Futur

Futur Pension Försäkringsaktiebolag Annual Report and Sustainability Report

2023

Contents

A word from the CEO

The year in brief

2023 was a year filled with serious international conflicts and subsequent periods of uncertainty in both the fixed income and equity markets. For Futur, this meant that our customers' savings and pensions grew more slowly than has historically been the case, though there was a slight recovery towards the end of the year.

Despite the macroeconomic challenges, Futur achieved the best results in the company's history thanks to strong inflow of premiums, particularly in occupational pensions, and effective cost control. We see great opportunities for continued growth in the coming years through work with our partners to develop efficient, innovative savings and pensions services.

A new Futur was launched

At the end of 2023, we launched a new Futur with an updated brand to clarify the services we offer, who we are and where we are going. As part of this process,the word "Pension" disappeared from our name in order to emphasise the fact that Futur is a platform for both savings and pensions. The completely new website provides our intelligent platform with a matching digital presence.

Our strategy remains unchanged

For the past 25 years, we have concentrated on developing our platform, thus enabling our partners to quickly build scalable savings and pensions solutions. Futur's strength lies in our ability to combine knowledge, technology and ethics and in the future we will be increasing the pace of development still further.

One sign that our partners value us is the fact that we won the "Most Innovative Company" and "Best Product Range" categories in Origo's "Brokers' Choice 2023" poll, which is aimed at insurance advisors in Sweden. We also achieved second place out of all the life insurance companies in Sweden in the Brilliant/Sveriges Försäkringsförmedlares Förening annual survey.

A look ahead for Futur

In 2024, we will launch new digital self-service solutions for our partners and our private and corporate customers. We will also invest in completely new smart solutions to help our customers achieve a wealthier, more secure future. We are determined to ensure that our customers have the best savings experience and that we are our partners' first choice.

Torgny Johansson, CEO of Futur

Futur in brief

Our employees

Our staff are our most important asset and we are therefore particularly delighted and proud of the fact that we have satisfied employees, low rates of absence due to illness and low staff turnover.

We only have around 100 employees, so at our company everyone is important and is provided with great opportunities for development.

Our range of services

Our intelligent platform for savings and pensions allows us to provide more people with opportunities for a wealthier, more secure life.

Our customers gain access to a well-chosen range of savings and a seamless user experience using intuitive tools.

Our partners

We develop digital services in close collaboration with our partners to enable us to offer effective savings products.

We want to make advice easier to access at every stage of life and help more people optimise their savings.

Our owners

We have two long-term owners in Polaris Equity and Acathia Capital. They contribute financial strength and a willingness to make extensive investments in our business.

POLARIS
THE POWER OF PARTNERSHIP

ACATHIA CAPITAL

Target & key indicators

Quick facts

310,000
Number of insurance policies

31 Billion
Total premium volume

193 Billion
Assets under management

Our short-term goals

First choice for our partners

#2
in Brilliant/SFM 2023 broker survey

Increased number and more satisfied customers

20,000
7% growth in number of insurance policies in 2023

Committed employees

54
eNPS / Satisfied employees Q4 2023

Our long-term goal

1,000 Billions
in assets under management with the current team

Administration report

The Board of Directors and Chief Executive Officer of Futur Försäkringsaktiebolag (public, corporate identity number 516401-6643), hereby issues accounts for 2023. Futur Pension Försäkringsaktiebolag is a wholly-owned subsidiary of Futur Pension Holding AB (559159-6738).

Focus of the company's business

Futur is engaged in direct life insurance in the form of mutual unit-linked personal insurance. In addition, the company is engaged in portfolio bonds within the framework of traditional life insurance without guarantee, in which the life policyholder him or herself is able to determine the contents of the securities deposit according to established investment guidelines.

Futur also provides health and premium waiver insurance.

Operations are conducted from the Stockholm office and the products are largely arranged through independent insurance intermediaries and, to a lesser extent, Danske Bank Sveriges filial. The company is a dividend-paying life insurance company with the ability to distribute surpluses to its shareholders.

Significant events

2023 has been characterised by war in Ukraine and conflicts in the Middle East. Inflation and interest rates have remained high during the year, though inflation has been falling. Interest rates fell marginally towards the end of 2023.

Overall, this has led to an uncertain investment market, which has had a negative impact on the portfolio bond market, which fell by around 24% in 2023, though Futur as a company increased its share of that market by around 1% to 19%. Futur is well positioned for when the investment climate turns.

The transfer market for occupational pension insurance has continued to grow, with Futur being the market leader with net transfers of 4,196 MSEK (4,057).

After having become the biggest life insurance company in Sweden in terms of premiums paid in 2022, Futur's market share fell from 9.8% in Q3 2022 to 8.1% in Q3 2023. That was mainly driven by lower endowment insurance premiums since the economy was more challenging in 2023. The continued high market share shows that the company's business model, with an extensive network of business partners, is robust even in an economic downturn.

Futur has entered into agreements with three new partners in 2023 and has continued to build customer relationships focusing on digital processes.

Futur has continued to work on adaptation and system support for new and existing regulations. The focus has mainly been on the parallel regulatory projects that are in progress in the EU. These include the review of the Solvency 2 rules, the proposal for new rules on insurance distribution (Retail Investment Strategy), updated sustainability rules and, in particular, the new Digital Operational Resilience Regulation (DORA), which enters into force on 1 January 2025.

In June, the company issued a dividend of 208 MSEK to the parent company, Futur Pension Holding AB.

Futur's market profile was upgraded in 2023 and the design language was modernised. As part of this, the word "Pension" was removed from the marketing name and "Futur Pension" became "Futur". The legal name has not been changed.

Ownership structure

Futur is wholly-owned by Futur Pension Holding AB, which is in turn owned by a consortium consisting of Polaris, Acathia Capital, Unigestion, Sampension, Nord Holding and R+V Versicherung.

Sales and premiums

Total premium volumes for insurance and investment contracts amounted to 31,267 MSEK (36,493), of which 22,078 MSEK (27,546) relates to portfolio bonds and 9,190 MSEK (8,947) relates to unit-linked insurance. Only the figure for premiums earned for insurance contracts is recognised in the income statement. It amounted to 1,105 MSEK (1,792). Of the figure for premiums earned, 827 MSEK (841) consists of regular premiums, 282 MSEK (963) consists of single premiums, 20 MSEK (23) consists of premiums for risk insurance and -24 MSEK (-35) consists of premiums for ceded reinsurance.

Asset Management

The part of the company's assets invested on behalf of the policyholders, 193,085 MSEK

(168,489), is managed in accordance with the company's investment guidelines and in according to the policyholders' investment choices.

Other funds, which largely correspond to the company's equity and cash and cash equivalents in operations, are invested in mutual funds, deposited in bank accounts and in a bond portfolio with secured bonds. The bond portfolio, which was set up during the year, was valued at 1,049 MSEK (0) at the end of 2023. The company generated total financial results of 70 MSEK (3).

Futur's range of funds is based on a careful selection process in order to ensure high quality from leading fund managers. Futur does not manage any of its own funds.

Information on risk management and uncertainty factors

Insurance and investment activities contain elements of risk. The insurance risk at a life insurance company consists of the risks arising from the undertakings to insure individuals' lives and health. The business differs from traditional life insurance in that the policyholders themselves bear the investment risk for premiums paid. Also see note 2.

Profit

The profit for the year amounts to 316 MSEK (260) including non-recurring items, which is an improvement from the previous year.

The business includes occupational pension insurance and other life insurance, which is divided into unit-linked insurance, health and waiver-of-premium insurance and traditional insurance in the form of portfolio bonds. See also the analysis of results on page 13.

It is usually difficult to produce an overview and analysis of the traditional income statement in a life insurance company. In order to facilitate and increase understanding, Futur has developed an alternative income statement.

	2023	2022
Administration result		
Income, unit-linked insurance	432	396
Income, conditional bonuses	308	300
Total revenue	739	695
Total expenses	-490	-446
Total administration result	**249**	**250**
Risk result		
Risk result	7	10
Total risk result	**7**	**10**
Financial and other results		
Financial result	70	-1
Taxes	-10	1
Total financial and other results	**60**	**0**
Net profit for year	**316**	**260**

The company mainly has two product lines complemented by a risk business. The unit-linked insurance business, which primarily focuses on occupational pension insurance, had assets under management of SEK 75 billion (60) at the start of the year and generates revenues of 432 MSEK. Conditional bonuses, colloquially known as Portfolio Bonds, had assets under management of SEK 118 billion (108) and revenues of 308 MSEK (300) at the start of the year. Portfolio bonds consist mainly of endowment insurance, but occupational pensions are on the increase in portfolio bonds.

In line with market practice, Futur 2023 matches commission costs and customer allocations with the revenue generation of the insurance contracts over time.

The limited risk result is due to the fact that a high proportion of the risk business is reinsured.

Personnel

Information on the average number of employees and salaries and remuneration is provided in notes 10-12

Anticipated future progress

This is Futur's statutory sustainability report. Futur is also producing a separate Sustainability Report that will be published on futur.se during the second quarter.

The term "sustainability" includes several areas such as environmental issues, social relationships, human rights, ethics, corruption, diversity, etc. The term "sustainability" is normally defined as a generation being able to meet its needs without jeopardising the ability of future generations to meet their needs. Futur's priority areas with regard to sustainability are set out below.

In order to manage the risks in the area of sustainability, Futur has established a number of Policies and Instructions that describe responsibilities, goals, monitoring and reporting in more detail.

Corporate Social Responsibility

Corporate Social Responsibility ("CSR") forms an important part of Futur's strategy. Customers and other stakeholders must be able to trust Futur to take environmental, social, ethical and governance aspects into account when carrying out operations. Futur sees sustainability management as a prerequisite for the creation of long-term value in the operations. Futur has drawn up a sustainability policy that reinforces the company's work on sustainability. In the policy, Futur undertakes to comply with the principles developed by the UN Global Compact for Sustainable Development and Futur signed the UN Global Compact at the beginning of 2021. The Sustainability Policy can be found on Futur's website at futur.se

Code of Conduct for suppliers

Futur has a Code of Conduct for suppliers which sets out Futur's expectations as far as its business partners are concerned. This is available on the Futur website.

Principles for sustainable investment

Futur has certain requirements applying to the funds included in unit-linked insurance in order to ensure that Futur is not investing in companies that are in breach of international guidelines on human rights, the environment, labour law and corruption. The fund management companies must have signed the UN Principles for Responsible Investment ("UN PRI"), among other things. In addition to the requirement relating to PRI, a great deal of emphasis is also placed on sustainability when selecting new funds appropriate for inclusion in Futur's fund platform. The new funds must be categorised as at least Article 8 in accordance with SFDR and they must also help ensure that sustainability in the fund category in question is improved with the new fund. Futur's website presents a number of different sustainability parameters to make it easier for customers to make informed sustainable fund choices. In each fund supermarket there is a sustainability filter that allows customers to make their own selection based on their different requirements. Futur has also developed a sustainable fund supermarket in which Futur only includes funds that meet certain predetermined criteria.

Futur is a member of Swesif and has signed the PRI.

Gender equality and diversity

Futur has a diversity and gender equality policy that is revised annually. The policy strengthens Futur's work in the area since the policy has been drawn up specifically for the company. The policy consolidates and clarifies Futur's belief that diversity – people with different expertise, experience and perspectives – is crucial for bringing about the innovative climate required for long-term business success and a positive customer experience. The policy will be revised annually to ensure that the company's work progresses and is constantly improved.

In 2021, As part of further work on gender equality and diversity, Futur became a member of SHEIndex and WEPs (Women's Empowerment Principles) andn in 2023, Futur became a member of Diversity Charter.

Key figures on gender equality are available as KPIs and are reported internally in the company every year.

Environmental considerations

In 2023, Futur continued to take action to ensure that paper consumption was reduced. Futur has continued with the digitalisation process so that the majority of Futur's letters can be offered electronically. Almost all communication with customers now takes place electronically.

Futur has a company car policy in which it is only possible to choose a hybrid car or a pure electric car as a company car and the goal is to only offer electric cars within 3 years.

Futur has been measuring its own CO2 footprint annually with the aim of reducing its footprint every year. The results of the measurement are published on futur.se. Futur has joined the Science Based Target Initiative (SBTi) as part of reducing its Co2 footprint in accordance with the Paris Agreement. This means that Futur will apply for approval from SBTi confirming that the goals established by Futur regarding reduction of its Co2 footprint are in accordance with the Paris Agreement.

As a further way of demonstrating commitment, Futur became a member of Fossil Free Sweden in 2021.

Futur is located at Linnégatan 18 and the premises have been fitted out with the latest technology regarding energy efficiency and environmental considerations and the environment and sustainability have been taken into account to a considerable extent in the selection of materials and fittings.

Combating corruption

During the year, Futur has also continued to focus on internal efforts to prevent money laundering and terrorist financing and to evaluate and improve procedures and processes linked to this area, mainly by providing system support for greater efficiency and quality assurance of customer information and by keeping that information up-to-date on an ongoing basis. Work on AML is reported to the CEO and the Board of Directors on an ongoing basis.

Proposed allocation of earnings

The following amounts are at the disposal of the General Meeting	
Accumulated profit	283,691,345 SEK
Net profit/loss for the year	316,462,129 SEK
Total SEK	600,153,474 SEK

The board of Directors proposes that the results be allocated as follows	
To be paid to the shareholders as a dividend	-275,000,000 SEK
The Board of Directors proposes that SEK to be carried forward to new accounts	325,153,474 SEK

If the proposal is approved, Equity will be consisting of	
Share capital	100,000,000 SEK
Share premium reserve	250,000,000 SEK
Reserve for development expenses	22,166,810 SEK
Appropriated earnings including profit/loss for the year	325,153,474 SEK
Total	697,320,284 SEK

The proposed dividend, which represents 46% of the unrestricted equity in the company, amounts to 275,000,000 SEK. It is proposed that the General Meeting adopt a resolution that the dividend should be effected through a payment of 275,000,000 SEK. The Board of Directors is authorised to set the date for the payment. Futur's financial position does not give rise to any assessment other than that the company can be expected to meet its obligations in both the short and the long term. The Board of Directors' assessment is that the company's equity as stated in the annual report is sufficient in relation to the nature, scope and risks of the business. The Board of Directors' assessment is also that the company's
unrestricted equity is sufficiently large in relation to the nature, scope and risks of the business.

Based on the scope, risks and nature of the business, the Board of Directors considers that, at present, 275,000,000 SEK can be considered as distributable in accordance with the provisions of Chapter 4, Section 1 of the Insurance Business Act (2010:2043) and Chapter 17, Section 3 of the Swedish Companies Act (2005:551). The Board of Directors considers that this amount enables the company to maintain satisfactory solvency and liquidity in the short and the long term, taking the circumstances of the business into consideration. The Board of Directors has taken into account, on the basis of internal calculations, the risks currently associated with the business, the quality of the company and the solvency capital and the need for a margin for statutory solvency requirements and consolidation needs. When calculating the own funds for 2023, deductions have been made for the dividend proposed but not yet resolved by the General Meeting, see also the five-year overview.

As far as Futur's results and position in general are concerned, reference is made to the following income statements and balance sheets, with the associated notes to the accounts.

Five-year overview

EXTRACT FROM THE INCOME STATEMENT	2023	2022	2021	2020	2019
Premiums earned (net of reinsurance)	1,105	1,792	1,025	978	1,002
Fees	413	405	399	294	269
Value changes to investment assets	18,488	-40,286	38,949	12,624	20,103
Claims paid (net of reinsurance)	-396	-215	-244	-167	-148
Life insurance business technical insurance result	1,446	856	614	418	386
Net profit for year	316	260	182	110	106
FINANCIAL POSITION AND KEY RATIOS					
Total volume of premiums	31,267	36,506	44,671	22,501	18,248
Investment assets	12	19	25	19	16
Investment assets for which the life policyholder bears an investment risk	193,085	168,489	193,612	128,154	107,050
Technical provisions, unsettled claims	29	26	34	41	60
Own funds (Solvency2)	3,519	2,935	3,434	2,596	2,388
Tier 1 capital	3,519	2,935	3,434	2,596	2,388
Solvency Capital Requirement (SCR)	2,621	1,990	2,692	2,043	1,884
Minimum Capital Requirement (MCR)	1,180	895	1,211	880	733
Solvency Capital Requirement (SCR)	134%	148%	128%	127%	127%
Minimum Capital Ratio (MCR)	298%	327%	283%	294%	325%
Own funds, group (Solvency II)	3,525	2,948	3,445	2,609	2,403
Solvency Capital Requirement, group (SCR)	2,621	1,990	2,692	2,043	1,884
Solvency Capital Ratio, group (SCR)	134%	148%	128%	128%	128%
Management cost percentage (net of reinsurance)	0.3%	0.2%	0.3%	0.4%	0.4%
Acquisition cost percentage	1.1%	0.9%	0.9%	1.3%	1.3%
Administration cost percentage savings products	0.1%	0.1%	0.1%	0.1%	0.2%

The business of Futur differs from traditional life insurance in that the policyholders themselves bear the investment risk for premiums paid. No key ratios for solvency margin, dividend yield and administration cost percentage are therefore specified.

Financial reports

Income statement

TECHNICAL ACCOUNTING – LIFE-INSURANCE BUSINESS	Note	2023	2022
Premiums earned (net of reinsurance)	3		
Premiums earned (gross)		1,129	1,827
Premiums (ceded)		-24	-35
Premiums earned (net of reinsurance)		1,105	1,792
Fees	4	413	405
Increase in value of investment assets for which the life policyholder bears an investment risk			
Increase in value of assets for conditional bonuses		9,886	-
Increase in value of unit-linked insurance assets		8,838	-
Increase in value of investment assets for which the life policyholder bears an investment risk	6	18,725	-
Other technical income	5	1,522	895
Claims incurred (net of reinsurance)			
Claims paid	7		
Gross		-392	-223
Reinsurers' share		4	8
Change in Provision for claims outstanding			
Gross		-11	8
Reinsurers' share		2	-8
Claims incurred (net of reinsurance)		-396	-215
Claims incurred in other technical provisions (net of reinsurance)			
Technical provision for life insurance policies for which policyholder bears risk			
Conditional bonuses	8	-9,877	32,047
Unit-linked insurance obligations	9	-9,556	6,664
Changes in other technical provisions		-19,433	38,711
Operating costs	10-13	-490	-445
Reduction in value of investment assets for which the life policyholder bears an investment risk			
Reduction in value of assets for conditional bonuses		-	-32,040
Reduction in value of unit-linked insurance assets		-	-8,246
Reduction in value of investment assets for which the life policyholder bears an investment risk		-	-40,049
Life insurance business technical insurance result		1,446	856
NON-TECHNICAL ACCOUNTING			
Life insurance business technical insurance result		1,446	856
Investment income	14	56	3
Unrealised gains on investments	15	14	0
Investment charges	16	0	-4
Profit before tax		1,516	855
Tax	17	-1,200	-595
PROFIT/LOSS FOR THE YEAR		**316**	**260**

Statement of comprehensive income

Net profit for year	316	260
Other comprehensive income		
Comprehensive income for the year	316	260

Balance sheet

	Note	2023	2022
ASSETS			
INTANGIBLE ASSETS			
Other intangible assets	19	22	11
Investment assets		22	11
INVESTMENT ASSETS	20		
Shares and participations		12	19
Bonds		1 049	-
Investment assets		1 061	19
INVESTMENT ASSETS FOR WHICH THE LIFE POLICYHOLDER BEARS AN INVESTMENT RISK	18		
Assets for conditional bonuses		118 289	108 442
Unit-linked insurance assets		74 923	60 047
Investment assets for which the life policyholder bears an investment risk		193 085	168 489
REINSURERS' SHARE OF TECHNICAL PROVISIONS			
Claims outstanding		29	26
Reinsurers' share of technical provisions		29	26
RECEIVABLES			
Deferred tax assets	17	0	5
Other receivables		33	22
Receivables		33	27
OTHER ASSETS			
Tangible assets	20	2	4
Cash and bank balances		651	908
Other assets		653	912
PREPAID EXPENSES AND ACCRUED INCOME			
Prepaid acquisition costs	21	208	87
Other prepaid expenses and accrued income		91	81
Prepaid expenses and accrued income		299	168
TOTAL ASSETS		195 181	169 652

Balance sheet, cont.

	Note	2023	2022
EQUITY, PROVISIONS AND LIABILITIES			
EQUITY			
Share capital, 100,000 shares		100	100
Reserve for unrealised gains		22	11
Share premium reserve		250	250
Accumulated profit		284	243
Net profit for year		316	260
Equity	26	972	864
TECHNICAL PROVISIONS (BEFORE OUTWARD REINSURANCE)			
Claims outstanding	22	46	35
Technical provisions		46	35
TECHNICAL PROVISION FOR LIFE INSURANCE FOR WHICH THE POLICYHOLDER BEARS A RISK (BEFORE OUTWARD REINSURANCE)			
Conditional bonuses	8	118 289	108 373
Unit-linked insurance obligations	9	74 923	60 217
Technical provisions		193 212	168 590
PROVISIONS FOR OTHER RISKS AND COSTS			
Taxes			
Provision for income tax and yield tax		780	9
Provisions for other risks and costs		780	9
LIABILITIES			
Receivables relating to direct insurance, policyholders		9	14
Liabilities relating to reinsurance		6	14
Other liabilities	23	122	105
Liabilities		136	133
ACCRUED EXPENSES AND DEFERRED INCOME			
Other accrued expenses and deferred income		35	21
Accrued expenses and deferred income		35	21
TOTAL EQUITY, PROVISIONS AND LIABILITIES		195 181	169 652

Report on changes in equity

REPORT ON CHANGES IN EQUITY (MSEK)

	RESTRICTED EQUITY			Unrestricted equity		
	Share capital	Statutory reserve	Reserve for development expenses	Accumulated profit	Net profit for year	Total
Closing balance Equity previous Financial year = Opening balance Equity 01/01/2022	**100**	**250**		**222**	**182**	**754**
Appropriation of profits				182	-182	
Profit/Comprehensive income for the year					260	260
Total changes in net wealth excluding transactions with shareholders				182	78	260
Dividends				-150		-150
Capitalisation of IT development costs			11	-11		
Closing balance Equity previous Financial year = Opening balance Equity 01/01/2023	**100**	**250**	**11**	**243**	**260**	**864**
Appropriation of profits				260	-260	
Profit/Comprehensive income for the year[1]					316	316
Total changes in net wealth excluding transactions with shareholders				260	56	316
Dividends				-208		-208
Capitalisation of IT development costs			11	-11		
Closing balance Equity financial year	**100**	**250**	**22**	**284**	**316**	**972**

[1]Profit for the year is in line with other comprehensive income.

Performance analysis

Direct insurance of Swedish risks	Occupational pension insurance			Other life insurance		
PERFORMANCE ANALYSIS	Portfolio bonds	Unit-linked insurance	Medical insurance and premium exemption insurance	Portfolio bonds	Unit-linked insurance	Total
Premiums earned (gross)	0	1 086	22	2	19	1 129
Premiums (ceded)	-	-6	-16	-	-3	-24
Fees	46	74	-	259	34	413
Other technical income	13	406	-	1 007	96	1 522
Claims incurred (net of reinsurance)	-	-388	-1	-1	-6	-396
Changes in other technical provisions	-602	-8 573	-3	-9 039	-980	-19 196
Operating expenses	-36	-181	-3	-219	-50	-490
Increase in value of investment assets for which the life policyholder bears an investment risk	602	7 877	-	9 048	961	18 488
Life insurance business technical insurance result	22	294	-1	1 058	72	1 446
PRIOR-YEAR CLAIMS RESULT (gross)						0
Technical insurance provision for which the life policyholder bears a risk						
Conditional bonuses	7 378	-	-	110 911	-	118 289
Unit-linked insurance obligations	-	66 774	-	-	8 148	74 923
Technical provisions						
Claims outstanding	-	0	34	-	12	46
Reinsurers' share of technical provisions						
Claims outstanding	-	0	24	-	4	29

Operating expenses include profit shares and commissions from reinsurance companies.
Other technical income includes fees relating to yield tax charged to customers.
Change in the DAC of +121 MSEK relates to activation of premium provisions.

Notes

Note 1 Accounting and valuation principles

General information
The Annual Report for Futur Pension Försäkringsaktiebolag is issued at 31 December 2023. The financial statements relate to the financial year from 1 January to 31 December 2023. The company is an insurance company with corporate ID number 516401-6643. Futur Pension Försäkringsaktiebolag is wholly-owned by Futur Pension Holding AB ("Futur Pension Holding") with corporate ID number 559159-6738. Futur and Futur Pension Holding have their head offices in Stockholm at Linnégatan 18.

Compliance with standards and regulations
The annual report is prepared in accordance with Lagen om årsredovisning i försäkringsföretag (ÅRFL) [the Annual Accounts for Insurers Act] and the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual accounts at insurance undertakings (FFFS 2019:23). The insurance company applies what is referred to as IFRS as limited by laws, which means international accounting standards that have been adopted for application subject to the restrictions deriving from RFR 2 and FFFS 2019:23, including amending regulations. This means that all EU-approved IFRS and statements are applied as far as possible within the framework of Swedish law and taking into consideration the connection between accounting and taxation.

The annual report was approved for issue by the Board of Directors on 22 February 2024. The income statements and balance sheets will be adopted at the General Meeting held on 23 February 2024.

IFRS 16 Leases
Futur applies the exemption in RFR 2 to not apply IFRS 16. This means that Futur has not made any change to its principles for recognising leases.

Premises for the preparation of financial statements and foreign exchange
The company's operating currency is SEK and the financial statements are presented in SEK. All amounts are rounded off to the nearest million (MSEK), unless otherwise specified. Transactions in foreign currencies are translated to the functional currency at the exchange rate in force on the transaction date. The closing rates in force on the balance sheet date are used when measuring assets and liabilities in foreign currency. Changes in the exchange rate are recognised net in the income statement on the rows "Investment income" or "Investment charges".

The financial statements are prepared on the basis of historical cost, with the exception of the following assets and liabilities, which are recognised at fair value: bonds and other interest-bearing securities and assets and liabilities in unit-linked insurance and portfolio bonds.

Assessments and estimates in the financial statements
When preparing the financial statements, it is presumed that the company management carries out assessments and estimates and makes assumptions that affect the application of the accounting principles and the amounts recognised for assets, liabilities, income and expenses. Assessments and assumptions are based on historical experience and a number of other factors that are considered reasonable under current circumstances. Estimates and assumptions are regularly revised.

Estimates of the value of technical provisions and deferred acquisition costs have a significant impact on the financial statements. A description of the assumptions and valuation methods used for these balance sheet items is presented in the accounting principles below and in Note 2 Risks and risk control.

New and revised standards for the financial year
None of the changes to IFRS standards or IFRIC interpretations that are obligatory for the first time for the financial year that began on 1 January 2021 have had any substantial impact on Futur's income statement or balance sheet.

Future standards and interpretations after the closing date
A number of new or amended standards and statements of interpretation initially come into effect during the coming financial year and have not been prematurely adopted when preparing this annual report. The effects that the application of the following new or revised standards are expected to have on the company's financial statements are described below. In addition to these, the new or revised IFRS and interpretations that have not yet entered into force are not expected to have any material effect on the financial statements.

IFRS 17 – Insurance Contracts
IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts and entered into force on 1 January 2023. The standard provides principle-based regulations for accounting of insurance contracts and imposes more stringent requirements on disclosure in order to increase comparability between companies. The EU approved the standard in November 2022 with the exception of a so-called carve out relating to rules

on annual cohorts. The exception means that the rule on annual cohorts for some types of insurance contracts need not be applied.

On 22 November 2021, the Swedish Financial Supervisory Authority published proposed amendments to the regulations on annual accounts at insurance companies and occupational pension companies (FFFS 2019:23) to be applicable from 1 January 2023. The proposal states, among other things, that IFRS 17 Insurance Contracts need not apply in the case of IFRS as limited by laws in juridical persons. Futur's assessment is that the proposed changes will not have any substantial impact on the company's financial statements.

Insurance contracts and investment contracts

Insurance contracts are recognised and measured in income statements and balance sheets according to their economic contents and not according to their legal form, should they differ. Contracts that transfer significant insurance risk from the policyholder to the company and where the company agrees to compensate the policyholder or other beneficiary if a predetermined insured event occurs are recognised as insurance contracts. Investment contracts are contracts that do not transfer any significant insurance risk from the holder to the company.

According to an assessment by Futur, contracts that include a right to compensation in the event of illness/injury, and/or contracts with a survivor's pension or death benefit, as well as contracts with only old-age pension (inheritance gain), entail significant insurance risk for the company. If the contract contains any of these risks, the entire contract is counted as an insurance contract.

Premiums earned in insurance contracts

Paid-up amounts are recognised as premiums earned during the financial year in accordance with the contracts classified as insurance contracts along with deducted risk premiums. A cash-based approach is used in life insurance and unit-linked insurance for accounting of premiums earned. That means that the premium is recognised in the income statement at the time of payment. The fees charged to the policyholder for administration of the insurance contract are recognised in the income statement under the heading of fees according to the same principles as for fee income attributable to investment contracts (see below). The fees are recognised as income over the term of the contracts.

Income recognition in investment contracts

The different types of fees charged to the policyholder for administration of investment contracts are recognised as income over the term of the contracts. The income from investment contracts is recognised in the income statement under the heading of fees. The company's undertaking is to continuously provide a range of investment funds in which the customer can save and manage it over time. Fees from investment contracts consist of a variable fee and a fixed annual fee. The variable fee is a percentage of the customer's insurance capital and is calculated on a daily basis on the capital value. The fixed annual fee is charged monthly or quarterly. The fees are recognised as expenses at the rate that the company provides management services to the customer.

Other technical income

Other income attributable to commissions in the unit-linked insurance business is recognised in this item. Commissions are received from fund management companies with which Futur has cooperation agreements to distribute the funds and are calculated on the basis of the value of the stock arranged per fund.

Futur's undertaking is to arrange and distribute funds. The undertaking is thus considered to have been fulfilled when funds have been arranged. Commissions are variable remuneration that depends on the value of mutual funds and it is considered that future return commissions cannot be reliably determined due to uncertainty factors regarding future capital value because of uncertainty in cancellations and future progress of the market. The income is thus recognised when the company receives the commission and not when the transaction was arranged.

Claims incurred

The total claims incurred during the period include claims paid out during the period for insurance contracts and changes in provisions for claims outstanding. Claims settlement costs are also included in this item.

Provision for outstanding claims

A provision for unsettled damages consists, at the end of the financial year, of reported and approved claims that have not yet been settled (RBNS) and the estimated operating expenses to settle them. The provision is discounted at the current market rate at any given time which is determined on the basis of Swedish Financial Supervisory Authority regulations. The provision for unsettled claims also consists of a provision for claims incurred but not yet reported to the company (IBNR) at the end of the financial year. The company's actuary calculates the provision using statistical and actuarial methods. For health and waiver-of-premium insurance, the reserve is calculated in its entirety by the company's actuary on the basis of assumptions regarding recovery to health, degree of disability, etc.

The income statement shows the change in unsettled claims for the period.

Reinsurance

Contracts entered into between Futur and reinsurers whereby the company is compensated for losses on contracts issued by the company which meet the classification requirements for insurance contracts as described above are classified as ceded reinsurance. For ceded reinsurance, the benefits to which the company is entitled under the reinsurance contract are recognised as Reinsurers' share of technical provisions, which corresponds to the reinsurer's liability. [Deposited funds from reinsurers constitute the liability item Deposits from reinsurers]. Claims with and liabilities to reinsurers are measured in the same way as the amounts linked to the reinsurance contract and in accordance with the terms of each reinsurance contract. Annual profit is primarily settled by deduction in accordance with reinsurance contracts.

Unit-linked insurance obligations

– A technical provision for life insurance policies for which the policyholder bears a risk

Regardless of whether the unit-linked insurance contract is classified as an insurance contract or an investment contract, the undertaking to the policyholders is recognised under this item. The liabilities are measured at the fair value of the funds linked to the contracts, which is in accordance with how the unit-linked insurance assets are managed and evaluated Changes in value are recognised in the income statement. Fair value is determined using current fund values, which reflect the fair value of the financial assets held in the funds to which the liabilities are linked, multiplied by the number of units attributed to the policyholder at the balance sheet date.

Conditional bonuses

– A technical insurance provision for life insurance policies for which the policyholder bears a risk

Regardless of whether the insurance contract is classified as an insurance contract or an investment contract, the undertaking is recognised under this item. The provision relates to undertakings for contracts which do not constitute unit-linked insurance but in which the policyholder, as in unit-linked insurance, bears the full financial risk (referred to as a "portfolio bond"). The provision is measured at the fair value of the assets connected to the contracts. Changes in value are recognised in the income statement.

Prepaid acquisition costs

Costs incurred as a direct result of signing new investment contracts or insurance contracts are distributed over a period of time if they are deemed to generate a margin that at least covers the distributed acquisition costs. These consist of variable acquisition costs paid to brokers or other distributors and allocations to policyholders. The deferred acquisition costs are recorded in the balance sheet as an asset item under Prepaid expenses and accrued income. The distribution over a period of time of the prepaid acquisition costs attributable to investment contracts takes place according to the same pattern as recognition of income, i.e. at the rate at which the services are provided. Distribution of deferred acquisition costs attributable to insurance contracts takes place over the estimated economic lifespan, which gives the same depreciation pattern as for investment contracts. Cancellations are also taken into account. Prepaid expenses are regularly tested for impairment to ensure that the expected future financial benefits of the contracts exceed the carrying amount. The company carried out new capitalisations during the year (see Note 22).

Payments to employees

The company's pension obligations to employees after the termination of employment are classified either as defined contribution plans or defined benefit plans. The employees' pension plan is defined-benefit for personnel employed before 2013 and defined-contribution for personnel employed after 2013. The defined-benefit plan (the BTP plan) is secured through Sparinstitutens Pensionskassa (SPK) and is recognised as a defined-contribution plan in accordance with the relief rules in RFR 2, which means that premiums paid are expensed on an ongoing basis in the income statement as they are paid.

Under IAS 19, a defined-contribution plan is a plan whereby the company pays fixed charges to a separate legal entity and has no legal or constructive obligation to pay additional charges if the legal entity has insufficient assets to make payments to employees relating to service during current or previous periods. A defined-benefit pension plan is defined as a plan for post-employment payments other than a defined-contribution plan.

Realised and unrealised changes in value

All investment assets are measured at fair value and the capital gain is the positive difference between selling price and historical cost. For interest-bearing securities, the historical cost is the amortised cost and for other investment assets it is the historical cost. In the case of sale of investment assets, previously unrealised changes in value are recorded as adjustment items under the items Unrealised gains on investment assets and Unrealised losses on investment assets.

Unrealised gains and losses are recognised net per type of asset. Changes that are explained by changes in exchange rates are recognised as foreign exchange gains or losses under the item Investments.

Both realised and unrealised changes in the value of unit-linked insurance and portfolio bond assets are recognised under increase or reduction in value of unit-linked insurance and portfolio bond assets.

Taxes

The company pays a flat-rate yield tax on the assets managed on behalf of the policyholders. Savings products are subject to yield tax. Yield tax is not a tax on the insurance company's earnings, but is paid by the company on behalf of the policyholders. The various tax rates are set out below.

Pension insurance

The tax rate is currently 15%. The base for yield tax is obtained by multiplying the capital base by the average government borrowing rate for the year immediately preceding the start of the tax year (taking the interest rate floor into account). The capital base consists of assets at market value at the beginning of the tax year minus financial liabilities.

Endowment insurance

The tax rate is currently 30 %. The base for yield tax is obtained by multiplying the capital base by the government borrowing rate on 30 November of the year preceding the start of the tax year (taking the interest rate floor into account). The capital base consists of assets at market value at the beginning of the tax year minus financial liabilities. Premiums paid during the first half of the year and half the premiums paid during the second half of the year are also included in the capital base.

Income tax

Corporation tax is levied on the profit from the company's own finance operations (shareholder business) and the profit from risk insurance policies (disability pension and waiver-of-premium) minus actual costs. The distribution of the costs and income between the business liable for income tax and the part of the business liable for yield tax takes place in a reasonable manner.

Deferred tax

Deferred tax is tax relating to temporary differences between the value of an asset or liability in the accounts and its value for tax purposes. Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets are recognised for deductible temporary differences to the extent that it is likely that the amounts can be used towards future surpluses. The company has used future determined income tax of 20.6% when calculating deferred taxes.

Intangible assets

Intangible assets are recognised in the income statement if it is likely that the future economic benefits will accrue to the company and the historical cost can be reliably calculated. Intangible assets are recognised at their historical cost net of accumulated depreciation and any impairments.

Impairment of intangible assets

An assessment of the carrying amount of intangible assets is carried out at each balance sheet date in order to assess whether there is any indication that the asset has decreased in value. If there is any such indication, the asset's recoverable amount is established. The recoverable amount is calculated as an asset's use or its net sale value, whichever is the higher.

Financial Instruments

Financial assets and liabilities

Financial instruments recognised in the balance sheet include, on the assets side: investment assets, investment assets for which the policyholder bears a risk, cash and bank balances and certain other receivables. Liabilities and equity include subordinated liabilities, liabilities in the insurance business and undertakings for investment contracts included in the provision for which the policyholders bear an investment risk.

Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument.

A financial asset is removed from the balance sheet when the contractual rights are realised or expire or when the company loses control of them. The same applies to part of a financial asset. A financial liability is derecognised when the contractual obligation is fulfilled or is otherwise terminated. This also applies to a part of a financial liability.

A financial asset and a financial liability is offset and recognised at a net amount in the balance sheet only when there is a legal right to offset the amount and when there is an intention to settle the items at a net amount or to realise the asset and settle the debt at the same time.

Acquisition and sale of a financial asset is recognised on the transaction date, which is the date on which the company commits to acquiring or selling the asset.

Classification and measurement

All financial assets and liabilities are measured at fair value upon initial recognition. Subsequent recognition is carried out according to the valuation category to which the financial instrument is assigned.

Financial assets are classified and measured in accordance with the provisions of IFRS 9 in one of the three measurement categories:

- Amortised cost
- Fair value through the income statement
- Fair value through other comprehensive income (the company has no debt instruments in this category)

Debt instruments

Financial assets that are debt instruments are represented in the balance sheet as Assets for conditional bonuses and Unit-linked insurance assets (refers to mutual funds in which the fund must repay the fund units when the units are redeemed) loan and trade receivables classified as Other receivables and Cash and bank balances.

The classification of a debt instrument is determined by the business model for managing the instrument and the characteristics of the instrument's contractual cash flows. One requirement in order for a financial asset to be recognised at amortised cost or fair value through other comprehensive income is that the contractual cash flows must consist solely of repayment of outstanding principal and interest on the outstanding amount of principal. Debt instruments that do not meet the requirement must be measured at fair value through profit or loss regardless of the business model to which the asset is attributable. All debt instruments measured at amortised cost meet these cash flow criteria.

Financial assets measured at fair value through the income statement

Futur manages its holdings of interest-bearing securities according to a business model that entails a fair value measurement through profit or loss as a result of the fact that the assets are managed and measured based on the fair values of the assets and the fair value forms the basis for internal monitoring and reporting to senior executives. There are currently no such investments.

Shares and units and and mutual funds classified as debt instruments in accordance with the above are measured at fair value.

The historical cost of debt instruments measured at fair value through profit or loss constitutes the fair value of the asset without any addition for transaction costs. This recognition means that the assets are measured on an ongoing basis at fair value through profit or loss where the accumulated unrealised changes in value are recognised in retained earnings. Changes in the fair value of these assets are recognised in the income statement as Unrealised gains and Unrealised losses on investment assets and interest income is recognised in Investment income. In the event of sale of an asset in this category, accumulated unrealised changes in value are recognised in the income statement on the line of Unrealised gains or losses on investment assets, while realised income is recognised in the income statement on the line Investment income or Investment charges.

Financial assets measured at amortised cost

The company deals with loan and trade receivables according to a business model which aims to realise the cash flows of the assets by obtaining contractual cash flows consisting solely of principal and interest on the outstanding amount of principal. These assets are therefore measured at amortised cost. Amortised cost means the discounted present value of all future payments attributable to the instrument where the discount rate consists of the asset's effective interest rate at the moment of acquisition.

Expected loan losses

Reserves for expected loan losses are recognised for financial assets measured at amortised cost. The initial reserve loss is calculated and recognised upon initial recognition and is then adjusted on a continuous basis over the maturity of the financial asset. Balance sheet items measured at amortised cost consist of loan and trade receivables, as well as cash and bank balances. A reserve for financial assets recognised at amortised cost is recognised as a decrease in the gross carrying amount for the asset. Provisions for loan losses are presented in the income statement in Investment charges.

Verified loss

Verified loan losses are losses which are finally established in terms of their amount and where the chance of receiving further payments is considered to be very small. The receivable is then written off from the balance sheet and recognised as a verified loss in the income statement at that moment.

Financial liabilities measured at fair value through the income statement

See the description of unit-linked insurance assets and Assets for conditional bonuses above. Furthermore, these undertakings must be measured at fair value in accordance with a requirement under Swedish Financial Supervisory Authority regulations.

Other financial liabilities

Other liabilities relating to the insurance business are valued at amortised cost

Contingent liabilities

A contingent liability is recognised when there is a possible commitment that arises from past events and whose existence will be confirmed only by one or more uncertain future events or when there is a commitment that is not recognised as a liability or provision on the grounds that it is unlikely that an outflow of resources will be required.

Structured companies

Futur has invested in mutual funds and securities in the unit-linked insurance business and the portfolio bond business. These meet the criteria of being what are referred to as structured companies (a company that has been designed in such a way that voting rights and similar rights are not the dominant factor in determining who has the dominant influence, for example when all voting rights relate solely to management tasks and the activities in question are governed by contractual provisions). The purpose of the investments is to generate returns for the policyholders and they are thus financed by insurance premiums from the policyholders. The investments are recognised in the balance sheet as investment assets for which the life policyholder bears an investment risk and on the liabilities side as technical provisions for which the policyholder bears a risk.

The company considers that it does not have a dominant influence over the structured entities and they are therefore not consolidated. There is no dominant influence because it is the policyholders that make decisions on which mutual funds the company must invest in.

Tangible assets

Tangible assets are recognised at their historical cost net of accumulated depreciation and any impairment. Depreciation is based on a straight-line depreciation period and assessed useful life. The assets' residual value and useful lives are tested on each balance sheet date and are adjusted if necessary.

Portfolio assignments

Portfolio assignment, which means that Futur has taken over an insurance portfolio from another insurance company, is reported in the balance sheet in accordance with FFFS 2019:23.

Note 2 Risks and risk control

Futur is engaged in life insurance business with savings in unit-linked insurance as well as traditional insurance in the form of portfolio bonds in which the policyholders themselves bear the investment risk. The products are taken out as private endowment and pension insurance, company-owned endowment insurance and occupational pension insurance. The products can be taken out with or without repayment protection. Futur also provides health insurance and waiver-of-premium insurance as well as survivor's pension and death benefit as add-ons. Death benefit (life insurance) can also be taken out as a stand-alone product. The business is under the supervision of the Swedish Financial Supervisory Authority. The main risks in the business are insurance risks, operational risks and financial risks.

Governance and risk management

Futur, along with its parent company Futur Pension Holding AB, forms a group in which Futur, in accordance with a decision by the Swedish Financial Supervisory Authority, is a company responsible for corporate governance.

The Board of Directors of Futur has ultimate responsibility for the company's organisation, which also includes responsibility for managing the risks to which Futur, as well as relevant parts of the group, are exposed. The Board of Directors establishes the overall policies and guidelines that must apply to risk management, reporting of risk, internal control and monitoring.

The CEO is responsible for the company's day-to-day operations as well as for risk management, reporting of risk, internal control and monitoring. The CEO is also responsible for the implementation of policies in the business.

Futur has a corporate governance system that includes a risk management system and an internal control system.

The risk management system includes a risk management strategy that is consistent with the company's business strategy and which expresses the company's risk management principles, including setting risk tolerance limits and allocating responsibility for risk management. It also includes, for example, governance documents on dealing with material risks and appropriate reporting procedures and processes.

The system for internal control must ensure that Futur complies with applicable laws and statutes, that the company's operations are appropriate and effective in view of its objective and that economic and non-economic information is available and reliable. In Futur's organisation, the corporate governance system is implemented according to the diagram below.

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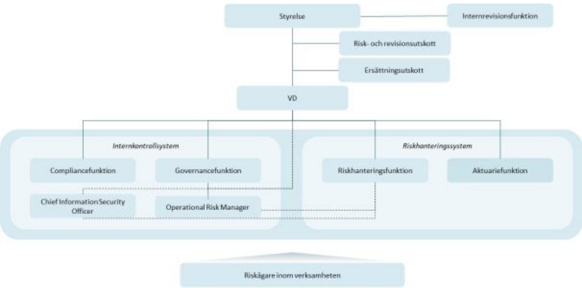

The four key functions, i.e. (i) the Compliance Unit, (ii) the Risk Management Unit, (iii) the Actuarial Unit and (iv) the Internal Audit Unit, are organised in such a way that they are able to carry out their work in a way that guarantees freedom from any influence that may compromise the ability of the units to carry out their tasks in an objective, accurate and independent manner.

The internal control system includes, in organisational terms:

The Compliance Unit

- The Compliance Function is part of the system for internal control and helps ensure that risks relating to compliance with external and internal rules are identified, assessed and managed.
- The Governance Unit – the Governance Unit supports and monitors the organisation so that the corporate governance system is implemented effectively. The unit supports the organisation in such tasks as implementation of new laws and regulations, it works to achieve clearly defined roles and areas of responsibility, suitable reporting structures, development of process descriptions for important processes, and contributes to effective decision-making structures.
- Operational Risk Manager – The Operational Risk Manager supports the business in the work of managing and reducing operational risks and ensures that Futur has effective systems to control and monitor those risks.
- The Chief Information Security Officer is responsible for supporting the business in the work of managing and reducing information security risks and ensuring that Futur has efficient systems for managing and monitoring those risks.

The risk management system includes, in organisational terms:

- The Risk Management Unit assists the Board of Directors, the CEO and the other units in ensuring that the risk management system works efficiently. The unit continuously monitors the risk management system and

the company's risk profile and monitors emerging risks.
- The actuarial unit coordinates and is responsible for the quality of the actuarial calculations and analyses. The Unit assists the Board of Directors and the CEO and reports to them on its own initiative on matters that relate to methods, calculations and assessments of technical provisions, valuation of insurance risks and reinsurance protection and techniques for reducing risks.

The Internal Audit Unit is responsible for reviewing and evaluating the company's governance, risk management and internal controls on behalf of the Board of Directors. The Internal Audit Unit is directly subordinate to the Board of Directors of Futur and is completely independent from the business being audited.

Insurance risks

Futur sets its premiums and reserves based on assumptions about how high the costs for insurance events occurring will be. The risk of the actual and assumed risk costs deviating from each other is referred to as insurance risk. Insurance risk at Futur exists in the following insurance events:

- Death – payment to beneficiaries in the event of the decease of the insured
- Longevity – payment of inheritance gains
- Disability – payment in the event of illness or incapacity for work
- Surrenders – payment in the event of repurchase, transfer and non-payment of premiums
- Operating expenses – costs for carrying on the business

Mortality risk arises from cover in the event of decease that exists in most insurance policies. The morbidity risk exists in the insurance policies where waiver-of-premium and, as appropriate, health insurance have been taken out.

Mortality risk consists of the risk of mortality among the insured persons deviating from the technical assumptions used when setting prices. In cases where repayment protection has been taken out, the exposure to mortality risks is limited to approximately 1 per cent of the fund value in the event of decease. For other cover in the event of decease, the company manages mortality risks through its medical examinations policy to ensure that the product is priced taking into account the individual's state of health and through reinsurance within certain set intervals. Futur is able, whenever necessary, to change the premium for the mortality risk and the underwriting risk is therefore small.

Life longevity risks exists in savings insurance, in retirement pensions, without repayment protection. Life longevity risk means that the insured lives longer than is expected in the assumptions and that the company therefore allocates too much inheritance gain. There is, however, no longevity risk as the company does not pledge any guarantees.

Morbidity risk consists of the risk of morbidity among the insured persons being higher than the assumptions used when setting prices and reserves. Exposure to morbidity risks is managed through the company's medical examinations policy to ensure that the product is priced taking into account the individual's state of health and through reinsurance within certain set intervals. If necessary, the premium can be adjusted for waiver-of-premium and health insurance.

Most of the company's income consists of fees calculated on the fund and custody account value. The company is therefore exposed to lapse risks.

Lapse risks consist of the risk that the customer may repurchase, transfer or cease to pay premiums for contracts in a way that the company did not foresee in its pricing and which may thus give rise to losses in cases where the company has incurred costs for the customer for which the insurer has not yet received payment. These risks are primarily managed through active customer contacts and product development. The company regularly monitors the development of cancellations and letters of release. The transfer market for occupational pensions is growing. The transfers taking place mainly consist of transfers from older and in many cases more expensive occupational pensions to cheaper and more modern occupational pensions. No increase in transfers out of Futur has been noted.

The operating cost risk refers to the risk that income from fees may be lower than the costs for carrying on the business. The company is thus exposed to the risk that income may decrease due to price pressure, fewer new policies being taken out or weak progress in the financial markets. The cost risk is the risk of the company's future costs being incorrectly estimated.

Limitation of insurance risks

The company carries out a medical risk assessment for the insurance risks of decease and sickness when risk insurance is applied for and before the insurance is granted. The purpose of risk assessment is to be able to offer a fair premium and fair conditions and to limit the claim outcome.

The company has guidelines for maximum exposure per insured

Futur’s insurance risks are further limited through the reinsurance contract signed for morbidity and mortality risks. Futur reinsures any amounts that exceed the retention, i.e. the largest risk that Futur is prepared to take on its own behalf. The retention is set at 1000 TSEK per insured person. In addition to this there is catastrophe protection for individual events that result in a large number of illness or death claims.

Futur has also signed a reinsurance contract that limits the lapse risk in the event of mass transfers.

Risk type	Futur	Reinsurer
Life longevity risk	-	-
Mortality risk	Retention in SEK	Amount in excess of retention
Morbidity risk	Retention in SEK	Amount in excess of retention
Lapse risk	-	Covers the loss of future profits in the event of mass transfers

Reserve allocation risk

Most of the technical provisions do not involve any insurance risk or investment risk for Futur because the policyholders bear the investment risk. Insurance risk occurs in the technical provisions relating to unsettled claims. Outward reinsurance limits the consequences of very large claims and the size of the exposures can therefore be managed and the company's equity can be protected.

The table below provides a sensitivity analysis of the assumptions used when calculating the technical provisions for ongoing sickness claims to show how changing assumptions affect earnings and equity. The provision for unspecified losses is based on a percentage of the risk premium and is therefore not directly affected by the assumptions below.

For the mortality risks, the company only allocates a reserve for unspecified losses. The reserve risk for mortality risks is negligible.

The sensitivity analysis has been carried out by measuring the effect on gross and net provisions, on pre-tax profit and equity, of reasonably likely changes in some key assumptions.

The effects have been measured assumption-by-assumption, with the other assumptions remaining constant.
No correlations between assumptions have therefore been taken into account.

Effect on profit/loss after tax/equity (MSEK)*

Assumptions	2023	2022	Scenario
Morbidity	– 1.1	– 0.5	The risk of morbidity is calculated as the effect of reducing recovery to health by 20%.
Market interest risk	– 0.3	– 0.3	The market interest risk is calculated as the effect of higher market interest rates (parallel shift 1%)

* The table shows the effect on equity. There is no significant difference between pre-tax and post-tax earnings.

Underwriting risk

Underwriting risks exist for all insurance risks. In the case of incorrect pricing, Futur has the option to revise the premiums and fees. The company's main method for controlling underwriting risks is the business plan adopted annually by the Board of Directors. The plan determines the classes of insurance within which insurance must be taken out. Monitoring of premiums, claim levels and operating expense results is carried out on a quarterly basis.

Reporting and monitoring of insurance risks

The actuary is responsible for ensuring that the financial outcome of the insurance risks is monitored on a regular basis. Each year, the interim results per insurance event are analysed at the time when the Annual Report to the Financial Supervisory Authority is prepared. The assumptions are reconsidered on an ongoing basis.

Operational risks

Operational risk means the risk of loss due to incorrect and/or inadequate internal processes, human error, deficiencies in systems or external events. Operational risk also includes legal and compliance risks. The operational risk within Futur is divided into subcategories, as follows:

- Internal fraud
- External fraud
- Employment relations and safety at the workplace
- Customers, products and business practice
- Damage to physical assets
- Execution,delivery and process management
- Business disruption and system errors
- IT security
- Model risk

Futur accepts that operational risk is a natural consequence of carrying on business and the management of operational risks is afforded high priority in the company. Operational risks mainly affect Futur financially through a cost, for example in connection with customer compensations, but can also lead to regulatory, reputational and customer-related consequences.

To promote the practical implementation of the objectives for management of operational risks in relation to Futur's strategy, the Board has established a risk appetite and specified risk tolerance levels. Appetite for risk and the risk tolerances reflect Futur's strategy to achieve greater customer satisfaction and meet set financial targets and must be taken into account in assessing how operational risks are limited.

Financial risks

Various types of financial risks such as credit risks, market risks and liquidity risks arise in the insurance company's operations. As described above, the policyholder him or herself bears the financial risk in unit-linked insurance and portfolio bonds. Futur is exposed to financial risk when the value of the customers' investment assets fluctuates as a result of movements in prices on the financial markets. This risk arises from a change in the size of the fee base.

The company also has its own investment assets which are exposed to financial risks. According to the company's investment guidelines, the company's own assets may be invested in interest-bearing assets with a low credit risk, funds deposited in accounts and units in funds in Futur's fund stock. Futur invested parts of the company's own investment assets in bonds with low credit risk in 2023. In addition, the company maintains a trading book, invested in various mutual funds, which is affected by changes in the financial markets. The market risk is limited by establishing limits per fund. The limit for the fund varies and depends on trading volume and minimum trading units. See also the section on Financial risks – Market risks.

The Board of Directors has established guidelines and instructions for finance operations. This is managed through investment rules and investment regulations. The company's CRO (head of the risk management unit), along with the CFO, is responsible for reporting and monitoring financial risks.

Financial risks – Credit risk/Counterparty risk

Credit risk means that the counterparty in a business relationship fails to fulfil its undertakings in whole or in part. Counterparty risks in an insurance company arise among other things in connection with receivables related to reinsurance and via bank balances. Counterparty risks in Futur arise principally through exposure to credit institutions via funds in bank accounts, and through reinsurance. The existing low counterparty risk means that loan losses are expected to amount to insignificant sums. No reserve for losses is therefore recognised. Note 1 sets out the accounting principles.

The largest exposure is to financial institutions through funds deposited in bank accounts. The credit risk is considered to be low.

The creditworthiness of issuers and counterparties is determined by means of both internal and external credit assessment. Futur invested parts of the company's own investment assets in bonds in 2023. The bonds have high creditworthiness, which is why the underlying credit risk is considered to be low.

The insurance company's reinsurance policy means that contracts are only entered into with reinsurers with high credit ratings. The reinsurers' creditworthiness is reviewed regularly to ensure that the reinsurance protection decided upon is maintained. Futur currently has contracts with two reinsurers, both of which have a credit rating of AA-.

Financial risks – Liquidity risks

Liquidity risk is the risk that the company may be unable to meet its payment obligations when they fall due or that the company may be unable to sell securities at acceptable prices. This risk is limited due to the fact that most of the investment assets are invested in securities with good liquidity which are listed on the market. The liquidity risk for investment assets for which the policyholder bears the investment risk is low because the proceeds of the sale are settled within a couple of days.

Futur's liquidity exposure with regard to remaining maturities of financial assets and liabilities is shown in the table below. All amounts in the table are in MSEK.

Term	On request	<3 months	3-12 months	>1 years
Financial Assets				
Shares and participations		12		
Bonds				1049
Receivables		28		5
Cash and bank balances	651			
Other prepaid expenses and accrued income		91		208
Financial Liabilities				
Liabilities relating to direct insurance		9		
Liabilities relating to reinsurance		5		1
Other liabilities		122		
Accrued expenses		35		

Financial risks – Market risks

Market risk is the risk that the fair value of a financial instrument or future cash flows from a financial instrument may fluctuate due to changes in market prices. Interest-rate risk, currency risk and share price risk are examples of market risks.

As the company undertakes unit-linked insurance and portfolio bond activity, the direct exposure to fluctuations to the unit-linked insurance and portfolio bond assets is borne by the customers themselves. Nevertheless, changes in the market values of these assets have an impact on profits as a result of changes in the revenue base.

The equity is invested in liquid assets in the form of bonds with low credit risk, cash and cash equivalents and funds deposited in bank accounts at group companies. The company also maintains a smaller trading book, invested in various mutual funds, which is affected by changes in the financial markets.

Financial risks – Interest-rate risk

Futur is exposed to interest rate risk due to the risk that the market value of the insurance company's fixed-interest assets may fall when the market rate rises.

During 2023, the company had cash and cash equivalents deposited in bank accounts.

Futur invested parts of the company's own investment assets in bonds with low credit risk in 2023. The bonds have a short duration and thus entail a limited interest rate risk.

Futur is also exposed to interest-rate risk through investment assets for which the customers bear the financial risk because the value of future income falls with falling asset prices. Interest-rate risk exists for the undertakings relating to ongoing medical claims. See the sensitivity analysis regarding interest rate risk in the section entitled Insurance risks.

Financial risks – Currency risk

Currency risk, like share-price risk and interest-rate risk, arises though the customers' investment assets and therefore the fee base is exposed to fluctuations in the currencies in which the financial instruments are listed. Currency risk also occurs in the fund book.

Financial risks – Share-price risk

Share-price risks arise in the company's own investments in mutual funds and indirectly through investment assets for which the customers bear the financial risk because the value of future income decreases with falling asset prices.

Capital management/Solvency Information

The policyholders themselves bear the financial risk in the investment assets in which they decided that the insurance capital in unit-linked insurance policies and portfolio bonds should be invested or to which it should be exposed. Futur's governance focuses on the range of funds and other financial instruments offered to the policyholders in the relevant insurance policies. The objective is prudent management of the assets made available to the policyholders in unit-linked insurance and portfolio bonds and of the assets for which Futur bears the direct financial risk. This is done by specifying requirements for permitted assets in portfolio bonds and unit-linked insurance to enable risks to be evaluated and measured and through detailed investment rules.

Futur's operations are subject to requirements issued by public authorities. Besides approval and monitoring of the business, these requirements also include quantitative provisions in the form of capital requirements to minimise the risk of insolvency in the event of unforeseen losses. Futur has met these requirements during the financial year. Information provided in the administration report with regard to capital strength and solvency data is based on the rules laid down in the Insurance Business Act. These rules are based on the required level of solvency and capital and the valuation principles applied in the business rules.

Futur's capital management policy for the business consist of holding a sufficient level of capital to meet both requirements under the Insurance Business Act and capital requirements according to the company's own assessment (ORSA). To ensure that Futur is able to fulfil what has been agreed, Futur is required to have a buffer to manage any adverse outcomes from uncertain events. This buffer is the company's capital base and essentially consists of equity and expected future earnings. Capital requirement and need for capital are forecast as a matter of routine on a regular basis and are evaluated against estimated available capital, including risk and sensitivity analyses. The process must ultimately be approved by the Board of Directors.

Preferential rights register

Futur's Board of Directors establishes the policy for the preferential rights register that describes the company's way of establishing the statutory preferential rights register to be maintained by an insurance company that carries on direct insurance business. The policy specifies how the contribution margin must be monitored and reported at the company.

In accordance with the Solvency Regulations, technical provisions are measured at fair value where the policyholder bears the entire investment risk and are lower than specified in the financial statements. The contribution margin in accordance with the Solvency Regulations amounts to over 100%. Other provisions in accordance with the Solvency Regulations remain unchanged. The same valuation principle applies and the contribution margin is therefore the same.

Note 3 Premiums earned (Net of reinsurance)

	2023	2022
Direct life insurance in Sweden		
Regular premiums	827	841
Single premiums	282	963
Premiums for risk insurance	20	23
Premiums earned before outward reinsurance	1 129	1 827
Premiums for outward reinsurance	-24	-35
Premiums earned after outward reinsurance	1 105	1 792

Note 4 Fees

	2023	2022
Fees relating to insurance contracts	9	9
Fees relating to investment contracts	405	395
Fees	413	405

Note 5 Other technical income

	2023	2022
Fees relating to yield tax[1]	1 211	616
Commissions from fund managers	328	295
Other income	-17	-16
Other technical income	1 522	895

[1]The corresponding expense is recognised as yield tax in Note 17.

Note 6 Net profit/loss per category of financial instrument.

Financial assets	2023	2022
Shares and participations *)	0	-3
Investment assets for which the life policyholder bears an investment risk *)	18 725	-40 286

*) Financial assets identified as items measured at fair value in the income statement

Note 7 Claims paid (Net of insurance)

	2023	2022
Claims paid	-111	-77
Cancellations and buy-back	-280	-145
Claims adjustment costs	0	0
Reinsurers' share	4	8
Provision for changes in claims incurred and reported	-2	8
Change in provision for claims incurred but not reported (IBNR)	-9	0
Reinsurers' share	2	-8
Claims paid (net of reinsurance)	-396	-215

Note 8 Conditional bonuses

	2023	2022
Opening balance	108 373	130 896
Payments	22 078	27 546
Cancellations and buy-back	-20 437	-16 774
Withdrawals upon maturity	0	0
Withdrawals in the event of decease	-252	-397
Fee charge	-308	-300
Compensation for risk insurance (pbf/decease)	-15	-14
Changes in value of portfolio bond assets	9 877	-32 040
Yield tax	-1 041	-549
Risk amounts due	4	6
Other changes	0	0
Closing balance	118 280	108 373
Of which estimated to fall due within 12 months	22 305	

Note 9 Unit-linked insurance obligations

	2023	2022
Opening balance	60 217	62 685
Payments	9 190	8 947
Cancellations and buy-back	-2 253	-2 272
Withdrawals upon maturity	-881	-754
Withdrawals in the event of decease	-34	-56
Fee charge	-109	-105
Compensation for risk insurance (pbf/decease)	9	4
Changes in value of unit-linked insurance assets	9 556	-8 246
Changes in insurance contracts	-717	
Yield tax	-170	-67
Risk amounts due	-17	-15
Other changes	133	94
Closing balance	74 923	60 217
Of which estimated to fall due within 12 months	3 900	

Note 10 Operating expenses

	2023	2022
Acquisition costs	-474	-405
Change in deferred acquisition costs	121	70
Administrative expenses	-147	-118
Commissions and profit shares in outward reinsurance	9	7
Operating expenses	-490	-446
Claims adjustment costs	0	0
Total operating expenses	-491	-445

	2023	2022
Personnel costs	-141	-115
Costs for premises, etc.	-16	-14
Depreciation, etc.	-4	-2
Other	-330	-314
Operating expenses	-490	-446

The higher personnel costs in 2023 are largely due to a higher number of employees. Also see note 12.

The company leases 32 (31) vehicles under an operating lease. Costs for leasing vehicles amounted to 4 MSEK (3) during the year. Future minimum lease payments amounted to 4 MSEK (4) at the balance sheet date.

	2023	2022
> 1 year	0	0
1-5 years	-4	-4
Total	-4	-4

Note 11 Cost for pensions and similar obligations

	2023	2022
Social insurance costs		
Pension costs Chief Executive Officer	-3	-2
Pension costs for the other employees	-19	-18
Other social insurance costs in accordance with law and agreements	-32	-27
Total	-54	-47

Note 12 Average number of employees and salaries and other payments

	2023	2022
Average number of employees		
Women	51	45
Men	54	47
Total	105	92

	2023	2022
Distribution between male and female		
Board of Directors		
Women	2	2
Men	5	5
	7	7
Management team		
Women	3	3
Men	7	6
	10	9

	2023	2022
Salaries and other remuneration		
Board of Directors and Chief Executive Officer	-4	-5
Other employees	-77	-65
Total	-81	-70

Note 13 Fees and reimbursement to auditors

	2023	2022
Audit assignments - PwC	-1	-1
Other audit assignments	-	-
Tax consulting	-	-
Other services	-	-
Total	-1	-1

Note 14 Investment income

	2023	2022
Bonds interest income	23	-
Other interest income	30	2
Capital gains, shares and participations	0	-
Capital gains other bonds	4	-
Investment income	56	2

Note 15 Unrealised gains/losses on investment assets

	2023	2022
Shares and participations	14	0
Unrealised gains/losses on investment assets	14	0

Note 16 Investment charges

	2023	2022
Other interest expenses	0	0
Foreign exchange losses, net	0	0
Capital losses, shares and participations	0	-3
Investment charges	0	-4

Note 17 Tax

	2023	2022
Current tax cost		
Yield tax	-1 211	-616
Foreign coupon tax	21	21
Current income tax	-5	-
Deferred tax, loss carryforwards	-5	0
Tax	-1 200	-595

	2023	2022
Reconciliation of reported tax		
Pre-tax profit for the year	1 516	855
Yield tax	-1 211	-616
Minus earnings in operations subject to yield tax	-253	-239
Earnings in operations subject to income tax	52	1

	2023	2022
Tax at the applicable tax rate 20.6%	-11	0
Reported income tax	-10	0
Difference	-1	0

	2023	2022
Explanatory items		
Tax effect of change in loss carryforwards for which deferred tax is not taken into account	-1	0
Total	-1	0

Note 18 Categories of financial assets as their fair values

Financial assets 2023	Measured at fair value through the income statement	Measured at amortised cost	Total carrying amount
Shares and participations	12		12
Investment assets for which the life policyholder bears an investment risk	193 085		193 085
Bonds	1 049		1 049
Receivables		33	33
Cash and bank balances		651	651
Other prepaid expenses and accrued income		91	91
Non-financial assets			261
Total assets	194 146	775	195 181

Financial assets 2022	Measured at fair value through the income statement	Measured at amortised cost	Total carrying amount
Shares and participations	19		19
Investment assets for which the life policyholder bears an investment risk	168 726		168 726
Bonds	0		0
Receivables		27	27
Cash and bank balances		908	908
Other prepaid expenses and accrued income		81	81
Non-financial assets			127
Total assets	168 745	1 017	169 889

Financial instruments measured at fair value 2023	**Level 1**	**Level 3**
Shares and participations	12	
Investment assets for which the life policyholder bears an investment risk	184 223	8 861
Total financial assets	184 235	8 861

Financial instruments measured at fair value 2022	**Level 1**	**Level 3**
Shares and participations	19	
Investment assets for which the life policyholder bears an investment risk	158 068	10 421
Total financial assets	158 088	10 421

The above table provides information on how fair value is determined for the financial assets that are measured at fair value in the balance sheet. Assets that can be traded on an active market at market prices are recognised in level 1. Level 3 is used for assets where there is no observable data. In order to value these assets, models that would be used by other market operators are used to calculate a price.

	2023	**2022**
Opening balance, level 3 shares	5 835	8 095
Recognised in the profit/loss for the year	-758	-1 921
Acquisitions	395	1 398
Sale	-1 728	-1 080
Movement from level 3 (to level 1)	-17	-657
Closing balance, level 3 shares	3 727	5 835

	2023	**2022**
Opening balance, level 3 bonds	4 586	2 854
Recognised in the profit/loss for the year	248	-1 049
Acquisitions	1 899	3 254
Sale/maturity	-1 598	-473
Closing balance, level 3 bonds	5 135	4 586

Closing balance for Level 3 shares and bonds corresponds to the recognised fair value of level 3 assets.

Note 19 Intangible assets

	2023	2022
Intangible assets		
Opening acc. acquisition value	12	-
Acquisitions for the year	13	11
Closing accumulated acquisition cost	25	11
Opening acc. depreciation and impairment	-	-
Depreciation and impairment for the year	-2	0
Closing accumulated acquisition value	-2	0
Book value	22	11

Note 20 Share and participations

	2023	2022
Shares and participations		
Acquisition cost	12	19
Fair value	12	19
Bonds		-
Acquisition cost	1 029	-
Fair value	1 049	-

Note 21 Tangible assets

	2023	2022
Equipment		
Opening acc. acquisition value	6	6
Acquisitions for the year	-	-
Closing accumulated acquisition cost	6	6
Opening accumulated depreciation	-6	-4
Depreciation and impairment for the year	-2	-2
Closing accumulated acquisition value	-8	-6
Book value	4	4

Note 22 Deferred acquisition cots

	2023	2022
Prepaid acquisition costs		
Opening balance	87	17
Capitalised acquisition costs for the period	141	80
Depreciation for the year	-19	-10
Prepaid acquisition costs	208	87
Of which book value with a remaining depreciation period of under two years	3	3
Of which book value with a remaining depreciation period of over two years	205	83

Deferred acquisition costs mainly consist of expenses for sales commissions to insurance intermediaries for acquisition of investment contracts.

Note 23 Technical provisions (before outward reinsurance)

	2023	2022
Opening balance		
Opening balance reported claims	27	35
Opening balance claims incurred but not reported (IBNR)	9	8
Opening balance	35	43
Change for the year		
Cost of claims incurred during the current year	17	7
Change in expected cost of claims incurred in previous years	-6	-16
Change for the year	11	-8
Closing balance		
Closing balance claims reported	29	27
Closing balance claims incurred but not reported (IBNR)	17	9
Closing balance	46	35

Note 24 Other liabilities

	2023	2022
Tax-related liabilities	39	33
Trade accounts payable	21	14
Other liabilities	62	57
Other liabilities	122	105

Note 25 Pledged assets and contingent liabilities

	2023	2022
Pledges and comparable securities given for own liabilities and for obligations recognised obligations	193 328	168 671

Note 26 Related parties

The Company forms part of a group with Futur Pension Holding AB in which the holding company is the parent company. There are transactions within the group priced on market terms. The agreement between the parties includes administration, in which the company keeps the parent company's accounts and carries out other regulatory work. The parent company was invoiced 0.5 MSEK including VAT during the year. Dividends of 208 MSEK were paid out during the year.

Note 27 Equity

The share capital amounts to 100 MSEK. The number of shares is 100,000, classified as ordinary shares. The quota value is 1,000. Futur Pension Holding AB owns 100% of the shares in Futur Pension Försäkringsaktiebolag.

Note 28 Allocation of earnings and equity

	2023	2022
Proposed allocation of earnings		
Accumulated profit	284	243
Net profit for year	316	260
Proposed dividend to shareholders	-275	-208
Total SEK	325	295

The Board of Directors proposes that 325 MSEK be carried forward to new accounts.
Equity, see report on changes in equity.

Note 29 Events after the balance sheet date

No significant events occurred after the end of the financial year.

Signatures

Our signatures were added on the date shown in the electronic signatures.

Stockholm according to what appears from our electronic signature.

Johan Agerman

Chairperson

Claes Carlson

Jan Dahlquist

Britta Dürschlag

Susanne Selenius-Larsson

Thomas Schmitt

Fabian von Löbbecke

Torgny Johansson

Chief Executive Officer

Stockholm

Our audit report was submitted on the date shown in our electronic signature

PricewaterhouseCoopers AB

Morgan Sandström

Authorised Public Accountant

Auditor’s report

For translation purposes only

To the annual general meeting of the shareholders of Futur Pension Försäkringsaktiebolag, corporate identity number 516401-6643

Report on the annual accounts

Opinions

We have audited the annual accounts of Futur Pension Försäkringsaktiebolag for the year 2023 with the exception of the sustainability report on pages 7-8. The annual accounts of the company are included on pages 6-33 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for insurance companies and gives a true and fair view, in all material respects, the financial position of Futur Pension Försäkringsaktiebolag as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for insurance companies. Our statements do not include the sustainability report on pages 7-8. The Directors’ report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual general meeting of shareholders adopts the income statement and balance sheet for Futur Pension Försäkringsaktiebolag.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company's audit committee in accordance with the Audit 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 responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of Futur Pension Försäkringsaktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 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.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Fees and commissions from investment agreements	
The company's revenues are largely comprised of fees paid from investment agreements and commissions from asset managers. These revenues are calculated on an ongoing basis and are transaction-intensive in nature, which is why this area is considered to be a particularly significant area. The value of the investment assets for which life insurance policy holders carry investment risk affects the fees in the income statement, see notes 1,2, 4 and 5.	Our audit measures have included, but are not limited to: • Assessment of the design of the efficiency of controls related to fees and also tested the efficiency of control related to commissions from asset managers. • For a selection of fees, we have carried out random tests against the proper underlying agreements. • We randomly tested commissions received from asset managers against the respective payment. • We have performed substantive analytical review procedures analyzing the movement year on year for each of these revenue processes. • Furthermore, we have tested the valuation and the existence of the assets on which the fees are calculated.
Valuation of Level III financial instruments	
Valuation of Level III financial instruments is a focus area as these have a significant impact on the company's financial position and results in the financial statements. The company's Level III holdings are invested on behalf of its customers. Level III investment assets are not traded on an active market, which means that their valuation is based on unobservable market data. The valuation is largely based on management's assessment of assumptions used in each valuation model. Important areas for valuation of financial instruments that are held at fair value are: • Frameworks and policies regarding models and methods used in valuation; and • Internal control and management related to valuation of Level III holdings See notes 1, 2 and 18.	Our audit procedures have included, but are not limited to: • Assessment of assumptions, methods and models used by the company. • Testing the design and operating effectiveness of controls related to the Company's governance and reporting processes and controls and the measurement of valuation of financial instruments. • For a sample of instruments, we performed data input testing of the information entered into the model to value the instrument. • Testing the valuation of the investments per the external confirmations and valuation adjustments made to the balance per the general ledger. • Obtained and reviewed the valuation experts testing of the Company's valuation methods and models used.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 2-5. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated 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 and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated 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.

Responsibilities of the Board of Director's 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 for Insurance Companies. 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Board's audit committee shall, without affecting the Board's responsibilities and tasks in general, monitor the company's financial reporting.

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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

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 Director's and the Managing Director of Futur Pension Försäkringsaktiebolag for the year 2023 and the proposed appropriations of the company’s profit or loss.

We recommend to the annual general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Director’s report and that the members of the Board of Director's 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 Futur Pension Försäkringsaktiebolag 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 Director's 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 secure manner.

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, the Insurance Business 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 and the Insurance Operations 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 and the Insurance Operations Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's websitewww.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's opinion regarding the statutory sustainability report

It is the Board of Directors who is responsible for the sustainability report on pages 7-8 and that it has been prepared in accordance with the annual report.

Our review was conducted in accordance with FAR:s statement RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our statement.

A sustainability report has been prepared.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Futur Pension Försäkringsaktiebolag at the annual general meeting of the shareholders on the 27th of February 2023 and has been the company's auditor since 9th of May 2019.

Stockholm the 22nd of February 2024

PricewaterhouseCoopers AB

Morgan Sandström
Authorized Public Accountant