

Länsförsäkringar Alliance

Annual review

2020



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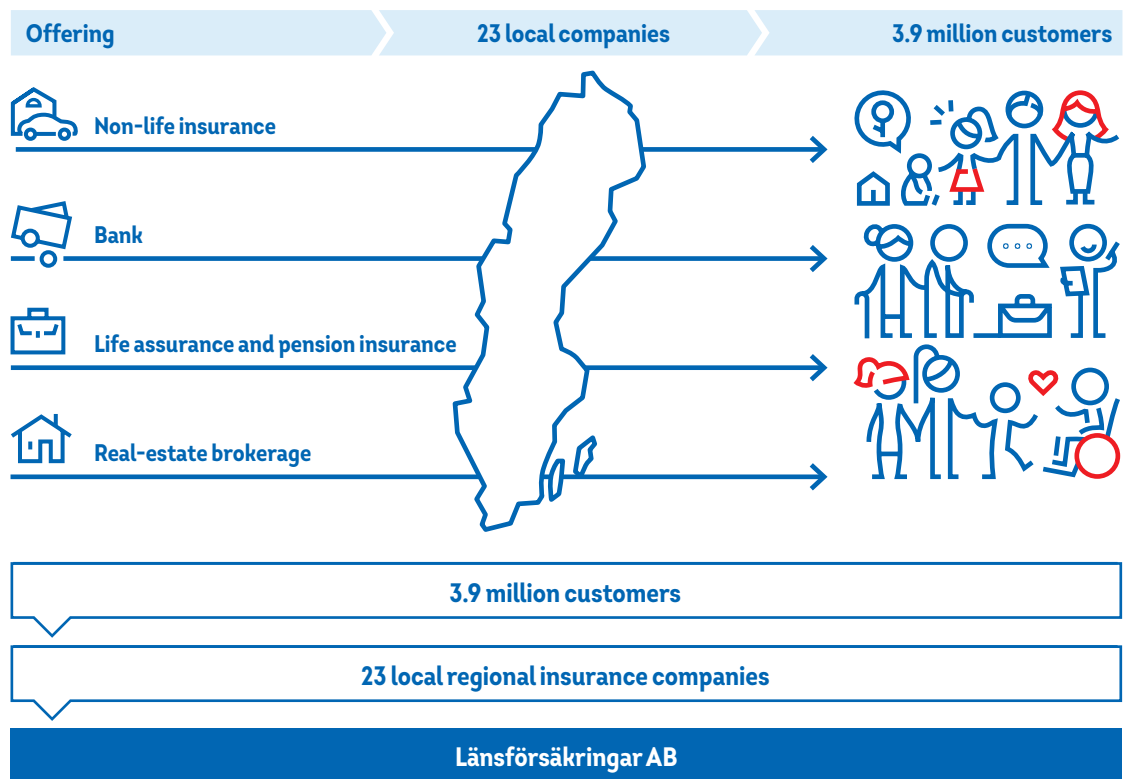
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The Länsförsäkringar Alliance's annual review of 2020 contains information about Länsförsäkringar's operations in non-life insurance, banking, life assurance and pension insurance and real-estate brokerage. The sustainability section contains information about Länsförsäkringar's work on sustainability in its customer offering and operations and in terms of its environmental and social commitment. The combined earnings of the Länsförsäkringar Alliance's non-life insurance operations are presented on pages 52-53. This will be followed by key figures from each of the 23 regional insurance companies. Please note that from 30 December 2020, Länsförsäkringar AB's legal name is "Gamla Länsförsäkringar AB" but is referred to as "Länsförsäkringar AB" throughout this annual review.

About the Länsförsäkringar Alliance

Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB and its subsidiaries. Customers are provided with a complete offering of banking, insurance, pension and real-estate brokerage services through the regional insurance companies. The starting point is local presence and decision-making. Experience shows that local decision-making authority combined with joint strength creates substantial added value for customers. The regional insurance companies are owned by the insurance customers. There are no external shareholders, and meeting customer needs and requirements is always the primary task. The Länsförsäkringar Alliance has 3.9 million customers and 7,500 employees.

The Länsförsäkringar Alliance is not a Group in the legal sense of the term. Most of the non-life insurance business in the Länsförsäkringar Alliance is underwritten in the regional insurance companies. The business conducted by Länsförsäkringar AB's non-life insurance group primarily comprises personal-risk, pet and crop insurance. The Länsförsäkringar AB Group also manages the Länsförsäkringar Alliance's reinsurance cover and assumed international reinsurance. Earnings from the Länsförsäkringar Alliance's non-life insurance operations consist of the total earnings of the 23 regional insurance companies and the non-life insurance operations of the Länsförsäkringar AB Group. Länsförsäkringar Liv is operated according to mutual principles and is not consolidated in Länsförsäkringar AB.



Länsförsäkringar Sak Försäkrings AB

Supports and supplements the regional insurance companies' non-life insurance offering with specialist products, serves as an engine for new business and is responsible for joint reinsurance.

Länsförsäkringar Bank AB

Offers a broad range of banking services to the regional insurance companies' customers through Länsförsäkringar Hypotek, Länsförsäkringar Fondförvaltning and Wasa Kredit.

Länsförsäkringar Fondliv Försäkrings AB

Offers pension savings with fund management and guarantee management and personal-risk insurance to the regional insurance companies' customers.

Länsförsäkringar Liv Försäkrings AB

Manages traditional life assurance taken out before September 2011 when the company was closed for new business.

Rating

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Bank	S&P Global Ratings	A/Stable	A-1 (K-1)
Länsförsäkringar Bank	Moody's	A1/Stable	P-1
Länsförsäkringar Hypotek ¹⁾	S&P Global Ratings	AAA/Stable	-
Länsförsäkringar Hypotek ¹⁾	Moody's	Aaa	-
Länsförsäkringar Sak	S&P Global Ratings	A/Stable	-

¹⁾ Pertains to the company's covered bonds.

The 2020 fiscal year

The Länsförsäkringar Alliance's earnings *Figures in parentheses pertain to 2019*

- The Länsförsäkringar Alliance's total operating profit amounted to SEK 9.7 billion (14.5).
- Operating profit for the Länsförsäkringar Alliance's non-life insurance operations amounted to SEK 7.3 billion (12.0), after bonuses and discounts to customers amounting to SEK 1.8 billion (1.9).
- Investment income amounted to SEK 7.0 billion (13.2).
- Premiums earned after ceded reinsurance rose 6% to SEK 29.4 billion (27.9).
- The technical result for the Länsförsäkringar Alliance's non-life insurance operations increased to SEK 2.9 billion (1.8).

Bonuses and discounts to customers

SEK **1.8** bn

Länsförsäkringar Alliance's combined ratio

93%

Result for the regional insurance companies

SEK M	Technical result ¹⁾		Operating profit ¹⁾	
	2020	2019	2020	2019
LF Norrbotten	80	35	144	170
Länsförsäkringar Västerbotten	127	122	370	685
Länsförsäkringar Jämtland	15	9	233	414
Länsförsäkringar Västernorrland	-7	-23	74	121
Länsförsäkringar Gävleborg	57	-22	160	216
Dalarnas Försäkringsbolag	93	-50	741	803
Länsförsäkringar Värmland	143	13	459	403
Länsförsäkringar Uppsala	102	60	468	557
Länsförsäkringar Bergslagen	140	168	703	1,221
Länsförsäkringar Stockholm	95	72	448	749
Länsförsäkringar Södermanland	19	77	283	691
Länsförsäkringar Göteborg och Bohuslän	236	147	1,276	1,707
Länsförsäkringar Skaraborg	80	58	616	511
Länsförsäkringar Östgöta	285	101	799	1,296
Länsförsäkringar Älvsborg	270	193	1,197	1,603
Länsförsäkringar Gotland	19	64	100	224
Länsförsäkringar Jönköping	231	26	577	663
Länsförsäkringar Halland	93	62	420	483
Länsförsäkring Kronoberg	29	82	344	476
Länsförsäkringar Kalmar län	151	63	419	611
Länsförsäkringar Blekinge	55	31	145	282
Länsförsäkringar Göinge-Kristianstad	38	15	287	452
Länsförsäkringar Skåne	225	237	1,020	1,479

¹⁾ Before bonuses and discounts.

Five-year summary

Länsförsäkringar Alliance's non-life insurance	2020	2019	2018	2017	2016
Solvency capital, SEK M	91,311	82,096	68,472	66,149	57,956
Solvency margin, %	302	288	252	253	236
Return on equity, %	7	15	3	11	8
Premiums earned after ceded reinsurance, SEK M	29,397	27,856	26,751	25,504	24,073
Technical result, SEK M	2,873	1,824	1,778	2,529	1,813
Operating profit, SEK M	7,252	12,001	2,243	7,078	4,626
Combined ratio, %	93	96	96	92	95
Länsförsäkringar AB, Group¹⁾					
Operating profit, SEK M	2,726	3,003	2,351	2,825	2,286
Total assets, SEK M	613,967	572,594	506,835	473,773	421,816
Return on equity, %	8	10	9	11	10
Own funds for the group (FRL) ²⁾ , SEK M	57,412	50,220	43,870	44,172	40,602
Capital requirement for the group (FRL) ³⁾ , SEK M	39,186	37,966 ⁴⁾	33,874	33,441	30,121
Own funds for the financial conglomerate ³⁾ , SEK M	57,412	50,220	43,870	44,172	40,352
Capital requirement for the financial conglomerate ³⁾ , SEK M	39,186	37,966 ⁴⁾	33,874	33,441	30,121
Länsförsäkringar Sak, Group					
Premiums earned after ceded reinsurance, SEK M	6,781	6,211	5,891	5,623	5,342
Technical result, SEK M	297	283	402	977	435
Operating profit, SEK M	516	851	460	1,028	644
Solvency ratio, % (Länsförsäkringar Sak Försäkrings AB)	197	197 ⁴⁾	228	221	260
Länsförsäkringar Bank, Group					
Deposits from the public, SEK M	136,388	119,303	108,142	99,404	91,207
Loans to the public, SEK M	340,007	307,099	289,426	261,444	226,705
Operating profit, SEK M	1,844	1,893	1,510	1,599	1,467
Return on equity, %	8.5	9.5	8.3	10.0	10.1
Common Equity Tier 1 capital ratio, %	14.9	13.9	14.2	24.3 ⁵⁾	24.8 ⁵⁾
Länsförsäkringar Fondliv AB					
Premium income, SEK M	12,228	9,478	9,010	9,133	8,637
Net profit for the year, SEK M	705	749	681	604	516
Managed assets, SEK M	170,953	158,827	125,805	128,140	114,450
Solvency ratio, %	144	137	135	152	150
Länsförsäkringar Liv					
Premium income, SEK M	1,191	1,539	1,684	1,533	1,720
Net profit for the year, SEK M	1,586	5,567	609	3,121	2,359
Solvency ratio, %	195	211	200	207	195

¹⁾ Excluding Länsförsäkringar Liv Försäkrings AB, which is operated in accordance with mutual principles. As per 30 December 2020 Länsförsäkringar AB's legal name is "Gamla Länsförsäkringar AB" but is referred to as "Länsförsäkringar AB" throughout this annual review.

²⁾ According to Swedish Insurance Business Act (FRL), the Solvency II directive in Swedish law.

³⁾ The financial conglomerate comprises Länsförsäkringar AB, all insurance companies in the Group, Länsförsäkringar Bank AB with subsidiaries and Länsförsäkringar Liv Försäkrings AB.

⁴⁾ Restated according to revised method from 31 December 2019 for risk absorption in deferred tax item when calculating capital requirements.

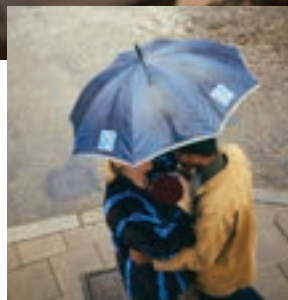
⁵⁾ Risk weight floor for mortgages in Pillar II.

2020 in brief



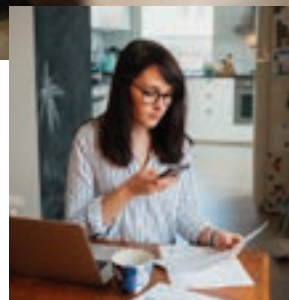
Länsförsäkringar and COVID-19

2020 was a year unlike any other. The COVID-19 pandemic has deeply affected many people. It is vitally important in this uncertain global situation that Länsförsäkringar remains available to its customers and meets its promise of making everyday life simpler for customers and contributing to a secure future. We believe in the strength of being part of something bigger than ourselves. Supporting each other and working together toward common goals – the importance of social responsibility was very clear in 2020. Länsförsäkringar has taken important initiatives across the country to support customers, local companies, clubs and associations and the health care sector, all of which have been severely affected by the COVID-19 pandemic.



Strong brand

Länsförsäkringar was named Sweden's strongest brand in insurance at the Swedish Brand Award for the seventh consecutive year. Länsförsäkringar also had the highest reputation in the insurance industry according to Kantar Sifo's 2020 reputation survey.



Most innovative company in the finance industry

According to the Swedish Innovation Index, Länsförsäkringar was the most innovative company in the finance industry in 2020. Overall, Länsförsäkringar's development activities are making a difference in customers' everyday lives.

Always

We believe in the strength of being part of something bigger than ourselves. Standing together and working toward common goals. With 23 local regional insurance companies we are always nearby – close to home. We are here so that your life can be as secure and enjoyable as possible. Call it care. We share the same earth and our aim is for everyone to live their lives here today, tomorrow and always.



Claims prevention

Preventing a claim is a win for the customers, society and the environment. To prevent natural catastrophe claims, Länsförsäkringar focused on long-term construction planning that incorporates climate change in its dialogue with municipalities and county administrative boards in 2020. Länsförsäkringar was involved in preparing better protection for water leaks in kitchens in the industry regulations to be introduced in 2021. Länsförsäkringar worked together with the National Electrical Safety Board and Swedish Consumers' Association to test electric products sold by major online retailers. The tests generated widespread media attention and led to Länsförsäkringar attending a meeting with the Minister for Digital Development Anders Ygeman to discuss the matter.

Fund range with a green sustainability rating

Länsförsäkringar's fund range enjoys a high sustainability ranking, for example, in the annual analyses of the major insurance brokers, in which we won a green rating and high scores in 2020. The exclusion criteria for investments in gambling, oil and gas companies were made stricter during the year. A Gröna Lövet (Green Leaf) label was also introduced for funds with a low climate risk. Customer interest in sustainability-focused equities funds and funds with low climate risk increased in 2020, and the share of this type of fund was 40% of total capital as of 31 December 2020.

Investments in social bonds

Länsförsäkringar invested SEK 1.2 billion in social bonds in spring 2020, which will be part of financing to combat the effects of the COVID-19 pandemic and increase access to health care. Through these investments, Länsförsäkringar has helped finance social projects in the Nordics, Europe, Africa and several other emerging markets.

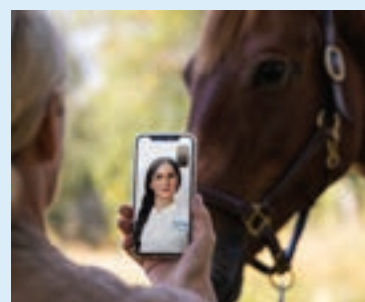


Global first with recycled plastic cards

Länsförsäkringar's customers were the first in the world to receive bank cards made of 100% recycled plastic, which reduces impact on the environment.

Agria Vårdguide

In September 2020, Agria launched Agria Vårdguide, an app that offers customers digital veterinary consultations. More smart solutions will be included in the app in the future.



Focus on availability and social responsibility

Comment

During the COVID-19 pandemic, it has been more important than ever for Länsförsäkringar to be available to its customers and shoulder its social responsibility. The effects of the pandemic on the Länsförsäkringar Alliance's earnings for 2020 were relatively limited; healthy growth, lower claims costs and the recovery of the financial markets contributed to strong earnings. Based on earnings for the year, the regional insurance companies will pay back a total of SEK 1.8 billion in bonuses and discounts to their owners – the customers.

Year 2020 will long be remembered. The COVID-19 pandemic affected us all, and our thoughts go to all those who fell ill and experienced financial difficulties. That was why it was more important than ever during the year for Länsförsäkringar to continue simplifying customers' everyday lives and contributing to a secure future. Länsförsäkringar has successfully ensured that its business continues to operate well, by focusing on minimising the effects for our 3.9 million customers, being available and assuming our social responsibility.

Initiatives and social commitment

Social responsibility is a given for Länsförsäkringar. With our 23 regional insurance companies, we build up local expertise that can be combined with the power of our shared cooperation. We believe in the strength of being part of something bigger than ourselves. Standing together and working toward common goals. This very message was also the theme of Länsförsäkringar's new brand communication, launched in 2020 – which was entirely in line with the times considering the importance of the shared responsibility for preventing the spread of COVID-19.

Länsförsäkringar has taken important initiatives across the country to support customers, local companies, the health care sector and clubs and associations, all of which have been severely affected by the COVID-19 pandemic. Länsförsäkringar's Research Fund financed a study at Uppsala University that investigated the views of children and young people regarding COVID. The study, highlighted in the media including Swedish Television, led to many creative and stimulating ideas. The risk of contagion was minimised by offering more digital customer meetings, increasing telephone banking staff and employees working remotely, as well as through separate premises for the critical functions and duties of the operations. Länsförsäkringar invested SEK 1.2 billion in social bonds in 2020, which will be part of financing to combat the effects of the COVID-19 pandemic and increase access to health care. In Eurapco, an alliance of eight European mutual insurance companies, we benefited from sharing experiences about the pandemic to find solutions for handling challenges and helping customers and society as a whole.

Sustainability throughout the operations

Social responsibility also means that sustainability must be incorporated throughout our business. A responsible banking, insurance,

pension and real-estate brokerage offering enhances value for customers and contributes to the sustainable development of society. Länsförsäkringar launched a county-specific sustainability database in 2020 that gives the 23 regional insurance companies information on county-specific sustainability challenges to best support their local communities.

In 2020, Länsförsäkringar AB continued to work together with the 23 regional insurance companies towards the UN Sustainable Development Goals, specifically the seven SDGs and 13 targets that have been identified as most relevant and clearly linked to Länsförsäkringar's business. UN initiatives such as the Global Compact, Principles for Responsible Investment and Principles for Sustainable Insurance continue to provide guidance in our day-to-day sustainability activities.

Länsförsäkringar AB has been pursuing a climate-smart vision since 2019, with the long-term aim of reducing impact on the climate and climate risks, and adapting investments to the climate targets of the Paris Agreement. During the year, we also prepared our operations ahead of the EU's new action plan on financing sustainable growth. We are pleased that the interest of our unit-linked insurance customers in sustainability-focused equities funds and funds with a low climate risk increased markedly in 2020. Our fund range has a high sustainability ranking – Länsförsäkringar came third in Morningstar's analysis of the ESG credentials of Europe's 100 largest fund companies.

Focus on development and efficiency

The COVID-19 pandemic highlighted the importance of having good digital capabilities. Digital customer and employee meetings meant that our business could continue to operate without any major impact. Länsförsäkringar AB's role is to be the best partner to the regional insurance companies, which means pursuing developments that generate the most efficiency when conducted jointly on a large scale. The majority of development activities are currently founded on IT. Introducing the Lean Agile work method has enhanced the efficiency of development activities and made them more innovative, resulting in rapid product development and testing. I am very proud that we have succeeded in starting several Lean Agile release trains in 2020 despite the limitations caused by the pandemic.

Länsförsäkringar operates in a competitive market where our customers are imposing increasing demands on the customer experience, efficiency and value for money. In 2020, Länsförsäkringar AB



” Local commitment more relevant than ever in 2020

launched an efficiency programme to ensure a long-term, sustainable cost level for its operations, which in turn benefits the regional insurance companies and their competitiveness. We are customer-owned and we want to not only meet customer expectations, but surpass them.

The Swedish Quality Index's 2020 customer satisfaction survey shows that customers continue to rank Länsförsäkringar first in corporate non-life insurance, private pensions (among ranked companies) and real-estate brokerage, and second in banking for both retail and corporate customers. Naturally, Länsförsäkringar's aim is to have the most satisfied customers in all of our business areas, encompassing non-life insurance, life assurance and pension insurance, banking and real-estate brokerage.

Strong earnings for 2020

The effects of the COVID-19 pandemic on Länsförsäkringar Alliance's earnings were relatively limited in 2020, mainly because the stock markets recovered strongly during the year after the very negative trend in the first quarter. The Länsförsäkringar Alliance's total operating profit amounted to SEK 9.7 billion.

Operating profit in the non-life insurance operations amounted to SEK 7.3 billion, benefiting from both strong investment income and a strong technical result. Continued solid premium growth of almost 6% and lower claims costs resulted in a combined ratio of 93%. The claims ratio fell to 74%, mainly due to fewer natural catastrophe claims in 2020, but also as a result of the COVID-19 pandemic due to changed customer behaviour with less movement in society. Based on 2020 earnings, the regional insurance companies will pay back a total of SEK 1.8 billion in bonuses and discounts to their owners – the customers.

The banking operations reported a stable operating profit of SEK 1.8 billion with continued healthy growth in business volumes – deposits increased strongly by 14% and lending was up 11%. The Bank

Group's credit losses increased in 2020 mainly as a result of higher loss allowances due to the gloomier macroeconomic forecasts resulting from COVID-19. However, the loss allowance gradually declined during the year, resulting in a continued low credit loss level of 0.09%.

The unit-linked insurance operations contributed an operating profit of SEK 0.7 billion. Managed assets increased to SEK 171 billion due to a favourable stock-market trend in the second half of the year and strong net inflow in the underlying business. Premium income increased 29% with sales rising in all sales channels.

Towards better times

I sincerely hope that 2021 will be the year that we can return to some sort of normality that will allow us to meet our customers and employees without the current restrictions. Länsförsäkringar's local commitment was more relevant than ever before in 2020, but our social commitment will not gradually disappear in pace with the pandemic – quite the opposite! At Länsförsäkringar we believe in the strength of being part of something bigger than ourselves. Standing together and working toward common goals. Our unique business model makes it possible to combine long-term sustainability, social commitment and business value.

We look forward to a year of continued development and efficiency that will enable us to surpass our customers' expectations!

Stockholm, March 2021

On behalf of the 23 regional insurance companies

Fredrik Bergström
President and CEO of Länsförsäkringar AB

Success lies in the balance between local and shared

About Länsförsäkringar

The 23 customer-owned regional insurance companies cooperate and combine the ability of a small company to understand customers with the advantages of economies of scale generated by an alliance. Everything is based on the experience that local decision-making authority combined with joint resources create added value for customers.

Länsförsäkringar's position in the Swedish insurance and banking market is the result of the development of a company group that for more than two centuries has not had any other principal than its own customers. Closeness, simplicity and local customer ownership have built up the success of the non-life insurance operations over two centuries and have subsequently been transferred to the financial and real-estate brokerage services.

A complete range of banking and insurance services is offered through 23 independent and customer-owned regional insurance companies. The leading position in the non-life insurance market continued during the year. Länsförsäkringar holds more than 30% of the non-life insurance market in Sweden. The life-assurance operations have a distinct focus on being the best pension partner for corporate customers and private individuals. Banking operations are growing considerably, particularly among existing insurance customers. Real-estate brokerage has gone from zero to now the third largest brokerage in Sweden in only a few years – a good example of the strength of the brand.

Strong brand and satisfied customers

The strengthening of the Länsförsäkringar brand is the result of consistent and long-term work on brand and values. The brand remains extremely strong compared with its competitors in the banking, insurance and pension industry. Kantar Sifo's 2020 reputation survey showed that Länsförsäkringar has the ninth highest reputation among all Swedish companies, with IKEA and Volvo topping the list. Länsförsäkringar has topped the Swedish Quality Index for many years, which measures how satisfied customers are with their bank, insurance company and their real-estate broker. The most recent survey showed that Länsförsäkringar has the highest customer satisfaction in corporate non-life insurance, private pensions (among ranked companies) and real-estate brokerage services in the country.

Local customer-owned companies

Each individual regional insurance company is owned by its non-life insurance customers, which means that the company's capital belongs to its customers. With the customers as owner and the only principal, there are no external shareholder interests to be served and instead all surpluses can be returned to customers in the form of bonuses and discounts.

Balance between local and shared

Cooperation between the regional insurance companies takes place through Länsförsäkringar AB and its subsidiaries, whose task is to create the necessary prerequisites for the regional insurance companies to be successful in their respective markets by conducting business, service and development operations, and to assume responsibility for the Länsförsäkringar Alliance's joint strategies. Together, the Länsförsäkringar Alliance has developed a balance between the small and the large-scale. Cooperation through Länsförsäkringar AB has emerged from a decentralised perspective, not the other way round. The local companies decided to cooperate to achieve economies of scale and to concentrate on the most important issue: meetings with customers. The basis for cooperation in the Länsförsäkringar Alliance is that as much of the operations as possible are conducted by the local companies and essentially all customer contact occurs with them.



Owner control

Länsförsäkringar AB is a limited liability company and also the Parent Company of a financial Group, which is individually owned in various holdings by the 23 regional insurance companies and 15 local insurance companies, which in turn are owned by a total of 3.9 million insurance customers. The Boards of Directors of the regional insurance companies are formally responsible for owner control. Based on the federal organisation and the purpose of the ownership of Länsförsäkringar AB, these companies have together created joint forms for owner control that comply both with the requirements usually imposed on owner control and with the federal conditions.

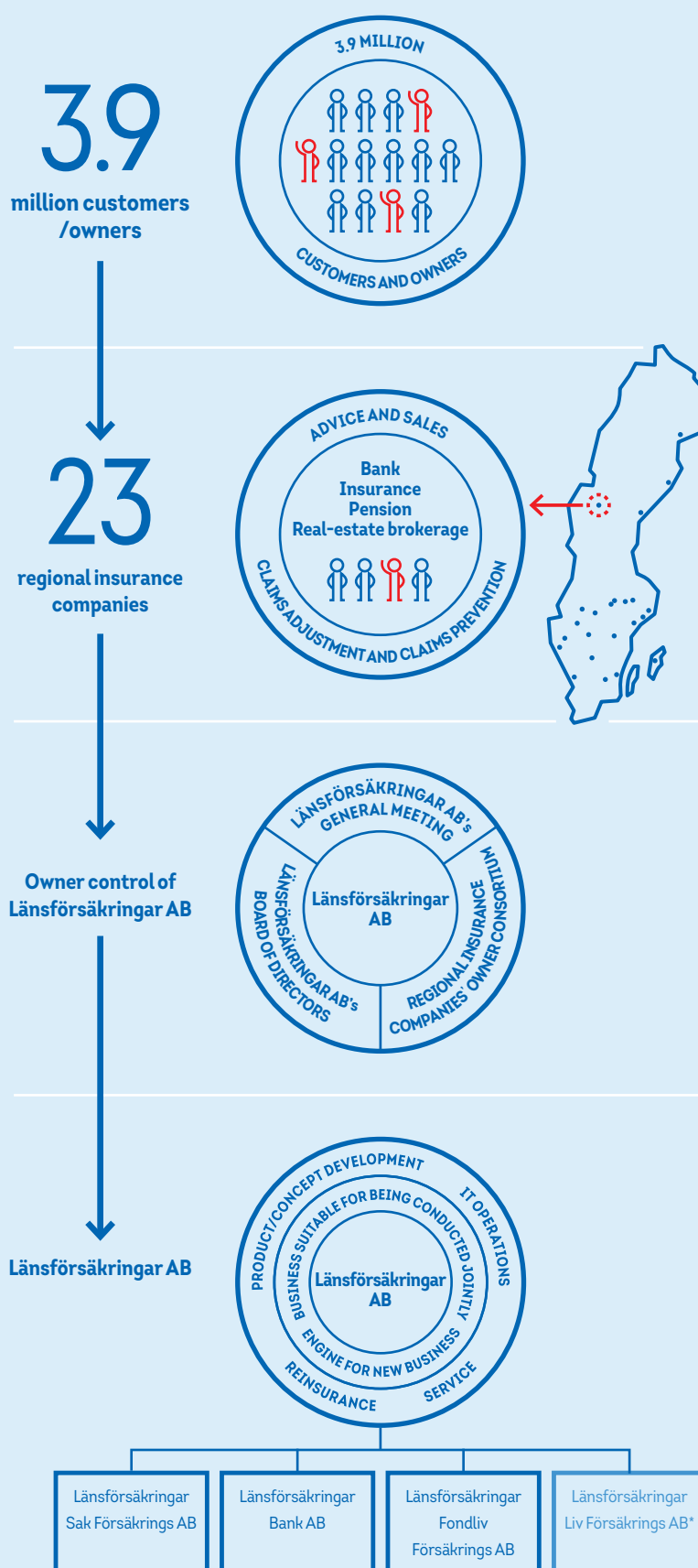
Owner control at Länsförsäkringar AB has clear advantages compared with the owner control of many larger financial groups. This is because all of the regional insurance companies have the same clear purpose for their ownership, are proactive and collectively hold sufficient financial capacity to safeguard long-term ownership.

Owner control logic

The logic behind owner control centres mainly on the relationship between the Länsförsäkringar AB Board of Directors, Länsförsäkringar AB's General Meeting and the regional insurance companies' owner consortium. Formal owner control takes place through the General Meeting, although the regional insurance companies' owner consortium and their representation on Länsförsäkringar AB's Board are also important components. The duties of the General Meeting are formally governed by law and the Articles of Association. The duties of the consortium are governed in the regional insurance companies' consortium agreement. The Chairman of the consortium is appointed by the regional insurance companies.

Länsförsäkringar AB's Board is elected by the General Meeting, which comprises representatives of all shareholders. The Board is elected based on a process controlled by the owners through a Nomination Committee appointed by the General Meeting. The Nomination Committee's composition, mandate period and so forth are governed in the Articles of Association. The Chairman of the consortium is responsible for the process of renewing the Nomination Committee.

Länsförsäkringar AB's Board pursues the strategies and targets that the owners agree on, thus implementing the owners' assignments. The regional insurance companies' mandate to Länsförsäkringar AB's Board is decided in the consortium and is documented in the Länsförsäkringar Alliance's governance documents. At the same time, Länsförsäkringar AB's Board has a major responsibility for safeguarding the capital invested in Länsförsäkringar AB by the regional insurance companies. Länsförsäkringar AB's Board decides on the direction and scope of the operations based on its assignment from the owners.



* The company is operated according to mutual principles and is not consolidated in Länsförsäkringar AB.

Quick guide to our offering

Business area

Non-life insurance



Länsförsäkringar is market leader in non-life insurance in Sweden with a market share of 31%, and a market-leading position in commercial, home, motor and pet insurance lines. Most of the Länsförsäkringar's non-life insurance business is underwritten locally by the regional insurance companies. Länsförsäkringar AB is responsible for the non-life insurance operations, as assigned by the regional insurance companies to be operated jointly to complement the companies' offering with specialist products to meet customer needs, to start new business that can be channelled out to the regional insurance companies, and to manage the Länsförsäkringar Alliance's joint reinsurance cover. Pet-insurance operations are conducted in the subsidiary Agria Djurförsäkring.

Read more on pages 30–37.

Bank



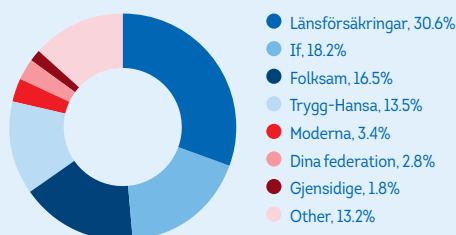
Länsförsäkringar Bank offers banking services to private individuals, agricultural customers and small businesses. Sales and service take place at the branches of the regional insurance companies, online and by telephone. Deposits and certain lending operations are conducted in Länsförsäkringar Bank, while most of the lending and funding operations are conducted through the subsidiary Länsförsäkringar Hypotek. The subsidiary Länsförsäkringar Fondförvaltning offers mutual funds. The subsidiary Wasa Kredit offers financing services to corporate customers and private individuals – primarily leasing, renting and hire purchase. Länsförsäkringar Bank is the fifth-largest retail bank in Sweden.

Read more on pages 38–45.

Market shares

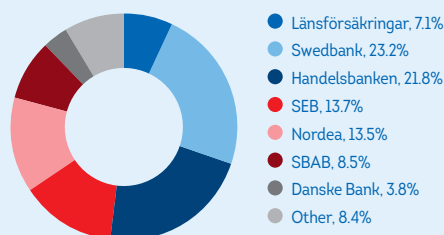
Non-life insurance

Source: Insurance Sweden



Retail mortgages

Source: Statistics Sweden



Earnings 2020

Operating profit amounted to SEK 7,252 M (12,001) with investment income of SEK 6,950 M (13,199). The combined ratio amounted to 93% (96).

Premiums earned after ceded reinsurance: SEK 29,397 M

+6%

Operating profit amounted to SEK 1,844 M (1,893). Net interest income rose 5% to SEK 4,845 M (4,617).

Business volume: SEK 729 billion

+11%

Life assurance and pension insurance



Länsförsäkringar offers pension savings, primarily occupational pensions. Fund management, guarantee management and personal-risk insurance are offered through Länsförsäkringar Fondliv. Länsförsäkringar Fondliv is a leading player in the unit-linked insurance market for individual occupational pensions, commanding a market share of 20%. Länsförsäkringar Liv is closed for new business, but the company manages traditional life assurance that was taken out before September 2011. Länsförsäkringar Liv is operated according to mutual principles and is not consolidated in Länsförsäkringar AB.

Read more on pages 46–49.

Real-estate brokerage

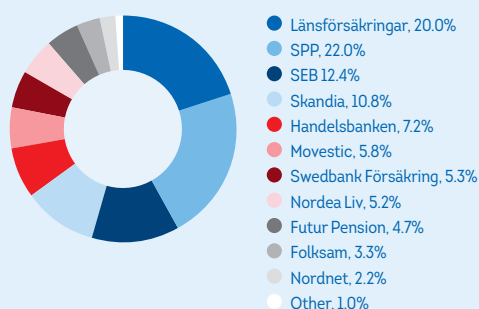


Länsförsäkringar offers real-estate brokerage through Länsförsäkringar Fastighetsförmedling. The operations are conducted in franchise form, whereby the regional insurance companies act as franchisers for the 181 local branches across Sweden. This means that Länsförsäkringar Fastighetsförmedling differs from other national estate-agent chains by always being locally based. Länsförsäkringar Fastighetsförmedling is the fastest-growing estate-agent chain in Sweden and is today the third largest player with a market share of 13%.

Read more on page 50.

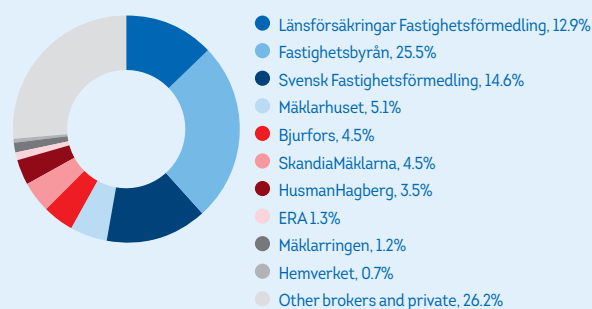
Unit-linked insurance, individual occupational pensions

Source: Insurance Sweden



Single-family homes brokered

Source: Värderingsdata (rolling 12 months on 31 July 2020)



Managed assets for unit-linked insurance and traditional life assurance amounted to SEK 171 billion and SEK 113 billion respectively.

Länsförsäkringar Fondliv's premium income: SEK 12,228 M

+29%

A total of 26,304 (23,491) properties were brokered in 2020, of which 14,720 (12,916) tenant-owned apartments and 10,288 (9,530) single-family homes.

Total sales value

SEK 63 bn

Drivers and trends

Our business environment

Drivers and trends in our business environment affect future customer requirements and thereby Länsförsäkringar's operations, business model and development needs. This presents many challenges but Länsförsäkringar has favourable conditions to optimally meet evolving needs, primarily based on its broad customer base, local knowledge, a long-term approach and highly skilled employees.

Customer needs in focus

More and more customers are seeking security from a supplier that they have confidence in, making the brand a key cornerstone of the customer experience. To deliver products and services that meet customer expectations, the supplier must understand customer needs and behaviour, and base development activities and customer contact on customer insight. Länsförsäkringar has favourable conditions to best meet customer needs – from cradle to grave – primarily founded on a broad customer base, local knowledge and a unique business model that supports both local and digital customer meetings. Länsförsäkringar's starting point is always the customer, with

all communication based on customer data. However, data-driven business development requires carefully balancing customer privacy with better services. The sharing economy that is emerging involves using resources sustainably and economically. There is also a desire to remove "the middle man" and technology is enabling new consumption models. These new arising needs present new business opportunities for banking and insurance. Länsförsäkringar must be innovative and collaborate within the Länsförsäkringar Alliance – the customer experience must always be local and close, whereas development can be carried out jointly.



Technology

Rapid technological progress brings with it new banking and insurance solutions and new business opportunities. Traditional competition is being continuously challenged by new and innovative companies. In addition, technological advances can lead to disruptive changes. Continuous development is needed to ensure lasting competitiveness.

Introducing the Lean Agile work method has enhanced the efficiency of Länsförsäkringar's development activities and made them more innovative, resulting in rapid product development and testing, so as to provide the new services demanded by customers. Länsförsäkringar's successful replacement of its core banking system in 2019 garnered international attention during the year, earning the Celent Model Bank Award and a study tour from the World Bank. New tools for selecting pension funds were launched, as were several pilot projects in customer service and claims prevention. Developments of automation, robotisation, AI and the Internet of Things is continuing and this is where Länsförsäkringar's has a major advantage with its broad customer base and product offering.



Länsförsäkringar and COVID-19

In this uncertain global situation, it is vitally important that Länsförsäkringar is available to its customers. Since the breakout of COVID-19 and in light of the spread of the pandemic, Länsförsäkringar has taken a number of measures to ensure the continuation of operations so that customers are affected as little as possible. The risk of contagion has been minimised by

expanding digital meetings with customers, increasing telephone banking staff and working remotely in line with official recommendations. Länsförsäkringar has taken important initiatives across the country to support customers, local companies, clubs and associations and the health care sector, all of which have been severely affected by the COVID-19 pandemic.

Customers

- Customers are offered a wide range of digital meetings.
- Customers are offered advice and personal counselling.
- Länsförsäkringar Bank grants temporary repayment holidays to its retail mortgage customers, as a result of COVID-19, following a decision by the Financial Supervisory Authority.
- Based on individual assessment, Länsförsäkringar Bank's corporate customers may also be granted a repayment holiday or receive other liquidity support.
- Several regional insurance companies brought forward dates of bonus payments to customers.

Social commitment

- Local companies are supported by bringing forward purchases of products and services.
- Länsförsäkringar supports locally owned media by buying more advertising than usual.
- Local clubs and associations are supported through continued sponsoring and grants to cover losses and additional costs caused by the pandemic.
- Länsförsäkringar financed a study into the views of children and young people regarding COVID.

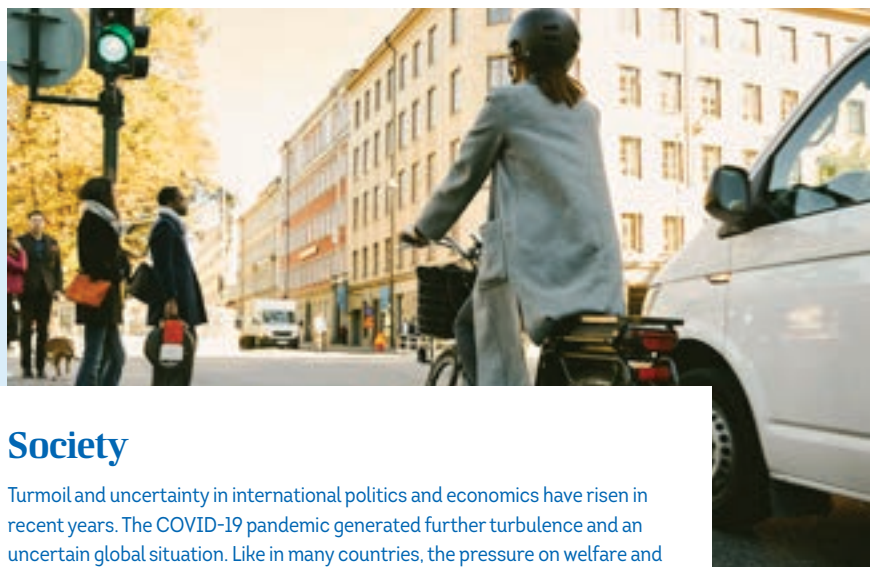
Health care

- Länsförsäkringar is investing in social bonds that will be part of financing to combat the pandemic and increase accessibility to health care.
- Länsförsäkringar donated personal protective equipment to health care services in the spring.
- Länsförsäkringar insured the volunteers of the GodHjälp and Hemmahjältar scheme for delivering food and medical supplies for those in risk groups.
- Länsförsäkringar worked together with tech companies on virtual meeting places at care homes to facilitate communication between loved ones.

Climate

Climate change – the result of higher carbon emissions – causes global warming. A warmer climate, resulting in extreme weather conditions such as hurricanes, torrential rain and drought, will have major socio-economic consequences. Climate change presents financial risks that can impact companies by altering market conditions and through physical climate change. Climate change leads to higher costs for insurance companies.

Länsförsäkringar works to prevent natural catastrophes by analysing the external environment and monitoring scientific and technological developments. Dialogue on climate change and construction planning is conducted with decision-makers in society. Länsförsäkringar AB has been pursuing a climate-smart vision since 2019, with the long-term aim of reducing impact on the climate and climate risks, and adapting investments to the climate targets of the Paris Agreement. Länsförsäkringar AB publishes a climate report following TCFD's guidelines, available on the website. Länsförsäkringar's Research Fund is providing SEK 21 M in financing for two climate research projects in 2020–2023. Länsförsäkringar also participates in a UN project on climate-risk scenarios.



Society

Turmoil and uncertainty in international politics and economics have risen in recent years. The COVID-19 pandemic generated further turbulence and an uncertain global situation. Like in many countries, the pressure on welfare and public resources is increasing in Sweden. An ageing population is challenging the health and social care sector. Continued urbanisation is intensifying demographic challenges, particularly in rural areas. The differences in quality of life are widening due to social and political polarisation, meaning that vulnerable groups are finding it difficult to enter the labour market, buy a home and get a mortgage. The nature of crime and criminality has changed, with organised crime and digital fraud on the rise. Cyberthreat is now one of the main perceived business risks.

Länsförsäkringar works both proactively and reactively to manage and analyse the effects of changes in society and how they impact customers. Measures include working together with municipalities and financing independent research projects studying social, economic and physical security for customers and society at large. Länsförsäkringar works every day to combat fraud, money laundering and terror financing.

A simpler everyday life and a more secure future

The brand

Länsförsäkringar is one of the strongest brands in Sweden. Based on a brand promise, which is to simplify everyday life and contribute to a secure future, the 23 regional insurance companies use a shared brand platform to live up to this promise.



MISSION

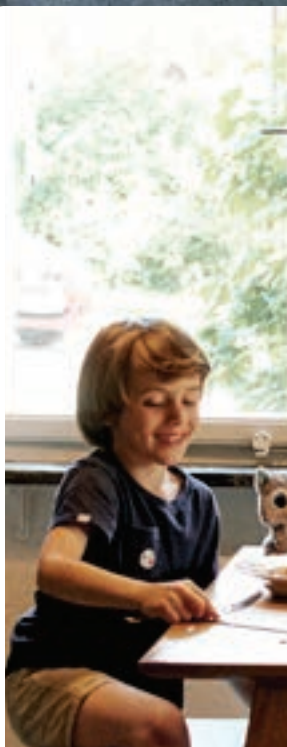
Customer value first

The regional insurance companies are owned by their customers. Accordingly, customers are the main driving force. Any value created is returned to the customers and the society in which they live and work.

CORE VALUES

Close, committed and simple

Länsförsäkringar is to be close to the customer by always reflecting and acting from a customer perspective. Länsförsäkringar's commitment for greater customer value sets us apart from our competitors.



POSITION

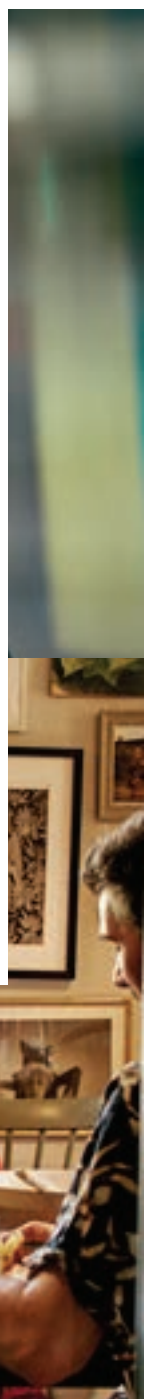
Most customer friendly

Länsförsäkringar shall be accessible and offer services that are easy to understand and use, in the channels chosen by the customer.

PROMISE

We simplify your everyday life and contribute to a secure future

Länsförsäkringar makes a promise to its customers to contribute to a simpler everyday life and a more secure future. With our local presence, the regional insurance companies can understand their customers' situation and can meet their needs, using channels chosen by the customers. By being locally owned by the customers, and not having any other interests, the regional insurance companies promise long-term stability.



STRENGTH OF THE BRAND



Unique and long-term customer relationships are created since each regional insurance company is owned locally by its customers.

Outcome 2020

- The strength of the brand is based on the regional insurance companies' local and close relationships with their customers, and their ability to adapt the operations to local conditions. According to the Swedish Quality Index, Länsförsäkringar has Sweden's most satisfied customers in corporate non-life insurance, private pensions* and real-estate brokerage.
- Länsförsäkringar was named Sweden's strongest brand in insurance at the Swedish Brand Award for the seventh consecutive year. Länsförsäkringar also had the highest reputation in the insurance industry according to Kantar Sifo's 2020 reputation survey.



* Among ranked companies.

SUSTAINABILITY IN OPERATIONS



Sustainability involves generating greater value for customers and, at the same time, contributing to the sustainable development of society.

Länsförsäkringar can reduce its sustainability risks and also contribute to the positive development of society and create business value by incorporating sustainability throughout the operations.



Read more about Länsförsäkringar's sustainability work on pages 18–29.

BONUSES TO CUSTOMERS



Profits go back to our customers, who are also our owners.

Long-term profitable growth in the customer-owned regional insurance companies is important for meeting future challenges, assuming social responsibility and supporting sustainable development.

Outcome 2020

- Länsförsäkringar AB launched an efficiency programme to ensure a long-term, sustainable cost level, which will benefit the regional insurance companies and thus their customers.
- Länsförsäkringar's healthy growth continued for all business lines in 2020.
- The regional insurance companies paid a total of SEK 1,832 M in bonuses and discounts to their owners – the customers.
- The regional insurance companies, the Länsförsäkringar AB Group and each subsidiary remained well-capitalised in 2020.

Bonuses and discounts to customers

SEK **1.8** bn

Outcome 2020

- Investments in sustainability-focused bonds increased to just over SEK 17 billion. These investments support several UN SDGs.
- Launch of the Global klimatindex fund that blacklists fossil fuels and companies with high carbon emissions.
- Launch of investment proposals for sustainability-focused funds based on five risk levels.
- Launch of a partnership with energy company E.ON in which Wasa Kredit finances solar panels for E.ON's corporate customers.

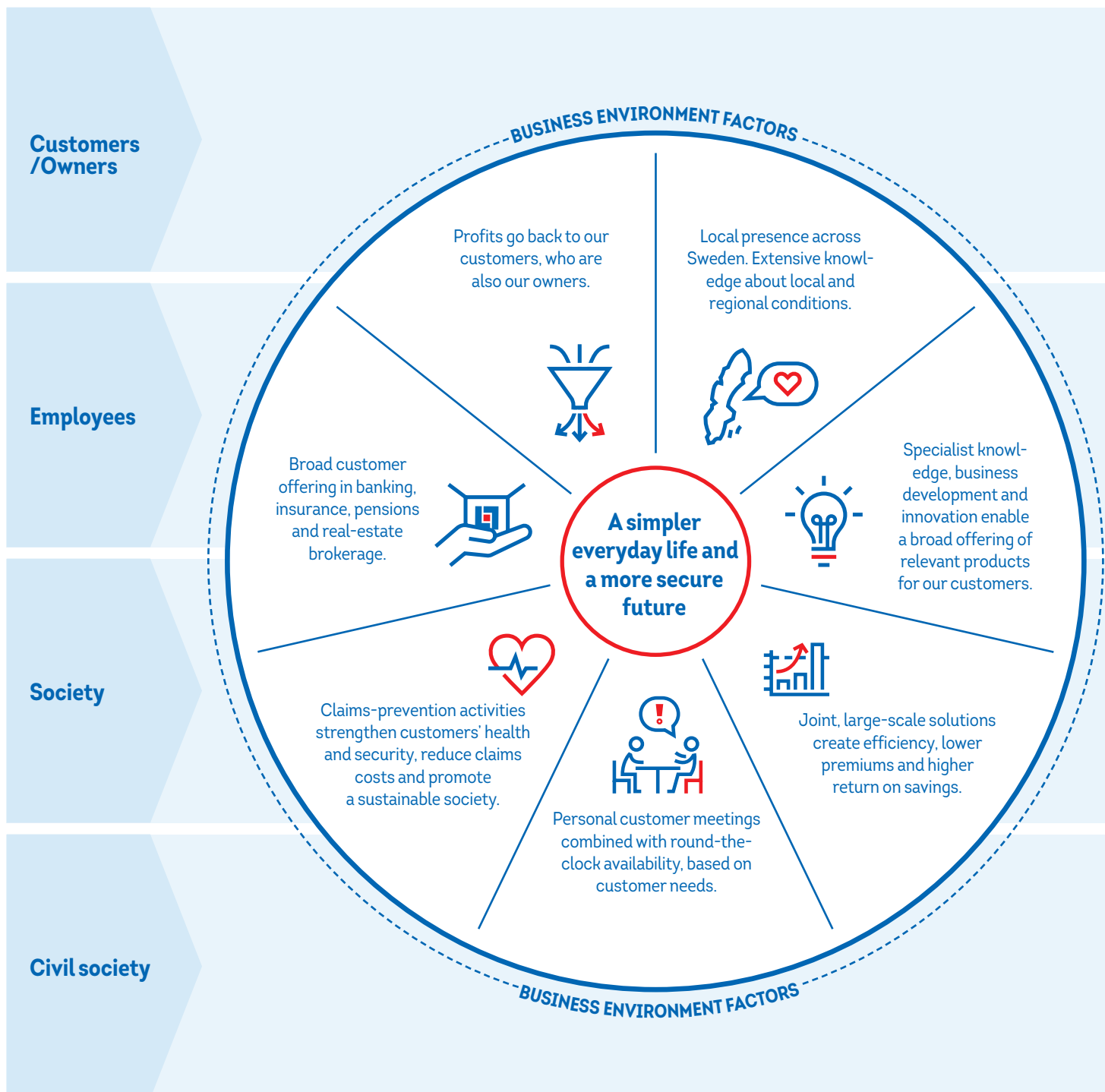
How we create value

How we create value

With a clear focus on our customers, who are also owners of the 23 regional insurance companies, Länsförsäkringar creates a simpler everyday life and a more secure future.

For our stakeholders →

...we create value →



... socially, environmentally →

Customers/Owners

- Close personal relations with local insurance companies.
- High service level and skills.
- Comprehensive offerings create security.
- Competitive prices and strong total return.
- Claims-prevention activities reduce claims.

Employees

- Attractive workplace.
- Healthy work environment.
- Strong opportunities for skills development.
- Many career opportunities.

Society

- Core business that creates social benefit and strengthens customer's long-term financial security.
- Claims-prevention activities – a gain for the environment, the individual and society.
- Preventive efforts reduce illness and costs to society and employers.
- Support research into social challenges, mental illness and animal health.

Civil society

- Increased diversity, inclusion and security in society.
- Extensive exchange of information and knowledge that promotes society and the environment.
- Sponsoring sports clubs and civil society organisations to improve the physical and mental health of children and young people.

... and financially

Bonuses and discounts to customers

SEK **1.8** bn

Claims payments to customers

SEK **23.5** bn

Salaries and pensions for employees

SEK **6.5** bn

Payments to suppliers

SEK **5.4** bn

Research grants

SEK **52** M

Sponsorship

SEK **58** M

Secure business for customers and a sustainable society

Sustainability

Länsförsäkringar firmly believes that a responsible banking, insurance, pension and real-estate brokerage offering enhances value for customers and contributes to the sustainable development of society.

The starting point of Länsförsäkringar's sustainability efforts is local and long-term responsibility in the community, since the regional insurance companies are local and customer-owned.

Länsförsäkringar has various partnerships and conducts research that leads to a sustainable society. Maintaining a strong, local commitment not only benefits Länsförsäkringar's own customers but also society as a whole. The local regional insurance companies conduct extensive social initiatives with partners including sports clubs, civil society organisations, schools, the emergency services and municipalities, which contributes to, for example, a safe local environment, social inclusion and constructive leisure time for young people.

Länsförsäkringar's direct environmental impact

The direct environmental impact of the operations is relatively limited and primarily comprises business travel, heating and electricity in office premises, and paper print-outs. The main strategies for reducing the climate impact of Länsförsäkringar's own operations are energy efficiency, a move to renewable energy, reducing travel and increasing the use of digital technology for meetings. Efforts are being made to reduce paper printouts.

Anti-money laundering and terror financing

Länsförsäkringar makes extensive efforts to minimise the risk of the operations being used or exposed to financial crime. A systematic process based on, for example, in-depth knowledge about customers and their transactions as well as active transaction monitoring reduces the risk of the life-assurance, banking and non-life insurance operations being used to launder money, finance terrorism or for fraud. Other attempts at fraud, for example card and insurance fraud, are also monitored. The Länsförsäkringar Alliance has a shared system for reporting deviations.

Governance and direction

Core values and expertise are essential in order for Länsförsäkringar to achieve its goal of a higher level of sustainability in its operations. Improvements are continuously made to work methods and procedures to enhance sustainability.

Länsförsäkringar AB also signed the UN Global Compact's ten principles, the UN Principles for Responsible Investment (PRI) and the UN Principles for Sustainable Insurance (PSI). Länsförsäkringar is a member of several trade organisations and participates in numerous sustainability partnerships with other operators.

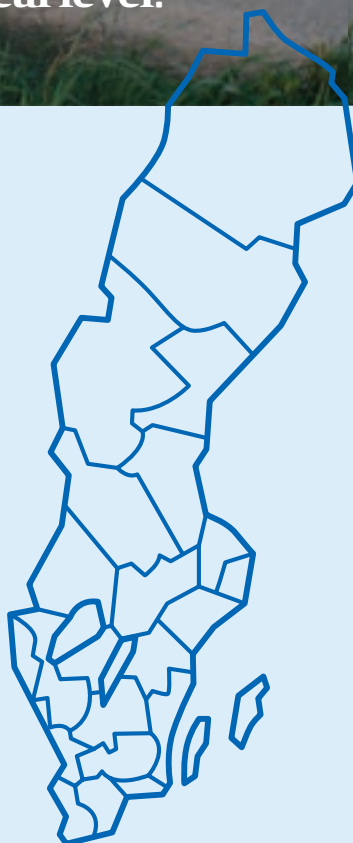
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Using the sustainability database, Länsförsäkringar can identify sustainability challenges in various counties and take specific action at the local level.

County-specific sustainability database

During the year, Länsförsäkringar launched a sustainability database that includes more than 70 variables in four themes: finances and earning a living; health; environment and climate; and security. The trend in these variables can be followed over time by county or for Sweden as a whole. The regional insurance companies want to be part of the solution in the local communities in which they operate, although the conditions and challenges differ between various areas and regions of the country. By using this database, the 23 regional insurance companies can objectively analyse opportunities and challenges and can thus better determine how they can best support the local community. The database is based on statistics from official and public sources and is available on:

➔ lansforsakringar.se/hallbarhetsdatabasen



Long-term environmental and social commitment



Every year, Länsförsäkringar finances independent research projects studying social, economic and physical security for customers and society at large. The research results are made public and used widely in society.

Urbanisation, digitisation and the sharing economy are giving rise to both risks and opportunities in our growing society. Climate adaptation is an important research area where new expertise is needed to understand the changes taking place. Other priorities include research into home security and road safety.

Research focusing on security

In the 1970s, some of the regional insurance companies started to finance various research projects at Swedish colleges and universities. A joint research foundation, Länsförsäkringar's Research Fund, was formed in 1994 and is awarded funds by the Länsförsäkringar Alliance every year. The foundation investigates society's current and future security challenges by financing research. The research focuses on five areas: Secure Homes, Tomorrow's Society, Road Safety, Climate Change and Mutual Business Models.

Calls for proposals are distributed to researchers at Swedish universities, colleges and independent research institutions. Grants are awarded to projects at an advanced scientific level that are highly relevant to Länsförsäkringar. Länsförsäkringar's Research Fund also finances other scientific tests and pilot studies that aim to highlight

and reduce risks and to advance the development of sustainable and beneficial products.

Research results used by society

The results of this research are used in Länsförsäkringar's own business development and in discussions with customers and other stakeholders in society, such as municipalities, county administrative boards, the Swedish Transport Administration and various industry organisations. One channel for spreading the results is the regular panel talk forum called "Framåtblick" which is organised together with the regional insurance companies in various locations in Sweden. Local organisations are also invited to participate. "Framåtblick Sverige" was arranged for the first time in 2020, with participation from decision makers at the regional, local and county council level from across Sweden. The forum serves as a bridge between research and practice by spreading know-how to strengthen the regions. By making the research results available in the public domain, Länsförsäkringar contributes to knowledge-based development of security in society.



Childrens' voices about corona

Together with Länsförsäkringar's Research Fund, researchers at Uppsala University conducted a study in which more than 1,000 children gave their opinion on the COVID-19 pandemic. The results showed that it was very common for children of all ages to be worried about the disease and dying. It was also clear that the most vulnerable children suffered the worst from a state crisis. The researchers concluded that society must be vigilant and increase cooperation concerning children and young people who risk falling behind in their development and learning.

Trust in local society falling

The Trust Barometer is a population survey carried out by Statistics Sweden on behalf of Ersta Sköndal Bräcke University College in 2009 and 2017, mainly financed by Länsförsäkringar's Research Fund. The survey is a broad study of trust among Swedish society. The most recent survey indicated that general trust levels remain stable, although they vary both geographically and demographically. However, trust in local society is in decline. The vast majority of municipalities that participated in the survey in 2009 and 2017 reported a downward trend. The next survey was awarded financing and started in 2020.

Interactive visualisation of development in Sweden's regions

"RegVis - Regional visualisation of development in Sweden" is a collaborative project between Lund University and Länsförsäkringar's Research Fund. The collaboration led to a platform that visualises key variables in regional development and how these change over time. The platform is the result of the "ReGrow - Regional Growth against All Odds" project and presents an overview of each variable and provides insight into its importance to regional development. RegVis was launched in November 2020.



Research projects

Länsförsäkringar's Research Fund

Research field	Ongoing research projects and tests	Start
Tomorrow's society: Digitisation, urbanisation and the sharing economy	<ul style="list-style-type: none"> ▪ Regional Growth against All Odds: Driving forces for long-term growth in Nordic regions. Lund University 2017 ▪ Regional economic development and transformation in Sweden: Then, now and tomorrow. Lund University 2018 ▪ Continuous internal audit using artificial intelligence in insurance companies. University of Gävle 2018 ▪ Blockchains for dynamic pricing of innovative insurance products. University of Gothenburg 2018 ▪ Transparent algorithms in the insurance industry. RISE 2018 ▪ The insurance company in digital ecosystems. University of Gothenburg 2018 ▪ The geography of trust: Trust in local society in a changing Sweden. Ersta Sköndal Bräcke University College 2020 ▪ A polarised society? How national and local urbanisation are shaping Sweden. Linköping University 2020 ▪ Mobility, choice and flexibility: origin and prevention of financial, institutional and geographic changes and greater inequality in the Swedish labour market. University of Gothenburg 2020 	
Climate change	<ul style="list-style-type: none"> ▪ Improved climate changes to residential areas. Linköping University 2020 ▪ Financial effects of climate policy. University of Gothenburg 2020 	
Secure homes	<ul style="list-style-type: none"> ▪ Secure homes for the elderly using smart technology. Dalarna University 2019 	
Road safety	<ul style="list-style-type: none"> ▪ Commuting actively – and safely! How do children get to school? VTI 2020 ▪ Why do bicycle accidents happen? VTI 2020 	
Tests and pilot studies	<ul style="list-style-type: none"> ▪ Partial repairs of waterproof membrane systems. RISE 2019 ▪ Bicycle lights. VTI 2019 ▪ Methods for removing snow from rooftop solar panels. RISE 2019 ▪ Children and adolescents' voices about corona. Uppsala University 2020 ▪ The climate impact of a claims repair: A comparison between three ways of repairing a car. IVL 2020 ▪ Batteries for electric bicycles. Intertek 2020 ▪ Imported home electronics. Partnership with National Electrical Safety Board 2020 	

Agria's Research Fund

Research field	Selection of ongoing research projects	Start
The role of animals for humans and society	<ul style="list-style-type: none"> ▪ Horses on the road. Nord University, Norway 2017 ▪ Stable yard cultures in cyberspace. Malmö University 2018 ▪ The influence of dogs on physical and mental health in humans. Norwegian University of Life Sciences 2018 ▪ Dogs, humans and society. University of Gothenburg 2019 ▪ New methods and tools for a better work environment in the equine industry. RISE 2019 ▪ Young riders' right to participation – a contingent right. Karin Redelius, Swedish School of Sport and Health Sciences GIH 2020 ▪ Equine-related sports and leisure activities among persons with intellectual disabilities. Marie Gustavsson Linköping University 2020 	
Veterinary Medicine, Animal Science and Technology	<ul style="list-style-type: none"> ▪ Non-slip floors for preventing bovine injuries; Do grooves reduce the risk of slipping on concrete floors? Swedish University of Agricultural Sciences 2017 ▪ From colt to athlete – changes in movement symmetry over time in trotter and saddle horses. Swedish University of Agricultural Sciences 2017 ▪ Optimising antibiotic treatment times for cystitis in dogs. University of Copenhagen 2017 ▪ Epidemiology of knee joint illnesses in dogs. Swedish University of Agricultural Sciences 2017 ▪ Physical burdens in dog agility performances. Faculty of Veterinary Medicine, University of Helsinki 2019 ▪ Bile acid in faeces of cats with IBD or gastrointestinal cancer. University of Copenhagen 2019 ▪ Identification of genetic risk factors for hip dysplasia in dogs. University of Copenhagen 2020 ▪ QimmeqHealth: Health care for the declining population of Greenlandic sled dogs. Emilie Andersen-Ramberg, University of Copenhagen 2020 	

Activities supporting the UN Sustainable Development Goals (SDGs)

Länsförsäkringar works actively to support sustainable development and contribute to a sustainable society. The Länsförsäkringar Alliance has identified the seven most relevant SDGs for its operations where the Alliance can make the largest positive contribution and have the least negative impact. This process was based on Länsförsäkringar AB's material sustainability topics, level of engagement, identified risks and opportunities. In addition to the joint goals, several regional insurance companies work on additional goals that are relevant to their operations. A selection of activities carried out by the regional insurance companies that support the selected SDGs is presented below.

3 Good health and well-being



- Länsförsäkringar Blekinge partners with 60 clubs to help young people to get active and thus promotes constructive free time for about 4,000 children and young people.
- Dalarnas Försäkringsbolag has provided additional financial aid to about 200 non-profit organisations that are facing financial difficulties since they have had to cancel events.
- Länsförsäkringar Jämtland offered heavy-vehicle skidpan driving practise for upper-secondary school pupils studying a motor vehicle programme to avoid the risk of road accidents.
- Länsförsäkring Kronoberg sponsors Kronoberg's "Safe Village" community project, which includes a CPR training session and fire protection, with the aim of increasing security, know-how and the attractiveness of living in villages far from the emergency services.
- During the pandemic, Länsförsäkringar Stockholm introduced a compulsory 30 minutes of exercise every work day for all employees working remotely to avoid sitting still.
- Länsförsäkringar Västerbotten partners with Parasport Västerbotten to offer sports activities for children and young people with functional challenges.

10 Reduced inequalities



- Länsförsäkringar Bergslagen aims to increase the share of employees with non-European language skills to increase diversity and better serve everyone in the local area.
- Länsförsäkringar Gävleborg partners with RF-SISU Gävleborg Sports Federation on the core value models of #skippaattityden and EN BRA START/Brynäs IF, which are targeted to 8-16 year olds to provide information to clubs and schools about equality and being a good friend.
- Länsförsäkringar Halland partnered with Junior Achievement Halland to hold lectures on financial security for 630 pupils aged 14-16 in Laholm municipality so that everyone, regardless of social background, has the opportunity to learn about saving money.
- Länsförsäkringar Värmland has developed and enhanced its sponsorship policy to now set higher demands for equality and social commitment among organisations.
- Länsförsäkringar Västernorrland sponsors children in high immigration areas, children with disabilities and Majblomman, an organisation that supports children in families experiencing financial difficulties.
- Länsförsäkringar Östgöta recorded and shared a film clip entitled "If you are seen then you exist" featuring a same-sex couple explaining why it is important that more minorities appear in advertising and marketing. The same couple had previously appeared in adverts that were met with a negative response.

Three of the SDGs are more general. The Länsförsäkringar Alliance works on them every day.

8 Decent work and economic growth



- Protecting employees' rights, for example, through trade unions and collective bargaining agreements.
- Requiring that suppliers and companies that Länsförsäkringar invests in have sound work conditions and are not involved in child or forced labour.
- Länsförsäkringar supports this target by making its banking and insurance services available to different target groups in society.
- Local jobs are created by engaging local builders, car workshops and contractors.

12 Responsible consumption and production



- Länsförsäkringar Gotland sets demands for materials, recycling and reuse for damage repairs in both motor and property insurance.
- Länsförsäkringar Kalmar started a collaborative project with a building contractor to promote more circular claims repairs and reusing windows, doors and other construction materials in demolitions.
- Länsförsäkringar Skaraborg started a partnership with Ätbart, an organisation that strives to reduce food waste from supermarkets and deliver food to households in need.
- Länsförsäkringar Skåne works together with Godsinlösen Nordic AB to promote a more circular reuse of damaged electronics. Damaged mobiles, laptops and tablets are to be repaired rather than replaced as far as possible. Components are recovered and used in repairs.
- Länsförsäkringar Södermanland carried out a pilot project during the year in which a number of customers were offered a free water alarm as part of preventing claims. The project will be scaled up to include all customers with homeowner and/or vacation home insurance.

13 Climate action



- Länsförsäkringar Göinge-Kristianstad partners with the emergency services and Kristianstad Flying Club on fire surveillance planes that can monitor and report fires in the summer, and started a collaboration with farmers and the emergency services on how farmers can help out with forest fires.
- Länsförsäkringar Göteborg och Bohuslän started to replace its company cars with electric cars, vehicles and bicycles to reduce its own environmental impact.
- Länsförsäkringar Jönköping has reduced its own carbon footprint by installing solar panels on the office.
- Länsförsäkringar Norrbotten is adjusting the asset management of the company's investment portfolio to align with the 1.5°C goal by 2030.
- During the year, Länsförsäkringar Uppsala signed the Uppsala Climate Protocol, which in turn has adopted the Uppsala Climate Roadmap, the aim of which is to offer tangible guidance on how to phase out the use of fossil fuels locally by 2030, and initiate the innovation and systemic shifts necessary for a climate positive society.
- Länsförsäkringar Älvsborg provides information to customers, both in social media channels and through training, about natural catastrophes caused by the climate.

16 Peace, justice and strong institutions



- Anti-money laundering measures in lending operations, ensuring that bribes are not received, and requiring a high level of business ethics in its own operations and from suppliers and companies that Länsförsäkringar invests in.
- Transparency in insurance terms and condition.
- The regional insurance companies have complaints officers.

17 Partnerships for the goals



- The SDGs can only be realised through global partnerships and cooperation. For Länsförsäkringar, cooperation between companies is a prerequisite for its business activities.
- An important part in this development also involves partnerships with industry colleagues, organisations, companies, municipalities and universities.

Responsible insurance offering



Länsförsäkringar prioritises efforts to reduce the number of insurance claims. Preventing a claim is a win for the customers, society and the environment. Sustainable repairs and reuse are the key words when a claim arises.

Preventing claims

Claims-prevention activities help reduce the impact on the environment through less waste, reduced energy and materials consumption, transportation and other resources – for both the claim incident itself and also for repairs. Länsförsäkringar's website has several guidelines available to the public on how claims can be avoided.

Natural catastrophes, water and fire damage claims and motor insurance claims have the greatest impact on the environment and are thus Länsförsäkringar's focus areas for claims-prevention activities together with crime-prevention measures.

Natural catastrophes

Global warming and the resulting extreme weather events, such as storms, torrential rain, flooding and drought, have huge socio-economic consequences. For the insurance operations, this presents a financial risk that is difficult to predict and assess on the long term but that will entail a risk of higher payments for weather-related insurance claims. Costs for natural catastrophes at Länsförsäkringar vary greatly from year to year and represent slightly more than 10% of property-damage claims over time.

All 23 regional insurance companies have a natural-catastrophe coordinator who focuses on spreading know-how and preventing natural catastrophes. Activities include analysing the external environment and following scientific and technological developments.

A dialogue on climate change and development planning is conducted with decision-makers in society. The dialogue with municipalities and county administrative boards in 2020 involved the importance of incorporating a long-term approach of 100 years or more into construction planning to take climate change into account.

Länsförsäkringar also informs its customers about how they can protect themselves, their families and their properties from natural catastrophes, such as hurricanes, thunderstorms, floods, heat waves, drought and heavy snowfall, and reduce the risk of starting a forest fire.

Water damage

Water damage is the most common type of claim in our homes. More than 75,000 cases of water damage are reported every year in Sweden, costing insurance companies about SEK 4 billion a year. Statistics show that water damage in the kitchen is increasing and such damage



Sustainable repairs and circular claims adjustment

Länsförsäkringar sets strict quality requirements for companies who repair damage to buildings. These companies are also engaged in a dialogue regarding construction methods, recycling and materials that reduce adverse environmental impacts. Länsförsäkringar's Research Fund finances several studies that aim to reduce the risk of claims, the results of which are used in developing claims-adjustment processes.

Länsförsäkringar was involved in preparing the Swedish National Board of Housing, Building and Planning's construction regulations on fire protection. This has a positive effect on the environment and is ultimately expected to lower claims costs.

Several regional insurance companies also have a partnership with companies specialised in the re-use and recycling of damaged goods, for example, home electronics, mobile telephones, bicycles and furniture.



is more common than in the bathroom, which is due to the many water connections in modern-day kitchens. The environmental impact of an average case of water damage is estimated at 300 kg of carbon dioxide. Water damage can be reduced by choosing the right materials and methods and by installing water alarms and leak detectors. Länsförsäkringar was involved in preparing better protection against water leaks in kitchens in the industry regulations to be introduced in 2021.

Projects concerning more robust manifold cabinets and water leak detectors that Länsförsäkringar has already initiated resulted in a draft of new test standards for these products during the year. The project concerning partial repairs of waterproof membranes has now reached phase 2, which involves field tests with claims customers. The project aims to establish partial repairs of waterproof membranes as an accepted repair method in the market and is expected to be completed in 2022.

In addition to claims-prevention measures conducted jointly in the Alliance, the regional insurance companies are active locally. Examples of local projects are Länsförsäkringar Stockholm's water leak alarm and Länsförsäkringar Södermanland's water alarm.

Fire damage

Fires cause the single largest claims cost for Länsförsäkringar. Over ten years, fire damage represents about 30% of the costs for property-damage claims. Most fires start in the kitchen, almost half of which on the stove. A fire at a home generates an average of 25 tonnes of carbon dioxide. Fires also result in chemical emissions to air, land and water. Sanitising and restoring houses and apartments after a fire requires a vast amount of energy as well as new or recycled materials, and results in huge volumes of waste. Länsförsäkringar continuously informs its customers about how they can reduce the risks of fire damage.

Länsförsäkringar's Research Fund, together with the National Electrical Safety Board and Swedish Consumers' Association, tested electric products sold by major online retailers. A selection of popular products often bought by Swedish consumers was chosen, such as night lights for children and USB chargers. The products were tested and the results showed that 93% had so many defects that they present serious safety risks and could cause both fires and electric shocks. The tests generated widespread media attention and led to Länsförsäkringar attending a meeting with the Minister for Digital Development, Anders Ygeman, to discuss the matter.

Environmental and quality certification of car workshops

Länsförsäkringar environmentally and quality certifies car workshops and salvage companies. At year-end 2020, about 1,500 workshops and 33 salvage companies had been certified. Autoteknik AB in Åtvidaberg approves the certification.

The workshops are required to work actively on environmental issues and have environmental targets that are monitored and controlled, and repairs must be carried out to a professional standard. Used spare parts are to be used and plastic details be repaired rather than replaced as far as possible, thus reducing the impact on the environment. To become certified, the workshops' plastic repairs must be approved by Bilplastforum, their equipment must be approved, and the repairs must be carried out using the correct

technical information and be documented for traceability.

A life cycle assessment, financed by Länsförsäkringar's Research Fund, concerning GHG emissions from various repair choices in typical damage to cars shows that there is a huge difference if used spare parts are used or if the damaged parts are repaired instead of replaced. Sourcing used spare parts represents a challenge. The percentage of used spare parts in motor claim repairs in 2020 was 13%, and the share of claims involving used plastic repairs was 25%.

Certification requirements for salvage companies include environmental targets, the right equipment for the salvage vehicle, the use of vehicles approved for salvage in environmental zones, driver qualification cards and training.

Insurance fraud

Länsförsäkringar's aim is to ensure that its policyholders are treated correctly and that the right compensation is paid to the right person. Each regional insurance company has a complaints officer whom customers can contact if they are unhappy with a decision or their claim.

It is vitally important to counteract insurance fraud to protect the policyholders, keep premiums down and reduce the risk of money laundering. Länsförsäkringar's own investigation organisation works actively on counteracting suspicions of fraud and on preventive measures. About 3,000 suspected cases, at a value of about SEK 200 M, are stopped every year. Länsförsäkringar follows Insurance Sweden's guidelines on insurance fraud.

Road-traffic accidents

221 people died in road-traffic accidents in 2019 and more than 3,800 were seriously injured. Länsförsäkringar actively works on road safety and finances research to reduce the number of road injuries. These efforts target both protected and unprotected road-users and take place, for example, through local campaigns, lectures, instruction and preventive advice and tips given directly to customers and on the website. To aid claims-prevention activities with corporate customers, shared guidelines are used to easily and systematically show how claims can be prevented together with customers. The guidelines include training and information materials as well as a model for systematically monitoring claims.

The Körvänlig pilot study was carried out jointly by four regional insurance companies and almost 500 customers during the year to make road traffic more environmentally friendly and safe. Körvänlig was offered to young drivers as a supplementary product for our car insurance. Customers install a box in their car and an app gives them tips about how to drive more safely and environmentally friendly. Points are awarded depending on how safe and eco-friendly the customer's driving is. Part of their premium is repaid every three months if they have a high score.

The geographical location of every accident and incident is reported to a statistical databank called "Claims on a Map." The complete incident and accident statistics provide information about

where accidents occur and why. These statistics aid efforts to prevent motor insurance claims in collaboration with municipal street departments and municipalities.

Security and crime prevention

To increase security for Länsförsäkringar's customers and society as a whole, crime-prevention activities are conducted with a particular focus on safe children and young people, safe homes and work-places, and safe areas.

Länsförsäkringar is engaged in several local security initiatives in society, particularly by supporting youth activities aimed at guiding young people and increasing their chances of choosing a positive path in life, giving them tools for breaking out of destructive surroundings and preventing social exclusion.

Active efforts are made to raise customer awareness and know-how about what to do to reduce the risk of crime, for example, by providing information, education and tools (locks and alarms). Länsförsäkringar supports neighbourhood watch networks in several locations and the Research Fund finances research in this area.

One of the focus areas in 2020 was compiling examples and sharing experiences of making use of different forms of local activities together with the police, municipalities, property owners, businesses and others so as to help increase security in public spaces, such as local squares, neighbourhoods and disadvantaged areas.



Health for a sustainable life

Länsförsäkringar is one of the Sweden's leading players in health and health care insurance. The mission is to create a healthier Sweden by contributing to a sustainable lifestyle, a sustainable working life and a sustainable society. Mental illness is the most common cause of sick leave. Preventive and early measures at the workplace are key to breaking this trend. Länsförsäkringar actively participates in the public debate on good health and a sustainable working life and provides supplementary employment security solutions to promote health and reduce sick leave.

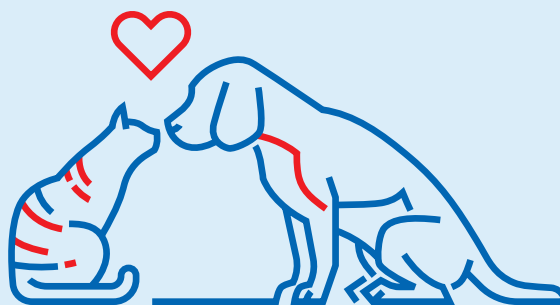
Health care insurance is based on preventive health services and providing the right type of care at the right time with effective rehabilitation. The aim of these preventive health services is to promote good health and prevent illness by, for example, reducing stress, improving sleep and maintaining a healthier lifestyle. Rehabilitation includes medical and work-oriented rehabilitation, as well as treatment for addiction and substance abuse.

Health-promotion efforts for animals

Agria operates in Sweden, Norway, Denmark, Finland, the UK and France. Agria develops insurance products that create security for animals and animal owners in close collaboration with animal-owner organisations. Agria works regularly on claims-prevention information and health-promotion activities for customers' animals in its own digital channels and via digital vet consultations.

Agria has health profiles for breeds of dogs and cats (Agria Breed Profiles) that contain extensive claims statistics that are used by researchers, breeders and breed clubs to improve animal health and sustainable breeding.

For more than 80 years, Agria's Research Fund has financed research on animal health and well-being and the importance of animals to people and society. The aim is for this research to provide a solid basis for successful breeding, better animal health and animal keeping, and enhance knowledge about the importance of pets to people. More than SEK 10 M was awarded to various research projects in 2020.



Responsible pension and savings offering



Responsible investments contribute to sustainable value creation. The goal is to create the highest possible value from managing customer savings.

Companies with an integrated sustainability work method can help reduce risk and identify solutions to the challenges that society faces. Investing responsibly contributes to sustainable value creation.

Supports UN PRI initiative

Länsförsäkringar AB is a signatory of the United Nations-supported Principles for Responsible Investment (PRI). The initiative comprises six principles for integrating sustainability into investment analyses and decisions, corporate governance, engagement and partnerships.

Investments in responsible companies

Länsförsäkringar AB invests and manages customers' savings in its own funds and in external funds. Investments are benchmarked two to four times a year against applicable exclusion criteria and international conventions in the areas of the environment, human rights, labour laws, corruption and controversial weapons. An external consultant has been engaged to analyse listed company holdings based on these conventions. Based on these analyses, Länsförsäkringar AB seeks to use dialogue to exert an influence on companies that breach international norms. The aim is to stop the company from committing breaches and take measures to prevent similar incidents from being repeated. If engaging in a dialogue does not achieve the desired results over time, the holdings in the company may be divested.

Requirements on external managers

Länsförsäkringar Fondförvaltning's Swedish funds are managed internally. Länsförsäkringar AB's other investments are managed by external managers through funds or discretionary mandates. The investment philosophy is based on using leading managers with a variety of investment areas and management approaches. Sustain-

ability requirements are included in the procurement of new managers. The integration of sustainability topics into management models is monitored every year.

Active corporate governance and engagement

Corporate governance includes company dialogues, active participation in the nomination committees of portfolio companies to influence board compositions and voting at general meetings. A long-term objective is to increase diversity on the boards of the portfolio companies.

Companies are engaged in preventive dialogue to ensure that they are managing their sustainability risks. Länsförsäkringar AB is actively involved in investor initiatives on various sustainability topics targeted to individual companies or industries. Engagement is given greater impetus through partnerships with other investors. Partnerships take place in the framework of the PRI for example.

Minimise climate risks

Länsförsäkringar AB's goal is to reduce its climate footprint and adjust the emissions level of funds and investment portfolios to the 1.5°C goal of the Paris Agreement by 2030. In practice, this involves selecting the most climate-effective companies in each sector and increasing climate-positive investments, avoiding the largest emitters of GHG emissions in the most relevant sectors, supporting companies that have started to transition their operations and engaging in dialogue with companies to discuss climate challenges.

Investments are made in green and sustainability-focused bonds that focus on environment and climate-related projects, certified forests and environmentally certified properties. These bonds contribute to several SDGs.



Humlegården's green financing

The Länsförsäkringar Alliance's property company Humlegården launched a green financing framework in 2020. It includes green loans and green bonds. The percentage of green financing at year-end was 85%. Financing is to be allocated to projects and assets such as green and energy-efficient buildings as well as investments in energy-enhancing measures and renewable energy. Humlegården's aim is for all properties in its portfolio to have environmental certification. The current level is 95% of the floor area.

Responsible lending offering



Healthy lending is a key prerequisite for a stable financial situation for customers. Long-term respect for customers' security and finances is fundamental to Länsförsäkringar.

Lending at low sustainability risk

Länsförsäkringar Bank's loans are granted in Sweden and in SEK. The bank's largest lending product is mortgages. The geographic spread of lending to both retail and corporate customers is diversified, with low average lending per customer. Lending to companies mainly comprises small businesses that are deemed to have limited environmental and social risks. The foundation of lending is the credit policy and the credit instructions, which include criteria for acceptable risk and identify high-risk areas in sustainability that require special consideration.

Environmental risks and environmental responsibility for agriculture and companies are regulated by law and monitored by various supervisory authorities. Environment-related risks are addressed in the loan application process based on, for example, licensable or non-licensable operations and a comprehensive assessment of the company's operations. More detailed guidelines and Q&As were prepared during the year to aid analyses and assessments of sustainability risks in lending. These are planned to be implemented in 2021.

Sustainability-focused offering

The wholly owned finance company Wasa Kredit offers lease and hire purchase financing to companies and loans and credit card loans to private individuals. The target group is mainly property owners, the agricultural sector, industries and medium-sized to large companies. A financing model has been tailored to products that reduce environmental impact and the model is being developed to include more sustainability areas.

Wasa Kredit finances solar panels

During the year, Wasa Kredit initiated a partnership with energy company E.ON, which allows customers to install solar panel solutions from E.ON and obtain financing from Wasa Kredit. Customers can lease or hire the solution instead of paying in cash and the cost is distributed over a period of time. The target group is mainly corporate customers, for example, agricultural customers, industries and medium-sized to large companies. Financing solar panels is part of the financing model tailored to products that reduce environmental impact.

Local knowledge reduces credit risk

Länsförsäkringar Bank's loans are based on standardised, centrally established credit regulations and most credit decisions are made locally. In the business model between Länsförsäkringar Bank and the regional insurance companies, there is a strong incentive to maintain high credit quality. The high credit quality of the loan portfolio is the result of a low risk appetite and credit regulations combined with credit scoring and advisors' local customer and market knowledge.

The credit regulations impose strict requirements on customers' repayment capacity and the quality of collateral. In connection with the loan application process, the repayment capacity of borrowers is tested using "left to live on" calculations. These calculations apply a significantly higher interest rate than the actual rate. Both the loan portfolio and value of the collateral are continuously monitored and quality assured.

Mortgage repayments are a key tool in ensuring that households have stable and secure finances. Länsförsäkringar encourages all customers to make repayments by presenting a recommended repayment plan at all customer meetings where mortgages are discussed. Even customers that do not fall under the repayment requirements are encouraged to pay off their mortgage.

Local branches and digital services

With the 23 regional insurance companies, Länsförsäkringar's customers have access to 128 branches throughout Sweden as well as digital banking services. 71% (67) of bank customers use Länsförsäkringar's app or Internet bank. Digitisation reduces the impact on the environment since fewer paper print-outs are sent to customers. The percentage of digitally distributed customer documents was 78% (76) in 2020.

Launch of the first sustainable charge card in the world

Länsförsäkringar Bank transferred its charge card base to MasterCard in 2020. A new card was designed in connection with this that is manufactured from recycled PETG plastic, a material that cuts up to 75% of the carbon emissions usually associated with card production. This means that Länsförsäkringar's customers were the first in the world to receive bank cards made of 100% recycled plastic.



Employees



Länsförsäkringar's most important resource is its 7,500 employees whose specialist and professional expertise is vital to carrying out and developing the operations.

Good development opportunities

The Länsförsäkringar Alliance has a broad range of professional expertise in banking, insurance and real-estate brokerage services, and specialist roles in a number of different areas. 23 independent regional insurance companies and a jointly owned service and development company, Länsförsäkringar AB, offer a large internal labour market, which provides employees with many opportunities for further development by changing job, in the local regional insurance company or within the Länsförsäkringar Alliance. Employees can credit their entire length of service even when they change company within the Alliance.

Skills-development opportunities are available in the regional insurance companies and through joint training activities at Länsförsäkringar AB, which offers training in banking, life assurance and non-life insurance as well as leadership. These courses focus on giving employees the skills needed in a business context to offer customers products and solutions that meet their requirements. A total of 56,081 in-house training courses (48,332) were organised for Länsförsäkringar Alliance employees in 2020. The large increase was mainly due to updating expertise for employees working in insurance distribution. Employees also receive training in the form of skills transfers, external courses and seminars.

Local and shared

Attracting, recruiting, onboarding and developing employees are mainly managed by each company in the Länsförsäkringar Alliance. Development and coordination in certain issues take place jointly between the regional insurance companies and Länsförsäkringar AB. Implementation of a new shared employee and training system began in 2020. A shared ambition is to advance Länsförsäkringar's positions as an attractive employer.

Work environment and health

The focus in 2020 was to limit the spread of infection and create a safe and secure work environment for working both at the office and remotely during the COVID-19 pandemic.

Länsförsäkringar is distinguished by a highly positive work environment, where collaboration and cooperation are key words for creating strong solidarity and companionship. An open and tolerant working climate free from all forms of discrimination is the foundation of relationships between colleagues and with customers. Promoting equality, inclusion and diversity is a natural element of the corporate culture. Employees are offered health care insurance that includes medical consultations, personal counselling and preventive health services encompassing a health profile and online health programmes. The insurance also includes work-oriented rehabilitation. Länsförsäkringar's aim is that its employees will enjoy a good work-life balance at all times.



Länsförsäkringar is an attractive employer

Länsförsäkringar as an employer won several awards in 2020:

- Industry leader in Universum's Company and Career Barometer surveys
- Best banking and insurance company according to Academic Works' Young Professional Attraction Index (YPAI)
- One of Sweden's most attractive employers and a place in the financial services category of Randstad's Employer Brand Research survey



TOP 100

by Business Professionals

Market leader focusing on customer satisfaction and sustainability



Non-life insurance

Despite an unusual year dominated by a pandemic, Länsförsäkringar's non-life insurance business performed well in 2020. Länsförsäkringar continued its focus on satisfied customers and sustainable business. Premiums earned increased to just over SEK 29 billion, the combined ratio amounted to 93% and the market-leading position is stable with a market share of 31%.

Most of Länsförsäkringar's non-life insurance business is underwritten by the regional insurance companies. Some non-life insurance business lines, including pet and personal-risk insurance, is underwritten by the jointly owned Länsförsäkringar AB's subsidiary. Of the Länsförsäkringar Alliance's total premiums earned in non-life insurance of SEK 29.4 billion, SEK 22.6 billion was underwritten in the 23 regional insurance companies and the remainder in the Länsförsäkringar AB Group.

The non-life insurance market

Despite an unusual year dominated by a pandemic, premium income in the Swedish non-life insurance market continued to grow steadily and paid-in premiums rose to slightly more than SEK 91 billion in 2020. Premium income has risen SEK 30 billion over the past ten years, up 50%. This increase is high but unevenly distributed between insurance lines. Premium income for accident and health insurance has almost doubled over these ten years, but fell by 9% for motor third-party liability insurance. Compared with 2019, the number of insured households and single-family homes was relatively flat in 2020, whereas the number of insured vacation homes fell somewhat. The number of passenger-car insurance policies increased slightly yet the market share for the insurance companies remained stable.

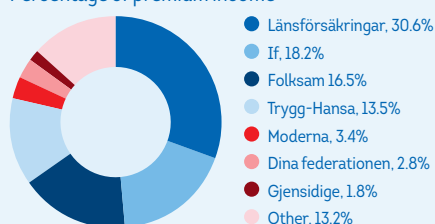
Distribution via digital channels continues to increase as demand for new and more flexible customer meetings grows, which was especially noticeable in 2020 due to the COVID-19 pandemic. Digital and technical advances are creating new opportunities and conditions for more easily-available information and better tailored service. These developments are driving new customer behaviour patterns and needs that require changes to the offering, distribution and pricing. Robotisation and increasingly intelligent decision-making support, for example, make it possible to enhance the efficiency of and automate manual and labour-intensive processes. With a more refined supply of information and advanced analysis, Länsförsäkringar can target offerings that are tailored to customer needs and more precisely price risks.

The passenger-car market has noted record highs of new registrations in recent years, but demand declined in 2020 due to the COVID-19 pandemic. The number of new registrations for the year was 292,000, down 18% compared with 2019 which was a year with the third highest ever growth in new registrations. A clear shift towards rechargeable cars was seen in 2020, with every third new registration either an electric vehicle or a hybrid, compared with 11% the year before. Changes to road tax and fringe-benefit tax are factors that affect the transition to rechargeable vehicles and are expected to continue to have an impact in 2021. The development

Market shares

Non-life insurance

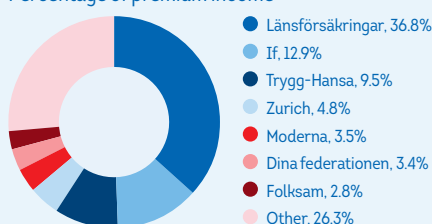
Percentage of premium income*



Länsförsäkringar's position as a leader in the non-life insurance market was stable with a share of 30.6% on 31 December 2020.

Commercial lines and liability insurance

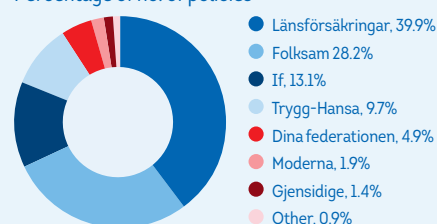
Percentage of premium income*



Länsförsäkringar has a leading position in commercial lines and liability insurance with a market share of 36.8% on 31 December 2020.

Homeowner insurance

Percentage of no. of policies*



Länsförsäkringar has a leading position in homeowner insurance with a market share of 39.9% on 31 December 2020.

* Source: Insurance Sweden

of autonomous vehicles is expected to impact the insurance market in the long term and shift volumes from private motor insurance to commercial insurance and product liability insurance. A breakthrough may not come for several years but until that time technological advances in the form of improved safety and higher levels of driver assistance are expected to reduce claims frequencies and claims costs.

New technology is driving trends in smart homes and properties, which presents opportunities in the form of modernised claims-prevention services linked to, for instance, water and fire damage as well as burglary. Digital platforms, smart and connected homes and connected individuals mean that great potential exists to individualise services and prevent claims. Digitisation also creates new opportunities to change the value chain for Länsförsäkringar's customers by making insurance more relevant to people's daily lives.

Active claims prevention is a key part of systematic sustainability activities. Methods, tools and programs that reduce the claims frequency, claims costs as well as consumption needs have a major impact on the environment, while also creating higher security for customers. Länsförsäkringar works actively on claims-prevention measures with the aim of keeping the environmental impact as low as possible.

The personal-risk insurance market in Sweden has experienced strong growth in recent years and is continuing to grow. The need for insurance is continuously increasing, driven by higher borrowing, a larger gap between real salary increases and benefits under the social security scheme and a higher fixed costs for households. Demand for health care insurance is increasing, particularly from companies that want to ensure the right health care for their employees in the right time. The personal-risk insurance is expected to continue to grow over the next few years, driven by increased needs and greater awareness.

Market position

Länsförsäkringar maintained its position as market leader in a growing non-life insurance market, commanding a share of 30.6% (30.1),

measured in premium income. Länsförsäkringar is a market leader in the commercial, homeowner, motor third-party liability, passenger car and other vehicle and pet insurance lines.

Länsförsäkringar's market share of commercial and liability insurance lines strengthened slightly to 36.8% (36.7), measured in premium income. The market share for homeowner insurance fell slightly to 39.9% (40.3) as did the market share for household insurance to 24.7% (25.8), both measured in the number of insurance policies. Nevertheless, Länsförsäkringar's market shares in homeowner and household insurance remained relatively unchanged compared with competitors. The market share in the motor insurance business remained stable, the market share for motor third-party liability was 39.3% (39.5) measured in premium income, and the market share for passenger cars was 33.5% (33.7) measured in the number of insurance policies.

Brokered business

Länsförsäkringar Mäklarservice is Länsförsäkringar's link to customers who choose to be represented by insurance brokers. The Länsförsäkringar Alliance's brokered non-life insurance premiums rose 12% in 2020 to SEK 2,719 M (2,437). The brokered non-life insurance business accounted for 30% of the Alliance's total non-life insurance portfolio for commercial insurance.

The strategy of clearly prioritising larger brokerage companies to increase the effect on medium-sized companies has proven to be successful. In addition to sales efforts, Länsförsäkringar continued to develop services and optimise processes and reduce lead times in claims processes, all in a bid to aid insurance brokers' daily contact with Länsförsäkringar.

The Länsförsäkringar Alliance's brokered personal-risk business increased to SEK 273 M (268) during the year. Länsförsäkringar took over a large health care portfolio and underwrote about 6,000 new health care insurance policies in 2020. Collective accident insurance was the most sought after product in 2020.

Market share

Premiums earned:
SEK 29,397 M

Combined ratio

Bonuses and discounts
to customers

31%

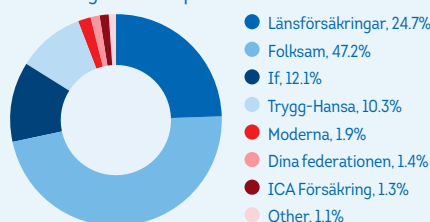
+6%

93%

SEK 1.8 bn

Household insurance

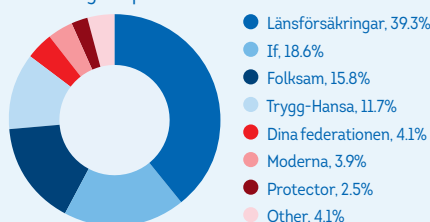
Percentage of no. of policies*



Länsförsäkringar's market share of household insurance was 24.7% on 31 December 2020.

Motor third-party liability

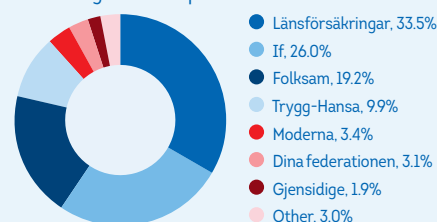
Percentage of premium income*



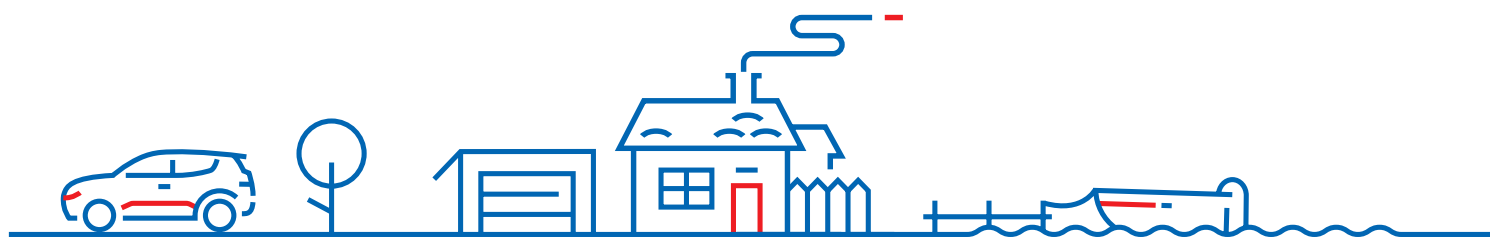
Länsförsäkringar's market share of motor third-party liability insurance amounted to 39.3% on 31 December 2020.

Passenger-car insurance

Percentage of no. of policies*



Länsförsäkringar's market share of passenger-car insurance was 33.5% on 31 December 2020.



Motor

Länsförsäkringar offers vehicle insurance in the retail, corporate and agriculture segments.

Market position

In 2020, Länsförsäkringar's premium income for motor third-party liability and motor insurance rose 4%, compared with market growth of 3%. Länsförsäkringar thus increased its total market share to 30.5% (30.3), measured in premium income. Länsförsäkringar's premium income for motor insurance increased more than 6%, in a market that grew by just over 4%. The market share in motor insurance thereby rose to 27.6% (27.1). Länsförsäkringar's premium income in motor third-party liability insurance declined 1.1%, which was slightly weaker than for the total market that declined 0.8%. The market share in motor third-party liability insurance thus fell to 39.3% (39.5). Measured in the number of vehicles, Länsförsäkringar remains the market leader with about one-third of the passenger cars insured in Sweden and almost half of other types of vehicles.

Development

Pricing tools and methods for the motor business were improved in 2020. The customer offering was strengthened, for example, by adjusting insurance terms and adding new products to the car dealer channel. Improved system support was launched for insurance of vehicle fleets and car workshops. Länsförsäkringar's brand insurance and vehicle-damage guarantees for Toyota and Lexus cars continued to perform well in 2020.

Motor

	2020	2019
Premiums earned, gross, SEK M	9,541	9,253
Passenger cars, no. of policies	1,738,000	1,722,000
Market share, no. of passenger cars, %	33.5	33.7
Other vehicles, no. of policies	1,512,000	1,482,000
Market share, no. of other vehicles, %	48.7	48.6

Home

Länsförsäkringar offers home insurance for single-family homes, apartments and vacation homes.

Market position

Länsförsäkringar remained the market leader in home insurance in 2020, with a share of 30.9% (30.6), measured in premium income. Länsförsäkringar's premium income in home insurance increased by just above 3% in 2020. Measured in the number of insurance policies, Länsförsäkringar's market-leading position increased slightly in vacation home insurance to 41.2% (41.1), but fell to 39.9% (40.3) in homeowner insurance and to 24.7% (25.8) in household insurance.

Development

Länsförsäkringar is focusing on developments in digitisation, innovation and improved customer processes. One of the aims is for simpler claims to be processed digitally and automated so that customers can receive even faster help when a claim occurs. 2020 was dominated by the COVID-19 pandemic, which meant a change in customer behaviour patterns with less travel and more remote working. Länsförsäkringar is following developments in new needs for insurance cover. Länsförsäkringar is also working to enhance its advisory services and offer more claims-prevention services. For example, Länsförsäkringar sees rising need for advice on Internet fraud.

Home

	2020	2019
Premiums earned, gross, SEK M	5,788	5,572
Household, no. of policies	865,000	865,000
Market share, no. of households, %	24.7	25.8
Homeowner + home content, no. of policies	716,000	711,000
Market share, no. of homeowner + home content, %	39.9	40.3
Vacation homes, no. of policies	238,000	237,000
Market share, no. of vacation homes, %	41.2	41.1

Yacht

Länsförsäkringar offers yacht insurance.

Market position

Länsförsäkringar maintained its position as market leader in 2020, with a market share of 32.7% (32.5), measured in the number of insurance policies. The closest competitor Moderna Försäkringar (Atlantica) has a market share of 19.2%, measured in the number of insurance policies.

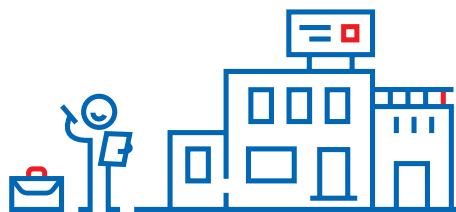
Development

Staycation was the main feature of summer of 2020 due to the COVID-19 pandemic, which meant that a record number of boats were launched. New sales records for both boats and accessories were broken according to boat industry reports. The weather for the 2020 boat season was normal but since more people spent their summer on a boat the number of claims rose 12% compared with 2019. The increase was mainly related to sea damage, while boat engine theft declined.



Yacht

	2020	2019
Premiums earned, gross, SEK M	168	166
Yachts, no. of policies	89,000	89,000
Market share, no. of policies, %	32.7	32.5



Commercial

Länsförsäkringar offers commercial insurance for all industries, from large to small companies.

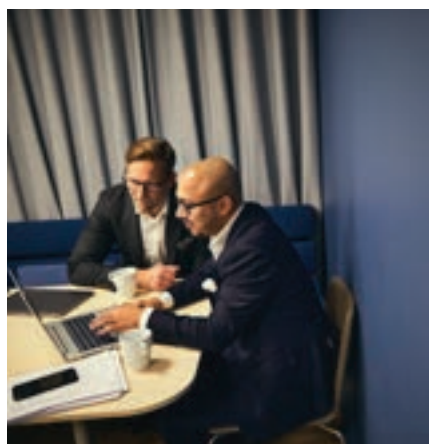
Market position

Länsförsäkringar's premium income for commercial lines and liability insurance, including agriculture, increased more than 7% in 2020, in a market that grew by just over 5%. Länsförsäkringar thus maintained its position as market leader with a share of 36.8% (36.7), measured in premium income.

Development

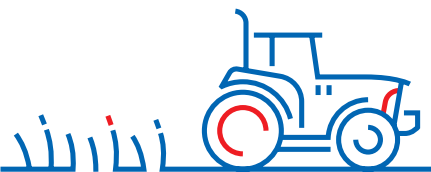
Länsförsäkringar is continuing to work on developing its digital offering for commercial insurance. The share of Länsförsäkringar customers who took out commercial insurance via digital channels increased in 2020.

Many companies offer commercial insurance, and in general intense competition is continuing. But it was gratifying that corporate customers continued to rank Länsförsäkringar first in non-life insurance according to the 2020 Swedish Quality Index customer satisfaction survey.



Commercial

	2020	2019
Premiums earned, gross, SEK M	5,329	4,966
No. of policies	244,000	245,000
Market share, premium income commercial lines and liability, %	36.8	36.7



Agriculture

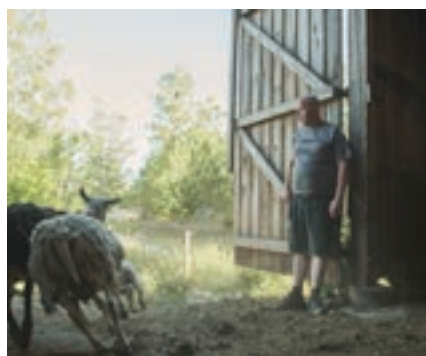
Länsförsäkringar offers insurance for companies in "green businesses" – agriculture and forestry, horse farms and greenhouse companies. Customers living on an agricultural property but not conducting any or only small-scale business activities are offered farm insurance.

Market position

Länsförsäkringar has a market-leading position in agricultural insurance. Premiums earned in the agriculture business increased 5% to SEK 2.1 billion (2.0) in 2020.

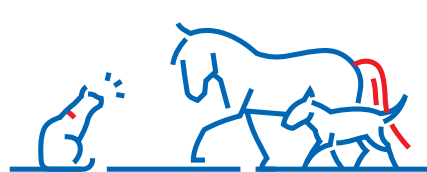
Development

Länsförsäkringar has a market-leading position, which entails a responsibility to develop the customer offering according to the customer group's security needs. In the past two years, the forest area that Länsförsäkringar insures increased 10% to 9.7 hectares of forest on 31 December 2020. There is a need to increase the volume of accessible information about forests to manage future risks. In 2020, Länsförsäkringar investigated the possibility of developing system support in order to link available data from satellites and laser scans to each land registry.



Agriculture

	2020	2019
Premiums earned, gross, SEK M	2,085	1,989
Agricultural insurance, no. of policies	193,000	191,000
Tractor insurance, no. of policies	283,000	283,000



Agria

Länsförsäkringar offers pet and crop insurance through Agria.

Market position

Agria is a market leader in pet insurance in Sweden and Norway, and also conducts operations in Denmark, Finland, the UK and France. Work also started on establishing a branch in Germany during 2020. Agria's strong new business in all countries in 2020 was largely the result of greater interest in getting a pet during the COVID-19 pandemic and high sales via digital channels.

Growth in Denmark was favourable, with high customer loyalty. Agria's Finnish operations continued to expand substantially in 2020. In the UK, market shares and knowledge of Agria increased during the year. Awareness of the Agria brand also increased in France, where operations were established in 2018.

Development

Agria has a strong concept with the clear strategy of growing internationally. The six countries served all currently have different challenges, but many similarities as well, and this is where value of economies of scale, greater risk diversification and access to international know-how strengthen the business. Focus in 2020 was directed to bringing digital marketing and sales to Agria's international markets.

The Agria Vårdguide app offering video calls with vets was launched in Sweden in the autumn. The idea is to encourage more animal owners to discover how secure and simple it is to use a digital vet clinic for minor injuries and illnesses.

Research into animal health is supported through Agria's research fund. Agria's extensive claims statistics are used by researchers and breed clubs to improve animal health and sustainability.

Agria

	2020	2019
Premiums earned, gross, SEK M	4,148	3,792



Personal risk

Länsförsäkringar offers life assurance, health care, accident and health insurance.

Market position

Länsförsäkringar's market share was stable at 20%. The COVID-19 pandemic and its consequences in the form of long-term illness and unemployment have highlighted personal-risk insurance as an important supplement to public social security for increasing financial security in the event of illness, accident, unemployment and death. Companies are eager to prevent illness and sickness absence since sick leave has consequences for both profitability and delivery. Private individuals want to insure themselves against unemployment, sick leave and death in order to safeguard their personal finances. Health care insurance fulfils an important role as a means for promoting a positive work environment and good health so as to reduce the vulnerability of employees to illness or claims and helps companies to assume their responsibility as regards the work environment.

Development

Initiatives were launched in spring 2020 for customers affected by the COVID-19 pandemic, for example, small businesses were offered free advice on a variety of subjects ranging from their personal health to law, finances, leadership and HR. Länsförsäkringar works continuously on developing data-driven marketing, and digital sales developed positively in 2020. Länsförsäkringar has served as an important party in talks with authorities, health care representatives and employer and employee organisations on the interplay between publicly financed health care and private health care insurance.

Personal risk

	2020	2019
Premiums earned, gross, SEK M	2,017	1,885
Market share, accident and health insurance, premium income, %	20.0	19.2



Children

Länsförsäkringar offers both pregnancy and children's insurance.

Market position

Länsförsäkringar's premiums earned for children's insurance increased 12% to SEK 698 M in 2020. The number of policies increased just under 3% to a total of 333,000 children's insurance policies.

Development

Länsförsäkringar had a healthy growth in children's insurance in 2020. Securing the customer at a young age is vital for building up a long-term relationship in private personal insurance. Accident and health insurance for adults was further developed in 2020, which means that Länsförsäkringar can now offer better insurance cover for children who have reached the final age of their children's insurance.



Children's insurance

	2020	2019
Premiums earned, gross, SEK M	698	625
No. of insured parties	333,000	324,000



Reinsurance

Länsförsäkringar AB's subsidiary Länsförsäkringar Sak manages the Länsförsäkringar Alliance's joint reinsurance cover and internal Alliance reinsurance via a number of pool solutions. The internal reinsurance and the reinsurance jointly procured for the Länsförsäkringar Alliance is a major asset for Länsförsäkringar and its customers. The system ensures a stable solution at low cost by distributing risk within the Länsförsäkringar Alliance and procuring external cover for large claims.

Länsförsäkringar Sak also underwrites a highly diversified portfolio in internationally assumed reinsurance, both risk and catastrophe business, specialising in property business. The long established strategy is to underwrite business from mutual companies with broad geographic risk diversification.





Claims adjustment

Each regional insurance company offers a comprehensive range of non-life insurance products to its retail, commercial and agricultural customers, with claims adjustment taking place locally, close to customers. Tying together local presence with shared expertise results in first-rate customer service for all types of claim incidents. On occasion, a single regional insurance company experiences a high number of claims in a short space of time, for example, in the event of natural catastrophes. The joint work method allows the regional insurance companies, from north to south, to work together and help each other at short notice. A total of 900 people in the Länsförsäkringar Alliance work in the area of claims adjustment and an international network of partners also provides service outside Sweden.

Claims adjustment entails the delivery of the product purchased by the customer and should be quick, secure, be carried out in a highly skilled manner and provide the correct compensation. Rapid digital developments combined with fierce competition mean that Länsförsäkringar must continuously develop and adapt its processes, insurance terms and conditions and service to meet customer expectations when a claim arises.

Major claims

Major claims require special resources. Länsförsäkringar has prepared a contingency plan for managing large claims, and the regional insurance companies also continuously monitor the risks in their local areas. The primary purpose of the contingency plan is to establish a state of preparedness within the individual regional insurance companies, and also to coordinate available resources. Consequently, the regional insurance companies are well-

equipped and prepared for any major claim that may occur. A couple of larger property and company fires occurred in 2020.

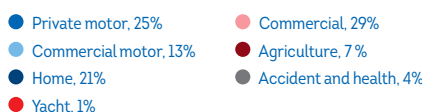
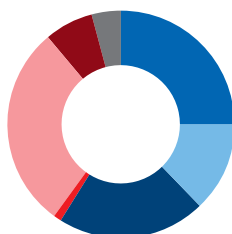
Natural catastrophes

Claims costs for natural catastrophes in 2020 were mainly caused by hurricanes, flooding and thunderstorms, but 2020 had fewer natural catastrophes than 2019 and based on a 10-year perspective. Total expenses for natural catastrophes amounted to SEK 400 M in 2020, compared with SEK 681 M in 2019. The annual average cost for natural catastrophes in the past ten years is SEK 652 M. 2020 was the warmest year ever recorded in Sweden, including the warmest November. This meant mild and windy winter months and a large volume of rain, particularly in north-eastern Norrland.

Claims prevention

Claims prevention is a key element of the regional insurance companies' sustainability efforts and avoiding claims is always a benefit for the environment. Many activities were carried out in 2020. One example is Länsförsäkringar Södermanland's partnership with Eurapco on a pilot project for connected water alarms. The project will be scaled up in 2021 so that customers who own single-family homes, farms or vacation homes can proactively prevent water damage by using a water alarm if a leak is suspected. This is an important innovation to prevent one of the most frequent causes of claims.

Claims costs*



A total of SEK 13,594 M was paid for claims that occurred in 2020. A total of 928,774 claims occurred in 2020.

* Compensation paid for claims that occurred in 2020.



Service outside Sweden

Customer needs are also met outside Sweden and the claims-adjustment service has been expanded to provide rapid assistance abroad, for both individual claims and more large-scale events. The Länsförsäkringar Alliance is one of the largest shareholders of SOS International, which assists customers through both travel and vehicle insurance. Help is provided for medical assistance and transportation when customers suddenly fall seriously ill or are involved in an accident while abroad, and for other types of events, such as delayed baggage. The customers of the regional insurance companies can also receive help with obtaining an advance medical assessment before travel abroad. For motor insurance claims abroad, help is provided in the form of, for example, breakdown services, referrals to car repair garages and transportation. SOS International processes 19,000 international claims every year on behalf of the regional insurance companies, but in 2020 the figure decreased significantly due to less travel as a result of the COVID-19 pandemic. Access to workshop service times and rental cars were also affected by restrictions and measures abroad due to the pandemic.

Comments on financial results, Non-life Insurance

Earnings and profitability

Earnings from the Länsförsäkringar Alliance's non-life insurance operations consist of the total earnings of the 23 regional insurance companies and the non-life insurance operations of the Länsförsäkringar AB Group.

Operating profit for the Länsförsäkringar Alliance's non-life insurance operations declined to SEK 7,252 M (12,001), mainly due to lower investment income in the first quarter of 2020. The capital markets were characterised by uncertainty due to the spread of COVID-19, with a sharply negative trend for stock markets in the first quarter but a strong recovery during the remainder of the year. This resulted in investment income of SEK 6,950 M (13,199) for 2020.

The technical result increased to SEK 2,873 M (1,824), due to high premium growth of 6% and lower claims costs. The claims ratio fell to 74.2% (76.7), mainly as a result of fewer natural catastrophe claims. Claims costs also declined slightly during 2020 as a result of reduced movement in society due to the COVID-19 pandemic. The expense ratio fell to 18.8% (19.6), resulting in a combined ratio of 92.9% (96.3).

Measured as a five-year average, the combined ratio and the claims ratio remained stable at 94% and 75%, respectively.

Solvency capital increased SEK 9,215 M during the year, amounting to SEK 91,311 M on 31 December 2020. The solvency margin amounted to 302% (288). Each company in the Länsförsäkringar Alliance has a strong capital position and is considered highly able to manage any additional effects brought about by the pandemic. Based on 2020 earnings, the regional insurance companies will pay back a total of SEK 1,832 M (1,893) in bonuses and discounts to their owners – the customers.

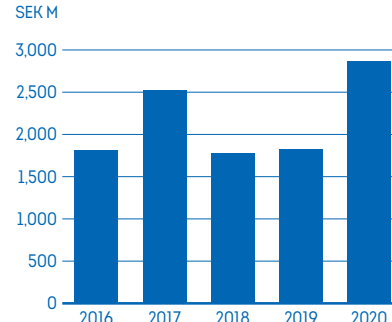
Business volumes

Premiums earned after ceded reinsurance rose 5.5% to SEK 29,397 M (27,856). The increase was attributable to both premium increases and portfolio growth. Premiums earned for private insurance increased 5%, with growth continuing to be driven by household, homeowner, accident and personal-risk insurance. Agria's healthy growth continued with strong new business growth both in Sweden

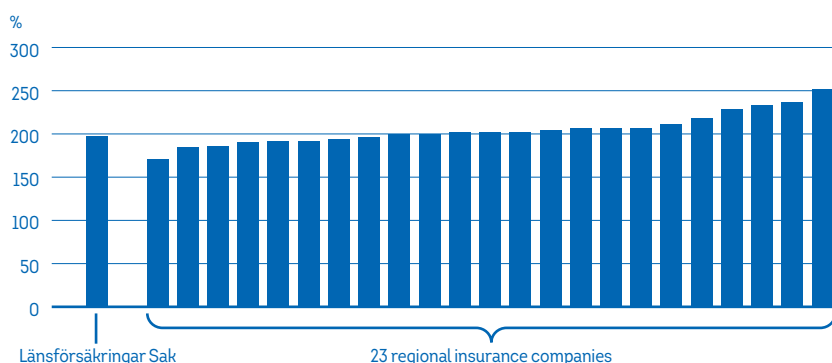
Non-life insurance

	2020	2019	2018	2017	2016
Premiums earned after ceded reinsurance, SEK M	29,397	27,856	26,751	25,504	24,073
Technical result before bonuses, SEK M	2,873	1,824	1,778	2,529	1,813
Operating profit, SEK M	7,252	12,001	2,243	7,078	4,626
Expense ratio, %	19	20	19	18	20
Claims ratio, %	74	77	76	74	75
Combined ratio, %	93	96	96	92	95
Technical result as a percentage of premiums earned after ceded reinsurance	10	7	7	10	8
Solvency capital, SEK M	91,311	82,096	68,472	66,149	57,956
Solvency margin, %	302	288	252	253	236
Return on equity, %	7	14	3	11	8

Technical result

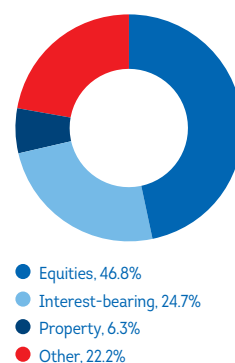


Solvency II ratio on 31 December 2020



The regional insurance companies and Länsförsäkringar Sak remained very well capitalised in 2020. The regional insurance companies measure the capital requirement according to the Solvency II rules using the standard formula, and Länsförsäkringar Sak using a partial internal model approved by the Swedish Financial Supervisory Authority.

Allocation of investment assets



Total investment assets amounted to SEK 130.0 billion on 31 December 2020.

and in the international business lines, partly due to increased interest in getting a pet during the COVID-19 pandemic. Premiums earned for the commercial segment rose 7%, primarily driven by healthy growth in property, commercial and liability insurance. Premiums earned for the motor insurance segment rose 5%, with healthy growth in commercial motor. Premiums earned in the agriculture segment rose by slightly more than 5%.

The premiums growth was relatively unaffected by the COVID-19 pandemic in 2020. Depending on how the pandemic progresses, premium growth may decline due to increased bankruptcies or lower sales among corporate customers, higher unemployment and reduced economic activity.

Claims trend

Claims payments after ceded reinsurance amounted to SEK 21,574 M (21,142) and the claims ratio fell to 74.2% (76.7).

Claims costs declined in 2020, mainly as a result of fewer natural catastrophe claims. Earnings for the first half of 2019 were charged with natural catastrophe claims caused by storm Alfrida and intense hailstorms in southern Sweden as well as several cases of larger fire-damage claims.

Claims costs also declined slightly during 2020 as a result of reduced movement in society due to the COVID-19 pandemic with restrictions and official recommendations in place. Less traffic and

more people staying at home led to slightly lower motor insurance claims and everyday crime. Claims costs for health care insurance also fell slightly in March and April, but then returned to normal levels. However, the combination of a higher claims frequency and increasingly advanced veterinary care led to continuing high claims costs for Agria.

Depending on how the pandemic progresses, claims costs could rise due to higher unemployment, although this affects only a small percentage of the Länsförsäkringar Alliance's total non-life insurance volume.

Investment income

The Länsförsäkringar Alliance reported lower investment income in 2020 of SEK 6,950 M (13,199), a return of 6.3% on the asset value on 31 December 2020. The capital markets were characterised by uncertainty due to the spread of COVID-19, with a sharply negative trend for stock markets in the first quarter but a strong recovery during the remainder of the year. Increases in the value of property investments from holdings in Humlegården* made a positive contribution to investment income.

* Humlegården Fastigheter AB is a property company owned by the 23 regional insurance companies, Länsförsäkringar Sak, Länsförsäkringar Fondliv and Länsförsäkringar Liv.



A customer-owned bank with a strong local presence



Bank

Länsförsäkringar Bank is a customer-owned bank and the leading player in terms of customer satisfaction on the market. With a strong local presence throughout the country and close customer relationships through local meetings and competitive digital services Länsförsäkringar Bank is one of the leading retail banks in Sweden.

Länsförsäkringar Bank was founded in 1996 and is now the fifth largest retail bank in Sweden with a business volume of SEK 729 billion. The banking operations are conducted only in Sweden and the market position is continuing to steadily strengthen.

Economic environment and market

2020 was characterised by the COVID-19 pandemic that also dominated the global economy. Global GDP for 2020 is expected to fall due to the extensive restrictions implemented to slow the spread of COVID-19. Economic policy has been crucial in mitigating the effects of the crisis by applying expansive fiscal and monetary policies. Recovery was quick, but slowed in the autumn when the US, Europe and other parts of the world were hit by a second wave of high infection rates and new, far-reaching restrictions were introduced.

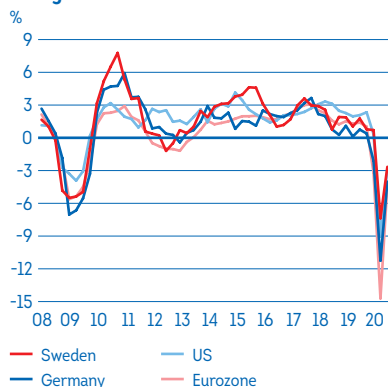
However, the outlook for the economic recovery has improved as more vaccines are becoming available. How the global economy will perform now depends on the efficiency of the vaccination programmes that started at year-end. If the speed and success of the programmes are below expectations, it could mean that restrictive measures will become a permanent feature for much of 2021.

The US economy was severely impacted by restrictions and GDP for 2020 is expected to fall sharply. Unemployment rose rapidly from

record lows at the end of 2019 to more than 14% in the spring. There was nevertheless a substantial recovery, with unemployment falling to less than 7% in the autumn. The US presidential election was a possible cause for concern for the financial markets, but there were no major reactions from the market. The expansive fiscal policy combined with the vaccine roll-out and relatively high optimism are expected to result in recovery continuing in 2021. The US central bank, the Fed, is pursuing a new monetary policy strategy in which it will compensate for periods of low inflation by allowing the inflation rate to rise above its target of 2%. The Fed will also focus more on employment. The new strategy means that US monetary policy will be slightly more expansive with low interest rates and asset purchases for a long time.

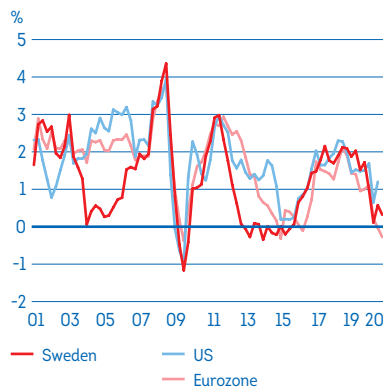
The downturn in Europe was deep but with significant differences between countries. The trend in service-oriented countries such as Spain and Italy was alarming, while Germany, in which industry is a large part of the economy, fared better. National debt is continuing to grow quickly as governments continue to alleviate the effects of the pandemic. However, market interest rates remained stable. An EU-wide Recovery and Resilience Facility, financed by the EU and ECB to stimulate the economy through extensive bond buying, resulted in higher confidence in the currency union. The ECB has decided to leave the key interest rate unchanged and has instead

GDP growth*



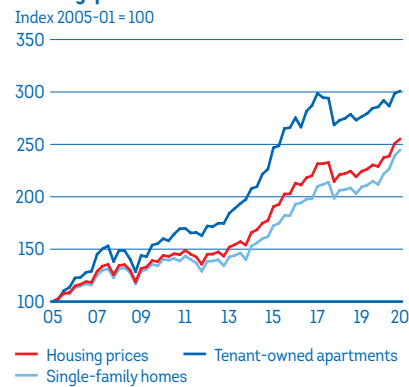
There was a steep decline in GDP globally. Sweden fared well compared with the rest of Europe, however.

Inflation*



Inflation remained at a low level.

Housing-price trend*



The housing market in Sweden showed resilience and housing prices increased during the year.

* Source: Macrobond

used other means to stimulate the economy and stabilise markets. For example, the ECB expanded its asset purchase programme and improved long-term borrowing conditions for banks.

Sweden was also deeply affected by the COVID-19 pandemic, but its economic performance was better than several other European countries. GDP was unchanged in the first quarter of 2020 and the decline in the spring was less than feared. A sustainable recovery was made in the second half of the year and the performance of the labour market was better than expected with lower unemployment. The Riksbank decided to use its balance sheet to stimulate the economy and did not touch the repo rate. The asset purchase programme was expanded in the fourth quarter to SEK 700 billion and includes government bonds, treasury bills, covered bonds, municipal bonds and corporate securities.

Global stock markets performed very negatively at the end of the first quarter due to the outbreak of the COVID-19 pandemic and concern about its effects, but recovered very well during the remainder of 2020. The MSCI World Index and the S&P 500 Index rose 14% and 16%, respectively, during the year. The Stockholm Stock Exchange followed the same trend, up almost 13% in 2020.

The Swedish housing market demonstrated surprising resilience and was stable in 2020 with housing prices rising across the country. Expectations of low interest rates, together with COVID-related restrictions, led to higher demand for larger housing, while homeowners were not impacted by redundancies to the same extent as other groups in society. According to Valueguard, housing prices increased a total of 11.5% in 2020.

Regulatory development

The development of new financial regulations is expected to continue at a rapid pace and will have a major impact on banks moving forward.

In December 2020, the Swedish parliament decided to change the capital adequacy rules due to the implementation of the EU banking package. The changed rules include the application of the new Pillar II requirements. The aim of the EU banking package is to increase the harmonisation of the provisions of the Capital Adequacy and Crisis Management Directives.

Changes to the laws on bank recovery and resolution are expected to come into force mid-year 2021. The previously approved amendments to the Capital Requirements Regulation will start to apply from 28 June 2021 and will include a minimum leverage ratio and net stable funding ratio (NSFR).

In December 2020, the Swedish Financial Supervisory Authority decided to extend the risk weight floor of 25% for Swedish mortgages by one year. The decision applies from 30 December 2020 until 30 December 2021. The European Banking Authority (EBA) has prepared new guidelines on banks' internal ratings-based approaches. Swedish banks need to adapt to these new regulatory changes, which will result in significant changes to models. The new guidelines are to have been implemented by 2021 at the latest.

A proposal on how completing the Basel III regulations is to be implemented in Europe is expected in 2021. The original proposal published by the Basel Committee in 2017 entails major changes for banks and includes changes to the Standardised Approach for both credit and operational risk as well as the introduction of a capital floor of 72.5%. The capital floor entails that the Risk Exposure Amount for a bank that applies internal models may not, in total, be lower than 72.5% of the risk-weighted amount calculated according to the Standardised Approach. The new rules are expected to take effect in 2023.

Strategy and goals

Länsförsäkringar Bank's strategy is to offer banking services to the Länsförsäkringar Alliance's customers and leverage Länsförsäkringar's strong brand and local presence. The banking operations have a large potential customer base with the Länsförsäkringar Alliance's 3.9 million customers. One target group is the 3.2 million retail customers, of whom 2.4 million are home-insurance customers. Another target group is agricultural customers and small businesses. The aim is, based on low risk, to maintain healthy growth in volumes and profitability, have the most satisfied customers and more customers who have both banking and insurance with Länsförsäkringar. According to the 2020 Swedish Quality Index customer satisfaction survey, Länsförsäkringar Bank remains the player on the banking market with the most satisfied retail customers, a position that Länsförsäkringar Bank has won 15 times in the past 17 years. Länsförsäkringar Bank is also the player with the most satisfied corporate customers and one of the leading players in terms of customer satisfaction for retail mortgage customers, according to the 2020 Swedish Quality Index. The high customer satisfaction is confirmation of Länsförsäkringar's clear customer focus and high quality. With Länsförsäkringar's comprehensive banking and insurance offering, customers receive a total solution that creates security and added value.

Business volume:
SEK 729 billion

Primary bank customers who are also
insurance customers

Number of primary bank customers:
586,000

+11%

91%

+6%

Offering

Savings

Länsförsäkringar focuses on giving customers secure savings. Customers are offered savings through various types of deposit accounts and also through such products as mutual fund savings, Investment Savings Accounts (ISK) and equities savings. Customer meetings strive to ensure that customers have secure private finances in which savings and mortgage repayments are key elements. By making mortgage repayments, customers' private finances can become more balanced over time.

Deposits

Growth in deposits from the public has been stable in recent years and rose 14% to SEK 136 billion in 2020. The market share for household deposits was 5.3% and the number of deposit accounts increased 5%. The Investment Savings Account (ISK) displayed healthy growth during the year and the number of ISKs at year-end was 403,000, up 15%.

Fund management

Sweden's fund market continued to grow in 2020. Länsförsäkringar Fondförvaltning commands a market share measured in fund assets of 4.1%. The fund offering comprises 38 mutual funds under Länsförsäkringar's own brand with various investment orientations and a fund platform with external funds. The fund volume increased 10% to SEK 253 billion during the year, of which managed funds under own brands amounted to SEK 222 billion. 82% of Länsförsäkringar's funds managed under own brand performed better than their benchmark index in 2020.

As part of Länsförsäkringar's climate-smart vision, Länsförsäkringar Fondförvaltning made extensive changes in November 2020 to the fund rules for, and management of, the former fund Länsförsäkringar FossilSmart. With these changes, the fund changed its name to Länsförsäkringar Global Klimatindex, thus establishing Länsförsäkringar's first climate index fund. Länsförsäkringar Global Klimatindex blacklists fossil fuels and companies with high carbon

emissions. The fund includes a higher share of companies that produce products and services that reduce carbon footprint, such as renewable energy, electric cars and solar panel manufacturers, than a traditional global index fund. The fund also follows Länsförsäkringar's standard exclusion list.

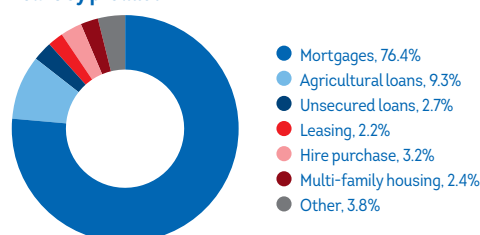
Loans

The bank's lending continues to grow steadily and maintains low risk. Lending rose 11% to SEK 340 billion in 2020. The largest product is retail mortgages, which comprises 76% of the loan portfolio. Retail mortgages are mostly granted by Länsförsäkringar Hypotek, which offers mortgages up to 75% of the market value. Any surplus mortgage portions are offered by Länsförsäkringar Bank. Loans to tenant-owners' associations and to multi-family housing are offered in addition to mortgages. The market share for mortgages amounted to 7.1%.

Länsförsäkringar Bank is one of the largest players in agricultural lending in Sweden and primarily targets family-owned agricultural operations that are insurance customers with Länsförsäkringar. The average agricultural loan commitment is small and the percentage of first-lien mortgages is 96%.

Wasa Kredit offers leasing, hire purchase and unsecured loans and the company reported a favourable performance for the year. Lending increased 4% to SEK 25 billion.

Loans by product

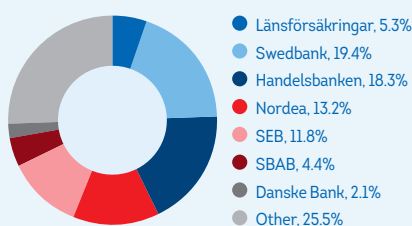


The loan portfolio primarily comprises retail mortgages.

Market shares

Retail deposits

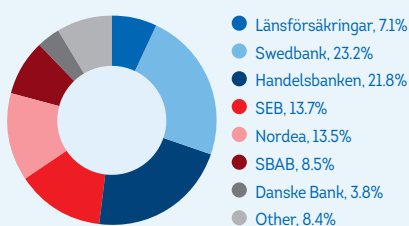
Source: Statistics Sweden



The market position in retail deposits amounted to 5.3%.

Retail mortgages

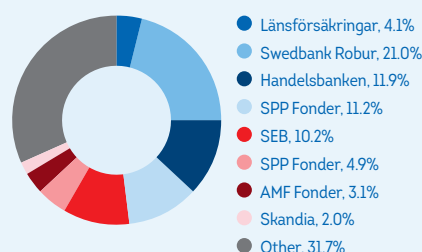
Source: Statistics Sweden



The market position in retail mortgages amounted to 7.1%.

Funds managed under Länsförsäkringar's own brand

Source: Moneygate



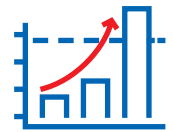
Länsförsäkringar holds a 4.1% market share of Swedish fund volumes.



Offering to young people

Länsförsäkringar Bank has one of the market's most attractive offers for young people that includes a card and payment service, a young person's account with a bank card, Internet and telephone banking and digital services. Digital services make everyday life easy and Swish is the first choice for sending and receiving money by mobile phone. More digital services can be added from the age of 16, for example, making payments and linking more pay services to the card.

Corporate segment



Deposits in the corporate segment continued to grow and deposits from businesses amounted to SEK 14.6 billion on 31 December 2020. Growth in payment services included in the corporate offering was also healthy during the year. According to the 2020 Swedish Quality Index, Länsförsäkringar Bank remains the leading player on the banking market for customer satisfaction among corporate customers.

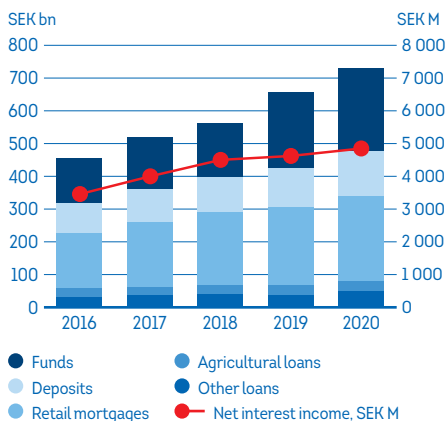
Payments and bank cards

Bank cards are continuously developed to offer customers security and a high level of service in their payment services. The number of bank cards issued by Länsförsäkringar Bank increased 5% to 732,000 and the number of card-payment transactions amounted to 185 million. The Swish payment service performed well during the year. Länsförsäkringar Bank, which is one of the drivers of the Swish partnership, owns 10% of the company that manages and develops the service.

82%

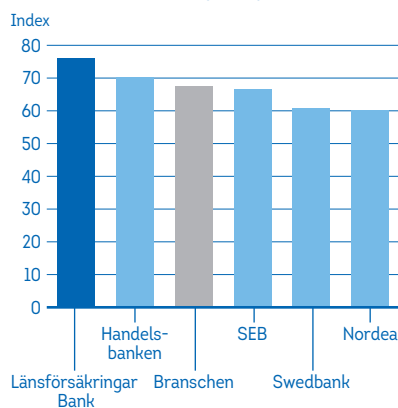
of Länsförsäkringar's funds managed under own brand performed better than the benchmark index in 2020.

Business volumes and net interest income



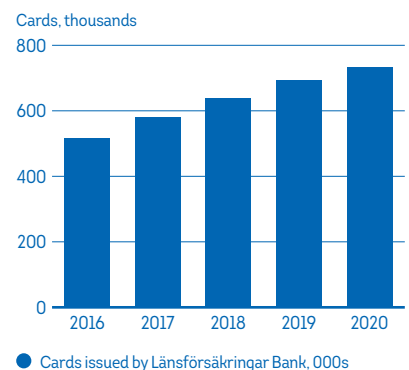
Total business volumes have increased an average of 12% over the past five years. Net interest income has risen an average of 12%.

Customer satisfaction, bank, retail customers



Länsförsäkringar Bank remains the player on the banking market with the most satisfied retail customers according to the Swedish Quality Index (SQI 2020).

Bank cards



The number of bank cards issued by Länsförsäkringar Bank has risen steadily over the past five years and now totals 732,000.

Loans and credit quality

Lending

Länsförsäkringar Bank's loans are granted in Sweden and in SEK. Lending to both retail and corporate customers is well distributed geographically, with low average loan commitments per customer. Lending is primarily directed towards retail mortgages for private individuals, small-scale family-owned agricultural operations with a low risk level and finance-company products. Loans are based on standardised credit regulations and most credit decisions are made locally. In the business model between Länsförsäkringar Bank and the regional insurance companies, there is a strong incentive to maintain high credit quality. The high credit quality of the loan portfolio is the result of the low risk profile, credit regulations combined with credit scoring and local customer and market knowledge. The credit regulations impose strict requirements on customers' repayment capacity and the quality of collateral. The repayment capacity of borrowers is tested as part of the credit process using "left to live on" calculations. These calculations apply a higher interest rate than the actual rate. Both the loan portfolio and value of the collateral are continuously monitored and quality assured. Wasa Kredit manages the vast majority of its credit decisions through its own credit process without the involvement of the regional insurance companies.

Mortgages for private individuals

Loans to the public rose 11% to SEK 340 billion in 2020. Retail mortgages for private individuals' housing comprise 76% of the loan portfolio. First-lien mortgages, meaning loans with a loan-to-value ratio (LTV) of up to 75%, account for 96% of retail mortgages. A total of 74% of the collateral for retail mortgages comprises single-family homes. The average loan commitment is low at SEK 1.4 M per borrower. 51% of borrowers have a commitment of less than SEK 2 M. The geographic spread of lending is diverse, thus resulting in low concentration risk.

The weighted average loan-to-value ratio for mortgage lending amounted to 61%. Market-value analyses of the collateral in retail mortgages are performed continuously and a market-value update is performed at least once per year for all single-family homes and tenant-owned apartments.

It is essential for Länsförsäkringar Bank to continue to maintain high credit quality. Mortgage repayments are a key tool in ensuring that households have stable and secure finances. Länsförsäkringar also encourages customers who do not fall under the repayment requirements to make repayments on their mortgage so as to keep a healthy balance in their private finances.

Agricultural loans

Agricultural lending amounts to SEK 32 billion, corresponding to 9% of the loan portfolio, and 96% comprises first-lien mortgages. The remaining lending comprises second-lien mortgages and operating credits. Family-owned agricultural operations account for 98% of agricultural loans. The average commitment is low at SEK 2.4 M per borrower. Agricultural lending grew at a lower rate than other loans during the year.

Leasing, hire purchase and unsecured loans

Wasa Kredit is the Bank Group's finance company that offers leasing and hire purchase financing through both partners in such areas as vehicles, computer/office and machinery, and directly to corporate

customers. Wasa Kredit also offers loans and credit card loans to private individuals. Wasa Kredit's lending volume amounts to SEK 25 billion, corresponding to 7% of the loan portfolio. The leasing and hire purchase products jointly represent slightly more than 5% of the Group's loan portfolio. In addition, unsecured loans make up nearly 3% of the loan portfolio.

Temporary mortgage repayment relief

Länsförsäkringar Bank granted temporary mortgage repayment holidays following guidelines issued by the Swedish Financial Supervisory Authority. Based on individual assessment, corporate customers were also granted a repayment holiday or received other liquidity support to manage their temporary liquidity problems. Applications for repayment holidays from corporate customers were mainly related to Wasa Kredit. Applications for temporary mortgage repayment relief were at low levels in the fourth quarter of 2020. The total volume of mortgages that were granted repayment holidays due to COVID-19 amounted to SEK 14.1 billion on 31 December 2020. Granted repayment holidays did not entail an automatic transfer to stage 2 in the calculation of expected credit losses. The number of applications received for such repayment holidays in other lending segments was also at a low level in the fourth quarter of 2020. Most corporate customers awarded such holidays have since returned to following their normal repayment plans.

Credit quality and credit losses

The high credit quality of the loan portfolio is a result of lending being based on a low risk tolerance. A condition for full compensation of the regional insurance companies' distribution remuneration by the Bank Group (excluding Wasa Kredit AB) is that the loans generated by each company for the Bank Group are of high quality. If this is not the case, up to 80% of any credit losses is off-set against the accrued remuneration to the regional insurance companies. This settlement account is kept separate and is taken into consideration when the provisions are established. Credit losses in the Bank Group remained low and were almost exclusively attributable to Wasa Kredit. The credit loss level for Länsförsäkringar Hypotek and Länsförsäkringar Bank in 2020 was 0.00% and 0.00%, respectively. Credit losses for 2020 totalled SEK 326 M, net, corresponding to a credit loss level of 0.09%. The gloomier macroeconomic forecasts resulting from COVID-19 resulted in a slight increase in loss allowances during the year. Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 1,151 M, corresponding to a share of credit-impaired loan receivables of 0.22%. The loss allowance for credit-impaired loan receivables was SEK 405 M. The reserve ratio for credit-impaired loan receivables amounted to 35.2%. In addition, SEK 54 M of the remuneration to the regional insurance companies' commitments regarding credit-impaired loan receivables is withheld in accordance with the model above. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 459 M. The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 39.9% and the total recognised loss allowance was SEK 914 M, of which SEK 132 M pertained to withheld remuneration to regional insurance companies in accordance with the model above.

Funding and liquidity

Targets

The target of the funding operations is to ensure that the Group has a sufficiently strong liquidity reserve to manage turbulent periods in capital markets, when funding opportunities are limited or prevailing circumstances render funding impossible. The Group's liquidity risk is controlled on the basis of a survival horizon, meaning how long all known cash flows can be met without access to financing in the capital market.

Financing sources

The composition of financing is a result of the bank being a retail bank with large mortgage lending operations. Accordingly, the main financing sources are deposits in Länsförsäkringar Bank and funding based on the covered bonds issued by Länsförsäkringar Hypotek. These covered bonds have the highest credit ratings, Aaa from Moody's and AAA/Stable from S&P Global Ratings. Long-term senior funding and short-term funding takes place in Länsförsäkringar Bank. The Group endeavours to maintain a sound balance of covered and senior unsecured funding and all capital market funding is conducted under a number of funding programmes. The single most important source of financing is the Swedish covered bond market, where Länsförsäkringar Hypotek has a number of outstanding liquid benchmark bonds. At year-end, Länsförsäkringar Hypotek had seven outstanding benchmark loans with maturities until 2027. The Swedish covered bond market is one of Europe's largest and most liquid, which secures good access to long-term financing.

Diversification

Since all lending is in SEK, the Group has no structural need for financing in foreign currency. However, the bank has chosen to conduct a certain portion of its capital market funding in international markets in an effort to diversify and broaden the investor base. Funding has continuously taken place through issuance of Euro benchmark covered bonds. Länsförsäkringar Bank has issued three

senior unsecured euro benchmark bonds since September 2017, which is another step in increasing funding diversification and strengthening the brand in both the Swedish and European capital markets. This move establishes Länsförsäkringar Bank as a regular issuer also on the market for senior debt in EUR. In addition, diversification takes place through issuances of bonds, primarily in the currencies of CHF, NOK, GBP and USD. The international markets were primarily used for long maturities.

Refinancing and liquidity risk management

The Bank Group works pro-actively with its outstanding liabilities by repurchasing bonds with short remaining terms against issuance of long-term liabilities as a means of managing and minimising the liquidity and refinancing risk. The market risks that arise in the lending and funding operations are managed through derivative instruments.

Deposits

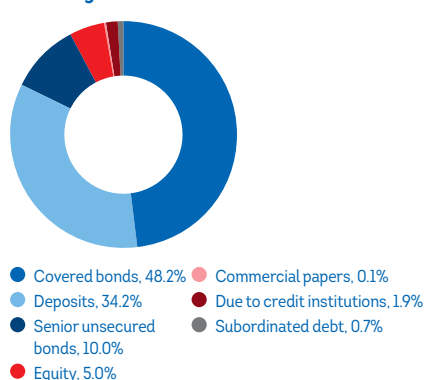
The share of deposits in the Group's total financing amounted to 34% on 31 December 2020. Deposits developed strongly during the year, increasing 14%, partly as a result of the bank's healthy customer growth.

Funding operations

Following the initial turmoil when the pandemic started, the funding operations functioned well during the year and demand from investors was high.

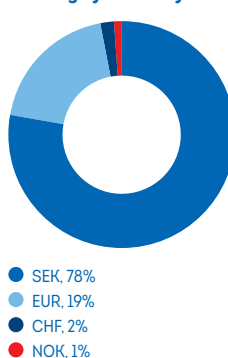
In January, Länsförsäkringar Bank issued a senior unsecured five-year Euro bond for a nominal EUR 500 M. In addition, Länsförsäkringar Hypotek issued a Swedish benchmark bond (LFH520) during the year, which matures in September 2027. The average remaining term for the long-term financing is 3.1 years for senior unsecured bonds and 3.4 years for covered bonds.

Financing sources



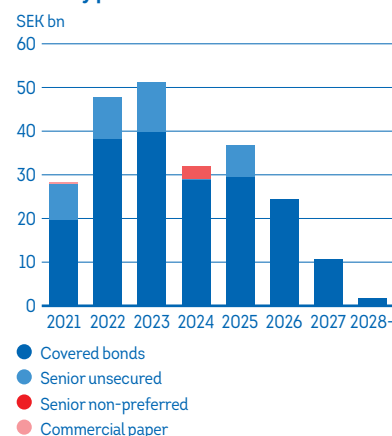
The largest source of financing in the Group is covered bonds, representing close to 50%.

Funding by currency



Wholesale funding primarily takes place in the Swedish market and in SEK.

Maturity profile



Liquidity

Effective long-term planning and low risk tolerance are the hallmarks of the bank's liquidity and funding management. A satisfactory liquidity reserve is in place to ensure that sufficient liquidity is always available. The management and investment of the liquidity reserve are conservative.

A total of 44% of the liquidity reserve comprises Swedish covered bonds, 18% deposits with the Swedish National Debt Office and Riksbank, 15% Swedish government bonds, 11% bonds issued or guaranteed by European governments and multinational development banks, 6% other Swedish bonds with an AAA/Aaa credit rating, 5% Nordic AAA/Aaa-rated covered bonds and 1% other liquid assets. Slightly more than SEK 3,200 M of the liquidity reserve comprises green bonds. By utilising the liquidity reserve, contractual undertakings can be met for about two years without needing to secure new funding in the capital market.

The Liquidity Coverage Ratio (LCR) for the consolidated situation on 31 December 2020 amounted to 263%. The Net Stable Funding Ratio (NSFR) for the consolidated situation amounted to 129%* on 31 December 2020.

* The calculation is based on the application of the regulatory requirements according to the future update of the Capital Requirements Regulation.

Rating

Länsförsäkringar Bank's long-term credit rating is A1/Stable from Moody's and A/Stable from S&P Global Ratings. The short-term credit ratings are P-1 from Moody's and A-1 from S&P Global Ratings.

Länsförsäkringar Hypotek's covered bonds maintained the highest credit rating of Aaa from Moody's, and AAA/Stable from S&P Global Ratings. Länsförsäkringar Hypotek is thus one of three issuers in the Swedish market for covered bonds with the highest rating from both S&P Global Ratings and Moody's.

MREL

In December 2020, the Swedish National Debt Office established its annual decisions on resolution plans and minimum requirement for own funds and eligible liabilities (MREL) for the institutions that the Debt Office deems to be systemically important, which includes Länsförsäkringar Bank. The Debt Office also decided on individual minimum requirements for Länsförsäkringar Bank's subsidiaries, Länsförsäkringar Hypotek and Wasa Kredit.

Anti-money laundering

Money laundering, terror financing and other economic crime are all global problems that bring significant challenges for society. The priority of these issues has increased over the last decade since the crimes have continuously increased in both extent and complexity. The concepts are also broad and include a number of different types. Money laundering aims to integrate illegal money into the legal economy by "laundering" the money from criminal activity through the financial system. Terror financing includes both making direct donations to terrorism, and also collecting, providing and receiving money and assets for the purpose of financing terrorism. Banks and other financial companies are not protected from this type of crime but are exploited to achieve their criminal objectives.

Under the Swedish Money Laundering Act, financial companies are to assess, limit and monitor their risks of being utilised to launder money and finance terrorism. They are also to actively identify and report suspicious activities. The rules are comprised of three central pillars: risk assessment, customer due diligence, and monitoring and reporting. The fifth EU Money Laundering Directive came into effect in January 2020 through implementation in Swedish law and in the

regulations of the Swedish Financial Supervisory Authority. The amendments include greater protection for whistle-blowers and improving the basis for cooperation and exchanging information between various supervisory authorities. Furthermore, the new law also includes managing and trading in virtual currencies. A sixth anti-money laundering directive is planned to be incorporated into Swedish law. Its main focus is to create standardised criminal law definitions of money laundering crimes, for example, and to harmonise the Member States' criminal laws on money laundering.

Länsförsäkringar Bank is continuing to invest in improving processes and expertise related to money laundering and customer due diligence, by enhancing the efficiency of and improving work procedures and by strengthening the organisation with additional resources and personnel. Part of this work involved establishing a new unit, Financial Crime Prevention (FCP), in 2020, which holds the responsibility for preventing financial crime. The head of the unit is a member of the bank's management team and reports directly to the President.

Comments on financial results, Länsförsäkringar Bank

Earnings and profitability

The Länsförsäkringar Bank Group's operating profit declined 3% to SEK 1,844 M (1,893). The decline was mainly due to higher credit losses as a result of the uncertain macroeconomic situation caused by COVID-19. Operating profit before credit losses rose 3% to SEK 2,169 M (2,101).

Income

Net interest income rose 5% to SEK 4,845 M (4,617), mainly attributable to higher volumes. The return on equity amounted to 8.5% (9.5). Net losses from financial items amounted to SEK -28 M (15). The strong trend in underlying net commission, excluding remuneration to the regional insurance companies, continued, increasing 5% to SEK 1,028 M (977). Net commission amounted to SEK -559 M (-636).

Expenses

Operating expenses rose 9% to SEK 2,109 M (1,926). The increase was mainly due to AML-related costs, IT costs for digitisation and higher depreciation. The cost/income ratio before credit losses was 0.49 (0.48) and the cost/income ratio after credit losses was 0.57 (0.53).

Credit losses

Credit losses in the Bank Group remained low and were almost exclusively attributable to Wasa Kredit. Credit losses totalled SEK 326 M (207), net, for 2020, corresponding to a credit loss level of 0.09% (0.06). The increase was mainly due to higher loss allowances due to the gloomier macroeconomic forecasts resulting from COVID-19.

Business volumes

Business volumes increased 11% to SEK 729 billion (656). Lending rose 11% to SEK 340 billion (307) with continued high credit quality. Lending amounted to SEK 55 billion (43) in Länsförsäkringar Bank, SEK 260 billion (240) in Länsförsäkringar Hypotek and SEK 25 billion (24) in Wasa Kredit. Deposits rose 14% to SEK 136 billion (119). The fund volume increased 10% to SEK 253 billion (230).

Länsförsäkringar Bank, Group

Income statement

SEK M	2020	2019
Net interest income	4,845	4,617
Net commission	-559	-636
Net gains/losses from financial items	-28	15
Other operating income	20	31
Total operating income	4,278	4,027
Staff costs	-636	-640
Other administration expenses	-1,266	-1,115
Depreciation/amortisation and impairment of property and equipment and intangible assets	-207	-171
Total operating expenses	-2,109	-1,926
Profit before credit losses	2,169	2,101
Credit losses, net	-326	-207
Operating profit	1,844	1,893
Tax	-404	-454
NET PROFIT FOR THE YEAR	1,439	1,440

Balance sheet

SEK M	31 Dec 2020	31 Dec 2019
ASSETS		
Treasury bills and other eligible bills	11,796	9,934
Loans to credit institutions	2,557	408
Loans to the public	340,007	307,099
Bonds and other interest-bearing securities	46,823	42,673
Intangible assets	1,345	1,252
Tangible assets	112	89
Other assets	6,971	19,241
TOTAL ASSETS	409,611	380,696
EQUITY AND LIABILITIES		
Due to credit institutions	7,403	6,565
Deposits and funding from the public	136,388	119,303
Debt securities in issue	236,138	227,616
Subordinated liabilities	2,597	2,595
Other liabilities	7,255	6,138
Equity	19,830	18,479
TOTAL EQUITY AND LIABILITIES	409,611	380,696

Continued focus on customer satisfaction and sustainability



Life assurance and pension insurance

Despite the COVID-19 pandemic, Länsförsäkringar's life assurance and pension insurance business delivered strong earnings, which benefited customers in the form of high investment returns and gradually increased bonus rates. Länsförsäkringar's focus on sustainability met customers' significantly higher interest in sustainability-focused funds in 2020.

Länsförsäkringar offers pension savings, primarily occupational pensions. Fund management, guarantee management and personal-risk insurance are offered through Länsförsäkringar Fondliv. No new business is underwritten in Länsförsäkringar Liv, but the company manages traditional life assurance that was taken out before September 2011.

According to the Swedish Quality Index's 2020 customer satisfaction survey, Länsförsäkringar has, for the third consecutive year, Sweden's most satisfied customers in private pension insurance among the companies ranked. Länsförsäkringar Fondliv works continuously on offering simple alternatives and a greater choice for customers, in order to maintain this high level of customer satisfaction. 18 new funds were launched in 2020, leading to more options for customers to invest in different categories and in funds with a sustainability focus.

Länsförsäkringar works to incorporate active sustainability efforts throughout the entire operations, particularly by offering responsible investments for customers' pension savings. All funds are carefully analysed and assessed based on criteria including management organisation, return and sustainability. All of the funds in the range have signed the UN Principles for Responsible Investment (PRI). Länsförsäkringar Fondliv was one of the first companies in the industry to introduce supplementary criteria for identifying and promoting companies in the transition to the climate targets of the Paris Agreement. Länsförsäkringar's fund range enjoys a high sustainability

ranking, for example, in the annual analyses of the major insurance brokers. Länsförsäkringar came third in Morningstar's analysis of the ESG credentials of Europe's 100 largest fund companies.

In 2020 Länsförsäkringar launched nine new sustainability-focused funds, five sustainability-focused investment proposals as well as Gröna Lövet (Green Leaf), a label for funds with a low climate risk. Customer interest in sustainability-focused equities funds and funds with low climate risk is increasing and accounted for 40% of total assets in 2020. The return in Länsförsäkringar's fund range was highly competitive during the year.

On 1 January 2020, Länsförsäkringar again became an eligible manager for the KAP-KL and AKAP-KL occupational pensions with unit-linked insurance, meaning that more than one million municipal and county council employees can choose Länsförsäkringar for their occupational pension.

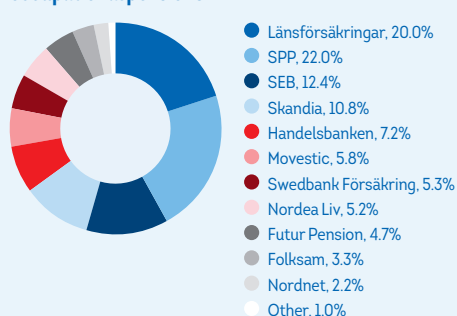
Market

Länsförsäkringar remains one of the leading companies in its priority market – the unit-linked insurance market for individual occupational pensions – with a market share of 20.0% (17.7). Premium income in this sub-market amounted to SEK 47 billion (39) in 2020, up 19% compared with 2019.

Länsförsäkringar is the third largest company in the total unit-linked insurance market, with a market share of 11.6% (9.6). In the overall occupational pension market, which includes traditional

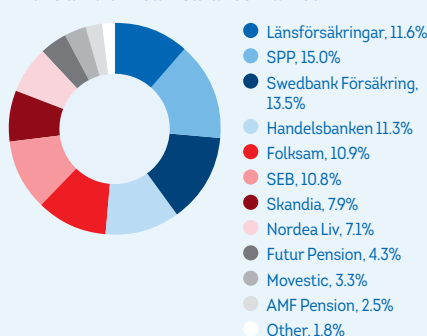
Market shares

Unit-linked insurance, individual occupational pensions*



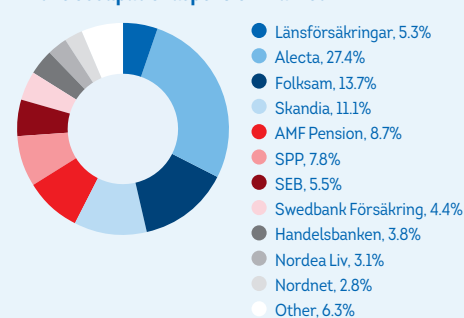
Länsförsäkringar remained one of the market leaders in the sub-market of unit-linked insurance for individual occupational pensions, measured in premium income.

Entire unit-linked insurance market*



Länsförsäkringar's total market share in unit-linked insurance, measured in premium income, amounted to 11.6% on 31 December 2020.

Entire occupational pension market*



Länsförsäkringar's market share of the entire occupational pension market, measured in premium income, amounted to 5.3% on 31 December 2020.

* Source: Insurance Sweden

insurance and deposit insurance. Länsförsäkringar is the seventh largest company with a market share of 5.3% (4.6).

Länsförsäkringar Fondliv's unit-linked insurance and guarantee management

Unit-linked insurance

In 2020, the financial markets performed very negatively in the first quarter, but recovered strongly in the second half of the year. This trend was also reflected in Länsförsäkringar Fondliv's fund range. Of a total of 159 funds, 76% generated a positive return, while 24% reported a negative return in the 2020. The categories of funds that performed the strongest included new technology and small cap, while funds targeting certain emerging markets and Europe performed negatively.

Guarantee Management

Länsförsäkringar Fondliv offers guarantee management, which is a form of pension insurance for customers who want a guarantee in their savings and the lowest level on their future payments. Länsförsäkringar guarantees a portion of the customer's paid-in insurance capital with the possibility of additional returns. On 31 December 2020, 49% of the investments comprised interest-bearing investments, 32% equities and 19% alternative investments.

Managed assets amounted to SEK 4.6 billion (4.1). The total return was 5.9% (15.6). The average return has been 4.1% per year since the start in 2012.

Länsförsäkringar Liv's traditional life assurance

Länsförsäkringar Liv, which is closed for new business, conducts traditional life assurance for its customers divided into four portfolios: New Trad, Old Trad, New World and Insured Pension. Total managed assets amounted to SEK 113 billion (114) on 31 December 2020.

New Trad

Managed assets in New Trad amounted to SEK 26 billion (25). New Trad is a management form that customers with existing traditional insurance can choose to transition to. Transitions involve lower fees and a lower guaranteed rate. Länsförsäkringar Liv can thus invest the capital in assets with a higher expected return, which over time increases the possibility of higher bonuses.

Investments as at 31 December 2020 comprised 51% interest-bearing investments, 33% equities, 10% alternative investments and 6% properties. The percentage of alternative investments increased in 2020, while the percentage of interest-bearing investments was reduced.

Investment return was 5.4% (14.9). The bonus rate on 31 December 2020 was 3% (4). The bonus rate was lowered from 4% to 0% on 1 April 2020 as a consequence of the turmoil in the financial markets caused by the COVID-19 pandemic. The bonus rate was raised from 0% to 2% on 1 October 2020 and to 3% on 1 December 2020. The average bonus rate has been 6.4% per year since the start in 2013.

Old Trad

Managed assets in Old Trad amounted to SEK 76 billion (78). The primary aim of risk-taking in the Old Trad investment portfolio is to ensure that the guaranteed commitments can also be realised in the event of a negative market trend. At the same time, balanced risk-taking is applied to facilitate a reasonable return on customers' savings.

Investments on 31 December 2020 comprised 80% interest-bearing investments, 8% alternative investments, 6% properties and 6% equities. The percentage of interest-bearing investments declined in 2020, while the percentage of alternative investments and properties increased.

Investment return amounted to 3.4% (6.9). The bonus rate on 31 December 2020 was 2% (3). The bonus rate was lowered from 3% to 0% on 1 January 2020 as a consequence of the turmoil in the financial markets caused by the COVID-19 pandemic. The bonus rate was raised to 2% on 1 October 2020.

New World

Managed assets in New World amounted to SEK 9 billion (10). New World is a traditional insurance policy whereby customers benefit from changes in value in the equities market, while at the same time are guaranteed to recoup over time at least the premiums paid, after deductions for expenses and yield tax. On 31 December 2020, 70% of the investments comprised equities and 30% interest-bearing investments.

Investment return amounted to 6.5% (17.6).

Insured Pension

Managed assets in Insured Pension amounted to SEK 0.9 billion (1.2). This savings form comprises a bond portion and a derivative portion. The distribution between the two depends on the time remaining until retirement and so the return is individual. Insured Pension customers have been invited to transfer to New Trad since 2018. The offer has been well received and customers with more than SEK 1.1 billion in insurance capital have been transferred to New Trad.

Länsförsäkringar Fondliv offers unit-linked insurance and guarantee management			Länsförsäkringar Liv manages traditional life assurance according to mutual principles*		
	Unit-linked insurance	Guarantee management	New Trad	Old Trad	New World
Return	Depends on customers' choice of funds	5.9%	5.4%, bonus rate 3%**	3.4%, bonus rate 2%**	6.5%
Size of portfolio	SEK 166 billion	SEK 5 billion	SEK 26 billion	SEK 76 billion	SEK 9 billion
Portfolio investments	Depends on customers' choice of funds	49% interest-bearing 32% equities 19% alternative	51% interest-bearing 33% equities 10% alternative 6% properties	80% interest-bearing 6% equities 8% alternative 6% properties	30% interest-bearing 70% equities
Collective consolidation		100%	116%	113%	100%

* The company is not consolidated in Länsförsäkringar AB and all surpluses and deficits accrue to customers.

** The bonus rate was raised to 5% in New Trad and 3% in Old Trad on 1 February 2021.

Comments on financial results, Länsförsäkringar Fondliv

Earnings and profitability

Profit for Länsförsäkringar Fondliv amounted to SEK 705 M (749). Net inflow of premiums and capital from existing and new customers increased to SEK 4,618 M (2,134). Managed assets increased 8% to SEK 171 billion (159) on 31 December 2020 mainly due to positive returns in the second half of the year and a strong net inflow in the underlying business.

Total premium income rose 29% to SEK 12,228 M (9,478), of which capital transferred to the company was SEK 3,758 M (1,510). Premium income after ceded reinsurance for insurance risk increased to SEK 262 M (204). Commission and fee income increased to SEK 1,809 M (1,779) due to higher managed assets and a strong premium inflow in 2020. Operating expenses rose to SEK 1,212 M (1,141), primarily due to higher distribution and administration expenses. The increased administration expenses were largely due to higher IT costs for development and personnel increases.

The effects of the COVID-19 pandemic on Länsförsäkringar Fondliv's performance were relatively limited in 2020, mainly because the stock markets recovered strongly following the decline in the first quarter. Depending on how the pandemic progresses, growth could be negatively affected due to reduced economic activity and higher unemployment.

Capital position

Länsförsäkringar Fondliv's capital position is expressed and measured in accordance with Solvency II as a ratio of own funds in relation to the risk-based capital requirement. Länsförsäkringar Fondliv's solvency ratio on 31 December 2020 was 144% (137). Own funds strengthened during the year as a result of a positive value growth trend, updated assumptions regarding future cash flows and a changed remuneration model with the regional insurance companies. At the same time, own funds were negatively impacted by planned dividends of SEK 1,200 M for the 2020 fiscal year to Länsförsäkringar AB. Länsförsäkringar Fondliv has a strong capital position and is considered highly able to manage any additional effects brought about by the pandemic.

Länsförsäkringar Fondliv

Income statement

SEK M	2020	2019
Premium income after ceded reinsurance	262	204
Fees from financial agreements	811	794
Investment income, net	7,336	30,965
Claims payments	-128	-85
Change in technical provisions	-7,359	-30,984
Operating expenses	-1,212	-1,141
Other technical revenue and expenses	1,125	1,098
Technical result for insurance operations	839	851
Non-technical revenue/expenses	3	0
Profit before tax	839	851
Tax	-135	-102
NET PROFIT FOR THE YEAR	705	749

Balance sheet

SEK M	31 Dec 2020	31 Dec 2019
ASSETS		
Assets	262	239
Other financial investment assets	6,581	5,465
Investment assets for which the policyholder bears the investment risk	165,919	154,563
Reinsurers' portion of technical provisions	45	64
Receivables	1,739	778
Other assets	413	769
Prepaid expenses and accrued income	1,697	1,459
TOTAL ASSETS	176,655	163,338
EQUITY, PROVISIONS AND LIABILITIES		
Equity	3,886	3,182
Technical provisions	2,704	3,445
Insurance commitments for which the policyholder bears the risk	168,735	155,950
Provisions	27	16
Deposits from reinsurers	45	64
Liabilities	1,213	648
Accrued expenses and deferred income	46	33
TOTAL EQUITY, PROVISIONS AND LIABILITIES	176,655	163,338

Comments on financial results, Länsförsäkringar Liv

Earnings and profitability

Profit for Länsförsäkringar Liv amounted to SEK 1,586 M (5,567). Investment income in 2020 was impacted by uncertainty in the financial markets caused by the COVID-19 pandemic. The stock markets performed very negatively in the first quarter, but recovered strongly during the remainder of the year, resulting in positive investment returns in all portfolios at year-end. All classes of assets made a positive contribution to investment income, particularly equities and alternative investments. Investment income totalled SEK 4.1 billion (9.9). Of this amount, investment income for New World amounted to SEK 0.5 billion, which did not impact earnings but accrued directly to the policyholders.

Länsförsäkringar Liv is working actively to strengthen the company's balance sheet and capital position in order to improve the conditions for maintaining its long-term investment strategy. However, persistently low interest rates and an uncertain economic outlook in the external environment present challenges for the future and set high demands on the company's risk management. The bonus rate was adjusted to the development of the pandemic in 2020 to ensure buffers for future payments. The premium discount introduced on risk insurance in July 2019 was extended until 30 September 2020 to give customers better conditions to retain their insurance policies.

Earnings were negatively impacted by Swedish long-term market interest rates falling during the year, which led to a lower discount rate for the liability during the year. Changes in market interest rates affect Länsförsäkringar Liv's earnings since future commitments are

discounted with the market interest rate. However, the company can largely protect itself from interest-rate changes impacting earnings by matching assets and liabilities against each other. In addition to falling market interest rates, discounting of liabilities for terms of more than ten years was negatively affected by the 0.15 percentage point reduction of the Ultimate Forward Rate (UFR) to 3.75%. Technical provisions declined SEK 1.7 billion (0.7) during the year. Operating expenses rose to SEK 438 M (430) due to higher depreciation of deferred acquisition costs. Administration expenses fell 12% to SEK 309 M (350).

Länsförsäkringar Liv is operated according to mutual principles and is not consolidated in Länsförsäkringar AB.

Capital position

Länsförsäkringar Liv's capital position is expressed and measured in accordance with Solvency II as a ratio of own funds in relation to the risk-based capital requirement. Länsförsäkringar Liv's solvency ratio on 31 December 2020 was 195% (211). The reduction in the solvency ratio was mainly due to the capital requirement increasing during the year, primarily as a result of an update to the internal capital model. Collective consolidation on 31 December 2020 amounted to 116%* (112) in New Trad and 113%* (131) in Old Trad. Länsförsäkringar Liv has a strong capital position and is considered highly able to manage any additional effects brought about by the pandemic.

* According to the updated collective consolidation policy from 31 March 2020.

Länsförsäkringar Liv

Income statement

SEK M	2020	2019
Premium income, net	1,191	1,539
Investment income, net	4,099	9,949
Claims payments	-4,877	-4,928
Change in technical provisions	1,992	-296
Bonuses and discounts	-348	-224
Operating expenses	-438	-430
Other technical revenue and expenses	14	4
Technical result, life-assurance operations	1,633	5,614
Non-technical items	-	-
Profit before appropriations and tax	1,633	5,614
Tax allocation reserve	45	50
Tax	-92	-97
Net profit for the year	1,586	5,567
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE YEAR	1,586	5,567

Balance sheet

SEK M	31 Dec 2020	31 Dec 2019
ASSETS		
Investment assets	111,031	115,979
Reinsurers' portion of technical provisions	0	0
Receivables	1,135	2,730
Other assets	4,889	3,634
Prepaid expenses and accrued income	1	53
TOTAL ASSETS	117,056	122,396
EQUITY, PROVISIONS AND LIABILITIES		
Equity	28,518	27,974
Untaxed reserves	246	291
Technical provisions	82,949	85,018
Provisions for other risks and expenses	32	32
Deposits from reinsurers	0	0
Liabilities	5,109	8,902
Accrued expenses and deferred income	202	179
TOTAL EQUITY, PROVISIONS AND LIABILITIES	117,056	122,396

The real-estate brokerage with the most satisfied customers

Real-estate brokerage



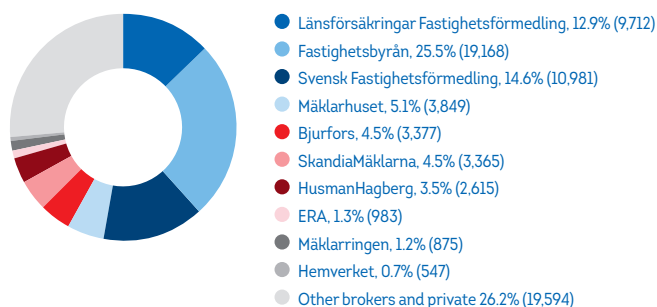
Through Länsförsäkringar Fastighetsförmedling, Länsförsäkringar offers a total solution for reliable mortgage transactions: real-estate brokerage, banking and insurance services all in one company. Real-estate brokerage is also a key customer meeting for sales of mortgages and insurance.

Länsförsäkringar Fastighetsförmedling is one of the largest players in the market and Sweden's fastest growing estate-agent chain, and for the fifth consecutive year had the most satisfied customers according to the Swedish Quality Index's 2020 customer satisfaction survey for the estate-agent industry. The real-estate brokerage is an integrated part of the local regional insurance companies' full-service offering, with the aim of offering more than just brokerage and sales of residential properties. The operations are conducted in franchise form, whereby the regional insurance companies act as the franchiser for the local branches. Länsförsäkringar Fastighetsförmedling has 181 branches throughout Sweden. This also means that Länsförsäkringar Fastighetsförmedling differs from other national estate-agent chains by always being locally based.

In 2020 Länsförsäkringar Fastighetsförmedling brokered a total of 26,304 listings (23,491), an increase of 12%. The number of brokered tenant-owned apartments rose 14% to 14,720 (12,916) and the number of brokered single-family homes increased 8% to 10,288 (9,530). Commission income rose 19% to SEK 1,223 M (1,026). The total sales value for 2020 was SEK 63.4 billion (52.4). Länsförsäkringar Fastighetsförmedling's market share of brokered single-family homes* was 12.9% on 31 July 2020. The market share of brokered tenant-owned apartments* was 11.5% on 31 December 2020.

Market shares and number of single-family homes brokered on 31 July 2020*

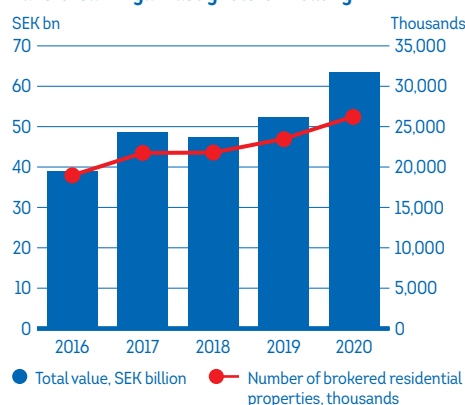
Source: Värderingsdata



Länsförsäkringar Fastighetsförmedling is the third largest brokerage group, measured by brokered single-family homes*.

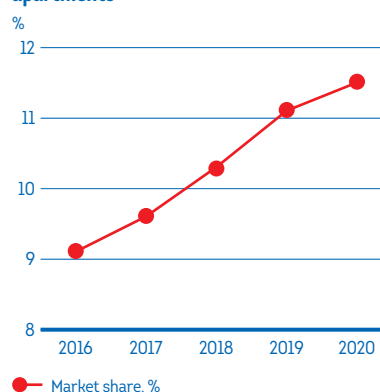
* Statistics for market shares for single-family homes are based on Värderingsdata's list of land registration certificates (rolling 12 months on 31 July 2020). The corresponding figures for tenant-owned apartments are based on tenant-owned apartments removed from Hemnet (rolling 12 months on 31 December 2020).

Residential properties brokered by Länsförsäkringar Fastighetsförmedling



The number of brokered residential properties increased 12% in 2020.

Länsförsäkringar Fastighetsförmedling's market share of brokered tenant-owned apartments*



Länsförsäkringar Fastighetsförmedling is the fastest-growing estate-agent chain in Sweden.

Länsförsäkringar Alliance in figures

The combined earnings of the Länsförsäkringar Alliance's non-life insurance operations are presented first on the following pages. This is followed by key figures from each of the 23 regional insurance companies.

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60	Länsförsäkringar Kalmar län
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Länsförsäkringar Alliance 2020

	Norrbotten	Västerbotten	Jämtland	Västernorrland	Gävleborg	Dalarna	Värmland	Uppsala	Bergslagen	Stockholm	Södermanland
NON-LIFE INSURANCE, SEK M											
Result after ceded reinsurance 2020											
Premiums earned	481	978	480	487	543	1,411	661	819	1,358	2,149	647
Investment income transferred from financial operations	30	17	12	7	3	4	3	8	3	5	27
Claims payments	-343	-704	-370	-399	-362	-1,090	-402	-589	-995	-1,611	-542
Operating expenses	-85	-157	-104	-98	-123	-225	-115	-131	-219	-440	-110
Other income/expenses	-2	-6	-3	-3	-3	-7	-4	-5	-7	-8	-4
Technical result from non-life insurance operations before bonuses and discounts	80	127	15	-7	57	93	143	102	140	95	19
Bonuses and discounts	-19	-91	-	-	-	-292	-65	-	-	-	-100
Technical result for non-life insurance operations	62	36	15	-7	57	-198	78	102	140	95	-81
Total investment income	97	255	241	88	105	649	315	367	554	357	297
Investment income transferred to insurance operations	-30	-17	-12	-7	-3	-4	-3	-8	-3	-5	-27
Other income/expenses	-3	4	-12	0	0	3	4	8	12	1	-7
Operating profit	125	279	233	74	160	449	394	468	703	448	183

Balance sheet, 31 Dec 2020

ASSETS

Investment assets

Shares in Länsförsäkringar AB	429	1,149	776	909	1,010	2,068	691	1,442	1,683	2,757	1,104
Other shares and participations	818	2,531	1,736	358	611	4,500	1,538	1,986	4,357	1,788	2,703
Bonds and other interest-bearing securities	344	1,245	739	827	875	1,626	829	1,337	1,382	2,501	917
Other investment assets	209	460	105	60	5	297	288	9	360	388	33
Total investment assets	1,800	5,385	3,356	2,155	2,501	8,491	3,345	4,773	7,782	7,434	4,756
Reinsurers' portion of technical provisions	1,238	277	237	278	363	461	277	291	366	330	248
Receivables and other assets	204	380	264	266	391	620	275	380	633	874	307
Cash and bank balances	227	110	60	42	66	195	186	89	614	150	55
Prepaid expenses and accrued income	8	60	30	13	26	122	27	37	27	49	33
Total assets	3,476	6,211	3,947	2,753	3,347	9,888	4,110	5,570	9,422	8,836	5,399

EQUITY AND LIABILITIES

Equity	1,097	3,387	2,209	1,235	1,487	5,617	2,131	3,007	5,508	4,379	3,131
Technical provisions (before ceded reinsurance)	2,137	2,152	1,367	1,348	1,554	3,526	1,538	2,047	3,001	3,499	1,731
Other provisions and liabilities	234	527	296	168	288	588	350	420	733	889	522
Accrued expenses and deferred income	8	144	75	3	18	157	91	96	180	70	15
Total equity and liabilities	3,476	6,211	3,947	2,753	3,347	9,888	4,110	5,570	9,422	8,836	5,399
Solvency capital / Total capital	1,221	3,763	2,437	1,274	1,633	6,006	2,393	3,298	6,079	4,884	3,423
Solvency margin	259	374	493	260	293	416	355	403	442	223	521

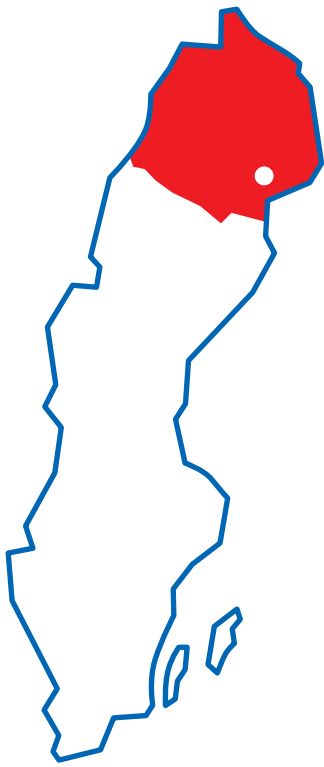
The Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. The Länsförsäkringar Alliance is not a Group in the legal sense of the term. Most of the non-life insurance business in the Alliance is underwritten by the regional insurance companies.

The business conducted by Länsförsäkringar AB's non-life insurance Group comprises personal-risk insurance, animal insurance, ceded and assumed reinsurance and some cargo, liability, property and motor insurance. Earnings from the Länsförsäkringar Alliance's non-life insurance operations consist of the total earnings of the 23 regio-

	Göteborg och Bohuslän	Skaraborg	Östgöta	Älvsborg	Gotland	Jönköping	Halland	Kronoberg	Kalmar	Blekinge	Göinge-Kristianstad	Skåne	Länsförsäkringar AB Group excl. Bank and Fondliv	Länsförsäkringar Alliance Non-life insurance operations	Länsförsäkringar Alliance
	1,709	811	1,561	1,322	248	1,260	835	593	865	391	565	2,443	6,781	29,397	29,397
	168	3	21	77	0	4	36	1	4	1	2	145	8	622	622
	-1,275	-580	-1,019	-892	-171	-840	-605	-451	-545	-269	-431	-1,911	-5,148	-21,574	-21,574
	-359	-149	-273	-231	-56	-187	-169	-171	-169	-65	-95	-439	-1,349	-5,457	-5,457
	-8	-4	-5	-7	-2	-7	-4	-7	-5	-2	-3	-13	4	-114	-114
	236	80	285	270	19	231	93	29	151	55	38	225	296	2,873	2,873
	-169	-100	-250	-149	-	-124	-95	-120	-109	-50	-100	-	-	-1,832	-1,832
	67	-20	35	121	19	107	-2	-91	42	5	-62	225	296	1,041	1,041
	1,216	540	521	1,008	79	357	370	324	270	88	252	925	195	6,950	6,950
	-168	-3	-21	-77	0	-4	-36	-1	-4	-1	-2	-145	-9	-589	-589
	-8	-1	14	-4	1	-7	-7	-8	2	2	0	15	-159	-150	2,253
	1,107	516	549	1,048	100	453	325	224	310	95	187	1,020	323	7,252	9,655
	2,051	918	2,251	1,973	268	1,612	1,119	694	1,021	416	1,078	2,964	-	-	-
	5,921	1,665	3,961	6,269	736	2,708	1,239	1,765	2,522	1,085	1,609	5,633	2,801	60,842	63,273
	1,340	905	2,292	2,000	453	1,479	775	634	727	522	773	1,662	5,875	32,055	82,569
	1,594	568	1,698	313	58	524	1,492	257	419	106	371	2,493	15,806	37,096	18,849
	10,906	4,056	10,201	10,555	1,516	6,324	4,625	3,349	4,688	2,129	3,831	12,752	24,841	129,993	164,692
	314	256	477	358	151	296	211	173	272	215	243	744	10,512	10,512	10,557
	520	337	659	566	100	698	309	240	327	176	255	993	6,456	16,229	539,971
	189	161	238	141	127	321	112	41	210	80	295	463	1,164	5,335	6,392
	163	35	41	34	43	28	120	10	26	8	16	206	503	1,664	3,789
	12,091	4,845	11,615	11,654	1,937	7,668	5,377	3,813	5,524	2,608	4,639	15,160	43,116	163,733	725,400
	7,306	2,329	6,747	7,517	1,142	4,266	2,893	2,099	3,176	1,315	2,667	7,427	21,200	82,590	85,258
	3,586	1,995	3,669	3,100	624	2,686	1,946	1,380	1,834	1,075	1,585	5,448	16,910	61,664	64,367
	1,120	490	1,143	991	164	683	500	317	497	209	374	2,183	3,443	16,609	570,017
	80	31	56	47	7	32	38	17	17	9	14	102	1,564	2,870	5,758
	12,091	4,845	11,615	11,654	1,937	7,668	5,377	3,813	5,524	2,608	4,639	15,160	43,116	163,733	725,400
	8,087	2,632	7,586	8,106	1,250	4,689	3,215	2,294	3,536	1,463	2,905	8,716	21,620	91,311	-
	462	318	478	597	492	361	375	378	400	361	504	349	302	302	-

nal insurance companies and the non-life insurance operations of the Länsförsäkringar AB Group. The earnings for the Parent Company Länsförsäkringar AB is also included. The holdings and change in value in the Länsförsäkringar AB share and transactions between the regional insurance companies and the Länsförsäkringar AB

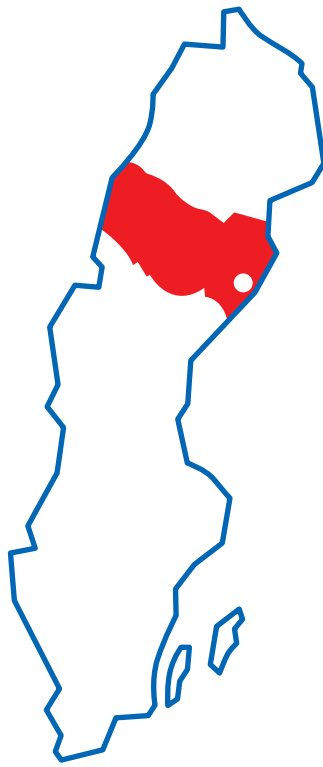
Group have been eliminated. The 23 regional insurance companies and the Länsförsäkringar AB Group apply the approved International Financial Reporting Standards (IFRS).



LF Norrbotten

President: Anders Långström
Board Chairman: Nina Wikstedt

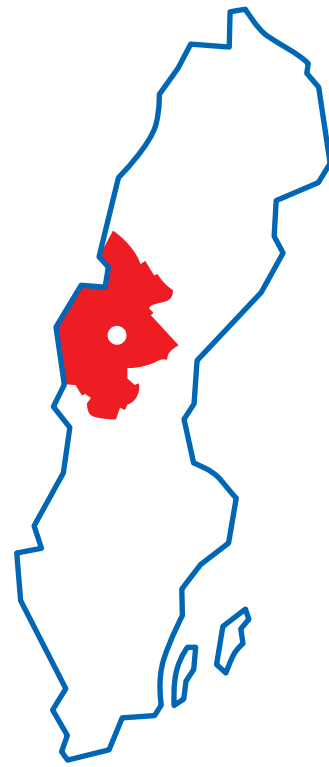
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	144	170
Total assets, SEK M	3,476	2,306
Solvency ratio, %	199	229
Number of employees	87	84
Number of branches	4	4
Bank		
Deposits, SEK M	1,324	1,207
Loans, SEK M	343	322
Retail mortgages, SEK M	3,468	3,272
Fund volumes managed, SEK M	449	393
Number of customers	11,800	11,600
Life assurance		
Premium income, SEK M	74	73
Total insurance capital, SEK M	2,306	2,259
Number of customers	16,100	16,400
Non-life insurance		
Premiums earned, SEK M	481	443
Technical result for insurance operations, SEK M	80	35
Bonuses and discounts to the customers, SEK M	19	17
Combined ratio after ceded reinsurance, %	89	99
Total return on asset management, %	5	10
Number of customers	67,900	67,200



Länsförsäkringar Västerbotten

President: Göran Karmehag
Board Chairman: Maria Wallin Wällberg

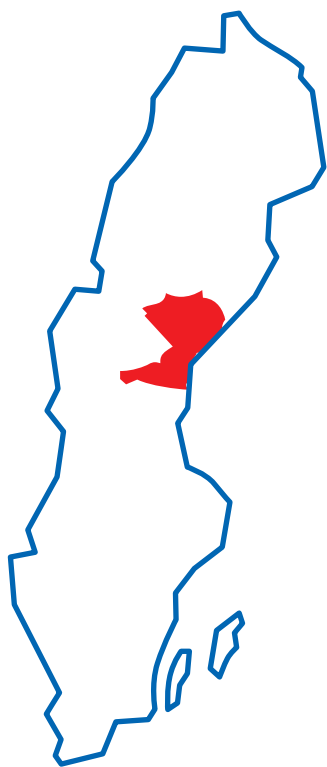
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	370	685
Total assets, SEK M	6,211	5,822
Solvency ratio, %	237	252
Number of employees	205	197
Number of branches	3	3
Bank		
Deposits, SEK M	5,589	4,858
Loans, SEK M	1,537	1,494
Retail mortgages, SEK M	9,756	8,964
Fund volumes managed, SEK M	2,947	2,688
Number of customers	37,400	35,700
Life assurance		
Premium income, SEK M	175	170
Total insurance capital, SEK M	5,077	4,924
Number of customers	29,600	29,900
Non-life insurance		
Premiums earned, SEK M	978	914
Technical result for insurance operations, SEK M	127	122
Bonuses and discounts to the customers, SEK M	91	81
Combined ratio after ceded reinsurance, %	88	89
Total return on asset management, %	4	13
Number of customers	129,600	128,100



Länsförsäkringar Jämtland

President: Tomas Eriksson
Board Chairman: Karin Mattsson

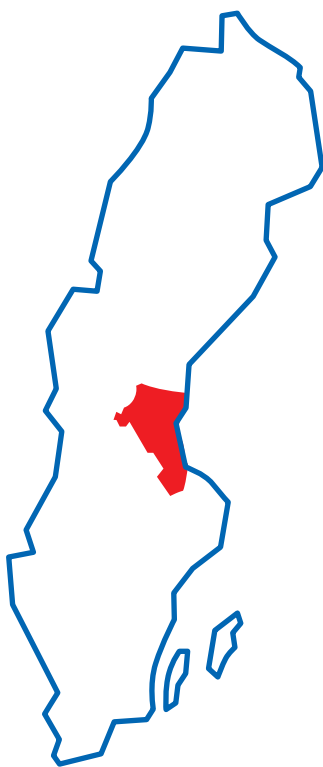
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	233	414
Total assets, SEK M	3,947	3,719
Solvency ratio, %	202	214
Number of employees	127	117
Number of branches	3	3
Bank		
Deposits, SEK M	2,537	2,283
Loans, SEK M	1,239	1,211
Retail mortgages, SEK M	4,401	4,151
Fund volumes managed, SEK M	786	709
Number of customers	17,900	17,600
Life assurance		
Premium income, SEK M	72	83
Total insurance capital, SEK M	2,630	2,600
Number of customers	17,000	17,200
Non-life insurance		
Premiums earned, SEK M	480	461
Technical result for insurance operations, SEK M	15	9
Bonuses and discounts to the customers, SEK M	-	40
Combined ratio after ceded reinsurance, %	99	102
Total return on asset management, %	8	16
Number of customers	60,000	59,400



Länsförsäkringar Västernorrland

President: Mikael Bergström
Board Chairman: Stig Högberg

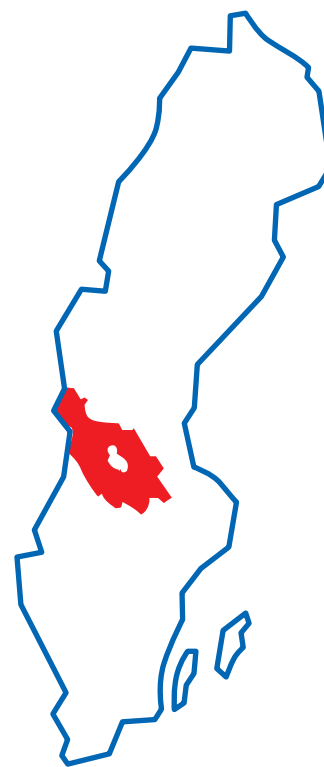
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	74	121
Total assets, SEK M	2,753	2,545
Solvency ratio, %	171	172
Number of employees	120	120
Number of branches	5	5
Bank		
Deposits, SEK M	2,314	2,030
Loans, SEK M	706	634
Retail mortgages, SEK M	3,802	3,508
Fund volumes managed, SEK M	1,328	1,189
Number of customers	26,100	26,000
Life assurance		
Premium income, SEK M	97	95
Total insurance capital, SEK M	3,902	3,950
Number of customers	22,400	22,800
Non-life insurance		
Premiums earned, SEK M	487	479
Technical result for insurance operations, SEK M	-7	-23
Combined ratio after ceded reinsurance, %	102	107
Total return on asset management, %	5	8
Number of customers	70,800	71,800



Länsförsäkringar Gävleborg

President: Per-Ove Bäckström
Board Chairman: Jonas Olsson

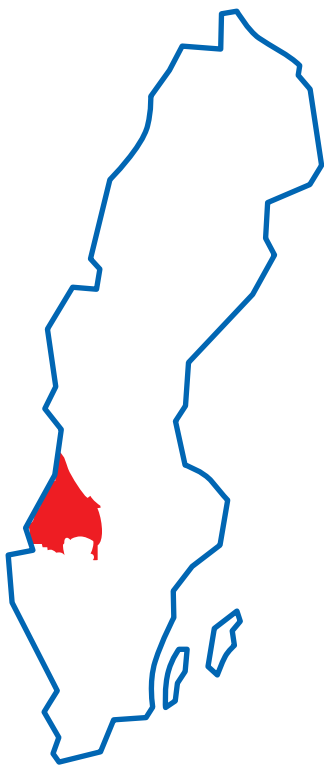
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	160	216
Total assets, SEK M	3,347	3,346
Solvency ratio, %	230	229
Number of employees	150	154
Number of branches	6	6
Bank		
Deposits, SEK M	3,377	3,077
Loans, SEK M	679	679
Retail mortgages, SEK M	6,866	6,525
Fund volumes managed, SEK M	1,287	1,173
Number of customers	27,700	27,700
Life assurance		
Premium income, SEK M	117	105
Total insurance capital, SEK M	4,129	4,051
Number of customers	27,000	27,400
Non-life insurance		
Premiums earned, SEK M	543	517
Technical result for insurance operations, SEK M	57	-22
Combined ratio after ceded reinsurance, %	90	106
Total return on asset management, %	5	11
Number of customers	83,500	84,000



Dalarnas Försäkringsbolag

President: Anders Grånäs
Board Chairman: Maria Engholm

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	741	803
Total assets, SEK M	9,888	9,340
Solvency ratio, %	185	190
Number of employees	349	320
Number of branches	7	7
Bank		
Deposits, SEK M	7,620	6,730
Loans, SEK M	1,748	1,634
Retail mortgages, SEK M	11,025	10,353
Fund volumes managed, SEK M	3,964	3,525
Number of customers	54,400	53,000
Life assurance		
Premium income, SEK M	334	310
Total insurance capital, SEK M	8,806	8,524
Number of customers	44,300	44,600
Non-life insurance		
Premiums earned, SEK M	1,411	1,353
Technical result for insurance operations, SEK M	93	-50
Bonuses and discounts to the customers, SEK M	292	175
Combined ratio after ceded reinsurance, %	93	105
Total return on asset management, %	9	13
Number of customers	157,000	156,600

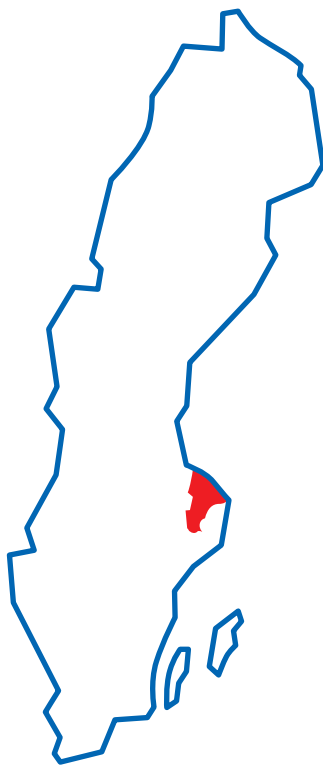


Länsförsäkringar Värmland

President: Ulrika Obstfelder Petersson

Board Chairman: Eva Julin Dombrowe

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	459	403
Total assets, SEK M	4,110	3,644
Solvency ratio, %	194	194
Number of employees	116	114
Number of branches	4	4
Bank		
Deposits, SEK M	2,354	2,025
Loans, SEK M	934	856
Retail mortgages, SEK M	4,811	4,175
Fund volumes managed, SEK M	820	693
Number of customers	18,100	17,000
Life assurance		
Premium income, SEK M	105	107
Total insurance capital, SEK M	3,447	3,404
Number of customers	22,500	22,600
Non-life insurance		
Premiums earned, SEK M	661	638
Technical result for insurance operations, SEK M	143	13
Bonuses and discounts to the customers, SEK M	65	-
Combined ratio after ceded reinsurance, %	78	99
Total return on asset management, %	10	14
Number of customers	93,500	93,900

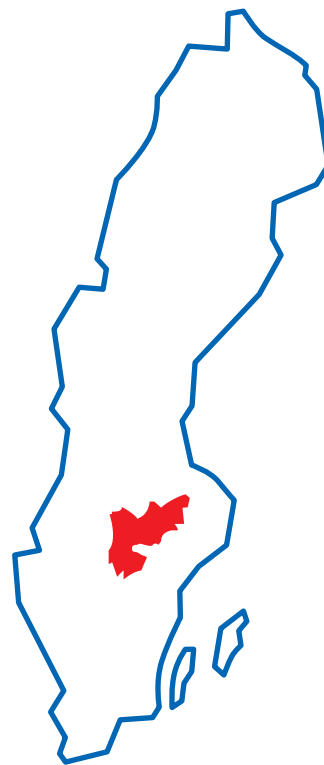


Länsförsäkringar Uppsala

President: Ulrica Hedman

Board Chairman: Bengt-Erik Jansson

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	468	557
Total assets, SEK M	5,570	5,158
Solvency ratio, %	207	205
Number of employees	195	190
Number of branches	5	5
Bank		
Deposits, SEK M	5,365	4,740
Loans, SEK M	1,937	1,766
Retail mortgages, SEK M	12,710	11,552
Fund volumes managed, SEK M	1,921	1,723
Number of customers	38,200	36,900
Life assurance		
Premium income, SEK M	232	238
Total insurance capital, SEK M	8,085	8,026
Number of customers	45,400	45,700
Non-life insurance		
Premiums earned, SEK M	819	821
Technical result for insurance operations, SEK M	102	60
Combined ratio after ceded reinsurance, %	88	94
Total return on asset management, %	8	13
Number of customers	116,600	117,200

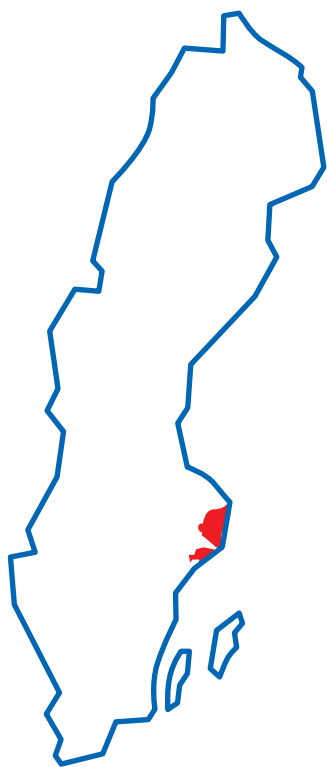


Länsförsäkringar Bergslagen

President: Mikael Sundquist

Board Chairman: Ann-Christin Norrström

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	703	1,221
Total assets, SEK M	9,422	8,919
Solvency ratio, %	207	205
Number of employees	338	290
Number of branches	6	6
Bank		
Deposits, SEK M	9,001	8,084
Loans, SEK M	3,641	3,739
Retail mortgages, SEK M	17,981	16,689
Fund volumes managed, SEK M	3,632	3,190
Number of customers	66,000	64,200
Life assurance		
Premium income, SEK M	583	580
Total insurance capital, SEK M	12,394	11,733
Number of customers	58,900	58,900
Non-life insurance		
Premiums earned, SEK M	1,358	1,332
Technical result for insurance operations, SEK M	140	168
Bonuses and discounts to the customers, SEK M	-	200
Combined ratio after ceded reinsurance, %	89	88
Total return on asset management, %	7	14
Number of customers	183,100	187,500

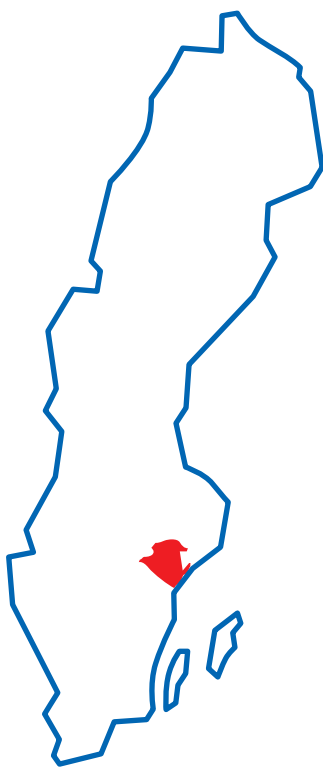


Länsförsäkringar Stockholm

President: Charlotte Barnekow

Board Chairman: Lennart Käll

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	448	749
Total assets, SEK M	8,836	8,282
Solvency ratio, %	199	211
Number of employees	366	377
Number of branches	4	4
Bank		
Deposits, SEK M	9,479	8,317
Loans, SEK M	1,636	1,616
Retail mortgages, SEK M	33,704	33,986
Fund volumes managed, SEK M	3,708	3,215
Number of customers	91,900	96,100
Life assurance		
Premium income, SEK M	2,369	2,397
Total insurance capital, SEK M	66,988	64,980
Number of customers	220,900	222,200
Non-life insurance		
Premiums earned, SEK M	2,149	2,029
Technical result for insurance operations, SEK M	95	72
Combined ratio after ceded reinsurance, %	96	98
Total return on asset management, %	6	12
Number of customers	368,700	361,200

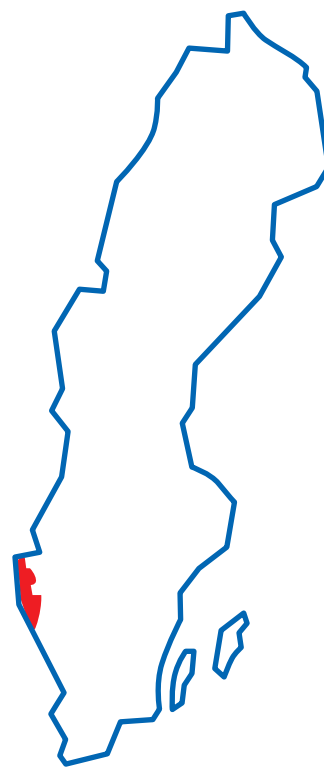


Länsförsäkringar Södermanland

President: Lena Högfeldt

Board Chairman: Caesar Åfors

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	283	691
Total assets, SEK M	5,399	5,058
Solvency ratio, %	190	201
Number of employees	143	138
Number of branches	4	4
Bank		
Deposits, SEK M	3,404	3,011
Loans, SEK M	1,041	950
Retail mortgages, SEK M	7,198	6,588
Fund volumes managed, SEK M	1,354	1,154
Number of customers	25,200	24,800
Life assurance		
Premium income, SEK M	160	171
Total insurance capital, SEK M	5,042	4,870
Number of customers	28,400	28,400
Non-life insurance		
Premiums earned, SEK M	647	630
Technical result for insurance operations, SEK M	19	77
Bonuses and discounts to the customers, SEK M	100	75
Combined ratio after ceded reinsurance, %	101	93
Total return on asset management, %	6	16
Number of customers	90,300	91,400

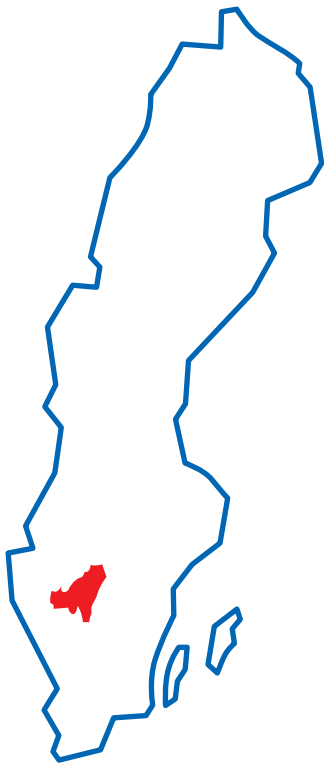


Länsförsäkringar Göteborg and Bohuslän

President: Ricard Robbstål

Board Chairman: Hans Ljungkvist

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	1,276	1,707
Total assets, SEK M	12,091	10,767
Solvency ratio, %	192	184
Number of employees	423	438
Number of branches	10	11
Bank		
Deposits, SEK M	8,348	7,142
Loans, SEK M	1,540	1,416
Retail mortgages, SEK M	24,867	22,379
Fund volumes managed, SEK M	3,517	3,079
Number of customers	66,300	64,900
Life assurance		
Premium income, SEK M	1,046	1,035
Total insurance capital, SEK M	25,123	24,023
Number of customers	93,600	93,400
Non-life insurance		
Premiums earned, SEK M	1,709	1,630
Technical result for insurance operations, SEK M	236	147
Bonuses and discounts to the customers, SEK M	169	164
Combined ratio after ceded reinsurance, %	96	101
Total return on asset management, %	13	21
Number of customers	248,500	244,000

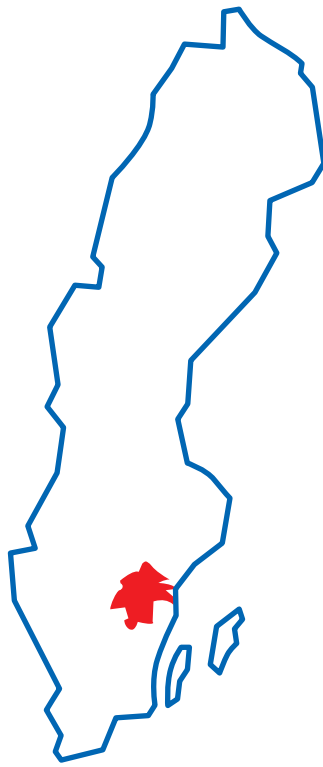


Länsförsäkringar Skaraborg

President: Jonas Rosman

Board Chairman: Eric Grimlund

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	616	511
Total assets, SEK M	4,845	4,326
Solvency ratio, %	186	174
Number of employees	195	188
Number of branches	8	8
Bank		
Deposits, SEK M	6,267	5,524
Loans, SEK M	2,599	2,450
Retail mortgages, SEK M	8,343	7,668
Fund volumes managed, SEK M	3,403	2,971
Number of customers	45,700	45,000
Life assurance		
Premium income, SEK M	168	175
Total insurance capital, SEK M	5,343	5,230
Number of customers	30,900	31,100
Non-life insurance		
Premiums earned, SEK M	811	778
Technical result for insurance operations, SEK M	80	58
Bonuses and discounts to the customers, SEK M	100	80
Combined ratio after ceded reinsurance, %	90	94
Total return on asset management, %	15	22
Number of customers	109,000	108,700

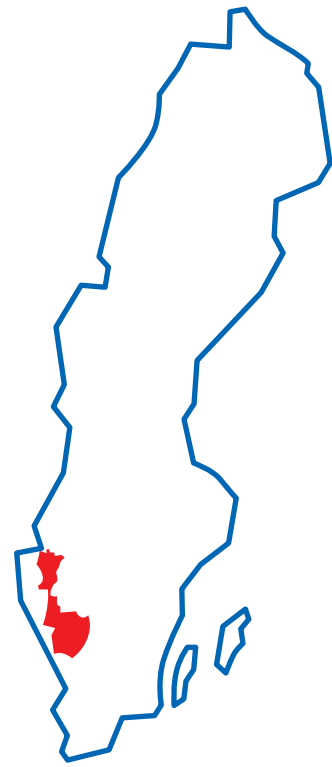


Länsförsäkringar Östgöta

President: Stefan Nyrinder

Board Chairman: Peter Lindgren

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	799	1,296
Total assets, SEK M	11,615	11,194
Solvency ratio, %	233	232
Number of employees	358	353
Number of branches	7	7
Bank		
Deposits, SEK M	10,583	9,272
Loans, SEK M	3,657	3,265
Retail mortgages, SEK M	18,560	17,244
Fund volumes managed, SEK M	4,251	3,844
Number of customers	70,300	68,600
Life assurance		
Premium income, SEK M	847	861
Total insurance capital, SEK M	17,461	16,723
Number of customers	65,500	65,800
Non-life insurance		
Premiums earned, SEK M	1,561	1,517
Technical result for insurance operations, SEK M	285	101
Bonuses and discounts to the customers, SEK M	250	302
Combined ratio after ceded reinsurance, %	83	95
Total return on asset management, %	6	15
Number of customers	201,000	199,900

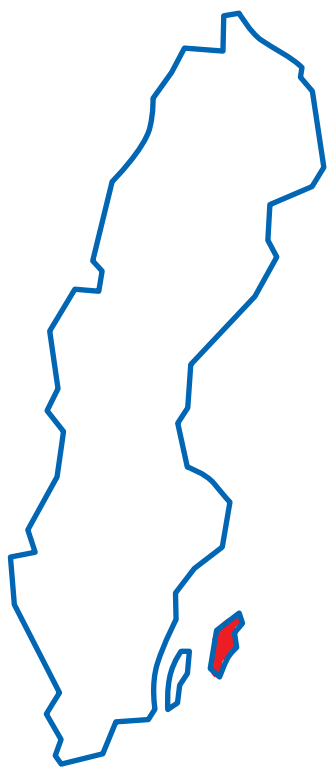


Länsförsäkringar Älvsborg

President: Ola Evensson

Board Chairman: Lars Hallkvist

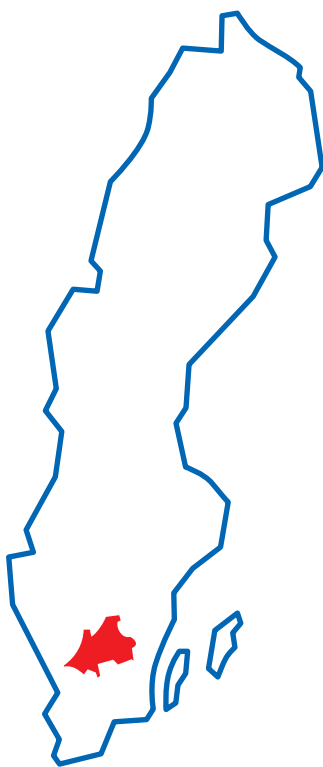
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	1,197	1,603
Total assets, SEK M	11,654	10,575
Solvency ratio, %	218	213
Number of employees	344	331
Number of branches	9	9
Bank		
Deposits, SEK M	6,666	5,808
Loans, SEK M	1,915	1,746
Retail mortgages, SEK M	15,272	14,000
Fund volumes managed, SEK M	3,290	2,976
Number of customers	73,000	72,600
Life assurance		
Premium income, SEK M	289	278
Total insurance capital, SEK M	9,299	9,068
Number of customers	55,200	55,300
Non-life insurance		
Premiums earned, SEK M	1,322	1,259
Technical result for insurance operations, SEK M	270	193
Bonuses and discounts to the customers, SEK M	149	103
Combined ratio after ceded reinsurance, %	85	91
Total return on asset management, %	11	18
Number of customers	177,900	176,200



Länsförsäkringar Gotland

President: Henrik Stangel
Board Chairman: Eva Wetterdal

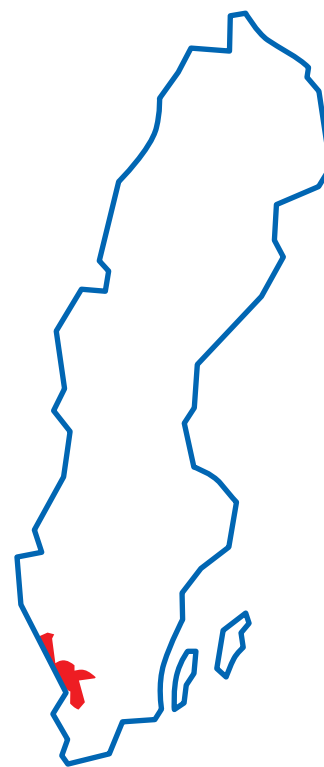
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	100	224
Total assets, SEK M	1,937	1,877
Solvency ratio, %	252	252
Number of employees	82	75
Number of branches	2	2
Bank		
Deposits, SEK M	2,797	2,531
Loans, SEK M	1,820	1,819
Retail mortgages, SEK M	3,938	3,808
Fund volumes managed, SEK M	894	808
Number of customers	17,200	16,800
Life assurance		
Premium income, SEK M	54	59
Total insurance capital, SEK M	1,629	1,599
Number of customers	10,600	10,600
Non-life insurance		
Premiums earned, SEK M	248	238
Technical result for insurance operations, SEK M	19	64
Bonuses and discounts to the customers, SEK M	-	75
Combined ratio after ceded reinsurance, %	92	74
Total return on asset management, %	6	12
Number of customers	32,200	31,800



Länsförsäkringar Jönköping

President: Magnus Olsson
Board Chairman: Göran Lindell

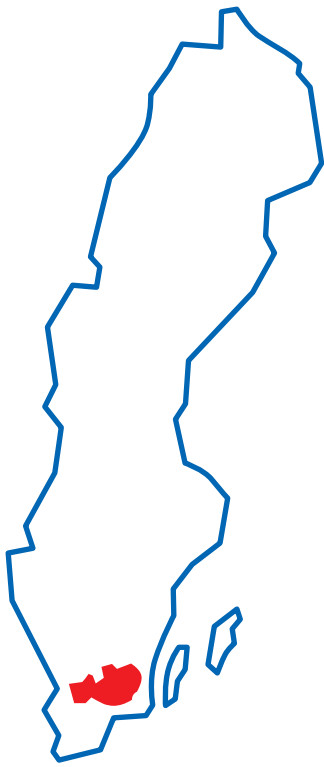
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	577	663
Total assets, SEK M	7,668	7,245
Solvency ratio, %	196	191
Number of employees	236	229
Number of branches	5	5
Bank		
Deposits, SEK M	7,347	6,533
Loans, SEK M	2,897	2,742
Retail mortgages, SEK M	10,735	9,844
Fund volumes managed, SEK M	3,096	2,766
Number of customers	44,500	43,200
Life assurance		
Premium income, SEK M	264	274
Total insurance capital, SEK M	8,866	8,675
Number of customers	40,400	40,800
Non-life insurance		
Premiums earned, SEK M	1,260	1,185
Technical result for insurance operations, SEK M	231	26
Bonuses and discounts to the customers, SEK M	124	100
Combined ratio after ceded reinsurance, %	81	98
Total return on asset management, %	6	12
Number of customers	139,600	139,600



Länsförsäkringar Halland

President: Christian Bille
Board Chairman: Karin Starrin

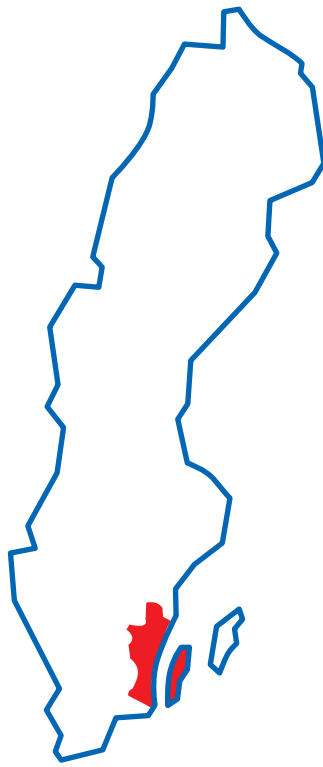
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	420	483
Total assets, SEK M	5,377	4,974
Solvency ratio, %	204	206
Number of employees	180	165
Number of branches	6	6
Bank		
Deposits, SEK M	5,591	4,919
Loans, SEK M	3,215	3,165
Retail mortgages, SEK M	11,051	10,004
Fund volumes managed, SEK M	3,206	2,858
Number of customers	42,100	41,300
Life assurance		
Premium income, SEK M	196	190
Total insurance capital, SEK M	5,633	5,407
Number of customers	41,500	41,400
Non-life insurance		
Premiums earned, SEK M	835	790
Technical result for insurance operations, SEK M	93	62
Bonuses and discounts to the customers, SEK M	95	139
Combined ratio after ceded reinsurance, %	93	97
Total return on asset management, %	10	13
Number of customers	107,700	105,600



Länsförsäkring Kronoberg

President: Beatrice Kämpe Nikolausson
Board Chairman: Per-Åke Holgersson

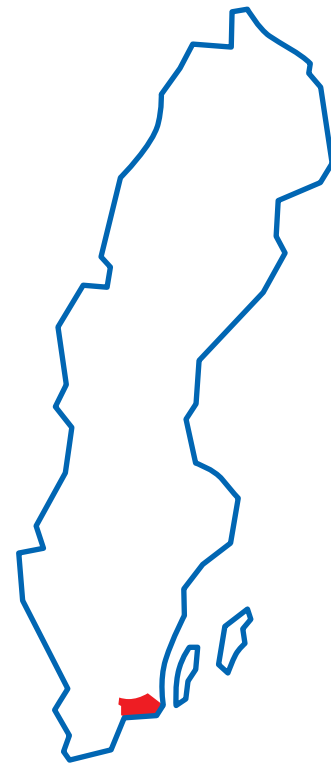
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	344	476
Total assets, SEK M	3,813	3,410
Solvency ratio, %	192	197
Number of employees	120	116
Number of branches	5	4
Bank		
Deposits, SEK M	3,201	2,889
Loans, SEK M	1,739	1,517
Retail mortgages, SEK M	4,386	4,041
Fund volumes managed, SEK M	1,395	1,197
Number of customers	25,500	25,100
Life assurance		
Premium income, SEK M	180	186
Total insurance capital, SEK M	4,643	4,525
Number of customers	21,200	21,300
Non-life insurance		
Premiums earned, SEK M	593	561
Technical result for insurance operations, SEK M	29	82
Bonuses and discounts to the customers, SEK M	120	-
Combined ratio after ceded reinsurance, %	94	84
Total return on asset management, %	11	16
Number of customers	79,200	78,300



Länsförsäkringar Kalmar län

President: Anna Blom
Board Chairman: Jan-Olof Thorstensson

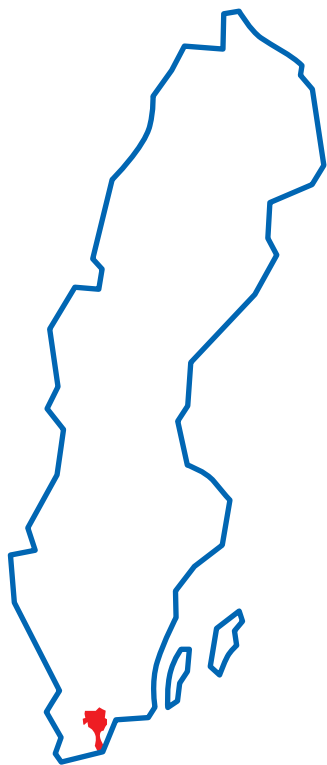
Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	419	611
Total assets, SEK M	5,524	5,287
Solvency ratio, %	211	210
Number of employees	200	203
Number of branches	7	7
Bank		
Deposits, SEK M	4,171	3,770
Loans, SEK M	1,793	1,660
Retail mortgages, SEK M	6,720	6,194
Fund volumes managed, SEK M	1,918	1,688
Number of customers	28,000	27,200
Life assurance		
Premium income, SEK M	129	133
Total insurance capital, SEK M	4,722	4,656
Number of customers	26,500	26,700
Non-life insurance		
Premiums earned, SEK M	865	811
Technical result for insurance operations, SEK M	151	63
Bonuses and discounts to the customers, SEK M	109	92
Combined ratio after ceded reinsurance, %	82	94
Total return on asset management, %	6	15
Number of customers	112,700	112,700



Länsförsäkringar Blekinge

President: Jens Listerö
Board Chairman: Bengt Mattsson

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	145	282
Total assets, SEK M	2,608	2,502
Solvency ratio, %	202	199
Number of employees	79	78
Number of branches	5	5
Bank		
Deposits, SEK M	2,640	2,248
Loans, SEK M	1,452	1,296
Retail mortgages, SEK M	5,372	4,693
Fund volumes managed, SEK M	1,177	1,023
Number of customers	18,900	17,800
Life assurance		
Premium income, SEK M	131	143
Total insurance capital, SEK M	3,306	3,216
Number of customers	17,100	17,100
Non-life insurance		
Premiums earned, SEK M	391	363
Technical result for insurance operations, SEK M	55	31
Bonuses and discounts to the customers, SEK M	50	57
Combined ratio after ceded reinsurance, %	86	93
Total return on asset management, %	4	15
Number of customers	58,300	58,100

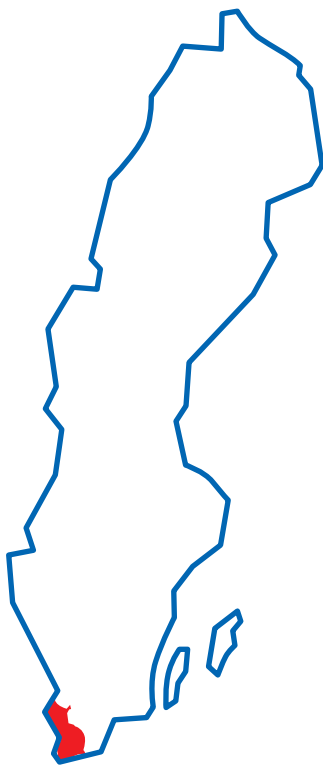


Länsförsäkringar Götaland-Kristianstad

President: Niklas Larsson

Board Chairman: Göran Trobro

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	287	452
Total assets, SEK M	4,639	4,300
Solvency ratio, %	202	209
Number of employees	120	112
Number of branches	3	3
Bank		
Deposits, SEK M	3,438	2,933
Loans, SEK M	1,973	1,920
Retail mortgages, SEK M	4,580	3,917
Fund volumes managed, SEK M	1,565	1,378
Number of customers	22,200	21,500
Life assurance		
Premium income, SEK M	141	133
Total insurance capital, SEK M	4,151	4,008
Number of customers	23,500	23,600
Non-life insurance		
Premiums earned, SEK M	565	546
Technical result for insurance operations, SEK M	38	15
Bonuses and discounts to the customers, SEK M	100	-
Combined ratio after ceded reinsurance, %	93	98
Total return on asset management, %	7	15
Number of customers	82,600	80,700



Länsförsäkringar Skåne

President: Susanne Bäck

Board Chairman: Otto Ramel

Key figures	2020	2019
Operating profit before bonuses and discounts, SEK M	1,020	1,479
Total assets, SEK M	15,160	13,988
Solvency ratio, %	206	212
Number of employees	583	575
Number of branches	8	8
Bank		
Deposits, SEK M	12,058	10,528
Loans, SEK M	5,205	4,796
Retail mortgages, SEK M	29,799	26,295
Fund volumes managed, SEK M	5,195	4,488
Number of customers	99,000	95,000
Life assurance		
Premium income, SEK M	1,211	970
Total insurance capital, SEK M	25,237	24,126
Number of customers	118,800	118,500
Non-life insurance		
Premiums earned, SEK M	2,443	2,352
Technical result for insurance operations, SEK M	225	237
Bonuses and discounts to the customers, SEK M	-	200
Combined ratio after ceded reinsurance, %	96	97
Total return on asset management, %	8	13
Number of customers	372,800	370,700

Organisation and facts Länsförsäkringar AB

Länsförsäkringar AB is wholly owned by the regional insurance companies, together with 15 local insurance companies. Through its distinct role in the Länsförsäkringar Alliance's value chain, Länsförsäkringar AB contributes to increasing competitiveness and reducing costs for joint development. In turn, this creates possibilities for the regional insurance companies to be successful in their respective

markets. In addition to the Parent Company, Länsförsäkringar AB, the Group consists of Länsförsäkringar Sak, Länsförsäkringar Bank, Länsförsäkringar Fondliv, Länsförsäkringar Liv and the subsidiaries of these companies. Länsförsäkringar Liv is not consolidated in the Group since the company is operated according to mutual principles.

3.9 million customers

23 local regional insurance companies

Länsförsäkringar AB

Länsförsäkringar Sak Försäkrings AB

Supports and supplements the regional insurance companies' non-life insurance offering with specialist products, serves as an engine for new business and is responsible for joint reinsurance.

Länsförsäkringar Bank AB

Offers a broad range of banking services to the regional insurance companies' customers through Länsförsäkringar Hypotek, Länsförsäkringar Fondförvaltning and Wasa Kredit.

Länsförsäkringar Fondliv Försäkrings AB

Offers pension savings with fund management and guarantee management and personal-risk insurance to the regional insurance companies' customers.

Länsförsäkringar Liv Försäkrings AB

Manages traditional life assurance taken out before September 2011 when the company was closed for new business.

Shareholdings in Länsförsäkringar AB at 31 December 2020

Company	Number of shares			Share of equity, %
	A	B	C	
Länsförsäkringar Skåne	141,849	882,046	-	9.8%
Länsförsäkringar Stockholm	129,212	802,382	-	8.9%
Länsförsäkringar Östgöta	114,155	663,463	-	7.5%
Dalarnas Försäkringsbolag	104,708	609,639	-	6.9%
Länsförsäkringar Göteborg and Bohuslän	87,010	605,143	821	6.6%
Länsförsäkringar Älvsborg	100,176	581,374	-	6.5%
Länsförsäkringar Bergslagen	86,351	495,089	-	5.6%
Länsförsäkringar Jönköping	82,812	474,021	-	5.3%
Länsförsäkringar Uppsala	73,298	424,791	-	4.8%
Länsförsäkringar Västerbotten	57,195	330,919	-	3.7%
Länsförsäkringar Halland	56,785	329,857	-	3.7%
Länsförsäkringar Södermanland	58,117	323,139	-	3.7%
Länsförsäkringar Göinge-Kristianstad	49,982	322,347	-	3.6%
Länsförsäkringar Kalmar län	56,717	295,878	-	3.4%
Länsförsäkringar Gävleborg	60,058	281,083	-	3.3%
Länsförsäkringar Skaraborg	64,058	253,172	-	3.0%
Länsförsäkringar Västernorrland	50,186	257,122	-	2.9%
Länsförsäkringar Jämtland	35,795	226,453	-	2.5%
Länsförsäkring Kronoberg	36,701	203,130	-	2.3%
Länsförsäkringar Värmland	31,160	202,208	-	2.2%
LF Norrbotten	16,960	127,878	-	1.4%
Länsförsäkringar Blekinge	23,088	120,500	-	1.4%
Länsförsäkringar Gotland	16,305	74,315	-	0.9%
15 local insurance companies	-	-	5,134	0.0%
Total number of shares	1,532,678	8,885,949	5,955	100.0%

Share trend, Länsförsäkringar AB

SEK	2020	2019	2018	2017	2016
Equity per share on 31 December	2,959	2,754	2,462	2,269	2,046

Definitions

Operating expenses in the insurance operations

Includes costs of marketing, sales and administration in insurance operations.

Expense ratio, non-life insurance

Operating expenses as a percentage of premiums earned after ceded reinsurance.

After ceded reinsurance

The proportion of an insurance transaction for which the insurance company assumes the risk, and which is not reinsured with another company. Sometimes the term "for own account" is used.

Claims payments

The cost during the period for claims incurred, including costs for claims that have not yet been reported to the insurance company. The cost also includes the run-off result.

Technical provisions

Provision for unearned premiums and unexpired risks, life-assurance reserves and provision for claims outstanding and comparable commitments in accordance with signed insurance contracts. For life assurance, this shall correspond to the insurance company's guaranteed insurance commitments.

Investment income, non-life insurance

The net of the following income and expenses: interest income, interest expense, dividends on shares and participations, earnings from company-owned property, change in the fair value of shares, interest-bearing securities and derivatives, earnings from the sale of investment assets, currency exchange gains and losses, and operating expenses in asset management.

Investment income transferred from financial operations

Premiums are paid in advance, while operating expenses and claims costs are paid in arrears. Funds that have not yet been paid out are invested in order to obtain a return. The estimated interest on these investments – the cost of capital – is transferred from investment income to the insurance operations.

Solvency ratio

Own funds in relation to the solvency capital requirement, according to the Solvency II Directive in Swedish law.

Cost/income ratio, bank

Total expenses in relation to total income. The cost/income ratio is calculated before and after credit losses

Collective consolidation, life assurance

The ratio between the market value of total net assets and the company's total commitments to policyholders (guaranteed commitments and preliminarily distributed bonus) for the insurance policies that carry bonus rights.

Solvency margin, non-life insurance

Solvency capital as a percentage of premium income after ceded reinsurance.

Solvency capital

The sum of equity, untaxed reserves, deferred tax liabilities, subordinated debt as well as surplus values on assets.

Credit losses net, bank

Confirmed credit losses and loss allowance less recoveries of receivables and net expense for the year for credit losses for guarantees and other contingent liabilities.

Credit losses in relation to loans, bank

Net credit losses in relation to the carrying amount of loans to the public and to credit institutions.

Investment margin, bank

Net interest income in relation to average total assets.

Investment assets

Investment assets are current or long-term assets that take the form of an investment. This includes real estate and securities for insurance companies.

Premium income

Premiums paid in during the period or recognised as receivables at the end of the period since they have fallen due for payment. Premium income is a common measure of the volume of insurance operations.

Premiums earned

The proportion of premium income attributable to the period.

Tier 1 capital, bank

Tier 1 capital is part of own funds and comprises equity and Additional Tier 1 capital. Deductions are made for such items as

deferred tax assets, goodwill and other intangible assets, investments in financial companies and the difference between expected losses and reserves established for probable credit losses.

Tier 1 ratio, bank

Tier 1 capital at year-end in relation to the closing risk-weighted amount.

Return on equity

Operating profit less standard tax at a rate of 21.4% in relation to average equity adjusted for capital contributions and Additional Tier 1 Capital loans.

Net interest income, bank

Interest income from loans to the public, credit institutions and income from interest-bearing securities less expenses for deposits and funding from the public, credit institutions and expenses for interest-bearing securities.

Technical result for non-life insurance operations

Premiums earned less claims payments, claims adjustment costs and operating expenses in the insurance operations plus profit/loss from ceded reinsurance and investment income transferred from financial operations.

Claims ratio, non-life insurance

The ratio between claims payments, including claims adjustment costs and premiums earned after ceded reinsurance.

Total return ratio

The sum of direct yield, realised gains and losses, and unrealised changes in the value of assets in relation to the average fair value of managed assets.

Combined ratio, non-life insurance

The sum of operating expenses, claims payments and claims adjustment costs in relation to premiums earned after ceded reinsurance.

Reinsurance

If an insurance company cannot, or does not wish to, assume the entire liability to policyholders, it reinsures part of its underwritten policies with other companies. In this connection, the reinsurance is said to be "ceded" by the first company and "assumed" by the second company.

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Financial calendar 2021

Interim report January–March 2021, Länsförsäkringar Bank	29 April
Interim report January–March 2021, Länsförsäkringar Hypotek	29 April
Interim report January–June 2021, Länsförsäkringar Bank	21 July
Interim report January–June 2021, Länsförsäkringar Hypotek	21 July
Interim report January–June 2021, Länsförsäkringar Alliance	1 September
Interim report January–September 2021, Länsförsäkringar Bank	27 October
Interim report January–September 2021, Länsförsäkringar Hypotek	27 October



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