Agria Djurförsäkring

Annual Report

2023

Contents

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Pet and crop insurance specialist

Agria Djurförsäkring is the Länsförsäkringar Alliance's specialist company for pet and crop insurance and Länsförsäkringar's subsidiary brand. Agria's core values are closeness, innovation, dedication and simplicity. This means Agria is part of the animal world – we strive to make life with animals simple and enjoyable. Agria offers pet insurance with immense empathy and is dedicated to creating security for animals and their owners.

The strong Agria brand is based on such factors as a deep commitment to animal health and research programmes. Agria participates in various animal events, including competitions, exhibitions and clinics. Agria maintains continuous dialogue with its customers through partnerships with several animal-owner organisations, such as the Nordic kennel clubs and various pedigree clubs.

Agria's high market share in Sweden limits future growth and means that we are seeking out new markets. Agria currently operates in Denmark, Norway, Finland, France, Ireland, the Netherlands, the UK and Germany. We are continuing to build up the Agria brand in these countries, with the same tools and success as we have in Sweden.

ABOUT THE LÄNSFÖRSÄKRINGAR ALLIANCE

Länsförsäkringar comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB and its subsidiaries. Customers are provided with a complete offering of banking, insurance, pension and real-estate brokerage services through their regional insurance company. The regional insurance companies are owned by the insurance customers. There are no external shareholders, and meeting customer needs and requirements is always the primary task. Long-term respect for customers' money and security is fundamental. The Länsförsäkringar Alliance has 3.9 million customers and 8,700 employees.

3.9 million customers

23 local regional insurance companies

Länsförsäkringar AB

Försäkringsaktiebolaget Agria

- UK branch
- Norway branch
- Finland branch
- Denmark branch
- France branch
- Germany branch
- Ireland branch

- Agria Pet Insurance Ltd
- Agria Vet Guide AB
- Capstone Financial Services Ltd

Länsförsäkringar Bank AB

Länsförsäkringar Fondliv Försäkrings AB

Länsförsäkringar Liv Försäkrings AB[1]

[1] The company is operated according to mutual principles and is not consolidated in Länsförsäkringar AB.

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The year in figures

EARNINGS 2023 *Figures in parentheses pertain to 2022*

- Profit before appropriations amounted to SEK 327 M (380).
- The technical result decreased to SEK 206 M (486).
- Premium income increased 7% to SEK 6,173 M (5,758) with continued strong portfolio growth in the international business.
- The combined ratio amounted to 98% (91).

KEY FIGURES

%	2023	2022	2021	2020	2019
Combined ratio	98	91	93	98	98
Return on equity[1]	15	15	25	9	10
Total investment income	6.1	–4.7	6.1	1.0	4.1
Solvency ratio[2]	152	172	208	163	155

[1] Profit before appropriations less standard tax at a rate of 20.6% as a percentage of average equity including 79.4% of untaxed reserves. For 2019–2020, the rates of 21.4% and 78.6%, respectively, were used.

[2] Solvency ratio according to Solvency II rules (SII). The ratio is calculated as a ratio of SII-valued own funds in relation to the SII solvency capital requirement, using a partial internal model.

EMPLOYEE NET PROMOTER SCORE, eNPS

55

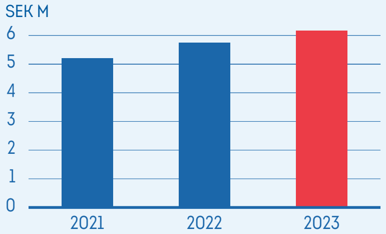
CUSTOMER SATISFACTION

76%

PREMIUM INCOME

SEK 6,173 M

+7%



Premium income before ceded reinsurance (SEK M). Premium income increased 7% in 2023.

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Twice as big

STATEMENT BY THE PRESIDENT

Being able to say at the end of the year that Agria has doubled in size in seven years sums up a fantastic journey. Today we have operations in nine countries and premium income of SEK 6 billion for the year represents a doubling of our business volume since 2017, while our international business reached a higher premium income than the Swedish business for the first time. This is a considerable change for the Swedish pet insurance company that was founded back in 1890 and first expanded outside Sweden in 2005.

By establishing business in European countries with a lower insurance rate than Sweden, but with conscious and caring animal owners who see the benefits and security of insurance, we now operate in a huge market with millions of animals.

The pet insurance industry remains one of the fastest growing industries in the world. Agria's business is primarily growing outside Sweden, where we are achieving success with new product offerings and services, while the willingness to take out insurance is gradually increasing in new markets. At the same time, more and more companies are attracted to international business and we are seeing new entrants and fiercer competition in more markets. But Agria is doing well. Stable growth creates long-term security for both Agria and animal owners. Satisfied customers are a prerequisite for a successful business and I am therefore proud of our improved Customer Satisfaction Index for the sixth consecutive year, this time with a score above 76.

The economic situation in Europe is putting household finances under pressure and fewer people are choosing to have a pet. Breeding statistics indicate that fewer foals will be born next year and already the number of registered puppies is falling to pre-pandemic levels. In parallel, we see claims costs rising sharply again after a few years of lower rate of increase. Our new 24-hour care coordination and advice service is a responsible way to protect the assets of policyholder and create a long-term sustainable level of veterinary care costs.

The service is based on pet owners contacting Agria first, instead of immediately going to a veterinary clinic when the animal shows signs of injury or illness. Our licensed veterinary nurses provide advice on the right care, at the right time, at the right price. Without compromising the animal's care needs, this can mean home care, digital video calls with a vet, or help with booking a clinic visit. This helps ensure that veterinary resources are used more efficiently and that animals only visit on-call vets in emergency situations.

Huge savings can be made here, both for our customers and for us. We see that many of the pet owners who have a digital call with a vet do very well with home care after receiving support and advice. Fewer visits to the clinic help us in our efforts to keep insurance premiums at a reason-

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able level. Agria Vårdguide is now available in six of our markets with a planned further roll-out.

The launch of horse insurance in the UK last year and the launch of horse insurance in Germany in the autumn are part of our strategy to offer both horse and pet insurance in the markets we serve. Many animal owners have more than one type of animal and want to be able to have all their insurance with the same company. In the UK, our horse insurance has been very successful in a short time and is growing faster than expected. Close cooperation with horse organisation, competition arrangers and high-profile riders are all part of Agria's well-tried concept that has proven to be successful even in new markets.

This year we took a step further and launched the products Horse Extra and Cat Extra in Sweden, following the launch of Dog Extra the year before. With these products, we offer care coordination and claims-prevention services as well as e-courses for pet owners who want to learn more about how to prevent claims and lower their premiums. The Extra products are more than an insurance policy – they offer greater security for animals and owners while limiting the increase in claims costs and therefore premiums.

As a market leader in Sweden, we have a social responsibility to highlight the positive impact of animals on us humans and we will endeavour to help more people have an animal. For example, during the year we submitted a response to the Ministry of Rural Affairs' investigation into sustainable veterinary care, wrote debate articles on the subject and organised panel discussions at the Almedalen political week focusing on the veterinary shortage in the agriculture sector, the equine industry and pets.

In addition, our "hero dogs," who work on a daily basis to perform important social tasks such as saving human lives and combating crime, were guests at several of the major events that Agria participated in. By spreading the message about the amazing abilities and qualities of animals, we work towards a safer society together with animals.

> **For the first time, our international business generated higher premium income than the Swedish business.**
>
> **Agnes Fabricius**
> *President of Agria*

Stockholm, March 2024

Agnes Fabricius

Agnes Fabricius
President of Agria

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Board of Directors' Report

The Board of Directors and the President of Försäkringsaktiebolaget Agria (publ), Corp. Reg. No. 516401-8003, hereby submit the 2023 Annual Report. The registered office of the company is in Stockholm.

In accordance with Chapter 7, Section 2 of the Swedish Annual Accounts Act, consolidated financial statements were not prepared since the company and its subsidiaries are included in the consolidated financial statements for Länsförsäkringar AB (publ), Corp. Reg. No. 502010-9681. Figures in parentheses pertain to the preceding year.

Ownership

Försäkringsaktiebolaget Agria (publ), referred to below as Agria, is a wholly owned subsidiary of Länsförsäkringar AB (publ) (Corp. Reg. No. 502010-9681), which in turn is owned by the 23 regional insurance companies together with 14 local insurance companies.

Focus of operations

Agria is the Länsförsäkringar Alliance's specialist company for pet and crop insurance and Länsförsäkringar's subsidiary brand. The operations are conducted in a separate business unit in Länsförsäkringar AB. Agria has a dedicated focus on and involvement with animals and their owners. Its roots can be traced back more than 130 years and today the brand is Sweden's strongest in its specific field. Agria serves Sweden and has operations in Norway, Denmark, Finland, the UK, France, Germany, Ireland and the Netherlands. The wholly owned subsidiary Agria Pet Insurance Ltd (API) also operates in the UK and in Ireland there is the wholly owned subsidiary Capstone Financial Services Ltd (Capstone), which has operations in Ireland and the Netherlands. All of the international operations are found in the Europe business area.

The Swedish operations are divided into the business areas of Pet and Horse & Agriculture. There is also the wholly owned subsidiary Agria Vet Guide AB, which offers digital vet consultations to animal owners. Agria offers insurance cover for animals and crops to private individuals, the agricultural sector and other companies. Insurance cover comprises veterinary care insurance, life assurance and business interruption insurance. Products and services are developed in collaboration with customers, animal-owner organisations and suppliers of veterinary care services. Agria employs veterinarians that provide advice to customers and claims adjustment. The Board of Agria has members appointed by animal-owner organisations and by the Federation of Swedish Farmers (LRF) whose tasks include bringing expertise and the animal owner perspective to the Board.

Significant events during the year

Agria signed an agreement for quota share reinsurance with Arch in connection with the acquisition of the Irish company Capstone in February 2022. This means that all new business and renewals that Capstone distributed to Arch after the acquisition date are insured in Agria as assumed reinsurance. Agria took over as insurer in Capstone for new business and renewals from 1 February 2023. The agreement for assumed reinsurance is valid for as long as Arch has commitments outstanding for the insurance policies distributed by Capstone. When Agria took over as insurer, the brand was also changed from Petinsure to Agria Petinsure in Ireland and from Zoopo to Agria Dierenverzekering in the Netherlands.

Market and operations

The market is growing mainly in Europe where an increasing number of animal owners are becoming aware of the importance of reliable pet insurance, driven by the role of a pet as a member of the family combined with developments in the veterinarian industry with new technology and new treatment methods. Agria has a strong concept with clear strategy of growing internationally. The geographically diverse operations generate economies of scale, increase risk diversification and provide access to international know-how that strengthens the business.

During the year, a new communication concept was developed and, as a first step, communicated in the "from the first pat to the last hug" campaign for dogs, cats and horses.

Together with animal owners, Agria is seeking to address the rising claims costs in recent years. In Sweden, the care coordination and medical information service has grown steadily and more and more pet owners are taking the opportunity to get help from Agria when their pet is injured or becomes ill. Licenced veterinary nurses guide pet owners to access the right care, at the right time and at the right level.

Europe business area

The Europe business area reported strong growth combined with solid results. In particular, the UK contributed strong sales of horse insurance, but also higher increased demand in the dog and cat segments. In the Nordic region, the Norwegian branch contributed a strong technical result, while growth continued to improve in Denmark and Finland. In Germany, one of the world's largest equestrian nations with 1.3 million horses, horse insurance was launched in the autumn and a partnership agreement was entered into with the German Equestrian Federation. The strong sales of dog and cat insurance are continuing in parallel with the new horse offering. A new supplementary loss prevention insurance policy was launched following market demand in France and immediately received a positive response. The Irish business has been gradually incorporated into Agria following the acquisition of Capstone last year.

Pet business area – Sweden

The economic climate impacted the year with pet owners becoming more inclined to choose sim-

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pler insurance products for their pets, but they also took advantage of product options such as higher deductibles for a lower premium. In addition, higher veterinary care costs together with the current shortage of vets are having an impact at all levels. The further development of the "Extra" product concept contributed to a safer and easier customer journey for dog and cat customers. In addition to pet insurance, the Extra concept includes 24-hour advice, assistance in booking veterinary care and health-promotion services, as well as training to prevent claims.

Horse & Agriculture business area – Sweden

The horse insurance business continued to grow at a steady pace. However, external factors such as fewer horses changing owners and a lower degree of covering by breeders impacted the rate of growth. Despite the economic situation, the agricultural sector continues to report steady growth and a healthy willingness to take out insurance. Claims in the poultry sector, especially with widespread salmonella outbreaks, dominated the year. Collaboration with Länsförsäkringar was expanded and several ongoing joint projects were launched in both agriculture and horses. The cooperation to provide attractive offerings is appreciated by the Group's joint insurance customers, and at the same time strengthens growth. At the end of the year, the "Horse Extra" veterinary care insurance policy was launched with a similar content as for dogs and cats.

Agria Vet Guide

During the year, the subsidiary Agria Vet Guide launched digital vet consultations in the UK and Germany. The service is already offered in Sweden, Norway, Denmark and Finland. The number of users of the digital vet service has more than quadrupled since it was launched and the number of calls is increasing steadily. Technological advances development remains a focal point and during the year major improvements were made to both the user experience and in ensuring technical quality. The previous focus on quality is continuing to make significant progress, with both advice and record keeping improved even further in all markets.

Digitising the operations

During the year, efforts were made to increase sales via digital channels in parallel with continued activities to introduce full-scale automated claims adjustment, two important elements that will lead to improved customer service and better efficiency. Claims prevention activities and new digital e-learning services were offered in new insurance products to increase knowledge about animals among their owners.

Agria's Research Fund

Part of the company's insurance premiums has been set aside for the Agria Research Fund every year since 1938. During the year, the fund awarded a total of SEK 11.9 M to help pets, horses and farm animals. Grants were awarded in cooperation with the Agria SKK Research Fund, the Swedish-Norwegian Foundation for Equine Research and the Swedish Farmers' Foundation for Agricultural Research. During the year, 12 new projects focusing on pets, three new projects focusing on equine research and four agricultural projects were awarded grants from the Fund. The final report from the barefoot study was presented during the year.

Significant events after the end of the fiscal year

In order to enhance competitiveness and raise brand awareness in Europe, Agria entered into a partnership with the Fédération Equestre Internationale (FEI). The FEI is the international organization for the major equestrian championships.

Expectations regarding future development

Agria has an expressed ambition to continue its growth journey in Europe. As a leading player in the segment, Agria works towards a sustainable society for animals and improved animal health. Despite global uncertainty, there is continued interest in owning a pet and having access to reliable insurance for veterinary care when needed. The shortage of vets means that costs for veterinary care will remain high.

Agria's position is strengthening based on its broader product range and, as a market leader, Agria wants to exceed customer expectations and be at the forefront when it comes to products, service and offering. Since more animal owners are choosing the new Extra products – that besides insurance offer around the clock advice, help with booking veterinary care and health-promotion services – more animal owners are getting help to receive the right care, at the right time and at the right level for their animals.

Employees

Länsförsäkringar AB's employer brand together with the code of culture is the foundation of the Group's corporate culture. Proud and dedicated employees who drive and develop the operations are vital to achieving business objectives. An inclusive culture makes it possible to benefit from diversity. For Länsförsäkringar AB, working on diversity, inclusion and equality is a matter of business value and helps strengthen competitiveness and profitability. Increasing diversity and equality is one of the targets in Länsförsäkringar AB's business plan.

Meeting future needs and delivering on the marketing and business plans require continuous skills development within the Länsförsäkringar AB Group. An employee promise of "A place for bravery and opportunities" was implemented during the year that clarifies strategic focus areas and

the company's unique offering. A new learning environment was also implemented that supports a self-learning culture and broader access to more training courses. Länsförsäkringar won several awards as an attractive employer in 2023, for example, industry leader in insurance in Universum's Company and Career Barometer surveys. An analysis is performed every year to identify future and current needs for resources and skills based on strategies and business plans. A recruitment project has been carried out since 2021 to employ more people in IT/Tech. The target for 2024 is for Länsförsäkringar AB to have one third fewer consultants.

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Länsförsäkringar AB applies a long-term approach to health and the organisational, social and physical work environment. The organisational and social work environment is regularly monitored to prevent stress and unhealthy workloads in accordance with the Swedish Work Environment Authority's provisions (AFS 2015:4).

The operations continued to apply flexible and activity-based working in 2023, enabling employees to work in the way that best supports them in performing their work duties efficiently and sustainably. Länsförsäkringar AB's office in Stockholm underwent extensive remodelling as part of this new work method, which was concluded in 2023.

Länsförsäkringar AB follows the laws, agreements and regulations that govern how the company acts under the Employment Protection Act, Discrimination Act, Work Environment Act and collective and co-determination agreements. These apply to all employees, including Group management teams, in Sweden. Agria's international operations follow the laws and applicable regulations in each respective country.

Länsförsäkringar AB's remuneration model must promote sound and efficient risk management and counteract excessive risk-taking. Salary reviews take place every year at salary discussions and in connection with salary surveys.

Sustainability

The Länsförsäkringar AB Group's sustainability work is based on the vision of "Together we create security and opportunities" and the long-term objective is for the operations to be climate positive by 2045. The Länsförsäkringar AB Group can reduce its sustainability risks, increase customer value and also contribute to the positive development of society and create business value by taking economic, social and environmental aspects into consideration in its business development and business decisions. Länsförsäkringar is a signatory to the principles of the UN Global Compact and works to contribute to the UN Sustainable Development Goals (SDGs). Agria does not prepare a statutory Sustainability Report in accordance with Chapter 6, Section 10 of the Swedish Annual Accounts Act. Länsförsäkringar AB prepares a Sustainability Report for the Group in which Agria is included. The Group's Sustainability Report can be found in Länsförsäkringar AB's 2023 Annual Report whose scope is presented on page 2.

Capital position

Länsförsäkringar AB and its insurance subsidiaries have permission from the Swedish Financial Supervisory Authority (FSA) to calculate the capital requirement for insurance operations using a partial internal model. Capital requirements for most market risks and non-life insurance risks are calculated using an internal model, whereas other types of risk are calculated by applying the Solvency II standard formula. Agria's solvency ratio on 31 December 2023 was 152% (172). Own funds declined SEK 70 M during the year to SEK 1,648 M. Own funds were strengthened by net profit for the year, but the effect was counteracted by the planned dividend of SEK 200 M and lower revaluation effect of technical provisions. The capital requirement increased by SEK 86 M to SEK 1,083 M due to higher insurance risk in line with growing business.

Risk and risk management

One of the key objectives for Agria is to ensure that the company can meet its commitments to customers. Accordingly, controlling risk-taking is an integrated part of the business governance and much importance is attached to foward-looking analyses. Ongoing activities include handling known risks and identifying new risks. Agria's operations give rise to various types of risks. For example, risk exposure in insurance operations encompasses non-life insurance risk such as premium, reserve, cancellation and catastrophe risk. Operational risks arise as a result of the insurance operations, such as in procedures and change processes. Market risks primarily arise due to changes in the level or volatility of the company's financial assets.

Earnings and financial position

Profit before appropriations and tax amounted to SEK 327 M (380). The technical result amounted to SEK 206 M (486) and the combined ratio to 97.8% (91.3). Asset management's earnings amounted to SEK 121 M (-107).

The portfolio continued to grow strongly in the international business. Premium income rose 7% to SEK 6,173 M (5,758). Premiums earned after ceded reinsurance amounted to SEK 5,972 M (5,556).

Claims payments after ceded reinsurance amounted to SEK 4,326 M (3,798) and the claims ratio to 72.4% (68.4). Operating expenses amounted to SEK 1,515 M (1,272) and the expense ratio to 25.4% (22.9).

The investment return on investment assets increased to 6.1% (-4.7) due to a positive market trend. The investment portfolio mainly consists of interest-bearing assets, and has a short duration. The fixed-income portfolio contributed 3.0 percentage points (-0.7), for which sustainable bonds had the highest return. Equities contributed 2.9 percentage points (-1.7) due to rising stock markets during the year. Properties reported a positive trend during the year, contributing 0.1 of a percentage point (-2.1). The forest class of asset in alternative investments contributed 0.1 of a percentage point (-0.2).

Proposed appropriation of the insurance company's profit or loss

According to the balance sheet of Försäkringsaktiebolaget Agria (publ), non-restricted equity of SEK 1,002,521,275 is at the disposal of the Annual General Meeting.

The following profit is at the disposal of the Annual General Meeting:

Retained earnings	753,630,797
Net profit for the year	248,890,478
Total	**1,002,521,275**

The Board of Directors proposes that profit be appropriated as follows:

To be distributed to the owner	200,000,000
To be carried forward	802,521,275
Total	**1,002,521,275**

The insurance company's solvency ratio under Solvency II after the proposed appropriation of profit amounts to 152% (172).

The insurance company's financial position does not result in any other assessment than that the insurance company can be expected to fulfil its obligations in both the short and long term.

The Board of Directors believes that the insurance company's equity as reported in the Annual Report is sufficiently high in relation to the nature, scope and risks of the operations, and the company's solvency requirements, liquidity and financial position, in accordance with Chapter 17, Section 3 of the Swedish Companies Act.

For more information on the insurance company's earnings and financial position, refer the following income statement and balance sheet with accompanying notes to the accounts.

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Five-year summary

Earnings, SEK M	2023	2022	2021	2020	2019
Premium income (after ceded reinsurance)	6,158.0	5,749.8	5,214.1	4,481.4	3,927.8
Premiums earned (after ceded reinsurance)	5,971.5	5,556.0	4,891.2	4,143.4	3,787.8
Investment income transferred from financial operations	74.1	0.1	0.0	0.1	4.4
Claims payments (after ceded reinsurance)	-4,325.6	−3,798.2	−3,536.8	−3,162.9	−2,804.2
Operating expenses	-1,514.6	−1,271.9	−1,012.3	−915.5	−924.5
Other technical revenue	0.6	0.5	0.5	0.5	0.4
Technical result for insurance operations	**206.0**	**486.5**	**342.5**	**65.5**	**63.9**
Remaining investment income	121.2	−106.9	115.3	32.3	63.2
Profit before appropriations and tax	327.2	379.5	457.7	97.8	122.7
Net profit for the year	**248.9**	**361.6**	**349.0**	**102.0**	**94.6**
FINANCIAL POSITION, SEK M					
Investment assets measured at fair value	2,328.1	2,578.4	2,949.1	1,916.8	1,815.3
Technical provisions (after ceded reinsurance)	3,162.3	3,162.3	2,942.1	2,467.4	2,177.6
Solvency capital					
– equity	1,074.9	1,072.8	991.7	783.0	459.4
– deferred tax	-48.9	−38.9	−0.0	−0.6	0.1
– untaxed reserves	790.1	760.1	820.1	807.2	837.3
– non-recognised surpluses/deficits	-92.6[1]	-49.5[1]	206.2	97.5	83.9
Solvency capital	**1,723.5**	**1,744.6**	**2,016.0**	**1,687.1**	**1,380.7**
Solvency margin, %	**29**	**31**	**41**	**38**	**35**
Own funds	**1,648**[2]	**1,717**[2]	**1,962**	**1,497**	**1,229**
Solvency capital requirement	**1,083**	**997**	**942**	**918**	**792**
Minimum capital requirement	**487**	**449**	**424**	**407**	**357**
Solvency ratio, %	**152**	**172**	**208**	**163**	**155**
Own funds for insurance group[3]	**62,634**	**59,099**	**65,203**	**57,412**	**50,220**
Solvency capital requirement for insurance group[3]	**46,066**	**41,836**	**45,368**	**39,186**	**37,966**
Solvency ratio, % for insurance group[3]	**136**	**141**	**144**	**147**	**132**

Earnings, SEK M	2023	2022	2021	2020	2019
Key figures					
Insurance operations					
Claims ratio, %	72.4	68.4	72.3	76.3	74.0
Expense ratio, %	25.4	22.9	20.7	22.1	24.4
Combined ratio, %	97.8	91.3	93.0	98.4	98.4
Asset management					
Direct yield, %	1.2	1.8	0.2	0.3	0.2
Total return, %	6.1	−4.7	6.1	1.0	4.1

[1] Non-recognised surpluses and deficits include amortisation of goodwill and the comparative figures for 2022 have been adjusted accordingly.

[2] Of which SEK 1,648 M (1,717) is Tier 1 capital.

[3] The group under the insurance-operation rules comprises the Parent Company Länsförsäkringar AB, all of the insurance companies in the Group, Länsförsäkringar Bank AB, Wasa Kredit AB, Länsförsäkringar Hypotek AB and Länsförsäkringar Fondförvaltning AB. The insurance group also includes Länsförsäkringar Liv AB, despite Länsförsäkringar Liv not being consolidated in the Länsförsäkringar AB Group. As stated in the EU Solvency II Directive, the calculations are made in accordance with the consolidation method.

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Financial statements

Income statement

SEK M	Note	2023	2022
TECHNICAL RECOGNITION OF NON-LIFE INSURANCE OPERATIONS			
Premium income (before ceded reinsurance)	3	6,173.0	5,757.8
Premiums for ceded reinsurance		-15.0	-8.0
Change in provision for unearned premiums and unexpired risks		-186.5	-193.8
Reinsurers' portion of Change in provision for unearned premiums and unexpired risks		0.0	0.0
Total premiums earned after ceded reinsurance		**5,971.5**	**5,556.0**
Investment income transferred from financial operations	4	**74.1**	**0.1**
Other technical revenue		**0.6**	**0.5**
Claims payments (after ceded reinsurance)			
Claims paid			
Before ceded reinsurance		-4,388.6	-3,845.3
Reinsurers' portion		39.9	20.4
Total claims paid	5	**-4,348.7**	**-3,824.9**
Change in provision for claims outstanding			
Before ceded reinsurance		-10.7	33.3
Reinsurers' portion		33.8	-6.6
Total change in provision for claims outstanding		**23.1**	**26.7**
Claims payments (after ceded reinsurance)		**-4,325.6**	**-3,798.2**
Operating expenses	6, 7, 8	**-1,514.6**	**-1,271.9**
Technical result for non-life insurance operations		**206.0**	**486.5**
Non-technical recognition			
Technical result for non-life insurance operations		206.0	486.5
Investment income, revenue	9	120.1	108.6
Unrealised gains on investment assets	9	121.6	0.0
Investment income, expenses	9	-46.3	-46.4
Unrealised losses on investment assets	9	-0.2	-169.0
Investment income transferred to non-life insurance operations	4	-74.1	-0.1
Profit/loss before appropriations and tax		**327.2**	**379.6**
Appropriations			
Change in tax allocation reserve		-30.0	60.0
Profit before tax		**297.2**	**439.5**
Tax on net profit for the year	10	-48.3	-116.9
Net profit for the year		**248.9**	**361.5**

Statement of comprehensive income

SEK M	2023	2022
Net profit for the year	**248.9**	**361.5**
Other comprehensive income		
Items that may subsequently be transferred to profit or loss		
Translation differences for the year in foreign branches	1.0	-3.3
Tax attributable to translation difference	-0.2	0.7
Other comprehensive income for the year	**0.8**	**-2.6**
Comprehensive income for the year	**249.7**	**358.9**

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Performance analysis 2023

SEK M	Total	Direct insurance, Swedish risks	Direct insurance foreign risks	Total, direct insurance	Assumed reinsurance
Technical result for non-life insurance operations					
Premiums earned (after ceded reinsurance)	**5,971.5**	3,074.6	2,869.1	5,943.7	27.8
Investment income transferred from financial operations	**74.1**	37.0	37.1	74.1	-
Claims payments (after ceded reinsurance)	**-4,325.6**	-2,256.6	-2,054.1	-4,310.7	-14.9
Operating expenses	**-1,514.6**	-670.8	-831.8	-1,502.7	-11.9
Other technical revenue	**0.6**	0.2	0.4	0.6	-
Technical result for non-life insurance operations, 2023	**206.0**	**184.4**	**20.7**	**205.1**	**0.9**
Run-off result (before ceded reinsurance)	**72.3**	22.7	49.5	72.3	-
Technical provisions (before ceded reinsurance)					
Provision for unearned premiums and unexpired risks	**2,928.5**	1,453.7	1,474.3	2,928.0	0.4
Provision for claims outstanding	**435.7**	184.4	250.6	435.0	0.8
Total technical provisions (before ceded reinsurance)	**3,364.2**	**1,638.1**	**1,724.9**	**3,363.0**	**1.2**
Reinsurers' portion of technical provisions					
Provision for unearned premiums and unexpired risks	-	-	-	-	-
Provision for claims outstanding	**53.1**	46.7	6.4	53.1	-
Total reinsurers' portion of technical provisions	**53.1**	**46.7**	**6.4**	**53.1**	-
Notes to performance analysis					
Premium income (before ceded reinsurance)	**6,173.0**	3,095.6	3,070.3	6,165.9	7.1
Premiums for ceded reinsurance	**-15.0**	-11.7	-3.2	-15.0	0.0
Change in provision for unearned premiums and unexpired risks	**-186.5**	-9.2	-198.0	-207.2	20.7
Reinsurers' portion of change in provision for premium reserve	-	-	-	-	-
Premiums earned (after ceded reinsurance)	**5,971.5**	**3,074.7**	**2,869.1**	**5,943.7**	**27.8**
Claims payments (after ceded reinsurance)					
Claims paid					
Before ceded reinsurance	**-4,388.6**	-2,309.1	-2,056.3	-4,365.5	-23.1
Reinsurers' portion	**39.9**	39.6	0.2	39.9	-
Change in provision for claims outstanding					
Before ceded reinsurance	**-10.7**	-20.2	1.3	-18.9	8.2
Reinsurers' portion	**33.8**	33.1	0.7	33.8	-
Claims payments (after ceded reinsurance)	**-4,325.6**	**-2,256.6**	**-2,054.1**	**-4,310.7**	**-14.9**

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Balance sheet

SEK M	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible assets			
Other intangible assets	11	26.9	0.0
Total intangible assets		**26.9**	**0.0**
Investment assets			
Investments in Group companies and associated companies			
Shares and participations in Group companies	12	580.6	545.6
Interest-bearing securities issued by Group companies	13	130.6	74.6
Shares and participations in associated companies	14	3.3	0.5
Other financial investment assets			
Shares and participations	15	463.4	399.5
Bonds and other interest-bearing securities	16	1,204.5	1,571.1
Derivatives	17, 18	38.4	18.5
Deposits with companies that have ceded reinsurance		-0.1	18.1
Total investment assets		**2,420.8**	**2,627.9**
Reinsurers' portion of technical provisions			
Unearned premiums and unexpired risks		-	-
Claims outstanding	25	53.1	19.3
Total reinsurers' portion of technical provisions		**53.1**	**19.3**
Receivables			
Receivables, direct insurance	19	2,785.7	2,559.7
Receivables, reinsurance		41.8	2.3
Other receivables	20	120.6	141.7
Total receivables		**2,948.1**	**2,703.7**
Other assets			
Tangible assets and inventories	21	30.2	24.8
Cash and bank balances		521.8	617.9
Current tax assets		52.8	78.0
Deferred tax assets	10	48.9	38.9
Total other assets		**653.7**	**759.6**
Prepaid expenses and accrued income			
Accrued interest and rental income		0.0	0.1
Deferred acquisition costs	22	248.3	257.2
Other prepaid expenses and accrued income		16.6	11.4
Total prepaid expenses and accrued income		**264.9**	**268.6**
Total assets		**6,367.5**	**6,379.1**

SEK M	Note	31 Dec 2023	31 Dec 2022
Equity, provisions and liabilities			
Equity			
Share capital (40,000 shares)		40.0	40.0
Statutory reserve		5.5	5.5
Development Expenditures Fund		26.9	-
Retained earnings		753.6	665.7
Net profit for the year		248.9	361.6
Total equity		**1,074.9**	**1,072.8**
Untaxed reserves	23		
Equalisation reserve		35.2	35.2
Contingency reserve		464.9	464.9
Tax allocation reserve		290.0	260.0
Total untaxed reserves		**790.1**	**760.1**
Technical provisions (before ceded reinsurance)			
Unearned premiums and unexpired risks	24	2,928.5	2,757.5
Claims outstanding	25	435.7	424.2
Total technical provisions (before ceded reinsurance)		**3,364.2**	**3,181.7**
Other provisions			
Current tax liabilities		26.1	40.2
Other provisions		2.3	2.1
Total other provisions		**28.4**	**42.3**
Liabilities			
Liabilities, direct insurance	27	20.6	24.1
Liabilities, reinsurance		1.2	1.1
Derivatives	17, 18	10.6	22.9
Other liabilities	28	267.2	494.8
Total liabilities		**299.5**	**542.9**
Accrued expenses and deferred income			
Other accrued expenses and deferred income	29	810.3	779.3
Total accrued expenses and deferred income		**810.3**	**779.3**
Total equity, provisions and liabilities		**6,367.5**	**6,379.1**

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Statement of changes in equity

	Restricted equity			Non-restricted equity			
SEK M	**Share capital**	**Statutory reserve**	**Development Expenditures Fund**	**Revaluation reserve**	**Retained earnings**	**Net profit for the year**	**Total equity**
Opening equity, 1 January 2022	**40.0**	**5.5**	**4.9**	**–2.2**	**594.6**	**349.0**	**991.8**
Net profit for the year						361.6	**361.6**
Change in translation difference				–3.3			**-3.3**
Tax on change in translation difference				0.7			**0.7**
Comprehensive income for the year				**–2.6**	**0.0**	**361.6**	**359.0**
Provision to Development Expenditures Fund			–4.9		4.9		**0.0**
Group contributions paid					–350.0		**-350.0**
Tax on Group contributions paid					72.1		**72.1**
Appropriation of profit					349.0	–349.0	**0.0**
Closing equity, 31 December 2022	**40.0**	**5.5**	**0.0**	**–4.9**	**670.6**	**361.6**	**1,072.8**
Opening equity, 1 January 2023	**40.0**	**5.5**	**0.0**	**-4.9**	**670.6**	**361.6**	**1,072.8**
Effect of change in accounting policies					2.4		**2.4**
Net profit for the year						248.9	**248.9**
Change in translation difference				1.0			**1.0**
Tax on change in translation difference				-0.2			**-0.2**
Comprehensive income for the year				**0.8**			**249.7**
Provision to Development Expenditures Fund			26.9		-26.9		**0.0**
Dividends					-250.0		**-250.0**
Appropriation of profit					361.6	-361.6	**0.0**
Closing equity, 31 December 2023	**40.0**	**5.5**	**26.9**	**4.0**	**757.7**	**248.9**	**1,074.9**

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Notes to the financial statements

All figures in SEK M unless otherwise stated.

NOTE 1 ACCOUNTING POLICIES

Company information

The Annual Report for Försäkringsaktiebolaget Agria (publ), Corp. Reg. No. 516401-8003, pertains to the 1 January – 31 December 2023 fiscal year. Försäkringsaktiebolaget Agria is an insurance company registered in Sweden, with its registered office in Stockholm. The address of the head office is Box 70306, SE-107 23 Stockholm, Sweden.

The company is a wholly owned subsidiary of Länsförsäkringar AB (publ), Corp. Reg. No. 502010-9681, with its registered office in Stockholm. The Parent Company in the largest Group in which Försäkringsaktiebolaget Agria is the subsidiary and in which the consolidated financial statements are prepared is Länsförsäkringar AB (publ), Corp. Reg. No. 502010-9681, with its registered office in Stockholm. Försäkringsaktiebolaget Agria does not prepare its own consolidated financial statements in accordance with Chapter 7, Section 2 of the Swedish Annual Accounts Act.

Compliance with standards and legislation

Försäkringsaktiebolaget Agria's Annual Report was prepared in accordance with the Annual Accounts Act for Insurance Companies (1995:1560) (ÅRFL), the Swedish FSA's regulations and general guidelines regarding annual accounts at insurance undertakings and institutions for occupational retirement provision (FFFS 2019:23), and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Försäkringsaktiebolaget Agria does not prepare a statutory sustainability report but is instead included in the Parent Company Länsförsäkringar AB's statutory sustainability report for the Group.

Conditions relating to the preparation of the financial statements

The company's functional currency is Swedish kronor (SEK) and the financial statements are presented in SEK. All amounts are rounded to the nearest million with one decimal point (SEK M), unless otherwise stated. Assets and liabilities are recognised at cost, except for most of the company's financial assets and liabilities that are measured at fair value. The accounting policies stated below have been applied to all periods presented in the financial statements, unless otherwise stated.

Judgements and estimates in the financial statements

Corporate management makes judgements and estimates, and make assumptions that affect the application of the accounting policies and the recognised amounts of income, expenses, assets, liabilities and contingent liabilities as presented in the financial statements. These estimates and judgements are based on previous knowledge and experiences and the information available on the balance-sheet date. The actual outcome may deviate from these judgements and estimates, but estimates are regularly evaluated to reduce deviations. Changes in the abovementioned estimates are recognised in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects the period in question and future periods.

Significant judgements applied to the company's accounting policies

Agria assesses the business model used to manage financial assets, which determines the classification. The categories of financial assets and liabilities are described below under the section Financial assets and liabilities, which also describes the company's classification.

Significant sources of estimation uncertainty

Provisions for claims outstanding, the depreciation period for deferred acquisition costs and the measurement of financial assets are areas that involve a certain level of uncertainty. When calculating technical provisions, an actuarial estimate of anticipated additional costs for claims incurred and expenses for claims that may be incurred during the remaining term of the insurance policy is made. The valuation of the company's provisions is described in the section below concerning the recognition of technical provisions and in note 2 Risks and risk management. The assumption for the depreciation period for deferred acquisition costs is based on statistics relating to the terms of the insurance contracts.

The valuation techniques described below in the accounting policies for investment assets, and in the section Fair value valuation techniques in note 30 Classification of financial assets and liabilities, are used in the measurement of financial assets for which no observable market data is available. Measurement is based on the most recent information, which normally involves quarterly measurement, one quarter in arrears. Special follow-ups are performed during periods of major turbulence in the financial market.

Amended accounting policies applied from 1 January 2023

Effective 1 January 2023, Agria has decided to change the policy for recognising shares and participations in associated companies. A voluntary change in accounting policy has been implemented as a retrospective restatement and has resulted in a non-recurring effect on the opening balance for the comparative period recognised in equity.

Shares and participations in associated companies

Shares and participations in associated companies are measured at fair value instead of at cost as was previously the case.

IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The IASB published International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) in May 2023. The amendments endorsed by the EU on 9 November 2023 include a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to the introduction the Pillar Two Model Rules. They also include disclosure requirements for periods in which the rules have been enacted or substantively enacted, but are not yet in effect. Under the requirements, disclosures are to be presented for known or reasonably estimable information that helps users of financial statements understand the entity's exposure to income taxes arising from the Pillar Two Model Rules under this legislation. For further information, refer to note 10 Taxes.

New accounting regulations that have not yet been applied

No 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.

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DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Shareholders' and Group contributions

Shareholders' contributions are recognised in the equity of the recipient and in shares and participations in Group companies with the donor.

Group contributions are recognised in accordance with the main rule of RFR 2. Group contributions received from subsidiaries are recognised according to the same principles as for recognising dividends. Group contributions paid to a subsidiary are recognised as an increase in shares and participations in Group companies. Group contributions paid or received from the Parent Company aimed at reducing the Group's total tax are recognised in equity after deductions for current tax effects since in accounting terms the Group contributions are equated with dividends and shareholders' contributions.

Translation of foreign currencies

Transactions in foreign currency are translated to SEK at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated to SEK by applying the exchange rates on the balance-sheet date. Non-monetary assets and liabilities are recognised at the rate in effect on the date of the transaction. Unrealised exchange-rate differences are recognised in profit or loss as exchange-rate gains/losses net under investment income, revenue or investment income, expenses.

The currency futures utilised to financially hedge currency exposure in the balance sheet are measured at fair value and effects on earnings are recognised under both interest income and exchange rate gains/losses.

Financial statements of foreign operations

Assets and liabilities in the branches are translated from the functional currency of the foreign operations (NOK, DKK, EUR and GBP) to the Group's presentation currency, SEK, at the exchange rate applicable on the balance-sheet date. Income and expenses in a foreign operation are translated to SEK at the average exchange rate for the year. Gains/losses on currency translations are recognised in other comprehensive income and accumulated in the revaluation reserve under non-restricted equity.

Insurance contracts

Direct insurance and assumed reinsurance contracts that the company distributes in its capacity as insurer under the provisions of the Insurance Business Act are classified and recognised as insurance contracts.

Premium income

Premium income is recognised as the total gross premium for direct insurance and assumed reinsurance that has fallen due for payment or can be credited to the company for insurance contracts for which the insurance period commenced prior to the end of the fiscal year.

Gross premium is the contractual premium for the entire insurance period after deductions for standard customer discounts. Renewal premiums for contracts with renewal before the end of the fiscal year but that are not confirmed by the policyholder and premiums for recently signed insurance contracts for which the insurance period begins before the end of the fiscal year are included at the amounts at which they are expected to be received. Cancellations reduce the premium income as soon as the amount is known. Additional premiums are included at the amounts at which they are expected to be received. Premiums for insurance periods commencing after the end of the fiscal year are also recognised as premium income, if according to contract they fall due for payment during the fiscal year. Premium income is recognised excluding tax and other public fees charged to the insurance premium.

Premiums earned

Premiums earned are recognised as the portion of premium income attributable to the accounting period. The portion of premium income from insurance contracts pertaining to periods after the balance-sheet date is recognised as Technical provisions in the statement of financial position. Provision for unearned premiums is usually calculated by strictly allocating premium income based on the term of the underlying insurance contract. Reinsurers' portion of premium income is also allocated and the portion attributable to the period after the balance-sheet date is recognised as a receivable, Reinsurers' portion of technical provisions.

Claims payments

Claims payments correspond to claims paid during the accounting period and changes in provisions for claims outstanding. In addition to claims paid, claims payments include expenses for claims adjustment. Claims recoveries are recognised as a reduction of claims costs.

Operating expenses

Agria recognises its leases as operating leases. These rental changes are recognised straight-line over the lease term as operating expenses.

Investment income

Investment income, revenue and expenses

Realised gains or losses on investment assets are calculated as the difference between the purchase consideration received and the cost of the asset.

Unrealised gains and losses on investment assets

Unrealised gains or losses comprise changes for the year in the difference between cost and fair value. In the event of a sale, the accumulated unrealised changes in value are reversed as unrealised gains or losses, except for shares and participations that the company has decided to measure at fair value through comprehensive income.

Tax

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly against equity, whereby the related tax effect is recognised in equity.

Current tax is tax to be paid or received in the current year, with the application of the tax rates established or decided in practice on the balance-sheet date, and any adjustments of current tax attributable to prior periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The valuation of deferred tax is based on how underlying assets and liabilities are expected to be realised or settled. Deferred tax is calculated with application of the tax rates and tax rules established or decided in practice on the balance-sheet date.

Deferred tax assets on deductible temporary differences and tax loss carryforwards are only recognised to the extent that it is likely that it will be possible to utilise these. The value of the deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Any additional income tax arising on dividends is recognised at the same time as when the dividend is recognised as a liability.

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Intangible assets

Other intangible assets

Other intangible assets comprise internally generated and acquired IT systems and partnership agreements with determinable useful lives. These assets are recognised at cost less accumulated amortisation and impairment. Amortisation is commenced when the asset becomes available for use.

The company's internally generated intangible assets are recognised only if the asset is identifiable and if the company has control of the asset.

The carrying amount of internally generated intangible assets includes all directly attributable expenses. Other development expenses are recognised as an expense in the period in which they arise. Additional expenses for intangible assets are recognised as an asset in the balance sheet only when these expenses increase the future economic benefits of the specific asset to which they pertain.

The periods of amortisation are determined based on a useful life varying between five to ten years. Amortisation takes place in the income statement according to the straight-line method. Impairment testing takes place annually.

The corresponding amount for capitalised development expenditures is reserved in equity to the Development Expenditures Fund.

Financial assets and liabilities

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contract in accordance with the instrument's contractual conditions. A financial asset is derecognised from the balance sheet when the rights in the contract are realised, expire or – when the assets are transferred – no longer has any significant risks or benefits from the assets and also when the company loses control of the asset. A financial liability is derecognised from the balance sheet when the obligation in the contract is met or extinguished in another manner.

Business transactions in the monetary, bond and equities markets are recognised in the balance sheet on the trade date, which is the time when the significant risks and rights are transferred between the parties.

Financial assets and liabilities are initially measured at fair value plus directly attributable transaction costs, except for assets and liabilities measured at fair value through profit or loss, which are initially measured at fair value.

Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and reported as a net amount in the balance sheet only when a legal right exists to offset the amounts and the intention is present to simultaneously realise the asset and settle the liability or to settle the items in a net amount. The legally enforceable right should not be contingent on a future event and must be legally binding for the company and the counterparty in the normal course of business, and in the event of default, insolvency or bankruptcy.

Classification and measurement

Subsequent measurement and recognition of financial assets take place depending on the measurement category to which the financial instrument belongs.

Financial assets comprise:

- Debt instruments
- Derivative instruments
- Equity instruments

Debt instruments

The business model used to manage an investment in debt instruments and its contractual cash flow characteristics determines the classification of a debt instrument.

A requirement for a financial asset to be measured at amortised cost or fair value through other comprehensive income is that these contractual cash flows solely comprise outstanding payment of the principal and interest on the principal. Debt instruments that do not meet the requirement are measured at fair value through profit or loss regardless of the business model to which the asset is attributable.

Holdings of units in UCITS (mutual funds) consist of holdings in debt instruments, since the funds must buy back fund units and are therefore liabilities from the issuer's perspective. The contractual cash flows of the mutual funds are not collected in predetermined amounts at predetermined times and therefore do not comprise solely payments of principal and interest (SPPI criterion). Agria regularly checks that cash flows for the debt instruments measured at amortised cost meet the cash flow requirements.

Amortised cost

Agria manages other receivables and cash and bank balances in a business model whose objective is to realise the assets' cash flows by receiving contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are therefore measured at amortised cost.

Amortised costs refers to the discounted present value of all future payments attributable to the instrument with the discount rate comprising the effective interest rate of the asset on the acquisition date.

Fair value through profit or loss

Agria's investments in debt instruments comprise holdings of interest-bearing securities or similar instruments, mutual funds classified as either shares and participations or bonds and other interest-bearing securities based on whether at least half of the managed assets comprise shares or interest-bearing securities. Investments in debt instruments held in a business model that entails measurement at fair value through profit or loss since the assets are managed and evaluated based on the fair values of the assets, and since the fair value comprises the basis for the internal monitoring and reporting to senior executives.

Derivative instruments

Derivative instruments measured at fair value through profit or loss. Derivatives with positive market values are recognised as assets in the balance sheet and derivatives with negatives market values are recognised as liabilities.

Equity instruments

An equity instrument is every form of agreement that entails a residual right to a company's assets after deductions for all its liabilities. Investments in equity instruments measured at fair value through profit or loss except for investments that on initial recognition are identified as investments in equity instruments with the changes in value recognised in other comprehensive income. These holdings are of a more strategic nature and are not held for the purpose of generating investment income. Gains/losses on the sale of equity instruments measured at fair value through other comprehensive income are recognised as a transfer in equity from the fair value reserve to retained earnings and thus do not impact profit or loss. Dividends received are recognised in profit or loss under Investment income, revenue when the right to receive payments has been resolved by the general meeting.

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Financial liabilities

Agria measures all financial liabilities that are not derivatives at amortised cost. Agria's financial liabilities are recognised when there is a contractual obligation to pay in cash and comprise accounts payable and other financial liabilities that are included in the balance-sheet item Other liabilities.

Methods for determining fair value

Financial instruments listed in an active market

The largest portion of the company's financial instruments are measured at fair value using prices listed in an active market. No additions for transaction costs (for example, brokerage commission) or future transaction costs in connection with potential divestment are made. A financial instrument is considered to be quoted in an active market when transactions take place at sufficient frequency and volume in order to provide continuous price information. If the market for the asset or liability is the most advantageous market and if a company on the measurement date can perform a transaction with the asset or liability at this price on this market, the holding is classified as Level 1 in the fair value hierarchy.

Financial instruments not listed in an active market

If the market for a financial instrument is not active, the fair value is determined by using a valuation technique. The company has OTC derivatives, for example, that are not traded in an active market. The valuation techniques applied are based on market data as far as possible, while company-specific information is used as little as possible. The instruments for which all material inputs required for measurement at fair value are observable are found in Level 2 of the fair value hierarchy. If one or more significant inputs are not based on observable market data, the instrument in question is classified as Level 3 in the fair value hierarchy.

Recognition of credit losses

Reserves for expected credit losses ("loss allowance") are recognised for financial assets measured at amortised cost. The initial loss allowance is calculated and recognised on initial recognition and is subsequently continuously adjusted over the lifetime of the financial asset. For accounts receivable, the company uses the simplified method, which entails that a loss allowance is always measured at an amount corresponding to the full lifetime of the expected credit losses. The reserve for financial assets measured at amortised cost is recognised as a reduction of the recognised gross carrying amount of the asset. Loss allowance is presented in the income statement as investment income, expenses.

Confirmed credit losses are those losses whose amount is finally established and where the assessment is that the possibility of receiving additional payments is very small. The receivable is then derecognised from the balance sheet and recognised as a confirmed loss in profit or loss on this date.

Impairment testing of intangible assets and shares and participations in subsidiaries

If there is an indication of an impairment requirement, the recoverable amount of the asset is calculated. If it is not possible to determine the significantly independent cash flows for an individual asset, the assets are to be grouped when testing for impairment at the lowest value where it is possible to identify the significantly independent cash flows, known as a cash-generating unit. A cash-generating unit is the smallest group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. Impairment is recognised in profit or loss.

The recoverable amount is the higher of fair value less selling expenses and value in use.

Reversal of impairment of intangible assets and participations in subsidiaries

Impairment is reversed when there is no longer an indication of impairment and a change has occurred in the assumptions that formed the basis for calculating the recoverable amount. A reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been recognised, less depreciation/amortisation, if no impairment had been applied.

Inventories

Inventories are measured at the lower of cost and the net selling price, taking into account obsolescence. Cost is calculated by applying the First In, First Out method (FIFO) and includes expenses arises in connection with the inventory items and to bring them to their current location and in their current condition. The net selling price is the calculated sales price under normal circumstances in the operating activities after deductions for estimated costs for completion and to achieve a sale.

Deferred acquisition costs

Costs that have a clear connection to underwriting insurance contracts are capitalised as Deferred acquisition costs in the balance sheet and are depreciated over the useful life. A condition for capitalisation is that the acquisition costs are attributable to a certain insurance contract, or homogeneous groups of contracts that can be followed up, and are deemed to generate a margin that covers at least the acquisition costs intended to be capitalised. These costs capitalised are commission expense and expenses for sales that are directly related to acquisitions or renewals of insurance contracts. The capitalised costs are allocated based on the length of the insurance contract. The depreciation period does not exceed 12 months.

Untaxed reserves

Changes in untaxed reserves are recognised in profit or loss under appropriations.

Untaxed reserves are offset, where appropriate, against loss carryforwards or are subject to taxation when they are dissolved.

The purpose of the equalisation reserve is to even out changes in the profit from insurance operations over time. New provisions may not be made to the equalisation reserve

The contingency reserve is a collective contingency-related strengthening of technical provisions. Access is limited and requires official permission in certain cases. Reversal can only take place against losses in the insurance operations or for lower volumes in the insurance operations.

A company can make a provision to the tax allocation reserve to reduce its taxable earnings during an income year, but must reverse the same tax allocation reserve for taxation during the sixth year following the provision year.

Technical provisions

Technical provisions comprise Unearned premiums and unexpired risks and Claims outstanding and correspond to commitments in accordance with signed insurance contracts. All changes in technical provisions are recognised in profit or loss.

Unearned premiums and unexpired risks

The provision for unearned premiums and unexpired risks is designed to cover the expected claims cost and operating expenses during the remaining time to maturity of insurance contracts already in force. Normally, the provision is strictly proportional to time, referred to as a pro rata temporis calculation. If the provision for unearned premiums is deemed to be insufficient to cover expected remaining claims costs and operating expenses, it is strengthened with a supplement for unexpired risks.

Claims outstanding

The provision for claims outstanding should cover anticipated future payments for all claims incurred, including claims that have not yet been reported to the company, known as IBNR provisions. The provision also includes anticipated future payments including all expenses for claims adjustment. Accepted actuarial methods are generally used as a basis for estimating provision requirements. Individual assessments are made in the case of major separate claims and claims involving complex liability conditions. The provision for claims outstanding is not discounted.

Provisions for claims outstanding are significant to assessments of the company's reported earnings and financial position since a deviation from actual future payments will lead to a run-off result being reported in future years. An account of the company's run-off result is found in the perfor-

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mance analysis. The risk of making incorrect provisions is described in more detail in note 2 Risks and risk management, which is where current provisions for claims outstanding are clarified by descriptions of the trend in claims costs over time.

Liability adequacy test

The sufficiency of technical provisions is tested on an ongoing basis in conjunction with the annual accounts. The provisions established for claims outstanding and for unearned premiums are evaluated individually. Provisions for claims outstanding are based on estimated future payment flows. Accepted actuarial methods for the basis of forecasts of provision requirements. These methods include assessments of the current status of all contractual cash flows and other associated cash flows, for example, claims adjustment costs. Future cash flows are calculated without discounting. If testing reveals that the provisions are insufficient, the change is recognised in profit or loss.

The sufficiency of provisions for unearned premiums is tested by line of business. Any insufficiency observed in the premium liability is corrected by establishing a provision for unexpired risks.

Reinsurance

Contracts signed between Försäkringsaktiebolaget Agria (publ) and reinsurers through which the company is compensated for losses on contracts issued by the company and that meet the classification requirements for insurance contracts as stated above are classified as ceded reinsurance.

For ceded reinsurance, the benefits to which the company is entitled under the reinsurance contract are recognised as the reinsurers' portion of technical provisions and deposits with companies that have ceded reinsurance. Receivables from and liabilities to reinsurers are valued in the same manner as the amounts linked to the reinsurance contract and in accordance with the conditions of each reinsurance contract.

The reinsurers' portion of technical provisions corresponds to the reinsurers' liability for technical provisions in accordance with signed contracts.

Agria assesses the impairment requirements of assets for reinsurance contracts. If the recoverable amount is lower than the carrying amount of the asset, the asset is impaired to the recoverable amount and the impairment loss is expensed in profit or loss.

Remuneration of employees

Pension plans

The company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions. The company's payments of defined-contribution plans are recognised as expenses during the period in which the employee performed the services to which the contributions refer.

The largest pension plan of which the company's employees are part is the FTP plan, a multi-employer pension plan. The plan is a defined-benefit plan for employees born in 1971 or earlier and a defined-contribution plan for employees born in 1972 or after. The defined-benefit portion is insured through the Insurance Industry's Pension Fund (FPK). This pension plan entails that a company, as a rule, recognises its proportional share of the defined-benefit pension commitment and of the plan assets and expenses associated with the pension commitment. Disclosures are also to be presented in the accounts according to the requirements for defined-benefit pension plans.

The FPK is currently unable to provide necessary information, which is why the pension plan above is recognised as a defined-contribution plan. Also, no information is available on surpluses and deficits in the plan or whether these surpluses and deficits would then affect the contributions for the plan in future years.

All pension plans in the company's branches are defined-contribution and follow either collective agreements or, if there are no collective agreements, the recommended premium levels in the labour market.

Contingent liabilities

A contingent liability is recognised when there is a possible commitment originating from past events and whose existence is confirmed only by one or more uncertain future events, or when there is a commitment that is not recognised as a liability or provision because it is probable that an outflow of resources will be required, or cannot be measured with sufficient reliability.

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NOTE 2 RISKS AND RISK MANAGEMENT

Risk-management system at Agria

The main purpose of risk management is to ensure that risks are identified and managed, that risk assessment is impartial, and that own funds are adequate in relation to the risks taken. A shared risk-management system, which forms part of the internal-control system, has been established in the Länsförsäkringar AB Group. The risk-management system is defined as the strategies, processes, procedures, internal rules, limits, controls and reporting procedures needed to ensure that the company is able to continuously identify, measure, monitor, govern, manage, report and have control over the risks to which the companies are, or could become, exposed to.

Prospective analyses in the form of own risk and solvency assessments (ORSA) are performed every year. The overall aim of an ORSA is to ensure that own funds are and remain sufficient for bearing the risks associated with realising the business plan. Ongoing activities include handling known risks and identifying new risks. The company uses a partial internal model approved by the Swedish FSA to calculate the capital requirement for market risk and non-life insurance risk. Other capital requirements are calculated in accordance with the standard formula. An internal model is used to more correctly reflect the company's risks.

Risk-management organisation

The Group's risk-management system is described in the Group directive and a Group-wide risk policy adopted by the Board of Länsförsäkringar AB and approved by the Board of each subsidiary. Each insurance subsidiary then prepares a company-specific risk policy based on the Group-wide policy. Based on this Group-wide risk-management system, the subsidiaries also prepare more detailed rules for managing company-specific risks.

The risk-management system comprises an integrated part of the organisational structure and decision-making processes and helps the operations to meet its targets with a higher degree of certainty. In addition to risk management in the operations, it also encompasses the independent Risk Management function in the second line of defence. The Compliance and Actuarial functions also have a role to play in risk management. The President is responsible for incorporating the governance documents decided by the Board and each manager in the company is responsible for risks in their field of operations.

The Risk Management function is responsible for independent risk control and provides support for the President, management and operating units in fulfilling their responsibility to conduct operations with a high level of risk control. Regular risk reports are submitted to the President and the Board.

The Actuarial function is responsible for coordinating and ensuring the quality of the technical calculations and investigations and assisting the Board and President in actuarial matters. The Actuarial function is also responsible for reporting, on its own initiative, to the Board and President on matters pertaining to methods, calculations and assessments of the technical provisions, the valuation of insurance risks, reinsurance cover and other risk-reduction techniques.

The Compliance function is an independent control function responsible for monitoring and controlling regulatory compliance in the licensable operations. The function identifies and reports on risks that may arise as a result of non-compliance with regulations and provides recommendations for action to relevant personnel, the President and the Board.

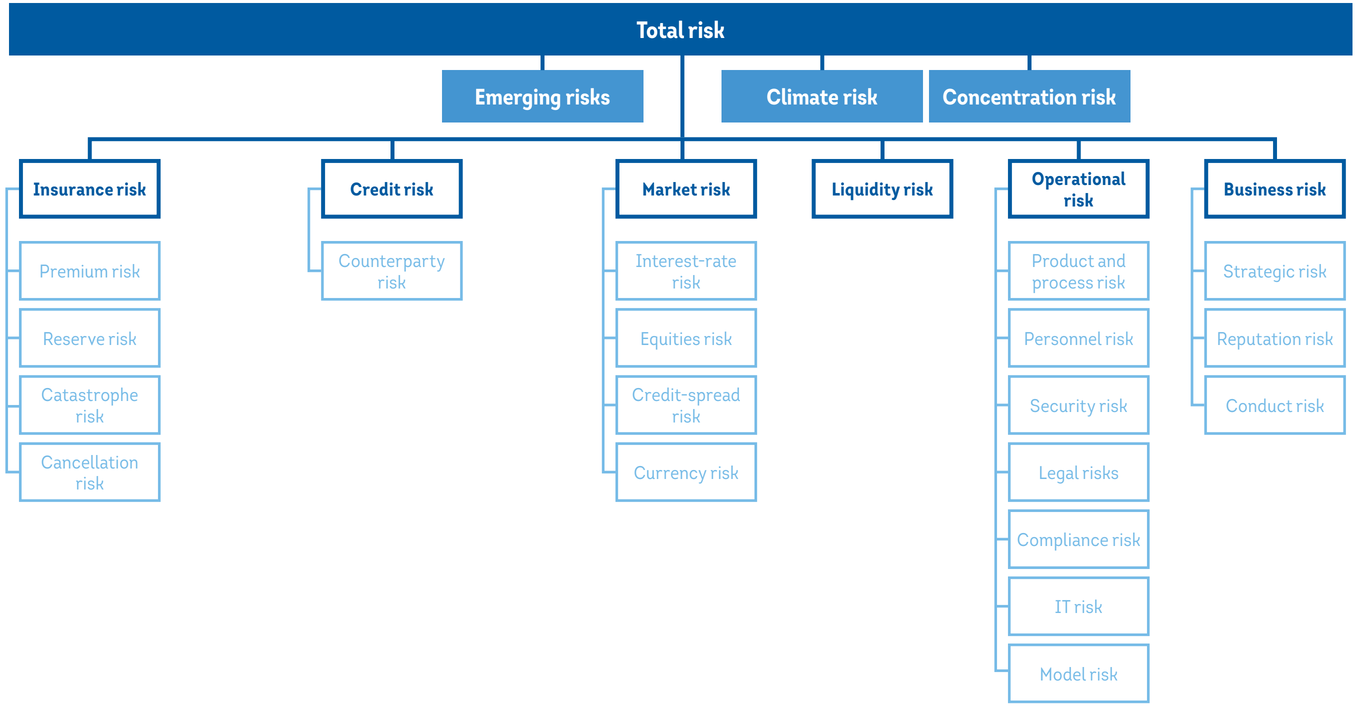
Internal Audit is an independent review function that comprises the Board's support in quality assurance of the organisation's risk management, governance and controls.

Risk exposure

Agria is exposed to a variety of risks that impact the company's financial position, earnings and target fulfilment. The following points describe Agria's operations and risk-taking:

- Conducting non-life insurance operations, specifically pet and crop insurance
- Focusing primarily on private individuals and, to a lesser extent, agricultural companies
- The business has reinsurance cover in the areas where it is deemed relevant.
- The company is exposed to volatility in the financial markets through investment assets that is restricted by the Board's investment guidelines.
- As a licensable company under the supervision of the FSA, the company is affected by regulations that impact its business strategy and risk-taking.
- Operations are conducted in Sweden, Norway, Denmark, Finland, the UK, France, Germany, Ireland and to a small extent in the Netherlands.

Figure 1. Classification of risk at Agria



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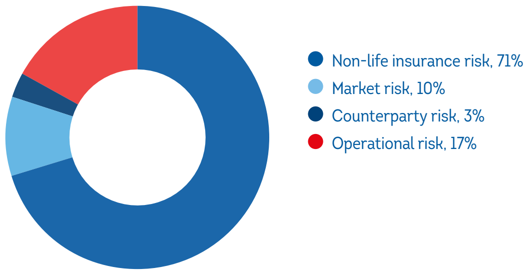
Agria's largest risk exposure to large claims is estimated to be commitments in crop insurance, farm animals insurance and horse insurance, which are limited with reinsurance cover.

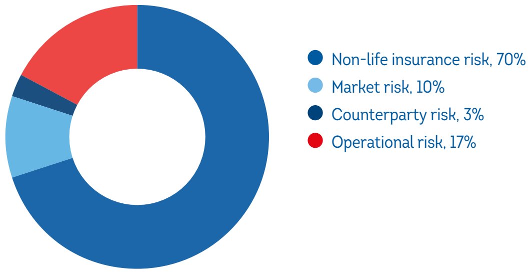
The figures below (figure 2) show the allocation of risk in Agria classified by risk categories. The company defines its risk profiles as equivalent to the calculated capital requirement and associated qualitatively evaluated risks.

Figure 2. Regulatory capital requirement per risk category in accordance with Solvency II, including diversification under Länsförsäkringar's internal model

31 December 2023 Capital requirement profile Agria per 2023 Q4



31 December 2022 Capital requirement profile Agria per 2022 Q4



Insurance risk

Non-life insurance risk arises in Agria in the form of premium, reserve, catastrophe and cancellation risk.

Premium risk refers to the risk of losses arising due to the coming year's claims being greater than expected. Reserve risk refers to the risk of losses arising due to a negative outcome in the settlement of provisions for claims outstanding. Catastrophe risk refers to the risk of losses arising due to natural disasters, epidemics or disasters caused by human activities leading to very large claims payments. Cancellation risk in non-life insurance refers to the risk of losses arising or negative changes in insurance liabilities due to changed levels of stops on premium payments, cancellations, renewals and repurchases.

Risk exposure

Agria's business comprises insurance for pets (dogs, cats and other pets), horses, livestock and crop insurance. This business is conducted to varying extents in Sweden, Norway, Denmark, Finland, the UK, France, Germany, Ireland and to a small extent in the Netherlands. From a non-life insurance perspective, the business has short settlement times, meaning that the time from claim to final payout is short. As a result, claims reserves at any given time are small in relation to the premium portfolio and reserve risk is relatively small. Accordingly, Agria's insurance risk is dominated by premium risk.

Concentration of risk (accumulation risk) could arise when the insurance business is not sufficiently diversified, leading to a single exposure, homogeneous group of exposures or a specific market event threatening the solvency of the company or its financial position. Most business, measured in premium income, is conducted in Sweden. Agria's livestock and crop insurance business increases diversification since it has little covariance with other business lines. Sweden benefits from the fact that the country is sparsely populated and has a cold climate, which makes it difficult for infectious diseases in horses and livestock to spread.

The company is also exposed to cancellation risk since expected profit included in future premiums for existing insurance contracts is part of the company's own funds.

The product range contains a number of different products, divided into several different animal types without any clear risk correlation. There is no covariance in the significance between life assurance and veterinary care or between types of animals.

Risk management

Agria's reinsurance cover comprises an important tool in providing protection from large individual claim incidents (catastrophe risk) and high total claims costs in the more volatile business in the company. The programme provides cover for selected retention up to set limits, with the exception of certain types of risk. Discretionary reinsurance is purchased for insurance amounts exceeding the upper limits of the cover. In addition to horse insurance, livestock and crop, Agria takes out reinsurance for dogs (liability) in foreign branches. In addition, the Board regulates the risk levels in the insurance policy by regulating the maximum risk exposure per claim incident and individual risk. The Board decides on the retention and reinsurance conditions, etc. of the stipulated reinsurance at least once a year.

Other factors that affect insurance risks are the product composition including diversification, structure of insurance terms and conditions, risk selection rules and risk inspections.

Risk sensitivity

Table 1 shows the sensitivity of the company's earnings and equity to changes in claims frequency and average claim. Amounts in different currencies have all been converted at the closing-day rate.

Table 1. Sensitivity analysis, insurance risk (SEK M)

		Impact on profit before tax		Impact on equity	
Assumption		**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Claims frequency	10% increased claims frequency/average claim	-433	-380	-344	-302

Table 2 shows the annual trend for estimated final claims costs from the end of the claim year and beyond, gross and for own account. The table includes claims paid and the provision for claims payments including the provision for unknown claims (claims incurred but not reported (IBNR)). The trend in claims adjustment costs is not included in the table. The claims adjustment reserve is recognised on a separate line.

An estimate of the cost of claims outstanding, which amounts to a gross SEK 436 M (424), is associated with uncertainty as to how much claims, perhaps many years ahead, may cost. The reinsurance cover described above limits risk and the provision for net claims outstanding amounted to SEK 383 M (405).

The actuarial reserve calculation is developed continuously so that the methods applied are well adapted to the conditions for each line of business or part thereof. A significant element in the follow-up work is also the regular reviews of individual claims outstanding that are performed.

The average duration of Agria's insurance portfolio is 0.5 years and was unchanged year-on-year. Table 2 shows the distribution of expected payments of claims outstanding, calculated at present value, according to term before and after reinsurance.

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Table 2. Estimated claims costs before and after reinsurance, per claim year

Estimated claims costs gross, SEK M	2017	2018	2019	2020	2021	2022	2023	Total
At end of claim year	2,103.1	2,334.4	2,625.6	3,025.2	3,410.5	3,619.8	*4,119.3*	
One year later	2,075.1	2,305.0	2,602.5	2,988.2	3,301.8	3,546.0		
Two years later	2,073.4	2,302.6	2,293.0	2,993.2	3,301.5			
Three years later	2,066.5	2,300.4	2,590.1	2,995.0				
Four years later	2,067.8	2,301.0	2,589.9					
Five years later	2,064.7	2,301.2						
Six years later	2,064.6							
Estimated claims costs	2,064.6	2,301.2	2,589.9	2995.0	3,301.5	3,546.0	*4,119.3*	
Accumulated claims payments	2,064.5	2,299.4	2,589.8	2,985.8	3,282.2	3,531.6	*3,757.8*	
Provision for claims payments	0.2	1.8	0.1	9.2	19.3	14.4	*361.5*	406.5
Provision for claims payments, older year classes								2.3
Total provision for claims payments, gross								**408.8**
Claims adjustment reserve, gross								27.0
Provision for claims outstanding, gross								**435.7**

Estimated claims costs for own account, SEK M	2017	2018	2019	2020	2021	2022	2023	Total
At end of claim year	2,103.1	2,334.4	2,625.6	3,017.0	3,389.1	3,619.8	*4,042.1*	
One year later	2,075.1	2,304.7	2,602.5	2,974.8	3,271.4	3,546.0		
Two years later	2,073.4	2,302.3	2,593.0	2,974.9	3,277.6			
Three years later	2,066.5	2,300.0	2,590.1	2,974.6				
Four years later	2,067.8	2,300.6	2,589.9					
Five years later	2,064.7	2,300.9						
Six years later	2064.6							
Estimated claims costs	2,064.6	2,300.9	2,589.9	2,974.6	3,277.6	3,546.0	*4,042.1*	
Accumulated claims payments	2,064.5	2,299.4	2,589.8	2,971.6	3,265.0	3,531.6	*3,718.5*	
Provision for claims payments	0.2	1.5	0.1	3.1	12.6	14.4	*323.6*	355.5
Provision for claims payments, older year classes								0.2
Total provision for claims payments, for own account								**355.7**
Claims adjustment reserve, for own account								27.0
Provision for claims outstanding, for own account								**382.6**

Market risks

Market risk pertains to the risk of loss arising that is directly or indirectly caused by changes in the level or volatility in the market price of assets, liabilities and financial instruments, including losses caused by shortcomings in the matching between assets and liabilities. Concentration risk in market risk is the risk of losses arising due to investment assets not being well-diversified.

Risk exposure

Market risk in the company primarily derives from investment assets and to a lesser extent from insurance liabilities. The main classes in the investment assets are interest-bearing instruments and equities.

The interest-bearing asset portfolios include interest-rate risk from government bonds, credit bonds and derivative instruments. Interest-rate risk is also inherent in insurance liabilities by provisions being discounted by the current market interest rate, but is highly limited due to the short duration in the provisions. Agria has exposure to credit-spread risk in Swedish mortgage bonds and through its bond and loan funds. The company's primary equities exposure is to Swedish, European and US equities. The currency exposure that exists is due to insurance liabilities and investment assets in other currencies. Concentration risk could lead to the company being exposed to a homogeneous group of exposures or a specific market event threatening the solvency of the company or its financial position. However, Agria has a well-diversified asset portfolio with small concentration risk.

Risk management

The Board of Agria decides on the framework for risk-taking, for example, by adopting investment guidelines, allocation mandates and up-to-date sub-limits for various market-risk categories in the investment assets.

The main risk-reduction technique applied to the management of assets in the Group's companies is diversification. The companies' investments are spread over several classes of assets and segment in these classes, leading to exposure to various risk factors that react in different ways to fluctuations in the financial markets. This means that as a whole the portfolio is less sensitive to market fluctuations than its portfolio components. Derivative instruments are also used to a certain extent in the management of assets to protect the company's balance sheets from undesired market risks. Fixed-income futures and forwards and interest-rate swaps are used in management to reduce interest-rate risk. Currency futures are also regularly used to reduce currency risk in the portfolio. The effect of these derivative strategies is continuously monitored. Concentration risk in loans is limited by applying exposure limits for each issuer or group of issuers that have a mutual connection and for the exposure for credit instruments per rating level.

Risk sensitivity

The main classes in Agria's asset portfolio are interest-bearing securities and equities. Table 3 shows how changes in the financial markets affect the company's assets and the effect on earnings and equity. Table 4 shows sensitivity to exchange-rate changes.

Table 3. Sensitivity analysis, market risks (SEK M)

		Impact on profit before tax		Impact on equity	
Assumption		**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Interest-rate risk[1]	100 bps higher nominal market interest rates	−19	−11	−15	−9
Interest-rate risk[1]	100 bps lower nominal market interest rates	19	11	15	9
Credit-spread risk	100 bps higher credit spread	−27	−20	−21	−16
Equities risk[2]	10% lower share prices	−46	−40	−37	−32
Currency risk[3]	10% strengthening of all foreign currencies against SEK	−31	−20	−25	−16

1) Interest-rate risk from analysed investment assets. Technical provisions are undiscounted in IFRS and are not recognised in profit or loss or the balance sheet.

2) Shares and participations.

3) Currency risk, including indirect exposure via a look-through approach of funds.

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Table 4. Currency differences in assets and liabilities, SEK M

2023	EUR	GBP	DKK	NOK	USD	Other	Total	Total 2022
Investment assets	140	20	109	155	110	17	**549**	**519**
Insurance operations	-28	-21	-40	-150	-	-	**-239**	**-276**
Net position (SEK)	**112**	**-1**	**69**	**5**	**110**	**17**	**310**	**202**

IBOR and Interest Rate Benchmark Reform

After the financial crisis, global supervisory authorities have focused on interbank offered rates (IBORs) and an international trend is that IBORs are being replaced by or supplemented with alternative risk-free rates (RFRs) to improve the function of the financial market. Currently, there is uncertainty about the timing and exact nature of these changes. The banking operations' primary exposure to IBORs currently comprises contracts that refer to Stibor and Euribor. There are also relationships with USD Libor and Nibor. The exposures to international IBORs refer to the banking operations' funding and liquidity reserve and associated derivative hedging contracts. The Group is reviewing its systems and processes for managing a change of contracts with IBORs.

On 20 April 2020, administration of Stibor was transferred from the Swedish Bankers' Association's wholly owned subsidiary Financial Benchmark Sweden to Swedish Financial Benchmark Facility (SFBF). SFBF is a newly founded, wholly owned Swedish subsidiary of Global Rate Set Systems (GRSS), which actively administers and calculates references rates according to the Benchmarks Regulation (BMR). SFBF has taken over the task of adjusting Stibor to the BMR. An application for approval was submitted to the FSA on 27 December 2021. Stibor may continue to be used until the FSA announces otherwise. There is currently no indication about when the FSA will make a decision on the application.

In January 2021, the Riksbank started a trial period under which a transaction based alternative reference rate for the shortest maturity was published. The structure of the rate (Swestr), which was preceded by a consultation round, is similar to international examples of alternative reference rates. The trial period has now been concluded and Swestr can be used as a reference rate in financial contracts.

Regarding developments internationally, the Group has no significant exposure to any of the rates that will disappear in the near future and more long-term developments are being monitored. It currently appears that both Euribor and Nibor will continue to exist. USD Libor will continue to be published until 30 June 2023.

Counterparty risk

Counterparty risk pertains to the risk of losses arising due to counterparties being unable to fulfil their undertakings and of any collateral provided not covering the receivable, and pertains to bank balances, financial derivatives and reinsurance.

Risk exposure

Agria's exposure to counterparty risk mostly comprises exposure to banks from cash balances and to a minor extent to derivative positions. Derivatives are purchased to protect the balance sheet against, for example, interest-rate risk and currency risk and entail that the counterparty undertakes, through derivative contracts, to compensate for negative results arising from changes in, for example, market interest rates or exchange rates. As a result, a receivable from the counterparty may arise in the event of market changes. The company is also exposed to counterparty risk from reinsurers. The method for how expected credit losses are determined for different types of assets is described in note 1 in the section on expected credit losses. The company's receivables comprise internal and external receivables that have historically shown a low share of defaulted receivables and no confirmed losses for different groups of counterparties. Considering this and the short term of the receivables, the loss given default is very low, which is why the reserve requirement is zero or almost zero.

Risk management

The counterparty risk in bank balances and financial derivatives is primarily reduced by diversifying the counterparties that the company uses for trading. Exposures of financial derivatives are also limited through netting agreements (ISDAs). Derivatives are cleared via central counterparties or managed using credit support annexes (CSAs) with counterparties with high credit quality.

Counterparty risk arising in connection with reinsurance are primarily reduced by taking proactive measures, by carefully selecting potential reinsurance counterparties and by applying limits for maximum exposure to each counterparty. The credit rating of counterparties is regularly followed up and monitored. In addition, efforts are made to ensure a spread of ceded reinsurance between many reinsurers, which guarantees overall high quality receivables. The reinsurance department regularly tests impairment requirements on assets related to reinsurance contracts. Past due receivables are controlled continuously. Table 5 shows the credit quality of assets.

Table 5. Exposure by credit quality step

	Market value, SEK M	
	31 Dec 2023	**31 Dec 2022**
Cash and bank balances and cash and cash equivalents classified as Other receivables		
A	639	697
Total cash	**639**	**697**
Bonds and other interest-bearing securities[1]		
AAA - Government securities other than those issued by the Swedish Government	308	278
AAA	766	628
AA	41	41
A	-	220
No rating available	90	405
Total bonds and other interest-bearing securities	**1,205**	**1,571**
Derivatives[2]		
Clearing via central counterparty	0	0
A	2	1
Total derivatives	**2**	**2**
Reinsurance		
Regional insurance companies	41	11
AA	12	8
A	0	0
Total reinsurance	**53**	**19**
Total	**1,899**	**2,289**

[1] Market value including accrued interest for directly-owned holdings, which also includes analysed fixed-income funds.
[2] Only exposures from receivables that entail counterparty risk are included.

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Liquidity risk

Liquidity risk is the risk of losses arising due to the company's own payment commitments not being fulfilled due to a shortage of cash and cash equivalents or that these undertakings can only be fulfilled by raising funding at significantly higher costs than usual or by divesting assets at a loss.

Risk exposure

The company's liquidity risks are low since premiums are received in advance and large individual claims and payouts outside normal cash flows are known well in advance of when they fall due. In addition, most of the investment assets in the company are available at short notice.

Risk management

Liquidity risk is minimised by the predominant proportion of investments being made in securities with high liquidity that are listed on established exchanges. To further limit liquidity risks, rules exist on how investments are to be made in unlisted assets. Each company's investment guidelines also state that the investment assets are to be invested by taking into account each company's liquidity needs for meeting their commitments.

Risk sensitivity

Table 6 shows the exposure for the financial assets and liabilities over different terms. The table shows the actual cash flows that will occur in each period, based on the remaining contractual maturities. However, most of the bonds and interest-bearing securities can be realised at short notice to cover contractual commitments at any time on the liabilities side.

Table 6. Maturity analysis for financial assets[2] and liabilities and insurance undertakings

	2023						2022					
SEK M	<3 months	3 months–1 year	1–5 years	5–10 years	> 10 years	Total	<3 months	3 months–1 year	1–5 years	5–10 years	> 10 years	Total
Assets												
Reinsurers' portion of technical provisions	23.4	28.3	1.4	–	–	**53.1**	12.2	5.2	1.9	–	–	**19.3**
Interest-bearing securities issued by Group companies and loans to Group companies	–	–	3.1	146.0	–	**149.1**	–	1.0	79.8	2.8	–	**83.7**
Bonds and other interest-bearing securities[1]	–	142.9	44.8	1,021.9	–	**1,209.7**	1.0	532.2	683.3	32.6	–	**1,249.2**
Other receivables	2.6	–	–	–	–	**2.6**	79.9	–	–	–	–	**79.9**
Prepaid expenses and accrued income	6.1	–	–	–	–	**6.1**	5.1	–	–	–	–	**5.1**
Total assets	**32.2**	**171.2**	**49.3**	**1,167.9**	**–**	**1,420.6**	**98.2**	**538.4**	**765.0**	**35.4**	**–**	**1,437.0**
Liabilities												
Technical provisions	1,029.6	2,221.4	112.9	0.2	–	**3,364.2**	972.4	2,098.0	111.2	–	–	**3,181.7**
Other liabilities	170.5	–	–	–	–	**170.5**	58.3	–	–	–	–	**58.3**
Accrued expenses and deferred income	42.9	–	–	–	–	**42.9**	43.5	–	–	–	–	**43.5**
Total liabilities	**1,243.0**	**2,221.4**	**112.9**	**0.2**	**–**	**3,577.6**	**1,074.3**	**2,098.0**	**111.2**	**–**	**–**	**3,283.6**
Derivatives, in and outflows, net	27.8	–	–	–	–	**27.8**	–4.4	–	–	–	–	**–4.4**
Total derivatives	**27.8**	**–**	**–**	**–**	**–**	**27.8**	**–4.4**	**–**	**–**	**–**	**–**	**–4.4**

[1] The balance-sheet item Bonds and other interest-bearing securities includes Fixed-income funds. These have no contractual maturities and have been excluded from the table above. The recovery periods for securities do not reflect the liquidity in the portfolio but rather the final maturity of the securities. These are realisable at any time.

[2] Note that the table applies to financial assets and not the total assets corresponding to the commitments, which would include premium receivables, for example.

Operational risk

Operational risk refers to the risk of losses arising due to inadequate or failed internal processes and systems as well as human error or external events, and includes legal and compliance risks.

Risk exposure

The forms of operational risk to which the company is exposed are product and process risks, personnel risks, legal risks and compliance risks, IT risks, model risks and security risks. Security risks, for example, crime and improprieties cannot be completely avoided and as digitisation increases and the business environment become more uncertain greater focus has been directed to cyber risks and IT risks. Compliance risks in the insurance operations also require active management.

Risk management

The company's work on operational risk is based on Länsförsäkringar AB Group-wide methods that encompass business-critical processes and key controls as well as reported incidents and the operations' self-assessment of operational risk and risk indicators. The process of managing and controlling operational risk includes identifying, measuring, monitoring, managing and reporting.

The Group has a shared framework for identifying, measuring and documenting risks in the decision-making process for decisions that could be expected to have a material impact on profitability, risk profile, organisation or brand. The purpose is to ensure efficient decision-making through proactive and appropriate management of the risks so as to thereby achieve established targets with a higher degree of certainty, to ensure compliance with applicable laws and regulations and to create customer value. Furthermore, the Group-wide method encompasses continuity management, which involves preparing business contingency, continuity and restoration plans to manage incidents before, during and after a crisis has occurred. The overall goal for security work is to protect the organisation's assets from all types of threats – internal or external, intentional or unintentional. Security work is conducted in accordance with the ISO standards on information security and continuity management.

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Other material risks

In addition to the risks described above, Agria is also exposed to business risks, emerging risks, climate risks and concentration risks.

- Business risk pertains to the risk of lower earnings, higher expenses or loss of confidence from customers or other stakeholders. Business risk also includes conduct risk, meaning the risk of improper conduct.
- Emerging risks refers to new or changed behaviour patterns, situations or trends that may have a material impact on the company's financial situation, market position or brand in a negative direction within the company's business planning horizon.
- Climate risk refers to the risks that the consequences of climate change may have on the company's business activities. Climate risks can materialise either through physical risks, such as more cases of extreme weather and gradually rising sea levels, or through transition risks, such as regulatory, political and market changes related to the transition to a low-carbon society.
- Concentration risk refers to the risk of a single exposure, homogeneous group of exposures or a specific market event resulting in widespread losses even if the operations were to be well-diversified. Concentration risk may derive from concentrations of both assets and liabilities as well as sources of income and suppliers, including suppliers of outsourced services.

Risk exposure

The company's exposure to business risks follows the business strategies decided where the business planning process and results from business risk analyses comprise important instruments in managing challenges associated with strategies and objectives. Due to the strong brand connection between the companies in the Group, diminished confidence in one of the companies could entail a reputation risk that damages the brand and thus Agria.

The Länsförsäkringar AB Group identifies climate risks in the business as both physical risks and transition risks. An example of transition risk is what is known as "stranded assets": financial values risk becoming worthless if they cannot be commercialised due to, for instance, changes in markets, customer preferences or regulatory requirements. Another is that the brand risks being damaged if it is associated with products or services with a negative climate impact. Examples of physical climate risks include serious extreme weather events that could result in higher claims costs. Länsförsäkringar AB works continuously on developing metrics to follow up climate risk to achieve as comprehensive an overview of potential effects as possible. For example, an annual climate scenario analysis is carried out under the framework of the Own Risk and Solvency Assessment (ORSA). The purpose of this analysis is to illustrate how various potential development scenarios for climate change could impact the operations over time.

New and emerging risks can arise over time due to changes in the external business environment or internal circumstances. This could be a brand new behaviour pattern that presents a new risk or a risk that changes its nature and thus should be managed in a new way, but could also be a risk that has previously been deemed to be immaterial that has become material. Examples could be the emergence of new economies, technological advances and social-political changes, etc.

Agria is not deemed to have any material concentrations of assets, liabilities or sources of income. See also the sections on market risk and insurance risk.

Risk management

Business risks are managed at Board and management level through analyses and decisions prior to making strategic choices on the direction of the operations. Business risk analyses are carried out in the annual business planning process, but can also be performed in the interim if required due to changes in the external environment or in connection with business decisions. The specific business risks that are deemed to be the most important at any given time are continuously monitored at management level.

The Länsförsäkringar AB Group has a climate-smart vision that entails that the Group is to work actively to reduce climate impact and the climate risks throughout its operations and to encourage climate adaptation to reduce the damaging impact of climate change. By 2030, the Länsförsäkringar AB Group's investments in institutional investment portfolios and own managed funds are to be in line with the Paris Agreement, meaning limiting climate change to 1.5°C. The Länsförsäkringar AB Group works on identifying and reducing climate risk in its investments by applying a systematic process for allocation and investment analyses, selection of investments or asset managers, and engagement.

The Länsförsäkringar AB Group supports the Task Force on Climate Related Financial Disclosures (TCFD), which are recommendations on the reporting of climate-related risks and opportunities that are expected to be developed into a standard for climate reporting in the future.

Emerging risks are identified and managed as part of the continuous risk-management activities and in the company's annual Own Risk and Solvency Assessment (ORSA). The materiality of the risk determines whether action is to be taken and the nature of the risk governs the appropriate course of action.

Concentration risk is primarily counterbalanced by decisions determining the maximum exposure per reinsurer, per counterparty in financial derivatives, discretionary reinsurance of the insured, very large individual risks and by the diversification of the Group's investment assets.

Capital planning

The management of risk-taking is closely related to the control of the use of Agria's capital. An ORSA including a plan for financing the company's operations is prepared in conjunction with the annual business planning, and in the interim wherever necessary. The aim of this plan, which sets out the planned structure of own funds and risks, is to ensure that, at any given time, the company has a sufficient buffer of capital to meet the risks generated by the operations.

Agria has own funds that exceed the statutory capital requirement (Solvency II) by a healthy margin. The overall risk profile under Solvency II is reported quarterly to the Board and regulatory requirements are taken into account to a great extent in the business decisions. Quantitative information on own funds, capital requirements and the solvency ratio is provided in table 7.

Agria's solvency ratio exceeds the statutory requirement by a healthy margin. Agria's solvency ratio exceeds the statutory requirement by a healthy margin. The solvency ratio, meaning the ratio between own funds and the capital requirement under Solvency II, was 152% (172) on 31 December 2023.

Table 7. Capital position under Solvency II

SEK M	31 Dec 2023	31 Dec 2022
Own funds	1,648	1,717
Capital requirement	1,083	997
Solvency ratio	152%	172%

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NOTE 3 PREMIUM INCOME

	2023	2022
Direct insurance, Sweden	3,095.6	3,102.3
Direct insurance, Denmark	445.4	371.5
Direct insurance, Finland	187.2	145.8
Direct insurance, Norway	886.1	862.3
Direct insurance, UK	1,419.8	1,188.7
Direct insurance, France	64.5	41.0
Direct insurance, Germany	28.6	10.1
Direct insurance, Ireland	38.6	-
Direct insurance, Netherlands	0.1	-
Assumed reinsurance	7.1	36.1
Total	**6,173.0**	**5,757.8**

NOTE 4 INVESTMENT INCOME TRANSFERRED FROM FINANCIAL OPERATIONS

	2023	2022
Transferred investment income	74.1	0.1
Interest rates, %		
Provisions for insurance policies with long-term claims in run-off	2.33%	0.60%
Provisions for insurance policies with short-term claims in run-off	2.20%	0.00%

The estimated return on the assets corresponding to the technical provisions is transferred from the financial operations to the technical result. The transferred investment income is calculated on the basis of half the premiums earned after ceded reinsurance and on the basis of the average of opening and closing provisions for claims outstanding after ceded reinsurance during the year.

NOTE 5 CLAIMS PAYMENTS

	2023	2022
Claims paid	-4,085.2	-3,534.8
Operating expenses for claims adjustment	-303.3	-310.5
Total claims costs	**-4,388.6**	**-3,845.3**

NOTE 6 OPERATING EXPENSES

Procurement and administration	**2023**	**2022**
Operating expenses		
Acquisition costs[1]	-838.3	-847.8
Change in deferred acquisition costs	-10.1	33.3
Administration expenses	-666.2	-457.5
Commission and profit shares in ceded reinsurance	0.0	0.1
Total	**1,514.6**	**-1,271.9**
Other operating expenses		
Asset management expenses included in investment income, expenses	-5.0	-4.8
Claims adjustment costs included in claims paid	-303.3	-310.5
Total	**-1,823.0**	**-1,587.2**
Total operating expenses by type of cost		
Staff costs	-426.9	-360.3
Costs for premises	-49.3	-37.3
Depreciation	-2.5	-7.5
Other operations-related expenses	-1,344.4	-1,182.1
Total	**-1,823.0**	**-1,587.2**
Total operating expenses by function		
Acquisitions	-848.4	-814.5
Claims adjustment	-303.3	-310.5
Administration expenses	-666.2	-457.4
Finance management	-5.0	-4.8
Total	**-1,823.0**	**-1,587.2**

[1] Of which commission for direct insurance SEK -498.8 M (-438.2 M).

NOTE 7 FEES AND REMUNERATION OF AUDITORS

The following fees have been paid to auditors	**2023**	**2022**
Deloitte, audit assignment	-2.7	-1.3
Deloitte, audit activities in addition to the audit assignment	-	-
Deloitte, tax advice	-	-
Deloitte, other services	-	-
Total	**-2.7**	**-1.3**

Audit assignment pertains to a review of the Annual Report and accounting, as well as the Board's and President's administration.

NOTE 8 EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES

Average number of employees, Sweden	**2023**	**2022**
Men	75	62
Women	216	185
Total number of employees	**291**	**247**
Norway		
Men	9	10
Women	58	56
Denmark		
Men	2	2
Women	37	34
Finland		
Men	1	1
Women	15	12
Ireland		
Men	0	0
Women	1	0
France		
Men	2	2
Women	9	7
UK		
Men	3	3
Women	1	1
Germany		
Men	1	1
Women	6	5
Total number of employees		
Men	93	81
Women	343	300
Total	**436**	**381**

Brokers	**2023**	**2022**
Total number	**35**	**38**

Salaries and other remuneration, as well as social security expenses, other employees	**2023**	**2022**
Salaries and remuneration	-246.8	-200.4
of which, variable salary	-	-
Social security expenses	-108.6	-89.1
of which, pension costs	-32.5	-27.7
Total	**-355.4**	**-289.4**

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NOTE 8 EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES, CONT.

Board of Directors and senior executives, 17 (18)	2023	2022
Salaries and remuneration	-16.7	-17.1
of which, fixed salary to the President and Executive Vice President	-5.6	-5.3
of which, variable salary to the President and Executive Vice President	-	-
of which, fixed salary to other senior executives	-8.6	-9.4
of which, variable salary to other senior executives	-	-
Social security expenses	-11.2	-12.4
of which, pension costs	-4.7	-5.5
	-27.9	**-29.5**

Total salaries, other remuneration and social security expenses	2023	2022
Salaries and remuneration	-263.5	-217.5
of which, variable salary	-	-
Social security expenses	-119.8	-101.4
of which, pension costs	-37.2	-33.2
	-383.3	**-318.9**

Remuneration and social security expenses	2023	2022
Brokers, Sweden	-0.2	-0.3
Total	**-0.2**	**-0.3**

Remuneration of the Board

Directors' fees are payable to the Chairman and members of the Board in accordance with a decision of the Annual General Meeting. Employee representatives and Board members of the Länsförsäkringar AB Group do not receive any directors' fees.

Remuneration of senior executives

Remuneration of the President and other senior executives comprises basic salary and other benefits. Pension benefits and other benefits paid to the President and other senior executives are included as part of total remuneration. Other senior executives are the individuals who, together with the President, comprise corporate management.

Remuneration of senior executives					Pension costs as a percentage of pensionable salary, %
2023	**Basic salary**	**Other remuneration**	**Pension costs**	**Total**	**Defined-contribution**
Agnes Fabricius, President	-3.7	-0.1	-1.3	**-5.1**	35%
Monica Dreijer, Executive Vice President	-1.6	-0.1	-0.4	**-2.0**	24%
Lena Åsheim, Board member	-0.2	-	-	**-0.2**	-
Ulf Uddman, Board member	-0.3	-	-	**-0.3**	-
Stig Högberg, Board member	-0.4	-	-	**-0.4**	-
Dag Ekner, Board member	-0.3	-	-	**-0.3**	-
Ulrika Obstfelder Peterson, Board member	-0.3	-	-	**-0.3**	-
Anders Lågström, Board member	-0.3	-	-	**-0.3**	-
Henrik Stangel, Board member	-0.3	-	-	**-0.3**	-
Per-Åke Holgersson, Board member	-0.3	-	-	**-0.3**	-
Martin Moraeus, Board member	-0.1	-	-	**-0.1**	-
Other senior executives (7 persons)	-10.4	-0.1	-3.2	**-13.7**	30%
Total 2023	**-18.2**	**-0.3**	**-4.9**	**-23.4**	

Remuneration of senior executives					Pension costs as a percentage of pensionable salary, %
2022	**Basic salary**	**Other remuneration**	**Pension costs**	**Total**	**Defined-contribution**
Agnes Fabricius, President	-3.5	-0.1	-1.3	**-4.9**	35%
Monica Dreijer, Executive Vice President	-1.6	-0.1	-0.7	**-2.3**	44%
Lena Åsheim, Board member	-0.3	-	-	**-0.3**	-
Ulf Uddman, Board member	-0.3	-	-	**-0.3**	-
Stig Högberg, Board member	-0.3	-	-	**-0.3**	-
Dag Ekner, Board member	-0.3	-	-	**-0.3**	-
Ulrika Obstfelder Peterson, Board member	-0.3	-	-	**-0.3**	-
Anders Lågström, Board member	-0.3	-	-	**-0.3**	-
Henrik Stangel, Board member	-0.3	-	-	**-0.3**	-
Per-Åke Holgersson, Board member	-0.3	-	-	**-0.3**	-
Katja Puustinen, former Board member	-0.1	-	-	**-0.1**	-
Other senior executives (7 persons)	-9.2	-0.2	-3.5	-12.9	33%
Total 2022	**-16.7**	**-0.4**	**-5.5**	**-22.6**	

Pension costs pertain to the impact on net profit for the year.

Pensions

The retirement age for the President is 65. The pension is a defined-contribution plan and the pension premium is to amount to 35% of the monthly salary.

The retirement age for other senior executives is 65. The terms follow applicable pension agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO). An additional pension premium corresponding to one and a half price base amounts per year is also paid for the Executive Vice President, and an additional pension premium corresponding to one price base amount per year is paid for each of the other senior executives.

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NOTE 8 EMPLOYEES, STAFF COSTS AND REMUNERATION OF SENIOR EXECUTIVES, CONT.

Severance pay

A mutual period of notice of six months applies for the President and Executive Vice President. If the company terminates employment, severance pay corresponding to 12 months' salary is paid during the period of notice to the President, and 18 months' salary to the Executive Vice President. For other senior executives, the terms follow the period of notice applicable in the collective agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO).

Preparation and decision-making process applied in relation to the issue of remuneration of corporate management

A Remuneration Policy for the Länsförsäkringar AB Group regulates the preparation and decision-making process for remuneration of corporate management.

The Remuneration Committee prepares important remuneration decisions and decisions on measures for following up the application of the Remuneration Policy. The Board decides on remuneration and other terms of employment for corporate management and employees with overall responsibility for one of the company's control functions.

Composition and mandate of Remuneration Committee

The composition and duties of the Remuneration Committee are regulated in the Board's formal work plan. The Remuneration Committee comprises the Chairman and one Board member.

Policies for remuneration of corporate management

Senior executives in the Länsförsäkringar AB Group are to have market-based employment terms and conditions. The total remuneration must be on par with the industry. The structure and level of remuneration should correspond to the company's values, meaning that it should be reasonable, moderate and well-balanced, and also contribute to good ethics and organisational culture, characterised by openness and transparency.

Fixed remuneration

Fixed remuneration is paid according to the general policy above.

Pensions

Pensions should comply with the terms of the collective agreements between the Swedish Insurance Employers' Association (FAO), Forena and the Swedish Confederation of Professional Associations (SACO).

Other benefits

In addition to the above benefits, a company car, individual health care insurance and other benefits are offered to all employees.

Number of women among senior executives, %	31 Dec 2023	31 Dec 2022
Board members	18	36
Other senior executives	67	67

NOTE 9 INVESTMENT INCOME, NET

	2023	2022
Dividends		
Dividends received on shares and participations	0.9	2.7
Dividends and Group contributions received from Group and associated companies	41.2	49.7
Total dividends	**42.1**	**52.4**
Interest income		
Bonds and other interest-bearing securities[1]	30.7	10.3
Interest-bearing securities issued by Group companies	2.8	0.5
Derivatives	5.0	-
Financial assets that are not measured at fair value through profit or loss[2]	5.1	2.2
Other interest income	11.3	0.2
Other interest income Group companies	5.7	1.5
Total interest income	**60.6**	**14.7**
Realised profit, net		
Shares and participations	15.9	13.1
Bonds and other interest-bearing securities	-16.0	-14.4
Interest-bearing securities issued by Group companies	-2.4	-3.6
Derivatives	1.6	30.3
Total realised profit, net	**-1.0**	**25.4**
Unrealised profit, net		
Shares and participations	65.0	-111.5
Bonds and other interest-bearing securities	48.2	-52.7
Interest-bearing securities issued by Group companies	8.4	-4.8
Derivatives	-0.2	-
Total unrealised profit, net	**121.5**	**-169.0**
Exchange-rate gains/losses, net	**-5.4**	**-15.4**
Interest expense		
Derivatives	-16.4	-9.0
Financial liabilities that are not measured at fair value through profit or loss	-0.1	-0.1
Other interest expense	-0.1	0.0
Total interest expense	**-16.6**	**-9.1**
Asset management expenses	**-5.0**	**-4.8**
Other financial expenses	**-0.8**	**-1.0**
Total investment income, net	**195.3**	**-106.9**

	2023	2022
Investment income by measurement category		
Financial assets measured at FVPL	114.2	-143.7
Financial assets measured at FVPL KI	9.6	-6.6
Financial assets measured at amortised cost	4.7	1.0
Items not specified by category		
Other items	21.1	-8.5
Other items KI	45.8	50.9
Total investment income, net	**195.3**	**-106.9**

[1] Of which negative interest rate on interest-bearing securities of SEK 0.0 M (0.3).
[2] Of which negative interest on cash and bank balances of SEK 0.1 M (0.0).

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NOTE 10 TAXES

	2023	2022
Current tax expense		
Tax expense for the year	-59.7	-115.7
Adjustment of tax expense pertaining to prior years	0.6	-1.1
Total current tax expense	**-59.1**	**-116.9**
Deferred tax expense		
Deferred tax expense/income pertaining to temporary differences	-2.9	0.0
Deferred tax expense/income attributable to other unutilised loss carryforwards	13.7	38.9
Total recognised tax expense	**-48.3**	**-78.0**

Reconciliation of effective tax rate	**2023**	**2022**
Profit before tax	297.2	439.5
Tax at applicable tax rate for the Parent Company	-61.2	-90.5
Non-deductible costs	-2.5	1.2
Non-taxable income	11.8	10.8
Tax attributable to earlier years	0.6	-1.1
Other	3.0	1.7
Recognised effective tax	**-48.3**	**-78.0**
Current tax rate, %	20.6%	20.6%
Effective tax rate, %	16.2%	17.7%

Recognised deferred tax assets/ tax liabilities are attributable to the following:	**31 Dec 2023**	**31 Dec 2022**
Other assets	10.8	38.9
Other liabilities	0	0.0
Deferred tax assets (+)/liabilities(–)	**10.8**	**38.9**

The change between years has been fully recognised as a deferred tax expense in profit or loss.

Law on top-up tax for companies in large groups

The Länsförsäkringar AB Group is subject to the law on top-up tax for companies in large groups (the "Top-up Tax Act") that comes into force on 1 January 2024. This Act means that companies in the Länsförsäkringar AB Group may be obliged to pay a top-up tax for the difference between a minimum rate of 15% and the effective tax rate calculated according to the Top-up Tax Act for each country in which the Group operates. As per 31 December 2023, the Länsförsäkringar AB Group pays corporate tax of more than 15% in all its countries of operation, except for Ireland where Capstone Financial Services Ltd and Agria's Irish branch both pay corporate tax of 12.5%. Corporate tax that is less than the minimum tax rate of 15% is an indicator that operations may be liable to pay top-up tax. Countries of operation with a nominal corporate tax rate of at least 15% could still be subject to top-up tax since the calculation of the effective tax rate per country depends on specific adjustments. Accordingly, it is too early to state whether Agria will be liable to pay top-up tax due to the complex legislation. The Länsförsäkringar AB Group is currently evaluating its exposure to top-up tax, including the application of temporary simplification rules, and it is not yet possible to estimate the outcome with reasonable certainty. However, calculations based on the financial outcome for 2023 indicate that the Group could apply the simplification rules, meaning that no top-up tax would be paid for the 2024–2026 fiscal years. The option of applying simplification rules is not established until the financial outcome of each year is known. For this reason, the company is applying the compulsory exemption in IAS 12 Income Taxes in its Annual Report regarding the presentation and reporting of disclosures on deferred tax that could arise as a result of Pillar II.

NOTE 11 OTHER INTANGIBLE ASSETS

	2023	2022
Opening cost	**59.2**	**75.1**
Acquisitions for the year	26.9	-
Disposals for the year	-	-16.0
Exchange-rate effect	0.0	0.1
Closing cost	86.0	59.2
Opening amortisation and impairment	**-59.2**	**-70.3**
Amortisation for the year	0.0	-0.5
Impairment for the year	-	-4.3
Disposals for the year	-	16.0
Exchange-rate effect	0.0	-0.1
Closing amortisation and impairment	-59.2	-59.2
Carrying amount	**26.9**	**0.0**

The carrying amount consists only of internally generally intangible assets of SEK 26.9 M (0.0) after amortisation and impairment. Accumulated acquisition costs amounted to 86.0% (59.2). The internally generally assets relate to capitalised development expenditures for significant IT investments.

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NOTE 12 SHARES AND PARTICIPATIONS IN GROUP COMPANIES

	Number of participations	Share in %	Equity 2023	Profit/loss 2023	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Agria Pet Insurance LimitedCompany nr 04258783, Aylesbury	180,000	100	364.4	74.9	273.2	273.2
Agria Vet Guide AB 559132-0451, Stockholm	70,483	100	14.2	-12.6	197.0	162.0
Capstone Financial Services Ltd Company nr 451193, Cork, Ireland	114	100	28.2	-2.1	110.4	110.4

The fair value of Shares and participations in Group companies amounted to SEK 486 M for the entire balance-sheet item. A separate calculation of the value in use for each Group company did not result in an impairment requirement

Cost	2023	2022
Opening balance	546.6	400.2
Acquisition of Capstone Financial Services Ltd	-	88.4
Shareholders' contributions	-	22.0
Group contributions	35.0	35.0
Total cost	**580.6**	**545.6**

NOTE 13 INTEREST-BEARING SECURITIES ISSUED BY GROUP COMPANIES

	31 Dec 2023	31 Dec 2022
Listed bonds issued by Länsförsäkringar Hypotek	130.6	74.6
Total	**130.6**	**74.6**
Amortised cost	126.9	79.7

NOTE 14 SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES

	Number of participations	Share in %	Equity[1] 2023	Profit[1] 2023	Carrying amount[2] [3] 31 Dec 2023	Carrying amount[2] [3] 31 Dec 2022
Svenska Andelshästar AB 556536-9633, Uppsala län	450	45	6.3	0.9	3.3	0.5

[1] 100% of the associated companies' equity and earnings.

[2] Försäkringsaktiebolaget Agria's carrying amount and participating interest of fair value.

[3] Shares and participations in associated companies are measured at fair value instead of at cost as was previously the case. The amendment was not applied retrospectively to the comparative figures since it had no material impact on the financial statements.

NOTE 15 SHARES AND PARTICIPATIONS

	31 Dec 2023	31 Dec 2022
Listed shares and participations	463.4	399.5
Unlisted shares and participations	-	-
Total	**463.4**	**399.5**
Fair value	463.4	399.5
Cost	355.0	355.7

NOTE 16 BONDS AND OTHER INTEREST-BEARING SECURITIES

	31 Dec 2023	31 Dec 2022
Issuer		
Swedish mortgage institutions	388.2	524.9
Other Swedish issuers	279.7	525.3
Foreign states	330.4	287.5
Other foreign issuers	206.2	233.3
Total	**1,204.5**	**1,571.1**
Amortised cost	1,202.6	1,611.1
Market status		
Listed securities	1,114.6	1,481 ,9
Unlisted securities	90.0	89.2
Total	**1,204.5**	**1,571.1**
Carrying amounts of securities compared with nominal amounts		
Surplus	5.7	-
Deficit	-55.1	-74.3

NOTE 17 DERIVATIVES

	Fair values 31 Dec 2023	Nominal amount 31 Dec 2023	Fair values 31 Dec 2022	Nominal amount 31 Dec 2022
Derivatives with positive values or valued at zero				
Interest-rate derivatives	0.2	298.0	0.3	294.5
Currency derivatives	38.2	886.3	18.2	204.1
Total	**38.4**	**1184.3**	**18.5**	**498.6**
Derivatives with negative values				
Interest-rate derivatives	0.1	84.0	0.0	44.9
Currency derivatives	10.5	287.7	22.9	757.7
Total	**10.6**	**371.7**	**22.9**	**802.6**

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NOTE 18 INFORMATION ABOUT OFFSETTING

The table shows the financial instruments covered by a legally binding agreement regarding netting or a similar agreement, together with related collateral. The company has ISDA and CSA agreements with all derivative counterparties, which means that all exposures are covered by these types of agreements. The agreements entitle the parties to offset liabilities and receivables in the event of suspension of payment or insolvency. The net amount comprises the amount that in the event of suspension of payment or insolvency would be received if the amount is an asset, or paid if the amount is a liability.

Financial assets and liabilities that are offset or subject to netting agreements

				Related amounts not offset in the balance sheet		
31 Dec 2023	**Gross amount**	**Offset in balance sheet**	**Net amounts in balance sheet**	**Netting framework agreement**	**Collateral Received (-) / Pledged (+)**	**Net amount**
Assets						
Derivatives	38.4	–	38.4	-10.6	0.0	27.8
Liabilities						
Derivatives	-10.6	–	-10.6	10.6	-32.9	-32.9
Total	**27.8**	**–**	**27.8**	**0.0**	**-32.9**	**-5.1**

Financial assets and liabilities that are offset or subject to netting agreements

				Related amounts not offset in the balance sheet		
31 Dec 2022	**Gross amount**	**Offset in balance sheet**	**Net amounts in balance sheet**	**Netting framework agreement**	**Collateral Received (-) / Pledged (+)**	**Net amount**
Assets						
Derivatives	18.5	–	18.5	–14.9	9.3	12.9
Liabilities						
Derivatives	–22.9	–	–22.9	14.9	–4.3	–12.3
Total	**–4.4**	**–**	**–4.4**	**0.0**	**5.0**	**0.6**

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NOTE 19 RECEIVABLES, DIRECT INSURANCE

	2023	2022
Receivables from policyholders	2,785.7	2,559.7
Receivables from insurance brokers	-	-
Receivables from insurance companies	-	-
	2,785.7	**2,559.7**

NOTE 20 OTHER RECEIVABLES

	31 Dec 2023	31 Dec 2022
Receivables from Group companies	117.1	78.8
Other receivables	3.5	140.9
Total	**120.6**	**219.7**

In its calculation of loss allowance for financial receivables, the company uses the simplified method that is described in more detail in note 1 Accounting policies. The loss allowance on 31 December 2023 amounted to SEK 0 M (0).

NOTE 21 TANGIBLE ASSETS AND INVENTORIES

	31 Dec 2023	31 Dec 2022
Tangible assets	8.8	8.5
Inventories, market items	21.4	16.3
Total	**30.2**	**24.8**
Tangible assets		
Accumulated cost		
Opening balance	16.9	16.3
Acquisitions for the year	3.4	3.8
Divestments and disposals	-1.6	-3.4
Exchange-rate effect	-0.1	0.2
Closing balance	**18.6**	**16.9**
Accumulated depreciation		
Opening balance	-8.4	-7.9
Depreciation for the year	-2.5	-2.7
Divestments and disposals	1.0	2.2
Exchange-rate effect	0.1	-0.1
Closing balance	**-9.8**	**-8.4**
Carrying amount	**8.8**	**8.5**

NOTE 22 DEFERRED ACQUISITION COSTS

	31 Dec 2023	31 Dec 2022
Opening balance	257.2	219.0
Capitalisation for the year	522.2	511.0
Depreciation for the year	-532.3	-477.7
Exchange-rate changes	1.1	4.9
Closing balance	**248.3**	**257.2**

NOTE 23 UNTAXED RESERVES

	2023	2022
Equalisation reserve	35.2	35.2
Contingency reserve	464.9	464.9
Tax allocation reserve		
Reserved for 2017	-	50.0
Reserved for 2018	41.0	41.0
Reserved for 2019	43.0	43.0
Reserved for 2020	41.0	41.0
Reserved for 2021	85.0	85.0
Reserved for 2023	80.0	-
Closing balance, tax allocation reserve	290.0	260.0
Total	**790.1**	**760.1**

NOTE 24 UNEARNED PREMIUMS AND UNEXPIRED RISKS

	31 Dec 2023			31 Dec 2022		
	Gross	Reinsurers' portion	Net	Gross	Reinsurers' portion	Net
Opening balance	2,757.5	–	2,757.5	2,519.7	–	2,519.7
Provisions for the period	186.5	–	186.5	193.8	–	193.8
Exchange-rate changes	-15.5	–	-15.5	44.0	–	44.0
Closing balance	**2,928.5**	–	**2,928.5**	**2,757.5**	**–**	**2,757.5**

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NOTE 25 CLAIMS OUTSTANDING

	31 Dec 2023			31 Dec 2022		
	Gross	Reinsurers' portion	Net	Gross	Reinsurers' portion	Net
Claims incurred and reported	81.3	19.3	62.0	89.5	25.6	63.9
Claims incurred and not reported	317.4	–	317.4	333.1	–	333.1
Claims adjustment costs	25.5	–	25.5	25.4	–	25.4
Total opening balance	**424.2**	**19.3**	**408.8**	**448.0**	**25.6**	**422.4**
Provisions for the period	10.7	33.8	-23.1	-33.3	-6.3	-27.0
Exchange-rate changes	0.9	–	0.9	9.5	–	9.5
Total change for the year	**11.6**	**33.8**	**-22.2**	**-23.9**	**-6.3**	**-17.5**
Claims incurred and reported	92.7	53.1	39.6	81.3	19.3	62.0
Claims incurred and not reported	316.0	–	316.0	317.4	–	317.4
Claims adjustment costs	27.0	–	27.0	25.5	–	25.5
Total closing balance	**435.7**	**53.1**	**382.6**	**424.2**	**19.3**	**404.8**

Technical provisions in Agria are not discounted.

NOTE 26 PENSIONS AND SIMILAR COMMITMENTS

Defined-contribution pension plans

Defined-contribution pension plans are plans according to which the company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions. The Group's payments to defined-contribution plans are recognised as expenses during the period in which the employee performed the services to which the contributions refer. Primarily, contributions to the Insurance Industry's Pension Fund (FPK) are recognised here. This plan encompasses all employees in Sweden.

FTP plan contributions for 2024 are expected to total SEK 7.7 M.

	2023	2022
Expenses for defined-contribution plans	23.8	21.9

NOTE 27 LIABILITIES, DIRECT INSURANCE

	2023	2022
Liabilities to policyholders	20.6	24.1
Liabilities to insurance brokers	–	–
Liabilities to insurance companies	–	–
	20.6	**24.1**

Liabilities to policyholders include liabilities to the subsidiary Agria Vet Guide AB of SEK 6.5 M (4.7).

NOTE 28 OTHER LIABILITIES

	31 Dec 2023	31 Dec 2022
Liabilities to Group companies	10.4	328.8
Other liabilities	256.8	165.9
Total	**267.2**	**494.8**

NOTE 29 OTHER ACCRUED EXPENSES AND DEFERRED INCOME

	31 Dec 2023	31 Dec 2022
Prepaid premiums	720.8	695.5
Accrued expenses	89.6	83.9
Total	**810.3**	**779.4**

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NOTE 30 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 Dec 2023	Financial assets measured at FVPL: Measured at FVPL	Financial assets measured at amortised cost	Financial assets measured at FVOCI: Debt instruments measured at FVOCI	Financial assets measured at FVOCI: Equity instruments	Total carrying amount	Fair value
Assets						
Interest-bearing securities issued by Group companies and loans to Group companies	130.6	-	-	-	130.6	130.6
Shares and participations	463.4	-	-	-	463.4	463.4
Shares and participations, Group companies	580.6	-	-	-	580.6	580.6
Shares and participations, associated companies	3.3	-	-	-	3.3	3.3
Bonds and other interest-bearing securities	1,204.5	-	-	-	1,204.5	1,204.5
Derivatives	38.4	-	-	-	38.4	38.4
Other receivables	-	119.4	-	-	119.4	119.4
Cash and bank balances	-	521.8	-	-	521.8	521.8
Prepaid expenses and accrued income	-	6.1	-	-	6.1	6.1
Total	**2,420.8**	**647.4**	**-**	**-**	**3,068.2**	**3,068.2**

	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Liabilities				
Derivatives	10.6	-	10.6	10.6
Other liabilities	-	170.5	170.5	170.5
Accrued expenses and deferred income	-	42.9	42.9	42.9
Total	**10.6**	**213.4**	**224.0**	**224.0**

The carrying amounts of assets classified as Financial assets measured at amortised cost and liabilities classified as Financial liabilities measured at amortised cost comprise a reasonable approximation of the fair value based on the cost of the assets and liabilities since these assets and liabilities have short terms.

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NOTE 30 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, CONT.

31 Dec 2022	Financial assets measured at FVPL: Measured at FVPL	Financial assets measured at FVPL: Equity instruments	Financial assets measured at amortised cost	Financial assets measured at FVOCI: Debt instruments measured at FVOCI	Financial assets measured at FVOCI: Equity instruments	Total carrying amount	Fair value
Assets							
Interest-bearing securities issued by Group companies and loans to Group companies	74.6	–	–	–	–	74.6	74.6
Shares and participations	399.5	–	–	–	–	399.5	399.5
Bonds and other interest-bearing securities	1,571.1	–	–	–	–	1,571.1	1,571.1
Derivatives	18.5	–	–	–	–	18.5	18.5
Other receivables	–	–	140.9	–	–	140.9	140.9
Cash and bank balances	–	–	617.9	–	–	617.9	617.9
Prepaid expenses and accrued income	–	–	5.1	–	–	5.1	5.1
Total	**2,063.7**	**–**	**763.8**	**–**	**–**	**2,827.5**	**2,827.5**

	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total carrying amount	Fair value
Liabilities				
Derivatives	22.9	–	22.9	22.9
Other liabilities	–	58.3	58.3	58.3
Accrued expenses and deferred income	–	43.5	43.5	43.5
Total	**22.9**	**101.9**	**124.8**	**124.8**

The carrying amounts of assets classified as Financial assets measured at amortised cost and liabilities classified as Financial liabilities measured at amortised cost comprise a reasonable approximation of the fair value based on the cost of the assets and liabilities since these assets and liabilities have short terms.

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NOTE 30 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES, CONT.

Fair value valuation techniques

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

	31 Dec 2023				31 Dec 2022			
	Level 1	Level 2	Level 3	Total carrying amount	Level 1	Level 2	Level 3	Total carrying amount
Assets								
Interest-bearing securities issued by Group companies and loans to Group companies	130.6	-	-	130.6	74 ,6	-	-	74.6
Shares and participations	463.4	-	-	463.4	399.5	-	0.0	399 ,5
Shares and participations, associated companies	-	-	3.3	3.3	-	-	-	-
Bonds and other interest-bearing securities	1,114.6	-	90.0	1,204.5	1,481.9	-	89 ,2	1,571 ,1
Derivatives	0.2	38.2	-	38.4	0.3	18.2	-	18.5
Liabilities								
Derivatives	0.1	10.5	-	10.6	0.0	22.9	-	22.9

There were no significant transfers between Level 1 and Level 2 in 2023 or in 2022. There were no transfers from Level 3 in 2023 or in 2022. Most of the holdings in Level 3 comprise Private Debt funds 96% (100) and the remaining Level 3 is comprised of directly own equities and associated companies 4% (0) Bonds and other interest-bearing securities that are not listed in an active market comprise interest-bearing, unlisted loans that are valued using unobservable market data and are classified according to measurement Level 3. Valuations are performed by external managers based on generally accepted valuation techniques, which means that the underlying holdings held by the issuer of the loan are valued based on relevant observable market data wherever available, and holdings for which market data is not available are measured at a fair value corresponding to the cost adjusted for any impairment. Gains and losses are recognised in profit or loss under Investment income, revenue and Investment income, expenses.

Shares and participations in Group companies measured at cost in the balance sheet

The fair value (Level 3) of shares and participations in Group companies was measured at equity per share based on the most recent company report plus outstanding acquired goodwill.

Change Level 3	Bonds and other interest-bearing securities	Shares and participations associated companies
Opening balance, 1 January 2023	**89.2**	**2.9**
Divestments	-	-
Acquisitions	-	-
Recognised in profit or loss	0.8	0.4
Closing balance, 31 December 2023	**90.0**	**3.3**

Change Level 3	Bonds and other interest-bearing securities	Shares and participations associated companies
Opening balance, 1 January 2022	**89.2**	**2.4**
Divestments	-	-
Acquisitions	-	-
Recognised in profit or loss	-0.1	0.5
Closing balance, 31 December 2022	**89.2**	**2.9**

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NOTE 31 ANTICIPATED RECOVERY DATES FOR ASSETS AND LIABILITIES

	31 Dec 2023			31 Dec 2022		
	Not more than 1 year	More than 1 year	Total	Not more than 1 year	More than 1 year	Total
Assets						
Other intangible assets	-	26.9	26.9	0.0	0.0	0.0
Shares and participations in Group companies	-	580.6	580.6	–	545.6	545.6
Interest-bearing securities issued by Group companies	-	130.6	130.6	–	74.6	74.6
Shares and participations in associated companies	-	3.3	3.3	–	0.5	0.5
Shares and participations	-	463.4	463.4	–	399.5	399.5
Bonds and other interest-bearing securities	44.0	1,160.6	1,204.6	515.6	1,055.5	1,571.1
Derivatives	38.4	-	38.4	18.5	–	18.5
Other investment assets	-	-	-	18.1	–	18.1
Reinsurers' portion of technical provisions	51.7	1.4	53.1	17.4	1.9	19.3
Receivables from policyholders	2,825.3	-	2,825.3	2,559.7	–	2,559.7
Receivables, reinsurance	-	-	-	2.3	–	2.3
Other receivables	175.6	-	175.6	219.7	–	219.7
Tangible assets and inventories	1.4	28.8	30.2	2.7	22.1	24.8
Cash and bank balances	521.8	-	521.8	617.9	–	617.9
Deferred tax assets	-	48.9	48.9	–	38.9	38.9
Prepaid expenses and accrued income	264.9	-	264.9	268.6	–	268.6
Total assets	**3,923.1**	**2,444.4**	**6,367.6**	**4,240.5**	**2,138.7**	**6,379.1**
Provisions and liabilities						
Technical provisions (before ceded reinsurance)	3,251.0	113.2	3,364.2	3,070.4	111.2	3,181.7
Other provisions	2.3	-	2.3	2.1	–	2.1
Liabilities to policyholders	20.6	-	20.6	24.0	–	24.0
Liabilities, reinsurance	1.1	-	1.1	1.1	–	1.1
Derivatives	10.6	-	10.6	22.9	–	22.9
Current tax liabilities	26.1	-	26.1	40.2	–	40.2
Other liabilities	267.2	-	267.2	494.8	–	494.8
Accrued expenses and deferred income	810.4	-	810.4	779.4	–	779.4
Total provisions and liabilities	**4,389.3**	**113.2**	**4,502.5**	**4,434.9**	**111.2**	**4,546.2**

The recovery periods for securities do not reflect the liquidity in the portfolio but rather the final maturity of the securities.

NOTE 32 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	31 Dec 2023	31 Dec 2022
Pledged assets		
Registered assets on behalf of policyholders[1]		
Shares and participations in Group companies	491.7	736.6
Interest-bearing securities issued by Group companies	130.6	74.6
Shares and participations in associated companies	3.3	-
Shares and participations	463.4	399.5
Bonds and other interest-bearing securities	1,204.6	1,571.2
Derivatives	0.1	0.3
Receivables, direct insurance	100.0	68.7
Other receivables	116.8	78.8
Cash and bank balances	435.6	594.3
Total registered assets	**2,946.2**	**3,523.9**

[1] In an insolvency situation, preferential rights accrue to policyholders to the extent stipulated in the Insurance Business Act. Assets in the preferential rights register are to be used to cover commitments to policyholders. The company's technical provisions in the Solvency II balance sheet amounted to SEK 805.8 M on 31 December 2023. The amounts in the table are for assets measured at fair value according to the Insurance Business Act.

	31 Dec 2023	2021212-31
Other pledged assets		
Pledged bank funds	6.9	23.6

	31 Dec 2023	31 Dec 2022
Commitments		
Amounts outstanding to invest in investment assets	-	0.8

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NOTE 33 DISCLOSURES ON RELATED PARTIES

Organisation

Agria is a wholly owned subsidiary of Länsförsäkringar AB. Länsförsäkringar AB is in turn owned by the 23 customer-owned regional insurance companies, together with 14 local insurance companies. Joint operations are conducted in Länsförsäkringar AB, which among other things provides services to Agria. This includes such services such as legal, accounting, security, human resources and the operation and development of IT systems. The organisation means that there are a large number of ongoing transactions and a number of non-recurring transactions between Agria and Länsförsäkringar AB and the regional insurance companies.

Related parties

Legal entities closely related to Agria include all of the companies in the Länsförsäkringar AB Group, Länsförsäkringar Mäklarservice AB and the regional insurance companies and their subsidiaries and the local insurance companies. These companies together form the Länsförsäkringar Alliance. Related key persons are Board members, senior executives and their close family members and companies owned by them.

Pricing

Pricing for service operations within the Länsförsäkringar Alliance is based on direct and indirect costs. Overall, pricing is intended to distribute costs fairly within the Länsförsäkringar Alliance based on consumption. Joint development projects and joint service are financed collectively and invoiced based on an established distribution key.

Agreements

Significant agreements for Agria are primarily outsourcing agreements with Länsförsäkringar AB regarding IT, service, accounting, legal and actuary services, and the management and settlement of Agria's reinsurance. Furthermore, agreements have been entered into with the regional insurance companies regarding commission for sales. An agreement was also signed with Länsförsäkringar Liv regarding the outsourcing of asset management.

Disclosures on related-party transactions

2023	Acquisitions	Sales	Receivables	Liabilities
Parent Company	234.9	-5.5	116.8	7.6
Group companies	406.8	69.1	365.9	15.1
Regional insurance companies	20.0	41.4	40.5	0.7
Other related parties	7.2	0.3	-	0.3

2022	Acquisitions	Sales	Receivables	Liabilities
Parent Company	196.5	-4.6	78.8	355.5
Group companies	398.2	63.0	378.1	-17.9
Regional insurance companies	13.3	22.6	0.9	2.0
Other related parties	7.0	0.3	–	0.4

Bank balances in Länsförsäkringar Bank AB, including interest received of SEK 5.7 M (1.5), amounted to SEK 224.0 M (298.5) on 31 December 2023.
The functions organised centrally from Länsförsäkringar AB include the purchase of equipment. Agria leases equipment from Länsförsäkringar AB.

Länsförsäkringar Bank AB manages subsidised loans to employees on behalf of Agria, issued after the bank performs standard credit rating checks.

Agria pays commissions to the regional insurance companies for the sale of products in all business areas and remuneration for administrative costs. The agreements describe the remuneration levels for different services such as sales, customer care, etc.

Remuneration of the Board and senior executives of Agria is presented in note 8. In all other respects, no transactions took place between these individuals and their related parties apart from normal customer transactions.

Agria has a subsidiary, Agria Vet Guide AB, from which it purchases digital veterinary consultation services for Agria's policyholders.

NOTE 34 SUPPLEMENTARY DISCLOSURES ON INCOME-STATEMENT ITEMS BY INSURANCE CLASS

2023	Total	Other property	International	Assumed reinsurance
Premiums earned, gross	5,986.5	3,086.4	2,872.3	27.8
Claims payments, gross	-4,399.3	-2,329.3	-2,055.1	-14.9
Operating expenses, gross	-1,514.6	-670.8	-831.8	-11.9
Profit/loss from ceded reinsurance	58.7	61.0	-2.3	-
Profit/loss	**131.3**	**147.2**	**-16.9**	**0.9**
Premium income, gross	6,173.0	3,095.6	3,070.3	7.1

NOTE 35 SIGNIFICANT EVENTS AFTER THE END OF THE FISCAL YEAR

In order to enhance competitiveness and raise brand awareness in Europe, Agria entered into a partnership with the Fédération Equestre Internationale (FEI). The FEI is the international organization for the major equestrian championships.

NOTE 36 APPROPRIATION OF PROFIT

According to the balance sheet of Försäkringsaktiebolaget Agria (publ), non-restricted equity of SEK 1,002,521,275 is at the disposal of the Annual General Meeting.

The following profit is at the disposal of the Annual General Meeting:

Retained earnings	753,630,797
Net profit for the year	248,890,478
Total	**1,002,521,275**

The Board of Directors proposes that profit be appropriated as follows:

To be distributed to the owner	200,000,000
To be carried forward	802,521,275
Total	**1,002,521,275**

The insurance company's solvency ratio under Solvency II after the proposed appropriation of profit amounts to 152% (172).

The insurance company's financial position does not result in any other assessment than that the insurance company can be expected to fulfil its obligations in both the short and long term.

The Board of Directors believes that the insurance company's equity as reported in the Annual Report is sufficiently high in relation to the nature, scope and risks of the operations, and the company's solvency requirements, liquidity and financial position, in accordance with Chapter 17, Section 3 of the Swedish Companies Act.

For more information on the insurance company's earnings and financial position, refer the following income statement and balance sheet with accompanying notes to the accounts.

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Statement from the Board

The Board of Directors and President affirm that this Annual Report was prepared in accordance with generally accepted accounting policies in Sweden and that the accounts were prepared in accordance with legally restricted IFRS, meaning in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and the Council issued on July 19, 2002 on the application of international accounting standards, with the limitations stipulated by the Swedish Annual Accounts Act and regulations. The Annual Report gives a true and fair view of the company's position and earnings. The Board of Directors' Report provides a true and fair overview of the company s operations, financial position and earnings, and describes the significant risks and uncertainties to which the company is exposed.

Stockholm, the date stated on the electric signature.

Mathias Collén *Chairman*	**Dag Ekner** *Board member*	**Per-Åke Holgersson** *Board member*	**Stig Högberg** *Board member*
Anders Långström *Board member*	**Martin Moraeus** *Board member*	**Ulrika Obstfelder Peterson** *Board member*	**Henrik Stangel** *Board member*
Ulf Uddman *Board member*	**Margareta Edihl Tomth** *Employee representative*	**Hans Holm** *Employee representative*	

Agnes Fabricius
President

As stated above, the annual report was approved for issue by the Board on 14 March 2024.
The company's income statement, statement of comprehensive income and balance sheet will be subject to approval by the Annual General Meeting on 13 May 2024.

Our auditor's report was submitted on the date stated on the electric signature.
Deloitte AB

Petter Hildingson
Authorised Public Accountant

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Auditor's report

To the general meeting of the shareholders of Försäkringsaktiebolaget Agria (publ)
corporate identity number 516401-8003

Report on the annual accounts

Opinions

We have audited the annual accounts of Försäkringsaktiebolaget Agria (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts of the company are included on pages 7-43 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Insurance Companies and present fairly, in all material respects, the financial position of Försäkringsaktiebolaget Agria (publ) as of 31 December 2023 and its financial performance for the year then ended in accordance with the Annual Accounts Act for Insurance Companies. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the supplementary report submitted to the Board of Directors of the parent company in accordance with the Auditors' Regulation (537/2014) article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section Auditor's responsibility. We are independent in relation to the company in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements. This includes that, to the best of our knowledge and conviction, no prohibited services as referred to in article 5.1 of the Auditors' Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key Audit Matters are those areas which, in our professional judgement, were of most significance in the audit of the annual accounts for the current period. These areas were addressed within the context of the audit of the annual accounts as a whole, and in forming the auditor's opinion thereon, but we do not provide a separate opinion about these matters.

Provision for claims outstanding

The provision for claims outstanding (gross of reinsurance) amounts to 435,7 MSEK as of 31 December 2023. The company's provision for claims outstanding represents a material balance sheet item and is based on complex actuarial calculations and assumptions about future outcomes, primarily regarding the timing and size of claims incurred. The result of management's assessments regarding the requirement for provision for claims outstanding depends on inputs, the choice of actuarial methods and the precision of management judgment in determining actuarial assumptions.

Note 1 to the annual accounts gives a description of the accounting policies applied for the valuation of the company's claims outstanding and Note 2 deals with the company's exposure to and management of the insurance risks associated with the provision for claims outstanding.

As the calculation of the provision for claims outstanding is significantly dependent on estimations and judgments this is an area of particular importance in our audit.

We have involved actuary specialists and IT-specialists in our audit procedures and our audit procedures have included but were not limited to:

- Evaluated whether actuarial valuation methods and models for calculating provision for claims outstanding comply with generally accepted standards and practices.
- Evaluated the key controls that deemed most relevant to the assessment of the selection of actuarial methods, assessment of assumptions and evaluation and analysis of historical claims development. We have also evaluated and examined a selection of general IT controls linked to applicable systems and applications that we have assessed as critical to the data that forms the basis for the valuation of provision for claims outstanding.
- On a sample basis, examined input data used in the calculations of the provision for claims outstanding.
- Performed independent control calculations based on actuarial methods for a substantial part of the provision for claims outstanding.
- Evaluated management's significant estimations and judgments.
- Evaluated whether the disclosures, for example regarding applied methods and assumptions, insurance risks and claims development, linked to the provision for claims outstanding are fair and complete based on applicable accounting policies.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on 1-6 and 44-49. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Försäkringsaktiebolaget Agria (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Försäkringsaktiebolaget Agria (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

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Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, Insurance Companies Act, the Annual Accounts Act for Insurance Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Deloitte AB, was appointed auditor of Försäkringsaktiebolaget Agria (publ) by the general meeting of the shareholders on April 24, 2023 and has been the company's auditor since May 2, 2022.

Stockholm, March 14, 2024
Deloitte AB

Signature on Swedish original

Petter Hildingson
Authorized Public Accountant

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Board of Directors

MATHIAS COLLÉN

Chairman. *Born 1981. President and CEO of Länsförsäkringar AB. Elected: 2022.*

Education: M.Sc. in Business and Economics, School of Business, Economics and Law at University of Gothenburg.

Other Board appointments: Chairman of Länsförsäkringar Bank and Länsförsäkringar Fondliv. Board member of Länsförsäkringar Liv, Insurance Sweden, the Insurance Industry's Pension Fund (FPK) and Eurapco.

Previous experience: President of Länsförsäkringar Fondliv, Head of Business at Länsförsäkringar Fondliv, Head of Commercial Business area at LF Stockholm and senior positions at Livförsäkringsaktiebolaget Skandia.

DAG EKNER

Born 1962. Self-employed consultant. Elected: 2018.

Education: Degree in market economy.

Other Board appointments: Chairman of Borås Fältrittklubb and Chairman of Stiftelsen Wången.

Previous experience: Board member of Swedish Trotting Association and Swedish Horse Council Foundation (HNS), Sales Director at Svenska Fönster AB and Forbo Flooring AB, President of Forbo Forshaga AS.

PER-ÅKE HOLGERSSON

Born 1953. Forest and chicken farm owner. Elected: 2021

Education: Chemical engineering.

Other Board appointments: Chairman of Länsförsäkring Kronoberg and LF Affärsservice Sydost AB, Board member of Älmeboda utvecklingsbolag AB, Korrö Gård AB, Möllehall AB, Lantbrukets brandskyddskommitté.

Previous experience: Board member of Länsförsäkringar Bank, Nomination Committee of Länsförsäkringar AB, Board member of Länsförsäkringar Research Fund and Swedish Poultry Meat Association. Chairman of Älmeboda LRF avdelning and FK Älmeboda/Linneryd.

STIG HÖGBERG

Born 1960. Forest farmer. Elected: 2018.

Education: Agricultural education.

Other Board appointments: Chairman of LF Västernorrland and Chairman of property management company Gården 35 AB, Chairman of Norra Skog.

Previous experience: Region Chairman of LRF Västernorrland, Board member of National Board of Directors of Federation of Swedish Farmers (LRF), Landshypotek region Norrland, Mitt kapital, the Länsförsäkringar Alliance Research and Development Fund Foundation, Investa företagskapital and member of Västernorrland Wildlife Management Delegation.

ANDERS LÅNGSTRÖM

Born 1968. President of LF Norrbotten. Elected: 2019.

Education: Economics programme, Luleå University College.

Other Board appointments: Board member of Wasa Kredit AB, Länsförsäkringar Norrbotten Holding AB and LFN Larmtjänster AB.

Previous experience: Bank manager Föreningsbanken, several managerial positions at LF Norrbotten, Vice President LF Norrbotten, Board member Länsförsäkringar Hypotek AB (publ).

MARTIN MORAEUS

Born 1979. Farmer. Elected: 2023.

Education: M.Sc. in Physics, KTH Stockholm.

Other Board appointments: Deputy Chairman of LF Dalarnas, member of National Board of Directors of Federation of Swedish Farmers, Chairman of the general board of Orsa Besparingsskog.

Previous experience: Board member Lantmännen Agroetanol, Board member Sånga Säby Hotell & Konferens, Board member Grönklittsgruppen AB, member of Supervisory Council of the County Administrative Board of Dalarna.

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Board of Directors

ULRIKA OBSTFELDER PETERSON

Born 1963. President of LF Värmland. Elected: 2018.

Education: Information programme at Karlstad University and individual courses in political science, marketing, business administration and sociology.

Other Board appointments: Länsförsäkringar Värmland Fastigheter AB, Länsförsäkringar Värmland Aktieförvaltning AB and Länsförsäkringar Fondförvaltning AB.

Previous experience: President and CEO of Värmlands Folkblad AB, Vice President Värmland Chamber of Commerce, Studio Manager at Pictura AB, Chairman of Värmland Chamber of Commerce, Board member of Danske bank local board, Clarahälsan AB, Värmlands Trafikcenter AB, Tidningsutgivarna, TT AB, Värmland Fire Protection Association.

HENRIK STANGEL

Born 1963. President of LF Gotland. Elected: 2020.

Education: M.Sc. in Business and Economics, Stockholm School of Economics.

Other Board appointments: ScienceParк Invest Gotland, Länsförsäkringar Trygghetstjänster and LF Fastighetsförmedling.

Previous experience: CEO of Dagens industri, VP/Director of Sales Bonnier News, Director of Sales Dagens Nyheter, Director of Sales Swedish Post, CEO EF Language, CEO Jobline, Director of Sales and Marketing Pripps Bryggerier, Chairman of Insplanet, Board member of Hemnet, Fakturino, HittaHem.

ULF UDDMAN

Born 1957. Former President of Swedish Kennel Club. Elected: 2016.

Education: M.Sc. in Business and Economics.

Other Board appointments: Chairman of own consultancy firm and Board member of several family companies. Chairman of the Swedish Animal Vocational Board DYN and Board member of the Heyman Animal Protection Foundation and the Thure and Karin Forsberg Foundation.

Previous experience: Deputy Board member of Agria 1987–2011, Chairman of Agria's Pet Product Committee, member of Board of Jordbrukets Försäkringsbolag 1980s. Served as an expert in several government inquiries into dog and animal activities.

Employee representatives

MARGARETA EDIHL TOMTH

Born 1960. Inside salesperson, Digital Customer Communication Team, Health And Safety Representative at Agria. Elected: 2018.

Education: Upper-secondary education in economics.

Other Board appointments: Board member of LFAB's Forena club board.

Previous experience: Vestry member Dalarna (Sollerön), elected to several small associations in Dalarna (Hästgillet, Coop Nomination Committee), accounting assistant Lokalradion and Radio Sweden.

HANS HOLM

Born 1959. Administrative Manager, Personal Risk Non-life Insurance business area, Länsförsäkringar AB. Elected: 2023.

Education: Officer in the Swedish Armed Forces - Royal Swedish Airforce, university courses in economics, law and systems science. Diploma in non-life insurance and life assurance from Swedish Institute of Insurance Training (IFU), certified CIO.

Other Board appointments: Chairman Akademikerföreningen Länsförsäkringar AB, deputy Board member Länsförsäkringar AB and deputy Board member Länsförsäkringar Fondliv försäkringsaktiebolag.

Previous experience: Major in the Royal Swedish Airforce, senior roles and other positions in Försäkringsbolaget Ansvar AB. Controller, business developer, administrative manager and other positions at Länsförsäkringar AB. Board member of Länsförsäkringar Sak AB and Länsförsäkringar AB.

Deputy: Ellinor Jatéus and Mirek Swartz.
Auditor: Petter Hildingson. Elected by the Annual General Meeting. Authorised Public Accountant Deloitte.

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Management

AGNES FABRICIUS

President. Born 1972. Employed in 2017.

Education: Hippology, Swedish University of Agricultural Sciences, studies at Stockholm School of Economics.

Board appointments: Chairman of Agria Pet Insurance Ltd, Capstone Financial Services Ltd and Agria Vet Guide AB.

Previous experience: Head of Retail Customer Business Area, Head of Bank and Claims Manager at LF Stockholm. Board member of Länsförsäkringar Fastighetsförmedling.

MONICA DREIJER

Executive Vice President, Head of Business Support and Sustainability. Born 1961. Employed 1986.

Education: Upper-secondary school social science programme. Individual courses at Stockholm University.

Board appointments: Agria Pet Insurance Ltd, Agria Vet Guide AB and Agria Scholarship Fund Foundation.

Previous experience: Head of Insurance Operations, President of Horse Business Area, President of Pet Business Area at Agria.

JESSICA ANDERSSON

Head of Online. Born 1978. Employed in 2017.

Education: M.Sc. in Business Administration, studies at University of Gävle and Stockholm University.

Board appointments: Agria Vet Guide AB.

Previous experience: Many senior positions and experience from the digital sector from at such companies as Google, Microsoft and Blocket. Worked internationally.

MARIANNE BROHOLM EINARSEN

President of Europe Business Area. Born 1963. Employed in 2019.

Education: Executive Master of management BI, Diploma in market economics BI. Board training; Leading from the chair, Insead.

Board appointments: Board member of Adventure Tech, Norway, Capstone Financial Services Ltd, Agria Pet Insurance and Agria Vet Guide AB.

Previous experience: Vice President Market and Product development DnB, Group Director of Tourism NSB, Vice President Market and Communication NSB, Director of NSB profit centre and Head of Agria Norway. Board member of Gjensidige Bank, Chairman of Flåm Utvikling AS and Chairman of Fjords Tours AS.

LOTTIE FUNCK EKELUND

CMO. Born 1969. Employed in 2022.

Education: M.Sc. in Business Administration, Lund University. Board appointments: Board member of Agria Vet Guide AB.

Previous experience: Marketing Director Synoptik Sweden AB, Marketing Manager GB Glace/Unilever, Nordic Marketing Manager, Brand and Communication LG Electronics. Long-term experience from multinational companies.

ERIK LANDÉN

CFO. Born 1980. Employed in 2023.

Education: M.Sc. in Business and Economics from Stockholm School of Economics.

Board appointments: Agria Vet Guide AB.

Previous experience: CFO at Gar-Bo Försäkring with responsibilities including asset management, reinsurance and business development and as an M&A advisor.

PATRIK OLSSON

President of Pet Business Area. Born 1967. Employed in 2010.

Education: Upper-secondary school economics programme.

Board appointments: Swedish Animal Vocational Board DYN, Agria Vet Guide AB. Chairman of svenska andelshästar AB (Easy KB).

Previous experience: Head of Agriculture/Regional Manager Horse with complete responsibility for the agriculture business line at LF Stockholm, Regional Manager Horse Stockholm. Member of management team Commercial business area. Started agricultural bank at LF Stockholm.

MIKAEL THEORÉN

President of Horse and Agriculture Business Area. Born 1963. Employed in 2017.

Education: Technical college engineer specialising in electronics.

Board appointments: Agria Vet Guide AB, Swedish-Norwegian Foundation for Equine Research, Svenska Andelshästar (Easy KB).

Previous experience: Leading roles at the Swedish Equestrian Federation. Extensive experience in management, business establishment and international business.

MONICA TUVELID

BIO, Head of Development. Born 1978. Employed in 2006.

Education: M.Sc. in Business Administration from Stockholm University.

Board appointments: Agria Vet Guide AB, Capstone Financial Services Ltd and Chairman Agria Scholarship Fund Foundation being discontinued.

Previous experience: CFO, Head of Strategy and Planning, Deputy President of Pet Business Area, Head of Customer Service Centre and Claims, Head of Operating Systems, Head of Product and Process and accounting manager at Agria. Previously worked as an approved auditor at KPMG AB.

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Definitions

Provision for unearned premiums
A liability item, corresponding to the portion of premium income that pertains to the next year in the annual accounts.

Run-off result
For claims for which final settlement has not been completed at the end of the fiscal year, funds are reserved in the provision for claims outstanding. The assessment of future payments implemented may however prove to be incorrect for various reasons. If the calculated compensation amount for a claim proves to be over-valued, run-off gains will arise when the compensation amount is re-assessed or when the claim has been settled. If the amount is under-valued, a corresponding run-off loss will arise.

Direct yield
Direct yield refers to the total of interest income, interest expense, other financial expenses, dividends on shares and participations in relation to the average value of the investment assets during the year.

Direct insurance
Insurance contract concluded directly between the insurer and the policyholder. In contrast to assumed reinsurance, the insurance company is directly responsible to the policyholder.

Operating expenses
Operating expenses is a collective term for expenses for sales, management and administration.

Expense ratio
Operating expenses in the insurance operations as a percentage of premiums earned after ceded reinsurance.

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

Required solvency margin
The minimum permissible level of own funds for insurance companies. The required solvency margin is calculated in accordance with the rules laid down in the Swedish Insurance Business Act.

Claims payments
The cost during the fiscal year for claims incurred, including costs for claims that have not yet been reported to the insurance company. The costs also include run-off result.

Technical provisions
Provision for unearned premiums and unexpired risks, and provision for claims outstanding and comparable commitments in accordance with signed insurance contracts.

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

Own funds
Own funds comprise Tier 1 capital and ancillary own funds. Tier 1 capital is the difference between assets and liabilities measured in accordance with the Solvency II rules and subordinated liabilities. Ancillary own funds comprises items not recognised in the statutory balance sheet but that could be required to cover losses. Own funds for Agria mainly comprise equity and untaxed reserves according to the legal accounts adjusted by revaluation items arising on the remeasurement of the balance sheet in accordance with Solvency II.

Solvency margin
The ratio between solvency capital and premium income for own account, expressed as a percentage. The solvency margin, calculated in this manner, is the measure of capital strength of the insurance company normally used.

Solvency capital
Recognised equity, plus untaxed reserves, plus deferred tax liabilities, less deferred tax assets.

Minimum capital requirement
The minimum capital requirement comprises the minimum amount of eligible Tier 1 capital and is calculating by taking into account all or part of technical provisions, premium income, positive risk amounts, deferred taxes, administrative costs, ceded reinsurance and the solvency capital requirement.

Premium income
Premiums paid in during the year or recognised as receivables at year-end since they have fallen due for payment.

Premiums earned
The proportion of premium income attributable to the fiscal year.

Technical result for non-life insurance operations
Premiums earned less claims payments and operating expenses in the insurance operations plus profit/loss from ceded reinsurance and investment income transferred from financial operations.

Claims ratio
The ratio between claims payments, including claims adjustment costs and premiums earned after ceded reinsurance, expressed as a percentage.

Contingency reserve
Provisions for contingency reserve is an appropriation. The contingency reserve is to equalise fluctuations in the risk process and the uncertainty in the calculation basis for provisions for unearned premiums and claims outstanding.

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

Combined ratio
The sum of operating expenses in the insurance operations and claims payments as a percentage of premiums earned after ceded reinsurance.

Deferred tax
Deferred tax liabilities/assets pertain to taxable temporary differences.

Reinsurance
Risk distribution method entailing that an insurance company purchases coverage for a portion of its liability commitment for insurance and reinsurance contracts, known as ceded reinsurance. Assumed reinsurance refers to the business that an insurance company receives from other insurance company in the form of reinsurance.

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