

# If

If P&C is the leading property and casualty insurance company in the Nordic region, with insurance operations that also encompass the Baltic countries. The P&C insurance group's parent company, If P&C Insurance Holding Ltd, is

located in Sweden, and the If subsidiaries and branches provide insurance solutions and services in Finland, Sweden, Norway, Denmark and the Baltic countries. If's operations are divided into four business areas: Private, Commercial, Industrial and Baltic.

## Results If, 2017

EURm	2017	2016	Change, %
Premiums, net	4,357	4,292	2
Net income from investments	216	173	25
Other operating income	27	26	2
Claims incurred	-2,717	-2,670	2
Change in insurance liabilities	-64	-6	889
Staff costs	-543	-512	6
Other operating expenses	-440	-472	-7
Finance costs	-19	-13	49
Share of associates' profit/loss	1	5	-73
<b>Profit before taxes</b>	<b>818</b>	<b>824</b>	<b>-1</b>

Key figures	2017	2016	Change
Combined ratio, % *	85.3	84.4	0.9
Risk ratio, %	63.3	62.3	1.0
Cost ratio, %	22.0	22.1	-0.1
Expense ratio, %	16.4	16.6	-0.2
Return on equity, %	21.3	25.3	-4.0
Average number of staff (FTE)	6,367	6,180	187

\* Excluding the non-recurring items combined ratio for 2016 would have been 86.1 per cent.

Profit before taxes for 2017 for the If segment was EUR 818 million (824). Combined ratio amounted to 85.3 per cent (84.4) and risk ratio to 63.3 per cent (62.3).

In 2017 EUR 111 million (141) was released from technical reserves relating to prior year claims. Return on equity

decreased to 21.3 per cent (25.3) and the fair value reserve on 31 December 2017 rose to EUR 519 million (484).

Technical result decreased to EUR 640 million (658). Insurance margin (technical result in relation to net premiums earned) amounted to 15.1 per cent (15.5).

	Combined ratio, %			Risk ratio, %		
	2017	2016	Change	2017	2016	Change
Private	84.0	83.2	0.8	62.0	61.1	0.9
Commercial	88.0	86.3	1.7	65.4	63.9	1.5
Industrial	88.7	88.6	0.1	67.0	66.3	0.7
Baltic	88.9	89.8	-0.9	59.9	60.4	-0.5
Sweden	84.5	83.1	1.4	64.7	62.5	2.2
Norway	80.8	84.8	-4.0	57.8	62.3	-4.5
Finland	88.3	82.4	3.9	66.4	60.6	5.8
Denmark	98.8	95.4	3.4	69.9	68.0	1.9

Large claims in BA Industrial were EUR 4 million better and in BA Commercial EUR 50 million worse than expected in 2017. Thus the total large claims for If ended up EUR 46 million worse than expected for the full-year 2017.

Swedish discount rate used to discount the annuity reserves was at -0.13 per cent at the end of 2017 and had a negligible effect on the full-year results. The discount rate was -0.03 per cent at the end of 2016. In Finland the discount rate for annuities was lowered from 1.5 per cent to 1.2 per cent in the first quarter of 2017 and had a negative effect of EUR 72 million on the results.

Gross written premiums increased to EUR 4,526 million (4,458) in 2017. With fixed currency rates premiums grew 1.8 per cent. Growth was positive in all business areas and geographically in all markets except Finland. The number of clients in BA Private grew in all markets including Finland. Gross written premiums grew by 4.1 per cent in Sweden, 2.6

per cent in Norway and 1.5 per cent in Denmark. In Finland premiums decreased -3.2 per cent.

Cost ratio improved slightly to 22.0 per cent (22.1) and expense ratio to 16.4 per cent (16.6).

On 31 December 2017, the total investment assets of If P&C amounted to EUR 11.5 billion (12.2), of which fixed income investments constituted 84 per cent (79), money market 3 per cent (8) and equity 13 per cent (13). Net income from investments amounted to EUR 216 million (173). Investment return marked-to-market for the full-year 2017 amounted to 2.6 per cent (2.9). Duration for interest bearing assets was 1.4 years (1.4) and average maturity 2.7 years (2.8). Fixed income running yield without taking into account the FX hedging cost as at 31 December 2017 was 1.5 per cent (1.7).

If P&C's solvency position is described in the section [Solvency](#).