

Full-year summary

January – December 2018



The Folksam Group

2018

Folksam

Overview: The Folksam Group

The Folksam Group as a whole	2018	2017	2016
Folksam Customer Index (FCI), %	75 ⁷	78	79
Premiums, SEK million ¹	54 020	49 939	47 023
Managed assets, SEK million ^{2, 3, 4}	404 059	394 125	375 794
Unit-linked insurance assets, SEK million ^{3, 4, 5}	137 076	139 632	124 042
Number of full-time positions ⁶	3 771	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 insurance companies included in the Folksam Group.
- ² Konsumentkooperationens Pensionsstiftelse is not included.
- ³ Relates to period-end.
- 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. The outcome for 2018 is equivalent to the outcome for 2017. The new FCI measurement does not include partners and companies, but rather only private and individual markets.

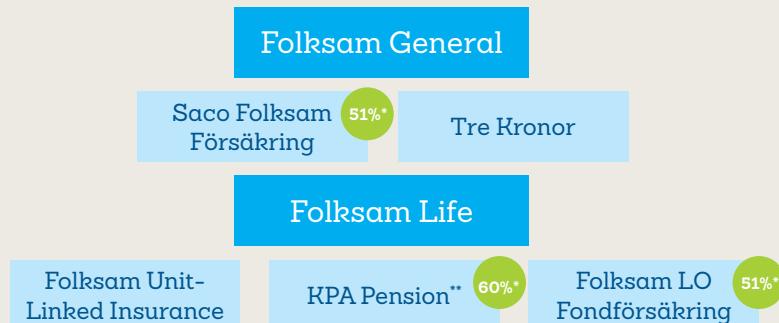
Significant events

- 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.
- For the seventh consecutive year, KPA Pension is at the top of 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.

- 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.
- On 2 October, Folksam General signed an agreement to sell its 75 per cent participating interest in Folksam Skadeförsäkring with operations in Finland. The shares were sold to the Finnish insurance company, Fennia, after we received approval from the authorities in November.
- The Folksam Group has acquired further preferred stock in Volvo Cars to a nominal value of SEK 750 million. With this further acquisition, the Folksam Group has now invested a total of SEK 1 750 million in preferred stock issued by Volvo Cars.

Two groups, three strategic brands and eight 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 Pensionsservice AB.

In this interim overview, we present reports on Folksam as a whole, the Folksam General Group and the 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.

Focus business, Focus expenses ahead of 2019

2018 was another intensive year for the Folksam Group - with a new organization, adaption to new regulations, consolidation of operations and a clear sustainability focus. From a financial perspective, the Folksam Group has never been stronger. This makes us well equipped to meet the opportunities and challenges that await in 2019. The focus is now shifting towards expenses and business. We are moving from implementation to optimization.

The world is showing clear signs of an economic slowdown. The political challenges are clear, with an increased populist element in many countries. Increased trade barriers, which lower global growth, are now a fact.

Our total premium volume grew by 8 per cent during the year to SEK 54 billion, largely due to our strong positions on collectively agreed occupational pensions within KPA Pension and Folksam LO Fondförsäkring. Non-life insurance exhibited a stable premium trend during the year.

During the year, the intensive regulatory work was gradually converted from implementation to optimisation and efficiency. At the turn of the year, we had largely reached our goal, even though the new rules entail complex requirements that cause each customer meeting to take longer. Thus, operating expenses have increased more than was desirable. During the year we initiated a sharp reduction in the number of consultants by shifting to internal resources, while also introducing tighter cost controls, intended to cut expenses in 2019. We also have a clear focus on better meeting our customers' needs, by presenting a more complete offering, and thereby, increasing business volume. The launching of the Private Pension product, at the beginning of 2018, was a part of this. It is a traditional insurance mainly targeted at our more than one million customers aged 25 to 55 who currently have no savings.

In July, the memorandum on the new 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 the Folksam Group. One of the key issues concerns capital requirements,



as they affect the return and thus, pensions. During 2019, we will review the strategy and choices that Folksam Life will need for the future.

We are continuing to invest in green bonds. In October, we reached our goal of a minimum of SEK 25 billion in investments, thus, consolidating our position as a global leader. The market for green bonds, and what is often referred to as sustainable bonds, has evolved tremendously over the past few years, which is something we are proud to have contributed to.

Sustainability should be an integral part of everything we do. Our size and business provide great opportunities for us to be a positive force for our customers and society. We will be the industry's leader in sustainability.

2019 will certainly be an intense and exciting year for the Folksam Group. The business, our expenses as well as sustainability will receive the same high priority. We will seize all available opportunities to achieve the overall goal of having the insurance and savings industry's most satisfied customers.

Jens Henriksson
President and CEO

Market overview and the Folksam Group

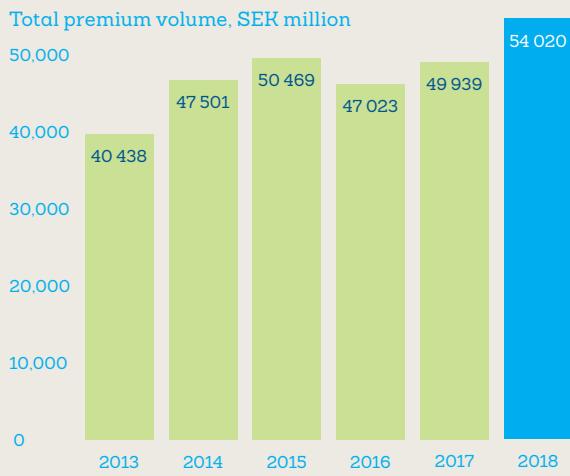
Market development

Folksam retains 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 fourth quarter.

The total competitive life insurance market increased in the fourth quarter of the twelve-month period of 2017 and the third quarter of 2018 by 9 per cent to SEK 230 billion. Folksam is maintaining its leading position in total premiums in life insurance even if the market share is somewhat lower and amounts to 14.0 (14.7) per cent (paid-in premiums for both old and new insurance policies). The decrease was due to a lower share of capital insurance and individual occupational pension. Within the collectively agreed occupational pension market, shares continued to increase slightly. The market share within the subscription sector increased slightly to 11.9 (11.7) per cent. The Folksam Group remains third after Alecta and Skandia.

The total non-life insurance market grew by 5 per cent to nearly SEK 84 billion, compared with the previous year. With a 16 per cent market share, the Folksam Group remains the third largest player, which is in line with last year.

The Folksam Group's total premium volume, for the 2018 full-year, amounted to SEK 54 020 million (49 939). The growth comes primarily from the collective occupational pension business. The Folksam Life Group accounted for SEK 39 557 million (35 288) and the Folksam General Group for SEK 14 463 million (14 651) of the premium volume.



Macroeconomics

Global economic growth is showing clear signs of slowing down. Increased trade barriers between the U.S. and China are an important reason. Growth in the United States is also expected to slow down as a result of the effects of the country's tax reform subsidizing in 2019. The international monetary fund, IMF, expects global growth to reach 3.6 per cent in 2019, which is a slight downward adjustment from the previous forecast in October. Ageing populations, weak product growth, protectionism and less integration of the world economy are other risks to the global economy.

Growth in the Swedish economy is also expected to slow down in 2019 as a consequence of such things as lower growth abroad and declining housing investments. For the insurance industry, the low interest rate is still a challenge, from a return perspective.

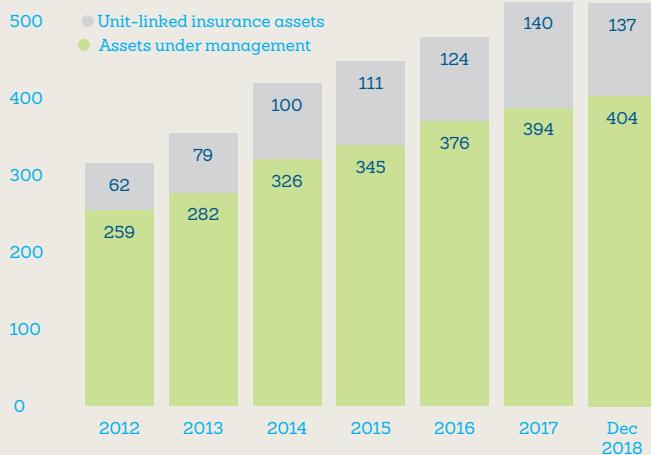
Managed assets and unit-linked insurance assets

At 31 December 2018, the Folksam Group managed SEK 404 059 million (394 125). At 31 March 2018, the unit-linked insurance assets amounted to SEK 137 056 million (139 632).

Folksam Group's managed assets, 31 December 2018



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



The Folksam Life group's various companies exhibited a lower return in 2018 compared with the previous year. Folksam Life's rate of return was 1.5 per cent and KPA Pensionsförsäkring's rate of return was 0.5 per cent. It was mainly shares that exhibited a weaker trend compared to the previous year. Special investments and properties had shown good returns, but accounted for a relatively small part of the asset portfolios. Some special events in the asset management operations:

- 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 3.3 billion (USD 400 million). This will be the Folksam Group's biggest single acquisition. The investments are distributed in the Folksam Group as follows: Folksam Life USD 182 million, Folksam General USD 52 million and KPA Pension USD 166 million. With this, the Folksam Group 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.
- KPA Pension and Folksam, together, are investing SEK 2 billion in a bond contributing to the creation of a sustainable Stockholm. With this investment, Folksam Group intends to highlight the significance of planning and building cities and communities that are inclusive, safe, resilient and sustainable. At the same time, the deal contributes to the goal of giving customers a good risk-adjusted return.
- With an investment of SEK 600 million in a green bond issued by the World Bank, the Folksam Group has now attained the goal of owning more than SEK 25 billion in green bonds before the end of 2018. This is an important step in the Folksam Group's sustainability efforts, and it consolidates the group's position as a global leader within green bonds. These bonds now comprise 6 per cent of the managed assets.
- The Folksam Group has acquired further preferred stock in Volvo Cars to a nominal value of SEK 750 million. With this further acquisition, the Folksam Group has now invested a total of SEK 1 750 million in preferred stock issued by Volvo Cars. The investment gives our savings customers a good risk-adjusted return in a company with strong ties to Sweden. Volvo Cars is profitable, has a clear growth plan and high ambitions regarding electrification strategies and self-driving vehicles.

Regulations

New and future regulations affect companies in insurance and pension savings.

Occupational Pension Companies Directive

Insurance business legislation (Solvency II) has applied since 2016, at the same time as companies that conduct occupational pension operations can instead follow transitional rules. In July 2018, a ministry letter was received, from the Ministry of Finance, on a new regulation for occupational pension companies. The proposal means that insurance companies that conduct occupational pension operations can choose to leave the Solvens II insurance regulation and convert to occupational pension companies. The Folksam Group has identified a number of key issues, including capital requirements as they affect returns, and thus, pensions. The government offices are preparing a bill for later in the spring of 2019. The legislative changes are expected to take effect in mid-2019, at the earliest. During 2019, we will review the strategy and choices that Folksam Life will need for the future.

New Insurance Distribution Directive

The Insurance Distribution Directive entered into force 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 are affected. The Folksam Group welcomes the law's strengthening of consumer protection. The additional provisions in the directive, regarding distribution of occupational pension policies that are exposed to the market's volatility, enter into effect on 1 October 2019.

Written confirmation requirement in telephone sales

In June 2018, 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.

The EU General Data Protection Regulation

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. The Folksam Group has revised its operational processing of personal data.



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. Robotics and FutureLab are two new units in the Folksam Group that aim to prepare operations for future technical leaps.

Sustainability

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 invested extensively in green bonds, and today, have surpassed SEK 25 billion in investments, in line with our goal.

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 Group	2018	2017	2016
Premiums earned, SEK million	14 463	14 651	14 269
Assets under management, at period-end, SEK million	43 901	46 658	46 106
Solvency factor ¹⁾ (SCR), at period-end	2.2	2.0	2.0

The premiums earned in the Folksam General Group decreased to SEK 14,463 million (14,651). The decrease is explained by the Union and Vision associations deciding not to renew their insurance policies with Förenade Liv/Folksam and Folksam having sold its subsidiary, Folksam Skadeförsäkring, which means the results for Folksam Skadeförsäkring only include the January–November period. Assets under management decreased to SEK 43,901 million (46,658). The decrease can primarily be attributed to the sale of Folksam Skadeförsäkring. The solvency factor amounted to 2.2 (2.0).

Folksam General (parent company)	2018	2017	2016
Premiums earned, SEK million	12 379	11 671	11 298
Underwriting result, SEK million	81	108	-250
Profit/loss before appropriations and income tax, SEK million	1 349	913	1 746
Total expenses, %	97.9	97.9	100.8
of which claims expenses, %	79.4	82.7	84.0
of which operating expenses, %	18.5	15.2	16.8
Total return, %	4.1	3.4	6.6
Funding ratio, at period-end, %	174	168	157
Solvency factor (SCR), at period-end	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.

Premiums earned for the period amounted to SEK 12 379 million (11 671) in the parent company, which is 6 per cent higher than for 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 to premium growth. Portfolio transfers from Förenade Liv also contributed to the increase. 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 97.9 (97.9), which was the same as last year. The claims cost ratio decreased to 79.4 (82.7) per cent. The decrease was driven by a larger positive winding-up result for the period, combined with relatively lower costs. On the other hand, the operating expense ratio increased to 18.5 (15.2), primarily as a result of changed principles for capitalisation of expenses, which contributed to our only having a depreciation of SEK 166 million on previously capitalised depreciation expenses for the period; however, no capitalisations were done during the period. The one-time effect of this accounting policy change was an increase of 1.3 percentage points in the

operating expense ratio. A refund of pension premiums in the previous year, together with higher expenses for development initiatives during the period, also contributed to an increase in the operating expense ratio.

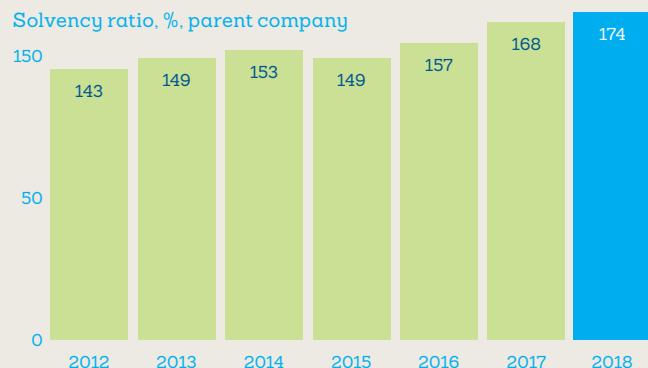
The underwriting result amounted to SEK 81 million (108), which is SEK 27 million lower than last year. The increase in premium earned combined with the improved claims outcome was mainly offset by the increase in operating expenses and a decrease in return on capital in the insurance business. Profit before appropriations and tax amounted to SEK 1 349 million (913) for the period. Improvements can be attributed to higher returns on capital.

The total return ratio was 4.1 (3.4) per cent. This is mainly due to a higher return on shares combined with increased yields in interest-bearing securities, but also a capital gain related to the sale of the subsidiary, Folksam Skadeförsäkring, for SEK 424 million. The solvency factor, which we present with a one-quarter delay, amounted to 2.3 (2.2) for the parent company.

The funding ratio increased to 174 (168) per cent in the parent company.

Events during the period (Jan-Dec):

- Folksam launched the new digital service "Find care providers abroad" to help customers find quality-assured doctor's offices and simultaneously reduce travel claims costs.
- The commercial business concluded the restructuring that characterised the operations in recent years and meant that the 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 refer 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 in 2018 operating expenses have been debited SEK 166 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.
- In November, Folksam General sold its holding of 75 per cent in the Finnish subsidiary Folksam Skadeförsäkring to the Finnish company Fennia, after receiving approval from the authorities. The purchase price amounted to approximately SEK 800 million and gave rise to a capital gain of just over SEK 400 million. Thus, the transaction benefited Folksam customers through a strengthened capital base and a higher solvency ratio. The capital gain also contributed positively to the return on investment.



Folksam Life

Folksam Life Group	2018	2017	2016
Premiums ¹⁾ , SEK million	39 557	35 288	32 754
Assets under management, at period-end, SEK million	360 157	347 258	329 485
Unit-linked insurance assets, at period-end, SEK million	137 076	139 632	124 042
Solvency factor ²⁾ , at period-end	3.4	3.2	3.4

Premiums written for the Folksam Life Group increased by 12 per cent and amounted to SEK 39,557 million (35,288) for 2018. Assets under management amounted to SEK 360,157 million (347,258) and the unit-linked insurance assets amounted to SEK 137,076 million (139,632). In total, customers' assets increased by around 2 per cent in 2018. The solvency factor was 3.4 (3.2).

Folksam Life (parent company)	2018	2017	2016
Premiums ³⁾ , SEK million	11 584	10 324	9 840
Total return, %	1.5	4.2	8.4
Assets under management, at period-end, SEK million	183 259	179 413	176 267
Solvency ratio, at period-end, %	163	165	165
Collective funding ratio, occupational pension, at period-end, %	110	120	121
Collective funding, other life insurance activities, at period-end, %	114	118	120

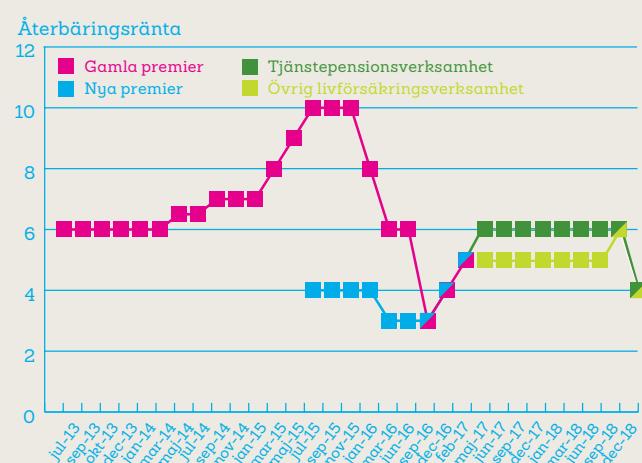
¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance as well as from fees from unit-linked insurance investors.

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 (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 by 12 per cent to SEK 11,584 million (10 324). The increase came mainly from savings products of individual occupational pensions and individual savings insurance, and was due to increased sales within brokered channels. Operating expenses amounted to SEK 1 359 (1 234) million, which meant an increase of SEK 125 million or 10 per cent. The increase came from higher commission costs due to increased sales within brokered channels and higher development costs. Total returns for the period amounted to 1.5 (4.2) per cent. It was primarily due to lower returns from equities and strategic company holdings that gave a lower total return during the year, compared to the previous year. Seen over the past five years, 2014–2018, the annual average total return for Folksam Life was 5.9 per cent. The total return for the past ten-year period, 2009–2018, was 6.9 per cent per year. As of 31 December 2018, the solvency ratio of the parent company decreased to 163 (165) per cent, as a result of lower returns.

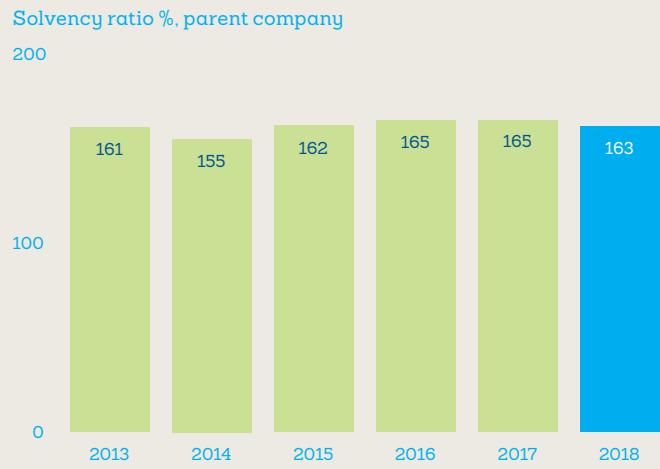
The solvency factor for mixed companies, which we present with a one-quarter delay, is stable and amounted to 3.9 for the parent company. The collective funding ratio for the defined-contribution occupational pension insurance amounted to 110 per cent on 30 September 2018 and 114 per cent for other life insurance business.



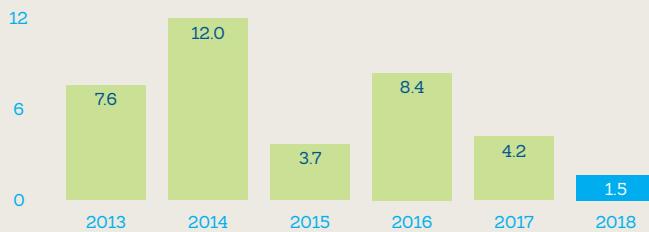
On 30 November 2015, Folksam Life combined all occupational pension business and the business lines "Occupational pension business" and "Other life insurance business" were formed. From 1 April 2017, the two insurance branches have different bonus interest rates.

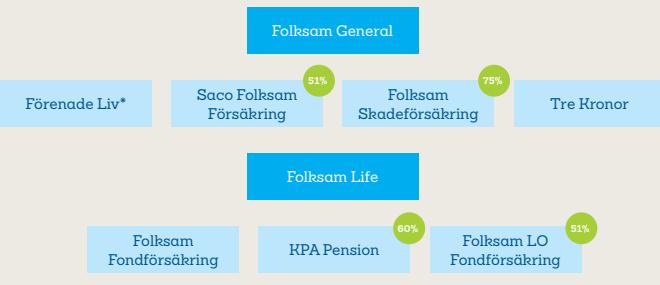
Events during the period (Jan-Dec):

- 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.
- From 1 September 2018, Folksam Life raised its bonus interest rate for other life insurance business from 5.0 to 6.0 per cent.
- The bonus interest rate was reduced from 1 December to 4 per cent for both occupational pensions and other life insurances. These changes were an adjustment to developments on the financial markets, which impact the value of pension portfolios.



Total return %, parent company





KPA Pension

KPA Pensionsförsäkring AB	2018	2017	2016
Premium income, SEK million	16 475	13 378	12 138
Underwriting result, SEK million	4 375	9 172	7 280
Management expense, %	0.2	0.2	0.2
Total return, %	0.5	4.6	6.6
Rate of return, %	0.5	4.8	6.7
Assets under management, at period-end, SEK million	172 402	163 060	148 379
Solvency ratio, at period-end, %	165	168	164
Solvency factor (S1), at period-end	18.2	16.3	15.4

Premiums written for KPA Pensionförsäkring increased by 23 per cent and amounted to SEK 16 475 million (13 378). One reason for the strong development is that KPA pension, as a preference company within a defined contribution pension, will receive many new customers annually; and in addition, there has been a reduction in the number of customers who have chosen to leave KPA pension. 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. As of the third quarter, AKAP-KL changed from annual to a quarterly brokerage, which has resulted in higher premiums corresponding to SEK 1.2 billion

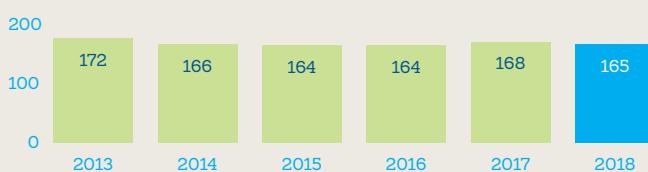
in 2018. The underwriting result was benefited by positive cash flow and amounted to SEK 4 375 million (9 172). The administrative cost ratio in KPA Pensionsförsäkring was 0.2 (0.2). The total return amounted to 0.5 (4.6) per cent for the period and the rate of return was 0.5 (4.8) per cent. Viewed over the past ten years, 2009-2018, the annual average total return for KPA Pensionsförsäkring was 6.9 per cent. KPA Pensionsförsäkring's solvency ratio at period-end was 165 (168) per cent. The solvency factor, which we present with a one-quarter delay, amounted to 18.2 (16.3) for KPA Pensionsförsäkring.

Events during the period (Jan-Dec):

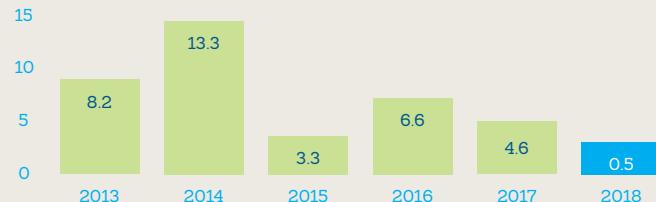
- As of 1 January 2018, KPA Pensionsförsäkring reduced the fees by 25 per cent for the defined-contribution traditional insurance for the occupational pension agreements AKAP-KL and KAP-KL for management of municipal and county council employee occupational pensions. The variable fees are reduced from 0.15 to 0.11 per cent, while the fixed fee of SEK 48 remains. 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.
- A number of municipalities - for example, Luleå, Täby and 33 Skåne municipalities - chose KPA pension as the provider of pension management.
- For the seventh consecutive year, KPA Pension topped the list of the pension industry's most sustainable brands.
- KPA surpassed the goal of owning over SEK 10 billion in green bonds. Sustainable investments are an important part of the company's sustainability efforts.
- Thanks to KPA Pension's good economy, the company was able to distribute SEK 260 million to the municipal sector in the form of an 85 per cent premium discount on TGL-KL occupational group life Insurance.

Solvency ratio, %



Total return, %



Appendix: Other subsidiaries and associated companies

Folksam General			
Tre Kronor	2018	2017	2016
Premiums earned, SEK million	1 040	999	962
Underwriting result, SEK million	48	95	56
Profit before tax, SEK million	45	94	66
Total expenses, %	95.4	90.5	94.1
Solvency factor (SCR), at period-end	2.1	2.2	2.0
Folksam Skadeförsäkring			
Premiums earned, SEK million	667	721	736
Underwriting result, SEK million	-40	-14	61
Profit before tax, SEK million	-48	-18	99
Total expenses, %	106.0	103.7	93.3
Solvency factor (SCR), at period-end	3.1	2.9	2.9
Förenade Liv			
Premiums earned, SEK million	222	1 086	1 110
Underwriting result, SEK million	-99	-24	246
Profit before tax, SEK million	-99	-24	246
Total expenses, %	172.1	103.9	100.8
Solvency factor (SCR), at period-end	1.1	2.1	1.8
Saco Folksam Försäkring			
Premiums earned, SEK million	156	174	163
Underwriting result, SEK million	25	8	18
Profit before tax, SEK million	25	14	25
Total expenses, %	85.1	82.1	85.8
Solvency factor (SCR), at period-end	1.6	1.5	1.4
Folksam Life			
KPA Livförsäkring			
Premium income, SEK million	294	279	266
Profit/loss for the period before income tax, SEK million	17	4	57
Management expense, %	0.8	0.7	0.6
Total return, %	0.0	3.0	4.8
Solvency factor (SCR), at period-end	3.3	3.1	3.2
Folksam Unit-Linked Insurance			
Premium income, SEK million	22	20	14
Profit/loss for the period before income tax, SEK million	82	45	110
Management expense, %	1.2	1.3	1.2
Unit-linked insurance assets, at period-end, SEK million	39 318	42 574	39 961
Solvency factor mixed companies	1.5	1.2	1.5
Folksam LO Fondförsäkring			
Premium income, SEK million	114	103	95
Profit/loss for the period before income tax, SEK million	232	241	199
Management expense, %	0.14	0.1	0.1
Unit-linked insurance assets, at period-end, SEK million	88 609	87 525	75 174
Solvency factor (S1), at period-end	5.9	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 overriding objective

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



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



Our customers should feel secure in a sustainable world

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