alecta

Interim Report

January–June 2024

Message from the CEO

Photo: Evelina Carborn

For Alecta, the first half of 2024 has been characterised by the events during 2023 that damaged our trust. We have worked intensively to develop and implement improvement measures to strengthen Alecta, while continuing operating activities to deliver with high quality for the good of customers. In the first half of 2024, returns were competitive.

We have also worked to assist the Financial Supervisory Authority with materials and answers to ensure that the ongoing investigations regarding these events can be carried out as thoroughly and efficiently as possible.

In addition, our owner representatives within the Confederation of Swedish Enterprise, Unionen, PTK, Swedish Association of Graduate Engineers and the Association of Managerial and Professional Staff (Ledarna) have decided on a new model for the governance of Alecta. The work began after the ordinary Council of Administration's meeting in April 2023, and a decision on the implementation of the model was made at the ordinary Council of Administration's meeting in April 2024. At that time, four new members were elected, three of whom were independent from the labour market partners, and four members exited.

The Swedish Financial Supervisory Authority's investigations into Alecta's investments in US banks and in Heimstaden Bostad are ongoing. At the end of June, we received a statement of opinion with the Financial Supervisory Authority's preliminary assessments. Since then, we've been working on reviewing it and formulating our response, in accordance with accepted practice. We have been given until 6 September to respond.

During 2023 and 2024, operations, the Board and the parties initiated and implemented a number of measures that will make Alecta stronger and more secure in its entirety, with a particular focus on asset management and its risk management and investment processes. This is to ensure the best possible conditions for delivering competitive returns in the future.

Returns

The return for the first half of the year was 7.7 per cent for the defined contribution Alecta Optimal Pension, and 4.4 per cent for the defined benefit ITP. The positive earnings trend is mainly attributable to the strong performance of the equity portfolio, which during the six months had a return of 12.9 per cent.

The development of the interest rate market during the period has been volatile with rising long-term interest rates in Europe and the US. Credit bonds have benefited from falling credit spreads in the wake of good economic development. Overall, the development has led to an interest rate return that was around zero for Alecta Optimal Pension and slightly negative for the defined benefit portfolio.

Our alternative investments have also been affected by interest rates. As a result of inflation in the Western world falling towards the target, the short-term interest rates are expected to fall in the future and the sentiment in the real estate market has gradually improved. The value growth for Alecta's properties and other alternative investments has developed positively overall during the first half of the year and yielded 1.8 per cent.

The value of Alecta's holdings in Heimstaden Bostad developed positively during the period; 3.9 per cent, and amounted to SEK 39.2 billion at the end of June. We still believe that the shareholder agreement regarding Heimstaden Bostad is unbalanced to our detriment. We have a strong focus on improving this, but no change has been achieved during the period.

Customer satisfaction and capital transfers

Customer satisfaction, among the customers who contact our customer service, amounted to 5.5 out of a maximum of 6.0 for private customers, and 5.6 out of 6.0 for corporate customers, which was just below the target of 5.6 for private customers and just above the target of 5.5 for corporate customers.

Message from the CEO

After the new five-year agreement for ITP 1 took effect from October 2023, with new elective options, we could see that the number of capital transfers was significantly higher than normal. In the first half of 2024, capital transfers were still at a higher level. For Alecta, this has meant a higher net outflow than usual, which is natural for a pre-selection company.

Costs and collective funding ratio

Alecta's operating expenses for the interim amounted to SEK 586 million, which was higher than the target of SEK 576 million. The higher outcome is mainly attributable to one-off costs related to the extraordinary events in 2023.

The collective funding ratio for the defined benefit pension has risen from 158 to 164 per cent during the first half of the year. The increase is mainly due to positive returns, and that the present value of the insurance commitments has fallen as a result of rising interest rates. The funding ratio for 2024 is within the range set by the Board.

Alecta is very focused on hedging defined benefit pensions, but it is worth emphasising that hedging is not formally guaranteed, and that the effect of any future enumeration decisions in line with future inflation is therefore not taken into account when calculating the funding ratio.

Overall, Alecta remains a very financially strong and stable company.

DORA

An important part of the work to strengthen Alecta and restore trust is regulatory compliance. We are very focused on the implementation of the EU Digital Operations Resilience Act (DORA). This requires comprehensive and demanding implementation work that, together with enhanced risk management in asset management, will require increased resources for all of Alecta, but with an emphasis on IT.

Alecta Fastigheter

During the spring of 2024, work has been underway to review the governance of Alecta Fastigheter. Both the owner directive and the management agreement have been clarified and updated.

At Alecta Fastigheter's general meeting held on 22 April, Knut Rost, outgoing CEO of Diös Fastigheter AB, joined Alecta Fastigheter's Board as a new board member after Kerstin Lindberg Göransson declined re-election.

Dissemination of knowledge

During the period, we have worked on sharing our knowledge to contribute to a factual, social debate.

In April, we organised a seminar on how sick leave among private-sector employees developed during the COVID-19 pandemic. It attracted many listeners to Alecta's auditorium and was followed online by approximately 500 viewers. During the seminar, researchers from Karolinska Institutet presented a study funded by Alecta.

In May, we held a seminar entitled "What about pensions – in reality?" The event is part of our ongoing long-term project, Pensioners' financial situation. We presented new figures about a person's financial situation at the age of 67 who has been living in Sweden for less than 20 years. Our figures aroused great interest and were discussed by representatives from Folksam, the Pension News, the Swedish Pensions Agency and representatives from the Swedish Parliament's Social Security Committee. In total, the seminar was followed by more than 1,000 people on the web and about 100 people on site.

Finally, I would like to thank all employees for their hard work in creating a new and stronger Alecta. Together, we make every effort to ensure that our customers are confident that we are a secure occupational pension company that always has the best interests of our customers in mind.

Peder Hasslev
CEO
Alecta Tjänstepension Ömsesidigt

Comments on the parent company and consolidated financial statements

The Board and the CEO of Alecta Tjänstepension Ömsesidigt hereby submit the interim report for the period 1 January–30 June 2024.

The amounts refer to the Group and the figures in brackets refer to the income statement and key performance indicators for the corresponding period of the previous year and to the balance sheet at the past year-end.

This Interim Report is a translation of the Swedish original. If there are differences, the Swedish version shall prevail.

Profit/loss

Profit/loss after tax for the Group totalled SEK 78.1 billion (59.5) for the first half of the year. Comments on the profit/loss and financial position are presented in the following report.

Premiums written

Premiums written for the first six months totalled SEK 57.8 billion (70.6). Premiums written consist both of premiums invoiced, which totalled SEK 23.3 billion (20.1), and allocated refunds, which totalled SEK 34.5 billion (50.5).

The increase in invoiced premiums is due to lower premium reduction. Guaranteed refunds consist of premium reductions on employers' premiums for defined-benefit savings insurance, disability and premium waiver insurance, family cover and TGL, as well as an increase in earned pension entitlements (adjustment of paid-up policy values). The reduction in allocated refunds is largely due to the adjustment of paid-up policy values implemented in January at 6.48 per cent based on the change in the Consumer Price Index between September 2022 and September 2023 being higher than what had been implemented in the previous year (10.84).

Capital returns

In the first half of the year, financial markets have been highly affected by developments in inflation, which has fallen back on a broad front and have approached central bank inflation targets. The lower inflation, which means better purchasing power and real wages, has also increased optimism among both consumers and companies, which has resulted in economic growth in Sweden, which in the first quarter of this year has turned upward from low levels. The positive inflation trend has also led both the Riksbank and the ECB to lower the policy rate from 4.0 to 3.75 per cent and more reductions are to be expected during the year. The market hopes, especially during the beginning of the year, that the major central banks will pursue a less stringent monetary policy with rapid interest rate cuts as a result. However, these hopes have fallen during the six-month period, especially in the US, where inflation developments down towards the target of 2 per cent have been significantly slower than in Europe and Sweden. The U.S. growth and labour market have proved stronger than expected, but at the end of the period some slowdown in the economy was observed. This has increased the market's hope that the Federal Reserve, which has so far kept interest rates unchanged, will lower the policy rate this autumn. Unfulfilled hopes that central banks will deliver rapid interest rate cuts have led to occasional high volatility and rising market rates both in the US and in Europe during the six-month period.

In the equity markets, the risk appetite in the first half of the year has been good, fuelled by slowdown in inflation, and that economic growth has been better than expected. Further, company reports have been relatively good. In particular, companies in the technology industry have developed well and acted as a stimulus on the US stock exchanges. The Swedish stock market

Key ratios

Group
January–June 2024

Returns *Defined contribution insurance, Alecta Optimal Pension*	7.7 %	(6.6 %)
Returns *Defined benefit insurance*	4.4 %	(4.3 %)
Management expense ratio *Defined contribution insurance, Alecta Optimal Pension*	0.05 %	(0.05 %)
Management expense ratio *Defined benefit insurance*	0.07 %	(0.07 %)
Solvency ratio	201 %	(209 %)

Comments on the parent company and consolidated financial statements

(MSCI Sweden) has risen by 9.4 per cent, the European (MSCI Europa ESG) by 12.1 per cent and the US stock exchanges (MSCI USA ESG) by 16.1 per cent. All in local currencies. This meant that Alecta's share assets have also performed well as the return for the first half of the year amounted to 12.9 per cent.

For Alecta's alternative investments, which largely consist of properties, sentiment has gradually improved during the six months as a result of declining inflation and the interest rate peak having passed. This has increased optimism about the industry's recovery and future transactions. However, the transaction volume has still been low. The return on alternative investments amounted to 1.8 per cent during the period.

Rising interest rates during the first half of the year have led to a dampened return on Alecta's interest assets, which during the period amounted to 0.0 per cent. However, the debt interest rate, which is a nominal market rate for different maturities combined with a long-term futures rate, has also increased during the period. This has affected the value of Alecta's pension commitments, which are found on the debt side of the balance sheet, in a similar way, that is to say, a decrease. Overall, Alecta's pension commitment has increased during the period, which is explained by the fact that the commitment was written up at the beginning of the year due to value hedging in relation to inflation developments. As the performance of the investments has been good, this has meant that the solvency ratio for Alecta has improved during the period.

For the default portfolio in the Alecta defined-contribution insurance, Alecta Optimal Pension, the return for the first half of the year amounted to 7.7 per cent and the average annual return on a rolling five-year basis was 8.5 per cent. The six-month market value of the default portfolio in Alecta Optimal Pension was SEK 268.9 billion.

The return on the Alecta defined benefit insurance amounted to 4.4 per cent during the first half of the year and the average annual return on a rolling five-year basis was 5.6 per cent. The six-month market value was SEK 1,015.1 billion.

Insurance claims incurred

Insurance claims incurred consist firstly, of insurance claims paid and secondly of changes in provisions for claims outstanding.

Insurance claims paid that consist primarily of benefits in retirement pensions, disability and life insurance and operating expenses for claim settlements amounted to SEK 14.0 billion (12.5). The increase in paid insurance contributions is largely due to the increased transfers of Alecta Optimal Pension.

The change in provision for unregulated damages amounted to SEK 1.5 billion (0.5) where the increase is mainly due to an increased age limit for ITP disability pension.

Technical provisions

Technical provisions consist of the net present value of Alecta's guaranteed obligations for insurance contracts that are in effect and are divided into provisions for life insurance and provisions for claims outstanding.

The technical provisions totalled SEK 645.5 billion as at the end of June 2024. This is an increase of SEK 24.0 billion (48.7) for the first half of 2024, which is explained as follows:

- Premiums and payments led to an increase in technical provisions of SEK 43.9 billion (58.2).
- The difference between underlying premiums and assumptions in the calculation of technical provisions reduced the provisions by SEK 19.3 billion (22.8) for savings insurance.
- The earnings for sickness and premium relief decreased provisions by SEK 0.1 billion (0.8), of which SEK 1.0 billion relates to the effect of an increased age limit for ITP disability pension.
- The average cash flow weighted interest rate used in the valuation of the provisions increased from 2.74 to 2.83 per cent in the first half of 2024, which decreased provisions by SEK 6.8 billion (increased 6.8).
- Cumulative return after deduction for released tax and operating expenses meant that the technical provisions increased by SEK 8.0 billion (7.5).
- Other changes and results led to an overall decrease in technical provisions of SEK 1.7 billion (0.4).

Operating expenses

Operating expenses for the insurance business, which are referred to as operating expenses in the income statement, totalled SEK 352 million (307). The increased operating costs are essentially attributable to ongoing IT costs for operations, licenses and purchased services, mainly related to the implementation of the DORA regulations. Operating costs are no longer burdened by amortisation costs on intangible asset as our insurance system is fully amortised by Q1 2023.

Management expense ratio

The total management expense ratio for the Group has totalled 0.07 (0.07) which was unchanged compared to the full year 2023. For defined contribution insurance and defined benefit insurance, the key ratio was 0.05 (0.05) and 0.07 (0.07) respectively. Management cost percentage is a significant key ratio for Alecta. It shows the cost-effectiveness of the company and is also comparable to other companies in the industry.

Financial position

The collective funding ratio for defined benefit insurance was 164 per cent (175) at the end of the period.

The established normal range for the funding ratio is 125–175 per cent. Decisions on refunds are made by the Alecta Board of Directors. Refunds are initially given as pension supplements

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for pensions in payment but may also be given for increases in earned pension entitlement (adjustment of paid-up policy values) and as premium reductions for policyholders.

The Alecta defined contribution product, Alecta Optimal Pension, had a collective funding ratio of 100 per cent, which is the normal level as all surpluses and deficits are distributed on an ongoing basis.

The Alecta solvency ratio was 201 per cent (209).

Parent Company

The comments above are also essentially applicable to the parent company where the insurance business is conducted.

Significant events during the period

New governance structure

At the ordinary Council of Administration's meeting in 2023, the Confederation of Swedish Enterprise, Unionen, the Association of Managerial and Professional Staff (Ledarna), Swedish Association of Graduate Engineers and the PTK Negotiating and Collaboration Council (the "Organisations") informed that they intended to carry out a review of Alecta's corporate governance.

The review resulted in a number of concrete proposals for changes which were voted through at the ordinary meeting of the Council of Administration on 25 April 2024 and in brief means the following:

- Larger proportion of members of Alecta's Board of Directors who are independent in relation to Alecta and the Organisations.
- A preparatory board has been formed, for example, with the task of preparing and coordinating proposals for members of the council and members and deputies to the nomination committee and preparing ownership instructions.
- A nomination committee replaces the previous preparatory committee.
- Introduction of nomination committee instructions for the work of the election preparation.
- Introduction of ownership instructions that complement what is stated in the articles of association on Alecta's operations and the governance of Alecta.
- The Council of Administration changes its name to the Council and the number of members of the council are reduced from 38 to 28.

Improvement Programme

Alecta is working on a number of action points as part of restoring trust after the events surrounding the US banks and investments in Heimstaden Bostad AB. The main areas where the work focuses on are governance and risk management as well as competence and culture.

In addition, extensive ALM (Asset Liability Management) work is being carried out to find the best future portfolio allocation for defined benefit pension, which considers the special conditions that prevail given that ITP 2 is being slowly phased out.

The Swedish Financial Supervisory Authority's investigations

As described in Alecta's annual and sustainability report for 2023, the Swedish Financial Supervisory Authority is working on two ongoing investigations on Alecta, partly based on the investments in Silicon Valley Bank, First Republic Bank and Signature Bank, and partly regarding the investments in Heimstaden Bostad. The investigations are still ongoing and over the past six-month period there has been continued communication with the Financial Supervisory Authority regarding these. At the end of June, Alecta received a statement of opinion with the Financial Supervisory Authority's preliminary assessments. The statement of opinion must be answered no later than 6 September.

Heimstaden Bostad AB

Heimstaden Bostad AB, Alecta's single largest holding has a value of SEK 39.2 billion at the end of the June 2024. The value developed positively during the period, 3.9 per cent. Alecta still believes that the shareholder agreement regarding Heimstaden Bostad is unbalanced to Alecta's detriment. Alecta has a strong focus on improving this, but no change has been achieved during the period.

Index-linked pension and premium reductions

In autumn 2023, the Alecta Board of Directors decided to index-link defined benefit pensions by 6.48 per cent for 2024, matching the inflation rate over the past year. As a result of Alecta's strong financial position in accordance with Alecta's consolidation policy, the Board also decided on a premium reduction for 2024 for a defined benefit retirement and family pension of 30 per cent in relation to the unreduced premium level. Further information about the index-linked pension and premium reductions can be found in the Alecta Annual and Sustainability Report for 2023, page 52.

Alternative investments

Within alternative credits, Alecta invested during the period in a transaction where the underlying exposure means that Alecta shares credit risk with a global bank on lending to their core customers. The investment amounted to around GBP 80 million. As in previous years, the market for credit risk-sharing transactions has experienced lower activity in the first half of the year, than is usually the case and expected during the second half of the year. For investments in existing credit funds, fund managers have, during the first half of the year,

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used just over USD 200 million, in accordance with Alecta's fund commitments.

Alecta Fastigheter AB

Since 2021, the Group's management of all directly and indirectly owned Swedish properties has taken place at Alecta Fastigheter AB, where operations are being developed with the aim of creating a future-oriented and efficient company. As part of this, management is gradually being brought in-house from being previously outsourced. As of April 2024, Alecta Fastigheter AB took over the management and development of the company's properties in Bredden, Upplands Väsby.

In May, two properties in Sundbyberg were acquired from Atrium Ljungberg AB. The acquisition includes high-quality office space and the possibility of developing building rights. The properties comprise approximately 36,400 sqm of lettable area. Alecta Properties took possession of the properties in June 2024.

Furthermore, during the period Alecta Fastigheter has rented out 8,000 sqm to the design hotel chain, Ruby Hotels at Fridhemsplan in central Stockholm. In central Gothenburg, Alecta Fastigheter's new co-working initiative, Flexiwork, has been opened, where the first unit is Flexiwork Hovet within Alecta Fastigheter's 31,000 sqm Regina block.

Organisational changes

At the ordinary Council of Administration meeting in April, Jan-Olof Jacke was re-elected as chair.

In mid-April, it was announced that Karin Cederbaum will become the new General Counsel and Head of Legal. She most recently comes from a role as CEO of Säkra Spar, and has previously worked as General Counsel in the Insurance business area at Skandia Liv and as Head of Compliance at Swedbank. Karin Cederbaum will take up her position at Alecta no later than October 2024.

Significant events after the balance sheet date

No significant events have taken place after the balance sheet date.

Significant risks and uncertainty factors

In 2024, geopolitical and political turmoil in the world has increased. There is also uncertainty about where the global economy is heading after the period of high interest rates and high inflation pressures. There are also signs of increased protectionism. The effects of these factors are difficult to predict. On a daily basis, Alecta simulates the consequences of instability in the financial markets using both an internal stress test and regulatory capital requirements. At the six-month mark, Alecta had satisfactory margins in both tests and is therefore deemed to be able to withstand even extensive financial instability. The impacts of different stressed scenarios, such as severe stagflation and deflation was last calculated in Alecta's ORSA (Own Risk and Solvency Assessment) prepared at the end of 2023.

For more information on Alecta's risks and risk management, refer to the Alecta Annual and Sustainability Report 2023, pages 55–56 and 70–71.

From a regulatory perspective, Alecta is currently affected by two external events in particular.

The EU digital operational resilience act (DORA) shall apply from 17 January 2025 and Alecta shall at that time fully comply with the requirements of the regulation. In 2024, the European Commission is expected to decide on technical standards specifying the requirements of DORA. At Alecta, intensive work is underway to implement DORA's requirements in the corporate governance system, processes and supplier agreements.

In 2023, the European Commission published a proposal for a new Financial Data Access Regulation (FiDA). The purpose of the proposal is, among other things, to enable increased sharing and access to customer data in the financial sector. It is not yet clear whether the regulation will cover collectively agreed occupational pensions.

Financial position and key performance indicators

Group

FINANCIAL POSITION, SEK MILLION	30 June 2024	30 June 2023	31 December 2023
Collective funding capital	393,851	406,126	354,712
Capital base [1]	653,806	632,980	615,880
Required solvency margin [2]	259,459	242,669	242,702
Minimum capital requirement [1]	27,508	24,155	26,486
KEY PERFORMANCE INDICATORS			
Total return for the Group, per cent [3]	5.1	4.7	7.4
Total return, defined contribution insurance, per cent [4]	7.7	6.6	8.7
Total return, defined benefit insurance, per cent [4]	4.4	4.3	7.1
Direct return for the Group, per cent	1.6	1.3	2.4
Management expense ratio [5]	0.07	0.07	0.07
Management expense ratio, defined contribution insurance [5]	0.05	0.05	0.05
Management expense ratio, defined benefit insurance [5]	0.07	0.07	0.07
Total asset management expense ratio [6]	0.13	0.13	0.14
Asset management expense ratio [7]	0.03	0.03	0.03
Collective funding ratio, defined contribution insurance, per cent [8]	100	100	99
Collective funding ratio, defined benefit insurance, per cent	164	175	158
Solvency ratio, per cent	201	209	199

1) Information refers to parent company and Group. As of 31 December 2023, when calculating the capital base, special indexation funds are deducted.
2) The comparative figure has been adjusted due to a refined calculation method.
3) Information refers to the Group, defined benefit and defined contribution retirement pensions and risk insurance. Calculated in accordance with the recommendations of Insurance Sweden.
4) Calculated in accordance with the recommendations of Insurance Sweden. Total return for defined contribution insurance refers to the portfolio constituting Alecta's default option, which has a 60 per cent share component.
5) Calculated as operating expenses and claims settlement expenses relative to average assets under management. The expenses are based on 12-month rolling outcomes.
6) New key performance indicator from 2023. Calculated as total asset management expenses relative to average assets under management.
7) Calculated as internal operating expenses for asset management relative to average assets under management. The expenses are based on 12-month rolling outcomes.
8) Any surplus/deficit is allocated to the insured parties on a monthly basis, which is why the collective funding ratio is normally around 100 per cent. The 2023 outcome of 99 per cent did not achieve the target funding of 100 per cent, but is within the funding range of 98–102 per cent.

Total return table for investments, defined contribution insurance

	Market value		Market value		Market value		Total return, per cent			
	30-06-2024		30-06-2023		31-12-2023		6 months Jan–June 2024	6 months Jan–June 2023	12 months July 2023–June 2024	5-year average July 2019–June 2024
DEFINED CONTRIBUTION INSURANCE (Alecta Optimal Pension)	SEK million	%	SEK million	%	SEK million	%				
Shares	161,253	60.0	129,787	56.4	140,173	57.5	12.9	11.4	17.3	14.1
Debt securities	56,229	20.9	52,995	23.0	55,588	22.8	0.0	0.9	4.0	–0.9
Alternative investments [1]	51,473	19.1	47,515	20.6	48,055	19.7	1.8	–0.9	–3.4	4.4
Total investments	**268,955**	**100.0**	**230,297**	**100.0**	**243,816**	**100.0**	**7.7**	**6.6**	**9.9**	**8.5**

The proportion of shares in Alecta Optimal Pension is higher than in other Alecta products. The table above refers to the portfolio that constitutes Alecta's default option, which has a 60 per cent share component. The market value of the total Alecta Optimal Pension portfolio, i.e., including all asset classes is SEK 293.5 billion (250.1).

Total return table for investments, defined benefit insurance

	Market value		Market value		Market value		Total return, per cent			
	30-06-2024		30-06-2023		31-12-2023		6 months Jan–June 2024	6 months Jan–June 2023	12 months July 2023–June 2024	5-year average July 2019–June 2024
DEFINED BENEFIT INSURANCE	SEK million	%	SEK million	%	SEK million	%				
Shares	348,202	34.3	315,143	32.8	328,440	33.5	12.9	11.4	17.3	14.1
Debt securities	474,536	46.7	448,488	46.7	460,513	47.0	–0.4	1.5	4.9	0.0
Alternative investments [1]	192,330	18.9	195,929	20.4	191,216	19.5	1.8	–0.9	–3.4	4.4
Total investments	**1,015,068**	**100.0**	**959,559**	**100.0**	**980,170**	**100.0**	**4.4**	**4.3**	**7.2**	**5.6**

Due to rounding, the sum of the figures shown in the tables above may differ from the totals.
The total return tables are prepared in accordance with the recommendations of the Insurance Sweden. The reporting and valuation of the investments in the total return tables are not consistent with the accounting principles applied in the financial statements. The main differences are reported in the annual report, see page 47 of Alecta's Annual and Sustainability Report 2023.

1) Alternative investments include real estate, infrastructure investments, private equity and so-called alternative credits that are subject to higher market risk than traditional debt securities.

Condensed income statement

SEK million	Group		Parent Company	
	Jan–June 2024	Jan–June 2023	Jan–June 2024	Jan–June 2023
TECHNICAL ACCOUNTS				
Premiums written	57,816	70,646	57,816	70,646
Capital return, income	34,828	28,317	34,277	28,108
Unrealised gains on investment assets	41,042	33,433	41,042	33,371
Insurance claims paid	–13,987	–12,492	–13,987	–12,492
Change in provision for claims outstanding	–1,500	–495	–1,500	–495
Change in other technical provisions	–22,486	–48,231	–22,486	–48,231
Refunds and discounts	–1,831	–2,149	–1,831	–2,149
Operating expenses	–352	–307	–352	–307
Capital return, expenses	–8,083	–5,845	–7,739	–5,861
Unrealised losses on investment assets	–5,134	–2,181	–4,347	–1,141
Life insurance, total balance on the technical accounts	**80,312**	**60,698**	**80,891**	**61,450**
NON-TECHNICAL ACCOUNTING				
Life insurance, actuarial profit/loss	80,312	60,698	80,891	61,450
Profit/loss before tax	**80,312**	**60,698**	**80,891**	**61,450**
Tax on profit/loss for the period	–2,170	–1,213	–2,120	–1,292
PROFIT/LOSS FOR THE PERIOD	**78,142**	**59,484**	**78,772**	**60,158**

Statement of Comprehensive Income

SEK million	Group		Parent Company	
	Jan–June 2024	Jan–June 2023	Jan–June 2024	Jan–June 2023
Profit/loss for the period	**78,142**	**59,484**	**78,772**	**60,158**
Items that can subsequently be reclassified to the income statement:				
Currency exchange difference	324	262	–	–
Other comprehensive income	**324**	**262**	**–**	**–**
Comprehensive income for the period	**78,466**	**59,746**	**78,772**	**60,158**

Condensed balance sheet

		Group			Parent Company		
SEK million	Note	30 June 2024	30 June 2023	31 December 2023	30 June 2024	30 June 2023	31 December 2023
Intangible assets		–	–	–	–	–	–
Investment assets	3, 4, 5	1,319,051	1,225,667	1,276,895	1,305,849	1,213,497	1,265,730
Receivables	3	7,878	17,258	8,470	9,133	16,852	8,015
Other assets	3	3,423	4,095	3,891	3,057	3,707	3,608
Prepaid expenses and accrued income	3	4,231	3,656	4,636	4,456	3,800	4,593
Total assets		**1,334,584**	**1,250,676**	**1,293,891**	**1,322,495**	**1,237,856**	**1,281,947**
Equity		663,912	632,980	625,888	653,067	619,603	614,738
Life insurance provisions		630,338	564,733	607,851	630,338	564,733	607,851
Claims outstanding		15,156	13,523	13,656	15,156	13,523	13,656
Other provisions		2,270	2,289	2,021	162	18	32
Liabilities related to direct insurance operations	3	774	709	708	774	709	708
Derivatives	3, 4	15,861	31,314	11,622	15,861	31,314	11,622
Other liabilities	3	4,341	2,977	30,842	5,531	6,214	32,421
Other accrued expenses and prepaid income	3	1,932	2,150	1,303	1,606	1,741	919
Total equity, provisions and liabilities		**1,334,584**	**1,250,676**	**1,293,891**	**1,322,495**	**1,237,856**	**1,281,947**

Consolidated statement of changes in equity

SEK million	Jan–June 2024	Jan–June 2023
Opening equity	**625,888**	**625,782**
Guaranteed refunds		
Pension supplements, defined benefit plan	*–3,334*	*–2,674*
Supplementary amounts, defined contribution plan	*–238*	*–197*
Adjustment of paid-up policy values	*–30,743*	*–46,180*
Premium reduction	*–1,936*	*–2,207*
Change in indexation funds		
Collective risk premium [1]	*–77*	*–71*
Other changes [2]	*–4,115*	*–1,219*
Profit/loss for the period	*78,142*	59,484
Other comprehensive income	*324*	262
Comprehensive income for the period	*78,466*	59,746
Closing equity	**663,912**	**632,980**

1) Premiums for premium waiver insurance and collective final payments have been reduced as a result of the increase in employers' expenses due to the rules for coordination and calculation of pensionable salaries introduced by the parties to ITP 2 in 2008.

2) Other changes primarily consist of refunds paid in association with the transfer of defined contribution insurance.

Notes

NOTE 1 Group and Parent Company Accounting Principles

The interim report refers to the period from 1 January–30 June 2024 for Alecta Tjänstepension Ömsesidigt, organisation number 502014-6865, including the Group.

The interim report includes pages 1–18, and thus, the interim information on pages 1–8 constitutes an integral part of this financial report. The amounts specified in the notes refer to SEK millions unless otherwise stated. Due to rounding, the sum of the figures may differ from the totals.

Compliance with standards and law

The consolidated financial statements and the parent company's interim report have been prepared in accordance with the Swedish Act at Annual Accounts in Insurance Companies (ÅRFL) and the Swedish Financial Supervisory Authority regulations and general advice on annual accounts in insurance companies and occupational pension companies (FFFS 2019:23) with its amendment regulations. Furthermore, the Swedish Financial Reporting Board Recommendation RFR 2 Accounting for legal entities has been applied.

When preparing both consolidated financial statements and the parent company's interim report, so-called legally restricted IFRS has been applied, which means that international accounting standards are applied to the extent possible under Swedish legislation in the area of accounting and taxation.

The rules in IAS 34 Interim Reporting have been followed in the preparation of this interim report.

Changes in accounting principles

Changes to existing standards have not had any significant impact on the reporting. Accounting principles and calculation methods are otherwise unchanged compared to the latest annual report and sustainability report.

Parent Company

Since 2022, the Group, as well as the parent company, applies the so-called legally restricted IFRS. This means that the differences in applied accounting principles between the parent company and the group have decreased. The significant differences are the same as for the preparation of the most recent annual report and sustainability report.

Notes 3, 4 and 5 on financial assets and liabilities are only presented for the Group. There is no major difference between the parent company and the Group.

NOTE 2 Related parties

Alecta considers the following legal entities and physical persons to be related parties according to the definition in IAS 24:

- All companies in the Alecta Group
- Members of the Board, senior management and managers of central functions
- Close family members of members of the Board, senior management and managers of central functions
- The Confederation of Swedish Enterprise, PTK and its member organisations/unions
- Associated companies and joint ventures.

A description of transactions with related parties can be found in the Alecta Annual and Sustainability Report for 2023, Note 48.

Alecta Tjänstepension Ömsesidigt provides premises and internal services for functions including finance, IT and HR for the subsidiary company, Alecta Fastigheter AB. The transactions totalled approximately SEK 19 (18) million during the first half of the year.

Alecta Tjänstepension Ömsesidigt has received management services for directly owned properties and indirect investments from Alecta Fastigheter AB. In addition, Alecta Tjänstepension Ömsesidigt has also received property management services from Alecta Fastigheter AB, as Alecta Fastigheter AB takes care of the management and development of the Group's Swedish properties. The transactions relating to management services and property management services totalled SEK 41 (31) million during the first half of the year.

No significant changes in agreements and relationships between Alecta and related parties have occurred during the period.

NOTE 3 Classification of financial assets and liabilities

Group 30-06-2024	Financial assets/ liabilities measured at fair value through the income statement on initial recognition	Financial assets/ liabilities measured at fair value through the income statement; mandatory	Financial assets and liabilities measured at amortised cost	Total carrying amount	Fair value
Financial assets					
Shares and participations in associated companies and joint ventures [1]	–	67,164	–	67,164	67,164
Debt securities issued by, and loans to, associated companies and joint ventures	555	–	–	555	555
Shares and participations	–	659,720	–	659,720	659,720
Bonds and other debt securities	520,929	–	–	520,929	520,929
Loans secured by real estate	7,976	–	–	7,976	7,976
Other loans	12,961	–	–	12,961	12,961
Derivatives	–	7,413	–	7,413	7,413
Receivables related to direct insurance operations	–	–	1,439	1,439	1,439
Other receivables	–	–	1,615	1,615	1,615
Cash and bank balances	–	–	3,412	3,412	3,412
Accrued interest and rental income	–	–	4,032	4,032	4,032
Total	**542,421**	**734,297**	**10,498**	**1,287,216**	**1,287,216**
Financial liabilities					
Liabilities related to direct insurance operations	–	–	26	26	26
Derivatives	–	15,861	–	15,861	15,861
Other liabilities	–	–	4,095	4,095	4,095
Other accrued expenses	–	–	1,278	1,278	1,278
Total	**–**	**15,861**	**5,399**	**21,260**	**21,260**

Group 31-12-2023	Financial assets/ liabilities measured at fair value through the income statement on initial recognition	Financial assets/ liabilities measured at fair value through the income statement; mandatory	Financial assets and liabilities measured at amortised cost	Total carrying amount	Fair value
Financial assets					
Shares and participations in associated companies and joint ventures [1]	–	65,531	–	65,531	65,531
Debt securities issued by, and loans to, associated companies and joint ventures	378	–	–	378	378
Shares and participations	–	596,161	–	596,161	596,161
Bonds and other debt securities	523,795	–	–	523,795	523,795
Loans secured by real estate	6,934	–	–	6,934	6,934
Other loans	11,319	–	–	11,319	11,319
Derivatives	–	32,792	–	32,792	32,792
Receivables related to direct insurance operations	–	–	1,853	1,853	1,853
Other receivables	–	–	1,718	1,718	1,718
Cash and bank balances	–	–	3,879	3,879	3,879
Accrued interest and rental income	–	–	4,525	4,525	4,525
Total	**542,426**	**694,484**	**11,975**	**1,248,885**	**1,248,885**
Financial liabilities					
Liabilities related to direct insurance operations	–	–	10	10	10
Derivatives	–	11,622	–	11,622	11,622
Other liabilities	–	–	30,766	30,766	30,766
Other accrued expenses	–	–	645	645	645
Total	**–**	**11,622**	**31,421**	**43,043**	**43,043**

[1] The balance sheet item includes holdings in Heimstaden Bostad AB of SEK 39.2 billion (31-12-2023: 37.7). The valuation has been made on the basis of the NAV (net asset value, i.e. net worth) reported by the company. Alecta has subsequently assessed that the value of the equity has been adversely affected by a number of factors (mainly market sentiment, interest rate environment and financing risk). Alecta has therefore applied a net asset value discount of 15 per cent in the valuation. For more information, see Note 2 Material estimates and assessments, page 69, in Alecta's Annual and Sustainability Report 2023.

NOTE 4 Valuation categories for financial instruments measured at fair value

Under the disclosure requirements in IFRS 13, financial assets and liabilities that are measured at fair value must be classified into three levels based on the valuation technique used. Assets and liabilities must be measured using the valuation technique that is appropriate in the circumstances, maximising the use of relevant observable inputs as long as this is possible. The objective is to identify the valuation technique that best estimates the price at which the financial assets or financial liabilities can be sold or transferred between market participants under current market conditions.

The three levels of valuation categories are:

Level 1: Measurement using prices quoted in an active market

Fair value measurement based on prices quoted in an active market is used if quoted prices are easily and regularly available, and these prices represent actual and regularly occurring market transactions. Examples of financial assets that are classified to this level include listed shares, government bonds and Swedish mortgage bonds.

Prices for these financial assets are obtained daily through index price providers retrieved from each exchange, which where applicable are converted at exchange rates quoted on a daily basis from the price provider, WM Company.

Level 2: Measurement based on observable inputs

Financial assets and liabilities for which there are no quoted prices in an active market are measured at fair value based on as many available market inputs as possible. Examples of market inputs used in the measurement include:

- Quoted interest rates, credit spreads and exchange rates
- Market inputs on prices for similar financial instruments
- Market inputs on prices in recently completed transactions for the same or similar financial instruments

Examples of financial assets and liabilities classified to this level include debt securities instruments in the form of Swedish and foreign corporate bonds, structured bonds, cleared derivatives and all OTC derivatives in the form of interest rate swaps, currency derivatives and credit derivatives.

For interest-bearing securities instruments, daily prices from external price providers, Refinitiv and Bloomberg are used. Under the agreements, Alecta has the opportunity to inspect the price provider's valuation data to assure the quality of the provided price information.

For OTC derivatives, fair value is determined on a daily basis in Alecta's financial system in accordance with market practice by estimating the present value of the future cash flows of each derivative based on quoted market prices with respect to interest rates, credit spreads and exchange rates.

Level 3: Measurement based on unobservable inputs

Financial assets that are measured at fair value without access to observable market inputs are classified to Level 3. It also presents financial assets measured at fair value that may be based on certain observable inputs but not enough to meet the requirements for Level 2.

Examples of financial assets in this level mainly are financial instruments with real estate and infrastructure as underlying assets, but also of debt securities and unlisted shares and participations. Fair values for these assets are obtained from external price providers, fund managers, counterparties or property-owning companies following an external valuation of the underlying properties. For these assets, the valuation technique of external suppliers and fund managers is verified by requesting random valuation documentation.

Principles for reclassification between levels

Financial assets and liabilities measured at fair value are classified to one of the three valuation categories at acquisition and then normally retain that classification until they are sold. However, under certain circumstances a financial asset may be reclassified to another level after the acquisition date. The following principles apply to such reclassification:

Principle for reclassification between Level 1 and Level 2

To be reclassified from Level 1 to Level 2, the financial instruments must no longer be traded in an active market but still be capable of being measured in accordance with the description for Level 2. Similarly, a reclassification from Level 2 to Level 1 may be done if the Level 2 financial instrument is quoted in an active market.

Neither in the first half year of 2024, nor the first half of 2023, were there any transfers from Level 1 to Level 2 or from Level 2 to Level 1.

Principle for reclassification between Level 2 and Level 3

A reclassification from Level 2 to Level 3 may be done if it is no longer possible to measure a financial instrument at fair value based on observable market inputs. Similarly, Level 3 financial instruments may be transferred to Level 2 if observable market inputs become available and an external price provider is able to measure fair value based on these inputs.

In the first half year of 2024, there were no transfers from Level 2 to Level 3 or from Level 3 to Level 2. In the corresponding period in 2023, one debt security was transferred from Level 2 to Level 3 and another debt security was transferred from Level 3 to Level 2.

Principle for reclassification between Level 1 and Level 3

A reclassification from Level 1 to Level 3 is done if a financial instrument is delisted from an active market and there are insufficient market inputs to allow for Level 2 measurement. Similarly, a reclassification from Level 3 to Level 1 may be done if the Level 3 financial instrument is quoted in an active market.

No transfers were made from Level 1 to Level 3, or from Level 3 to Level 1, in either the first half of 2024 or 2023.

Sensitivity analysis for Level 3 financial instruments

Under IFRS 13, a sensitivity analysis must be presented for those financial instruments that are measured at fair value in accordance with Level 3. The sensitivity analysis must include an explanatory description of the sensitivity of the fair value measurement to changes in unobservable inputs.

Level 3 assets consist mainly of financial instruments with real estate as the underlying asset, but also of a significant proportion of debt securities and unlisted shares and participations.

For financial instruments with real estate and infrastructure as the underlying asset, the most relevant value-influencing factor is changes in the required rates of return on real estate. The corresponding, largest value-influencing factor for financial instruments consisting mainly of debt securities as underlying assets consists of changes in interest rates and for unlisted shares of stock market risk.

The following table presents the estimated effects on fair value if the required rates of return on real estate rose 0.5 percentage points, an interest rate increase of 1 percentage point and a share price decrease of 10 per cent.

Sensitivity Analysis

Group (SEK million)	Fair value	Value-influencing factor	Effect on fair value
Real estate-related holdings	128,393	Return requirement increase of 0.5 percentage points	–25,807
Interest-related holdings	76,170	Interest rate increase of 1 percentage point	–1,326
Share-related holdings	62,656	Share price decrease of 10 per cent	–6,266
Total Level 3	267,219		–33,399

NOTE 4 Valuation categories for financial instruments measured at fair value, *cont.*

Group	Fair values of financial instruments, 30-06-2024			
	Measurement using prices quoted in an active market Level 1	Measurement based on observable inputs Level 2	Measurement based on unobservable inputs Level 3	Carrying amount 30-06-2024
Assets				
Shares and participations	543,493	–	116,227	659,720
Shares and participations in associated companies and joint ventures	–	–	67,164	67,164
Debt securities issued by, and loans to, associated companies and joint ventures	–	554	1	555
Bonds and other debt securities	267,089	190,950	62,890	520,929
Loans secured by real estate	–	–	7,976	7,976
Other loans	–	–	12,961	12,961
Derivatives	–	7,413	–	7,413
Total assets	**810,582**	**198,917**	**267,219**	**1,276,718**
Liabilities				
Derivatives	–	15,861	–	15,861
Total liabilities	**–**	**15,861**	**–**	**15,861**

Group	Fair values of financial instruments, 31-12-2023			
	Measurement using prices quoted in an active market Level 1	Measurement based on observable inputs Level 2	Measurement based on unobservable inputs Level 3	Carrying amount 31-12-2023
Assets				
Shares and participations	488,536	–	107,625	596,161
Shares and participations in associated companies and joint ventures	–	–	65,531	65,531
Debt securities issued by, and loans to, associated companies and joint ventures	–	377	1	378
Bonds and other debt securities	272,134	190,733	60,928	523,795
Loans secured by real estate	–	–	6,934	6,934
Other loans	–	–	11,319	11,319
Derivatives	–	32,792	–	32,792
Total assets	**760,670**	**223,902**	**252,338**	**1,236,910**
Liabilities				
Derivatives	–	11,622	–	11,622
Total liabilities	**–**	**11,622**	**–**	**11,622**

NOTE 5 Disclosures on financial instruments measured at fair value based on Level 3[1)]

Group	Fair value 30-06-2024						
	Shares and participations	Shares and participations in associated companies and joint ventures	Debt securities issued by, and loans to, associated companies and joint ventures	Bonds and other debt securities	Loans secured by real estate	Other loans	Total
Opening balance 01-01-2024	107,625	65,531	1	60,928	6,934	11,319	252,338
Purchases	8,038	446	–	2,317	1,067	4,764	16,632
Sales	–3,566	–45	–	–1,983	–159	–3,448	–9,201
Gains and losses	4,130	1,232	–	1,629	134	325	7,450
Realised gains/losses, sold entire holding	*–*	*0*	*–*	*0*	*–*	*95*	*95*
Realised gains/losses, sold portion of holding	*–172*	*–*	*–*	*104*	*–*	*396*	*328*
Unrealised gains/losses	*485*	*704*	*–*	*–192*	*113*	*–229*	*881*
Unrealised foreign exchange gains/losses	*3,817*	*528*	*–*	*1,717*	*21*	*63*	*6,146*
Transferred from Level 3	–	–	–	–	–	–	–
Transferred to Level 3	–	–	–	–	–	–	–
Closing balance 30-06-2024	**116,227**	**67,164**	**1**	**62,891**	**7,976**	**12,960**	**267,219**

Group	Fair value at year-end 2023						
	Shares and participations	Shares and participations in associated companies and joint ventures	Debt securities issued by, and loans to, associated companies and joint ventures	Bonds and other debt securities	Loans secured by real estate	Other loans	Total
Opening balance 01-01-2023	101,815	80,066	430	54,165	5,999	23,116	265,591
Purchases	12,111	2,868	261	17,322	1,411	2,025	35,998
Sales	–2,429	–416	–690	–10,583	–849	–13,642	–28,609
Gains and losses	–3,872	–16,987	–	130	373	–180	–20,536
Realised gains/losses, sold entire holding	*–21*	*–226*	*–*	*521*	*–*	*–2*	*272*
Realised gains/losses, sold portion of holding	*–108*	*–*	*–*	*233*	*–*	*852*	*977*
Unrealised gains/losses	*–1,599*	*–16,379*	*–*	*879*	*372*	*–298*	*–17,025*
Unrealised foreign exchange gains/losses	*–2,144*	*–382*	*–*	*–1,503*	*1*	*–732*	*–4,760*
Transferred from Level 3	–	–	–	–605	–	–	–605
Transferred to Level 3	–	–	–	499	–	–	499
Closing balance 31-12-2023	**107,625**	**65,531**	**1**	**60,928**	**6,934**	**11,319**	**252,338**

1) Level 3 is defined in Note 4 Valuation categories for financial instruments measured at fair value.

Signatures of Board and CEO

Stockholm, date indicated by our electronic signature.

Jan-Olof Jacke
Chair

Elisabeth Sasse
Vice Chair

Marcus Dahlsten
Member of the Board

Hans Fahlin
Member of the Board

Martin Fridolf
Member of the Board

Markus Granlund
Member of the Board

Bo Kratz
Member of the Board

Björn Oxhammar
Member of the Board

Heléne Robson
Member of the Board

Viveka Strangert
Member of the Board

Birgitta Pernkrans
Employee representative

Mikael Persson
Employee representative

Peder Hasslev
CEO

The interim report has not been subject to a review by the company auditors.

Glossary

Adjustment of paid-up policy values
Assigned refunds through an increase of the pension entitlement earned before retirement age. This adjustment is made primarily to compensate for inflation.

Allocated refunds
Surplus that is allocated to
- policyholders in the form of future reduction of the premium
- the insured in the form of a future increase in the insurance benefit
- to cover the cost under the ITP plan. The parties to the collective agreement have been granted the right to indicate how the funds are to be used.

Allocated refunds are not formally guaranteed.

Asset management expense ratio
Operating expenses for asset management relative to average assets under management.

Assets under management
Calculated as equity, life insurance provision and outstanding claims, according to the balance sheet.

Capital base
The insurance company must have sufficient capital, calculated as capital base to be able to cover any future unforeseen losses. The capital base consists of the difference between the company assets less intangible assets and financial liabilities and the technical provisions.

Capital value
The estimated present value of future payment flows.

Collective funding capital
The difference between the distributable assets measured at market value and the insurance commitments (both guaranteed commitments and allocated refunds) to policyholders and insured parties.

Collective funding ratio
Distributable assets relative to insurance commitments to policyholders and insured parties (both guaranteed commitments and allocated refunds).

Default option
In a defined contribution plan where the employee has not made an active choice of insurance company, the employee automatically becomes a customer of the insurance company that was appointed as a default option in the procurement of the management of the plan.

Defined benefit insurance (ITP 2)
Defined benefit pension means that the amount of the pension is determined in advance for example, that it must be a certain amount or a certain percentage of the final salary.

Defined contribution insurance
Defined contribution pension means that the size of the premium is determined in advance. For example, it may be a certain percentage of the salary or a certain amount. The size of the pension depends on the amount of pension capital at retirement.

Discount rate
The interest rate used to calculate the present value of future deposits and payments.

Distributable assets
The total market value of the assets after deductions for financial liabilities and special indexation funds.

Financial position
The relationship between assets and liabilities where the key performance indicators for Alecta are a collective funding ratio and solvency ratio.

Guaranteed refunds
Surplus that is guaranteed to
- policyholders in the form of premium reduction
- the insured in the form of a raised guaranteed insurance benefit or supplementary paid amount/pension supplement
- to cover the cost under the ITP plan. The decision on the final use of the funds is made by Alecta's Board of Directors, provided that the Board unanimously agrees that the designated use is consistent with Alecta's interests as an insurance company.

Guaranteed refunds are formally guaranteed.

Insurance contract
A contract between the insurer and the policyholder that contains a significant insurance risk.

Insured party
The person covered by the insurance.

Investments
The investment assets, cash and bank balances and other assets and liabilities related to investment assets (for example, accrued interest income) at market value on the balance sheet.

Investment assets
Assets with the character of a capital investment at market value on the balance sheet including debt securities, shares and real estate.

Management expense ratio
Operating expenses in the insurance business (acquisition and administrative costs) and claims settlement expenses relative to average assets under management. The key performance indicator is calculated in total and for defined contribution and defined benefit insurance respectively.

Occupational group life insurance (TGL)
A life insurance that provides the survivors with a fixed amount in the event of the death of the insured party before retirement. Under the collective agreement, the employer is obliged to take out insurance for its employees.

Pension supplement
Refunds allocated to the insured party in addition to the guaranteed defined benefit pension. Under the applicable actuarial guidelines, the pension supplement must not exceed the increase in the consumer price index for the year concerned, starting from the date on which the first pension payment was made to the insured party.
The pension supplement is determined by the Board each year and is allocated in conjunction with the payment

Policyholder
Anyone who has entered into an insurance contract with an insurance company.

Premium reduction
Reduction of the premium through allocation or assigning a refund.

Premium waiver insurance
Part of the collective risk insurance for the ITP plan, which means that the employer is exempt from premium payment if an insured party is affected by inability to work. In such cases, premiums for the insurance under the ITP plan are paid from the premium waiver insurance and are recognised as an insurance benefit.

Present value
The present value of cash flows that will occur in the future.

Risk insurance
Insurance for which the entire premium is used to cover the risk costs. There is no savings component in this type of insurance.

Solvency margin
The required solvency margin is a minimum requirement for the size of the capital base. The solvency margin represents just over four per cent of the technical provisions.

Solvency ratio
Total market-valued assets less intangible assets and financial liabilities relative to the guaranteed commitments.

Special indexation funds
Funds contributed to Alecta for indexation of pensions in payment, and for other pension-promoting purposes, or alternatively, to be transferred to a foundation designed for indexation of pensions. Decisions on the use of the funds for these purposes are made by the Council of Administration. Special indexation funds are therefore not included in the capital base or the collective funding capital.

Supplementary amounts
Refunds allocated to the insured parties in addition to the guaranteed defined contribution pension.

Technical provisions
Technical provisions are the capital value of the guaranteed commitments of the insurance company to the policyholder and the insured party. Technical provisions consist of life insurance provisions and provisions for outstanding claims.

Total return
The return on investments, adjusted for cash flows and expressed as a percentage. Calculated in accordance with the recommendations of Insurance Sweden.

Alecta has been managing occupational pension plans since 1917. Our mission is to provide collectively agreed occupational pension plans as much value as possible both for our corporate customers as well as private customers. We do this by generating high returns at low cost, and providing excellent customerservice. We manage just over SEK 1,300 billion on behalf of our owners – 2.8 million private customers and 35,000 corporate customers.

Alecta Tjänstepension Ömsesidigt
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