

PRI. PENSIONI GARANTITE

2015 in summary

PRI.
PENSIONS
GARANTI

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Production: Fortunatus Finansiell Kommunikation och Information
Form and original: Art-O-Matic® Text: Fredrik Lilieblad
Photography: Guillermo Allende

2015 in summary

Profit for the year

Consolidated profit before tax amounted to SEK 1,118.4 million (1,761.2).

Pension liability

The pension liability amounted to approximately SEK 180 billion (180).

Investment return

The investment return was 3.0 per cent. During the last five years, the average total return was 5.0 per cent.

Low credit insurance losses

The insurance operations reported only a few, minor claims during the year. Recovery of previous years' claims exceeded the year's cost for credit insurance losses.

Consolidation

Consolidation capital in the Group amounted to SEK 25.0 billion, corresponding to 15.8 per cent of risk-adjusted insurance exposure (16.4).

Premiums 2015

The base premium for 2015 was 0.4 per cent of the pension liability. The supplemental premium for early retirement pensions was 0.2 per cent. For pension obligations secured in pension foundations – or covered by adequate collateral – the premium was 0.1 per cent. Any supplemental premiums amount to 0.1–1.2 per cent.

About PRI Pensionsgaranti

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PRI Pensionsgaranti is the partner for companies with pension plans structured in accordance with the book reserve method. According to this method, a company retains the provisions for its pension obligations in its operations and determines itself how they will be used. The company's pension obligation is carried as a liability on the balance sheet. Payments of pensions commence when an employee retires.

We have a comprehensive offering of retirement pension, survivors' protection and disability pension plans that are structured in accordance with the book reserve method. Our services mostly cover collectively contracted pension plans – primarily ITP and BTP – as well as companies' own plans and early retirement pensions based on the book reserve method. Most major Swedish corporations are our customers. In all, pension liabilities covered by credit insurance amount to approximately SEK 180 billion. The ITP plan accounts for slightly more than 80 per cent of this amount.

PRI Pensionsgaranti offers credit insurance, benefit calculations and pension administration. This means that we register companies' commitments, calculate the level of pledged benefits, and make sure that the correct pen-

sion amounts are paid out. We also administrate pensions that are not arranged under collective bargaining agreements, and we calculate pension liabilities in accordance with IAS 19 and US GAAP.

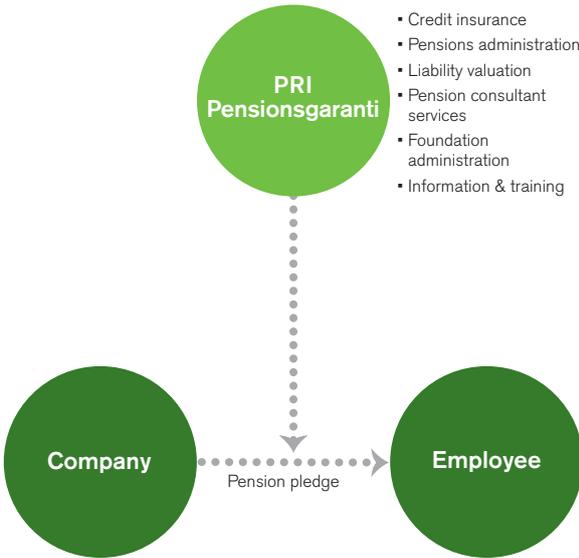
Our credit insurance guarantees that employees will receive their pensions even in the event the company they work for were to become insolvent. In addition, we provide credit insurance for individual pension obligations and other collective agreements than ITP. We also offer information and training services for pensions structured in accordance with the book reserve method as well as administration of pension foundations and pension consulting services.

PRI Pensionsgaranti's consolidation capital amounts to SEK 25.0 billion. The base premium for 2016 is 0.4 per cent of the pension liability. For liabilities covered by a pension foundation, the premium is 0.1 per cent.

PRI Pensionsgaranti has 88 employees including the subsidiaries PRI Stiftelsetjänst AB and Bankpension Sverige AB.

For further information, visit our website: www.pripensionsgaranti.se

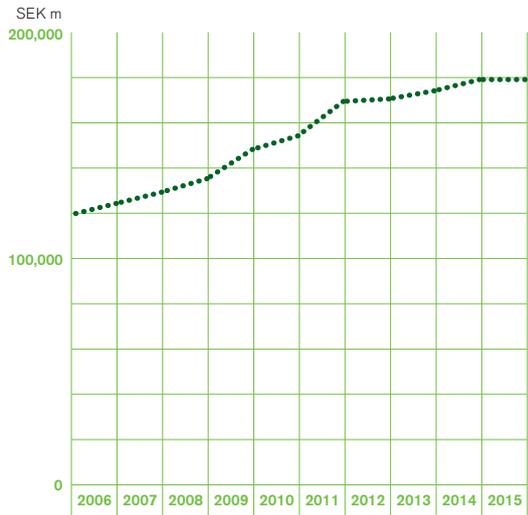
Book reserve method



The company pledges pensions to its employees. To retain the capital in the company, credit insurance is taken out with PRI Pensionsgaranti, thereby protecting the pension obligations.

Key data – ITP in accordance with the book reserve method

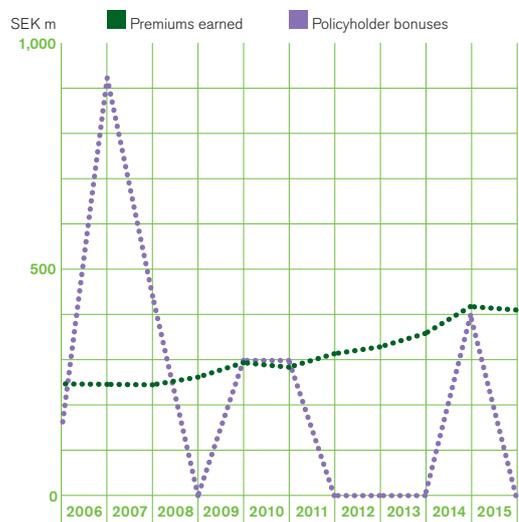
		2015	2014
ITP 1	Liability (SEK m)	33	25
	Number of companies	18	19
	Number of commitments	354	330
ITP 2	Liability (SEK m)	149,963	150,103
	Number of companies	1,001	1,033
	Number of commitments	626,522	638,618



Pension liability, 2006–2015



Consolidation capital in parent company, 2006–2015



Premiums and policyholder bonuses, 2006–2015

Growth in step with our customers

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2015 was yet another good year for PRI Pensionsgaranti, thanks in large part to negligible credit insurance losses and the year's investment return. The most important conclusion I can make in summing up 2015 is that we have the strength and capacity to grow in step with our customers. The size of their pension obligations is an important yardstick for us. Since these obligations are steadily growing, it is positive to note that we are matching this development with our own growth.

The investment return for the year was 3 per cent and reflects the uncertainty in the financial markets in 2015 – especially towards the end of the year. At the same time, I am pleased to note that the return was higher than our own benchmark index. Of course, the very low interest rates make it hard to generate attractive returns in the fixed-income portfolio. Given that we will have to live with low interest rates for some time to come, PRI Pensionsgaranti is increasingly searching for alternative return opportunities, including hedge funds and real estate funds, which we believe have interesting potential.

Increased growth and efficiency

Credit insurance is our core business, and here, too, we see opportunities to grow volumes. As I mentioned, we are growing in pace with our customers' ITP 2 pension obligations – growth which, barring from any increases in distributions, is expected to continue until at least 2028. Parallel with this, we see credit insurance as an interesting alternative also in the foundations segment, where our insurance can cover financial shortcomings which could jeopardise a foundation's obligations. Since previously we insure pension plans of Swedish corporations' subsidiaries in the UK. We also have opportunities to further develop our credit insurance business in this market.

Looking at our other operations, we can affirm that all lines of business showed growth in 2015. Clearly this is gratifying and shows that our customers appreciate what we do and the services we offer. Our subsidiaries Bankpension and PRI Stiftelsetjänst, and our work with benefits calculations are examples of areas that performed well. The fact that we are accelerating growth in our businesses exposed to competition is especially noteworthy. I see this as a vote of confidence in our business development and in our ability to develop attractive services that customers

want. I also want to stress that we are growing with profitability as well as with long-term sustainable operating margins. This is also a show of strength and proof that we have the capacity to grow in step with our customers.

Our fine performance can be credited to more than just higher sales. We have also continued our work with internal efficiency, which has made a clear contribution to the improved margins. For us, efficiency is in many respects a matter of suitable IT solutions. We develop most of our systems ourselves, and in this way we can simplify our internal processes. Moreover, we have been successful at job rotation and in coming up with novel ways for our employees to cooperate and relieve each others' burdens. With regard to internal efficiency, I would also like to highlight our operating costs within the ITP 2 assignment. We have continued to lower this cost, which in 2015 amounted to SEK 88 million. This corresponds to a decrease of nearly 20 per cent in the past five years.

Our handling of the ITP 2 assignment was evaluated during the year by a customer survey, which showed favourable results. The response rate was high, and we received very positive scores from customers. The challenge now is to maintain this high standard of service and also – as the survey results showed – to increase awareness about PRI Pensionsgaranti's other services.

New businesses and partnerships

International benefit calculations was one of the businesses exposed to competition that grew last year. One reason for this was our new partnership with Aon Hewitt, which was begun during the first quarter. Through this partnership we can grow in global assignments and perform calculations for large corporations in a comprehensive manner. Via Aon Hewitt, some thirty new customers have become tied to us from the outset.

Our pension consultants have continued to develop the advice they provide to companies, among other things through a prestigious assignment for a major Swedish company in which a new pension plan has been created. We contributed from the start to finish of this solution, i.e., from the design of the plan to its practical implementation along with all that entails in terms of procurement, evaluations, and so on. I feel this is a prime example of our competence and comprehensive approach.



Services for pension foundations are another growth area. At the start of the year we took over the administration of Ericsson's pension foundation, which is one of the largest in the market. This is also a prestigious assignment that confirms the strong offering we have today in the foundations area. This is an area in which I also see significant growth opportunities, especially in view of the fact that many large corporations still administrate their foundations themselves. Through us they can secure quality and competence in this administration, which is rarely or never a normal part of most companies' core business. PRI Stiftelsestjänst has comprehensive expertise in this area and can offer simplicity as well as cost-efficiency.

Clear benefit

PRI Pensionsgaranti's website was upgraded during the year – both the web service and the external website. One new feature is that customers can now manage authorisations to the website within their own organisations. Another improvement is that customers can log in via BankID.

Internally, our work in 2015 also involved considerable focus on the new Solvency II rules. Even though these rules are compulsory, we can see that the clear overview that results from their implementation is improving our work with processes and routines. This is positive and is contributing to greater control and long-term perspective on various internal matters.

Looking ahead to 2016 I see the developments in the financial market as one of the greatest challenges. In our own work with pensions, the conditions are favourable for continued positive development. By being responsive and delivering clear benefit, we can ensure growth in step with our customers also in the years to come.

Jan Ahlström
CEO, PRI Pensionsgaranti

External business environment and market – a look ahead

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New types of pension advice and pensions specialists. Plus new demands in a defined contribution world. These issues are high on the agenda as our pension consultants look to the future. In the following sections, some of them discuss the recommendations made in the recently published study on occupational pension taxation.

About occupational pensions

- Occupational pensions are a complement to the national basic pension system and are paid for by employers.
- Roughly 90 per cent of all wage earners in Sweden have an occupational pension.
- The largest collective agreements are the SAF-LO collectively bargained plan for private sector employees, PA03 for public sector employees, KAP-KL for municipal and county council employees, and ITP for salaried employees in the private sector.
- ITP can be funded in two ways. Either via PRI Pensionsgaranti in accordance with the book reserve method, or via premium payments to insurance companies. Since 2007 there are two types of ITP – ITP 1 and ITP 2.
- Approximately two million salaried employees in some 33,000 companies are enrolled in an ITP plan.
- ITP 2 via PRI Pensionsgaranti in accordance with the book reserve method covers approximately 462,000 salaried employees in some 1,000 companies.

Study points to simplifications

At mid-year 2015 the so-called occupational pension taxation study issued its report. The most important focus of this report was on competitive neutrality between the various forms of vesting. PRI Pensionsgaranti submitted its views in the circulation review of the study.

“We have a positive view of the changes and underscore the need for prompt action regarding the recommendations,” says Tom Möller.

He points out some of the most important recommendations, such as that pension commitments in accordance with collective agreement, are to be calculated using the technical bases of the agreement.

“The study also recommends that the Pension Obligations Vesting Act also apply for defined contribution pension obligations with guarantees. The obligations could then be secured through recognition on the balance sheet or be transferred to a pension foundation combined with credit insurance,” says Tom Möller.

In addition, the study recommends an easing of the tax deduction rules, including an expanded deduction right for transfers to a pension foundation when the foundation has a deficit. Even employees' pension costs will be deductible to a greater extent if the complementary rule is permitted in pace with the earning of pensions.

“An expanded deduction right has also been proposed when a company in a group compensates another company, which takes over the pension obligations,” says Tom Möller. “The current rules only allow deduction rights if the business activities have been transferred at the same time.”



The new pensions specialist – lawyer or compliance officer?

Are the ambitions to achieve better control and harmonisation creating a need for a new type of pension specialist? Perhaps a lawyer or compliance officer?

New requirements from the EU, among others, are leading to changes in the pensions market. These requirements – many which have been adopted in connection with the implementation of Solvency II, for example – are matter of control, transparency and harmonisation.

“To meet these changes, companies will have to work in a different way,” says Fredrik Holmqvist. “This applies especially for company boards, which must dedicate more attention to risk management and on ensuring control and governance on matters related to occupational pensions.”

This is taking place at the same time that the market is changing in other ways, such as through staff cuts in many companies’ HR departments. This is creating a greater need for specialists who can deal with these matters.

“The trend is pointing toward a greater need for niche expertise,” says Fredrik Holmqvist. “As a result, lawyers and compliance officers are becoming increasingly involved in pension management. Parallel with this, the need for external, independent advice is also rising.”



Outsourcing – no longer an exception

Pensions and insurance are often perceived as being highly complex. This can be due to a lack of experience or time – or both. The fact that issues “between employment and retirement” vary widely and involve legal, financial and tax aspects does not make it easier.

“As a result, employers have begun to notice that there is a risk that important matters do not receive the optimal attention and that adequate decision-making documentation may be missing,” says Sina Andersson. “At the same time, it might not always feel financially defensible to increase staffing or invest in competence development in the pension area.

“Added to this, companies are increasingly questioning of the suitability of their employees’ advisers also providing advice to their employer.”

To prevent unnecessary risk exposure with unknown consequences – and avoid added costs down the road – employers have begun hiring external resources with relevant pension expertise, such as independent consultants.

“This is done for both short and longer periods, but also in project form with a focus on the most common strategic and operational pension issues,” says Sina Andersson.

New requirements in a defined contribution world

The migration towards defined contribution pensions is continuing. By 2017 the ITP 1 and ITP 2 plans are expected to have equal numbers of participants. The increased prevalence of defined contribution plans is giving rise to new questions.

“In a defined contribution world, guaranteed returns are being replaced by real returns,” says Hans Eklund. “Individuals are having to take greater responsibility for their occupational pensions and for deciding on how they want their capital to be managed.”

At the same time, focus is shifting to premiums as a portion of a person’s overall pay and the size of the pension provision. Employees’ pension contributions are becoming a competitive factor and a key negotiating point in salary discussions. In a scenario in which cuts are being made in the national basic pension scheme, demands are also being made for employers to make greater pension contributions in the future as part of collective bargaining agreements.

“As the focus on real returns grows, I also believe that the performance of financial advisers will become subject to a closer evaluation,” says Hans Eklund. “This is because the consequences of their efforts are much greater in a defined contribution pension solution.”

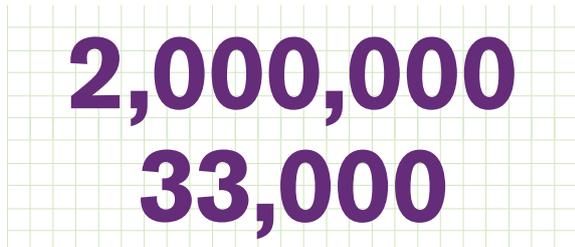
Products and services

Comprehensive support

PRI Pensionsgaranti is an independent actor that works with collectively bargained pension plans as well as with companies' own plans and early retirement pension solutions. We have a wide range of services ranging from credit insurance and pensions administration to information and training. The offering is being complemented and further developed in pace with the evolving needs in the pensions market.

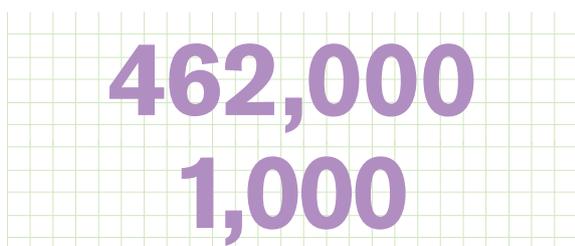
Credit insurance can be used in nearly all solutions that are set up in accordance with the book reserve method, providing considerable security at a low cost. It guarantees that a company's pension obligations will be protected in the event the company becomes insolvent.

We also work with international benefit calculations in accordance with IAS 19 and US GAAP, pension administration, pension intermediation, training, and pensions consulting. Our pension consultants offer specialist advice on a wide range of pension issues. Via the subsidiary PRI Stiftelsetjänst we are a leading authority on pension and profit-sharing foundations in Sweden. Bankpension works with pension administration, benefits handling and payments in the BTP collective pension scheme for financial sector employees.



2,000,000
33,000

Roughly two million salaried employees at 33,000 companies are covered by ITP, which can be funded in two different ways.



462,000
1,000

Of the two million people covered by ITP, roughly 462,000 salaried employees in 1,000 companies have ITP 2 retirement pension plans that are structured in accordance with the book reserve method via PRI Pensionsgaranti.

Customer survey showing the way

The spring 2015 customer survey resulted in many suggestions that were used in the development of the upgraded website. The survey focused on services coupled to ITP 2 administration. Some 220 customers participated in the survey and responded to questions about customer service, expertise and information.

"On the whole, we obtained very good results," notes Robert Nyberg, Head of Markets at PRI Pensionsgaranti. "The overall score was 5.3 on a scale of six. We didn't score lower than four on any issue, and of course this is positive," he says.

"At the same time, we gained indications of where improvements are needed. The customers' views helped us do some fine-tuning of navigation when the website was upgraded during the autumn. We also learned that we need to be better at informing about services outside of ITP 2, such as IAS 19 and our consulting services."

Simpler and more modern

The new website was launched in November. The overhaul included both the external website as well as the customised website that only customers have access to.

"We wanted a more modern appearance and more pedagogic structure," explains Anna Jonsson, Head of Information at PRI Pensionsgaranti. "In connection with this, we made a major change in the authorisation structure, i.e., the system that governs which people among our client companies that have access to the respective web pages.

"We also expanded the presentation of our other services," Anna continues. "We added more news and information to the website. The reason is that many users log in directly and thereby miss information that is posted on the external website."

Credit insurance – smart and cost effective solution

Credit insurance is one of PRI Pensionsgaranti's most classic services and has been offered since the company's foundation. The insurance guarantees ITP 2 pension obligations in a cost-effective manner. Even though ITP 2 is being phased out, the company's credit insurance business is growing.

"This is because ITP 2 pension liabilities continue to grow by a few per cent per year," explains Kennet Bergh, Head of Credit insurance at PRI Pensionsgaranti. "And this will



continue to be the case until around 2028. As a result, our credit insurance volume is also expected to grow until then.”

This assumes, of course, that companies do not distribute their pension benefits to a greater extent than previously. But according to Kennet Bergh, this is not likely.

“Pension plans managed in accordance with the book reserve method are a competitive solution,” he says. “The companies keep the pension capital in their operations and gain access to a long-term favourable source of funding. PRI Pensionsgaranti also offers a number of peripheral services that make pensions with the book reserve method an attractive and smooth solution. Plus, as a mutual insurance company, our company form is a great fit combined with credit insurance.”

The credit insurance business is developing also in other ways. Pension foundations are one example, where the insurance can cover a deficit which could jeopardise the foundation’s ability to meet its obligations. PRI Pensionsgaranti also provides credit insurance for pension plans of Swedish groups’ subsidiaries in the UK. Most plans in these companies regularly have a need for extra capital injection. In such cases, credit insurance can be an interesting alternative to capital injection for achieving a plan’s funding targets.

Regardless of which function credit insurance serves, Kennet Bergh stresses that risk analysis always plays a guiding role.

“We have low loss ratios,” he says. “This is because we have a low risk profile and are constantly striving to develop and refine our work with credit analysis.”

Customer benefit – a driver of future growth

Competence, credibility and ability to deliver. These are a just a few watchwords that Annelie Helsing uses to sum up PRI Pensionsgaranti’s strengths. She is Head of

Business and Markets, a new unit within the company from the start of the year. Annelie worked previously at AMF, most recently as Head of Business Relations in the “tick-box” and company segments. Her work in that role involved procurement processes and development of the offering as well as the business. Her sights are now set on further developing PRI Pensionsgaranti’s offering.

“We have a clear ambition to grow and expand the business, and we will do this in collaboration with our customers,” she says. “This means at the same time that we will put more energy into clarifying the offering and showing the breadth of services that we have.”

Her area of responsibility encompasses ITP 2 administration as well as all of the businesses exposed to competition, include liability valuation, payments, pensions consulting, and the subsidiaries Bankpension and PRI Stiftelsestjänst. She emphasises the importance of having a common thread in the offering, of coordinating it with customers, and of conducting more profiling activities.

“It’s a matter of internal processes in which we clarify roles and responsibilities, and of presenting things more clearly for customers,” she says. “They should know when they can turn to PRI Pensionsgaranti for help. Plus, it should be easy to get in contact with us.”

Annelie Helsing also intends to dedicate more energy to the PRI Pensionsgaranti brand and on formulating a long-term strategy that invokes the right feeling and associations.

“Customer benefit is about working from the customers’ needs and ensuring that we develop in step with their needs,” summarises Annelie. “I am impressed by the customer focus in the organisation. We will continue working with this in each business area and broaden it into the whole.”



Providing controls and quality assurance

Control and quality assurance are common denominators in the work performed by many pension consultants. The goal is to simplify the customers' handling, but also to minimise the risk for undesirable costs – regardless of whether they pertain to drafting or revising a pension policy, evaluating pension companies or reviewing executive pensions.

“As we see it, a good pension policy should help a company decide how it wants things, especially regarding roles and responsibilities, the significance of intermediaries, and so on,” says Tom Möller, pensions consultant. “A policy must also be clear – otherwise it could lead to misunderstandings and unnecessary costs.

“Since we are independent, we are often hired to evaluate intermediaries. We review powers of attorney, ensure that intermediaries are working with the right things, and check their terms to ensure that client companies get value from their work.”

Executive pensions are also evaluated on a regular basis, among other things to ensure that the terms of contracts are compatible with the insurance terms and conditions. This can lead to major savings, such as in case where distribution periods and premium levels are not in line with the conceived agreement between a company and an insured.

Bigger now in international liability valuation

Stronger in international coordination and access to business intelligence – these are two advantages of the partnership that began in 2015 between PRI Pensionsgaranti and Aon Hewitt, a world leader in risk management and pension advisory services.

PRI Pensionsgaranti has taken over all of Aon Hewitt's IAS 19 and US GAAP customers in Sweden. In addition to some thirty new clients, the collaboration has opened the door for new opportunities.

“We can now offer international coordination for large international groups,” says Claes Nilsson Kvick, Head of Consulting Services at PRI Pensionsgaranti. “Through this collaboration we become part of a global organisation with local expertise in pensions, taxes and accounting.”

Previously PRI Pensionsgaranti worked primarily with IAS 19, but the company has now broadened its services to also encompass US GAAP, i.e., the rules and regulations that apply for the US market.

“Before our partnership with Aon Hewitt we were already one of the biggest players in the Swedish market in liability valuation using international standards,” Claes Nilsson Kvick continues. “As a result, Aon Hewitt now has access to a strong, stable consulting team with a long record of experience in pensions, taxes and accounting in Sweden.

“In 2015 we expanded our consulting team by one person in Stockholm and by two persons at our office in Gothenburg. It feels good to be able to offer customers a local base and competence in an area which has largely been limited to Stockholm.”

Comprehensive support for profit-share foundations

Profit-sharing foundations are used as a clear system for providing bonuses and incentivising employee commitment. The subsidiary PRI Stiftelsestjänst is one of the leading actors in Sweden in this field, with a broad array of services that provide customers with reward systems that are simple, clear and cost-effective.

“Profit-sharing foundations are equitable, since everyone in the company receives the same reward,” notes Per Håkansson, CEO of PRI Stiftelsestjänst. “Nor do employees have to set aside any money themselves. They contribute instead through their work efforts toward achieving the targets that have been set.”

Moreover, foundations are a reward system in which the owners do not have to offer an equity stake, which is the case for certain other incentive programmes. Because of these many advantages, interest in profit-sharing foundations is rising. This is apparent for Per and his colleagues, who set up several new foundations every year.

“We handle all administration and serve as the foundation's finance department. We have also developed a customised web service that simplifies things for plan participants. There's less paperwork, and via the web participants can see their grants, the change in value of their holdings, and also request distributions from the foundation.”



With a view to long-term sustainable tomorrows

PRI Pensionsgaranti's work with occupational pensions is long-term, which explains our customer pledge: "We create tomorrows". Our commitment to corporate social responsibility (CSR) is also long-term, embodying a clear focus on the future. In the course of this work, good business ethics and care for the environment are important matters for us.

Code of Conduct

Work was started in 2015 on drawing up a Code of Conduct. This work was concluded around the start of 2016 and has resulted in a code that is based in part on international conventions and guidelines, including the UN Global Compact, an in part on the ISO 26000 social responsibility standard. The Code lays out guiding principles for employees and board members, and applies equally for everyone. The Code lays out our view of sustainable development and PRI Pensionsgaranti's fundamental values, which we summarise as follows:

- In relations with customers, employees and other stakeholders, activities shall be based on security, long-term perspective and acceptance of responsibility.
- Our customers are also our owners, and the company's goals and activities shall be for their benefit.
- We shall be well acquainted in the legal requirements that apply for the company's operations, and always adhere to these requirements.
- We aspire for sustainable development, since it creates value for PRI Pensionsgaranti and for society as a whole. Sustainability issues shall be an integral part of all operations.

Apart from the Code of Conduct, CSR work involves the company's ethical guidelines, an equal opportunity plan,

a travel and anti-discrimination policy, instructions on the prevention of bribery, and the company's guidelines for the work environment, health and safety.

Responsible asset management

PRI Pensionsgaranti's ownership policy stresses the importance of responsible investment practices in the company's asset management. The policy clarifies the following matters, among others:

- PRI Pensionsgaranti believes that care for the environment and ethical considerations are prerequisites for a company's ability to achieve sustainable, long-term returns.
- The point of departure is that the companies in which we have holdings adhere to the OECD guidelines for multinational enterprises and the UN Global Compact. This applies regardless of whether the countries in which the companies operate have signed these conventions or have weaker laws governing workers' rights.
- To ensure that PRI Pensionsgaranti does not have investments in companies that violate international conventions, and to avoid new investments in such companies, the portfolio is continuously monitored by externally contracted experts.
- We also require that our actively managed equity funds make similar demands on their own investments as well.
- If it is learned that any of the companies in the equities portfolio are in violation of international conventions, PRI Pensionsgaranti's intention is to sell the shares or fund units. This is done unless remediation measures have been taken within a reasonable amount of time to prevent such violations from recurring.

You can view [PRI Pensionsgaranti's Code of Conduct on our website](#).

5 year summary		Group					Parent Company				
Mkr	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011	
Number of policyholders	1,257	1,315	1,386	1,410	1,471	1,257	1,315	1,386	1,410	1,471	
Pension liability	180,000	180,000	175,000	171,000	170,000	180,000	180,000	175,000	171,000	170,000	
Insurance exposure (redemption cost)	261,000	243,000	236,000	231,000	229,500	261,000	243,000	236,000	231,000	229,500	
Risk-adjusted insurance exposure	158,400	145,500	145,000	145,000	156,000	158,400	145,500	145,000	145,000	156,000	
Premiums earned, gross	427.5	434.2	359.7	339.9	314.9	427.5	434.2	359.7	339.9	314.9	
Premiums earned (net of reinsurance)	412.1	419.6	359.7	339.9	314.9	412.1	419.6	359.7	339.9	314.9	
Investment income allocated to the technical account	3.7	3.5	4.3	6.2	7.7	3.7	3.5	4.3	6.2	7.7	
Claims incurred (net of reinsurance)	35.7	9.6	11.7	-54.3	-314.5	35.7	9.6	11.7	-54.3	-314.5	
Technical result of insurance business before bonuses	390.1	360.2	310.8	223.5	-50.5	340.2	311.6	267.8	182.2	-	
Technical result of insurance business after bonuses	390.1	-39.8	310.8	223.5	-50.5	340.2	-88.4	267.8	182.2	-	
Investment income	716.9	1,791.1	1,531.5	1,381.4	-177.4	716.7	1,791.9	1,531.6	1,381.2	-177.5	
Other income and expenses, net	11.4	9.9	3.3	3.1	3.1	2.4	3.1	1.5	1.1	4.7	
Profit before bonuses and appropriations	1,118.4	2,161.2	1,845.6	1,608.0	-224.8	1,059.3	2,106.6	1,800.9	1,564.5	-172.8	
Policyholder bonuses	-	-400.0	-	-	-	-	-400.0	-	-	-	
Profit before appropriations	1,118.4	1,761.2	1,845.6	1,608.0	-224.8	1,059.3	1,706.6	1,800.9	1,564.5	-172.8	
Net profit for the year	864.7	1,371.6	1,436.5	2,061.8	-165.0	-367.1	1,403.0	584.4	288.9	-845.8	
Investments	24,457.6	23,889.1	21,945.7	20,400.5	18,734.6	24,524.5	23,956.0	22,012.6	20,447.8	18,781.9	
Technical provisions	460.7	854.5	488.5	396.2	585.0	981.6	1,325.9	909.5	774.1	922.1	
Consolidation capital	24,974.6	23,863.0	22,353.5	20,514.5	18,912.4	24,439.9	23,385.2	21,928.5	20,133.5	18,576.1	
Of which, deferred tax on unrealised gains	479.5	578.9	429.7	268.4	242.5	479.5	578.9	429.7	268.4	242.5	
Regulatory capital	24,894.4	23,778.6	22,263.9	20,427.1	18,822.3	24,383.3	23,327.6	21,868.8	20,069.9	18,505.4	
Statutory solvency margin	78.1	58.4	79.4	61.2	56.7	78.1	58.4	79.4	61.2	56.7	

Consolidated income statement, 1 January–31 December

SEK m	2015	2014
Technical account, non-life insurance business		
Premiums earned, net of reinsurance		
Premium income	416.2	399.7
Change in Provision for unearned premiums	-4.1	19.9
	412.1	419.6
Allocated investment return transferred from the non-technical account	3.7	3.5
Other technical income	0.2	0.6
Claims incurred		
Claims paid	-4.0	-8.3
Recoveries of claims paid	39.7	9.6
Change in Provision for claims outstanding	0.1	11.8
Change in Anticipated recoveries of claims paid	-0.1	-3.5
	35.7	9.6
Policyholder bonuses	-	-400.0
Operating expenses	-61.6	-73.1
Other technical charges	-	-
Technical result, non-life insurance business	390.1	-39.8
Non-technical account		
Technical result non-life insurance business	390.1	-39.8
Investment income	1,322.7	1,792.5
Unrealised gains on investments	79.5	364.9
Investment charges	-236.6	-281.5
Unrealised losses on investments	-445.0	-81.3
Allocated investment return transferred to the technical account	-3.7	-3.5
Other income	155.5	156.0
Other expenses	-144.1	-146.1
Profit before taxes	1,118.4	1,761.2
Tax on profit for the year	-253.7	-389.6
NET PROFIT FOR THE YEAR	864.7	1 371.6

Consolidated balance sheet, 31 December

SEK m	2015	2014
Assets		
Intangible assets		
Goodwill	19.4	19.4
Intangible assets	60.8	65.0
	80.2	84.4
Other financial investments		
Shares and participations	10,171.5	9,785.8
Bonds and other fixed-income securities	14,252.2	14,103.3
Derivatives, foreign exchange	25.8	–
Other financial investments	8.1	–
	24,457.6	23,889.1
Reinsurers' share of technical provisions		
Unearned premiums	16.5	14.3
	16.5	14.3
Receivables		
Expected premium income for current insurance contracts	432.3	426.0
Claims on corporate customers	9.8	19.2
Other receivables	484.2	159.2
	926.3	604.4
Other assets		
Tangible assets	4.3	3.0
Cash and cash equivalents	355.7	732.7
Other assets	3,303.9	3,279.1
	3,663.9	4,014.8
Prepaid expenses and accrued income		
Accrued interest	216.5	59.8
Other prepaid expenses and accrued income	13.2	15.4
	229.7	75.2
Total assets	29,374.2	28,682.2

Consolidated balance sheet, 31 December

SEK m	2015	2014
Equity, provisions and liabilities		
Equity		
Profit brought forward	18,836.6	17,465.0
Net profit for the year	864.7	1,371.6
	19,701.3	18,836.6
Technical provisions		
Unearned premiums	430.8	424.5
Provision for claims outstanding	29.9	30.0
Provision for policyholder bonuses	–	400.0
	460.7	854.5
Provisions for other risks and expenses		
Provision for pensions and similar obligations	21.9	20.5
Provision for deferred tax	5,273.3	5,026.4
Other provisions	4.0	10.2
	5,299.2	5,057.1
Liabilities		
Liabilities relating to reinsurance	16.5	14.3
Derivatives, foreign exchange	0.9	55.1
Liability to corporate customers	3,342.2	3,332.4
Liabilities to credit institutions	–	0.7
Other liabilities	535.7	509.6
	3,895.3	3,912.1
Accrued expenses and prepaid income		
Other accrued expenses and prepaid income	17.7	21.9
	17.7	21.9
Total equity, provisions and liabilities	29,374.2	28,682.2

Executive Management

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1

Madeleine Dahlin Carlberg
Finance (b. 1969)

2

Annelie Helsing
Business and Markets (b. 1973)

3

Jan Ahlström
Chief Executive Officer (b. 1956)

4

Leif Wasing
Asset Management (b. 1959)

5

Kennet Bergh
Credits (b. 1963)

6

Eva Johansson
Actuary (b. 1953)

Nominating Committee

Eddie Dahlberg
Gothenburg, CEO, Volvo Pension Foundations

Charlotte Z. Lindstedt
Solna, CFO, NCC AB

Rolf Ödmark
Stockholm, Head of Group Compensation & Benefits,
TeliaSonera

Peter Jeppsson
Stockholm, Vice President, Confederation of Swedish
Enterprise (appointed by Confederation of Swedish
Enterprise)

Auditors

Regular
Gunilla Wernelind
Authorised Public Accountant, KPMG
(b. 1964, appointed 2009, regular 2010)

Deputy
Anders Bäckström
Authorised Public Accountant, KPMG
(b. 1966, appointed 2010)

Board of Directors



Tore Bertilsson

Göteborg, chairman (born 1951, appointed 2009, chairman 2011)

Main education: B.Sc. (Econ)

Title: Professional board member and industrial advisor. Former deputy CEO and CFI, SKF Group

Other directorships

Chairman: Ludvig Svensson, Perstorp

Member: IKEA, Gunnebo, JCE Group, Gamla Livförsäkringsbolaget SEB Trygg Liv, Stampen, Semcon
Independent



Mats Andersson

Stockholm (born 1954, appointed 2015)

Main education: B.Sc. (Econ)

Title: CEO Fjärde AP-fonden

Other directorships

Member: Svolder AB, Nationalmusei Vänner, Global Challenges Foundation and Aktiemarknadsnämnden
Independent



Karin Eliasson

Stockholm (born 1961, appointed 2003)

Main education: BA, Human Resources and Working Life

Title: HR Director Autoliv Inc

Other directorships

Member: Skandia, vice chairman Delegates
Independent



Kristina Ensgård

Stockholm (born 1962, appointed 2009)

Main education: B.Sc. (Econ)

Title: CEO Bliwa Livförsäkring, mutual

Other directorships

Member: Bliwa Livförsäkring, mutual, Bliwa Foundation, SPP Fonder, Chef
Independent



Thomas Eriksson

Örebro (born 1962, appointed by PRI non-profit association 2009)

Main education: Labour Law Foundation Faculty Courses, University of Stockholm

Title: Deputy MD LEDARNA and CEO LCS AB

Other directorships

Member: Centrafonden CFS, Collectum, PRI non-profit association, PTK
Independent



Hans Gidhagen

Upplands Väsby (born 1954, appointed 2007, appointed by PRI non-profit association 2009)

Main education: LLB

Title: Pension and insurance specialist at the Confederation of Swedish Enterprise

Other directorships

Member: AFA Liv (suppleant), AFA Sjuk, Collectum, Fora, PRI non-profit association
Independent



Per Hedelin

Nacka (born 1965, appointed by LEDARNA 2004)

Main education: Information & Communications technology, University of Lund

Title: MD LEDARNA

Other directorships

Member: Alecta, PRI non-profit association, M Gruppen, Riva Del Sole SPA, Bliwa Livförsäkring, Intermezzon
Independent



Hans Ola Meyer

Täby (born 1955, appointed 2015)

Main education: B.Sc. (Econ)

Title: CEO, CFO Atlas Copco AB

Other directorships

Member: Upplands Motor
Independent



Vidar Mohammar

Stockholm (born 1958, appointed 2011)

Main education: B.Sc. (Econ)

Title: Corporate Officer Finance LM Ericsson

Other directorships

Member: –
Independent



Hans Norin

Tyresö (born 1974, appointed 2015)

Main education: BA, Human Resources and Working Life

Title: Pension and insurance specialist, Unionen

Other directorships

Member: AI Pension, PRI non-profit association
Independent



Martin Wästfelt

Stockholm (born 1967, appointed 2014)

Main education: LLB

Title: Chief Legal Officer, Unionen

Other directorships

Member: PRI non-profit association, PP Pension försäkringsförening, Union Self-employed Service AB
Independent

PRI Pensionsgaranti is a mutual credit insurance company that administrates and guarantees its policyholders' pension commitments. In total, insured pension liabilities amounted to SEK 180 billion. More than 80 per cent of this amount relates to the ITP plan.

**PRI.
PENSIONS
GARANTI**

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