

18 May 2005

Financial results for the three months ended 31 March 2005

– TrygVesta continued to report strong earnings and good results in the first quarter of 2005. Despite the storm that hit Denmark in January, we are presenting one of our best interim reports ever, and we therefore upgrade our full-year forecast. We are seeing the full effect of recent years' efforts to restore profitability and our efforts now concentrate on maximising the focus on existing as well as new customers, says Ms Stine Bosse, Group CEO.

- The pre-tax profit was DKK 513m in the first three months of 2005, an improvement of DKK 195m compared with the same period of 2004.
- TrygVesta's intensive efforts to identify savings and reduce costs in 2004 were observed in a positive manner by the entire organisation in the first three months of 2005.
- In Norway, the first three months of 2005 were dedicated to preparing a new benefit programme for personal customers, which came into effect on 2 May 2005.
- The combined ratio for the first three months of 2005 was 94.1, an improvement of 1.3 points from 95.4 in the same period of 2004.
- The storm that hit Denmark in January resulted in claims totalling DKK 745m. The effect on profits was DKK 100m plus DKK 50m in reinsurance renewals. The effect on the combined ratio was 3.9 points.
- The Group's investments yielded a total return of DKK 301m in the first three months of 2005.
- The performance in the period equals an annualised return on equity of 29% before tax and discontinued activities.
- TrygVesta upgrades its full-year forecast for 2005 by DKK 100m: The full-year pre-tax profit is expected to be DKK 1,700m, and the combined ratio is expected to be 92.

Further information:

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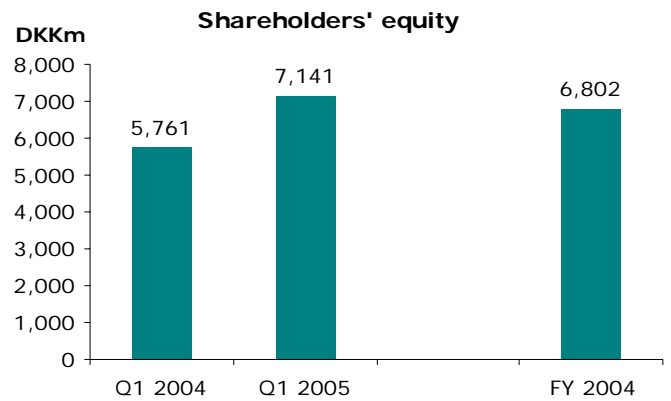
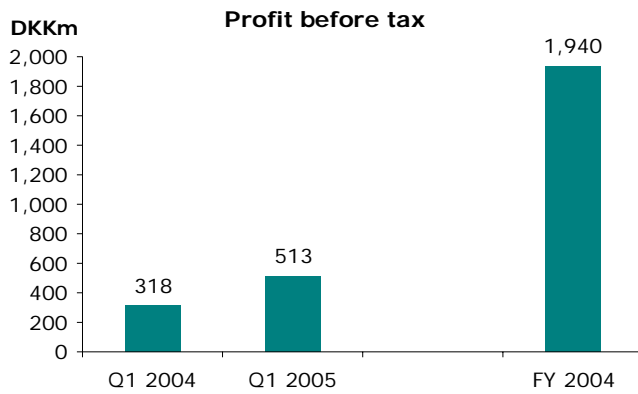
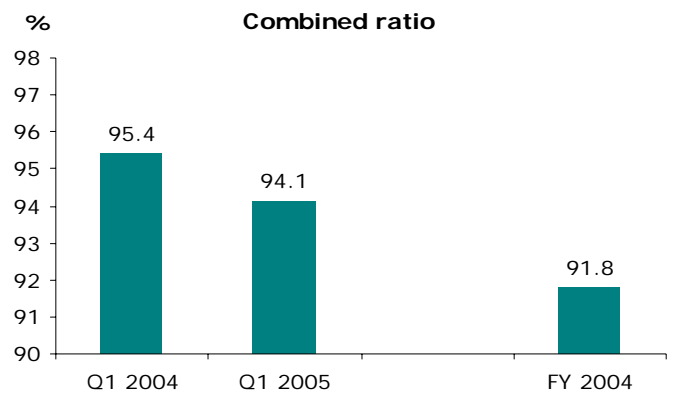
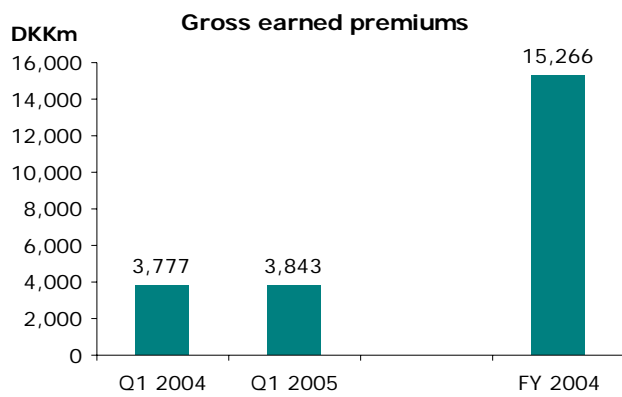
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Key ratios, TrygVesta



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Financial highlights and key ratios, TrygVesta

DKKm	Q1 2004	Q1 2005	2004
Gross earned premiums	3,777	3,843	15,266
Gross claims incurred	-2,785	-3,355	-10,572
Gross expenses	-694	-695	-2,723
Profit/loss on gross business	298	-207	1,971
Profit/loss on ceded business	-126	434	-720
Technical interest, net of reinsurance	22	60	306
Technical result	194	287	1,557
Profit on investments after transfer to insurance activities	129	230	409
Other income	28	34	121
Other expenses	-33	-38	-147
Profit for the period before tax	318	513	1,940
Tax	-64	-164	-524
Profit for the period, continued business	254	349	1,416
Loss for the period, discontinued and divested business	-1	-18	-75
Profit for the period	253	331	1,341
Balance sheet			
Total technical provisions	25,622	28,032	25,248
Total shareholders' equity	5,761	7,141	6,802
Total assets	37,505	40,850	37,824
Key ratios			
Claims ratio	73.7	87.3	69.3
Reinsurance percent, net	3.3	-11.3	4.7
Gross claims ratio, net of ceded business	77.0	76.0	74.0
Gross expense ratio	18.4	18.1	17.8
Combined ratio	95.4	94.1	91.8
Operating ratio	94.9	92.7	90.0
Annualised return on equity			
Return on equity before tax and discontinued and divested business	23	29	32
Return on equity after tax and discontinued and divested business	18	19	22
Number of full-time employees at the end of the period:			
Continued business	3,725	3,659	3,728
Discontinued and divested business	681	34	34
Accounting policies			
TrygVesta has changed its accounting policies to comply with IFRS effective from 1 January 2005. See 'New accounting rules' for a more detailed description of the changes.			
Figures in the table have been restated relative to TrygVesta's annual report 2004 and are now net of divested activities. See 'Discontinued and divested activities'.			

Review of TrygVesta's performance

TrygVesta reported an aggregate profit on ordinary activities before tax and discontinued activities of DKK 513m in the first three months of 2005, which was an improvement of DKK 195m relative to the same period of 2004. The improvement was made up of an improvement of the technical result of DKK 93m and an improvement of investment income of DKK 101m.

The technical result of DKK 287m in the first quarter of 2005 was a significant improvement relative to the same period of 2004. The favourable development of the technical result was due to TrygVesta's strategy, the measures introduced in 2005 and earlier years to enhance profitability, and a positive claims performance despite the storm that hit Denmark in winter.

The combined ratio improved by 1.3 points

The combined ratio for the Group was 94.1, which was an improvement of 1.3 points relative to the first quarter of 2004. The gross claims ratio increased by 13.6 points due to the storm that hit Denmark in January 2005. Despite the January storm, total claims performed 1.0 point better than in the same period of 2004. The storm in January had an effect of 3.9 points on the combined ratio, net of reinsurance, for the quarter.

The annualised return on equity before tax and discontinued activities was 29% in the first three months of 2005 compared with 23% in the same period of 2004.

Positive trend in earned premiums – apart from Corporate

Earned premiums amounted to DKK 3,843m in the first three months of 2005, equivalent to 2% growth in DKK relative to the same period of 2004. The growth in premiums was composed of 7% growth in Personal & Commercial Denmark, 5% growth in Personal & Commercial Norway, a fall of 8% in Corporate, and 50% growth in Finnish general insurance.

The performance was in line with TrygVesta's market strategies. The fall in premiums in the Corporate area was attributable to a number of factors: More customers than previously chose a higher deductible and thereby a lower premium; aviation business was transferred to an independent company; the full effect of the introduction of net pricing to customers served by brokers was felt, and TrygVesta's selection and segmentation of the Corporate customer market was more selective. In addition, competition intensified.

Very satisfactory claims level

TrygVesta's claims ratio in the first quarter of 2005 was 87.3, equal to 76.0 net of 11.3 points reinsurance, which was 1.0 point below the level of the first quarter of 2004. Claims performed satisfactorily despite the storm that hit Denmark in January, which affected

claims adversely in the amount of DKK 745m. The share payable by TrygVesta was DKK 100m, while the remainder was recovered through reinsurance. The storm also cost TrygVesta DKK 50m in reinsurance renewals, and its total effect on the combined ratio for the three months was 3.9 points. TrygVesta estimated in January 2005 that total claims payable on account of the storm would amount to between DKK 750m and DKK 1bn.

The most widely covered event in the quarter was when a freighter collided with the Great Belt Bridge in Denmark, entailing expenses of DKK 18m for TrygVesta.

The very positive claims performance was attributable to TrygVesta's efforts to ensure a healthier correlation between risk and price in the individual markets, and to provide better advice in relation to prevention and new solutions in the claims situation.

Nordic synergies and efficiency enhancements reduce costs

TrygVesta's expense ratio was 18.1 in the first three months of 2005, which was an improvement of 0.3 point relative to the first three months of 2004. The positive performance was attributable to the Group's targeted efforts to reduce costs and exploit Nordic synergies, and to the fact that measures to make distribution more efficient progressed as planned. As a result, the number of employees was reduced by 66. The savings have the effect of neutralising general salary increases and enabling investments in IT, HR and customer processes while maintaining expenses at an unchanged level in nominal terms.

Capital gains on shares and bonds

TrygVesta generated a total profit on investment activities of DKK 301m before other financial income and expenses and before transfer to technical interest, equal to a return of 1.0% in the first three months of 2005. This was a reduction of DKK 39m relative to the same period of 2004.

Processes – Norwegian claims assessors at work in Denmark

After the storm that hit Denmark on 8 January 2005, TrygVesta's Nordic cooperation manifested itself among the customers: The Danish claims assessors had such a big workload after the storm that Norwegian colleagues were called in to help, and within two weeks five Norwegian claims assessors had inspected more than 200 Danish buildings that had been damaged by the storm.

In February 2005, TrygVesta signed a framework agreement with IT service provider TietoEnator, who will be TrygVesta's strategic partner. One object of the partnership is to modernise a number of central systems such as sales tools and CRM and customer payment systems. TrygVesta expects to buy services from TietoEnator for up to DKK 300m until 2008.

Following receipt of the necessary regulatory approvals, the sale of TrygVesta's Polish and

Estonian subsidiaries was closed in early April 2005.

Employees – shared values in place

TrygVesta's internal value process, conducted throughout 2004, materialised in early 2005 in shared values and customer commitments in TrygVesta. During 2005, the Group will launch a number of internal activities to help make the new shared values relevant and translate them into action in relation to customers and colleagues.

TrygVesta's two-year integration training programme in Denmark ended in February 2005. Ten participants with an ethnic background other than Danish completed the training, and nine of them now hold a permanent job with the Group. TrygVesta intends to launch other projects in 2006 to lift our social responsibility as a big company. This may be done by special focus on the distribution by age and sex among the employees and by leaving room for employees who might otherwise find it difficult to gain a foothold on the labour market.

On 1 March 2005, TrygVesta appointed Troels Rasmussen as new CCO, and on 1 May, Reidar Kleven was appointed new HR director of the Group.

Focus on customers – new benefit programme in Norway

In Norway, the first quarter of 2005 was dedicated to preparing a new benefit programme for personal customers, which came into effect on 2 May 2005. The new benefit programme, Vesta Trygghetsavtale, provides customers with a number of advantages, including free psychological crisis therapy, free children's insurance, an under-insurance guarantee and the offer to have their car repaired at an authorised garage. Just as important is the change that resulted from a review of the price structure. The aim was to ensure that customers were treated in a uniform and transparent manner.

As from 1 January 2005, TrygVesta in Denmark has a five-year agreement with DGI (the Danish Gymnastics and Sports Association) and DIF (the Danish Sports Association) under which TrygVesta will in future provide collective insurance to the two organisations and their member associations. The new concept is called *Tryg Idræt*, and specially trained insurance agents from TrygVesta will also write individual policies and agreements for associations, clubs and unions under DGI and DIF.

TrygVesta in Norway launched a new type of travel insurance for singles on 1 March 2005. The new policy was well received by the Norwegian market, where some 750,000 persons live alone.

In April 2005, TrygVesta announced that it would become part of House of Cars in Silkeborg as from 1 January 2006. House of Cars is the biggest of its kind in Europe, and new and used cars of many different makes are sold under one roof. It is a marketplace offering up to 1,000 cars for sale on a current basis, and it is an obvious place for an insurance company to be present. TrygVesta will move the nine employees currently located at the

service centre in Silkeborg into House of Cars. The car supermarket will be an attractive alternative for many of TrygVesta's existing and future Danish customers.

In connection with Vesta's 125th anniversary in April 2005, TrygVesta invested NOK 5m in promoting peace of mind for Norwegians: The Night Owls institution was set up and was donated NOK 2m, and TrygVesta Charitable Foundation was set up with an initial capital of DKK 3m.

On 2 May 2005, TrygVesta's logo in Norway was changed to the red TrygVesta colour. The Vesta logo thus demonstrates its affiliation with the Group, but without losing its local identity. At the same time, the warm red colour is a friendlier and perhaps more feminine colour which supports TrygVesta's vision of being seen as the leading peace-of-mind supplier in the Nordic region.

In Denmark, TrygVesta and Nordea Life & Pension recently took another step towards intensifying TrygVesta's sales of life and pension insurance in an effort to set the agenda also in this respect: *Startpension*, a new comprehensive product package, was launched. The package includes death, critical illness and disability cover as well as health insurance and pension savings. The price and cover of the *Startpension* package is available in small, medium and large, it has a simple structure and is easy to understand.

Possible listing of TrygVesta

In April 2005, the Board of Representatives authorised the Supervisory Board of Tryg i Danmark smba to move ahead with an investigation into a possible IPO of TrygVesta. A listing would, among other benefits, strengthen the capital resources of both Tryg i Danmark smba and TrygVesta for the further consolidation of the Nordic insurance market. The final decision on whether to launch an IPO will be made in the second half of 2005.

Personal & Commercial Denmark

DKKm	Q1 2004	Q1 2005	2004
Gross earned premiums	1,459	1,555	5,942
Gross claims incurred	-1,080	-1,702	-4,376
Gross expenses	-262	-278	-1,057
Profit/loss on gross business	117	-425	509
Profit/loss on ceded business	-26	485	-101
Technical interest, net of reinsurance	13	36	116
Technical result	104	96	524
Key ratios			
Claims ratio	74.0	109.5	73.7
Reinsurance percent, net	1.7	-31.1	1.7
Gross claims ratio, net of ceded business	75.7	78.4	75.4
Gross expense ratio	18.0	17.9	17.8
Combined ratio	93.7	96.3	93.2
Operating ratio	92.9	94.0	91.4

The technical result of Personal & Commercial Denmark was a profit of DKK 96m in the first three months of 2005 against a profit of DKK 104m in the same period of 2004.

The very satisfactory technical result was attributable to a favourable claims performance despite the impact of DKK 635m which the storm in January had on claims, and of which the share payable by Personal & Commercial Denmark, net of reinsurance, was DKK 85m. The positive underlying development was due to the combined effects of prior years' targeted profitability-enhancing measures and a generally positive claims level in virtually all areas, and, in particular, for motor insurance.

The positive underlying development of the technical result is reflected in a combined ratio of 96.3 in the first three months of 2005 of which 8.2 points were attributable to the impact of the storm in Denmark in January.

Gross earned premiums amounted to DKK 1,555m against DKK 1,459m in the same period of 2004, equal to an increase of 7%. This performance was very satisfactory and reflects, among other things, the effect of the dedicated sales organisation set up in connection with the establishment of the Nordic organisation.

The claims ratio in the first three months of 2005 was 109.5, which was an increase of 35.5 points relative to the same period of last year. This was due to the storm in January, which had an impact of around 40 points on the claims ratio. The reinsurance programme for the winter storm reduced the claims performance to 78.4, which was 2.7 points more than in

the first quarter of 2004. The effect of the storm on the combined ratio for Personal & Commercial Denmark was 8.2 points.

Apart from the storm in January, the quarter showed a generally good claims performance. This did not, however, apply to personal accident insurance, which continued to perform unsatisfactorily. Customers were given notice of average premium increases of 25% in 2004, and improvement is therefore expected. Developments are, however, followed closely.

The expense ratio in the first three months was 17.9, which was on a level with the same period of last year.

Personal & Commercial Norway

DKKm	Q1 2004	Q1 2005	2004
<i>DKK/NOK, rate, quarterly / annual average</i>	86.38	90.29	88.79
Gross earned premiums	1,065	1,119	4,435
Gross claims incurred	-907	-744	-2,696
Gross expenses	-252	-257	-1,013
Profit/loss on gross business	-94	118	726
Profit/loss on ceded business	-16	-19	-75
Technical interest, net of reinsurance	11	21	84
Technical result	-99	120	735
Key ratios			
Claims ratio	85.2	66.5	60.8
Reinsurance percent, net	1.5	1.7	1.7
Gross claims ratio, net of ceded business	86.7	68.2	62.5
Gross expense ratio	23.7	23.0	22.8
Combined ratio	110.4	91.2	85.3
Operating ratio	109.2	89.5	83.7

The technical result of Personal & Commercial Norway improved strongly and amounted to a profit of DKK 120m in the first three months of 2005 against a loss of DKK 99m in the same period of 2004, which was extremely satisfactory. The improvement was mainly attributable to a good claims performance for house insurance and, in particular, for motor insurance, and to favourable weather conditions. The marked improvement in relative terms reflects the fact that the result reported in the first quarter of last year was somewhat below the level that could be expected for a first quarter.

The positive development of the technical result is reflected in a combined ratio of 91.2 in the first three months of 2005, which was 19.2 points better than the combined ratio of 110.4 recorded in same period of 2004.

Gross earned premiums were DKK 1,119m against DKK 1,065m in the first quarter of 2004. The modest increase in earned premiums was attributable to a continued focus on profitable business and the competitive environment in the market.

The claims ratio was 66.5 in the first quarter of 2005, which was 18.7 points better than the claims ratio of 85.2 recorded in the same period of last year. As described above, the positive development was mainly attributable to a marked improvement of the claims performance for motor and house insurance.

The expense ratio was 23.0, which was a reduction of 0.7 points relative to the first three months of 2004. The reduction was attributable to continued focus on restraint and efficiency enhancements, and exploitation of synergies in the Group.

Corporate

DKKm	Q1 2004	Q1 2005	2004
<i>DKK/NOK, rate, quarterly / annual average</i>	86.38	90.29	88.79
Gross earned premiums	1,234	1,139	4,801
Gross claims incurred	-779	-883	-3,431
Gross expenses	-164	-143	-582
Profit/loss on gross business	291	113	788
Profit/loss on ceded business	-85	-32	-549
Technical interest, net of reinsurance	-3	2	104
Technical result	203	83	343
Key ratios			
Claims ratio	63.1	77.5	71.5
Reinsurance percent, net	6.9	2.8	11.4
Gross claims ratio, net of ceded business	70.0	80.3	82.9
Gross expense ratio	13.3	12.6	12.1
Combined ratio	83.3	92.9	95.0
Operating ratio	83.5	92.7	93.0

The technical result of Corporate was DKK 83m, which was DKK 120m less than in the first quarter of 2004. The combined ratio in the first quarter of 2005 was a very satisfactory 92.9 despite the storm that hit Denmark in January. It should be noted in this connection that the combined ratio in the first quarter of 2004 was unusually low.

Gross earned premiums were DKK 1,139m against DKK 1,234m in the first quarter of 2004. Gross earned premiums in Denmark were reduced by 9%, of which the transfer of the aviation portfolio to an independent company and the full effect of the introduction of net pricing to customers served by brokers equalled 2%. The reduction was 6% in Norway. The development of premiums was attributable to TrygVesta's continued focus on profitable business – involving that customer groups have been phased out over the past few years or presented with a requirement for increased safeguards and deductibles – and intensified competition in the market. Moreover, several corporate customers have opted to increase their deductible in return for a premium reduction. TrygVesta's strategy is to maintain the profitable level established through targeted efforts in recent years.

The claims ratio in the first quarter of 2005 was 77.5, or 14.4 points higher than in the first quarter of 2004, which reported an unusually low claims ratio. The underlying development was extremely positive and attributable to initiatives within personal accident insurance in the Norwegian part of the corporate business and to measures launched in prior years. The storm that hit Denmark in January had an effect of DKK 100m on gross claims. The effect of the storm on the combined ratio for Corporate was 2.0 points.

As a result of tight cost management and continued focus on efficiency enhancements and exploitation of synergies, the expense ratio was 12.6, which was a reduction of 0.7 points relative to the first three months of 2004 despite lower earned premiums.

Finnish general insurance

DKKm	Q1 2004	Q1 2005	2004
<i>DKK/EUR, rate, quartely / annual average</i>	744.87	744.09	743.99
Gross earned premiums	20	30	97
Gross claims incurred	-19	-26	-73
Gross expenses	-16	-17	-71
Profit/loss on gross business	-15	-13	-47
Profit/loss on ceded business	0	0	0
Technical interest, net of reinsurance	1	1	2
Technical result	-14	-12	-45
Key ratios			
Claims ratio	94.0	84.5	75.3
Reinsurance percent, net	0.3	0.2	0.2
Gross claims ratio, net of ceded business	94.3	84.7	75.5
Gross expense ratio	81.7	55.4	73.0
Combined ratio	176.0	140.1	148.5
Operating ratio	171.6	137.1	145.3

Gross earned premiums in Nordea Vahinkovakuutus increased significantly and were 50% up on the same period of last year. As was expected, the company reported a negative technical result of DKK 12m in the first three months of 2005, which was an improvement of DKK 2m relative to the same period of 2004.

Sales through Nordea's branches continued to report marked improvement, and the claims ratio was a fair 84.5, an improvement of almost 10 points relative to the same period of last year. The expense ratio was reduced by 26.3 points to 55.4.

Discontinued and divested activities

The technical result of business in run-of was a loss of DKK 15m in the first three months of 2005, mainly attributable to costs in connection with the run-of of the portfolio in Chevanstell Ltd.

A change has been made in this interim report relative to TrygVesta's annual report 2004 to the effect that Tryg-Baltica International (Tbi), Tryg Polska in Poland and Nordicum Kindlustus in Estonia, which were divested in 2004, are now included in "Discontinued and divested activities". In this interim report, figures for the first quarter of 2004 and for the year 2004 have been restated to be comparable with the 2005 figures. In respect of the first quarter of 2004, this resulted in a reduction of gross earned premiums of DKK 298m, a reduction of the technical result of DKK 1m, and an improvement of the combined ratio of 0.5 point.

Investment activities

DKKm	Q1	Q1	2004	Assets	
	2004	2005		31.03.2005	31.12.2004
Denmark	230	201	803	17,582	16,251
Norway	109	99	396	13,194	12,563
TrygVesta A/S	1	1	4	62	109
Total	340	301	1,203	30,837	28,923
Other financial income and expenses *)	-81	83	-155		
Total investments	259	384	1,048		
Transferred to technical interest	-130	-154	-639		
Investment income	129	230	409		
Discontinued and divested activities	5	-3	-7	659	745

*) Including unwinding effect of insurance provisions.

TrygVesta generated a total profit on investment activities of DKK 301m before other financial income and expenses and before transfer of technical interest, equal to a return of 1.0% in the first three months of 2005, which was above the benchmark. Investment income before other financial items was slightly below the level of the first three months of 2004, while investment income after financial items was slightly above the level of the same period of 2004. The item "Other financial income and expenses" includes the effect of discounting the technical provisions, which was DKK 100m in the first quarter of 2005 against a negative DKK 73m in the first quarter of 2004 together with a one-off amount of DKK 113m due to a changed accounting estimate for discounting of workmen's compensation in compliance with the adoption of new accounting rules.

The return on the overall bond portfolio in TrygVesta was DKK 154m, equal to 0.6%, while shares and real property yielded returns of DKK 112m and DKK 34m, respectively, equal to 3.1% and 1.7%. Danish and Norwegian shares, in particular, yielded good returns in the first quarter of 2005. Bonds account for 82% of total investments, while shares and real property make up the rest.

Since 31 March 2005, disappointing key indicators have caused 2-year market yields to fall slightly in the principal markets. The broad US and European share indices have fallen by some 0.7%, while the Norwegian share market fell by 1.9%, displaying greater weakness. Danish shares rose by 0.2%. Overall, TrygVesta's return has increased by around DKK 95m from the end of the quarter to 6 May 2005.

Outlook

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 first quarter results were better than expected due, in particular, to the effect of prior years' initiatives and a low number of large claims, and this triggered the upgrade of the full-year 2005 forecast.

The Group upgrades its full-year forecast for 2005 for profit before tax by DKK 100m to DKK 1,700m. The corresponding figure for 2004 was DKK 1,939m. The forecast assumes an unchanged level of interest rates and stable equity markets from 31 December 2004.

TrygVesta forecasts the combined ratio for 2005 to be around 90-94 with an expectation of 92. The 2005 forecast 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 performance 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 investment result reflects 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.

Adjusted performance forecast for 2005

DKKm	Actual 2004	New reporting standard		
		Estimate 2005	Positive Negative scenario scenario	
Technical result	1,557	1,425	1,700	1,100
Investment income	409	300		
Profit before tax	1,940	1,700		
Combined ratio	91.8	92	90	94

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%, Enter of Norway, Danish guarantee insurer Dansk Kaution and a rapidly growing branch in Finland.

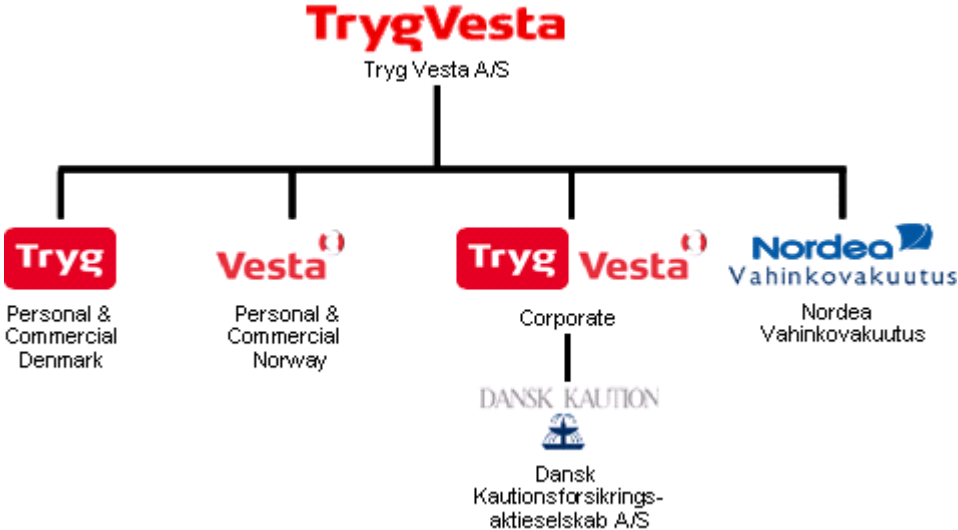
TrygVesta has a strong strategic partnership with Nordea. The bank sells TrygVesta's general insurance products, while TrygVesta sells Nordea's life and pension products. Moreover, Nordea Asset Management is TrygVesta's portfolio manager. TrygVesta furthermore has a partnership with CSC, which handles TrygVesta'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 3,700 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 15.3bn annually. Its employees processed more than 500,000 claims and paid claims in the amount of more than DKK 10bn in 2004.

Organisation – Simplified legal structure



Financial calendar

Financial results for the six months ended 30 June 2005:	25 August 2005
Financial results for the nine months ended 30 September 2005:	16 November 2005

Financial highlights and key ratios by geography

DKKkm	Q1 2004	Q1 2005	2004
The Group			
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Number of full-time employees at the end of the period, continued business	3,725	3,659	3,728
Danish general insurance			
Gross earned premiums	2,144	2,177	8,525
Technical result	159	87	722
Profit on investments	93	121	375
Other income	17	20	76
Other expenses	-16	-20	-72
Profit for the period before tax	253	208	1,101
Key ratios			
Claims ratio	75.2	104.7	73.6
Reinsurance percent, net	1.8	-24.4	3.5
Gross claims ratio, net of ceded business	77.0	80.3	77.1
Gross expense ratio	16.3	16.6	16.3
Combined ratio	93.3	96.9	93.4
Operating ratio	92.6	96.0	91.7
Number of full-time employees at the end of the period	2,240	2,167	2,223
Norwegian general insurance			
Gross earned premiums	1,614	1,636	6,653
Technical result	49	212	880
Profit on investments	43	117	65
Other income	11	14	45
Other expenses	-10	-13	-43
Profit for the period before tax	93	330	947
Key ratios			
Claims ratio	71.5	64.2	63.5
Reinsurance percent, net	5.4	6.0	6.4
Gross claims ratio, net of ceded business	76.9	70.2	69.9
Gross expense ratio	20.3	19.3	18.9
Combined ratio	97.2	89.5	88.8
Operating ratio	96.9	87.3	87.0
Number of full-time employees at the end of the period	1,443	1,443	1,454

DKKm	Q1 2004	Q1 2005	2004
Finnish general insurance			
Gross earned premiums	20	30	97
Technical result	-14	-12	-45
Loss on investments	0	0	-2
Loss for the period before tax	-14	-12	-47
Key ratios			
Claims ratio	94.0	84.5	75.3
Reinsurance percent, net	0.3	0.2	0.2
Gross claims ratio, net of ceded business	94.3	84.7	75.5
Gross expense ratio	81.7	55.4	73.0
Combined ratio	176.0	140.1	148.5
Operating ratio	171.6	137.1	145.3
Number of full-time employees at the end of the period	42	49	51
TrygVesta A/S (parent company)			
Loss on investments (excluding subsidiaries)	-7	-8	-29
Other expenses	-7	-5	-32
Loss for the period before tax	-14	-13	-61
Discontinued and divested business *)			
Gross earned premiums	337	-10	1,065
Technical result	-4	-15	-74
Profit/loss on investments	5	-3	-7
Profit/loss for the period before tax	1	-18	-81
Number of full-time employees at the end of the period	681	34	34

*) Chevanstell Ltd. and other insurance and TBi, Tryg Polska and Nordicum Kindlustus.

New accounting rules

Accounting policies

TrygVesta has changed its accounting policies to comply with IFRS (International Financial Reporting Standards) effective from 1 January 2005. The comparative figures for 2004 have been restated accordingly. For transition purposes, the Group applies IFRS 1 on first-time adoption of IFRS.

The annual report 2005 will contain a detailed description of the accounting policies in compliance with IFRS and reconciliations in compliance with IFRS 1.

Effects on the financial statements of the changed accounting policies on adoption of IFRS

Recognition and measurement

The principal changes in recognition and measurement on adoption of IFRS are presented below.

Equalisation provisions

IFRS do not allow equalisation provisions. 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 for annuities in Denmark made up at basic interest rates of 2.00% and 2.75%, respectively
- equalisation of storm and large losses.

Equalisation provisions relating to the difference between the basic rates 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 the Group's equity after deduction of deferred tax.

Discounting of provisions for claims

Provisions for claims are discounted if such discounting is material. Discounting is based on a discount rate reflecting duration (yield curve) applied to the expected future payments from the provision.

Discounting will affect the motor liability, professional liability and personal accident classes, in particular. Provisions for annuities in workmen's compensation are still discounted using a fixed-rate method at real interest rates of 2% and 2.75%, respectively.

The combined ratio has been made up in compliance with IFRS, which requires claims to be discounted in the income statement. If such discounting had been recognised in the income statement under technical interest, the combined ratio for the first quarter of 2005 would

have been 97.4, while the overall result would have been largely unchanged.

Provision for claims handling costs

Provisions for claims include a best-estimate provision to cover direct and indirect costs in connection with run-off on the provisions for claims. Such costs were previously expensed as incurred.

Pension liability

TrygVesta has applied IAS 19 retroactively from 1 January 2004. Accordingly, the defined benefit plan in Vesta Forsikring AS is measured based on an actuarial calculation of the value in use of future benefits payable under the plan made up in accordance with the assumptions ruling on the balance sheet date. The plan was previously measured at an estimated market value using Norwegian assumptions relating to long-term economic developments.

Dividend

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

Employee benefits

IFRS requires provisions to be established for short-term as well as long-term employee benefits. In addition to the pension liability referred to above, TrygVesta mainly provides for anniversary awards and pension benefits. Such costs were previously expensed as incurred.

Deferred tax

In compliance with IAS 12, TrygVesta recognises deferred tax on contingency fund provisions in Norway and Denmark in the consolidated financial statements.

However, whether deferred tax must be provided in respect of such provisions under the Danish rules is still subject to uncertainty. The Danish Financial Supervisory Authority has not yet made a final decision on whether to change the Danish accounting rules.

Under IFRS, provisions for deferred tax and tax assets are not recognised on a discounted basis.

Owner-occupied properties

Owner-occupied properties are recognised at a revalued amount. They were previously recognised at market value. In compliance with IAS 16, revaluations are taken directly to equity, and depreciation is allocated over the asset's useful life to expected scrap value.

Presentation

The principal changes in presentation on adoption of IFRS are set out below.

Direct and indirect claims handling costs are recognised in claims incurred

Claims incurred 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.

Technical interest

Technical interest is entered as a calculated return on the year's average technical provisions, net of reinsurance. The interest rate applied is based on the duration of the provisions for claims. Previously, technical interest was calculated applying an interest rate equal to the pre-tax yield to maturity on all bonds with a term to maturity of less than three years.

Technical interest is reduced by the part of the increase of the provisions which can be ascribed to discounting, see 'discounting of provisions for claims'.

Owner-occupied properties

It is no longer required to charge the estimated rent of own properties to insurance operating expenses. TrygVesta owns a few owner-occupied properties in Denmark relating to the decentralised organisation as well as the owner-occupied property in Norway.

Currency translation adjustments and market value adjustments

Currency translation differences and differences arising from changes in the discount rate applied are included as currency translation adjustments. Previously, differences arising from changes in the discount rate applied were included as movements in provisions for claims.

Capital gains and losses on repayment and redemption and capital gains on the sale of drawn bonds are included as market value adjustments. Previously, such amounts were presented as separate line items in the income statement.

Equity reconciliation at 1 January 2004 and 31 March 2004

DKKm	
Equity at 1 January 2004	5,360
IFRS adjustments:	
Equalisation provisions including Pool of Natural Perils	1,293
Provisions for claims	
Discounting	700
Claims handling costs	-444
Pension liabilities	-272
Dividend	50
Other items, including employee benefits etc.	-194
Tax on IFRS changes, including contingency fund provisions in Norway	-984
Equity at 1 January 2004 IFRS	5,509
Equity at 31 March 2004	5,585
IFRS adjustments:	
Equalisation provisions including Pool of Natural Perils	1,370
Provisions for claims	
Discounting	686
Claims handling costs	-459
Pension liabilities	-300
Dividend	50
Other items, including employee benefits etc.	-205
Tax on IFRS changes, including contingency fund provisions in Norway	-966
Equity at 31 March 2004 IFRS	5,761

Equity reconciliation at 1 January 2005

DKKm	
Equity at 1 January 2005	6,117
IFRS adjustments:	
Equalisation provisions including Pool of Natural Perils	1,411
Provisions for claims	
Discounting	708
Claims handling costs	-502
Pension liabilities	-347
Dividend	650
Other items, including employee benefits etc.	-196
Tax on IFRS changes, including contingency fund provisions in Norway	-1,039
Equity at 1 January 2005 IFRS	6,802

Income statement 2004

DKKm	2004 Previous policies	IFRS adjust- ments	2004 IFRS compliant
Gross earned premiums	15,273	-7	15,266
Gross claims incurred	-10,351	-220	-10,571
Gross expenses	-3,107	384	-2,723
Profit/loss on ceded business	-753	33	-720
Technical interest	495	-190	305
Change in equalisation provisions	-93	93	0
Profit/loss on investment activities	513	-105	408
Other income and expenses	-26	1	-25
Tax	-479	-45	-524
Profit/loss for the period, continuing business	1,472	-56	1,416
Key ratios			
Claims ratio	67.8	-1.5	69.3
Reinsurance percent, net	4.9	0.2	4.7
Gross claims ratio, net of ceded business	72.7	-1.3	74.0
Gross expense ratio	20.3	2.5	17.8
Combined ratio	93.0	1.2	91.8

Income statement for the three months ended 31 March 2005

DKKm	Q1 2004 Previous policies	IFRS adjust- ments	Q1 2004 IFRS compliant
Gross earned premiums	3,761	16	3,777
Gross claims incurred	-2,767	-19	-2,786
Gross expenses	-792	99	-693
Profit/loss on ceded business	-133	8	-125
Technical interest	82	-62	20
Change in equalisation provisions	-53	53	0
Profit/loss on investment activities	186	-57	129
Other income and expenses	-7	2	-5
Tax	-58	-7	-65
Profit for the period, continuing business	219	33	252
Key ratios			
Claims ratio	73.6	-0.2	73.8
Reinsurance percent, net	3.5	0.2	3.3
Gross claims ratio, net of ceded business	77.1	0.0	77.1
Gross expense ratio	21.1	2.8	18.3
Combined ratio	98.2	2.8	95.4

Income statement and balance sheet for TrygVesta

Income statement

DKKm	31.03.2004	31.03.2005	31.12.2004
General insurance			
<i>Earned premiums</i>			
Gross premiums written	5,783	5,408	15,015
Ceded reinsurance premiums	-519	-350	-1,596
Change in the gross provisions for unearned premiums	-1,991	-1,550	413
Change in the reinsurers' share of the provisions for unearned premiums	108	57	-51
Earned premiums, net of reinsurance	3,381	3,565	13,781
Technical interest, net of reinsurance	22	60	306
<i>Claims incurred</i>			
Gross claims paid	-2,594	-2,592	-9,444
Reinsurance recoveries	275	255	902
Change in the gross provisions for claims	-191	-763	-1,128
Change in the reinsurers' share of the provisions for claims	-44	456	-190
Claims incurred, net of reinsurance	-2,554	-2,644	-9,860
Bonus and premium rebates	-15	-15	-162
<i>Insurance operating expenses</i>			
Acquisition costs and administrative expenses	-694	-695	-2,723
Commission and profit commission from the reinsurers	54	16	215
Total insurance operating expenses, net of reinsurance	-640	-679	-2,508
Technical result	194	287	1,557
Investment activities			
<i>Income from investment assets</i>			
Income from investment property	24	26	91
Interest and dividends, etc.	189	288	834
Translation adjustment	77	99	251
Interest expenses	-20	-19	-74
Investment management charges	-11	-10	-54
Total return on investment activities	259	384	1,048
Return on insurance provisions	-130	-154	-639
Total return on investment activities after technical interest	129	230	409
Other income	28	34	121
Other expenses	-33	-38	-147
Profit before tax	318	513	1,940
Tax	-64	-164	-524
Profit on continued business	254	349	1,416
Loss on discontinued and divested business	-1	-18	-75
Profit for the period	253	331	1,341

Balance sheet

DKK m	31.03.2004	31.03.2005	31.12.2004
Assets			
Intangible assets	95	111	112
<i>Investment assets</i>			
<i>Land and buildings</i>			
Investment property	1,749	1,701	1,727
Owner-occupied property	268	275	273
Land and buildings	2,017	1,976	2,000
<i>Investments in associated undertakings</i>			
Equity investments in associated undertakings	14	28	28
Total investments in associated undertakings	14	28	28
<i>Other financial investment assets</i>			
Capital participation	3,032	3,685	3,105
Unit trust units	221	248	246
Bonds	20,915	26,255	25,259
Other loans	70	0	0
Deposits in credit institutions	148	146	116
Total other financial investment assets	24,386	30,334	28,726
Deposits with ceding undertakings, receivable	44	46	28
Total investment assets	26,461	32,384	30,782
<i>Reinsurers' share of technical provisions</i>			
Reinsurers' share of provisions for unearned premiums	425	271	212
Reinsurers' share of provisions for claims	3,109	3,568	3,080
Total reinsurers' share of technical provisions	3,534	3,839	3,292
<i>Amounts owing</i>			
<i>Amounts owing in relation to direct insurance contracts</i>			
Amounts owing from policyholders	1,646	1,582	817
Amounts owing from insurance brokers	307	89	119
Total amounts owing in relation to direct insurance contracts	1,953	1,671	936
Amounts owing from insurance enterprises	1,088	989	960
Amounts owing from subsidiary undertakings	0	5	0
Other amounts owing	392	541	437
Total amounts owing	3,433	3,206	2,333
<i>Other assets</i>			
Equipment	279	169	173
Cash in hand and at bank	461	713	490
Current tax asset	600	84	192
Assets relating to divested business	2,315	0	0
Other	16	4	9
Total other assets	3,671	970	864
<i>Prepayments and accrued income</i>			
Accrued interest and rent earned	229	263	383
Prepaid acquisition costs	20	6	0
Other prepayments and accrued income	62	71	58
Total prepayments and accrued income	311	340	441
Total assets	37,505	40,850	37,824

Balance sheet

DKKm	31.03.2004	31.03.2005	31.12.2004
Liabilities			
Shareholders' equity	5,761	7,141	6,802
Subordinate loan capital	700	700	700
<i>Provisions for insurance contracts</i>			
Premium provisions	6,923	7,054	5,037
Claims provisions	18,504	20,773	19,950
Provisions for bonuses and premium rebates	152	205	260
Other insurance provisions	43	0	1
Total provisions for insurance contracts	25,622	28,032	25,248
<i>Provisions</i>			
Pensions and similar obligations	424	548	528
Deferred tax liability	594	845	792
Other provisions	265	48	57
Total provisions	1,283	1,441	1,377
<i>Debt</i>			
Debt related to direct insurance	213	200	366
Debt related to reinsurance	588	457	485
Debt to credit institutions	601	1,152	609
Debt to subsidiary undertakings	9	0	37
Liabilities relating to divested business	1,709	0	0
Other debt	872	1,542	1,950
Total debt	3,992	3,351	3,447
Accruals and deferred income	147	185	250
Total liabilities	37,505	40,850	37,824

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

Income statement

DKKm	31.03.2004	31.03.2005	31.12.2004
Investment activities			
<i>Income from investment assets</i>			
Income from subsidiary undertakings	267	362	1,480
Interest and dividends, etc.	10	9	38
Translation adjustment	0	0	-1
Interest expenses	-15	-16	-63
Investment management charges	-1	-1	-3
Total return on investment activities	261	354	1,451
Other expenses	-6	-5	-32
Profit before tax	255	349	1,419
Tax	-1	0	-3
Profit on continued business	254	349	1,416
Loss on discontinued and divested business	-1	-18	-75
Profit for the period	253	331	1,341

Balance sheet

DKKm	31.03.2004	31.03.2005	31.12.2004
Assets			
<i>Investment in subsidiary and associated undertakings</i>			
Capital participation in subsidiary undertakings	5,561	7,048	7,330
Capital participation in subsidiary undertakings related to discontinued and divested business	784	88	105
Loans to subsidiary undertakings	600	600	600
Equity investments in associated undertakings	0	14	14
Total investments in subsidiary and associated undertakings	6,945	7,750	8,049
<i>Other financial investment assets</i>			
Bonds	119	526	77
Total other financial investment assets	119	526	77
Total investment assets	7,064	8,276	8,126
<i>Amounts owing</i>			
Amounts owing from subsidiary undertakings	8	652	0
Other amounts owing	0	0	16
Total amounts owing	8	652	16
<i>Other assets</i>			
Cash in hand and at bank	17	0	1
Deferred tax asset	5	3	3
Total other assets	22	3	4
<i>Prepayments and accrued income</i>			
Accrued interest and rent earned	1	1	2
Total prepayments and accrued income	1	1	2
Total assets	7,095	8,932	8,148
Liabilities			
Shareholders' equity	5,761	7,141	6,802
Subordinate loan capital	700	700	700
<i>Debt</i>			
Debt to credit institutions	601	600	601
Debt to subsidiary undertakings	13	11	33
Other debt	20	480	12
Total debt	634	1,091	646
Total liabilities	7,095	8,932	8,148

Movements in shareholders' equity

	Share capital	Reserve for foreign exchange adjustment	Equalisation reserve	Other provisions	Retained earnings	Proposed dividend	Total
Equity at 1 January 2005	1,700	0	189	715	3,548	650	6,802
Foreign exchange adjustment on translation of foreign subsidiaries		8					8
Profit/loss for the period				-4	335		331
Comprehensive income for the period		8		-4	335		339
Equity at 31 March 2005	1,700	8	189	711	3,883	650	7,141

Vesta Forsikring AS

NOKm	Q1 2004	Q1 2005	2004
Gross written premiums	2,829	2,817	7,422
Earned premiums net of reinsurance	1,523	1,677	6,157
Net financial income	135	125	419
Claims incurred net of reinsurance	-1,219	-1,102	-4,133
Insurance operating expenses net of reinsurance	-338	-402	-1,336
Operating profit	101	298	1,107
Contingency provisions etc.*)	-66	-33	-231
Profit for the period before tax	35	265	876
Balance sheet			
Technical provisions	13,635	14,345	13,207
Total shareholders' equity	961	1,562	1,380
Total assets	15,416	17,194	16,030
Key ratios			
Claims ratio	76.7	62.2	64.4
Reinsurance percent, net	4.1	5.7	6.2
Gross claims ratio, net of ceded business	80.8	67.9	70.5
Gross expense ratio	21.1	22.6	20.2
Combined ratio	101.9	90.5	90.8
Operating ratio	94.9	84.6	85.9
*) The amount comprises provisions for security, reinsurance and administration as well as funds for natural disasters and guarantees.			

The table presents the results 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.