

Annual Report and Accounts 2002

Tryg Forsikring A/S
(Bus.Reg.No. 24260666)

List of Contents

Company Details.....	1
Directors' Report.....	2
Investment Activities.....	4
Subsidiary Undertakings of Tryg Forsikring A/S	5
Capital and Ownership	6
Danish General Insurance – Correlation with Tryg Forsikring A/S	9
Endorsement by the Management.....	11
Auditors' Reports – Internal Auditors.....	12
Auditors' Reports – External Auditors.....	13
Accounting Policies.....	14
Profit and Loss Account	18
Balance Sheet	20
Notes	24

Company Details

Board of Directors

Mr Per Skov, Chairman
Mr Mogens Jacobsen, Deputy Chairman
Mr Erik Gjellestad
Mr Antony Mærsk
Ms Birthe Petersen

Executive Management

Ms Stine Bosse
Mr Stig Ellkier-Pedersen
Mr Peter Falkenham

Internal Audit

Mr Gert Stubkjær, Chief Internal Auditor

Appointed Auditors

Deloitte & Touche, Statsautoriseret Revisionsaktieselskab
KPMG

Address

Tryg Forsikring A/S
601 Klausdalsbrovej
DK - 2750 Ballerup

Telephone +45 44 20 20 20
Facsimile +45 44 20 66 00
www.tryg.dk

Directors' Report

In General

The annual report relates to that part of the Danish General insurance activity that is transacted in the legal entity Tryg Forsikring A/S. Moreover, the General insurance activities transacted in separate subsidiary undertakings in Denmark and Poland are briefly described.

The capital reduction in Tryg Forsikring A/S planned in 2001 by distribution of the wholly owned Tryg Forsikring, livsforsikringselskab A/S to Tryg A/S was effected at the expiry of the term of the notice to creditors on 5 April 2002.

In June 2002, Tryg Forsikring A/S acquired the majority of Zurich's General insurance activities in Denmark.

On 19 June 2002, Nordea AB and Tryg i Danmark smba entered into an agreement to the effect that Tryg i Danmark smba acquired Nordea's entire General insurance business. All requisite approvals from the authorities, including approvals from the competition authorities were obtained on 30 September 2002.

Tryg i Danmark smba is the sole owner of the Tryg Vesta Group that is the group name. The financial responsibility was transferred on 1 July 2002.

As part of the agreement, Nordea and the Tryg Vesta Group signed an agreement on strategic co-operation which implies that the bancassurance concept with cross sales between bank and insurance will continue. The Tryg Vesta Group will hence maintain access to Nordea's distribution network and Nordea will maintain access to the distribution network in Tryg and Vesta, respectively.

The Tryg Vesta Group wishes to concentrate its activities around profitable business areas. Consequently, it has been decided to wind up part of the Group's activities.

The overall insurance activities in the Tryg Vesta Group further include the activities in the affiliated companies Vesta Forsikring AS in Norway and Kindlustus AS in Estonia.

At the board meeting on 11 March 2003 it is anticipated that Tryg Vesta Group A/S will decide to transfer the company Vesta Forsikring AS in Norway to Tryg Forsikring A/S. The transfer is anticipated to be effected by way of a non-cash contribution against a capital increase in Tryg Forsikring A/S.

Financial Highlights

DKKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Gross premiums written	6,826	5,846	5,737	5,640	5,683
Earned premiums, net of reinsurance	5,874	5,296	5,315	5,235	5,243
Claims incurred, net of reinsurance	-5,037	-4,489	-4,581	-3,897	-3,853
Insurance operating expenses, net of reinsurance	-1,339	-1,243	-1,400	-1,426	-1,453
Balance on the technical account	-286	-204	-324	226	95
Return on investment activities after transfer to insurance activities	-386	-73	1,025	1,494	997
Profit/loss for the year	-1,059	-244	677	1,550	954
Run-off gains/losses, net of reinsurance	-51	-328	-530	256	76
Balance Sheet					
Insurance provisions, net of reinsurance	9,621	8,067	7,544	7,236	6,986
Shareholders' equity	2,037	5,701	5,904	6,477	8,327
Total assets	13,643	14,740	15,738	18,109	17,183

- The comparative figures from before 2002 are not adjusted as regards the spin-off of Life insurance.
- The capital reduction by distribution of Tryg Forsikring, livsforsikringsselskab A/S in 2002 reduced shareholders' equity by DKK 2.9bn.
- Comparative figures i.r.o. discounting of Workmen's Compensation insurance (cf. Accounting Policies) have been adjusted for 2001.

Results for the Year

Results for the year after tax was a loss of DKK 1,059m as against a loss of DKK 244m in 2001. The results are affected by extraordinary expenses of DKK 459m of which DKK 159m is attributable to expenses by the spin-off from Nordea AB, goodwill and restructuring expenses by the acquisition of the Danish Zurich portfolio. Moreover, DKK 300m relates to disposal of the Group's activities.

Loss for the Year:

Balance on the technical account	-286
Return on investment activity before profit/loss in subsidiary undertakings	-348
TBi, strengthening of provisions regarding the Energy portfolio in the UK	-223
Other results in subsidiary undertakings	185
Extraordinary expenses	-459
Taxation	<u>72</u>
	<u>-1,059</u>

By year-end 2002, shareholders' equity totalled DKK 2,037m.

The Board of Directors propose that the loss for the year be distributed as follows (DKKm):

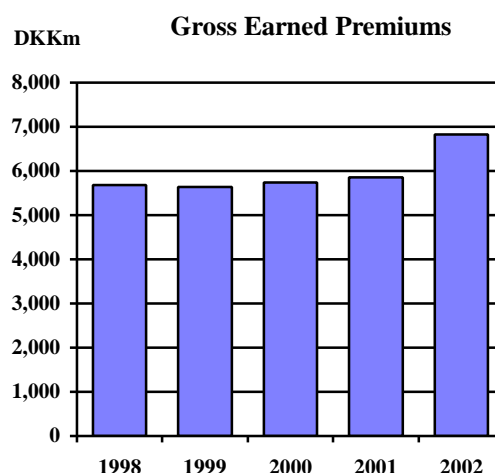
Distribution of the Profit/Loss for the Year:

Loss for the year	-1,059
Transferred from contingency fund	590
Transferred from net revaluation reserve as per the equity method	<u>311</u>
	<u>-158</u>
to be distributed as follows:	
Transferred to revaluation reserve	45
Transferred to retained profits	<u>-202</u>
	<u>-158</u>

Premiums

In 2002 gross earned premiums increased by just under 17% to DKK 6,826m. Of that figure DKK 264m (4.5%) is derived from Zurich.

During the accounting year, Tryg Forsikring A/S paid reinsurance premiums of DKK 952m. Together with the equalisation provisions, amounting to DKK 166m by year-end, the reinsurance cover constitutes the Company's overall emergency preparedness. Equalisation provisions were increased by DKK 40m in 2002.



Key Figures

In compliance with the Executive Order on the Presentation of Financial Statements by General Insurance Companies are shown below a number of key figures for comparison with prior years.

Key figures

	2002	2001	2000	1999	1998
Claims ratio, net of reinsurance	86.4	86.2	86.7	75.5	73.9
Expense ratio, net of reinsurance	23.0	23.7	26.5	27.5	28.0
Combined ratio, net of reinsurance	109.4	109.9	113.2	103.0	101.9
Return on shareholders' equity, as a percentage	-27.5	-4.2	10.9	17.0	11.7
Capital adequacy	1.7	2.0	3.6	4.3	7.0

Claims

Claims incurred, net of reinsurance, amounted to DKK 4,986m excluding run-off losses of DKK 51m - considerably more than anticipated. The level of compensation is affected by more and larger major claims than usual; besides the frequency of medium-size claims (DKK 0.1 - 10m) was unsatisfactory. Moreover, the period produced a negative development in the claims frequency in Contents and Houseowners' Comprehensive insurances as well as expenses in excess of the budgets concerning storm and cloudburst.

Insurance Operating Expenses

Acquisition costs and administrative expenses increased by DKK 96m which should be seen in the light of the increased business volume. The Company was successful in keeping expenses down, gross as well as net, which meant that the expense ratio, net of reinsurance, dropped to 22.9. Among other things, the drop is attributable to a lower number of staff and an overall restraint on expenses.

Investment Activities

Return on investment activities was a loss of DKK 386m after transfer of technical interest. Of the DKK -386m, DKK -38m is attributable to losses generated by subsidiary undertakings. Return on investments is most significantly affected by the negative developments affecting Danish and foreign shares amounting to DKK -469m.

Return on properties, net of write-ups of DKK 53m, was 5.9% in 2002. The aggregate return on shares was -26.4% as against a return on benchmark of -25%. The return on bonds was 8.4%. By the end of 2002, the duration of the bond portfolio was 2.6 years.

Subsidiary Undertakings of Tryg Forsikring A/S

The aggregate income from subsidiary undertakings in 2002 totalled DKK -38m compared to DKK 168m in 2001. The loss is incorporated in the Profit and Loss Account in the item 'Income from Affiliated Companies'. In the accounts of the Parent Company capital participation in subsidiary undertakings is valued at the Parent Company's share of the equity value that totalled DKK 3,106m as at year-end 2002 after distribution of Tryg Forsikring, livsforsikringselskab A/S (DKK 2,905m) as against DKK 6,133m as at year-end 2001.

Dansk Kautionsforsikrings-Aktieselskab

Dansk Kaution is in charge of the Group's Guarantee insurance activities. The Company is a leader in Guarantee insurance in Denmark.

The results for the year after tax were a profit of DKK 97m, tantamount to a return on the year's average shareholders' equity of 21.5%. Like in 2001, the results are positively affected by run-off gains in connection with the closing of a number of old insurance agreements.

As at year-end 2002, the Company's shareholders' equity totalled DKK 404m after setting aside DKK 97m for dividends.

Tryg Forsikring II A/S

Tryg Forsikring II manages a portfolio (formerly Enhjørningen) written in Nordea Bank in Denmark. New business is written in Tryg Forsikring A/S. Moreover, the Company sells insurance products in Finland through the network of branch offices of Nordea Bank Finland as well as the Internet.

The results for the year after tax were a profit of DKK 27m. The underlying insurance operation accounts for DKK -2m, including run-off gains, net of reinsurance, of DKK 3m. In 2001, the balance on the technical account came to DKK -21m. Premium income, net of reinsurance, amounted to DKK 314m, a drop of some 12%.

Tryg-Baltica Insurance, international insurance company A/S

Tryg-Baltica international (TBi) is in charge of the Group's assumed and ceded reinsurance supplemented by selected niche areas in the London market. Moreover, the Company handles the management of run-off portfolios for the Group.

As at 1 July 2002, the Danish Marine portfolio in TBi was transferred to Tryg Forsikring A/S.

Results for the year were a loss of DKK 294m as against a loss of DKK 33m in 2001. The unsatisfactory results are largely attributable to a strengthening of the provisions in the first six months of 2002 relating to the Energy portfolio in the UK which is in run-off as well as to the reassessment of the provision for expenses in respect of run-off.

Premiums, net of reinsurance, for the year came to DKK 1,484m, up 14% on the previous year which was primarily attributable to rate increases.

The claims ratio was computed at 89.3; as mentioned above, the claims ratio was heavily affected by the provisions for run-off of the Energy portfolio. In 2001 the claims ratio was 72.6.

The expense ratio is computed at 40.0; it was affected by a provision for run-off expenses.

Nordea Ubezpieczenia S.A. (Poland)

During 2002 Tryg Forsikring acquired another 26% of the shares in Nordea Ubezpieczenia which brings the total ownership share to 95% as at year-end. The Company is domiciled in Poland and transacts insurance activities in Poland, primarily in Motor and Property. The Company's market share in Poland is 1.9%.

The results for the year before minority shareholders' share were a loss of DKK 5m. The balance on the technical account was a loss of DKK 27m

Gross premiums increased from DKK 462m in 2001 to DKK 496m in 2002, a growth of 7.2%.

Tryg Forsikring, Rejse og Sundhed A/S

As an entity in the Tryg Vesta Group, Tryg Rejse og Sundhed is a niche company specialising in Travel, Health, Accident and Contents insurance abroad as well as Health Care insurance which constitutes a market in strong growth.

The results for the year were a profit of DKK 9m. The balance on the technical account was a profit of DKK 3m as against DKK 6m in 2001.

The premium income, net of reinsurance, amounting to DKK 93m shows a slight drop compared to 2001 caused primarily by lapse of customers from Danske Bank, tantamount to an annual premium of some DKK 14m.

The Company's shareholders' equity totalled DKK 59m by year-end 2002 after setting aside DKK 8m for dividends.

Tryg Ejendomme I A/S

By the end of 2002, the Company's property portfolio consisted of 44 properties. The company's average letting percentage was 92 at the end of the year. As at year-end 2002, the properties are valued at DKK 1,477m.

As at 31.12.2002, the Company's shareholders' equity totalled DKK 1,486m after setting aside DKK 460m for dividends.

Capital and Ownership

Tryg Forsikring A/S is part of the Tryg Vesta Group and Tryg Vesta Group A/S, Ballerup, owns 100% of the share capital of DKK 400m.

The capital reduction in Tryg Forsikring A/S planned in 2001 by distribution of the wholly owned Tryg Forsikring, livsforsikringsselskab A/S to Tryg A/S was effected at the expiry of the term of the notice to creditors on 5 April 2002. The capital reduction reduced shareholders' equity of Tryg Forsikring A/S by

DKK 2.9bn, DKK 900m of which reduced the share capital.

In the second half of 2002, the Company was given a DKK 900m capital injection by the Parent Company Tryg Vesta Group A/S; of that amount, DKK 300m was added to the share capital and the rest was granted as subordinated loan capital.

The accounts are incorporated in the consolidated accounts of Tryg Vesta Group A/S, Ballerup (www.trygvesta.com).

Capital Adequacy

As at 31 December 2002, the capital adequacy was 1.7. As mentioned in the paragraph headed Post-Balance-Sheet Events Tryg Vesta Group A/S is expected to transfer the company Vesta Forsikring AS in Norway to Tryg Forsikring A/S. Had that been effected as at 31 December 2002, the capital adequacy would have been 2.8.

Changes in the Company's Board of Directors and Executive Management

With effect from 10 January 2003, Mr Hugo Andersen resigned from his position as Board Member.

The following persons resigned as a consequence of the new ownership structure by the separation from Nordea AB:

Mr Jørgen Høeg Pedersen resigned as Deputy Chairman of the Board of Directors as at 30 September 2002.

Mr Thorleif Krarup resigned as Board Member as at 30 September 2002.

Ms Connie Borgen resigned as Board Member as at 30 September 2002.

Mr Jens Lyngbo resigned as Board Member as at 30 September 2002.

Mr Mikael Olufsen resigned as Board Member as at 30 September 2002.

Mr Niels Erik Schultz-Petersen resigned as Board Member as at 30 September 2002.

Mr Hugo Andersen resigned from the Executive Board as at 30 September 2002.

The following persons took up office:

Mr Per Skov assumed the office of Chairman of the Board of Directors as at 14 January 2003.

Mr Erik Gjellestad joined the Board of Directors as at 30 September 2002.

Mr Mogens Jakobsen assumed the office of Deputy Chairman of the Board of Directors as at 30 September 2002.

Post-Balance-Sheet Events

At the board meeting on 11 March 2003 it is anticipated that Tryg Vesta Group A/S will decide to transfer the company Vesta Forsikring AS in Norway to Tryg Forsikring A/S. The transfer is anticipated to be effected by way of a non-cash contribution against a capital increase in Tryg Forsikring A/S.

Besides the above, no events have occurred after the balance sheet date which, in the opinion of the Management, materially affect the assessment of the financial position of the Company.

Outlook

Tryg Forsikring A/S and the subsidiary undertakings will continue to play a pivotal role in the Nordic insurance market.

It is anticipated that the Company will succeed in implementing the desired concentration of activities in 2003.

In the Danish market a number of business initiatives have been implemented that in terms of premiums, claims costs and expenses will produce positive technical results and, in the medium term, will generate a satisfactory return on the existing capital.

In their budgets in 2003, Tryg/Danish General insurance provide for a net combined ratio of 102 which will be a significant improvement compared to 2002. The background for this improvement is found first and foremost in implemented premium increases and pruning measures; moreover, the full effects of measures taken in 2002 are expected to be reflected in 2003. Also continued focus on the development of expenses and the acquisition of the Zurich portfolio will contribute with a decline in the expense ratio in 2003.

The balance on the technical account for 2003 is hence anticipated to show a marked improvement on 2002. Besides, the overall results will depend on developments in the financial markets.

The overall target of a combined ratio of 100 or below in Tryg/Danish General insurance is expected to be achieved in 2004 - with a further improvement in 2005.

In their 2003 budgets, Vesta provides for a net combined ratio of 105, which is an improvement. The background for the anticipated improvement should be seen in the light of the fact that the market shares in both the Personal Lines market and the Commercial market have increased significantly. Expectations to the coming year are a consolidation of the market share attained combined with heavy focus on profitability which will, *inter alia*, bring about rate increases and pruning as well as a decrease in the portfolio of Commercial insurances. The introduction of bancassurance through Nordea's network of branch offices in Norway is expected to contribute positively to the development.

In terms of combined ratio which is the sum total of claims and expenses relative to the premium the Group's target is a combined ratio, net of reinsurance, just below 100. It is anticipated that this target will be met within the coming three years.

Danish General Insurance – Correlation with Tryg Forsikring A/S

Tryg Forsikring A/S is the Parent Company of a number of entities in both Denmark and abroad. Within the business area that is termed Danish General insurance with the Tryg Vesta Group, Tryg Forsikring A/S is the company with the greatest activities. As Danish General insurance includes several legal entities, the overall Danish General insurance business is presented below.

Danish General insurance consists of the following legal entities: Tryg Forsikring A/S, Tryg Forsikring II A/S, Tryg Rejse og Sundhed as well as Dansk Kaution.

Premiums

In 2002 gross earned premiums amounted to DKK 7,414m as against DKK 6,497m in 2001. Gross earned premiums are hence up 14% on the previous year and, correspondingly, the growth in premiums, net of reinsurance, is just under 9%. The growth in premiums is positively affected by the acquisition of the Zurich portfolio as well as rate increases in connection with the attachment as at 1 July 2002 of the new Danish Act on Liability for Damages.

Financial Highlights Danish General Insurance (DKKm)

	2002	2001
Gross earned premiums	7,414	6,497
Balance technical account	-155	-42
Return on investments	-128	49
Profit/loss on ordinary activities	-284	7
Claims ratio, net of reins.	84.3	82.9
Expense ratio, net of reins.	22.9	23.9
Combined ratio	107.2	106.8

The satisfactory growth in the portfolio is derived from a targeted effort regarding sales and distribution strategies whereby a number of distribution channels contributed positively to this growth. This applies to sales through both own Personal Lines centres and through insurance agents but also the distribution agreement with Nordea.

Claims

The development in claims was not satisfactory. The level of compensation is affected by more and larger major claims than usual, especially in Property; also the frequency of medium-size claims was unsatisfactory. Moreover, in particular the first six months of 2002 returned a negative development in the claims frequency in Contents and Houseowners' Comprehensive insurances as well as expenses in excess of the budgets concerning storm and cloudburst.

Above all, the Company's Commercial insurance business with a claims ratio, net of reinsurance, of 90.1 deviates significantly from the anticipated level. The Company's Personal Lines business showed a marked improvement during 2002 compared to 2001; the claims ratio, net of reinsurance, was 81.4 which is, however, still not satisfactory.

Expenses

The development in expenses was most satisfactory as the expense ratio, net of reinsurance, of 22.9 is 1 percentage-point below that of the previous year which is largely attributable to the fact that despite the increasing business volume the Company managed to keep expenses down by way of a strict management of staff standard and other administrative expenses. Especially in the second half of 2002 the development in expenses was satisfactory with an expense ratio, net of reinsurance, of 21.6.

The Results for the Year

The results for the year are affected by the above and a negative return on investment activities as well as extraordinary expenses which is described in the section addressing Tryg Forsikring A/S.

Endorsement by the Management

The official Annual Report and Accounts for 2002 of Tryg Forsikring A/S of which this document is a translation are completed with the below endorsements.

The Board of Directors and the Management have today discussed and approved the annual accounts and report.

The annual accounts are presented in compliance with existing accounting rules. We consider the chosen accounting policies to be adequate and find that the accounts present a true and fair view.

It is proposed to the Annual General Meeting that the annual accounts be approved.

Ballerup, 10 March 2003

Management

Stine Bosse

Stig Ellkier-Pedersen

Peter Falkenham

/Morten Hübbe

Board of Directors

Per Skov
Chairman

Mogens Jacobsen
Deputy Chairman

Erik Gjellestad

Antony Mærsk

Birthe Petersen

Approved at the Company's Annual General Meeting on 21 March 2003

Chairman of the Meeting:

Auditors' Reports – Internal Auditors

Endorsement by the Internal Auditors

We have audited the annual report of Tryg Forsikring A/S for 2002.

The annual report is the responsibility of the Company's Board of Directors and Board of Executives. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of Opinion

We conducted our audit on the basis of the Statutory Order from the Danish Financial Supervisory Authority on Auditing Financial Enterprises and Financial Groups and in accordance with Danish Auditing Standards. Based on materiality and risk we have evaluated the business procedures, the accounting policies used and the significant estimates made and verified the basis for amounts and disclosures in the annual report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Company's financial position at 31 December 2002 and of the results of the Company's operations and cash flow for 2002 in accordance with Danish Accounting Standards.

Ballerup, 10 March 2003

Gert Stubkjær

Chief Internal Auditor

Auditors' Reports – External Auditors

Auditors Appointed by the General Meeting

To the Shareholders of Tryg Forsikring A/S

We have audited the annual report of Tryg Forsikring A/S for the financial year 2002.

The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of Opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Company's financial position at 31.12.2002 as well as of the results of the Company's operations for the financial year 2002 in accordance with the Danish legal requirements to the financial reporting.

Ballerup, 10 March 2003

Deloitte & Touche

Statsautoriseret Revisionsaktieselskab

KPMG C.Jespersen

Bent Hansen

State-Authorised
Public Accountant

Lone Møller Olsen

State-Authorised
Public Accountant

Finn L. Meyer

State-Authorised
Public Accountant

Mona Blønd

State-Authorised
Public Accountant

Accounting Policies

General Policies

The annual accounts are prepared in accordance with the provisions of the Danish Act on Insurance Business and executive orders by the Danish Financial Supervisory Authority in respect of the presentation of annual accounts by General insurance companies.

Consolidated Accounts are not prepared as the Company is a wholly owned subsidiary undertaking of Tryg Vesta Group A/S, Ballerup, which prepares consolidated accounts.

Compared to 2001, the accounting policies are changed in respect of discounting of provisions. With effect from 2002, discounting is effected in respect of the provisions for claims in those lines of business where the duration exceeds four years and in which a statistical basis to support discounting exists.

The change in accounting policies has no effect on the profit/loss for the year. The effect on shareholders' equity is an increase of DKK 46m as at 31.12.2002. The comparative figures for 2001 have been adjusted.

Besides the above changes, the accounting policies applied are unchanged compared to the previous year.

Profit and Loss Account

Insurance Operation

Earned premiums, net of reinsurance, is made up of gross earned premiums for the year adjusted for ceded reinsurance premiums and the lag in the provision for unearned premiums, corresponding to an accrual of premiums to the period of coverage.

Technical interest, net of reinsurance, is an estimated return on the average insurance provisions, net of reinsurance. The interest rate applied is the average yield to maturity of bonds with a remaining life of less than three years.

Claims costs, net of reinsurance, represents claims paid during the year adjusted for a change in provisions for claims and provisions for annuities less reinsurance recoveries. Amounts to cover costs incurred by fighting, minimisation, survey and assessment of claims are incorporated in the item. The item furthermore incorporates run-off results in respect of previous years. That part of the increase of the insurance provisions that is attributable to discounting has been transferred to technical interest, net of reinsurance.

Bonus and premium rebates covers reimbursed premiums by which the size of the reimbursement depends on the claims experience and where the criteria for reimbursement were laid down prior to the beginning of the accounting year or when the insurance was taken out.

Insurance operating expenses, net of reinsurance, includes acquisition costs and administrative expenses less reinsurance commission received. Costs of acquisition and renewal of the insurance portfolio are charged at the time when the insurance is taken out. Administrative expenses, including wages, salaries and indirect taxes, etc. are accrued to relate to the accounting year. Subsidiary undertakings are charged with part of the overheads as per resources expended and settled on a cost-covering basis.

Depreciation is effected by the straight-line method over 4 - 5 years. Furniture, etc. at a value below DKK 100,000 is charged in full in the year of acquisition with the exception of assets acquired as part of an overall project. Finance lease computer hardware and software are capitalised and depreciated as if acquired by the Company.

Investment Activities

Income from affiliated undertakings includes part of the aggregate results and value adjustment of capital participation in subsidiary undertakings. Exchange rate discrepancy by translation of the equity values of foreign subsidiary undertakings as at the beginning of the year is incorporated in the item Exchange Rate Adjustments.

Income from land and buildings computed before value adjustment includes return on property management. From the return are deducted costs of property administration.

Interest and Dividends, etc. includes interest earned and dividends received, etc. during the accounting year. Furthermore the item includes realised gains by drawing of bonds and repayment of loans as well as realised gains by sale of bonds drawn.

Realised Gains/Losses on Investment Assets incorporates realised net gains/losses by sale of investment assets, including financial instruments, calculated relative to the values at the beginning of the year or the acquisition values during the year.

Unrealised Gains/Losses on Investment Assets incorporates unrealised net gains/losses on investment assets marked to market, including financial instruments, by marking to market as at the end of the accounting year, calculated relative to the values at the beginning of the year or the acquisition values during the year.

Management Expenses by Investment Activities incorporates expenses by management of investment assets. Commission is incorporated in the purchase and sales prices of the investment assets.

Exchange Rate Adjustments incorporates that part of the value adjustment of all items in the accounts as well as gains or losses by sale that is attributable to exchange rate adjustments by translation to Danish kroner, including translation of the equity values of foreign subsidiary undertakings as well as insurance provisions at the beginning of the year. The equity values of foreign subsidiary undertakings for accounting purposes as well as other assets and liabilities expressed in foreign currency, including forward exchange transactions, have been translated at year-end exchange rates. Profits/losses of foreign subsidiary undertakings are arrived at after translation of the profit and loss account items at average rates of exchange. Other income and expenses in foreign currency have been translated at exchange rates in force at the time of transaction.

Extraordinary items includes amounts that by their nature are exceptional to the undertaking and clearly differ from the ordinary operation.

Tryg Forsikring A/S is taxed jointly with the majority of the Company's subsidiary undertakings. The item Taxation incorporates the calculated Danish and foreign corporation tax for the year as well as any change in deferred tax or deferred tax asset. Tax in respect of the jointly taxed income is charged pro rata in the jointly taxed units. Changes in deferred tax or deferred tax asset are charged in those units that have the obligation or the outstanding account.

Balance Sheet

Assets

Properties are valued at estimated market value as per guidelines by the Danish Financial Supervisory Authority. The market value is computed based on a capitalisation of the future return on the properties. The capitalisation factor is determined in view of the nature and location of the property. New buildings and buildings being erected are valued at the acquisition price or expenses defrayed.

Capital participation in affiliated undertakings is valued at the pro rata ownership share of the undertakings' shareholders' equity.

Net write-up of capital participation in subsidiary undertakings is transferred to shareholders' equity in the item Net Revaluation Reserve as per the Equity Method to the extent that the equity value exceeds the cost price.

Listed Capital Participation and Bonds, etc. is valued at the prices last quoted on the Stock Exchange at year-end. Unlisted capital participation and fixed-rate loans, etc. are valued at conservatively estimated market value based on the most recent accounts of the undertakings.

Derivatives, including forward transactions and unsettled security deals, are marked to market as at the balance sheet date. The gross amounts are stated in a note on the accounts.

Reinsurance Deposits include amounts owing regarding assumed reinsurance, retained by the opposite party as per the reinsurance treaty.

Amounts Owing is valued at nominal value less provision for anticipated losses.

Furniture, Equipment, Computer Hardware, Motor Vehicles, etc. is valued at acquisition cost less accumulated depreciation.

Finance lease computer hardware is treated as if acquired by the Company.

Tax Assets includes deferred net tax assets computed at 30% of the current value of the temporary positive net variances between results liable to taxation and accounting results with the addition of tax losses to the extent that they are anticipated to be set off in future positive taxable income.

Other Prepayments and Accrued Income includes prepaid expenses.

Liabilities

Subordinated Loan Capital includes loans by which demands by creditors are subordinate to all other creditor demands.

Provisions for Unearned Premiums, net of reinsurance, includes that proportion of the collected premiums and reinsurance premiums that pertains to subsequent accounting years.

Provisions for Claims, net of reinsurance, includes amounts to cover claims incurred by the end of the year but still not settled less reinsurance recovery. Provisions for claims are computed based on information on the size of the claims with the addition of an empirically fixed amount to cover claims incurred but not reported.

The provisions include amounts set aside to cover costs of fighting, minimisation, survey and assessment of claims.

Provisions for Annuities, net of reinsurance, relates to statutory Workmen's Compensation insurance in Denmark which is settled by annuities. The provisions are computed as per actuarial principles at current value by discounting expected future compensations. Discounting is also effected as regards other provisions with a long tail and which are computed as per a statistical method.

Provisions for Bonuses and Premium Rebates pertains to amounts expected to be reimbursed to the policyholders against the background of the claims experience in the accounting year.

Equalisation Provisions includes amounts set aside to cover future claims costs in areas that notoriously fluctuate from one year to the next. As regards Workmen's Compensation insurance, equalisation provisions are computed as the difference between insurance provisions calculated on the basis of discount interest rates of 2.00% and 2.75%, respectively.

Other Insurance Provisions, net of reinsurance, includes provisions for risks not expired. The provision includes amounts that are held to be necessary to cover claims costs and expenses beyond provisions for unearned premiums and future premium rates in respect of subsequent accounting periods regarding insurances in force at the balance sheet date.

Provisions for Other Risks and Expenses includes amounts set aside to cover obligations or expenses attributable to this or previous accounting years and which are likely or certain at the balance sheet date but uncertain in terms of size or time of settlement.

As a general rule, debt is valued at nominal value. Liability regarding claims on mortgage bonds for which settlement is agreed with periodic payments are set aside at the value arrived at by discounting of future payments at market rate.

Other Matters

Intra-group deals in investment assets are settled at market value. Intra-group payments are settled on a cost-covering basis or on market terms. Intra-group transactions and agreements of major significance are disclosed in the accounts.

Profit and Loss Account

DKKm	2002	2001
Note		
General Insurance		
<i>Earned Premiums</i>		
Gross premiums written	7,056	5,975
Ceded reinsurance premiums	-922	-540
Change in the gross provisions for unearned premiums	-230	-129
Change in the reinsurers' share of the provisions for unearned premiums	-30	-10
1 Earned premiums, net of reinsurance	5,874	5,296
2 Technical interest, net of reinsurance	304	307
<i>Claims incurred</i>		
Gross claims paid	-5,026	-4,770
Reinsurance recoveries	588	610
Change in the gross provisions for claims	-802	-119
Change in the reinsurers' share of the provisions for claims	202	-210
3 Claims incurred, net of reinsurance	-5,037	-4,489
Change in other insurance provisions, net of reinsurance	11	-30
Bonuses and premium rebates	-59	-52
<i>Insurance operating expenses</i>		
Acquisition costs	-743	-832
Administrative expenses	-1,030	-945
Refunding from affiliated companies	307	425
Commission and profit commission from the reinsurers	127	109
4 Total insurance operating expenses, net of reinsurance	-1,339	-1,243
Change in the equalisation provisions	-40	7
5 Balance on the Technical Account	-286	-204

Profit and Loss Account

DKKkm	2002	2001
Note		
Investment Activities		
<i>Income from investment assets</i>		
6 Income from affiliated companies	-38	168
Income from land and buildings	48	57
7 Interest and dividends, etc.	313	343
Total income from investment assets	323	568
<i>Charges relating to investment assets</i>		
Investment management charges	-9	-11
Interest expenses	-23	-16
8 Realised losses on investment assets	-13	-49
Total charges relating to investment assets	-45	-76
8 Unrealised losses on investment assets	-255	-192
Exchange rate adjustments	-34	1
Return on Investment Activities before transfer to Insurance Activities	-11	301
2 Technical interest transferred to insurance activities	-374	-374
Total Return on Investment Activities	-386	-73
Ordinary Loss before Taxation	-672	-278
9 Extraordinary expenses	-459	0
Loss before Taxation	-1,130	-278
10 Taxation	72	34
Loss for the Year	-1,059	-244

Balance Sheet as at 31 December

DKKm	2002	2001
Note		
Assets		
<i>Investment Assets</i>		
11 Land and buildings	940	871
<i>Investments in affiliated companies</i>		
12 Capital participation in affiliated companies	3,106	6,133
Total investments in affiliated and associated companies	3,106	6,133
<i>Other financial investment assets</i>		
13 Capital participation	1,250	1,557
Unit trust units	14	18
Bonds	5,150	3,665
Loans secured by mortgage	194	189
Other loans	73	84
14 Total other financial investment assets	6,682	5,513
Deposits with ceding undertakings	7	2
Total Investment Assets	10,735	12,519

Balance Sheet as at 31 December

DKKm		2002	2001
Note			
	<i>Amounts Owing</i>		
	From policyholders	335	191
	From insurance brokers	105	22
	Total amounts owing in relation to direct insurance business	441	213
	Amounts owing from insurance companies	703	719
	Amounts owing from affiliated companies	692	548
	Other amounts owing	168	119
	Total Amounts Owing	2,004	1,600
	<i>Other Assets</i>		
	Furniture, equipment, computer hardware, motor vehicles, etc.	192	207
	Cash in hand and at bank	91	141
15	Tax assets	227	168
	Other	3	0
	Total Other Assets	513	517
	<i>Prepayments and Accrued Income</i>		
	Accrued interest and rent earned	96	70
	Other prepayments and accrued income	296	35
	Total Prepayments and Accrued Income	392	105
16	Total Assets	13,643	14,740

Balance Sheet as at 31 December

DKKkm	2002	2001
Note		
Liabilities		
17 <i>Shareholder's equity</i>		
Share capital	400	1,000
Revaluation reserve	119	74
<i>Reserves</i>		
Contingency fund	706	1,296
Net revaluation reserve as per the equity method	110	808
Total Reserves	816	2,104
Retained profits	703	2,523
Total Shareholder's Equity	2,037	5,701
Subordinated Loan Capital	600	0
<i>Insurance Provisions</i>		
<i>Provisions for unearned premiums</i>		
Gross provisions	2,294	1,891
The reinsurers' share	-31	-13
Provisions for unearned premiums, net of reinsurance	2,263	1,878
<i>Provisions for Claims</i>		
18 Gross provisions	6,490	5,293
The reinsurers' share	-604	-321
Provisions for claims, net of reinsurance	5,886	4,972
<i>Provisions for Annuities by Workmen's Compensation</i>		
Gross provisions	1,139	927
19 Provisions for annuities, net of reinsurance	1,139	927
Provisions for bonuses and premium rebates, net of reinsurance	63	48
20 Equalisation provisions	245	205
21 Other insurance provisions, net of reinsurance	25	36
Total Insurance Provisions, Net of Reinsurance	9,621	8,067

Balance Sheet as at 31 December

DKK m	2002	2001
Note		
<i>Provisions for Other Risks and Charges</i>		
Provisions for pensions and similar obligations	23	17
Other provisions	334	0
Total Provisions for Other Risks and Charges	357	17
<i>Debt</i>		
Debt related to direct insurance	127	48
Debt related to reinsurance	37	2
Debt to credit institutions	148	23
Debt to affiliated companies	94	259
Corporation tax	3	0
Other debt	613	619
22 Total Debt	1,021	951
Accruals and Deferred Income	7	4
Total Liabilities	13,643	14,740
23 Solvency margin and basic capital		
24 Forward transactions, etc.		
25 Contingent liabilities		
26 Intra-group transactions		

Notes

DKKm	2002	2001
1 Earned Premiums, net of reinsurance		
Direct insurance	6,807	5,836
Indirect insurance	19	10
	6,826	5,846
Ceded reinsurance premiums	-952	-550
	5,874	5,296
Direct insurance, by location of the risks		
Denmark	6,745	5,793
Other EU countries	24	14
Other countries	38	29
	6,807	5,836
2 Technical Interest, net of reinsurance		
Transferred from investment activities	374	374
Discounting	-70	-68
	304	307
3 Claims Incurred, net of reinsurance		
Direct business	-5,774	-4,846
Indirect business	-54	-42
	-5,828	-4,889
Reinsurance recoveries	791	400
	-5,037	-4,489
Run-off gains/losses previous years, net of reinsurance		
Run-off previous year, gross	-99	-434
Run-off previous year, reinsurers' share	49	106
	-51	-328

Notes

DKKm	2002	2001
4 Insurance Operating Expenses, net of reinsurance		
Commission regarding direct business	-145	-95
Other acquisition costs	-597	-738
Total acquisition costs	-743	-832
Total administrative expenses	-1,030	-945
Insurance operating expenses, gross	-1,773	-1,777
Refund from affiliated companies	307	425
	-1,466	-1,352
Commission, etc. from reinsurers	127	109
	-1,339	-1,243
<i>Insurance operating expenses, gross includes the following staff expenditure:</i>		
Salaries and wages	-1,046	-1,088
Commission	-7	-5
Pensions	-194	-182
Other expenses to social security	-11	-5
Payroll tax, etc.	-105	-122
	-1,362	-1,402
<i>Salaries and emoluments, etc.</i>		
The Board of Directors	-2	-3
The Board of Management	-29	-13
	-31	-16
Number of full-time employees at year-end	2,336	2,707
Average number of full-time employees during the year	2,429	2,713
<i>Administrative expenses includes fee to the auditors appointed by the annual general meeting</i>		
Deloitte & Touche	-1.6	-1.0
KPMG	-0.7	-0.8
	-2.3	-1.7
<i>Of which services other than audit</i>		
Deloitte & Touche	-0.8	-0.2
KPMG	0.0	-0.3
	-0.8	-0.5

Beyond this expenses are defrayed to the Group's Internal Audit Department

Notes

DKKm

5 Balance on the Technical Account, net of reinsurance, by Line of Business

	Accident & Health		Workmen's Compensation		Motor Liability		Motor Hull		Marine, Aviation & Cargo	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Gross premiums written	446	381	355	312	1,073	753	1,576	1,486	241	133
Gross premiums earned	421	366	353	306	971	743	1,571	1,468	234	139
Gross claims	-443	-335	-384	-325	-1,036	-1,163	-1,007	-909	-113	-75
Change in other insurance provisions	4	0	0	0	7	-30	0	0	0	0
Bonuses and premium rebates	-1	-2	0	0	-1	-2	-42	-34	-6	-5
Gross operating expenses	-106	-101	-44	-41	-170	-140	-267	-271	-56	-36
Profit/loss on business ceded	2	56	2	53	12	11	-2	0	-48	6
Change in equalisation provisions	-1	2	-5	0	-13	8	3	-1	19	-11
Technical interest, net of reinsurance	36	33	8	23	80	71	36	34	8	8
Balance on the technical account	-87	19	-69	16	-150	-502	292	287	38	26
Claims ratio, gross	104.2	92.0	108.6	106.2	106.1	161.0	65.9	63.4	49.7	56.0
Expense ratio, gross	25.1	27.7	12.6	13.4	17.5	18.9	17.4	18.9	24.5	26.9

	Fire & Contents Pers. Lines		Fire & Contents Commercial		Liability		Other Insurance		Total	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Gross premiums written	1,496	1,339	1,406	1,223	424	319	39	29	7,056	5,975
Gross premiums earned	1,416	1,281	1,409	1,199	413	311	38	33	6,826	5,846
Gross claims	-1,142	-934	-1,435	-838	-197	-265	-72	-44	-5,828	-4,889
Change in other insurance provisions	0	0	0	0	0	0	0	0	11	-30
Bonuses and premium rebates	-3	-6	-6	-3	0	0	0	0	-59	-52
Gross operating expenses	-294	-286	-393	-366	-120	-97	-16	-14	-1,465	-1,352
Profit/loss on business ceded	-60	-33	128	-117	-69	-17	1	0	-34	-41
Change in equalisation provisions	49	2	-89	-3	-4	10	0	0	-40	7
Technical interest, net of reinsurance	45	48	51	51	35	33	5	5	304	307
Balance on the technical account	11	72	-334	-77	58	-25	-44	-20	-286	-204
Claims ratio, gross	80.8	73.3	102.2	70.1	47.6	85.2	189.4	133.3	86.0	84.9
Expense ratio, gross	20.8	22.4	28.0	30.6	29.0	31.2	43.2	42.4	21.7	23.3

Notes

DKKm	2002	2001
6 Income from Affiliated Companies		
Tryg Forsikring, livsforsikringsselskab A/S	-	-135
Tryg Forsikring II A/S	27	-13
Dansk Kautionsforsikrings-Aktieselskab	97	140
Tryg-Baltica Insurance, international insurance company A/S	-294	-33
Tryg Forsikring, Rejse og Sundhed A/S	9	7
Tryg Ejendomme I A/S	127	211
Nordea Ubezpieczenia, Poland	-5	-8
	-38	168
7 Interest and Dividends, etc.		
Dividends on capital participation	27	39
Interest on securities, etc.	299	314
Capital gains by drawing and servicing of securities, etc.	-12	-10
	313	343
8 Realised and Unrealised Gains/Losses on Investment Assets		
Land and buildings	53	46
Other capital participation	-469	-327
Bonds listed on the stock exchange excl. index-linked bonds	149	38
Other loans and advances	-1	1
	-268	-242
<i>Allocated to the following items</i>		
Net realised gains/losses on investment assets	-13	-49
Net unrealised gains/losses on investment assets	-255	-192
	-268	-242
9 Extraordinary Expenses		
Goodwill	-44	0
Restructuring and run-off expenses	-332	0
Expenses by spin-off from Nordea AB	-84	0
	-459	0
10 Taxation		
Taxation regarding previous years	14	6
Current tax	0	-12
Dividend tax foreign equities	-1	0
Change in deferred tax assets	59	41
	72	34
Tax paid on account	0	62

Notes

DKK m	2002	2001	
11 Land and Buildings			
<i>Acquisition sum</i>			
Balance 1 January	807	805	
Investments during the year	18	2	
Sale during the year	-2	0	
Balance 31 December	823	807	
<i>Write-ups</i>			
Balance 1 January	74	26	
Write-ups during the year	45	49	
Reversal of write-ups, previously made	0	-2	
Balance 31 December	119	74	
<i>Depreciation and write-downs</i>			
Balance 1 January	-10	-8	
Write-downs during the year	-1	-9	
Reversal of write-downs, previously made	9	7	
Balance 31 December	-2	-10	
Book Value 31 December	940	871	
<i>Book value by type of property</i>			
Business property	64	58	
Office blocks	700	647	
Residential property	176	166	
	940	871	
Of which property used by the companies for their operation	85	86	
Public land assessment	781	795	
Non-assessed property	94	11	
Mortgage debt amounts to DKK 67m in land and buildings, whose value for accounting purposes is DKK 206m			
In establishing the market value of the properties, the following return percentages were used for each property category			
	Lowest %	Average %	Highest %
	<u>2002 / 2001</u>	<u>2002 / 2001</u>	<u>2002 / 2001</u>
Business properties	8.0 / 8.0	8.0 / 8.0	8.0 / 8.0
Office blocks	6.5 / 6.3	7.3 / 7.3	8.0 / 8.0
Residential properties	5.5 / 5.5	6.1 / 6.1	6.5 / 8.0
All properties	5.5 / 5.5	7.1 / 7.1	8.0 / 8.0

Notes

DKKm	2002	2001
12 Capital Participation in Affiliated Companies		
<i>Acquisition sum</i>		
Balance 1 January	5,834	5,782
Additions during the year	535	53
Disposals during the year	-2,518	-1
Balance 31 December	3,851	5,834
<i>Write-ups to equity value</i>		
Balance 1 January	808	745
Write-ups during the year	157	218
Distribution of dividend	-468	0
Reversal of write-ups, previously made	-387	-154
Balance 31 December	110	808
<i>Write-downs</i>		
Balance 1 January	-510	-520
Write-downs during the year	-352	-41
Distribution of dividend	-97	-100
Reversal of write-downs, previously made	103	151
Balance 31 December	-856	-510
Book Value 31 December	3,106	6,133

<i>Name and registered office</i>	Ownership Share %	Profit/loss for the year	Shareholders' equity
Tryg Ejendomme I A/S, Ballerup	100	127	1,486
Tryg-Baltica Insurance, international insurance company A/S	100	-294	716
Dansk Kautionsforsikrings-Aktieselskab, Ballerup	100	97	404
Nordea Ubezpieczenia, Poland	95	-5	203
Tryg Forsikring II A/S, Ballerup	100	27	237
Tryg Forsikring, Rejse og Sundhed A/S, Ballerup	100	9	59
ApS KBIL 9 nr. 2032, Ballerup	100	0	0

Notes

DKK m	2002	2001
13 Capital Participation		
Book value	1,250	1,557
Acquisition value	1,316	1,227
<i>Shareholding of more than 5% of the company share capital according to the latest annual reports</i>	<i>The company shareholders' equity</i>	<i>Ownership share %</i>
	2002	2002
Account Data A/S, Copenhagen	1	14
A/S Forsikringens hus, Copenhagen	44	12
Rungstedgaard A/S, Hørsholm	29	13
14 Other Financial Investment Assets		
<i>Book value</i>		
Capital participation	1,250	1,557
Unit trust units	14	18
Ordinary bonds	4,542	3,003
Foreign bonds	608	662
Loans secured by mortgage	194	189
Other loans	73	84
	6,682	5,513
<i>Acquisition value</i>		
Capital participation	1,316	1,227
Unit trust units	27	27
Bonds	5,029	3,597
Loans secured by mortgage	193	185
Other loans	73	83
	6,637	5,117
15 Tax Assets		
Land and buildings	8	9
Bonds and loans secured by mortgage	-38	-22
Operating equipment and provisions, etc.	230	181
Tax loss to be carried forward	27	0
	227	168
The amounts are calculated by discounting		
16 Total Assets		
Assets includes affiliated companies as follows:		
Capital participation	0	23
Bonds	0	160
Cash in hand and at bank	0	9
	0	192

Notes

DKKm	2002	2001
17 Shareholder's Equity		
<i>Share capital</i>		
Balance 1 January	1,000	1,000
Capital reduction by distribution of Tryg Forsikring, livsforsikringselskab A/S	-900	0
Capital increase 9 October and 11 December 2002	300	0
Balance 31 December	400	1,000
The share capital distributed in shares of DKK 20		
<i>Revaluation reserve</i>		
Balance 1 January	74	26
Transferred cf. distribution of profit/loss	45	48
Balance 31 December	119	74
<i>Contingency fund</i>		
Balance 1 January	1,296	1,823
Transferred cf. distribution of profit/loss	-590	-527
Balance 31 December	706	1,296
According to the articles of association the contingency fund may be used to cover losses by settlement of insurance provisions or otherwise to benefit the insureds. The contingency fund is liable to taxation.		
<i>Net revaluation reserve as per the equity method</i>		
Balance 1 January	808	745
Transferred cf. distribution of profit/loss	-312	64
Reversal of net revaluation by distribution of Tryg Forsikring, livsforsikringselskab A/S	-387	0
Balance 31 December	110	808
<i>Retained profits</i>		
Balance 1 January before change of accounting policies	2,477	2,310
Change of accounting policies	46	41
Adjusted balance 1 January	2,523	2,351
Transferred from share capital by capital reduction	900	0
Transferred from net revaluation reserve as per the equity method by distribution of Tryg Forsikring, livsforsikringselskab A/S	387	0
Write-down by distribution of Tryg Forsikring, livsforsikringselskab A/S	-2,905	0
Transferred cf. distribution of profit/loss	-202	172
Balance 31 December	703	2,523
Total Shareholder's Equity	2,037	5,701
18 Gross Provisions		
(provisions for claims)	6,490	5,293
Of which provisions calculated by discounting Accident and Health insurance *)	0	101
Settlement period		11 years
Discounting interest rate		3.0%
Inflation		0.0%
*) The portfolio was transferred to Nordea Pension as at 1 January 2002		
Workmen's Compensation	575	518
Settlement period	4.3 years	4.3 years
Discounting interest rate	3.5%	3.5%
Inflation	3.5%	3.5%

Notes

DKKm	2002	2001
19 Provisions for Annuities		
Workmen's Compensation	1,139	927
Settlement period	12 years	15 years
Discounting interest rate	2.75%	2.75%
Inflation	0%	0%
20 Equalisation Provisions		
Workmen's Compensation	79	74
Large losses	100	21
Storm	66	110
	245	205
21 Other Insurance Provisions, net of reinsurance		
Ageing provision	0	4
Provision for unexpired risk	25	32
	25	36
22 Debt	1,021	951
Of which debt falling due after more than 5 years	67	67
23 Solvency Margin and Basic Capital		
Solvency margin	1,148	1,038
Basic capital (shareholder's equity) according to the balance sheet	2,037	5,701
Subordinated loan capital	574	0
Tax asset	-227	-168
Capital adequacy subsidiary undertakings	-278	-3,386
Deduction	-166	0
Total basic capital	1,940	2,147
Total distributable basic capital	792	1,109

Notes

DKKm	2002	2001
24 Forward Transactions, etc.		
<i>Forward transactions, etc</i>		
<i>Market value</i>		
Forward sale of foreign exchange	1,108	1,302
Unsettled deals	78	85
<i>Acquisition value</i>		
Forward sale of foreign exchange	1,114	1,279
Unsettled deals	78	86
25 Contingent Liabilities		
Surety-, guaranty- and lease agreements, etc.		
beyond insurance obligations do not exceed	280	200

Tryg Forsikring A/S has an annual obligation towards Danica Pension regarding lease of head office in Ballerup. The annual rent and tax, etc. currently amount to DKK 72m. Remaining contract period is 23 years.

The Company is taxed jointly with the majority of the companies in the Tryg Vesta Group and is jointly and severally liable with these companies for payment of imposed corporation tax.

The Company is jointly registered with the majority of the Tryg Vesta Group's Danish companies for the purpose of payment of V.A.T. and payroll tax and is jointly and severally liable with these companies for payment of indirect taxes.

The Company is party to some contentious cases the outcome of which is estimated not to affect the financial position of the Company.

26 Intra-Group Transactions

The management fee is fixed on a cost-covering basis.

The Company has made agreements with Group companies on market-based terms regarding reinsurance and payment of interest on current accounts.

Companies in the Group

DKKm

	Profit/Loss for the Year	Company Capital	Share- holders' Equity
Tryg Forsikring A/S			
Tryg-Baltica Insurance, international insurance company A/S	-294	850	716
Dansk Kautionsforsikringsaktieselskab	97	193	404
Tryg Forsikring Skade II A/S	27	160	237
Tryg Forsikring, Rejse og Sundhed A/S	9	3	59
ApS KBIL 9 nr. 2032	0	0	0
Nordea Ubezpieczenia, Poland ***)	-5	215	203
Tryg Ejendomme I A/S	127	500	1,486
Tryg Forsikring, livsforsikringsselskab A/S **)**	-	-	-

All companies in the Tryg Insurance Group are wholly owned and the Danish companies are domiciled in Ballerup

***) Nordea Ubezpieczenia is owned by 95.32 %.