TrygVesta

Contents

Editors: Investor Relations
Concept: Blue Business A/S
Layout: Amo design

Printers: Centertryk A/S
Paper: Munken Lynx
Photos: Mads Armgaard/gab.dk and Colourbox

TrygVesta wants to be perceived as the leading peace-of-mind provider in the Nordic region and is dedicated to providing peace of mind to our customers on a daily basis. In 2009, our more than 4,300 employees ensured peace of mind for more than 2.7 million private customers and more than 140,000 businesses.

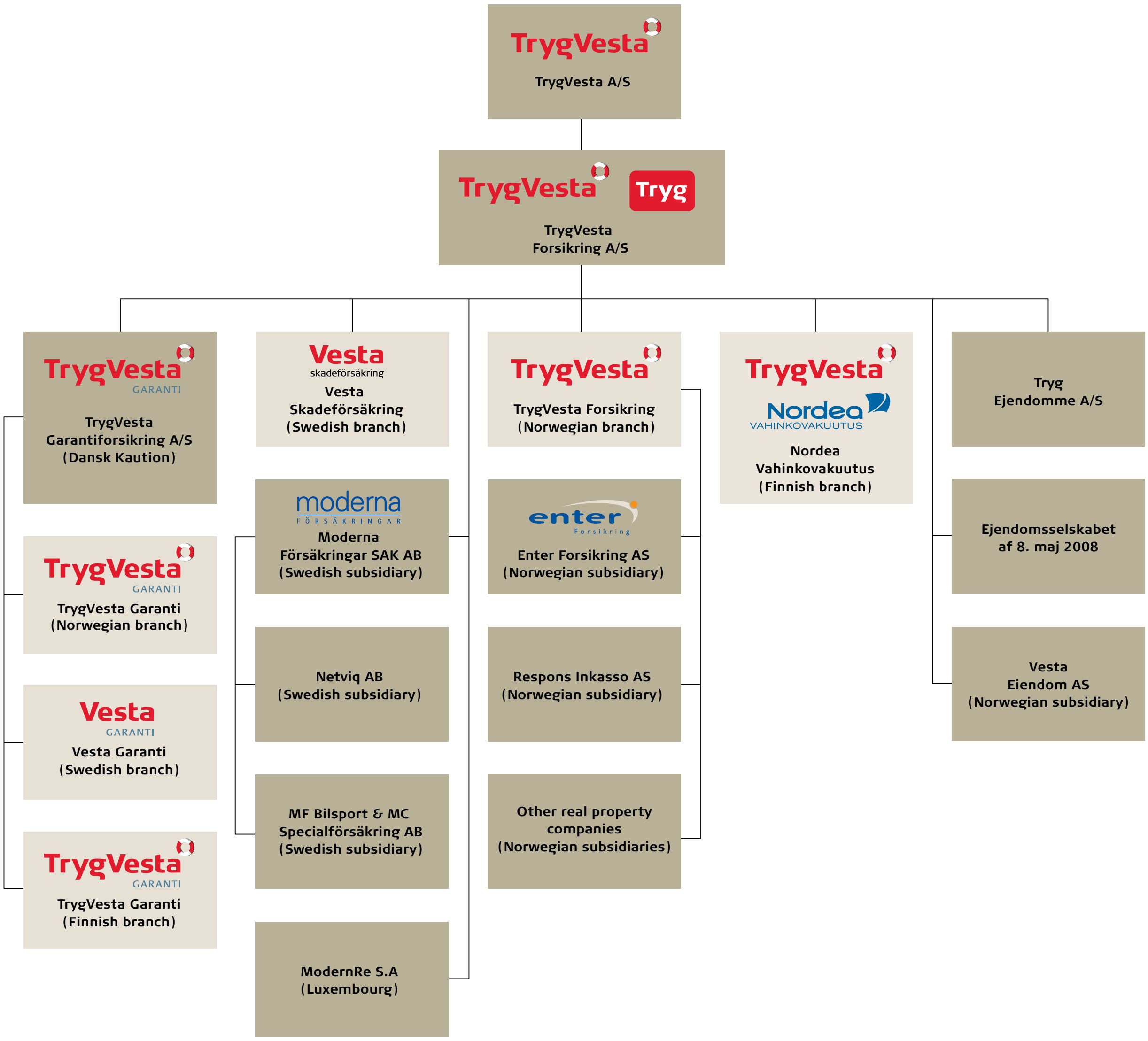
TrygVesta is the second-largest general insurer in the Nordic region. We are the largest player in Denmark and Norway's third largest player. We have operated our rapidly growing activities in Finland and Sweden since 2001 and 2006, respectively. Our position in Sweden was futher strengthened through the acquisition of Moderna Försäkringar AB in 2009.

TrygVesta mainly offers insurances through own sales and service channels and through business partners such as Nordea. We strive for high customer and employee satisfaction, and several surveys indicate that TrygVesta is considered to be best at claims handling. Our insurances cover, among other things, workers' compensation, motor, building, contents, cargo and personal accident.

Peace of mind
– brings courage for life

Introduction to TrygVesta

Group chart



Group chart at 31 December 2009. Companies and branches are wholly-owned by Danish owners and placed in Denmark unless otherwise stated.

Company Branch

Group overview

	PRIVATE & COMMERCIAL				CORPORATE
	Denmark Read more on page 33	**Norway** Read more on page 37	**Sweden** Read more on page 40	**Finland** Read more on page 42	**Denmark, Norway & Sweden** Read more on page 44
% of total business	37	24	6	3	30
Principal activities	Insurance for private individuals as well as small and medium-sized businesses.	Insurance for private individuals as well as small and medium-sized businessses. Enter Forsikring, which sells insurance to private individuals, is included in Private & Commercial Norway.	Insurance for private individuals and small businesses. The branch was set up in 2006.	Insurance for private individuals and small businesses. The branch was set up in 2001.	Corporate customers are customers paying annual premiums of more than DKK 900,000, having more than 50 employees or handled by insurance brokers. TrygVesta Garanti, the leading provider of guarantee insurance, is included in Corporate.
Employees*	1,858	1,151	421	191	715
Distribution channels	Customer centres/ call centres Own sales force Real estate agents Nordea's branches Affinity groups Car dealers Internet	Customer centres/ call centres Own sales force Franchise offices Nordea's branches Affinity groups Car dealers Internet	Call centres Nordea's branches Affinity groups Car dealers Internet	Call centres Own sales force Nordea's branches Car dealers Internet	Own sales force Insurance brokers
Strategic partnership	Nordea	Nordea	Nordea	Nordea	AXA Corporate Solutions redefining / standards
Brands	Tryg TrygVesta	TrygVesta enter Forsikring	Vesta skadeförsäkring moderna försäkringar	TrygVesta Nordea Vahinkovakuutus	Vesta Garanti TrygVesta Garanti TrygVesta

* Staff functions are distributed proportionately among the business areas.

Preface

MIKAEL OLUFSEN – At the start of 2009, prospects for the global economy were extremely uncertain, but as the year progressed, low interest rates and government stimulus packages had a positive impact on both the financial markets and the economy. Considerable uncertainty still prevails, however.

– TrygVesta is committed to being perceived as the leading peace-of-mind provider in the Nordic region. In that perspective, what was 2009 like for TrygVesta?

STINE BOSSE – As early as in 2008, we stepped up our preparations for a period of economic uncertainty – we reduced our equity portfolio, showed restraint in recruiting new staff and focused on in-house rotation, we strengthened our capital resources, and we explored the potential for both acquisitive and organic growth. In 2009, we had fewer employees than originally planned and therefore did not need to make rapid cost adjustments. Finally, we maintained a capital buffer, which enabled us to acquire Swedish company Moderna Försäkringar in the spring of 2009.

Our premium income was up by 9.6% in local currency in 2009 and 4.7% excluding Moderna, which we consider to be satisfactory in a recession period. We improved our profit for the year, which was composed of a greatly improved investment result and a lower technical result due to higher claims expenses compared with 2008. Based on our positive performance and the updated capital requirement, we propose that a total of DKK 1.8bn be paid out to our shareholders.

DKKbn	2009
Gross premiums earned	18.3
Technical result	1.6
Profit after tax	2.0
Total shareholders' equity	9.7

– Looking at the Supervisory Board's involvement in 2009, what aspects did you emphasise, and did the financial crisis make you think differently about corporate governance?

MIKAEL OLUFSEN – As always, we focused on strategy, including securing the Group's position and development. On the Supervisory Board, we were aware of how the recession could impact the business. In 2009, this involved paying special attention to the investment portfolio and regular operational follow-up. When we experienced rising expenses for claims in 2009, caused, among other things, by a greater number of break-ins in Denmark and Norway, we concurred in Management's analyses and initiatives for claims prevention and premium increases. It is crucial that we ensure a sound financial and operational development for the Group, in order to lay the foundation for a good performance in good times as well as bad. The financial crisis presented a challenge for all financial companies, and the Supervisory Board followed developments closely. As a listed company with a majority shareholder that has a membership of a million Danes, we have a special obligation to be sharp now and in the future when it comes to the competencies of senior management and the Supervisory Board. We are committed to corporate governance, and the financial crisis underlines how important that is.

– The day-to-day management has to identify trends within the framework defined by the Supervisory Board. Could you point out some special aspects?

STINE BOSSE – I still believe it is important to focus on strategy, the financial position and the company's performance. But the agenda also includes other items, such as the Group's climate impact and behaviour. We have already introduced reduced CO_2 consumption as a bonus parameter for the management team, and in 2009 we reduced premiums for customers with electric and hybrid cars in order to encourage environmentally conscious behaviour.

Demography in society is also changing at a rapid pace. In 10-15 years, the structure of the labour market will probably be characterised by more people with an immigrant background being active on the labour market and a much larger elderly population. This calls for us to be innovative in attracting employees with an immigrant background and the right employee skills.

In 2009, we opened the first finished parts of The Living House, the comprehensive refurbishment of TrygVesta as a workplace. This work transcends the physical aspect, and like The Living Organisation, will be expressed in a corporate culture that aims to create an optimum framework for compassion, drive and innovation. 2009 was also the first year of our Nordic organisation with clearly defined pan-Nordic responsibilities and uniformity with respect to sales, product development, claims handling, IT systems and underwriting. The dedicated Nordic organisation will strengthen the Group's market position, because we have now paved the way for shared processes and infrastructure. I would also mention that through the strategic focus on self-service we are in the process of establishing better internal and customer-driven business processes, and looking ahead, our IT systems will support the self-service business processes completely.

– What are the Supervisory Board's key themes going forward?

	2009	Expected 2010*
Premium growth in local currency**	4.7	3-4%
Combined ratio before run-off	96.2	93-95
Technical result		DKK 1.2-1.6bn
Profit before tax		DKK 1.4-1.8bn

* Run-off 2010 is assumed to be zero
** Excluding Moderna

MIKAEL OLUFSEN –The Supervisory Board is confident that the TrygVesta organisation evolved since we became a listed company in 2005 has a good structure with many competent employees and managers who can take the company into the future. The identity which a company shows its customers is to a large extent based on the experience customers have when they contact the company. Therefore, it is vital to optimise that experience, by strengthening the internal culture for service, innovation, development and drive. In addition, we must ensure that TrygVesta's strategy is aligned with the realities of the world in these very challenging times. TrygVesta must also stay focused on the four strategic performance indicators: profitable growth, peace-of-mind delivery, self-service and human competencies, in order to provide peace of mind to shareholders, customers and employees, and thereby be perceived as the leading peace-of-mind provider in the Nordic region.

– What are your plans for implementing that, and what will be the results for 2010?

STINE BOSSE – In 2010, more than 50 TrygVesta managers will attend a value-based development programme that will help identify talent and competencies even more effectively than before and also build an organisation of culture bearers with a distinct common set of values and point of reference. But in the final analysis, TrygVesta is continuously measured by its performance. We expect a gradual improvement of the economy in 2010, which will improve conditions for insurance generally. 2010 will also bring more clarity with respect to future capital requirements from regulators – the socalled Solvency II rules – and thus the basis for long-term stable and disciplined development of our industry.

– What are your headlines for the work in 2010?

MIKAEL OLUFSEN – The Supervisory Board intends to dedicate efforts to profitable growth, improvement of the technical result, continuously enhanced customer service, and sustained development of the level of competencies throughout the Group. This will ensure TrygVesta's continued ability to create value for customers, employees and shareholders alike.

We hope you will enjoy reading our annual report.

Mikael Olufsen
Chairman

Stine Bosse
Group CEO

Financial highlights and key ratios of TrygVesta

DKKm	2005	2006	2007	2008	2009
NOK/DKK, average rate for the period	*92.85*	*93.04*	*92.81*	*91.74*	*84.59*
SEK/DKK, average rate for the period	*-*	*80.37*	*80.73*	*78.02*	*70.02*
Income statement					
Gross premiums earned	**15,705**	**16,021**	**16,606**	**17,323**	**18,283**
Gross claims incurred	-11,159	-10,564	-11,175	-11,766	-13,206
Total insurance operating expenses	-2,662	-2,697	-2,769	-3,003	-3,098
Profit/loss on gross business	1,884	2,760	2,662	2,554	1,979
Profit/loss on ceded business	-7	-591	-343	-669	-582
Technical interest, net of reinsurance	170	343	501	499	157
Technical result	**2,047**	**2,512**	**2,820**	**2,384**	**1,554**
Return on investments after technical interest	894	1,228	340	-988	1,086
Other income and expenses	-28	-31	-51	-49	-38
Profit/loss for the year before tax	**2,913**	**3,709**	**3,109**	**1,347**	**2,602**
Tax	-788	-624	-842	-501	-623
Profit/loss for the year, continuing business	2,125	3,085	2,267	846	1,979
Profit/loss on discontinued and divested business after tax	-28	126	-1	0	29
Profit/loss for the period	**2,097**	**3,211**	**2,266**	**846**	**2,008**
Run-off gains/losses, net of reinsurance	283	555	743	793	713
Relative run-off gains/losses	1.8	3.0	3.6	4.0	3.8
Balance sheet					
Total provisions for insurance contracts	26,757	25,957	26,916	25,193	29,002
Total reinsurers' share of provisions for insurance contracts	2,630	1,561	1,587	1,036	1,320
Total shareholders' equity	8,215	9,951	10,010	8,244	9,666
Total assets	40,811	42,783	43,830	38,445	44,740
Key ratios					
Gross claims ratio	71.1	65.9	67.3	67.9	72.2
Business ceded as a percentage of gross premiums	0.1	3.7	2.1	3.9	3.2
Claims ratio, net of ceded business	71.2	69.6	69.4	71.8	75.4
Gross expense ratio	17.0	16.8	16.7	17.3	16.9
Combined ratio	88.2	86.4	86.1	89.1	92.3
Claims ratio, net	69.7	68.4	68.1	70.7	74.5
Expense ratio, net	17.6	17.2	17.1	17.8	17.4
Combined ratio, net	87.3	85.6	85.2	88.5	91.9
Operating ratio	87.1	84.6	83.5	86.6	91.6
Gross expense ratio with adjustment*	17.0	16.8	16.7	16.9	17.0
Return on equity before tax (%)	39	41	31	15	29
Return on equity after tax (%)**	28	35	23	9	22
Earnings per share, continuing business (DKK)	31.3	45.5	33.5	12.8	31.2
Diluted earnings per share (DKK)***					31.7
Dividend per share (DKK)	21	33	17	6.5	15.5

DKKm	2005	2006	2007	2008	2009
Other data					
Net asset value per share (DKK)	121	147	148	128	153
Share price 31.12 (DKK)	319.2	431.5	388.0	328.0	342.8
Quoted price/net asset value	2.6	2.9	2.6	2.6	2.2
Price Earnings	10.2	9.5	11.6	25.7	11.0
Average number of shares (1,000)	68,000	67,824	67,648	66,184	63,334
Diluted average number of shares (1,000)***					63.448
Number of shares, year end (1,000)	68,000	67,790	67,638	64,378	63,228
Solvency	72	58	81	100	97
Number of full-time employees, end of period					
Continuing business	3,694	3,808	3,814	4,091	4,336
- of which Moderna Försäkringar					310
Discontinued and divested business	24	0	0	0	0

* In the calculation of the gross expense ratio with adjustment pursuant to the order issued by the Danish FSA, costs are stated exclusive of depreciation and operating costs on the owner-occupied property but including a calculated cost (rent) concerning the owner-occupied property based on a calculated market rent. Other key ratios are calculated in accordance with ''Recommendations & Financial Ratios 2005'' issued by the Danish Society of Financial Analysts.

** Including discontinued and divested businesses.

*** There has been no dilution of earnings or equity in the period 2005-2008.

Highlights of 2009

JANUARY

Theme packages about climate and environment

Theme packages have been a cornerstone in the Group's work with corporate values since the autumn of 2005. The climate and environment theme package included, among other things, an electronic climate school and a climate quiz which was held in all departments. By focusing on this theme, TrygVesta intended to enable all employees to make better and more sustainable decisions.

The Living Organisation

An extensive organisational change took effect on 1 January 2009. The organisation got a pan-Nordic structure with fewer management layers and a flatter organisation vis-à-vis customers. The Group Executive Management was expanded from six to nine members.

APRIL

Acquisition of Moderna Försäkringar

The acquisition of Moderna Försäkringar was completed on 2 April, making Moderna a part of TrygVesta. Moderna contributed around 250 employees and a share of 2% of the Swedish market to the Group.

moderna
FÖRSÄKRINGAR

Partnership with the Danish Handicap Federation

TrygVesta signed a collaboration agreement with the Danish Handicap Sports Federation. The object of the agreement is to give injured persons the best possible help to pursue a full and active life after an accident.

PRI Principles for Responsible Investment

MAY

PRI letter of intent

TrygVesta was among the first Nordic insurance company to sign a letter of intent on socially responsible investment issued by the UN.

The Principles for Responsible Investment are based on a number of principles intended to ensure that TrygVesta's investments comply with a range of environmental and social requirements besides focusing on good corporate governance.

Motor | Children's accident | Contents
Travel | Personal accident | House

JUNE

Online self-service

TrygVesta launched two new self-service products as part of the self-service strategy. The Motor and Contents self-service products were launched on tryg.dk. The insurances can be bought online every day from 7:00 to 24:00.

Joining international climate initiative

TrygVesta was the first Nordic company to join the ClimateWise climate initiative. ClimateWise is the insurance industry's international climate initiative. Being a part of this industry initiative allows TrygVesta to benefit from and exchange climate competencies and experience with some of the leading global insurance companies.

ClimateWise
REDUCING THE RISK FOR TOMORROW

AUGUST

Customised product to young people
TrygVesta launched YoungLiving – a new Nordic product targeting young people between 18 and 28 years, packaging several insurances into one product.

Climate agreement signed
Group CEO Stine Bosse signed The Copenhagen Communiqué on Climate Change, a statement calling for an ambitious, specific and binding climate agreement.

SEPTEMBER

Capital markets day
TrygVesta held a capital markets day in London on 1 September, attended by 50 analysts and investors.

Nordic corporate party
X-party – TrygVesta held a joint corporate party for all employees in the four Nordic countries.

Collaboration agreement on EV insurance
TrygVesta entered into a collaboration with Better Place, the world's leading provider of services for electric vehicles. The collaboration is initially intended to help develop a customised EV insurance product.

better place

OCTOBER

Changed distribution strategy
In October, TrygVesta changed the distribution strategy in Denmark and Norway, aligning customers' access to contact with their behaviour and requirements. The change improved customer accessibility due to increased staffing on telephone and web services.

Dog Health

Young Living

OCTOBER

More self-service solutions
In October, YoungLiving products and dog health cover were included in the self-service offering at tryg.dk.

Inauguration of The Living House
The first floors of the refurbishment project, The Living House, which is to transform the head offices at Ballerup and Bergen into workplaces of the future, were completed in the autumn of 2009. This was celebrated with a moving-in event in the new offices.

DECEMBER

Focus on electric vehicles (EVs)
TrygVesta extended the collaboration with Better Place, and intends to convert parts of the Group's car fleet to EVs, The intention is for around 25% of TrygVesta's car fleet to consist of EVs as from 2011.

TrygVesta focuses on a common understanding of goals, strategies and prioritised action plans

Strategy

Strategy

TrygVesta's vision is supported by our strategic focus and ongoing assessment, adaptation and development of the strategic focus areas. The strategy is achieved through activities and action plans implemented in all relevant processes; customer service, marketing, capital utilisation and IT, and it is clearly embedded throughout the Group. The strategy plan contains four themes:

STRATEGIC THEMES

- Profitable growth
- Peace-of-mind delivery
- Self-service
- Human competencies

Customer requirements and expectations must be fulfilled in all sub-targets, activities and action plans contributing to the general strategic targets and the strategic themes. In practice, the strategy is pursued by ongoing optimisation of day-to-day operations, productivity enhancements, higher quality in customer service with respect to sales as well as claims handling, and simplified communication with customers. The strategic efforts are planned and managed centrally, but with clearly defined ownership in the relevant business areas.

Profitable growth

TrygVesta emphasises that growth should be profitable. Accordingly, we focus strongly on profitable risk pricing and cost management in general. In 2009, we achieved growth of 9.6% in local currency, a combined ratio of 92.3 and a return on equity of 22%. TrygVesta aims to expand the Nordic market position through profitable growth.

In 2009, Moderna Försäkringar reported gross premium growth of 12.2% and a pre-tax profit of DKK 117m (nine-month profit), equal to around 6% of the profit for the period. Growth and earnings exceeded expectations at the time of acquisition, when Moderna was expected to lift overall earnings per share by 5% in 2010.

In Denmark and Norway, where we are the number one and number three player, respectively, we made adjustments to the way we present ourselves to customers. We changed the distribution platform to meet customers' requirements and wishes, strengthening telephone and internet staff levels, while in future, personal meetings at customer centres have to be booked in advance. The change will reduce the number of TrygVesta's high street customer centres and is expected to cut costs as well as enhance overall customer satisfaction because of improved telephone services.

In Finland and Sweden, our focus in 2009 was on striking a better balance between sales and profitability. In Sweden, the acquisition of Moderna contributed greater breadth and strength to the sales distribution, thereby creating a better basis for profitable growth going forward. In Finland, Nordea, call centres and our own sales force continued to generate high sales volumes, although lower than in 2008 due to our focus on profitability-

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 percieved as the leading peace-of-mind provider in the Nordic region

enhancing measures such as premium increases, additional sales to existing customers and an adjustment of sales channels. These measures are expected to have a positive impact on profits in the years ahead.

The Group's expenses in all business areas and staff functions are regularly assessed in order to eliminate ineffective processes and costs, thereby gradually reducing relative costs over time. Lean plays a major role in that process. Lean is a process-driven and customer-oriented review of work processes and routines for the purpose of reducing waste, freeing resources and thereby making room for development, innovation and more efficient work routines. TrygVesta's Lean efforts started in 2007, and around 1,000 employees and 90 managers have since worked in accordance with the method. The Lean projects have produced good results in the form of greater employee satisfaction, customer satisfaction and faster and more efficient processes. In 2009, for example, case processing time was halved in several departments. At the same time, telephone accessibility increased significantly in customer service units working with Lean.

Structured and consistent use of customer data will enable us to prioritise and adapt products and service efforts to individual customer needs. We have worked to refine our customer segmentation since 2008. When fully implemented, the results will provide enhanced customer loyalty and satisfaction, generate good opportunities for additional sales, and thus support profitable growth. In 2009, we focused on using segmentation to support advisory services to our customers.

The peace-of-mind delivery

The peace-of-mind delivery ensures that our customers' needs are met in the best possible way before, during and after they have a claim. Our insurance products and concepts build on advice intended to help prevent claims events from arising. Should an event nevertheless occur, the customer has a sudden need for coverage and service such as repairs or a replacement purchase.

A period of economic downturn is a challenge for many individuals and businesses. Therefore, our peace-of-mind delivery is even more relevant in periods of reduced certainty because an unforeseen expense or event that changes everyday life for the customer may have greater consequences than would otherwise be the case. Our peace-of-mind delivery aims to alleviate customer concerns by offering easy access to contact, plain communication, easy-to-understand coverage and, not least, remedying if a claim occurs.

TrygVesta seeks to enhance claims handling on an ongoing basis, aiming to expand the peace-of-mind delivery to customers and providing high quality at a competitive cost. In 2009, a MATI survey by Enalyzer asked Danish insurance customers how satisfied they were with the claims handling of their insurance company. TrygVesta topped the survey relative to the four biggest companies in Denmark. This performance is assumed to be connected with the training of TrygVesta staff as peace-of-mind providers, which teaches the Group's claims handlers skills such as interpreting individual customer requirements and work from the thesis "in order to treat all customers equally, we have to treat them differently". Likewise in 2009, insurance broker Willis made a survey among their own employees, asking them to assess claims handling in the companies they work with. TrygVesta also emerged best from this survey. One of the explanations emphasised in this respect was the extra service provided by TrygVesta through Proactive Claims Handling.

In 2010, we will launch the most comprehensive programme of change in TrygVesta's history. This programme of change is an extensive process intended to develop TrygVesta into a truly pan-Nordic company. This means that in the future, we will have shared Nordic product development and structures providing a better overview, faster product launches and lower administrative and sales cost. The insurance company of tomorrow will significantly rely on online self-service. This form of customer interaction is a key driver for the project paving the way for development and identification of synergies.

Self-service

Our customers require a closer dialogue with us and more and more customers want to be able to communicate electronically with their insurance company. TrygVesta's strategic theme on self-service is exactly about meeting customers on their preferred terms. We want to give customers an option of electronic communication and webbased self-service, allowing them to deal with their insurance issues around the clock in the same way most people now handle banking transactions, travels, or buy books, electronic appliances, etc. via the Internet.

Self-service means that customers handle their own business online, and that the underlying systems automatically generate policies with the desired content, or that simple claims are handled automatically. Self-service options include policy changes, service, advice, claims handling and purchase of insurances. In 2009, we extended our customers' online self-service options. In Denmark, customers got the option to buy the most common insurances online, such as motor, contents, dog and house insurances. In a few years' time, all our customers will have a full range of self-service options for changing their insurance or reporting and handling a claim. Since 2008 when we opened the e-Boks service and until 31 December 2009, 177,000 customers have signed up for this electronic service.
In 2010, we intend to focus even more on electronic com-

TRYGVESTAS WEBBASED SOLUTIONS

	DK	NO	SE	FI
Public website	Established	Established	Established	Established
'My page' with editable customer profile and insurance overview	Established	Established	Established	
'My corporation' with insurance overview and selected services		Established	Established	
Insurance overview in netbank	To be launched	To be launched	Established	Established
Internet sales of private insurances	Established	To be launched	Established	
Sales of insurances through netbank			Established	Established
Price calculation at partner sites	To be launched	To be launched	Established	Partially established
Claims forms on the Internet	Established	Established	To be launched	Partially established
SMS/MSS customer communication	To be launched	To be launched	To be launched	Partially established
Electronic customer communication on 'My page' or e-Boks (DK) or netbank (SE + FI)	Established	Established	Partially established	

● = Established ● = Partially established ● = To be launched in 2010/2011 munication with our customers. At the start of the year, we will introduce a new procedure for obtaining customer e-mail addresses and acceptances thereof (Denmark requires that customers provide acceptance for companies to send them e-mails). The objective is to be better able to tailor our communication to the wishes and requirements of the individual customer, thereby making for a more personal and relevant customer experience.

Human competencies

In order to be an attractive partner for customers and live up to our vision of being perceived as the leading peace-of-mind provider in the Nordic region, employees have to develop and put themselves in the customer's place. Our strategic focus on human competencies illustrates that we understand and respect that people making up the organisation are the most important resource in a successful organisation.

We completed a major organisational change in early 2009, expanding the Group Executive Management from six to nine members, and basing the Group on a pan-Nordic structure. The new organisation provides the framework for shared Nordic development of products, concepts and peace-of-mind deliveries, and will greatly improve the conditions for collaboration between divisions, departments and colleagues. 2010 will be the first year in which the organisational change and our occupation of The Living House begin to interact. With a view to providing additional momentum, we plan to re-brand the Group based on a shared business model and supporting pan-Nordic IT systems.

In 2009, we continued the intensive development of our training and development activities. One initiative was the launch of a new training programme involving much more dynamic training offers with courses customised to individual needs to a greater extent. The new training programme is designed to ensure identical handshakes from all employees, and ensure that they are all familiar with the spirit of being a peace-of-mind provider. Corporate Learning, the Group's training unit, which handles employee training and quality assurance of training offers, organised 243 different courses in 2009. On average each employee attended a course 1.7 times during the year.

The first phase of TrygVesta's Nordic talent development programme was launched in early 2009. The programme is intended to strengthen and develop talent for management and project management and provide an opportunity for ambitious, talented employees to build a career within the Group. The first phase of the programme takes 19 months and focuses on identifying and developing a number of employees with no management experience who have the potential, and not least the ambition, to build a career as a manager or project manager. Over the next few years, the programme will also include specialists and experienced managers.

The Group's training and development efforts in 2010 will focus on implementing efficiency measures for all learning activities to provide an overview of the financial benefits of the learning activities and to assure the quality of and improve the Group's training offers. The peace-of-mind provider training will be the largest training initiative in 2010, with more than 2,000 employees receiving training to give customers a unique peace-of-mind experience. Likewise in 2010, a value-based development programme will be initiated, to be attended by more than 50 managers. This programme will help identify talent and competencies more effectively and strengthen the Group's value-based corporate culture.

The first departments in the head office refurbishment in Denmark and Norway (The Living House) were completed in the autumn of 2009 and were positively received. In addition to a physical change of the offices, the refurbishment, which was initiated in 2008, also represents a change of corporate culture and an organisational tool creating a workplace encouraging activity and creativity and generating energy and inspiration. In addition to café areas, innovation, meeting and quiet rooms, all employees will have two screens, laptops and wireless internet access as part of a mobile, paperless office. The total project is expected to be completed in 2011. As part of the refurbishment project, we also aim to become a paperless workplace, handling all documents electronically. In the first half of 2010, around 1,400 employees in Claims and Sales in Denmark will work in a paperless environment. This will improve the working environment for the employees, reduce costs and speed up case processing, for the benefit of the customer experience and the company's earnings.

Strategic themes

Results and goals

A selection of TrygVesta's results in 2009 within the strategic themes; profitable growth, peace-of-mind delivery, self-service and human competencies – as well as the goals planned for 2010-11.

PROFITABLE GROWTH

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

Results in 2009

- Acquisition of Moderna Försäkringar for DKK 939m. Premium growth of 12.2% and a technical result of SEK 107m (nine-month result)
- Premium increases in P&C Norway gradually improving profit
- Yearly premium growth better than market growth

Goals for 2010-11

- Profitable growth in Sweden and Finland and increased market share – 2012 goal of 6-8%
- Premium initiatives to ensure profitability of less cost effective products
- Moderna becoming a branch of TrygVesta

SELF-SERVICE

We intend to meet customers on their own terms.

Results in 2009

- Self-service of the most common types of insurances in Denmark
- Self-service of claims reporting in Norway
- 177,000 customers joined e-Boks in Denmark

Goals for 2010-11

- Handling of motor claims in Denmark
- New Group internet platform
- Start of common Nordic business models, processes and IT systems

THE PEACE-OF-MIND DELIVERY

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

Results in 2009

- Increased customer loyalty
- Satisfaction with claims handling
- Risk consultancy for corporate customers

Goals for 2010-11

- Common Nordic brand platform
- Increase customer loyalty, retention rate and proportion of concept customers
- Improve distribution strategy and customer accessibility

HUMAN COMPETENCIES

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

Results in 2009

- The Living House opened in Ballerup and Bergen
- Lower rates of employee turnover and sickness absence
- Several CSR and climate initiatives

Goals for 2010-11

- To be the most attractive workplace in the financial sector in the Nordic region
- Leading the Strategy – management training programme with increased organisational effect
- The Living House and The Living Organisation start to show effects
- Best in class' at CSR initiatives within climate, prevention, inclusion and well-being

KPI (Key Performance Indicators) 2009

Turning words into results

We use the balanced scorecard (BSC) to implement the Group's strategy and retain our strategic focus areas.

Note: 2001 = 100 for indexed indicators

	PROFITABLE GROWTH			THE PEACE-OF-MIND DELIVERY	
	FINANCIAL PERSPECTIVE			CUSTOMER PERSPECTIVE	
TREND	**Return on equity after tax (%)** **2009: 22** **2005 2006 2007 2008** 28 35 23 9	**Combined ratio** **2009: 92.3** **2005 2006 2007 2008** 88.2 86.4 86.1 89.1	**Expense ratio** **2009: 16.6*** **2005 2006 2007 2008** 17.0 16.8 16.7 16.7*	**Customer loyalty (Index)** **2009: 100**	**Number of customers with concept agreements (Index)** **2009: 109** **2005 2006 2007 2008** 108 108 108 110
DESCRIPTION	Profit after tax divided by equity	The ratio of the technical result exclusive of technical interest to earned premiums	Administrative expenses and sales costs as a percentage of earned premiums	The proportion of 100 customers staying on with the company after one year	Index showing the proportion of our private customers having made a multiple product/ concept agreement with TrygVesta
GOALS	21-23% annually	89-91 in the medium term	Gradual improvement of the expense ratio by 0.1 percentage points per year	Retain in Denmark and improve in Norway	To gradually improve
ANALYSIS	Return on equity was 22% in 2009, favourably impacted by higher investment income and a good technical performance	The combined ratio was 92.3, adversely impacted by lower interest rates and higher claims expenses in the Danish private business	The 2009 expense ratio was impacted by costs in connection with The Living House. Adjusted for such costs, the expense ratio was in line with expectations * Including costs of The Living House, the expense ratio was 17.3 in 2008 and 16.9 in 2009	New measurement method (MATI - Market and satisfaction survey) introduced in 2009. TrygVesta emerged as the best among the largest companies surveyed in Denmark.	The proportion of customers with concept agreements fell marginally in 2009, which was related to the lower customer retention in the Norwegian part of the business

	SELF-SERVICE		HUMAN COMPETENCIES	
	PROCESS PERSPECTIVE		**LEARNING PERSPECTIVE**	
TREND	**Portfolio per full-time employee (Index)** **2009: 139** 2005: 133, 2006: 131, 2007: 139, 2008: 134	**Customer satisfaction in claims handling (Index)** **2009: 100**	**Employee satisfaction (Index)** **2009: 103** 2005: N/A, 2006: 102, 2007: 100, 2008: 100	
DESCRIPTION	Index of portfolio size per employee	Index of customer satisfaction for customers having experienced claims handling	Index of employee satisfaction measured in an annual employee survey	
GOALS	To increase in line with productivity, approximately 2% annually	To gradually enhance loyalty and satisfaction	To be the most attractive workplace in the financial sector in the Nordic region	
ANALYSIS	The portfolio per employee increased in 2009 due to focus on in-house recruitment and restraint with respect to new appointments	New measurement method (MATI – Market and satisfaction survey) introduced in 2009. TrygVesta emerged best from this survey among the largest companies in Denmark. In Norway, the survey showed that we were in line with the average	75% of TrygVesta employees are either satisfied or very satisfied. This is a good result considering the many changes that are continuously being implemented	

Financial outlook for 2010

	2009	2010
Discounting rate (%)		3.6
Premium growth* (%)	4.7	3-4
Technical result ** (DKKbn)		1.2-1.6
Investment result (DKKm)		200-300
Profit before tax (DKKbn)		1.4-1.8
Tax rate		approx 26
Combined ratio before run-off **	96.2	93-95

* In local currency and 2009 excluding Moderna Försäkringar.
** Run-off 2010 is assumed to be zero. Run-off net in 2007, 2008 and 2009 was DKK 743m, DKK 793m and DKK 713m respectively affecting the combined ratio by 4.5%, 4.6% and 3.9%, respectively.

Despite low interest rates and stimulus packages from several governments, the speed and sustainability of an economic recovery are still subject to uncertainty due to continued high levels of debt and the need for debt reduction, factors that are expected to have an adverse effect on private and public spending in the coming years. As part of TrygVesta's transparent information platform, we aim to provide accurate guidance to and assumptions for the future developments of our company.

Expectations for earnings in 2010 are nonetheless subject to uncertainty due to rapidly increasing claims expenses recorded in 2009 for contents, house and change of ownership insurances and uncertainty with respect to the impact of changes in interest rate levels. TrygVesta's tecnical result and investment performance are to a significant degree affected by changes in interest rates. This is partly because the investment return is affected by interest rate levels, and partly due to ongoing interest rate return of insurances. On the other hand, the balance sheet effect will be neutral due to a matching of insurance provisions and the investment portfolio. Compared with previous years, the low interest rate level reduced the pre-tax profit by DKK 342m in 2009.

See the section Risk management for a sensitivity analysis

Fluctuations in the exchange rates of NOK and SEK to DKK affect profits which are reported in DKK. TrygVesta does not include expected exchange rate developments in the outlook and therefore states growth rates in local currencies. Norway and Sweden account for 38% and 6%, respectively, of earned premiums in TrygVesta.

Future reporting

Effective on 1 January 2009, TrygVesta changed the organisation to a Nordic, process-oriented organisation, which will result in changes to the reporting in 2010. These changes will involve pan-Nordic reporting of the Private, Commercial and Corporate business areas. Geographical reporting distributed on Denmark, Norway, Sweden and Finland will be unchanged.

Premium growth of 3-4% in 2010

Earned premiums are expected to increase by 3-4% in local currency, assuming a gradual economic recovery and no major changes in competition relative to end 2009. Premium growth is expected to originate from continued strong organic growth in Sweden and Finland and the implementation of announced premium increases in all four countries. The total effect of premium increases and indexation will be around DKK 0.9bn in 2010.

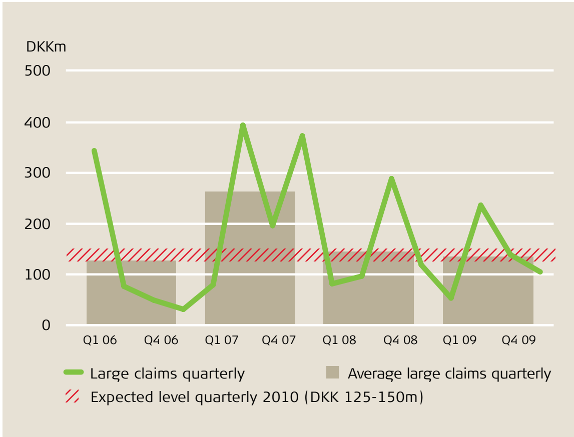
Most of TrygVesta's insurances are for private individuals. The economic downturn did not affect the portfolio of insurances within this customer segment. However, the rising unemployment and the number of business bankruptcies in 2009 had an adverse impact on the volume of commercial insurances, for which we recorded a decline within workers' compensation, vans, liability and building insurance. Assuming a gradual economic recovery in 2010, the development in volumes in the areas that are most sensitive to economic conditions should stabilise. Growth within Corporate exceeded expectations in 2009, but with a declining trend over the year and indications of a lower premium growth in 2010. Competition from non-Nordic insurance companies through brokers in the Nordic market mainly targets the largest corporations, thus only affecting part of the market.

Combined ratio at the level of 93-95 before run-off

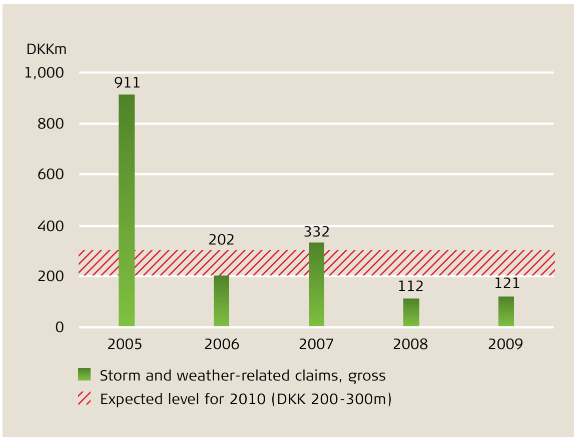
The combined ratio was in 2009 generally affected by interest rate levels and increasing claims expenses. For 2010, the combined ratio before run-off is expected to be in the range of 93-95 compared with 96.2 for 2009 before run-off. Thus, an improvement of the combined ratio is very likely, mainly due to an increase in gross earned premiums and indexation.

The performance of claims in the second half of 2009 increased uncertainty with respect to the claims performance particularly in relation to higher claims paid for Danish contents, house and change of ownership insurances. This is reflected in the outlook for the combined ratio range. The interest rate used to calculate the combined ratio is 3.6%, which is assumed to continue unchanged in 2010. If inter-

LARGE CLAIMS (GROSS)



STORM AND WEATHER-RELATED CLAIMS



RUN-OFF (NET)

est rates increased by 1 percentage point to 4.6%, the combined ratio would improve by around 1.2 percentage points. If interest rates declined further, this would have the same proportionate effect. Run-off had a positive impact of 3.5-4.6% on the combined ratio from 2006 to 2009, for example, with a combined ratio in 2009 of 92.3 after run-off and 96.2 before run-off.

Rationalisation and more investments in the future
In 2010, focus on costs will continue. Ongoing efficiency and rationalisation measures are expected to ensure an unchanged expense ratio in Denmark and Norway. This cost reducing process is expected to create room for further investments in expansion and growth. To this should be added increased costs in 2010 in connection with a multi year improvement of business processes and supporting IT systems (see also the section Strategy) and higher costs in connection with the preparation and implementation of Solvency II. Furthermore, one-off costs for branding and marketing will increase by DKK 80-100m in connection with marketing of the Group as a Nordic peace-of-mind provider with a shared brand platform. Overall, the expense ratio for 2010 including investments is expected to be 0.5 percentage point higher than the expense ratio of 16.9 recorded in 2009.

Technical result
The technical result is expected to be DKK 1.2-1.6bn before run-off for the full-year 2010 relative to DKK 1,554m in 2009. The outlook for the technical result for 2010 is affected by uncertainty with respect to claims inflation in contents, house and change of ownership insurances.

See the assumptions described under combined ratio above and the section Risk management for a sensitivity analysis

Assumptions for insurance activities
The outlook for the financial results for 2010 is based on assumptions with respect to gross earned premiums, gross claims incurred, gross expenses, result of business ceded and technical interest. The outlook for gross earned premiums is based on the Group's portfolio at 31 December 2009 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 data, 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. TrygVesta generally bases expectations for 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 overall performance. Assumptions for storm events and large

DANISH DISCOUNT RATE

NORWEGIAN DISCOUNT RATE

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, the effect of profitability initiatives and the effect of any legislative measures are incorporated in the anticipated claims level.

The outlook for 2010 assumes weather-related claims for 2010 of DKK 200-300m and large claims of DKK 500-600m gross. The outlook assumes no run-off losses or gains in 2010 on the provisions for claims. The outlook regarding gross expenses reflects the projected number of employees in 2010 and the related costs. The projected number of employees incorporates the effect of measures launched to improve efficiency and in-house rotation of vacant positions. The outlook further includes other expenses such as those relating to IT, operations and owner-occupied properties, which are generally based on agreements and development plans that are known to us. The result of business ceded is based on contracts made with reinsurers to cover claims events and events such as weather-related claims and large claims. The expected result of business ceded is calculated on the basis of such contracts and historical data.

The harsh winter in the Nordic region in 2010 increased claims expenses but is not expected to affect the outlook.

Investment activities

TrygVesta initiated a division of the investment portfolio into two portfolios at the beginning of 2010. One is called the matching portfolio and amounts to approximately DKK 27bn. The matching portfolio comprises bonds, interest rate derivatives and money market placements that overall match the technical provisions. The technical provisions including premium provisions have an average duration of 2.4 years. The other portfolio is called the investment portfolio. It amounts to DKK 12.5bn and is used to invest the company's capital. The investment portfolio includes equities for DKK 1.7bn, real estate for DKK 3.9bn and bonds for DKK 6.9bn. The return on investments for 2010 is based on the following assumptions with respect to investment assets: an assumed return on equities of 7% including dividend, bond yields of 2.1% based on interest rates at the beginning of 2010, and real estate is expected to yield a return of 6.0% excluding any value adjustments. The investment result after transfer of technical interest for 2010 is expected to be DKK 200-300m against DKK 1.1bn in 2009. The assumptions for investment return are subject to considerable uncertainty.

See the section Risk management for a sensitivity analysis

Currency risk

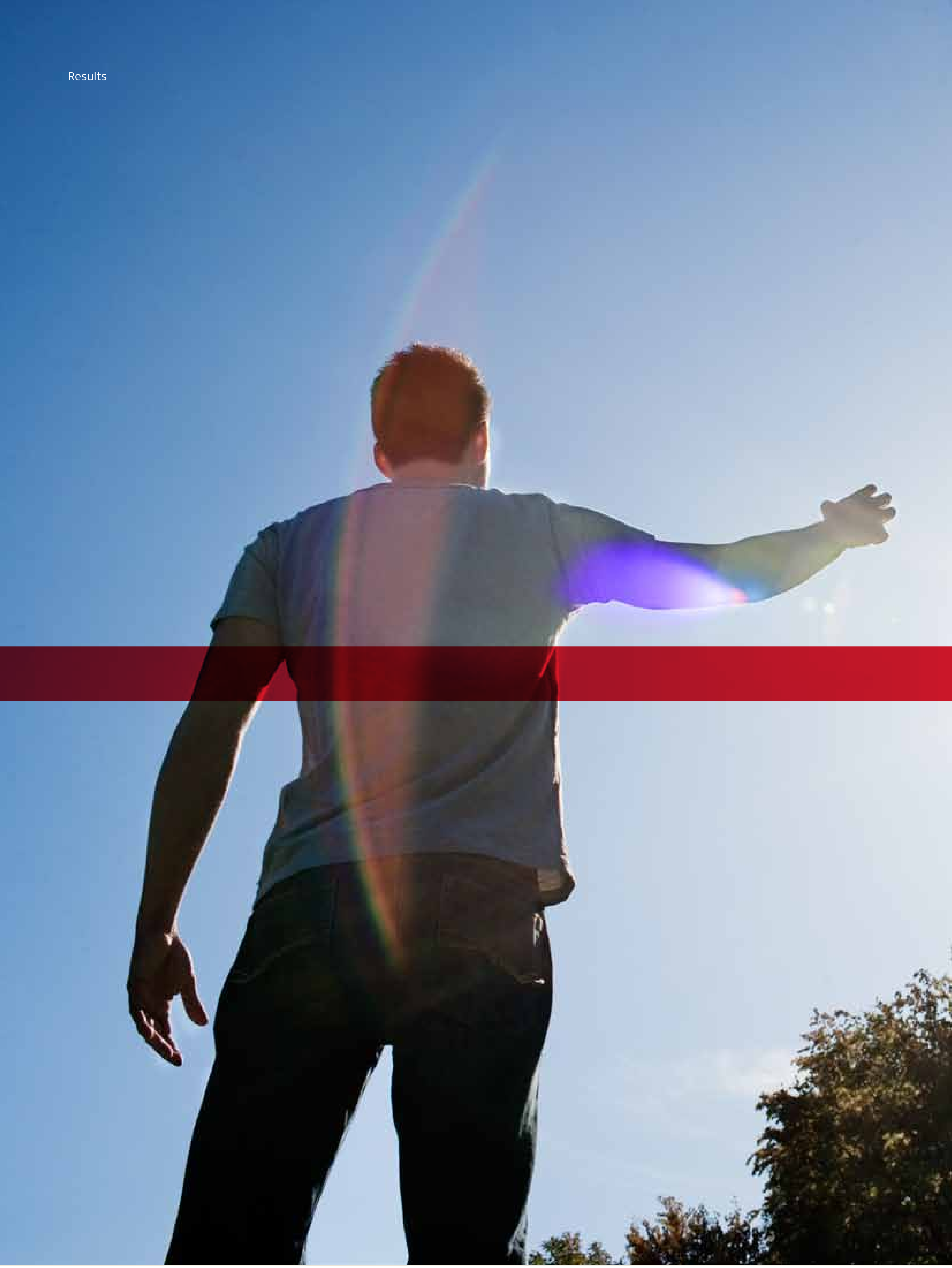
Currency exchange rates, which have a major impact on the results of the insurance operations, were volatile in 2008 and 2009. TrygVesta's insurance operations are directly exposed to fluctuations in NOK, SEK and EUR. Based on the expectation of a positive profit contribution from the Norwegian and Swedish part of the business, a depreciation of NOK and SEK against DKK would adversely impact the total profit of the Group which has DKK as its reporting currency. The currency risk on the part of equity tied up in NOK and SEK is hedged.

Assumptions for tax

The effective tax rate is affected by the corporate tax rate of 25% in Denmark and 28% in Norway. TrygVesta expects an effective tax rate of 26 in 2010, depending, however, on the amount of tax-exempt or non-deductible gains or losses on equities in the Norwegian part of the equity portfolio. Based on the above expectations and assumptions for 2010, the return on equity is expected to be 18-20% after tax.

FINANCIAL CALENDAR 2010

15 April 2010	Annual general meeting 2010
16 April 2010	TrygVesta shares trade ex-dividend
21 April 2010	Payment of dividend
21 May 2010	Interim report for Q1 2010
17 August 2010	Interim report for the first half of 2010
16 November 2010	Interim report for Q1-Q3 2010



Results – the right balance between premiums and risk is the basis for results

Results

The Group's financial performance in 2009

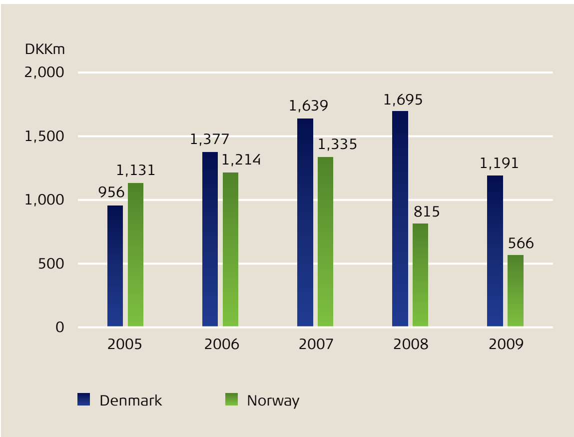
TrygVesta's pre-tax profit for 2009 increased to DKK 2,602m from DKK 1,347m for 2008, reflecting an improved investment return and a lower technical result. The lower technical result was attributable to lower interest rates and rising claims expenses, in particular for house and contents insurances, making premium increases necessary on a number of insurances. This was the first time since the period 2002-2004 that TrygVesta implemented premium increases on this scale. The premium increases are expected to improve earnings in 2010 and 2011, and further premium increases will be implemented in 2010. TrygVesta continued to invest in expansion in Sweden and Finland, which affected costs, but a focused effort with respect to process enhancement measures and Lean resulted in a declining expense ratio overall.

Financial results in 2009

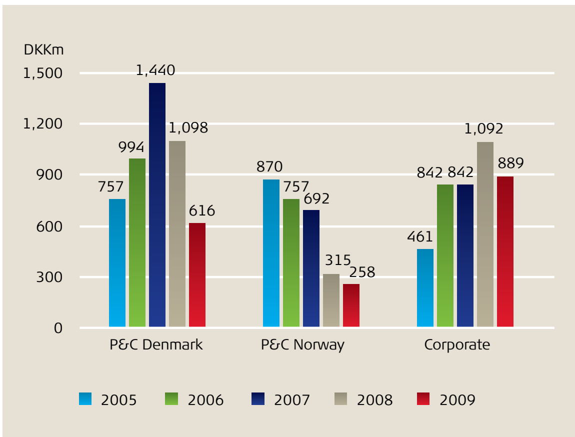
The pre-tax profit amounted to DKK 2,602m against DKK 1,347m in 2008. This was around DKK 200m higher than the full-year forecast announced in the third quarter interim report 2009. The improvement relative to the forecast was attributable to a higher investment income and run-off gains on prior-year claims.

The profit after tax increased to DKK 2,008m, more than double the 2008 figure. The performance was affected by the positive performance of the investment activities, which reversed the negative result of 2008 to a positive result in 2009, as well as by a positive contribution of DKK 29m from the divestment of business.

TECHNICAL RESULT, DENMARK AND NORWAY



TECHNICAL RESULT BY BUSINESS AREA



The technical result amounted to DKK 1,554m in 2009 against DKK 2,384m in 2008. In addition to the effect of lower interest rates of DKK 342m, the result was adversely affected by a fall in the contribution from prior-year claims. Developments within house and contents insurances, primarily in the Danish market, also had an adverse impact on the result. Strong increases in the number of break-ins and an increase in the number and severity of cloudburst claims had an adverse impact on earnings and made premium increases necessary.

Moderna and premium increases lifted premium growth

TrygVesta recorded gross earned premiums of DKK 18,283m in 2009, which was an increase of DKK 960m, or 9.6% in local currency (5.5% in DKK). Premium growth was favourably impacted by the acquisition of Moderna Försäkringar (Moderna), which was included with effect for three quarters in 2009, or DKK 768m. Excluding Moderna, premium growth was 4.7% in local currency. Current premium increases and sustained high customer renewal rates also lifted growth.

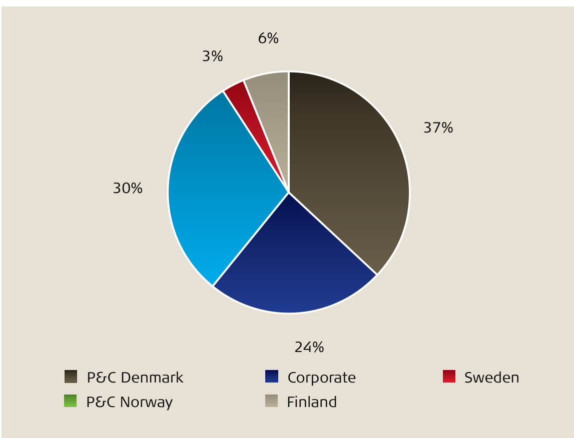
At the start of 2009, the Group expected the economic slowdown to have an adverse impact on premium growth. This impact was smaller than expected, but tended towards weaker growth at the end of 2009. The overall growth in gross premiums for 2009 exceeded expectations of 4% growth excluding Moderna and 8% including Moderna. The increasing unemployment in Denmark and Norway in 2009 had an adverse impact on the development of premiums in workers' compensation insurance. A similar negative trend was recorded in other lines of business with declining activity levels. The transport sector was among the areas affected by the slowdown, with fewer goods being carried and fewer vans being insured. The negative effects of the recession are not expected to terminate until there are clear indications of economic recovery, including lower unemployment rates.

Private & Commercial Denmark reported 4% growth in gross premiums, which was significantly higher than last year. The large number of premium increases affected premium growth in Private & Commercial Norway, which recorded growth of 4% in local currency in 2009 (minus 4.1% in DKK). Customer retention rates remained at a high level. The overall market share in Norway was maintained, reflecting growth in Corporate, but a fall in Private.

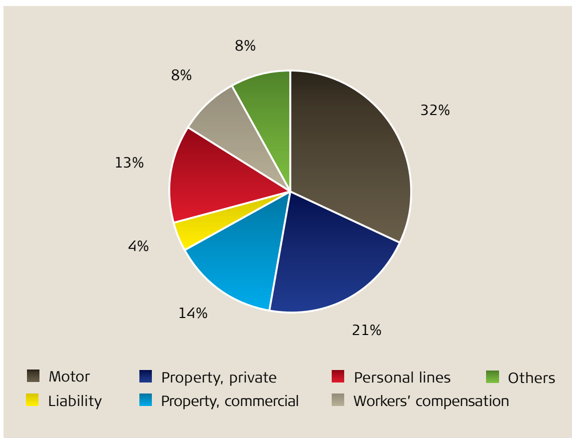
TrygVesta continued to expand its position within health care in 2009. The strong demand for health care insurance combined with good market timing of the launch of new product initiatives produced portfolio growth of more than 30% to DKK 275m in Denmark.

The Swedish and Finnish activities recorded growth of 57% in Sweden excluding Moderna and 34% in Finland, respectively. Taken alone, Moderna grew by 12.2%, exceeding

PREMIUMS BY BUSINESS AREA



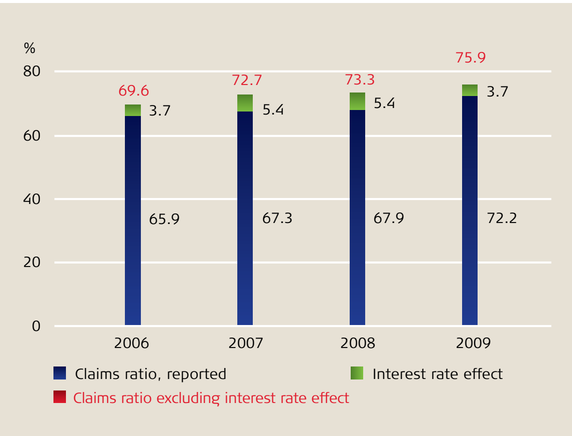
PREMIUMS BY PRODUCTS



the 5% growth anticipated when acquired. The total portfolio in Sweden and Finland amounted to DKK 2.0bn at 31 December 2009. Sweden and Finland accounted for 6.9 percentage points and Denmark and Norway accounted for 2.7 percentage points of the Group's total premium growth of 9.6% in local currency. The total Nordic bank portfolio increased 21%, with Sweden and Finland accounting for the largest growth.

Gross premiums in Corporate increased by 2.2% in local currency (minus 1.6% in DKK), reflecting an underlying positive development in the Norwegian part of Corporate, and falling gross premiums in the Danish part of Corporate.

CLAIMS RATIO AND INTEREST RATE EFFECT



The Danish part of the Corporate business was impacted by fiercer competition. This, together with the deliberate phase-out of unprofitable customers, caused gross premiums to decline. In light of the economic slowdown, the performance is considered satisfactory, underlining the strength of the Group's pan-Nordic market position.

Claims development

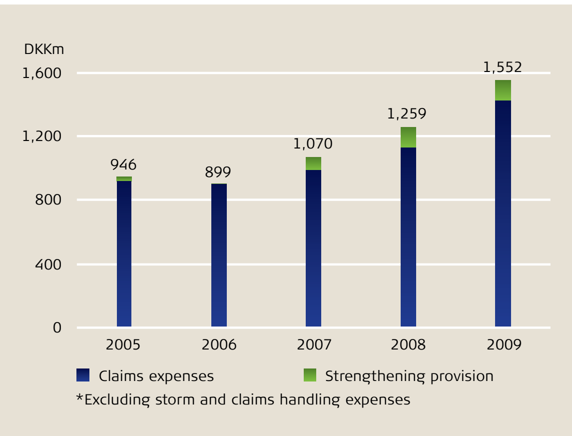
The gross claims ratio of 72.2 in 2009 against 67.9 in 2008 was adversely impacted by the lower discount rate which, seen in isolation, had a negative effect of 1.7 percentage points on the claims ratio, while the remaining increase was mainly attributable to higher claims expenses in the private lines of the Danish part of the business.

Large claims, defined as claims of more than DKK 10m, were a gross amount of DKK 534m in 2009 against DKK 586m in 2008. After reinsurer contributions, large claims amounted to DKK 399m net against DKK 490m in 2008.

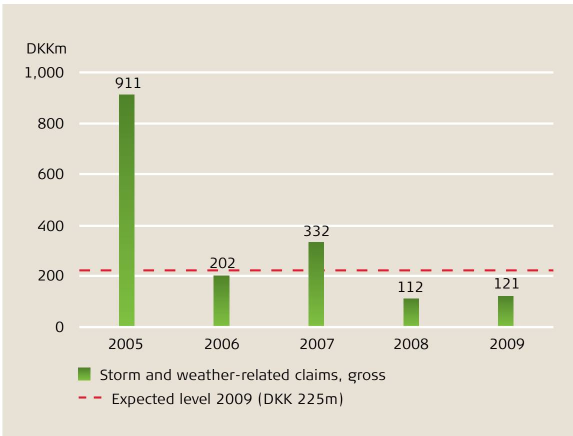
Weather-related claims, defined as high-frequency events with claims expenses in excess of DKK 5m, amounted to DKK 121m in 2009 against DKK 112m in 2008.

Higher claims expenses, particularly for contents and house insurances, had an impact of DKK 456m on the underlying claims development with DKK 293m stemming from the private lines in the Danish part of the business. This was attributable to an increasing number of break-

HOUSE AND CONTENTS CLAIMS IN DENMARK*



STORM AND WEATHER-RELATED CLAIMS



ins, more expensive average claims due to contents being more expensive after the private consumption boom from 2004 to 2007, a worrying development in water and piping claims under house insurances, and rising expenses for fire claims. Positive trends included a slight decline in average claims for small house claims (less than DKK 100,000). This was due to the economic downturn which within a short period of time reduced demand for craftsmen's services.

Costs affected by efficiency measures and Lean
The gross expense ratio improved from 17.3 in 2008 to 16.9 in 2009. Both 2009 and 2008 were adversely impacted by costs in connection with The Living House, which amounted to DKK 64m in 2009 against DKK 133m in 2008. The refurbishment of the head offices began in 2008 and accelerated during 2009.

In step with the incorporation of Lean as a natural part of work routines and the improvement of the Group's processes, productivity will increase. This is important in order to make room for the expansion in Sweden and Finland, which requires high costs and ongoing investments.

TrygVesta focused on in-house recruitment in 2009 and only made a few external appointments, thereby reducing employee numbers over the year. This generated significant cost savings as there were about 100 fewer employees than at the beginning af the year (excluding Moderna).

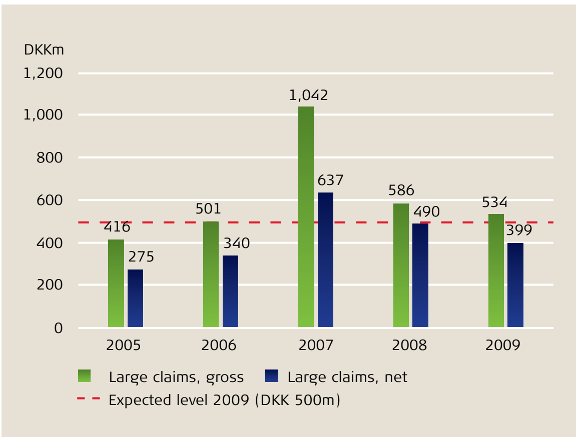
Even if the economic slowdown had a limited effect on the results in 2009, it was necessary to adjust the cost structure because higher unemployment and economic recession are expected to impact the future volume of business until economic recovery sets in. The ongoing improvement of business efficiency and recruitment restraint had the overall effect of reducing the expense ratio in Denmark and Norway from 16.4 in 2008 to 15.4 in 2009.

As was expected, Sweden and Finland had a relatively strong impact on costs. Excluding Moderna, Sweden and Finland had a 1.7 percentage point impact on the overall expense ratio in 2009 against 1.5 percentage points in 2008. The acquisition of Moderna in the second quarter of 2009 generated a number of synergies which materialised over the year with a favourable impact on the Group's total costs. An example is cost savings with respect to IT in connection with the start-up of the Corporate business in Sweden, where Corporate was established on Moderna's IT platform following the acquisition. Furthermore, this made it possible to begin sales of corporate insurances ahead of expectations.

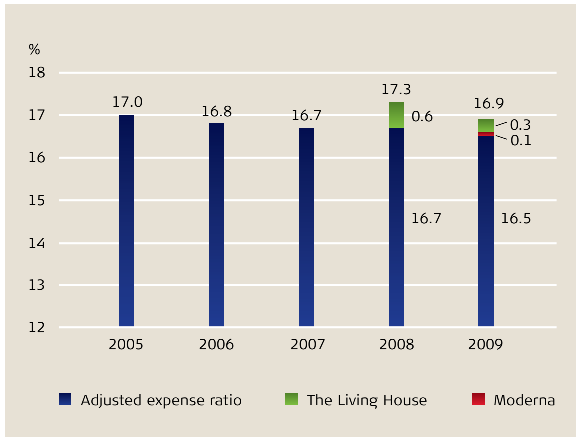
Read more about the acquisition of Moderna in the section Sweden.

Combined ratio
The combined ratio was up from 89.1 in 2008 to 92.3 in 2009. The discount rate that is used to discount provi-

LARGE CLAIMS



EXPENSE RATIO



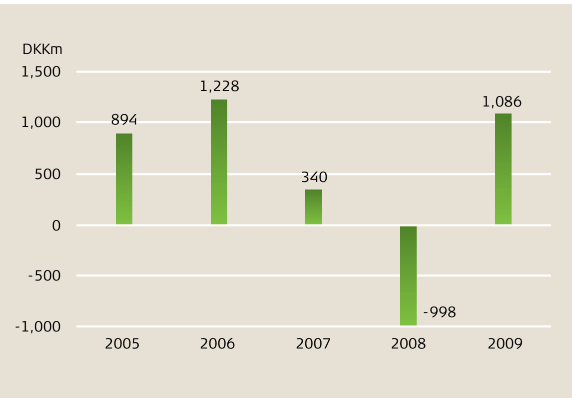
sions for claims fell in 2009 which, seen in isolation, triggered an increase of 1.7 percentage points in the combined ratio. Run-off gains had a favourable impact of 3.9 percentage points on the combined ratio in 2009 as compared with 4.6 percentage points in 2008. Run-off gains came from personal lines, whereas reserves for house and contents policies were strengthened. Large claims were a gross amount of DKK 534m in 2009 against DKK 586m in 2008.

Investment return

Positive trends in the equity markets, generally falling interest rates, and a narrowing credit spread produced a significantly higher investment result in 2009. The gross return on investment assets totalled DKK 1,931m in 2009 against DKK 440m in 2008, corresponding to a gross return of 6.6% in 2009 compared with 3.5% in 2008. Investment activities generated a profit of DKK 1,086m after transfer of technical interest compared with a loss of DKK 988m in 2008.

The bond portfolio accounted for an almost constant proportion of 86.2% of total assets in 2009. In 2009, TrygVesta invested in High Yield bonds, which accounted for 2.2% of the Group's total investment assets at 31 December 2009. The Investment Grade portfolio increased by DKK 500m in the spring, but the entire portfolio was sold at the end of the year. Furthermore, TrygVesta completed a major restructuring of the mortgage bond portfolio in the second half of 2009, switching from callable bonds to non-callable bonds. The total investment portfolio stood at around DKK 40bn at 31 December 2009 compared with DKK 34.2bn at 1 January 2009. TrygVesta recognises all investment assets at market value, and value changes have a direct impact on the income statement.

INVESTMENT RESULT



Tax

The tax expense of continuing business was DKK 623m in 2009 compared with DKK 501m in 2008, equalling a fall in the effective tax rate from 37% in 2008 to 24% in 2009. The effective tax rate in 2008 was adversely affected by non-deductible equity losses. In 2009, the effective tax rate was affected by utilisation of prior-year tax loss carry-forwards in Sweden and tax-free gains on equities.

Balance sheet and cash flow

Total assets increased from DKK 38,445m to DKK 44,740m in 2009, primarily due to the consolidation of Moderna and the appreciation of NOK against DKK.

Liabilities mainly comprised shareholders' equity of DKK 9,666m and technical provisions of DKK 29,002m. Technical provisions increased by DKK 3,809m relative to 31 December 2008, primarily due to the addition with respect to Moderna and the appreciation of NOK against DKK.

TrygVesta generated a cash inflow from operating activities of DKK 2.2bn in 2009 compared with DKK 1.8bn in 2008. There was a cash outflow for investing activities of DKK 1.6bn and a cash outflow for financing activities of DKK 0.4bn.

Equity and ROE

Equity stood at DKK 9,666m at 31 December 2009, an increase of DKK 1,422m in the year. The increase was composed of the profit for the year, dividends paid out in the amount of DKK 410m, own shares bought back in the amount of DKK 334m and other adjustments. The return on equity was 22% in 2009 against 9% in 2008.

Events after the balance sheet date

No other material events have occurred in the period from the balance sheet date until today which in the opinion of Management affect the assessment of the company's financial position.

Private & Commercial Denmark

DKKm	2007	2008	2009
Gross earned premiums	6,490	6,605	6,866
Gross claims incurred	-4,041	-4,443	-5,136
Gross expenses	-1,086	-1,155	-1,063
Profit/loss on gross business	1,363	1,007	667
Profit/loss on ceded business	-87	-89	-122
Technical interest, net of reinsurance	164	180	71
Technical result	**1,440**	**1,098**	**616**
Key ratios			
Gross claims ratio	62.3	67.3	74.8
Business ceded as % of gross premiums	1.3	1.3	1.8
Claims ratio, net of ceded business	63.6	68.6	76.6
Gross expense ratio	16.7	17.5	15.5
Combined ratio	80.3	86.1	92.1

Private & Commercial Denmark sells insurances to private individuals as well as small and medium-sized enterprises in Denmark under the Tryg brand name. Sales are handled by call centres, own sales agents, affinity groups, car dealers, real estate agents and Nordea's branches.

Performance impacted by lower interest rates and higher claims expenses

The technical result amounted to DKK 616m in 2009 compared with DKK 1,098m in 2008. The performance was impacted by lower technical interest, higher claims expenses for house, contents and change of ownership insurances and lower run-off gains. The higher claims expenses were mainly due to a larger number of piping claims, break-ins and fires. An adverse trend in the average house claim (less than DKK 100,000) was reported, but due to an increase in expensive house claims, the total claims expenses rose.

Development in gross premiums

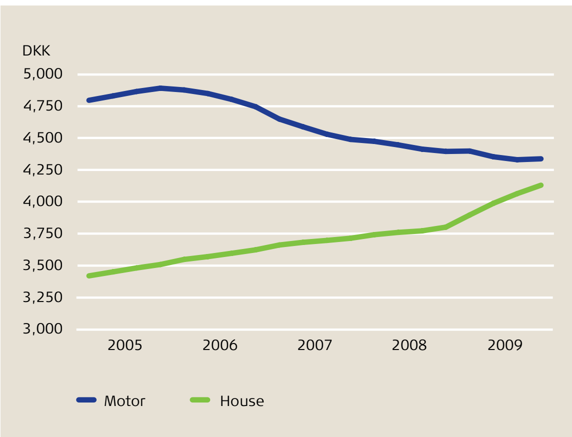
Overall, gross premiums rose by 4.0% to DKK 6,866m in 2009, which was significantly better than the year before and in line with expectations. The economic downturn resulted in a reduced number of workers' compensation insurances and reduced premiums. The ongoing restructuring of the motor portfolio, which accounted for a third of the total portfolio in Private & Commercial Denmark, produced a slight drop of 1% in the average premium. This was due, among other things, to a number of agreements with affinity groups being transferred to new tariff parameters sooner than expected. At 31 December 2009, most of the motor portfolio had been transferred to the new tariff parameters, which include the age of the car, the annual mileage and the age and gender of the driver, all of which facilitates a better risk selection. The average premium is expected to see a flat trend in 2010. Indexation for 2010 amounts to 4.2%, but the positive impact will be offset by the conversion of the remaining portfolio. The trend for customers to reduce annual mileage and buy smaller cars will also have an adverse impact on the average premium, but the risk will be reduced correspondingly.

The average premium on house insurances increased by 8% in 2009, which contributed towards restoring profitability in the area, although it was not sufficient. Profitability on house insurances has been under pressure in the past few years due to high claims inflation, an increase in the number of piping claims, more break-ins and more frequent cloudbursts during the summer period. These developments made it necessary to implement premium increases in addition to those already effected on house insurances at the beginning of the year. The contents insurance was increased by around 15% including indexation at 1 January 2010.

In addition to the premium increases on house and contents insurances, premiums were also increased on a number of other products. The health insurance premium was raised twice during 2009 by a total of 25% to reflect the increased use of the insurance and the related increase in claims expenses. Despite the economic downturn, health insurances were among the products with the highest growth rate in 2009, recording premium growth of more than 70%. TrygVesta expanded its position further in this market, and the portfolio comprised 165,000 customers and amounted to DKK 275m at 31 December 2009 against DKK 204m at 1 January 2009. Personal accident, holiday home and travel insurance premiums were also increased by 10-20% in 2009. The effect of the many premium initiatives is expected to restore balance in earnings during 2010 and 2011, and new measures will be introduced as required.

When TrygVesta, as the first Danish company, implemented necessary premium increases in the Danish market, an adverse trend in customer renewal rates had been expected. In connection with the premium increases, the net outflow of customers increased slightly, but this trend was reversed as other companies in the market also increased their premiums. For 2009 as a whole, the renewal rate for private customers was stable at around 91, which means that on average, customers will remain with TrygVesta for 11 years. The high renewal rate made a positive contribution to the performance, as a high renewal rate is important in relation to the development of premiums, claims and costs.

AVERAGE PREMIUMS



Claims

Lower run-off gains and the lower level of interest rates in combination with higher claims expenses for contents and house insurances triggered an increase in the claims ratio from 67.3 in 2008 to 74.8 in 2009. Run-off gains amounted to DKK 303m in 2009, which was DKK 87m lower than in 2008 due to lower run-off gains on motor. As TrygVesta discounts provisions for claims, the lower interest rate level had an adverse impact on the present value of the provisions for claims, increasing the claims ratio by 1.2 percentage points.

Another contributory factor was the performance of contents and house insurances, for which it was necessary to strengthen reserves significantly by the end of the year in order to reflect the higher claims level.

More break-ins, fire claims and piping claims caused claims expenses to increase in 2009. The higher number of break-ins affected contents as well as house insurances. Around 41% of the contents insurance claims was related to break-ins, and the related cost increased from 2008 to 2009. This development was also seen because customers have acquired more, new and more expensive furniture. Inadequate police efforts and falling detection rates have made it easier for thieves. The development in the number of break-ins is not caused solely by the recession as the upward trend has been recorded over a longer period of time. One of the reasons is that organised foreign gangs more frequently commit more serious crimes and serial break-ins.

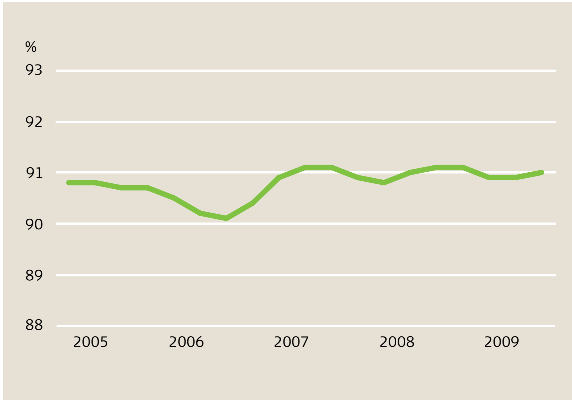
The higher number of fire claims under house insurances mainly related to claims in excess of DKK 100,000 and was caused by more large fire claims and short circuit claims related to an increased number of lightning strikes in 2009. Higher expenses for piping and service piping claims impacted claims expenses adversely by around DKK 50m more in 2009 than in 2008. These claims were due to the fact that more frequent cloudbursts put pressure on local authorities to dimension the public sewage and drainage systems to adequately handle the larger quantities of water. In connection with such investigations and subsequent replacement of sewage pipes it is often detected that some customers' piping and service pipes connected to the public sewage system are damaged, and a claim is therefore reported under the insurance for the damage to be repaired.

Large claims had an impact of DKK 81m on the performance in 2009, which was on a level with 2008.

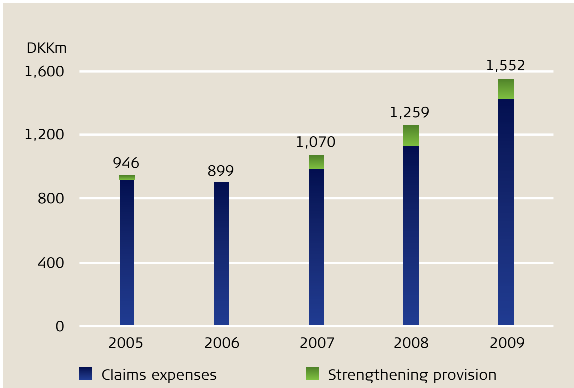
The trend seen from 2006 to 2008 with a steep increase in average claims subsided as expected during 2009, supported by the economic downturn.

Being one of the major players in the market, TrygVesta's focus on claims procurement is also very important. Negotiations with craftsmen thus reduced both wages and the cost of materials, and a new agreement with the damage control companies strengthened TrygVesta's position in the market. The positive development in average claims

CUSTOMER RETENTION

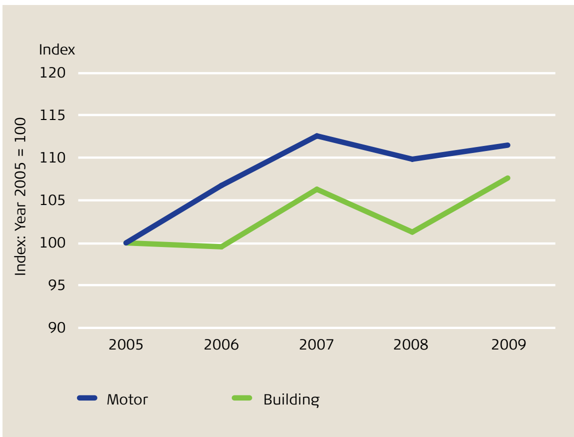


HOUSE AND CONTENTS CLAIMS IN DENMARK*

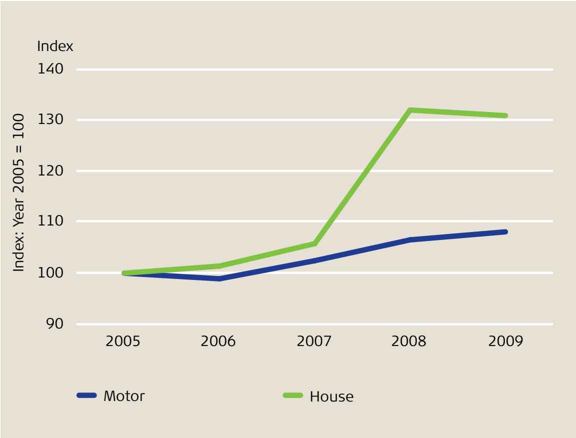


*Excluding storm and claims handling expenses

CLAIMS FREQUENCY IN DENMARK



AVERAGE CLAIMS IN DENMARK



was, however, offset by an adverse trend in large house claims, which increased by DKK 121m.

The claims frequency for house insurances increased by around 6 percentage points, related to more break-ins, short circuit claims and a minor increase in piping and service piping claims.

The claims frequency for motor increased by around 1 percentage point in 2009, favourably impacted by a drop in mileage, but adversely impacted by the winter weather at the end of the year. The average motor claim increased by 1 percentage point. With respect to car repairs, TrygVesta works closely with selected garages, which helps keep average claims expenses down and ensure high quality and service to customers.

Costs

Gross costs totalled DKK 1,063m, which was a decline of DKK 92m relative to 2008, causing the expense ratio to fall from 17.5 to 15.5. The Group's restraint with respect to external appointments since the second half of 2008 materialised in substantial savings in 2009. Both 2008 and 2009 were adversely impacted by the refurbishment project relating to the head office in Denmark, in the amount of DKK 24m in 2008 and DKK 8m in 2009.

Premium increases to improve the combined ratio

The combined ratio increased from 86.1 in 2008 to 92.1 in 2009, with an increase in the underlying claims development due to the adverse trend in contents and house insurance. Lower interest rates had an adverse effect of 1.2 percentage points on the combined ratio, while lower run-off gains depressed the combined ratio by 1.1 percentage points. Weather-related claims lifted the combined ratio by 0.4 percentage point. Finally, the expense ratio improved by 2 percentage points. The premium increases already implemented will increase profitability during 2010 and 2011.

Private & Commercial Norway

DKKm	2007	2008	2009
NOK/DKK, average rate for the period	92.81	91.74	84.59
Gross earned premiums	4,490	4,636	4,445
Gross claims incurred	-2,962	-3,371	-3,224
Gross expenses	-936	-1,004	-942
Profit/loss on gross business	592	261	279
Profit/loss on ceded business	-82	-68	-53
Technical interest, net of reinsurance	182	122	32
Technical result	**692**	**315**	**258**
Key ratios			
Gross claims ratio	66.0	72.7	72.5
Business ceded as % of gross premiums	1.8	1.5	1.2
Claims ratio, net of ceded business	67.8	74.2	73.7
Gross expense ratio	20.8	21.7	21.2
Combined ratio	88.6	95.9	94.9

Private & Commercial Norway sells insurances to private individuals as well as small and medium-sized enterprises in Norway under the TrygVesta and Enter brand names. Sales are handled by some 80 franchise offices with 300 employees, own sales agents, call centres, car dealers and Nordea's branches.

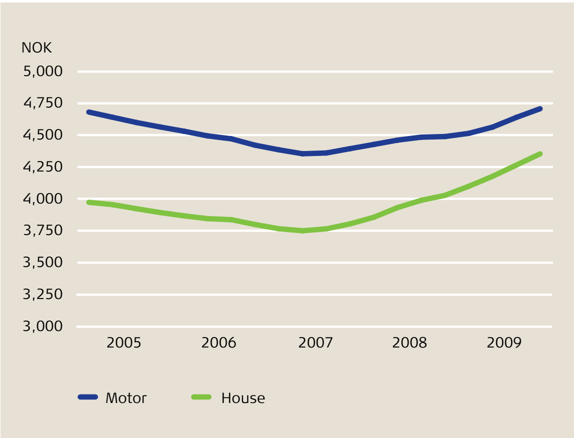
Performance impacted by lower interest rates and winter weather

On the basis of 4% gross premium increases in local currency the combined ratio was improved through the year. The technical result was DKK 258m in 2009 against DKK 315m in 2008. The decline in technical interest from DKK 122m in 2008 to DKK 32m in 2009 was the main reason for the lower result. Furthermore, the claims expenses were higher, primarily due to heavy snowfalls in eastern Norway at the beginning of the year, which increased the number of motor claims and claims relating to holiday houses. However, the high claims level early in 2009 improved during the year and both the third and fourth quarters were better than the year before.

Claims inflation decreased in 2009 after increasing claims inflation in 2007 and 2008, which saw rising prices for craftsmen and materials. Unlike in Denmark, where the initial premium increases were implemented from 1 January

CUSTOMER RETENTION IN NORWAY

AVERAGE PREMIUMS IN NORWAY



2009, the premium increases in Norway have been implemented since mid-2007. The effect of the semi-annual premium initiatives began to materialise in 2009 and will improve the performance going forward.

Growth maintained despite competition

Gross premiums in Private & Commercial Norway increased by 4.0% in local currency (minus 4.1% in DKK) and stood at DKK 4,445m in 2009. Growth was slightly lower than in 2008, but still at a high level. The increase in gross premiums of NOK 203m was favourably impacted by the premium increases that had been implemented, while the number of insurances sold declined slightly. The growth in gross premiums was achieved despite fiercer competition, in particular from new competitors in the private market. Despite the competition, the overall Norwegian market share increased from 17.9 to 18.1 in 2009 (end-September 2009). The underlying trend showed a small decline in the market share in the private area, whereas the market share for commercial increased. The substantial premium increases in the middle of the year resulted in a minor decline in market share in the second half of 2009, which was not unexpected. This had an adverse impact on the renewal rate which dropped by 1.8 percentage points to 85.1%.

TrygVesta introduced a number of changes to the distribution platform in 2009, including a strengthening of sales via call centres. Furthermore, focus remained on strengthening the market share in areas with a market share below the national average.

The average premium for motor insurances increased by 4.9%, and house insurances increased by 8.1% in 2009. In line with the other large insurance companies in the Norwegian market, TrygVesta has since mid-2007 increased premiums in order to improve profitability. The premium increases implemented during 2009 are expected to improve earnings when fully incorporated in the portfolio. This trend is further intensified by an increase in premiums for house insurances of 6.7% and for passenger cars of 3.3% from 1 January 2010.

Claims

Claims expenses increased by 3.4%, or NOK 126m, to NOK 3,811m. Considering the growth in gross premiums of 4.0% in local currency, the performance was well balanced. The claims ratio, net of ceded business improved from 74.2 to 73.7 relative to 2008. In light of the adverse impact of the lower discount rate which, seen in isolation, lifted the claims ratio by 1.1 percentage points in 2009 compared with 2008, the performance was in line with expectations.

The claims frequency for houses increased by 11.0 percentage points relative to 2008 and was impacted by more fire, water and piping claims as well as more thefts, which stabilised at a level almost double that of 18 months ago. The average house claim fell by around 2 percentage points, supported by the economic downturn causing lower repair expenses.

The claims frequency for motor policies rose by 3.8 percentage points in 2009 relative to 2008, and the average motor claim was up by 2.7 percentage points. The higher claims frequency mainly related to many accidents due to icy road conditions in eastern Norway, and especially around Oslo, at the beginning of the year. There were 1,800 more motor claims in the first quarter of 2009 compared with first quarter of 2008. Expenses for larger fire claims (more than NOK 1m) under house insurances in Private & Commercial Norway developed favourably in 2009, accounting for NOK 185m against NOK 264m in 2008, and impacting the claims ratio by 3.5 percentage points in 2009 against 5.2 percentage points in 2008. Compared with Denmark, the number of house fires is significantly higher in Norway, due to the large number of houses and cabins made from wood and heated by wood burning stoves or fireplaces.

Large claims, defined as claims in excess of DKK 10m, totalled DKK 35m in 2009, as against an unusually high level of DKK 131m in 2008. As a percentage of gross premiums, large claims thus accounted for 0.8 percentage point compared with 2.8 percentage points in 2008.

Run-off gains were a gross amount of DKK 24m in DKK against a run-off loss of DKK 26m in 2008, or 0.5% of gross premiums compared with minus 0.6% in 2008. Run-off gains originated mainly from the personal accident lines.

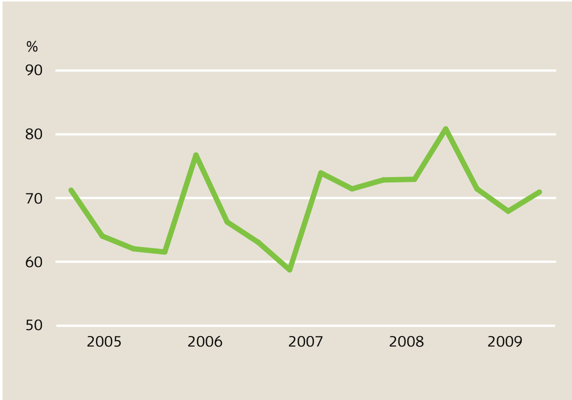
Costs

Costs rose by 1.4%, or NOK 15m, to stand at NOK 1,114m, and the overall expense ratio fell from 21.7 to 21.2. The improvement was attributable to restraint in new appointments, and the effect of the process and efficiency measures introduced which began to materialise during the year.

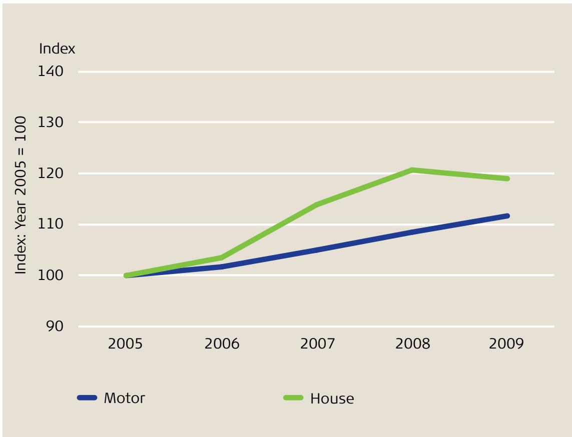
Combined ratio improved

Private & Commercial Norway reported an overall combined ratio for 2009 of 94.9 against 95.9 in 2008. The year started out at a high level due to the winter effect, but there was improvement over the year. The combined ratio was higher than expected and impacted by the low interest rate level. The premium increases already implemented and additional planned premium measures are expected to improve profitability further in the years ahead.

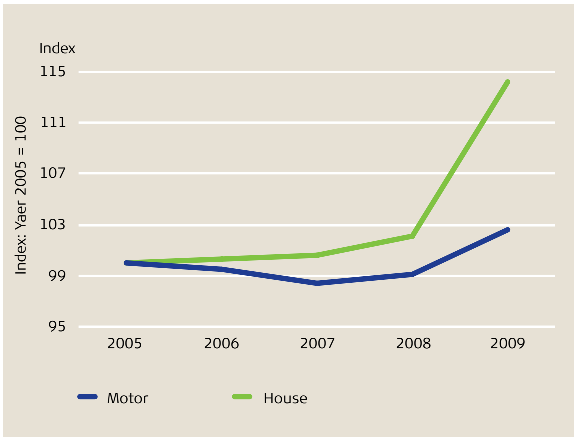
CLAIMS RATIO IN NORWAY (GROSS)



AVERAGE CLAIMS IN NORWAY



CLAIMS FREQUENCY IN NORWAY



Private & Commercial Sweden

DKKm	2007	2008	2009
SEK/DKK, average rate for the period	80.73	78.02	70.02
Gross earned premiums	90	221	1,081
Gross claims incurred	-80	-214	-875
Gross expenses	-95	-104	-251
Profit/loss on gross business	-85	-97	-45
Profit/loss on ceded business	0	0	-15
Technical interest, net of reinsurance	3	7	8
Technical result	**-82**	**-90**	**-52**
Key ratios			
Gross claims ratio	88.9	96.8	80.9
Business ceded as % of gross premiums	0.0	0.0	1.4
Claims ratio, net of ceded business	88.9	96.8	82.3
Gross expense ratio	105.6	47.1	23.2
Combined ratio	194.5	143.9	105.5

TrygVesta sells insurances to private individuals and businesses under the Moderna brand and the Vesta Skadeförsäkring brand. Moderna has several sub-brands; the best known are Atlantica and Bilsport&MC. Insurances are sold through Nordea's branches, own sales agents, call centre, the Internet and car and boat dealers.

Moderna – a good match

TrygVesta acquired Swedish company Moderna in April 2009 for a total acquisition price of DKK 939m, including goodwill on acquisition of DKK 310m. Moderna reported a pre-tax profit of DKK 117m (nine-months profit) corresponding to approximately 6% of the Group's total pre-tax profit in the second to fourth quarters of 2009. The performance was satisfactory and better than expected. At the time of acquisition, Moderna was expected to raise the total earnings per share by 5% in 2010. The acquisition strengthened TrygVesta's position and distribution power significantly in the Swedish private market, adding call centres, group insurance schemes, sales agents, a car channel and an online solution for all customers in Sweden. The acquisition is a good match to TrygVesta's strategy of increasing the market share in Sweden.

Moderna was consolidated in the financial statements of TrygVesta as from the second quarter of 2009. The consolidation of Moderna was thus a major contributor to the high premium growth in 2009. Gross premiums increased from DKK 221m to DKK 1,081m, with Moderna accounting for DKK 768m of the increase. Growth in premiums was 12.2% in Moderna in 2009, which was considerably higher than the 5% expected on the acquisition of Moderna. Vesta Skadeförsäkring reported growth in gross premiums of 57% in 2009 (41.6% in DKK).

In 2009, 109,000 insurances were sold in Vesta Skadeförsäkring – a sustained high level, although slightly below 2008. The main reason for this was the economic downturn. Excluding Moderna, the portfolio amounted to SEK 517m at 31 December 2009 against SEK 370m at 1 January 2009, and the number of customers was 136,000 at 31 December 2009 against 107,000 at the beginning of the year. Moderna's portfolio amounted to SEK 1,460m at 31 December 2009. The premium increases of 10-20% which were implemented in Vesta Skadeförsäkring in 2009 will improve profitability in 2010 and 2011. However, these measures also had a negative impact on customer renewal rates as premium increases for unprofitable customer segments caused a number of such customers to leave the company.

Claims

The claims ratio was 80.9 in 2009 compared with 96.8 in 2008. Claims incurred included a strengthening of IBNR reserves of SEK 50m. The improved claims ratio was mainly attributable to the consolidation of Moderna, which improved the performance significantly. In addition to critical mass, the acquisition of Moderna also contributed strong underwriting competences to the Swedish business, which are expected to strengthen the overall Swedish business going forward.

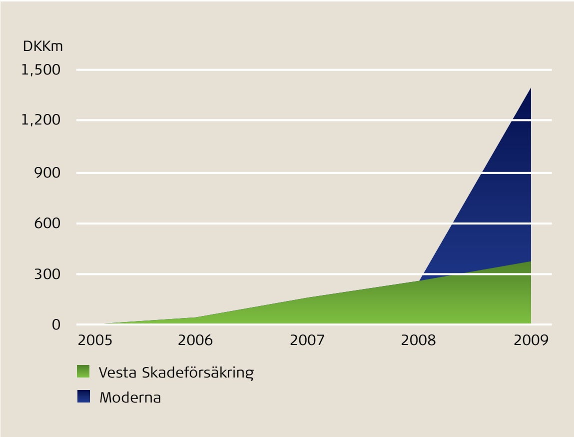
Costs

Nominal costs increased from DKK 104m to DKK 251m, with the consolidation of Moderna being the principal reason. The distribution mix was changed in 2009, which was another reason for the improved expense ratio. The expense ratio fell from 47.1 to 23.2. The rapid growth entailed a need to strengthen human resources. The number of full-time employees was 429 at 31 December 2009, and 310 of them came from Moderna.

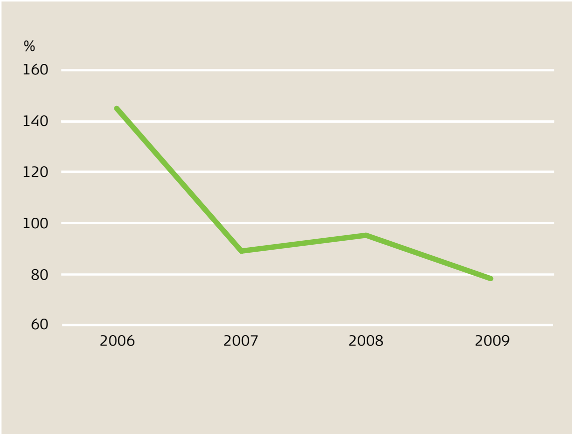
Combined ratio

The combined ratio for 2009 was 105.5 as against 143.9 for 2008. Moderna had a combined ratio of 90.8 for 2009. The remaining Swedish portfolio had a combined ratio of 141.9, which was adversely impacted by the strengthening of reserves. The technical result for 2009 was a loss of DKK 52m against a loss of DKK 90m in 2008. This was the best performance to date of the Group's Swedish activities and mainly attributable to the consolidation of Moderna's profit of DKK 75m. Moderna reported a total profit before tax of DKK 117m (nine-months profit), which was satisfactory considering the acquisition price for Moderna.

PORTFOLIO DEVELOPMENT IN SWEDEN



CLAIMS RATIO IN SWEDEN (GROSS)



Private & Commercial Finland

DKKm	2007	2008	2009
EUR/DKK, average rate for the period	745.11	745.63	744.68
Gross earned premiums	251	354	472
Gross claims incurred	-188	-258	-402
Gross expenses	-125	-154	-194
Profit/loss on gross business	-62	-58	-124
Profit/loss on ceded business	-1	-1	-1
Technical interest, net of reinsurance	14	17	12
Technical result	**-49**	**-42**	**-113**
Key ratios			
Gross claims ratio	74.9	72.9	85.2
Business ceded as % of gross premiums	0.4	0.3	0.2
Claims ratio, net of ceded business	75.3	73.2	85.4
Gross expense ratio	49.8	43.5	41.1
Combined ratio	125.1	116.7	126.5

In Finland, TrygVesta sells insurances to private individuals and small enterprises under the brand names of TrygVesta Finland and Nordea Vahinkovakuutus. Insurances are sold by Nordea's branches, own sales agents, call centres, car dealers and via the Internet.

From growth to focus on profitability

Gross premiums in Finland increased by 33.3%. Sales were intentionally held back due to increased focus on profitable growth. In that connection, earnings in Finland were affected by non-recurring expenses of approximately DKK 20m. Gross premiums rose by DKK 118m, to DKK 472m, and a total of 150,000 insurance were sold in 2009 against around 160,000 in 2008. Gross earned premiums from sales to small and medium-sized enterprises rose from DKK 41m in 2008 to DKK 73m in 2009.

In 2009, TrygVesta increased premiums by around 10%, which will have a positive impact on profitability going forward. As the largest competitors also increased their premiums, TrygVesta is believed to have retained its strong competitiveness.

In 2009, sales made through own sales agents and own call centre were strengthened. Nordea accounted for 18% of direct sales in Finland in 2009 through Nordea's branch network and netbank, while 31% of sales were made through TrygVesta's affiliated sales force based on, among other things, referrals from Nordea.

The Finnish portfolio totalled DKK 554m at 31 December 2009 and grew by 28% in 2009.

Claims ratio

The claims ratio, which was 85.2 in 2009 against 72.9 in 2008, was impacted by higher claims handling costs, among other factors.

Costs

Costs, which amounted to DKK 194m in 2009 against DKK 154m in 2008, were impacted by the higher number of employees. Costs were futhermore impacted by non-recurring costs of around DKK 20m in relation to The Living House as well as in relation to writedowns of a commerial insurance system. Higher Group costs also impacted costs.

The growth in the Finnish business gives rise to an ongoing requirement for attracting qualified employees. The number of employees increased from 147 to 191 in 2009, to which should be added 53 independent insurance agents.

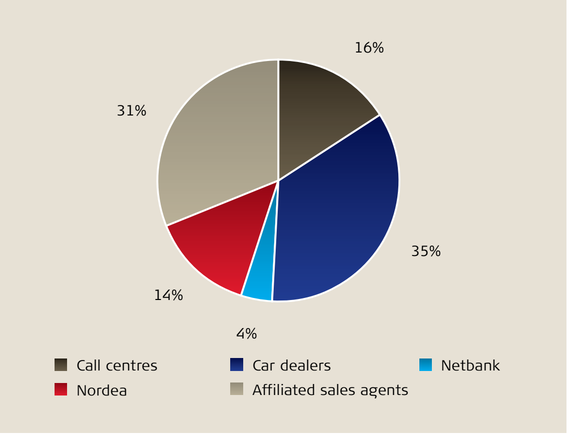
The streamlining of distribution channels and own resources combined with sound costs restrained will gradually reduce the expense ratio going foreward.

Combined ratio

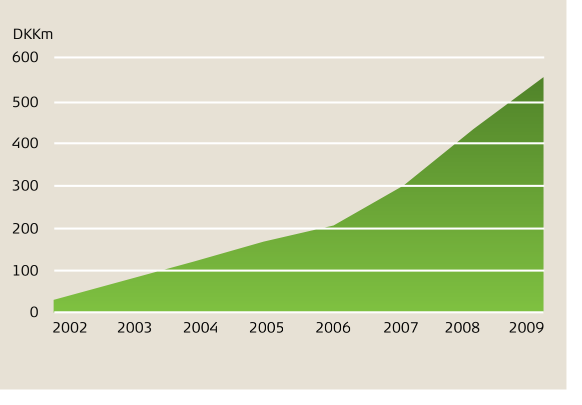
The combined ratio was 126.5 relative to 116.7 in 2008. In the private business, the combined ratio was 107.1 against 101.5 in 2008. The targeted combined ratio of around 95 will be achieved through focus on profitable growth and changes in the sales channels.

Private & Commercial Finland reported an overall loss of DKK 113m for 2009 against a loss of DKK 42m in 2008.

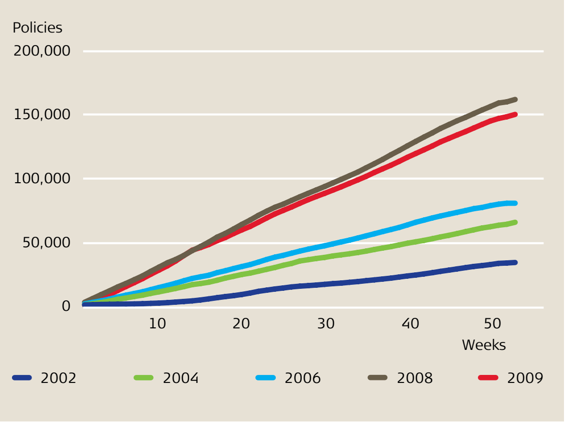
SALES DISTRIBUTION IN FINLAND



PORTFOLIO DEVELOPMENT IN FINLAND



ACCUMULATED WEEKLY SALES IN FINLAND



Corporate

DKKm	2007	2008	2009
NOK/DKK, average rate for the period	92.81	91.74	84.59
SEK/DKK, average rate for the period	80.73	78.02	70.02
Gross earned premiums	5,285	5,512	5,423
Gross claims incurred	-3,904	-3,489	-3,583
Gross expenses	-504	-588	-604
Profit/loss on gross business	877	1,435	1,236
Profit/loss on ceded business	-172	-516	-381
Technical interest, net of reinsurance	137	173	34
Technical result	**842**	**1,092**	**889**
Key ratios			
Gross claims ratio	73.9	63.3	66.1
Business ceded as % of gross premiums	3.3	9.4	7.0
Claims ratio, net of ceded business	77.2	72.7	73.1
Gross expense ratio	9.5	10.7	11.1
Combined ratio	86.7	83.4	84.2

Corporate is a Nordic business area which sells insurances to corporate customers under the TrygVesta brand. Corporate's products are sold through its own sales force and through insurance brokers. Corporate has more than 12,000 customers each paying annual premiums of more than DKK 900,000 or having more than 50 employees, and around 70 customers each paying annual premiums of more than DKK 10m. Corporate has around 400 employees. TrygVesta Garanti is included in the financial results of Corporate. TrygVesta Garanti is a subsidiary whose principal activity is to guarantee, in relation to third parties, its customers' performance under agreements made, such as construction contracts where guarantee is provided in respect of risks during the construction period and remedying of defects after the project has been handed over.

Financial results

The technical result for 2009 was DKK 889m against DKK 1,092m in 2008, which was an unusually profitable year with the combined ratio as low as 83.4. The combined ratio was 84.2 in 2009, which is considered a very satisfactory level. The performance was impacted by lower technical interest, which reduced the result by DKK 139m. The Norwegian part of the Corporate business was able to implement premium increases, while the Danish part experienced fiercer competition and pressure on prices.

Run-off gains amounted to DKK 387m in 2009, which was on a level with the 2008 figure. Large claims amounted to DKK 419m, DKK 89m more than in 2008.

As in previous years, TrygVesta Garanti was particularly aware of the sensitivity of the construction industry and the consequences of the economic crisis. TrygVesta Garanti pursues a restrictive underwriting and reinsurance policy, and the number and size of claims were therefore satisfactory in 2009. The company recorded a combined ratio of 75.3 in 2009, which was in line with 2008, and contributed DKK 45m to the overall performance of Corporate.

Favourable market conditions in Norway, competition in Denmark

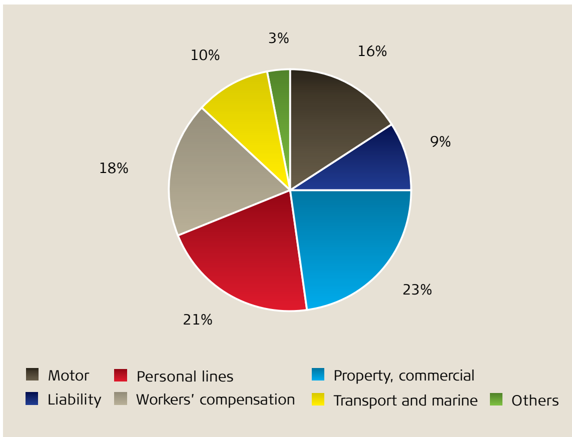
Gross earned premiums rose by 2.2% in local currency, but fell by 1.6% in terms of DKK to stand at DKK 5,423m due to the fall of NOK against DKK. Gross premiums fell in the Danish part of the business, while they increased in the Norwegian part. This performance was attributable to a good customer inflow in Norway, whereas the Danish market was characterised by price competition and declining volumes within workers' compensation insurances due to rising unemployment.

On 1 January 2010, TrygVesta implemented general premium increases of 5-8% in the Norwegian part of the Corporate business. This was not possible in Denmark due to the competitive environment. Competition and the price/risk relationship in Denmark intensified during 2009, and, focusing on profitability, TrygVesta refrained from submitting quotations on a number of contracts.

TrygVesta has since 2009 had a partnership with AXA, a large international insurer, relating to AXA customers' insurance requirements in the Nordic region and TrygVesta customers' insurance requirements outside the Nordic region. Globalisation, relocation of production facilities, and sales offices, etc. in all parts of the world require that TrygVesta is able to follow existing customers in their globalisation efforts. The partnership with AXA provides both companies with a respectable and sound collaboration platform and thus a good basis for further expansion of this part of the portfolio. In 2010, TrygVesta intends to focus on further expansion of this part of the Corporate portfolio, thereby supporting growth.

LARGE CLAIMS IN CORPORATE

PREMIUM DISTRIBUTION BY PRODUCT IN CORPORATE



The Swedish part of the Corporate business, which started up in September 2008, gained momentum in 2009 and made a positive contribution to growth. The portfolio amounted to SEK 64m at 31 December 2009. Insurances include buildings, consequential loss, liability, cargo and motor. Workers' compensation insurance is handled through public collective agreements and is therefore not offered as a product in Sweden. The Swedish business sector is highly internationalised, and the partnership with AXA therefore supports TrygVesta's expansion in the Swedish market for corporate insurances. Given the current action plans and distribution strategies, this part of the portfolio is expected to grow significantly over the next few years.

Claims

Gross claims expenses rose by 2.7%, or DKK 94m, to DKK 3,583m, and the claims ratio, net of ceded business was 73.1 in 2009 against 72.7 in 2008. The claims ratio was adversely impacted by the lower discount rate which, seen in isolation, added 2.2 percentage points to the claims ratio. Gross claims were furthermore adversely affected by several large claims, which amounted to DKK 419m (DKK 284m net) in 2009 compared with DKK 330m (DKK 255m net) in 2008. After contributions from reinsurers, net expenses for large claims were lower in 2009 than in 2008.

In 2009, the run-off result amounted to DKK 387m net and was mainly attributable to the personal lines. By way of comparison, the run-off result was DKK 394m in 2008.

When the claims ratio is adjusted for the interest rate effect, run-off, large claims and storm, the underlying claims development was unchanged from 2008.

Costs

Costs rose by 2.7% to DKK 604m, corresponding to an expense ratio of 11.1, as against 10.7 in 2008. The increase was related to investments for expansion in Sweden.

Combined ratio

The combined ratio was 84.2 in 2009 against 83.4 in 2008. Run-off gains impacted the combined ratio favourably by 7.1 percentage points in 2009 - the same as in 2008. Large claims impacted the combined ratio adversely by 5.2 percentage points in 2009 against 4.6 percentage points in 2008

Investment activities

DKKm	2007	Result 2008	2009	Investment assets End-2008	End-2009
Bonds etc.	1,103	1,882	1,850	29,417	34,248
Equities*	180	-887	405	1,172	1,589
Real estate**	240	263	258	3,561	3,893
Total	**1,523**	**1,258**	**2,513**	**34,150**	**39,730**
Value adjustment, changed discount rate	298	-478	-294		
Other financial income and expenses***	-81	-340	-288		
Total return on investment activities	**1,740**	**440**	**1,931**		
Transferred to technical interest	-1,400	-1,428	-845		
Return on investment activities	**340**	**-988**	**1,086**		

* DKK 125m sold on futures contracts has been deducted from the equity portfolio.

** Return on properties includes a calculated return on owner-occupied property (excluding cost concerning The Living House). The balancing item is recognised in "Other financial income and expenses" to the effect that the total return shown corresponds to the investment return according to the income statement which does not include return on owner-occupied property.

*** The item comprises interest on operating assets, bank debt and reinsurance deposits, exchange rate adjustment of insurance items, costs of investment activities and offsetting of return on owner-occupied property.

TrygVesta's investment activities comprise any placement of the Group's funds in investment assets, such as bonds, equity investments, land and buildings or cash. Funds are placed pursuant to guidelines defined by legislation, regulators and the Supervisory Board.

Investment result in 2009

Generally falling interest rates, a narrowing credit spread and positive equity markets produced a good investment performance in 2009. The return on TrygVesta's investment activities totalled DKK 1,931m before transfer to technical interest, but after other financial income and expenses. This was DKK 1,491m more than in 2008. The return on investment activities before other financial income and expenses was DKK 2,513m, equal to a return of 6.6%. The return was 5.9% including changes in provisions for claims due to lower interest rates.

Asset allocation

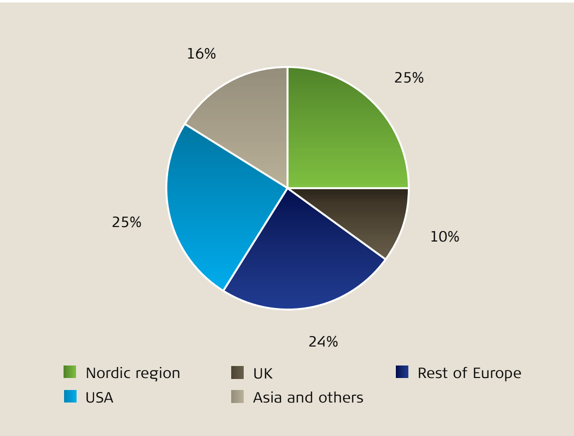
Net investments in the year amounted to DKK 644m. The bond portfolio made up an almost unchanged proportion of total assets of 86.2% in 2009 compared with 86.1% in 2008. The proportion of High Yield bonds increased by DKK 686m to stand at 2.2% of total investment assets at 31 December 2009. The Investment Grade portfolio was increased by around DKK 500m in the spring, but the entire portfolio was sold at the end of the year. TrygVesta placed DKK 3.2bn with Danish banks under the First Bank Package at the start of the year. Furthermore, TrygVesta completed a major restructuring of the mortgage bond portfolio in the second half of 2009, switching from callable bonds to non-callable bonds. TrygVesta made no new equity investments in 2009. The increase in the equity proportion from 3.4% at 31 December 2008 to 4.0% at 31 December 2009 was therefore solely attributable to higher equity prices. The real estate portfolio was unchanged, accounting for 9.8% at 31 December 2009.

The slightly lower proportion relative to 2008 was primarily due to the overall growth in investment assets.

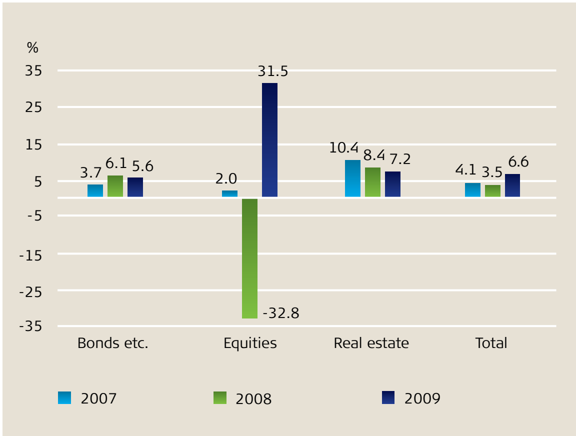
Bonds

The bond portfolio including cash yielded a return of DKK 1,850m in 2009, equal to 5.6% for the full year. The return was affected by declining interest rates and the narrowing credit spread. A large part of TrygVesta's bond portfolio is invested in Danish mortgage bonds, which benefited from the general credit spread narrowing. The smaller portfolio of company corporate bonds also contributed strong investment return with High Yield bonds yielding 57.5%.

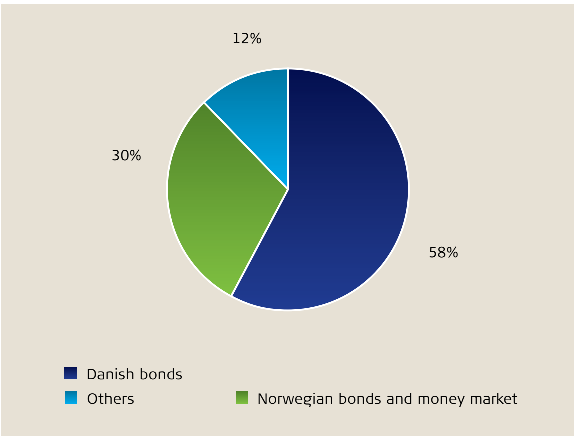
LISTED EQUITIES BY GEOGRAPHY



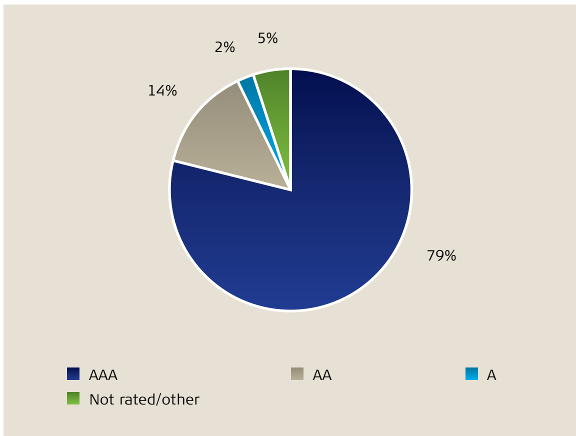
RETURN BY ASSET CLASS



BONDS BY GEOGRAPHY



BONDS BY RATING



Equities

The equity portfolio yielded a return of DKK 405m in 2009, equal to 31.5%. The portfolio had an overweight in Nordic equities in 2009. TrygVesta therefore profited from the fact that the Nordic markets outperformed the global equity markets in 2009.

Real estate

The investment return on real estate was DKK 258m including revaluation. The portfolio comprises the head office properties at Ballerup and Bergen, amounting to around DKK 1.5bn at 31 December 2009, and a well-diversified portfolio of investment properties of some DKK 2.4bn, consisting of quality buildings, typically office property in prime locations in major cities in Denmark and Norway.

Division of investment assets

In the beginning of 2010, TrygVesta initiated a division of the investment assets into a match portfolio with the same market value as the provisions, and an investment portfolio. The purpose was to ensure optimum hedging of the interest rate risk on the provisions and to achieve a better and more transparent allocation of distributable funds.

The match portfolio is composed so as to create an optimum match with cash flows from the portfolio and expected insurance payables within the legislative framework. The market value of the provisions for claims is measured by discounting them with an official interest rate curve defined by the Danish Financial Supervisory Authority. The match portfolio will comprise bonds, fixed-income derivatives and money market investments correlating to the development in the official interest rate curve. The proportion of fixed-income derivatives will be increased to reduce risk. The components of the match portfolio will change if the official interest rate changes in the future.

The portfolio will reduce TrygVesta's exposure to general interest rate changes significantly and, in particular, its exposure to non-parallel interest rate shifts. However, it is not possible to eliminate risk completely. There will still be unhedged risks due to uncertainty with respect to estimated insurance payables because it will not be possible to create a perfect match to the expected insurance payables and because of different calculation methods for assets and liabilities.

The investment portfolio consists of the investment assets not included in the match portfolio. The assets in the investment portfolio comprise equities, real estate, bonds, money market products and various derivatives.

Going forward, the total investment return will be computed as the net yield on the match portfolio and the yield on the investment portfolio. The net yield on the match portfolio will be calculated as the gross yield on the match portfolio less the sum of technical interest and capital gains from discounting of provisions.

At TrygVesta we focus on
strong capitalisation and risk management
to ensure we can always pay our debts

Capitalisation and risk management

Capitalisation and profit distribution

TRYGVESTA'S CREDIT RATINGS

At 31 December 2009	Standard & Poor's	Moody's
TrygVesta Forsikring A/S	'A-'/stable	A2
TrygVesta Garantiforsikring A/S	'A-'/stable	n.a.
Moderna Försäkringer AB	'A-'/stable	n.a.

TrygVesta relies on its capital base and financial strength to assume risks from customers and for customers to be confident that the company is able to meet its obligations if and when they report a claim. The aim is for the capital base to match the Group's risk profile and support natural growth. Basically, TrygVesta's capital base is the result of risk assessments and risk management because TrygVesta aims to have the necessary capital available, but no more than that. This basic approach thus determines the company's dividend policy.

Risk based capital management

TrygVesta aims for its capital management to optimise the company's financial strength and ensure financial flexibility. Capital management is based on

› TrygVesta's internal capital model
› A standard model under development within the EU in connection with the implementation of Solvency II in 2012
› A standard model developed by Standard & Poor's.

All three models present an estimate of the capital need that matches TrygVesta's risk profile.

TrygVesta has rating agencies Standard & Poor's and Moody's perform external credit ratings, and both agencies perform annual interactive credit assessments. TrygVesta targets financial strength corresponding to an 'A-' rating from Standard & Poor's, which is equivalent to a security level of 99.5% on a one-year horizon according to Standard & Poor's own global analyses. The model assessments in TrygVesta's internal capital model and the future Solvency II rules are based on an identical security level.

In connection with the acquisition of Swedish company Moderna Försäkringer, Moderna was upgraded from

Capital requirement
Given TrygVesta's rating of 'A-', the capital requirement currently amounts to around 50% of net premiums.

‘BBB’ to ‘A-’ by Standard and Poor’s based on TrygVesta’s financial strength.

In addition to requirements by the rating agencies, the Danish authorities call for active capital management in that they require an individual solvency need to be assessed. These requirements are the precursor of the Solvency II rules which will apply as from 2012.

TrygVesta assesses its individual solvency need on the basis of the Group’s internal capital model, which estimates the necessary capital taking into account the actual business composition, profitability, reserving profile, reinsurance protection and the investment mix chosen. The assessment takes into account the geographic diversification effect and the effect of the defined investment policy, under which interest rate risk on the bond portfolio matches the corresponding interest rate risk on the discounted provisions, thereby ensuring that, for practical purposes, TrygVesta’s net interest rate risk is negligible.

See also the section Risk management.

The individual solvency need is assessed on a quarterly basis and reported to the Danish Financial Supervisory Authority. The assessment is based on a 99.5% security level on a one-year horizon, equivalent to the security level required under the future Solvency II rules.

Implementation of Solvency II

In 2009, the European Parliament and the Commission adopted the directive setting out future solvency rules for insurance companies. The directive is expected to be implemented in the individual member states by the end of 2012. The directive, which defines quantitative as well as qualitative requirements for insurance companies, will require an extensive review of existing legislation. This will impact the capital structure of insurance companies and make greater demands on the companies’ skills with respect to risk management, control, capital planning and follow-up. In quantitative terms, TrygVesta has taken part in the test calculations for a standard model under Solvency II since 2005. QIS 4, the latest official test calculation carried out in 2008, suggested a weighted average capital requirement for Danish insurance companies of around 50% of net premiums, with small companies generally being subject to higher capital requirements and large companies to requirements lower than 50%.

The global financial markets saw a turbulent period from 2008 to 2009 when the market values of investment assets decreased significantly. This gave rise to a prevision of the parameters used under OIS 4, which was carried out during 2009 in connection with the Consultation Papers (CP), which allowed insurance companies to comment on a draft standard model. As a consequence of the revision, several risk weights and correlation factors will be increased, and geographic diversification will no longer be explicitly acknowledged. In consequence of this, the capital requirements are expected to increase by around 45% relative to QIS 4, and will for TrygVesta be just under 50% of net premiums. The weighted average of the Danish market is expected to be around 50% or more of net premiums. If the current draft is maintained, it is expected that several companies will need to strengthen their capital in order to comply with the new capital requirements.

TrygVesta currently determines its targeted capital with a view to supporting the company’s rating of ‘A-’ from Standard & Poor’s plus a buffer of 5%. The capital requirement supporting a rating of ‘A-’ currently amounts to around 50% of net premiums (excluding buffer), while the actual capital at the end of 2009 was 66% before dividend. The capital requirement for TrygVesta relative to Standard & Poor’s capital model has been reduced by about 5% of net premiums in the past few years due to measures to reduce risk and a lower equity proportion.

TrygVesta has applied an internal capital model since 2002 as the basis for assessing the individual solvency need, supplemented by qualitative assessments of selected risk scenarios. The internal model describes the statistical uncertainty estimated on assets and liabilities, but also includes an element representing the additional risk that may apply in particularly stressed situations. Conversely, the internal model also accounts for the effect of risk-reducing measures such as hedging of inflation risk, matching of interest rate risk on assets and liabilities, diversification etc. Based on the internal capital model, the capital requirement for TrygVesta would be somewhat lower than the latest estimate of a Solvency II requirement. In future under Solvency II, TrygVesta intends to use the internal capital model for capital planning rather than the standard model referred to above.

Capital structure

TrygVesta's capital structure comprises equity and subordinated loan capital. The relationship between the two components is assessed on a regular basis in order to maintain the optimum structure that takes into account return on equity, cost of capital and flexibility. Regulators and rating agencies assess the actual capital differently. Regulators require companies to calculate a capital base comprising mainly equity less intangible assets and other statutory adjustments plus subordinated loan capital of up to 25% of the Solvency I requirement. Standard & Poor's applies the term Total Available Capital (TAC), under which intangible assets are also deducted from the capital base, and subordinated loan capital generally may not exceed 25% of the total capital. The future Solvency II rules will change regulatory capital structure requirements, and the first indications of such requirements were issued by the EU Commission in 2009. TrygVesta follows developments closely, taking account thereof when determining dividends for the year.

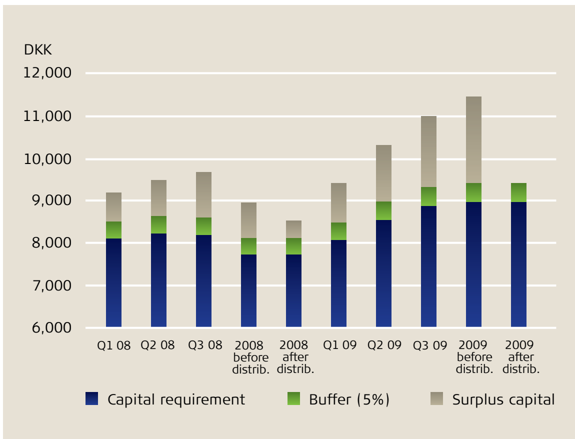
In 2005, TrygVesta raised a 20-year EUR 150m subordinated bond loan, listed on the London Stock Exchange. In connection with the acquisition of Moderna in 2009, TrygVesta also raised a 20-year EUR 65m bond loan with TryghedsGruppen, which owns 60% of TrygVesta. This brought TrygVesta's total subordinated debt to approximately EUR 215m. Furthermore, approximately DKK 600m of short-term senior debt was raised, but this debt is not included in the capital calculation made by Standard & Poor's. The total debt ratio was around 16% at 31 December 2009, and the cost of debt in 2009 was DKK 90m.

Financial flexibility

The financial flexibility must take into account considerations about strategic acquisitions and ensure the possibility of additional contributions of capital as part of the capital resources. TrygVesta's capital contingency plan describes measures that can be applied in the short term to improve the Group's solvency, if required. As a result of the strategy chosen for the future and distribution for 2009, restructuring of investment assets and additional hedging of insurance obligations could substitute for

PAYOUT PER SHARE

CAPITALISATION



CAPITAL AND DIVIDEND

DKKm	2005	2006	2007	2008	2009
Profit for the year, DKKm	2,097	3,211	2,266	846	2,008
Cash dividends, DKKm	1,428	2,244	1,156	442	991
Cash dividend per share (DKK)	21	33	17	6.5	15.50
Cash payout ratio	68%	70%	51%	50%	49%
Total buy back, DKKm			1,405*	0	799
Buy back per share (DKK)			21	0	12.50
Total distribution per share (DKK)	21	33	38	6.50	28
Total distribution, DKKm	1,428	2,244	2,561	442	1,790
Total payout ratio	68%	70%	113%	50%	89%
Buffer to 'A-' level	2.8%	2.4%	5%	16%	7.7%

* The share buy back programme was based on the profit for 2007, amounted to DKK 1,405m and was initiated on 4 April 2008. On 2 February 2009, the programme was extended up to and including 22 April 2009 due to low trading volumes. The programme had been scheduled for completion by 2 March 2009.

around DKK 1.4bn in 2010. Furthermore, there would be room for increasing the capital base by raising additional subordinated loan capital. In relation to the Danish solvency rules the full potential for including subordinated loan capital has already been utilised (around DKK 700m). The capital base can be increased with around DKK 600m (after dividend) in relation to Standard & Poor's capital model based on 31 December 2009.

Dividend policy

Dividend is determined on the basis of the Group's 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.

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

TrygVesta intends to pursue a risk-based transparent policy for capital management, and thus also for dividend distribution. At 31 December, a capital requirement is determined based on the Standard & Poor's model corresponding to the level of an 'A-' rating plus a buffer of 5%. Any capital in excess thereof will be distributed as dividend. Dividend is determined once a year while profit is generated on an ongoing basis, and this means that the buffer will grow over the year in excess of the 5% originally determined.

Dividend for the 2009 financial year

Based on a capital requirement of DKK 8,959m, profits of DKK 2,008m and TAC (before dividend) of DKK 11,443m, TrygVesta distributes DKK 991m by way of cash dividend and DKK 799m by way of a share buy back.

TrygVesta's investment policy allows for an equity proportion of up to 6.5% as defined in the Supervisory Board's instructions to the Executive Management. The equity proportion at 31 December 2009 was 4.0%. Given a capital base that accommodates the investment policy limits, DKK 1,790m may be distributed at 31 December 2009 in the form of share buy backs and the cash dividend.

Risk management

THE MOST IMPORTANT RISK TYPES

Underwriting risk
The risk related to entering into insurance contracts. The risk that claims at the end of an insurance contract deviate significantly from our assumptions when pricing at inception of the contract.

Handled by the Underwriting reinsurance committee

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

Handled by the Provisions committee

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

Handled by the Investment risk committee

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

Handled by the Risk management committee

Operational risk
The risk of errors, fraud or failures in internal procedures, systems and processes.

Handled by the Operational risk committee

Risk management is an integral part of TrygVesta's business operations. We continuously seek to minimise the risk of unnecessary losses in order to optimise returns relative to the capital available in the company from time to time.

Risk management environment and identification
The introduction of Solvency II in 2012 will introduce stricter requirements with respect to the way in which insurance companies work with and control risk, including the Supervisory Board's involvement in risk and capital management.

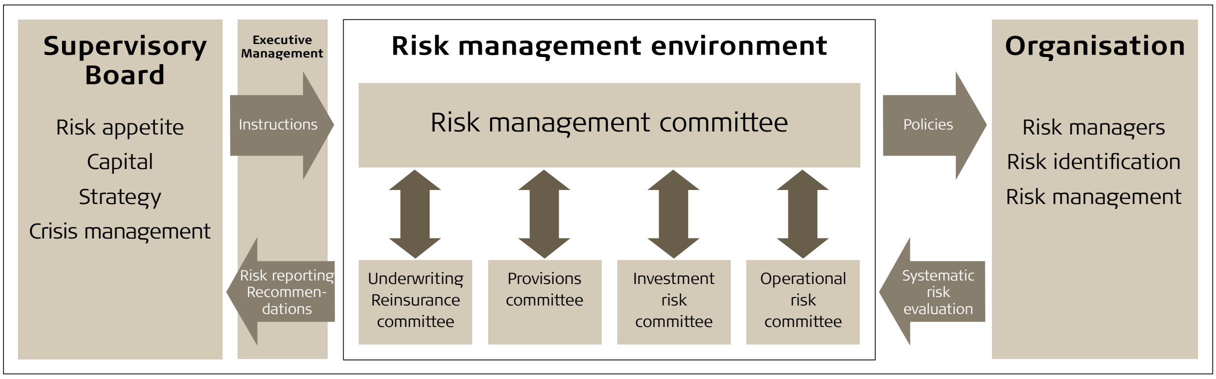
See the section Capitalisation and profit distribution

TrygVesta has for a number of years worked to align the company to such requirements. This involves that the Supervisory Board actively defines risk appetite and risk management limits and regularly assesses the overall risk in the company and the resulting capital requirement. This is handled in a risk management environment, in which the risk management committee, including representation from the Group Executive Management, is responsible for the overall risk and capital management. The areas of

- underwriting and reinsurance
- provision
- investment risk
- operational risk and security

are managed by corresponding sub-committees. Risk management is supported by Trygvesta's internal capital model, which has been developed on an ongoing basis over the

TRYGVESTA'S RISK MANAGEMENT ENVIRONMENT



past ten years. In addition, we make an annual mapping of risk to identify new risks that cannot currently be assessed using statistical analyses. Such data is compiled in TrygVesta's risk data base, forming the basis for an annual risk report to the Executive Management and the Supervisory Board. The assessment of selected risk scenarios based on this work is incorporated directly in the Group's calculation of the necessary solvency need (Individual Solvency Need).

Underwriting risk and reinsurance

Underwriting

Underwriting risk is the risk related to entering into insurance contracts and thus the risk that premiums charged do not adequately cover the claims TrygVesta has to pay.

This risk is assessed and managed based on statistical analyses of historical experience for the various lines of business. The insurance premium must be adequate to cover expected claims, but must also comprise a risk premium equal to the return on the part of the company's capital that is used to protect against random fluctuations. All other things being equal, this means that insurance lines or areas which, from experience, are subject to major fluctuations, must comprise a larger risk premium.

The figure Norwegian property and motor liability shows how the fluctuations observed in different lines may vary considerably in practice, affecting the underwriting risk. Underwriting risk is continuously assessed based on analyses in TrygVesta'a internal capital model which thus provides target premium levels for the respective parts of the insurance business. Risk is furthermore managed on an ongoing basis by monitoring of profitability, business procedures, acceptance policies, authorities and reinsurance.

Reinsurance

Reinsurance is used to reduce underwriting risk in areas where this is particularly required. The need for reinsurance is assessed on the basis of TrygVesta's internal capital model, which compares the price of buying reinsurance with the reduced capital need that could be achieved.

NORWEGIAN PROPERTY AND MOTOR LIABILITY

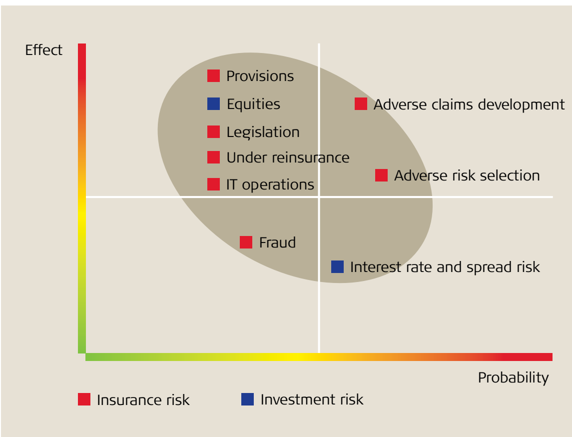
Example of fluctuations in historical claims experience for lines subject to a large degree and a minor degree, respectively, of random fluctuations (risk).

For property risks, major events in 2010 are protected by catastrophe reinsurance of DKK 5bn with a retention up to a maximum of DKK 100m. The primary risk of single events is storm, and the level of cover has been defined using simulation models to the effect that protection would statistically be inadequate less than once every 250 years. The catastrophe reinsurance programme also covers other catastrophe events, including terrorist events up to DKK 4.15bn. TrygVesta has bought catastrophe reinsurance up to DKK 1.5bn for 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, TrygVesta buys reinsurance for certain lines for which experience has shown that claims vary considerably. The largest single risks in the corporate portfolio with respect to property risks are protected by reinsurance cover of DKK 1.7bn with a retention of DKK 100m for the first claim and DKK 50m for subsequent claims. Property risks exceeding the upper level are protected by facultative reinsurance. Other lines covered by reinsurance include liability, motor, marine, fish farms and guarantee insurance.

Exposure to terrorist losses of a biological, chemical or radioactive character can be covered only partly by reinsurance today. However, Denmark established a national solution to this issue in June 2008 when the Danish Folketing passed the act on a terrorist insurance arrangement in the general insurance area. The act provides for the government to provide a guarantee of up to DKK 15bn for the total Danish market to cover such losses in excess of the level that can be protected in the reinsurance market. In January 2010, the EU Commission finally approved the act which may thus become effective in the first half of 2010. No similar arrangement has as yet been set up in Norway, Sweden and Finland.

RISK OVERVIEW



In case of a major insurance event comprised by the reinsurance programme, TrygVesta may have major receivables with reinsurers and thus be exposed to credit risk. This risk is managed by requirements to reinsurers' ratings and by spreading reinsurance on several reinsurers. TrygVesta has also set up a security committee focusing specifically on managing credit risk in connection with reinsurance receivables.

Provisioning risk

After the period of the policy's cover expires, insurance risk relates to the provisions for claims made to cover future payments on claims already incurred. Customers report claims with a certain delay. Depending on the complexity of the claim, a shorter or longer period of time may pass until the amount of the claim has been finally calculated. This may be a prolonged process particularly for personal injuries. Even when the claim has been settled there is a risk that it will be resumed at a later date, triggering further payments.

The size of the provisions for claims is determined both through individual assessments and actuarial calculations. At 31 December 2009, the provisions for claims amounted to DKK 22,430m. The duration of the provisions, that is, the average period until such amounts are paid out to the customer, was 3.3 years at 31 December 2009.

Most of the provisions for claims relate to personal injury claims. They are exposed to changes in inflation, the discount rate, disbursement patterns, economic trends, legislation and court decisions.

See also the section Investment and interest rate risk

PROVISIONS FOR CLAIMS (GROSS)

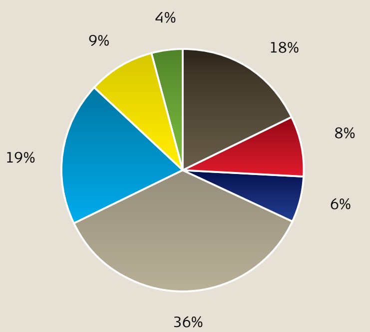
Expected cash flow	DKK
0-1 year	6,972
1-2 years	3,421
2-3 years	2,256
> 3 years	9,178
Total	**22,827**

*Provisions for claims are excluding Finland, Sverige (Vesta Skadeförsäkring) og TrygVesta Garanti.

The calculation of provisions for claims will always be subject to considerable uncertainty. Historically, many insurers have experienced substantial positive as well as negative impacts on profit (run-off) resulting from reserving risk, and that may also be expected to happen in future. TrygVesta manages reserving risk by pursuing a reserving policy ensuring that the process for determining provisions for claims is updated and aligned at all times. This includes that it is based on an underlying model analysis, and that internal control calculations and evaluations are made.

Provisions for claims relating to annuities in Danish workers' compensation insurance are discounted using the current market rate and are also revalued by the wage inflation rate each year. This exposes TrygVesta to explicit inflation risk in case of changes in Danish wage inflation. TrygVesta hedges such risk using an inflation swap.

PROVISIONS FOR CLAIMS



Investment and interest rate risk

Investment risk is the risk that volatility in the financial markets will impact the results of operations and thus the financial position. Investment assets as well as provisions for claims are exposed to interest rate changes. If interest rates fall, the value of the bond portfolio would rise, but at the same time it would cause the provisions for claims to rise, thereby reducing net interest rate exposure.

The investment assets are partly made up of assets matching the technical provisions and partly of the company's equity. At the beginning of 2010, TrygVesta explicitly initiated a division of the investment assets into two investment portfolios. The part of the portfolio matching the technical provisions will be placed exclusively in interest-related assets, and the sole purpose is to hedge interest rate sensitivity with respect to discounted provisions. The part of the portfolio that matches equity will be a free investment portfolio intended to generate an optimum return relative to the risk involved. The figure on the next page illustrates how interest rate risk on assets and liabilities varies before and after the division of the portfolio.

After the division, fluctuations in the hedging portfolio will in principle perfectly match fluctuations in liabilities. In practice, it would not be expedient to target a perfect match simply because of the management expenses involved. We expect that, in practice, the net interest rate risk after division of the portfolio can be kept within a limit of DKK 100m.

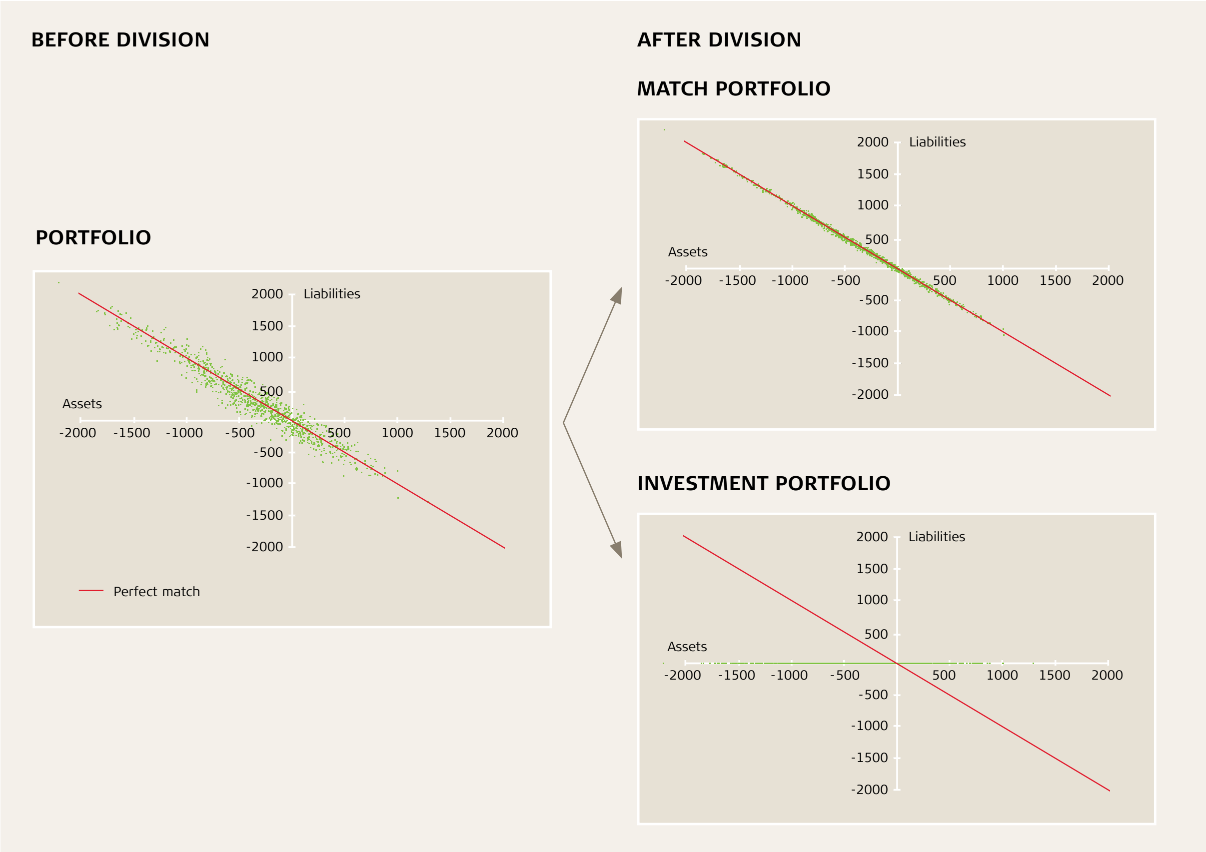
The division of the portfolio is described in more detail in the section Investment activities

Equity and real estate risk

The equity and real estate portfolios are exposed to changes in equity markets and real estate markets, respectively. At 31 December 2009, the equity portfolio accounted for 4.0% of the total investment assets. The proportion is expected to be between 2%-6.5% in 2010.

In 2008, TrygVesta bought the head office in Ballerup, thereby increasing the proportion of real estate significantly. This proportion is expected to be reduced over

DIVISION OF THE INVESTMENT ASSETS



Before the division of the portfolio, fluctuations in liabilities would to some extent be offset by opposite fluctuations in assets (left figure). After the division, fluctuations in the hedging portfolio will in principle perfectly match fluctuations in liabilities. The investment portfolio will (solely) be exposed to interest rate risk to the extent of active investments in interest-bearing assets. In such case, fluctuations would not be offset by fluctuations on liabilities. To achieve best possible match derivatives will be used.

time. Besides the owner-occupied properties, TrygVesta's real estate port-folio consists of office and rental properties comprising 3.8% and 5.9% respectively of the total investment activities.

Currency risk

Currency risk is kept at a very low level. The Group's premium income in foreign currency is mostly matched by claims and expenses in the same currencies, and thus, only the profit for the period is exposed to currency risk.

TrygVesta uses currency derivatives to hedge the risk of a 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. The aim is to hedge 98-100% of the net book value of the Norwegian entity. Exchange rate adjustments of foreign entities and hedging thereof are taken directly to equity.

Credit risk

Credit risk is the risk of incurring a loss if counterparties fail to meet their obligations. In connection with the investment activities, the primary counterparties are bond issuers and counterparties in other financial instruments. TrygVesta manages credit risk and concentration risk through limits and rating requirements.

See the section Investment activities for an overview of the bond portfolio distributed on ratings

TrygVesta's receivables in Danish banks are covered by a government guarantee under the Act on Financial Stability (Bank Package 1) until 30 September 2010.

The financial crisis and economic downturn prevailing since mid-2008 emphasised the importance of managing risk, including credit risk. TrygVesta has no investments in subprime loans, CDOs or similar products, and accordingly has not incurred financial losses in this respect in connection with the financial crisis.

Liquidity risk

Many businesses, in particular financial businesses, have had their access to liquidity significantly impaired during the financial crisis. TrygVesta is not exposed to the same risk of a lack of liquidity since premiums are due for payment before claims have to be paid out. Most of the payments received are placed in cash accounts or liquid securities ensuring that TrygVesta will be able to procure the necessary liquidity at all times.

Operational risk

Operational risk relates to errors or failures in internal procedures, fraud, breakdown of infrastructure, IT security and similar factors. As operational risks are mainly internal, TrygVesta focuses on establishing an adequate controlling environment for the Group's operations. In practice, this work is organised through a structure of procedures, controls and guidelines that cover the various aspects of the Group's operations, including the IT security policy. TrygVesta has also set up a security and investigation unit to handle matters such as fraud, IT security, physical security and contingency plans.

TrygVesta has prepared contingency plans to handle the most important areas, such as the contingency plans in the individual parts of the business to handle an event of a prolonged IT breakdown. The Group has also set up a crisis management structure should TrygVesta be hit by a major crisis.

Strategic risk

Strategic risk relates to TrygVesta's choice of strategic position, including IT strategy, flexibility relative to the market, business partners and reputation as well as changed market conditions. The management of strategic risk closely involves the Supervisory Board.

The overall risk exposure

TrygVesta considers strategic risk and insurance risk (underwriting and provisions) to be the most important types of risk TrygVesta is exposed to. Both types of risk are closely related to the operations as a general insurer. Investment risk is at a satisfactory level due to the current investment strategy. TrygVesta considers the operational risk to be less important than the other risk types.

SENSITIVITY IN CASE OF SELECTED CHANGES IN UNDERWRITING, RESERVING AND MARKET CONDITIONS

INSURANCE RISK	
Underwriting risk	**DKKm**
Increase in claims expenses of 1%	-132
Decrease in premium rates of 1%	-183
Weather-related claim of DKK 5.5bn (reinsurance coverage DKK 5bn)	-260
Provisioning risk	
Increase in social inflation of 1%	-557
Error estimation of e.g. 10% on workers' compensation and motor	-1,158
MARKET RISK	
Investment risk	
Interest rate market – increase in interest rates of 1%:	
Impact on fixed interest securities	-694
Higher discounting of provisions for claims	624
Impact on Norwegian pension obligation	142
Equity market	
Decrease of equity markets of 15%	-257
Effect arising from derivatives	19
Real estate market	
Decrease of real estate markets of 15%	-584
Currency market	
Decrease of 15% of exposed currencies relative to DKK	-378
Impact derivatives	327

TrygVestas managers must create strong results by communicating clearly, sharing knowledge and having a passion for positive changes

Corporate governance

Supervisory Board

Mikael Olufsen Bodil Nyboe Andersen Jørn Wendel Andersen Paul Bergqvist Christian Brinch

Mikael Olufsen

Chairman of the Supervisory Board

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: TryghedsGruppen smba, TrygVesta A/S, TrygVesta Forsikring A/S, Egmont Foundation, Egmont International Holding A/S, Ejendomsselskabet Gothersgade 55 ApS, Ejendomsselskabet Vognmagergade 11 ApS, Malaplast Co. Ltd. Bangkok, the Advisory Board of CareWorks Africa Ltd. and the Danish Rheumatism Association

Board member: WWF in Denmark and Danmark-Amerika Fondet.

Committee memberships: Chairman of the remuneration committee of TrygVesta A/S.

Mr Olufsen has experience in managing large international companies, including strategic development, and experience as a board member of Danish and international companies.

Number of shares held: 3,018.

Bodil Nyboe Andersen

Deputy Chairman of the Supervisory Board

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: The Laurids Andersen Foundation.

Deputy chairman: TrygVesta A/S and TrygVesta Forsikring A/S.

Board member: TV2, The Villum Kann Rasmussen Foundation and The Energy Technological Development and Demonstration Programme ('Energiteknologisk udviklings- og Demonstrations Program').

Committee memberships: Chairman of the audit committee of TrygVesta A/S. Advisory Board of the Nordic Investment Bank and the Committee of Corporate Governance.

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.

Number of shares held: 100.

Jørn Wendel Andersen

Born 1951. Joined the Supervisory Board in 2002.

Professional board member and interim management projects. Former CFO, Arla Foods amba.

Educational background: MSc (Business Economics), IMD Executive Development Programme, IMD 'Strategy in Action' Programme, and Leadership Assessment – Heidrick & Struggles.

Board member: TryghedsGruppen smba, TrygVesta A/S and TrygVesta Forsikring A/S.

Mr Wendel Andersen has experience in international management, strategy, finance, treasury, IT and project management from his former position as CFO of Arla Foods and from Tulip International and Foss.

Number of shares held: 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: Sverige Bryggerier AB, East Capital Explorer AB, HTC Group AB, Pieno Zvaigzdes AB, Returpack Svenska AB, Norrkipings Segelsällskap and Östkinds Häradsallmänning.

Board member: TrygVesta A/S, TrygVesta Forsikring A/S, Lantmännen and Björk Eklund Group AB.

Committee memberships: Member of the remuneration committee of TrygVesta A/S, spokesman of the audit committee of East Capital Explorer AB and chairman of the nomination committee of East Capital Exlorer AB.

Mr Bergqvist has international management experience in strategic development, complex transactions, development of new markets, marketing, sales and financial management. Being a Swedish citizen, Mr Berggvist has special insight into Swedish market conditions.

Number of shares held: 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: Hafslund AS, Apply Group AS, Subsea Technology Group AS, HV IV Invest Alfa AS, Helicopter Network AS, Fortissimo AS, Line Consult AS, Gluteus AS and Røa Invest AS.

Deputy chairman: Norges Statsbaner AS, Prosafe SE and Prosafe Production Plc.

Board member: TrygVesta A/S, TrygVesta Forsikring A/S, Kjell A. Østnes AS, Thor Dahl Management AS and Thor Dahl Shipping AS.

Committee memberships: Chairman of the remuneration committee of Hafslund ASA and member of the election committee of Prosafe SE.

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 with respect to board work. Being a Norwegian citizen, Mr Brinch has special insight into Norwegian market conditions.

Number of shares held: 500.

Niels Bjørn Christiansen

Born 1966. Joined the Supervisory Board in 2006.

CEO, 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: Danfoss Compressors Holding A/S and Danfoss International A/S.


Niels Bjørn Christiansen


John R. Frederiksen


Rune Torgeir Joensen


Peter Wagner Mollerup


Birthe Petersen


Per Skov


Berit Torm

Deputy chairman: Danfoss (Tianjin) Limited, China and Sauer-Danfoss Inc.

Board member: TrygVesta A/S, TrygVesta Forsikring A/S, Bang & Olufsen A/S, Axcel A/S, William Demant Holding A/S, Danfoss Drives A/S, Danfoss Ejendomsselskab A/S, Danfoss Ventures A/S, Danfoss-Murman Holding A/S, Provinsindustriens Arbejdsgiverforening and DI Hovedbestyrelse.

Mr Christiansen has experience with international businesses, including from his work at Danfoss and GN Store Nord A/S. He has competencies within management, strategy, IT, processes, distribution, innovation, production, finance and private and listed companies.

Number of shares held: 100.

John R. Frederiksen

Born 1948. Joined the Supervisory Board in 2002.

CEO, Fortunen A/S, Oak Property Invest Aps and Berco ApS. Former chief executive of Jacob Holm & Sønner A/S and Bastionen A/S.

Educational background: Business training.

Chairman: Hellebo Park A/S, RenHold A/S, Renoflex-Gruppen A/S, Renholdningsselskabet af 1898, Rådgivningsselskabet af 1. september 2009 A/S, SBS Byfornyelse Smba, Sjælsø Danmark A/S, Sjælsø Gruppen A/S, Ejendomsforeningen Danmark, Komplementarselskabet Uglen ApS and Grundejernes Investeringsfond.

Board member: TryghedsGruppen 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 Aps, C.W. Obel A/S, C.W. Obel Ejendomme A/S, C.W. Obel Projekt A/S, Obel-LFI Ejendomme A/S, Ejendomsaktieselskabet Knud Højgaards Hus, SSG A/S, BERCO Deutschland GmbH, Invista Foundation Holding Company Limited, SIPA (Scandinavian International Property Association), Invista Foundation Property Trust Limited, Invista Foundation Property Limited, Invista Foundation Property No. 2 Limited and Invista European Real Estate Trust SICAF.

President: the European Property Federation, Brussels.

Committee memberships: Member of the remuneration committee of TrygVesta A/S, member of the audit committee of Invista Foundation Property Trust Ltd. and Invista European Real Estate Trust Sicaf, member of the audit committee and the investment committee of Sjælsø Gruppen A/S.

Mr Frederiksen has experience within management, strategy and finance from serving as a CEO and most recently as a board member of a number of companies, including property companies.

Number of shares held: 280.

Rune Torgeir Joensen

Elected by the employees

Born 1956. Norwegian citizen.
Joined the Supervisory Board in 2008.

Department manager with TrygVesta Forsikring A/S.

Educational background: Printer, market economist, HMS adviser.

Board member: TrygVesta A/S and TrygVesta Forsikring A/S.

Committee memberships: Member of the audit committee of TrygVesta A/S, member of the Advisory Board TrygVesta Norge.

Number of shares held: 45.

Peter Wagner Mollerup

Elected by the employees

Born 1966. Joined the Supervisory Board in 2002.

Lead negotiator with TrygVesta Forsikring A/S.

Educational background: Certified insurer, travel agency guide, psychotherapist.

Board member: TrygVesta A/S and TrygVesta Forsikring A/S.

Number of shares held: 236.

Birthe Petersen

Elected by the employees

Born 1949. Joined the Supervisory Board in 2002.

Consulting negotiator with TrygVesta Forsikring A/S.

Educational background: Diploma in business studies, management training programme of The Organisation of Danish Insurance Employees.

Board member: TrygVesta A/S and TrygVesta Forsikring A/S.

Committee memberships: Member of the remuneration committee.

Number of shares held: 88.

Per Skov

Born 1941. Joined the Supervisory Board in 2002.

Professional board member. Former CEO of FDB.

Educational background: MSc (Economics), management training programme at MIT.

Chairman: Utility Development A/S and NX Holding A/S.

Deputy chairman: TryghedsGruppen smba.

Board member: TrygVesta A/S, TrygVesta Forsikring A/S, Dagrofa A/S, DSV A/S, Kemp & Lauritzen A/S, Nordea Liv og Pension Livsforsikringsselskab A/S.

Committee memberships: Member of the audit committee of TrygVesta A/S.

From his board work and former positions, including as CEO of FDB, **Mr Skov** has experience within management, strategy and finance.

Number of shares held: 2,468.

Berit Torm

Elected by the employees

Born 1959. Joined the Supervisory Board in 2008.

Quality assurance manager with TrygVesta Forsikring A/S.

Educational background: LL.M.

Board member: TrygVesta A/S and TrygVesta Forsikring A/S.

Committee memberships: Member of Furesø local council.

Number of shares held: 86.

Unless otherwise stated, the Board Members are Danish citizens.

Group Executive Management

Birgitte Kartman
Morten Hübbe
Kjerstin Fyllingen
Truls Holm Olsen
Stine Bosse
Martin Bøge Mikkelsen
Jens Stener
Peter Falkenham
Lars Bonde

Christine (Stine) Bosse

CEO/ Group CEO

Born 1960. Joined TrygVesta in 1987.
Joined the Group Executive Management in 1999.
Member of the Executive Management of TrygVesta A/S.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: LL.M, management training programmes at INSEAD and Wharton.

Chairman: The Danish Insurance Association and BØRNEfonden.
Board member: Nordea Bank and Amlin Plc.

Committee memberships: member of the risk committee of Nordea Bank and the remuneration committee of Amlin Plc.

Number of shares held: 6,264.

Morten Hübbe

CFO/Group Executive Vice President, CFO

Born 1972. Joined TrygVesta in 2002.
Joined the Group Executive Management in 2003.
Member of the Executive Management of TrygVesta A/S.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: BSc (International Business Administration and Modern Languages), MSc (Finance and Accounting), management training at Wharton.

Board member: Høyteknologisenteret AS.

Number of shares held: 4,801.

Peter Falkenham

COO/Group Executive Vice President, Process & IT

Born 1958. Joined TrygVesta in 2000.
Joined the Group Executive Management in 2000.
Member of the Executive Management of TrygVesta A/S.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: BCom (International Trade), MSc (Engineering) and management training programmes at Wharton and Stanford.

Deputy chairman of Solar A/S.

Committee memberships: member of the audit committee of Solar A/S.

Number of shares held: 1,594.

Lars Bonde

Group Executive Vice President, Customer Service & Sales – Direct, and Country Manager Denmark

Born 1965. Joined TrygVesta in 1998.
Joined the Group Executive Management in 2006.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: Insurance training, LL.M.

Board member: The Danish Employers' Association for the Financial Sector.

Number of shares held: 1,643.

Kjerstin Fyllingen

Group Executive Vice President, Customer Service & Sales – Partners, and Country Manager Norway

Born 1958. Joined TrygVesta in 2006.
Joined the Group Executive Management in 2006.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: Bachelor of Business Administration and Master of Management, Handelshøyskolen BI.

Board member: Finansnæringens Hovedorganisation og TSS Marine ASA.

Committee memberships: member of the audit committee of TTS Marine ASA.

Number of shares held: 2,462.

Birgitte Kartman

Group Executive Vice President, Claims

Born 1960. Joined TrygVesta in 1996.
Joined the Group Executive Management in 2009.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: LL.M.

Number of shares held: 619.

Martin Bøge Mikkelsen

Group Executive Vice President, Strategy & Human Competencies

Born 1962. Joined TrygVesta in 1989.
Joined the Group Executive Management in 2009.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: Graduate Diplomas from CBS in Organisation, in Marketing Management and in Accounting, and management training programmes, including Wharton and Ashridge.

Number of shares held: 1,911.

Truls Holm Olsen

Group Executive Vice President, Corporate

Born 1964. Joined TrygVesta in 1998.
Joined the Group Executive Management in 2009.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: LL.M.

Board member: Energon A/S.

Number of shares held: 17.

Jens Stener

Group Executive Vice President, Corporate Branding & Business Centres

Born 1966. Joined TrygVesta in 2006.
Joined the Group Executive Management in 2009.
Member of the Executive Management of TrygVesta Forsikring A/S.

Educational background: BSc Business Economics, INSEAD and IMD.

Board member: Leroy Design A/S.

Number of shares held: 17.

Statutory report on corporate governance

In 2009, TrygVesta's Supervisory Board focused on organising the Group's further strategic development with a healthy balance between short-term and long-term activities and action plans. Profitable growth was very much in focus during the year, and TrygVesta benefited from the economic slowdown to acquire Moderna Försäkringar after following the company for some years.

Revised corporate governance recommendations are to be introduced in 2010. TrygVesta takes a positive view of this, and the Supervisory Board believes that TrygVesta complies with the recommendations in all essentials. The sections Corporate governance and Remuneration are based on Nasdaq OMX Copenhagen's corporate governance recommendations, and the individual headings make reference to the specific recommendations. Any deviations from the recommendations are disclosed below.

Find information in relation to the recommendations on trygvesta.com › Our Business › Corporate Governance

Stakeholders

Recommendation I.1, Recommendation II.1-2, Recommendation III. 1-4

TrygVesta issues press releases and company announcements on a regular basis and publishes interim reports and annual reports in order to enable stakeholders to form an adequate impression of the Group's position and performance. The financial statements have been prepared in accordance with IFRS. TrygVesta updates its outlook for the Group's performance each quarter. All financial announcements are released simultaneously in Danish and English. Furthermore, the Group has a number of in-house guidelines to ensure that disclosures of price-sensitive information are made in accordance with the stock exchange rules of ethics. Investor Relations have regular contacts to equity analysts and major investors and organise investor presentations, teleconferences and webcasts together with the Executive Management. The Supervisory Board is regularly informed of the dialogue with investors and other stakeholders. All material is available at trygvesta.com, which also offers stakeholders to receive the latest news as RSS feeds or to download webcasts and teleconferences as podcasts. The Group has a number of policies that describe the company's relationship with its stakeholders.

See TrygVesta's press policy on trygvesta.com › Press › Press policy

Se TrygVesta's Investor Relations policy on trygvesta.com › Investor › Contact IR

Capital and share structures

Recommendation I.2

The Supervisory Board monitors that TrygVesta's capital structure is in line with the needs of the Group and its shareholders, and that the capital structure is in compliance with the requirements applicable to TrygVesta as a financial undertaking. The Supervisory Board optimises capitalisation on an ongoing basis while duly safeguarding the interests of policyholders and shareholders and leaving the Group sufficient scope for development and growth.

In 2009, the shareholders at the annual general meeting authorised the Supervisory Board to let TrygVesta acquire own shares within 10% of the share capital in the period up to the next annual general meeting. Based on the Group's 2009 performance, the Supervisory Board proposes that TrygVesta implements a share buy back programme in 2010/11 totalling DKK 799m.

The annual general meeting held on 22 April 2009 passed a resolution to cancel the 4,068,427 shares bought back in connection with the share buy back programme implemented from 4 April 2008 to 26 March 2009. Effective as at 28 August 2009, the company's share capital was reduced by DKK 101,710,675 nominal value to DKK 1,598,289,325 nominal value, corresponding to 63,931,573 shares.

Recommendation I.4
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.

Annual general meeting
Recommendation I.3
TrygVesta holds its annual general meeting of shareholders each year before the end of April. The Supervisory Board convenes the annual general meeting in accordance with the Danish Companies Act and the company's articles of association, giving not less than three weeks' notice, by a company announcement, at the company's website and in at least one national newspaper. Shareholders may elect to receive the notice by mail or as an electronic notice of the general meeting, or they may download the notice at trygvesta.com. The notice includes relevant information about 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 and discharge of the Supervisory Board and the Executive Management, 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 as approved, including proposed payment of dividend for the past financial year
› Any proposals from the Supervisory Board or from shareholders
› Election of members to the Supervisory Board
› Appointment of auditors
› Any other business

All shareholders are urged to attend the annual general meeting, and shareholders may vote in person at the general meeting, by postal ballot or appoint the Supervisory Board or a third party as their proxy. The proxy form and postal ballot form will be available at trygvesta.com on or before 25 March 2010.

The composition of the Supervisory Board
Recommendation V.1-2
The Supervisory Board makes an annual assessment of the competencies required for the Supervisory Board to perform its duties in the best possible way. Focus is on competencies within financial business, marketing, IT and management. In connection with an evaluation of the Supervisory Board's work and its members' competencies, it is assessed whether the Supervisory Board has the required competencies, or whether the competencies and expertise of its members need to be updated in some respects. A balanced distribution with respect to age, gender and nationality, among other factors, is sought in the composition of the Supervisory Board. The Board members are aged between 44 and 69 years, and there are three female members. Looking forward, TrygVesta intends to increase the number of female Supervisory Board members elected by the shareholders.

See also the CVs of the Board members in the section The Supervisory Board

Recommendation V.3-4, V.9
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 deems that the number of members is adequate to ensure a constructive debate and an efficient decision-making process.

Recommendation V.10

AUDIT COMMITTEE

The framework for the audit committee's work is defined in terms of reference, and the committee is solely a preparatory body supporting the Supervisory Board in its work. The committee has three members and is chaired by a non-affiliated member of the Supervisory Board. The Supervisory Board deems that Bodil Nyboe Andersen who does not represent the majority shareholder TryghedsGruppen, meets the independency and qualification requirements. Bodil Nyboe Andersen has chaired the audit committee of TrygVesta A/S since 2006.

Four meetings of the committee were held in 2009, and it reported to the Supervisory Board on a regular basis. The audit committee made an assessment of the preceding year's work in August 2009, evaluating the need for changes to its terms of reference. The audit committee works with historical data, and it is not involved in forward-looking events such as outlook and budgets.

Members

- Bodil Nyboe Andersen, chairman
- Per Skov
- Rune Joensen

Responsibilities

› To ensure the accuracy of financial information disclosed in the Group's financial reports, including the application of accounting policies.
› To review and assess, at least once a year, management's guidelines for identifying, monitoring and managing the most important risks, including internal control and risk management systems.
› To review and discuss the results of the work of the internal and external auditors and to supervise management's follow-up on the recommendations reported by the internal and external auditors.
› To ensure that the Group is being monitored by independent auditors.

Activities in 2009

› Reviewed the Group's technical provisions.
› Reviewed the methodology for and assesment of the Group's Individual Solvency Need.
› Reviewed the efficiency of the Group's contingency plans.
› Assessed the Group's internal control procedures to prevent fraud.
› Supervised annual and interim financial statements.
› Supervised the audit work performed by the external auditors.

REMUNERATION COMMITTEE

The remuneration committee has four members elected by the Supervisory Board. The remuneration committee is chaired by the Chairman of the Supervisory Board. In addition, the committee must include at least one member of the Supervisory Board of TryghedsGruppen and at least one non-affiliated member of the Supervisory Board. The committee held four meetings in 2009. The work of the remuneration committee is based on TrygVesta's remuneration policy and guidelines for incentive pay adopted by the shareholders at the annual general meeting held on 3 April 2008.

Members

- Mikael Olufsen, chairman
- John R. Frederiksen
- Paul Bergqvist
- Birthe Petersen

Responsibilities

› To support the Supervisory Board in considerations and decisions with respect to issues of remuneration to the Supervisory Board, Board committees and the Executive Management, and to discuss the framework for the Group Executive Management's remuneration in consultation with the Group CEO.
› To ensure compliance with the Group's guidelines for incentive pay.
› To prepare recommendations to the Supervisory Board about elements that should be included in the remuneration of the Supervisory Board and the Executive Management.
› To keep the Supervisory Board informed of the market level and forms of remuneration paid to members of the supervisory boards and executive managements of the company's peers.

Activities in 2009

› Discussed and adopted the remuneration structure for 2009.
› Prepared a recommendation to the Supervisory Board concerning variable salary for 2008 and remuneration for 2009.
› Prepared a recommendation to the Supervisory Board concerning salaries for 2009.
› Planned the work for 2010.

THE COMPOSITION OF THE SUPERVISORY BOARD

4 affiliated members	4 non-affiliated members	4 members elected by the employees*
elected among the members of the Supervisory Board of Trygheds-Gruppen smba.	elected among candidates without any affiliation with Trygheds-Gruppen smba.	elected according to agreement between the Danish and Norwegian employee associations distributed on three of the Group's Danish employees and one Norwegian employee.

*Following the annual general meeting of 2010, the members elected by the employees will comprise two Danish, one Norwegian and one Swedish employee.

Recommendation V.5

Read more about the employee representatives on TrygVesta's Supervisory Board at trygvesta.com › Our business › Corporate governance › Governance principals › Composistion of the Board

The Chairman and the Deputy Chairman of the Supervisory Board perform the duties otherwise handled by a Nomination committee.

Recommendation V.8

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.

Recommendation V.1-2, V.7

Prior to the election of new Board members, the Supervisory Board prepares a description of the candidates' background, professional qualifications and experience, and the notice convening the general meeting makes reference to this description. When taking up office, new Supervisory Board members are given an introduction to the Group.

Read more about the Supervisory Board members' profiles and holdings of TrygVesta shares in the section Supervisory Board

A few Supervisory Board members hold more than the recommended number of directorships. However, the Supervisory Board considers that each member has adequate time and resources to serve as a member of the Supervisory Board of TrygVesta in a satisfactory manner.

The tasks and responsibilities of the Supervisory Board

Recommendation IV.1

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.

Recommendation IV.4

The Executive Management reports 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 to ensure follow-up on and development of the Group's strategies.

Recommendation V.6

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 discusses the Supervisory Board's tasks on a regular basis, and at the last meeting in the year, it determines a meeting plan for the coming year.

Recommendation V.11

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. In addition, the Supervisory Board reviews and approves the rules of procedure of the Supervisory Board and the Executive Management each year to ensure they are aligned with TrygVesta's requirements. The Supervisory Board has defined an evaluation procedure for assessing the composition of the Supervisory Board and the work and results of the Supervisory Board and its individual members. In addition, the Chairman has individual assessment interviews with each member of the Supervisory Board at the beginning of the year, which are discussed at the first Board meeting of the year.

Recommendation IV.2-3
The Supervisory Board is headed by the Chairman and the Deputy Chairman. 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 meetings of the Supervisory Board and evaluating the work of the Supervisory Board and the cooperation with the Executive Management. The Chairman and the Deputy Chairman furthermore plan the future composition of the Supervisory Board. The Chairman acts as spokesman for the Supervisory Board for external purposes.

Risk management
Recommendation VII.1-3
Being an insurance business, TrygVesta is subject to the requirements of the Danish Financial Business Act on risk management. In capital and risk management instructions, 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. A risk management committee comprising the Group CEO, Group CFO and Group CRO monitors the risk management environment. The Executive Management reports to the Supervisory Board on the Group's risk management work.

Read more in the section Risk management and at trygvesta.com › Our business › Risk management.

Audit
Recommendation VIII
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 audit agreement with the external auditors, including the auditors' fees, is concluded between the Supervisory Board and the auditors. The Supervisory Board adopts the framework for the auditors' performance of non-audit services each year.

TrygVesta's internal audit department regularly reviews the quality of the Group's internal control systems and business procedures. The department is responsible for planning, performing and reporting the audit work to the Supervisory Board. The internal and external auditors' long-form reports are reviewed by the Supervisory Board.

In connection with the Supervisory Board's review of the annual report, it discusses the accounting policies, among other issues. The results of the audit are discussed with the audit committee and in Supervisory Board meetings for the purpose of assessing the auditors' observations and conclusions.

Internal control and risk management systems
The responsibility for the Group's internal controls and risk management systems in connection with the financial reporting process rests with the Supervisory Board and the Executive Management.

The Supervisory Board and the Executive Management approve and monitor the Group's general policies, procedures and controls in key areas in relation to the financial reporting process, including compliance with relevant legislation and regulations, internal business procedures and segregation of duties, continuous monitoring of significant risks, etc.

In connection with major acquisitions, a general risk analysis is performed, and the significant business procedures and internal controls are reviewed.

The Executive Management has established a formal Group reporting process which comprises monthly reporting, including budget reporting and deviation reporting. TrygVesta publishes quarterly interim reports.

See also the section Stakeholders on page 68

The Group's internal control systems are based, among other things, on clear organisational structures and guidelines, general IT controls and segregation of duties, which are supervised by the internal auditors.

Statutory report on corporate social responsibility

See TrygVesta's statutory report on corporate social responsibility at trygvesta.com › CSR › CSR

Remuneration

Remuneration policy for the Supervisory Board and the Executive Management
Recommendation VI. 1-5
TrygVesta has adopted a policy for remuneration of the Supervisory Board and the Executive Management and has defined overall guidelines for incentive pay.

The remuneration policy and the guidelines for incentive pay are posted at trygvesta.com › Our business › Governance › Remuneration

Remuneration of the Supervisory Board
Members of the Supervisory Board receive a fixed fee and are not covered by incentive programmes or severance schemes. Their remuneration is fixed on the basis of trends in the company's peer group, taking into account competencies and efforts as well as the scope of the Board work. The Chairman of the Supervisory Board receives triple the fee of the other members, and the Deputy Chairman receives double the amount.

In addition, members of the Supervisory Board who sit on the audit committee and the remuneration committee receive remuneration for these duties. The committee chairmen receive one and a half times the fee of the other members.

The shareholders approve the remuneration of the Supervisory Board for the current financial year. The remuneration paid to the Supervisory Board was unchanged from 2008 to 2009.

REMUNERATION OF THE SUPERVISORY BOARD IN 2009

DKK	Fee
Chairman	750,000
Deputy Chairman	500,000
Members, each	250,000
Total remuneration of the Supervisory Board	**3,750,000**

REMUNERATION OF THE AUDIT COMMITTEE IN 2009

DKK	Fee
Chairman	150,000
Two other members, each	100,000
Total remuneration of the audit committee	**350,000**

REMUNERATION OF THE REMUNERATION COMMITTEE IN 2009

DKK	Fee
Chairman	75,000
Two other members, each	50,000
Total remuneration of the remuneration committee	**225,000**

Remuneration of the Executive Management
TrygVesta's Executive Management comprises three members. The remuneration of the Executive Management reflects a wish to secure a balanced earnings performance for the Group in the short term as well as the longer term.

The remuneration of the Executive Management members includes an incentive plan, comprising a bonus plan of up to three months' additional salary including pension (four months for the Group CEO). The bonus plan is directly linked to the achievement of pre-defined benchmarks. The assessment of the individual members' target achievement includes the Group's overall performance as well as that of the individual members within their areas of responsibility. Specific benchmarks are defined within all four perspectives of the balanced scorecard (financial, customer, processes and learning), reflecting the strategic focus areas of the Group and the individual business areas or organisational units, including growth, profitability, cost reduction, customer satisfaction, customer loyalty, image, processes, communication, employee satisfaction and development, and innovation. The bonus is paid out in cash. Part of the Executive Management's remuneration consists of stock options in order to build loyalty and motivation. The value of variable remuneration may not exceed 50% of the fixed annual salary inclusive of pension in any finacial year.

Members of the Executive Management are entitled to company cars, and a contribution equal to 25% of the basic salary is paid into a pension scheme. Each member of the Executive Management is entitled to 12 months' notice of termination and to 12 months' severance pay. However, the Group CEO is entitled to 12 months' notice and to 18 months' severance pay plus pension contributions during such period.

Incentive pay

Like the Executive Management, the Group Executive Management and senior employees are offered a performance-related bonus of up to three months' salary. The bonus is linked to the achievement of pre-defined benchmarks and paid out in cash.

REMUNERATION OF THE EXECUTIVE MANAGEMENT IN 2009

DKK	Basic salary	Bonus	Pension	Car	Total
Stine Bosse	5,838,000	1,459,500	1,459,500	252,372	9,009,372
Morten Hübbe	3,675,000	612,500	918,750	156,000	5,362,250
Peter Falkenham	3,150,000	525,000	787,500	217,656	4,680,156

REMUNERATION OF THE EXECUTIVE MANAGEMENT IN 2008

DKK	Basic salary	Bonus	Pension	Car	Total
Stine Bosse	5,560,000	1,390,000	1,390,000	247,100	8,587,100
Morten Hübbe	3,500,000	584,000	875,000	156,000	5,115,000
Peter Falkenham	3,000,000	250,000	750,000	106,000	4,106,000

REMUNERATION OF THE EXECUTIVE MANAGEMENT IN 2007

DKK	Basic salary	Bonus	Pension	Car	Total
Stine Bosse	5,200,000	1,734,000	1,300,00	113,000	8,347,000
Morten Hübbe	3,000,000	750,000	750,000	156,000	4,656,000
Peter Falkenham	2,575,000	644,000	644,000	106,000	3,969,000

Furthermore, TrygVesta has a stock option programme for the Executive Management, the Group Executive Management, senior executives and employees to reward outstanding performance. The options, which entitle the holders to buy one share per option, cannot be exercised earlier than three years and later than five years after the grant. The strike price is the market price on grant plus 10%. The exercise price is the strike price less dividend payouts in the period. Stock options can only be exercised during the open trading windows in connection with profit announcements. Own shares are bought to cover the stock option programme.

In 2009, the stock options entitled the holders to acquire shares at the average price of TrygVesta shares (all trades) on OMX The Nordic Exchange Copenhagen on 3 March 2009 plus a 10% supplement, equal to a strike price of DKK 344.86. TrygVesta expects to grant a stock option programme of a similar value and on similar terms in 2010.

STOCK OPTION PROGRAMME IN 2009

	Number	Value on grant (DKK)
Stine Bosse	18,066	1,700,000
Morten Hübbe	11,690	1,100,000
Peter Falkenham	8,502	800,000
Other Group Executive Management and senior executives	124,076	11,700,000
Granted to reward outstanding performance	21,200	2,000,000
Total granted in 2009	**183,534**	**17,400,000**

TOTAL NUMBER OF STOCK OPTIONS OUTSTANDING AT THE END OF 2009

Options	2006	2007	2008	2009	Total
Stine Bosse	20,960	13,527	24,597	18,066	77,150
Morten Hübbe	7,860	7,101	15,916	11,690	42,567
Peter Falkenham	0	5,072	11,575	8,502	25,149
Other option programme participants	85,530	116,896	190,883	143,686	536,995
Total number of outstanding stock options	**114,350**	**142,596**	**242,971**	**181,944**	**681,861**

Shareholder information

FINANCIAL CALENDAR 2010

15 April 2010 at 14:00	Annual general meeting 2010
16 April 2010	TrygVesta shares trade ex-dividend
21 April 2010	Payment of dividend
21 May 2010 at 7:30	Interim report for Q1 2010
17 August 2010 at 7:30	Interim report for H1 2010
16 November 2010 at 7:30	Interim report for Q1-Q3 2010

TrygVesta emphasises openness, transparency and accommodation of stakeholder information requirements, thereby providing investors, equity analysts and advisers with a good basis for forming a correct picture of the Group's market and financial position, its performance and its opportunities and risks.

The Group's Investor Relations strive to maintain a high level of information by

- being available and proactive, and answering queries from investors and other stakeholders as promptly as possible
- having in-depth insight into and knowledge of the Group as well as relevant external trends
- preparing plain and relevant written communication and presentation material
- having a website that is of relevance to professional and private investors alike

Information that may influence the pricing of TrygVesta shares is published in accordance with the rules applicable to distribution of news in the EU. The Group's website, trygvesta.com, is updated simultaneously with the announcement of new information. In addition, information is distributed directly to the London Stock Exchange, the press, equity analysts, investors and other stakeholders.

In accordance with the recommendations issued by Nasdaq OMX Copenhagen, TrygVesta refrains from commenting on matters relating to financial performance or forecasts during a period of three weeks prior to the release of financial reports.

Share price performance in 2009

TrygVesta shares opened 2009 at DKK 328 and closed at DKK 342.75, thus generating a total return for 2009 of 7% including dividends of DKK 6.50. The return was below the return of the market in general in 2009, with the OMX C20 index increasing by 28% and slightly below the DJ Euro Insurance Index, which increased by 11%.

From the beginning of 2008 to the end of 2009, the period of the financial crises, TrygVesta shares fell 6% including dividends. By way of comparison, the OMX C20 fell by 25% and the DJ Euro Insurance Index by 34%.

Turnover of TrygVesta shares and share buy back

TrygVesta shares had an average daily turnover of DKK 27m in 2009 compared with DKK 44m in 2008. The total volume of TrygVesta shares traded on Nasdaq OMX Copenhagen was 6.7bn in 2009 compared with 11.1bn in 2008. New trading platforms such as Chi-X, Turquise and Burgundy accounted for around 8% of all trades in TrygVesta shares in the second half of 2009.

In the period from 1 January 2009 to 24 March 2009, TrygVesta implemented and completed a share buy back programme of DKK 352m out of a total programme of DKK 1,405m set up in April 2008.

The shares that had been bought back were cancelled in August 2009, reducing the number of outstanding shares from 68.0m to 63.9m including own shares.

MOST ACTIVE STOCKBROKERS*

1.	Danske Bank	19%
2.	Nordea	9%
3.	SEB Enskilda	8%
4.	Carnegie	7%
5.	Svenska Handelsbanken	5%

* in terms of percentage of turnover on Nasdaq OMX

Share capital and ownership

TrygVesta has a total share capital of DKK 1,598,289,325 comprised of a single class of shares (63.2m shares of DKK 25 nominal value each), and all shares rank pari passu. The principal shareholder, TryghedsGruppen smba, Kgs. Lyngby, Denmark, holds 60% of the issued shares and is the only shareholder with a holding of more than 5%. TryghedsGruppen invests in Nordic businesses that promote peace of mind and health, and supports benevolent activities.

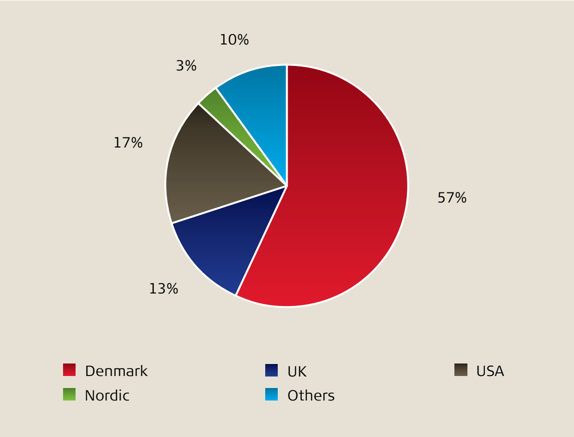
Read more about TryghedsGruppen at tryghedsgruppen.dk

At 31 December 2009, the 40% free float was distributed among approximately 27,900 registered shareholders. The 200 largest shareholders held 67% of the free float. At 31 December 2009, TrygVesta held own shares corresponding to 1.1% of the share capital.

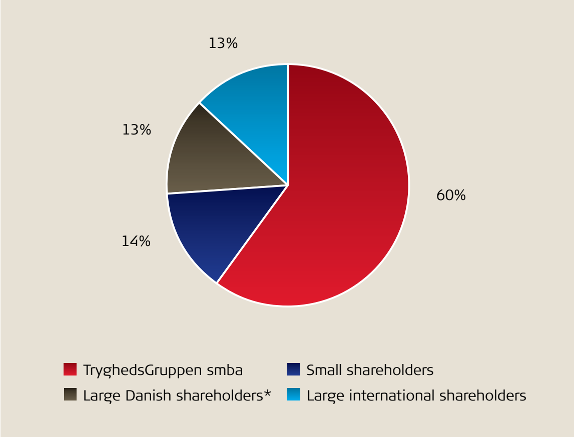
Dialogue with investors

The Executive Management and Investor Relations meet with institutional investors and equity analysts after publication of all financial statements. In 2009, TrygVesta held around 270 investor meetings and participated in 15 investor conferences. TrygVesta also participated in five events for private shareholders in both Denmark and Sweden. The Group's performance is followed by 18 equity analysts, eight of whom are based in London. The equity analysts' recommendations with respect to TrygVesta shares are available at trygvesta.com. The website, which is available in a Danish and an English version, is being updated and developed on an ongoing basis, making it an important source for providing information about the Group's performance to interested investors.

FREE FLOAT AT 31 DECEMBER 2009



SHAREHOLDERS AT 31 DECEMBER 2009



* Shareholders holding more than 10,000 shares

COMPANY ANNOUNCEMENTS PUBLISHED IN 2009

26.01.2009 No. 04	TrygVesta comments on market rumours about acquisition of Moderna Försäkringar
02.02.2009 No. 06	TrygVesta extends length of share buy back programme
17.02.2009 No. 10	TrygVesta ends negotiations with Moderna without result
02.03.2009 No. 13	TrygVesta acquires Moderna Försäkringar Sak in Sweden
03.03.2009 No. 14	Fourth quarter 2008 report
03.03.2009 No. 15	Annual report 2008
27.03.2009 No. 19	TrygVesta ends share buy back programme
31.03.2009 No. 20	Notice of the annual general meeting of TrygVesta A/S
02.04.2009 No. 21	TrygVesta closes acquisition of Moderna
22.04.2009 No. 22	Resolutions from annual general meeting
12.05.2009 No. 23	First quarter 2009 results
18.08.2009 No. 24	Half-year 2009 report
28.08.2009 No. 25	Cancellation of TrygVesta shares
28.08.2009 No. 26	TrygVesta issues guarantee for Moderna Försäkringar Sak AB
01.09.2009 No. 27	TrygVesta – Capital markets day 2009
10.11.2009 No. 28	Third quarter 2009 report
10.11.2009 No. 29	Financial calendar 2010

After implementing the share buy back programme on 4 April 2008, TrygVesta issued a company announcement on the weekly share buy backs each Monday in 2009 until 23 March 2009.

As a new feature in 2009, TrygVesta's Investor Relations issued IR newsletters. The newsletters deal with topical issues in order to create a better understanding of factors of importance to TrygVesta's performance.

Annual general meeting

TrygVesta's annual general meeting will be held on 15 April 2010 at Falconer Center, Falkoner Alle 9, 2000 Frederiksberg, Denmark. The invitation to attend the meeting will be advertised in the daily press and will be sent to shareholders who so request. Notice of the meeting will also be posted at trygvesta.com.

Read about dividends for 2009 in the section Capital management and profit distribution

ANY QUERIES RELATING TO THE ANNUAL GENERAL MEETING MAY BE ADDRESSED TO

Bjarne Lau Pedersen, Chief Legal Adviser
Tel.: +45 44 20 30 65.
bjarne.lau@tryg.dk

Ole Søeberg, IR Director
Tel.: +45 44 20 45 20.
ole.soeberg@tryg.dk.

Accounts – 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 2009 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 2009 and of the results of the Group's and the parent company's operations and the cash flows of the Group for the financial year 1 January - 31 December 2009.

Furthermore, in our opinion the Management's report gives a true and fair view of developments in the activities and financial position of the Group and the parent company, the results for the year and of the Group's and the parent company's financial position in general and describes significant risk and uncertainty factors that may affect the Group and the parent company.

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

Ballerup, 25 February 2010.

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*
Peter Mollerup	John R. Frederiksen	Rune Torgeir Joensen
Birthe Petersen	Per Skov	Berit Torm

Independent auditors' report

To the shareholders of TrygVesta A/S
We have audited the consolidated and parent company financial statements of TrygVesta A/S for the financial year starting on January 1 and ending on December 31, 2009, which comprise income statement, the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including accounting policies, and the management's report, 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 parent company financial statements have been prepared in accordance with the Danish Financial Business Act. In addition, the consolidated and parent company financial statements have been prepared in accordance with additional Danish disclosure requirements for listed companies. The management's report has been prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the consolidated and parent company financial statements and the management's report
Management is responsible for preparing and presenting consolidated and parent company financial statements that give 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, in accordance with the Danish Financial Business Act in respect of the parent company financial statements and in accordance with additional Danish disclosure requirements for listed companies, and a management's report including a fair review in accordance with the Danish Financial Business Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated and parent company financial statements and a management's report that are 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 consolidated and parent company financial statements and the management's report based on our audit. We conducted our audit in accordance with Danish and international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated and parent company financial statements and the management's report are free from materiel misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and parent company financial statements and the management's report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and parent company financial statements and the management's 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 consolidated and parent company financial statements and to the preparation of a management's report that includes a fair review 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 consolidated and parent company financial statements and the management's 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 consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position at December 31, 2009, 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, 2009 in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with additional Danish disclosure requirements for listed companies.

Furthermore in our opinion, the parent company financial statements give a true and fair view of the parent company's assets, liabilities and financial position at December 31, 2009, and of the results of the parent company's operations for the financial year starting on January 1 and ending on December 31, 2009 in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for listed companies.

Furthermore, in our opinion, the management's report includes a fair review in accordance with the Danish Financial Business Act.

Ballerup, 25 February 2010.

Deloitte
Statsautoriseret Revisionsaktieselskab

Lars Kronow
State Authorised
Public Accountant

Kasper Bruhn Udam
State Authorised
Public Accountant

Income statement – TrygVesta Group

Notes	DKKm	2008	2009
	General insurance		
	Gross premiums written	17,629	18,315
	Ceded insurance premiums	-926	-914
	Change in provisions for unearned premiums	-134	85
	Change in reinsurers' share of provisions for unearned premiums	66	-60
2	**Earned premiums, net of reinsurance**	**16,635**	**17,426**
3	**Technical interest, net of reinsurance**	**499**	**157**
	Claims paid	-12,880	-13,479
	Reinsurance recoveries	605	264
	Change in provisions for claims	1,114	273
	Change in the reinsurers' share of provisions for claims	-486	42
4	**Claims incurred, net of reinsurance**	**-11,647**	**-12,900**
	Bonus and premium rebates	**-172**	**-117**
	Acquisition costs	-2,247	-2,244
	Administrative expenses	-756	-854
	Acquisition costs and administrative expenses	-3,003	-3,098
	Commission and profit commission from the reinsurers	72	86
5	**Total insurance operating expenses, net of reinsurance**	**-2,931**	**-3,012**
6	**Technical result**	**2,384**	**1,554**
	Investment activities		
14	Income from associates	-2	0
	Income from investment properties	128	136
7	Interest income and dividends	1,523	1,287
8	Value adjustment	-1,008	734
7	Interest expenses	-100	-116
	Investment management charges	-101	-110
	Total return on investment activities	**440**	**1,931**
3	Interest on insurance provisions	-1,428	-845
	Total return on investment activities after technical interest	**-988**	**1,086**
	Other income	124	123
	Other expenses	-173	-161
	Profit/loss before tax	**1,347**	**2,602**
9	Tax	-501	-623
	Profit/loss on continuing business	**846**	**1,979**
10	Profit/loss on discontinued and divested business	0	29
	Profit/loss for the year	**846**	**2,008**
27	Earnings per share - continuing business of DKK 25	12.8	31.2
	Earnings per share of DKK 25	12.8	31.7
	Diluted earnings per share of DKK 25	-	31.7

Total comprehensive income

DKKm		2008	2009
Notes	Revaluation of owner-occupied properties for the year	0	9
	Tax on owner-occupied properties for the year	0	-2
	Exchange rate adjustment of foreign entities for the year	-640	505
	Hedging of currency exposure in foreign entities for the year	615	-474
	Tax on hedging of currency exposure in foreign entities for the year	-154	119
	Actuarial gains/losses on defined benefit pension plans	-196	28
	Tax on actuarial gains/losses on defined benefit pension plans	53	-7
	Net income/expense recognised in equity	**-322**	**178**
	Profit for the year	846	2,008
	Total comprehensive income	**524**	**2,186**

Balance sheet – TrygVesta Group

DKKm		2008	2009
Notes	**Assets**		
11	**Intangible assets**	**450**	**934**
	Operating equipment	46	83
	Owner-occupied property	1,315	1,358
	Assets under construction	0	172
12	**Total property, plant and equipment**	**1,361**	**1,613**
13	**Investment property**	**2,246**	**2,364**
14	Investments in associates	14	17
	Total investments in associates	**14**	**17**
	Equity investments	422	381
	Unit trust units	940	2,143
	Bonds	28,721	29,410
	Deposits in credit institutions	389	2,938
	Total other financial investment assets	**30,472**	**34,872**
	Deposits with ceding undertakings, receivable	**13**	**15**
15	**Total investment assets**	**32,745**	**37,268**
	Reinsurers' share of provisions for unearned premiums	176	195
21	Reinsurers' share of provisions for claims	860	1,125
16	**Total reinsurers' share of provisions for insurance contracts**	**1,036**	**1,320**
	Receivables from policyholders	838	967
	Total receivables in relation to direct insurance contracts	838	967
	Receivables from insurance enterprises	250	271
	Other receivables	601	1,190
15	**Total receivables**	**1,689**	**2,428**
17	Current tax assets	111	0
23	Deferred tax assets	0	86
15	Cash in hand and at bank	282	512
	Other	3	4
	Total other assets	**396**	**602**
	Accrued interest and rent earned	626	417
	Other prepayments and accrued income	142	158
	Total prepayments and accrued income	**768**	**575**
	Total assets	**38,445**	**44,740**

DKKm		2008	2009
Notes	**Liabilities**		
18	**Shareholders' equity**	**8,244**	**9,666**
20	**Subordinated loan capital**	**1,102**	**1,586**
21	Provisions for unearned premiums	5,100	6,208
21	Provisions for claims	19,715	22,430
	Provisions for bonuses and premium rebates	378	364
	Total provisions for insurance contracts	**25,193**	**29,002**
22	Pensions and similar obligations	523	496
23	Deferred tax liability	949	1,330
24	Other provisions	36	46
	Total provisions	**1,508**	**1,872**
	Debt related to direct insurance	311	383
	Debt related to reinsurance	172	168
25	Debt to credit institutions	709	611
17	Current tax liabilities	248	303
26	Other debt	871	954
	Total debt	**2,311**	**2,419**
	Accruals and deferred income	**87**	**195**
	Total liabilities and equity	**38,445**	**44,740**

1 **Accounting policies**
19 **Capital adequacy**
27 **Earnings per share**
28 **Contractual obligations, contingent liabilities and collateral**
29 **Acquisition of subsidiary**
30 **Related parties**
31 **Financial highlights and key ratios of TrygVesta**

Statement of change in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adj.	Equalisation reserve	Other reserves	Retained earnings	Proposed dividends	Total
Shareholders' equity at 31 December 2007	**1,700**	**7**	**-10**	**58**	**875**	**6,224**	**1,156**	**10,010**
2008								
Profit for the year					-126	530	442	846
Exchange rate adjustment of foreign entities			-585			-55		-640
Hedge of foreign currency risk in foreign entities			615					615
Actuarial gains and losses on pension obligation						-196		-196
Tax on equity entries			-154			53		-101
Total comprehensive income	0	0	-124	0	-126	332	442	524
Dividend paid							-1,156	-1,156
Dividend own shares						12		12
Purchase of own shares						-1,197		-1,197
Issue of employee shares						37		37
Issue of share options						14		14
Total equity entries in 2008	**0**	**0**	**-124**	**0**	**-126**	**-802**	**-714**	**-1,766**
Shareholders' equity at 31 December 2008	**1,700**	**7**	**-134**	**58**	**749**	**5,422**	**442**	**8,244**
2009								
Profit for the year					201	816	991	2,008
Revaluation of owner-occupied properties		9						9
Exchange rate adjustment of foreign entities			487			18		505
Hedge of foreign currency risk in foreign entities			-474					-474
Actuarial gains and losses on pension obligation						28		28
Tax on equity entries		-2	119			-7		110
Total comprehensive income	0	7	132	0	201	855	991	2,186
Nullification of own shares	-102					102		0
Dividend paid							-442	-442
Dividend own shares						32		32
Purchase of own shares						-418		-418
Exercise of share options						19		19
Issue of employee shares						30		30
Issue of share options						15		15
Total equity entries in 2009	**-102**	**7**	**132**	**0**	**201**	**635**	**549**	**1,422**
Shareholders' equity at 31 December 2009	**1,598**	**14**	**-2**	**58**	**950**	**6,057**	**991**	**9,666**

DKKm

Proposed dividend per share DKK 15.5 (in 2008 DKK 6.50)
Dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the number of shares, year end (63,931,573). The dividend is not paid until approved by the shareholders at the annual general meeting of the subsequent year.

TrygVesta Forsikring A/S' Norwegian branch, has in its branch financial statements included provisions for contingency funds in the amount of NOK 2,906m (in 2008 NOK 2,743m) In TrygVesta Forsikring A/S, these provisions, due to their nature as additional provisions, are included in shareholders' equity (retained earnings), 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 insurance has a similar contingency amounting to DKK 139m, which is also included in the company's shareholders' equity.

Statement of cashflows - TrygVesta Group

DKKm		2008	2009
	Cash generated from operations		
	Premiums	17,412	18,438
	Claims paid	-12,934	-13,501
	Ceded business	-22	-603
	Expenses	-2,890	-2,988
	Change in other payables and other amounts receivable	-591	-191
	Cash flow from insurance operations	**975**	**1,155**
	Interest income	1,573	1,573
	Interest expenses	-135	-173
	Dividend received	40	14
	Taxes	-628	-349
	Other items	-53	-42
	Cash generated from operations, continuing business	**1,772**	**2,178**
	Cash generated from operations, discontinued and divested business	0	18
	Total cash generated from operations	**1,772**	**2,196**
	Investments		
	Acquisition of real property	-1,098	-203
	Sale of real property	26	1
	Acquisition of equity investments and unit trust units (net)	2,080	14
	Purchase/Sale of bonds (net)	-1,180	1,411
	Deposits in Credit institutions	-87	-1,850
	Purchase/sale of operating equipment (net)	110	-166
29	Acquisition of subsidiares	0	-939
29	Acquisition of subsidiares, cash and cash equivalents	0	605
	Foreign currency hedging	615	-474
	Investments, continuing business	**466**	**-1,601**
	Investments, discontinued and divested business	0	0
	Total investments	**466**	**-1,601**
	Funding		
	Purchase of own shares	-1,160	-334
	Subordinated loan capital	0	485
	Dividend paid	-1,156	-442
	Change in debt to credit institutions	110	-98
	Funding, continuing business	**-2,206**	**-389**
	Funding, discontinuied and divested business	0	0
	Total funding	**-2,206**	**-389**
	Change in cash an cash equivalents, net	**32**	**206**
	Price adjustment of cash and cash equivalents, beginning of period	-48	24
	Change in cash and cash equivalents, gross	**-16**	**230**
	Cash and cash equivalents, beginning of period	298	282
	Cash and cash equivalents, end of period	**282**	**512**

Notes

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 2009 and in accordance with the Danish Statutory Order on Adoption of IFRS.

The financial statement of the parent company is prepared in accordance with the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA. The deviations from the recognition and measurement requirements of IFRS are:

› Investments in subsidiaries 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.

Changes in accounting policies
Accounting policies are unchanged from the annual report 2008.

Implementation of accounting standards in 2009
In 2009, the Group implemented the following standards and interpretations:

› IAS 23 'Borrowing Costs'
› IAS 27 'Consolidated and Separate Financial Statements'
› IAS 28 'Investments in Associates'
› IFRS 3 'Business Combinations', revised 2008. Not implemented earlier
› Amendments to IFRS 7 'Improving disclosures about Financial Instruments'
› Amendments to IFRS 2 'Share-based Payments: Vesting Conditions and Cancellation'
› Amendments to IFRS 1 and IAS 27 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'
› Amendments to IAS 32 and IAS 1 'Puttable Financial Instruments and Obligations Arising on Liquidation'
› Amendments to IAS 38 'Intangible Assets'
› Amendments to IAS 40 'Investment Property'
› Amendments to IAS 39 'Financial Instruments: Recognition and Measurement – Eligible Hedged Items'
› Amendments to IAS 39 and IFRIC 9 'Embedded Derivatives'
› IFRIC 9 'Reassessment of Embedded Derivatives', IFRIC 12 'Service Concession Arrangements', IFRIC 13 'Customer Loyalty Programmes', IFRIC 14 'The Limit on a Defined Benefit Asset', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 16 'Hedges of Net Investment in a Foreign Operation', IFRIC 17 'Transfers of Assets from Customers'.

The implementation of the new standards and interpretations has not affected recognition and measurement in 2009, but solely affected the disclosures to be included in the annual report.

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 'Presentation of Financial Statements'
› IFRS 2 'Share-based Payments'
› IAS 17 'Leases'
› IAS 36 'Impairment of Assets'
› Amendments to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
› Amendments to IAS 7 'Statement of Cash Flows'.

The changes will be implemented from 2010.

Accounting estimates and judgements
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 Group's accounting policies. The areas involving a higher degree of judgement 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
› Fair value of financial assets

A more detailed description of primary assumptions about the future and other primary sources of estimation uncertainty is given in the Capitalisation and profit distribution 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 provisions covering both known 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. 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.

Notes

The projection for claims provisions 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.

For discounting of provisions for claims, the Group generally applies a risk-free market rate composed of a risk-free euro-denominated interest rate and a country-specific spread to the German government bond yield. As a result of the adoption of the temporary 'Package to ensure financial stability', from the end of October 2008 the Group has applied a synthetic interest rate that includes a certain mortgage yield spread, for liabilities denominated in Danish kroner. Liabilities in Norwegian kroner are still discounted using a Norwegian risk-free interest rate composed as described above. Liabilities in Swedish kroner with a swedish risk-free interest rate and euro are discounted using a Danish risk-free interest rate.

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 Group 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 net obligation with respect to the defined benefit plan is based on actuarial calculations involving a number of assumptions. These assumptions include discount rate, salary adjustment and mortality.

Fair value of financial assets
Measurements of financial assets for which prices are quoted in an active market or which are based on generally accepted models with observable market data are not subject to material estimates. 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 a current OTC price of a similar financial instrument or using a model calculation. The valuation models include the discounting of the instrument cash flow using an appropriate market interest rate with due consideration to credit and liquidity premiums.

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 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 consolidated companies (including 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.

Business combinations
Newly acquired companies are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not restated to reflect acquisitions.

The purchase method is applied on acquisitions if the TrygVesta Group gains control of the company acquired. Identifiable assets, liabilities and contingent liabilities in companies acquired are measured at the fair value at the date of acquisition. The tax effect of revaluations is taken into account.

The date of acquisition is the date on which control of the acquired company actually passes to the TrygVesta Group.

The cost of a company is the fair value of the agreed consideration paid plus costs directly attributable to the acquisition. If the final amount of the consideration is conditional on one or more future events, these adjustments are only recognised in cost if the event in question is likely to occur and its effect on cost can be reliably measured.

Any excess of the cost of acquisition of the enterprise over the fair value of the acquired identifiable assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. Goodwill is tested for impairment at least once a year. If the carrying amount of an asset exceeds its recoverable amount, the asset is written down to the lower recoverable amount.

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.

The presentation currency in the annual report is DKK.

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 Private & Commercial Denmark, Private & Commercial Norway, Private & Commercial Sweden, Private & Commercial Finland and Corporate.

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 managed at Group level.

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 and the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA.

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 relates 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.

Notes

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

TrygVesta hedges the risk of changes in future wage and price figures for provisions for workers' compensation. For 90-100% of this risk, TrygVesta uses swaps specifically acquired with a view to hedging the inflation risk. Value adjustment of these swaps is 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. Underwriting commission is recognised when a legal obligation occurs and is accrued over the term of the policy. Administrative expenses are all other expenses attributable to the administration of the insurance portfolio. Administrative expenses are accrued to match the financial year.

Leasing
Leases are classified either as operating or finance leases. The assessment of the lease is made on the basis of criteria such as ownership, right of purchase when the lease term expires, considerations as to whether the asset is custom-made, the lease term and the present value of the lease payments.

Assets held under operating leases are not recognised in the balance sheet, but the lease payments are recognised in the income statement over the term of the lease, corresponding to the economic life of the asset, while assets held under finance leases are recognised at fair value and depreciated according to the same accounting policy as the Group applies for similar owned assets. For assets held under finance leases, a lease liability is recognised at amortised cost.

Share-based payment
The TrygVesta Group's incentive programmes comprise share option programmes 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 Group's shares at the time of allocation. No other vesting conditions apply. Special provisions are in place concerning sickness and death and in case of change to the Group'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, half-year and quarterly reports and in accordance with TrygVesta's in-house rules on trading in the Group's shares. The options are settled in shares. A part of the Group'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 for employees and members of the Executive Management 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 and dividends represent interest earned and dividends received during the financial year.

Realised and unrealised investment gains and losses, including gains and losses on derivative financial instruments, value adjustment of investment properties, 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 include income and expenses which cannot be ascribed to TrygVesta's insurance portfolio or investment assets, including the sale of products for Nordea Liv og Pension.

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

Recognition of the balance sheet items in respect of the discontinued business 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 five-year financial highlights and key ratios, have been restated to reflect discontinued business. Discontinued and divested business in the income statement includes the post-tax profit of TrygVesta's business in run-off as well as divested enterprises. Business in run-off comprises the results of the business in run-off in Tryg Forsikring A/S. No enterprises were divested in the year. The subsidiary Chevanstell Ltd. UK was divested in 2006.

BALANCE SHEET

Intangible assets
Goodwill
Goodwill was acquired in connection with acquisition of business. Goodwill is calculated as the difference between the cost of the undertaking and the fair value of acquired identifiable assets, liabilities and contingent liabilities at the time of acquisition. Goodwill is allocated to the cash-generating units under which management manages the investment and is recognised under intangible assets.

Trademarks and customer relations
Trademarks and customer relations have been identified as intangible assets on acquisition. The intangible assets are recognised at fair value at the time of acquisition and amortised on a straight-line basis over the expected useful lives of 5-12 years.

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 amortised on a straight-line basis over the expected useful life, however with a maximum period of four years. The basis of amortisation is reduced by any impairment writedowns.

Fixed assets
Operating equipment
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 of plant and equipment is calculated using the straight-line method over their estimated useful lives, as follows:

› IT, 4 years
› Vehicles, 5 years
› Furniture, fittings and equipment, 5-10 years

Leasehold improvements are depreciated over the expected useful life, however with a maximum of the term of the lease.

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.

Land and buildings
Land and buildings are divided into owner-occupied property and investment property. The TrygVesta Group's owner-occupied properties consist of the head office buildings at Ballerup and Bergen and a few summer houses. The remaining properties are classified as investment properties.

Owner-occupied property
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.

Notes

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 when incurred.

Depreciation on owner-occupied property is calculated using straight-line method using the estimated useful lives up to 50 years. Land is not depreciated.

Assets under construction
In connection with the refurbishment of the owner-occupied properties, costs to be capitalised are recognised at cost under owner-occupied property. On completion of the project, depreciation will be made on a straight-line basis over the expected useful life, up to the number of years stated under the individual categories.

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 test for intangible assets and property, plant and equipment
The carrying amounts of intangible assets and property, plant and equipment are tested at least once a year for impairment for each cash-generating unit to which the asset belongs. The asset is written down to the recoverable amount if the carrying amount of the asset is higher than the recoverable amount.

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 an ownership interest 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. Income is made up after elimination of unrealised intra-group profits and losses.

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 income.

Financial assets at fair value through income
Financial assets are classified as financial assets available for trading 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.

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 or using OTC prices. 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. Share derivates in the form of futures and options are used from time to time to adjust share exposures.

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.

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.

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 estimated at the beginning of the financial year is hedged 90-100% by entering into short-term forward exchange contracts according to the requirements of hedge accounting. 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. 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.

Other assets
Other assets include current tax assets and cash in hand and at bank. Current tax assets are receivables concerning tax for the year adjusted for on-account payments and any prior-year adjustments. Cash in hand and at bank is recognised at nominal value at the balance sheet date.

Prepayments and accrued income
Prepayments include expenses paid in respect of subsequent financial years and interest receivable. Accrued underwriting commission relating to the sale of insurance is also included.

Notes

Equity

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.

Revaluation reserves

Revaluation of owner-occupied properties is recognised in equity unless the revaluation offsets a previous impairment loss, and relates primarily to owner-occupied properties.

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 recognised in equity. When an entity is wound up, the balance is transferred to the income statement. The hedging of the exchange rate risk concerning foreign entities is also offset in shareholders' equity in respect of the part that concerns the hedge.

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.

Dividends

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. Treasury shares include shares acquired for employee shares and the share option programmes.

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

Subordinate loan capital

Subordinate loan capital is recognised initially at fair value, net of transaction costs incurred. Subordinate 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 (earned premiums) proportionally over the period of coverage and, where necessary, adjusted to reflect any time variation of the risk. The portion of premiums 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 that 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 line of business based on actuarial methods. Where such business lines encompass more than one business area, short-tail provisions for claims are distributed based on number of claims reported while long-tail provisions for claims are distributed based on premiums earned. The models currently used are Chain-Ladder, Bornhuetter-Ferguson, the Loss Ratio method and De Vylder's credibility method. 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 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 expected future development of claims. For example, this is the case with legislative changes where an a priori estimate is used for premium increases related to the expected increase in claims. For legislative changes this estimate is used also in determining the level of claims. Subsequently, this estimate is maintained until new loss history materialises for re-estimation.

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 deemed to be 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 and the adjustment is 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. In Sweden, the Group complies with the industry pension agreement, FTP-Planen. 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. The plan is therefore accounted for as a defined contribution plan.

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.

Expectations of returns on plan assets are based on the return within each asset class and the current allocation thereof. Market expectations of future returns are taken into consideration.

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.

The actuarial gains and losses arising from experience adjustments and changes in actuarial estimates is recognised in equity.

The plan was closed for new business as at 1 January 2009.

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 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.

Notes

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		2008	2009
2	**Earned premiums, net of reinsurance**		
	Direct insurance	17,465	18,324
	Indirect insurance	47	58
		17,512	18,382
	Unexpired risk provision	-17	18
		17,495	18,400
	Ceded direct insurance	-819	-940
	Ceded indirect insurance	-41	-34
		16,635	**17,426**

Direct insurance, by location of risk	2008		2009	
	Gross	**Ceded**	**Gross**	**Ceded**
Denmark	9,538	-489	9,607	-509
Other EU countries	742	-16	1,736	-86
Other countries	7,168	-314	6,999	-345
	17,448	**-819**	**18,342**	**-940**

		2008	2009
3	**Technical interest, net of reinsurance**		
	Interest on insurance provisions	1,428	844
	Transferred from provisions for claims concerning discounting	-926	-686
	Return on discontinued business	-3	-1
		499	**157**

		2008	2009
4	**Claims incurred, net of reinsurance**		
	Claims incurred	-12,634	-13,883
	Run-off previous years, gross	868	677
		-11,766	-13,206
	Reinsurance recoveries	194	270
	Run-off previous years, reinsurers' share	-75	36
		-11,647	**-12,900**

Under claims incurred, the value adjustment of inflation swaps to hedge the inflation risk concerning annuities on workers' compensation insurance totals DKK -62m (in 2008 DKK 8m.)

		2008	2009
5	**Insurance operating expenses, net of reinsurance**		
	Commission regarding direct business	-429	-445
	Other acquisition costs	-1,818	-1,799
	Total acquisition costs	-2,247	-2,244
	Administrative expenses	-756	-854
	Insurance operating expenses, gross	-3,003	-3,098
	Commission from reinsurers	72	86
		-2,931	**-3,012**
	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	-1	-1
		-1	**-1**

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

Notes

DKKm		2008	2009
5	**Insurance operating expenses, gross, classified by type**		
	Commision	-429	-448
	Staff expenses	-1,658	-1,786
	Other staff expenses	-232	-278
	Office expenses and fees, headquarter expenses	-557	-454
	Operating and maintenance costs IT, software expenses	-208	-228
	Depreciation, amortisation and impairment writedowns	-111	-140
	Other income	192	236
		-3,003	**-3,098**

Total lease expenses amount to DKK 35m (in 2008 DKK 66m).

	2008	2009
Insurance operating expenses and claims include the following staff expenditure:		
Salaries and wages	-1,972	-2,064
Commision	-17	-33
Allocated share options	-14	-15
Pensions	-282	-324
Other social security costs	-5	-9
Payroll tax	-256	-278
	-2,546	**-2,723**

Remuneration for the Supervisory Board and Executive Management is disclosed in note 30 'Related parties'.

	2008	2009
Average number of full-time employees during the year	**3,985**	**4,390**

Share option programmes

In 2009, TrygVesta awarded share options to the Executive Management (3 persons) and other senior employees (98 persons) and other employees (40 persons). At 31 December 2009, the share option plan comprised 681,861 share options (at 31 December 2008 572,367 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 1.1% of the share capital if all share options are exercised.

In 2009, the fair value of share options recognised in the consolidated income statement amounted to DKK 15.1m (in 2008 DKK 13.5m). As at 31 December 2009, a total amount of DKK 39m was recognised for share option programmes issued in 2006, 2007, 2008 and 2009.Fair values at the time of allocation are based on the Black & Scholes option pricing formula.

DKKm

5 Share option programmes

Specification of outstanding options:

	TOTAL NUMBERS				FAIR VALUE			
	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 DKKm**	**Per option at 31 December DKK**	**Total fair value at 31 December DKKm**
2009								
Allocation 2006-2007								
Allocated in 2006-2007 beginning of year	61,070	247,306	16,000	324,376	64/99	26	73/15	15
Exercised	-6,550	-52,020	-2,620	-61,190	64/99	-4	73/15	-4
Cancelled	0	-4,287	-1,953	-6,240	64/99	0	73/15	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from 2006-2007 allocation 31 Dec 2009	**54,520**	**190,999**	**11,427**	**256,946**	**-**	**22**	**-**	**11**
Allocation 2008								
Allocated in 2008, beginning of year	52,088	167,203	28,700	247,991	69	17	45	11
Exercised	0	0	0	0	0	0	0	0
Cancelled	0	-4,320	-700	-5,020	69	0	45	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from 2008 allocation 31 Dec 2009	**52,088**	**162,883**	**28,000**	**242,971**	**-**	**17**	**-**	**11**
Allocation 2009								
Allocated in 2009, beginning of year	38,258	124,076	21,200	183,534	94	17	82	15
Exercised	0	0	0	0	0	0	0	0
Cancelled	0	-1,060	-530	-1,590	94	0	82	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from 2009 allocation 31 Dec 2009	**38,258**	**123,016**	**20,670**	**181,944**	**-**	**17**	**-**	**15**
Number of options exercisable end of 2009	28,820	82,910	2,620	114,350	64	7	73	8

Notes

DKKm

5 Share option programmes

Specification of outstanding options:

	TOTAL NUMBERS				FAIR VALUE			
	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 DKKm**	**Per option at 31 December DKK**	**Total fair value at 31 December DKKm**
2008								
Allocation 2006								
Allocated in 2006, beginning of year	35,370	148,030	0	183,400	64	12	83	15
Exercised	0	0	0	0	0	0	0	0
Cancelled	0	-2,620	0	-2,620	64	0	83	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from 2006 allocation 31 Dec 2008	**35,370**	**145,410**	**0**	**180,780**	**-**	**12**	**-**	**15**
Allocation 2007								
Allocated in 2007, beginning of year	25,700	104,802	16,000	146,502	99	14	45	7
Exercised	0	0	0	0	0	0	0	0
Cancelled	0	-2,906	0	-2,906	99	0	45	0
Expired	0	0	0	0	0	0	0	0
Outstanding options from 2007 allocation 31 Dec 2008	**25,700**	**101,896**	**16,000**	**143,596**	**-**	**14**	**-**	**7**
Allocation 2008								
Allocated in 2008, beginning of year	52,088	167,203	28,700	247,991	69	17	79	20
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 2008 allocation 31 Dec 2008	**52,088**	**167,203**	**28,700**	**247,991**	**-**	**17**	**-**	**20**
Number of options exercisable end of 2008	0	0	0	0	0	0	0	0

DKKm

5 Share option programmes

Year of allocation	Years of exercise	1 Jan. 2009	Exercised	Cancelled	Expired	31 Dec. 2009
2006	2009-2011	180,780	-61,190	-5,240	0	114,350
2007	2010-2012	143,596	0	-1,000	0	142,596
2008	2011-2013	247,991	0	-5,020	0	242,971
2009	2012-2014	183,534	0	-1,590	0	181,944
Outstanding options 31 December 2009		**755,901**	**-61,190**	**-12,850**	**0**	**681,861**

The assumptions by calculating the marketvalue at time of allocation

Year of allocation	Year of exercise	Expected Volatility	Expected Volatility	Expected maturity	Risk-free interest rate	Average term to maturity 31 Dec. 2009	Average exercise share price 31 Dec. 2009
2006	2009-2011	355.85	17.90%	4 år	3.30%	0.58	342.78
2007	2010-2012	456.76	24.10%	4 år	3.90%	1.16	-
2008	2011-2013	378.24	20.30%	4 år	3.60%	2.15	-
2009	2012-2014	313.51	37.70%	4 år	2.80%	3.17	-

The following assumptions were applied in calculating the market value of outstanding share options at the time of allocation:
The expected volatility is based on the average volatility of TrygVesta shares. 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 term as the expected term of 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 allocation. The dividend payout ratio is not included in the calculation as the strike price is reduced by dividends paid in order to prevent option holders from being placed at a disadvantage in connection with 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.

Employee shares
In 2009, TrygVesta granted employee shares at a discount to the market price to employees at all levels in the Group. Employees of non-Danish branches were offered employee shares or alternatively a cash consideration. Each employee was offered 17 shares at a discount to the market price equal to DKK 25 DKK per share, equivalent to a total of 38,829 shares or around DKK 11.2m 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 2009, a total of 31,713 shares were granted at discount to the market price of DKK 25 per share or DKK 9.9m. The grant of shares equalled 0.1% of the share capital.

The amount was provided in 2008 and did not affect the profit for 2009.

Notes

DKKm

SEGMENTS

6 Operating segments

2009	P&E Denmark	P&E Norway	P&E Finland	P&E Sweden	Corporate	Other	Group
Gross premiums earned	**6,866**	**4,445**	**472**	**1,081**	**5,423**	**-4**	**18,283**
Gross claims	-5,136	-3,224	-402	-875	-3,583	14	-13,206
Gross operating expenses	-1,063	-942	-194	-251	-604	-44	-3,098
Profit/loss on business ceded	-122	-53	-1	-15	-381	-10	-582
Technical interest, net of reinsurance	71	32	12	8	34	0	157
Technical result	**616**	**258**	**-113**	**-52**	**889**	**-44**	**1,554**
Total return on investment activities after technical interest							1,086
Other income and expenses							-38
Profit before tax							**2,602**
Tax							-623
Profit on continuing business							1,979
Profit/loss on discontinued and divested business							29
Profit							**2,008**
Investments in associates	0	0	0	0	0	17	17
Reinsurers' share of provision for unearned premiums	0	0	0	48	147	0	195
Reinsurers' share of provision for claims	44	83	0	84	914	0	1,125
Other assets						43,403	43,403
Total assets							**44,740**
Provisions for unearned premiums	2,619	1,381	116	779	1,313	0	6,208
Provisions for claims	6,972	3,588	298	904	10,658	10	22,430
Provisions for bonuses and premium rebates	228	0	0	0	136	0	364
Provisions						1,872	1,872
Debt						2,419	2,419
Accruals and deferred income						195	195
Total liabilities							**33,488**

DKKm

SEGMENTS

6 Operating segments

2008	P&E Denmark	P&E Norway	P&E Finland	P&E Sweden	Corporate	Other	Group
Gross premiums earned	**6,605**	**4,636**	**354**	**221**	**5,512**	**-5**	**17,323**
Gross claims	-4,443	-3,371	-258	-214	-3,489	9	-11,766
Gross operating expenses	-1,155	-1,004	-154	-104	-588	2	-3,003
Profit/loss on business ceded	-89	-68	-1	0	-516	5	-669
Technical interest, net of reinsurance	180	122	17	7	173	0	499
Technical result	**1,098**	**315**	**-42**	**-90**	**1,092**	**11**	**2,384**
Total return on investment activities after technical interest							-988
Other income and expenses							-49
Profit before tax							**1,347**
Tax							-501
Profit on continuing business							846
Profit/loss on discontinued and divested business							0
Profit							**846**
Investments in associates	0	0	0	0	0	14	14
Reinsurers' share of provision for unearned premiums	0	0	0	0	176	0	176
Reinsurers' share of provision for claims	49	99	0	0	712	0	860
Other assets						37,395	37,395
Total assets							**38,445**
Provisions for unearned premiums	2,528	1,202	90	58	1,222	0	5,100
Provisions for claims	6,780	3,088	207	84	9,489	67	19,715
Provisions for bonuses and premium rebates	250	0	0	0	128	0	378
Provisions						1,508	1,508
Debt						2,311	2,311
Accruals and deferred income						87	87
Total liabilities							**29,099**

Description of segments

Please refer to 'Our business areas' in the Annual Report 2009 for a description of our operating segments. Amounts relating to Moderna Försäkringar are included in 'P&E Sweden' from 2 April 2009. Amounts relating to TrygVesta A/S, Tryg Ejendomme A/S, Ejendomsselskabet af 8. maj and eliminations are included in 'Other'. Depreciation/amortisation is included in gross operating expenses. Other assets and liabilities are managed at Group level and allocation to the individual segments would therefore not provide a true and fair view. 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.'

Notes

DKKm

LINE OF BUSINESS

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

	Accident and health		Health care		Worker's compensation	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**
Gross premiums written	**1,691**	**1,665**	**195**	**258**	**1,525**	**1,402**
Gross premiums earned	1,679	1,644	152	263	1,536	1,432
Gross claims	- 1,033	- 863	- 215	- 220	- 933	- 702
Gross operating expenses	- 278	- 250	- 25	- 26	- 176	- 169
Profit/loss on ceded business	2	- 13	0	0	- 47	- 47
Technical interest, net of reinsurance	58	5	5	3	63	23
Technical result	**428**	**523**	**- 83**	**20**	**443**	**537**
Claims frequency *	4.1%	3.7%	69.0%	80.1%	26.3%	19.6%
Average claims DKK **	34,662	39,044	10,359	7,409	68,748	78,086
Total claims	33,218	31,112	20,972	33,700	17,109	13,800

	Fire & contents (Private)		Fire and contents (Commercial)		Change of ownership	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**
Gross premiums written 3,351	**3,351**	**3,919**	**2,480**	**2,587**	**88**	**90**
Gross premiums earned	3,258	3,876	2,471	2,570	89	86
Gross claims	- 2,734	- 3,328	- 1,672	- 1,868	- 94	- 234
Gross operating expenses	- 739	- 698	- 449	- 476	- 12	- 8
Profit/loss on ceded business	- 102	- 70	- 321	- 255	0	0
Technical interest, net of reinsurance	78	36	61	16	10	4
Technical result	**- 239**	**- 184**	**90**	**- 13**	**- 7**	**- 152**
Claims frequency *	12.1%	7.6%	19.9%	22.2%	11.8%	9.8%
Average claims DKK **	12,065	9,973	46,185	45,981	12,448	18,193
Total claims	203,858	319,222	35,651	40,925	6,732	6,186

	Other insurance		Total		Norwegian Group Life One-year policies	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**
Gross premiums written	**114**	**65**	**17,086**	**17,821**	**543**	**494**
Gross premiums earned	121	74	16,763	17,751	560	532
Gross claims	- 26	- 59	- 11,232	- 12,756	- 534	- 450
Gross operating expenses	4	- 48	- 2,931	- 3,029	- 72	- 69
Profit/loss on ceded business	3	- 43	- 667	- 580	- 2	- 2
Technical interest, net of reinsurance	- 1	7	472	153	27	4
Technical result	**101**	**- 69**	**2,405**	**1,539**	**- 21**	**15**
Average claims DKK **	15,660	17,897				
Total claims	919	1,306				

* The claims frequency is calculated as the number of claims incurred in proportion to the average number of insurance contracts.
**Average claims are total claims before run-off relative to the number of claims incurred.

Motor TPL 2008	Motor TPL 2009	Motor comprehensive 2008	Motor comprehensive 2009	Marine aviation and cargo 2008	Marine aviation and cargo 2009
2,375	**2,413**	**3,240**	**3,372**	**787**	**725**
2,412	2,405	3,092	3,317	739	703
- 994	- 1,365	- 2,327	- 2,673	- 487	- 488
- 415	- 449	- 498	- 554	- 98	- 74
- 16	- 36	0	- 12	- 104	- 95
65	11	72	32	25	5
1,052	**566**	**339**	**110**	**75**	**51**
6.3%	6.1%	22.3%	19.7%	35.3%	23.5%
16,290	18,421	10,623	10,428	79,923	114,691
83,569	91,489	212,185	241,946	5,561	4,480

Liability 2008	Liability 2009	Credit & guarantee insurance 2008	Credit & guarantee insurance 2009	Tourist assistance insurance 2008	Tourist assistance insurance 2009
749	**757**	**164**	**187**	**327**	**431**
732	745	159	181	323	455
- 428	- 518	- 34	- 38	- 255	- 400
- 140	- 153	- 50	- 54	- 55	- 70
- 50	31	- 31	- 39	- 1	- 1
25	5	4	2	7	4
139	**110**	**48**	**52**	**19**	**- 12**
10.3%	10.3%	0.9%	1.4%	17.9%	13.3%
48,025	51,511	1,228,333	843,571	4,608	6,876
8,489	9,422	28	45	61,021	50,274

Notes

DKKm		2008	2009
7	**Interest and dividends**		
	Dividends	39	14
	Interest income cash in hand and at bank	49	67
	Interest income bonds	1,404	1,197
	Interest income other	31	9
		1,523	1,287
	Interest expenses		
	Interest expenses subordinated loan capital and credit institutions	-83	-90
	Interest expenses other	-17	-26
		-100	-116
		1,423	**1,171**
8	**Value adjustment**		
	Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:		
	Equity investments	-521	62
	Unit trust units	-549	485
	Share derivatives	98	-38
	Bonds	456	532
	Interest derivatives	17	-23
		-499	1,018
	Value adjustments concerning assets and liabilities that cannot be attributed to IAS 39:		
	Investment property	70	19
	Owner-occupied property	8	1
	Discounting	-478	-294
	Other balance sheet items	-109	-10
		-509	-284
		-1,008	**734**
	Market value gains	1,656	1,606
	Market value losses	-2,664	-872
	Market value adjustment, net	**-1,008**	**734**

Exchange rate adjustments concerning financial assets or liabilities which cannot be valuated to market value is in total DKK 1.4m (in 2008 DKK 129m) Under market value adjustment the adjustment of inflation swaps totals DKK 13m (in 2008 DKK -46m).

		2008	2009
9	**Tax**		
	Tax on profit for the year	-337	-651
	Diffrence between Danish and foreign tax rate	1	-43
	Prior-year tax adjustment	72	-4
	Adjustment non-taxable income and expenses	-203	58
	Change in valuation of tax assets	-26	55
	Change in valuation of tax loss carried forward	0	-37
	Other taxes	-8	-1
		-501	**-623**
	Effective tax rate	%	%
	Tax on profit for the year	25	25
	Diffrence between Danish and foreign tax rate	0	2
	Prior-year tax adjustment	-5	0
	Adjustment non-taxable income and expenses	15	-2
	Change in valuation of tax assets	2	-2
	Change in valuation of tax loss carried forward	0	1
		37	**24**

See 'TrygVestas 'Financial performance 2009' in the Management report for further information regarding the tax expense.

DKKm		2008	2009
10	**Profit/loss on discontinued and divested business**		
	Earned premiums, net of reinsurance	0	0
	Technical interest, net of reinsurance	3	1
	Claims incurred, net of reinsurance	-1	38
	Insurance operating expenses, net of reinsurance	-2	0
	Technical result	0	39
	Profit/loss before tax	0	39
	Tax	0	-10
	Profit/loss on discontinued and divested business	**0**	**29**

Profit/loss on discontinued and divested business is included in 'Other insurance' in the accounts broken down by line of business. Claims incurred in 2009 include DKK 18m received in connection with the sale of business in run-off.

11	**Intangible assets**	**Goodwill**	**Trademarks and customer relations**	**Software**	**Total**
	2009				
	Cost				
	Balance 1 January	0	0	645	645
	Exchange rate adjustment	19	9	18	46
	Addition on acquisition of subsidiary*	310	139	17	466
	Additions during the year	0	0	143	143
	Disposals during the year	0	0	-19	-19
	Balance 31 December	329	148	804	1,281
	Amortisation and writedowns				
	Balance 1 January	0	0	-195	-195
	Exchange rate adjustment	0	0	-18	-18
	Amortisation for the year	0	-12	-121	-133
	Impairment writedowns for the year	0	0	-10	-10
	Reversed amortisation	0	0	9	9
	Balance 31 December	0	-12	-335	-347
	Carrying amount 31 December	**329**	**136**	**469**	**934**
	2008				
	Cost				
	Balance 1 January	0	0	528	528
	Exchange rate adjustment	0	0	-21	-21
	Transferred to operating equipment	0	0	-1	-1
	Additions during the year	0	0	154	154
	Disposals during the year	0	0	-15	-15
	Balance 31 December	0	0	645	645
	Amortisation and writedowns				
	Balance 1 January	0	0	-193	-193
	Exchange rate adjustment	0	0	22	22
	Amortisation for the year	0	0	-31	-31
	Reversed amortisation	0	0	7	7
	Balance 31 December	0	0	-195	-195
	Carrying amount 31 December	**0**	**0**	**450**	**450**

* Addition on acquisition of subsidiary relates to the acquisition of Moderna Försäkringar, see note 29. Intangible assets under development amount to a total of DKK 114m in the total software (in 2008 DKK 198m). Additions for internally generated software expenses amount to DKK 28m (in 2008 DKK 21m). Amortisation is recognised in the income statement under insurance operating expenses and claims incurred.

Notes

DKKm

11 Impairment test

Goodwill

As at 31 December 2009, management performed an impairment test of the carrying amount of goodwill based on the allocation of the cost of goodwill to the cash-generating units.

Assumptions for impairment test:
The value-in-use method is used

2009	Assumed annual growth > 5 years	Return requirement before tax
Moderna Försäkringar Sak AB	2.5%	15.4%
MF Bilsport & MC Specialförsäkring AB	2.5%	15.4%

Insurance activities in Sweden

In 2009, TrygVesta acquired Moderna Försäkringar Sak AB, Moderna Re S.A., Netviq AB and MF Bilsport & MC specialfösäkringar. The insurance activities were incorporated into the TrygVesta Group's business structure in 2009 and are reported under Sweden.

The acquisition is expected to enhance efficiency in the distribution of insurances in the Swedish market and to contribute to growth, in particular in the Swedish market.

The assumed growth during the terminal period has been estimated based on expectations for general economic growth. The return requirement is based on an assessment of the risk profile for the tested business activities. Higher return requirements or lower growth would entail a lower value of the activities, whereas lower return requirements or higher growth expectations would entail a higher value.

2009	Goodwill	Trademarks and customer relations	Total
Moderna Försäkringar Sak AB	320	136	456
Moderna Re S.A.	0	0	0
Netviq AB	0	0	0
MF Bilsport & MC Specialförsäkring AB	9	0	9
Total	329	136	465
Total after impairment	**329**	**136**	**465**

Software

The impairment charges are recognised in the income statement in depreciation, amortisation and impairment writedowns of software. In the impairment test, the carrying amount is compared with the estimated present value of future cash flows.

Trademarks and customer relations

The impairment test performed for trademarks and customer relations did not indicate any impairment.

DKKm

12 Property, plant and equipment

	Operating equipment	Owner-occupied property	Assets under construction	Total
2009				
Cost				
Balance 1 January	185	1,333	54	1,572
Exchange rate adjustment	6	44	5	55
Addition on acquisition of subsidiary*	11	1	0	12
Additions during the year	45	0	199	244
Disposals during the year	-22	0	0	-22
Balance 31 December	225	1,378	258	1,861
Accumulated value adjustments				
Balance 1 January	0	-9	-54	-63
Exchange rate adjustment	0	-2	-5	-7
Value adjustment for the year at revalued amount in profit and loss	0	-2	-27	-29
Value adjustment for the year at revalued amount in equity	0	11	0	11
Balance 31 December	0	-2	-86	-88
Accumulated depreciation				
Balance 1 January	-139	-9	0	-148
Exchange rate adjustment	-6	-1	0	-7
Depreciation for the year	-18	-8	0	-26
Reversed depreciation	21	0	0	21
Balance 31 December	-142	-18	0	-160
Carrying amount 31 December	**83**	**1,358**	**172**	**1,613**

* Addition on acquisition of subsidiary relates to the acquisition of Moderna Försäkringar, see note 29

	Operating equipment	Owner-occupied property	Assets under construction	Total
2008				
Cost				
Balance 1 January	229	318	0	547
Exchange rate adjustment	-9	-57	0	-66
Transferred from intangible assets	1	0	0	1
Additions during the year	3	1,085	54	1,142
Disposals during the year	-39	-13	0	-52
Balance 31 December	185	1,333	54	1,572
Accumulated value adjustments				
Balance 1 January	0	-8	0	-8
Value adjustment for the year at revalued amount in profit and loss	0	-1	-54	-55
Value adjustment for the year at revalued amount in equity	0	0	0	0
Balance 31 December	0	-9	-54	-63
Accumulated depreciation				
Balance 1 January	-149	-4	0	-153
Exchange rate adjustment	8	1	0	9
Depreciation for the year	-20	-6	0	-26
Reversed depreciation	22	0	0	22
Balance 31 December	-139	-9	0	-148
Carrying amount 31 December	**46**	**1,315**	**0**	**1,361**

Amortisation is recognised in the income statement under insurance operating expenses and claims incurred.
External experts were involved in valuing part of the owner-occupied properties.

Notes

DKKm

12 Impairment test

Property, plant and equipment

The value of the owner-occupied properties was assessed in connection with The Living House and the improvements made to those properties. The impairment charges on assets under construction are recognised in the income statement in total insurance oprating expenses. The impairment test performed for operating equipment and assets under construction did not indicate any impairment.

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

Return percentages **2009**	**Lowest percentage**	**Average percentage**	**Highest percentage**
Office property	6.00	6,80	7.80

2008	**Lowest percentage**	**Average percentage**	**Highest percentage**
Office property	6.80	7.00	7.90

13 Investment property

	2008	**2009**
Fair value 1 January	2,263	2,246
Exchange rate adjustment	-96	76
Additions during the year	80	32
Disposals during the year	-66	-2
Value adjustment for the year	65	17
Reversed on sale	0	-5
Fair value 31 December	**2,246**	**2,364**

Total rental income for 2009 was DKK 173m (in 2008 DKK 168m).

Total expenses for 2009 amount to DKK 37.3m (in 2008 DKK 40m). Of this amount, unlet property represented DKK 0.8m (in 2008 DKK 0.5m). Total expenses for investment property generating rental income amount to DKK 38.1m (DKK 39.5m in 2008).

External experts were involved in valuing investment property.

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

Return percentages **2009**	**Lowest percentage**	**Average percentage**	**Highest percentage**
Business property	7.00	7.30	7.50
Office property	6.00	6.80	7.80
Residential property	3.80	5.30	6.00

2008	**Lowest percentage**	**Average percentage**	**Highest percentage**
Business property	7,00	7.30	7.50
Office property	3.80	6.70	7.80
Residential property	4.00	5.30	6.00

DKKm		2008	2009
14	**Investments in associates**		
	Cost		
	Balance 1 January	0	0
	Balance 31 December	0	0
	Revaluations at net asset value		
	Balance 1 January	19	14
	Exchange rate adjustment	-3	3
	Revaluations during the year	0	0
	Reversed depreciation	-2	0
	Balance 31 December	14	17
	Carrying amount 31 December	**14**	**17**

Shares in associates according to the lastest financial statements:

2009 Name and registered office	Assets	Liabilities	Shareholders' equity	Revenue	Profit/loss for the year	Ownership share in %
Komplementarselskabet af 1. marts 2006 ApS, DK	0	0	0	0	0	50
Bilskadeinstituttet AS, Norway	5	1	4	1	0	30
AS Eidsvåg Fabrikker AS, Norway	39	3	36	14	2	28

2008 Name and registered office	Assets	Liabilities	Shareholders' equity	Revenue	Profit/loss for 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
AS Eidsvåg Fabrikker AS, Norway	32	3	29	12	3	28

An individual estimate of the degree of influence under the contracts is made.

Notes

DKKm

15 Fair value hierarchy for financial instruments measured at fair value in the balance sheet

2009	Quoted market prices	Observable input	Unobservable input	Total
Financial assets at fair value with value adjustment in the income statement				
Bonds	16,337	12,947	126	29,410
Shares	200	0	181	381
Unit trust units	2,143	0	0	2,143
Derivatives	0	6	31	37
Cash in hands and deposits in credit institutions	3,450	0	0	3,450
	22,130	12,953	338	35,421

Financial instruments measured at fair value in the balance sheet on the basis of non-observable input	
Carrying amount 1 January 2009	121
Exchange rate adjustment	10
Gains/losses in the income statement	90
Purchases	117
Sales	0
Transfers to/from the group 'non-observable input'	0
Carrying amount 31 December 2009	**338**
Gains/losses in the income statement for assets held at the balance sheet date recognised in value adjustments	96

Bond mesured on the basis of observable inputs mainly consist of Norwegian bonds issued by banks and to some extent Danish semi liquid bonds, where no quoted prices within the last 5 days exist. Unobservable input, total result DKK 96m, mainly comprises inflation derivatives of DKK 75m, hedging inflation risk on technical provisions which recorded a 2009 accounting loss of DKK 62m. The risk of the unobservable input group is moderate since the inflation derivatives aim at hedging the inflation risk of the technical provisions 100 percent, while the unquoted shares and bonds, which are influenced by market conditions such as the development in interest rates and expected earnings, is limited amount,

Financial assets at fair value with value adjustment in the income statement

2009	Bonds	Shares	Property	Total
Investment assets as per the section 'Investment activities' in the Management's report	34,248	1,589	3,893	39,730
Consisting of:				
Cash in hands allocated to portefolio management	-50	0	0	-50
Unsettled securities trading	-1,022	0	0	-1,022
Unit trust units	-827	-1,316	0	-2,143
Futures	0	125	0	125
Deposits, Derivatives etc.	-2,939	0	0	-2,939
Owner-occupied property	0	0	-1,530	-1,530
Equity investments	0	-17	0	-17
Investment assets according to balance sheet	29,410	381	2,363	32,154
Unit trust units				2,143
Deposits, Derivatives etc.				2,939
Investment assets at fair value according to balance sheet recognised through profit and loss				**37,236**
Associated shares				17
Deposits with ceding undertakings, receivable				15
Total investment assets according to balance sheet				**37,268**

DKKm

15 Financial assets at fair value with value adjustment in the income statement

2008	Bonds	Shares	Property	Total
Investment assets as per the section 'Investment activities' in the Management's report	29,417	1,172	3,561	34,150
Consisting of:				
Cash in hands allocated to portefolio management	-71	0	0	-71
Unsettled securities trading	-101	0	0	-101
Unit trust units	-137	-803	0	-940
Futures	0	67	0	67
Deposits, Derivatives etc.	-387	0	0	-387
Owner-occupied property	0	0	-1,315	-1,315
Equity investments	0	-14	0	-14
Investment assets according to balance sheet	28,721	422	2,246	31,389
Unit trust units				940
Deposits, Derivatives etc.				389
Investment assets at fair value according to balance sheet recognised through profit and loss				**32,718**
Associated shares				14
Deposits with ceding undertakings, receivable				13
Total investment assets according to balance sheet				**32,745**

	2008	2009
Adjusted duration of bond portfolio		
Bond portfolio		
Duration 1 year or less	18,550	19,198
Duration 1 year through 5 years	8,535	11,875
Duration 5 years through 10 years	2,316	2,869
Duration more than 10 years	16	306
Total	**29,417**	**34,248**

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

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

2009	0-1 year	1-5 years	> 5 years	Total	Effective interest rate	Adjusted duration
Bonds	10,084	13,004	11,160	34,248	3.3	2.0
Cash in hand and at bank	462	0	0	462	0.9	0
Debt	-611	0	-1,586	-2,197	4.1	0
Receivables	2,428	0	0	2,428	-	-
	12,363	**13,004**	**9,574**	**34,941**		

2008	0-1 year	1-5 years	> 5 years	Total	Effective interest rate	Adjusted duration
Bonds	6,549	11,473	11,395	29,417	4.4	1.7
Cash in hand and at bank	211	0	0	211	4.4	0
Debt	-111	-598	-1,102	-1,811	4.6	0
Receivables	1,689	0	0	1,689	-	-
	8,338	**10,875**	**10,293**	**29,506**		

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 connection with the expected cash flow from the Group's provisions for unearned premiums and provisions for claims, see note 21. Please refer to the section on 'Investment and interest rate risk' in 'Risk management' in the 'Management's report'.

	2008	2009
Listed shares		
Scandinavia	195	348
United Kingdom	103	134
Rest of Europe	298	336
United States	244	354
Asien etc.	152	219
Total	**992**	**1,391**
The portfolio of unlisted shares totals	180	198

Unlisted equity investments are measured at estimated fair value, see 'Accounting policies'

Exposure to exchange rate risk

2009	Properties	Bonds	Shares	Insurance	Hedge	Exposure
USD	0	0	479	-162	-261	56
EUR	0	128	418	-1,610	1,210	146
GBP	0	0	126	4	-122	8
NOK	852	11,952	359	-10,457	-2,678	28
SEK	1	1,673	72	-578	-1,241	-73
Other	0	361	231	-18	-565	9
Total						**320**

2008	Properties	Bonds	Shares	Insurance	Hedge	Exposure
USD	0	21	270	-232	-73	14
EUR	0	723	337	-1,117	73	15
GBP	0	1	94	3	-93	4
NOK	649	10,113	170	-8,616	-2,396	81
Other	0	0	294	-13	-269	52
Total						**166**

Please refer to the section on 'Currency risk' in 'Risk management' in the 'Management's report'.

DKKm	2008	2009

15 Sensitivity information

Impact on shareholders' equity from the following changes:

	2008	2009
Interest rate increase of 0.7-1.0 pct. point	23	26
Interest rate fall of 0.7-1.0 pct. point	-57	-42
Equity price fall of 12%	-141	-191
Fall in property prices of 8%	-315	-336
Exchange rate risk (VaR 99.5)	-4	-12
Loss on counterparties of 8%	-219	-218

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 section on 'Risk management' for an elaboration of risk management and risk exposure.

Derivative financial instruments

Derivatives with value adjustment in the income statement according to IAS 39. Fair value:	2008 Gross	2008 Net	2009 Gross	2009 Net
Interest derivatives	3,124	27	3,659	7
Share derivatives	67	0	125	0
Inflation derivatives	3,618	-41	3,623	31
Exchange rate derivatives	5,253	311	7,240	-4
Due within one year	8,444	297	11,024	34
Due after more than five years	3,618	0	3,623	0

Derivative financial instruments used in connection with hedging of foreign entities for accounting purposes:	Gains	Losses	Net
Gains and losses on hedges charged to equity at 1 January	759	-254	505
Gains and losses on hedges charged to equity in the period	91	-565	-474
Gains and losses on hedges charged to equity at 31 December	**850**	**-819**	**31**

Exchange rate adjustment	2008	2009
Exchange rate adjustments of foreign entities recognised in equity in the amount of:		
Balance at 1 January	75	-510
Exchange rate adjustment during the year	-585	487
Balance at 31 December	**-510**	**-23**

15 Receivables

	2008	2009
Receivables from insurance enterprises	1,088	1,238
Exchangerate and inflation derivatives	383	27
Unsettled transactions	136	1,051
Other receivables	82	112
	1,689	**2,428**
Specification of writedowns on receivables from insurance contracts		
Balance at 1 January	106	120
Exchange rate adjustment	-8	6
Writedowns and reversed writedowns for the year	22	-2
Balance at 31 December	**120**	**124**

Reversed impairment losses are estimated at around DKK 45m annually, but may vary due to major cases/disputes.
Please refer to the section on 'Credit risk' in 'Risk management' in the 'Management's report'.

Notes

DKKm		2008	2009
15	**Receivables**		
	Receivables in connection with insurance contracts include overdue recievables totalling:		
	Falling due:		
	Within 90 days	259	271
	After 90 days	117	110
		376	**381**
	Including writedowns of due amounts	120	124
16	**Reinsurers' share**		
	Reinsurers' share	1,051	1,337
	Writedowns after impairment test	-15	-17
	Balance at 31 December	**1,036**	**1,320**

Impairment test

As at 31 December 2009, management performed a test of the carrying amount of total reinsurers' share of provisions for insurance contracts. The impairment test resulted in impairment charges totalling DKK 17 (in 2008 DKK 15m) Writedowns during the year include reversed writedowns totalling DKK 3m (in 2008 DKK 7m). Please refer to the section on 'Reinsurance' in 'Risk management' in the 'Management´s report'.

		2008	2009
17	**Current tax**		
	Current tax, beginning of year	243	137
	Exchange rate adjustment	-66	25
	Addition on acquisition of subsidiary*	0	24
	Current tax for the year	434	576
	Current tax on equity entries	154	-118
	Adjustment of prior-year current tax	0	8
	Tax paid during the year	-628	-349
	Net current tax, end of year	**137**	**303**
	Current tax is recognised in the balance sheet as follows:		
	Under assets, current tax	111	0
	Under liabilities, current tax	248	303
	Net current tax, end of year	**137**	**303**

* Addition on acquisition of subsidiary relates to the acquisition of Moderna Försäkringar, see note 29

DKKm

18 Shareholders' equity

Share capital

Numbers of shares	2008 No. of shares	2008 Nominal value (DKK'000)	2009 No. of shares	2009 Nominal value (DKK'000)
Balance at 1 January	67,638,478	1,690,962	64,377,683	1,609,442
Bought during the year	-3,346,610	-83,665	-1,286,817	-32,170
Sold during the year	85,815	2,145	136,784	3,420
Balance at 31 December	**64,377,683**	**1,609,442**	**63,227,650**	**1,580,692**

Treasury shares	2008 No. of shares	2008 Nominal value (DKK'000)	2008 % of share capital	2009 No. of shares	2009 Nominal value (DKK'000)	2009 % of share capital
Balance at 1 January	361,522	9,038	0.53	3,622,317	90,558	5.32
Bought during the year	3,346,610	83,665	4.92	1,286,817	32,170	2.01
Cancellation in connection with buyback programme.	0	0	0	-4,068,427	-101,711	-6.02
Used in connection with issue of employee shares	-85,815	-2,145	-0.13	-70,354	-1,759	-0.11
Used in connection with exercise of stock options	0	0	0	-66,430	-1,661	-0.1
Balance at 31 December	**3,622,317**	**90,558**	**5.32**	**703,923**	**17,597**	**1.10**

Pursuant to the authorisation granted by the shareholders, TrygVesta may acquire up to 10.0% of the share capital until the next annual general meeting in 2010. Treasury shares are acquired for use in the Group's incentive programme and as part of the share buy back programme.

19 Capital adequacy

	2008	2009
Shareholders' equity according to annual report	8,244	9,666
Subordinate loan capital	685	732
Proposed dividend	-423	-991
Solvency requirements to subsidiary undertakings	-4,601	-4,579
Capital base	**3,905**	**4,828**
Weighted assets	**3,924**	**5,001**
Solvency ratio	**100**	**97**

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 and profitdistribution' in the Management's report'

Notes

DKKm

20 Subordinated loan capital
Loan terms:

	Subordinated bond loan*	Subordinated loan capital
Lender	Listed bonds	TryghedsGruppen
Principal	EUR 150m	EUR 65m
Issue price	99.017	100
Issue date	December 2005	April 2009
Maturity year	2025	2032
Loan may be called by lender as from	2015	30 June 2012
Repayment profile	Interest-only	Interest-only
Interest structure	4.5% (until 2015)	5.13% above EURIBOR 3M (interest until 30 June 2012)
	2.1% above EURIBOR 3M (from 2015)	7.63%–6.63% (max. and min. until 30 June 2012)
		5% above EURIBOR 3M (interest from 1 July 2012 to 30 June
		6% above EURIBOR (interest from 1 July 2019)

* In December 2005, TrygVesta Forsikring A/S raised a subordinated bond loan with no option for the creditor to call the loan before maturity 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.

** TrygVesta Forsikring A/S has subscribed the subordinated loan capital in connection with acquisitions made in April 2009, see note 29. Prices used for determination of fair value in respect of both loans are based on an assessment of the credit spread of the loans provided by Nordea.

	Bond loan		Tryghedsgruppen smba	
	2008	2009	2008	2009
The fair value of the loan at the balance sheet date	908	893	-	485
The fair value of the loan at the balance sheet date is based on a price of	81.23	80	-	103
Total capital losses and costs the balance sheet date	16	14	-	0
Interest expenses of the year	50	51	-	24

The share of subordinated capital included in the calculation of the capital base total DKK 732m
The loans are initially recognised at fair value on the date on which a loan is entered and subsequently measured at amortised cost.

DKKm

21 Provisions for claims – Estimated accumulated claims

Gross	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
End of year	8,373	8,977	11,010	10,452	10,797	11,530	11,321	12,257	12,886	14,217	
1 year later	8,695	9,208	11,343	10,558	10,810	11,426	11,579	12,863	14,179		
2 year later	8,902	9,397	11,348	10,234	10,671	11,264	11,098	13,377			
3 year later	9,104	9,506	11,404	10,229	10,559	10,876	11,273				
4 year later	9,191	9,440	11,398	10,261	10,294	10,970					
5 year later	9,318	9,432	11,305	10,235	10,341						
6 year later	9,070	9,642	11,289	10,144							
7 year later	9,189	9,618	11,155								
8 year later	9,175	9,656									
9 year later	9,242										
	9,242	9,656	11,155	10,144	10,341	10,970	11,273	13,377	14,179	14,217	114,554
Cumulative payments to date	-8,679	-8,879	-10,313	-9,057	-8,996	-9,477	-9,292	-10,452	-9,813	-6,960	-91,918
Discounting	-106	-145	-152	-188	-221	-243	-287	-375	-507	-586	-2,810
Reserves from 1999 and prior years											1,947
Other reserves											657
Gross provisions for claims, end of year											22,430

Ceded business	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
End of year	1,394	1,398	1,982	904	829	937	288	509	173	291	
1 year later	1,504	1,413	2,083	867	843	831	287	474	235		
2 year later	1,471	1,419	1,970	864	884	836	273	485			
3 year later	1,496	1,433	1,964	921	882	830	302				
4 year later	1,528	1,408	1,962	842	867	849					
5 year later	1,524	1,395	1,975	837	872						
6 year later	1,519	1,403	1,981	847							
7 year later	1,527	1,383	1,915								
8 year later	1,530	1,408									
9 year later	1,599										
	1,599	1,408	1,915	847	872	849	302	485	235	291	8,803
Cumulative payments to date	-1,510	-1,365	-1,776	-787	-788	-789	-279	-454	-119	-73	-7,940
Discounting	-12	-9	-17	-10	-16	-6	-1	-2	-4	-6	-83
Reserves from 1999 and prior years											270
Other reserves											75
Provisions for claims, end of year											1,125

Net of reinsurance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
End of year	6,979	7,579	9,028	9,548	9,968	10,593	11,033	11,748	12,713	13,926	
1 year later	7,191	7,795	9,260	9,691	9,967	10,595	11,292	12,389	13,944		
2 year later	7,431	7,978	9,378	9,370	9,787	10,428	10,825	12,892			
3 year later	7,608	8,073	9,440	9,308	9,677	10,046	10,971				
4 year later	7,663	8,032	9,436	9,419	9,427	10,121					
5 year later	7,794	8,037	9,330	9,398	9,469						
6 year later	7,551	8,239	9,308	9,297							
7 year later	7,662	8,235	9,240								
8 year later	7,645	8,248									
9 year later	7,643										
	7,643	8,248	9,240	9,297	9,469	10,121	10,971	12,892	13,944	13,926	105,751
Cumulative payments to date	-7,169	-7,514	-8,537	-8,270	-8,208	-8,688	-9,013	-9,998	-9,694	-6,887	-83,978
Discounting	-94	-136	-135	-178	-205	-237	-286	-373	-503	-580	-2,727
Reserves from 1999 and prior years											1,677
Other reserves											582
Provisions for claims, net of reinsurance, end of the year											21,305
Estimated accumulated claims regarding Moderna Försäkringar	39	86	102	116	214	307	378	461	574	673	2,952

Notes

DKKm

21 Provisions for claims

The table consists of figures for TrygVesta Forsikring A/S, TrygVesta Forsikring, Norwegian branch of TrygVesta Forsikring A/S, Enter Forsikring AS and Moderna Försäkringar. Other group units are included in the item "Other reserves", which comprises the provisions for claims for TrygVesta Garantiforsikring A/S and the Finnish and Swedish business units.

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate at 31 December 2009 to prevent the impact of exchange rate fluctuation.

The inclusion of the Moderna Försakringar acquired in 2009 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 acquisitions amounts to DKK 737m gross and DKK 657m net of reinsurance.

Effect of change to yield curve

In October 2008 the Danish FSA changed the discount curve for discounting of provisions. Previously composed of a risk-free euro-denominated interst rate and a contry-specific spread to the German government bond yield as a result of the change, the discount rate is determined based on a risk-free interest and the mortage bond yield, which creates a better match between assets and liabilities.

	2008	2009
Effect of change to yield curve		
Gross claims incurred	0	2
Interest on insurance provisions	-8	-2
Technical result	-8	0
Return on investment activities after technical interest	78	-91
Profit/loss before tax	**70**	**-91**
Provisions for claims	-78	-18

Profit/loss, shareholders´equity and capital base are impacted by DKK 68m after tax.

Statement of financial position		2009	
	Gross	**Ceded**	**Net**
Total, beginning of period	19,271	794	18,477
Market value adjustment of provisions, beginning of period	1,325	113	1,212
Addition on acquisition of subsidiary*	648	69	579
	21,244	976	20,268
Paid in the financial year in respect of the current year	-6,975	-152	-6,823
Paid in the financial year in respect of prior years	-6,225	-204	-6,021
	-13,200	-356	-12,844
Change in claims in the financial year in respect of the current year	13,359	355	13,004
Change in claims in the financial year in respect of prior years	-683	35	-718
	12,676	390	12,286
Discounting [3)]	1,107	40	1,067
Provisions for claims, end of year [1)]	21,827	1,050	20,777
Other [2)]	603	75	528
	22,430	**1,125**	**21,305**

DKKm

21 Erstatningshensættelser

	2008 Gross	Ceded	Net
Total, beginning of period	20,761	1,366	19,395
Market value adjustment of provisions, beginning of period	-1,619	-171	-1,448
	19,142	1,195	17,947
Paid in the financial year in respect of the current year	-5,745	-44	-5,701
Paid in the financial year in respect of prior years	-5,904	-515	-5,389
	-11,649	-559	-11,090
Change in claims in the financial year in respect of the current year	11,178	145	11,033
Change in claims in the financial year in respect of prior years	-787	-55	-732
	10,391	90	10,301
Discounting 3)	1,387	68	1,319
Provisions for claims, end of year 1)	19,271	794	18,477
Other 2)	444	66	378
	19,715	**860**	**18,855**

* Addition on acquisition of subsidiary relates to the acquisition of Moderna Försäkringar, see note 29

[1)] The table consists of figures for TrygVesta Forsikring A/S, TrygVesta Forsikring, Norwegian branch of TrygVesta Forsikring A/S, Enter Forsikring AS and Moderna Försäkringar. Other units in the Group are included in 'Other'

[1)] Comprises provisions for claims for TrygVesta Garantiforsikring A/S and the Finnish and Swedish branches.

[3)] Discounting also includes exchange rate adjustments.

2009	Expected cash flow 0-1 year	1-2 years	2-3 years	> 3 years	Carrying amount Total
Provisions for unearned premiums, gross	5,531	158	152	156	5,997
Provisions for unearned premiums, ceded	-153	-12	-15	-10	-190
Provisions for claims, gross	6,972	3,421	2,256	9,178	21,827
Provisions for claims, ceded	-292	-134	-99	-525	-1,050
	12,058	**3,433**	**2,294**	**8,799**	**26,584**

2008	Expected cash flow 0-1 year	1-2 years	2-3 years	> 3 years	Carrying amount Total
Provisions for unearned premiums, gross	4,763	66	39	78	4,946
Provisions for unearned premiums, ceded	-172	0	0	0	-172
Provisions for claims, gross	7,182	3,397	2,202	6,490	19,271
Provisions for claims, ceded	-244	-126	-88	-336	-794
	11,529	**3,337**	**2,153**	**6,232**	**23,251**

The table consists of figures for TrygVesta Forsikring A/S, TrygVesta Forsikring, Norwegian branch of TrygVesta Forsikring A/S, Enter Forsikring AS and Moderna Försäkringar.

The note should be seen in connection with the maturity of the Group's interest-bearing financial assets and liabilities, see note 15. Please refer to the section on 'Risk management' for an elaboration of risk management and risk exposure.

Notes

DKKm		2008	2009
22	**Pensions and similar obligations**		
	Jubiless, schemes for older employees etc.	28	48
	Recognised obligation, end of year	**28**	**48**
	Defined benefit pension plans		
	Present value of pension obligations funded through operations	120	144
	Present value of pension obligations funded through establishment of funds	1,003	1,160
	Gross pension obligation	1,123	1,304
	Fair value of plan assets	628	856
	Net pension obligation	**495**	**448**
	Specification of change in recognised pension obligations:		
	Recognised pension obligation, beginning of year	1,292	1,123
	Exchange rate adjustment	-246	206
	Present value of amounts accumulated during the year	56	55
	Capital costs of previously accumulated pensions	49	47
	Actuarial gains/losses	23	-70
	Paid during the period	-51	-57
	Recognised pension obligation, end of year	**1,123**	**1,304**
	Change in carrying amount of plan assets:		
	Carrying amount of plan assets, beginning of year	932	628
	Exchange rate adjustment	-177	118
	Investments in the year	31	149
	Estimated return on pension funds	44	40
	Actuarial gains/losses	-173	-42
	Paid during the period	-29	-37
	Carrying amount of plan assets, end of year	**628**	**856**
	Total pensions and similar obligations, end of year	**495**	**448**
	Total recognised obligation, end of year	**523**	**496**
	Specification of pension costs for the year:		
	Present value of amounts accumulated during the year	58	45
	Interest expense on accrued pensions obligation	62	47
	Expected return on plan assets	-56	-40
	Accrued employers´nat.insurance contribution	9	8
	Total year´s cost of defined benefit plans	**73**	**60**
	The premium for the following financial year is estimated at:	53	55
	Estimated distribution of plan assets:	%	%
	Shares	13	10
	Bonds	64	70
	Real property	23	20
	Average return on plan assets	-1.7	5.1

DKKm	2008	2009
22 Pensions and similar obligations		
Assumptions used	*%*	*%*
Discount rate	4.0	4.6
Estimated return on pension funds	6.0	5.8
Salary adjustment	4.0	4.0
Pension adjustment	3.8	4.0
G Adjustment	3.8	4.0
Turnover	7.0	7.0
Employers' nat. ins. contribution	14.1	14.1
Take up of the AFP Early Retirement Plan	20.0	20.0
Mortality table	Adjusted K2005	Adjusted K2005

	2006	2007	2008	2009
Pension obligation	1,298	1,292	1,123	1,304
Plan assets	825	932	628	856
Surplus/deficit	473	360	495	448
Actuarial gains/losses associated with the pension obligation	90	104	-23	70
Actuarial gains/losses associated with pension assets	26	-10	-173	-42

Moderna Försäkringar and Swedish branch of TrygVesta Forsikring A/S 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 2009 amounted to DKK 9m, which is about 1.5 % of the annual premium in FPK (2008). FPK writes in its half-year report for 2009 that it had a collective consolidation ratio of 113 at 30 June 2009 (DKK119m at 30 June 2008). The collective consolidation ratio is defined as the market value of the plan assets relative to the total collective pension obligations.

Notes

DKKm		2008	2009
23	**Deferred tax**		
	Tax asset		
	Operating equipment	65	56
	Debt and provisions	133	161
	Capitalised tax loss	0	91
		198	**308**
	Tax liability		
	Intangible rights	100	134
	Land and buildings	157	176
	Bonds and loans secured by mortgages	0	46
	Contingency funds	890	1,196
		1,147	**1,552**
	Deferred tax, end of year	**949**	**1,244**
	Unaccrued timing difference of shares	126	134
	Unaccrued timing difference of balance sheets items	1	68
	Reconciliation of deferred tax		
	Deferred tax, beginning of year	1,109	949
	Exchange rate adjustment	-164	133
	Addition on acquisition of subsidiary*	0	97
	Change in deferred tax previous years	-51	-3
	Change in capitalised tax loss	0	-80
	Change in deferred tax taken to the income statement	122	138
	Change in deferred tax taken to equity	-67	10
		949	**1,244**
	Non-capitalised tax loss		
	Denmark	72	72
	Sweden	188	0
	Finland	189	313
	Luxembourg	0	142

* Addition on acquisition of subsidiary relates to the acquisition of Moderna Försäkringar, see note 29

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

The loss can be carried forward indefinitely in Denmark and Luxembourg.

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

Losses are not recognised as tax assets until it is likely that there will be sufficient future taxable income for the loss to be utilised.

The total current and deferred tax relating to items recognised in equity is recognised in the balance sheet in the amount of DKK 110m (in 2008 DKK -101m).

No deferred tax is associated with investments in subsidiaries (in 2008 DKK 0m).

DKKm		2008	2009
24	**Other provisions**		
	Other provisions, beginning of year	57	36
	Exchange rate adjustment	-10	6
	Change in provisions	-11	4
	Other provisions, end of year	**36**	**46**

Other provisions primarily includes own insurance contracts

		2008	2009
25	**Debt to credit institutions**		
	Bank loans	598	600
	Bank overdrafts	111	11
		709	**611**
	Debt falling due within one year	111	611
	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 2009. In 2009, the loan carried interest at CIBOR plus a margin, totalling approximately 2.5 % 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.

		2008	2009
26	**Other debt**		
	Unsettled transactions	66	27
	Interest derivatives	0	3
	Exchange and inflation rate derivatives	31	0
	Other debt	774	924
		871	**954**
	Debt falling due within one year	871	954
	Debt falling due after more than five years	0	0
27	**Earnings per share**		
	Profit/loss for the period from continuing business	846	1,979
	Profit/loss on discontinued and divested business	0	29
	Profit/loss for the period	846	2,008
	Average number of shares (1,000 shares)	66,184	63,334
	Diluted average number of shares (1,000)	0	114
	Diluted average number of shares (1,000)	66,184	63,448
	Earnings per share - continuing business of DKK 25	12.8	31.2
	Basic earnings per share of DKK 25	12.8	31.7
	Diluted earnings per share (DKK)	-	31.7

The company has not issued warrants, convertible debt instruments or the like.

Notes

DKKm

28 Contractual obligations, contingent liabilities and collateral

2009	0-1 year	1-3 years	3-5 years	> 5 years	Total
			Payment due by period		
Operating leases	231	99	49	67	446
Other contractual obligations	429	143	16	0	588
	660	**242**	**65**	**67**	**1,034**

2008	0-1 year	1-3 years	3-5 years	> 5 years	Total
			Payment due by period		
Operating leases	65	68	10	9	152
Other contractual obligations	375	55	45	0	475
	440	**123**	**55**	**9**	**627**

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 1bn for a period of 5 years, which cannot be cancelled within 12 month. The contract expires in 2012.

TrygVesta Forsikring A/S has signed a portfolio management contract for DKK 100m. The contract expires in 2013.
TrygVesta Forsikring A/S has signed a telephony service contract with Telenor for DKK 93m. The contract expires in 2012.

TrygVesta Forsikring A/S has signed a car leasing contrakt with NF Fleet for DKK 30m. The contract expires in 2013.

TrygVesta Forsikring A/S has signed a it leasing contrakt with IBM for DKK 18m. The contract expires in 2011.

Ejendomsselskabet af 8. Maj 2008 A/S has signed agreements for refurbishment of the property at Klausdalsbrovej 601, Ballerup.
The remaining contract sum amounts to DKK 105.6m. The work is expected to be finalised in 2010/11.

Vesta Eiendom A/S has signed agreements for refurbishment of the property at Folke Bernadottesvei 50, Bergen.
The remaining contract sum amounts to DKK 45.6m. The work is expected to be finalised in 2010/11.

The Danish companies in TrygVesta group are jointly taxed with TryghedsGruppen smba.

	2008	2009
Assets to cover the technical provisions have been registered in the total amount of	29,690	32,498

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 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 at 31 December 2009.

DKKm

29 Acquisition of subsidiary

2009

In 2009 TrygVesta Forsikring A/S acquired Moderna Försäkringar Sak AB, Modern Re S.A., Netviq AB og MF Bilsport & MC Specialförsäkring AB in Sweden.

Acquired businesses	Acquired interest	Principal activity	Acquisition date
Moderna Försäkringar Sak AB	100%	Non-life insurance	2 April 2009
Modern Re S.A.	100%	Intra-group reinsurance	2 April 2009
Netviq AB	100%	Agency for Moderna	2 April 2009
MF Bilsport & MC Specialförsäkring AB	100%	Agency for Moderna	2 April 2009

	Carrying amount before takeover*	Market value at takeover
Intangible assets	16	155
Property, plant and equipment	12	12
Investment assets	955	955
Reinsurers´share of provisions for insurance contracts	140	140
Receivalbles, other assets and prepayments	1,082	1,082
Provisions for insurance contracts	-1,345	-1,345
Provisions	-75	-111
Debt, accruals and deferred income	-259	-259
Shareholders¨equity	**526**	**629**
Goodwill on acquisitions		310
Cost		**939**
Adjustment of cash and cash equivalents		-605
Cash acquisition cost		**334**
Elements of cash acquisition cost		
Cash		350
Direct acquisition costs		-16
Cash acquisition cost		**334**

	1 January - 1 april	2 April - 31 December
Gross premiums	184	768
Technical result	10	75
Profit/loss for the period	8	93

In a pro forma calculation of the consolidated profit for 2009 as if Moderna Försäkringar SAK AB, Modern Re S.A., Netviq AB and MF Bilsport & MC had been acquired as at 1 January 2009, gross earned premiums are estimated at a total of DKK 18,467m and the profit for the year at DKK 2,016m relative to the actual figures for 2009.

*The carrying amount prior to acquisition has been made up in accordance with the TrygVesta Group's accounting policies.

Notes

DKKm	2008	2009

29 Acquisition of subsidiary

2008

On 8 May 2008, TrygVesta Forsikring A/S acquired all the voting shares (nominally DKK 1m) of Ejendomsselskabet af 8. maj 2008 A/S through a cash payment of DKK 1,085.5m to Danica Pension. The sole activity of Ejendomsselskabet af 8. maj 2008 A/S is the ownership of TrygVesta's Ballerup headquarters.

Costs for advisors in connection with the preparation, conclusion and performance of the agreement was DKK 0.2m.
The carrying amount prior to acquisition amounts to DKK 1.085,5m. Fair value at the date of acquisition amounts to DKK 1.085,5m.

A pro forma statement of TrygVesta Group's profit/loss for 2008 as if Ejendomsselskabet af 8. maj 2008 had been acquried as per 1 january 2008 is not significant different compared to the Group's realised profit/loss for 2008.

The Group's gross premiums earned will not be affected.

Management estimates that the fair value at 1 January 2008 would have been the same as the fair value at the date of acquisition.

30 Related parties

Supervisory Board and Executive Management

	2008	2009
Premium income		
- Parent company (TryghedsGruppen smba)		
- Key management	0.3	0.3
- Other related parties	0.4	0.6
	115.3	115.8
Claims paid		
- Parent company (TryghedsGruppen smba)	0.0	0.7
- Key management	0.2	0.2
- Other related parties	9.6	6.2
Guarantee agreements with related parties		
- Account	1,200	1,470
- Exercised, end of year	726	538
- Premium	3	7

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 supervisory board on market terms.

DKKm		2008	2009
30	**Related parties**		
	Specification of remuneration		
	Supervisory Board	-4	-4
	Executive Management	-19	-19
		-23	**-23**
	Remuneration includes pension contributions		
	Supervisory Board	0	0
	Executive Management	-3	-3
		-3	**-3**

Members of the Supervisory Board of TrygVesta A/S do not receive bonuses and are not participants in any severance plans. The Executive Management has a bonus scheme for up to 3 months' salary (Group CEO 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 Executive Management.

If a member of the 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 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 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
Tryghedsgruppen smba
TryghedsGruppen smba controls 60% of the shares in TrygVesta A/S.

	2008	2009
Intra-group trading involved		
- Providing and receiving services	1	0
- Subordinated loancapital	0	485
- Interest expenses	0	-24

Transactions between TryghedsGruppen smba and TrygVesta A/S are on market terms.

Intra-group trading involved
Administration fee, etc. is fixed on a cost-recovery basis.

Intra-group accounts are offset and carry interest on market terms.

The companies in TrygVesta Group 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.

31 Financial highlights and key ratios of TrygVesta
cf 'Introduction to TrygVesta'

Income statement – TrygVesta A/S (parent company)

Notes	DKKm	2008	2009
	Investment activities		
2	Income from subsidiaries	757	2,079
	Interest income	22	2
	Value adjustment	0	-2
	Interest expenses	-32	-14
	Investment management charges	-6	-7
	Total return on investment activities	**741**	**2,058**
3	Other expenses	-56	-46
	Profit before tax	**685**	**2,012**
4	Tax	18	17
	Profit for the year	**703**	**2,029**
	Proposed distribution for the year:		
	Dividend	423	991
	Transferred to Net revaluation as per equity method	-2,007	1,470
	Transferred to Retained profits	2,287	-432
		703	**2,029**

Balance sheet – TrygVesta A/S (parent company)

DKKm		2008	2009
Notes	**Assets**		
5	Investments in subsidiaries	8,546	10,173
	Total investments in subsidiaries	**8,546**	**10,173**
	Total investment assets	**8,546**	**10,173**
	Receivables from subsidiaries	293	65
	Total receivables	**293**	**65**
6	Current tax assets	18	17
7	Deferred tax assets	0	1
	Cash in hand and at bank	1	0
	Total other assets	**19**	**18**
	Total prepayments and accrued income	**24**	**39**
	Total assets	**8,882**	**10,295**
	Liabilities		
	Shareholders' equity	**8,265**	**9,687**
8	Debt to credit institutions	602	600
	Debt to subsidiaries	0	8
	Other debt	15	0
	Total debt	**617**	**608**
	Total liabilities and equity	**8,882**	**10,295**

1 **Accounting policies**
9 **Capital adequacy**
10 **Contractual obligations, contingent liabilities and collateral**
11 **Related parties**

Statement of changes in equity (parent company)

DKKm

	Share capital	Revaluation equity method	Retained earnings	Proposed dividends	Total
Shareholders' equity at 31 December 2007	**1,700**	**3,745**	**3,430**	**1,156**	**10,031**
2008					
Profit for the year		-2,007	2,268	442	703
Exchange rate adjustment of foreign entities		-640			-640
Hedge of foreign currency risk in foreign entities		615			615
Tax on equity entries		-154			-154
Total comprehensive income	0	-2,186	2,268	442	524
Dividend paid				-1,156	-1,156
Dividend own shares			12		12
Purchase of own shares			-1,197		-1,197
Issue of employee shares			37		37
Issue of share options			14		14
Total equity entries in 2008	**0**	**-2,186**	**1,134**	**-714**	**-1,766**
Shareholders' equity at 31 December 2008	**1,700**	**1,559**	**4,564**	**442**	**8,265**
2009					
Profit for the year		1,470	-432	991	2,029
Revaluation of owner-occupied properties		9			9
Exchange rate adjustment of foreign entities		505			505
Hedge of foreign currency risk in foreign entities		-474			-474
Tax on equity entries		117			117
Total comprehensive income	0	1,627	-432	991	2,186
Nullification of own shares	-102		102		0
Dividend paid				-442	-442
Dividend own shares			32		32
Purchase of own shares			-418		-418
Exercise of shareoptions			19		19
Issue of employee shares			30		30
Issue of share options			15		15
Total equity entries in 2009	**-102**	**1,627**	**-652**	**549**	**1,422**
Shareholders' equity at 31 December 2009	**1,598**	**3,186**	**3,912**	**991**	**9,687**

Proposed dividend per share DKK 15.5 (in 2008 DKK 6.50).
Dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the number of shares year end (63,931,573). The dividend is not paid until approved by the shareholders at the annual general meeting of the subsequent year.

Tryg Vesta Forsikring A/S' Norwegian branch, has in its branch financial statements included provisions for contingency funds in the amount of NOK 2,906m (in 2008 NOK 2,743m) In TrygVesta Forsikring A/S, these provisions, due to their nature as additional provisions, are included in shareholders' equity (retained earnings), 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 insurance has a similar contingency amounting to DKK 139m, which is also included in the company's shareholders' equity.

Notes (parent company)

DKKm		2008	2009
1	**Accounting policies**		
	Please refer to TrygVesta Groups 'Accounting police.'		
2	**Income from subsidiaries**		
	TrygVesta Forsikring A/S	757	2,079
		757	**2,079**
3	**Other expenses**		
	Administrative expenses	-56	-46
		-56	**-46**

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 note 11 'Related parties'.

	2008	2009
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	-0.7
	-0.9	**-0.7**
Of which services other than audit:		
Deloitte	0.0	0.0
	0.0	**0.0**

In addition, expenses have been incurred for the Group's Internal Audit Department.

		2008	2009
4	**Tax**		
	Reconciliation of tax expenses		
	Tax on financial loss before profit/loss in subsidiaries and tax	18	17
		18	**17**
	Effective tax rate	%	%
	Tax on financial loss	25	25
		25	**25**

Refer to the section 'The Groups Financial performance 2009' in the management report for further mention of the tax.

Notes (parent company)

DKKm		2008	2009
5	**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	3,745	1,559
	Revaluations during the year	575	2,238
	Dividend paid	-2,761	-611
	Balance 31 December	**1,559**	**3,186**
	Carrying amount 31 December	**8,546**	**10,173**

	Name and registered office		
	2009	**Ownership shares in %**	**Equity**
	TrygVesta Forsikring A/S, Ballerup	100	100
	2008		
	TrygVesta Forsikring A/S, Ballerup	100	100

		2008	2009
6	**Current tax assets**		
	Current tax, beginning of year	21	18
	Current tax for the year	18	17
	Tax paid durring the year	-21	-18
		18	**17**
7	**Deferred tax assets**		
	Capitalised tax loss		
	TrygVesta A/S	0	1
	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.

DKKm		2008	2009
8	**Debt to credit institutions**		
	Bank loans	598	600
	Overdraft facility	4	0
		602	**600**

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 2009. In 2008, the loan carried interest at CIBOR plus a margin, totalling approximately 5.3 % 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.

		2008	2009
9	**Capital adequacy, etc.**		
	Shareholders' equity according to annual report	8,265	9,687
	Subordinate loan capital	685	732
	Proposed dividend	-423	-991
	Solvency requirements to subsidiary undertakings	-4,601	-4,579
	Capital base	**3,926**	**4,849**
	Weighted items	**3,945**	**5,022**
	Solvencypct.	**100**	**97**

10 Contractual obligations, contingent liabilities and collateral

The Danish companies in TrygVesta group are jointly taxed with TryghedsGruppen smba.

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 the outcome of which is not estimated to affect the financial position of the Group. 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 (parent company)

DKKm		2008	2009
11	**Related parties**		
	Supervisory Board and Executive Management		
	Premium income		
	Parent company (TryghedsGruppen smba)	0.3	0.3
	- Key management	0.4	0.6
	- Other related parties	115.3	115.8
	Claims payments		
	- Key management	0.2	0.2
	- Other related parties	9.6	6.2
	Guarantee agreements with related parties		
	- Account	1,200	1,470
	- Exercised, end of year	726	538
	- Premium	3	7

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 supervisory board on market terms.

	2008	2009
Specification of remuneration		
Supervisory Board	-4	-4
Executive Management	-19	-19
	-23	**-23**
Remuneration includes pension contributions		
Supervisory Board	0	0
Executive Management	-3	-3
	-3	**-3**

Members of the Supervisory Board of TrygVesta A/S do not receive bonuses and are not participants in any severance plans.

The Executive Management has a bonus scheme for up to 3 months' salary (Group CEO up to 4 months' salary) and participate in the share option programme as mentioned in Corporate governance.

Other than that, there are no incentive plans for the Supervisory Board and Executive Management.

DKKm	2008	2009
Parent company		
TryghedsGruppen smba		
TryghedsGruppen smba controls 60% of the shares in TrygVesta A/S.		
Intra-group trading involved		
- Providing and receiving services	1	0
- Sale of unlisted shares	0	0
- Subordinated loan capital	0	485
- Interest expenses	0	-24
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%.		
Intra-group trading involved		
- Providing and receiving services	-59	-49
- Intra-group account	297	65
- Interest	-21	-1

Administration fee, etc. is fixed on a cost-recovery basis.
Intra-group accounts are offset and carry interest on market terms.

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 af differences in the profit and equity.

Reconciliation of differences in the profit and the shareholders equity

	2008	2009
Profit reconciliation		
Profit – IFRS	846	2,008
Current priods effect of actuarial gains and losses on pension obligation after tax	-143	21
Profit – Danish FSA executive order	**703**	**2,029**
Equity reconciliation		
Shareholders' equity – IFRS	8,244	9,666
Deferred tax provisions for contingency funds	21	21
Equity – Danish FSA executive order	**8,265**	**9,687**

Financial highlights and key ratios by geography

DKKm	2005	2006	2007	2008	2009
Danish general insurance					
Gross premiums earned	8,764	9,084	9,346	9,620	9,736
Technical result	956	1,377	1,639	1,695	1,191
Return on investment activities	567	723	225	-435	463
Other income and expenses	7	2	2	4	3
Profit/loss before tax	1,530	2,102	1,866	1,264	1,657
Fixed assets	1,011	1,135	1,171	1,616	1,673
Key ratios					
Gross claims ratio	77.1	66.8	69.3	64.9	71.4
Business ceded as % of gross premiums	-3.9	3.9	0.0	4.2	2.9
Claims ratio, net of ceded business	73.2	70.7	69.3	69.1	74.3
Gross expense ratio	16.6	16.1	15.3	16.0	14.5
Combined ratio	**89.8**	**86.8**	**84.6**	**85.1**	**88.8**
Number of full-time employess, end of period	2,215	2,231	2,242	2,377	2,311
Norwegian general insurance					
Gross premiums earned	6,810	6,738	6,919	7,129	6,905
Technical result	1,131	1,214	1,335	815	566
Return on investment activities	361	483	118	-597	528
Other income and expenses	2	3	-7	3	5
Profit/loss before tax	1,494	1,700	1,446	221	1,099
Fixed assets	721	737	799	659	896
Key ratios					
Gross claims ratio	63.0	64.3	64.0	71.0	71.7
Business ceded as % of gross premiums	5.2	3.6	4.9	3.8	3.9
Claims ratio, net of ceded business	68.2	67.9	68.9	74.8	75.6
Gross expense ratio	16.7	16.5	15.8	16.8	16.8
Combined ratio	**84.9**	**84.4**	**84.7**	**91.6**	**92.4**
Number of full-time employess, end of period	1,431	1,460	1,384	1,455	1,403
Finnish general insurance					
Gross premiums earned	140	198	251	354	480
Technical result	-41	-34	-49	-44	-115
Return on investment activities	-2	-4	-10	-4	-11
Profit/loss before tax	-43	-38	-59	-48	-126
Fixed assets	0	0	0	5	8
Key ratios					
Gross claims ratio	80.9	78.1	74.9	72.9	84.2
Business ceded as % of gross premiums	0.2	0.2	0.4	0.3	0.6
Claims ratio, net of ceded business	81.1	78.3	75.3	73.2	84.8
Gross expense ratio	50.2	41.7	49.8	44.1	41.7
Combined ratio	**131.3**	**120.0**	**125.1**	**117.3**	**126.5**
Number of full-time employess, end of period	48	77	127	154	194

DKKm	2005	2006	2007	2008	2009
Swedish general insurance**					
Gross premiums earned	-	4	90	225	1,166
Technical result	-	-41	-82	-93	-44
Return on investment activities	-	0	-1	-2	42
Profit/loss before tax	-	-41	-83	-95	-2
Fixed assets	-	2	3	2	500
Key ratios					
Gross claims ratio	-	144.9	88.9	95.1	78.1
Business ceded as % of gross premiums	-	0.4	0.0	0.9	1.7
Claims ratio, net of ceded business	-	145.3	88.9	96.0	79.8
Gross expense ratio	-	1,003.8	105.6	48.4	24.6
Combined ratio	**-**	**1,149.1**	**194.5**	**144.4**	**104.4**
Number of full-time employess, end of period	-	40	61	105	428
Other *					
Gross premiums earned	-9	-3	0	-5	-4
Technical result	1	-4	-23	11	-44
Return on investment activities	-32	26	8	50	64
Other income and expenses	-37	-36	-46	-56	-46
Profit/loss before tax	-68	-14	-61	5	-26
Fixed assets	432	677	676	1,775	1,832
Number of full-time employess, end of period	24	0	0	0	0
TrygVesta					
Gross premiums earned	15,705	16,021	16,606	17,323	18,283
Technical result	2,047	2,512	2,820	2,384	1,554
Return on investment activities	894	1,228	340	-988	1,086
Other income and expenses	-28	-31	-51	-49	-38
Profit/loss before tax	2,913	3,709	3,109	1,347	2,602
Fixed assets	2,164	2,551	2,649	4,057	4,909
Key ratios					
Gross claims ratio	71.1	65.9	67.3	67.9	72.2
Business ceded as % of gross premiums	0.1	3.7	2.1	3.9	3.2
Claims ratio, net of ceded business	71.2	69.6	69.4	71.8	75.4
Gross expense ratio	17.0	16.8	16.7	17.3	16.9
Combined ratio	**88.2**	**86.4**	**86.1**	**89.1**	**92.3**
Number of full-time employess, end of period	3,718	3,808	3,814	4,091	4,336

* Amounts relating to TrygVesta A/S, Tryg Ejendomme A/S, Ejendomsselskabet af 8. maj and eliminations are included in 'Other'.
** Moderna Försäkringar is included in 'Swedish general insurance' from 2 April 2009.

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.

Adjusted gross expense ratio
Calculated as the ratio of gross insurance operating expenses including adjustment to gross earned premiums. The adjustment involves the deduction of depreciation and operating costs on the owner-occupied property and the addition of a calculated cost (rent) concerning the owner-occupied property based on a calculated market rent.

$$\frac{\text{Gross insurance operating expenses incl. adjustment x 100}}{\text{Gross earned premiums}}$$

Business ceded as a percentage of gross premiums
Calculated as the ratio of the net result of business ceded to gross earned premiums.

$$\frac{\text{Net result of business ceded x 100}}{\text{Gross earned premiums}}$$

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.

Danish general insurance
Comprises the legal entities in TrygVesta Forsikring A/S (excluding the Norwegian, Finnish and Swedish branches) and TrygVesta Garantiforsikring A/S.

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.

Dividends per share
Calculated as the total dividend proposed divided by the average number of shares.

$$\frac{\text{Proposed dividend}}{\text{Number of shares year end}}$$

Earnings per share
Calculated as the profit for the year divided by the average number of shares.

$$\frac{\text{Profit for the year x 100}}{\text{Average number of shares}}$$

Finnish general insurance
Comprises TrygVesta Forsikring A/S, Finnish branch and the Finnish branch of TrygVesta Garantiforsikring A/S.

Gross claims ratio
Calculated as the ratio of gross claims incurred to gross earned premiums.

$$\frac{\text{Gross claims incurred x 100}}{\text{Gross earned premiums}}$$

Gross earned premiums
Calculated as gross premiums written adjusted for change in gross provisions for unearned premiums, less bonuses and premium rebates.

Gross expense ratio
Calculated as the ratio of gross insurance operating expenses to gross earned premiums.

$$\frac{\text{Gross insurance operating expenses x 100}}{\text{Gross earned premiums}}$$

Individual Solvency
New Danish solvency requirements for insurance companies. With effect from 1 January 2008, companies are required to make their own determination of their capital requirements applied with own methods. The Individual Solvency shall be reported to the Danish FSA four times a year.

Net asset value per share
Calculated as year-end shareholders' equity divided by the average number of shares.

$$\frac{\text{Year-end equity}}{\text{Average number of shares}}$$

Norwegian general insurance
Comprises TrygVesta Forsikring A/S, Norwegian branch, the Norwegian subsidiaries and the Norwegian branch of TrygVesta Garantiforsikring A/S.

Operating ratio
Calculated like the combined ratio but adding technical interest in the denominator.

$$\frac{\text{(Claims incurred + insurance Operating expenses + result of reinsurance) x 100}}{\text{Gross earned premiums + technical interest}}$$

Price/earnings
Calculated as the ratio of the price per share to earnings per share.

$$\frac{\text{Quoted price}}{\text{Earnings per share}}$$

Price/net asset value
Calculated as the quoted price of the share divided by the net asset value per share.

$$\frac{\text{Quoted price}}{\text{Net asset value per share}}$$

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.

Return on equity
Calculated as the profit for the year as a percentage of the average shareholders' equity.

$$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$$

Run-off result
The difference between provisions for claims at the beginning of the financial year (adjusted for currency translation differences and discounting effects) and the sum of claims paid in the financial year plus the part of the provisions for claims at the end of the financial year that relates to claims incurred in prior financial years.

Solvency II
New solvency requirements for insurance companies issued by the EU Commisison. The new rules are expected to com into effect in 2012 at the earliest.

Swedish general insurance
Comprises TrygVesta Forsikring A/S, Swedish branch and the Swedish branch of TrygVesta Garantiforsikring A/S.

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.

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.

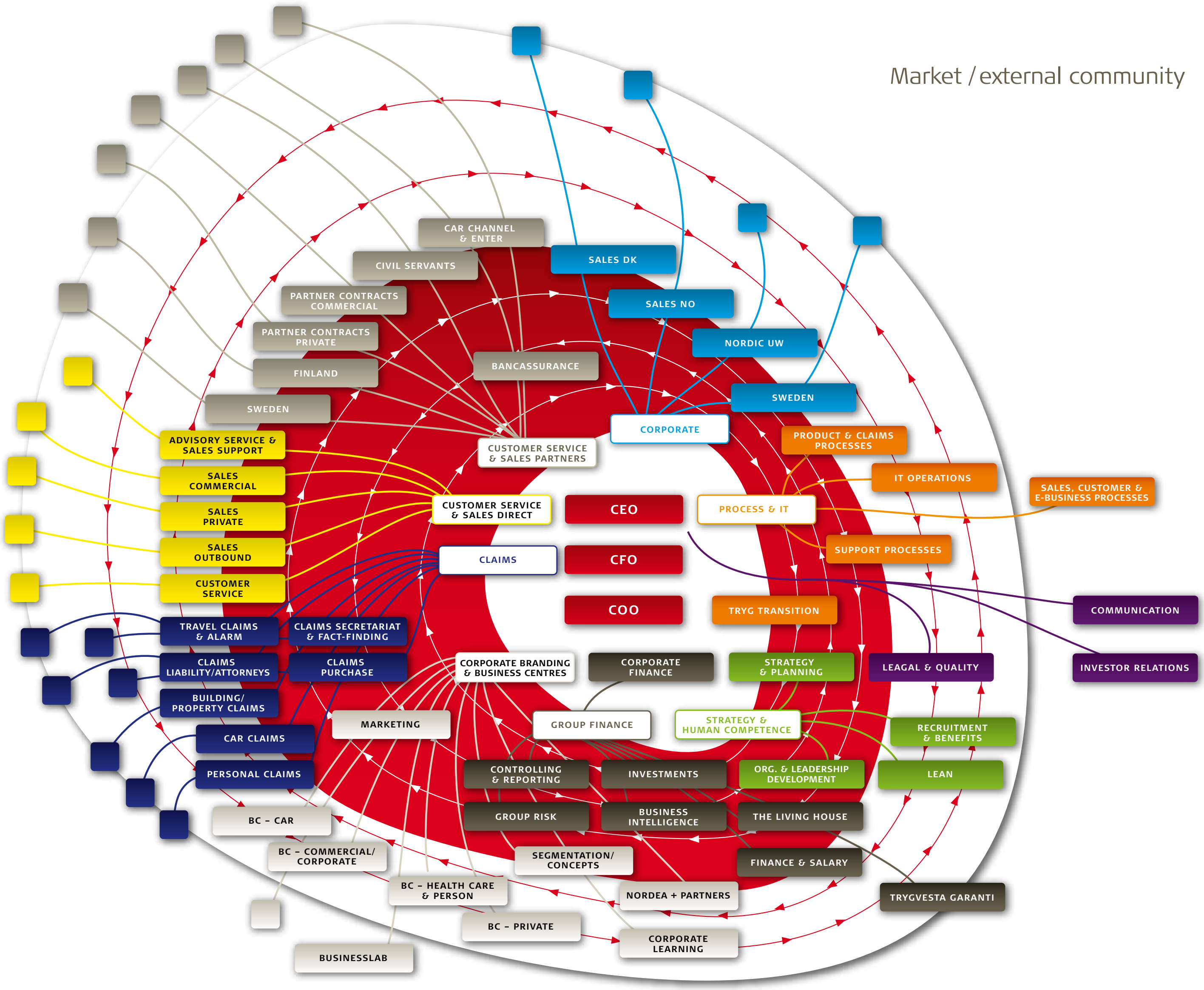
A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this annual report, including but not limited to general economic developments, changes in the competitive envrironment, developments in the financial markets, extra ordinary events such as natural disasters or terrorist atttacks, 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 industri.

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 anticiparted, 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.

The living organisation



TrygVesta's organisational structure, which became effective on 1 January 2010, creates a distinct Nordic organisation with well-defined roles and responsibilities. The organisational structure is designed to ensure that we meet the market with the best solutions within our products and services and establish the best conditions for collaboration across the Group. At the same time, the organisation supports the implementation of the Group's strategy. The organisation chart symbolises the Group's evolution and should be viewed as a heart which is the origin of all activities springing to the market/the external community.

TrygVesta A/S
Klausdalsbrovej 601
DK-2750 Ballerup
+45 70 11 20 20
trygvesta.com
CVR-no. 26460212