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Press release - If Group
Year-end report

January 1 - December 31, 2003

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- **The positive earnings trend continued during the fourth quarter. The operating result for 2003 improved by nearly SEK 4.8 billion to profit of MSEK 2,702 (loss: 2,080)**
- **Earnings from the insurance business (technical result) improved to profit of MSEK 1,624 (321)**
- **In total, the result of prior-year claims was a loss of MSEK 1,938 (loss: 272)**
- **The combined ratio improved to 100.9 percent (106.1). The turnaround program launched at the beginning of 2002 had a positive impact on earnings, at the same time as the current-year claims result was favorable**
- **The investment result benefited from falling interest rates at the beginning of the year and the upturn in equity markets. The current value investment return was 4.6 percent (2.1)**
- **The return on equity was 15.5 percent (neg: 16.5)**
- **The Group's revised financial targets aim for a long-term return on equity of 15 percent and a combined ratio of 97-99 percent in the next two to three years**

KEY FIGURES	Q4 2003	Q4 2002	FY 2003	FY 2002	FY 2003 MEUR[1)]
SEK m					
Premiums written, gross	7 327	7 088	38 904	38 136	4 315
Technical result	456	273	1 624	321	180
Investment result	863	1 247	3 750	690	416
Operating result	842	604	2 702	- 2 080	300
Combined ratio, %	99,0	104,9	100,9	106,1	-
Risk ratio, %	73,3	78,0	74,3	77,8	-
Cost ratio, %	25,7	26,9	26,6	28,3	-
Return on Equity, % (after paid tax)	-	-	15,5	- 16,5	-

1) Currency translation based on an exchange rate of SEK/EUR = 9.017

If is the leading property & casualty insurance company in the Nordic area, with annual sales of SEK 39 billion in 2003 and 7,000 employees. If's shareholders are Sampo 38.05%, Storebrand 22.47%, Skandia 19.36%, Skandia Liv 10.06% and Varma 10.06%.

Consolidated results - If Group

January-December

The positive earnings trend continued during the fourth quarter. The turnaround program launched in early 2002 gradually impacted on earnings during the year. The operating result for 2003 improved by SEK 4.8 billion to profit of MSEK 2,702. Adjustments of insurance terms, increased premiums and deductibles, as well as cost savings combined with a favorable claims outcome during the year, resulted in sharply improved results from insurance operations. However, the result of prior-year claims had an adverse impact on earnings in all business areas.

The combined ratio improved significantly to 100.9 percent (106.1). The Private business area showed a particularly favorable trend. The investment return improved sharply compared with 2002, thanks to falling interest rates at the beginning of the year and the stock-market upturn in the last three quarters. Risk exposure within run-off operations was reduced in 2003 through the divestment of companies and commutation. Two separate reinsurance programs were replaced by a Nordic-wide program during the year.

October-December

A low claims frequency, few large claims and improved risk selection contributed to a continued earnings improvement during the fourth quarter, while prior-year claims losses and a lower investment return had an adverse year-on-year impact. The combined ratio improved to 99.0 percent (104.9).

Premiums

The increased premiums gradually impacted during the year and total premium growth in 2003 was 2.0 percent (4.6% excluding exchange-rate effects), despite the fact that more stringent risk selection, particularly within Industrial and Marine & Energy, reduced volumes.
During the fourth quarter, gross premiums written rose 3.3 percent compared with the year-earlier period, with premium increases within Private and Commercial generating the greatest impact.

Claims

The full-year risk ratio benefited from the claims and premium trends and improved by 3.5 percentage points. The Q4 claims trend remained favorable, as a result of stringent risk selection and favorable weather conditions. There were fewer-than-normal large claims in all business areas and full-year claims costs were approximately MSEK 900 lower than in a normal year. Prior-year claims losses totaled SEK 1.9 billion in 2003, due to a strengthening of provisions, mainly within Workers' Compensation in Finland and Motor Third Party Liability insurance in Finland, Norway and Sweden during the autumn.

Reserves

Gross reserves at December 31, 2003 decreased to MSEK 67,705 (69,353), mainly due to the effects of a lower exchange rate for the Norwegian krone and US dollar, plus the divestment of two run-off companies. The divestments resulted in a decrease of about MSEK 350 in gross reserves. In addition, the settlement of a couple of major individual claims reduced claims reserves.
Excluding exchange-rate effects and commutation within the run-off portfolio, technical reserves rose by SEK 2.2 billion. The strengthening of reserves was mainly related to reserve increases within Motor Third Party Liability, Accident and Workers' Compensation. The reserve strengthening was partly due to a reduced discount rate for Finnish annuities from 3.9 to 3.7 percent, which had a negative impact of MSEK 240 and to the increased reserves for annuities for Motor Third Party Liability and Workers' Compensation of a total of MSEK 385, due to changed mortality assumptions. The strengthening of reserves was due to observed cost increases, mainly pertaining to personal injury claims.

Costs

Administrative costs, meaning operating and claims-handling expenses, amounted to MSEK 9,133 (9,302) in 2003. Positive exchange-rate effects contributed MSEK 220 to the cost reduction. Further reductions in the cost ratio were noted during both the fourth quarter and for the year as a whole. Staffing reductions, renegotiations of IT hardware and software agreements and lower consultancy costs contributed to increased cost-effectiveness. The switch to more cost-efficient claims-handling and distribution processes also had a favorable effect.

Capitalized costs for the development of an insurance system within Commercial's Swedish operations were written down by a total of MSEK 130 during the fourth quarter. It has been concluded that it will not be possible to deploy the system in accordance with the original plan, since the software has displayed limitations in relation to the required functionality. Nordic product development work is, however, proceeding as planned.

Investment return

Investment earnings for 2003 improved to MSEK 3,750 (690) and the return on capital improved to 5.1 percent (1.0). Based on the assets' current value, the return was 4.6 percent. Falling interest rates during the first six months and the upturn in the equity market in the final three quarters had a favorable impact. Compared with the year-earlier period, lower fixed-income returns had an adverse impact on fourth-quarter earnings. Write-downs of shares in run-off companies and real estate impacted negatively on earnings. Based on the assets' current value, the return on capital was 1.0 percent (1.8) in the fourth quarter.

Solvency capital and cash flow

The solvency ratio rose to 54.0 percent (51.7). Solvency capital increased to MSEK 19,158 (17,348), mainly as a result of profit for the year and a decrease in deferred tax assets. Shareholders' equity rose to MSEK 16,985 (15,409) as a result of favorable earnings for the year. The return on equity was 15.5 percent (neg: 16.5). Cash flow from insurance operations increased to MSEK 4,282 (1,551), while cash flow from investment operations declined by slightly more than MSEK 900 to MSEK 2,482. In total, the Group's cash flow during the year dropped nearly MSEK 700 compared with 2002. The difference was mainly attributable to the SEK 1.6 billion capital infusion from the owners in 2002.

Outlook

During the fourth quarter, If's Board of Directors revised the Group's financial objectives. The long-term target for the return on equity is now 15 percent and the combined-ratio target for the next two to three years is 97-99 percent.

"The premium adjustments and cost-cutting measures implemented in recent years will continue to have a favorable impact on earnings in the next two years. Our completed turnaround program has reduced the cost level and thus improved our competitiveness. The important renewal process at the end of 2003 was completed as planned and the Nordic property and casualty market is continuing its movement towards combined ratios commensurate with the lower expected investment returns. In view of this, I feel highly confident about our earnings prospects in 2004," says Torbjörn Magnusson, President and CEO.

Significant events after the reporting period

The sale of Marine & Energy operations to Gard Marine & Energy was completed on January 28, 2004. The selling price was MSEK 220. If's shareholding in Gard Marine & Energy is 42 percent, but it will be gradually reduced. The holding is included as a financial investment in If's equity portfolio. During 2004, the marine portfolio, which accounts for about 60 percent of the total portfolio, will be underwritten by If, but fully reinsured by Gard. In total, If makes a capital contribution of MSEK 580 and subscribes for a subordinated loan of MSEK 110 in Gard Marine & Energy. As a result of this divestment, If will streamline its operations and reduce most of its risk exposure in the marine and energy segment. The transaction will increase the Group's solvency ratio by approximately 3.5 percentage points**.**

GROUP RESULTS SEK m	Q4 2003	Q4 2002	FY 2003	FY 2002	FY 2003 MEUR[1)]
Premiums written, gross	7 322	7 088	38 904	38 136	4 315
Premiums earned, net	8 442	8 337	34 392	32 789	3 814
Claims result prior years[2)]	-65	-54	-1 938	-272	-215
Operating expenses	1 594	-1 590	-6 741	-6 815	-748
Underwriting result	84	-405	-311	-2 011	-35
Technical result	**456**	**273**	**1 624**	**321**	**180**
Investment result	**863**	**1 247**	**3 750**	**690**	**416**
Operating result	842	604	2 702	-2 080	300
Cash flow from underwriting	-	-	5 915	6 592	656
Risk ratio, %	73,3	78,0	74,3	77,8	-
Cost ratio, %	25,7	26,9	26,6	28,3	-
Combined ratio, %	99,0	104,9	100,9	106,1	-
Claims ratio, %	80,1	85,8	81,3	85,3	-
Expense ratio, %	18,9	19,1	19,6	20,8	-
Insurance margin, %	5,4	3,3	4,7	1,0	-
Return on Equity (paid tax)	-	-	15,5	-16,5	-
Return on Equity (paid tax, current value)	-	-	13,0	-11,5	-
Technical provisions, gross	-	-	67 705	69 353	7 508
Technical provisions, net	-	-	61 751	61 315	6 848

1) Currency translation based on an exchange rate of SEK/EUR = 9.017
2) Quarterly figures for 2003 and 2002 do not include If's Finnish operations.

Private Business Area

Measures to improve earnings, such as premium adjustments, refined risk selection and efficiency enhancement of work processes, had a favorable impact during the year, particularly in Norwegian and Danish operations. A favorable claims trend during the year, in the form of both a low claims frequency and fewer large claims than normal, made a positive contribution to the earnings trend. The technical result for 2003 improved to MSEK 1,158 (112). The combined ratio was reduced by 6.8 percentage points to 98.7 percent (105.5).

The transition to more cost-effective sales channels, such as telephony and the Internet, had a positive impact on the cost trend. In addition, centralized and coordinated market activities among the various countries enhanced efficiency. Reduced IT costs and workforce reductions during 2002-2003 had a favorable effect on costs. Since increasing numbers of customers are electing to deal with their insurance matters by telephone, parts of operations in Finland relocated from local centers to customer service and claims centers. The number of local offices was reduced from 84 to 69 in 2003.

Improved risk selection and premium adjustments continued to have an impact during the fourth quarter. Fewer claims than normal for the season further boosted earnings and the combined ratio improved to 95.1 percent (102.2).

Premiums

Premium increases averaged about 7 percent in 2003. Premium adjustments during 2003 were lower than in 2002 and were largely implemented in individual segments, as a consequence of improved customer segmentation. Gross premiums written rose by 7.1 percent in 2003.

During the fourth quarter, gross premiums written rose by 8.0 percent (9.4, excluding exchange-rate effects). The number of insured objects declined slightly in 2003, primarily in Norway.

Claims

The full-year risk ratio improved by 3.8 percentage points to 72.2 percent, despite losses from prior-year claims. The claims frequency declined in all major product areas and large claims were fewer than normal, resulting in claims costs that were MSEK 500 lower than normal. Group-wide procurement agreements for building materials, car repairs and rental cars also resulted in lower claims costs. The prior-year claims loss of MSEK 636 (loss: 421) was attributable to the strengthening of reserves for Motor Third Party Liability insurance in Sweden, Norway and Finland, and Personal Accident insurance in Sweden.

The risk ratio improved additionally in the fourth quarter to 71.0 percent (74.0), mainly as a result of increased premium income and a lower claims frequency.

Costs

Administrative costs decreased by MSEK 274 to MSEK 4,316 in 2003. Exchange-rate effects had a favorable impact of MSEK 100 on costs. The full-year cost ratio improved to 26.5 percent (29.5). The cost ratio improved further in the fourth quarter, as a result of premium adjustments and reduced IT and staffing costs.

PRIVATE MSEK	**Q4 2003**	**Q4 2002**	**FY 2003**	**FY 2002**
Premiums written, gross	4 115	3 809	17 387	16 241
Premiums earned, net	4 045	3 935	16 326	15 549
Claims result, prior years[1)]	-10	-94	-636	- 421
Underwriting result	197	-86	219	-857
Technical result	**429**	**178**	**1 158**	**112**
Risk ratio, %	71,0	74,0	72,2	76,0
Cost ratio, %	24,1	28,2	26,5	29,5
Combined ratio, %	**95,1**	**102,2**	**98,7**	**105,5**
Insurance margin, %	10,6	4,5	7,1	0,7
Technical provisions, gross	-	-	27 981	26 425
Technical provisions, net	-	-	27 706	26 112

1) Quarterly figures for 2003 and 2002 do not include If's Finnish operations, nor do full-year figures for 2002.

Commercial Business Area

Earnings improved compared with 2002, mainly as result of a positive trend in Swedish and Danish operations. Premium adjustments and realized cost savings made an impact during the year, at the same time as the claims trend was favorable. The technical result improved to MSEK 358 (170) and the combined ratio to 101.9 percent (104.6).

Increased cost awareness, more efficient work processes had a positive effect on the cost trend. The method for customer segmentation was further refined and is influencing the pricing and assessment of new risks. As a result of the improved risk-assessment capability, loss-prevention programs were implemented in claims-prone sectors during 2003.

The fourth-quarter technical result was MSEK 12 (29), with the reduction due largely to a lower risk-free return on reserves compared with the fourth quarter of 2002. However, the combined ratio improved to 103.7 percent (105.7).

Premiums

Gross premium growth in 2003 totaled 4.3 percent (6.2, excluding exchange-rate effects). As a result of premium increases in Norway and Sweden and stricter risk selection, the number of customers and insured objects declined somewhat during 2003.

In the fourth-quarter, gross premiums written increased by 2.3 percent compared with the year-earlier period, as a result of premium increases in Sweden and Denmark.

Claims

The risk ratio improved by 1.9 percentage points compared with 2002, primarily as a result of premium adjustments, significantly fewer large claims, improved risk selection and a lower claims frequency than normal in Motor and Cargo insurance.

Results from large claims improved for all products and related claims costs were MSEK 300 lower than normal. The trend for large Property claims in Norway and Sweden improved considerably and contributed positively to earnings. A prior-year claims loss of MSEK 642 (loss: 78) was due to the strengthening of reserves for Workers' Compensation in Finland and Norway and for Motor Third Party Liability insurance in Finland, Norway and Sweden.

Fourth-quarter costs for large claims were about MSEK 100 lower than normal, mainly due to low claims costs in Norway and Denmark, and the risk ratio improved compared with the year-earlier period. Favorable weather conditions resulted in fewer fire and water claims. The claims frequency for Motor and Property insurance contributed positively to earnings, while a further strengthening of reserves for Workers' Compensation in Finland and for Motor Third Party Liability insurance in Norway had an adverse impact on earnings.

Costs

Administrative costs decreased by MSEK 18 to MSEK 2,929 in 2003. Exchange-rate effects, due to the weakening of the Norwegian krone, contributed MSEK 60 to the reduced costs. The ratio improved by 0.8 percentage points compared with 2002, as a result of increased premiums, more efficient work processes for sales and claims-adjustment activities, and lower costs for IT, premises and staffing.

Capitalized costs for the development of an insurance system within Commercial's Swedish operations were written down by a total of MSEK 130 during the fourth quarter. It has been concluded that it will not be possible to deploy the system in accordance with the original plan, since the software has displayed limitations in relation to the required functionality. Nordic product development work is however proceeding as planned.

COMMERCIAL MSEK	**Q4 2003**	**Q4 2002**	**FY 2003**	**FY 2002**
Premiums written, gross	2 020	1 975	11 350	10 880
Premiums earned, net	2 597	2 661	10 528	10 195
Claims result, prior years[1)]	-54	-51	-642	- 78
Underwriting result	-97	-150	-202	-466
Technical result	**12**	**29**	**358**	**170**
Risk ratio, %	75,6	77,4	74,1	76,0
Cost ratio, %	28,1	28,3	27,8	28,6
Combined ratio, %	**103,7**	**105,7**	**101,9**	**104,6**
Insurance margin, %	0,5	1,1	3,4	1,7
Technical provisions, gross	-	-	20 444	20 394
Technical provisions, net	-	-	18 664	18 322

1) Quarterly figures for 2003 and 2002 do not include If's Finnish operations, nor do full-year figures for 2002.

Industrial business area

Industry's earnings improved compared with 2002, despite large prior-year claims losses. Premium adjustments, more selective risk selection and a favorable trend for current-year claims contributed to the positive earnings trend. The technical result amounted to profit of MSEK 156 (loss: 143). The trend for Property insurance was particularly favorable. The combined ratio improved to 102.7 percent (109.7).

The fourth-quarter combined ratio improved additionally to 99.8 percent (110.7), as a result of claims costs remaining lower than normal. Risk selection improved because of more efficient selection processes, with in-house risk engineers now being involved more actively in the entire selection process. A new pricing tool has been developed for the three primary products – Property, Liability and Cargo insurance. The objective is to apply the pricing process uniformly throughout the business area. Development of Lighthouse, a pan-Nordic production system, proceeded as planned and the system will be implemented during 2005.

Premiums

Gross premiums written declined 5.9 percent (or by 3.8, excluding exchange-rate effects), compared with 2002, despite an average premium increase of slightly more than 10 percent. The main reason for the volume decrease was more stringent profitability requirements. This resulted in the termination of insurance commitments for primarily customers that are not based in the Nordic countries.

In the fourth-quarter, gross premiums written declined 1.8 percent (equal to a rise of 2.8 percent, excluding exchange-rate effects) compared with the year-earlier period.

However, full-year net premiums earned rose 9 percent, mainly as a result of the Nordic-wide reinsurance program.

Claims

The full-year risk ratio improved 5 percentage points to 79.8 percent, despite prior-year claims losses of MSEK 677. Total claims costs decreased as a result of the favorable claims trend for both large and frequent claims. Full-year costs for large claims were MSEK 360 lower than normal. The risk ratio improved additionally in the fourth quarter, when costs for large claims remained lower than normal, particularly within Property insurance in Finland and Sweden.

The full-year losses from prior-year claims were due to a strengthening of reserves for Motor Third Party Liability and Workers' Compensation insurance in Finland. The full-year losses from prior-year claims were also affected by final settlement of a number of individual large claims. An additional strengthening of reserves within Motor Third Party Liability and Workers' Compensation insurance was required in the fourth quarter, due to new assumptions regarding expected lifetime.

Costs

Administrative costs amounted to MSEK 1,230 in 2003. Exchange-rate changes, due to the weakening of the Norwegian krone and US dollar, contributed MSEK 27 to the reduced costs. The cost ratio improved by 2 percentage points to 22.9 percent.

The fourth-quarter cost ratio declined slightly, due to the re-accrual of costs.

INDUSTRIAL MSEK	**Q4 2003**	**Q4 2002**	**FY 2003**	**FY 2002**
Premiums written, gross	743	757	7 567	8 038
Premiums earned, net	1 274	1 273	5 363	4 918
Claims result, prior years [1)]	-6	-26	-677	- 21
Underwriting result	2	-137	-147	-478
Technical result	**54**	**-44**	**156**	**- 143**
Risk ratio, %	76,6	88,4	79,8	84,8
Cost ratio, %	23,2	22,3	22,9	24,9
Combined ratio, %	**99,8**	**110,7**	**102,7**	**109,7**
Insurance margin, %	4,2	-3,4	2,9	-2,9
Technical provisions, gross	-	-	13 957	14 615
Technical provisions, net	-	-	11 296	10 923

1) Quarterly figures for 2003 and 2002 do not include If's Finnish operations, nor do full-year figures for 2003.

Baltic business area

The technical result weakened somewhat both in the fourth quarter and for the year as a whole, despite a positive earnings trend in Estonia. If has a market share of 37 percent in Estonia and the Estonian portfolio accounts for two thirds of gross premiums written in the business area.

Market growth in the region is robust, and a 40-percent increase was noted in gross premiums written in the fourth quarter compared with 2002, mainly as a result of higher sales. Full-year premium growth was 25 percent.

The fourth-quarter and full-year risk ratios both rose because of larger-than-normal losses from large claims. The fourth-quarter combined ratio improved to 96.8 percent (100.0). Although the full-year combined ratio increased somewhat, it remained low at 97.7 percent (96.3).

The If brand was launched in the region during 2003 and the market reception was positive, with 50 percent of customers in If's main target groups recognizing the brand in Estonia. Favorable results from a trial launch of telephone services in Estonia during the year will provide a platform for an additional increase in efficiency.

BALTIC REGION MSEK	**Q4 2003**	**Q4 2002**	**FY 2003**	**FY 2002**
Premiums written, gross	158	113	652	522
Premiums earned, net	175	117	568	462
Claims result, prior years	-2	n/a	8	21
Underwriting result	6	0	13	17
Technical result	**6**	**n/a**	**23**	**28**
Risk ratio, %	55,3	45,4	57,9	52,6
Cost ratio, %	41,5	54,6	39,8	43,7
Combined ratio, %	**96,8**	**100,0**	**97,7**	**96,3**
Insurance margin, %	3,4	n/a	4,0	6,1
Technical provisions, gross	-	-	445	294
Technical provisions, net	-	-	431	269

Other business

Marine & Energy

Negative results from major claims during the fourth quarter led to weaker full-year results, which were also adversely affected by the one-off effect of the commutation (final settlement) of a claim in the second quarter. Due to the commutation, reserves were adjusted. This factor, combined with a weaker exchange rate for the US dollar, reduced year-end reserves to MSEK 3,462 (5,051).

The operations were sold to Gard Marine & Energy in January 2004.

MARINE & ENERGY MSEK	**Q4 2003**	**Q4 2002**	**FY 2003**	**FY 2002**
Premiums written, gross	284	436	1 943	2 509
Premiums earned, net	389	432	1 644	1 857
Claims result, prior years	-33	8	-66	147
Underwriting result	-84	-159	-212	-215
Technical result	**-95**	**-146**	**-143**	**- 63**
Risk ratio, %	98,9	114,2	91,4	91,2
Cost ratio, %	22,7	22,6	21,5	20,4
Combined ratio, %	**121,6**	**136,8**	**112,9**	**111,6**
Insurance margin, %	-24,3	-33,9	-8,7	-3,4
Technical provisions, gross	-	-	3 462	5 051
Technical provisions, net	-	-	2 755	3 656

1) Quarterly figures for 2003 and 2002 do not include If's Finnish operations, nor do full-year figures for 2003.

Asset management

Market trend
During the first few months of the year, equity markets were weak and bond rates fell. Between March and year-end, most equity markets rose sharply.

Bond rates fell up to mid-June and then rose sharply, ending the year virtually unchanged. However, Norwegian bond rates dropped strongly during the year, due to an expansive monetary policy. The trend for corporate bonds was favorable.

Investment assets December 31th, 2003 MSEK	Assets	Statutory return	Current value return
Real estate	1 486	- 175	-175
Fixed income	63 413	2 656	2 317
Equities	6 248	836	836
Other[1)]	2 852	433	433
Total	**73 999**	**3 750**	**3 412**

1) Includes cash at bank and in hand

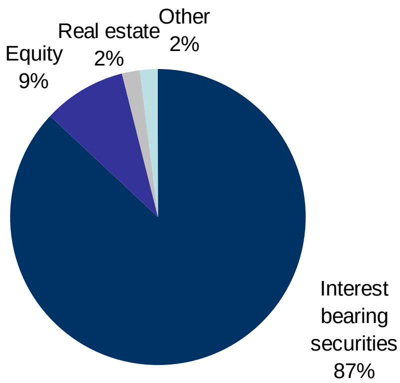
January-December
Earnings from investments rose to MSEK 3,750 (690) and the return on capital was 5.1 percent (1.0) for 2003. Based on the current value of assets, the return on capital was 4.6 percent. Rising equity prices had a favorable impact, while the return on fixed-income securities was satisfactory. If interest-bearing assets were recalculated at current value, the result would be MSEK 3,412. Earnings were charged with write-downs of, for example, shares in run-off operations by MSEK 220 and real estate in Finland by MSEK 260. Excluding write-downs, the statutory return on capital corresponded to 5.9 percent. The current value investment return was 5.4 percent.

October-December
Statutory earnings from asset management during the fourth quarter were weaker than in the year-earlier period, due to a lower return on bonds. The return was adversely affected by write-downs of shares in run-off companies and real estate. The return on capital based on current value was 1.0 percent (1.8).

Asset allocation and duration
The equity allocation was increased gradually as of the second quarter and ended the year at about 9 percent. The volume of Finnish equities was reduced. The fixed-income duration was consistently shorter than the benchmark during the year and was 2.1 years on December 31. The proportion of real estate was reduced during the year from 4.2 percent to 2.6 via sales.

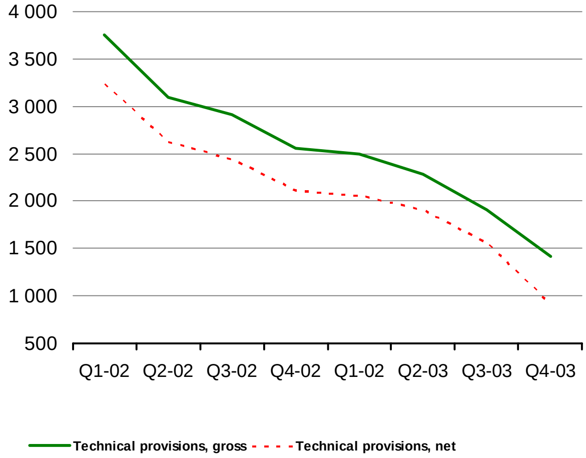
The volume of investment assets rose from MSEK 70,508 to MSEK 73,999 as a result of a positive cash flow from insurance operations and a healthy return on capital.

Asset allocation 31 December 2003
(Excluding cash at bank and in hand)



Run-Off business
Gross technical provisions in run-off operations decreased by SEK 1.0 billion compared with the third quarter of 2003 to SEK 1.4 billion at year-end. Net provisions amounted to MSEK 906. The technical provisions have been reduced by SEK 1.1 billion since year-end 2002. Two companies were divested and a number of commutations implemented during the year. Work aimed at effecting further commutations and sales of business continues. MSEK 80 was allocated to earnings in 2003 via the guarantee that compensates If for losses from the run off business transferred from Skandia and Storebrand in connection with If's formation, whereof MSEK 138 is accrued. The total compensation, which is limited to MSEK 350, will be definitively determined on March 31, 2006.

Technical provisions, MSEK



Accounting principles - Change in exchange-rate calculation
As of 2003, transactions in foreign currencies are translated using each month's average exchange rate. Prior to 2003, transactions in foreign currencies were translated at average rates during the year. Apart from 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.

Solna, Sweden, February 11, 2004

Torbjörn Magnusson
President and CEO

A combined web and teleconference will be held on February 11 at 16:30 CET. Please use the following link for relevant instructions: http://213.86.178.134/inv/reg.html?Acc=4137072500&Conf=140357

Further details and a presentation of the year-end report are published under Financial Information on If's website 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 that arises when claims originating from a prior year are either finally settled or revalued.

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 capital
Net of following income and costs: interest income/expense, dividend on shares and participations, surplus/deficits from own properties, changes in current value of real estate, shares and participations, change in accrued acquisition value of interest-bearing securities, gain/loss on sales of investment assets, compared with acquisition value, and exchange-rate gains/losses.

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.

Underwriting result
Item in the technical accounts comprising premiums earned less claims and operating costs.

IF GROUP - INCOME STATEMENT

MSEK	FY 2003	FY 2002
Premiums earned, net of reinsurance		
Premium income, gross [1]	38 904	38 136
Premium income, ceded	-3 397	-4 635
Change in provisions for unearned premiums and unexpired risks	-1 075	- 846
Reinsurers' share of change in provisions for unearned premiums and unexpired risks	-40	134
Premiums earned, net of reinsurance	**34 392**	**32 789**
Allocated investment return transferred from the non-technical account [2]	1 935	2 332
Claims incurred, net of reinsurance		
Claims paid		
Gross	-27 680	-28 124
Reinsurers' share	2 776	3 673
Change in provisions for claims outstanding		
Gross	-1 911	-2 865
Reinsurers' share	-1 147	- 669
	-27 962	**-27 985**
Operation expenses	-6 741	-6 815
Technical result	**1 624**	**321**
Non-technical account		
Investment result		
Investment income	3 525	3 810
Unrealized gains and losses on investments	1 383	221
Investment charges	-924	-3 179
Unrealized losses on investments	-234	-162
	3 750	**690**
Allocated investment return transferred to the technical account[2]	-2 420	-2 809
Amortization of goodwill	-149	- 169
Interest expense, subordinated notes	-183	- 177
Other financial income[3]	80	64
Other financial expenses	0	-
Operating result	**2 702**	**-2 080**
Taxes	-867	399
Minority share	-	- 1
Result for the period	**1 835**	**-1 682**

1) Includes changes in premium portfolios.
2) The capital return on annuities is reported as a reduction of disbursed insurance compensation.
3) In connection with the merger of If and Sampo, Sampo, Skandia and Storebrand concluded an agreement under which If is to be compensated for losses in the run-off business transferred to If during the original merger of Skandia and Storebrand. The guarantee covers a period of five years and total compensation is limited to MSEK 350. A receivable of MSEK 138 has been booked in the consolidated balance sheet, of which MSEK 80 (58) has been credited to income.

IF GROUP - BALANCE SHEET

ASSETS	FY 2003	FY 2002
MSEK		
Intangible assets		
Goodwill	1 155	1 306
Other intangible assets	373	613
	1 528	**1 919**
Investment assets		
Land and buildings	1 486	2 439
Loan to associated companies	12	12
Participating interests	132	148
Other financial investments	71 050	66 253
Deposits with ceding undertakings	30	113
	72 710	**68 965**
Reinsurers' share of technical provisions		
Provisions for unearned premiums and unexpired risks	522	652
Provisions for claims outstanding	5 432	7 386
	5 954	**8 038**
Deferred tax assets	**2 178**	**2 999**
Debtors		
Debtors arising out of direct insurance operations	6 501	6 917
Debtors arising out of reinsurance operations	1 713	1 533
Other debtors	324	383
	8 538	**8 833**
Other assets		
Tangible assets	332	402
Cash at bank and in hand	1 289	1 543
Securities settlement claims	30	231
	1 651	**2 176**
Prepayment and accrued income		
Accrued interest and rent	547	496
Deferred acquisition costs	1 212	1 279
Other prepayment and accrued income	876	856
	2 635	**2 631**
TOTAL ASSETS	**95 194**	**95 561**

IF GROUP - BALANCE SHEET

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	FY 2003	FY 2002
MSEK		
Shareholders' equity		
Share capital	2 726	2 726
Statutory reserve in parent company	400	400
Reserve for unrealized gains	485	-
Other reserves	9 611	10 322
Profit and loss brought forward	1 928	3 643
Net result for the period	1 835	-1 682
	16 985	**15 409**
Minority shareholding	**-**	**0**
Subordinated notes	**2 373**	**2 386**
Technical provisions, gross		
Provisions for unearned premiums and unexpired risks	14 343	14 458
Provisions for claims outstanding	53 362	54 895
	67 705	**69 353**
Provisions for other risks and expenses		
Provisions for deferred tax liabilities	1 640	1 831
Provisions for other risks and expenses	670	334
	2 310	**2 165**
Deposits received from reinsurers	**1**	**15**
Creditors		
Creditors arising out of direct insurance operations	1 476	1 551
Creditors arising out of reinsurance operations	987	967
Derivatives	879	539
Other creditors	1 037	1 762
	4 379	**4 819**
Accruals and deferred income		
Reinsurers' share of deferred acquisition costs	30	50
Other accruals and deferred income	1 411	1 364
	1 441	**1 414**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**95 194**	**95 561**
MEMORANDUM ITEMS		
Pledges and comparable collateral	2 240	2 309
Assets covered by policyholders' beneficiary rights	2 471	2 511
Contingent liabilities	76	487

SHAREHOLDERS' EQUITY MSEK	FY 2003
Shareholders' equity at year-end 2002	**15 409**
Translation differences	-259
Result for the period	1 835
Shareholders' equity at September 30, 2003	**16 985**

NET ASSET VALUE MSEK	FY 2003	FY 2002
Shareholders' equity	16 985	15 409
Deferred tax liability	1 640	1 831
Deficit/surplus values, interest bearing securities	338	721
Net asset value	**18 963**	**17 961**

IF GROUP - CASH FLOW STATEMENT

MSEK	FY 2003	FY 2002
From insurance operations (net items)		
Premium payments, direct business	39 117	36 721
Claims payments, direct business	-28 245	-28 391
Reinsurance payments	-757	118
Operating expenses paid	-5 833	-6 897
	4 282	**1 551**
From investment operations (net)		
Direct investment income		
From other financial operations (net)	**2 482**	**3 405**
Total cash flow	**-849**	**1 636**
Increase in earning assets	**5 915**	**6 592**
of which, cash and bank	-254	90
of which, increased investments	6 169	6 502
	5 915	**6 592**

IF GROUP - KEY FIGURES

MSEK	2003 FY	2002 FY	2001 FY pro forma[1)]	2000 FY	1999[2)] FY
Premiums earned	34 392	32 789	30 271	17 545	15 674
Allocated investment return[3)]	1 935	2 332	1 982	1 236	1 239
Claims incurred	-27 962	-27 985	-27 409	-15 220	-14 988
- of which claims result prior years[4)]	-1 938	-272	-115	543	-93
Operating expenses[5)]	-6 741	-6 815	-6 815	-4 285	-3 835
Technical result	**1 624**	**321**	**-1 971**	**-724**	**-1 910**
Investment result	**3 750**	**690**	**3 619**	**1 079**	**2 684**
Allocated investment return[3)]	-2 420	-2 809	-2 449	-1 336	-1 331
Amortization of goodwill	-149	-169	-187	-	-
Interest expense, subordinated notes	-183	-177	-129	-8	-
Other financial income	80	64	-	-	-
Other financial expenses	0	-	-171	-	-
Operating result	**2 702**	**-2 080**	**-1 288**	**-989**	**-557**
Technical provisions, gross	67 705	69 353	67 265	39 896	38 188
Technical provisions, net	61 751	61 315	58 261	32 886	30 615
Risk ratio, %	74,3	77,8	82,6	80,1	89,1
Cost ratio, %	26,6	28,3	30,4	31,4	30,9
Combined ratio, %	**100,9**	**106,1**	**113,0**	**111,2**	**120,0**
Claims ratio, %	81,3	85,3	90,5	86,8	95,6
Expense ratio, %	19,6	20,8	22,5	24,4	24,4
Insurance margin, %	4,7	1,0	-6,5	-4,1	-12,2
Return on Equity (paid tax), %	15,5	-16,5	-37,1[6)]	-	-
Return on Equity (paid tax, current value), %	13,0	-11,5	-37,8[6)]	-	-
Regulatory capital	19 808	18 428	n/a	n/a	n/a
Regulatory solvency margin	5 972	5 493	n/a	n/a	n/a
Solvency capital	19 158	17 348	17 683	6 935	11 044
Solvency ratio, %	54,0	51,7	56,8	38,3	70,5

1) Pro forma figures including Sampo P&C.
2) 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.
3) The capital return on annuities is reported as a reduction of disbursed insurance compensation.
4) 2002 figures include MSEK -24 claims result prior years Finland. 2001 figures exclude Finland.
5) Operating expenses include a provision of MSEK 96 (-) related to If's incentive program.
6) Not pro forma.

Business Areas MSEK	Private	Commer-cial	Industrial	Baltic region	Marine & Energy	Other	If Group
Premiums written, gross	17 387	11 350	7 567	652	1 943	4	38 904
Premiums earned, net	16 326	10 528	5 363	568	1 644	-37	34 392
Underwriting result	219	-202	-147	13	- 212	17	-311
Technical result	**1 158**	**358**	**156**	**23**	**- 143**	**72**	**1 624**
Risk ratio, %	72,2	74,1	79,8	57,9	91,4	n/a	74,3
Cost ratio, %	26,5	27,8	22,9	39,8	21,5	n/a	26,6
Combined ratio, %	**98,7**	**101,9**	**102,7**	**97,7**	**112,9**	**n/a**	**100,9**
Insurance margin, %	7,1	3,4	2,9	4,0	-8,7	n/a	4,7
Technical provisions, gross	27 981	20 444	13 957	445	3 462	1 416	67 705
Technical provisions, net	27 706	18 664	11 296	431	2 755	899	61 751

IF GROUP - KEY FIGURES PER QUARTER

	2003				2002			
MSEK	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Premiums earned	8 442	8 605	8 673	8 672	8 337	8 435	8 264	7 753
Allocated investment return[1)]	372	462	512	589	678	540	554	560
Claims incurred	-6 764	-6 778	-7 076	-7 344	-7 152	-7 084	-6 912	-6 837
- of which, claims result prior years[2)]	-65	-569	-436	-50	-54	-223	185	-156
Operating expenses	-1 594	-1 701	-1 688	-1 758	-1 590	-1 714	-1 717	-1 794
Technical result	**456**	**588**	**421**	**159**	**273**	**177**	**189**	**-318**
Investment result	**863**	**786**	**1 164**	**937**	**1 247**	**-592**	**-589**	**624**
Allocated investment return	-492	-582	-630	-716	-802	-659	-671	-677
Amortization of goodwill	-37	-36	-36	-40	-40	-43	-43	-43
Interest expense, subordinated notes	-38	-33	-62	-50	-52	-62	-52	-11
Other financial income and expenses	80	-	-	-	-22	67	52	-33
	10	0	-4	-6	-	-	-	-
Operating result	**842**	**723**	**853**	**284**	**604**	**-1 112**	**-1 114**	**458**
Risk ratio, %	73,3	72,3	74,2	77,6	78,0	77,4	75,4	80,4
Cost ratio, %	25,7	26,2	26,8	27,4	26,9	26,9	29,0	30,9
Combined ratio, %	**99,0**	**98,5**	**101,0**	**105,0**	**104,9**	**104,3**	**104,4**	**111,3**
Claims ratio, %	80,1	78,7	81,6	84,7	85,8	84,0	83,6	88,2
Expense ratio, %	18,9	19,8	19,4	20,3	19,1	20,3	20,8	23,1
Insurance margin, %	5,4	6,8	4,9	1,8	3,3	2,1	2,3	-4,1
Return on Equity (paid tax), %	15,5	13,5	12,5	5,9	-16,5	-25,0	-22,6	-15,8
Return on Equity (paid tax, current value), %	13,0	11,3	11,1	-0,4	-11,5	-18,5	-20,8	-22,4

1) The capital return on annuities is reported as a reduction of disbursed insurance compensation.
2) Quarterly figures excluding Finland.

RESULT PER COUNTRY, PRIVATE AND COMMERCIAL BUSINESS[1)]

NORWAY MSEK	2003 Q4	2002 Q4	2003 FY	2002 FY
Premiums written, gross	2 368	2 501	11 184	11 311
Premiums earned, net	2 511	2 744	10 339	10 743
Underwriting result	339	47	761	-204
Technical result	**452**	**238**	**1 338**	**431**
Claims result, prior years	82	- 74	- 154	- 300
Risk ratio, %	66,6	74,2	68,1	74,6
Cost ratio, %	19,9	24,1	24,5	27,3
Combined ratio, %	**86,5**	**98,3**	**92,6**	**101,9**
Insurance margin, %	18,0	8,7	12,9	4,0
Technical provisions, gross	-	-	13 298	14 880
Technical provisions, net	-	-	11 605	12 945

SWEDEN MSEK	2003 Q4	2002 Q4	2003 FY	2002 FY
Premiums written, gross	2 525	2 131	9 613	8 294
Premiums earned, net	2 253	1 991	8 806	7 678
Underwriting result	27	11	- 263	-652
Technical result	**201**	**209**	**430**	**43**
Claims result, prior years	- 89	- 75	- 611	- 198
Risk ratio, %	69,2	79,4	77,3	83,0
Cost ratio, %	29,6	20,0	25,7	25,5
Combined ratio, %	**98,8**	**99,4**	**103,0**	**108,5**
Insurance margin, %	8,9	10,5	4,9	0,6
Technical provisions, gross	-	-	19 830	17 712
Technical provisions, net	-	-	19 552	17 426

FINLAND MSEK	2003 Q4	2002 Q4	2003 FY	2002 FY
Premiums written, gross	874	808	6 032	5 789
Premiums earned, net	1 427	1 429	5 914	5 701
Underwriting result	- 237	- 210	- 492	-152
Technical result	**- 197**	**- 172**	**- 331**	**56**
Risk ratio, %	87,2	69,2	75,2	66,6
Cost ratio, %	29,4	45,5	33,1	36,1
Combined ratio, %	**116,6**	**114,7**	**108,3**	**102,7**
Insurance margin, %	-13,8	-12,1	-5,6	1,0
Technical provisions, gross	-	-	12 741	11 835
Technical provisions, net	-	-	12 669	11 699

DENMARK MSEK	2003 Q4	2002 Q4	2003 FY	2002 FY
Premiums written, gross	369	344	1 909	1 727
Premiums earned, net	450	432	1 794	1 622
Underwriting result	- 29	- 84	10	-315
Technical result	**- 14**	**- 68**	**80**	**- 248**
Claims result, prior years	- 59	4	-25	1
Risk ratio, %	80,1	84,1	71,7	85,1
Cost ratio, %	26,4	35,3	27,8	34,3
Combined ratio, %	**106,5**	**119,4**	**99,5**	**119,4**
Insurance margin, %	-3,0	-15,6	4,5	-15,3
Technical provisions, gross	-	-	2 556	2 392
Technical provisions, net	-	-	2 544	2 364

1) Country information excluding Industrial, Marine & Energy, Baltic region and Run-Off business. Results per country have been charged with corporate costs.

PARENT COMPANY - INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT MSEK	FY 2003	FY 2002
Other operating income	69	77
Amortization of intangibles	-67	-67
Operating result	**2**	**10**
Result from financial investments	**- 181**	**169**
Result after financial items	**- 179**	**179**
Taxes	- 53	- 51
Result for the period	**- 232**	**128**

BALANCE SHEET MSEK	FY 2003	FY 2002
ASSETS		
Intangible assets		
Licenses	67	134
Financial assets		
Participation in group companies	22 576	24 218
Participating interest	16	16
Other securities	29	57
	22 621	**24 291**
Deferred tax assets	**28**	**6**
Current receivables		
Receivables from group companies		
	4 036	**2 326**
Cash and bank balances	**70**	**-**
Total assets	**26 822**	**26 757**
EQUITY AND LIABILITIES		
Equity		
Share capital		
Statutory reserve	2 726	2 726
Other restricted reserves	400	400
Profit and loss brought forward	10 142	10 142
Net result for the period	12 905	12 967
	-232	128
	25 941	**26 363**
Current liabilities		
Liabilities to group companies	871	394
Other liabilities	10	-
	881	**394**
Total equity and liabilities		
MEMORANDUM ITEMS	**26 822**	**26 757**
Contingent liabilities	100	184