



Länsförsäkringar Alliance

Annual review

2021





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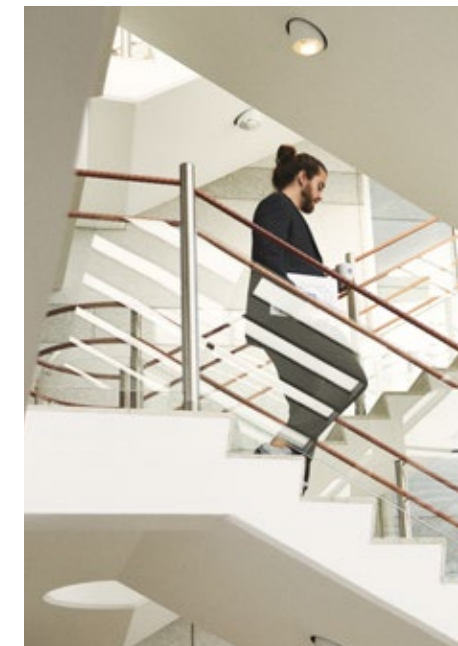
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The Länsförsäkringar Alliance's annual review of 2021 contains information about Länsförsäkringar's operations in non-life insurance, banking, life assurance and pension insurance and real-estate brokerage. The sustainability section contains information 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.



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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 7,900 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 non-life insurance business conducted by the Länsförsäkringar AB 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 Group.

3.9 million customers**23 local regional insurance companies**

Länsförsäkringar AB

Responsible for a large part of the Länsförsäkringar Alliance's joint development and service and conducts non-life insurance business in development areas to supplement the regional insurance companies' offering or to achieve economies of scale.

Länsförsäkringar Bank AB

Offers a broad range of banking services to the regional insurance companies' customers.

Agria Djurförsäkring

The Länsförsäkringar Alliance's specialist company for pet and crop insurance.

Länsförsäkringar Grupplivförsäkrings AB

Offers group life assurance and occupational group life assurance to the regional insurance companies' customers.

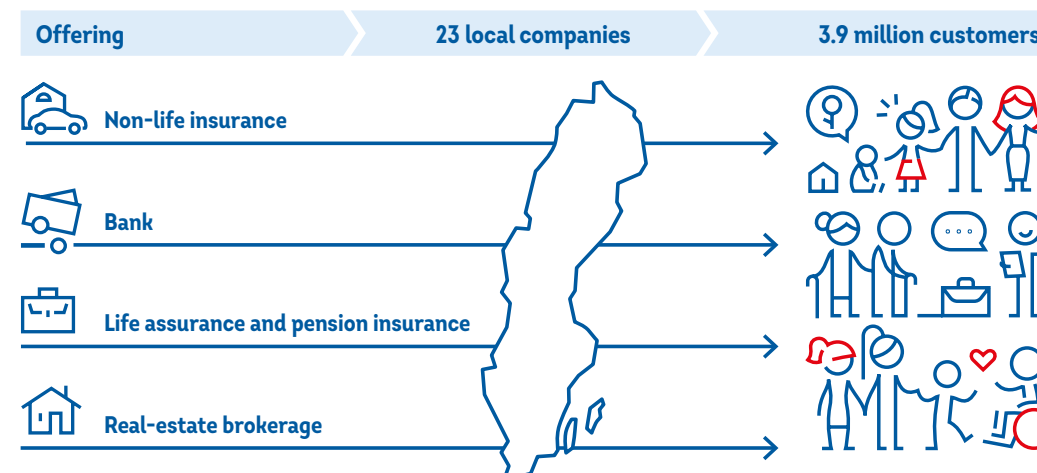
Länsförsäkringar Fondliv Försäkrings AB

Offers pension savings with funds 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 closed for new business.

The merger between Länsförsäkringar Sak Försäkrings AB and Länsförsäkringar AB was completed on 3 May 2021. Operations are now conducted under the name Länsförsäkringar AB.



Rating

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar AB	S&P Global Ratings	A/Stable	–
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	–

¹⁾ Pertains to the company's covered bonds.



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Earnings for the Länsförsäkringar Alliance

Figures in parentheses pertain to 2020

- The Länsförsäkringar Alliance's total operating profit amounted to SEK 21.3 billion (9.7).
- Operating profit for the Länsförsäkringar Alliance's non-life insurance operations increased to SEK 19.7 billion (7.3), after bonuses and discounts to customers amounting to SEK 2.6 billion (1.8).
- Investment income amounted to SEK 19.3 billion (7.0).
- Premiums earned after ceded reinsurance rose 6% to SEK 31.2 billion (29.4).
- The technical result for the Länsförsäkringar Alliance's non-life insurance operations increased to SEK 4.1 billion (2.9).

Bonuses and discounts
to customers

SEK **2.6** bn

Länsförsäkringar Alliance's
combined ratio

91%

Earnings for the regional insurance companies

SEK M	Technical result ¹⁾		Operating profit ¹⁾	
	2021	2020	2021	2020
LF Norrbotten	128	80	265	144
Länsförsäkringar Västerbotten	165	127	941	370
Länsförsäkringar Jämtland	35	15	449	233
Länsförsäkringar Västernorrland	51	-7	212	74
Länsförsäkringar Gävleborg	-20	57	243	160
Dalarnas Försäkringsbolag	202	93	1,256	741
Länsförsäkringar Värmland	39	143	832	459
Länsförsäkringar Uppsala	201	102	778	468
Länsförsäkringar Bergslagen	388	140	1,633	703
Länsförsäkringar Stockholm	192	95	1,117	448
Länsförsäkringar Södermanland	32	19	881	283
Länsförsäkringar Göteborg och Bohuslän	204	236	2,220	1,276
Länsförsäkringar Skaraborg	104	80	1,509	616
Länsförsäkringar Östgöta	225	285	1,815	799
Länsförsäkringar Älvsborg	280	270	2,572	1,197
Länsförsäkringar Gotland	31	19	282	100
Länsförsäkringar Jönköping	149	231	1,210	577
Länsförsäkringar Halland	112	93	638	420
Länsförsäkring Kronoberg	71	29	478	344
Länsförsäkringar Kalmar län	120	151	984	419
Länsförsäkringar Blekinge	58	55	399	145
Länsförsäkringar Göinge-Kristianstad	79	38	619	287
Länsförsäkringar Skåne	421	225	2,027	1,020

¹⁾ Before bonuses and discounts.



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Five-year summary

Länsförsäkringar Alliance's non-life insurance	2021	2020	2019	2018	2017
Solvency capital, SEK M	111,422	91,311	82,096	68,472	66,149
Solvency margin, %	349	302	288	252	253
Return on equity, %	17	7	15	3	11
Premiums earned after ceded reinsurance, SEK M	31,193	29,397	27,856	26,751	25,504
Technical result, SEK M	4,144	2,873	1,824	1,778	2,529
Operating profit, SEK M	19,742	7,252	12,001	2,243	7,078
Combined ratio, %	91	93	96	96	92
Länsförsäkringar AB, Group¹⁾					
Operating profit, SEK M	3,806	2,726	3,003	2,351	2,825
Total assets, SEK M	711,589	613,967	572,594	506,835	473,773
Return on equity, %	9	8	10	9	11
Own funds for the group (FRL) ²⁾ , SEK M	65,203	57,412	50,220	43,870	44,172
Capital requirement for the group (FRL) ²⁾ , SEK M	45,368	39,186	37,966	33,874	33,441
Own funds for the financial conglomerate ³⁾ , SEK M	65,203	57,412	50,220	43,870	44,172
Capital requirement for the financial conglomerate ³⁾ , SEK M	45,368	39,186	37,966	33,874	33,441
Non-life insurance operations					
Premiums earned after ceded reinsurance, SEK M	7,662	6,781	6,211	5,891	5,623
Technical result, SEK M	684	297	283	402	977
Operating profit, SEK M	798	516	851	460	1,028
Combined ratio, %	91	96	96	94	88
Länsförsäkringar Bank, Group					
Deposits from the public, SEK M	146,265	136,388	119,303	108,142	99,404
Loans to the public, SEK M	361,991	340,007	307,099	289,426	261,444
Operating profit, SEK M	2,296	1,844	1,893	1,510	1,599
Return on equity, %	9.8	8.5	9.5	8.3	10.0
Common Equity Tier 1 capital ratio, consolidated situation ⁴⁾ , %	15.3	14.9	13.9	14.2	24.3 ⁵⁾

Länsförsäkringar Fondliv	2021	2020	2019	2018	2017
Premium income, SEK M	24,682	12,228	9,478	9,010	9,133
Net profit for the year, SEK M	598	705	749	681	604
Managed assets, SEK M	225,028	170,953	158,827	125,805	128,140
Solvency ratio, %	143	144	137	135	152
Länsförsäkringar Liv					
Premium income, SEK M	1,122	1,191	1,539	1,684	1,533
Net profit for the year, SEK M	11,691	1,586	5,567	609	3,121
Managed assets, SEK M	118,005	112,514	113,983	109,372	115,128
Solvency ratio, %	219	195	211	200	207

¹⁾ Excluding Länsförsäkringar Liv Försäkrings AB, which is operated in accordance with mutual principles.

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⁾ As of 30 June 2021, the consolidated situation comprises Länsförsäkringar Bank and its subsidiaries (the Bank Group).

⁵⁾ Risk weight floor for mortgages in Pillar II.



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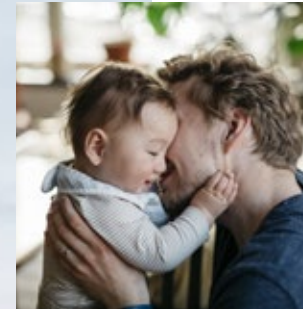
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Climate positive 2045


In 2021, Länsförsäkringar AB adopted a new climate target for the operations to become climate-positive by 2045. Länsförsäkringar AB has been pursuing a climate-smart vision since 2019, with the long-term aim of reducing its impact on the climate and managing climate risks.

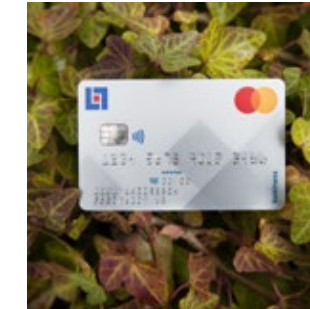
 [Read more on page 25.](#)



Sustainable fund range


A high-quality, attractive fund range that generates healthy, sustainable returns on customers' pension capital is a central part of the Länsförsäkringar offering. At the end of 2021, 36 of Länsförsäkringar's 38 own-brand funds were classified as light green under the SFDR.

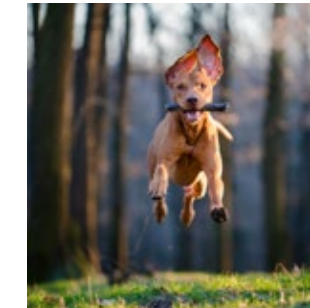
 [Read more on pages 25-26.](#)



Well-capitalised bank

Länsförsäkringar Bank is well-capitalised and has resilience and ability to cope with a highly adverse market scenario. This was shown in the European Banking Authority's stress test, the results of which were published in July 2021, with the outcome for Länsförsäkringar Bank at the very top among all participating European banks.

 [Read more on pages 43-44.](#)



Agria in Germany

Agria is growing. In October 2021, Agria launched in Germany, where a partnership began with the German Kennel Club. As such, Agria is represented in seven countries: Sweden, Norway, Denmark, Finland, the UK, France and Germany.

 [Read more on page 33.](#)

Länsförsäkringar and COVID-19

The COVID-19 pandemic continued to affect our lives throughout 2021. It is vitally important that Länsförsäkringar remains available to its customers and meets its promise of making everyday life simpler for customers and contributing to a secure future. Social responsibility is highly important. Länsförsäkringar is taking initiatives across the country to support customers, local companies and clubs and associations that have been severely affected by the COVID-19 pandemic. Länsförsäkringar also donated vaccines to the world's poorest economies through Vaccine Forward.



DIGITISATION

Länsförsäkringar – the most innovative company in the finance industry

According to the Swedish Innovation Index, Länsförsäkringar was the most innovative company in the finance industry for the third year in a row. This serves as confirmation that Länsförsäkringar's development activities are making a difference in customers' everyday lives. Ongoing development activities are needed to maintain this excellent top ranking. Länsförsäkringar has an ambitious development plan with the aim of having the market's best digital experiences, for both customers and employees.



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Customers – our driving force for development and efficiency enhancements

COMMENT

Länsförsäkringar's customers are the driving force of everything we do. We have been laying the foundation for our continued digitisation for several years. Therefore it is now gratifying to state that we are ready to shift up a gear – we want to be able to offer our customers the best digital experiences in the market to simplify their everyday lives and contribute to a secure future. The Länsförsäkringar Alliance's earnings for 2021 were record strong, driven by healthy growth and claims-cost trend as well as the strong performance of the financial markets. Based on earnings for the year, the regional insurance companies will pay back SEK 2.6 billion in bonuses and discounts to their owners – the customers.

The pandemic continued to affect us all in 2021, and our thoughts go to those who fell ill and experienced financial difficulties. Länsförsäkringar has taken social responsibility across the country to support customers, local companies, clubs and associations that have been affected by the pandemic. To reduce the spread of infection, we have followed the restrictions set by the authorities. Länsförsäkringar has donated vaccines to the world's



“The foundation has been laid – we are now ready to shift up a gear for continued digitisation

Malin Rylander Leijon
President and CEO of Länsförsäkringar AB



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poorest economies through Vaccine Forward and supported efforts by the Red Cross by making financial donations and through volunteer work.

Despite the pandemic, 2021 was a strong year for Länsförsäkringar with the continued development of our business operations, favourable growth and, in particular, a high pace of development with a focus on digitisation.

Development and efficiency enhancements – the foundations laid

Continuous development is needed to continue to serve the needs of our customers and maintain lasting competitiveness. Länsförsäkringar AB drives much of Länsförsäkringar's joint development, which is conducted in close collaboration with the 23 regional insurance companies that have extensive knowledge of their local markets and customers.

In the past few years, Länsförsäkringar has laid the foundations for continued digitisation and enhanced the efficiency of the operations. In 2021, Länsförsäkringar AB followed an efficiency programme to ensure a long-term, sustainable cost level, which in turn benefits the regional insurance companies and their competitiveness. In May 2021, we streamlined the legal structure with the merger of Länsförsäkringar Sak and Länsförsäkringar AB. We are introducing a Lean Agile work method, which is leading to more efficient and innovative development activities. We adopted a joint marketing plan for the entire Länsförsäkringar Alliance. The marketing plan is based on customer needs and governs all joint development. We have prepared targets for Länsförsäkringar's future IT architecture and are continuing to invest in higher IT security and stability. I am proud of that we have accomplished all of this together despite still being in the midst of a pandemic.

Our development activities in 2021 meant, for example, that our customers could start paying via Apple Pay, sign agreements digitally and change funds much quicker. It is especially gratifying to see that our efforts are appreciated by our customers – for the third year in a row, the Swedish Innovation Index named Länsförsäkringar the most innovative company in banking and insurance.

Development and efficiency enhancements – time to shift up a gear

With the foundation laid we are now ready to shift up a gear and raise our ambitions for Länsförsäkringar's continued digitisation. Our aim is to offer our customers the market's best digital experi-

ences, efficient customer meetings and sustainable, value-creating offers and services. And in doing that simplify customers' everyday lives and contribute to a secure future – not only today, but forever.

Pursuing effective and customer-driven development is a major yet important challenge for Länsförsäkringar AB. New roles and skills will need to be added through both recruitment and further training. The recruitment process started in the autumn to strengthen our digital know-how. Our cultural journey at Länsförsäkringar AB began with a company-wide exercise in which all employees could participate and describe the culture that they want and believe that we need in the future. We are excited about our cultural journey and look forward to welcoming new employees in 2022.

Sustainable operations

Länsförsäkringar contributes to a sustainable society with its local and extensive social responsibility and sustainable business in banking, insurance, pensions and real-estate brokerage. Länsförsäkringar AB has been pursuing a climate-smart vision since 2019, and in 2021 a new climate target was adopted for the operations to be climate-positive by 2045, a target that is entirely in line with the times. We have thus set the bar higher than the climate targets for Sweden and the EU. We will assume our responsibility and reduce our climate impact, and engage and help our partners and customers to reduce their climate impact.

One of the regional insurance companies' main tools for reducing their climate impact is preventing or limiting claims, as the severe torrential rain in the Gävle region in August reminded us. When such an extensive claim incident occurs, collaboration between the regional insurance companies is activated in record time to join forces to help those customers affected.

In 2021, 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 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. In 2021, Länsförsäkringar Bank signed the UN Principles for Responsible Banking (PRB). We also worked on implementing new legal requirements under the EU action plan on financing sustainable growth.

Strong earnings for 2021

The effects of the pandemic on Länsförsäkringar Alliance's earnings remained relatively limited in 2021. The Länsförsäkringar Alliance reported record-strong operating profit of SEK 21.3 billion. Operating profit for the non-life insurance operations amounted to SEK 19.7 billion, benefiting from very high investment income and a strong technical result with premium growth of 6% and a combined ratio of 91%. Based on 2021 earnings, the regional insurance companies will pay back a total of SEK 2.6 billion in bonuses and discounts to their owners – the customers. The banking operations reported strong operating profit of SEK 2.3 billion. Growth was healthy, business volumes increased 17% with the own-brand fund volume exceeding SEK 300 billion for the first time. Operating profit for the unit-linked insurance operations contributed SEK 0.6 billion, with managed assets of SEK 225 billion and continuing strong growth – premium income increased 102%.

Expectations for 2022

Fredrik Bergström left his position as President and CEO of Länsförsäkringar AB on 14 February. As CFO of Länsförsäkringar AB, I was appointed acting President and CEO while a permanent President and CEO is being recruited. I have been working at Länsförsäkringar AB since 2001 and been a member of corporate management since 2010 and can bring continuity and, together with the regional insurance companies and my colleagues at Länsförsäkringar AB, ensure that we carry out our business plan. We are ready to shift up a gear and raise our ambitions for Länsförsäkringar's continued digitisation, so that we can continue to simplify daily life and contribute to a secure future for our customers.

Stockholm, March 2022

On behalf of the 23 regional insurance companies

Malin Rylander Leijon

President and CEO of Länsförsäkringar AB



Success lies in the balance between local and shared

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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 decisionmaking 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 2021 with a market share of 31%. 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 one of the largest players in the market 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. In Kantar Sifo's 2021 reputation survey of Swedish companies Länsförsäkringar came in joint seventh place, with Volvo and IKEA 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 in 2021 showed that Länsförsäkringar has the highest customer satis-

faction in corporate non-life insurance, private pensions (among ranked companies) and real-estate brokerage services, and leading customer satisfaction in non-life assurance and banking for retail customers.

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 regional insurance companies decided to cooperate to achieve economies of scale and to concentrate on the most important issues: meetings with customers and developing close customer relationships. 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

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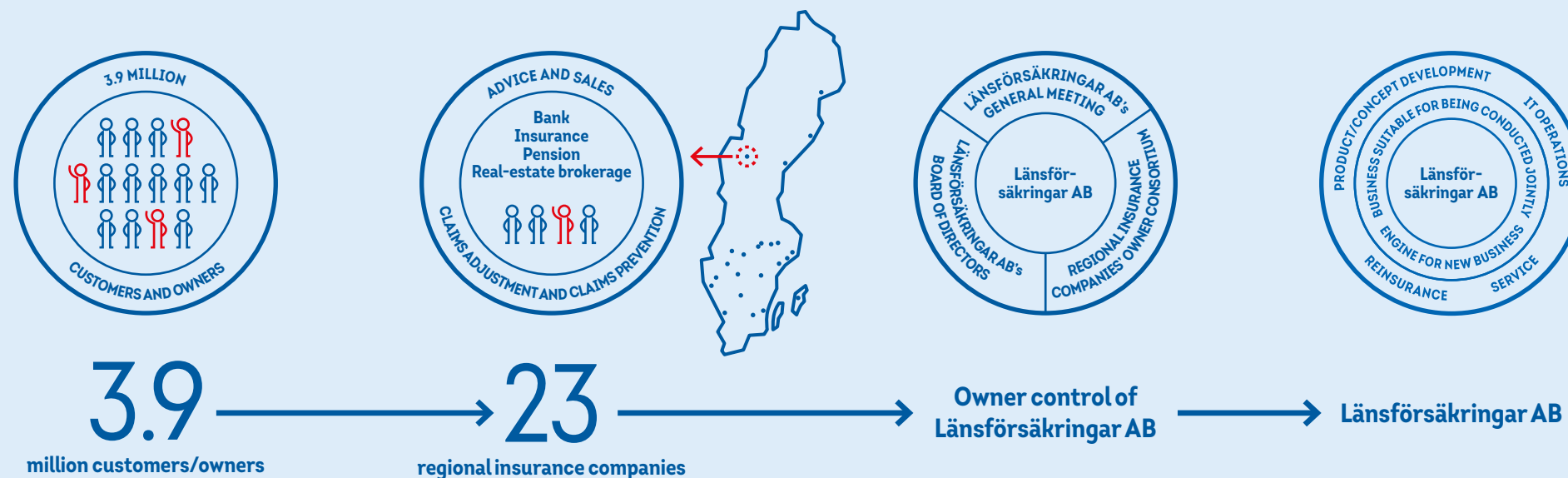
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Länsförsäkringar AB is a limited liability company and also the Parent Company of a financial Group, which is individually owned in various holdings by the 23 regional insurance companies and 14 local insurance companies, which in turn are owned by 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, since all of the regional insurance companies have the same clear purpose for their ownership, are proactive and collectively hold sufficient financial capacity to ensure long-term ownership.

Formal owner control takes place through Länsförsäkringar AB's 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. 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 according to the owners' assignment, which are decided on in the consortium and documented in 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 the owners' assignment.



Quick guide to our offering

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BUSINESS AREAS

Non-life insurance

Länsförsäkringar is the market leader in non-life insurance in Sweden, with a market share of 31%. 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 reinsurance cover. Pet and crop 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.

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 leader in the unit-linked insurance market for individual occupational pensions, commanding a market share of 34%. 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 Group.

👁 Read more on pages 46–49.

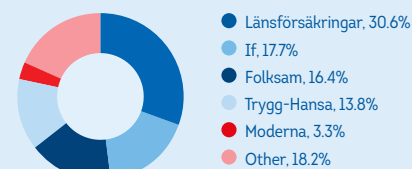
Real-estate brokerage

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 189 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 one of the largest players in the market with a market share of 15%.

👁 Read more on page 50.

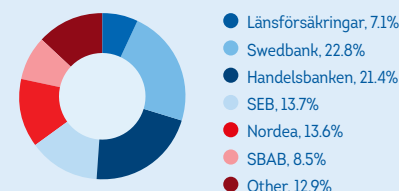
MARKET SHARES

Non-life insurance, premium income



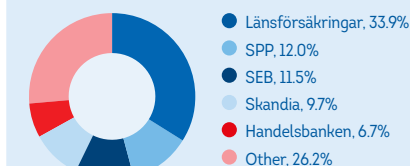
Source: Insurance Sweden

Retail mortgages



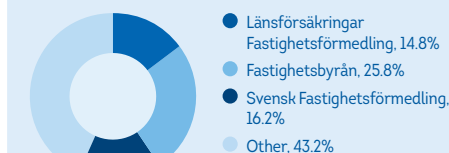
Source: Statistics Sweden

Unit-linked insurance, individual occupational pensions, premium income



Source: Insurance Sweden

Single-family homes brokered



Source: Värderingsdata's list of contracts, excluding new-builds (rolling 12 months on 31 December 2021).

EARNINGS 2021

Operating profit increased to SEK 19,742 M (7,252) with investment income of SEK 19,296 M (6,950). The combined ratio amounted to 91% (93).

Premiums earned after ceded reinsurance:
SEK 31,193 M

+6%

Operating profit increased to SEK 2,296 M (1,844). Net interest income fell 2% to SEK 4,741 M (4,845). Return on equity strengthened to 9.8% (8.5).

Business volume:
SEK 852 bn

+17%

Managed assets for unit-linked insurance and traditional life assurance amounted to SEK 225 billion and SEK 118 billion respectively.

Länsförsäkringar Fondliv's premium income: SEK 24,682 M

+102%

In 2021, Länsförsäkringar Fastighetsförmedling brokered a total of 30,900 listings (28,000), an increase of 10%.

Total sales value:
SEK 85 bn

+27%



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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. There are many challenges, but Länsförsäkringar has favourable conditions to optimally meet customer needs through a broad customer base, local knowledge and a unique business model that supports both local and digital customer meetings.

Climate

Global warming – the result of higher carbon emissions – causes climate change. 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. Preventing a claim is a win for the customers, society and the environment.

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. In 2021, a new climate target was adopted to become climate-positive by 2045. Länsförsäkringar AB reports climate risks according to the TCFD recommendations. The climate report for 2021 is an integral part of Länsförsäkringar AB's 2021 Annual Report.



Digitisation

Rapid digitisation progress brings with it new banking and insurance solutions and new business opportunities. Traditional competition is being continuously challenged by new and innovative companies. 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. Digital platforms, smart and connected homes and connected individuals mean that great potential exists to individualise services and prevent claims and crime, while increasing security for customers. Developments of automation, robotisation, AI and the Internet of Things is continuing and this is where Länsförsäkringar has a major advantage with its broad customer base and offering.

Society

Turmoil and uncertainty have risen in recent years, not least during the COVID-19 pandemic. 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. However, we have seen a counter trend in the wake of the pandemic. 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.





Our initiatives

Three initiatives in which Länsförsäkringar has acted on driving forces and trends in our business environment to adapt products and services to customer needs.

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SOCIETY

Save to realise your dream – big or small

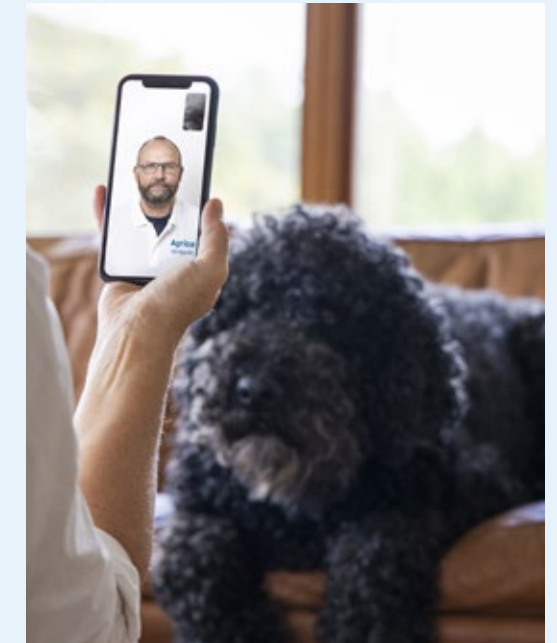
Customers have different prerequisites for saving, but the Savings Navigator service offers guidance on more efficient, easier and more enjoyable saving to realise a dream – big or small. Interest in saving is growing, not least as seen during the pandemic when many people experienced the stress of not having a financial buffer. Our finances are often affected by changes in our lives – going to university, your first home, pregnancy, illness, pension – and this also affects our need to have savings.

CLIMATE

Preventive climate efforts increasingly important

The extreme weather of the past few years places new and higher requirements on insurance companies. Länsförsäkringar works to geographically identify risk areas for weather-related insurance claims so that it can predict and prevent claims. Länsförsäkringar's Research Fund also sponsors research projects into improved climate change adaptations to residential areas.

The floods in Gävle in the summer demonstrated how important it is for Länsförsäkringar to act quickly. Claims adjusters from other regional insurance companies from the north to the south of the country were able to collaborate on short notice and help Länsförsäkringar Gävleborg's affected customers.



DIGITISATION

Digital veterinary care

In 2021, the Agria Vårdguide app for cost-free digital veterinary care was made available for all of our Nordic customers. Since the launch of the app in Sweden in 2020, the number of users has increased steadily. The app has also received great reviews from customers. More smart solutions will be included in the app in the future; everything to increase the security of animals and animal owners and contribute to long-term sustainable veterinary care.



A simpler everyday life and a more secure future

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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.





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The brand

STRENGTH OF THE BRAND

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

Outcome 2021

- 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 (among ranked companies) and real-estate brokerage.
- Länsförsäkringar was named Sweden's strongest brand in insurance at the Swedish Brand Award for the eighth consecutive year. Länsförsäkringar also had the highest reputation in the insurance industry according to Kantar Sifo's 2021 reputation survey.



* Shared first place with Dina Försäkring.

BONUSES TO CUSTOMERS

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

Outcome 2021

- Länsförsäkringar AB's efficiency programme ensures a long-term, sustainable cost level, which benefits the regional insurance companies and thus customers.
- Länsförsäkringar's Lean Agile work method leads to increased efficiency.
- The regional insurance companies will pay a total of SEK 2,571 M in bonuses and discounts to their owners – the customers.
- The regional insurance companies, Länsförsäkringar AB and each subsidiary remained well-capitalised in 2021.

Bonuses and discounts to customers

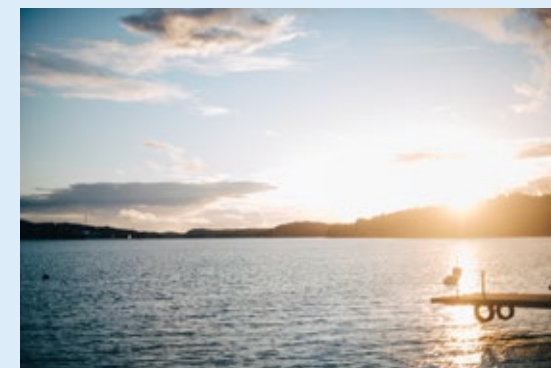
SEK **2.6** bn

SUSTAINABILITY IN OPERATIONS

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

Outcome 2021

- Länsförsäkringar AB adopted a climate target for the operations to become climate-positive by 2045.
- Investments in sustainability-focused bonds increased to just over SEK 21 billion. These investments support several UN SDGs.
- Just over 80% of the number of funds in the unit-linked insurance range were light green or dark green according to the Disclosure Regulation.
- The regional insurance companies carried out claims-prevention measures for fire risks, water risks, natural catastrophes and road-traffic accidents.





Business model for long-term value creation.

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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.

Example of stakeholders and their expectations

CUSTOMERS/OWNERS

Availability, service and quality, responsible insurance, savings and investment offerings, environmental and social responsibility integrated into customer offering, transparency and tools to select sustainable products.

EMPLOYEES

Attractive occupational health and safety, good career opportunities, equality and an inclusive culture that safeguards diversity.

SOCIETY

Managing social challenges and sustainability risks such as climate change, responsible offering of products and services, transparency, claims prevention initiatives.

CIVIL SOCIETY

Promote increased diversity, inclusion and security in society. Share information that promotes society and the environment. Support sports clubs and civil society organisations to improve the physical and mental health of children and young people.

Länsförsäkringar Alliance



Broad customer offering in banking, insurance, pensions and real-estate brokerage.



Local presence across Sweden. Extensive knowledge about local and regional conditions.



Personal customer meetings combined with round-the-clock availability, based on customer needs.



Joint, large-scale solutions create efficiency, lower premiums and higher return on savings.



Claims-prevention activities strengthen customers' health and security, reduce claims costs and promote a sustainable society.

business environment factors, strategy, vision, values, targets

Products and services for customers

INSURANCE

A broad range of insurance products, for example, household, motor, personal-risk, commercial, pet and crop insurance

BANK

A broad selection of banking services for private individuals and companies, for example, mortgages, bank and mutual fund savings, financial services.

PENSION

Life assurance and pension savings in funds and traditional pension insurance.

REAL-ESTATE BROKERAGE

Brokerage and sales of residential properties at 189 local branches across Sweden.



Read more about our way of working on pages 16–29.



... for all of Länsförsäkringar's stakeholders

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Examples of our impact in 2021

CUSTOMERS/OWNERS

- We increased the share of sustainability-focused funds in our unit-linked insurance range.
- We invested just over SEK 21 billion in sustainability-focused bonds in traditional life assurance and guarantee management.
- We carried out claims prevention and health promotion work as well as research activities to increase security.

EMPLOYEES

- We trained just over 1,900 employees and Board members in "Sustainability certification in the finance industry."
- The implementation of skills-based diversity-promoting recruitment continued in 2021.

SOCIETY

- In 2021, we were engaged in 31 research projects via Länsförsäkringar's Research Fund as part of our long-term environmental and social commitment.
- In total, SEK 52 M was awarded to Länsförsäkringar's Research Fund and other research initiatives into social challenges, mental health and animal health.

CIVIL SOCIETY

- In 2021, we donated SEK 64 M in sponsorship to support sports clubs, other associations and local sustainability initiatives as part of our social commitment.
- Extensive exchange of information and knowledge, for example with decision-makers in society that promotes society and the environment.

FINANCIAL IMPACT 2021

Regional insurance companies' bonuses and discounts to customers

SEK 2.6 bn (Increase +40%)

Claims payments to customers

SEK 24.7 bn (Increase +5%)

Salaries and pensions for employees

SEK 6.8 bn (Increase +4%)

Payments to suppliers

SEK 7.9 bn (Increase +3%)

Research grants

SEK 52 M (Increase +1%)

Sponsorship

SEK 64 M (Increase +10%)





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A responsible offering that benefits customers and 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, which is rooted in the regional insurance companies being 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 increase digitisation in contact with customers and reduce volumes of printed letters.

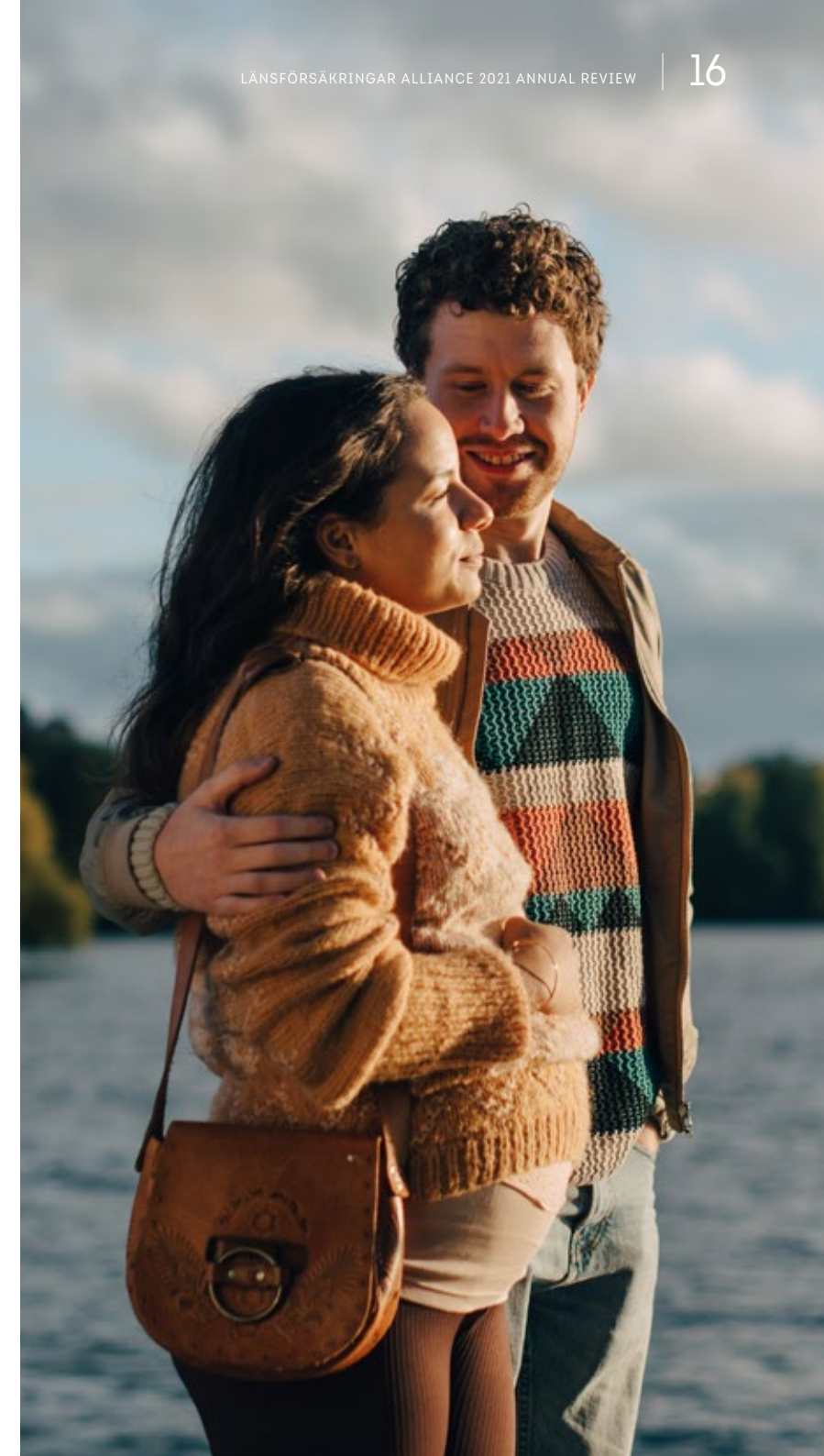
Anti-money laundering and terror financing

Länsförsäkringar makes extensive efforts to minimise the risk of the operations being used or exposed to financial crime. Systematic work is conducted to reduce the risk of the life-assurance, banking and non-life insurance operations being used for money laundering, terror financing and fraud, such as building up in-depth knowledge of customers and their businesses and active transaction monitoring. Other attempts at fraud, for example card and insurance fraud, are also monitored. The Länsförsäkringar Alliance has shared systems 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 has signed the UN Global Compact's ten principles, the UN Principles for Sustainable Insurance (PSI), the UN Principles for Responsible Investment (PRI) and the UN Principles for Responsible Banking (PRB). Länsförsäkringar is a member of several trade organisations and participates in numerous sustainability partnerships with other operators.





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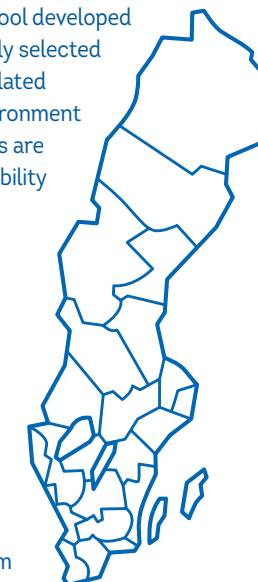


Sustainability database based on a local presence

The sustainability database is a statistics tool developed by Länsförsäkringar. It includes 73 carefully selected variables within four different business-related themes: finances and earning a living, environment and climate, security, and health. Statistics are used to track the development of sustainability in the country and by county, as well as by municipality (for a select number of variables). Local challenges and opportunities can thus be identified and prioritised.

Länsförsäkringar uses the database in a variety of ways in its operations. In addition to forming the basis for strategies, business planning and communication, it is also used to identify development areas and initiate external partnerships.

The database is based on statistics from official and public sources and is available at: lansforsakringar.se/hallbarhetsdatabasen.



”

The sustainability database has helped us identify improvement areas where we need to invest more time and resources in mental health. Over the next few years, Länsförsäkringar Halland will now be focusing particularly on reducing mental illness and increasing mental health in local society by investing more in long-term partnerships.

Sofie Johansson, Sustainability Manager at Länsförsäkringar Halland



Long-term environmental and social commitment

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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 second consecutive year in 2021, with participation from decision makers at the regional, local and county council level from across Sweden. The conference was later rebroadcast by SVT. 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.

How AI can contribute to responsible investments

A research project to develop a new method to assess corporate sustainability using machine learning was finalised in 2021. The goal was to identify companies with high sustainability risks, explain why and then use the results as a basis for further analysis or engagement.

There is extensive sustainability data about companies, primarily in annual reports but also from other sources. The research investigates how AI and machine learning can be tools that manage this informa-

tion and support the investment process, with a particular focus on predicting a company's sustainability risks. The project is a collaboration between Länsförsäkringar's Research Fund, Länsförsäkringar Liv, the University of Stockholm, the University of Gävle and the Centre for Research on Economic Relations (CER) at Mid Sweden University within the areas of economics and AI.





Research projects

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LÄNSFÖRSÄKRINGAR'S RESEARCH FUND

Ongoing research projects and tests

Tomorrow's society: Digitisation, urbanisation and the sharing economy		Start
Regional Growth against All Odds: Driving forces for long-term growth in Nordic regions, <i>Lund University</i>		2017
Regional economic development and transformation in Sweden: Then, now and tomorrow, <i>Lund University</i>		2018
Continuous internal audit using artificial intelligence in insurance companies, <i>University of Gävle</i>		2018
Blockchains for dynamic pricing of innovative insurance products, <i>University of Gothenburg</i>		2018
Transparent algorithms in the insurance industry, <i>RISE</i>		2018
The insurance company in digital ecosystems, <i>University of Gothenburg</i>		2018
The geography of trust: Trust in local society in a changing Sweden, <i>Ersta Sköndal Bräcke University College</i>		2020
A polarised society? How national and local urbanisation are shaping Sweden, <i>Linköping University</i>		2020
Mobility, choice and flexibility: origin and prevention of financial, institutional and geographic changes and greater inequality in the Swedish labour market, <i>University of Gothenburg</i>		2020
Climate change		
Improved climate changes to residential areas, <i>Linköping University</i>		2020
Financial effects of climate policy, <i>University of Gothenburg</i>		2020
Secure homes		
Secure homes for the elderly using smart technology, <i>Dalarna University</i>		2019
Road safety		
Commuting actively – and safely! How do children get to school? <i>VTI</i>		2020
Why do bicycle accidents happen? <i>VTI</i>		2020
Mutual business models		
Machine learning methods for pricing non-life insurance, <i>Stockholm University</i>		2021

Ongoing research projects and tests

Tests and pilot studies		Start
Methods for removing snow from rooftop solar panels, <i>RISE</i>		2019
Partial repairs of bathrooms, <i>RISE</i>		2020
Mapping forest in incorrect sites, <i>Skogforsk</i>		2020
Sustainable cleaning for façades and decking tiles, <i>RISE</i>		2021
Testing water leak detectors, <i>RISE</i>		2021
Hydrogen at farms, <i>RISE</i>		2021
Testing smoke detectors, <i>Lund University</i>		2021
Assembly systems and mounting solar panels, <i>RISE</i>		2021



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Research projects

AGRIA'S RESEARCH FUND

Selection of ongoing research projects	Start
The role of animals for humans and society	
Dogs, humans and society, <i>University of Gothenburg</i>	2019
New methods and tools for a better work environment in the equine industry, <i>RISE</i>	2019
Young riders' right to participation – a contingent right, <i>Karin Redelius, Swedish School of Sport and Health Sciences GIH</i>	2020
Equine-related sports and leisure activities among persons with intellectual disabilities, <i>Marie Gustausson, Linköping University</i>	2020
Riding in practice – how to instruct riders, <i>Anna Byström, Swedish University Of Agricultural Sciences</i>	2020
In-depth understanding and visualisation of socio-economic effects of the horse industry: Expanded model for horse industry in Sweden and Norway, <i>Tobias Heldt, Dalarna University</i>	2020
Support from social service dogs for pupils with problematic absence from school, <i>Lena Lidfors, Swedish University Of Agricultural Sciences</i>	2022
Veterinary Medicine, Animal Science and Technology	
Optimising antibiotic treatment times for cystitis in dogs, <i>University of Copenhagen</i>	2017
Epidemiology of knee joint illnesses in dogs, <i>Swedish University of Agricultural Sciences</i>	2017
Physical burdens in dog agility performances, <i>Faculty of Veterinary Medicine, University of Helsinki</i>	2019
Bile acid in faeces of cats with IBD or gastrointestinal cancer, <i>University of Copenhagen</i>	2019
Identification of genetic risk factors for hip dysplasia in dogs, <i>University of Copenhagen</i>	2020
QimmeqHealth: Health care for the declining population of Greenlandic sled dogs, <i>Emilie Andersen-Ramberg, University of Copenhagen</i>	2020
Ahead of a change in law - weaning pigs without zinc oxide requires new strategies, <i>Per Wallgren, National Veterinary Institute</i>	2020
Are we feeding trotting horses in a way that causes muscle damage? <i>Malin Connysson, Wången AB</i>	2021



Agria's Research Fund

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 2021.

Activities supporting the UN Sustainable Development Goals (SDGs)

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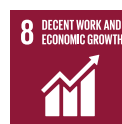
The Länsförsäkringar Alliance works actively to support sustainable development and contribute to a sustainable society. Seven of the SDGs have been identified as the most relevant to its operations where the Alliance can make the largest positive contribution and have the least negative impact. In addition to the joint goals, several regional insurance companies work on additional goals that are relevant to their operations and the local community in which they operate.



Goal 12 (Climate Action) and Goal 13 (Responsible Consumption and Production) have received greater attention both internally and externally in the last few years. Below are some examples of the actions various regional insurance companies have taken in their insurance operations to help meet these goals.

- Claims-prevention home visits and inspections of single-family homes, properties, agricultural operations and solar panel installations were carried out to reduce the risk of claims occurring.
- Fire and water alarms were sold or distributed to our customers.
- Providing more customised advice for claims-prevention activities based on analysing and predicting natural catastrophes.
- Organising fire safety training for customers. Spreading information about claims-prevention measures at home through newsletters, social media and press releases.
- Settling claims using a circular approach as far as possible and partial repairs to the greatest extent possible to reduce the use of new resources.
- Repairing and recycling home electronics and reusing spare parts when possible.
- Repairing vehicles using second-hand spare parts instead of new ones.
- Recycling construction materials.
- Setting environmental requirements for procuring contractors and car workshops.
- Measuring carbon emissions from settling claims, with the ambitions of reducing emissions every year.
- Endeavouring to digitise more customer meetings and post to reduce travel and paper consumption.
- Investing in companies that reduce emissions and/or contribute to climate solutions.

Länsförsäkringar Alliance's priority targets





Insurance offering focused on avoiding claims

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Preventing a claim is a win for the customers, society and the environment. Reducing claims is a priority for Länsförsäkringar. 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 is changing the climate, weather patterns and the water cycle, which in turns affects ecosystems, social functions and human health. Events that once were extremely unusual can no longer be considered unlikely.

Extreme weather events such as torrential rain, flooding, droughts and fires are happening more frequently. The same applies for other events, such as storms and hail, that cause extensive damage. In addition to these acute risks, there are also chronic risks such as rising sea levels, melting glaciers and permafrost and longer heat waves. These are currently changing gradually, but they will grow and over time will have a greater impact on nature and society.

For insurance operations, climate change is an operational risk. There are many scenarios for when these changes will occur and what they will be over time and in different places. Länsförsäkringar is investigating opportunities to introduce better resources to identify risk exposure geographically. Such a study provides clear opportunities to support and influence individual property owners as well as municipalities in how they handle natural catastrophe risks.

Länsförsäkringar's costs for natural catastrophes vary greatly from year to year. Over time, they represent slightly more than 10% of property-damage claims. The share of natural-catastrophe

claims in 2021 was higher than average, primarily due to flood claims caused by rain impacting claims costs.

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 forest and ground fires.

All 23 regional insurance companies have a natural-catastrophe coordinator who focuses on analysing risks and events as well as spreading know-how and preventing natural-catastrophe claims. A meteorologist was hired by Länsförsäkringar AB in 2021 in a new role as natural-catastrophe coordinator, who is responsible for

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.

coordinating claims-prevention activities on natural-catastrophe claims in the Länsförsäkringar Alliance and for monitoring the effects of climate change.

Decision-makers in society are engaged in dialogue on climate change and development and infrastructure planning. Considering that decisions will have long-term consequences, planners need to seriously consider future scenarios ranging from the likely to the unthinkable in a way that was previously unnecessary.

Water damage

The most common type of claim in our homes is water damage. 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 is more common than in wetrooms, which is due to the many water connections in modern-day kitchens as well as efforts made

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.



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to develop better waterproof membranes for wetrooms, such as through regular tests from Länsförsäkringar. The environmental impact of an average case of water damage is estimated at 300 kg of carbon dioxide. Water damage can be prevented 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 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 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, Länsförsäkringar Södermanland's water alarm and Dalarnas Villa.

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.

In 2021, Länsförsäkringar's Research Fund tested ten common-place smoke detectors together with the Faculty of Engineering at Lund University. Sound tests were performed by researchers at RISE. Länsförsäkringar wants to contribute to safe and sustainable products. The ten smoke detectors met the standard requirements but also showed that there was much potential for developing better and safer smoke detectors.

Road-traffic accidents

165 people died in road-traffic accidents in 2020, of whom 58 were unprotected road-users such as pedestrians, cyclists and motorcyclists. More than 1,009 were seriously injured in traffic, of whom 795 were pedestrians and cyclists. 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.

There is a significant difference in how serious injuries from a cycling accident can be depending on whether a helmet was used. The risk of serious injury reduces by up to 50% when the cyclist wears a helmet. Länsförsäkringar tests helmets and carries out communication initiatives and local activities in order to increase understanding to promote the protective function of bicycle helmets. The aim is for more people to wear a helmet.

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.

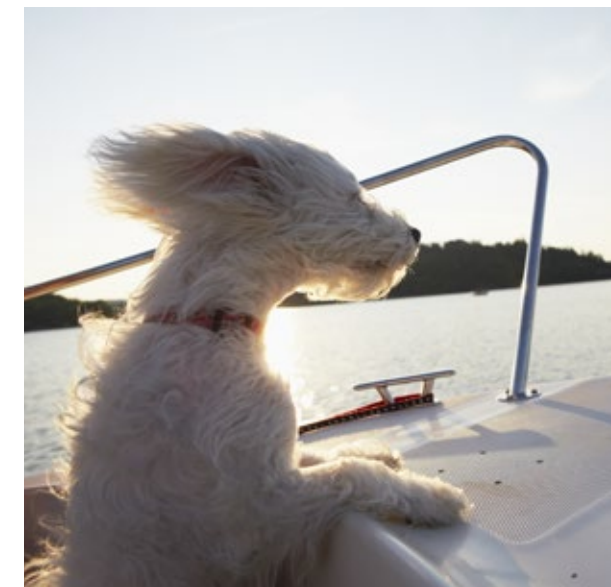
Security and crime prevention

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 workplaces, 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.

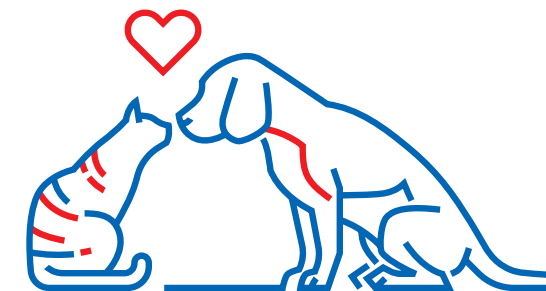
One of the focus areas in 2021 was compiling examples and sharing experiences of making use of different forms of local activities together with the police, municipalities, property owners, businesses and others so as to help increase security in public spaces, such as local squares, neighbourhoods and disadvantaged areas.



AGRIA PET INSURANCE

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.





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Environmental and quality certification of car workshops

Länsförsäkringar purchases car repairs on behalf of its customers for an average of SEK 2.8 billion per year. At year-end 2021, about 1,500 workshops and 33 salvage companies had been environmentally and quality certified by Länsförsäkringar through Autoteknik AB.

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. In 2022, certification will be developed to score garages' sustainability efforts to clarify development areas and strengths and to simplify comparisons.

A life cycle assessment, financed by Länsförsäkringar's Research Fund, concerning GHG emissions from various repair choices in typical damage to cars showed that the impact on the climate was about 80% lower if second-hand 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 2021 was 12%, and the share of plastic repairs was 21%. An important environmental factor is only repairing and sealing what is necessary.

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.



HEALTH AND MEDICAL CARE

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 health issues 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 sickness absence. 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.



Responsible pension and savings offering

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

Companies with an integrated sustainability work method can help reduce risk and identify solutions to the challenges that society faces.

Supports UN PRI initiative

Länsförsäkringar AB is a signatory of the United Nations initiative 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

The Länsförsäkringar fund platform offers own and external funds that invest according to the PRI's principles and apply various strategies and criteria for responsible investments. Länsförsäkringar Fondförvaltning ("the fund company") manages Swedish equities, fixed-income and mixed funds internally. Other funds are managed by external managers. Länsförsäkringar Fondliv is responsible for the unit-linked insurance offering, which consists of both internal and external pension funds. In addition to funds, Länsförsäkringar offers traditionally managed life and guarantee products with guaranteed returns. Länsförsäkringar Liv is responsible for managing life-assurance and guarantee portfolios, as well as for managing premiums connected to portfolios for Länsförsäkringar AB (formerly Länsförsäkringar Sak), Länsförsäkringar Gruppliv and Agria ("investment portfolios" below).

Focus areas for responsible investments are minimising climate risks, supporting sustainability-focused investments, investing in responsible companies and countries and pursuing value-generating engagement. Various responsible investment strategies are used and combined to take sustainability factors into consideration and integrate them into the management of own funds and portfolios. Sustainability analyses are regularly

made of funds and portfolios and are combined with the three investment strategies: including, excluding and engaging with the company.

Sustainability analysis

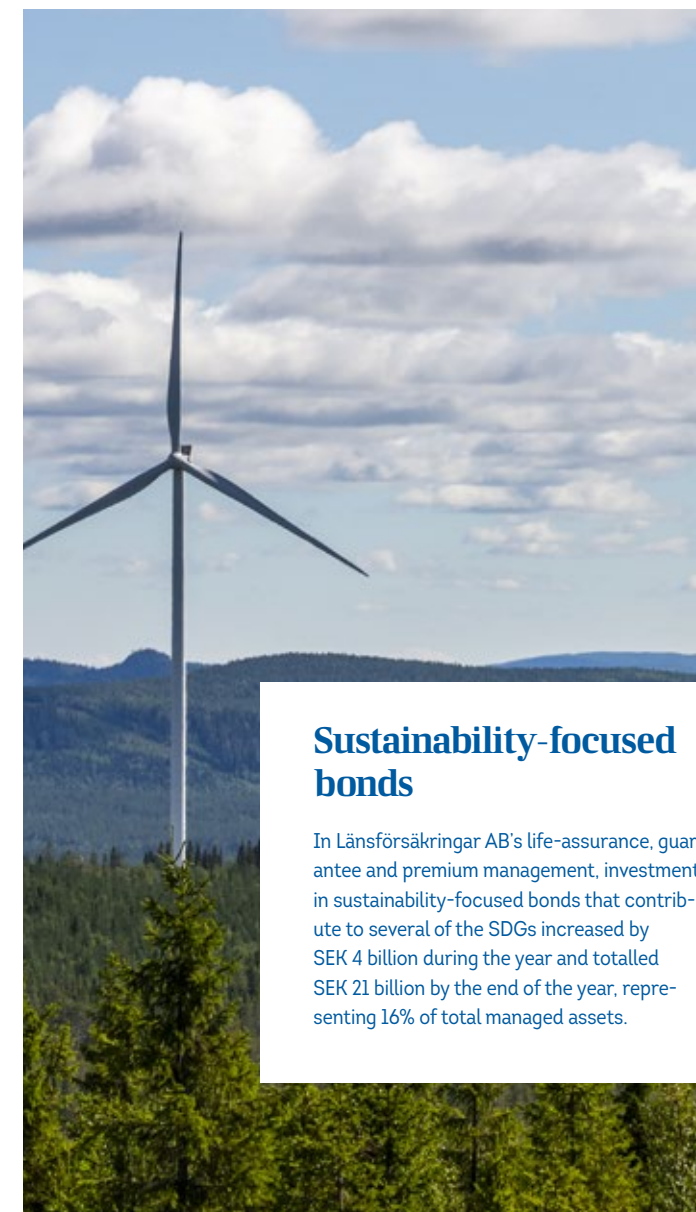
Investments are benchmarked against applicable exclusion criteria and international conventions in the areas of the environment, human rights, labour laws, corruption and controversial weapons. The results of the analyses are used as the basis for deciding on one of the investment strategies: including, excluding and/or engaging with the company. If serious incidents or breaches of conventions are identified, engagement activities are initiated with the company. The results also form the basis of follow-up and dialogues with external managers.

Minimise climate risks

Länsförsäkringar AB's goal for own funds and portfolios to be climate-positive by no later than 2045. A target is for the emissions from investment portfolios and own funds to decrease in line with the Paris Agreement by no later than 2030, which in practice means reducing climate impact by an average of 7% annually (base year 2019). This target will be achieved by, for instance, 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 targets and action to reduce emissions.

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

A new sustainability-focused fund was launched in 2021, and two of Länsförsäkringar's own funds exchanged external man-



Sustainability-focused bonds

In Länsförsäkringar AB's life-assurance, guarantee and premium management, investments in sustainability-focused bonds that contribute to several of the SDGs increased by SEK 4 billion during the year and totalled SEK 21 billion by the end of the year, representing 16% of total managed assets.



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Exclusion criteria

on 31 December 2021

- Mining companies exposed to thermal coal 5%.¹⁾
- Energy companies exposed to thermal coal 5%, with the exception of companies in transition.¹⁾
- Companies involved in unconventional extraction of oil and gas 5%.
- Companies involved in prospecting and conventional extraction of oil and gas 5%, with the exception of companies in transition.
- Manufacturers of tobacco products 5%.
- Commercial online gambling and gambling companies with land-based casinos 5%.
- Controversial weapons.
- Companies that contravene international conventions and dialogue does not have the desired results.
- Government bonds issued by countries that overall are not considered to meet fundamental criteria on human rights, democracy and anti-corruption.
- Government bonds issued by countries that the EU deems are non-cooperative jurisdictions for tax purposes.

Limits stated in % refer to maximum sales in that area.

¹⁾ Selected companies that can demonstrate that they are transitioning from fossil to renewable energy or have set emissions targets aligned with the Paris Agreement can be kept in the investment universe. The website has a list of all criteria, companies and countries.

agement to more sustainable alternatives. Management for twelve of Länsförsäkringar's own funds was changed so that they now meet SFDR's¹⁾ classification for light-green funds that promote environmental or social characteristics. At the end of 2021, 36 of Länsförsäkringar's 38 own funds and all of the traditionally managed life-assurance and guarantee products were classified as light-green funds under the SFDR.

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.

Sustainability part of the selection process in unit-linked insurance

In unit-linked insurance, customers themselves choose which funds they want to invest in, unlike a traditional pension insurance where Länsförsäkringar handles management. For this offering, Länsförsäkringar Fondliv applies a selection process focused both on return and sustainability to regularly include and exclude funds, with the ultimate goal of providing an offering of funds that have been deemed responsible and that have the preconditions to generate competitive returns in the future.

The fund's sustainability work is analysed and rated based on various criteria and followed up regularly. Holders in the funds are analysed at least twice per year. If deficiencies in sustainability or high sustainability risks are identified in the management of a fund, and the manager does not address them, Länsförsäkringar Fondliv can place the fund on a watch list. A dialogue is started with the manager within 12 months, and if there is no demonstrable improvement the fund can be excluded and the customers' capital moved to another fund.

Nine new externally managed funds were launched that are classified as light or dark green according to the SFDR. During the year, six funds were replaced by more sustainable ones. By the end of 2021, just over 80% of the number of funds in the unit-linked insurance offering were light green or dark green according to the SFDR.

¹⁾ According the SFDR, funds that promote environmental or social characteristics are classified as Article 8 products, generally known as "light green," and funds that have sustainable investment as their objective are Article 9 products, generally known as "dark green."



Responsible lending offering

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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 bank's customers are not in energy- or emissions-intensive sectors such as large-scale manufacturing, mining operations or energy production. No loans are granted to companies in fossil energy production. 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 updated templates were prepared in 2021 to aid analyses and assessments of sustainability risks in lending.

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 connec-

tion 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.

Interest payments for stable household finances

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. For customers experiencing financial difficulties, forgiveness can be granted under certain conditions in accordance with internal regulations. In 2021, customers who requested mortgage repayment relief due to COVID-19 could do so until the end of August 2021.

Sustainability-focused offering

The bank's issuance of covered bonds presents opportunities for using green bonds to steer capital towards sustainable purposes. The option of offering green mortgages, and with this the possibility of issuing a green bond, continued to be investigated during the year but was delayed due to a change of priorities in the wake of due to COVID-19.

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.



Principles for Responsible Banking set the framework for lending

In 2021, Länsförsäkringar Bank signed the UN Principles for Responsible Banking (PRB). The principles aim to set the framework for a sustainable banking system that drives the global economy in a sustainable direction. By signing the principles, Länsförsäkringar Bank commits to integrating the principles into operations, reporting both the negative and positive impacts of material sustainability areas and clearly indicating which specific SDGs Länsförsäkringar Bank is working to achieve. The bank also commits to working towards joint sustainability targets together with other players in the banking industry, applying a synchronised and comparable work method.



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Funding at low credit risk

Länsförsäkringar Bank's main financing sources are deposits and funding through covered bonds. These covered bonds have the highest credit rating from Moody's and S&P Global Ratings, which indicates a low credit risk. The share of green bonds that the bank invested in increased to slightly more than SEK 3.6 M (3.2) on 31 December 2021.

Local branches and digital services for higher availability

With the 23 regional insurance companies, Länsförsäkringar's customers have access to 115 branches throughout Sweden as well as digital banking services. 73% (71) 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 83% (78) in 2021.

Industry-wide climate activities to support Sweden's climate targets

In 2021, the Swedish Bankers' Association, which Länsförsäkringar Bank is a member of, developed a joint climate roadmap for the Swedish banking industry. In the roadmap, banks pledge to adapt their operations to help Sweden reach the climate target of net-zero emissions by 2045.





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Employees

Skilled employees who drive and develop the operations are Länsförsäkringar's most important resource.

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 70,038 in-house training courses (56,081) were organised for Länsförsäkringar Alliance employees in 2021. 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. A shared ambition is to advance Länsförsäkringar's positions as an attractive employer. Implementation of a new shared employee and training system was finalised in 2021.

Work environment and health

Working from home due to the COVID-19 pandemic continued for large parts of the operations during 2021. This was based on the guidelines and recommendations from the Public Health Agency. The focus in the work environment was to create a safe and secure work environment for working both at the office and remotely.

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 that combats 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.

Course on sustainability in the finance industry

In 2021, more than 1,900 employees and Board members completed the "Certification – Sustainability in the finance industry" course. A training course on climate risks, how the EU regulations on sustainability and various international initiatives interrelate and the necessary activities for achieving a sustainable future.





Market-leading non-life insurance focusing on customer satisfaction and sustainability

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NON-LIFE INSURANCE

Satisfied customers, strong earnings and continuing focus on sustainable business sum up the non-life insurance operations in 2021. Premiums earned increased to just over SEK 31 billion, the combined ratio amounted to 91% and the market-leading position was stable with a market share of 31%. The regional insurance companies will pay back a total of SEK 2.6 billion in bonuses and discounts to customers.

Most of Länsförsäkringar's non-life insurance business is underwritten by the regional insurance companies. Some non-life insurance business lines, including personal-risk and pet insurance, are underwritten by the jointly owned Länsförsäkringar AB's and its subsidiaries. Of the Länsförsäkringar Alliance's total premiums earned in non-life insurance of SEK 31.2 billion, SEK 23.5 billion was underwritten in the 23 regional insurance companies and the remainder in the Länsförsäkringar AB Group.

The non-life insurance market

The Swedish non-life insurance market is growing steadily and paid-in premiums reached SEK 96 billion in 2021. Premium income has risen SEK 33 billion over the past ten years, up 52%. This increase is high but unevenly distributed between insurance lines. Over the past ten years, premium income has increased 63% for accident and health insurance, but fallen 7% for motor third-party liability insurance. Compared with 2020, the number of insured households and single-family homes increased slightly in 2021, whereas the number of insured

vacation homes remained relatively unchanged. 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, especially noticeably since 2020 due to the 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 pat-

Market share

31%

Premiums earned: **SEK 31.2 bn**

+6%

Combined ratio

91%

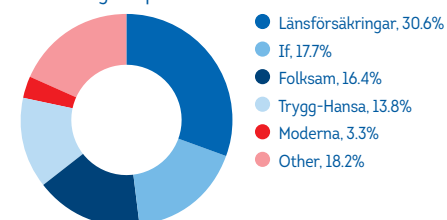
Bonuses and discounts to customers

SEK 2.6 bn

MARKET SHARES

Non-life insurance

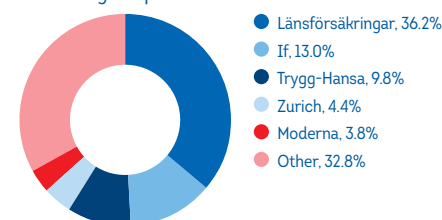
Percentage of premium income*



Länsförsäkringar's position as a leader in the non-life insurance market was stable with a share of 30.6% on 31 December 2021.

Commercial lines and liability insurance

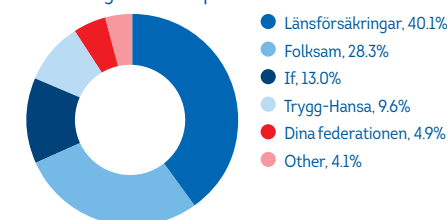
Percentage of premium income*



Länsförsäkringar has a leading position in commercial lines and liability insurance with a market share of 36.2% on 31 December 2021.

Homeowner insurance

Percentage of no. of policies*



Länsförsäkringar has a leading position in homeowner insurance with a market share of 40.1% on 31 December 2021.

* Source: Insurance Sweden



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terns and needs that require changes to the offering, distribution and pricing. Robotisation and increasingly intelligent decision-making support 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 tailored to customer needs and more precisely price risks.

The passenger-car market has noted high levels of new registrations in recent years, but demand declined in 2020 due to the pandemic. The market recovered slightly in 2021 and the number of new registrations increased 3.1% to a total of 301,000. This recovery is expected to continue in 2022. The percentage of electric cars is continuing to increase, representing 45% (32) of sales of new cars in 2021. Changes to vehicle tax and fringe-benefit tax for company cars also affected the registrations of passenger cars, with a decline on the corporate side and an increase on the private side. In the short term, the private leasing market is expected to grow strongly.

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, fire and burglary. Digital platforms, smart and connected homes and connected individuals mean great potential 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 and 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 robust growth in recent years. 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 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 at 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 market share of 30.6% (30.6), measured in premium income. Länsförsäkringar is a market leader in the commercial and liability, homeowner, motor third-party liability, passenger-car and other vehicle lines, with market shares of between 30% and 40%, and holds a strong, market-leading position in pet insurance.

In 2021, Länsförsäkringar's market share of commercial and liability insurance amounted to 36.2% (36.8), measured in premium income. The market shares for homeowner and household insurance amounted to 40.1% (40.4) and 25.3% (25.5), respectively, both measured in the number of insurance policies. The market share for motor third-party liability insurance was 38.8% (39.3), measured in premium income, and for passenger-car insurance 32.6% (32.9), measured in the number of insurance policies.

Brokered business

Länsförsäkringar Mäklarservice is Länsförsäkringar's service company for customers who choose to be represented by insurance brokers. The Länsförsäkringar Alliance's brokered non-life insurance premiums rose 7% in 2021 to SEK 2,911 M (2,719). The brokered non-life insurance business accounted for 32% (30) of the Alliance's total non-life insurance portfolio for commercial insurance.

In 2021, Länsförsäkringar Mäklarservice continued to developing services, enhancing the efficiency of processes and managing growing business flows. A new case management system will make brokers' daily meetings with Länsförsäkringar easier by improving follow-ups and shortening lead times.

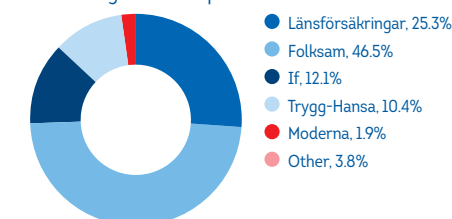
The Länsförsäkringar Alliance's brokered personal-risk insurance business increased to SEK 290 M (273) in 2021, driven by group life assurance. Länsförsäkringar became an eligible option in several new procurement processes in 2021, providing excellent conditions for continuing growth. Demand for collective accident insurance remained high since it represents a good supplement to industrial injury insurance (TFA) for remote working.

The brokered market is growing steadily with the large broker firms pursuing a clear growth agenda with increased distribution, at the same time as they are driving digitisation and efficiency at an accelerating tempo. An increasing number of group procurements are being carried out to make processing of smaller customers more efficient.

MARKET SHARES

Household insurance

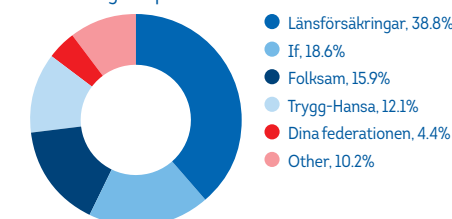
Percentage of no. of policies*



Länsförsäkringar's market share of household insurance was 25.3% on 31 December 2021.

Motor third-party liability

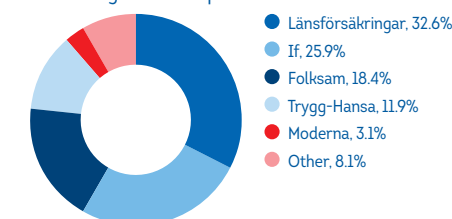
Percentage of premium income*



Länsförsäkringar has a leading position in motor third-party liability insurance with a market share of 38.8% on 31 December 2021.

Passenger-car insurance

Percentage of no. of policies*



Länsförsäkringar has a leading position in passenger car insurance with a market share of 32.6% on 31 December 2021.



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Motor

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

Market position

In 2021, Länsförsäkringar's premium income for motor third-party liability and motor insurance rose 4%, compared with market growth of 4.2%. Länsförsäkringar's total market share remained stable at 30.5% (30.5), measured in premium income. Länsförsäkringar's premium income for motor insurance increased 6.2% in a market that grew by 5.4%. The market share thereby rose to 27.8% (27.6). Länsförsäkringar's premium income for motor third-party liability insurance declined 0.8% compared with market growth of 0.7%, meaning that the market share fell to 38.8% (39.3). Measured in the number of vehicles, Länsförsäkringar remains the market leader with about one-third of the passenger cars insured in Sweden and just over half of other types of vehicles.

Development

Länsförsäkringar has had a brand insurance partnership with Toyota and Lexus in the Swedish market for three years. The partnership has developed well and was extended by five years in 2021. Work on pricing in motor insurance continued in 2021 by implementing new tools and models. The increasingly important digital channels were also improved during the year to meet customer expectations and provide a better customer experience. The transition to a Lean Agile work method means more efficient development and quicker deliveries of new services demanded by customers.

Motor	2021	2020
Premiums earned, gross, SEK M	9,936	9,541
Market share, premium income motor insurance, %	27.8	27.6
Market share, premium income motor third-party liability, %	38.8	39.3
Market share, no. of passenger cars, %	32.6	32.9
Market share, no. of other vehicles, %	51.2	50.8

Home

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

Market position

Länsförsäkringar remained the market leader in home insurance in 2021, with a market share of 30.7% (30.9), measured in premium income. Länsförsäkringar's premium income in home insurance increased by slightly more than 3% in 2021. Measured in the number of insurance policies, Länsförsäkringar's market-leading position in vacation home insurance amounted to 42.1% (42.0) and in home-owner insurance 40.1% (40.4). The market share in household insurance amounted to 25.3% (25.5), measured in the number of insurance policies.

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. 2021 continued to be dominated by the pandemic, with reduced international travel and thus fewer travel claims. Länsförsäkringar follows the developments in new and changed needs for insurance cover. Länsförsäkringar is also working to enhance its advisory services and offer more claims-prevention services. For example, Länsförsäkringar sees a greater need for advice on Internet fraud.

Home	2021	2020
Premiums earned, gross, SEK M	5,957	5,788
Market share, no. of households, %	25.3	25.5
Market share, no. of homeowner + home content, %	40.1	40.4
Market share, no. of vacation homes, %	42.1	42.0

Yacht

Länsförsäkringar offers yacht insurance.

Market position

Länsförsäkringar maintained its position as market leader in 2021, with a market share of 32.5% (32.7), measured in the number of insurance policies. The closest competitor Moderna Försäkringar (Atlantica) has a market share of 19.5%, measured in the number of insurance policies.

Development

The summer of 2021 saw many new boat owners and "staycations" due to the pandemic, which meant that pleasure boats were used significantly more than in a normal year. The boating industry reported another sales record for new and second-hand boats and accessories. The claims frequency fell 12% compared with 2020, while claims costs were unchanged. This means that our customers incurred fewer claims, but costs for restoring damages increased. The two largest types of claims – theft of boat engines and sea damage – both declined 10%, while the number of claims due to sinking increased compared with 2020.

Yacht	2021	2020
Premiums earned, gross, SEK M	173	168
Market share, no. of policies, %	32.5	32.7



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Commercial

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

Market position

Länsförsäkringar remained the market leader in commercial and liability insurance, including agriculture, with a share of 36.2% (36.8), measured in premium income. Länsförsäkringar's premium income increased just under 4% in 2021, compared with market growth of 5%.

Development

Several new and improved offers in commercial insurance were developed in 2021. For example, the cover of Länsförsäkringar's cyber insurance was expanded with different levels of scope to better meet corporate customers' needs and size. Demand for cyber insurance is expected to increase significantly in the future. Another example is the launch of new insurance solutions for solar panels and charging stations, due to increased demand in the market in recent years. In addition, conditions and tariffs for insurance of leased property were adjusted so that it could be offered to even more customers. A new lifting insurance was launched at the end of 2021. In 2021, Länsförsäkringar also focused on developing the digital distribution of commercial insurance in both the short and long term.

Commercial	2021	2020
Premiums earned, gross, SEK M	5,855	5,587
Market share, premium income commercial and liability, %	36.2	36.8

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 increased 3.6% in 2021. The immediate competitor is Dina Försäkringar, while If Skadeförsäkring offers forestry insurance. A new company, the insurance broker Dunstan AB, was launched at the end of 2021, offering horse and farm insurance.

Development

The agriculture segment is an important customer group in many respects for the Länsförsäkringar Alliance. In addition to agricultural insurance, Länsförsäkringar offers other types of insurance cover that a private and corporate customer may need. Länsförsäkringar has high forestry exposure with 9.7 million hectares of forest insured. There is a need to increase the volume of accessible information about forests to manage future risks. In 2021, work continued on setting new tariffs for forestry insurance, whereby we link available data from satellites and laser scans to each land registry. This is to achieve better risk control and pricing based on risk that better reflects the property's forest portfolio.

Agriculture	2021	2020
Premiums earned, gross, SEK M	2,134	2,060

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 serves Denmark, Finland, the UK, France as well as Germany, where Agria was launched in autumn 2021. Agria continued to report strong growth in 2021. The strong growth was partly due to continuing widespread interest in getting a pet during the pandemic. Investments in digital channels were also a contributing factor to the strong growth. Business volumes increased in all business lines, with the largest growth in the international operations, primarily the UK and Norway.

Development

Agria has a strong concept with the clear strategy of growing internationally. In February 2022, Agria acquired the Irish company Capstone Financial Services Limited which provides pet insurance in Ireland and the Netherlands. Agria's operations in various countries entail different challenges, but many similarities as well, and this is where the value of economies of scale, greater risk diversification and access to international know-how strengthen the business. The Agria Vårdguide app offering video calls with vets was launched in Sweden in autumn 2020, and in the rest of the Nordic region in May 2021. The idea is to encourage more animal owners to discover how secure and simple it is to use digital consultations with vets for minor injuries and illnesses. The number of customers using the Agria Vårdguide app has increased steadily since its launch and customer satisfaction is very high. Research into animal health is supported through Agria's Research Fund. Agria's extensive claims statistics are used by breed clubs and researchers to improve animal health and sustainability.

Agria	2021	2020
Premiums earned, gross, SEK M	4,896	4,148



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Personal risk

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

Market position

Länsförsäkringar's market share rose to 20.5% (20.0) in 2021. Premium income increased just over 7%, compared with market growth of 5% in 2021. The 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

Länsförsäkringar works continuously on developing data-driven marketing, and digital sales performed positively in 2021. 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	2021	2020
Premiums earned, gross, SEK M	2,126	2,017
Market share, premium income accident and health, %	20.5	20.0

Children's insurance

Länsförsäkringar offers pregnancy and children's insurance.

Market position

Länsförsäkringar's premiums earned for children's insurance increased 13% to SEK 794 M in 2021.

Development

Länsförsäkringar noted healthy growth in children's insurance in 2021. Securing the customer at a young age is vital for building up a long-term relationship in private personal insurance. A partnership with the pregnancy app BabyJourney was initiated in 2021, which helps increase the visibility of Länsförsäkringar to future parents.



Children's insurance	2021	2020
Premiums earned, gross, SEK M	794	704

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Reinsurance

Länsförsäkringar AB manages the Länsförsäkringar Alliance's reinsurance cover and internal Alliance reinsurance with 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 AB 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. The total reinsurance capacity in the international reinsurance market remained large. After several years of reinsurance prices falling, the trend was broken in 2019 with prices of reinsurance continuing to rise in 2021.





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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, 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 claims that may occur. This contingency plan was brought into focus in summer 2021 due to the severe torrential rain in the Gävleborg region.

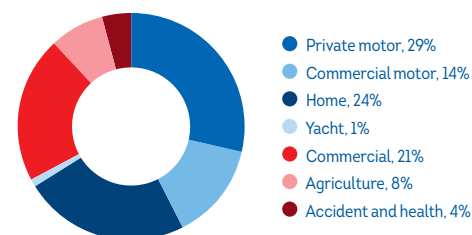
Natural catastrophes

Costs for natural-catastrophe claims in 2021 were mainly due to the torrential rain, where flooding in the Gävleborg region was the single largest claim. The total cost for natural catastrophes was SEK 1,340 M in 2021, of which 65% of costs were related to flooding. This meant that 2021 was a year of exceptionally high costs for natural catastrophes compared with 2020 when costs were unusually low at SEK 400 M. The annual average cost for natural catastrophes in the past ten years is SEK 656 M. However, the impact of natural catastrophes costs on Länsförsäkringar Alliance's earnings in 2021 was limited due to external reinsurance cover.

Claims prevention

Claims prevention is a key element of the regional insurance companies' sustainability efforts. Avoiding claims and minimising the use of resources for repairs is always a benefit for the environment. As a market leader in motor insurance, Länsförsäkringar has many opportunities to influence the automotive industry to take important steps in sustainability. One tool is Länsförsäkringar's environmental and quality certification that is performed by third-party audits. The number of certified workshops was 1,500 in 2021.

Claims costs*



A total of SEK 13,859 M was paid for claims that occurred in 2021. A total of 933,404 claims occurred in 2021.

* Compensation paid for claims that occurred in 2021.



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 the past two years the figure decreased significantly due to less travel as a result of the pandemic. Access to workshop service times and rental cars was also affected by restrictions and measures abroad due to the pandemic. However, the number of claims handled by SOS International approached previous levels at the end of 2021 due to the sharp rise in travel and thus the greater need for assistance.





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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 increased to a record strong SEK 19,742 M (7,252), due to very high investment income and a strong technical result. The stock markets performed very well in 2021, which resulted in investment income of SEK 19,296 M (6,950).

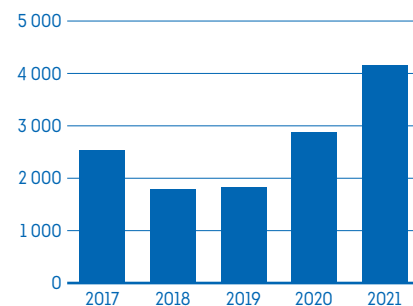
The technical result increased to SEK 4,144 M (2,873), due to continued healthy premium growth of 6% and a favourable claims-cost trend, particularly in the second half of 2021. The claims ratio declined to 73.2% (74.2) and the expense ratio fell to 18.2% (18.8), resulting in a combined ratio of 91.4% (92.9). Measured as a five-year average, the combined ratio and the claims ratio remained stable at 94% and 75%, respectively.

Based on the strong 2021 earnings, the regional insurance companies will pay back a total of SEK 2,571 M (1,832) in bonuses and discounts to their owners – the customers.

Solvency capital increased SEK 20,111 M during the year to SEK 111,422 M on 31 December 2021. The solvency margin amounted to 349% (302). Each company in the Länsförsäkringar Alliance has a strong capital position.

Technical result

SEK M



Business volumes

Premiums earned after ceded reinsurance rose 6.1% to SEK 31,193 M (29,397). The increase was attributable both to premium increases and portfolio growth. Premiums earned for the private segment increased by slightly more than 4%, with growth continuing to be driven by homeowner, accident and personal-risk insurance. Agria's strong growth continued in 2021, both in Sweden and in the international operations, partly due to increased interest in getting a pet during the pandemic – premiums earned increased 18%. Premiums earned for the commercial segment rose 5%, primarily driven by continuing healthy growth in property, commercial and liability insurance. Premiums earned for the motor insurance segment rose 4%, with continued solid growth in commercial motor. Premiums earned in the agriculture segment rose by slightly more than 3%. Premium growth remained relatively unaffected by the pandemic in 2021.

Claims trend

Claims payments after ceded reinsurance amounted to SEK 22,595 M (21,574). The claims-cost trend was favourable in 2021, particularly in the second half of the year, which resulted in a claims ratio of 73.2% (74.2). The pandemic, with the measures and recommendations implemented, continued to result in fewer travel claims. However, motor insurance claims increased somewhat in 2021 compared to 2020. Claims caused by flooding dominated major claims. The severe torrential rain in Gävleborg in the summer affected more than 2,300 of Länsförsäkringar's customers, but the impact of flooding claims on Länsförsäkringar Alliance's earnings was limited to SEK 200 M due to external reinsurance cover. Fires also resulted in major claims, particularly in the commercial segment. Agria's claims-cost trend for pet insurance in Sweden stabilised. Through the launch of the Agria Vårdguide app, customers are offered free digital veterinary care as an alternative in cases of minor injuries and illnesses, which is expected to contribute to a long-term sustainable level of claims costs and insurance premiums.





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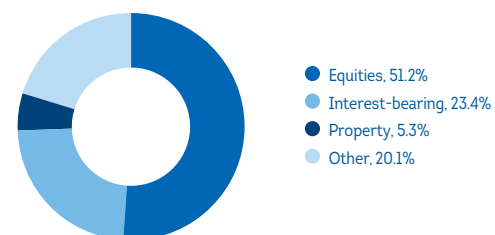
Non-life insurance

Investment income

The Länsförsäkringar Alliance reported very high investment income in 2021 of SEK 19,296 M (6,950), a return of 15.3% on the asset value on 31 December 2021. The stock markets performed very well in 2021. Increases in the value of property investments from holdings in Humlegården* also made a positive contribution to investment income, partly due to an updated valuation method from December 2021.

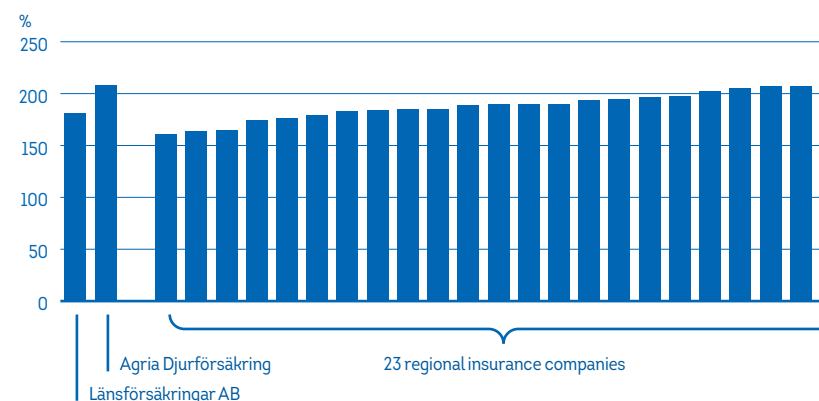
* Humlegården Fastigheter AB is a property company owned by the 23 regional insurance companies, Länsförsäkringar AB, Länsförsäkringar Fondliv and Länsförsäkringar Liv.

Allocation of investment assets



Total investment assets amounted to SEK 152.1 billion on 31 December 2021.

Solvency II ratio on 31 December 2021



The regional insurance companies, Länsförsäkringar AB and Agria Djurförsäkring remained very well capitalised in 2021.

Länsförsäkringar Alliance, non-life insurance

	2021	2020	2019	2018	2017
Premiums earned after ceded reinsurance, SEK M	31,193	29,397	27,856	26,751	25,504
Technical result before bonuses, SEK M	4,144	2,873	1,824	1,778	2,529
Operating profit, SEK M	19,742	7,252	12,001	2,243	7,078
Expense ratio, %	18	19	20	19	18
Claims ratio, %	73	74	77	76	74
Combined ratio, %	91	93	96	96	92
Technical result as a percentage of premiums earned after ceded reinsurance	13	10	7	7	10
Solvency capital, SEK M	111,422	91,311	82,096	68,472	66,149
Solvency margin, %	349	302	288	252	253
Return on equity, %	17	7	14	3	11



The local and digital bank

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BANK

Länsförsäkringar Bank is a customer-owned bank with a strong local presence across Sweden and the bank with the highest customer satisfaction among the large players in the retail market. Close customer relationships through personal meetings combined with modern digital services make Länsförsäkringar Bank one of Sweden's leading retail banks.

Länsförsäkringar Bank was founded in 1996 and is now the fifth largest retail bank in Sweden with a business volume of SEK 852 billion. The banking operations are conducted only in Sweden and the market position is continuing to steadily strengthen.

Strategy and goals

The 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.

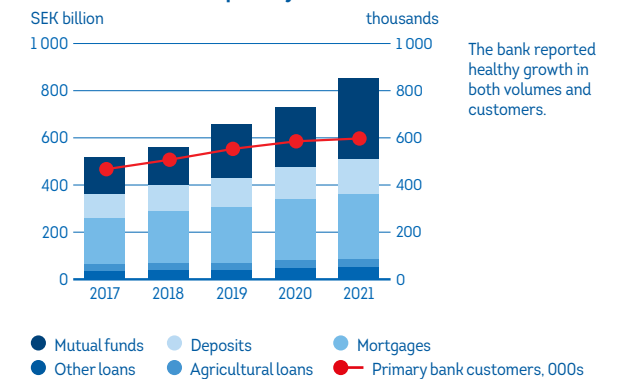
A target group is the 3.2 million retail customers, of whom 2.4 million are home-insurance customers. Another target group is agricultural customers and small businesses. The aim is, based on low risk, to maintain healthy growth in volumes and profitability, have the most satisfied customers and more customers who have both banking and insurance with Länsförsäkringar. According to the

2021 Swedish Quality Index customer satisfaction survey, Länsförsäkringar Bank continues to have the highest customer satisfaction among the major market players for retail customers, a position that Länsförsäkringar Bank has held 16 times over the past 18 years. 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 complete solution that creates security and added value.

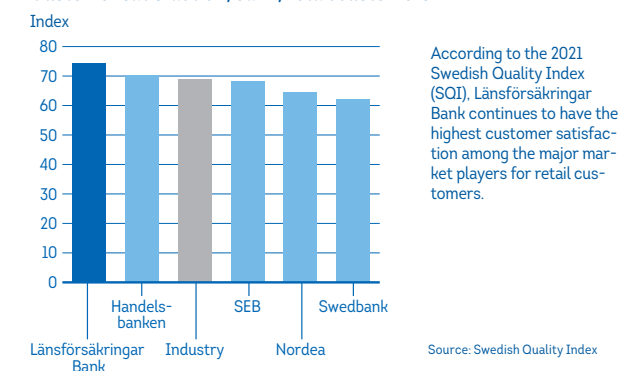
Customer ownership

The Länsförsäkringar Alliance consists of 23 local, customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB, which is the bank's Parent Company. The insurance customers own the regional insurance companies, which means that the principles of customer ownership also apply to the banking operations. Long-term respect for customers' security is fundamental to Länsförsäkringar, since customers are both the principal and owners.

Business volumes and primary bank customers



Customer satisfaction, bank, retail customers



Business volume:
SEK 852 billion

+17%

Primary bank customers who
are also insurance customers

91%

Number of
primary bank customers

589000



A complete offering focusing on customers

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Länsförsäkringar Bank's offering helps customers create financial security and balance in their private finances, based on their individual needs. The personal meeting combined with a strong digital offering jointly present a full-service customer offering in both banking and insurance.

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, a customers' private finances can become more balanced over time.

Deposits

Growth in deposits from the public has been stable in recent years and rose 7% to SEK 146 billion in 2021. The market share for household deposits was 5.3% and the number of deposit accounts increased 5%. The ISK displayed healthy growth during the year and the number of ISKs at year-end was 459,000, up 14%.

Funds and securities

Sweden's fund market continued to grow in 2021. Länsförsäkringar Fondförvaltning commands a market share measured in fund assets of 4.4%.

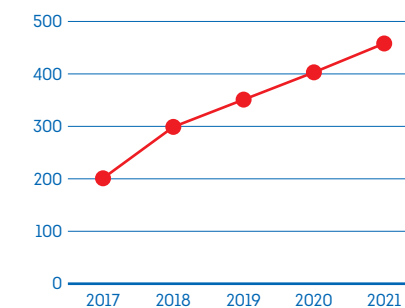
The fund volume increased 36% to SEK 343 billion during the year, of which managed funds under own brands amounted to SEK 305 billion. 94% of Länsförsäkringar's funds managed under own brand performed better than their benchmark index in 2021.

The company's most important product development activity in 2021 was primarily winning the management of 11 savings funds comprising a total of about SEK 50 billion in managed assets. Other major activities were changing the asset manager for Länsförsäkringar Europa Aktiv to Candriam Investments, thereby raising the sustainability level and return expectations of the fund. The company also lowered the fee for Länsförsäkringar Bekväm Fond Defensiv and Länsförsäkringar Bekväm Fond Stabil in 2021.

The sustainability-focused funds were also expanded with a new fund during the year and Länsförsäkringar now offers five

Investment Savings Account (ISK)

Number, thousands



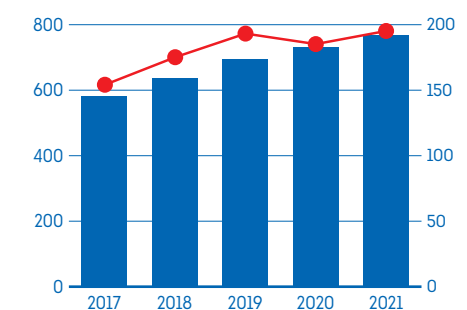
The ISK performed well during the year.

● Number of ISK accounts

Bank cards

Number of cards, thousands

millions



The number of bank cards issued by Länsförsäkringar Bank and card-payment transactions has risen steadily over the past five years.

● Cards issued by Länsförsäkringar Bank, 000s
● Transactions

Fund volume:
SEK 343 billion

+36%

Loans to the public:
SEK 362 billion

+6%

Deposits from the public:
SEK 146 billion

+7%

Retail mortgages:
SEK 279 billion

+7%



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sustainability-focused funds in various categories. The sustainability-focused funds were given a new name during the year and are now jointly called "Vision."

Loans

The bank's lending is continuing to grow stably and maintains low risk. Lending rose 6% to SEK 362 billion in 2021. The largest product is retail mortgages, which comprises 77% 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 71%.

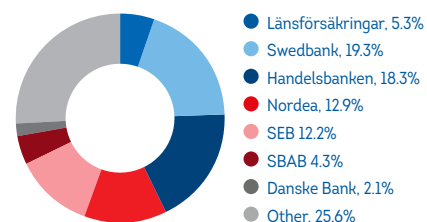
Länsförsäkringar Bank is one of the largest players in agricultural lending in Sweden and primarily targets family-owned agricultural operations that are insurance customers with Länsförsäkringar. The average agricultural loan commitment is small and the percentage of first-lien mortgages is 97%.

Wasa Kredit offers leasing, hire purchase and unsecured loans and the performance of the company for the year was favourable. Lending increased 2% to SEK 26 billion.

MARKET SHARES

Retail deposits

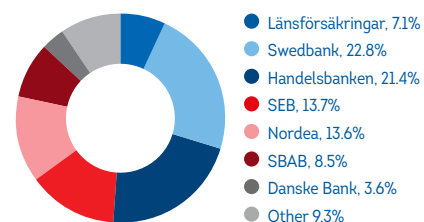
Source: Statistics Sweden



The market position in retail deposits amounted to 5.3%.

Retail mortgages

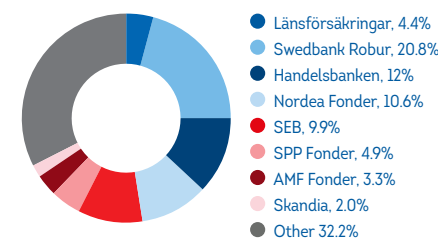
Source: Statistics Sweden



The market position in mortgages amounted to 71%.

Volume of managed funds under Länsförsäkringar's own brand

Source: Moneymate



Länsförsäkringar holds a 4.4% market share of Swedish fund volumes.

Clear focus on sustainability

Länsförsäkringar's funds have a clear sustainability focus. 13% of the funds are sustainability-focused. During 2021 Länsförsäkringar's customers voted the Länsförsäkringar Global Klimatindex the "Responsible Fund Performance of the Year". The fund has an 80% lower climate footprint than standard index funds and with new sustainability criteria has introduced several climate parameters.



95%

of Länsförsäkringar's funds managed under own brand were light green, meaning that they promote environmental or social characteristics.

94%

of Länsförsäkringar's funds managed under own brand performed better than their benchmark index in 2021.



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 768,000 and the number of card-payment transactions amounted to 195 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.

CORPORATE SEGMENT

In the corporate segment, deposits and lending continued to grow, particularly for existing customers in Länsförsäkringar who operate in our priority segments, knowledge and development, green businesses as well as construction and transportation. Growth in payment services included in the corporate offering was also healthy during the year.



Lending with high credit quality

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Länsförsäkringar Bank's lending primarily comprises mortgages to private individuals. The risk profile is conservative and the loan portfolio maintains very high credit quality. Lending is well diversified geographically and conducted solely in Sweden and in SEK based on standardised centrally established credit regulations.

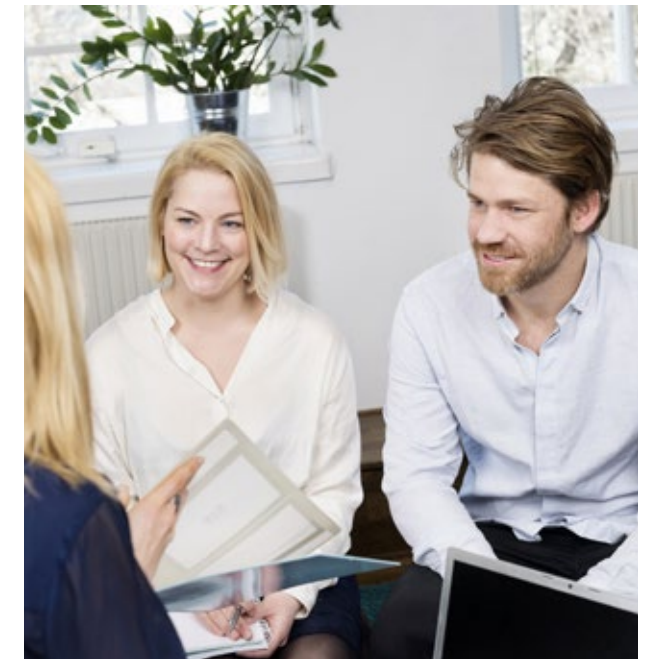
Lending

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, which 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.

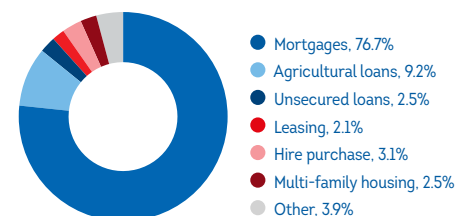
Mortgages for private individuals

Loans to the public rose 6% to SEK 362 billion in 2021. Retail mortgages for private individuals' housing comprise 77% 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 1.5 M per borrower. Just over 48% of borrowers have a loan 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 57%. 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 to ensure a healthy balance in their private finances.

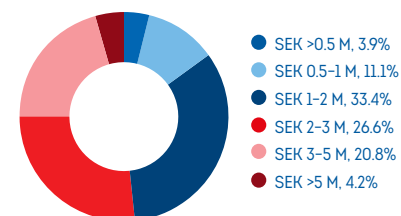


Loans by product



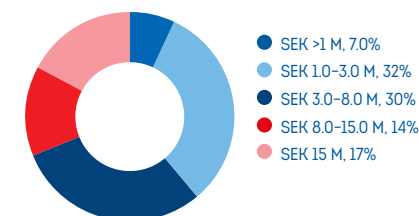
The loan portfolio primarily comprises retail mortgages.

Retail mortgages by commitment amount



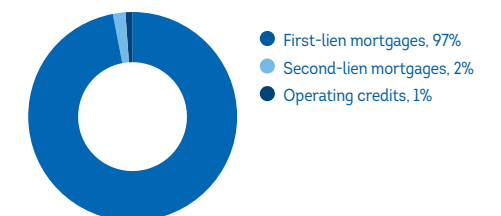
The average mortgage commitment amounted to SEK 1.5 M and just over 48% of mortgages have a commitment up to SEK 2 M.

Agricultural loans by commitment amount



The average agricultural commitment is SEK 2.2 M per counterparty.

Agricultural loans by product



97% of agricultural loans are first-lien mortgages.



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Agricultural loans

Agricultural lending amounts to SEK 33 billion, corresponding to 9% of the loan portfolio, and 97% 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 2.5 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 26 billion, corresponding to about 8% of total lending. The leasing and hire purchase products jointly represent slightly more than 5% of the Bank Group's lending. In addition, unsecured loans make up just over 2% of lending.

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.

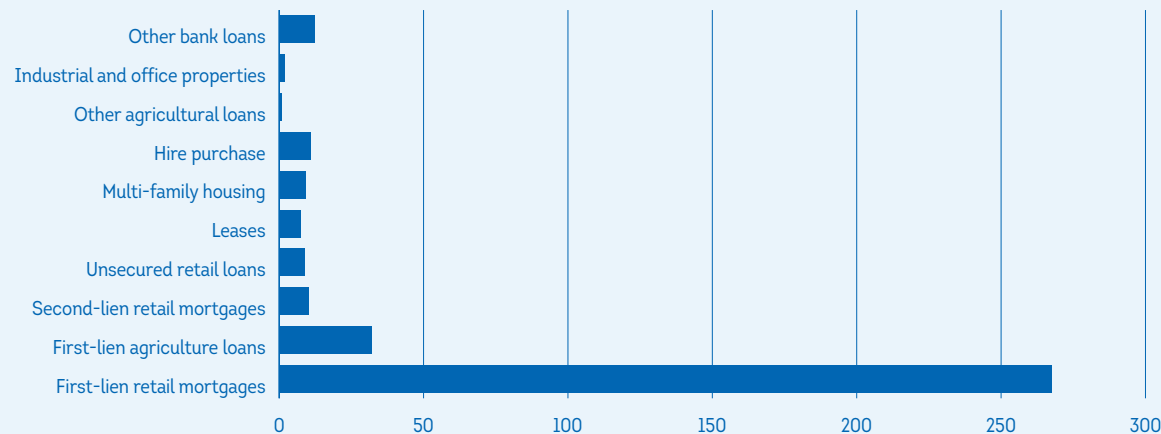
The credit quality of the loan portfolio remained very high and credit losses in the Bank Group are low. Due to improvements in the forward-looking macroeconomic scenarios forming the basis of the calculations of expected credit losses, the loss allowance was reduced during the year and has now essentially returned to the levels from the start of 2020. In December, Wasa Kredit signed an agreement on the sale of a volume of credit-impaired and previously written-off receivables related to two business segments. The sale, which is expected to be completed in the first quarter of 2022, positively impacted credit losses in 2021 in the amount of SEK 265 M.

Credit losses for the year totalled SEK -331.0 M, net, corresponding to a credit loss level of -0.09%.

Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 1,091 M, corresponding to a share of credit-impaired loan receivables of 0.20%. The loss allowance for credit-impaired loan receivables was SEK 366 M. The reserve ratio for credit-impaired loan receivables amounted to 33.6%. In addition, SEK 54 M of the remuneration to the regional insurance companies for credit-impaired loan receivables is withheld in accordance with the settlement model for credit losses related to the regional insurance companies' commitments for generated business. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 421 M. The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 38.6% and the total recognised loss allowance was SEK 606 M, of which SEK 77 M pertained to withheld remuneration to regional insurance companies in accordance with the settlement model for credit losses related to the regional insurance companies' commitments for generated business.

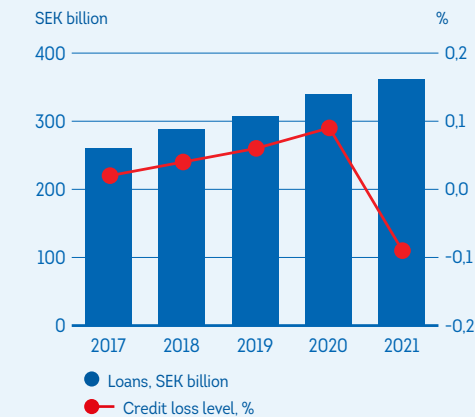
Loans by product

SEK billion



Loans and credit losses

SEK billion



The bank's loan portfolio has high credit quality and credit losses remained very low.



Strong financing and liquidity position

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Länsförsäkringar Bank's main financing sources are deposits and funding through covered bonds in Länsförsäkringar Hypotek. These covered bonds have the highest possible credit ratings, Aaa from Moody's and AAA/Stable from S&P Global Ratings.

Targets

The aim of the funding operations is to ensure that the Bank 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 Bank 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 Bank Group strive 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 2028. 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 Bank 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 four 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.

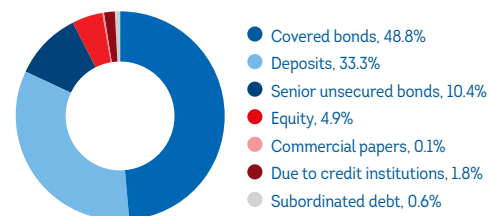
Refinancing and liquidity risk management

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

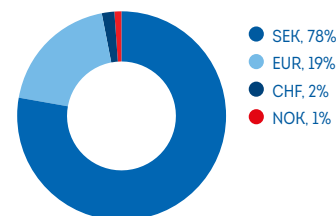
The share of deposits in the Bank Group's total financing amounted to 33% on 31 December 2021. The trend in deposits was favourable during the year, increasing 7%.

Financing sources



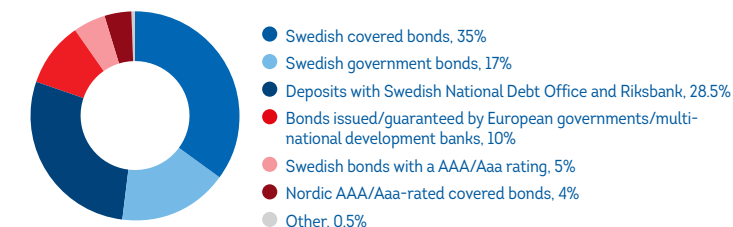
The largest source of financing in the Bank Group is covered bonds, representing about 49%.

Funding by currency



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

Liquidity reserve*



The liquidity reserve is invested in securities with high credit quality.

*99% pertains to AAA-rated bonds



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Funding operations

Funding activities functioned well during the year and demand from investors was high. During the year, Länsförsäkringar Bank issued a senior unsecured five-year Euro bond for a nominal EUR 500 M and a subordinated loan (T2) of a nominal SEK 1.5 billion. In addition, Länsförsäkringar Hypotek issued a seven-year Euro benchmark covered bond for a nominal EUR 500 M and a new Swedish covered bond (LFH521), which matures in September 2028. The average remaining term for the long-term financing is 2.1 years for senior unsecured bonds and 3.3 years for covered bonds.

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.

The liquidity reserve amounted to SEK 86 billion at 31 December 2021. The liquidity reserve is invested in securities with very high credit quality and that are eligible for transactions with the Riksbank and, where appropriate, with the ECB. A total of 35% of the liquidity reserve comprises Swedish covered bonds, 28.5% deposits with the Swedish National Debt Office and Riksbank, 17% Swedish

government bonds, 10% bonds issued or guaranteed by European governments and multinational development banks, 5% other Swedish bonds with an AAA/Aaa credit rating, 4% Nordic AAA/Aaa-rated covered bonds and 0.5% other liquid assets. Slightly more than SEK 3,600 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 2021 amounted to 354%. The Net Stable Funding Ratio (NSFR) for the consolidated situation amounted to 130% on 31 December 2021.

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.

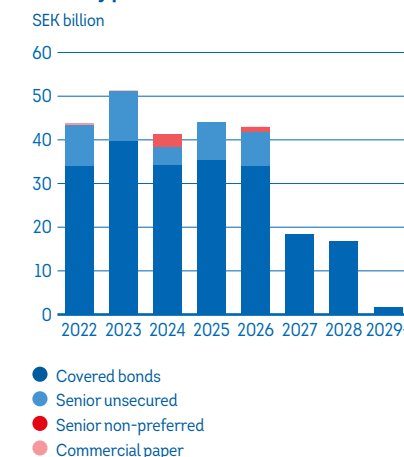
Länsförsäkringar Hypotek's covered bonds maintained the highest credit rating of Aaa from Moody's, and AAA/Stable from S&P Global Ratings. Länsförsäkringar Hypotek is thus one of three issuers in the Swedish market for covered bonds with the highest rating from both S&P Global Ratings and Moody's.

Funding programmes – Bank Group

Programme	Limit, Nominal, bn	Issued 2021, SEK bn	Issued 2020, SEK bn	Outstanding, 31 Dec 2021, SEK bn	Outstanding, 31 Dec 2020, SEK bn	Remaining average term, 31 Dec 2021, years
Benchmark (Hypotek)	Unlimited	39.7	32.2	165.5	141.4	3.3
MTCN (Hypotek)	SEK 30	1.0	2.9	13.9	13.5	4.4
EMTCN (Hypotek)	EUR 6	5.1	-	34.8	34.3	3.0
Total covered bonds		45.8	35.1	214.2	189.2	3.3
MTN (Bank)	SEK 40	7.6	5.8	19.5	19.5	2.2
EMTN (Bank)	EUR 4	6.3	5.2	25.8	20.2	2.0
Total senior unsecured bonds		13.9	11.0	45.3	39.7	2.1
DCP (Bank)	SEK 15	0.4	1.2	0.4	0.2	0.3
ECP (Bank)	EUR 1.5	0.9	2.7	0.2	0.3	0.4
Total commercial papers		1.3	3.9	0.6	0.5	0.3
Total Bank Group		61.0	50.0	260.1	229.4	3.1



Maturity profile





Comments on financial results, Länsförsäkringar Bank

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Earnings and profitability

The Länsförsäkringar Bank Group's operating profit increased 25% to SEK 2,296 M (1,844). The increase was mainly the result of the favourable performance of the banking business and lower credit losses due to more positive macroeconomic scenarios. In addition, credit losses declined SEK 265 M due to Wasa Kredit's agreement on the sale of a volume of credit-impaired and previously written-off receivables related to two business segments. The investment margin amounted to 1.09% (1.18). Return on equity strengthened to 9.8% (8.5).

Income

Operating income increased 5% to SEK 4,488 M (4,278) due to higher commission income and net gains from financial items. Net interest income fell 2% to SEK 4,741 M (4,845) due to slightly lower lending margins. The strong trend in underlying net commission,

excluding remuneration to the regional insurance companies, continued, increasing 30% to SEK 1,332 M (1,028). Net commission amounted to SEK -331 M (-559).

Expenses

Operating expenses rose 20% to SEK 2,523 M (2,109). An analysis of intangible assets was carried out in the fourth quarter, which identified impairment requirements, mainly related to the new core banking system, which is the reason that impairment of SEK 305.8 M took place. Expenses excluding impairment increased 5% to SEK 2,217 M. The underlying rate of increases in expenses was lower compared with last year and was mainly due to IT investments and AML-related costs. The cost/income ratio before credit losses was 0.56 (0.49) and the cost/income ratio after credit losses was 0.49 (0.57). Excluding impairment, the cost/income ratio before credit losses was 0.49.

Credit losses

The credit quality of the loan portfolio remained very high and credit losses in the Bank Group are low. Due to improvements in the forward-looking macroeconomic scenarios forming the basis of the calculations of expected credit losses, the loss allowance was reduced during the year and has now essentially returned to the levels from the start of 2020. In December, Wasa Kredit signed an agreement on the sale of a volume of credit-impaired and previously written-off receivables related to two business segments. The sale, which is expected to be completed in the first quarter of 2022, positively impacted credit losses in 2021 in the amount of SEK 265 M. Credit losses totalled SEK -331 M (326), net, for the year, corresponding to a credit loss level of -0.09% (0.09).

Länsförsäkringar Bank, Group

Income statement, SEK M	2021	2020	Balance sheet, SEK M	31 Dec 2021	31 Dec 2020
Net interest income	4,741	4,845	ASSETS		
Net commission	-331	-559	Treasury bills and other eligible bills	15,526	11,796
Net gains/losses from financial items	54	-28	Loans to credit institutions	1,480	2,557
Other operating income	24	20	Loans to the public	361,991	340,007
Total operating income	4,488	4,278	Bonds and other interest-bearing securities	50,425	46,823
Staff costs	-713	-636	Intangible assets	1,170	1,345
Other administration expenses	-1,258	-1,266	Tangible assets	121	112
Depreciation/amortisation and impairment of property and equipment and intangible assets	-552	-207	Other assets	20,477	6,971
Total operating expenses	-2,523	-2,109	TOTAL ASSETS	451,190	409,611
Profit before credit losses	1,965	2,169	EQUITY AND LIABILITIES		
Credit losses, net	331	-326	Due to credit institutions	7,892	7,403
Operating profit	2,296	1,844	Deposits and funding from the public	146,265	136,388
Tax	-445	-404	Debt securities in issue	266,868	236,138
NET PROFIT FOR THE YEAR	1,851	1,439	Subordinated liabilities	2,595	2,597
			Other liabilities	5,821	7,255
			Equity	21,749	19,830
			TOTAL EQUITY AND LIABILITIES	451,190	409,611

Pension savings with high returns and focus on sustainability

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LIFE ASSURANCE AND PENSION INSURANCE

Länsförsäkringar's life assurance and pension operations featured strong earnings, doubled premium income in unit-linked insurance and high returns for customers in 2021. Länsförsäkringar makes it easy for customers to invest their pension responsibly and sustainably by incorporating sustainability throughout its operations.

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.

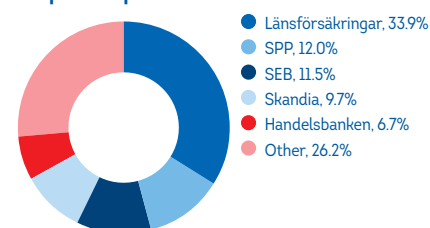
According to the Swedish Quality Index's 2021 customer satisfaction survey, Länsförsäkringar has, for the fourth consecutive year, Sweden's most satisfied customers in private pension insurance, among the companies ranked. Länsförsäkringar Fondliv works continuously on offering simple alternatives and a greater choice for customers, in order to maintain this high level of customer satisfaction.

Nine new funds were launched in 2021, leading to more options for customers to invest in different categories and in funds with a sustainability focus. In addition, ten funds were replaced by funds with a higher sustainability level and return potential.

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. Länsförsäkringar's fund range is highly ranked, for example in the annual analyses of the major insurance brokers. Just over 80% of the number of funds in the unit-linked insurance range were light green or dark green according to the Disclosure Regulation. The goal is for 95% of the fund range to meet the sustainability classification by 2023.

MARKET SHARES

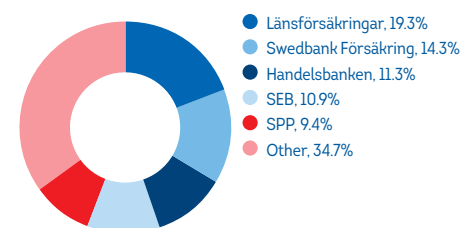
Unit-linked insurance, individual occupational pensions*



Länsförsäkringar is the market leader in the sub-market of unit-linked insurance for individual occupational pensions, measured in premium income.

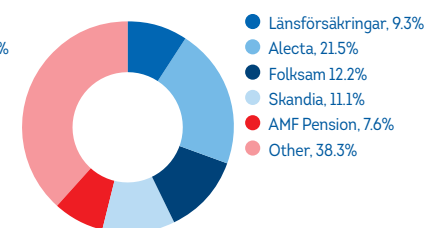
* Source: Insurance Sweden

Entire unit-linked insurance market*

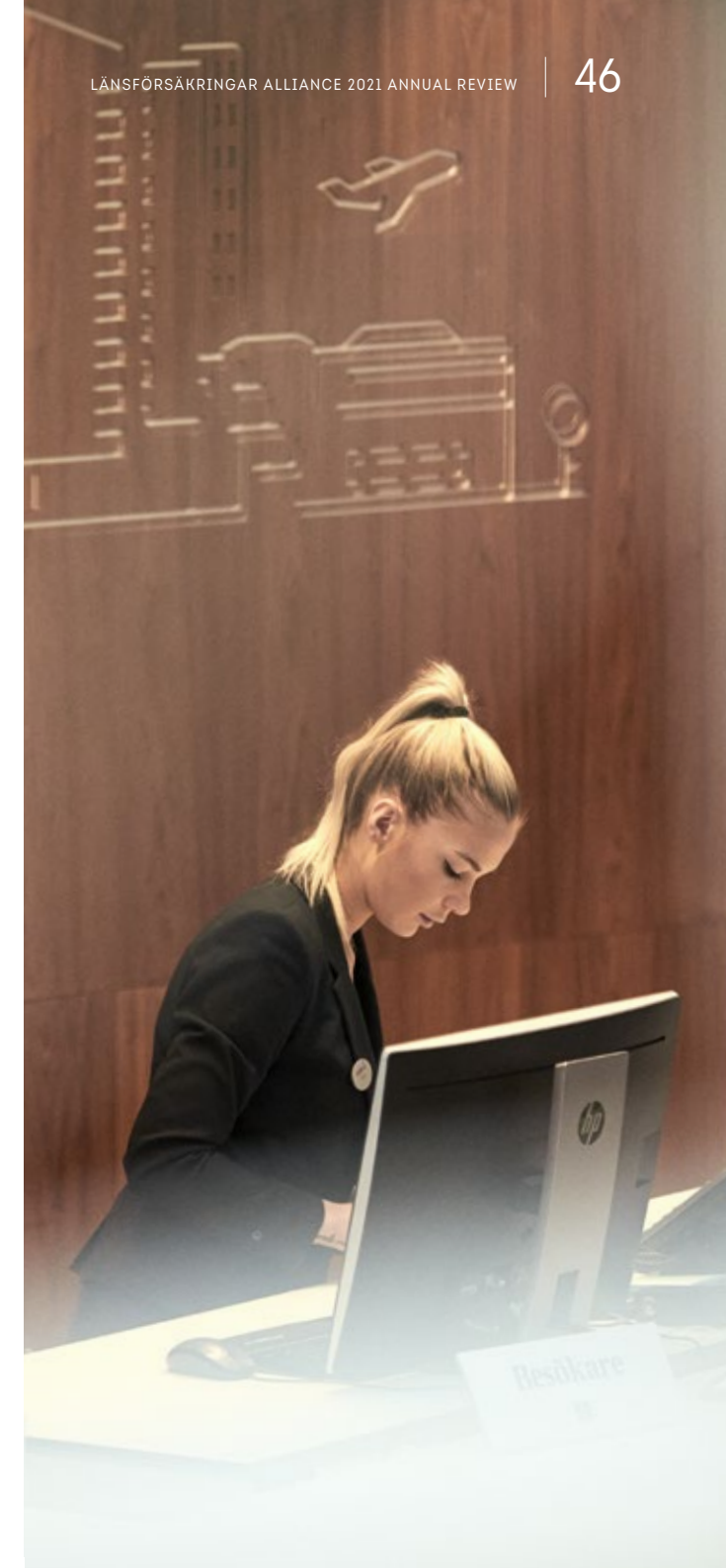


Länsförsäkringar's total market share in unit-linked insurance, measured in premium income, amounted to 19.3% on 31 December 2021.

Entire occupational pension market*



Länsförsäkringar's market share of the entire occupational pension market, measured in premium income, amounted to 9.3% on 31 December 2021.



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Länsförsäkringar is the leading company in its priority market – the unit-linked insurance market for individual occupational pensions – with a market share of 33.9% (20.0). Länsförsäkringar is the largest company in the total unit-linked insurance market, with a market share of 19.3% (11.6). In the overall occupational pension market, which includes traditional insurance and deposit insurance, Länsförsäkringar is the fourth largest company with a market share of 9.3% (5.4).

Länsförsäkringar Fondliv's unit-linked insurance and guarantee management Unit-linked insurance

The performance of the financial markets was generally strong in 2021. This trend was also reflected in Länsförsäkringar Fondliv's fund range. Of a total of 156 funds, 87% generated a positive return in 2021, with an average return of 24% for customers. The categories of funds that performed the strongest included properties and Swedish and US equities, while funds targeting China and certain emerging markets performed negatively.

Guarantee Management

Länsförsäkringar Fondliv offers guarantee management 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 2021, 39% of the investments comprised interest-bearing investments, 37% equities and 24% alternative investments. The share of alternative investments has gradually increased in recent years. Sustainability is a permanent feature of the entire investment process from analysis of external developments, class of asset to portfolio structures.

Managed assets increased to SEK 5.7 billion (4.6). The total return was 17.0% (5.9). The average return has been 13% per year since 2019.

Länsförsäkringar Liv's traditional life assurance

Länsförsäkringar Liv, which is closed for new business, conducts traditional life assurance for its customers divided into three portfolios: New Trad, Old Trad and New World. Total managed assets amounted to SEK 118 billion (113) on 31 December 2021.

New Trad

Managed assets in New Trad amounted to SEK 31 billion (26). 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.

In November 2021, the insurance terms and conditions were updated for customers with pension savings in the Insured Pension management form, which entailed a transition to the New Trad management form. The purpose of the transition was lower fees, higher

potential for better value growth and a higher share of sustainability-focused investments, and involved managed assets of SEK 0.9 billion.

Investments as of 31 December 2021 comprised 44% interest-bearing investments, 37% equities, 12% alternative investments and 7% properties. The percentage of equities and alternative investments increased in 2021, while the percentage of interest-bearing investments declined.

Investment return amounted to 16.7% (5.4). The average return has been 7.4% per year since the start in 2013. The bonus rate was 6% (3) on 31 December 2021 and an average of 13.8% (1.6) for the year. The average bonus rate has been 7.3% per year since 2013.

Old Trad

Managed assets in Old Trad amounted to SEK 77 billion (76). 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 2021 comprised 75% interest-bearing investments, 10% alternative investments, 8% properties and 7% equities. The percentage of equities, alternative investments and properties increased in 2021, while the percentage of interest-bearing investments declined.

Investment return amounted to 6.3% (3.4). The bonus rate was 4% (2) on 31 December 2021 and an average of 11.3% (1.3) for the year.

New World

Managed assets in New World amounted to SEK 10 billion (9). 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 2021, 71% of the investments comprised equities and 29% interest-bearing investments. Investments in equity are geographically diversified. At the start of 2021, investments in emerging markets were divested while investments in developed markets increased, which contributed to a strong return.

Investment return amounted to 21.3% (6.5).

	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	17.0%	16.7%, bonus rate 6%	6.3%, bonus rate 4%	21.3%
Size of portfolio	SEK 219 billion	SEK 6 billion	SEK 31 billion	SEK 77 billion	SEK 10 billion
Portfolio investments	Depends on customers' choice of funds	39% interest-bearing 37% equities 24% alternative and properties	44% interest-bearing 37% equities 12% alternative 7% properties	75% interest-bearing 7% equities 10% alternative 8% properties	29% interest-bearing 71% equities
Collective consolidation		100%	118%	125%	100%

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

Comments on financial results, Länsförsäkringar Fondliv

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Profit for Länsförsäkringar Fondliv amounted to SEK 598 M (705). Net inflow of premiums and capital from existing and new customers increased to SEK 14,073 M (4,618). Managed assets increased 32% to SEK 225 billion (171) on 31 December 2021, mainly due to high returns and strong growth in underlying business.

Strong growth resulted in a 102% increase in total premium income to SEK 24,682 M (12,228), of which capital transferred to the company was SEK 14,902 M (3,758) and premiums paid SEK 9,780 M (8,470). Premium income after ceded reinsurance for insurance risk

increased to SEK 292 M (262). Commission and fee income rose to SEK 2,201 M (1,809) due to higher managed assets and a strong premium inflow in 2021.

Profit was affected by an updated business model, which entails increased remuneration to the regional insurance companies. According to the updated business model, which aims to support growth, remuneration is partly based on earnings as of 2021. This increased distribution costs, which resulted in operating expenses of SEK 1,692 M (1,212). Administration expenses rose to SEK 716 M (614), of which SEK 86 M was due to impairment of intangible assets.

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 2021 was 143% (144). Own funds strengthened during the year, primarily as a result of a positive value growth trend and strong net inflows, but declined due to a planned dividend of SEK 690 M for the 2021 fiscal year.

Länsförsäkringar Fondliv

Income statement, SEK M

	2021	2020
Premium income after ceded reinsurance	292	262
Fees from financial agreements	940	811
Investment income, net	40,061	7,336
Claims payments	-171	-128
Change in technical provisions	-40,084	-7,359
Operating expenses	-1,692	-1,212
Other technical revenue and expenses	1,428	1,125
Technical result for insurance operations	775	836
Non-technical revenue/expenses	-2	3
Profit before tax	773	839
Tax	-175	-135
NET PROFIT FOR THE YEAR	598	705

Balance sheet, SEK M

	31 Dec 2021	31 Dec 2020
ASSETS		
Assets	164	262
Other financial investment assets	6,462	6,581
Investment assets for which the policyholder bears the investment risk	219,102	165,919
Reinsurers' portion of technical provisions	58	45
Receivables	1,467	1,739
Other assets	461	413
Prepaid expenses and accrued income	2,376	1,697
TOTAL ASSETS	230,091	176,655
EQUITY, PROVISIONS AND LIABILITIES		
Equity	3,475	3,886
Technical provisions	2,900	2,704
Insurance commitments for which the policyholder bears the risk	222,791	168,735
Provisions	32	27
Deposits from reinsurers	58	45
Liabilities	790	1,213
Accrued expenses and deferred income	45	46
TOTAL EQUITY, PROVISIONS AND LIABILITIES	230,091	176,655

Comments on financial results, Länsförsäkringar Liv

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Profit for Länsförsäkringar Liv increased to SEK 11,691 M (1,586), mainly due to strong investment income and rising market interest rates in 2021. All of Länsförsäkringar Liv's management forms delivered strong investment income, particularly investments in private equity, listed properties and equities. Investment income totalled SEK 10,942 M (4,099).

Sustainability is an integral part of Länsförsäkringar Liv's portfolios. On 31 December 2021, 16% of managed assets were invested in sustainability-focused bonds, which exceeded the target of 15%. 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 impose high demands on the company's risk management. The

bonus rate is continuously adjusted to ensure buffers for future payments. The bonus rate was raised several times in 2021 due to strong investment income and profit. In October 2021, SEK 4.5 billion, corresponding to 7%, was also distributed in an extra bonus to 400,000 customers with pension savings in New Trad and Old Trad.

The technical provisions declined SEK 5,246 billion (1,992) in 2021, mainly driven by a negative cash flow for which payouts and external transfers exceeded premium income as well as by rising market interest rates. Changes in market interest rates affect Länsförsäkringar Liv's earnings since future commitments are discounted with the market interest rate. The discount rate rose due to the Swedish ten-year government bond rate increasing by 26 basis points in 2021. However, the company can largely protect itself from interest-rate changes impacting earnings by matching assets and liabilities against each other. On 1 January 2021, the Ultimate Forward Rate (UFR) was lowered 0.15 of a percentage point to 3.6%, which also

negatively affected discounting of liabilities for terms of more than ten years. Operating expenses fell 15% to SEK 370 M (438). Länsförsäkringar Liv is working on long-term cost savings for more efficient operations and lower customer fees.

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 increased to 219% (195) as of 31 December 2021. The improved solvency ratio was mainly due to own funds strengthening during the year as a result of strong investment income in the management portfolios. Länsförsäkringar Liv has a strong capital position and is considered highly able to manage any future negative market fluctuations. Collective consolidation amounted to 118% (116) in New Trad and 125% (113) in Old Trad.

Länsförsäkringar Liv

Income statement, SEK M	2021	2020
Premium income, net	1,122	1,191
Investment income, net	10,942	4,099
Claims payments	-5,235	-4,877
Change in technical provisions	5,246	1,992
Bonuses and discounts	-3	-348
Operating expenses	-370	-438
Other technical revenue and expenses	25	14
Technical result, life-assurance operations	11,727	1,633
Non-technical items	-	-
Profit before appropriations and tax	11,727	1,633
Tax allocation reserve	53	45
Tax	-89	-92
NET PROFIT FOR THE YEAR	11,691	1,586

Balance sheet, SEK M	31 Dec 2021	31 Dec 2020
ASSETS		
Investment assets	115,033	111,031
Reinsurers' portion of technical provisions	-	-
Receivables	374	1,135
Other assets	3,356	4,889
Prepaid expenses and accrued income	0	1
TOTAL ASSETS	118,763	117,056
EQUITY, PROVISIONS AND LIABILITIES		
Equity	39,304	28,518
Untaxed reserves	192	246
Technical provisions	77,739	82,949
Provisions for other risks and expenses	33	32
Liabilities	1,295	5,109
Accrued expenses and deferred income	200	202
TOTAL EQUITY, PROVISIONS AND LIABILITIES	118,763	117,056

The real-estate brokerage with Sweden's most satisfied customers

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REAL-ESTATE BROKERAGE

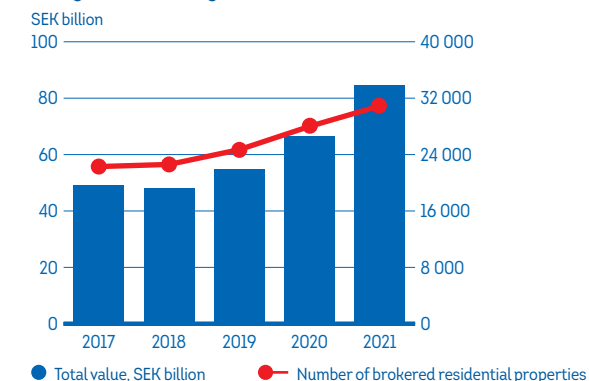
Through Länsförsäkringar Fastighetsförmedling, Länsförsäkringar offers a total solution for reliable mortgage transactions: real-estate brokerage, banking and insurance services all in one company. Real-estate brokerage is also a key customer meeting for sales of mortgages and insurance.

Länsförsäkringar Fastighetsförmedling is one of the largest players in the market and Sweden's fastest growing estate-agent chain, and for the sixth consecutive year had the most satisfied customers according to the Swedish Quality Index's 2021 customer satisfaction survey for the estate-agent industry. The real-estate brokerage is an integrated part of the local regional insurance companies' full-service customer 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 189 branches throughout Sweden. This also means that Läns-

försäkringar Fastighetsförmedling differs from other national estate-agent chains by always being locally based.

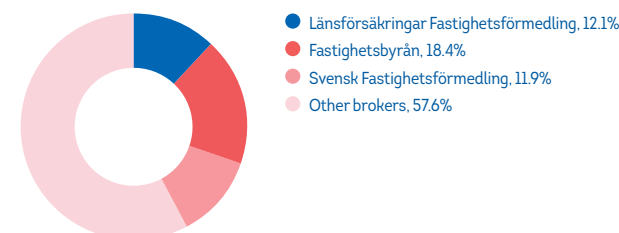
In 2021, Länsförsäkringar Fastighetsförmedling brokered a total of 30,900 listings (28,000), an increase of 10%. The number of brokered tenant-owned apartments rose 13% to 17,030 (15,070) and the number of brokered single-family homes increased 5% to 11,910 (11,382). Commission income rose 22% to SEK 1,490 M (1,223). The total sales value for the year amounted to SEK 84.5 billion (66.4). Länsförsäkringar Fastighetsförmedling's market share of brokered single-family homes* was 14.8% on 31 December 2021. The market share of brokered tenant-owned apartments* was 12.1% on 31 December 2021.

Residential properties brokered by Länsförsäkringar Fastighetsförmedling

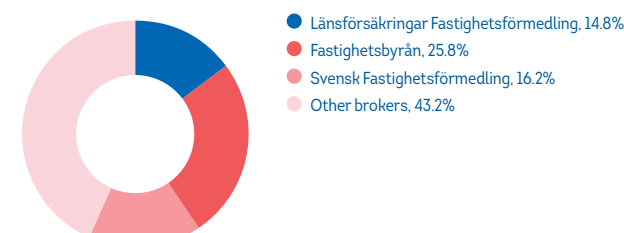


MARKET SHARES FOR THE THREE LARGEST REAL-ESTATE BROKERS ON 31 DECEMBER 2021*

Tenant-owned apartments

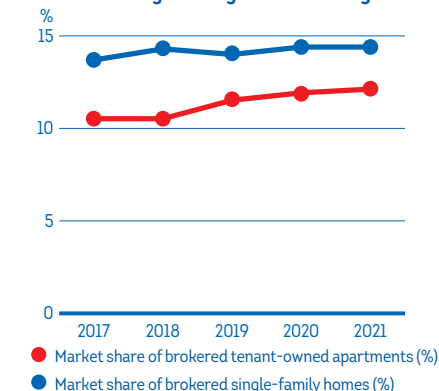


Single-family homes



* Statistics for market shares for single-family homes and apartments are based on Värderingsdata's list of contracts, excluding new-builds (rolling 12 months on 31 December 2021).

Länsförsäkringar Fastighetsförmedling's market share 2017-2021**



** Statistics for market share are based on Värderingsdata's contract data, excluding new-builds (rolling 12 months on 31 December for each year).



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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.

Länsförsäkringar Alliance, non-life insurance	52	Länsförsäkringar Göteborg and Bohuslän	56
LF Norrbotten	54	Länsförsäkringar Skaraborg	57
Länsförsäkringar Västerbotten	54	Länsförsäkringar Östgöta	57
Länsförsäkringar Jämtland	54	Länsförsäkringar Älvsborg	57
Länsförsäkringar Västernorrland	54	Länsförsäkringar Gotland	57
Länsförsäkringar Gävleborg	55	Länsförsäkringar Jönköping	58
Dalarnas Försäkringsbolag	55	Länsförsäkringar Halland	58
Länsförsäkringar Värmland	55	Länsförsäkring Kronoberg	58
Länsförsäkringar Uppsala	55	Länsförsäkringar Kalmar län	58
Länsförsäkringar Bergslagen	56	Länsförsäkringar Blekinge	59
Länsförsäkringar Stockholm	56	Länsförsäkringar Göinge-Kristianstad	59
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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 non-life insurance business conducted by Länsförsäkringar AB Group primarily comprises personal-risk, pet and crop insurance. 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. The earnings for Länsförsäkringar AB's Support and Service units are 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).

	Norrbottn	Västerbotten	Jämtland	Västernorrland	Gävleborg	Dalarna	Värmland	Uppsala	Bergslagen	Stockholm	Södermanland
NON-LIFE INSURANCE, SEK M											
Result after ceded reinsurance 2021											
Premiums earned	508	1,038	504	495	569	1,483	675	840	1,359	2,228	669
Investment income transferred from financial operations	47	32	23	19	14	21	12	19	67	4	27
Claims payments	-342	-740	-372	-359	-479	-1,055	-528	-516	-805	-1,593	-523
Operating expenses	-84	-160	-119	-102	-122	-241	-118	-138	-228	-441	-138
Other income/expenses	-1	-4	-2	-2	-2	-6	-3	-3	-5	-5	-3
Technical result from non-life insurance operations before bonuses and discounts	128	165	35	51	-20	202	39	201	388	192	32
Bonuses and discounts	-31	-99	-	-	-	-297	-75	-145	-244	-	-100
Technical result for non-life insurance operations	96	66	35	51	-20	-95	-36	56	144	192	-68
Total investment income	187	790	446	169	271	1,049	795	585	1,286	872	881
Investment income transferred to insurance operations	-47	-32	-23	-19	-14	-21	-12	-19	-67	-4	-27
Other income/expenses	-3	18	-10	11	7	26	10	11	26	57	-6
Operating profit	234	843	449	212	243	959	757	633	1,389	1,117	781
Balance sheet, 31 Dec 2021											
ASSETS											
Investment assets											
Shares in Länsförsäkringar AB	461	1,236	835	978	1,066	2,212	743	1,542	1,800	2,966	1,180
Other shares and participations	871	3,139	2,070	558	835	5,543	2,127	2,611	5,381	2,578	3,633
Bonds and other interest-bearing securities	361	1,388	810	759	798	1,682	979	1,332	1,922	3,011	775
Other investment assets	225	456	104	52	0	325	296	2	299	40	20
Total investment assets	1,917	6,219	3,819	2,348	2,699	9,762	4,145	5,487	9,403	8,595	5,608
Reinsurers' portion of technical provisions	580	305	223	237	724	470	249	272	349	439	230
Receivables and other assets	193	402	257	246	392	621	268	383	569	878	305
Cash and bank balances	380	220	115	51	174	255	206	146	427	175	73
Prepaid expenses and accrued income	9	60	32	15	28	125	27	37	30	59	23
Total assets	3,079	7,205	4,445	2,897	4,018	11,233	4,895	6,325	10,778	10,146	6,239
EQUITY AND LIABILITIES											
Equity	1,293	4,090	2,594	1,420	1,702	6,527	2,760	3,571	6,733	5,325	3,852
Technical provisions (before ceded reinsurance)	1,511	2,276	1,392	1,291	2,016	3,789	1,609	2,148	3,083	3,715	1,667
Other provisions and liabilities	267	674	377	160	284	745	429	500	787	1,033	701
Accrued expenses and deferred income	8	164	83	27	16	172	97	106	174	73	18
Total equity and liabilities	3,079	7,205	4,445	2,897	4,018	11,233	4,895	6,325	10,778	10,146	6,239
Solvency capital / Total capital	1,433	4,588	2,863	1,458	1,873	6,997	3,131	3,895	7,427	5,881	4,204
Solvency margin, %	298	433	556	295	325	466	459	457	545	261	621



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NON-LIFE INSURANCE, SEK M

Result after ceded reinsurance 2021

	Göteborg and 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
Premiums earned	1,781	843	1,623	1,367	263	1,326	868	618	889	412	587	2,588	7,661	31,193	31,193
Investment income transferred from financial operations	247	17	22	101	4	18	47	7	12	5	8	180	3	1,246	1,246
Claims payments	-1,393	-611	-1,120	-932	-184	-993	-628	-432	-614	-282	-418	-1,904	-5,480	-22,595	-22,595
Operating expenses	-424	-141	-295	-251	-51	-195	-172	-117	-164	-75	-96	-435	-1,309	-5,615	-5,615
Other income/expenses	-6	-3	-6	-5	-1	-6	-4	-6	-3	-2	-2	-9	3	-85	-85
Technical result from non-life insurance operations before bonuses and discounts	204	104	225	280	31	149	112	71	120	58	79	421	878	4,144	4,144
Bonuses and discounts	-187	-300	-303	-150	-70	-250	-149	-	-112	-75	1	15	-	-2,571	-2,571
Technical result for non-life insurance operations	18	196	-78	130	-39	-101	-37	71	8	-17	79	436	878	1,573	1,573
Total investment income	2,224	1,419	1,563	2,375	246	1,065	566	412	865	338	536	1,723	1,906	19,296	19,296
Investment income transferred to insurance operations	-247	-17	-22	-101	-4	-18	-47	-7	-12	-5	-8	-180	-12	-963	-963
Other income/expenses	37	2	48	18	10	14	6	2	11	8	12	64	-544	-164	1,414
Operating profit	2,033	1,209	1,512	2,422	212	960	488	478	872	324	620	2,042	2,229	19,742	21,320

Balance sheet, 31 Dec 2021

ASSETS

Investment assets

Shares in Länsförsäkringar AB	2,206	982	2,430	2,130	288	1,773	1,197	743	1,122	445	1,153	3,170	-	-	-
Other shares and participations	7,494	2,452	5,169	8,178	1,000	3,444	1,443	1,955	3,373	1,383	2,001	7,192	3,382	77,814	81,290
Bonds and other interest-bearing securities	1,649	1,043	2,435	2,291	534	1,718	752	717	701	609	745	2,299	6,323	35,635	88,997
Other investment assets	1,936	629	1,850	323	70	571	1,766	283	430	103	405	2,316	15,280	38,620	17,731
Total investment assets	13,285	5,106	11,884	12,922	1,893	7,506	5,159	3,697	5,626	2,540	4,304	14,977	25,526	152,068	188,017

Reinsurers' portion of technical provisions	421	264	464	339	107	302	253	166	264	221	241	684	10,643	10,643	10,701
Receivables and other assets	526	352	733	587	106	684	241	240	321	182	243	981	6,072	15,781	618,441
Cash and bank balances	157	597	243	215	77	350	144	72	311	37	372	492	2,060	7,349	22,166
Prepaid expenses and accrued income	174	21	46	31	49	29	155	14	27	7	15	247	617	1,875	4,767
Total assets	14,563	6,340	13,370	14,094	2,231	8,871	5,952	4,190	6,549	2,987	5,174	17,380	44,918	187,717	844,092

EQUITY AND LIABILITIES

Equity	9,092	3,332	8,087	9,645	1,337	5,124	3,341	2,507	3,941	1,596	3,201	9,125	22,361	100,664	103,394
Technical provisions (before ceded reinsurance)	3,947	2,283	3,880	3,204	697	2,952	2,027	1,284	1,996	1,141	1,529	5,667	17,731	65,034	67,934
Other provisions and liabilities	1,442	692	1,349	1,191	187	759	547	376	595	240	430	2,494	3,202	18,992	666,778
Accrued expenses and deferred income	82	33	54	55	10	36	36	23	17	10	15	95	1,624	3,027	5,987
Total equity and liabilities	14,563	6,340	13,370	14,094	2,231	8,871	5,952	4,190	6,549	2,987	5,174	17,380	44,918	187,717	844,092
Solvency capital / Total capital	10,085	3,816	9,117	10,443	1,465	5,645	3,695	2,756	4,389	1,785	3,499	10,560	22,797	111,422	-
Solvency margin, %	557	442	551	744	547	417	414	437	485	427	586	397	284	349	-



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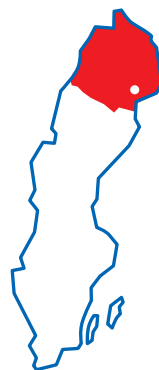
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Länsförsäkringar Norrbotten

President: Anders Långström

Board Chairman:
Nina Wikstedt

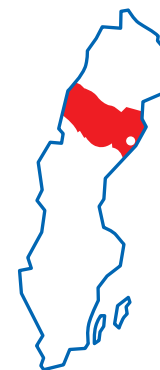


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	265	144
Total assets, SEK M	3,079	3,476
Solvency ratio, %	196	199
Number of employees	90	87
Number of branches	4	4
Bank		
Deposits, SEK M	1,454	1,324
Loans, SEK M	322	343
Retail mortgages, SEK M	3,589	3,468
Fund volumes managed, SEK M	614	449
Number of customers	11,900	11,800
Life assurance		
Premium income, SEK M	95	74
Total insurance capital, SEK M	2,904	2,306
Number of customers	16,200	16,100
Non-life insurance		
Premiums earned, SEK M	508	481
Technical result for insurance operations, SEK M	128	80
Bonuses and discounts to the customers, SEK M	31	19
Combined ratio after ceded reinsurance, %	84	89
Total return on asset management, %	9	5
Number of customers	67,400	67,900

Länsförsäkringar Västerbotten

President: Göran Karmehag

Board Chairman:
Maria Wallin Wällberg

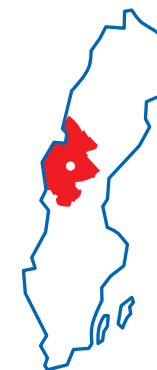


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	941	370
Total assets, SEK M	7,205	6,211
Solvency ratio, %	219	237
Number of employees	220	205
Number of branches	3	3
Bank		
Deposits, SEK M	6,295	5,589
Loans, SEK M	1,633	1,537
Retail mortgages, SEK M	10,669	9,756
Fund volumes managed, SEK M	3,460	2,947
Number of customers	38,400	37,400
Life assurance		
Premium income, SEK M	213	175
Total insurance capital, SEK M	6,182	5,077
Number of customers	29,500	29,600
Non-life insurance		
Premiums earned, SEK M	1,038	978
Technical result for insurance operations, SEK M	165	127
Bonuses and discounts to the customers, SEK M	99	91
Combined ratio after ceded reinsurance, %	87	88
Total return on asset management, %	13	4
Number of customers	130,700	129,600

Länsförsäkringar Jämtland

President: Tomas Eriksson

Board Chairman:
Karin Mattsson



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	449	233
Total assets, SEK M	4,445	3,947
Solvency ratio, %	202	202
Number of employees	133	127
Number of branches	3	3
Bank		
Deposits, SEK M	2,847	2,537
Loans, SEK M	1,354	1,239
Retail mortgages, SEK M	4,762	4,401
Fund volumes managed, SEK M	1,081	786
Number of customers	18,500	17,900
Life assurance		
Premium income, SEK M	87	72
Total insurance capital, SEK M	3,071	2,630
Number of customers	17,000	17,000
Non-life insurance		
Premiums earned, SEK M	504	480
Technical result for insurance operations, SEK M	35	15
Combined ratio after ceded reinsurance, %	97	99
Total return on asset management, %	14	8
Number of customers	60,200	60,000

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Länsförsäkringar Västernorrland

President: Mikael Bergström

Board Chairman:
Stig Högberg



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	212	74
Total assets, SEK M	2,897	2,753
Solvency ratio, %	161	171
Number of employees	121	120
Number of branches	5	5
Bank		
Deposits, SEK M	2,537	2,314
Loans, SEK M	683	706
Retail mortgages, SEK M	4,006	3,802
Fund volumes managed, SEK M	1,687	1,328
Number of customers	23,500	26,100
Life assurance		
Premium income, SEK M	148	97
Total insurance capital, SEK M	5,023	3,902
Number of customers	22,500	22,400
Non-life insurance		
Premiums earned, SEK M	495	487
Technical result for insurance operations, SEK M	51	-7
Combined ratio after ceded reinsurance, %	93	102
Total return on asset management, %	7	5
Number of customers	69,000	70,800



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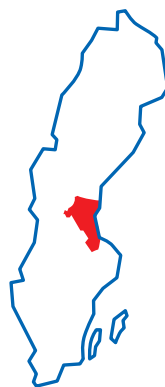
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Länsförsäkringar Gävleborg

President: Per-Ove Bäckström

Board Chairman:
Jonas Olsson

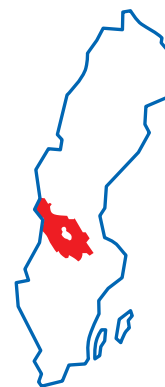


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	243	160
Total assets, SEK M	4,018	3,347
Solvency ratio, %	190	230
Number of employees	146	150
Number of branches	6	6
Bank		
Deposits, SEK M	3,561	3,377
Loans, SEK M	699	679
Retail mortgages, SEK M	7,220	6,866
Fund volumes managed, SEK M	1,749	1,287
Number of customers	27,800	27,700
Life assurance		
Premium income, SEK M	135	117
Total insurance capital, SEK M	4,980	4,129
Number of customers	26,700	27,000
Non-life insurance		
Premiums earned, SEK M	569	543
Technical result for insurance operations, SEK M	-20	57
Combined ratio after ceded reinsurance, %	106	90
Total return on asset management, %	10	5
Number of customers	81,800	83,500

Dalarnas Försäkringsbolag

President: Anders Grånäs

Board Chairman:
Maria Engholm

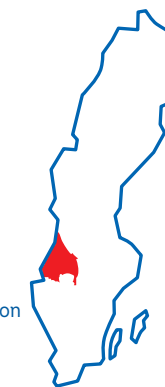


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,256	741
Total assets, SEK M	11,233	9,888
Solvency ratio, %	164	185
Number of employees	378	349
Number of branches	7	7
Bank		
Deposits, SEK M	8,476	7,620
Loans, SEK M	1,926	1,748
Retail mortgages, SEK M	11,927	11,025
Fund volumes managed, SEK M	5,215	3,964
Number of customers	55,600	54,400
Life assurance		
Premium income, SEK M	431	334
Total insurance capital, SEK M	10,666	8,806
Number of customers	44,100	44,300
Non-life insurance		
Premiums earned, SEK M	1,483	1,411
Technical result for insurance operations, SEK M	202	93
Bonuses and discounts to the customers, SEK M	297	292
Combined ratio after ceded reinsurance, %	87	93
Total return on asset management, %	12	9
Number of customers	157,000	157,000

Länsförsäkringar Värmland

President: Ulrika Obstfelder Petersson

Board Chairman:
Eva Julin Dombrowe



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	832	459
Total assets, SEK M	4,895	4,110
Solvency ratio, %	194	194
Number of employees	120	116
Number of branches	4	4
Bank		
Deposits, SEK M	2,688	2,354
Loans, SEK M	1,032	934
Retail mortgages, SEK M	5,527	4,811
Fund volumes managed, SEK M	1,128	820
Number of customers	19,000	18,100
Life assurance		
Premium income, SEK M	143	105
Total insurance capital, SEK M	4,287	3,447
Number of customers	22,700	22,500
Non-life insurance		
Premiums earned, SEK M	675	661
Technical result for insurance operations, SEK M	39	143
Bonuses and discounts to the customers, SEK M	75	65
Combined ratio after ceded reinsurance, %	96	78
Total return on asset management, %	22	10
Number of customers	92,700	93,500

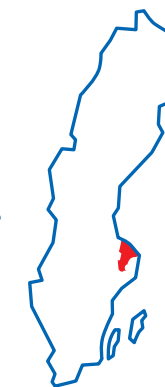
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Länsförsäkringar Uppsala

President: Ulrica Hedman

Board Chairman:
Bengt-Erik Jansson



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	778	468
Total assets, SEK M	6,325	5,570
Solvency ratio, %	184	207
Number of employees	204	195
Number of branches	5	5
Bank		
Deposits, SEK M	5,888	5,365
Loans, SEK M	2,035	1,937
Retail mortgages, SEK M	13,939	12,710
Fund volumes managed, SEK M	2,686	1,921
Number of customers	39,300	38,200
Life assurance		
Premium income, SEK M	265	232
Total insurance capital, SEK M	9,774	8,085
Number of customers	45,300	45,400
Non-life insurance		
Premiums earned, SEK M	840	819
Technical result for insurance operations, SEK M	201	102
Bonuses and discounts to the customers, SEK M	145	-
Combined ratio after ceded reinsurance, %	78	88
Total return on asset management, %	12	8
Number of customers	115,400	116,600



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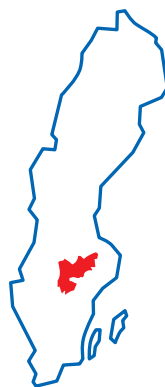
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Länsförsäkringar Bergslagen

President: Mikael Sundquist

Board Chairman:
Ann-Christin Norrström

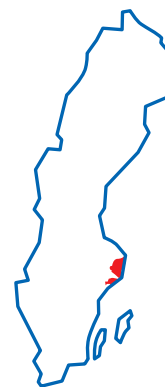


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,633	703
Total assets, SEK M	10,778	9,422
Solvency ratio, %	190	207
Number of employees	358	338
Number of branches	6	6
Bank		
Deposits, SEK M	9,331	9,001
Loans, SEK M	3,560	3,641
Retail mortgages, SEK M	18,734	17,981
Fund volumes managed, SEK M	4,931	3,632
Number of customers	67,100	66,000
Life assurance		
Premium income, SEK M	675	583
Total insurance capital, SEK M	15,318	12,394
Number of customers	59,000	58,900
Non-life insurance		
Premiums earned, SEK M	1,359	1,358
Technical result for insurance operations, SEK M	388	140
Bonuses and discounts to the customers, SEK M	244	-
Combined ratio after ceded reinsurance, %	76	89
Total return on asset management, %	14	7
Number of customers	180,500	183,100

Länsförsäkringar Stockholm

President: Charlotte Barnekow

Board Chairman:
Lennart Käll

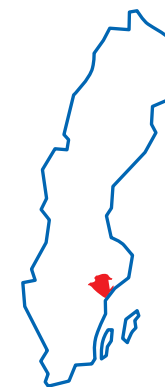


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,117	448
Total assets, SEK M	10,146	8,836
Solvency ratio, %	185	199
Number of employees	366	366
Number of branches	3	4
Bank		
Deposits, SEK M	10,158	9,479
Loans, SEK M	1,587	1,636
Retail mortgages, SEK M	33,656	33,704
Fund volumes managed, SEK M	5,082	3,708
Number of customers	91,100	91,900
Life assurance		
Premium income, SEK M	2,757	2,369
Total insurance capital, SEK M	83,471	66,988
Number of customers	221,600	220,900
Non-life insurance		
Premiums earned, SEK M	2,228	2,149
Technical result for insurance operations, SEK M	192	95
Combined ratio after ceded reinsurance, %	91	96
Total return on asset management, %	12	6
Number of customers	368,000	368,700

Länsförsäkringar Södermanland

President: Lena Högfeldt

Board Chairman:
Caesar Åfors



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	881	282
Total assets, SEK M	6,239	5,399
Solvency ratio, %	165	190
Number of employees	177	143
Number of branches	4	4
Bank		
Deposits, SEK M	3,773	3,404
Loans, SEK M	1,126	1,041
Retail mortgages, SEK M	7,897	7,198
Fund volumes managed, SEK M	1,865	1,354
Number of customers	25,800	25,200
Life assurance		
Premium income, SEK M	207	160
Total insurance capital, SEK M	6,310	5,042
Number of customers	28,400	28,400
Non-life insurance		
Premiums earned, SEK M	669	647
Technical result for insurance operations, SEK M	32	19
Bonuses and discounts to the customers, SEK M	100	100
Combined ratio after ceded reinsurance, %	99	101
Total return on asset management, %	17	6
Number of customers	89,900	90,300

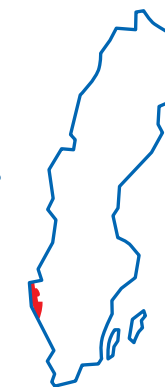
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Länsförsäkringar Göteborg and Bohuslän

President: Ricard Robbstål

Board Chairman:
Hans Ljungkvist



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	2,220	1,276
Total assets, SEK M	14,563	12,091
Solvency ratio, %	174	192
Number of employees	440	423
Number of branches	8	10
Bank		
Deposits, SEK M	9,042	8,348
Loans, SEK M	1,616	1,540
Retail mortgages, SEK M	26,708	24,867
Fund volumes managed, SEK M	4,883	3,517
Number of customers	66,500	66,300
Life assurance		
Premium income, SEK M	1,281	1,046
Total insurance capital, SEK M	31,740	25,123
Number of customers	94,800	93,600
Non-life insurance		
Premiums earned, SEK M	1,781	1,709
Technical result for insurance operations, SEK M	204	236
Bonuses and discounts to the customers, SEK M	187	169
Combined ratio after ceded reinsurance, %	102	96
Total return on asset management, %	20	13
Number of customers	248,900	248,500



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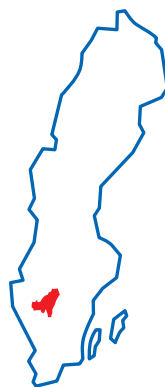
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Länsförsäkringar Skaraborg

President: Jonas Rosman

Board Chairman:
Eric Grimlund

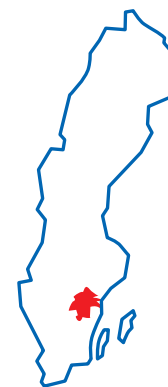


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,509	616
Total assets, SEK M	6,340	4,845
Solvency ratio, %	183	186
Number of employees	208	195
Number of branches	8	8
Bank		
Deposits, SEK M	6,849	6,267
Loans, SEK M	2,793	2,599
Retail mortgages, SEK M	9,121	8,343
Fund volumes managed, SEK M	3,662	3,403
Number of customers	44,600	45,700
Life assurance		
Premium income, SEK M	200	168
Total insurance capital, SEK M	6,627	5,343
Number of customers	31,000	30,900
Non-life insurance		
Premiums earned, SEK M	843	811
Technical result for insurance operations, SEK M	104	80
Bonuses and discounts to the customers, SEK M	300	100
Combined ratio after ceded reinsurance, %	89	90
Total return on asset management, %	34	15
Number of customers	108,800	109,000

Länsförsäkringar Östgöta

President: Stefan Nyrinder

Board Chairman:
Peter Lindgren

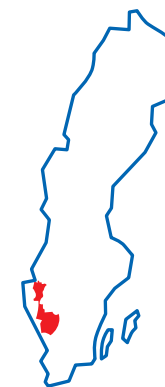


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,815	799
Total assets, SEK M	13,370	11,615
Solvency ratio, %	207	233
Number of employees	357	358
Number of branches	6	7
Bank		
Deposits, SEK M	11,463	10,583
Loans, SEK M	3,837	3,657
Retail mortgages, SEK M	20,051	18,560
Fund volumes managed, SEK M	5,671	4,251
Number of customers	71,800	70,300
Life assurance		
Premium income, SEK M	946	847
Total insurance capital, SEK M	21,331	17,461
Number of customers	65,600	65,500
Non-life insurance		
Premiums earned, SEK M	1,623	1,561
Technical result for insurance operations, SEK M	225	285
Bonuses and discounts to the customers, SEK M	303	250
Combined ratio after ceded reinsurance, %	87	83
Total return on asset management, %	15	6
Number of customers	200,600	201,000

Länsförsäkringar Älvsborg

President: Ola Evensson

Board Chairman:
Lars Hallkvist



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	2,572	1,197
Total assets, SEK M	14,094	11,654
Solvency ratio, %	205	218
Number of employees	349	344
Number of branches	9	9
Bank		
Deposits, SEK M	7,278	6,666
Loans, SEK M	2,119	1,915
Retail mortgages, SEK M	16,601	15,272
Fund volumes managed, SEK M	4,460	3,290
Number of customers	66,400	73,000
Life assurance		
Premium income, SEK M	371	289
Total insurance capital, SEK M	11,267	9,299
Number of customers	55,100	55,200
Non-life insurance		
Premiums earned, SEK M	1,367	1,322
Technical result for insurance operations, SEK M	280	270
Bonuses and discounts to the customers, SEK M	150	149
Combined ratio after ceded reinsurance, %	87	85
Total return on asset management, %	24	11
Number of customers	177,900	177,900

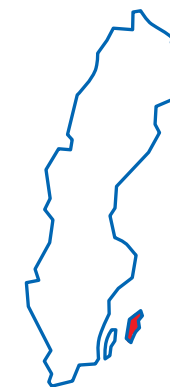
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Länsförsäkringar Gotland

President: Henrik Stangel

Board Chairman:
Eva Wetterdal



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	282	100
Total assets, SEK M	2,231	1,937
Solvency ratio, %	207	252
Number of employees	83	82
Number of branches	2	2
Bank		
Deposits, SEK M	3,122	2,797
Loans, SEK M	1,875	1,820
Retail mortgages, SEK M	4,209	3,938
Fund volumes managed, SEK M	1,223	894
Number of customers	17,600	17,200
Life assurance		
Premium income, SEK M	62	54
Total insurance capital, SEK M	1,939	1,629
Number of customers	10,600	10,600
Non-life insurance		
Premiums earned, SEK M	263	248
Technical result for insurance operations, SEK M	31	19
Bonuses and discounts to the customers, SEK M	70	-
Combined ratio after ceded reinsurance, %	89	92
Total return on asset management, %	16	6
Number of customers	32,400	32,200



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> Länsförsäkringar Alliance in figures

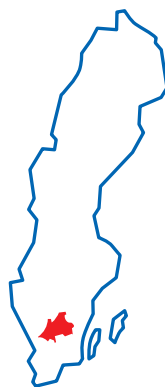
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Länsförsäkringar Alliance in figures

Länsförsäkringar Jönköping

President: Magnus Olsson

Board Chairman:
Göran Lindell

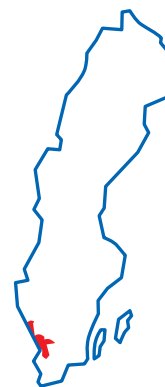


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	1,210	577
Total assets, SEK M	8,871	7,668
Solvency ratio, %	176	196
Number of employees	250	236
Number of branches	5	5
Bank		
Deposits, SEK M	7,770	7,347
Loans, SEK M	3,135	2,897
Retail mortgages, SEK M	11,572	10,735
Fund volumes managed, SEK M	4,106	3,096
Number of customers	45,500	44,500
Life assurance		
Premium income, SEK M	314	264
Total insurance capital, SEK M	10,812	8,866
Number of customers	40,400	40,400
Non-life insurance		
Premiums earned, SEK M	1,326	1,260
Technical result for insurance operations, SEK M	149	231
Bonuses and discounts to the customers, SEK M	250	124
Combined ratio after ceded reinsurance, %	90	81
Total return on asset management, %	16	6
Number of customers	138,500	139,600

Länsförsäkringar Halland

President: Christian Bille

Board Chairman:
Karin Starrin

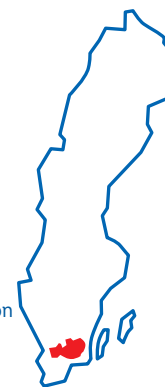


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	638	420
Total assets, SEK M	5,952	5,377
Solvency ratio, %	190	204
Number of employees	197	180
Number of branches	6	6
Bank		
Deposits, SEK M	6,134	5,591
Loans, SEK M	3,282	3,215
Retail mortgages, SEK M	12,378	11,051
Fund volumes managed, SEK M	4,415	3,206
Number of customers	42,000	42,100
Life assurance		
Premium income, SEK M	246	196
Total insurance capital, SEK M	8,168	5,633
Number of customers	42,100	41,500
Non-life insurance		
Premiums earned, SEK M	868	835
Technical result for insurance operations, SEK M	112	93
Bonuses and discounts to the customers, SEK M	149	95
Combined ratio after ceded reinsurance, %	92	93
Total return on asset management, %	13	10
Number of customers	109,200	107,700

Länsförsäkring Kronoberg

President: Beatrice Kämpe Nikolausson

Board Chairman:
Per-Åke Holgersson



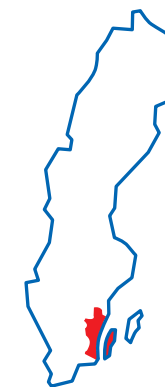
KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	478	344
Total assets, SEK M	4,190	3,813
Solvency ratio, %	189	192
Number of employees	129	120
Number of branches	5	5
Bank		
Deposits, SEK M	3,468	3,201
Loans, SEK M	1,815	1,739
Retail mortgages, SEK M	4,814	4,386
Fund volumes managed, SEK M	1,645	1,395
Number of customers	25,100	25,500
Life assurance		
Premium income, SEK M	219	180
Total insurance capital, SEK M	5,707	4,643
Number of customers	21,300	21,200
Non-life insurance		
Premiums earned, SEK M	618	593
Technical result for insurance operations, SEK M	71	29
Bonuses and discounts to the customers, SEK M	-	120
Combined ratio after ceded reinsurance, %	89	94
Total return on asset management, %	13	11
Number of customers	79,100	79,200

LÄNSFÖRSÄKRINGAR ALLIANCE ANNUAL REPORT 2021

Länsförsäkringar Kalmar län

President: Anna Blom

Board Chairman:
Helena Sjöholm



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	984	419
Total assets, SEK M	6,549	5,524
Solvency ratio, %	179	211
Number of employees	205	200
Number of branches	6	7
Bank		
Deposits, SEK M	4,391	4,171
Loans, SEK M	1,821	1,793
Retail mortgages, SEK M	7,288	6,720
Fund volumes managed, SEK M	2,565	1,918
Number of customers	28,400	28,000
Life assurance		
Premium income, SEK M	153	129
Total insurance capital, SEK M	5,698	4,722
Number of customers	26,400	26,500
Non-life insurance		
Premiums earned, SEK M	889	865
Technical result for insurance operations, SEK M	120	151
Bonuses and discounts to the customers, SEK M	112	109
Combined ratio after ceded reinsurance, %	87	82
Total return on asset management, %	18	6
Number of customers	112,300	112,700



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> Länsförsäkringar Alliance in figures

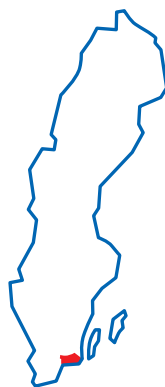
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Länsförsäkringar Alliance in figures

Länsförsäkringar Blekinge

President: Jens Listerö

Board Chairman:
Bengt Mattsson

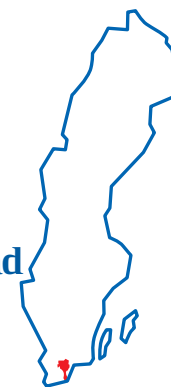


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	399	145
Total assets, SEK M	2,987	2,608
Solvency ratio, %	187	202
Number of employees	86	79
Number of branches	5	5
Bank		
Deposits, SEK M	2,992	2,640
Loans, SEK M	1,599	1,452
Retail mortgages, SEK M	6,096	5,372
Fund volumes managed, SEK M	1,638	1,177
Number of customers	19,900	18,900
Life assurance		
Premium income, SEK M	155	131
Total insurance capital, SEK M	3,929	3,306
Number of customers	17,000	17,100
Non-life insurance		
Premiums earned, SEK M	412	391
Technical result for insurance operations, SEK M	58	55
Bonuses and discounts to the customers, SEK M	75	50
Combined ratio after ceded reinsurance, %	87	86
Total return on asset management, %	15	4
Number of customers	57,800	58,300

Länsförsäkringar Göinge-Kristianstad

President: Niklas Larsson

Board Chairman:
Göran Trobro

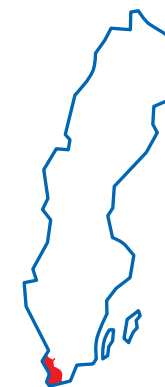


KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	619	287
Total assets, SEK M	5,174	4,639
Solvency ratio, %	197	202
Number of employees	129	120
Number of branches	3	3
Bank		
Deposits, SEK M	3,726	3,438
Loans, SEK M	1,992	1,973
Retail mortgages, SEK M	5,081	4,580
Fund volumes managed, SEK M	2,249	1,565
Number of customers	22,800	22,200
Life assurance		
Premium income, SEK M	193	141
Total insurance capital, SEK M	5,119	4,151
Number of customers	23,600	23,500
Non-life insurance		
Premiums earned, SEK M	587	565
Technical result for insurance operations, SEK M	79	38
Bonuses and discounts to the customers, SEK M	-1	100
Combined ratio after ceded reinsurance, %	87	93
Total return on asset management, %	13	7
Number of customers	82,100	82,600

Länsförsäkringar Skåne

President: Susanne Bäck

Board Chairman:
Otto Ramel



KEY FIGURES	2021	2020
Operating profit before bonuses and discounts, SEK M	2,027	1,020
Total assets, SEK M	17,380	15,160
Solvency ratio, %	193	206
Number of employees	550	583
Number of branches	7	8
Bank		
Deposits, SEK M	13,355	12,058
Loans, SEK M	5,251	5,205
Retail mortgages, SEK M	32,539	29,799
Fund volumes managed, SEK M	7,243	5,195
Number of customers	102,000	99,000
Life assurance		
Premium income, SEK M	1,221	1,211
Total insurance capital, SEK M	31,507	25,237
Number of customers	119,800	118,800
Non-life insurance		
Premiums earned, SEK M	2,588	2,443
Technical result for insurance operations, SEK M	421	225
Bonuses and discounts to the customers, SEK M	-15	-
Combined ratio after ceded reinsurance, %	90	96
Total return on asset management, %	14	8
Number of customers	370,900	372,800

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Organisation and facts Länsförsäkringar AB

Länsförsäkringar AB is wholly owned by the regional insurance companies, together with 14 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.

The Länsförsäkringar AB Group conducts banking, life assurance and pension insurance as well as some non-life insurance business. The task of the non-life insurance business is to complement the regional insurance companies’ offering with specialist products, start new business and create economies of scale. 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

Responsible for a large part of the Länsförsäkringar Alliance’s joint development and service and conducts non-life insurance business in development areas to supplement the regional insurance companies’ offering or to achieve economies of scale.

Länsförsäkringar Bank AB

Offers a broad range of banking services to the regional insurance companies’ customers.

Agria Djurförsäkring

The Länsförsäkringar Alliance’s specialist company for pet and crop insurance.

Länsförsäkringar Grupplivförsäkrings AB

Offers group life assurance and occupational group life assurance to the regional insurance companies’ customers.

Länsförsäkringar Fondliv Försäkrings AB

Offers pension savings with funds 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 closed for new business.

The merger between Länsförsäkringar Sak Försäkrings AB and Länsförsäkringar AB was completed on 3 May 2021. Operations are now conducted under the name Länsförsäkringar AB.

Shareholdings in Länsförsäkringar AB on 31 December 2021

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%
14 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	2021	2020	2019	2018	2017
Equity per share on 31 December	3,183	2,959	2,754	2,462	2,269

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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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Interim report January–March 2022,

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Production: Länsförsäkringar AB in cooperation with Springtime-Intellecta.

Photos: Länsförsäkringar's image bank, iStock and Jimmy Eriksson.

Print: Elanders Sverige AB. We print on environmentally friendly paper.

