

EUROPÆISKE REJSEFORSIKRING A/S

ANNUAL REPORT AND ACCOUNTS

2002

**Europæiske Rejseforsikring A/S
3, Frederiksberg Allé
1790 Copenhagen V
DENMARK**

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COMPANY NAME

EUROPÆISKE REJSEFORSIKRING A/S

3, Frederiksberg Allé
DK 1790 Copenhagen V

Registered in: Copenhagen

Company Reg. No. CVR 62 94 05 14

BOARD OF DIRECTORS:

Wolfgang Diels (Chairman), Dr. Adrian von Dörnberg,
Helmut Pritscher, *Yvonne Hansen, *Kirsten Davidsen

*Elected by the staff

BOARD OF MANAGEMENT:

Preben Mullit, Managing Director

COMPANY AUDITORS:

Deloitte & Touche

Statsautoriseret Revisionsaktieselskab

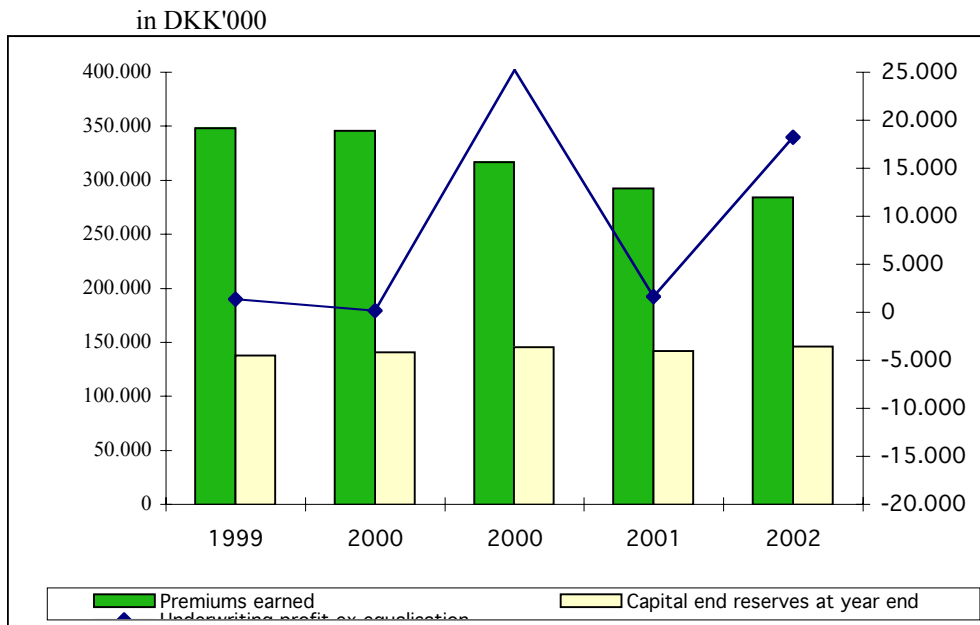
Erik Holst Jørgensen and Birger Berg Nielsen

KPMG C. Jespersen

Per Gunslev and Ole Karstensen

Five-year review

in DKK'000	Europæiske Rejseforsikring A/S				
Key figures	1999	2000	2000	2001	2002
Written premium	428.308	440.923	413.802	370.989	364.115
Earned premiums, net of reinsurance	347.899	345.458	316.447	292.145	283.707
Claims incurred, net of reinsurance	171.444	156.628	152.994	154.624	135.515
Net operating expenses, net of reinsurance	180.748	193.168	144.652	141.209	134.023
Adjustment of equalisation provision	0	15.000	0	5.300	0
Underwriting profit/loss of equalisation provision	1.311	15.103	25.225	6.888	18.230
Profit/loss of investment after transfer of technical interest	8.298	3.738	8.515	7.363	12.407
Profit for the year	1.972	2.443	15.650	3.705	16.023
Gross run-off profit/loss	5.830	7.649	-4.867	-3.208	-1.045
Run-off profit/loss, net of reinsurance	10.085	14.543	4.452	7.749	7.392
Technical provisions	160.460	136.583	145.672	128.786	129.223
Capital and reserves at year-end	137.756	140.199	145.148	141.854	145.877
Total assets	344.598	338.288	344.019	330.598	341.284
Claims rate, net of reinsurance	49,28%	45,34%	48,35%	52,93%	47,77%
Burden rate, net of reinsurance	51,95%	55,92%	45,71%	48,34%	47,24%
Return on capital and reserves	1,43%	1,76%	10,97%	2,58%	11,14%
Solvency cover	2,17	2,21	2,45	2,80	2,88



ANNUAL REPORT FOR 2002

About Europæiske

Europæiske Rejseforsikring A/S' primary business area is sale of travel insurance either in the form of trip-by-trip insurance or annual insurance in connection with our customers' holiday and business trips, or stationing abroad. We offer assistance, covers of claims and related services everywhere in the world.

Our vision is to supply the customers with the best quality in Denmark at a competitive price. This is why we aim at an efficient organisation with professional employees with focus on the customer's need for security and safety.

Europæiske's Network

In more than 80 years a well-developed international network has been our principal basis. A basis, which concurrently is adjusted and expanded in step with the development in the travel market, matching the travelers' needs. Our strength lies in Europæiske's ownership and control of all essential elements in the network. This enables us to have direct control of the quality.

Europæiske's own alarm-centre Euro-Alarm

Euro-Alarm is Europæiske's own alarm centre, which is manned 24 hours a day with international, multi-lingual assistant coordinators and doctors. This ensures our customers the best possible service before, during and after the journey. Euro-Alarm has thorough knowledge of treatment and hospital standards all over the world. An important tool for this is our Information Service Centre (ISC). ISC is a vendor database developed and updated by Euro-Alarm. This information is checked on a continuous basis by visits to the hospitals and to physicians etc. At the end of 2002 ISC had mapped more than 65,000 medical suppliers.

In Euro-Alarm a Danish medical emergency service has been established. This means that Europæiske's customers during traveling – all the 24 hours 365 days during the year – can call Europæiske's Danish medical emergency service with questions on for instance medicine and treatment prescribed by the treating physician at the destination. This way the international traveler will have a Danish doctor "at his side" when traveling and in case of stationing abroad.

Europæiske's International Service Offices, Euro-Centres

The local anchorage of our network is Europæiske's service offices abroad, the Euro-Centres. They are the entry to the regional area in which they are located. Therefore the Euro-Centres are located at destinations with a large concentration of travelers or at destinations with a special need for support. As a minimum there is a Euro-Centre in every continent. The Euro-Centre staff is Scandinavian employees with strong ties to the local population and culture. Generally each employee has lived in the country for many years and speaks the local language.

For the traveler this means that the Euro-Centres are the place to contact if the person is robbed or becomes ill during traveling. Hence, the Euro-Centres function as Euro-Alarm's extended arm in the world.

Administration of the Public Health Travel Insurance Scheme "The yellow Card"

In 2002 Europæiske won the public tender round of the administration of the Public Health Travel Insurance Scheme. Europæiske was evaluated as the best of 4 of which there were 3 major competitors. Europæiske has handled the Scheme for 30 years and regards the result of the tender round as a confirmation of our market leading position within travel insurance in Denmark. About 50,000 Danes need assistance from the Scheme annually and it comprises for instance free medical assistance and repatriation.

New Products and Extended Services

As the market leader Europæiske is always aiming at being at the forefront with product development and new services for our customers. In 2002 Europæiske introduced an annual cancellation insurance to meet the growing demand in the market for such a product and to match our annual travel insurance product.

For our business travelers and persons stationed abroad we introduced new services, a psychological hotline service and a security service for employees exposed to either hijacking or kidnapping during business traveling. Both services render psychological assistance to persons stationed abroad and to business travelers. Europæiske's hotline is manned by psychiatrist, psychologists and other professionals with many years' experience from Europæiske's emergency assistance team. The hotline is open 24 hours a day 365 days a year.

On our homepage www.europaeiske.dk we have introduced on-line claims reporting for leisure as well as business travelers.

The year 2002

With the increasing unrest in the world there is more focus than ever on safety and security when traveling. Europæiske was extremely involved in assisting the Danes who were affected by the Bali nightclub bombings. Europæiske sent out a 6-man emergency team to render psychological emergency assistance to the victims and chartered a plane to get them home as quickly as it was medically safe to travel.

In spite of the above-mentioned catastrophe in Bali the loss ratio has been slightly decreasing, which is mainly due to a decreased loss ratio on cancellation insurance. In 2001 following the terror attack 11th September 2001 our cancellation insurance was substantially affected by an increased cancellation frequency.

The development in the investment market has caused positive value adjustments, realized as well as unrealized, of totally DKK2m.

Europæiske Rejseforsikring A/S owns 67% of the share capital in Euro-Alarm A/S, which handles our repatriation and assistance cases. In addition, Euro-Alarm A/S handles repatriation and assistance cases for Europeiska Försäkringsaktiebolaget, Sweden, Europeiske Rejseforsikring A/S, Norway, and a number of cases for Eurooppalainen Oy, Finland. The annual accounts of Euro-Alarm A/S for 2002 show a profit of DKK0.1m., of which our share is just under DKK0.1m.

Europæiske Rejseforsikring A/S owns 75% of the share capital in the Czech travel insurance company, Evropská Cestovní Pojistovna a.s., which sells products on the Czech market based on the Danish concept. In 2002, the company wrote a gross premium corresponding to DKK21m. The company's annual accounts show a profit equivalent to DKK2.9m, which is regarded satisfactory. Our share of the annual profit is DKK2.2m.

Europæiske Rejseforsikring A/S owns 100% of the share capital in ESK a.s. (previously registered as the travel insurance company Európska Cestovná Poistovna a.s.) in the Slovak Republic. As of December 31st 2001, the company sold its insurance portfolio to the leading Slovakian travel insurance supplier Union Poistovacia a.s. The company is in liquidation and it is expected that the company will be liquidated in the year 2003. The company's annual accounts show a loss of DKK0.6m.

Annual accounts 2002

The net profit for 2002 is DKK16m compared to DKK3.7m in 2001.

The result of business ceded shows an income for Europæiske Rejseforsikring of DKK3m, which is tantamount to an improvement of our underwriting result of about DKK17m compared to 2001. The improvement is primarily due to the negative run-off result on business ceded together with the strengthening of the reserves on ceded business to counteract this. The result for 2001 included a credit of DKK5.3m to the profit and loss account from the equilisation provision. Taking the above into consideration it means an improvement of the underwriting result of DKK11.7m.

The underwriting result in 2002 shows a profit of DKK18.2m against DKK6.9m in 2001 of which DKK5.3m of the result in 2001 applies to the above credit from the equilisation provision to the profit and loss account.

Gross premiums written amount to DKK364.1m against DKK371.0m in 2001, a decrease of DKK6.9m.

Gross claims incurred amount to DKK184.9m against DKK195.6m in 2001, a decrease of DKK10.7m. The gross claims ratio is 52.0% against 52.9 in 2001.

The claims incurred, net of reinsurance, amount to DKK136.4m against DKK154.6m in 2001, a decrease of DKK18.2m.

The claims ratio, net of reinsurance, is 47.9% against 52.9% in 2001.

The administration expenses amount to DKK91.1m against DKK91.4m in 2001.

Acquisition costs amount to DKK69.6m against DKK73.6 in 2001.

The expense ratio, including acquisition cost and reinsurance commission etc. was 47.1% against 48.3% in 2001. The acquisition cost ratio alone is 19.5% against 19.9% in 2001. The combined ratio (total costs measured in relation to earned premiums) is 95.4% against 101.6% in 2001.

The result from affiliated companies shows a profit of DKK1.7m against a profit of DKK0.4m in 2001. This result consists mainly of a profit of DKK2.2m from Evropská Cestovni Pojistovna A.S. in the Czech Republic and a loss of DKK0.6m in ESK as in the Slovak Republic.

Interest income, dividends etc. for the year amount to DKK10.6m against DKK11.1m in 2001.

Net capital gain for the year amounts to DKK2.0m against a loss of DKK0.3m in 2001. The development in 2002 is primarily caused by a positive development in the market value of bonds.

Consequently the result of investment activities before transfer of technical interest amounts to a profit of DKK17.4m against a profit of DKK13.6m in 2001.

Other ordinary net expenses have decreased by DKK1.3m, which primarily is caused by increased revenue from administration schemes in connection with the Public Health Travel Insurance Scheme.

As of December 31, 2002 the company's total capital and reserves amount to DKK145.9m after provision for dividend of DKK12m out of its total assets of DKK340m.

Ownership

Europæiske Rejseforsikring A/S is a 100% owned subsidiary of European International Holding A/S, 3, Frederiksberg Allé, Copenhagen, Denmark.

European International Holding A/S is a 100% owned subsidiary of Europäische Reiseversicherung AG, Munich, Germany.

Europäische Reiseversicherung AG, Munich, is a 100% owned subsidiary of Munich Re, Munich, Germany.

Consolidation

The following companies are affiliated to Europæiske Rejseforsikring A/S:

	Amount in DKK'000			
Subsidiaries:	<u>Registered office</u>	<u>Activity</u>	<u>Shareholding</u>	<u>Capital & Reserves</u>
Euro-Alarm A/S	Copenhagen	Assistance	66.66%	2,472
Evropská Cestovni Pojistovna a.s.	Czech Republic	Insurance	75.00%	27,823
ESK a.s.	The Slovak Republic	In the process of winding up	100.00%	1,930
Associated companies:				
Euro-Center Holding A/S	Copenhagen	Assistance	16.67%	9,818

Outlook

No events have occurred subsequent to the balance sheet date, which would have a material influence on the financial position of the company or its subsidiaries.

The profit in 2003 is expected to be at a slightly lower level compared to 2002, as the same positive result of ceded business for Europæiske Rejseforsikring A/S cannot be expected for 2003.

Appropriation of profit

Available for appropriation:

Amount in DKK'000	2002	2001
Profit for the year	16,023	3,705
Transferred from reserves	16,854	20,149
	<u>32,877</u>	<u>23,854</u>

Which amount is recommended to be allocated as follows:

	2002	2001
To Shareholders	12,000	7,000
Transferred to reserves	20,877	16,854
	<u>32,877</u>	<u>23,854</u>

ACCOUNTING POLICIES APPLIED

General

The Annual Accounts have been prepared in accordance with the Danish Insurance Operations Act with the appurtenant Executive Order on the presentation of annual accounts of non-life insurance companies.

The accounting policies are unchanged from last year.

Intercompany transactions

The remuneration for the administration of the group's companies is based on the costs of such administration. The interest charged on inter-company accounts is the market rate when these accounts are not considered current business accounts.

Other services (including reinsurance) rendered as part of ordinary insurance operations to and from inter-company customers are settled at market rates.

Inter-company trading in assets, including securities, is conducted at market prices. No significant inter-company trading has taken place during the accounting year.

Consolidated accounts

The company has chosen not to prepare consolidated accounts in accordance with Section 8 of the Executive Order on the presentation of consolidated accounts, as the company's ultimate parent company, Munich Re, prepares consolidated accounts in which the company and its subsidiaries are included.

PROFIT AND LOSS ACCOUNT

RESULT OF INSURANCE OPERATIONS

Premium income, net of reinsurance

Premium income, net of reinsurance consists of the premiums collected for the year less ceded reinsurance premiums, adjusted for movements in the unearned premium reserve corresponding to an accrual of the premium for the duration of the cover.

Technical interest, transferred from non-technical account

The technical interest, transferred from non-technical account consists of a calculated interest yield from insurance operations, which results from the time difference between in and outgoing payments.

The interest yield is calculated on the basis of the year's average net technical reserves. The year's average rate for short-maturity bonds is used as the rate of interest.

Claims incurred, net of reinsurance

Claims incurred, net of reinsurance consist of the claims paid during the year less reinsurance recoveries, adjusted for movements in the outstanding claims reserve.

As a result, claims incurred, net of reinsurance consist of reported and expected claims for the accounting year. Furthermore, the difference (run-off result) between the claims incurred and reserved in prior years and the claims reserve at the beginning of the accounting year is included.

Net operating expenses

The share of net operating expenses, which results from the acquisition, and renewal of the insurance portfolio, is recorded under "Acquisition cost". The acquisition cost is adjusted for movements in deferred acquisition cost.

RESULT OF INVESTMENT BUSINESS**Income from land and buildings**

Income from land and buildings includes the operating results of real estate exclusive of interest charges and revaluations, which are found under the relevant entries.

These operating results include an estimated rental income, which is calculated on the basis of market rates, corresponding to the company's own use of the real estate. An equivalent amount is charged to expenditure under "Administrative expenses".

Interest and dividends etc.

The investment result includes interest earned in the accounting year, profits from realized securities, as well as dividends received on shareholdings.

Gains and losses from investment assets

Realized as well as unrealized gains or losses from the sale and/or price adjustment of securities and real estate and realized and unrealized exchange rate gains or losses are included in the investment result.

Capital gains or losses on securities are calculated as the difference between the sales price and the book value at the beginning of the accounting year or the acquisition cost if the securities sold were acquired in the accounting year under review.

Exchange rate adjustments

All balance sheet entries denominated in foreign currencies are converted into Danish kroner using the exchange rate on the balance sheet date.

OTHER ITEMS**Other ordinary income and expenditure**

Other ordinary income and expenditure contain income and expenses on administration agreements, which cannot be attributed to the insurance portfolio.

Taxation

Tax on the profit for the year is calculated on the basis of the profit for the year before tax, adjusted for non-taxable income and expenditure.

The company is jointly taxed with certain group companies. Full inter-company tax equalisation is effected so that the company pays for the utilisation of contingent negative taxable income from the parent company and the company is refunded by the parent company for its utilisation of contingent taxable deficits of the company.

Current taxes are calculated on the basis of the payment-on-account tax scheme.

Deferred taxes are provided for with 30% on all time differences between the result reported in the annual accounts and the result reported in the tax return, and between the book value and taxable value of the company's other financial assets, furniture, computer equipment, motor vehicles etc., deferred acquisition costs and debts to mortgage institutes. If deferred tax constitutes a tax asset, it is entered in the assets, if it is most probably that it can be used in the future. The calculated deferred taxes have been discounted in the light of the expected taxation periods of the taxable assets. The tax liable on the contingency reserve (contingent tax) is not provided for in the balance sheet but is disclosed in a note to the Annual Accounts.

BALANCE SHEET

Land and buildings

Land and buildings, including the property used by the company, is stated using the Supervisory Authority's directions on the valuation of real estate. The building at 3, Frederiksberg Allé that constitutes most of the total net asset value, is mainly used as the company's head-office. The building has been assessed at its market value on the basis of the building's estimated operating profit for the subsequent accounting year and a rate of return fixed by the management.

Capital holdings (shares) in affiliated and associated companies

Shareholdings are stated at their equity value using the equity method. As a result, the shareholdings are shown in the balance sheet as the pro rata share of the companies' equity value, and the company's share of the result is included in the profit and loss account under "Result of investment business".

The proportion of the total net revaluation entered in the profit and loss account which is not distributed as dividends, is transferred to a special reserve for such revaluations within shareholders' funds. This reserve may not be distributed as dividend.

Other financial assets

Listed bonds and capital investments are stated at the price listed at closing time on the date of the balance sheet. However, drawn bonds are stated at par.

Unlisted capital investments are stated as the estimated market value, based on the last available annual accounts of the company in question.

Secured loans are stated as the estimated market value at the balance sheet date.

Debtors

Debtors are stated net of a bad debt reserve calculated on the basis of an individual assessment of the debtors.

Furniture, computer equipment and cars etc.

The assets are stated at acquisition cost less depreciation. Depreciation is performed on a straight-line basis from the following assessment of the assets' expected useful lifetime:

Furniture and other operating equipment	5 years
Computer equipment	3-5 years
Motor vehicles	5 years

Assets having an acquisition cost of less than DKK 10,100 are charged directly to the Profit and Loss Account.

TECHNICAL RESERVES

Provisions for unearned premium, net of reinsurance

Provision for unearned premium, net of reinsurance is calculated using the pro rata temporis method and accounts for that part of the premium which corresponds to insurance cover in the subsequent accounting year.

Claims outstanding, net of reinsurance

The claims outstanding, net of reinsurance, consist of provisions for reported, but not yet settled claims, incurred but not yet reported losses, and claims which may be reopened or which are otherwise subject to some uncertainty.

Equalisation provisions

These consist of provisions to cover claims on medical insurance, with a view to eliminating the effect of future fluctuations in claims incurred due to major loss occurrences.

Other technical provisions

These provisions cover the risk of increase in age and are made when the natural premium is not collected, and when the risks covered increase with the age of the insured.

Profit and loss account

Note in DKK'000

	<u>2002</u>	<u>2001</u>
<i>Earned premiums</i>		
1	364.115	370.989
	Ceded reinsurance premiums	-83.109
1	Change in the gross provision for unearned premiums	-7.438
	Change in the provision for unearned premiums, reinsurers' share	7.406
	<u>Premium income, net of reinsurance</u>	<u>292.145</u>
2	Technical interest, transferred from non technical account	5.031
	<i>Claims incurred</i>	
	Gross claims paid	162.544
	Reinsurance recoveries received	-26.565
	Change in the gross provision for claims	22.376
	Change in the provision for claims, reinsurers' share	-22.840
	<u>Claims incurred, net of reinsurance</u>	<u>154.624</u>
	Change in other technical provisions, net of reinsurance	970
	<i>Net operating expenses</i>	
3	Acquisition costs	69.567
4	Administrative expenses	91.088
	Reinsurance commissions and profit participation	-26.632
5	Total net operating expenses, net of reinsurance	134.023
	Change in equalisation provision (income)	0
6	UNDERWRITING RESULT	18.230
	<i>Income from investment assets</i>	
7	Income from affiliated companies	1.739
	Income from associated companies	-87
	Income from land and buildings	4.146
8	Interest and dividends etc.	10.621
9	Gains realised on investment assets, net	2.103
	<u>Total income from investment assets</u>	<u>17.126</u>
9	Unrealised gains on investment assets	484
	<i>Investment charges</i>	
	Administrative expenses on investments	257
	Interest expenses	669
9	Losses realised on investment assets, net	0
	<u>Total investment charges</u>	<u>980</u>
9	Unrealised losses on investment assets	568
	Exchange rate adjustments	-72
	Profit of investments before transfer of technical interest	17.438
	Transferred to technical account as technical interest	-5.031
	TOTAL PROFIT OF INVESTMENTS	12.407
10	Other ordinary income	20.853
10	Other ordinary expenses	29.407
	ORDINARY PROFIT BEFORE TAX	22.083
11	Tax	6.059
	PROFIT FOR THE YEAR	16.023

Balance Sheet at 31 December

Note		<u>2002</u>	<u>2001</u>
	ASSETS		
	<i>Investment assets</i>		
12	Land and buildings	<u>71.520</u>	<u>71.340</u>
	<i>Investments in affiliated and associated companies</i>		
13	Capital holdings (shares) in affiliated companies	24.445	24.354
13	Capital holdings (shares) in associated companies	<u>1.698</u>	<u>1.785</u>
	Total investments in affiliated and associated companies	<u>26.143</u>	<u>26.139</u>
	<i>Other financial investments</i>		
	Participating interests	4.040	4.413
	Bonds	<u>166.483</u>	<u>140.679</u>
14	Total other financial investments	<u>170.523</u>	<u>145.092</u>
	TOTAL INVESTMENT ASSETS	<u>268.187</u>	<u>242.572</u>
	<i>Debtors</i>		
	Amounts owed by intermediaries	<u>4.165</u>	<u>4.542</u>
	Total debtors arising out of direct insurance operations	<u>4.165</u>	<u>4.542</u>
	Amounts owed by insurance companies	5.640	9.498
	Amounts owed by affiliated companies	6.002	3.305
	Amounts owed by associated companies	5.339	7.270
18	Tax asset	840	933
	Other debtors	<u>294</u>	<u>15</u>
	TOTAL DEBTORS	<u>22.280</u>	<u>25.563</u>
	<i>Other assets</i>		
	Furniture, computer equipment, motor vehicles etc	12.726	11.828
	Cash in hand	18.366	33.117
	Other	<u>5.014</u>	<u>2.413</u>
	TOTAL OTHER ASSETS	<u>36.106</u>	<u>47.358</u>
	<i>Prepayments and accrued income</i>		
	Accrued interest	2.513	2.273
	Deferred acquisition costs	11.144	10.533
15	Other prepayments and accrued income	<u>1.053</u>	<u>2.299</u>
	TOTAL PREPAYMENTS AND ACCRUED INCOME	<u>14.711</u>	<u>15.105</u>
	TOTAL ASSETS	<u><u>341.284</u></u>	<u><u>330.598</u></u>

Balance Sheet at 31 December

Note	<u>2002</u>	<u>2001</u>
	LIABILITIES	
	<i>Capital and reserves</i>	
	Share capital	10.000
	<i>Reserves</i>	
	Contingency reserve, untaxed	115.000
	Total reserves	115.000
	Profit brought forward	16.854
16	TOTAL CAPITAL AND RESERVES	141.854
	<i>Technical provisions</i>	
	<i>Provision for unearned premiums</i>	
	Gross provisions	60.295
	Reinsurance share	9.489
	Provision for unearned premiums, net of reinsurance	50.806
	<i>Claims outstanding</i>	
	Gross provisions	82.580
	Reinsurance share	24.592
	Claims outstanding, net of reinsurance	57.987
17	Equalisation provision	10.000
	<i>Other technical provisions</i>	
	Gross provision	9.993
	Other technical provisions, net of reinsurance	9.993
	TOTAL TECHNICAL PROVISIONS, net of reinsurance	128.786
	<i>Creditors</i>	
	Amounts owed to insurance companies	4.886
19	Amounts owed to credit institutions	13.109
	Corporate taxes	315
	Amounts owed to affiliated companies	385
	Accrued intercompany tax equalisation	1.563
	Amounts owed to associated companies	79
	Deferred acquisition cost from reinsurance	2.956
20	Other creditors	29.665
	Dividend for the accounting year	7.000
	TOTAL CREDITORS	59.958
	TOTAL LIABILITIES	330.598
21	Contingency liabilities	
22	Management assignments	

Note

	<u>2002</u>	<u>2001</u>
in DKK'000		
1 Gross earned premiums		
Gross premiums	364.115	370.989
Change in the gross provision for unearned premiums	<u>-7.438</u>	<u>-161</u>
Gross earned premiums for the year	<u>356.677</u>	<u>370.828</u>
<i>Distribution:</i>		
Direct business	335.269	350.267
Indirect business	<u>21.408</u>	<u>20.561</u>
	<u>356.677</u>	<u>370.828</u>
<i>Geographic distribution of direct business:</i>		
Denmark	314.818	328.341
EU countries	10.821	11.902
Non -EU countries	<u>9.630</u>	<u>10.024</u>
	<u>335.269</u>	<u>350.267</u>
Earned premiums solely concern travel insurance or other travel related products		
2 Technical interest, transferred from non-technical account		
Interest yield from the year's average technical provisions, net of reinsurance, transferred from investment business	<u>5.031</u>	<u>6.271</u>
	<u>5.031</u>	<u>6.271</u>
3 Acquisition costs		
Commission for direct business	58.130	62.933
Commission for indirect business	<u>11.437</u>	<u>10.698</u>
	<u>69.567</u>	<u>73.631</u>
4 Administrative expenses		
Administrative expenses	89.231	89.144
Taxes and contributions etc	4.255	4.010
Depreciation	6.699	4.829
Reimbursements from affiliated companies	<u>-9.097</u>	<u>-6.626</u>
	<u>91.088</u>	<u>91.357</u>
Total fees paid to auditors appointed by the company at the general meeting:		
Statutory audit services		
Deloitte & Touche	295	288
KPMG	<u>260</u>	<u>260</u>
	<u>555</u>	<u>548</u>
Services other than audit:		
Deloitte & Touche	723	484
KPMG	<u>21</u>	<u>21</u>
	<u>744</u>	<u>505</u>
	<u>1.299</u>	<u>1.053</u>

Note

	<u>2002</u>	<u>2001</u>
in DKK'000		
5 Staff costs		
Net operating expenses include the following staff costs:		
Wages and salaries	44.621	42.870
Pension scheme contributions	5.744	5.186
Payroll tax	<u>4.255</u>	<u>4.010</u>
	<u>54.620</u>	<u>52.065</u>
Total remuneration paid to:		
Board of Directors	<u>80</u>	<u>83</u>
Board of Management	<u>2.106</u>	<u>1.870</u>
The average of full-time staff	<u>128</u>	<u>119</u>
6 Breakdown of underwriting result		
Earned premiums	355.707	369.833
Underwriting interest, net of reinsurance	5.031	6.271
Claims incurred	-184.919	-195.569
Administrative expenses	-91.088	-91.357
Commission expenses	<u>-69.567</u>	<u>-73.631</u>
Profit from gross operations	<u>15.163</u>	<u>15.548</u>
Ceded reinsurance premiums	72.970	78.683
Reinsurance recoveries received	-49.405	-40.945
Reinsurance commissions and profit participation	<u>-26.632</u>	<u>-23.778</u>
Result of ceded business	<u>-3.067</u>	<u>13.960</u>
Underwriting profit excl. equalisation	18.230	1.588
Adjustment of equalisation provision (income)	<u>0</u>	<u>5.300</u>
Underwriting profit	<u>18.230</u>	<u>6.888</u>
7 Income from affiliated companies		
Net loss for the year in Euro Alarm A/S	73	-1.540
Net profit for the year in Evropská Cestovni Pojistovna a.s., Pragu	2.230	2.107
Net loss for the year in ESK a.s., Bratislava	<u>-564</u>	<u>-129</u>
	<u>1.739</u>	<u>438</u>
8 Interest and dividends etc		
Interest income	10.777	11.673
Capital gains on instalments and redemptions	-198	-699
Dividend from participating interests	<u>42</u>	<u>111</u>
	<u>10.621</u>	<u>11.085</u>

Note

in DKK'000

	<u>2002</u>	<u>2001</u>
9 Realised and unrealised gains and losses, net		
Participating interests	-373	-245
Bonds	2.407	382
Land and Buildings	180	0
Mortgage loans	-195	-444
	<u>2.018</u>	<u>-307</u>
The above amount being included in the following items:		
Realised gains on investment assets	2.103	2.555
Realised loss on investment assets	0	0
Unrealised gains on investment assets	484	0
Unrealised loss on investment assets	-568	-2.862
	<u>2.018</u>	<u>-307</u>
10 Other ordinary income and expenses		
Income from administration agreements	20.853	17.849
Expenditure from administration agreements	29.407	27.689
	<u>-8.554</u>	<u>-9.840</u>
11 Tax		
Current tax	4.823	557
Intercompany tax equalisation	1.236	1.563
Change in deferred tax	93	-1.461
Adjustment regarding prior years	-92	46
	<u>6.059</u>	<u>705</u>
Taxes paid for last year	<u>0</u>	<u>0</u>
Taxes paid on account for the current year	<u>0</u>	<u>0</u>
12 Land and buildings		
Acquisition cost, balance at beginning of year	94.564	94.564
Depreciation and write-downs of the year	0	0
Total depreciation and write-downs at year-end	23.304	23.304
Revaluations of the year	180	0
Total revaluations at year-end	<u>260</u>	<u>80</u>
Net book value	<u>71.520</u>	<u>71.340</u>
Net book value of land and buildings used for company operation	<u>45.890</u>	<u>45.890</u>
Real property value according to the last public assessment	<u>67.520</u>	<u>63.510</u>
In 1992 the company acquired the building at 3, Frederiksberg Allé, in which the registered office is located. The yield used for the assessment of the market value of the building is	<u>6,10%</u>	<u>6,30%</u>

Note

in DKK'000

13 Affiliated and associated companies

	<u>Affiliated companies</u>	<u>Affiliated companies</u>
Acquisition cost, balance at January 1, 2002	37.755	1.550
Acquisition cost, balance at 31 December 31, 2002	37.755	1.550
Revaluations, balance at 1 January 2002	2.039	235
Price adjustment of opening balance of capital and reserves	268	0
Share of profit for the year	1.739	-87
Revaluations, balance at 31 December 2002	4.046	148
Write-downs, balance at 1 January 2002	15.440	0
Distribution of dividends	1.916	0
Write-downs, balance at 31 December 2002	17.356	0
Net book value at 31 December 2002	24.445	1.698
Net book value at 31 December 2001	24.354	1.785

14 Other financial investments

	<u>2002</u>	<u>2001</u>
Total acquisition cost of:		
Participating interests	6.469	6.434
Bonds	166.238	143.476
	<u>172.648</u>	<u>149.910</u>
Market value (book value)	<u>170.523</u>	<u>145.092</u>

15 Other prepayments and accrued income

Prepaid wages and salaries	932	1.605
Other prepayments and accrued income	121	693
	<u>1.053</u>	<u>2.299</u>

Note

in DKK'000

	<u>2002</u>	<u>2001</u>
16 Capital and reserves		
Share capital	10.000	10.000
Contingency reserve	115.000	115.000
Profit brought forward at 1 January	16.854	20.149
Transfer to Appropriation of Profit	16.854	20.149
Allocated from profit for the year	<u>20.877</u>	<u>16.854</u>
	<u>20.877</u>	<u>16.854</u>

The company's share capital consists of:

800 shares of DKK 500

200 shares of DKK 2,000

400 shares of DKK 8,000

6 shares of DKK 1,000,000

The shares are not divided into classes.

The contingency reserve may only be used to strengthen the technical provisions or otherwise in favour of the insured and only with the consent of the Supervisory Authority.

The funds allocated to the contingency fund are not taxed.

Base capital and solvency margin:

Total capital and reserves	145.877	141.854
Allowance for solvency requirement in subsidiaries	<u>2.007</u>	<u>2.231</u>
Base capital	<u>143.870</u>	<u>139.623</u>
Solvency margin	<u>49.992</u>	<u>49.845</u>

17 Equalisation provision

Medical expenses	<u>10.000</u>	<u>10.000</u>
	<u>10.000</u>	<u>10.000</u>

18 Provisions for taxation

Deferred tax is incumbent on the following items:

Bonds and mortgage debt	30	-824
Deferred acquisition costs	1.570	1.994
Furniture etc.	-2.057	-2.020
Severance pay	<u>-383</u>	<u>-83</u>
Total provisions for deferred taxation (-= tax asset)	<u>-840</u>	<u>-933</u>

Contingency tax

A release of the contingency reserve will trigger a tax of approx.	<u>34.500</u>	<u>34.500</u>
	<u>34.500</u>	<u>34.500</u>

The company expects its activities to increase, and as a result the technical provision is not expected to fall below the level of 90% of 31 December 1994. No provision for deferred tax on the contingency reserve has therefore been made.

Note

	<u>2002</u>	<u>2001</u>
in DKK'000		
19 Long term creditors		
The following amounts fall due for payment after 5 years or beyond:		
Amounts owed to credit institutions	<u>2.976</u>	<u>4.770</u>
20 Other creditors		
PAYE taxes and labour market contribution	-3	1.679
Holiday pay obligations, salaried staff	4.836	4.771
Social security benefit and other duties	403	438
Other accrued costs	<u>16.247</u>	<u>23.077</u>
	<u>21.483</u>	<u>29.965</u>
21 Contingency liabilities		
Submission of guarantee to Danske Bank for the overdraft facility of Euro-Alarm A/S up to a maximum of DKK3m.		
The company is jointly and severally liable for taxes levied on jointly taxed companies.		
The company is jointly and severally liable for taxes and duties in companies within the joint registration.		
The company has leased copying machines. The payments in the leasing period amount to:	<u>1.040</u>	<u>938</u>
The parent company has issued a Letter of Shareholders to liquidator for the liquidation of ESK a.s. as a solvent liquidation, maximum liability DKK5.2m		
22 Management assignments		
The board has approved the following management assignments to be carried out by Preben Mullit, the Managing Director:		
Member of the Board of Euro-Center Holding A/S, Copenhagen		
Member of the Board of Euro Alarm A/S, Copenhagen		
Member of Danske Rejseagenters Sikkerhedsfond		

SIGNATURES OF THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS

The Board of Management and the Board of Directors have today discussed and adopted the annual report and accounts for 2002 of Europæiske Rejseforsikring A/S. The annual accounts has been prepared in accordance with the Danish Insurance Operations Act with the appurtenant Executive Order.

We consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the Company's assets, liabilities and financial position as well as of the results.

We recommend the annual report to be approved at the annual general meeting.

Copenhagen, February 19, 2003

Board of Management:

Preben Mullit

/

Winnie Grønnemose

Board of Directors:

Wolfgang Diels
Chairman

Dr. Adrian von Dörnberg

Helmut Pritscher

Kirsten Davidsen

Yvonne Hansen

Auditors' report

To the shareholders of Europæiske Rejseforsikring A/S

We have audited the Annual Accounts of Europæiske Rejseforsikring A/S for the financial year 2002.

The Annual Accounts is the responsibility of the Company's Board of Directors and Board of Management. Our responsibility is to express an opinion on the Annual Accounts 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 Accounts. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and Board of 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 qualifications.

Opinion

In our opinion, the Annual Accounts gives a true and fair view of the financial position at 31 December of the Company and of the results of the Company's operations for the financial year 2002 in accordance with the requirements of Danish legislation in respect of the preparation of annual accounts.

Copenhagen, February 19th 2003

KPMG C.Jespersen

DELOITTE & TOUCHE
Statsautoriseret Revisionsaktieselskab

Per Gunslev
statsaut. Revisor

Ole Karstensen
statsaut. Revisor

Erik Holst Jørgensen
statsaut. revisor

Birger Berg Nielsen
statsaut. revisor