



Tryg Vesta Group

... Supplier of peace of mind

Annual Report 2003

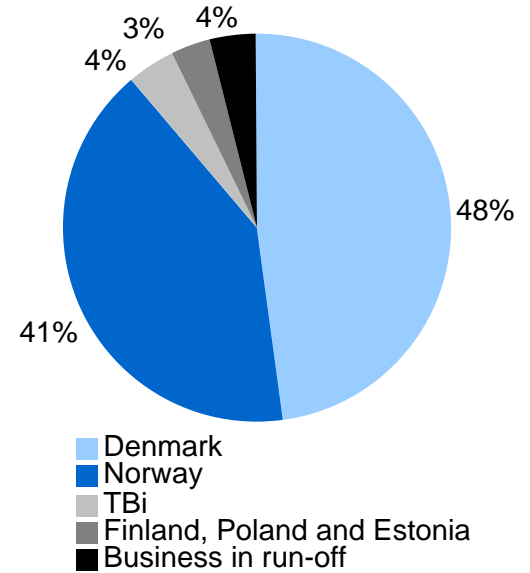
Press conference 18 March 2004



Presence









Gross premiums, geographical distribution





The financial results

Well poised for satisfactory performance

DKKm	2003	2002	
Gross earned premiums	17,333	17,002	
Premiums, net of reinsurance	14,566	13,311	
Claims ratio, net of reinsurance	77.9%	84.8%	
Expense ratio, net of reinsurance	24.9%	26.9%	
Combined ratio, net of reinsurance	102.8%	111.7%	
Technical result	136	-851	
Investments	675	-175	



The financial results

2003 - a turning point

- Profit before tax was DKK 789m (+ DKK 1.9bn since 2002)
- Combined ratio (net of reinsurance) fell 8.9 percentage point to 102.8 per cent
 - 100.8 per cent for continued business
- Premiums (net of reinsurance) increased by 9.4 percentage point to DKK 14.6bn
- Return on shareholders' equity before tax was 16.4 per cent
- The financial results confirmed that:
 - We consolidate on our own merits
 - The financial markets were favourable
 - The results were improved
 - The strategic framework has been defined



The financial results

Other aspects besides the weather enhanced the operating profit...

The claims ratio fell 6.9 percentage point **Claims and expense ratios**

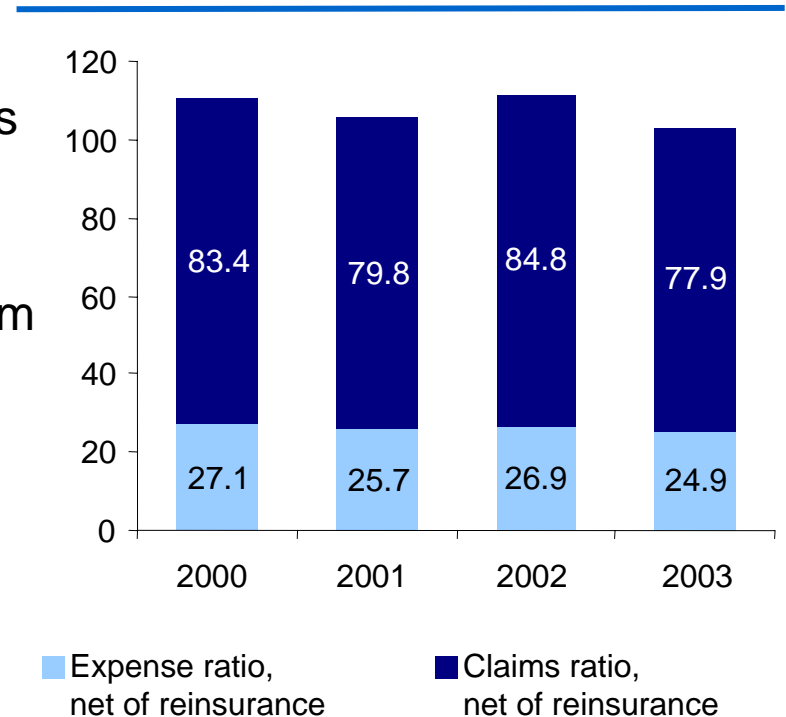
- Positive effect of initiatives
- Fewer occurrences of large losses and storm damage

Strengthening of the reserves of DKK 699m

- Included by 4.8 percentage

The expense ratio fell 2 percentage point

- Increased employee productivity
- Stringent cost management
- The first Nordic synergies





Danish general insurance

Technical result

	DKKm	<i>Actual</i> <u>2003</u>	<i>Actual</i> <u>2002</u>
Gross premiums +11.2 per cent	Gross premiums written	8,242	7,408
	Gross claims paid	-5,816	-6,087
	Gross expenses	-1,676	-1,562
	Result of gross business	<u>750</u>	<u>-242</u>
Premiums, net of reinsurance +18.6 per cent	Premiums, net of reinsurance	7,493	6,314
	Technical interest	221	326
		<u>7,714</u>	<u>6,640</u>
	Claims incurred, net of reinsurance	-5,657	-5,265
	Insurance operating expenses	-1,584	-1,399
		<u>473</u>	<u>-23</u>
	Change in equalisation provisions	-34	-40
Technical result DKK +503m	Technical result	<u>439</u>	<u>-64</u>
	Gross claims ratio	70.6	82.2
	Gross expense ratio	20.3	21.1
	Gross combined ratio	<u>90.9</u>	<u>103.3</u>
Combined ratio - 9 percentage point	Claims ratio, net of reinsurance	75.5	83.4
	Expense ratio, net of reinsurance	21.1	22.2
	Combined ratio, net of reinsurance	<u>96.6</u>	<u>105.6</u>
	Reinsurance percentage	5.7	2.3

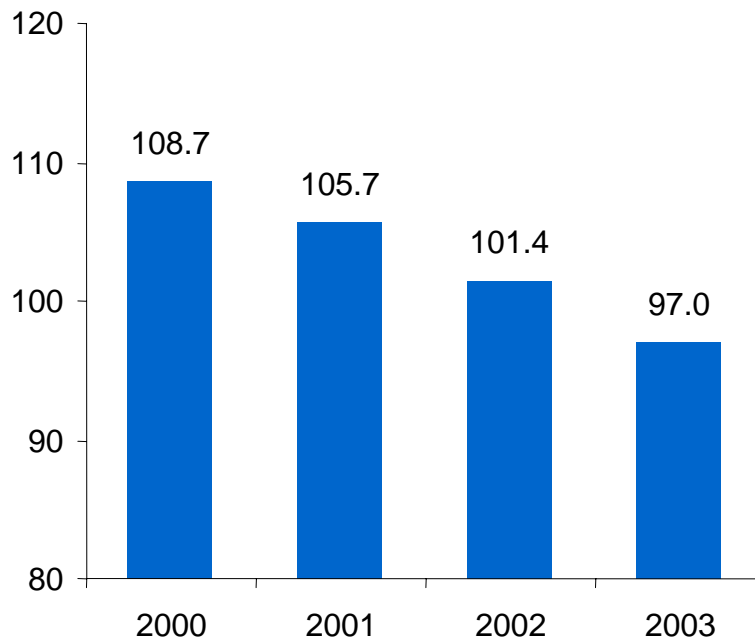


Danish general insurance

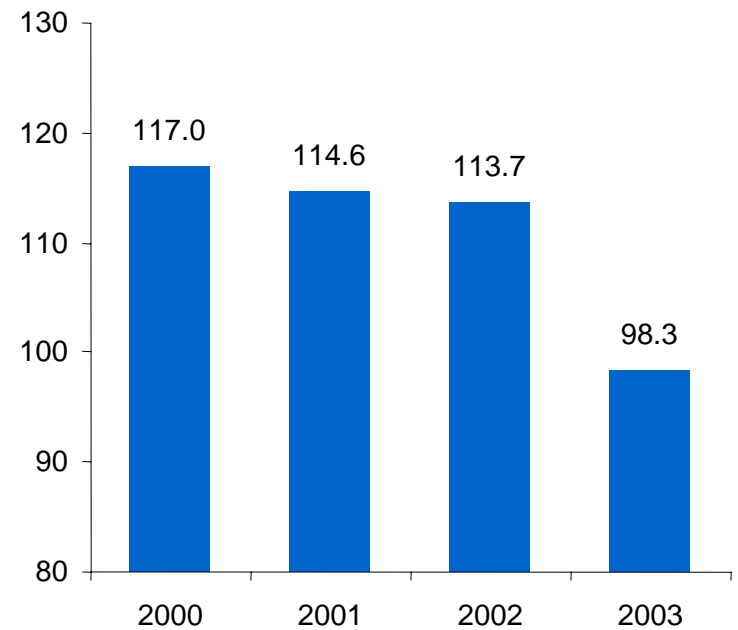
Satisfactory result

- Premium growth: 11.2 per cent (gross), 18.7 per cent (net of reinsurance)
- Growth in market shares
- Better correlation between price and risk

Combined ratio - Personal



Combined ratio - Commercial



Tryg Vesta Group



Danish general insurance - Personal

Stability and progress

Premium growth
of 8.7 per cent

In general:
14 per cent average
rise on household
contents insurance

DKKm	<i>Actual</i> 2003	<i>Actual</i> 2002
Gross premiums written	4,094	3,765
Gross claims paid	-3,062	-2,989
Gross expenses	-812	-738
Result of gross business	220	39
Premiums, net of reinsurance	3,987	3,632
Technical interest	122	159
	4,109	3,791
Claims incurred, net of reinsurance	-3,052	-2,954
Insurance operating expenses	-811	-731
	245	107
Change in equalisation provisions	1	24
Technical result	247	131
Gross claims ratio	74.8	79.4
Gross expense ratio	19.8	19.6
Gross combined ratio	94.6	99.0
Claims ratio, net of reinsurance	76.6	81.3
Expense ratio, net of reinsurance	20.4	20.1
Combined ratio, net of reinsurance	97.0	101.4
Reinsurance percentage	2.4	2.4

The personal accident
area is still unsatisfactory



Danish general insurance - Commercial

Considerably healthier business

	DKK m	Actual 2003	Actual 2002
Gross premiums +14.9 per cent	Gross premiums written	3,907	3,398
	Gross claims paid	-2,708	-3,021
	Gross expenses	-770	-728
	Result of gross business	429	-352
Premiums, net of reinsurance +33.4 per cent	Premiums, net of reinsurance	3,343	2,506
	Technical interest	87	151
		3,430	2,656
	Claims incurred, net of reinsurance	-2,575	-2,248
	Insurance operating expenses	-712	-602
	143	-194	
	Change in equalisation provisions	-35	-64
	Technical result	108	-258
Premium initiatives, loss limiting initiatives, few large losses	Gross claims ratio	69.3	88.9
	Gross expense ratio	19.7	21.4
	Gross combined ratio	89.0	110.3
	Claims ratio, net of reinsurance	77.0	89.7
	Expense ratio, net of reinsurance	21.3	24.0
	Combined ratio, net of reinsurance	98.3	113.7
Few large losses and increased retention	Reinsurance percentage	9.3	3.4



Norwegian general insurance

Technical result

	DKKm	Actual 2003	Actual 2002
Flat gross premium growth including currency effect	Gross premiums written	7,161	7,111
	Gross claims paid	-5,222	-5,394
	Gross expenses	-1,602	-1,607
	Result of gross business	337	110
Premiums, net of reinsurance +8.7 per cent	Premiums, net of reinsurance	5,612	5,163
	Technical interest	339	469
		5,952	5,632
	Claims incurred, net of reinsurance	-4,419	-4,404
Strengthening of reserves of just over DKK 500m: +9.8 per cent	Insurance operating expenses	-1,414	-1,304
		119	-75
	Change in equalisation provisions	-76	-200
	Technical result	42	-276
Interest-related pension provisions: DKKm 94 ~ 1.7 per cent	Gross claims ratio	72.9	75.9
	Gross expense ratio	22.4	22.6
	Gross combined ratio	95.3	98.5
	Claims ratio, net of reinsurance	78.7	85.3
	Expense ratio, net of reinsurance	25.2	25.3
	Combined ratio, net of reinsurance	103.9	110.6
	Reinsurance percentage	8.6	12.1

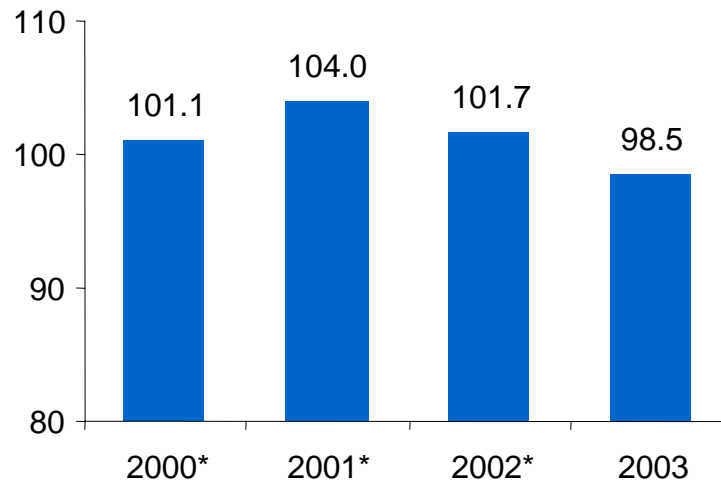


Norwegian general insurance

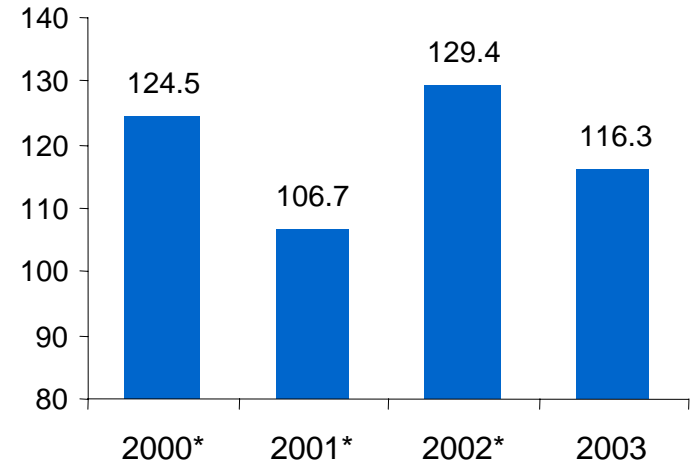
Noticeable improvement

- Premium growth of 6.3 per cent (local currency)
- Deliberate deselection of market segments and market shares within Workers' Compensation
- Premium increases based on price and risk
- Strengthening of reserves and run-off losses impacted the combined ratio by 9.8 per cent

Combined ratio - Personal



Combined ratio - Commercial



Tryg Vesta Group



Norwegian general insurance - Personal

Upgrading the market for personal customers

Gross premiums
+10.0 per cent

DKKm	Actual 2003	Actual 2002
Gross premiums written	3,237	2,942
Gross claims paid	-2,340	-2,170
Gross expenses	-841	-828
Result of gross business	57	-55

Premiums, net of reinsurance	3,030	2,763
Technical interest	125	167
	3,154	2,929
Claims incurred, net of reinsurance	-2,184	-2,034
Insurance operating expenses	-798	-777
	171	118
Change in equalisation provisions	13	1
Technical result	184	119

Satisfactory performance

Gross claims ratio	72.3	73.7
Gross expense ratio	26.0	28.1
Gross combined ratio	98.3	101.8

Claims ratio, net of reinsurance	72.1	73.6
Expense ratio, net of reinsurance	26.4	28.1
Combined ratio, net of reinsurance	98.5	101.7

Reinsurance percentage	0.2	-0.1
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Norwegian general insurance - Commercial

Rebalancing of the industrial portfolio in progress

	DKKm	Actual 2003	Actual 2002
Gross premiums 7.4 per cent	Gross premiums written	3,658	3,949
Industrial customers -8 per cent	Gross claims paid	-2,860	-3,242
Small and medium-sized commercial customers -4 per cent	Gross expenses	-761	-780
	Result of gross business	37	-72
	Premiums, net of reinsurance	2,429	2,241
	Technical interest	179	280
		2,607	2,521
Premiums, net of reinsurance +8.4 per cent	Claims incurred, net of reinsurance	-2,211	-2,374
	Insurance operating expenses	-615	-526
		-218	-379
Strengthened reserves within personal insurance DKK 265m ~-10.9 per cent	Change in equalisation provisions	41	2
	Technical result	-178	-377
	Gross claims ratio	78.2	82.1
	Gross expense ratio	20.8	19.7
	Gross combined ratio	99.0	101.8
Unsatisfactory performance of other long-tail business	Claims ratio, net of reinsurance	91.0	105.9
	Expense ratio, net of reinsurance	25.3	23.5
	Combined ratio, net of reinsurance	116.3	129.4
	Reinsurance percentage	17.3	27.6



Finland

An investment in the future

Finland

- The loss on ordinary activities before tax was DKK 49m
- Premiums, net of reinsurance, were DKK 60m in 2003 relative to DKK 17m in 2002, corresponding to a trebling
- A fine claims ratio of 78.2 per cent despite the age of the portfolio
- Improved expense ratio
- Reserves built up amounted to a total of DKK 50m
- Sales have started to pick up
- New management



TBi, Poland and Estonia

Still room for improvement

TBi

- Improved, but still unsatisfactory performance

Poland

- Unsatisfactory, despite market growth

Estonia

- Technical result of DKK -1m

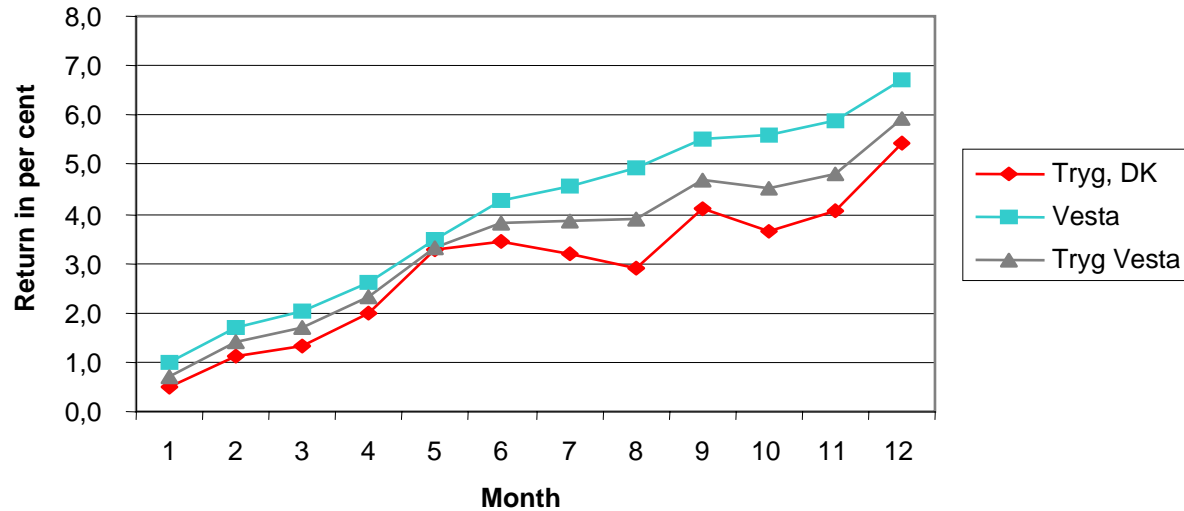


Investment activities 2003

- The Group's total result amounted to DKK 1,448m
- Tryg Vesta Group's return of investments in 2003 amounted to 6.2 per cent
- The return is better than expected as a result of high yield and a declining interest level in Norway
- All companies have had a return equal to or higher than benchmark



Return on bonds in 2003

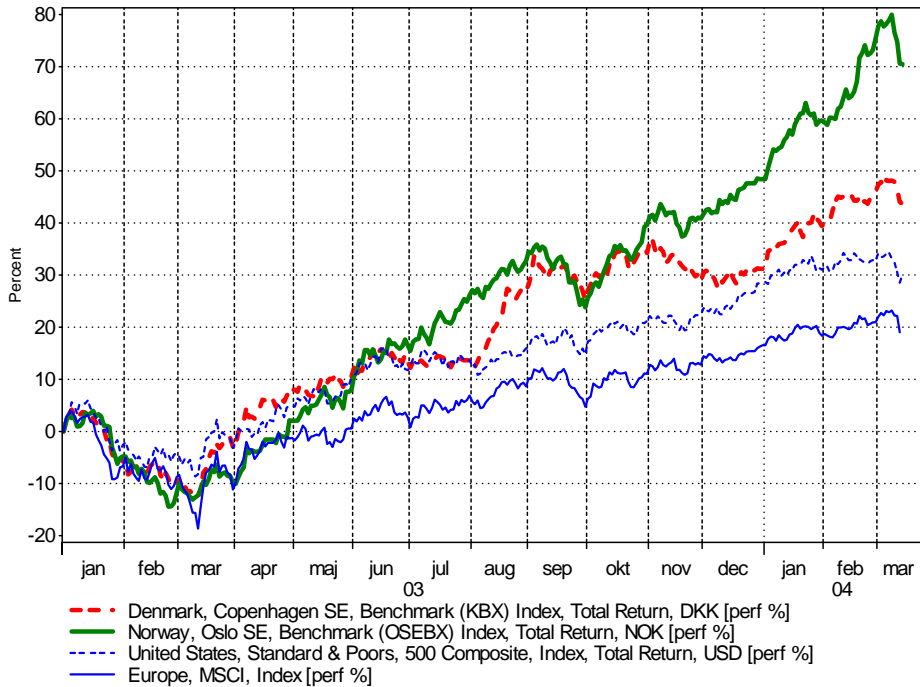


- The Tryg Vesta Group had a return of 5.9 per cent on the bond portfolio in 2003 relative to the benchmark of 5.1 per cent supported by a solid and stable return in Vesta due to a fall in interest rates and short-tail portfolio.
- Positive performance due to excess holding and selection of securities within Danish mortgage bonds, credit exposure and active management of duration within the Norwegian interest portfolio.



Stock markets in 2003/2004

Stock markets

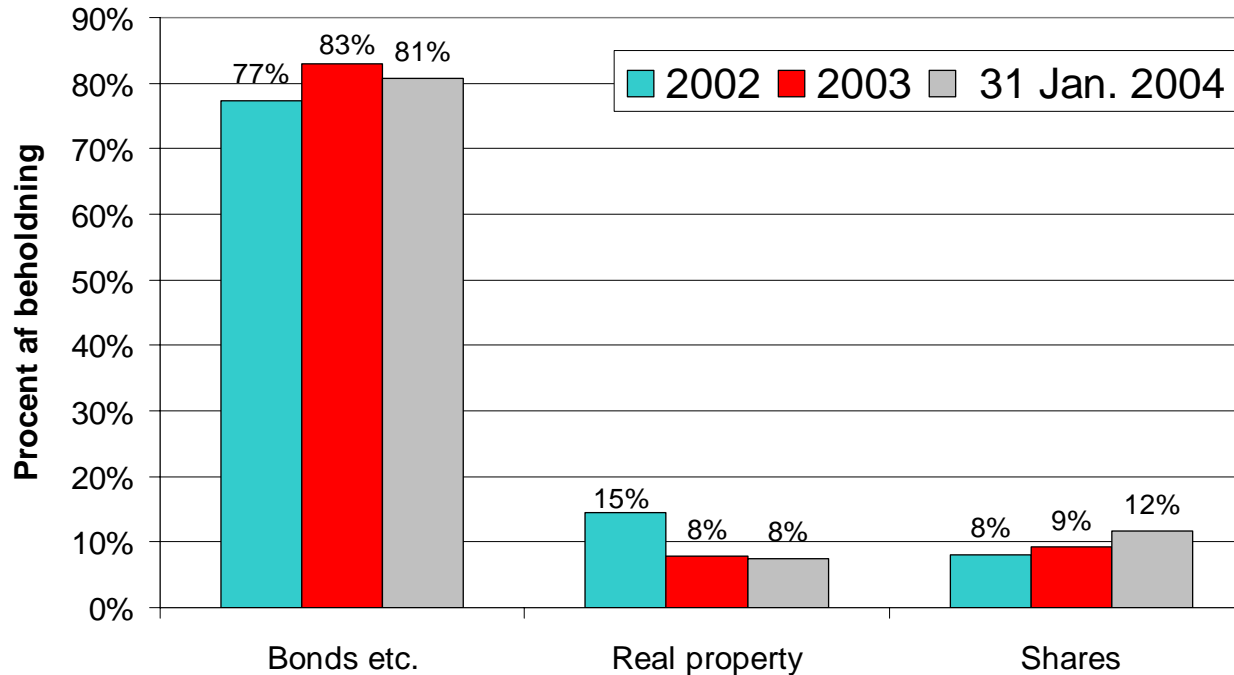


In 2003, the stock markets had a good year characterised by beginning global growth and a low interest level. The indexes in USA, Europe, Denmark and Norway have increased by 26.4 per cent, 16.5 per cent, 31.2 per cent and 48.4 per cent, respectively in 2003.

The positive development continued in January/February 2004 but curved in March due to bad American labour market figures and terrorism. The year-to-date return on national portfolios is 10-15 per cent and 1-2.5 per cent for the international portfolios as at 12 March.



The Tryg Vesta Group's asset allocation



- The real property portfolio decreased due to the sale of Ejendomme I at the end of 2003
- The proceeds from the sale of the real estate property has been placed equally in bonds and shares in January 2004, just as Vesta has increased its holding of shares

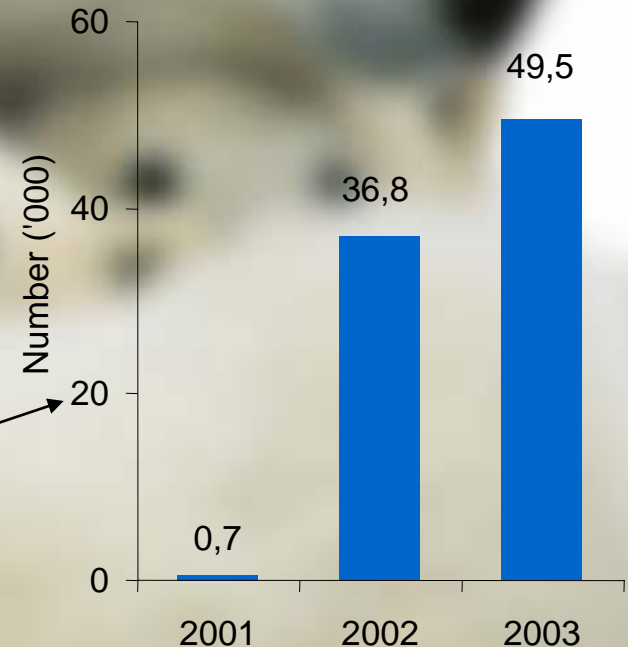
Nordic synergies

Good reasons to build a Nordic platform

- Benchmarking/Best practise
- Competence centres
- Procurement
- Outsourcing of IT operations
- IT development
- Risk equalisation, large risks
- Shared staff functions

Bancassurance amounted to 11 per cent of new business in DK

Insurance policies sold in Finland



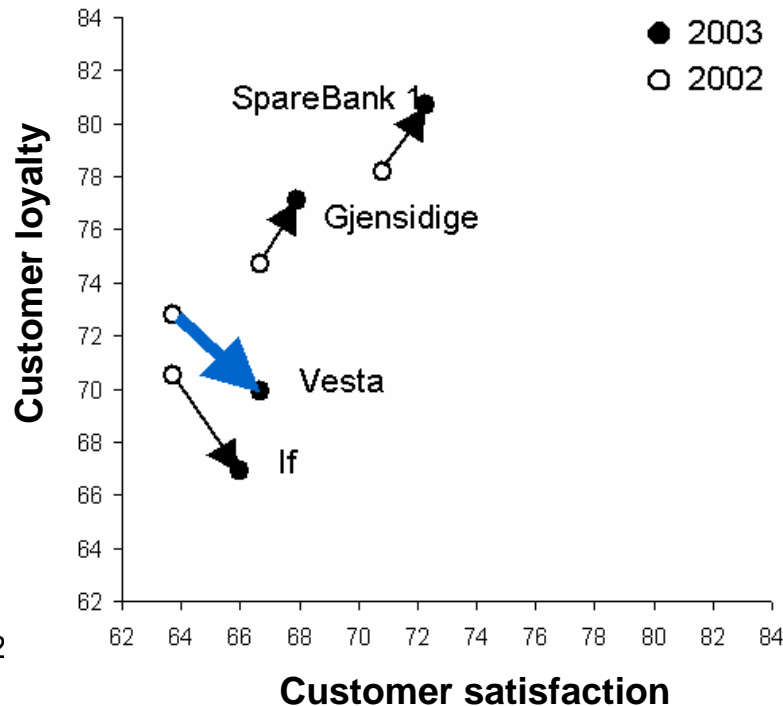


Customers

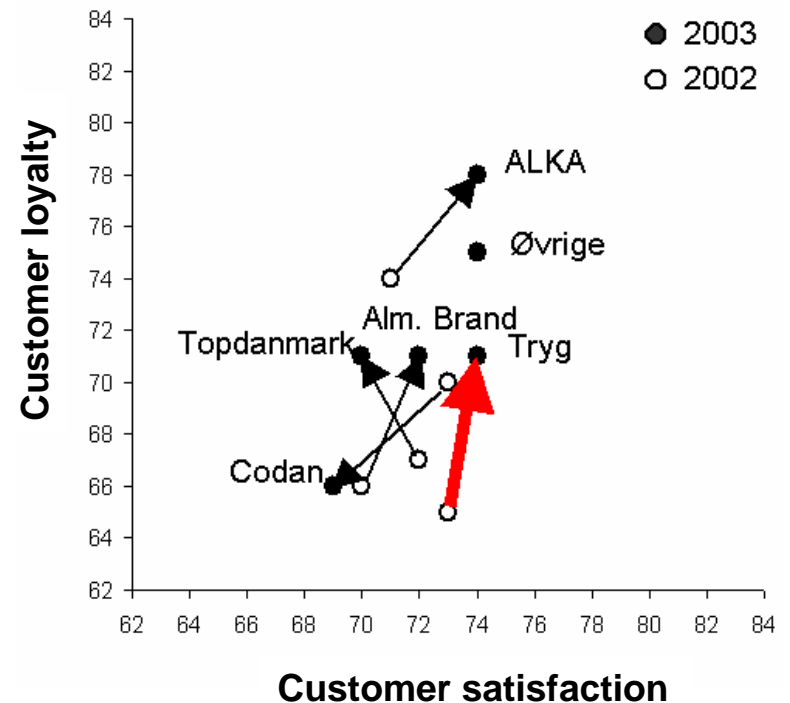
More satisfied customers

- ➔ Concepts strengthen the business - new Nordic Health Care Concept coming up
- ➔ Strong customer focus as strategic basis

Norwegian Customer Barometer 2002-2003



Danish Customer Index 2002-2003





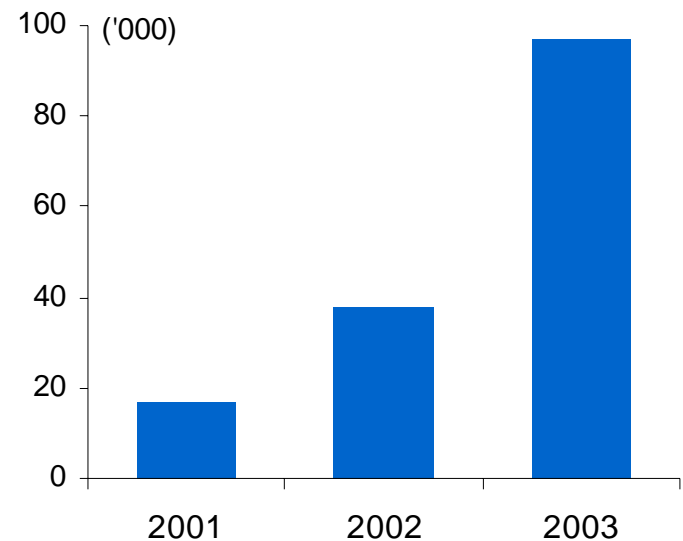
Processes

We identify and improve processes in the Nordic region and locally

- Organisation according to processes

- Partnership with CSC
- Common IT organisation
- Common procurement process
- Common Marine and Aviation department
- E-service
- Common Alarm Centre

Tryg - e-mails received





Employees

From strategy to goal in the employees' everyday life

- ➔ Employee satisfaction
- ➔ Management development
- ➔ Teams and cooperation
- ➔ Inclusiveness

Balanced Scorecard



Business strategy

Strategic initiatives, 2003

- Outsourcing of IT production 📄
- Cost savings 📄
- Procurement in relation to claims 📄
- A new Nordic partnership outside banking and finance
- Establishment of the Group's management development programme 📄



Business strategy

Other large initiatives since the beginning of 2003

- Chevanstell Ltd. in run-off
- Net pricing to commercial customers served by brokers
- Divestment of real property worth DKK 1.2 bn
- Adjustment of the reinsurance programme
- Development of new concepts and service programmes
- Simplification of corporate structure

Business strategy

Our most important strategic focus areas

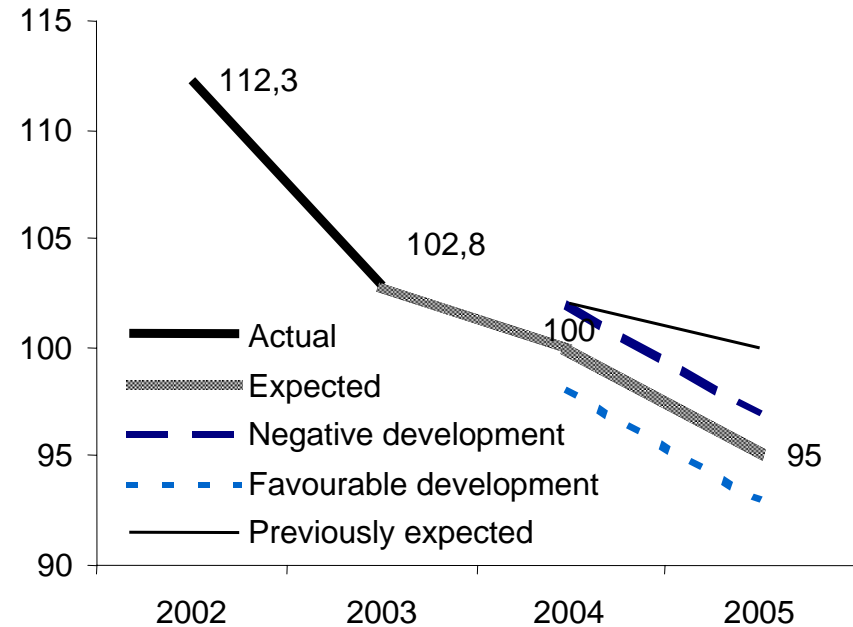
- Increased profitability
- Contain and develop our present profitable customer portfolio
- Adjust the resources and increase Group synergies
- Optimise the corporate portfolio
- Growth in the personal and commercial portfolios
- Create a common identity and establish shared values



Goals and expectations

→ 2003-goal achieved

Goal for combined ratio 2004-2005



Expectations to the result of 2004

DKKm	Actual 2003	Expected 2004	Favourable development	Negative development
Technical result	136	475	700	150
Profit on investments	675	300		
Operating profit pre-tax	789	750		
Combined ratio (%)	102.8	100	98	102