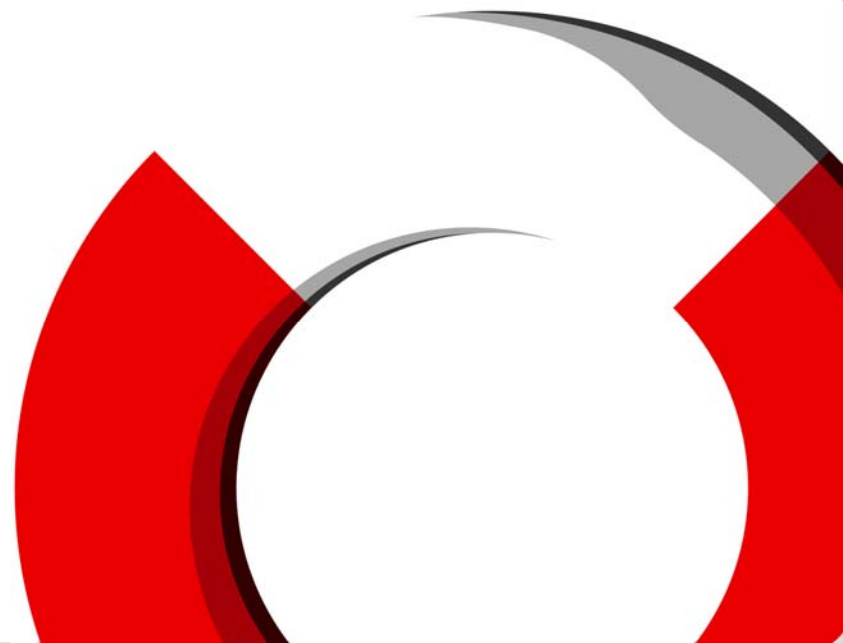


# TrygVesta Q1 2006 report

Webcast  
Stine Bosse, CEO

May 11, 2006



**Gross premium income DKK 4.0bn, up 3.0%**

**Combined ratio of 93.6%**

**Technical result DKK 393m, up 32%**

**Outlook 2006 upgraded**

- Good premium growth in P&C Denmark, Corporate, and Finland
- Commercial Norway doing well, initiatives in Private started
- Large claims of DKK 342m – almost same level as a normal full year! Having impact of 6.4 percentage points on combined ratio
- Strong investment income of DKK 311m
- Outlook upgraded due to good development in claims in major lines and better than expected performance in Investments

# Income statement summary



In DKKm	Q1 2006	Q1 2005	Q1 2004	Change Q1 06 on Q1 05	
Gross earned premium	3,960	3,843	3,777	3.0%	Large claims net impact CR by 6.4 percentage points and 4.9 percentage points above normal level
Claims ratio	76.0	87.3	73.7	11.3	
Reinsurance ratio, net	0.4	-11.3	3.3	-11.7	
Expense ratio	17.2	17.8	17.8	0.6	
Combined ratio	93.6	93.8	94.8	0.2	
Technical result	393	297	214	96	Large claims impact result by DKK 342m gross and DKK 252m net
Investment income	311	230	129	81	
Pre-tax result	700	523	338	177	
Net result	535	341	273	194	
ROE after-tax in %	28.0	19.0	18.0	9.0	

### Financial highlights

- Gross earned premiums up 4.0% in P&C Denmark, 3.9% in Corporate, and 36.7% in Finland
- Claims ratio of 76% including large claims of DKK 342m
- Increase of DKK 50m in the provision of workers' compensation
- Expense ratio reduced to 17.2% due to further achievement of synergies related to Nordic knowledge sharing
- Investment result of DKK 311m;
  - Good performance in stock markets
  - Adverse impact on bond portfolio from higher rates
  - However, higher interest rates improved discounting by DKK 160m

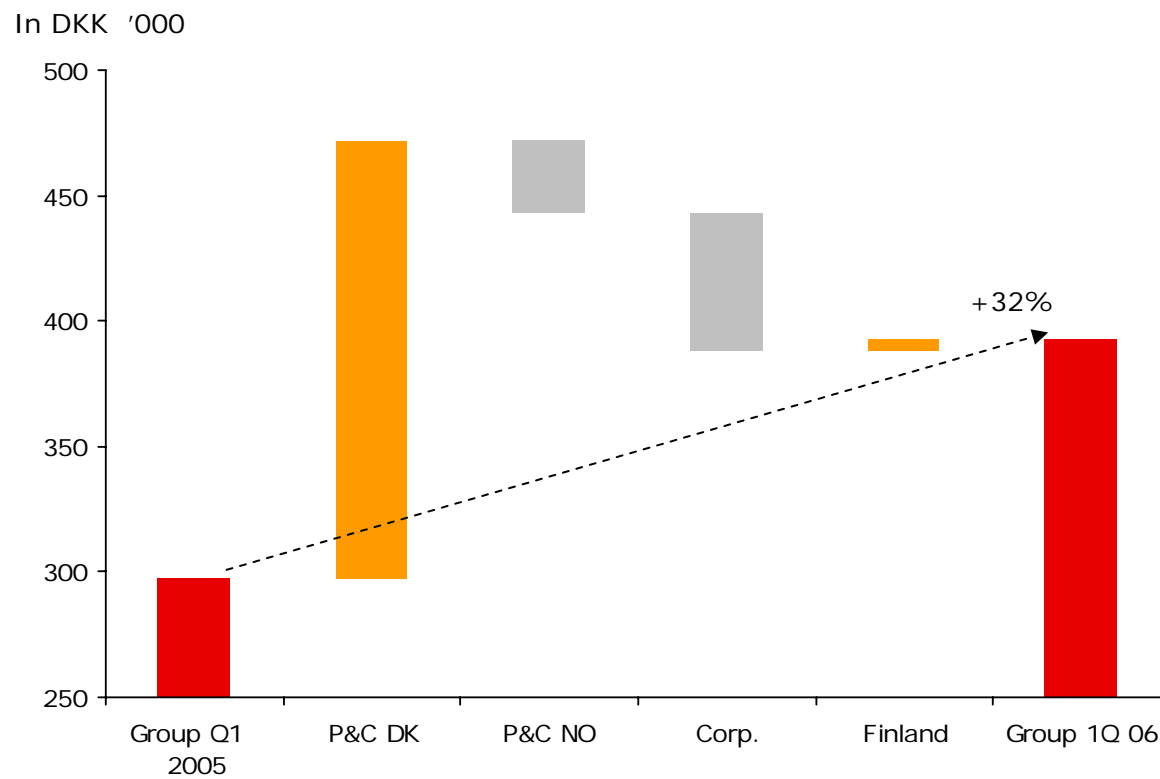
### Non-financial highlights

- TrygVesta has successfully implemented two new IT systems, which over time will improve the earnings capacity further
- A market study in Norway shows that TrygVesta has the highest level of satisfaction on the market in relation to claims handling
- A decision has been made to start selling commercial insurances to smaller companies in Finland ultimo 2006
- Preparations for start-up in Sweden proceeds according to plan. The first insurance policy is expected to be sold in June 2006
- A stock option scheme and an employee shares scheme have been established in Q1 2006

# Technical Result Drivers



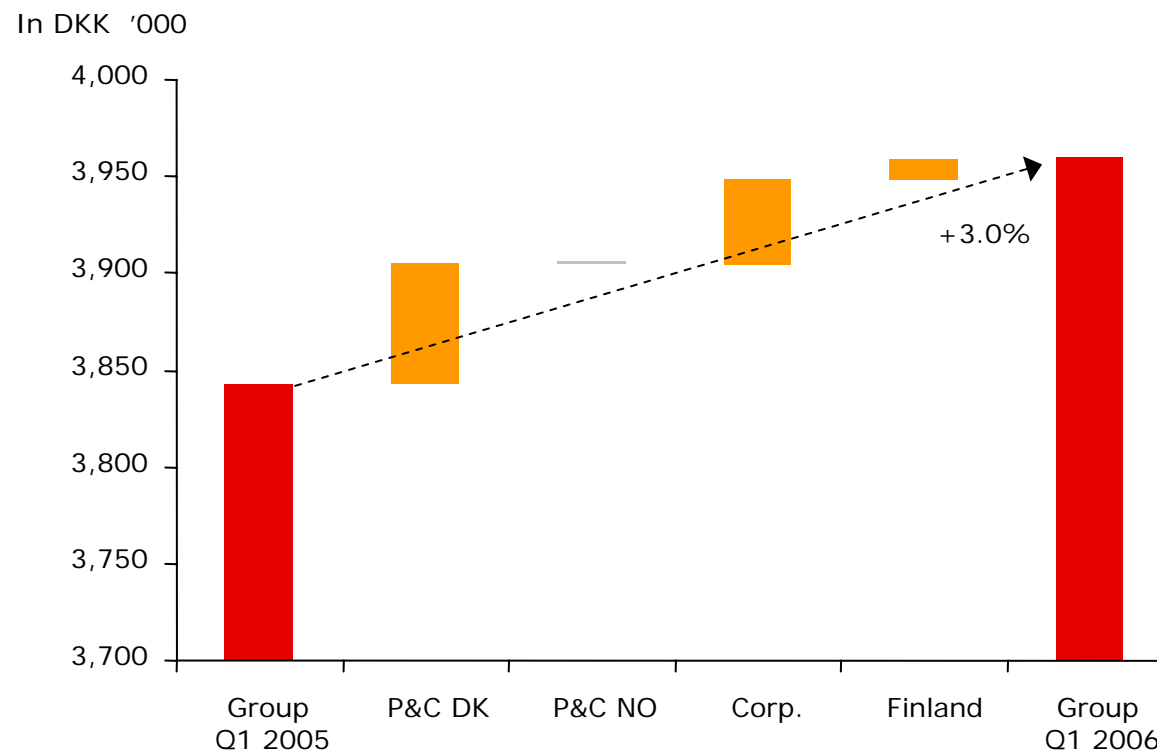
## Change in DKK<sub>m</sub> on Q1 last year



# Gross premium income drivers



## Change in DKKm on Q1 last year



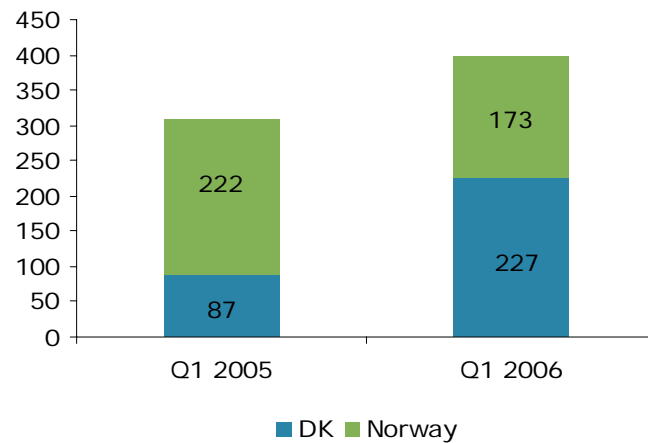
# Result distribution



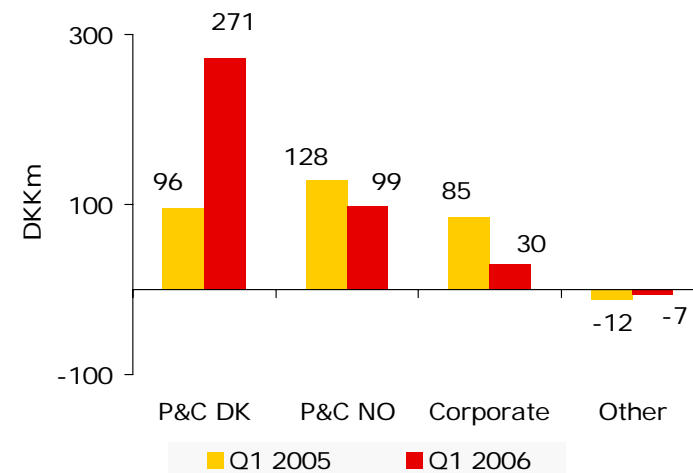
## Effects of previous efforts continue to materialize

- Top line growth remained on a satisfactory level
- Technical result improved despite a very high level of large claims
- Frequency and average claims improved on several lines of business
- Increased discounting rates improves claims ratio

### Technical result/geography



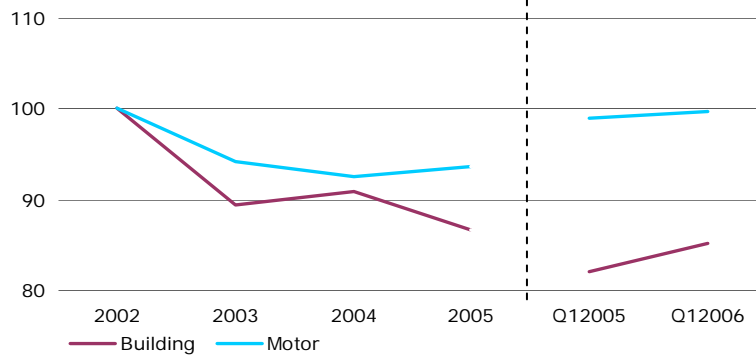
### Technical result/business areas



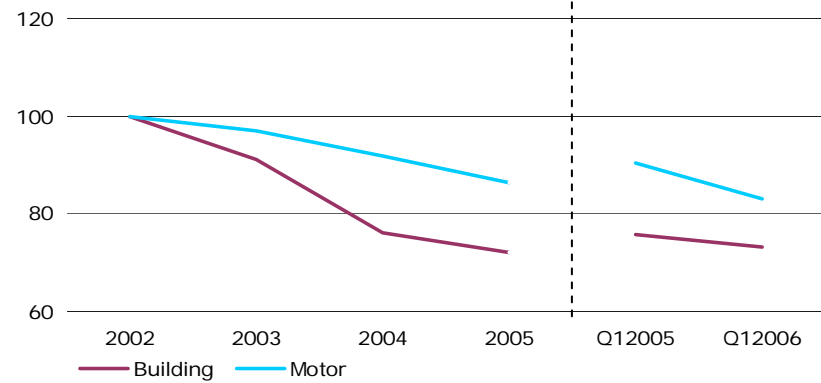
# Update on claims



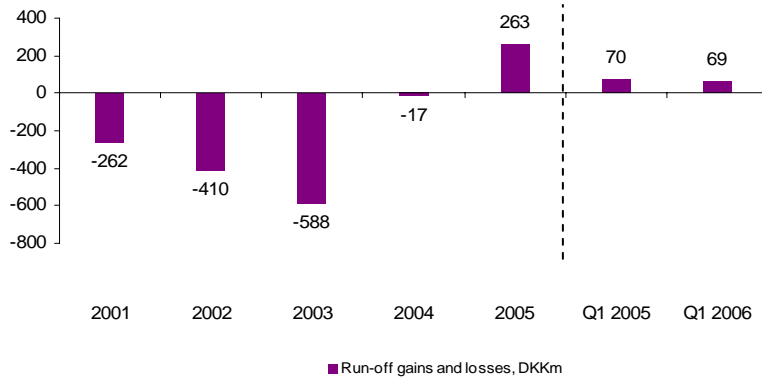
Development in claims frequency Denmark



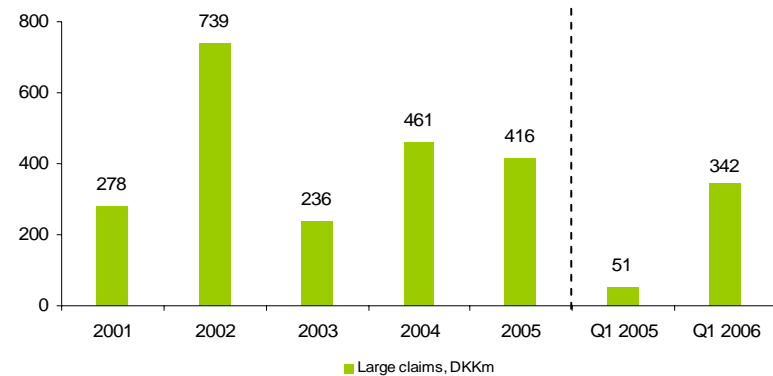
Development in claims frequency Norway



Run-off gains and losses, gross



Large losses more than DKK 10m



# Upgraded outlook for 2006



## Financial expectations for full year 2006

DKKm	Realized 2005	Expected 02.28.2006	Expected 05.11.2006	Favorable scenario	Negative scenario
Premium growth	2.9%	4.0%	4.0%		
Technical result	2,053	1,800	2,100	2,300	1,900
Investment income	888	400	730		
Pre-tax result	2,913	2,200	2,800		
After-tax result	2,097	1,650	2,150	2,300	2,000
Combined ratio (%)	89	91	89	87.5	90.5

Outlook upgraded as a result of better than expected performance in claims as well as investment income

Medium Term Targets  
Combined Ratio: 91-93%  
Return on Equity (After-tax): 18-20%

## Key focus areas for 2006



- Further leverage on good momentum in P&C Denmark, Corporate, and Finland
- Successful implementation of initiatives including loyalty improving initiatives to increase sales in P&C Norway
- Further strengthen the TrygVesta brand – leading Nordic supplier of peace of mind solutions

## Financial highlights

- Gross earned premiums up 4.0% to DKK 1,617m
- Claims ratio, net of 69.4% vs. 78.4%
- Expense ratio of 17.0% vs. 17.9%
- Combined ratio of 86.4% vs. 96.3% driven by lower claims frequency

## Operational highlights

- Successful introduction and sales of new auto insurance
- Strong growth in travel insurance products
- Growth in number of both private and commercial customers
- Retention rate improved from 85.0% to 85.3% (excluding short notice of cancellation)
- Claims frequency continues at low levels and average claim cost falling for auto and rising for building

### Financial highlights

- Development in gross earned premiums not satisfactory
- Gross earned premiums at same level as Q1 2005 - but down with 2.8 percent in local currency
- Claims ratio, net of 72.3% vs. 68.2 %
- Expense ratio of 22.1% vs. 22.3%
- Combined ratio of 94.4% vs. 90.5% due to higher claims

### Operational highlights

- Market share remained stable through Q1 2006
- Commercial Norway doing well, the challenge is Private Norway
- TrygVesta surveyed as best for claims handling in Norway. Good basis for growth
- Retention rate influenced by the effect of short notice of cancellation but improved by new initiatives

## Financial highlights

- Gross premium income up 3.9% to DKK 1,183m
- Claims ratio, net of 89.9% vs. 80.3% due to high level of large claims
- Expense ratio of 12.0% vs. 12.4%
- Combined ratio of 101.9% vs. 92.7% as a result of large claims level

## Operational highlights

- Growth attributable to premium increases in workers' comp. as well as market share gains
- Large claims of DKK 321m - the two largest claims amount to DKK 215m. Which impact CR with 12.7 percentage points
- Provision of DKK 50m in workers' comp. due to new court decision
- Successful introduction of new DIY IT platform in Dansk Kaution

## Financial highlights

- Gross premium income up 36.7% to DKK 41m
- Claims ratio, net of 81.4% vs. 84.7%
- Expense ratio of 38.9% vs. 55.4% reflecting growth and stable cost base
- Combined ratio of 120.3% vs. 140.1%

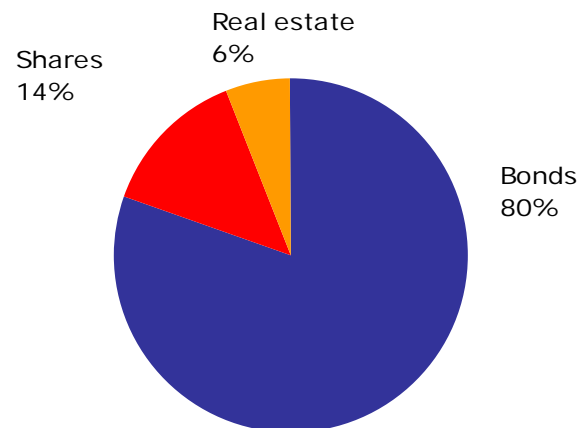
## Operational highlights

- Sale through Nordea remains at very satisfactory level
- New agreement with car dealers will increase sales
- Introduction of insurance services to small commercial customers late in 2006

## Investment highlights

- Investment result of DKK 311, up 35%
- Solid performance in stock, decline in value of bond portfolio and positive impact from discounting DKK 160m
- DKK 36.6bn in investment assets by end Q1 2006

Asset allocation  
As of March 30 2006



# Capital Structure Update



## Current capital structure (DKK MM)

March 30, 2006

Equity	7,264	87%
Hybrid	1,099	13%
Other capital	0	0%
Total	8,363	100%
Credit lines	2,000	
(Equity + hybrid – dividend) / NPE		55.5%

## Current ratings

- S&P: "A-" (strong), stable outlook
- Moody's: "A3" (strong), positive outlook

## Dividend policy

- Maintain minimum payout ratio of 50%
- AND
- Return any excess capital to shareholders

- **Solid performance in Q1 2006 despite higher than expected level of large claims**
- **Upgrading Outlook 2006**
- **Strong platform for growth and profitability**
- **Entry into Commercial in Finland before end of 2006**
- **Start-up in Sweden in June 2006 as planned**

**Q&A session at conference call at 10:00 CET  
today**

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