Solvency and Financial Condition Report 2025

If Livförsäkring AB

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Summary

Business and Performance

If Livförsäkring AB (If Livförsäkring) is a wholly owned subsidiary of If P&C Insurance Holding AB (publ), whose registered office in Stockholm, Sweden. If P&C Insurance Holding AB (publ), is in turn a wholly owned subsidiary of the listed Finnish company Sampo plc, based in Helsinki, Finland. If Livförsäkring is part of the If Group together with the insurance companies If P&C Insurance Ltd (publ), If P&C Insurance AS and Forsikringsselskabet Dansk Sundhedssikring A/S.

If Livförsäkring offers life risk products in the form of death capital to If P&C Insurance Ltd (publ)'s customers in Sweden, Norway, Denmark and Finland as a complement to other personal insurances. Life insurance is thus an integral part of If P&C Insurance Ltd (publ)'s personal portfolio. The company's operations, such as sales, customer service, and claims, are outsourced to If P&C Insurance Ltd (publ). If Livförsäkring operates within the business branch designated as "Other Life Insurance" under the Solvency II regulations.

The technical result for 2025 amounted to kSEK 488,866 (429,782) and the combined ratio was 50.5% (45.8).

Gross written premium increased in all countries during the year and currency-adjusted growth was driven by strong development in the individual life insurance product segment, in all countries. The renewal of the mandatory group insurance scheme through the insurance pool in Finland also contributed significantly to the growth. Growth was positive for travel and accident insurance.

All countries except Denmark, which experienced a substantially higher number of claims in individual life insurance, reported improved underwriting results compared with the previous year.

The investment result for 2025 amounted to kSEK 20,108 (21,341). The result corresponds to a total investment return of 3.8% (4.8).

System of Governance

To ensure a well working capital and risk management the Board of Directors and the Managing Director have decided on a framework of steering documents and procedures, which must be followed by the employees, and If Livförsäkring's outsourcing partner If P&C Insurance Ltd (publ), if applicable. The steering documents are revised annually.

Within this framework, processes and controls are implemented at both If Livförsäkring and the outsourcing partner acting on If Livförsäkring's behalf. Their purpose is to ensure that the business and business objectives are met, that financial and non-financial information is reliable, and that If Livförsäkring complies with applicable internal and external rules. The system of governance also includes the strategy process, the financial planning and monitoring processes as well as the internal control system and the risk management system.

The principles expressed in the three lines model are applied to ensure an efficient risk management and internal control as well as a clear division of roles and responsibilities within the organisation.

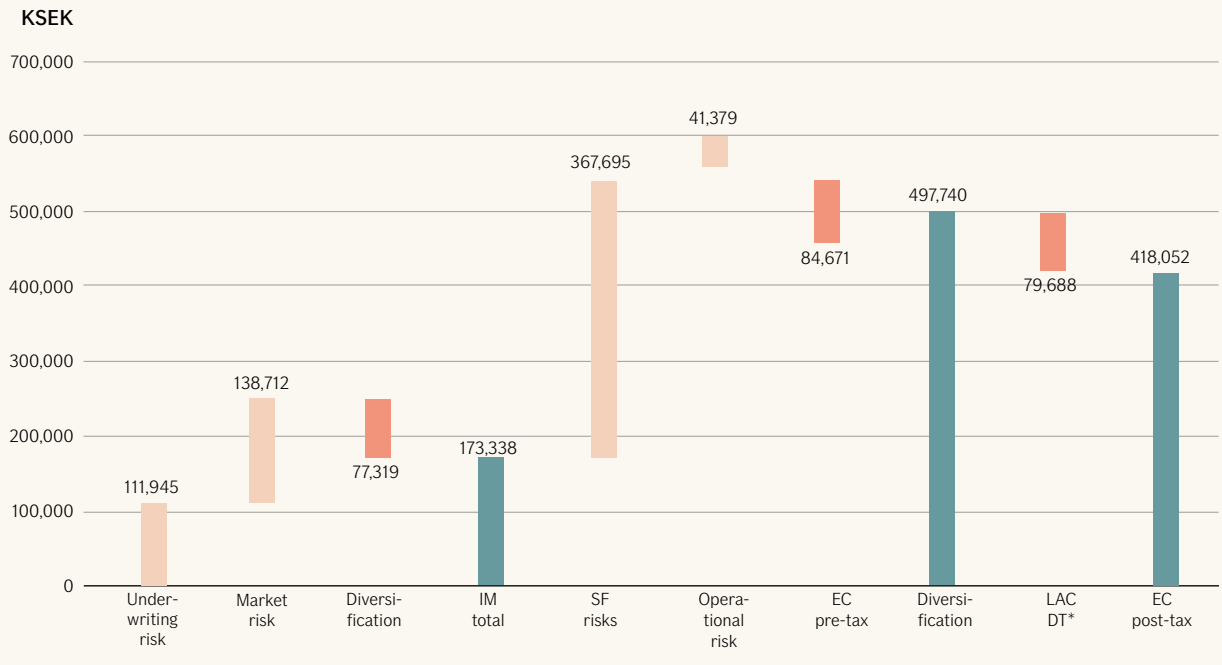
Risk Profile

The measure economic capital is used for internal quantitative risk measurement and reporting, as well as for decision-making. The economic capital is based on the Sampo Group Internal Model (IM) for underwriting risk and market risk. Operational risk and less material risks are quantified using the Standard Formula (SF).

In addition to the quantitative measures, qualitative assessments are conducted for all risks. Risks that are not possible to quantify are qualitatively assessed. These risks include liquidity risk, business risk, compliance risk, reputational risk and emerging risk.

The risk categories that contribute the most to economic capital are underwriting risk and market risk.

Figure 1 – Overview of If Livförsäkring's economic capital, 31 December 2025



*Loss-absorbing capacity in deferred taxes

Valuation for Solvency Purposes

The valuation of assets and liabilities in the Solvency II balance sheet is based on fair value principles. Items in the Solvency II balance sheet are based on corresponding items in the annual report, adjusted in accordance with the Solvency II regulation. The annual report is prepared according to Swedish accounting regulation referred to as IFRS restricted by law. Figures in the annual report are referred to as statutory accounts value.

Accounting principles used in the annual report have remained largely unchanged in 2025. Currency revaluations for items in the balance sheet are made according to the balance sheet exchange rate both in the annual report and in Solvency II.

As an effect of the Solvency II adjustments the excess of assets over liabilities is kSEK 366,668 higher in the Solvency II balance sheet compared to the statutory accounts at year-end. The Solvency II adjustments are mainly related to technical provisions.

Capital Management

If Livförsäkring shall always maintain an adequate capitalisation. This means ensuring that available capital exceeds the regulatory solvency capital requirement, the target limits set by the Boards of Directors and the internal economic capital requirement.

In addition, to maintaining capital resources at a sufficient level, If Livförsäkring shall manage its capitalisation in order to balance returns to shareholders with robust long term financial stability.

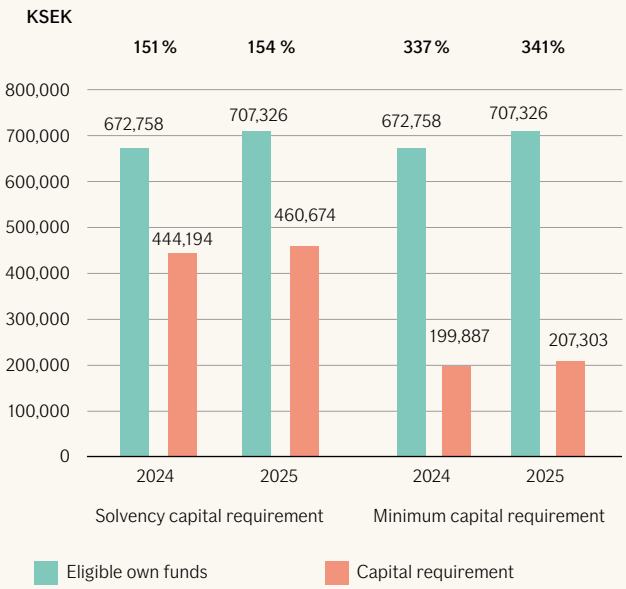
If Livförsäkring applies the standard formula for calculating the regulatory Solvency Capital Requirement.

On 31 December 2025, the solvency capital requirement ratio amounted to 154% (151) and the minimum capital requirement ratio to 341% (337).

During the year the solvency capital requirement increased from kSEK 444,194 to kSEK 460,674. The increase is broadly reflected across all risks and is primarily driven by overall volume growth in the underlying portfolio. The minimum capital requirement has increased from kSEK 199,888 to kSEK 207,303 during the year driven by the increased solvency capital requirement. The regulatory solvency ratios are shown in Figure 2.

Based on the financial plan, If Livförsäkring is considered to have a strong capital structure and solvency position, a high level of profitability and stable results. If Livförsäkring is considered to be in a good position to generate capital and to maintain a level of capital needed to support risks and business objectives going forward.

Figure 2 – Overview of If Livförsäkring's capital and solvency, 31 December 2025



1 Business and Performance

1.1 Business

1.1.1 Legal structure

If Livförsäkring AB (If Livförsäkring) is a wholly owned subsidiary of If P&C Insurance Holding AB (publ), whose registered office in Stockholm, Sweden. If P&C Insurance Holding AB (publ), is in turn a wholly owned subsidiary of the listed Finnish company Sampo plc, based in Helsinki, Finland. If Livförsäkring is part of the If Group together with the insurance companies If P&C Insurance Ltd (publ), If P&C Insurance AS and Forsikringsselskabet Dansk Sundhedssikring A/S.

If Livförsäkring has outsourced its entire operations to If P&C Insurance Ltd (pub), with the exception of the Managing Director and those for the key functions. The Managing Director is 100 percent employed by If Livförsäkring and those responsible for the key functions, 20% each. The average number of employees in 2025 was two, and salaries for those people are paid by If P&C Insurance Ltd (publ).

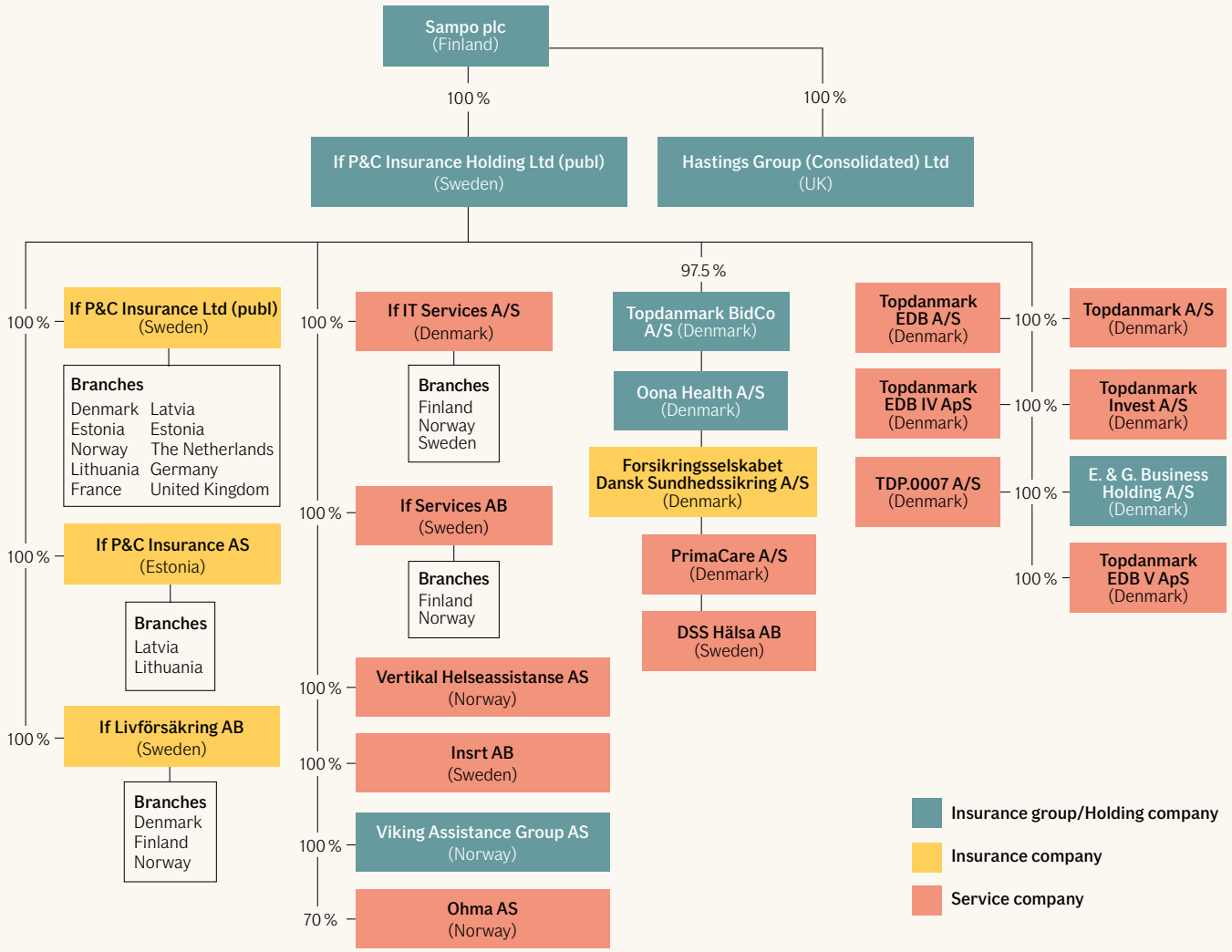
1.1.2 If Livförsäkring's and Sampo's financial supervisory authority:

Finansinspektionen
Box 7821
103 97 Stockholm, Sverige

1.1.3 External auditors

Deloitte AB
113 79 Stockholm, Sverige

Figure 3 – Organisational structure, 31 December 2025



1.1.4 Branches and geographical areas

If Livförsäkring offers life risk products in the form of death capital to If P&C Insurance Ltd (publ)'s customers in Sweden, Norway, Denmark and Finland as a complement to other personal insurances. Life insurance is thus an integral part of If P&C Insurance Ltd (publ)'s personal portfolio. The company's operations, such as sales, customer service, and claims, are outsourced to If P&C Insurance Ltd (publ).

If Livförsäkring operates within the business branch designated as "Other Life Insurance" under the Solvency II regulations.

1.1.5 Significant events over the reporting period

For a further description of If Livförsäkring's market situation and future prospects by business area, see Section 1.2 Underwriting performance.

1.2 Underwriting performance

The technical result[1] for 2025 amounted to kSEK 488,866 (429,782[2]) and the combined ratio was 50.5% (45.8).

Gross written premium increased in all countries during the year and currency-adjusted growth was driven by strong development in the individual life insurance product segment, in all countries. The renewal of the mandatory group insurance scheme through the insurance pool in Finland also contributed significantly to the growth. Growth was positive for travel and accident insurance.

All countries except Denmark, which experienced a substantially higher number of claims in individual life insurance, reported improved underwriting results compared with the previous year. The combined ratio improved in Sweden and Norway but deteriorated in Denmark and Finland due to higher claims costs in 2025.

The table below presents net premiums earned and underwriting performance by country according to the statutory accounts.

Table 1 – Net premiums earned and underwriting performance by country

KSEK	Net premiums earned		Underwriting performance (net)	
Line of business - Other Life Insurance	**2025**	**2024**	**2025**	**2024**
Norway	379,256	357,494	211,496	189,452
Sweden	272,949	244,715	146,298	125,825
Finland	184,520	51,948	63,113	28,356
Denmark	108,897	102,695	47,457	66,266
Sum	**945,621**	**756,852**	**468,365**	**409,900**
Allocated investment return as part of technical account			20,501	19,882
Technical result from insurance			**488,866**	**429,782**

1.3 Investment performance

The investment result for 2025 amounted to kSEK 20,108 (21,341). The result corresponds to a total investment return of 3.8% (4.8).

Investment return on fixed income assets was 4.1% (4.9). The duration decreased and amounted to 0.7 years (1.0) at the end of the year. According to the investment policy, investments may not be made in shares. If Livförsäkring does not have any investments in securitisations.

Costs for hedging investment assets and other administrative costs are reported under Other in the tables below.

Table 2 – Investment performance, 31 december 2025

	Fair value			Return 2025	
KSEK	**31 December 2025**	**%**	**Interest, dividends etc.**	**Changes in value, Income statement**	**Total return**
Interest-bearing securities	778,493	100	19,541	1,489	21,030
Currency (other)	-80	0	-	128	128
Other	-	-	-1,039	-11	-1,051
Total	**778,413**	**100**	**18,502**	**1,606**	**20,108**

[1] The figures in the section on insurance results are in accordance with the annual report and the business lines are in accordance with Solvency II.
[2] Figures in brackets refer to the corresponding period last year.

Table 3 – Investment performance, 31 december 2024

	Fair value			Return 2024	
KSEK	31 December 2024	%	Interest, dividends etc.	Changes in value, Income statement	Total return
Interest-bearing securities	447,781	100	19,650	816	20,466
Currency (other)	412	0	-	598	598
Other	-	-	296	-19	277
Total	**448,193**	**100**	**19,946**	**1,395**	**21,341**

1.4 Performance of other activities

If Livförsäkring does not conduct any business other than what is presented under 1.2 Underwriting performance and 1.3 Investment performance.

1.5 Any other information

In March 2026, If Livförsäkring's Board of Directors decided to propose a dividend of kSEK 390,000 to If P&C Insurance Holding Ltd (publ). The proposed dividend is deducted from the eligible own funds as of 31 December 2025.

2 System of Governance

2.1 General information on system of governance

To ensure a well working capital and risk management the Board of Directors and the Managing Director have decided on a framework of steering documents and procedures, which must be followed by the employees, and by If Livförsäkring's outsourcing partner If P&C Insurance Ltd (publ), if applicable. The steering documents are revised annually.

Within this framework, processes and controls are implemented at both If Livförsäkring and the outsourcing partner acting on If Livförsäkring's behalf. Their purpose is to ensure that the business and business objectives are met, that financial and non-financial information is reliable, and that If Livförsäkring complies with applicable internal and external rules. The system of governance also includes the strategy process, the financial planning and monitoring processes as well as the internal control system and the risk management system.

The principles expressed in the three lines model6 are applied to ensure an efficient risk management and internal control as well as a clear division of roles and responsibilities within the organisation, see Figure 6 Three lines model[3].

2.1.1 Outsourcing partner

If Livförsäkring has outsourced its activity to If P&C Insurance Ltd (publ), except for tasks for the Managing Director and the four key functions; Actuarial function, Risk Management function, Compliance function and Internal Audit function. See Section 2.7 Outsourcing for more information.

Those responsible for the four key functions perform tasks in accordance with their responsibilities, including being responsible for reporting regularly to the Board of Directors and the Managing Director. In order to fulfil the tasks of the Risk Management function, the Compliance function and the Internal Audit function, employees of If P&C Insurance Ltd (publ) assist, as needed. Governing documents, procedures and processes for the work within the central functions are established by the Board of Directors and apply to the entire If Group.

2.1.2 Operational structure

The insurance operation is organised in accordance with customer segments into the business areas Private, Commercial and Industrial. In all Nordic business areas, claims are handled by a common cross-functional Claims unit. The operational structure spans across several companies within the If Group. Corporate functions such as Finance, Legal, Human Resources, Communication and IT support the business areas and the Claims unit.

2.1.3 Decision-making bodies

General Meeting

The general meeting is the highest decision-making body, where the shareholders exercise their rights to participate in company decisions. The general meeting decides, inter alia, on the Articles of Association and appoints members to the Board of Directors.

Board of Directors

The Board of Directors is responsible for ensuring that the business is organised in an appropriate manner.

The Board of Directors is also the corporate body with overall responsibility for risk management, internal control and compliance, including ensuring that the company has an effective risk management framework an adequate system of governance, and efficient processes.

Further, the Board of Directors decides on the policy framework and approves material and strategic decisions.

The Board of Directors reviews and decides its rules of procedure annually and issues an instruction for the Managing Director specifying the Managing Director's responsibilities and authority.

Managing Director

The Managing Director is responsible for organising and overseeing the daily business activities in accordance with instructions and guidelines from the Board of Directors. The Managing Director has the possibility to delegate the decision authority of the daily business activities to persons within If P&C Insurance Ltd (publ) whilst retaining accountability for such decisions.

The Managing Director is the deciding body for several instructions within the policy framework and is responsible ensuring that internal rules, processes and procedures are implemented, maintained and effective.

The Managing Director is responsible for the effective implementation and development of the company's system of governance. Furthermore, the Managing Director is responsible for ensuring that the Board of Directors receive accurate, timely and sufficient information to perform its oversight duties.

2.1.4 Key functions

Risk Management function

The Risk Management function consists of a Responsible Risk Officer. The function monitors and advises the implementation and development of the risk management framework. The Risk Management function reports to the Board of Directors and the Managing Director. See 2.3 Risk Management system and own risk and solvency assessment for more information.

Compliance function

The Compliance function consists of a Responsible Compliance Officer. The function reports to the Board of Directors and the Managing Director on compliance with the rules relevant for If Livförsäkring's license to conduct insurance business. See 2.4.3 Compliance function for more information.

Internal Audit function

The Internal Audit function consists of a responsible Internal Auditor. The Internal Audit function evaluates the efficiency, the effectiveness, as well as the maturity of the internal control system and reports to the Board of Directors. See 2.5 Internal Audit function for more information.

Actuarial function

The Actuarial function consists of the Head of the Actuarial function and advises on actuarial matters and fulfils tasks according to set instructions. The Actuarial function reports to the Board of Directors and to the Managing Director. See 2.6 Actuarial function for more information.

2.1.5 Remuneration system

The Remuneration Policy, together with the Sampo Group Remuneration Principles, set the principles for the remuneration system and forms part of the overall risk management system.

The Remuneration Policy is based, inter alia, on the principles that the remuneration structure should not encourage excessive risk taking and that the remuneration of individual employees should not be in conflict with If Livförsäkring's long-term interests. In accordance with the Insurance Distribution Directive (IDD), individual employees should not be remunerated, and their performance should not be assessed, in a way that conflicts the best interests of the customers. The long- term financial stability and value creation of Sampo Group guide the remuneration design.

[3] According to Institute of Internal Auditors.

If Group's remuneration forms are fixed compensation, variable compensation, pension and other benefits[4].

Fixed compensation

Fixed salaries shall be fair and competitive but not market-leading and be based on the employee's general responsibility level, position in the company, performance and quality of work as well as on other facts, such as salary market data.

Variable compensation

If Livförsäkring does not offer any variable remuneration.

Suppelementary pension or early retirement schemes[5]

Managing Director and key function holders employed in Sweden are entitled to pension according to insurance industry's occupational pension plan, FTP. Those under FTP are entitled to either a defined pension benefit or a defined pension contribution depending on year of birth.

2.1.6 Material transactions

The following material transactions with shareholders, persons who exercise a significant influence on the undertaking and board members have taken place during the reporting period:

- If P&C Insurance Holding Ltd (publ) is the primary account holder in a group account structure that covers all transaction accounts in If Livförsäkring's insurance operations. Material transactions have taken place on a regular basis in the structure during the year.
- If Livförsäkring has paid a dividend of kSEK 150,000 to If P&C Insurance Holding Ltd (publ).

2.1.7 Material changes in the system of governance during the reporting period

In 2025, there have been no material changes in the corporate governance system.

2.2 Fit and proper assessments

2.2.1 Fit and proper policy

If Livförsäkring has adopted the Sampo Group guidelines for selecting and assessing company management and other key personnel. The purpose of the guidelines is to ensure that the Sampo Group companies are managed with competence and integrity. A Fit and Proper Policy has been issued as a supplement to the Sampo Group guidelines. The policy describes the fit and proper process and defines the positions that are subject to the fit and proper assessments.

2.2.2 Fit and proper requirements

2.2.2.1 Fitness requirements

The assessment of whether a person who is subject to a fit and proper assessment is fit, includes an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sector or business. It also considers the respective duties allocated to that person.

To ensure that the company is managed in a professional manner, the fitness assessment takes into account the respective duties of the members of the Board of Directors to ensure an appropriate diversity of qualifications, knowledge and relevant experience, both individually and collectively.

2.2.2.2 Propriety requirements

Assessed persons should be of good repute and integrity. The assessment includes an evaluation of the person's honesty and financial soundness based on relevant evidence regarding their character, personal behaviour and business conduct, including criminal, financial and supervisory aspects relevant to the assessment.

2.2.3 Fit and proper process

The assessment is conducted prior to the appointment of a person to a position that is subject to the fit and proper assessment. The persons are assessed on a regular basis to ensure that they meet the fit and proper criteria on an on-going basis. Furthermore, a reassessment is to be conducted if an event occurs that may cast doubt on the fitness or propriety of an assessed person.

The result of the fit and proper assessment is presented to the function or leader responsible for the appointment, who decides whether the assessed person is considered fit and proper for the position or not. The decision regarding potential board members, as well as regarding the collective competence of the Board of Directors, is to be taken by the Board of Directors. Required notifications are made to the Swedish Financial Supervisory Authority.

2.3 Risk management system including own risk and solvency assessment

If Livförsäkring has a risk management framework to manage risks in line with the overall risk management objectives and strategy. The risk management framework is based on regulation and industry best practices and applies a three lines model in the day-to-day management of risk.

If Livförsäkring maps identified risks to certain predefined risk categories. The risks are managed in accordance with the general risk management process and any sub processes applicable.

The objectives of the risk management are to provide the Board of Directors and other stakeholders with assurance that risks and capital are being well managed while minimising the effect of adverse events and their risk of reoccurring. Additional objectives are to provide the best possible information to support risk-based decisions and promote a strong risk culture, where all employees understand the importance of risk and contribute to the management of risk.

2.3.1 Risk management framework

The four main components of the risk management framework are risk management strategy, risk culture, risk appetite and capital management.

Risk management strategy

The Risk Management Policy defines the overall strategy and risk appetite for material risks. If Livförsäkring shall as part of its risk strategy:

- ensure a strong governance structure;
- optimise business objectives and minimise the effect of adverse events;
- ensure a sound and well-established internal control and risk culture;
- ensure capital adequacy in relation to risks, risk appetite and risk tolerance;
- ensure strong data management, especially financial and underwriting data as well as personal data;
- ensure that risks that If Livförsäkring is currently exposed to, financial and non-financial, are identified, assessed, responded to, monitored and reported;

[4] For more information about pensions, see the Annual Report of If P&C Insurance Holding Ltd – Note 10 Salaries and other remuneration for senior executives and other employees.

[5] The information in this section refers only to individuals employed by the company. No members of the Board of Directors are employed by the company and they receive no remuneration for their board assignments.

– ensure that the risk associated with the insurance business is reflected in pricing;
– ensure adequate long-term investment returns within set risk limits;
– ensure efficient and effective risk reporting processes compliant with external and internal requirements.; and
– safeguard If Livförsäkring's reputation and ensure that customers and other stakeholders have confidence in the company.

Risk culture

If Livförsäkring promotes a sound risk culture that encompasses all employees, implemented through a clear governance structure, which is enforced by a risk-driven and ethics focused tone-from-the-top, encouraging initiative and sense of responsibility in the management of risks, and that risk is a key consideration in all decisions. The renumeration structure within If Livförsäkring shall not promote excessive risk taking. The risk culture shall reward transparency and the escalation of any excessive risk taking, wrongful doing, near-misses and incidents.

Risk appetite statement

The risk appetite statement sets out the risk appetite, the preferences for risks, and the tolerance limits for the risks that If Livförsäkring is willing to accept in the pursuit of its objectives. If Livförsäkring shall have a conservative approach to operational risk and strive to reduce the risk as much as possible, whilst considering the effort and resources required to mitigate the risk.

The link between the risk appetite statement, in particular the risk tolerance limits, the risk profile and the capital position are analysed and reported in the quarterly Own Risk and Solvency Assessment (ORSA) process. The process also includes analysis of the capital adequacy and regulatory capital requirements under various risk scenarios. Consequently, the process influences If Livförsäkring's capital management and business planning, including product development and design.

A breach of the risk appetite and tolerance limits shall be considered a severe risk event. Timely and appropriate actions are a priority and the Responsible Risk Officer shall inform the Board of Directors immediately.

Capital management

If Livförsäkring shall at all times maintain an adequate capitalisation. This means ensuring that available capital exceeds the regulatory solvency capital requirements and the target limits for those set by the Boards of Directors, and the internal economic capital requirements.

In addition to maintaining capital resources at a sufficient level, If Livförsäkring shall manage the debt to equity structure in order to balance returns to shareholders with robust long term financial stability. For more information on capital management, see Chapter 5.

2.3.2 Risk management process

If Livförsäkring has a process, in accordance with internal and external requirements, for identifying, assessing, responding to, monitoring, and reporting all risks affecting the company. The process and sub processes per risk category shall be clearly defined and documented with formalised responsibilities. Internal control is embedded in If Livförsäkring's risk management process and is essential to ensure that the risks are effectively managed and stay within agreed risk tolerance limits. The description for each step is provided below.

Figure 4 – The risk management process

Identification. Risk identification is be performed on a regular basis. It shall cover the identification of new risks, description of the risks, mapping of risks to established risk categories, introduction of new risk categories, and the assignment of ownership of risks.

Assessment. Risk assessment is performed on a regular basis and considers risk drivers and the consequences of a risk realisation, including controls, or other mitigations in place. The assessment applies a likelihood and impact approach. The Sampo Group internal model is used to measure quantifiable financial risks and their interaction, supplemented by additional modelling when needed.

Response. Risk response refers to the decisions to either mitigate or accept the current risks. Potential risk mitigations or control activities are analysed, documented, and reported, including the decision how the risks should be mitigated, or the reason for risk acceptance. Generally, the cost and benefit analysis of mitigation activities influences the decision whether to mitigate or accept each risk in accordance with the risk appetite statement.

Monitoring. Risk monitoring includes regular evaluation of the risk management process's effectiveness and efficiency, including the implemented controls, mitigation activities and other risk responses. It also includes the analysis of key risk indicators, which may include risk limits and reported incidents. The risk monitoring also covers aggregation and analysis of risks and incidents from a holistic perspective, with regard taken to correlations between risks.

Reporting. There are processes for the quarterly reporting of If Livförsäkring's main risks. Reporting in the context of the risk management process includes both information sharing between functions and more formal regular reporting to Risk Committee, Managing Director, Board of Directors, and external stakeholders.

2.3.3 Roles and responsibilities within the risk management framework

The main responsibilities within the risk management framework are defined below.

Board of Directors

The Board of Directors is accountable for the following:
– the design and oversight of a risk management framework;
– the approval of the Risk Management Policy;
– ensuring that the management of risks and follow-up of the risks are satisfactory; and

– taking an active part in and direct the ORSA process, challenging the outcome, and approving the stress tests and scenario analyses used in the ORSA.

Managing Director

The Managing Director is accountable for the implementation and monitoring of the effectiveness of the risk management framework.

Risk Committee

The Risk Committee assists the Managing Director in fulfilling the responsibility to oversee the risk management. The instruction for the committee, detailing the composition, responsibilities, tasks, and mandate, is decided by the Board of Directors.

Risk Management function

The Risk Management function promotes the implementation and development of the risk management framework.

The main responsibilities of the Risk Management function are to:

– assist the Board of Directors and Managing Director in the implementation and operation of the risk management framework;
– support and monitor the business and the risk owners in their responsibility and accountability to manage risks and internal control;
– have an active role in the monitoring of the internal control, as well as evaluating the implementation and overall status of internal control;
– secure a holistic view of the risks If Livförsäkring is exposed to, also considering their inter-dependencies;
– regularly measure If Livförsäkring's capital and solvency position in accordance with both internal and external requirements;
– forecast risk and capital under normal and stressed circumstances; and
– provide information to If Livförsäkring's Managing Director and Board of Directors in cases of business decisions, including the effect of such decisions on risk and capital.

The Risk Management function is operationally independent. This means that the function is not involved in any business decisions. It also means that the Risk Management function must operate in an un-biased way when performing the monitoring of risk and internal control.

Business areas, Claims and corporate functions

The business areas, the Claims unit and corporate functions have the day-to- day responsibility to manage risks within limits and restrictions set by the risk policies, instructions, and guidelines.

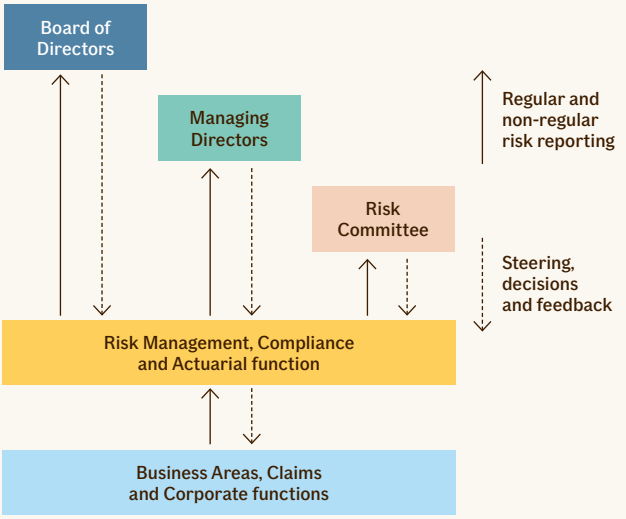
The risk owners in the business areas, the Claims unit and corporate functions, are ultimately responsible and accountable for managing risks within their respective unit, and for ensuring that the proper controls are in place to mitigate the risks within accepted tolerance levels.

2.3.4 Risk reporting and implementation

If Livförsäkring's risk reporting shall provide assurance that risks and capital are well managed. Risk reporting shall also support risk-based decisions. Furthermore, risk reporting shall enable the risk management framework to develop through feedback and active steering from Managing Director and Board of Directors on matters regarding risk and the risk management framework. To meet these needs, If Livförsäkring has formalised and set of reporting routines to meet internal and external regulatory requirements as well as Sampo plc's risk reporting requirements.

The Risk Management function reports quarterly to the Risk Committee and the Board of Directors on the status of the risk management framework. Figure 5 illustrates the risk reporting structure within the risk management framework.

Figure 5 – Risk management reporting structure



Besides the regular risk reporting, there are processes for non-regular risk reporting, such as reporting on a particular subject upon request from the Board of Directors or if a risk event should arise. A breach of the risk appetite and tolerance limits is always considered a severe risk event. A severe risk event may also be a realised risk, reported incident, or detected threat, that could have major impact on the company and/or its stakeholders either from a financial, operational, reputational, regulatory or business perspective.

2.3.5 Own Risk and Solvency Assessment (ORSA)

In addition to the risk management process, If Livförsäkring regularly assesses the risk in the ORSA process. The assessment is forward-looking and considers potential future changes in the risk profile due to the business strategy, the regulatory, economic and financial environment and/or the effect of sustainability factors.

A yearly ORSA is performed as per 30 September, in parallel with, and supporting, the financial planning process. The outcome is documented in a report and approved by the Board of Directors. By approving the report, the Board of Directors accepts it as the basis for deciding on the financial plan.

Capabilities to forecast and stress capital position and perform scenario analyses shall be available and used in the ORSA to forecast available capital and capital requirements over a three-year period. The ORSA shall include the results of the quarterly stress tests, sensitivity analyses and include reverse stress tests. The tests are developed together with the risk owners and management and will cover the main risk categories and the aggregate negative effects from different risk categories.

2.4 Internal control

Effective and efficient internal control is maintained through If Livförsäkring's policies, internal rules and procedures to ensure that the following objectives are achieved:

– effective and efficient operations;
– reliable and accurate financial and non-financial reporting; and
– compliance with external and internal regulations.

2.4.1 The internal control system

The internal control system covers the entire If Group and is an integrated part of the company's organisational structure and

decision-making processes. Internal control activities are carried out in accordance with the nature, size and complexity of If Livförsäkring's activities.

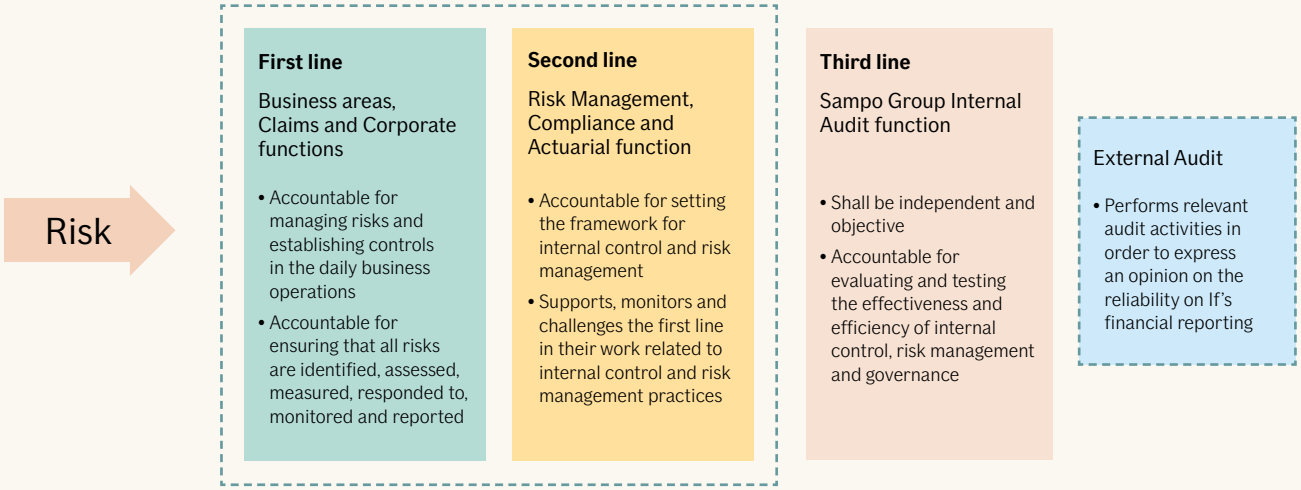
Processes are the basis for efficient business operations and the implementation of external and internal rules. Adequate and effective processes supporting the business objectives, promote a sound internal control culture, and facilitate a structured business follow-up. The key processes must be functioning as intended for If Livförsäkring to manage its operations and to reach set goals.

If Livförsäkring's Internal Control System is influenced by the COSO[6] framework and the three lines model.

The COSO framework consists of five components, all of which exist in If Livförsäkring: control environment, risk assessment, control activities, information and communication and monitoring.

The three lines model addresses how specific duties related to risk and control are assigned and coordinated within company. The responsibilities for each line are described in the figure below.

Figure 6 – Three lines model



2.4.2 Compliance function

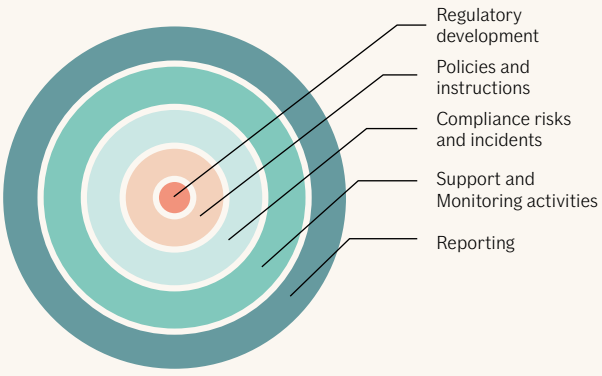
The Compliance function is responsible for advising the Board of Directors and the Managing Director on compliance with the rules related to If Livförsäkring's license to conduct insurance business as well as General Data Protection Regulation (GDPR). The Compliance function identifies and assesses the risk of non-compliance and the possible impact of any regulatoy changes affecting the operations. In addition, the adequacy of the measures adopted to prevent non-compliance are assessed.

The Compliance function primarily addresses the rules that are related to If Livförsäkring's license to conduct insurance business and to GDPR. Activities are also performed in other legal areas when deemed appropriate and necessary by the Responsible Compliance Officer and at the request of the Board of Directors or the Managing Director.

The Compliance function is separated from the business organisation, operationally independent and forms part of the second line. The compliance function's areas of responsibilities have been divided into five sub processes.

The Responsible Compliance Officer is appointed by the Board of Directors and has the overall responsibility for the function and the sub processes. A risk-based Compliance plan is established annually and approved by the Board of Directors.

Figur 7 – The Compliance function's subprocesses



[6] Committee of Sponsoring Organisations of the Treadway Commission

2.5 Internal Audit function

Internal Audit is a function, independent of business operations, which evaluates the efficiency, effectiveness and the maturity of the system of governance and the system of internal control. The function helps the organisation to accomplish its objectives by a systematic, disciplined approach to evaluate and suggest improvements in the risk management, control and governance processes. The function is established by the Board of Directors and managed by the person responsible for carrying out the Internal Audit function, as appointed by the Board of Directors.

2.5.1 Reporting

The Internal Audit function reports on the audits and the performed follow-up activities to the Board of Directors. Severe internal control deficiencies are reported without delay to the Board of Directors and the Managing Director.

Before an audit report is finalised, a draft report is sent to the key stakeholder of the audited area. The key stakeholder sets an action plan, including action owners and a time plan. The final audit reports are approved by the Chief Audit Executive before distribution.

The person responsible for carrying out the Internal Audit function submits status reports at least twice a year to the Board of Directors and to Sampo plc's Audit Committee. The status reports include identified severe internal control deficiencies and potential follow-up issues yet to be remedied according to the agreed actions.

2.5.2 Independence and objectivity

The Internal Audit function is independent and objective and does not carry out any operational tasks. Internal auditors are refrained from auditing operations that they have been responsible for during the last 12 months. Internal auditors are selected based on their knowledge, skills and integrity. Any conflicts of interest must be avoided.

2.6 Actuarial function

2.6.1 The implementation of the Actuarial function

The Actuarial function reports to the Board of Directors and the Managing Director. The Head of the Actuarial function is a member of the Actuarial Committee, which serves as a coordination forum for the Actuarial function as well as a preparatory and advisory body for the Chief Actuary.

The Actuarial function is a part of the system of governance and the second line in the three lines model.

The tasks of the Actuarial function are described in the instruction for the Actuarial function. The main tasks are to:

- coordinate the calculation of Solvency II technical provisions and assess their reliability and adequacy;
- present an opinion on the Underwriting Policy;
- present an opinion on the adequacy of the reinsurance arrangements;
- present an opinion on the solvency position; and
- contribute to the risk management framework.

Coordinating the calculation of Solvency II technical provisions is a central task for the Actuarial function. Calculation of technical provisions according to the statutory accounts is carried out by actuaries within each business area.

Solvency II premium and claims provisions are based on input from actuaries from each business area. The Actuarial function performs the validation of the technical provisions and ensures the appropriateness of the methods, assumptions and models used.

The data quality is regularly assessed by reconciling information in the accounts with information in the actuarial systems. The reconciliation procedure is performed monthly and is a formal procedure. The external auditors receive detailed reconciliation sheets with all accounted differences.

Steering documents govern the calculation of technical provisions. The Actuarial function is responsible for ensuring compliance with the steering documents and that local rules and regulations are reflected in guidelines and working routines. The function also identifies data quality issues and provides recommendations for remediation.

2.6.2 Reporting

The Actuarial function reports information regarding material tasks that have been undertaken as well as their results at least annually to the Board of Directors and the Managing Director. The function also provides advice on how to remedy any deficiencies. The report includes the methods used, the calculations, the reliability and adequacy of technical provisions as well as an opinion on the Underwriting Policy and the adequacy of reinsurance arrangements.

2.7 Outsourcing

2.7.1 The Procurement policy

The Procurement Policy describes what should be deemed as outsourcing and sets the criteria for determining whether a function or activity should be considered critical or important. The outsourcing process ensures an effective control of the outsourcing of critical or important functions or activities as well as mitigating the risks associated with such outsourcing. The outsourcing process consists, inter alia, of risk analysis, counterparty evaluation, agreement drafting, decision-making, follow-up and reporting.

The Board of Directors has established a Supplier Committee to monitor whether outsourcing is conducted in accordance with the Procurement Policy. Any new or materially amended outsourcing agreement regarding critical or important functions or activities, should be reported to, and assessed by, the Supplier Committee and approved by the Board of Directors prior to notifying the Swedish Financial Supervisory Authority.

2.7.2 Outsourcing of critical or important operational functions or activities

If Livförsäkring has outsourced its entire operations to If P&C Insurance Ltd (publ), except for the tasks that fall to the Managing Director and the four key functions: the Actuarial function, the Risk Management function, the Compliance function and the Internal Audit function. If P&C Insurance Ltd (publ) thus provides most of the services needed for the conduct of insurance business, such as sales, claims settlement, asset management, IT services, administration, accounting and other support functions such as marketing and legal services.

The business is conducted in an integrated manner and in accordance with the same processes and procedures that apply to If P&C Insurance Ltd (publ). Through regular meetings and reports, the Board of Directors and the Managing Director follow up to ensure that the outsourced operations are conducted in the agreed manner. Payment for these services is calculated as a percentage of renewed or newly taken out insurance.

2.8 Any other information

If Livförsäkring's system of governance is considered adequate to the nature, scale and complexity of the risks inherent in the business. There is no other material information regarding the system of governance.

3 Risk Profile

If Livförsäkring's overall risk strategy aims to focus on both capital efficiency and sound risk management. Available capital should exceed both the internal measure, Economic Capital (EC) and the regulatory Solvency Capital Requirement (SCR).

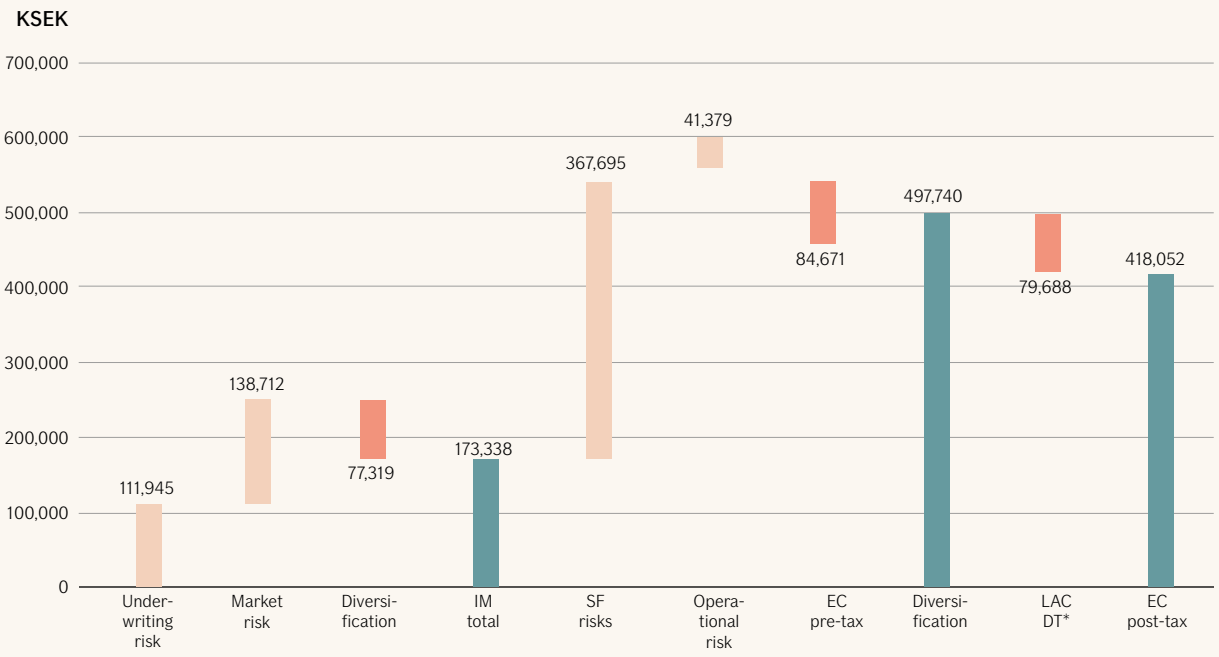
The measure economic capital is used for internal quantitative risk measurement and reporting, as well as for decision-making. The economic capital is based on the Sampo Group Internal Model (IM) for underwriting risk and market risk. Operational risk and less material risks are quantified using the Standard Formula (SF).

If Livförsäkring applies the standard formula for calculating its requlatory capital requirement. For more information about the risk measures, see Appendix 1 Explanation of measures used to monitor If's capital position.

In addition to the quantitative measures, qualitative assessments are conducted for all risks. Risks that are not possible to quantify are qualitatively assessed. These risks include liquidity risk, business risk, compliance risk, reputational risk and emerging risk.

The risk categories that contribute the most to economic capital are underwriting risk and market risk as shown in the figure below.

Figure 1 – Overview of If Livförsäkring's economic capital, 31 December 2025



*Loss-absorbing capacity in deferred taxes

3.1 Underwriting risk

Underwriting risk is the risk of loss, or of adverse change, in the value of technical provisions, due to uncertainty in pricing and valuation assumptions. Underwriting risk is divided into premium risk, catastrophe risk, reserve risk, inflation risk and lapse risk.

3.1.1 Risk exposure

Actuarial and statistical methods are used to reflect the characteristics of the insurance operations for the modelling of underwriting risk in the internal model, complemented by external model for inflation risk. Lapse risk is calculated in accordance with the standard formula.

If Livförsäkring's economic capital for underwriting risk reflects the underwriting risk exposure over a one-year horizon and has decreased from kSEK 429,998 to kSEK 397,091 during 2025. The decrease is mainly driven by the decrease in the underwriting risks covered by the standard formula. The largest underwriting risk, lapse risk, is unchanged comparing to last year.

3.1.1.1 Premium risk and catastrophe risk

Premium risk is the risk of loss, or of adverse change in the value of technical provisions, resulting from fluctuations in the timing, frequency and severity of insured events that have not occurred at the balance date.

Catastrophe risk is the risk of loss, or of adverse change in the value of technical provisions, resulting from significant uncertainty of pricing and valuation assumptions related to extreme or exceptional events.

The risk factors that have the greatest impact on premium risk are pandemics, volatile risk ratios[7], where damage volatility due to high compensation amounts is an important component and catastrophic events.

If Livförsäkring mainly takes out one-year death insurance, but there are also multi-year contracts in the portfolio. The underwriting risk consists of assumptions about mortality in the insurance premium being set too low in relation to the actual mortality rate.

3.1.1.2 Reserve risk

Reserve risk is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from fluctuations in the timing and amount of claim settlements for events that have occurred at, or

[7] Total sum of insurance claims on own account, excluding claim handling expenses, in relation to premiums earned on own account, expressed as a percentage.

prior to, the balance date.

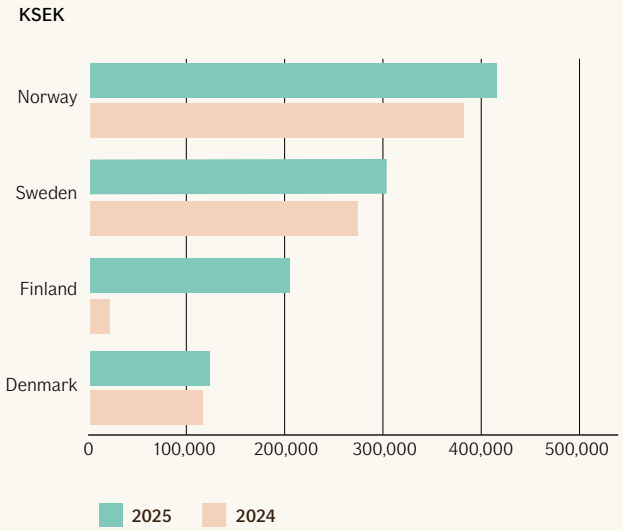
The reserve risk for If Livförsäkring is relatively low as a result of the short time that elapses from death until it is reported and becomes known to the company and payment is made. The greatest risk relates to lapse risk.

3.1.2 Risk concentration

There is a risk of concentration in business travel insurance and group insurance due to that several people with high insurance amounts can be involved in the same accident. There is also a risk of concentration in the form of pandemics, as these can affect insured persons in several geographical areas at the same time.

The concentration risk is low, partly because most of the risk exposure derives from individual life insurance policies with fixed lump sums, and partly because the insured. The people are geographically dispersed. The geographical distribution of gross premiums written is shown in Figure 9.

Figure 9 – Gross premium written by country



3.1.3 Risk mitigation

Premium and catastrophe risk are reduced through a reinsurance program with If P&C Insurance Ltd (publ) and also covered by If P&C Insurance Ltd (publ)'s reinsurance programs with external reinsurers. The need and optimal choice of reinsurance is evaluated by comparing the expected cost versus the benefit of reinsurance, the impact on result volatility as well as capital requirements.

The Board of Directors decides the guidelines governing the calculation of technical provisions. The Actuarial function is responsible for overseeing guidelines on how the technical provisions are to be calculated as well as assessing whether the level of total provisions is sufficient.

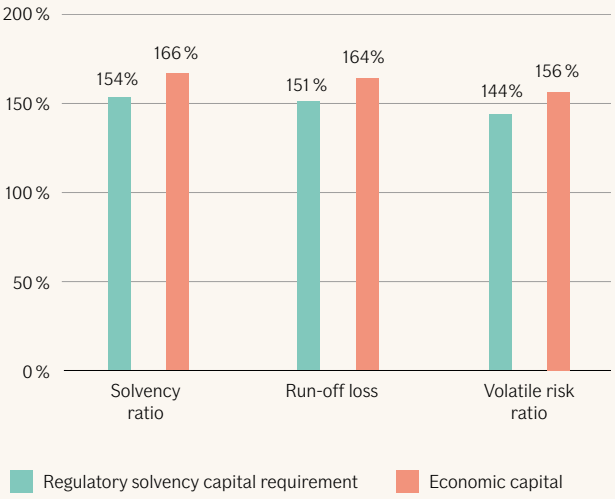
Reserve risk is managed by actuarial assumptions based on historical claims data, both within If Livförsäkring and from external mortality statistics in collectives of insured persons, and exposures available on the balance sheet date. Considered factors include trends in mortality, age, gender, level of education and considerations in the risk assessment. The underwriting risk is monitored and controlled by the Underwriting Committee and reported to the Risk Committee on a regular basis.

3.1.4 Risk sensitivity

Stress tests have been performed to assess the sensitivity to major risk factors. The sensitivity is expressed as the effect on If Livförsäkring's capital position, based on the economic capital and on the regulatory solvency capital requirement.

The purpose of the stress tests is to estimate the impact on the capital position of a one in ten-year-run-off loss, or paid claims with five basis points higher than expected. In all tests, If Livförsäkring maintains a solvency ratio above 140%.

Figure 10 – Sensitivity to subscription risk under Solvency II, 31 December 2025



The stress tests are based on the following assumptions:

- In the run-off stress, it is assumed that the technical provisions will increase and lead to a consecutive increase in reserve risk and inflation risk.
- In the natural catastrophe stress, it is assumed that claim payments are immediate, thus not affecting technical provisions.

3.1.5 Use of special purpose vehicles

If Livförsäkring has no special purpose vehicles.

3.2 Market risk

Market risk is the risk of loss, or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level or in the volatility of market prices of assets and liabilities.

In accordance with the calculation of economic capital, If Livförsäkring's market risk consists of currency risk, interest rate risk and spread risk. Even though spread risk is included in the calculating of economic capital for market risk, If Livförsäkring considers spread risk to be part of credit risk. For information on the exposure, concentration, risk management and control, and sensitivity to spread risk, see Section 3.3 Credit risk.

Asset and liability management risk is included in the calculation of interest rate risk and currency risk.

3.2.1 Risk exposure

The economic capital for market risk decreased slightly from kSEK 171,655 to kSEK 171,068 in 2025, where of market risk assessed using the internal model amounted to kSEK 138,712. There were no overall large movements, interest rate risk decreased while the spread risk and the currency risk increased, resulting in slight decrease for

overall market risk. If Livförsäkring has a well-diversified investment portfolio, which has positive diversification effects when calculating economic capital.

If Livförsäkring's investments are concentrated in Nordic fixed income securities. The use of derivatives is limited.

When calculating market risk, If Livförsäkring applies market valuation to the majority of its investments.

According to the prudent person principle, investments are only made in assets and instruments whose risks can be properly identified, measured, monitored, mitigated and controlled, and appropriately considered in the assessment of the overall solvency needs. Furthermore, all assets are invested with the objective of ensuring the security, quality, liquidity, profitability, and availability of the portfolio as a whole, whilst considering sustainability factors.

3.2.1.1 Interest rate risk

Interest rate risk refers to the sensitivity of the value of assets and liabilities to changes in the maturity structure or in the volatility of interest rates.

The exposure to interest rate risk from insurance contracts relates to the technical provisions, where future claim payments are discounted to present value and therefore impacted by changes in discount rates. The interest rate risk has decreased slightly during the year.

The difference in duration between assets and liabilities is monitored continuously. At the end of 2025, the duration of fixed income investments was 0.7 years (1.0) while the duration of technical provisions was 15.8 years (18.5).

3.2.1.2 Currency risk

Currency risk refers to the sensitivity of the value of assets and liabilities to changes in the level or volatility of currency exchange rates.

Currency risk can be divided into transaction risk and translation risk. Transaction risk refers to contractual cash flows in foreign currency related to insurance, investment operations and foreign exchange transactions. Translation risk refers to the risk that arises from the consolidating the financial statements of foreign operations that have a different functional currency than the presentation currency of the company.

If Livförsäkring's operations and investment decisions create currency exposure primarily through foreign branches. During the year, economic capital for currency risk increased from kSEK 129,266 to kSEK 136,784. Currency positions and sensitivity to exchange rate changes in terms of transaction risk are presented in Table 5.

3.2.1.3 Asset and liability management risk

Asset and Liability Management risk means the risk of loss, or of adverse change, in the financial position resulting from a mismatch between the assets' and the liabilities' sensitivity to fluctuations in the level, or in the volatility, of market rates.

The exposure stems primarily from interest rate and currency risk. The risk exposure is described in more detail for each risk in section 3.2 Market risk.

3.2.2 Risk concentration

There have been no material risk concentrations related to market risk during the reporting period. The figures below show the market risk concentration of the investment portfolio as of December 31, 2025.

Figure 11 – Market values by type of assets, 31 December 2025

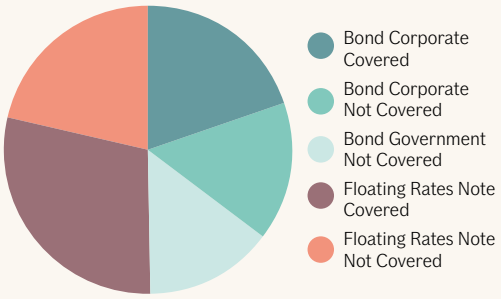
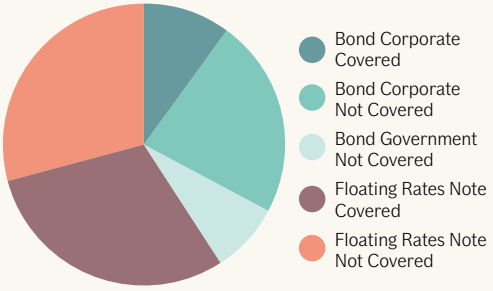


Figure 12 - Economic capital by type of assets, 31 December 2025



In the tables below, values in accordance with the statutory accounts are presented. These values give a reasonable picture of risk concentrations and do not materially differ from Solvency II values.

Table 4 – Duration and proportion of interest-bearing assets by instrument type

	2025			2024		
KSEK Instrument type	Carrying amount	%	Duration	Carrying amount	%	Duration
Scandinavia, long-term government and corporate securities	606,428	77,9	0,8	419,284	93,6	1,0
Short-term fixed income	162,160	20,8	0,1	18,530	4,1	0,0
Europe, long-term government and corporate securities	9,905	1,3	0,2	9,968	2,2	0,2
Total	**778,493**	**100**	**0,7**	**447,781**	**100**	**1,0**

If Livförsäkring's currency positions against SEK are shown in the table below. The amounts are presented according to the statutory accounts and give a fair picture of the currency risk concentrations excluding translation risk. Translation risk arises when consolidating branches with a reporting currency other than the parent company.

Table 5 – Currency risk

KSEK Valuta	EUR	NOK	DKK	USD	Övrigt
Open position, 2025	5,356	2,904	2,113	-298	0
Open position, 2024	7,136	-489	8,882	18	-1,437

3.2.3 Risk mitigation

The Investment Policy is the principal document for managing market risk. The policy provides overarching guidelines, such as the principle of due diligence, specific risk limits and a decision-making structure for investment activities. The policy sets out guidelines that define mandates and powers as well as the use of derivatives. There is also a Responsible Investment Policy, expanding the scope of the responsible investment processes and increasing alignment across the company.

When deciding on limits and setting targets, the overall risk appetite, risk tolerance, regulatory requirements as well as the structure and nature of the technical provisions are considered. Investment performance and market risk are actively monitored and controlled by the Investment Control Committee and the Risk Committee.

Interest rate risk relating to technical provisions is, in accordance with the Investment Policy, considered in the composition of investment assets. The interest rate risk is managed through limits for interest rate sensitive financial instruments.

Currency risk is reduced by matching the technical provisions with investment assets in corresponding currencies or by using currency derivatives. Currency exposure in the insurance operations is hedged against the functional currency on a regular basis. Currency exposure in investment assets is monitored weekly and hedged when the exposure exceeds a given level, which is based on cost-effectiveness and minimum transaction size.

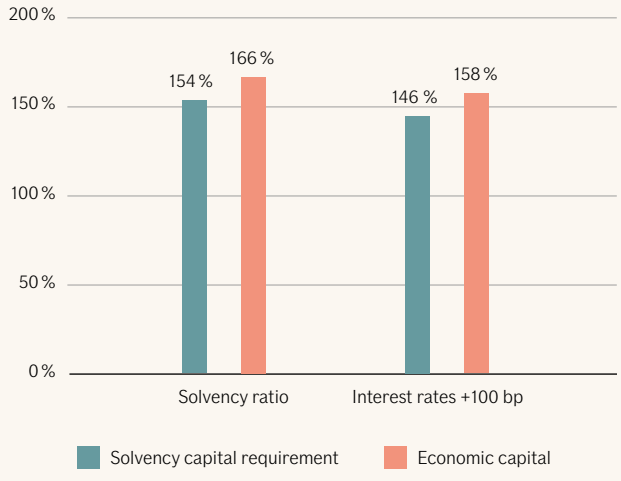
Translation risk is not hedged as these activities and investments are considered long-term.

Asset and liability management risk is considered through the risk appetite framework and governed by the Investment Policy.

3.2.4 Risk sensitivity

To test the sensitivity for major risk factors, a credit spread stress has been performed showing the effect on the solvency ratio for the regulatory solvency capital requirement and economic capital as per 31 December 2025. The spread stress estimates an impact on the solvency ratio of a 100 basis points increase in the spreads. The key assumption in the spread stress is that the stress does not have an impact on technical provisions. If Livförsäkring maintains a ratio above 150% after the stress.

Figure 13 - Sensitivity to credit risk under Solvency II, 31 December 2025



An increase in interest rates leads to a decrease in the present value of both investment assets and technical provisions.

The interest rate stress test is based on a parallel shift of market interest rates used as input to the calculations of the discount curves according to Solvency II. The effect is attenuated for the longest maturities due to the convergence towards the long-term equilibrium interest rate used for long maturities and which is not stressed in this calculation.

3.3 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 issuers of securities, counterparties, and any debtors to which the company is exposed in the form of counterparty default risk, spread risk, or market risk concentrations. Credit risk relating to market risk concentrations is described in the Section 3.3.2 Risk Concentration.

Spread risk refers to the sensitivity of the value of assets and liabilities to changes in the level, or in the volatility, of credit spreads above the risk-free interest rate.

Counterparty default risk refers to the risk of loss due to unexpected default, or deterioration in the credit standing, of counterparties and debtors. In the case of default, the final loss depends on the value of the asset less any collateral and recoveries at the time of default.

In terms of economic capital, spread risk is calculated using the internal model as described in Section 3.2 Market risk. In terms of regulatory solvency capital requirement, spread risk is calculated using the standard formula. Counterparty default risk is calculated using the standard formula for both economic capital and the regulatory solvency capital requirement.

3.3.1 Risk Exposure

The most significant credit exposures arise from fixed income investments in asset management. The credit risk exposure to policyholders from insurance operations is limited since non-payment of premiums generally results in the cancellation of insurance policies.

3.3.1.1 Credit risk in asset management

Credit risk in asset management can be measured as spread risk and counterparty default risk. In most cases, part of the credit risk is already reflected through a higher spread. The asset therefore has a lower market value, even in the case of no default. Accordingly, the spread is essentially the market price of credit risk.

For financial assets measured at amortised cost and where market prices do not exist, credit risk is measured using models for expected credit losses. In accordance with the Investment Policy, credit risk is limited by considering the prudent person principle.

3.3.1.2 Credit risk in reinsurance operations

If Livförsäkring also has reinsurance arrangements with If P&C Insurance Ltd (publ). Credit risk relating to reinsurance receivables, and as a proportion of unsettled claims, is assessed as minor.

3.3.2 Risk Concentration

3.3.2.1 Concentration in asset management

A large part of the fixed income investments is concentrated to financial institutions, whereof the main part of the investments is made in the Nordic market. Exposure by sector, asset class and rating category is presented in the table below.

Table 6 – Exposure by sector, asset class and rating, 31 december 2025

	Fixed income					
KSEK Industry sector	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	Derivatives	Totalt
Capital Goods	-	-	-	8,050	-	**8,050**
Consumer Products	-	-	10,058	18,437	-	**28,495**
Financial Institutions	-	74,558	71,957	46,522	-	**193,037**
Governments	29,903	-	-	-	-	**29,903**
Insurance	-	-	4,026	17,147	-	**21,173**
Public Sector	52,208	32,377	-	-	-	**84,585**
Telecommunications	-	-	-	-	-	**3,680**
Transportation	-	11,088	-	3,680	-	**11,088**
Utilities	-	-	27,521	17,316	-	**44,838**
Covered Bonds	353,645	-	-	-	-	**353,645**
Total	**435,755**	**118,023**	**113,562**	**111,153**	**-**	**778,493**

3.3.2.2 Concentration in reinsurance operations

The distribution of ceded premiums for facultative and treaty reinsurance per credit rating is shown in the table below.

Table 7 – Ceded written premium for treaty and facultative reinsurance per rating category

KSEK Rating (S&P)	2025	%	2024	%
AA	42,251	100	30,019	99
A	189	0	169	1
Total	**42,440**	**100**	**30,188**	**100**

3.3.3 Risk mitigation

3.3.3.1 Risk mitigation in asset management

Counterparty risk in asset management is managed by specific limits stipulated in the Investment Policy. In the policy, limits are set for maximum exposures towards single issuers, type of debt category and per rating class. The spread risk is further limited by sensitivity limits for instruments sensitive to spread changes.

Before investing, potential investments are analysed thoroughly. The creditworthiness and outlook of the issuer are assessed together with any collateral as well as structural details of the potential investment. Internal risk indicators are important factors in the assessment. Macroeconomic factors, prevailing market trends, external assessments of analysts, and credit ratings from credit rating agencies are also taken into account. In addition, the portfolio performance and the counterparties' credit standings are monitored continuously. The portfolios' development in terms of credit risk is monitored and reported to the Investment Control Committee.

3.3.3.2 Risk mitigation in reinsurance operations

To limit and control credit risk associated with ceded reinsurance, requirements for reinsurers' minimum ratings as well as restrictions on maximum exposure to individual reinsurers are set. The creditworthiness of reinsurance companies is determined using financial strength ratings from rating agencies.

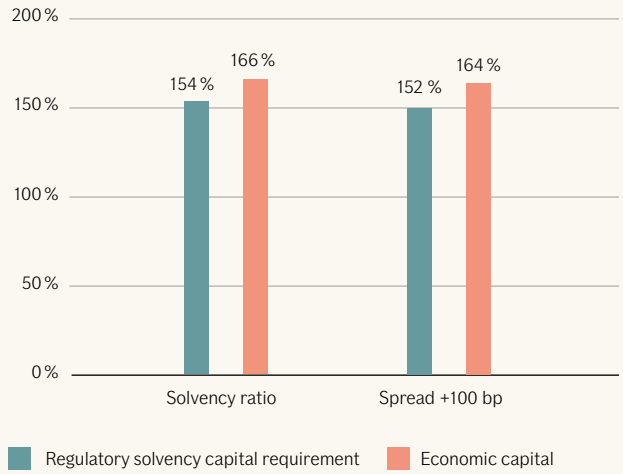
3.3.4 Risk sensitivity

3.3.4.1 Risk sensitivity in capital management

To test the sensitivity for major risk factors, a credit spread stress has been performed showing the effect on the solvency ratio for the regulatory solvency capital requirement and economic capital as per 31 December 2025.

The spread stress estimates an impact on the solvency ratio of a 100 basis points increase in the spreads. The key assumption in the spread stress is that the stress does not have an impact on technical provisions.

Figure 14 - Sensitivity to credit risk under Solvency II, 31 December 2025



3.3.4.2 Risk sensitivity in reinsurance operations

Since reinsurance is primarily taken out internally within the If Group, risk sensitivity is not relevant to the reinsurance business.

3.4 Liquidity risk

Liquidity risk is the risk that insurance undertakings are unable to realise investments and other assets in order to settle financial obligations when they fall due.

3.4.1 Risk exposure

The liquidity risk is considered immaterial as premiums are paid in advance and larger payments are usually known well in advance before they fall due. Thus, liquidity risk is identified and managed on an ongoing basis but is not quantified in the capital requirements.

3.4.2 Risk concentration

The maturities of cash flows from financial instruments are presented in Table 8, in which financial assets and liabilities are divided into contracts with a contractual maturity profile, and other contracts.

Table 8 – Maturity structure for cash flows, 31 December 2025

				Cash flows						
KSEK	Carrying amount	*of which without maturity*	*of which with contractual maturity*	2026	2027	2028	2029	2030	2031-2040	2041-
Financial assets[1)]	826,348	*52,897*	*773,451*	444,536	77,573	99,383	98,903	68,290	36,395	-
Derivative liabilities	-675	-	*-675*	-734	-	-	-	-	-	-
Other financial liabilities[2)]	-142,595	*-142,595*	-	-142,616	-	-	-	-	-	-

[1)] Financial assets consist of the following balance sheet items: investment assets, other receivables (financial), cash and bank, collateral and cash receivables, and accrued income (financial).

[2)] Other insurance and reinsurance-related liabilities are reported under Liabilities and amount to KSEK 18,796.

The table also shows expected future cash flows for the net provision for claims outstanding, which are inherently associated with a degree of uncertainty.

3.4.3 Risk mitigation

Liquidity risk is reduced by investing in assets that are readily marketable in liquid markets. The available liquidity of financial assets, meaning the part of the assets that can be converted into cash at a specific point in time, is analysed and reported continuously to the Risk Committee.

3.4.4 Expected profit included in future premiums

The total amount of expected profit included in future premiums (EPIFP) was kSEK 633,875 (kSEK 635,882) as of December 31, 2025.

3.4.5 Risk sensitivity

Cash flows from investment assets are also measured from an availability perspective. If Livförsäkring has a considerable amount of fixed income investments of high credit quality that are likely to maintain their marketability also in stressed market conditions. Combined with the aforementioned favourable risk exposure arising from the insurance business, If Livförsäkring is not considered sensitive to liquidity risk.

3.5 Operational risk

Operational risk is the risk of loss arising from inadequate or failed processes or systems, from personnel or from external events.

3.5.1 Risk exposure

Operational risk in If Livförsäkring is related to, for example, weak data quality and inadequate financial reporting due to manual processes and lack of system support. Furthermore, a lack of resources and expertise due to people dependency, is further examples of operational risks.

External factors that may affect operational risk are identified through the processes for business risk and emerging risk, see Section 3.6.1 Business risk and Section 3.6.4 Emerging risk. A special process is in place to identify and report any external and internal fraud.

There have been no material changes in the risk exposure during the reporting period.

3.5.2 Risk concentration

No material operational risk concentrations have been identified.

3.5.3 Risk mitigation

Generally, If Livförsäkring adopts a conservative approach to operational risk and strives to reduce the risk as much as possible within appropriate risk tolerance levels, considering the effort and resources required to mitigate the risks.

Several steering documents that are relevant for the management of operational risk have been issued. These include, but are not limited to, the Risk Management Policy, the Business Continuity and Crisis Management Policy, the Security Policy and the Information and Communication Technology Security Policy.

Self-assessments to identify, assess, respond to and monitor operational risk are performed and reported regularly by the business areas, the Claims unit and corporate functions. Identified operational risks are assessed from a likelihood and impact perspective and evaluated.

An operational risk coordinator network in the business areas, the Claims unit and corporate functions supports the risk owners. The results are challenged and aggregated by the Risk Management function. There is also a system for incident reporting and follow-up. Incident data is used to analyse operational risk, and severe incidents are tracked to ensure that proper actions are taken.

To manage operational risk related to IT, the focus is on digital resilience and continued investment in technology transformation and development.

Other examples of key risk mitigating techniques are clear and well implemented steering documents, set mandates, four-eyes and grandfather principles, clear roles and division of responsibilities, employee training as well as other automated and manual controls in key business processes.

3.5.4 Risk sensitivity

Impact analyses, exercises and tests to ensure capable crisis management such as business continuity exercises and digital resilience testing are regularly performed. The results of the tests and exercises indicate a sound business resilience.

3.6 Other material risks

3.6.1 Business risk

Business risk (previously labelled as “Strategic risk”) is defined as the risk of losses due to changes in the competitive environment, changes in the overall economic climate or internal inflexibility.

3.6.1.1 Risk exposure

Business risk is defined as the risk of losses due to changes in the competitive environment, changes in the overall economic climate or internal inflexibility.

For If Livförsäkring, business risk primarily concerns the changes in welfare systems with better mandatory protection. If’s operations are also affected by macroeconomic change as well as changes in relevant legislation and case law.

There have been no material changes in the risk exposure to business risk during the reporting period.

3.6.1.2 Risk concentration

No significant concentrations of business risks have been identified

3.6.1.3 Risk mitigation

The development of identified material business risks is controlled and limited through regular monitoring of competitors, the market and future regulations. These risks are assessed and proactively managed in the yearly strategy and financial process, as well as on an ongoing basis whenever larger events occur.

3.6.2 Compliance risk

Compliance risk refers to the risk of legal or regulatory sanctions, material financial losses or loss to reputation as a result of not complying with applicable rules.

3.6.2.1 Risk exposure

The main compliance risks are identified as the risk of breaching GDPR, the Digital Operational Resilience Act (DORA) as well as the Anti-Money Laundering and Counter Terrorist Financing (AML/ CTF) legislation.

There has been a change in the risk exposure during the reporting period as the DORA came into force in January 2025. Therefore,, due to both societal developments and new regulations, digital and operational resilience requires increased attention going forward.

3.6.2.2 Risk concentration

No significant compliance risk concentrations have been identified.

3.6.2.3 Risk mitigation

The internal control system encompasses a range of both proactive

and reactive mitigating techniques to mitigate compliance risks, e.g. clear and implemented steering documents and instructions, employee training, access rights, segregation of duties, four-eyes principle and other manual and automatic control activities. The effectiveness of the risk mitigation techniques is monitored through various quality follow-ups.

Furthermore, the Compliance function is responsible for monitoring that there are effective processes for identifying, assessing, mitigating, monitoring and reporting compliance risk exposure.

Relevant steering documents for the management of compliance risk include the Compliance Policy, the Personal Data Policy, the Conflicts of Interest Policy, the Procurement Policy, the Distribution Policy, the Risk Management Policy, the Ethics Policy, the Information Security Policy and the AML/ CTF Policy.

Internal training in important rules and guidelines is provided to employees on a regular basis. Policies and other internal steering documents are reviewed and updated at least annually.

3.6.3 Reputational risk

Reputational risk is often a consequence of a materialised operational or compliance risk and is defined as potential damage to the company through deterioration of its reputation amongst customers and other stakeholders.

3.6.3.1 Risk exposure

Some processes are especially sensitive to reputational risk, such as marketing and claims handling.

There have been no material changes in the risk exposure during the reporting period.

3.6.3.2 Risk concentration

No material risk concentrations regarding emerging risk have been identified.

3.6.3.3 Risk mitigation

Professional handling and communication, correct and clear insurance terms and conditions, as well as transparent and fair claims handling are key to managing reputational risk. There are established procedures for customer complaints and incident reporting.

3.6.4 Emerging risks

Emerging risk is newly developing or changing risks that are difficult to quantify, and which may have a major impact on the business.

3.6.4.1 Risk exposure

If Livförsäkring's exposure to emerging risk is limited. The development of risks that could lead to a large number of claims, such as terrorism, is monitored regularly.

3.6.4.2 Risk concentration

No material concentrations of emerging risks have been identified.

3.6.4.3 Risk mitigation

The main principle is that the business areas are responsible for identifying and managing potential or new emerging risks affecting their own business. The main risks are reported to the Risk Committee.

3.6.5 Sustainability risk

Sustainability risks are uncertain environmental, social or governance events that, if they occur, could cause a potential material negative effect on the undertaking's business model, strategy and its capability to achieve goals and targets and to create value and therefore may influence decisions and its business relationships with regards to sustainability matters.

For If Livförsäkring, climate change is assessed as the main material sustainability risk. Climate change risks are divided into physical risks and transition risks. Physical risks are risks related to the physical impacts of climate change and transition risks are risks related to the transition to a low-carbon economy.

3.6.5.1 Risk exposure

If Livförsäkring's investment portfolio is exposed to both physical and transition risks that could affect the value of the investments.

3.6.5.2 Risk concentration

No material sustainability risk concentrations have been identified. .

3.6.5.3 Risk mitigation

To identify weak spots, four climate change risk scenarios have been developed. The climate change scenarios show that the investment results are resilient to climate changes, especially through targeted mitigation activities.

In the investment operations, transition risk is identified using ESG risk ratings, sensitive sector screenings or norm-based research and managed through active ownership.

3.6.6 Risk sensitivity, other material risks

Business, compliance, reputational, emerging and sustainability risk are not included in the quantitative risk measures. If a severe risk event occurs as a result of any of these risks, it may have an effect on own funds but not any direct impact on the economic capital or the regulatory solvency capital requirement.

A material business risk event might have a negative effect on the ability to compete, with decreased premium volumes and profitability as consequences.

A significant materialised compliance risk can for example result in sanctions or interventions from the Swedish Financial Supervisory Authority.

A significant materialised reputational risk event may lead to a combination of decreased premium volumes due to customers leaving If Livförsäkring and a one-time cost effect on own funds to manage the risk.

Emerging risks can affect all the other existing risk categories. The sensitivity and concentration of these qualitative risks are, due to their nature, difficult to quantify.

A significant materialised sustainability risk could, depending on its nature, result in large claim costs or decrease the value of the investment portfolio.

3.7 Any other information

There is no other material information regarding If Livförsäkrings risk profile.

4 Valuation for Solvency Purposes

The valuation of assets and liabilities in the Solvency II balance sheet is based on fair value principles. Items in the Solvency II balance sheet are based on corresponding items in the annual report, adjusted in accordance with the Solvency II regulation. The annual report is prepared according to Swedish accounting regulation referred to as IFRS restricted by law. Figures in the annual report are referred to as statutory accounts value.

Accounting principles used in the annual report have remained largely unchanged in 2025. Currency revaluations for items in the balance sheet are made according to the balance sheet exchange rate both in the annual report and in Solvency II.

As an effect of the Solvency II adjustments the excess of assets over liabilities is kSEK 366,668 higher in the Solvency II balance sheet compared to the statutory accounts at year-end. The Solvency II adjustments are mainly related to technical provisions. The table below provides an overview of the balance sheet adjustments for Solvency II.

Table 9 – Balance sheet adjustments according to Solvency II, 31 December 2025

KSEK	Statutory accounts value	Solvency II	Solvens II-värde	
Assets				
Deferred acquisition costs	176,198	-176,198	-	A
Investments (other than assets held for index-linked and unit-linked contracts)	726,191	-	726,191	
Bonds	*725,596*	*-*	*725,596*	
Derivatives	*595*	*-*	*595*	
Reinsurance recoverables from:	665	-412	253	A
Life and health similar to life, excluding health and index-linked and unit-linked	*665*	*-412*	*253*	
Insurance and intermediaries' receivables	329,636	-307,138	22,498	A
Receivables (trade, not insurance)	97,069	-	97,069	
Cash and cash equivalents	52,897	-	52,897	
Total assets	**1,382,656**	**-483,748**	**898,907**	
Liabilities				
Total Technical provisions	572,272	-931,316	-359,043	A
Technical provisions - life (excluding index-linked and unit-linked)	*572,272*	*-931,316*	*-359,043*	
Deferred tax liabilities	1,829	80,949	82,778	B
Derivatives	675	-	675	
Insurance and intermediaries' payables	161	-	161	
Reinsurance payables	18,636	-4	18,632	
Payables (trade, not insurance)	58,234	-	58,234	
Any other liabilities, not elsewhere shown	191	-45	146	A
Total liabilities	**651,997**	**-850,416**	**-198,419**	
Excess of assets over liabilities	**730,658**	**366,668**	**1 097,326**	

The adjustments in the table above can be divided into two categories:

A. Technical provisions and items related to these which are affected as a result of Solvency II valuation, i.e. technical provisions, deferred acquisition costs, premium receivables and equivalent items related to ceded reinsurance.
B. The effect of Solvency II adjustments on the carrying amount of deferred tax assets and liabilities.

The methods used for the valuation of assets and liabilities are disclosed separately for each material class in the sections below. The disclosure includes the basis, methods and main assumptions as well as a quantitative and qualitative explanation of any material differences between the valuation in the statutory accounts and Solvency II regulations. The aggregation of assets and liabilities into material classes is based on the nature, function and materiality of the items.

4.1 Assets

Information about deferred tax is included in section 4.3.1 Deferred tax assets and liabilities.

4.1.1 Bonds

Interest-bearing securities with short and long maturity are reported as bonds, and the balance consists of corporate and government bonds. Bonds are fair valued in the statutory accounts and in Solvency II. When measuring at fair value, the listed bid price or yield-curve models based on listed mid prices, are used.

4.1.2 Derivatives

Derivates are financial instruments that are valued based on the expected future price movements of the underlying assets to which they are linked. All derivative instruments are valued individually at fair value both in the statutory accounts and in Solvency II.

4.1.3 Reinsurance receivables and Receivables (trade, not insurance)

Reinsurance receivables and receivables (trade, not insurance) are reported based on the expected value to be received in both the statutory accounts and in Solvency II. This is considered to be a reasonable approximation of the fair value. No expected credit losses have been recognised for intercompany receivables as they are deemed insignificant.

Receivables (trade, not insurance) in the Solvency II balance sheet mainly consist of intercompany receivables.

4.1.4 Cash and other cash equivalents

In the statutory accounts and in Solvency II, cash balances are valued at nominal value. In addition to petty cash amounts, cash and cash equivalents consist of bank balances in insurance operations and uninvested funds transferred to asset management.

4.1.5 Assets linked to technical provisions according to Solvency II

4.1.5.1 Deferred acquisition costs

In the statutory accounts, the company's acquisition costs for the acquisition of insurance portfolios are capitalised as a prepaid acquisition cost when these are considered to be clearly related to the insurance contracts acquired. These acquisition costs are accrued in accordance with the established plan for the termination of the portfolio's agreements. The conditions for the plan are tested annually and any impairment is expensed in the income statement. Deferred acquisition costs are not recognised in the Solvency II balance sheet

4.1.5.2 Reinsurance recoverables

Reinsurance recoverables refer to reinsurers' share of the Solvency II technical provisions. Technical provisions are covered in more detail in Section 4.2 Technical provisions.

4.1.5.3 Insurance and intermediaries' receivables

In line with the Solvency II classification, insurance and intermediaries' receivables relate to receivable amounts due by policyholders, other insurers, and receivables linked to the insurance business. Under the Solvency II classification, the technical provisions should fully take account of all cash inflows and outflows. Rather than recognising a receivable amount to future premiums expected on policies in force but not yet due, as is done in the statutory accounts treatment of premium receivables, the future premiums are instead fully considered within the best estimate premium provision in the Solvency II balance sheet.

The remaining balance in Solvency II relates only to the amounts due for payment by policyholders and insurers as well as other receivables linked to the insurance business. These are reported in the amounts expected to be received, both in the statutory accounts and in Solvency II.

4.2 Technical Provisions

The value of technical provisions is equal to the sum of a best estimate and a risk margin, which corresponds to the current amount the undertaking would have to pay if it immediately transferred its insurance and reinsurance obligations to another undertaking.

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the solvency capital requirement necessary to support the insurance and reinsurance obligations over their lifetime. The solvency capital requirement for the calculation of the risk margin is based on the standard formula. The calculation of the best estimate is done separately for each material currency.

4.2.1 Valuation used for solvency purposes

Differences in the valuation of technical provisions between Solvency II balance sheet and statutory accounts mainly refer to:

– recognition of the premium provisions in Solvency II compared to unearned premiums reserve of the statutory accounts;
– application of discounting and differences in discounting rates; and
– recognition of an explicit risk margin in Solvency II

Some minor valuation differences also arise due to the counter- party default calculation in relation to reinsurer's share of technical provisions.

The total effect of revaluation of net technical provisions for Solvency II purposes as per 31 December 2025 was kSEK 447,616 (414,557). This includes the effect of netting the premium receivables, described in Section 4.1 Assets, as well as the removal of deferred acquisition costs

No material changes in the level of technical provisions have occurred during the reporting period.

Table 10 – Revaluation of technical provisions according to Solvency II

KSEK Solvency II-adjustments	2025	2024
Gross deferred acquisition costs	-176,198	-199,006
Ceded technical provisions	-412	-367
Premium receivable asset	-307,138	-285,286
Total adjustment of assets	**-483,748**	**-484,658**
Technical provisions gross (excl. risk margin)	-1,031,418	-1,006,849
Reinsurance payable liability	-4	-3
Ceded deferred acquisition costs	-45	-
Introduction of risk margin	100,103	107,637
Total adjustment of liabilities	**-931,365**	**-899,215**
Net of valuation adjustment related to technical provision	**-447,616**	**-414,557**

4.2.2 Main quantitative differences explained

One of the main differences in the valuation of technical provisions between Solvency II and the statutory accounts is related to the inclusion of future cash inflows for payments not yet due by policyholders. They are instead a part of the premium receivables in the statutory accounts.

Another difference is related to discounting, where the majority of the technical provisions are undiscounted in the statutory accounts (with the exception of vested annuities in the claims provision, IBNR and the reserve for claim adjustment expenses). In Solvency II, all reserves are subject to discounting. As a result of discounting, ceded provisions and gross provisions decrease. The valuation adjustments are partly offset by adding a risk margin.

Table 11 – Split of technical provisions by Solvency II lines of business, 31 December 2025

	Reinsurers' share of best estimates			Technical provisions, gross				
KSEK Type of technical provisions	Statutory Accounts	Solvency II-adjustment	Solvency II value	Statutory Accounts	Solvency II-adjustment	Solvency II value	Best estimate	Risk margin
Life insurance	**665**	**-412**	**253**	**572,272**	**-931,316**	**-359,043**	**-459,146**	**100,103**

4.2.3 Assumptions underlying the calculation of technical provisions

4.2.3.1 General provisions

All material assumptions underlying the calculation of If Livförsäkring's technical provisions are reviewed quarterly and material changes are reviewed in the actuarial opinion of each business area actuary. Assumptions are documented and reviewed on the basis of adequate data. The methodology is documented in the Guiding Technical Principles Policy and the General Reserving Policy.

The best estimate is calculated gross, without deduction of the amounts recoverable from reinsurance contracts (see Section 4.2.3.15 Recoverables from reinsurance contracts and special purpose vehicles). The calculation of the technical provisions considers the time value of money by using the relevant risk-free interest rate term structure. Reserves are calculated in a transparent manner and would be possible to review by a qualified expert.

The risk margin is intended to represent a technical provision corresponding to the cost of capital for holding the insurance liabilities to full run-off in an empty reference undertaking that is assumed to take over the liabilities.

4.2.3.2 Data quality

Directories of all the data used in the calculation of the technical provisions exist separately for Denmark, Finland, Norway and Sweden.

The data used in the calculation of technical provisions is primarily based on external mortality statistics for people with life insurance in Sweden, Norway, Finland and Denmark. These assumptions are then adjusted for internal claims history, trends and assessments when taking out insurance.

The quality process regarding accounting, provisioning and risk data should be well defined and have clear roles to secure and improve data quality.

The quality assessment also includes verification of the elements that the underlying data must contain in order to provide reliable results. Each data type must have defined quality criteria against which an assessment can be made.

4.2.3.3 Risk-free interest rate term structures

The risk-free interest rate term structures used to calculate the best estimate with respect to insurance or reinsurance obligations are calculated separately for each material currency, based on information and data relevant for that currency. The risk-free interest rate term structures are determined in a transparent, prudent, reliable and objective manner.

4.2.3.4 Basic risk-free interest rate term structures

The basic risk-free rates are derived for DKK, NOK, EUR and SEK. These currencies cover more than 99% of the technical provisions.

4.2.3.5 Volatility adjustment and matching adjustment

If Livförsäkring applies neither volatility adjustment nor matching adjustment.

4.2.3.6 Other long–term guaranties and transitional measures

If Livförsäkring applies neither long-term guarantees nor transitional measures..

4.2.3.7 Segmentation and setting up homogenous risk group

If Livförsäkring segments its insurance and reinsurance obligations into clearly defined homogeneous risk groups, and as a minimum by line of business, when calculating technical provisions. The segmentation is more granular than the Solvency II lines of business. Unbundling of package products is done when required or whenever practicable. Lines of business as defined by Solvency II differ from the presentation of lines of business in the statutory accounts.

4.2.3.8 Methods and assumptions

Methods used to calculate best estimate of technical provisions are based on recognised actuarial and statistical techniques and are proportionate to the nature, scale and complexity of the risks supported by If Livförsäkring. The calculation of technical provisions is largely based on If Livförsäkring's own historical claims data. External data, such as mortality data for insured groups, is based on official sources that are publicly available and considered reliable and transparent.

4.2.3.9 Assumptions on future management actions

If Livförsäkring makes the assumption that future reinsurance will be purchased to cover its run-off of written business. This assumption is only relevant for the evaluation of the premium provision since the horizon of the premium provision is beyond the expiry date of present reinsurance contracts in force. Therefore, the costs of future reinsurance are included in calculating the net best estimate.

4.2.3.10 Assumptions on policyholder behaviour

The calculation of Solvency II technical provisions takes into account the likelihood that policyholders may exercise the option to cancel their contracts.

Future policyholder behaviour is considered through a policy lapse assumption, which is based on an analysis of past policyholder behaviour for the relevant lines of business and business areas and is therefore based on credible and relevant experience of cancellations. There have been no material changes in the assumptions regarding lapse rates since the last reporting period.

4.2.3.11 On proportionality and the use of simplifications

If Livförsäkring employs standard actuarial methods that are considered proportionate to the nature, scale and complexity of the insurance obligations. The deviation between estimates of the outstanding liabilities at different points in time is continually monitored. The source of material deviations between projected and actual outcome is investigated to assess whether the assumptions underlying the relevant method need to be adjusted.

If Livförsäkring does not apply the simplified calculation of recoverables from reinsurance contracts. Instead, the recoverables

are calculated directly from gross. If Livförsäkring applies simplified methods for calculation of the risk margin, the premium provision of the best estimate for insurance obligations and the expected loss due to counterparty default.

4.2.3.12 Boundary of contract

In Solvency II, an insurance contract is recognised when the premiums become due but at the latest when the insurance cover begins, unless this interpretation has a material impact on the solvency assessment. If Livförsäkring adopts a proportionate approach regarding the boundary of insurance contracts used for solvency purposes. Each insurance contract terminates on its expiry date, after which If Livförsäkring has the right to adjust the premium for a new period to fully reflect the risk. An exception to this rule applies to individual contracts in the Finnish branch, entered under the Finnish Insurance Contracts Act[8], where the insurance company cannot terminate the contract or change the tariff at renewal.

4.2.3.13 Cash-flow projections for the calculation of the best estimate

Cash-flow projections used in the calculation of the best estimate include all claim payments that will be paid to policyholders and beneficiaries and expected recoveries from reinsurance contracts. Recoveries and payments for salvage and subrogation are considered. In line with Section 4.2.3.12 Boundary of contract, cash flows for premium provisions will include future premium payments on existing contracts where they have a material effect on the result. The best estimate corresponds to the probability-weighted average of future cash flows, taking into account the time value of money using the risk-free interest rate term structure.

The best estimate is calculated gross, without deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles. The cash flow projection used in the calculation of the best estimate implicitly considers relevant uncertainties and dependencies in the cash flow.

Expenses in claims provisions are implicitly taken into account since they are part of the historical claims data and allocated to each claim. Claims handling expenses for incurred claims are considered when estimating the claims adjustment reserve. Expenses for non-incurred claims are taken into account when estimating the premium provision. The allocation of claim handling expenses to homogeneous risk groups is performed using keys maintained by the controller departments and is regarded as being realistic and consistent over time.

4.2.3.14 Derivation of the risk margin

The risk margin is based on the solvency capital requirement according to the standard formula.

When calculating the risk margin, it is assumed that the assets are selected in such a way that the solvency capital requirement for market risk, to which the reference undertaking is exposed to, is zero, i.e. there is no residual market risk. To calculate the risk margin, cash flows are recalculated to best estimates, which in turn are used to calculate a basic solvency capital requirement. The basic solvency capital requirement for the relevant risks, together with operational risk, are discounted and a cost-of-capital rate is introduced to arrive at the final risk margin. The risk margin is then distributed over its corresponding lines of business, reflecting their contribution to the solvency capital requirement. If Livförsäkring applies a simplified method for calculating the risk margin.

4.2.3.15 Recoverables from reinsurance contracts and special purpose vehicles

The amounts recoverable from reinsurance contracts for non-life insurance obligations are calculated separately for premium provisions and claims provisions. The adjustment relates to expected losses due to counterparty default. The adjustment is calculated as the expected present value of the change in cash flows underlying the amounts recoverable from that counterparty, resulting from a possible default of the counterparty or dispute.

The calculation considers the probability of defaults over the lifetime of the reinsurance obligations. It is carried out separately per counterparty and per reserve type. In cases where a deposit has been made for the cash flows, the amounts recoverable are adjusted accordingly to avoid doubling the assets and liabilities relating to the deposit. If Livförsäkring has no special purpose undertakings.

4.2.3.16 Uncertainties connected to the calculations

There is always an inherent uncertainty associated with the calculations of technical provisions since it involves assumptions about future events. The main risk factors affecting reserve risk are described further in Section 3.1 Underwriting risk.

4.3 Liabilities (other than technical provisions)

4.3.1 Deferred tax assets and liabilities

For the Swedish operations, yield tax and income tax are paid. The Danish, Finnish and Norwegian branches pay income tax. Deferred tax attributable to temporary differences between Solvency II values and the equivalent actual taxation is reported in Solvency II.

Deferred tax assets and tax liabilities are reported net in those cases where they pertain to the same tax authority and can be offset against each other. The tax effects of tax loss carry-forwards are reported as deferred tax assets if it is considered likely that they can be used to off-set taxable profits in the future.

Deferred tax assets and tax liabilities are not discounted and are measured at the tax rates expected to apply when the asset is realised, or the liability is settled. The table below presents the tax rates used when calculating deferred tax assets and liabilities.

For the year-end 2025, no deferred tax liability was recognised in the statutory accounts. As an effect of Solvency II valuation adjustments, the deferred tax liability was kSEK 82,778.

Table 12 - Tax rates

Country	2025	2024
Norway	22,0%	22,0%
Finland	20,0%	20,0%
Denmark	26,0%	26,0%

4.3.2 Derivatives

Derivative liabilities are treated the same way as Derivative assets, see Section 4.1.2. Derivatives.

4.3.3 Insurance and Intermediaries' payables

In line with Solvency II classification, insurance and intermediaries' payables include amounts due to policyholders and other insurers as well as payables linked to the insurance business, which are not recognised as a part of the technical provisions. These balances are recognised as the amounts expected to be paid both in the statutory accounts and in Solvency II, as the carrying amount is considered a

[8] Insurance Contracts Act 543/1994.

reasonable approximation of the fair value.

4.3.4 Reinsurance payables

In line with Solvency II classification, reinsurance payables include amounts due to reinsurers and payables linked to reinsurance. No adjustments to these items are necessary in Solvency II.

4.3.5 Payables (trade not insurance)

Payables are disclosed at the amount anticipated to be paid (tax liabilities and premium tax) or at amortised cost. The amortised amount is considered a reasonable estimation of the fair value.

4.3.6 Any other liabilities, not elsewhere shown

In accordance with Solvency II classification, Any other liabilities not elsewhere shown mainly include asset management fee liability against If P&C Insurance Ltd (publ). The carrying amount is considered a reasonable approximation of the fair value. Reinsurers' share of ceded deferred acquisition costs amounting to KSEK 45 are eliminated in Solvency II.

4.4 Alternative Methods for Valuation

The default valuation method in Solvency II is to value assets and liabilities using quoted market prices in active markets (QMP). An active market is typically characterised by quoted prices that are easily and regularly available and that represent actual, and regularly occurring, transactions between independent parties. If quoted market prices in active markets for assets or liabilities are unavailable, the Solvency II valuation method is to use quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences (QMPS). If that option is also unavailable, alternative methods for valuation (AVM) should be applied.

No Solvency II adjustments are necessary for investments or financial liabilities apart from leasing liabilities. As the Solvency II framework bears many affinities and similarities to the IFRS framework when it comes to identification and measurement of financial assets and liabilities, the presentation in Solvency II is based on the disclosures in the statutory accounts. The fair value hierarchy within the IFRS framework is described below.

– Level 1: Quoted prices in active markets.
– Level 2: Level 1 quoted prices are unavailable. Fair value is based on observable market data; and
– Level 3: Inputs that are not based on observable market data.

The table below shows assets and liabilities valued according to QMP/QMPS. Technical provisions and the classes of assets and liabilities for which the carrying amount is considered to be a reasonable estimate of fair value are not included in the table.

All assets are valued at quoted market prices for the same or similar instruments at the time of the balance sheet. Alternative valuation methods are not used.

Table 13 - Solvency II assets measured according to QMP/QMPS, 31 December 2025

KSEK	QMP/QMPS	Total
Government bonds	114,488	114,488
Corporate bonds	611,108	611,108
Derivatives	595	595
Total	**726,191**	**726,191**

4.5 Any other information

There is no other relevant information regarding valuation methodologies for Solvency II purposes.

5 Capital Management

5.1 Own funds

If Livförsäkring shall always maintain an adequate capitalisation. This means ensuring that available capital exceeds the regulatory solvency capital requirement, the target limits set by the Boards of Directors and the internal economic capital requirement. For information about capital measures, see Appendix 1. Explanation of measures used to monitor If Livförsäkring's capital position. In addition, to maintaining capital resources at a sufficient level, If Livförsäkring shall manage its capitalisation in order to balance returns to shareholders with robust long term financial stability.

Available capital is referred to as eligible own funds. According to the Solvency II framework, an insurance company must have own funds amounting to at least the solvency capital requirement.

The solvency capital requirement reflects a level of own funds that enables an undertaking to absorb unforeseen losses and that gives reasonable assurance to policyholders and beneficiaries. The confidence level for the solvency capital requirement is 99.5% which corresponds to an event occurring once in every 200 years. A breach of the solvency capital requirement triggers an intervention by the supervising authorities. The minimum capital requirement reflects a level of own funds where the company, in 85% of all possible outcomes during a year, can meet its commitments.

Available capital above the regulatory solvency capital requirement and the economic capital requirement shall be calculated on a quarterly basis to assess the strength and adequacy of If Livförsäkring's capitalisation, both in normal and under adverse circumstances.

Stress tests to evaluate risk sensitivities shall be performed quarterly. Scenario analyses shall be performed at least yearly and shall cover the financial planning period to evaluate the future capital situation. The calculations shall be performed on a more frequent basis if decided by the Board of Directors, for example in case of low buffers, taking the prevailing and future risk profile and risk view into account.

The annual ORSA process, described in Section 2.3.5. Own risk and solvency assessment is a key tool in assessing whether own funds are sufficient at present as well as over a three-year planning period. The financial plan covers the three-year planning period and considers any planned capital issuances, redemptions or repayments of own fund items. It also outlines how the dividend forecast will affect own funds.

The combination of the above procedures enables effective monitoring and projection of the solvency position and capital needs over the planning period, ensuring that the Board of Directors is provided with relevant input to their business management process and decision-making.

5.1.1 Changes in own funds over the reporting period

Total eligible own funds for the solvency capital requirement coverage increased from kSEK 672,758 to kSEK 707,326 during 2025. The increase is primarily attributable to the profit for the year. No own funds items have been issued or redeemed during the year.

5.1.2 Composition of eligible own funds

Own funds comprise basic own funds consisting of the excess of assets over liabilities in the Solvency II balance sheet, which are fully available to absorb losses. As at 31 December 2025, the company had no items qualifying as ancillary own funds, nor any subordinated liabilities or deferred tax assets that would form part of own funds.

The available own funds are classified into tiers based on their eligibility to cover the Solvency Capital Requirement and the Minimum Capital Requirement. The tiering reflects the degree of loss-absorbency of an undertaking's own funds in the event of liquidation.

5.1.3 Tiering of basic own funds items

The ordinary share capital of KSEK 1,000 (1,000) meets the requirement for inclusion in Tier 1 unrestricted basic own funds items.

On 31 December 2025, the reconciliation reserve amounted to kSEK 706,326 (672,758). The reconciliation reserve presents shareholders' equity according to the statutory accounts, after excluding the ordinary share capital and adjusting for Solvency II valuation differences. A proposed dividend of kSEK 390,000 (150,000) has been deducted from the reconciliation reserve. The reconciliation reserve was fully eligible as own funds and classified as a Tier 1 unrestricted item. All own funds items are undated and thus fulfil the permanence requirements.

Table 14 – Changes in eligible own funds

KSEK	Total	Tier 1 - unrestricted
Eligible own funds for solvency capital requirement coverage at 1 January 2025	**672,758**	**672,758**
Net result	**405,192**	405,192
Other comprehensive income	**-7,447**	-7,447
Change in Solvency II valuation adjustments	**26,823**	26,823
Forseeable dividend	**-390,000**	-390,000
Eligible own funds for solvency capital requirement coverage at 31 December 2025	**707,326**	**707,326**

Table 15 – Tiering of eligible own funds, 31 december 2025

KSEK	Total	Tier 1 - unrestricted
Ordinary share capital	**1,000**	1,000
Reconciliation reserve	**706,326**	706,326
Total basic own funds after deductions	**707,326**	**707,326**

5.1.4 Application of general eligibility limit

The eligible own funds were sufficient to cover both the solvency capital requirement and the minimum capital requirement. All own funds items were classified as Tier 1 unrestricted, and no tiering-related limits applied in the coverage of either the Solvency Capital Requirement or the Minimum Capital Requirement.

Table 16 – Assessment of eligible own funds, 31 december 2025

kSEK	Total	Tier 1 - unrestricted
Total eligible own funds to meet the SCR	**707,326**	707,326
Total eligible own funds to meet the MCR	**707,326**	707,326
SCR	**460,674**	-
Ratio of Eligible own funds to SCR	**154%**	-
MCR	**207,303**	-
Ratio of Eligible own funds to MCR	**341%**	-

5.1.5 Reconciliation of shareholders' equity to Solvency II excess of assets over liabilities

The excess of assets over liabilities is based on shareholders' equity when all assets and liabilities are revalued in accordance with the Solvency II regulation, as reported in QRT S.02.01.02 and S.23.01.01. For the items that are revalued from the statutory accounts to the Solvency II balance sheet as shown in Table 17, more detailed explanations are provided in Chapter 4 Valuation for Solvency purposes.

Table 17 – Reconciliation of Solvency II eligible own funds

KSEK	2025	2024
Ordinary share capital	1,000	1,000
Statutory reserve	41,965	41,965
Fair value reserve	0,0	0,0
Retained earnings and net income for the year	687,693	439,948
Total equity and untaxed reserves statutory accounts	**730,658**	**482,913**
Solvency II valuation adjustments		
Deferred Acquisition Cost	-176,198	-199,006
Changes in deferred taxes	-80,949	-74,713
Changes in net technical provisions	623,815	613,563
Sum of all reconciling movements, due to differences in valuation	**366,668**	**339,844**
Excess of assets over liabilities, Solvency II balance sheet template	**1,097,326**	**822,758**
Proposed dividend	-390,000	-150,000
Total available basic own funds, reported in the own funds QRT	**707,326**	**672,758**

5.2 Solvency capital requirement and minimum capital requirement

If Livförsäkring applies the Standard Formula (SF) for calculating the regulatory Solvency Capital Requirement (SCR). If Livförsäkring does not use company-specific parameters in the risk modules for life insurance or simplified calculations for the risk modules (or subgroups) of the standard formula.

The standard model formula is based on stress tests and predetermined risk factors that are common to all companies. The solvency capital requirement for each individual risk is then determined as the difference between the net asset value on the unstressed balance sheet and the net asset value on the stressed balance sheet. The individual risk capital amounts are combined between the risks within the model using a specified correlation matrix and matrix multiplication.

If Livförsäkring's pre-tax solvency capital requirement consists of a primary solvency capital requirement and an operational risk capital requirement. To calculate the solvency capital requirement, a tax adjustment is subtracted from the pre-tax solvency capital requirement (which represents the loss-absorbing capacity of the deferred tax). The figure below summarises If Livförsäkring's regulatory solvency capital requirement based on the standard formula.

On 31 December 2025, the solvency capital requirement amounted to KSEK 460,674. In addition to underwriting risk, market risk dominates the calculation of the primary solvency capital requirement.

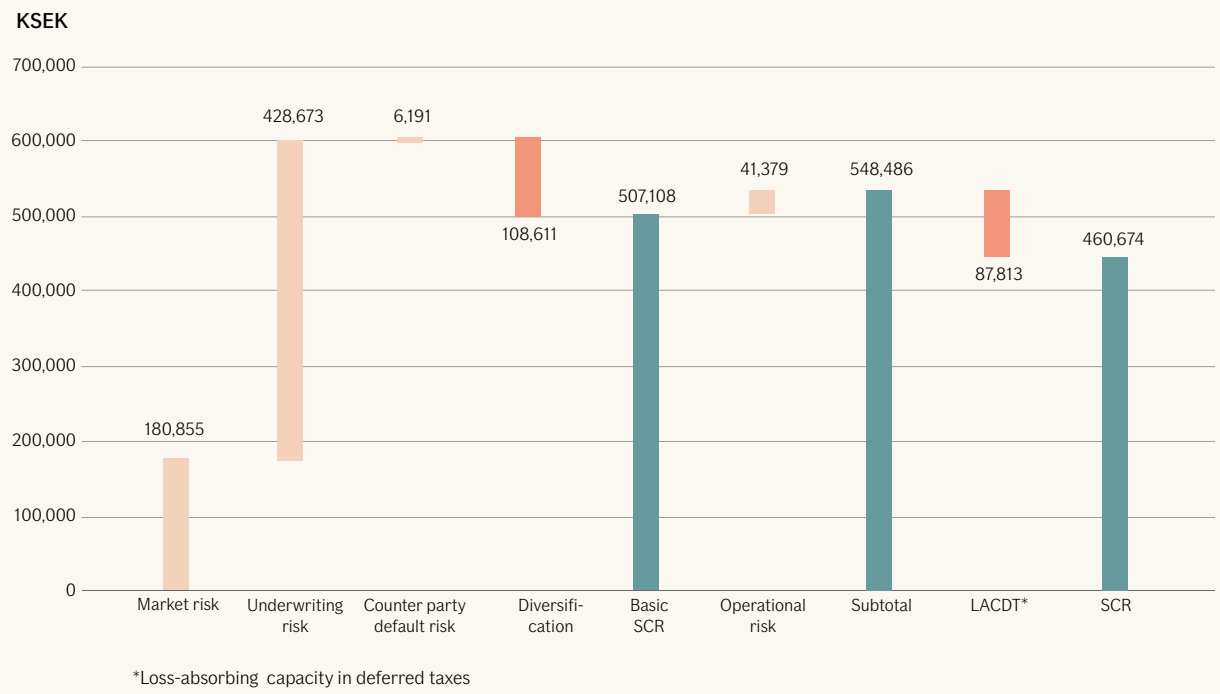
The linear minimum capital requirement is calculated by adding two factors. The first applies to technical provisions (excluding the risk margin), net of reinsurance, to a minimum value of zero. The second applies to the entire sum of risks.

The intention is that the minimum capital requirement is calibrated to the Value-at-Risk of the basic own funds, subject to a confidence level of approximately 85% over a one-year time horizon.

The minimum capital requirement must be in the range between 25% and 45% of the solvency capital requirement and never below 4 MEUR. The linear minimum capital requirement on 31 December 2025 corresponds to the upper limit of the minimum capital requirement of kSEK 207,303, and the maximum level of the minimum capital requirement, which is 45 percent of the solvency capital requirement.

Further disclosure of If Livförsäkring's solvency capital requirement and minimum capital requirement are included in QRT S.25.05.21 and S.28.01.01 respectively.

Figure 15 – Regulatory Solvency Capital Requirement, 31 December 2025



5.2.1 Loss-absorbing capacity in deferred taxes

When demonstrating the utilisation of the loss-absorbing capacity of deferred taxes it is assumed that the eligible own funds pre-tax decrease corresponding to the solvency capital requirement (SCR shock). Current net deferred tax liabilities are used to the extent possible to offset loss. The remaining part is justified with increases in deferred tax assets following available future taxable profit.

Table 18 – Description of loss-absorbing capacity in deferred tax, 31 December 2025

KSEK	2025
Justified by reversion of deferred tax liability	58,145
Justified by reference to probable future taxable economic profit	29,667
Total	**87,813**

To demonstrate the probability of future available taxable profit, the following assumptions are made:

- The financial plan is adjusted for the increased lapse rates following the SCR shock and the effect is kept constant throughout the financial planning period.
- The effects of the SCR shock on the balance sheet and future available taxable profits are explicitly considered.
- A capital injection is assumed post SCR shock to restore the solvency ratio to 100%.
- New business sales beyond the financial planning period are not assumed and appropriate haircuts are applied to profits that materialise after the financial planning period.
- The investment forecast is adjusted to be in line with the risk-free rate of return following the SCR shock. It is that risk premiums continue to be earned on the equity and corporate bond portfolios post shock.

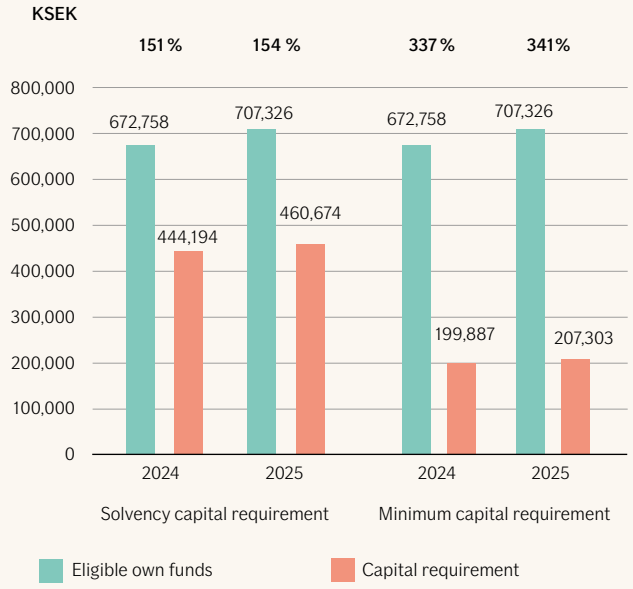
5.2.2 Capital position

On 31 December 2025, the solvency capital requirement ratio amounted to 154% (151) and the minimum capital requirement ratio to 341% (337).

During the year the solvency capital requirement increased from kSEK 444,194 to kSEK 460,674. The increase is broadly reflected across all risks and is primarily driven by overall volume growth in the underlying portfolio. The minimum capital requirement has increased from kSEK 199,888 to kSEK 207,303 during the year driven by the increased solvency capital requirement.

The regulatory solvency ratios are shown in the figure below.

Figure 16 – Overview of If Livförsäkring's capital and solvency, 31 December 2025



Based on the financial plan[9], If Livförsäkring is considered to have a strong capital structure and solvency position, a high level of profitability and stable results. If Livförsäkring is considered to be in a good position to generate capital and to maintain a level of capital needed to support risks and business objectives going forward.

5.3 Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

The duration-based equity risk sub-module is not used by If Livförsäkring.

5.4 Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

If Livförsäkring has at no point in time during the year been non-compliant with the minimum capital requirement or the solvency capital requirement.

5.5 Any other information

No other material information regarding capital management has been deemed relevant to report.

[9] Decided by the Board of Directors in December 2025.

Appendix

Appendix 1. Explanation of measures used to monitor If Livförsäkring's capital position

Measure	Eligible Own Funds (EOF)
Economic Capital (EC): Economic capital is based on the Sampo Group internal model and is a risk measure used in the quantification of the own solvency needs, risk reporting and decision-making. Economic capital is calculated by aggregating the underwriting risk and the market risk from the internal model. The remaining risks are calculated using the Solvency II standard formula. The loss coverage capacity for deferred tax is considered. Economic capital is defined as the difference between the expected result and the simulated result at a 99.5% percentile over a one-year horizon (1-in-200 years).	The eligible own funds for the coverage of economic capital are based on the Solvency II balance sheet, where the risk margin is calculated based on the economic capital.
Solvency Capital requirement According to Standard Formula (SF SCR): The solvency capital requirement is calculated by using the Solvency II standard formula. The loss coverage capacity for deferred tax is considered. The solvency capital requirement reflects a level of eligible own funds that enables insurance and reinsurance undertakings to absorb significant losses. It also gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. The confidence level for the solvency capital requirement is 99.5% over one-year horizon.	The eligible own funds for the coverage of the solvency capital requirement are based on the Solvency II balance sheet, where the risk margin is calculated based on the standard formula.
Minimum Capital Requirement (MCR): The level of the minimum capital requirement should constitute 25-45% of the solvency capital requirement. The minimum capital requirement must be at least 4.0 MEUR. The intention is that the minimum capital requirement is calibrated to the Value-at-Risk of the basic own funds, subject to a confidence level of approximately 85% over a one-year time horizon.	The eligible own funds for the coverage of the minimum capital requirement are based on the Solvency II balance sheet along with own funds for the coverage of the solvency capital requirement. There are however additional restrictions on the inclusion of specific eligible own fund items.

Appendix 2. Quantitative reporting templates

The following reporting templates (QRT) are included as attachments to the report. The files can be found on www.if.se/solvens-och-verksamhetsrapporter
S.02.01.02 Balance sheet
S.04.05.21 Premiums, claims and expenses by country
S.05.01.02 Premium, claims and expenses per line of business
S.12.01.02 Life and Health SLT technical provisions
S.23.01.01 Own funds
S.25.01.21 Solvency Capital Requirement – standard formula
S.28.01.01 Minimum capital requirement

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