Tryg Vesta Group

Annual Report 2002

Tryg

Vesta

Contents

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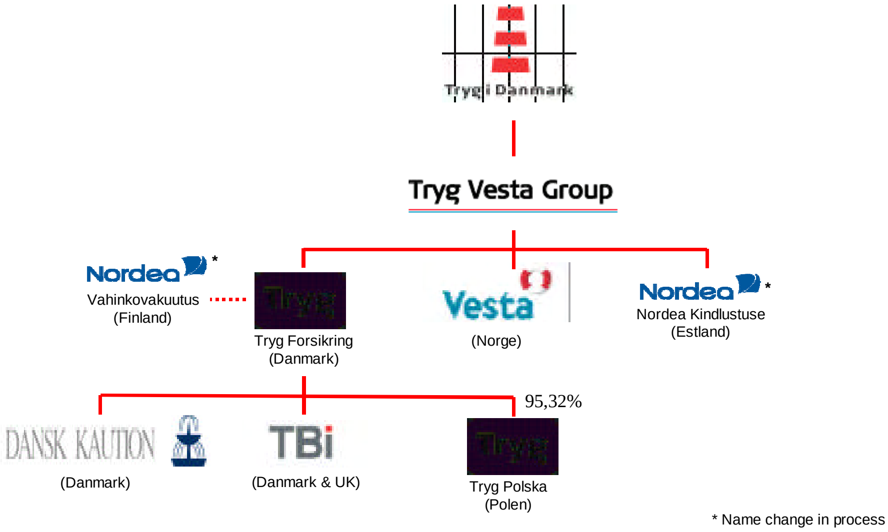
Annual general meeting
will be held on 21 March 2003 at 11 a.m.
at the company’s address:
Klausdalsbrovej 601, Ballerup, Denmark

Activities of the Tryg Vesta Group

Tryg Vesta Group A/S is a financial holding company with subsidiary undertakings operating in the general insurance area. The Tryg Vesta Group was established on 28 June 2002 through a spin-off of all general insurance activities of the Nordea AB Group. The Group's legal structure is illustrated below (simplified outline). Tryg Vesta Group A/S is owned by Tryg i Danmark smba, and Group Management is anchored in Tryg Vesta Group A/S.



The Group

Tryg Vesta Group A/S the second-largest general insurance group in the Nordic region with activities in a number of Nordic and Baltic countries. The Tryg Vesta Group has some 2 million personal customers and 250,000 commercial customers. As at 31 December 2002, the Group had 4,373 employees.

Denmark and Norway are the Group's primary markets. Tryg is Denmark's largest general insurer with a market share in excess of 22%, whereas Vesta is the third largest general insurer in Norway with a market share of almost 22%.

In Finland, insurance is written to a Finnish branch of Tryg Forsikring in a close bank assurance collaboration with Nordea AB. The Tryg Vesta Group has had a presence in Poland since 1998, and in Estonia since 2002. Moreover, the Group carries on guarantee insurance operations in Dansk Kaution and reinsurance operations through Tryg-Baltica internationalt forsikringsselskab.

In June 2002, Tryg and Vesta acquired the majority of Zurich's general insurance activities in Denmark and Norway.

Partnership with Nordea

In connection with the spin-off from Nordea, Nordea and the Tryg Vesta Group entered into a strategic partnership agreement, among other things, with a view to continuing and expanding the already existing bank assurance collaboration between Nordea's companies and the Tryg Vesta Group to the effect that Nordea's banking companies are a sales channel for the Tryg Vesta Group's general insurance products and the Tryg Vesta Group sells Nordea's life insurance and pension products.

The partnership is exclusive and covers Denmark, Norway, Finland, Sweden and Poland.

The agreement between Nordea and the Tryg Vesta Group furthermore covers asset management, property management and IT production agreements.

Tryg and the IT company CSC Danmark have signed a letter of intent by which Tryg agrees to outsource its IT operations in a partnership with CSC. The aim is to reach a final agreement by the end of March 2003. The business partnership between Tryg and Nordea will continue unchanged.

External environment

General insurance

The general insurance markets in the Nordic and Baltic countries have undergone a process of restructuring and consolidation in recent years. Major transnational Nordic insurance groups have been created, including the Tryg Vesta Group.

The restructuring of the Nordic financial markets has taken place, including strategic alliances between insurance companies and banks in the form of bank assurance partnerships with a view to broadening the range of financial products and increasing distribution power.

Prices in the reinsurance market have shown a falling trend for many years, but developments in the capital markets and recent years' natural disasters have resulted in substantial losses. Combined with the fear of terrorist attacks in the wake of the 11 September 2001 catastrophe in New York this led to significantly higher prices of reinsurance which, in turn, is reflected in insurance premiums. Furthermore, the underlying risk inherent in industrial and large-scale commercial insurance developed adversely during the period of low reinsurance prices merely as a consequence of globalisation and risk concentration. Adding these events to the existing scenario caused premiums to increase to levels unseen in the market for many years.

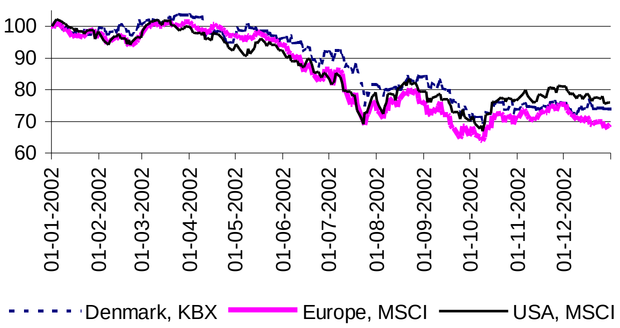
Recently, the attitude to welfare society maintenance models has changed to the extent that the demarcation line between private and public providers of welfare is now under heavy discussion. New markets for insurance and private schemes are likely to emerge.

Securities markets

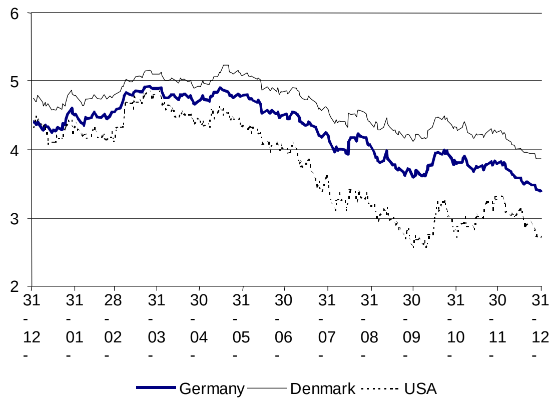
The year 2002 was characterised by very bad economic news: Low consumer and business confidence, mounting corporate losses, disappointing industrial output, low investments and high unemployment rates. The poor economic indicators caused the Fed and the ECB, albeit to a lesser extent, to continue their expansive monetary policies.

As the year progressed, the economic recovery expected for 2002 was gradually postponed. Private investments in particular have been long in coming as a result of excess investments in the late 1990s and weak capital markets. The lack of economic growth has led to cost savings throughout the business sector, resulting in increased unemployment in the USA, Europe and Asia.

Indexed movements in share indices in Denmark, Europe and the USA



Interest rate movements for 5-year government bonds in 2002



The gloomy macroeconomic indicators in 2002 had a favourable impact on bond markets. Interest rates fell steadily over the year to the current historic lows.

Despite expansive monetary and fiscal policies, share prices fell throughout the year. In the latter part of 2002, the risk of a war against Iraq was very much in focus. The likelihood of war and the reduced solvency of institutional investors led to lower risk tolerance in the financial markets, thereby contributing to the flight from equity investments to the safe haven of short-term bonds.

Strategy and focus areas

The Group's vision is to be the Nordic region's most profitable provider of services that offer peace of mind in markets and business areas in which the Tryg Vesta Group chooses to compete.

Based on a mission of offering a stable and qualitative supply of services that provide peace of mind to private individuals and companies, the Tryg Vesta Group offers attractive insurance products and related services.

The Tryg Vesta Group is stakeholder oriented, and to this end it has defined specific goals in relation to its shareholders, customers and employees, and the Group takes an active stand on the surrounding community.

The Tryg Vesta Group is aware of its social responsibility as a provider of products to the Nordic communities and as a major employer.

Based on the new ownership structure, capital base and organisational structure, the Tryg Vesta Group has defined a number of overall strategic focus areas. The Tryg Vesta Group intends to be strongly focused on the direct mass market and the business areas in which profitability is considered satisfactory within an acceptable time horizon. The market segments and business areas which are not considered to hold profit potential will be divested, or underwriting will cease. Similarly, new business areas will be required to generate profit within predefined periods of time.

Customers
The Tryg Vesta Group reaches its customers through a wide variety of distribution channels ranging from personal service at the customer's home to service in connection with banking transactions at Nordea. Always in accordance with the customer's choice – also if it includes a mix of different channels. The Group will be focused mainly on its existing customers, who will be served through concepts tailored to each specific customer group.

The Tryg Vesta Group will build competences in the health area to be able to provide top quality health schemes and hospital insurance for customers in the Nordic region. These efforts are based on Tryg Rejse og Sundhed, which provides travel insurance to all of the Group's Nordic customers and operates a 24 hour manned control centre.

Earnings
The Tryg Vesta Group needs to demonstrate strong growth in earnings and consolidation on its own merits. The Group aims to further expand its expertise within underwriting, risk assessment and claims handling.

A focus area is creating more efficient work processes, including IT work processes and implementation, to reduce time to market and optimise investments in new technology.

With a view to creating better solutions for the customers and generating savings in the administrative areas, web-based self-service facilities will be key to future work process developments. Schemes to ensure good customer service and low claims expenses in connection with repair and redelivery will be introduced.

Price and cost structure transparency, the right price per risk, balanced risk-taking and an optimum capital structure will further support the value creation and maintain the Tryg Vesta Group’s ability to attract capital and pave the way for developing the Group’s companies.

Over time, each individual business area and customer segment must demonstrate profitability and generate break-even results.

Synergies, employees and knowledge sharing

Respecting both markets and customers, the Tryg Vesta Group plans to capitalise on a number of synergies based on IT and procurement. In addition, reinsurance procurement will be optimised and adapted to capital allocation optimisation.

The ability to build core competences and reapply know-how is becoming an increasingly obvious competitive parameter, and the Tryg Vesta Group will exploit its potential in this area. The Group will offer its employees opportunities to participate in local and Nordic training activities – naturally with a global focus.

The Tryg Vesta Group will set up a common management training programme and management development model for the Group’s 500 Nordic managers and executives. The Group will also ensure the continuous training of insurance professionals. Efforts will be made to set up local and trans-Nordic forums for experience sharing and transfer of competences.

The Tryg Vesta Group aims to be an attractive workplace. An attractive workplace is an all-encompassing organisation leaving room for differences in age, gender, ethnic background, education/training, nationality, religion and stage in life.

Investment policy

The investment policy aims to maximise the return, taking into account the composition and duration of liabilities and the company’s solvency. Overall, the Tryg Vesta Group’s insurance obligations have a duration of less than three years, which dictates an asset mix focused on a high degree of security, that is, limited fluctuations and strong liquidity. Therefore, bonds will continue to constitute the majority of total investments with special focus on short-term bonds and low credit risk. Investments in shares, bonds and property consist of well-diversified portfolios offering considerable risk diversification.

The investment policies of the Tryg Vesta Group are coordinated, but they are not identical, as investments are exclusively or to a large extent placed in the local capital markets in accordance with the legislation of the country in which the company is based.

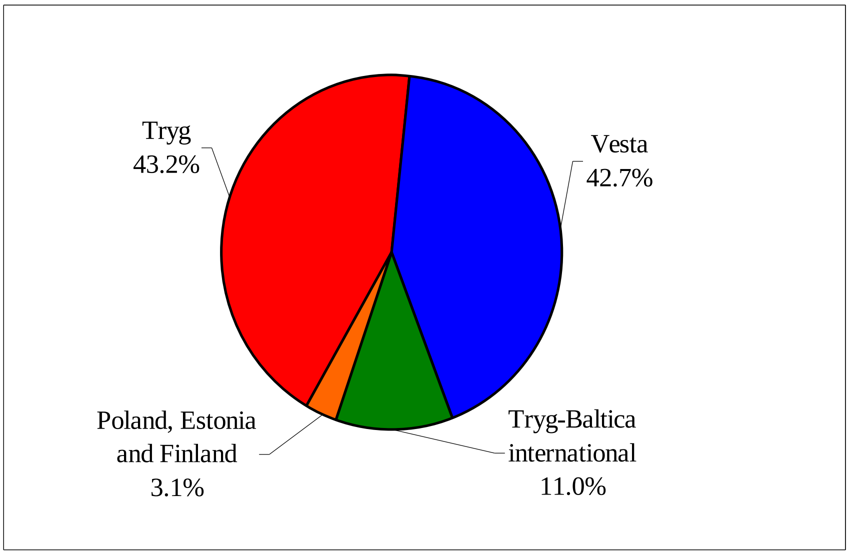
The investment strategies defined in the Group are primarily carried out by way of external portfolio management agreements with Nordea concerning bonds, shares, cash funds and to some extent property. Based on the investment policies, the Tryg Vesta Group handles the management of asset mixes, benchmark determination, duration limits, limits on the geographic distribution of assets, types and risk profile of bonds, shares and property, respectively. Investments in unlisted securities are handled exclusively by the Tryg Vesta Group.

Business areas of the Tryg Vesta Group

Each individual business unit is responsible for customer relationships, employees and performance, whereas common overall strategies, policies and financial targets are defined by the Group.

Most of the Tryg Vesta Group's business is gathered in Tryg (Denmark) and Vesta (Norway), together accounting for almost 86% of the Group's total earned premiums.

Gross premiums H2 2002 – Percentage breakdown



Tryg including Dansk Kaution and Tryg Rejse og Sundhed

Tryg is Denmark's largest general insurers with a market share in excess of 22%. At year-end 2002, Tryg had a total of 2,317 employees. In recent years, the Danish market has been characterised by consolidation and by the withdrawal of international groups from the market. The total market share of the seven largest general insurers has increased from 66% in 1997 to 73% in 2001 with a further consolidation in 2002. Effective 1 June 2002, Tryg acquired Zurich's general insurance activities in Denmark.

Tryg's Personal lines insurance area comprises individual insurance, group schemes and travel and health insurance in the company Tryg Rejse og Sundhed. This business area writes all types of ordinary insurance for private individuals and customers at the low end of the commercial market.

The personal insurance area covers around 730,000 private households and 1.1 million individuals. Distribution of insurance to the personal customer segment is primarily effected through Tryg's service centres and Nordea's Danish branches and by way of third-party distribution (group schemes, car dealers, estate agents etc.).

Customer concepts are developed on an ongoing basis to increase the share of full-service customers holding more than one insurance policy with the company. In addition, the range of insurance solutions and related services is broadened through additional distribution channels, including bank assurance and e-business. Tryg Rejse og Sundhed offers health products in a rapidly increasing market.

Commercial provides insurance to the agricultural and marine segments and medium-sized and large commercial and industrial businesses. The business area, which also comprises Dansk Kaution (guarantee insurance), offers commercial insurance to some 125,000 customers through Tryg's customer centres and key account managers or brokers.

Vesta

Vesta is Norway's third-largest general insurer with a market share of almost 22%. At year-end 2002, Vesta had approximately 1,500 employees. In 2002, the four largest general insurers in Norway wrote 93% of the total volume of general insurance premiums. Vesta Forsikring acquired Allianz Forsikring (Norwegian branch of Forsikringsaktieselskabet Allianz Nordeuropa) in 2001 and Zurich Forsikring's (Norwegian branch/general agency of Zurich Insurance Company in Switzerland) Norwegian activities in 2002.

Vesta offers both personal and commercial insurance through 40 service centres and 80 franchise offices throughout Norway and by way of third-party distribution (car dealers, estate agents, insurance brokers etc.). Compared with Tryg, the headcount and expense ratio are affected by the use of franchising as a means of distribution and by the increased number of captive schemes. In accordance with the Group's overall distribution strategy, and based on Tryg's positive experience, distribution through banks is now being introduced in Norway.

Tryg-Baltica international

Tryg-Baltica international (DK) and Tryg-Baltica international (UK) are responsible for the Group's reinsurance underwriting activities and selected niche areas in the London market. In addition, TBi manages the run-off of discontinued lines.

The reinsurance underwriting consists mainly of treaty reinsurance written from London and Copenhagen. The majority is proportional business in which premiums and claims are divided proportionally between the parties to the treaty. Business is written with a substantial geographical spread, but no reinsurance business is written from the USA.

As a consequence of the very large losses in the London market and the future capital allocation model, an analysis of the portfolio has resulted in a consolidation focusing on the continuing lines of business.

Other activities

The Tryg Vesta Group furthermore carries on general insurance activities in Poland, Estonia and Finland. In 2002, these activities accounted for approximately 3% of total premium earnings in the Tryg Vesta Group.

The Group's Polish company is the country's seventh largest general insurer with a market share of 2%. A sizeable share of the company's portfolio is made up of motor insurance, but the company writes insurance for all types of direct personal and commercial customers through service centres, insurance agents and brokers.

The Group's Estonian company is the country's fifth largest general insurer with a market share of 5%. Acquired in 2002, the company has branch offices in all major cities and collaborates with Nordea Bank in Estonia.

The branch office in Finland services Nordea Bank's customers through the bank's branches. The bank assurance concept is expected to expand considerably in the years ahead. Nordea Bank Finland plc serves 40% of all Finnish bank customers, thereby offering the Finnish branch significant position in the Finnish market.

Shareholder information

Established on 28 January 2002, Tryg Vesta Group A/S (formerly Tryg General Insurance Holding A/S) was dormant from the date of formation until 28 June 2002 when an Extraordinary General Meeting resolved to provide the company, by way of a non-cash contribution, with all the shares in the following companies:

- Tryg Forsikring A/S, Denmark
- Vesta Forsikring AS, Norway
- Nordea Kindlustuse Eesti AS, Estonia

On 1 July 2002, Tryg i Danmark smba acquired all shares in Tryg Vesta Group A/S from Nordea.

Tryg Forsikring A/S and Vesta Forsikring AS have previously carried on insurance business within general as well as pension and life insurance lines. Prior to transferring the shares in the three above-mentioned companies to Tryg Vesta Group A/S, the life and pension activities, operated in separate life insurance companies, were spun off to Nordea AB or companies of the Nordea Group.

Tryg Forsikring A/S, Vesta Forsikring AS and Nordea Kindlustuse Eesti emerged from the spin-off as pure general insurance providers.

Allocation of loss and shareholders' equity
The Supervisory Board proposes that the year's loss of DKK 1,679m be covered through a transfer from Share premium account. No dividend will be paid in respect of the 2002 financial year. Shareholders' equity stood at DKK 4,268m as at 31 December 2002.

In 2002, Tryg Vesta Group A/S signed a loan agreement in principle with a banking consortium consisting of Nordea Bank Danmark A/S, Danske Bank A/S and Nykredit Bank A/S concerning further capitalisation of the subsidiary undertakings.

The banks have extended a loan of DKK 1.1bn in total to be repaid by the end of September 2003. The loan is expected to be replaced by DKK 1.1bn worth of bonds.

The capital base of Tryg Forsikring A/S is DKK 600m and NOK 100m in Vesta Forsikring AS.

Operational finance for Tryg Vesta Group A/S, including payment of interest, is provided by way of dividends from the subsidiary undertakings.

Shareholders' equity	**DKKm**
Share capital upon formation	1
Non-cash contribution	5,646
Capital increase	300
Loss for the year	-1,679
	4,268

Tryg i Danmark smba

Tryg i Danmark smba (TiD), a limited liability company, is the sole shareholder of Tryg Vesta Group A/S. TiD was established in connection with the conversion of the then mutual Tryg Forsikring companies into public limited companies in 1991, on which occasion TiD became owner of the Danish insurance activities.

According to the articles of association, the objects of the company are to carry on or support, directly or indirectly, activities that benefit Danish policyholders, including claims prevention, prophylaxis, provision of safety and peace of mind, as well as activities that benefit the general public and activities that provide quality of life. In addition, the company may hold shares, directly or indirectly, in one or more companies whose objects are to carry on financial activities in accordance with the legislative rules in force from time to time.

The supreme authority of the company is the Board of Representatives comprising 70 members elected by and from among the Danish policyholders.

Financial highlights and key ratios

DKKm	Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002 *)
Income statement		
Gross earned premiums		9,231
Earned premiums, net of reinsurance		7,069
Technical interest, net of reinsurance		449
Claims incurred, net of reinsurance		-5,862
Insurance operating expenses, net of reinsurance	-52	-1,811
Change in equalisation provisions		-181
Technical result	-52	-336
Proift/loss on investment activities after transfer to insurance activities	-445	93
Loss on ordinary activities before extraordinary expenses and tax	-497	-243
Extraordinary expenses	-1,182	-1,482
Tax		45
Loss for the year	-1,679	-1,679
Loss on business in run-off, net of reinsurance		-375
Balance sheet		
Technical provisions, net of reinsurance		22,009
Total shareholders' equity	4,268	4,268
Total assets	5,393	30,305
Key ratios		
Claims ratio, net of reinsurance		82.9
Expense ratio, net of reinsurance		25.6
Combined ratio, net of reinsurance		108.5
Return on equity	-38.4	
Return on equity before extraordinary expenses	-11.4	
Solvency ratio	61	

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

Directors' report

The initial financial year of the Tryg Vesta Group after its establishment on 28 January 2002 was characterised by the very substantial acquisitions of subsidiary undertakings on 28 June 2002 and by the fact that goodwill on these acquisitions was amortised in full at the time of acquisition. Furthermore, results were impacted by the still unsatisfactory, albeit improved, operating results of the acquired subsidiary undertakings in the second half of 2002.

The Group posted a loss of DKK 243m before extraordinary expenses, goodwill amortisation and tax for the period 28 January to 31 December 2002. Extraordinary expenses amounted to DKK 1,482m, of which DKK 1,182m related to goodwill on the parent company's acquisition of the subsidiary undertakings Tryg Forsikring A/S, Vesta Forsikring AS and Nordea Kindlustuse AS, partly DKK 300m in connection with the phase-out of parts of the Group's activities. The total loss for the year amounted to DKK 1,679m.

Tryg Vesta Group

Financial highlights - Tryg Vesta Group (DKKm)

	H2 2002
Gross earned premiums	9,231
Technical result	-336
Investment income	93
Loss on ordinary activities before tax	-243
Claims ratio, net of reinsurance	82.9
Expense ratio, net of reinsurance	25.6
Combined ratio	108.5

For the Group as a whole, premiums performed very satisfactorily in 2002 with good customer retention, a good inflow of new customers and significant premium increases. Total gross premiums of DKK 9,231m written in the second half of 2002 correspond to premium growth in the acquired subsidiary undertakings of 30% relative to the second half of 2001. Vesta was the main contributor with premium growth of 41%. (adjusted for exchange rate fluctuations, the growth was 31%), while Tryg recorded 21% growth. Premium growth was also affected favourably by portfolio acquisition.

Financial highlights - Tryg Vesta Group (DKKm)

	H2 2002
Loss on ordinary activities before tax	-243
Extraordinary expenses	-1,482
• Goodwill DKK 1,182m	
• Phase out DKK 300m	
Tax	45
Loss for the year	-1,679

The Group's claims performance in the second half of the year was not yet at a satisfactory level with a claims ratio, net of reinsurance, of 82.9%. The premium increases, stricter terms and higher deductibles that have been introduced will, however, enable the Tryg Vesta Group to improve its overall gross claims ratio significantly.

Vesta's financial statements for 2002 are impacted by high reinsurance costs, including non-recurring costs in connection with parts of the company's reinsurance programme. The underlying insurance operations are, however, showing signs of improvement for most lines. A few lines require additional premium increases for operations to become sufficiently profitable.

The Group's expense ratio of 25.6%, net of reinsurance, in the second half of 2002 was in line with that of the same period last year. However, underlying this figure are major falls in the expense levels of both Tryg and Vesta, while Tryg-Baltica international, the wholly-owned subsidiary of Tryg Forsikring, saw rising costs due to strengthened provisions for costs in connection with the portfolio of business in run-off.

In the second half of the year, the Group increased its equalisation provisions in respect of windstorm and large losses by DKK 180m, which naturally had a significant impact on the overall result.

The Group recorded a gain of DKK 93m on investment activities after transfer to insurance activities in the second half of 2002. The gain was impacted by a negative return on equities of DKK 489m or minus 20% and a positive return on bonds of DKK 937m or 5.8%.

The performance of the Group's primary business areas is reviewed below.

Tryg including Dansk Kaution and Tryg Rejse og Sundhed

For the second half of 2002, the technical result of Tryg amounted to a loss of DKK 101m against a loss of DKK 194m in the same period last year.

The loss was primarily attributable to a continuing unsatisfactory claims performance, particularly in the industrial segment.

Financial highlights -Tryg (DKKm)

	H2 2002	H2 2001*
Gross earned premiums	3,976	3,296
Technical result	-101	-194
Loss on ordinary activities before tax	-137	-253
Claims ratio, net of reinsurance	83.2	90.8
Expense ratio, net of reinsurance	21.5	22.9
Combined ratio	104.7	113.7

*Unaudited pro forma figures

Premiums performed very satisfactorily in the second half of the year with 21% growth in gross premiums and 14% growth in premiums, net of reinsurance, relative to the same period last year. The increase was due to premium increases, a positive portfolio growth and the effect of the new Danish act on liability in damages.

Premiums in the personal market were generally increased by from 5% to 18%. In the high end of the commercial market, general premium increases of from 16% to 25% were effected, and premiums for certain industrial customers were increased by up to 125%. Customers in industrial lines with a particularly low profitability were in certain cases notified of even more significant premium increases in order to ensure consistency between premium and risk.

Claims performed significantly better in the second half of 2002 than in the year-earlier period. The claims ratio, net of reinsurance, was 83.2%, which was 7.6 percentage points lower than in the same period of 2001.

Expenses performed satisfactorily. The expense ratio, net of reinsurance, of 21.5% in the second half of 2002 was 1.4 percentage points lower than in the same period of 2001, primarily because it was possible to contain costs despite the rising volume of business by general cost constraints and a reduction in staff.

Equalisation provisions for windstorm and large losses were increased by DKK 93m in the second half of the year, standing at DKK 245m at year-end 2002, while outstanding claims provisions for workers' compensation insurance were increased by DKK 46m.

Vesta

For the second half of 2002, the technical result of Vesta amounted to a loss of DKK 58m against a profit of DKK 129m in the same period last year.

Gross premiums increased by DKK 1,152m. Adjusted for fluctuations in the DKK/NOK exchange rate, growth was 31%.

Financial highlights - Vesta (DKKm)

	H2 2002	H2 2001*
Gross premiums	3,930	2,778
Technical result	-58	129
Profit on ordinary activities before tax	68	161
Claims ratio, net of reinsurance	85.2	77.0
Expense ratio, net of reinsurance	21.0	23.9
Combined ratio	106.2	100.9

*Unaudited pro forma figures

Vesta recorded growth in the personal segment of 2.9 percentage points in 2002, increasing its market share from 16.3% to 19.2%. The share of the commercial market increased from 22.5% to 25.5%. A significant part of the increase was attributable to the acquisition of Zurich.

As a consequence of recent years' weak profitability, Vesta introduces premium increases to enhance profitability again in 2002. In the personal segment, premiums rose by 9.9% on average within motor insurance and by 21.7% on average within house insurance. In the commercial segment, premiums rose by 13.3% on average distributed on 13.8% on property insurance, 10.3% on motor insurance, 17.2% on personal insurance and 9.0% on marine insurance. The premium increases implemented are expected to lay the groundwork for improved profitability in 2003.

The weak results performance was due to a major run-off loss on personal accident business written in earlier years and low investment income due to negative equity market trends. The 2002 financial statements were also impacted by high reinsurance costs, including non-recurring costs in connection with parts of the company's reinsurance programme of approximately NOK 185m. The underlying insurance operations are, however, showing signs of improvement for most lines. A few lines require additional premium increases for operations to become sufficiently profitable.

The Personal business area performed satisfactorily in 2002, and the combined ratio fell to 99.2%. Commercial recorded an increase in the combined ratio of 20.3 percentage points to 125.4%. A poor run-off performance in the personal accident lines generally and health insurance, in particular, in the second half of 2002 caused a run-off loss affecting the claims ratio, net of reinsurance, equal to 7.3 percentage points.

A number of measures have been implemented to restore profitability in the commercial segment, including

- Premium increases
- Stricter terms and controls for underwriting
- Individual initiatives, including measures to improve the portfolio, premium increases, stricter terms and higher deductibles for the least profitable customers

These measures are expected to reduce the commercial portfolio to some extent, while the personal segment is still believed to present a potential for profitable growth.

Vesta has refocused on the small and medium-sized company segment, while also introducing measures to follow up regularly on profitability.

Equalisation provisions for windstorm and large losses were increased by DKK 141m in the second half of the year, standing at DKK 907m at year-end 2002.

Tryg-Baltica international

In connection with the establishment of the Tryg Vesta Group, the individual lines were analysed with a view to focusing on the continuing lines of business. The Energy line, where major losses have developed during 2002 was discontinued in 2001. The reserves for this class have been strengthened to cover the future anticipated detoriation of the account.

In the second half of 2002, the technical result of Tryg-Baltica international amounted to a loss of DKK 73m. The loss was mainly attributable to run-off losses and strengthened provisions for expenses relating to the lines of business in run-off.

Furthermore, amounts were set aside to cover the closing down of the Singapore office as the plans to set up a branch there were abandoned.

TBi

Financial highlights - Tryg-Baltica international (DKKm)

	H2 2002	H2 2001*
Gross earned premiums	1,015	772
Technical result	-73	-52
Loss on ordinary activities before tax	-73	-43
Claims ratio, net of reinsurance	78.1	79.5
Expense ratio, net of reinsurance	44.3	36.1
Combined ratio	122.4	115.6

*Unaudited pro forma figures

Gross premiums for the second half of the year amounted to DKK 1,015m, of which some 60% related to TBi UK and 40% to TBi DK.

The claims ratio, net of reinsurance, was 78.1% for the second half of 2002. The claims ratio was impacted by the floodings that affected Europe in the second half of the year.

The expense ratio, net of reinsurance, of 44.3% was affected by the provisions for expenses referred to above.

Other activities

In addition to the above, the Tryg Vesta Group operates general insurance activities in Poland, Estonia and Finland with gross premiums of DKK 288m.

Considerable IT investments were initiated in Poland in 2002 to improve business and enhance customer service.

Financial highlights - Poland (DKKm)

	H2 2002	H2 2001*
Gross premiums	248	238
Technical result	-14	-9
Profit/loss on ordinary activities before tax	7	-21
Claims ratio, net of reinsurance	63.7	66.4
Expense ratio, net of reinsurance	47.3	43.0
Combined ratio	111.0	109.4

*Unaudited pro forma figures

The Finnish branch did not perform in line with expectations, and measures have been launched to reverse the trend.

The total technical result of these activities amounted to a loss of DKK 51m. The result was affected by initial costs and IT investments.

Investment activities

For the six months, the Group recorded a gain of DKK 611m, or 2.8%, on investment activities before transfer of technical interest. The investment return was affected by a negative return on shares of DKK 489m, equivalent to minus 20%, and a positive return on bonds (including money market placements and similar investments) of DKK 937m, equivalent to 5.8%. The return on the property portfolio was DKK 162m or 5.2% for the six-month period. Returns are calculated inclusive of currency hedges. The Group's management of currency exposure is described under *Exposure* on page 21.

	DKKm
Interest etc.	615
Investment gains/losses etc.	-4
Return before transfer of technical interest	611
Technical interest transferred	-518
Investment return	**93**

Asset allocation

At 31 December 2002, equities accounted for 8% of the Group's investments compared with 13% at 30 June 2002. The equity portfolio was reduced both due to falling equity prices and to equity sales. The proportion of bonds increased from around 70% to around 77% during the same period. The duration of the bond portfolio, including money market placements, was 1.85 years at year-end 2002. The property portfolio accounted for DKK 3.4bn or around 15%.

At 31 December 2002, the investment portfolio of the Tryg Vesta Group was distributed on approximately DKK 10.4bn in the Danish companies, approximately DKK 10.6bn in the Norwegian companies, and small amounts in the other companies of the Tryg Vesta Group. Net investments amounted to DKK 2.7bn, of which assets added on the acquisition of Zurich accounted for DKK 1.1bn.

Investment assets at 31 December 2002

	Portfolio, DKKm				Return		Net investments
	Bonds etc.	Property	Shares	Other	DKKm	%	DKKm
Tryg	6,504	2,606	1,269	10,379	164	1.7	511
Vesta	9,310	762	568	10,640	406	4.4	2,253
TBi	1,930		1	1,931	36	2.0	306
Poland	430	3	2	435	24	5.7	-8
Estonia	27			27	1	1.7	-19
	18,201	3,371	1,840	23,412	631	2.9	3,043
Tryg Vesta Group A/S	-298			-298	-20		-298
Total	**17,903**	**3,371**	**1,840**	**23,114**	**611**	**2.8**	**2,745**
Percentage distribution	77.4	14.6	8.0	100.0			
Return, DKKm	937	163	-489	611			
Return, %	5.8	5.2	-20.1	2.8			
Net investments, DKKm	2,921	41	-217	2,745			

Bonds

The Group invests in bonds in accordance with guidelines adapted to the various countries and companies of the Group.

In the financial year, all companies in the Group had bond portfolios with a shorter-than-benchmark duration, and the total bond portfolio, including cash at bank and in hand, generated a return of 5.8% for the six months. The return on the bond portfolio in Tryg was 5.7%, and 5.8% in Vesta. By way of comparison, a Danish government bond index with a term to maturity of 1-5 years yielded 5.3% in the same period.

Bonds, DKKm

	Total	%
Norwegian money market, cash etc.	4,650	26.0%
Danish mortgage bonds	6,066	33.9%
Other corporate bonds	1,897	10.6%
Government bonds, excl. eastern Europ	4,633	25.9%
Eastern Europe	657	3.7%
Total	**17,903**	

The proportion of money market placements increased during the financial year as Vesta increased its proportion of such investments. The Norwegian money market was attractive throughout the financial year, providing high interest rates. The key rate of the Norwegian central bank was 6.5% at 31 December 2002.

87% of the Tryg Vesta Group's bond portfolio, equivalent to DKK 15.5bn, comprises Danish mortgage bonds, placements in the Norwegian money market, and government bonds, excluding eastern Europe. The remainder is invested in other corporate bonds and eastern European bonds, primarily government bonds.

The option-adjusted duration, including cash at bank and in hand, of the entire Group's bond portfolio was 1.85 years at 31 December 2002, due to, among other things, Vesta's strong focus on the money market.

Property

The investment return on the property portfolio was DKK 162m, of which upward revaluations accounted for DKK 51m. This corresponds to an overall return of 5.2% for the six months. The property portfolio accounted for 14.6% of total investments.

The Group's new investments in property amounted to DKK 45m in 2002. The occupancy rate was 95.6% in Vesta and 94.7% in Tryg at 31 December 2002. The other foreign companies have no appreciable property portfolios.

The portfolio is well-diversified and consists of high-quality buildings, typically in prime locations in major cities in Denmark and Norway. The portfolio mainly comprises office premises, but also a small proportion of other commercial property and residential property.

Shares

Most of the equities are in the Danish and Norwegian portfolios, while the Polish, Estonian and TBi portfolios contain almost no shares.

Both Tryg and Vesta have relatively large proportions of domestic equities in their portfolios. At 31 December 2002, Danish and Norwegian equities accounted for 45% of the Tryg Vesta Group's total equity portfolio, while other European equities accounted for just under 40% and US equities for approximately 15%.

The financial year was characterised by plunging prices in the international equity markets. For the financial year, the return on investments was a negative DKK 489m, equivalent to minus 20.1%.

Shares, geographical spread, DKKm

	Total	%
Danish	601	32%
Norwegian	236	13%
Other European	696	38%
North American	271	15%
Other	37	2%
Total	**1,840**	

The return on Danish shares was minus 20.0%, while Norwegian shares generated a return of minus 23.7% compared with minus 19.7% for the Danish KBX index and minus 22.4% for the Norwegian OSEBX index in the same period. The return on international shares was minus 19.5% compared with minus 20.0% and minus 10.9% for MSCI Europe and MSCI USA, respectively.

The proportion of equities was reduced from 13% to 8% of the total investment portfolio in the six-month period.

Post balance sheet events

The meeting of the Supervisory Board of Tryg Vesta Group A/S on 11 March 2003 resolved to transfer Vesta Forsikring AS in Norway to Tryg Forsikring A/S. The transfer will take the form of a non-cash contribution against a capital increase in Tryg Forsikring A/S.

Apart from the events mentioned above, Management believes that no material events have occurred in the period from the balance sheet date until the date of these financial statements which affect the assessment of the company's financial position.

Exposure

Insurance risk
The Tryg Vesta Group primarily focuses on profitability when assuming customers' insurance risks. Important elements are risk analyses in order to ensure that prices are set correctly through tariffs and individual assessments.

In addition, the profitability of the portfolio at product, segment and customer level is monitored on an ongoing basis.

Furthermore, in managing insurance operations, the Group uses acceptance rules that define limits for the risks the Group is prepared to assume and in connection with reinsurance.

The Group intends to leverage its high diversification both in terms of risk and geography as much as possible, and to optimise the relationship between the Tryg Vesta Group's capital base and reinsurance. This will be done by analysing the Group's exposure and as far as possible optimising the Group's reinsurance programme.

Such analyses for 2003 have caused a change of the previous proportional cover of property damage insurance in Denmark to a non-proportional cover with a retention of DKK 50m (DKK 100m in respect of the first event). However, risks with an EML (Estimated Maximum Loss) exceeding DKK 800m are primarily covered on a proportional facultative basis.

Natural disasters
The reinsurance contract for natural disasters covers accumulated losses up to DKK 3.5bn with a retention in Denmark of DKK 100m, in Norway of NOK 60m and in Poland of DKK 75m per event. In addition, the 2003 catastrophe programme covers Vesta's commitment with *Norsk Naturskadepool* in an amount of some NOK 1.0bn with a DKK 100m retention for the Group.

The maximum cover under the catastrophe programme has been determined based on analyses of the portfolio risk exposure and on the assumption that a loss of this size occurs less often than once every one hundred years.

Terrorism
Prior to 2002, terrorism cover was included in the reinsurance cover. However, the terrorist attacks in the USA on 11 September 2001 changed market conditions, and terrorism cover is now to a higher degree subject to negotiation.

Generally, terrorism as a single event is covered by the Tryg Vesta Group's reinsurance contracts for 2003. However, the retention for personal lines (personal accident and workers' compensation) is DKK 43m in respect of biological and chemical losses resulting from a terrorist attack. Motor losses resulting from terrorist attacks are only covered if insurance cover is provided within the compulsory liability sums for personal injury and property damage.

The catastrophe programme only covers losses resulting from terrorism in respect of detached houses, holiday homes and residential property, and only up to DKK 1.5bn with the exception of losses caused by the use of biological and chemical weapons.

Equalisation provisions

Several companies of the Tryg Vesta Group have equalisation provisions to equalise claims, net of reinsurance.

Tryg has equalisation provisions of DKK 245m to equalise the retention on windstorm, workers' compensation and other large losses. The DKK 907m equalisation provisions in Vesta comprise accumulated funds to cover the commitment in relation to *Norsk Naturskadepool* and to equalise large losses. Furthermore, Dansk Kaution has equalisation provisions of DKK 270m in accordance with the guidelines issued by the Danish Financial Supervisory Authority for credit and guarantee insurance, while Tryg-Baltica international DK and UK have equalisation provisions totalling DKK 15m.

Reinsurers

The Group pursues a policy of cooperating with a broad range of international reinsurers in order to control and diversify the credit risk involved in the reinsurance programme and to avoid becoming dependent on individual reinsurers. This is ensured through regular monitoring of and follow-up on developments in the international reinsurance market.

Market risk

The results and shareholders' equity of the Tryg Vesta Group are impacted by developments in the financial markets as assets are marked-to-market on an ongoing basis. Market risk includes changes in interest rates, equity prices, exchange rates and property prices and the credit risk on bonds, money market investments, mortgage deeds and similar instruments. The provisions are not subject to any appreciable interest-rate sensitivity.

The table shows the total market risk exposure of the Tryg Vesta Group as at 31 December 2002.

	Parameter	Change	Result impact DKKm
Property	Price fall	8%	270
Shares	Price fall	12%	221
Bonds	Int. rate increase	0.7%	242
Currency, euro	Exch. rate fall	1%	1
Currency, non-euro	Exch. rate fall	3%	97
Credit risk, mortgage bonds, cash	Average loss	0.7%	76
Credit risk, other	Average loss	3%	58

As developments in the financial markets are beyond the control of the Tryg Vesta Group, such risks are managed for each company in the Group and for the entire Group in accordance with an investment policy, which defines the risk limits the companies and the Group have to comply with. The investment policies define, among other things, limits for duration, asset mix, including the proportion of shares, currency exposure, single risk limits and limits for net investments.

Credit risk
The Tryg Vesta Group is exposed to credit risk on bonds and money market placements. The bond portfolio primarily comprises mortgage bonds and government bonds (investment grade). A smaller proportion is made up of corporate bonds.

Bonds as well as money market placements are spread on a large number of issuers in order to minimise credit risk.

Currency risk
Basically, the Group hedges all currency risks relating to investments in shares and bonds denominated in foreign currency. However, Tryg's investments in eastern European bonds are unhedged in order to gain the full benefit on convergence to the euro economy. Investments in foreign subsidiary undertakings have been partly hedged. The currency exposure relating to Vesta's shareholders' equity was unhedged at 31 December 2002, but has been hedged early in 2003.

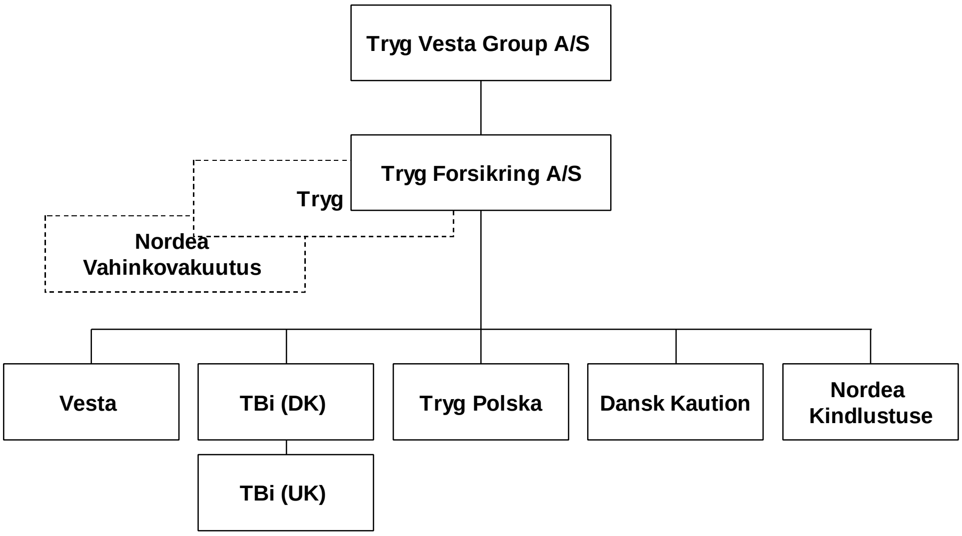
Operational risk

Operational risk is the risk of loss due to the failure of internal routines, procedures and IT systems or due to other internal or external causes, such as negative press coverage.

The Tryg Vesta Group pursues a policy of seeking to limit operational risk by such means as internal controlling and efficient IT security systems, and by continuing to develop employee know-how, for example, by using the intranet as a knowledge data base for processes, routines and techniques. Furthermore, the Group seeks to strengthen its operational risk management through experience sharing between the Tryg Vesta Group companies.

Outlook

With due consideration for earnings, markets and employees, the Tryg Vesta Group's vision is to be transformed from a conglomerate of companies to be perceived as a single Group, both within the Group and externally.



The future Group Executive Management of the Tryg Vesta Group will comprise:

Group CEO:	Stine Bosse
Member of the Group Executive Management Group CFO	Erik Gjellestad

The future Group Executive Management of Tryg Forsikring will comprise:

Group CEO	Stine Bosse
Member of the Group Executive Management Group CFO	Erik Gjellestad
Member of the Group Executive Management	Peter Falkenham
Member of the Group Executive Management	Stig Ellkier-Petersen
Member of the Group Executive Management	Bjørn Thømt

The new structure[1] and management composition will ensure:

- Optimisation of capital employed
- Efficient decision-making processes
- Focus on business
- Relevant sharing of knowledge and know-how
- Ability to capitalise on synergy opportunities

[1] Subject to final approval by the Financial Supervisory Authorities in Denmark, Norway and Estonia

Specific focus areas for the Tryg Vesta Group in 2003 comprise:

- Outsourcing of IT production
- Cost savings
- Procurement in relation to claims
- A new Nordic partnership outside banking and finance
- Underwriting guidelines and control environment

The term procurement in relation to claims covers claims payment systems that provide savings for customers as well as the Group. For example, Tryg has developed a new service offering customers a replacement car and an additional repair guarantee if they have their car repaired at one of a number of selected garages.

The Group expects to implement the planned cost savings without massive layoffs and quality impairments.

Tryg including Dansk Kaution and Tryg Rejse og Sundhed
For 2003, Tryg projects a net combined ratio of 102, equivalent to a marked improvement on 2002. The projection is primarily based on the premium increases introduced and measures implemented to improve the portfolio, and on the full effect of the initiatives taken in 2002 feeding through to the financial statements. Furthermore, the continued focus on expenses and the acquisition of the Zurich portfolio will contribute to reducing the expense ratio in 2003.

The enhanced quality of the portfolio underlies the switch to non-proportional reinsurance, which is expected to make a positive contribution to earnings.

Vesta
For 2003, Vesta projects an improvement of its net combined ratio to 105. The projected improvement is based on the substantial increase in the company’s share of both the personal and the commercial market. In the years ahead, the company expects to consolidate its market share while focusing strongly on profitability. This implies, among other things, premium increases, measures to improve the portfolio, and a reduced commercial portfolio. Furthermore, the introduction of bank assurance through Nordea’s branch network in Norway is expected to make a positive contribution.

TBi
As a consequence of the very large losses in the London market and the going forward capital allocation model, Tryg-Baltica international has initiated an analysis of the individual lines in order to focus on forward-looking activities. Tryg-Baltica international have therefore decided consolidate the business and consequently the premium income in 2003 will be reduced compared to 2002.

The claims ratio is expected to normalise in 2003, as the provisions made in 2002 in respect of the Energy business and other lines in run-off are considered adequate to cover losses in future years.

Other activities
The Group’s other activities (Poland, Estonia and Finland) are projected to post results that are impacted by large IT investments. The Group expects positive technical results within a two-year horizon.

In addition to the above, results for 2003 are dependent on developments in the financial markets. As the Group has a low proportion of equities, a bond portfolio with a short duration, and a high degree of currency hedging, its exposure to developments in the financial markets is, however, relatively low. *Exposure* describes the Group's sensitivity to various scenarios in the financial markets.

The Group thus expects a technical result in the region of DKK 300m in 2003.

Key ratio projections for 2004

- We want to make money:
  - Combined ratio of 102 for the Group
  - Return on shareholders' equity of 17% for the Group
- We want to provide peace of mind to our customers
  - >90% of our customers return to buy insurance products from the Tryg Vesta Group
  - Customer satisfaction >80%
- We want to be an attractive place to work
  - HR development costs to increase by 5% per employee
  - In-house recruitment for management positions possible for 70% of specific vacancies
  - All managers to be assessed and remunerated based on BSC

The targets are reflected in the Tryg Vesta Group's application of the balanced scorecard and are operationalised through this management tool.

In terms of combined ratio, which expresses the sum of claims and expenses relative to premiums, the Group's target is a combined ratio, net of reinsurance, of just under 100. The Group expects to meet this target within the next three years.

Management's signatures

The Supervisory Board and the Executive Management have today considered and adopted the consolidated and parent company financial statements and directors' report.

The consolidated and parent company financial statements have been prepared in accordance with the accounting provisions in force. We consider the accounting policies adopted appropriate to the effect that the consolidated and parent company financial statements give a true and fair view.

We propose to the Annual General Meeting that the consolidated and parent company financial statements be adopted.

Ballerup, 11 March 2003

Executive Management

Stine Bosse *Erik Gjellestad*

/Morten Hübbe

Supervisory Board

Mikael Olufsen
Chairman

Per Skov
Deputy Chairman

Jørn Wendel Andersen

John Frederiksen *Mogens Jakobsen* *Niels Erik Schultz-Petersen*

Adopted by the Annual General Meeting of the company on 21 March 2003.

Chairman of the Annual General Meeting:

Auditors’ report

Internal Audit
We have audited the consolidated annual report and the annual report of Tryg Vesta Group for 2002.

The consolidated annual report and the annual report is the responsibility of the Company's Board of Directors and Board of Executives. Our responsibility is to express an opinion on the consolidated annual report and the annual report based on our audit.

Basis of Opinion
We conducted our audit on the basis of the Statutory Order from the Danish Financial Supervisory Authority on Auditing Financial Enterprises and Financial Groups and in accordance with Danish Auditing Standards. Based on materiality and risk we have evaluated the business procedures, the accounting policies used and the significant estimates made and verified the basis for amounts and disclosures in the consolidated annual report and the annual report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated annual report and the annual report gives a true and fair view of the Group´s and the Company's financial position at 31 December 2002 and of the results of the Group´s and the Company's operations and the Group´s cash flows for 2002 in accordance with Danish Accounting Standards.

Ballerup, 11 March 2003

Gert Stubkjær
Chief Auditor

Auditors’ report

To the shareholders of Tryg Vesta Group A/S
We have audited the consolidates accounts and annual report of Tryg Vesta Group A/S for the financial year 2002.

The consolidates accounts and annual report is the responsibility of the Company’s Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion
We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidates accounts and annual report is free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidates accounts and annual report. An audit also included assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall consolidates accounts and annual report representation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion
In our opinion, the consolidates accounts and annual report gives a true and fair view of the Group’s and the Parent Company’s financial position at 31.12.2002 as well as of the results of the Group’s and the Parent Company’s operations for the financial year 2002 in accordance with the Danish legal requirements to the financial reporting.

Ballerup, 11 March 2003

Deloitte & Touche
Statsautoriseret Revisionsaktieselskab

Bent Hansen
State-Authorised
Public Accountant

Lone Møller Olsen
State-Authorised
Public Accountant

KPMG C. Jespersen

Finn L. Meyer
State-Authorised
Public Accountant

Mona Blønd
State-Authorised
Public Accountant

Accounting policies

Basis of preparation

The consolidated financial statements and financial statements of Tryg Vesta Group A/S have been prepared in accordance with the Danish Consolidated Insurance Business Act and the Danish Financial Supervisory Authority's executive orders on the presentation of consolidated financial statements by insurance companies.

In principle, the parent company, Tryg Vesta Group A/S, is subject to the provisions of the Danish Financial Statements Act. As the object of the parent company is to own subsidiary undertakings whose activities are primarily focused on insurance business, the parent company financial statements have been presented in accordance with the Danish Consolidated Insurance Business Act which contains the provisions to which the consolidated financial statements are subject.

Consolidation principles

The consolidated financial statements comprise the financial statements of Tryg Vesta Group A/S (the parent company) and undertakings (group undertakings) controlled by the parent company. See the Group overview on page 51. Control is achieved where the parent company directly or indirectly holds more than 50% of the voting rights or is otherwise able to exercise or actually exercises a controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiary undertakings by adding items of a uniform nature.

The financial statements of undertakings that present financial statements under other legislative rules are restated to the accounting policies applied by the Group unless the result of such restatement is immaterial to the true and fair view.

On consolidation, intragroup income and expenses, intragroup accounts and dividends, and gains and losses arising on transactions between the consolidated undertakings are eliminated.

Shares in subsidiary undertakings are set off against the proportionate share of the shareholders' equity of the subsidiary undertakings.

Goodwill arising on acquisitions represents the difference at the time of acquisition between the acquisition price and the proportionate share of the shareholders' equity of the acquired undertaking made up in accordance with the accounting policies applied by Tryg Vesta Group A/S. The full amount of goodwill is amortised through the income statement in the year of acquisition. Newly acquired undertakings are included in the consolidated financial statements as from the date of acquisition.

Currency translation

The results of foreign subsidiary undertakings are based on translation of the items in the income statement at average exchange rates. For domestic undertakings, income and expenses denominated in foreign currency are translated at the exchange rate ruling on the date of the transaction as are other income and expenses denominated in foreign currency. Assets and liabilities are translated at the exchange rate ruling at year-end.

All currency translation gains and losses are included in the income statement under the item "Currency translation adjustment".

Intragroup transactions

Intragroup services are settled on a cost-covering basis or on market terms.

Intragroup transactions in securities and other investment assets are settled at market value.

Income statement

Premiums

Earned premiums, net of reinsurance, represent gross premiums during the year, net of outward reinsurance premiums and changes in unearned premiums provisions, corresponding to an accrual of premiums to the period of coverage of the policy.

Technical interest, net of reinsurance

Technical interest, net of reinsurance, represents a calculated return on the average technical provisions, net of reinsurance. The interest rate applied is the year's average yield to maturity on bonds with a term to maturity of less than three years.

Claims incurred

Claims incurred, net of reinsurance, represent claims paid during the year adjusted for changes in outstanding claims provisions and provisions for annuities less reinsurers' share. Amounts to cover expenses incurred to combat and contain losses and to survey and assess claims are included in the item. In addition, the item includes run-off results regarding previous years. The part of the increase in technical provisions which can be ascribed to discounting is transferred to technical interest, net of reinsurance.

Bonus and premium rebates

Bonus and premium rebates represent reimbursements where the amount reimbursed depends on the claims record, and for which the criteria for payment have been laid down prior to the financial year or when the business was written.

Insurance operating expenses

Insurance operating expenses, net of reinsurance, represent acquisition costs and administrative expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are charged to the income statement at the time of writing the business. Administrative expenses, including salaries, wages, taxes etc. are accounted for on an accruals basis to match the financial year. Group undertakings pay shares of joint expenses according to their consumption of resources, which are settled on cost-covering terms.

Depreciation is charged on a straight-line basis over four to five years. Furniture and equipment etc. costing less than DKK 100,000 are written off fully in the year of acquisition, except for assets acquired as part of a specific project. Computer equipment held under finance leases is capitalised and depreciated as if purchased by the company.

Reinsurance accepted

Premiums, claims and commissions relating to reinsurance accepted are generally included in the income statement on an estimated and assessed basis. Commissions relating to unearned premium provisions are included under "Prepayments and accrued income".

Investment activities

Profit from group undertakings includes a part of the total profit and revaluation of shares in subsidiary and associated undertakings. Exchange differences arising on the translation of the net asset value of foreign subsidiary undertakings at the beginning of the year are included under the item "Currency translation adjustment".

Income from land and buildings before value adjustment represents the profit from property operations less property management expenses.

Interest, dividends etc. represent interest earned, dividends received etc. during the financial year. In addition, the item includes realised gains on bonds drawn for redemption and repayments of loans as well as realised gains on the sale of bonds drawn for redemption.

Realised investment gains/losses represent realised net gains/losses on the sale of investments, including financial instruments, calculated in proportion to the value at the beginning of the financial year or the cost of acquisition during the year.

Unrealised investment gains/losses represent unrealised net gains/losses on investments when marked to market at the end of the financial year, calculated in proportion to the value at the beginning of the financial year or the acquisition value during the year.

Investment administrative expenses represent all expenses relating to the management of investments. Brokerage and commission are included in the purchase and sales prices of investments.

Extraordinary items

Extraordinary items include amounts which by their nature are unusual for the company and which are clearly different from the ordinary operations.

Tax

Tryg Forsikring A/S is jointly taxed with the majority of the company's subsidiary undertakings. The item "Tax" represents estimated Danish and foreign corporation taxes for the year and movements in deferred tax or tax asset. Tax relating to the jointly taxed income is charged proportionately to the jointly taxed companies generating a profit. Changes in deferred taxes or deferred tax assets are posted in the companies having the liability or the claim.

Balance sheet

Investments

Land and buildings

Land and buildings are stated at estimated market value in accordance with the guidelines issued by the Danish Financial Supervisory Authority. The market value is determined based on a capitalisation of the future operating return of the property. The capitalisation factor depends on the type and location of the property. New developments and property under construction are stated at the cost of acquisition or the cost of production.

Shares in group undertakings

Shares in group undertakings are stated at the proportionate interest in the shareholders' equity of the undertakings.

Listed shares and bonds etc.

Listed shares and bonds are stated at officially quoted year-end prices. Unlisted shares and fixed-interest loans etc. are stated at a conservatively estimated market value based on the net asset value of the companies as stated in the most recent financial statements available.

Derivative financial instruments
Derivative financial instruments, including forward contracts and open securities transactions, are stated at the market value on the balance sheet date. The gross amounts are disclosed in a note to the financial statements.

Deposits received from reinsurers
Deposits with ceding undertakings comprise amounts owed to the company in respect of reinsurance business accepted, and retained by the ceding undertaking pursuant to the reinsurance contract.

Debtors
Debtors are stated at nominal value less a provision to cover anticipated losses.

Other assets
Furniture and equipment, computer hardware and software, cars etc. are valued at historic cost less accumulated depreciation.

Computer equipment held under finance leases is treated as if purchased by the company.

Tax asset comprises deferred net tax assets calculated as 30% of the present value of net positive timing differences between accounting and taxable profits, plus tax losses to the extent they are expected to be offset against future taxable income.

Prepayments and accrued income
Prepaid acquisition costs comprise the part of commission expenses to other insurance companies etc. relating to unearned premiums provisions.

Other prepayments and accrued income comprise prepaid expenses and claims expenses paid in respect of future settlements with cedants.

Technical provisions
Unearned premiums provisions, net of reinsurance, represent the proportion of premiums and reinsurance premiums collected which relates to subsequent financial years.

Outstanding claims provisions, net of reinsurance, represent amounts to cover claims incurred but not settled at the end of the year, less reinsurers' share. Outstanding claims provisions are calculated on the basis of information available concerning the extent of the losses plus an amount based on past experience to cover claims incurred but not reported. The provisions include amounts to combat and contain losses and to survey and assess claims.

Provisions for annuities, net of reinsurance, relate to compulsory workers' compensation insurance in Denmark, which is settled by payment of annuities. The provisions are calculated using actuarial principles at the present value by discounting expected future payments. Other long-tail provisions calculated using statistical methods are discounted.

Provisions for bonus and premium rebates represent amounts expected to be repaid to policyholders in view of the claims experience during the financial year.

Equalisation provisions represent amounts provided to equalise future claims in areas where experience has shown that claims vary from year to year. Equalisation provisions in credit and guarantee insurance are calculated in accordance with rules laid down by the Danish Financial Supervisory Authority. For workers' compensation insurance in Denmark, equalisation provisions are calculated as the difference between the technical provisions made up at basic interest rates of 2.00% and 2.75%, respectively. In addition, equalisation provisions comprise the compulsory natural disaster fund in Vesta, Norway, which is calculated and adjusted in accordance with rules laid down by Norwegian law.

Other technical provisions, net of reinsurance, represent provisions for risk not yet run off. The provisions represent the amounts deemed necessary, in addition to unearned premiums provisions and future premium rates, to cover claims and expenses in later accounting periods for policies in force on the balance sheet date.

Provisions for other risks and expenses

Provisions for other risks and expenses comprise amounts intended to cover liabilities or expenses attributable to the past financial year or prior financial years, and which on the balance sheet date are likely or certain, but uncertain in respect of size or time of payment.

Provisions for tax comprise deferred net tax amounts calculated as 30% of the present value of net positive timing differences between accounting and taxable profits less tax losses to the extent that they are expected to be offset against future positive taxable income.

Deferred tax is not provided on the untaxed part of the Danish contingency reserve. It is not expected that future movements in technical provisions will result in a crystallisation of tax on the contingency reserve. The untaxed contingency reserves are disclosed in the notes to the financial statements under shareholders' equity.

Deposits received from reinsurers

Deposits received from reinsurers comprise amounts due in respect of reinsurance business accepted and retained pursuant to the reinsurance contract.

Liabilities

Liabilities are generally stated at nominal value.

Financial statements of the parent company and the Tryg Vesta Group

Income statement

Note	DKKm	Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002*)
	General insurance		
	Earned premiums		
	Gross premiums written	0	7,230
	Outward reinsurance premiums	0	-1,771
	Change in gross unearned premiums provisions	0	2,001
	Change in unearned premiums provisions, reinsurers' share	0	-357
1	**Earned premiums, net of reinsurance**	**0**	**7,103**
2	**Technical interest, net of reinsurance**	**0**	**449**
	Claims incurred		
	Gross claims paid	0	-5,769
	Reinsurers' share	0	1,194
	Change in gross outstanding claims provisions	0	-1,029
	Change in outstanding claims provisions, reinsurers' share	0	-269
3	**Claims incurred, net of reinsurance**	**0**	**-5,874**
	Change in other technical provisions, net of reinsurance	**0**	12
	Bonus and premium rebates	**0**	-34
	Insurance operating expenses		
	Acquisition costs	0	-1,037
	Administrative expenses	-52	-1,096
	Reinsurance commissions and profit participation	0	322
4	**Total insurance operating expenses, net of reinsurance**	**-52**	**-1,811**
	Change in equalisation provisions	**0**	-181
5	**Technical result**	**-52**	**-336**

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

Income statement

DKKm		Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002*)
Note			
	Investment activities		
	Investment income		
6	Loss from group undertakings	-425	0
	Income from land and buildings	0	111
7	Interest, dividends etc.	4	541
8	Realised investment gains	0	60
	Total investment income	**-421**	**713**
	Investment expenses		
	Investment administrative expenses	-3	-18
	Interest expenses	-4	-19
	Total investment expenses	**-7**	**-37**
8	Unrealised investment losses	0	-3
	Currency translation adjustment	-16	-62
	Profit/loss on investment activities before transfer to insurance activities	**-445**	**611**
2	Technical interest transferred to insurance activities	0	-518
	Total profit/loss on investment activities	**-445**	**93**
	Loss on ordinary activities before tax	**-497**	**-243**
9	Extraordinary expenses	-1,182	-1,482
	Loss before tax	**-1,679**	**-1,725**
10	Tax	0	45
	Loss for the year	**-1,679**	**-1,679**

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

Balance sheet at 31 December

Note	DKKm	Parent company 2002	Group 2002
	Assets		
	Investments		
11	**Land and buildings**	**0**	**3,371**
	Investments in group and associated undertakings		
12	Shares in group undertakings	4,584	0
12	Loans to group undertakings	702	0
	Total investments in group undertakings	**5,286**	**0**
	Other financial investments		
13	Shares	0	1,825
	Units in unit trusts	0	14
	Bonds	0	17,784
	Loans secured by mortgages	0	200
	Other loans	0	73
	Deposits with credit institutions	0	291
14	**Total other financial investments**	**0**	**20,188**
	Deposits with ceding undertakings	**0**	**146**
	Total investments	**5,286**	**23,706**
	Debtors		
	Debtors arising out of direct insurance operations		
	Policyholders	0	1,655
	Insurance brokers	0	679
	Total debtors arising out of direct insurance operations	0	2,334
	Amounts owed by insurance companies	0	1,357
	Amounts owed by group undertakings	92	0
	Other debtors	1	484
	Total debtors	**93**	**4,176**
	Other assets		
	Furniture, computers, other equipment, motor cars etc.	0	468
	Cash at bank and in hand	14	735
15	Tax asset	0	495
	Other	0	3
	Total other assets	**14**	**1,701**
	Prepayments and accrued income		
	Accrued interest and rent	0	282
	Prepaid acquisition costs	0	86
	Other prepayments and accrued income	0	355
	Total prepayments and accrued income	**0**	**723**
	Total assets	**5,393**	**30,305**

Balance sheet at 31 December

DKKm		Parent company 2002	Group 2002
Note			
	Liabilities		
16	*Shareholders' equity*		
	Share capital	**1,300**	**1,300**
	Share premium account	**2,968**	**2,968**
	Retained earnings	**0**	**0**
	Total shareholders' equity	**4,268**	**4,268**
	Minority interests	0	**10**
	Technical provisions		
	Unearned premiums provisions		
	Gross provisions	0	6,114
	Reinsurers' share	0	-667
	Unearned premiums provisions, net of reinsurance	0	5,447
	Outstanding claims provisions		
17	Gross provisions	0	17,837
	Reinsurers' share	0	-3,965
	Outstanding claims provisions, net of reinsurance	0	13,871
	Provisions for annuities for workers' compensation insurance		
	Gross provisions	0	1,139
18	Provisions for annuities, net of reinsurance	0	1,139
	Provisions for bonus and premium rebates	0	64
19	Equalisation provisions	0	1,438
20	Other technical provisions, net of reinsurance	0	50
	Total technical provisions, net of reinsurance	**0**	**22,009**
	Provisions for other risks and expenses		
	Provisions for pensions and similar obligations	0	185
21	Other provisions	0	352
	Total provisions for other risks and expenses	**0**	**537**
	Deposits received from reinsurers	0	**6**
	Creditors		
	Creditors arising out of direct insurance operations	0	495
	Creditors arising out of reinsurance operations	0	580
	Amounts owed to credit institutions	1,100	1,249
	Amounts owed to group undertakings	0	3
	Corporation tax	0	3
	Other creditors	25	950
22	**Total creditors**	**1,125**	**3,280**
	Accruals and deferred income	**0**	**196**
	Total liabilities	**5,393**	**30,305**

23 **Capital adequacy**
24 **Forward transactions etc.**
25 **Contingent liabilities**
26 **Intragroup transactions**

Notes

DKKm		Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002*)
1	**Earned premiums, net of reinsurance**		
	Direct insurance	0	8,671
	Reinsurance	0	561
		0	9,231
	Outward reinsurance premiums	0	-2,129
		0	**7,103**
	Direct insurance by location of risk		
	Denmark	0	3,920
	Other EU countries	0	155
	Other countries	0	4,596
		0	8,671
2	**Technical interest, net of reinsurance**		
	Transferred from investment activities	0	518
	Discounting	0	-69
		0	**449**
3	**Claims incurred, net of reinsurance**		
	Direct insurance	0	-6,382
	Reinsurance	0	-417
		0	-6,799
	Reinsurers' share	0	925
		0	**-5,874**
	Run-off result regarding previous years, net of reinsurance		
	Gross run-off result regarding previous years	0	-270
	Run-off result regarding previous years, reinsurers' share	0	-105
		0	-375

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

Notes

DKKm		Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002*)
4	**Insurance operating expenses, net of reinsurance**		
	Commissions relating to direct insurance	0	-219
	Other acquisition costs	0	-818
	Total acquisition costs	0	-1,037
	Administrative expenses	-52	-1,096
	Gross insurance operating expenses	-52	-2,133
	Reinsurance commissions etc.	0	322
		-52	**-1,811**
	Gross insurance operating expenses include the following staff costs:		
	Salaries	0	-940
	Commissions	0	-3
	Pension costs	0	-37
	Other social security costs	0	-97
	Payroll taxes etc.	0	-55
		0	-1,131
	Average number of employees (full-time equivalents) during the year	0	4,437

Remuneration to the Executive Management has been paid and disclosed in Tryg Forsikring A/S and Vesta Forsikring A/S and is charged to Tryg Vesta Group A/S through cost allocation.

	Parent company	Group
Administrative expenses include fees to the auditors appointed by the General Meeting:		
Deloitte & Touche	-1.2	-3.6
KPMG	-0.6	-0.6
	-1.8	-4.2
Of which remuneration for non-audit services:		
Deloitte & Touche	-0.9	-2.8
KPMG	-0.5	-0.4
	-1.3	-3.2

In addition, costs were incurred in the Group's internal audit.

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

DKKm

5 **Technical result, net of reinsurance, by line of insurance**

	Personal accident and health insurance	Workers' compensation insurance	Motor, third-party liability	Motor, comprehensive	Marine, aviation and cargo
	2002	2002	2002	2002	2002
Gross premiums written	**684**	**258**	**1,259**	**1,423**	**567**
Gross earned premiums	1,062	437	1,373	1,573	710
Gross claims incurred	-1,072	-529	-1,099	-1,086	-283
Change in other technical provisions	0	0	7	0	0
Bonus and premium rebates	0	0	0	-27	-4
Gross operating expenses	-222	-65	-316	-310	-213
Profit/loss on business ceded	44	-58	-36	-46	-273
Change in equalisation provisions	0	-6	-13	1	74
Technical interest, net of reinsurance	71	23	97	45	27
Technical result	**-117**	**-198**	**13**	**151**	**38**
Gross claims ratio	100.9	121.3	79.5	70.2	40.0
Gross expense ratio	20.9	14.8	23.0	20.0	30.2

	Fire and contents (personal)	Fire and contents (commercial)	Liability insurance	Other insurance	Total
	2002	2002	2002	2002	2002
Gross premiums written	**1,322**	**1,162**	**298**	**257**	**7,230**
Gross earned premiums	1,374	1,401	429	873	9,231
Gross claims incurred	-1,016	-993	-214	-507	-6,798
Change in other technical provisions	0	0	0	5	12
Bonus and premium rebates	-1	-2	0	0	-34
Gross operating expenses	-294	-292	-99	-322	-2,133
Profit/loss on business ceded	-115	-116	-144	-138	-882
Change in equalisation provisions	-38	-197	1	-3	-181
Technical interest, net of reinsurance	71	71	33	11	449
Technical result	**-19**	**-129**	**7**	**-82**	**-336**
Gross claims ratio	74.0	71.0	49.8	57.6	73.8
Gross expense ratio	21.4	20.9	23.1	37.0	23.2

Notes

DKKm		Parent company 28.01.-31.12.2002	Group 28.01.-31.12.2002*)
6	**Profit from group undertakings**		
	Tryg Forsikring A/S	-524	
	Vesta Forsikring AS	101	
	Nordea Kindlustuse Eesti AS	-2	
		-425	
7	**Interest, dividends etc.**		
	Dividend on shares	0	9
	Interest on securities etc.	4	542
	Capital gains on drawing of and repayments on securities etc.	0	-10
		4	**541**
8	**Realised and unrealised investment gains and losses**		
	Land and buildings	0	51
	Other shares	0	-447
	Listed bonds, excluding index-linked bonds	0	455
	Other loans	0	-2
		0	**57**
	Which have been allocated to the following items in the accounts:		
	Net realised investment gains/losses	0	60
	Net unrealised investment gains/losses	0	-3
		0	**57**
9	**Net extraordinary expenses**		
	Goodwill arising on the acquisition of subsidiary undertakings	-1,182	-1,182
	Restructuring and phase-out costs	0	-300
		-1,182	**-1,482**
10	**Tax**		
	Tax relating to previous years	0	9
	Tax on the year's income	0	57
	Withholding tax, foreign shares	0	-1
	Change in deferred tax asset	0	-21
		0	**45**

***) Subsidiary undertakings are consolidated as from 28 June 2002.**

Notes

DKKm	Parent company 2002	Group 2002
11 **Land and buildings**		
Cost of acquisition		
Addition on acquisition of subsidiary undertakings	0	3,085
Currency translation adjustment during the year	0	13
Addition during the year	0	45
Balance at 31 December	0	3,144
Upward revaluation		
Addition on acquisition of subsidiary undertakings	0	320
Upward revaluation during the year	0	50
Reversed upward revaluation	0	-7
Balance at 31 December	0	363
Downward revaluation		
Addition on acquisition of subsidiary undertakings	0	143
Downward revaluation during the year	0	1
Reversed downward revaluation	0	-9
Balance at 31 December	0	135
	0	**3,371**
Book value by type of property		
Retail property	0	314
Office property	0	2,798
Production and warehouse property	0	44
Residential property	0	215
	0	**3,371**
Of which properties held for the companies' own use	0	409
Most recent property value (property valuation)	0	2,276
Property not subject to public valuation	0	94

Mortgage debt amounts to DKK 67m
on land and buildings with a book value of DKK 206m

In the determination of the market value of properties
the following rates of return have been used:

	Lowest (%) 2002	Average (%) 2002	Highest (%) 2002
	Tryg/Vesta	Tryg/Vesta	Tryg/Vesta
Retail property	7,5/ -	7,7/ -	8,0/ -
Office property	6,5/ 2,2	7,4/ 8,4	8,5/ 10,5
Production and warehouse property	9,0/ -	9,0/ -	9,0/ -
Residential property	5,5/ -	6,1/ -	6,8/ -
All property	5,5/ 2,2	7,3/ 8,4	9,0/ 10,5

Notes

DKKm		Parent company 2002		Group 2002
12	**Shares in group undertakings**			
	Cost of acquisition			
	Addition on non-cash contributions	5,647		
	Currency translation adjustment during the year	44		
	Capital increase during the year	500		
	Balance at 31 December	6,190		
	Downward revaluation			
	Downward revaluation on non-cash contributions	-1,182		
	Downward revaluation during the year	-425		
	Balance at 31 December	-1,606		
	Book value at 31 December	**4,584**		

	Shareholding (%)	Profit/loss for the year	Share-holders' equity at 31 December 2002
Name and registered office			
Tryg Forsikring A/S, Ballerup	100	-1,059	2,037
Vesta Forsikring AS, Bergen	100	-202	2,539
Nordea Kindlustuse Eesti AS, Tallinn	100	-30	8

The company has extended subordinated loan capital of DKK 600m to Tryg Forsikring A/S and of NOK 100m to Vesta Forsikring A/S

13	**Shares**		
	Book value	**0**	**1,825**
	Cost of acquisition	0	2,113

Shareholdings exceeding 5% of the companies' share capital according to the latest annual accounts:	Shareholders' equity 2002	Shareholding (%) 2002
Account Data A/S, Copenhagen	1	14
A/S Forsikringens hus, Copenhagen	44	12
Rungstedgaard A/S, Rungsted Kyst	29	13

		Parent company 2002	Group 2002
14	**Other financial investments**		
	Book value		
	Shares	0	1,825
	Units in unit trusts	0	14
	Ordinary bonds	0	6,935
	International bonds	0	10,849
	Loans secured by mortgages	0	200
	Other loans	0	73
	Deposits with credit institutions	0	291
		0	**20,188**
	Cost of acquisition		
	Shares	0	2,113
	Units in unit trusts	0	27
	Bonds	0	17,584
	Loans secured by mortgages	0	199
	Other loans	0	73
	Deposits with credit institutions	0	291
		0	**20,285**

Notes

DKKm	Parent company 2002	Group 2002
15 Tax asset		
Land and buildings	0	69
Bonds and loans secured by mortgages	0	-2
Operating equipment and provisions etc.	0	240
Other assets	0	24
Debt	0	15
Tax loss carryforwards	0	149
	0	**495**
16 Shareholders' equity		
Share capital		
Share capital on incorporation	1	1
Capital contribution by way of non-cash contributions	1,000	1,000
Capital increase	300	300
Balance at 31 December	**1,300**	**1,300**
The share capital is divided into shares of DKK 100 each or multiples thereof.		
Share premium account		
Share premium account on non-cash contributions	4,647	4,647
Transferred to Retained earnings	-1,679	-1,679
Balance at 31 December	**2,968**	**2,968**
Retained earnings		
Transferred loss for the year	-1,679	-1,679
Transferred from share premium account	1,679	1,679
Balance at 31 December	**0**	**0**
Total shareholders' equity	**4,268**	**4,268**

The shareholders' equity of Vesta Forsikring AS and Dansk Kautionsforsikrings-Aktieselskab includes untaxed contingency reserves of NOK 1,920m and and DKK 139m, respectively.

	Parent company 2002	Group 2002
17 Gross provisions (outstanding claims provisions)	**0**	**17,837**
Of which provisions calculated in view of discounting:		
Workers' compensation insurance (Denmark)		575
Reduction due to discounting		46
Running-off period		4,3 år
Discount rate		3.5%
Inflation		3.5%
Workers' compensation insurance (Norway)		2,355
Reduction due to discounting		407
Running-off period		4,8 år
Discount rate		3.5%
Inflation		3.5%
18 Provisions for annuities		
Workers' compensation insurance	**0**	**1,139**
Running-off period		12 år
Discount rate		2,75%
Inflation		0%

Notes

DKKm		Parent company 2002	Group 2002
19	**Equalisation provisions**		
	Guarantee insurance	0	270
	Workers' compensation insurance	0	79
	Windstorm and large risks	0	166
	Equalisation provisions concerning Norwegian general insurance	0	907
	Other insurance	0	16
		0	**1,438**
20	**Other technical provisions, net of reinsurance**		
	Life insurance provisions concerning reinsurance	0	1
	Provisions for open financial year	0	7
	Provisions for risk not yet run off	0	41
		0	**50**
21	**Other provisions**		
	Restructuring and phase-out costs	0	352
		0	**352**
22	**Creditors**	**1,125**	**3,280**
	Of which amounts falling due after 5 years	0	67
23	**Capital adequacy**		
	Shareholders' equity	4,268	
	Solvency requirement in group undertakings	-2,561	
		1,707	
	Weighted assets	2,818	
	Solvency ratio	61	
24	**Forward transactions etc.**		
	Forward transactions		
	Market values		
	Purchase of interest rate derivatives	0	3,307
	Sale of interest rate derivatives	0	715
	Forward currency purchased	0	110
	Forward currency sold	0	3,455
	Unsettled transactions	0	130
	Cost of acquisition		
	Purchase of interest rate derivatives	0	3,309
	Sale of interest rate derivatives	0	713
	Forward currency purchased	0	109
	Forward currency sold	0	3,400
	Unsettled transactions	0	130
25	**Contingent liabilities**		
	Non-insurance guarantee and lease commitments etc. do not exceed	0	375

Tryg Forsikring A/S has an annual liability towards Danica Pension to pay rent for the head office at Ballerup. The annual rent and taxes etc. currently amount to DKK 72m.
The remaining term of the lease is 23 years.

The majority of the companies of the Tryg Vesta Group are jointly taxed and jointly and severally liable for payment of corporation tax.

In terms of payroll tax and VAT, the Company is jointly registered with the majority of the companies of the Tryg Vesta Group, and is jointly and severally liable with these companies for the payment of such taxes.

The Group is party to a number of lawsuits, the outcomes of which

Supervisory Board and Executive Management

Supervisory Board

Mikael Olufsen
Deputy chairman of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, chairman of the Supervisory Board of Tryg Vesta Group A/S, deputy chairman of the Supervisory Board of Egmont Fonden, deputy chairman of the Supervisory Board of Egmont International Holding A/S, deputy chairman of the Supervisory Board of Gigtforeningen i Danmark, member of the Supervisory Board of Britisk Import Union, member of the Supervisory Board of Danish Cereal Holding A/S, member of the Supervisory Board of Danmark-Amerika Fondet, member of the Supervisory Board of Toptex PLC Borino, chairman of the Supervisory Board of Malaplast Co. Ltd. Samutprakarn.

Per Skov
Member of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, deputy chairman of the Supervisory Board of Tryg Vesta Group A/S, chairman of the Supervisory Board of Tryg Forsikring A/S, member of the Supervisory Board of Vesta Forsikring AS, chairman of the Supervisory Board of VT-Holding A/S, member of the Supervisory Board of A/S De Smithske, member of the Supervisory Board of DAC Smba, member of the Supervisory Board of Dagrofa A/S, member of the Supervisory Board of Denerco Oil A/S, member of the Supervisory Board of DSV, De Sammensluttede Vognmænd af 13.7.1976 A/S, member of the Supervisory Board of Kemp & Lauritzen A/S, member of the Supervisory Board of Privathospitalet Hamlet A/S, member of the Supervisory Board of Superfos A/S, member of the Supervisory Board of Norlex A/S.

Jørn Wendel Andersen
Member of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, member of the Supervisory Board of Tryg Vesta Group A/S, managing director of Arla Foods amba, member of the Supervisory Board of Arla Foods AB, member of the Supervisory Board of Neoplex A/S.

John Frederiksen
Member of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, member of the Supervisory Board of Tryg Vesta Group A/S, chairman of the Supervisory Board of A/S Kollektivhuset Hellebo, chairman of the Supervisory Board of Dandrit Biotech A/S, chairman of the Supervisory Board of Ejendomsselskabet Norden A/S, chairman of the Supervisory Board of Ejendomsselskabet Uglen A/S, chairman of the Supervisory Board of Jacob Holm & Sønner A/S, chairman of the Supervisory Board of Tema Kapital I K/S, chairman of the Supervisory Board of Tema Kapital Management A/S, member of the Supervisory Board of Danarota Technic A/S, member of the Supervisory Board of Dønnerup A/S, member of the Supervisory Board of Fortunen A/S, member of the Supervisory Board of Freja Ejendomme A/S (Statens Ejendomssalg A/S), member of the Supervisory Board of Oak Property A/S, member of the Supervisory Board of Renholdingsselskabet af 1898, member of the Supervisory Board of Råstof og Genanvendelse Selskabet af 1990 A/S, member of the Supervisory Board of Sjælsø Gruppen A/S, member of the Executive Management of Fortunen A/S, member of the Executive Management of Oak Property A/S.

Mogens Jacobsen
Chairman of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, member of the Supervisory Board of Tryg Vesta Group A/S, deputy chairman of the Supervisory Board of Tryg Forsikring A/S, deputy chairman of the Supervisory Board of Vesta Forsikring AS, member of the Supervisory Board of Nordea Pension Danmark, livsforsikringsselskab A/S, chairman of the Supervisory Board of Rodskovgård Aps, member of the Executive Management of Rodskov Svineproduktion Aps.

Niels Erik Schultz-Petersen
Member of the Supervisory Board of Tryg i Danmark smba, member of the Board of Representatives of Tryg i Danmark smba, member of the Supervisory Board of Tryg Vesta Group A/S, deputy chairman of the Supervisory Board of H.A.G. A/S.

Executive Management

Stine Bosse
Group CEO of Tryg Vesta Group A/S, CEO of Tryg Forsikring A/S, CEO of Tryg Forsikring II A/S, member of the Supervisory Board of Vesta Forsikring AS, chairman of the Supervisory Board of Tryg Forsikring, Rejse og Forsikring A/S, member of the Supervisory Board of ApS KBIL 9 NR. 2032, chairman of the Supervisory Board of Dansk Kautionsforsikrings-Aktieselskab, member of the Supervisory Board of Tryg Ejendomme I A/S, chairman of the Supervisory Board of Tryg-Baltica Forsikring, internationalt forsikringsselskab A/S, member of the Supervisory Board of Aktiv 24 Forsikring AS, member of the Supervisory Board of Enter Forsikring AS, member of the Supervisory Board of Forsikring og Pension, member of the Supervisory Board of Flügger A/S, member of the Supervisory Board of Dansk Management Forum.

Erik Gjellestad
Member of the Group Executive Management of Tryg Vesta Group A/S, CEO of Vesta Forsikring AS, member of the Supervisory Board of Tryg Forsikring A/S, alternate member of the Supervisory Board of Bergen Nordhordaland Rutelag ASA.

Changes to the Supervisory Board and the Executive Management

The Tryg Vesta Group was established on 28 January 2002 under the name "Tryg General Insurance Holding A/S". Its Supervisory Board consisted of Thorleif Krarup (Chairman), Lars-Göran Nordström and Erik Arne Liljedahl. The Executive Management consisted of Hugo Andersen. The composition of the Supervisory Board was changed on 30 September 2002 to comprise the members listed in these financial statements.

On 1 September 2002, the Executive Management was enlarged to comprise Hugo Andersen (Group CEO), Stine Bosse (CEO of Tryg) and Erik Gjellestad (CEO of Vesta). On 10 January 2003, Mr Andersen resigned and was replaced by Ms Bosse as Group CEO.

Heads of business organisation

Tryg Forsikring A/S	Stine Bosse (CEO)
Dansk Kaution	Flemming Christiansen (CEO)
Vesta Forsikring AS	Erik Gjellestad (CEO)
Nordea Ubezpieczenia, Poland	Otto Groegler (CEO)
Tryg-Baltica international	Flemming Christiansen (CEO)
Nordea Vahinkovakuutus, Finland	Kimmo Kilpinen (branch manager)
Nordea Kindlustus, Estonia	Mikko Saario (CEO)

Group overview

Tryg Vesta Group A/S has the following subsidiary undertakings:

Tryg Forsikring A/S, CVR-No. 24260666 (100%)

- Tryg Forsikring II A/S, CVR-No. 24260569 (100%)
  (with Tryg Forsikring II A/S Filial Finland, *Suomen sivuliike,*
  Branch name; Nordea Vahinkovakuutus)
- Tryg Polska Towarzystwo Ubezpieczen S.A. (95.32%)
- Dansk Kautionsforsikrings-Aktieselskab, CVR-No. 10163714 (100%)
  - ApS SMBK nr. 98, CVR-NR 66326810 (100%) (dormant)
- Tryg-Baltica Forsikring, Internationalt Forsikringsselskab A/S, CVR-No. 10430615 (100%)
  - Tryg-Baltica International (UK) Ltd (100%)
- Tryg Forsikring, Rejse og Sundhed A/S, CVR-No. 19998916 (100%)
- Tryg Ejendomme I A/S, CVR-No. 12601840 (100%)
- Aps KBIL 9 nr. 2032, CVR-No. 18251728

Vesta Forsikring AS, org. No. 9178128790 (100%)

- Enter Forsikring AS, 913 782 453 (100%)
- Aktiv Forsikring AS, 913 713 265 (100%)
- Forsikringsselsk. Vesta Garanti AS, 929 248 767 (100%)
- Respons Inkasso AS, 956 331 013 (100%)
- Salgssenter I Forsikring, 980 078 124 (100%)
- Thunesvei 2 AS, 946 919 845 (100%)
- AS Slettebakksvei nr. 80, 933 088 413 (100%)
- ANS Grensen 3, 848 383 082 (99%, 1% owned by AS Slettebakksvei nr. 80)
- ANS Nesøyveien 4, 951 130 532 (99%, 1% owned by AS Slettebakksvei nr. 80)
- ANS Nesøyveien 6, 957 929 532 (99%, 1% owned by AS Slettebakksvei nr. 80)
- ANS Nye Vakåsvei 80, 948 011 220 (99%, 1% owned by AS Slettebakksvei nr. 80)
- Vesta Multifond AS, 982 489 465 ("discontinuing") (100%)
- Investeringstorget AS, 981 525 582 ("discontinuing") (100%)
- Fondstorget AS, 981 525 620 ("discontinuing") (100%)
- Aktiv 24 Forsikring AS ("discontinuing") (100%)

Nordea Kindlustuse Eesti AS, reg. no. 10811194 (100%)