



supplying peace of mind

It is our vision to be the leading peace-of-mind supplier of the Nordic region on the markets and within the business areas chosen by us.

We believe that we play a significant role in society and for the people and companies we serve.

We create stability and foresight for the individual and for the community, because insurance counteracts and alleviates the consequences when forces of nature and human beings turn from being friends and helpers to being enemies and destroyers.

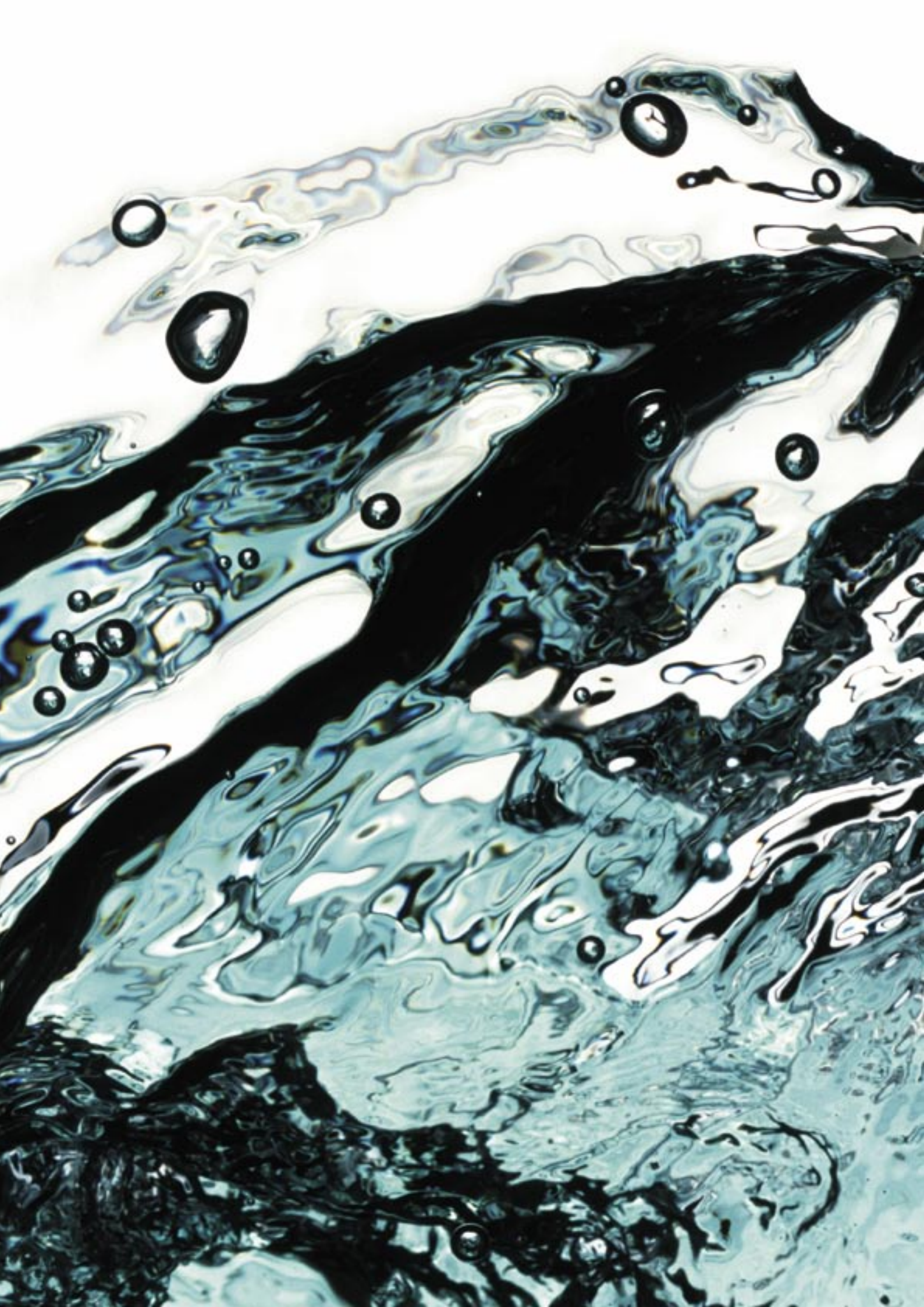
healthhazard

Water is the very foundation of life. Deserts bloom when touched by the life force of water. A thundering waterfall can be tamed and its power can be harnessed for the benefit of us all.

However, sudden downpours and floods can hit with enormous and unpredictable power, transforming water into a force of death. Water is powerful in all its forms. The Christian Bible mentions huge hailstones among the great plagues.

Just as we value water, it also demands our respect and humility.





visionary



villainous

Intelligence, communication and creativity make human beings the most successful race on earth. We are constantly surprised by our ability to develop new ideas.

There is no greater force of nature than the human brain. It is a vehicle for both good and evil. In fact, humans are the only beings who have the capacity to be consciously cruel.

As history bears out, there is not necessarily a link between thought and thoughtfulness.



drive

Conquering fire is possibly the greatest feat of man in the history of humanity. Fire provides warmth. Fire provides light. Fire is an important ally.

However, fire can destroy values and visions built on the dreams of men and women over many decades. We have therefore feared the blind, consuming power of fire for just as long as we have regarded it as an ally.

Our civilisation, progress and prosperity would not have been possible without the mighty force of fire.

destruction



force

Humans spend much more time training the body than any other being on earth. A year is very likely to pass before a human baby can stand and toddle hesitantly into the arms of mum or dad.

Day by day and year by year, we train and develop our bodies as a tool. A grip. A step. A tender stroke or a powerful punch.

The human body is like a strong machine but it is not invulnerable. Snap. Twist. Suddenly, the helplessness of our infancy returns.

fragility





vitality

violence



Harnessed by the arms of windmills and the sails of ships, wind has been carrying the heavy load for man for thousands of years. Wind aids us in producing flour from grain, crossing frontiers, experiencing new worlds and creating the energy we need.

However, wind is also capricious and violent. A breeze becomes a storm. A storm becomes a hurricane. Everything can be turned upside down.

We owe wind a great deal, because it shares its propellant force with us.

annual report 2004

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Focus on Nordic customers

TrygVesta's prime objective is to provide peace of mind to our two million customers in the Nordic region; both when we advise our customers on insurance and pension and on loss prevention, and when we service customers with a claim. We work on an ongoing basis to make our service even better and to develop even further in order to continue to make our customers feel good and secure every time they are in contact with us. And we will be in touch with them several times a year – also outside claims situations.

Our employees constitute our basis for being the customers' preferred supplier of products and services that offer peace of mind. Therefore, it is vital that we always ensure that TrygVesta is an attractive place to work. We invest in education and training and help each individual develop their full potential in our large, Nordic organisation.

All the changes that have occurred over the past year affect our employees. They feel their own worth from and take pride in the results they have helped achieve. But we are also aware that all the changes have had a significant impact on their everyday working lives. They need time to adapt and for the changes to sink in.

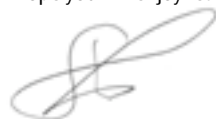
During 2004 we have reaped the benefits of our first wave of Nordic synergies, which gave us room to make new investments. We set up shared staff functions, claims procurement, reinsurance and IT operations. Today, TrygVesta has a sound capital base, restored profitability and a strong strategic platform. We are riding on the second wave of Nordic synergies, which materialise through our continued efforts to implement efficiency enhancements and cost savings throughout our organisation. And we are getting ready for the third wave, which we begin by strengthening our service and sales power vis-à-vis our customers.

We reduced costs significantly during the past year. We improved our corporate business substantially. We divested three companies in order to focus on our core business: direct Nordic insurance. We laid the foundation for a shared identity and shared values throughout the Group. And we seriously began offering products in the form of concepts based on the stages our customers go through in their lifetime.

We have every reason to be pleased with our performance. We have come a long way in a short time, and we have a clear strategy for our next step: We intend to stay focused on our Nordic customers and develop by taking care of our employees and their potential.

We want to be known for the results we create, and not for the underlying strategy. The Balanced Scorecard is our key tool in realising our strategy and achieving sustained profitability. It also makes our strategy concrete and measurable and ensures that all employees are aware of their own targets and those of the entire Group.

I hope you will enjoy reading our annual report.

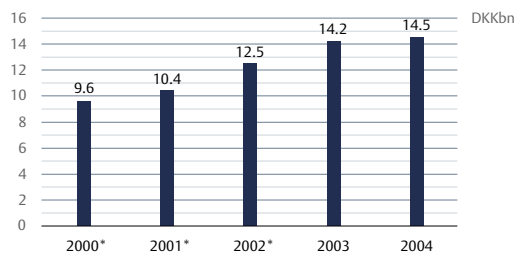


Stine Bosse
Group CEO

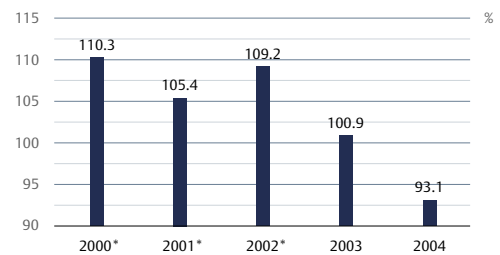


The year in review

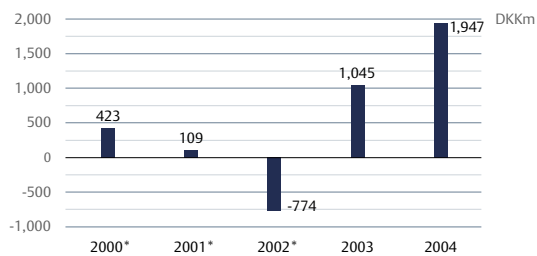
**EARNED PREMIUMS,
NET OF REINSURANCE**



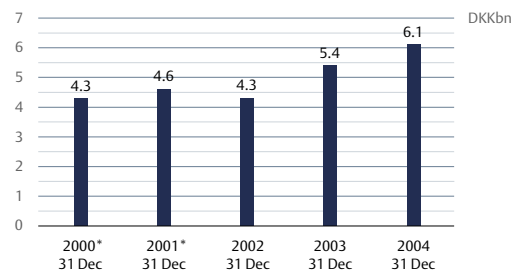
**COMBINED RATIO,
NET OF REINSURANCE**



**PROFIT ON ORDINARY ACTIVITIES
BEFORE TAX**



SHAREHOLDERS' EQUITY



^{*)} Throughout this annual report, figures for 2000, 2001 and 2002 are pro forma figures, as TrygVesta was established on 28 June 2002.

Reference is also made to Financial highlights and key ratios for TrygVesta

The year in review

Financial performance in 2004

- TrygVesta improved its financial results considerably in 2004, generating a profit on ordinary activities before tax of DKK 1,947m against DKK 1,045m in 2003.
- The improvement was driven by the Group's primary operations. Insurance operations reported a technical result of DKK 1,456m for 2004, an increase of almost DKK 1,100m relative to last year.
- The improvement materialised more quickly and strongly than we had expected. The combined ratio, net of reinsurance, of 93.1 and the return on equity of 33.9% before tax far outperformed the Group's long-term target of a return on equity of 18-20%.
- The Group's earnings are well balanced. The technical result was a profit of DKK 722m for the Norwegian business and DKK 790m for the Danish business.
- The three primary business areas improved their financial results strongly in 2004. The combined ratio, net of reinsurance, was 93.4 for Personal & Commercial Denmark, 84.3 for Personal & Commercial Norway, and 97.1 for the Nordic corporate business.
- The results reflect a 2.1 point improvement of the expense ratio, generated by a DKK 225m reduction in the nominal amount of operating expenses, and a 5.7 point reduction of the claims ratio, achieved despite a significant strengthening of reserves within personal accident insurance as well as the impact of the fireworks blaze in Kolding, Denmark, and the tsunami in Asia.
- TrygVesta's Finnish operations generated premium growth of almost 60% in 2004, winning more than 1.5% of the Finnish market for personal customers in just three years.
- The divestment of the Polish and Estonian subsidiaries and the reinsurance company TBI focused operations even more in 2004. The divested companies reported a total loss on ordinary activities before tax of DKK 172m for 2002-2004, and the divestment is expected to improve the Group's long-term earnings.
- TrygVesta proposes that a dividend of DKK 650m be declared.
- TrygVesta estimates that the combined ratio, net of reinsurance, for 2005 will be at the level of 92-96 with an expectation of 94 and a profit on ordinary activities before tax of DKK 1,600m.

Highlights of the first quarter of 2004

- TrygVesta established a Nordic organisation, introducing shared staff functions across national borders, two dedicated local business areas for personal and commercial customers, one in Norway and one in Denmark, and one dedicated Nordic business area for the corporate market.
- TrygVesta launched its value process and adopted the name of 'TrygVesta' rather than the 'Tryg Vesta Group'.
- The partnership with CSC on IT operations was extended to comprise TrygVesta in Norway.
- TrygVesta launched three new concepts in Denmark: *Tryg Ung*, *Tryg Senior* and *Tryg Firma*.
- TrygVesta moved into the market for unemployment insurance in Denmark.

Highlights of the second quarter of 2004

- Standard & Poor's and Moody's awarded good ratings to TrygVesta, confirming TrygVesta's renewed strength.
- Dansk Kaution was awarded a similar good rating by Standard & Poor's.
- TrygVesta strengthened provisions for workmen's compensation in Denmark by DKK 175m due to the so-called 'flex job ruling' by the Supreme Court. Provisions in the workmen's compensation and industrial diseases area in Norway were strengthened by DKK 135m.

Highlights of the third quarter of 2004

- TrygVesta set up a common intranet and introduced an employee magazine across national borders.

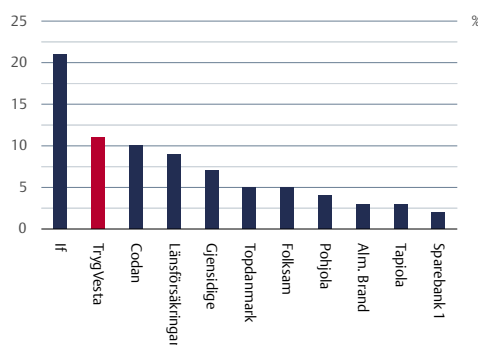
Highlights of the fourth quarter of 2004

- TrygVesta divested its reinsurance company TBI.
- Losses resulting from the fireworks blaze in Kolding, Denmark cost TrygVesta DKK 100m.
- TrygVesta divested its Polish subsidiary.
- TrygVesta divested its Estonian subsidiary.
- Injuries suffered by Danish and Norwegian tourists and damage to their luggage as a result of the tsunami in Asia cost TrygVesta DKK 28m after taking into account the reinsurers' share.

Highlights of early 2005

- The storm that hit all of Denmark on 8 January is expected to result in claims payments of between DKK 750m and DKK 1bn to TrygVesta's customers. Net of reinsurance, the storm will entail expenses for TrygVesta of DKK 100m plus DKK 50-70m in reinsurance renewals.
- TrygVesta began selling unemployment insurance on an individual basis.
- TrygVesta's value process led to the formulation of common values for employees and customers.
- TrygVesta expands health insurance area in Norway.

MARKET SHARES IN NORDIC INSURANCE, 2003



Source: Financial supervisory authorities and trade organisations

The external environment

Stable Nordic insurance markets

The Nordic general insurance markets stabilised in 2004 in the wake of large and necessary premium increases in 2002 and 2003. The insurance industry's profitability has reached a satisfactory level following years of unsustainably low profitability, especially in respect of insuring corporate customers.

Developments in the international insurance markets showed very moderate pressure on prices in the second half of 2004. Not least the major natural disasters in 2004 weighed heavily on US and international insurance companies. This has motivated the industry to stay focused on profitability, thereby reducing the risk of competition on prices in the Nordic market. We are currently not seeing any signs of significant changes in profitability in the Danish, Norwegian or Finnish markets in 2005 and 2006.

The insurance industry has had a history of recording highly fluctuating earnings on insurance operations, due in part to the annual fluctuations in the volume of claims. In addition, we have seen multi-year periods of poor profitability as a result of fierce competition on prices. And these periods have been succeeded by periods of steep price increases in an effort to restore earnings. Historically, cyclical movements cause concern for a decline in earnings. The rationale seems to be that such restored earnings might tempt some insurers to increase their market share at the expense of profitability.

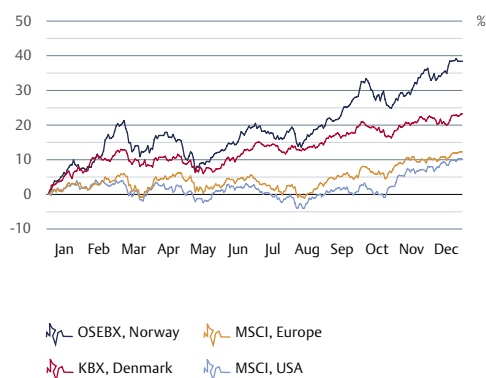
In TrygVesta's opinion, this risk has been reduced considerably through the industry's increased focus on risk management and return on capital. After many years of earnings significantly underperforming investor return requirements, focus on capital and risk should keep the industry's attention on long-term earnings.

In recent years, insurance companies have given much greater priority to risk management. The approach to risk is moving towards more proactive management and prevention. This has contributed to a change in corporate cultures towards increased focus on profitability. Moreover, the level of interest rates is considerably lower than it was, for example, five years ago. This forces businesses to maintain a better correlation between premiums and claims as compared with only a few years ago. TrygVesta expects fluctuations in insurance profitability in the future as well. However, there is reason to be optimistic about earnings in the next few years, and we have reason to be confident that the insurance industry generally wishes to maintain stable earnings.

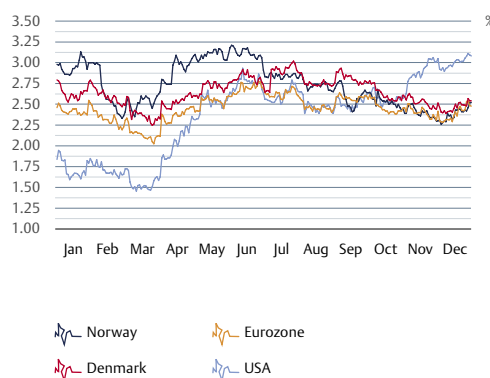
Price competition by the back door?

The market is currently moving towards the use of multiple tariff criteria, thereby establishing a sharper division of customers into risk classes. We find it disturbing when large parts of the market expect to increase their earnings by introducing additional tariff criteria. Depending on how aggressively insurers intend to use these new criteria, there is a risk of allowing price competition to slip in by the back door.

SELECTED SHARE INDICES, 2004



SELECTED TWO-YEAR GOVERNMENT BONDS, 2004



Public and private insurance

The welfare debate continued throughout 2004 in the Nordic countries and other European countries, challenging, among other things, the insurance industry. Insurance already contributes to welfare in Denmark, and so far almost 300,000 Danes are comprised by some form of private health insurance. Growing private wealth has already spurred the need for new insurance products, for example unemployment insurance and health insurance. It is not uncommon for businesses to protect employee groups against illness, and in Norway health and unemployment insurance is being introduced in the market. Both the Danish and Norwegian insurance industries support initiatives that supplement traditional public areas. TrygVesta considers this to be a growth area, and we will participate actively in developing our role in society.

Increased focus on risk management

The global markets focus increasingly on risk, and risk management has become a much greater priority for large and medium-sized enterprises over the past couple of years. For businesses it is not simply a question of hedging risk in relation to fire, terrorist attacks, management scandals or bad weather. It is also a question of taking a more professional approach to risk in order to better control costs and hence reduce the risk of a loss. As a direct consequence of this, corporate customers are tightening their requirements to insurers' financial strength. This brings focus on insurance company credit ratings, that is, an analysis of an insurance company's financial strength, strategy, management, profitability and risk management, etc.

Insurance against terrorist attacks

Due to terrorist activity all over the world, TrygVesta runs the risk of incurring substantial losses in case a major terrorist attack occurs in Denmark or Norway. The section Risk management contains an account of TrygVesta's reinsurance of the risk of terrorist attacks.

TrygVesta believes that there are three valid reasons for establishing a government guarantee to counter the effects of major terrorist events: Terrorism is presumed to be politically motivated. It is impossible to hedge the risk related to terrorist attacks sufficiently in the reinsurance market. Finally, working groups under the auspices of the Norwegian Finansnæringens Hovedorganisasjon and the Danish trade association, Forsikring & Pension, have prepared scenarios which show that a terrorist attack could result in Norwegian and Danish insurance companies losing their entire shareholders' equity. Forsikring & Pension has initiated a dialogue with the Danish government to address this issue, and Finansnæringens Hovedorganisasjon has initiated a similar dialogue with the Norwegian government.

Securities markets

The beginning of 2004 was characterised by strong economic growth, but also by a series of unfavourable US unemployment figures and doubt as to the sustainability of the economic recovery. As appears from the chart, these factors contributed to dampening the financial markets and gave rise to falling interest rates on both sides of the Atlantic. The uncertainty following the bombings in Madrid on 11 March 2004 and speculations in a coming ECB rate cut also contributed to falling interest rates in the first quarter.

In the early spring, the market refocused on a more positive growth scenario for the global economy. At the same time, the key industrial and retail indicators gained momentum, thereby shifting focus from fear of deflation to an inflation scenario offering fair economic growth. This spurred expectations of a tighter US monetary policy, and in June 2004 interest rates were hiked for the first time in four years.

The second half of 2004 was characterised by strong activity in the US with rising interest rates towards the end of the year and decent share price increases. This rubbed off on European shares, but economic activity in Europe remained weak with slightly falling interest rates. In particular the high EUR exchange rates caused concern in the European business sector. The Norwegian stock market rose drastically due, among other things, to high oil prices, whereas the steep increase in the Danish KBX index was spurred by good returns generated by small and medium-sized shares and favourable company-specific news.

New view of insurance and prevention after large fire

Paul Edvin Bersaas, Haugesund
Customer with TrygVesta, Norway



'You get a more varied view of insurance when you've gone through something like this. We used to save on our cover and terms and conditions to minimise the monthly premium. We've stopped doing that.'

Paul Edvin Bersaas, managing director of Haugesund Ventilasjon Service in Norway, was close to the worst experience a business owner can have in 2003. A fire broke out in a private home next to the business, and the fire spread explosively to Paul Edvin Bersaas' premises.

'All 40,000 square metres burnt down to the ground and we lost everything: our machines, products, furniture and equipment, and, worst of all, all our data and our backups. It felt like a living nightmare. But very quickly, a claims handler came from Vesta in Bergen. He assisted us in getting an overview, which helped us a lot during the first days,' says Paul Edvin Bersaas.

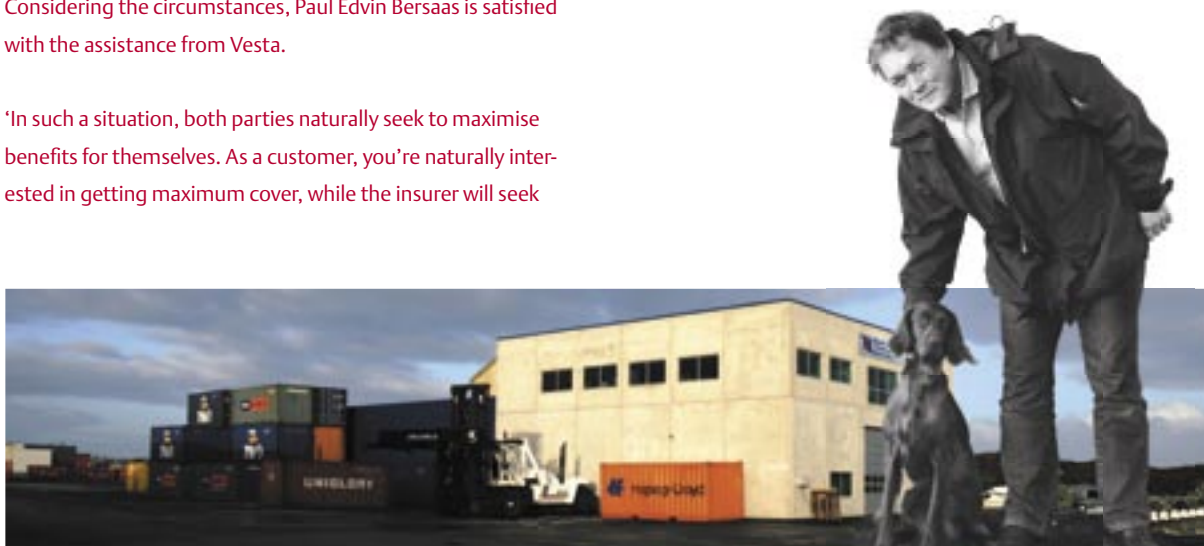
Considering the circumstances, Paul Edvin Bersaas is satisfied with the assistance from Vesta.

'In such a situation, both parties naturally seek to maximise benefits for themselves. As a customer, you're naturally interested in getting maximum cover, while the insurer will seek

to limit payments, within reasonable limits, of course. In our dialogue with Vesta, it was a little bit of give and take from both parties, but we ended up with a result that was satisfactory to everybody,' says Paul Edvin Bersaas.

Haugesund Ventilasjon Service is now back to almost pre-fire levels. The business has moved into a new building, which is fitted with modern fire protection systems, and the backup procedures have been tightened.

'Everybody knows the importance of safeguarding yourself against fire and similar events. Nevertheless, you often 'forget' to do something about it. Very few people remember to consult their insurer for advice and guidance, but we actually have a common interest in this respect: to prevent and minimise the risk of fire, and – if it happens anyway – to limit the damage as much as possible,' emphasises Paul Edvin Bersaas.



Strategy and goals

TrygVesta's strategy for 2004-2006, which was defined in 2003, remains unchanged in all respects. No events in 2004 in the external environment or internally gave rise to strategy changes. The initiatives launched in 2003 and 2004 yielded quicker and better results than expected, thereby giving us the opportunity to make increased investments in improving our customer service in the long term. As a consequence, we have only made few adjustments to our strategic focus areas for 2005.

We intend to maintain our focus on profitability in 2005, but at the same time we will retain our commitment to generating growth and development in our operations.

We have reaped the benefits of our first wave of Nordic synergies through shared staff functions, claims procurement, reinsurance and IT operations, and today we have adequate capital resources, restored profitability and a strong strategic platform. We will be reaping the benefits of the second wave of Nordic synergies through efficiency improving and cost-sav-

ing measures, in particular within staff functions, while at the same time making investments in growth and development. See Financial perspectives for additional information on the first, second and third waves of Nordic synergies. With the initiatives planned for 2005, we will embark on the next stage of our strategic transformation.

TrygVesta's strategic focus areas for 2005 include:

- Focus on direct Nordic insurance
- Retained commitment to existing customers
- Growth in personal and commercial portfolio
- Adjustments of resources and realisation of Group synergies
- Optimisation of corporate portfolio
- Common identity and shared values

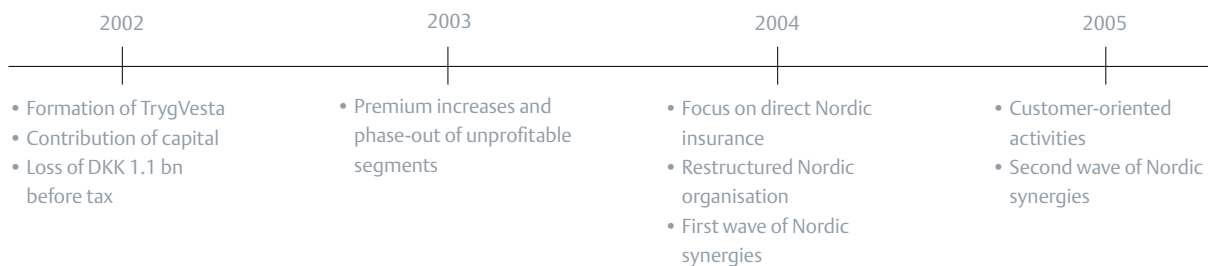
The strategic focus areas will be discussed briefly below and in detail in the four subsequent sections: Customers, Processes, Employees and Financial perspectives.

Initiatives in 2004

TrygVesta launched a wide variety of initiatives in 2004, including:

- Establishment of a restructured Nordic organisation and implementation of the first wave of Nordic synergies
- Establishment of a joint procurement function, including claims procurement
- Implementation of reinsurance programme
- Divestment of the reinsurance company TBI
- Divestment of the subsidiaries in Poland and Estonia
- Interactive rating with S&P and Moody's (A- and A3)
- Launch of unemployment insurance in Denmark
- Development of new concepts and service programmes
- Completion of a joint employee survey
- Launch of value process

From recovery to development



Focus on direct Nordic insurance

TrygVesta aims to further strengthen its core business. The reinsurance company TBI was divested in October 2004, and in December the Polish and Estonian subsidiaries followed suit. This means that we intend to focus exclusively on our Nordic customers in the future. We will meet our customers' needs for peace of mind through general insurance and life and pension insurance products in cooperation with our partner Nordea.

Retaining commitment to existing customers

– with focus on concepts

The needs to secure oneself, one's family and company change over time. TrygVesta intends to meet the needs of our customers by pooling products and service benefits in concepts targeted at specific life stages and customer groups.

In addition, we intend to invest in increased proximity to our customers – also outside claims situations. We will make ongoing efforts to ensure correct insurance for our customers through our service programmes.

We also intend to improve our claims handling procedures with a view to increasingly provide solutions rather than just provide financial compensation.

More than eight out of ten personal and commercial customers renewed their insurance policies with us in 2004, which is not quite up to our long-term goal of achieving renewal from nine out of ten customers. Increased customer focus in the coming years will support the attainment of this goal.

Growth in personal and commercial portfolio

We intend to continue the growth trend in 2005, and we are confident that even more Danish, Norwegian and Finnish customers will take out insurances with us.

In the long term, we expect to gain market shares by combining our concepts with strong distribution channels. We intend to strengthen sales of new policies through our partnership with Nordea and through our other sales channels.

Our focus on profitability remains unchanged, and our sales performance in Finland is a case in point that growth can be achieved without resorting to price competition. Our long-term ambition is to grow our market share from 22% to 25% in Denmark, from 19% to 21% in Norway and from over 1.5% of the personal market in Finland to 8% by 2010.

In 2004, our focus on direct insurance in the Nordic countries spurred our interest in Swedish insurer Trygg-Hansa, which was put up for sale for a period of time by its owner. TrygVesta is currently contemplating alternative ways for gaining a foothold on the Swedish market.

Adjustment of resources and realisation of Group synergies

The organisational changes carried out in 2004 completed the platform for achieving our strategic goals for the coming years. We have established two country-specific business areas, viz. Personal & Commercial Denmark and Personal & Commercial Norway, and one Nordic business area for corporate customers in Norway and Denmark. In addition, we have introduced pan-Nordic staff functions.

In 2004, we brought down total costs by DKK 225m and when disregarding the activities divested, the total number of employees was reduced by 29.

We intend to implement further cost savings in 2005, primarily in our staff functions, but also in our three business areas, with a view to providing scope for substantial investments in employee training, IT and increased selling power. These cost savings and investments will safeguard and consolidate our position in terms of combined ratio and contribute to achieving substantial competitive strength.

Balanced Scorecard in TrygVesta

Since 1999, TrygVesta has used the Balanced Scorecard (BSC) as the most important tool in pursuing our strategy.

We use BSC to translate the general goals of our strategy into concrete actions and results within the fields of finance, customers, processes and employees.

BSC enables us to constantly maintain coherence between the strategy's overall goals and the actions implemented throughout the Group. BSC makes the strategy more concrete and measurable and helps the individual employees prioritise their tasks in accordance with the overall focus of the Group and the business area.

Optimisation of corporate portfolio

Developments in TrygVesta's corporate business contributed to significantly improved profitability in that area in 2004. In 2005, we intend to take a number of steps to consolidate profitability.

We intend to strengthen the risk advice we provide to our corporate customers by applying and improving our strong competencies within risk management. Forging closer relations with our customers will position us as an active player in the ongoing efforts by businesses to professionalise their risk management. Our ambition to be an attractive partner within risk management applies to existing and new customers alike.

All TrygVesta employees must know the goals defined for the Group as a whole and for their specific business areas. We believe that we will become better at implementing the strategy if all employees contribute to defining the activities required to attain our goals.

2004 was characterised by efforts to communicate a common BSC approach for the newly-formed Group. In 2004, our BSC efforts also focused on making the individual BSCs accessible to all employees of the Group on our shared intranet. We strive to obtain the greatest possible degree of openness and transparency in our activities.

TrygVesta's common values

We supply peace of mind because:

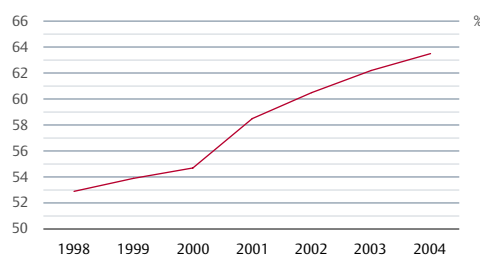
- We show people respect, openness and trust
- We show initiative, share knowledge and assume responsibility
- We provide solutions characterised by quality and simplicity
- We create sustainable results

Common identity and shared values

Creating a common identity and shared values across national borders is an important prerequisite for the continued success of our Nordic integration and strategy. 2004 was characterised by efforts to improve TrygVesta's value process. As part of these efforts we carried out a survey asking several hundred Danish, Norwegian and Finnish customers how they perceive the values that currently reflect our Group. In early 2005, our efforts were translated into a set of common values for employees and customers throughout the Group.

Actual figures for selected BSC benchmarks for TrygVesta

	2004	2003	2002	2001
Customers, personal customers (index)				
Renewal ratio	101	100	102	100
Customer loyalty	109	106	101	100
Share of customers with concept agreements	106	102	98	100
Processes (index)				
Portfolio (nominal prices) per full-time employee	129	124	116	100
Customer satisfaction in claims handling	104	102	100	100
Employees (index)				
Employee satisfaction	105	102	101	100
Financial perspectives				
Return on equity after tax (%)	24.5	15.4	-47.4	1.2
Combined ratio, net of reinsurance	93.1	100.9	109.2	105.4
Gross expense ratio	21.2	22.4	23.6	24.3

SHARE OF DANISH MULTIPLE-POLICY CUSTOMERS

Tryg's longstanding focus on concepts has induced an increasing number of Danish customers to take out more than one policy with the company.

Customers

TrygVesta's ambition is to have the highest level of customer loyalty in the Nordic region.

One of TrygVesta's strategic focus areas in 2004 was to preserve and extend the existing profitable customer base. We have now created profitability. Therefore, our forward-looking strategic focus area is our commitment to our existing customers and generation of growth in the personal and commercial portfolios. Our goal is that nine out of ten customers renew their insurance policies with us.

We know from customer satisfaction surveys that customers having more than one policy with the company are more loyal than customers having only one policy. This is one of the reasons why we continually develop our concept philosophy, which offers customers cash benefits as well as added security when they take out all their policies with the company. You can read more in this section, which also describes all the benefits we derive from our partnership with Nordea.

Concepts

One of TrygVesta's characteristics as a supplier of products and services that offer peace of mind are concepts that target customer needs. We want to offer customers a comprehensive insurance package comprising products, service guarantees and related services.

More than 280,000 Danes have already chosen the *Tryg Familie* concept which was launched in 1998. Another two life-stage oriented concepts for personal customers were added in 2004, when TrygVesta launched *Tryg Ung* and *Tryg Senior*.

The *Tryg Firma* concept targeting small businesses was also launched in 2004.

To the concepts, we add agreements such as *Tryg Reparation* and *Tryg Bygning*, under which we cooperate with selected garages, sewerage builders and plumbers. These agreements enable TrygVesta to offer much better services to customers with a claim, while our claims expenses are reduced, and the repairers' turnover is increased.

TrygVesta intends to launch new concepts in Norway in 2005, involving, among other things, a new pricing system. In further developing the concept philosophy we will, of course, draw on the experience we have gained from the Danish and Norwegian markets.

TrygVesta has strong brands in the Danish and Norwegian markets, built up over many years. We therefore not only intend to maintain the branding of Tryg in Denmark and of Vesta in Norway, but will aim to position the brands even more strongly and make the values embedded in the brands common to both.

The Tryg and Vesta brands will be visible in the marketplaces, while TrygVesta as a brand will be used to designate the Group, eventually also in relation to corporate customers.

TrygVesta's customer concepts

Customers who take out all their policies with TrygVesta get added security as well as cash benefits.

Vesta Avtalen is an offer to customers holding at least three policies. In addition to cash benefits, the customers are covered by an under-insurance guarantee. Psychological crisis therapy is available to them, and they are eligible for a rental car for up to ten days if their car is damaged and it is insured under a comprehensive policy with Vesta.

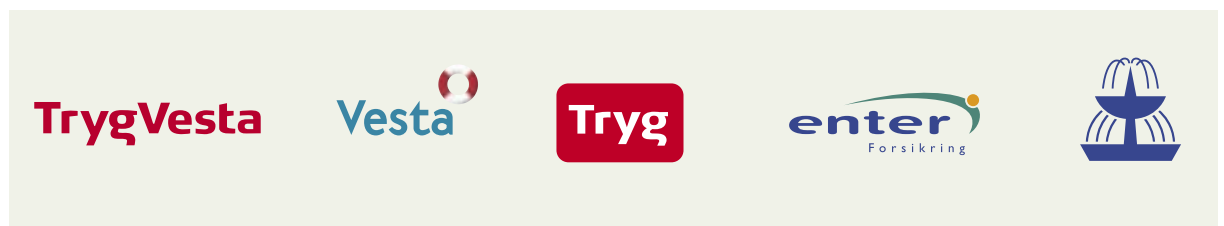
Tryg Ung is for customers under the age of 29, who do not own a home or holiday home. In addition to cash benefits, policyholders are offered courses in driving technique, antivirus software, free psychological crisis therapy and social counselling.

Tryg Familie is for the 29 to 59 year olds. In addition to the cash benefits on, for example, policies and private alarms, Tryg Familie customers are covered by free psychological crisis therapy and an under-insurance guarantee. They can also take out a motor insurance with a slightly increased deductible, which ensures that the premium will not rise if they report a claim.

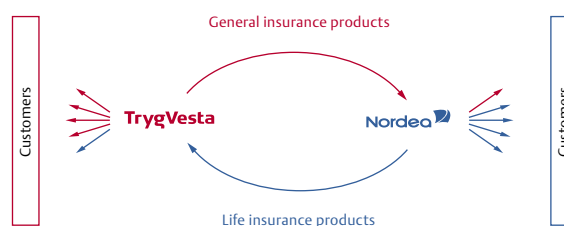
Tryg Senior offers cash benefits and added security to people over 50 years old, including health check-ups at a special price and cover in the event of theft by deception.

Tryg Firma is a special offer to small businesses based on their special insurance, advice and service requirements. In addition to financial benefits on insurance of passenger cars, vans and lorries, the offer to businesses includes a special favourably priced security package ensuring service and salvage in a number of important areas.

The TrygVesta Group's brands



DISTRIBUTION PARTNERSHIP WITH NORDEA IN THE NORDIC REGION



Partnership with Nordea

The partnership with Nordea enables TrygVesta to offer our customers life and pension insurances. At the same time, Nordea's customers are offered TrygVesta's general insurance policies through the banks in Denmark, Norway and Finland.

Generating 11% growth in 2004 relative to 2003, Nordea's sales of our general insurance products continued to generate fair growth. Bank distribution accounted for 11% of TrygVesta's total sales of new policies to personal customers in 2004.

We set up a branch in Finland in 2001 to sell insurance through Nordea, which has 40% of the banking market for personal customers in Finland. Insurance sales continue to surge, and sales of new policies increased by 30% to 64,500 in 2004, while gross earned premiums increased by almost 60%. Of total sales, 5% was accounted for by the 'Solo market', Nordea's electronic Internet marketplace. In 2004, the partnership resulted in TrygVesta achieving a market share of over 1.5%.

TrygVesta's partnership with Nordea has reached its most mature stage in Denmark. After many years, bank distribution still generates strong and satisfactory new sales, standing at almost 50,000 policies or almost 18% of TrygVesta's total sales of new policies in 2004 and contributing to continued growth in the total portfolio in 2004.

Nordea's Norwegian branches began selling TrygVesta's Norwegian policies in 2003, and bank distribution now accounts for 3% of our sales to Norwegian personal customers. There is still a very great potential in Norway.

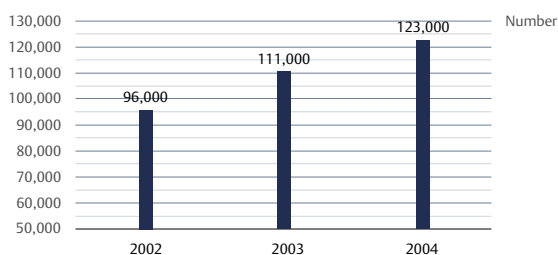
The market is growing

While the welfare debate is raging in the Nordic and other European countries, the market continues to grow, and TrygVesta continuously seeks to meet any new demands that may arise. One example is unemployment insurance, which emerged as an important new business area for the insurance companies in 2003 and 2004.

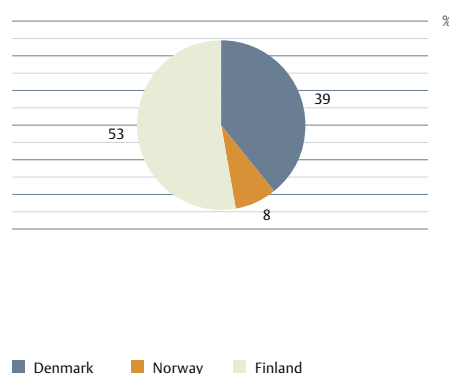
TrygVesta launched unemployment insurance in Denmark in early 2004. During the year, members of seven unemployment insurance funds were offered to take out unemployment insurance to supplement their benefits. The new type of insurance has been subject to great interest since it was launched on 1 April 2004. In January 2005, TrygVesta furthermore began selling unemployment insurance in Denmark that does not require membership of specific unemployment insurance funds.

TrygVesta intends to expand health policies in Norway in 2005 and the Norwegian trade has introduced unemployment policies.

SALES OF NEW POLICIES THROUGH BANK DISTRIBUTION



SALES OF NEW POLICIES THROUGH BANK DISTRIBUTION BY MARKETS 2004



Insure their car rather than their children

A survey of Norwegians' top insurance objects priorities puts children in fifth place – after their home, their car, the contents of their home and themselves. Although as many as 72% of the population were aware of the insurance companies' children's insurances, only 37% of the respondents had considered insuring their own children. Among those who had, only a small portion had actually taken out the children's insurance. Accordingly, 900,000 children in Norway are not adequately insured.

The survey, made by market research firm Norstat for Vesta in 2004, asked parents about their insurance priorities.

The replies were:

1. Home/house/villa	68 %
2. Car	66 %
3. Home/contents	53 %
4. Personal/accident	48 %
5. Children	24 %
6. Travel/leisure	13 %
7. Cottage/holiday home	11 %
8. Boat	9 %
9. Dog	4 %
10. Bicycle etc.	3 %

Yes please, send me a smoke alarm

More than 52,000 customers accepted TrygVesta's offer of an approved smoke alarm given in a letter to more than 215,000 Danish concept customers in late November 2004. As TrygVesta's business is the customer's peace of mind, we wish to help customers prevent damage and therefore paid the cost of the smoke alarm as well as the postage.

Customer satisfaction

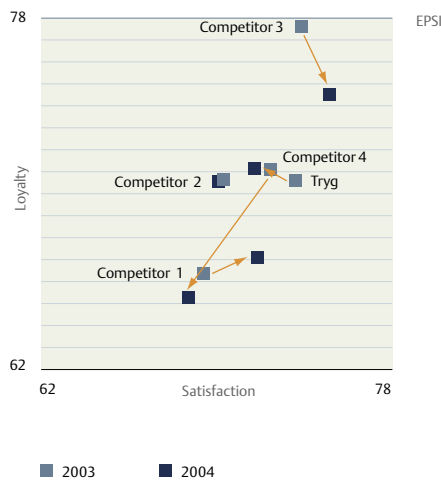
Each year we survey how customers perceive TrygVesta. The results of the surveys are used to ensure that the Group's services match customer requirements. The more satisfied and loyal customers are, the longer they keep their policies with the Group, which benefits profitability in the final analysis.

TrygVesta's surveys are based on EPSI (European Performance Satisfaction Index), the pan-European model for measuring customer satisfaction. The model's standardised questions can be used by all types of businesses, and the results are therefore comparable with those of other insurance companies and companies in other industries.

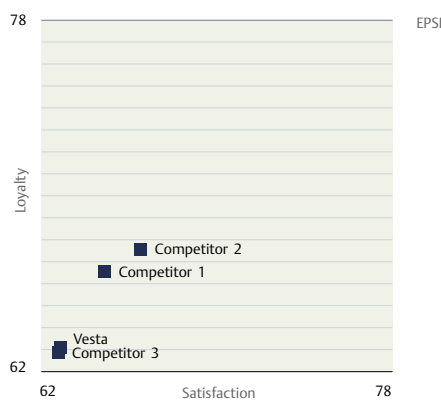
Tryg tops the score among the four biggest insurance companies in Denmark as far as customer satisfaction and loyalty are concerned. Loyalty scores unchanged, while satisfaction scores slightly lower than in 2003. We have addressed this challenge by boosting customer advisory services. The survey, conducted by Dansk KundelIndex, also shows that the small companies have the most satisfied and loyal customers – a phenomenon which is also known from the banking world.

This is the first time the survey in Norway was based on the pan-European EPSI model, and we are therefore unable to track a year-on-year trend. This year's survey shows that compared with our Norwegian competitors, Vesta faces a challenge with respect to customer satisfaction and loyalty. We expect that the upcoming stronger positioning of TrygVesta's brands both in Denmark and Norway and the further development of the Group's concept philosophy in the Norwegian market will provide the necessary boost.

SATISFACTION AND LOYALTY IN DENMARK 2003-2004



SATISFACTION AND LOYALTY IN NORWAY 2004



Source: Danish Customer Index and EPSI Norway

When comparing the results for Denmark and Norway, it is important to consider the impact of differences of opinion and cultural differences between the two countries.

A 1,500 kilo sowing machine landed on his foot

Mogens Povlsen and Kaj Brødsgaard, Ørbæk
Customers with TrygVesta, Denmark



‘Such an accident is annoying – I wish we could undo it. But now that it has happened, it’s a comfort that our insurances were in order and up to date. Imagine if they hadn’t been’ says farmer Mogens Povlsen.

On the morning of 16 September 2004, Mogens Povlsen and his long-standing friend and colleague, Kaj Brødsgaard, were repairing a sowing machine. When they lowered the machine, the jack didn’t work properly, and the full weight of the one-and-a-half tonne sowing machine crashed down on Kaj Brødsgaard’s foot.

‘It hurt terribly. Normally, when something like this happens, you go into shock, but it just hurt too much. When we got the machine lifted and my boot off, we could see that something was really wrong,’ says Kaj Brødsgaard.

Kaj Brødsgaard, who had never had a work-related injury during his 45 years on the labour market, suffered two open fractures of his mid-foot. He was operated on and stitched up, and has had metal pins in his foot for the past four months.

There’s no doubt in Mogens Povlsen’s and Kaj Brødsgaard’s minds about how they rate Tryg’s handling of the matter:

‘I think that at most two weeks went by after the accident before everything had been settled by Tryg. We got a fair treatment. Kaj got preliminary damages for pain and suffering and for lost earnings. My liability and workmen’s compensation policy covered that. I’m glad we did not have to go to court – you can easily imagine a lot of arguing, so we were very happy to have the matter settled so quickly,’ says Mogens Povlsen.

‘Once we had reported the claim and submitted the medical report, everything went smoothly. You hear a lot about how difficult these things can be, but we didn’t have to fight with Tryg about anything,’ says Kaj Brødsgaard.



Processes

TrygVesta's ambition is to improve productivity and enhance quality by automating and centralising on an ongoing basis. One of our strategic focus areas in 2004 was to adjust resources and expand synergies in the Group.

In this section, we focus on our Nordic integration and exploitation of synergies, and on our work processes, in particular in claims situations.

Nordic integration

As an extension of our Nordic strategy, TrygVesta changed its organisational structure at the beginning of 2004 in order to build a stronger foundation for improved efficiency and profitable growth. TrygVesta now has shared staff functions, two local, dedicated business areas for personal and commercial customers, one in Denmark and one in Norway, and one Nordic business area dedicated to the corporate market in Denmark and Norway. Companies with more than 50 employees or paying more than DKK 500,000 in annual premiums as well as guarantee insurance customers belong to the Corporate business area.

We have launched initiatives to further reduce costs and reap the benefits from the next wave of Nordic synergies, such as investments in shared, modern IT systems. We have also focused sharply on making our in-house work processes more efficient based on the best practice principle, which involves making the best method in either Denmark or Norway the one to be used in both countries in the future.

Best practice – Common employee survey

As always, all TrygVesta's employees participated in an annual employee survey. For the first time, the questionnaire was

identical in Denmark and Norway, and we introduced the former Norwegian model throughout the Group. Read about the results of the survey in the section Employees.

Best practice – Underwriting guidelines

Our intranet gives all Norwegian employees access to detailed underwriting guidelines. The fast, electronic access makes it easier to offer a customer the correct insurance and ensures that the price matches the customer's risk. TrygVesta is in the process of transferring the experience gained to other business areas as part of harmonising the Group's operational risk management.

Nordic IT synergies

We are also making targeted efforts to generate Nordic synergies in the IT area. The outsourcing to CSC, which has handled all the Group's IT operations since 1 June 2004, has yielded the planned, important benefits on the cost side, but also in the quality of our IT operations in the form of increased accessibility and speed. For example, in 2004 we migrated to the latest version of the Windows operating system for all workplaces in Denmark, while reducing the total number of IT products significantly.

Based on TrygVesta's common IT strategy, we are aiming to introduce common developments and common IT systems where this is relevant. We introduced a shared intranet in the autumn 2004 and prepared migrating to a common SAP financial management system in the summer of 2005.

We are already generating synergies from using a common software package for customer servicing in both Norway and Denmark. The systems support communications across

departments and functions, giving all employees, who serve customers in TrygVesta, direct access to updated information. The customer service systems also provide access to viewing the customer's products and documents the dialogue with the customer. This provides a sound basis for a good dialogue with and efficient servicing of the customer. As planned in the implementation of the IT strategy, systems are gradually becoming more and more integrated, generating development synergy and helping to keep costs down: IT staff with identical competencies work together on solving shared problems in Denmark and Norway, and experience from new solutions in one country is transferred to the other.

Claims handling

Surveys show greater satisfaction among customers who have reported a claim than among customers who have not had any claims. Furthermore, it is in the claims situation that TrygVesta must truly prove its ability to supply peace of mind. As a result of many years' focus on and the continued development of good and competent claims handling, it is a natural part of TrygVesta's employees' professional approach to stay focused on the customer's needs in a claims situation. This has triggered an increase in customer satisfaction with our claims handling over the past few years, as witnessed by the BSC benchmarks in the section Strategy and goals.

Claims procurement

In recent years, TrygVesta has focused on procurement in relation to claims, generating savings of more than DKK 100m in 2004 alone.

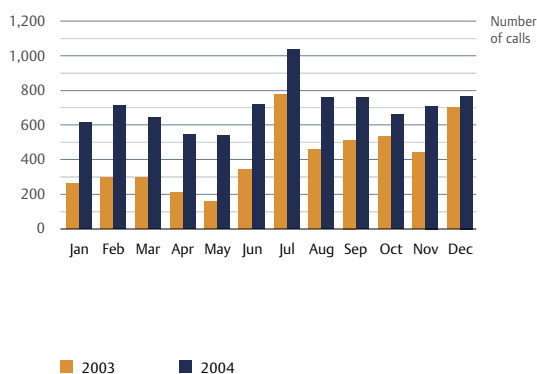
In 2003, we introduced *Tryg Reparation* in Denmark, which involves that customers are offered to have their car repaired at one of the garages we cooperate with. In 2004, we launched *Tryg Bygning* in Denmark. Under this service, customers with drain or sewer claims are offered to have the repairs made by one of the sewerage builders TrygVesta has a special collaboration with – for the benefit of the customer, TrygVesta and the sewerage builders. The service was extended in January 2005 to include plumbers.

In Norway, TrygVesta has worked with procurement in connection with motor claims since 2001. The concept is based on agreements with selected authorised garages, which charge lower prices to TrygVesta for repairing the customers' cars than other garages.

TrygVesta is in the process of developing a similar service for contents insurance in Norway. This service involves that a customer whose personal property has been damaged or lost will be offered to buy a new product through a selected supplier. The benefits are obvious: The products will be offered to the customers at favourable prices, the supplier will get more customers, while TrygVesta offers good service at a good price.

The new service was introduced in the autumn of 2004, initially with respect to travel claims involving the customer's loss of a mobile phone, PC, camera or video camera. The service will later be extended to a much larger range of areas. Eventually, the service will be transferred to Denmark, and similarly, *Tryg Bygning* will be implemented in Norway.

TRYGVESTA ALARM 2003-2004



The alarm centre handles an increasing number of calls. This is because customers make increased use of the alarm centre, and because psychological and health claims have been included in the alarm centre's tasks over the past couple of years.

Enhanced efficiency in customer servicing

Customer servicing and enhanced efficiency are key words in a new process to handle motor claims TrygVesta intends to introduce this process in Denmark in 2005. The process and the underlying IT system support the dialogue between the employee and the customer. IT tools guide the employee through a number of questions when a customer phones to report a motor claim. This leaves more room for the employee to focus on the customer. In addition, the IT tool automatically handles all correspondence with the customer as well as with witnesses, the police and other insurance companies involved. The request for payment of the deductible and a concluding letter to the customer have also been automated.

Due to the system's efficiency, we expect that 40% of all motor claims can be finalised after the telephone conversation with the customer. In the longer term, the system holds potential for a larger degree of self-service when customers report claims.

TrygVesta Alarm

TrygVesta has had a common alarm centre since 2002, which is open round the clock for calls from Danish, Norwegian and Finnish travel insurance customers. In addition, *TrygVesta Alarm* assists Danish customers requiring psychological crisis therapy or requesting to use their health insurance. On evenings, nights and weekends, the alarm centre also functions as a 24-hour claims service for Danish customers, who can call for assistance if their roof has been blown off in a storm or the basement is flooded.

The disastrous consequences of the tsunami in Asia on 26 December 2004 gave the alarm centre a busy time. The centre normally handles an average of 150 calls a day, but twice as many calls were received during the days following the tsunami. The staff worked 12-14 hours on end for several days, and TrygVesta's crisis team of psychologists and doctors was deployed to help survivors in the distressed areas.

Limiting business interruption for museum

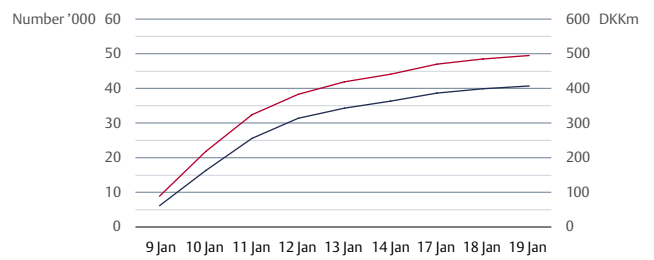
When a fire broke out at the North Sea Museum at Hirtshals, Denmark in December 2003, TrygVesta immediately sent staff to the site. TrygVesta had written the buildings, contents and business interruption policies, and it was vital to get an early over-view of the extent of the damage and do whatever could be done to limit further damage.

Efforts to limit business interruption continued for all of 2004 and will last until September 2005. TrygVesta and the North Sea Museum together launched marketing activities, including advertisements about the museum in newspapers and the local community. The aim was for the museum to remain in focus

and to achieve a fair number of visitors. The museum had about 50% fewer visitors than normal in the summer of 2004 – despite reduced admission fees. Visitor volumes are expected to return to normal levels after the scheduled reopening of the museum's large Oceanarium in the summer of 2005.

The fire at the North Sea Museum cost TrygVesta approximately DKK 100m, including DKK 20m in business interruption losses, primarily due to the lower visitor volumes. Damage to buildings totalled DKK 57m, damage to contents DKK 22m, and the cost of catching new fish was DKK 1m.

**REGISTERED CLAIMS AFTER THE STORM
IN DENMARK ON 8 JANUARY 2005
(ACCUMULATED)**



Number Estimate of the extent of the claims*1

*1 Based on the first estimate of the extent of the claim after the initial contact with the customer

110,000 calls in one day

The violent storm that hit Denmark on Saturday, 8 January 2005, also hit TrygVesta's telephones. TrygVesta immediately deployed its emergency resources, increasing the number of staff handling telephone calls in Denmark many times over. On the Monday alone, TrygVesta received 110,000 telephone calls – the total number for all of December 2004 being 120,000.

Staff from all departments answered the calls, temporary staff was called in, and retired employees lent a hand. Our customer service system and teamwork stood their test: Five days after the storm, 30,000 new claims had been entered in the system. There was no longer any queuing on the phones and no delay in replying to e-mails.

The consequences of the storm have not been finally calculated yet, but we estimate that a total of 46.000 customers were hit. In January we estimated that the storm would entail claims payments of between DKK 750m and DKK 1bn to our customers. We now expect claims to be in the lower range of this estimate.

The estimate is based on daily measurements of the number of claims entered in the IT system and the frequency with which they are received. We also look at the initial estimate of the extent of the loss, which our experienced claims handlers typically make during their first talk with the customer. The figure above shows some of these measurements. Finally, we compare these data with similar experience from previous storms and our experience with the claims handlers' initial estimate of the claims expense relative to the payment our customer ultimately received.

Net of reinsurance, the storm is expected to entail expenses for TrygVesta of DKK 100m plus DKK 50-70m in reinsurance renewals. The figures are a long way from those of the December 1999 hurricane, when TrygVesta recorded a little more than 80,000 claims totalling DKK 2.1bn.

Employees

TrygVesta's ambition is to be an attractive workplace, offering employees manoeuvring space and responsibility, and focusing on learning and knowledge sharing. Our strategic focus area in 2004 with respect to our employees was to create a common identity and establish shared values. This focus area will remain unchanged for 2005, and the value process launched in 2004 will continue unabated.

This section describes our efforts to create a common identity and establish shared values, including the preliminary results of the value process. We also describe how we intend to make TrygVesta an attractive workplace in the year 2005.

Common identity and shared values

In early 2004, TrygVesta changed its overall organisational structure to be better able to act as one business. As a natural extension of the organisational, managerial and commercial integration, the Group launched a value process shortly afterwards.

A team of 19 Danish and Norwegian employees were appointed as value scouts. Their task was to conduct interviews with a total of 200 colleagues in Denmark, Norway and Finland in order to expose and document real examples of how values and rules of conduct are reflected in different companies, departments and functions. The value scouts subsequently took part in the work of uniting Tryg's and Vesta's mission, vision, values and rules of conduct, and defining a common basis for the Group.

Our employees live our brands

The value process included an analysis of the position of TrygVesta's brands, among other things to enhance our insight into the customers' requirements and how they perceive insurance.

The results showed that both Tryg and Vesta are strong brands thoroughly founded in tradition. Customers meet the brands through our employees, and we are therefore now focusing our efforts to live by our new values and position the Tryg and Vesta brands even more strongly. This includes a comprehensive sales and service training programme throughout the Group in 2005.

Managers in a process of change

In order to promote the change and integration process, members of TrygVesta's senior management team were given the opportunity of sparring with a personal coach through all of 2004. The coaching enhanced managers' decision-making abilities. It is vital that managers themselves are clear about things in such a process in order for them to engage their employees.

TrygVesta's managers remain one of the primary drivers in formulating and implementing solutions across the organisation. Regular meetings of managers across Denmark and Norway have helped strengthen our in-house cooperation and knowledge sharing. Our management development programmes also focus on values. The big challenge for TrygVesta's managers is to seek to achieve the necessary balance between good results and a good, albeit busy working environment. Stress management is also on TrygVesta's agenda.

Furthermore, large-scale meetings have been organised for all employees in both Denmark and Norway, at which the Group Executive Management had an opportunity to meet all employees in person and present the Group's targets, ambitions and results. The direct contact between management and employees is important in a big company with many communication channels such as TrygVesta. In addition, the large-scale meetings were used as part of the value process to enhance the visibility of TrygVesta's stakeholders – customers, employees, owners, politicians, financial analysts, partners and suppliers – all of whom relate to TrygVesta's values.

Common in-house media

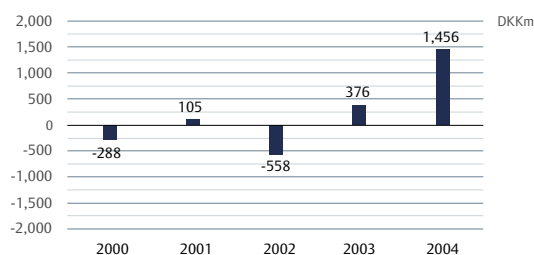
The launch of a shared intranet and a magazine for all employees after the summer of 2004 made it even more clear to most Danish and Norwegian employees that we are now one united Group. The shared media are intended to enhance the framework for internal communication in TrygVesta. Both media are naturally focusing on the work involving our values, allowing all employees to monitor and participate in the process on an ongoing basis.

High job satisfaction, fast pace – and room for the family

Our working environment was scrutinised in the first common employee satisfaction survey in TrygVesta, which was conducted in 2004. The survey showed that our employees are generally happy about working for the Group. Job satisfaction is high, and employees' awareness of and expectations for

their own role in the organisation is at a fair level, especially considering the relatively large organisational changes we implemented early in the year. The survey also showed a tendency to a fast work pace and a big work load. Like other organisations, we are facing a constant challenge of coping with phenomena such as stress and strain in a time of great demands and rapid change. We aim to achieve a balance between work and family life, and urge the Group's managers and employees to discuss the distribution of work regularly, handling peak workloads by means of good planning.

The rapid speed of change is here to stay. An attractive workplace needs to provide managers and employees with tools and techniques to cope with change, among other things by training and enhancing employees' competencies on an ongoing basis. We dedicate substantial funds each year to training, which we regard as an investment in the future.



Financial perspectives

TrygVesta's ambition is to build the most profitable portfolio in the Nordic region within the next three to five years. Profitability remained our primary strategic focus area also in 2004. A key target was to reduce the combined ratio to 100 in 2004. We achieved this target and set a new one of 94 for 2005.

This section focuses on customer profitability, cost savings, the results of our strategic focus, and our credit ratings with rating agencies. It also describes our strategic focus area of focusing on direct Nordic general insurance.

Profitability

Insurance companies have generated lower investment income due to the sharp fall in interest rates over the past five years, and the industry has been forced into a healthy process of refocusing on the profitability of the core business. TrygVesta's efforts over the past few years to improve profitability have been successful: our insurance operations have become profitable.

In our efforts to define financial targets for the business areas, we use calculations from our financial Asset Liability Management model, which is described in the section Risk management. The model permits us to take into account the different characteristics of both the business areas and the products (such as risks of major fluctuations, reinsurance and distribution and administrative expenses) when defining financial targets. In this way, we ensure that relevant activities are implemented within the right product and customer areas. Our use of this model is an example of our increasing involvement of well-proven financial models in our considerations, both in the overall mana-

gement of the Group and as a basis for specific initiatives in relation to individual products and, thus, individual customers.

Marked improvement of corporate business

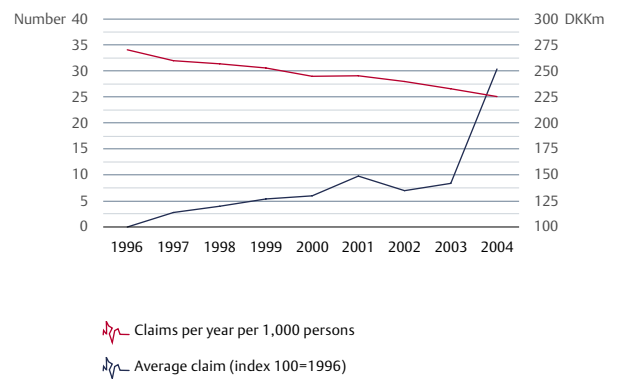
TrygVesta's corporate business improved significantly in 2003 and 2004. Since 2003, we have made targeted efforts to reassess the correlation between price and risk for each corporate customer. Premiums were increased for many customers in 2003, and at the same time TrygVesta required more safeguarding measures and higher deductibles. Despite the changes, most corporate customers kept their policies with TrygVesta.

Large premium increases for workmen's compensation insurance

An exception from the positive trend is the Norwegian corporate and commercial customers' workmen's compensation and industrial diseases policies. Profitability has not yet been restored to these policies. The area is marked by an ever higher incidence of allergy-related diseases and lung diseases due to dust and poisonous substances in the working environment.

TrygVesta launched a 'personal injury project' in Norway in the summer of 2004 aimed at improving profitability in the areas of workmen's compensation and industrial diseases. The project is carried out across the business areas for corporate customers and commercial customers, and also draws on experience and knowledge from Danish colleagues, who have previously made a similar effort.

WORKMEN'S COMPENSATION INSURANCE WITH TRYGVESTA IN DENMARK



Generally, we have increasingly focused on the workmen's compensation area in the past few years. It is difficult to forecast the cost of workmen's compensation claims as claims may be filed long after a policy has expired, and old cases often develop contrary to the insurance companies' expectations due to new judgments and changes in practice. This is an unfortunate development with significant financial consequences for the insurance industry as it is impossible to foresee changes with retroactive effect. Along with the rest of the insurance industry, TrygVesta is therefore anxious to have progressive and forward-looking legislation.

In order to make the area balance, TrygVesta has raised premiums for workmen's compensation insurance considerably in both Denmark and Norway over the past few years. Some customers are astonished that premiums go up while claims numbers have fallen. The explanation is that premiums are required to match claims expenses, not the number of claims, and claims expenses have risen considerably because the average claim paid has doubled over the past five years.

This doubling was, in particular, attributable to the new Danish act on workmen's compensation, which came into effect on 1 January 2004. Under the new act, more claims are required to be covered under workmen's compensation policies. As a consequence, premiums for customers in the Danish market increased by more than 50% on average in 2004, solely because of the changed legislation.

On 1 January 2005, TrygVesta and most other Danish insurance companies began using a new index for adjusting prices for workmen's compensation insurance in Denmark. We have done this in order to avoid, to the extent possible, future extra-

ordinary premium increases due to changes in the practice of the National Board of Industrial Injuries and court decisions. The new index, called the 'Social Inflation Index', is published by the Danish Insurance Association. It regulates premiums based on developments in private sector salaries, developments in the average occupational disability awarded by the National Board of Industrial Injuries, and developments in the practice applied by the National Board of Industrial Injuries in awarding occupational disability. As a result of the new method, premiums will increase by 7.95% in 2005, as opposed to 3.34% that would have resulted from the ordinary wage index.

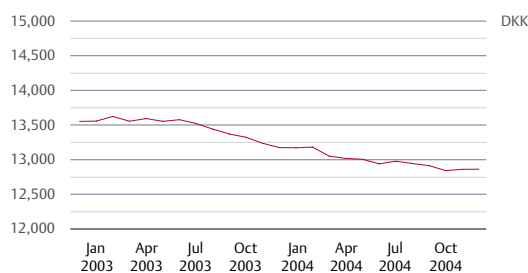
TrygVesta will enhance efforts to prevent personal injury in 2005. This will be done through a closer dialogue with commercial and corporate customers holding workmen's compensation policies on how they safeguard their staff by working actively in relation to the working environment, introducing a policy for sickness and similar efforts.

Focus on subrogation paying off

In the past year, TrygVesta has enhanced its efforts in seeking subrogation – among other things by hiring employees in Norway who exclusively work with subrogation. These efforts have been successful financially.

Subrogation means that TrygVesta will claim indemnification for its expenses from the party responsible for the damage. If, for example, a fire in a thatched house, insured with TrygVesta, has been set off by a worker using open fire nearby, the worker's liability insurer or the worker himself must pay instead of TrygVesta. In other words, our active efforts to seek subrogation place the liability for a claim where it properly belongs. These efforts are preventive, and also improve profitability.

AVERAGE MOTOR CLAIM FOR TRYGVESTA'S DANISH CUSTOMERS 2002-2004



Claims expenses reduced in Denmark

Recent years' systematic efforts have enabled TrygVesta to substantially reduce the average claims expense for personal and commercial customers in Denmark without jeopardising quality.

Part of the credit for the lower average claim is due to Tryg Reparation. Under this agreement, customers who make a claim under their motor insurance get special service at the garage, while TrygVesta pays less for the repairs. When introducing such new methods we follow the claims calculations closely, and during 2004 the average motor claim among our Danish customers fell from DKK 13,200 to DKK 12,900. TrygVesta's annual motor claims expenses in Denmark amount to approximately DKK 1.2bn.

Personal accident insurance in Denmark

TrygVesta's personal accident business in Denmark has performed with a negative balance between premiums and claims over several years. Accordingly, we notified Danish personal policyholders of average premium increases of around 25% on their personal accident policies in the summer of 2004. However, we gave each customer the opportunity to get a lower increase by accepting reduced cover to the effect that the policy will cover if the customer suffers 8% permanent disability, while it previously covered at 5%.

However, to ensure customers the greatest degree of peace of mind, we recommended that they keep the 5% limit, which means that they will also be compensated for minor injuries such as a sprained or broken knee, back or foot, or if they lose the tip of a finger.

So far, less than 1% of our customers have chosen to switch from the 5% to the 8% limit.

Costs

In 2004, TrygVesta intensified the efforts to identify additional savings and reduce costs. As a result, both staff functions and business areas identified substantial savings. This has already materialised in a 2.1 point reduction of TrygVesta's expense ratio in 2004. The effect will be even stronger in the years ahead.

The fall in costs was also attributable to the first wave of Nordic synergies, shared IT outsourcing and distribution efficiency enhancements, including a reduction of the number of offices in Denmark. Total costs were DKK 225m lower in 2004. In addition, we reduced the number of employees by 29 by leaving vacant positions unfilled and by focusing on redeploying employees. The Group's divested activities reduced the total number of employees by an additional 629.

We are now reaping the benefits of the second wave of Nordic synergies in the form of efficiency enhancements and savings, in particular in the staff functions. The savings should be seen as a means of strengthening and maintaining TrygVesta's good business and financial performance. At the same time, we are advancing the third wave of Nordic synergies, which we are about to ride by investing part of the savings in increased selling power, as well as in employee development and IT.

Lower postal expenses in Norway

In 2004, TrygVesta reviewed the products and services which the Group buys from the Norwegian postal service and switched to sending some of its letters by bulk mail, thereby saving several million kroner each year. Furthermore, the IT operating agreement with CSC involves that all Norwegian insurance contracts are now printed in Copenhagen, which generates additional savings.

Combined competencies at central customer centres

As more and more personal and commercial customers prefer quick and efficient service by telephone or via electronic media, we will combine our competencies in five central customer centres in Denmark and three in Norway, which will be supplemented by local offices. Some of the existing offices will be merged, bringing more employees together. Customers will perceive us as being more accessible, as we will be less vulnerable when staff is off due to sickness, training and holidays, and more staff will be available to answer the telephones.

We finalised combining local offices in Denmark in 2004 and early in 2005. This finalised the implementation of the distribution strategy we launched in 2000 and which has contributed greatly to TrygVesta's cost savings.

In early 2004, we implemented changes to the sales organisation in Norway. The new regional structure makes for better distribution among the different Norwegian sales channels: sales persons, franchise outlets, Nordea's branches and car dealers. The change of the organisation has already yielded results in the form of new customers.

Focus on Nordic business

TrygVesta's sale of its reinsurance company, TBI, its Polish subsidiary, Tryg Polska, and its Estonian subsidiary, Nordicum Kindlustus, in 2004 was consistent with the Group's strategy to focus on its core business, which is direct Nordic insurance. The three companies generated a loss on ordinary operations before tax of DKK 172m from 2002-2004. The divestments complete TrygVesta's strategic adjustment and enable us to devote all our efforts to the Nordic marketplace. In the longer term, having a presence in Sweden would be natural for TrygVesta, and we are considering ways of positioning TrygVesta in the Swedish market.

Ratings – more than two steps up

Good ratings are vital for TrygVesta. Brokers and corporate customers expect us to be rated, and a rating gives us easier and less expensive access to capital. We were therefore encouraged to see our ratings improve in 2004. Standard & Poor's (S&P) rated us two grades better. This was very satisfactory since the rating was based on S&P's knowledge of unpublished material from the TrygVesta Group and therefore much better founded than earlier ratings.

In May 2004, S&P assigned A- ratings with stable outlook to both Tryg and Vesta. In June 2004, Moody's Investors Service (Moody's) assigned an A3 rating with stable outlook to Vesta and confirmed Tryg's A3 rating with stable outlook. All of these are interactive ratings, based on the rating agencies having been able to assess TrygVesta's financial strength, risk management, senior management and prospects in a thorough review.

In their evaluation, both rating agencies emphasised that the Group continues to move forward: TrygVesta is more profitable, generates more earnings than before, has enhanced its risk management and strengthened its capital base through positive management decisions.

Before the interactive ratings, both Tryg and Vesta were rated BBB(pi) by S&P, and Tryg was also rated A3 by Moody's in 2003. These ratings were 'pi-ratings', which are based on publicly available information.

Furthermore, TrygVesta's guarantee insurance company, Dansk Kaution, was assigned an A- rating with stable outlook from S&P in May 2004. The rating was based primarily on Dansk Kaution's strong market position, capitalisation and good operating results over a number of years.

Ratings in TrygVesta

	S&P	Moody's
Tryg	A-	A3
Vesta	A-	A3
Dansk Kaution	A-	

Looking for shared values

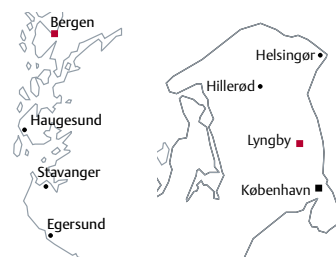
Lisbeth Sjursen and Bent Lundorf, Bergen and Lyngby
Employees of TrygVesta

TrygVesta's values have been defined after a comprehensive value process covering the entire Group. During 2004, 19 value scouts have been looking for values and rules of conduct in both Tryg and Vesta. The process made it clear that Tryg and Vesta have similar trains of thought and action in many respects. Lisbeth Sjursen was one of the 19 value scouts. She works in Market Support in Bergen, Norway:

'I was positively surprised by the sincerity, honesty and commitment my colleagues put into the project – both by telling very personal stories and in the form of well-founded pride and criticism,' says Lisbeth Sjursen.

The value process also identified weaknesses and requirements for enhancement of the organisation. One such area is uncertainty resulting from the growing requirements from our external environment and the continuous need to become better and more efficient.

Bent Lundorf is one TrygVesta employee, who has felt the increased work pressure. Bent Lundorf assesses claims under contents policies in Denmark. Over the past few years, damage control service providers have been charged with assessing small claims, leaving scope for TrygVesta's own assessors to deal with large claims in depth.



'The Group gets much better value for its money by allowing us to utilise our skills and resources on complicated cases. At the same time, we also find such assignments more exciting and challenging. On the other hand, the number of assessors has fallen. This may result in stress at times,' says Bent Lundorf.

Lisbeth Sjursen presented the value scouts' report to management in late 2004.

'We consider ourselves the employees' mouthpiece. It's important that the values are visible in the day-to-day management, and the problems, such as stress, we have identified must be addressed,' according to Lisbeth Sjursen.

Lisbeth Sjursen and the other value scouts will be offered to become value coaches from 2005 onwards. Their task will be to help embed the new values throughout the Group.



Financial forecast for 2005

TrygVesta expects to report strong financial results also for 2005, with a projected low combined ratio and attractive returns on equity of around 25% before tax. The Group forecasts a profit on ordinary activities before tax of DKK 1,600m for the full year 2005 compared with the full-year profit for 2004 of DKK 1,947m. The forecast assumes an unchanged level of interest rates and stable equity markets from 31 December 2004.

TrygVesta estimates that the combined ratio, net of reinsurance, for 2005 will be at the level of 92-96 with an expectation of 94 compared with the 93.1 achieved for 2004. The forecast for 2005 assumes a normal claims performance for TrygVesta.

The storm in Denmark on 8 January 2005 was within the limits of a year's normal claims experience and is incorporated in the forecast, although it increases the risk that total expenses in relation to storm claims may be greater in 2005 than in a normal year.

The effect of TrygVesta's strategic initiatives launched in 2003 and 2004 was quicker and stronger than was expected at the beginning of 2004. However, we maintain our programme for

reaping the benefits of the second wave of Nordic synergies through efficiency enhancements and savings. At the same time, we intend to advance investments in customer-oriented initiatives that are part of the third wave of Nordic synergies.

The investment result is the profit on investment activities after transfer of technical interest. The forecast investment result assumes annual yields of 7.0% on shares, 2.9% on bonds and 7.1% on real property.

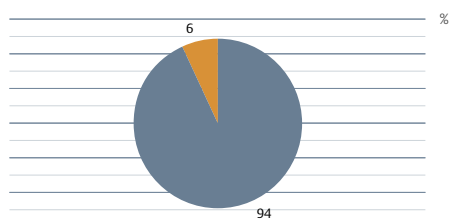
As a consequence of the transition to new accounting policies as from 2005, interest rate changes will affect both the technical result and the investment return – in opposite directions. Under the policies applied so far, such changes only affected the investment result.

In addition to provisions for claims and the asset portfolio, TrygVesta's pension commitment in Norway is affected by interest rate fluctuations. Changes in this commitment are recognised as an expense, and accordingly, an interest rate increase of 1 percentage point would decrease the combined ratio, net of reinsurance, by 0.7 point.

Financial forecast for 2005

DKKm	Actual 2003	Actual 2004	Forecast 2005	Favourable scenario	Negative scenario
Technical result	376	1,456	1,325	1,600	1,000
Investment result	685	517	300		
Pre-tax operating profit	1,045	1,947	1,600		
Combined ratio, net of reinsurance	100.9	93.1	94	92	96

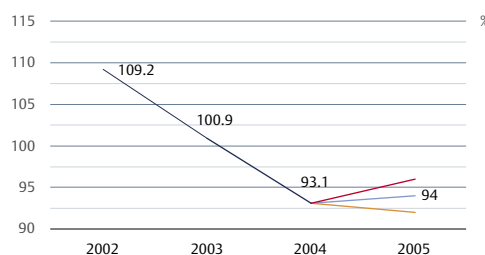
TRYGVESTA GROSS EARNED PREMIUMS FOR CORE ACTIVITIES AND ACTIVITIES DIVESTED IN 2004



■ TrygVesta ■ Divested activities, 2004

The continuing activities of TrygVesta reported gross earned premiums of DKK 15,281 m in 2004.

ACTUAL AND FORECAST COMBINED RATIO, NET OF REINSURANCE



— Actual — Forecast
 — Negative — Favourable

The section Risk management contains a more detailed description of the operational and financial sensitivity in terms of risk management. The section New accounting rules as from 2005 describes the changed interest rate sensitivity. In the following, we describe the basis for our financial forecast for 2005.

Details of financial forecast for 2005

The financial forecast for 2005 is based, among other things, on the Group's portfolio model. The model uses historical data to project developments in the claims ratio, including probable variation factors such as claims frequency in the personal market, average expense per claim, frequency of large losses and the extent of catastrophe and storm events.

Relative to a normal year, 2004 was affected by the following:

- Large losses at normal level
- Storm and weather related claims at normal level
- Claims frequency in the mass market significantly better than normal level
- Above-normal performance for property and liability policies in the Corporate business area
- Poorer-than-normal performance for personal claims expenses

In aggregate, these factors had a positive effect of 2 points on the combined ratio, net of reinsurance, relative to a normal year.

The forecast combined ratio, net of reinsurance, of 94 for 2005 thus reflects stricter earnings requirements and incorporates a number of factors intended to improve the performance.

The following factors in particular contribute positively to the forecast for 2005:

- The divestment of the Polish and Estonian subsidiaries and the reinsurance company TBI

- The second wave of Nordic cost synergies
- The improvement of the correlation between price and risk in the personal area within the Corporate business area

Other things being equal, the divestment of the Polish and Estonian activities and TBI will reduce the combined ratio by 0.6 point relative to a normal level for 2002-2004, when the three companies contributed a loss of DKK 172m to the consolidated profit before tax. Gross earned premiums in these companies amounted to DKK 1,035m in the 2004 financial statements.

The second wave of Nordic cost synergies will have a positive impact on profits in 2005 and 2006, while also facilitating a number of investments in customer-oriented initiatives. The overall effect is expected to be a reduction of approximately 1 point in the Group's expense ratio relative to 2004. In addition, following the adoption of IFRS standards in our financial reporting, internal claims handling costs are to be included in the claims ratio and not in the expense ratio. This will further reduce the expense ratio by approximately 3 points, but increase the claims ratio accordingly.

A number of initiatives were introduced in the autumn of 2004 to further enhance profitability within the personal accident areas of Norwegian corporate business. These measures are expected to have a positive effect on the Group's combined ratio for 2005.

Combined ratio, net of reinsurance – actual, forecast and sensitivity

The overall forecast and probable fluctuations are illustrated in the figure above, and the overall probable fluctuation of the combined ratio, net of reinsurance, is estimated to be in the range of 92-96.

Risk management

Risk management is a natural and fundamental part of TrygVesta's business philosophy, and competency in this area is an important success criterion. Risk management is very important, not only to TrygVesta, but also to the Group's owner, the supervisory authorities and in particular to TrygVesta's customers. Customers who choose to take out policies with TrygVesta do it because they trust that TrygVesta will be able to meet its obligations of any kind, be it claims in connection with a industrial property burnt down or damage caused by storms. Competent risk management is fundamental to this trust.

Risk management in an insurance company involves assessing a large number of risks affecting various parts of the company's activities (see fact box). In respect of financial types of risk, TrygVesta is making targeted efforts to develop methods to measure and manage such risk, in particular in the areas of provisions, investments and reinsurance. As far as operational types of risk are concerned, TrygVesta focuses on management through a coherent structure of policies, business procedures and guidelines.

TrygVesta's targeted risk management efforts are based on our ambition to operate a profitable insurance business while at the same time meeting our target of being the customers' preferred supplier of products and services that offer peace of mind. At the same time, the risk management efforts help prepare TrygVesta for the new and stricter requirements from our external environment as to how an insurance business should be run. Supervisory authorities and international rating agencies, in particular, focus increasingly on risk management. This trend will continue in the years ahead, partly due to the work with the new EU solvency rules for insurance companies (Solvency 2) and partly due to the insurance markets becoming increasingly internationalised. Operating a successful insurance business in the future will undoubtedly be even more dependent on the companies' ability to plan, monitor and manage their risk.

Risk types

Financial risks		Operational risks	Strategic risks
Insurance risk	Premium risk Provisions risk	IT breakdowns Crime Process errors	Market conditions Legislative changes
Investment risk	Interest rate risk Market risk Currency risk Inflation risk		

Examples of types of risk within the three main areas financial, operational and strategic risks

TrygVesta's policies

Risk type	Policy
Insurance risk	Underwriting and acceptance policy Provisioning policy Reinsurance and Security policy Claims policy
Investment risk	Investment policy
Operational risk	Security policies
Strategic risk	Business strategy

Risk management structure

In 2004, an important part of implementing TrygVesta's pan-Nordic organisation was to harmonise the different elements of the Group's risk management.

The Group's CFO is responsible for the overall financial and operational risk management, comprising management of risks relating to TrygVesta's investment activities, management and monitoring of operational risk, analyses of tariffs, provisions, Asset Liability Management and reinsurance. Working together with the business areas, efforts are made to ensure that risk management is developed, coordinated and harmonised throughout the Group.

The commercial part of risk management is carried out daily in each business area in connection with the writing of policies, payment of claims and individual underwriting of large corporate customers. Such risks are primarily managed through tariffs, policies, business procedures and structured follow-up.

TrygVesta made targeted efforts in 2004 to define a risk management structure and implement it in the organisation.

The structure is based on a number of overall policies defined by the Supervisory Board. The policies lay down the framework for the circumstances in which TrygVesta will assume risks. Policies have been laid down for the most important areas of TrygVesta's business, covering various risk types.

The overall policies are supplemented by detailed guidelines and business procedures prepared by the individual business and staff areas. A number of committees have been set up to ensure implementation of the overall policies in the business areas. These committees have been composed so as to ensure coordination across the Group, and, where required, they approve the implementation by the business areas of the relevant overall policy. The committees report to the Group Executive Management and may also act as an advisory body for the Executive Management in connection with questions within the field of each committee.

A 'Policy and Strategy Room' describing each individual policy has been created on the Group's intranet in order to ensure that TrygVesta's employees are familiar with the Group's overall policies. Furthermore, our intranet gives all Norwegian employees access to detailed guidelines for writing individual products. TrygVesta is in the process of transferring the experience gained to other business areas as part of harmonising the Group's operational risk management.

Insurance risk

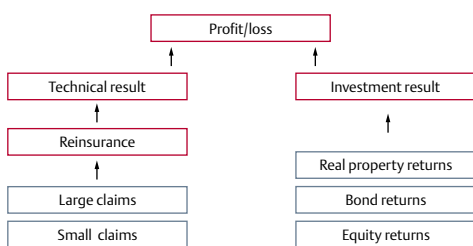
The most important risk factor for TrygVesta is the risk involved in the insurance operations. A key element in the efforts to manage insurance risk is analysing risk on the different insurance types.

Insurance risk connected with writing insurance is generally assessed by means of tariffs based on statistical analyses of the risk type. TrygVesta's pan-Nordic analysis function is responsible for making tariff analyses.

When the period of the insurance has expired, insurance risk relates to the provisions for claims – also referred to as the reserves – made to cover future payments on claims already incurred. A case in point is industrial injuries discovered many years after the policy was written. If TrygVesta's provisions for claims are inadequate and have to be increased, the company incurs a run-off loss. Long-tail business is especially exposed to run-off losses, and history has shown that areas involving personal injury are subject to considerable risk. This risk is enhanced by the fact that a change in the claims record several years after the policy was written may be expected to affect all claims in the intervening period, with the result that premiums may lag far behind. Maintaining provisions at the correct level and monitoring developments is therefore a vital element in ensuring profitable insurance operations.

TrygVesta's provisioning policy defines the framework for managing insurance risk related to provisions for claims. According to the provisioning policy, TrygVesta makes provisions that ensure that the likelihood of run-off gains exceeds the likelihood of run-off losses at any time. The actual calculation and monitoring is carried out by TrygVesta's provisioning department, which is responsible for TrygVesta's provisions in both Norway and Denmark. Provisions for claims are calculated by means of a number of statistical methods as well as assessments based on knowledge in the business areas. A reserve committee is responsible for coordinating across the organisation. The committee consists of representatives from claims handling and the provisioning department to allow early recording of any changing circumstances. Close follow-up on claims permits TrygVesta to take swift action as and when the risk situation changes, for example in the personal accident area.

ASSET LIABILITY MANAGEMENT MODEL



Schematic illustration of TrygVesta's ALM model. The individual elements are subject to several thousand computer simulations, making it possible to measure the aggregate effect of, for example, changes in investment strategy, business mix or reinsurance.

Asset Liability Management

In a financial group such as TrygVesta, part of the financial risk is related to the relationship between the Group's liabilities and the assets available to cover these liabilities. Interest rate risk is a case in point, currently affecting almost exclusively the value of investments in interest-bearing instruments such as bonds. In connection with TrygVesta adopting IFRS standards effective from the 2005 financial year, provisions for claims will also be affected more by interest rate fluctuations due to increased discounting, and the interaction of assets and liabilities will have a greater impact on the financial statements. Management of interest rate risk and other risks impacting both assets and liabilities is referred to as 'Asset Liability Management' (ALM).

In order to support this part of our risk management, TrygVesta has for several years made targeted efforts to develop a financial ALM model with which to calculate risk in the various parts of our activities and illustrate the consequences.

Work with the financial ALM model was given a more systematic structure in 2004. The model has been extended to cover the entire Group, and it describes risks affecting TrygVesta's investment assets as well as its insurance liabilities.

During the year, we used the ALM model for a number of important aspects of planning and monitoring TrygVesta's risks:

- risk based allocation of capital as a basis for profitability assessments, tariff adjustments and budgeting
- calculation of TrygVesta's internal risk equalisation and a related calculation of a limit for TrygVesta's retention in connection with reinsurance
- assessment of the risk of TrygVesta's rating being affected in connection with alternative investment strategies.

The ALM model is an important tool for TrygVesta's internal risk management, and it ensures that impact analyses are made within a common calculation framework.

We will continue developing the ALM model in 2005 and intend to use it also for assessing the impact of longer-term strategic decisions.

Reinsurance

TrygVesta's reinsurance department contributes to strengthening the analysis and model based support in connection with purchasing reinsurance.

The reinsurance department is responsible for maximising TrygVesta's synergies in placing the Group's reinsurance. Accordingly, the reinsurance programme is as far as possible organised in joint treaties comprising the entire Group, and the treaties are assessed and analysed at Group level.

The scope of the reinsurance department's work is defined once a year in TrygVesta's 'Reinsurance and Security policy', which is subject to approval by the Supervisory Board of TrygVesta. The practical aspects of TrygVesta's reinsurance are handled in a close collaboration with the business areas. See also the description of risk management in the Corporate Governance section.

International credit rating agency Standard & Poor's rates borrowers' ability to honour their obligations. Ratings are awarded in accordance with the following scale:

AAA	Extremely strong
AA	Very strong
A	Strong
BBB	Good
BB	Marginal
B	Weak
C	Very weak

BBB is the lowest rating that is considered 'safe'. The scale is used to rate bonds issued by governments, banks and similar institutions as well as insurance and reinsurance companies. A + or - may be added to the letters for further grading.

In rating insurance companies, Standard & Poor's uses a publicly accessible rating model that measures the company's capital relative to its risk profile.

More joint treaties

Over the past couple of years, an increasing number of Tryg and Vesta's reinsurance treaties have been combined into joint treaties, generating annual synergies in the range of DKK 40m. In 2003, TrygVesta changed its reinsurance from proportional to non-proportional cover. Thanks to a healthier gross business, this change generated savings of DKK 30m in 2003 and additional savings of DKK 140m in 2004.

Natural disasters

TrygVesta has bought joint reinsurance for natural disasters, which also covers the part of Norwegian natural disasters that is not covered by the Norwegian Pool of Natural Perils. The cover is up to DKK 3.5bn with retentions of DKK 100m in Denmark and NOK 70m in Norway. The cover has been determined based on the risk to which the portfolio is exposed. The risk exposure has been analysed using market-based simulation models and has been determined on the assumption that a loss of more than DKK 3.5bn occurs less often than once every one hundred years. Should a terrorist event occur in Denmark or Norway, the joint reinsurance cover for natural disasters and terrorist events is up to DKK 1.5bn for buildings, contents and business interruption policies (the so-called property policies) with a total insurance sum of up to DKK 370m.

Property

TrygVesta has furthermore bought joint reinsurance in respect of the industrial and commercial customers' property policies. The cover is up to DKK 800m with a retention of DKK 50m per event (DKK 100m for the first event) and also comprises one-off events due to terrorist events. TrygVesta buys individual cover (facultative reinsurance) for risks exceeding DKK 800m.

Personal accident and workmen's compensation

Finally, TrygVesta has set up joint catastrophe reinsurance for its personal accident and workmen's compensation policies. In early 2004, we reassessed the scenarios – the so-called Realistic Disaster Scenarios – on which our cover is based to include terrorist attacks. As a result of this work, TrygVesta increased its cover per event from DKK 350m to DKK 1,000m. TrygVesta's retention was DKK 20m in 2004 and from 2005, it has been increased to DKK 50m. We have increased this cover to DKK 1,500m as from 2005, and we estimate that it will be difficult to buy additional cover in the reinsurance market up to full terrorist cover.

Credit rating requirements

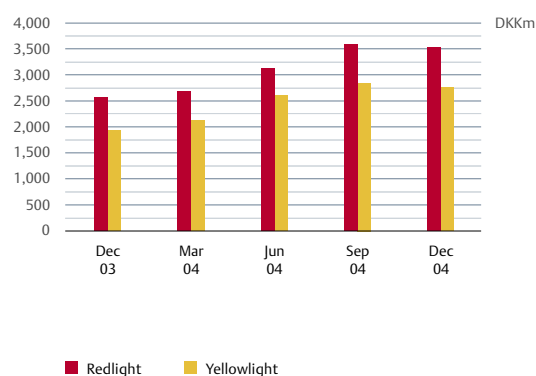
The placing of reinsurance exposes TrygVesta to a credit risk from the reinsurers it contracts with. This risk is managed through TrygVesta's Reinsurance and Security policy, which defines minimum credit rating requirements that must be met prior to signing a reinsurance treaty. The policy specifies that reinsurers must have at least a Standard & Poor's BBB or similar rating in order for TrygVesta to cooperate with them on short-tail business up to 2.5 years. In the case of long-tail business over 2.5 years, reinsurers are required to be rated at least A by Standard & Poor's or to have a similar rating.

Investment risk

The investment activities are managed by the Group Investments department, which is responsible for investments on behalf of all companies in TrygVesta.

Based on a general, overall investment strategy, Group Investments draws up investment policies for each company in the Group. This is done taking into consideration the characteristics of each company and the legislative framework for its operations.

EXCESS CORE CAPITAL RELATIVE TO RED- AND YELLOW-LIGHT SCENARIOS



The chart shows the excess core capital relative to the Danish Financial Supervisory Authority's traffic light system. The amount of excess core capital increased throughout 2004 thanks to much of TrygVesta's earnings being invested in low-risk investment assets.

Based on the investment policies, Group Investments define the operational framework for the asset mix, including limits on asset types and the duration, geographic distribution and risk profile of bonds, shares and real property, respectively. Most of TrygVesta's investment portfolio is then managed by external portfolio managers.

The investment policy aims to maximise return, taking into account the composition and duration of liabilities and the Group's risk profile, solvency and rating. Overall, TrygVesta's liabilities have a duration of about two years, which dictates an asset mix focused on a high degree of security and strong liquidity. Therefore, liquid listed bonds with low credit risk and short duration will continue to constitute the major part of the investment portfolio.

The credit risk on TrygVesta's bond investments is limited. Most of the portfolio consists of mortgage credit and government bonds with AAA or equivalent ratings from leading credit rating agencies. Only a small part of the portfolio is made up of corporate bonds.

TrygVesta is exposed to currency risk through its investments in securities outside Denmark and Norway. The Group generally hedges this risk relating to investments in shares and bonds denominated in foreign currency. Equity investments in subsidiaries outside Denmark have been hedged in 2004.

The assets are marked-to-market on a current basis, and TrygVesta's investment portfolio is therefore affected by fluctuations in interest rates, equity prices, exchange rates and real property prices.

As described under the heading Asset Liability Management, an increase in interest rates will trigger a fall in the value of TrygVesta's bond portfolio, while the value of TrygVesta's liabilities will only decrease to the extent they are discounted. At present, as only provisions for workmen's compensation in Denmark and Norway are discounted, an increase in interest rates would trigger an accounting loss for TrygVesta. As described elsewhere in this annual report, the adoption of IFRS accounting standards will entail increased discounting of provisions for claims, reducing the effect of interest rate changes on future financial results.

The Danish Supervisory Authority's traffic lights

As a guideline for assessing general insurance companies' investment risk, including interest rate risk, the Danish Financial Supervisory Authority introduced the so-called traffic light system at 31 December 2003. The system is intended to reflect companies' ability to endure a number of hypothetical market scenarios, such as falling equity prices and interest rate changes.

To be in the green scenario, the company's core capital must cover both the traffic light scenario and the company's solvency requirement, which is calculated in proportion to the insurance risk. TrygVesta was rated green at 31 December 2004 with an excess of DKK 3bn relative to a yellow rating and DKK 3.6bn relative to a red rating.

Relative to the yellow-light scenario, TrygVesta uses 38% of its risk capacity. This means that the company can more than double its investment risk without moving out of the green-light scenario.

The excess of the capital base reflects the low risk involved in TrygVesta's investment portfolio. It also shows that only a small proportion of the Group's accumulated profits is allocated to equity investments.

TrygVesta's management of risk limits is based on the Danish Financial Supervisory Authority's realistic scenario (red-light scenario). The table 'Investment risk' shows investment risk at 31 December 2004 calculated on this basis.

If all the adverse impacts shown occurred simultaneously, the total effect on earnings would be DKK 1,004m or 16% of TrygVesta's shareholders' equity at 31 December 2004. By comparison, the effect would be equal to a 6.7 point deterioration of the combined ratio, net of reinsurance.

- **Red-light scenario**
 An adverse, albeit realistic development would threaten the company's solvency
 - Interest rate change of 0.7-1.0%
 - Equity price fall of 12%
 - Fall in property prices of 8%
 - Foreign exchange and credit losses
- **Yellow-light scenario**
 An unrealistic, albeit not inconceivable development would threaten the company's solvency
 - Interest rate change of 1-1.5%
 - Equity price fall of 30%
 - Fall in property prices of 12%
 - Foreign exchange and credit losses
- **Green scenario**
 An unrealistic, but not inconceivable development would not threaten the company's solvency

Investment risk

Asset type	Impact	Earnings effect DKKm
Bonds	0.7-1.0% rate increase	279
Shares	12% price fall	378
Real property	8% price fall	172
Foreign exchange	Value at Risk	11
Credit risk	Weighted loss	164
Total		1,004

Natural for the bank to sell insurance

Seija Korre and Taina Kujanen, Helsinki
Customer with TrygVesta, Finland, and banking
consultant with Nordea



'For me, it's a natural thing to discuss insurance with my banking adviser because she knows me well and I feel safe about her handling it,' says Seija Korre of Helsinki, Finland.

A couple of years ago Seija Korre discovered she could be insured through her bank when she had a meeting with Taina Kujanen, her banking adviser. Seija Korre is happy she accepted the offer of being insured with TrygVesta through Nordea in Finland.

'I'm pleased that Taina Kujanen looks after my insurances as well as my banking requirements. It's easy that all vital matters are handled in one place. It also seems natural for the bank to sell insurance.'

The policies were needed as late as last summer, when Seija Korre stayed in her holiday cottage at Kirkkonummi – 50 km west of Helsinki. On a hot summer's day a storm came on,

triggering a thunderstorm. Seija Korre's house was hit by lightning and caught fire. Her house, sauna and car were badly damaged, but luckily nobody was hurt.

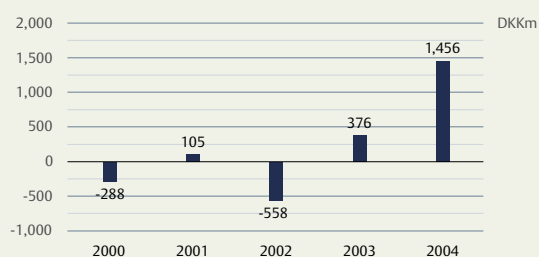
'I was very frightened and worried and did not know what to do. When I called TrygVesta's Finnish branch, Nordea Vahinkovakuutus, and told about the damage, they calmed me down and gave good advice.'



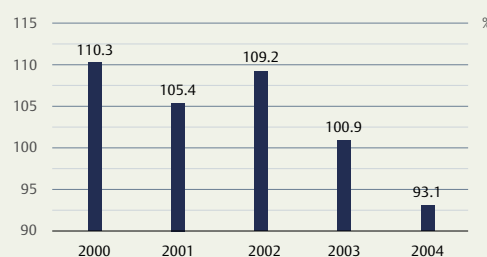
Financial highlights and key ratios for TrygVesta

DKKkm	Q4		2004	2003	2002	2001	2000
	2004	2003					
Gross earned premiums	3,954	4,209	16,308	16,702	15,792	12,620	11,152
Gross claims incurred	-2,846	-3,178	-11,020	-11,940	-12,334	-9,782	-9,801
Gross expenses	-829	-936	-3,462	-3,745	-3,732	-3,063	-2,891
Profit/loss on gross business	279	95	1,826	1,017	-274	-225	-1,540
Profit/loss on ceded business	-133	-204	-814	-1,135	-871	-329	552
Earned premiums, net of reinsurance	3,570	3,672	14,525	14,190	12,497	10,402	9,599
Technical interest, net of reinsurance	129	143	537	595	832	715	755
Claims incurred, net of reinsurance	-2,661	-2,918	-10,296	-10,866	-10,422	-8,327	-8,014
Insurance operating expenses, net of reinsurance	-763	-863	-3,217	-3,442	-3,220	-2,629	-2,573
Change in equalisation provisions	2	42	-93	-101	-245	-56	-55
Technical result	277	76	1,456	376	-558	105	-288
Profit/loss on investments after transfer to insurance activities	314	192	517	685	-170	4	711
Other ordinary income	41	31	121	115	127	121	122
Other ordinary expenses	-48	-41	-147	-131	-173	-121	-122
Profit/loss on ordinary activities before tax	584	258	1,947	1,045	-774	109	423
Extraordinary items and minority interests	0	0	0	1	-1,256	7	0
Tax	-152	110	-485	-87	213	-43	-83
Profit/loss for the period, continuing business	432	368	1,462	959	-1,817	73	340
Loss for the period, discontinued business	-17	-84	-55	-217	-274	-22	-7
Profit/loss for the period	415	284	1,407	742	-2,091	51	333
Run-off gains/losses, net of reinsurance			3	-516	-458	-283	-457
Balance sheet							
Technical provisions, net of reinsurance			23,467	22,475	21,606	17,673	15,826
Total shareholders' equity			6,117	5,360	4,268	4,564	4,305
Total assets			33,553	31,337	29,833	24,032	23,575
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	74.5	79.5	70.9	76.6	83.4	80.1	83.5
Expense ratio, net of reinsurance	21.4	23.5	22.2	24.3	25.8	25.3	26.8
Combined ratio, net of reinsurance	95.9	103.0	93.1	100.9	109.2	105.4	110.3
Gross key ratios							
Gross claims ratio	72.0	75.4	67.6	71.5	78.1	77.5	87.9
Ceded business as percentage of gross premiums	3.4	4.9	5.0	6.8	5.5	2.6	-5.0
Gross claims ratio, net of ceded business	75.4	80.3	72.6	78.3	83.6	80.1	82.9
Gross expense ratio	21.0	22.2	21.2	22.4	23.6	24.3	25.9
Combined ratio, net of expenses to reinsurance	96.4	102.5	93.8	100.7	107.2	104.4	108.8
Annualised return on equity							
Return on equity before tax			33.9	21.7	-46.0	2.6	8.9
Return on equity after tax and discontinued business			24.5	15.4	-47.4	1.2	7.0
Number of full-time employees at the end of the period			3,762	4,420	4,411	4,316	4,264

TECHNICAL RESULT



COMBINED RATIO, NET OF REINSURANCE



Review of TrygVesta's financial performance

TrygVesta improved its financial results markedly in 2004, reporting a profit on ordinary activities of DKK 1,947m before tax and a return on equity of 33.9% before tax and 24.5% after tax.

The strong profit growth was primarily attributable to a significant improvement of the operating profit. Insurance operations reported an increase of DKK 1,080m relative to 2003 and DKK 2,014m relative to 2002 resulting from improved technical results in all of TrygVesta's business areas.

Through targeted efforts since the Group's establishment in 2002, TrygVesta has reduced its combined ratio by 16.1 points from 109.2 in 2002 to 93.1 in 2004.

TrygVesta has established a sound balance in Group earnings, generating a technical result of DKK 790m from its Danish operations and DKK 722m from its Norwegian operations.

As in 2003, the largest part of TrygVesta's earnings was generated by Personal & Commercial Denmark and Personal & Commercial Norway reporting technical results of DKK 604m and DKK 662m, respectively. In addition, the Corporate business area continued the positive trend from 2003, recording a technical result of DKK 246m in 2004, despite large claims and a considerable strengthening of reserves within personal accident insurance.

In 2004, TrygVesta divested its activities in Poland and Estonia and its reinsurance activities, which were operated through Tryg-Baltica International (Tbi). The profit from these activities

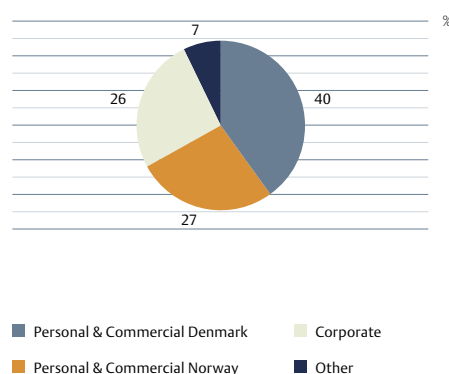
was included in the ordinary activities until the time of sale. The divested companies contributed an ordinary loss totalling DKK 172m during the period 2002-2004. The combined effect of the divestments was recognised as profit on insurance activities totalling DKK 63m in 2004, while the restructuring and run-off provision of DKK 179m remaining at 31 December 2003 was applied in full.

Higher net premiums in general and strong growth in Finland

Growth in earned premiums in TrygVesta's three primary business areas was 3.4%. This figure was composed of growth in Personal & Commercial Denmark of 5.6%, growth in Personal & Commercial Norway of 2.1% and slightly weaker growth in the Corporate business area relative to 2003. It should be noted that growth in Personal & Commercial Norway was made up in the local currency. In addition, premium growth in the Corporate business area was influenced by the transition to net prices in business served by brokers, which reduced premiums by approximately DKK 160m, corresponding to just over 3% of the Corporate business area.

In addition, TrygVesta's Finnish business recorded strong growth in 2004 through an increase in gross earned premiums by approximately 60% to DKK 97m. Since venturing onto the Finnish market in 2001, TrygVesta has reached a market share of just over 1.5% of the personal insurance market in Finland at 31 December 2004. Nordea Bank Finland, which is TrygVesta's primary distribution channel in the Finnish market, has a share of some 40% of the personal market, and the potential for continuing this growth rate is hence significant.

**PREMIUMS, NET OF REINSURANCE,
DISTRIBUTED ON BUSINESS AREAS
IN 2004**



Total earned premiums were furthermore affected by the divestment of TrygVesta's reinsurance operations and the activities in Poland and Estonia in 2004, since earned premiums from the divested activities were only included until the time of sale. Overall, gross premiums were adversely affected by the divestment of other activities in the amount of DKK 190m.

Restructuring of the Group's reinsurance programmes and the establishment of pan-Nordic reinsurance procurement reduced the reinsurance premium from DKK 2,512m in 2003 to DKK 1,783m in 2004, and we expect a further reduction of the reinsurance premium in 2005.

Profitability restored in the primary operations

The technical result of DKK 1,456m in 2004 was to a large extent attributable to recent years' efforts to ensure a healthier correlation between risk and price.

In the mass market (Personal & Commercial Denmark and Personal & Commercial Norway), general price adjustments were implemented during 2003, within contents and house insurance. In 2004, TrygVesta worked proactively to reduce claims expenses and improve the overall customer package, for example by entering into agreements with garages and craftsmen. These efforts resulted in lower average claims and improved customer packages in the form of, for example, a replacement car during the repair period and a guarantee for a high standard of workmanship in repairing building damage.

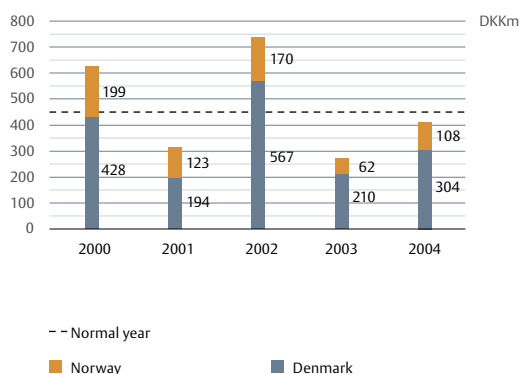
In the corporate market, general price adjustments were implemented over the course of 2002 and 2003 within property and personal accident insurance in particular, while adjustments during 2004 were fewer in number and of a more specific nature. Initiatives to adjust prices and to provide more active risk advice to customers in the property area have been successful, hence restoring profitability in this business area. Results within personal accident insurance were affected by a doubling of average claims over the past five years, and despite a falling claims frequency, this area was still not profitable in 2004. The implementation of the so-called 'Social Inflation Index' in Denmark in 2005 will, however, contribute to also making this product area profitable.

In addition, the Group focused on costs during 2003 and 2004 and launched a number of targeted cost saving and efficiency improving measures both in staff functions and in the individual business areas. This contributed significantly to the improved profitability in 2004 and will continue to contribute to improvements during 2005 and 2006.

Reduction in claims despite large provisions

TrygVesta's claims ratio, net of reinsurance, was reduced significantly in 2004 as well, now totalling 70.9, down 5.7 points relative to 2003. The reduction can primarily be attributed to recent years' efforts to ensure a healthier correlation between risk and price, as described above.

LARGE CLAIMS



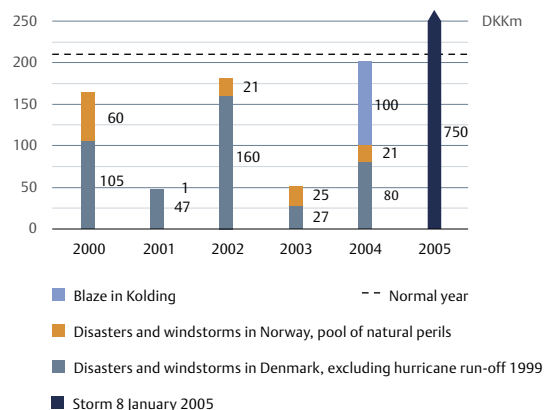
However, the claims performance was also adversely affected in 2004 by events such as the blaze at a fireworks factory in the Danish town of Kolding and by the tsunami disaster in Asia, which impacted TrygVesta's claims by a total of DKK 128m, net of reinsurance, thereby increasing the combined ratio by 0.9 point. The flex job ruling by the Danish Supreme Court and the implementation of a broader definition of industrial disease in Norway affected claims adversely by an aggregate of DKK 265m. Finally, TrygVesta incurred large claims totalling DKK 412m in 2004 – an increase of DKK 140m over 2003.

On the positive side, the general underlying improvement which characterised 2003 and 2004 contributed favourably to TrygVesta's performance in 2004. In the mass markets in particular, the 2004 claims performance was favourably affected by a lower-than-average claims frequency, especially within house insurance in Norway and motor insurance in Denmark.

Improved risk selection, improved security and higher deductibles combined with generally milder-than-average winters resulted in a lower claims ratio in the mass markets. These markets have generally been characterised by declining claims frequencies in recent years. The claims frequency for house insurance in Norway declined from index 100 to index 77 during the period from 2000 to 2004, which bears witness to a particularly low claims frequency in 2004 as compared with a normal year.

Claims incurred, net of reinsurance, totalled DKK 10,296m, corresponding to a decline of DKK 570m relative to 2003.

GROSS DISASTER AND WINDSTORM EXPENSES, INCLUDING THE NORWEGIAN POOL OF NATURAL PERILS



Improved expense ratio through efficiency improving measures and synergies

Over the course of 2003 and 2004, TrygVesta made targeted efforts to reduce costs in the short term as well as in the long term.

In the short term, actual costs were reduced by DKK 225m relative to 2003. Likewise, the expense ratio was reduced from 24.3 in 2003 to 22.2 in 2004.

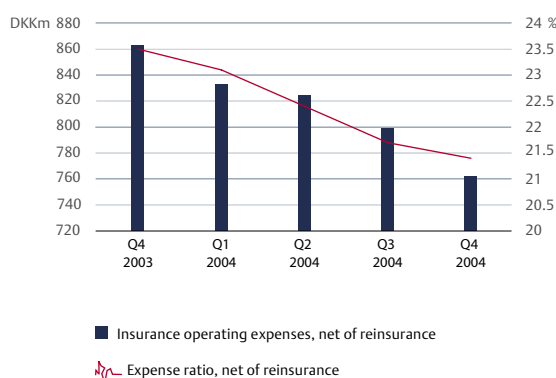
Staff-related expenses make up 66% of total costs, and all things being equal pay increases resulting from collective agreements would have increased costs by DKK 72m in 2004.

Instead, TrygVesta reduced the cost level on a quarterly basis over the past year, thereby achieving in a net reduction of total costs of DKK 225m in 2004.

The savings were achieved through the first wave of pan-Nordic synergies. In particular, the integration of Group staff functions, including joint IT sourcing and outsourcing of IT operations, had a significant impact. In addition, efficiency improvements in the distribution network and increased focus on costs throughout the organisation contributed to reducing the cost level.

The cost reduction was implemented without any major staff retrenchment programmes.

ACTUAL QUARTERLY EXPENSES



In the longer term, TrygVesta expects to further reduce its cost level. This will continue to be a focus area, and in 2004 TrygVesta laid the groundwork for additional efficiency improvements within our staff functions and continued focus on process improvements within the individual business areas. This will contribute to a continued reduction of the expense ratio during 2005 and 2006, when the second wave of the Group's Nordic synergies is launched.

Investments

Profit on investments before transfer to insurance activities, but after payment of costs, totalled DKK 1,192m, corresponding to a reduction of DKK 226m relative to 2003.

This figure was positively affected by capital gains on shares and bonds, albeit to a much lesser extent than in 2003, whereas it was only mildly affected by the divestments of the Polish and Estonian subsidiaries and by the divestment of Tryg-Baltica International. The provision of DKK 179m to restructure the Group remaining at 31 December 2003 was applied in accordance with the intentions, and the investment income was only affected by a net gain of DKK 63m from the divestment.

The profit corresponds to a return on investments before divestment of subsidiaries of 4.7%, which was an increase of 0.2 point over TrygVesta's benchmark. In the fourth quarter of 2004, we saw very favourable developments within shares in particular, which, overall, increased the return for the full year.

Transfer to technical interest totalled DKK 537m in 2004 against DKK 595m in 2003. The decline in the amount transferred can be attributed to the generally lower level of interest rates in 2004 as compared with 2003.

Tax

Tax on the profit for the year amounted to DKK 485m against DKK 87m in 2003. The effective tax rate was 25 as compared with 6 in 2003. This increase was due to the 2003 tax rate being affected by tax losses carried forward from prior years and offset against the taxable income and by tax-exempt unrealised capital gains.

The tax expense included a current tax charge of DKK 289m and a reduction of DKK 174m of TrygVesta's tax assets.

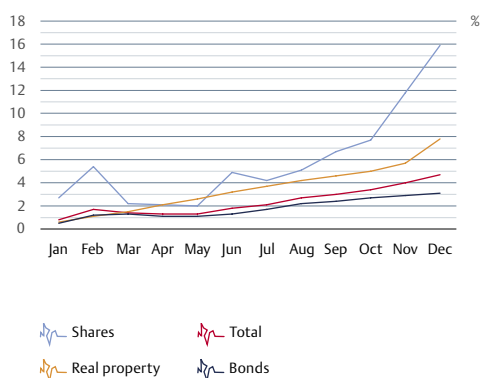
Other ordinary income and expenses

Other ordinary net income and expenses amounted to a loss of DKK 26m against a loss of DKK 16m in 2003. This amount primarily included holding expenses in TrygVesta and commission income less related expenses in connection with the sale and provision of life and pension products on behalf of Nordea.

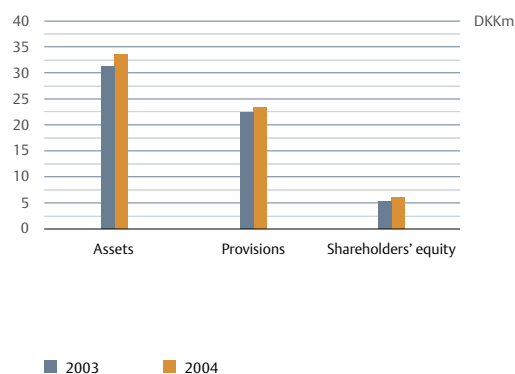
Discontinued activities

The loss on discontinued activities amounted to DKK 55m, which was an improvement of DKK 162m over 2003, when the activities in England were put into run-off. This improvement was primarily due to accelerated run-off.

RETURN RATIO 2004 TRYGVESTA



BALANCE SHEET



Balance sheet

TrygVesta's total assets increased from DKK 31,337m in 2003 to DKK 33,553m in 2004. Liabilities included shareholders' equity of DKK 6,117m and technical provisions in the amount of DKK 23,467m.

Technical provisions increased by a total of DKK 992m relative to 2003, thereby bringing TrygVesta's provisioning ratio to 106.9 as against 104.5 in 2003. The increase in total assets included increased holdings of shares and bonds.

The return on equity was 33.9% before tax and discontinued activities against 21.7% in 2003.

Shareholder information

Tryg i Danmark smba is the sole shareholder of TrygVesta A/S.

Distribution of profit

The profit for the year was DKK 1,407m. It is proposed that a dividend of DKK 650m be declared and that the remaining amount of DKK 757m be carried forward to next year.

Shareholders' equity

Shareholders' equity stood at DKK 6,117m at 31 December 2004, an increase of DKK 757m, corresponding to the profit for the year less dividends paid.

Personal & Commercial Denmark

DKKm	Q4 2004	Q4 2003	2004	2003	2002	2001	2000
Gross earned premiums	1,529	1,448	5,977	5,660	5,191	4,666	4,487
Gross claims incurred	-1,245	-1,060	-4,257	-4,194	-4,070	-3,843	-4,025
Gross expenses	-277	-337	-1,235	-1,287	-1,194	-1,183	-1,241
Profit/loss on gross business	7	51	485	179	-73	-360	-779
Profit/loss on ceded business	-22	-39	-99	-167	-180	-10	198
Technical interest, net of reinsurance	42	41	164	147	219	233	274
Change in equalisation provisions	66	-5	54	-39	19	14	15
Technical result	93	48	604	120	-15	-123	-292
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	82.7	75.2	72.5	76.3	81.2	82.7	85.1
Expense ratio, net of reinsurance	18.3	24.0	20.9	23.5	24.1	25.6	28.1
Combined ratio, net of reinsurance	101.0	99.2	93.4	99.8	105.3	108.3	113.2
Gross key ratios							
Gross claims ratio	81.4	73.2	71.2	74.1	78.4	82.4	89.7
Ceded business as percentage of gross premiums	1.4	2.7	1.7	3.0	3.5	0.2	-4.4
Gross claims ratio, net of ceded business	82.8	75.9	72.9	77.1	81.9	82.6	85.3
Gross expense ratio	18.1	23.3	20.7	22.7	23.0	25.4	27.7
Combined ratio, net of expenses to reinsurance	100.9	99.2	93.6	99.8	104.9	108.0	113.0

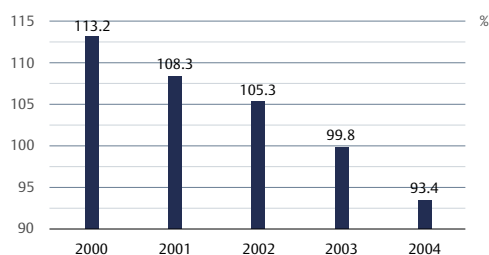
The technical result generated by Personal & Commercial Denmark recorded strong growth over the course of 2004, and despite events such as the fireworks factory blaze in Kolding and the tsunami disaster in Asia, the technical result increased by DKK 484m to DKK 604m in 2004.

Performance was positively affected by the general price adjustments within household insurance in 2003 and within personal accident insurance in 2004. In 2004, TrygVesta succeeded in improving quality as perceived by customers in

claims situations, while reducing average claim expenses through claims procurement projects, such as Tryg Reparation and Tryg Bygning.

In addition, TrygVesta made systematic efforts in this business area to reduce costs incurred in distribution and policy issuance in particular. Likewise, TrygVesta launched initiatives expected to reduce administrative claims handling expenses in the coming years.

COMBINED RATIO, NET OF REINSURANCE



Retaining market shares

TrygVesta generated growth in gross earned premiums of 5.6% relative to 2003, including index regulations totalling approximately 2.5%, which was satisfactory in a competitive market.

It is particularly satisfactory that sales through Nordea's branches continued to generate significant net growth in 2004. Likewise, sales of group insurance were highly satisfactory. Over the course of 2004, TrygVesta was successful in increasing the volume of business with individual customers to the effect that customers have increasingly pooled their insurance policies with one insurer. This is the result of dedicated efforts to meet the entire range of needs a customer may have with concepts adapted to that specific customer's stage in life.

Within personal insurance, TrygVesta launched a new product in 2004, unemployment insurance, which was well-received by the customers.

A new Danish act on workmen's compensation took effect on 1 January 2004. This act widely expanded insurance coverage, thereby entailing increased claims expenses. Among other things, the new act introduced damages for back injuries which were not previously covered by workmen's compensation insurance. The legislative amendment resulted in substantial premium increases of 50% on average.

Combined ratio, net of reinsurance, improved by 6.4 points

The strong growth in the technical result was reflected in a combined ratio, net of reinsurance, of 93.4 in 2004, corresponding to an improvement of 6.4 points relative to 2003.

Since 2000, the combined ratio, net of reinsurance, has been reduced from 113.2 to 93.4 through proactive efforts to reduce our claims and expense ratios.

Excellent improvement in claims ratio

The claims ratio was 72.5 in 2004, down 3.8 points relative to 2003.

This improvement was achieved in spite of the profit being adversely affected by claims related to the fireworks factory blaze in Kolding in November 2004 totalling just over DKK 100m before equalisation. In particular, house and contents insurance were affected by these claims. The blaze affected the claims ratio by a total of approximately 1.5 points.

Claims related to the tsunami disaster in Asia in December 2004 affected Personal & Commercial Denmark's profit adversely by DKK 15m. The amount was reduced through reinsurance contracts, and the impact on TrygVesta's financial results was therefore around DKK 8m.

The reduction of the overall claims ratio in spite of these events was attributable, among other things, to the introduction of Tryg Reparation and Tryg Bygning.

In addition, Personal & Commercial Denmark experienced a continuation of the favourable trend in the claims frequency for motor and house insurance from 2004. The claims frequency for house insurance increased significantly in 2002, only to return to a more normal level in 2004. The frequency for motor insurance has been declining in recent years and was lower than expected in 2004.

The claims performance in workmen's compensation and personal accident insurance was not satisfactory in 2004, and it was therefore necessary to strengthen TrygVesta's reserves. The adverse developments led to a strengthening of reserves in the amount of DKK 175m in these two areas. The unsatisfactory trend in workmen's compensation is due, among other things, to run-off losses as a result of the 'flex job ruling' by the Supreme Court stipulating that no set-off can be made against claims related to flex jobs.

In 2004, equalisation provisions were applied in connection with the fireworks factory blaze in Kolding. Furthermore, TrygVesta allocated equalisation provisions as a result of favourable weather conditions.

Fair improvement in expense ratio

Expenses developed very satisfactorily with an expense ratio of 20.9, down 2.6 points relative to 2003.

In particular, recent years' focus on distribution costs proved successful. Moreover, TrygVesta laid the groundwork for future cost savings on claims handling in 2004. In recent years, Personal & Commercial Denmark has implemented a comprehensive project entitled 'Decentralised Policy Issuance' (DPI) aimed at making substantial efficiency improvements within processes related to quotations and policy issuance processes, while improving the level of quality.

This project was carefully planned, and we have therefore been successful in reducing our staff primarily through natural wastage, thereby achieving cost savings without resorting to layoffs to any significant extent.

During 2005, the DPI project will be followed by efficiency improvements within claims handling processes, starting with motor claims – an area characterised by particularly heavy case loads and substantial correspondence.

Explosions and fire blazes at Kolding

Henning Holluf Nielsen, Svendborg,
Claims assessor with TrygVesta, Denmark

The explosions and blaze that hit fireworks plant N.P. Johnsens Fyrværkerifabrik in Kolding, Denmark, in November 2004 also hit around 275 of Tryg's personal customers. Many lost their homes in the course of a few hours, and it will take long into 2005 before all houses have been repaired or rebuilt.

Tryg set up an emergency team at the claims centre at Kolding immediately after the blaze, which remained open until late in the evening and over the weekend. Tryg also had claims assessors at the school to which people had been evacuated, providing advice and guidance to customers. All affected customers were offered psychological crisis therapy, and the deductible and bonus loss on their policies were suspended for claims related to the blaze.

In the week that followed, more than 20 claims assessors from Funen and Jutland went from house to house to assess the extent of the damage. One of them was Henning Holluf Nielsen, who normally works in Svendborg, Funen. It was a challenge meeting so many customers in a crisis:

'My colleagues and I got an update on psychological crisis therapy to prepare us to meet with the customers. We were told that when we meet people who are in a bad state, they may conceive things we say differently from what they normally do. We were also taught how as colleagues we could help each other get our mind off things at the end of each working day.'

Some 550 claims were reported by Tryg customers as a result of the accident in Kolding, costing TrygVesta DKK 100m in claims expenses.



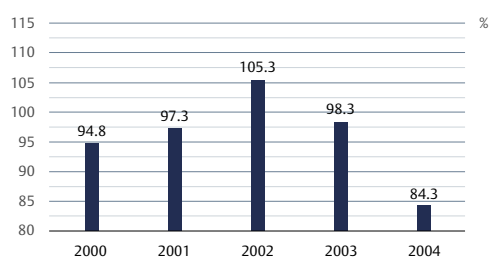
Personal & Commercial Norway

DKKm	Q4 2004	Q4 2003	2004	2003	2002	2001	2000
<i>DKK/NOK rate, quarterly/annual average</i>	90.71	90.80	88.79	93.68	98.46	92.16	91.71
Gross earned premiums	1,088	1,111	4,421	4,553	4,211	3,103	2,811
Gross claims incurred	-641	-682	-2,615	-3,275	-3,032	-2,465	-2,012
Gross expenses	-325	-277	-1,106	-1,123	-1,136	-810	-801
Profit/loss on gross business	122	152	700	155	43	-172	-2
Profit/loss on ceded business	-20	-16	-86	-93	-228	240	125
Technical interest, net of reinsurance	33	45	140	204	263	197	198
Change in equalisation provisions	-20	-19	-92	-57	-140	-55	-26
Technical result	115	162	662	209	-62	210	295
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	57.9	62.0	58.4	72.1	77.4	70.6	65.9
Expense ratio, net of reinsurance	31.5	24.6	25.9	26.3	27.9	26.7	28.9
Combined ratio, net of reinsurance	89.4	86.6	84.3	98.4	105.3	97.3	94.8
Gross key ratios							
Gross claims ratio	58.9	61.4	59.1	71.9	72.0	79.4	71.6
Ceded business as percentage of gross premiums	1.8	1.4	1.9	2.0	5.4	-7.7	-4.4
Gross claims ratio, net of ceded business	60.7	62.8	61.0	73.9	77.4	71.7	67.2
Gross expense ratio	29.9	24.9	25.0	24.7	27.0	26.1	28.5
Combined ratio, net of expenses to reinsurance	90.6	87.7	86.0	98.6	104.4	97.8	95.7

The technical result of Personal & Commercial Norway improved by DKK 453m relative to 2003, reflecting a combined ratio, net of reinsurance, of 84.3 and a particularly profitable mass market in Norway.

In general, this business area has performed satisfactorily over the past five years. The improvements achieved over the course of 2003 and 2004 were highly encouraging and can be attributed to price adjustments particularly within house and motor insurance in 2003, improved risk selection, improved claims procurement and an unusually low claims frequency for house insurance in Norway in 2004.

COMBINED RATIO, NET OF REINSURANCE



The Norwegian market is influenced by geographical and weather-related conditions, which caused in particular house claims and weather-related claims to affect results very differently from year to year. The 2004 financial year benefited from a combination of highly favourable weather conditions and a very limited number of large fire claims within house insurance.

TrygVesta made substantial equalisation provisions in respect of the Pool of Natural Perils in Norway. The Pool of Natural Perils is primarily used to equalise expenses related to windstorms and flooding.

In 2004, the technical result was affected by falling Norwegian interest rates as expressed by a technical interest, net of reinsurance, of DKK 140m relative to DKK 204m in 2003.

Moderate premium growth

Gross earned premiums were DKK 4,421m in 2004. Expressed in the local currency this was an increase of 2.1% relative to 2003, which was slightly below the earnings target. This reflects a year in which the relationship between customer inflow and customer outflow was unsatisfactory during the first six months, but improved during the last six months following the implementation of a restructured sales organisation.

The increase in gross premiums reflected recent years' premium increases, satisfactory sales growth but also larger than expected customer movements. This trend applies especially to the personal customer segment and should be viewed in conjunction with the highly satisfactory profitability in a competitive market.

Combined ratio, net of reinsurance, improved by 14.1 points

The positive development of the technical result was reflected in a combined ratio, net of reinsurance, of 84.3, which was a strong improvement of 14.1 points relative to 2003. As mentioned earlier, the improvement was influenced by the claims frequency for house insurance which cannot be expected to continue unchanged in the years ahead.

NOK depreciated relative to DKK in 2004. All things being equal, earnings in Norway will therefore show a falling trend when expressed in Danish kroner. Exchange differences had an adverse effect of approximately DKK 36m on the financial results in 2004 as compared with 2003.

Significantly improved claims ratio

The claims ratio, net of reinsurance, was 58.4 in 2004, an improvement of 13.7 points over 2003.

This significant improvement was due to a generally good claims performance in the individual areas and a particularly positive claims performance in motor and house insurance. Following considerable increases in the claims frequency for motor insurance in 2002 and 2003, we experienced a drop in 2004, which had a positive effect on the claims ratio. Within house insurance, we have seen a trend in recent years towards a declining claims frequency, but the 2004 claims frequency for house insurance was recorded at a mere index 77 as compared with index 100 in 2000. This unusually low figure can be attributed to favourable weather conditions and significantly fewer house fires than in a normal year.

For Personal & Commercial Norway, the tsunami disaster in Asia in December 2004 resulted in claims of NOK 28m. Like in Denmark, the Norwegian claims were covered by reinsurance, and the share payable by Personal & Commercial Norway was around NOK 12m.

In general, the performance in commercial customer operations was satisfactory, composed of a slightly less than satisfactory performance within personal accident insurance and a very satisfactory performance in other areas.

Expenses trending downwards

The expense ratio, net of reinsurance, was 25.9 in 2004, up 0.4 point relative to 2003.

Personal & Commercial Norway was positively affected by the first wave of cost synergies prompting cost reductions relative to 2003 from staff functions in particular.

In the fourth quarter of 2004, costs were adversely affected by a non-recurring impact from harmonisation of the Group's depreciation policies.

In the years ahead, the expense ratio in this business area will be positively affected by the second wave of Nordic synergies. Likewise, experience gained from the implementation in Norway of 'Decentralised Policy Issuance', which reduced distribution costs in Denmark substantially, will contribute to a reduction of the expense ratio.

Quick help when the tsunami hit

Gunhild Horn, Tønsberg,
Customer adviser with TrygVesta, Norway

'The hotel was 200 metres from the beach, but we didn't see the waves coming even though the surroundings were flat. People came rushing from all directions while we were having breakfast outdoors. The water rose one metre up the hotel wall, but it was stone-built to a height that prevented the water from getting into the hotel. So we escaped the disaster without a scratch.'

Gunhild Horn from Vesta's office in Tønsberg, Norway was spending her Christmas holidays at Patong Beach, Phuket, Thailand. The party comprised two adults, two daughters aged 13 and 18, and a friend aged 18.

'The earthquake woke us, but we did not give it much thought. Somebody said a bomb had gone off on the beach. Later we heard about a giant wave. There were very different reactions at the hotel. Some people bathing in a pool that was not affected continued as if nothing had happened. Others helped themselves in the bar when the frightened staff disappeared.'

'We were among the first to be evacuated to the mountains in trucks. The locals brought us food and water, and they offered us shelter for the night. Luckily I had my mobile phone. I called TrygVesta Alarm, who updated me on the latest news and reassured that they would take care of all the practical matters and cover the

costs so we could go home as soon as possible. That was exactly what we needed the most. The travel agency was useless. We really learnt that a good travel insurance policy is invaluable!'

'We were lucky despite the abrupt end to our holiday. We got all our luggage, tickets and passports out, and we could return to Norway after a couple of days. It is still difficult to comprehend the scale of this disaster'.

A total of 277 Danish and Norwegian TrygVesta customers were affected by the disaster. Injuries suffered by Danish and Norwegian tourists and damage to their luggage as a result of the tsunami in Asia will cost TrygVesta DKK 28m after taking into account the reinsurers' share.

The TrygFonden donated DKK 500,000 to the victims of the disaster in early January 2005. Furthermore, TrygVesta's staff collected more than DKK 40,000.

The money was donated to the Danish Red Cross.



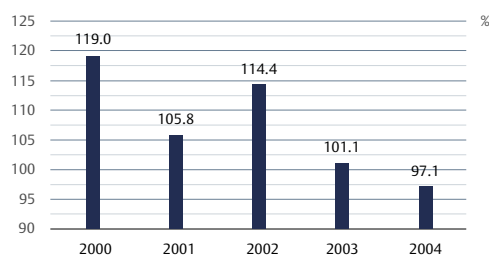
Corporate

DKKm	Q4	Q4	2004	2003	2002	2001	2000
	2004	2003					
<i>DKK/NOK rate, quarterly/annual average</i>	90.71	90.80	88.79	93.68	98.46	92.16	91.71
Gross earned premiums	1,212	1,290	4,786	5,190	5,120	3,832	3,069
Gross claims incurred	-859	-1,077	-3,417	-3,555	-4,368	-2,810	-3,125
Gross expenses	-165	-215	-689	-873	-846	-681	-573
Profit/loss on gross business	188	-2	680	762	-94	341	-629
Profit/loss on ceded business	-102	-128	-570	-801	-363	-495	201
Technical interest, net of reinsurance	46	40	190	209	314	251	251
Change in equalisation provisions	-44	52	-54	-15	-119	-31	-23
Technical result	88	-38	246	155	-262	66	-200
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	78.8	96.5	81.9	82.5	96.2	88.0	100.0
Expense ratio, net of reinsurance	12.5	17.3	15.2	18.6	18.2	17.8	19.0
Combined ratio, net of reinsurance	91.3	113.8	97.1	101.1	114.4	105.8	119.0
Gross key ratios							
Gross claims ratio	70.9	83.5	71.4	68.5	85.3	73.3	101.8
Ceded business as percentage of gross premiums	8.4	9.9	11.9	15.4	7.1	12.9	-6.5
Gross claims ratio, net of ceded business	79.3	93.4	83.3	83.9	92.4	86.2	95.3
Gross expense ratio	13.6	16.7	14.4	16.8	16.5	17.8	18.7
Combined ratio, net of expenses to reinsurance	92.9	110.1	97.7	100.7	108.9	104.0	114.0

The Nordic business area Corporate continued on the growth track from 2003, improving the 2004 technical result by DKK 91m to DKK 246m in spite of increased expenses related to large claims totalling DKK 140m and considerable expenses incurred within personal accident insurance as a result of a Danish Supreme Court ruling and the implementation of a broader definition of industrial disease in Norway.

The performance is satisfactory and to a large extent due to the substantial general price adjustments implemented in 2002 and 2003. These adjustments were necessary to ensure profitability in this market, which showed a highly unsatisfactory underlying profitability in 2000 and 2001. The adjustments enabled TrygVesta to allocate increased resources to dialogue with individual customers concerning risk preventive measures – an area which will also be in focus in 2005.

COMBINED RATIO, NET OF REINSURANCE



There is still a need to make minor price adjustments within Norwegian personal accident insurance in order for the Corporate business area to meet TrygVesta's internal targets. However, the Norwegian Corporate business area showed rapid improvements over the course of the last six months of 2004 in particular and now contributes positively to the technical result.

Relative to 2003, the financial results were affected by falling interest rates in Denmark and Norway as expressed by a technical interest, net of reinsurance, of DKK 190m in 2004 as compared with DKK 209m in 2003.

Lower earned premiums, unprofitable customers phased out

Gross earned premiums stood at DKK 4,786m in 2004, down 7.8% relative to 2003, with exchange rate developments contributing negatively by DKK 120m, which corresponds to approximately 2.5 percentage points.

The adverse impact on gross premiums was related, among other things, to the introduction by TrygVesta of net pricing to customers served by brokers, which reduced earned premiums by some DKK 160m. Adjusted for the exchange rate impact and the introduction of net pricing to customers served by brokers, gross earned premiums fell by just over DKK 120m, which was largely attributable to the strategic phase-out of unprofitable customers in the Norwegian part of the business. Moreover, a limited number of customers, especially within the group of customers served by brokers, left TrygVesta.

As mentioned earlier, workmen's compensation premiums in Denmark alone increased by 50% in 2004 as a result of new legislation.

Overall, the Corporate business area has become much more profitable, although earnings in this area have yet to reach the level of earnings generated by the mass markets in Denmark and Norway.

Combined ratio, net of reinsurance, improved by 4.0 point

The positive development of the technical result was reflected in a combined ratio, net of reinsurance, of 97.1, which was an improvement of 4.0 points relative to 2003. The Corporate business area was furthermore affected by large fluctuations in year-on-year financial results. This is quite natural in a market where single, large claims may have a substantial impact on the financial results in a given year. The underlying business has improved since 2002. The less than satisfactory performance in 2002 was attributable to substantial large claims occurring that year.

Claims ratio in line with 2003

The claims ratio, net of reinsurance, was 81.9, an improvement of 0.6 point over 2003.

The claims ratio was composed of a generally good claims performance in traditional corporate insurance – property, liability, motor, cargo, etc. On the other hand, the claims performance in the marine and personal accident businesses remained unsatisfactory.

2004 was characterised by an above-average number of large marine claims. We do not see this as a reflection of a general trend but rather as individual claims events. In particular two large claims, which in aggregate represented claims totalling some DKK 100m, had a negative impact on the financial results: the tanker Panam Serena, which exploded in January 2004 near Sardinia, and the suction dredger Thor, which sank in September 2004 after a collision.

As in 2003, provisions for claims in respect of prior years were strengthened significantly. In particular the flex job ruling in Denmark and the implementation of a broader definition of industrial disease in Norway resulted in a DKK 265m increase of reserves. Moreover, developments within the personal accident business were generally not satisfactory.

TrygVesta also recorded a large claim within property insurance – a fire at a Danish laminated wood factory amounting to DKK 100m. The combined ratio was affected by the full amount of this claim. However, it did not impact the technical result to any noteworthy extent, as part of the claim was covered through equalisation provisions.

Reduced expenses through change in settlement to brokers

The expense ratio, net of reinsurance, was 15.2, an improvement of 3.4 points over 2003.

The positive trend in the expense ratio was primarily due to lower absolute costs in 2004 compared with 2003, as a result, among other things, of changed principles for settlement to brokers and general cost constraint. Moreover, the corporate business was characterised by a significantly lower level of costs than in the business areas catering to the mass markets.

Long wait in telephone queue when flames consumed everything

The Stokke family, Oslo

Customers with TrygVesta, Norway



The Stokke's home burnt down on 1 April 2004. It was an explosive fire, and the family had to get out in a hurry. The house was so damaged by fire, smoke, soot and water that it could not be saved. It was just before Easter, and the family initially took refuge in their cottage in the Norwegian mountains. The family's members took comfort in the fact that 'we may have a much poorer home, but we're all here.' They now live in a temporary home in Oslo, not far from the site of the fire.

'On the first day after the fire we did not think highly of Vesta. We only had the clothes on our backs, and when we called Vesta from the mobile phone to report the fire and ask for help, we were told we were number 14 in line. We left a message, but they didn't call us back. When we finally got through, we were told that the staff had gone to lunch,' says Kjell Torgeir Stokke from Norway.

The relationship improved after the unfortunate start. Kjell Torgeir Stokke ended up by sending a letter to Vesta, thanking them for 'exemplary' treatment after having met 'understanding and calm, commendable customer handling.'

'The house was my childhood home, it was built in 1947 and it had our family's soul embedded in its walls,' says Kjell Torgeir Stokke. 'It was very difficult to walk through 12 ruined rooms. Thanks to excellent work on the part of damage control service provider Polygon, which Vesta hired, a few of our treasures can luckily be saved.'

'The claims statement as such is only the tip of an iceberg. Below the surface lurks a lot of worry and concern, you're unhappy about all the things you've lost and concerned about the future. We were therefore relieved to find that Vesta did not come forward as our adversary, but as a partner with the same cause, just as interested in finding good solutions as we were.'

'We had to listen to a lot of horror stories about difficult insurers, and this was one of the reasons we chose to engage a lawyer. But the process we expected to be a long fight against a hostile insurer turned out for the best,' says Kjell Torgeir Stokke.



Finnish general insurance

DKKm	Q4 2004	Q4 2003	2004	2003	2002	2001	2000
<i>DKK/EUR rate, quartely/annual average</i>	743.43	743.30	743.99	742.92	743.08	745.74	-
Gross earned premiums	28	19	97	61	21	2	-
Gross claims incurred	-17	-13	-66	-47	-18	-1	-
Gross expenses	-21	-16	-78	-63	-66	-29	-
Profit/loss on gross business	-10	-10	-47	-49	-63	-28	-
Profit/loss on ceded business	1	1	0	0	-4	-1	-
Technical interest, net of reinsurance	1	0	2	1	1	0	-
Change in equalisation provisions	0	0	0	0	0	0	-
Technical result	-8	-9	-45	-48	-66	-29	-
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	63.2	70.4	68.6	78.2	104.3	91.1	-
Expense ratio, net of reinsurance	71.0	81.0	80.0	103.8	389.2	1,795.1	-
Combined ratio, net of reinsurance	134.2	151.4	148.6	182.0	493.5	1,886.2	-
Gross key ratios							
Gross claims ratio	63.1	69.9	68.5	77.5	84.8	91.1	-
Ceded business as percentage of gross premiums	0.2	0.8	0.2	1.0	18.7	0.0	-
Gross claims ratio, net of ceded business	63.3	70.7	68.7	78.5	103.5	91.1	-
Gross expense ratio	70.9	80.3	79.8	102.8	316.3	1,795.1	-
Combined ratio, net of expenses to reinsurance	134.2	151.0	148.5	181.3	419.8	1,886.2	-

Strong growth and profit in line with expectations

TrygVesta's Finnish business, Nordea Vahinkovakuutus, generated growth in gross earned premiums of almost 60% in 2004, corresponding to earned premiums of DKK 97m as compared with earned premiums of just DKK 2m in 2001.

The increase was primarily due to a strengthening of the partnership with Nordea, which handles the sale of insurance through its branches and its Internet portal, Solo Market.

Sales of new insurance business developed satisfactorily in 2004. A total of 64,500 insurance policies were sold in 2004, an increase of 30% over 2003. Nordea has a share of some 40% of the Finnish market for banking services. Accordingly, there is still a large sales potential in this area.

The technical result amounted to a loss of DKK 45m, which was in line with expectations, and the results returned by the Finnish business should be viewed as an investment. It is therefore extremely encouraging that growth in the volume of business during the company's short existence has been as planned. The share of the Finnish personal market totals over 1.5%.

The combined ratio, net of reinsurance, improved by 33.4 points relative to 2003.

Banking customers are good insurance customers

The claims ratio, net of reinsurance, was 68.6, a highly satisfactory improvement of 9.6 points over 2003. This is remarkable considering the size and age of the portfolio. And it supports the assertion that a banking customer who buys insurance typically has a satisfactory claims performance.

Markedly improved expense ratio

The expense ratio, net of reinsurance, was 80.0, down 23.8 points relative to 2003. The positive trend was primarily due to the increase in earned premiums.

Absolute costs increased by approximately 20% relative to 2003. This increase was mainly attributable to a rise in commissions in step with increased sales and costs related to further development of IT systems supporting the development of the business. The increase in expenses was furthermore related to the fact that the Finnish business is still in the start-up phase with considerable depreciation of previous investments in an insurance-technical IT system. Depreciation amounted to 26% of costs.

Other business

Business in run-off

TrygVesta's business in run-off primarily comprises the Group's wholly-owned UK subsidiary, Chevanstell Ltd.

Business in run-off generated a technical loss of DKK 54m compared with a loss of DKK 246m in 2003.

As was expected, gross earned premiums in respect of business in run-off fell to DKK 30m from DKK 631m in 2003.

The run-off process has progressed as expected in 2004, but is still subject to some uncertainty. The parent company has provided a total amount of DKK 346m in this respect. The provision amounted to DKK 383m in 2003.

TrygVesta is endeavouring to implement a solvent scheme of arrangement for Chevanstell Ltd. in late 2005, which would accelerate the final winding up of the business in Chevanstell Ltd. This so-called commutation is based on an agreement between Chevanstell Ltd. and its creditors, but is subject to UK court approval.

Divested activities

In line with TrygVesta's focused Nordic strategy, the Group divested the activities of the reinsurer Tryg-Baltica International (TBi) and of the general insurers Tryg Polska in Poland and Nordicum Kindlustus in Estonia in the autumn of 2004.

The divested operations reported a total technical loss of DKK 11m against a loss of DKK 60m in 2003.

The result includes a profit of DKK 17m for TBi until 30 September 2004 against a loss of DKK 10m for 2003. The Polish company is included at a loss of DKK 26m until 30 November 2004 against a loss of DKK 49m for 2003, while the Estonian company is included at a loss of DKK 2m until 17 December 2004 against a loss of DKK 1m for 2003.

Reference is made to the section Financial highlights and key ratios by geographical area for data in respect of the activities in TBi, Poland and Estonia.

Financial communication to the level of listed companies

Per Grønberg, København
Equity analyst with Alfred Berg ABN AMRO



Even if you are not a listed company, nothing prevents you from acting like one. At any rate not as regards the quality of your financial communication. Equity analyst Per Grønberg of investment bank Alfred Berg ABN AMRO is satisfied with TrygVesta's communications to the financial market:

'If TrygVesta were a listed company, its financial market communications would rank high among its peers,' says Per Grønberg.

'Strangely enough, the company actually communicates at a higher level today than when it was part of a listed company. Analysts always require more and more detailed information. But I'm actually quite content with TrygVesta. It's especially a big advantage that TrygVesta discloses segmented and country-specific financial information. Many of its competitors tend to go the opposite direction.'

Per Grønberg has respect for TrygVesta's strong financial performance:

'First and foremost, TrygVesta has been extremely competent in streamlining the organisation and becoming more efficient.

It should be borne in mind that competition in the market has diminished because several foreign competitors have withdrawn from the Nordic market. And we have seen a couple of years with unusually favourable weather.

Per Grønberg believes that two challenges, in particular, will be key to TrygVesta in the future: maintaining the operational improvements achieved and clarifying the ownership structure.

'Should the company decide to retain the mutually-based ownership structure, or should it prepare for an IPO? Unlike some years ago, the issue of procuring capital is no longer the main factor when considering a possible listing,' says Per Grønberg.



Investment activities

TrygVesta's investments yielded a total return in 2004 before transfer to technical interest and other financial income and expenses of DKK 1,244m, equivalent to 4.7%. The return was affected by positive returns on bonds, shares and real property.

DKKm	Profit/loss		Assets (year-end)	
	2004	2003	2004	2003
Denmark	797	902	16,248	12,492
Norway	396	677	12,563	10,497
Tryg-Baltica International	23	28	0	581
Poland	24	18	0	369
Estonia	0	1	0	30
TrygVesta A/S	4	0	109	150
Total	1,244	1,626	28,920	24,119
Other financial income and expenses	-52	-208		
Total investments	1,192	1,418		
Transferred to technical interest	-675	-733		
Investment income	517	685		
Discontinued activities	-11	-10	745	878

Asset allocation

Throughout 2004, TrygVesta maintained a high proportion of highly liquid bonds in its portfolio for security and rating considerations. The share portfolio increased by DKK 820m in 2004 resulting from net investments, divestments and rising share prices. This did not give rise to major changes in the asset location.

Net investments amounted to approximately DKK 5.6bn in 2004. Seen in isolation, the divested activities Tryg-Baltica International and Tryg Polska reduce the balance sheet by approximately DKK 900m.

Asset allocation

	2004 DKKm	%	2003 DKKm	%
Shares	3,161	10.9	2,341	9.7
Bonds etc.	23,759	82.2	19,769	82.0
Real property	2,000	6.9	2,009	8.3
Total	28,920	100.0	24,119	100.0

Investment activities, 31 December 2004

DKKm	Shares	Bonds etc.	Real property	Total	Return (nom.)	Return (%)	Investments (net)
Denmark	2,557	12,373	1,318	16,248	797	5.7	3,520
Norway	590	11,291	682	12,563	396	3.5	1,836
Tryg-Baltica International	0	0	0	0	23	3.3	206
Poland	0	0	0	0	24	6.4	51
TrygVesta A/S	14	95	0	109	4		-40
Total	3,161	23,759	2,000	28,920	1,244	4.7	5,573
Other financial income and expenses					-52		
Total					1,192		
Discontinued activities	0	745	0	745	27	3.4	-110
Return (nom.)	406	692	146	1,244			
Return (%)	15.9	3.2	7.8	4.7			

Bond portfolio	2004		2003	
	DKKm	%	DKKm	%
Danish bonds	11,886	50.0%	9,762	49.4%
Norwegian bonds and money market	10,371	43.7%	8,473	42.8%
Other bonds	1,502	6.3%	1,534	7.8%
Total	23,759	100.0%	19,769	100.0%

Bonds

The return on the overall bond portfolio in TrygVesta including cash and cash equivalents was DKK 692m, equal to 3.2% for the full year 2004, while bonds in the Danish companies and in Vesta yielded returns of 3.5% and 2.6%, respectively. By comparison, a Danish government bond index with a term to maturity of 1-3 years yielded 3.2% in 2004.

96% of TrygVesta's bond portfolio – equivalent to DKK 22.9bn – comprises Danish mortgage bonds, placements in the Norwegian money market and government bonds. The remaining part is invested in other corporate bonds, primarily of investment grade credit quality. High yielding and emerging market bonds account for less than 1% of the overall portfolio.

The option-adjusted duration, including cash and cash equivalents, of the entire Group's bond portfolio was 1.3 years at 31 December 2004 against 1.8 years at 31 December 2003. The short duration was, among other factors, attributable to Vesta's strong focus on the money market and expectations that interest rates would increase during the year.

Real property

The investment return on real property was DKK 146m, equivalent to a total return of 7.8%. The Group sold investment properties worth DKK 50m in 2004. At 31 December 2004, the occupancy rate was 95.6% against 95.5% at 31 December 2003.

The portfolio is well-diversified and consists of quality property, 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.

Geographical spread, shares	2004		2003	
	DKKm	%	DKKm	%
Denmark	419	13.3%	418	17.9%
Norway	200	6.3%	162	6.9%
Other european	1,223	38.7%	831	35.5%
North America	1,197	37.8%	877	37.5%
Other	122	3.9%	53	2.2%
Total	3,161	100.0%	2,341	100.0%

Shares

TrygVesta's portfolio of listed shares is highly diversified. Firstly, the portfolio includes a very low proportion of listed Danish and Norwegian shares, accounting for approximately 15% of the portfolio of listed shares at 31 December 2004. Secondly, international equity mandates are placed in low tracking error portfolios, that is, the portfolio return is expected to more or less match the benchmark return. TrygVesta intends to maintain a diversified international equity portfolio in order to minimise risk relating to any single market or any single company. In both Denmark and Norway, the five largest companies account for some 55% of the index, while the five largest components of TrygVesta's total equity portfolio account for 9.3%.

For the financial year, the return on investments was DKK 406m, equivalent to 15.9%. The healthy performance was driven by fair returns in the big international equity markets and extraordinarily high returns in the Danish and Norwegian equity markets. Danish shares yielded 22.5%, while Norwegian shares yielded no less than 39.2% compared with 23.2% for the Danish KBX index and 38.5% for the Norwegian OSEBX index. Other international shares yielded 14.3% compared with 12.2% and 10.1% for MSCI Europe and MSCI US, respectively. Unlisted shares amounted to a total of DKK 159m at 31 December 2004. Continuous efforts will be made to reduce this portfolio.

accounts 2004

Statement by the Supervisory Board and the Executive Management

The Supervisory Board and the Executive Management have today considered and the Supervisory Board has adopted the annual report for 2004 of TrygVesta A/S and the TrygVesta Group.

The annual report has been presented in accordance with the Danish Insurance Business Act and the Danish Financial Supervisory Authority's executive orders. We consider the accounting policies adopted to be appropriate to the effect that the annual report gives a true and fair view of the Group's and the parent company's assets and liabilities, financial position, results of operations and cash flows.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Ballerup, 1 March 2005

Executive Management

Stine Bosse

Morten Hübbe

Erik Gjellestad

Supervisory Board

Mikael Olufsen
chairman

Mogens Jacobsen
deputy chairman

Per Skov
deputy chairman

Jørn Wendel Andersen

John R. Frederiksen

Jørn Hesselholt

Håkon J. Huseklepp
(employee representative)

Jens Lyngbo

Peter Wagner Møllerup
(employee representative)

Birthe Petersen
(employee representative)

Niels Erik Schultz-Petersen

Internal auditors' report

We have audited the annual report of TrygVesta A/S for the financial year 2004. The annual report is presented in accordance with the Danish Insurance Business Act.

The 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 on the basis of the Danish Financial Supervisory Authority's executive order on the presentation of consolidated financial statements by financial enterprises and financial groups and in accordance with Danish Auditing Standards. Based on an evaluation of materiality and risk, we examined the business procedures, the accounting policies applied and the estimates made and verified the basis for the amounts and other disclosures in the annual report. We believe that our audit provides a reasonable basis for our opinion.

The audit has not resulted in any qualifications.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and equity and financial position at 31 December 2004 and of the results of the Group's and the parent company's operations and of the Group's cash flows for the financial year 2004 in accordance with the Danish Insurance Business Act.

Emphasis of matter

As described in Accounting policies on page 73, the annual report contains pro forma financial figures for the Group for the 2000, 2001 and 2002 financial years. The TrygVesta Group was established on 28 June 2002 by a non-cash contribution of the Nordea AB Group's general insurance activities to TrygVesta A/S.

Therefore, the pro forma figures represent a period during which the Group did not exist as a legal entity. Reference is made to Management's description of the basis for stating the pro forma figures.

We agree with Management's comments on the pro forma figures, including the view that the figures make the annual report more informative with respect to the technical operations.

Ballerup, 1 March 2005

Gert Stubkjær
Chief Internal Auditor

Auditors' report

To the shareholder of TrygVesta A/S

We have audited the annual report of TrygVesta A/S for the financial year 2004. The annual report is presented in accordance with the Danish Insurance Business Act.

The 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. These standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualifications.

Deloitte
Statsautoriseret Revisionsaktieselskab

Lone Møller Olsen
State authorised public accountant

Thomas Elsborg Jensen
State authorised public accountant

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and equity and financial position at 31 December 2004 and of the results of the Group's and the parent company's operations and of the Group's cash flows for the financial year 2004 in accordance with the Danish Insurance Business Act.

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We agree with Management's comments on the pro forma figures, including the view that the figures make the annual report more informative with respect to the technical operations.

Copenhagen, 1 March 2005

Grant Thornton
Statsautoriseret Revisionsaktieselskab

Christian Fløistrup
State authorised public accountant

Accounting policies

Basis of preparation

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

In principle, the parent company, TrygVesta 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 Insurance Business Act to which the consolidated financial statements are subject.

Apart from the changes described below, the accounting policies are unchanged from last year.

TrygVesta has adopted IFRS 5 for presentation of discontinuing operations in the annual report 2004. The key provisions of IFRS 5 are that discontinued activities shall be consolidated in one line in the income statement and supplemented with disclosure of the discontinued activities in a note to the financial statements. Recognition of the balance sheet items in respect of the discontinued activities is unchanged in the respective items. The comparative figures, including financial highlights and key ratios, have been restated accordingly.

Discontinued activities in the income statement include the post-tax profit of TrygVesta's business in run-off. Business in run-off comprises the wholly-owned subsidiary Chevanstell Ltd. UK and business in run-off in Tryg Forsikring A/S.

The above change in accounting policies does not affect the results for the year or shareholders' equity. The combined ratio, net of reinsurance, for 2004 and 2003 improved by 0.6 and 1.9 points, respectively.

A few items in the income statement and balance sheet have been reclassified relative to last year. The reclassifications do not affect the results or shareholders' equity.

Pro forma comparative figures

Management's review and the financial highlights and key ratios present pro forma comparative figures for 2000, 2001 and 2002 prior to the formation of TrygVesta A/S as at 28 January 2002 and the company's subsequent acquisition of the general insurance activities of Nordea AB as at 28 June 2002.

These sections of the annual report specify where pro forma comparative figures are included. Pro forma comparative figures have been included in the annual report in order to provide more information in the annual report with respect to the technical operations of the general insurance companies forming part of TrygVesta irrespective of the former ownership of these companies.

The pro forma comparative figures are stated on the basis of a consolidation of the companies forming part of the Group as at 31 December 2003.

The following should be taken into account when evaluating the pro forma comparative figures:

Tryg Forsikring A/S and Vesta Forsikring AS are stated net of their life and pension insurance activities, which were operated by wholly-owned subsidiaries.

Insurance portfolios acquired from other companies, such as Zurich's Danish and Norwegian general insurance portfolio, are included from the date of acquisition of the relevant portfolio.

Tryg Ejendomme I A/S, which was divested on 31 December 2003, is included in the pro forma figures for the full period.

Tryg-Baltica Forsikring, internationalt forsikringselskab A/S is included in the pro forma figures until the date of divestment, 6 October 2004.

Tryg Polska SA and Nordicum Kindlustuse Eesti AS are included from the date the companies were acquired by Tryg Forsikring A/S and the Nordea Group, respectively, until the date they were divested, these being 1 December and 17 December 2004, respectively.

Where the accounting policies have been changed during the period, the comparative figures of each company have to the extent possible been adjusted on consolidation to comply with the current accounting policies. Such adjustments only have a minor impact on the pro forma figures.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of TrygVesta A/S (the parent company) and undertakings (subsidiary undertakings) controlled by the parent company. See the section Group overview. 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.

Minority interests

The proportionate share of the profit and shareholders' equity of subsidiaries attributable to minority interests is stated separately in the statement of the consolidated profit and consolidated shareholders' equity.

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.

Equity investments in subsidiary undertakings are eliminated by the parent company's proportionate share of the undertakings' shareholders' equity at 31 December.

Goodwill arising on acquisition represents the difference at the time of acquisition between the acquisition price and the proportionate share of shareholders' equity of the acquired undertaking made up in accordance with the accounting policies applied by TrygVesta A/S. Any difference (goodwill) is recognised in the item 'Intangible assets' and amortised on a straight-line basis over the expected useful life.

Newly acquired or divested subsidiary undertakings are consolidated at the results for the period subsequent to acquisition or prior to divestment, respectively.

Any gains or losses arising on divestment of subsidiary undertakings are included in the income statement under 'Investment gains or losses'.

Currency translation

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

All currency translation gains and losses are included in the income statement under the item 'Exchange rate 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

Earned premiums and claims incurred represent general insurance and simple types of death cover (Group Life in Norway) related to general insurance policies written by general insurance companies.

Premiums

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

Technical interest

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

Claims incurred

Claims incurred represent claims paid during the year adjusted for changes in provisions for claims less the 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.

Bonus and premium rebates

Bonus and premium rebates represent anticipated and reimbursed premiums 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 represent acquisition costs and administrative expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are recognised at the time of writing the business. Administrative expenses are accrued to match the financial year.

Depreciation is charged on a straight-line basis over three to five years. Minor acquisitions costing less than DKK 100,000 are recognised as an expense in the year of acquisition, except for assets acquired as part of a specific project. Computer equipment held under finance leases is recognised and depreciated as if purchased by the company.

Costs are based on estimated time consumed or the estimated cost charge and are distributed in the statement by line of insurance and between acquisition and administrative expenses.

Reinsurance accepted

Premiums, claims and commissions relating to reinsurance accepted included in the income statement are generally stated on an estimated and assessed basis and accrued relative to expiry of the contracts. Commissions relating to unearned premium provisions are recognised under 'Prepayments and accrued income'.

Investment activities

Profit from group undertakings includes the parent company's share of the profit on ordinary activities of the subsidiary undertakings before tax. Tax relating to group undertakings is included in the item 'Tax'. 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 associated undertakings includes the parent company's share of the profit on ordinary activities of the associated undertakings.

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 gains and losses on bonds drawn for redemption.

Realised and unrealised investment gains and losses, including value adjustment of land and buildings, are recognised in the income statement.

Realised and unrealised gains and losses on derivative financial instruments are also recognised in the income statement.

Investment administrative expenses represent expenses relating to the management of investments. Brokerage and commission is included in the purchase and selling price of investment assets.

Other ordinary items

Other items include the parent company's administrative expenses and income and expenses related to the sale of products for Nordea Liv og Pension.

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

The item 'Tax' represents estimated Danish and foreign corporation taxes for the year and movements in deferred tax or tax assets. Tax on the profit for the year is calculated based on the pre-tax profit for the year adjusted for non-taxable income and expenses. Tax relating to discontinued activities is included in the item 'Discontinued activities'.

TrygVesta A/S is jointly taxed with Tryg i Danmark smba and the majority of its subsidiary undertakings. Tax relating to the jointly taxed income is recognised in the jointly taxed Danish companies in proportion to their profit. Changes in deferred taxes or deferred tax assets are recognised in the companies having the liability or the claim.

Discontinued activities

Discontinued activities represent the parent company's share of the post-tax profit of TrygVesta's business in run-off. Business in run-off comprises the results of the wholly-owned subsidiary Chevanstell Ltd. UK and business in run-off in Tryg Forsikring A/S.

Balance sheet

Intangible assets

Development costs and capitalised software are measured at cost less amortisation. The assets are amortised on a straight-line basis over four years from the date they are taken into use.

Goodwill acquired after 1 January 2003 is measured as the difference at the time of acquisition between the cost and the proportionate share of the acquired undertaking's shareholders' equity made up in accordance with the accounting policies applied by TrygVesta A/S. Goodwill is amortised on a straight-line basis over the expected useful life.

Investment assets

Land and buildings

Land and buildings are measured at market value in accordance with the guidelines issued by the Danish Financial Supervisory Authority. The guidelines provide for the market value of the Group's land and buildings to be determined based on a systematic annual assessment of each individual property taking into account the expected future operating returns and a return requirement for each property.

New developments and property under construction are measured at cost.

Equity investments in group undertakings

Equity investments in group undertakings are measured at the parent company's proportionate share of the subsidiary undertakings' shareholders' equity at 31 December made up in accordance with the Group's accounting policies.

Equity investments in associated undertakings

Equity investments in associated undertakings are measured at the parent company's proportionate share of the shareholders' equity of the undertakings at 31 December.

Listed shares, unit trust units, bonds etc.

Listed shares, unit trust units, bonds etc. are measured at the prices quoted at the end of the year. Unlisted shares, fixed-interest loans etc. are measured at a conservatively estimated market value at the end of the year based on the companies' most recent financial statements available.

Derivative financial instruments

Derivative financial instruments are measured at market value at the end of the year. Derivative financial instruments are used to the extent they enable the Group to manage its assets and liabilities more efficiently, thereby reducing risk or causing only a small increase in risk.

Reinsurance deposits, receivable

Deposits comprise amounts owed to the company in respect of reinsurance business accepted, and retained by ceding undertakings pursuant to reinsurance contracts.

Amounts owing

Amounts owing are measured at nominal value less a provision for any losses.

Other assets

Operating equipment

Operating equipment is measured at cost less accumulated depreciation. Operating equipment is depreciated on a straight-line basis over the estimated useful economic lives of the assets, which are three to five years.

Computer equipment held under finance leases is treated as if purchased by the company. The lease debt is included in 'Other debt'.

Tax asset

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

Accruals and deferred income

Other accruals and deferred income comprise prepaid expenses. Prepaid acquisition costs mainly comprise the part of commission expenses to other insurance companies etc. relating to unearned premium provisions.

Dividend

Proposed dividends are recognised as a liability when adopted by the shareholders at the general meeting. Dividends expected to be declared for the year are shown in the profit allocation.

Technical provisions

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

Provisions for claims represent amounts to cover claims incurred before the balance sheet date, whether reported or not. Provisions for claims 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 direct costs of combating, containing, inspecting and assessing claims. Long-tail provisions calculated using statistical methods are discounted.

Provisions for annuities relate to compulsory workmen's compensation insurance in Denmark, which is settled by payment of annuities. The provisions are calculated using the fixed-rate method at the present value by discounting expected future payments.

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

Equalisation provisions represent amounts included to equalise future claims, net of reinsurance, in areas where experience has shown that claims vary.

Equalisation provisions in credit and guarantee insurance are calculated in accordance with rules laid down by the Danish Financial Supervisory Authority. For workmen's 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 Norwegian Pool of Natural Perils in Vesta Forsikring AS, Norway. The rules governing the setting up and application of equalisation provisions are laid down by the regulatory authorities of the relevant countries.

Other technical provisions represent provisions for risk not yet run off. The provisions represent the amounts deemed necessary, in addition to unearned premium provisions and future premium rates, to cover future, anticipated expenses and settlement of claims not yet incurred within the period of cover of the policies.

Provisions for other risks and charges

Provisions for other risks and charges 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.

The commitment relating to the pension scheme in Vesta Forsikring AS, which is a defined benefit plan, is stated at an estimated market value using Norwegian assumptions relating to long-term economic developments, pension and mortality.

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

Deferred tax is not provided on untaxed contingency reserves. 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 etc. are disclosed in a note to the financial statements under shareholders' equity.

Deposits with ceding companies, payable

Deposits comprise amounts due in respect of reinsurance business accepted and retained pursuant to the reinsurance contracts.

Debt

Debt is generally measured at nominal value.

Cash flow statement

The cash flow statement is presented in accordance with the direct method based on premiums.

The cash flow statement shows the actual inflow and outflow of payments for the year divided into cash inflow from operations, and changes in cash and cash equivalents resulting from the purchase or sale of investment assets as well as funding activities. The item 'Cash and cash equivalents' comprises cash at bank and in hand and demand deposits.

New accounting rules as from 2005

In 2004, TrygVesta conducted a process with a view to adopting international financial reporting standards (IFRS) beginning 1 January 2005.

Effective from the 2005 financial year, all listed companies in the EU are required to present consolidated financial reporting in accordance with the IFRS standards (IAS standards). Up till now, the financial sector in Denmark has been required to prepare their financial statements in accordance with rules published by the Danish Financial Supervisory Authority.

TrygVesta intends to adopt IFRS because we wish to contribute to greater transparency in the market, as most of TrygVesta's competitors are listed companies and therefore required to adopt IFRS standards. TrygVesta furthermore wishes that rating agencies, banks and other stakeholder groups treat the Group on an equal footing with other international financial companies.

In order to prepare for the introduction of the EU requirements for the presentation of financial statements by listed companies, the Danish Financial Supervisory Authority issued new accounting rules for financial companies in Denmark in 2004, which are consistent with IFRS.

The rules issued by the Danish Financial Supervisory Authority limits some of the options available under IFRS. Furthermore, the disclosure requirements are less comprehensive, and in a few respects, the rules are inconsistent with IFRS. On the other hand, the statutory order is more farreaching than the present IFRS stage 1 in a few respects.

Some of the rules are still in a draft version and subject to change until 31 December 2005. Furthermore, some standards already published are still subject to interpretation.

TrygVesta has decided to provide the additional information required by IFRS, enhancing the level of detail for certain items.

The principal aspects that are IFRS inconsistent relate to the presentation of the income statement and balance sheet. For the time being, TrygVesta will comply with the Danish Financial Supervisory Authority's executive order in this respect.

On transition to IFRS, the present accounting policies will be changed in a number of respects, partly with respect to recognition and measurement, partly with respect to the presentation in annual and interim reports.

Equity reconciliation

Below is a statement of opening equity at 1 January 2005 made up in accordance with IFRS standards adopted at 31 December 2004.

	DKKbn
Equity at 31 December 2004	6.1
Equalisation provisions including Pool of Natural Perils	1.4
Provisions for claims	
Discounting	0.7
Claims handling costs	-0.4
Pension liabilities	-0.3
Dividend	0.7
Other items, including employee benefits	-0.2
Tax on IFRS changes	
including contingency fund provisions	- 1.1
Equity at 1 January 2005	6.9

Comments on the equity reconciliation:

Equalisation provisions

Equalisation provisions have so far represented amounts included to equalise future claims, net of reinsurance, in areas where experience has shown that claims vary. Equalisation provisions in TrygVesta comprise

- the Norwegian Pool of Natural Perils in Norway
- equalisation provisions in credit and guarantee insurance calculated in accordance with rules laid down by the Danish Financial Supervisory Authority
- the difference between technical provisions in workmen's compensation in Denmark made up at basic interest rates of 2.00% and 2.75%, respectively
- equalisation of storm and large losses.

IFRS prohibits recognition as a liability of equalisation provisions, and the existing equalisation provisions will therefore be dissolved. Equalisation provisions relating to the difference between differences in the basic rate will be transferred to provisions for claims, while equalisation provisions in respect of the Pool of Natural Perils, credit and guarantee, and storm and large loss equalisation will be transferred to equity after deduction of deferred tax.

Provisions for claims

Discounting

IFRS requires discounting of provisions for claims, net of reinsurance, if such discounting is sizeable. This requirement will reduce the provisions for claims.

TrygVesta already applies discounting of provisions relating to compulsory workmen's compensation insurance, but has decided to discount all provisions for claims.

Discounting will affect the motor liability, professional liability and personal accident classes, in particular.

Claims handling costs

In future, provisions for claims are required to include a provision to cover direct and indirect costs in connection with run-off on the provision for claims. Such costs were previously expensed as incurred.

Pension liabilities

TrygVesta has previously recognised a commitment in respect of the pension scheme in Vesta Forsikring AS. The scheme is a defined benefit plan, which was previously measured at an estimated market value using assumptions relating to long-term economic developments. IFRS requires the liability to be stated at market value based on the economic factors ruling on the balance sheet date.

Dividend

Under IFRS, dividend will not reduce equity until the time of payment.

Employee benefits

IFRS requires provisions to be established for long-term employee benefits such as anniversary awards and pension benefits. Such costs were previously expensed as incurred.

Deferred tax

The TrygVesta Group recognises untaxed contingency fund provisions in Norway and to a lesser extent untaxed contingency fund provisions in Denmark. Previously, no deferred tax was provided in respect of such provisions.

A tax liability will only materialise in respect of contingency fund provisions if all or part of the insurance portfolio is transferred or sold.

Whether deferred tax must be provided in respect of such provisions is subject to uncertainty. TrygVesta has, however, decided to provide for deferred tax on contingency fund provisions in both Norway and Denmark.

IFRS prohibits the recognition of provisions for deferred tax and tax assets on a discounted basis. Under the previous accounting rules, TrygVesta's tax asset was recognised on a discounted basis. On transition to IFRS, the tax asset will be adjusted for the recognised effect of discounting.

Direct and indirect claims handling costs to be recognised in claims incurred

Claims incurred will in future include direct and indirect claims handling costs – contrary to the previous practice, under which only the costs of claims assessors were included in this item.

Estimated rent of own properties

It is no longer required to determine the estimated rent of own properties used in the company's operations. TrygVesta owns a few headquarter properties in Denmark relating to the decentralised organisation as well as the headquarter property in Norway, and the future expense ratio will be reduced by the estimated rent.

Financial highlights and key ratios by geographical area

DKKkm	Q4		2004	2003	2002	2001	2000
	2004	2003					
The Group							
Gross earned premiums	3,954	4,209	16,308	16,702	15,792	12,620	11,152
Technical result	277	76	1,456	376	-558	105	-288
Profit/loss on investments	314	192	517	685	-170	4	711
Other ordinary income	41	31	121	115	127	121	122
Other ordinary expenses	-48	-41	-147	-131	-173	-121	-122
Profit/loss on ordinary activities before tax	584	258	1,947	1,045	-774	109	423
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	74.5	79.5	70.9	76.6	83.4	80.1	83.5
Expense ratio, net of reinsurance	21.4	23.5	22.2	24.3	25.8	25.3	26.8
Combined ratio, net of reinsurance	95.9	103.0	93.1	100.9	109.2	105.4	110.3
Gross key ratios							
Gross claims ratio	72.0	75.4	67.6	71.5	78.1	77.5	87.9
Ceded business as percentage of gross premiums	3.4	4.9	5.0	6.8	5.5	2.6	-5.0
Gross claims ratio, net of ceded business	75.4	80.3	72.6	78.3	83.6	80.1	82.9
Gross expense ratio	21.0	22.2	21.2	22.4	23.6	24.3	25.9
Combined ratio, net of expenses to reinsurance	96.4	102.5	93.8	100.7	107.2	104.4	108.8
Number of full-time employees at the end of the period			3,762	4,420	4,411	4,316	4,264
Danish general insurance							
Gross earned premiums	2,128	2,104	8,570	8,242	7,411	6,467	6,197
Technical result	69	134	790	443	-61	-49	-200
Profit/loss on investments	264	147	450	393	-128	49	607
Other ordinary income	26	17	76	71	78	92	95
Other ordinary expenses	-23	-16	-71	-68	-74	-92	-95
Profit/loss on ordinary activities before tax	336	282	1,245	839	-185	0	407
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	84.1	77.4	74.3	75.4	83.3	82.6	83.9
Expense ratio, net of reinsurance	17.1	21.4	19.4	21.2	22.2	24.2	26.6
Combined ratio, net of reinsurance	101.2	98.8	93.7	96.6	105.5	106.8	110.5
Gross key ratios							
Gross claims ratio	81.7	73.2	71.6	70.4	82.0	80.5	89.6
Ceded business as percentage of gross premiums	2.0	4.7	3.5	6.1	1.6	1.6	-5.7
Gross claims ratio, net of ceded business	83.7	77.9	75.1	76.5	83.6	82.1	83.9
Gross expense ratio	17.4	21.0	19.0	20.4	21.1	23.9	25.8
Combined ratio, net of expenses to reinsurance	101.1	98.9	94.1	96.9	104.7	106.0	109.7
Number of full-time employees at the end of the period			2,223	2,248	2,330	2,458	2,552

DKKm	Q4 2004	Q4 2003	2004	2003	2002	2001	2000
Norwegian general insurance							
Gross earned premiums	1,701	1,745	6,614	7,161	7,111	5,134	4,170
Technical result	227	38	722	41	-278	202	3
Profit/loss on investments	59	68	94	316	-55	-42	78
Other ordinary income	15	14	45	44	49	29	27
Other ordinary expenses	-15	-13	-44	-42	-47	-29	-27
Profit/loss on ordinary activities before tax	286	107	817	359	-331	160	81
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	61.3	76.9	66.1	78.7	85.3	78.5	83.7
Expense ratio, net of reinsurance	25.0	23.5	22.9	25.2	25.3	23.1	25.1
Combined ratio, net of reinsurance	86.3	100.4	89.0	103.9	110.6	101.6	108.8
Gross key ratios							
Gross claims ratio	59.1	73.1	62.7	72.9	75.8	76.1	86.6
Ceded business as percentage of gross premiums	6.0	5.1	6.9	7.8	9.2	3.1	-4.1
Gross claims ratio, net of ceded business	65.1	78.2	69.6	80.7	85.0	79.2	82.5
Gross expense ratio	23.4	22.1	21.2	22.4	22.6	22.0	24.4
Combined ratio, net of expenses to reinsurance	88.5	100.3	90.8	103.1	107.6	101.2	106.9
Number of full-time employees at the end of the period			1,454	1,460	1,374	1,272	1,141
Finnish general insurance							
Gross earned premiums	28	19	97	61	21	2	-
Technical result	-8	-9	-45	-48	-66	-29	-
Loss on investments	-1	0	-2	-1	-1	0	-
Loss on ordinary activities before tax	-9	-9	-47	-49	-67	-29	-
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	63.2	70.4	68.6	78.2	104.3	91.1	-
Expense ratio, net of reinsurance	71.0	81.0	80.0	103.8	389.2	1,795.1	-
Combined ratio, net of reinsurance	134.2	151.4	148.6	182.0	493.5	1,886.2	-
Gross key ratios							
Gross claims ratio	63.1	69.9	68.5	77.5	84.8	91.1	-
Ceded business as percentage of gross premiums	0.2	0.8	0.2	1.0	18.7	0.0	-
Gross claims ratio, net of ceded business	63.3	70.7	68.7	78.5	103.5	91.1	-
Gross expense ratio	70.9	80.3	79.8	102.8	316.3	1,795.1	-
Combined ratio, net of expenses to reinsurance	134.2	151.0	148.5	181.3	419.8	1,886.2	-
Number of full-time employees at the end of the period			51	42	35	14	-

DKKm	Q4		2004	2003	2002	2001	2000
	2004	2003					
TBi							
Gross earned premiums	-	218	526	716	722	552	426
Technical result	-	-61	17	-10	-112	-12	-55
Profit/loss on investments	-	-8	7	10	2	-1	0
Profit/loss on ordinary activities before tax	-	-69	24	0	-110	-13	-55
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	-	116.8	69.3	75.6	78.3	72.2	81.0
Expense ratio, net of reinsurance	-	22.8	30.4	30.2	42.0	38.0	34.5
Combined ratio, net of reinsurance	-	139.6	99.7	105.8	120.3	110.2	115.5
Gross key ratios							
Gross claims ratio	-	115.0	60.6	72.9	70.7	71.0	90.1
Ceded business as percentage of gross premiums	-	0.8	9.0	4.9	9.8	5.8	-7.5
Gross claims ratio, net of ceded business	-	115.8	69.6	77.8	80.5	76.8	82.6
Gross expense ratio	-	21.3	30.1	27.5	37.6	26.8	31.1
Combined ratio, net of expenses to reinsurance	-	137.1	99.7	105.3	118.1	103.6	113.7
Number of full-time employees at the end of the period			0	30	32	28	28
Polish general insurance							
Gross earned premiums	98	118	473	491	496	462	361
Technical result	-9	-26	-26	-49	-28	-7	-36
Profit/loss on investments	0	-8	-3	4	32	-2	26
Profit/loss on ordinary activities before tax	-9	-34	-29	-45	4	-9	-10
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	75.0	82.2	70.4	69.7	64.0	62.8	73.8
Expense ratio, net of reinsurance	41.9	58.7	42.2	49.5	47.7	43.5	46.7
Combined ratio, net of reinsurance	116.9	140.9	112.6	119.2	111.7	106.3	120.5
Gross key ratios							
Gross claims ratio	85.1	75.3	69.8	65.2	61.2	59.4	70.7
Ceded business as percentage of gross premiums	-9.2	17.6	1.9	9.3	6.5	7.7	1.4
Gross claims ratio, net of ceded business	75.9	92.9	71.7	74.5	67.7	67.1	72.1
Gross expense ratio	39.6	36.0	38.8	38.3	39.8	36.9	39.9
Combined ratio, net of expenses to reinsurance	115.5	128.9	110.5	112.8	107.5	104.0	112.0
Number of full-time employees at the end of the period			0	523	495	489	494

DKKm	Q4 2004	Q4 2003	2004	2003	2002	2001	2000
Estonian general insurance							
Gross earned premiums	7	10	36	39	41	-	-
Technical result	-2	0	-2	-1	-13	-	-
Profit/loss on investments	0	0	0	0	0	-	-
Loss on ordinary activities before tax	-2	0	-2	-1	-13	-	-
Key ratios, net of reinsurance							
Claims ratio, net of reinsurance	71.7	78.1	56.5	67.2	81.4	-	-
Expense ratio, net of reinsurance	74.7	40.6	49.2	38.9	55.1	-	-
Combined ratio, net of reinsurance	146.4	118.7	105.7	106.1	136.5	-	-
Gross key ratios							
Gross claims ratio	67.3	79.7	54.0	73.2	90.8	-	-
Ceded business as percentage of gross premiums	13.0	-1.0	12.6	-4.2	-8.7	-	-
Gross claims ratio, net of ceded business	80.3	78.7	66.6	69.0	82.1	-	-
Gross expense ratio	45.9	37.3	37.0	36.4	51.3	-	-
Combined ratio, net of expenses to reinsurance	126.2	116.0	103.6	105.4	133.4	-	-
Number of full-time employees at the end of the period			0	76	82	-	-
TrygVesta A/S (parent company)							
Profit/loss on investments (excluding subsidiaries)	-8	-7	-29	-37	-20	-	-
Other ordinary expenses	-10	-12	-32	-22	-52	-	-
Loss on ordinary activities before tax	-18	-19	-61	-59	-72	-	-
Business in run-off							
Gross earned premiums	-19	125	30	631	1,211	921	552
Technical result	5	-107	-54	-246	-299	-17	-27
Profit/loss on investments	-17	-9	-11	-10	-5	-4	15
Loss on ordinary activities before tax	-12	-116	-65	-256	-304	-21	-12
Number of full-time employees at the end of the period			34	41	63	55	49

Income statement, balance sheet and cash flow statement for TrygVesta

Income statement

DKKm	2004	2003
Note		
General insurance		
<i>Earned premiums</i>		
Gross premiums written	16,274	16,613
Ceded reinsurance premiums	-1,697	-2,375
Change in the gross provisions for unearned premiums	185	145
Change in the reinsurers' share of the provisions for unearned premiums	-86	-137
1 Earned premiums, net of reinsurance	14,676	14,246
2 Technical interest, net of reinsurance	537	595
<i>Claims incurred</i>		
Gross claims paid	-9,493	-10,531
Reinsurance recoveries	929	1,716
Change in the gross provisions for claims	-1,502	-1,424
Change in the reinsurers' share of the provisions for claims	-205	-642
3 Claims incurred, net of reinsurance	-10,271	-10,881
Change in other insurance provisions, net of reinsurance	-25	15
Bonus and premium rebates	-151	-56
<i>Insurance operating expenses</i>		
Acquisition costs	-1,701	-1,936
Administrative expenses	-1,761	-1,809
Acquisition costs and administrative expenses	-3,462	-3,745
Commission and profit commission from the reinsurers	245	303
4 Total insurance operating expenses, net of reinsurance	-3,217	-3,442
Change in the equalisation provisions	-93	-101
5 Technical result	1,456	376

Income statement

DKKm	2004	2003
Note		
Investment activities		
<i>Income from investment assets</i>		
12 Income from associated undertakings	0	0
Income from land and buildings	115	193
6 Interest and dividends, etc.	828	822
7 Realised gains on investment assets	143	176
Total income from investment assets	1,086	1,191
7 Unrealised gains on investment assets	240	489
<i>Charges relating to investment assets</i>		
Investment management charges	-52	-53
Interest expenses	-74	-70
Total charges relating to investment assets	-126	-123
Exchange rate adjustments	-8	-139
Return on investment activities before transfer to insurance activities	1,192	1,418
2 Technical interest transferred to insurance activities	-675	-733
Total return on investment activities	517	685
4 Other ordinary expenses	-26	-16
Profit before tax	1,947	1,045
8 Tax	-485	-87
Profit on continuing business	1,462	958
9 Loss on discontinued business	-55	-217
Profit for the year	1,407	741
The minority interests' share of the profit	0	1
TrygVesta's share of the profit for the year	1,407	742

Balance sheet as at 31 December

DKKm		2004	2003
Note			
	Assets		
10	Intangible assets	112	119
	<i>Investment assets</i>		
11	Land and buildings	2,000	2,009
	<i>Investments in associated undertakings</i>		
12	Equity investments in associated undertakings	28	14
	Total investments in associated undertakings	28	14
	<i>Other financial investment assets</i>		
13	Capital participation	3,104	2,309
	Unit trust units	246	18
	Bonds	23,951	19,968
	Other loans	0	70
	Deposits in credit institutions	116	415
14	Total other financial investment assets	27,417	22,780
	Deposits with ceding undertakings, receivable	28	142
	Total investment assets	29,473	24,945
	<i>Amounts owing</i>		
	<i>Amounts owing in connection with direct insurance business</i>		
	From policyholders	817	931
	From insurance brokers	119	350
	Total amounts owing in relation to direct insurance business	936	1,281
	Amounts owing from insurance companies	960	1,474
	Amounts owing from subsidiary undertakings	0	51
	Other amounts owing	708	1,788
	Total amounts owing	2,604	4,594
	<i>Other assets</i>		
	Furniture, equipment, computer hardware, motor vehicles, etc.	173	312
	Cash in hand and at bank	490	558
15	Tax assets	251	425
	Other	9	9
	Total other assets	923	1,304
	<i>Prepayments and accrued income</i>		
	Accrued interest and rent earned	383	262
	Prepaid acquisition costs	0	41
	Other prepayments and accrued income	58	72
	Total prepayments and accrued income	441	375
	Total assets	33,553	31,337

Balance sheet as at 31 December

DKKm		2004	2003
Note			
	Liabilities		
16	Shareholders' equity		
	Share capital	1,700	1,700
	Share premium account	0	2,968
	Retained profits	4,417	692
	Total shareholders' equity	6,117	5,360
	Minority interests	0	4
	Subordinate loan capital	700	700
	<i>Insurance provisions</i>		
	<i>Provisions for unearned premiums</i>		
	Gross provisions	4,989	5,239
	Reinsurers' share	-212	-393
	Provisions for unearned premiums, net of reinsurance	4,777	4,846
	<i>Provisions for claims</i>		
17	Gross provisions	18,611	17,975
	Reinsurers' share	-2,920	-3,087
	Provisions for claims, net of reinsurance	15,691	14,888
	<i>Provisions for annuities by workmen's compensation</i>		
	Gross provisions	1,267	1,159
18	Provisions for annuities, net of reinsurance	1,267	1,159
	Provisions for bonuses and premium rebates, net of reinsurance	153	76
19	Equalisation provisions	1,530	1,424
20	Other insurance provisions, net of reinsurance	49	82
	Total technical provisions, net of reinsurance	23,467	22,475
	<i>Provisions for other risks and charges</i>		
	Provisions for pensions and similar obligations	169	141
21	Other provisions	0	179
	Total provisions for other risks and charges	169	320
	<i>Debt</i>		
	Debt related to direct insurance	367	391
	Debt related to reinsurance	485	520
	Debt to credit institutions	609	656
	Debt to subsidiary undertakings	37	0
	Corporation tax	95	0
	Other debt	607	647
	Dividend for the financial year	650	50
22	Total debt	2,850	2,264
	Accruals and deferred income	250	214
	Total liabilities	33,553	31,337
23	Capital adequacy		
24	Forward transactions, etc.		
25	Contingent liabilities		
26	Intragroup transactions		

Cash flow statement

DKKm	2004	2003
Cash generated from operations		
Premiums	17,076	16,804
Claims paid	-9,513	-10,423
Ceded business	-708	-582
Expenses	-3,121	-3,223
Change in other payables and other amounts receivable	1,518	-320
Cash flow from insurance operations	5,252	2,256
Interest and dividends	792	1,346
Taxes	-611	-256
Other ordinary items	-26	-16
Total cash generated from operations	5,407	3,330
Investments		
Acquisition/sale of real property (net)	69	22
Acquisition/sale of equity investments and unit trust units (net)	-710	-394
Purchase/sale of bonds (net)	-5,276	-3,672
Purchase/sale of secured loans and other loans (net)	70	210
Purchase/sale of operating equipment (net)	-81	-56
Acquisition of subsidiaries	517	-6
Purchase/sale of associated undertakings	-14	0
Total investments	-5,425	-3,896
Funding		
Capital increase	0	400
Subordinate loan capital	0	700
Dividend paid	-50	0
Change in debt to credit institutions	91	-703
Total funding	41	397
Change in cash and cash equivalents, net	23	-169
Price adjustment of cash equivalents, beginning-of-year	-11	-54
Additions relating to sale of subsidiaries	-5	0
Changes in cash and cash equivalents, gross	7	-223
Cash and cash equivalents, beginning-of-year	558	735
Cash and cash equivalents, year-end	565	512
Discontinued business		
Total cash generated from operations	-257	-148
Total investments	87	208
Total funding	95	-14
Change in cash and cash equivalents, net	-75	46
Price adjustment of cash equivalents, beginning-of-year	0	0
Changes in cash and cash equivalents, gross	-75	46
Cash and cash equivalents, beginning-of-year	0	0
Cash and cash equivalents, year-end	-75	46

Cash and cash equivalents comprise cash balance and demand deposits.

Notes

DKKm	2004	2003
1 Earned premiums, net of reinsurance		
Direct insurance	15,887	15,992
Indirect insurance	572	766
	16,459	16,758
Ceded reinsurance premiums	-1,783	-2,512
	14,676	14,246
Direct insurance, by location of the risks		
Denmark	8,546	8,110
Other EU countries	659	115
Other countries	6,682	7,767
	15,887	15,992
2 Technical interest, net of reinsurance		
Transferred from investment activities	675	733
Discounting	-128	-132
	547	601
Technical interest in respect of discontinued activities	-10	-6
	537	595
3 Claims incurred, net of reinsurance		
Direct business	-10,636	-11,390
Indirect business	-359	-565
	-10,995	-11,955
Reinsurance recoveries	724	1,074
	-10,271	-10,881
Run-off gains/losses previous years, net of reinsurance		
Run-off previous years, gross	169	-589
Run-off previous years, reinsurers' share	-166	73
	3	-516

Notes

DKKm	2004	2003
4 Insurance operating expenses, net of reinsurance		
Commission regarding direct business	-360	-543
Other acquisition costs	-1,341	-1,393
Total acquisition costs	-1,701	-1,936
Total administrative expenses	-1,761	-1,809
Insurance operating expenses, gross	-3,462	-3,745
Commission, etc. from reinsurers	245	303
	-3,217	-3,442
<i>Gross insurance operating expenses, including the following staff expenditure:</i>		
Salaries and wages	-1,634	-1,626
Commission	-10	-9
Pensions	-277	-330
Other expenses to social security	-119	-117
Payroll tax, etc.	-92	-97
	-2,132	-2,179
The item Pensions includes adjustment of corridor in Vesta Forsikring AS.		
Average number of full-time employees during the year	4,396	4,438
<i>Administrative expenses include fee to the auditors appointed by the Annual General Meeting</i>		
Deloitte	-12.2	-11.6
Grant Thornton	-0.9	-1.0
	-13.1	-12.6
<i>Of which services other than audit</i>		
Deloitte	-7.4	-4.3
	-7.4	-4.3
Beyond this, other ordinary expenses are defrayed to the Group's Internal Audit Department.		
Other ordinary items		
Other ordinary income	121	115
Other ordinary expenses	-147	-131
	-26	-16

Other ordinary items include holding expenses and income and expenses related to the sale of products for Nordea Life and Pension.

Remuneration for the Executive Management is paid by Tryg Forsikring A/S and Vesta Forsikring AS and is charged to TrygVesta A/S via the cost allocation.

Remuneration for the Executive Management	10	7
Remuneration for the Supervisory Board	3	2

No share-based incentive schemes have been made with the Executive Management.

Notes

DKKm

5 Balance on the technical account, net of reinsurance, by line of business

	Accident & health		Marine, workmen's compensation		Motor TPL		Motor comprehensive		Aviation & cargo	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross premiums written	1,949	1,936	961	806	2,546	2,597	3,043	3,079	556	610
Gross earned premiums	1,989	1,946	963	789	2,601	2,679	3,112	3,081	576	643
Gross claims	-1,901	-2,036	-1,219	-897	-2,240	-2,477	-1,649	-1,798	-333	-355
Change in other insurance provisions	6	-2	-1	0	-30	10	0	0	0	0
Bonuses and premium rebates	-6	-3	0	0	-9	-2	-65	-38	-11	-3
Gross operating expenses	-403	-477	-121	-109	-568	-514	-592	-608	-109	-127
Profit/loss on business ceded	5	-2	13	-30	-22	-35	-6	-8	-53	-118
Change in equalisation provisions	0	0	-25	-15	7	-1	5	-1	4	-1
Technical interest, net of reinsurance	104	109	1	12	149	152	50	62	39	14
Balance on the technical account	-206	-465	-389	-250	-112	-188	855	690	113	53

	Fire & contents pers. lines		Fire & contents commercial		Liability		Credit & guarantee insurance		Other insurance	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Gross premiums written	2,928	2,833	2,386	2,675	707	764	135	130	1,063	1,182
Gross earned premiums	2,925	2,768	2,507	2,728	736	802	134	132	916	1,190
Gross claims	-1,701	-1,940	-1,200	-1,260	-362	-593	-2	10	-388	-609
Change in other insurance provisions	0	0	0	0	0	0	0	7	0	0
Bonuses and premium rebates	-22	-8	3	-2	-40	0	0	0	-1	0
Gross operating expenses	-643	-664	-586	-634	-166	-179	-37	-40	-237	-393
Profit/loss on business ceded	-53	-71	-425	-579	-82	-97	-26	-36	-165	-159
Change in equalisation provisions	74	8	-8	-3	-17	-20	0	0	-133	-68
Technical interest, net of reinsurance	66	78	54	74	40	45	6	7	28	42
Balance on the technical account	646	171	345	324	109	-42	75	80	20	3

Notes

DKKm

	Total		Norwegian group life ¹⁾ One-year policies	
	2004	2003	2004	2003
Gross premiums written	16,274	16,612	754	642
Gross earned premiums	16,459	16,758	728	618
Gross claims	-10,995	-11,955	-660	-508
Change in other insurance provisions	-25	15	0	0
Bonuses and premium rebates	-151	-56	0	0
Gross operating expenses	-3,462	-3,745	-160	-140
Profit/loss on business ceded	-814	-1,135	-1	-10
Change in equalisation provisions	-93	-101	0	0
Technical interest, net of reinsurance	537	595	0	0
Balance on the technical account	1,456	376	-93	-40

1) Personal accident and health insurance includes one-year group life policies of Vesta Forsikring AS, see above.

Notes

DKKm	2004	2003
6 Interest and dividends, etc.		
Dividends on capital participation	85	52
Interest on securities, etc.	791	856
Capital gains by drawing and servicing of securities, etc.	-48	-86
	828	822
7 Realised and unrealised gains/losses on investment assets		
Land and buildings	31	21
Other capital participation	329	252
Bonds listed on the stock exchange exclusive of index-linked bonds	-40	385
Mortgage loans	0	7
Divestment of subsidiaries	63	0
	383	665
<i>Allocated to the following items</i>		
Net realised gains/losses on investment assets	143	176
Net unrealised gains/losses on investment assets	240	489
	383	665
8 Tax		
Tax regarding previous years	-24	13
Current tax	-233	-29
Dividend tax foreign equities	-6	-3
Change in deferred tax assets	-222	-68
	-485	-87
Tax prepaid	410	250
9 Loss on discontinued activities		
Earned premiums, net of reinsurance	25	376
Technical interest, net of reinsurance	37	46
Claims incurred, net of reinsurance	-79	-479
Total insurance operating expenses, net of reinsurance	-43	-189
Change in the equalisation provisions	6	0
Technical result	-54	-246
Return on investment activities	-11	-10
Profit from ordinary activities before tax	-65	-256
Tax	10	39
	-55	-217
Insurance provisions, net of reinsurance	929	1,211

Notes

DKKm	2004	2003
10 Intangible assets		
<i>Acquisition sum</i>		
Balance 1 January	142	99
Foreign exchange adjustment	1	0
Additions during the year	14	43
Balance 31 December	157	142
<i>Amortisation and write-downs</i>		
Balance 1 January	-23	-19
Amortisation during the year	-22	-4
Balance 31 December	-45	-23
Book value 31 December	112	119
11 Land and Buildings		
<i>Acquisition sum</i>		
Balance 1 January	1,871	3,091
Foreign exchange adjustment, beginning-of-year	14	-100
Additions during the year	39	289
Disposals during the year	-75	-1,409
Balance 31 December	1,849	1,871
<i>Write-ups</i>		
Balance 1 January	192	357
Write-ups during the year	38	77
Reversal of revaluation	-16	-19
Revaluation, real property disposed of	-11	-223
Balance 31 December	203	192
<i>Depreciation and write-downs</i>		
Balance 1 January	-54	-77
Write-downs during the year	0	-48
Reversal of write-downs	2	5
Write-downs, real property disposed of	0	66
Balance 31 December	-52	-54
Book value 31 December	2,000	2,009
<i>Book value by type of property:</i>		
Business property	120	121
Office property	1,677	1,694
Residential property	203	194
	2,000	2,009
Of which property used by the companies for their operation	263	358
Public land assessment	1,170	1,140
Non-assessed property	7	6

Notes

DKKm	2004	2003	
In establishing the market value of the properties, the following return percentages were used for each property category	Lowest % 2004	Average % 2004	Highest % 2004
	Tryg / Vesta	Tryg / Vesta	Tryg / Vesta
Business property	8.00 /	8.00 /	8.00 /
Office property	7.00 / -10.01	7.63 / 9.57	8.50 / 45.19
Residential property	5.50 /	6.08 /	6.50 /
All properties	7.00 / -10.01	7.61 / 9.57	8.50 / 45.19
12 Equity investments in associated undertakings			
<i>Acquisition sum</i>			
Balance 1 January	0		0
Additions during the year	14		0
Balance 31 December	14		0
<i>Write-ups</i>			
Balance 1 January	14		14
Write-ups during the year	0		0
Balance 31 December	14		14
Book value 31 December	28		14
In the year, equity investments in associated undertakings have been transferred from unlisted shares			
<i>Shares in associated undertakings according to annual accounts</i>	Shareholders' equity 2004	Ownership share % 2004	
Nordisk Flyforsikring A/S, Copenhagen, Insurance The company was established at the end of 2004.	50	28	
Bilskadeinstituttet, Oslo, property	4	30	
Eidsvåg Fabrikker, Bergen, property	31	28	
13 Capital participation			
Book value	3,104		2,309
Acquisition value	2,884		2,218
<i>Shareholding of more than 5% of the company share capital according to the latest annual reports</i>	The company shareholders' equity 2004	Ownership share 2004	
Account Data A/S, Frederiksberg	1	14	
Forsikringsakademiet A/S, Hørsholm Kommune	32	12	
A/S Forsikringens Hus, København	42	12	
Finansnærings huset, Oslo	36	15	
Privathospitalet Hamlet af 1994 A/S, Frederiksberg	24	6	
Lofoten Trållerederi, Stamsund	45	10	
Riksheim Henningsvær, Henningsvær	-1	10	
Minox Technology, Notodden	-4	8	
Høyteteknologisenteret, Bergen	94	8	

Notes

DKKm	2004	2003
14 Other financial investment assets		
<i>Book value</i>		
Capital participation	3,104	2,309
Unit trust units	246	18
Bonds	23,951	19,968
Other loans	0	70
Deposits in credit institutions	116	415
	27,417	22,780
<i>Acquisition value</i>		
Capital participation	2,884	2,218
Unit trust units	225	25
Bonds	23,856	18,987
Other loans	0	70
Deposits in credit institutions	0	100
	26,965	21,400
15 Tax assets		
Land and buildings	43	63
Bonds and loans secured by mortgage	-20	-59
Operating equipment and provisions, etc.	141	227
Other assets	9	36
Debt	78	23
Tax loss to be carried forward	0	135
	251	425
16 Shareholders' equity		
<i>Share capital</i>		
Balance 1 January	1,700	1,300
Capital increase during the year	0	400
Balance 31 December	1,700	1,700
The share capital is distributed in shares of DKK 100 or multiples thereof		
<i>Share premium account</i>		
Balance 1 January	2,968	2,968
Transferred to Retained profits	-2,968	0
Balance 31 December	0	2,968
<i>Retained profits</i>		
Balance 1 January	692	0
Transferred from Share premium account	2,968	0
Transferred in accordance with Distribution of profit	757	692
Balance 31 December	4,417	692
Total shareholders' equity	6,117	5,360

Vesta Forsikring AS and Dansk Kautionsforsikrings-Aktieselskab have untaxed provisions for contingency funds of NOK 2,104m and DKK 139m, respectively, which are included in shareholders' equity.

Notes

DKKm	2004	2003
17 Gross provisions (provisions for claims)	18,611	17,975
Including provisions calculated with regard for discounting:		
Workmen's compensation (Denmark)	1,146	793
Reduction from discounting	107	54
Settlement period	4.1 years	4.3 years
Discounting interest rate	2.2%	3.2%
Inflation	2.2%	3.2%
Workmen's compensation (Norway)	2,586	2,393
Reduction from discounting	366	399
Settlement period	4.4 years	4.2 years
Discounting interest rate	3.0%	3.5%
Inflation	4.0%	4.0%
18 Provisions for annuities		
Workmen's compensation	1,267	1,159
Settlement period	11.3 years	11.5 years
Discounting interest rate	2.75%	2.75%
Inflation	0%	0%
19 Equalisation provisions		
Financial guarantee insurance	270	270
Workmen's compensation	119	94
Windstorm and large perils	120	185
Equalisation provisions for Norwegian general insurance	1,021	869
Other insurance	0	6
	1,530	1,424
20 Other insurance provisions, net of reinsurance		
Provisions for life insurance, indirect insurance	0	1
Provisions for open financial years	1	0
Provision for unexpired risk	48	81
	49	82
21 Other provisions		
Costs of restructuring and run-off	0	179
	0	179
DKK 179m of the provision was applied in the year in connection with the sale of the subsidiaries Tryg-Baltica Forsikring, internationalt forsikringselskab A/S and Nordicum Kindlustuse Eesti AS.		
22 Debt	2,850	2,264
Of which debt falling due after more than 5 years	0	0

Notes

DKKm	2004	2003
23 Capital adequacy		
Shareholders' equity according to the annual report	6,117	5,360
Capitalised tax assets	-3	-6
Solvency requirements to subsidiary undertakings	-2,447	-2,610
Supplementary capital	700	700
Capital base	4,367	3,444
Weighted assets	5,545	3,999
Solvency	79%	86%
24 Forward transactions, etc.		
<i>Forward transactions, etc</i>		
<i>Market value</i>		
Purchase of interest derivatives	2,583	1,025
Sale of interest derivatives	0	1,218
Forward purchase of foreign currency	9	122
Forward sale of foreign exchange	6,959	5,599
Unsettled deals	1,322	281
<i>Acquisition value</i>		
Purchase of interest derivatives	2,590	1,026
Sale of interest derivatives	0	1,212
Forward purchase of foreign currency	9	122
Forward sale of foreign exchange	6,974	5,795
Unsettled deals	1,322	299
25 Contingent liabilities		
Surety, guarantee and lease agreements, etc. beyond insurance obligations do not exceed	325	425

Additional circumstances

Tryg Forsikring A/S and Vesta Forsikring AS have signed an operating agreement with CSC for an amount of DKK 634m for a period of 4-5 years.

Tryg Forsikring A/S has an annual obligation to Danica Pension with respect to the lease of the head office in Ballerup. The annual rent, taxes etc. currently amount to DKK 79m. The remaining lease period is 21 years.

Tryg Ejendomme A/S is jointly and severally liable with the demerged company Nordea Pension Danmark, ejendomsselskab IV A/S for the liabilities existing at the time of publication of the demerger, up to a maximum of the reversed value of DKK 382m.

Most of the companies of the TrygVesta Group are jointly taxed and jointly and severally liable for payment of imposed corporation tax.

Most of the Danish companies within the TrygVesta Group are commonly registered for VAT and payroll tax, and are jointly and severally liable for payment of all such direct and indirect taxes.

Companies of the Group are part of some disputes the outcome of which is not estimated to affect the financial position of the Group.

Notes

DKK m

26 Intragroup transactions

The management fee is fixed on a cost-covering basis.

The companies of TrygVesta have concluded reinsurance treaties and agreements about interest payment on current accounts based on market terms.

An amount of DKK 8m has been recognised in the item Gross claims paid in 2004, which is attributable to the fact that Tryg i Danmark smba (the owner of TrygVesta A/S, which is the parent company of Tryg Forsikring A/S) has guaranteed and thus committed itself to paying to Tryg Forsikring A/S the amount of any loss suffered by Tryg Forsikring in relation to one specific court case, the AON 77. The corresponding amount in 2003 was DKK 50m. The AON 77 is hereby concluded.

Income statement and balance sheet for TrygVesta A/S (parent company)

Income statement

DKKm		2004	2003
Note			
	Investment activities		
	<i>Income from investment activities</i>		
1	Income from subsidiary undertakings	2,009	1,104
2	Interest and dividends, etc.	38	43
	Total income from investment assets	2,047	1,147
	<i>Charges relating to investment assets</i>		
	Investment management charges	-3	-10
	Interest expenses	-64	-57
	Total charges relating to investment assets	-67	-67
	Unrealised gains on investment assets	-1	0
	Exchange rate adjustment	0	-12
	Total return on investment activities	1,979	1,068
3	Other ordinary expenses	-32	-22
	Profit before tax	1,947	1,046
4	Tax	-485	-87
	Profit before tax on continuing activities	1,462	959
5	Loss on discontinued activities after tax	-55	-217
	Profit for the year	1,407	742

Balance sheet as at 31 December

DKKm	2004	2003
Note		
Assets		
<i>Investments in group and associated undertakings</i>		
6 Capital participation in subsidiary undertakings	6,625	5,771
6 Equity investments in group undertakings in respect of discontinued activities	125	158
6 Loans to subsidiary undertakings	600	600
7 Investments in associated undertakings	14	0
Total investments in group and associated undertakings	7,364	6,529
<i>Other financial investment assets</i>		
Bonds	92	0
Deposits in credit institutions	0	100
8 Total other financial investment assets	92	100
Total investment assets	7,456	6,629
<i>Amounts owing</i>		
Amounts owing from subsidiary undertakings	617	48
Total amounts owing	617	48
<i>Other assets</i>		
Cash in hand and at bank	1	50
9 Deferred tax assets	3	5
Total other assets	4	55
<i>Prepayments and accrued income</i>		
Accrued interest and rent earned	2	0
Total prepayments and accrued income	2	0
Total assets	8,079	6,732
Liabilities		
10 <i>Shareholders' equity</i>		
Share capital	1,700	1,700
Share premium account	0	2,968
Retained profits	4,417	692
Total shareholders' equity	6,117	5,360
Subordinate loan capital	700	700
<i>Debt</i>		
Debt to credit institutions	601	601
Other debt	11	21
Dividend for the financial year	650	50
Total debt	1,262	672
Total liabilities	8,079	6,732
11 Capital adequacy		
12 Contingent liabilities		
13 Intragroup transactions		

Notes

DKKm	2004	2003
Note		
1 Income from subsidiary undertakings		
Tryg Forsikring A/S	2,009	1,104
Profit before tax on continuing activities	2,009	1,104
Tax in subsidiary undertakings	483	-92
Loss on discontinued activities after tax	-55	-217
	1,471	795
2 Interest and dividends, etc.		
Interest on securities, etc.	38	43
	38	43
3 Other ordinary expenses		
Administrative expenses	-32	-22
	-32	-22
Remuneration for the Executive Management is paid by Tryg Forsikring AS and Vesta Group AS and is charged to TrygVesta A/S via the cost allocation.		
Average number of full-time employees	0	0
Remuneration for the Executive Management	8	5
Remuneration for the Supervisory Board	3	2
<i>Administrative expenses include fee to the auditors appointed by the General Meeting:</i>		
Deloitte	-3.3	-2.1
Grant Thornton	-0.2	-0.3
	-3.5	-2.4
<i>Of which services other than audit:</i>		
Deloitte	-2.7	-1.0
	-2.7	-1.0
Beyond this expenses are defrayed to the Group's Internal Audit Department.		
4 Tax		
Change in deferred tax asset	-2	5
Tax in subsidiary undertakings	-483	-92
	-485	-87
5 Loss on discontinued activities		
Earned premiums, net of reinsurance	25	376
Technical interest, net of reinsurance	37	46
Claims incurred, net of reinsurance	-79	-479
Total insurance operating expenses, net of reinsurance	-43	-189
Change in the equalisation provisions	6	0
Technical result	-54	-246
Return on investment activities	-11	-10
Profit from ordinary activities before tax	-65	-256
Tax	10	39
	-55	-217

Notes

DKKm	2004	2003	
Note			
6 Capital participation in subsidiary undertakings			
<i>Acquisition sum</i>			
Balance at 1 January	6,809	6,190	
Additions by non-cash contributions	0	2,546	
Divestments during the year	0	-2,527	
Capital increase during the period	0	600	
Balance at 31 December	6,809	6,809	
<i>Write-downs</i>			
Balance 1 January	-880	-1,606	
Profit for the year of subsidiaries	1,471	795	
Write-downs of subsidiaries divested	0	-19	
Dividend	-650	-50	
Balance at 31 December	-59	-880	
Book value 31 December	6,750	5,929	
<i>Name and registered office</i>	Ownership interest %	Profit for the year	Shareholders' equity
Tryg Forsikring A/S, Ballerup	100	1,471	6,750
The company has advanced a subordinate loan of DKK 600m to Tryg Forsikring A/S.			
7 Shares in associated undertakings			
<i>Acquisition sum</i>			
Balance at 1 January	0	0	
Divestments during the year	14	0	
Balance at 31 December	14	0	
Book value 31 December	14	0	
<i>Shares in associated undertakings according to latest annual accounts</i>	Shareholders' equity 2004	Ownership share in % 2004	
Nordisk Flyforsikring A/S, Copenhagen, Insurance			
The company was established at the end of 2004.	50	28	
8 Other financial investment assets			
<i>Book value</i>			
Bonds	92	0	
	92	0	
<i>Acquisition value</i>			
Bonds	94	0	
	94	0	
9 Tax asset			
Operating equipment and provision etc.	3	5	
	3	5	

Notes

DKKm	2004	2003
Note		
10 Shareholders' equity		
<i>Share capital</i>		
Balance 1 January	1,700	1,300
Capital increase	0	400
Balance 31 December	1,700	1,700
The share capital is distributed in shares of DKK 100 or multiples thereof		
<i>Share premium account</i>		
Balance 1 January	2,968	2,968
Transferred to Retained profits	-2,968	0
Balance 31 December	0	2,968
<i>Retained profits</i>		
Balance 1 January	692	0
Transferred from Share premium account	2,968	0
Transferred cf, Distribution of profit	757	692
Balance 31 December	4,417	692
Total shareholders' equity	6,117	5,360
In Vesta Forsikring AS and Dansk Kautionsforsikring-Aktieselskab, untaxed provisions for contingency funds form part of the shareholders' equity with NOK 2,104m and DKK 139m, respectively.		
11 Capital adequacy		
Shareholders' equity according to the annual report	6,117	5,360
Capitalise tax assets	-3	-6
Solvency requirements to affiliated undertakings	-2,447	-2,610
Tier 2 capital	700	700
Capital base	4,367	3,444
Weighted assets	5,545	3,999
Solvency	79%	86%
12 Contingent liabilities		
The company is jointly taxed together with most companies of the TrygVesta Group, and they are jointly and severally liable for payment of imposed tax.		
The company is jointly registered for VAT and payroll tax purposes with Tryg i Danmark smba and most of its Danish subsidiaries, and is jointly and severally liable with these companies for the payment of such taxes.		
The company is part of some disputes the outcome of which is not estimated to affect the financial position of the company.		
13 Intragroup transactions		
The management fee is fixed on a cost-covering basis.		
The companies of the TrygVesta Group have concluded reinsurance treaties and agreements about interest payment on current accounts based on market terms.		

Group overview

TrygVesta A/S has the following subsidiaries

DKKkm	Registered office	Country	Profit/loss for 2004	Ownership share, %	Share capital 31.12.2004	Shareholders' equity 31.12.2004
Tryg Forsikring A/S	Ballerup	Denmark	1,471	100	1,100	6,750
Vesta Forsikring AS	Bergen	Norway	624	100	779	3,074
Enter Forsikring AS	Bergen	Norway	53	100	50	169
Slettebakksveien AS	Bergen	Norway	0	100	7	29
Respons Inkasso AS	Bergen	Norway	2	100	0	1
Thunes Vei 2 AS	Bergen	Norway	5	100	52	55
Dansk Kautionsforsikrings-Aktieselskab	Ballerup	Denmark	73	100	193	408
ApS SMBK nr. 98	Ballerup	Denmark	0	100	0	0
Chevanstell Ltd.	London	UK	-32	100	619	125
ApS KBIL 9 nr. 2032	Ballerup	Denmark	0	100	0	0
Tryg Ejendomme A/S	Ballerup	Denmark	22	100	1	460
TrygVesta IT A/S	Ballerup	Denmark	0	100	1	1

Mergers

Tryg Forsikring II A/S and Tryg Forsikring, Rejse og Sundhed A/S merged into Tryg Forsikring A/S as at 1 January 2004.

Companies divested in 2004

Tryg-Baltica Forsikring, internationalt forsikringsselskab A/S (divested as at 30 September 2004)	Ballerup	Denmark	17	100	0	0
Tryg Polska Towarzystwo Ubezpieczenia S.A. (divested as at 1 December 2004)	Radom	Poland	-28	100	0	0
Nordicum Kindlustuse Eesti AS (divested as at 17 December 2004)	Tallinn	Estonia	0	100	0	0

Financial calendar

Financial results for the three months ending 31 March 2005:
 Financial results for the six months ending 30 June 2005:
 Financial results for the nine months ending 30 September 2005:

18 May 2005
 25 August 2005
 16 November 2005

Vesta Forsikring AS

NOKm	Q4	Q4	2004	2003
	2004	2003		
Gross written premiums	1,472	1,553	7,422	7,681
Earned premiums, net of reinsurance	1,578	1,575	6,157	6,001
Net financial income	127	144	419	713
Claims incurred, net of reinsurance	-981	-1,346	-4,133	-4,892
Insurance operating expenses, net of reinsurance	-371	-382	-1,336	-1,377
Operating profit/loss	353	-9	1,107	445
Contingency provisions etc. *)	-37	-34	-231	-249
Profit/loss on ordinary activities before tax	316	-43	876	196
Balance sheet				
Technical provisions			13,203	12,470
Total shareholders' equity			1,383	936
Total assets			16,029	14,431
Key ratios				
Claims ratio, net of reinsurance	62.2	85.5	67.1	81.5
Expense ratio, net of reinsurance	23.5	24.2	21.7	22.9
Combined ratio, net of reinsurance	85.7	109.7	88.8	104.4

*) The amount comprises provisions for security, reinsurance and administration as well as funds for natural disasters and guarantees.

The tabel presents the result and selected balance sheet items together with key ratios for the Vesta Forsikring AS Group. The information is presented in accordance with generally accepted accounting principles in Norway, which correspond to the policies described in the annual report of Vesta Forsikring AS for 2004.

Facts about TrygVesta

TrygVesta is the second-largest general insurer in the Nordic region. The Group comprises Tryg, Denmark's largest general insurer with a market share of just over 22%, Vesta, Norway's third largest insurer with a market share of around 19%, guarantee insurer Dansk Kaution and a rapidly growing branch in Finland.

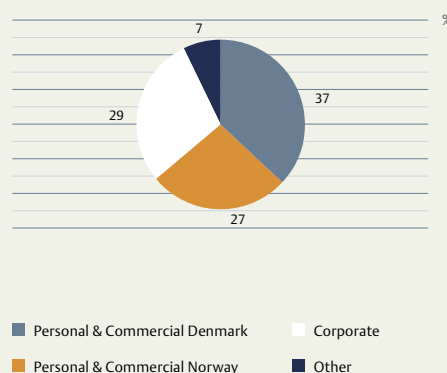
TrygVesta has a strong strategic partnership with Nordea. The bank sells TrygVesta's general insurance products, while TrygVesta sells Nordea's life and pension products. Moreover, Nordea Asset Management is TrygVesta's portfolio manager. TrygVesta furthermore has a partnership with CSC, which handles the Group's IT operations.

TrygVesta's distribution strategy is based on marketing one brand in each country, offering the same product, price and quality through all sales channels. TrygVesta pursues a multiple channel distribution strategy. The most important channels are large customer centres, service centres or franchisees, TrygVesta's own insurance agents and sales through real estate agents, car dealers and Nordea's branches. In addition, TrygVesta has signed agreements with a number of trade unions and professional groups to offer their members personal insurance. Likewise, TrygVesta has industry agreements and agreements with insurance brokers in the commercial market.

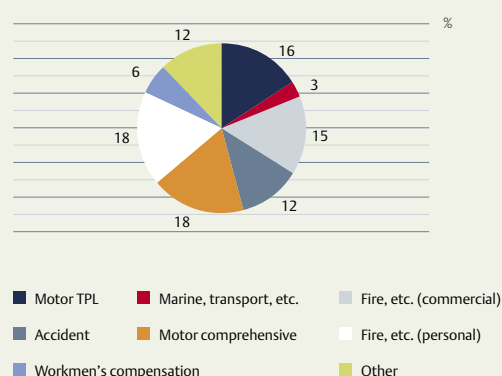
TrygVesta's some 3,800 employees represent quality, advice and service, both to the individual personal customer and to the large industrial enterprise with several thousand employees.

TrygVesta has about two million customers. The Group generates premiums of DKK 16.3bn annually. Its employees processed 500,000 claims and paid claims in the amount of DKK 11bn in 2004.

GROSS PREMIUMS, NET OF REINSURANCE, DISTRIBUTED ON BUSINESS AREAS IN 2004



GROSS PREMIUMS DISTRIBUTED ON PRODUCTS IN 2004



TrygVesta's history

TrygVesta owes its history to a number of mergers and acquisitions. The oldest component is the Danish insurance company Kjøbenhavns Brand which was established by Royal Decree of 1731 after the great Copenhagen fire of 1728. The name Tryg first emerged in 1911.

Vesta was established in 1880, and the name Vesta is derived from Roman Mythology. Vesta is the goddess of hearth, home and family.

In 1994, Tryg acquired the Danish insurance operations of Winterthur.

In 1995, Tryg and Baltica merged to become Tryg-Baltica, which name was changed to Tryg in 2001.

Dansk Kaution, which was established in 1895, became a part of Tryg in 1998. In that same year, Tryg entered the Polish insurance market, acquiring a strategic stake in the company Energo-Asekuracja, which was established in 1994. Tryg gained controlling influence in 2000, and in 2002 the name of the company was changed to Tryg Polska.

In 1999, Tryg merged with Denmark's second-largest banking group, Unidanmark, and the general insurance activities of Unibank were integrated into Tryg.

In that same year, Tryg acquired the English company Colonia Baltica, which was integrated into Tryg's reinsurance company Tryg-Baltica International to form TBI.

At the end of 1999, Vesta, which had formed part of Skandia since 1989, became part of the family. Vesta's history also includes a merger between Æolus and Bergens Brand in 1962, the acquisition of Cornhill's Norwegian activities in 1997 and the acquisition of Aktiv Forsikring in 1998. In 2001, Vesta took over the Norwegian company Allianz.

In 1991, Vesta established a subsidiary by the name of Dial, which name was changed to Enter in 2000. Enter is a wholly-owned subsidiary of Vesta and sells insurance through selected business partners, including car dealers.

In 2000, Unibank and Tryg contributed to the formation of Nordea. One year later, Tryg set up a branch in Finland to sell insurance to Nordea's Finnish banking customers.

In 2002, Tryg acquired the general insurance activities of Estonian Nordicum Kindlustus, which was established in 1990.

Later that year, Tryg i Danmark smba acquired the general insurance activities of Nordea, thereby forming TrygVesta. At the same time, the Group acquired the Danish and Norwegian general insurance activities of Zurich.

In 2004, TrygVesta divested the reinsurance company TBI, the Polish subsidiary Tryg Polska and the Estonian subsidiary Nordicum Kindlustus. These three divestments are in line with TrygVesta's strategy to focus on direct Nordic general insurance.

Organisation

Tryg

Tryg is Denmark's largest general insurer. Tryg has some 2,230 employees and sells insurance through in-house service centres, insurance brokers in the industrial and upper commercial markets, and through Nordea's branch network. In addition, Tryg sells Nordea's pension products.

Read more at www.tryg.dk.

Vesta

Vesta is Norway's third-largest general insurer. Vesta has some 1,450 employees and sells insurance through in-house offices, an extensive franchise network, insurance brokers in the industrial and upper commercial markets, and through Nordea's branch network. In addition, Vesta sells Nordea's pension products.

Read more at www.vesta.no.

Nordea Vahinkovakuutus

The sole business of TrygVesta's branch in Finland is to sell insurance to personal customers through Nordea's Finnish branches.

Read more at www.nordea.fi.

Dansk Kaution

Dansk Kaution specialises in guarantee insurance for Danish enterprises concluding major agreements, especially within the construction and contract manufacturing industries.

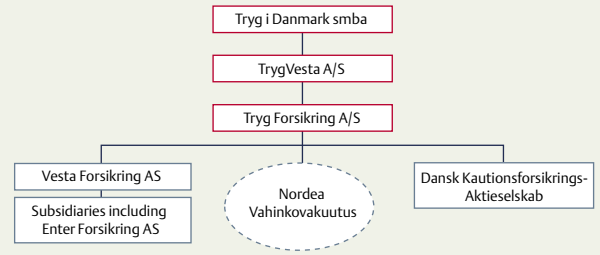
Read more at www.danskkaution.dk.

Enter

Enter is a wholly-owned subsidiary of Vesta and sells insurance through selected business partners, including car dealers.

Read more at www.enter-forsikring.no.

ORGANISATION



Overview of the TrygVesta Group, simplified legal structure. Tryg Forsikring A/S' subsidiaries TrygVesta IT A/S, Tryg Ejendomme A/S and Chevanstell Ltd. in run-off have been left out.

Divestments in 2004:

Tryg-Baltica International (TBI)

In October 2004, TrygVesta sold its reinsurance company to Sirius International, a member of the White Mountains Insurance Group, Ltd. The transfer is expected to be finalised by 1 August 2005 at the latest.

Tryg Polska

TrygVesta's Polish subsidiary was sold to HDI International, a member of the Talanx Group, in December 2004. The agreement is subject to the usual regulatory approvals, which are expected to be in place by the end of the first quarter of 2005.

Nordicum Kindlustus

TrygVesta's Estonian subsidiary was sold to the Australian insurance group QBE International in December 2004. The agreement is subject to the usual regulatory approvals, which are expected to be in place by the end of the first quarter of 2005.

Corporate Governance

Ownership structure

TrygVesta A/S and thus the TrygVesta Group is owned by Tryg i Danmark smba, which is referred to as Tryg i Danmark in the following.

The principal objects of Tryg i Danmark are to hold shares in companies that carry on insurance business and any other business permitted under Danish legislation governing financial business. Another object of Tryg i Danmark is to support activities and services that benefit Danish insurance customers. This activity is carried out under the name of TrygFonden.

Tryg i Danmark is a company with limited liability registered with the Danish Commerce and Companies Agency. Members of the company are Danish policyholders from time to time in Tryg Forsikring A/S and some of Nordea Pension Danmark's (formerly Tryg's) life insurance companies.

The Board of Representatives is the supreme authority of the company, and the Supervisory Board of Tryg i Danmark is elected by and among the representatives. The Supervisory Board is responsible for the overall management of Tryg i Danmark's operations, including for exercising the voting rights on the company's shareholdings. However, matters of material strategic importance for TrygVesta are submitted to the Board of Representatives before the Supervisory Board exercises the voting right on the shares in TrygVesta A/S. Likewise, the annual report of TrygVesta is reviewed by the Board of Representatives prior to the Supervisory Board's decision to adopt the annual report at the general meeting of TrygVesta A/S.

Being the owner of TrygVesta, Tryg i Danmark has a special interest in promoting the development of the insurance business. Tryg i Danmark does not carry out insurance operations itself, but supports TrygVesta by making capital resources available to and being represented on the Supervisory Board of TrygVesta.

Management structure of TrygVesta

In January 2004, the Supervisory Board of Tryg i Danmark resolved to simplify the overall management structure and ensure an effective interaction between the supervisory boards and executive managements of the Group's companies. This was done by arranging total duality of membership on the Supervisory Board of Tryg i Danmark and on the Supervisory Board of TrygVesta A/S with respect to members elected at the general meeting. Furthermore, the same persons act as chairman and deputy chairman of the supervisory boards. At present, the General Meeting has elected eight members to the Supervisory Board of TrygVesta A/S. In addition, the Supervisory Board comprises three representatives of the insurance company's employees.

The TrygVesta Group was formed in 2002 when Tryg i Danmark bought Nordea's general insurance operations. During TrygVesta's first year, the Supervisory Board devoted many management resources to defining and implementing TrygVesta's business strategy.

In 2004, the Supervisory Board also focused on corporate governance issues and held a two-day seminar to review the 'Report on Corporate Governance in Denmark', which had been published in December 2003 by the Copenhagen Stock Exchange Committee on Corporate Governance.

The Supervisory Board considered each of the Committee's recommendations and assessed their relevance to TrygVesta.

The Committee's recommendations include the following eight main areas:

1. The role of the shareholders and their interaction with the management of the company
2. The role of the stakeholders and their importance to the company
3. Openness and transparency
4. The tasks and responsibilities of the Supervisory Board
5. The composition of the Supervisory Board
6. Remuneration to the members of the Supervisory Board and the Executive Management
7. Risk management
8. Audit

The Supervisory Board generally agrees with the Committee's recommendations for good corporate governance as reflected, among other things, by the disclosures in this annual report.

TrygVesta already complies with certain of the recommendations, while in certain areas, discussions are ongoing and initiatives have been launched with a view to implementing the recommendations.

Finally, the Supervisory Board finds it appropriate to deviate from the recommendations in one respect due to TrygVesta's circumstances. This deviation relates to the size of the Supervisory Board, where the number of members elected by the shareholders reflects that Tryg i Danmark is the sole owner and the wish to have a total duality of membership on the supervisory boards.

It should furthermore be noted that the Supervisory Board has considered setting up an audit committee. However, the Supervisory Board finds that such a committee should not be set up at present as the Supervisory Board is comfortable with the internal and external auditors' review and discussion with the entire Supervisory Board.

The Supervisory Board has the following comments on each of the main areas:

1. The role of the shareholders and their interaction with the management of the company

Tryg i Danmark is the sole shareholder of TrygVesta A/S.

Being a large financial group, TrygVesta has large corporate social responsibility and has therefore adopted an open communications policy. TrygVesta's communications generally comply with the requirements for listed companies and make extensive use of the Group's web site.

TrygVesta's articles of association do not contain provisions on voting rights differentiation or other special rules.

2. The role of the stakeholders and their importance to the company

The Supervisory Board implements the consideration for

stakeholders in TrygVesta's corporate values, strategic basis and monitoring of the Group's balanced scorecard, including reviewing the TrygVesta Group's benchmarks for customers, processes, employees and financial position. Where relevant, the Supervisory Board has adopted policies and drafted guidelines for the Group's activities in each dimension, such as the traditional risk areas. In addition, the Group has drawn up policies for claims handling, customer servicing, procurement, HR and other areas.

During the year, TrygVesta has drawn up a compliance policy in relation to competition law. New, relevant policy areas are being considered on an ongoing basis, and applicable policies are followed up by such means as systematic customer and employee surveys, which are also included in the Group's balanced scorecard.

TrygVesta's reporting on the interaction with stakeholders includes the Group's annual report and the ongoing external and internal dialogue.

3. Openness and transparency

TrygVesta's external and internal financial communication is structured to the level of the requirements applicable to a listed company, and its interim reporting complies with the rules of the Copenhagen Stock Exchange. It contains financial reporting for material business areas and geographical segments and follows up on the Group's strategic focus areas. The interim reports are published in Danish and English, and the annual report is also available in Norwegian. Furthermore, the Group Executive Management meets regularly with analysts and other interest parties.

As required for listed companies, TrygVesta will also be adopting IFRS standards in its financial reporting beginning in 2005.

4. The tasks and responsibilities of the Supervisory Board

The Supervisory Board is responsible for the overall strategic management and the financial and managerial control of the TrygVesta Group. To perform this task, the Supervisory Board uses management of targets and limits based, among other

things, on regular and systematic discussions of the company's policies for the relevant main areas with subsequent follow-up.

See also the description in this annual report of the company's operational management and follow-up.

The duties of the Supervisory Board are laid down in rules of procedure, which specifically describe the duties and the special tasks of the chairman and of the chairman and the deputy chairman acting together.

The Supervisory Board of TrygVesta A/S held nine meetings and a two-day seminar in 2004. The agenda of the Board meetings follows events and themes of current interest to TrygVesta, thus ensuring that the Supervisory Board deals with all relevant issues over the year. The Supervisory Board has scheduled six ordinary meetings for 2005 and will furthermore meet as and when required.

5. The composition of the Supervisory Board

The Supervisory Board currently comprises eight members elected by the General Meeting. All these members also sit on the Supervisory Board of Tryg i Danmark. In addition, the Supervisory Board comprises three members representing the company's employees.

In the current situation with Tryg i Danmark being the sole shareholder of TrygVesta, Tryg i Danmark and TrygVesta have coinciding interests, and the Supervisory Board therefore considers the duality of membership appropriate. Similarly, the number of Board members reflects the aggregate competence requirements of the supervisory boards of the two legal entities.

The employee representation on the Supervisory Board of TrygVesta comprises two Danish and one Norwegian employee. TrygVesta is a company registered in Denmark, but as the Group also has substantial operations in Norway it has agreed with the employee organisations to ensure employee representation from both countries.

The members of TrygVesta's Supervisory Board are up for election each year. They are eligible for re-election.

The Supervisory Board has not set up any permanent subcommittees or committees.

The Supervisory Board carries out an annual self-assessment of the work of the Supervisory Board and the Executive Management and an evaluation of the work and the efficiency of the cooperation between the Supervisory Board and the Executive Management.

6. Remuneration to the members of the Supervisory Board and the Executive Management

Reference is made to the description in this annual report. TrygVesta is an unlisted company with only one shareholder, and members of the Supervisory Board and the Executive Management do not receive share-driven remuneration.

7. Risk management

Being an insurance group subject to public supervision and continuously monitored by rating agencies, TrygVesta's risk management is organised professionally and monitored in all relevant dimensions.

In areas such as investment, reinsurance, underwriting and acceptance policies, IT security, IT resources and own insurance matters, risk is managed by way of regular discussions of policies with subsequent follow-up.

Risk is measured and managed centrally at group level for all the Group's companies.

8. Audit

Being a financial holding company, TrygVesta is subject to the rules of the Danish Financial Supervisory Authority. TrygVesta therefore also has an internal audit covering the company as well as the insurance operations and Tryg i Danmark.

The Supervisory Board regularly receives and considers detailed audit reports from the appointed auditors and the internal auditors.

Supervisory Board and Executive Management

The Supervisory Board of TrygVesta A/S consists of eight members elected by the General Meeting and three employee representatives. TrygVesta's Group Executive Management consists of five members, of whom three are members of the Executive Management of the holding company TrygVesta A/S. All five are members of the Executive Management of the operating company Tryg Forsikring A/S.

The Supervisory Board of TrygVesta A/S held nine meetings and a two-day seminar in 2004. The agenda of the Board meetings follow events and themes of current interest to TrygVesta, thus ensuring that the Supervisory Board deals with all relevant issues over the year. The Supervisory Board has scheduled six ordinary meetings for 2005 and will furthermore meet as and when required.

Board members elected by the employees

Danish and Norwegian companies have a 30-year tradition for having board members elected by employees. This tradition is reflected by provisions in the Danish Public Companies Act and the Norwegian Insurance Company Act, respectively, which aim to improve employee influence on and insight into how a company is managed.

Norwegian legislation prescribes that one-third of the board members, including alternates, must be elected by and among a company's employees, whereas Danish legislation provides that 50% of the remaining board members, but not less than two, and a corresponding number of alternates must be elected from among the employees.

The three employee representatives on the Board of TrygVesta A/S consist of two employees of Tryg Forsikring A/S and one employee of Vesta Forsikring AS. This composition is based on an agreement with TrygVesta's staff associations that the two employee-elected Board members representing Tryg Forsikring A/S and the one employee-elected Board member representing Vesta Forsikring AS are entitled to be appointed as members of the Supervisory Board of TrygVesta A/S.

Remuneration to the Executive Management and the Supervisory Board

The remuneration to the five members of the Executive Management of TrygVesta consists of a fixed salary and a variable salary, which cannot exceed three months' salary, and which depends directly on the Group's financial performance. The variable salary of the CFO is much less dependent on financial results than the salaries of the other members of the Executive Management, but is based more on the Group's investment returns and the completion of ongoing projects. In addition, the members of the Executive Management have pension schemes providing a contribution by TrygVesta of 25% of their respective salaries. Moreover, the members of the Executive Management have company cars. Members of the Executive Management are subject to 12 months' notice and are entitled to severance pay corresponding to 12 months' salary. However, the Group CEO is subject to 18 months' notice and is entitled to severance pay corresponding to 12 months' salary.

The 11 members of the Supervisory Board of TrygVesta A/S receive a fixed annual remuneration. Ordinary members receive the same amount, whereas the two Deputy Chairmen and the Chairman receive 75% and 150% more, respectively. The remuneration to the Supervisory Board does not include variable salaries, company car schemes or severance plans.

Members of the Supervisory Board

This overview shows the directorships held by the members of TrygVesta A/S' Supervisory Board.

Mikael Olufsen, Chairman, born 1943

Chairman of the Supervisory Board of

- Tryg i Danmark smba
- Tryg Forsikring A/S

Chairman of the Board of Directors of

- Malaplast Co. Ltd. Bangkok

Deputy Chairman of the

- Executive Committee of the Danish Rheumatism Association

Vice Chairman of the Board of

- Trustees of the Egmont Foundation
- Egmont International Holding A/S

Board member of

- Britisk Import Union
- Danmark-Amerika Fondet
- Toptex PLC Borino, Bulgaria
- BHJ GARANT s.r.o., The Czech Republic
- BHJ FARUTEX Sp.Zo.o., Poland

Member of the Presiding Committee of

- WWF in Denmark

Member of Board of Representatives of

- Tryg i Danmark smba
- the Danish Rheumatism Association

Mogens Jacobsen, Deputy Chairman, born 1944

Chairman of the Board of Directors of

- Rodskovgård Aps

Deputy Chairman of the Supervisory Board of

- Tryg i Danmark smba
- Tryg Forsikring A/S

Board member of

- Nordea Pension Danmark, livsforsikringselskab A/S

Manager of

- Rodskov Svineproduktion Aps

Member of the Board of Representatives of

- Tryg i Danmark smba

Per Skov, Deputy Chairman, born 1941

Chairman of the Board of Directors of

- Utility Development A/S

Deputy Chairman of the Supervisory Board of

- Tryg i Danmark smba
- Tryg Forsikring A/S

Board member of

- Dagrofa A/S
- Denerco Oil A/S
- Denerco Petroleum A/S
- DSV, De Sammensluttede Vognmænd af 13.7.1976 A/S
- Kemp & Lauritzen A/S
- Nordlux A/S
- Privathospitalet Hamlet A/S
- Superfos A/S
- Superfos Industries A/S

Member of the Board of

Representatives of

- Tryg i Danmark smba

Member of the

- liquidation committee DAC Smba

Jørn Wendel Andersen, born 1951

Chairman of the Supervisory Board of

- Arla Foods AB
- Arla Foods Finance A/S

Board member of

- Tryg i Danmark smba
- Tryg Forsikring A/S

Board member and manager of

- AF A/S

Board member and CEO of

- Arla Foods Holding A/S

CEO of

- Arla Foods International A/S
- Arla Foods amba

Member of the Board of Representatives of

- Tryg i Danmark smba

John R. Frederiksen, born 1948

Chairman of the Board of Directors of

- A/S Kollektivhuset Hellebo
- Ejendomsselskabet Storken A/S
- Ejendomsselskabet Uglen A/S
- Jacob Holm & Sønner A/S
- Jacob Holm Industriinvest A/S
- RenHold A/S
- SBS Rådgivning A/S
- SBS Byfornyelse Smba
- Sjælsø Enterprise A/S
- Sjælsø Gruppen A/S

Board member of

- Tryg i Danmark smba
- Tryg Forsikring A/S
- Danarota Technic A/S
- Dønnerup A/S
- Fortunen A/S
- Freja Ejendomme A/S (Statens Ejendomssalg A/S)
- Højgård Ejendomme A/S
- Holdingselskabet Allindemaglegård A/S
- Holdingselskabet Dønnerup Agri A/S
- Oak Property Invest A/S
- Renholdningselskabet af 1898
- Råstof og Genanvendelse Selskabet af 1990 A/S
- RENOFLEX-GRUPPEN A/S
- C.W. Obel Ejendomme A/S
- C.W. Obel Projekt A/S
- Ejendomsaktieselskabet Helleholm
- Insight Foundation Property Trust Limited, (Guernsey)
- Insight Foundation Property Limited, (Guernsey)

CEO of

- Fortunen A/S
- Oak Property Invest A/S

Member of the Board of Representatives of

- Tryg i Danmark smba

Chairman of

- Ejendomsforeningen Danmark

Jørn Hesselholt, born 1944

Board member of

- Tryg i Danmark smba
- Tryg Forsikring A/S

CEO of

- Hesselholt Fisk Eksport A/S

Member of the Board of Representatives of

- Tryg i Danmark smba

Håkon J. Huseklepp, employee representative, born 1955

Board member of

- Tryg Forsikring A/S
- Vesta Forsikring AS
- The Finance Sector Union of Vesta
- The Finance Sector Union of Norway

Chairman of the Board of Representatives of

- Sogn og Fjordane Bustadbyggelag

Jens Lyngbo, born 1943

Board member of

- Tryg i Danmark smba
- Tryg Forsikring A/S
- Nordea Pension Danmark, livsforsikringselskab A/S
- NMI Marketing International Aps
- K/S Dania Trans, Norway

Managing director of

- D.D.P. Fællesindkøbs-Forening

Manager

- NMI Marketing International Aps

Member of the Board of Representatives of

- Tryg i Danmark smba

Peter Wagner Mollerup, employee representative, born 1966

Chairman of the

- Association of Danish Certificated Insurers

Board member of

- Tryg Forsikring A/S

Member of the

- Executive Committee of the Danish Financial Services Union

Board member of

- W&P Aps

Manager of

- W&P Aps

Birthe Petersen, employee representative, born 1949

Board member of

- Tryg Forsikring A/S

Member of the

- Executive Committee of the Organisation of Danish Insurance Employees

Niels Erik Schultz-Petersen, born 1941

Board member of

- Tryg i Danmark smba

- Tryg Forsikring A/S

Member of the Board of Representatives of

- Tryg i Danmark smba

Members of the Executive Management

The Group Executive Management of TrygVesta comprises Ms Stine Bosse, CEO of Tryg and Group CEO of the Tryg Vesta Group, Mr Morten Hübbe, Group CFO, Mr Erik Gjellestad, CEO of Vesta, Mr Stig Ellkier-Pedersen and Mr Peter Falkenham.

Changes in the Group Executive Management

TrygVesta's Group Executive Management was reduced from six members to five in January 2005. In that connection, Mr Bjørn Thømt retired from his position with the Group. The position as Deputy CEO of Vesta was eliminated, and Mr Thømt therefore also left his position with Vesta.

Stine Bosse, Group CEO, born 1960

CEO of

- Tryg i Danmark smba
- TrygVesta A/S
- Tryg Forsikring A/S

Chairman of the Supervisory Board of

- Vesta Forsikring AS
- ApS KBIL 9 NR. 2032
- Tryg Ejendomme A/S
- TrygVesta IT A/S

Board member of

- Flügger A/S
- TDC A/S
- Forsikring og Pension

Member of the

- Danish Welfare Commission

Morten Hübbe, Group CFO, born 1972

Member of the Executive Management of

- Tryg i Danmark smba
- TrygVesta A/S
- Tryg Forsikring A/S

Deputy Chairman of the Supervisory Board of

- TrygVesta IT A/S
- Tryg Polska Towarzystwo Ubezpieczen SA

Board member of

- Dansk Kautionsforsikrings-Aktieselskab A/S
- Tryg Ejendomme A/S
- Vesta Forsikring AS
- Nordicum Kindlustuse Eesti AS

Erik Gjellestad, Member of the Group

Executive Management, born 1953

CEO of

- Vesta Forsikring AS

Member of the Executive Management of

- TrygVesta A/S
- Tryg Forsikring A/S

Board member of

- Høytteknologisenteret AS
- Teknoholmen AS
- Fjord Line AS
- Finansnæringens Hovedorganisasjon

Member of the Board of

- Representatives of Nordea Liv AS

Stig Ellkier-Pedersen, Member of the Group

Executive Management, born 1947

Member of the Executive Management of

- Tryg Forsikring A/S

Board member of

- Forsikringshøjskolen Rungstedgård A/S
- Danish Employers' Association for the Financial Sector

Peter Falkenham, Member of the Group

Executive Management, born 1958

Member of the Executive Management of

- Tryg Forsikring A/S

Chairman of the Board of Directors of

- Dansk Kautionsforsikrings-Aktieselskab
- SafeExIT A/S

Chairman of the Supervisory Board of

- Tryg Polska Towarzystwo Ubezpieczen SA
- Nordicum Kindlustuse Eesti AS

Board member of

- Tryg Ejendomme A/S
- ApS KBIL 9 NR. 2032
- Nordisk Flyforsikring A/S
- Vesta Forsikring AS
- Solar Holding A/S
- Aktieselskabet Nordisk Solar Compagni A/S
- Glunz & Jensen A/S

Glossary of technical terms

The financial highlights and key ratios of TrygVesta have been prepared in accordance with the Danish Financial Supervisory Authority's executive order on the presentation of financial statements by general insurance companies. The section 'Accounting policies' describes the income statement and balance sheet items in more detail.

Gross earned premiums

include gross premiums adjusted for reserves (earned premiums) reduced by bonus and premium rebates.

Net of reinsurance

means that the amount is stated net of reinsurers' share.

Claims ratio, net of reinsurance

expresses the ratio of claims incurred, net of reinsurance, to earned premiums, net of reinsurance.

$$\frac{\text{Claims incurred, net of reinsurance} \times 100}{\text{Earned premiums, net of reinsurance}}$$

Expense ratio, net of reinsurance

expresses the ratio of insurance operating expenses, net of reinsurance, to earned premiums, net of reinsurance.

$$\frac{\text{Insurance operating expenses, net of reinsurance} \times 100}{\text{Earned premiums, net of reinsurance}}$$

Combined ratio, net of reinsurance

is the sum of the claims ratio, net of reinsurance, and the expense ratio, net of reinsurance.

Provisions ratio

is the ratio of provisions for claims, net of reinsurance, to earned premiums, net of reinsurance.

Return on equity in per cent

is the ratio of the profit for the year to the average shareholders' equity in the year.

$$\frac{\text{Profit for the year} \times 100}{\text{Average shareholders' equity}}$$

Gross key ratios

refer to the fact that the key ratios in TrygVesta's annual report are calculated in accordance with the rules stipulated by the Danish Financial Supervisory Authority, according to which the combined ratio, net of reinsurance, is stated as the sum of the claims ratio, net of reinsurance, and the expense ratio, net of reinsurance, but that the key ratios may also be stated on a gross basis. According to the gross method, the combined ratio is calculated as the sum of the gross claims ratio, the gross expense ratio and the result of business ceded as a percentage of gross premiums. This method makes the actual cost of reinsurance more transparent.

Danish general insurance

comprises the legal entities Tryg Forsikring A/S (excluding the Finnish branch) and Dansk Kaution.

Norwegian general insurance

comprises Vesta Forsikring AS including its subsidiaries.

The English text in this document is a translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.

