

To OMX Nordic Exchange Copenhagen

Announcement no. 13 - 2009

2 March 2009

TrygVesta acquires Moderna Försäkringar Sak in Sweden

TrygVesta acquires Moderna Försäkringar Sak's (Moderna) non-life insurance activities for DKK 427m in transaction goodwill and a total transaction amount of SEK 1,256m (DKK 810m) from Moderna Finance AB (seller), which is a part of the Icelandic group Milestone. Moderna is a Swedish non-life insurance company with activities within all product lines for private insurance and a broad portfolio of commercial insurance. The acquisition will strengthen TrygVesta's Swedish market position and distribution power significantly, improve earnings and increase the estimated market share from 0.5% to approximately 2.5%.

Highlights of the transaction:

- TrygVesta acquires Moderna's non-life activities for DKK 427m in transaction goodwill and a total transaction amount of SEK 1,256m (DKK 810m).
- The acquisition will increase earnings per share by approximately 5% in 2010 and onwards
- The transaction is expected to close during first half 2009
- The transaction is conditioned upon usual regulatory approvals
- Moderna's loans to the parent company and other group entities will be redeemed and fully paid back in connection with the transaction. After the transaction TrygVesta has no relation to the selling party
- The acquisition do not include Icelandic Sjøva, the run-off company Assuransinvest as well as bank and life-insurance activities in the Moderna Group
- The activities included in the transaction and using Moderna's accounting principles have shareholders' equity of SEK 616m, gross premium income in 2008 of SEK 1,190m, an insurance technical result of SEK 179m and net income of SEK -18m in 2008.

Strategic rationale - the acquisition strengthens TrygVesta's position in Sweden

The acquisition of Moderna complements and strengthens TrygVesta's position and distribution power in the Swedish market.

TrygVesta's strategy is to be a Nordic insurance group. In 2001 the Finnish insurance activities were launched and in 2006 TrygVesta launched insurance services for private customers into the Swedish market and today TrygVesta is present in Denmark, Norway, Finland and Sweden. Since launch, the Swedish insurance activities have grown the portfolio to approximately SEK 380m, equalling a market share of 0.5%. The ambition is to achieve a market share of 8% of the Swedish private insurance market by 2012. In September 2008, TrygVesta launched insurance services for corporate customers in Sweden via insurance brokers. So far, the rapid expansion has been achieved predominantly through only two distribution channels; own call centre and Nordea bancassurance. Nordea online bank and insurance brokers have so far only contributed marginally to the growth.

The acquisition of Moderna will expand and strengthen TrygVesta's distribution network in Sweden markedly towards the private market as more call centres, affinity groups, partnerships, car dealer channel, own sales force as well as an online solution for all Swedish customers are added to the distribution platform.

In addition, the acquisition of Moderna will improve TrygVesta's expansion in the Swedish market for insurance services for commercial and larger corporate customers as well as TrygVesta will get a number of new competencies and specialty know-how.

In total the acquisition will bolster TrygVesta's market power and growth opportunities significantly in the Swedish market.

Distribution channels	Before Moderna	Including Moderna
Call centre	X	x
Bancassurance	X	x
Nordea online bank	X	x
Insurance brokers	X	x
Customer centre		x
E-business/self-service		x
Affinity groups		x
Car channel		x

Synergies

The acquisition of Moderna provides TrygVesta with increased market power and growth opportunities. In addition there are a number of synergies coming from merging of reinsurance, liquidity management, investment management, taxes and capital. Also, as the integration progresses, there is an opportunity for significant synergies in the back-office functions, which will gradually materialise through fewer investments compared with current expansion plans for TrygVesta in Sweden.

The total synergies are expected to be SEK 50m per year.

Capital

TrygVesta has sufficient capital to fund the acquisition, but has decided to issue hybrid capital. TryghedsGruppen, who owns 60% of TrygVesta, and TrygVesta have agreed that TryghedsGruppen buys hybrid capital for EUR 65m. The overall terms are an interest rate of euribor plus 500 basis points (currently equivalent to a coupon of 6.8 %), a 23 year maturity and an option for early redemption after 3 years. The final terms of the hybrid capital will be finalized upon closure of the transaction. TryghedsGruppen has deep understanding and knowledge of TrygVesta and the terms reflect this. The remainder of the capital need for the transaction comes from TrygVesta's own funds.

After the transaction TrygVesta still has a strong capital base.

Before the acquisition of Moderna, TrygVesta had hybrid capital of DKK 1.1bn and after the transaction this will increase to DKK 1.6bn, which equals 16% of TrygVesta's total capital.

TrygVesta's capital requirement will increase with approximately DKK 685m when the transaction settles and according to TrygVesta's capital model and inclusive a 5% buffer, the conditions for the "A-" rating with Standard & Poor's is maintained.

Impact of TrygVesta's financial results

In the section "About Moderna" the historical performance and size of the acquired activities are shown. The transaction will be consolidated as of closure of the deal and consequently be pro-rata impacting the 2009 accounts for TrygVesta. Moderna will be reported as part of TrygVesta in Sweden and the management will be part of TrygVesta's Nordic organisation.

TrygVesta in Sweden in 2008 had gross premium income of DKK 221m and a technical result of DKK -90m. The Swedish activities are growing rapidly and invest in increased market position, and

consequently the costs of new sales are significant and the main reason for the losses in the Swedish activities.

The combination of TrygVesta in Sweden and Moderna will increase TrygVesta's Swedish activities to an estimated annual gross premium income of approximately SEK 1.5bn and an estimated technical result of SEK 75m.

The funding costs related to the acquisition are expected to be fully covered by the current earnings of the acquired assets and in addition comes growth and cost synergies. The impact on TrygVesta's 2009 results will be slightly positive assuming no synergy benefits, however, from 2010 and onwards earnings are expected to increase by 5% due to the acquisition including synergies.

About Moderna

Moderna, headquartered in Stockholm, dates back to 1916, when the Atlantica insurance company was established. Moderna has 250 employees.

Moderna is a healthy and well managed insurance company with a good and innovative management team, which will continue as management team. Moderna offers a broad and well diversified portfolio of usual insurance services for cars, house and content, accidents, commercial and products. The insurances are distributed through own call centres, own sales force, insurance brokers, affinity groups as well as a very user friendly internet self-service solution. In addition, Moderna focuses on niche products and segments with tailored products and specialised sales force and partners and has achieved significant market positions in segments for leisure boats/yachts, motorcycles and classic cars.

In line with TrygVesta, Moderna has focus on peace of mind for their customers and in that respect offers a broad range of advisory service of how to avoid accidents and burglary etc.

Financial key figures for the activities TrygVesta acquires

The assets TrygVesta acquires and which are estimated to have a 2008 estimated gross premium income of SEK 1,190m includes the following lines of businesses: 22% motor insurance, 22% commercial insurance, 21% product insurance, 18% private insurance and 17% leisure boat and yacht insurance.

Key financial figures ¹⁾

In SEKm	2006	2007	2008
Gross premium income	830	980	1,190
Insurance technical result	152	152	179
Investment result, gross	192	27	-142
Pre-tax result	282	91	-34
Net income	203	90	-18
Combined ratio	89.1	93.8	91.1
Cost ratio	24.0	25.1	24.0
Claims ratio	57.3	62.8	63.2
Shareholders' equity	885	791	616
Insurance provisions	1,144	1,517	1,776

1) Proforma and not audited figures. Based on Moderna accounting principles. Moderna do not use the same discounting principles as TrygVesta

For additional information about Moderna, please consult the company's homepage at www.modernaforsakringar.se

Time schedule for closure of the transaction

The closure of the acquisition of Moderna is expected before the end of first half 2009 and is conditional upon usual regulatory approvals.

Conference call

TrygVesta invites equity analyst and investors to participate in a conference call today, 3 March 2009 from 09.30 to 10.30 CET (08.30 to 09.30 London time). The conference call will be conducted in English and the related presentation material is available on www.trygvesta.com. The conference call is hosted by CEO Stine Bosse, CFO Morten Hübbe and Investor Relations Director Ole Søeberg. At the conference call, the transaction will be presented and afterwards there will be opportunity to ask questions.

To participate in the conference call, please dial 70 26 50 40 from Denmark and +44 208 817 9301 from outside Denmark 5-10 minutes prior to the call starts.

Additional information:

For further information please visit www.trygvesta.com or contact Investor Relations.

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TrygVesta is the leading Nordic provider of “peace of mind” solutions with property & casualty insurance operations in Denmark, Norway, Finland and Sweden. TrygVesta is listed on OMX Nordic Exchange Copenhagen and 60% of the shares are held by TryghedsGruppen smba.