



2023

Q1

Q2

Q3

Q4

# Full-year report

January – December 2023

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.*

**Folksam**

# Overview: The Folksam Group

The Folksam Group, total	Jan-Dec 2023	2022	2021
Folksam Customer Index (FCI), % <sup>1)</sup>	75	75	76
Premiums, SEK million <sup>2)</sup>	71,923	63,693	61,093
Assets under management, at period-end, SEK million <sup>3) 4)</sup>	581,820	526,756	556,341
Unit-linked insurance assets, at period-end, SEK million <sup>3) 5)</sup>	241,169	209,189	242,541
Number of full-time employees <sup>6)</sup>	3,495	3,399	3,399

<sup>1)</sup> The FCI measurement includes private and individual markets, not partners and companies.

<sup>2)</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>3)</sup> Konsumentkooperationens Pensionsstiftelse is not included.

<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.

## Folksam Group's managed assets, 31 December 2023



Swedish equity	17%
Foreign equity	22%
Swedish interest-bearing	32%
Foreign interest-bearing	8%
Alternative investments	11%
Properties	10%

## The Folksam Group

### Total return ratio

- Folksam Life 8.2 (-7.0) per cent
- Folksam Tjänstepension 8.1 (1.2 per cent Nov-Dec 2022)
- KPA Tjänstepensionsförsäkring 7.6 per cent (-7.8)
- Folksam General 5.8 (-2.3) per cent.

### Heimstaden Bostad

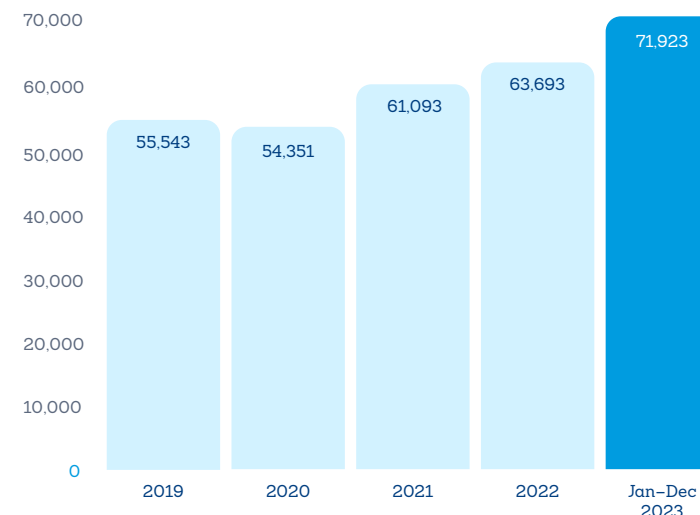
Property as an asset class has performed worse during the year. The return at Heimstaden Bostad has been negatively affected roughly on a par with other property assets, and its shares were downgraded during the fourth quarter. The value of the Folksam Group's holding in Heimstaden Bostad at year-end was 7.5 per cent below the total purchase price.

### Financial position

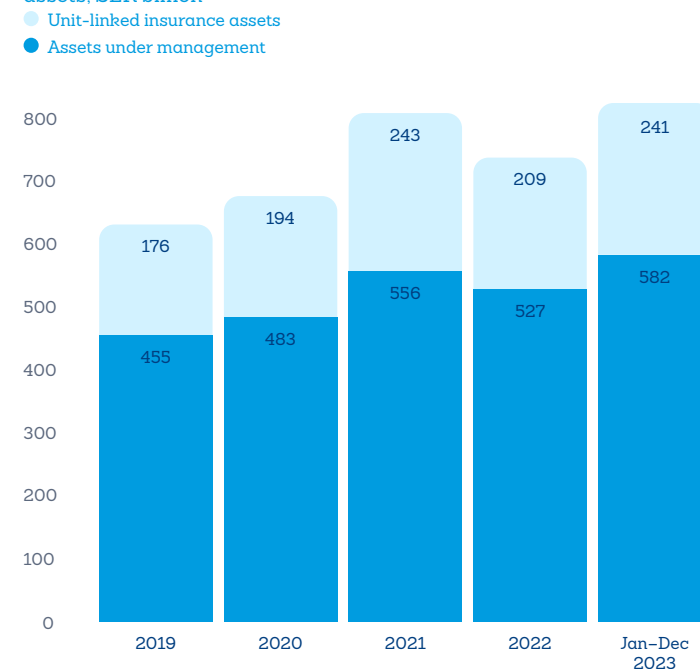
- The solvency ratio at Folksam Life was 190 (185) per cent.
- The funding ratio at Folksam General was 192 (187) per cent.
- The solvency ratio at Folksam Tjänstepension was 204 (213) per cent.
- The solvency ratio at KPA Tjänstepension was 232 (234) per cent.

Rising interest rates during the first three quarters of the year had a positive impact on the yield curve and the solvency ratio. During the final quarter, solvency was negatively affected by falling long-term interest rates.

Total premium volume, SEK million



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



# Good returns for our customers in a challenging year

It has been a challenging year and many of us are worried about developments in the world around us. Our customers have been struggling with personal finances that are worse than they have been in a long time and many have been affected by the climate-related damage that has unfortunately become increasingly common. Storm Hans struck last summer, and over 1,500 of our customers were affected by flooded cellars and leaking roofs. Not only that, 150 of our customers became caught up in something they could never have imagined – gang-related bombings. In the midst of these turbulent times, we at Folksam have stood firm and been there for our customers when they needed us most – and we will continue to do so.

There has also been turbulence on the financial markets. High inflation, major geopolitical unrest and rapidly increasing interest rates have created volatility. Despite this, the stock market has been favourable in several regions, driven by falling inflation rates and resilient growth. Heading into 2024, we are taking a cautiously positive view of the market because interest rates should fall as inflation continues to slow.

## Financially strong for our customers

Folksam has successfully managed our customers' assets and generated a good return. During the year, customers received a good, competitive return on capital in Folksam Life's parent company of 8.2 per cent, in Folksam Tjänstepension of 8.1 per cent and in KPA Tjänstepensionsförsäkring of 7.6 per cent. Total assets under management, including unit-linked insurance assets, amounted to SEK 823 billion, an increase of 12 per cent compared with the previous year.

The financial position of both the Life Group and the General Group remains very strong. The funding ratio in the parent company Folksam General was further strengthened during the quarter and amounted to 192 per cent at year-end. The fall in long-term interest rates had an impact on the discounting of pension provisions, however, resulting in a negative impact on the solvency of life companies during the quarter. The solvency ratio was 190 per cent for the parent company Folksam Life, 204 per cent for Folksam Tjänstepension and 232 per cent for KPA Tjänstepensionsförsäkring.

## Our route to having the industry's most satisfied customers

A cohesive customer experience, profitable growth and everyday efficiency are important cornerstones in our efforts to have the industry's most satisfied customers – and we have made major strides towards this during the year. One example is the merger of occupational pension companies within KPA. Folksam has also been entrusted once again with ITP. A number of partnerships have been entered into or strengthened, such as those with Vision, Saco and the Swedish Equestrian Federation. Together with the Swedish Trade Union Confederation (LO), we have been able to launch an improved health and survivor's insurance policy and a new child insurance policy for all unions.

This helped the Folksam Group's total premium volume grow by 13 per cent compared with the previous year, amounting to SEK 72 billion.

The premium volume for the Folksam Life Group amounted to SEK 56 billion. The Folksam Group's growth has come mainly from collectively agreed occupational pensions, while we have seen a reduction in customers' savings capacity for private savings.

The profitability of the Folksam General Group has been affected by rising inflation and high claims expenses, including as a result of fires and increased climate-related damage such as that caused by Storm Hans. Premiums, which were not adjusted in line with rising inflation, increased by 3 per cent compared with the previous year, to SEK 16 billion. Portfolio growth during the year came primarily from animal insurance, home insurance and the accident and illness business.

## Focus for 2024

This year, the Folksam Group will continue to focus on a number of major business and infrastructure changes that will both contribute to long-term efficiency and facilitate increased digitisation and customer benefit. Improving profitability and reducing our claims expenses will be further areas of focus in 2024.

We are currently recruiting a new Head of Marketing and Sales following Anna-Karin Laurell's departure from Folksam. This is an important recruitment process as we need to continue to enhance the cohesive customer experience.

During the year, the Folksam Group will switch to reporting our financial results every six months instead of quarterly. This is one way of streamlining operations and is in line with how most other companies in the industry report.



  
**Ylva Wessén**  
President and CEO

# Events during the year

## During the quarter (October–December)

### Folksam Life

#### **On 1 November, Folksam Tjänstepension adjusted its bonus rate**

On 1 November, Folksam Tjänstepension adjusted its bonus rate from five per cent to four per cent. The bonus rate at Folksam Life was left unchanged at five per cent.

### Folksam General

#### **Folksam and the Swedish Equestrian Federation extended and expanded their collaboration**

Folksam and the Swedish Equestrian Federation have had close cooperation since 2015, when Folksam became the main sponsor of equestrian sport. During the fourth quarter of 2023, this agreement was extended for three years (2024–2026), with a continued focus on young equestrians. Safety issues have also now been added as a new area of cooperation.

#### **Folksam and Unizon light up a heart for abused women**

On 25 November, Folksam together with Unizon, lit up the façade of Folksam's head office in Södermalm, Stockholm, with an orange heart to mark Orange Day, the International Day for the Elimination of Violence against Women. One in three women around the world will experience physical or sexual violence during their lifetime. Male violence against women and girls is a violation of human rights and a public health issue that transcends geographical, class and age boundaries.

#### **Globally unique research project on concussion**

A report produced by Folksam shows that the head is the most vulnerable body part of a rider, with around 12 head injuries recorded every week. In equestrian sports, men and women train and compete on exactly the same terms, making riders the ideal basis for a globally unique research project on concussion, which has been launched by Folksam and the Swedish Equestrian Federation.

#### **Swedish Financial Supervisory Authority: customers of mutual insurance companies receive higher levels of compensation**

The Swedish Financial Supervisory Authority reports that as a customer, you get more for your insurance premium from a mutual non-life insurance company than from a dividend-paying company. The Swedish Financial Supervisory Authority has analysed data from 36 non-life companies that account for the entire market of approximately SEK 40 billion in annual premiums. Its conclusion is clear. You get considerably more for your premium with a mutual company. Consumers generally receive less compensation under premiums with dividend-paying insurance companies than with mutual insurance companies.

### The Folksam Group

#### **Monthly macroeconomic update from Folksam's Chief Economist, Marcus Svedberg**

Folksam's Chief Economist, Marcus Svedberg, commented in December:

"The summer has not brought any major surprises. Risks remain and are very real. One thing that has been very noticeable during the summer is climate risk. There has been extremeweather almost everywhere and there is concern that this is the new normal."

#### **Jonas Bjuggren – Folksam Group's new Head of Real Estate**

Jonas Bjuggren has been appointed Folksam Group's new Head of Real Estate. Jonas has spent most of his career at Vasakronan and as Director of Administration at Akademiska Hus. For the past year, he has been working as a consultant property director at RISE. Jonas will take up his position on 15 January 2024.

#### **Folksam's life business the largest among life and savings providers**

Folksam's life business remained the largest among life and savings providers, according to Insurance Sweden's Q3 report for 2023.

#### **Folksam and KPA Pension invested in a green bond issued by Nacka Municipality**

The Folksam Group was the sole investor of a total of SEK 250 million in a green bond issued by Nacka to help finance climate transition and climate change adaptation in the municipality. KPA Pension is responsible for SEK 100 million of the investment.

#### **Folksam inflation-proofs pensions for 155,000 customers – an increase of 6.48 per cent from January 2024**

In January 2024, approximately 65,000 customers of Folksam with a defined benefit occupational pension within the RTP 2 framework will have their pension increased by 6.48 percent. Folksam is also increasing pension earnings for around 90,000 customers where the pension has not begun to be paid out by the equivalent percentage. Approximately 2,600 employers can also expect to see premium reductions of 30 per cent in 2024.

#### **The Folksam Group invested SEK 5.6 billion in a new infrastructure fund**

The Folksam Group invested SEK 5.6 billion in Copenhagen Infrastructure V, an infrastructure fund with a focus on the energy transition and a clear sustainability profile. The fund develops large-scale renewable energy infrastructure and is dark green according to the EU's Sustainable Finance classification system (SFDR). Investments are made principally in Western Europe, North America and the more developed Asia/Pacific regions.

#### **Folksam acquired office property in the heart of Stockholm**

Folksam Tjänstepension, which is part of the Folksam Group, acquired the leasehold for Orgelpipan 4 in central Stockholm from Corem Property Group for SEK 570 million.

# Events during the year – continued

## After the end of the quarter

### **Folksam extended its partnership with the Swedish Orienteering Federation**

Swedish orienteering has around 600 associations with over 80,000 members. In 2022, the sport increased the number of competitive participants by twelve per cent.

### **Folksam launched a child insurance offering to protect more children and young people**

There are over 1.5 million children and young people without an individual child insurance policy, according to statistics from Insurance Sweden.

### **Folksam welcomed Kinnarps to Gröna Skrapan in Gårda**

Folksam has signed a new lease agreement with Kinnarps. The lease is for approximately 1,200 square metres in Gröna Skrapan in Gårda, Gothenburg. In addition to office space, Kinnarps is planning to create a new showroom for both new and existing customers to enjoy. Occupancy is planned for May 2024.

### **Folksam and KPA Pension invested SEK 400 million in a green bond in Region Skåne**

The Folksam Group was the sole investor of SEK 400 million in a green bond issued by Region Skåne to develop healthcare and infrastructure in the region.

### **The Folksam Group invested in a UN bond to support small-scale agriculture**

Pension savers and policyholders in the Folksam Group invested an additional SEK 100 million when UN agency the International Fund for Agricultural Development (IFAD) issued a new bond.

### **The Folksam Group, through KPA Pension, acquired property in Kungsholmen, Stockholm**

KPA Pension, which is part of the Folksam Group, has acquired the property Brädstapeln 13 in Kungsholmen, Stockholm. The vendor is Europa, a pan-European real estate fund manager. The property is in an attractive location and has undergone complete renovation in recent years. The leasable area is approximately 13,300 square metres and handover took place on 1 February 2024.

### **Folksam and Coop in new strategic collaboration for increased security**

Folksam and Coop have signed an agreement with aim of providing increased security and reduced food costs for people in Sweden. Under the agreement, Folksam will eventually become part of Coop's membership scheme, with members being offered an attractive and affordable insurance product.

### **Folksam's comments in response to the Swedish Financial Supervisory Authority's investigation**

The Swedish Financial Supervisory Authority has announced that it will be conducting an investigation into the Folksam Group's investments in Heimstaden Bostad. The Authority has announced that the investigation will focus on compliance with the provisions on due diligence contained in, among other things, the Insurance Business Act.

# Folksam's future direction in 2023

The Folksam Group's future focus is on three areas

- Cohesive customer experience
- Profitable growth
- Everyday efficiency



## Cohesive customer experience

As a customer, you should be met by a Folksam that provides a cohesive customer experience. You should not feel ignored and you should experience Folksam as being responsible and committed to you, your life situation and a sustainable society. Folksam is here for you, our customer, and you will usually interact with us digitally.



## Profitable growth

Folksam continues to develop its business model with group insurance, occupational pensions and insurance policies, as well as savings that are suitable for many different people. Folksam is developing its collaboration with partners to become the obvious choice of insurer and occupational pension company, and also has direct contact with the end customer, who can easily supplement their commitment. Sustainability is at the heart of Folksam's product development and the company shares its expertise in damage and injury prevention.



## Everyday efficiency

Folksam uses its joint operational organisation to combine its expertise wherever synergies can be achieved. We work as one Folksam, with a common culture and an employeeship and leadership that provides development and is characterised by ongoing learning, trust and openness.

The IT environment is simplified and data and information management streamlined. The development and implementation of new IT solutions is followed by the phasing out of old systems. The level of operating expenses contributes to Folksam's competitiveness.

## Sustainability follow-up

The Folksam Group works from a sustainability perspective throughout its operations.

Here we report on the ongoing development of carbon dioxide emissions in our own operations, energy consumption in our properties and the carbon footprint of our equity portfolios.

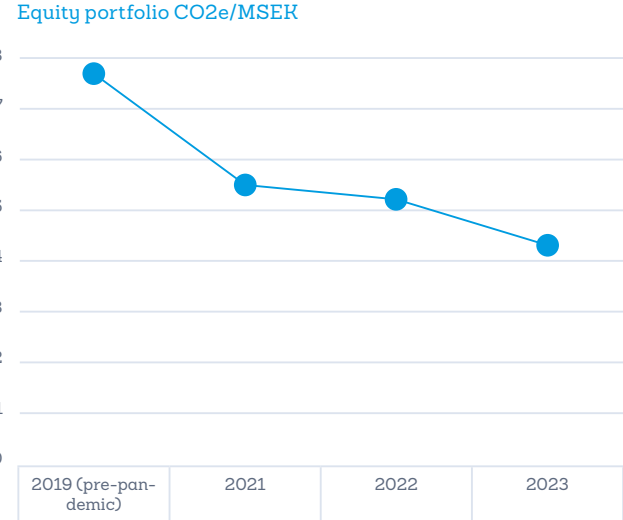
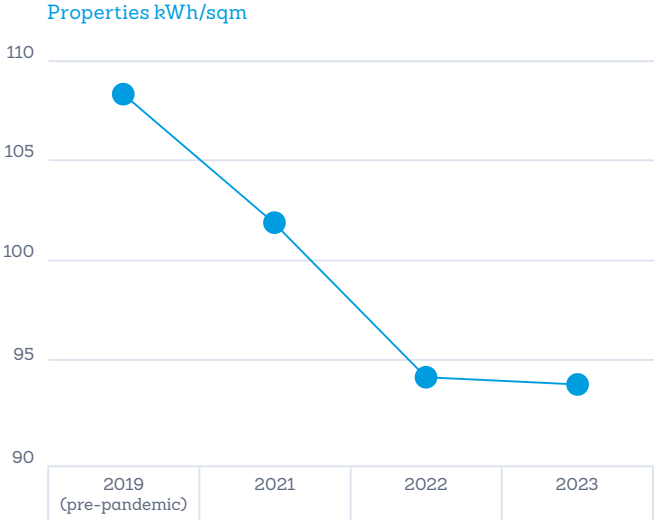
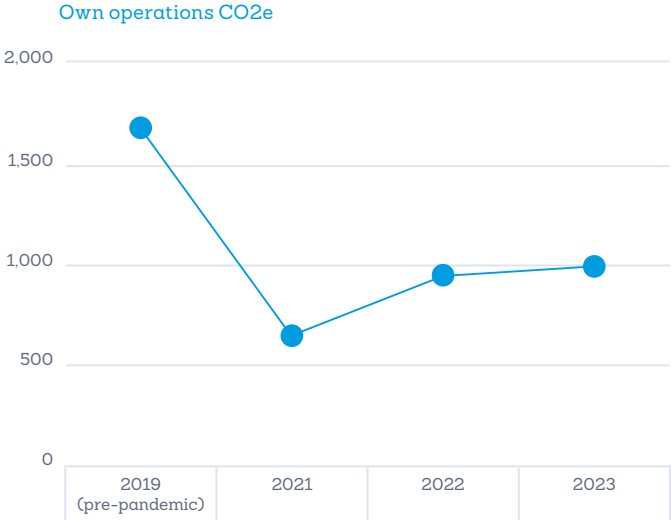
Climate indicator	TCFD indicator name	2023	2022	2021	2019 (pre-pandemic)
Carbon emissions (CO <sub>2</sub> e) in our own operations, with a target of net zero by 2030 <sup>1)</sup>		1,000	943	651	1,676
Energy consumption at properties, adjusted for a normal year (kWh/sqm)		93.8	94.3	101.8	108.4
Carbon footprint of equity portfolios, carbon dioxide intensity, weighted average, tonnes of CO <sub>2</sub> e/SEK million <sup>2)</sup>	Weighted Average	4.3	5.2	5.5	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.

<sup>2)</sup> The table shows: Carbon dioxide intensity, weighted average, tonnes of CO<sub>2</sub>e/SEK million. This means the portfolio's exposure to carbon dioxide-intensive companies, where the sum of the companies' share in the portfolio (based on market value) is multiplied by the companies' carbon dioxide intensity in relation to sales.

Calculation is based on data in USD, which means that exchange rate fluctuations affect 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.

Folksam has reported sustainability data since December 2019 and since its inception results are as follows.

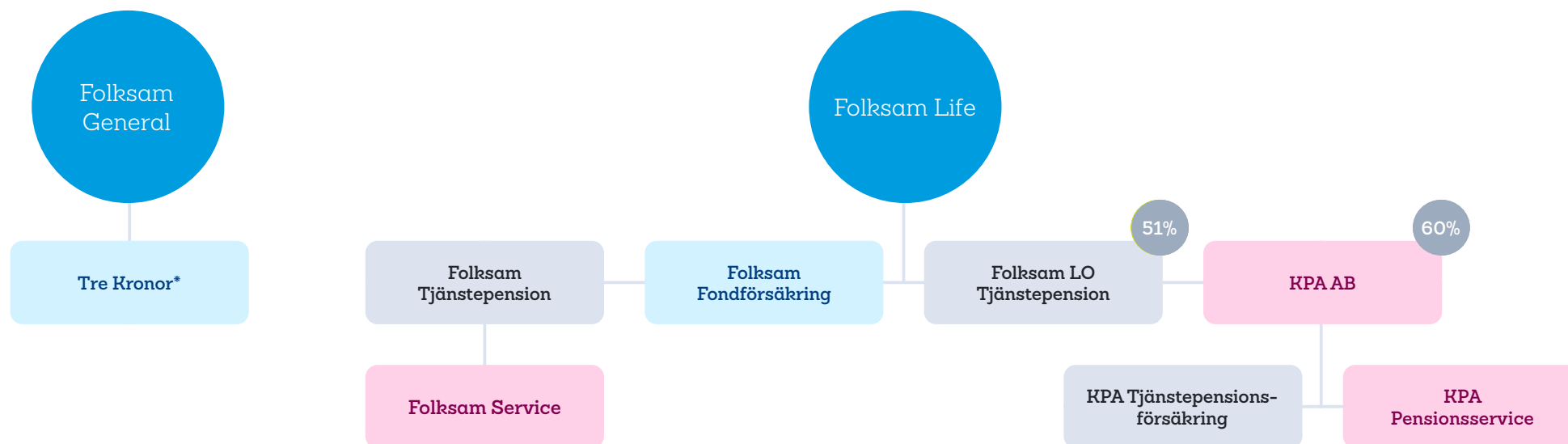




# Three brands in two corporate groups

In this interim report, we present reports on Folksam as a whole, the Folksam General Group and the Folksam Life Group. Group refers to all insurance companies and occupational pension 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 Folksam General Group is the solvency factor that 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 Tjänstepensionsförsäkring. We also present a number of central KPIs for the other subsidiaries and associated companies in the Folksam Group.



- = Parent company and insurance companies
- = Insurance companies
- = Occupational pension companies
- = Limited liability company not requiring authorisation

\* Provides insurance policies that are sold under a different brand.

\*\* The KPA Pension brand comprises the parent company KPA AB, the occupational pension company KPA Tjänstepensionsförsäkring AB and KPA Pensionservice AB.

# Folksam General

Folksam General Group	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	15,958	15,530	15,313
Assets under management, at period-end, SEK million	54,319	53,280	53,768
Solvency factor (SCR), at period-end <sup>2)</sup>	2.7	2.7	2.5

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

<sup>2)</sup> 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.

Folksam General (parent company)	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	14,607	14,257	14,089
Underwriting result, SEK million	-773	-890	1,306
Profit/loss before appropriations and tax, SEK million	2,336	-2,453	4,667
Total expenses, %	104.5	99.9	87.3
of which claims expenses, %	89.5	86.1	74.5
of which operating expenses, %	15.0	13.7	12.8
Total return, %	5.8	-2.3	7.8
Solvency capital, at period-end, SEK million	28,442	26,693	29,016
Funding ratio, at period-end, %	192	187	203
Solvency capital requirement <sup>2)</sup> (SCR), at period-end	2.8	2.7	2.5

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

<sup>2)</sup> 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.

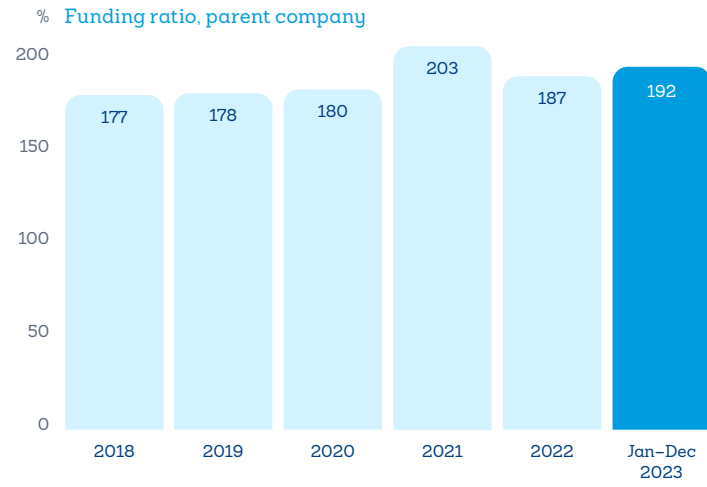
Premiums earned for the companies in the Folksam General Group increased compared with the previous year and amounted to SEK 15,958 (15,530) million.

Premiums earned in the parent company Folksam General increased compared with the previous year and amounted to SEK 14,607 (14,257) million for the full year. This increase is the result of both portfolio and premium growth. Premiums have not been increased in line with inflation, which has had a negative impact on premium growth.

The underwriting result at the parent company was SEK -773 (-890) million. This negative result is due to high claims compensation and operating costs. Overall, a positive return on capital resulted in profit/loss before appropriations and income tax of SEK 2,336 (-2,453) million, an increase compared with the previous year.

The combined ratio in the parent company increased to 104.5 (99.9) per cent. This increase is partly attributable to the claims expense ratio, which was 89.5 (86.1) per cent. Claims compensation was high, driven by natural damage, fire damage, claims cost inflation and a slight increase in claims frequency. The operating expense ratio also increased to 15.0 (13.7) per cent, a result of higher costs for defined benefit pensions due to inflation-proofing and higher IT costs. As premiums were not increased in line with inflation, there was a negative impact on the combined ratio.

The positive return is mainly attributable to the rise in broad stock indexes during the year, but interest rates have also made a positive contribution to the return. Properties have been negatively affected by higher key interest rates and greater uncertainty. In one of our larger holdings within the real estate sector, Heimstaden Bostad, the return has been negatively affected roughly on a par with other property assets, and its shares were downgraded during the fourth quarter. The value of Folksam General's holding in Heimstaden Bostad at year-end was 2.1 per cent above the purchase price.



# Folksam Life

Folksam Life Group	Jan–Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	55,964	48,163	45,780
Assets under management, at period-end, SEK million	527,501	473,476	502,573
Unit-linked insurance assets, at period-end, SEK million	241,169	209,189	242,541
Solvency factor (SCR), at period-end <sup>2)</sup>	1.3	1.3	3.3

<sup>1)</sup> Premiums comprise premiums earned in life insurance and premiums earned in non-life insurance.

<sup>2)</sup> The solvency capital requirement in the current quarter is reported with a one-quarter delay. As of the turn of the year, the solvency capital requirement refers to the sum of own funds in relation to the capital requirement for other life insurance (in accordance with the Solvency II regulations).

Folksam Life (parent company)	Jan–Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	6,790	15,173	16,399
Underwriting result, SEK million	7,429	-1,394	29,017
Profit/loss before appropriations and tax, SEK million	7,745	-1,668	29,437
Management expense, %	0.7	0.6	0.5
Total return, %	8.2	-7.0	12.4
Assets under management, at period-end, SEK million	120,427	115,214	238,914
Of which strategic company holdings	8,004	7,286	8,142
Solvency ratio, at period-end, %	190	185	194
Solvency factor, at period-end <sup>2)</sup>	1.9	1.9	3.7
Collective funding ratio, at period-end, %	115	110	123

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

<sup>2)</sup> The solvency capital requirement in the current quarter is reported with a one-quarter delay. As of 01/01/2023, the solvency capital requirement refers to the sum of own funds in relation to the capital requirement for other life insurance (in accordance with the Solvency II regulations) and prior to this the solvency capital requirement for mixed companies.

Premiums written for the Folksam Life Group amounted to SEK 55,964 (48,163) million. Assets under management amounted to SEK 527,501 (473,476) million and unit-linked insurance assets amounted to SEK 241,169 (209,189) million.

Premiums written for the parent company Folksam Life amounted to SEK 6,790 (15,173) million. This decrease is mainly due to the portfolio transfer to Folksam Tjänstepension, but also to a more challenging environment for savings insurance with higher inflation and interest rates, as well as a lower bonus rate.

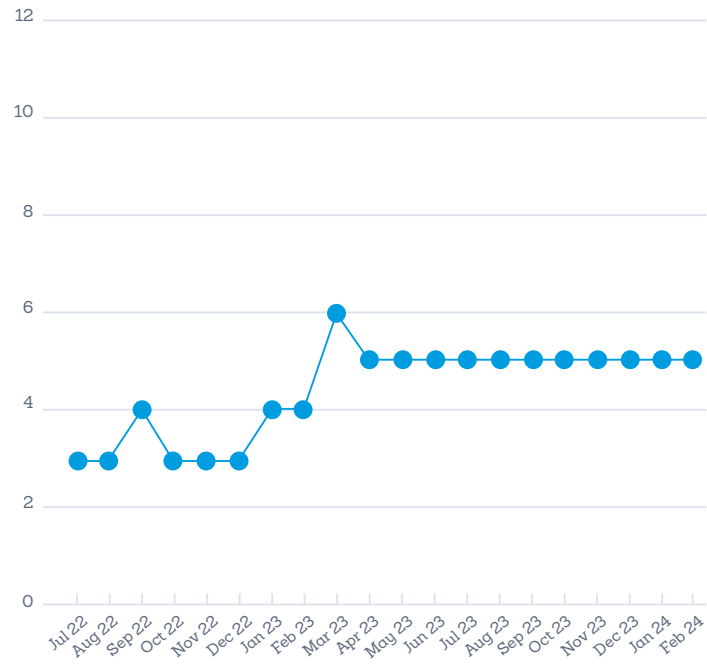
Operating expenses amounted to SEK 896 (1,137) million. These expenses are lower than those of the previous year. This is mainly due to the portfolio transfer to Folksam Tjänstepension. Excluding the portfolio transfer, the increase in operating expenses is mainly the result of inflation-proofing defined benefit pensions.

The total return ratio for the period amounted to 8.2 (-7.0) per cent. The positive return is mainly attributable to the rise in broad stock indexes during the year, but interest rates have also made a positive contribution to the return. Properties have been negatively affected by higher key interest rates and greater uncertainty. In one of our larger holdings within the real estate sector, Heimstaden Bostad, the return has been negatively affected roughly on a par with other property assets, and its shares were downgraded during the fourth quarter. The value of Folksam Life's holding in Heimstaden Bostad at year-end was 3.8 per cent below the purchase price.

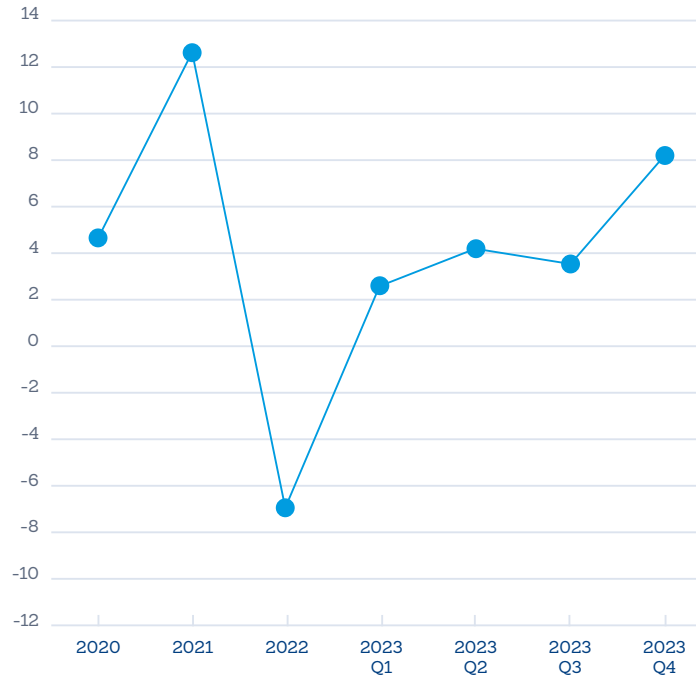
Over the past five years, 2019–2023, the annual average total return ratio for Folksam Life was 5.5 per cent. The total return ratio for the past ten-year period, 2014–2023, was 5.7 per cent per annum on average.

The parent company's solvency ratio was higher than for the corresponding period last year and was 190 (185) per cent at period-end.

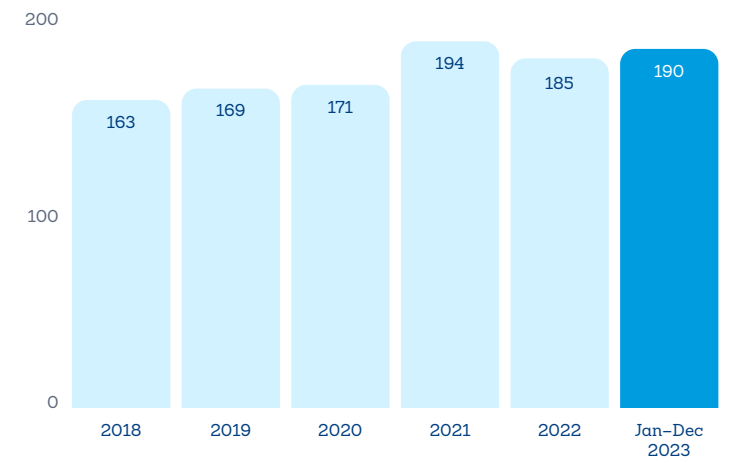
% Bonus interest rate



% Total return, parent company



% Solvency ratio, parent company



# Folksam Tjänstepension

Folksam Tjänstepension	Jan-Dec 2023	Nov-Dec 2022
Premiums, SEK million <sup>1)</sup>	7,280	1,929
Underwriting result, SEK million	7,652	2,506
Profit/loss before appropriations and tax, SEK million	7,652	2,506
Management expense, %	0.4	0.1
Total return, %	8.1	1.2
Assets under management, at period-end, SEK million	115,217	105,279
Solvency ratio, at period-end, %	204	213
RBC ratio, at period-end. <sup>2)</sup>	2.8	2.5
Collective funding ratio, defined contribution, at period-end, %	111	109

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

<sup>2)</sup> The RBC ratio for the current quarter is reported with a one-quarter delay and indicates the relationship between own funds and the risk-based capital requirement RBC within the regulatory framework for occupational pension companies.

On 1 November 2022, the majority of occupational pension operations was transferred from Folksam Life to Folksam Tjänstepension.

Profit before appropriations and tax amounted to SEK 7,652 million.

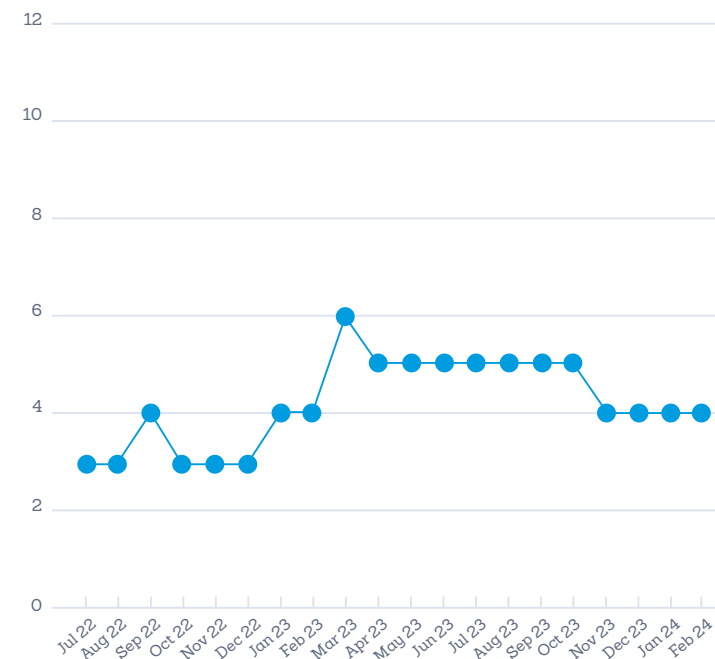
Premium income amounted to SEK 7,280 million and the return on capital was SEK 10,470 million.

Claims compensation amounted to SEK -2,580 million and life insurance provisions amounted to SEK -7,053 million. Life insurance provisions were affected by positive cash flow and a lower yield curve.

Operating expenses amounted to SEK -466 million. Operating expenses were impacted by higher personnel costs, which were negatively affected by increased costs for defined benefit pensions as a result of inflation-proofing.

The management expense ratio for savings business amounted to 0.4 per cent. The positive return is mainly attributable to the rise in broad stock indexes during the year, but interest rates have also made a positive contribution to the return. Properties have been negatively affected by higher key interest rates and greater uncertainty. In one of our larger holdings within the real estate sector, Heimstaden Bostad, the return has been negatively affected roughly on a par with other property assets, and its shares were downgraded during the fourth quarter. The value of Folksam Tjänstepension's holding in Heimstaden Bostad at year-end was 6.5 per cent below the purchase price.

% Bonus interest rate



# KPA Pension\*

KPA Tjänstepensionsförsäkring AB	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	28,938	19,464	18,613
Underwriting result, SEK million	31,096	11,806	42,778
Management expense, %	0.18	0.14	0.14
Management expense, defined-contribution, %	0.08	0.08	0.08
Total return, %	7.6	-7.8	13.7
Bonus rate, defined contribution, % <sup>2)</sup>	8.8	-7.3	-
Bonus rate, defined benefit, %	5.5	-7.6	7.2
Assets under management, at period-end, SEK million	296,154	253,412	264,049
Solvency ratio, at period-end, %	232	234	204
RBC ratio, at period-end <sup>3)</sup>	3.0	2.9	-

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

<sup>2)</sup> Refers to the bonus rate during the savings period (for insured persons who are 50 years of age or younger).

<sup>3)</sup> The RBC ratio for the current quarter is reported with a one-quarter delay and indicates the relationship between own funds and the risk-based capital requirement RBC within the regulatory framework for occupational pension companies.

Premium income for KPA Tjänstepensionsförsäkring amounted to SEK 28,938 (19,464) million. This increase is mainly due to increased premiums in the new AKAP-KR pension agreement and high supplementary and indexation premiums in defined benefit business.

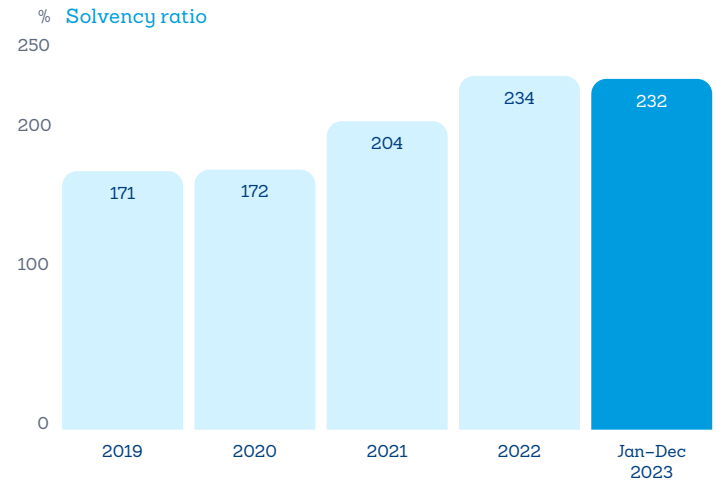
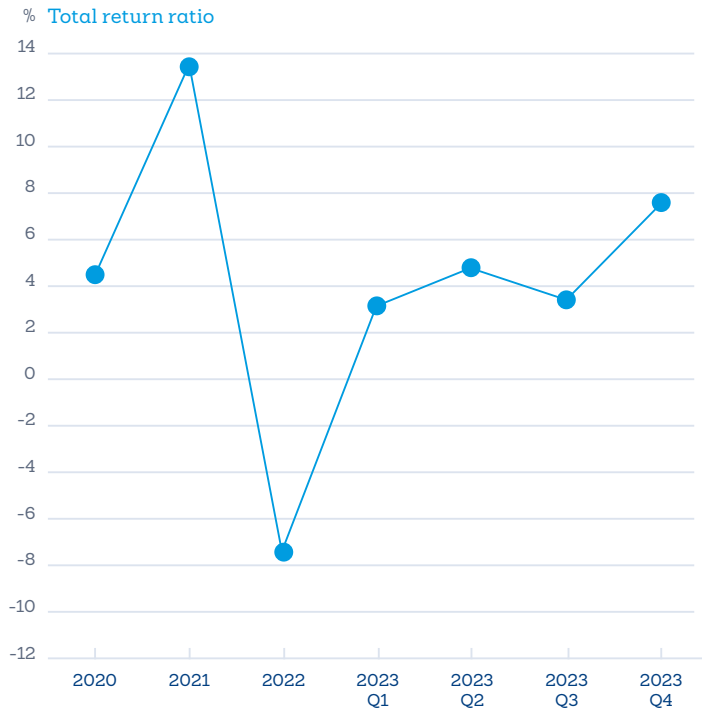
On 1 November, KPA Tjänstepension was incorporated into KPA Tjänstepensionsförsäkring through a reverse merger.

The underwriting result was SEK 31,096 (11,806) million. The higher result compared with the previous year is mainly due to a higher return on capital as a result of the positive development of the equity markets, partially offset by higher technical provisions as a result of positive cash flow and a lower yield curve. The previous year's technical provisions were affected by a higher yield curve, which significantly reduced the provisions.

The total return ratio amounted to 7.6 (-7.8) per cent for the period. Over the past ten years, 2014–2023, the annual average total return ratio was 5.6 per cent. The positive return is mainly attributable to the rise in broad stock indexes during the year, but interest rates have also made a positive contribution to the return. Properties have been negatively affected by higher key interest rates and greater uncertainty. In one of our larger holdings within the real estate sector, Heimstaden Bostad, the return has been negatively affected roughly on a par with other property assets, and its shares were downgraded during the fourth quarter. The value of KPA Tjänstepensionförsäkring's holding in Heimstaden Bostad at year-end was 8.8 per cent below the purchase price.

The bonus rate for defined premium during the savings period was 8.8 (-7.3) per cent and for defined benefit was 5.5 (-7.6) per cent. The higher bonus rates are the result of positive equity value trends. The management expense ratio at KPA Tjänstepensionsförsäkring was 0.18 (0.14) per cent. The higher management expense ratio is the result of increased operating expenses, mainly due to the inflation-proofing of defined benefit pensions for employees.

\* The brand KPA Pension comprises the parent company KPA AB, the occupational pension company KPA Tjänstepensionsförsäkring AB (publ) (KPA Tjänstepensionsförsäkring) and KPA Pensionservice AB.





## Sustainability follow-up

KPA works from a sustainability perspective throughout its operations.

The change in emissions from own operations may be affected by the fact that not all travel expense claims have been received.

Climate indicator	TCFD indicator name	2023	2022	2021
Carbon emissions (CO <sub>2</sub> e) in our own operations, with a target of net zero by 2030 <sup>1)</sup>		53	48	40
Energy consumption at properties, adjusted for a normal year (kWh/sqm)		95	89	96.5
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	4	5.1	5.3

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

<sup>2)</sup> The table shows: Carbon dioxide intensity, weighted average, tonnes of CO<sub>2</sub>e/SEK million. This means the portfolio's exposure to carbon dioxide-intensive companies, where the sum of the companies' share in the portfolio (based on market value) is multiplied by the companies' carbon dioxide intensity in relation to sales. Calculation is based on data in USD, which means that exchange rate fluctuations affect reported earnings in SEK. For more information, see [folksam.se/om-oss/vart-hallbarhetsarbete/hallbarhet-i-folksam/hallbarhetsredovisning](https://folksam.se/om-oss/vart-hallbarhetsarbete/hallbarhet-i-folksam/hallbarhetsredovisning) Annual and Sustainability Report.

# Folksam LO Pension\*

Folksam LO Tjänstepension	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	9,357	7,891	6,485
Underwriting result, SEK million	307	324	384
Total return ratio, %	13.1	-15.9	21.9
Management expense ratio, %	0.11	0.08	0.07
Unit-linked insurance assets, at period-end, SEK million	175,109	149,892	171,711
RBC ratio, at period-end <sup>2)</sup>	4.5	-	-

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

<sup>2)</sup> The RBC ratio replaces the solvency capital requirement and indicates the relationship between own funds and the risk-based capital requirement RBC reported within the regulatory framework for occupational pension companies. The RBC ratio is reported with a one-quarter delay.

The premium payments for Folksam LO Tjänstepension amounted to SEK 9,357 (7,891) million. This increase is mainly the result of a rise in the number of policies written for the company, which is attributable to sales and marketing efforts.

The underwriting result was SEK 307 (324) million. The slightly lower underwriting result is mainly because of increased personnel costs, which were negatively affected by higher costs for defined benefit pensions due to inflation-proofing, but also because of higher system administration costs and selling costs.

The company's non-technical result has improved because of a positive return on capital for the company's own investments, giving the company a strong total profit for the period of SEK 500 million (123).

Unit-linked insurance assets increased as a result of a positive change in value during the period and amounted to SEK 175,109 (149,892) million. The total return ratio for this amounted to 13.1 (-15.9) per cent.

\* The brand Folksam LO Pension includes Folksam LO Tjänstepension.

# Appendix: Other subsidiaries and associated companies

Folksam General			
Tre Kronor	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	1,351	1,273	1,224
Underwriting result, SEK million	52	135	160
Profit/loss before appropriations and tax, SEK million	154	39	198
Total expenses, %	97.4	89.7	86.8
Solvency factor (SCR), at period-end <sup>2)</sup>	2.0	2.0	2.0

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

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

Folksam Life (KPA Tjänstepension merged with KPA Tjänstepensionsförsäkring as of 1 November 2023)			
KPA Tjänstepension	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	-	363	340
Underwriting result, SEK million	-	-357	574
Management expense ratio, %	-	1.1	0.9
Total return, %	-	-9.2	10.6
RBC ratio, at period-end <sup>3)</sup>	-	5.2	5.7
Folksam Fondförsäkring	Jan-Dec 2023	2022	2021
Premiums, SEK million <sup>1)</sup>	2,973	2,874	3,455
Underwriting result, SEK million	136	156	186
Management expense ratio, %	0.7	0.7	0.7
Unit-linked insurance assets, at period-end, SEK million	53,129	47,697	56,912
Solvency factor, at period-end <sup>2)</sup>	1.6	2.4	1.6

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

<sup>2)</sup> The solvency capital requirement in the current quarter is reported with a one-quarter delay. As of 01/01/2023, the solvency capital requirement refers to the sum of own funds in relation to the capital requirement for other life insurance (in accordance with the Solvency II regulations) and prior to this the solvency capital requirement for mixed companies.

<sup>3)</sup> The RBC ratio for the current quarter is reported with a one-quarter delay and indicates the relationship between own funds and the risk-based capital requirement RBC within the regulatory framework for occupational pension companies.

# Future reporting dates

**17 May 2024**

Key performance indicators  
for the first quarter

**29 August 2024**

Interim report for the first  
half of 2024

**7 November 2024**

Key performance indicators  
for the third quarter

**14 February 2025**

Full-year report 2024