

# Full-year summary

January – December 2019



The Folksam Group



**Folksam**

# Overview: The Folksam Group

The Folksam Group as a whole	2019	2018	2017
<b>Folksam Customer Index (FCI), %<sup>7)</sup></b>	<b>75</b>	<b>75</b>	<b>78</b>
Premiums, SEK million <sup>1)</sup>	55,543	53,812	49,778
Assets under management, at period-end, SEK million <sup>2),3),4)</sup>	454,536	404,059	394,125
Unit-linked insurance assets, at period-end, SEK million <sup>3),4),5)</sup>	175,826	137,076	139,632
Number of full-time employees <sup>6)</sup>	3,633	3,771	3,716

<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.

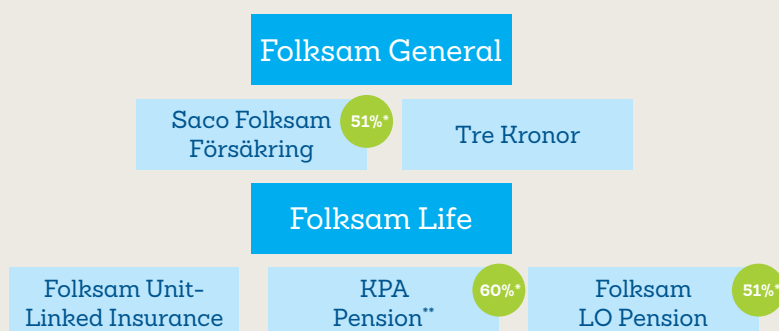
## Significant events during the quarter (Oct-Dec)

- With effect from 1 October, Folksam Life raised the bonus rate for occupational pensions from 4 per cent to 5 per cent. The bonus rate on other life insurance was kept unchanged at 5 per cent.
- KPA Pension became the first LGBTQ-certified company in the financial sector on 10 October. The aim of the certification is to give all employees in the company a better knowledge of LGBTQ issues and norms and the consequences of norms for health and living conditions for LGBTQ persons.
- Folksam and KPA Pension topped life insurance broker Max Matthiessen's review of how pension companies work with sustainable and responsible investments in traditional insurance and fund insurance on 8 November.
- The Folksam Group continued to invest in Nordic infrastructure. After the successful investment in the infrastructure fund Infranode I, in November the Folksam Group invested an additional SEK 1.5 billion in the new fund Infranode II.
- On 28 November, the Net-Zero Asset Owner Alliance, of which Folksam was one of the initiators, grew when Aviva, AXA, CNP Assurances and FRR joined. This shows the growing interest in reducing fossil dependence in investment portfolios. The assets aimed at net zero emissions thus increase from SEK 24,000 billion to SEK 40,000 billion. The UN convened Net-Zero Asset Owner Alliance was launched at the UN climate summit on 23 September.
- In November, one of the owners of KPA Pension changed its name from Sveriges Kommuner och Landsting, SKL, to Sveriges Kommuner och Regioner, SKR. (The official name in English remains unchanged - Swedish Association of Local Authorities and Regions.) The Folksam Group owns 60 per cent and SKR 40 per cent of KPA Pension.
- The Folksam Group reinvested SEK 2 billion in preference shares in Volvo Car AB, when existing preference shares were redeemed in December.
- The newly formed trade union Akavia signed an agreement to offer its members non-life insurance through Folksam. Akavia has 130,000 members after a merger between the former unions Civilekonomerna and Jusek.
- The Folksam Group invested SEK 4 billion in shares issued by Heimstaden Bostad AB in a directed share issue on 7 January 2020. With this investment, the Folksam Group becomes the company's third largest shareholder with a 7.0 per cent share of capital.
- In December, the boards of Folksam Life and Folksam General appointed Ylva Wessén as the new president and CEO of the Folksam Group. Ylva Wessén succeeds Jens Henrik, who left the Folksam Group in August to become president and CEO of Swedbank. Since this time, Ylva Wessén has served as acting president and CEO of the Folksam Group. Ylva Wesson has a law degree and has worked at Folksam since 2007. She has held a number of senior positions within the group, including having been the head of the risk and compliance department at Folksam General. Since 2016, she has been the vice president and deputy CEO, and the head of the group staff.

## Significant events after the quarter

- The Folksam Group invested an additional SEK 1 billion in the Silvestica Green Forest fund in the Baltic Sea region.

## Three brands, two groups and eight insurance companies



\* Refers to the Folksam Group's participating interest.

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

In this full-year summary, we present reports on Folksam as a whole, the Folksam General Group and Folksam Life Group. Group refers to all insurance companies within Folksam Life and Folksam General, meaning both those consolidated and those not consolidated. The exception to this in the KPI tables for the Folksam Life Group and Folksam General Group is the solvency factor, which refers 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.

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.

# 2019 – a financially strong year but with challenges ahead

A financially strong year is over. The Folksam group's total premium volume grew by SEK 1.7 billion, compared to the same period the previous year, and on 31 December it amounted to SEK 56 billion. Assets under management increased to SEK 455 billion. The total return ratio at Folksam Life was 10 per cent and at KPA Pensionsförsäkring 11 per cent.

## Initiatives and challenges

The Folksam Group is our customers' company, offering insurance policies, pensions and long-term savings for the many. We shall be the obvious insurance partner and create mutual added value through collaboration. In a changing environment, a higher pace of change is required in the business. Movement areas have been identified and together we will bring about the change.

We create the conditions for better customer experiences, for example work is intensified with digital customer contact. Being a Folksam customer should be easy.

A major initiative for the Folksam Group is a new system for risk insurance. We are doing this to future-proof Folksam, create better conditions for digitalisation and shorten the time between first idea and the launch of products and offers. A first production launch will take place in February.

Through our work in the Net-Zero Asset Owner Alliance, we are steadily increasing the pressure on companies in our investment portfolios to achieve net zero greenhouse gas emissions by 2050 at the latest. Sustainability work is, and always will be, central to our investments and our business.

Together with our efforts for the future, we need to continue to reduce our operating costs. By reducing operating costs, we increase our competitiveness and can create customer benefits through what we offer. Work to reduce operating costs continues through changes in the way we work and changes in the office structure. The goal is that by the end of 2022 we will be down to a cost level equivalent to SEK 5.3 billion, excluding commissions.

## Strategic business

During the year we have concluded agreements for expanded or new cooperation with the trade unions IF Metall, Fackförbundet ST and the newly formed SACO federation Akavia, as well as continuing the launch of Folksam's legal insurance for members of trade unions. We work closely with our partners and will continue this work to ensure that the members get the best insurance and pension solutions on the market.



## Important investments

Our customers' money, the capital that we manage, shall provide good returns so as to ensure good pensions and low insurance premiums in the future. The distribution of capital between different types of assets is important for reconciling good returns with a balanced level of risk. In recent years the Folksam Group has therefore invested heavily in property and in 2019 this strategy resulted in the acquisitions of the Trygg Hansa building in Kungsholmen, an office property in the Globen area and shares in Heimstaden Bostad AB. Other important investments in the past year have been preferred shares in Volvo Cars and a bond issued by the World Bank to reduce food waste.

## New President and CEO

The week before Christmas, the boards of Folksam General and Folksam Life appointed me as the new President and CEO of Folksam. I take on the assignment with much energy and joy and will, together with my strong group management and our competent employees, drive the work towards our vision that our customers should feel safe in a sustainable world.

**Ylva Wessén**  
President and CEO

# Market overview and the Folksam Group

## Market trends

The industry statistics published quarterly by Swedish Insurance show that FOLKSAM increased its market share in both General and Life during the period 1 July 2018 – 30 September 2019.

Folksam retained its leading position in the life insurance market on total premiums and the market share was 14.2 per cent, compared to 13.8 per cent at the same time the previous year. The main explanation for increased market share for Folksam was increased premiums in collective occupational pensions.

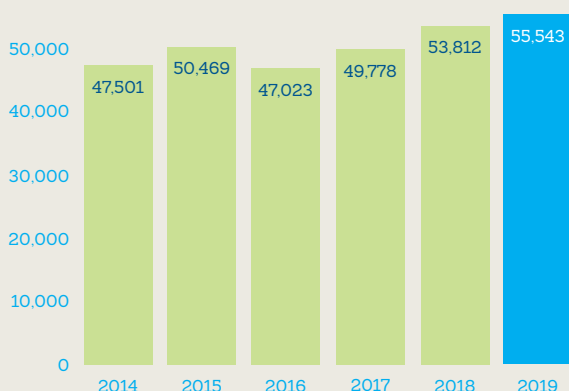
Transferred capital grew over the most recent 12-month period from 34 billion to 40 billion. Both Folksam Life and Folksam LO Fund Insurance had positive net transfers and have increased net transfers compared to the same period last year.

Folksam General (parent company + Tre kronor + Saco Folksam Försäkring) increased its market share to 16.3 per cent, an increase of 0.3 percentage points compared to the previous year. The total market grew by 3.3 per cent. The increase in premiums is primarily driven by Householder/house owner and Illness and Accident. Folksam is consolidating its position as the third largest insurance company.

Folksam Group's managed assets, 31 December 2019



Total premium volume, SEK million



## Macroeconomics

The Swedish economy has entered a slowdown phase. The rate of growth has gradually fallen since 2015. Unemployment is expected to be slightly higher than normal and inflation is expected to be below 2 per cent during the next two years, according to the National Institute of Economic Research. 7.4 per cent were registered as unemployed, according to the Swedish Public Employment Service, compared with 7.0 per cent in December 2018.

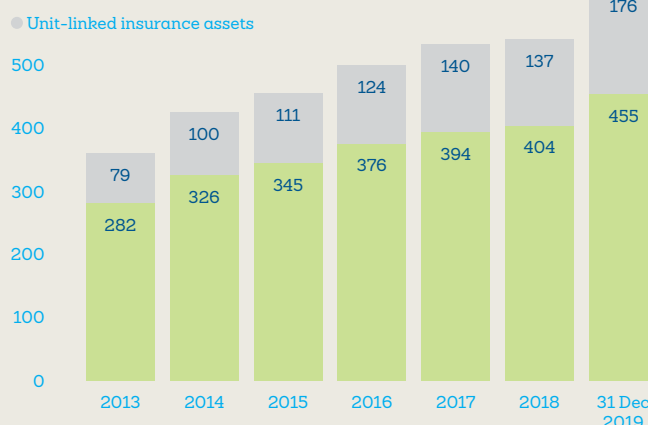
Internationally, negotiations between the USA and China have made progress in the signature of a partial agreement, but many issues involved in a trade agreement between the countries still remain. The risk of an escalating crisis between the USA and Iran is a cause for concern. The UK's withdrawal from the EU took place on 31 January. During a transitional period extending until 31 December 2020, future agreements – including trade, security, fisheries and various exchanges – between the EU and the UK are to be negotiated.

The Riksbank raised the repo rate at the December meeting and it is now 0 per cent. The forecast for the repo rate has remained unchanged since October and the rate is expected to remain at 0 per cent over the next few years. If economic or inflation forecasts change, monetary policy may need to be adapted to the new situation, according to the Riksbank.

## Managed assets and unit-linked insurance assets

At 31 December 2019, the Folksam Group managed SEK 454,536 (404,059) million. Unit-linked insurance assets amounted to SEK 175,826 (137,076) million. The Folksam Life Group's various companies showed an increased return during the year, compared with the previous year. Folksam Life's rate of return was 10.4 (1.5) per cent and KPA Pensionsförsäkring's rate of return was 11.2 (0.5) per cent.

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



## Laws and regulations

### Risk of tax effects running into billions in changing to occupational pension companies under occupational pension regulation

In November, the Folksam Group pointed out the need for the government to review tax legislation regarding occupational pension regulation to Minister for Financial Markets Per Bolund, because in the event of any change to occupational pension companies, customer-owned insurance companies risk tax consequences running into billions. KPA Pension participates in the meetings of the company parties with the Ministry of Finance regarding the Riksdag's announcements on occupational pension regulation, including solvency and capital requirements. The work also highlights the issue of occupational pension tax, which effectively prevents a conversion into occupational pension companies for parts of the Folksam Group.

### Right of transfer of unit-linked insurance savings

For Folksam as a mutual company it is important that the right of transfer is fair both for those who move their retirement savings and for those who do not move. The right of transfer bill adopted by parliament in November means an increased share of costs for customers who transfer their retirement savings compared to those customers who keep their pension savings with a guarantee: traditional insurance. After the end of the period, Folksam has presented to the government, in the work on parliament's announcements, how the transfer right can be made fair for unit-linked insurance customers – both for customers in mutual insurance companies who transfer their pension savings and for those who do not transfer them.

### Stimulation of private pensions savings

For good pensions for all our customers, we believe that the government needs to introduce financial stimulation to private retirement savings, which Folksam has raised with policymakers.

## Digitalisation

The Folksam group's journey of digitalisation is about large investments, new applications and upgrades of existing systems that assist us to work smarter and more efficiently and at the same time reduce costs. Folksam has decided to an even greater degree to make use of cloud services in order to as quickly as possible be in a position to take advantage of new technologies and functions such as artificial intelligence. Work on introducing a new standard platform for developing the risk insurance business enables faster product development and more effective claims settlement and it also lays the foundation for the further development of digital customer contact. During the year, several important steps have also been taken to develop the flow of new signings on folksam.se and customer information on My Pages.

There is a great deal to indicate that the future of the financial and insurance industry lies within the field of artificial intelligence. Folksam is the first insurance company to create a digital colleague, Sam, with artificial intelligence (AI). Today, Folksam's customers wait about 24 hours for a final response. SAM acts as an independent claims adjuster, utilising, among other things, the AI technologies Machine Learning (ML) and Natural Language Understanding (NLU). With the digital assistant, the waiting time is significantly reduced as SAM settles claims in real time via chat. Work to develop new uses for AI has also been started.

## Sustainability

The Folksam Group is one of the initiators of the Net-Zero Asset Owner Alliance. Together with some of the world's largest pension and insurance companies, the Folksam Group has committed to its investment portfolios having zero net greenhouse gas emissions by 2050.

In November, Aviva, AXA, CNP Assurances and FRR joined the Net-Zero Asset Owner Alliance. This shows the growing interest in reducing fossil dependence in investment portfolios. The assets aimed at net zero emissions thus increase from SEK 24,000 billion to SEK 40,000 billion.

The investor alliance has the ambition to continue to grow and to be a strong force in the essential transformation of the global economy. The focus is on getting real change and using the power for change that exists when many owners join forces with a common and clear goal – to achieve zero net greenhouse gas emissions by 2050.



# Folksam General

Folksam General Group	2019	2018	2017
Premiums earned, SEK millions	14,149	14,463	14,651
Assets under management, at period-end, SEK million	45,344	43,901	46,658
Solvency factor <sup>1)</sup> (SCR), at period-end	2.3	2.4	2.0

<sup>1)</sup> The solvency factor refers to the capital base in relation to capital requirements in accordance with the Solvency II Directive. The solvency factor for the period in question is presented with a one-quarter delay.

The premiums earned in the Folksam General Group decreased to SEK 14,149 (14,463) million. The decrease is explained by the fact that premiums for Förenade Liv and Folksam Skadeförsäkring were included in the previous year. The Förenade Liv premiums were transferred as a portfolio to Folksam General and Folksam Life in June of the previous year and Folksam Skadeförsäkring was sold at the end of November. Adjusted for these premiums, the group's premium income grew by SEK 574 million compared to the previous year. The solvency factor amounted to 2.3 (2.4).

Folksam General (parent company)	2019	2018	2017
Premiums earned, SEK millions	12,885	12,379	11,671
Underwriting result, SEK million	237	81	108
Profit/loss before appropriations and income tax, SEK million	1,298	1,349	913
Total expenses, %	96.1	97.9	97.9
of which claims expenses, %	81.8	79.4	82.7
of which operating expenses, %	14.3	18.5	15.2
Total return, %	3.0	4.1	3.4
Solvency capital, at period-end, SEK million	22,821	21,565	18,996
Funding ratio, at period-end, %	178	177	168
Solvency factor <sup>1)</sup> (SCR), at period-end	2.2	2.4	2.2

<sup>1)</sup> The solvency factor refers to the capital base in relation to capital requirements in accordance with the Solvency II Directive. The solvency factor for the period in question is presented with a one-quarter delay.

Premium income for the period increased by 4 per cent at the parent company to SEK 12,885 (12,379) million. The increase is explained by portfolio growth combined with premium adjustments and the portfolio transfer from Förenade Liv during the year. The biggest premium increases occurred in the Home contents/Homeowners, Motor and Traffic and Illness and Accident insurances.

The total cost ratio in the parent company amounted to 96.1 (97.9), which was lower than the previous year. The claims expense ratio increased to 81.8 (79.4) per cent. The increase was driven by a lower settlement gain than the previous year and a higher provision for the non-life interest reserve due to changes in interest rate assumptions in 2019. During the year, claims compensation also had more natural claims and large claims compared to the previous year.

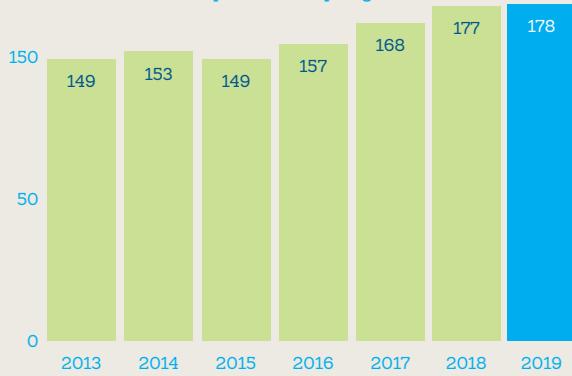
The operating expense ratio decreased to 14.3 (18.5). The decrease was mainly due to the fact that intangible assets have been capitalised during the year, primarily related to the development of the new risk insurance platform, but also the changed method for capitalising acquisition costs, which meant that the previous year had only depreciation of previously capitalised acquisition costs. The focus on costs within the group also contributed to the reduction of operating costs.

The underwriting result amounted to SEK 237 (81) million, which was SEK 156 million higher than the previous year. The increase was attributable to increased premiums earned and lower operating expenses, partially offset by a deterioration in claims outcomes and a decrease in the return on capital in insurance operations. The result also includes a reservation for bonuses to customers which was slightly higher than in the previous year. Profit before appropriations and tax amounted to SEK 1,298 (1,349) million for the period.

Total returns for the period amounted to 3.0 (4.1) per cent. The solvency factor, which we present with a one-quarter delay in the most recent outcome, amounted to 2.2 (2.4) for the parent company.

The funding ratio increased to 178 (177) per cent in the parent company.

Consolidation rate % parent company



### Events during the quarter (Oct-Dec):

- The Folksam Group continued to invest in Nordic infrastructure. After the successful investment in the infrastructure fund Infranode I, Folksam General invested an additional SEK 150 million in the new fund Infranode II.
- The Folksam Group reinvested SEK 2 billion in preference shares in Volvo Car AB, when existing preference shares were redeemed in December. Folksam General's share amounted to SEK 200 million.
- The Folksam Group invested SEK 4 billion in shares issued by Heimstaden Bostad AB in a directed share issue on 7 January 2020. Folksam General's share amounted to SEK 750 million.





# Folksam Life

Folksam Life

Folksam Unit-Linked Insurance

KPA Pension\*

Folksam LO Pension

60%

51%

Folksam Life Group	2019	2018	2017
Premium income, SEK million <sup>1)</sup>	41,394	39,349	35,127
Assets under management, at period-end, SEK million	407,446	360,157	347,258
Unit-linked insurance assets, at period-end, SEK million	175,826	137,076	139,632
Solvency factor, at period-end <sup>2)</sup>	3.2	3.3	3.2

<sup>1)</sup> The solvency factor for the period in question is presented with a one-quarter delay.

Premiums written for the Folksam Life Group amounted to SEK 41,394 (39,349) million for the full year 2019. Assets under management amounted to SEK 407,446 (360,157) million and the unit-linked insurance assets amounted to SEK 175,826 (137,076) million. In total, customers' assets increased by about seventeen per cent in 2019 compared with the corresponding period the previous year. The solvency factor, which is presented with a one-quarter delay, was 3.2 (3.3).

Folksam Life (parent company)	2019	2018	2017
Premium income, SEK million	12,040	11,584	10,324
Underwriting result, SEK million	11,777	2,018	5,706
Management expense, %	0.5	0.6	0.6
Total return, %	10.4	1.5	4.2
Assets under management, at period-end, SEK million	200,134	183,259	179,413
Solvency ratio, at period-end, %	169	163	165
Solvency factor <sup>2)</sup> mixed companies	3.7	3.8	3.7
Collective funding ratio, occupational pension, at period-end, %	119	110	120
Collective funding, other life insurance activities, at period-end, %	119	114	118

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

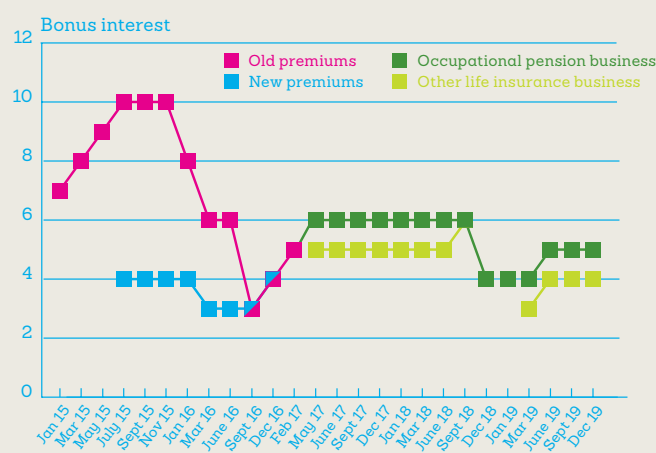
<sup>2)</sup> The solvency factor for mixed companies refers to the sum of the capital base relative to the capital requirements for other life insurance (compliant with the Solvency II directive) and the capital base relative to the capital requirements (compliant with the Solvency I directive) for the occupational pension operations. The solvency factor for the period in question is presented with a one-quarter delay.

Premiums written for the parent company, Folksam Life, increased to SEK 12,040 (11,584) million. The number of crosses has increased in collective agreement business both by more people having chosen to move their capital to Folksam and because of an increase in the numbers paying premiums. Increased sales within own channels, primarily in the savings products, have led to a higher premium.

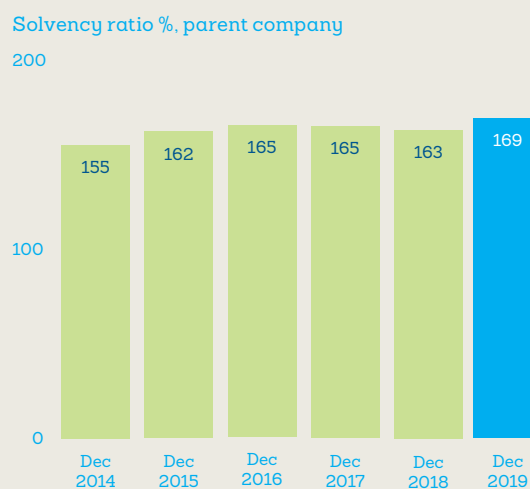
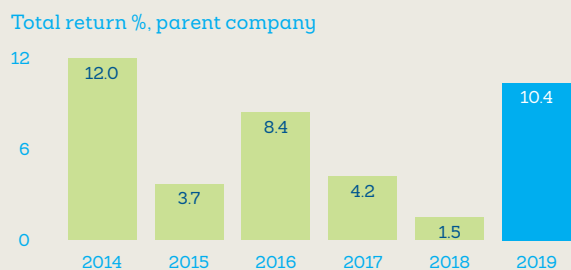
Operating expenses amounted to SEK 989 (1,175) million, which meant a decrease of SEK 186 million or almost sixteen per cent. The decrease can largely be attributed to lower costs for development, as there were several regulatory initiatives the previous year that drove up costs. Operating expenses also decreased as a result of reinsurance refund, capitalisation of intangible assets and the exchange of consultants carried out when replacing consultants with our own staff.

Total return for the period amounted to 10.4 (1.5) per cent. Seen over the past five years, 2015–2019, the annual average total return for Folksam Life was 5.6 per cent. The total return for the last ten-year period, 2010–2019, was 6.9 per cent per year. The solvency ratio in the parent company increased since the end of the year and amounted to 169 (163) per cent as of end December 2019.

The solvency factor for mixed companies, which we present with a one-quarter delay, is stable and amounted to 3.7 for the parent company. The collective funding ratio for the defined-contribution occupational pension insurance amounted to 119 per cent on 31 December 2019 and 119 per cent for other life insurance business.

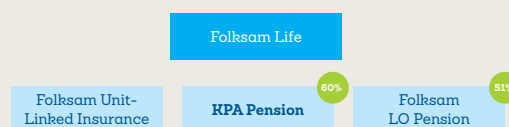


On 30 November 2015, Folksam Life combined all occupational pension business and the business lines "occupational pension business" and "other life insurance business" were formed. As of 1 April 2017, the two insurance lines have different bonus interest rates.



### Significant events during the quarter (Oct-Dec):

- With effect from 1 October, Folksam Life raised the bonus rate for occupational pensions from 4 per cent to 5 per cent. The bonus rate on other life insurance was kept unchanged at 5 per cent.
- The Folksam Group continued to invest in Nordic infrastructure. After the successful investment in the infrastructure fund Infranode I, Folksam Life invested an additional SEK 630 million in the new fund Infranode II.
- The Folksam Group reinvested SEK 2 billion in preference shares in Volvo Car AB, when existing preference shares were redeemed in December. Folksam Life's share amounted to SEK 1,000 million.
- The Folksam Group invested SEK 4 billion in shares issued by Heimstaden Bostad AB in a directed share issue on 7 January 2020. Folksam Life's share amounted to SEK 1,350 million.



KPA Pensionsförsäkring AB	2019	2018	2017
Premium income, SEK million	17,315	16,475	13,378
Underwriting result, SEK million	17,615	4,375	9,172
Management expense, %	0.2	0.2	0.2
Total return, %	11.2	0.5	4.6
Rate of return, %	11.3	0.5	4.8
Assets under management, at period-end, SEK million	202,714	172,402	163,060
Solvency ratio, at period-end, %	171	165	168
Solvency factor (S1), at period-end <sup>1)</sup>	16.8	15.7	16.3

<sup>1)</sup> The solvency factor is presented with a one-quarter delay.

Premium income for KPA Pensionförsäkring amounted to SEK 17,315 (16,475) million. KPA Pension is the default selection company within defined contribution pensions and receives many new customers annually.

The actuarial result benefited from good return on capital and positive cash flow, while at the same time higher FTA due to lower interest income had a negative effect. Profit amounted to SEK 17,487 (4,290) million.

The total return ratio amounted to 11.2 (0.5) per cent for the period, while the rate of return was 11.3 (0.5) per cent as a result of the good development of equities during the year. The administrative cost ratio in KPA Pensionsförsäkring was 0.2 (0.2). Viewed over the past ten years, 2010-2019, the annual average total return for KPA Pensionsförsäkring was 6.8 per cent. Pensionsförsäkring's solvency has increased since the start of the year and amounted to 171 (165) per cent at the end of the period.

The solvency factor, which we present with a one-quarter delay, amounted to 16.8 per cent for KPA Pensionsförsäkring.

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

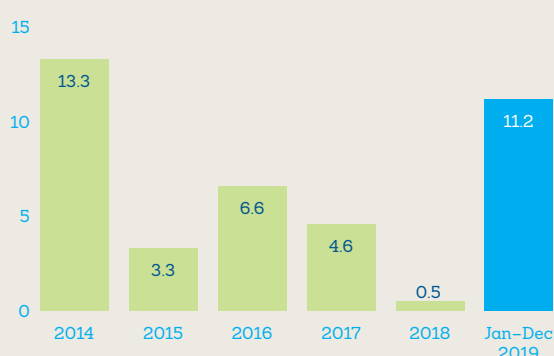
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- KPA Pension topped life insurance broker Max Matthiessen's review of how pension companies work with sustainable and responsible investments in traditional insurance and fund insurance on 8 November.
- KPA Pension continued to invest in Nordic infrastructure. After the successful investment in the infrastructure fund Infranode I, KPA Pension invested an additional SEK 720 million in the new fund Infranode II.
- KPA Pension reinvested SEK 800 billion in preference shares in Volvo Car AB, when existing preference shares were redeemed in December.
- In November, one of the owners of KPA Pension changed its name from Sveriges Kommuner och Landsting, SKL, to Sveriges Kommuner och Regioner, SKR. (The official name in English remains unchanged - Swedish Association of Local Authorities and Regions.) The Folksam Group owns 60 per cent and SKR 40 per cent of KPA Pension.
- KPA Pension invested SEK 1,900 million in shares issued by Heimstaden Bostad AB in a directed share issue on 7 January 2020.

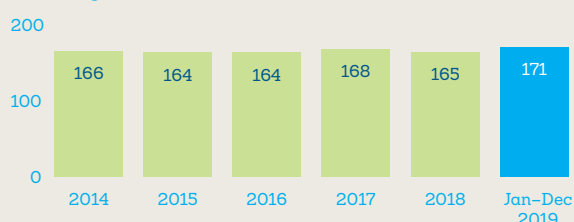
## Significant events after the quarter

- KPA Pension invested SEK 450 million in a green forest fund, Silvestica Green Forest

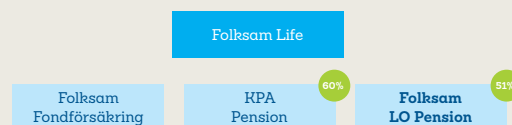
Total return %



Solvency ratio, %



# Folksam LO Pension



Folksam LO Fondförsäkring	2019	2018	2017
Premium payments	7,925	7,405	6,911
Underwriting result for the period, SEK millions	231	232	241
Profit for the period	312	238	276
Total return %	24.3	-4.2	5.1
Management expense ratio, %	0.13	0.14	0.10
Unit-linked insurance assets, at period-end, SEK million	118,624	88,609	87,525
Solvency factor (S1), at period-end <sup>1)</sup>	6.6	6.6	5.4

<sup>1)</sup> The solvency factor is presented with a one-quarter delay.

The premium payments for Folksam LO Fondförsäkring increased to SEK 7,925 (7,405) million. The increase came from a higher average premium and also increasing numbers of customers who moved capital to Folksam LO Fondförsäkring. The underwriting result amounted to SEK 231 (232) million. The unit-linked insurance assets increased as a result of a positive cash flow and a positive change in value, and amounted to SEK 118,624 (88,609) million. The total return ratio contributed to the positive change in value and amounted to 24.3 (-4.2) per cent. The solvency factor, which is presented with a one-quarter delay, was 6.6 (6.6).

## Appendix: Other subsidiaries and associated companies

Folksam General			
Tre Kronor	2019	2018	2017
Premiums earned, SEK millions	1,088	1,040	999
Underwriting result, SEK million	76	48	95
Profit before tax, SEK million	83	45	94
Total expenses, %	92.8	95.4	90.5
Solvency factor (SCR), at period-end <sup>1)</sup>	1.8	2.0	2.2
Saco Folksam Försäkring	2019	2018	2017
Premiums earned, SEK millions	176	156	174
Underwriting result, SEK million	3	25	8
Profit before tax, SEK million	22	25	14
Total expenses, %	102.2	85.1	82.1
Solvency factor (SCR), at period-end <sup>1)</sup>	1.7	1.7	1.5

<sup>1)</sup> The solvency factor is presented with a one-quarter delay

Folksam Life			
KPA Livförsäkring	2019	2018	2017
Premium income, SEK million	311	294	279
Underwriting result, SEK million	22	17	4
Management expense ratio, %	0.8	0.8	0.7
Total return, %	7.9	0.0	3.0
Solvency factor (SCR), at period-end <sup>1)</sup>	3.3	3.4	3.1
Folksam Fondförsäkring	2019	2018	2017
Premium volume	3,272	3,410	3,908
Profit/loss for the period before tax, SEK million	92	82	45
Management expense ratio, %	1.00	1.20	1.30
Unit-linked insurance assets, at period-end, SEK million	46,075	39,318	42,574
Solvency factor, mixed companies <sup>1)</sup>	1.6	1.5	1.2

<sup>1)</sup> The solvency factor is presented with a one-quarter delay

# This is the Folksam Group

Our job is to provide security for every phase of life. With us, customers can insure themselves, their loved ones and their property and save for their pension. Every time we meet a customer, we also meet an owner. And we have many owners. We insure almost half of all Swedes and take care of the pensions of more than two million people. As a result, the Folksam Group is one of the leading players when it comes to insurance and pension saving.

## Our vision

Our customers should feel secure in a sustainable world.

## Our business concept

We are our customers' company, offering popular insurance policies and pension investments that provide security.

## Our overriding objective

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



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



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