



Interim Report

January–March 2021

The Folksam Group

2021

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	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Folksam Customer Index (FCI), %^⑦	74	73	74	75
Premiums, SEK million ^①	24,285	24,704	54,351	55,543
Assets under management, at period-end, SEK million ^{②③④}	512,724	442,080	483,228	454,536
Unit-linked insurance assets, at period-end, SEK million ^{③④⑤}	214,208	151,382	193,972	175,826
Number of full-time employees ^⑥	3,476	3,567	3,478	3,605

^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.

Folksam Group's managed assets, 31 March 2021



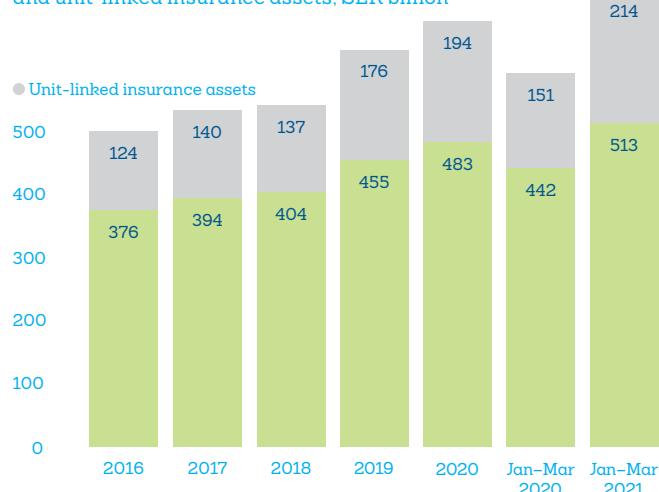
The Folksam Group

- Total premium volume amounted to SEK 24,285 (24,704) million.
- Assets under management amounted to SEK 512,724 (442,080) million.
- The total return ratio at Folksam Life was 4.2 (-5.0) per cent, KPA Pensionsförsäkring was 4.6 (-5.8) per cent and Folksam General was 2.0 (-2.4).
- The solvency ratio at Folksam Life was 182 per cent.
- The debt-to-equity ratio at Folksam General was 181 per cent.

Total premium volume, SEK million



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



Satisfied customers increase the general insurance business and the financially record-setting life insurance business

Our customers continue to be satisfied with us! During Q1 2021, the Folksam Group passed a number of important milestones with over SEK 500 billion in assets under management and over SEK 200 billion in unit-linked insurance assets for the Folksam Group, totalling more than SEK 700 billion. In addition, we attained more than SEK 50 billion in assets under management and SEK 25 billion in solvency capital for Folksam General. As assets under management grow, our customers can nudge society towards a sustainable world through Folksam's investments.

During the quarter, the Folksam Group set interim targets for 2025 for the investment portfolios' journey towards net-zero greenhouse gas emissions by 2050, where the carbon footprint from equities, corporate bonds and property will decrease by 29 per cent. The emission target must primarily be achieved by influencing companies in which the Folksam Group has invested to reduce their emissions. This is how we want to contribute to a genuine reduction in emissions in society and promote a green transition. We follow our vision to ensure that our customers feel secure in a sustainable world.

Asset management

Total Q1 returns were good, amounting to 4.2 per cent for Folksam Life, 2.0 per cent for Folksam General and 4.6 per cent for KPA Pension. The returns were primarily driven by strong stock market performance. The good returns had a positive impact on bonuses for our customers. Since May 1, the life insurance business has had a higher bonus interest rate than before the pandemic, at 11 per cent for occupational pension and 7 per cent for other life insurance, and Folksam General customers will receive a record-setting bonus in May.

Life and General

Through increased activity, the life insurance business has achieved premiums on a par with previous years, which is a statement of strength from the organisation. An example of higher activity is our 'Member Savings' product, developed with some of our union partners. It will be offered to more than one million union members during the second quarter.

Sales in parts of the life insurance companies were adversely affected by not being able to hold physical meetings at work-



places, among other places, but despite this, the premiums for the period are in keeping with the previous year, which is an achievement, considering that the first two months of last year were unaffected by the COVID-19 pandemic. The premiums amounted to SEK 20,517 million. The solvency ratio at Folksam Life was a record-setting 182 per cent.

The general insurance business developed strongly during the quarter and premiums amounted to SEK 3,768 million, a growth of 4.3 per cent compared to the previous year. The increase can be seen in all branches, apart from housing, where the portfolio increased compared to the previous year but where premium reductions were made to compensate for reduced travel claims due to the COVID-19 pandemic. During the quarter, a new agreement was signed with Jaguar/Land Rover, and we extended agreements with Hyundai, Suzuki, the Swedish Athletics Federation and the Swedish Parasports Federation. The total cost ratio amounted to 87 per cent. The debt-to-equity ratio at Folksam General was 181 per cent.

Occupational pension regulation

As of 1 March, KPA Livförsäkring was converted into an occupational pension company, thus changing its name to KPA TjänstepensionAB. Efforts are ongoing to prepare for additional occupational pension business within the Folksam Life Group for the new occupational pension regulations. One complication of the issue is the aggravating tax effects

arising from current rules for mutual societies, something that Folksam has lobbied both the Ministry of Finance and the minister about.

After the end of the period: new collaboration with Volvo Cars

After the end of Q1, we announced that Folksam is providing a unique group insurance focused on sustainability and safety for Volvo's new electric car. Volvo is a natural partner for Folksam, as we are two operators who give high priority to sustainability and safety.

Employees

The Folksam Group reinforced its management during the spring. In February, Björn Ekstedt was engaged as acting IT manager and member of group management. In March, Christoffer Jönsson took up his duties as new CEO of Folksam LO Pension and Camilla Larsson became the new CEO of KPA Pension.

For a long time, 80 per cent of the employees in the Folksam Group have worked from home, and we will continue to do so until after the summer period. We have also set up task forces to examine how we will return to the offices after the pandemic and how we must work in Folksam going forward.

Customer focus in the Folksam Group

The Folksam Group is on a journey of change, and customer benefits are an intensifying object of focus for our business. The events of the past year prove that the world can change quickly. This is why Folksam's rate of change and customer focus are our top priorities. This is true of all parts of the Folksam Group and are essential elements for how we will develop going forward. Our customers must feel secure in a sustainable world

Ylva Wessén

President and CEO

Significant events

During the quarter (Jan–Mar)

Folksam raised the bonus interest 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.

Folksam raised the bonus interest rate once again

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

Fossil fuels were opted out in the Folksam LO funds

Since the beginning of the year, the four Folksam LO funds have ruled out investing in the production of fossil fuels in the form of gas, coal and oil. Folksam LO Sweden is the largest Swedish fund on the market.

The CEO of the Folksam Group at a meeting with the UN Secretary-General on the Net Zero Asset Owner Alliance

UN Secretary-General António Guterres has on several occasions highlighted the importance of the Net Zero Asset Owner Alliance's climate-related efforts. Ylva Wessén, CEO of the Folksam Group, was invited to a meeting to discuss the role of the financial industry in the transition to a more sustainable world.

Folksam entered into a new partnership with Jaguar/Land Rover and extended its agreements with Hyundai and Suzuki

Folksam signed a three-year agreement with Jaguar/Land Rover (JLR), thereby initiating a new partnership. The agreement entered into effect from 1 January this year.

The Folksam Group and Öhman Fonder gathered 76 investors as co-signatories of a letter to Amazon's Board of Directors

The Folksam Group and Öhman Fonder sent a letter to the board of e-business giant Amazon clearly urging the company to take concrete action in its efforts targeting human rights. The letter was co-signed by 76 international investors worldwide who together manage more than SEK 50,000 billion.

The Folksam Group's CEO Ylva Wessén was rated the 36th most powerful woman in the business community, according to Dagens Industri

Folksam's President and Group CEO Ylva Wessén will be ranked 36th in *Dagens Industri*'s (Swedish financial newspaper) selection of the business community's most powerful women in 2021.

New assignment for Mia Liblik and change of CEO at Folksam LO Unit-Linked Insurance

Mia Liblik stepped down from her position as CEO of Folksam LO Unit-Linked Insurance AB (Folksam LO Pension) to run efforts to develop Folksam Life's occupational pension business. Christoffer Jönsson was appointed by the Board of Directors as new CEO of the company.

Folksam part of sustainable development bond from the World Bank

The World Bank issued a sustainable development bond focused on health and gender equality, two of the six goals selected by the Folksam Group out of the UN's 17 Sustainable Development Goals. This is part of the World Bank's strategy to highlight projects and programmes focused on gender equality and health and shows how COVID-19 disproportionately affects women.

The Folksam Group hits the jackpot when Sustainable Brand Index listed sustainable brands

In the Sustainable Brand Index study, Folksam is ranked as the most sustainable brand in the insurance category, and KPA pension, part of the Folksam Group, topped the pension company category. Sustainable Brand Index is the Nordic region's largest independent brand study focused on sustainability.

The Swedish Athletics Federation and Folksam extended their cooperation

The Swedish Athletics Federation and Folksam extended their cooperation for another four years. This means that Folksam will continue to be the title sponsor of the Folksam Grand Prix and will also step in as a partner for the Healthy Athletics website.

Folksam joins widespread effort to increase involvement in road safety issues

Folksam is part of the Zhero initiative, a sweeping action being taken by the Swedish Transport Administration, together with a number of other stakeholders, to improve road safety.

The Folksam Group adopted new climate targets for 2025 for its investment portfolios

Great emphasis is placed on advocacy work in efforts to reduce the carbon footprint of equities, corporate bonds and properties by 29 per cent by 2025. Folksam currently manages approximately SEK 500 billion for more than three million customers.

After the end of the quarter

Folksam distributes SEK 339 million in bonuses to its customers

In mid-May, Folksam will begin disbursing bonuses to more than 2.5 million customers, as well as owners, who will share a total of SEK 339 million. The bonuses are important evidence that Folksam is doing well.

Folksam raises the bonus interest rate again

From 1 May, the bonus interest rate will be increased to 11 per cent for occupational pensions and to 7 per cent for other life insurance.

Focus going forward

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

- generating **growth** through **strong partnerships** with customers and business partners
- **digitisation** to power the development of an even **better customer experience**.
- **efficiency engineering** to create space for **digital commitments** and strengthened **competitiveness**
- **higher rate of change**, which means that we develop our working methods
- continued focus on sustainability – a prerequisite for growth

Growth through strong partnerships

Folksam's focus is on harnessing the power of our partnerships to create growth.

If we broaden the perspective, then we must:

- Commit to bringing in new savings customers via the offer to unions
- Focus on reaching large customer groups through acquisitions and partnerships.
- Get more customers to choose us for all their general insurance needs
- Create an efficient joint distribution with partners where we meet customer needs directly, digitally and personally.

Digitisation must drive the customer experience

The overall focus is that we must meet our customers digitally, complemented with staffed services. Our customers must always be able to understand what their insurance policy covers and be able to track their case digitally. It must also be easier for customers to communicate with Folksam, such as by sending messages and images via My Pages or by increasing the number of our video inspections. Customers will be able to meet more and more needs at the times that suit them. It must be easy to be a Folksam customer, and the customer must encounter a unified Folksam. Digitisation must drive the customer experience.

If we broaden the perspective, then we must:

- Increase the number of insurance policies sold online via folksam.se
- Focus on achieving our goals for New Risk, which makes effective digitisation possible
- Develop digital self-services for the most widespread types of cases
- Develop a mobile version of My Pages

Continue focusing on efficiency engineering

In order to create space for digital investments, we need to continue to maintain our operating costs and endeavour to be as efficient as possible at all times. We also need to focus on reducing our operating costs to strengthen our competitiveness. Several of our new competitors have low costs, which creates space for them to put pressure on prices. To put it simply, we can improve our efficiency in two ways. On the one hand, we must reduce our current operating costs to create space for competitiveness, growth and investments in the digital movement. On the other, we must pursue ef-

ficiency-enhancing initiatives, as exemplified by the 'agile commitment'.

Higher rate of change

The challenges Folksam is facing require a higher rate of change, which requires us:

- to get the whole organisation moving in the same direction
- to exploit the full potential of each employee
- to work smarter, such as by digitising selected processes
- to develop new ways of working, such as by taking a more multidisciplinary approach to work and agilely investing in coaching leadership and employeeship

A higher rate of change imposes big demands on both managers and staff but at the same time involves an exciting journey of change as the insurance and savings companies of the future emerge. The COVID-19 pandemic prompted a rapid digital transformation, and more than 80 per cent of our employees currently work from home. An ongoing analysis is looking at the entire pandemic experience and how this is linked to new ways of working, processes and routines. The purpose is for us to be able to take advantage of what strengthens us as an organisation going forward.

Focus on sustainability

The components of the Folksam Group's sustainability efforts are united under the heading of Focus on Sustainability. Significant parts of our sustainability reporting are integrated into other reporting. In order to get an overall picture of the sustainability efforts carried out during Q1, you are urged to read 'Significant events during the quarter'.

Sustainable Finance: first adaptation completed

The Folksam Group has adapted its activities to the Disclosure Regulation, which entered into force on 10 March 2021. This new EU regulatory framework defines how financial operators must inform about their sustainability efforts. The aim is to make it easier for end customers to compare various financial products and make well-informed decisions linked to sustainability. The Disclosure Regulation is part of the European Commission's Sustainable Finance Action Plan, whereby the EU wants to take the lead in the climate transition to achieve the Paris Agreement targets.

Climate proposal for HSBC's Annual General Meeting

The multinational HSBC bank is Europe's second largest funder of the fossil fuel industry. In January, the Folksam

Group, together with several other investors, jointly submitted a climate-related proposal ahead of the bank's annual general meeting in May. After several weeks of subsequent discussions with the bank, a common path forward was finally agreed. This meant that the proposal was withdrawn, at the same time that HSBC drew up its own proposal which broadly reflects the demands initially made by the Folksam Group. HSBC undertakes to set targets to align all forms of corporate finance with the objectives of the Paris Agreement. At the same time, a new coal policy will be in place before the end of 2021, which will lead to a complete phase-out of the financing of coal power and thermal coal. In addition, the bank undertakes to report annually on the progress of these efforts.

Climate risks in focus

For the second year in a row, the Folksam Group is releasing a report on climate risks according to the recommendations of the TCFD guidance. The report was published on 30 March and can be found on folksam.se.

During the winter, Folksam carried out scenario analyses of how the company is affected by higher or lower wind velocity during storms. A 5 per cent increase in wind velocity significantly impacts storm-related damage. The analyses serve as a stress test for the potential impact of climate change on our activities.

Carbon footprint

The Folksam Group has been reporting its carbon footprint on a quarterly basis since 2020. Carbon emissions are reported for our own operations as well as the asset classes Equity and Properties.

Climate indicator	TCFD indicator name	Jan-Mar 2021	2020	2019
Carbon emissions (CO ₂ e) in our own operations, with a target of net zero by 2030 ¹⁾		206.7	787	1676
Energy consumption at properties, corrected for a normal year (kWh/sq m)		102.4	102.6	108.4
Carbon footprint of equity portfolios, Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million ²⁾	Weighted Average	6.3	6.9	7.7

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

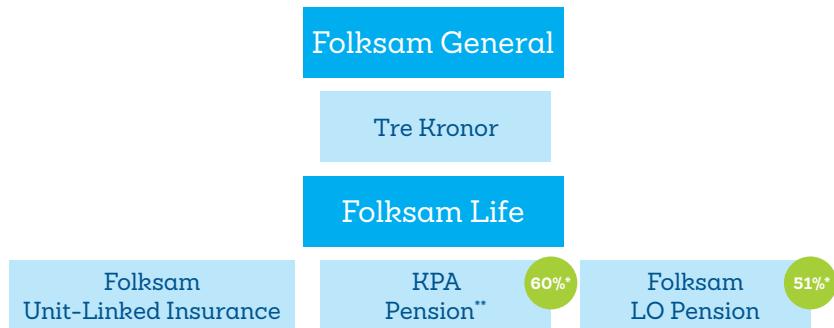
There is currently no competitive neutrality because only customer-owned insurance companies suffer unjustified tax effects for conversion to occupational pension companies under the occupational pension regulation, whereas limited liability companies are able to avoid them. Pension savers, usually with 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 pushing for better conditions for our pension savers by calling for government incentives for private pension savings through a retirement savings bonus that also benefits those with lower incomes.

Three brands, two groups and seven insurance companies



* Refers to the Folksam Group's participating interest.

** The brand KPA Pension comprises the parent company KPA AB, the insurance companies KPA Tjänstepension AB (plc) (KPA Tjänstepension) and KPA Pensionsförsäkring AB (plc) (KPA Pensionsförsäkring), as well as KPA Pensionsservice AB.

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:

29 July 2021, interim report for the second quarter 2021

29 October 2021, interim report for the third quarter of 2021

11 February 2022, full-year report for 2021

Folksam General

Folksam General Group	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Premiums, SEK million ¹⁾	3,768	3,610	14,780	14,149
Assets under management, at period-end, SEK million	50,220	44,135	48,384	45,344
Solvency factor (SCR), at period-end ²⁾	2.3	2.2	2.3	2.3

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, current quarter, is presented with a one-quarter delay.

The premiums earned for companies within the Folksam General Group decreased to SEK 3,768 (3,610) million.

Folksam General (parent company)	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Premiums, SEK million ¹⁾	3,474	3,281	13,419	12,885
Underwriting result, SEK million	435	130	1,026	237
Profit/loss before appropriations and tax, SEK million	1,368	-1,022	1,843	1,308
Total expenses, %	87.0	96.0	89.8	96.1
of which claims expenses, %	74.5	82.2	76.4	81.8
of which operating expenses, %	12.5	13.8	13.5	14.3
Total return, %	2.0	-2.4	2.2	3.0
Solvency capital, at period-end, SEK million	25,532	21,686	24,401	22,821
Debt-to-equity ratio, at period-end, %	181	165	180	178
Solvency factor ²⁾ (SCR), at period-end	2.3	2.3	2.3	2.2

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, current quarter, is presented with a one-quarter delay.

Premiums earned in the parent company increased by six per cent compared to the same period last year and amounted to SEK 3,474 (3,281) million. At the beginning of the year, the insurance portfolio in Saco Folksam was transferred to Folksam General, which partly explains the increase. This increase is also explained by portfolio growth and premium adjustments.

The total cost ratio at the parent company amounted to 87.0 (96.0) per cent, which was lower than the previous year. The claims expense ratio decreased to 74.5 (82.2) per cent, driven by the coronavirus pandemic, which has led to lower claims outcomes in some insurance lines. Effects on the annuity reserve combined with a higher winding-up result compared to the previous year also explain the decrease.

The operating expense ratio decreased to 12.5 (13.8) per cent.

The underwriting result amounted to SEK 435 (130) 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 1,368 (-1,022) million for the quarter. The increase is explained both by the technical result and the return on capital which was higher than Q1 of the previous year.

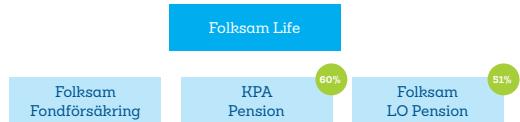
Total returns for the period amounted to 2.0 (-2.4) per cent. The solvency factor, which is presented with a one-quarter delay, amounted to 2.3 (2.3) for the parent company in the most recent outcome.

The debt-to-equity ratio increased to 181 (165) per cent at the parent company.

Debt-to-equity ratio, %, parent company



Folksam Life



Folksam Life Group	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Premiums, SEK million ¹⁾	20,517	21,093	39,571	41,394
Assets under management, at period-end, SEK million	460,391	396,172	432,771	407,446
Unit-linked insurance assets, at period-end, SEK million	214,208	151,382	193,972	175,826
Solvency factor, at period-end ²⁾	3.2	3.1	3.2	3.2

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, current quarter, is presented with a one-quarter delay.

Premiums written for the Folksam Life Group amounted to SEK 20,517 (21,093) million for Q1 2021.

customers' assets increased by almost 23 per cent compared with the corresponding period of the previous year.

Assets under management amounted to SEK 460,391 (396,172) million and unit-linked insurance assets amounted to SEK 214,208 (151,382) million. In total,

The solvency factor, which is presented with a one-quarter delay, was 3.2 (3.1).

Folksam Life (parent company)	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Premiums, SEK million ¹⁾	3,340	3,377	10,935	12,040
Underwriting result, SEK million ⁴⁾	11,228	-12,250	6,483	11,777
Management expense, %	0.5	0.5	0.4	0.5
Total return, %	4.2	-5.0	4.7	10.4
Assets under management, at period-end, SEK million ³⁾	219,706	195,752	211,444	205,912
Of which strategic company holdings	7,593	4,923	6,465	5,778
Solvency ratio, at period-end, %	182	155	171	169
Solvency factor ²⁾ mixed companies	3.7	3.6	3.6	3.7
Collective funding ratio, occupational pension, at period-end, %	125	111	120	119
Collective funding, other life insurance business, at period-end, %	122	113	118	119

¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance.

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, current quarter, 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.

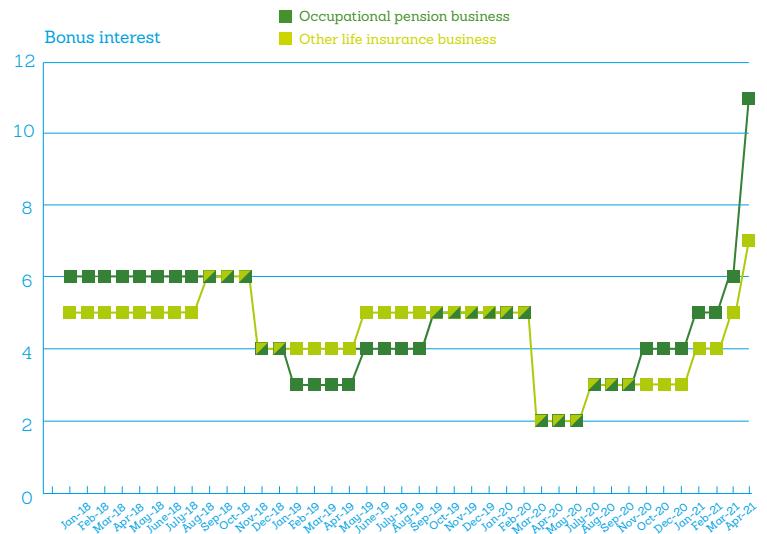
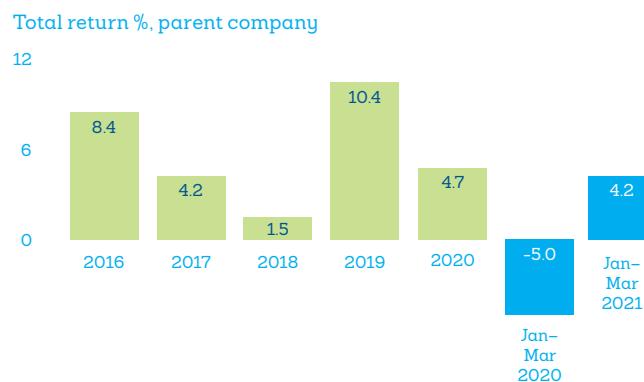
⁴⁾ As of 2020, coupon tax is reported on the line "Tax on profit for the period", in the annual report. the previous year's figures have been adjusted for this.

Premiums written for the parent company, Folksam Life, decreased to SEK 3,340 (3,377) million. The decrease is explained by the fact that the first two months of the previous year were unaffected by the COVID-19 pandemic.

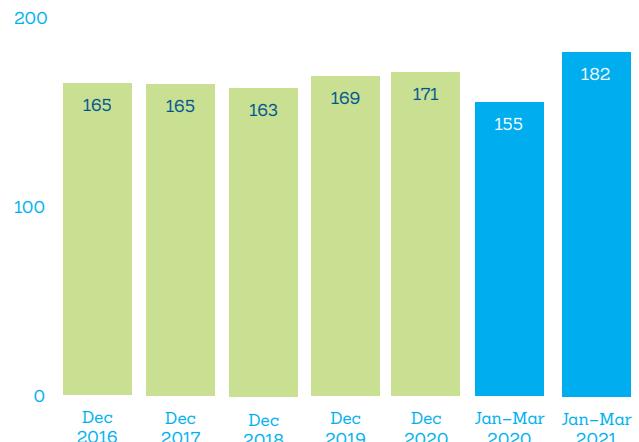
Operating expenses amounted to SEK 241 (237) million. Costs are higher than in the previous year. The deviation is mainly explained by higher costs related to the development and maintenance of newly developed systems, which is partially offset by reduced commission costs and increased activation of intangible assets.

The total return for the period amounted to 4.2 (-5.0) 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 182 (155) at the end of the quarter.

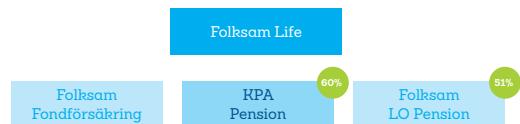
The solvency factor for mixed companies, which we present with a one-quarter delay, amounted to 3.7 for the parent company. The collective debt-to-equity ratio for defined contribution occupational pension insurance amounted to 125 per cent for the first quarter of 2021 and 122 per cent for other life insurance business.



Solvency ratio, %, parent company



KPA Pension*



KPA Pensionsförsäkring AB	Jan–Mar 2021	Jan–Mar 2020	2020	2019
Premiums, SEK million ¹⁾	10,971	11,034	17,381	17,315
Underwriting result, SEK million ³⁾	20,630	-12,562	11,129	17,749
Management expense, %	0.2	0.2	0.2	0.2
Total return, %	4.6	-5.8	4.8	11.3
Bonus rate (%) defined benefit	2.0	-5.5	3.4	11.3
Bonus rate (%) defined contribution	4.8	-6.0	5.1	11.3
Assets under management, at period-end, SEK million	243,766	201,034	223,364	202,714
Solvency ratio, at period-end, %	188	155	172	171
Solvency factor (S1), at period-end ²⁾	17.0	17.2	17.0	16.8

¹⁾ Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance.

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

³⁾ As of 2020, coupon tax is reported on the line "Tax on profit for the period", in the annual report. the previous year's figures have been adjusted for this.

Premium income for KPA Pensionförsäkring amounted to SEK 10,971 (11,034) million. KPA Pensionsförsäkring has preferred company status for defined contribution pensions for municipal and regional employees.

The underwriting result amounted to SEK 20,630 (12,562) million. The higher profit compared to the previous year is mainly explained by the good return on capital during the period and lower actuarial provisions, which is mainly explained by a higher interest rate curve.

The total return amounted to 4.6 (-5.8) per cent for the period.

Viewed over the past ten years, 2011–2020, the annual average total return was 6.5 per cent.

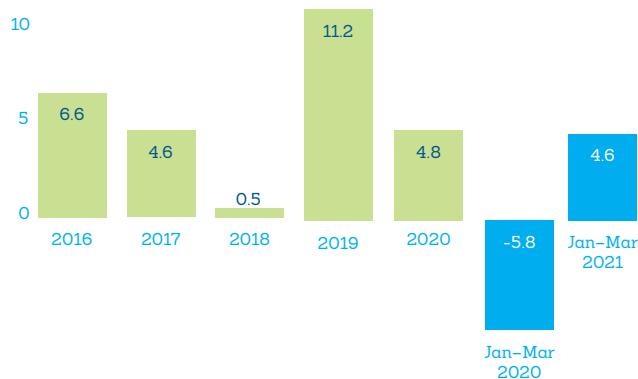
The bonus rate for defined benefit was 2.0 (-5.5) per cent and for defined contribution was 4.8 (-6.0) per cent as a result of lower value trends in the equity markets during the first two quarters of the year. The management expense ratio at KPA Pension amounted to 0.2 (0.2). The solvency ratio amounted to 188 (155) per cent at the end of the period.

The solvency factor amounted to 17.0 (17.2) per cent.

* The brand KPA Pension comprises the parent company KPA AB, the insurance companies KPA Tjänstepension AB (plc) (KPA Tjänstepension) and KPA Pensionsförsäkring AB (plc) (KPA Pensionsförsäkring), as well as KPA Pensionsservice AB.

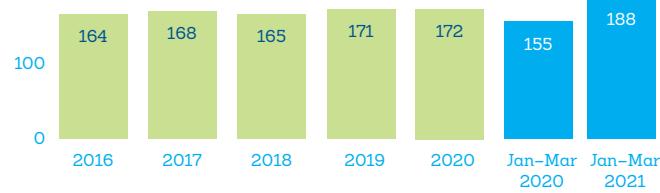
Total return, %

15



Solvency ratio, %

200



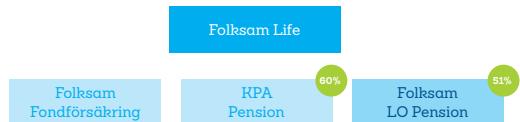
Climate indicator	TCFD indicator name	Jan–Mar 2021	2020	2019
Carbon emissions (CO ₂ e) in our own operations, with a target of net zero by 2030 ¹⁾		11.5	44.6	65
Energy consumption at properties, corrected for a normal year (kWh/sq m)		99.4	101.6 ³⁾	109.5
Carbon footprint of the equity portfolio, Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million ²⁾	Weighted Average	6.7	7.1	7.6

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 Unit-Linked Insurance	Jan-Mar 2021	Jan-Mar 2020	2020	2019
Premiums, SEK million ¹⁾	4,440	5,043	7,272	7,925
Underwriting result for the period, SEK million ²⁾	102	48	301	231
Profit for the period	127	-11	340	312
Total return, %	8.7	-16.9	9.7	24.3
Management expense ratio, %	0.09	0.12	0.09	0.13
Unit-linked insurance assets, at period-end, SEK million	150,961	103,014	135,487	118,624
Solvency factor (S1), at period-end	7.6	7.6	7.7	6.5

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

²⁾ As of 2020, coupon tax is reported on the line "Tax on profit for the period", in the annual report. the previous year's figures have been adjusted for this.

Incoming payment for new premiums from savers fell by SEK 603 million compared with the corresponding period last year. The decrease in Unit-linked insurance is explained by a decline in the number of immigrants. The reason stems mainly from a backlog after Fora's move stop. New sales have decreased mainly as a result of the COVID-19 pandemic that prevented customer advisors from making workplace visits.

The underwriting result was SEK 102 (48) million and the company's overall profit was SEK 127 (-11) million. The factors behind the improved underwriting result are higher fund rebates as well as lower operating costs. The total result includes return on capital on the company's own investments, which was higher than the previous year, which is explained by a good return on the equity markets.

The unit-linked insurance assets increased as a result of a positive cash flow and a positive change in value, and amounted to SEK 150,961 (103,014) million. The total return ratio amounted to 8.7 (-16.9) per cent.

The solvency factor amounted to 7.6 (7.6).

* The brand Folksam LO Pension includes Folksam LO Unit-Linked Insurance.

Appendix: Other subsidiaries and associated companies

Folksam General					
Tre Kronor	Jan–Mar 2021	Jan–Mar 2020	2020	2019	
Premiums, SEK million ¹⁾	295	279	1,156	1,088	
Underwriting result, SEK million	26	-3	75	76	
Profit/loss before appropriations and tax, SEK million	35	-16	98	83	
Total expenses, %	90.9	101.0	93.2	92.8	
Solvency factor (SCR), at period-end ²⁾	2.0	1.9	2.0	1.9	
Saco Folksam Försäkring	Part of Folksam General since Jan 2021	Jan–Mar 2020	2020	2019	
Premiums, SEK million ¹⁾	–	50	205	176	
Underwriting result, SEK million	–	2	-30	3	
Profit/loss before appropriations and tax, SEK million	–	-8	-24	22	
Total expenses, %	–	96.5	118.6	102.2	
Solvency factor (SCR), at period-end ²⁾	–	1.8	1.8	1.6	

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

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

Folksam Life					
KPA Tjänstepension	Jan–Mar 2021	Jan–Mar 2020	2020	2019	
Premiums, SEK million ¹⁾	339	324	323	311	
Underwriting result, SEK million	195	-239	191	25	
Management expense ratio, %	0.9	0.8	0.8	0.8	
Total return, %	3.9	-4.8	3.3	7.8	
Solvency factor (SCR), at period-end ²⁾	3.0	3.1	3.0	3.1	
Folksam Unit-Linked Insurance	Jan–Mar 2021	Jan–Mar 2020	2020	2019	
Premiums, SEK million ¹⁾	1,094	902	3,179	3,272	
Profit/loss for the period before tax, SEK million	45	25	60	92	
Management expense ratio, %	0.9	1.0	0.9	1.0	
Unit-linked insurance assets, at period-end, SEK million	50,876	38,725	47,118	46,075	
Solvency factor, mixed companies ²⁾	1.5	1.7	1.5	1.6	

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

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

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