



Full-year summary

January – December 2020

The Folksam Group

2020

Q1 Q2 Q3 Q4

Folksam

This report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish report and the English translation, the former shall take precedence.

Overview: The Folksam Group

The Folksam Group as a whole	2020	2019	2018
Folksam Customer Index (FCI), %^⑦	74	75	75
Premiums, SEK million ^①	54,351	55,543	53,812 ^⑧
Assets under management, at period-end, SEK million ^{②③④}	483,228	454,536	404,059
Unit-linked insurance assets, at period-end, SEK million ^{③④⑤}	193,972	175,826	137,076
Number of full-time employees ^⑥	3,478	3,605	3,523

^① Premiums comprise premiums earned in non-life insurance, premiums written in life insurance, and receipts and fees from unit-linked insurance investors in the insurance companies included in the Folksam Group.
^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 The FCI measurement includes private and individual markets, not partners and companies.
^⑧ The premiums for 2018 also include Folksam Skadeförsäkring and Förenade Liv.

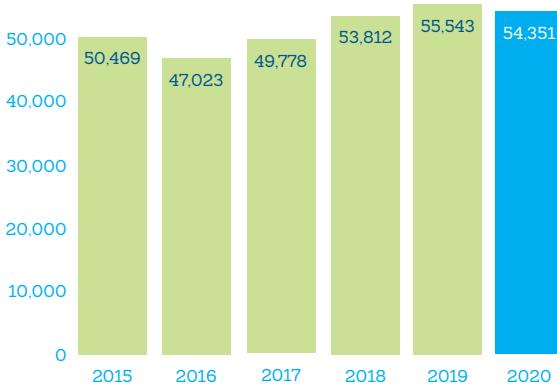
Folksam Group's managed assets, 31 Dec 2020



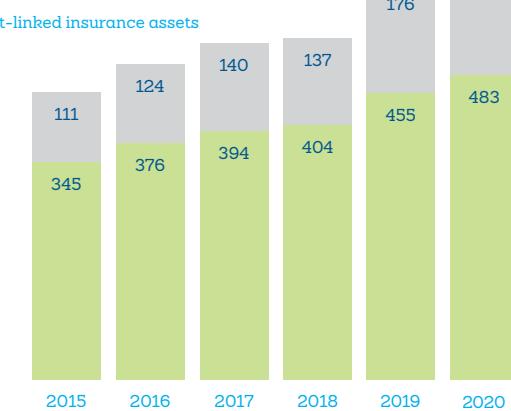
Managed assets and unit-linked insurance assets

At 31 December 2020, the Folksam Group managed SEK 483,228 (454,536) million. Unit-linked insurance assets amounted to SEK 193,972 (175,826) million. Folksam Life's rate of return was 4.7 (10.4) per cent and KPA Pensionsförsäkring's rate of return was 4.8 (11.2) per cent.

Total premium volume, SEK million



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



Stable return on capital and growing non-life insurance business

Folksam is in a very strong financial position, despite a year plagued with great uncertainty. Folksam has followed the development of the pandemic closely and over the course of the year has adapted its business operations to comply with the restrictions in force. I am proud of the way our entire organisation has changed and adapted, always with the customer's best interests in mind. Folksam's customer satisfaction levels are rising, despite the industry average falling, according to SKI.

In line with our vision that our customers should feel secure in a sustainable world, we have made sustainable investments that contribute to society. We have joined the Skill Shift Initiative "Beredskapslyftet" to enable those of our employees with healthcare training to support the severely strained healthcare service and we have also provided additional support to sports clubs that have lost revenue during the pandemic. Our brand has strengthened and our employees are satisfied.

We are continuing to work on improving efficiency throughout the organisation, with more interdepartmental cooperation and shorter development cycles. It is important that we continue to reduce our operating costs, as this provides us with room to grow and drives digitisation, where digital customer contact is a key element. We have intensified our digitisation work during the course of the year and our customers can now meet with Folksam digitally to an even greater extent.

Life and Non-life insurance

Life insurance business has been affected by the ongoing pandemic, but thanks to our strong financial position, our customers can continue to enjoy a feeling of security. The coronavirus pandemic has had a negative impact on sales, primarily of one-time paid savings insurance, where Folksam suffered from a lack of digital distribution power. The transfer ban has also had a negative impact on sales at Folksam LO Pension. During the last quarter, we have focused on achieving more efficient distribution in order to improve our ability to meet our customers digitally in the future. Despite the falling premiums, our savings customers' capital has achieved growth, enabling us to increase the bonus rate on three occasions during the year. This has now returned to its pre-pandemic level, thanks to our very strong collective funding. The solvency ratio at year-end was close to a historical high at a strong 171 per cent.

Business at KPA Pension remains stable. Premiums written totalled just over SEK 17 billion, which is SEK 66 million higher than in the previous year. The total return ratio amounted to 4.8 per cent. The solvency ratio increased to 171 per cent, from 169 per cent at the beginning of the year.



Non-life insurance business showed its strength during 2020 as demand for group insurance increased and with it the number of people insured with Folksam. Maintaining a clear commercial focus within the organisation has helped the business to grow across all sectors. Several new agreements have been signed with key partners and we continue to work closely with Sweden's sports associations. The sales organisation has increased its efficiency and digital sales are increasing on the non-life insurance market. Folksam General had record-low claims expenses for both travel and motor claims in 2020 as a result of the coronavirus pandemic, helping Folksam General to end the year with a total expenses ratio of 89.8 per cent. This means that we will be able to give our customers bonus interest once again for 2020. The increased premiums and low claims expenses also meant that the funding ratio at Folksam General remained stable at 180 per cent at year-end.

Asset management

The markets ended the year strongly, as the recovery on the stock markets continued. Folksam's assets under management totalled SEK 483 billion, an increase of SEK 28 billion. This increase is mainly due to the return on capital and premiums within collectively agreed business. The total return ratio during the period at Folksam Life was 4.7 per cent and at KPA Pensionsförsäkring was 4.8 per cent.

Unit-linked insurance assets also increased during the year and, despite a transfer ban and reduced sales, total SEK 194 billion.

During 2020, it has become clear that global capital flows are increasingly being directed towards sustainable investment. This is a welcome development for Folksam, which has been working with sustainable investments for a long time now. Not only are capital flows driving the world in a more sustainable direction, but the return on Folksam's investments will also be good.

UN Secretary-General Guterres invited Folksam to speak at meeting

UN Secretary-General Antonio Guterres invited Folksam to speak at a meeting with the Net-Zero Asset Owner Alliance on 26 January, illustrating the great importance that the UN attaches to the work of the Alliance. Folksam's deputy CEO, Michael Kjeller, sits on the board of the Net-Zero Asset Owner Alliance, which has drawn up milestones for the whole of the alliance in its work to achieve the net zero target by 2050.

Increased implementation rate in 2021

Folksam's business concept is to be our customers' insurance company, offering insurance policies, pensions and long-term savings for the many. In 2020, we have shown that our business concept is more relevant and important to our customers than ever. But there is still more for us to do. The world around us is changing and so are the expectations of our customers. To handle the challenges that Folksam is facing, we need both growth and a faster implementation rate and this will be a key focus area during 2021. One of the adjustments we need to make is to switch the customer experience around. We must meet the customer digitally at first, with physical meetings secondary. We must also take even greater advantage of the strength that lies in group insurance and our robust partnerships. This is an area where I know there are many ideas and a lot of creativity within the organisation that we need to unleash.

Sustainability is an important part of our plan. We will lead the way towards developing a more sustainable world that will provide a secure future for our customers.

Ylva Wessén

President and CEO

Significant events

During the quarter (Oct–Dec)

Folksam raised the bonus rate to 4 per cent

With effect from 1 October, Folksam Life raised the bonus rate for occupational pensions from 3 per cent to 4 per cent. Other life insurance was left unchanged at 3 per cent.

Camilla Larsson – new CEO of KPA Pension

Camilla Larsson has been appointed the new CEO of KPA AB and KPA Pensionsförsäkrings AB. She replaces Britta Burreau, who is leaving KPA Pension to become CEO of Almi Företagspartner.

Folksam Life paid out SEK 286 million in bonuses

In October, Folksam Life began sending out bonus statements to 600,000 customers. Almost SEK 286 million is being paid out in total.

Folksam Life changed its collective funding policy

The funding policy provides the basis for Folksam's surplus management in relation to traditional insurance savings. An effective funding policy ensures fair surplus management and Folksam is taking this step in order to ensure fairness between customer groups. The new policy is applicable from 31 October.

Folksam reported the sharing of personal data to the Swedish Data Protection Authority

Folksam discovered during an internal audit that the personal data of an estimated one million people, some of which is considered sensitive, has been shared with digital partners. Folksam has stopped this sharing, requested that the data is deleted at the partner companies and reported the event to the Swedish Data Protection Authority.

The Swedish Data Protection Authority (now the Swedish Authority for Privacy Protection (IMY)) decided on 23 December to close the case relating to the report from Folksam General and Folksam Life on 28 September 2020 of the personal data breach on folksam.se.

The Swedish Authority for Privacy Protection decided on 4 January 2021 to close the case relating to the report from Folksam Fondförsäkring on 19 October 2021 of the personal data breach regarding My Pages on folksam.se.

The Swedish Competition Authority closed its investigation into legal insurance

The Swedish Competition Authority announced on Friday 20 November that it had decided to close the investigation into suspected abuse of a dominant position with regard to Folksam's sale of legal insurance to trade unions.

Folksam given top "VG" rating by Max Mathiessen and Söderberg & Partners

Max Mathiessen and Söderberg & Partners published their annual evaluations of how well Sweden's pension companies are working with responsible investments. Folksam and KPA Pension were given the top "VG" rating by both.

Folksam has the industry's best claim settlement

In this year's customer satisfaction survey carried out by the Swedish Quality Index (SKI), Folksam came out on top in terms of claim settlement. This outcome is the result of long-term change management and a conscious focus on process improvements with a customer focus.

PRO chose Folksam for its members' insurance

The Swedish National Pensioners' Organisation, PRO, signed a new agreement with Folksam for its members' insurance. This agreement means that all the insurance offered to PRO's 320,000 members is provided by the same insurer.

Swedish Ski Association and national cross-country team extended their partnership with Folksam

Folksam continues to invest in sport and extended its partnership agreement with the Swedish Ski Association and the national cross-country team. This agreement extends the opportunities for the association and the national cross-country team to progress with a strong focus on sustainability. Folksam is also continuing as the title sponsor of Folksam Cup.

After the end of the quarter

Folksam raised the bonus rate to five per cent

With effect from 1 January, Folksam Life raised the bonus rate for occupational pensions from four per cent to five per cent. Other life insurance was increased from three per cent to four per cent.

Focus areas

The Folksam Group's strategic focus going forward is on:

- developing **strong partnerships** with customers and business partners,
- investing in an even **better customer experience**, where the digital customer experience has an important role to play. Being a Folksam customer should be easy.
- continuing to **reduce operating expenses** in order to improve competitiveness and generate greater customer benefit through our offers
- a **higher pace of change** which involves us trialling various new working methods, such as more agile working
- continuing to **focus on sustainability**.

Strong partnerships

Strong partnerships are the foundation of the Folksam Group's business. Several of the Folksam Group's business partners, both trade unions and intermediaries, are facing major changes. Creating added value for them requires responsiveness and adaptability to new demands, always with the best interests of the end customer or union member at heart.

It is important that the work of the intermediary fulfils its function properly and that at the same time the end customer receives good advice and an individual solution. Areas prioritised by the Folksam Group include creating attractive offers and fine-tuning its administration and support to make everyday life easier and more efficient.

Better customer experience through digitisation

Many insurance solutions are provided via a group, but individuals should still be able to view their own personal insurance cover.

The Folksam Group must always be available to its customers. The information and self-service that customers need are available digitally. A hassle-free, personal and straightforward customer experience. Customers should always be able to understand what their insurance policy covers and be able to track their case digitally. Being a Folksam customer should be easy.

The Folksam Group is continuing its work to implement the new risk system, which will replace several older IT systems. The new risk platform enables faster service development, among other things.

Digital customer contact and the mobile version of My Pages are also being developed.

Reduced operating expenses

Folksam's business concept is to be our customers' insurance company, offering insurance policies, pensions and long-term savings for the many. The Folksam Group needs to continue its work to reduce operating expenses in order to improve competitiveness and generate customer benefit through attractive offers.

Higher pace of change

The challenges the future brings require a higher pace of change – this means:

- every employee achieving their full potential.
- streamlining meetings through culture and governance.
- working smarter, for example by working across departments based on customer needs.
- trialling new working methods, such as more agile working.
- investing in coaching leadership and employeeship.

This places major demands on both leaders and employees but also involves an exciting journey of change as the Folksam Group shapes the insurance and savings companies of the future.

The coronavirus pandemic has led to a rapid move towards digitisation. We are conducting ongoing analysis of the new working methods, processes and procedures this has given rise to so that we can learn from them and implement and permanently establish certain new ways of working.

Focus on sustainability

Continued investment in green bonds

KPA Pension has invested SEK 600 million in a green bond. This bond is issued by Norrköping Municipality through a private placement, an issue specifically directed at KPA Pension. The bond will be used for initiatives such as the construction of rental properties, drinking water projects and investments in recycling operations.

Continued focus on direct company dialogues

During the quarter, Folksam held several meetings on sustainability with representatives from portfolio companies in the telecommunications and financial sectors, among others. Folksam also continued to lead an investor dialogue with US company Amazon about its work to improve the working conditions of employees.

The Folksam Group participated in TCFD seminar with Nasdaq Stockholm

During the quarter, Folksam participated in a seminar on TCFD reporting, organised within the context of the Sustainable Value Creation cooperation initiative. The Folksam Group has been working for many years to encourage more listed companies to report in line with TCFD recommendations, and welcomes the increased interest among listed companies.

Focus on partial repairs protects value

In 2019, Folksam carried out a pilot project with the aim of saving more materials in the event of water damage, including through dehumidification and partial repairs. The pilot project, which was conducted in conjunction with Folksam's partner Polygon, clearly demonstrated the importance of prompt action in the event of water damage. This enabled 3,000 m² of surface layer to be saved. Now the Building Claims department at Folksam is working in line with the recommendations of the pilot project and the results will continue to be followed up next year.

KPA celebrates one year of LGBTQ certification

In October 2019, KPA Pension became the first LGBTQ-certified company in the financial sector. This certification means that all employees have completed a training course led by the RFSL organisation. The training course provided greater knowledge and insights about norms, discrimination and LGBTQ-appropriate treatment. In connection with its certification, KPA also drew up a three-year action plan for how managers and employees should work to achieve an inclusive customer experience and an open working climate from an LGBTQ perspective.

Training in responsible investment

The EU Action Plan on Sustainable Finance makes sustainability a regulated area for the finance sector. The action plan requires participants on the financial markets to take sustainability into account in their internal processes, asset management and advice.

In December, Folksam finalised its online training course "Sustainability in customer contact". This course focuses on the Folksam Group's sustainability work within savings and pensions, which consists of responsible asset management and responsible fund ranges. The main target group is employees within sales at Life, but this training will be offered to all Folksam employees.

Significant reduction in carbon dioxide emissions from own operations in 2020

As a result of the coronavirus pandemic, large numbers of Folksam's employees have worked from home for some of 2020. Many meetings, seminars and conferences have been held digitally, resulting in a sharp fall in travel within the business during the year. In 2020, CO₂ emissions from air travel have fallen by around 80%. Total carbon dioxide emissions from own operations have almost halved during the year, resulting in reduced operating costs.

Lower carbon dioxide emissions from the Folksam Group's equity portfolios

2020 was a very different year in many ways and it would have been remarkable if the companies' activities had not been affected. In our analysis of the portfolio's CO₂ footprint, we can see that the CO₂ intensity in the MSCI World index – which simply reflects the world's listed companies – generally declined last year.

This reduction is partly due to changes in the composition of the stock market during the year, with the IT sector growing and the energy sector shrinking for example, but also because the CO₂ intensity of many companies has actually decreased. The latter, in turn, may be the result of the reduced economic activity associated with the shutdowns that were implemented around the world during the most critical periods of the coronavirus pandemic.

The carbon footprint trend in the Folksam Group's equity portfolios has followed this general decline albeit at a lower level, as the emissions of our portfolios are at around 40% of the emissions in the World index.

Climate indicator	TCFD indicator name	2020	2019	2018
Carbon dioxide emissions (CO ₂ e) in own operations, with a target of net zero by 2030 ¹⁾		881.7	1,676	2,022
Energy consumption at properties, corrected for a normal year (kWh/sq m)		102.6	108.4	109
Carbon footprint of equity portfolios, Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million ²⁾	Weighted Average	6.9	7.7	10.6

¹⁾ The majority of emissions sources are updated quarterly. For more information about calculations and Carbon Law, see the Folksam Group's Annual and Sustainability Report 2019.

²⁾ The key ratios present a snapshot of the equity portfolio's greenhouse gas emissions. Note that the measure does not show the total climate impact of the investments. The calculations are not comprehensive and also do not include all indirect emissions. The calculation of the equity portfolio is based on the latest available data from MSCI and includes emissions corresponding to scopes 1 and 2 according to the Greenhouse Gas (GHG) Protocol. Greenhouse gas emissions are measured in carbon dioxide equivalents (CO₂e), which makes it possible to measure different greenhouse gases in the same way. The measurement includes all listed Swedish and foreign companies in the equity portfolio as at 31 December 2019. The calculation is based on data in USD, which affects reported earnings in SEK.

For more information, see folksam.se/om-oss/vart-hallbarhetsarbete/hallbarhet-i-folksam/hallbarhetsredovisning
Annual and sustainability report 2019.

The Folksam Group's comments on laws and regulations

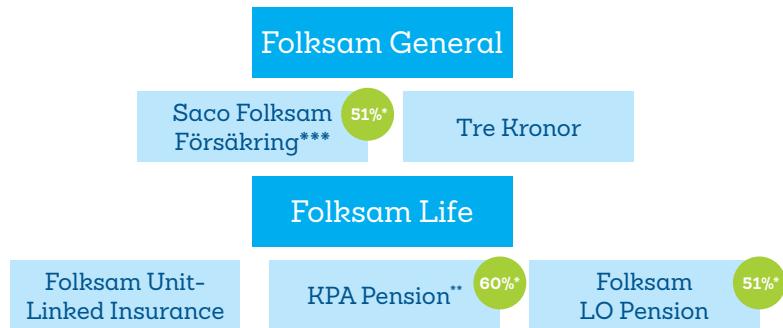
Need for tax-neutral rules for conversion to occupational pension companies

There is currently no competitive neutrality because only customer-owned insurance companies suffer unjustified tax effects on conversion to occupational pension companies under the occupational pension regulation, while limited liability companies are able to avoid them. Pension savers, usually with collectively agreed occupational pensions, are the ones who risk these unjustified tax effects. The Folksam Group has proposed amendments to the tax legislation so that customer-owned pension companies are also able to make partial portfolio transfers while maintaining tax continuity on conversion to occupational pension companies.

Incentives needed for private pension savings

Folksam is working to achieve better conditions for our pension savers and has therefore produced a report which it presented in a webinar. The report shows the need to introduce government stimulus for private pension savings in the form of a pension savings bonus that also benefits all those on lower incomes.

Three brands, two groups 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.

***As of 1 January 2021, Saco Folksam Försäkring is part of Folksam General.

In this full-year report, 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 that are consolidated and those that are not. The exception to this in the KPI tables for the Folksam Life Group and the Folksam General Group is the solvency factor, which 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.

Future reporting dates:

7 May 2021, interim report for the first quarter of 2021
29 July 2021, interim report for the second quarter of 2021
29 October 2021, interim report for the third quarter of 2021
11 February 2022, full-year report for 2021

Folksam General

Folksam General

Saco Folksam
Försäkring

Tre Kronor

Folksam General Group	2020	2019	2018
Premiums, SEK million ¹⁾	14,780	14,149	14,463
Assets under management, at period-end, SEK million	48,384	45,344	43,901
Solvency factor (SCR), at period-end ²⁾	2.3	2.3	2.4

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period.

²⁾ 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.

All companies within the Folksam General Group increased their premiums earned, totalling SEK 14,780 (14,149) million at the end of 2020.

Folksam General (parent company)	2020	2019	2018
Premiums, SEK million ¹⁾	13,419	12,885	12,379
Underwriting result, SEK million	1,026	237	81
Profit/loss before appropriations and tax, SEK million	1,843	1,308	1,349
Total expenses, %	89.8	96.1	97.9
of which claims expenses, %	76.4	81.8	79.4
of which operating expenses, %	13.5	14.3	18.5
Total return, %	2.2	3.0	4.1
Solvency capital, at period-end, SEK million	24,401	22,821	21,565
Funding ratio, at period-end, %	180	178	177
Solvency factor ²⁾ (SCR), at period-end	2.3	2.2	2.4

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period.

²⁾ 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 at the parent company rose by four per cent for the year to SEK 13,419 (12,885) million. This increase is the result of both portfolio growth and premium adjustments.

The total cost ratio at the parent company amounted to 89.8 (96.1) per cent, which was lower than the previous year. The claims expense ratio decreased to 76.4 (81.8) per cent, driven by the coronavirus pandemic, which has led to lower claims outcomes in some insurance lines. The decrease is also explained by a smaller negative impact of the interest rate effect on the annuity reserve combined with higher positive claims settlement outcomes as well as the fact that 2020 has seen fewer natural damage and major loss claims.

The operating expense ratio decreased to 13.5 (14.3) per cent. This reduction is the result of the focus on costs of the Folksam Group. Measures here include restrictive re-recruitment and the replacement of consultants with internal resources.

The underwriting result amounted to SEK 1,026 (237) million. This increase is the result of higher premiums earned and an improved claims outcome, combined with lower operating costs. Profit before appropriations and tax amounted to SEK 1,843 (1,308) million for the year. This increase is due to the underwriting result, as the return on capital was lower than in the previous year.

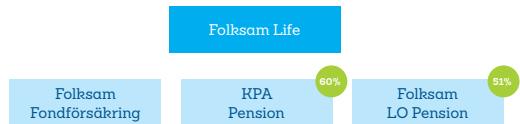
Total returns for the period amounted to 2.2 (3.0) per cent. The solvency factor, which is presented with a one-quarter delay, amounted to 2.3 (2.2) for the parent company in the most recent outcome.

The funding ratio increased to 180 (178) per cent at the parent company.

Funding ratio, %, parent company



Folksam Life



Folksam Life Group	2020	2019	2018
Premiums, SEK million ¹⁾	39,571	41,394	39,349
Assets under management, at period-end, SEK million	432,771	407,446	360,157
Unit-linked insurance assets, at period-end, SEK million	193,972	175,826	137,076
Solvency factor, at period-end ²⁾	3.2	3.2	3.3

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 is presented with a one-quarter delay.

Premiums written for the Folksam Life Group amounted to SEK 39,571 (41,394) million for the full year 2020.

Assets under management amounted to SEK 432,771 (407,446) million and unit-linked insurance assets amounted to SEK 193,972 (175,826) million.

In total, customers' assets increased by around six per cent in 2020 compared with the previous year.

The solvency factor, which is presented with a one-quarter delay, was 3.2 (3.2).

Folksam Life (parent company)	2020	2019	2018
Premiums, SEK million ¹⁾	11,030	12,159	11,629
Underwriting result, SEK million	6,483	11,777	2,018
Management expense, %	0.4	0.5	0.6
Total return, %	4.7	10.4	1.5
Assets under management, at period-end, SEK million ³⁾	211,444	205,912	187,332
Of which strategic company holdings	6,465	5,778	4,073
Solvency ratio, at period-end, %	171	169	163
Solvency factor ²⁾ mixed companies	3.8	3.7	3.8
Collective funding ratio, occupational pension, at period-end, %	120	119	110
Collective funding, other life insurance business, at period-end, %	118	119	114

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 (compliant with the Solvency II directive) and the capital base relative to the capital requirements (compliant with the Solvency I directive) for occupational pension business. The solvency factor is presented with a one-quarter delay.

³⁾ The figures for assets under management have been adjusted, as the value of subsidiaries (strategic company holdings) is included in assets under management at the parent company as of 2020. The figures for previous years have been adjusted in line with this change.

Premiums written for the parent company, Folksam Life, decreased to SEK 10,935 (12,040) million. This fall is principally due to lower savings premiums as a result of the coronavirus pandemic, premium reductions and a lower bonus interest rate.

Operating expenses amounted to SEK 1,000 (989) million.

Costs are higher than in the previous year. This deviation is mainly the result of higher costs for the new risk platform, although this is partially offset by reduced personnel and consultancy costs and commissions. .

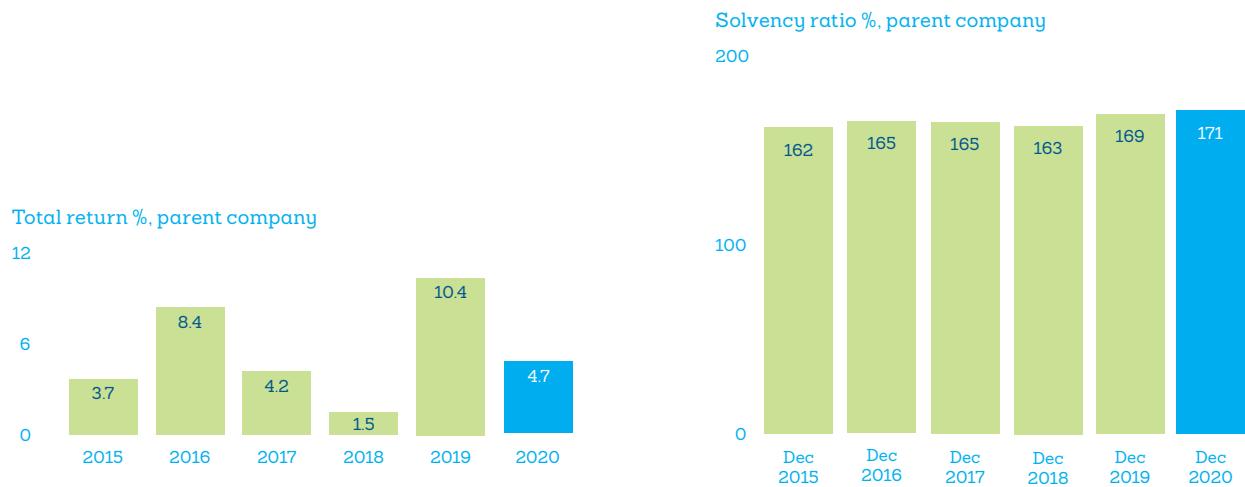
The solvency factor for mixed companies, which we present with a one-quarter delay, amounted to 3.8 for the parent company. The collective funding ratio for defined contribution occupational pension insurance amounted to 120 per cent for the fourth quarter of 2020 and 118 per cent for other life insurance business. The funding ratio has been strengthening gradually since the first quarter.

Total return for the period amounted to 4.7 (10.4) per cent.

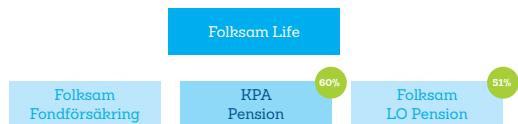
Viewed over the past five years, 2016–2020, the annual average total return for Folksam Life was 5.8 per cent.

The total return for the last ten-year period, 2011–2020, was 6.5 per cent per annum. The solvency ratio at the parent company has strengthened gradually during the year, amounting to 171 (169) at the end of the year.





KPA Pension*



KPA Pensionsförsäkring AB	2020	2019	2018
Premiums, SEK million ¹⁾	17,381	17,315	16,475
Underwriting result, SEK million	11,129	17,749	4,375
Management expense, %	0.2	0.2	0.2
Total return, %	4.8	11.2	0.5
Bonus rate (%) defined benefit	3.4	11.3	0.5
Bonus rate (%) defined contribution	5.1	11.3	0.5
Assets under management, at period-end, SEK million	223,364	202,714	172,402
Solvency ratio, at period-end, %	172	171	165
Solvency factor (S1), at period-end ²⁾	17.0	16.8	15.7

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 is presented with a one-quarter delay.

Premiums written for KPA Pensionförsäkring amounted to SEK 17,381 (17,315) million. KPA Pensionsförsäkring has preferred company status for defined contribution pensions for municipal and regional employees.

The underwriting result amounted to SEK 11,129 (17,749) million. The lower result compared with the previous year is primarily due to a lower return on capital during the period. Total return amounted to 4.8 (11.2) per cent for the period. Viewed over the past ten years, 2011–2020, the annual average total return was 6.5 per cent.

The bonus rate for defined benefit was 3.4 (11.3) per cent and for defined contribution was 5.1 (11.3) per cent as a result of lower value trends for equity during the first two quarters of the year. The management expense ratio at KPA Pension amounted to 0.2 (0.2). The solvency ratio amounted to 172 (171) per cent at the end of the period. The solvency ratio strengthened gradually during the second half of the year.

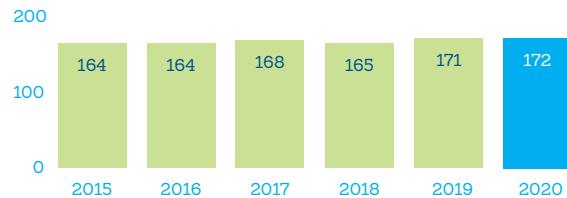
The solvency factor amounted to 17.0 per cent.

* 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.

Total return, %



Solvency ratio, %



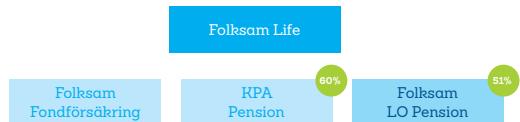
Climate indicator	TCFD indicator name	2020	2019	2018
Carbon dioxide emissions (CO2e) in own operations, with a target of net zero by 2030 ¹⁾		44.6	65	104
Energy consumption at properties, corrected for a normal year (kWh/sq m)		101.6 ³⁾	109.5	113
Carbon footprint of the equity portfolio, Carbon dioxide intensity, weighted average, tonnes of CO2e/SEK million ²⁾	Weighted Average	71	76	10.9

¹⁾ The majority of emissions sources are updated quarterly.

²⁾ The key ratios present a snapshot of the equity portfolio's greenhouse gas emissions. Note that the measure does not show the total climate impact of the investments. The calculations are not comprehensive and also do not include all indirect emissions. The calculation of the equity portfolio is based on the latest available data from MSCI and includes emissions corresponding to scopes 1 and 2 according to the Greenhouse Gas (GHG) Protocol. Greenhouse gas emissions are measured in carbon dioxide equivalents (CO2e), which makes it possible to measure different greenhouse gases in the same way. The measurement includes all listed Swedish and foreign companies in the equity portfolio as at 31 December 2019. The calculation is based on data in USD, which affects reported earnings in SEK.

³⁾This fall is largely due to the acquisition of the Pelaren property, as well as energy investments and energy initiatives during the year.

Folksam LO Pension*



Folksam LO Fondförsäkring	2020	2019	2018
Premiums, SEK million ¹⁾	7,272	7,925	7,405
Underwriting result for the period, SEK million	301	231	232
Profit for the period	340	312	238
Total return, %	9.7	24.3	-4.0
Management expense ratio, %	0.09	0.13	0.14
Unit-linked insurance assets, at period-end, SEK million	135,487	118,624	88,609
Solvency factor (S1), at period-end	7.7	6.6	6.6

¹⁾ Premiums comprise premium payments from unit-linked insurance investors.

Incoming payment for new premiums from savers fell by SEK 653 million compared with last year. This reduction is partly the result of selection centre Fora's transfer ban, which was in force from 27 May to 30 November for the SAF-LO agreement area, resulting in fewer inward transfers. The drop is also due to the coronavirus pandemic preventing the company's customer advisers from making workplace visits. The underwriting result was SEK 301 (231) million and the company's overall profit was SEK 340 (312) million. The factors behind the improved underwriting result are higher fund rebates and lower operating costs. The company's non-underwriting result was slightly lower, which is explained by a weaker return on the company's own investments compared with the previous year.

The unit-linked insurance assets increased as a result of a positive cash flow and a positive change in value, and amounted to SEK 135,487 (118,624) million. The total return ratio amounted to 9.7 (24.3) per cent. The solvency factor amounted to 7.7 (6.6).

During 2020, Folksam LO Fondförsäkring transferred a further 270,000 policies to a new IT environment, relating to customers within SAF-LO with pension capital earned before 2009. This means that the company's objective of migrating its business to modern system support has now been realised, with over 97 per cent of the insurance portfolio having been transferred to the Folksam Group's future insurance system. In connection with the transfer to the new platform, the Entry Solution has been modified for customers with collectively agreed bargained pension SAF-LO 2009 so as to offer a more developed product similar to the company's other products, where the investment of the pension assets is adapted to the age of the customer and the levies in the available range of funds are reduced.

Folksam LO Fondförsäkring is continuously working to improve the company's sustainability work. As part of these efforts, the Board of Directors made the decision in 2020 to tighten the restrictions on investments in the coal and gambling sectors. The sustainability work of selected fund management companies has been evaluated through an in-depth dialogue with the companies, where they report information such as how they have developed their sustainability work during the year, the results of their advocacy dialogues and their plans for the future.

As Swedbank Robur hones its climate strategy from the turn of the year 2021, this also covers the four Folksam LO funds Folksam LO Sverige, Folksam LO Väst, Folksam LO Världen and Folksam LO Obligation, which are all managed by Robur. This means that these funds are now opting out of the production of coal, oil and gas as well as power generation from fossil fuels. The funds are also excluding investments in unconventional fossil fuels such as Arctic oil/gas, shale oil/gas and oil sands. Exceptions can be made for outplacement companies that are expected to be able to meet the Paris Agreement's 2050 carbon neutrality target. The Folksam LO funds constitute almost 70 per cent of Folksam LO Fondförsäkring's unit-linked insurance assets.

Finally, intensive work is also under way to integrate the new EU regulatory framework for Sustainable Finance. This relates in particular to the application of the new Disclosure and Taxonomy Regulations and the changes in the IDD (Insurance Distribution Directive).

* The brand Folksam LO Pension includes Folksam LO Fondförsäkring.

Appendix:

Other subsidiaries and associated companies

Folksam General			
Tre Kronor	2020	2019	2018
Premiums, SEK million ¹⁾	1,156	1,088	1,040
Underwriting result, SEK million	75	76	48
Profit/loss before appropriations and tax, SEK million	98	83	45
Total expenses, %	93.2	92.8	95.4
Solvency factor (SCR), at period-end ²⁾	2.0	1.9	2.0
Saco Folksam Försäkring	2020	2019	2018
Premiums, SEK million ¹⁾	205	176	156
Underwriting result, SEK million	-30	3	25
Profit/loss before appropriations and tax, SEK million	-24	22	25
Total expenses, %	118.6	102.2	85.1
Solvency factor (SCR), at period-end ²⁾	2.1	1.6	1.7

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period

²⁾ The solvency factor is presented with a one-quarter delay

Folksam Life			
KPA Livförsäkring	2020	2019	2018
Premiums, SEK million ¹⁾	324	311	294
Underwriting result, SEK million	191	25	17
Management expense ratio, %	0.8	0.8	0.8
Total return, %	3.3	7.9	0.0
Solvency factor (SCR), at period-end ²⁾	3.0	3.3	3.4
Folksam Fondförsäkring	2020	2019	2018
Premiums, SEK million ¹⁾	3,179	3,272	3,410
Profit/loss for the period before tax, SEK million	60	92	82
Management expense ratio, %	0.94	1.00	1.20
Unit-linked insurance assets, at period-end, SEK million	47,118	46,075	39,318
Solvency factor, mixed companies ²⁾	1.7	1.6	1.5

¹⁾ Premiums means premiums earned, which corresponds to the proportion of premiums paid in for the period

²⁾ The solvency factor is presented with a one-quarter delay

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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

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



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