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## Press release - If Group 9-month report

January 1 - September 30, 2003

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- The positive earnings trend continued. The operating result for the first nine months rose substantially to SEK 1,860m (neg: 2,684)
- Earnings in the insurance business improved sharply, as the implemented profitability-enhancing measures came into effect and due to the strong current-year claims result
- The combined ratio improved to 101.5% (106.6%). The year-end combined ratio is expected to be in line with the nine-month figure, given no exceptional claims developments
- Prior-year claims loss of SEK 1.1bn in Scandinavia (neg: 194m)
- The investment result benefited from the upturn in equity markets. The YTD investment return was 3.7% (0.3%), corresponding to an annualized return of 4.9%
- In October, If announced the sale of the Marine & Energy business area

If Group - Key figures SEK m	Q3 2003	Q3 2002 <sup>1)</sup>	9M 2003	9M 2002 <sup>1)</sup>	9M 2003 EUR m <sup>2)</sup>
Premiums written, gross	7 134	7 555	31 581	31 048	3 482
Technical result	588	177	1 168	48	129
Investment result	786	-592	2 887	-557	318
Operating result	723	-1 112	1 860	-2 684	205
Combined ratio	98.5%	104.3%	101.5%	106.6%	
Risk ratio	72.3%	77.4%	74.7%	77.7%	
Cost ratio	26.2%	26.9%	26.8%	28.9%	
Return on Equity (after paid tax)	15.3%	-30.4%	13.5%	-25.0%	

1) Quarterly comparison figures have been adjusted to reflect the change in consolidation method applied in the 2002 year-end accounts, where the purchase method was used for the consolidation of the business acquired from Sampo.

2) Currency translation based on an exchange rate of SEK/EUR = 9.069

If is the leading property & casualty insurance company in the Nordic area, with annual sales of SEK 38 billion in 2002 and 7,500 employees. If's shareholders are Sampo 38.05%, Storebrand 22.47%, Skandia 19.36%, Skandia Liv 10.06% and Varma-Sampo 10.06%.

## If Group

The positive earnings trend continued during the third quarter, due mainly to the effects of the completed turnaround program. Earnings benefited from the better-than-normal claims trend. Low claims frequency, few large claims and disciplined risk selection made a positive contribution to the current-year claims result, while the loss on prior-year claims impacted negatively on results. Investment returns benefited from the upturn in equity markets. Accordingly, the operating result amounted to profit of SEK 723m (loss: 1,112m) in the third quarter and to profit of SEK 1,860m (loss: 2,684m) for the first nine months. Insurance results for the first nine months were more favorable in all of the core business areas. The improvement in the technical result was primarily attributable to the strong results reported by the Private business area. The combined ratio for the third quarter and for the first nine months improved significantly, due to effects of premium increases, lower claims frequency and cost-cutting actions.

### Investment return

Investments generated a YTD return of 3.7% (0.3%). The allocation to equities was kept at the benchmark allocation of 7% during the third quarter. The return was supported by falling interest rates during the first six months and the upturn in the equity market in the past two quarters.

### Premiums

In the third quarter, total gross premium income decreased by 5.6%, despite premium growth in the Private business area. The reduction was mainly related to the currency effect of the strengthened SEK against the NOK and USD, but also to the portfolio pruning within the Industrial and Marine & Energy segments. During the first nine months of the year, gross premium growth was 1.7%, due mainly to the implemented premium adjustments and premium growth within Private and Commercial business.

### Claims

The risk ratio for the first nine months improved by 3.0 percentage points. The claims frequency trend continued to improve, as a result of stringent risk selection and benign weather conditions resulting in a positive claims trend for many loss types, including weather-driven claims and fire losses. Large claims were below normal in all business areas. In total, large claims were SEK 500m below normalized levels. In

Scandinavia, the negative prior-year claims result of SEK 1.1bn for the first nine months derived mainly from a strengthening of reserves for Personal injury claims, especially in Sweden and Norway, following an external actuarial review. In addition, settlements of a few individual claims increased prior-year claims costs, particularly within the Industrial business area. In addition, Finnish technical provisions were increased by approximately SEK 400m, partly due to changed discount rates on Finnish annuities.

### Costs

Total nominal costs amounted to SEK 6,960m (7,060m). Exchange-rate effects had a positive impact on costs of SEK 150m. The cost ratio was further reduced in the third quarter and for the nine-month period as a whole. Cost reductions were mainly attributable to staffing reductions, renegotiations of software and hardware agreements, lowered consultancy fees and reduced sales commissions following the shift towards more cost-efficient distribution channels.

### Solvency, net asset value and cash flow

The solvency ratio rose to 52.5% (50.9%) following the increase in solvency capital, as results improved. Net asset value increased during the first nine months by SEK 562m to SEK 18.5bn, due to higher operating profit, decreased unrealized gains and deferred tax liabilities. The cash flow from underwriting increased for the first nine months to SEK 5,268m (1,867).

### Outlook

"If had a strong third quarter, with improved underwriting profitability and adequate investment returns," says CEO Torbjörn Magnusson. "Based on results for the first nine months and our plans for the fourth quarter, the full-year combined ratio will be in line with the nine-month figure, given no exceptional claims developments. We also expect to see further cost effects in the fourth quarter from actions already completed, and we are determined to continue enhancing operational effectiveness and efficiency going forward. In the face of anticipated low investment returns, the Nordic markets are now targeting the necessary lower combined ratio levels. In this environment, we will continue our efforts for correct pricing. Customer retention and developing customer service will be increasingly in focus, as benefits of scale are realized and we advance Nordic best practices."

### Significant events after the reporting period

In October, If announced the sale of the Marine & Energy business area to a newly established company, Gard Marine & Energy, jointly owned by If and the Norwegian company Assuranceforeningen Gard. The transaction is planned to become effective in January 2004. The selling price amounts to USD 30m (SEK 230m). Through this divestment, If will streamline its operations and reduce most of its risk exposure in the marine and energy segment. The transaction will release capital and increase the solvency ratio by approximately 3.5 percentage points. The equity in the new company will amount to USD 190m (SEK 1,460m). If will provide USD 80m (SEK 615m) in shareholders' equity and USD 15m (SEK 115m) in the form of a subordinated loan to the new company. If's ownership will initially amount to 42 percent, but will be gradually reduced, in accordance with an agreement with Assuranceforeningen Gard. The holding will be included as a financial investment in If's equity portfolio.

<b>IF GROUP SEK m</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002<sup>1)</sup></b>	<b>FY 2002</b>	<b>Rolling 12 months</b>	<b>9M 2003 EUR m<sup>2)</sup></b>
Premiums written, gross	7 134	7 555	31 581	31 048	38 136	38 669	3 482
Premiums earned, net	8 605	8 435	25 950	24 452	32 789	34 287	2 861
Claims result prior years <sup>3)</sup>	-569	-223	-1 055	-194	-248	-1 109	-116
Operating expenses	-1 701	-1 714	-5 147	-5 225	-6 815	-6 737	-568
<b>Technical result</b>	<b>588</b>	<b>177</b>	<b>1 168</b>	<b>48</b>	<b>321</b>	<b>1 441</b>	<b>129</b>
<b>Investment result</b>	<b>786</b>	<b>-592</b>	<b>2 887</b>	<b>-557</b>	<b>690</b>	<b>4 134</b>	<b>318</b>
<b>Operating result</b>	<b>723</b>	<b>-1 112</b>	<b>1 860</b>	<b>-2 684</b>	<b>-2 080</b>	<b>2 464</b>	<b>205</b>
<b>Cash flow from underwriting</b>	<b>167</b>	<b>208</b>	<b>5 268</b>	<b>1 867</b>	<b>1 551</b>	<b>-</b>	<b>581</b>
Risk ratio	72.3%	77.4%	74.7%	77.7%	77.8%	75.5%	
Cost ratio	26.2%	26.9%	26.8%	28.9%	28.3%	26.8%	
<b>Combined ratio</b>	<b>98.5%</b>	<b>104.3%</b>	<b>101.5%</b>	<b>106.6%</b>	<b>106.1%</b>	<b>102.3%</b>	
Claims ratio	78.7%	84.0%	81.7%	85.2%	85.3%	82.7%	
Expense ratio	19.8%	20.3%	19.8%	21.4%	20.8%	19.6%	
Insurance margin	6.8%	2.1%	4.5%	0.2%	1.0%	4.2%	
<b>Return on Equity (paid tax)</b>	<b>15.3%</b>	<b>-30.4%</b>	<b>13.5%</b>	<b>-25.0%</b>			
Technical provisions, gross	-	-	69 905	71 900	69 353	-	7 708
Technical provisions, net	-	-	63 492	62 755	61 315	-	7 001

1) Quarterly comparison figures have been adjusted to reflect the change in consolidation method applied in the 2002 year-end accounts, where the purchase method was used for the consolidation of the business acquired from Sampo.

2) Currency translation based on an exchange rate of SEK/EUR = 9.069

3) Applies to If's Scandinavian business.

## Business area comments .....

### Private Business Area

The Private business area's positive earnings trend continued during the quarter, augmented by the very favorable current-year claims trend. The combined ratio was below 100% both for the third quarter and the first nine months of the year. Particularly improved results were reported by the Norwegian and Danish business. The technical result improved substantially and was transformed from a loss of SEK 66m in the year-earlier period to a profit of SEK 729m for the first nine months of 2003. The combined ratio was reduced by 7.8 percentage points to 96.1% in the third quarter as the effects of premium increases and improved risk selection became noticeable. Also, the shift towards more cost-efficient distribution channels, such as inbound call centers, has impacted positively on results. For the first nine months, the combined ratio was 99.8% (106.6%).

During the year, several supply-purchasing agreements were concluded according to a common Nordic purchasing strategy. Claims costs, working processes and customers clearly benefit from the benefits of scale arising with common Nordic and national purchasing agreements comprising, among other things, clearance, building material, car body repairs and car rentals.

A customer loyalty program aimed at increasing retention and improving the portfolio churn in profitable segments was launched in Norway earlier during the year and was introduced in Sweden in September.

In Finland a new e-filing system that was put into use during the quarter will increase efficiency and reduce the usage of paper within the handling of personal-injury claims.

#### Premiums

Following average premium increases of approximately 9% in 2003, gross premium growth was 4.0% for the third quarter and 6.7% for the first nine months, despite a negative exchange-rate effect of 1.6 percentage points.

#### Claims

The risk ratio improved in the third quarter and for the first nine months, following a low claims frequency and fewer large claims events than normal. Claims frequency improved across the major product lines. The Motor and Householder & Homeowner product lines in Norway and Denmark showed particularly strong claims results. The prior-year claims loss is primarily related to a strengthening of technical provisions for Motor third party liability in Sweden and Norway and Personal Accident in Sweden.

#### Costs

The cost ratio decreased in the third quarter and for the first nine months. Nominal costs were reduced by 4.0% for the first nine months, as a result of reduced IT and staffing costs. Exchange-rate effects contributed positively to the cost reduction by 1.7 percentage points.

PRIVATE SEK m	Q3 2003	Q3 2002	9M 2003	9M 2002	FY 2002	Rolling 12 months
Premiums written, gross	4 091	3 932	13 272	12 432	16 241	17 081
Premiums earned, net	4 100	4 019	12 281	11 614	15 549	16 216
<b>Technical result</b>	<b>391</b>	<b>74</b>	<b>729</b>	<b>- 66</b>	<b>112</b>	<b>907</b>
Claims result prior years <sup>1)</sup>	- 226	- 162	- 426	- 327	- 421	- 520
Risk ratio	69.9%	77.2%	72.6%	76.6%	76.0%	72.9%
Cost ratio	26.2%	26.7%	27.2%	30.0%	29.5%	27.5%
<b>Combined ratio</b>	<b>96.1%</b>	<b>103.9%</b>	<b>99.8%</b>	<b>106.6%</b>	<b>105.5%</b>	<b>100.4%</b>
Insurance margin	9.5%	1.8%	5.9%	-0,6%	0,7%	5.6%
Technical provisions, gross			27 699	26 290	26 425	
Technical provisions, net			27 376	25 940	26 112	

<sup>1)</sup> Applies to If's Scandinavian business.

## Commercial Business Area

The business area's positive earnings trend continued in the third quarter, following the effects of the turnaround program. Accordingly, the technical result improved in both the third quarter and the first nine months of the year. The combined ratio decreased by 3.5 percentage points to 100.0% in the third quarter. The combined ratio for the first nine months was slightly higher at 101.3% (104.2%), since the period as a whole followed normal seasonal claims pattern.

In Finland, a new health insurance product for commercial clients was launched at the beginning of the third quarter. This product makes the Personal Lines portfolio more complete and workers' compensation customers will benefit from the more extensive product offering.

The Internet-based customer administration tool in Norway and Finland that was implemented in past year is now used by more than 26,000 customers and will be launched in Sweden and Denmark, as it improves service, customer loyalty and costs.

### Premiums

Gross premiums decreased by 5.0% in the third quarter, but increased by 4.8% over the first nine months, mainly as a consequence of implemented premium adjustments in Sweden and Denmark. The strengthened SEK against the

NOK had a negative effect of less than one percentage point.

The transfer period for workers' compensation in Finland expired successfully at the end of September with a renewal rate of close to 98%.

### Claims

As a result of premium adjustments, improved risk selection and portfolio pruning, the risk ratio decreased in both the third quarter and the first nine months. Since large claims were SEK 200m below normalized levels and the claims-frequency trend within Motor and Cargo product lines remained positive, the risk ratio improved by 2.3% in the third quarter. The prior-year claims loss of SEK 297m (loss: 26) for the first nine months of the year was due mainly to the strengthening of reserves following the actuarial review of claims estimates, which resulted in increases in technical claims provisions within Motor third party liability in Norway and Sweden.

### Costs

Cost ratios improved for both the third quarter and the first nine months. Nominal cost levels remained stable, as currency changes reduced costs by 1.8 percentage points.

COMMERCIAL SEK m	Q3 2003	Q3 2002	9M 2003	9M 2002	FY 2002	Rolling 12 months
Premiums written, gross	1 568	1 650	9 330	8 905	10 880	11 305
Premiums earned, net	2 649	2 476	7 931	7 534	10 195	10 592
<b>Technical result</b>	<b>114</b>	<b>63</b>	<b>346</b>	<b>141</b>	<b>170</b>	<b>375</b>
Claims result prior years <sup>1)</sup>	- 177	0	- 297	- 26	- 78	- 349
Risk ratio	72.4%	74.7%	73.6%	75.6%	76.0%	74.5%
Cost ratio	27.6%	28.8%	27.7%	28.6%	28.6%	27.9%
<b>Combined ratio</b>	<b>100.0%</b>	<b>103.5%</b>	<b>101.3%</b>	<b>104.2%</b>	<b>104.6%</b>	<b>102.4%</b>
Insurance margin	4.3%	2.6%	4.4%	1.9%	1.7%	3.5%
Technical provisions, gross			20 938	21 122	20 394	
Technical provisions, net			19 114	18 946	18 322	

<sup>1)</sup> Applies to If's Scandinavian business.

## Industrial Business Area

The technical result decreased slightly in the third quarter but improved by SEK 202m for the first nine months, following premium increases, portfolio pruning, selective underwriting and a favorable claims outcome. Due to prior-year losses, the combined ratio increased by 1.8 percentage points during the quarter. The combined ratio for the first nine months improved, despite a negative prior-year claims result, as implemented premium increases and a low number of large claims impacted results positively.

In order to further improve the quality of underwriting, the business area's underwriting processes have been reviewed and changes to authorizations, guidelines and referral systems have been introduced. In addition, stronger technical risk management involvement will be included in the underwriting process.

Lighthouse, the business area's main IT development project, which will harmonize several IT systems into one, is proceeding well. The aim is to have the new system operational in 2005.

### Premiums

Following the comprehensive profitability program, risk exposure and consequently also gross written premiums decreased in both the third quarter and the first nine months, as the portfolio has been pruned through termination of non-Nordic insurance segments. Exchange-rate changes had a negative impact of 1.3% on premiums.

Net earned premiums increased by 12% during the nine-month period, due to the common Nordic reinsurance program that replaced the two separate Scandinavian and Finnish reinsurance schemes.

### Claims

In the third quarter, the risk ratio increased slightly following the loss on prior-year claims. For the first nine months, net large claims were SEK 300m below normalized levels, improving the risk ratio by 7.3 percentage points. The prior-year claims loss of SEK 320m (gain: 5) for the first nine months was due primarily to adjustments of a few individual claims settlements in Scandinavia. In addition, claims provisions for Motor, and Workers' compensation in Finland, were increased.

### Costs

The cost ratio increased somewhat in the third quarter as the portfolio was reduced. For the first nine-month period, the cost ratio improved by 3 percentage points. Nominal costs continued to decrease during the period, mainly due to IT savings and a reduced number of staff. The strengthened SEK against the NOK had a positive impact on costs of approximately one percentage point.

<b>INDUSTRIAL SEK m</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
Premiums written, gross	980	1 409	6 824	7 280	8 038	7 582
Premiums earned, net	1 308	1 385	4 089	3 646	4 918	5 361
<b>Technical result</b>	<b>12</b>	<b>27</b>	<b>102</b>	<b>- 100</b>	<b>- 143</b>	<b>59</b>
Claims result prior years <sup>1)</sup>	- 133	- 35	- 320	5	- 21	- 346
Risk ratio	82.4%	81.4%	80.8%	83.6%	84.8%	82.6%
Cost ratio	22.6%	21.8%	22.8%	25.8%	24.9%	22.7%
<b>Combined ratio</b>	<b>105.0%</b>	<b>103.2%</b>	<b>103.6%</b>	<b>109.4%</b>	<b>109.7%</b>	<b>105.3%</b>
Insurance margin	0.9%	1.9%	2.5%	-2.7%	-2.9%	1.1%
Technical provisions, gross			15 060	16 011	14 615	
Technical provisions, net			12 074	11 435	10 923	

<sup>1)</sup> Applies to If's Scandinavian business.

## Other business

### Marine and Energy

The underlying portfolio trend was positive, in terms of both a favorable claims trend and few large claims. However, the one-off effect of the final claims settlement in the second quarter had an adverse impact on results.

#### Effect of the claims settlement in Q2

Excluding the reserve adjustment related to the final settlement agreement, which eliminated asbestos exposure in the portfolio, the combined ratio was 98.2% for the first nine months.

<b>MARINE &amp; ENERGY SEK m</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
Premiums written, gross	340	499	1 659	2 073	2 509	2 095
Premiums earned, net	407	495	1 255	1 426	1 857	1 686
<b>Technical result</b>	<b>22</b>	<b>52</b>	<b>- 48</b>	<b>83</b>	<b>- 63</b>	<b>- 194</b>
Claims result prior years <sup>1)</sup>	- 30	- 52	8	138	147	17
Risk ratio	76.6%	84.2%	89.0%	84.2%	91.2%	95.5%
Cost ratio	20.2%	16.6%	21.2%	19.7%	20.4%	21.5%
<b>Combined ratio</b>	<b>96.8%</b>	<b>100.8%</b>	<b>110.2%</b>	<b>103.9%</b>	<b>111.6%</b>	<b>117.0%</b>
Insurance margin	5.5%	10.5%	-3.9%	5.9%	-3.4%	-11.5%
Technical provisions, gross			3 865	5 245	5 051	
Technical provisions, net			2 994	3 761	3 656	

<sup>1)</sup> Applies to Ifs Scandinavian business.

### The Baltic States

The Baltic markets are developing as expected and gross premium volumes increased by 21% during the first nine months. The technical result improved in the third quarter, but remained stable over the nine-month period.

The market share in Estonia is currently 37% and Estonian business accounts for 70% of the total result.

<b>BALTIC STATES SEK m</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
Premiums written, gross	160	119	494	409	522	607
Premiums earned, net	140	124	393	344	462	511
<b>Technical result</b>	<b>12</b>	<b>9</b>	<b>17</b>	<b>17</b>	<b>28</b>	<b>28</b>
Risk ratio	55.6%	60.9%	59.1%	54.9%	52.6%	55.9%
Cost ratio	36.8%	31.8%	39.0%	40.1%	43.7%	42.6%
<b>Combined ratio</b>	<b>92.4%</b>	<b>92.7%</b>	<b>98.1%</b>	<b>95.0%</b>	<b>96.3%</b>	<b>98.5%</b>
Insurance margin	8.5%	7.3%	4.2%	5.0%	6.1%	5.4%
Technical provisions, gross			433	341	294	
Technical provisions, net			389	300	269	



## Investments

### Positive effects of recovering markets

The statutory investment result for the first nine months of 2003 was SEK 2,887m, corresponding to an investment return of 4.0%. The current value result for the same period was SEK 2,665m or 3.7%, corresponding to 4.9% annualized.

The return was supported by falling interest rates during the first six months and strong equity returns in the last two quarters after a weak first quarter. The real estate return was adversely affected by write-downs of Finnish real estate.

Investment assets September 30 <sup>th</sup> , 2003 SEK m	Assets	Statutory return	Current value return
Real estate	1 905	-66	-66
Fixed income	67 164	2 086	2 308
Equities	5 256	618	618
Other <sup>1)</sup>	4 057	249	249
<b>Total</b>	<b>78 382<sup>2)</sup></b>	<b>2 887</b>	<b>2 665</b>

1) Includes cash at bank and in hand

2) Investment assets under management represent SEK 74bn adjusted for repurchase agreements and net securities settlement items.

### Market trend

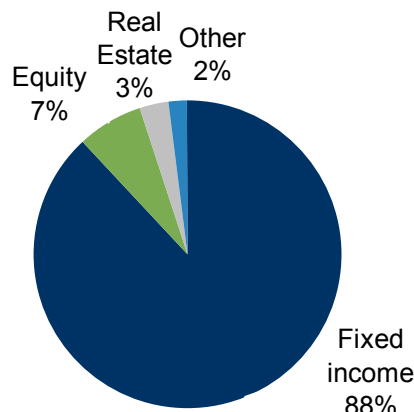
The first few months of the year were characterized by weak equity markets and strong fixed-income markets. Subsequently, equity markets recovered strongly while the fixed-income markets continued to perform well until mid-June when yields started rising. Across the nine months, most equity markets improved and fixed-income yields declined.

### Current allocation and duration

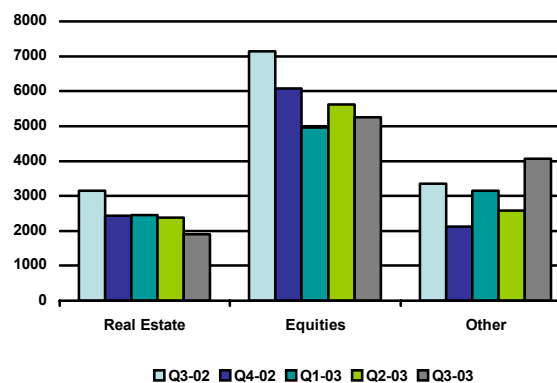
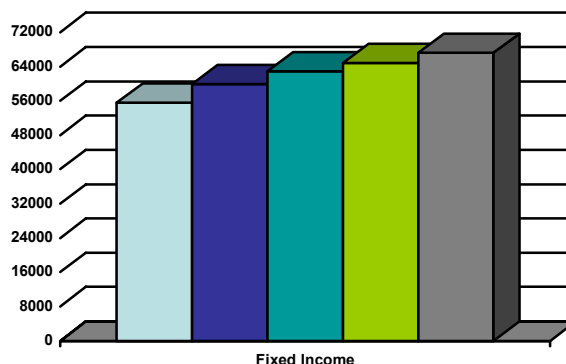
The equity allocation was increased gradually during the second quarter as volatility decreased and the global economic outlook improved. During the third quarter, the equity allocation was stable around the target weight of 7% and the fixed-income duration was consistently shorter than the benchmark.

At the end of the third quarter, the allocation to equities in live business, including overlay derivatives, was 7%. The average fixed-income duration was 2.2 years (benchmark 2.5 years).

### Portfolio allocation, September 30, 2003



### Portfolio trend (SEKm)

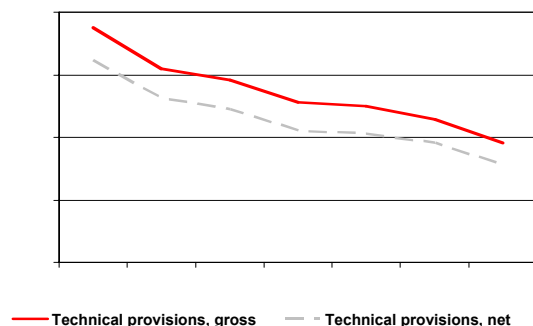




### Run-Off business

Gross provisions of the run-off business have been reduced by SEK 0.4bn since the second quarter of 2003 and amounted to SEK 1.9bn in the third quarter. Net provisions amounted to SEK 1.6bn. Since year-end 2002, the technical provisions have been reduced by SEK 646m and efforts to reduce the run-off portfolio further continue, through an active strategy of commutations and sales of business.

#### Technical provisions, SEKm



### Accounting principles - change in exchange-rate calculation

As of 2003, transactions in the income statement have been revalued using each month's average exchange rate. Prior to 2003, recalculations of all transactions on a year-to-date average rate were used.

Other than the change in exchange-rate principles, this report has been compiled using the same accounting principles as those used in the Annual Report for 2002. The report is not audited.

Solna, Sweden, November 5, 2003

Torbjörn Magnusson  
President and CEO

A combined web and teleconference will be held on November 5 at 16:30 CET.

In order to register for the conference, be allocated the conference call number and receive instructions on how to join the conference call, please use the link below,  
<http://213.86.178.134/inv/reg.html?Acc=4137072500&Conf=137181>

Further details and the third-quarter presentation are published under Financial Information on If's Internet site [www.if-insurance.com](http://www.if-insurance.com)

## DEFINITIONS

**Allocated investment return** - Return on average net technical provisions less deposits and outstanding balances in the insurance operations plus 50 percent of the technical result before allocated investment return for the period. The return on capital is allocated to the technical accounts based on risk-free interest.

**Claims ratio** - Claims incurred in relation to net earned premiums.

**Claims result prior years** - Profit or loss from prior years' underwriting attributable to revaluation or final settlement.

**Combined ratio** - Claims incurred and operating expenses in relation to net earned premiums.

**Cost ratio** - Operating expenses and claims-handling costs in relation to net earned premiums.

**Expense ratio** - Operating expenses in relation to net earned premiums.

**Gross premiums written** - Total premiums received during the financial year or taken up as a receivable at the end of the year. In contrast to net premiums earned, premiums written are not capitalized; i.e. they are unaffected by opening and closing provisions for unearned premiums.

**Insurance margin** - Technical result in relation to net earned premiums.

**Net premiums earned** - Written premiums adjusted for changes in provisions for unearned premiums.

**Operating expenses in insurance operations** - Expenses related to marketing, administration, commissions and profit participations in reinsurance accepted.

**Operating result** - Profit/loss before appropriations and taxes.

**Provisions for unexpired risks** - Supplement to the provisions for unearned premiums that must be established if the provision for unearned premiums is judged to be insufficient to cover anticipated claims.

Costs and operating expenses for policies in force at the end of the accounting period up to their next due dates.

**Provisions for unearned premiums** - Liability item in the balance sheet that corresponds to the portion of premiums written that, in the balance sheet, pertains to forthcoming periods. Compare with net premiums earned.

**Provisions for claims outstanding** - Liability item in the balance sheet consisting of the estimated value of claims incurred but not yet paid and the expected operating expenses for the settlement of the claims.

**Regulatory capital** - Shareholders' equity adjusted for dividend proposals less intangible assets, plus deferred tax liability, subordinated loans and unrealized gains and losses on interest-bearing securities, entered at accrued acquisition value. The regulatory capital should at least cover the regulatory solvency margin.

**Regulatory solvency margin** - The regulatory capital required for operations calculated as the higher of a risk assessment based on historical claims incurred or gross premiums written.

**Return on equity after paid tax** - Operating result for the period after paid tax in relation to average shareholders' equity, annualized.

**Risk ratio** - Claims incurred excluding claims-handling costs in relation to net earned premiums.

**Solvency capital** - Shareholders' equity less deferred tax asset, plus deferred tax liability, subordinated loans and unrealized gains and losses on interest-bearing securities, entered at accrued acquisition value.

**Solvency ratio** - Key ratio representing the relative size of the solvency capital. The solvency ratio is calculated as the solvency capital in relation to net written premiums, excluding portfolio premiums.

**Technical provisions** - Provisions for unearned premiums, unexpired risks and claims outstanding.

**Technical result** - Net premiums earned less claims cost and operating expenses, plus the allocated investment return transferred from the non-technical accounts.

## IF GROUP - INCOME STATEMENT

SEK m	9M 2003	9M 2002 <sup>1)</sup>	FY 2002	Rolling 12 months
<b>Technical account</b>				
<b>Premiums earned, net of reinsurance</b>				
Premium income, gross <sup>2)</sup>	31 581	31 048	38 136	38 669
Premium income, ceded	-3 068	-4 057	-4 635	-3 646
Change in provisions for unearned premiums and unexpired risks	-3 070	-3 415	- 846	- 501
Reinsurers' share of change in provisions for unearned premiums and unexpired risks	507	876	134	-235
	<b>25 950</b>	<b>24 452</b>	<b>32 789</b>	<b>34 287</b>
Allocated investment return transferred from the non-technical account <sup>3)</sup>	1 563	1 654	2 332	2 241
<b>Claims incurred, net of reinsurance</b>				
<b>Claims paid</b>				
Gross	-21 281	-20 603	-28 124	-28 802
Reinsurers' share	2 767	2 541	3 673	3 899
<b>Change in provisions for claims outstanding</b>				
Gross	-1 230	-2 314	-2 865	-1 781
Reinsurers' share	-1 454	- 457	- 669	-1 666
	<b>-21 198</b>	<b>-20 833</b>	<b>-27 985</b>	<b>-28 350</b>
Operating expenses	-5 147	-5 225	-6 815	-6 737
<b>Technical result</b>	<b>1 168</b>	<b>48</b>	<b>321</b>	<b>1 441</b>
<b>Non-technical account</b>				
<b>Investment result</b>				
Investment income	2 751	2 748	3 994	3 997
Unrealized gains and losses on investments	844	-1 992	-2 327	509
Investment charges	- 708	-1 313	- 977	- 372
	<b>2 887</b>	<b>- 557</b>	<b>690</b>	<b>4 134</b>
Allocated investment return transferred to the technical account <sup>3)</sup>	-1 928	-2 007	-2 809	-2 730
Amortization of goodwill	- 112	- 128	- 169	- 153
Interest expense, subordinated notes	- 145	- 125	- 177	- 197
Other financial income <sup>4)</sup>	-	86	64	-22
Other financial expenses <sup>4)</sup>	- 10	- 1	-	- 9
<b>Operating result</b>	<b>1 860</b>	<b>-2 684</b>	<b>-2 080</b>	<b>2 464</b>
<b>Taxes</b>	- 457	626	399	- 684
Minority share	-	0	- 1	- 1
<b>Result for the period</b>	<b>1 403</b>	<b>-2 058</b>	<b>-1 682</b>	<b>1 779</b>

1) Quarterly comparison figures have been adjusted to reflect the change in consolidation method applied in the 2002 year-end accounts, where the purchase method was used for the consolidation of the business acquired from Sampo.

2) Includes gross total premium portfolio entries/withdrawals.

3) In order to offset the write-up of discounted annuity reserves, the difference in allocated investment return is included in claims paid, gross.

4) Includes the result of an agreement between Sampo, Skandia and Storebrand, whereby If is to be compensated for a negative operating result in the run-off business originally transferred to If from Skandia and Storebrand. The guarantee covers a period of five years and is limited to an amount of SEK 350m. As of September 2003, a receivable of SEK 50m has been accrued, of which SEK -8 (81) has been attributed to other financial income/expenses.

## BALANCE SHEET - ASSETS

ASSETS	9M 2003	FY 2002
<b>SEK m</b>		
<b>Intangible assets</b>		
Goodwill	1 191	1 306
Other intangible assets	535	613
	<b>1 726</b>	<b>1 919</b>
<b>Investment assets</b>		
Land and buildings	1 905	2 439
Loan to associated companies	12	12
Participating interests	140	148
Other financial investments	73 337	66 253
Deposits with ceding undertakings	96	113
	<b>75 490</b>	<b>68 965</b>
<b>Reinsurers' share of technical provisions</b>		
Provisions for unearned premiums and unexpired risks	1 078	652
Provisions for claims outstanding	5 335	7 386
	<b>6 413</b>	<b>8 038</b>
<b>Deferred tax assets</b>	<b>2 491</b>	<b>2 999</b>
<b>Debtors</b>		
Debtors arising out of direct insurance operations	6 764	6 917
Debtors arising out of reinsurance operations	2 260	1 533
Other debtors	206	383
	<b>9 230</b>	<b>8 833</b>
<b>Other assets</b>		
Tangible assets	321	402
Cash at bank and in hand	2 892	1 543
Securities settlement claims	10 692	231
	<b>13 905</b>	<b>2 176</b>
<b>Prepayment and accrued income</b>		
Accrued interest and rent	691	496
Deferred acquisition costs	1 241	1 279
Other prepayment and accrued income	611	856
	<b>2 543</b>	<b>2 631</b>
<b>TOTAL ASSETS</b>	<b>111 798</b>	<b>95 561</b>

## BALANCE SHEET - SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	9M 2003	FY 2002
<b>SEK m</b>		
<b>Shareholders' equity</b>		
Share capital	2 726	2 726
Statutory reserve in parent company	400	400
Reserve for unrealized gains	290	-
Other reserves	10 408	10 322
Profit and loss brought forward	1 211	3 643
Net result for the period	1 403	-1 682
	<b>16 438</b>	<b>15 409</b>
Minority shareholding	-	0
<b>Subordinated notes</b>	<b>2 354</b>	<b>2 386</b>
<b>Technical provisions, gross</b>		
Provisions for unearned premiums and unexpired risks	16 438	14 458
Provisions for claims outstanding	53 467	54 895
	<b>69 605</b>	<b>69 353</b>
<b>Provisions for other risks and expenses</b>		
Provisions for deferred tax liabilities	1 619	1 831
Provisions for other risks and expenses	292	334
	<b>1 911</b>	<b>2 165</b>
<b>Deposits received from reinsurers</b>	<b>14</b>	<b>15</b>
<b>Creditors</b>		
Creditors arising out of direct insurance operations	2 039	1 551
Creditors arising out of reinsurance operations	1 323	967
Derivatives	464	539
Other creditors	15 503	1 762
	<b>19 329</b>	<b>4 819</b>
<b>Accruals and deferred income</b>		
Reinsurers' share of deferred acquisition costs	43	50
Other accruals and deferred income	1 804	1 364
	<b>1 847</b>	<b>1 414</b>
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>111 798</b>	<b>95 561</b>
<b>MEMORANDUM ITEMS</b>		
Pledges and comparable collateral	3 537	2 309
Assets covered by policyholders' beneficiary rights	2 634	2 511
Contingent liabilities	332	487

### SHAREHOLDERS' EQUITY

SEK m

Shareholders' equity at year-end 2002	<b>15 409</b>
Translation differences	- 374
Result for the period	1 403
Shareholders' equity at September 30, 2003	<b>16 438</b>

### NET ASSET VALUE

9M 2003

FY 2002

SEK m

Shareholders' equity	16 438	15 409
Deferred tax liability	1 619	1 831
Deficit/surplus values, interest bearing securities	466	721
Net asset value	<b>18 523</b>	<b>17 961</b>

## CASH FLOW STATEMENT

SEK m	9M 2003	9M 2002
<b>From insurance operations (net items)</b>		
Premium payments, direct business	31 572	29 214
Claims payments, direct business	-20 704	-21 043
Reinsurance payments	-1 065	- 785
Operating expenses paid	-4 535	-5 519
	<b>5 268</b>	<b>1 867</b>
<b>From investment operations (net)</b>		
Direct investment income	<b>1 720</b>	<b>2 022</b>
<b>From other financial operations (net)</b>	<b>- 284</b>	<b>1 123</b>
<b>Total cash flow</b>	<b>6 704</b>	<b>5 012</b>
<b>Increase in earning assets</b>		
of which, cash and bank	1 349	1 623
of which, increased investments	5 355	3 389
	<b>6 704</b>	<b>5 012</b>

## KEY FIGURES

NET OF REINSURANCE SEK m	2003 9M	2002 <sup>1)</sup> 9M	2002 <sup>1)</sup> FY	2001 <sup>2)</sup> FY pro forma <sup>2)</sup>	2000 FY	1999 <sup>3)</sup> FY
Premiums earned	25 950	24 452	32 789	30 271	17 545	15 674
Allocated investment return <sup>4)</sup>	1 563	1 654	2 332	1 982	1 236	1 239
Claims incurred	-21 198	-20 833	-27 985	-27 409	-15 220	-14 988
- of which claims result prior years <sup>5)</sup>	-1 055	-194	-248	-115	543	-93
Operating expenses <sup>6)</sup>	-5 147	-5 225	-6 815	-6 815	-4 285	-3 835
<b>Technical result</b>	<b>1 168</b>	<b>48</b>	<b>321</b>	<b>-1 971</b>	<b>-724</b>	<b>-1 910</b>
<b>Investment result</b>	<b>2 887</b>	<b>-557</b>	<b>690</b>	<b>3 619</b>	<b>1 079</b>	<b>2 684</b>
Allocated investment return <sup>4)</sup>	-1 928	-2 007	-2 809	-2 449	-1 336	-1 331
Amortization of goodwill	-112	-128	-169	-147	-	-
Interest expense, subordinated notes	-145	-125	-177	-129	-8	-
Other financial income	-	86	64	-	-	-
Other financial expenses	-10	-1	-	-171	-	-
<b>Operating result</b>	<b>1 860</b>	<b>-2 684</b>	<b>-2 080</b>	<b>-1 248</b>	<b>-989</b>	<b>-557</b>
Technical provisions, gross	69 905	71 900	69 353	67 076	39 896	38 188
Technical provisions, net	63 492	62 755	61 315	58 072	32 886	30 615
Risk ratio	74.7%	77.7%	77.8%	82.7%	31.4%	30.9%
Cost ratio	26.8%	28.9%	28.3%	30.4%	79.7%	89.1%
<b>Combined ratio</b>	<b>101.5%</b>	<b>106.6%</b>	<b>106.1%</b>	<b>113.1%</b>	<b>111.1%</b>	<b>120.0%</b>
Claims ratio	81.7%	85.2%	85.3%	90.6%	86.7%	95.5%
Expense ratio	19.8%	21.4%	20.8%	22.5%	24.4%	24.5%
Insurance margin	4.5%	0.2%	1.0%	-6.5%	-4.1%	-12.2%
<b>Return on Equity (paid tax)</b>	<b>13.5%</b>	<b>-25.0%</b>				
Regulatory capital	19 151	17 721	18 428	n/a	n/a	n/a
Regulatory solvency margin	5 830	4 923	5 493	n/a	n/a	n/a
Solvency capital	18 386	16 593	17 348	17 683	6 935	11 044
Solvency ratio	52.5%	50.9%	51.7%	56.8%	38.3%	70.5%

1) Quarterly comparison figures have been adjusted to reflect the change in consolidation method applied in the 2002 year-end accounts, where the purchase method was used for the consolidation of the business acquired from Sampo.

2) Pro forma figures including Sampo P&C.

3) The 1999 financial year consisted of 10 months. In order to facilitate comparison between the years, pro forma figures for full year 1999 have been prepared.

4) In order to offset the write-up of discounted annuity reserves, the difference in allocated investment return is included in claims paid, gross.

5) Applies to If's Scandinavian business.

6) Operating expenses include a provision of SEK 63m (-) related to If's incentive program.



## KEY FIGURES PER QUARTER

NET OF REINSURANCE	Q3	2003 Q2	Q1	Q4	2002 <sup>1)</sup> Q3	Q2	Q1
<b>SEK m</b>							
Premiums earned	8 605	8 673	8 672	8 337	8 435	8 264	7 753
Allocated investment return <sup>2)</sup>	462	512	589	678	540	554	560
Claims incurred	-6 778	-7 076	-7 344	-7 152	-7 084	-6 912	-6 837
- of which, claims result prior years <sup>3)</sup>	-569	-436	-50	-54	-223	185	-156
Operating expenses	-1 701	-1 688	-1 758	-1 590	-1 714	-1 717	-1 794
<b>Technical result</b>	<b>588</b>	<b>421</b>	<b>159</b>	<b>273</b>	<b>177</b>	<b>189</b>	<b>-318</b>
<b>Investment result</b>	<b>786</b>	<b>1 164</b>	<b>937</b>	<b>1 247</b>	<b>-592</b>	<b>-589</b>	<b>624</b>
Allocated investment return	-582	-630	-716	-802	-659	-671	-677
Amortization of goodwill	-36	-36	-40	-40	-43	-43	-43
Interest expense, subordinated notes	-33	-62	-50	-52	-62	-52	-11
Other financial income	-	-	-	-22	67	52	-33
Other financial expenses	0	-4	-6	-	-	-	-
<b>Operating result</b>	<b>723</b>	<b>853</b>	<b>284</b>	<b>604</b>	<b>-1 112</b>	<b>-1 114</b>	<b>-458</b>
Risk ratio	72.3%	74.2%	77.6%	78.0%	77.4%	75.4%	80.4%
Cost ratio	26.2%	26.8%	27.4%	26.9%	26.9%	29.0%	30.9%
<b>Combined ratio</b>	<b>98.5%</b>	<b>101.0%</b>	<b>105.0%</b>	<b>104.9%</b>	<b>104.3%</b>	<b>104.4%</b>	<b>111.3%</b>
Claims ratio	78.7%	81.6%	84.7%	85.8%	84.0%	83.6%	88.2%
Expense ratio	19.8%	19.4%	20.3%	19.1%	20.3%	20.8%	23.1%
Insurance margin	6.8%	4.9%	1.8%	3.3%	2.1%	2.3%	-4.1%

1) Quarterly comparison figures have been adjusted to reflect the change in consolidation method applied in the 2002 year-end accounts, where the purchase method was used for the consolidation of the business acquired from Sampo.

2) In order to offset the write-up of discounted annuity reserves, the difference in allocated investment return is included in claims paid, gross.

3) Applies to If's Scandinavian business.

## RESULT PER COUNTRY, PRIVATE AND COMMERCIAL BUSINESS<sup>1)</sup>

<b>NORWAY</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
<b>SEK m</b>						
Premiums written, gross	2 236	2 463	8 816	8 810	11 311	11 317
Premiums earned, net	2 564	2 806	7 828	7 999	10 743	10 572
<b>Technical result</b>	<b>438</b>	<b>24</b>	<b>886</b>	<b>193</b>	<b>431</b>	<b>1 124</b>
Claims result, prior years	- 187	- 165	- 236	- 225	- 300	-311
Risk ratio	63.7%	78.6%	68.6%	74.8%	74.6%	70.1%
Cost ratio	24.6%	26.2%	26.0%	28.3%	27.3%	25.5%
<b>Combined ratio</b>	<b>88.3%</b>	<b>104.8%</b>	<b>94.6%</b>	<b>103.1%</b>	<b>101.9%</b>	<b>95.6%</b>
Insurance margin	17.1%	0.9%	11.3%	2.4%	4.0%	10.6%
Technical provisions, gross			13 703	15 042	14 880	
Technical provisions, net			11 965	13 027	12 945	
<b>SWEDEN</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
<b>SEK m</b>						
Premiums written, gross	2 070	1 836	7 088	6 163	8 294	9 219
Premiums earned, net	2 224	1 927	6 553	5 687	7 678	8 544
<b>Technical result</b>	<b>79</b>	<b>100</b>	<b>229</b>	<b>- 166</b>	<b>43</b>	<b>438</b>
Claims result, prior years	- 255	3	- 522	- 123	- 198	- 596
Risk ratio	80.4%	79.1%	80.1%	84.3%	83.0%	80.0%
Cost ratio	23.6%	23.7%	24.3%	27.4%	25.5%	23.3%
<b>Combined ratio</b>	<b>103.9%</b>	<b>102.8%</b>	<b>104.4%</b>	<b>111.7%</b>	<b>108.5%</b>	<b>103.3%</b>
Insurance margin	3.6%	5.2%	3.5%	-2.9%	0.6%	5.1%
Technical provisions, gross			19 495	17 509	17 712	
Technical provisions, net			19 192	17 177	17 426	
<b>FINLAND</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
<b>SEK m</b>						
Premiums written, gross	1 012	937	5 158	4 981	5 789	5 966
Premiums earned, net	1 510	1 333	4 487	4 272	5 701	5 916
<b>Technical result</b>	<b>- 81</b>	<b>93</b>	<b>- 134</b>	<b>228</b>	<b>56</b>	<b>- 306</b>
Risk ratio	71.9%	62.0%	71.4%	65.7%	66.6%	70.9%
Cost ratio	35.3%	34.7%	34.3%	33.0%	36.1%	37.0%
<b>Combined ratio</b>	<b>107.2%</b>	<b>96.7%</b>	<b>105.7%</b>	<b>98.7%</b>	<b>102.7%</b>	<b>107.9%</b>
Insurance margin	-5.4%	7.0%	-3.0%	5.3%	1.0%	-5.2%
Technical provisions, gross			12 840	12 402	11 835	
Technical provisions, net			12 764	12 268	11 699	
<b>DENMARK</b>	<b>Q3 2003</b>	<b>Q3 2002</b>	<b>9M 2003</b>	<b>9M 2002</b>	<b>FY 2002</b>	<b>Rolling 12 months</b>
<b>SEK m</b>						
Premiums written, gross	341	346	1 540	1 383	1 727	1 884
Premiums earned, net	451	429	1 344	1 190	1 622	1 776
<b>Technical result</b>	<b>69</b>	<b>- 80</b>	<b>94</b>	<b>- 180</b>	<b>- 248</b>	<b>26</b>
Claims result, prior years	37	0	35	- 3	1	38
Risk ratio	61.8%	92.1%	68.9%	85.5%	85.1%	72.6%
Cost ratio	26.3%	30.6%	28.2%	33.9%	34.3%	29.9%
<b>Combined ratio</b>	<b>88.1%</b>	<b>122.7%</b>	<b>97.1%</b>	<b>119.4%</b>	<b>119.4%</b>	<b>102.5%</b>
Insurance margin	15.1%	-18.8%	7.0%	-15.2%	-15.3%	1.5%
Technical provisions, gross			2 599	2 459	2 392	
Technical provisions, net			2 569	2 414	2 364	

1) Country information excluding Industrial, Marine & Energy, Baltic region and Run-Off business. The information per country includes allocated Corporate centre costs.

## PARENT COMPANY

<b>INCOME STATEMENT</b> <b>SEK m</b>	<b>9M 2003</b>	<b>FY 2002</b>
Other operating income	52	77
Amortization of intangibles	-50	-67
<b>Operating result</b>	<b>2</b>	<b>10</b>
<b>Result from financial investments</b>	<b>186</b>	<b>169</b>
<b>Result after financial items</b>	<b>188</b>	<b>179</b>
<b>Taxes</b>	<b>- 19</b>	<b>- 51</b>
<b>Result for the period</b>	<b>169</b>	<b>128</b>
<b>BALANCE SHEET</b> <b>SEK m</b>	<b>9M 2003</b>	<b>FY 2002</b>
<b>ASSETS</b>		
<b>Intangible assets</b>		
Licenses	84	134
<b>Financial assets</b>		
Participation in group companies	23 080	24 218
Participating interest	16	16
Other securities	23	57
	<b>23 119</b>	<b>24 291</b>
<b>Deferred tax assets</b>	<b>7</b>	<b>6</b>
<b>Current receivables</b>		
Receivables from group companies	<b>3 652</b>	<b>2 326</b>
<b>Cash and bank balances</b>	<b>211</b>	<b>-</b>
<b>Total assets</b>	<b>27 073</b>	<b>26 757</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2 726	2 726
Statutory reserve	400	400
Other restricted reserves	10 142	10 142
Profit and loss brought forward	13 044	12 967
Net result for the period	169	128
	<b>26 481</b>	<b>26 363</b>
<b>Current liabilities</b>		
Liabilities to group companies	575	394
Accrued expenses and deferred income	17	-
	<b>592</b>	<b>394</b>
<b>Total equity and liabilities</b>	<b>27 073</b>	<b>26 757</b>
<b>MEMORANDUM ITEMS</b>		
Contingent liabilities	166	184