

COMPANIES IN THE TAPIOLA GROUP

Insurance companies

Tapiola General Mutual Insurance Company
Tapiola Mutual Pension Insurance Company
Tapiola Mutual Life Assurance Company
Tapiola Corporate Life Insurance Company

Financial services

Tapiola Fund Management Company Ltd
Tapiola Asset Management Ltd
Tapiola Bank Ltd

OUR INTERNATIONAL PARTNERS

In the Nordic Countries

In Scandinavia Tapiola engages in project-based and information exchange collaboration called Nordic Alliance. Our partners in this Alliance are Länsförsäkringar of Sweden and Gjensidige NOR of Norway.

In Eastern Europe

Ergo Group companies in the Baltic Countries and Russia
Ingosstrakh and IngoNord in Russia

Worldwide

XL Insurance Global Risk, Bermuda/London
Winterthur Group, Switzerland
Generali Group, Italy
EurAPCo, European Alliance Partners Company

**TAPIOLA**

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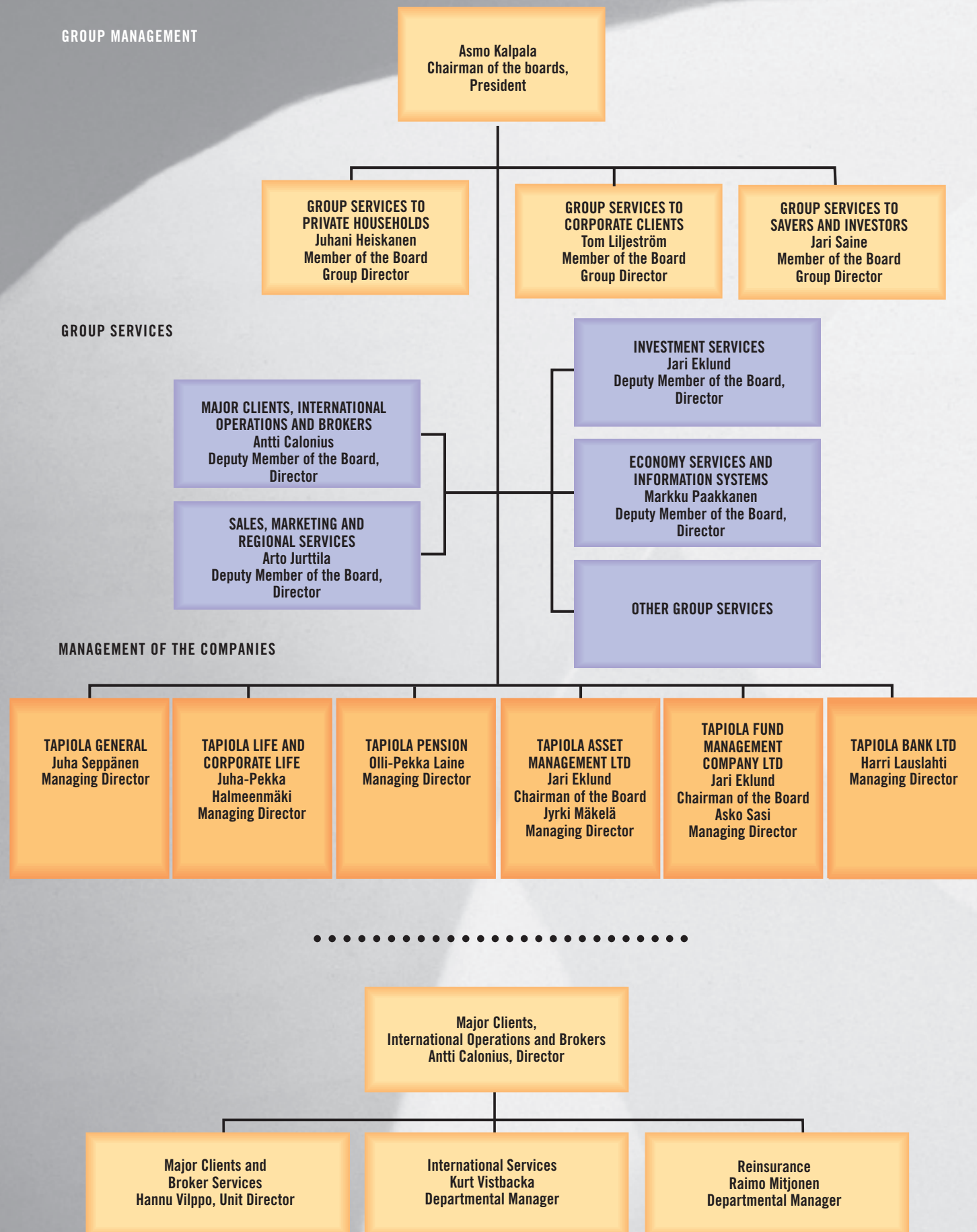
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First half year 2003

**TAPIOLA**

Organisation Chart



First half year 2003

Key figures

Combined figures for the insurance groups of Tapiola	1-6/2003 EUR mill.	1-6/2002 EUR mill.	1-12/2002 EUR mill.
Turnover	1 288,5	1 203,3	2 296,5
Premiums written	925,2	905,3	1 637,0
Net return on investments	291,0	160,0	266,0
Claims expenditure	816,0	662,8	1 340,8
Operating expenses	78,1	84,8	154,6
Investments, book value	8 504,1	7 877,6	8 040,6
Investments, current value	9 335,0	8 550,8	8 825,4
Equity	323,1	283,7	291,9
Technical provisions	8 380,2	7 848,5	8 003,8
Balance sheet total	9 020,3	8 373,5	8 538,9

IMPROVED RESULTS FOR TAPIOLA

The insurance companies of the Tapiola Group performed well in the first half of 2003 reaching a total result of 208.0 (-30.6) million euro. The figure in the brackets is from the same period last year. The total premium income of the group amounted to 925.2 (905.3) million euro and the turnover was 1 288.5 (1 203.3) million euro. The total net investment income was 291.0 (160.0) million euro. The staff increased with about 100 persons or 4 per cent.

The market share of Tapiola Fund Management Company rose to 2.4 (2.0) per cent and the company is now one of the 10 largest fund companies in Finland. The Tapiola Asset Management Company Ltd managed assets of 3 208.6 (2 900.0) million euro. Tapiola Bank is making preparations for the opening in 2004.

Tapiola is owned by the policyholders, thus the surplus is used for bonuses and rebates, developing the services as well as strengthening the solvency. Tapiola has now 760 000 household customers (private customers, companies and organisations). The main focus has been to develop the compensation services.

The result of the groups of companies in Tapiola General reached 54.7 (11.9) million euro. The premium income rose by 12.0 per cent to 327.5 (292.4) million euro and the turnover by 15.6 per cent to 362.2 (313.2) million euro. The combined ratio improved and was 106.8 (109.6) per cent; 104.2 (106.9) per cent calculated in accordance with the international IAS standard. The total net investment income increased by 119.0 per cent to 72.5 (33.1) million euro. The six month return on capital employed was 3.9 (1.7) per cent, which is twice the amount on

an annual basis. The solvency of 238.4 per cent is among the best in the business. By the end of 2002 the solvency was 237.3 per cent.

The overall result of Tapiola Pension was 130.6 (-36.3) million euro. The result before the valuation differences reached 75.2 (-3.5) million euro. The premium income increased by 7.2 per cent amounting to 514.2 (479.9) million euro. The net return from investment in profit and loss account rose by 50.1 per cent to 152.4 (101.5) million euro. The net return on investments at current value increased to 202.2 (62.9) million euro. The six month return on capital employed was 4.2 (1.5) per cent. The solvency exceeded the minimum requirement by a factor of 2.9 (2.7).

The result for the group of companies comprising Tapiola Life and Tapiola Corporate Life increased to 22.7 (-6.3) million euro. The premium income from the main product, the individual pension scheme, amounted to 26.7 (23.7) million euro, exceeding the average growth in the business. The overall premium income decreased to 83.5 (133.0) million euro due to the fact that the company limited the sell of guaranteed-return life policies as a result of the generally low interest level. The customers begun to save in funds instead, thus the fund investments have increased. The turnover decreased by 14.3 per cent to 191.0 (222.9) million euro. The investment income increased by 160.5 per cent to 66.1 (25.4) million euro. The six month return on capital employed was 3.7 per cent for Tapiola Life and 3.9 per cent for Tapiola Corporate Life. The solvency ratio rose by 16.9 per cent from 16.4 per cent by the end of 2002, thereby the solvency margin is almost three times the minimum requirement.