



Q3 2018 results

Investor presentation

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Disclaimer

Certain statements in this presentation are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology such as “targets”, “believes”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “continues” or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this presentation including but not limited to general economic developments, changes in the competitive environment, developments in the financial markets, extraordinary events such as natural disasters or terrorist attacks, changes in legislation or case law and reinsurance.

We urge you to read our annual report available on tryg.com for a discussion of some of the factors that could affect our future performance and the industry in which we operate.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

We are 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.

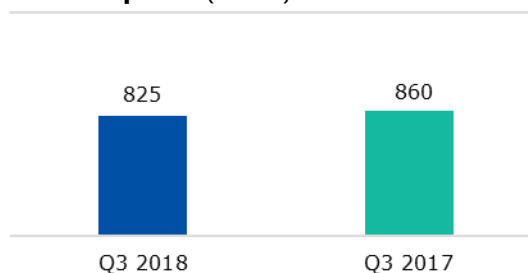
Financial highlights Q3 2018

- Technical result broadly in line with Q3 17 despite higher large claims, slightly lower investment income
- Q3 dividend of DKK 1.65 per share and solvency ratio of 291 or 207 adjusted for the Alka capital increase

- Pre-tax profit of DKK 825m (DKK 860m) driven by:

- Technical result of DKK 761m (DKK 789m) impacted by DKK 173m higher large claims compared to Q3 2017
- Slightly lower investment return (vs Q3 2017) primarily driven by lower fixed-income returns
- Q3 DPS DKK 1.65 and solvency ratio of 291 or 207 adjusted for the Alka capital increase

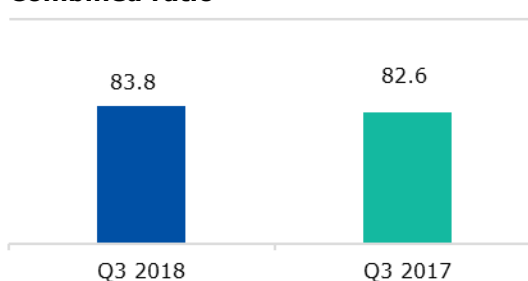
Pre-tax profit (DKKm)



- Technical result of DKK 761m (DKK 789m)

- Higher level of large & weather claims (6.8% vs 1.9%), higher run-off (8.7% vs 5.4%)
- Underlying claims ratio (Private) 50bps better than Q3 2017
- Underlying claims ratio (Group) 50bps better than Q3 2017
- Expense ratio of 13.9 (13.6) in line with our ~14% target for 2020
- "FY 2018 underlying claims ratio expected to be better than 2017"

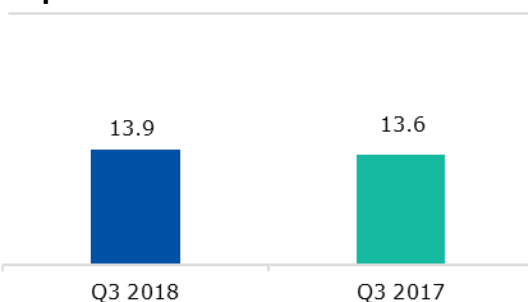
Combined ratio



- Investment income of DKK 79m (DKK 87m)

- Free portfolio impacted by negative overall fixed income returns
- Equities up 3.5% in the quarter
- Match portfolio developed positively

Expense ratio



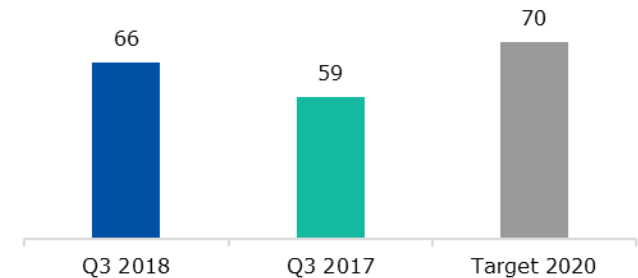
- TryghedsGruppen 8% member bonus in June

- For the third year running, TryghedsGruppen paid out the member bonus on 12 June 2018. The member bonus corresponds to 8% of premiums paid for 2017 as per previous years

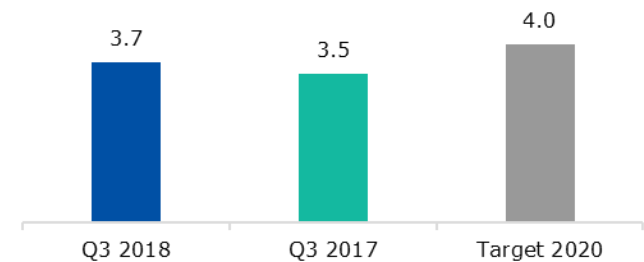
Customer highlights Q3 2018

- Transactional Net Promoter Score (TNPS) of 66 (59) with significant improvement for especially Private Norway
- Retention improved in all business areas
- Awareness of Customer Bonus improved especially for Non-customers

TNPS

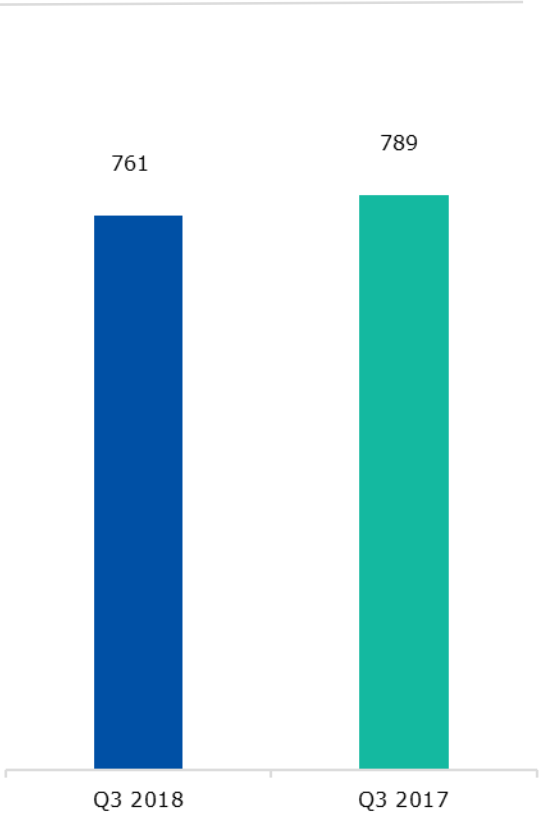


Number of products per customer

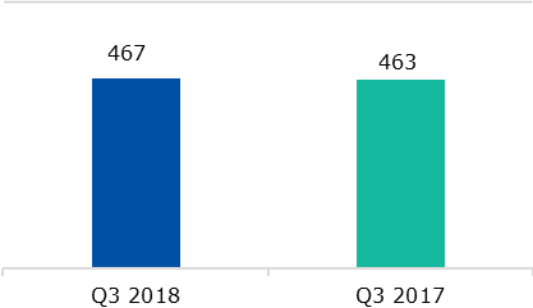


Slightly lower technical result driven by higher large & weather claims

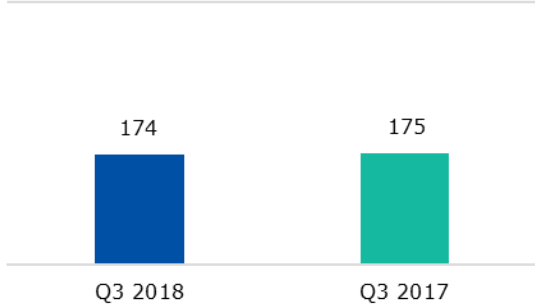
Group (DKKm)



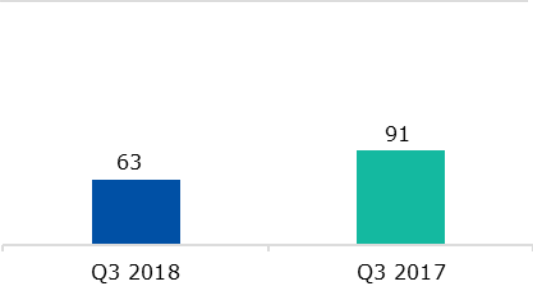
Private, DK & NO (DKKm)



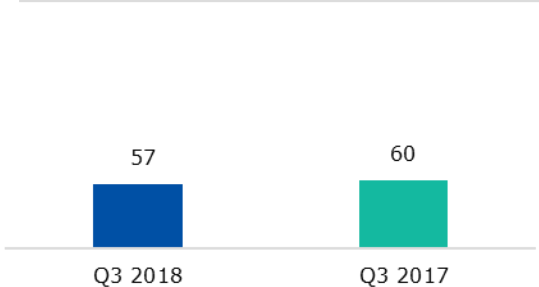
Commercial, DK & NO (DKKm)



Corporate (DKKm)

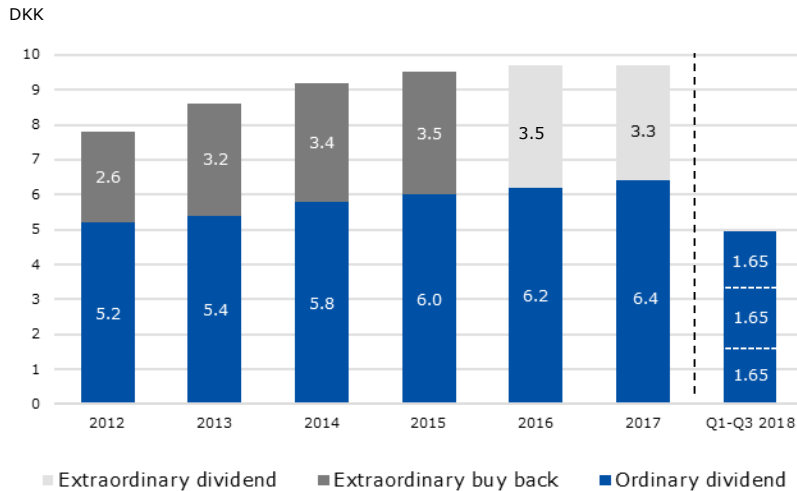


Sweden (DKKm)



Shareholders' remuneration

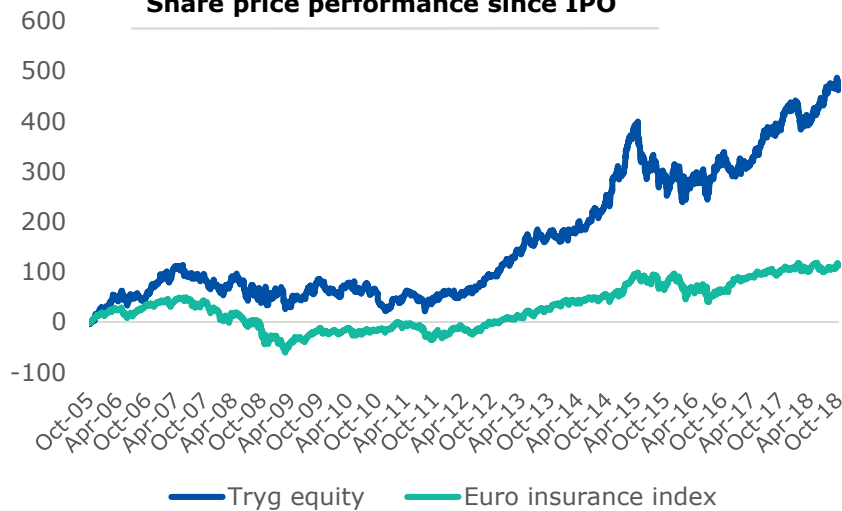
Shareholder remuneration since 2012



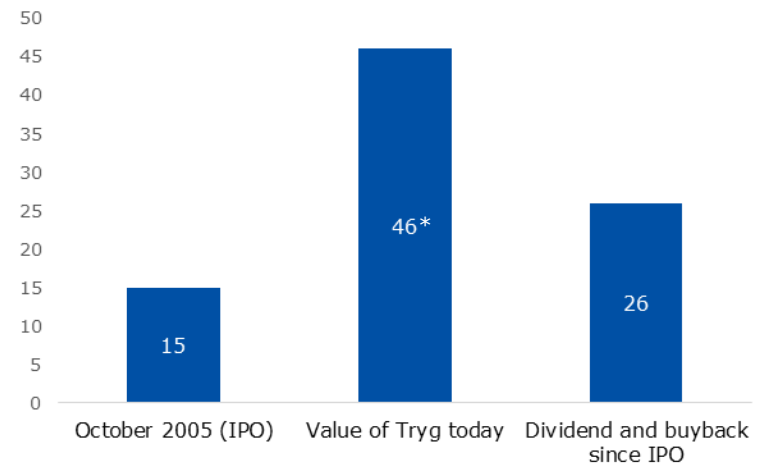
Strong focus on shareholders' remuneration

- Q3 DPS 1.65
- Aiming for a nominal and stable increase in ordinary dividend (annual)
- No extraordinary dividend to be expected for the FY 2018
- High profitability and low growth implies limited increase in capital requirement

Share price performance since IPO



Value of Tryg since IPO (DKKbn)



* Including the DKK 4bn raised for the Alka acquisition

Strategic initiatives



Claims Excellence (DKK 600m in 2020)

- Requirement for a 'fire tracer' led to a lower level of fire-related claims for agriculture in Denmark (approx DKK 10m).
- Higher level of fraud claims identified (up 25%).
- Tryg increased the number of claims procurement agreements in the Property area.
- Increased number of customers using Tryg's preferred partner for courtesy cars (up from 65% (Q3-17) to 75% (Q3-18))



Product & Service Innovation (+DKK 1bn in 2020+)

- New motor insurance product "SideKick" in Norway for young drivers rewarded depending on driving behavior. (Similar product in DK accounts for 50% of sale to young customers)
- Tryg Health app launched in Denmark giving customers a quick overview of the services they can access.
- New House insurance product including rat blocker launched in Denmark. 30% of products sold includes rat blocker.
- Corporate in Denmark launched training programme app related to workers' compensation that will help the injured to recover quickly.



Digital Empowerment of Customers (DKK 100m in 2020)

- Commercial Norway first company in the market to launch online sales
- The number of logins to Tryg's digital universe increased by 40 % compared to 2017
- Tryg's 'Track & Trace' solution launched in Q1 2018 have been used by more than 100,000 customers.
- Claims reported online increased to 33% (26%)



Distribution Efficiency (DKK 150m in 2020)

- New concept launched for Private online customers in DK where customers receive a gift card when buying online. Online sales more than doubled.
- Private started up with agents in DK – similar to franchise channel in Norway (Approx 15.000 DKK /6. products pr customer)
- Commercial in DK started up with low cost sales agents - a combination of traditional sales agents and customer service sales.

Alka: Strong financial track record

- Alka reported a Q1-Q3 technical result of DKK 276m driven by a Combined ratio of 84
 - Premiums growth was 4% while the run-off result was 5%
- Tryg on September 25 commented on the Alka approval process. "Tryg has submitted non-structural remedies expected to resolve the concerns". "The approval process...is expected to be finalised within the end of 2018"
- Tryg expects a Solvency ratio at approximately 170 when Alka is consolidated

DKKm	2013	2014	2015	2016	2017	Q1-Q3 2017	Q1-Q3 2018
Non-life							
Premium growth		4 %	3 %	0 %	4 %	3 %	4 %
Technical result	368	335	357	191	331	288	276
Combined ratio	82%	84%	83%	91%	85%	82%	84%
Run-off gains (%)	11%	10%	12%	7%	10%	8%	5%



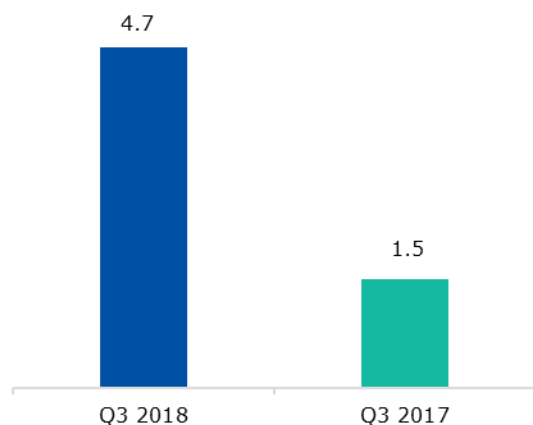
Premiums and portfolio

Group premiums up 4.7% in Q3

- Group premiums were up 4.7% in local currencies, or 3.0% excluding portfolio acquisitions
- Private growth of 5.3% with positive trends in Denmark and especially in Norway
- Commercial growth of 2.9% with positive trends particularly in the Norwegian commercial segment
- Corporate growth of 5.8% driven by price increases, good growth of Tryg Garanti and low risk fronting business
- Sweden increased by 5.2%, primarily driven by a continuously strong growth in the pet insurance & affinity segment

Gross earned premiums development

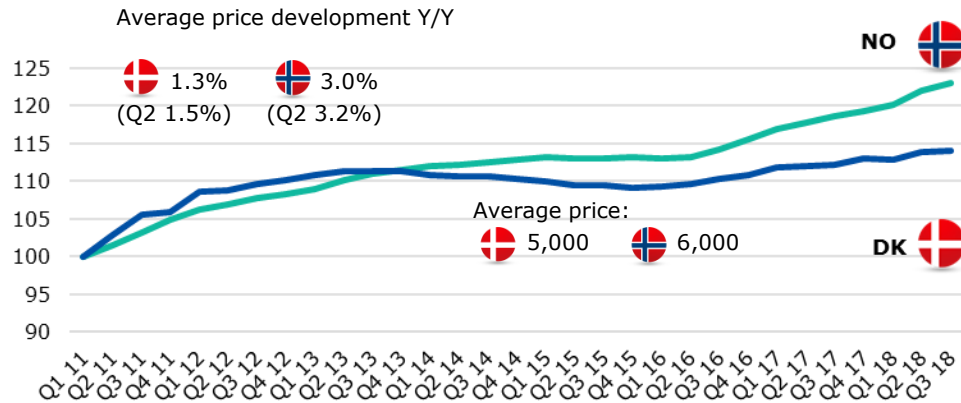
(Local currencies)



DKKkm	Q3 2018	Q3 2017	Local currencies Q3 2018	Local currencies Q3 2017
Private	2,309	2,211	5.3%	1.2%
Commercial	994	971	2.9%	-0.6%
Corporate	991	975	5.8%	-0.1%
Sweden	411	420	5.2%	11.0%
Group	4,696	4,576	4.7%	1.5%

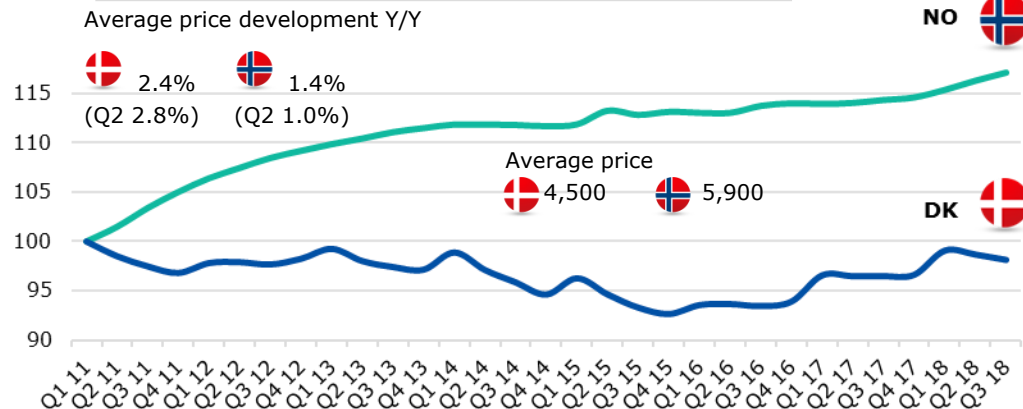
Private - average prices

House insurance – average price (index 2011 = 100)



- DK: 1.3% positive development reflects both price increases and conversion
- NO: 3.0% positive development reflects primarily price increases

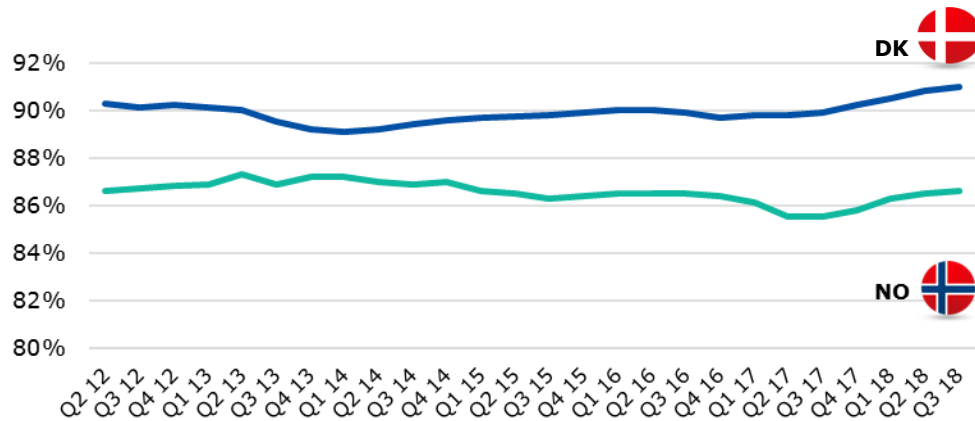
Motor insurance – average price (index 2011 = 100)



- DK: 2.4% positive development reflects both price increases and conversion
- NO: 1.4% positive development reflects underlying price increases. Average motor price is higher in Norway reflecting primarily different type of cars

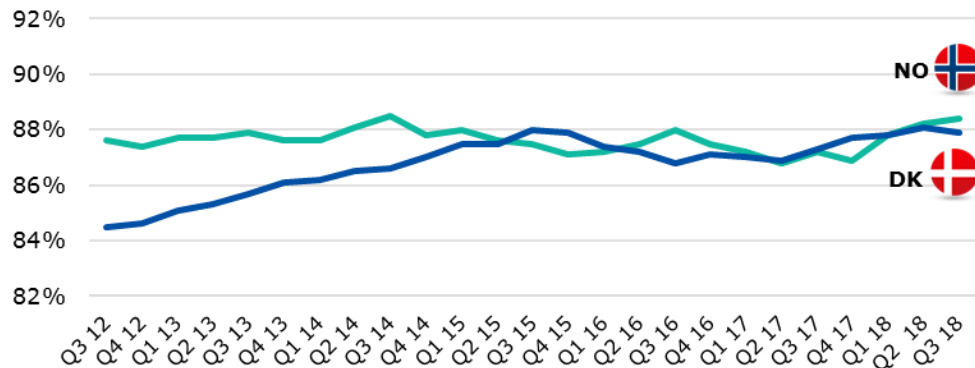
Customer retention improving

Private



- DK: customer retention at 91.0% (89.9%) highest level in five years
- NO: customer retention up to 86.6% (85.5%) showing an improved trend

Commercial



- DK: customer retention at 87.9% (87.3%) remains at a high level
- NO: customer retention at 88.4% (87.2%) showing an improved trend

Claims and expenses



Underlying claims ratio improving

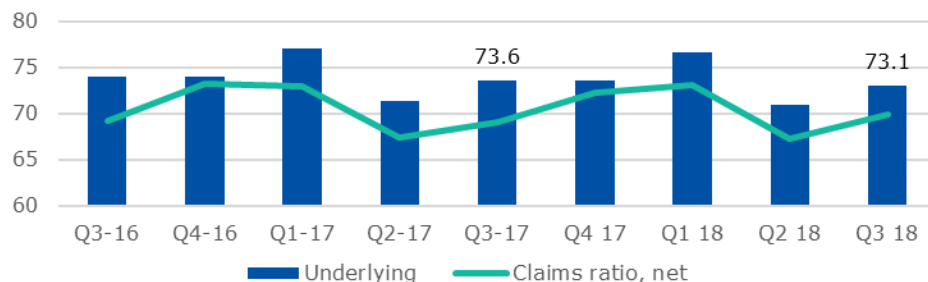
Group underlying claims ratio at 73.1, 50bps better than adjusted Q3 2017

Private underlying claims ratio at 68.4, 50bps better than Q3 2017

Corporate profitability remains under pressure

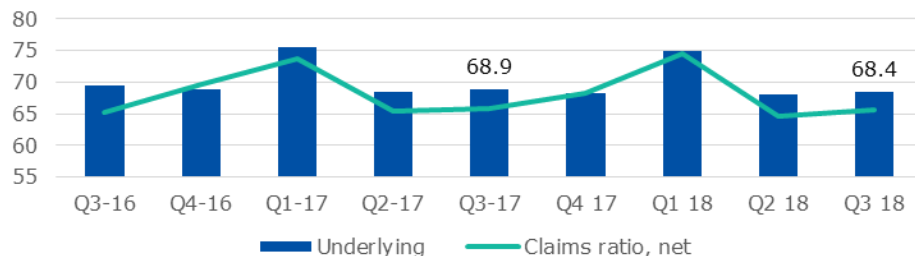
"Expected FY 2018 underlying claims ratio better than FY 2017"

Group



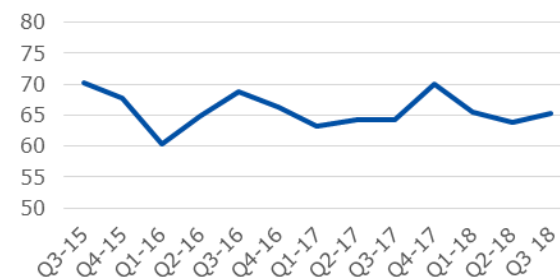
Underlying development is adjusted for run-off, large claims, weather claims and interest.

Private (DK & NO)

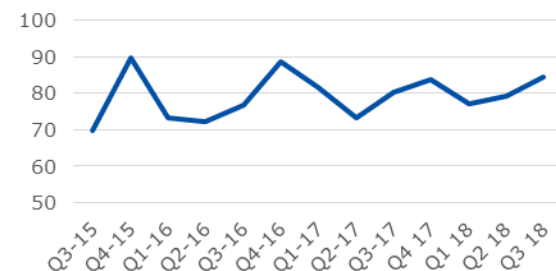


Underlying development is adjusted for large claims, weather claims, run-off and interest.

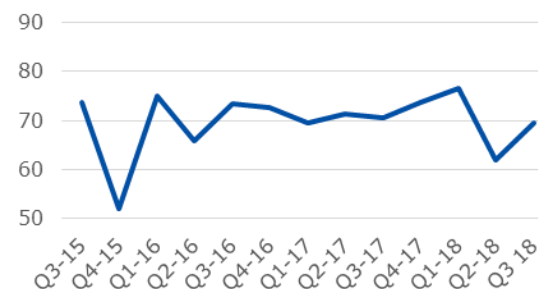
Claims ratio, net (Commercial DK & NO)



Claims ratio, net (Corporate)

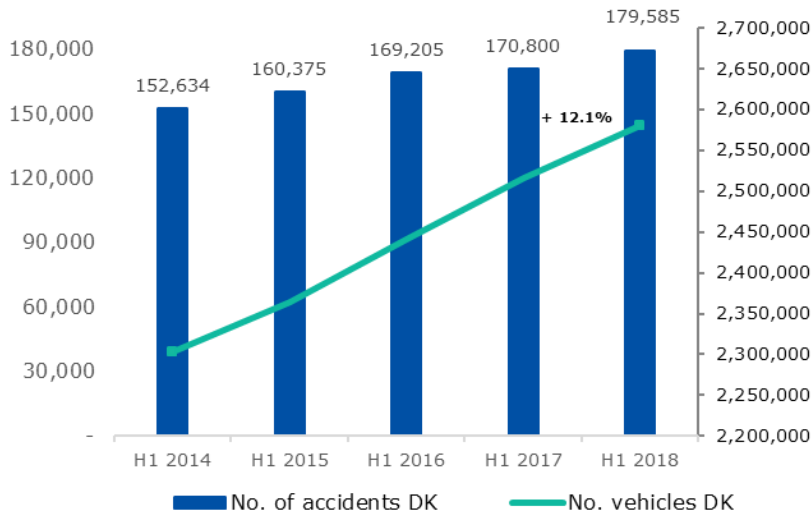


Claims ratio, net (Sweden)



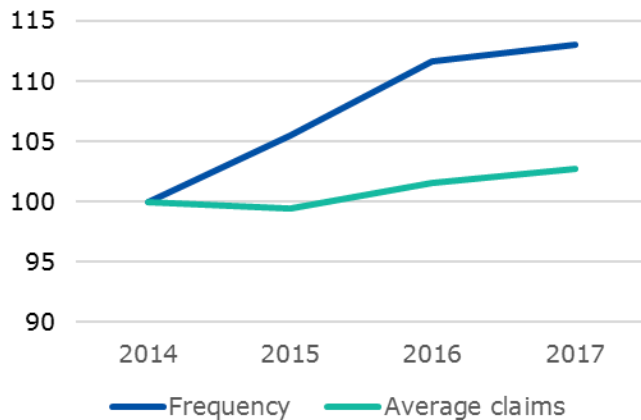
Motor insurance (Denmark), not all claims are coming down

Number of accidents and vehicles DK, H1



Source: Insurance & Pension Denmark

Motor, comprehensive



New headlights are becoming more technology intensive

Adaptive high beam

A headlight control system that continuously tailors the headlamp range, so the beam only reaches other vehicles ahead, thus always ensuring maximum seeing range without glaring oncoming traffic



from glare, while a Glare-free high beam and pixel light

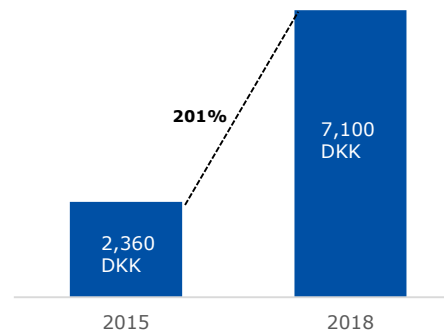
Glare-free high beam is a camera-driven and dynamic lighting control system, that selectively shades spots and slices out of the high beam pattern to protect oncoming traffic lways providing the driver with maximum seeing range

Intelligent Light System

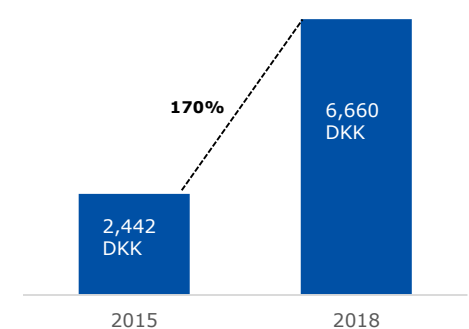
Different lighting that is suited to typical driving or weather conditions

Headlights, price increases % from 2015-2018

MERCEDES-BENZ CLA

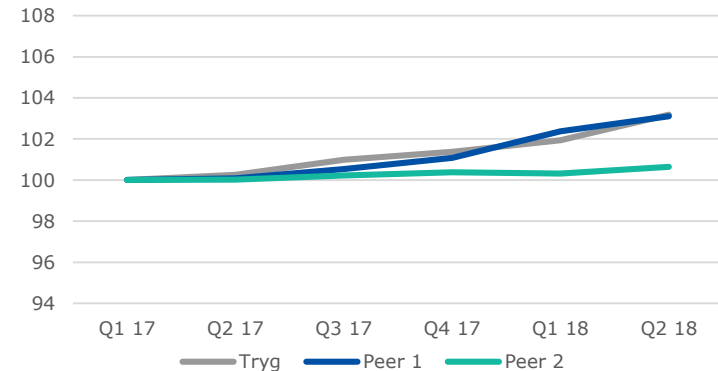
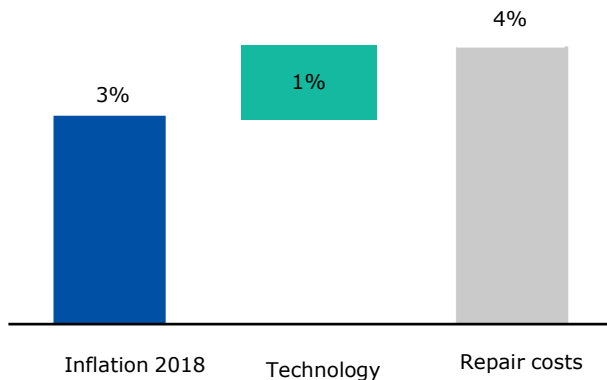


VW PASSAT

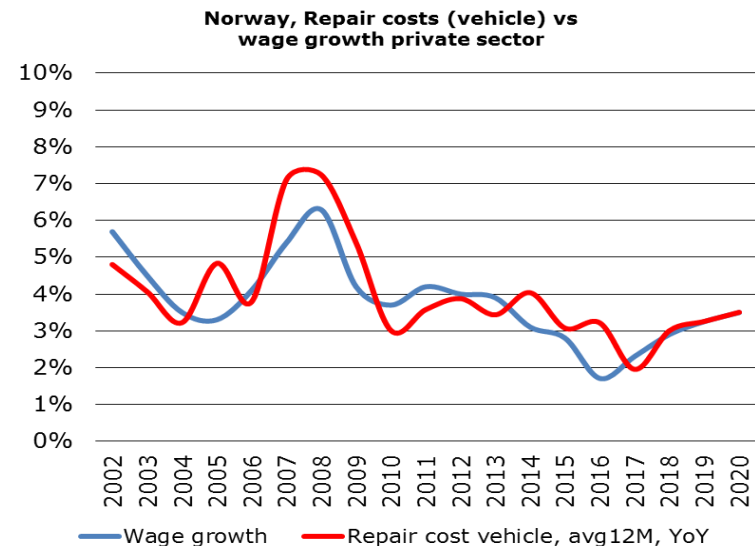


Motor-insurance (Norway) – Claims inflation

- Tryg is pushing through price increases around 5% in Motor Norway
- Norwegian Motor claims inflation approximately 4%
- Some Electric and Hybrid cars have different risk profiles compared to normal cars
- Norway is the country in the world with the highest % of Electric and Hybrid cars



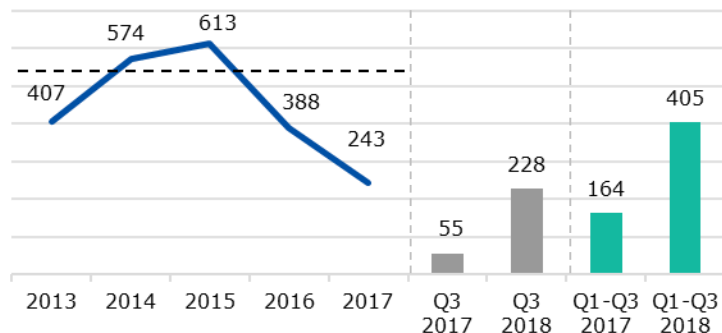
Source: Finance Norway (fno.no)



Large claims, weather claims and run-off

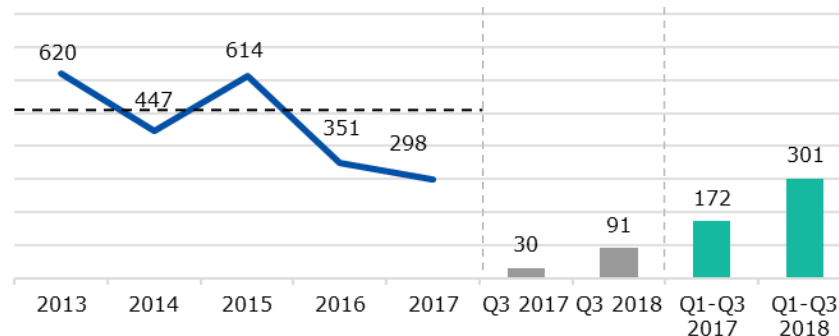
Large claims, net DKKm

Expected annual
level 2018: DKK 550m

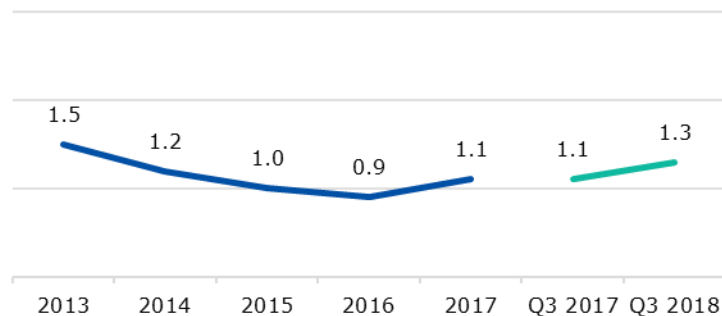


Weather claims, net DKKm

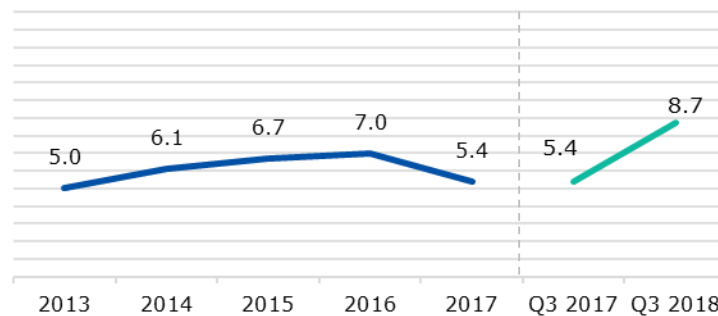
Expected annual
level 2018: DKK 500m



Claims reserves discounting rate (%)



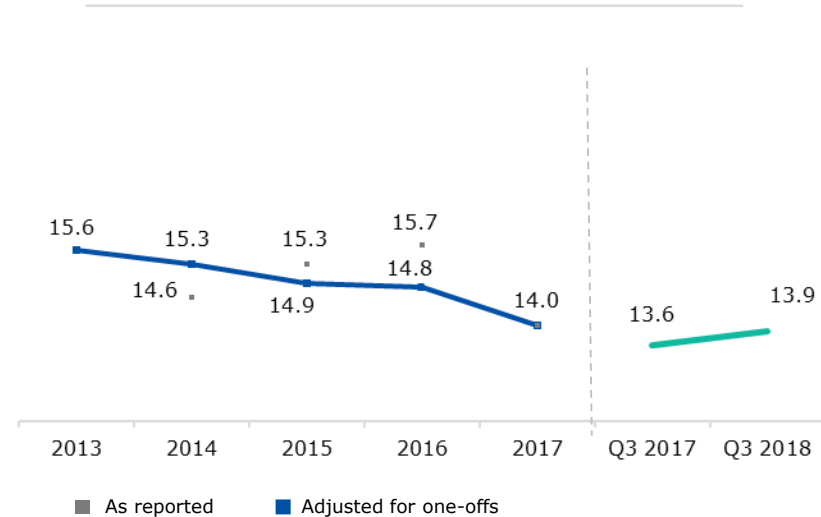
Run-off net, effect on combined ratio (%)



Expense ratio of 13.9 in line with the ~14% target in 2020

- Efficiency initiatives in 2017 reduced overall costs
- Investments in digitalisation will somewhat offset further efficiency gains
- Expense ratio target for 2020 around 14%
- Higher number of employees driven by portfolio acquisitions (Troll in Q2 vs Q1) and IT in-sourcing

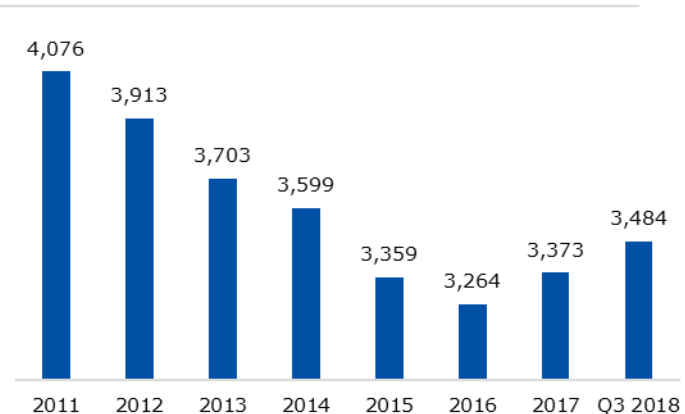
Expense ratio



Expense ratio by business areas



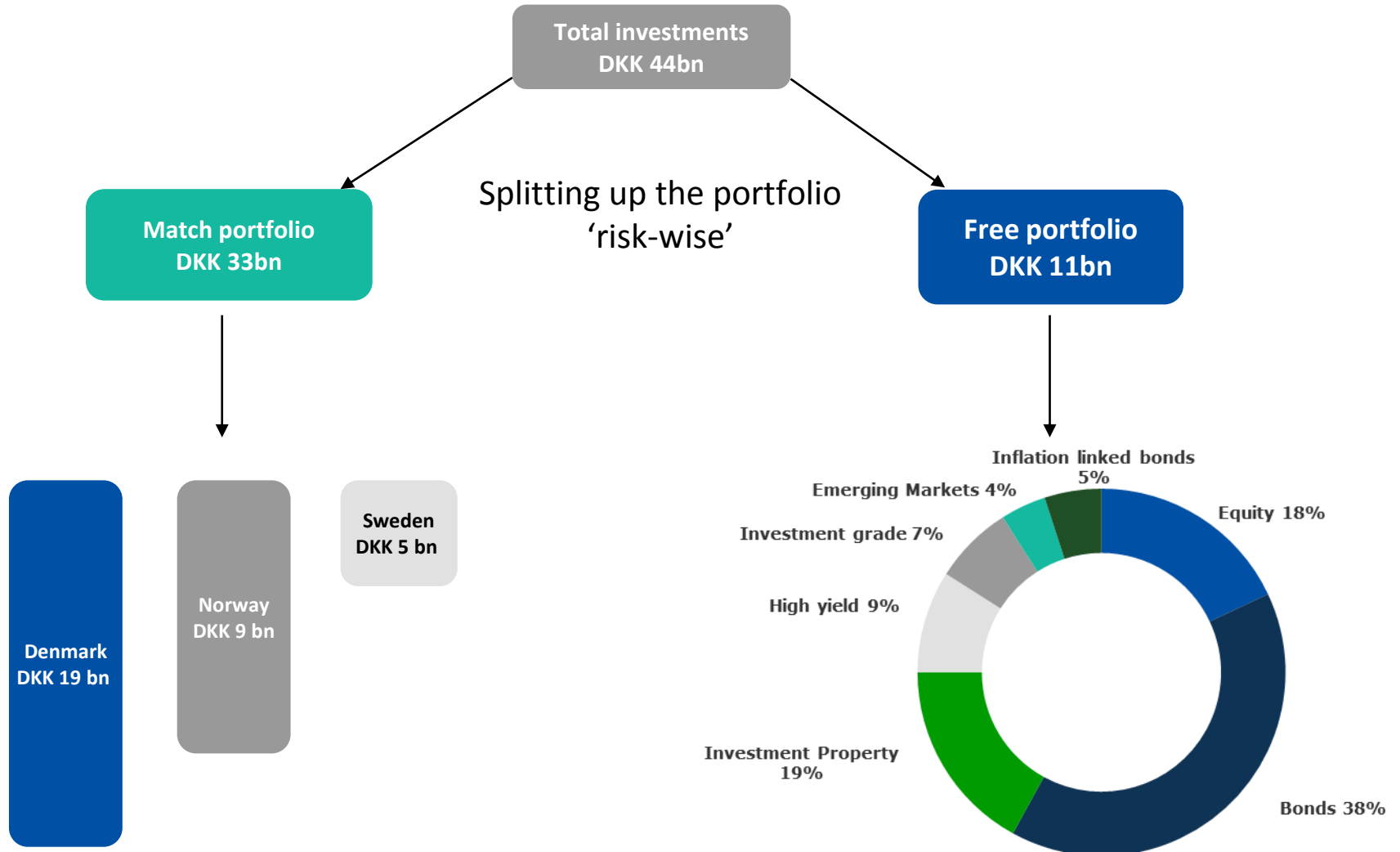
FTE - Development



A pair of black-rimmed glasses and a black pen are resting on a document. The document features a line graph with multiple data series. A solid red horizontal band is superimposed over the middle of the image, containing the text 'Investment, capital and targets' in white. The background is a light blue-grey color.

Investment, capital and targets

Investments – Split in Match & Free portfolio

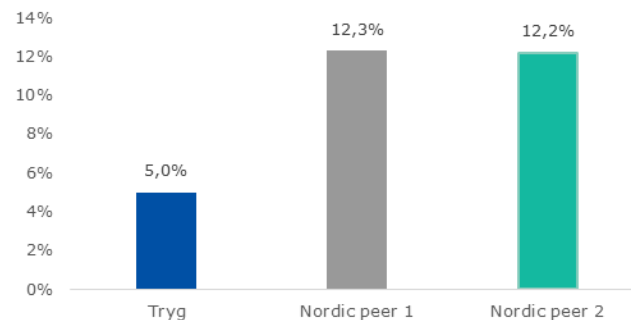


Investment return – low risk remains key

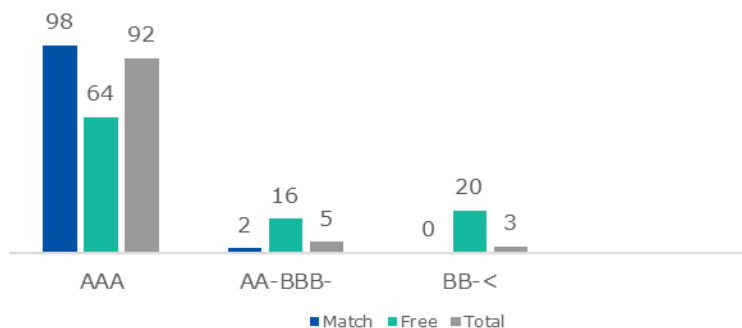
Key figures - Investments

DKKm	Q3 2018	Q3 2017	2017	2016
Free portfolio	101	124	598	939
Match portfolio	25	38	227	210
Other financial income and expenses	-47	-75	-298	- 162
Total investment return	79	87	527	987

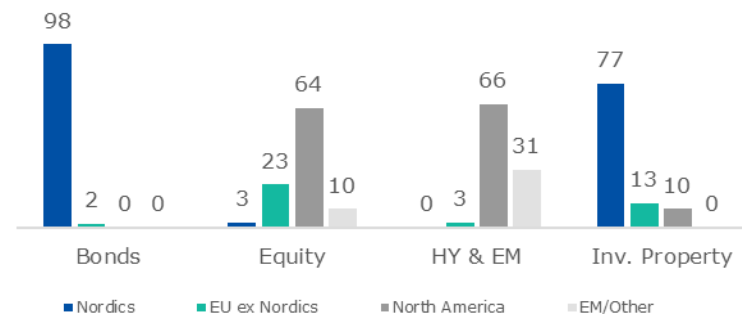
Market risk as % of total investments, YE 2017



Fixed income portfolio credit rating (%)

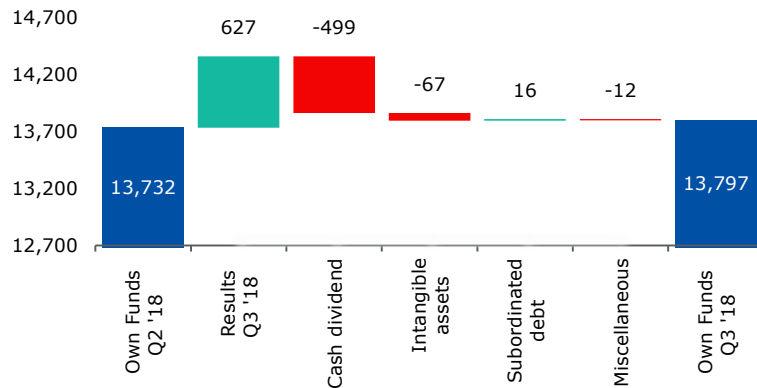


Different asset classes Geographical exposure (%)

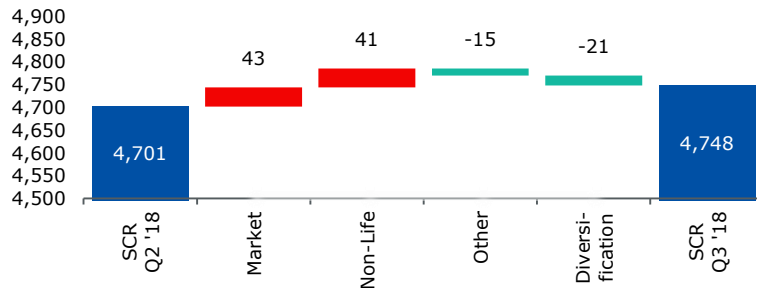


Solvency position Q3 2018

Own funds walk



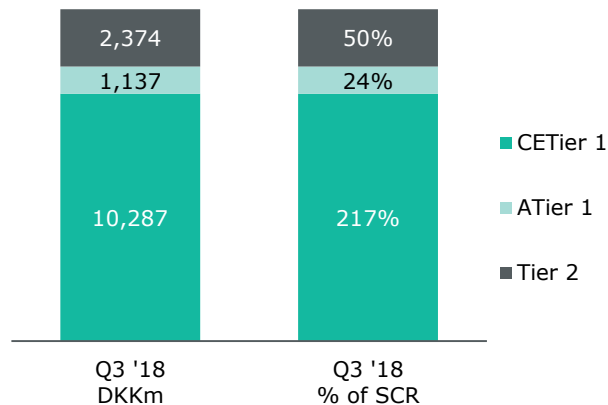
Solvency capital requirement walk



- Solvency ratio based on the Partial Internal Model is 291 (Q2 2018: 292).
 - Own Funds (OF) is primarily impacted by
 - Result Q3 2018 of DKK 627m
 - Dividends Q3 of DKK 499m
 - SCR broadly similar to Q2 2018
- Based on Solvency II Standard Formula the solvency ratio is 236 (Q2 2018: 235)
- Solvency ratio remains expected around 170 when Alka will be consolidated

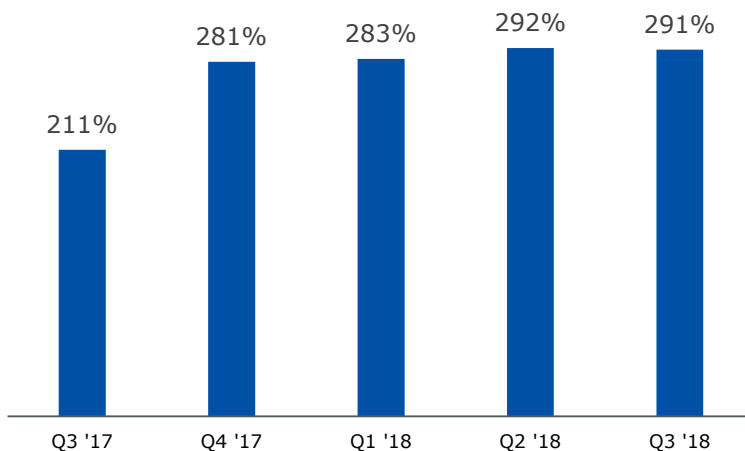
Capital and solvency ratio development

Capital Tiers as % of SCR

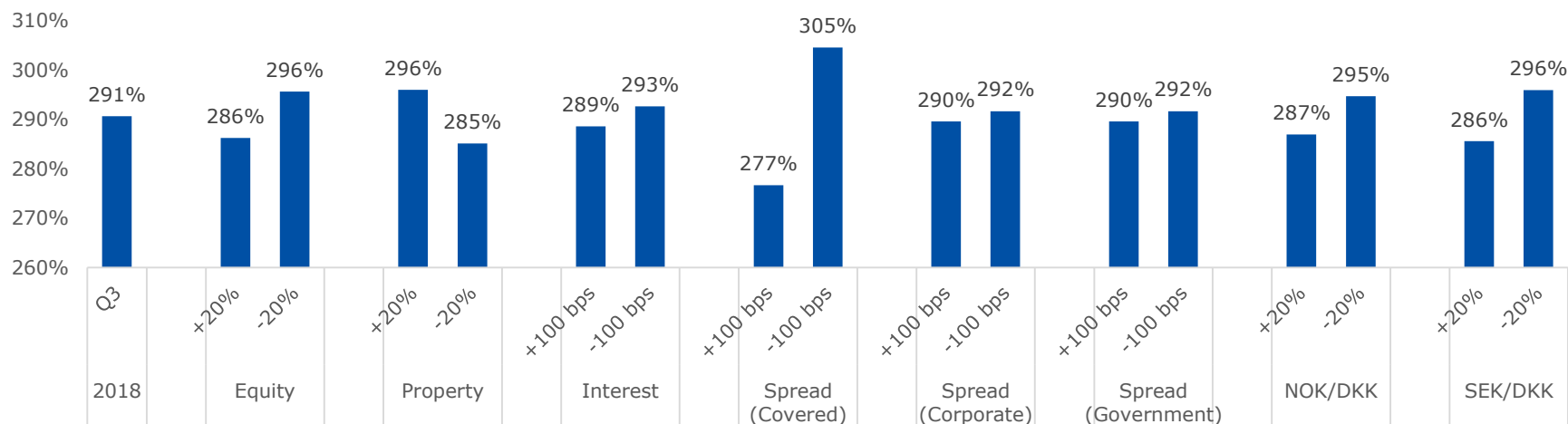


- Tier 2 capacity fully utilized.
- Tier 1 capacity for practical purposes fully utilized after ATier 1 issue of SEK 700m in Q1.
- The Danish FSA has explained that a ratio lower than 125 would result in increased surveillance.
- Solvency ratio development mostly a function of net profits (+) and dividends (-). Underlying development should remain pretty stable.

Solvency ratio development



Solvency ratio sensitivities



- The Solvency II ratio shows the highest sensitivity to spread risk for covered bonds
 - Assumption is for a 100bps widening/narrowing of our entire fixed income book (Danish government bonds, Danish mortgage bonds, Norwegian government bonds, high yield etc.)
 - Biggest spreads sensitivity (by far) in the fixed income area is towards covered bonds. Corporate and Government bonds sensitivities are low as exposure to these assets classes is low
- The Solvency II ratio is not highly sensitive to equity markets movements as most of the 'Own funds' hit from a sharp fall in equity markets would be offset by a lower capital requirement (lower market values combined with the effect of a reduced charge due to equity-dampener)
- Interest rate risk is very low as function of our matching strategy

Targets and outlook

- ✓ Efficiency programme concluded, new financial targets announced
- ✓ Member bonus of 8% in June 2018
- ✓ Price increases to offset claims inflation

Targets post Alka acquisition

Financial targets, 2020

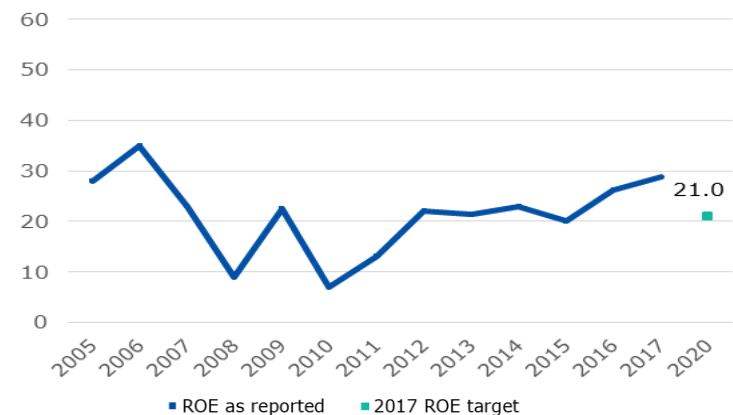
Technical result	DKK 3.3bn
Combined ratio	≤ 86
Expense ratio	~ 14
ROE after tax	≥ 21%

Customer targets, 2020

TNPS	70
No. of products per customer	+10 %

- ✓ 2018 underlying topline growth between 0-2%
- ✓ 2018 expected tax rate around 24%
- ✓ A one off-charge of DKK200m is expected to be booked in Q4 2018 following the approval of the Alka transaction. This was mentioned in December 2017, when the deal was disclosed (Slide 12 Tryg acquires Alka presentation)
- ✓ Alka acquisition will result in annual depreciation of customer relations of approximately DKK 100-150m within a 5 to 7 years period. Solvency position (hence dividend capacity) not impacted by the P&L charge
- ✓ No extraordinary dividend to be expected for 2018 under normal business and capital markets developments

ROE after tax (%)



It is important to know your investment case

"Do you know the only thing that gives me pleasure?

It's to see my dividends coming in."

John D. Rockefeller

Q3 roadshows & conferences

Date	Place	Participants from Tryg	Arranged by
11/10/2018	Copenhagen	Morten Hübbe, CEO Lars Bonde, COO Investor Relations	Nordea
23/10/2018	Oslo	Espen Opedal, Head of Tryg Norway Peter Brondt, IR Manager	DnB
24/10/2018	Amsterdam	Hans Arnum, Head of Commercial DK Peter Brondt, IR Manager	DnB
25/10/2018	London	Johan Kirstein Brammer, CCO Gianandrea Roberti, Head of IR	Berenberg
25/10/2018	Dublin	Peter Brondt, IR Manager	Mediobanca
05/11/2018	Munich	Lars Bonde, COO Peter Brondt, IR Manager	Deutsche bank
13/11/2018	Paris	Morten Hübbe, CEO Gianandrea Roberti, Head of IR	Exane
29/11/2018	Copenhagen	Johan Kirstein Brammer, CCO Gianandrea Roberti, Head of IR	Nordea Financial Seminar
03-05/12/2018	Tokyo	Johan Kirstein Brammer, CCO Gianandrea Roberti, Head of IR	Goldman Sachs