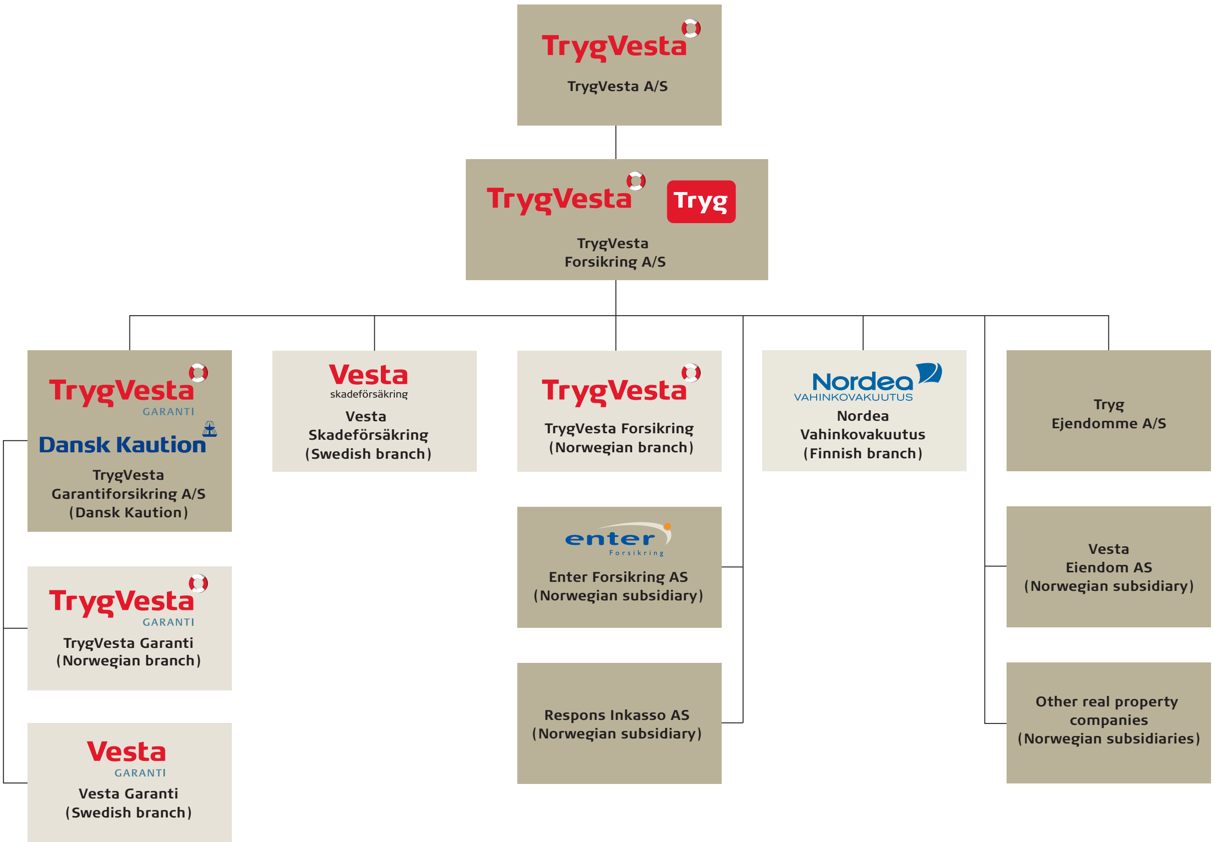
TrygVesta

Annual Report 2007



Group chart at 31 December 2007. Companies and branches are wholly-owned
by Danish owners and placed in Denmark unless otherwise stated.
TrygVesta IT A/S and TrygVesta A/S merge effective 1 January 2008.

Company   Branch

We want to be perceived as the leading peace-of-mind provider in the Nordic region and we aim to prevent concerns from overshadowing our customers' lives. Throughout 2007, our roughly 3,900 employees and our products interacted to provide peace of mind on a daily basis to more than 2.2 million private customers and more than 100,000 businesses.

We are the second-largest general insurer in the Nordic region with activities in Denmark, Norway, Finland and Sweden. We are the largest general insurer in Denmark and Norway's third largest general insurer. We have operated our rapidly growing activities in Finland and Sweden since 2002 and 2006, respectively.

We sell the great majority of our products through our own distribution channels. We also have a strong strategic partnership with Nordea, the largest bank in the Nordic region.

Contents

Prepared to meet future challenges

Challenges and opportunities go hand in hand, and the changes happening around us in the market and in society in general present a number of business opportunities for us. Indeed, the year 2007 presented several challenges, including a growing focus on health care systems, an awareness of climate change that has truly asserted itself, and unemployment falling to an all-time low leading to an intensified battle to attract employees. We launched new initiatives in these areas in 2007 which, going forward, will benefit our Group and all our stakeholders.

The technical result we produced for 2007 was DKK 2.8bn, an improvement of some 12% on 2006 and DKK 770m higher than our expectations at the beginning of 2007. The improved technical result was the reward of several years of efforts to build a strong foundation for our insurance operations; our prices are now set based on risk considerations, the structure of our reinsurance programme reflects our risk profile, and we focus strongly on innovation and growth. The stronger technical results of recent years make us less dependent on financial income, which was lower in 2007 relative to 2006. Furthermore, we pursue a conservative investment policy, refraining from investing in structured financial products, the alleged cause of the financial turmoil prevailing since the summer of 2007. In addition to reporting good results, we have also built a solid foundation for maintaining the strong momentum of recent years. In 2007, we extended our Health Care area to include Norway, we began selling commercial insurances in Finland, and we plan to launch corporate insurances in Sweden in 2008.

A structured approach to innovation is key at TrygVesta. Innovation is first and foremost a matter of securing the future development of our Group, creating and exploiting business opportunities and achieving our vision of being perceived as the leading peace-of-mind provider of the Nordic region. It is about developing new ways of servicing customers, offering new products and launching new initiatives that support growth. The results of these efforts will materialise clearly in the years ahead.

A decision was made in 2007 to change the Group's profit distribution policy to the effect that TrygVesta now pays cash dividends at the rate of 50% of the profit for the year after tax and also buys back treasury shares. The amount used for share buybacks is calculated on the basis of TrygVesta's capital model. Accordingly, our Supervisory Board intends to recommend to the shareholders at the annual general meeting to be held on 3 April 2008 that cash dividends for 2007 be paid at the rate of DKK 17 per share, equivalent to a total of DKK 1,156m. In addition, we intend to buy back shares for DKK 1,405 million, comprising an ordinary and an extraordinary amount attributable to circumstances described in more detail in the section on capitalisation and profit distribution. The total amount being distributed to shareholders in 2007 is DKK 2,561m, equivalent to 113% of the profit for the year after tax. The total amount distributed reflects TrygVesta's strong capital position and the Group's targeted rating of A- from Standard & Poor's.

Our good technical performance in 2007 has caused us to upgrade our medium-term expectations from a combined ratio of around 92 to the 89-91 range before run-off.

We have supplemented our annual report this year with a feature section focusing on some of our challenges and describing how at TrygVesta we have launched a range of new initiatives to meet these challenges. Our initiatives include boosting the creative potential of our employees and finding new ways of working with product development. You can read about these and other initiatives in the feature section at the end of the Management's report.

We hope you will enjoy reading our annual report.

Mikael Olufsen
Chairman of the Supervisory Board

Stine Bosse
Group CEO

Financial highlights and key ratios of TrygVesta

DKKm	2007 (IFRS)	2006 (IFRS)	2005 (IFRS)	2004 (IFRS)	2004 (Danish GAAP)	2003 (Danish GAAP)
Income statement						
Gross premiums earned	16,606	16,021	15,705	15,266	16,308	16,702
Gross claims incurred	-11,175	-10,564	-11,159	-10,425	-11,020	-11,940
Total insurance operating expenses	-2,769	-2,697	-2,662	-2,611	-3,462	-3,745
Profit/loss on gross business	2,662	2,760	1,884	2,230	1,826	1,017
Profit/loss on ceded business	-343	-591	-7	-708	-814	-1,135
Technical interest, net of reinsurance	501	343	170	185	537	595
Change in equalisation provisions	0	0	0	0	-93	-101
Technical result	**2,820**	**2,512**	**2,047**	**1,707**	**1,456**	**376**
Return on investment activites after transfer to Insurance activities	340	1,228	894	371	517	685
Other income	121	118	126	121	121	115
Other expenses	-172	-149	-154	-147	-147	-131
Profit/loss for the year before tax	**3,109**	**3,709**	**2,913**	**2,052**	**1,947**	**1,045**
Extraordinary items and minority interests	0	0	0	0	0	1
Tax	-842	-624	-788	-556	-485	-87
Profit/loss for the year, continuing business	**2,267**	**3,085**	**2,125**	**1,496**	**1,462**	**959**
Profit/loss on discontinued and divested business after tax	-1	126	-28	-75	-55	-217
Profit/loss for the year	**2,266**	**3,211**	**2,097**	**1,421**	**1,407**	**742**
Run-off gains/losses, net of reinsurance	743	555	283	-71	3	-516
Relative run-off gains/losses	3.6	3.0	1.8	-0.5	-	-
Balance sheet						
Total provisions for insurance contracts	26,916	25,957	26,757	25,212	26,599	25,955
Total reinsurers' share of provisions of insurance contracts	1,587	1,561	2,630	3,292	3,132	3,480
Total shareholders' equity	10,010	9,951	8,215	6,802	6,117	5,360
Total assets	43,830	42,783	40,811	37,824	33,553	31,337
Key ratios						
Gross claims ratio	67.3	65.9	71.1	68.3	67.6	71.5
Business ceded as a percentage of gross premiums	2.1	3.7	0.1	4.6	5.0	6.8
Claims ratio, net of ceded business	69.4	69.6	71.2	72.9	72.6	78.3
Gross expense ratio	16.7	16.8	17.0	17.1	21.2	22.4
Combined ratio	86.1	86.4	88.2	90.0	93.8	100.7
Claims ratio, net	68.1	68.4	69.7	71.2	70.9	76.6
Expense ratio, net	17.1	17.2	17.6	17.6	22.2	24.3
Combined ratio, net	85.2	85.6	87.3	88.8	93.1	100.9
Operating ratio	83.5	84.6	87.1	89.0	90.8	97.2

DKKm	2007	IFRS 2006	IFRS 2005	IFRS 2004	Danish GAAP 2004	Danish GAAP 2003
Other data						
Return on equity before tax and discontinued and divested business	31	41	39	33	34	22
Return on equity after tax and discontinued and divested business	23	35	28	23	25	15
Earnings per share (continuing business)	33.5	45.5	31.3	22.0	21.5	14.1
Net asset value per share	148	147	121	100	90	79
Dividend per share	17	33	21	10	10	1
Share price 31.12	388.0	431.5	319.2	-	-	-
Quoted price/net asset value	2.6	2.9	2.6	-	-	-
Price Earnings	11.6	9.5	10.2	-	-	-
Average number of shares (1,000) [1)]	67,648	67,824	68,000	68,000	68,000	68,000
Number of shares, year end (1,000) [1)]	67,638	67,790	68,000	68,000	68,000	68,000
Solvency	81	58	72	78	79	86
Number of full-time employees, end of period						
Continuing business	3,814	3,808	3,694	3,728	3,728	3,750
Discontinued and divested business	0	0	24	34	34	670

[1)] Calculated in accordance with 'Recommendations & Financial Ratios 2005' issued by the Danish Society of Financial Analysts except for per shares data, which is based on 68,000,000 shares as if such number of shares was outstanding during the periods presented. The 68,000,000 shares reflect the number of outstanding shares after giving effect to the four-to-one share split set forth in the company's amended articles of association.

Accounting policies

From 1 January 2005, the accounting policies of TrygVesta follow the IFRS standards.
The comparative figures for 2004 have been restated to IFRS, but in addition to IFRS restatements, the figures for 2004 are net of divested business, which is henceforth included in 'Profit/loss on discontinued and divested business'.

By IFRS (International Financial Reporting Standards) means that the accounting policies are based on the international accounting standards and interpretations as adopted by the EU. By Danish GAAP means that the accounting policies are in accordance with the Danish Financial Business Act and the executive order issued by the Danish Financial Supervisory Authority on financial reports presented by insurance companies and profession-specific pension funds.

Comparative figures for 2004, 2005 and 2006 have been restated to the new method of unwinding.
See note 1 'Changes in Accounting policies'.

2007 in review

February

TrygVesta's Finnish operation started selling commercial insurance to small businesses.

TrygVesta reported profit before tax of DKK 3.7bn for the full year 2006 compared with the forecast of DKK 3.2bn announced in the third-quarter interim report.

TrygVesta introduced a new children's insurance in Norway covering all children, including those who have a disability or suffer from a serious illness.

March

TrygVesta began offering stress consultancy to employees working in Denmark. StressStop is a stress prevention scheme incorporated in the general health insurance.

StressStop

At the head office in Ballerup, TrygVesta opened an innovation centre – a creative space with room to create and stimulate the development of ideas.

TrygVesta held its second annual general meeting as a listed company. Christian Brinch was elected as a new member of the Supervisory Board.

April

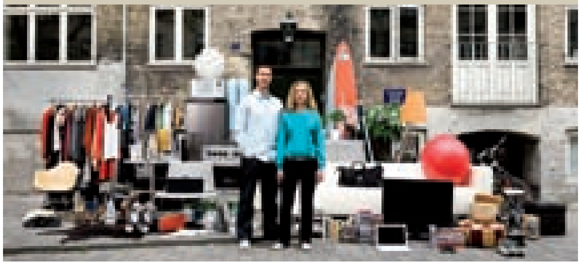
TrygVesta introduced LEAN to offer enhanced quality to customers, improve employee satisfaction and make work processes better and more efficient.

May

TrygVesta's first-quarter pre-tax profit was DKK 683m compared with DKK 700m in the first quarter of 2006.

Credit rating agency Moody's upgraded TrygVesta to A2 from A3.

TrygVesta launched a lower-priced motor insurance for young women below 29 years in Denmark.



June

TrygVesta organised its first capital markets day at the Ballerup head office, attended by 36 investors and analysts. At the same time, TrygVesta upgraded its premium growth forecast from 3.0% to 3.3% and supplemented the profit distribution policy with share buybacks.

Vesta Forsikring in Norway became a branch of Tryg Forsikring. At the same time Tryg Forsikring changed its name to TrygVesta Forsikring. The Norwegian branch also changed its name to TrygVesta, the future brand in Norway.

August

TrygVesta's first-half pre-tax profit was DKK 1,745m, an improvement of DKK 394m compared with the first-half of 2006.

September

Credit rating agency Standard & Poor's affirmed TrygVesta's rating of A-.

TrygVesta won a major arbitration case against a number of reinsurers. The favourable outcome had a positive impact of DKK 41m on the third-quarter financial statements.

TrygVesta launched a large-scale training programme for sales and customer service staff under the heading "Your role as a peace-of-mind provider". The programme will run from September 2007 to May 2008.

Vesta Skadeförsäkring in Sweden reached a milestone with 100,000 insurances sold.

TrygVesta introduced a new annual travel insurance in Denmark. Coverage under the Danish public travel and health insurance will be curtailed effective 1 January 2008, and TrygVesta's new annual travel insurance will provide coverage for the areas subject to future restrictions.

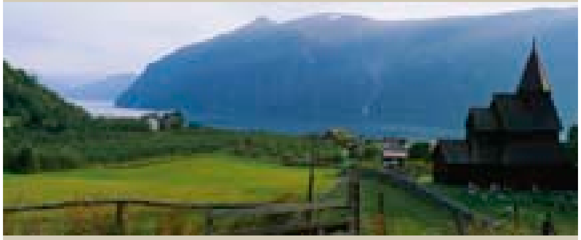
October

TrygVesta entered into a Nordic collaboration with two firms of architects to be in charge of upgrading the offices in Ballerup and Bergen. The collaboration is intended to create a lasting workplace layout and an even more value-based corporate culture.

TrygVesta implemented two web-based peace-of-mind initiatives focusing on prevention and advice. The websites tryghedsraadgiveren.dk and trygghetsraadgiveren.no offer advice to everybody on how to prevent damage and injuries at home, while tryghedsbutik.dk and trygghetsbutikk.no offer products that improve safety at home and in the traffic.

November

TrygVesta extended the successful health insurance in Denmark to the Norwegian market, introducing the sale of treatment insurance.



Dansk Kaution changed its name to TrygVesta Garantiforsikring A/S. The new name makes the affiliation with TrygVesta clear and is connected with the Group's new Nordic strategy.

TrygVesta's third-quarter pre-tax profit was DKK 726m compared with DKK 1,110m in the third quarter of 2006.

Peter Falkenham, member of the Group Executive Management in charge of Private & Commercial Denmark, was appointed Chief Operating Officer (COO).

TrygVesta and the external community

The year 2007 was characterised by discussions about public health care systems, record-low unemployment, climate changes and topics such as financial crisis, risk management and stricter capital requirements were also high on the agenda during the year.

The market shares among the largest companies in Denmark did not change significantly in 2007. In motor insurance, where the competition is fiercest, focus is on additional parameters such as annual mileage. In Norway, TrygVesta increased its share of the market in 2007. The earnings profile for the market overall showed decreased profitability, however, TrygVesta had the best earnings capacity among the large companies. A new player entered the market in 2007, and Norway's largest bank will also start selling insurances in 2008. TrygVesta has small, but rapidly growing market shares in Sweden and Finland. The markets are characterised by the four top insurers in each market holding more than 70% of the market between them.

Private health care insurance

The populations in the Nordic countries are aging, and citizens making increasingly heavy demands on the quality of public services. Businesses are also taking an ever stronger interest in this area. Businesses are prepared to pay for health care insurance to ensure that their employees return sooner to work if they fall ill or are hit by an accident. Being an insurance business, it is obvious that we should explore the possibilities of developing products and services to supplement the public systems and help close the growing gap between the public's expectations to health care systems and the current situation.

At 31 December 2007, some 700,000 Danes were covered by private health care insurance, around 65% more than at the beginning of 2006. Demand is rising, and we see great potential within this area in the years ahead. We began selling health care insurance in Norway in late 2007, and we plan to start selling health care insurance in Sweden and Norway within the next few years.

Challenging Nordic labour markets

Unemployment in the Nordic region reached record lows, and many businesses found it difficult to recruit the number of new employees they required. The challenge of recruiting qualified employees may lead to wage pressure, impacting corporate expenses negatively. The pay to skilled craftsmen makes up a large part of the companies' total claim expenses. Recession in construction in Denmark may consequently have a positive effect in the medium term.

At TrygVesta, we pay a lot of attention to labour market trends. Over the next few years, we intend to upgrade the workplaces in Denmark and Norway, ensuring that the physical facilities of our workplace make it attractive to be at work. We have also launched an employee branding project to ensure that we focus strongly on recruitment and employee retention. As part of the project we will look at obstacles that may prevent some potential employee groups from becoming part of the labour market.

Climate focus

As an insurance group, we have an obvious interest in following climate developments. Our business has extensive records describing historic performance of storm and other weather-related claims in the Nordic countries. Such knowledge may be useful for charting areas with increased risk of, for instance, flooding and for improving building regulations or setting up early warning systems for areas with high risk exposure.

The growing awareness of climate issues induced several investment funds to set up climate indices, and a number of pension funds began screening their portfolios to ensure environmentally responsible conduct. So far, only a small proportion of Danish businesses prepare climate accounts, but we see a growing trend towards and interest in working systematically with and reporting about corporate environmental issues.

TrygVesta established an environmental organisation in 2007, defining climate targets for the Group, including a reduction of CO_2 emissions by 10% from 2008 to 2010.

The sub-prime crisis

It became increasingly clear during 2007 that the USA had seen aggressive lending during the property market boom over several years. The property market began to show signs of weakness with an increasing number of non-performing mortgages, thus triggering sub-prime crisis. Spreading like ripples in water since the summer of 2007, the financial crisis triggered the widespread expectations of an economic slowdown in several parts of the Western world towards the end of 2007, causing financial markets to become increasingly unstable.

Solvency II and Individual Solvency

In recent years, a new EU Solvency II regime has been prepared. In 2007, the EU Commission issued the first draft of the directive that will regulate the implementation of Solvency II in the individual member states. The new rules are expected to come into effect in 2010, at the earliest, with final implementation in the individual countries being completed by 2012. Solvency II will impact the capital structure of insurance companies and impose stricter requirements with respect to risk management and risk control. We have for several years taken part in the Solvency II hearings through the Danish Insurance Association, Forsikring & Pension, and in 2007 we were involved in drafting QIS3 (Quantitative Impact Study), part of the preparatory work for the final Solvency II directive. With these efforts and the work with our internal models we aim to provide the best possible preparation for the introduction of the new solvency rules.

The Danish Financial Business Act was amended to the effect that, as from 1 January 2008, companies are required to make their own determination of their capital requirements, the socalled Individual Solvency Requirements. The rules are intended as a first step towards the implementation of Solvency II. While the Individual Solvency Requirement rules allow companies to apply their own methods, we expect Solvency II to impose stricter requirements. The Individual Solvency Requirement rules aim at ensuring that Danish companies have the necessary capital available and, in relation to the insurance industry, to minimise the risk of customers incurring losses. Companies must report their Individual Solvency Requirements to the Danish Financial Supervisory Authority at least twice a year. The first reporting will be in March 2008. For purposes of determining the Individual Solvency Requirement we use a number of calculations in the ALM model and Standard & Poor's capital model in combination with several other quantitative assessments. We furthermore add a buffer to ensure with reasonable probability that we remain solvent in the event of adverse fluctuations.

"In relation to peace of mind, customers are refocusing from concerns for tangible objects to concerns for people: concerns about what could happen to themselves, their families or colleagues"

Our business

Strategy 2007-2010

In 2006, we carried out a comprehensive strategic analysis and review of our business during the period to 2010. This has enabled us to develop a clear, shared perception of our future potential, and of the ways in which we can secure sustained high value creation for customers, shareholders and employees. In 2007, we focused on implementing the strategy plan, and these efforts will continue in the years ahead.

OUR STRATEGY PLAN CONTAINS FOUR STRATEGIC THEMES

- Growth
- The peace-of-mind provision
- Self-service
- Human competencies

Growth

We intend to secure the right balance between growth and earnings in all our initiatives.

We want to strengthen our market positions in the four Nordic countries where we have a presence. We already rank one and three, respectively, in Denmark and Norway, and we intend to expand our positions in these countries by strengthening our sales power, improving our products and focusing strongly on selected geographical areas. We are still a relatively new player in Finland and Sweden, and we intend to meet our ambition by focusing even more on sales and adding new sales channels. We also consider the possibilities for expanding our strategic focus area to the Baltics.

The private market for welfare services needs cutting-edge peace-of-mind solutions and the development of these as markets mature.

"In relation to peace of mind, customers are refocusing from concerns for tangible objects to concerns for people: concerns about what could happen to themselves, their families, friends or colleagues. A large part of our business deals with human peace of mind and security. This proportion will increase steeply in the years ahead and come to represent our largest growth area. We will see growing demand within health care, in particular. Many people require access to treatment, prevention and rehabilitation services beyond those financed by taxes, and they are prepared to pay for such services. We are confident of TrygVesta's ability in all four Nordic countries to develop strong health care and welfare solutions that are in harmony with and continuation of the publicly funded welfare systems, and in a way that does not question the welfare systems or create first-rate and second-rate citizens."

Stine Bosse
Group CEO, TrygVesta

The peace-of-mind provision

Our customers should be confirmed in their choice of insurer on an ongoing basis.

MISSION

Our mission is to secure a stable, high-quality supply of products and services offering peace of mind to private households and businesses

VISION

We want to be perceived as the leading peace-of-mind provider in the Nordic region

We focus on solutions that are sustainable in the long term, both financially and for the people affected. Our point of departure is helping people, and our ambition is that their contact with us will help our customers build peace of mind before, during and after a possible claim. We want to eliminate concerns, rather than just send a cheque, in order to add perceived value for customers while at the same time reducing our claims expenses.

We acknowledge our responsibility in relation to our customers, our employees, the environment, our products and society. Our dedication to our community and to social projects and activities confirms this commitment. We want to be among those who set the agenda within Corporate Social Responsibility (CSR), and we see opportunities and business potential in being socially responsible and securing sustainable development of the Group.

"TrygVesta should constantly challenge our understanding of how we retain and attract customers to ensure our continued success going forward. We all have a growing number of options today and this requires businesses to differentiate their products and services. In the long-term perspective, the most competitive company may be the company that is able to redefine what insurances are all about and how insurances are perceived by customers. A key driver in working with innovation is to constantly offer our customers more than they expect. This is what makes going to work fun and meaningful."

Stig Ellkier-Pedersen
Member of the Group Executive Management
in charge of New Markets

Self-service

We intend to meet customers on their own terms.

Our ambition is to be the best to communicate with our customers, in writing as well as in speech. Therefore, we must express ourselves clearly and communicate to be understood. We intend to enhance customer experience through consistent communication that is plain, relevant and straightforward, and which supports the position we desire as a peace-of-mind provider.

We focus on the experience and value to customers, and we trust our customers. Accordingly, we intend to expand the personal dialogue and also communicate increasingly with customers on the Internet. In 2007, we set up a Nordic e-business centre to highlight our commitment to this area. The e-business centre is intended to drive future developments within self-service solutions and other e-business initiatives.

"IT makes sense as a vehicle for change and when it is of use to customers. If we do not see things from our customers' point of view, we will not make a successful sale. TrygVesta is in the process of setting up an online system for customers allowing them to communicate, buy insurance and handle claims online. This initiative will greatly enhance openness and flexibility for customers as well as for us."

Jens Galatius
E-business Director

"E-business is an integral part of TrygVesta's business. Customers choose the channel that is most convenient to them. Many of our customers will increasingly tend to use the Internet, while others find it easier to pick up the phone and call customer service. In some cases, personal contact would be desirable. We believe in giving our customers a choice to suit their preferences and the specific situation."

Kjerstin Fyllingen,
Member of the Group Executive Management
in charge of Private & Commercial Norway

Human competencies

We intend to focus on our employees and to be an attractive workplace.

We must strengthen our capabilities in step with changes in the development of distribution, products and services. We intend to ensure that skills are developed on a regular basis through in-house and external training courses, experience sharing and networking groups. We intend to focus on management and employee development and strengthen dialogue across the organisation, including by using theme packages that build on our values and by continuing to use the balanced scorecard (BSC) as a tool for benchmarking and dialogue throughout the Group.
A project to modernise the offices in Ballerup and Bergen up to 2010 and the launch of a new intranet are other initiatives intended to facilitate knowledge sharing within the organisation.

We have to think innovatively and be open to new ideas and ways of doing things, if we are to grow and develop our business in terms of added sales, new business and new areas of generating earnings. We intend to use the creative potential of our employees by supporting and setting up a framework for nurturing innovation and good ideas and facilitating their further development, with respect to major innovations as well as small current improvements.

Measures that simplify our working processes and methods are key to our ability to provide optimum service to our customers. We always strive for simplicity and high quality and the coming years will see a continuation of our work to implement the LEAN principle throughout the Group.

"We consider our managers to be the drivers implementing our strategy. This way of thinking makes heavy demands on managers' ability to communicate the strategy in a simple and straightforward manner, to define frameworks and facilitate working processes, and to create opportunities for personal and professional development. In order to strengthen these skills, we intend to increase our focus on management development through a new development programme for our managers in 2008."

Vered Gilboa Jacobsen,
Head of Development, TrygVesta Management Academy

Turning words into results

We use the balanced scorecard to implement our strategy and retain our strategic focus areas.

Selected BSC-benchmarks for TrygVesta

	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	2003	2002	2001
Financial perspective							
Return on equity after tax	23	35	28	23	15	-47	1
Combined ratio - gross method	86.1	86.4	88.2	90.0	100.7	107.2	104.4
Expense ratio, gross	16.7	16.8	17.0	17.1	22.4	23.6	24.3
Customer perspective, private customers (index)							
Customer loyalty [1]	110	112	109	109	106	101	100
Proportion of customers with concept agreement	108	108	108	106	102	98	100
Processes perspective (index)							
Portfolio (nominal prices) per full-time employee	139	131	133	129	124	116	100
Customer satisfaction in claims handling	105	107	105	104	102	100	100
Learning perspective (index)							
Employee satisfaction	100	102	N/A	105	102	101	100

[1] Expected customer loyalty based on customer surveys.
Benchmarks in the Customer/Processes/Learning perspective are primarily based on the data for the activities in Denmark and Norway.

TrygVesta's financial performance in 2007

Our technical result for 2007 was a clear improvement by 12.3% over 2006. The increase was attributable to the great efforts which our almost 3,900 employees put in every day. Their efforts make a difference to our customers, and they serve to benefit all our stakeholders. Equity markets took a negative turn in the second half of 2007, affecting our profit adversely. However, the insurance business continued recent years' positive trend.

Financial results in 2007

In 2007, TrygVesta's technical result improved by 12.3% to DKK 2,820m. The DKK 308m increase over 2006 was achieved despite the fact that 2007 saw the biggest number of large claims ever, exceeding a gross amount of DKK 1bn. Outperforming the forecast announced in our third-quarter 2007 interim report by DKK 120m primarily due to run-off gains from previous years' claims, our technical result was significantly better than expected. The pre-tax profit of DKK 3,109m was in line with our expectations for the full year. Due to a reduced return on investments, the pre-tax profit was DKK 600m lower relative to 2006.

The profit after tax at DKK 2,266m was DKK 945m lower due to the lower investment result and higher taxes. The high proportion of tax-free gains on shares we had in 2006 was not repeated in 2007 due to the unstable equity markets.

Premium growth driven by Corporate and New Markets

Gross earned premiums were DKK 16,606m, an improvement of 3.8% in local currency (3.7% in DKK terms) and in line with our expectations for the full year. Gross earned premiums continued the upward trend during 2007 and the fourth quarter 2007 recorded a growth in local currency of 5.1% (7.1% in DKK terms) at Group level. The performance in 2007was favourably affected by an increase in the number of new customers and higher renewal rates among existing customers in all business areas. Corporate was a major growth driver, recording premium growth of 7.4%, or DKK 364m. In addition to more new customers and high renewal rates, the strong growth recorded by Corporate was attributable to price increases for workers' compensation insurance in Denmark.

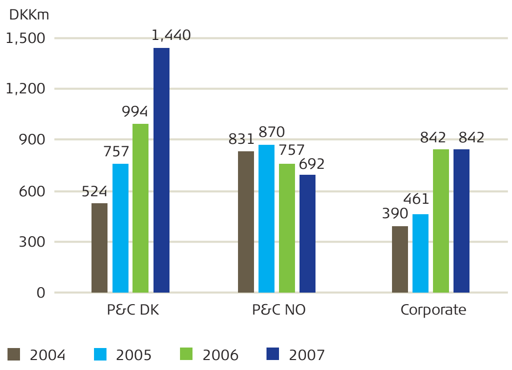
As the only major insurer in Norway we increased our market share in 2007 (in terms of earned premiums), by 0.7 percentage point, to 18.2%. The improvement was driven by our Norwegian commercial business and the Norwegian part of the Corporate business.

Finland and Sweden likewise contributed strong premium growth totalling 68.8%, continuing to perform in line with our targets and growth strategies. Focused efforts within Health Care triggered portfolio growth of more than 80%. We began selling health care insurance in Norway at the end of 2007, and we intend to continue to focus on growth and on introducing new health care services over the coming year.

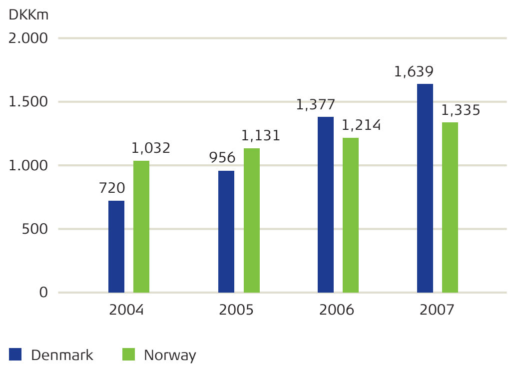
Continuing decline in combined ratio

The combined ratio fell by 0.3 percentage point to 86.1 in

TECHNICAL RESULT BY BUSINESS AREA



TECHNICAL RESULT



2007. Large claims and weather-related claims had an negative impact of 3.8 and 2.0 percentage points, respectively, on the combined ratio compared with 2.1 and 1.3 percentage points, respectively in 2006. Run-off gains improved the combined ratio by 4.5 percentage points while in 2006 run-off gains had an impact of 3.5 percentage points on the combined ratio. Finally, a higher discount rate had a favourable effect of 1.7 percentage points on the combined ratio.

Claims experience

The overall claims ratio, net of ceded business, for 2007 was 69.4, which was an improvement relative to 2006 despite many large claims. Large claims amounted to DKK 1,042m in 2007, more than double the amount of 2006. However, the net expense for large claims was reduced to DKK 637m in 2007 due to the large number of Marine claims, an area with a high proportion of reinsurance cover. Weather-related claims were up by DKK 130m in 2007 to DKK 332m, which was also higher than expected. In a normal year, weather-related claims are expected to total DKK 225m.

Run-off gains were a gross amount of DKK 744m (DKK 743m net) with a positive impact of 4.5 percentage points on the claims ratio. Gross run-off gains in 2006 were DKK 618m (DKK 555m net), which had an impact of 3.5 percentage points on the claims ratio. The run-off gains mainly related to motor, accident and liability insurance, while increased provisions were still required for workers' compensation in 2007.

Expenses

The gross expense ratio improved by 0.1 percentage point to 16.7 in 2007. We reduced the expense ratio by 0.7 percentage point to 15.4 in the established markets in Denmark and Norway, while the investments in Finland and Sweden continued to have a negative impact of 1.3 percentage points on the expense ratio.

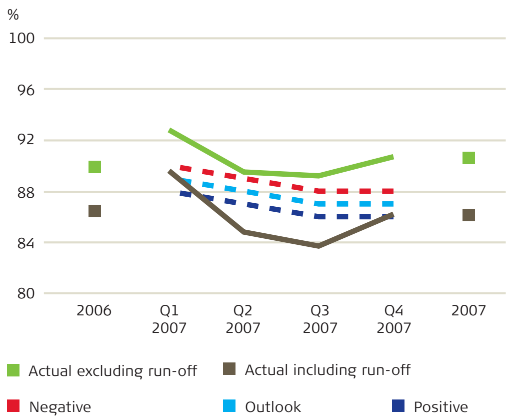
Investment return

The return on investment activities was DKK 1,740m before transfer to technical interest, but after other financial income and expenses. The return was DKK 519m lower than in 2006, mainly due to unstable equity markets.

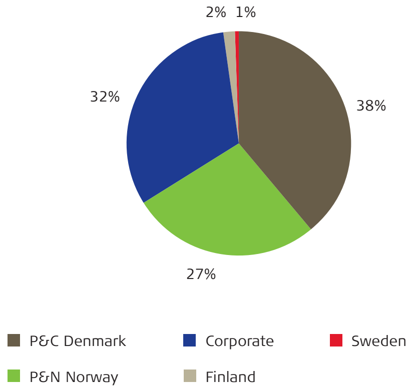
DKKm	2007	2006	2005	Normal year*
Storm and weather, gross	332	202	911	225
Storm and weather, net	332	202	177	170
Large claims, gross	1042	501	416	410
Large claims, net	637	340	275	330

* Normal year is a weighed average of the last ten years.

COMBINED RATIO 2006 AND 2007
AND OUTLOOK DURING 2007



GROSS EARNED PREMIUMS
BY BUSINESS AREA 2007



The return on investment activities after transfer to technical interest was DKK 888m lower than in 2006. Besides the lower return on equities, the performance was negatively affected by a larger transfer to technical interest.

Tax

The tax charge was DKK 842m in 2007 against DKK 624m in 2006. The effective tax rate was exceptionally low in 2006 due to the reversal of a provision for deferred tax. The tax charge in 2007 was adversely affected by lower tax-free gains on shares, and favourably affected by the reduction of the Danish corporate tax rate from 28% to 25% with effect from 1 January 2007. In 2007, TrygVesta's effective tax rate was 27.

Balance sheet and cash flow

Total assets increased by DKK 1,047m to DKK 43,830m in 2007. Liabilities comprised mainly shareholders' equity of DKK 10,010m and technical provisions of DKK 26,916m.

Provisions for insurance contracts were increased by a total of DKK 959m relative to 2006. The ratio of provisions for claims, net of reinsurance to earned premiums, net of reinsurance was unchanged at 124 from with 2006, which equals an increase in provisions for insurance contracts of 3.7%.

TrygVesta generated a cash inflow from operating activities of DKK 2.7bn in 2007 compared with DKK 3.2bn in 2006. Investments amounted to DKK 0.4bn in 2007, and there was a cash outflow from financing activities of DKK 2.4bn mainly relating to dividends.

Shareholders' equity

Shareholders' equity stood at DKK 10,010m at 31 December 2007. Shareholders' equity increased by DKK 59m, made up of the profit for the year less dividends paid in respect of the 2006 financial year, and including adjustments mainly for actuarial gains and losses on the pension provision under IAS 19 and other minor adjustments.

Events after the balance sheet date

On 21 January 2008 we announced that TrygVesta had reduced the proportion of equities in its investment portfolio to around 4% or some DKK 1.8bn. The proportion of equities was DKK 5.0bn at 30 September 2007 and DKK 4.4bn at 31 December 2007. During 2007, we sold equities worth some DKK 0.7bn as a result of Management's assessment of the size of the equity portfolio and its impact on the Group's overall performance. Management assessed that an equity proportion of 8-10% of the investment portfolio would provide a good long-term balance between return and volatility in our overall performance. The equity proportion was reduced to around 4% giving equities a lower weighting than is normal. The decision to have a lower proportion of equities was based on expected continued strong instability, uncertainty and high equity risk premiums in the first six months of 2008. The very unstable equity market in January and until 18 February 2008 resulted in a loss of around DKK 400m less equity return than expected.

Private & Commercial Denmark

DKKm	2007	2006	2005
Gross earned premiums	6,490	6,390	6,276
Gross claims incurred	-4,041	-4,215	-4,927
Gross expenses	-1,086	-1,109	-1,113
Profit/loss on gross business	1,363	1,066	236
Profit/loss on ceded business	-87	-200	467
Technical interest, net of reinsurance	164	128	54
Technical result	**1,440**	**994**	**757**
Key ratios			
Gross claims ratio	62.3	66.0	78.5
Business ceded as % of gross premiums	1.3	3.1	-7.4
Claims ratio, net of ceded business	63.6	69.1	71.1
Gross expense ratio	16.7	17.4	17.7
Combined ratio	80.3	86.5	88.8

Private & Commercial Denmark sells insurances to private households and small and medium-sized enterprises in Denmark under the Tryg brand name. Sales are handled by five customer centres, 16 local service centres, affinity groups, car dealers, real estate agents and Nordea's branches. Private & Commercial Denmark has around 1,400 employees, and contributes some 40% of total earned premiums.

Performance improvement in 2007

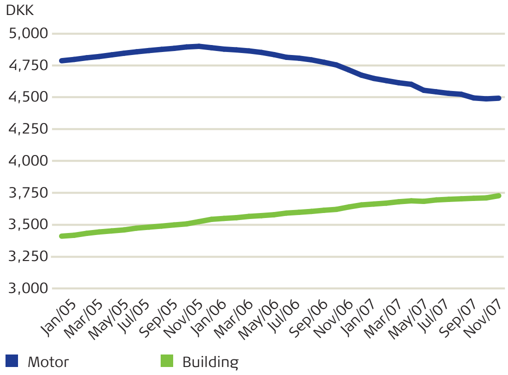
Private & Commercial Denmark continued the positive performance in 2007, lifting the technical result by DKK 446m to DKK 1,440m. The improvement was attributable to a low level of claims, cost reductions and higher interest rates.

The renewal rate was 1 percentage point higher at 91, meaning that out of every 100 private customers, 91 elected to renew their policies with us in 2007. The high renewal rate also contributed to the positive results because it is important with respect to the performance of premiums and expenses: selling and administrative expenses are relatively lower when more customers renew their policies.

Earned premiums

Gross earned premiums at DKK 6,490m were 1.6% higher in 2007. Premium growth picked up in the fourth quarter of 2007, increasing at a rate of 2.4. Various premium reductions on motor insurance in the summer of 2006 continued to have an adverse effect on growth. Among

AVERAGE PREMIUMS IN DENMARK



other things, we reduced premiums for new cars by up to 15% because the improved safety equipment of new cars provides for a better risk profile. We also reduced motor premiums for women under 29 years, while we increased premiums for young men considerably. Implementing the reductions in our motor portfolio, which accounts for around 30% of the total portfolio of Private & Commercial Denmark, lasted a year and caused the average premium in motor insurance to drop by around 4%.

Industry agreements and workers' compensation policies lifted premium growth. Sales of industry agreements, which are sold in the business-to-business market, increased by 16,8% in 2007. Our portfolio of workers' compensation policies increased by more than 20%, mainly due to an extraordinary premium increase of 12.5% which took effect on 1 July 2007 as a result of new Danish workers' compensation legislation. Workers' compensation insurance increased by around 7% net of this extraordinary increase.

The number of private policies sold performed favourably in 2007. There was a net inflow of 38,000 new policies, 10,000 more than in 2006. The inflow was very much attributable to existing customers buying more policies. Each customer had an average of 2.3 policies in 2007.

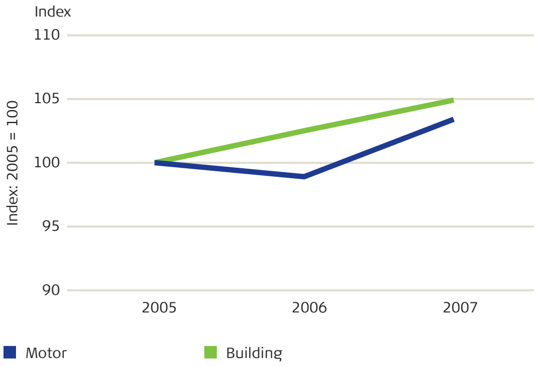
Claims expenses

Total claims expenses fell by a nominal amount of DKK 174m to DKK 4,041m in 2007, improving the claims ratio by 3.7 percentage points to 62.3 in 2007. Weather-related claims had a negative impact of 3.7 percentage points and large claims had a negative impact of 1.2 percentage points compared with 1.7 and 1.4 percentage points in 2006. Weather-related claims were, among other factors, adversely affected by some 2,200 hailstorm claims reported on one single day in Denmark. Hailstorm claims cost a total of some DKK 42m or an average of some DKK 19,000 per claim.

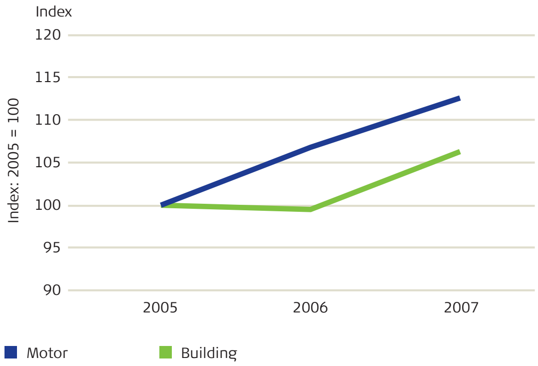
Run-off gains from prior-year losses were a gross amount of DKK 551m and had a positive impact of 8.5 percentage points on the claims ratio. Run-off gains were mainly attributable to our motor and accident lines in 2007, while workers' compensation continued to require higher provisions for claims. In 2006, gross run-off gains amounted to DKK 206m with a positive impact of 3.2 percentage points on the claims ratio.

In order to secure the right balance between price and earnings we closely follow developments in average claims and claims frequencies in our large business areas such as building and motor. The average building claim in 2007 was largely unchanged from 2006. The average motor claim, on the other hand, increased by around 4%, among other things because more advanced cars with more expensive spare parts now form a greater part of the Danish car fleet. The hailstorm claims in the summer of 2007 also had a negative impact on the average motor claim. In order to counter the increasing average claim on motor policies, we arrange for as many repairs as possible to be performed by garages we cooperate with. Our size in the market allows us to provide a stable inflow of assignments to such garages, giving us advantages with

AVERAGE CLAIMS IN DENMARK



CLAIMS FREQUENCIES IN DENMARK



DKKm	2007	2006	2005
Storm and weather, gross	242	109	739
Large claims, gross	78	25	23

respect to repairs which benefit both customers and TrygVesta.

The claims frequency on building policies was higher in 2007, mainly due to weather-related claims. Motor policies also recorded a higher claims frequency, primarily attributable to vandalism and a greater number of thefts of GPS and other equipment.

Historically low combined ratio

The combined ratio improved by 6.2 percentage points to 80.3 in 2007. Run-off gains had a favourable impact of 8.5 percentage points and the combined ratio was also favourably impacted by the expense ratio, which improved by 0.7 percentage point to 16.7 in 2007. The large number of water-damage claims had a negative impact of 3.7% on the combined ratio.

Focus areas in 2008

We began implementing the LEAN principle in parts of our organisation in 2007 with a view to making our processes even more efficient and create added value for customers and employees alike. We will continue to implement LEAN over the next few years.

We have defined ambitious growth targets, and we will focus strongly on sales in 2008. We intend to implement a range of sales activities in 2008, introduce customer benefits and relaunch several products in more attractive versions. Our focus in 2008 also includes sustaining the significant growth in Health Care, including launching new products.

Private & Commercial Norway

DKKm	2007	2006	2005
NOK/DKK, average rate for the period	*92.81*	*93.04*	*92.85*
Gross earned premiums	4,490	4,509	4,632
Gross claims incurred	-2,962	-2,866	-2,823
Gross expenses	-936	-922	-945
Profit/loss on gross business	592	721	864
Profit/loss on ceded business	-82	-75	-61
Technical interest, net of reinsurance	182	111	67
Technical result	**692**	**757**	**870**
Key ratios			
Gross claims ratio	66.0	63.6	60.9
Business ceded as % of gross premiums	1.8	1.7	1.3
Claims ratio, net of ceded business	67.8	65.3	62.2
Gross expense ratio	20.8	20.4	20.4
Combined ratio	88.6	85.7	82.6

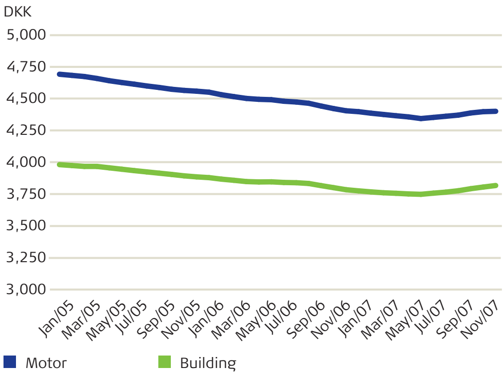
Private & Commercial Norway sells insurances to private households and small and medium-sized enterprises in Norway under the TrygVesta and Enter brand names. Sales are handled by 85 franchise offices, our own sales agents, three regional customer centres, 35 local sales centres, car dealers and Nordea's branches. Private & Commercial Norway has around 1,100 employees excluding some 300 franchise office staff. The business area contributes around 30% of the Group's total gross earned premiums.

Financial results in 2007

Private & Commercial Norway reported results during 2007 that were among the best in the market. The business performed favourably in Q4 2007, generating premium growth of 1.0% in local currency (6.0% in DKK) and a technical result that was DKK 2m higher than in 2006. However, the technical result for the full year was reduced by DKK 65m to DKK 692m in 2007, mainly due to more claims and falling average premiums at the beginning of the year.

The renewal rate was up from 84.4 at the beginning of 2007 to 85.8 at the end of the year. The improvement was driven, in particular, by a customer benefit programme we launched in the summer of 2006. Implemented over a year, the benefit programme now helps retain customers by offering additional benefits.

AVERAGE PREMIUMS IN NORWAY



Average premiums affect premium growth

Gross earned premiums fell by 0.2% in local currency (0.4% in DKK) in 2007. Premium growth in H1 2007 was adversely affected by declining average premiums while Q4, saw positive premium growth driven, among other things, by the effect of recent years' sales initiatives and premium increases from 1 July 2007. This was the first time since 2004 we increased premiums in Norway, and we will continue this trend in 2008, increasing premiums in selected building segments with effect from 1 January 2008.

Premium growth in 2007 was mainly driven by our commercial business which recorded premium growth of 3.3% and a high growth in sales through Nordea. The negative growth of 1.4% in the private business was still affected by the abolition in late 2005 of introductory discounts to new customers. We subsequently recorded higher renewal rates, an indication that customers prefer to have a better overview of what they pay for. As from 1 January 2008 insurers are required to inform customers of premium changes from year to year. We expect that the new rules will make the market more transparent, which we believe will benefit TrygVesta's transparent pricing system.

The number of policies sold performed favourably in 2007 with a net inflow of 39,500 new private policies, including a large affinity group which left us in early 2007. The inflow of new policies was attributable to new customers, focus on selected geographical areas, and existing customers buying more policies. On average, each customer has 3.4 policies.

Claims expenses

Total claims expenses were up by DKK 96m in 2007 to DKK 2,962m. The claims ratio continued at a low level but increased by 2.4 percentage points to 66.0. The increase was mainly attributable to expenses relating to large claims, which were DKK 121m in 2007 compared with DKK 20m in 2006. Thus, large claims had an adverse impact of 2.7 percentage points on the claims ratio in 2007 compared to 0.4 percentage point in 2006. Weather-related claims had a negative impact of 0.8 percentage point against 0.9 percentage point in 2006.

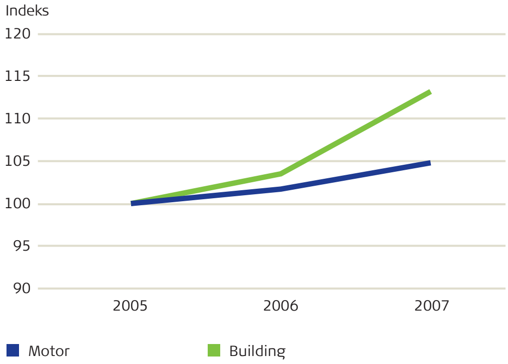
Run-off gains from prior-year losses amounted to DKK 91m with a positive effect of 2.0 percentage points on the claims ratio compared to 2.2 percentage points in 2006. Run-off gains mainly related to motor and accident insurance, while increased provisions were still required for workers' compensation. We discounted the provisions for claims during 2007, resulting in a positive impact from higher interest rates and improving the claims ratio by around 0.6 percentage point relative to 2006.

The average building claim increased by some 9% in 2007 due to general pressure in the building sector, pushing up prices of building materials and skilled craftsmen. The average motor claim rose by only a few percentage points in 2007, which was in line with inflation in the industry. Building insurance saw a flat development in the claims frequency, while it was slightly lower for motor.

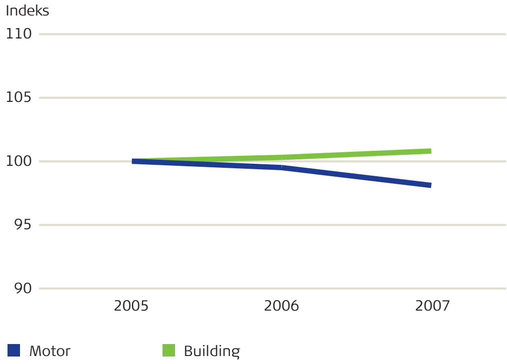
Continued low combined ratio

The combined ratio was lower than expected in 2007 at 88.6, but increased 2.9 percentage points on 2006 due

AVERAGE CLAIMS IN NORWAY



CLAIMS FREQUENCIES IN NORWAY



DKKm	2007	2006	2005
Storm and weather, gross	34	42	35
Large claims, gross	121	20	37

to an increased number of claims. Weather-related and large claims had a negative impact of 3.2 percentage points on the combined ratio, while run-off gains had a positive impact of 2 percentage points. The corresponding impact from large claims and run-off gains was 0.4 and 2.1 percentage points, respectively, in 2006.

Expenses

The gross expense ratio was 20.8 in 2007, which was 0.4 percentage point higher, mainly due to the relatively high wage inflation of 5.6%. A new IT supported process will be implemented in early 2008 to make our sales processes more efficient and enable us to finalise 90% of all sales at the customer's premises. The process will entail cost reductions of around DKK 60m over the next two years.

Focus areas in 2008

In line with Private & Commercial Denmark, Private & Commercial Norway also began implementing the LEAN principle in parts of the organisation in 2007. We will continue to implement LEAN over the next few years.

In order to achieve the ambition of increasing our market share in 2008 we intend to focus on Health Care, on developing our sales channels further and introduce several targeted sales efforts to new as well as existing customers. In this context, we intend to focus on specific geographical areas, including in particular the Oslo area.

Corporate

DKKm	2007	2006	2005
NOK/DKK, average rate for the period	*92.81*	*93.04*	*92.85*
Gross earned premiums	5,285	4,921	4,666
Gross claims incurred	-3,904	-3,322	-3,296
Gross expenses	-504	-539	-534
Profit/loss on gross business	877	1,060	836
Profit/loss on ceded business	-172	-316	-421
Technical interest, net of reinsurance	137	98	46
Technical result	**842**	**842**	**461**
Key ratios			
Gross claims ratio	73.9	67.5	70.6
Business ceded as % of gross premiums	3.3	6.4	9.0
Claims ratio, net of ceded business	77.2	73.9	79.6
Gross expense ratio	9.5	11.0	11.4
Combined ratio	86.7	84.9	91.0

Corporate is a Nordic business area which provides insurances to corporate customers under the TrygVesta brand. The Corporate business area serves customers with our own sales force and through brokers. We define corporate customers as customers paying annual premiums of more than DKK 500,000 or having more than 50 employees. The Corporate business area has some 10,000 customers. The number would be around 50 customers by international standards, which define corporate customers as customers paying annual premiums of more than DKK 10m. Corporate has around 500 employees, and contributes some 30% of the Group's total earned premiums. TrygVesta Garantiforsikring, the leading provider of guarantee insurance in the Nordic region, is included in the Corporate business area.

Performance in 2007 at sustained high level

The Corporate business area recorded a technical result of DKK 842m in 2007, which was in line with the 2006 level despite a significantly higher level of large claims. We also continued the positive trend in gross earned premiums.

Premium growth

Gross earned premiums in Corporate were 7.4% higher than in 2006, and the portfolio passed the DKK 5bn mark in 2007. The Norwegian part of the Corporate business was a major growth driver, contributing 9.3% in local currency. The Danish business also generated strong growth of 6.1% over 2006.

Corporate outperformed the market substantially in terms of growth, driven by dedicated risk consultancy efforts with corporate customers being served by cross-disciplinary customer teams. In 2007, more than 250 employees completed our pan-Nordic risk consultancy training, a major contributor to the improvement of our service and consultancy standards.

As far as our insurance lines are concerned, the personal lines in particular recorded strong growth, supported by the new act on workers' compensation insurance in Denmark which took effect on 1 July 2007. The new act triggered extraordinary premium increases of 12.5%, equivalent to premiums of around DKK 60m in 2007 and a similar amount in 2008. After a few years with a deliberate reduction of market shares in unprofitable segments of workers' compensation insurance in Norway, we once again increased our market share in 2007 within the personal lines of the Norwegian part of the Corporate business. We did this as recent years' price increases in the Norwegian market made it attractive to increase the market share again in selected segments.

Large inflow of customers and high renewal rates

Corporate recorded a large inflow of new customers in 2007, while also continuing to record high renewal rates. Nine out of 10 corporate customers renewed their policies in 2007. Generally, customer renewals at 1 January 2008 were satisfactory. As marine had negative earnings in 2007, we increased prices by about 15% at the beginning of 2008, causing a few marine customers to leave the Group. However, the marine business continued to be slightly unsatisfactory.

Combined ratio of 86.7 despite many large claims

Combined ratio for 2007 was 86.7 compared to 84.9 in 2006. Large claims had a negative impact of 8.3 percentage points in 2007 compared to 6.0 percentage points the year before. Weather-related claims also rose but to a lesser extent, which had a negative impact of 1.1 percentage points compared to 1.0 percentage points in 2006. Large losses amounted to DKK 843m and had a significant negative impact on the financial results.

The higher level of large claims resulted in a gross claims ratio of 73.9 in 2007 against 67.5 in 2006. There were seven marine claims with a gross expense of DKK 453m and a net expense of DKK 133m, the difference being that reinsurers contribute a much greater proportion of large marine claims. This is also reflected in the net reinsurance ratio of 3.3, which was much lower than the ratio of 6.4 recorded in 2006. Thus, the overall claims ratio, net of ceded business was 77.2 in 2007 against 73.9 in 2006.

DKKm	2007	2006	2005
Storm and weather, gross	57	51	136
Large claims, gross	843	456	356
Large claims, net	439	294	224

The result was favourably impacted by gross run-off gains of DKK 102m with motor and liability insurance being the major contributors, while we continued to strengthen provisions for prior-year claims in workers' compensation during 2007.

Continued fall in expenses

The Corporate business was able to reduce expenses despite strong premium growth in 2007. Expenses were some DKK 35m lower, equivalent to a 1.5 percentage points reduction of the gross expense ratio to 9.5.

The positive performance was partly attributable to our continued focus on making the business more efficient, and partly to a greater proportion of insurances being sold through brokers in 2007. We do not incur costs to any considerable extent from sales through brokers because brokers charge their fees directly to the customers.

Focus areas in 2008

Setting up a Swedish corporate business is a focus area for 2008, and we expect to start sales to Swedish corporate customers in late 2008.

In order to ensure sustained growth, we also intend to specialise further in relation to international customers, and we intend to develop our products further to create an even better match to customer requirements.

Finnish general insurance

DKKm	2007	2006	2005
EUR/DKK, average rate for the period	*745.11*	*745.94*	*745.07*
Gross earned premiums	251	198	140
Gross claims incurred	-188	-155	-113
Gross expenses	-125	-83	-70
Profit/loss on gross business	-62	-40	-43
Profit/loss on ceded business	-1	0	-1
Technical interest, net of reinsurance	14	6	3
Technical result	**-49**	**-34**	**-41**
Key ratios			
Gross claims ratio	74.9	78.1	80.9
Business ceded as % of gross premiums	0.4	0.2	0.2
Claims ratio, net of ceded business	75.3	78.3	81.1
Gross expense ratio	49.8	41.7	50.2
Combined ratio	125.1	120.0	131.3

Our Finnish branch provides insurances to private household customers and small enterprises under the brand name of Nordea Vahinkovakuutus. Insurances are sold by Nordea's branches, our own sales people, own sales centre, car dealers and via the Internet. The Finnish business has some 127 employees, and together with the Swedish branch, it contributes around 1% of total gross earned premium growth. The Finnish business was set up in 2002 and is still being developed. Our ambition is to hold 8% of the private market by 2010.

Another sales record

Gross earned premiums at DKK 251m were 26.8% higher in 2007. The portfolio amounted to some DKK 300m in late 2007. More than 100,000 policies were sold, equivalent to an average of around 2,000 policies sold every week. By comparison, we sold some 80,000 policies in 2006. The higher sales were very much attributable to our good ongoing collaboration with Nordea's branches and a new concept which Nordea's customer advisers began applying in 2007, and which helps advisers provide broader consultancy services, thereby strengthening motivation and insurance sales. We increased the number of employees from 93 to 127 in 2007 to maintain the high level of sales activity.

In early 2007 we began selling commercial insurances to small commercial customers. Setting up a commercial sales organisation and effecting commercial sales through Nordea took longer than expected, limiting sales of commercial insurance in 2007. We expect sales to become stronger going forward in step with the implementation of Nordea's commercial sales and thanks to Nordea's large share of the commercial market.

Financial results in 2007

The private business improved the technical result for 2007 by DKK 32m and recorded a loss of DKK 2m. The improvement was primarily attributable to positive premium growth. The commercial business recorded a loss on the technical account of DKK 47m due to significant costs of launching commercial sales. For the total business the technical result was thus a loss of DKK 49m.

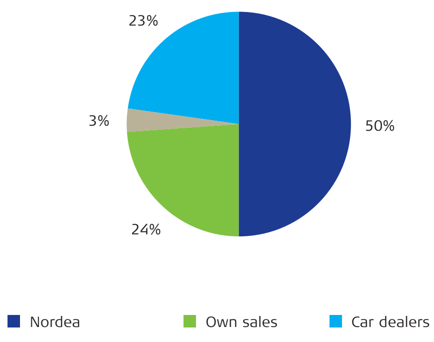
Expenses

The expense ratio for the private business fell by 12.7 percentage points to 29 in 2007. The overall business (Private & Commercial) reported an expense ratio of 49.8. The expense ratio was adversely impacted by the costs of the launch of the commercial business.

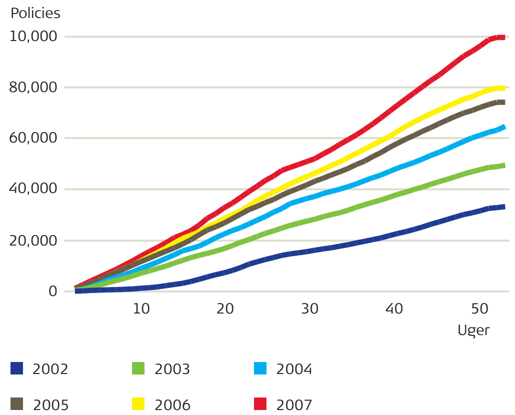
Focus areas in 2008

We had a 3% share of the Finnish private market at the end of 2007. In 2008, we will continue to focus on growth, aiming to achieve our ambition of holding an 8% share of the private market by 2010. We intend to expand our sales channels while also focusing on sales through Nordea. Continued strong growth requires us to continue to give high priority to new recruitment and retention of current employees in 2008.

BREAKDOWN OF DISTRIBUTION IN FINLAND



ACCUMULATED WEEKLY SALES IN FINLAND



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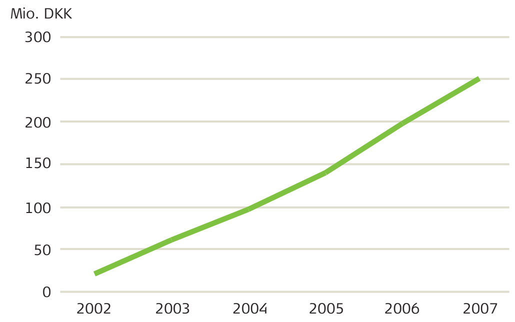


Swedish general insurance

DKKm	2007	2006	2005
SEK/DKK, average rate for the period	*80.73*	*80.37*	-
Gross earned premiums	90	4	-
Gross claims incurred	-80	-6	-
Gross expenses	-95	-39	-
Profit/loss on gross business	-85	-41	-
Profit/loss on ceded business	0	0	-
Technical interest, net of reinsurance	3	0	-
Technical result	**-82**	**-41**	**-**
Key ratios			
Gross claims ratio	88.9	144.9	-
Business ceded as % of gross premiums	0.0	0.4	-
Claims ratio, net of ceded business	88.9	145.3	-
Gross expense ratio	105.6	1,003.8	-
Combined ratio	194.5	1,149.1	-

Our Swedish branch provides insurances to private household customers under the brand name of Vesta Skadeförsäkring. Insurances are primarily sold through Nordea's branches, our own call centre and via the Internet. The Swedish business has 58 employees, and together with the Finnish branch, it contributes around 1% of the Group's total earned premiums. The branch was set up in July 2006, and our ambition is to hold 8% of the private market by 2012.

In 2007, gross earned premiums for the Swedish business were DKK 90m, and the total portfolio passed SEK 200m.

Large inflow of new customers

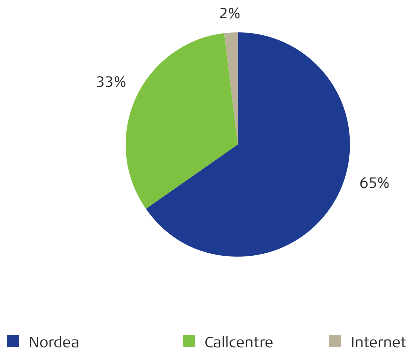
Sales by the Swedish business grew at a rapid rate, enabling us to welcome customer number 50,000 in late 2007. We have sold close to 115,000 policies since starting up the business in 2006, equivalent to an average of around 1,700 policies each week. In Q4 2007 we saw premium growth of 2,500 new insurances each week. Overall, we sold a total of almost 87,000 insurances in 2007 compared with some 26,500 insurances in H2 2006.

Nordea sold two thirds of the policies in 2007, while our own staff sold the last third. The chart on the next page compares the level of sales from the start-up in Sweden with the start-up in Finland. Sweden has significantly higher sales because we were able to use our experience from the start-up in Finland and set up our own sales centre in Sweden immediately. We increased the number of employees from 42 to 58 in 2007 in order to retain the high growth rate. Sales continued to be in line with our targets and strategy for the Swedish market.

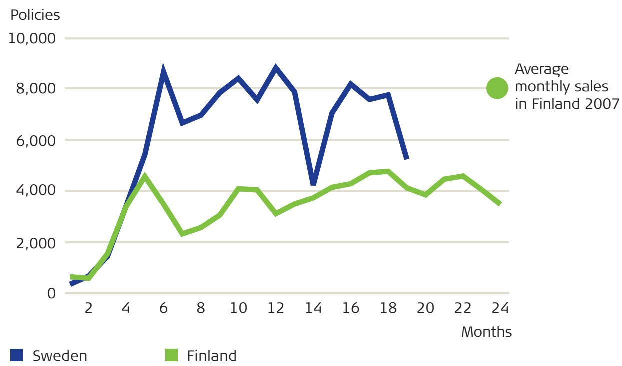
Focus areas in 2008

In 2008, the Swedish business will focus on sustained growth and on developing the rapidly growing branch further. Due to our high ambitions a special key area in 2008 will be to increase the number of qualified and motivated employees in order to keep up with the strong development in sales.

BREAKDOWN OF DISTRIBUTION IN SWEDEN



START-UP IN SWEDEN VS. FINLAND



Investment activities

DKKm	2007	2006	2005	Investment assets 31.12.2007	31.12.2006
Bonds etc.	1,103	788	687	30,294	28,663
Equities	180	966	819	4,445	5,384
Real estate	240	317	175	2,569	2,453
Total	**1,523**	**2,071**	**1,681**	**37,308**	**36,500**
Other financial income and expenses *)	217	188	-80		
Total return on investment activities	**1,740**	**2,259**	**1,601**		
Transferred to technical interest	-1,400	-1,031	-707		
Return on investment activities	**340**	**1,228**	**894**		

*) The item comprises gains and losses as a result of a changed discount rate, interest on operating assets, bank debt and reinsurance deposits, exchange rate adjustment of insurance items and costs of investment activities.

TrygVesta's investment activities comprise any placement of the Group's funds in investment assets, bonds, equity investments, land and buildings or cash. Funds are placed pursuant to guidelines defined by legislation, regulators and the Supervisory Board. The overall allocation of assets is made by us based on risk and cash management considerations, while specific securities are mainly selected by external asset managers within the defined framework.

Financial markets became increasingly unstable during 2007 as a result of the sub-prime crisis, becoming more and more impacted by developments in the US housing market and borrowers' inability to service and repay their mortgages towards the end of 2007. Equities were reassessed in 2007 with increasing risk premiums relative to the risk-free interest. TrygVesta reduced the Group's equity portfolio in June as well as in December 2007. The equity portfolio was further reduced in January 2008.

Investment result in 2007

In 2007 the return on TrygVesta's investment activities before transfer to technical interest, but after other financial income and expenses totalled DKK 1,740m. This was DKK 519m less than in 2006, mainly due to lower returns on the equity portfolio. The return on investment activities after transfer to technical interest was DKK 888m lower than in 2006 due to lower equity returns and higher transfer to technical interest. Higher bond yields of 3.7% against 2.8% in 2006 lifted the investment performance.

Other financial income and expenses were DKK 29m higher. The improvement was attributable to an increase in other items including interest income on operating assets. This was, however, partly offset by capital gains being reduced from DKK 368m in 2006 to DKK 298m in 2007 as a result of a changed discount rate because interest rates increased less in 2007. The return on investment activities before other financial income and expenses was DKK 1,523m, equal to a return of 4.1%. The return was 4.9% including changes in provisions for claims due to higher interest rates. This performance was better than had been expected at the beginning of 2007 despite the unstable financial markets but lower than the guidance provided in our Q3 2007 interim report.

Asset allocation

Our bond portfolio increased during 2007 to account for 81.2% of total assets against 78.5% at 1 January 2007. The higher proportion of bonds was a result of new investments and a switch-over from equities to bonds. The proportion of equities fell from 14.8% to 11.9%, or by DKK 939m. The value of the portfolio of real property increased by some DKK 116m in 2007, lifting its proportion to 6.9% from 6.7%.

Net investments amounted to about DKK 613m in 2007, of which DKK 1,461m was invested in bonds, while equities and real property were reduced by DKK 839m and DKK 9m, respectively.

For security and rating considerations, our investment portfolio has a high proportion of highly liquid securities carrying low interest rate and credit risk. We do not invest in structured fixed income products such as CDOs, CLOs and hedge funds, nor does our portfolio include US mortgages.

Bonds

The overall bond portfolio including cash yielded a return of DKK 1,103m in 2007, equal to 3.7% for the full year. The return was impacted by an increase in the general level of interest rates of 0.3-0.5 percentage point and a widening yield spread between swap and government yields of around 0.1-0.3 percentage point during the year, causing an adverse impact on value adjustments, but higher current returns.

About 75% of the bonds, or DKK 23bn, are issued by banks or mortgage credit institutions, and 23% are issued by Western European and North American governments or regional authorities. 82% of the portfolio is rated AAA or AA. The unrated 15% of the portfolio comprises mainly short-term Norwegian money market certificates issued by banks. We have diversified exposure to banks, mainly Nordic banks with little or no involvement in the financial products that triggered the sub-prime crisis. We currently monitor the performance of credits with the banks to which our bonds portfolio is exposed.

Interest rate sensitivity measures changes in the value of the bond portfolio and the provisions for claims, respectively, at a parallel yield increase, of 1 percentage point. The sensitivity gap was DKK 21m at 31 December 2007. We monitor interest rate sensitivity on an ongoing basis to match asset and liabilities as far as possible in order to minimise the impact of changing interest rates on our income statement. The duration including cash of the Group's total bond portfolio was 1.9 years at 31 December 2007 compared to 1.3 years at 31 December 2006. The duration increase occurred because TrygVesta's Danish business has begun using a variable rate for discounting provisions for workers' compensation insurance, thereby increasing the opposing interest rate risk on liabilities to maintain the Group's net interest rate risk at a fairly unchanged level.

Equities

The total return on the equity portfolio was DKK 180m, or 2.0%, for the financial year. The return level for 2007 was lower than in previous years with reported returns of more than 20%. Equity markets were impacted by the sub-prime crisis referred to earlier and indications of declining economic activity in the Western world.

Danish equities generated a negative return of 4.5%, while Norwegian equities generated a return of 13% compared with 8.0% for OMXC Capped and 11.5% for OSBX. The return on international equities was 1.0%, which was 0.5% below the benchmark return. Currency risks relating to international equities were hedged during the year. Unlisted shares accounted for DKK 237m at 31 December 2007. Royal Dutch Shell was the largest stake, accounting for 2.8% of the portfolio of listed equities and 0.3% of total investment assets. The 25 largest equities in our portfolio accounted for 31% of the total listed equity portfolio.

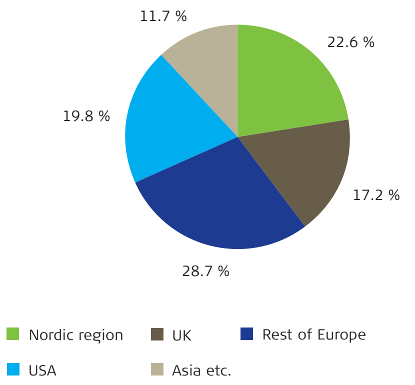
We reduced our equity exposure during 2007, cutting back the equity portfolio by around DKK 0.6bn in June 2007 and by 0.2bn in December. The Group's equity portfolio had a total value of DKK 4,445m at 31 December 2007 compared with DKK 5,384m at 31 December 2006. We reduced our equity exposure further in January 2008 to stand at DKK 1.7bn at 31 January 2008.

Real property

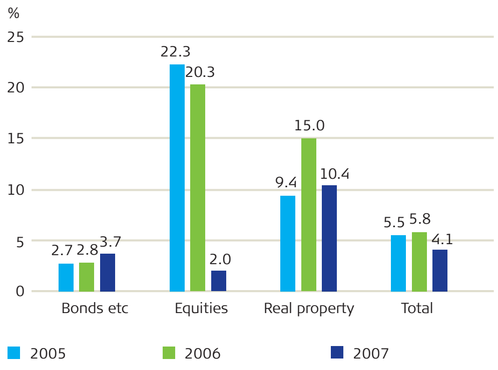
The investment return on real property was DKK 240m, including revaluation of DKK 103m and 6.1% from operations. The occupancy rate was 97.5 at 31 December 2007 compared with 94.9 at 1 January 2007.

The portfolio is well-diversified and consists of quality property, typically in prime locations in major cities in Denmark and Norway. The portfolio mainly comprises office premises, but also includes a small proportion of other commercial property and residential property.

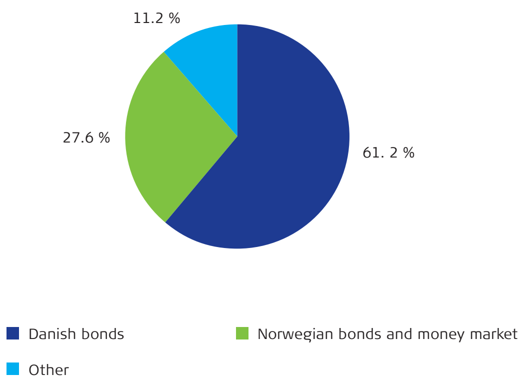
LISTED EQUITIES BY GEOGRAPHY



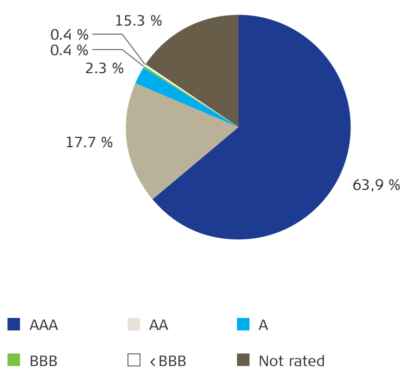
RETURN BY ASSET CLASS



BONDS BY GEOGRAPHY



BONDS BY RATING



Outlook for 2008

DKKm	Actual 2007	Outlook 2008	Favourable scenario	Negative scenario
Premium growth *	4%	5%		
Technical result	2,820	2,200	2,350	2,050
Technical result before run-off	2,077	2,200		
Investment result	340	400		
Profit before tax	3,109	2,500		
Profit after tax	2,266	1,900	2,000	1,800
Combined ratio	86.1	90	89	91

*In local currency

TrygVesta is committed to providing the market with precise profit guidance. We attach great importance to using the very extensive records of previous performance which are very important when making financial forecasts.

Our outlook for 2008 is based on a normal performance for the year, but circumstances in the financial markets and, in particular, the equity markets at the beginning of 2008 have caused us to take the extraordinary step of expanding our comments on our outlook for the full-year 2008, see page 38. The table shows our outlook for 2008 based on developments up to 31 December 2007 and a proportion of equities of around 4%. TrygVesta has no exposure to structured debt securities (CDOs/subprime).

TrygVesta's outlook for 2008 is composed of the areas insurance activities, investment activities and tax.

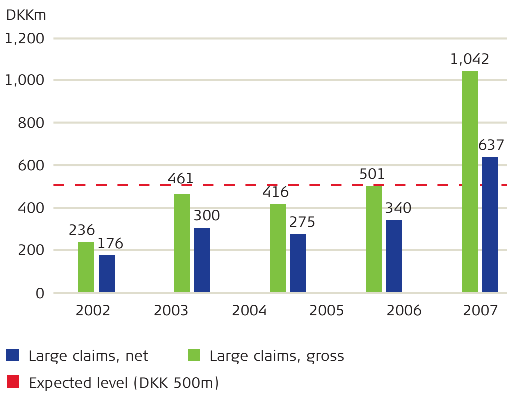
Higher premium growth expected for 2008

Earned premiums are expected to increase by some 5% in local currency terms, assuming no major changes in competitive conditions relative to 31 December 2007. We will continue our strategy of generating profitable growth. Earned premium growth of 5% will originate from organic growth in Finland and Sweden, which together are expected to contribute 1.5%, while Denmark and Norway contribute 3.5% equal to about 0.5% real growth.

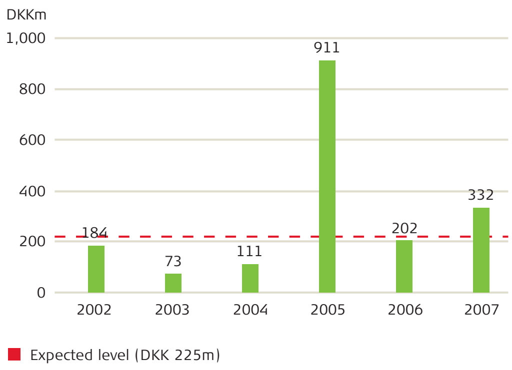
Outlook at the begining of January 2008

At the begining of January 2008, assuming an equity proportion of around 4% of our investment portfolio, we expected profit before tax of DKK 2,500m compared with DKK 3,109m in 2007. This expectation corresponded to a return on equity of just over 26% before tax and around 20% after tax.

LARGE CLAIMS



STORM AND WEATHER RELATED CLAIMS



Combined ratio of 90 before run-off

The combined ratio for 2008 is estimated to be at the level of 89-91 with an expectation of 90 before run-off. The past three years have recorded run-off of 2.3-4.5% of gross earned premiums, for example, with a combined ratio in 2007 of 86.1 and 90.6 before run-off.

Continued decline in expense ratio

We expect to reduce the expense ratio slightly in 2008 relative to the expense ratio of 16.7 achieved for 2007, despite expansion in Finland and Sweden that is expected to have an adverse impact on the expense ratio in 2008 and the next few years. The Finnish and Swedish activities affected the expense ratio with around 1.5 % in 2008, we expect an impact of 1 percentage point.

Assumptions for insurance activities

The outlook for the result for 2008 is based on assumptions with respect to gross earned premiums, gross claims incurred, gross expenses, result of business ceded and technical interest.

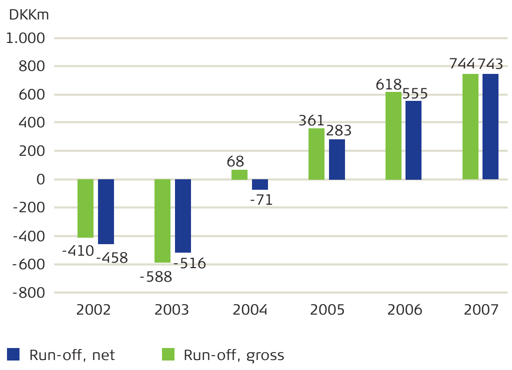
Our outlook for gross earned premiums is based on the Group's portfolio at 31 December 2007 and assumptions with respect to sales and loss of policies and price adjustments of existing policies. Assumptions for sales and loss of policies are based on historical levels, planned initiatives and the market situation. Assumptions for price adjustments are primarily based on agreements relating to adjustments of individual insurance policies. The outlook is expressed in local currency.

We generally base our expectations with respect to claims incurred on assumptions for the various products in the individual business areas. Expectations regarding claims ratios are based on historical performance in the form of average claims ratios for the past five years, with recent years' trends generally being weighted stronger than those of prior years. Trends in the pricing of our insurance premiums, claims frequencies and the discount rate applied are the most important factors that may affect our overall performance. Assumptions for storm events and large claims are based on historical experience for not less than ten years, with recent years' trends being weighted stronger than those of prior years. In addition, we incorporate the effect of profitability initiatives and the effect of any legislative measures in the anticipated claims level. The outlook for 2008 assumes weather-related claims for 2008 of around DKK 225m and large claims of around DKK 500m gross.

The outlook assumes no run-off gains or losses in 2008 on the provisions for claims established.

The outlook regarding gross expenses reflects the projected number of employees during 2008 and the related costs. The projected number of employees incorporates the effect of measures launched to improve efficiency and recruitment of new employees in Finland and Sweden. The outlook further includes other expenses such as those relating to IT, operations and our corporate headquarters, which are predominantly based on agreements that are known to us.

RUN-OFF



The result of business ceded is based on contracts made with reinsurers to cover claims events and events such as storms and large claims. The expected result of business ceded is calculated on the basis of such contracts and historical data.

Technical interest is based on interest rate assumptions applicable at 31 January 2008.

Assumptions for investment activities

The outlook for the return on investment activities for 2008 is based on the following assumptions with respect to investment assets. The return outlook for 2008 is based on an assumed proportion of equities of 4% against previously 12-14% as TrygVesta cut back the proportion of equities to around 4% in January 2008. The proportion of bonds was increased correspondingly from around 82% to 90%. The outlook for 2008 is based on the level of interest rates prevailing at 31 January 2008.

Bonds are thus expected to account for around 90% of total investment assets and to yield a return of 4.7% based on interest rates at 31 January 2008. Equities are expected to account for around 4% of total assets and to yield a return of 7.0% including dividends, but this may vary considerably between periods. Finally, the portfolio of real property is expected to account for 6% of assets and to yield a return of 6.1%. Real property returns correspond to annual rental income less administrative expenses and do not incorporate any appreciation or depreciation of real property values. In 2007, bonds, equities and real property yielded returns of 3.7%, 2.0% and 6.1% (10.4% including value changes), respectively.

Assumptions for tax

The corporate tax rate is 25% in Denmark and 28% in Norway. The effective tax rate is to some extent attributable to gains or losses on equities which are tax-exempt or non-deductible. Previously, we expected a tax rate of 24% going forward. We have changed this to 25% based on the composition of our business.

Equity market performance in 2008 impacts the full-year 2008 outlook

The volatile equity markets and the equity losses have caused us to change our outlook for 2008 to profit before tax of DKK 2,100m compared with DKK 3,109m in 2007. The profit outlook comprises a stronger technical result before run-off and a lower investment result, emphasising the importance of maintaining good and stable insurance operations as the foundation for our earnings in periods of adverse financial markets.

The very unstable equity market in January and until 18 February 2008 resulted in a loss of around DKK 400m less equity return than expected. This loss on equities will have an adverse impact on our effective tax rate, which is attributable to the amount of gains or losses on equities which are tax-exempt or non-deductible. We assume an effective tax rate for 2008 of 32% based on the assumptions described and the realised loss on equities.

The equity market performance alone results in an outlook for 2008 at 18 February that provides a return on equity of around 23% before tax and around 16% after tax.

Outlook for the medium term

The composition of our business and an assessment of market conditions cause us to upgrade our medium-term expectations from a combined ratio of around 92 to the 89-91 range. About half of the improvement is attributable to a change in our accounting policies on unwinding. A combined ratio of 89-91 results in a targeted improved return on equity from the earlier outlook of 19-21% after tax to 21-23%. Our outlook for the medium-term assumes that we return to having an equity share of 8-10% of total assets, assuming a return on equities of 7%.

Capitalisation and profit distribution

TrygVesta had the following ratings at 31 December 2007:

	Standard & Poor's	Moody's
TrygVesta Forsikring A/S	A-/stable	A2
TrygVesta Garantiforsikring A/S	A-/stable	n.a.

TrygVesta has the capital resources necessary to operate and develop the Group. We refer to this as our capital requirement.

Two rating agencies, Standard & Poor's and Moody's, follow TrygVesta's performance and financial position closely for rating purposes. Our management reviews the Group's strategies, plans and performance at annual rating meetings. The rating agencies use these meetings as a basis for their assessment of the Group, and subsequently announce the rating. In 2007, Moody's upgraded us from A3 to A2, which signifies excellent financial strength, while Standard & Poor's affirmed their rating of A- based on the Group's strong financial position.

We determine the Group's capital requirements based on Standard & Poor's capital model, aiming to maintain our current rating of A-. This rating reflects strong creditworthiness and excellent financial strength and is a preferred rating among large corporate customers requiring that their insurer is rated.

Standard & Poor's implemented a new capital model in the autumn of 2007. Redefining the measurement of capital, Standard & Poor's new model measures available capital relative to a minimum requirement for each rating category. Going forward, we intend to apply the new calculation method, targeting the level of an A rating and a small buffer. Standard & Poor's new model calculates the buffer at 4-5% of the capital requirement, equivalent to the previous practice of a CAR of 130. Given the current structure of our business and our investment profile, a rating of A- reflects a ratio of capital to net premiums of 52-56.

Subordinate loan capital

In 2005, the Group raised a 20-year bond loan in the amount of EUR 150m, which was listed on the London Stock Exchange. The loan, which carries a coupon of 4.5%, is included in the capital base for rating purposes and to a limited extent in the regulatory capital base. Subordinate loan capital accounted for 10% of the capital calculated according to Standard & Poor's capital model for credit purposes in 2007, with the present limit being 25%.

Credit facility

The Group raised a five-year revolving credit facility of DKK 2,000m subscribed with 10 Danish and international banks in 2005. At 31 December 2007, DKK 600m had been utilised under the facility. Total interest expenses incurred on loan capital were DKK 88m in 2007, which means that our interest expenses were covered 36 times by earnings. Our total debt ratio was 14.5 at 31 December 2007.

Profit distribution policy

Dividends in respect of the 2007 financial year are determined on the basis of the Group's capitalisation strategy and profit distribution policy:

- TrygVesta distributes 50% of the profit for the year as ordinary cash dividends.
- Any excess capital after distribution of ordinary dividends and taking into consideration the minimum capital requirement, strategy and growth, will be returned to shareholders in the form of a share buy-back programme.

Share buyback	2007	2006	2005
Profit for the year, DKKm	2,266	3,211	2,097
Cash dividends, DKKm	1,156	2,244	1,428
Cash dividends per share, DKK	17	33	21
Cash pay-out ratio	51%	70%	68%
Ordinary share buyback	660		
Extraordinary share buyback	745		
Total buyback, DKKm	1,405		
Buyback per share	21		
Total distribution per share, DKK	38	33	21
Total distribution, DKKm	2,561	2,244	1,428
Total pay-out ratio	113%	70%	68%
CAR	N/A	128%	128.5%
Buffer to A level	5%	2.4%	2.8%
Solvency	318%	383%	362%

- The dividend policy reflects our long-term earnings and cash flow potential, while maintaining an appropriate level of capitalisation.

In practice, we determine dividends by comparing the capital requirement of Standard & Poor's capital model with our goal of a rating of A-. Any capital in excess of this amount will be distributed to shareholders in the form of cash dividends and share buybacks.

The proposed share buyback programme after ordinary dividends for 2007 will thus be determined by the earnings level and, extraordinarily, by two one-off effects relating to a new capital model and discounting method.

Standard & Poor's implemented a new capital model in the autumn of 2007, redefining the measurement of capital. The main change is that investment risk is now included in the capital requirement rather than deducted in the calculation of capital. A number of other elements were also updated, including that the individual rating requirements are now based on risk allocation.

A cornerstone for TrygVesta's risk management is to match the duration of the bond portfolio with that of the discount on technical provisions in order to minimise net interest rate risk. Standard & Poor's applies a model-based discount approach, causing fluctuations relative to TrygVesta's discounting model. During 2007, TrygVesta had contacts with Standard & Poor's in this respect and has now adapted the capital model in accordance with the discounting method regulated and approved by the Danish Financial Supervisory Authority. The changed discounting method results in capital being released while at the same time allowing TrygVesta to maintain its strong capital position and rating of A-. Read more about the capital model in Risk management and view a quarterly updated version of a simplified capital model at www.trygvesta.com

Dividends for the 2007 financial year

Profit after tax amounted to DKK 2,266m in 2007. Pursuant to the profit distribution policy, this entails a cash distribution of dividends of DKK 17 per share, for a total amount of DKK 1,156m.

Share buybacks

After the annual calibration of our capital requirement after payment of cash dividends we will return an additional DKK 660m to shareholders in the form of a share buyback. To this should be added the two one-off effects relating to Standard & Poor's new capital model and changed discounting method, which increase the share buyback programme by DKK 745m.

The total share buyback thus amounts to DKK 1,405m. Together with ordinary dividends of DKK 1,156m, TrygVesta will thus return a total amount of DKK 2,561m to shareholders. The overall distribution corresponds to a buffer at the minimum level for an A rating, that is, 5%. This is more than the previous buffer which was around 2.5-3% of the minimum level.

The share buyback will be implemented pursuant to the safe harbour rules when approved by the shareholders at TrygVesta's annual general meeting on 3 April 2008 and is expected to run over four quarters.

Risk management

Being an insurance business, our concept is to create peace of mind for our customers by helping them manage and handle risk. Risk management is at the core of our business, and it is therefore only natural that we also focus in-house on managing the risks our operations expose us to. Structured and competent risk management is fundamental to maintaining our customers' confidence and living up to our vision of being perceived as the leading peace-of-mind provider in the Nordic region.

FINANCIAL RISK

Market risk

The risk that volatility of financial markets impacts our results. Interest rate risk constitutes a major part of market risk. Interest rate risk is the risk of fluctuating market interest rates.

Credit risk

The risk that we incur a loss due to failure by our counterparties to meet their obligations

Insurance risk

Insurance risk is the financial risk we assume when we sell insurance contracts. Insurance risk comprises:

Underwriting risk

The risk that claims at the end of an insurance contract deviate significantly from our assumptions when pricing at inception of the contract.

Provisioning risk

We make technical provisions at the end of a period to cover expected future payments for losses already incurred. Provisioning risk is the risk that future payments deviate significantly from our assumptions when making the provisions.

Strategic risk

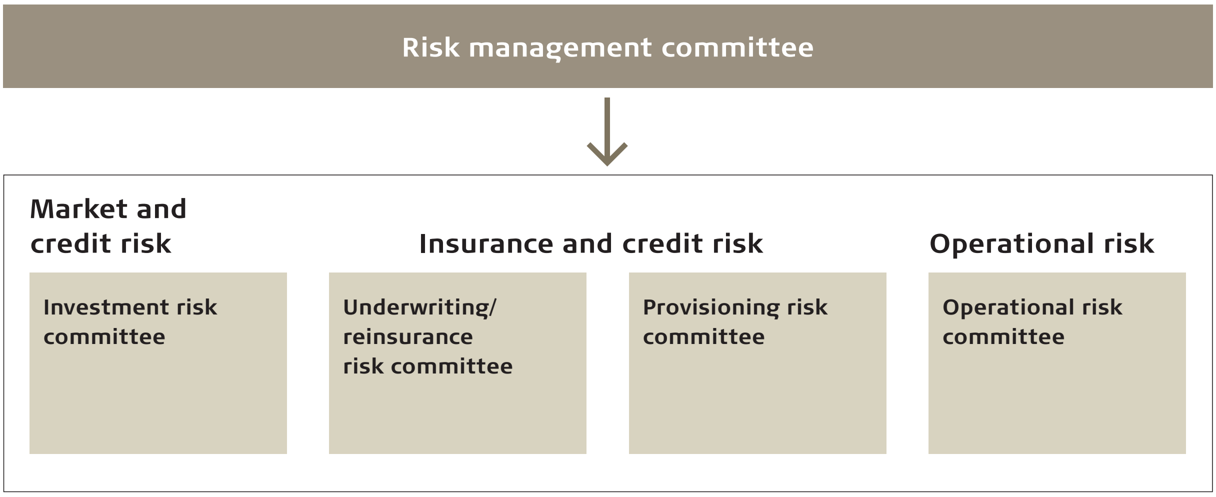
The risk of changes to the conditions under which we operate, including changed legislation or market conditions.

Operational risk

The risk of errors or failures in internal procedures, systems and processes, and risks that are not covered by the financial risks and strategic risks.

Capital and risk

We rely on our capital base and financial strength to assume risks from our customers and for our customers to be confident that we are able to meet our obligations if and when they report a claim. Our aim is for our capital base to match our risk profile and support natural growth.



We base our capital resources on relevant regulatory requirements and our wish to maintain a rating of A- from Standard & Poor's. We regularly assess our capital resources, including calculate our capital requirement based on a model used by Standard & Poor's. The results of these calculations are posted quarterly at www.trygvesta.com. We also regurlarly assess capital and risk in our internal model, which simulates results of investments, insurance operations and reinsurance. We use the model as the basis to evaluate investment strategies and purchases of reinsurance and to determine risk-based return requirements for the individual business areas based on their specific risk profile.

Risk management and control

Our Supervisory Board has overall responsibility for the Group's risk management (see also the section on Corporate governance). In 2007, our Supervisory Board revised the structure of its instructions in which it defines our risk management framework with the purpose of optimising the control, monitoring and handling of our present and future risk exposure. The supreme body of this structure is the risk management committee which, in addition to the Group CEO and Group CFO, consists of the persons responsible for the various risk management areas: insurance risk, investment risk and operational risk.

In addition to the risk management committee we have set up a number of special committees to handle the risk management process within the areas of

- underwriting and reinsurance
- provisioning
- investments, and
- operational risk and security.

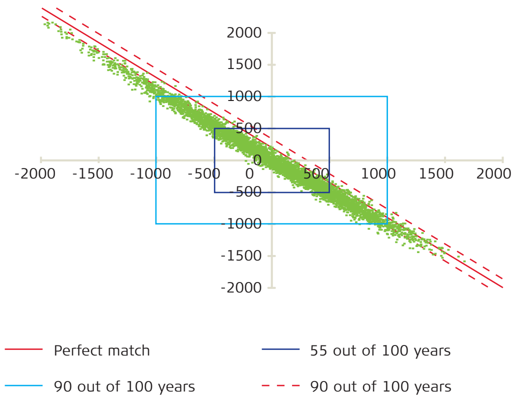
The special committees report to the risk management committee, and their chairmen are also members of the risk management committee.

The investment risk committee primarily handles areas of risk related to the portfolio on the asset side, mainly market and credit risk. The underwriting and reinsurance committee handles risk management in connection with determination of tariffs and reinsurance, mainly of an insurance and credit nature. The provisioning risk committee handles issues related to the determination of provisions, and the operational risk committee handles issues within fields such as errors or breakdowns of internal systems and processes. All committees focus on risk management and have no commercial responsibility.

Solvency II and Individual Solvency

The new EU solvency rules, Solvency II, which are expected to come into force in 2012, will make it possible for companies such as TrygVesta with operations in several countries to benefit from the risk diversification that typically exists between different geographical areas when determining their solvency requirements. We have for several years taken part in the Solvency II hearings through the Danish Insurance Association, Forsikring & Pension, and in 2007 we were involved in drafting QIS3

IMPACT ON FIXED-INTEREST SECURITIES



The figure illustrates the impact on the fixed-rate securities and discounted provisions for claims based on simulated interest rate scenarios in TrygVesta's ALM model with the portfolios of bonds and provisions at 31 December 2007.

The calculation of the impact on our liabilities does not include provisions for claims for TrygVesta Garanti, the Finnish and Swedish business and the provision for the Norwegian pension liability.

The figure is based on simulation of 5,000 scenarios with a one-year horizon, with 90% of scenarios being within the light-blue frame.

The red line illustrates scenarios in which the impacts of interest rate changes on assets and liabilities are mutually offsetting. The figure shows that 90% of all scenarios fall within a band corresponding to interest rate risk of less than DKK 140m. The scenarios are scattered around a line sloping slightly less than that indicated. This is because the portfolio of fixed-interest assets exceeds our provisions, and that the provisions referred to above are excluded. The Norwegian pension provision is discounted using a fixed rate, and interest rate changes therefore have no direct impact on profits.

(Quantitative Impact Study), part of the preparatory work for the final Solvency II directive. With these efforts and the work with our internal models we aim to provide the best possible preparation for the introduction of the new solvency rules.

In preparation for the introduction on Solvency II, companies are required as from 1 January 2008 to make their own determination of the necessary capital, the Individual Solvency Requirement, and report it to the Danish Financial Supervisory Authority. For purposes of determining the Individual Solvency Requirement we use our internal model and Standard & Poor's capital model in combination with several other quantitative assessments. Read more about Solvency II and Individual Solvency in the section TrygVesta and the external community.

RISK TYPES

Insurance risk

Insurance risk is the risk relating to our insurance operations. It is the most important risk that we are exposed to. The risk comprises underwriting risk, that is, the risk related to the determination of premiums, and provisioning risk, that is, the risk related to the assessment of future payments to be covered by premiums received.

Underwriting risk

To manage underwriting risk we use tariffs as well as business procedures and authorities for risks not covered by a tariff. We use reinsurance to hedge large fluctuations resulting from single events. Inadequate premiums may cause us to incur losses on our insurance operations. An excessive premium relative to the risk may cause us to lose competitive advantages and have an adverse effect on our business platform. Accordingly, we strive to strike the correct balance between risk and premium, and we regularly follow up on our tariffs and pricing methods.

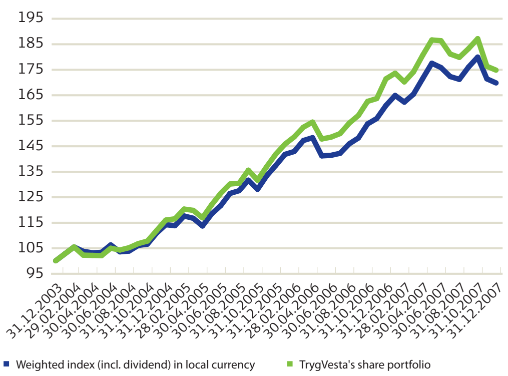
Provisioning risk

After the period of the policy's cover has expired, insurance risk relates to the provisions for claims made to cover future payments on claims already incurred. The size of the provisions for claims is determined both through individual assessments and actuarial calculations. We manage the risk that provisions for claims are incorrectly determined by sophisticated models, controls and follow-up in order to create the most exact match possible between provisions and claims expenses and to reduce unforeseen liabilities.

Up to December 2007, provisions for claims relating to annuities in Danish workers' compensation insurance were calculated using the fixed-rate method, corresponding to a real interest rate of 1%. As from December 2007, the provisions for claims are discounted using the current market rate. This change exposes TrygVesta and TrygVesta's financial statements to explicit inflation risk in case of changes in Danish wage inflation. We hedge such risk using an inflation swap.

Our provisions for claims amounted to DKK 21,104m at 31 December 2007.

PERFORMANCE OF TRYGVESTA'S SHARE PORTFOLIO RELATIVVE TO WEIGHTED INDEX



Reinsurance

We use reinsurance as an important element of our day-to-day risk management supported by the internal model, which we use for assessing the impact of different reinsurance alternatives.

In order to have protection against natural disaster risks, we maintain cover in 2008 of up to DKK 4.5bn with retentions of DKK 100m in Denmark and NOK 100m in Norway. The level of cover was determined based on the risk exposure of the Group's portfolio, using simulation models. These models suggest that a loss in excess of DKK 4.5bn occurs less often than once every 250 years. Our exposure to natural disasters in Norway is furthermore limited through our participation in the Norwegian Pool of Natural Perils.

Our catastrophe reinsurance programme also covers other catastrophe events, including terrorist-related events, for up to DKK 3.75bn, with terrorist events being covered for buildings, building contents and consequential loss for risks with a total insured value of up to DKK 500m. We have bought catastrophe reinsurance up to DKK 1.5bn for our personal accident and workers' compensation policies with a retention of DKK 50m, covering the risk of multiple injuries from the same cause, including terror.

In addition to reinsuring catastrophe events, we also buy protection for certain lines for which experience has shown that claims vary considerably. The Group's Corporate portfolio includes very large property risks in Denmark and Norway. We have bought reinsurance in the Danish and Norwegian markets for these policies with a retention on a single claim of DKK/NOK 50m and with cover up to a maximum of DKK1.4 bn/NOK 1.6bn. For property risks exceeding the upper level, we buy individual reinsurance. Other lines covered by reinsurance include liability and motor, marine, fish farms and guarantee insurance.

Although we have systematically used reinsurance to eliminate unwanted insurance risk, one single area remains. Exposure to terrorist losses of a biological, chemical or radioactive character can only be covered partly by reinsurance today. Although we deem the occurrence of this type of losses with a catastrophic scope very unlikely, we are working actively within the Danish Insurance Association with a view to establishing a national arrangement for such losses. We expect a solution during 2008.

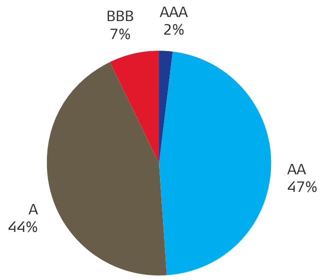
Market risk

Market risk is the risk that volatility in the financial markets will impact our results of operations and thus our financial position. We define the asset mix based on the instructions approved by the Supervisory Board, including limits on types of assets and the geographic distribution and risk profile of bonds, equities and real property for each company in the Group. Our asset mix and investment activities focus mainly on interest rate risk, security and liquidity.

Interest rate risk

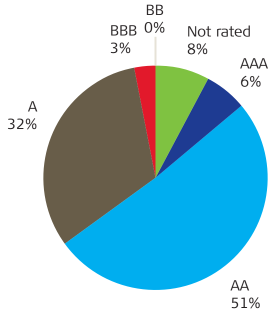
Fluctuating interest rate levels is a very important market risk to which we are exposed. Interest rate changes affect our investment assets as well as our provisions for claims, both of which are stated at market values. If interest rates

BREAKDOWN OF PREMIUMS CEDED BY REINSURER'S RATING



The figure shows the distribution on ratings of premiums ceded under the reinsurance programmes in 2007. We primarily cede premiums to reinsurers rated A or above.

BREAKDOWN OF BALANCES WITH REINSURERS BY REINSURER'S RATING



The figure shows the distribution of receivables including receivables from reinsurers, in aggregate DKK 1,189m. Of these, 89% are held by companies rated A or above.

fall, the value of the Group's bond portfolio would rise, while a lower interest rate would at the same time cause the provisions for claims to rise. Fluctuating interest rates thus impact the financial results in two opposite directions, and the risk of profit variations depends on the degree to which these two movements offset each other.

Our portfolio of fixed-interest securities stood at DKK 30.3bn at 31 December 2007, while the provisions for claims discounted using a market rate amounted to DKK 19.7bn, net of reinsurance. The respective durations were 1.9 and 3.0 years. The variation in duration is attributable to our bond portfolio being significantly larger than the discounted provisions. A parallel shift of interest rates of 1% would reduce the market value of our securities by DKK 568m, while the opposite impact on provisions would be DKK 547m, triggering a net impact of DKK 21m.

In connection with the switch to discounting annuities in Danish workers' compensation using a market rate, the average duration of provisions discounted using a market rate increased by 0.7 years to 3.0 years per 31 December 2007 with a corresponding increase in the duration of the bond portfolio to ensure continued matching interest rate sensitivity for assets and liabilities.

Other market risk

The equity and real property portfolios are exposed to changes in equity markets and real property markets, respectively. We manage such risk through investment limits for various asset classes. In certain circumstances, we also use interest rate and equity derivatives in our investment activities.

The equity portfolio primarily focuses on the large, liquid equity markets in Europe, the USA and Japan. We have defined a strategy with relatively little exposure in the Nordic region (around 23% at 31 December 2007) in order to reduce company risk, because a few companies account for large parts of the markets in the two countries. Furthermore, we have tied each equity mandate to a recognised benchmark, which we monitor closely. As shown in the graph on the previous page, the Group's portfolio tracks the benchmark, even outperforming it over time. The 25 largest equities in our portfolio account for some 31% of the total listed equity portfolio.

Currency risk

We are not subject to any significant currency risk. The Group's premium income in foreign currency is mostly matched by claims and expenses in the same currencies, primarily NOK, EUR, SEK and USD. We do not hedge the remaining, limited currency risk in connection with future cash flows in foreign currencies.

We use currency derivatives to hedge the risk of loss of value of balance sheet items due to exchange rate fluctuations in accordance with a general hedge ratio of 90-100 for each currency. We aim to hedge 98-100% of the net book value of the Norwegian entity.

Based on the actual amount of balance sheet items in foreign currencies and hedging as at 31 December 2007, 15% depreciation in the exchange rate of an exposed currency relative to DKK would result in a net loss of DKK 39m because the loss on the balance sheet items of DKK

Effect on equity of market changes at 31 December 2007	DKKm
Interest rate market – increase in interest rates of 1%	
Impact on fixed interest securities [1]	-568
Higher discounting of provisions for claims	547
Impact on Norwegian pension obligation	193
Equity market	
Decrease of equity markets of 15% [2]	-667
Impact arising from derivatives	0
Real property market	
Decrease of real property markets of 15%	-385
Currency market	
Decrease of exposed currencies versus Danish kroner of 15%	-728
Impact arising from derivatives	690

[1] The impact is calculated on the basis of the option adjusted duration without correction for convexity.
[2] See the section on Outlook regarding exposive to equity markets since mid January 2008.

729m would be offset by a gain of DKK 690m on the currency hedging.

Credit risk

We are exposed to credit risk in connection with the collection of receivables. In the case of the insurance operations, counterparties may be customers, suppliers or reinsurers, while in connection with the investment activities, our primary counterparties are issuers of bonds and counterparties in other financial instruments.

Receivables from policyholders arise on an ongoing basis and amounted to DKK 901m or 5.3% of gross premiums at 31 December 2007. The risk related to receivables from customers is limited because the insurance cover lapses if they fail to pay.

The sub-prime crisis in 2007 emphasised the importance of managing risk, including credit risk. The crisis affected the financial markets, but TrygVesta has no investments in sub-prime loans, CDOs and similar products. Read more in the section on Investment activities.

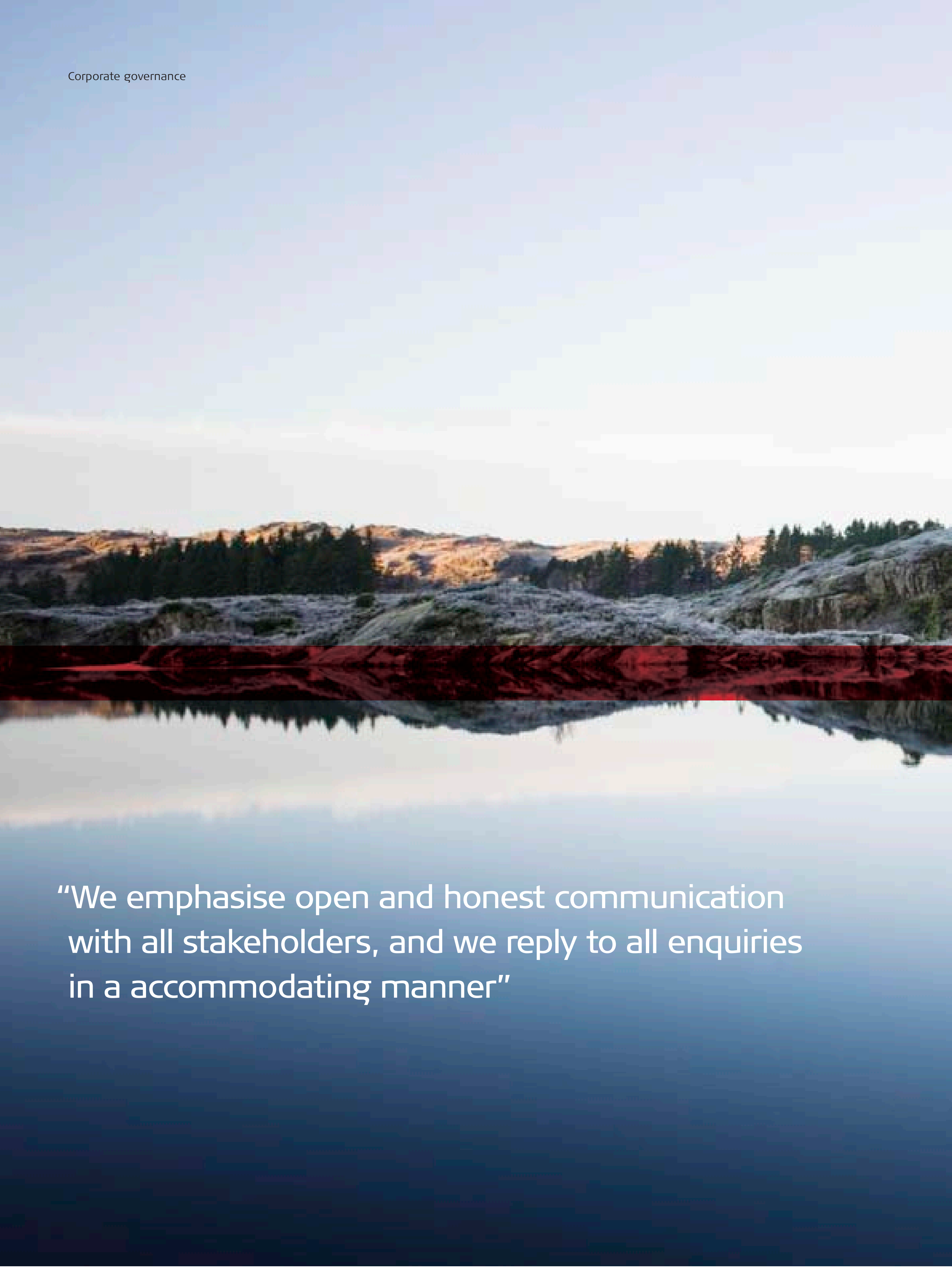
Operational risk

As operational risks are mainly internal, we focus on establishing a satisfactory controlling environment in the Group's operations. In practice, we organise this work through a structure of procedures and guidelines that cover different aspects of the Group's operations.

We have set up a data base for systematic registration of the major risks in the Group. Based on the data base, we chart risks and draft contingency plans to handle key areas each year such as the contingency plans in the individual parts of the business to handle an event of prolonged IT breakdown.

Strategic risk

Strategic risk is managed through a strategic planning process. The Supervisory Board defines the overall strategy in the middle of the year within the framework of the Group's corporate vision, and the Group Executive Management uses this as the basis for further strategy work. The balanced scorecard is used as a tool in this work to ensure current follow-up on the strategy and the initiatives launched in the business areas. During the year, the strategy is managed in Executive Management meetings and meetings to follow up on the balanced scorecard performance by business areas and staff functions. We also continuously monitor the market to ensure that we have an up-to-date basis for our assessment of external conditions, be it our competitors' market initiatives, new legislation or other external factors that may impact the Group.



"We emphasise open and honest communication with all stakeholders, and we reply to all enquiries in a accommodating manner"


Corporate governance

Corporate governance

In 2007, TrygVesta's Supervisory Board focused on creating more room for forward-looking activities at Board meetings and at the annual Board seminar. This was done without neglecting the Board's follow-up and supervisory duties. In its work, the Group Executive Management focused on involving the Group's other management staff in the strategic efforts to ensure quality and ownership and to facilitate implementation of the strategy at an even faster pace.

The Supervisory Board believes that TrygVesta complies with the corporate governance recommendations published by OMX Nordic Exchange Copenhagen. The Supervisory Board considers that each Board member has adequate time and resources to serve as a Board member of TrygVesta in a satisfactory manner.

Stakeholders

TrygVesta strives to develop and maintain strong relations to all relevant stakeholders as they are key to the Group's future performance and potential. This includes that we emphasise open and honest communication, and that we reply to all enquiries in an accommodating manner.

TrygVesta issues press releases and company announcements on a regular basis and publishes quarterly and half-year interim reports and annual reports in order to best enable stakeholders to form an adequate impression of the Group and its performance. All financial announcements are released simultaneously in Danish and English. Management organises regular investor presentations, live teleconferences and webcasts in a partnership with Investor Relations. All material is available at www.trygvesta.com, which also offers stakeholders to receive the latest news as RSS feeds or to download webcasts and teleconferences as Podcasts. TrygVesta continuously seeks to make the website more user-friendly and improve its contents.

TrygVesta has adopted a number of guidelines and policies in order to ensure that we provide correct and adequate information to all the Group's stakeholders. In 2007, TrygVesta worked on defining a CSR (Corporate Social Responsibility) policy and set up a CSR organisation with a CSR board chaired by our Group CEO. The CSR board will report to the Supervisory Board once a year.

The Supervisory Board regularly considers the adequacy of TrygVesta's capital structure to align it with the interests of the Group and of our shareholders and to ensure compliance with the requirements applicable to TrygVesta as a financial undertaking. The Supervisory Board optimises our capitalisation on an ongoing basis while duly safeguarding the interests of our policyholders and shareholders and leaving the Group sufficient scope in which to develop and grow.

The Supervisory Board intends to consider any public takeover bid that may be made as prescribed by legislation and, depending on the nature of such bid, to convene an extraordinary general meeting of shareholders in accordance with applicable requirements and rules. TrygVesta's annual general meeting is held every year before the end of April. The Supervisory Board convenes the annual general meeting giving not less than eight days' notice. Shareholders may register to receive an electronic notice of the general meeting. The notice includes the time and place of the meeting and sets out the agenda, which as a minimum comprises the following items:

- Report of the Supervisory Board on the activities of the company during the past financial year
- Presentation of the annual report for approval, including determination of the Supervisory Board's remuneration
- Adoption of a resolution as to the distribution of profit or covering of loss, as the case may be, according to the annual report
- Any proposals from the Supervisory Board or from shareholders
- Election of members to the Supervisory Board
- Appointment of auditors
- Any other business

Further details to the notice of the meeting can be found in the complete proposals, which are available for download at www.trygvesta.com and to all shareholders on request. The complete proposals also include the Supervisory Board's proposed dividend payment with respect to the past financial year.

All shareholders are urged to attend the annual general meeting. Shareholders may vote in person at the general meeting or appoint the Supervisory Board or a third party as their proxy. TrygVesta makes a proxy form to the Supervisory Board available, which allows shareholders to decide on the individual items of the agenda. The proxy form will be available at www.trygvesta.com from 14 March 2008.

The composition of the Supervisory Board

The Supervisory Board has 12 members, including eight members elected by the shareholders for a term of one year. Four of the eight members are non-affiliated. The Supervisory Board is composed as follows:

- four members are elected among the members of the Supervisory Board of Tryg i Danmark smba
- four members are elected among candidates without any affiliation with Tryg i Danmark smba, and
- four representatives are elected among the employees, who according to agreement in 2007 between the Danish and Norwegian employee associations include two representatives of the Group's Danish employees and two representativeS of the Norwegian employees.

The chairman and the deputy chairman are in charge of the Supervisory Board's work.

To ensure replacement on the Supervisory Board, members elected by the shareholders may hold office for a maximum of nine years. Furthermore, members of the Supervisory Board must retire at the first general meeting following their 70th birthday.

Prior to the election of new members, the Supervisory Board prepares a description of the candidates' background as part of the final proposals to be submitted to shareholders at the annual general meeting. The description outlines the recruitment criteria established, including requirements with respect to the candidates' professional qualifications and international experience. When taking up office, new

Board members are given an introduction to the Group. Information about Board members' profiles and shareholdings is set out in the section on Members of the Supervisory Board and is also available at www.trygvesta.com.

Board committees

The Supervisory Board has set up an audit committee. The three-member committee is chaired by an independent member of the Supervisory Board. In 2007, members of the audit committee were Bodil Nyboe Andersen (chairman), Per Skov and Håkon J. Huseklepp.

The audit committee supports the Supervisory Board in its work with and supervision of:

- the annual report, including checking the accuracy of financial information disclosed in the annual report, and ensuring that accounting policies are relevant and applied consistently
- internal control and risk management. In this context the audit committee reviews and assesses management's guidelines for identifying, monitoring and managing the most important risks at least once a year, including an assessment and review of internal control and risk management systems
- internal and external audit, including a review and discussion of the results of the work of the internal and external auditors and the auditors' observations and conclusions. The committee supervises management's follow-up on the recommendations to management reported by the internal and external auditors
- the Group being monitored by independent auditors.

The audit committee works with historical data, and it is not involved in forward-looking events such as outlook and budgets. The audit committee shall to a reasonable extent discuss and review with management significant financial information in the Group's financial statements.

The audit committee meets at least four times a year and reports to the Supervisory Board on a regular basis. The committee makes an annual assessment of the preceding year's work to assess if any changes should be made to its areas of responsibility.

The Supervisory Board does not have a nomination committee, but in 2007 the chairman and deputy chairman functioned as the nomination committee without receiving any fees.

Tasks and responsibilities of the Board

The Supervisory Board is responsible for the overall management and financial control of TrygVesta. In this work, the Supervisory Board uses targets and framework management based on regular and systematic consideration of strategies and risks.

The Executive Management reports regularly to the Supervisory Board on strategies and action plans, market developments and the Group's performance, funding issues, capital resources and special risks. The Supervisory Board cooperates with the Executive Management on a regular basis to ensure development of and follow-up on the Group's strategies.

The Supervisory Board holds at least six annual meetings and an annual strategy seminar to discuss and define strategies and goals for the years ahead.

The Supervisory Board carries out an annual evaluation of the work and results of the Executive Management and of the cooperation between the Supervisory Board and the Executive Management. The Supervisory Board also reviews and approves the rules of procedure of the Supervisory Board and the Executive Management each year to ensure they are consistent with TrygVesta's requirements. In the rules of procedure, the Supervisory Board has defined an evaluation procedure providing for the work and results of the Supervisory Board, the chairman of the Supervisory Board and the individual members and for the composition of the Supervisory Board to be assessed for the purpose of optimising the Board's work. The evaluation procedure includes individual interviews to be held in January between the chairman of the Supervisory Board and the individual members and a discussion of the overall results of these interviews at the first subsequent Board meeting.

The duties of the chairman and the deputy chairman of the Supervisory Board are defined in the rules of procedure of the Supervisory Board, and include preparing Board meetings and performing evaluations of the Supervisory Board's work and the cooperation with the Executive Management. The chairman acts as spokesman for the Supervisory Board for external purposes.

In 2007 the shareholders at the annual general meeting authorised the Supervisory Board to buy own shares within 10% of the share capital up to the next annual general meeting. The Supervisory Board is also authorised to distribute extraordinary dividends pursuant to the rules of the Danish Public Companies Act.

Risk management

TrygVesta is an insurance group subject to the requirements of the Danish Financial Business Act on risk management and the involvement of the Supervisory Board and the Executive Management. The Supervisory Board defines the framework for risk management in TrygVesta with respect to insurance risk/reinsurance, investment risk and operational risk, including IT security. This framework is then implemented in risk policies that define detailed guidelines for the Group's risk management. The risk management committee comprising the Group CEO, Group CFO and selected senior executives monitors the risk management environment. The Executive Management reports to the Supervisory Board on how the framework for the Group's risk management is implemented. A more detailed review of the Group's risk management principles is set out in the section on Risk management and at www.trygvesta.com.

Audit

The Supervisory Board ensures that the Group is monitored by competent and independent auditors. Each year, the annual general meeting appoints external auditors recommended by the Supervisory Board. The Supervisory Board, the audit committee and the Executive Management make a critical assessment of the auditors' independence and competence.

TrygVesta also has an internal audit department which reviews the quality of the Group's internal control systems and business procedures on a regular basis and is responsible for planning, performing and reporting the audit work to the Supervisory Board. The internal and

EXECUTIVE MANAGEMENT AND GROUP EXECUTIVE MANAGEMENT

References to the Executive Management are to the Executive Management of TrygVesta, consisting of Stine Bosse, Morten Hübbe and Peter Falkenham. The guidelines for incentive pay comprise only these persons. The Group Executive Management comprises the Executive Management of TrygVesta and the Executive Management of TrygVesta Forsikring. In addition to Stine Bosse, Morten Hübbe and Peter Falkenham, the Executive Management of TrygVesta Forsikring consists of Lars Bonde, Kjerstin Fyllingen and Stig Ellkier-Pedersen.

external auditors' long-form reports are reviewed by the Supervisory Board.

Remuneration policy for the Supervisory Board and the Executive Management

TrygVesta has adopted a policy with respect to remuneration of the members of the Supervisory Board and the Executive Management of TrygVesta A/S and has also prepared overall guidelines for an incentive structure, which will be submitted for shareholder approval at the annual general meeting to be held on 3 April 2008. The complete text of the remuneration policy is posted at www.trygvesta.com.

REMUNERATION OF THE SUPERVISORY BOARD	2007
Chairman	DKK 750,000
Deputy Chairman	DKK 500,000
Board member each	DKK 250,000
Total renumeration in total*	**DKK 3,687,500**

* Christian Brinch joined the Supervisory Board in March, and his remuneration therefore only covers the last three quarters of 2007.

Members of the audit committee received a fee of DKK 100,000 in 2007, and the chairman of the audit committee received DKK 150,000.

Remuneration of the Executive Management

The Executive Management comprises three members. The remuneration paid to the Executive Management reflects a wish to secure a profitable and stable performance for the Group in the short term as well as in the longer term, including to induce the Executive Management to focus on increasing value creation for shareholders.

The remuneration includes an element of performance-related bonus and comprises a bonus plan providing for up to three months' additional salary (four months' for the Group CEO). The bonus is directly linked to achievement of pre-defined benchmarks. The assessment of the individual member's target achievement includes the TrygVesta Group's overall performance as well the individual member's performance within the business area he or she is responsible for. Specific benchmarks are defined within all four perspectives of the balanced scorecard (financial, customer, processes and learning). These benchmarks reflect the strategic focus areas of the Group and the individual business areas, including growth, profitability, cost reduction, customer satisfaction, customer loyalty, image, processes, communication, employee satisfaction and development, and innovation. Members of the Executive Management may chosse to receive their bonus by acquiring TrygVesta shares at a discount to the market price or they may elect to receive a cash payment. Members of the Executive Management who elect to receive their bonus by acquiring shares at a discount to the market price can buy the shares at par with a total discount equal to the bonus for which the individual member is eligible. TrygVesta believes it is appropriate that part of the Executive Management's remuneration consists of stock option based payment in order to ensure focus on share price performance and build loyalty and motivation.

Any grant of stock options is based on the principle that the exercise price may not be lower than the market price. The most recent grant was based on the market price plus 10%. The annual dividends are deducted from the exercise

REMUNERATION TO THE EXECUTIVE MANAGEMENT FOR 2007

DKK	Basic salary	Bonus	Pension	Car	Total	Share options
Stine Bosse	5,200,000	1,734,000	1,300,000	113,000	8,347,000	13,527
Morten Hübbe	3,000,000	750,000	750,000	156,000	4,656,000	7,101
Peter Falkenham	2,575,000	644,000	644,000	106,000	3,969,000	5,072

price. Options cannot be exercised earlier than three years after the date of grant and not later than five years after the date of grant. Exercise must take place during the open trading windows in connection with the full-year and half-year profit announcements. On exercise, the value of the options calculated as the difference between the exercise price and the market price must not exceed 200% of the recipient's fixed annual salary.

The Supervisory Board granted 25,700 stock options to the Executive Management in 2007, entitling the holders to acquire shares at the average price of TrygVesta shares ("all trades") on OMX Nordic Exchange Copenhagen on 27 February 2007 which was DKK 456.76 plus a 10% supplement. The options were granted on 28 February 2007, and each option entitles the holder to acquire one share at the exercise price. We buy treasury shares to cover our stock option programmes.

Members of the Executive Management are also entitled to company cars. A contribution of 25% of the fixed salary of the Executive Management is paid into a pension scheme.

Members of the Executive Management are entitled to 12 months' notice of termination and to 12 months' severance pay. However, the Group CEO is entitled to 12 months' notice of termination and to 18 months' severance pay plus pension contributions during such period.

Incentive pay to the Group Executive Management and senior executives

Like the Executive Management, the remaining members of the Group Executive Management and senior executives of TrygVesta are offered a performance-related bonus of up to three months' salary. Executives may elect to receive the bonus as shares at a discount to the market price or in cash. Furthermore, TrygVesta has set up a stock option programme for certain senior executives and employees to reward outstanding performance.

In 2007, TrygVesta granted 91,039 stock options to the Group Executive Management and senior executives and 18,000 stock options to employees to reward outstanding performance. Options granted in 2007 entitle the holders to acquire shares at the average price of TrygVesta shares ("all trades") on OMX Nordic Exchange Copenhagen on 27 February 2007 plus a supplement of 10%, and each option entitles the holder to acquire one share at the exercise price. Options cannot be exercised earlier than three years after the date of grant and not later than five years after the date of grant. TrygVesta expects to grant a stock option programme of a similar value in 2008.

Employee bonus

It is important to TrygVesta that all employees see their own efforts relative to the Group's overall targets, and for this purpose we have an employee bonus programme for all employees. Employee bonus benchmarks were combined ratio and growth in 2007, and our performance triggered shares at a discount to the market price with a discount element equal to DKK 10,000 to each employee. A similar programme will be offered in 2008.

Supervisory Board

Niels Bjørn Christiansen

Mikael Olufsen
Chairman

John R. Frederiksen

Peter Wagner Mollerup

Bodil Nyboe Andersen
Deputy Chairman

Håkon J. Huseklepp

Birthe Petersen

Christian Brinch

Paul Bergqvist

Per Skov

Trond Christiansen

Jørn Wendel Andersen

Supervisory Board

Mikael Olufsen
Chairman
Born 1943
Joined the Supervisory Board in 2002

Professional board member. Former CEO of Toms Chokoladefabrikker A/S.
Educational background: MSc (Forestry); PMD Harvard Business School.
Chairman of Tryg i Danmark smba, TrygVesta A/S, TrygVesta Forsikring A/S, Mala Plast Co. Ltd. Bangkok, Advisory Board of Care-Works Africa Ltd. and The Danish Rheumatism Association.
Deputy chairman of the Board of Trustees of the Egmont Foundation. Deputy chairman of Egmont International Holding A/S, Ejendomsselskabet Gothersgade 55 ApS and Ejendomsselskabet Vognmagergade 11 ApS.
Board member of WWF in Denmark, British Import Union and Danmark-Amerika Fondet.
Mr Olufsen has experience in managing large international companies, including in strategic development. In addition, Mr Olufsen has experience as a board member of Danish and international companies.
Number of shares held in TrygVesta: 1,918

Bodil Nyboe Andersen
Deputy Chairman
Born 1940
Joined the Supervisory Board in 2006

Former Chairman of the Board of Governors, Danmarks Nationalbank (Danish Central Bank)
Educational background: MSc (Economics).
Chairman of The University of Copenhagen, The Danish Red Cross and The Laurids Andersens Foundation.
Deputy chairman of TrygVesta A/S, TrygVesta Forsikring A/S and The Danish Film Institute.
Board member of The Villum Kann Rasmussen Foundation, The Danish-Norwegian Collaboration Foundation and Energiteknologisk udviklings- og Demonstrations Program.
Chairman of the audit committee of TrygVesta A/S.
Ms Nyboe Andersen has competencies within the areas of management, strategy, treasury and financial business from her former positions as Chairman of The Board of Governors of Danmarks Nationalbank and Managing Director of Andelsbanken in the 1980s.
Number of shares held in TrygVesta: 100

Jørn Wendel Andersen
CFO, Arla Foods amba
Born 1951
Joined the Supervisory Board in 2002

Educational background: MSc (Business Economics), IMD Executive Development Programme, IMD “Strategy in Action” Programme, and Leadership Assessment – Heidrick & Struggles.
Chairman of Arla Insurance Company (Guernsey) Ltd. (Captive), Arla Foods Finance A/S and Fidan A/S.
Board member of Tryg i Danmark smba, TrygVesta A/S, TrygVesta Forsikring A/S, Arla Foods AB, AF A/S, Tholstrup Cheese A/S, Tholstrup Cheese Holding A/S, Tholstrup Taulov A/S and Medipharm AB.
Mr Wendel Andersen has experience in international management, strategy, finance, treasury, IT and project management from his current position as CFO of Arla Foods.
Number of shares held in TrygVesta: 1,078

Paul Bergqvist
Born 1946, Swedish citizen
Joined the Supervisory Board in 2006

Professional board member.
Former CEO of Carlsberg A/S.
Educational background: Economist, engineer.
Chairman of Carlsberg, Sweden, and Svenska Byggareföreningen, East Capital Explorer AB and HTC AB.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S, Baltica Beverages Holding (BBH), Telenor ASA, City mail AB, Amber Fund, Lantmännen, Pieno Zyaigzdios, Nova Linija and Unibake.
Mr Bergqvist has international and Nordic management experience in strategic development, complex transactions, development of new markets, marketing, sales and financial management.
Number of shares held in TrygVesta: 100

Christian Brinch
Born 1946, Norwegian citizen
Joined the Supervisory Board in 2007

Chief executive of his own business. Professional board member. Former President and CEO of Helicopter Services Group ASA and Executive Vice President of ABB Norge.
Educational background: Norway’s naval academy, PMD Harvard Business School.
Chairman of Hafslund ASA and Scandinavian Property Development ASA.
Deputy chairman of Prosafe ASA, Technor ASA and NSB AS.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S, Steen & Strøm ASA, Sørco Gruppen ASA and Thor Dahl Shipping AS.
Mr Brinch runs his own business providing strategic consulting and board services.
Mr Brinch has experience and knowledge within the areas of strategic development, branding, distribution and consulting services, including with respect to board work.
Number of shares held in TrygVesta: 500

Trond Christiansen
Born 1945, Norwegian citizen
Joined the Supervisory Board in 2003

Senior corporate adviser and shop steward of TrygVesta Forsikring A/S.
Educational background: Certified insurer.
Board member of TrygVesta A/S and TrygVesta Forsikring A/S.
Number of shares held in TrygVesta: 0

Niels Bjørn Christiansen

Born 1966
Joined the Supervisory Board in 2006

Executive Vice President and COO, Danfoss A/S. Former Executive Vice President and COO, GN Store Nord A/S.
Educational background: B.Sc., E.E., MSc (Engineering), MBA Insead.
Chairman of Danfoss Compressors Holding A/S and Danfoss Industries Private Limited, India.
Deputy chairman of Danfoss (Tianjin) Limited, China.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S, Bang & Olufsen A/S, Axcel A/S, The Danish Management Society, Danfoss Universe, Foss A/S, Business Minds, Danfoss Distribution Services A/S, Danfoss Drives A/S, Danfoss Ejendomsselskab A/S, Danfoss innovation A/S, Danfoss International A/S, Danfoss Commercial Compressors S.A., France, Danfoss Bauer GmbH, Germany, Thermia Värme AB, Sweden.
Mr Christiansen has experience with international businesses, including from his work at Danfoss and GN Store Nord A/S. This experience has provided him with competencies within management, strategy, IT, processes, distribution, innovation, production, finance and private and listed companies.
Number of shares held in TrygVesta: 100

John R. Frederiksen

Born 1948
Joined the Supervisory Board in 2002

CEO, Fortunen A/S, Oak Property Invest A/S and Berco ApS. Former chief executive of Jacob Holm & Sønner A/S and Bastionen A/S.
Educational background: Business training.
Chairman of Hellebo Park A/S, Ejendomsselskabet Storken A/S and Uglen A/S, Renoflex-Gruppen A/S, Renholdningsselskabet af 1898, SBS Rådgivning A/S, SBS Byfornyelse Smba, Sjælsø Enterprise A/S, Sjælsø Gruppen A/S, Ejendomsforeningen Danmark and Komplementarselskabet Uglen ApS.
Board member of Tryg i Danmark smba, TrygVesta A/S, TrygVesta Forsikring A/S, Fortunen A/S, Freja Ejendomme A/S (Statens Ejendomssalg A/S), Højgård Ejendomme A/S, Oak Property Invest A/S, Renoflex-Gruppen A/S, C.W. Obel Ejendomme A/S, C.W. Obel Projekt A/S, Ejendomsaktieselskabet Knud Højgaards Hus, Ejendomsaktieselskabet Helleholm, BERCO Deutschland GmbH, Invista Foundation Holding Company Limited SIPA (Scandinavian International Property Association) and Invista Foundation Property Trust Limited, Invista Foundation Property Limited, Invista Foundation Property No. 2 Limited, Invista European Real Estate Trust SICAF, Grundejernes Investeringsfond and Grundejernes Ejendomsselskab af 1972 ApS. Member of the advisory board for Sparinvest Property Fund K/S and the advisory board of Ejendomsselskabet Norden 1 K/S.
Mr Frederiksen has experience within management, strategy and finance from serving as chairman of a number of companies and other positions, including with property companies.
Number of shares held in TrygVesta: 280

Håkon J. Huseklepp

Elected by the employees
Born 1955, Norwegian citizen
Joined the Supervisory Board in 2003

Senior corporate adviser of TrygVesta Forsikring A/S.
Educational background: Five-year public training with the Norwegian postal services, certified insurer.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S, The Finance Sector Union of TrygVesta, The Finance Sector Union of Norway and Sogn og Fjordane Bustadbyggelag.
Member of the audit committee of TrygVesta A/S.
Number of shares held in TrygVesta: 100

Peter Wagner Mollerup

Elected by the employees
Born 1966
Joined the Supervisory Board in 2002

Commercial insurance agent with TrygVesta Forsikring A/S
Educational background: Certified insurer, travel agency guide, psychotherapist.
Chairman of The Association of Insurance Agents and Account Managers in TrygVesta Forsikring A/S and The Association of Danish Certified Insurers.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S and The Danish Financial Services Union.
Number of shares held in TrygVesta: 191

Birthe Petersen

Elected by the employees
Born 1949
Joined the Supervisory Board in 1996

Principal administrative officer of TrygVesta Forsikring A/S.
Educational background: Diploma in business studies, management training programme of The Organisation of Danish Insurance Employees.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S and The Organisation of Danish Insurance Employees.
Number of shares held in TrygVesta: 43

Per Skov

Born 1941
Joined the Supervisory Board in 2002

Professional board member.
Former CEO of FDB.
Educational background: MSc (Economics), management training at MIT.
Chairman of Utility Development A/S, Nordlux A/S and Nordlux Holding A/S.
Deputy Chairman of Tryg i Danmark smba.
Board member of TrygVesta A/S, TrygVesta Forsikring A/S, Dagrofa A/S, DSV A/S, Kemp & Lauritzen A/S, Nordea Liv og Pension Livsforsikringsselskab A/S.
Member of the audit committee of TrygVesta A/S.
From his board work and former positions, including as CEO of FDB, **Mr Skov's** experience emphasises management, strategy and finance.
Number of shares held in TrygVesta: 2,468

Unless otherwise stated, the Board Members are Danish citizens.

Group Executive Management

Stine Bosse

Group CEO
Born 1960
Joined TrygVesta in 1987
Joined the Group Executive Management in 1999

Educational background: LL.M., several management training programmes, including Insead and Wharton
Board seats: The Danish Insurance Association (chairman), Hjertebarnsfonden (chairman), TrygVesta IT A/S (chairman), TrygVesta Ejendomme A/S, Grundfos Management A/S, Poul Due Jensens Fond
Number of shares held in TrygVesta: 2,244

Morten Hübbe

Group CFO
Born: 1972
Joined TrygVesta in 2002
Joined the Group Executive Management in 2003

Educational background: BSc (International Business Administration and Modern Languages), MSc (Finance and Accounting), management training at Wharton
Board seats: TrygVesta Garantiforsikring A/S (chairman), Enter Forsikring AS (chairman), TrygVesta IT A/S (deputy chairman), Tryg Ejendomme A/S, Høyteknologisentret AS.
Number of shares held in TrygVesta: 1,896

Peter Falkenham

Member of the Group Executive Management in charge of Private & Commercial Denmark
Born 1958
Joined TrygVesta in 2000
Joined the Group Executive Management in 2000

Educational background: BCom (International Trade), MSc (Engineering), management training programmes, including St. Gallen and Wharton.
Board seats: Glunz & Jensen (chairman), Solar A/S (deputy chairman), Tryg Ejendomme A/S, TrygVesta Garantiforsikring A/S, Danmarks Skibskredit A/S.
Number of shares held in TrygVesta: 224

Lars Bonde

Member of the Group Executive Management in charge of Corporate
Born 1965
Joined TrygVesta in 1998
Joined the Group Executive Management in 2006

Educational background: Insurance training, LL.M.
Number of shares held in TrygVesta: 483

Kjerstin Fyllingen

Member of the Group Executive Management in charge of Private & Commercial Norway
Born 1958
Joined TrygVesta in 2006
Joined the Group Executive Management in 2006

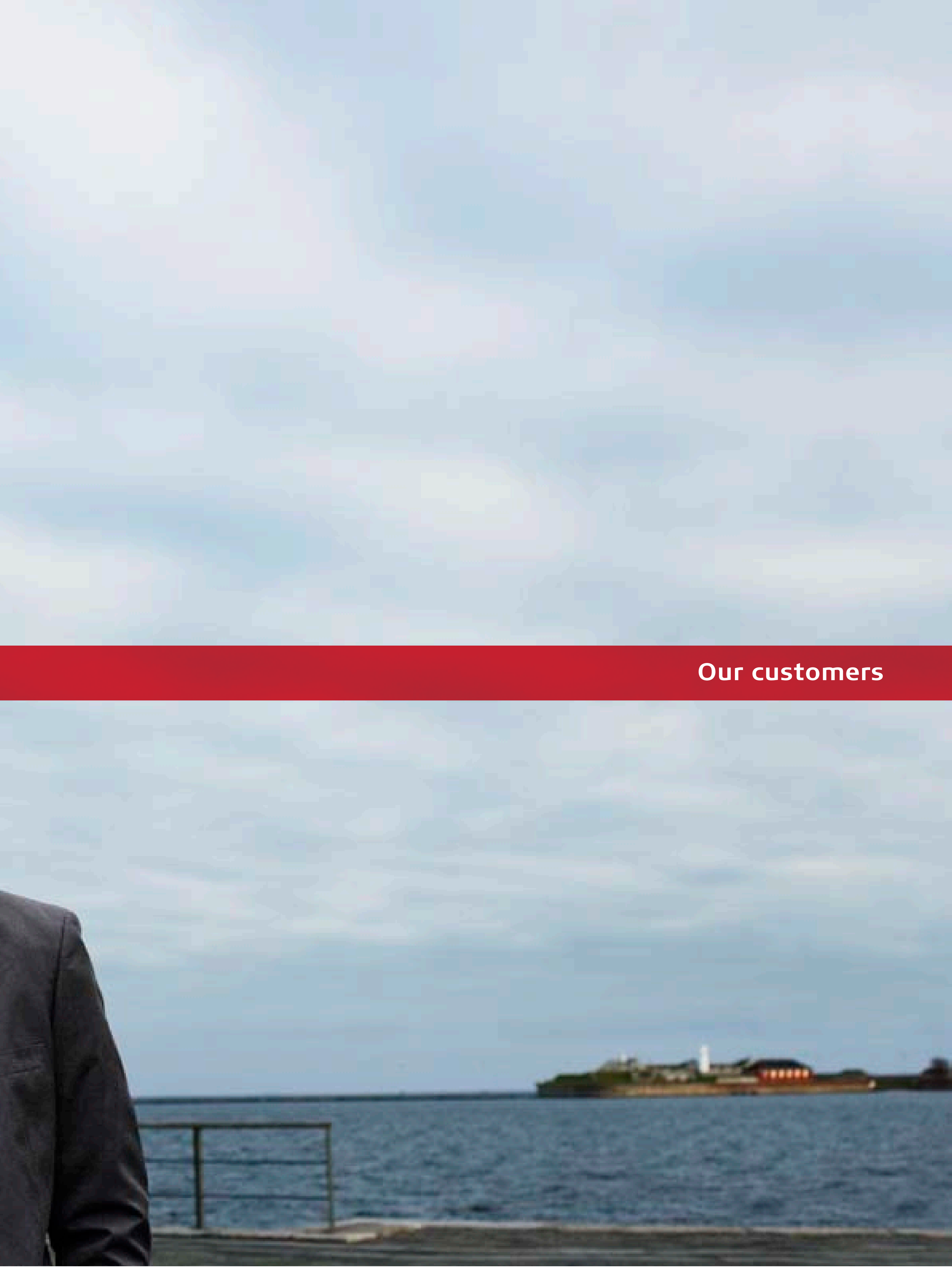
Educational background: Bachelor of Business Administration and Master of Management, Handelshøyskolen BI
Board seats: Enter Forsikring AS, Finansnæringens Hovedorganisation, TrygVesta Almennyttige Stiftelse.
Number of shares held in TrygVesta: 377

Stig Ellkier-Pedersen

Member of the Group Executive Management in charge of New Markets
Born 1947
Joined TrygVesta in 1999
Joined the Group Executive Management in 2001

Educational background: Mechanical engineer, several management training programmes at Insead
Board seats: Forsikringsakademiet A/S (chairman), Fonden Forsikringsakademiet af 26/2 2003 (chairman), Enter Forsikring A/S, The Danish Employers' Association for the Financial Sector, SOS International A/S.
Number of shares held in TrygVesta: 805

"We want our customers to feel well-informed and confident in their communication with us. We have launched a Nordic communication project with the aim of improving and systematising written customer communication throughout our Group"



Our customers

Our customers

We want our customers to perceive our peace-of-mind provision every time they are in contact with us. To achieve this, we need to have insight into and be conscious of our customers' need for peace of mind and to give a high priority to loss prevention. We want to help eliminate concerns and promote peace of mind for our customers. Focusing on this ambition, we launched a number of initiatives in 2007 aimed at improving dialogue with our customers and helping them take action to prevent damage and injury.

Nordic project to improve customer communication

The insurance industry is notorious for writing complex sentences and using fine print. We want to change that. We want our customers to feel well-informed and confident in their communication with us. Many customers know us from our written communication only, and it is therefore important for us that our customers understand what we write.

In the autumn of 2007 we launched a Nordic communication project with the aim of improving and systematising written customer communication throughout our Group. We intend for the project to lead to the formulation of corporate language guidelines which will be reflected in all our future written communication. As part of the project, we intend to establish a language organisation and train a number of local language ambassadors who will be able to support local communication projects in the Group. The project will ensure that all customer documents have been systematically reviewed by 2010.

Peace-of-mind provider – on a daily basis

In addition to setting written communication on the agenda in 2007, we also made an effort to enhance the way we deal with customers on the telephone. All sales and customer service staff will attend in-house training during 2007 and 2008 under the heading "Your role as a peace-of-mind provider". This training programme builds on the success of our risk consultants training programme in the Corporate business area. The training programme is intended to provide all employees with a capability to act as a peace-of-mind provider that feeds through to customers in day-to-day communications. Customer perception of the advice and service provided is an important element of the training process, and a number of customers are therefore invited to evaluate their adviser after each call.

Broadened range of customer concepts

Our customer concepts are an important tool in enhancing customer loyalty. We develop our customer concepts on an ongoing basis and add new benefits such as special insurance cover, additional benefits and discounts for customers who take out more than one product with TrygVesta. Surveys indicate that concept customers are characterised by greater loyalty.

We launched a number of new customer concepts in 2007:

- We launched the Peace-of-Mind Adviser in Denmark and Norway at www.tryghedsraadgiveren.dk and www.trygghetsraadgiveren.no, respectively. This is an interactive advisory service offering good advice to everyone on how to prevent damage and injuries at home and how to protect your family. You can print check lists from the Peace-of-Mind Adviser and ask to receive an SMS when the battery in your smoke alarm needs replacing. The website is also a good learning experience for children who may test themselves as fire chiefs or challenge others on their knowledge of fires in the home.

- The Peace-of-Mind Shop is a service offered in Denmark and Norway at www.tryghedsbutik.dk and www.trygghetsbutikk.no, respectively. The site sells high-quality security products selected and tested by our experts.

- In October 2007 we launched an enhanced travel insurance to cover events that become excluded with the reduced Danish public travel and health coverage. We also extend our annual travel insurance to cover family members not living in the household who travel together with the customer. Furthermore, it will improve the possibilities for concept customers to cover travel companions.

EPSI surveys in 2007

Our ratings in the 2007 EPSI customer satisfaction surveys improved for the entire Group.

In Denmark, we came in at the top half among our peers. Our customer satisfaction ratings improved greatly from 2006. Our loyalty ratings were largely unchanged from last year's ratings.

In Norway, we scored second highest among our peers, and we were the only large company that improved customer satisfaction significantly from 2006. In particular, customers rated us better in the 'value for money' category. Our actual loyalty as measured in terms of renewal rates increased steeply, while loyalty in the EPSI survey decreased slightly compared with 2006.

Our customers in Finland remained some of the most loyal and satisfied customers in the market. Compared with the previous survey, we also improved our ratings significantly in a number of other areas, such as satisfaction which rated above the market average.

2007 was the first time we participated in the EPSI rating in Sweden. Our customer satisfaction rating in the Swedish market was very close to the market average. Our 'value for money' and loyalty ratings were higher than those recorded by other players in the market.

Only three companies have a presence in more than one market of the Nordic region: TrygVesta, Codan/Trygg-Hansa and If. TrygVesta continued to record the highest overall customer satisfaction and loyalty score among the Nordic companies.

Major e-communication and self-service initiatives
We want to offer our customers a much wider range of self-service solutions and possibilities of communicating electronically with us in the future. To drive this development we set up a Nordic e-business centre in 2007. In addition to driving the Group's self-service and electronic communication projects, our e-business centre is in the process of creating a new common design for all our corporate websites.

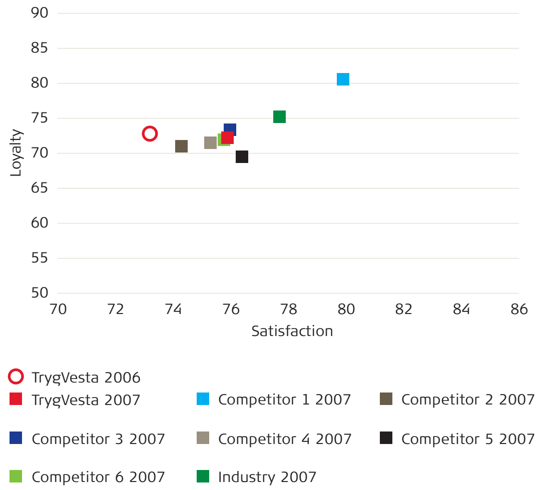
We measure trends in the number of visitors to our websites in all markets. A total of some 64,000 visitors accessed www.trygvesta.com in 2007 compared with some 51,000 in 2006. We will be relaunching www.trygvesta.com in early 2008. This site primarily targets the financial community, the press, Nordic job seekers and others requiring information about the Group. Features of the new website include more detailed information about the Group's performance, strategy and business areas and make it easier for users to stay updated.

In 2007, our websites www.tryg.dk and www.trygvesta.no had 2.6m visitors against 3m in 2006, consisting of 1.7m at tryg.dk against 1.9m in 2006 and some 1m at trygvesta.no against 900,000 in 2006.

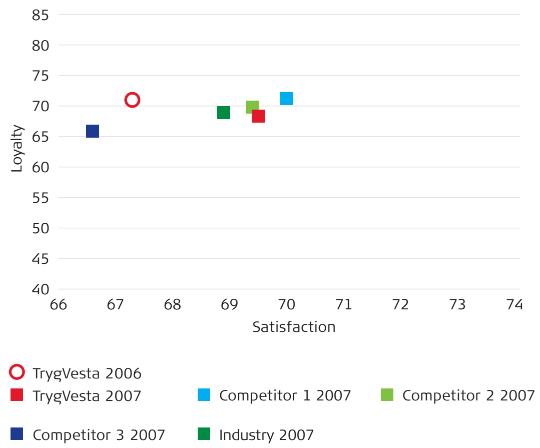
Our Swedish website www.vesta.se, which was launched in June 2006, had some 182,000 visitors in 2007 against some 23,000 in 2006. In Finland, we had a total of 88,532 visitors to Nordea's TrygVesta pages against 101,978 visitors in 2006.

In order to further promote its profile, TrygVesta's guarantee business in Denmark, Norway and Sweden launched new websites in 2007. The guarantee business in Denmark also changed its legal name from Dansk Kaution to TrygVesta Garantiforsikring to emphasise its affiliation with the rest of the Group. A website for the Finnish business will be launched in connection with the start-up of activities within guarantee business in Finland as from 2008.

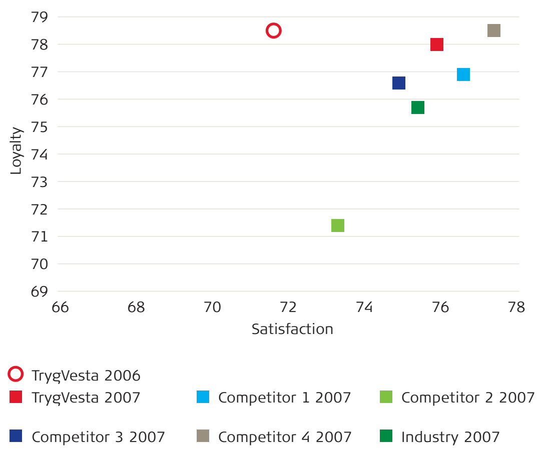
CUSTOMER SURVEY – DENMARK – PRIVATE CUSTOMERS [1)]



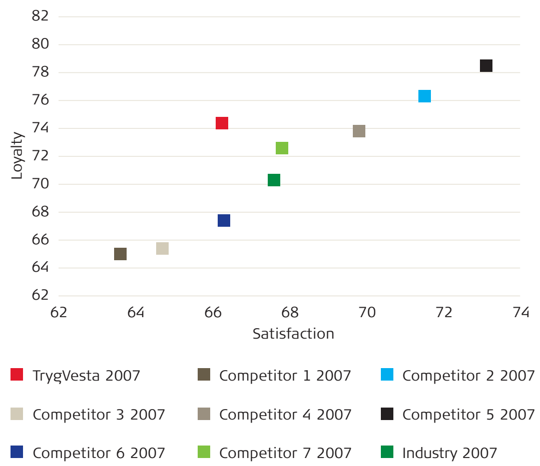
CUSTOMER SURVAY – NORWAY – PRIVATE CUSTOMERS [1)]



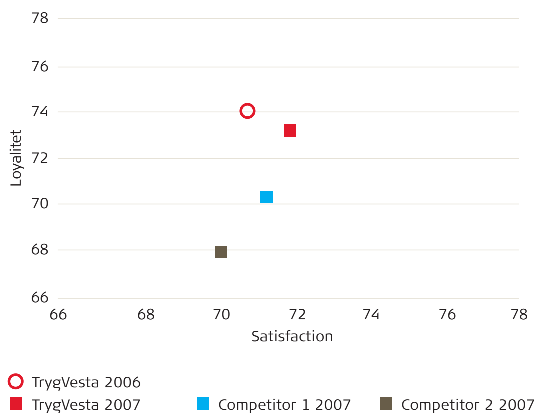
CUSTOMER SURVEY – FINLAND – PRIVATE CUSTOMERS [1)]



CUSTOMER SURVEY – SWEDEN – PRIVATE CUSTOMERS [1)]



CUSTOMER SURVEY – SCANDINAVIA [2)]



1) Satisfaction and loyalty is reassured on a scale from 1-100.
Industry = average for all companies surveyed.
Source: EPSI Rating (EPSI is an independent non-profit organisation for measuring customer satisfaction in the Nordic region).

2) The benchmarks in the Nordic comparison are simple averages of official EPSI country results for companies with a presence in more than one Nordic market.

"The need to work with employee well-being and competency development and to make these efforts an integral part of our business strategy has never been greater"

Our employees

Our employees

Our employees are TrygVesta's most important asset because they are our face to the customers in their everyday experience of our provision of products and services that offer peace of mind. The labour market continued to tighten in 2007, and employers intensified their efforts to retain and recruit the best employees. We launched a range of activities in 2007 designed to prepare ourselves to meet the employees of the future and strengthen the Group as an attractive workplace.

TrygVesta's HR efforts in the future

The need to work with employee well-being and competency development and to make these efforts an integral part of our business strategy has never been greater. We restructured the Group's HR efforts in early 2007 with a view to strengthening the HR area, creating a framework for the classic HR disciplines that ensure management focus on employees and their skills. The new structure enhances focus on management, competency and organisational development, making HR work and the Group's strategy and action plans more coherent.

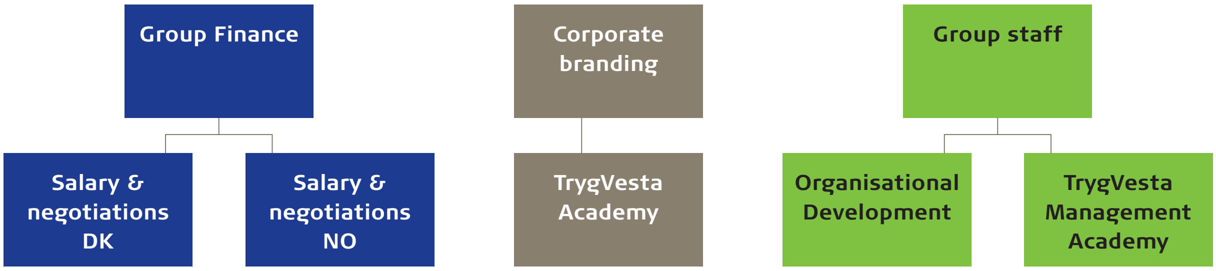
The new structure links TrygVesta's Management Academy closely with our management secretariat, which is responsible for ensuring that developing our management resources ties in with our business strategy. Employee training has been moved to Corporate Branding to ensure a direct connection between branding and employee development. HR administration, whose tasks include salary and negotiations, has been moved to Group Finance, which is already in charge of budgets and financial matters.

Optimising the physical working environment

TrygVesta wants to be a modern workplace that promotes innovation, collaboration and our corporate values. Over the next two years, Danish and Norwegian firms of architects and designers will work with TrygVesta to transform the physical office framework in Ballerup and Bergen into modern workplaces. Key words for the project are trust, security and transparency, which translate our values into a design framework. The modernisation efforts aim to forge closer relations between employees and improve the work situation of individual employees. These aims will be reflected in open-plan office environments, quiet rooms and café environments. The project is scheduled for completion by the end of 2010.

Working with values and theme packages

We continued to work with our corporate values in 2007. The entire Group worked with theme packages of topical interest, the 2007 focus being on dilemmas, well-being and stress. The theme package dealing with dilemmas in everyday life aimed to make visible the relationship between the Group's values and actions using a dilemma game that was played locally in all departments. The theme package dealing with well-being during a busy working day comprised an e-learning module about stress and stress management as well as a game on well-being. Both theme packages comprised a board game, which has proved to be an efficient tool to promote important dialogue in the departments. The theme package dealing with well-being and stress also enhanced knowledge about how to handle busy periods and stress in the Group and increased awareness of the risk of negative



stress, enabling colleagues to help each other before stress develops further. A theme package in 2008 will deal with environmental issues.

Status survey 2007

TrygVesta's ambition is to be a development workplace where everybody is open to learning and improving on a continuous basis. We conduct a status survey every two years to stay focused on the activities launched in the Group, determine employee satisfaction and follow up on our employees' knowledge about the Group's strategy, values and balanced scorecard benchmarks. The status survey is also used as a tool in the follow up on results from the full-scale employee survey made in the intermediate years. The 2007 status survey indicated, among other things, that 90% of the Group's employees were very satisfied or satisfied with working at TrygVesta. Furthermore, employee knowledge of the Group's strategy and use of the balanced scorecard had increased significantly compared with the 2006 employee survey. A full-scale employee survey will be conducted in September 2008.

Competency building

Today, nurturing employees is very much about creating the right basis for facilitating the development of the competencies of each individual employee. At the same time, competency building helps us achieve our strategic goals and remain competitive. At TrygVesta, we want human competencies to be on the agenda of all managers, and we want all employees to have a development plan. We created several new employee training programmes in 2007, and we intend to continue this development in the years ahead:

- In the autumn of 2007 we launched a large-scale training programme under the heading "Your role as a peace-of-mind provider", which will initially be attended by customer service and sales staff. Subjects taught include showing empathy and being attentive when talking to customers. After the new peace-of-mind providers have completed the programme, we will follow up on their competencies with initiatives such as status talks and role plays. The programme will run from September 2007 to May 2008.

- In the autumn of 2007 we also introduced a new training programme that is intended to contribute to promoting innovation competencies throughout the Group. The Innovation Driver programme was completed by 16 employees in 2007. Our Innovation Drivers are intended to support innovation processes throughout the Group. Read more about Innovation Driver training in the feature articles.

- In 2008, we intend to launch a Nordic talent development programme for qualified and ambitious employees with good potential for building a career in our Group. We will use a systematised process to identify, develop and incentivise employees with management and project management potential. The programme targets young talented employees with management potential. The programme is intended to build a Nordic talent pool of highly qualified candidates with potential to perform key functions in the Group.

New attractive employee initiatives and employee bonus
We want to be a healthy workplace where employees thrive and enjoy working. We intend to launch a number of initiatives in 2008 to enhance employee health and well-being. These initiatives include making fruit available for employees in all departments, an agreement with a Nordic fitness chain, an extended health care plan and organising family days and a corporate party in 2009.

As was the case in 2006, the 2007 employee bonus benchmarks were combined ratio and growth. For 2007 the bonus per employee will be DKK 10,000, which will primarily be paid in the form of shares in Denmark. Read more about TrygVesta's bonus and incentive programme in the section on Corporate governance.

Recruitment and employee branding in the future
We want to improve our ability to retain and attract employees because this is vital in the present competitive labour markets in the Nordic countries.

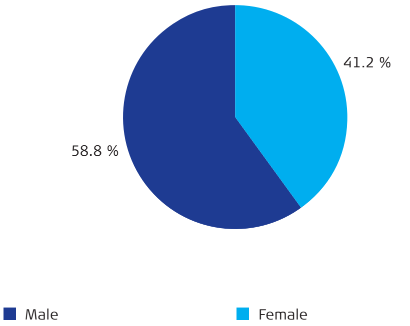
We intend to perform an in-depth review of our recruitment processes in all four Nordic countries in 2008. This will include charting the requirement for present and future skills and employee profiles. The project is carried out in a collaboration between a number of departments in the Group.

The project is intended
- to simplify the process of recruiting the right employees and make it more efficient
- to reduce the number of employees who leave the Group to join other companies
- to enhance the profiling of the Group's values and communicate them better
- to enhance awareness of the Group as an attractive workplace among students and other job seekers.

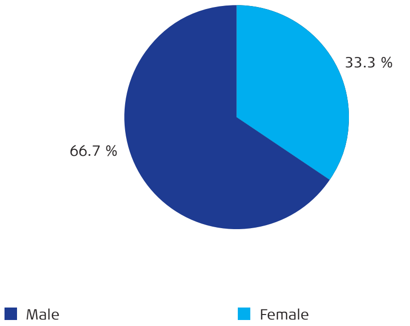
Initiatives designed to achieve these goals include restructuring our recruitment process, working with the content and layout of job advertisements and being a more pro-active participant at career fairs organised by universities and business schools.

Key data	**2007**	**2006**	**2005**	**2004**
Number of employees (full-time)	3,814	3,808	3,694	3,728
Seniority (years)	12.0	12.8	13.1	13.1
Employee turnover (%)	9.99	7.15	6.14	4.15
Sickness absence (%)	4.38	4.31	4.24	4.18

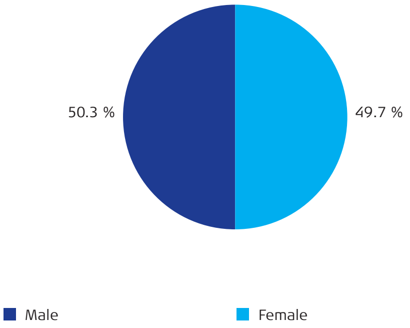
DISTRIBUTION OF MANAGERS IN DENMARK



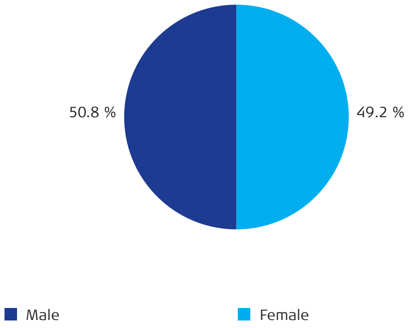
DISTRIBUTION OF MANAGERS IN NORWAY



MALE AND FEMALE EMPLOYEES IN DENMARK



MALE AND FEMALE EMPLOYEES IN NORWAY



"TrygVesta shares closed the year at DKK 388, equivalent to a market capitalisation of DKK 26.4bn. The shares provided a negative return including dividends of 2.9% for 2007"

Our shareholders

Our shareholders

TrygVesta builds and maintains good relations with shareholders and other financial stakeholders by emphasising openness, transparency and a fundamental understanding of stakeholder information requirements. We strive to maintain a high level of information by:

- being available and answering queries as promptly as possible
- preparing plain and relevant written communication
- being proactive in our dealings with investors

We publish information that may influence the pricing of our shares pursuant to the rules applicable to distribution of information in the EU and also update the Group's website www.trygvesta.com. In addition, we distribute information directly to the London Stock Exchange, the press, equity analysts, investors and other stakeholders.

In accordance with the recommendations issued by OMX The Nordic Exchange Copenhagen, we refrain from commenting on matters relating to our financial performance or outlook during a period of three weeks prior to the release of financial reports.

TrygVesta shares

TrygVesta shares opened 2007 at DKK 431.5. On 9 January 2007 we announced that the Group expected to report a preliminary pre-tax profit for 2006 of DKK 3.7bn against the previous forecast of DKK 3.2bn provided in the announcement of our financial results for the nine months ended 30 September 2006. Subsequently, the price increased to DKK 480 during the spring, ranging between DKK 440 and DKK 480 until mid-June. The announcement of a new profit distribution policy on the Group's first capital markets day held on 22 June 2007 triggered a 2% increase in the share price.

Over the summer of 2007 financial markets became increasingly jittery due to a liquidity and loan crisis triggered by non-performing US sub-prime loans. The period from mid-July to end-August 2007 saw equity markets drop by some 12%, with financial equities being hit particularly hard. The financial unrest continued during the remainder of the year with TrygVesta shares trading at DKK 375 in November, the lowest price recorded in 2007. However, equity markets began to pick up towards the end of 2007.

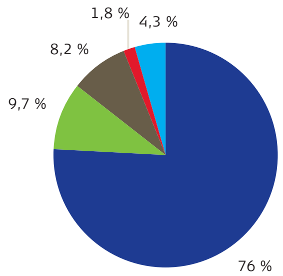
TrygVesta shares closed the year at DKK 388, equivalent to a market capitalisation of DKK 26.4bn. The shares provided a negative return including dividends 2.9% for 2007.

Competing insurance shares performed as follows in 2007: Alm. Brand minus 28.5%, Sampo minus 4.9% and Topdanmark minus 21.4%. Codan was delisted on 31 Juli 2007. The share increased by 11.4% up to the delisting.

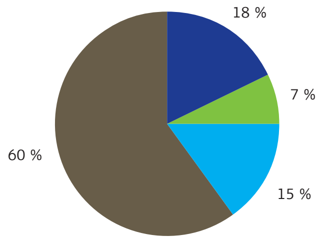
The European insurance share index, DJ Euro Insurance Index, fell by 11.9% in 2007.

TrygVesta shares had average daily turnover of DKK 117m in 2007. The total volume traded on OMX The Nordic Exchange Copenhagen was DKK 47.9bn. The ten most active traders in 2007 in terms of turnover were:

FREE FLOAT 31 DECEMBER 2007



SHAREHOLDERS 31 DECEMBER 2007



* Holding more than 10,000 shares.

Danske Bank	21%
SEB Enskilda	10%
Morgan Stanley	10%
Nordea Bank	8%
Carnegie Bank	5%
Merril Lynch International	4%
Glitnir AB	4%
Lehman Brothers International	3%
Svenska Handelsbanken	3%
Jyske Bank	2%

Shareholder structure

TrygVesta has a single class of shares, and all shares rank pari passu. Our principal shareholder, Tryg i Danmark smba (Kgs. Lyngby, Denmark), holds 60% of the issued shares and is the only shareholder with a holding of more than 5%. Tryg i Danmark smba is a company with limited liability investing in businesses that promote peace of mind, health and security in the Nordic region and a supporter of benevolent activities.

At 31 December 2007, the remaining 40% of the TrygVesta shares (free float) was held by 28,420 registered shareholders. Of the 40% free float shares, the 200 largest shareholders held 66%. Some 24% of the free float shares was held by international investors, and 76% by Danish investors. TrygVesta holds treasury shares corresponding to 0.53% of the share capital.

Dialogue with investors

The Group Executive Management and our Investor Relations department hold meetings with investors and equity analysts in Europe and the USA on a quarterly basis. The target is to hold 250-300 investor meetings each year. Our aim is for 10-15 equity analysts to actively follow TrygVesta's performance, and that three to five of these analysts should be based in London.

In 2007, we held 250 meetings with investors and equity analysts and took part in 15 investor conferences. We organised our first capital markets day on 22 June 2007 at the Ballerup head office, an opportunity for Management to present the Group's performance, opportunities, challenges and targets to 36 analysts and investors.

The Group's website at www.trygvesta.com is an important vehicle for providing information about the Group's performance to prospective investors. The website will be relaunched in early 2008 in a more user-friendly version and with improved content. Teleconferences and webcasts can be downloaded as podcasts from the new website, and interested parties can stay updated on the latest news through RSS feeds. Our Investor Relations department focuses strongly on making updated and relevant information easily accessible to investors, and urges all interested parties to use the website.

FINANCIAL CALENDAR 2008

25 February	Annual report 2007
3 April at 14:00	Annual general meeting 2008
5 May	Interim report for the first quarter of 2008
18 August	Interim report for the first half of 2008
10 November	Interim report for the third quarter of 2008

Annual general meeting
TrygVesta's annual general meeting will be held on 3 April 2008 at Øksnehallen, Halmtorvet 11, DK-1700 Copenhagen V, Denmark. The invitation to attend the meeting will be advertised in the press and will be sent to all shareholders who so request. Notice of the annual general meeting will also be posted on www.trygvesta.com.

Any queries relating to the annual general meeting may be addressed to:

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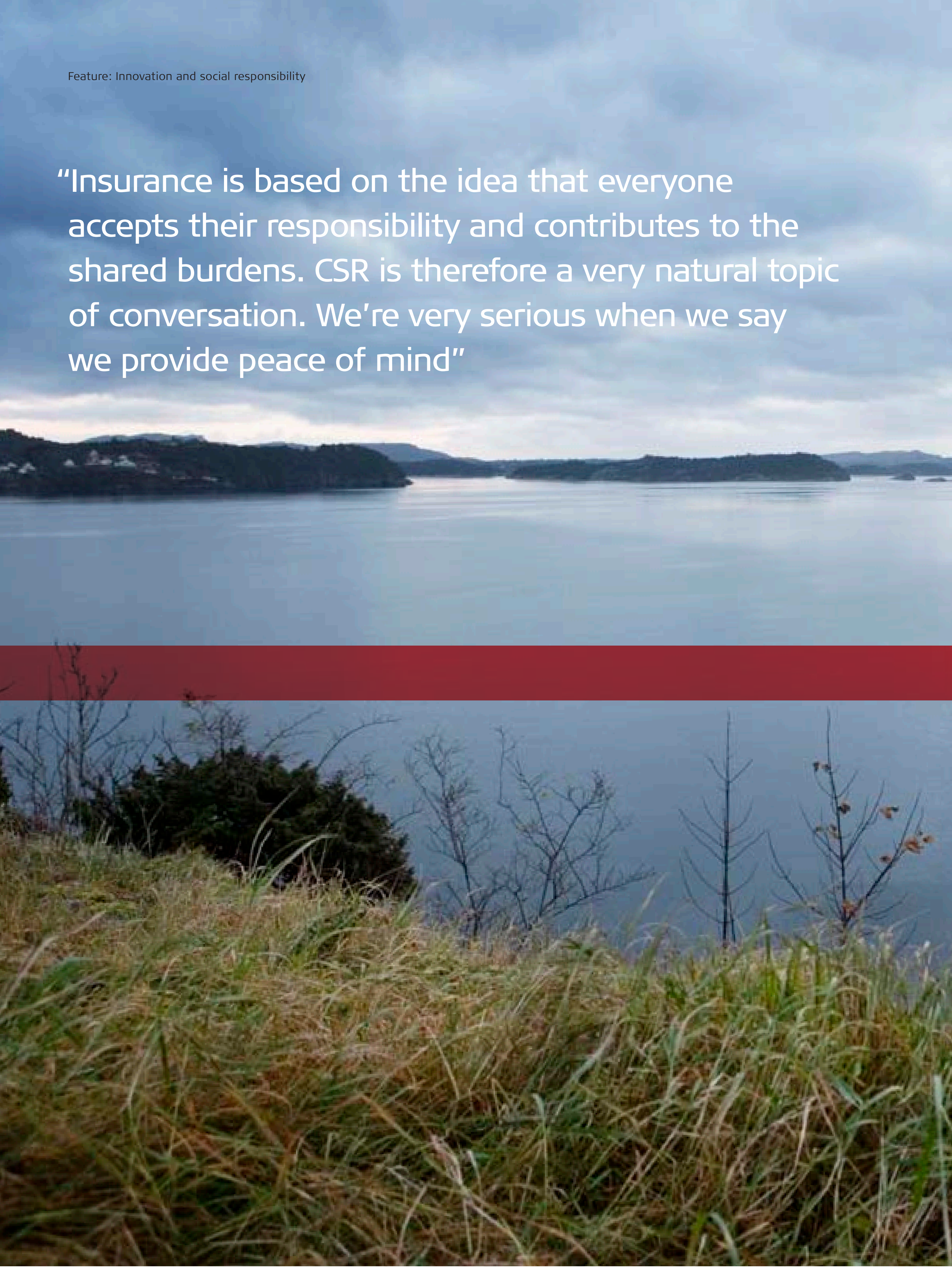
Telephone +45 4420 3065
E-mail bjarne.lau@tryg.dk

Ole Søeberg, IRO
Telephone +45 4420 4520
E-mail ole.soeberg@tryg.dk.

ANNOUNCEMENTS IN 2007

04.01.2007 No. 01	Financial calendar 2007
09.01.2007 No. 02	TrygVesta introduces share-based payment
05.02.2007 No. 03	TrygVesta starts selling commercial insurance in Finland
28.02.2007 No. 04	Annual report 2006
28.02.2007 No. 05	TrygVesta's fourth quarter 2006 report
09.03.2007 No. 06	Notice of the Annual General Meeting of TrygVesta A/S
27.03.2007 No. 07	Articles of association of TrygVesta A/S
28.03.2007 No. 08	Resolutions from the annual meeting of shareholders (AGM)
09.05.2007 No. 09	TrygVesta's Q1 2007 results
09.05.2007 No. 10	Change of name
01.06.2007 No. 11	Change in share capital and votes
21.06.2007 No. 12	TrygVesta – Higher premium growth in 2007, revised return policy and Capital Markets Day
09.11.2007 No. 13	TrygVesta's interim report for the first half of 2007
04.09.2007 No. 14	TrygVesta receives DKK 85m in an arbitration case regarding reinsurance
23.11.2007 No. 15	Third quarter 2007 report
23.11.2007 No. 16	Financial calendar 2008
23.11.2007 No. 17	Peter Falkenham promoted to COO
19.12.2007 No. 18	TrygVesta launches Corporate in Sweden

"Insurance is based on the idea that everyone accepts their responsibility and contributes to the shared burdens. CSR is therefore a very natural topic of conversation. We're very serious when we say we provide peace of mind"



Innovation and social responsibility

Providing peace of mind

TrygVesta's vision is to be perceived as the leading peace of mind provider in the Nordic region. This year's annual report features a themed section with four articles that describe four areas where we will launch new initiatives - for customers, employees, the environment, and society. As the basis for the other articles, Stine Bosse, Group CEO, talks about the current challenges and recent developments in the Group.

How has the past year measured up to the expectations you had 12 months ago?

The past year went according to plan and expectations, though with some positive surprises. Growth rates in our Corporate business and Swedish business exceeded my expectations. I was also positively surprised by our ability to innovate: While creating solutions for our own needs, we have developed solutions for our customers. To illustrate, like many workplaces, we've felt the need to address the issue of stress, and have put this topic on the agenda throughout the organisation. One initiative was to develop an e-learning programme that provides employees with more information on stress, relaxation techniques to help alleviate the problem, and the chance to communicate with colleagues on the subject via games and other initiatives. Originally, we wanted to find a solution for our own use, but have actually developed a new product that will also benefit our customers. The product StressStop is a telephone line with stress consultants ready to give advice and guidance on stress. We have so far launched the product for employees on Danish workplaces.

What would you say is special about the current period? What does TrygVesta do in order to be abreast of the development?

The focus on our customers and employees has increased and is on the rise. In all four Nordic countries where we provide peace of mind, the labour market has changed in recent years. The competition for the available workforce is intense. Fortunately, we still attract and retain the best employees, so we can provide the highest level of customer service. We need to find new talent groups with new ideas and competencies. And we must always maintain and develop TrygVesta as an attractive workplace. This also involves employee participation in work processes, our physical work environment and our scope for enjoying a good social atmosphere at work and a good work-life balance.

Many companies are talking a lot about Corporate Social Responsibility (CSR). How do you see TrygVesta's position in this field?

CSR has always existed in TrygVesta. It's intrinsic to our way of thinking. We provide peace of mind. Our product is a direct provision to society and we're an integral part of the Nordic welfare system. Insurance is based on the idea that everyone accepts their responsibility and contributes to the shared burdens. CSR is therefore a very natural topic of conversation. We're very serious when we say we provide peace of mind.

How does TrygVesta differentiate from other players in the market?

That question brings us back to our employees. The point of difference is our employees because they decide how we meet the customers. By that I mean the way they talk, write and communicate with customers. We need the most skilled and friendly employees and that is exactly what we have.

BusinessLab is the name of TrygVesta's centre for innovation and product development. Although a lot of the innovative work takes place online, in physical terms BusinessLab is based in Ballerup, Denmark. And "the laboratory" certainly doesn't look like the other offices in the Group. What do you think about BusinessLab?

I enjoy BusinessLab. I like slightly off-the-wall scenarios. With its own special colour scheme and interior design it probably looks more like a theatre stage or a studio than anything, but as the name suggests, we use it to explore business opportunities. I think BusinessLab stimulates good ideas. You're confronted with the fact that you can think outside the box. In a way, the setting cleverly symbolises that off-the-wall thinking is allowed. The management wants to encourage lateral thinking and creativity in its employees. Innovation is a leadership style. We must also embrace diversity. I believe diversity is exactly what we need to integrate tradition and renewal. Both are vital for continued growth.

BusinessLab is also the physical setting for the new Innovation Driver training programme. A programme that teaches employees to use the creative side of their brains as much as the logical side. How seriously do you take the Innovation Driver principles? Is it an isolated experiment or is the idea that this should spread?

We definitely want this idea to spread. I'm convinced that this way of facilitating other dimensions is crucial for future success. We must use feelings and intellect in every development process. This area contains great scope for innovation.

Another point is that in a company with an innovative mindset, you have to accept that mistakes can be made. There could be occasions when, with hindsight, we may say we probably shouldn't have done that. But innovation requires courage and learning from mistakes. We can't have a "no mistakes" culture and also be an innovative company at the same time.

Many of TrygVesta's customers need increasingly individualised health and peace-of-mind services that are not covered by the public sector. What do you think of the relationship between public-sector and private services?

We're already a part of the welfare structure. We're used to providing welfare services and will be doing so even more. We're well aware that this responsibility is based on trust. Expectations about what the welfare system can provide are increasing, but taxes probably won't. This development opens up new opportunities. Over the past few years, I've seen unique opportunities to develop new models that expand the solid public foundation of the Nordic welfare society.

As well as social welfare, the environment and climate change are issues that seriously concern TrygVesta's customers. What impact do you think the climate and environment will have for TrygVesta in the years ahead?

I believe the environment and climate change will mean a great deal - in a number of areas. Naturally, we should make sure we remain a sustainable company that cares about the environment. But climate change also has a serious effect on our customers. In recent years, we've experienced violent storms, and high levels of rainfall that have caused extensive damage. First and foremost, we want to help our customers prevent damage by advising customers on what precautions to take and focusing attention on sub-standard building, bad drainage and other factors that can contribute to wind and water damage. We specialise in this field and it would be irresponsible not to share this knowledge with the general public and our customers in particular. We also make sure that our own emergency systems are constantly upgraded so that we can deal with a wider and more extensive range of damages.

What do you consider the major challenges facing TrygVesta in the coming year?

Challenges and opportunities go hand in hand. We must do a lot to maintain the momentum we already have. As I mentioned, innovation will be a larger and larger part of our mindset. We develop new ways of servicing customers, new products and new initiatives that reinforce profitable growth. Providing – that is clearly my focus for the year ahead. TrygVesta's vision to provide peace of mind applies to our customers, shareholders, employees and society at large – all four perspectives are included. A totally solid financial foundation is vital if we are to provide peace of mind.

When employees change cerebral hemispheres

Innovation Driver is the name of TrygVesta's new in-house training programme, which aims to develop employees' ability to think along new lines. Monica Rydland Anundsen was one of the first employees to take part in the programme. An experience that has raised activity levels in the creative side of her brain.

Monica Rydland Anundsen works with strategic development of Corporate at the divisional management group in Norway. Today, for the very first time she will be taking part in the new Innovation Driver programme at TrygVesta's BusinessLab in Ballerup, Denmark.

Monica Rydland Anundsen imagines that she will be presented with a tightly structured programme. That she will be given some methodical tools and instructions on how and when to use them.

Monica Rydland Anundsen can think again.

In Ballerup, she's welcomed to a meeting room that is nothing like the meeting rooms she normally sees at work. The ceiling has disco lighting. Soft warm colours add to the atmosphere created by the tea lights on the small round coffee tables. The walls are not straight, but curved in round, female forms. Like a surrealistic picture. There are no windows. She is underground. The music is emotive. Romantic.

Welcome to TrygVesta's BusinessLab. Welcome to the new Innovation Driver training programme. Welcome to a new way to think and work.

From the logical to the creative side of the brain
At BusinessLab in Ballerup, the music and lighting system menu offers a choice of different moods:

Growth and new beginnings
Fear anxiety insecurity
Poetry romance love

The menu has more than 10 different core moods. Choose Poetry romance love, and the lighting and music become poetic and romantic – not exactly the traditional mood in a business lab:

"I'd expected some more structured methods and tools, but with hindsight, I can see that innovation requires something else. If you want new ideas, you have to be jogged out of your traditional setting, methods and processes. The programme has developed my mindset in terms of how ideas are developed, managed and realised," explains Monica Rydland Anundsen.

New mindset and world view
It's all about simultaneously acknowledging what factors make the organisation a success and what factors prevent the organisation moving ahead. According to the head of the new programme, the answers to the two questions are often the same. What creates success can also create difficulties. We must therefore think along new lines. Malene Bendtsen is a coach for the Innovation Driver programme:

"The idea is to come up with something that none of us has thought of before and that we can only think together. The course participants are trained in making new discoveries. And coming up with new ideas is very

difficult if you are anchored in an "old" mindset. That's why we put Monica and the other participants in a completely new setting. We challenge traditional knowledge. We present something that doesn't match the organisation's world view. We develop employees' horizons by encouraging them to take a lateral perspective, explore peripheral opportunities. "

As the participants begin to relax and use their creative grey matter, they begin to notice the opportunities provided by unconventional work processes. So, the programme also includes a form of personal development:

"For me, development, increased interaction, and security are what drive my work. Both in relation to teamwork with my colleagues and the products we can develop for our customers. The Innovation Driver programme proved to be right for me. This new way of working gives me more strings to by bow," explains Monica Rydland Anundsen.

Pushing the envelope

Working with statistics, focus groups and risk assessments is one thing. Working with emotions and your imagination is quite another:

"We tell employees to trust their intuition. They join the project without knowing what they'll get out of it. That takes courage. Employees may not appreciate the link between what they're doing today and what it will lead to in three months' time. Accepting insecurity is a challenge. It pushes the envelope," explains Malene Bendtsen.

Business development through theatre

The coaches on the Innovation Driver programme have backgrounds in economics, philosophy, theology, information sciences, datalogy, management and design. But first and foremost they are experienced in and understand learning processes. They use experiences from the world of performing arts:

"In the world of business, we're used to devising plans first and then realising them. But if you've sealed the envelope before you start, then you can't push yourselves outside these limits. Dramaturges and performers are good at thinking and creating at the same time. Our own dramaturge on the programme involves the body's way of thinking by building insurance products out of cardboard, for example. Is the new insurance product blue or red, triangular or square? Considerations like these lead to more than just spreadsheets and wordy documents. A cardboard insurance product is a tangible prototype. We transform ideas into words and make them tangible. This is what theatrical and artistic processes can do," explains Malene Bendtsen, who has a background in economy, marketing, innovation management and adult education theory.

Two and a half months of cerebral gymnastics

The programme for the first team of course participants lasted two and a half months. After the programme is completed, the "Drivers" allocate time for solving tasks that take the equivalent of two days every six weeks. Altogether they spend seven days in the BusinessLab.

After challenging their creative hemisphere, the Drivers are ready to take the driving seat and steer the Group's product development.

The customer is always right

The customer is always right. An old saying, but it's part of the formula for future user-driven and customer-oriented innovation. Constant product development on customers' terms is vital if TrygVesta is to maintain and expand its position as the leading peace-of-mind provider in the Nordic Region.

"We know that in five years' time, some of our business will come from something we're not doing today. And what might that be?" is the rhetorical question posed by Stig Ellkier-Pedersen, who is responsible for New Markets. He quickly gets to the point:

"We believe it will have more to do with people and less to do with possessions. It's about personal peace of mind and security more than insuring things. It's about insuring yourself, your closest relatives, and your family, against claims from third parties. It's about your right to the good life," explains Stig Ellkier-Pedersen. In his view, this is a new tendency among customers and therefore an obvious business opportunity.

People in the Nordic region are interested in new kinds of insurance products. This is evident from the enormous growth in health insurance, for example, and in the general demand for healthcare. The health sector is constantly developing new treatments and new training methods that probably cannot be financed through taxes. Individual citizens can rely on insurance to make sure they get the newest and best treatment on offer. This development has been under way for the past five to ten years:

"It's not something that happens overnight. It's a gradual accumulation of many small changes over time and we need help to spot these trends. So we've hired people with backgrounds outside the insurance industry. People who are used to working with design and theatre, for instance. These new kinds of employees ask new kinds of questions. And we need help answering uncomfortable questions. We must therefore bring in people and new references that challenge us," says Stig Ellkier-Pedersen.

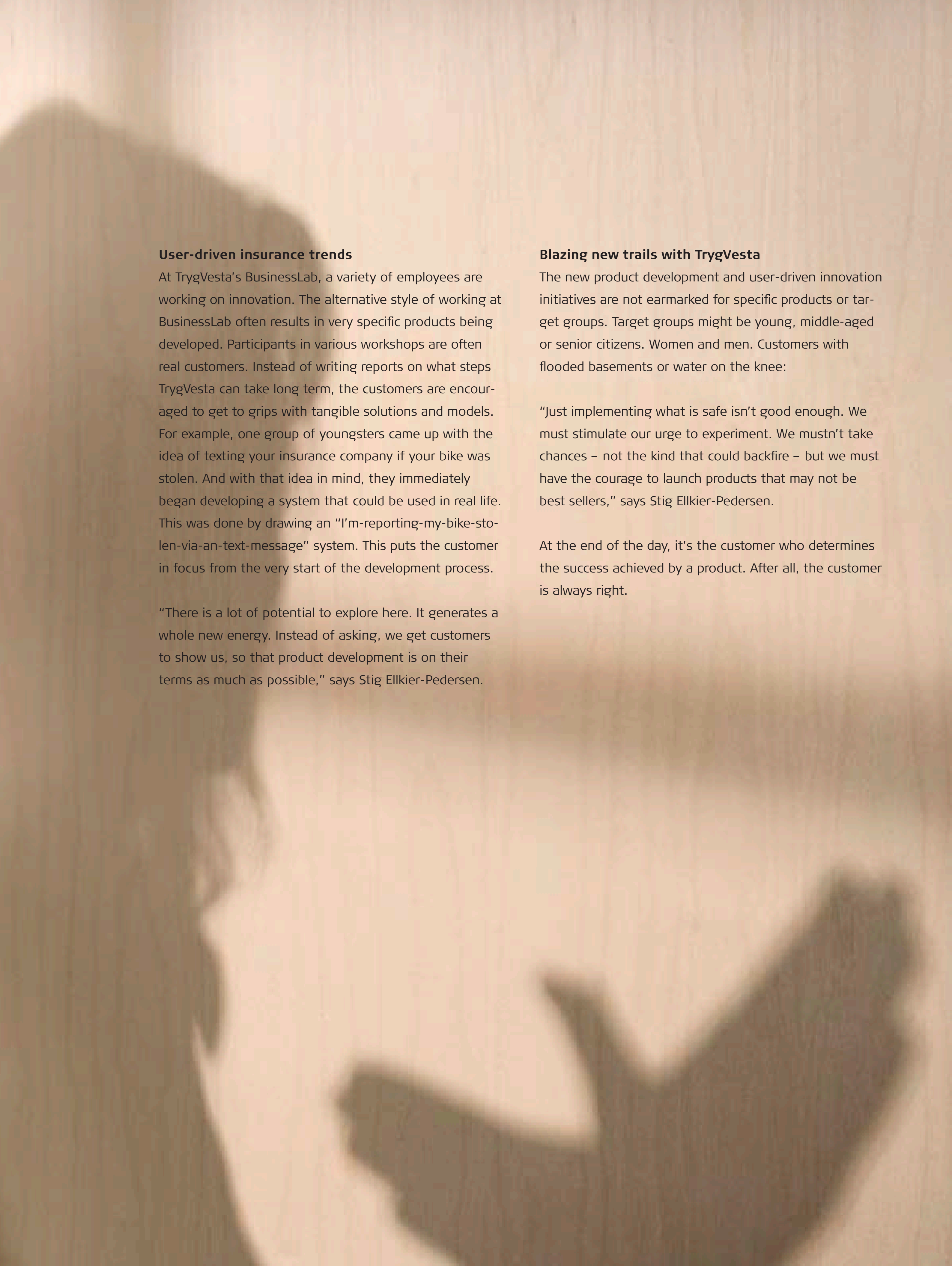
New investigative methods

As well as recruiting employees with new skills, TrygVesta is also using new methods for developing products. When you take a different approach, you get results that are different to those reached using traditional investigative methods:

"We normally use focus groups, surveys, and statistics, but we've invited youngsters in from various fields, including the theatre. We have not asked them what they want from us, but have discovered how they view themselves."

For Stig Ellkier-Pedersen, the new investigative methods represent a new level of user-driven innovation. They are less direct. The target group is not confronted with questions about what they want, but instead the methods give a realistic picture of the psychological universe that young people inhabit.

"In the insurance business there is a belief that young people are bad customers. However, we have looked into the matter and have found out that this is not generally the case. On the contrary. In general, young people are a very interesting customer group with needs such as accident insurance and other personal insurances. Young customers want to be met in a new way where they are experts on their own lives, and where they are responsible for their own lives. We shouldn't play the role of parent. In the future, we will adapt our communication and service patterns to match young people's wishes and needs," says the head of New Markets.



User-driven insurance trends

At TrygVesta's BusinessLab, a variety of employees are working on innovation. The alternative style of working at BusinessLab often results in very specific products being developed. Participants in various workshops are often real customers. Instead of writing reports on what steps TrygVesta can take long term, the customers are encouraged to get to grips with tangible solutions and models. For example, one group of youngsters came up with the idea of texting your insurance company if your bike was stolen. And with that idea in mind, they immediately began developing a system that could be used in real life. This was done by drawing an "I'm-reporting-my-bike-stolen-via-an-text-message" system. This puts the customer in focus from the very start of the development process.

"There is a lot of potential to explore here. It generates a whole new energy. Instead of asking, we get customers to show us, so that product development is on their terms as much as possible," says Stig Ellkier-Pedersen.

Blazing new trails with TrygVesta

The new product development and user-driven innovation initiatives are not earmarked for specific products or target groups. Target groups might be young, middle-aged or senior citizens. Women and men. Customers with flooded basements or water on the knee:

"Just implementing what is safe isn't good enough. We must stimulate our urge to experiment. We mustn't take chances – not the kind that could backfire – but we must have the courage to launch products that may not be best sellers," says Stig Ellkier-Pedersen.

At the end of the day, it's the customer who determines the success achieved by a product. After all, the customer is always right.

Everyone is talking about the weather

For years, the subject of "global warming" has caused a cold war between experts in the area, but there is an increasing consensus that climate change is a reality that we all have to deal with. TrygVesta is hard at work finding solutions to the new challenges that climate change involves.

In 1728, the city of Copenhagen burned down. This prompted a number of citizens to establish "the fire fund" to counteract the consequences of the fire. Now, at the beginning of the 21st century, alarm bells are ringing again. This time due to global warming:

"It's not just a hypothetical question about what will happen in the future. It's a question of what has already happened: In recent years, we've had warmer weather, more rainfall, more wind – and more claims. TrygVesta has already faced considerable additional expenses in both Denmark and Norway," explains Lars Bonde, Chief Executive of Corporate. He glances at his watch and notices that it's 3 December:

"Exactly eight years ago today, on 3 December 1999, a terrible storm hit Denmark. The storm of the century, as it was called, resulted in 94,000 claims and cost TrygVesta DKK 2.5 billion. And although it was a storm of the century, in January 2005 a new storm whipped up another 53,000 claims and cost DKK 733 million. Weather damage has brought considerable costs both for our customers and for us. And we will do everything we can to ensure our customers are as well prepared as possible for the new weather conditions," explains Lars Bonde.

New weather conditions raise new questions

During the wet summer of 2007, many basements were flooded, and it became clear at TrygVesta that weather damage is a challenge for the entire logistics system. The Group has therefore allocated reinforcements to this area, including extra backup from claims experts and additional suppliers who can help repair the damage. New initiatives, however, lead to higher costs:

"If the number of claims continues to rise, insurance premiums will follow suit, but we're not there yet. We've now reached a point where we must face certain questions: Should we involve ourselves in how houses are built? What houses should we insure? What demands should we make? Can we develop products that encourage customers to reduce pollution, or can we assess the damage in a particular way that inspires environmental awareness?" says Lars Bonde, before adding: "We must also ask ourselves what we can do to be more environmentally friendly. We want sustainability to be a key word at all levels of our company – from product development through transport."

Focus on climate initiatives – policy, science and the business community

For some years, environmental and climate changes have been a controversial political topic in Denmark and internationally, but the subject is being given increasing priority on political and scientific agendas. After the general election in November 2007, Denmark now has a new Climate Ministry, and in December 2009, Denmark will host the UN Climate Summit.

TrygVesta always strives to make a positive contribution to society. Naturally, this also applies to the environment and climate. TrygVesta is a member of the Council for Sustainable Business Development, along with about 20 other major companies such as Danfoss, Grundfos and Novo Nordisk. The council is currently working on a charter of eco-guidelines that will be finalised and passed in spring 2008.

Concerns and expectations among the general public

Climate change has been the subject of intense media interest in recent years. And many insurance customers already have an opinion on this issue. A survey conducted by TrygVesta in Norway showed that three out of four Norwegians are concerned about how climate change will ultimately affect life on Earth:

"Our job is to provide peace of mind, and when so many people are concerned about the climate it has a major impact on us. We've found that concerns in this field have risen significantly in recent years. We've also realised that people expect us to solve the problems. The Norwegian survey shows that customers expect a great deal from their insurance company. They expect us to have the skills required to find solutions. That's why we're working hard to adapt to the new situation – and find new solutions," says Lars Bonde.

Intensified environmental focus

In 2007, TrygVesta devised a system for its environmental work and established an interdepartmental corporate steering committee to drive the Group's climate and environmental commitments.

The Supervisory Board approved an environmental and climate policy that came into force on 1 January 2008. This policy defines a number of specific climate goals for the Group in 2008, including a 10% reduction in the Group's CO_2 emissions in 2008-2010. TrygVesta will also screen environmental and climate issues throughout the entire Group in 2008 as the basis for an annual measurement and reporting in the future.

When companies take responsibility

CSR, Corporate Social Responsibility, will come to mean even more at TrygVesta in the next few years. TrygVesta has joined an extensive Nordic cooperation on CSR-driven innovation – a project that is set to last for some years.

TrygVesta has joined a new Nordic project to support and develop the business potential of small and medium sized businesses.

Helle Kjærgaard works with strategy and management at the TrygVesta Management Secretariat. She is also the company's contact person for the new project with the Danish Commerce and Companies Agency, Nordic Innovations Centre, Region Zealand and TrygVesta:

"CSR, which stands for Corporate Social Responsibility the term covers the company's social responsibility and involves how a company cares for the environment we live in, cares for its people and plays an active role in society. It's a matter of maintaining a long-term and sustainable approach," explains Helle Kjærgaard:

"We work with a CSR umbrella concept that covers three areas: The environment. Employees. And society. We've always worked with CSR at TrygVesta. What's new is that we now have one specific concept and work towards systematising our activities in this field. We want to make sure that our experiences are collected and outlined to benefit the whole organisation. We used to do this but without really considering why. We put our thoughts into action but not into words."

Tryg – still providing peace of mind

Corporate Social Responsibility fits in well with TrygVesta's history and values. A history that's about determination, initiative and solidarity. And about a responsible company that focuses on human potential – and its employees. TrygVesta believes that large, well-consolidated companies with intellectual and financial capacity are obliged to conduct business with consideration. And show social responsibility. Out of the ruins of the great fire of Copenhagen in 1728 grew the desire to take care of each other. To show consideration. A group of citizens decided to establish "the fire fund". Some 300 years later, the same mindset formed the basis of TrygVesta's Corporate Social Responsibility policy.

CSR creates value for the company

Within its three CSR areas, TrygVesta has set up various steering groups. One environment group is investigating what action TrygVesta can take in relation to purchasing, air-conditioning systems, employee cars, environmentally-friendly products, green products and insurance products. Another group is focusing on employees, in terms of diversity, for example. The goal is to define some guidelines for the company's employment policy:

"Like many other companies, we're facing the challenge of attracting employees, especially in IT, where we'd like to make work easier for employees with reduced working capacity, for example. Employees with impaired hearing and vision should also be welcome at TrygVesta," says Helle Kjærgaard.

Stine Bosse receives an invitation

The invitation to take part in a long-term Nordic project on CSR-driven innovation came from the Danish Commerce and Companies Agency. The project is being financed by TrygVesta, the Nordic Innovation Centre and Region Zealand. The aim is to support and develop the business potential of Nordic small and mediumsized businesses.

A panel of business executives is also being set up to make recommendations, compare practical experience with theory in the area, and map new trends:

"The next two years will be a long learning process. The entire project depends a great deal on the companies that will actually form the basis for the research. We will probably invest in a combination of various kinds of companies and people. There will be entrepreneurs, individuals with good ideas, more traditional thinkers and others," says Helle Kjærgaard, adding: "TrygVesta would like to have someone to play with. We know from the Danish Commerce and Companies Agency that small and mediumsized businesses are very effective in this area. Possibly because they keep the path from idea to practice reasonably short. Naturally, we would also like to find out why they're so good at CSR-driven innovation in particular. And we want to learn the techniques and tools they use."

CSR in a global era

Research from the Copenhagen Business School show that social responsibility makes sound business sense:

"Citizens and consumers, banks and suppliers are so sensible and responsible that companies who actually take on responsibility and invest in projects that might not appear to benefit the company initially, actually make good returns on their investments or the costs of social responsibility activities," says Steen Hildebrandt, Professor at the Institute for Management, Århus School of Business, Århus University (From a book entitled Company Karma, 2007).

TrygVesta bases its business on core elements anchored in the company's history and in conscious choices. It's been that way for several hundred years. A long time before it became "trendy":

"Today, nearly 300 years after the great fire of Copenhagen, we're all citizens of the global village. TrygVesta belongs to a global eco-system where everything is linked and intertwined. In this globalised world, CSR will be a competitive parameter because consumers, employees and society in general will choose companies that take their responsibility seriously," says Helle Kjærgaard.

Contents

Statement by the Supervisory Board and the Executive Management

The Supervisory Board and the Executive Management have today considered and adopted the annual report for 2007 of TrygVesta A/S and the TrygVesta Group.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

In our opinion, the accounting policies applied are appropriate, and the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, and financial position at 31 December 2007 and of the results of the Group's and the parent company's operations and the cash flow of the Group for the financial year ended 31 December 2007.

The management's report gives a true and fair view of developments in the activities and financial position of the company and describes significant risk and uncertainty factors that may affect the company.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Ballerup, 25 February 2008

Executive Management

Christine Bosse *Group CEO*	*Morten Hübbe* *Group CFO*	*Peter Falkenham* *Group COO*

Supervisory board

Mikael Olufsen *Chairman*	*Bodil Nyboe Andersen* *Deputy Chairman*	*Jørn Wendel Andersen*
Paul Bergqvist	*Christian Brinch*	*Niels Bjørn Christiansen*
John R. Frederiksen	*Per Skov*	*Trond Christiansen*
Peter Wagner Mollerup	*Birthe Petersen*	*Håkon J. Huseklepp*

Independent auditors' report

To the shareholder of TrygVesta A/S
We have audited the annual report of TrygVesta A/S for the financial year starting on January 1 and ending on December 31, 2007, which comprises the management's report, the statement by management, accounting policies, income statement, balance sheet, capital and notes for the Group as well as the parent company and the cash flow statement for the Group. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the parents financial statements have been prepared in accordance with the Danish Financial Business Act. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Management's responsibility for the annual report
Management is responsible for preparing and presenting an annual report that gives a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements and in accordance with the Danish Financial Business Act in respect of the parent company's financial statements and in accordance with additional Danish disclosure requirements for annual reports of listed financial enterprises. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Basis of opinion
Our responsibility is to express an opinion on the annual report based on our audit. 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 from materiel misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion
In our opinion, the annual report gives a true and fair view of the Group's assets, liabilities and financial position at December 31, 2007, and of the results of the Group's operations and the Group's cash flows for the financial year starting on January 1 and ending on December 31, 2007 in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with additional Danish disclosure requirements for annual reports of listed financial enterprises.

Furthermore in our opinion, the annual report gives a true and fair view of the parent company's assets, liabilities and financial position at December 31, 2007, and of the results of the parent company's operations for the financial year starting on January 1 and ending on December 31, 2007 in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial enterprises.

Ballerup, 25 February 2008

Deloitte

Statsautoriseret Revisionsaktieselskab

Lone Møller Olsen State Authorised Public Accountant	Leif Zilmer State Authorised Public Accountant

Income statement

Notes	DKKm	2007	2006
	General insurance		
	Gross premiums written	16,959	16,296
	Ceded insurance premiums	-893	-945
	Change in provisions for unearned premiums	-130	-61
	Change in reinsurers' share of provisions for unearned premiums	-46	3
2	**Earned premiums, net of reinsurance**	**15,890**	**15,293**
3	**Technical interest, net of reinsurance**	**501**	**343**
	Claims paid	-11,336	-10,064
	Reinsurance recoveries	495	550
	Change in provisions for claims	161	-500
	Change in the reinsurers' share of provisions for claims	6	-301
4	**Claims incurred, net of reinsurance**	**-10,674**	**-10,315**
	Bonus and premium rebates	**-223**	**-214**
	Acquisition costs	-1,821	-1,719
	Administrative expenses	-948	-978
	Acquisition costs and administrative expenses	-2,769	-2,697
	Commission and profit commission from the reinsurers	95	102
5	**Total insurance operating expenses, net of reinsurance**	**-2,674**	**-2,595**
6	**Technical result**	**2,820**	**2,512**
	Investment activities		
15	Income from associates	1	6
	Income from investment properties	116	101
7	Interest income and dividends, etc.	1,382	1,105
8	Value adjustment	415	1,226
7	Interest expenses	-88	-94
	Investment management charges	-86	-85
	Total return on investment activities	**1,740**	**2,259**
3	Interest on insurance provisions	-1,400	-1,031
	Total return on investment activities after technical interest	**340**	**1,228**
	Other income	121	118
	Other expenses	-172	-149
	Profit/loss before tax	**3,109**	**3,709**
9	Tax	-842	-624
	Profit/loss on continuing business	**2,267**	**3,085**
10	Profit/loss on discontinued and divested business	-1	126
	Profit/loss for the year	**2,266**	**3,211**
27	Earnings per share – continuing business	33.5	45.5
	Earnings per share	33.5	47.3

Balance sheet

Notes	DKKm	2007	2006
	Assets		
11	**Intangible assets**	**335**	**220**
12	Operating equipment	80	98
13	Owner-occupied property	306	326
	Total property, plant and equipment	**386**	**424**
14	**Investment property**	**2,263**	**2,127**
15	Investments in associates	19	18
	Total investments in associates	**19**	**18**
	Equity investments	2,961	5,308
	Unit trust units	1,629	306
	Bonds	30,654	30,100
	Deposits in credit institutions	302	0
16	**Total other financial investment assets**	**35,546**	**35,714**
	Deposits with ceding undertakings, receivable	**19**	**18**
	Total investment assets	**37,847**	**37,877**
	Reinsurers' share of provisions for unearned premiums	159	185
21	Reinsurers' share of provisions for claims	1,428	1,376
17	**Total reinsurers' share of provisions for insurance contracts**	**1,587**	**1,561**
	Receivables from policyholders	901	840
	Total receivables in relation to direct insurance contracts	901	840
	Receivables from insurance enterprises	509	647
	Receivables from subsidiaries	0	27
	Other receivables	1,145	262
16	**Total receivables**	**2,555**	**1,776**
	Temporarily acquired assets	0	6
18	Current tax assets	93	43
	Cash in hand and at bank	298	338
	Other	4	7
	Total other assets	**395**	**394**
	Accrued interest and rent earned	666	474
	Other prepayments and accrued income	59	57
	Total prepayments and accrued income	**725**	**531**
	Total assets	**43,830**	**42,783**

DKKm		2007	2006
Notes	**Liabilities**		
19	**Shareholders' equity**	**10,010**	**9,951**
20	**Subordinated loan capital**	**1,101**	**1,099**
21	Provisions for unearned premiums	5,403	5,173
21	Provisions for claims	21,104	20,410
	Provisions for bonuses and premium rebates	409	374
	Total provisions for insurance contracts	**26,916**	**25,957**
22	Pensions and similar obligations	403	503
23	Deferred tax liability	1,109	959
24	Other provisions	57	50
	Total provisions	**1,569**	**1,512**
	Debt related to direct insurance	358	358
	Debt related to reinsurance	253	214
25	Debt to credit institutions	599	665
	Current tax liabilities	336	229
26	Other debt	2,597	2,689
	Total debt	**4,143**	**4,155**
	Accruals and deferred income	**91**	**109**
	Total liabilities and equity	**43,830**	**42,783**

19 **Capital adequacy**
27 **Earnings per share**
28 **Contractual obligations, contingent liabilities and collateral**
29 **Related parties**

Statement of changes in equity

DKKm

	Share capital	Revaluation reserves	Reserve for exchange rate adj.	Equalisation reserve	Other reserves	Retained earnings	Proposed dividends	Total
Shareholders' equity at 1 January 2006	1,700	5	46	63	800	4,173	1,428	8,215
Equity entries in 2006								
Profit for the year						967	2,244	3,211
Change in equalisation provision				-5		5		0
Revaluation of owner-occupied properties		3						3
Exchange rate adjustment of foreign entities			-143					-143
Hedge of foreign currency risk in foreign entities			107					107
Actuarial gains and losses on pension obligation						116		116
Tax on equity entries		-1	-30			-32		-63
Total comprehensive income	0	2	-66	-5	0	1,056	2,244	3,231
Dividend paid							-1,428	-1,428
Dividend own shares						5		5
Purchase of own shares						-88		-88
Issue of employee shares						13		13
Issue of share options						3		3
Total equity entries in 2006	**0**	**2**	**-66**	**-5**	**0**	**989**	**816**	**1,736**
Shareholders' equity at 31 December 2006	**1,700**	**7**	**-20**	**58**	**800**	**5,162**	**2,244**	**9,951**
Shareholders' equity at 1 January 2007	1,700	7	-20	58	800	5,162	2,244	9,951
Equity entries in 2007								
Profit for the year					75	1,035	1,156	2,266
Change in equalisation provision								0
Revaluation of owner-occupied properties		-3						-3
Exchange rate adjustment of foreign entities			49			35		84
Hedge of foreign currency risk in foreign entities			-40			-58		-98
Actuarial gains and losses on pension obligation						94		94
Tax on equity entries		3	10			-11		2
Total comprehensive income	0	0	19	0	75	1,095	1,156	2,345
Dividend paid							-2,244	-2,244
Dividend own shares						14		14
Purchase of own shares						-96		-96
Issue of employee shares						32		32
Issue of share options						8		8
Total equity entries in 2007	**0**	**0**	**19**	**0**	**75**	**1,053**	**-1,088**	**59**
Shareholders' equity at 31 December 2007	**1,700**	**7**	**-1**	**58**	**875**	**6,215**	**1,156**	**10,010**

Dividend paid per share DKK 17 (total for 2006 DKK 33 DKK)
Dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the average number of shares 67,648,000. The dividend is not paid until approved by the shareholders at the annual general meeting of the subsequent year.

TrygVesta Forsikring, the Norwegian branch of TrygVesta Forsikring A/S, has in its branch financial statements included provisions for contingency funds in the amount of NOK 2,564m (2006: NOK 2,251m) under provisions for insurance contracts. In TrygVesta Forsikring A/S, these provisions, due to their nature as additional provisions, are included in shareholders' equity, net of deferred tax. TrygVesta Forsikring A/S' option to pay dividend to TrygVesta A/S is influenced by this amount. The dividend payment is also affected by a contingency fund provision of DKK 670m, which is included in shareholders' equity in TrygVesta Forsikring A/S. TrygVesta Garantiforsikring A/S has a similar contingency amounting to DKK 139m, which is also included in the company's shareholders' equity.

STATEMENT OF RECOGNISED INCOME AND EXPENSES

DKKm	2007	2006
Revaluation of owner-occupied properties for the year	-3	3
Tax on owner-occupied properties for the year	3	-1
Exchange rate adjustment of foreign entities for the year	84	-143
Hedging of currency exposure in foreign entities for the year	-98	107
Tax on hedging of currency exposure in foreign entities for the year	24	-30
Actuarial gains/losses on defined benefit pension plans	94	116
Tax on actuarial gains/losses on defined benefit pension plans	-25	-32
Net income/expense taken directly to equity	**79**	**20**
Profit for the year	2,266	3,211
Total recognised income and expenses	**2,345**	**3,231**

Cash flow statement – TrygVesta Group

DKKm	2007	2006
Cash generated from operations		
Premiums	16,800	15,935
Claims paid	-11,376	-9,902
Ceded business	-122	-153
Expenses	-2,705	-2,698
Change in other payables and other amounts receivable	-316	13
Cash flow from insurance operations	**2,281**	**3,195**
Interest income	1,164	886
Interest expenses	-186	-207
Dividend received	169	261
Taxes	-693	-718
Other items	-55	-31
Cash generated from operations, continuing business	**2,680**	**3,386**
Cash generated from operations, discontinued and divested business	0	-139
Total cash generated from operations	**2,680**	**3,247**
Investments		
Acquisition of real property	-16	-240
Sale of real property	17	10
Acquisition of equity investments and unit trust units (net)	1,062	163
Purchase/Sale of bonds (net)	-856	-1,925
Deposits in Credit institutions	-303	0
Purchase of operation equipment	-187	-188
Sale of operation equipment	5	82
Sale of subsidiares	0	142
Sale of associated	0	14
Foreign currence hedging	-98	107
Investments, continuing business	**-376**	**-1,835**
Investments, discontinued and divested business	0	0
Total investments	**-376**	**-1,835**
Funding		
Purchase of own shares	-50	-83
Share options	8	16
Dividend paid	-2,244	-1,428
Change in debt to credit institutions	-65	-121
Funding, continuing business	**-2,351**	**-1,616**
Funding, discontinuied and divested business	0	0
Total funding	**-2,351**	**-1,616**
Change in cash an cash equivalents, net	**-47**	**-204**
Price adjustment of cash and cash equivalents, beginning of period	7	-2
Additions relating to purchase of associate	0	1
Change in cash and cash equivalents, gross	**-40**	**-205**
Cash and cash equivalents, begining of period	338	543
Cash and cash equivalents, end of period	**298**	**338**

Notes

Note 1 ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2007 and in accordance with the Danish Statutory Order on Adoption of IFRS.

The financial statements of the parent company are prepared in accordance with executive order no. 1467 dated 13 December 2006 issued by the Danish FSA on the presentation of financial reports by insurance companies and profession-specific pension funds, which is largely identical to IFRS. The deviations from the recognition and measurement requirements of IFRS are:

- Investments in subsidiaries and associates are valued according to the equity method, whereas under IFRS valuation is made at cost or fair value. Furthermore the requirements regarding presentation and disclosure are less comprehensive than under IFRS.

- Unlike IAS 19, the Danish FSA's executive order does not allow for actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions to be taken to equity. Actuarial gains and losses will therefore be recognised in the parent company's income statement.

- The Danish FSA's executive order does not allow provisions for deferred tax of contingency reserves allocated from untaxed funds. Deferred tax and the equity of the parent company have been adjusted accordingly on the transition to IFRS.

The executive order on application of international financial reporting standards for companies subject to the Danish Financial Business Act issued by the Danish FSA requires disclosure of differences between the format of the annual report under international financial reporting standards and the rules issued by the Danish FSA. The following is a reconciliation of differences in the profit for the year and shareholders' equity.

DKKm	2007	2006
Profit reconciliation		
Profit for the year ended 31 December - IFRS	2,266	3,211
Current-year effect of actuarial gains and losses on pension obligation after tax	69	84
Change in deferred tax relating to contingency funds	-2	-4
Profit for the year ended 31 December - Danish FSA executive order	**2,333**	**3,291**
Equity reconciliation		
Shareholders' equity at 31 December - IFRS	10,010	9,951
Deferred tax provisions for contingency funds	23	27
Change in deferred tax relating to contingency funds	-2	-4
Equity at 31 December - Danish FSA executive order	**10,031**	**9,974**

Changes in accounting policies

TrygVesta introduced a simpler model for unwinding effective on 1 January 2007. Unwinding means that the discount on the provision is unwound as the settlement date gets closer and the amount is transferred from claims to technical interest in the income statement.

The new method relies solely on market interest rates and provisions at the beginning of the relevant period, thus providing a more stable and predictable outcome. For 2006, the change involved a reduction of the combined ratio of 1.4% (a total of 0.9% for 2005). In connection with the discounting, a larger share of claims incurred is thus transferred to technical interest. The change has no effect on the profit for the year, the balance sheet or on shareholders' equity.

All comparative figures are restated and the effect is shown in the table next page.

In 2007, the Group implemented:

- IFRS 8 'Segment information'. Replacing IAS 14, the standard will enter into force on 1 January 2009. Implementation of the standard will entail a change in the identification of segments from primary and secondary segments to operating segments. The standard has no effect on recognition and measurement in the annual report.
- IFRIC 8 concerning 'Scope of IFRS 2' comes into force for financial years commencing on or after 1 May 2007. The group already treats group transactions concerning share-based payment in accordance with these principles. The interpretation has not changed the accounting treatment currently applied.
- IFRIC 10 concerning 'Interim Financial Reporting and Impairment'. The interpretation prohibits the reversal of impairment losses in interim financial statements on goodwill and financial assets carried at cost. The implementation has not had any financial effect.
- IFRIC 11 concerning 'Group and Treasury Share Transactions'. The interpretation specifies that the accounting treatment of share-based payment does not rely on the way in which the shares are acquired by the company at the exercise date. The interpretation has not changed the accounting treatment currently applied.

Apart from the changes described above, the accounting policies are unchanged from the annual report 2006.

DKKm	FY 2006 Former acc. policies	FY 2006 unwind. ajust-ments	FY 2006 New acc. policies	FY 2005 Former acc. policies	FY 2005 unwind. ajust-ments	FY 2005 New acc. policies	FY 2004 Former acc. policies	FY 2004 unwind. ajust-ments	FY 2004 New acc. policies
Gross premiums earned	16,021		16,021	15,705		15,705	15,266		15,266
Gross claims incurred	-10,796	232	-10,564	-11,304	145	-11,159	-10,572	147	-10,425
Gross expenses	-2,697		-2,697	-2,662		-2,662	-2,611		-2,611
Profit/loss on gross business	2,528	232	2,760	1,739	145	1,884	2,083	147	2,230
Profit/loss on ceded business	-578	-13	-591	-9	2	-7	-718	10	-708
Interest on insurance provisions	1,040		1,040	701		701	636		636
Transferred from provisions for claims concerning discounting	-457	-240	-697	-378	-153	-531	-301	-150	-451
Technical interest, net of reinsurance	583	-240	343	323	-153	170	335	-150	185
Technical result	**2,533**	**-21**	**2,512**	**2,053**	**-6**	**2,047**	**1,700**	**7**	**1,707**
Return on investment activites after transfer to Insurance activities	1,207	21	1,228	888	6	894	378	-7	371
Other income and expenses	-31		-31	-28		-28	-26		-26
Tax	-624		-624	-788		-788	-556		-556
Profit/loss on discontinued and divested business after tax	126		126	-28		-28	-75		-75
Profit/loss	**3,211**	**0**	**3,211**	**2,097**	**0**	**2,097**	**1,421**	**0**	**1,421**
Run-off gains/losses, net of reinsurance	372	183	555	181	102	283	-161	90	-71
Gross claims ratio	67.4	-1.5	65.9	72.0	-0.9	71.1	69.3	-1.0	68.3
Business ceded as a percentage of gross premiums	3.6	0.1	3.7	0.1	0.0	0.1	4.7	-0.1	4.6
Claims ratio, net of ceded business	71.0	-1.4	69.6	72.1	-0.9	71.2	74.0	-1.1	72.9
Gross expense ratio	16.8	0.0	16.8	17.0	0.0	17.0	17.1	0.0	17.1
Combined ratio	87.8	-1.4	86.4	89.1	-0.9	88.2	91.1	-1.1	90.0
Claims ratio, net	69.9	-1.5	68.4	70.7	-1.0	69.7	72.4	-1.2	71.2
Expense ratio, net	17.2	0.0	17.2	17.6	0.0	17.6	17.6	0.0	17.6
Combined ratio, net	87.1	-1.5	85.6	88.3	-1.0	87.3	90.0	-1.2	88.8

Executive orders, standards and interpretations not yet in force
The International Accounting Standards Board (IASB) has issued a number of revised international accounting standards and the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force.

- IAS 1 concerning 'Presentation of Financial Statements – Capital Disclosures', which is effective for financial years commencing on or after 1 January 2009. The amendment contains an adjustment to the type of information disclosed about the capital base. The implementation is not expected to give rise to any material changes to information in TrygVesta's annual report (IAS 1 remains to be adopted by the EU).
- IAS 23 (updated 2007) concerning 'Borrowing costs, which is effective for financial years commencing on or after 1 January 2009. IAS 23 (updated 2007) requires the recognition of borrowing costs in the cost of a qualifying asset (intangible assets, property, plant and equipment and inventories). The standard is not expected to have financial reporting impact (IAS 23 remains to be adopted by the EU).

Other interpretations, including IFRIC 12 'Service Concession Arrangements', IFRIC 13 'Customer Loyalty Programmes' and IFRIC 14 'The limit on a Defined Benefit Asset' are not expected to have any financial reporting impact.

Changes in accounting estimates
- The TrygVesta Group's defined benefit plan in Norway is impacted by DKK 99m due to a change in discount rate assumptions from 4.7% to 5.2%.

Accounting estimates and judgments
The preparation of financial statements under IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are:

• Liabilities under insurance contracts
• Valuation of defined benefit plans

A more detailed description of primary assumptions about the future and other primary sources of estimation uncertainty is given in the risk management section in the management's report.

Liabilities under insurance contracts
Estimates of provisions for insurance contracts represent the group's most critical accounting estimates, as these provisions involve a number of uncertainty factors.

Liabilities for unpaid claims are estimates that involve actuarial and statistical projections of the claims and the administration of the claims. The projections are based on the TrygVesta Group's knowledge of historical developments, payment patterns, reporting delays, duration of the claims settlement process and other effects that might influence the future development of the liabilities.

The TrygVesta Group establishes claims reserves covering both case reserves and estimated claims that have been incurred by its policyholders but not yet reported to the company (known as "IBNR" reserves) and future developments on claims which are known to the TrygVesta Group but have not been finally settled (IBNER-provisions). The group also includes in its claims reserves direct and indirect claims settlement costs or loss adjustment expenses that arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the TrygVesta Group.

The projection for claims reserves is therefore inherently uncertain and, by necessity, relies upon the making of certain assumptions as to factors such as court decisions, changes in law, social inflation and other economic trends, including inflation. The TrygVesta Group's actual liability for losses may therefore be subject to material positive or negative deviations relative to the initially estimated provisions for claims.

Provisions for claims are discounted. As a result, initial changes in discount rates or changes in duration of the claims provisions could have positive or negative effects on earnings. Discounting affects the motor liability, professional liability, workers' compensation and personal accident classes, in particular.

Several assumptions and estimates underlying the calculation of the provisions for claims are mutually dependent. Most importantly, this can be expected to be the case for interest rate and inflation assumptions.

Defined benefit pension schemes
The company operates a defined benefit plan in Norway. A "defined benefit" plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, depending on age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The projected unit credit method is a cash-flow calculation, which calculates the obligation as the present value of benefit attributed to current and prior years. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows.

Changes in the present value are primarily made due to changes in assumptions about discount rate, expenses, return on plan assets, future salary increases and future pension increases. Since the provision for pension funds is based on actuarial calculations involving statistics and cash flow from such factors as investments, changes in interest rates, inflation and expectation of life, it may mean that the TrygVesta Group's provision may be inadequate to cover its actual liability towards employees and current pensioners.

BASIS OF PRESENTATION

Recognition and measurement
The annual report has been prepared under the historical cost convention, as modified by the revaluation of owner-occupied properties, where increases are credited to equity and revaluation of investment property, financial assets held for trading and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when the group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the group, and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost, with the exception of financial assets, which are recognised at fair value. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described below.

All amounts in the notes are shown in millions of DKK, unless otherwise stated.

Consolidation
The consolidated financial statements comprise the financial statements of TrygVesta A/S (the parent company) and enterprises (subsidiaries) controlled by the parent company. Control is achieved where the parent company directly or indirectly holds more than 50% of the voting rights or is otherwise able to exercise or actually exercises a controlling influence.

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries by adding items of a uniform nature. The financial statements of subsidiaries that present financial statements under other legislative rules are restated to the accounting policies applied by the group.

Enterprises in which the group exercises significant influence but not control are classified as associates. Significant influence is typically achieved through direct or indirect ownership or disposal of more than 20% but less than 50% of the votes.

Investments in joint ventures are recognised using the pro rata consolidation method. Using pro rata consolidation, the group's share of joint venture assets and liabilities is recognised in the balance sheet. The share of income and expenses and assets and liabilities are presented on a line by line basis in the consolidated financial statements.

On consolidation, intra-group income and expenses, shareholdings, intra-group accounts and dividends, and gains and losses arising on transactions between the consolidated enterprises are eliminated.

Newly acquired or divested subsidiaries are consolidated at the results for the period subsequent to achieving or surrendering control, respectively. Profit and loss in divested subsidiaries and profit and loss on discontinued activities are included under discontinued and divested business in the income statement.

Unrealised gains on transactions between the group and its subsidiaries and associates are eliminated to the extent of the group's interest in the companies. Unrealised losses are eliminated in the same way as unrealised gains unless impairment has occurred.

In accordance with IFRS 1 TrygVesta Group has elected not to apply IFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to IFRS).

Currency translation
A functional currency is determined for each of the reporting entities in the group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Assets and liabilities denominated in foreign currency are translated at the exchange rates at the balance sheet date. Translation differences are recognised in the income statement under value adjustments.

On consolidation, the assets and liabilities of the group's foreign operations are translated at exchange rates of the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are classified as equity and transferred to the group's translation reserve.
Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of. All other currency translation gains and losses are recognised in the income statement.

Segment reporting
Segment information is based on the group's management and internal financial reporting system and is prepared in accordance with the group's accounting policies.

The operational business segments in the TrygVesta Group are the Personal & Commercial (Denmark) segment, the Personal & Commercial (Norway) segment, the Corporate segment and the General Insurance (Finland and Sweden) segment.

Geographical information is presented on the basis of the economic environment in which the TrygVesta Group operates. The geographical areas are Denmark, Norway, Finland and Sweden.

Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each individual segment and those items that can be allocated to the individual segments on a reliable basis. Unallocated items primarily comprise assets and liabilities concerning investment activity.

Ratios
Earnings per share (EPS) are calculated according to IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts.

INCOME STATEMENT

Premiums
Earned premiums represent gross premiums earned during the year, net of outward reinsurance premiums and adjusted for changes in the provision for unearned premiums, corresponding to an accrual of premiums to the risk period of the policies, and in the reinsurers' share of the provision for unearned premiums.

Premiums are recognised as earned premiums according to the exposure of risk over the period of coverage, computed separately for each insurance contract using the pro rata method, and adjusted if necessary to reflect any variation in the incidence of risk during the period covered by the contract.

The portion of premiums received on contracts that relates to unexpired risks at the balance sheet date is reported under provisions for unearned premiums.

The portion of premiums paid to reinsurers that relate to unexpired risks at the balance sheet date is reported as the reinsurers' share of provisions for unearned premiums.

Technical interest
According to the Danish FSA's executive order, technical interest is presented as a calculated return on the year's average insurance liability provisions, net of reinsurance. The calculated interest return for grouped classes of risks is calculated as the monthly average provision plus a co-weighted interest from the present yield curve for each individual group of risks. The interest is weighted according to the expected run-off pattern of the provisions.

Technical interest is reduced by the portion of the increase in net provisions that relates to unwinding.

Claims incurred
Claims incurred represent claims paid during the year and adjusted for changes in provisions for unpaid claims less the reinsurers' share. In addition, the item includes run-off results regarding previous years. The portion of the increase in provisions which can be ascribed to unwinding is transferred to technical interest.

Claims are shown inclusive of direct and indirect claims handling costs, including costs of inspecting and assessing claims, costs to combat and contain claims incurred and other direct and indirect costs associated with the handling of claims incurred.

Changes in claims incurred due to changes in the yield curve and exchange rates are recognised as a market value adjustment.

TrygVesta Group hedges the risk of changes in future wage and price figures for provisions for workers' compensation and annuities for accident and health insurance. For 90-100% of this risk, TrygVesta Group uses swaps specifically acquired with a view to hedging the inflation risk. Value adjustment of these swaps are included in claims incurred, thereby reducing the effect of changes to inflation expectations under claims incurred.

Bonus and premium rebates
Bonus and premium rebates represent anticipated and reimbursed premiums where the amount reimbursed depends on the claims record, and for which the criteria for payment have been defined prior to the financial year or when the business was written.

Insurance operating expenses
Insurance operating expenses represent acquisition costs and administrative expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are recognised at the time of writing the business. Administrative expenses are accrued to match the financial year.

Share-based payment
The TrygVesta Group's incentive programmes comprise a share option programme and employee shares.

Share option programme
The value of services received as consideration for options granted is measured at the fair value of the options.

Equity-settled share options are measured at the fair value at the grant date and recognised under staff costs over the period from the grant date until vesting. The balancing item is recognised directly in equity.

The options are issued at an exercise price that corresponds to the market price of the company's shares at the time of allocation plus 10 %. No other vesting conditions apply. Special provisions are in place concerning sickness and death and in case of change to the company's capital position, etc.

The share option agreement entitles the employee to the options unless the employee resigns his position or is dismissed due to breach of the employment relationship. In case of termination due to restructuring or retirement, the employee is still entitled to the options.

The share options are exercisable exclusively during a two-week period following the publication of full-year or half-year reports and in accordance with TrygVesta Group's in-house rules on trading in the company's shares. The options are settled in shares. A part of the company's holding of treasury shares is reserved for settlement of the options allocated.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, adjustment is made for changes in the estimated number of vested options to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of the options granted is estimated using the Black & Scholes option model. The calculation takes into account the terms and conditions of the share options granted.

Employee shares
When employees are given the opportunity to subscribe shares at a price below the market price, the discount is recognised as an expense in staff costs. The balancing item is recognised directly in equity. The discount is calculated at the grant date as the difference between fair value and the subscription price of the subscribed shares.

In accordance with Danish law, the shares are held in restricted accounts until expiry of the seventh calendar year after they were subscribed. Employees cannot sell or otherwise dispose of the shares during the period they are subject to selling restrictions, but the shares will be released in case of the employee shareholder's death or disability.

Investment activities
Income from associates includes the group's share of the associates' net profit.

Income from investment properties before fair value adjustment represents the profit from property operations less property management expenses.

Interest, dividends, etc. represent interest earned, dividends received, etc. during the financial year. In addition, the item includes gains and losses on bonds drawn for redemption.
Realised and unrealised investment gains and losses, including gains and losses on derivative financial instruments, value adjustment of land and buildings, exchange rate adjustments and the effect of movements in the yield curve used for discounting, are recognised as value adjustments.

Investment management charges represent expenses relating to the management of investments.

Other income and expenses
Other income and expenses includes income and expenses which cannot be ascribed to TrygVesta Group's insurance portfolio or investment assets, including the sale of products for Nordea Liv og Pension.

Discontinued and divested business
Discontinued and divested activities are consolidated in one line item in the income statement and supplemented with disclosure of the discontinued and divested activities in a note to the financial statements.

Recognition of the balance sheet items in respect of the discontinued activities remains unchanged in the respective items whereas assets and liabilities from divested activities are consolidated in one line as "assets concerning divested business" and "liabilities concerning divested business", respectively.

The comparative figures, including financial highlights and key ratios, have been restated to reflect discontinued business. Discontinued and divested activities in the income statement include the post-tax profit of TrygVesta Group's business in run-off as well as divested enterprises. Business in run-off comprises the results of the business in run-off in TrygVesta Forsikring A/S. Divested subsidiaries comprise the activities in Chevanstell Ltd. UK, Poland, Estonia and Tryg Baltica International A/S.

BALANCE SHEET

Intangible assets - software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life (four years).

Costs that are directly associated with the production of identifiable and unique software products, for which there is sufficient certainty that future earnings will exceed costs for more than one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software are recognised as an expense as incurred.

After completion of the development the asset is depreciated on a straight-line basis over the expected useful life, however with a maximum period of 4 years. The basis of amortisation is reduced by any impairment writedowns.

Owner-occupied property and operating equipment
Owner-occupied properties are measured in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment writedowns. Revaluations are performed regularly to avoid the carrying amount differing materially from the owner-occupied property's fair value at the balance sheet date. The fair value is calculated on the basis of market-specific rental income per property and typical operating expenses for the upcoming year. The resulting operating income is divided by the percentage return requirement of the property, which has been adjusted to reflect market interest rates and property characteristics, corresponding to the present value of a perpetual annuity.

Increases in the revalued carrying amount of owner-occupied properties are credited to the properties' revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the properties' revaluation reserves directly in equity; all other decreases are charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be reliably measured. Ordinary repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Fixtures and operating equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost encompasses the purchase price and costs directly attributable to the acquisition of the relevant assets until the time when the asset is ready to be brought into use.

Depreciation on property, plant and equipment is calculated using the straight-line method over their estimated useful lives, as follows:
• Owner-occupied properties, 50 years
• Vehicles, 3-5 years
• Furniture, fittings and equipment, 3-5 years

Land is not depreciated.

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses on disposals and retirements are determined by comparing proceeds with carrying amount. Gains and losses are recognised in the income statement. When revalued assets are sold, the amounts included in the revaluation reserves are transferred to retained earnings.

Investment property
Properties held for renting yields that are not occupied by the group are classified as investment properties.

Investment property is carried at fair value. Fair value is based on market prices, adjusted for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as discounted cash flow projections and recent prices on less active markets.

The fair value is calculated on the basis of market-specific rental income per property and typical operating expenses for the upcoming year. The resulting operating income is divided by the percentage return requirement of the property, which has been adjusted to reflect market interest rates and property characteristics, corresponding to the present value of a perpetual annuity. The value is subsequently adjusted with the value in use of the return on prepayments and deposits and adjustment for specific property issues such as vacant premises or special tenant terms and conditions.

Changes in fair values are recorded in the income statement.

Impairment of intangible assets, equipment, owner-occupied property and investment property
The carrying amount of intangible assets, operating equipment, owner-occupied property and investment property are tested at least once a year for impairment in the cash-generating unit to which the asset belongs, and the asset is written down to the recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is generally calculated as the present value of the future cash flows expected to be derived from the activity to which the asset belongs.

Investments in subsidiaries
The parent company's investments in subsidiaries are recognised and measured under the equity method. The parent company's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses is recognised in the income statement. In the balance sheet, investments are measured at the pro rata share of the enterprises' equity.

Subsidiaries with a negative net asset value are measured at zero value. Any receivables from these enterprises are written down by the parent company's share of such negative net asset value where the receivables are deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognised under provisions if the parent company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

The results of foreign subsidiaries are based on translation of the items in the income statement at average exchange rates for the period. Income and expenses in domestic enterprises denominated in foreign currency are translated at the exchange rate ruling on the date of the transaction.

Investments in associates
Associates are enterprises over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are measured according to the equity method of accounting so that the carrying amount of the investment represents the group's proportionate share of the enterprises' net assets.

Income after taxes from investments in associates is included as a separate line in the income statement.

Associates with a negative net asset value are measured at zero value. If the group has a legal or constructive obligation to cover the associate's negative balance, such obligation is recognised under liabilities.

Investments
Investments include financial assets at fair value through the income statement. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Financial assets measured at fair value with recognition of value changes in the income statement comprise assets that form part of a trading portfolio and financial assets designated at fair value with value adjustment through profit and loss.

Financial assets at fair value through income
Financial assets are classified as financial assets available for sale at inception if acquired principally for the purpose of selling in the short term, or if they form part of a portfolio of financial assets in which there is evidence of short-term profit-taking. Derivatives are also classified as financial assets available for trading unless they are designated as hedges.

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, or if they have been transferred, and the group has also transferred substantially all risks and rewards of ownership. Financial assets are recognised and derecognised on a trade date basis – the date on which the group commits to purchase or sell the asset. Financial assets are recognised at fair value at the transaction date.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through income are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on stock exchange prices at the balance sheet date. For securities that are not listed on a stock exchange, or for which no stock exchange price is quoted that reflects the fair value of the instrument, the fair value is determined using valuation techniques. These include the use of similar recent arm's length transactions, reference to other instruments that are substantially the same and a discounted cash flow analysis.

Derivative financial instruments and hedge accounting
The group's activities expose it to financial risks, including changes in share prices, foreign currency exchange rates, interest rates and inflation. Forward exchange contracts and currency swaps are used for currency hedging of portfolios of shares, bonds, hedging of foreign entities and insurance balance sheet items. Interest rate derivatives in the form of futures, forward contracts, repos, swaps and FRAs are used to manage cash flows and interest rate risks related to the portfolio of bonds and technical provisions. Equity derivates are used from time to time to adjust equity exposures.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value. The valuation is performed in securities systems with data usually provided by Nordea, and the valuation is verified using own valuation methods. Derivatives which include expected future cash flows are discounted on the basis of market interest rates.

Derivatives are recognised from the trade date and measured at fair value in the balance sheet. Positive fair values of derivatives are recognised as bonds and shares or other receivables if they cannot unambiguously be attributed to the former. Negative fair values of derivatives are recognised under other payables. Positive and negative values are only offset when the company is entitled or intends to make net settlement of more financial instruments.

Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of investments in foreign operations. Changes in the fair value of derivatives that are designated and qualify as net investment hedges in foreign entities and which provide effective currency hedging of the net investment are recognised directly in equity. The net asset value of the foreign entities is estimated in an ongoing process and is hedged 90-100% by entering into short-term forward exchange contracts. Changes in the fair value relating to the ineffective portion are recognised in the income statement. Gains and losses accumulated in equity are included in the income statement on disposal of the foreign operation.

Reinsurers' share of provisions for insurance contracts
Contracts entered into by the group with reinsurers under which the group is compensated for losses on one or more contracts issued by the group and that meet the classification requirements for insurance contracts are classified as reinsurers' share of provisions for insurance contracts. Contracts that do not meet these classification requirements are classified as financial assets.

The benefits to which the group is entitled under its reinsurance contracts held are recognised as assets and reported as reinsurers' share of provisions for insurance contracts.

Amounts recoverable from reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

Changes due to unwinding are recognised in technical interest. Changes due to changes in the yield curve or foreign currency exchange rates are recognised as value adjustments.

The group assesses continuously its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. Impairment write-downs are recognised in the income statement.

Receivables
Receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market other than receivables that the group intends to sell in the short term. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of receivables.

On initial recognition, receivables are measured at fair value, and they are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows.

Prepayments and accrued income
Prepayments include expenses paid in respect of subsequent financial years and interest receivable.

Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Exchange adjustment reserve
Assets and liabilities of foreign entities are recognised at the exchange rate at the balance sheet date. Income and expense items are recognised at the average exchange rates for the period. Any resulting exchange rate differences are taken to equity. When an entity is wound up, the balance is transferred to the income statement.

Contingency fund reserves
Contingency fund reserves are recognised as part of retained earnings under equity. The funds may only be used when so permitted by the Danish FSA and when it is to the benefit of the policyholders.

Dividend distribution
Proposed dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Treasury shares
The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity.

Proceeds from the sale of treasury shares in connection with the exercise of share options or employee shares are taken directly to equity.

Subordinated loan capital
Subordinated loan capital is recognised initially at fair value, net of transaction costs incurred. Subordinated loan capital is subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Provisions for insurance contracts
Premiums are recognised in the income statement (premium income) proportionally over the period of coverage and, where necessary, adjusted to reflect any time variation of the risk. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as unearned premium provisions. Unearned premium provisions are generally calculated according to a best estimate of expected payments throughout the agreed risk period. However, as a minimum to the part of the premium calculated using the pro rata temporis principle until the next payment date. Adjustments are made to reflect any variations in the risk. This applies to gross as well as ceded business.

Claims and claims handling costs are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims handling costs and arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the group. Provisions for claims are estimated using the input of assessments for individual cases reported to the group and statistical analyses for the claims incurred but not reported and the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions). The provisions include claims handling costs.

Provisions for claims are discounted. Discounting is based on a yield curve reflecting duration applied to the expected future payments from the provision. Discounting affects the motor liability, professional liability, workers' compensation and personal accident classes, in particular.

Provisions for bonus and premium rebates represent amounts expected to be paid to policyholders in view of the claims experience during the financial year.

Provisions for claims are determined for each product line based on actuarial methods. In cases where product lines encompass more than one business unit, the claims provisions are distributed, as a main rule, based on reported number of claims in Denmark and individual claims in Norway. The models currently used are Chain-Ladder, Bornhuetter-Ferguson, the Loss Ratio method, De Vylder's credibility method and a proprietary collective reserve model for use in private business lines in Denmark. Chain-Ladder techniques are used for business lines with a stable run-off pattern. The Bornhuetter-Ferguson method, and sometimes the Loss Ratio method, are used for claims years in which the previous run-off provides insufficient information about the future run-off performance. De Vylder's credibility method is used for areas that are somewhere in between the Chain-Ladder and Bornhuetter-Ferguson/Loss Ratio methods, and may also be used in situations that call for the use of exposure targets other than premium volume, for example the number of insured.

The proprietary collective model is based exclusively on actual payments and is therefore only used for provisions for small claims, below DKK 200,000 for motor, or DKK 100,000 for other. The model is so dynamic that, to the greatest extent possible, it captures changes in the run-off pattern. It consists of two modules, with the first module estimating on a daily basis with due consideration to days off and special high-frequency days such as New Year's Eve or days with slippery roads. The model also takes the season into consideration, both in terms of claims performance and in claims handling intensity. In the second module, estimates are on a more aggregate level, and the calculations are based on a generalised hierarchic De Vylder model.

The provision for annuities in workers' compensation insurance is calculated on the basis of a mortality corresponding to the G82 calculation basis (official mortality table).

In some instances, the historic data used in the actuarial models is not necessarily predictive of the future development of claims. Specifically, this is the case with legislative changes where in each specific case an estimate used for premium increases related to the relevant risk increase is derived. For legislative changes this estimate is used also in determining the level of claims – and hence reserves. Subsequently, this estimate is updated when new loss history materialises.

Several assumptions and estimates underlying the calculation of the provisions for claims are mutually dependent. Most importantly, this can be expected to be the case for interest rate and inflation assumptions.

Workers' compensation is an area in which explicit inflation assumptions are used, with annuities for the insured being indexed with the workers' compensation index. An inflation curve that reflects the market's inflation expectations plus a real wage spread is used as an approximation to the workers' compensation index.

For other lines of business, the inflation assumptions, because present only implicitly in the actuarial models, will cause a certain lag in predicting the level of future losses when a shift in inflation occurs. On the other hand, the effect of discounting will show immediately as a consequence of inflation changes to the extent that this change affects the interest rate.

Other correlations are not significant.

Liability adequacy test
Tests are continuously performed to ensure the adequacy of the technical provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency is charged to the income statement by raising the relevant provision. Any positive deviations are also recognised in the income statement.

Employee benefits

Pension obligations
The group operates various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds. In Norway, the group operates a defined benefit plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on age, years of service and compensation. In Denmark, the group operates a defined contribution plan. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by a duration that matches the conditions of the underlying pension obligation.

Notes

The actuarial gains and losses arising from experience adjustments and changes in actuarial estimates is charged or credited to equity.

Other employee benefits
Employees of the group are entitled to a fixed payment when they reach retirement and when they have been employed with the group for 25 and for 40 years. The group recognises this liability as soon as the employment begins.

In special instances the employee can enter a contract with the group to receive compensation for loss in pension benefits caused by reduced working hours. The group recognises this liability based on statistical models.

Income tax and deferred tax
The group provides current tax expense according to the tax law of each jurisdiction in which it operates. Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities. Deferred income tax is measured using tax rules and tax rates that apply in the relevant countries by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets, including the tax value of tax losses carried forward, are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences concerning investments, except where TrygVesta Group controls when the temporary difference will be realised, and it is probable that the temporary difference will not be realised in the foreseeable future.

Provisions
Provisions are recognised when, as a consequence of an event that has occurred before or on the balance sheet date, the group has a legal or constructive obligation, and it is likely that an outflow of resources will be required to settle the obligation. Provisions are measured as the management's best estimate of the amount with which the liability is expected to be settled.

Financial liabilities
Bond loans, debt to credit institutions, etc. are recognised at the raising of the loan as the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortised cost, applying the 'effective interest rate method', to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Transaction costs in connection with floating-rate loans or floating-rate credit facilities are amortised over the loan period using straight-line amortisation.

Other liabilities are measured at net realisable value.

Cash flow statement
The cash flow statement of the group is presented using the direct method and shows cash flows from operating, investing and financing activities as well as the group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the parent company because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated whereby major classes of gross cash receipts and gross cash payments are disclosed.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of TrygVesta's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt, and payment of dividends.

Cash and cash equivalents comprise cash and demand deposits.

DKKm		2007	2006
2	**Earned premiums, net of reinsurance**		
	Direct insurance	16,764	16,102
	Indirect insurance	78	88
		16,842	16,190
	Unexpired risk provision	-13	45
		16,829	16,235
	Ceded direct insurance	-891	-890
	Ceded indirect insurance	-48	-52
		15,890	**15,293**

Direct insurance, by location of risk	2007		2006	
	Gross	**Ceded**	**Gross**	**Ceded**
Denmark	9,334	-521	9,115	-480
Other EU countries	469	-29	269	-15
Other countries	6,961	-350	6,718	-395
	16,764	**-891**	**16,102**	**-890**

		2007	2006
3	**Technical interest, net of reinsurance**		
	Interest on insurance provisions	1,400	1,031
	Transferred from provisions for claims concerning discounting	-896	-697
	Return on discontinued business	-3	9
		501	**343**
4	**Claims incurred, net of insurance**		
	Claims incurred	-11,919	-11,182
	Run-off previous years, gross	744	618
		-11,175	-10,564
	Reinsurance recoveries	502	312
	Run-off previous years, reinsurers' share	-1	-63
		-10,674	**-10,315**

Under claims incurred, the value adjustment of inflation swaps to hedge the inflation risk concerning annuities on workers' compensation insurance totals DKK 22m (in 2006 DKK 0m).

		2007	2006
5	**Insurance operating expenses, net of reinsurance**		
	Commission regarding direct business	-406	-339
	Other acquisition costs	-1,415	-1,380
	Total acquisition costs	-1,821	-1,719
	Administrative expenses	-948	-978
	Insurance operating expenses, gross	-2,769	-2,697
	Commission, etc. from reinsurers	95	102
		-2,674	**-2,595**
	Administative expenses include fee to the auditors appointed by the Annual General Meeting:		
	Deloitte	-8	-8
		-8	**-8**
	Of which services other than audit:		
	Deloitte	-2	-2
		-2	**-2**

In adddition, expenses have been incurred for the Group´s Internal Audit Department.

Notes

DKKm	2007	2006
5 Insurance operating expenses, gross, classified by type		
Commision	-406	-341
Staff expenses	-1,594	-1,581
Other staff expenses	-198	-174
Office expenses and fees, headquarter expenses	-462	-402
Operating and maintenance costs IT, software expenses etc.	-198	-271
Depreciation, amortisation and impairment writedowns	-102	-76
Other income	191	148
	-2,769	**-2,697**

Total expenses for lease amounts to 106 DKKm (2006 101 DKKm).

Insurance operating expenses and claims include the following staff expenditure:	2007	2006
Salaries and wages	-1,832	-1,890
Commision	-21	-25
Allocated share options	-8	-3
Pensions	-257	-208
Other social security costs	-5	-24
Payroll tax, etc.	-249	-217
	-2,372	**-2,367**

Remuneration for Supervisory Board and Group Executive Management appears in the note 29 'Related parties'.

	2007	2006
Average number of full-time employees during the year (continuing business)	**3,813**	**3,740**

Share option programmes

In 2007, TrygVesta awarded share options to the Executive Management (6 persons) and other senior employees (88 persons). At 31 December 2007, the share option plan comprised 329,902 share options (at 31 December 2006 186,020 share options). Each share option entitles the holder to acquire one existing share of DKK 25 nominal value in the company. The share option plan entitles the holders to buy 0.49 % of the share capital if all share options are exercised. Specification of outstanding options:

Share options	**Total Numbers**				**Fair Value**			
	Group Executive Management	**Other senior employees**	**Other employees**	**Total**	**Per option at grant date DKK**	**Total fair value per option at grant date DKK**	**Per option at 31 December DKK**	**Total fair value at 31 December DKK**
2006								
Outstanding options 1 January 2006	0	0	0	0	0	0	0	0
Allocated concerning 2005	44,540	141,480	0	186,020	64	12	150	28
Exercised	0	0	0	0	0	0	0	0
Cancelled	0	0	0	0	0	0	0	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from allocation 2006 1 Dec 2006	**44,540**	**141,480**	**0**	**186,020**	**-**	**12**	**-**	**28**
Number of options exercisable end of 2006	0	0	0	0	0	0	0	0
2007								
Allocated concerning 2005	44,540	141,480	0	186,020	64	12	119	22
Exercised	0	0	0	0	0	0	0	0
Cancelled 2006	0	-2,620	0	-2,620	64	0	119	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from allocation 2006 31 Dec 2007	**44,540**	**138,860**	**0**	**183,400**	**-**	**12**	**-**	**22**
Number of options exercisable end of 2007	0	0	0	0	0	0	0	0

	Group Executive Management	Other senior em-ployees	Other em-ployees	Total	Per option at grant date DKK	Total fair value per option at grant date DKK	Per option at 31 December DKK	Total fair value at 31 December DKK
Allocated concerning 2006	40,916	91,039	18,000	149,955	99	15	49	7
Exercised	0	0	0	0	0	0	0	0
Cancelled 2007		-1,453	-2,000	-3,453	99	-1	49	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from allocation 2007 31 Dec 2007	**40,916**	**89,586**	**16,000**	**146,502**	**-**	**14**	**-**	**7**
Number of options exercisable end of 2007	0	0	0	0	0	0	0	0

Total Numbers	**Total share options allocated**	**Exercised**	**Cancelled**	**Expired**	**Out-standing**	**Period of exercise**
Outstanding share options at exercise date						
Allocated in 2006 concerning 2005	186,020	0	-2,620	0	183,400	February 2009 - February 2011
Allocated in 2007 concerning 2006	149,955	0	-3,453	0	146,502	February 2010 - February 2012
Total outstanding options 31 December 2007	**335,975**	**0**	**-6,073**	**0**	**329,902**	

In 2007, the fair value of share options for the Group amounted to DKK 8m. The fair value in 2007 for the programme allocated in 2006 are DKK 7m and for the programme allocated in 2007 the fair value are DKK 4m.
Fair values at the time of allocation are based on the Black & Scholes option pricing formula.

The following assumptions were applied in calculating the market value of outstanding share options at the time of allocation:

DKKm	2007	2006
Average share price (DKK) at the time of allocation	456.76	355.83
Exercise price (DKK)	0	0
Expected volatility	24.10%	17.90%
Expected maturity	4 years	4 years
Risk-free interest rate	3.90%	3.30%

The expected volatility is based on the average volatility of TrygVesta shares in 2007.

The expected maturity is 4 years, corresponding to the average of the exercise period of 3 to 5 years. The risk-free interest rate is based on a bullet loan with the same maturity as the expected maturity for the options at the time of allocation. The calculation is based on the strike price as set out in the option agreement and the average share price at the time of grant. The dividend payout ratio is not included in the calculation as the strike price is reduced by dividends paid in order to prevent recipients of option payments from being penalised for the company's dividend payments. The assumptions for calculating the market value at the end of the period are based on the same principles as for the market value at the time of allocation.

For outstanding options at 31 December 2007, the average term to maturity is 2.2 years and 3.2 years.

Employee shares
In 2007, TrygVesta granted employee shares at a discount to the market price to employees at all levels in the parent company and Danish subsidiaries. Employees of non-Danish branches were offered employee shares or alternatively a cash consideration. Each employee was offered 23 shares at a discount to the market price equal to DKK 25 DKK per share, equivalent to a total of 49,338 shares or around DKK 23m being granted to the employees. Senior executives received part of their bonus in the form of shares at a discount to the market price. In 2007, a total of 20,321 shares were granted at discount to the market price of DKK 25 per share or DKK 9m.
The grant of shares equalled 0.1% of the share capital.

The amount was provided in 2006 and did not affect the profit for 2007.

In 2007, TrygVesta offered its employees employee shares at a discount to the market price equal to DKK 25 per share subject to achievement of specific financial benchmarks for 2007. Employees of non-Danish branches were offered employee shares or an alternative cash consideration. Senior executives of TrygVesta may elect to receive part of their bonus for 2007 in the form of shares at a discount to the market price. Bonus will be granted in early 2008. Provisions have been made for the above obligations in 2007.

Notes

DKKm

SEGMENTS

6 Operating segments

	Private and Commercial Denmark		Private and Commercial Norway		Corporate	
	2007	2006	2007	2006	2007	2006
Gross premiums earned	6,490	6,390	4,490	4,509	5,285	4,921
Gross claims	-4,041	-4,215	-2,962	-2,866	-3,904	-3,322
Gross operating expenses	-1,086	-1,109	-936	-922	-504	-539
Profit/loss on business ceded	-87	-200	-82	-75	-172	-316
Technical interest, net of insurance	164	128	182	111	137	98
Technical result	1,440	994	692	757	842	842
Total return on investment activities after technical interest						
Other income and expenses						
Profit before tax						
Tax						
Profit on continued business						
Loss on discontinued and divested business						
Profit for the year						

	Private and Commercial Denmark		Private and Commercial Norway		Corporate	
	2007	2006	2007	2006	2007	2006
Investments in associates	0	0	0	0	0	0
Reinsurers' share of provision for unearned premiums	13	0	0	0	146	185
Reinsurers' share of provision for claims	62	-35	139	238	1,227	1,173
Other assets						
Total assets						
Provisions for unearned premiums	2,485	2,416	1,505	1,520	1,317	1,182
Provisions for claims	7,092	7,354	3,417	3,287	10,292	9,507
Provisions for bonuses and premium rebates	268	256	0	0	141	118
Provisions						
Debt						
Accruals and deferred income						
Total liabilities						

Description of segments

Please refer to 'Our business areas' for a description of our Operating segments.

Depreciation/amortisation is included in gross operating expenses. The group has decided not to present depreciation/amortisation separately, because they are managed at grouplevel and are therefore not allocated to the individual segments.

Other assets and liabilities are managed at group level and are therefore not allocated to the individual segments.
These amounts are thus included under 'Other'.

Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

A presentation of segments broken down by geography is provided in 'Financial highlights and key ratios by geography'.

	Finnish general insurance		Swedish general insurance		Other		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	251	198	90	4	0	-1	16,606	16,021
	-188	-155	-80	-6	0	0	-11,175	-10,564
	-125	-83	-95	-39	-23	-5	-2,769	-2,697
	-1	0	0	0	-1	0	-343	-591
	14	6	3	0	1	0	501	343
	-49	-34	-82	-41	-23	-6	2,820	2,512
							340	1,228
							-51	-31
							3,109	3,709
							-842	-624
							2,267	3,085
							-1	126
							2,266	**3,211**

	Finnish general insurance		Swedish general insurance		Other		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	0	0	0	0	19	18	19	18
	0	0	0	0	0	0	159	185
	0	0	0	0	0	0	1,428	1,376
					42,224	41,204	42,224	41,204
							43,830	**42,783**
	64	43	32	12	0	0	5,403	5,173
	172	132	33	4	98	126	21,104	20,410
	0	0	0	0	0	0	409	374
					1,569	1,512	1,569	1,512
					4,143	4,155	4,143	4,155
					91	109	91	109
							32,719	**31,733**

Notes

6 Technical result, net of reinsurance, by line of business

	Accident and health		Workmen's compensation		Healthcare	
	2007	2006	2007	2006	2007	2006
Gross premiums written	**1,615**	**1,401**	**1,487**	**1,207**	**112**	**60**
Gross premiums earned	1,551	1,379	1,424	1,181	74	54
Gross claims	- 841	- 983	- 1,514	- 1,071	- 108	- 50
Bonuses and premium rebates	- 16	- 11	0	0	0	0
Gross operating expenses	- 249	- 234	- 150	- 133	- 23	- 18
Profit/loss on ceded business	12	- 13	13	- 1	0	0
Technical interest, net of reinsurance	53	38	58	39	4	1
Technical result	**510**	**176**	**- 169**	**15**	**- 53**	**- 13**
Frequency	8.0%	7.2%	24.2%	21.0%	23.0%	8.8%
Average	22,582	26,010	70,177	72,056	20,942	9,319
Total	74,723	66,339	15,688	13,492	5,294	5,201

	Fire & contests (Private)		Fire and contests (commercial)		Change of ownership	
	2007	2006	2007	2006	2007	2006
Gross premiums written	**3,195**	**3,135**	**2,451**	**2,428**	**98**	**96**
Gross premiums earned	3,189	3,112	2,471	2,422	86	81
Gross claims	- 2,331	- 2,005	- 1,760	- 1,288	- 72	- 86
Bonuses and premium rebates	- 40	- 31	0	- 1	-1	0
Gross operating expenses	- 704	- 695	- 398	- 426	- 11	- 11
Profit/loss on ceded business	- 102	- 134	- 280	- 311	0	0
Technical interest, net of reinsurance	113	80	61	38	9	6
Technical result	**125**	**327**	**94**	**434**	**11**	**- 10**
Frequency	12.8%	11.5%	20.7%	19.6%	14.8%	14.3%
Average	11,239	10,839	49,224	44,212	8,193	9,621
Total	199,579	180,385	36,529	33,882	7,702	6,533

	Other insurance		Total		Norwegian Group Life [1)] One-year policies	
	2007	2006	2007	2006	2007	2006
Gross premiums written	**147**	**154**	**16,445**	**15,691**	**514**	**605**
Gross premiums earned	147	152	16,269	15,643	560	592
Gross claims	- 327	- 27	- 10,762	- 10,094	- 413	- 470
Bonuses and premium rebates	- 1	- 1	- 223	- 214	0	0
Gross operating expenses	- 8	- 8	- 2,703	- 2,627	- 66	- 70
Profit/loss on ceded business	- 5	0	- 340	- 588	- 3	- 3
Technical interest, net of reinsurance	0	- 1	478	328	23	15
Technical result	**- 194**	**115**	**2,719**	**2,448**	**101**	**64**
Average	377,446	43,397				
Total	834	824				

Motor TPL		Motor comprehensive		Marine aviation, and cargo	
2007	2006	2007	2006	2007	2006
2,416	**2,380**	**3,094**	**3,070**	**699**	**634**
2,402	2,419	3,100	3,084	699	628
- 757	- 1,668	- 1,982	- 1,816	- 586	- 454
- 13	- 14	- 93	- 133	- 11	- 14
- 386	- 366	- 461	- 423	- 92	- 92
- 13	- 23	0	- 2	156	- 63
76	48	71	46	1	9
1,309	**396**	**635**	**756**	**167**	**14**
5.9%	6.5%	20.7%	20.8%	10.0%	11.6%
20,817	24,291	10,759	10,120	81,703	61,779
75,637	78,586	186,909	176,489	6,781	7,393

Liability		Credit & guarantee insurance		Tourist assistance insurance	
2007	2006	2007	2006	2007	2006
724	**701**	**146**	**138**	**261**	**287**
712	709	146	140	268	282
- 271	- 451	1	24	- 214	- 219
- 48	- 9	0	0	0	0
- 126	- 140	- 41	- 42	- 54	- 39
- 88	- 3	- 32	- 36	- 1	- 2
21	14	4	4	7	6
200	**120**	**78**	**90**	**6**	**28**
10.6%	11.1%	0.7%	1.1%	7.1%	11.7%
46,661	50,958	48,061	925,145	7,192	3,949
8,589	8,787	19	26	10,435	16,567

Notes

DKKm		2007	2006
7	**Interest and dividends, etc.**		
	Dividends	168	183
	Interest expenses	-88	-94
	Interest income	1,214	922
		1,294	**1,011**
8	**Market value adjustment**		
	Equity investments	99	764
	Unit trust units	-80	26
	Bonds	25	-115
	Interest derivatives	-56	5
	Investment property	107	190
	Owner-occupied property	14	0
	Discounting	298	368
	Other balance sheet items	8	-12
		427	546
		415	**1,226**
	Market value gains	1,861	1,757
	Market value losses	-1,446	-531
	Market value adjustment, net	**415**	**1,226**

Exchange rate adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement amounts to DKK 73m (2006 DKK 1m).

		2007	2006
9	**Reconciliation of tax expenses**		
	Tax on profit for the year	-777	-1,037
	Difference between Danish and foreign tax rate	-39	0
	Prior-year tax adjustment	13	28
	Change in tax rate in Denmark	20	0
	Tax on non-taxable income and expenses	-2	226
	Change in valuation of tax assets	-42	-22
	Other taxes	-15	0
	Tax on ledger account	0	181
		-842	**-624**
	Effective tax rate	%	%
	Tax on profit for the year	25	28
	Difference between Danish and foreign tax rate	1	0
	Prior-year tax adjustment	0	-1
	Change in tax rate in Denmark	-1	0
	Tax on non-taxable income and expenses	0	-6
	Change in valuation of tax assets	1	1
	Other taxes	1	0
	Tax on ledger account	0	-5
		27	**17**

cf 'TrygVestas Financial performance 2007' in 'Management's report' for further information regarding the tax expense.

DKKm	2007	2006
10 Profit/loss on discontinued and divested business		
Earned premiums, net of reinsurance	0	4
Technical interest, net of reinsurance	3	-1
Claims incurred, net of reinsurance	-1	119
Insurance operating expenses, net of reinsurance	-3	-25
Technical result	-1	97
Return on investment activities after technical interest	0	63
Profit/loss before tax	-1	160
Tax	0	-34
	-1	**126**

Claims incurred includes in 2006 a DKK 139m gain in connection with the commutation of the reinsurance agreement with Chevanstell Limited.

The technical result of discontinued and divested business is specified by lines of business as follows:

	Accident and health		Marine, aviation and cargo		Other insurance [1]		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross premiums written	**0**	**0**	**0**	**1**	**0**	**2**	**0**	**3**
Gross premiums earned	0	0	0	1	0	2	0	3
Gross claims	0	7	0	15	-1	232	-1	254
Gross operating expenses	0	-1	0	-2	-3	-21	-3	-24
Profit/loss on ceded business	0	-7	0	-14	0	-113	0	-134
Technical interest, net of reinsurance	0	0	0	3	3	-5	3	-2
Technical result	**-**	**-1**	**-**	**3**	**-1**	**95**	**-1**	**97**

[1] The line of business 'Other insurance' includes indirect insurance.

DKKm	2007	2006
11 Intangible assets		
Cost		
Balance 1 January	373	238
Exchange rate adjustment	4	-4
Transferred to operating equipment	-1	0
Additions during the year	175	139
Disposals during the year	-23	0
Balance 31 December	528	373
Amortisation and writedowns		
Balance 1 January	-153	-103
Exchange rate adjustment	-3	3
Amortisation for the year	-56	-53
Reversed amortisation	19	0
Balance 31 December	-193	-153
Carrying amount 31 December	**335**	**220**

Intangible assets under development amounts to total DKK 220m (DKK 125m in 2006). Additions for internally developed expenses amount to DKK 22m (DKK 5m in 2006). Amortisation is recognised in the income statement under insurance operating expenses and claims incurred.

Notes

DKKm		2007	2006
12	**Operating equipment**		
	Cost		
	Balance 1 January	243	303
	Exchange rate adjustment	1	-1
	Transferred from intangible assets	1	0
	Additions during the year	43	49
	Disposals during the year	-59	-108
	Balance 31 December	229	243
	Depreciation and impairment writedowns		
	Balance 1 January	-145	-194
	Exchange rate adjustment	-1	1
	Depreciation for the year	-31	-43
	Reversed depreciation	28	91
	Balance 31 December	-149	-145
	Carrying amount 31 December	**80**	**98**

Amortisation is recognised in the income statement under insurance operating expenses and claims incurred.

DKKm		2007	2006
13	**Owner-occupied property**		
	Cost		
	Balance 1 January	317	322
	Exchange rate adjustment	10	-9
	Additions during the year	0	4
	Disposals during the year	-9	0
	Balance 31 December	318	317
	Accumulated value adjustments		
	Balance 1 January	12	8
	Value adjustment for the year at revalued amount in profit and loss	-17	0
	Value adjustment for the year at revalued amount in equity	-3	4
	Balance 31 December	-8	12
	Accumulated depreciation		
	Balance 1 January	-3	-1
	Depreciation for the year	-1	-2
	Balance 31 December	-4	-3
	Balance at revalued amount at 31 December	**306**	**326**

Amortisation is recognised in the income statement under insurance operating expenses and claims incurred.

External experts were not involved in valuing owner-occupied property.

In establishing the market value of the properties, the following return percentages were used for each property category:

	Lowest percentage 2007	Average percentage 2007	Highest percentage 2007
Office property	7.00	7.83	7.90

	Lowest percentage 2006	Average percentage 2006	Highest percentage 2006
Office property	7.00	7.20	7.20

DKKm		2007	2006
14	**Investment property**		
	Fair value 1 January	2,127	1,726
	Exchange rate adjustment	13	-13
	Additions during the year	23	235
	Disposals during the year	-5	-5
	Value adjustment for the year	105	184
	Fair value 31 December	**2,263**	**2,127**

Total rental income for 2007 was DKK 160m (DKK 145m in 2006).

Total expenses for 2007 were DKK 43m (DKK 44m in 2006). Of this amount, unlet property represented DKK 1m (DKK 2m in 2006), so the total expenses for investment property generating rental income were DKK 42m (DKK 42m in 2006).

External experts were not involved in valuing investment property.

In establishing the market value of the properties, the following return percentages were used for each property category.

	Lowest percentage 2007	Average percentage 2007	Highest percentage 2007
Business property	7.00	7.27	7.50
Office property	3.75	6.57	7.50
Residential property	4.00	5.30	6.00

	Lowest percentage 2006	Average percentage 2006	Highest percentage 2006
Business property	7.00	7.30	7.50
Office property	3.80	6.50	7.50
Residential property	3.50	4.80	6.00

Notes

DKKm		2007	2006
15	**Investments in associates**		
	Cost		
	Balance 1 January	0	14
	Additions during the year	0	-14
	Balance 31 December	0	0
	Revaluations at net asset value		
	Balance 1 January	18	16
	Revaluations during the year	1	2
	Balance 31 December	19	18
	Carrying amount 31 December	**19**	**18**

Shares in associates according to the lastest financial statements:

2007 Name and registered office	Assets	Liabilities	Shareholders' Equity	Revenue	Profit/Loss of the year	Ownership share in %
Komplementarselskabet af 1. marts 2006 ApS, DK	0	0	0	0	0	50
Bilskadeinstituttet AS, Norway	4	0	4	1	0	30
Edsvåg Fabrikker AS, Norway	40	5	35	17	5	28

2006 Name and registered office	Assets	Liabilities	Shareholders' Equity	Revenue	Profit/Loss of the year	Ownership share in %
Komplementarselskabet af 1. marts 2006 ApS, DK	0	0	0	0	0	50
Bilskadeinstituttet AS, Norway	5	0	4	1	0	30
Edsvåg Fabrikker AS, Norway	34	3	31	14	3	28

A individual estimate of the degree of influence referring to the agreed contracts are made.

DKKm		2007	2006
16	**Financial investment assets**		
	Financial assets at fair value with value adjustment in the income statement, cf. IAS 39	35,844	36,052
	Receivables at amortized costs	2,555	1,776
		38,399	**37,828**
	Financial assets at fair value with value adjustment in the income statement		
	Trading porfolio:		
	Bonds	30,294	28,663
	Contains of:		
	Cash allocated to portfolio management	-246	-228
	Unsettled securities trading	1,063	1,158
	Deposits, derivatives etc.	-302	749
		30,809	30,342
	Shares	4,445	5,384
	Cash in hand, Deposits and other investment assets	609	344
	Total other financial investment assets, cash and investments in associates in accordance with the balance sheet	**35,863**	**36,070**

The Bond and share portfolio includes unit trusts in which the underlying assets are bonds and shares. In addition, the amounts include liquid assets allocated to the portfolio manager, money market deposits and debt and receivables from unsettled investment transactions.

		Adjusted duration of bond portfolio
Bond portfolio	**2007**	**2006**
Due in 1 year or less	12,112	19,220
Due after 1 years through 5 years	15,293	9,698
Due after 5 years through 10 years	3,386	1,291
Due after more than 10 years	18	133
Total	**30,809**	**30,342**

The Bond portfolio includes unit trusts in which the underlying assets are bonds.

The option adjusted duration is used to measure duration. The option adjustment relates primarily to Danish mortgage bonds and reflects the expected duration-shortening effect of the borrower's option to cause the bond to be redeemed through the mortgage institution at any point in time.

Notes

DKKm

16 Maturity of the group's interest-bearing financial assets and debt

2007	Total	0-1 year	1-5 years	> 5 years	Effective interest rate	Adjusted duration
Bonds	30,809	5,257	18,326	7,226	5.3	1.9
Cash in hand and at bank	601	601	0	0	4.2	0
Debt	-1,700	-2	-597	-1,101	5.6	0
Receivables	2,555	2,555	0	0	-	-
	32,265	**8,411**	**17,729**	**6,125**		

Maturity of the group's interest-bearing financial assets and debt

2006	Total	0-1 year	1-5 years	> 5 years	Effective interest rate	Adjusted duration
Bonds	30,342	9,321	13,882	7,139	4.2	1.3
Cash in hand and at bank	338	338	0	0	3.7	0
Debt	-1,764	-65	-600	-1,099	5.1	0
Receivables	1,776	1,776	0	0	-	-
	30,692	**11,370**	**13,282**	**6,040**		

The duration of interest-bearing debt is stated at zero as such debt is measured at amortised cost and is not subject to value adjustment.

The note should be seen in conjunction with the expected cash flow from the Group's provisions for unearned premiums and provisions for claims, see note 21. Please refer to the part 'Interest risk' in 'Risk management' in the 'Management report'.

	2007	2006
Listed shares		
Scandinavia	975	1,161
United Kingdom	718	874
Rest of Europe	1,160	1,477
United States	828	1,245
Asien etc.	527	418
Total	**4,208**	**5,175**
The portfolio of unlisted shares totals	237	209

Unlisted Equity investments is measured on estimated fair value, cf 'Accounting policies'

Exposure to exchange rate risk 2007	Properties	Bonds	Shares	Insurance, etc.	Hedge	Exposure
USD	0	1,116	688	-251	-1,535	18
EUR	0	2,018	1,308	-1,136	-2,101	89
GBP	0	472	570	-1	-983	58
NOK	786	8,352	1,007	-5,756	-4,256	133
Other	0	4	642	-9	-619	18
Total	**786**	**11,962**	**4,215**	**-7,153**	**-9,494**	**316**

Exposure to exchange rate risk 2006	Properties	Bonds	Shares	Insurance, etc.	Hedge	Exposure
USD	0	1,217	1,245	-184	-2,080	198
EUR	0	1,987	1,443	-913	-2,214	303
GBP	0	537	873	103	-1,432	81
NOK	724	8,947	432	-5,230	-4,449	424
Other	0	0	611	53	-595	69
Total	**724**	**12,688**	**4,604**	**-6,171**	**-10,770**	**1,075**

Please refer to Market risk in the section headed Risk management in the Management's report.

DKKm	2007	2006

16 Sensitivity information

Impact on shareholders' equity from the following changes.

	2007	2006
Interest rate increase of 0.7-1.0 pct. point	-2	68
Interest rate fall of 0.7-1.0 pct. point	27	-56
Equity price fall of 12%	533	646
Fall in property prices of 8%	214	201
Exchange rate risk (VaR 99.5)	8	17
Loss on counterparties of 8%	220	220

The impact on the income statement is similar to the impact on shareholders' equity.
The calculation is made in accordance with the disclosure requirements of the executive order issued by the Danish FSA on the presentation of financial reports by insurance companies and profession-specific pension funds.
Please refer to the part 'Risk management' for an elaboration of risk management and risk exposure

Derivative financial instruments	2007		2006	
Derivatives with value adjustment in the income statement according to IAS 39:				
Fair value:	**Gross**	**Net**	**Gross**	**Net**
Interest derivatives	3,659	-7	15,903	0
inflation derivatives	681	26	0	0
Exchange rate derivatives	9,494	205	11,201	114

Derivative financial instruments used in connection with hedging of foreign subsidiaries:	**Gains**	**Losses**	**Net**
Gains and losses on hedges charged to equity at 1 January	107	-119	-12
Reversed hedges in profit and loss	37	0	37
Gains and losses on hedges charged to equity in the period	0	-135	-135
Gains and losses on hedges charged to equity at 31 December	**144**	**-254**	**-110**

	2007	2006
Receivables		
Receivables from insurance enterprises	1,410	1,487
Receivables from subsidiaries	0	27
Exchange and inflation rate derivatives	190	73
Unsettled transactions	794	0
Other receivables	161	189
	2,555	**1,776**
Specification of writedowns on receivables		
Balance at 1 January	129	148
Writedowns and reversed writedowns for the year	-23	-19
Balance at 31 December	**106**	**129**

Reversed impairment losses are estimated at around DKK 20-30m annually, but may vary due to major cases/disputes.
Please refer to the part 'Credit risk' in 'Risk management' in the 'Management report'.

Notes

DKKm		2007	2006
17	**Reinsurer's share**		
	Reinsurer's share	1,609	1,592
	Writedowns after impairment test	-22	-31
		1,587	**1,561**

Writedowns during the year include reversed writedowns totalling DKK 12m (2006: DKK 6m).

		2007	2006
18	**Current tax**		
	Current tax, beginning of year	186	277
	Exchange rate adjustment	8	-6
	Current tax for the year	746	649
	Tax booked on equity	-24	30
	Tax paid during the year	-673	-764
	Net current tax, end of year	**243**	**186**
	Current tax is recognised in the balance sheet as follows:		
	Under assets, current tax	93	43
	Under liabilities, current tax	336	229
	Net current tax, end of year	**243**	**186**

19 Shareholders' equity

Share capital	2007		2006	
Issued shares	**No. of shares**	**Nominal value (DKK'000)**	**No. of shares**	**Nominal value (DKK'000)**
Balance at 1 January	67,790,001	1,694,750	68,000,000	1,700,000
Bought during the year	-221,200	-5,530	-247,440	-6,186
Sold during the year	69,677	1,742	37,441	936
Balance at 31 December	**67,638,478**	**1,690,962**	**67,790,001**	**1,694,750**

	2007			2006		
Treasury shares	**No. of shares**	**Nominal value (DKK'000)**	**% of share capital**	**No. of shares**	**Nominal value (DKK'000)**	**% of share capital**
Balance at 1 January	209,999	5,250	0.30	0	0	0
Bought during the year	221,200	5,530	0.33	247,440	6,186	0.36
Used in connection with issue of employee shares	-69,677	-1,742	-0.10	-37,441	-936	-0.06
Balance at 31 December	**361,522**	**9,038**	**0.53**	**209,999**	**5,250**	**0.30**

Pursuant to the authorisation granted by the shareholders in general meeting, TrygVesta A/S may acquire up to a maximum of nom. DKK 170m worth of treasury shares, corresponding to 10.0% of the share capital in the period until the next annual general meeting in 2008.

In 2007, Tryg Vesta acquired treasury shares worth nom. DKK 5,530k, corresponding to 221,200 shares at a total cost of DKK 96,533k.

Treasury shares are acquired for use in the Group's incentive programme.

DKKm		2007	2006
19	**Capital adequacy**		
	Shareholders' equity according to annual report	10,010	9,951
	Subordinate loan capital	637	365
	Proposed dividend	-1,156	-2,244
	Solvency requirements to subsidiary undertakings	-3,681	-4,557
	Own shares	-143	0
	Capital base	**5,667**	**3,515**
	Weighted assets	**7,030**	**6,064**
	Solvency pct.	**81**	**58**

The capital base and the solvency ratio are calculated in accordance with the Danish Financial Business Act. TrygVesta manages its capital requirement as described in "Capitalisation" in the management's report.

20 Subordinated loan capital

In december 2005, TrygVesta Forsikring A/S raised a subordinate bond loan for EUR 150m at the price of 99,017. The loan carries a fixed rate og interst at 4,5 % p.a. untill 2015, where it can be repaid. After that time, it will carry interest at 2.1% above EURIBOR untill it expires in 2025. The loan is measured at amortised cost, and when the loan was raised capital losses and costs were deducted with DKK 18m at the balance sheet date. The fair value of the loan at the balance sheet date is DKK 1,041m (in 2006 DKK 1,071m) based on a price of 93,12 (in 2006 a price of 95.79). The price is sourced from Bloomberg, which applies a group of market players as its data sources.

The loan is an interest-only loan, and the lender has no option to call the loan or otherwise terminate the loan agreement with TrygVesta Forsikring A/S. The loan is automatically accelerated upon the liquidation or bankruptcy of TrygVesta Forsikring A/S.

Notes

DKKm

21 Provisions for claims

Gross		**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	
Estimated accumulated claims	0	12,585	11,533	11,736	11,001	10,663	11,234	9,168	8,537	
	1		11,789	11,635	11,008	10,769	11,587	9,403	8,863	
	2			11,464	10,865	10,434	11,589	9,598	9,072	
	3				10,751	10,431	11,644	9,709	9,277	
	4					10,459	11,636	9,640	9,364	
	5						11,544	9,631	9,494	
	6							9,843	9,246	
	7								9,366	
		12,585	11,789	11,464	10,751	10,459	11,544	9,843	9,366	87,801
Cumulative payments to date		-5,787	-7,695	-8,554	-8,389	-8,643	-9,976	-8,746	-8,598	-66,388
Discounting		-770	-591	-463	-380	-329	-296	-225	-169	-3,223
Reserves from 1999 and prior years										2,571
Other reserves										343
Gross provisions for claims, end of year										21,104

Ceded business		**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	
Estimated accumulated claims	0	513	294	944	861	938	2,035	1,446	1,435	
	1		293	838	874	898	2,142	1,460	1,550	
	2			843	915	895	2,025	1,466	1,514	
	3				914	955	2,019	1,481	1,539	
	4					872	2,017	1,455	1,573	
	5						2,031	1,441	1,568	
	6							1,449	1,564	
	7								1,572	
		513	293	843	914	872	2,031	1,449	1,572	8,487
Cumulative payments to date		-139	-147	-721	-736	-769	-1,768	-1,371	-1,506	-7,157
Discounting		-7	-7	-16	-36	-20	-34	-17	-7	-144
Reserves from 1999 and prior years										180
Other reserves										62
Provisions for claims, end of year										1,428

Net of reinsurance		**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	
Estimated accumulated claims	0	12,072	11,239	10,792	10,140	9,725	9,199	7,722	7,102	
	1		11,496	10,797	10,134	9,871	9,445	7,943	7,313	
	2			10,621	9,950	9,539	9,564	8,132	7,558	
	3				9,837	9,476	9,625	8,228	7,738	
	4					9,587	9,619	8,185	7,791	
	5						9,514	8,190	7,926	
	6							8,394	7,682	
	7								7,794	
		12,071	11,496	10,621	9,837	9,587	9,514	8,394	7,794	79,314
Cumulative payments to date		-5,647	-7,548	-7,833	-7,653	-7,875	-8,208	-7,375	-7,092	-59,231
Discounting		-764	-585	-446	-344	-309	-262	-208	-161	-3,079
Reserves from 1999 and prior years										2,391
Other reserves										281
Provisions for claims, net of reinsurance, end of the year										19,676

The table consists of figures for TrygVesta Forsikring A/S and TrygVesta Forsikring, norwegian branch of TrygVesta Forsikring A/S. Other group units are included in the item "Other", which comprises the provisions for claims for TrygVesta Garantiforsikring A/S, travel and health insurance and the Finnish and Swedish business units.

21 The amounts in foreign currency in the table are converted to Danish kroner according to the exchange rate at 31 December to prevent the impact of exchange rate fluctuation.

The accident-year 2000 is influenced by Chevanstell, which at that time operated under the name TBi UK in the London market. The impact derives from the stop-loss agreement between Tryg Forsikring A/S and Chevanstell Ltd. in 2000 to cover business written before 2000, and which was terminated after the divestment of Chevanstell. Until 2005, there was an increase in claims incurred, and in 2006 the divestment had a positive impact.

The inclusion of the Zurich portfolio acquired in 2002 and, to a minor extent, the Allianz portfolio acquired in 2001, has an impact on the figures. When the liabilities of these portfolios appear in the triangulation the ultimate liability for the preceding accident years is increased with effect from the financial year in question, whereas already existing liabilities concerning previous financial years remain unchanged. The combined impact of the two acquisitions amounts to DKK 210m gross and DKK 200m net of reinsurance.

After the introduction of variable interest rate discounting of danish Workers Compensation annuities, inflatoin explicitly influence claim ultimates from 2007 onwards. In previous calender years the inflation element is partially offset by the use of discounting with a real rate of interest. Hence undiscounted claim ultimates are adversely affected in 2007 by totally DKK 1,271m.

DKKm		**2007**	
Provisions for claims	**Gross**	**Ceded**	**Net**
Total, beginning of period	20,068	1,312	18,756
Market value adjustment of provisions, beginning of period	276	38	238
	20,344	1,350	18,994
Paid in the financial year in respect of the current year	-5,786	-139	-5,647
Paid in the financial year in respect of prior years	-5,343	-348	-4,995
	-11,129	-487	-10,642
Change in claims in the financial year in respect of the current year	11,680	504	11,176
Change in claims in the financial year in respect of prior years	-740	-11	-729
	10,940	493	10,447
Discounting [3]	606	10	596
Provisions for claims, end of year [1]	20,761	1,366	19,395
Other [2]	343	62	281
	21,104	**1,428**	**19,676**
		2006	
	Gross	**Ceded**	**Net**
Total, beginning of period	19,788	1,644	18,144
Market value adjustment of provisions, beginning of period	-266	-42	-224
	19,522	1,602	17,920
Paid in the financial year in respect of the current year	-5,030	-107	-4,923
Paid in the financial year in respect of prior years	-4,895	-421	-4,474
	-9,925	-528	-9,397
Change in claims in the financial year in respect of the current year	10,834	283	10,551
Change in claims in the financial year in respect of prior years	-453	-41	-412
	10,381	242	10,139
Discounting [3]	90	-4	94
Provisions for claims, end of year [1]	20,068	1,312	18,756
Other [2]	342	64	278
	20,410	**1,376**	**19,034**

[1] The table consists of figures for TrygVesta Forsikring A/S and TrygVesta Forsikring, norwegian branch of TrygVesta Forsikring A/S.
[2] Comprises provisions for claims for TrygVesta Garantiforsikring A/S, travel and health, and our Finnish and Swedish business units.
[3] Discounting also includes exchange rate adjustments.
Comparative figures for 2006 have been restated to method of new unwinding. See note 1 'Changes in Accounting policies'.

Notes

DKKm

21

2007	**Carrying amount** Total	**Expected cash flow** 0-1 year	1-2 years	2-3 years	> 3 years
Provisions for unearned premiums, gross	5,303	5,100	68	41	94
Provisions for unearned premiums, ceded	-158	-158	0	0	0
Provisions for claims, gross	20,761	7,906	3,644	2,380	6,831
Provisions for claims, ceded	-1,366	-534	-196	-137	-499

2006	**Carrying amount** Total	**Expected cash flow** 0-1 year	1-2 years	2-3 years	> 3 years
Provisions for unearned premiums, gross	5,116	4,879	54	36	147
Provisions for unearned premiums, ceded	-184	-184	0	0	0
Provisions for claims, gross	20,068	7,422	3,948	2,507	6,191
Provisions for claims, ceded	-1,312	-525	-167	-125	-495

The table consists of figures for TrygVesta Forsikring A/S and TrygVesta Forsikring, norwegian branch of TrygVesta Forsikring A/S,

The note should be seen in conjunction with the maturity of the group's interest-bearing financial assets and liabilities, see note 16. Please refer to the part 'Risk management' for an elaboration of risk management and risk exposure.

DKKm		2007	2006
22	**Pensions and similar obligations**		
	Other benefits	43	30
	Recognised obligation, end of year	**43**	**30**
	Defined benefit pension plans		
	Present value of pension obligations funded through operations	129	123
	Present value of pension obligations funded through establishment of funds	1,163	1,175
	Gross pension obligation	1,292	1,298
	Fair value of plan assets	932	825
	Net pension obligation	**360**	**473**
	Specification of change in recognised pension obligations:		
	Recognised pension obligation, beginning of year.	1,298	1,362
	Exchange rate adjustment	43	-41
	Present value of amounts accumulated during the year	60	65
	Capital costs of previously accumulated pensions	56	49
	Actuarial gains/losses	-105	-91
	Paid during the period	-46	-44
	Change in recognised employers' nat. ins. contribution	2	-2
	Effect associated with optional shift to contribution pension plan	-16	0
	Recognised pension obligation, end of year	**1,292**	**1,298**
	Change in carrying amount of plan assets:		
	Carrying amount of plan assets, beginning of year	825	727
	Exchange rate adjustment	27	-22
	Investments in 2006	87	92
	Estimated return on pension funds	43	33
	Actuarial gains/losses	-9	26
	Paid during the period	-32	-31
	Effect associated with optional shift to contribution pension plan	-9	0
	Carrying amount of plan assets, end of year	932	825
	Total pensions and similar obligations, end of year	**360**	**473**
	Total recognised obligation, end of year	**403**	**503**
	Pension cost recognised in the income statement:		
	Pension costs concerning current financial year	60	67
	Calculated interest concerning obligation	56	51
	Expected return on plan assets	-43	-34
	Pension costs concerning previous financial years	10	11
	Effect associated with optional shift to contribution pension plan	-7	0
	Total amount recognised	**76**	**95**
	The premium for the following financial year is estimated at:	103	103
	Estimated distribution of plan assets:		
		%	%
	Shares	18	20
	Bonds	66	64
	Property	16	16
	Average return on plan assets	8.2	7.6

Notes

		2007	2006
22	*Assumptions used*	*%*	*%*
	Discount rate	5.2	4.7
	Estimated return on pension funds	6.2	5.8
	Salary adjustment	4.5	4.5
	Pension adjustment	4.3	4.3
	G Adjustment	4.3	4.3
	Turnover	7.0	8.0
	Employers' nat. ins. contribution	14.1	14.1
	Take up of the AFP Early Retirement Plan	20.0	20.0
	Mortality table	Adjusted K1963	Adjusted K1963

DKKm	2007	2006	2005
Pension obligation	1,292	1,298	1,362
Plan assets	932	825	727
Surplus/deficit	360	473	635
Actuarial gains/losses associated with the pension obligation	104	90	-136
Actuarial gains/losses associated with pension assets	-10	26	18

The pension liability related to participation by the Norwegian member of the Group Executive Management in the Norwegian defined benefit pension plan is DKK 1.7m, 31.12. 2007.

"The Group's Swedish branch complies with the industry pension agreement, the FTP plan, which is insured with Försäkringsbranschens Pensionskassa - FPK.

Under the terms of the agreement, the Group's Swedish branch has undertaken, along with the other businesses in the collaboration, to pay the pensions of the individual employees in accordance with the applicable rules.

The FTP plan is primarily a defined benefit plan in terms of the future pension benefits. FPK is unable to provide sufficient information for the Group to use defined benefit accounting. For this reason, the Group has accounted for the plan as if it were a defined contribution plan in accordance with IAS 19.30.

The premium paid to FPK in 2007 amounted to DKK 1.0m, which is less than 1 % of the annual premium in FPK (2006). FPK writes in its half-year report for 2007 that it had a collective consolidation ratio of 131 at 30 June 2007 (118 at 30 June 2006). The collective consolidation ratio is defined as the market value of the plan assets relative to the total collective pension obligations.

DKKm		2007	2006
23	**Deferred tax**		
	Tax asset		
	Operating equipment	84	104
	Debt and provisions	0	122
	Bonds and loans secured by mortgages	84	9
		168	**235**
	Tax liability		
	Land and buildings	157	111
	Contingency funds	1,021	945
	Debt and provosions	35	0
	Shares etc.	0	99
	Intellectual property rights	64	39
		1,277	**1,194**
	Deferred tax, end of year	**1,109**	**959**
	Unaccrued deferred tax assets of liability of shares ect.	102	-102
	Unaccrued deferred tax assets of liabiliaty of balancesheets items	6	0
	Reconciliation of deferred tax, beginning of year		
	Deferred tax, beginning of year	959	939
	Exchange rate adjustment	27	-20
	Change in tax rate in Denmark	-20	73
	Change in deferred tax taken to the income statement	119	0
	Change in deferred tax taken to equity	24	-33
		1,109	**959**
	Non-capitalised tax loss		
	Denmark	72	72
	Sweden	105	41
	Finland	142	84

The loss in TrygVesta A/S cannot be utilised in the Danish joint taxation scheme.
The loss can be carried forward indefinitely.

Under Finnish rules, losses may be carried forward for ten years and under Swedish rules, losses may be carried forward indefinitely.

The total current and deferred tax relating to items recognised in equity is recognised in the balance sheet in the amount of DKK -4m (2006 DKK 35m).

No deferred tax is associated with investments in subsidiaries (2006 DKK 0m).

Notes

DKKm		2007	2006
24	**Other provisions**		
	Other provisions, beginning of year	50	41
	Change in provisions	7	9
	Other provisions, end of year	**57**	**50**

Other provisions primarily includes own insurance contracts

25	**Debt to credit institutions**		
	Bank loans	597	596
	Bank overdrafts	2	69
		599	**665**
	Debt falling due within one year	2	69
	Debt falling due after more than five years	0	0

In 2005, a consortium of banks granted TrygVesta A/S a loan facility for DKK 2,000m, of which DKK 600m had been utilised at 31 December 2007.
In 2007, the loan carried interest at CIBOR plus a margin, totalling approximately 4,4% p.a.
The unutilised part of the loan facility is measured at amortised cost, and an amount of DKK 5m was deducted from the loan proceeds upon signing the loan agreement.
The cost are depreciated linear until the loan facility expires in July 2010.
The fair value of the loan is considered to be the utilised part of the facility of DKK 600m.

26	**Other debt**		
	Unsettled transactions	1,857	1,160
	Interest derivatives	8	5
	Repo debt	0	750
	Other debt	732	774
		2,597	**2,689**
	Debt falling due after more than five years	0	0

27 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year and the profit/loss from discontinued and divested business by the total average number of shares.
The company has not issued warrants, convertible debt instruments or the like.
The issued share options will not be exercised before at least in 2009, therefore, there is no difference between basic EPS and diluted EPS.

	2007	2006
Profit/loss for the period from continuing business	2,267	3,085
Average number of shares	67,648	67,824
Basic earnings per share of DKK 25	34	45
Profit/loss for the period from discontinued and divested business	-1	126
Average number of shares	67,648	67,824
Basic earnings per share of DKK 25	0	2

DKKm

28 Contractual obligations, contingent liabilities and collateral

	Payment due by period				
				More than	
	< 1 year	1-3 years	3-5 years	5 years	Total
Operating leases	108	213	187	1,260	1,768
Other contractual obligations	348	314	0	0	662
	456	**527**	**187**	**1,260**	**2,430**

The amounts include the following.
TrygVesta Forsikring A/S and TrygVesta Forsikring, norwegian branch of TrygVesta Forsikring A/S have signed an operating agreement with CSC for an amount of DKK 558m for a period of 5 years.

TrygVesta Forsikring A/S has an annual obligation to Danica Pension with respect to the lease of the head office in Ballerup. The annual rent and taxes currently amount to DKK 80m. The remaining lease period is 18 years. The leasing contract contains the right to completely or partly rent out or completely or partly disposal by providing guarantee.

TrygVesta Forsikring A/S has signed a portfolio management contract for DKK 60m. The contract expires in 2010.
TrygVesta Forsikring A/S has signed a car leasing contrakt with NF Fleet for DKK 30m. The contract expires in 2012.

The Danish companies in TrygVesta group are jointly taxed with Tryg i Danmark smba. Until 2004, the companies were jointly and severally liable for the entire amount. From 2005, the companies are only liable for their own part of the tax amount.

Most of the Danish companies in TrygVesta group are commonly registered for VAT and payroll tax and are jointly and severally liable for payment of all such direct and indirect taxes.

In connection with the sale of Chevanstell Limited, TrygVesta Forsikring A/S issued few specific guarantees towards the buyer. Management believes that it is unlikely that these guarantees will result in a financial loss for TrygVesta Forsikring A/S.

Companies of the TrygVesta group are part of some disputes. Management believes that the outcome of these legal proceedings will not affect the Group's financial position beyond those receivables and obligations recognised in the balance sheet.

Notes

DKKm	2007	2006
29 Related parties		
Supervisory Board and Group Executive Management		
Premium income		
- Parent company (Tryg i Danmark smba)	0.2	0.1
- Key management	0.4	0.4
- Other related parties	17.3	6.2
Claims paid		
- Parent company (Tryg i Danmark smba)	0.2	0.1
- Key management	0.3	0.0
- Other related parties	43.6	0.5
Guarantee agreements with related parties		
- Account	1,950	1,645
- Exercised, end of year	885	1,265
- Premium	3	3

Outstanding guarantees cover the policyholders' financial obligations pursuant to the contract. Following an individual assessment, all guarantees are issued without additional security. The company has full recourse against the individual companies.

No provisions have been made for non-performing guarantees and no expenses were incurred during the financial year.

Guarantee agreements are made on market terms.

Leases with related parties
Transactions with related parties also comprise rental income as premises are being let to a member of the board on market terms.

	2007	2006
Specification of remuneration, etc.		
Supervisory Board	-4	-4
Group Executive Management	-25	-26
	-29	**-30**
Remuneration, etc. includes pension contributions		
Supervisory Board	0	0
Group Executive Management	-5	-3
	-5	**-3**

DKKm

29 Members of the Supervisory Board of TrygVesta A/S do not receive bonuses and are not participants in any severance plans.
The Group Executive Management has a bonus scheme for up to 3 months' salary, however, the CEO has up to 4 months' salary, and participate ind the share option programme as mentioned in Corporate governance. Other than that, there are no incentive plans for the Supervisory Board and Group Executive Management.

If a member of the Group Executive Management is given notice of termination by TrygVesta and such termination is not due to breach on the part of the member of the Group Executive Management, such member is entitled to cash severance pay equal to 12 to 18 months' fixed salary inclusive of pension contribution and taxed benefits. Severance pay is paid at expiry of the period of notice.
Members of the Group Executive Management can raise no further claims in this respect, including claims for compensation pursuant to sections 2a and/or 2b Salaried Employees Act, as such claims are included in the severance pay.

Parent company
Tryg i Danmark smba
Tryg i Danmark smba controls 60% of the shares in TrygVesta A/S.

Intra-group trading involved		
- Providing and receiving services	0	4
- Intra-group account	0	27
- Interest	0	1
- Sale of unlisted shares	15	0

Insurance products are purchased and sold on market terms
Assets are transferred on market terms

Administration fee, etc. is fixed on a cost-recovery basis.
Intra-group accounts are offset and carry interest on market terms.

The TrygVesta companies have entered into reinsurance contracts on market terms.

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

Income statement for TrygVesta A/S (parent company)

DKKm		2007	2006
Notes	**Investment activities**		
2	Income from subsidiaries	2,396	3,219
	Income from associates	0	5
	Interest income, etc.	0	1
	Value adjustment	-1	-1
	Interest expenses	-30	-35
	Investment management charges	-4	-5
	Total return on investment activities	**2,361**	**3,184**
3	Other expenses	-48	-36
	Profit before tax	**2,313**	**3,148**
4	Tax	21	17
	Profit on continuing business	**2,334**	**3,165**
5	Profit/loss on discontinued and divested business	-1	126
	Profit for the year	**2,333**	**3,291**
	Proposed distribution for the year:		
	Dividend	1,156	2,244
	Transferred to Net revaluation as per equity method	79	1,782
	Transferred to Retained profits	1,098	-735
		2,333	**3,291**

Balance sheet for TrygVesta A/S (parent company)

Notes	DKKm	2007	2006
	Assets		
6	Investments in subsidiaries	10,732	10,643
7	Investments in associates	0	0
	Total investments in subsidiaries	**10,732**	**10,643**
	Total investment assets	**10,732**	**10,643**
8	Current tax assets	21	3
	Cash in hand and at bank	1	3
9	Deferred tax assets	0	0
	Total other assets	**22**	**6**
	Total prepayments and accrued income	**7**	**0**
	Total assets	**10,761**	**10,649**
	Liabilities		
	Shareholders' equity	**10,031**	**9,974**
10	Debt to credit institutions	599	596
	Debt to subsidiaries	131	74
	Other debt	0	5
	Total debt	**730**	**675**
	Total liabilities and equity	**10,761**	**10,649**

11 Capital adequacy, etc.
12 Contractual obligations, contingent liabilities and collateral
13 Related parties

Statement of changes in equity (parent company)

DKKm	Share capital	Revaluation equity method capital	Retained earnings	Proposed dividends	Total
Shareholders' equity at 1 January 2006	**1,700**	**1,938**	**3,176**	**1,428**	**8,242**
Equity entries in 2006					
Profit for the year		1,782	-735	2,244	3,291
Revaluation of owner-occupied properties		3			3
Exchange rate adjustment of foreign entities		-143			-143
Hedge of foreign currency risk in foreign entities		107			107
Tax on equity entries		-31			-31
Total comprehensive income	0	1,718	-735	2,244	3,227
Dividend paid				-1,428	-1,428
Dividend own shares			5		5
Purchase of own shares			-88		-88
Issue of employee shares			13		13
Issue of share options			3		3
Total equity entries in 2006	**0**	**1,718**	**-802**	**816**	**1,732**
Shareholders' equity at 31 December 2006	**1,700**	**3,656**	**2,374**	**2,244**	**9,974**
Shareholders' equity at 1 January 2007	**1,700**	**3,656**	**2,374**	**2,244**	**9,974**
Equity entries in 2007					
Profit for the year		79	1,098	1,156	2,333
Revaluation of owner-occupied properties		-3			-3
Exchange rate adjustment of foreign entities		84			84
Hedge of foreign currency risk in foreign entities		-98			-98
Tax on equity entries		27			27
Total comprehensive income	0	89	1,098	1,156	2,343
Dividend paid				-2,244	-2,244
Dividend own shares			14		14
Purchase of own shares			-96		-96
Issue of employee shares			32		32
Issue of share options			8		8
Total equity entries in 2007	**0**	**89**	**1,056**	**-1,088**	**57**
Shareholders' equity at 31 December 2007	**1,700**	**3,745**	**3,430**	**1,156**	**10,031**

Dividend paid per share DKK 17 (total for 2006 DKK 33 DKK).
Dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the average number of shares (67,648,000). The dividend is not paid until approved by the shareholders at the annual general meeting of the subsequent year.

TrygVesta Forsikring, the Norwegian branch of TrygVesta Forsikring A/S, has in its branch financial statements included provisions for contingency funds in the amount of NOK 2,564m (2006: NOK 2,251m) under provisions for insurance contracts. In TrygVesta Forsikring A/S, these provisions, due to their nature as additional provisions, are included in shareholders' equity, net of deferred tax. TrygVesta Forsikring A/S' option to pay dividend to TrygVesta A/S is influenced by this amount. The dividend payment is also affected by a contingency fund provision of DKK 670m, which is included in shareholders' equity in TrygVesta Forsikring A/S. TrygVesta Garanti forsikring A/S has a similar contingency amounting to DKK 139m, which is also included in the company's shareholders' equity.

Notes (parent company)

DKKm		2007	2006
1	**Accounting policies**		
	Please refer to TrygVesta Groups 'Accounting police'		
2	**Income from subsidiaries**		
	TrygVesta Forsikring A/S	2,396	3,219
	Profit on continuing business	**2,396**	**3,219**
	Profit/loss on discontinued business after tax	-1	126
		2,395	**3,345**
3	**Other expenses**		
	Administrative expenses	-48	-36
		-48	**-36**

Remuneration of the Executive Management is paid by TrygVesta Forsikring A/S and TrygVesta Forsikring, norwegian branch of TrygVesta Forsikring A/S and is charged to TrygVesta A/S by the cost allocation.

Remuneration for Supervisory Board and Group Executive Management appears in th note 12 'Related parties'.

	2007	2006
Average number of full-time employees during the year	**0**	**0**
Administrative expenses include fee to the auditors appointed by the Annual General meeting:		
Deloitte	-0.9	-0.9
	-0.9	**-0.9**

In addition, expenses have been incurred for the Group's Internal Audit Department.

		2007	2006
4	**Reconciliation of tax expenses**		
	Tax on financial loss before profit/loss in subsidiaries and tax	-21	-21
	Changes to previous year	0	3
	Tax on non-taxable income and expenses	0	1
		-21	**-17**
	Effective tax rate	%	%
	Tax on financial loss	25	28
	Changes to previous year	0	-4
	Tax on non-taxable income and expenses	0	-2
		25	**22**

cf 'TrygVestas Financial performance 2007' in 'Management's report' for futher information regarding the tax.

Notes (parent company)

DKKm		2007	2006
5	**Profit/loss on discontinued and divested business**		
	Earned premiums, net of reinsurance	0	4
	Technical interest, net of reinsurance	3	-1
	Claims incurred, net of reinsurance	-1	119
	Insurance operating expenses, net of reinsurance	-3	-25
	Technical result	-1	97
	Return on investment activities after technical interest	0	63
	Loss before tax	-1	160
	Tax	0	-34
		-1	**126**

Claims incurred includes a DKK 139m gain in 2006 in connection with the commutation of the reinsurance agreement with Chevanstell Limited.

The technical result of discontinued and divested business is specified by lines of business as follows:

	Accident and health		Marine, aviation and cargo insurance		Other insurance [1]		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross premiums written	**0**	**0**	**0**	**1**	**0**	**2**	**0**	**3**
Gross premiums earned	0	0	0	1	0	2	0	3
Gross claims	0	7	0	15	-1	232	-1	254
Gross operating expenses	0	-1	0	-2	-3	-21	-3	-24
Profit/loss on ceded business	0	-7	0	-14	0	-113	0	-134
Technical interest, net of reinsurance		0		3	3	-5	3	-2
Technical result	**-**	**-1**	**-**	**3**	**-1**	**95**	**-1**	**97**

[1] The line of business 'Other insurance' includes indirect insurance.

		2007	2006
6	**Investments in subsidiaries**		
	Cost		
	Balance 1 January	6,987	6,987
	Balance 31 December	**6,987**	**6,987**
	Revaluations and impairment writedowns at net asset value		
	Balance 1 January	3,656	1,938
	Revaluations during the year	2,407	3,282
	Dividend paid	-2,318	-1,564
	Balance 31 December	**3,745**	**3,656**
	Carrying amount 31 December	**10,732**	**10,643**

Name and registered office	Ownership shares in %	Equity
2007		
TrygVesta Forsikring A/S, Ballerup	100	10,732
2006		
TrygVesta Forsikring A/S, Ballerup	100	10,643

DKKm		2007	2006
7	**Investments in associates**		
	Cost		
	Balance 1 January	0	14
	Additions during the year	0	-14
	Balance 31 December	**0**	**0**
	Revaluations and impairment writedowns at net asset value		
	Balance 1 January	0	0
	Balance 31 December	**0**	**0**
	Carrying amount 31 December	**0**	**0**

TrygVesta held a ownership of 28% of the company Nordisk Flyforsikring A/S.
In 2006 the ownership share was disposed.

8	**Current tax**		
	Current tax, beginning of year	3	21
	Current tax for the year	20	20
	Tax paid durring the year	-3	-38
		20	**3**
9	**Deferred tax**		
	Non-capitalised tax loss		
	TrygVesta A/S	72	72

The loss in TrygVesta A/S can only be utilised in TrygVesta A/S.
The loss can be carried forward indefinitely.

The losses are not recognised as tax assets until it has been substantiated that the company can generate sufficient future taxable income to utilise the tax loss.

10	**Debt to credit institutions**		
	Bank loans	597	596
	Overdraft facility	2	0
		599	**596**

In 2005, a consortium of banks granted TrygVesta A/S a loan facility for DKK 2,000m, of which DKK 600m had been utilised at 31 December 2007. In 2007, the loan carried interest at CIBOR plus a margin, totalling approximately 4.4 % p.a. The unutilised part of the loan facility is measured at amortised cost, and an amount of DKK 5m was deducted from the loan proceeds upon signing the loan agreement. The cost are depreciated linear until the loan facility expires in July 2010. The fair value of the loan is considered to be the utilised part of the facility of DKK 600m.

Notes (parent company)

DKKm		2007	2006
11	**Capital adequacy**		
	Shareholders' equity according to annual report	10,031	9,974
	Subordinate loan capital	637	365
	Proposed dividend	-1,156	-2,244
	Solvency requirements to subsidiary undertakings	-3,681	-4,557
	Own shares	-143	0
	Capital base	**5,688**	**3,538**
	Weighted assets	**7,051**	**6,087**
	Solvency pct.	**81**	**58**

12 Contractual obligations, contingent liabilities and collateral

The Danish companies in TrygVesta group are jointly taxed with Tryg i Danmark smba. Until 2004, the companies were jointly and severally liable for payment of imposed corporation tax. From 2005, the companies are liable for the company's own share of the imposed corporation tax.

Most of the Danish companies in Tryg Forsikring group are commonly registered for VAT and payroll tax and are jointly and severally liable for payment of all such direct and indirect taxes.

Companies of the Tryg Forsikring Group are part of some disputes. Management believes that the outcome of these legal proceedings will not affect the Group's financial position beyond those receivables and obligations recognised in the balance sheet.

13 Related parties

Supervisory Board and Group Executive Management

		2007	2006
	Premium income		
	- Parent company (Tryg i Danmark smba)	0.2	0.1
	- Key management	0.4	0.4
	- Other related parties	17.3	6.2
	Claims payments		
	- Key management	0.3	0.1
	- Other related parties	43.6	0.5
	Guarantee agreements with related parties		
	- Account	1,950	1,645
	- Exercised, end of year	885	1,265
	- Premium	3	3

Outstanding guarantees cover the policyholders' financial obligations pursuant to the contract.
Following an individual assessment, all guarantees are issued without additional security.
The company has full recourse against the individual companies.

No provisions have been made for non-performing guarantees and no expenses were incurred during the financial year.

Guarantee agreements are made on market terms.

DKKm	2007	2006
Leases with related parties		
Transactions with related parties also comprise rental income as premises are being let to a member of the board on market terms.		
Specification of remuneration, etc.		
Supervisory Board	-4	-4
Executive Management	-16	-11
	-20	**-15**
Remuneration, etc. includes pension contributions		
Supervisory Board	0	0
Executive Management	-3	-2
	-3	**-2**

Members of the Supervisory Board of TrygVesta A/S do not receive bonuses and are not participants in any severance plans.
The Group Executive Management has a bonus scheme for up to 3 months' salary and participate ind the share option programme as mentioned in Corporate governance.
Other than that, there are no incentive plans for the Supervisory Board and Group Executive Management.

Parent company
Tryg i Danmark smba
Tryg i Danmark smba controls 60% of the shares in TrygVesta A/S.

	2007	2006
Intra-group trading involved		
- Providing and receiving services	0	4
- Intra-group account	0	27
- Interest	0	1
- Sale of unlisted shares	15	0

Administration fee, etc. is fixed on a cost-recovery basis.
Intra-group accounts are offset and carry interest on market terms.

Subsidiaries and associates
TrygVesta A/S controls TrygVesta Forsikring A/S 100%.

	2007	2006
Intra-group trading involved		
- Providing and receiving services	49	38
- Intra-group account	131	74
- Interest	4	3

Assets are transferred on market terms
Administration fee, etc. is fixed on a cost-recovery basis.
Intra-group accounts are offset and carry interest on market terms.

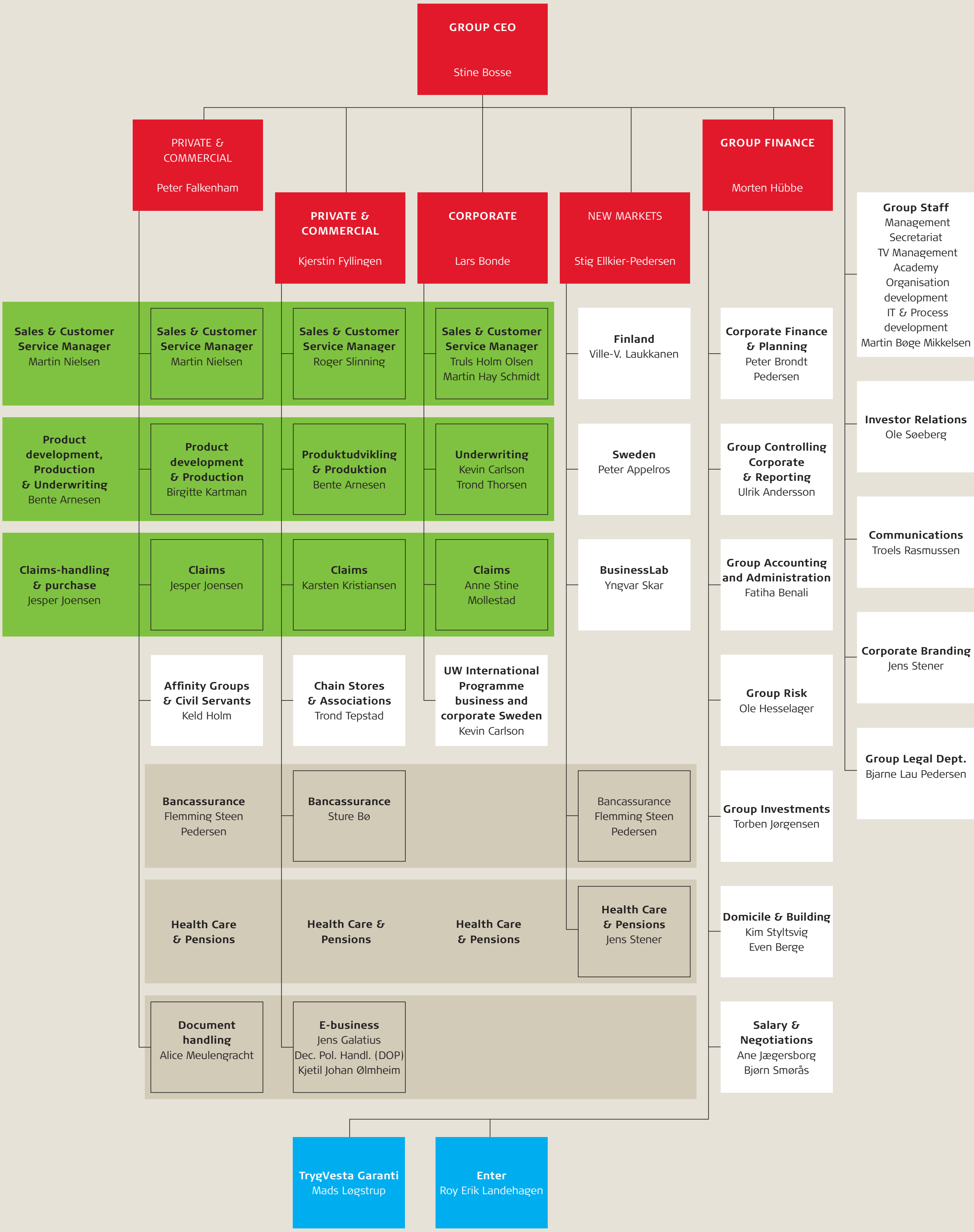
Financial highlights and key ratios by geography

DKKm	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	Danish GAAP 2004	Danish GAAP 2003
Danish general insurance						
Gross premiums earned	9,346	9,084	8,764	8,525	8,570	8,242
Technical result	1,639	1,377	956	720	790	443
Return on investment activities	225	723	567	378	450	393
Other income	68	65	77	76	76	71
Other expenses	-66	-63	-70	-72	-71	-68
Profit/loss before tax	1,866	2,102	1,530	1,102	1,245	839
Key ratios						
Gross claims ratio	69.3	66.8	77.1	73.0	71.6	70.4
Business ceded as % of gross premiums	0.0	3.9	-3.9	3.5	3.5	6.1
Claims ratio, net of ceded business	69.3	70.7	73.2	76.5	75.1	76.5
Gross expense ratio	15.3	16.1	16.6	16.3	19.0	20.4
Combined ratio	84.6	86.8	89.8	92.8	94.1	96.9
Number of full-time employess, end of period	2,242	2,231	2,215	2,223	2,223	2,248
Norwegian general insurance						
Gross premiums earned	6,919	6,738	6,810	6,653	6,614	7,161
Technical result	1,335	1,214	1,131	1,032	722	41
Return on investment activities	118	483	361	24	94	316
Other income	52	53	49	45	45	44
Other expenses	-59	-50	-47	-43	-44	-42
Profit/loss before tax	1,446	1,700	1,494	1,058	817	359
Key ratios						
Gross claims ratio	64.0	64.3	63.0	62.1	62.7	72.9
Business ceded as % of gross premiums	4.9	3.6	5.2	6.2	6.9	7.8
Claims ratio, net of ceded business	68.9	67.9	68.2	68.3	69.6	80.7
Gross expense ratio	15.8	16.5	16.7	17.2	21.2	22.4
Combined ratio	84.7	84.4	84.9	85.5	90.8	103.1
Number of full-time employess, end of period	1,384	1,460	1,431	1,454	1,454	1,460
Finnish general insurance						
Gross premiums earned	251	198	140	97	97	61
Technical result	-49	-34	-41	-45	-45	-48
Return on investment activities	-10	-4	-2	-2	-2	-1
Profit/loss before tax	-59	-38	-43	-47	-47	-49
Key ratios						
Gross claims ratio	74.9	78.1	80.9	75.3	68.5	77.5
Business ceded as % of gross premiums	0.4	0.2	0.2	0.2	0.2	1.0
Claims ratio, net of ceded business	75.3	78.3	81.1	75.5	68.7	78.5
Gross expense ratio	49.8	41.7	50.2	73.0	79.8	102.8
Combined ratio	125.1	120.0	131.3	148.5	148.5	181.3
Number of full-time employess, end of period	127	77	48	51	51	42

			IFRS		Danish GAAP	
DKKm	**2007**	**2006**	**2005**	**2004**	**2004**	**2003**
Swedish general insurance						
Gross premiums earned	90	4	-	-	-	-
Technical result	-82	-41	-	-	-	-
Return on investment activities	-1	0	-	-	-	-
Profit/loss before tax	-83	-41	-	-	-	-
Key ratios						
Gross claims ratio	88.9	144.9	-	-	-	-
Business ceded as % of gross premiums	0.0	0.4	-	-	-	-
Claims ratio, net of ceded business	88.9	145.3	-	-	-	-
Gross expense ratio	105.6	1,003.8	-	-	-	-
Combined ratio	194.5	1,149.1	-	-	-	-
Number of full-time employess, end of period	61	40	0	0	-	-
Other						
Gross premiums earned	0	-3	-9	-9	1,027	1,238
Technical result	-23	-4	1	0	-11	-60
Return on investment activities	8	26	-32	-29	-25	-23
Other income	1	0	0	0	0	0
Other expenses	-47	-36	-37	-32	-32	-21
Profit/loss before tax	-61	-14	-68	-61	-68	-104
Number of full-time employess, end of period	0	0	24	34	34	670
TrygVesta						
Gross premiums earned	16,606	16,021	15,705	15,266	16,308	16,702
Technical result	2,820	2,512	2,047	1,707	1,456	376
Return on investment activities	340	1,228	894	371	517	685
Other income	121	118	126	121	121	115
Other expenses	-172	-149	-154	-147	-147	-131
Profit/loss before tax	3,109	3,709	2,913	2,052	1,947	1,045
Key ratios						
Gross claims ratio	67.3	65.9	71.1	68.3	67.6	71.5
Business ceded as % of gross premiums	2.1	3.7	0.1	4.6	5.0	6.8
Claims ratio, net of ceded business	69.4	69.6	71.2	72.9	72.6	78.3
Gross expense ratio	16.7	16.8	17.0	17.1	21.2	22.4
Combined ratio	86.1	86.4	88.2	90.0	93.8	100.7
Number of full-time employess, end of period	3,814	3,808	3,718	3,762	3,762	4,420

The comparative figures for Danish general insurance have been restated, and the activities of TrygVesta IT A/S and Tryg Ejendomme A/S are included under ''Other'' together with the parent company TrygVesta A/S.

Organisation chart



Business responsible Process responsible Subsidiary Nordic Competence Centre

Glossary

The financial highlights and key ratios of TrygVesta have been prepared in accordance with the executive order issued by the Danish Financial Supervisory Authority on the presentation of financial reports by insurance companies and profession-specific pension funds and also comply with "Recommendations & Financial Ratios 2005" issued by the Danish Society of Financial Analysts.

Gross earned premiums
Calculated as gross premiums written adjusted for change in gross provisions for unearned premiums, less bonuses and premium rebates.

Gross claims ratio
Calculated as the ratio of gross claims incurred to gross earned premiums.

$$\frac{\text{Gross claims incurred x 100}}{\text{Gross earned premiums}}$$

Business ceded as a percentage of gross premiums
Calculated as the ratio of the net result of business ceded to gross earned premiums.

$$\frac{\text{Net result of business ceded x 100}}{\text{Gross earned premiums}}$$

Gross expense ratio
Calculated as the ratio of gross insurance operating expenses to gross earned premiums.

$$\frac{\text{Gross insurance operating expenses x 100}}{\text{Gross earned premiums}}$$

Combined ratio
Calculated as the sum of the gross claims ratio, the net result of business ceded as a percentage of gross earned premiums and the gross expense ratio.

Operating ratio
Calculated like the combined ratio but adding technical interest in the denominator.

$$\frac{\begin{array}{c}\text{Claims incurred + insurance}\\ \text{Operating expenses + result of reinsurance x 100}\end{array}}{\text{Gross earned premiums + technical interest}}$$

Provisions for claims to earned premiums
Calculated as the ratio of provisions for claims relative to earned premiums.

Relative run-off gains/losses
Run-off result relative to provisions insurance contract, beginning of year.

Discounting
Expresses recognition in the financial statements of expected future payments at a value below the nominal amount, as the recognised amount carries interest until payment. The size of the discount depends on the market based discount rate applied and the expected time to payment.

Unwinding
Unwinding of discounting takes place with the passage of time as the expected time to payment is reduced. The closer the time of payment, the smaller the discount. This gradual increase of the provision is not recognised under claims, but in technical interest in the income statement.

Return on equity
Calculated as the profit for the year as a percentage of the average shareholders' equity.

$$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$$

Net asset value per share
Calculated as year-end shareholders' equity divided by the average number of shares.

$$\frac{\text{Year-end equity}}{\text{Average number of shares}}$$

Earnings per share
Calculated as the profit for the year divided by the average number of shares.

$$\frac{\text{Profit for the year x 100}}{\text{Average number of shares}}$$

Dividends per share
Calculated as the total dividend proposed divided by the average number of shares.

$$\frac{\text{Proposed dividend}}{\text{Average number of shares}}$$

Price/net asset value
Calculated as the quoted price of the share divided by the net asset value per share.

$$\frac{\text{Quoted price}}{\text{Net asset value per share}}$$

Price/earnings
Calculated as the ratio of the price per share to earnings per share.

$$\frac{\text{Quoted price}}{\text{Earnings per share}}$$

Danish GAAP
Danish GAAP means that the annual report has been prepared in accordance with the Danish Financial Services Act and the executive order issued by the Danish Financial Supervisory Authority on the presentation of financial reports by insurance companies and profession-specific pension funds.

Danish general insurance
Comprises the legal entities in TrygVesta Forsikring A/S (excluding the Norwegian, Finnish and Swedish branches) and TrygVesta Garantiforsikring A/S.

Norwegian general insurance
Comprises TrygVesta Forsikring A/S, Norwegian branche and the Norwegian subsidiaries.

Disclaimer

Certain statements in this annual report are based on the beliefs of our management as well as assumptions made by and information currently available to management. Statements regarding TrygVesta's future results of operations, financial condition, cash flows, business strategy, plans and future objectives other than statements of historical fact can generally be identified by terminology such as "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues" or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this annual report, including but not limited to general economic developments, changes in the competitive environment, developments in the financial markets, extraordinary events such as natural disasters or terrorist attacks, changes in legislation or case law and reinsurance.

TrygVesta urges readers to refer to the section on risk management for a description of some of the factors that could affect the Group's future performance or the insurance industry.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, TrygVesta's actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

TrygVesta is not under any duty to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law.

This is a translation of the Danish annual report 2007. In case of any discrepancy between the Danish and the English version of the annual report 2007, the Danish version shall apply.

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