621 714
Derivatives	**R0190**	1 970
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	615 600
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	615 600
Reinsurance recoverables from:	**R0270**	1 710 504
Non-life and health similar to non-life	**R0280**	1 710 504
Non-life excluding health	**R0290**	1 611 317
Health similar to non-life	**R0300**	99 187
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	818 399
Insurance and intermediaries receivables	**R0360**	570 473
Reinsurance receivables	**R0370**	35 214
Receivables (trade, not insurance)	**R0380**	1 536 670
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	892 413
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	24 289 219

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	7 138 710
Technical provisions – non-life (excluding health)	**R0520**	6 155 151
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	5 624 343
Risk margin	**R0550**	530 808
Technical provisions - health (similar to non-life)	**R0560**	983 559
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	931 762
Risk margin	**R0590**	51 798
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	547 757
Deferred tax liabilities	**R0780**	707
Derivatives	**R0790**	313 829
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	34 719
Reinsurance payables	**R0830**	188 363
Payables (trade, not insurance)	**R0840**	920 538
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**	
Total liabilities	**R0900**	9 144 624
Excess of assets over liabilities	**R1000**	15 144 595

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Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional 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																		
Gross - Direct Business	**R0110**	1 204 099	1 238				18 099	16 902	91 481			49 993	12 115					1 393 927
Gross - Proportional reinsurance accepted	**R0120**	158 777	-38 745				495 211	3 864 137	18 695	323 936		36 955	17 428					4 876 394
Gross - Non-proportional reinsurance accepted	**R0130**													84 653	12 007	190 036	2 819 283	3 105 980
Reinsurers' share	**R0140**	112 554	1 136				294 311	1 710 278	55 411	23 207			4 180	37 494	6 217	118 936	1 711 738	4 075 463
Net	**R0200**	1 250 322	-38 643				218 999	2 170 761	54 765	300 729		86 948	25 363	47 159	5 790	71 100	1 107 545	5 300 839
Premiums earned																		
Gross - Direct Business	**R0210**	1 207 152	363				30 947	21 614	16 633			45 327	14 652					1 336 687
Gross - Proportional reinsurance accepted	**R0220**	156 216	57 548				533 097	3 494 443	11 500	313 167		35 137	31 823					4 632 931
Gross - Non-proportional reinsurance accepted	**R0230**													93 100	8 754	205 270	2 887 293	3 194 417
Reinsurers' share	**R0240**	428 108	8 164				292 056	1 436 472	14 070	26 040		0	10 579	38 098	4 403	128 109	1 724 986	4 111 084
Net	**R0300**	935 260	49 748				271 988	2 079 585	14 062	287 128		80 464	35 895	55 002	4 351	77 161	1 162 307	5 052 951
Claims incurred																		
Gross - Direct Business	**R0310**	475 690	-130				31 881	19 500	8 159			21 192	11 583					567 875
Gross - Proportional reinsurance accepted	**R0320**	135 313	4 431				493 074	2 272 792	1 039	195 820		6 067	18 157					3 126 693
Gross - Non-proportional reinsurance accepted	**R0330**													10 832	-37 980	-132 464	1 966 252	1 806 640
Reinsurers' share	**R0340**	165 566	2 068				194 189	802 360	6 715	5 130			8 888	4 416	-765	12 958	1 069 223	2 270 751
Net	**R0400**	445 436	2 233				330 766	1 489 932	2 482	190 690		27 258	20 852	6 416	-37 215	-145 423	897 029	3 230 457
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**	478 121	46 794				100 855	687 386	8 795	111 940		31 668	14 202	34 671	9 943	51 460	347 163	1 922 999
Other expenses	**R1200**																	
Total expenses	**R1300**																	1 922 999

S.05.02.e.non-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			(BM) Bermuda	(US) United States	(ZA) South Africa	(GB) United Kingdom	(DE) Germany
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	2 884	1 384 467	0	1 298 353	859	81 743	628
Gross - Proportional reinsurance accepted	R0120	30 645	3 813 212	1 813 723	101 203	1 503 643	275 491	88 508
Gross - Non-proportional reinsurance accepted	R0130	80 427	1 086 662	45 838	224 300	43 970	242 662	449 465
Reinsurers' share	R0140	47 021	2 529 902	32 910	343 306	1 494 628	238 453	373 583
Net	R0200	66 934	3 754 440	1 826 651	1 280 551	53 844	361 443	165 018
Premiums earned								
Gross - Direct Business	R0210	4 343	1 315 297	0	1 230 778	660	78 884	632
Gross - Proportional reinsurance accepted	R0220	34 159	3 360 943	1 607 883	255 356	1 130 605	246 467	86 472
Gross - Non-proportional reinsurance accepted	R0230	79 999	1 114 452	46 620	238 136	39 190	249 901	460 606
Reinsurers' share	R0240	48 287	2 582 948	30 666	506 430	1 125 189	500 056	372 318
Net	R0300	70 214	3 207 745	1 623 837	1 217 840	45 265	75 196	175 393
Claims incurred								
Gross - Direct Business	R0310	1 758	550 929	0	508 606	0	40 164	402
Gross - Proportional reinsurance accepted	R0320	384	2 229 496	1 179 050	130 874	662 743	209 715	46 731
Gross - Non-proportional reinsurance accepted	R0330	47 221	224 826	40 489	39 061	13 258	-62 414	147 212
Reinsurers' share	R0340	27 652	1 458 675	25 313	270 266	653 782	340 032	141 630
Net	R0400	21 710	1 546 577	1 194 226	408 274	22 219	-152 567	52 715
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	19 054	1 385 614	546 589	646 908	-17 736	110 995	79 803
Other expenses	R1200		0					
Total expenses	R1300		1 385 614					

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												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	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross	**R0060**	136 614	38 148	4 074	12 285		41 397	-268 635	92 903	18 029		41	4 795	-23 218	1 274	-5 634	-488 540	-436 466
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	62 296	28 133				-18 465	-40 145	19 133	4 151		-1 131	18	-7 906	-119	-16 861	-431 253	-402 149
Net Best Estimate of Premium Provisions	**R0150**	74 318	10 016	4 074	12 285		59 862	-228 490	73 770	13 878		1 172	4 777	-15 312	1 394	11 227	-57 288	-34 317
Claims provisions																		
Gross	**R0160**	684 026	19 630	8 039	38 149		597 099	1 322 864	447 992	362 461		12 235	2 753	64 448	151 091	364 550	2 917 234	6 992 571
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	8 750	2 818				193 032	369 632	42 356	66 305			2 563	5 097	4 654	98 293	1 319 154	2 112 653
Net Best Estimate of Claims Provisions	**R0250**	675 276	16 812	8 039	38 149		404 068	953 232	405 636	296 156		12 235	190	59 352	146 437	266 257	1 598 081	4 879 918
Total Best estimate - gross	**R0260**	820 640	57 778	12 113	50 434		638 496	1 054 229	540 895	380 490		12 276	7 547	41 230	152 365	358 916	2 428 694	6 556 105
Total Best estimate - net	**R0270**	749 594	26 828	12 113	50 434		463 930	724 742	479 406	310 033		13 407	4 967	44 040	147 830	277 484	1 540 793	4 845 601
Risk margin	**R0280**	24 708	3 762	0	172		50 008	99 860	20 705	33 407		3 865	2 279	23 327	54 066	97 004	169 441	582 605
Amount of the transitional on Technical Provisions																		
Technical provisions calculated as a whole	**R0290**																	
Best Estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**	845 347	61 541	12 114	50 606		688 504	1 154 090	561 600	413 897		16 141	9 826	64 558	206 431	455 920	2 598 135	7 138 710
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	71 046	30 951				174 566	329 487	61 489	70 457		-1 131	2 581	-2 809	4 535	81 432	887 901	1 710 504
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	774 302	30 590	12 114	50 606		513 938	824 603	500 111	343 440		17 272	7 246	67 367	201 896	374 488	1 710 234	5 428 206

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Non-life insurance claims information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	(2) Underwriting year

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year		**Development year**										
			0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
			C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
	Prior	**R0100**											44 574
	N-9	**R0160**	1 424 434	2 389 371	1 222 251	353 137	119 822	73 956	57 508	28 917	59 364	-2 804	
	N-8	**R0170**	1 041 632	2 002 395	939 136	438 175	279 842	114 300	82 666	29 665	20 250		
	N-7	**R0180**	299 953	1 781 238	512 601	291 905	95 566	86 636	49 893	97 335			
	N-6	**R0190**	429 939	1 272 557	496 732	208 550	108 502	146 381	26 029				
	N-5	**R0200**	409 695	1 465 536	811 123	255 022	108 477	52 649					
	N-4	**R0210**	361 746	1 391 940	519 206	211 379	75 871						
	N-3	**R0220**	207 491	1 207 520	675 152	329 701							
	N-2	**R0230**	408 235	1 682 984	1 403 592								
	N-1	**R0240**	185 524	2 465 855									
	N	**R0250**	-63 132										

		In Current year	**Sum of years (cumulative)**
		C0170	**C0180**
	R0100	44 574	44 574
	R0160	-2 804	5 725 956
	R0170	20 250	4 948 060
	R0180	97 335	3 215 127
	R0190	26 029	2 688 690
	R0200	52 649	3 102 501
	R0210	75 871	2 560 141
	R0220	329 701	2 419 864
	R0230	1 403 592	3 494 811
	R0240	2 465 855	2 651 378
	R0250	-63 132	-63 132
Total	**R0260**	4 449 920	30 787 972

Gross undiscounted Best Estimate Claims Provisions

Year		**Development year**										
		0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											552 859
N-9	**R0160**								151 482	107 800	107 632	
N-8	**R0170**							234 719	161 896	142 902		
N-7	**R0180**						290 351	202 317	87 177			
N-6	**R0190**					364 037	209 602	174 952				
N-5	**R0200**				377 281	251 215	202 324					
N-4	**R0210**			520 279	340 183	237 859						
N-3	**R0220**		1 083 193	524 156	245 982							
N-2	**R0230**	1 319 497	1 391 705	557 248								
N-1	**R0240**	2 710 871	1 976 927									
N	**R0250**	2 965 522										

		Year end (discounted data)
		C0360
	R0100	2 236 495
	R0160	344 391
	R0170	522 569
	R0180	539 246
	R0190	706 147
	R0200	795 942
	R0210	1 049 220
	R0220	1 796 703
	R0230	3 182 883
	R0240	4 562 202
	R0250	2 910 058
Total	**R0260**	18 645 854

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		**C0010**	**C0020**	**C0030**	**C0040**	**C0050**
Ordinary share capital (gross of own shares)	**R0010**	800 000	800 000			
Share premium account related to ordinary share capital	**R0030**					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	14 344 595	14 344 595			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	15 144 595	15 144 595			0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	15 144 595	15 144 595			0
Total available own funds to meet the MCR	**R0510**	15 144 595	15 144 595			
Total eligible own funds to meet the SCR	**R0540**	15 144 595	15 144 595			0
Total eligible own funds to meet the MCR	**R0550**	15 144 595	15 144 595			
SCR	**R0580**	7 282 339				
MCR	**R0600**	1 820 585				
Ratio of Eligible own funds to SCR	**R0620**	208%				
Ratio of Eligible own funds to MCR	**R0640**	832%				

Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	15 144 595
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	800 000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	14 344 595
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	351 768
Total EPIFP	**R0790**	351 768

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Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	4 055 290		
Counterparty default risk	R0020	345 736		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	410 973		
Non-life underwriting risk	R0050	4 950 982		
Diversification	R0060	-2 373 666		
Intangible asset risk	R0070	21 346		
Basic Solvency Capital Requirement	R0100	7 410 662		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	274 921
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-403 244
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement, excluding capital add-on	R0200	7 282 339
Capital add-ons already set	R0210	
Solvency Capital Requirement	R0220	7 282 339
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	**R0010**	1 138 073

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	749 594	1 250 322
Income protection insurance and proportional reinsurance	**R0030**	26 828	-38 643
Workers' compensation insurance and proportional reinsurance	**R0040**	12 113	0
Motor vehicle liability insurance and proportional reinsurance	**R0050**	50 434	0
Other motor insurance and proportional reinsurance	**R0060**	0	0
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	463 930	218 999
Fire and other damage to property insurance and proportional reinsurance	**R0080**	724 742	2 172 406
General liability insurance and proportional reinsurance	**R0090**	479 406	54 765
Credit and suretyship insurance and proportional reinsurance	**R0100**	310 033	300 729
Legal expenses insurance and proportional reinsurance	**R0110**	0	0
Assistance and proportional reinsurance	**R0120**	13 407	86 948
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	4 967	25 363
Non-proportional health reinsurance	**R0140**	44 040	47 159
Non-proportional casualty reinsurance	**R0150**	147 830	5 790
Non-proportional marine, aviation and transport reinsurance	**R0160**	277 484	71 100
Non-proportional property reinsurance	**R0170**	1 540 793	1 105 899

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	**R0200**	

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

Overall MCR calculation		**C0070**
Linear MCR	**R0300**	1 138 073
SCR	**R0310**	7 282 339
MCR cap	**R0320**	3 277 053
MCR floor	**R0330**	1 820 585
Combined MCR	**R0340**	1 820 585
Absolute floor of the MCR	**R0350**	38 486
Minimum Capital Requirement	**R0400**	1 820 585

Appendix 3: Group Quantitative Reporting Templates

All amounts in SEK ‘000

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Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	109 092
Deferred tax assets	**R0040**	2 225 925
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	149 703
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	20 847 215
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	630 890
Equities	**R0100**	1 798 163
Equities - listed	**R0110**	842 254
Equities - unlisted	**R0120**	955 909
Bonds	**R0130**	15 087 225
Government Bonds	**R0140**	2 756 770
Corporate Bonds	**R0150**	6 146 277
Structured notes	**R0160**	
Collateralised securities	**R0170**	6 184 178
Collective Investments Undertakings	**R0180**	3 328 967
Derivatives	**R0190**	1 970
Deposits other than cash equivalents	**R0200**	
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	2 338 182
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	2 338 182
Reinsurance recoverables from:	**R0270**	2 884 115
Non-life and health similar to non-life	**R0280**	2 884 115
Non-life excluding health	**R0290**	2 116 294
Health similar to non-life	**R0300**	767 821
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	1 298 677
Insurance and intermediaries receivables	**R0360**	761 954
Reinsurance receivables	**R0370**	262 357
Receivables (trade, not insurance)	**R0380**	654 883
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	1 021 778
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	32 553 881

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	13 521 196
Technical provisions – non-life (excluding health)	**R0520**	10 790 060
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	9 631 737
Risk margin	**R0550**	1 158 323
Technical provisions - health (similar to non-life)	**R0560**	2 731 136
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	2 520 132
Risk margin	**R0590**	211 004
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	9 811
Deposits from reinsurers	**R0770**	878 891
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	313 829
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	488 496
Reinsurance payables	**R0830**	27 883
Payables (trade, not insurance)	**R0840**	420 071
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**	
Total liabilities	**R0900**	15 660 177
Excess of assets over liabilities	**R1000**	16 893 704

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Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional 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																		
Gross - Direct Business	**R0110**	2 871 967	1 238	40 499			18 099	34 600	91 481	41 133		49 993	12 115					3 161 125
Gross - Proportional reinsurance accepted	**R0120**	390 290	-38 745	0	197		489 941	4 316 431	24 685	340 663		36 955	17 428					5 577 845
Gross - Non-proportional reinsurance accepted	**R0130**													84 453	13 751	187 180	2 937 497	3 222 881
Reinsurers' share	**R0140**	1 063 869	1 136	0	1		291 434	1 757 593	52 984	30 181			4 180	31 422	7 240	118 778	1 707 910	5 066 728
Net	**R0200**	2 198 388	-38 643	40 499	196		216 606	2 593 438	63 182	351 615		86 948	25 363	53 031	6 511	68 402	1 229 587	6 895 123
Premiums earned																		
Gross - Direct Business	**R0210**	2 800 786	363	18 638			30 947	39 344	16 633	25 218		45 327	14 652					2 991 908
Gross - Proportional reinsurance accepted	**R0220**	300 742	57 548	0	197		528 642	3 785 328	15 644	329 148		35 137	31 823					5 084 209
Gross - Non-proportional reinsurance accepted	**R0230**													95 603	10 502	202 422	3 036 673	3 345 200
Reinsurers' share	**R0240**	1 394 265	8 164	0	0		291 573	1 413 357	13 033	34 368		0	10 579	36 575	5 423	127 958	1 764 064	5 099 359
Net	**R0300**	1 707 263	49 747	18 638	197		268 016	2 411 315	19 244	319 998		80 464	35 896	59 028	5 079	74 464	1 272 609	6 321 958
Claims incurred																		
Gross - Direct Business	**R0310**	1 528 736	-130	3 031			31 881	47 471	8 159	3 783		21 192	11 583					1 655 706
Gross - Proportional reinsurance accepted	**R0320**	204 351	4 431	-4 247	-840		488 980	2 635 546	41 438	199 560		6 067	18 157					3 593 443
Gross - Non-proportional reinsurance accepted	**R0330**													-73 258	-47 937	-150 259	2 001 887	1 730 433
Reinsurers' share	**R0340**	730 449	2 068	-10 187	123		192 399	816 798	23 651	5 212			8 888	-10 744	6 595	12 772	1 082 480	2 860 504
Net	**R0400**	1 002 638	2 233	8 971	-963		328 462	1 866 219	25 946	198 131		27 259	20 852	-62 514	-54 532	-163 031	919 407	4 119 078
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**	734 714	46 208	12 509	1 048		99 206	841 806	19 202	158 126		31 668	14 104	49 018	73 505	50 616	361 054	2 492 784
Other expenses	**R1200**																	
Total expenses	**R1300**																	2 492 784

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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	(BM) Bermuda	(ZA) South Africa	(DE) Germany	(FR) France
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	81 743	3 100 736	3 017 146	0	859	628	360
Gross - Proportional reinsurance accepted	R0120	275 491	4 284 298	387 526	1 813 723	1 503 643	88 508	215 407
Gross - Non-proportional reinsurance accepted	R0130	242 662	1 210 563	231 099	45 838	43 970	449 465	197 529
Reinsurers' share	R0140	238 453	3 063 257	851 266	32 910	1 494 628	373 583	72 417
Net	R0200	361 443	5 532 340	2 784 505	1 826 651	53 844	165 018	340 879
Premiums earned								
Gross - Direct Business	R0210	78 884	2 937 925	2 857 544	0	660	632	205
Gross - Proportional reinsurance accepted	R0220	246 467	3 769 056	484 179	1 607 883	1 130 605	86 472	213 450
Gross - Non-proportional reinsurance accepted	R0230	249 901	1 254 423	245 337	46 620	39 190	460 606	212 769
Reinsurers' share	R0240	500 056	3 288 200	1 176 023	30 666	1 125 189	372 318	83 948
Net	R0300	75 196	4 673 204	2 411 037	1 623 837	45 266	175 392	342 476
Claims incurred								
Gross - Direct Business	R0310	40 164	1 610 097	1 572 889	0	0	402	-3 358
Gross - Proportional reinsurance accepted	R0320	209 715	2 736 460	488 171	1 179 050	662 743	46 731	150 050
Gross - Non-proportional reinsurance accepted	R0330	-62 414	60 180	-89 879	40 489	13 258	147 212	11 514
Reinsurers' share	R0340	340 032	1 863 197	686 020	25 313	653 782	141 630	16 420
Net	R0400	-152 567	2 543 540	1 285 161	1 194 226	22 219	52 715	141 786
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	110 995	2 009 443	1 199 199	546 589	-17 736	79 803	90 593
Other expenses	R1200							
Total expenses	R1300		2 009 443					

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector		**C0010**	**C0020**	**C0030**	**C0040**	**C0050**
Ordinary share capital (gross of own shares)	**R0010**	15 892 836	15 892 836			
Non-available called but not paid in ordinary share capital at group level	**R0020**					
Share premium account related to ordinary share capital	**R0030**					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Non-available subordinated mutual member accounts at group level	**R0060**					
Surplus funds	**R0070**					
Non-available surplus funds at group level	**R0080**					
Preference shares	**R0090**					
Non-available preference shares at group level	**R0100**					
Share premium account related to preference shares	**R0110**					
Non-available share premium account related to preference shares at group level	**R0120**					
Reconciliation reserve	**R0130**	-5 641 928	-5 641 928			
Subordinated liabilities	**R0140**					
Non-available subordinated liabilities at group level	**R0150**					
An amount equal to the value of net deferred tax assets	**R0160**	2 225 925				2 225 925
The amount equal to the value of net deferred tax assets not available at the group level	**R0170**	1 767 306				1 767 306
Other items approved by supervisory authority as basic own funds not specified above	**R0180**					
Non available own funds related to other own funds items approved by supervisory authority	**R0190**					
Minority interests (if not reported as part of a specific own fund item)	**R0200**					
Non-available minority interests at group level	**R0210**					
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	**R0230**					
whereof deducted according to art 228 of the Directive 2009/138/EC	**R0240**					
Deductions for participations where there is non-availability of information (Article 229)	**R0250**					
Deduction for participations included by using D&A when a combination of methods is used	**R0260**					
Total of non-available own fund items	**R0270**					
Total deductions	**R0280**	1 767 306				1 767 306
Total basic own funds after deductions	**R0290**	10 709 527	10 250 908			458 619
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Non available ancillary own funds at group level	**R0380**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	**R0410**					
Institutions for occupational retirement provision	**R0420**					
Non regulated entities carrying out financial activities	**R0430**					
Total own funds of other financial sectors	**R0440**					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	**R0450**					
Own funds aggregated when using the D&A and combination of method net of IGT	**R0460**					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	10 709 527	10 250 908			458 619
Total available own funds to meet the minimum consolidated group SCR	**R0530**					
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**	10 709 527	10 250 908			458 619
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	10 250 908	10 250 908			
Minimum consolidated Group SCR	**R0610**	2 441 628				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	420%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	10 709 527	10 250 908			458 619
Group SCR	**R0680**	8 637 029				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	124%				

Reconciliation reserve		**C0060**
Excess of assets over liabilities	**R0700**	16 893 704
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	0
Other basic own fund items	**R0730**	18 118 761
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Other non available own funds	**R0750**	4 416 871
Reconciliation reserve before deduction for participations in other financial sector	**R0760**	-5 641 928
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	410 042
Total EPIFP	**R0790**	410 042

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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	4 961 215		
Counterparty default risk	R0020	339 410		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	810 958		
Non-life underwriting risk	R0050	6 158 217		
Diversification	R0060	-3 122 797		
Intangible asset risk	R0070	87 274		
Basic Solvency Capital Requirement	R0100	9 234 277		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	364 556
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-961 803
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement, excluding capital add-on	R0200	8 637 030
Capital add-on already set	R0210	
Solvency Capital Requirement	R0220	8 637 030
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	2 441 628
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency Capital Requirement	R0570	8 637 030

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Undertakings in the scope of the group

							Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
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	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
(GB) United Kingdom	LEI/213800O2FTUPFGPH3J11	Lloyd's Syndicate 1945	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	0,000000	(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	LEI/4GQQ1LC5PZ0OUD5AO806	Sirius International Försäkringsaktiebolag (publ)	(2) Non life insurance undertaking	försäkrings-aktiebolag	(2) Non-mutual	Finansinspektionen	1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/54930009OUZ3ZJ293115	Sirius Investment Advisors. LLC	(11) Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU)		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(LU) Luxembourg	LEI/5493001HU57XB9L8PQ58	S.I. Holdings (Luxembourg) S.à r.l.	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(GI) United Kingdom (Gibraltar)	LEI/5493002MYSJVNSYZUP77	SI Caleta (Gibraltar) Limited	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/5493003BBDMTDP1UE247	Sirius America Administrators. LLC	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300BGR6MB72VBY546	Sirius America Insurance Company	(2) Non life insurance undertaking		(2) Non-mutual	New York DFS	1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300DVVI8FTLKWBX25	Sirius Global Solutions Holding Company	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(GB) United Kingdom	LEI/549300HVHTU1BWU4TF55	Sirius International UK Holdings Ltd	(5) Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC		(2) Non-mutual								(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300JK1UB77YNIX715	Oakwood Insurance Company	(2) Non life insurance undertaking		(2) Non-mutual	Tennessee DOI	1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300R6SNA2OI17N915	Sirius International Holding Company. Inc.	(5) Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300TG3WONX0Q12I92	Empire Insurance Company	(2) Non life insurance undertaking		(2) Non-mutual	New York DFS	1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	LEI/549300WP79SSJ3VGXG48	Sirius Re Holdings. Inc.	(5) Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	SC/13-4112962	Sirius Global Solutions Inc	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(BE) Belgium	SC/131.654	Sirius Belgium Reassurances S.A.	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	SC/46-2842409	Sirius Capital Markets. Inc	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	SC/5561793	Mount Beacon MGA LLC	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(SE) Sweden	SC/556635-9724	Sirius Insurance Holding Sweden AB	(5) Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(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 212(1) (f) of Directive 2009/138/EC		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(HK) Hong Kong	SC/63299925	BE Reinsurance Ltd.	(3) Reinsurance undertaking		(2) Non-mutual	Hong Kong Insurance Authority	0,250000	0,250000	0,250000		(2) Significant	0,000000	(3) Not included in the scope (article 214 b)	2018-06-28	(9) No inclusion in the scope of group supervision as defined in Art. 214 Directive 2009/138/EC
(US) United States	SC/74-3152132	Sirius Global Services LLC	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(GB) United Kingdom	SC/7630350	Sirius International Corporate Member Limited	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(3) Method 1: Adjusted equity method
(GB) United Kingdom	SC/8536887	Sirius International Managing Agency Limited	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(GI) United Kingdom (Gibraltar)	SC/93718	SI Cumberland (Gibraltar) Ltd.	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation

							Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
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	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
(LU) Luxembourg	SC/B 130 .287	White Sands Holdings (Luxembourg) S.à r.l.	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(LU) Luxembourg	SC/B97477	Sirius Group International S.à r.l.	(99) Other		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(CH) Switzerland	SC/CHE-135.555.500	Sirius International Advisory Zurich GmbH	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(DE) Germany	SC/HRB 22404	Sirius Rückversicherungs Service GmbH	(10) Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35		(2) Non-mutual		1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation
(US) United States	SC/NAIC: 20273	WRM America Indemnity Company Inc	(2) Non life insurance undertaking		(2) Non-mutual	NY DFS	1,000000	1,000000	1,000000		(1) Dominant	1,000000	(1) Included in the scope		(1) Method 1: Full consolidation

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