

Interim Report

January-June 2018



The Folksam Group



Folksam

Overview: The Folksam Group

Folksam overall	Jan-June 2018	Jan-June 2017	2017	2016
Folksam Customer Index (FCI), %	73 ⁷	79	78	79
Premiums, SEK million ¹	34,641	33,211	49,939	47,023
Managed assets, SEK million ^{2, 3, 4}	416,441	389,341	394,125	375,794
Unit-linked insurance assets, SEK million ^{3, 4, 5}	150,229	135,552	139,632	124,042
Number of full-time positions ⁶	3,720	3,706	3,716	3,731

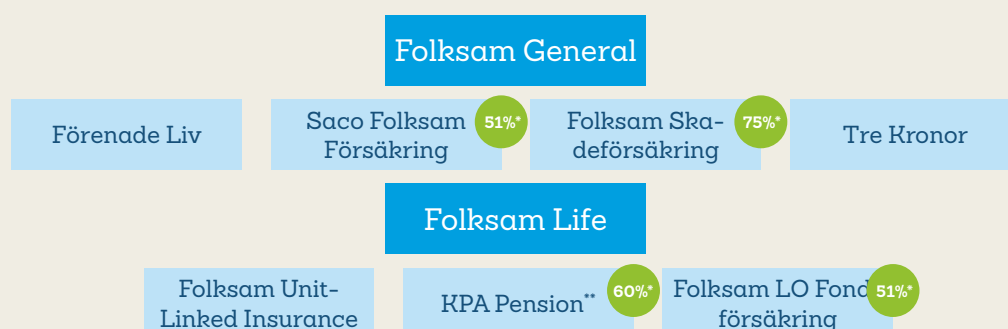
- ¹ Premiums comprise premiums earned in non-life insurance, premiums written in life insurance, and receipts and fees from unit-linked insurance investors in all ten insurance companies.
- ² Konsumentkooperationens Pensionsstiftelse is not included.
- ³ At the end of the period.
- ⁴ Assets according to the total return table less strategic holdings, which principally relate to the value of subsidiaries.

- ⁵ Investment assets for which the policyholders bear the risk.
- ⁶ Based on paid time during the period.
- ⁷ New measurement method that gives a lower numerical value. Outcome for the period January to June 2018 is equivalent to the outcome for the full year 2017. The new FCI measurement does not include partners and companies, but rather only private and individual markets.

Significant events during the period (Jan-June):

- Folksam launched the new product Private Pension. It is a traditional insurance mainly targeted at the more than one million of Folksam's customers aged 25 to 55 who currently have no savings.
- In an exclusive procedure, the Folksam Group made acquisitions of bonds issued by the World Bank (IBRD) at a value of USD 350 million or nearly SEK 2.8 billion.
- Folksam launched the new digital service "Find careproviders abroad" to help customers find qualityassured doctor's offices.
- For the seventh consecutive year, KPA Pension tops the list of the pension industry's most sustainable brands and Folksam ranks second in the insurance industry in the large survey by the Sustainable Brand Index.
- As of 29 March 2018, KPA Pensionsförsäkring adapted the guaranteed interest rate level for defined-contribution, traditional insurance from 0.75 per cent to 0.50 per cent before taxes and fees. The guarantee is calculated on 85 per cent of the amount paid in.
- The Folksam Group bought green bonds issued by the European Investment Bank at a value of over SEK 3 billion (USD 400 million). This will be the Folksam Group's biggest single acquisition.
- Together with Aberdeen Standard Investment, the Folksam Group launched a fund-in-fund for real estate investments that is only open to companies within the Folksam Group. The object is to invest Euro 300 million in the European market over the next three to four years.
- The Swedish Financial Supervisory Authority approved the transfer of Förenade Livs' insurance portfolio to Folksam General and Folksam Life. The transfer was conducted on 1 June.

Four brands, two Groups and ten insurance companies



* Refers to the Folksam Group's participating interest.

** The brand KPA Pension comprises the parent company KPA AB, the insurance companies KPA Livförsäkring AB (publ) (KPA Livförsäkring) and KPA Pensionsförsäkring AB (publ) (KPA Pensionsförsäkring), as well as KPA Pensionservice AB.

In this interim overview, we present reports on Folksam as a whole, the Folksam General Group and Folksam Life Group. Group refers to all insurance companies within Folksam Life and Folksam General, meaning both those consolidated and those not consolidated. The exception to this in the KPI tables for the Folksam Life Group and Folksam General Group is the solvency factor that relates to the respective legal group. We concentrate on the profit/loss for the parent companies Folksam General and Folksam Life and the subsidiary KPA Pensionsförsäkring. We also present a number of central KPIs for the other subsidiaries and associated companies in the Folksam Group.

Continued focus on our customer offering

We are continuing our intensive work in further developing our customer offer. Work with the new regulations continues as planned.

The Folksam Group's total premium volume in the first six months of the year amounted to SEK 34,641 million (33,211). The primary growth continues to come from collectively agreed occupational pensions, and above all, the subsidiary KPA Pension. Within the non-life insurance business, the premiums earned were in line with last year. Total return for our companies was slightly higher than the levels the year before, mainly as a result of higher return on the equities portfolios. During the period, we made several investments that stand out. In February, we made our third bond investment of USD 350 million in a bond issued by a body in the World Bank. This time, it did not involve green bonds, but through the acquisition, we want to highlight the UN's 17 Global Sustainable Development Goals and direct focus on five of them. We made the second investment in April. For a value of USD 400 million, or more than SEK 3 billion, we bought green bonds issued by the European Investment Bank. This will be the Folksam Group's biggest single acquisition. This means that we surpassed SEK 20 billion in this asset class and are close to reaching our target of owning at least SEK 25 billion before the end of 2018. It feels good.

The global economic development is strong and the International Monetary Fund's GDP forecasts of nearly 4 per cent growth for both 2018 and 2019 stand fast. The developed countries in Europe and Asia, like the U.S., have a stable economic development, even if the world is still facing many politically difficult challenges.

Within the Folksam Group, we have had continued focus on development. Not least on how we meet our customers, but also on efficiency improvements. Although quite a bit is happening continuously, we have shifted into a higher gear for the next few years. To create clearer responsibility for results, we have streamlined the organization to only encompass the business areas of Life and General, which we introduced as of 1 April 2018. In this way, we increase the pressure on efficiency improvement, which ultimately makes it possible for us to set lower premiums and better terms and conditions for our customers and owners. We also have a focus on sales, which we were not fully satisfied with in all areas. We want to achieve more stable sales over time with greater numbers of customers seeking us out as we can offer what they need – security. The launching of the new product Private Pension is part of this work. It is a traditional insurance mainly targeted at our more than one million customers aged 25 to 55 who currently have no savings.



All of this takes place in parallel with the deployment of the extensive and well-known regulations GDPR, PRIIP, IDD, MIFID and POG and IORP. In the beginning of July, the memorandum on the occupational pension regulations was distributed. The proposal means that insurance companies that conduct occupational pension operations can choose to leave insurance regulation and convert to occupational pension companies. As the main part of the operations of Folksam Life and its subsidiaries is in the occupational pension sector, the choice of corporate form will be of major strategic significance for Folksam. We will be analysing the proposal and following regulatory developments during the autumn in order to make a wise decision on future directions.

We still have a lot to do in front of us. It's basically about increasing security for our customers. And in all of the challenges that we have ahead of us, we can find strength in the fact that the customers are satisfied with us and are staying ever longer. We are proud of this. And it gives us a clear vision of what we should continue to work towards.

Jens Henriksson
President and CEO

Market overview and the Folksam Group

Market development

Folksam is retaining its position in the market. According to premium figures from the Swedish Insurance Federation, we are still the market leader in life insurance and third in the non-life insurance market after the end of the first quarter.

In the twelve-month-period of the second quarter of 2017 - the first quarter of 2018, the total life insurance market, subject to competition, grew by 7 per cent to SEK 215 billion, mainly through a positive development in endowment insurance that increased by more than 16 per cent.

Folksam is maintaining its leading position in total premiums in life insurance even if the market share is somewhat lower and amounts to 13.7 (15.0) per cent (paid-in premiums for both old and new insurance policies). The seven largest companies comprise 69 per cent of total premiums paid. The market share in new policies is decreasing, but Folksam remains third after Skandia and Alecta. In total premiums, Folksam is still the largest.

The total non-life insurance market grew by 2.5 per cent or SEK 84 billion compared with the previous year. We are still the third-largest player.

The Folksam Group's total premium volume amounted to SEK 34,641 million (33,211), during the first half-year of 2018. The growth comes primarily from the collective occupational pension business. The Folksam Life Group accounted for SEK 27,488 million (26,007) and the Folksam General Group for SEK 7,153 million (7,204) of the premium volume.

Macroeconomics

The global economic improvement is continuing, not least thanks to the developed economies in Europe and the U.S. showing strength. The international monetary fund, IMF, expects global growth to reach 3.9 per cent, both this year and in 2019.

According to the IMF, a slow-down is expected in a few years, especially in the U.S. when the effects of the country's tax reform subside. Ageing populations, weak product growth, protectionism and less integration of the world economy are other risks.

However, Sweden is showing continued indications of a strong economic growth, with both high growth and falling unemployment. The IMF's forecast for the Swedish economy is a growth of 2.6 per cent this year and 2.2 per cent in 2019. Inflation is around 2 per cent and the prevailing low interest situation is expected to continue for a while to come. For the insurance industry, the negative interest rate is still a challenge from a return perspective, even if the players have handled the situation well to-date.

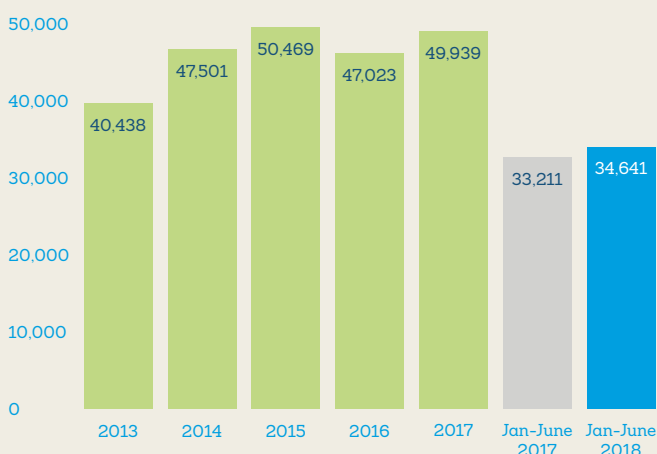
Managed assets and unit-linked insurance assets

At 30 June 2018, the Folksam Group managed SEK 416,441 million (389,341). At 30 June 2018, the unit-linked insurance assets amounted to SEK 150,229 million (135,552). The increase of the unit-linked insurance assets is due to good value growth and a strong positive premium inflow.

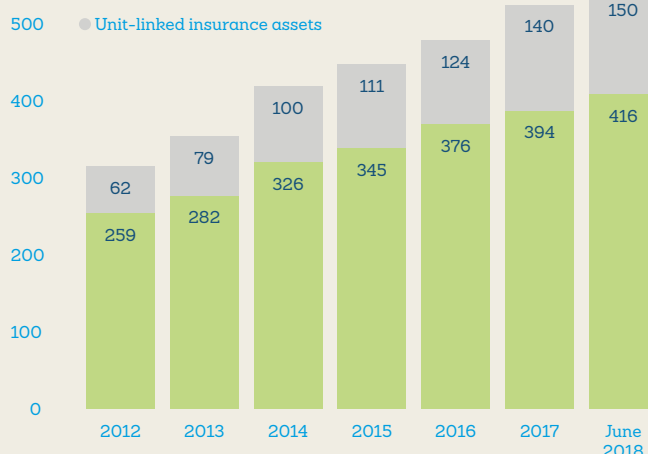
Folksam Group's managed assets, June 2018



Total premium volume, SEK million



Folksam's managed assets and unit-linked insurance assets, SEK billions



The various companies of the Folksam Group showed a slightly higher return in the first six months of 2018 compared with the same period in the previous year. Folksam Life's rate of return was 3.6 per cent and KPA Pensionsförsäkring's rate of return was 3.0 per cent. It is primarily equities that have higher returns. However, special investments showed good returns; but, accounted for a relatively small part of the asset portfolios. Some special events in the asset management business in the period January to June:

- In an exclusive procedure, the Folksam Group made acquisitions of bonds issued by the World Bank (IBRD) at a value of USD 350 million or nearly SEK 2.8 billion. Through this third acquisition of the same size, with a World Bank body as the borrower, the Folksam Group wants to direct focus at five of the UN's 17 Global Sustainable Development Goals.
- KPA Pensionsförsäkring exclusively invested SEK 200 million in Vellinge Municipality's first green bond. The bond will finance the zero-energy building called "Omtankens hus" [House of Consideration] in Höllviken – the municipality's new nursing home and meeting place for the elderly.
- The Folksam Group bought green bonds issued by the European Investment Bank at a value of over SEK 3 billion (USD 400 million). This will be the Folksam Group's biggest single acquisition. The investments are distributed in the FolksamGroup as follows: Folksam Life USD 182 million, Folksam General USD 52 million and KPA Pension USD 166 million. With this, the FolksamGroup will have invested around SEK 20 billion in green bonds over two years' time. The goal is to increase these investments to SEK 25 billion, before the end of 2018.
- In addition, the Folksam Group, together with Aberdeen Standard Investments, launched AIPP Folksam Europe II, a fund-in-fund that invests in real estate, and which is only open to companies within the Folksam Group. The intention is to invest Euro 300 million in the European real estate market, over the next three-four years, starting with an initial amount of Euro 100 million.
- In June, the Folksam Group announced that they will be further investing SEK 2 billion in the Brunswick Real Estate Capital II (BREC) credit fund. The fund is a credit fund that loans capital to commercial real estate through senior secured loans in Sweden.

Regulations

The EU General Data Protection Regulation (GDPR)

The EU's General Data Protection Regulation (GDPR) replaced the Swedish Personal Data Act (PUL) on 25 May 2018. The GDPR increases the focus on each individual's rights and ownership of their personal data. Therefore, the Folksam Group has revised its operational processing of personal data.

New insurance distribution directive (IDD)

New and future regulations are placing major demands for the reorganization of companies in the insurance and

pension savings industries. In June 2018, the Swedish Parliament adopted a new insurance distribution directive, IDD, which will go into effect on 1 October 2018. The directive contains reforms that increase customer protection and create more uniform competitive conditions in the market. In some areas, the Swedish regulations go a step further than the EU's minimum regulations. Business models, policies, agreements, document and informational materials, training as well as compensation to employees will be affected. The Folksam Group welcomes the law's strengthening of consumer protection.

Written confirmation requirement in telephone sales

In June, the Swedish Parliament decided to strengthen consumer protection regarding telephone sales. The decision means that a consumer, who is called by a salesperson after 1 September, must give written consent for a contract to be binding. Written consent can be given by mail, email or SMS.

Occupational pension regulation (IORP2)

Solvency II (insurance business legislation) has applied since 2016, at the same time that companies that conduct occupational pension operations can instead follow transitional rules. At the start of October 2016, the Government announced a policy decision regarding the upcoming occupational pension regulation. Based on the ambition of achieving a solution that provides adequate protection for consumers while allowing effective management of occupational pensions, the decision means that there are different regulations for occupational pension companies and insurance companies. In the beginning of July, the memorandum on the occupational pension regulations was distributed. The proposal means that insurance companies that conduct occupational pension operations can choose to leave insurance regulation and convert to occupational pension companies. As the main part of the operations of Folksam Life and its subsidiaries is in the occupational pension sector, the choice of corporate form will be of major strategic significance for Folksam. Folksam will be analysing the proposal and following regulatory developments during the autumn in order to make a decision on future directions.



Digitalisation

Digitalisation and automation are affecting insurance and pension savings in many ways. On one hand, new risks and changed ways of communicating with customers are arising, and on the other, new insurance needs, business models and competitors are being created. The Internet of Things and self-driving cars, a sharing economy and automated claims handling and robot advice are concrete examples of the consequences of digitalisation and automation.

For Folksam, major development initiatives, such as enhancement of our IT systems and an increase in our digital presence for customer communication are continuing with a view to making us an even more modern and effective enterprise. But they are also driving costs. We, therefore, prioritise among the projects to ensure that the projects we have under way provide the intended benefit. We have also launched one of the company's biggest recruiting campaigns ever, with a goal of hiring 125 new employees in the IT department, by the end of the year. Robotics and Future-Lab are two new units in the Folksam Group that aim to prepare the operations for future technical leaps.

Sustainability

While the U.S. has repealed climate laws and decided to leave the Paris Agreement, researchers continue to sound the alarm of ice in the Arctic melting faster than previously thought.

Based on the Folksam Group's overall sustainability objectives, we have identified five of the UN's Global Sustainable Development Goals as guides in this work:

- Good health and well-being (Goal 3)
- Gender equality (Goal 5)
- Decent working conditions (Goal 8)
- Responsible consumption and production (Goal 12)
- Climate action (Goal 13).

The work on responsible capital management is linked to all 17 of the global goals, with focus on lifting up, to the furthest possible extent, the five goals the Folksam Group has prioritised.

Within the scope of the corporate network of the Haga Initiative, Folksam has also committed to be fossil-free by 2030. We have even invested extensively in green bonds and today have surpassed SEK 20 billion in investments. The goal is to own SEK 25 billion in this asset class before the end of 2018.

Folksam General with subsidiaries reports in accordance with Solvency II. Folksam Life with subsidiaries has pure Solvency II companies (KPA Livförsäkring), companies with mixed operations (Folksam Fondförsäkring and Folksam Life) and pure occupational pension companies (Folksam LO fondförsäkring and KPA Pensionsförsäkring) that follow the Solvency I regulations. The companies' capital requirements under Solvency II are determined according to the standard model, which is adapted to an average, European insurance company. All companies meet the solvency and minimum capital requirements. Calculations of the solvency factor for Folksam General (Group) and Folksam Life (parent company) are presented with a one-quarter delay.

Folksam General

Folksam General

Förenade Liv

Saco Folksam
Försäkring

51%

Folksam Ska-
deförsäkring

75%

Tre Kronor

Folksam General Group	Jan-June 2018	Jan-June 2017	2017	2016
Premiums earned, SEK million	7,153	7,204	14,651	14,269
Assets under management, at period-end, SEK million	46,647	45,802	46,658	46,106
Solvency factor ¹⁾ (SCR), at period-end	2.1	2.1	2.0	2.0

The premiums earned in the Folksam General Group decreased to SEK 7,153 million (7,204). The decrease is explained by the Unionen and Vision unions having chosen to not renew their insurance in Förenade Liv/Folksam. Assets under management increased by 2 per cent to SEK 46,647 million (45,802). The solvency factor according to the Solvency II directive was 2.1 (2.1).

Folksam General (parent company)	Jan-June 2018	Jan-June 2017	2017	2016
Premiums earned, SEK million	5,981	5,724	11,671	11,298
Underwriting result, SEK million	-187	129	108	-250
Profit/loss before appropriations and income tax, SEK million	562	89	913	1,746
Total expenses, %	104.2	99.2	97.9	100.8
of which claims expenses, %	83.5	84.7	82.7	84.0
of which operating expenses, %	20.7	14.5	15.2	16.8
Total return, %	3.3	0.5	3.4	6.6
Solvency capital, at period-end, %	20,875	17,993	18,996	18,092
Funding ratio, at period-end, %	174	156	168	157
Solvency factor ¹⁾ (SCR), at period-end	2.3	2.3	2.2	2.2

¹⁾ The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II directive. The solvency factor is presented with a one-quarter delay.

The premiums earned for the period amounted to SEK 5,981 million (5,724) in the parent company, which is 5 per cent higher than the first six months of 2017. The strong offering and the greater willingness-to-pay for insurance among customers continued to drive demand and the development of insurance policies with extended coverage combined with specific premium adjustments also contributed premium growth. The biggest premium increases occurred in the Home contents & homeowners, Disability and accident, and Motor and traffic insurances.

The total cost ratio in the parent company amounted to 104.2 (99.2), which was an increase of 5.0 percentage points. The claims expense ratio improved to 83.5 (84.7) per cent. The improvement was driven by improved claims outcomes, which was partially offset by an increased contribution to the reserve for personal injuries annuities driven by interest rate changes. This increased contribution corresponded to an increase in the claims expense ratio by 1.8 percentage points.

On the other hand, the operating expense ratio increased to 20.7 (14.5), primarily as a result of changed principles for capitalisation of expenses, which contributed to our only having a depreciation of SEK 161 million on previously capitalised depreciation expenses for the period; however, no capitalisa-

tions were done during the period. The non-recurring effect of this accounting policy change was an increase of 2.7 percentage points in the operating expense ratio. A refund of pension premiums in the previous year, together with higher costs for development initiatives during the period, also contributed to an increase in the operating expense ratio.

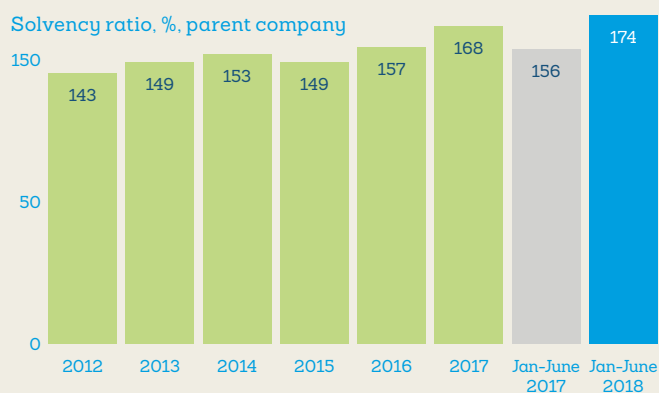
The underwriting result amounted to SEK -187 million (129), which is SEK 316 million lower than last year. The decline in earnings can be primarily attributed to an increase in operational expenses. Profit before appropriations and tax amounted to SEK 562 million (89) for the period. Improvements can be attributed to higher returns on capital.

The total return ratio was 3.3 (0.5) per cent. This is mainly due to higher returns on equity in combination with increased returns in interest-bearing securities, but also special investments as a result of higher market appraisals of holdings. The solvency factor, which we present with a one-quarter delay, amounted to 2.3 (2.3) for the parent company.

The funding ratio increased to 174 (156) per cent in the parent company.

Events during the period (Jan-June):

- Folksam launched the new digital service “Find care providers abroad” to help the customers find quality-assured doctor’s offices and at the same time reduce the costs for travel claims.
- The commercial business concluded the restructuring that characterised the operations in recent years and meant that operations were concentrated to certain markets and companies.
- The principle for capitalisation of expenses in Folksam General has been changed. Direct and variable expenses are capitalised if existing conditions are right for capitalisation. Direct and variable expenses refers to advance commissions and flat fees that are paid to sales personnel, insurance intermediaries or other distributors. Because Folksam General has changed the commissions for internal and external salespersons and insurance intermediaries, no capitalisation will be done from 1 January 2018. This means that for the period of January-June 2018 operating expenses been debited SEK 161 million in depreciations related to capitalisation from the previous year. The change is recognised as prospective, which means that no comparative figures have been restated.



Folksam Life Group	Jan-June 2018	Jan-June 2017	2017	2016
Premiums ¹⁾ , SEK million	27,488	26,007	35,288	32,754
Assets under management, at period-end, SEK million	369,581	343,332	347,258	329,485
Unit-linked insurance assets, at period-end, SEK million	150,229	135,552	139,632	124,042
Solvency factor ²⁾ , at period-end	3.2	3.1	3.2	3.4

Premiums written for the Folksam Life Group amounted to SEK 27,488 million (26,007) for the first six months of 2018. Assets under management amounted to SEK 369,581 million (343,332) and the unit-linked insurance assets amounted to SEK 150,229 million (135,552). In total, customer assets had increased by approximately 9 per cent as of 30 June 2018, compared to the year-earlier period. The solvency factor was 3.2 (3.1).

Folksam Life (parent company)	Jan-June 2018	Jan-June 2017	2017	2016
Premiums ³⁾ , SEK million	5,493	5,269	10,324	9,840
Underwriting result, SEK million	4,870	3,564	5,706	8,190
Management expense, %	0.6	0.6	0.6	0.6
Total return, %	3.6	2.3	4.2	8.4
Assets under management, at period-end, SEK million	186,430	176,896	179,413	176,267
Solvency ratio, at period-end, %	168	165	165	165
Solvency factor ²⁾ mixed companies	3.8	3.6	3.7	3.9
Collective funding ratio, occupational pension, at period-end, %	121	121	120	121
Collective funding, other life insurance activities, at period-end, %	120	119	118	120

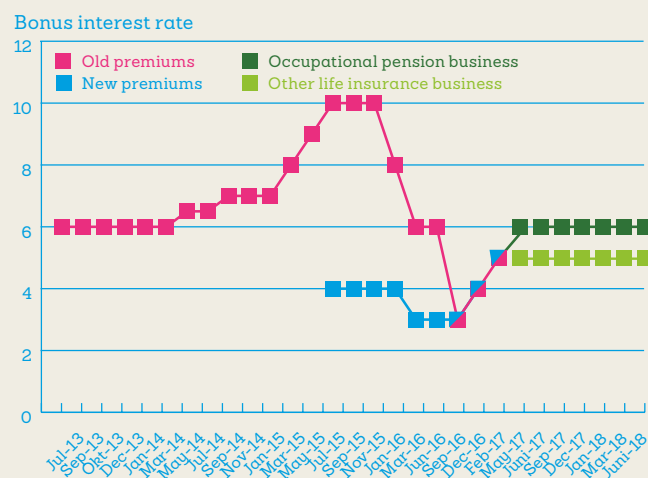
¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance as well as from fees from unit-linked insurance investors

²⁾ The solvency factor for mixed companies refers to the sum of the capital base relative to the capital requirements for other life insurance (in accordance with the Solvency II directive) and the capital base relative to the capital requirements (in accordance with the Solvency I directive) for the occupational pension operations. The solvency factor is presented with a one-quarter delay.

³⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance.

Premiums written for the parent company Folksam Life increased to SEK 5,493 million (5,269). The increase was due to increased sales within brokered channels and mainly came from savings products of individual occupational pensions and individual savings insurance. Premiums within individual occupational pensions amounted to SEK 792 million. Risk products increased somewhat in premium volume. Operating expenses increased by SEK 78 million which corresponds to thirteen per cent; the increase was due to higher development costs, higher commission costs due to increased sales within brokered channels and redirection of sales. The total return for the period amounted to 3.6 (2.3) per cent and contributed to the positive underwriting result. Above all, it was the higher return from equities in the second quarter that resulted in a higher total return for the period. Seen over the past five years 2013-2017, the annual average total return for Folksam Life was 7.1 per cent. The total return for the past ten-year period, 2008-2017, was 6.9 per cent per year. The solvency ratio in the parent company increased to 168 (165) per cent as of 30 June 2018. Good value trends and a positive cash flow contributed to the improved solvency ratio. The solvency factor for mixed companies, which we present with a one-quarter delay, is stable and amounted to 3.8 for the parent company. The collective

funding ratio for the defined-contribution occupational pension insurance amounted to 121 per cent on 30 June 2018 and 120 per cent for other life insurance business.

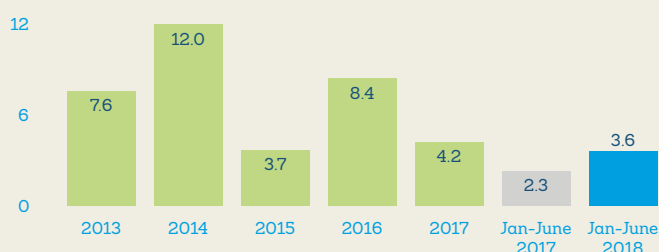


On 30 November 2015, Folksam Life combined all occupational pension business and the business lines "occupational pension business" and "other life insurance business" were formed. As of 1 April 2017, the two insurance lines have different bonus interest rates.

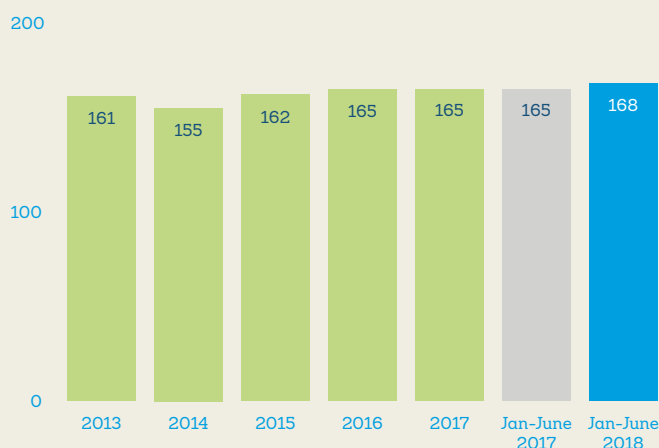
Events during the period (Jan-June):

- Folksam launched the new product Private Pension. It is a traditional insurance mainly targeted at the more than one million of Folksam's customers aged 25 to 55.
- Folksam was one of those selected in traditional insurance in Collectum's ITP procurement, which applies to more than 900,000 privately employed white-collar workers for the period October 2018 to September 2023.

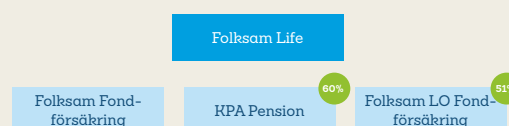
Total return %, parent company



Solvency ratio %, parent company



KPA Pensionsförsäkring



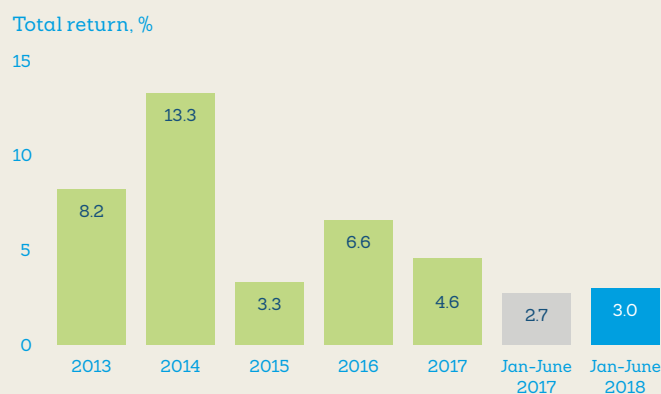
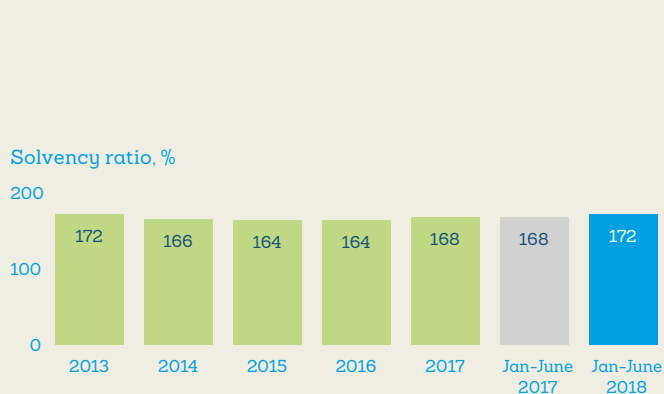
KPA Pensionsförsäkring AB	Jan-June 2018	Jan-June 2017	2017	2016
Premium income, SEK million	13,081	12,035	13,378	12,138
Underwriting result, SEK million	8,929	7,745	9,171	7,280
Management expense, %	0.1	0.1	0.2	0.2
Total return, %	3.0	2.7	4.6	6.6
Rate of return, %	3.1	2.8	4.8	6.7
Assets under management, at period-end, SEK million	178,336	161,557	163,060	148,379
Solvency ratio, at period-end, %	172	168	168	164
Solvency factor (S1), at period-end	17.2	16.2	16.3	15.4

Premiums written for KPA Pensionförsäkring increased and amounted to SEK 13,081 million (12,035). The reason for the strong development is that KPA Pension as the default option in defined-contribution pensions annually automatically receives many new customers. In connection with 2018's brokering, 120,000 (115,000) new pension savers were added, who are covered by the KAP-KL and AKAP-KL pension agreements. The underwriting result was benefited by a positive cash flow and amounted to SEK 8,929 million (7,693). The administrative cost ratio in KPA

Pensionsförsäkring was 0.1 (0.1). KPA Pensionsförsäkring's solvency ratio at period-end was 172 (168) per cent. The positive cashflow was the main contributor to the improved solvency ratio. The solvency factor, which we present with a one-quarter delay, amounted to 17.2 (16.2) for KPA Pensionsförsäkring. The total return amounted to 3.0 (2.7) per cent for the period and the rate of return was 3.1 (2.8) per cent. Viewed over the past ten years, 2008–2017, the annual average total return for KPA Pensionsförsäkring was 7.5 per cent.

Events during the period (Jan-June):

- As of 1 January 2018, KPA Pensionsförsäkring reduced the fees by 25 per cent for the defined-contribution traditional insurance for the occupational pension agreements AKAP-KL and KAP-KL for management of municipal and county council employee occupational pensions. The variable fees were reduced from 0.15 to 0.11 per cent, while the fixed fee of SEK 48 remain. Since 2001, the fees were reduced by more than 70 per cent.
- Similarly, KPA Pensionsförsäkring reduced the premium from 3 to 2 per cent as of 1 January 2018 in a product linked to the collectively agreed occupational pension, the so-called waiver of premium insurance. The premium reduction concerns 900 employers in municipalities, county councils and municipal companies.
- As of 29 March 2018, KPA Pensionsförsäkring adapted the guaranteed interest rate level for defined-contribution, traditional insurance from 0.75 per cent to 0.50 per cent before taxes and fees. The guarantee is calculated on 85 per cent of the amount paid in. The change is applicable from 29 March 2018 and the premiums paid before this date are not affected.
- Arvidsjaur and Luleå in the north; to Täby, Tyresö, Motala, Vallentuna and 33 cities in Skåne are some of the municipalities that chose KPA Pension as the supplier of pension administration for the period.
- For the seventh consecutive year, KPA Pension topped the list of the pension industry's most sustainable brands.



Appendix: Other subsidiaries and associated companies

Folksam General				
Tre Kronor	Jan-June 2018	Jan-June 2017	2017	2016
Premiums earned, SEK million	511	492	999	962
Underwriting result, SEK million	25	25	95	56
Profit before tax, SEK million	32	26	94	66
Total expenses, %	95.1	94.9	90.5	94.1
Solvency factor (SCR), at period-end	2.2	2.0	2.2	2.0
Folksam Skadeförsäkring				
Premiums earned, SEK million	361	360	721	736
Underwriting result, SEK million	-17	20	-14	61
Profit before tax, SEK million	-11	14	-18	99
Total expenses, %	104.7	96.2	103.7	93.3
Solvency factor (SCR), at period-end	3.2	3.0	2.9	2.9
Förenade Liv				
Premiums earned, SEK million	222	542	1,086	1,110
Underwriting result, SEK million	-102	-22	-24	246
Profit before tax, SEK million	-99	-22	-24	246
Total expenses, %	113.7	104.1	103.9	100.8
Solvency factor (SCR), at period-end	2.4	1.9	2.1	1.8
Saco Folksam Försäkring				
Premiums earned, SEK million	78	86	174	163
Underwriting result, SEK million	6	1	8	18
Profit before tax, SEK million	11	6	14	25
Total expenses, %	83.7	96.6	82.1	85.8
Solvency factor (SCR), at period-end	1.6	1.4	1.5	1.4
Folksam Life				
KPA Livförsäkring				
Premium income, SEK million	294	278	279	266
Profit/loss for the period before income tax, SEK million	127	94	4	57
Management expense, %	0.4	0.4	0.7	0.6
Total return, %	2.4	1.6	3.0	4.8
Solvency factor (SCR), at period-end	3.1	3.1	3.1	3.2
Folksam Unit-Linked Insurance				
Premium income, SEK million	14	11	20	14
Profit/loss for the period before income tax, SEK million	46	51	45	110
Management expense, %	0.6	0.6	1.3	1.2
Unit-linked insurance assets, at period-end, SEK million	43,532	41,438	42,574	39,961
Solvency factor mixed companies	1.3	1.5	1.2	1.5
Folksam LO Fondförsäkring				
Premium income, SEK million	55	44	103	95
Profit/loss for the period before income tax, SEK million	117	111	241	199
Management expense, %	0.07	0.05	0.1	0.1
Unit-linked insurance assets, at period-end, SEK million	96,841	84,773	87,525	75,174
Solvency factor (S1), at period-end	5.6	4.9	5.4	4.6

This is the Folksam Group

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Every time we meet a customer, we also meet an owner. And we have many owners. We insure almost half of all Swedes and take care of the pensions of more than two million people. As a result, the Folksam Group is one of the leading players when it comes to insurance and pension saving.

Our vision

Our customers should feel secure in a sustainable world.

Our business concept


We are our customers' company, offering popular insurance policies and pension investments that provide security.

Our overriding objective

We should have the most satisfied customers in the insurance and savings industry.



[Read more at folksam.se](https://www.folksam.se)



Our customers should feel
secure in a sustainable
world

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