

Information till dig med försäkring hos Euroben

Ni får denna information eftersom ni har en försäkring hos Euroben Life & Pension DAC (Euroben). Euroben kommer att fusioneras in i SPP Pension & Försäkring AB (publ) (SPP). Detta innebär att alla Eurobens försäkringar kommer, genom en beståndsöverlåtelse, föras över till SPP som blir ny försäkringsgivare.

Beståndsöverlåtelsen sker automatiskt och ni som försäkringstagare behöver inte vidta några åtgärder.

Eftersom Euroben är ett irländskt försäkringsbolag, kräver den föreslagna fusionen irländska High Courts och Irlands Centralbanks samt svenska Finansinspektionens godkännande. I enlighet med irländsk lag informerar vi därför er om den föreslagna beståndsöverlåtelsen och fusionen. **I bifogade dokument kan ni läsa mer om processen.**

VAD INNEBÄR FUSIONEN?

Efter genomförd fusion ändras avtalsparten från Euroben till SPP. Försäkringsvillkoren, era rättigheter och förmåner kopplade till försäkringen påverkas inte av denna process.

I fortsättningen kommer ni att få information gällande era försäkringar från SPP och om ni har frågor kontaktar ni SPPs kundservice eller loggar in på spp.se.

Ni kan läsa mer om vad det här betyder för er och vad som kommer att hända nu i de bifogade dokumenten. Ytterligare information finns även på euroben.ie/merger och spp.se/fusioneuroben.

Vänliga hälsningar



Andreas Ljungdahl
VD Euroben, svensk filial

Bilagor: Scheme of Transfer – Summary
Summary of the Independent Actuary's Report
Legal notice

Sammanfattning av beståndsöverlåtelseavtalet

I detta dokument (Dokumentet) kan du läsa mer om den föreslagna beståndsöverlåtelsen av Euroben Life & Pension DAC:s (Euroben) försäkringsverksamhet till SPP Pension & Försäkring AB (publ) (SPP). Euroben och SPP ingår båda i Storebrand Group (<https://www.storebrand.no/en/>).

BESTÅNDSÖVERLÅTELSEN FRÅN EUROBEN TILL SPP

I Irland kräver den juridiska processen genom vilken försäkringsverksamhet kan övergå från en försäkringsgivare till en annan irländska High Court:s godkännande genom en beståndsöverlåtelse (beståndsöverlåtelsen). För att kunna genomföra beståndsöverlåtelsen måste den juridiska processen följas och ett antal viktiga skydd för försäkringstagarna ska beaktas.

Samtidigt som beståndsöverlåtelsen träder i kraft föreslås det att Euroben ska fusioneras in i SPP enligt de irländska EG-förordningarna (gränsöverskridande fusioner) 2008 (de irländska reglerna) och den svenska aktiebolagslagen och försäkringsrörelselagen (de Svenska reglerna) (Fusionen).

Syftet med Fusionen är att, när den föreslagna beståndsöverlåtelsen träder i kraft, alla Eurobens tillgångar och skulder ska bli SPP:s tillgångar och skulder och Euroben ska avvecklas utan att träda i likvidation.

Förutsatt att alla nödvändiga lagstadgade godkännanden erhålls förväntas beståndsöverlåtelsen träda i kraft den 1 november 2021 kl. 00.00.01 svensk standardtid (UTC +1) (eller annan tidpunkt då Fusionen ska registreras av den svenska Bolagsverket (Ikraftträdandedatumet).

HUR SKYDDAS FÖRSÄKSTAGARNA?

Dokumentet är en del av den fastställda juridiska processen som syftar till att säkerställa att försäkringstagarnas intressen skyddas och att de får fullständig information om den föreslagna beståndsöverlåtelsen.

Ingen åtgärd behövs med anledning av beståndsöverlåtelsen. I det fall ni har invändningar gällande beståndsöverlåtelsen finns möjlighet att få dem prövade som en del av denna rättsprocess.

När beståndsöverlåtelsen har genomförts kommer försäkringarna att tillhandahållas av SPP, som ny försäkringsgivare. Detta innebär att dina rättigheter som försäkringstagare istället riktas till SPP.

Det kommer inte att göras några ändringar i försäkringsvillkoren, era rättigheter eller de förmåner som kan betalas till försäkringstagarna.

Sammanfattning av den oberoende aktuarierapporten

OBEROENDE AKTUARIERAPPORT TILL FÖRSÄKRINGTAGARNA

För att skydda försäkringstagarnas intressen och, i enlighet med lagen, har en oberoende aktuarie granskat villkoren för den föreslagna beståndsöverlåtelsen. Granskningen har utförts av Olive Gaughan hos Mazars i Irland.

En sammanfattning av den oberoende aktuarierapporten om följderna av den föreslagna beståndsöverlåtelsen för försäkringstagarna är inkluderat i detta dokument.

Den oberoende aktuarierapporten har kommit fram till att säkerheten avseende fördelar för försäkringstagarna i både Euroben och SPP inte väsentligt kommer att påverkas av den föreslagna beståndsöverlåtelsen. Kommunikation och tillgänglighet till kundservice kommer inte heller att påverkas av beståndsöverlåtelsen.

Den fullständiga oberoende aktuarierapporten kan du ta del av på www.euroben.ie/merger.

Kopia av rättsligt meddelande

GENOMFÖRANDET AV DEN FÖRESLAGNA BESTÅNDSÖVERLÅTELSEN

Den föreslagna beståndsöverlåtelsen kräver inte försäkringstagarnas samtycke men den måste godkännas av den irländska High Court. En ansökan avseende den föreslagna beståndsöverlåtelsen lämnades in till irländska High Court, av Euroben:s styrelse, den 14 juni 2021.

Denna ansökan kommer att prövas av irländska High Court den 14 oktober 2021 kl. 09.30 GMT / 10.30 CET (Prövningen). Eventuella ändringar av detta datum kommer att anges på www.euroben.ie/merger.

Irländsk High Court har möjlighet att den 14 oktober 2021 höra berörda personer (inkl. försäkringstagare) vilka har rätt att meddela sina invändningar gällande beståndsöverlåtelsen. Domstolen kan godkänna beståndsöverlåtelsen om den anser att ingen tillräcklig invändning har fastställts.

Om beståndsöverlåtelsen godkänns av irländska High Court kommer den att träda i kraft den 1 november 2021 eller ett alternativt datum som har godkänts av High Court.

YTTERLIGARE INFORMATION

Om ni har frågor är ni välkomna att kontakta oss:

E-post: scheme@euroben.se

Telefon: +46 771 88 91 60

Adress: Euroben Life & Pension Designated Activity Company Ireland, Sverige Filial,
Box 6700, SE-113 85 Stockholm, Sverige

Dessa kontaktuppgifter finns också på Eurobens webbplats www.euroben.ie/merger. Mer information och dokument om den föreslagna beståndsöverlåtelsen finns också på webbplatsen.

Fram till den 14 oktober, finns information för granskning, på nedan angivna adress under kontorstidstid (kl. 08.00–16.00).

FÖRETAG	KONTOR	TILLGÄNGLIG INFORMATION
Euroben	Block 4, Regus Harcourt Centre, Harcourt Road, Dublin 2, D02 T677, Ireland Och på vår webbplats www.euroben.ie/merger .	Framställning till irländska High Court • Beståndsöverlåtelseavtalet • Detta Dokument • Den oberoende aktuarierapporten
Våra advokater i Irland: Matheson	70 Sir John Rogerson's Quay, Dublin 2, Ireland	

SLUTSATS

Euroben, SPP och den oberoende aktuarien anser att den föreslagna beståndsöverlåtelsen i sak inte kommer att påverka försäkringstagarnas rättigheter och förmåner, varken i Euroben eller SPP.

Om ni ändå vill ha ytterligare information om den föreslagna beståndsöverlåtelsen och hur den kan påverka din försäkring är ni välkomna att kontakta oss eller läsa mer på euroben.ie/merger.

Euroben står under tillsyn av den irländska tillsynsmyndigheten för finansiella tjänster, Irlands Centralbank, som har följande postadress: Central Bank of Ireland, PO Box 559, Dublin 1.

SPP står under tillsyn av svenska Finansinspektionen, som har följande postadress: Finansinspektionen, Box 7821, 103 97 Stockholm, Sverige.

Scheme of Transfer – Summary

The following is a summary of the proposed scheme of transfer between Euroben Life & Pension DAC ("**Euroben**") and SPP Pension & Försäkring AB (publ) ("**SPP**") (the "**Scheme of Transfer**"). A copy of the Scheme of Transfer can be viewed at www.euroben.ie/merger. The Irish High Court will consider the Scheme of Transfer on 14 October 2021.

Background

It has been agreed that Euroben, an Irish registered insurer regulated by the Central Bank of Ireland (the "**Central Bank**"), will transfer its business (defined in the Scheme of Transfer as the "**Euroben Business**") to its direct 100% parent, a Swedish insurance undertaking. Euroben and SPP are both part of the Storebrand Group (<https://www.storebrand.no/en/>).

The legal interest in the Euroben Business will be transferred by Euroben to SPP by way of a portfolio transfer to be effected pursuant to Section 13 of the Assurance Companies Act 1909 and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (the "**Portfolio Transfer**").

Subject to the approval of the Central Bank and the Irish High Court (the "**Court**"), it is anticipated that Euroben will also merge with SPP in accordance with the Irish European Communities (Cross-Border Mergers) Regulations 2008 ("**CBM Regulations**") and the Swedish Companies Act (Swe. "aktiebolagslagen") and Insurance Business Act (Swe. "försäkringsrörelselagen") (the "**Swedish Regulations**"). It is intended that the Portfolio Transfer and Merger processes will be aligned so that both will take effect at 00:00:01 Swedish Standard Time (UTC +1) on 1 November 2021 or at such other time as the Merger shall be registered by the Swedish Companies Registration Office, *Bolagsverket* (the proposed effective date).

The terms of the transfer of the Euroben Business are set out in the Scheme of Transfer. Subject to receipt of the required sanction of the Irish High Court, the Euroben Business will be transferred pursuant to the Scheme of Transfer. Every policyholder shall become entitled in substitution of any rights enforceable by or available under a Euroben policy against Euroben to the same right or rights against SPP, and the obligations of every such policyholder shall become enforceable (so far as still subsisting) by SPP in place of Euroben.

Terms and Conditions

The terms and conditions applying to all Euroben Policies (as defined in the Scheme of Transfer), will remain unchanged following the transfer. SPP will, following the Scheme Effective Date, operate the policies and contracts in place of Euroben.

Continuity of Proceedings

On and with effect from the Scheme Effective Date, any judicial, quasi-judicial or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether current or future) by or against Euroben in connection with the Euroben Business shall be continued by or against SPP.

Modifications or Additions

Euroben and SPP together may consent to and agree on behalf of all other persons concerned by the Scheme of Transfer to any amendment, modification of or addition to the Scheme of Transfer or to any other further condition or provision, which the Irish High Court may approve prior to the sanction of the Scheme of Transfer.

Scheme of Transfer – Summary

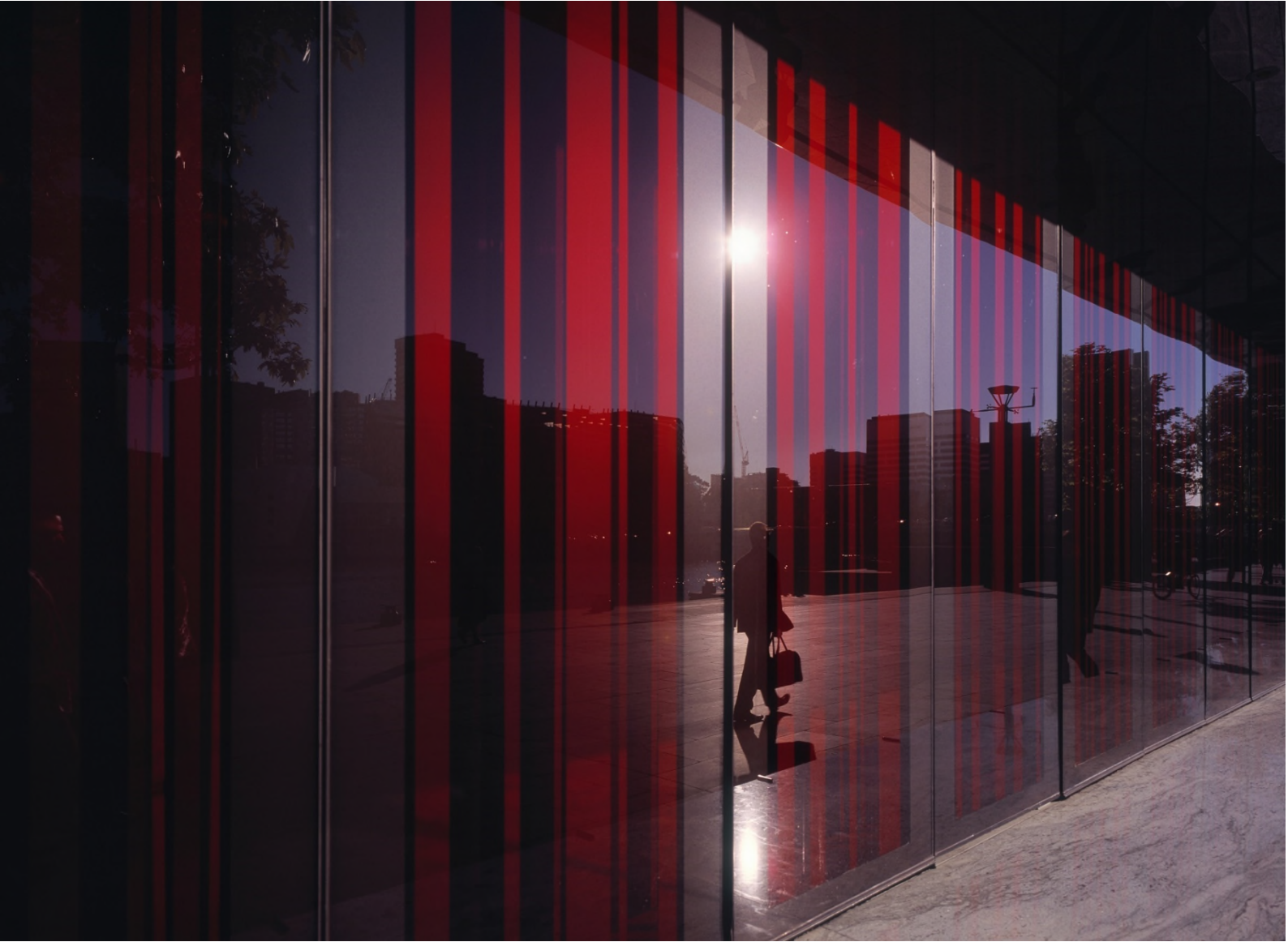
After the Scheme Effective Date, SPP may vary the terms of the Scheme of Transfer with the consent of the Court.

Costs of the Scheme of Transfer

SPP will bear the costs of implementing the Scheme of Transfer. Policyholders will not bear any costs in respect of the Scheme of Transfer.

Governing Law

The Scheme of Transfer is governed by and construed in accordance with the laws of Ireland.



Summary Report of the Independent Actuary
Proposed transfer of business from
Euroben Life & Pension DAC
to
SPP Pension & Försäkring AB

Prepared by: Olive Gaughan, FSAI

21st May 2021

mazars

Contents

1.	PURPOSE	3
2.	OVERVIEW	3
3.	SCOPE OF THIS REPORT	4
4.	THE ROLE OF THE INDEPENDENT ACTUARY	5
5.	REGULATORY BACKGROUND.....	5
6.	THE TRANSACTION.....	6
7.	DATE AND CURRENCY OF FIGURES	6
8.	RELATIONSHIP BETWEEN EUROBEN & SPP	6
9.	EUROBEN SUMMARY	7
10.	SPP SUMMARY	7
11.	SOLVENCY POSITION AND OUTLOOK.....	8
12.	IMPACT OF THE SCHEME	9
13.	COVID-19.....	10
14.	RELIANCES & LIMITATIONS.....	10
15.	OPINION.....	11

1. Purpose

I, Olive Gaughan, have been engaged to act as Independent Actuary (“IA”) on the proposed portfolio transfer of insurance business from Euroben Life & Pension Designated Activity Company (“Euroben”) to its parent SPP Pension & Försäkring AB (“SPP”) (together referred to as the “Scheme Companies”). This Summary Report has been prepared for circulation to Euroben Policyholders in order to communicate my opinion, as IA, of the likely effects of the portfolio transfer on the policyholders of the Scheme Companies.

2. Overview

Euroben is a small Irish authorised insurer in run-off which will eventually become unviable due to diseconomies of scale, while its parent SPP is a much larger Swedish authorised insurer, growing successfully with strong solvency outlook, and already providing the majority of Euroben’s administrative, financial and investment activities through intra-group shared service arrangements.

It is proposed to transfer the entire portfolio of insurance contracts (the “Insurance Portfolio”) of Euroben to its parent SPP. Under this proposal, Euroben will transfer the economic risks, benefits, legal title and primary gross exposure of its insurance business under the provisions of Section 13 of the Assurance Companies Act 1909 and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015) (the “Transfer”). The terms covering the proposed Transfer are set out in a draft scheme that will be presented to the Irish High Court (the “Scheme”). Hereafter I refer to the portfolio transfer as the Scheme.

In parallel with the Scheme, Euroben and SPP will merge by way of a cross-border merger by absorption pursuant to the European Communities (Cross Border Merger) Regulations 2008 (the “Merger”). All remaining assets and liabilities of Euroben other than the Insurance Portfolio will “transfer” to SPP pursuant to the Merger. Euroben will be dissolved without going into liquidation following the completion of the Merger.

It is intended that the transfer of the Euroben Business to SPP will take effect from 00:00:01 Swedish Standard Time (UTC +1) on 1 November 2021 (or at such other time as the Merger shall be registered by the Swedish Companies Registration Office, the Bolagsverket) (the “Effective Date”). Hereafter I refer to the combined event of the Scheme and the Merger as the “Transaction”, and refer to the “Scheme” and the “Merger” separately where a distinction is required. This Summary Report describes the proposed Transaction and its potential impact on the relevant policyholder groups within both Euroben and SPP particularly in terms of security of benefits, policyholder reasonable expectations and levels of customer service.

SPP has stated that the benefits of merging the entities are as follows:

- *“Increased operational robustness and a reduced risk adherent to the current size of Euroben and the dependency on two staff.*
- *Increased operational synergies, and thus positioning for continued margin pressure. This is expected to reduce the pressure for increases in charges that would otherwise arise over time in Euroben because it is a closed book.*
- *Expanded investment universe for Euroben policyholders, adherent to larger size investment operations within SPP.*
- *Simplifies corporate and governance structure of the Group.”*

In assessing the Scheme, I have considered the wider context of the Transaction, the relative circumstances of the 2 firms and the overall rationale for the Scheme insofar as these affect the likely impacts of the Scheme on policyholders of both firms. While the majority of policyholders are corporate entities with insured pension scheme arrangements for their current and past employees, I have looked through to consider also the interests of the insured lives and beneficiaries themselves. Formally speaking, these corporate entities are the “policyholders” insofar as the insurer has issued a group “policy” to the corporate entity. Nevertheless throughout this Summary Report, unless otherwise stated, references to “policyholder(s)” are understood to include also insured lives and beneficiaries, while references to “Policyholder(s)” with a capital “P” shall mean the formal policyholders exclusive of any related insured lives and beneficiaries.

My assessment is based on review of information provided by Euroben and SPP, including favourable reports on the Transaction impacts to policyholders from the respective Heads of Actuarial Function (“HoAF”) of these firms.

I conclude with the favourable opinion that I would not expect the Scheme to generate any material adverse impacts (direct and indirect) to the policyholders of either firm, in particular in respect of the following key criteria:

- 1) **Benefit Security:** This means security of guaranteed benefits and is largely based upon the financial strength of the insurer, i.e. Euroben or SPP, pre and post Transaction.
- 2) **Policyholder Reasonable Expectations (“PRE”):** This means a reasonable interpretation of policyholder expectations regarding future discretionary benefits and variable charges, and is largely based upon the policyholder contract terms and conditions (“T&C”), policyholder communications and prior practice in relation to distribution of discretionary benefits and variation of charges.
- 3) **Customer Service:** This means all aspects of the relationship between the policyholder and the insurer, other than the benefits and charges covered above, and would cover matters such as responsiveness to queries and complaints handling.

3. Scope of this Report

This Summary Report is prepared in conjunction with a more detailed Report (the “IA Report”) that has been prepared for the purposes of Section 13 of the Assurance Companies Act 1909 (the “1909 Act”). The Summary Report is based on the executive summary section of the IA Report. The IA Report is intended to be submitted as evidence to the Irish High Court (“the Court”) to aid in its deliberations on the sanction of the portfolio transfer.

The scope of my work relates to assessment of whether the Scheme might generate any material adverse impacts (direct or indirect) to the affected policyholders of either firm, in particular in respect of benefit security, policyholder reasonable expectations (“PRE”) and customer service. The IA Report sets out in greater detail the factors I have considered in assessing the Scheme and reaching my opinion. I am satisfied that this Summary Report provides an appropriate overview of my findings for the purpose of the intended audience (the Euroben Policyholders), in the context of the communications plan that is in place, noting that a copy of the IA Report will also be available via a dedicated webpage relating to the Transaction.

This scope of my work is limited in to the assessment of this Scheme alone and not to any other possible scheme.

4. The Role of the Independent Actuary

I, Olive Gaughan, am a Fellow of the Society of Actuaries in Ireland (“SAI”) and a Fellow of the Institute & Faculty of Actuaries (“IFoA”) in the UK. I am a Director at Mazars and leader of the Mazars in Ireland Actuarial practice. I have approximately 30 years of experience in the Irish life insurance industry. My full biography is included in the IA Report.

An IA report is required under section 13 of the 1909 Act. I have been appointed jointly by the Scheme Companies to act as the IA in connection with the Transfer. The terms on which I was formally appointed as the Independent Actuary are set out in “the Engagement Letter” dated 27th January 2021.

My role as IA is to advise the Court as to the likely consequences of the Scheme on affected policyholders, so that the Court may understand whether any such policyholders might suffer detriment under the Scheme. My role does not include opining on the Merger or the Transaction as a whole, however in order to opine on this Scheme an understanding of the Transaction in its entirety is essential. Therefore, I have sought information on, considered and assessed the whole Transaction during my work. Furthermore, my opinion on the Scheme does not relate to the proposed Scheme in isolation but relates only to the Scheme within the context of the proposed Transaction because the transfer of the assets of Euroben to SPP occurs under the Merger rather than the Scheme.

I have complied with professional guidance issued by the SAI, namely ASP LA-6 (Transfer of long-term business) and ASP PA-2 (General Actuarial Practice). I have also complied with and APS X2 (Review of Actuarial Work) of the IFoA.

To the best of my knowledge, neither I nor Mazars have any conflicts of interest in connection with the parties involved in the proposed Transaction and I consider myself able to act as an Independent Actuary on this transaction.

5. Regulatory Background

The Transfer is a process specific to insurance whereby specified portfolios of insurance are transferred from one insurance entity to another with the sanction by the Irish High Court. This Court approval is required under Section 13 of the 1909 Act, which requires inter alia, in the case of the transfer of life insurance business, the appointment of an independent actuary who must write a report addressed to the Irish Court on the Scheme.

The cross-border Merger “by absorption” is a separate process not specific to insurance whereby a wholly-owned entity is subsumed into its parent in another member state in the European Economic Area without need for liquidation.

The Scheme provides for the Transfer to move Euroben’s Insurance Portfolio to SPP. The Merger moves all other assets, rights and obligations of Euroben to SPP. As the assets and associated rights and obligations of Euroben are required to support the Insurance Portfolio, **the Transfer and the Merger must occur simultaneously**. While an IA opinion on the Merger is not required or sought, I have determined that, given the nature of the proposal, it is essential for me to understand and assess the Transaction in its entirety due to the inextricable link between the Scheme and the Merger.

The Court process for the Scheme comprises two hearings: the initial motion for directions (“First Hearing”) followed by the hearing of the petition, when final approval of the Scheme will be sought (“Second Hearing”). If thought fit, the Court will approve the Scheme at the Second Hearing.

6. The Transaction

The proposed Transaction will move all of Euroben's business into its parent SPP, with SPP taking on all of the rights and obligations of Euroben which will then cease to exist. As outlined above, it will be effected by two legal processes conducted in parallel, namely a "Merger by Absorption" ("the Merger") and a "Section 13 Transfer" ("the Scheme").

The Transaction itself is described in separate legal documents covering respectively the Scheme and the Merger, this separation being necessary to facilitate the distinct Court processes. In some of the underlying documents the Scheme may also be referred to as the "Scheme of Transfer" while the Merger may be referred to as the "Common Draft Terms" or "CDT". I will not use these alternative designations but mention them to avoid confusion if a reader comes across them. Throughout much of this Report, I will simply refer to the Transaction as a whole.

7. Date and Currency of Figures

Unless otherwise stated, the figures presented in this Summary Report have been evaluated as at 31st December 2020 and are denominated in Swedish Kronor (SEK) where 1 MSEK equates to one million Swedish Kronor.

All of Euroben's and SPP's business is Swedish and all of the liabilities are denominated in Swedish Kronor (SEK). Both firms report their internal and regulatory figures in SEK. For reference purposes only:

- 1 Euro is worth about 10 Swedish Kronor.
- The ultimate parent, Storebrand ASA, is a Norwegian company which reports in Norwegian Kroner (NOK): the Swedish Kronor and the Norwegian Kroner tend to be roughly equal in value.

The relationships between these currencies do fluctuate so the above are provided solely to provide a rule of thumb for the reader.

8. Relationship between Euroben & SPP

Euroben is a wholly owned subsidiary of SPP, a large and growing occupational pensions specialist insurance company within the Storebrand Group (the "Group") whose activities are focused on pensions and investment management across Sweden and Norway, where Storebrand and SPP have a strong market presence and reputation. In terms of indicative size by assets under management (AUM):

- 1) Euroben has AUM of ca. MSEK 10,000 (i.e. 10 billion Swedish Kronor, or about 1 billion Euro);
- 2) SPP is 20 times the size of Euroben, with AUM of ca. MSEK 200,000 (i.e. 200 billion Swedish Kronor, or about 20 billion Euro); and
- 3) Storebrand is 90 times the size of Euroben, with AUM of ca. MSEK 900,000. (i.e. 900 billion Swedish Kronor, or about 90 billion Euro). Storebrand is listed on the Oslo Stock Exchange.

SPP's financial strength is managed robustly within the Group with a current solvency ratio of 156% (well above the general minimum of 100%), and with a positive future outlook. The SPP dividend policy and capital management approach ensures that capital is held at the appropriate level within the Group while ensuring that solid solvency strength is maintained at entity level, thereby enabling the Group to utilise capital in line with their strategic plans and objectives.

SPP's business is the management of pension scheme arrangements on behalf of corporate clients, including associated insurance arrangements. Euroben's business is all written through its Swedish

branch and is of exactly the same nature as SPP's non-linked traditional business, including corporate clients common to both entities. The vast majority, ca. 95% by AUM, of Euroben's business relates to a single insured pension scheme for one corporate client ("the Occupational Pension plan"), while the remaining portion relates to "EuroPlan" annuity business with individual plans for about 40 other firms, many of which are also key clients of SPP.

The original reason to set up Euroben in 2000, as an Irish entity separate from SPP, now no longer applies. This reason related to demand from potential Norwegian pension clients to hold higher levels of equities than were permitted at the time in Norway. The main reason for the major corporate client to move to Euroben in 2007 also no longer applies.

Euroben formally closed to new business in 2014. There is still a small volume of premium income on existing plans. Overall Euroben is in run-off and, as the AUM, and hence fee income, dwindles, it will eventually become unviable as a separate legal entity. Euroben has set the expectation with its major corporate client that the current arrangement will need to change in the medium-term. Moreover, the vast majority of administration and investment services provided to Euroben are outsourced within the Group. These factors provide a compelling rationale to simplify the Group structure and integrate Euroben with its parent and main service provider SPP.

At the time of writing, the Group has stated that it has no plans to change its corporate structure or ownership, before or after the proposed transfer, in such a manner as to weaken or invalidate this rationale.

9. Euroben Summary

In exchange for the pension services provided, Euroben covers its expenses and profit by charging fees based on AUM to the pension plans. The income for Euroben relates to these fees together with investment income on shareholder assets, while outgo relates to the expenses of running the business plus any benefit payments arising from pension plan shortfalls. The surplus position of most plans means that such benefit payments are expected to be minimal, while investment income on shareholder funds is low in the current interest rate environment, and the expenses are largely fixed (net of the investment fees passed back to Group). Most of Euroben's net income therefore derives from the fees on the AUM less the fixed costs. Fees on the pension plans are reviewable periodically (by Euroben) and the Occupational Pension plan may be moved (by the client) to another provider subject to a notice period. As the Occupational Pension plan runs off the fee income will fall unless fees are increased, and ultimately Euroben will become unviable.

10. SPP Summary

The following factors summarise the key attributes of SPP:

- 1) SPP is a major player in the Swedish occupational pensions market and is growing both its top line (premium income) and its bottom line (profit after tax).
- 2) SPP has a solid solvency position and a positive solvency outlook.
- 3) SPP already provides the vast majority of the services required by Euroben, its business model includes products like those of Euroben, and its client base overlaps with that of Euroben. In effect the only services not provided via SPP are those relating to maintenance of a separate legal entity in Ireland, namely 2 senior executives (CEO and CRO), the outsourced Head of Actuarial Function (provided by Willis Towers Watson, WTW) the outsourced legal services (provided by Matheson) and external audit (provided by PwC). Under the Transaction, from a policyholder viewpoint, despite

the legal entity and name change, customers will continue to deal with SPP personnel currently servicing Euroben’s Swedish branch.

- 4) Euroben and SPP alike are governed by corporate policy and practice cascaded from the Group (for example, relating to handling complaints). This point serves to reinforce the continuity of service policyholders may expect under the Transaction.
- 5) SPP has traditional non-linked products which are similar to those of Euroben together with unit-linked products more suited to the demands of the modern occupational pensions market. While SPP remains committed to its traditional business, the unit-linked market carries the emphasis for new sales and already constitutes roughly half of the existing business.
- 6) SPP pension plans similar to those in Euroben have significantly lower levels of surplus than the Euroben plans. While Euroben needs to reserve for small shortfalls on only a small number of EuroPlan contracts, SPP exposure to such shortfalls is more significant. These shortfalls are included in the technical provisions and are covered by available capital in the solvency position both now and in the outlook under the “Own Risk & Solvency Assessment” (“ORSA”).

11. Solvency Position and Outlook

I have considered the impact of the Transaction on the financial position of the merged entity relative to the existing positions of the Scheme Companies. I have based this assessment on the Solvency II framework which is common to the solvency reporting and regulatory returns required for Euroben and SPP. The pro forma solvency position for the Scheme Companies at YE20 and the expected position of SPP after the transaction are shown in the table below.

Solvency as at YE20 MSEK	Pre-Transaction		Post-Transaction	
	Euroben	SPP	SPP	Change
Own Funds	346	14,596	14,643	47
Solvency Ratio	262%	156%	155%	0%
Surplus assets in excess of SCR	214	5,220	5,219	(1)

The following points summarise the financial profile following the Transaction (and allowing for the SPP dividend):

- 1) Solvency position from Euroben perspective:
 - a) The solvency positions of the Occupational Pension Plan and EuroPlan policies are unchanged, since the assets supporting these policies are not available to cover any other liabilities.
 - b) The solvency position of Euroben (i.e. the Shareholder) changes from 262% to 155%. While this represents a decrease in the ratio, the surplus assets in excess of the risk capital per the SCR increase from 214 to 5,219 MSEK.
 - c) The resulting solvency ratio is well above the general minimum of 100% (of SCR).
- 2) Solvency position from SPP perspective:
 - a) The solvency position is materially the same.
- 3) Solvency Outlook

- a) The solvency outlook for SPP is positive, with dividends expected to be payable each year out of profits, solvency stable and improving from the level of 155% shown above, and sufficient resources to withstand a wide range of adverse deviations from expected experience.
- b) The solvency outlook from the SPP perspective is materially unchanged by the Transaction.
- c) The solvency outlook from the Euroben perspective is in my view stronger after the Transaction, since while the solvency ratio is lower Euroben benefits from:
 - i) avoiding the diseconomies of scale which would eventually threaten its solvency,
 - ii) the robust solvency of SPP, and
 - iii) the higher level of diversification in SPP.

12. Impact of the Scheme

This section sets out the impact of the Scheme, in the context of the Transaction, for Euroben and SPP policyholders respectively:

12.1 Euroben

I have considered the following factors in determining the impact of the Scheme on Euroben policyholders:

- 1) As outlined in section 11 above, SPP has a strong solvency position and outlook, while the Transaction has an immaterial impact on SPP. Moving to SPP as a larger hence more diversified (and sufficiently capitalised) entity is a positive step for Euroben's policyholders.
- 2) Euroben policies have significant levels of surplus, which will continue to remain for the sole benefit of Euroben policyholders.
- 3) The Transaction does not generate any changes to discretionary practice (e.g. investment management, dynamic asset allocation, principles of distribution of surplus) or policy servicing.
- 4) There is no change to policyholder T&C or tax, and no Transaction costs are borne by policyholders.
- 5) The regulatory environments notably concerning Solvency II are largely equivalent in Ireland and Sweden.
- 6) The governance, i.e. policies and practice of Board and Executive oversight, is largely common to Euroben and SPP, being cascaded down from the Group.
- 7) The long term unviability of Euroben effectively means that ultimately there might be detriment from not proceeding with the Transaction. For example, detriment might arise from cost pressures and associated constraints on the quality of management or from fee increases.

12.2 SPP

While the situation for Euroben policyholders is relatively straightforward and largely unchanged, this is even more the case for SPP policyholders:

- 1) There are no changes to the T&C of SPP policyholders and the solvency impact on SPP of the Transaction is immaterial.
- 2) The Transaction has no impact on discretionary practice or charges for SPP policyholders.
- 3) The Transaction has no impact on customer service arrangements or standards.

13. Covid-19

I have also considered whether the Covid-19 pandemic has any bearing on the Transaction, and conclude that it is not relevant for the following reasons:

- 1) Service arrangements: Euroben is already largely serviced by SPP so there is virtually no change due to the Transaction in this regard. Had service arrangements been moving to an entity which was struggling with the operational impacts of the pandemic this would have been a negative item to weigh against other effects; however this is not the case.
- 2) Financial impacts: The SPP ORSA considers an adverse scenario due to extension of the pandemic and indicates that SPP has the resources to maintain robust solvency throughout. I note also that SPP ran an exceptional ORSA in early 2020 to provide the Board with expectations as to the possible effects of Covid-19 and to initiate an informed discussion as the pandemic developed.

Given that this is a known significant evolving situation, in preparing the Supplementary Report (if required) for the Second Hearing, I will consider whether circumstances have changed materially and if so I will advise the Court.

14. Reliances & Limitations

In carrying out my review and preparing my reports, I have relied, without detailed verification, upon the accuracy and completeness of the data and information provided to me, in both written and oral form, by Euroben and SPP, including their outsourced HoAF providers, WTW, and legal advisors in connection with the Transaction, Matheson.

In my role as Independent Actuary, I have, in the normal course of conducting this role, been provided with a significant and appropriate amount of information and data about the Scheme Companies' activities and performance. When forming my view as set out in my Reports, these disclosures and information have formed a necessary and vital contribution.

These Reports are based on information made available to me at or prior to the date of this Summary Report and take no account of developments after that date. However, my understanding is that Euroben and SPP may request that I prepare and issue a Supplementary Report closer to the date of the Second Hearing at which the Court will be asked to consider and sanction the proposed Scheme

Neither I, nor any member of my team, is a qualified lawyer or tax expert. I have not considered it necessary to seek my own specific legal or tax advice on any element of the Transaction.

This Summary Report is prepared solely in connection with, and for the purposes of, informing the Policyholders of the Scheme Companies of a summary of my findings in respect of the impact of the Transaction on the benefit security, reasonable expectations and customer service of the policyholders and may only be relied on for this purpose. The Court, the CBI and any other user of this document must read the IA Report in full and should not rely on this Summary Report in isolation.

This Summary Report should not be regarded as suitable to be used or relied on by any party wishing to acquire any right to bring action against Mazars in connection with any other use or reliance. To the fullest extent permitted by law, Mazars will accept no responsibility or liability in respect of this Summary Report to any other party.

This Summary Report is subject to the terms and conditions, including limitation of liability and legal jurisdiction, set out in the Engagement Letter

15. Opinion

In my opinion, the proposed Scheme, in the context of the Transaction as described in this Summary Report, should not generate any material adverse impacts (direct or indirect) to the affected policyholders, namely the Policyholders and associated insured lives and beneficiaries of Euroben and SPP.

More specifically, in my opinion, the Scheme should not generate any material adverse impacts (direct or indirect) to:

- 1) the **benefit security** of the affected policyholders, because the Scheme does not alter the terms and conditions of the policyholder contracts and because the solvency position and outlook of SPP are robust further to the Transaction (noting that the Scheme transfers the liabilities of Euroben to SPP, while the assets are moved to SPP as part of the Merger),
- 2) the **policyholder reasonable expectations** (“PRE”) of the affected policyholders, because SPP will continue to apply the same principles and practice to the management of discretionary benefits (in relation to pension plan surpluses) and variable charges,
- 3) the **customer service** provided to the affected policyholders, because the Scheme does not alter the administrative arrangements or corporate practice in relation to dealing with customers.

The clarity of the rationale for the Scheme, the close fit between Euroben and SPP in terms of clients, products and operations, and the longer term unviability of Euroben all serve to support the conclusion that in practice the policyholders should continue to benefit from the same benefits and services they have been accustomed to receiving, and that policyholders would not be materially adversely impacted by the Scheme. The Scheme acts to ensure “no change” for these policyholders.

My opinion is based on the absolute necessity for the Scheme and Merger to take effect simultaneously as inseparable parts of the overall Transaction.

Signed: 

Name: Olive Gaughan

Date: 21/5/2021

Contacts



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THE HIGH COURT

COMMERCIAL

2021 Record No. 124 COS / No. 130 COS

IN THE MATTER OF EUROBEN LIFE & PENSION DESIGNATED ACTIVITY COMPANY

AND IN THE MATTER OF SPP PENSION & FÖRSÄKRING AB (PUBL)

AND IN THE MATTER OF THE ASSURANCE COMPANIES ACT 1909

AND THE INSURANCE ACT 1989

AND IN THE MATTER OF THE EUROPEAN UNION (INSURANCE AND REINSURANCE)

REGULATIONS 2015

NOTICE

NOTICE IS HEREBY GIVEN that Euroben Life & Pension Designated Activity Company (“**Euroben**”) having its registered office in Ireland at Block 4, Regus Harcourt Centre, Harcourt Road, Dublin 2, D02 T677, Ireland, applied to the Central Bank of Ireland on 18th day of June 2021 for its approval, pursuant to the Assurance Companies Act 1909, the Insurance Act, 1989 and the European Union (Insurance And Reinsurance) Regulations 2015, to transfer to SPP Pension & Försäkring AB (publ) (“**SPP**”) the Euroben Business as defined in a Scheme of Transfer (the “**Scheme**”).

AND FURTHER TAKE NOTICE that copies of the Petition and the Schedules annexed thereto (including the Scheme) and the Independent Actuary Report (the “**Transfer Documents**”) will be available for inspection, Monday to Friday (public holidays excepted) between the hours of 9:00 a.m. to 5:00 p.m. at (i) the offices of Euroben at Block 4, Regus Harcourt Centre, Harcourt Road, Dublin 2, D02 T677, Ireland, (ii) the offices of Euroben’s solicitors, Matheson, 70 Sir John Rogerson’s Quay, Dublin 2 and (iii) the registered office of

SPP Pension & Försäkring AB (publ) at Vasagatan 10, 105 39 Stockholm, Sweden, for not less than 15 clear working days between the date of the advertisement of the Petition in Iris Oifigiúil, the Irish Examiner and the Irish Independent and the date fixed for the hearing of the Petition. In addition, the Transfer Documents will be available online at euroben.ie/merger. Any person who has questions in relation to the Transfer, may contact Euroben at scheme@euroben.se or telephone: +46 771 88 91 60.

AND FURTHER TAKE NOTICE that the said Petition will be heard by the High Court on the 14th day of October 2021 at the Four Courts, Dublin 7, at 10.30 a.m.

Any person who wishes to be heard on the hearing of the said Petition should notify Euroben's solicitors, Matheson Solicitors, 70 Sir John Rogerson's Quay, Dublin 2 quoting reference DM/KOS/CP 670448/1 (in writing) no later than the 7th day of October of their intention to appear on the said Petition and should indicate to the said solicitors whether such person or persons support or oppose the said Petition and further should, by said time and date, file in court and furnish to Euroben's solicitors such evidence by way of affidavit as is proposed to be relied upon at the hearing of the Petition by such person.

Matheson Solicitors, 70 Sir John Rogerson's Quay, Dublin 2, Ireland