

# 2001 Results Presentation



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## 2001 in Brief

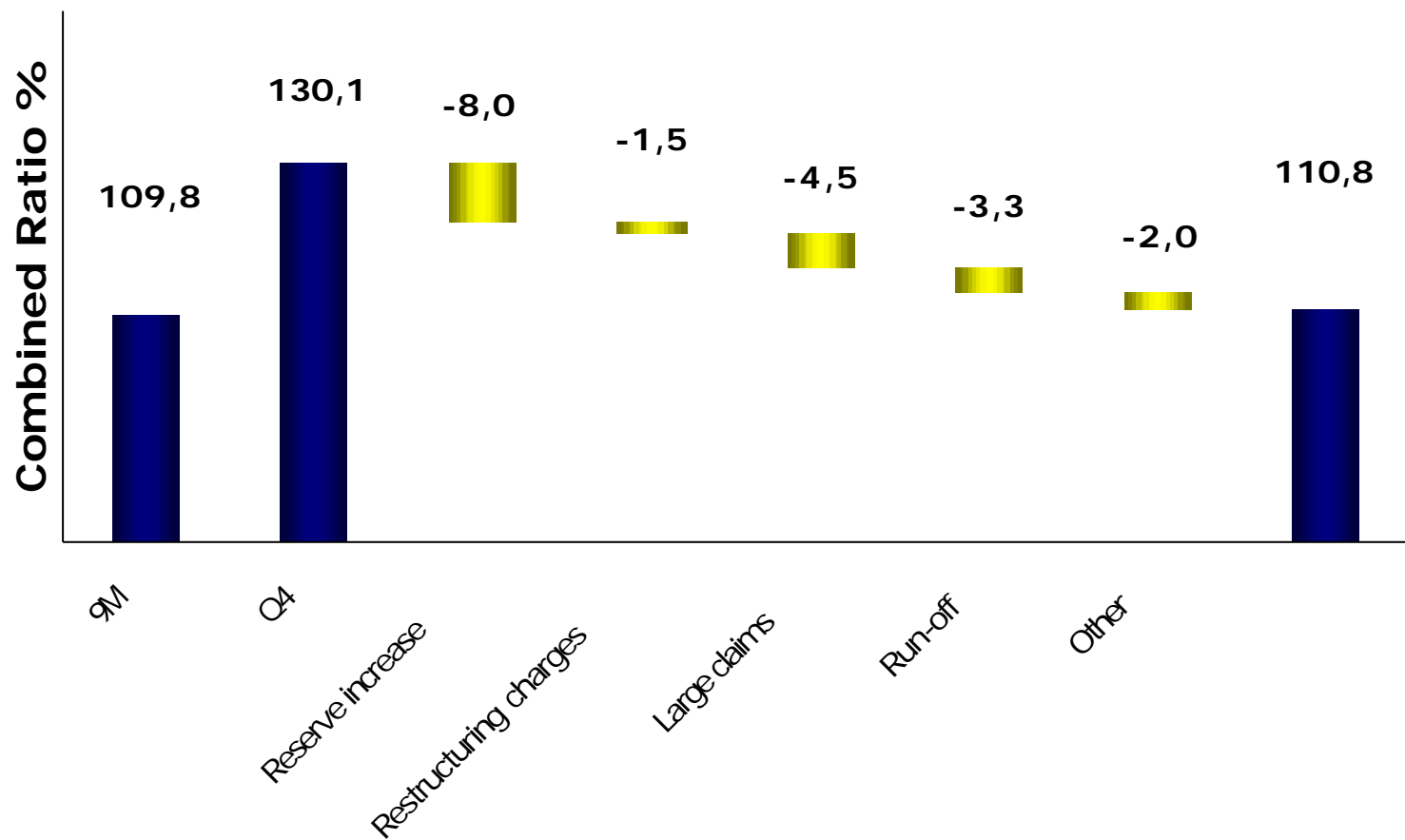
- Merger between If and Sampo P&C agreed
- Operating result MSEK -2 752
- Significant premium increases implemented
- Large claims much above normal
- Negative small claims development
- Weak investment return current value, 2,5%
- Strong positive cash flow from operations, SEK 2.1 bn

## Operating result 2001

- Combined ratio 115.3% (111.2%)
- Combined ratio adjusted 112.7% (110.2%)
- Statutory investment result MSEK 1 106
- Operating result MSEK -2 752

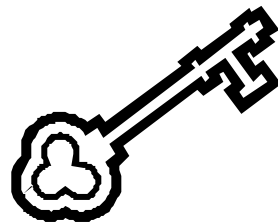
Adjusted combined ratio refers to CR excluding Q4 2001 reserve strengthening of MSEK 485 and restructuring charges of MSEK 88. Excluding Q2 2000 launching costs of MSEK 170.

# Combined Ratio Q4 stand alone



# The key to change

- The key to change:
- Combine customer value with long-term profitability
- Even stronger focus on core business:
  - adequate pricing
  - efficient and customer friendly distribution
  - fair and fast claims handling



## Focus going forward

- New Nordic business area structure in place
- Integration of Nordic processes
- Daily operations first!
- IPO postponed for the time being

# Private

- **Premium growth**
  - Premium increases (0.9 bn)
  - Volvia (1.5 bn)
  - Currency effect (0.6 bn)
- **Premium levels inadequate**
- **Negative claims development**
  - Water damages in Norway
  - Motor Sweden
- **Turn around programme being implemented**
- **Focus on retention and strict UW**

	2001	2000	Q401
GWP	12 211	9 191	3 243
NEP	11 440	8 580	3 234
UW res	-1 320	-963	-525
Claims%	89.6	87.7	89.2
Exp.%	21.9	23.5	27.0
CR%	111.5	111.2	116.2

# Commercial

- Significant premium increases
- Positive developments:
  - Motor in Norway
  - Workers' Comp in Norway
- Lower CR despite high large claims, MSEK 200+ above normal, mainly property
- Focus on distribution channel profitability and superior UW

	2001	2000	Q401
GWP	7 372	6 609	1 609
NEP	6 907	6 187	1 762
UW res	-539	-578	-192
Claims%	84.7	86.3	87.0
Exp.%	23.1	23.0	23.9
CR%	107.8	109.3	110.9

# Industrial Risk Solutions

- Significant premium increases
- Large claims MSEK 200+ above normal
- Weak result in Property and Workers' Comp
- Brokered business is increasing
- Focus on customer selection and process efficiency

	2001	2000	Q401
GWP	3 938	3 349	655
NEP	2 470	1 857	650
UW res	-372	-271	-157
Claims%	89.9	89.6	99.3
Exp.%	25.2	25.0	24.9
CR%	115.1	114.6	124.2



# Marine & Energy

- **Improved portfolio quality and harsh pruning in Marine**
  - CR 100.9%
- **Energy very unsatisfactory development**
  - P36 in Brazil
  - Several petrochemical plants
  - CR 170.4%
- **Stand-alone downstream underwriting stopped**
- **Energy prices up sharply!**

	2001	2000	Q401
GWP	1 968	1 267	371
NEP	1 337	905	347
UW res	-317	-136	-162
Claims%	99.7	91.2	124.1
Exp.%	24.0	23.8	22.6
CR%	123.7	115.0	146.7

## Investment result 2001

- Statutory investment result MSEK 1 106
- Current value investment result MSEK 1 047, total return 2.5%
- Equity investment income recovery in Q4
- Diversified equity strategy beneficial

# Financial Navigator

## Operating Performance

Combined ratio:

2001:115.3% 2000:111.2%

2001\*):112.7% 2000\*):110.2%

Return on investments:

2001: 2.5% CV

2000: 3.6% CV

## Financial Strength

Solvency Ratio:

Q4-01: 40% (Risk  
Capital)

Q4-00: 45%

Reserve strength:

Q4-01: 134%

Q4-00: 141%

## Cash Flow (MSEK)

FY 01 From insurance and investments 2 146

FY 00 From insurance and investments 520

- \*) 2001; 112.7% excluding Q4 reserve strengthening MSEK 485 and restructuring charges MSEK 88  
2000; 110.2% excluding Q2 launching cost MSEK 170



## CEO agenda

- Product & pricing
- Distribution
- Claims handling

Single-minded focus on profitability