

Länsförsäkringar Alliance

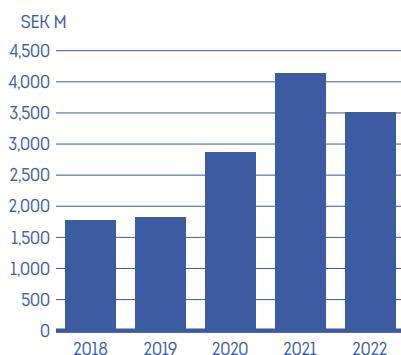
2022 Annual Review in summary

The year in brief

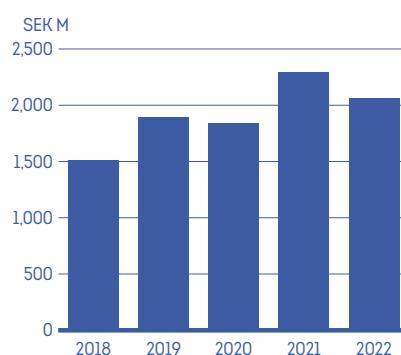
Figures in parentheses pertain to the same period in 2021.

- Operating profit for the Länsförsäkringar Alliance's non-life insurance operations amounted to SEK -4,426 M (19,742), due to negative investment income of SEK -5,445 M (19,296). Bonuses and discounts to customers amounted to SEK 1,249 M (2,571).
- The technical result for the Länsförsäkringar Alliance's non-life insurance operations amounted to SEK 3,518 M (4,144). Premiums earned after ceded reinsurance increased 5% to SEK 32,768 M (31,193). The combined ratio amounted to 93.0% (91.4).
- The Länsförsäkringar AB Group's operating profit amounted to SEK 2,350 M (3,806). The return on equity amounted to 8% (9). Dividend to owners amounted to SEK 1,751 M (1,000).
- Länsförsäkringar AB Group's non-life insurance operations posted an operating profit of SEK 693 M (798). Premiums earned after ceded reinsurance rose 11% to SEK 8,485 M (7,662). The combined ratio was 91.0% (91.2).
- The Länsförsäkringar Bank Group's operating profit declined to SEK 2,067 M (2,296). Net interest income rose 14% to SEK 5,528 M (4,863). Return on equity amounted to 8.2% (9.8).
- Länsförsäkringar Fondliv's operating profit fell to SEK 566 M (625). Premium income amounted to SEK 18,362 M (24,682). Commission and fee income was SEK 2,080 M (2,201).
- Länsförsäkringar Liv's earnings amounted to SEK -2,409 M (11,691).

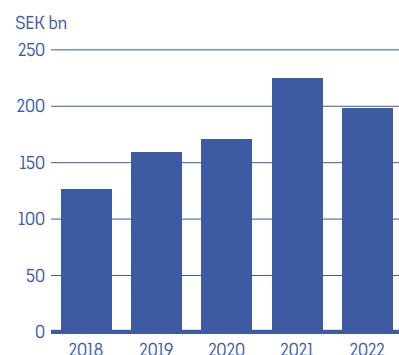
Technical result for the Länsförsäkringar Alliance's non-life insurance operations



Länsförsäkringar Bank Group's operating profit



Länsförsäkringar Fondliv's managed assets



Länsförsäkringar offers security in an uncertain world

2022 was dominated by heightened geopolitical and macroeconomic turmoil. Higher costs of living and concern for the future affect us all. Länsförsäkringar's customer promise - to simplify everyday life and contribute to a secure future - is even more important in these uncertain times. Leveraging our local presence, we understand the circumstances and needs of our customers. Being customer-owned means that we can offer customers long-term stability. With our broad knowledge, customers are provided with a secure, complete offering of banking, insurance, pension and real-estate brokerage services. In 2022, we focused on our advisory services, an expanded customer offering and claims prevention to increase security for our customers.

We offered advice in many areas, such as how customers can safely reduce their electricity costs, how customers can best save for their pensions or how customers can speak to children worried about the economical situation. We launched the forecast tool, Ekonomikollen on Länsförsäkringar's website for customers to use to calculate and see how a variety of different factors and choices would affect their personal finances.

Our customer offering was expanded with services that are in demand and relevant. Länsförsäkringar became a partner of the Baby Journey pregnancy app, we developed our own Hälsa och vård app that gives customers 24/7 access to the entire content of their health care insurance, new functionality was added to the Agria Vårdguide app and our cyber insurance is now better suited to meet the needs of corporate customers. We also launched many new sustainable offers in 2022, such as green mortgages, energy savings loans and an expanded sustainability-focused fund range. 99% of the savings of our unit-linked insurance customers is invested in funds that promote sustainability or have sustainable investment as their objective according to the EU Disclosure Regulation.

Avoiding claims is a gain for the environment, the individual and society at large. This is why Länsförsäkringar attaches great importance to claims-prevention activities, from offering free reflectors to children to more extensive measures for creating a safe society. Länsförsäkringar's Research Fund finances research into such topics as climate adaptation and secure homes that is then used in our own business development and in discussions with various stakeholders in society.

The key to continuing to deliver on Länsförsäkringar's customer promise is continuous digitisation of the operations, which continued at a fast pace in 2022. We have created the best conditions for efficient and innovative development. All joint development is governed by the Alliance-wide marketing plan based on customer needs and our Lean Agile work method.

The volatility of the financial markets resulted in the Länsförsäkringar Alliance's reporting an operating loss of SEK -3.4 billion. The non-life insurance operations reported an operating loss of SEK -4.4 billion, with investment income of SEK -5.4 billion. The technical result of SEK 3.5 billion was better, with strong premium growth of 5% and a combined ratio of 93%. The regional insurance companies will pay back at least SEK 1.2 billion in bonuses and discounts to their owners - the customers.



“ Länsförsäkringar is local, customer-owned, and offers security for its customers.

The Länsförsäkringar AB Group's operating profit amounted to SEK 2.4 billion, despite negative investment income of SEK -0.8 billion. The non-life insurance operations contributed operating profit of SEK 0.7 billion with a combined ratio of 91% and strong premium growth of 11%, primarily from Agria where our target is to become Europe's largest pet insurance company! The banking operations reported a stable operating profit of SEK 2.1 billion with deposits increasing 5% and lending up 4%. The unit-linked insurance operations contributed operating profit of SEK 0.6 billion with continuing healthy growth where premiums paid increased 8%. This shows that our customers are continuing to choose Länsförsäkringar for their pension savings despite expanded transfer rights since July.

I became the President and CEO of Länsförsäkringar AB in December 2022 and I am delighted to have been entrusted with this role. I served as the President of Länsförsäkringar Fondliv for the past three years but have been working at Länsförsäkringar since 2014. Although market forecasts are gloomy I am looking forward, together with the regional insurance companies, to continue to deliver on our customer promise in 2023 and beyond. Together we create security and opportunities. And that is needed, particularly now.

On behalf of the 23 regional insurance companies

Mathias Collén

President and CEO of Länsförsäkringar AB

The Länsförsäkringar Alliance's jointly owned company

Länsförsäkringar Alliance

The Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. 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.

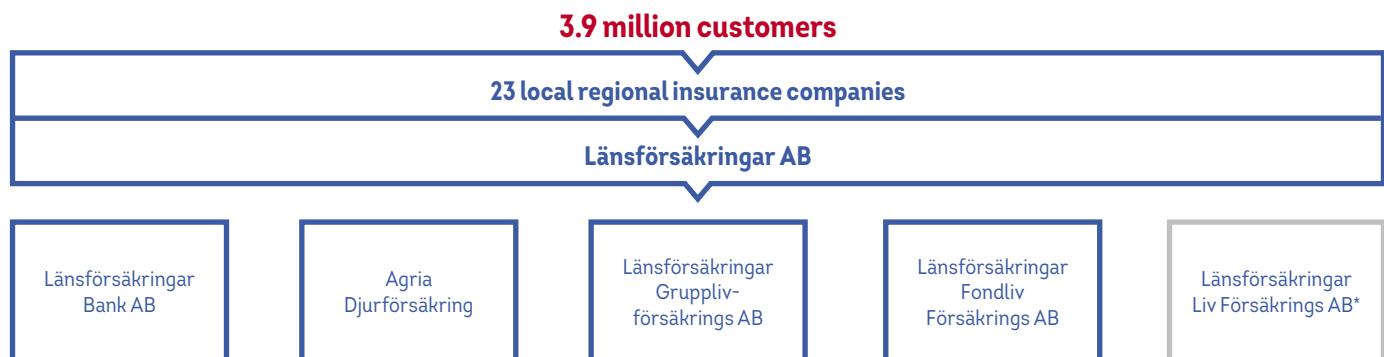
Long-term respect for customers' money is fundamental. There are no external shareholders; it is the customers' money that is being managed. This approach characterises the entire business.

The Länsförsäkringar Alliance has 3.9 million customers and 8,500 employees. The Länsförsäkringar Alliance is not a Group in the legal sense of the term. Most of the non-life insurance business in the Länsförsäkringar Alliance is underwritten in the regional insurance companies.

The Länsförsäkringar AB Group conducts banking, life assurance and pension insurance as well as some non-life insurance business. The non-life insurance business primarily comprises personal risk, pet and crop insurance and some motor, cargo, liability and property 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 the Länsförsäkringar AB Group.



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

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

ⁱⁱ Pertain to the company's covered bonds.

Financial overview

Report commented on the development Januari-December 2022 compared to January-December 2021, unless otherwise stated.
Amounts are in SEK, unless otherwise stated.

Länsförsäkringar Alliance

	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Non-life insurance				
Solvency capital, SEK M	107,890	107,890	106,209	111,422
Solvency margin, %	325	325	323	349
Return on equity, %	-4	2	-9	17
Premiums earned after ceded reinsurance, SEK M	32,768	16,682	16,086	31,193
Technical result, SEK M	3,518	379	3,140	4,144
Operating profit, SEK M	-4,426	1,423	-5,848	19,742
Combined ratio, %	93.0	101.7	84.1	91.4

Länsförsäkringar AB, Group¹⁾

	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Operating profit, SEK M	2,350	1,052	1,298	3,806
Total assets, SEK M	687,973	687,973	692,928	711,589
Return on equity, %	8	8	8	9
Own funds for the insurance group (FRL) ²⁾ , SEK M	59,099	59,099	58,677	65,203
Solvency capital requirement for the insurance group (FRL) ²⁾ , SEK M	41,836	41,836	38,932	45,368
Own funds for the financial conglomerate ³⁾ , SEK M	59,099	59,099	58,677	65,203
Capital requirement for the financial conglomerate ³⁾ , SEK M	41,836	41,836	38,932	45,368
Non-life insurance				
Premiums earned after ceded reinsurance, SEK M	8,485	4,356	4,129	7,662
Technical result, SEK M	829	219	610	684
Operating profit, SEK M	693	236	457	798
Combined ratio, %	91.0	95.0	85.5	91.2

Länsförsäkringar Bank, Group

	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Deposits from the public, SEK M	153,341	153,341	155,867	146,265
Loans to the public, SEK M	384,104	384,104	385,639	361,991
Operating profit, SEK M	2,067	1,114	953	2,296
Return on equity, %	8.2	8.7	7.6	9.8
Common Equity Tier 1 capital ratio, consolidated situation, %	15.4	15.4	14.9	15.3

Länsförsäkringar Fondliv

	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Premium income, SEK M	18,362	7,827	10,535	24,682
Operating profit, SEK M	566	293	273	625
Managed assets, SEK M	197,905	197,905	190,909	225,028
Solvency ratio, %	163	163	166	143

Länsförsäkringar Liv (not consolidated in Länsförsäkringar AB Group)

	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Premium income after ceded reinsurance, SEK M	970	452	518	1,122
Profit, SEK M	-2,409	-172	-2,237	11,691
Managed assets, SEK M	102,600	102,600	104,463	118,005
Solvency ratio, %	215	215	232	219

¹⁾ Excluding Länsförsäkringar Liv Försäkrings AB. The company is operated in accordance with mutual principles.

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

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

The outlook for the global economy was gloomier in the fourth quarter of 2022. Inflation remained high and the central banks of developed economies raised their key interest rates at a very fast pace. This pace of rate hikes has slowed slightly, although the ECB and the Fed have announced that interest rates may continue to be raised well into 2023. There is much uncertainty surrounding how inflation and key interest rates will trend in 2023, and the market is expecting weaker growth with a high risk of an even gloomier outcome.

The performance of the US economy continued to be surprisingly strong despite the Fed's rapid pace of key interest rate hikes. Confidence indicators suggest weaker growth, but the trend in the labour market remains strong with surprisingly strong employment figures and salaries increasing rapidly. Inflation was lower than expected in recent reported outcomes, but the strong trend in the labour market indicates that it will take time to lower inflation to the target of 2% and doing so will require high interest rates. It is expected that the key interest rate will continue to be raised, meaning that the risks of a recession in the US economy have increased considerably.

The eurozone experienced high energy prices, which resulted in inflation of more than 10% and households have lower confidence in the economy. Consumer confidence is at record-breaking low levels due to higher inflation, rising interest rates and an uncertain geopolitical situation. German industry has also suffered from high energy prices and uncertainty about the future. Indicators stabilised in the fourth quarter but continued to suggest a sharp downturn in the eurozone economy. The market expects a weak trend in GDP for the quarters ahead, but the ECB announced that high inflation is expected to result in more interest rate increases in 2023.

The Swedish economy performed better than expected in the fourth quarter yet is showing clear signs of a significant downturn in the next few quarters. The Economic Ten-dency Survey said that the Swedish economy was showing much weaker sentiment than normal and that consumer confidence was at a record-breaking low level. Inflation remained high and the Riksbank lifted its policy rate to 2.5% in December 2022 and to 3.0% in February 2023.

The financial markets were volatile in the fourth quarter, but stock markets were up

and government-backed paper fell on the back of lower inflation than expected in the US economy. The MSCI World Index rose 6.4% in the fourth quarter, the US S&P 500 Index was up 5.4% and the Stockholm Stock Exchange, including dividends, rose 13.9%. However, looking at the full-year 2022, rising interest rates and weaker growth prospects led to a sharp decline in equities markets. The Stockholm Stock Exchange fell 10.2% and the S&P 500 was down 19.6% in 2022.

Higher key interest rates led to a rapid increase in market interest rates in developed economies during 2022. Interest on mortgage bonds in Sweden was also affected by a lower risk appetite and the spread between government bonds and mortgage bonds widened during the year.

A higher key interest rate and higher interest on mortgage bonds resulted in higher funding costs for banks in Sweden. This is the reason for the significant increase in mortgage rates. Higher mortgage rates and lower consumer confidence led to a rapid slump in the housing market following a strong trend during the pandemic. According to Valueguard's housing index, HOX, house prices have fallen 16% compared with the peak listings in March 2022.

Impact of the war in Ukraine

Heightened geopolitical tension following Russia's invasion of Ukraine combined with an energy crisis and rising inflation has had a negative impact on the global economy, resulting in higher interest rates, weaker stock markets and lower growth prospects. This is described in the market commentary on page 5.

Regarding the effect on the war, Länsförsäkringar has identified a number of areas that may be impacted. Despite the volatility of the financial markets, the companies in the Länsförsäkringar Alliance continue to have a strong capital position and are considered highly able to manage any additional volatility.

Non-life insurance operations

Continued healthy premium growth

The premium growth was relatively unaffected by the impact of the war in 2022 despite higher costs for households and companies. Insurance needs may increase in certain segments, while at the same time the solvency of customers may be negatively impacted. Premium growth may be negatively affected due to increased bankruptcies or lower sales among corporate customers, higher unemployment and reduced economic activity. In the agricultural sector, which is already under pressure, even higher costs for fuel, electricity, fertilizer and food may result in companies being discontinued, which could impact the portfolio trend.

Limited impact on claims costs

Continuing challenges with shortages of components and materials, and rising inflation had a limited negative effect on claims costs in 2022. However, continued rising inflation affects the future claims-cost trend, particularly through higher repair costs. For personal risk insurance, inflation impacts provisioning since claims are based on the price base amount and have a long payment term. Claims costs could also be negatively affected by higher unemployment, although this affects only a small percentage of Länsförsäkringar's total non-life insurance volume.

Negative effect on investment income

Investment income were impacted by uncertainty in the financial markets in 2022. Stock markets were volatile and fell sharply during the year, despite a slight recovery in the fourth quarter.

Banking operations

Higher mortgage rates

Rapidly rising market interest rates result in the need to pass on the effects of higher financing costs to customers, for example, by raising mortgage rates. Since customers' repayment capacity is assessed using assumptions regarding higher interest rates in the "left to live on" calculation, which is part of Länsförsäkringar's credit evaluation process, mortgage customers are considered to have a solid margin for managing the situation of higher interest rates.

A weaker housing market

Rising interest rates have contributed to falling house prices and a weaker housing market. The impact of falling house prices is, to date, limited. Activity in the housing market has softened and if house prices continue to fall further, it would lead to even lower lending growth and a lower average loan-to-value ratio in the mortgage portfolio.

Wider credit spreads

The funding markets have continued to function, although uncertainty has widened credit spreads, meaning higher funding costs. The Bank Group has a solid liquidity position and thus the capacity to manage periods of disruptions in the funding market. Wider credit spreads also have a negative impact on holdings in the liquidity reserve.

Lower fund volumes

The weak stock-market trend during the year negatively impacted the volume of managed funds. This contributed to a negative trend in commission income from the fund business.

Slight increase in expected credit losses

Geopolitical uncertainty combined with high inflation and rising interest rates result in weaker growth prospects. The usual update of the macroeconomic scenarios led to a slight impact on the loss allowance for expected credit losses. It cannot be ruled out that additional downward revisions of forward-looking macro forecasts in the future will have greater effects on the loss allowance for expected credit losses. Very minor effects were seen for actual or probable credit losses, but it cannot be ruled out that a greater impact on the loss allowance will arise in the future.

Life assurance and pension insurance

Reduced managed assets and investment return

Managed assets and investment returns declined as a result of a volatile market featuring falling stock markets and rising market interest rates in 2022. The bonus rates for the traditional life-assurance portfolios New Trad and Old Trad were lowered, but remained positive in 2022 showing the equalising function of the bonus rate.

Continued healthy growth

The net flow of premiums and capital remained healthy in 2022. Future growth could be negatively affected due to reduced economic activity and higher unemployment.

Non-life insurance

Most of the Länsförsäkringar's non-life insurance business is underwritten by the regional insurance companies. 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 year in brief

Figures in parentheses pertain to the same period in 2021.

- Operating loss was SEK -4,426 M (profit: 19,742), due to negative investment income of SEK -5,445 M (19,296).
- Bonuses and discounts to customers amounted to SEK 1,249 M (2,571).
- Premiums earned after ceded reinsurance increased 5% to SEK 32,768 M (31,193).
- The technical result amounted to SEK 3,518 M (4,144).
- The combined ratio amounted to 93.0% (91.4), with a claims ratio of 73.9% (73.2).
- Solvency capital declined SEK 3,532 M during the year to SEK 107,890 M.

Earnings

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.

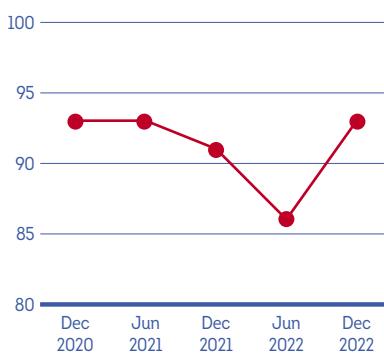
Operating loss for the Länsförsäkringar Alliance's non-life insurance operations amounted to SEK -4,426 M (profit: 19,742), due to negative investment income of SEK -5,445 M (19,296). The performance of the financial markets was challenging in 2022 with falling stock markets and rising market interest rates.

The technical result was stronger, and amounted to SEK 3,518 M (4,144), driven by strong premium growth of 5% and a relative stable claims ratio of 73.9% (73.2). The expense ratio increased to 19.1% (18.2), resulting in a combined ratio of 93.0% (91.4). Measured as a five-year average, the combined ratio was 94% and the claims ratio 75%.

In 2023, the regional insurance companies will pay back a total of at least SEK 1,249 M in bonuses and discounts to their owners – the customers.

Combined ratio

Rolling 12-month figures, %



Non-life insurance, Länsförsäkringar Alliance

Key figures, SEK M	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Premiums earned after ceded reinsurance	32,768	16,682	16,086	31,193
Technical result	3,518	379	3,140	4,144
Bonuses and discounts	-1,249	-1,078	-171	-2,571
Total investment income	-5,445	2,898	-8,343	19,296
Operating profit/loss	-4,426	1,423	-5,848	19,742
Solvency capital	107,890	107,890	106,209	111,422
Solvency margin, %	325	325	323	349
Expense ratio, %	19.1	19.3	19.0	18.2
Claims ratio, %	73.9	82.4	65.1	73.2
Combined ratio, %	93.0	101.7	84.1	91.4

Solvency capital declined SEK 3,532 M during the year to SEK 107,890 M on 31 December 2022. The solvency margin amounted to 325% (349). Despite the volatility of the financial markets, the companies in the Länsförsäkringar Alliance continue to have strong and stable capital positions and are considered highly able to manage any additional slowdown in the global economy and potential consequences for the financial markets.

Business volumes

Länsförsäkringar's leading position in the Swedish non-life insurance market remained stable with a market share of 30.6% on 31 December 2022, according to statistics from Insurance Sweden.

Premiums earned after ceded reinsurance increased 5% to SEK 32,768 M (31,193). The increase was attributable both to premium increases and portfolio growth. Premiums earned for private insurance increased 3%, with accident and homeowner insurance continuing to drive growth. Agria continued to report strong growth, primarily in the international operations, with a 14% increase in premiums earned. Premiums earned for the

commercial segment rose just over 5%, primarily driven by healthy growth in property, commercial and liability insurance. Interest in cyber insurance increased during the year since geopolitical turmoil has resulted in higher contingency planning and a focus on IT security among corporate customers. Premiums earned for the motor insurance segment rose just under 2%, with continued healthy growth in commercial motor. Premiums earned in the agriculture segment rose by just under 3%.

The premium growth was relatively unaffected by the impact of the war in Ukraine in 2022 despite higher costs for households and companies. Insurance needs may increase in certain segments, while at the same time the solvency of customers may be negatively impacted. Premium growth may be negatively affected due to increased bankruptcies or lower sales among corporate customers, higher unemployment and reduced economic activity. In the agricultural sector, which is already under pressure, further increased overheads may result in companies being discontinued, which could impact the portfolio trend.

Claims trend

Claims payments after ceded reinsurance increased 6% to SEK 23,969 M (22,595) and the claims ratio amounted to 73.9% (73.2). Claims costs for natural catastrophes in 2022 were in line with the average cost for the past ten years, following exceptionally high claims costs for natural catastrophes in 2021. Major claims also decreased in 2022, although larger-scale claims remained dominated by fire damage. However, travel claims increased following low levels since 2020 due to the pandemic that involved protective measures and recommendations.

The provisions for motor third-party liability and accident insurance were updated during the year with positive and negative earnings impact, respectively. In addition, provisions were strengthened for annuities related to changed mortality assumptions.

In the first half of the year, the claims ratio fell to 65.1% on 30 June 2022, partly due to a higher discount rate on provisions as a result of rising market interest rates. In the second half of the year, the majority of the regional insurance companies ceased discounting provisions, which resulted in a higher claims ratio.

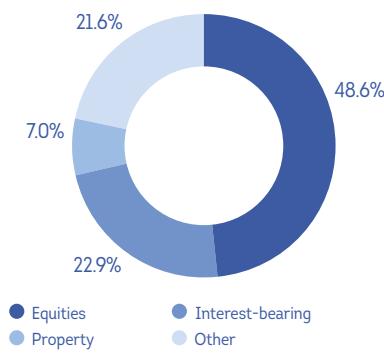
Continuing challenges with shortages of components and materials, and rising inflation had a limited negative effect on claims costs in 2022. However, continued rising inflation affects the future claims-cost trend, particularly through higher repair costs.

Investment income

The Länsförsäkringar Alliance reported negative investment income of SEK -5,445 M (19,296) for 2022. The performance of the financial markets was challenging with sharply declining stock markets during the year, despite a slight recovery in the fourth quarter, and rising market interest rates. However, holdings in Humlegården* contributed positively to investment income, whose net asset value per share increased 8.2% in 2022. This resulted in a return of -4.0% of the asset value on 31 December 2022.

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

Allocation of investment assets



Total investment assets amounted to SEK 147.4 billion on 31 December 2022.

Bank

Länsförsäkringar offers banking services through Länsförsäkringar Bank, which is part of the Länsförsäkringar AB Group. The 23 regional insurance companies are responsible for the bank's customer contact, while Länsförsäkringar AB is responsible for conducting joint business activities, strategic development activities and providing service.

The year in brief

Figures in parentheses pertain to the same period in 2021.

- Operating profit declined to SEK 2,067 M (2,296) and the return on equity amounted to 8.2% (9.8).
- Net interest income rose 14% to SEK 5,528 M (4,863).
- Business volumes declined 3% to SEK 820 billion (841), deposits increased 5% and lending rose 4%, while the fund volume declined 13%.
- The number of customers with Länsförsäkringar as their primary bank rose 4% and the number of bank cards increased 3%.

Earnings

Operating profit fell 10% to SEK 2,067 M (2,296). The decline was mainly due to the introduction of the risk tax for banks, the administrative fine from the Swedish Financial Supervisory Authority (FSA) and the positive effect in the comparative period from the reversed loss allowance. Profit before credit losses and fees levied increased 21% to SEK 2,523 M (2,088). The investment margin amounted to 1.19% (1.12). Return on equity amounted to 8.2% (9.8).

Operating income increased 9% to SEK 5,033 M (4,610) due to higher net interest income, which offset lower net commission. Net interest income rose 14% to SEK 5,528 M (4,863). Net gains from financial items amounted to SEK 0 M (54). Underlying net commission, excluding remuneration paid to the regional insurance companies, remained largely unchanged at SEK 1,329 M (1,332). The recognised net commission including remuneration to the regional insurance companies amounted to SEK -508 M (-331).

Bank Group's operating profit and return on equity



● Operating profit, SEK M ● Return on equity, %

Länsförsäkringar Bank, Group

Key figures, SEK M	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Operating profit	2,067	1,114	953	2,296
Return on equity, %	8.2	8.7	7.6	9.8
Net interest income ¹⁾	5,528	3,166	2,362	4,863
Cost/income ratio before credit losses and fees levied ¹⁾	0.50	0.50	0.50	0.55

¹⁾ Key figures for 2021 have been adjusted as the Resolution fee has been reclassified from Interest expense to Risk tax levied and resolution fee.

Expenses

Operating expenses declined slightly to SEK 2,510 M (2,523). Expenses for 2022 include higher costs for IT investments related to digitisation and AML-related expenses as well as costs for the administrative fine from the FSA, while 2021 included an impairment loss on intangible assets. The cost/income ratio before credit losses and fees levied amounted to 0.50 (0.55) and the cost/income ratio after credit losses and fees levied amounted to 0.59 (0.50).

As a result of the investigation that the FSA conducted into how the bank complies with the regulations on monitoring and reporting, with a focus on fast transactions and international payments, Länsförsäkringar Bank received a remark in December 2022 and was ordered to pay an administrative fine of SEK 90 M, which is included in expenses for the fourth quarter of 2022.

Credit losses

The credit quality of the loan portfolio remained very high and credit losses in the Bank Group are low. During the fourth quarter, the macroeconomic scenarios for calculating expected credit losses were updated with more negative outlooks for the future, which led to slightly higher loss allowances. Furthermore, a decision was made to make a manual adjustment to mortgage lending, which increased the loss allowance by SEK 21 M, in

light of the rapidly increasing uncertainty in the business world and its impact on households. The total change in the loss allowance due to the above was SEK 13 M in the fourth quarter, after the effect from withheld remuneration to the regional insurance companies. Credit losses for 2022 totalled SEK 123 M (-331), net, corresponding to a credit loss level of 0.03% (-0.09). Comparative figures for last year were impacted by reversals of previous loss allowances related to the pandemic.

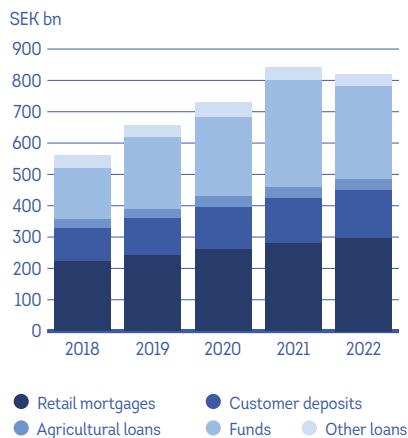
Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 963 M (1,091), corresponding to a share of credit-impaired loan receivables of 0.15% (0.20). The loss allowance for credit-impaired loan receivables was SEK 394 M (366). The reserve ratio for credit-impaired loan receivables amounted to 40.9% (33.6). In addition, SEK 40 M (54) of the remuneration to the regional insurance companies regarding credit-impaired loan receivables* is withheld. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 434 M (421). The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 45.1% (38.6).

* In accordance with the settlement model for the regional insurance companies' credit-risk commitments for generated business.

Business volumes

Business volumes declined 3% to SEK 820 billion (841), driven by lower fund volumes resulting from lower market values. Total lending improved 4% to SEK 367 billion (351) with continued high credit quality. Lending excludes deposits with the Swedish National Debt Office and similar items. Lending in Länsförsäkringar Hypotek increased 7% to SEK 297 billion (279). Lending in Wasa Kredit fell 2% to SEK 25.1 billion (25.6). Deposits increased 5% to SEK 153 billion (146). The fund volume fell 13% to SEK 299 billion (343), as a result of the market trend and lower market values, while net inflows remained solid.

Business volumes for the Bank Group



Funding

The Group has a low refinancing risk and the maturity profile is well diversified. Debt securities in issue increased 1% to a nominal SEK 263 billion (260), of which covered bonds amounted to SEK 218 billion (214), senior long-term funding to SEK 44 billion (45) and short-term funding to SEK 1.4 billion (0.6). The average remaining term for long-term funding was 3.0 years (3.1) on 31 December 2022.

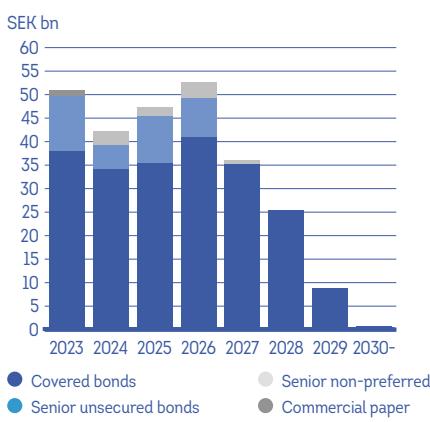
Covered bonds were issued in 2022 at a volume of a nominal SEK 39.6 billion (45.8). Repurchases of covered bonds amounted to a nominal SEK 12.5 billion (4.5) and matured covered bonds to a nominal SEK 23.6 billion (16.8). Länsförsäkringar Bank issued senior unsecured bonds of a nominal SEK 7.7 billion (13.9) during the period, while maturities amounted to a nominal SEK 9.4 billion (8.3). The total volume of the outstanding senior non-preferred bond was SEK 8.9 billion on 31 December 2022.

In 2022, Länsförsäkringar issued a new covered seven-year benchmark bond in SEK and a covered Euro benchmark bond of EUR 500 M in Länsförsäkringar Hypotek.

Furthermore, Länsförsäkringar Bank launched its green bond framework, which enables efficient refinancing of lending to customers with green and energy-efficient assets. The green framework is available on lansforsakringar.se.

A green senior non-preferred bond was issued during the year at an amount of SEK 2.3 billion. After the end of the period in January 2023, a green senior preferred Euro bond was issued at an amount of EUR 500 M.

Maturity profile



Liquidity

On 31 December 2022, the liquidity reserve totalled SEK 71.0 billion (85.6). 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. By utilising the liquidity reserve, contractual undertakings can be met for just over two years without needing to secure new funding in the capital market. The Liquidity Coverage Ratio (LCR) for the consolidated situation on 31 December 2022 amounted to 277% (354). The Net Stable Funding Ratio (NSFR) for the consolidated situation on 31 December 2022 was 125% (130).

Remark and administrative fine from the FSA

In December 2022, the FSA completed its investigation into how the bank complies with the regulations on monitoring and reporting, with a focus on fast transactions and international payments. This investigation first

began in June 2021. As a result of the investigation, the FSA issued Länsförsäkringar Bank with a remark in December 2022 and the bank was ordered to pay an administrative fine of SEK 90 M.

Länsförsäkringar Bank takes a serious view of the FSA concluding that there are deficiencies in the transaction monitoring. This is unacceptable based on our own standards, customer expectations and regulations. Action has been taken and further measures will be implemented to protect customers and society.

Events after the end of the period

On 20 January 2023, the FSA approved the Länsförsäkringar Bank Group's application to use new probability of default (PD) models. This approval also includes a transition from the Standardised Approach to the IRB Approach for the class of exposures to corporates in Wasa Kredit. The decision means that all of the bank's PD models will be replaced by new models. The effect of the implementation is that the new models entail a slight increase in the total risk exposure amount (REA), which will be reported from the first quarter of 2023.

Länsförsäkringar Bank has announced the early redemption of subordinated debt (Tier 2 capital loans) on the first possible redemption date in accordance with the terms of the loans. Redemption will take place on the first redemption date, which is 1 March 2023. This subordinated debt has already been deducted from own funds as per 31 December 2022.

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. No new policies are underwritten in Länsförsäkringar Liv, 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 the Länsförsäkringar AB Group.

The year in brief

Figures in parentheses pertain to the same period in 2021.

- Länsförsäkringar Fondliv's operating profit fell to SEK 566 M (625). Total managed assets were SEK 198 billion (225).
- Länsförsäkringar Liv's earnings amounted to SEK -2,409 M (11,619). Total managed assets were SEK 103 billion (118).
- The return to customers was negatively affected by falling stock markets and rising market interest rates, but bonus rates for New Trad and Old Trad remained positive.

Länsförsäkringar offers pension savings such as fund management och guarantee management. Länsförsäkringar also manages traditional life assurance that was taken out before September 2011.

Unit-linked insurance

The overall trend in the financial markets was negative in 2022, mainly due to Russia's invasion of Ukraine and its effects. The weak stock market trend was due to rising inflation exceeding expectations and austere monetary policy combined with lower growth prospects. This was also reflected in Länsförsäkringar's fund range. Of a total of 159 funds, 9% generated a positive return in 2022. The average fund return for customers was -14.9%. The categories of funds with particularly weak performance included properties, Sweden and small cap, while funds targeting China and Latin America for example performed positively.

A high-quality, attractive fund range that generates healthy, long-term returns on customers' pension capital is a central part of the Länsförsäkringar offering. All funds are carefully analysed and assessed based on criteria including management organisation, return and sustainability. 13 new funds that all promote sustainability were launched during the year. In addition, ten funds were replaced by funds with a higher sustainability level and return potential. 95% of the fund range comprises funds that promote sustainability or have sustainable investment as their objective according to the EU Disclosure Regulation, and 99% of customer's savings is invested in this type of fund.

Funds with exposure to Russia remain closed for trading, including four in Länsförsäkringar's unit-linked insurance range: BlackRock Emerging Europe, Carnegie Rysslandsfond, East Capital Russia and East Capital Eastern Europe.

Länsförsäkringar Fondliv and Länsförsäkringar Liv

Key figures, SEK M	Jan-Dec 2022	Jul-Dec 2022	Jan-Jun 2022	Jan-Dec 2021
Länsförsäkringar Fondliv				
Premium income, net	18,362	7,827	10,535	24,682
Operating profit	566	293	273	625
Managed assets	197,905	197,905	190,909	225,028
Solvency ratio, %	163	163	166	143
Länsförsäkringar Liv (not consolidated in the Länsförsäkringar AB Group)				
Profit/loss	-2,409	-172	-2,237	11,691
Managed assets	102,600	102,600	104,463	118,005
Collective consolidation ratio, New Trad, %	104	104	103	118
Collective consolidation ratio, Old Trad, %	117	117	121	125
Solvency ratio, %	215	215	232	219

Guarantee management

Länsförsäkringar 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.

Investments as of 31 December 2022, comprised 37% interest-bearing, 33% equities and 30% alternative investments. The share of alternative investments has gradually increased in recent years. 20% of total managed assets was invested in sustainability-focused investments. Guarantee management has no exposure to Russia or Belarus.

Guarantee management's managed assets fell to SEK 5.5 billion (5.7). The investment return was -9.2% (17.0). The average return has been 4.6% per year since 2020.

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 declined to SEK 103 billion (118) as of 31 December 2022 due to

falling stock markets and rising market interest rates. The return on equities and interest-bearing investments was negative, while alternative investments made a positive contribution to the return during the year. Länsförsäkringar Liv has no exposure to Russia or Belarus since all assets in developing countries were divested in 2021.

Sustainability is an integral part of Länsförsäkringar Liv's investment portfolios. On 31 December 2022, 22% (16) of managed assets were invested in sustainability-focused investments, which exceeded the target of 18%. Länsförsäkringar Liv also has the target of halving the carbon footprint from its managed portfolios by 2027 compared with 2019. The decrease was 34% on 31 December 2022.

Länsförsäkringar Liv is working actively to maintain the company's balance sheet strength and capital position in order to improve the conditions for maintaining its long-term investment strategy. The uncertain economic outlook in the external environment presents challenges for the future and sets high demands on the company's risk management. The bonus rate is continuously adjusted to ensure buffers for future payments. The bonus rate for New Trad was

adjusted from 6% to 1% in 2022 and for Old Trad from 4% to 1%. The solvency margin in Old Trad strengthened during the year mainly due to rising interest rates, successful interest-rate and currency positions, and also positive returns on alternative investments. Old Trad customers were therefore twice awarded extra bonuses during the year.

New Trad

Managed assets in New Trad amounted to SEK 27 billion (31). New Trad is a management form that existing customers can choose to transition to. Transitions involve, for instance, lower fees and a lower guaranteed rate. Länsförsäkringar Liv can thus invest the capital in assets with a higher expected return, which over time increases the possibility of higher bonuses.

Investments as of 31 December 2022 comprised 39% interest-bearing, 37% equities, 16% alternative investments and 8% properties. The percentage of interest-bearing investments declined during the year, while the percentage of alternative investments and properties increased.

Investment return amounted to -10.0% (16.7). The average return has been 5.4% per year since 2013. The bonus rate on 31 December 2022 was 1% (6). The average bonus rate has been 6.9% per year since 2013.

Old Trad

Managed assets in Old Trad amounted to SEK 68 billion (77). 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 as of 31 December 2022 comprised 73% interest-bearing, 12% alternative investments, 8% equities and 7% properties. The percentage of alternative investments and equities increase during the year, while the percentage of interest-bearing and properties declined.

Investment return amounted to -6.6% (6.3). The bonus rate was 1% (4) on 31 December 2022 and an average of 19.5% (11.3) for 2022.

New World

Managed assets in New World amounted to SEK 8 billion (10). New World is a traditional insurance policy whereby customers benefit from changes in value in the equities market, while at the same time are guaranteed to recoup over time at least the premiums paid, after deductions for expenses and yield tax.

Investments as of 31 December 2022, comprised 70% equities and 30% interest-bearing.

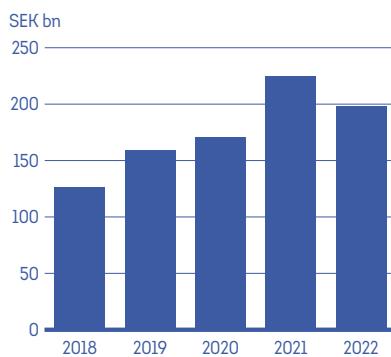
Investment return amounted to -14.2% (21.3).

Earnings for Länsförsäkringar Fondliv

Operating profit for Länsförsäkringar Fondliv fell to SEK 566 M (625), mainly due to lower income as a result of uncertainty in the financial markets in 2022. The weaker stock-market trend also impacted managed assets, which fell to SEK 198 billion (225) on 31 December 2022. Net inflow of premiums and capital from existing and new customers continued to report healthy growth, though it declined to SEK 5,971 M (14,073) compared with a very strong 2021. In the second half of 2022, net inflow was impacted by higher outward transfers due to expanded transfer rights that were introduced on 1 July 2022. Total premium income declined to SEK 18,362 M (24,682), but premiums paid increased 8% to SEK 10,574 M (9,780). Premium income after ceded reinsurance for insurance risk increased to SEK 314 M (292). Commission and fee income amounted to SEK 2,080 M (2,201) due to lower average managed assets in 2022. Operating expenses declined to SEK 1,659 M (1,692), primarily due to lower administration expenses.

The total profit for Länsförsäkringar Fondliv and the life-assurance operations in the 23 regional insurance companies amounted to SEK 721 M (1,002). Länsförsäkringar Fondliv's remuneration to the regional insurance companies has increased since 2021 in order to drive long-term organic growth for the Länsförsäkringar Alliance.

Managed assets unit-linked insurance



risk, which contributed to the capital requirement decreasing more than own funds, thus increasing the solvency ratio. Länsförsäkringar Fondliv has a strong capital position and is considered highly able to manage any future negative market fluctuations.

Earnings for Länsförsäkringar Liv

Loss for Länsförsäkringar Liv amounted to SEK -2,409 M (profit: 11,691). 2022 was dominated by falling equities markets, high volatility and rising interest rates that resulted in negative investment income of SEK -9,622 M (10,942). Meanwhile, high inflation led to higher market interest rates, which resulted in lower technical provisions with a positive earnings effect of SEK 11,254 M (5,246). Changes in market interest rates affect Länsförsäkringar Liv's earnings since future commitments are discounted with the market interest rate. However, the company can largely protect itself from the impact of fluctuations in market interest rates on earnings by partly matching assets and liabilities against each other. On 1 January 2022, the Ultimate Forward Rate (UFR) was lowered 0.15 of a percentage point to 3.45%, which negatively affected discounting of liabilities for terms of more than ten years. Operating expenses fell 11% to SEK 330 M (370) in line with the company's long-term efforts to reduce operating expenses and make the operations more efficient so as to manage a shrinking portfolio.

Capital position

Länsförsäkringar Liv's solvency ratio amounted to 215% (219) on 31 December 2022. Own funds declined mainly as a result of the negative return during the year, which also contributed to the capital requirement reducing. Länsförsäkringar Liv has a strong capital position and is considered highly able to manage any future negative market fluctuations. Collective consolidation amounted to 104% (118) in New Trad and 117% (125) in Old Trad. The surplus in New World is preliminary distributed directly between customers' insurance, which means that the collective consolidation is always 100%.

Capital position

Länsförsäkringar Fondliv's solvency ratio on 31 December 2022 was 163% (143). Own funds were negatively impacted by dividends of SEK 360 M for the 2022 fiscal year to Länsförsäkringar AB, negative market fluctuations and expanded transfer rights. The company has taken out reinsurance for cancellation

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 187 local branches across Sweden.

The year in brief

Figures in parentheses pertain to the same period in 2021.

- Länsförsäkringar Fastighetsförmedling's total sales value amounted to SEK 71.9 billion (84.5).
- The number of brokered residential properties declined 15% to 26,400 (30,900), the number of brokered tenant-owned apartments fell 15% and the number of brokered single-family homes fell 10%.
- Länsförsäkringar Fastighetsförmedling has Sweden's most satisfied customers according to the Swedish Quality Index's 2022 customer satisfaction survey for the estate-agent industry.

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 has 187 branches throughout Sweden. Länsförsäkringar Fastighetsförmedling is the second largest player in the market and for the seventh consecutive year had the most satisfied customers according to the Swedish Quality Index's 2022 customer satisfaction survey for the estate-agent industry.

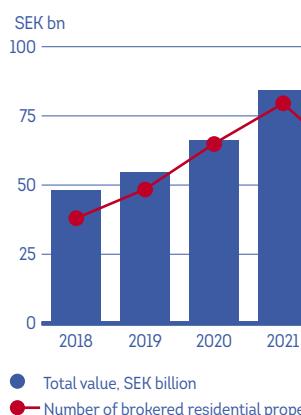
The real-estate brokerage is an integrated part of the local regional insurance companies' full-service customer offering, with the aim of offering more than just brokerage and sales of residential properties. The operations are conducted in franchise form, whereby the regional insurance companies act as the franchiser for the local branches. This also means that Länsförsäkringar Fastighetsförmedling differs from other national estate-agent chains by always being locally based.

In 2022, Länsförsäkringar Fastighetsförmedling brokered a total of 26,400 listings (30,900), a decline of 15%. The total sales val-

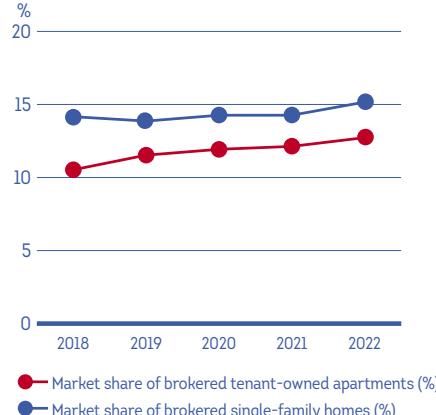
ue of the brokered residential properties amounted to SEK 71.9 billion (84.5). The number of brokered single-family homes fell 10% to 10,698 (11,910) and the number of brokered tenant-owned apartments fell 15% to 14,428 (17,030). Commission income in 2022 amounted to SEK 1,223 M (1,490), down 18%. Länsförsäkringar Fastighetsförmedling performed better than the market as a whole during the year, with its market shares for tenant-owned apartments* increasing to 12.7% (12.1) and for single-family homes* to 15.7% (14.8) on 31 December 2022.

* 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 2022).

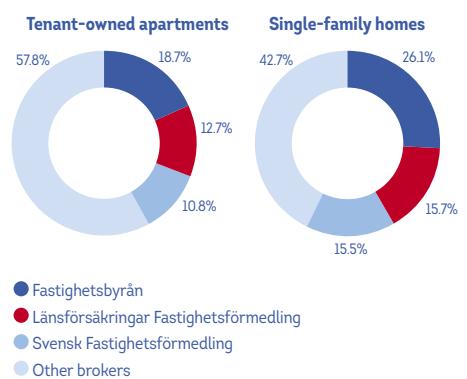
Residential properties brokered by Länsförsäkringar Fastighetsförmedling



Länsförsäkringar Fastighetsförmedling's market share 2018-2022**



Market shares for the three largest property brokers on 31 December 2022*



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

Länsförsäkringar AB

Länsförsäkringar AB and its subsidiaries are commissioned by the regional insurance companies to conduct joint banking and insurance operations, pursue strategic development activities and provide service in areas that generate economies of scale and efficiency. The Länsförsäkringar AB Group's non-life insurance business is divided into the following two business units: Non-life (Personal Risk and Motor, Commercial and Reinsurance) and Agria (pet and crop insurance). Länsförsäkringar AB's interim report is included on pages 14–16 and 19–37.

The year in brief

Figures in parentheses pertain to the same period in 2021.

- The Länsförsäkringar AB Group's operating profit amounted to SEK 2,350 M (3,806) and the return on equity amounted to 8% (9). Dividend to owners amounted to SEK 1,751 M (1,000).
- Länsförsäkringar AB Group's non-life insurance operations posted an operating profit of SEK 693 M (798).
- The Länsförsäkringar Bank Group's operating profit declined to SEK 2,067 M (2,296).
- Länsförsäkringar Fondliv's operating profit fell to SEK 566 M (625).
- The Parent Company's operating profit amounted to SEK 1,183 M (1,464).

Earnings



Länsförsäkringar AB Group's operating profit amounted to SEK 2,350 M (3,806) with negative investment income of SEK -848 M (1,607). The return on equity amounted to 8% (9).

The Länsförsäkringar AB Group's non-life insurance business is divided into two business units: Non-life and Agria. The Non-life insurance business unit is responsible for development and service of the Länsförsäkringar Alliance's non-life insurance business and conducting non-life insurance business in development areas to supplement the regional insurance companies' offering or to achieve economies of scale. Agria is the Länsförsäkringar Alliance's specialist company for pet and crop insurance. Operating profit for the Group's total non-life insurance business amounted to SEK 693 M (798). Premiums earned after ceded reinsurance rose 11% to SEK 8,485 M (7,662). The combined ratio amounted to 91.0% (91.2).

The Bank Group's operating profit declined to SEK 2,067 M (2,296). The decline was mainly due to the introduction of the risk tax for banks, the administrative fine from the FSA and the positive effect in the comparative period from the reversed loss allowance. Profit before credit losses and fees levied in-

creased to SEK 2,523 M (2,088). Net interest income rose 14% to SEK 5,528 M (4,863).

Operating profit for Länsförsäkringar Fondliv fell to SEK 566 M (625), mainly due to lower income as a result of uncertainty in the financial markets. The weaker stock-market trend also impacted managed assets, which fell to SEK 198 billion (225) on 31 December 2022. Net inflow of premiums and capital continued to report healthy growth, though it declined to SEK 5,971 M (14,073) compared with a very strong 2021.

The Länsförsäkringar AB Group's investment return attributable to the insurance operations' and Parent Company's assets decreased to -3.3% (8.9) due to a negative market trend. Equities performed weakly during the year, contributing -2.6 percentage points (4.3). The fixed-income portfolio contributed -1.3 percentage points (0.3), where Swedish interest rates provided the most negative contribution. Properties contributed 0.1 of a percentage point (3.1), with unlisted properties reporting a positive return, while listed properties yielded a negative return. Alternative investments contributed 0.5 of a percentage point (1.2), with the largest contribution from unlisted forestry.

Capital position

The Länsförsäkringar AB Group's equity increased SEK 162 M during the year to SEK 35,549 M. Equity rose mainly due to earnings for the period.

The Länsförsäkringar AB Group is a financial conglomerate in which the Group conducts insurance and banking operations. The Group's companies are encompassed by group solvency regulations in accordance with legislation on financial conglomerates and legislation on insurance operations, with

Länsförsäkringar Liv included in accordance with the deduction and aggregation method. The bank companies are subject to the capital adequacy rules at group level. In addition, the insurance and bank companies are subject to the solvency and capital adequacy rules, respectively, at individual level.

On 31 December 2022, surplus capital for the Länsförsäkringar AB Group under the insurance rules and the rules on financial conglomerates was SEK 17.3 billion, down SEK 2.6 billion for the year, mainly due to a higher countercyclical capital buffer and advance repayment of subordinated debt in the banking operations. Own funds amounted to SEK 59.1 billion and the capital requirement to SEK 41.8 billion.

In 2022, Länsförsäkringar AB paid dividends of SEK 1,751 M to its owners. Dividends and Group contributions from subsidiaries affected profit in 2022 by SEK 1,921 M. The Board of Länsförsäkringar AB proposes that the General Meeting resolve to pay a dividend of SEK 698 M for the 2022 financial year, to be paid in 2023.

Länsförsäkringar AB Group's capital position

	31 Dec 2022	30 Jun 2022	31 Dec 2021
Länsförsäkringar AB			
Solvency ratio, %	223	227	181
Försäkringsaktiebolaget Agria			
Solvency ratio, %	172	226	208
Länsförsäkringar Grupplivförsäkrings AB			
Solvency ratio, %	227	354	242
Länsförsäkringar Fondliv Försäkrings AB			
Solvency ratio, %	163	166	143
Länsförsäkringar Liv Försäkrings AB			
Solvency ratio, %	215	232	219
Länsförsäkringar Bank Group			
Common Equity Tier 1 capital ratio, %	15.4	14.9	15.3

Non-life insurance

The Länsförsäkringar AB Group's Non-life insurance business unit conducts personal risk insurance, some motor, cargo, liability and property insurance as well as international reinsurance. The Länsförsäkringar AB Group also manages the Länsförsäkringar Alliance's joint reinsurance cover.

Both the technical result and the combined ratio improved to SEK 306 M (260) and 89.8% (90.7), respectively. Premiums earned after ceded reinsurance rose 6% to SEK 2,929 M (2,771), with the strong sales in personal risk and commercial contributing to healthy growth. Interest in cyber insurance increased during the year since geopolitical turmoil has resulted in higher contingency planning and a focus on IT security among corporate customers. Premiums earned in motor insurance declined due to long delivery times for new vehicles.

Claims payments after ceded reinsurance amounted to SEK 2,068 M (1,979) and the claims ratio fell to 70.6% (71.4). The expense ratio was unchanged at 19.2% (19.2). Operating profit amounted to SEK 323 M (259).

Personal Risk

The technical result for Personal Risk rose to SEK 194 M (152). Earnings for health insurance improved, mainly due to adjustments to conditions in prior years and a downward adjustment to the reserve for COVID-19 related health claims. Profit for group life assurance improved due to lower claims costs. Earnings for health care insurance were negative as a result of higher claims costs related to operations and medical care since the use of health care insurance has increased.

Motor, Commercial and Reinsurance

The technical result for Motor, Commercial and Reinsurance rose to SEK 141 M (101). Earnings for internationally assumed reinsurance were impacted by higher claims costs for natural catastrophes, but earnings were nevertheless stronger than last year due to run-off gains. Earnings for liability insurance fell slightly due to higher run-off gains in 2021. Earnings for the Länsförsäkringar Alliance's internal reinsurance, to which Länsförsäkringar AB contributes a 15% share of assumed reinsurance, also declined slightly due to higher claims costs in accident insurance. Earnings for cargo insurance remained positive. Earnings for motor insurance improved, mainly as an effect of run-off gains following the review of prior-year reserves both for motor third-party liability and for hull insurance.

The Non-life insurance business unit also includes annuities operations and run-off business, which reported a loss of SEK -30 M (7) due to strengthening provisions related to changed mortality assumptions in the annuities operations.

Agria

Agria's technical result increased to SEK 523 M (424) due to continued strong growth and a stabilised claims-cost trend. The combined ratio amounted to 91.6% (91.4).

Premiums earned after ceded reinsurance increased 14% to SEK 5,556 M (4,891) due both to premium increases and portfolio growth. Business volumes increased in all business lines, with the largest growth in the international operations. In February, Agria expanded its international business by acquiring the Irish company Capstone Financial Services Limited which distributes pet insurance in Ireland and the Netherlands.

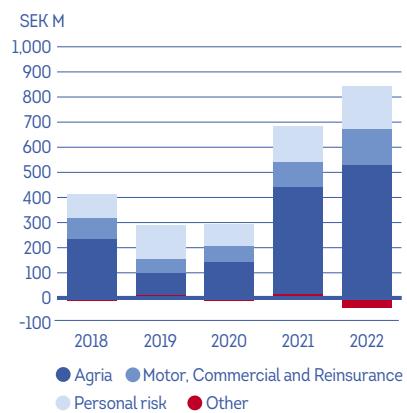
Claims payments after ceded reinsurance amounted to SEK 3,797 M (3,501). The claims ratio declined to 68.4% (71.6) as a result of the stabilised claims-cost trend and higher premiums earned. Operating expenses amounted to SEK 1,293 M (971) and the expense ratio rose to 23.2% (19.8), mainly due to Agria's expansion internationally and continued digitization of the business. Operating profit declined to SEK 369 M (539), due to lower investment income as a result of uncertainty in the financial markets.

The number of customers using the Agria Värdguide app for free digital vet consultations has increased steadily since its launch in 2020 and customer satisfaction is very high.

In June, Agria launched Hundras Extra, a brand new type of dog insurance. This is the most flexible and comprehensive veterinary care insurance offered by Agria. The product is based on a new claims-prevention concept whereby the customer is offered advice and help with booking vet consultations around the clock and the option of attending claims-prevention courses that could result in lower insurance premiums. Customers also receive health-promoting offers. The product has been very positively received by the market.

Horse insurance was launched in the UK in connection with the FEI World Equestrian Games in Denmark in August. The initial results of the internationally acclaimed barefoot study were also presented at the event. This study, initiated by Agria together with the Swedish University of Agricultural Sciences, looks at the effects of riding sport horses with and without shoes.

Technical result



Bank

The Länsförsäkringar Bank Group's operating profit declined to SEK 2,067 M (2,296). The decline was mainly due to the introduction of the risk tax for banks, the administrative fine from the FSA and the positive effect in the comparative period from the reversed loss allowance. Profit before credit losses and fees levied increased to SEK 2,523 M (2,088). Net interest income rose 14% to SEK 5,528 M (4,863). More information about Länsförsäkringar Bank is available on pages 9-10.

Unit-linked insurance

Operating profit for Länsförsäkringar Fondliv fell to SEK 566 M (625), mainly due to lower income as a result of uncertainty in the financial markets. The weaker stock-market trend also impacted managed assets, which fell to SEK 198 billion (225) on 31 December 2022. Net inflow of premiums and capital continued to report healthy growth, though it declined to SEK 5,971 M (14,073) compared with a very strong 2021. Premiums paid increased 8% to SEK 10,574 M (9,780). More information about Länsförsäkringar Fondliv is available on pages 11-12.

Parent Company

After the merger between Länsförsäkringar Sak and Länsförsäkringar AB on 3 May 2021, Länsförsäkringar AB Group's Parent Company consists of the Non-life insurance business unit, excluding Länsförsäkringar Grupp-liv, as well as units within Support and Service. Support and Service is responsible for business service, both within the Group and for the regional insurance companies, and conducts Länsförsäkringar's joint IT and strategic development operations.

The Parent Company's non-life insurance business posted premiums earned after ceded reinsurance of SEK 2,585 M (2,447), with the strong sales in personal risk and com-

mercial insurance contributing to healthy growth. Claims payments after ceded reinsurance amounted to SEK 1,876 M (1,769). The technical result amounted to SEK 217 M (206).

Non-technical income and expenses from the Parent Company's Support and Service operations amounted to SEK -625 M (-367).

The Parent Company's operating profit amounted to SEK 1,183 M (1,464).

Other events during the period

Mathias Collén became the new President and CEO of Länsförsäkringar AB on 13 December 2022 after Fredrik Bergström stepped down from the role on 14 February 2022. In connection with this, Malin Rylander Leijon, who most recently served as the CFO of Länsförsäkringar AB, was Acting President and CEO for Länsförsäkringar AB until 12 December 2022. Jonas Ekegren was appointed Acting CFO of Länsförsäkringar AB on 15 February 2022. Mathias has worked at Länsförsäkringar since 2014, most recently as President of Länsförsäkringar Fondliv.

Caesar Åfors decided at Länsförsäkringar AB's general meeting on 6 May 2022 to step down from his role of Chairman of Länsförsäkringar AB. Maria Engholm, the former Deputy Chairman of Länsförsäkringar AB, was elected the new Chairman. Maria Engholm is the President of HSB Mälardalarna and also the Chairman of Dalarnas Försäkringsbolag.

Expanded transfer rights were introduced on 1 July 2022, which provide higher value for customers since a larger share of capital can be transferred. Länsförsäkringar Fondliv is well positioned to manage the effects of expanded transfer rights in terms of both the effect on the customer market and the capital position. The company took out reinsurance for cancellation risk during the year.

Agria's applications for a third-party branch in the UK and application to establish a branch office in Ireland were approved in 2022.

Risks and uncertainty factors of the operations

Heightened geopolitical tension following Russia's invasion of Ukraine combined with an energy crisis and rising inflation has had a negative impact on the global economy, resulting in higher interest rates, weaker stock markets and lower growth prospects.

This trend had a slightly negative impact on the managed assets of unit-linked insurance, which in turn impacted the value of future profit in the unit-linked insurance operations. In the unit-linked insurance operations, the policyholders primarily bear the market risks, but since the managed assets trend affects earnings, Länsförsäkringar Fondliv is also exposed to market risk. Earnings may also be negatively affected if customers move their insurance to paid-up policies or transfer them to another insurance company, since this leads to lower future fee income. The weak stock-market trend also contributed negatively to the trend in commission income in the banking operations' fund business.

Credit risks in the banking operations are primarily affected by the economic situation in Sweden since all loans are granted locally. Low loan-to-value (LTV) ratios, combined with a well-diversified geographic spread and local presence, are the core pillars in efforts to ensure that the loan portfolio maintains high credit quality. The war in Ukraine has also resulted in falling house prices and thus a lower average LTV ratio as well as wider credit spreads and thus higher funding costs. Credit losses remain low and the refinancing of business activities functioned well during the period. The regional insurance companies cover 80% of the provision requirement in the Bank Group (excluding Wasa Kredit) on the date when an impairment is identified, by means of an off-set against accrued distribution remuneration.

The Group's non-life insurance operations are highly diverse, ranging from cargo insurance and reinsurance to pet insurance. Non-life insurance taken out is reinsured, where deemed appropriate, and extensive reinsurance operations are conducted on behalf of the Länsförsäkringar Alliance.

The day-to-day operations include a variety of process risks and the Group's products and services may be associated with different types of product risks. Security risks, for example, external crime and internal fraud cannot be completely avoided and the war in Ukraine could lead to higher cyber risks and other security risks. Compliance risks, particularly those associated with money laundering and terror financing are managed by maintaining a high level of internal governance and control.

The risk of the life-assurance and banking operations being used to launder money and finance terror or fraud is reduced through a systematic process of risk assessments and active monitoring of ongoing business relationships and deviating activities or transactions. Suspicious activity and transactions are reported directly to the Financial Intelligence Unit of the police. The head of Financial Crime Prevention is a member of the bank's management team and reports directly to the bank's President.

The Parent Company in the Länsförsäkringar AB Group also assumes risks attributable to the company's investments in liquidity and the business-support operations conducted on behalf of the subsidiaries and the regional insurance companies.

Despite the volatility in the financial markets due to the war in Ukraine, the Länsförsäkringar AB Group continues to have a stable capital position. The effects of the war on the Länsförsäkringar AB Group's operations are described in more detail on page 6.

A more detailed description of the risks to which the Group is exposed, and how they are managed, is presented in Länsförsäkringar AB's 2021 Annual Report in Group note 2 Risk and capital management.

The results of the operations during the period and the financial position of the Länsförsäkringar AB Group and the Parent Company on 31 December 2022 are presented in the following financial statements with accompanying notes.

Financial statements

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Länsförsäkringar Alliance non-life insurance

Financial statements

Income statement for Länsförsäkringar Alliance non-life insurance

SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Premiums earned (after ceded reinsurance)	32,768	16,682	16,086	31,193
Investment income transferred from financial operations	1,011	564	447	1,246
Claims payments (after ceded reinsurance)	-23,969	-13,616	-10,353	-22,595
Operating expenses	-6,207	-3,184	-3,023	-5,615
Other technical revenue/expenses	-85	-67	-18	-85
Technical result for non-life insurance operations before bonuses and discounts	3,518	379	3,140	4,144
Bonuses and discounts	-1,249	-1,078	-171	-2,571
Technical result for non-life insurance operations after bonuses and discounts	2,268	-700	2,968	1,573
Total investment income	-5,445	2,898	-8,343	19,296
Investment income transferred to insurance operations	-599	-434	-165	-963
Other non-technical revenue/expenses	-649	-340	-309	-164
Operating profit for the period	-4,426	1,423	-5,848	19,742

Balance sheet for Länsförsäkringar Alliance non-life insurance

SEK M	31 December	31 December
	2022	2021
ASSETS		
Shares and participations	71,586	77,814
Bonds and other interest-bearing securities	33,723	35,635
Other investment assets	42,112	38,620
Total investment assets	147,421	152,068
Reinsurers' portion of technical provisions	9,046	10,643
Receivables and other assets	15,706	15,781
Cash and bank balances	10,917	7,349
Prepaid expenses and accrued income	1,993	1,875
TOTAL ASSETS	185,083	187,717
EQUITY, PROVISIONS AND LIABILITIES		
Equity	99,003	100,664
Technical provisions (before ceded reinsurance)	63,742	65,034
Other provisions and liabilities	19,326	18,992
Accrued expenses and deferred income	3,011	3,027
TOTAL EQUITY, PROVISIONS AND LIABILITIES	185,083	187,717

The Länsförsäkringar Alliance comprises 23 local and customerowned 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. For additional information about the non-life insurance business conducted within Länsförsäkringar Group, see note 2 Earnings per segment.

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 result for Support and Service is also included. The holdings and change in value in the Länsförsäkringar AB share and transactions between the regional insurance companies and the Länsförsäkringar AB Group have been eliminated.

Länsförsäkringar AB Group

Key figures

Key figures for Länsförsäkringar AB Group				
SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Group				
Operating profit	2,350	1,052	1,298	3,806
Net profit for the period	1,995	866	1,129	3,229
Return on equity, %	8	8	8	9
Total assets, SEK billion	688	688	693	712
Equity per share, SEK	3,199	3,199	3,111	3,184
Solvency capital	36,889	36,889	35,968	36,709
Solvency margin, %	410	410	415	442
Own funds for the group (FRL)	59,099	59,099	58,677	65,203
Solvency capital requirement for the group (FRL)	41,836	41,836	38,932	45,368
Own funds for the financial conglomerate	59,099	59,099	58,677	65,203
Capital requirement for the financial conglomerate	41,836	41,836	38,932	45,368
Insurance operation				
<i>Non-life insurance operations</i>				
Premiums earned (after ceded reinsurance)	8,141	4,179	3,962	7,339
Investment income transferred from financial operations	9	5	4	7
Claims payments (after ceded reinsurance)	-5,674	-3,088	-2,586	-4,927
Technical result, non-life operations	740	185	555	629
<i>Premium income, non-life insurance</i>				
Premium income (before ceded reinsurance)	10,174	3,880	6,294	9,510
Premium income (after ceded reinsurance)	8,391	3,690	4,701	7,731
<i>Life-assurance operations</i>				
Premium income (after ceded reinsurance)	673	270	403	625
Fees pertaining to financial agreements	882	415	466	940
Investment income, net	-581	103	-684	806
Claims payments (after ceded reinsurance)	-320	-152	-168	-381
Technical result, life-assurance operations	1,139	620	519	829
Operating profit for insurance operations	604	222	382	1,647
<i>Key figures</i>				
Cost ratio	28	30	24	26
Expense ratio	22	23	21	20
Claims ratio	70	74	65	71
Combined ratio	92	97	86	91
Management cost ratio, life-assurance operations	0.8	0.8	0.8	0.9
Direct yield, %	-0.5	-0.2	-0.3	-0.4
Total return, %	-3.3	-3.3	-4.1	9.3
<i>Financial position</i>				
Investment assets, SEK billion	16	16	19	20
Unit-linked insurance assets - policyholder bears the risk, SEK billion	192	192	186	219
Technical provisions (after ceded reinsurance), SEK billion	11	11	11	10

Key figures for Länsförsäkringar AB Group, cont.

SEK M	Full-year 2022	Jul-Dec 2022	Jan-Jun 2022	Full-year 2021
Banking operation				
Net interest income ¹⁾	5,528	3,166	2,362	4,863
Operating profit	2,067	1,114	953	2,296
Net profit for the period	1,663	834	829	1,851
Return on equity, %	8.2	8.7	7.6	9.8
Total assets, SEK billion	457	457	466	451
Equity	22,586	22,586	22,022	21,749
Cost/income ratio before loan losses and fees levied ¹⁾	0.50	0.50	0.50	0.55
Investment margin, % ¹⁾	1.19	1.36	1.02	1.12
Common Equity Tier 1 capital ratio, consolidated situation, %	15.4	15.4	14.9	15.3
Tier 1 ratio, consolidated situation, %	17.2	17.2	16.7	17.2
Total capital ratio, consolidated situation, %	18.5	18.5	18.9	19.4
Credit loss level, %	0.03	0.04	0.02	-0.09
Liquidity coverage ratio, consolidated situation, %	310	310	334	313
Net stable funding ratio, consolidated situation, %	125	125	126	130

¹⁾ Comparative figures have been adjusted since the Resolution fee has been reclassified from Interest expense to Risk tax levied and resolution fee.

For definitions, refer to Länsförsäkringar AB's 2021 Annual Report.

Länsförsäkringar AB Group

Financial statements

Consolidated income statement for Länsförsäkringar AB Group				
SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Premiums earned before ceded reinsurance	10,601	5,341	5,260	9,725
Reinsurers' portion of premiums earned	-1,834	-928	-906	-1,785
Premiums earned after ceded reinsurance	8,768	4,414	4,354	7,940
Interest income	8,881	5,822	3,059	6,106
Interest expense ¹⁾	-3,346	-2,646	-701	-1,249
Net interest income¹⁾	5,535	3,176	2,359	4,858
Change in unit-linked insurance assets - policyholder bears the risk	-32,951	5,271	-38,223	39,267
Dividends in unit-linked insurance assets - policyholder bears the risk	17	17	-	12
Investment income, net	-848	112	-959	1,607
Commission income	4,052	1,972	2,080	4,136
Other operating income	2,585	1,380	1,205	2,316
Total operating income¹⁾	-12,844	16,341	-29,185	60,136
Claims payments before ceded reinsurance	-5,740	-2,706	-3,034	-6,989
Reinsurers' portion of claims payments	302	-239	541	1,833
Claims payments after ceded reinsurance	-5,438	-2,945	-2,493	-5,156
Change in life-assurance provision	-14	63	-77	-9
Change in unit-linked insurance liabilities - policyholder bears the risk	33,477	-5,393	38,870	-40,084
Commission expense	-3,948	-2,088	-1,860	-4,241
Staff costs	-2,927	-1,445	-1,482	-2,611
Other administration expenses	-5,500	-3,241	-2,259	-4,436
Loan losses	-123	-74	-49	331
Risk tax levied and resolution fee ¹⁾	-333	-165	-168	-123
Total expenses¹⁾	15,194	-15,289	30,483	-56,329
Operating profit	2,350	1,052	1,298	3,806
Tax	-356	-187	-169	-577
Net profit for the period	1,995	866	1,129	3,229
Earnings per share before and after dilution, SEK	191	83	108	310

¹⁾ Comparative figures have been adjusted since the Resolution fee has been reclassified from Interest expense to Risk tax levied and resolution fee.

Consolidated statement of comprehensive income for Länsförsäkringar AB Group

SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Net profit for the period	1,995	866	1,129	3,229
Other comprehensive income				
Items that have been transferred or can be transferred to profit for the period				
Translation differences attributable to foreign operations	13	4	9	40
Cash-flow hedges	253	-17	270	111
Change in fair value of debt instruments measured at FVOCI	-281	135	-416	90
Tax attributable to items that have been transferred or can be transferred to profit for the period	6	-24	30	-41
Total	-9	98	-107	199
Items that cannot be transferred to profit for the period				
Change in fair value of equity instruments measured at fair value through other comprehensive income	-3	8	-11	-7
Tax attributable to items that cannot be reversed to profit for the period	1	-1	1	0
Total	-2	7	-9	-7
Total other comprehensive income for the period, net after tax	-11	105	-116	192
Comprehensive income for the period	1,983	970	1,013	3,421

Consolidated statement of financial position for Länsförsäkringar AB Group

SEK M	31 Dec 2022	31 Dec 2021	SEK M	31 Dec 2022	31 Dec 2021
ASSETS					
Goodwill	728	634	EQUITY AND LIABILITIES		
Other intangible assets	3,865	3,862	Equity		
Deferred tax assets	62	82	Share capital	200	200
Property and equipment	746	481	Other capital contributed	11,115	11,115
Owner-occupied property	767	907	Additional Tier 1 instruments	2,200	2,200
Shares in Länsförsäkringar Liv Försäkrings AB	8	8	Reserves	-447	-435
Shares and participations in associated companies	131	75	Retained earnings including profit for the period	22,481	22,307
Reinsurers' portion of technical provisions	9,106	10,701	Total equity	35,549	35,387
Loans to the public	384,104	361,991	Liabilities		
Unit-linked insurance assets - policyholder bears the risk	192,086	219,102	Subordinated liabilities	2,597	2,595
Shares and participations	6,572	6,858	Technical provisions	19,662	20,631
Bonds and other interest-bearing securities	56,770	59,686	Unit-linked insurance liabilities - policyholder bears the risk	195,258	222,791
Treasury bills and other eligible bills	10,857	15,526	Deferred tax liabilities	1,006	1,010
Derivatives	8,256	4,125	Other provisions	115	156
Change in value of hedge portfolios	-4,847	735	Debt securities in issue	265,515	266,097
Other receivables	5,729	6,430	Deposits from the public	151,312	144,510
Prepaid expenses and accrued income	3,787	3,508	Due to credit institutions	8,992	7,892
Cash and cash equivalents	9,245	16,877	Derivatives	10,475	1,029
			Change in value of hedge portfolios	-12,010	376
			Other liabilities	4,531	4,534
			Accrued expenses and deferred income	4,972	4,584
			Total liabilities	652,424	676,202
TOTAL ASSETS	687,973	711,589	TOTAL EQUITY AND LIABILITIES	687,973	711,589

Consolidated statement of changes in equity for Länsförsäkringar AB Group

SEK M	Share capital	Other capital contributed	Additional Tier 1 instruments	Reserves	Retained earnings including net profit for the period	Total
Opening equity, 1 January 2021	1,042	10,272	2,200	-626	20,159	33,048
Comprehensive income for the period	-	-	-	191	3,230	3,421
Transactions with the Group's owners						
<i>Contributions from and transfers of value to owners</i>						
Dividend	-	-	-	-	-1,001	-1,001
Total transactions with the Group's owners						
Effect of merger ¹⁾	-842	842	-	-	-	0
Dividend paid Additional Tier 1 instruments	-	-	-	-	-81	-81
Closing equity, 31 December 2021	200	11,115	2,200	-435	22,307	35,387
Opening equity, 1 January 2022	200	11,115	2,200	-435	22,307	35,387
Realised gain from sale of shares	-	-	-	-	19	19
Transactions with the Group's owners						
<i>Contributions from and transfers of value to owners</i>						
Dividends paid	-	-	-	-	-1,751	-1,751
Total transactions with the Group's owners						
Comprehensive income for the period	-	-	-	-116	1,129	1,013
Dividend paid Additional Tier 1 instruments	-	-	-	-	-40	-40
Closing equity, 30 June 2022	200	11,115	2,200	-551	21,664	34,628
Opening equity, 1 July 2022	200	11,115	2,200	-551	21,664	34,628
Realised gain from sale of shares	-	-	-	-	-	-
Transactions with the Group's owners						
<i>Contributions from and transfers of value to owners</i>						
Dividends paid	-	-	-	-	-	-
Total transactions with the Group's owners						
Comprehensive income for the period	-	-	-	104	866	970
Dividend paid Additional Tier 1 instruments	-	-	-	-	-49	-49
Closing equity, 31 December 2022	200	11,115	2,200	-447	22,481	35,549

¹⁾ Refers to changes in the Group's equity due to the merger.

Consolidated statement of cash flows for Länsförsäkringar AB Group

SEK M	Jan-Dec 2022	Jan-Dec 2021
Operating activities		
Operating profit	2,350	3,806
Adjustment for non-cash items	8,765	14,346
Tax paid	-382	-474
Cash flow from operating activities before changes in working capital	10,733	17,678
Cash flow from changes in working capital		
Change in shares and participations, bonds and other interest-bearing securities and derivatives	-1,365	-21,395
Increase (-)/Decrease (+) in operating receivables	-23,432	-20,549
Change in debt securities in issue	-987	30,868
Increase (-)/Decrease (+) in operating liabilities	10,337	9,967
Cash flow from operating activities	-4,714	16,569
Investing activities		
Change in shares and participations in associated companies	-54	2
Investment in intangible assets	-507	-505
Investment in property and equipment	-243	-85
Divestment of property and equipment	8	8
Cash flow from investing activities	-795	-579
Financing activities		
Change in lease liabilities	-292	-277
Dividend paid Additional Tier 1 instruments	-89	-81
Dividends paid	-1,751	-1,001
Cash flow from financing activities	-2,132	-1,359
Net cash flow for the period	-7,642	14,630
Cash and cash equivalents, 1 January	16,877	2,221
Exchange-rate differences in cash and cash equivalents	9	26
Cash and cash equivalents, 31 December	9,245	16,877

Länsförsäkringar AB Group

Notes to the consolidated financial statements

All figures in SEK M unless otherwise stated.

Note 1 Accounting policies

The consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of these standards issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Annual Accounts Act for Insurance Companies (1995:1560) and the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2019:23 regarding annual accounts at insurance undertakings and institutions for occupational retirement provision were applied. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups were applied as were the Board's statements. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Amended accounting policies applied from 2022

Accounting policies due to new fees

The risk tax levied on the Bank Group on the basis of the Swedish Act on Risk Tax on Credit Institutions (2021:1256) is recognised in income successively over the fiscal year and is recognised in profit or loss on a new line: Risk tax levied and resolution fee. Resolution fees that were recognised in net interest income in prior periods have been reclassified to the new income statement line "Risk tax levied and resolution fee." Comparative figures for prior periods have been restated.

Accounting policy due to new holdings

In July, Länsförsäkringar Bank and other parties established a new limited liability company, Tibern AB. This holding has been classified as a joint venture since a joint controlling influence exists. The holding is recognised in the consolidated financial statements in accordance with the equity method.

In all other respects, the report has been prepared in accordance with the same accounting policies and calculation methods applied in the 2021 Annual Report.

New IFRSs and interpretations that have not yet been applied

The new or revised standards and interpretations, as adopted by the IASB, described below come into effect for fiscal years beginning on or after 1 January 2023 and have not been applied in advance when preparing these financial statements. Other than those stated below, no other new or revised IFRSs and interpretations that had been adopted by the IASB on the closing date but that have not yet come into effect, are deemed to have any material effect on the financial statements.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts came into effect on 1 January 2023 and replaces IFRS 4 Insurance Contracts.

On 22 November 2021, the Financial Supervisory Authority published amendments to its regulations and general guidelines regarding annual accounts at insurance undertakings and institutions for occupational retirement provision (FFFS 2019:23) to apply from 1 January 2023. One of the amendments is that IFRS 17 Insurance Contracts should not be applied to annual reports for legal entities, and thus not in consolidated financial statements under legally restricted IFRS.

Financial Supervisory Authority accounting regulations - legally restricted IFRS in consolidated financial statements

The Länsförsäkringar AB Group transitioned to legally restricted IFRS as from 1 January 2023 when IFRS 17 Insurance Contracts comes into effect. By amending FFFS 2019:23 Regulations and general guidelines regarding annual accounts at insurance undertakings and institutions for occupational retirement provision, the Financial Supervisory Authority removed the requirement of applying the IAS regulation (full IFRS) in consolidated financial statements for unlisted insurance companies. The FFFS regulations had been adapted to the provisions on consolidated financial statements for unlisted companies stipulated in the Swedish Annual Accounts Act for Insurance Companies (1995:1560).

Effect of transition to legally restricted IFRS in consolidated financial statements

The transition to legally restricted IFRS in the consolidated financial statements entails reporting similar to the Parent Company which already applies legally restricted IFRS.

Consolidated financial statements

The transition to legally restricted IFRS in the consolidated financial statements means that there is no longer a requirement to prepare a cash-flow statement. Since the requirement to prepare a cash-flow statement has been removed, the Länsförsäkringar AB Group will no longer present a cash-flow statement after the transition.

The transition will also mean a change to the Group's presentation formats for the financial statements so that they comply with the presentation formats in the Swedish Annual Accounts Act for Insurance Companies (ÅRFL) and FFFS 2019:23. For the income statement, this change means that the presentation format is divided into the technical result and non-technical result for non-life insurance and life-assurance operations, and earnings for the banking operations. The balance sheet will be specially adapted to the presentation format specified in ÅRFL but will include separate adjustments for bank-specific balance-sheet items.

Yield tax

Yield tax paid by the company on behalf of the policyholders will be recognised as tax in net profit for the year instead of in change in life-assurance reserve, policyholder bears the risk.

Leases

Insurance regulations give unlisted insurance groups the option to apply IFRS 16 Leases even though the standard is not applied to the annual report for the legal entity. The Länsförsäkringar AB Group has decided not to apply IFRS 16 in the consolidated financial statements. This choice means that all leases, both as lessee and lessor, are recognised as if they are operating leases even if the lease is deemed to be a finance lease. Based on amounts for 2022, the changed accounting policy would have meant that the Group' equity would have increased SEK 40 M.

Reporting for the lessee

As lessee, the changed accounting policy means that lease payments made are expensed straight-line over the term instead of being recognised in the balance sheet as a right-of-use asset and lease liability. Accordingly, this means that a depreciation cost for the right-

of-use asset and interest expense for the lease liability are also not recognised.

Reporting for the lessor

As lessor, all leases will be recognised as if they are operating leases even if the lease is deemed to be a finance lease. Therefore, a financial receivable from the lessee and an associated interest income in profit or loss are not recognised for leases classified as finance leases. Instead, received lease payments are recognised as rental income straight-line over the term, while a depreciation cost is recognised for

the tangible asset that the Group owns and is presented in the balance sheet.

Goodwill

With the transition to legally restricted IFRS, the useful life for consolidated goodwill will be five years instead of as previously when consolidated goodwill had an unlimited useful life and thus was not amortised and instead was tested for impairment every year. Based on amounts for 2022, the changed accounting policy would have meant that the Group' equity would have decreased SEK 613 M.

Note 2 Earnings per segment

Jan-Dec 2022, SEK M	Non-life insurance	Agria	Unit-linked insurance	Bank	Support and Service	Eliminations and adjustments	Total
Premiums earned after ceded							
reinsurance	2,929	5,556	314	-	-	-32	8,768
Net interest income	-	-	-	5,528	-	7	5,535
Change in unit-linked insurance assets - policyholder bears the risk	-	-	-32,951	-	-	-	-32,951
Dividends in unit-linked insurance							
assets - policyholder bears the risk	-	-	17	-	-	-	17
Investment income, net	9	0	-576	1	-	-281	-848
Commission income	32	0	2,112	1,886	-	21	4,052
Other operating income	185	70	61	12	3,684	-1,428	2,585
Total operating income	3,155	5,626	-31,024	7,427	3,684	-1,713	-12,844
Claims payments after ceded							
reinsurance	-2,068	-3,797	-128	-	-	555	-5,438
Change in life-assurance provision	-	-	-	-	-	-14	-14
Change in unit-linked insurance							
liabilities - policyholder bears the risk	-	-	33,477	-	-	-	33,477
Commission expense	-242	-167	-1,162	-2,394	-	17	-3,948
Staff costs	-583	-456	-216	-771	-915	14	-2,927
Other administration expenses	45	-683	-399	-1,739	-3,395	671	-5,500
Loan losses	-	0	-	-123	-	0	-123
Risk tax levied and resolution fee	-	-	-	-333	-	-	-333
Total expenses	-2,849	-5,103	31,573	-5,360	-4,309	1,243	15,194
Technical result	306	523	549	-	-	-1,378	-
Non technical recognition	18	-154	16	-	518	-398	-
Operating profit	323	369	566	2,067	-107	-867	2,350
Tax	-	-	-	-	-	-356	-356
Net profit for the period	323	369	566	2,067	-107	-1,223	1,995
Income distribution							
External income	3,067	5,622	-31,660	8,109	2,356	-338	-12,844
Internal income	89	4	636	-682	1,328	-1,375	-
Total operating income	3,155	5,626	-31,024	7,427	3,684	-1,713	-12,844

Premium income per geographic market, operating segment Agria

SEK M	Jan-Dec 2022	Jan-Dec 2021
Sweden	3,098	3,027
Denmark	369	315
Finland	146	121
Norway	862	713
UK	1,189	1,010
France	41	27
Germany	10	1
Ireland	36	0
Total	5,751	5,214

The distribution into operating segments matches how the Group is organized and is monitored by Group Management. The technical result is presented for Non-life insurance, Agria and Unit-linked insurance since the result is followed up by Group Management. Income is primarily attributable to Sweden, and the remaining part comes from Denmark, Finland, France, Ireland, Norway, the UK and Germany.

The Non-life insurance segment pertains to non-life and group life-assurance; group life-assurance comprises a minor portion only. The Länsförsäkringar Alliance's internal and external reinsurance is also included.

Operating segment Agria refers to insurance cover for pets as well as crop insurance for agricultural customers.

The Unit-linked insurance segment pertains to life-assurance with links to mutual funds.

The Bank segment pertains to deposits and lending operations. The legal structure of Länsförsäkringar Bank Group matches the product offering to customers.

Operating segment Support and Service pertains to service, IT and development for the Länsförsäkringar Alliance and costs for joint functions.

Depreciation/amortisation and impairment: Depreciation of property and equipment and amortisation of intangible assets is included in Other administration expenses in Non-life insurance. Amortisation pertaining to acquired intangible assets under Unit-linked insurance is included in eliminations and adjustments of administration expenses.

Investment income, net: Investment income that is transferred from financial operations to insurance operations is recognised in non-life insurance.

Continued on next page

Note 2 Earnings per segment, cont.

Jan-Dec 2021, SEK M	Non-life insurance	Agria	Unit-linked insurance	Bank	Support and Service	Eliminations and adjustments	Total
Premiums earned after ceded							
reinsurance	2,771	4,891	292	-	-	-14	7,940
Net interest income	-	-	-	4,863 ¹⁾	-	-5	4,858 ¹⁾
Change in unit-linked insurance assets - policyholder bears the risk	-	-	39,267	-	-	-	39,267
Dividends in unit-linked insurance							
assets - policyholder bears the risk	-	-	12	-	-	-	12
Investment income, net ²⁾	3	0	783	54	-	766	1,607
Commission income	31	0	2,214	1,884	-	7	4,136
Other operating income ²⁾	178	44	104	24	3,290	-1,324	2,316
Total operating income	2,983	4,936	42,672	6,825¹⁾	3,290	-571	60,136¹⁾
Claims payments after ceded							
reinsurance	-1,979	-3,501	-171	-	-	495	-5,156
Change in life-assurance provision	-	-	-	-	-	-9	-9
Change in unit-linked insurance							
liabilities - policyholder bears the risk	-	-	-40,084	-	-	-	-40,084
Commission expense	-244	-161	-1,638	-2,214	-	17	-4,241
Staff costs	-528	-368	-223	-713	-791	12	-2,611
Other administration expenses ²⁾	28	-482	71	-1,810	-2,866	623	-4,436
Loan losses	-	-	-	331	-	0	331
Risk tax levied and resolution fee	-	-	-	-123 ¹⁾	-	-	-123 ¹⁾
Total expenses	-2,723	-4,512	-42,046	-4,528¹⁾	-3,657	1,139	-56,329¹⁾
Technical result	260	424	627	-	-	-1,311	-
Non technical recognition	-1	115	-2	-	451	-563	-
Operating profit	259	539	625	2,296	84	4	3,807
Tax	-	-	-	-	-	-	-577
Net profit for the period	259	539	625	2,296	84	-573	3,229
Income distribution							
External income ²⁾	2,948	4,939	41,994	7,514 ¹⁾	2,169	571	60,136 ¹⁾
Internal income ²⁾	35	-3	678	-689	1,121	-1,142	-
Total operating income	2,983	4,936	42,672	6,825¹⁾	3,290	-571	60,136¹⁾

¹⁾ Comparative figures have been adjusted since the Resolution fee has been reclassified from Interest expense to Risk tax levied and resolution fee.

²⁾ Comparative figures have been partly adjusted between the segments.

Note 3 Related-party transactions

During the period, normal business transactions took place between related parties.

Note 4 Fair value valuation techniques

Table 1

SEK M	31 Dec 2022		31 Dec 2021	
	Book value	Fair value	Book value	Fair value
Assets				
Shares in Länsförsäkringar Liv Försäkrings AB	8	8	8	8
Loans to the public	384,104	380,162	361,991	362,274
Unit-linked insurance assets - policyholder bears the risk	192,086	192,086	219,102	219,102
Shares and participations	6,572	6,572	6,858	6,858
Bonds and other interest-bearing securities	56,770	56,770	59,686	59,686
Treasury bills and other eligible bills	10,857	10,857	15,526	15,526
Derivatives	8,256	8,256	4,125	4,125
Other receivables	1,148	-	2,266	-
Prepaid expenses and accrued income	579	-	430	-
Cash and cash equivalents	9,245	-	16,877	-
Total assets	669,625		686,869	
Liabilities				
Subordinated liabilities	2,597	2,428	2,595	2,593
Debt securities in issue	265,515	253,369	266,097	268,158
Liabilities for unit-linked life insurance commitment	192,289	192,289	219,450	219,450
Deposits from the public	151,312	154,568	144,510	147,224
Due to credit institutions	8,992	-	7,892	-
Derivatives	10,475	10,475	1,029	1,029
Other liabilities	2,031	-	2,235	-
Accrued expenses and deferred income	1,798	-	1,217	-
Total liabilities	635,009		645,025	

The fair value of other receivables, cash and cash equivalents, due to credit institutions and other liabilities comprises a reasonable approximation based on the cost of the assets and liabilities since these assets and liabilities have short terms.

Note 4 Fair value valuation techniques, cont.

Financial assets and liabilities measured at fair value in the statement of financial position are presented in the table based on the valuation techniques applied:

Level 1 refers to prices determined from prices listed in an active market.

Level 2 refers to prices determined by calculated prices of observable market listings.

Level 3 refers to prices based on own assumptions and judgements.

Table 2 - Fair value valuation techniques, SEK M

31 Dec 2022	Level 1	Level 2	Level 3	Total
Assets				
Shares in Länsförsäkringar Liv Försäkrings AB	-	-	8	8
Unit-linked insurance assets - policyholder bears the risk	191,941	-	144	192,086
Shares and participations	3,229	23	3,320	6,572
Bonds and other interest-bearing securities	55,511	-	1,259	56,770
Treasury bills and other eligible bills	6,273	4,584	-	10,857
Derivatives	0	8,256	-	8,256
Liabilities				
Derivatives	2	10,473	-	10,475

31 Dec 2021	Level 1	Level 2	Level 3	Total
Assets				
Shares in Länsförsäkringar Liv Försäkrings AB	-	-	8	8
Unit-linked insurance assets - policyholder bears the risk	219,102	-	-	219,102
Shares and participations	3,982	21	2,855	6,858
Bonds and other interest-bearing securities	58,704	-	982	59,686
Treasury bills and other eligible bills	8,645	6,881	-	15,526
Derivatives	0	4,125	-	4,125
Liabilities				
Derivatives	0	1,029	-	1,029

Shares and participations and other assets in Level 3 are measured at fair value. Since there is no active market for these shares, the fair value cannot be calculated reliably based on such a listing. Instead, regular valuations are performed based on, for example, recent company reports and forecast results. The fair value of Level 2 shares and participations that pertain to unlisted Series B shares in Mastercard Incorporated (MA) is measured based on the price of the Series A share on the balance-sheet date. Derivatives in Level 2 essentially refer to swaps for which fair value is calculated by discounting expected future cash flows. Commercial paper recognised as "Treasury bills and other eligible bills" and "Bonds and other interest-bearing securities" was previously classified in Level 1 but due to a reinterpretation in the second quarter of 2022 is now classified as Level 2. The valuation was determined by calculated prices of observable market data. Comparative figures have been adjusted and the transfers amounted to SEK 7.3 billion. Holdings in Level 3 primarily comprise holdings of a strategic nature.

Note 4 Fair value valuation techniques, cont.

Table 3 - Change level 3

SEK M	Shares in Länsförsäkringar Liv Försäkrings AB		Shares and participations	Bonds and other interest- bearing securities	Unit-linked insurance assets	Total
Opening balance, 1 Jan 2021		8	2,054	610	-	2,672
Transferred from level 2 to level 3		-	34	-	-	34
Acquisition		-	152	397	-	550
Divestments and reclassifications		-	-2	-48	-	-50
Recognised in net profit for the period		-	616	23	-	639
Recognised in other comprehensive income		-	0	-	-	0
Closing balance, 31 Dec 2021		8	2,855	982	-	3,845
Opening balance, 1 Jan 2022		8	2,855	982	-	3,845
Transferred from level 2 to level 3		-	219	283	-	502
Transferred from level 1 to level 3 ¹⁾		-	-	-	144	144
Divestments and reclassifications		-	-27	-38	-	-65
Recognised in net profit for the year		-	273	32	-	305
Recognised in other comprehensive income		-	0	-	-	0
Closing balance, 31 Dec 2022		8	3,320	1,259	144	4,732

¹⁾ A transfer from Level 1 to Level 3 took place in 2022 for four funds in the unit-linked insurance assets with exposure to Russia. No trading has taken place in these funds since the war in Ukraine broke out and no official NAV prices have been set. Given that there is no formal trading in the funds and due to the uncertainty surrounding the underlying value, it is Länsförsäkringar's assessment that these funds comprise holdings in Level 3.

Länsförsäkringar AB Parent Company

Key figures

SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Premiums income (after ceded reinsurance)	2,625	716	1,909	2,498
Technical provisions (after ceded reinsurance)	4,230	-359	4,589	4,006
Solvency capital	43,582	43,582	43,128	44,361
Solvency margin, %	1,660	1,660	1,692	1,776
Own funds	20,548	20,548	20,408	24,381
Minimum capital requirement	2,633	2,633	2,571	3,375
Solvency capital requirement	9,215	9,215	8,998	13,499
Claims ratio	73	82	63	72
Expense ratio	19	19	19	20
Combined ratio	92	101	82	92
Direct yield, %	0.4	0.2	0.2	0.2
Total return, %	-0.1	0.6	-0.7	8.5

For definitions, refer to Länsförsäkringar AB's 2021 Annual Report.

Länsförsäkringar AB Parent Company

Financial statements

Income statement for Länsförsäkringar AB, Parent Company				
SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Technical recognition of non-life insurance operations				
Premiums earned (after ceded reinsurance)	2,585	1,303	1,282	2,447
Investment income transferred from financial operations	9	5	4	3
Claims payments (after ceded reinsurance)	-1,876	-1,067	-809	-1,769
Operating expenses	-499	-250	-249	-474
Other technical expenses	-2	-2	0	-1
Technical result for non-life insurance operations	217	-13	230	206
Non-technical recognition				
Technical result for non-life insurance operations	217	-13	230	206
Investment income, revenue	2,095	883	1,212	1,526
Unrealised gains on investment assets	-	-	-	241
Investment income, expenses	-126	-44	-82	-111
Unrealised losses on investment assets	-330	1	-331	0
Investment income transferred to non-life insurance operations	-33	-19	-14	-12
Other non-technical income	3,684	1,903	1,781	3,290
Other non-technical expenses	-4,309	-2,372	-1,937	-3,657
Profit before appropriations and tax	1,197	338	859	1,484
Appropriations				
Tax allocation reserve	-14	-14	-	-20
Profit before tax	1,183	324	859	1,464
Tax on net profit for the year	-12	-12	0	-18
Net profit for the period	1,171	312	859	1,446

Statement of other comprehensive income	Jan-Dec	Jul-Dec	Jan-Jun	Full-year
SEK M	2022	2022	2022	2021
Net profit for the period	1,171	312	859	1,446
Other comprehensive income				
Items that cannot be transferred to profit and loss				
Change in fair value of equity instruments measured at FVOCI	-2	5	-7	2
Tax attributable to items that cannot be reversed to profit or loss	1	0	1	0
Total comprehensive income for the period	1,170	317	853	1,448

Balance sheet for Länsförsäkringar AB, Parent Company

SEK M	31 Dec 2022	31 Dec 2021
ASSETS		
Intangible assets	323	346
Investment assets	20,042	22,257
Reinsurers' portion of technical provisions	9,027	10,618
Receivables	2,411	1,638
Cash and bank balances	3,647	2,400
Other assets	280	92
Prepaid expenses and accrued income	431	381
TOTAL ASSETS	36,161	37,733
EQUITY, PROVISIONS AND LIABILITIES		
Equity	18,497	19,059
Untaxed reserves	1,188	1,174
Technical provisions (before ceded reinsurance)	13,257	14,624
Other provisions	71	81
Derivatives	3	20
Deposits from reinsurers	4	9
Liabilities	2,465	1,918
Accrued expenses and deferred income	676	848
TOTAL EQUITY, PROVISIONS AND LIABILITIES	36,161	37,733

Statement of changes in equity for Länsförsäkringar AB, Parent Company

SEK M	Restricted equity			Non-restricted equity				Total equity	
	Share capital	Development Expenditures Fund	Statutory reserve	Fair value reserve	Retained earnings	Net profit for the period			
Opening equity, 1 January 2021	200	-	4	36	145	162	547		
Appropriation of profit	-	-	-	-	162	-162	-		
Dividends paid					-302		-302		
Merger difference ¹⁾	-	-	-	-	18,065	-	18,065		
Dividends paid before merger date	-	-	-	-	-698	-	-698		
Transfer to Development Expenditures									
Fund on merger	-	345	-	-	-345	-	-		
Transfer to fair value reserve on merger	-	-	-	-506	506	-	-		
Net profit for the period	-	-	-	-	-	1,446	1,446		
Other comprehensive income for the period	-	-	-	1	-	-	-	1	
Change in reserve	-	-	-	-	-	-	-		
Capitalised internally generated development expenditures	-	-90	-	-	90	-	-		
Closing equity, 31 Dec 2021	200	255	4	-469	17,623	1,446	19,059		
Opening equity, 1 January 2022	200	255	4	-469	17,623	1,446	19,059		
Appropriation of profit	-	-	-	-	1,446	-1,446	-		
Dividends paid	-	-	-	-	-1,751	-	-1,751		
Net profit for the period	-	-	-	-	-	859	859		
Other comprehensive income for the period	-	-	-	-6	-	-	-	-6	
Realised gain from sale of shares	-	-	-	-	19	-	19		
Capitalised internally generated development expenditures	-	58	-	-	-58	-	-		
Closing equity, 30 June 2022	200	313	4	-475	17,279	859	18,181		
Opening equity, 1 July 2022	200	313	4	-475	17,279	859	18,181		
Net profit for the period	-	-	-	-	-	312	312		
Other comprehensive income for the period	-	-	-	5	-	-	-	5	
Change in reserve	-	-	-	-	-	-	-		
Capitalised internally generated development expenditures	-	-68	-	-	68	-	-		
Closing equity, 31 December 2022	200	245	4	-470	17,347	1,171	18,497		

¹⁾ Gamla Länsförsäkringar AB's (publ) earnings for 1 Jan-2 May 2021 are included in comprehensive income for the period. The difference between the transferring company's value of assets and liabilities at the beginning of the merger year is recognised, less approved dividends, as the merger difference in equity. The merger difference has been recognised as restricted equity as far as permitted in BFNAR 2020:5. The remainder was recognised as non-restricted equity.

Länsförsäkringar AB, Parent Company

Notes to financial statements

Amounts are in SEK M, unless otherwise stated.

Note 1 Accounting policies

Company information

The Annual Review in summary for Länsförsäkringar AB (publ), Corp. Reg. No. 502010-9681, pertains to the period 1 January–31 December 2022. The company is an insurance company registered in Sweden, with its registered office in Stockholm. The address of the head office is Tegeluddsvägen 11-13, SE-106 50 Stockholm, Sweden. The company is wholly owned by the 23 regional insurance companies and 14 local insurance companies.

Compliance with standards and legislation

The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act for Insurance Companies (1995:1560) (ÅRFL). The company also applies the Swedish Financial Supervisory Authority's regulations and general guidelines regulations and general guidelines regarding annual accounts at insurance undertakings and institutions for occupational retirement provision (FFFS 2019:23) and its amendments, and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. In accordance with the regulations and general guidelines, Länsförsäkringar AB

applies legally restricted IFRS. This means that all IFRS and interpretations approved by the EU are applied as far as possible within the framework of Swedish legislation, taking into consideration the connection between accounting and taxation.

Accounting changes due to reclassifications

Bank balances, that were previously recognised under Receivables were reclassified to cash and bank balances. Comparative figures relating to 31 December 2021 have been restated in the amount of SEK 1,562 M.

In all other respects, the report for the Parent Company has been prepared in accordance with the same accounting policies and calculation methods applied in Länsförsäkringar AB's 2021 Annual Report.

Note 2 Related-party transactions

During 2022 standard business transactions took place with companies with which a related-party relationship exists without any changes to agreements or relationships since the 2021 Annual Report

The President and CEO submitted the report for Länsförsäkringar AB Group (pages 14-16, 19-37) on behalf of the Board of Directors.
This report is unaudited.

Stockholm 16 February 2023

Mathias Collén
President and CEO

Länsförsäkringar Liv Försäkrings AB

Financial statements

Income statement for Länsförsäkringar Liv Försäkrings AB				
SEK M	Full-year	Jul-Dec	Jan-Jun	Full-year
	2022	2022	2022	2021
Premium income after ceded reinsurance	970	452	518	1,122
Investment income net	-9,622	564	-10,186	10,942
Other technical revenues	97	51	46	104
Claims payments	-4,757	-2,388	-2,369	-5,235
Change in technical provisions	11,254	1,252	10,002	5,246
Bonuses and discounts	0	0	0	-3
Operating expenses	-330	-164	-166	-370
Other technical expenses	-80	-42	-38	-79
Technical result, life insurance operations	-2,469	-276	-2,193	11,727
Profit before tax allocation reserve and tax	-2,469	-276	-2,193	11,727
Tax allocation reserve	160	160	0	53
Taxes	-100	-56	-44	-89
Net profit for the period	-2,409	-172	-2,237	11,691
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-2,409	-172	-2,237	11,691

Balance sheet for Länsförsäkringar Liv Försäkrings AB			
SEK M	31 Dec 2022		31 Dec 2021
	31 Dec 2022	31 Dec 2021	31 Dec 2021
ASSETS			
Intangible assets	7	9	
Reinsurers' portion of technical provisions	99,264	115,033	
Receivables	25	374	
Other assets	4,429	3,347	
Prepaid expenses and accrued income	4	0	
TOTAL ASSETS	103,728		118,763
EQUITY, PROVISIONS AND LIABILITIES			
Equity	35,674	39,304	
Untaxed reserves	33	192	
Technical provisions	66,219	77,739	
Provisions for other risks and expenses	29	33	
Liabilities	1,543	1,295	
Accrued expenses and deferred income	211	200	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	103,709		118,763

For information about Länsförsäkringar Liv's key figures, see separate "Nyckeltalsrapport" available at <https://www.lansforsakringar.se/om-oss/finansiellt/gemensamma-bolag/lansforsakringar-liv/>

Financial calendar 2023

Annual Report 2022 Länsförsäkringar AB	17 March
Annual Review 2022 Länsförsäkringar Alliance	17 March
Interim Report January-June 2023 Länsförsäkringar Alliance	31 August

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