

17 November 2004

## **Financial results for the nine months ended 30 September 2004**

– TrygVesta continues its positive performance, and the Group's nine-month results show continued improvement. The results enable us to make long-term investments in improved customer service and at the same time retain our target for 2005. As a natural extension of our focus on direct Nordic general insurance, TBi, our reinsurance company, was sold in October 2004, says Ms Stine Bosse, Group CEO.

- The pre-tax profit on ordinary activities was DKK 1,368m in the first nine months of 2004, an improvement of DKK 582m compared with the same period of 2003.
- All improvements from the first half of 2004 continued in the third quarter.
- The nominal amount of costs, the nominal amount of claims paid and the number of employees were lower relative to the first nine months of 2003.
- The combined ratio, net of reinsurance, for the first nine months of 2004 was reduced to 92.0 from 100.1 in the same period of 2003 – an improvement of 8.1 percentage points.
- TrygVesta's investments yielded a total return of 3.0 per cent in the first nine months of 2004.
- The continued good performance in the third quarter of 2004 causes TrygVesta to change its full-year 2004 forecast. The forecast for the pre-tax profit on ordinary activities is upgraded from DKK 1,050m to DKK 1,400m, and the forecast for the combined ratio, net of reinsurance, is changed from 97 to 95.
- The target for 2005 for the combined ratio, net of reinsurance, is maintained at 95.

### **Further information**

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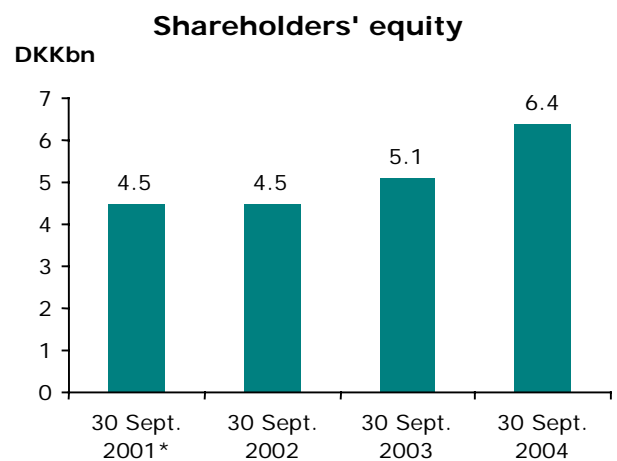
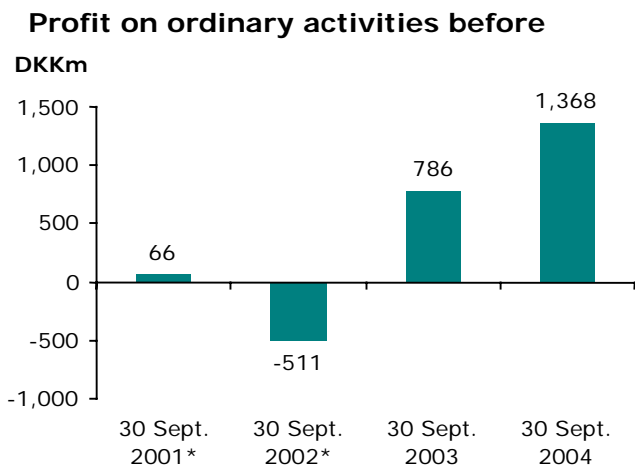
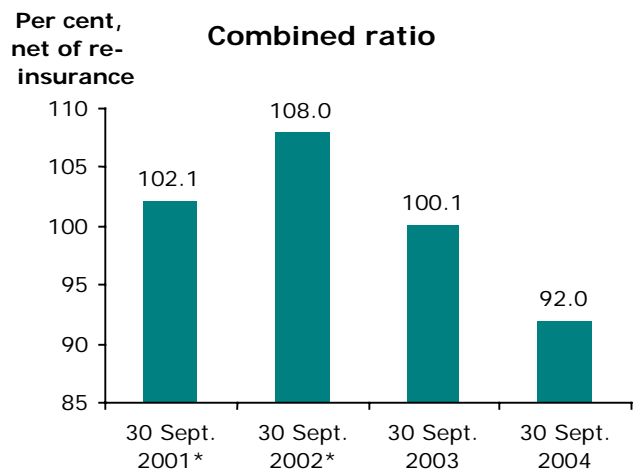
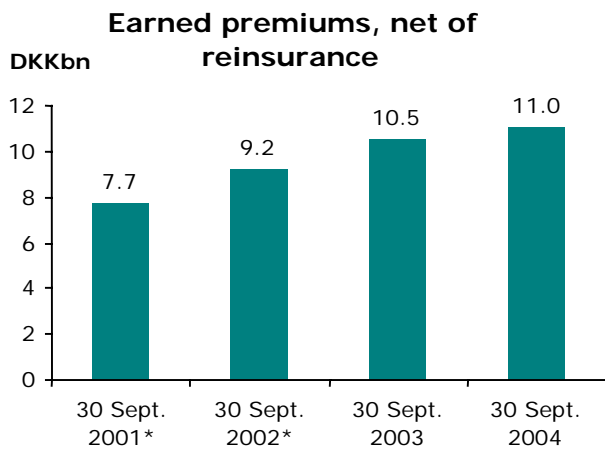
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# Key ratios, TrygVesta



\*) Figures for 2001 and 2002 are pro forma figures as the TrygVesta Group was established on 28 June 2002.

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# Financial highlights and key ratios, TrygVesta

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
Gross earned premiums	4,132	4,186	12,354	12,490	16,702
Earned premiums, net of reinsurance	3,676	3,580	10,957	10,518	14,190
Technical interest, net of reinsurance	160	131	408	452	595
Claims incurred, net of reinsurance	-2,468	-2,671	-7,630	-7,948	-10,875
Insurance operating expenses, net of reinsurance	-801	-760	-2,453	-2,576	-3,437
Change in equalisation provisions	-68	-65	-95	-143	-100
<b>Technical result</b>	<b>499</b>	<b>215</b>	<b>1,187</b>	<b>303</b>	<b>373</b>
Profit/loss on investments after transfer to insurance activities	126	120	203	493	685
Other ordinary expenses	-13	-3	-22	-10	-22
<b>Profit on ordinary activities before tax</b>	<b>612</b>	<b>332</b>	<b>1,368</b>	<b>786</b>	<b>1,036</b>
Extraordinary items and minority interests	0	0	0	1	1
Tax	-149	-75	-333	-197	-85
<b>Profit for the period, continued business</b>	<b>463</b>	<b>257</b>	<b>1,035</b>	<b>590</b>	<b>952</b>
Loss for the period, discontinued business	-9	-25	-38	-133	-210
<b>Profit for the period</b>	<b>454</b>	<b>232</b>	<b>997</b>	<b>457</b>	<b>742</b>
<b>Balance sheet</b>					
Technical provisions, net of reinsurance			24,139	21,617	21,392
Total shareholders' equity			6,356	5,126	5,360
Total assets			34,731	31,973	31,337
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	67.1	74.6	69.6	75.6	76.6
Expense ratio, net of reinsurance	21.8	21.2	22.4	24.5	24.2
Combined ratio, net of reinsurance	88.9	95.8	92.0	100.1	100.8
<b>Gross key ratios</b>					
Gross claims ratio	64.4	69.3	66.2	70.2	71.5
Ceded business as percentage of gross premiums	4.7	7.6	5.5	7.4	6.8
Claims performance	69.1	76.9	71.7	77.6	78.3
Gross expense ratio	21.0	19.5	21.3	22.5	22.4
Combined ratio, net of expenses to reinsurance	90.1	96.4	93.0	100.1	100.7
<b>Annualised return on equity</b>					
Return on equity before tax			31.1	22.3	21.5
Return on equity after tax and discontinued business			22.7	13.0	15.4
<b>Number of full-time employees at the end of the period</b>					
			4,369	4,437	4,420
<b>Accounting policies</b>					
The interim financial statements for the nine months ended 30 September 2004 are unaudited and prepared in accordance with the same accounting policies as the annual report 2003 with the following exceptions:					
The results of business in run-off are presented in a separate line item in the income statement under discontinued business. This business is also presented as separate line items under assets and liabilities. This business was previously consolidated into the relevant lines. This has no effect on the profit/loss after tax or on shareholders' equity. The comparative figures have been restated accordingly.					

# Review of TrygVesta's performance

TrygVesta reported an aggregate profit on ordinary activities before tax and discontinued business of DKK 1,368m in the first nine months of 2004, which was an improvement of DKK 582m relative to the same period of 2003. The improvement was mainly made up of an improvement of the technical result of DKK 884m and a reduction of investment income of DKK 290m.

The technical result of DKK 1,187m was a significant improvement relative to the same period of 2003. The favourable development of the technical result was due to TrygVesta's strategy and the measures that have been introduced to enhance profitability.

## **The combined ratio improved by 8.1 percentage points**

Compared with the first nine months of 2003, the combined ratio, net of reinsurance, improved by 8.1 percentage points, of which 6.0 percentage points were attributable to claims and 2.1 percentage points to expenses.

The annualised return on equity before tax and discontinued business was 31.1 per cent in the first nine months of 2004 compared with 22.3 per cent in the same period of 2003.

## **Continued improvement of the results in the third quarter**

The profit on ordinary activities before tax and discontinued business in the third quarter of 2004 was DKK 612m. The third quarter of 2004 reflects a return to a more normal performance for large losses, in particular in the personal market, where the number of claims due to precipitation in Denmark and the number of fires in single-family houses in Norway normalised. Furthermore, investment income was significantly higher in the third quarter of 2004 compared with the first half of 2004 due to capital gains on shares and bonds.

## **Higher premium income in Denmark and Norway**

Earned premiums, net of reinsurance, amounted to DKK 10,957m in the first nine months of 2004, equivalent to a 4 per cent growth in DKK relative to the same period of 2003. TrygVesta's aggregate gross earned premiums amounted to DKK 12,354m in the first nine months of 2004. They were primarily composed of a growth which, made up in local currencies, amounted to 6 per cent in Personal & Commercial Denmark, a growth of 4 per cent in Personal & Commercial Norway, and a fall of 6 per cent in the Corporate business area relative to the same period of 2003, which is in line with TrygVesta's market strategies. After a few years of winning market shares, TrygVesta maintained its share of the Danish market in 2003 and the first nine months of 2004. Following significant growth from 2001 to 2002 in Norway, a decision was made to withdraw from business with certain customer segments.

### **Fall in nominal amount of claims expenses**

TrygVesta's claims ratio, net of reinsurance, was 69.6 in the first nine months of 2004, which was an improvement of 6.0 percentage points relative to the first nine months of 2003. The overall performance was satisfactory. The fall in the nominal amount of claims expenses in the business areas Personal & Commercial Denmark and Personal & Commercial Norway was, in particular, attributable to a strengthened pan-Nordic effort concerning procurement in relation to claims, which was launched in 2003.

The Corporate business area recorded an improvement in the third quarter of 2004 relative to the first half of 2004, primarily caused by a substantial strengthening of provisions for workmen's compensation and industrial diseases in the first half of 2004. The improvement confirms the continued good performance of the underlying business.

### **Outsourcing and fewer Danish service centres reduce costs**

TrygVesta's expense ratio, net of reinsurance, was 22.4 in the first nine months of 2004, which was an improvement of 2.1 percentage points relative to the same period of 2003. The fall in costs was attributable to common IT outsourcing, the first wave of Nordic synergies and efficiency enhancements within distribution, including a reduction of the number of service centres in Denmark. Nominal costs were reduced without any major staff retrenchment programmes. The increase in the expense ratio, net of reinsurance, in the third quarter of 2004 relative to the third quarter of 2003 is due to timing differences between the third and fourth quarters and does not affect expectations for costs for the full year.

### **Capital gains on shares and bonds**

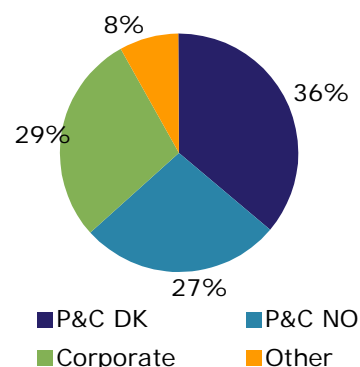
TrygVesta generated a total profit on investment activities of DKK 716m before transfer to technical interest, equal to a return of 2.9 per cent (3.9 per cent annualised) in the first nine months of 2004, which was a reduction of DKK 337m relative to the same period of 2003.

After transfer to technical interest, TrygVesta generated a profit on investment activities of DKK 126m in the third quarter of 2004, which was a substantial improvement relative to the first half of 2004 and attributable to capital gains on shares and bonds.

### **Processes – focus on Nordic strategy**

TrygVesta's platform consists of two dedicated local business areas for personal and commercial customers in Denmark and Norway, respectively (Personal & Commercial Denmark and Personal & Commercial Norway) and one dedicated Nordic business area for the corporate market in Denmark and Norway. Companies with more than 50 employees or paying more than DKK 500,000 in annual premiums as well as guarantee insurance customers belong to the Corporate business area.

### **Gross earned premiums by business area, 1 January – 30 September 2004**



Throughout 2004, TrygVesta adhered to the Nordic strategy for targeted growth of the profitable part of the personal and commercial portfolio and a better-balanced corporate portfolio.

TrygVesta's core business area is direct Nordic general insurance, and in recognition of this fact, TrygVesta's reinsurance company, TBi, was sold to Swedish reinsurer Sirius International in October 2004 without reserve guarantees. The sale of TBi does not affect the expectations for TrygVesta's full-year 2004 financial performance. The sale will, however, reduce premium levels in 2004 and 2005 by DKK 175m and DKK 700m, respectively.

### **Employees – the value process is drawing to a close**

For most of 2004, TrygVesta has worked with an internal value process to support the efforts in connection with TrygVesta's new, Nordic structure. A team of employees, the so-called 'value scouts', interview their colleagues throughout the organisation to expose the values that characterise the business, and this work is expected to lead to the formulation of common values and customer commitments for TrygVesta in early 2005. Further, in the third quarter, TrygVesta set up a common intranet and introduced a common employee magazine for all employees focusing, among other things, on the value process in order to provide all employees with regular updates on the work.

### **Customers – concepts bring together products and service benefits**

During the third quarter, TrygVesta's three new customer concepts in Denmark (*Tryg Ung*, *Tryg Senior* and *Tryg Firma*) were implemented among employees and customers. TrygVesta is able to meet customers' needs by offering concepts orientated to life stages that bring together products and service benefits for selected customer groups. Concepts constitute an area that is being developed constantly and where knowledge sharing throughout TrygVesta creates innovation and new learning.

Unemployment insurance for TrygVesta's customers in Denmark was launched in early 2004, and the new type of policy has been subject to great interest. So far, the members of seven associations and unemployment insurance funds have been offered to take out unemployment insurance to supplement their benefits, and TrygVesta has sold 5,000 unemployment insurance policies since the sale started on 1 April 2004. From January 2005, TrygVesta will begin selling unemployment insurance on an individual basis that does not require membership of specific unemployment insurance funds.

## Personal & Commercial Denmark

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
Gross earned premiums	1,504	1,429	4,448	4,212	5,660
Earned premiums, net of reinsurance	1,475	1,379	4,362	4,053	5,451
Technical interest, net of reinsurance	49	36	122	106	147
Claims incurred, net of reinsurance	-1,015	-1,033	-3,008	-3,109	-4,168
Insurance operating expenses, net of reinsurance	-320	-295	-950	-941	-1,275
Change in equalisation provisions	-4	-4	-12	-34	-39
<b>Technical result</b>	<b>185</b>	<b>83</b>	<b>514</b>	<b>75</b>	<b>116</b>
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	68.8	74.9	69.0	76.7	76.5
Expense ratio, net of reinsurance	21.7	21.4	21.8	23.2	23.4
Combined ratio, net of reinsurance	90.5	96.3	90.8	99.9	99.9
<b>Gross key ratios</b>					
Gross claims ratio	67.8	71.9	67.7	74.4	74.2
Ceded business as percentage of gross premiums	1.3	3.8	1.7	3.0	2.9
Claims performance	69.1	75.7	69.4	77.4	77.1
Gross expense ratio	21.6	20.7	21.5	22.5	22.7
Combined ratio, net of expenses to reinsurance	90.7	96.4	90.9	99.9	99.8

The technical result of Personal & Commercial Denmark was a profit of DKK 514m in the first nine months of 2004 against a profit of DKK 75m in the same period of 2003.

The favourable development of the technical result was primarily due to the many profitability-enhancing measures and relatively favourable weather conditions in the first half of the year. After the cloudbursts that hit North Zealand in August, TrygVesta paid DKK 41m in claims to customers.

The positive development of the technical result is reflected in a combined ratio, net of reinsurance, of 90.8 in the first nine months of 2004, which was a marked improvement relative to the combined ratio, net of reinsurance, of 99.9 recorded in the same period of 2003.

Gross earned premiums amounted to DKK 4,448m against DKK 4,212m in the same period of 2003, equal to an increase of 6 per cent, while earned premiums, net of reinsurance, amounted to DKK 4,362m against DKK 4,053m in 2003, equal to an increase of 7 per cent. The effect of premium increases introduced earlier has fully materialised, and the development in premiums reflects an unchanged market share.

Claims continued the extremely positive performance in the first nine months with a claims ratio, net of reinsurance, of 69.0, which was a reduction of 7.7 percentage points relative to the first nine months of 2003. The fall in claims expenses paid primarily reflects the initiatives launched to enhance the service to customers and reduce claims expenses, such as *Tryg*



*Reparation* and *Tryg Bygning*, which are TrygVesta's agreements with garages and sewerage builders, respectively. The positive performance was largely attributable to all areas, however, with the exception of personal accident and workmen's compensation insurance, which improved in the third quarter of 2004, but still performed unsatisfactorily. Developments in both areas are followed closely, and the customers were given notice of premium increases in the personal accident business averaging 25 per cent in June to October 2004.

As a result of tight cost management and continued focus on efficiency enhancements and exploitation of synergies, the expense ratio, net of reinsurance, of 21.8 in the first nine months of 2004 reflected a reduction of 1.4 percentage points relative to the first nine months of 2003.

## Personal & Commercial Norway

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
<i>DKK/NOK rate, quarterly / annual average</i>	88.32	90.23	88.16	94.63	93.68
Gross earned premiums	1,090	1,141	3,333	3,442	4,553
Earned premiums, net of reinsurance	970	1,035	2,962	2,899	3,918
Technical interest, net of reinsurance	42	36	107	159	204
Claims incurred, net of reinsurance	-590	-786	-1,735	-2,194	-2,826
Insurance operating expenses, net of reinsurance	-227	-219	-715	-779	-1,028
Change in equalisation provisions	-22	-19	-72	-38	-56
<b>Technical result</b>	<b>173</b>	<b>47</b>	<b>547</b>	<b>47</b>	<b>212</b>
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	60.8	75.9	58.6	75.7	72.1
Expense ratio, net of reinsurance	23.4	21.2	24.1	26.9	26.2
Combined ratio, net of reinsurance	84.2	97.1	82.7	102.6	98.3
<b>Gross key ratios</b>					
Gross claims ratio	61.9	71.2	59.2	75.3	71.9
Ceded business as percentage of gross premiums	1.3	5.7	2.0	2.2	2.0
Claims performance	63.2	76.9	61.2	77.5	73.9
Gross expense ratio	22.8	20.5	23.4	24.6	24.6
Combined ratio, net of expenses to reinsurance	86.0	97.4	84.6	102.1	98.5

The technical result of Personal & Commercial Norway improved strongly and amounted to a profit of DKK 547m in the first nine months of 2004 against a profit of DKK 47m in the same period of 2003, which must be characterised as extremely satisfactory. The third quarter continued the positive trend in the personal and commercial markets in Norway. However, the quarter also showed a return to a more normal claims frequency.

The change of the structure of the sales organisation implemented in the spring is now in place, and this has given strength to advise and service the customers even better.

Equalisation provisions were increased by DKK 72m in the first nine months of 2004, relating to provisions in respect of the Norwegian Pool of Natural Perils.

Furthermore, falling Norwegian interest rates had a negative impact of DKK 52m on the technical result.

The positive development of the technical result is reflected in a combined ratio, net of reinsurance, of 82.7, which was a marked improvement relative to the combined ratio, net of reinsurance, of 102.6 recorded in the first nine months of 2003.

Gross earned premiums were DKK 3,333m against DKK 3,442m in the first nine months of 2003. However, made up in the local currency, the change equalled an increase of 4 per cent. Earned premiums, net of reinsurance, were DKK 2,962m against DKK 2,899m in the

first nine months of 2003. Made up in the local currency, the change equalled a growth of 9 per cent. The premium performance was due to the continued focus on profitable business.

The positive development in the claims ratio continued during the third quarter, although both the amount of precipitation and the number of fires in single-family houses were back to a more normal level than in the first six months of the year. At the same time, the number of claims under motor comprehensive policies was lower than in the first half of the year. The claims ratio, net of reinsurance, was 58.6, which was a reduction of 17.1 percentage points relative to the first nine months of 2003.

The expense ratio, net of reinsurance, was 24.1, which was a reduction of 2.8 percentage points relative to the first nine months of 2003. The reduction was attributable to continued focus on restraint and efficiency enhancements, and exploitation of synergies.

# Corporate

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
<i>DKK/NOK rate, quarterly / annual average</i>	88.32	90.23	88.16	94.63	93.68
Gross earned premiums	1,189	1,275	3,574	3,900	5,190
Earned premiums, net of reinsurance	925	879	2,757	2,796	3,736
Technical interest, net of reinsurance	57	54	144	169	209
Claims incurred, net of reinsurance	-659	-657	-2,289	-2,174	-3,082
Insurance operating expenses, net of reinsurance	-138	-134	-445	-531	-695
Change in equalisation provisions	-42	-41	-10	-67	-15
<b>Technical result</b>	<b>143</b>	<b>101</b>	<b>157</b>	<b>193</b>	<b>153</b>
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	71.2	74.7	83.0	77.8	82.5
Expense ratio, net of reinsurance	14.9	15.2	16.1	19.0	18.6
Combined ratio, net of reinsurance	86.1	89.9	99.1	96.8	101.1
<b>Gross key ratios</b>					
Gross claims ratio	63.1	65.6	71.6	63.5	68.5
Ceded business as percentage of gross premiums	12.3	14.4	13.1	17.3	15.5
Claims performance	75.4	80.0	84.7	80.8	84.0
Gross expense ratio	13.9	13.0	14.7	16.9	16.8
Combined ratio, net of expenses to reinsurance	89.3	93.0	99.4	97.7	100.8

The technical result of Corporate improved significantly in the third quarter of 2004 and amounted to DKK 143m. The result achieved in the quarter confirms that recent years' efforts to restore profitability in the corporate market have been rewarded.

The technical result for the first nine months of 2004 was DKK 157m against DKK 193m in the same period of 2003, and the performance is still affected by the major strengthening of provisions in the first half of the year.

Equalisation provisions were increased by DKK 10m in the first nine months of 2004, relating, in particular, to provisions in respect of the Norwegian Pool of Natural Perils.

The development of the technical result is reflected in a combined ratio, net of reinsurance, which was 2.3 percentage points higher than in the first nine months of 2003 and amounted to 99.1 for the first nine months of 2004.

Gross earned premiums were DKK 3,574m against DKK 3,900m in the first nine months of 2003. Made up in the local currency, the fall was 6 per cent. Gross earned premiums in Denmark grew by 3 per cent, while they fell by 14 per cent in Norway, made up in the local currency. Earned premiums, net of reinsurance, were DKK 2,757m against DKK 2,796m in the first nine months of 2003. Made up in the local currency, the change equalled a growth of 1 per cent. The premium performance was due to the continued focus on profitable business. Furthermore, the introduction in 2003 of net pricing to customers served by

brokers had a negative effect of 3 per cent on earned premiums, net of reinsurance.

The claims ratio, net of reinsurance, was 71.2 in the third quarter of 2004, which was a fall of 3.5 percentage points relative to the third quarter of 2003. The fall was attributable to the good performance of the underlying business, in particular, property and liability.

As a result of tight cost management and continued focus on efficiency enhancements and exploitation of synergies, the expense ratio, net of reinsurance, was 16.1, which was a reduction of 2.9 percentage points relative to the first nine months of 2003. In addition, the introduction of net pricing to commercial customers served by brokers reduced payments to the brokers.

The corporate business has been restored to profitability, except for the personal accident business in Norway. The business area is inherently subject to great fluctuations depending on single, large losses. TrygVesta made targeted efforts both in 2003 and in 2004 to reassess the correlation between price and risk for each corporate customer, and the profitability enhancing measures introduced in the personal accident area in Denmark will also be implemented in Norway as a result of the ongoing knowledge sharing and exchange of experience in TrygVesta.

## Other business areas

### **Finnish general insurance**

As was expected, Nordea Vahinkovakuutus reported a negative technical result of DKK 37m in the first nine months of 2004, which was an improvement of DKK 2m relative to the same period of 2003. Gross earned premiums have increased significantly during the past year and amounted to DKK 69m against DKK 42m in the same period of 2003. Sales continue to advance strongly. 48,000 policies were sold in the first nine months of 2004, including 5 per cent originating from Finland's most successful Internet portal, Nordea's 'Solo Market'. The claims ratio, net of reinsurance, was a fair 70.9 per cent.

### **Polish general insurance**

Tryg Polska reported a negative technical result of DKK 17m in the first nine months of 2004, an improvement of DKK 6m relative to the same period of 2003. Gross earned premiums are developing as expected and amounted to DKK 375m against DKK 373m in the same period of 2003. Made up in the local currency, gross earned premiums increased by 8 per cent.

### **Estonian general insurance**

Nordicum Kindlustus reported a technical result of DKK 0 in the first nine months of 2004, which was an improvement of DKK 1m relative to the same period of 2003. Gross earned premiums are developing as expected and amounted to DKK 29m, which was unchanged from the same period of 2003.

### **Tryg-Baltica international (TBi)**

On 6 October, TrygVesta sold TBi to Swedish reinsurer Sirius International, a member of the White Mountains Insurance Group, Ltd.

### **Business in run-off**

The technical result of business in run-off was a loss of DKK 59m in the first nine months of 2004. As was expected, gross earned premiums in respect of business in run-off fell to DKK 49m from DKK 506m in the same period of 2003.

# Investment activities

DKKm	Q3	Q3	30 Sept.	30 Sept.	FY	Assets	
	2004	2003	2004	2003	2003	30 Sept.	31 Dec.
Danish general insurance	224	176	491	599	902	15,650	12,492
Norwegian general insurance	75	122	253	539	677	12,215	10,472
Tryg-Baltica international (TBi)	10	7	23	23	28	791	581
Polish general insurance	9	1	15	17	18	423	369
Estonian general insurance	1	0	1	0	1	28	31
<b>Total</b>	<b>319</b>	<b>306</b>	<b>783</b>	<b>1,178</b>	<b>1,626</b>	<b>29,107</b>	<b>23,945</b>
TrygVesta A/S	2	0	3	0	0	104	150
<b>Total</b>	<b>321</b>	<b>306</b>	<b>786</b>	<b>1,178</b>	<b>1,626</b>	<b>29,211</b>	<b>24,095</b>
Other financial income and expenses	-23	-20	-70	-125	-208		
<b>Total investments</b>	<b>298</b>	<b>286</b>	<b>716</b>	<b>1,053</b>	<b>1,418</b>		
Transferred to technical interest	-172	-166	-513	-560	-733		
<b>Investment income/loss</b>	<b>126</b>	<b>120</b>	<b>203</b>	<b>493</b>	<b>685</b>		
Discontinued business	22	-4	7	-1	-10	810	962

TrygVesta generated a total profit on investment activities of DKK 786m before other financial income and expenses and before transfer of technical interest, equal to a return of 3.0 per cent (4.0 per cent annualised) in the first nine months of 2004.

Investment income was DKK 392m lower than in the first nine months of 2003, which was primarily due to the sharp fall in interest rates in Norway in 2003.

The return on the overall bond portfolio in TrygVesta was DKK 517m, equal to 2.4 per cent (3.2 per cent annualised), while shares and real property yielded returns of DKK 176m and DKK 93m, respectively, equal to 6.7 per cent and 4.8 per cent. Danish and Norwegian shares, in particular, have yielded good returns in 2004. Bonds account for 82 per cent of total investments, while shares and real property make up the rest.

The third quarter was characterised by moderate key economic indicators. The weaker indicators caused longer-term yields to drop both in the USA and in Europe. For the quarter as a whole, 2-year yields fell in the USA and the euro countries by approximately 0.2 percentage points, and the fall was almost twice as large in Norway. At 30 September 2004, 2-year yields in Denmark and Norway were around 2.9 per cent and 2.7 per cent, respectively.

US and European share indices fell by approximately 2 per cent, while the share markets in Denmark and Norway rose by 4.8 per cent and 7.2 per cent, respectively, in the third quarter of 2004. For 2004 as a whole, US share indices have risen by 0.8 percentage points and European share indices have risen by 4.8 per cent, while the increases in Denmark and Norway were as much as 16.8 per cent and 25.8 per cent, respectively.

## Outlook

Once again, TrygVesta upgrades its full-year forecast for 2004 for profit on ordinary activities before tax and discontinued business from DKK 1,050m to DKK 1,400m. The upgrade is based on the good technical result in the first nine months of the year. Consequently, TrygVesta now expects a combined ratio, net of reinsurance, of around 95 for the full year 2004 against the previous forecast of 97 announced in connection with the half-year report 2004.

The effect of the strategic initiatives launched in 2003 and 2004 was quicker and stronger than expected at the beginning of the year. Furthermore, the first three quarters of 2004 were positively affected by mild weather and negatively affected by a significant strengthening of provisions. TrygVesta is, however, maintaining its schedule for reaping the benefits of the second wave of Nordic synergies, but accelerates investments in customer-oriented facilities.

The forecast for the technical result for the full year 2004 is upgraded to DKK 1,200m against the previous forecast of DKK 900m.

The full-year forecast for 2004 is based on the fact that experience has shown the fourth quarter to be characterised by winter weather and thus a higher level of weather claims than the average for the first three quarters of the year. The forecast includes expenses related to the fire in the fireworks factory at Kolding in November 2004.

<b>DKKm</b>	<b>Actual 2003</b>	<b>Estimate 2004</b>	<b>Positive scenario</b>	<b>Negative scenario</b>
Technical result	373	1,200	1,350	900
Investment income	685	250		
Profit on ordinary activities before tax	1,036	1,400		
Combined ratio, net of reinsurance	100.8	95	94	97

Investment income for 2004 is now expected to be around DKK 250m after transfer of technical interest. This is DKK 50m more relative to the previous forecast. The forecast is based on the investment income for the first three quarters of 2004 and assuming annualised returns for the fourth quarter of 2004 of 7.0 per cent for shares, 2.9 per cent for bonds and 7.1 per cent for real property.

The reason why the expected investment income is higher than the forecast at 31 June 2004 is that capital gains on shares were unexpectedly high in the third quarter.



# 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 per cent, Vesta, Norway's third largest insurer with a market share of around 20 per cent, Dansk Kaution and Tryg Polska in Poland. TrygVesta also operates in Estonia and has a fast-growing branch in Finland.

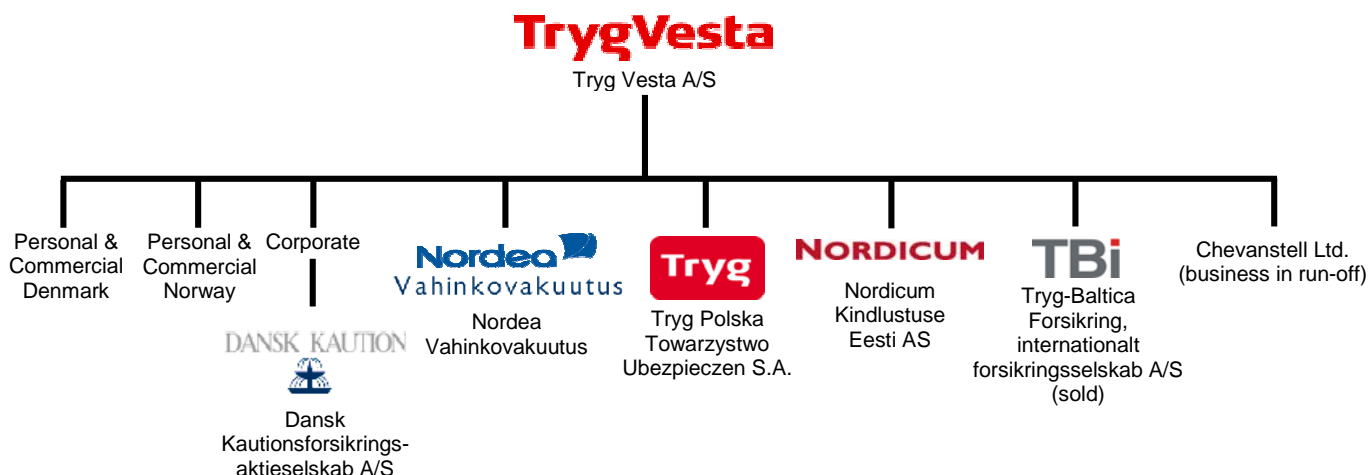
TrygVesta has a strong strategic partnership with Nordea. The bank sells TrygVesta's general insurance products, while TrygVesta sells Nordea's life and pension products. Furthermore, TrygVesta has a partnership with CSC, which handles TrygVesta's IT operations.

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 multi-channel distribution strategy. The most important channels are large customer centres and service centres or franchises, TrygVesta's own insurance agents, real estate agents, car dealers and sales through 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 4,400 employees represent quality, advice and service, both to the individual personal customer and to the large industrial enterprise with several thousand employees.

TrygVesta has some two million personal customers and 250,000 commercial customers. TrygVesta generated premium income of DKK 17.3bn in 2003. Its employees processed 650,000 claims and paid claims expenses of more than DKK 11.3bn in 2003.

## Organisation – Simplified legal structure



# Financial calendar

Annual report 2004:	2 March 2005
Financial results for the three months ended 31 March 2005:	18 May 2005
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

DKK M	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
<b>The Group</b>					
Gross earned premiums	4,132	4,186	12,354	12,490	16,702
Technical result	499	215	1,187	303	373
Profit/loss on investments	126	120	203	493	685
Other ordinary expenses	-13	-3	-22	-10	-22
Profit on ordinary activities before tax	612	332	1,368	786	1,036
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	67.1	74.6	69.6	75.6	76.6
Expense ratio, net of reinsurance	21.8	21.2	22.4	24.5	24.2
Combined ratio, net of reinsurance	88.9	95.8	92.0	100.1	100.8
<b>Gross key ratios</b>					
Gross claims ratio	64.4	69.3	66.2	70.2	71.5
Ceded business as percentage of gross premiums	4.7	7.6	5.5	7.4	6.8
Claims performance	69.1	76.9	71.7	77.6	78.3
Gross expense ratio	21.0	19.5	21.3	22.5	22.4
Combined ratio, net of expenses to reinsurance	90.1	96.4	93.0	100.1	100.7
Number of full-time employees at the end of the period			4,369	4,437	4,420
<b>Danish general insurance</b>					
Gross earned premiums	2,138	2,072	6,442	6,138	8,242
Technical result	249	135	724	312	439
Profit/loss on investments	119	85	186	246	393
Profit on ordinary activities before tax	368	220	910	558	832
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	69.1	74.3	71.1	74.7	75.5
Expense ratio, net of reinsurance	20.5	19.4	20.1	21.0	21.1
Combined ratio, net of reinsurance	89.6	93.7	91.2	95.7	96.6
<b>Gross key ratios</b>					
Gross claims ratio	67.0	69.3	68.3	69.4	70.6
Ceded business as percentage of gross premiums	3.1	6.1	4.0	6.6	6.2
Claims performance	70.1	75.4	72.3	76.0	76.8
Gross expense ratio	20.1	18.8	19.5	20.1	20.3
Combined ratio, net of expenses to reinsurance	90.2	94.2	91.8	96.1	97.1
Number of full-time employees at the end of the period			2,225	2,279	2,248
<b>Norwegian general insurance</b>					
Gross earned premiums	1,645	1,773	4,913	5,416	7,161
Technical result	252	96	494	3	42
Profit/loss on investments	7	44	35	248	316
Profit on ordinary activities before tax	259	140	529	251	358
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	64.4	76.3	67.8	79.4	78.7
Expense ratio, net of reinsurance	20.2	20.0	22.1	25.8	25.2
Combined ratio, net of reinsurance	84.6	96.3	89.9	105.2	103.9
<b>Gross key ratios</b>					
Gross claims ratio	61.7	70.0	64.0	72.9	72.9
Ceded business as percentage of gross premiums	6.8	9.8	7.2	8.7	7.8
Claims performance	68.5	79.8	71.2	81.6	80.7
Gross expense ratio	18.8	17.4	20.5	22.5	22.4
Combined ratio, net of expenses to reinsurance	87.3	97.2	91.7	104.1	103.1
Number of full-time employees at the end of the period			1,430	1,443	1,460

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
<b>Finnish general insurance</b>					
Gross earned premiums	27	18	69	42	61
Technical result	-13	-11	-37	-39	-48
Loss on investments	0	0	-1	-1	-1
Loss on ordinary activities before tax	-13	-11	-38	-40	-49
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	71.9	73.0	70.9	81.8	78.2
Expense ratio, net of reinsurance	72.1	88.0	83.8	114.3	103.8
Combined ratio, net of reinsurance	144.0	161.0	154.7	196.1	182.0
<b>Gross key ratios</b>					
Gross claims ratio	71.7	72.0	70.7	80.9	77.5
Ceded business as percentage of gross premiums	0.2	1.4	0.3	1.1	1.0
Claims performance	71.9	73.4	71.0	82.0	78.5
Gross expense ratio	72.0	86.8	83.5	113.0	102.8
Combined ratio, net of expenses to reinsurance	143.9	160.2	154.5	195.0	181.3
<b>Number of full-time employees at the end of the period</b>			42	41	42
<b>TBi</b>					
Gross earned premiums	177	186	526	498	716
Technical result	12	-2	23	51	-10
Profit/loss on investments	5	4	7	18	10
Profit/loss on ordinary activities before tax	17	2	30	69	0
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	66.3	71.1	67.9	56.9	75.6
Expense ratio, net of reinsurance	28.4	32.2	30.8	33.5	30.2
Combined ratio, net of reinsurance	94.7	103.3	98.7	90.4	105.8
<b>Gross key ratios</b>					
Gross claims ratio	57.2	65.4	60.6	54.4	72.9
Ceded business as percentage of gross premiums	7.5	8.4	8.1	6.6	4.9
Claims performance	64.7	73.8	68.7	61.0	77.8
Gross expense ratio	30.6	29.2	30.1	30.3	27.5
Combined ratio, net of expenses to reinsurance	95.3	103.0	98.8	91.3	105.3
<b>Number of full-time employees at the end of the period</b>			26	34	30
<b>Polish general insurance</b>					
Gross earned premiums	135	129	375	373	491
Technical result	-1	-2	-17	-23	-49
Profit/loss on investments	1	-1	-3	12	4
Profit/loss on ordinary activities before tax	0	-3	-20	-11	-45
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	65.9	61.7	69.0	65.1	69.7
Expense ratio, net of reinsurance	42.1	42.5	42.2	46.4	49.5
Combined ratio, net of reinsurance	108.0	104.2	111.2	111.5	119.2
<b>Gross key ratios</b>					
Gross claims ratio	68.1	62.7	65.9	62.1	65.2
Ceded business as percentage of gross premiums	-0.7	4.1	4.8	6.7	9.3
Claims performance	67.4	66.8	70.7	68.8	74.5
Gross expense ratio	39.7	36.1	38.6	39.1	38.3
Combined ratio, net of expenses to reinsurance	107.1	102.9	109.3	107.9	112.8
<b>Number of full-time employees at the end of the period</b>			537	518	523

DKKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
<b>Estonian general insurance</b>					
Gross earned premiums	10	10	29	29	39
Technical result	0	-1	0	-1	-1
Profit/loss on investments	0	0	0	0	0
Profit/loss on ordinary activities before tax	0	-1	0	-1	-1
<b>Key ratios, net of reinsurance</b>					
Claims ratio, net of reinsurance	39.0	70.6	53.2	63.8	67.2
Expense ratio, net of reinsurance	42.3	34.3	43.6	38.4	38.9
Combined ratio, net of reinsurance	81.3	104.9	96.8	102.2	106.1
<b>Gross key ratios</b>					
Gross claims ratio	51.1	72.8	50.7	71.1	73.2
Ceded business as percentage of gross premiums	4.6	-0.9	12.5	-5.3	-4.2
Claims performance	55.7	71.9	63.2	65.8	69.0
Gross expense ratio	32.6	32.5	34.8	36.0	36.4
Combined ratio, net of expenses to reinsurance	88.3	104.4	98.0	101.8	105.4
<b>Number of full-time employees at the end of the period</b>			75	74	76
<b>TrygVesta A/S (parent company)</b>					
Profit/loss on investments (excluding subsidiaries)	-6	-12	-21	-30	-37
Other ordinary expenses	-13	-3	-22	-10	-22
Profit/loss on ordinary activities before tax	-19	-15	-43	-40	-59
<b>Business in run-off</b>					
Gross earned premiums	-23	200	49	506	631
Technical result	-36	-22	-59	-139	-237
Profit/loss on investments	22	-4	7	-1	-10
Loss on ordinary activities before tax	-14	-26	-52	-140	-247
<b>Number of full-time employees at the end of the period</b>			34	48	41

# Income statement and balance sheet, TrygVesta

## Income Statement

DKK m	30.09.2004	30.09.2003	31.12.2003
<b>General Insurance</b>			
<i>Earned Premiums</i>			
Gross premiums written	12,989	13,709	16,607
Ceded reinsurance premiums	-1,320	-1,909	-2,375
Change in the gross provisions for unearned premiums	-567	-1,169	151
Change in the reinsurers' share of the provisions for unearned premiums	-77	-63	-137
<b>Earned premiums, net of reinsurance</b>	<b>11,025</b>	<b>10,568</b>	<b>14,246</b>
<b>Technical interest, net of reinsurance</b>	<b>408</b>	<b>452</b>	<b>595</b>
<i>Claims incurred</i>			
Gross claims paid	-7,028	-8,045	-10,413
Reinsurance recoveries	757	1,297	1,720
Change in the gross provisions for claims	-1,145	-723	-1,543
Change in the reinsurers' share of the provisions for claims	-213	-482	-646
<b>Claims incurred, net of reinsurance</b>	<b>-7,629</b>	<b>-7,953</b>	<b>-10,882</b>
<b>Change in other insurance provisions, net of reinsurance</b>	<b>-1</b>	<b>5</b>	<b>7</b>
<b>Bonus and premium rebates</b>	<b>-68</b>	<b>-50</b>	<b>-56</b>
<i>Insurance operating expenses</i>			
Acquisition costs	-1,221	-1,383	-1,930
Administrative expenses	-1,409	-1,423	-1,810
Acquisition costs and administrative expenses	-2,630	-2,806	-3,740
Commission and profit commission from the reinsurers	177	230	303
<b>Total insurance operating expenses, net of reinsurance</b>	<b>-2,453</b>	<b>-2,576</b>	<b>-3,437</b>
<b>Change in the equalisation provisions</b>	<b>-95</b>	<b>-143</b>	<b>-100</b>
<b>Technical result</b>	<b>1,187</b>	<b>303</b>	<b>373</b>

## Income Statement

DKKm	30.09.2004	30.09.2003	31.12.2003
<b>Investment activities</b>			
<i>Income from investment assets</i>			
Income from land and buildings	85	181	193
Interest and dividends, etc.	624	674	822
Realised gains on investment assets	89	69	176
<b>Total income from investment assets</b>	<b>798</b>	<b>924</b>	<b>1,191</b>
<b>Unrealised gains on investment assets</b>	<b>4</b>	<b>384</b>	<b>489</b>
<i>Charges relating to investment assets</i>			
Investment management charges	-34	-56	-53
Interest expenses	-55	-79	-70
<b>Total charges relating to investment assets</b>	<b>-89</b>	<b>-135</b>	<b>-123</b>
Exchange rate adjustments	3	-120	-139
<b>Return on investment activities before transfer to insurance activities</b>	<b>716</b>	<b>1,053</b>	<b>1,418</b>
Technical interest transferred to insurance activities	-513	-560	-733
<b>Total return on investment activities</b>	<b>203</b>	<b>493</b>	<b>685</b>
Other ordinary expenses	-22	-10	-22
<b>Profit before tax</b>	<b>1,368</b>	<b>786</b>	<b>1,036</b>
Tax	-333	-197	-85
<b>Profit on continued business</b>	<b>1,035</b>	<b>589</b>	<b>951</b>
Loss on discontinued business	-38	-133	-210
<b>Profit for the period</b>	<b>997</b>	<b>456</b>	<b>741</b>
The minority interests share of the profit	0	1	1
<b>TrygVesta's share of the profit for the period</b>	<b>997</b>	<b>457</b>	<b>742</b>

## Balance sheet

DKKm	30.09.2004	30.09.2003	31.12.2003
<b>Assets</b>			
<b>Intangible assets</b>	<b>34</b>	<b>7</b>	<b>39</b>
<i>Investment assets</i>			
<b>Land and buildings</b>	<b>2,047</b>	<b>3,228</b>	<b>2,009</b>
<i>Other financial investment assets</i>			
Capital participation	3,055	1,789	2,323
Unit trust units	232	17	18
Bonds	23,645	19,599	19,231
Other loans	70	69	70
Deposits in credit institutions	64	225	191
<b>Total other financial investment assets</b>	<b>27,066</b>	<b>21,699</b>	<b>21,833</b>
<b>Deposits with ceding undertakings, receivable</b>	<b>159</b>	<b>154</b>	<b>142</b>
<b>Total investment assets</b>	<b>29,272</b>	<b>25,081</b>	<b>23,984</b>
<i>Amounts owing</i>			
<i>Amounts owing in connection with direct insurance business</i>			
From policyholders	1,363	1,219	931
From insurance brokers	31	318	205
Total amounts owing in relation to direct insurance business	1,394	1,537	1,136
Amounts owing from insurance companies	1,213	1,475	1,346
Amounts owing from subsidiary undertakings	0	0	51
Other amounts owing	583	360	1,786
<b>Total amounts owing</b>	<b>3,190</b>	<b>3,372</b>	<b>4,319</b>
<i>Other assets</i>			
Furniture, equipment, computer hardware, motor vehicles, etc.	311	388	391
Cash in hand and at bank	239	338	558
Tax assets	321	503	425
Assets relating to discontinued business	893	1,586	1,276
Other	13	6	9
<b>Total other assets</b>	<b>1,777</b>	<b>2,821</b>	<b>2,659</b>
<i>Prepayments and accrued income</i>			
Accrued interest and rent earned	335	340	251
Prepaid acquisition costs	53	49	14
Other prepayments and accrued income	70	303	71
<b>Total prepayments and accrued income</b>	<b>458</b>	<b>692</b>	<b>336</b>
<b>Total assets</b>	<b>34,731</b>	<b>31,973</b>	<b>31,337</b>



## Balance sheet

DKKm	30.09.2004	30.09.2003	31.12.2003
<b>Liabilities</b>			
<i>Shareholders' equity</i>			
<b>Share capital</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>
<b>Share premium account</b>	<b>2,968</b>	<b>2,968</b>	<b>2,968</b>
<b>Retained profits</b>	<b>1,688</b>	<b>458</b>	<b>692</b>
<b>Total shareholders' equity</b>	<b>6,356</b>	<b>5,126</b>	<b>5,360</b>
<b>Minority interests</b>	<b>0</b>	<b>4</b>	<b>4</b>
<b>Subordinate loan capital</b>	<b>700</b>	<b>700</b>	<b>700</b>
<i>Insurance provisions</i>			
<i>Provisions for unearned premiums</i>			
Gross provisions	6,212	6,074	5,124
Reinsurers' share	-237	-402	-310
Provisions for unearned premiums, net of reinsurance	5,975	5,672	4,814
<i>Provisions for claims</i>			
Gross provisions	17,532	15,870	16,272
Reinsurers' share	-2,240	-2,632	-2,371
Provisions for claims, net of reinsurance	15,292	13,238	13,901
<i>Provisions for annuities by Workers' Compensation</i>			
Gross provisions	1,245	1,114	1,159
Provisions for annuities, net of reinsurance	1,245	1,114	1,159
Provisions for bonuses and premium rebates, net of reinsurance	79	76	76
Equalisation provisions	1,523	1,479	1,418
Other insurance provisions, net of reinsurance	25	38	24
<b>Total insurance provisions, net of reinsurance</b>	<b>24,139</b>	<b>21,617</b>	<b>21,392</b>
<i>Provisions for other risks and charges</i>			
Provisions for pensions and similar obligations	162	135	141
Other provisions	178	300	179
<b>Total provisions for other risks and charges</b>	<b>340</b>	<b>435</b>	<b>320</b>
<i>Debt</i>			
Debt related to direct insurance	355	459	372
Debt related to reinsurance	407	431	370
Debt to credit institutions	616	633	656
Debt to subsidiary undertakings	37	8	0
Corporation tax payable	0	224	0
Liabilities relating to discontinued business	1,049	1,530	1,375
Other debt	632	705	537
Dividend for the financial year	0	0	50
<b>Total Debt</b>	<b>3,096</b>	<b>3,990</b>	<b>3,360</b>
<b>Accruals and deferred income</b>	<b>100</b>	<b>101</b>	<b>201</b>
<b>Total liabilities</b>	<b>34,731</b>	<b>31,973</b>	<b>31,337</b>

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

## Income Statement

DKKm	30.09.2004	30.09.2003	31.12.2003
<b>Investment activities</b>			
<i>Investment income</i>			
Income from subsidiary undertakings	1,411	827	1,096
Interest and dividends, etc.	29	32	43
<b>Total income from investment assets</b>	<b>1,440</b>	<b>859</b>	<b>1,139</b>
<i>Charges relating to investment assets</i>			
Investment management charges	-2	-9	-10
Interest expenses	-48	-40	-57
<b>Total charges relating to investment assets</b>	<b>-50</b>	<b>-49</b>	<b>-67</b>
Exchange rate adjustment	0	-13	-13
<b>Total Return on investment activities</b>	<b>1,390</b>	<b>797</b>	<b>1,059</b>
Other ordinary expenses	-22	-10	-22
<b>Profit before tax</b>	<b>1,368</b>	<b>787</b>	<b>1,037</b>
Tax	-333	-197	-85
<b>Profit on continued business</b>	<b>1,035</b>	<b>590</b>	<b>952</b>
Loss on discontinued business	-38	-133	-210
<b>Profit for the period</b>	<b>997</b>	<b>457</b>	<b>742</b>

## Balance sheet

DKKm	30.09.2004	30.09.2003	31.12.2003
<b>Assets</b>			
<i>Investments in subsidiary undertakings</i>			
Capital participation in subsidiary undertakings	7,126	5,626	6,028
Loans to subsidiary undertakings	600	600	600
<b>Total investments in subsidiary undertakings</b>	<b>7,726</b>	<b>6,226</b>	<b>6,628</b>
<i>Other financial investment assets</i>			
Bonds	99	0	0
Deposits in credit institutions	0	150	100
<b>Total other financial investment assets</b>	<b>99</b>	<b>150</b>	<b>100</b>
<b>Total investment assets</b>	<b>7,825</b>	<b>6,376</b>	<b>6,728</b>
<i>Amounts owing</i>			
Amounts owing from subsidiary undertakings	24	11	47
<b>Total amounts owing</b>	<b>24</b>	<b>11</b>	<b>47</b>
<i>Other Assets</i>			
Cash in hand and at bank	10	12	50
Deferred tax assets	4	0	6
Assets relating to discontinued business	893	1,586	1,276
<b>Total other assets</b>	<b>907</b>	<b>1,598</b>	<b>1,332</b>
<i>Prepayments and accrued income</i>			
Accrued interest and rent earned	2	0	0
<b>Total prepayments and accrued income</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>8,758</b>	<b>7,985</b>	<b>8,107</b>
<b>Liabilities</b>			
<i>Shareholders' equity</i>			
<b>Share capital</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>
<b>Share premium account</b>	<b>2,968</b>	<b>2,968</b>	<b>2,968</b>
<b>Retained profits</b>	<b>1,688</b>	<b>458</b>	<b>692</b>
<b>Total shareholders' equity</b>	<b>6,356</b>	<b>5,126</b>	<b>5,360</b>
<b>Subordinate loan capital</b>	<b>700</b>	<b>700</b>	<b>700</b>
<i>Debt</i>			
Debt to credit institutions	600	600	601
Debt to subsidiary undertakings	37	7	0
Liabilities relating to discontinued business	1,049	1,530	1,375
Other debt	16	22	21
Dividend for the financial year	0	0	50
<b>Total Debt</b>	<b>1,702</b>	<b>2,159</b>	<b>2,047</b>
<b>Total liabilities</b>	<b>8,758</b>	<b>7,985</b>	<b>8,107</b>

## Movements in shareholders' equity

DKKm	Share capital	Share premium	Retained profits	TrygVesta A/S' total share	Minority interests' total share	Total
<b>Shareholders' equity at</b>						
<b>31 December 2003</b>	<b>1,700</b>	<b>2,968</b>	<b>692</b>	<b>5,360</b>	<b>4</b>	<b>5,364</b>
Profit, 30 Sept. 2004			997	997		997
Reduction of minority interests				-	-4	-4
<b>Shareholders' equity at 30 Sept. 2004</b>	<b>1,700</b>	<b>2,968</b>	<b>1,688</b>	<b>6,356</b>	<b>0</b>	<b>6,356</b>

# Vesta Forsikring AS

NOKm	Q3 2004	Q3 2003	30 Sept. 2004	30 Sept. 2003	FY 2003
Gross written premiums	1,402	1,530	5,950	6,128	7,681
Earned premiums, net of reinsurance	1,537	1,559	4,579	4,426	6,001
Net financial income	92	157	292	569	713
Claims incurred, net of reinsurance	-989	-1,231	-3,152	-3,546	-4,892
Insurance operating expenses, net of reinsurance	-314	-334	-965	-995	-1,377
<b>Operating profit</b>	<b>326</b>	<b>151</b>	<b>754</b>	<b>454</b>	<b>445</b>
Contingency provisions etc.*)	-73	-77	-194	-215	-249
<b>Profit on ordinary activities before tax</b>	<b>253</b>	<b>74</b>	<b>560</b>	<b>239</b>	<b>196</b>
<b>Balance sheet</b>					
Technical provisions			13,599	12,428	12,470
Total shareholders' equity			1,340	965	936
Total assets			15,971	14,461	14,431
<b>Key ratios</b>					
Claims ratio, net of reinsurance	64.3	79.0	68.8	80.1	81.5
Expense ratio, net of reinsurance	20.4	21.4	21.1	22.5	23.0
Combined ratio, net of reinsurance	84.7	100.4	89.9	102.6	104.5
*) 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 2003.