

Annual report 2024

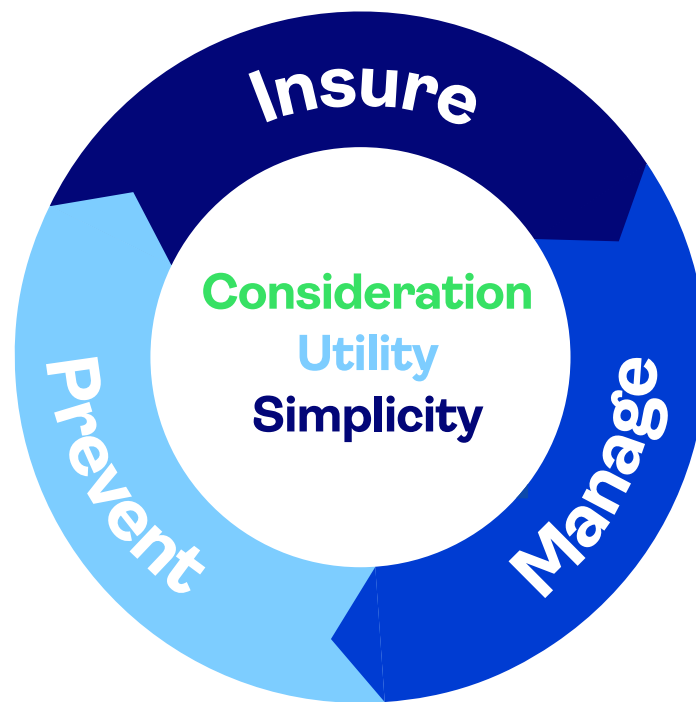
Summary

Afa Försäkring provides security and financial support in the event of illness, work injury, shortage of work, death and parental leave during working life. Our insurance schemes are included in collective agreements and we insure 9 out of 10 employees in the private sector and in local authorities, county councils and regional government organisations. Promoting health and safety in the workplace is an important part of our preventive activities, aimed at reducing illness and accidents and injuries at work.

Our almost 700 employees are committed to making our vision "to provide everyone with security in their everyday life" a reality. We are owned by the Confederation of Swedish Enterprise (Svenskt Näringsliv), the Swedish Trade Union Confederation (LO) and the Swedish Council for Negotiation and Co-operation (PTK).

Find out more by visiting www.afaforsakring.se





A secure everyday life

In Sweden, 9 out of 10 people go to a workplace covered by a collective agreement. The agreements include insurance for the employees negotiated by the labour market parties. This is where Afa Försäkring comes into the picture.

We administer collectively agreed insurance policies and ensure that insured persons receive compensation in the event of illness, occupational injury, scarcity of work, death or parental leave.

Insure

Our insurance policies apply equally to everyone, thereby contributing to social sustainability. This gives employees a more secure everyday life at a low cost to the employer, which in turn contributes to the economic sustainability of society.

Manage

Insurance business requires long-term sustainable asset management.

Prevent

Our task includes preventing occupational injuries and ill health. That is why we fund research in the field of working environment and health. With knowledge from research that is of practical use in the workplace, we can help to reduce the number of work-related injuries and sick leave.



Together we make a difference

Afa Försäkring has a unique position in the Swedish labor market. We insure 9 out of 10 employees in Sweden, making us the largest provider of workplace insurance. In 2024, we paid out SEK 10.3 billion in compensation to insured individuals, including taxes, which corresponds to SEK 40 million per working day.

Our insurance policies are part of agreements between social partners and contribute to increased security for both employers and employees. At Afa Försäkring, we are proud of our mission and that our insurance policies make life a little more secure for many people.

Afa Försäkring differs somewhat from other insurance companies. We operate without the purpose of distributing profits to our owners, Svenskt Näringsliv (The

Confederation of Swedish Enterprise), LO (The Swedish Trade Union), and PTK (The Council for Negotiation and Co-operation). Our ambition is that everyone who is entitled to compensation should receive it.

Successful company merger

It has now been a year since we merged the three companies that Afa Försäkring consisted of into one. We can state that the merger has contributed to more efficient management of investment assets and simplified administration in financial reporting.

A positive effect for those insured is that we now use Afa Försäkring as the originator for all communication instead of Afa Sjuk, Afa Trygg, or Afa Liv.

**“Our insurance policies
make life a little more
secure for many people.”**

Good returns and continued zero premium

A prerequisite for us to be able to offer our customers a more secure everyday life is that we manage our capital well. Afa Försäkring's goal as an asset manager is to be perceived as long-term and responsible by both the market and our owners, clients, and customers.

Despite a turbulent world and high but falling inflation, the development in the financial market was strong. Good results for all asset classes: equities, fixed income investments, alternative investments, and real estate gave a positive total return of 8.4 percent. The group's pre-tax result for 2024 was SEK 13.6 billion.

In 2025, for the twenty-second year in a row, we will have zero premiums on health insurance. We also do not charge any premiums for parental benefit supplements or waiver-of-premium insurance. This means that employers who have taken out these policies do not need to pay any premiums.

We prevent occupational injuries and sick leave

On behalf of the social partners, Afa Försäkring finances research and initiatives for better work environment and health at workplaces across the country. We see a societal benefit in preventing occupational injuries and sick leave. With preventive work also comes the possibility of lower costs for us as a company in the form of reduced insurance claims.

In 2024, we paid out a total of SEK 139 million to new and ongoing research projects. Through this, we financed, among other things, research on the work environment in the green transition, mental health, and health factors.

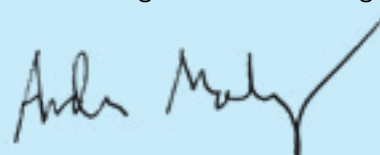
We also disseminate knowledge that we obtain from our claims database, for example in our annual report Serious work-related injuries and long-term sickness absence. In 2024, we could report that the number of serious occupational injuries has increased slightly while long-term sickness absence has decreased for private sector workers and employees in municipalities and regions.

A meaningful mission

Many of our employees appreciate being able to work remotely and chose to work from home to some extent. Even with this now established hybrid working method, the business and regulation of insurance matters functions well and we are able to settle insurance cases as usual.

It is gratifying to see that we continue to inspire each other in the efforts to ensure that the people we insure receive the compensation they are entitled to. I consider it a privilege to be the CEO of a company where we together fulfil such a meaningful mission.

Anders Moberg CEO, Afa Försäkring



Ownership and organisation

Afa Försäkring tjänstepensionsaktiebolag corporate ID 502033-0642 is owned by Svenskt Näringsliv corporate ID 802000-1858 (50 percent), LO/ Landsorganisationen i Sverige corporate ID 802001-9769 (46,4 percent) and PTK/ Förhandlings- och samverkansrådet PTK corporate ID 802005-6019 (3,6 percent).

Afa Försäkring is the parent company of Afa Försäkring-koncernen (the Group) which, in addition to the parent company, also includes property-owning subsidiaries. Afa Försäkring prepares consolidated accounts for Afa Försäkringkoncernen.

The business is conducted in premises in central Stockholm. The postal address of the company is Afa Försäkring, 106 27 Stockholm. The Board of Directors' registered office is in Stockholm.

The Articles of Association do not allow the distribution of profits to shareholders. However, the company may, with the consent of all shareholders, use profits to promote purposes of common interest to the shareholders. The company may also, with the consent of all its shareholders and on such terms and conditions as they may jointly determine, disburse profits to anyone who has taken out an insurance policy.

General information

These annual accounts and consolidated financial statements were prepared and approved by the Board of Directors and the CEO on 3 April 2025 and will be submitted to the Annual General Meeting on June 4th 2025 for adoption. The company is a Swedish occupational pension company based in Stockholm with offices in the centre of Stockholm. Afa Försäkring is the parent company in Afa Försäkringkoncernen. Afa is regulated under the Swedish Financial Supervisory Authority.

Statement of compliance with applied regulations

The group's and the parent company's annual accounts have been prepared in accordance with the Annual Accounts Act for Insurance Companies (ÅRFL) and the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2019:23) on annual accounts in insurance companies and occupational pension companies and its amending regulations. The preparation also applies the Swedish Financial Reporting Board's (RFR) statements and recommendation RFR 2 Accounting for Legal Entities. Both the group and the parent company apply what is known as statutory IFRS, which means the EU approved International Financial Reporting Standards (IFRS), and interpretations from the IFRS Interpretations Committee, with the additions and limitations that follow from ÅRFL, RFR and FFFS 2019:23.

Our insurances

ABF	Waiver of contribution insurance
AGS, AGS-KL	Group sickness insurance
AGB	Severance payment insurance
FPT	Supplementary parental benefit insurance
FSK	Family protection insurance
PBF	Waiver of premium insurance
TFA, TFA-KL	Work injury insurance
TGL	Group life insurance

Policyholders

Afa Försäkring	2024	2023
AGS, AGS-KL	223,300	235,600
FPT	202,600	209,500
TFA, TFA-KL	207,000	221,500
AGB within career readjustment insurance	81,800	81,000
AGB	118,600	126,100
TGL	226,000	238,800
FSK		
1 price base amount	16,600	17,300
2 price base amount	6,900	7,100
3 price base amount	1,200	1,100
4 price base amount	2,300	2,200

Claims

The number of new claims within group illness insurance increased to around 228,000 (217,000) in 2024. Of these, around 19,500 (19,300) concerned parental leave claims for parental allowance supplement (FPT).

The number of new work injury insurance claims was around 99,600 in 2024, which is an increase from the previous year (95,000).

The number of registered claims within AGB was around 10,600 during the year. This is an increase from 2023, when around 7,600 cases were registered.

During 2024, around 1,900 (2,000) claims were received in TGL, which is an increase from 2023. During the year we have received around 100 (100) claims for the family protection insurance.

Five year overview, Group¹⁾

Earnings, SEK million	2024	2023	2022	2021	2020
Premium income/premium income	1,180	1,498	1,578	1,321	347
Return on capital, net	16,257	16,996	-10,326	33,314	-
Earnings from shares in joint ventures	51	-158	26	170	-
Other technical income	-	-	-	-	110
Insurance claim payments	-2,168	-6,134	-10,060	-13,451	-7,355
Change in life insurance provision	-146	-54	79	81	-
Change in actuarial provision for life insurance for which the policyholder bears the risk, conditional refund	-479	-549	-	-	-
Operating costs	-1,153	-1,276	-1,055	-1,028	-973
Other technical costs	-188	-194	-198	-220	-
Technical profit of the insurance business	13,647	-10,130	-19,955	-20,187	-7,871
Return on capital, net	-	-	-	-	8,864
Profit before tax	13,647	-10,130	-19,955	-20,187	729
Profit for the year	10,998	8,090	16,008	16,609	253
Premium levels %					
AGS, PBF, ABF, FPT					
Svenskt Näringsliv/LO area Municipal area	0.00	0.00	0.00	0.00	0.00
TFA	0.00	0.00	0.00	0.00	0.00
Svenskt Näringsliv/LO area					
Svenskt Näringsliv/PTK area Cooperative area	0.01	0.01	0.01	0.01	0.01
TFA workers Cooperative area	0.03	0.05	0.05	0.05	0.03
TFA employees Municipal area	0.01	0.01	0.01	0.01	0.01
Kommunala området	0.03	0.05	0.05	0.05	0.03
AGB	0.01	0.01	0.01	0.01	0.01
TGL	0.15	0.15	0.15	0.15	0.1455
	0.10	0.10	0.15	0.15	0.15

Financial position, SEK million	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020
Investment assets	207,936	202,073	195,998	219,187	199,717
Cash and bank balances	3,962	4,746	4,424	4,835	7,459
Actuarial provisions	98,670	107,668	110,713	109,337	103,569
Actuarial provisions for life insurance policies for which the policyholder bears the risk, conditional refund	6,422	5,943	-	-	-
Balance sheet total	213,707	212,469	205,852	227,807	209,386
Consolidated capital					
Equity	83,297	72,325	70,166	86,033	83,607
Deferred tax	16,908	14,429	12,469	16,460	13,444
Total consolidated capital	100,205	86,754	82,635	102,493	97,051
Key performance indicators, %	2024	2023	2022	2021	2020
Management cost percentage	0.9	1.0	0.8	0.8	0.7
Yield percentage ²⁾	3.5	3.9	2.0	3.8	1.9
Total return percentage ³⁾	8.4	9.0	-4.7	17.2	5.0
Consolidated capital as % of FTA	102	81	75	94	94
Operating costs for claims settlement as a percentage of disbursed non-life insurance payments	7.1	7.8	7.3	7.9	6.5
Asset management cost percentage	0.07	0.07	0.07	0.08	0.08

¹⁾ As of 2022, the reporting is done in accordance with occupational pension regulations and the Group applies statutory IFRS. Against this background, comparative figures for 2021 have been recalculated, except for solvency-related KPIs. Afa Liv is included in the Group as of 1 January 2022, but as the acquisition of Afa Liv is a transaction between parties under the same control, comparative figures for 2021 have also been restated to include Afa Liv in Afa Försäkringkoncernen.

²⁾ Yield is calculated based on the ratio of direct return to total return according to the same principle as in the total return table.

³⁾ Total return is recognised according to the total return table method, which is also the measure used internally.

Return and contribution, Group

	Market Value			Total return, %	
	2024	%	2023	%	
Return on capital	2024	%	2023	%	2024 2023
Interest-bearing nominal	46,369	22	39,124	19	2.2 4.2
Interest-bearing real	18,803	8	18,087	9	2.1 4.1
Equity	63,190	31	63,048	31	14.8 23.2
Real estate	35,734	17	35,112	18	4.1 -1.9
Alternative investments	46,774	23	43,897	22	5.2 4.8
Currency	-	-	-	-	1.3 -0.1
Allocation portfolio	-2,770	-1	1,828	1	0.0 0.0
Total	206,101	100	201,095	100	8.4 9.0

Contribution analysis in 2024, %	Normal Benchmark portfolio	Return on Benchmark portfolio	Return portfolio	Management contribution
Interest-bearing nominal	21.0	1.8	2.2	0.1
Interest-bearing real	9.0	1.8	2.1	0.0
Equity	30.0	14.3	14.8	0.1
Real estate	17.0	4.6	4.1	-0.1
Alternative investments	23.0	5.2	5.2	-
Currency	-	1.2	1.3	0.1
Tactical allocation	-	-	0.0	0.0
Total	100	8.2	8.4	0.2

The Board

Karl-Petter Thorwaldsson, Chair

Pär Andersson, Svenskt Näringsliv

Ingvar Backle, Svenskt Näringsliv (until 30/05/24)

Catharina Bäck, Svenskt Näringsliv

Anders Canemyr, Svenskt Näringsliv

Mattias Dahl*, Svenskt Näringsliv

Pether Fredholm, Svenskt Näringsliv

Per Hidesten, Svenskt Näringsliv

Carina Lindfelt, Svenskt Näringsliv

Björn Oxhammar, Svenskt Näringsliv (as of 30/05/24)

Jessica Permatz, Svenskt Näringsliv (as of 30/05/24)

Lars Sandin, Svenskt Näringsliv (as of 30/05/24)

Grete Solvang Stoltz, Svenskt Näringsliv

Lena-Liisa Tengblad, Svenskt Näringsliv

Ingrid Wrebo, Svenskt Näringsliv

Malin Ackholt, LO (until 13/11/24)

Renée Andersson, LO

Stefan Carlén, LO

Pia Edvall, LO (as of 30/05/24)

Eva Guovelin, LO

Lars Gäfvert, LO

Johan Ingelskog, LO

Torbjörn Johansson**, LO

Christoffer Jönsson, LO (until 30/05/24)

Inger Lundholm, LO

Johan Rocklind, LO (as of 30/05/24)

Urban Petersson, LO

Malin Wulkan, PTK

*Appointed by Svenskt Näringsliv to ensure in particular that the interests of the policyholders and the insured persons are duly taken into account.

**Appointed by LO and PTK to ensure in particular that the interests of the policyholders and the insured persons are duly taken into account."

Deputy members

Sara Kinnander, Svenskt Näringsliv (until 30/05/24)

Johanna Larsson, Svenskt Näringsliv (until 13/11/24)

Jessica Permatz, Svenskt Näringsliv (until 30/05/24)

Lars Sandin, Svenskt Näringsliv (until 30/05/24)

Herman Wartoft, Svenskt Näringsliv (as of 30/05/24)

Magnus Furbring, LO

Jörgen Johansson, LO

Helena Hedlung, PTK

Employee representatives***

Benny Nyberg

Maria Schütt

Elisabeth Eriksson

Elena Teterina

***Representing the employees on the board without decision-making rights.

Bureau of the Board (Remuneration Committee)

Karl-Petter Thorwaldsson, Chair

Mattias Dahl, Svenskt Näringsliv

Torbjörn Johansson, LO

Malin Wulkan, PTK

The Board's Finance Committee

Karl-Petter Thorwaldsson, Chair

Per Hidesten, Svenskt Näringsliv

Björn Oxhammar, Svenskt Näringsliv (until 30/05/24)

Lars Sandin, Svenskt Näringsliv (as of 30/05/24)

Lars Gäfvert, LO (as of 30/05/24)

Torbjörn Johansson, LO

Christoffer Jönsson, LO (until 30/05/24)

Malin Wulkan, PTK

Contact person for the Swedish Association of Local Authorities and Regions

Annika Wallenskog, SKR

The Board's Insurance Committee

Karl-Petter Thorwaldsson, Chair

Pär Andersson, Svenskt Näringsliv

Catharina Bäck, Svenskt Näringsliv

Renée Andersson, LO

Magnus Furbring, LO

Helena Hedlund, PTK

The Board's Audit Committee

Karl-Petter Thorwaldsson, Chair

Ingvar Backle, Svenskt Näringsliv (until 30/05/24)

Jessica Permatz, Svenskt Näringsliv (as of 30/05/24)

Lena-Liisa Tengblad, Svenskt Näringsliv

Renée Andersson, LO (as of 30/05/24)

Lars Gäfvert, LO

Christoffer Jönsson, LO (until 30/05/24)

Helena Hedlund, PTK

CEO

Anders Moberg

Senior management

Anders Moberg, CEO

Elisabeth Wisén, deputy CEO, Insurance Management and IT

Niklas Eideholm, Law

Niklas Eideholm, Law

Anders Jonsson, Actuary

Sara Källander, Finance

Stefan Lampinen, HR

Johan Ljungqvist, Communication

Michel Normark, Party Relations and Insurance Conditions

Susanna Stymne Airey, Prevention

Actuary

Anders Jonsson

Auditors

Ernst & Young AB, Daniel Eriksson

Afa Försäkring

106 27 Stockholm

Street address:

Klara Södra Kyrkogata 18

Customer centre phone no.:

0771-88 00 99

Switchboard phone no.:

08-696 40 00

Fax:

08-696 45 45

afaforsakring.se contains information about

Afa Försäkring's business activities.

Annual reports and Corporate governance statements for the Afa companies are available for viewing at:

afaforsakring.se/om-afa-forsakring.