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US\$ in millions	Consolidated	
	2000	1999
Gross premium income	779	634
Insurance operating result	6	7
Investment operating result	67	123
Income before tax	69	128
Net income for the year	56	94
Combined ratio	103%	101%
Solvency capital	1,091	1,018
Solvency ratio	172%	215%
Number of employees	201	137

A. M. Best's rating: A+ (superior)
Standard & Poor's rating: AA- (very strong)

"The upgrade is based on the company's improved business position through acquisition and its parent's increasing focus on financial services, Sirius' very strong operating performance ... and its continued extremely strong capitalisation."

– **Standard & Poor's.**

"... Sirius International's consistently favourable operating trends, sustained profitable growth, excellent capitalization and balance sheet strength and management's demonstrated success in enhancing the group's competitive market position."

– **A.M. Best.**

Our income growth stems from an ability to attract high quality new business.

2000 has been a year of continuing achievement and development for the Sirius Group, despite the first drop in profits for many years.

The priority throughout the year has been to consolidate our position following a period of change and expansion, and in market conditions that demanded caution. The new branches in Belgium and Singapore have now successfully been integrated with the rest of the group and its customers, and are contributing to the growing diversity that is one of our strengths. The quality of our overall strategy and underwriting was acknowledged during the year when Standard & Poor's and A.M. Best improved our already strong security ratings.

While I do not anticipate an immediate return to 1999 levels of profitability, we are well positioned to take advantage of market conditions that are, at last, showing tangi-

ble gains after five years of decline.

The Bottom Line

Last year the Sirius Group made pre-tax profits of SEK 636 million; US\$ 69 million, a decline of 40% on 1999. This reflects a higher combined ratio – up 2% to 103% – and a drop in investment income. Return on equity was 7.4%. One encouraging feature of the year, however, was an improvement in our combined ratio's five-year rolling average to 99.6%.

Disappointing as it is to announce lower results, they reveal more about the volatile nature of the reinsurance industry than about the underlying progress at Sirius International. I believe that the advances we made during the year will prove to be more significant in the long run than any temporary drop in profit.

We warned that 1999 could prove to be a tough act to follow. In particular, I cautioned in the last report that the excep-



tional investment performance, which had just driven our profits to a new peak, was “unlikely to be repeated on a regular basis”.

2000 did indeed prove to be difficult. Equities retreated worldwide. The Swedish stock market, for example, fell 12% after a two thirds increase in 1999. Although the bulk of our investments are in highly rated securities, which outperformed their benchmarks, this international downturn in equities had an inevitable effect on our portfolio.

Our experience this year has underlined our commitment to a conservative investment strategy. By ensuring limited exposure to stock market uncertainties, we guarantee the integrity of the capital that underpins the excellent security we provide our customers.

A market-leading reinsurance result

Sirius International’s underwriters turned in a performance which, as last year, is certain to be among the best in the business.

Market conditions were awful. The storm losses of December 1999 had come too late for the renewal season, and rates remained depressed at commercially unviable levels. The cost of our own retrocession covers, on the other hand, rose some 26%, squeezing margins still further.

In the circumstances, it was an achievement for our reinsurance and commercial insurance operations to increase premium volume by 15 % to SEK 2,243 million; US\$ 243 million, and to do so without compromising profitability. While this record was made possible in part by a sizeable drop in insured losses worldwide, it was above all a tribute to the quality of our staff, our approach towards underwriting and the strategic decisions

that we have taken over the years.

As I have said in previous annual reports, a rigorous profit-led underwriting policy is at the heart of our success. Our income growth stems from an ability to attract high quality new business and a refusal to chase down rates, and is made possible by our standing as a dependable long-term partner.

Expansion, profitability and diversity

2000 marked the first full year of our Belgian and Singapore branches, and they have already played a valuable part in the group’s activities. Our new teams have the level of skills and profit-led approach to underwriting that fits well with our group culture. The additional geographical reach and areas of specialist knowledge that they bring have both expanded and deepened our activities.

Our Belgian colleagues have formed fruitful working partnerships with the rest of the Sirius Group, and with other financial services companies owned by our parent ABB, enabling us to offer all our clients a wider range of services. The additional presence they bring to European markets has meant new commercial opportunities for Sirius International as a whole, while our global reach and enhanced financial strength have given greater scope to their areas of specialist expertise.

In Singapore, the very high standing and reputation of the individuals who lead our branch have ensured a smooth start to operations. Our expansion in the Far East is a long-term project, with an emphasis on profitability rather than buying market share, and so we have no pre-set premium targets. Nonetheless, we have already established a substantial book of good quality business, and we are confident that there will be more opportunities during 2001.

The new branches in Belgium and Singapore are contributing to the growing diversity that is one of our strengths.

Sirius's London branch goes from strength to strength. Although the Accident and Health book continues to be its largest activity, it is growing in other areas as well. Last year premium income was up by a third, with continuing satisfactory results. The branch has now moved into larger offices at the London Underwriting Centre, reflecting its growing profile in the market.

Making ART more accessible

Sirius International's Financial Insurance and Alternative Risk Transfer unit has long prided itself on innovation. 2000 was

another record year for both premium income and profits.

The unit achieved two big advances. Firstly, it reorganised its structure to reflect better its range of activity, at the same time as refocusing the product range in line with demand. This has made its activities easier for customers and potential customers to understand, and so made them more accessible. Secondly, it made strides in its efforts to extend the customer base outside its traditional strongholds of Scandinavia and companies belonging to our parent, the ABB Group.

This expansion into new markets will be even more in evidence during 2001 following the recruitment of one of London's most respected Political Risk teams, led by Matthew Woollam, formerly of Limit Underwriting at Lloyd's. Sirius International has worked with Mr Woollam and his colleagues on a number of projects in the past eight years, and we trust that they will find us a natural home for their talents.

Bermuda in reverse

It speaks volumes for the success of our Bermudan subsidiary, Scandinavian Re, that it can perform substantially better than most of its rivals, and still complain of a "rogue year". A combined ratio of 105%, fifteen points worse than the long-term average, marked the company's first underwriting loss since being set up in 1988.

This was a reversal by any standards, but there were some special circumstances relating to earlier years, as explained elsewhere in the annual report. With premium income hitting record levels again, and demand for finite reinsurance certain to go on increasing, Scandinavian Re's market position as an innovative and imaginative provider remains as strong as ever.

A well deserved reward

One of the big events of the year was the decision by rating agencies to upgrade our security ratings. Sirius International is now rated AA- (Very Strong) by Standard & Poor's and A+ (Superior) by A.M. Best. This was a particular cause for celebration in 2000, because it went against the trend. Security ratings have been under strain throughout the reinsurance industry, following years of poor results, and no other comparable company achieved such an uplift.

This positive development did not, of course, happen overnight. It was the result of much hard work and hard thinking over several years. Our security is based on a consistent underwriting record, strong capitalisation and a strategy of long-term, sustainable growth. These qualities can only be strengthened by our higher ratings.

The market turns for the better

2000 ended on an optimistic note for our underwriters, with the first across-the-board rate increases since the mid-90s. There is some evidence, such as the further hardening of the retrocession market, that this improving trend will continue for some time, as it must if rates are to become commercial. Several of our more aggressive competitors have either reconsidered their price-cutting strategies or pulled out altogether.

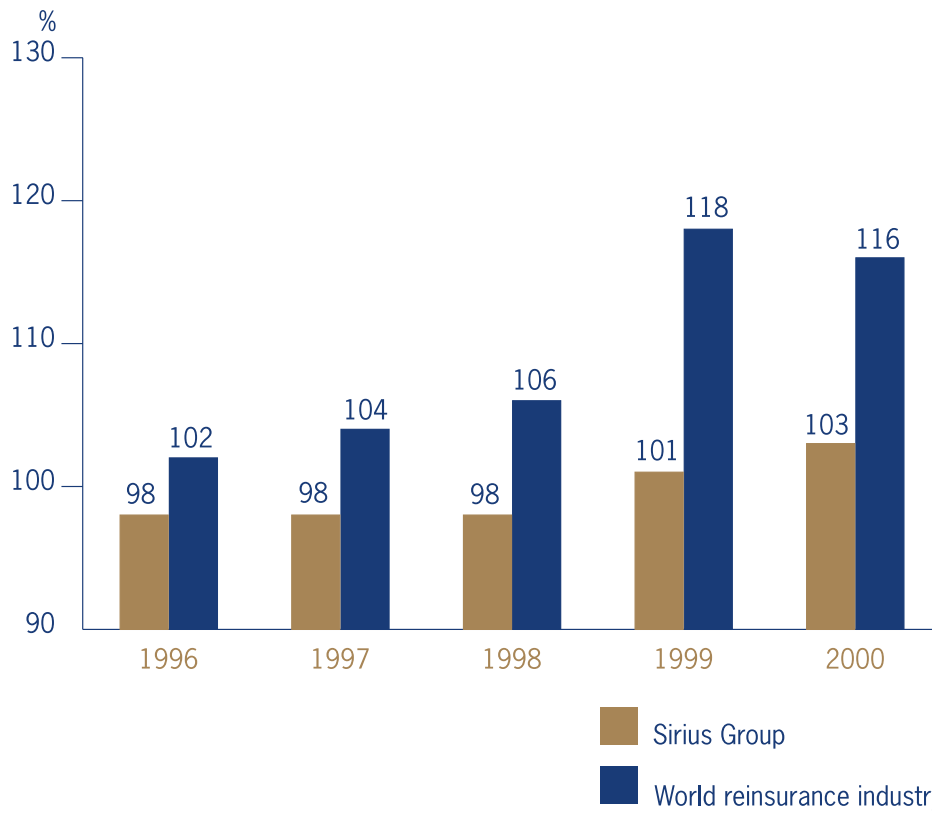
All this adds up to more opportunity going forward, and we are in a good position to take it. We ended the year better capitalised, with more customers and products and stronger security ratings than at any time in our history, having demonstrated an enduring ability to thrive in a tough trading environment.

In short, we have continued to build Sirius International's pedigree as a reliable, flexible and professional business partner. This investment will be of lasting benefit to the group, its shareholders and customers in the years ahead.



GÖRAN THORSTENSSON
PRESIDENT & CEO

Combined ratio Sirius Group compared with world reinsurance industry



Source: Swiss Re/Fox-Pitt, Kelton/A M Best 2000



REINSURANCE AND INTERNATIONAL INSURANCE

Sirius International has more customers, more products and a better profile than ever.

The reinsurance and commercial insurance operations of Sirius International recorded further premium growth during 2000, gaining new customers while maintaining one of the best combined ratios in the business. The main story, however, was one of consolidating past gains in what was another challenging year.

The renewal season in December, 1999 was even more difficult than its predecessor, which had seen rates fall to their lowest for at least ten years. Predictions by some in the industry that the market would harden proved to be over-optimistic. Instead, we had to contend with premium levels too low to be commercial at a time when the cost of our own outwards reinsurance had risen. These two factors squeezed margins still further.

Fortunately, this difficult combination was offset to some extent by an improved claims experience. The cost of catastrophe losses to the industry worldwide fell by

approximately two thirds from 1999, which had been the third worst on record for catastrophe claims. The large catastrophe losses to affect Sirius International during 2000 included flooding in the Philippines, Taiwan and Thailand as well as extensive flooding in southern Europe. These were minor events, however, compared to the experiences of the previous year, and there were no major catastrophe losses.

Net premium income was SEK 2,243 million; US\$ 243 million, up 15% on 1999, with much of the growth coming in Property Catastrophe. The combined ratio improved to 103%. Whilst this figure is higher than we would like, it is certain to compare favourably with most other reinsurers.

The appeal of strength and consistency

This ability to grow premium income, in a difficult environment and without compromising the integrity of our underwriting,

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reflects our standing as a dependable business partner. For several years we have combined a consistent, strategic approach towards underwriting with excellent security. These qualities help explain our continuing success in building new relationships, and the growing volume of business that we are asked to quote and lead. Brokers and clients know what to expect from our underwriters, no matter where they are based.

In addition, we apply a rigorous approach to underwriting within certain guidelines, and our matrix system ensures that every contract has been checked for its technical merit. These disciplines and controls are key factors behind our excellent underwriting record which, in turn, underpins the long-term quality of our capital; and they provide a secure framework for the innovation and creativity that many of our customers require. During 2000, we received the additional endorsement of upgrades from both the Standard & Poor's and A.M. Best security agencies - AA- (Very Strong) and A+ (Superior) respectively.

We continue to improve the service we provide our customers, especially on the claims side. The result is better co-ordination between our underwriting and claims departments on one hand and central accounting on the other, leading to faster payment. Allied to the greater use of electronic processes over the past few years, we have been able to significantly reduce transaction times for our clients.

A stronger local presence

We always said that caution and consolidation would be the watchwords for 2000, which marked the first full year of Sirius International's branches in Belgium and

Singapore. Our new colleagues have added significantly to the range and depth of Sirius International's activities, building on the achievements of our Stockholm and Hamburg offices.

An important change of policy in 2000 was to transfer a large proportion of business previously written in Stockholm and Hamburg to our new branches. Having acquired well-established teams with a strong local market knowledge in their respective areas, it was logical to transfer responsibility for most of our accounts emanating from the respective geographical areas.

Another advantage has been the opportunity to introduce customers to additional Sirius products, such as Life Reassurance, Credit Reinsurance and Political Risk. This cross-fertilisation has improved our service and strengthened our existing relationships, whilst adding to our business opportunities.

Belgium branch – a successful first year

Sirius's new Belgian branch, based in Brussels and Liège, has given the group a critical mass in Benelux, Southern Europe and France. Previously part of Kemper Re, it has a successful track record going back more than 30 years.

On the Property side, which continues to provide more than 40% of branch premium, 2000 saw the start of the upturn in the reinsurance cycle in Europe. This factor, combined with our increased capacity and improved security, has created new opportunities and contributed to the strength of our long-term relationships. France is our biggest market, and we were able to make additional capacities available in response to our clients' needs. The branch's Casualty operation is also grow-

ing, aided by our European ownership and excellent financial strength.

Our Belgian colleagues write on a global basis in some classes where they have special expertise, most notably Credit & Bonds (Liège) and Life, Accident & Health (Brussels). These underwriting teams have benefited from Sirius's world-wide presence.

During 2001, for example, the branch expects to offer Credit & Bonds products outside Europe, thanks to increased co-operation with other companies in the financial services group of our parent, ABB. The branch is also working with Sirius's Financial Risks division to offer customised products arising from new forms of commerce.

The Life Accident and Health team, formed in 1998, offers tailor-made products in such areas as Long Term Care, Preferred Lives and Annuities. During 2000, this segment continued to grow, with Sirius's strong financial position playing a significant role in helping to attract new business.

Growth in the Far East

Our team in Singapore, established in September 1999, was quick to create a presence in the Far East market. The 11-person branch is responsible for all business emanating from ASEAN countries, Hong Kong, China, Taiwan, Korea and Sri Lanka. To enhance the service, an office was opened in Labuan, Malaysia in August, 2000, although the underwriting and marketing continue to be based in Singapore.

We have made it clear that any Far East expansion will be a long-term project. We have not set targets, because the guiding principle has to be profitability rather than market share. Nonetheless, the

first full year's premium income was substantial, with more than 50% of the portfolio being non-proportional. The emphasis has been on short-tail classes of reinsurance, mostly property.

The renewal at 1 January 2001 was completed successfully, within a conservative and selective approach towards underwriting. The opportunity was taken to write larger shares and further support our customers on their non-proportional programmes. We expect continued growth in what promises to become a very important market.

The London market – growth and new offices

Our branch in London completed its third year since acquiring most of the active portfolio of WASA International (UK), once again expanding in size and raising its profile. Our team increased premium income by a third in highly competitive conditions, while achieving an outstanding combined ratio of 96%.

The branch's Medical Health book continued its growth, and added a Stop Loss product to its range. The Contingency book also recorded big, profitable gains.

One of the London market's most respected Political Risk teams has joined Sirius International from Limit Underwriting Ltd at Lloyd's. Partly to accommodate the new people, the branch has moved into new, larger offices on the upper ground floor of the London Underwriting Centre.

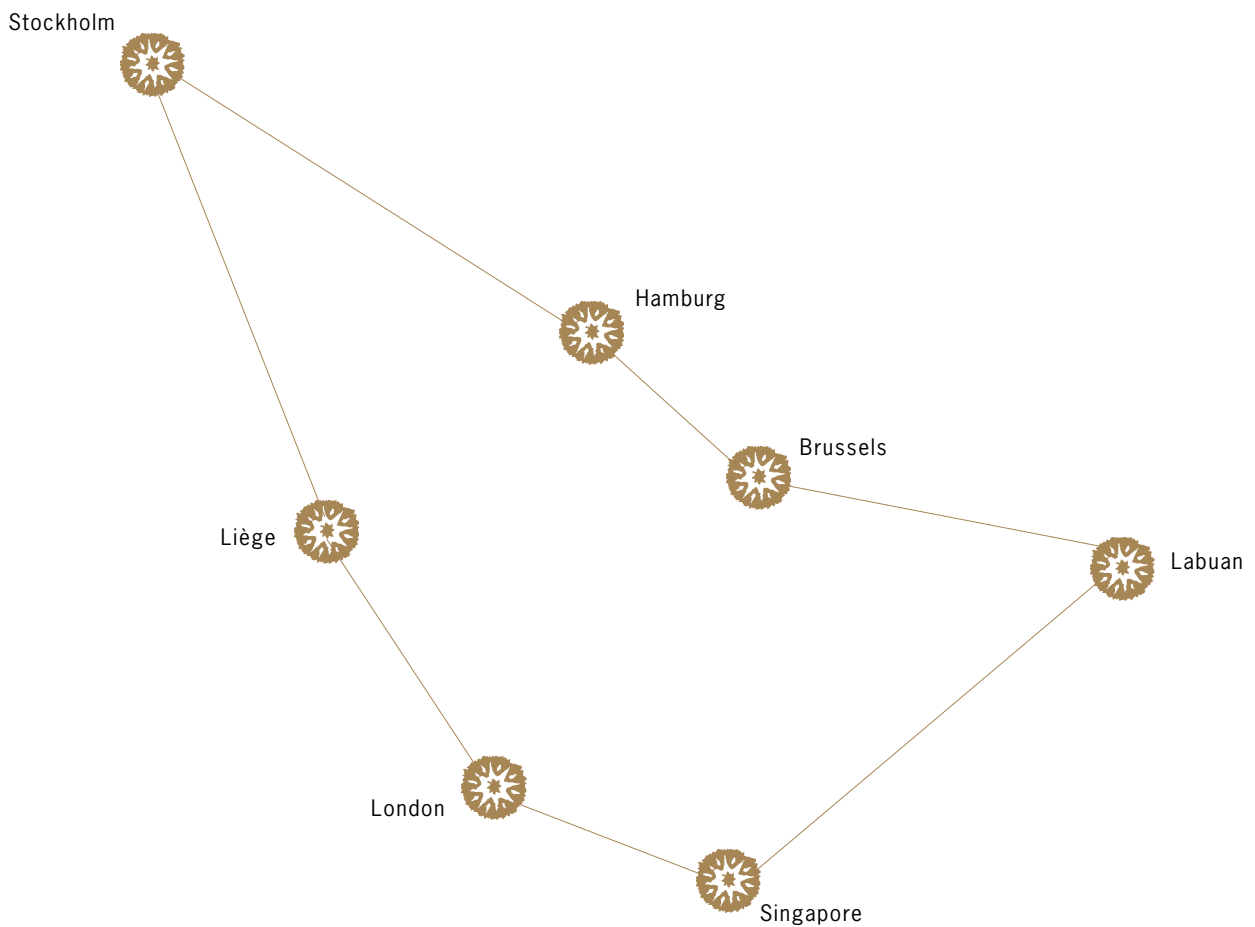
A platform for growth

By the end of 2000, for the first time since the mid-90s, we were able to sound a few cautious notes of optimism about market conditions. With the heavy losses experienced in December 1999 acting as a cata-

lyst, the 2000/2001 renewal season produced rate increases across the board.

It is too soon to be bullish about the global reinsurance market. Prices have fallen so far that there still needs to be a sizeable upward movement to become commercially viable in the long term. The signs are that rates continue to move in the right direction, as indicated by the further hardening of retrocession rates.

The past few years have provided a strong platform for profitable growth. Sirius International has more customers, more products and a better profile than ever. Through our new branches in Belgium and Singapore, we have a more extensive global reach. The hope now is that market conditions will allow us to put these strengths to even better effect.





SCANDINAVIAN RE

The year 2000 was “the best of times, the worst of times”. It was another record year, albeit not one that we wish to repeat in its entirety.

Our twelfth year of operation saw record growth of both premiums and contracts. Premiums Earned doubled from \$171 million in 1999 to \$341 million in 2000. Fees Earned saw a 57% increase to \$13.6 million. Our market position was

further strengthened when Standard & Poor’s increased our rating to AA- (very strong) and A.M. Best to A+ (superior).

The premium growth came mainly from our discounted guaranteed cost business segment. This business covers the retained limits, or exposure buyback, of the Workers’ Compensation and General Liability coverages of U.S. Fortune 1000 corporations. Our solutions assist those

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corporations with their insurance cost budgeting and frequently accelerate tax deductions of premiums. They also provide their insurers with surplus relief. In most cases, losses are both stable and predictable.

We also experienced growth in our Aggregate Excess of Loss/Stop Loss business, particularly for U.S. insurance and reinsurance companies. These solutions add substantial value to managements that wish to control loss ratios and protect shareholder values against loss development and deterioration.

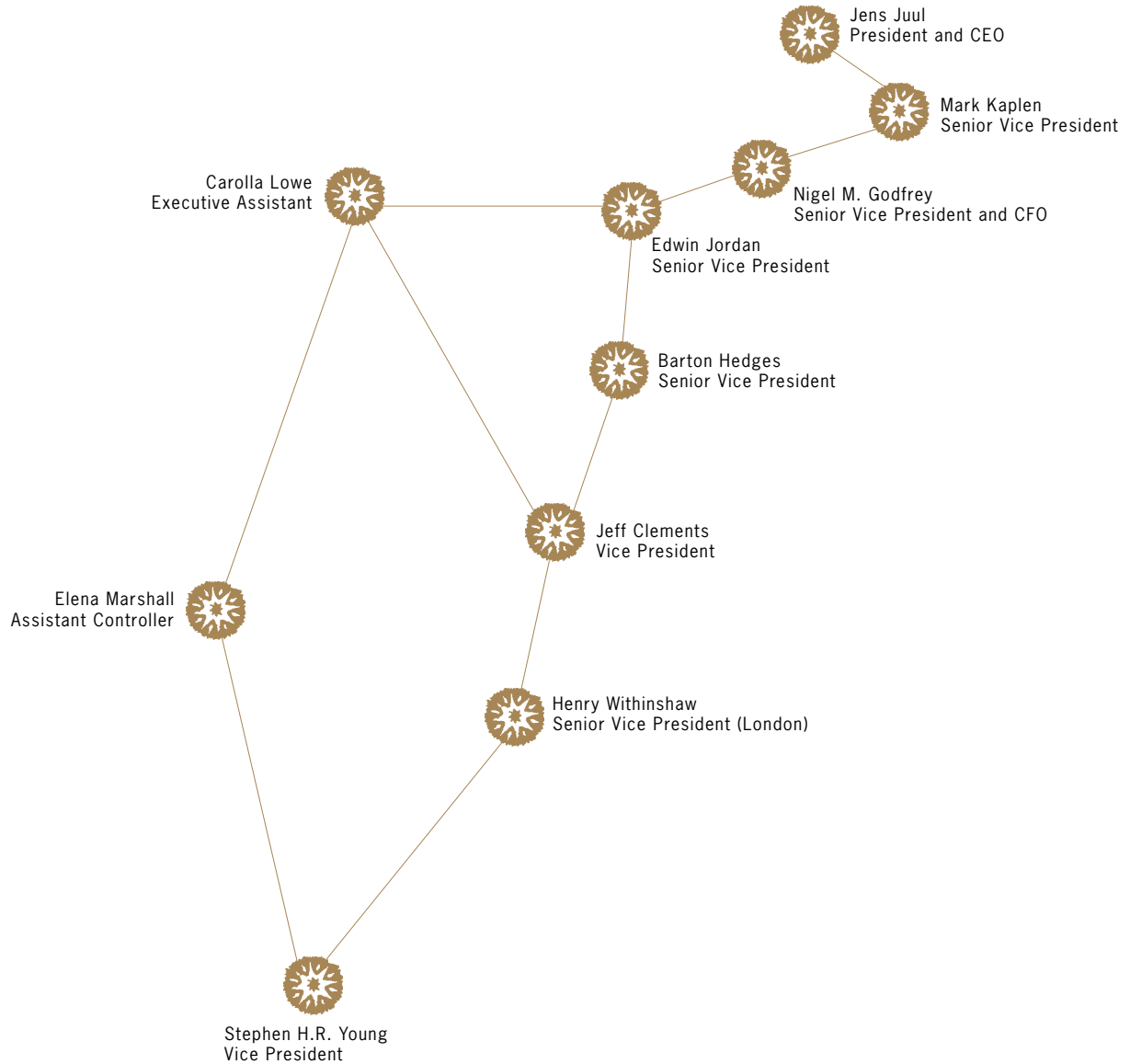
Our fee business benefited both from the continued success of our Lloyd's Dollar Trust Fund product and from a surge in successful loss portfolio transfer activity. We expect to see a further increase in loss portfolio transfer activity as the results of the recent "soft market" years will need to be recognized and ring fenced.

We have in the past warned about the possibility of a rogue year. After eleven years of uninterrupted and growing underwriting profits, it is extraordinarily painful to have to report an underwriting loss for 2000. While our combined ratio is only 105%, and therefore easily one of the lowest in the industry, it is a good 15 points above our eleven-year average.

A major part of the underwriting loss stemmed from syndicates at Lloyd's, where the three-year final accounting lag creates opportunities for reporting delays. We were especially hurt by one syndicate, under an aggregate excess of loss structure, where the renewal information bore little resemblance to the final results of prior years.

Scandinavian Re has always pursued a very conservative investment strategy, mainly investing in U.S. Government securities. Our net investment income

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including capital gains, was \$26.5 million, a 2.5% reduction from the previous year. Shareholders' Equity increased to \$322.4 million while assets grew 50% to total \$1,778 million.

Scandinavian Re's position in the finite risk market remains strong and focused. We have seen tremendous growth over the last few years. The acceptability of our

tailor-made solutions widens yearly and the dependability of our service and execution makes us a favoured market.

The combination of excellent pedigree, top rated security and experienced and creative people make Scandinavian Re ideally placed to continue to deliver innovative, cost-effective solutions on a global basis.

A night cityscape with a large full moon in the sky and a tall skyscraper in the center. The scene is dominated by a large, bright full moon in the upper right quadrant. Below it, a tall, slender skyscraper stands prominently, its windows glowing with light. The surrounding city is filled with other buildings of varying heights, all illuminated from within, creating a dense pattern of lights against the dark night sky. In the foreground, there are some lower-rise buildings and trees, also lit up. The overall color palette is a mix of deep blues, greys, and the warm white and yellow lights of the city.

FINANCIAL RISKS

Sirius' Financial Risks unit has been trading in the boundaries between insurance, reinsurance and banking since the mid-80s operating out of offices in Stockholm, Zurich and, most recently, also in London.

Our hallmarks include a high level of technical and financial sophistication, combined with excellent security, flexibility and a practical ability to respond to the customer's needs.

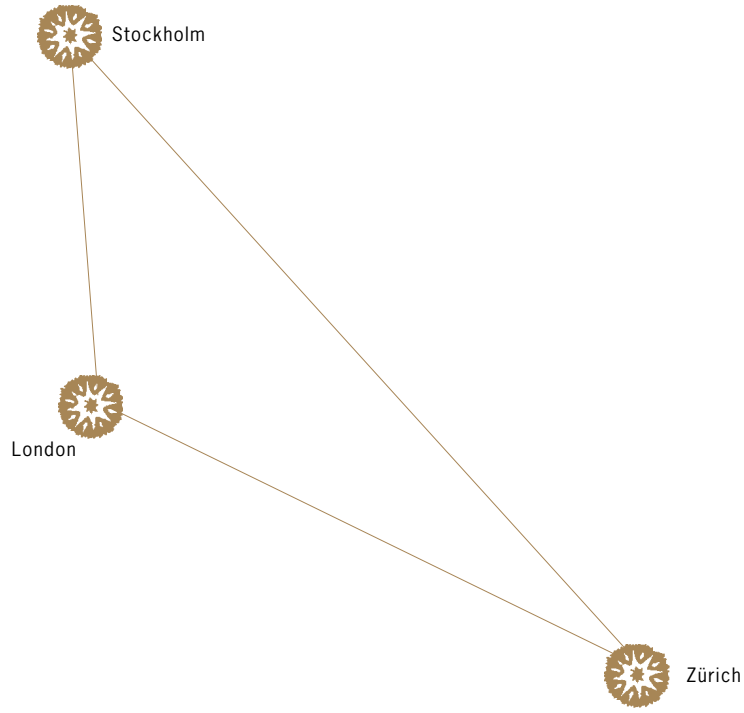
We apply Alternative Risk Transfer (ART) techniques to our core areas: Bonds & Guarantees; Trade Credit & Political Risks; Project Insurance; Credit & Capital

Market Insurance; Special Risks; Captive Products; and ART Reinsurance Products.

During 2000 we achieved a sixth successive record year with an increase of insurance operating result of more than 50%. Premiums held to the exceptional levels posted in 1999.

Of even greater long-term importance, we entered new geographical markets, reaching out to new customers. Although most of our customers are based in Europe, we have started to develop an increasingly international book among larger industrials, banks and financial institutions.

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Combining to create new products

Our field of work demands innovation, and this year we developed a series of products that combine different types of risks and techniques into single, multi-disciplinary packages. Many of these involve Trade Credit and Credit & Capital Market risks – products in the cross-over between the capital and insurance markets.

In our never-ending quest to find new ways to meet our customers’ needs, we have worked increasingly with other parts of the financial services division of our parent company, ABB, taking advantage of their skills and market presence. This sharing of knowledge, together with our own extensive in-house experience, has enabled us to offer new products, structured to provide clients with a quality and

flexibility of cover that would have previously been either impossible or impractical.

London – a new market presence

During 2000 one of London’s foremost Trade Credit & Political Risks teams joined Sirius International from Limit Underwriting at Lloyd’s, adding further to our expertise and extending our international reach. As well as increasing our presence in London, our new colleagues are working with the rest of the group to provide the multi-disciplinary solutions that our clients to a greater extent require.

Making our products more accessible

This year we made a number of changes to realign our products and solutions as closely as possible with the needs of our

customers. We also completed an internal reorganisation into units that better reflect our different types of products. We hope that, as a result, we are easier for our clients and potential clients to understand, and so more accessible. Some highlights:

Our **Credit & Capital Market** team reported increasing demand from financial institutions customers, who want to manage their credit risk positions and balance sheets more actively. We are pleased to meet the requirements of very demanding customers, who come from an increasingly diverse international spread. We are able to use the strengths and skills of the ABB Financial Services organisation to offer seamless solutions.

In the “new economy”, business practices change and new channels, trading platforms and marketplaces evolve. By pitching our combined resources at these challenges, we have structured new products that directly help our customers realise their business goals. There has been particular demand for counterparty risk cover in markets and trading places, and catastrophe commodity and price risk cover has also been well used.

Trade Credit & Political Risks is another growing area, driven to a significant degree by the shifting trade patterns that result from privatisation. Customers want to supplement their traditional protection with cover for counterparty risk, as they trade with companies where previously they would have dealt with government institutions.

Sirius International has for several years been helping clients develop **Captive** insurance companies as financial tools. During 2000, we completed a number of “cross-over” solutions for captives involving

Trade Credit & Political Risks, exploiting our ability to offer customers a multi-disciplinary approach.

Our **Project Insurance** area continues to develop structured covers for infrastructure projects and financed projects. Some of these covers have been highly complex and ground-breaking, and we have been pleased to introduce our services to a number of new customers.

The **Bonds & Guarantees** portfolio was refocused during the year, as we concentrated on our larger facilities and guarantees.

Within **Special Risks** the main activity has been in the structuring and execution of energy-related and residual value insurances.

The **ART Reinsurance** team achieved another year of steady volume and profits, while also helping the rest of the division service its customers.

Changing with our customers

Financial Risks never stand still. We serve a market where needs and opportunities change continuously, and we thrive on exploring and developing new solutions.

2000 was a year when we strengthened our market position still further, gaining new customers and colleagues, adding to our substantial knowledge. The strengthening of the Sirius Group’s security rating, to AA- from an already excellent A+, and the increasingly productive co-operation with other ABB Financial Services companies, added to our competitive position. The expectations of our customers rise all the time, and we are pleased to meet the challenge.

A surreal, monochromatic blue-toned image. In the foreground, a cable-stayed bridge with multiple tall, lattice-structured pylons stands on a body of water. The bridge's cables are visible, fanning out from the pylons. In the sky, a massive, detailed moon dominates the left side. To the right, three smaller, realistic Earths are scattered across the sky. The overall atmosphere is dreamlike and futuristic.

INVESTMENTS

...underline the need for caution and flexibility, which lie at the heart of our investment strategy.

In the last annual report we warned that 1999 was likely to prove exceptional, and that such favourable investment conditions would not be repeated on a regular basis. Last year was indeed much tougher, and there was a resulting fall in our investment result, which nonetheless was highly satisfactory and exceeded the levels of all other previous years.

International slowdown

At the start of 2000 most large economies

continued on an upward trend, but growth rates started to fall during the third quarter, led by a drop in US economic expansion. Even Euroland and the UK showed signs of a slowdown, while the recovery in Japan remained in doubt.

These trends were reflected in stock prices. IT-related shares were affected more than most, with the NASDAQ losing close to 40 %. Most of the other main markets retreated by 10-15 % over the year.

Global short-term interest rates went

higher during the first half of the year led by increases in the Fed funds rate. The European Central Bank continued to raise rates also in the autumn. Long-term interest rates dropped significantly during the year, except in Japan where rates were flat at around 1 %. In Sweden, the Riksbank raised interest rates twice during 2000, by a total of 75 basis points to 4 %. Swedish long-term interest rates followed international patterns, and the ten-year spread compared to Germany fell from 30 basis points to zero.

Equity portfolios

At the beginning of the year, we cut back our investment in Swedish equities and realised capital gains on our portfolio of unlisted equity investments. Our medium-term goal, however, is for an increase in the percentage of funds invested in equities, and we made some additions to the portfolio towards the end of the year.

We increased the total limit for private equity funds to SEK 1,200 million and committed a total of SEK 360 million to new funds. We raised the benchmark for equities in the Swedish balanced portfolio to 12.5 %, and we invested a total of SEK 70 million in three equity hedge funds.

The proportion of our funds in equities ended the year slightly higher, at around 15 %. Although we intend to increase our investments in equities further, we will only do so when we feel the time and the opportunity are right.

Fixed interest securities

Benefiting from lower interest rates, our bond portfolios had a successful year. The US portfolio grew by 12 %, 2 percentage

points better than benchmark. Our eurobond and SEK portfolios recorded returns of 6 %, and 7 % respectively, in line with their benchmark. As before, our fixed income investments have, with very few exceptions, a credit rating of at least AA.

Return on investments

The year-end market value of investment assets amounted to SEK 12,644 million (1999: SEK 11,156 million); US\$ 1,328 million (1999: US\$ 1,312 million); of which 85 % was in fixed income securities and 15 % were in shares.

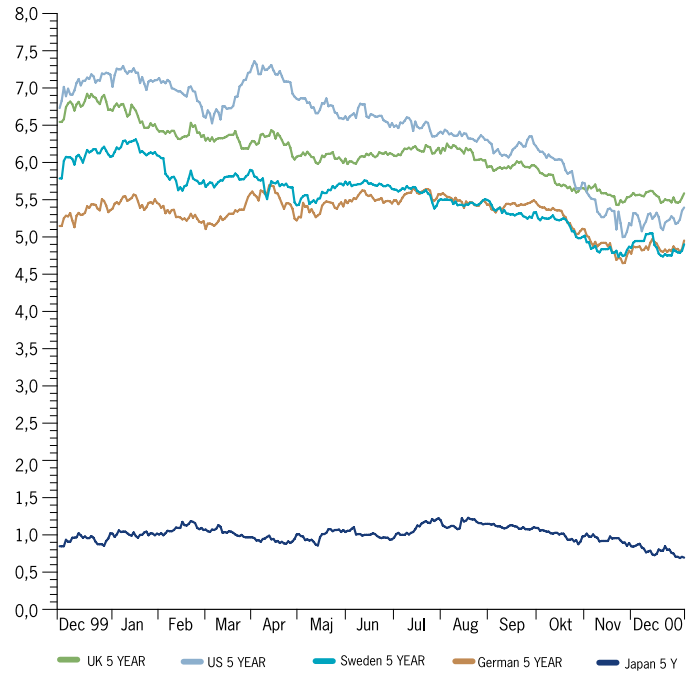
The total return on investment assets based on market values was 9.2 % for the parent company and 9.8 % on a consolidated basis. This is about 1 percentage point better than the market indices against which Sirius measures its investment performance.

Gross investment income amounted to SEK 862 million (1999: SEK 1,132 million); US\$ 93 million (1999: US\$ 136 million). After SEK 246 million (1999: SEK 114 million); US\$ 27 million (1999: US\$ 14 million) in allocated interest to insurance operations, net investment income was SEK 616 million (1999: SEK 1,018 million); US\$ 67 million (1999: US\$ 123 million).

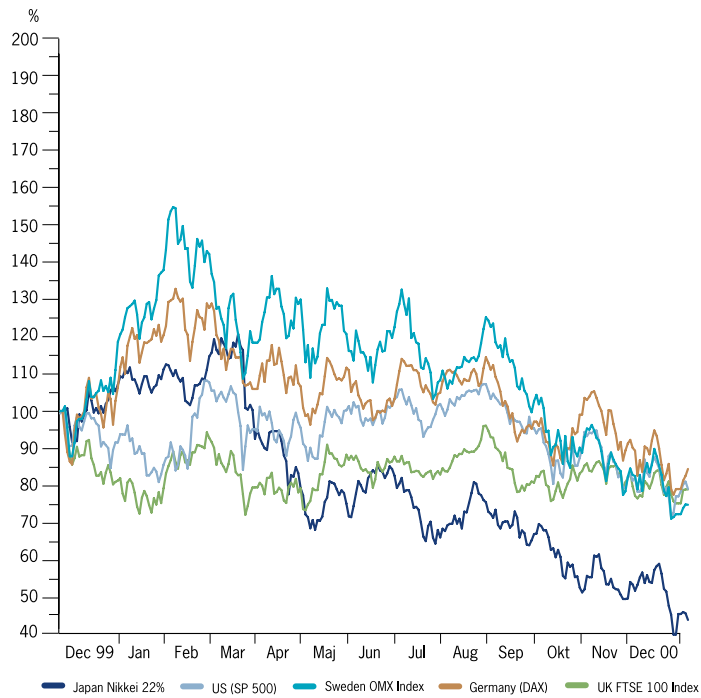
Caution in an uncertain world

After a testing year, 2001 is likely to see continued uncertainty in the world economy, as the US seeks to achieve a soft landing following years of high growth. At the present time a recession cannot be ruled out. This prospect serves to underline the need for caution and flexibility, which lie at the heart of our investment strategy.

LONG-TERM INTEREST RATES 2000

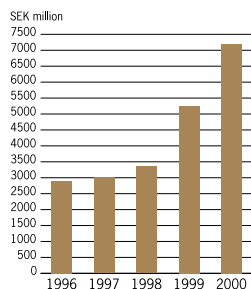


EQUITY MARKETS 2000

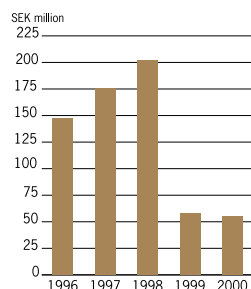


Financial Highlights

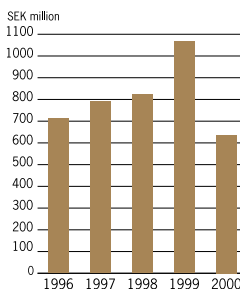
GROSS PREMIUMS Consolidated



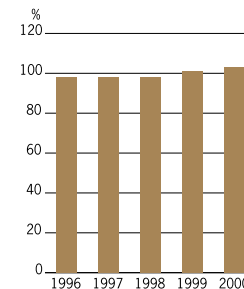
INSURANCE OPERATING RESULT Consolidated



INCOME BEFORE TAX Consolidated



COMBINED RATIO Consolidated



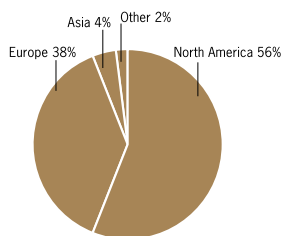
FIVE-YEAR SUMMARY – CONSOLIDATED

SEK million	2000	1999	1998	1997	1996
Net premium income	6 023	4 029	2 964	2 746	2 680
Net premiums earned	6 007	3 754	3 021	2 776	2 615
Other technical income	125	71	42	45	30
Allocated interest	246	114	135	113	94
Net claims incurred	-4 932	-2 046	-1 863	-1 591	-1 516
Net operating expenses	-1 391	-1 835	-1 134	-1 167	-1 077
Insurance operating result	55	58	202	176	147
Investment operating result	616	1 018	631	621	566
Other expenses	-34	-10	-9	-6	0
Net income for the year	522	781	584	575	524
Net technical provisions	9 593	6 667	4 212	3 974	3 586
Market value on investment assets	18 384	18 806	15 351	13 789	11 740
Insurance operating result					
Claims ratio	80%	53%	61%	57%	58%
Cost ratio	23%	48%	37%	41%	40%
Combined ratio	103%	101%	98%	98%	98%
Investment result					
Investment yield	5%	4%	5%	5%	6%
Total yield	8%	4%	8%	7%	11%
Solvency capital					
Shareholders' equity	8 001	6 826	5 898	5 417	5 053
Deferred tax on untaxed reserves	2 253	1 901	1 714	1 622	1 543
Deferred tax other	-43	-52	58		
Deferred tax on reserve for unrealised capital gains	94	129	33	40	31
Excess values on investment assets					
– Other investment assets	83	-145	512	330	353
Total solvency capital	10 388	8 659	8 215	7 409	6 980
Solvency ratio	172%	215%	277%	270%	261%

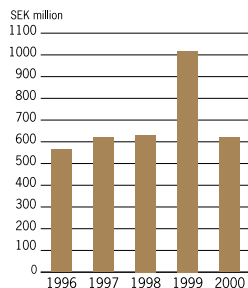
FIVE-YEAR SUMMARY – PARENT COMPANY

SEK million	2000	1999	1998	1997	1996
Net premium income	2 767	2 656	2 419	2 442	2 390
Net premiums earned	2 854	2 327	2 471	2 454	2 326
Allocated interest	232	91	124	105	90
Net claims incurred	-1 807	-1 531	-1 638	-1 518	-1 432
Net operating expenses	-1 073	-871	-810	-919	-880
Insurance operating result	206	16	148	122	104
Investment operating result	380	958	741	691	671
Other expenses	-452	-8	-9	-6	0
Net income for the year	-95	215	6	0	127
Net technical provisions	4 907	4 178	3 473	3 257	2 838
Market value on investment assets	13 668	12 116	10 805	10 012	8 841
Insurance operating result					
Claims ratio	63%	66%	66%	62%	61%
Cost ratio	38%	37%	33%	38%	38%
Combined ratio	101%	103%	99%	100%	99%
Investment result					
Investment yield	5%	5%	6%	6%	7%
Total yield	7%	6%	10%	8%	11%
Solvency capital					
Shareholders' equity	1 022	1 117	902	896	896
Deferred tax on reserve for unrealised capital gains	95	113	26	36	27
Untaxed reserves	8 048	7 174	6 449	5 819	5 538
Excess values on investment assets					
– Other investment assets	44	-8	434	312	355
Total solvency capital	9 209	8 396	7 811	7 063	6 816
Solvency ratio	333%	316%	323%	289%	285%

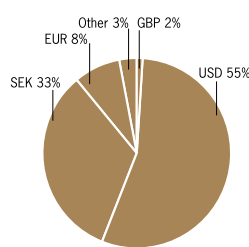
GEOGRAPHICAL SPLIT OF GROSS PREMIUM INCOME Consolidated



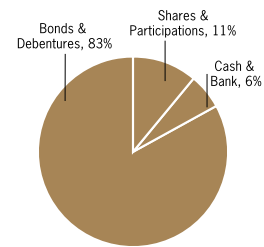
NET INVESTMENT OPERATING RESULT after allocated interest to insurance, Consolidated



INVESTMENT MIX BY CURRENCY Consolidated



INVESTMENT MIX Consolidated





The ABB Group

ABB (www.abb.com) serves manufacturing, process and consumer industries, utilities, the oil and gas sector and infrastructure markets, with 160,000 employees in more than 100 countries.

ABB Group Reports

The ABB Group publishes the Group Annual Report in English, German and Swedish. The English-language version is binding. ABB also issues quarterly financial results in April, July and October. All figures shown for the ABB Group are in U.S. dollars. ABB also publishes annual sustainability and technology reports. For a copy of these reports, please contact ABB Corporate Communications at the address

stated below, or download the reports from www.abb.com.

ABB Ltd
Corporate Communications
P.O. Box 8131
CH-8050 Zurich
Switzerland
Phone +41 1 317 7111
Telefax +41 1 317 7958

Ownership structure

Sirius International Insurance Corporation (publ) is a wholly owned subsidiary of ABB Financial Services within the ABB Group.

ABB Ltd, in Zurich, Switzerland, is the holding company of the international ABB Group.

ABB Financial Services

ABB Financial Services creates value for its customers with innovative financial solutions in structured finance, leasing, project development, financial consulting, insurance and treasury activities. With operations in every major market of the world, ABB Financial Services offers an unequalled breadth and depth of both financial and industrial expertise. It consists of four business areas which, with the exception of Insurance, are described below:

Structured Finance

Acts as financial adviser and provides loans for infrastructure and industrial projects. The loans are often structured as trade, export or limited recourse project financing or countertrade.

Equity Ventures

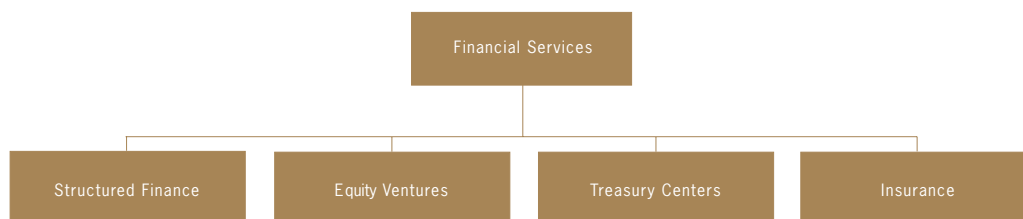
Initiates, develops and finances infrastructure projects, in particular independent

power projects. The business area invests equity in the projects and manages the portfolio of equity investments.

Treasury Centers

Manages ABB Group liquid assets, executes foreign exchange transactions, borrows funds and takes positions in foreign exchange and interest markets within approved limits. Business unit Financial Energy offers risk management solutions using energy-related financial instruments.

Financial Consulting provides consulting services to a broad range of industries in the fields of financial strategy, treasury optimization, balance sheet management, risk management and energy.





Board of Directors' Report

Sirius International Insurance Corporation
(publ)
Organisation number: 516401-8136

Board of Directors' Report

Sirius International Insurance Corporation (publ) (Sirius International) is a wholly owned subsidiary of ABB Financial Services AB, which is owned by ABB AB. ABB AB is a subsidiary of ABB Norden Holding AB, which is owned by ABB Asea Brown Boveri Ltd., Switzerland.

The Board of Directors and the President of Sirius International hereby submit their annual report for 2000.

Group

The Group consists of Sirius International Insurance Corporation (publ), Scandinavian Reinsurance Company Ltd, Hamilton, Bermuda, Sirius Rückversicherungs Service GmbH, Hamburg, Germany (Sirius Rück), Sirius (UK) Insurance Ltd, London, Great Britain, Sirius Belgium Réassurances S.A., Liège, Belgium and Tre Kronor Kapital AB.

Sirius International has six offices outside Sweden. These are: the branch office in London – Sirius International Insurance Corporation (publ), UK branch; the branch office in Zurich, Switzerland - Sirius International Insurance Corporation, Stockholm, Zurich branch; the branch office in Singapore - Sirius International Insurance Corporation, Asia branch; the branch offices in Liège and Brussels, Belgium - Sirius International Insurance Corporation, Belgian branch; and in Hamburg, Germany. The operation in Germany is conducted through the agency Sirius Rück.

In January, all business was transferred from Sirius Belgium Réassurances S.A., Liège, Belgium, to the branch in Belgium; Sirius International Insurance Corporation, Belgian branch. As a consequence of this transfer the value of the share capital of Sirius Belgium Réassurances S.A., was depreciated in the parent company with SEK 428 million.

In order to further strengthen our services to our clients in Asia, a branch office was established in Labuan, Malaysia in August. The new branch office is operated by the branch office in Singapore.

In September Sirius (UK) Insurance Plc was reregistered from a public company to a private company, with the name changed to Sirius (UK) Insurance Ltd.

Operations

Sirius International was established in 1989. Insurance operations, however, commenced in 1945, in the Sirius Insurance Company Ltd. The reinsurance activities were transferred to Sirius International in 1989. Sirius International has been the parent company of the Sirius Group since 1992.

The group can report a satisfactory underwriting result, despite fierce competition and several years of falling premium rates. This factor was offset, to a large extent, by the absence of any major catastrophe losses during 2000. The overall group combined ratio for the year was 103%.

The new branches in Singapore and Belgium are already making a positive contribution, successfully integrating with the rest of the group as planned. For the

first time in its history Scandinavian Re recorded an underwriting loss, with a combined ratio of 105%. This was still significantly better than most of its competitors.

Gross premium income for the group amounted to SEK 7,197 million (1999: SEK 5,258 million) and premium income for own account amounted to SEK 6,023 million (1999: SEK 4,029 million). The insurance operating result amounts to a profit of SEK 55 million (1999: SEK 58 million).

The investment result was satisfactory when account is taken of the volatility on the world's stock exchanges during the year. The portfolio of special investments managed by Sirius International also performed very well. The fall in interest rates worldwide boosted the value of our bond portfolio, which exceeded its benchmarks and compensated for falling equity values. The investment result, after allocation of interest to the insurance operations, amounted to SEK 616 million (1999: SEK 1,018 million).

The result before appropriations and taxes amounted to SEK 637 million (1999: SEK 1,066 million). Total assets amount to SEK 31,156 million (1999: SEK 23,731 million).

The technical result as well as consolidation in respect of capital strength is shown in the five-year summary on pages 28-29.

In 1993 the company underwent a tax audit. As a consequence of this audit, the tax authorities have also challenged tax assessments for subsequent years. The raised tax assessments proposed were appealed to the County Administrative Court. During 1998 the Court passed judgement, eliminating some of the raised tax assessments. Sirius International appealed two of the cases that the County Administrative Court had failed to overturn to the Administrative Court of Appeal. During 2000 the Administrative Court of Appeal passed judgement whereby the company's interpretation did not win favour. As a result of this the company has paid the amounts in dispute in tax. One of the cases has been appealed to the Supreme Administrative Court.

Through the expansion of the group and increased international presence Sirius International expects to report positive insurance operating results in the years ahead. The diversified investment portfolio should contribute to a stable return on investment.

Results

The parent company reports a result for 2000 before appropriations and taxes of SEK 135 million (1999: SEK 967 million).

Net Income after tax amounts to SEK -95 million (1999: SEK 215 million).

The retained earnings of the group amounted 31 December 2000 to SEK 867 million.

Income Statement – Consolidated

SEK 000's	Note	2000	1999
TECHNICAL ACCOUNT FOR INSURANCE OPERATIONS			
Earned premiums, for own account			
Gross premium income	1	7,197,381	5,258,445
Ceded reinsurance premiums		-1,173,921	-1,229,137
Change in the gross provision for unearned premiums		-226,099	-342,994
Change in the provision for unearned premiums, reinsurers' share		209,053	67,333
Total earned premiums, for own account		6,006,414	3,753,647
Allocated investment return transferred from the non-technical account		246,060	113,549
Other technical income, for own account		125,401	71,508
Claims incurred, for own account			
Claims paid			
Gross amount		-3,892,505	-2,020,854
Reinsurers' share		966,347	447,371
Claims handling expenses		-10,653	-2,616
Claims paid, for own account		-2,936,811	-1,576,099
<i>Change in the provision for claims, for own account</i>			
Gross amount		-2,328,332	-1,214,679
Reinsurers' share		334,119	745,278
Change in other technical provisions, for own account			
Gross amount		-1,010	-17
Total claims incurred, for own account		-4,932,034	-2,045,517
Operating expenses	2	-1,391,123	-1,834,720
Operating profit/loss of technical account		54,718	58,467
NON-TECHNICAL ACCOUNT			
Balance of technical account		54,718	58,467
Investment income/expenses			
Investment income	3	1,139,358	919,346
Unrealised gains on investments	4	0	304,511
Investment expenses and charges	5	-276,924	-92,397
Investment income allocated to the technical account		-246,060	-113,549
Total investment income/expenses		616,374	1,017,911
Other expenses	6	-34,278	-10,143
Result before appropriations and taxes		636,814	1,066,235
Taxes	7	-114,956	-285,288
Net income for the year		521,858	780,947

Balance Sheet – Consolidated

December 31 (SEK 000's)	Note	2000	1999
ASSETS			
Intangible Assets			
Goodwill	8	549,481	568,104
Investment assets			
Land and buildings	9	16,877	20,046
<i>Investments in group companies and participating interests</i>			
Interest bearing investments in group companies	10	1,000,280	0
Total investments in group companies and participating interests		1,000,280	0
<i>Other financial investments</i>			
Shares and participations	11	2,001,408	1,973,063
Bonds and other interest bearing investments	12	9,559,657	9,310,259
Other financial assets	13	3,942,319	2,886,680
Total other financial investments		15,503,384	14,170,002
Deposits with cedants			
		747,805	3,315,335
Reinsurers' share of technical provisions			
Provision for unearned premiums	14	417,304	226,592
Claims outstanding		2,059,132	1,842,172
Total reinsurers' share of technical provisions		2,476,436	2,068,764
Debtors			
Debtors arising out of direct insurance operations	15	171,783	30,416
Debtors arising out of reinsurance operations		8,575,660	1,112,868
Other debtors	15	704,023	665,182
Total debtors		9,451,466	1,808,466
Other assets			
Tangible assets	16	16,816	19,349
Cash and bank balance		1,032,384	1,410,682
Total other assets		1,049,200	1,430,031
Prepayments and accrued income			
Accrued interest		322,720	329,353
Other prepayments and accrued income		38,967	20,920
Total prepayments and accrued income		361,687	350,273
Total assets		31,156,616	23,731,021

December 31
(SEK 000's)

Note

2000

1999

SHAREHOLDERS' EQUITY AND LIABILITIES**Shareholders' equity**

17

Share capital (8,000,000 shares of nom.value SEK 100)

800,000

800,000

Restricted reserves

5,704,789 *)

5,161,791 *)

*) of which, reserve for unrealised gains on investments 241,491 (331,829)

Retained earnings

973,959

82,944

Net income for the year

521,858

780,947

Total shareholders' equity

8,000,606

6,825,682

Technical provisions

Provisions for unearned premiums

18

1,654,625

1,369,467

Claims outstanding

18

10,411,615

7,354,989

Equalization provision

3,179

10,977

Total technical provisions

12,069,419

8,735,433

Provisions for other risks and expenses

Pension provisions

19

7,240

6,350

Taxation provisions

20

2,355,068

2,151,811

Total provisions for other risks and expenses

2,362,308

2,158,161

Deposits received from reinsurers

84,451

127,245

Creditors

Creditors arising out of direct insurance operations

21

181,424

123,947

Creditors arising out of reinsurance operations

7,763,819

3,961,086

Derivatives

0

44,972

Other creditors

21

648,291

1,709,247

Total creditors

8,593,534

5,839,252

Accrued expenses and deferred income

Other accrued expenses and deferred income

46,298

45,248

Total shareholders' equity and liabilities

31,156,616

23,731,021

Pledged assets

23

6,041,520

3,325,016

Accounting Principles

The annual accounts are prepared in accordance with the Annual Accounts Act, the Act on Annual Accounts for Insurance Companies (ÅRFL) and the Code of Statutes (1999:17) of the Swedish Financial Supervisory Authority, and in conformity with recommendation RR 1:00 of the Swedish Financial Accounting Standards Council. The accounting principles used in ABB are applied within the framework of these regulations.

Constitutionality

The Financial Statements are according to laws and directives cited above.

Principles of consolidation

The consolidated accounts comprise the Parent Company, Sirius International Insurance Corporation (publ), Scandinavian Reinsurance Company Ltd, Sirius Rückversicherungs Service GmbH, Sirius (UK) Insurance Ltd, Sirius Belgium Réassurances S.A., and Tre Kronor Kapital AB.

The consolidated accounts are prepared in accordance with purchase method.

The consolidated accounts and balance sheets of the Group's foreign companies are translated to Swedish kronor at average exchange rates for the year and year-end exchange rates, respectively. Translation differences are transferred directly to shareholders' equity.

Taxes

Taxes reported for the year in the consolidated accounts comprise taxes paid, deferred taxes on untaxed reserves and other timing differences. For companies in Sweden the income tax was 28% of the taxable income during the year. Untaxed reserves are stated as consisting of 28 % deferred tax and 72 % restricted equity. Deferred tax on the fund for unrealised capital gains is also calculated. In the accounts for the Parent Company only actual tax and deferred tax on the above mentioned fund is stated.

Goodwill

The goodwill arisen from the acquisition of Sirius Belgium Réassurances SA is depreciated according to plan. The depreciation is done over the estimated lifetime of 20 years. The earlier capitalised goodwill arising from the acquisition of the bulk of WASA International (UK) Insurance Company Ltd's business is depreciated according to plan. The depreciation is over the estimated lifetime of 10 years.

Translation of foreign currencies

Current accounting is stated in original currencies. Transactions in currencies other than the local currency are translated in accordance with the following principles: Income statement items are translated at the average exchange rate for the year and balance sheet items are valued at year-end exchange rates.

The following rates of exchange for the Swedish krona have been used for the most important currencies:

	Closing rate	Average rate
U.S. dollar	9.52	9.24
Euro	8.85	8.56
Pound sterling	14.18	13.95

Shareholdings in Group companies have been translated at the rate in effect on the date when an investment was made.

Valuation principles

Investment assets

- Buildings and land are valued at acquisition cost with the reduction of calculated depreciation.

Investment assets in Group companies are valued at acquisition cost.

- Shares and participations are valued at market.
- Bonds and other interest-bearing securities are valued at amortized cost.
- Other financial assets are valued at cost.
- Capital gains and losses on interest-bearing assets are valued in accordance with the FIFO

principle. Capital gains and losses on shares and participations are valued at average acquisition costs.

Investments in bonds and other interest-bearing securities are based on a long-term approach, in which the return that these instruments offer at date of investment is the decisive factor in making the investments. Therefore, accrued amortized cost most accurately reflects the value at which the assets should be stated. In the case of shares and participations with greater volatility and shorter investment horizons, market value offers the most accurate valuation principle.

Technical provisions

Technical provisions consist of provisions for unearned premiums and claims as well as the claims adjustment provisions. Provisions for unearned premiums and claims are calculated pro rata.

Calculation of the claims provision is based on available knowledge of individual claims and the trend of claims. In calculating these provisions, claims not yet reported and claims reported with insufficient amounts are taken into account. Actuarial methods have been used as a basis for calculating the amounts of the provisions.

Allocated interest to insurance operations

The investment income allocated to insurance operations is calculated using the net insurance liabilities as the base. Net receivables in insurance operations have been deducted from the base. This capital base is distributed by currency. The calculated yields for assets in various currencies have then been used to calculate the return on capital from insurance operations.

Capitalisation of acquisition costs

Because only a small amount of the acquisition costs could be capitalised due to the time lag in accounting for especially assumed reinsurance, Sirius International has elected not to capitalize any acquisition costs.

Premium Income

The bulk of the company's premium income consists of assumed reinsurance. For especially proportional reinsurance contracts there is a substantial timelag in the accounting as well as an uncertainty about the definitive premium income. For this reason the company has chosen to report as premium income only received accounted premium income. A cautious estimate of written not accounted for premium income is approx. SEK 500 million.

Reporting for Scandinavian Re in parent company accounts

In accordance with Swedish tax law, Scandinavian Re's income is taxed in Sweden. Accordingly, in order to be able to report a foreign subsidiary in the Parent Company's accounts, a line "Other expenses – Group company", has been inserted. Appropriations have then been made to the safety reserve for Scandinavian Re's result, based on the scope of the company's operations.

Sensitivity analyses

Insurance risks

Prior to the beginning of each fiscal year, the Board of Directors establishes the total maximum exposure allowable for each company in the group within the framework of the Company's Articles of Association. Various claim scenarios have been identified for reinsurance assumed. These scenarios are projected monthly, based on the current portfolio. In the credit insurance sector, the Board has established the maximum exposure for various types of insurance.

In the case of large individual commitments, such as liability for claims resulting from a nuclear disaster, a maximum claim limit has been set.

Ceded reinsurance is utilised in order to increase the capacity as well as to balance the incoming portfolio and thus avoid fluctuations in the result.

Through an active selection of reinsurers, the reinsurance risk is limited.

The reserving risk is controlled through actuarial analysis of our portfolio.

Foreign currency

When calculating the net exposure in foreign currencies, market values of all investment assets are adopted. As of December 31 2000, the net foreign currency exposure, translated to Swedish kronor, was as follows:

U.S. dollar	Plus	SEK 60 million
Euro	Plus	SEK 25 million
Pound sterling	Plus	SEK 2 million

The translation difference in the consolidated financial statement, which is included in shareholders' equity, amounted to SEK 185 million.

Interest-rate risk

Fixed-interest-rate periods and duration (expressed in years)

	2000			1999		
	Amount SEK 000's	Fixed rate period (years)	Dura- tion	Amount SEK 000's	Fixed rate period (years)	Dura- tion
Interest-bearing securities,						
Group companies	1,000,280	2.5	2.5	0	0	0
Bonds and other interest-bearing securities						
SEK (note 12)	3,411,248	0.1-6.3	2.4	3,982,295	0.1-6.3	2.4
USD (note 12)	4,884,452	0.1-19.6	4.0	4,165,783	0.1-19.6	4.0
DEM (note 12)	32,989	0.5-8.5	2.6	345,173	0.5-8.5	2.6
EUR (note 12)	1,092,709	1.1-9.25	4.0	457,923	1.1-9.25	4.0
GBP (note 12)	138,259	0.0-7.2	2.8	159,531	0.0-7.2	2.8
Other (notes 12 & 13)	3,942,319	0.1-11.7	n.a.	3,086,234	0.1-11.7	n.a.
	14,502,256			12,196,939		

The sensitivity to a change of one percentage point in interest rates is estimated to amount to SEK 354 million.

Credit risk

Based on the classification used by Standard & Poor's, the credit risk in the portfolio of interest-bearing securities was as follows in 2000 and 1999:

Credit risk in SEK 000's			
Interest-bearing securities		2000	1999
SEK	AAA	3,232,205	0
	AA	1,101,924	3,722,454
	Other	77,399	259,841
USD	AAA	3,863,479	3,800,426
	AA	939,115	319,358
	Other	4,025,177	2,882,393
DEM	AAA	32,989	177,441
	AA	0	93,283
	Other	0	74,449
EUR	AAA	583,198	225,708
	AA	509,511	96,965
	Other	0	135,249
GBP	AAA	44,844	118,088
	AA	93,415	41,444
	Other	0	0
Other currencies	AAA	0	99,206
	AA	0	110,976
	Other	0	39,654
Grand Total	AAA	7,756,714	4,420,872
Grand Total	AA	2,642,965	4,384,480
Grand Total	Other	4,102,576	3,391,587
Total		14,502,256	12,196,939

(Notes 10, 12, 13)

Sirius International's policy is to invest only in investments with a rating of at least AA or equivalent.

The investments under Other Assets are deposits under insurance policies where the insured bears the credit risk.

Derivatives

The Sirius Group is exposed to the movements of a large number of currencies in relation to the Swedish krona. Currency forward contracts are used to reduce this exposure and to deal with the cash flow in various currencies.

Interest-rate futures are employed to adapt interest-rate risks over the full yield curve. In addition, stock index futures and stock futures are used to hedge the risk in stock prices.

Currency risk, interest-rate risk and stock-price risk are measured and evaluated continuously by Sirius' investment managers, as well as by Sirius, to ensure that risk limits are not exceeded. All derivatives are marked to market.

Notes to the Financial Statements

Analysis of Consolidated Insurance Result (SEK 000's)

	TOTAL		DIRECT INSURANCE			ASSUMED REINSURANCE	
	SWEDEN	Industrial fire & allied risks	Marine	Aviation	Credit	FOREIGN	
I) Notes to Analysis of Consolidated Insurance Result – Technical account							
Premiums earned, for own account	6,006,414	7,068	9,633	0	185,014	282,576	5,522,123
Allocated investment return transferred from the non-technical account	246,060	194	32	0	5,690	20,496	219,648
Other technical income, for own account	125,401	0	0	0	0	0	125,401
Claims incurred, own account	-4,932,034	-2,727	-563	0	-49,064	-85,291	-4,794,389
Operating expenses	-1,391,123	-253	407	0	-192,260	-113,066	-1,085,951
Operating profit/loss of technical account	54,718	4,282	9,509	0	-50,620	104,715	-13,168
II) Notes to Analysis of Consolidated Insurance Result – Technical provisions							
Provisions for unearned premiums	-1,654,625	-226,268	-1,975	0	-506,031	-57,494	-862,857
Provisions for outstanding claims	-10,411,615	-124,329	-5,397	-501	-126,545	-195,221	-9,959,622
Equalization provision	-3,179	0	0	0	-4,191	0	1,012
Total technical provisions	-12,069,419	-350,597	-7,372	-501	-636,767	-252,715	-10,821,467
III) Notes to Analysis of Consolidated Insurance Result – Reinsurers' share of technical provisions							
Provisions for unearned premiums	417,304	211,794	0	0	172,489	17,762	15,259
Provisions for outstanding claims	2,059,132	123,400	4,834	501	12,885	89,374	1,828,138
Total Reinsurers' share of technical provisions	2,476,436	335,194	4,834	501	185,374	107,136	1,843,397
IV) Notes to Analysis of Consolidated Insurance Result – Premiums earned, for own account							
Gross premium income	7,197,381	242,882	20,593	0	146,961	528,290	6,258,655
Ceded premiums	-1,173,921	-239,497	-10,352	0	-68,245	-238,324	-617,503
Change in the gross provision for premiums	-226,099	-87,347	-608	0	-32,457	4,490	-110,177
Change in the gross provision for premiums, reinsurers' share	209,053	91,030	0	0	138,755	-11,880	-8,852
Total Premiums earned, for own account	6,006,414	7,068	9,633	0	185,014	282,576	5,522,123
V) Notes to Analysis of Consolidated Insurance Result – Claims incurred, for own account							
Claims paid	-3,892,505	-38,679	0	0	-4,059	-364,670	-3,485,097
Claims handling expense	-10,653	0	0	0	0	0	-10,653
Ceded claims paid	966,347	36,470	0	0	2,702	174,746	752,429
Change in gross provision for claims	-2,328,332	-105,203	-563	0	-39,042	33,501	-2,217,025
Change in provision for claims, reinsurers' share	334,119	104,685	0	0	-8,665	71,132	166,967
Change in other technical provisions, for own account	-1,010	0	0	0	0	0	-1,010
Total Claims incurred, for own account	-4,932,034	-2,727	-563	0	-49,064	-85,291	-4,794,389

Note 1 • Gross Premium Income

	2000	1999
Sweden	410,436	300,485
Other EEA countries	81,044	58,994
Other countries	447,246	224,770
Total gross income, direct insurance	938,726	584,249
Assumed reinsurance	6,258,655	4,674,196
Total Gross Premium Income	7,197,381	5,258,445

Note 2 • Operating Expenses

2000	Acquisition Costs	Administrative Expenses	Total
Commissions and profit commissions on assumed reinsurance	-1,235,152	0	-1,235,152
Depreciation of fixed assets*)	-5,075	-4,648	-9,723
Other operating expenses*)	-116,037	-120,558	-236,595
Commissions and profit commissions on ceded reinsurance	90,347	0	90,347
Total Operating Expenses	-1,265,917	-125,206	-1,391,123

1999	Acquisition Costs	Administrative Expenses	Total
Commissions and profit commissions on assumed reinsurance	-1,680,108	0	-1,680,108
Depreciation of fixed assets*)	-3,721	-4,654	-8,375
Other operating expenses*)	-65,383	-135,062	-200,445
Commissions and profit commissions on ceded reinsurance	54,208	0	54,208
Total Operating Expenses	-1,695,004	-139,716	-1,834,720

*) Note 23

Note 3 • Investment Income

	2000	1999
<i>Dividend income from</i>		
Other	24,936	14,872
<i>Interest income</i>		
Bonds and other interest bearing securities – group companies	4,901	0
Bonds and other interest bearing securities – other	583,345	484,338
Other interest income – group companies	8,094	7,935
– other	25,905	17,513
Other financial income	33,531	0
<i>Capital gains on sales of investments, net</i>		
Shares and participations	390,243	225,771
Interest bearing securities	68,403	168,917
Total investment income	1,139,358	919,346

Note 4 • Unrealised Gains on Investments

	2000	1999
Shares and participations	0	304,511
Total unrealised gains on investments	0	304,511

Note 5 • Investment Expenses

	2000	1999
Operating expenses	-61,779	-47,535
Net deficit on real estate	0	-320
<i>Interest expenses</i>		
Other interest expenses – group companies	0	-1,146
Other interest expenses	-17,005	-5,151
<i>Depreciation of</i>		
Land and buildings	-1,555	-70
Capital losses on foreign exchange, net	-9,751	-38,175
<i>Unrealised losses on investment</i>		
Shares and participations	-186,834	0
Total investment expenses	-276,924	-92,397

Note 6 • Other Expenses

	2000	1999
Goodwill depreciation	-34,278	-10,143
Total other expenses	-34,278	-10,143

Note 7 • Tax

	2000	1999
Current tax	-10,197	-241
Provisions for disputed tax	17,936	-15,385
Deferred tax	-114,378	-269,662
Other tax	-8,317	0
Total tax	-114,956	-285,288

Note 8 • Intangible Assets

	2000	1999
<i>Goodwill</i>		
Acquisition cost	609,586	593,532
Depreciation according to plan	-60,105	-25,428
Total Goodwill	549,481	568,104

Note 9 • Land and Buildings

	2000	1999
<i>Land and buildings</i>		
Acquisition cost	46,276	46,923
Accumulated depreciation	-29,399	-26,877
Book value land and buildings	16,877	20,046

Buildings abroad are depreciated at an annual rate of 5% of acquisition cost and buildings in Sweden with 2%. The value of land and buildings for Swedish taxation purposes is 332 (332) and 1,028 (720) respectively.

Note 10 • Interest-bearing Investments – Group Companies

	2000	1999
	Cost value	Cost value
Other Swedish issuers	1,000,280	0
Total Interest Bearing Investments – Group Companies	1,000,280	0

Note 11 • Shares and Participations

Security	Currency	Number	Cost Value (SEK)	Market value (SEK)
ABB	SEK	10 605	7 060 483	10 276 245
Abelbaker	SEK	250 000	1 500 000	1 500 000
Active Power Inc.	USD	5 250	1 886 314	1 096 148
Actuate Corp.	USD	4 100	834 517	746 291
Adcore	SEK	18 700	985 820	538 560
Administaff Inc	USD	8 500	2 404 813	2 200 446
Advanced Fibre Communication	USD	4 550	1 307 554	782 211
Alligon B	SEK	16 250	1 152 899	1 365 000
Amsurg Corp. - Class A	USD	4 400	715 397	1 020 752
Apria Healthcare Group Inc.	USD	3 300	742 397	934 381
Arena Pharmaceuticals Inc.	USD	5 750	1 302 538	848 247
Aspen Technology Inc	USD	3 800	1 656 726	1 202 536
Aspeon Inc.	USD	5 700	1 476 674	81 375
Assa Abloy	SEK	80 088	10 655 997	14 776 236
Astacaratene	SEK	14 286	2 000 040	571 440

Security	Currency	Number	Cost Value (SEK)	Market value (SEK)
AstraZeneca	SEK	58 769	20 289 792	27 621 430
Atlas Copco A	SEK	3 450	768 260	712 425
Atlas Copco B	SEK	24 970	5 079 152	4 931 575
Autoliv SDB	SEK	24 650	6 105 285	3 648 200
Barnes & Noble Inc.	USD	5 911	1 542 357	1 490 835
Boston Communications Group	USD	1 850	424 273	490 806
Bright Horizons Family Solutions	USD	6 000	1 577 458	1 491 868
Brüker Daltonics Inc.	USD	10 600	2 018 047	2 377 115
C & D Technologies Inc.	USD	1 500	795 140	616 556
C Technologies	SEK	14 140	1 795 074	1 635 210
California Pizza Kitchen Inc.	USD	6 000	1 265 609	1 613 216
Caliper Technologies	USD	2 800	1 155 343	1 252 503
Capona	SEK	98 000	5 063 624	5 635 000
Capstone Turbine Corp.	USD	4 200	1 007 614	1 119 258
Castellum	SEK	50 000	3 680 513	5 200 000
C-Bridge Internet Solutions	USD	12 400	2 262 824	460 974
Cheesecake Factory	USD	1 800	742 015	657 421
Ciphergen Biosystems	USD	5 500	1 628 377	693 588
Computer Learning Centers	USD	778	0	1 155
Computer Network Tech Group	USD	6 100	1 728 459	1 672 760
Copart Inc	USD	5 900	647 429	1 207 295
Corinthian Colleges Inc.	USD	5 000	1 551 191	1 805 351
Corio Inc.	USD	8 300	1 583 634	162 967
Corporate Executive Brd Co	USD	1 900	228 412	719 091
Coventry Healthcare Care Inc.	USD	8 900	1 552 055	2 260 585
Cytec Corp	USD	1 700	818 171	1 012 254
Descartes Systems Group Inc.	USD	10 900	3 180 494	2 489 778
Deutsche Bank Aktien	EUR	2 070	308 073	1 639 308
Deutsche Telekom AG Aktien	EUR	172	22 401	48 846
DiamondCluster Int'l, Inc.	USD	4 606	876 141	1 337 047
Discovery Partners Int'l	USD	5 700	980 498	657 778
Documentum Inc	USD	3 100	1 017 505	1 465 992
Drott B	SEK	318 410	22 883 005	41 393 300
Dynacare Inc.	USD	8 500	831 740	879 774
Ebenx Inc.	USD	5 900	1 751 486	379 034
Eclipsys Corp.	USD	5 900	1 154 087	1 375 755
Electrolux B	SEK	45 400	5 894 893	5 561 500
Embarcadero Technologies Inc.	USD	3 100	746 213	1 327 691
Entrust Technologies Inc.	USD	10 000	2 145 811	1 237 275
Ericsson B	SEK	1 191 732	98 399 356	128 111 190
Esselte A	SEK	2 000	255 597	96 000
Esselte B	SEK	20 300	2 089 968	958 160
EXE Technologies	USD	18 000	1 863 496	2 227 095
Exfo Electro-Optical Engineering Inc.	USD	2 000	643 946	497 289
F.Y.I. Inc	USD	2 400	728 089	842 299
Forrester Research Inc.	USD	1 925	948 121	917 204
Frontec	SEK	17 650	1 613 313	497 730
FöreningsSparbanken A	SEK	88 125	10 238 485	12 734 063
Gambro A	SEK	42 820	3 872 634	2 933 170
Greater Bay Bancorp	USD	2 500	828 320	975 544
Hall, Kinion & Assoc.	USD	5 800	1 409 552	1 110 930
Heidrick & Struggles Int'l	USD	1 500	861 929	600 495
Hennes & Mauritz B	SEK	100 720	15 962 424	14 705 120
HI/FN Inc	USD	2 500	1 554 563	654 328
Hibbett Sporting	USD	2 800	769 623	959 364
Hufvudstaden A	SEK	215 500	6 342 768	6 680 500
Höganäs B	SEK	21 450	3 691 145	2 970 825
IDX Systems Corp	USD	6 150	1 606 542	1 463 316
I-Many Inc.	USD	7 500	724 282	887 804
Imclone Systems	USD	3 500	1 317 125	1 465 695
Intenia	SEK	23 160	4 376 448	1 968 600

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Security	Currency	Number	Cost Value (SEK)	Market value (SEK)	Security	Currency	Number	Cost Value (SEK)	Market value (SEK)
Inverness Medical Technology	USD	3 300	785 194	1 222 955	RSA Security Inc	USD	2 900	947 837	1 459 390
Investor B	SEK	35 400	4 697 260	4 991 400	Saba Software Inc.	USD	10 800	1 957 429	1 618 927
Invitrogen Corp	USD	4 350	1 991 004	3 576 022	Salem Communications- CL A	USD	5 700	608 682	810 383
Ixia	USD	2 900	653 682	631 367	Sandvik	SEK	13 750	3 051 135	3 121 250
JM B	SEK	273 600	36 405 628	57 182 400	Sapa	SEK	63 150	8 769 118	8 714 700
Jobline	SEK	50 000	3 166 005	695 000	SCA B	SEK	35 650	5 971 671	7 147 825
Kinnevik B	SEK	20 780	4 509 978	3 761 180	Scania B	SEK	5 900	1 496 814	1 239 000
Learning Tree	USD	3 500	1 612 967	1 648 907	Scholastic Corp	USD	1 100	766 873	927 837
Lexent Inc.	USD	8 150	1 761 176	1 328 346	SEB A	SEK	241 520	20 223 792	25 118 080
LGP Telecom	SEK	47 000	6 346 594	10 951 000	SEB Asienfond	SEK	5 900 869	51 345 268	56 648 339
Lindex	SEK	28 250	5 869 932	3 940 875	SEB Hedgefond equities	SEK	818 191	50 000 000	48 795 979
Living Questions AB	SEK	25 000	2 000 000	2 000 000	SEB Lux Capital Selection				
Ljungbergs	SEK	367 744	26 179 612	70 606 848	Fund	XEU	23 359	187 736 707	267 114 114
Luminex Corporation	USD	2 900	801 854	719 358	SEB Lux Emerging Europe				
Management Network					Guaranteed Fund	SEK	28 000	27 934 854	27 934 854
Group Inc.	USD	8 918	1 776 508	1 007 915	SEB Lux Greater China				
Manhattan Associates Inc	USD	3 400	609 564	1 379 324	Guaranteed Fund	SEK	24 900	24 899 968	24 899 968
Manugistics Group Inc	USD	4 900	1 074 946	2 658 238	SEB Nordamerika Chans/				
Maxim	SEK	3 600	1 645 306	217 800	Risk Fond	USD	8 671 159	96 964 041	131 243 888
Mediaplex Inc.	USD	10 100	2 210 983	78 151	SEB Sverige Småbolagsfond	SEK	691 350	6 699 855	8 939 160
Medicines Company	USD	2 800	827 229	546 305	Siemens Aktien	EUR	2 600	402 798	3 065 199
Medivir	SEK	15 000	884 114	1 800 000	Sigma	SEK	10 000	2 144 280	2 225 000
Metro A	SEK	33 234	2 879 259	2 359 614	Signon	SEK	20 000	901 800	660 000
Metro B	SEK	65 146	5 873 603	5 602 556	Skandia	SEK	122 300	15 541 699	18 773 050
Micronic Laser Systems	SEK	14 001	2 497 401	3 906 279	Skanditek	SEK	23 600	1 350 412	991 200
Mid Atlantic Med Svc Inc.	USD	10 900	1 708 350	2 055 364	Skanska B	SEK	10 460	3 410 808	4 079 400
M-Systems Flash Ltd.	USD	6 200	1 652 490	822 431	Skanska Köp Option	SEK	13 000	193 148	188 500
MTG B	SEK	39 980	7 621 654	9 995 000	Skillsoft Corporation	USD	8 700	1 477 962	1 552 542
Nat'l Data Corp	USD	2 300	573 733	801 730	Sonicwall Inc.	USD	8 700	1 123 686	1 345 537
NCC B	SEK	100 000	9 063 179	6 900 000	Southwest Bancorp of Texas	USD	601	227 538	245 606
NCO Group Inc	USD	3 000	767 038	867 282	SSAB A	SEK	50 850	5 148 645	4 576 500
Netcom B	SEK	23 250	8 695 040	9 114 000	Stanford Microdevices Inc.	USD	1 700	612 449	582 471
Netegrity Inc	USD	3 650	1 592 375	1 888 926	Stancycle Inc.	USD	2 650	670 034	961 565
New Focus Inc.	USD	9 300	2 905 078	3 075 818	Stora Enso R	SEK	42 100	4 100 242	4 694 150
Nokia	SEK	56 720	11 757 331	23 538 800	Stratos Lightwave Inc.	USD	900	221 242	146 827
Nordea	SEK	223 600	11 719 538	15 987 400	Swedeponic	SEK	1 731	4 630 425	1 076 682
NPS Pharmaceuticals Inc.	USD	3 700	1 655 082	1 690 308	Symyx Technologies Inc.	USD	4 800	1 344 991	1 644 624
Oak Technologies	USD	3 500	835 186	289 408	Syngenta	SEK	1 326	44 567	670 956
Oblipar	EUR	5 066	114 300 968	114 300 968	Teletech Holdings Inc	USD	9 000	1 093 164	1 573 957
OM Gruppen	SEK	4 250	2 031 057	990 250	Telia	SEK	186 500	14 681 118	9 045 250
On Assignment Inc.	USD	5 500	1 615 769	1 491 868	Tornet	SEK	112 000	12 680 512	17 024 000
OTG Software Inc.	USD	8 200	1 918 017	1 259 700	UTI Worldwide Inc.	USD	5 300	809 293	1 015 160
Palio AG	CHF	50 000	13 489 750	13 489 750	Wallenstam B	SEK	21 800	1 332 595	1 417 000
Pandox	SEK	250 000	17 180 548	24 000 000	Varian Medical Systems Inc.	USD	3 200	1 626 920	2 069 120
Panera Bread Company					Waste Connections	USD	6 600	1 675 567	2 076 837
Class A	USD	3 600	716 541	781 625	Vastera Inc.	USD	9 100	1 368 863	1 385 748
Peco II Inc.	USD	3 800	881 019	935 808	Watchguard Technologies Inc.	USD	2 000	756 641	601 982
Pediatric Medical Group Inc.	USD	6 500	1 301 484	1 488 627	WebTrends Corp	USD	8 400	2 161 843	2 313 466
Peregrine Systems Inc.	USD	3 600	1 408 070	676 694	Vertex Interactive Inc.	USD	7 500	575 668	446 133
Performance Food Group Co.	USD	1 800	786 264	878 257	West Corp.	USD	7 300	1 749 661	1 954 062
Pharmacia Corp.	SEK	12 232	5 064 177	7 008 936	Whole Foods Market Inc	USD	2 800	1 515 578	1 628 920
Powerwave Technologies Inc	USD	2 500	1 139 730	1 391 934	Wihlborgs B	SEK	1 436 000	15 738 182	18 668 000
Predictive Systems Inc.	USD	8 300	1 966 302	565 290	Viking Telecom	SEK	10 000	270 405	325 000
Priority Healthcare Corp-B	USD	3 400	525 542	1 320 672	Virage Inc.	USD	5 600	760 032	286 477
Prosofttraining.com	USD	6 800	876 295	784 718	Virage Logic Corp.	USD	25 550	3 333 437	3 647 582
Province Healthcare Corp	USD	10 700	2 931 112	4 009 842	Viryant Ltd.	USD	22 000	1 673 897	536 654
Radio One Inc.	USD	1 900	248 805	193 274	WJ Communications Inc.	USD	4 700	818 381	637 435
Radio One Inc. Non Vot Class D	USD	3 500	467 425	366 424	Volvo A	SEK	31 400	7 625 195	4 867 000
Radware Ltd.	USD	10 675	3 100 666	1 714 488	Volvo B	SEK	93 550	17 111 334	14 640 575
Rehabcare Group Inc.	USD	2 400	682 871	1 173 508					
Remec Inc.	USD	5 300	785 525	485 511	Total			1 278 145 172	1 542 920 154
Renal Care Group	USD	4 800	1 164 685	1 252 742	Other shares & participations	Mix		479 543 191	458 487 846
Respironics Inc.	USD	3 200	795 270	867 996	Total shares & participations			1 757 688 363	2 001 408 000
					of which, listed			1 278 145 172	1 542 920 154

Note 12 • Bonds and Other Interest-bearing Investments

	2000		1999	
	Amortised Cost	Market Value	Amortised Cost	Market Value
Swedish government	3,554,821	3,563,299	3,668,387	3,686,962
Swedish mortgage institutions	15,616	16,193	414,828	412,442
Foreign governments	5,316,911	5,377,077	4,070,677	3,942,347
Other foreign issuers	672,309	685,920	1,156,367	1,139,552
Total bonds and other interest-bearing investments	9,559,657	9,642,489	9,310,259	9,181,303
of which listed	9,392,340	9,473,753	8,366,378	8,266,825

Remaining amount to be amortised according to the amortised cost principle

	2000	1999
Total positive amount	596,019	335,721
Total negative amount	674,801	244,282

Note 13 • Other Financial Assets

	2000 Cost Value	1999 Cost Value
Other Financial Assets	3,942,319	2,886,680
which are directly related to insurance operations TSEK 3,853,220 (2,886,680)		

Note 14 • Reinsurers' Share of Technical Provisions

	2000	1999
<i>Provisions for unearned premiums</i>		
Opening balance	226,592	96,161
Portfolio transfer	-28,124	64,047
Change in provision	209,053	67,333
Capital gains/losses on foreign exchange	9,783	-949
Closing balance	417,304	226,592

Provisions for outstanding claims

	2000	Incurring and reported claims	Incurring, but not reported claims (I.B.N.R.)	Total
Opening balance	1,603,975	238,197	1,842,172	
Portfolio transfer	-216,732	-4,867	-221,599	
Change in provision	180,794	153,325	334,119	
Capital gains/losses on foreign exchange	85,245	19,195	104,440	
Closing balance	1,653,282	405,850	2,059,132	
1999		Incurring and reported claims	Incurring, but not reported claims (I.B.N.R.)	Total
Opening balance	271,584	159,665	431,249	
Portfolio transfer	674,338	12,329	686,667	
Change in provision	675,169	70,109	745,278	
Capital gains/losses on foreign exchange	-17,116	-3,906	-21,022	
Closing balance	1,603,975	238,197	1,842,172	

Note 15 • Debtors

	2000	1999
<i>Debtors arising out of direct insurance</i>		
Amounts due from policyholders	141,895	11,295
Amounts due from intermediaries	29,888	19,121
Total debtors arising out of direct insurance	171,783	30,416
Other debtors*)	704,023	665,182
Total other debtors	704,023	665,182

*) of which, group companies 650,000 (100,000)

Note 16 • Other Assets

	2000	1999
<i>Fixed assets</i>		
Acquisition cost	82,661	127,114
Accumulated depreciation	-65,845	-107,765
Book value	16,816	19,349
Machinery, equipment etc excluding IT equipment is depreciated at an annual rate of 20% of acquisition cost. IT equipment is depreciated at an annual rate of 33% of acquisition cost.		
<i>Cash and bank</i>		
Cash pool	47,003	64,371
Other cash and bank	985,381	1,346,311
Total cash and bank balance	1,032,384	1,410,682

Note 17 • Shareholders' Equity

2000	Share capital	Restricted reserves	Retained earnings	Net income for the year	Total Shareholders' equity
Opening balance	800,000	5,161,791 ^{*)}	82,944	780,947 ^{**)}	6,825,682
Transfer of result from previous year	0	0	780,947	-780,947	0
Transfer from reserve for unrealised capital gains	0	-90,337	90,337	0	0
Transfer to restricted reserves	0	539,649	-539,649	0	0
Translation difference	0	93,686	91,066	0	184,752
Received group contribution	0	0	468,314	0	468,314
Net income for the year	0	0	0	521,858	521,858
Closing balance	800,000	5,704,789^{*)}	973,959	521,858^{**)}	8,000,606

^{*)} whereof reserve for unrealised capital gains 241,491 (331,829)

^{**)} to be transferred to restricted reserves 628,494

Note 18 • Technical Provisions

Provisions for unearned premiums	2000	1999
Opening balance	1,369,467	869,325
Portfolio transfer	-28,124	151,928
Change in provision	226,099	342,994
Capital gains/losses on foreign exchange	87,183	5,220
Closing balance	1,654,625	1,369,467

Note 19 • Pension Provisions

	2000	1999
Pension provisions	7,240	6,350
Total pension provisions	7,240	6,350

Note 20 • Provisions for Tax

2000	Incurring and reported claims	Incurring, but not reported claims (I.B.N.R.)	Total
Opening balance	4,398,803	2,956,186	7,354,989
Portfolio Transfer	-86,166	-4,867	-91,033
Reclassification of financial liabilities	0	182,978	182,978
Change in provision	-411,524	2,739,855	2,328,331
Capital gains/losses on foreign exchange	254,197	382,153	636,350
Closing balance	4,155,310	6,256,305	10,411,615

Note 20 • Provisions for Tax

	2000	1999
Current tax	9,615	0
Provision for disputed tax	41,293	173,131
Deferred tax on		
- untaxed reserves	2,253,400	1,901,273
- reserve for unrealised capital gains	94,029	129,147
- other	-43,269	-51,740
Total provisions for tax	2,355,068	2,151,811

1999	Incurring and reported claims	Incurring, but not reported claims (I.B.N.R.)	Total
Opening balance	2,193,911	1,672,810	3,866,721
Portfolio Transfer	1,521,409	614,990	2,136,399
Reclassification of financial liabilities	0	55,742	55,742
Change in provision	668,120	546,559	1,214,679
Capital gains/losses on foreign exchange	15,363	66,085	81,448
Closing balance	4,398,803	2,956,186	7,354,989

For Scandinavian Re a portion of insurance reserves is shown on a discounted basis, which estimates the present value of funds required to pay losses at future dates. The reserves are discounted where anticipated future investment income is an integral part of the premium pricing for a particular product. The effect of the discounting is to decrease outstanding losses and loss adjustment expenses by US\$ 223 million at December 31, 2000 (1999: US\$ 65 million).

Note 21 • Creditors arising out of direct insurance

	2000	1999
Amounts due to policy holders	179,512	34,791
Amounts due to intermediaries	1,912	89,156
Total creditors arising out of direct insurance	181,424	123,947
Other creditors	648,291	1,709,247
whereof group companies 2,595 (1,041,925)		

Note 23 • Pledged Assets

	2000	1999
Bonds & debentures	3,437,829	1,015,735
Other financial assets	2,560,208	2,292,605
Accrued interest	12,416	12,416
Cash and bank	31,067	4,260
Total pledged assets	6,041,520	3,325,016

Note 22 • Employees, Administrative expenses and the Allocations

	2000	1999
Average number of employees		
Sweden	80	82
Germany	6	6
Belgium	65	5
Bermuda	9	9
United Kingdom	26	26
Switzerland	4	4
Singapore	11	5
of which		
female	103	77
male	98	60
Total number of employees	201	137

Administrative expenses and the allocations**Personnel expenses**

Salaries and compensations	-107,558	-103,316
of which, to the Parent Company's Board of Directors, President and Executive Vice President	-4,930	-4,165
Social security costs	-24,112	-21,848
Pension expenses	-12,013	-19,818
of which, to the Board of Directors, the President and the Executive Vice President	-576	-804
Other personnel expenses	-13,042	-15,519
Total personnel expenses and other remunerations	-156,725	-160,501

Upon termination initiated by the company, the President is entitled to severance pay equal to one years' salary.

Other operating expenses

Rent	-20,522	-15,814
Depreciation	-9,723	-8,375
Other administrative expenses	-82,257	-35,063
Total other operating expenses	-112,502	-59,252

Total administrative expenses

	-269,227	-219,753
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Allocated administrative expenses

Claims handling expenses	-10,653	-2,080
Investment expenses note 5	-12,256	-8,853
Acquisition cost note 2	-121,112	-69,104
Total allocated administrative expenses	-144,021	-80,037

Total administrative expenses after the allocations note 2

	-125,206	-139,716
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Income Statement – Parent Company

SEK 000's	Note	2000	1999
TECHNICAL ACCOUNT FOR INSURANCE OPERATIONS			
<i>Earned premiums, for own account</i>			
Gross premium income	1	3,962,251	3,885,807
Ceded reinsurance premiums		-1,195,328	-1,229,926
Change in the gross provision for unearned premiums		-143,817	-438,060
Change in the provision for unearned premiums, reinsurers' share		230,460	109,117
Total earned premiums, for own account		2,853,566	2,326,938
Allocated investment return transferred from the non-technical account		232,199	90,894
<i>Claims incurred, for own account</i>			
Claims paid			
Gross amount		-2,153,320	-1,813,419
Reinsurers' share		824,825	232,319
Claims handling expenses	24	-10,653	-2,080
Claims paid, for own account		-1,339,148	-1,583,180
<i>Change in the provision for claims, for own account</i>			
Gross amount		-942,320	-874,501
Reinsurers' share		475,641	926,713
<i>Change in other technical provisions, for own account</i>			
Gross amount		-1,010	-17
Total claims incurred, for own account		1,806,837	-1,530,985
Operating expenses	2	-1,072,575	-870,927
Operating profit/loss of technical account		206,353	15,920

SEK 000's	Note	2000	1999
NON-TECHNICAL ACCOUNT			
Balance of technical account		206,353	15,920
Investment income/expenses			
Investment income	3	1,007,233	846,526
Unrealised gains on investments	4	0	272,645
Investment expenses and charges	5	-394,658	-69,860
Investment income allocated to technical account		-232,199	-90,894
Total investment income/expenses		380,376	958,417
Other expenses	6	-451,991	-7,643
Result before appropriations and taxes		134,738	966,694
Appropriations	7	-263,509	-649,512
Taxes	8	34,067	-102,561
Net income for the year		-94,704	214,621

Balance Sheet – Parent Company

December 31 (SEK 000's)	Note	2000	1999
ASSETS			
<i>Intangible Assets</i>			
Goodwill	9	241,749	125,317
Investment assets			
Land and buildings	10	16,877	3,130
<i>Investments in group companies and participating interests</i>			
Shares and participations	11	2,559,848	2,987,700
Interest-bearing investments in group companies	12	1,000,280	0
Accrued income from group companies		533,598	537,935
Total investments in group companies and participating interests		4,093,726	3,525,635
<i>Other financial investments</i>			
Shares and participations	13	1,765,085	1,631,759
Bonds and other interest-bearing investments	14	6,100,839	5,030,853
Other financial assets	15	149,790	53,442
Total other financial investments		8,015,714	6,716,054
Deposits with cedents		1,134,339	1,562,791
<i>Reinsurers' share of technical provisions</i>			
Provision for unearned premiums	16	417,304	205,867
Claims outstanding		2,059,132	1,702,656
Total reinsurers' share of technical provisions		2,476,436	1,908,523
<i>Debtors</i>			
Debtors arising out of direct insurance operations	17	171,783	30,416
Debtors arising out of reinsurance operations		350,734	339,913
Other debtors	17	748,797	742,758
Total debtors		1,271,314	1,113,087
<i>Other assets</i>			
Tangible assets	18	15,022	10,962
Cash and bank balance		362,682	315,676
Total other assets		377,704	326,638
<i>Prepayments and accrued income</i>			
Accrued interest		248,284	247,244
Other prepayments and accrued income		2,647	10
Total prepayments and accrued income		250,931	247,254
Total assets		17,878,790	15,528,429

December 31 (SEK 000's)	Note	2000	1999
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Share capital (8,000,000 shares of nom.value SEK 100)		800,000	800,000
Reserve for unrealised gains on investments		243,343	290,229
Retained earnings		73,010	-187,874
Net income for the year		-94,704	214,621
Total shareholders' equity		1,021,649	1,116,976
Untaxed reserves			
Excess depreciations on intangible assets		88,311	48,284
Safety reserve		8,047,858	7,174,376
Total untaxed reserves		8,136,169	7,222,660
Technical provisions			
Provisions for unearned premiums	20	1,479,437	1,276,976
Claims outstanding	20	5,895,942	4,797,549
Equalization provision		8,041	12,231
Total technical provisions		7,383,420	6,086,756
Provisions for other risks and expenses			
Taxation provisions	21	105,244	285,999
Total provisions for other risks and expenses		105,244	285,999
Deposits received from reinsurers		84,451	4,116
Creditors			
Creditors arising out of direct insurance operations	22	181,424	123,947
Creditors arising out of reinsurance operations		847,644	61,319
Derivatives		0	44,972
Other creditors	22	104,593	567,104
Total creditors		1,133,661	797,342
Accrued expenses and deferred income			
Other accrued expenses and deferred income		14,196	14,580
Total accrued expenses and deferred income		14,196	14,580
Total shareholders' equity and liabilities		17,878,790	15,528,429
Pledged assets	24	1,098,396	1,032,411

Notes to the Financial Statements

Analysis of Parent Company Insurance Result (SEK 000's)

	TOTAL	DIRECT INSURANCE				ASSUMED REINSURANCE	
		SWEDEN	Marine	Aviation	Credit	FOREIGN	
		Industrial fire & allied risks					
I) Notes to Analysis of Parent Company – Technical account							
Premiums earned, for own account	2,853,566	7,068	9,633	0	185,014	282,576	2,369,275
Allocated investment return transferred from the non-technical account	232,199	194	32	0	5,690	20,496	205,787
Claims incurred, own account	-1,806,837	-2,727	-563	0	-49,064	-85,291	-1,669,192
Operating expenses	-1,072,575	-253	407	0	-192,260	-113,066	-767,403
Operating profit/loss of technical account	206,353	4,282	9,509	0	-50,620	104,715	138,467
II) Notes to Analysis of Parent Company – Technical provisions							
Provisions for unearned premiums	-1,479,437	-226,268	-1,975	0	-506,031	-57,494	687,669
Provisions for outstanding claims	-5,895,942	-124,329	-5,397	-501	-126,545	-195,221	-5,443,949
Equalization provision	-8,041	0	0	0	-4,191	0	-3,850
Total technical provisions	-7,383,420	-350,597	-7,372	-501	-636,767	-252,715	-6,135,468
III) Notes to Analysis of Parent Company – Reinsurers' share of technical provisions							
Provisions for unearned premiums	417,304	211,794	0	0	172,489	17,762	15,259
Provisions for outstanding claims	2,059,132	123,400	4,834	501	12,885	89,374	1,828,138
Total reinsurers' share of technical provisions	2,476,436	335,194	4,834	501	185,374	107,136	1,843,397
IV) Notes to Analysis of Parent Company – Premiums earned, for own account							
Gross premium income	3,962,251	242,882	20,593	0	146,961	528,290	3,023,525
Ceded premiums	-1,195,328	-239,497	-10,352	0	-68,245	-238,324	-638,910
Change in the gross provision for premiums	-143,817	-87,347	-608	0	-32,457	4,490	-27,895
Change in the gross provision for premiums, reinsurers' share	230,460	91,030	0	0	138,755	-11,880	12,555
Total premiums earned, for own account	2,853,566	7,068	9,633	0	185,014	282,576	2,369,275
V) Notes to Analysis of Parent Company – Claims incurred, for own account							
Claims paid	-2,153,320	-38,679	0	0	-4,059	-364,670	-1,745,912
Claims handling expense	-10,653	0	0	0	0	0	-10,653
Ceded claims paid	824,825	36,470	0	0	2,702	174,746	610,907
Change in gross provision for claims	-942,320	-105,203	-563	0	-39,042	33,501	-831,013
Change in provision for claims, reinsurers' share	475,641	104,685	0	0	-8,665	71,132	308,489
Change in other technical provisions, gross amount	-1,010	0	0	0	0	0	-1,010
Total claims incurred, for own account	-1,806,837	-2,727	-563	0	-49,064	-85,291	-1,669,192

Note 1 • Gross Premium Income

	2000	1999
Sweden	410,436	300,485
Other EEA countries	81,044	58,994
Other countries	447,246	224,770
Total gross income, direct insurance	938,726	584,249
Assumed reinsurance	3,023,525	3,301,558
Total gross premium income	3,962,251	3,885,807

Note 2 • Total Operating Expenses

2000	Acquisition Costs	Administrative Expenses	Total
Commissions and profit commissions on assumed reinsurance	-960,813	0	-960,813
Depreciation of fixed assets*)	-4,815	-3,918	-8,733
Other operating expenses*)	-108,080	-85,296	-193,376
Commissions and profit commissions on ceded reinsurance	90,347	0	90,347
Total operating expenses	-983,361	-89,214	-1,072,575
1999	Acquisition Costs	Administrative Expenses	Total
Commissions and profit commissions on assumed reinsurance	-765,870	0	-765,870
Depreciation of fixed assets*)	-3,444	-3,107	-6,551
Other operating expenses*)	-77,921	-74,793	-152,714
Commissions and profit commissions on ceded reinsurance	54,208	0	54,208
Total operating expenses	-793,027	-77,900	-870,927

*) Note 24

Note 3 • Investment Income

	2000	1999
<i>Dividend income from</i>		
Sirius group companies	117,483	80,668
Other	24,832	14,774
Other accrued income – group companies	0	96,726
Other financial income	33,531	0
<i>Interest income</i>		
Bonds and other interest bearing securities – group companies	4,901	7,935
Bonds and other interest bearing securities – other	472,910	330,859
Other interest income		
– group companies	8,094	6
– other	25,780	17,504
<i>Recovered depreciation</i>		
Capital gains on foreign exchange, net	2,865	0
<i>Capital gains on sales of investments, net</i>		
Shares and participations*)	320,547	149,607
Interest bearing securities	-3,710	148,447
Total investment income	1,007,233	846,526

*) of which profit from sale of subsidiary O (76,839)

Note 4 • Unrealised Gains on Investments

	2000	1999
Shares and participations	0	272,645
Total unrealised gains on investments	0	272,645

Note 5 • Investment Expenses

	2000	1999
Operating expenses	-40,323	-33,294
<i>Interest expenses</i>		
Other interest expenses – group companies	-46,872	-1,146
Other interest expenses	-16,636	-4,996
Other expenses – group companies	-162,678	0
<i>Depreciation of</i>		
Land and buildings	-1,555	-70
Capital losses on foreign exchange, net	0	-30,354
Capital losses on sales of investments, net		
Shares and participations	-126,594	0
Total investment expenses	-394,658	-69,860

Note 6 • Other and Extraordinary Expenses

	2000	1999
Goodwill depreciation	-24,139	-7,643
Extraordinary expenses *)	-427,852	0
Total other expenses	-451,991	-7,643

*) Write down of shares in group companies due to restructuring TSEK 427,852.

Note 7 • Appropriations

	2000	1999
Excess depreciations on goodwill	-40,027	-24,592
Transfer to safety reserve	-873,482	-724,920
Group contribution, received	650,000	100,000
Total appropriations	-263,509	-649,512

Note 8 • Tax

	2000	1999
Current tax	0	-234
Provisions for disputed tax	17,936	-15,385
Deferred tax	18,233	-86,942
Other tax	-2,102	0
Total tax	34,067	-102,561

Note 9 • Intangible Assets

	2000	1999
Goodwill		
Acquisition cost	265,888	148,245
Depreciation according to plan	-24,139	-22,928
Total Goodwill	241,749	125,317

Note 10 • Land and Buildings

	2000	1999
<i>Land and buildings</i>		
Acquisition cost	46,276	3,770
Accumulated depreciation	-29,399	-640
Book value land and buildings	16,877	3,130

Other fixed assets are depreciated at an annual rate of 2% of acquisition cost. The value of land and buildings for Swedish taxation purposes is 332 (332) and 1,028 (720) respectively.

Note 11 • Shares and Participations in Group Companies

	2000	1999
Sirius Rückversicherungs Service GmbH, Hamburg 1 share nom.value DEM 100,000 (100% ownership)	1,231	1,231
Sirius (UK) Insurance Ltd, London 26.000.000 shares nom. value 26.000 TGBP (100% ownership)	398,692	398,692
Tre Kronor Kapital AB, Stockholm 1000 shares nom. value 100 TSEK (100% ownership)	108	108
Sirius Belgium Réassurances S.A., Liège, Belgium share capital total 1,100,000 BEF of 700,000 shares without nom. value (100% ownership)	495,009	922,861
Scandinavian Reinsurance Company Ltd., Bermuda 50,000 shares nom.value USD 50,000,000 1,000 preference shares nom. value USD 50,000,000 (100% ownership)	1,664,808	1,664,808
Total shares and participations in group companies	2,559,848	2,987,700

Note 12 • Interest-bearing Investments – Group Companies

	2000	1999
	Cost Value	Cost Value
Other Swedish issuers	1,000,280	0
Total interest-bearing investments – group companies	1,000,280	0

Note 13 • Shares and Participations

Security	Currency	Number	Cost Value (SEK)	Market value (SEK)
ABB	SEK	10 605	7 060 483	10 276 245
Abelbaker	SEK	250 000	1 500 000	1 500 000
Adcore	SEK	18 700	985 820	538 560
Allgon B	SEK	16 250	1 152 899	1 365 000
Assa Abloy	SEK	80 088	10 655 997	14 776 236
Astacrotene	SEK	14 286	2 000 040	571 440
AstraZeneca	SEK	58 769	20 289 792	27 621 430
Atlas Copco A	SEK	3 450	768 260	712 425
Atlas Copco B	SEK	24 970	5 079 152	4 931 575
Autoliv SDB	SEK	24 650	6 105 285	3 648 200
C Technologies	SEK	14 140	1 795 074	1 435 210
Capona	SEK	98 000	5 063 624	5 635 000
Castellum	SEK	50 000	3 680 513	5 200 000
Drott B	SEK	318 410	22 883 005	41 393 300
Electrolux B	SEK	45 400	5 894 893	5 561 500
Ericsson B	SEK	1 191 732	98 399 356	128 111 190
Esselte A	SEK	2 000	255 597	96 000
Esselte B	SEK	20 300	2 089 968	958 160
Frontec	SEK	17 650	1 613 313	497 730

Security	Currency	Number	Cost Value (SEK)	Market value (SEK)	Security	Currency	Number	Cost Value (SEK)	Market value (SEK)
Förenings sparbanken A	SEK	88 125	10 238 485	12 734 063	SEB Asienfond	SEK	5 900 869	51 345 268	56 648 339
Gambro A	SEK	42 820	3 872 634	2 933 170	SEB Hedgefond equities	SEK	818 191	50 000 000	48 795 979
Hennes & Mauritz B	SEK	100 720	15 962 424	14 705 120	SEB Lux Capital				
Hufvudstaden A	SEK	215 500	6 342 768	6 680 500	Selection Fund	XEU	23 359	187 736 707	267 114 114
Höganäs B	SEK	21 450	3 691 145	2 970 825	SEB Lux Emerging				
Intentia	SEK	23 160	4 376 448	1 968 600	Europe Guaranteed Fund	SEK	28 000	27 934 854	27 934 854
Investor B	SEK	35 400	4 697 260	4 991 400	SEB Lux Greater China				
JM B	SEK	273 600	36 405 628	57 182 400	Guaranteed Fund	SEK	24 900	24 899 968	24 899 968
Jobline	SEK	50 000	3 166 005	695 000	SEB Nordamerika Chans/				
Kinnevik B	SEK	20 780	4 509 978	3 761 180	Risk Fond	USD	8 671 159	96 964 041	131 243 888
LGP Telecom	SEK	47 000	6 346 594	10 951 000	SEB Sverige				
Lindex	SEK	28 250	5 869 932	3 940 875	Småbolagsfond	SEK	691 350	6 699 855	8 939 160
Living Questions AB	SEK	25 000	2 000 000	2 000 000	Sigma	SEK	10 000	2 144 280	2 225 000
Ljungbergs	SEK	367 744	26 179 612	70 606 848	Signon	SEK	20 000	901 800	660 000
Maxim	SEK	3 600	1 645 306	217 800	Skandia	SEK	122 300	15 541 699	18 773 050
Medivir	SEK	15 000	884 114	1 800 000	Skanditek	SEK	23 600	1 350 412	991 200
Metro A	SEK	33 234	2 879 259	2 359 614	Skanska B	SEK	10 460	3 410 808	4 079 400
Metro B	SEK	65 146	5 873 603	5 602 556	Skanska Köp Option	SEK	13 000	193 148	188 500
Micronic Laser					SSAB A	SEK	50 850	5 148 645	4 576 500
Systems	SEK	14 001	2 497 401	3 906 279	Stora Enso R	SEK	42 100	4 100 242	4 694 150
MTG B	SEK	39 980	7 621 654	9 995 000	Swedeponic	SEK	1 731	4 630 425	1 076 682
NCC B	SEK	100 000	9 063 179	6 900 000	Syngenta	SEK	1 326	44 567	670 956
Netcom B	SEK	23 250	8 695 040	9 114 000	Telia	SEK	186 500	14 681 118	9 045 250
Nokia	SEK	56 720	11 757 331	23 538 800	Tornet	SEK	112 000	12 680 512	17 024 000
Nordea	SEK	223 600	11 719 538	15 987 400	Wallenstam B	SEK	21 800	1 332 595	1 417 000
Oblipar	EUR	5 066	114 300 968	114 300 968	Wihlborgs B	SEK	1 436 000	15 738 182	18 668 000
OM Gruppen	SEK	4 250	2 031 057	990 250	Viking Telecom	SEK	10 000	270 405	325 000
Palio AG	CHF	50 000	13 489 750	13 489 750	Volvo A	SEK	31 400	7 625 195	4 867 000
Pandox	SEK	250 000	17 180 548	24 000 000	Volvo B	SEK	93 550	17 111 334	14 640 575
Pharmacia Corp.	SEK	12 232	5 064 177	7 008 936	Total			1 137 633 499	1 405 000 955
Sandvik	SEK	13 750	3 051 135	3 121 250	Other shares & participations	Mix		381 139 678	360 084 333
Sapa	SEK	63 150	8 769 118	8 714 700	Total shares & participations			1 518 773 177	1 765 085 288
SCA B	SEK	35 650	5 971 671	7 147 825	of which listed			1 137 633 499	1 405 000 955
Scania B	SEK	5 900	1 496 814	1 239 000					
SEB A	SEK	241 520	20 223 792	25 118 080					

Note 14 • Bonds and Other Interest-bearing Investments

	2000		1999	
	Amortised Cost	Market Value	Amortised Cost	Market Value
Swedish government	3,441,849	3,451,342	3,567,467	3,587,433
Swedish mortgage institutions	15,616	16,193	414,828	412,442
Foreign governments	2,199,042	2,224,939	915,958	896,504
Other foreign issuers	444,332	452,788	132,600	126,943
Total bonds and other interest-bearing investments	6,100,839	6,145,262	5,030,853	5,023,322
of which listed	5,933,535	5,976,526	4,815,800	4,813,963

Remaining amount to be amortised according to the amortised cost principle

	2000	1999
Total positive amount	291,021	131,860
Total negative amount	479,469	21,114

Note 15 • Other Financial Assets

	2000	1999
	Cost	Cost
	Value	Value
Other financial assets which are directly related to insurance operations TSEK 60,691 (53,442)	149,790	53,442

Note 16 • Reinsurers' Share of Technical Provisions

Provisions for unearned premiums	2000	1999
Opening balance	205,867	96,161
Portfolio transfer	-28,124	0
Change in provision	230,460	109,117
Capital gains/losses on foreign exchange	9,101	589
Closing balance	417,304	205,867

Provisions for outstanding claims

2000	Incurred and reported claims	Incurred, but not reported claims (I.B.N.R.)	Total
------	------------------------------	--	-------

Opening balance	1,475,645	227,011	1,702,656
Portfolio transfer	-216,732	-4,867	-221,599
Change in provision	311,113	164,529	475,642
Capital gains/losses on foreign exchange	83,257	19,176	102,433
Closing balance	1,653,283	405,849	2,059,132

1999	Incurred and reported claims	Incurred, but not reported claims (I.B.N.R.)	Total
------	------------------------------	--	-------

Opening balance	271,584	159,665	431,249
Portfolio transfer	358,218	0	358,218
Change in provision	855,778	70,935	926,713
Capital gains/losses on foreign exchange	-9,935	-3,589	-13,524
Closing balance	1,475,645	227,011	1,702,656

Note 19 • Shareholders' Equity

2000	Share capital	Restricted reserves	Retained earnings	Net income for the year	Total Shareholders' equity
Opening balance	800,000	290,229	-187,874	214,621	1,116,976
Transfer to reserve for unrealised capital gains	0	0	214,621	-214,621	0
Transfer from reserve for unrealised capital gains	0	-46,886	46,886	0	0
Translation difference	0	0	-623	0	-623
Net income for the year	0	0	0	-94,704	-94,704
Closing balance	800,000	243,343	73,010	-94,704	1,021,649

Restricted reserves represent reserve for unrealised capital gains on shares and participations.

Note 17 • Debtors

	2000	1999
Debtors arising out of direct insurance		
Amounts due from policyholders	141,895	11,295
Amounts due from intermediaries	29,888	19,121
Total debtors arising out of direct insurance	171,783	30,416
Other debtors*)	748,797	742,758
Total other debtors	748,797	742,758

*) of which, group companies TSEK 732,594 (186,258).

Note 18 • Other Assets

	2000	1999
Fixed assets		
Acquisition cost	75,591	40,121
Accumulated depreciation	-60,569	-29,159
Book value	15,022	10,962

Machinery, equipment etc excluding IT equipment is depreciated at an annual rate of 20% of acquisition cost. IT equipment is depreciated at an annual rate of 33% of acquisition cost.

Cash and bank

Cash pool	47,003	64,371
Other cash and bank	315,679	251,305
Total cash and bank balance	362,682	315,676

Note 20 • Technical Provisions

<i>Provisions for unearned premiums</i>	2000	1999
Opening balance	1,276,976	833,134
Portfolio transfer	-28,124	0
Change in provision	143,817	438,060
Capital gains/losses on foreign exchange	86,768	5,782
Closing balance	1,479,437	1,276,976
of which group companies 386,534		

Provisions for outstanding claims

2000	Incurred and reported claims	Incurred, but not reported claims (I.B.N.R.)	Total
Opening balance	3,583,508	1,214,041	4,797,549
Portfolio transfer	-216,733	-4,867	-221,600
Change in provision	549,055	393,265	942,320
Capital gains/losses on foreign exchange	239,480	138,193	377,673
Closing balance	4,155,310	1,740,632	5,895,942

1999	Incurred and reported claims	Incurred, but not reported claims (I.B.N.R.)	Total
Opening balance	2,321,979	842,217	3,164,196
Portfolio transfer	555,026	156,545	711,571
Change in provision	674,615	199,886	874,501
Capital gains/losses on foreign exchange	31,888	15,393	47,281
Closing balance	3,583,508	1,214,041	4,797,549
of which group companies	140,565		

Note 21 • Provisions for Tax

	2000	1999
Provision for disputed tax	41,293	173,131
Provision for deferred tax	94,633	112,868
Deferred tax assets	-30,682	0
Total provision for tax	105,244	285,999

Note 22 • Creditors arising out of direct insurance

	2000	1999
Amounts due to policy holders	179,512	34,791
Amounts due to intermediaries	1,912	89,156
Total creditors arising out of direct insurance	181,424	123,947
Creditors, other	104,593	567,104
of which, to group companies	TSEK 7,769 (397,647)	

Note 23 • Employees, Administrative expenses and the allocations

	2000	1999
Average number of employees		
Sweden	80	79
Belgium	65	0
England	25	25
Singapore	11	5
Switzerland	4	4

of which, women	98	68
men	87	45
Total number of employees	185	113

Administrative expenses and the allocations**Personnel expenses**

Salaries and other remunerations		
Salaries and compensations	-89,376	-59,115
of which, to the Board of Directors, the President and the Executive Vice President	-4,930	-4,165
Social security expenses	-24,112	-15,933
Pension expenses	-10,227	-15,296
of which, to the Board of Directors, the President and the Executive Vice President	-576	-804
Other Personnel expenses	-5,618	-3,781
Total salaries and other remunerations	-129,333	-94,125

Upon termination initiated by the company the President is entitled to severance pay equal to one year's salary.

Other operating expenses

Rent	-18,252	-12,946
Depreciation	-8,733	-6,551
Other administrative expenses	-68,700	-56,576
Total other administrative expenses	-95,685	-76,073

Total administrative expenses -225,018 -170,198

Allocated administrative expenses

Claims handling expenses	-10,653	-2,080
Investment expenses note 5	-12,256	-8,853
Acquisition costs note 2	-112,895	-81,365
Total allocated administrative expenses	-135,804	-92,298

Total administrative expenses after the allocations note 2

-89,214 -77,900

Note 24 • Pledged Assets

	2000	1999
Bonds & Debentures	1,054,913	1,015,735
Accrued interest	12,416	12,416
Cash and bank	31,067	4,260
Total pledged assets	1,098,396	1,032,411

Proposed Appropriation of Earnings

The amount held at the disposal of the General Meeting of Shareholders of the parent company Sirius International is:

Retained earnings	SEK	73 million
Net income for the year	SEK	-95 million
Total	SEK	-22 million

The Board of Directors and the President propose that the loss shall be distributed in the following manner:

To be transferred to	
Retained earnings	SEK -22 million

Stockholm, March 14, 2001

Jan Roxendal
Chairman of the Board of Directors

Bard E. Bunaes

Peter Carlsson

Gert Lindberg

Göran Thorstensson
President & CEO

Our Auditors' Report was submitted on March 15, 2001

Torbjörn Hanson
Authorised Public Accountant

Göran Abrahamsson
Authorised Public Accountant

Auditors' Report

To the general meeting of the shareholders of Sirius International Insurance Corporation (publ)
Registered Number 516401-8136

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Sirius International Insurance Corporation (publ) for the financial year 2000. These accounts and the administration of the Company are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards in Sweden. Those Standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions

taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any board member or the managing director. We also examined whether any board member or the managing director has in any other way acted in contravention of the Insurance Companies Act, Act of annual accounts for Insurance Companies or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Act of annual accounts for Insurance Companies and, thereby, give a true and fair view of the financial position of the company and the group and of the results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of the shareholders that the income statement and the balance sheet for the parent company and the group be adopted, that the loss for the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm March 15, 2001

Torbjörn Hanson
Authorised Public Accountant

Göran Abrahamsson
Authorised Public Accountant

Board of Directors

From left: Göran Thorstensson, President & CEO, Sirius International Insurance Corporation (publ), Peter Carlsson, President, ABB Financial Services AB, Stockholm; Bard E. Bunaes, President & CEO, Sirius America Insurance Company, New York; Gert Lindberg, Director & Previous Chief Executive, AB Trav och Galopp, Stockholm, appointed member of the board by the Swedish Financial Supervisory Authority, and Jan Roxendal, Chairman, Executive Vice President, ABB Ltd, Zurich.



Senior Executives and Management



From left: Jean-Claude Gulpen, Belgian Branch (Liège); Monica Cramér Manhem, Outwards Reinsurance; Guntram Zernitzky, Central Europe (Hamburg) and Jan Onselius, Chief Underwriter Excess of Loss.



From left: Johan Gunnarson, Financial Risks, Sales & Marketing; AnnCharlotte Lindgren, North America/UK/Other markets; and Jan Åslund, Manager, Financial Risks.

From left: Lars Andersson, Chief Financial Officer; Marianne Sjöquist, Financial Risks, Business Support & Control; Patrik Dahl, Chief Actuary; Lars Ek, Executive Vice President and Group Chief Financial Officer; Lars Olofsson, Chief Investment Officer; and Pål Ljöstad, General Counsel.





From left: Jeffrey Goh, Asia Branch (Singapore); Eva Anderson, Non-Marine Facultative/
Baltic States; Michael Dashfield, UK Branch (London) and Paul Norrthon, Scandinavia/Asia/
Oil & Energy.