Tryg Vesta Group

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Financial results
for the six months ended 30 June 2003

The Supervisory Board of Tryg Vesta Group A/S has considered the Tryg Vesta Group's interim report for the six months ended 30 June 2003. Highlights of the report are:

- Profit before tax and extraordinary expenses amounted to DKK 340m, an improvement of almost DKK 1.2bn compared with the first six months of 2002
- The technical result improved by more than DKK 500m
- The combined ratio improved by 12.3 percentage points to 104.1
- Investment income improved by DKK 643m to DKK 376m
- Premium income, net of reinsurance, increased by 13.4 per cent from DKK 6,243m to DKK 7,082m. The increase was attributable to the combined effect of premium increases and the customers' positive choice of the Group as their provider of insurance solutions and other related services
- The combined ratio for Tryg, the Group's Danish operations, improved by 12.5 percentage points from 109.9 to 97.4
- The combined ratio for Vesta, the Group's Norwegian operations, improved by 7.0 percentage points from 116.7 to 109.7

– The half-year results for the Tryg Vesta Group as a whole are satisfactory and prove that we are continuing along the right track, says Ms Stine Bosse, Group CEO. – We aim to be profitable and to consolidate our market and financial position, enabling us to maintain and develop our position as an important player within general insurance in the Nordic region.

Further information:
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Contents

Financial highlights and key ratios, Tryg Vesta Group

DKKm	H1 2003	H1 2002*)	FY 2002*)
Income statement			
Gross premiums earned	8,610	7,805	17,002
Premium income, net of reinsurance	7,082	6,243	13,311
Technical interest, net of reinsurance	342	472	922
Claims incurred, net of reinsurance	-5,460	-5,446	-11,308
Insurance operating expenses, net of reinsurance	-1,912	-1,818	-3,629
Change in equalisation provisions	-88	-18	-199
Technical result	**-36**	**-567**	**-903**
Profit/loss on investment activities before transfer to insurance activities	376	-267	-175
Profit/loss before extraordinary expenses and tax	**340**	**-834**	**-1,078**
Extraordinary items and minority interests	1	-956	-1,256
Tax	-116	198	243
Profit/loss for the period	**225**	**-1,592**	**-2,091**
Balance sheet			
Technical provisions, net of reinsurance	23,424	20,645	22,009
Total shareholders' equity	4,493	4,465	4,268
Total assets	32,175	27,678	30,305
Key ratios			
Claims ratio, net of reinsurance	77.1	87.3	85.0
Expense ratio, net of reinsurance	27.0	29.1	27.3
Combined ratio, net of reinsurance	104.1	116.4	112.3
Number of full-time employees	4,429	4,437	4,373

*) H1 2002 and FY 2002 figures are pro forma figures as the Tryg Vesta Group was established on 28 June 2002

Financial highlights and key ratios per business area

made up in accordance with generally accepted accounting principles in Denmark

DKKm	H1 2003	H1 2002	FY 2002
Danish general insurance			
Gross premiums earned	4,068	3,439	7,413
Technical result	157	-56	-156
Investment income	161	-94	-128
Profit/loss on ordinary activities before tax	318	-150	-284
Combined ratio	97.4	109.9	107.2
Norwegian general insurance			
Gross premiums earned	3,643	3,181	7,111
Technical result	-93	-217	-276
Investment income	204	-181	-54
Profit/loss on ordinary activities before tax	111	-398	-330
Combined ratio	109.7	116.7	111.1
TBi			
Gross premiums earned	615	915	1,927
Technical result	-44	-237	-312
Investment income	17	-3	-3
Loss on ordinary activities before tax	-27	-240	-315
Combined ratio	113.0	137.2	129.8
Finnish general insurance			
Gross premiums earned	24	4	21
Technical result	-28	-33	-66
Investment income	-1	0	-1
Loss on ordinary activities before tax	-29	-33	-67
Combined ratio	222.8	1,627.5	493.5
Polish general insurance			
Gross premiums earned	244	248	496
Technical result	-22	-13	-27
Investment income	13	11	31
Profit/loss on ordinary activities before tax	-9	-2	4
Combined ratio	115.7	112.1	111.7
Estonian general insurance			
Gross premiums earned	19	18	41
Technical result	0	-11	-13
Investment income	0	0	0
Profit/loss on ordinary activities before tax	0	-11	-13
Combined ratio	100.6	165.6	136.7
Tryg Vesta Group A/S (parent company)			
Technical result	-6	0	-53
Investment income (excluding subsidiaries)	-18	0	-20
Profit/loss on ordinary activities before tax	-24	0	-73
Group			
Gross premiums earned	8,610	7,805	17,002
Technical result	-36	-567	-903
Investment income	376	-267	-175
Profit/loss on ordinary activities before tax	340	-834	-1,078
Combined ratio	104.1	116.4	112.3

Review of the Tryg Vesta Group financial results

Financial results
The Tryg Vesta Group reported an aggregate profit on ordinary activities of DKK 340m before tax and extraordinary expenses, which was a marked improvement on the loss of DKK 834m reported for the first six months of 2002.

The Group's investments generated a profit of DKK 376m, which greatly influenced the results.

The technical result also improved considerably compared with the first six months of 2002. However, it amounted to a loss of DKK 36m, primarily attributable to a reduced technical interest caused by market conditions, and to extraordinary provisions for pension commitments to the employees in Norway.

The Group's overall combined ratio showed a satisfactory improvement of 12.3 percentage points compared with the first six months of 2002.

Premiums
The Group's total premium income, net of reinsurance, was 13.4 per cent higher than in the first six months of 2002. Premiums in Tryg and Vesta increased by 24.0 per cent and 16.2 per cent, respectively, while the planned reduction of TBi's premiums in London had a negative effect, as expected.

The effect of the premium increases implemented over the past year for personal and commercial customers materialised in 2003 both in Norway and Denmark, and the customers have maintained their policies with the Group despite the increases.

Claims
The Group's claims ratio fell by 10.2 percentage points relative to the first half of 2002. This very satisfactory performance was due, in particular, to a fall in Tryg's claims ratio of 10.3 percentage points and a fall in Vesta's claims ratio of 5.5 percentage points.

Costs
The Group's expense ratio fell by 2.1 percentage points. The fall was attributable to general cost constraints and synergies within the Group. Tryg's expense ratio fell by 2.2 percentage points, while that of Vesta fell by 1.5 percentage points.

Special events during the six-month period

Procurement in relation to claims
In February 2003, Tryg launched a new agreement for procurement in relation to claims in Denmark, providing savings for customers as well as the company in connection with claims

payments for car repairs. In Norway, Vesta is likewise in the process of optimising its procurement processes, and this work is carried out in a cross-cutting effort engaging the entire Group.

Enhanced profitability

In the first six months of 2003, Vesta focused on re-underwriting policies as part of the efforts to restore profitability. Significant premium increases were required, especially on certain commercial policies. At the same time, Vesta completely withdrew from insuring municipalities, a business that had been unprofitable for several years. In addition, Tryg introduced differentiated premium increases for various lines of business, especially on commercial policies, in order to improve profitability.

Health insurance

In April 2003, Tryg launched new options on its health policies. Employees with companies purchasing the optional cover will have access to preventive services such as psychological counselling, physiotherapy and chiropractic services, fitness centres and dieticians. The experience gained is used in the common development efforts launched in the Group.

IT

The Group focuses strongly on capitalising on synergies in the IT area. This is to be achieved through a common IT organisation, which was set up in March 2003 covering all the Group's companies. In May 2003, Tryg and CSC agreed that Tryg will outsource its IT operations to CSC as from 1 December 2003, initially for a period of five years. The partnership with CSC progresses as planned and will improve the quality, accessibility, reliability and speed of Tryg's IT system and provide operational savings. The practice of outsourcing will be extended to the entire Group, wherever it is considered financially feasible.

Customer handling

Both in Norway and Denmark, the Group operates the most advanced customer management system available, that is, the system from Siebel of the USA. Vesta launched the second stage of implementation of the system in the spring, using, among other things, the experience Tryg had already gained with the system.

Other synergies

A common investment policy has been created for Tryg and Vesta, which also cooperate in relation to reinsurance. Furthermore, Vesta's travel insurance customers are served by Tryg's alarm centre.

The Group's brands

Tryg and Vesta represent two very established and strong brands within general insurance for the Tryg Vesta Group.

In the summer of 2003, Vesta implemented a major campaign to profile the company, focusing on the company's lifebuoy trade mark. Vesta's red-and-white tradition-rich lifebuoy is one of Norway's best known and most respected trade marks. Since 1952, the company has distributed lifebuoys, which in an appropriate manner reflect the philosophy of insurance. The lifebuoys have helped save more than 1,000 people from drowning. Today, there are some 23,000 Vesta lifebuoys all over Norway, and the lifebuoy has become a national symbol.

In Denmark, the Tryg brand was relaunched in two very visible high-impact TV commercials.

Partnership with Nordea

The Tryg Vesta Group's partnership with Nordea continues its positive development. In the Finnish market, the partnership was extended in the spring to include all Nordea's three million Finnish customers. In Denmark, the two companies' collaboration on general insurance and life and pension products was supplemented by the establishment of Tryg health insurance for the bank's 8,700 employees in Denmark.

Capital structure

The Tryg Vesta Group's capital structure was strengthened during the first six months of 2003 as the Group's owners, Tryg i Danmark smba, decided to repay a bank loan of DKK 1.1bn. At the same time, the Group's corporate structure was changed to enable it to better utilise its total capital base and to make its financial situation more secure and predictable.

In order to further optimise the capital structure, the Tryg Vesta Group has decided to sell about half its portfolio of investment property over the next 12 months. Furthermore, distribution of dividends from the Group's guarantee insurance company, Dansk Kaution, will be increased, and the capital base will be supplemented by a DKK 600m loan in order to make the Group more flexible in terms of capital resources and further strengthen its liquidity.

Towards the end of the six-month period, Moody's Investors Service and Standard & Poor's confirmed their ratings of the Group of A3 and BBB (pi), respectively. When making their decisions, the rating bureaus emphasised the Group's strengthened capital base and commercial and organisational improvements.

Furthermore, A.M. Best confirmed its A rating of the TBi companies in the spring.

Management and organisation

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

In the six-month period, Vesta set up a new department to bring together the company's marketing, communication and social commitment resources. The aim is to strengthen development efforts in respect of Vesta's brand strategy and enhance the company's position in the Norwegian market for general insurance. The manager of the department is a member of the company's Executive Management, which was also strengthened with the appointment of a new manager of the sales division.

The Group is in the process of finding a permanent CEO of Finnish Nordea Vahinkovakuutus following the retirement of the former CEO at the end of May 2003.

As a consequence of the spin-off from Nordea, the Group's Polish general insurance company changed its name from Nordea Ubezpieczenia to Tryg Polska in March 2003.

Danish general insurance (Tryg)

including Dansk Kaution and Tryg Rejse og Sundhed

DKKm	H1 2003	H1 2002	FY 2002
Gross premiums earned	4,068	3,439	7,413
Premium income, net of reinsurance	3,680	2,968	6,317
Technical interest, net of reinsurance	110	185	337
Claims incurred, net of reinsurance	-2,772	-2,540	-5,325
Insurance operating expenses, net of reinsurance	-814	-722	-1,445
Change in equalisation provisions	-47	53	-40
Technical result	**157**	**-56**	**-156**
Key ratios			
Claims ratio, net of reinsurance	75.3	85.6	84.3
Expense ratio, net of reinsurance	22.1	24.3	22.9
Combined ratio, net of reinsurance	97.4	109.9	107.2
Number of full-time employees	2,281	2,416	2,324

Review of Danish general insurance

Financial results

Tryg's technical result amounted to a profit of DKK 157m, which was satisfactory compared with the loss of DKK 56m reported in the first six months of 2002.

The combined ratio fell by 12.5 percentage points over a period of 12 months due to improvements in the personal as well as the commercial customer operations with respect to both claims and expenses.

Premiums

Premium income, net of reinsurance, was 24.0 per cent higher than in the first six months of 2002.

The effect of last year's premium increases on personal, commercial and industrial policies materialised in 2003, and the customers have maintained their policies with Tryg despite the increases.

Sales of motor insurance developed satisfactorily, as did insurance sales to commercial customers.

Sales of health insurance have increased by 66.4 per cent since 1 January, not least thanks to the agreement with Nordea to establish health insurance for the bank's 8,700 employees in Denmark.

Claims

The claims performance was very positive, and the claims ratio fell by 10.3 percentage points compared with the first six months of 2002. Personal customers had fewer, but more expensive losses, while commercial customers avoided large losses and windstorm losses.

Costs

Costs also developed positively, and the expense ratio fell by 2.2 percentage points compared with the first six months of 2002. The lower costs were primarily due to the planned reduction in the number of employees, which has now been implemented by leaving a number of vacant positions unfilled.

The lower costs are also reflected in the fact that the portfolio per employee in Tryg's business areas at 30 June 2003 was DKK 4.74m, whereas it was DKK 3.98m at 30 June 2002.

Norwegian general insurance (Vesta)

made up in accordance with generally accepted accounting principles in Denmark

NOKm	H1 2003	H1 2002	FY 2002
Gross premiums earned	3,763	3,298	7,196
Premium income, net of reinsurance	2,867	2,467	5,229
Technical interest, net of reinsurance	208	246	499
Claims incurred, net of reinsurance	-2,316	-2,131	-4,484
Insurance operating expenses, net of reinsurance	-826	-748	-1,326
Change in equalisation provisions	-28	-61	-201
Technical result	**-95**	**-227**	**-283**
Key ratios			
Claims ratio, net of reinsurance	80.9	86.4	85.8
Expense ratio, net of reinsurance	28.8	30.3	25.3
Combined ratio, net of reinsurance	109.7	116.7	111.1
Number of full-time employees	1,410	1,314	1,342

Review of Norwegian general insurance

Financial results

Vesta's technical result amounted to a loss of NOK 95m, which was an improvement of NOK 132m compared with the first six months of 2002.

The combined ratio fell by 7.0 percentage points to 109.7. The improvement was primarily attributable to the claims performance, while expenses increased by provisions for pension commitments.

Premiums

Premium income, net of reinsurance, was 16.2 per cent higher than in the first six months of 2002, primarily due to premium increases for personal and commercial customers. The increases were generally widely accepted by the customers.

Vesta also saw a good inflow of new personal customers, as some 10,000 new personal customers were added to the portfolio during the first six months of 2003.

Claims

The claims ratio fell by 5.5 percentage points compared with the first six months of 2002, which was satisfactory. Among the factors contributing to the fall were fewer claims on motor and travel insurance and on commercial customers' buildings insurance.

Costs
The expense ratio fell by 1.5 percentage points compared with the first six months of 2002. The modest fall was primarily caused by additional provisions of NOK 114m in respect of pension commitments to the employees necessitated by the low rates of interest, which caused the expense ratio to increase by 3.9 percentage points. The Norwegian pension system guarantees employees a fixed monthly retirement benefit, and accordingly the company's pension contributions to employees vary in line with interest rates.

Tryg-Baltica international (TBi)

DKKm	H1 2003	H1 2002	FY 2002
Gross premiums earned	615	915	1,927
Premium income, net of reinsurance	424	721	1,457
Technical interest, net of reinsurance	25	43	80
Claims incurred, net of reinsurance	-303	-727	-1,303
Insurance operating expenses, net of reinsurance	-176	-262	-588
Change in equalisation provisions	-14	-12	42
Technical result	**-44**	**-237**	**-312**
Key ratios			
Claims ratio, net of reinsurance	71.4	100.8	89.4
Expense ratio, net of reinsurance	41.6	36.4	40.4
Combined ratio, net of reinsurance	113.0	137.2	129.8
Number of full-time employees	107	103	105

Review of Tryg-Baltica international (TBi)

Financial results

The technical result of TBi amounted to a loss of DKK 44m in the first six months of 2003. The loss was made up of a DKK 55m profit for TBi in Denmark and a DKK 99m loss for TBi in the UK. TBi's reinsurance operations were profitable, while the direct London Market business generated a loss.

Premiums

Premium income, net of reinsurance, was reduced, as planned, by just over 40 per cent compared with the first six months of 2002.

TBi in Denmark had premium income, net of reinsurance, of DKK 283m, which was 7 per cent less than in the first six months of 2002. TBi in the UK had premium income, net of reinsurance, of DKK 141m, which was 66 per cent less than in the first six months of 2002.

The lower premium income was primarily attributable to TBi phasing out selected business areas in the UK.

Claims

The claims ratio fell by 29.4 percentage points compared with the first six months of 2002.

Reinsurance business written from Denmark performed well in the first six months of 2003 without any large single losses.

Costs
The expense ratio increased by 5.2 percentage points compared with the first six months of 2002.

Although administrative as well as commission expenses were reduced, the business volume was cut back to such an extent that the expense ratio increased.

Finnish general insurance (Nordea Vahinkovakuutus)

made up in accordance with generally accepted accounting principles in Denmark

EURm	H1 2003	H1 2002	FY 2002
Gross premiums earned	3	1	3
Premium income, net of reinsurance	3	1	2
Technical interest, net of reinsurance	0	0	0
Claims incurred, net of reinsurance	-3	-1	-2
Insurance operating expenses, net of reinsurance	-4	-4	-9
Change in equalisation provisions	0	0	0
Technical result	**-4**	**-4**	**-9**
Key ratios			
Claims ratio, net of reinsurance	88.6	197.1	104.3
Expense ratio, net of reinsurance	134.2	1,430.4	389.2
Combined ratio, net of reinsurance	222.8	1,627.5	493.5
Number of full-time employees	43	21	35

Review of Finnish general insurance

Financial results

The technical result of Nordea Vahinkovakuutus was in line with that of the first six months of 2002.

Premiums

Premium income, net of reinsurance, was EUR 2m higher than in the first six months of 2002. In the middle of the six-month period, the company began selling to new customer groups in Nordea, which contributed to increasing sales in May and June. Since the Finnish operations were established in the summer of 2000, the company has had Nordea Bank Finland’s 800,000 socalled core customers on its list of prospects. At the end of March, the customer base was extended to include all the bank’s approximately 3 million customers in Finland.

Claims

The claims ratio of 88.6 marked a fall of more than 50 per cent from the 197.1 recorded in the first six months of 2002. The Finnish branch is still in a start-up phase which, as expected, resulted in premium income last year being significantly lower than claims paid. This year, the relationship is more balanced.

Costs

The expense ratio of 134.2 marked a considerable fall from the 1,430.4 recorded in the first six months of 2002. As for the claims ratio, the reason for the high expense ratio is that the Finnish operations are in a start-up phase.

Polish general insurance (Tryg Polska)
made up in accordance with generally accepted accounting principles in Denmark

PLNm	H1 2003	H1 2002	FY 2002
Gross premiums earned	139	121	256
Premium income, net of reinsurance	92	76	165
Technical interest, net of reinsurance	2	3	5
Claims incurred, net of reinsurance	-62	-49	-106
Insurance operating expenses, net of reinsurance	-44	-36	-78
Change in equalisation provisions	0	0	0
Technical result	**-12**	**-6**	**-14**
Key ratios			
Claims ratio, net of reinsurance	67.1	64.0	64.0
Expense ratio, net of reinsurance	48.6	48.1	47.7
Combined ratio, net of reinsurance	115.7	112.1	111.7
Number of full-time employees	515	494	495

Review of Polish general insurance

Financial results
The technical result of Tryg Polska was PLN 6m lower than in the first six months of 2002, while the combined ratio was 3.6 percentage points higher.

Premiums
Premium income, net of reinsurance, was PLN 16m higher than in the first six months of 2002. During the latter part of the six-month period, insurance sales began to pick up even stronger than in the first three months of 2003.

Claims
The claims ratio increased by 3.1 percentage points relative to the first half of 2002. In the six-month period, premium increases of 50 per cent were implemented for motor comprehensive coverage, and the company stopped selling certain types of insurance because they were affected by too many losses.

Costs
The expense ratio increased by 0.5 percentage point, primarily due to commissions paid to the insurance agents selling Tryg Polska policies.

Estonian general insurance (Nordea Kindlustus)

made up in accordance with generally accepted accounting principles in Denmark

EEKm	H1 2003	H1 2002	FY 2002
Gross premiums earned	40	39	87
Premium income, net of reinsurance	35	35	79
Technical interest, net of reinsurance	1	1	2
Claims incurred, net of reinsurance	-21	-41	-64
Insurance operating expenses, net of reinsurance	-15	-17	-44
Change in equalisation provisions	0	0	0
Technical result	**0**	**-22**	**-27**
Key ratios			
Claims ratio, net of reinsurance	59.9	119.0	81.5
Expense ratio, net of reinsurance	40.7	46.6	55.1
Combined ratio, net of reinsurance	100.6	165.6	136.6
Number of full-time employees	73	89	79

Review of Estonian general insurance

Financial results

The technical result of Nordea Kindlustus was EEK 22m higher than in the first six months of 2002. The combined ratio also improved significantly.

Premiums

Premium income was in line with last year.

Compulsory motor policies continued to make up a large part of Nordea Kindlustus' portfolio. However, the proportion fell to below 80 per cent of the portfolio during the first six months of 2003, and it continues to fall.

Claims

The claims ratio fell by almost 50 per cent relative to the first six months of 2002, primarily because there were fewer losses in the first six months of 2003.

Costs

The expense ratio improved by almost 6 percentage points relative to the first six months of 2002, primarily due to a change of Estonian law, which reduced the fixed administrative expenses on motor policies significantly.

Investment activities

DKKm	H1 2003	H1 2002	FY 2002
Investment income			
Danish general insurance	316	117	278
Norwegian general insurance	432	57	463
Tryg-Baltica international	43	41	79
Polish general insurance	16	17	42
Estonian general insurance	0	0	0
	807	232	862
Tryg Vesta Group A/S	-18	0	-20
Total investment income	**789**	**232**	**842**
Technical interest transferred	-413	-499	-1,017
Profit/loss on investment activities	**376**	**-267**	**-175**

DKKm	30 June 2003	30 June 2002	31 Dec. 2002
Investment assets			
Danish general insurance	11,855	9,859	10,379
Norwegian general insurance	10,587	9,372	10,640
Tryg-Baltica international	1,822	1,616	1,931
Polish general insurance	414	424	435
Estonian general insurance	30	32	27
	24,708	21,303	23,412
Tryg Vesta Group A/S	-322	-	-298
Investment assets	**24,386**	**21,303**	**23,114**

Review of investment activities

Highlights
Highlights of the Tryg Vesta Group's investments activities in the first six months of 2003:

- The Group generated total investment income of DKK 376m
- Lower interest rates resulted in higher-than-expected capital gains on bonds
- The Group's total investment return was 3.4 per cent
- It was resolved to sell about half of the Group's portfolio of investment property

Financial results
The Tryg Vesta Group recorded a gain of DKK 376m on investment activities after transfer to insurance activities in the first six months of 2003 against a loss of DKK 267m in the first six

months of 2002, equivalent to an improvement of DKK 643m. In the six-month period, the financial markets were impacted by the war in Iraq, and when the war ended, equities rose while interest rates declined due to the risk of deflation. The Danish two-year yield fell by 0.6 percentage point during the period. The falling rates resulted in higher-than-expected capital gains on bonds, while also reducing the amount transferred to technical interest.

The result before transfer of technical interest including loans etc. was DKK 789m. This figure represents an improvement of DKK 557m compared with the first six months of 2002 and a return of 3.4 per cent. In particular, the Tryg Vesta Group’s large bond portfolio made a positive contribution of DKK 614m, equivalent to 3.8 per cent. Investment property and equities also yielded positive returns of DKK 116m and DKK 62m, respectively, equivalent to 3.8 per cent and 3.9 per cent, respectively.

At 30 June 2003, total investment assets amounted to approximately DKK 24.4bn. Interest-bearing assets accounted for 81 per cent of investment assets while investment property and equities made up 13 per cent and 6 per cent, respectively. Interest-bearing investment assets focus on short-term, highly liquid bonds, and primarily comprise mortgage bonds, government bonds and money market deposits. The duration of the Tryg Vesta Group’s interest-bearing portfolio was 2.0 years at 30 June 2003.

The equity strategy was changed and aligned for Tryg and Vesta, creating a single strategy for international equities by providing an indexed European/US mandate, and changing the ratio of domestic to international equities from 45/55 at 31 December 2002 to 20/80 at 30 June 2003. The volume of domestic equities was reduced to make the Group less dependent on individual equities and to improve portfolio liquidity.

Danish general insurance

The investment activities in Danish general insurance (Tryg) recorded a profit of DKK 316m, equivalent to a return of 2.9 per cent. Total investment assets at 30 June amounted to DKK 11.9bn, most of which – a total of DKK 8.3bn – was placed in Danish and international bonds. Danish general insurance also has a large portfolio of investment property, which had a value of DKK 2.5bn at 30 June 2003. It has been decided to reduce this portfolio by around 50 per cent. The equity portfolio amounted to DKK 987m.

Norwegian general insurance

Norwegian general insurance (Vesta) reported investment income of DKK 432m, equivalent to a return of 4.1 per cent. The healthy return was attributable to the high Norwegian interest rates, which remained higher than the Danish level at 30 June 2003 despite a fall of some 2 percentage points during the six-month period. Investment assets amounted to DKK 10.6bn at 30 June and primarily comprised interest-bearing securities while focusing particularly on the Norwegian money market. Interest-bearing assets amounted to DKK 9.5bn, equivalent to approximately 90 per cent, while investment property and equities accounted for approximately DKK 700m and DKK 400m, respectively.

Other companies

The remaining part of the Tryg Vesta Group's investments were held by the subsidiaries operating in Denmark, the UK, Poland and Estonia. These companies recorded an aggregate investment income of DKK 59m, and had investment assets worth almost DKK 2.3bn. All investments were short-term, high-security bonds or money market deposits. The holding company Tryg Vesta Group A/S had investment assets as well as loans.

Outlook

Based on the satisfactory results for the first six months of the year, the Tryg Vesta Group expects a satisfactory result of ordinary activities before tax for the full year 2003.

In the annual report for 2002, the Group forecast a combined ratio of 102 in 2004 and of 100 in 2005. In view of the improvements achieved, the Group maintains these forecasts.

The reduced technical interest caused by market conditions and the increased provisions for pension commitments in Vesta affect the expectations for the Group's technical result for 2003. The Group still forecasts a positive result, but at a lower level than the originally announced forecast of approximately DKK 300m.

Denmark
Tryg's net combined ratio is expected to improve by up to 2 percentage points compared with the original forecast of 102 for the full year 2003.

Norway
Due to the increased pension commitments in Norway, Vesta's net combined ratio for 2003 is expected to be slightly higher than the original forecast of 105.

Tryg-Baltica international
Tryg-Baltica international (TBi) still expects premium income for 2003 to be significantly lower than the 2002 level following the phase-out of selected TBi business areas in the UK.

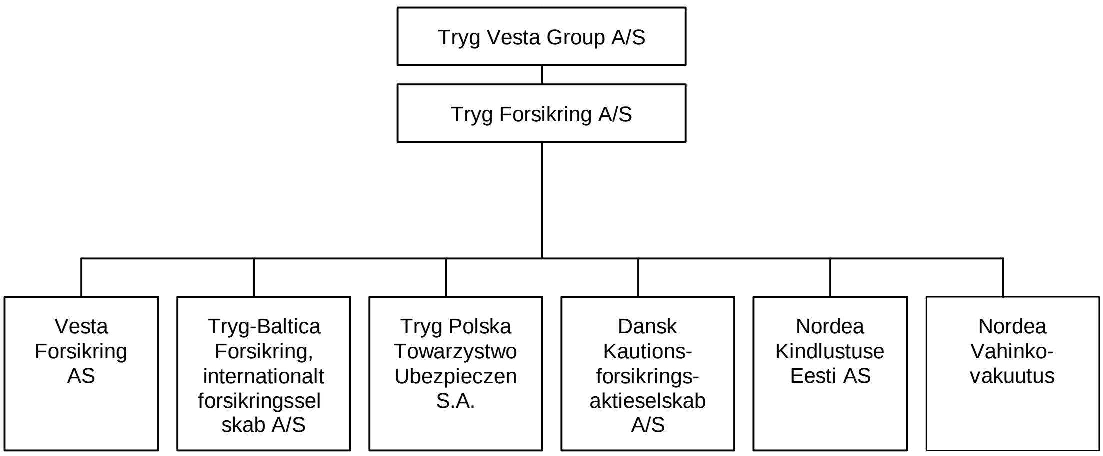
Facts about the Tryg Vesta Group

The Tryg Vesta Group comprises Tryg, Denmark's largest general insurer with a market share of just over 22 per cent, Vesta, Norway's third largest insurer with a market share of almost 21 per cent, the reinsurer Tryg-Baltica international (Denmark and the UK), Dansk Kaution and Tryg Polska (Poland). The Group also operates in Estonia (Nordea Kindlustus) and has a fast-growing branch in Finland. The Tryg Vesta Group serves some 2 million personal customers and 250,000 commercial customers and has 4,400 employees.
Read more at www.trygvesta.com.

Facts about Tryg
Tryg is Denmark's largest insurer, serving more than one million households and businesses. Tryg has 2,300 employees and sells insurance through its own distribution channels and through Nordea's branch network, while Tryg sells Nordea's pension products.
Read more at www.tryg.dk.

Facts about Vesta
Vesta is Norway's third-largest insurer, serving some 400,000 households and businesses. Vesta has 1,400 employees and sells insurance through its own distribution channels and through Nordea's branch network, while Vesta sells Nordea's pension products.
Read more at www.vesta.no.

Organisation



Income statement and balance sheet, Tryg Vesta Group

Income statement - Group

DKKm	30.06.2003	30.06.2002*)	31.12.2002*)
General insurance			
Earned premiums			
Gross premiums written	10,663	10,246	17,476
Outward reinsurance premiums	-1,502	-1,959	-3,730
Change in gross unearned premiums provisions	-2,017	-2,416	-414
Change in unearned premiums provisions, reinsurers' share	-26	397	39
Earned premiums, net of reinsurance	**7,119**	**6,268**	**13,371**
Technical interest, net of reinsurance	**342**	**472**	**922**
Claims incurred			
Gross claims paid	-5,775	-6,223	-11,992
Reinsurers' share	934	1,334	2,528
Change in gross outstanding claims provisions	-240	-264	-1,294
Change in outstanding claims provisions, reinsurers' share	-382	-299	-568
Claims incurred, net of reinsurance	**-5,463**	**-5,451**	**-11,325**
Change in other technical provisions, net of reinsurance	**3**	**5**	**17**
Bonus and premium rebates	**-37**	**-25**	**-60**
Insurance operating expenses			
Acquisition costs	-1,068	-1,001	-2,038
Administrative expenses	-1,033	-1,048	-2,143
Acquisition costs and Administrative expenses	-2,101	-2,049	-4,181
Reinsurance commissions and profit participation	188	230	552
Total insurance operating expenses, net of reinsurance	**-1,912**	**-1,818**	**-3,629**
Change in equalisation provisions	**-88**	**-18**	**-199**
Technical result	**-36**	**-567**	**-903**

Income statement - Group

DKKm	30.06.2003	30.06.2002*)	31.12.2002*)
Investment activities			
Investment income			
Income from non group undertakings	0	17	17
Income from group undertakings	0	0	0
Income from land and buildings	120	119	230
Interest, dividends etc.	485	437	978
Realised investment gains	31	226	286
Total investment income	**637**	**799**	**1,511**
Unrealised gains on investment	**360**	**0**	**0**
Investment expenses			
Investment administrative expenses	-39	-31	-49
Interest expenses	-55	-16	-34
Total investment expenses	**-95**	**-47**	**-84**
Unrealised investment losses	0	-447	-450
Currency translation adjustment	-113	-74	-136
Profit on investment activities before transfer to insurance activities	**789**	**232**	**842**
Technical interest transferred to insurance activities	-413	-499	-1,017
Total profit/loss on investment activities	**376**	**-267**	**-175**
Profit on ordinary activities before tax	**340**	**-834**	**-1,078**
Extraordinary items and minority interests	1	-956	-1,256
Profit before tax	**340**	**-1,790**	**-2,334**
Tax	-116	198	243
Profit for the period	**225**	**-1,592**	**-2,091**

*) The figures for 30.06.2002 and 31.12.2002 are pro forma figures as the Tryg Vesta Group was established on 28. June 2002

Balance sheet - Group

DKKm	30.06.2003	30.06.2002*)	31.12.2002*)
Assets			
Intangible assets	**6**	**0**	**0**
Investments			
Land and buildings	**3,213**	**3,262**	**3,371**
Investments in group and associated undertakings			
Shares in group undertakings	0	0	0
Loans to group undertakings	0	0	0
Total investments in group undertakings	**0**	**0**	**0**
Other financial investments			
Shares	1,352	2,414	1,825
Units in unit trusts	16	18	14
Bonds	19,849	14,280	17,784
Loans secured by mortgages	192	195	200
Other loans	73	79	73
Deposits with credit institutions	221	231	291
Total other financial investments	**21,703**	**17,217**	**20,188**
Deposits with ceding undertakings	**149**	**149**	**146**
Total investments	**25,065**	**20,628**	**23,706**
Debtors			
Debtors arising out of direct insurance operations			
Policyholders	2,115	1,517	1,655
Insurance brokers	573	665	679
Total debtors arising out of direct insurance operations	2,688	2,182	2,334
Amounts owed by insurance companies	1,714	1,975	1,357
Amounts owed by group undertakings	54	68	0
Other debtors	329	207	484
Total debtors	**4,784**	**4,431**	**4,176**
Other assets			
Furniture, computers, other equipment, motor cars etc.	393	371	468
Cash at bank and in hand	643	897	735
Tax asset	443	484	495
Other	99	110	3
Total other assets	**1,578**	**1,863**	**1,700**
Prepayments and accrued income			
Accrued interest and rent	283	272	282
Prepaid acquisition costs	143	167	86
Other prepayments and accrued income	315	317	355
Total prepayments and accrued income	**742**	**756**	**723**
Total assets	**32,175**	**27,678**	**30,305**

Balance sheet - Group

DKKm	30.06.2003	30.06.2002*)	31.12.2002*)
Liabilities			
Shareholders' equity			
Share capital	**1,300**	**1,000**	**1,300**
Share premium account	**2,968**	**3,465**	**2,968**
Retained earnings	**225**	**0**	**0**
Total shareholders' equity	**4,493**	**4,465**	**4,268**
Minority interests	**6**	**13**	**10**
Technical provisions			
Unearned premiums provisions			
Gross provisions	7,651	7,149	6,114
Reinsurers' share	-615	-1,031	-667
Unearned premiums provisions, net of reinsurance	7,036	6,118	5,447
Outstanding claims provisions			
Gross provisions	16,469	16,479	17,837
Reinsurers' share	-2,765	-4,251	-3,965
Outstanding claims provisions, net of reinsurance	13,704	12,228	13,871
Provisions for annuities for workers' compensation insurance			
Gross provisions	1,118	926	1,139
Provisions for annuities, net of reinsurance	1,118	926	1,139
Provisions for bonus and premium rebates	68	37	64
Equalisation provisions	1,418	1,241	1,438
Other technical provisions, net of reinsurance	80	95	50
Total technical provisions, net of reinsurance	**23,424**	**20,645**	**22,009**
Provisions for other risks and expenses			
Provisions for pensions and similar obligations	244	112	185
Other provisions	304	97	352
Total provisions for other risks and expenses	**548**	**209**	**536**
Deposits received from reinsurers	**6**	**6**	**6**
Creditors			
Creditors arising out of direct insurance operations	424	486	495
Creditors arising out of reinsurance operations	621	556	580
Amounts owed to credit institutions	1,375	219	1,249
Amounts owed to group undertakings	0	0	3
Corporation tax	105	18	3
Other creditors	1,037	916	950
Total creditors	**3,562**	**2,196**	**3,280**
Accruals and deferred income	**137**	**144**	**196**
Total liabilities	**32,175**	**27,678**	**30,305**

*) The figures for 30.06.2002 and 31.12.2002 are pro forma figures as the Tryg Vesta Group was established on 28. June 2002

Income statement and balance sheet, Tryg Vesta Group A/S (parent company)

Income statement - Tryg Vesta Group A/S

DKKm	30.06.2003
General insurance	
Earned premiums	
Gross premiums written	0
Outward reinsurance premiums	0
Change in gross unearned premiums provisions	0
Change in unearned premiums provisions, reinsurers' share	0
Earned premiums, net of reinsurance	**0**
Technical interest, net of reinsurance	**0**
Claims incurred	
Gross claims paid	0
Reinsurers' share	0
Change in gross outstanding claims provisions	0
Change in outstanding claims provisions, reinsurers' share	0
Claims incurred, net of reinsurance	**0**
Change in other technical provisions, net of reinsurance	**0**
Bonus and premium rebates	**0**
Insurance operating expenses	
Acquisition costs	0
Administrative expenses	-7
Acquisition costs and Administrative expenses	-7
Reinsurance commissions and profit participation	0
Total insurance operating expenses, net of reinsurance	**-7**
Change in equalisation provisions	**0**
Technical result	**-7**

Income statement - Tryg Vesta Group A/S

DKKm	30.06.2003
Investment activities	
Investment income	
Income from non group undertakings	0
Income from group undertakings	243
Income from land and buildings	0
Interest, dividends etc.	23
Realised investment gains	0
Total investment income	**267**
Unrealised gains on investment	**0**
Investment expenses	
Investment administrative expenses	-3
Interest expenses	-26
Total investment expenses	**-30**
Unrealised investment losses	0
Currency translation adjustment	-12
Profit on investment activities before transfer to insurance activities	**225**
Technical interest transferred to insurance activities	0
Total profit/loss on investment activities	**225**
Profit on ordinary activities before tax	**218**
Extraordinary items and minority interests	0
Profit before tax	**218**
Tax	7
Profit for the period	**225**

Balance sheet - Tryg Vesta Group A/S

DKKm	30.06.2003
Assets	
Intangible assets	**0**
Investments	
Land and buildings	**0**
Investments in group and associated undertakings	
Shares in group undertakings	4,830
Loans to group undertakings	690
Total investments in group undertakings	**5,520**
Other financial investments	
Shares	0
Units in unit trusts	0
Bonds	0
Loans secured by mortgages	0
Other loans	0
Deposits with credit institutions	0
Total other financial investments	**0**
Deposits with ceding undertakings	**0**
Total investments	**5,520**
Debtors	
Debtors arising out of direct insurance operations	
Policyholders	0
Insurance brokers	0
Total debtors arising out of direct insurance operations	0
Amounts owed by insurance companies	0
Amounts owed by group undertakings	6
Other debtors	1
Total debtors	**7**
Other assets	
Furniture, computers, other equipment, motor cars etc.	0
Cash at bank and in hand	82
Tax asset	7
Other	0
Total other assets	**89**
Prepayments and accrued income	
Accrued interest and rent	0
Prepaid acquisition costs	0
Other prepayments and accrued income	0
Total prepayments and accrued income	**0**
Total assets	**5,615**

Balance sheet - Tryg Vesta Group A/S

DKKm	30.06.2003
Liabilities	
Shareholders' equity	
Share capital	**1,300**
Share premium account	**2,968**
Retained earnings	**225**
Total shareholders' equity	**4,493**
Minority interests	**0**
Technical provisions	
Unearned premiums provisions	
Gross provisions	0
Reinsurers' share	0
Unearned premiums provisions, net of reinsurance	0
Outstanding claims provisions	
Gross provisions	0
Reinsurers' share	0
Outstanding claims provisions, net of reinsurance	0
Provisions for annuities for workers' compensation insurance	
Gross provisions	0
Provisions for annuities, net of reinsurance	0
Provisions for bonus and premium rebates	0
Equalisation provisions	0
Other technical provisions, net of reinsurance	0
Total technical provisions, net of reinsurance	**0**
Provisions for other risks and expenses	
Provisions for pensions and similar obligations	0
Other provisions	0
Total provisions for other risks and expenses	**0**
Deposits received from reinsurers	**0**
Creditors	
Creditors arising out of direct insurance operations	0
Creditors arising out of reinsurance operations	0
Amounts owed to credit institutions	1,100
Amounts owed to group undertakings	0
Corporation tax	0
Other creditors	22
Total creditors	**1,122**
Accruals and deferred income	**0**
Total liabilities	**5,615**