



Interim Report

January–September 2021

The Folksam Group

2021



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-Sep 2021	Jan-Sep 2020	2020	2019
Folksam Customer Index (FCI), %¹⁾	75	74	74	75
Premiums, SEK million ²⁾	47,518	44,605	54,351	55,543
Assets under management, end-of-period, SEK million ^{3) 4)}	529,762	474,296	483,228	454,536
Unit-linked insurance assets, end-of-period, SEK million ^{3) 4) 5)}	224,512	184,846	193,972	175,826
Number of full-time employees ⁶⁾	3,440	3,494	3,478	3,605

¹⁾ The FCI measures include private and individual markets, not partners and companies.

²⁾ 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.

³⁾ Konsumentkooperationens Pensionsstiftelse is not included.

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.

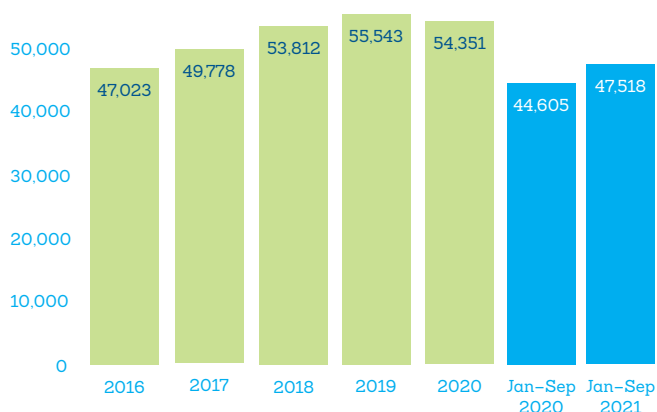
Folksam Group's assets under management, 30 September 2021



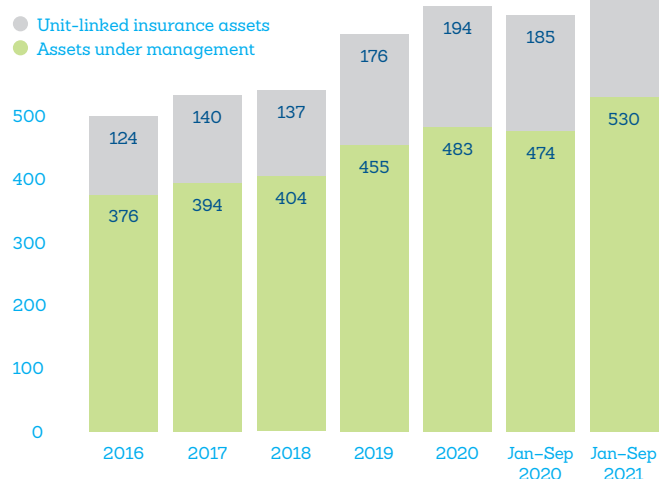
The Folksam Group

- Total premium volume amounted to SEK 47,518 (44,605) million.
- Assets under management amounted to SEK 529,762 (474,296) million.
- The total return ratio was 7.2 (2.5) per cent for Folksam Life, 8.2 (2.3) per cent for KPA Pensionsinsurance, and 4.7 (1.4) per cent for Folksam General.
- The solvency ratio at Folksam Life was 186 (167) per cent.
- The debt-to-equity ratio at Folksam General was 191 (179) per cent.

Total premium volume, SEK million



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



Sustainability focus – from claims settlement to capital investment

Folksam's financial position continues to be strong with premium growth of almost 7 per cent, a solvency ratio in Folksam Life of 186 per cent and a debt-to-equity ratio in Folksam General of 191 per cent. Folksam Life was able to raise the bonus rate twice during the third quarter and is now at record levels: 12 per cent for occupational pension operations and 9 per cent for other life insurance business. This translates into competitive value development for our customers' pensions and long-term savings.

This summer has shown us the type of future that is ahead if we do not act quickly to reduce greenhouse gas emissions. In August this year, many of our home insurance customers were hit hard when basements and ground floors were filled with water during the flooding in the Gävle area. Other parts of Europe were also hit by extreme weather with consequential flooding and forest fires.

Between May and August this year, 5,800 claims linked to flooding caused by torrential rains were received. That is ten times more than in the same period of the past three years. Out of these, the torrential rains in Gävle accounted for a whopping 3,200 claims. Non-life insurance operations also handled claims resulting from a number of large fires during the year. Our employees have overcome this year's challenges in a fantastic way, and we among the top performers compared to our competitors in terms of customer satisfaction. A single major claim does not affect our financial result, but if the claims multiply and become comprehensive over time, this will increase our expenses which in turn means a risk of higher premiums for our customers. Accordingly, an important part of our work ahead will be to work on loss prevention.

Our customers are already suffering the consequences of the climate crisis and they have the right to expect us not only to compensate their losses but also to do what we can to prevent them. Losses are preventable by identifying the risks and how to reduce their impact, but also by identifying how to invest our customers' money and exerting the ownership interest that arises from our investments.

For quite some time, Folksam has been financing green initiatives to combat the ongoing climate crisis. In 2019, the Folksam Group took part in financing a 20-year project in Kristianstad to build a complete system of dikes to protect the city from future flooding. The Folksam Group has invested a total of more than SEK 30 billion in green bonds over the past five years.



The insurance and pension industry has an important part to play in transitioning to a more sustainable society. We can help achieve the goals of the Paris Agreement by investing our customers' pension funds and insurance premiums in a long-term and responsible manner and, as an investor we can nudge the business community in a sustainable direction. Our vision is for our customers to feel secure in a sustainable world. This permeates everything we do, from claims settlement to capital investment.

Assets under management

The returns during the third quarter were positive despite a declining stock market trend late in the period. Since the beginning of the year, Folksam Life has had a return of 7.2 per cent, Folksam General 4.7 per cent and KPA Pensionsförsäkring AB 8.2 per cent. The positive returns also help increase assets under management by around 11.7 per cent since mid-year and unit-linked insurance assets by 21.5 per cent.

At the same time as returns have increased, the carbon footprint of equity portfolios has decreased. It is gratifying to see that the emissions of the holding companies have declined, but it remains to be seen whether this is a temporary effect of the pandemic.

Folksam in anti-corruption forum

Folksam is one of six Swedish investors to join forces with Transparency International in launching the Investors Integrity Forum (IIF) at the end of the quarter. The aim is to jointly pursue important issues relating to corruption risks, to acquire and disseminate knowledge and to promote transparency, integrity and accountability.

After the end of the quarter

After the end of the quarter, Elisabeth Sasse, Head of General Insurance Business Area, chose to move on and leave the Folksam Group. Elisabeth has managed almost all business in both Folksam Life and Folksam General and has served as chairwoman of the board and a board member of all subsidiaries in the groups. Many of us will miss her presence in the Group, and we wish her all the best with her new challenges.

Folksam has begun the return to the office. Personally, I am truly looking forward to seeing all my colleagues again. We are conducting the return in a controlled manner by gradually increasing the attendance at the offices to ensure the safety of our employees.

Ylva Wessén

President and CEO

Significant events

During the quarter (Jul–Sep)

Folksam further increased the bonus rate

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 Västra Kungsholmen from Investesco. The underlying property value in the transaction was SEK 2.3 billion. The building contains 30,100 m² of leasable area, and is leased to several companies of which Securitas is the biggest leaseholder.

Folksam raised the bonus rate to new record levels

As of 1 September, Folksam Liv increased the bonus rate for occupational pensions from 11 per cent to 12 per cent and from 8 per cent to 9 per cent for other life insurance business.

Folksam launched a new anti-corruption investor forum

Folksam is one of six Swedish investors to join forces with Transparency International in launching the Investors Integrity Forum (IIF). The aim is to jointly pursue important issues relating to corruption risks, to acquire and disseminate knowledge and to promote transparency, integrity and accountability.

After the end of the quarter

Folksam Life pays out SEK 854 million in bonuses to over 900,000 customers

Starting in week 41, Folksam Life sends out bonus notifications to more than 900,000 customers who will share SEK 854 million.

Folksam has recruited an investment manager

Folksam has recruited Marcus Blomberg for the newly created role of investment manager for the Folksam Group. Marcus is leaving a position as Head of Strategic Allocation and Quantitative Analysis at Fjärda AP-fonden (AP4).

Elisabeth Sasse is leaving Folksam

Folksam General's business area manager, Elisabeth Sasse, will leave Folksam at the end of the year for a new assignment as Head of Office at Unionen.

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 procurements and collaborations
- 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 the goal of the New Risk Insurance programme, which lays the foundation for Folksam's risk insurance business on a standardised platform that makes efficient digitisation possible
- Develop digital self-services for the most widespread types of cases
- Develop a mobile app 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, seeing that several of our new competitors have low expenses, 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 efficiency-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 organization moving in the same direction
- to create a common culture as well as stimulating leadership and collaboration
- to work smarter, such as by digitising selected processes
- to develop new ways of working, such as through more agile interdisciplinary cooperation

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

Sustainability filtering in Folksam Unit-linked Insurance's list of funds

Folksam Unit-linked Insurance's guided range of funds all meet our internal sustainability criteria. On folksam.se, the customer already sees which funds meet Swesif's sustainability requirements and which funds have the green leaf symbol. In early summer, Folksam Unit-linked Insurance increased its level of information and introduced a special sustainability tab on folksam.se where we present in-depth sustainability information, after which a filtering service was introduced to opt out of funds that invest in games, for example. This allows customers to personalise their choices in terms of sustainability content and level of sustainability in their fund choices. Initially, the new filtering model will be available in the fund list only for the guided range of funds on folksam.se, but it eventually be introduced in the fund lists in MIS.

The Folksam Building in rainbow colours

The Folksam Building, which was officially opened in 1960, is a Stockholm landmark. During pride week in Stockholm, Folksam and KPA Pension created a light installation that lit up parts of the 28-storey building in rainbow colours.

KPA invested in the PCP Transition fund

Investment is made in the PCP Transition fund. The fund intends to finance companies that have either transitioned, or are in the process of transitioning, to sustainable business models and those that enable such transitioning for other companies.

The Folksam Group in advocacy dialogues with the world's largest chocolate producers

Over the summer, Folksam had a discussion with representatives from global chocolate giants Nestlé, Mondelez and Hershey about child labour and living conditions in the cacao industry. Cacao is usually grown on thousands of smaller, often family-owned, farms, before the beans end up with chocolate producers through a number of intermediaries. For a long time, the complex supply chain has posed major challenges related to human rights, with multiple reported cases of child labour, etc. Today, far more farmers have increased their earnings compared to a few years ago, and higher incomes often lower the risk of children being put to work. At the same time, it is clear that there are still a large number of cacao producers living in extreme poverty, indicating the industry still has much to do.

The Folksam Group is involved in forming a new anti-corruption investor forum

Folksam is involved in forming a new anti-corruption investor forum: the Investors Integrity Forum (IIF). The purpose is to pursue important issues relating to corruption risks, to disseminate knowledge and to promote transparency, integrity and accountability. Corruption and lack of compliance make all development difficult and a challenge for many companies, as it compromises companies' ability to create value and profitability. It affects investors through poorer financial returns on investments in the companies. For Folksam, it is important to actively influence our holdings to systematically prevent all forms of corruption and, by working with other investors, we have become a strong voice. Other investors in IIF are Första AP-fonden (AP1), SEB Investment Management, Skandia, the Church of Sweden and Swedfund.

Personal savings are on the rise but the savings gap between men and women is widening

Folksam has asked 2,000 Swedes about their savings. The survey shows that more people are choosing to save on a monthly basis, but that the savings gap between men and women is widening. Folksam launched Medlemsspar (member savings) in 2021, including for members of the Kommunal trade union as a way to stimulate and make it easier for more people to start depositing savings on a monthly basis. Starting to save on a monthly basis early on creates financial security that benefits everyone, not least women. More equitable savings would have a major positive impact not only on the individual, but on society as a whole.

A summer of extreme weather and flooding

Many Folksam customers were severely impacted by torrential rains in the Gävle area in August. This summer, Folksam has received reports of more than 5,800 floods arising from the torrential rains in Gävle. Our employees and partners are working intensively to help our customers and provide good service.

My Pages will get a bigger role once we phase out paper-based post

More and more customers are asking for digital information and until now Folksam's customers have had to refuse to accept post in their letterbox. Now the tables are turned to save both paper and help the environment, so that now customers must refuse digital mail instead. Folksam has long wanted to reduce postal deliveries and instead expand the use of My Pages as a way of getting in touch with customers. With this change, most customers will no longer receive letters from Folksam by ordinary post.

Research study on accidents relating to electric scooters

Folksam's research department has conducted a study aimed at obtaining a picture of personal injury arising from accidents involving electric scooters to understand how, when, where and why the accidents occur. Almost half of all accidents occur at night and in summer. Folksam has studied the accidents reported between 2019 and June 2021 and sees a rise in reported injury cases involving electric scooters. In addition, Folksam's research department recently published tests of bicycle lights and helmets (read more about this on our website).

More exercise for people with disabilities

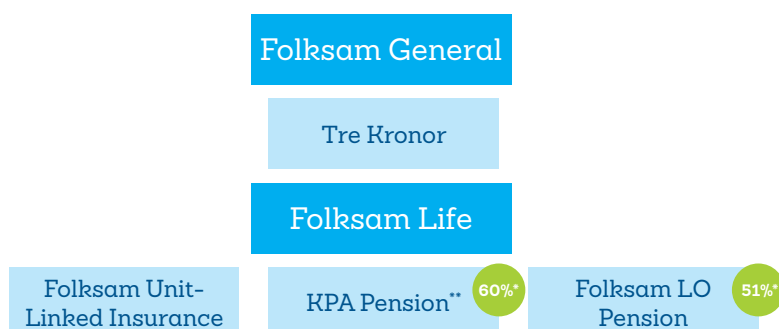
The Paralympics in Tokyo ended recently and Sweden managed to win eight medals. As a main sponsor of the Parasport Association, Folksam supports the goal of more people with disabilities being able to lead an active life through exercise. Many people with disabilities are at risk of having both mental and physical health problems if they do fail to be given the right conditions for exercising. Folksam wants to help raise the issue of the importance of exercise and exercise for everyone and make parasport more accessible to people with disabilities.

Climate indicator	TCFD indicator name	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	2020	2019
Carbon emissions (CO ₂ e) in our own operations, with a target of net zero by 2030 ¹⁾		124.3	132.8	206.7	787	1676
Energy consumption at properties, adjusted for a normal year (kWh/sqm)		102.5	102.2	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	6.0	6.2	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](https://www.folksam.se/om-oss/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 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:

11 February 2022, full-year report for 2021

6 May 2022, interim report for Q1 2022

26 July 2022, interim report for Q2 2022

10 November 2022, interim report for Q3 2022

10 February 2023, full-year report, Q4 2022

Folksam General

Folksam General Group	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	11,454	10,997	14,780	14,149
Assets under management, end-of-period, SEK million	51,973	47,985	48,384	45,344
Solvency capital requirement (SCR), end-of-period ²⁾	2.2	2.3	2.3	2.3

¹⁾ Premiums is defined as premiums earned, equivalent to the proportion of premiums paid in for the period.

²⁾ The solvency capital requirement pertains to the capital base in relation to capital requirements in compliance with the Solvency II Directive.

The solvency capital requirement in the current quarter is reported with a one-quarter delay.

Premiums earned for the companies in the Folksam General Group increased to SEK 11,454 (10,997) million.

Folksam General (parent company)	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	10,544	9,986	13,419	12,885
Underwriting result, SEK million	838	944	1,026	237
Profit/loss before appropriations and tax, SEK million	2,938	1,392	1,843	1,308
Total expenses, %	91.8	90.5	89.8	96.1
of which claims expenses, %	79.4	77.6	76.4	81.8
of which operating expenses, %	12.4	12.9	13.5	14.3
Total return ratio, %	4.7	1.4	2.2	3.0
Solvency capital, end-of-period, SEK million	27,121	24,007	24,401	22,821
Debt-to-equity ratio, end-of-period, %	191	179	180	178
Solvency capital requirement ²⁾ (SCR), end-of-period	2.2	2.3	2.3	2.2

¹⁾ Premiums is defined as premiums earned, equivalent to the proportion of premiums paid in for the period.

²⁾ The solvency capital requirement pertains to the capital base in relation to capital requirements in accordance with the Solvency II Directive.

The solvency capital requirement in the current quarter is reported with a one-quarter delay.

Premiums earned in the parent company increased by 6 per cent compared to the same period last year and amounted to SEK 10,544 (9,986) million. The increase is explained by the transfer of stocks from Saco Folksam, more insurance policies taken out combined with increased demand for more content in the insurance policies and premium adjustments.

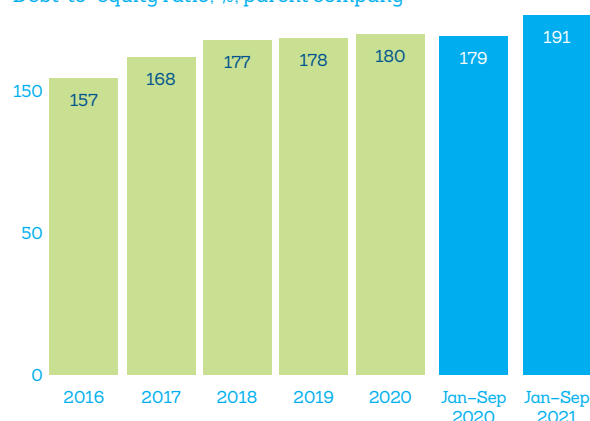
The total cost ratio in the parent company amounted to 91.8 (90.5), which represents an increase of 1.3 percentage points. It is mainly the claims expense ratio of 79.4 (77.6) per cent that is driving the increase. The number of reported injuries during the first quarters of the year remained lower than normal in some insurance sectors as a result of the COVID-19 pandemic. The heavy rainfall in the second quarter caused most of the flood damage losses and contribute negatively to claims compensation. The operating expense ratio of 12.4 per cent (12.9) is lower compared to the same period of last year.

The underwriting result was SEK 838 (944) million. Higher premiums earned are offset by higher claims compensation, which explains the decline between the years. The profit before appropriations and tax amounted to SEK 2,938 million (1,392) million for the first half of the year, an increase driven by a strong return on capital.

The total return ratio for the period amounted to 4.7 (1.4) per cent. The solvency capital requirement, presented with a one-quarter delay, amounted to 2.2 (2.3) for the parent company in the most recent result.

The debt-to-equity ratio rose to 191 (179) per cent in the parent company.

Debt-to-equity ratio, %, parent company



Folksam Life

Folksam Life

Folksam
Fondförsäkring

KPA Pension

Folksam LO Pension

60%

51%

Folksam Life Group	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	36,065	33,608	39,571	41,394
Assets under management, end-of-period, SEK million	475,522	424,375	432,771	407,446
Unit-linked insurance assets, end-of-period, SEK million	224,512	184,846	193,972	175,826
Solvency factor, at period-end ²⁾	3.3	3.3	3.2	3.2

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

²⁾ The solvency capital requirement in the current quarter is reported with a one-quarter delay.

Premiums written for the Folksam Life Group amounted to SEK 36,065 (33,608) million for the first three quarters of 2021.

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

Assets under management amounted to SEK 475,522 (424,375) million and unit-linked insurance assets amounted to SEK 224,512 (184,846) million.

Folksam Life (parent company)	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	11,444	8,283	10,935	12,040
Underwriting result, SEK million ⁴⁾	19,240	1,890	6,483	11,777
Profit/loss before appropriations and tax, SEK million	19,505	1,972	6,522	12,227
Management expense, %	0.5	0.5	0.4	0.5
Total return ratio, %	7.2	2.5	4.7	10.4
Assets under management, end-of-period, SEK million ³⁾	227,146	207,680	211,444	205,912
Of which strategic company holdings	7,581	6,136	6,465	5,778
Solvency ratio, end-of-period, %	186	167	171	169
Solvency factor ²⁾ mixed companies	3.7	3.9	3.6	3.7
Collective debt-equity ratio, occupational pension, end-of-period, %	122	119	120	119
Collective debt-equity ratio, other life insurance, end-of-period, %	120	119	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 ratio in the current quarter is reported 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, dividend tax is reported in the annual report on the row titled 'Tax on profit/loss for the period'; the preceding year's figures have been adjusted for this.

Premiums written for the parent company, Folksam Life, increased to SEK 11,444 (8,283) million. The increase is mainly explained by higher premiums in savings due to good sales growth, which in turn is mainly explained by a high rate of return.

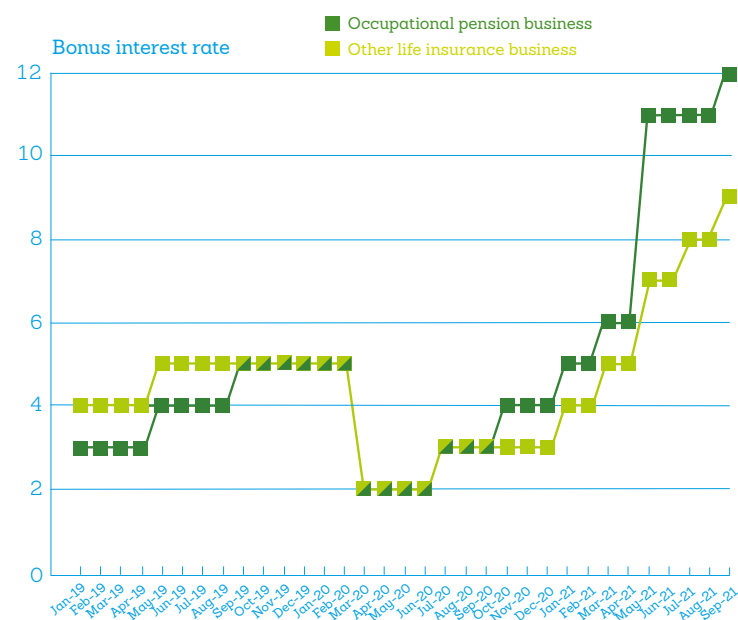
Operating expenses amounted to SEK 777 (695) million.

Expenses exceed the previous year, which is explained by higher commissions due to higher sales and increased expenses for regulatory implementation (IORP).

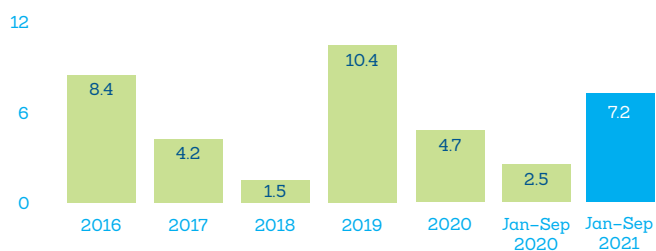
The total return ratio for the period amounted to 7.2 (2.5) per cent. Over the past five years, 2016–2020, the annual

average total return ratio for Folksam Life was 5.8 per cent. The total return ratio for the past ten-year period, 2011–2020, was 6.5 per cent per annum. The solvency ratio of the parent company continues to consolidate and amounted to 186 (167) per cent in the third quarter.

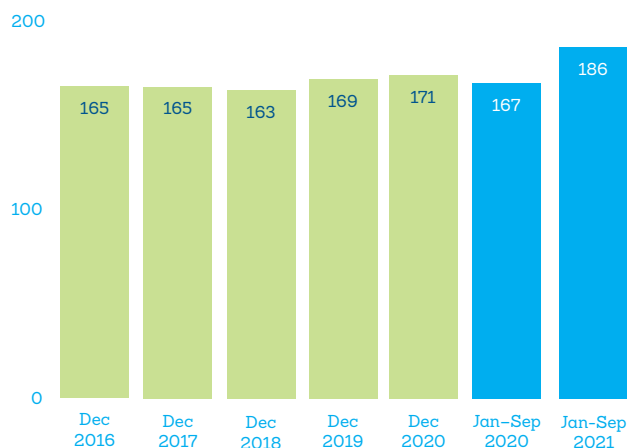
The solvency capital requirement for mixed companies, which we present with a one-quarter delay, amounted to 3.7 for the parent company. The collective debt-equity ratio for the defined-contribution occupational pension insurance amounted to 122 per cent for the period and 120 per cent for other life insurance business.



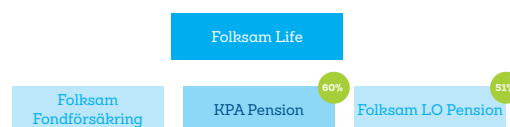
Total return ratio, %, parent company



Solvency ratio, %, parent company



KPA Pension*



KPA Pensionsförsäkring AB	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	15,202	14,819	17,381	17,315
Underwriting result, SEK million ³⁾	29,995	4,441	11,129	17,749
Management expense, %	0.2	0.2	0.2	0.2
Total return ratio, %	8.2	2.3	4.8	11.3
Bonus rate (%), defined benefit	4.4	1.6	3.4	11.3
Bonus rate (%), defined contribution	8.6	2.4	5.1	11.3
Assets under management, end-of-period, SEK million	251,475	218,413	223,364	202,714
Solvency ratio, end-of-period, %	195	167	172	171
Solvency capital requirement (S1), end-of-period ²⁾	21.5	15.8	17.0	16.8

¹⁾ Premiums include premium income for savings insurance and premium income for risk insurance.

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

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

Premium income for KPA Pensionförsäkring amounted to SEK 15,202 (14,819) million. KPA Pensionsförsäkring has preferred company status for defined contribution pensions for municipal and regional employees.

The underwriting result was SEK 29,995 (4,441) million. The higher profit compared to the previous year is mainly explained by lower underwriting provision due to a higher interest rate curve and higher return on capital due to a positive stock-market trend.

The total return ratio amounted to 8.2 (2.3) per cent for the period. Viewed over the past ten years, 2011–2020, the annual average total return ratio was 6.5 per cent.

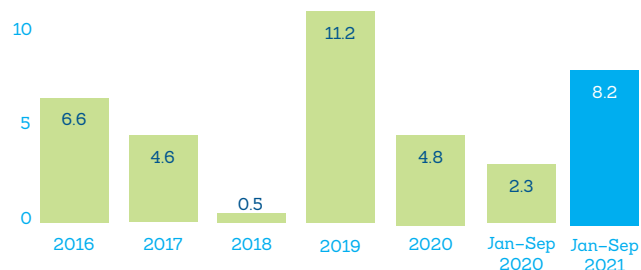
The bonus rate for defined-benefit was 4.4 (1.6) per cent and for defined-contribution was 8.6 (2.4) per cent as a result of lower value trends for equity during the first two quarters of the year. The management expense ratio at KPA Pension amounted to 0.2 (0.2). The solvency ratio was 195 (167) per cent at the end of the period.

The solvency capital requirement, which we present with a one-quarter delay, amounted to 21.5 (15.8) per cent.

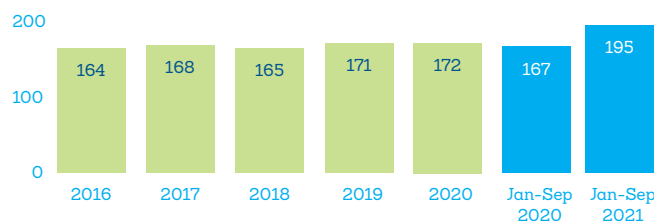
* The brand KPA Pension comprises the parent company KPA AB, the insurance companies KPA Tjänstepension AB (plc) (KPA Tjänstepension) and KPA Pensionsförsäkring AB (plc) (KPA Pensionsförsäkring), as well as KPA Pensionservice AB.

Total return ratio, %

15



Solvency ratio, %



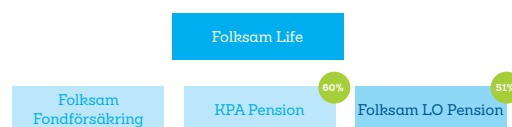
Climate indicator	TCFD indicator name	Jul-Sep 2021	Apr-Jun 2021	Jan-Mar 2021	2020	2019
Carbon emissions (CO ₂ e) in our own operations, with a target of net zero by 2030 ¹⁾		6.8	7.0	11.5	44.6	65
Energy consumption at properties, adjusted for a normal year (kWh/sqm)		97.1	97.2	99.4	101.6 ³⁾	109.5
Carbon footprint of the equity portfolio, Carbon dioxide intensity, weighted average, tonnes of CO ₂ e/SEK million ²⁾	Weighted Average	5.9	6.1	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-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	5,967	7,170	7,272	7,925
Underwriting profit for the period, SEK millions ²⁾	283	209	301	231
Profit for the period	331	220	340	312
Total return ratio, %	13.9	4.0	9.7	24.3
Management expense ratio, %	0.07	0.10	0.09	0.13
Unit-linked insurance assets, end-of-period, SEK million	158,974	128,451	135,487	118,624
Solvency capital requirement (S1), end-of-period	8.0	7.4	7.7	6.5

¹⁾ Premiums include premium payments from mutual fund insurance investors.

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

Premium payments decreased by SEK 1,203 million compared to the previous 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 decrease is also explained by the fact that sales were not high enough during the year. The lower sales have also reduced the number of premium-paying customers.

The underwriting profit was SEK 283 (209) million and the company's overall profit was SEK 331 (220) million. The higher underwriting profit result is explained by higher fund rebates, which is in turn explained by a positive trend in assets under management. The total profit includes return on capital for the company's own investments. This year's positive stock market trend helped increase the profit compared to the previous year.

Unit-linked insurance assets increased as a result of a positive change in value, and amounted to SEK 158,974 (128,451) million. The total return ratio amounted to 13.9 (4.0) per cent.

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

Appendix:

Other subsidiaries and associated companies

Folksam General				
Tre Kronor	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	910	858	1,156	1,088
Underwriting result, SEK million	44	72	75	76
Profit/loss before appropriations and tax, SEK million	60	88	98	83
Total expenses, %	95	91	93.2	92.8
Solvency capital requirement (SCR), end-of-period ²⁾	1.9	2.0	2.0	1.9
Saco Folksam Försäkring	Part of Folksam General since Jan 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	–	153	205	176
Underwriting result, SEK million	–	-3	-30	3
Profit/loss before appropriations and tax, SEK million	–	3	-24	22
Total expenses, %	–	106.9	118.6	102.2
Solvency factor (SCR), at period-end ²⁾	–	2.1	1.8	1.6

¹⁾ Premiums are defined as the premiums earned, equivalent to the proportion of premiums paid in for the period.

²⁾ The solvency capital requirement is presented with a one-quarter delay.

Folksam Life				
RPA Occupational Pension	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	340	323	323	311
Underwriting result, SEK million	332	71	191	25
Management expense ratio, %	0.9	0.8	0.8	0.8
Total return ratio, %	6.4	1.6	3.3	7.8
Solvency factor (SCR), at period-end ²⁾	3.3	3.2	3.0	3.1
Folksam Fondförsäkring	Jan-Sep 2021	Jan-Sep 2020	2020	2019
Premiums, SEK million ¹⁾	2,675	2,415	3,179	3,272
Underwriting result, SEK million	145	55	60	92
Management expense ratio, %	0.8	0.9	0.9	1.0
Unit-linked insurance assets, end-of-period, SEK million	52,771	45,359	47,118	46,075
Solvency factor, mixed companies ²⁾	1.6	1.6	1.5	1.6

¹⁾ Premiums are defined as the premiums earned, equivalent to the proportion of premiums paid in for the period.

²⁾ The solvency capital requirement is presented with a one-quarter delay.

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world

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