

Press Release, Financial Statement**General Group—earnings in 2008 increased to SEK 1.5 bn**

Last year, Folksam's General Group increased its earnings by half a billion Swedish kronor. Full-year earnings were SEK 1.5 bn, against one billion Swedish kronor in the previous year. The Group's solvency margin is also continuing to increase, to 106.4 (85.7)%. The Group's technical result improved to SEK 1.7 (1.4) bn.

"I note that we're asserting ourselves well in competition with the sector's other players," commented Folksam's President, Anders Sundström, "I'm pleased about this, and because it's against the background of severe financial turbulence."

The Group's premiums written reduced marginally to SEK 8.1 (8.2) bn. Claims incurred also reduced, to SEK 5.4 (6.1) bn, with the claims cost percentage at a low 66.6 (74.7)%. The combined ratio was 89.0 (93.5)%.

However, consolidated operating expenses increased to SEK 1.8 (1.5) bn.

"This is an example of how we are affected by the financial crisis. Increased operating expenses are mainly due to us having to provision funds for increased pension expenses. Nevertheless, the Group's sound financial status means we can do what we need to satisfy our contracted commitments by a good margin."

Folksam's market share in general insurance reduced to 14.1 (14.5)%.

"This is a sign that we've got to keep driving development towards more effective sales channels and simpler communication on the customer's terms," continued Mr. Sundström, "but Folksam has now started to increase its share of regular customers again. And we will be accentuating this progress, so that more customers with, say, only one policy with us bring more into Folksam."

"The competitive pressure on a mature general insurance market in rapid change increases during periods of financial turbulence. This may contribute to strengthening the customer's position. For Folksam and other general insurance companies, this is less about gaining new market share, and more about nurturing and developing customer relations in the simplest and most effective way. There are still untried paths open to us," concluded Mr. Sundström.

In 2008, the Folksam Group increased its total premium volume to SEK 22.6 (20.3) bn. The Group's assets under management were SEK 211 bn.