



# Interim Report

January – June 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 total	Jan – Jun 2021	Jan – Jun 2020	2020	2019
<b>Folksam Customer Index (FCI), %<sup>⑦</sup></b>	<b>75</b>	<b>76</b>	<b>74</b>	<b>75</b>
Premiums, SEK million <sup>①</sup>	36,470	35,402	54,351	55,543
Managed capital, at end of period, SEK million <sup>②③④</sup>	524,739	461,561	483,228	454,536
Unit-linked insurance assets, at end of period, SEK million <sup>③④⑤</sup>	222,603	171,319	193,972	175,826
Number of full-time employees <sup>⑥</sup>	3,464	3,524	3,478	3,605

<sup>①</sup> 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.

<sup>②</sup> Konsumentkooperationens Pensionsstiftelse is not included.

<sup>③</sup> At the end of the period.

<sup>④</sup> Assets according to the total return table less strategic holdings, which principally relate to the value of subsidiaries.

<sup>⑤</sup> Investment assets for which the policyholders bear the risk.

<sup>⑥</sup> Based on paid time during the period.

<sup>⑦</sup> The FCI measurement includes private and individual markets, not partners and companies.

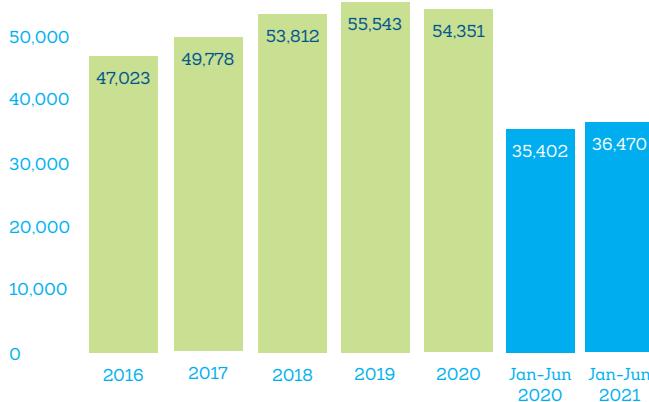
Folksam Group's managed assets, 30 June 2021



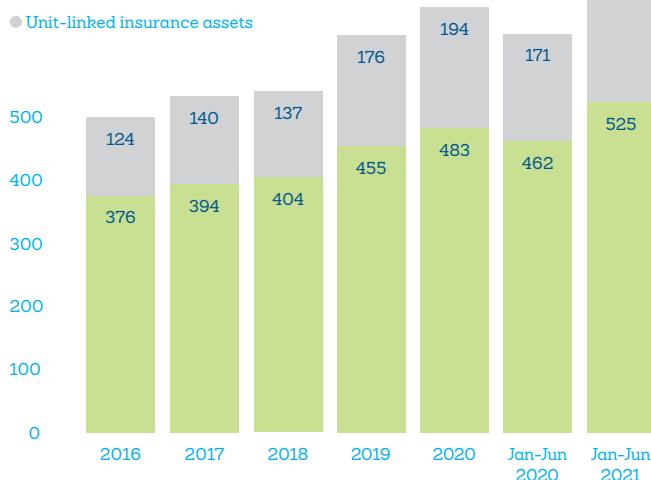
### The Folksam Group

- Total premium volume amounted to SEK 36,470 (35,402) million.
- Managed assets amounted to SEK 524,739 (461,561) million.
- The total return was 6.5 (-0.4) percent for Folksam Life, 7.2 (-0.6) percent for KPA Pensionsinsurance, and 3.0 (-0.2) for Folksam General.
- The solvency ratio at Folksam Life was 185 percent.
- The level of consolidation at Folksam General was 185 percent.

Total premium volume, SEK million



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



# Folksam's investments are accelerating a green reset

Folksam's vision is for customers to feel safe in a sustainable world. This vision guides us to do business that creates financial security for our customers and to push for a sustainable transformation of society.

A strong financial position is a prerequisite for our continued ability to influence, and therefore we are proud to report that Folksam Life's solvency ratio and Folksam General's consolidation capital reached historic highs during the second quarter. As of 30 June, the solvency ratio in Folksam Life was 185 percent, and the consolidation ratio in Folksam General was 185 percent. The total premium volume increased by 3 percent during this period.

The biggest companies in Sweden account for a significant portion of turnover in the business sector. As employers, or through their enterprises, companies operate and are responsible for various sustainability matters on a daily basis. When Folksam and other responsible owners in these companies can be involved and influence the level of ambition and results of this sustainability work, we are thus also involved and influence the development of the Swedish business community and contribute to restructuring society as a whole.

In recent years, Folksam has made several profitable investments for our customers with the aim of also accelerating climate change reversal efforts through e.g. green bonds, Northvolt and Volvo Cars. We are involved and we take long-term responsibility for a sustainable world. This perspective is an important reason why Folksam increased its ownership in the steel company SSAB to 5.2 percent of the votes and 2.1 percent of the capital over the course of the quarter.

SSAB is currently one of the largest emitters in the Nordic region. The company is simultaneously on a major transformation journey towards fossil-free steel production. This is a long-term investment for Folksam, where we have the opportunity to support real, positive change in SSAB, while the investment is expected to eventually have good potential to provide attractive returns to Folksam's customers. Our belief is that we can do more good by supporting, rather than excluding, the conversion work in companies that have large carbon dioxide emissions.

Although the investment in SSAB increases Folksam's carbon footprint by 5 percent, our target of reducing the carbon footprint of equities, corporate bonds and real estate by 29 percent by 2025 remains fixed.



## Asset management – high return to customers

Total Q1 returns were good, amounting to 6.5 per cent for Folksam Life, 3.0 per cent for Folksam General, and 7.2 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. The return rate is now 11 per cent for occupational pensions as of 1 May, and 8 per cent for other life insurance as of 1 July, and customers in Folksam Sak received a record return in May.

## Life and General

The life insurance business has continued to achieve premiums comparable to those of the previous year. Sales have increased within individual savings and decreased somewhat within collectively agreed occupational pensions.

The non-life insurance business remains strong with premiums of SEK 7,590 million. The continued low damage costs contribute to a total cost percentage of 92.5 percent in Folksam General.

Over the course of the quarter, Folksam General continued to build close collaborations with sports stakeholders which has resulted in agreements with the Swedish Football Association and the Parasports Federation. This has resulted in an extension of two partner agreements held by Folksam for approximately 50 years. With these agreements, Folksam strengthens its role as the insurance company of the sports world.

At the Annual General Meeting of Folksam General, on 15 April, Susanna Gideonsson was elected as new Chair of the Board. Johanna Frelin, CEO of Riksbyggen; Therese Svanström, Chair of TCO; and Mikael Ahlström, CEO and Chair of Sprout Park AB were elected as new board members. At the Annual General Meeting of Folksam Life, Lars Ericson, CEO of Stockholm Consumer Cooperative Society, was re-elected Chair of the Board and Kerstin Wallentin, Vice Chair of Stockholm Consumer Cooperative Society, was elected as a new member of the Board.

**Ylva Wessén**  
President and CEO

# Significant events

## During the quarter (Apr–Jun)

### Folksam distributed SEK 339 million in bonuses to its customers

In mid-May, Folksam Life began disbursing bonuses to more than 2.5 million customers, and to owners, who now share a total of SEK 339 million.

### Trade unions offered pension savings through Folksam

Based on statistics on actual pensions from the Swedish Pensions Agency, about 50 percent of Swedes would need to save privately if they want to receive 80 percent of their final salary in retirement. Therefore, the Electrician's Association and Kommunal are offering long-term savings with Folksam Life to their members via Member Pairs, which is only available to the members of the association.

### Ylva Wessén in meeting with Finance Minister Åsa Lindhagen

Ylva Wessén and Finance Minister Åsa Lindhagen met recently. The issue of non-competitive rules in the conversion into occupational pension companies was one of the issues raised.

### Folksam raised the bonus interest rate to a record-high 11 percent

Folksam's asset management has once again performed exceptionally well. A combination of a broad investment strategy and strong stock markets around the world means that, from 1 May, Folksam Life raised the return rate for occupational pensions from 6 percent to 11 percent. Other life insurance was increased from 5 percent to 7 percent.

### Susanna Gideonsson became the new Chair of Folksam General

LO's Chair Susanna Gideonsson was elected as the new Chair of the Board of Folksam General. This was voted through at the Folksam General Meeting on 15 April. Susanna Gideonsson succeeded former LO Chairman Karl-Petter Thorwaldsson.

### Folksam General extended its sponsorship agreement for Swedish parasports by four years

The sponsorship agreement runs from 2021 to 2024 and is unique in that it covers commercial rights over three Paralympic Games; Tokyo 2020+1, Beijing 2022, and Paris 2024.

### Folksam and Volvo Cars launched new type of car insurance

Folksam and Volvo Cars entered into a strategic partnership in which Folksam General will deliver full insurance as part of the purchase of Volvo XC40 Recharge, Volvo Cars' first electric car online. As usual, the car's price includes a vehicle damage guarantee; however, the new feature is that buyers of this car model will get a 3-year half insurance to supplement the vehicle damage guarantee.

### Folksam and the Swedish Football Association continue their cooperation

Folksam General continues its investment in sport and is extending its partner agreement with the Swedish Football Association. With the agreement, Folksam strengthens its role as "the insurance company of the sports world", and Swedish football receives increased support with the dissemination of fair play and education for sustainable associations.

### Folksam extended its strategic partnership with Newsec

Folksam developed and extended its management agreement with Newsec for all its properties in Sweden. This means that the cooperation that started in 2015 has been extended until 2025. Folksam owns properties in Stockholm, Scania, and Gothenburg with a value of SEK 46 billion spread over 800,000 sqm.

### Folksam's Pernilla Glad named HR Director of the Year

At an award ceremony in conjunction with the Universum Employer Branding Awards 2021, Folksam's Pernilla Glad was awarded the prize for "HR Director of the Year".

### Folksam increases ownership in SSAB to support fossil-free transition

Folksam has announced increased holdings in the steel company SSAB. Its holdings now amount to approximately 5.2 percent of the votes and 2.1 percent of the capital.

## After the end of the quarter

### Folksam raised the return rate further

As of 1 July, Folksam Life increased the return interest rate for other life insurance from 7 percent to 8 percent. The return rate for occupational pensions was left unchanged at a record high of 11 percent.

### The Folksam Group acquired offices on Western Kungsholmen

KPA Pension, which is part of the Folksam Group, acquired the property Gångaren 10 on Western Kungsholmen from Invesco. The underlying property value in the transaction was SEK 2.3 billion. The building contains 30,100 sqm of leasable area and is rented to several companies of which Securitas is the largest tenant.

# 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](http://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 to enable us to take advantage of what strengthens us as an organisation going forward.

## Focus on sustainability

### Folksam made its ownership voice heard at Swedish general meetings

Folksam voted at 49 Swedish general meetings during the spring. The COVID pandemic continues to affect opportunities for gathering, which means that postal voting has largely replaced physical meetings. Prior to this year's annual general meeting season, Folksam sent a letter to the chairman of the respective holding as is tradition; in this letter, we highlighted, among other things, the proposal to allow the meeting to vote on the companies' climate strategy. Furthermore, as in the spring of 2020, Folksam stood by its decision to vote against dividends in the companies that have simultaneously applied for and received state aid related to the COVID pandemic.

### Continued climate work in major international banks

Folksam has continued its advocacy work that targets international banks. During the quarter, letters were sent to senior executives at both Barclays and Credit Suisse, urging them to adopt more ambitious climate-related transition plans. At HSBC, where Folksam was involved in a

climate-related shareholder proposal in January, more than 99% of shareholders voted in favour of the board's climate proposal at the annual general meeting at the end of May. A major step forward, which means that the Bank is now formally committed to reconfiguring its entire operation to align with the objectives of the Paris Agreement.

#### **Folksam revises its exposure to the energy sector**

During the quarter, Folksam re-examined exposure to the energy sector, which led to the exclusion of both ExxonMobile and Chevron from its investment portfolios. In addition, another element was added to Folksam's selection process, which means that a certain sustainability rating is required for ownership of energy companies. The changes were made to reduce sustainability risks while the investment portfolios now have a generally higher level of sustainability.

#### **Major focus on Sustainable Finance**

The Folksam Group continues its work on Sustainable Finance, the European Commission's Action Plan on Sustainable Finance, where the first adaptation was carried out on 10 March. The goal is now to meet the new legal requirements for sustainability-related disclosures that will enter into force on 1 January 2022, which includes both the Disclosure Regulation and the TaxonomyScheme. Detailed sustainability-related information for the Folksam Group's savings products shall be presented on websites, before agreements are entered into, and in value statements. The aim of the EU Action Plan is to make it easier for end customers to compare different financial products and make well-informed decisions that relate to sustainability.

#### **Improved security in domestic violence situations**

In 2018, Folksam introduced compensation and support in its home insurance for customers who have been victims of domestic violence. Protection is now further improved through the inclusion of financial support to cover acute additional costs and the provision of assault compensation in the event of repeated physical violence in close relationships.

#### **Tips and advice on solar panels**

The market for solar cells is growing powerfully. A solar cell plant is insured through Folksam's villa and holiday home insurance and Folksam wants to make it easier for our customers to make a sustainable purchase when choosing a facility by sharing some tips. In June, Folksam therefore published a report with tips and advice on installing solar panels. This reduces the risk of problems for customers and contributes to a safer transition towards fossil-free energy production.

#### **LGBTQ certification. KPA celebrates Pride month**

June is the international Pride month and there is global recognition of LGBTQI people's rights and of the impact that the LGBTQI movement has had on culture and politics. As an LGBTQI-certified company, KPA has a long history of active work on LGBTQI issues.

#### **Together we are Zhero – on our way to Vision Zero**

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. Everyone needs to help each other to get to Vision Zero. Road safety is a social issue which everyone benefits from contributing to – both organisations and private individuals. Folksam has been carrying out road safety research for over four decades. Our work has contributed to both safer cars and a safer traffic environment, but much remains to be done. It therefore makes perfect sense for us to be part of Zhero.

#### **Carbon footprint**

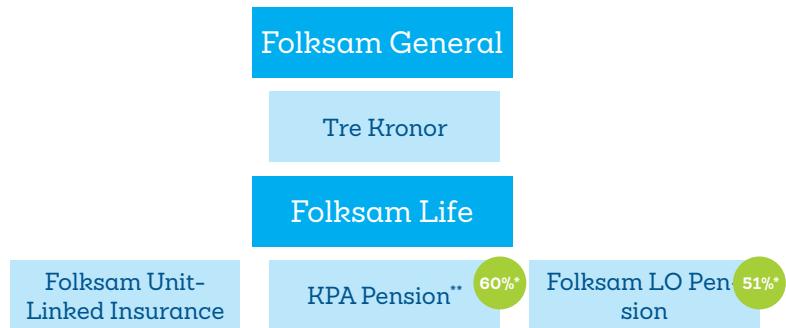
The Folksam Group has been reporting its carbon footprint on a quarterly basis since 2020. Carbon emissions are reported for our own operations as well as the asset classes Equity and Properties.

Climate indicator	TCFD indicator name	Apr - Jun 2021	Jan-Mar 2021	2020	2019
Carbon emissions (CO <sub>2</sub> e) in our own operations, with a target of net zero by 2030 <sup>1)</sup>		132.8	206.7	787	1676
Energy consumption at properties, corrected for a normal year (kWh/sqm)		102.2	102.4	102.6	108.4
Carbon footprint of equity portfolios, Carbon dioxide intensity, weighted average, tonnes of CO <sub>2</sub> e/SEK million <sup>2)</sup>	Weighted Average	6.2	6.3	6.9	7.7

<sup>1)</sup> 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.

<sup>2)</sup> 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 (CO<sub>2</sub>e), 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/omoss/vart-hallbarhetsarbete/hallbarhet-i-folksam/hallbarhetsredovisning](http://folksam.se/omoss/vart-hallbarhetsarbete/hallbarhet-i-folksam/hallbarhetsredovisning) Annual and Sustainability Report 2019.

## 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 Occupational Pension) and KPA Pensionsförsäkring AB (plc) (KPA Pension Insurance), 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 consolidated and non-consolidated companies. 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 October 2021, interim report for the third quarter of 2021

11 February 2022, full-year report for 2021

# Folksam General

Folksam General Group	Jan - Jun 2021	Jan - Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	7,590	7,244	14,780	14,149
Assets under management, at period-end, SEK million	50,823	46,555	48,384	45,344
Solvency factor (SCR), at period-end <sup>2)</sup>	2.3	2.2	2.3	2.3

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

<sup>2)</sup> The solvency factor pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive. The solvency ratio in the current quarter is reported with a one-quarter delay.

Premium income for the companies within the Folksam General Group increased to SEK 7,590 (7,244) million.

Folksam General (parent company)	Jan - Jun 2021	Jan - Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	6,996	6,588	13,419	12,885
Underwriting result, SEK million	499	402	1,026	237
Profit/loss before appropriations and tax, SEK million	1,867	218	1,843	1,308
Total expenses, %	92.5	93.9	89.8	96.1
of which claims expenses, %	79.7	79.5	76.4	81.8
of which operating expenses, %	12.8	14.4	13.5	14.3
Total return, %	3.0	-0.2	2.2	3.0
Solvency capital, at period-end, SEK million	26,124	22,860	24,401	22,821
Level of consolidation, at period-end, %	185	172	180	178
Solvency factor <sup>2)</sup> (SCR), at period-end	2.3	2.2	2.3	2.2

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

<sup>2)</sup> The solvency factor refers to the capital base in relation to capital requirements in accordance with the Solvency II Directive. The solvency ratio in the current quarter is reported with a one-quarter delay.

Premiums earned in the parent company increased by six percent compared to the same period last year and amounted to SEK 6,996 (6,588) million. The increase is explained by the transfer of stocks from Saco Folksam, more insurances taken out combined with increased demand for more content in the insurances and premium adjustments.

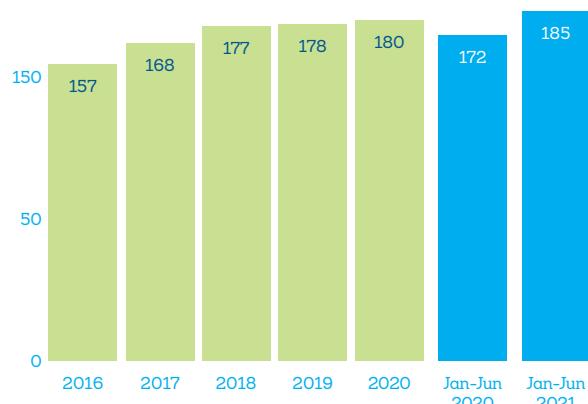
The total cost ratio in the parent company amounted to 92.5 (93.9), which represents a decrease by 1.4 percentage points. The operating cost percentage of 12.8 percent (14.4) primarily explains the decrease between years. The claims expense ratio increased somewhat to 79.7 per cent (79.5). The number of reported injuries during the first half of the year remained fewer than normal in some insurance sectors as a result of the COVID pandemic. The heavy precipitation in the second quarter has resulted in several cases of flood damage and contribute negatively to insurance claims.

The technical result amounted to SEK 499 (402) million. The increase is primarily attributable to increased premium income. Profit before balance sheet allocations and tax amounted to SEK 1,867 million (218) million for the first half of the year, an increase driven by strong return on capital.

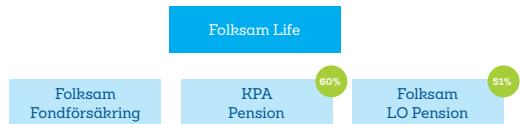
Total returns for the period amounted to 3.0 (-0.2) percent. The solvency ratio, which is presented with a one-quarter delay, amounted to 2.3 (2.2) for the parent company in the most recent outcome.

The level of consolidation increased to 185 (172) percent at the parent company.

## Level of consolidation, %, parent company



# Folksam Life



Folksam Life Group	Jan – Jun 2021	Jan – Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	28,880	28,158	39,571	41,394
Assets under management, at period-end, SEK million	471,658	413,167	432,771	407,446
Unit-linked insurance assets, at period-end, SEK million	222,603	171,319	193,972	175,826
Solvency factor, at period-end <sup>2)</sup>	3.3	3.2	3.2	3.2

<sup>1)</sup> Premiums comprise premium income earned in savings insurance and premiums earned in risk insurance as well as from fees from unit-linked insurance investors.

<sup>2)</sup> The solvency ratio in the current quarter is reported with a one-quarter delay.

Premiums written for the Folksam Life Group amounted to SEK 28,880 million (28,158) for the first six months of 2021.

The solvency factor, which is presented with a one-quarter delay, was 3.3 (3.2).

Assets under management amounted to SEK 471,658 (413,167) million and unit-linked insurance assets amounted to SEK 222,603 (171,319) million.

Folksam Life (parent company)	Jan – Jun 2021	Jan – Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	7,332	5,774	10,935	12,040
Technical result, SEK million <sup>4)</sup>	16,085	-3,710	6,483	11,777
Management expense, %	0.4	0.5	0.4	0.5
Total return, %	6.5	-0.4	4.7	10.4
Assets under management, at period-end, SEK million <sup>3)</sup>	225,089	202,432	211,444	205,912
Of which strategic company holdings	7,789	5,615	6,465	5,778
Solvency ratio, at period-end, %	185	162	171	169
Solvency factor <sup>2)</sup> mixed companies	3.8	3.8	3.6	3.7
Collective funding ratio, occupational pension, at period-end, %	125	116	120	119
Collective funding, other life insurance business, at period-end, %	122	117	118	119

<sup>1)</sup> Premiums comprise premiums earned in savings insurance and premiums earned in risk insurance.

<sup>2)</sup> 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 ratio in the current quarter is reported with a one-quarter delay.

<sup>3)</sup> 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.

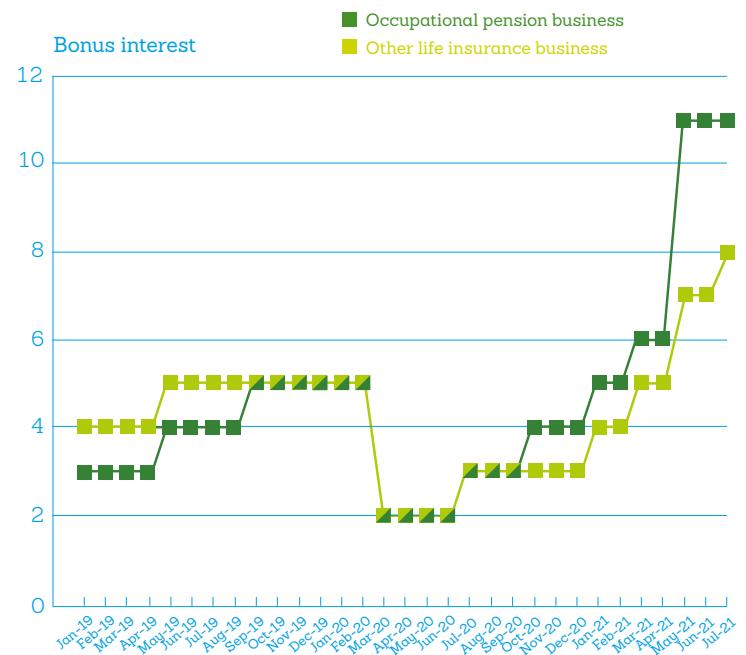
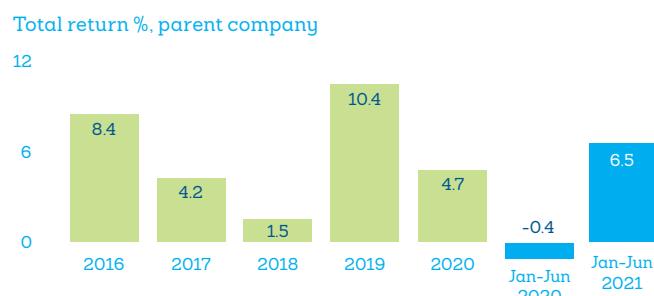
<sup>4)</sup> As of 2020, coupon tax is reported in the annual report on the row titled "Tax on profit for the period"; the preceding year's figures have been adjusted for this.

Premiums written for the parent company, Folksam Life, increased to SEK 7,332 (5,774) million. The increase is mainly explained by higher premiums in savings due to good sales growth, which in turn is partly explained by increased sales as a result of a higher return rate.

Operating expenses amounted to SEK 517 (512) million. The costs are in line with those of the preceding year.

The total return for the period amounted to 6.5 (-0.4) percent. Over the past five years, 2016–2020, the annual average total return for Folksam Life was 5.8 percent. The total return for the past ten-year period, 2011–2020, was 6.5 percent per annum. The solvency ratio in the parent company continues to strengthen and amounted to 185 (162) at the end of the first six months.

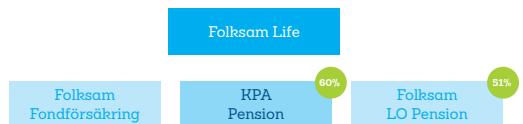
The solvency ratio for mixed companies, which we present with a one-quarter delay, amounted to 3.8 for the parent company. The collective level of consolidation for defined contribution occupational pension insurance amounted to 125 percent for the first half of 2021 and 122 percent for other life insurance business.



**Solvency ratio %, parent company**



# KPA Pension\*



KPA Pensionsförsäkring AB	Jan – Jun 2021	Jan – Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	13,489	13,242	17,381	17,315
Technical result, SEK million <sup>3)</sup>	26,384	-1,790	11,129	17,749
Management expense, %	0.2	0.2	0.2	0.2
Total return, %	7.2	-0.6	4.8	11.3
Bonus rate (%) defined benefit	3.9	-0.7	3.4	11.3
Bonus rate (%) defined contribution	7.7	-0.6	5.1	11.3
Assets under management, at period-end, SEK million	249,617	212,292	223,364	202,714
Solvency ratio, at period-end, %	191	163	172	171
Solvency factor (S1), at period-end <sup>2)</sup>	21.2	14.8	17.0	16.8

<sup>1)</sup> Premiums include premium income for savings insurance and premium income for risk insurance.

<sup>2)</sup> The solvency ratio in the current quarter is reported with a one-quarter delay.

<sup>3)</sup> As of 2020, coupon tax is reported in the annual report on the row titled "Tax on profit or loss for the period"; the previous year's figures have been adjusted for this.

Premium income for KPA Pensionförsäkring amounted to SEK 13,489 (13,242) million. KPA Pensionsförsäkring has preferred company status for defined contribution pensions for municipal and regional employees.

The technical result amounted to SEK 26,384 (-1,790) million. The higher profit compared to the previous year is mainly explained by lower technical provision due to a higher interest rate curve and higher return on capital due to a positive development in the stock markets.

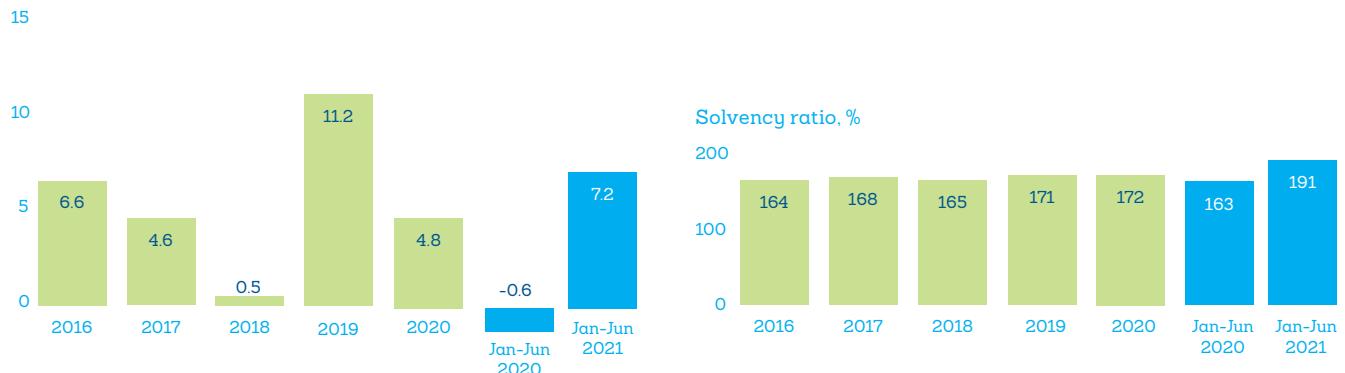
The total return was 7.2 percent (-0.6) for this period. Over the past ten years, 2011–2020, the annual average total return was 6.5 percent.

The return rate was 3.9 percent (-0.7) for defined benefit and 7.7 (-0.6) percent for defined contribution as a result of higher value development of shares in the first two quarters of the year. The management expense ratio at KPA Pensionsförsäkring amounted to 0.2 (0.2). The solvency ratio amounted to 191 (163) percent at the end of the period.

The solvency ratio amounted to 21.2 (14.8) per cent.

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

Total return, %



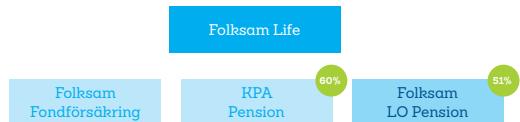
Climate indicator	TCFD indicator name	Apr - Jun 2021	Jan-Mar 2021	2020	2019
Carbon emissions (CO <sub>2</sub> e) in our own operations, with a target of net zero by 2030 <sup>1)</sup>		7.0	11.5	44.6	65
Energy consumption at properties, corrected for a normal year (kWh/sqm)		97.2	99.4	101.6 <sup>3)</sup>	109.5
Carbon footprint of the equity portfolio, Carbon dioxide intensity, weighted average, tonnes of CO <sub>2</sub> e/SEK million <sup>2)</sup>	Weighted Average	6.1	6.7	7.1	7.6

<sup>1)</sup> The majority of emissions sources are updated quarterly.

<sup>2)</sup> 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 (CO<sub>2</sub>e), 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.

<sup>3)</sup> 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 -Jun 2021	Jan -Jun 2020	2020	2019
Premiums, SEK million <sup>1)</sup>	5,432	6,750	7,272	7,925
Technical results for the period, SEK million <sup>2)</sup>	181	135	301	231
Profit for the period	226	114	340	312
Total return, %	12.7	-4.5	9.7	24.3
Management expense ratio, %	0.08	0.10	0.09	0.13
Unit-linked insurance assets, at period-end, SEK million	157,389	118,097	135,487	118,624
Solvency factor (S1), at period-end	7.7	7.3	7.7	6.5

<sup>1)</sup> Premiums include premium payments from mutual fund insurance investors.

<sup>2)</sup> As of 2020, coupon tax is reported in the annual report on the row titled "Tax on profit or loss for the period"; the preceding year's figures have been adjusted for this.

Incoming payment for new premiums from savers fell by SEK 1,318 million compared with the preceding year. This reduction is partly the result of Fora's transfer ban, which was in force in the preceding year for the SAF-LO agreement area, resulting in fewer inward transfers. The drop is also due to the COVID pandemic preventing the company's customer advisers from making workplace visits.

The technical result was SEK 181 (135) million and the company's overall profit was SEK 226 (114) million. The higher technical result is explained by higher fund discounts, which is in turn explained by a positive development in managed capital. The total result includes return on capital on the company's own investments. This year's positive performance in the stock market contributed to a strong result compared to the previous year's negative return on capital, which was explained by the turbulent times prevailing during the comparison period.

The unit-linked insurance assets increased slightly as a result of a positive cash flow and a positive change in value, and amounted to SEK 157,389 (118,097) million. The total return amounted to 12.7 (-4.5) percent.

The solvency ratio amounted to 7.7 (7.3).

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

# Appendix: Other subsidiaries and associated companies

Folksam General					
Tre Kronor	Jan–Jun 2021	Jan–Jun 2020	2020	2019	
Premiums, SEK million <sup>1)</sup>	594	565	1,156	1,088	
Technical result, SEK million	16	22	75	76	
Profit/loss before appropriations and tax, SEK million	31	27	98	83	
Total expenses, %	97.1	95	93.2	92.8	
Solvency factor (SCR), at period-end <sup>2)</sup>	2.0	1.9	2.0	1.9	
Saco Folksam Försäkring	Part of Folksam General since Jan 2021	Jan–Jun 2020	2020	2019	
Premiums, SEK million <sup>1)</sup>	–	92	205	176	
Underwriting result, SEK million	–	-10	-30	3	
Profit/loss before appropriations and tax, SEK million	–	-10	-24	22	
Total expenses, %	–	119.6	118.6	102.2	
Solvency factor (SCR), at period-end <sup>2)</sup>	–	1.3	1.8	1.6	

<sup>1)</sup> Premiums describes premiums earned, which corresponds to the proportion of premiums paid in for the period

<sup>2)</sup> The solvency ratio is presented with a one-quarter delay.

Folksam Life					
KPA Occupational Pension	Jan–Jun 2021	Jan–Jun 2020	2020	2019	
Premiums, SEK million <sup>1)</sup>	340	323	323	311	
Technical result, SEK million	294	-30	191	25	
Management expense ratio, %	0.9	0.8	0.8	0.8	
Total return, %	5.8	-0.7	3.3	7.8	
Solvency factor (SCR), at period-end <sup>2)</sup>	3.0	3.1	3.0	3.1	
Folksam Unit-Linked Insurance	Jan–Jun 2021	Jan–Jun 2020	2020	2019	
Premiums, SEK million <sup>1)</sup>	1,895	1,679	3,179	3,272	
Profit/loss for the period before tax, SEK million	102	22	60	92	
Management expense ratio, %	0.81	1.01	0.9	1.0	
Unit-linked insurance assets, at period-end, SEK million	52,676	42,928	47,118	46,075	
Solvency factor, mixed companies <sup>2)</sup>	1.6	1.7	1.5	1.6	

<sup>1)</sup> Premiums describes premiums earned, which corresponds to the proportion of premiums paid in for the period

<sup>2)</sup> The solvency ratio is presented with a one-quarter delay.

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## Our vision

Our customers should feel secure in a sustainable world.

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