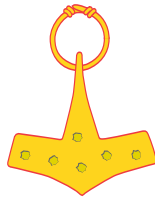


# INVIK & CO. AB



## INTERIM REPORT 1 JANUARY - 31 MARCH 2007

### Development during the first quarter of 2007

- Total revenues amounted to SEK 514.1 million (432.6), corresponding to an increase of 19%.
- Operating income totaled SEK 110.3 million (95.7), corresponding to a rise of 15%.
- Profit after tax amounted to SEK 82.4 million (69.8), corresponding to an increase of 18%.
- Earnings per share amounted to SEK 2.72 (2.64). Earnings per share after dilution totaled to SEK 2.64 (2.28).
- Modern Insurances Non-Life's combined ratio, excluding the product insurance operations, improved to 86.3% (92.2) during the quarter.
- Modern Insurances Life showed continued sales success, and the sales value of unit-linked insurance products amounted to more than SEK 3 billion for the quarter, which is almost three times the corresponding sales value during the first quarter of 2006.
- Banque Invik's total revenue increased by 27% and the operating income improved considerably during the first quarter of 2007, compared with the corresponding period in the preceding year.
- Combined fund assets in Invik Funds amounted to more than SEK 18.2 billion at March 31, 2007, an increase of 21% compared with year-end 2006.

### CONDENSED CONSOLIDATED INCOME STATEMENT (SEK MILLION)

1 Jan.-31 Mar. 1 Jan.-31 Mar.  
2007 2006

Total revenues	514.1	432.6
Total expenses	-403.9	-336.9
Operating income	110.3	95.7
Profit before income tax	113.4	93.9
Income tax expenses	-31.0	-24.1
Profit for the period	82.4	69.8
Profit for the period including discontinued operations	82.4	79.5
Earnings per share (SEK) *	2.72	2.64
Earnings per share (SEK) after dilution *	2.64	2.28

\* Based on profit for the period excluding discontinued operations.

## INVIK

Invik & Co. AB is the Parent Company of a financial group comprising five business areas: Modern Insurances Non-Life, Modern Insurances Life, Assuransinvest, Banque Invik and Invik Funds. Due to the divestment of Fischer Partners on July 4, 2006, this business area's earnings for the comparative period are reported under discontinued operations. The financial information presented in this report pertains to remaining business operations, unless stated otherwise.

### CONSOLIDATED EARNINGS FOR THE FIRST QUARTER OF 2007

Total revenues during the quarter rose 19% and amounted to SEK 514.1 million (432.6).

The increase in revenues is attributable primarily to increased commission income in Banque Invik and Invik Fonder and to improved net results from financial investments in Assuransinvest.

Operating income during the quarter increased by 15% and totaled SEK 110.3 million (95.7).

All business areas reported favorable development during the first quarter and, with the exception of Modern Insurances Non-Life and Modern Insurances Life, higher operating income. Assuransinvest reported favorable development of investment income during the period. Banque Invik's increased commission revenues generated higher profitability and increased operating income. Invik Fund's revenues and operating income showed highly favorable development as a result of increased managed fund volumes and favorable return on Aktie-Ansvar's funds.

### EARNINGS PER SHARE

Earnings per share amounted to SEK 2.72 (2.64). Earnings after dilution for the warrants issued under the options program, which at full subscription provides rights to 467,500 shares, totaled SEK 2.64 (2.28). During the first quarter, 167 Invik Class A shares were converted to Class B shares and 285,000 Class B shares were issued in exchange for warrants. The total number of shares outstanding at March 31, 2007 was 31,269,923, of which 6,990,376 were Class A and 24,279,547 were Class B shares. Of the total number of outstanding shares, 2,148,710 Class A and 2,370,520 Class B shares were interim shares not entitled to dividends for fiscal year 2006.

## FINANCIAL POSITION

In January 2007, a company within the Investment AB Kinnevik group, converted all convertible debentures with a nominal value of SEK 235 million to 2,148,710 new Class A shares and 2,370,520 new Class B shares.

In addition, the Invik Group has short-term, interest-bearing receivables due from Kinnevik in the amount of SEK 50 million.

Invik reported capital coverage for the financial conglomerate to the Swedish Financial Supervisory Authority on March 31, 2007. According to disclosures in the capital coverage report, the conglomerate's consolidated capital requirement amounts to SEK 368 million and the capital base totaled SEK 1,459 million, whereby surplus capital in the Invik Group's financial conglomerate totaled SEK 1,090 million.

### CASH FLOW

Most of Invik's assets consist of financial investments, lending and liquid funds (cash and cash equivalents). As a result, Invik's working capital fluctuates considerably between different time periods. During the first quarter of 2007, the change in working capital was an increase of SEK 215.7 million (decline: 708.7). Cash flow from operating activities before changes in working capital totaled SEK 160.0 million (102.9).

### MODERN INSURANCES NON-LIFE

Key ratios	Jan-Mar	
	2007	2006
SEK MILLION		
Premium revenues, gross	236.1	217.7
Operating income	52.7	71.5
Total yield, %	3.0%	4.8%
Consolidation ratio	81.1%	97.1%
<b>Direct insurance business <sup>1)</sup></b>		
Technical result	3.0	21.0
Combined ratio, gross <sup>2)</sup>	99.7%	93.5%
Claims ratio, gross	80.3%	75.9%
Expense ratio, gross	19.4%	17.6%

<sup>1)</sup> The ratios does not include the business area's internal reinsurance business, that is, Modern Re and neither do they include consolidated amortization of intangible fixed assets of SEK 13.4 million annually.

<sup>2)</sup> The combined ratio, excluding the product insurance operations, amounted to 86.3% (92.2%)

Premium revenues in insurance operations during the quarter increased by 8.5% compared with the corresponding period in the preceding year. Volume growth was attributable primarily to existing and new product areas in the private insurance market and direct-marketed product insurance, while the extent of brokered product insurance business is declining gradually due to profitability concerns.

The program of product and distribution cooperation established toward year-end 2006 with Sjöassistans, a company in the Viamare Group, has been received favorably in the marketplace. The establishment of brand insurance for leisure boats has been expanded during 2007 and now includes three more leading manufacturers of leisure boats. Sales in the leisure boat segment showed highly favorable development during the first quarter.

Bilsport's cooperation for a vehicle damage product with the three leading motorcycle dealers has been intensified during 2007 and is contributing to continued strong sales development as this year's season approaches.

A special car insurance product for careful drivers and clients with older cars through [www.modernabil.se](http://www.modernabil.se) was launched during the first quarter. As part of efforts to expand the company's customer service concept in this segment, a decision has been made to establish a new customer center in Ragunda, in the north of Sweden. The operations in Ragunda will be started on June 1 and include customer service and customer claims service for the private insurance segment.

The combined ratio for the Swedish direct insurance operations, excluding product insurance, developed favorably and amounted to 86.3% (92.2) during the first quarter. Claims within the portion of the product insurance portfolio that was signed via brokers during the period 2003-2005 related to actual and anticipated future damages developed negatively and, as a result, the combined ratio for direct insurance operations during the first quarter of 2007 amounted to 99.7% (93.5%).

Total revenues for Modern Insurances Non-Life amounted to SEK 284.4 million (268.3) during the first quarter of 2007 and reported operating income for the quarter amounted to SEK 52.7 million (71.5).

## MODERN INSURANCES LIFE

Key ratios SEK MILLION	Jan-Mar	
	2007	2006
<i>Unit-linked insurance</i>		
Sales value	3 010.2	1 005.2
Operating income	-13.1	-5.2
Assets under management	5 065.9	2 883.7
Percentage change in values of assets under management	4.6%	8.2%
<i>Group life</i>		
Premiums earned, gross	38.6	31.3
Operating income	2.7	0.9

Highly favorable development was noted for sales of unit-linked insurance during the first quarter. Sales of recurring unit-linked insurance during the quarter rose sharply to SEK 270.6 million, an increase of 280% compared with corresponding period in 2006. Sales of single-premium insurance, despite Government efforts to discontinue the endowment pension product, were better than sales during the corresponding period in 2006. The increase of sales of single-premium insurance consisted mainly of company-funded, single-premium insurance plans.

The sharp increase in sales of recurring occupational pensions during the quarter resulted in a very substantial increase in the sales value, which amounted to SEK 3 billion, a threefold increase compared with the corresponding period in 2006. Managed funds continued to increase and amounted to SEK 5.1 billion, an increase of 76% compared with the first quarter of 2006.

In February, Modern Insurances Life was named by the Board of Supplementary Pensions for Salaried Employees (ITP) as the insurance provider for the new ITP plan that was agreed on following negotiations between the Confederation of Swedish Enterprise and PTK (the Negotiation Cartel for Salaried Employees in the Private Business Sector). In competition with more than 20 other companies, Modern Insurances and four other companies were named providers of the new ITP plan's unit-linked insurance.

Group life operations have continued to expand both in Norway and Sweden and reported growth in premium volume and continued low claims during the period. The higher premium volume is attributable to the Company's selection

as provider for several negotiated group life products and integrated personal insurance in Norway as well as expanded cooperation with the Swedish confederations of professional associations within SACO, which now also include the recently merged Association of Swedish Engineers.

Total premium revenues for Modern Insurances Life during the first quarter amounted to SEK 43.9 (36.7) million.

Overall, the operations of Modern Insurances Life reported an operating loss of SEK 10.4 million (loss: 2.7) during the first quarter.

## ASSURANSINVEST

The business area consists of the insurance subsidiary Försäkringsaktiebolaget Assuransinvest MF. The operations mainly comprise remaining undertakings within accepted reinsurance and divested parts of direct insurance. The run-off of outstanding claims proceeded as scheduled, and the operations reported a positive technical result. The strong trends in financial markets during the first quarter generated favorable effects on capital return and contributed to improved operating income during the quarter.

Assuransinvest reported an operating profit of SEK 11.4 million (4.3).

## BANQUE INVIK

Key ratios SEK MILLION	Jan-Mar	
	2007	2006
Net commissions	50.1	50.2
Net interest after credit losses	7.0	4.9
Operating income	32.8	15.1
C/I ratio	0.51	0.72

Banque Invik's total revenues increased 27% during the quarter. During the same period, interest income rose 34% as a result of increased lending within asset management operations. In parallel, operating expenses for asset management operations declined compared with prior periods. Private Banking operations accounted for 46% of operating income during the quarter. Card operations accounted for slightly more than 33% of operating income, and Corporate Banking accounted for the remainder. Shares in an associated company were sold during the quarter, which had a positive effect of operating income amounting to SEK 10.5 million.

The capital coverage ratio rose from 14% at the start of 2007 to 19% at the close of the first quarter, and the liquidity ratio rose from 43% at year-end 2006 to 46% at the close of the period under review.

Total revenues for Banque Invik during the quarter amounted to SEK 124.4 million. Banque Invik reported operating income of SEK 32.8 million (15.2) for the first quarter.

## INVIK FUNDS

Key ratios SEK MILLION	Jan-Mar	
	2007	2006
Net commissions	43.9	26.2
Net interest after credit losses	29.2	16.5
Operating income	43.1%	42.3%
C/I ratio	0.35	0.38
Combined fund assets*	18 216	9 433

\* Including fund assets in Graal Offensiv totaling SEK 1,530 million at the close of the first quarter of 2007, which were not charged with fees.

The combined fund assets of Invik Funds at March 31, 2007 amounted to slightly more SEK 18.2 billion, corresponding to an increase of 21% in total managed assets since year-end 2006.

Net inflow to Aktie-Ansvar's funds remained highly positive, totaling SEK 2.9 billion during the first three months of 2007. Combined assets under management in Aktie-Ansvar's funds amounted to SEK 17.2 billion, an increase of 22% since year-end 2006. The three largest funds at the close of the first quarter were Graal with SEK 9.3 billion, Aktie-Ansvar Avkastningsfond with 3.6 billion and Aktie-Ansvar Sverige with SEK 1.8 billion.

The hedge fund Graal Offensiv, which was launched at the start of the fourth quarter of 2006, has been favorably received and, at the close of the first quarter, had slightly more than SEK 1.5 billion in managed funds. The Peritus fund was launched on March 1, 2007 and had managed assets totaling slightly more than SEK 0.5 billion at the close of the quarter.

The return for Graal during the first quarter was 2.15%, compared with a return of 0.8% for the fund's benchmark index, the OMRX-T-bill.

Combined fund assets of Modern Funds totaled SEK 985 million.

Total revenues for Invik Funds amounted to SEK 67.6 million for the period. Operating income reported by Invik Funds for the first quarter nearly doubled to SEK 29.2 million (16.5).

## **DISCONTINUED OPERATIONS**

The former holding companies for Fischer Partners and Invik Kapitalförvaltning were merged during the first quarter with Invik & Co. AB and, as a result, there were no remaining operations under liquidation at the close of the period.

## **PARENT COMPANY**

The Parent Company's operating loss for the first quarter was SEK 2.4 million (loss: 6.9). The Parent Company's result before tax during the quarter amounted to a loss of SEK 2.4 million (loss: 11.0). During the quarter the Parent Company had no net investments in subsidiaries or in fixed assets. The net investments in subsidiaries amounted to SEK 38.2 million and in fixed assets to SEK 0.3 million during the corresponding period 2006.

The Parent Company's net liabilities to subsidiaries totaled SEK 324 million, while cash and cash equivalents amounted to SEK 16 million and external investments totaled SEK 400 million at the close of the reporting period.

## **DIVIDEND**

The Board of Directors has proposed to the Annual General Meeting an ordinary cash dividend of SEK 2.30 (2.00) per share and, in addition, an extraordinary dividend of SEK 1.70 per share, amounting to a combined cash dividend of SEK 4.00 (2.00) per share.

## **ACCOUNTING PRINCIPLES**

This interim report was prepared in accordance with the International Financial Reporting Standards recommendation IAS 34. The interim report for the Parent Company was prepared in accordance with RR 31 and RR 32.

A summary of the Invik Group's accounting principles is presented in Invik's Annual Report for 2006. The accounting principles are unchanged compared with the principles that were applied in the Annual Report for 2006, supplemented by IFRS 7, which took effect at year-end 2006 and will require expanded supplementary information in the Annual Report for 2007.

The rounding off of figures may mean that some amounts do not tally when totaled in accounts and tables.

## **ANNUAL GENERAL MEETING 2007**

Invik's Annual General Meeting will be held on Thursday, May 10, 2007 in the Skandia cinema at Drottninggatan 82, Stockholm. Shareholders who wish to participate in the Annual General Meeting must be listed in the share register maintained by VPC AB on May 4, 2007 and notify the Company of their intention to participate in the Meeting not later than 3:00 PM on May 4, 2007. Notification may be made via the Company's website, [www.invik.se](http://www.invik.se), by telephone, +46 (0)433-747 56 or in writing to the Company. Notification should include the shareholder's name, personal/corporate registration number, address, telephone number, shareholding and, if applicable, assistants. If participation is based on power of attorney, this should be submitted in conjunction with notification of participation at the Annual General Meeting. Please mark mailed notifications with the words "Annual General Meeting."

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered with a trustee must temporarily re-register the shares in their own names. Shareholders requiring such re-registration must inform the trustee in adequate time prior to May 4, 2007.

## **NEXT REPORTING DATE**

The preliminary reporting date for the interim report for the second quarter of 2007 is July 25, 2007.

Stockholm, April 25, 2007

Anders Fällman  
President and CEO

## **AUDITORS' REPORT**

This interim report was not examined by the Company's auditors.

## **FOR ADDITIONAL INFORMATION, VISIT WWW.INVIK.SE OR CONTACT:**

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# Consolidated Income Statement

SEK million	1 Jan.- 31 Mar. 2007	1 Jan.- 31 Mar. 2006	1 Jan.- 31 Dec. 2006
<b>REVENUES</b>			
Insurance premium revenue	279.6	254.5	1 234.1
Insurance premium ceded to reinsurers	-63.5	-54.3	-240.1
Fee and commission income	140.8	111.1	436.3
Investment income	78.1	69.9	242.1
Interest income after loan loss provisions	67.0	49.8	229.1
Other operating income	12.1	1.7	5.5
<b>Total revenues</b>	<b>514.1</b>	<b>432.6</b>	<b>1 907.0</b>
<b>EXPENSES</b>			
Insurance benefits, claims and loss adjustment expenses	-217.5	-182.8	-846.9
Insurance benefits, claims and loss adjustment expenses recovered from reinsurers	47.1	39.5	107.0
Fee and commission expenses	-37.0	-38.3	-114.6
Interest expenses	-57.4	-42.0	-190.1
Amortisation of tangible and intangible fixed assets	-20.9	-12.2	-55.9
Other operating expenses	-118.2	-101.2	-420.0
<b>Total expenses</b>	<b>-403.9</b>	<b>-336.9</b>	<b>-1 520.5</b>
<b>Operating income</b>	<b>110.3</b>	<b>95.7</b>	<b>386.5</b>
Financial income and expenses	3.1	-1.8	-3.7
<b>Profit before income tax</b>	<b>113.4</b>	<b>93.9</b>	<b>382.8</b>
Income tax expenses	-31.0	-24.1	-98.0
<b>Profit for the period</b>	<b>82.4</b>	<b>69.8</b>	<b>284.8</b>
Profit for the period from discontinued operations (Note 1)	–	9.7	74.4
<b>Profit for the period including discontinued operations</b>	<b>82.4</b>	<b>79.5</b>	<b>359.2</b>
Earnings per share before dilution (SEK) *	2.72	2.64	10.78
Earnings per share after dilution (SEK) *	2.64	2.28	9.28
Number of shares outstanding before dilution	31 269 923	26 398 193	26 465 693
Number of shares outstanding after dilution	31 551 485	31 226 957	31 372 900
Average number of shares outstanding before dilution	30 309 958	26 398 193	26 409 885
Average number of shares outstanding after dilution	31 198 985	31 226 957	31 317 091

\* Based on profit for the period excluding discontinued operations.

# Consolidated Balance Sheet

SEK Million	31 Mar. 2007	31 Dec. 2006
<b>ASSETS</b>		
Tangible fixed assets	21.4	19.6
Intangible fixed assets	434.9	436.5
Deferred acquisition costs, unit-link	199.1	139.1
Investment in associates	17.4	15.9
Deferred income tax assets	51.2	50.3
Investment securities - fair value through profit and loss	2 403.4	2 245.7
Investment assets - unit-link	5 046.5	4 232.8
Derivative financial instruments	31.3	60.2
Loans and other interest-bearing receivables	3 849.9	3 473.3
Other assets	944.1	875.4
Cash and cash equivalents	2 921.6	2 528.7
Total assets of discontinued operations (Note 1)	–	411.1
<b>Total Assets</b>	<b>15 920.7</b>	<b>14 488.6</b>
<b>EQUITY</b>		
Share capital	156.4	132.3
Share premium reserve and other additions	1 286.4	1 058.6
Other reserves	15.8	2.9
Retained earnings	494.9	135.7
Profit of the period	82.4	359.2
<b>Total Equity</b>	<b>2 035.9</b>	<b>1 688.8</b>
<b>PROVISIONS AND LIABILITITES</b>		
Insurance contracts	2 126.9	2 030.7
Investment contracts - unit-link	5 065.9	4 327.9
Interest bearing loans and borrowings	285.4	232.1
Deposits from the public	5 339.1	4 754.9
Derivative financial instruments	35.1	71.8
Deferred income tax liabilities	207.8	210.4
Current income tax liabilities	104.6	32.3
Other liabilities	720.0	1 133.9
Total liabilities of discontinued operations (Note 1)	–	5.8
<b>Total Provisions and Liabilitites</b>	<b>13 884.8</b>	<b>12 799.8</b>
<b>Total Equity, Provisions and Liabilities</b>	<b>15 920.7</b>	<b>14 488.6</b>

## Consolidated statement of changes in equity

<b>SEK million</b>	<b>1 Jan.- 31 Mar. 2007</b>	<b>1 Jan.- 31 Mar. 2006</b>	<b>1 Jan.- 31 Dec. 2006</b>
<b>Opening balance for the period</b>	<b>1 688.8</b>	<b>1 394.1</b>	<b>1 394.1</b>
Translation differences	12.7	-1.8	-16.8
Convertible debenture loan - equity portion	230.0	-	-
Option Incentive Program - new share issuance	22.0	-	5.2
Deferred tax - convertible debenture	-	0.1	-
Cash dividend	-	-	-52.8
Profit for the period	82.4	69.8	284.8
Profit for the period from discontinued operations (Note 1)	-	9.7	74.4
<b>Closing balance for the period</b>	<b>2 035.9</b>	<b>1 471.8</b>	<b>1 688.8</b>

## Consolidated condensed cash flow statement

<b>SEK million</b>	<b>1 Jan.- 31 Mar. 2007</b>	<b>1 Jan.- 31 Mar. 2006</b>	<b>1 Jan.- 31 Dec. 2006</b>
Cash flow from operating activities before changes in working capital	160.0	102.9	422.6
Changes in working capital assets	-860.9	-1 309.2	-4 481.6
Changes in working capital liabilities	1 076.6	600.5	3 538.3
<b>Cash flow from operating activities</b>	<b>375.7</b>	<b>-605.8</b>	<b>-520.7</b>
Cash flow from investment activities	-77.9	9.8	-123.2
Cash flow from financing activities	22.0	0.3	-46.4
Cash flow from discontinued operations (Note 1)	-	-104.1	-1 046.4
<b>Cash flow for the period</b>	<b>319.8</b>	<b>-699.8</b>	<b>-1 736.7</b>
Cash and cash equivalents at beginning of the period	2 528.7	4 370.9	4 370.9
Translations differences in cash and cash equivalents	73.1	-13.9	-105.5
Cash flow	319.8	-699.8	-1 736.7
<b>Cash and cash equivalents at end of the period</b>	<b>2 921.6</b>	<b>3 657.2</b>	<b>2 528.7</b>

## Consolidated Income Statement per quarter

SEK million	1 Jan.- 31 Mar. 2007	1 Oct. 31 Dec. 2006	1 Jul.- 30 Sep. 2006	1 Apr.- 30 Jun. 2006	1 Jan.- 31 Mar. 2006
<b>REVENUES</b>					
Insurance premium revenue	279.6	281.1	380.4	318.1	254.5
Insurance premium ceded to reinsurers	-63.5	-55.8	-65.6	-64.4	-54.3
Fee and commission income	140.8	154.0	90.8	80.4	111.1
Investment income	78.1	128.8	51.9	-8.5	69.9
Interest income after loan loss provisions	67.0	68.1	60.4	50.8	49.8
Other operating income	12.1	2.0	0.7	1.1	1.7
<b>Total revenues</b>	<b>514.1</b>	<b>578.2</b>	<b>518.6</b>	<b>377.5</b>	<b>432.6</b>
<b>EXPENSES</b>					
Insurance benefits, claims and loss adjustment expenses	-217.5	-203.3	-258.1	-202.7	-182.8
Insurance benefits, claims and loss adjustment expenses recovered from reinsurers	47.1	22.2	18.6	26.7	39.5
Fee and commission expenses	-37.0	-37.6	-26.9	-11.8	-38.3
Interest expenses	-57.4	-52.7	-54.2	-41.2	-42.0
Depreciation, amortisation and write-down of tangible and intangible fixed assets	-20.9	-17.1	-13.2	-13.4	-12.2
Other operating expenses	-118.2	-125.9	-95.6	-97.3	-101.2
<b>Total expenses</b>	<b>-403.9</b>	<b>-414.4</b>	<b>-429.4</b>	<b>-339.7</b>	<b>-336.9</b>
<b>Operating income</b>	<b>110.3</b>	<b>163.8</b>	<b>89.2</b>	<b>37.8</b>	<b>95.7</b>
Finance income and costs	3.1	0.3	–	-2.2	-1.8
<b>Profit before income tax</b>	<b>113.4</b>	<b>164.1</b>	<b>89.2</b>	<b>35.6</b>	<b>93.9</b>
Income tax expenses	-31.0	-56.6	-21.6	4.3	-24.1
<b>Profit for the period</b>	<b>82.4</b>	<b>107.5</b>	<b>67.6</b>	<b>39.9</b>	<b>69.8</b>
Profit for the period from discontinued operations (Note 1)	–	1.1	54.1	9.5	9.7
<b>Profit for the period including discontinued operations</b>	<b>82.4</b>	<b>108.6</b>	<b>121.7</b>	<b>49.4</b>	<b>79.5</b>

## Segment information

1 Jan. - 31 Mar. 2007 SEK million	Modern Insurances Non-life	Modern Insurances Life	Assurans- invest	Banque Invik	Invik Funds	Head office and elim.	Invik Group
Insurance premium revenue	236.1	43.9	0.2	–	–	-0.6	279.6
Insurance premium ceded to reinsurers	-28.3	-35.1	-0.1	–	–	–	-63.5
Fee and commission income	6.0	24.1	0.5	51.2	66.9	-8.0	140.8
Investment income	65.2	0.6	12.4	–	–	–	78.1
Interest income after loan loss provisions	5.5	0.1	1.4	62.7	0.9	-3.5	67.0
Other operating income	0,0	1.7	-0,0	10.5	–	–	12.1
<b>Total revenues</b>	<b>284.4</b>	<b>35.2</b>	<b>14.4</b>	<b>124.4</b>	<b>67.7</b>	<b>-12.0</b>	<b>514.1</b>
Insurance benefits, claims and loss adjustment expenses	-177.3	-38.2	-2.0	–	–	–	-217.5
Insurance benefits, claims and loss adjustment expenses recovered from reinsurers	11.7	33.7	1.7	–	–	–	47.1
Fee and commission expenses	-10.1	-10.5	-0.1	-1.2	-23.0	7.9	-37.0
Interest expenses	-0.1	-2.0	0,0	-55.7	–	0.4	-57.4
Depreciation, amortisation and write-down of tangible and intangible fixed assets	-5.0	-13.2	-0,0	-2.6	–	-0,0	-20.9
Other operating expenses	-50.9	-15.3	-2.6	-32.1	-15.6	-1.6	-118.2
<b>Total expenses</b>	<b>-231.7</b>	<b>-45.6</b>	<b>-2.9</b>	<b>-91.7</b>	<b>-38.6</b>	<b>6.6</b>	<b>-403.9</b>
<b>Operating income</b>	<b>52.7</b>	<b>-10.4</b>	<b>11.4</b>	<b>32.8</b>	<b>29.2</b>	<b>-5.4</b>	<b>110.3</b>

## Segment information

1 Jan. - 31 Mar. 2006 SEK million	Modern Insurances Non-life	Modern Insurances Life	Assurans- invest	Banque Invik	Invik Funds	Head office and elim.	Invik Group
Insurance premium revenue	217.7	36.7	0.1	–	–	0,0	254.5
Insurance premium ceded to reinsurers	-24.0	-30.2	-0.1	–	–	0,0	-54.3
Fee and commission income	4.6	17.0	0,0	51.3	38.7	-0.5	111.1
Investment income	67.8	0.3	4.3	–	–	-2.5	69.9
Interest income after loan loss provisions	2.1	–	0.7	46.8	0.3	-0.1	49.8
Other operating income	0.1	1.6	–	–	–	–	1.7
<b>Total revenues</b>	<b>268.3</b>	<b>25.4</b>	<b>5.0</b>	<b>98.0</b>	<b>39.0</b>	<b>-3.1</b>	<b>432.6</b>
Insurance benefits, claims and loss adjustment expenses	-159.8	-24.6	1.6	–	–	–	-182.8
Insurance benefits, claims and loss adjustment expenses recovered from reinsurers	18.0	21.9	-0.4	–	–	–	39.5
Fee and commission expenses	-14.7	-9.9	0,0	-1.1	-12.5	–	-38.3
Interest expenses	-0.4	-0.2	–	-41.9	–	0.5	-42.0
Depreciation, amortisation and write-down of tangible and intangible fixed assets	-5.2	-5.6	–	-1.3	0,0	-0.1	-12.2
Other operating expenses	-34.6	-9.7	-2.0	-38.6	-9.9	-6.4	-101.2
<b>Total expenses</b>	<b>-196.8</b>	<b>-28.1</b>	<b>-0.8</b>	<b>-82.9</b>	<b>-22.5</b>	<b>-5.9</b>	<b>-336.9</b>
<b>Operating income</b>	<b>71.5</b>	<b>-2.7</b>	<b>4.3</b>	<b>15.1</b>	<b>16.5</b>	<b>-9.0</b>	<b>95.7</b>

## Key ratios

<b>31 Mar. 2007</b>	<b>Modern</b>	<b>Modern</b>				<b>Head</b>	
<b>SEK million</b>	<b>Insurances</b>	<b>Insurances</b>	<b>Assurans-</b>	<b>Banque</b>	<b>Invik</b>	<b>office</b>	<b>Invik</b>
	<b>Non-life</b>	<b>Life</b>	<b>invest</b>	<b>Invik</b>	<b>Funds</b>	<b>and elim.</b>	<b>Group</b>
C/I ratio (1 Jan. - 31 Mar. 2007)	–	–	–	0.51	0.35	–	0.48
Goodwill and other intangible assets	134.4	268.8	–	97.4	133.4	–	634.0
Loans and other interest bearing receivables	374.6	0.1	36.3	3 309.5	137.6	-8.3	3 849.9
Investment assets and other financial assets	2 033.3	5 178.1	500.9	2 667.1	6.9	16.4	10 402.8
Total assets	3 090.8	5 687.2	587.0	6 369.0	345.5	-158.8	15 920.7
Insurance and unit-link contracts	1 621.2	180.9	328.1	–	–	-3.3	2 126.9
Interest bearing loans and borrowings	–	33.4	0,0	5 644.2	47.2	-100.4	5 624.4
Total liabilities	2 104.5	5 526.8	421.3	5 896.9	187.9	-252.6	13 884.8
Equity	986.2	160.4	165.7	472.2	157.6	93.8	2 035.9
Return on equity	15.7%	–	20.4%	25.3%	57.3%	–	17.7%
Number of employees	174	34	3	96	8	5	320

<b>31 Dec. 2006</b>	<b>Modern</b>	<b>Modern</b>				<b>Head</b>	
<b>SEK million</b>	<b>Insurances</b>	<b>Insurances</b>	<b>Assurans-</b>	<b>Banque</b>	<b>Invik</b>	<b>office</b>	<b>Invik</b>
	<b>Non-life</b>	<b>Life</b>	<b>invest</b>	<b>Invik</b>	<b>Funds</b>	<b>and elim.</b>	<b>Group</b>
C/I ratio (1 Jan. - 31 Dec. 2006)	–	–	–	0.66	0.37	–	0.72
Goodwill and other intangible assets	138.2	209.1	–	95.0	133.4	–	575.7
Loans and other interest bearing receivables	390.8	0.1	56.2	3 106.3	97.7	-177.8	3 473.3
Investment assets and other financial assets	1 925.9	4 425.1	465.0	2 226.6	6.7	18.1	9 067.4
Total assets	2 968.3	4 867.5	584.0	5 653.9	317.2	97.7	14 488.6
Insurance and unit-link contracts	1 540.7	4 490.3	329.1	–	–	-1.5	6 358.6
Interest bearing loans and borrowings	–	10.0	-	4 971.5	45.3	-39.9	4 987.0
Total liabilities	2 019.8	4 696.1	426.6	5 222.1	181.7	253.5	12 799.8
Equity	948.5	171.4	157.4	431.8	135.5	-155.9	1 688.8
Return on equity	23.0%	–	12.2%	13.9%	39.8%	–	23.3%
Number of employees	166	30	2	97	8	5	308

To obtain comparability with the balance sheet of the Invik Group, discontinued operations are included in the segment report in total assets, total liabilities and equity of Head office and eliminations.

## Note 1, Operations being discontinued

Income statement, SEK million	Continuing operations		Discontinued operations		Total	
	1 Jan.-31 Mar. 2007	31 Mar. 2006	1 Jan.-31 Mar. 2007	31 Mar. 2006	1 Jan.-31 Mar. 2007	31 Mar. 2006
Revenues	514.1	432.6	–	104.8	514.1	537.4
Operating expenses	403.9	336.9	–	90.5	403.9	427.4
Operating income	110.3	95.7	–	14.3	110.3	110.0
Financial items	3.1	-1.8	–	-1.1	3.1	-2.9
Profit before income tax	113.4	93.9	–	13.2	113.4	107.1
Expenses	-31.0	-24.1	–	-3.5	-31.0	-27.6
<b>Profit for the period</b>	<b>82.4</b>	<b>69.8</b>	<b>–</b>	<b>9.7</b>	<b>82.4</b>	<b>79.5</b>
Earnings per share (SEK)	2.72	2.64	–	0.37	2.72	3.01
Earnings per share (SEK) after dilution	2.64	2.28	–	0.31	2.64	2.59
Balance sheet, SEK million	31 Mar. 2007	31 Dec. 2006	31 Dec. 2007	31 Dec. 2006	31 Dec. 2007	31 Dec. 2006
Fixed assets	655.4	595.2	–	–	655.4	595.2
Loans and other receivables	3 849.9	3 473.3	–	37.2	3 849.9	3 510.5
Cash and cash equivalents	2 921.6	2 528.7	–	–	2 921.6	2 528.7
Other assets	8 493.8	7 480.3	–	373.9	8 493.8	7 854.2
<b>Total assets</b>	<b>15 920.7</b>	<b>14 077.5</b>	<b>–</b>	<b>411.1</b>	<b>15 920.7</b>	<b>14 488.6</b>
<b>Shareholders' equity</b>	<b>2 035.9</b>	<b>1 283.5</b>	<b>–</b>	<b>405.3</b>	<b>2 035.9</b>	<b>1 688.8</b>
Deposits and borrowing	5 624.5	4 987.0	–	–	5 624.5	4 987.0
Other provisions and liabilities	8 260.3	7 807.0	–	5.8	8 260.3	7 812.8
<b>Total provisions and liabilities</b>	<b>13 884.8</b>	<b>12 794.0</b>	<b>–</b>	<b>5.8</b>	<b>13 884.8</b>	<b>12 799.8</b>
Cash-flow statement, SEK million	Jan.-Mar. 2007	Jan.-Mar. 2006	Jan.-Mar. 2007	Jan.-Mar. 2006	Jan.-Mar. 2007	Jan.-Mar. 2006
Cash flow from operating activities	375.7	-605.8	–	48.2	375.7	-557.6
Cash flow from investment activities	-77.9	9.8	–	-152.3	-77.9	-142.5
Cash flow from financing activities	22.0	0.3	–	–	22.0	0.3
Cash flow for the period	319.8	-595.7	–	-104.1	319.8	-699.8
Cash and cash equivalents at beginning of the year	2 528.7	3 325.1	–	1 045.8	2 528.7	4 370.9
Translation differences in cash and cash equivalents	73.1	-13.9	–	–	73.1	-13.9
Cash flow for the period	319.8	-595.7	–	-104.1	319.8	-699.8
<b>Cash and cash equivalents at end of the period</b>	<b>2 921.6</b>	<b>2 715.5</b>	<b>–</b>	<b>941.7</b>	<b>2 921.6</b>	<b>3 657.2</b>

The profit and loss statements, balance sheets and cash-flow statements for discontinued operations in 2006 includes Fischer Partners Holding AB, Fischer Partners Fondkommission AB, Invik Kapitalförvaltning Holding AB and OP Financial Services AB. Fischer Partners Fondkommission AB, divested in July 2006, and Invik Kapitalförvaltning AB, divested in January 2006, were previously subsidiaries of Invik. During 2007 all remaining operations classified as discontinuing businesses have been dissolved by merger with Invik & Co. AB.

## Definitions

### **C/I RATIO**

Other operating expenses and depreciation/amortization and write-downs in relation to the total revenues, less interest expenses and fee and commission expenses. In the case of the Group, the C/I ratio is calculated with the exclusion of insurance operations.

### **CAPITAL ADEQUACY RATIO**

The capital base in relation to capital requirements calculated in the manner set by each supervisory organization, expressed as a percentage.

### **CLAIMS RATIO, GROSS**

Gross claims expenses before reinsurers' share in relation to gross premiums earned, expressed as a percentage.

### **COMBINED RATIO, GROSS**

Total of operating expenses and gross claims expenses before reinsurers' share, in relation to gross premiums earned, expressed as a percentage.

### **CONSOLIDATION CAPITAL**

Total equity, 72% of untaxed reserves and surplus and deficit values in assets, less deferred tax receivables plus deferred tax liabilities.

### **CONSOLIDATION RATIO**

Consolidated capital in relation to gross premiums-written.

### **CHANGE IN VALUE OF ASSETS UNDER MANAGEMENT**

Change in the value of investment assets for which the policyholders carry the investment risk in relation to average assets under management.

### **EARNINGS PER SHARE AFTER DILUTION**

Profit for the period supplemented with interest expense after tax on convertible debenture loans charged to profit, in relation to the average number of shares outstanding during the period, after adjustment for dilution.

### **EARNINGS PER SHARE BEFORE DILUTION**

Profit for the period in relation to the average number of shares outstanding during the period.

### **EXPENSE RATIO, GROSS**

Operating expenses in relation to gross premiums earned, expressed as a percentage.

### **LIQUIDITY RATIO**

Current assets in relation to current liabilities, expressed as a percentage.

### **OPERATING MARGIN**

Pre-tax earnings as a percentage of total revenues.

### **RETURN ON EQUITY AFTER TAX**

Profit after tax in relation to average adjusted equity. A standard calculated tax rate of 28% is applied to business areas' result with the exception of Banque Invik, whose profit is charged with a calculated tax rate of 19% for 2007. Equity per business area includes allocated intangible assets including goodwill. The return figure is adjusted for the full year.

### **SALES UNIT-LINK**

The sum of signed unit link contracts with recurring premiums x 10 + single-premiums.

### **TOTAL YIELD, %**

The sum of the yield and value changes, both realized and unrealized, in relation to the average fair value of investment assets, expressed as a percentage. Investment assets for which policyholders carry the investment risk (unit-linked insurance) are excluded. The yield figure is adjusted for the full year.