

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.

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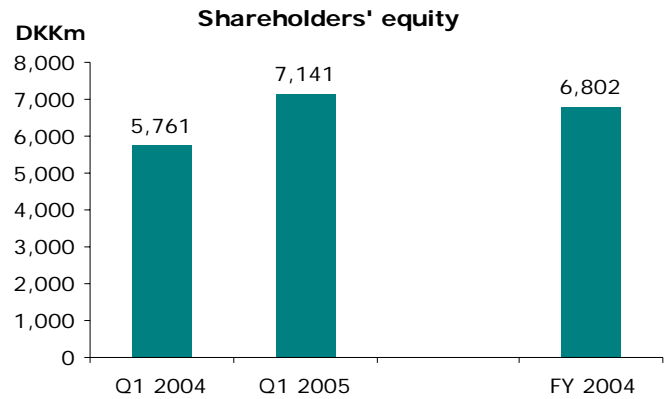
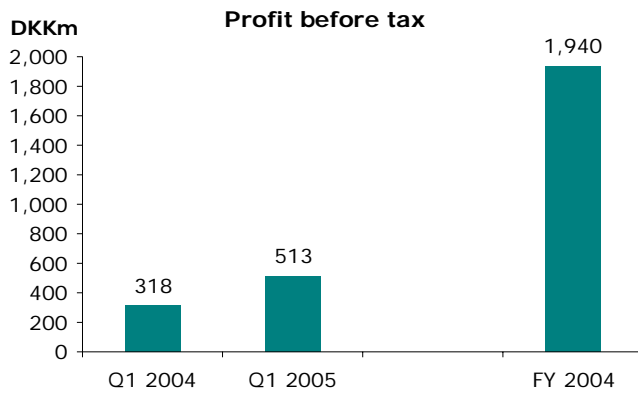
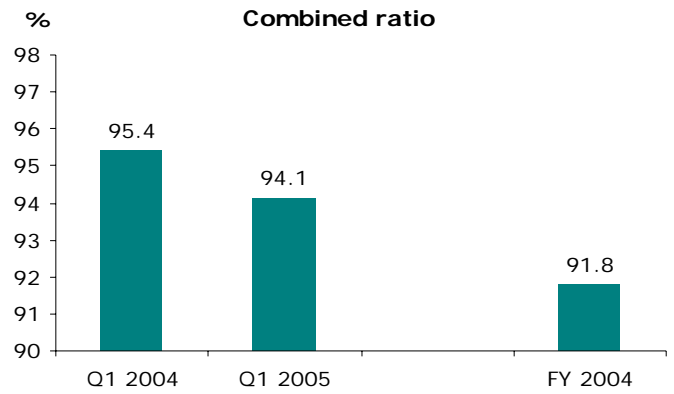
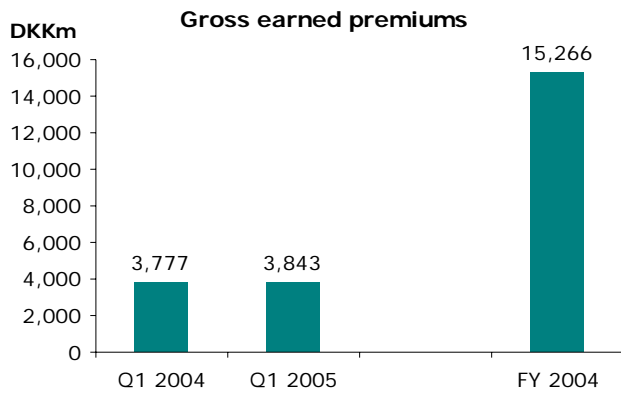
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Key ratios, TrygVesta



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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.

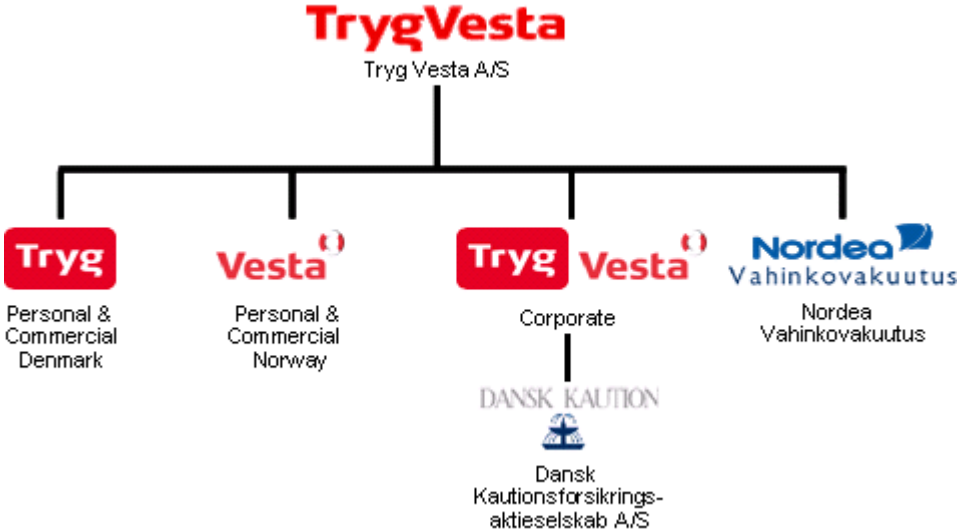
TrygVesta has a strong strategic partnership with Nordea. The bank sells TrygVesta's general insurance products, while TrygVesta sells Nordea's life and pension products. Moreover, Nordea Asset Management is TrygVesta's portfolio manager. TrygVesta furthermore has a partnership with CSC, which handles 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 | | | |
| Gross earned premiums | 3,777 | 3,843 | 15,266 |
| Technical result | 194 | 287 | 1,557 |
| Profit on investments | 129 | 230 | 409 |
| Other income | 28 | 34 | 121 |
| Other expenses | -33 | -38 | -147 |
| Profit for the period before tax | 318 | 513 | 1,940 |
| 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 |
| 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.