

# Tryg Capital Markets Day

December 4, 2024

***United Towards '27***

*Leveraging scale to drive technical and commercial excellence*



In 2023, Tryg welcomed a new CEO and Executive Board; the management team balances experience and competence, united in leading Tryg towards '27

**Executive Board (EB)**



**Group CFO**  
**Allan Kragh Thaysen**

EB since: 2023  
Tryg since: 2018  
Years in industry: 19



**Group CCO**  
**Alexandra B. Winther**

EB since: 2023  
Tryg since: 2020  
Years in industry: 4



**Group CEO**  
**Johan K. Brammer**

EB since: 2018  
Tryg since: 2016  
Years in industry: 8




**Group CTO**  
**Mikael Kärrsten**

EB since: 2023  
Tryg since: 2022  
Years in industry: 21



**Group COO**  
**Lars Bonde**

EB since: 2006  
Tryg since: 1998  
Years in industry: 40

A circular inset image showing a family of four (father, mother, and two children) laughing joyfully together in a living room setting.

Our purpose is more relevant than ever before

**In a changing world, we make it easier to be 'tryg'**

# 2027 financial targets are the most ambitious in Tryg's history



Strengthen **market leading profitability**



**~81%** combined ratio



Generate resilient growth in **insurance service result**



**DKK 8.0-8.4bn**



Deliver best in class **return on own funds**



**35-40%**



Keep strong **shareholders' remuneration focus** intact

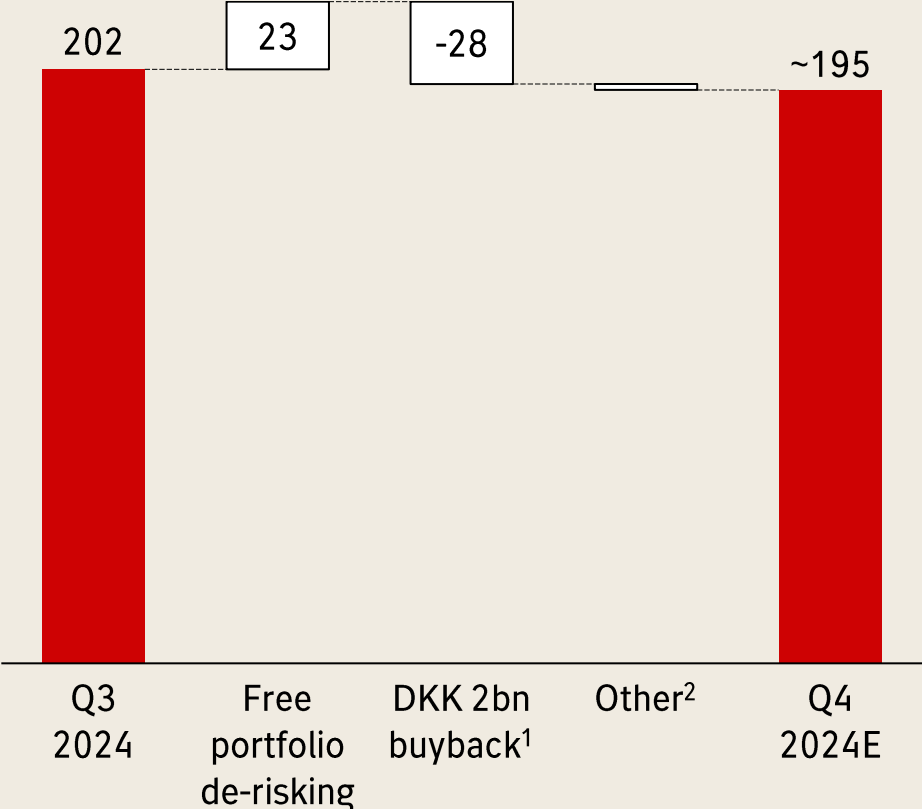


**DKK 17-18bn**, including DKK 15-16bn ordinary dividend range during 2025-2027 and DKK 2bn extraordinary share buyback

*As always, assuming current interest rates, currency levels and guided large/weather claims*

# Launch of DKK 2bn extraordinary share buyback, enabled by de-risking of investment portfolio

Expected solvency development, %



Enabled by strong solvency position and de-risking of **Free portfolio**, which include sale of equities and corporate bonds, releasing ~800m SCR (further elaboration in financial section)



Expected Q4 2024 **solvency of around 195%** including extraordinary share buyback



Following the RSA Scandinavia acquisition, **Tryg chose a more conservative approach to solvency, which has served us well** in an ongoing turbulent macro environment



Annual, year-end assessment of solvency position is also driven by ambitious return on own funds target. Long term, we expect to gravitate towards a **less conservative level**

1) Extraordinary buyback approved by FSA and launched according to the Safe Harbour method (start date 4<sup>th</sup> Dec 2024); 2) Other includes currencies, organic capital generation, capital repatriation and other SCR movements

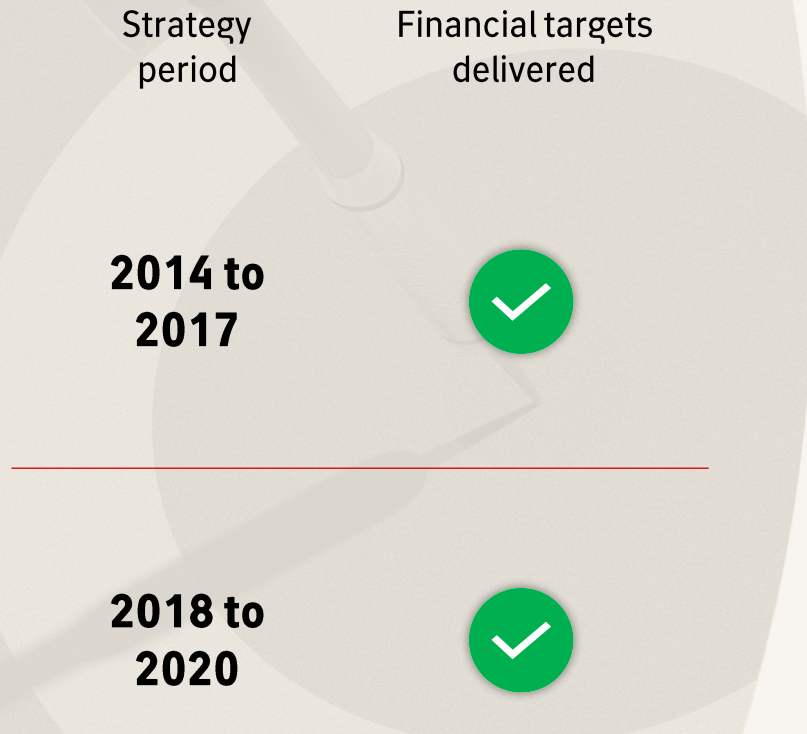
# Agenda

- 1 **Follow-up on CMD targets for 2024**
- 2 **Summary of 2027 strategy**
- 3 **Strategic pillars for 2027**
  - 3.1 *Scale & Simplicity*
  - 3.2 *Technical Excellence*
  - 3.3 *Customer & Commercial Excellence*
- 4 **Sustainability & ESG**
- 5 **Financial & capital management**
- 6 **Concluding remarks**



# Tryg has a long history of delivering on targets

**Tryg has delivered its financial targets in every strategy period for +10 years**



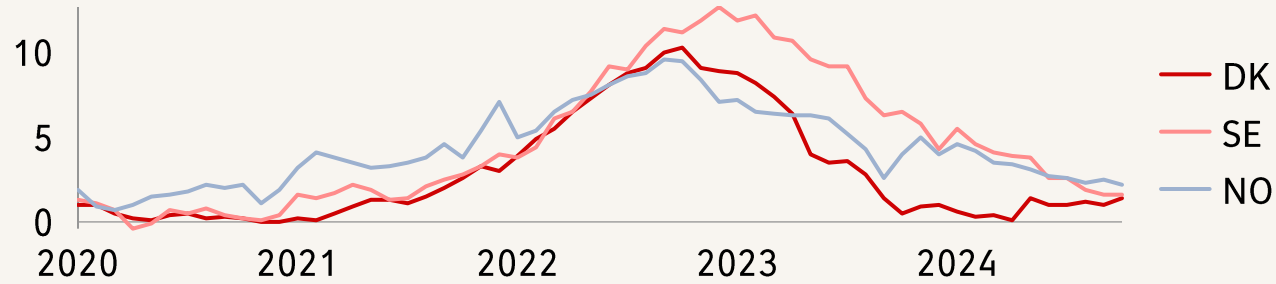
	Key Performance Indicators	Targets 2024	Projected 2024
 <i>Financial</i>	Combined ratio	≤ 82%	
	Insurance service result	DKK 7.2-7.6bn	
	Return on own funds (ROOF)	≥ 25%	
	Expense ratio	~13.5%	
 <i>Strategic</i>	Customer satisfaction	88	<b>Q4 to-date: 87</b> +3pp up since 2020 in period with high inflation
	Reduced CO2 emissions from claims processes	20-25k ton p.a.	
	Growth in value creating actions upon login	≥ 40%	

Near target  
 At target  
 Comfortably at target

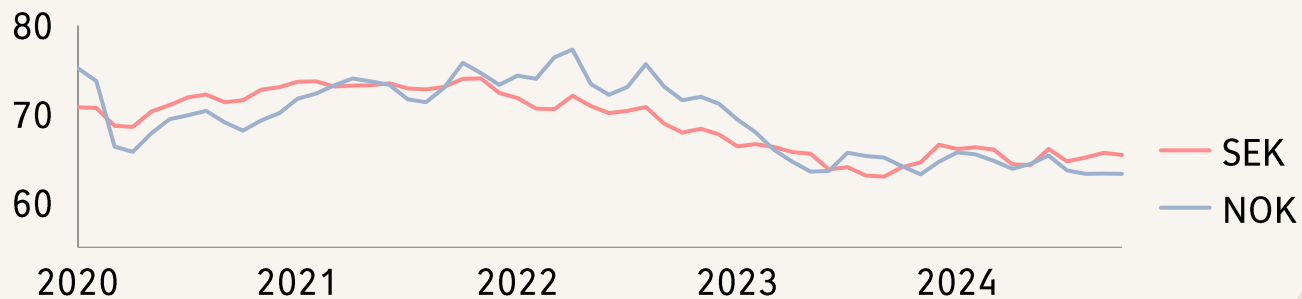
# Tryg has delivered strong results despite significant macro headwinds

## Macroeconomic factors

Inflation, 12-month change in tax-adjusted consumer price index<sup>1</sup>, %



DKK vs. SEK/NOK<sup>2</sup>, monthly average exchange rate



## Geopolitical uncertainty

Post-covid frequency normalisation



Extreme weather



War in Europe

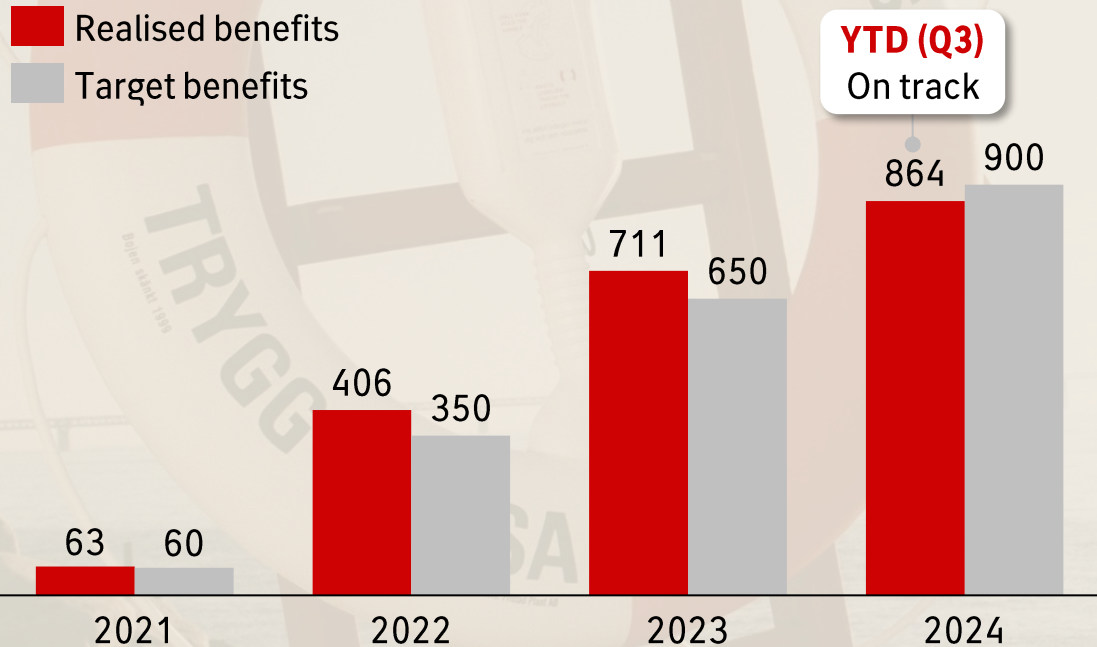




# Tryg has successfully delivered on the acquisition of RSA Scandinavia and gained significant size

## Tryg has delivered on targeted RSA Scandinavia synergies

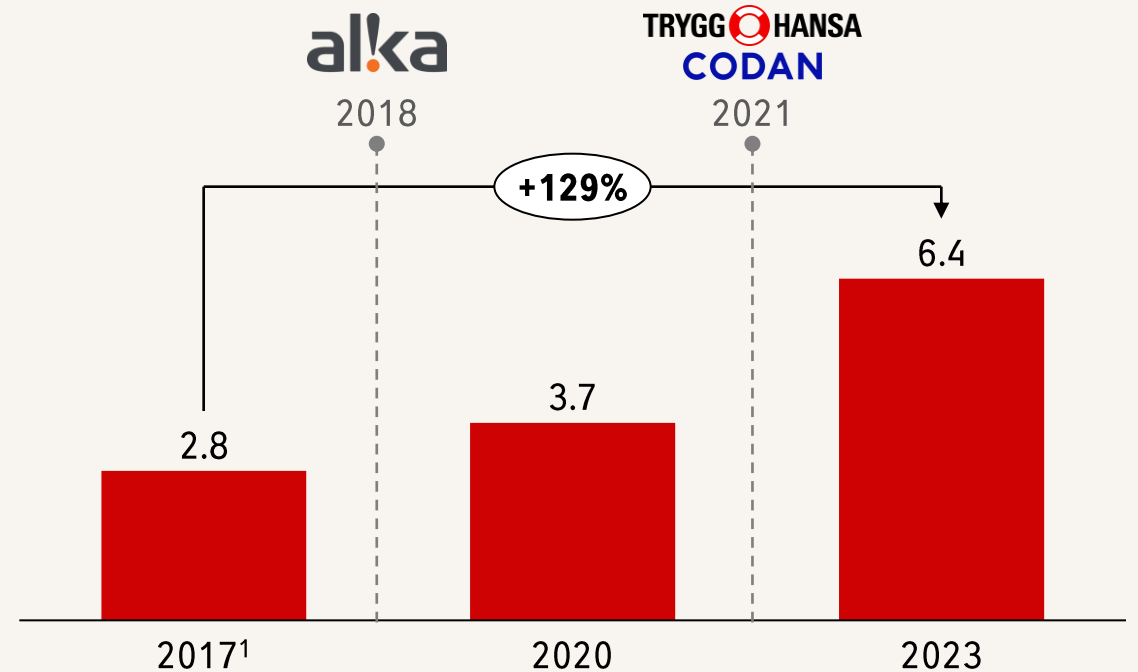
RSA Scandinavia synergy benefits, DKK m



Immediate benefits from scale came primarily from in-market synergies in SE and NO post acquisition

## Tryg has significantly scaled-up due to two large acquisitions

Insurance service result, DKK bn

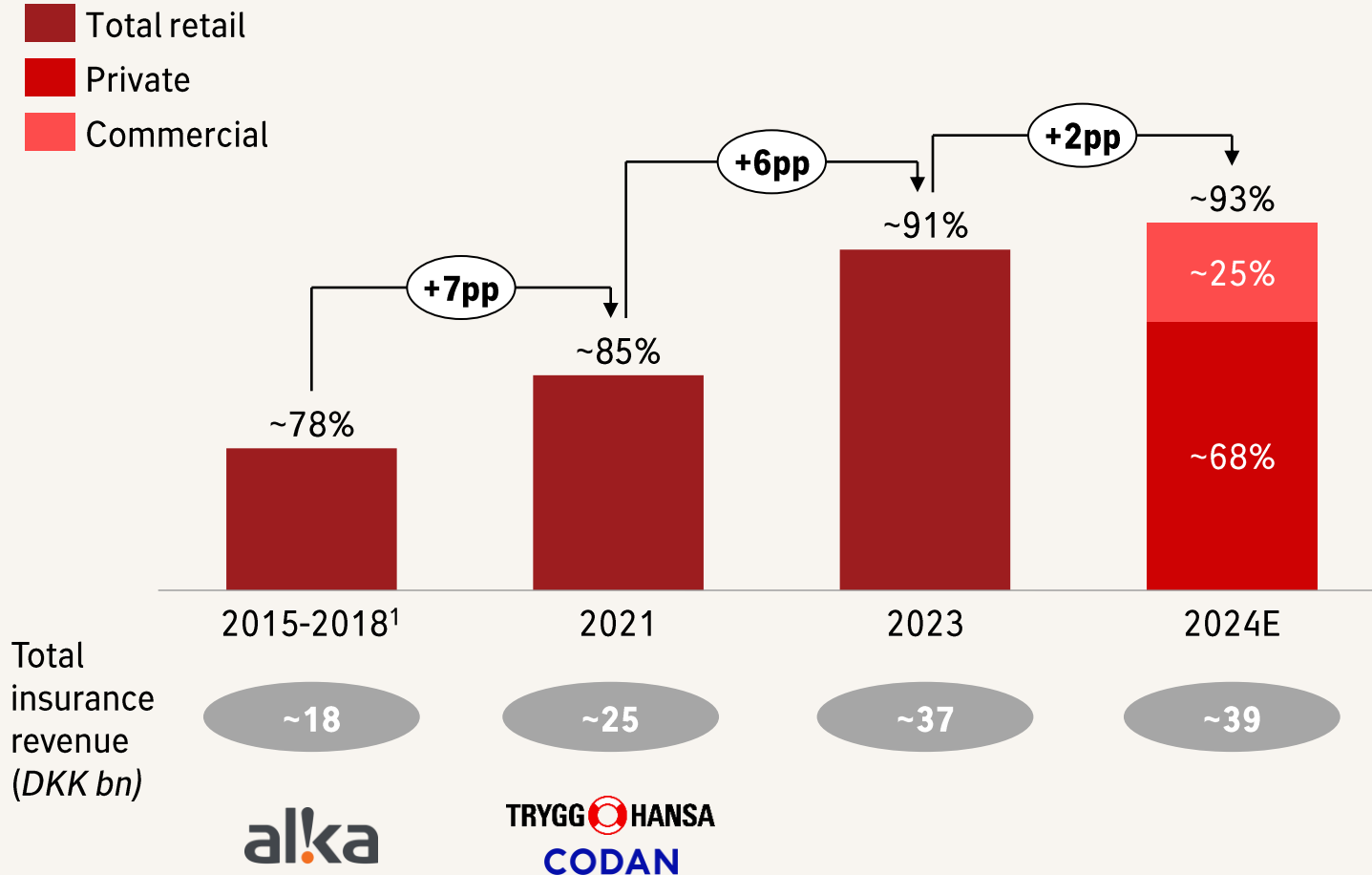


Increased size is now showing further opportunities for more cross-border synergies

1) IFRS 4

# Tryg has strategically increased its retail share to ~93% of insurance revenue, reducing risk and volatility

Retail (private and commercial customers) share of group insurance revenue, %



**Retail segment is highly attractive** as margins are higher, while volatility and capital requirements are lower than other segments

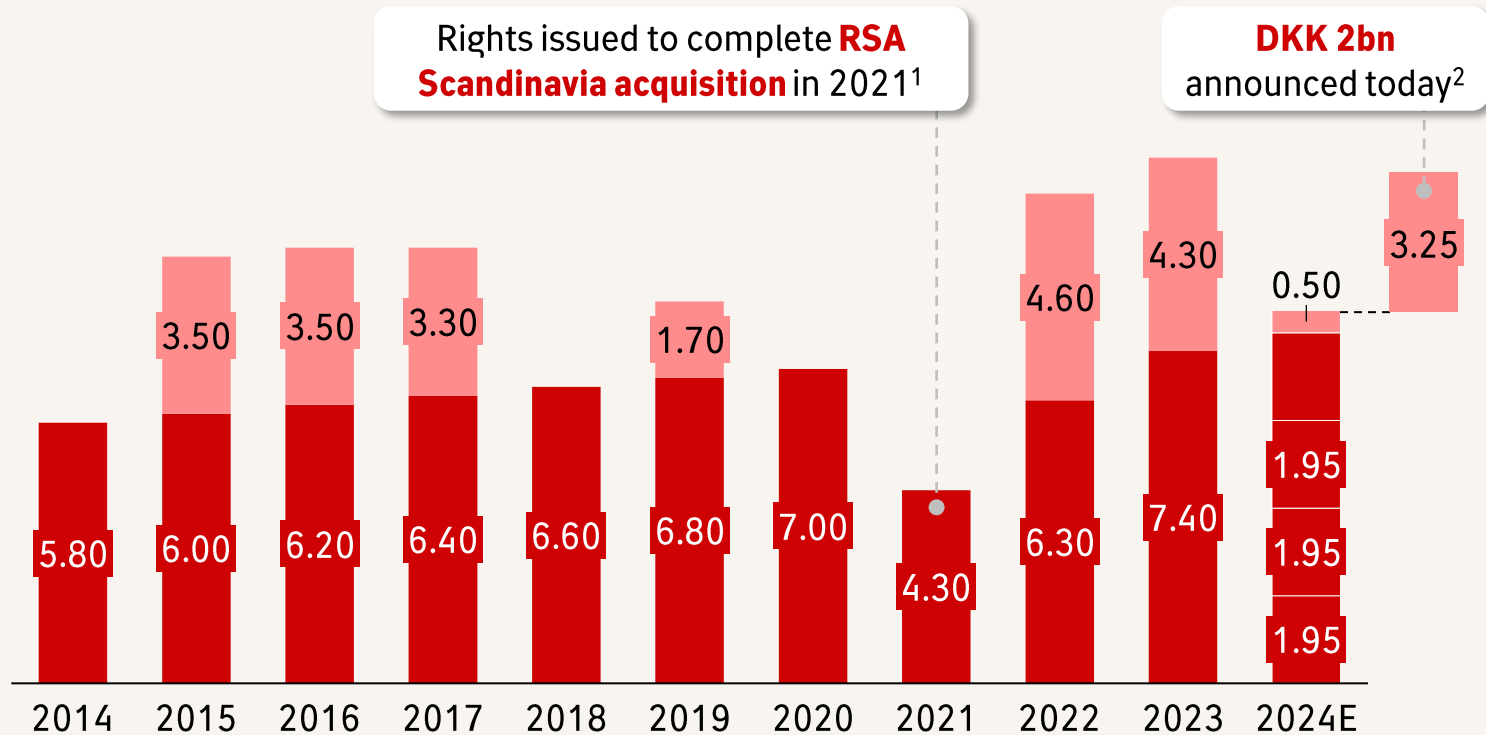
**Tryg has expanded its retail business** through the acquisitions of Alka and Trygg-Hansa/Codan Norway, while also growing retail segments organically

**Tryg has strategically reduced exposure** to large international risks in corporate business since 2021

# Tryg remains focused on producing attractive shareholder returns

Dividend per share, DKK

- Ordinary dividend
- Extraordinary dividend/share buybacks



Tryg has a **strong track-record** of attractive shareholder returns

As promised, **dividend per share in 2023 above pre-RSA Scandinavia acquisition** and related rights issue

**Strong solvency position** strengthens certainty of the ordinary dividend

1) 2021 DPS impacted by the higher number of shares at 653m (301m end of 2020) following the DKK 37bn rights issue to fund the acquisition of RSA Scandinavia; 2) Expected impact of share buyback to be spread out over 2024 and 2025

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# Tryg is a leading insurance company in Scandinavia with 300 years of insurance experience

Tryg has over 5 million customers across Scandinavia, with leading positions in all three markets

**>5 million**  
customers

**>6,500**  
employees

**~1.7 million**  
claims per year



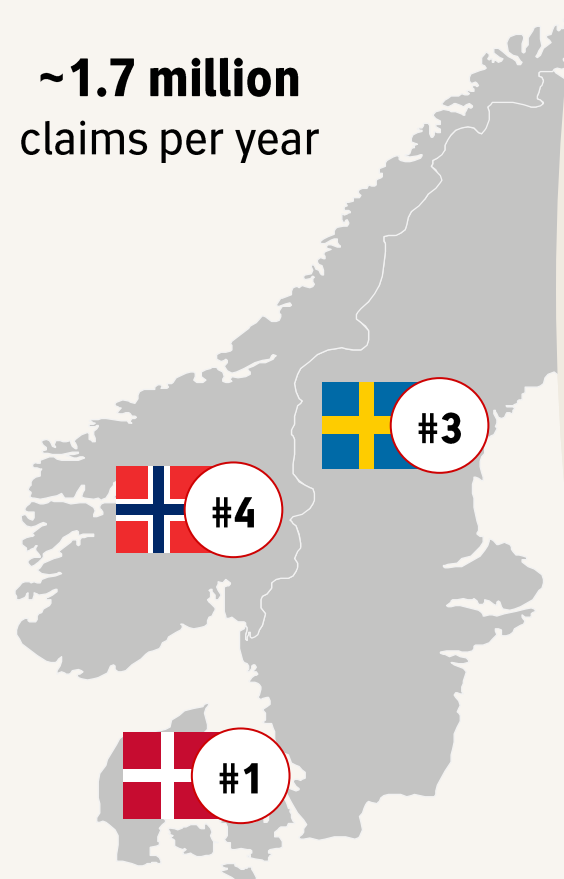
Denmark



Sweden



Norway



Market share  
(Q3 2024)

~24%

~16%

~13%

Insurance  
revenue  
(FY 2023)

DKK 17.4bn

DKK 11.5bn

DKK 8.0bn

Employees  
(Q3 2024)

~3,100

~2,100

~1,300

## Strong portfolio of brands

Non-exhaustive list



TRYGG HANSA

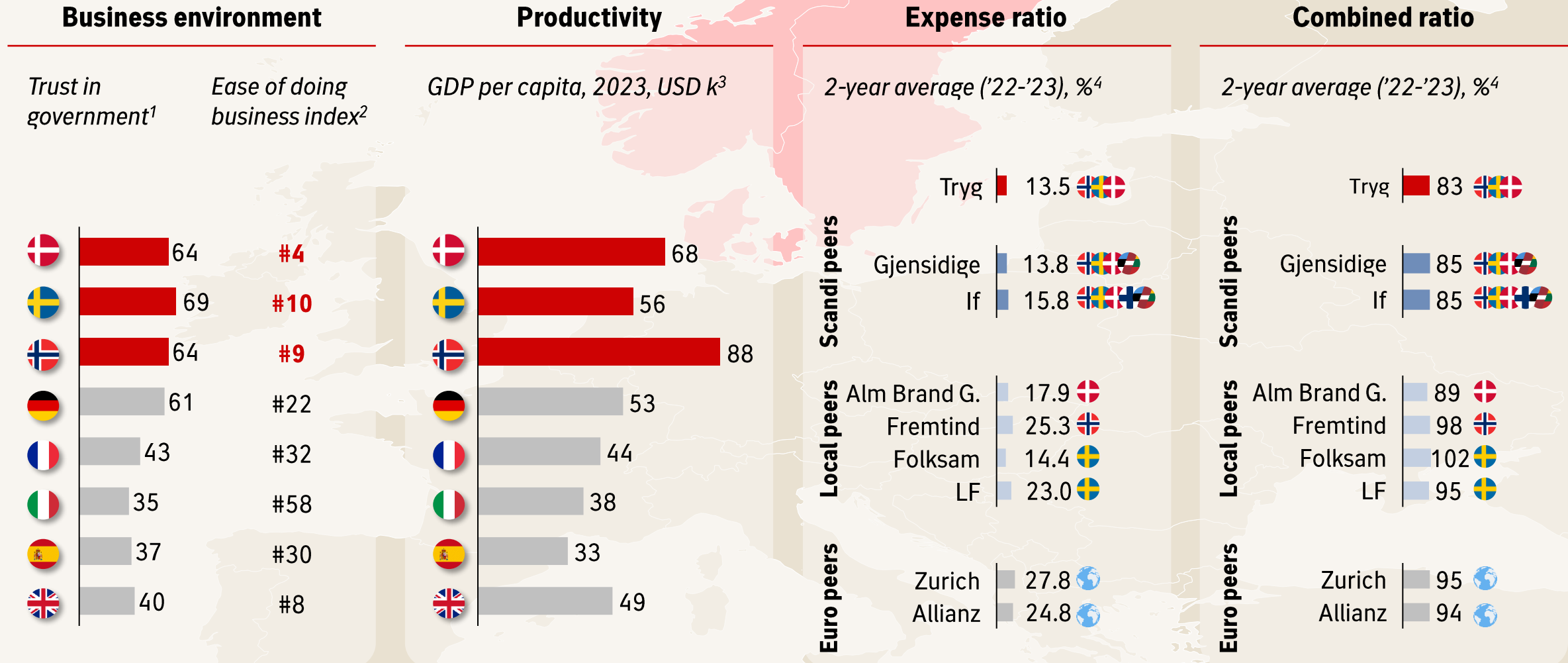
ATLANTICA

Bilsport & Mc  
Specialförsäkring



alka

# Scandinavia is a highly attractive insurance region

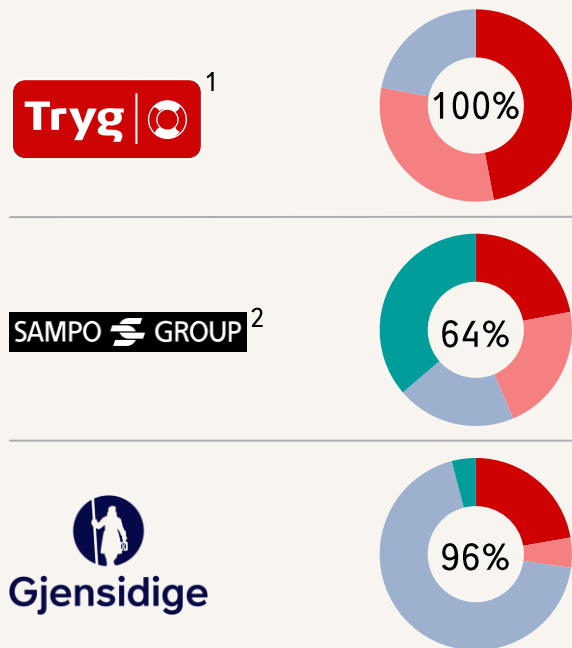


14 1) OECD, 2022, % "Yes" responses to question "In this country, do you have confidence in ... national government"; 2) World Bank, placement on world rankings, 2020; 3) World Bank; 4) As reported

# Tryg has a unique position as a pure Scandinavian player and leading in private lines

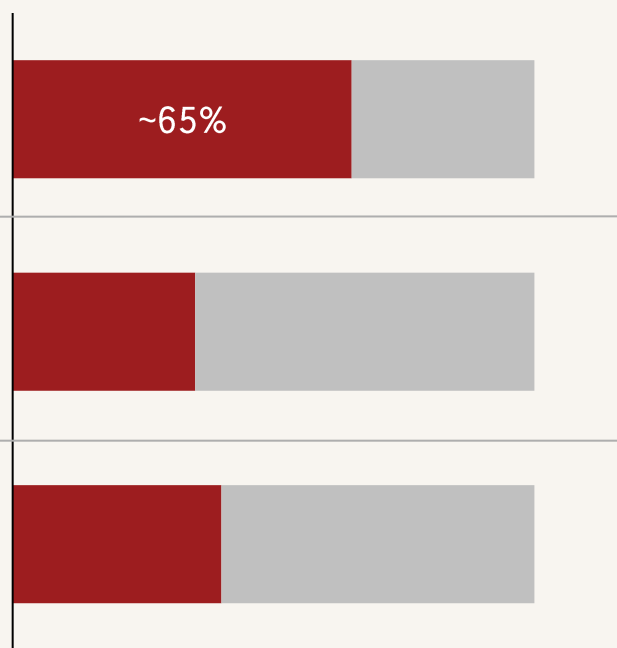
## Tryg runs a well-diversified business ...

P&C insurance revenue by geography, 2023, % in Scandinavia



## ... while being the leading Scandinavian insurer in private lines

P&C insurance revenue by segment<sup>3</sup>, 2023, % of Group revenue



DK SE NO Other

Private lines in Scandinavia Other segments

## Benefits from geographical balance and private lines market leadership



**Commercial cross-border scale** building on market leading brands and retail position in all markets



**Cost effectiveness** through shared approach to operational excellence



**Low risk and volatility** maintaining attractive margins and low capital requirements

1) Tryg has very small share of revenue outside Scandinavia, from e.g. Tryg Trade (credit insurance business); 2) Includes 100% of revenue from TopDanmark and Gross Written Premiums as proxy for Revenue from Hastings; 3) As reported, supplemented by internal assumptions

# In 2027, Tryg targets the highest insurance service result and strongest combined ratio ever

## Financial KPIs

	Strengthen <b>market leading profitability</b>	<b>~81%</b> combined ratio	} <i>As always, assuming current interest rates, currency levels and guided large/weather claims</i>
	Generate resilient growth in <b>insurance service results</b>	<b>DKK 8.0-8.4bn</b>	
	Deliver best in class <b>return on own funds</b>	<b>35-40%</b>	
	Keep strong <b>shareholders' remuneration</b> focus intact	<b>DKK 17-18bn</b> , including DKK 15-16bn ordinary dividend range during 2025-2027 and DKK 2bn extraordinary share buyback	

## Strategic KPIs

	Continue improving <b>customer satisfaction</b>	<b>83</b> (+2p, rebased including Trygg-Hansa)
	Increase <b>straight-through processing</b> for digitally reported claims	<b>&gt;55%</b> (+10pp)
	Reduce <b>CO<sub>2</sub> emission</b> , continuing focus on corporate responsibility	<b>6%</b> per claim, on average



# Strategic focus towards 2027 is anchored around three strategic pillars

## Scale & Simplicity

Leverage increased size to combine IT systems, simplify processes and deliver economies of scale

**DKK 500m**

ISR in 2027

## Technical Excellence

Scale world-class portfolio management and advance pricing and underwriting with new data and technology

**DKK 300m**

ISR in 2027

## Customer & Commercial Excellence

Scale proven commercial successes across the group and further strengthen focus on customer satisfaction

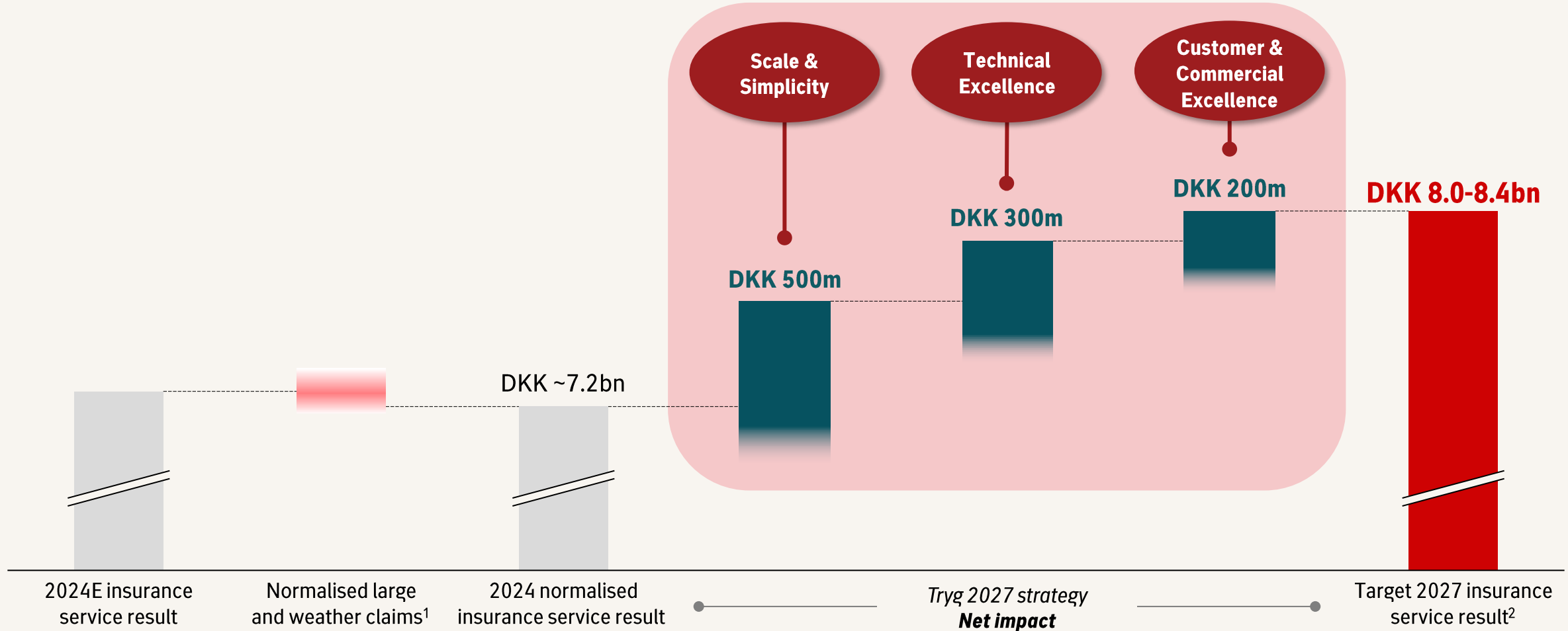
**DKK 200m**

ISR in 2027

**Customer experience | Corporate responsibility | Data and technology | People and culture**

# Initiatives in strategic pillars build up to insurance service result of DKK 8.0-8.4bn in 2027

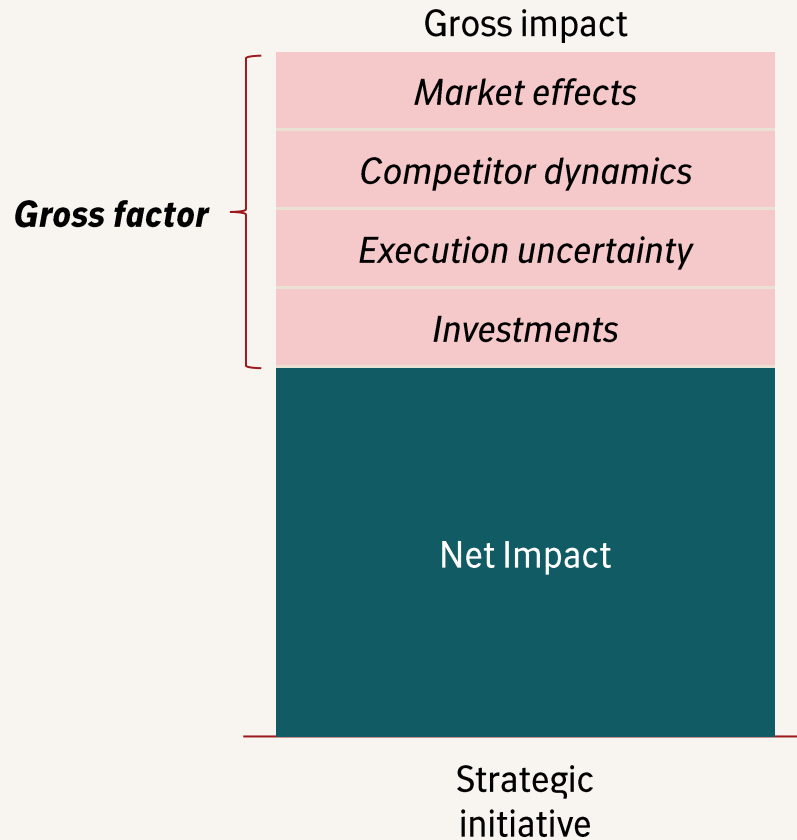
Breakdown of 2027 insurance service result target, DKK bn



# Methodology for building 2027 ISR target: Examples show gross impact per initiative, and pillars sum up to expected net effect of all planned initiatives

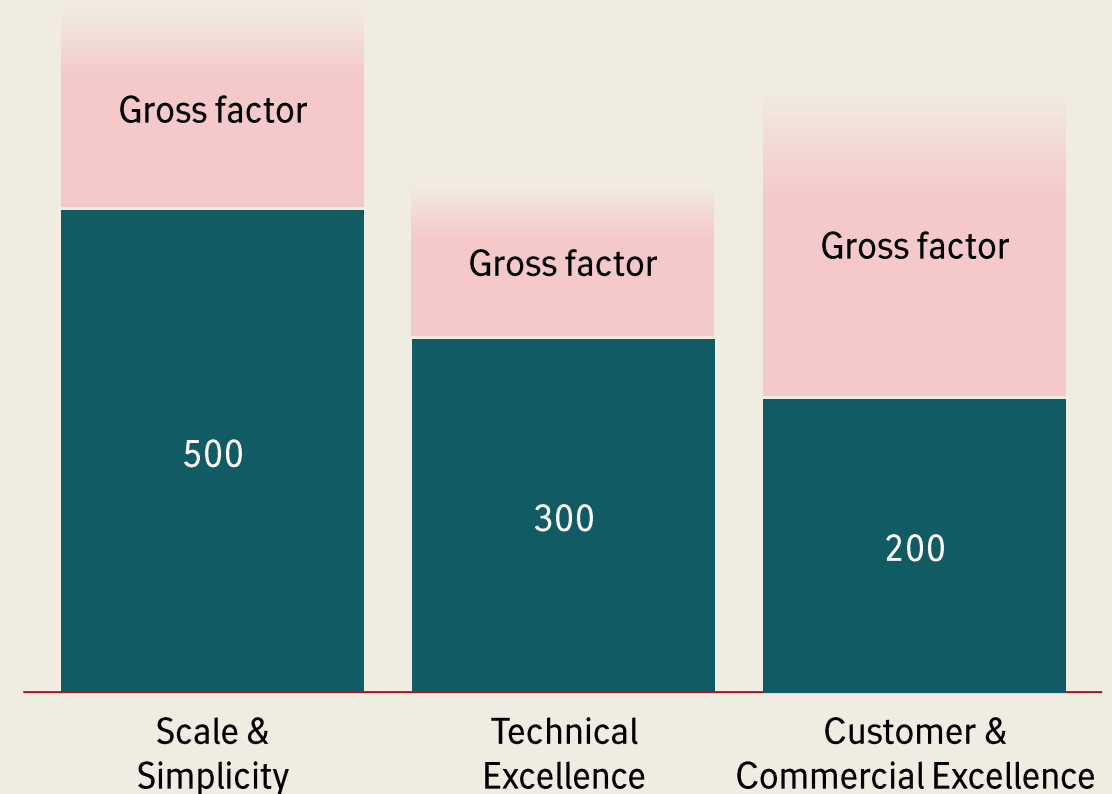
## Strategic initiatives show expected gross impact

*Illustrative breakdown of 2027 ISR impact for strategic initiatives*



## Strategic pillars show expected net impact and build up to expected net ISR improvement in 2027

*Illustrative breakdown by pillar of ISR benefits net vs gross, DKK m*



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# Scale is essential to win in insurance

**IT  
infrastructure**

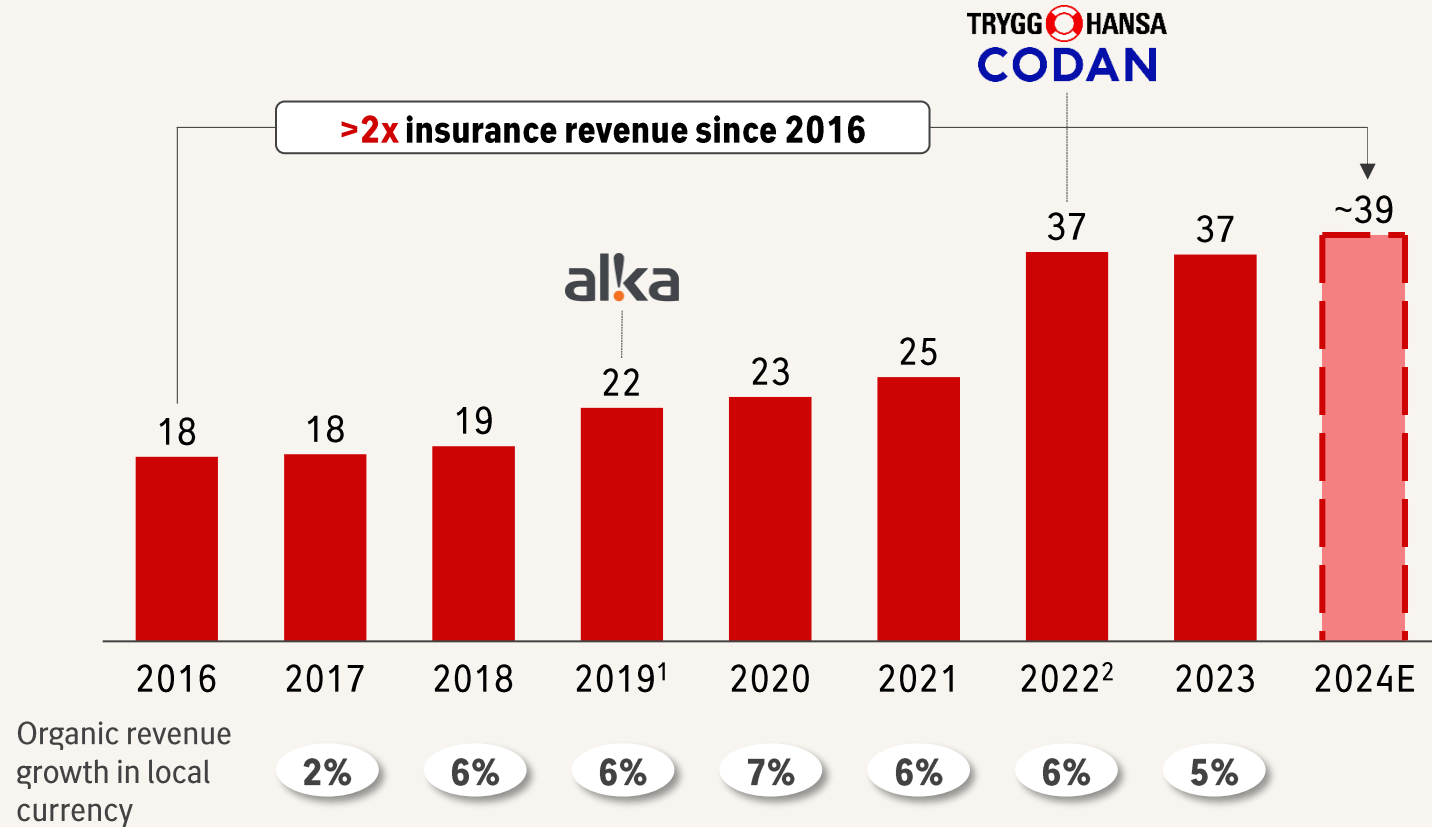
**Purchasing  
Power**

**New  
technologies  
and AI**

# Tryg has significant scale after years of growth

## Tryg has doubled its size over the last 8 years...

Insurance revenue, Tryg Group, DKK bn



## ... and complexity is a by-product of the successful growth journey



>1,000 IT applications



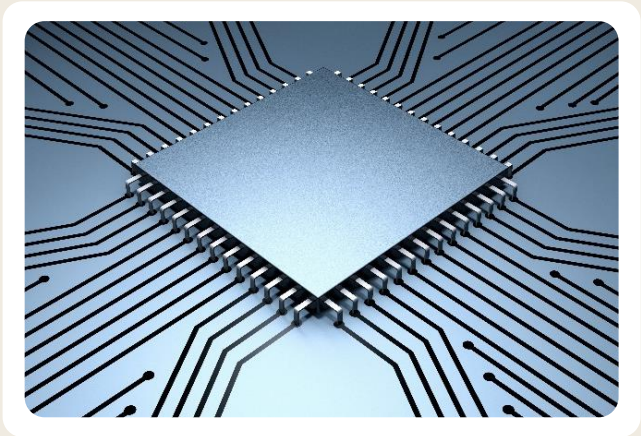
>1,200 IT vendors



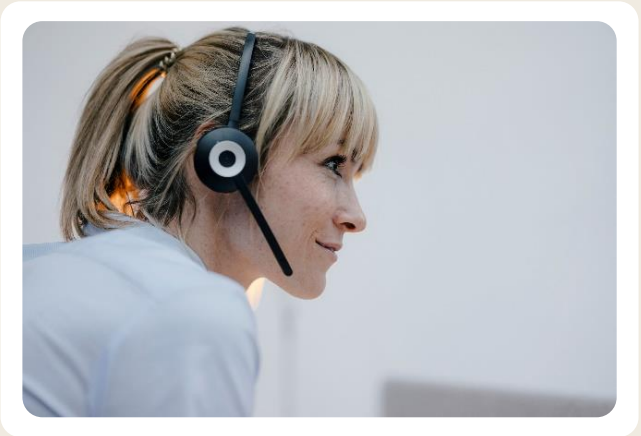
>1,000 IT consultants

# Capitalise on scale advantage in Tryg's core

**Simplify IT foundation**



**Scale world-class claims handling**



**Automate back-end operations**



**DKK 500m**

ISR in 2027

# Capitalise on scale advantage in Tryg's core

Non-exhaustive examples

## Simplify IT foundation

Decommission **IT applications**

Consolidate and renegotiate **IT vendor landscape**

Streamline **IT development organisation**

## Scale world-class claims handling

Further automate and **optimise claims handling** with new tools and systems

**Reduce claims spend** by increasing repair rates and supplier consolidation

**Prevent even more fraud** using AI

## Automate back-end operations

Clean-up **product variations**

Utilise **chatbots** to assist employees

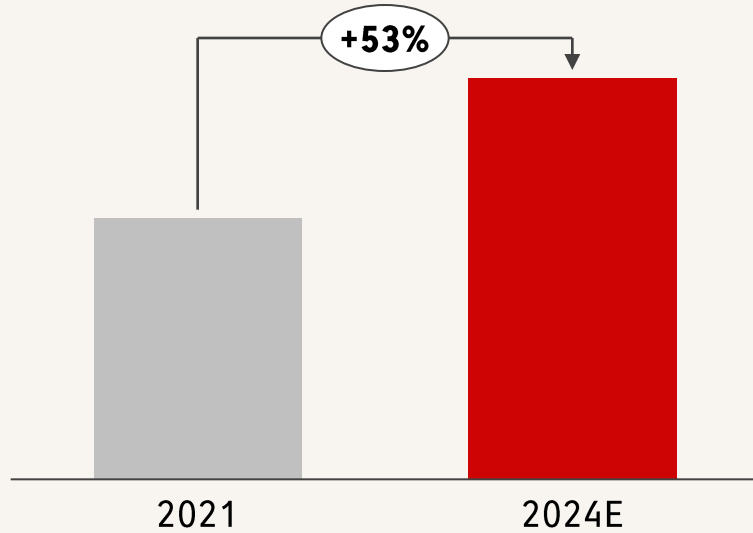
Automate to **replace external back-office** support



# Streamline IT applications to future-proof business and save costs

## IT costs have risen with the acquisition of RSA Scandinavia

IT costs



**56%** of IT applications serve single country

## Decommissioning of overlapping IT applications is key to scale benefits

Key benefits

- Reduce IT run costs
- Accelerate time-to-market
- Strengthen cyber security

Recent accomplishments

**~335 systems** decommissioned as part of RSA Scandinavia integration



**DKK ~120m** ISR, annual run-rate

## 2027 ambition

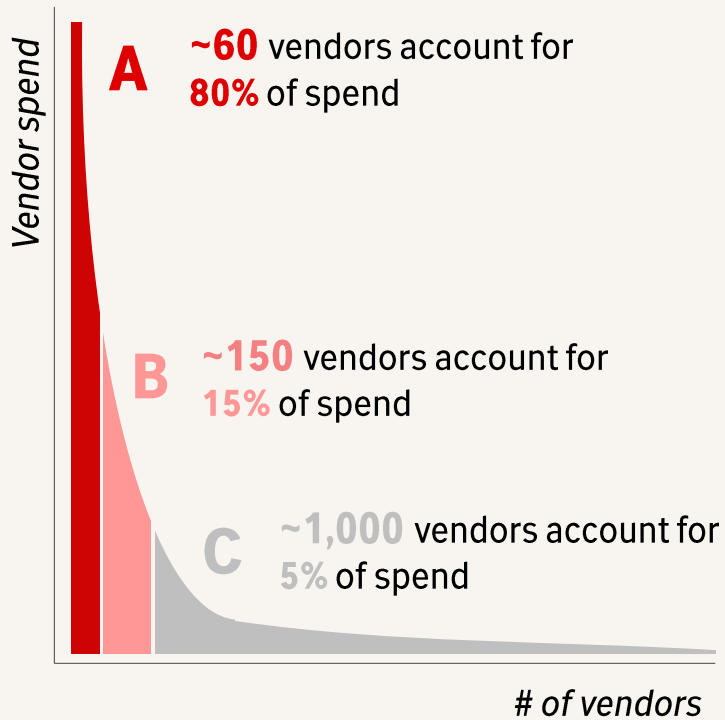
**DKK ~150m**

ISR from **streamlining IT applications** by

- **<30%** of IT application serve single country (26pp reduction)
- Decommissioning redundant applications
- Right-sizing infrastructure to support decreasing number of applications

# Consolidate IT vendor landscape to improve cost and quality

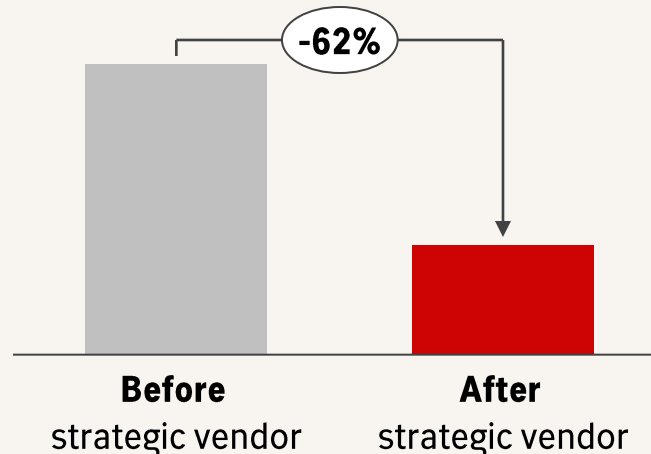
## Long tail of IT vendors has optimisation potential



## Focus on fewer key strategic vendors to reduce cost and improve quality

**~30%** reduced cost from bundling to fewer strategic vendors

Number of IT incidents in Trygg-Hansa<sup>1</sup>



## 2027 ambition

# DKK ~100m

ISR from IT sourcing by

- ~80% of sourcing projects in thorough tender process
- Renegotiating and right-sizing strategic vendor contracts
- Pruning longtail of vendors

# Streamline IT development organisation to drive productivity and scale

**Current IT development organisations are built for local priorities**

# 3

## Individual decentral IT organisations

*Illustrative example*



**Future organisation is built for scale benefits**

# 1

## Streamlined IT organisation

*Illustrative example*



## 2027 ambition

# DKK ~150m

ISR from **streamlined IT development organisation** by

- Consolidating local teams to harvest efficiencies and enable Scandinavian development
- Streamlining roles and ways of working to increase productivity
- Decreasing administrative roles and share of external developers

# Capitalise on scale advantage in Tryg's core

Non-exhaustive examples

## Simplify IT foundation

Decommission **IT applications**

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Streamline **IT development organisation**

## Scale world-class claims handling

Further automate and **optimise claims handling** with new tools and systems

**Reduce claims spend** by increasing repair rates and supplier consolidation

**Prevent even more fraud** using AI

## Automate back-end operations

Clean-up **product variations**

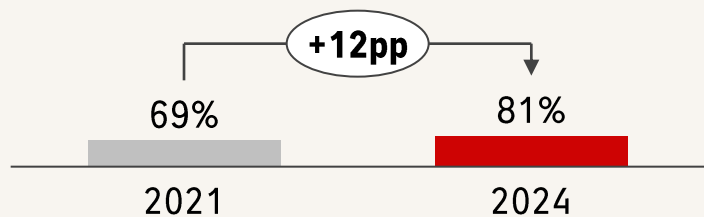
Utilise **chatbots** to assist employees

Automate to **replace external back-office** support

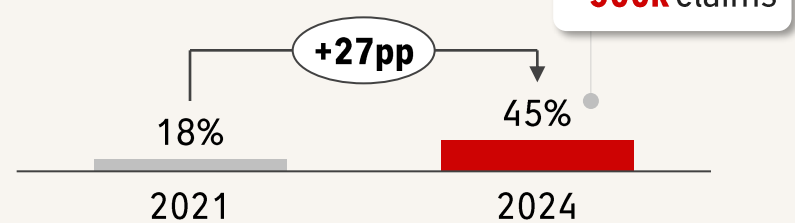
# Advance Tryg's world-class claims handling to the next level and scale to Sweden

## Strong development in levels of automation and handling speed

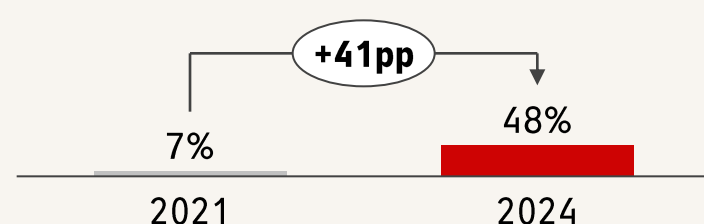
Claims reported online, %



STP claims<sup>1</sup>, %

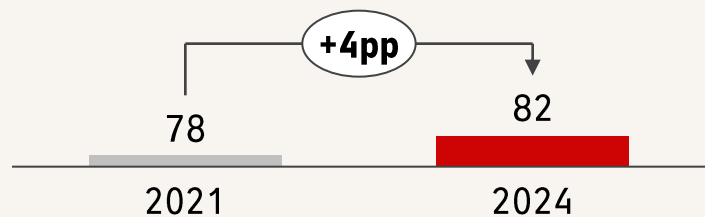


Claims handled <72 hours, %

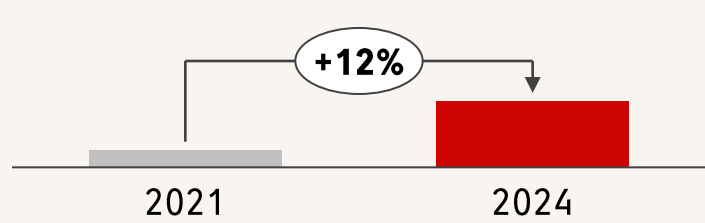


## Significant efficiency gains and increase in customer satisfaction

Claims process satisfaction



Claims per FTE



**DKK ~140m**  
 ISR impact from increased efficiency, annual run-rate

## 2027 ambition

**DKK ~100m**

ISR from **further automation of claims handling** by

- **55%** of digitally reported claims handled with straight-through-processing (10pp increase)
- Finalising Guidewire implementation in DK, and scaling Guidewire to SE
- Utilising new technologies and AI to increase scope for automation

# Reduce claims spend by increasing repair rates and supplier consolidation

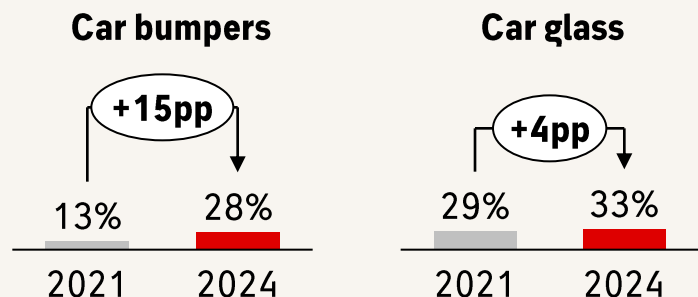
## Increase repair rate to improve cost efficiency

Relevance

**~45%** lower price levels on motor repairs versus replacements

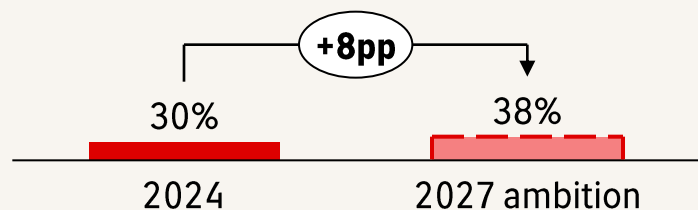
Repair rates, %

Evidence



Repair rate motor, %

Further potential



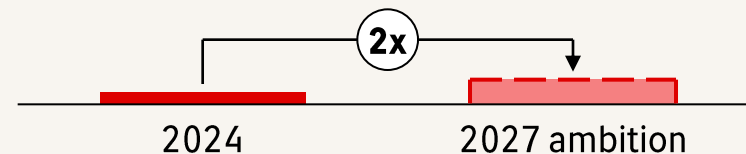
## Consolidate spend with Scandinavian suppliers for better prices

**5-15%** savings potential by partnering with Scandinavian suppliers

Example of savings potential

**DKK 65m** in annual savings from Scandinavian re-tender on car windshields

Scandinavian spend, %



## 2027 ambition

**DKK ~200m**

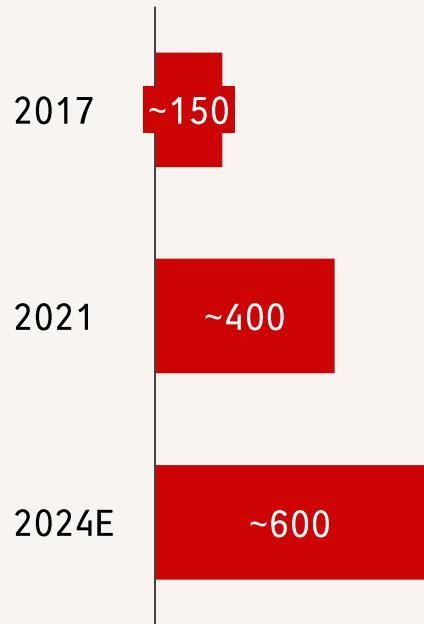
ISR from **strategic procurement optimisation** by

- Increasing repair rates within motor and building claims
- Consolidating spend with Scandinavian suppliers
- Renegotiating largest local supplier contracts

# Prevent even more fraud using AI

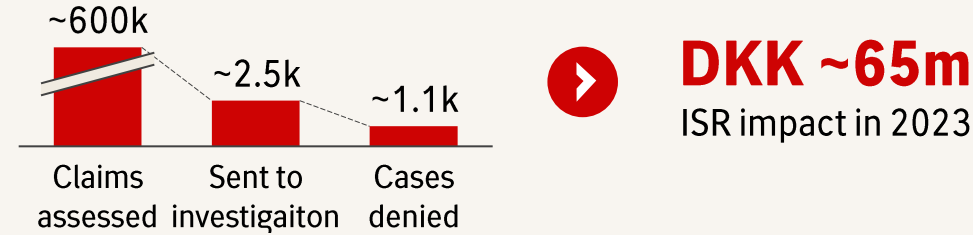
## Tryg has a history of reducing fraud

Annual fraud avoided, DKK m



## Increase fraud detection by utilising advanced analytics and AI models

**'Lima'** scans incoming claims flagging potential fraud



**'Venice'** identifies fraudulent repair shops

**8** fraudulent auto repair shops identified and terminated in 2023

**DKK ~40m**  
ISR impact in 2023

## 2027 ambition

**DKK ~100m**

ISR from further improvements in **fraud detection** and **fraud prevention** by

- Scaling AI tools and processes across countries
- Enriching existing models with Scandinavian data to improve model results
- Utilising latest AI technology to build new models and processes

# Capitalise on scale advantage in Tryg's core

Non-exhaustive examples

## Simplify IT foundation

Decommission **IT applications**

Consolidate and renegotiate **IT vendor landscape**

Streamline **IT development organisation**

## Scale world-class claims handling

Further automate and **optimise claims handling** with new tools and systems

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## Automate back-end operations

Clean-up **product variations**

Utilise **chatbots** to assist employees

Automate to **replace external back-office** support



# Simplify product variations to improve operational efficiency scaling best practices from Norway

## Long tail of products suggest clear potential in product simplification

**~90%** of total revenue comes from 15% of products

## Successful product simplification in Norway to be scaled across the group

*Degree of product simplicity*

Potential to improve

Best-in-class

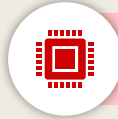


**2-3x** product variations in DK compared to NO

## Significant benefits come from reducing product variations



Faster product and pricing updates



Lower IT run costs



More efficient claims handling



Simpler customer communication

## 2027 ambition

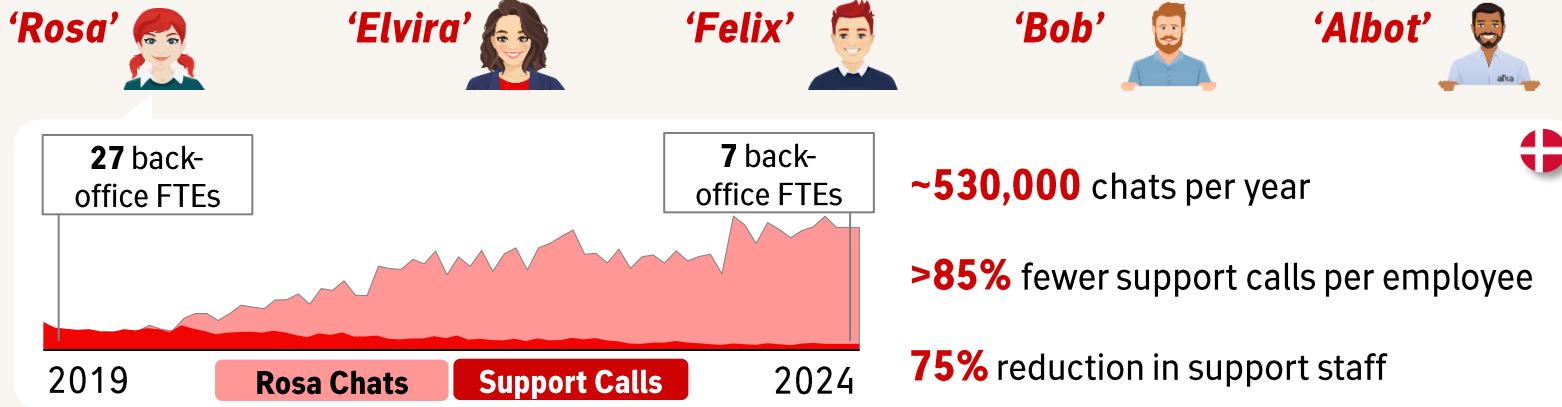
**DKK ~50m**

ISR from **product simplification** by

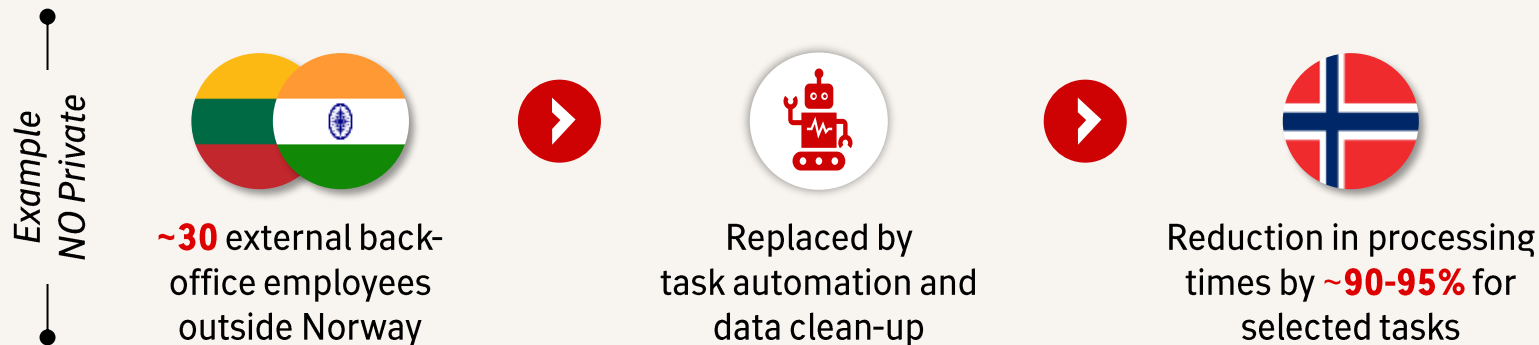
- Cleaning up legacy products to decrease number of product variations
- Decreasing amount of niche products with low revenue and profit
- Streamlining product design for more efficient operations

# Automate back-end operations to increase efficiency and quality

## Chatbots assist employees during customer interactions



## Automation replaces external back-office support



## 2027 ambition

**DKK ~100m**

ISR from **automating** back-office tasks and **streamlining processes** by

- Scaling existing chatbots across countries to reduce admin tasks
- Using AI assistant to remove admin tasks from employees in customer facing functions
- Scaling automation of external back-off suppliers

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**DKK 500m**

ISR in 2027

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# Technical excellence is the backbone of Tryg

Portfolio  
insights

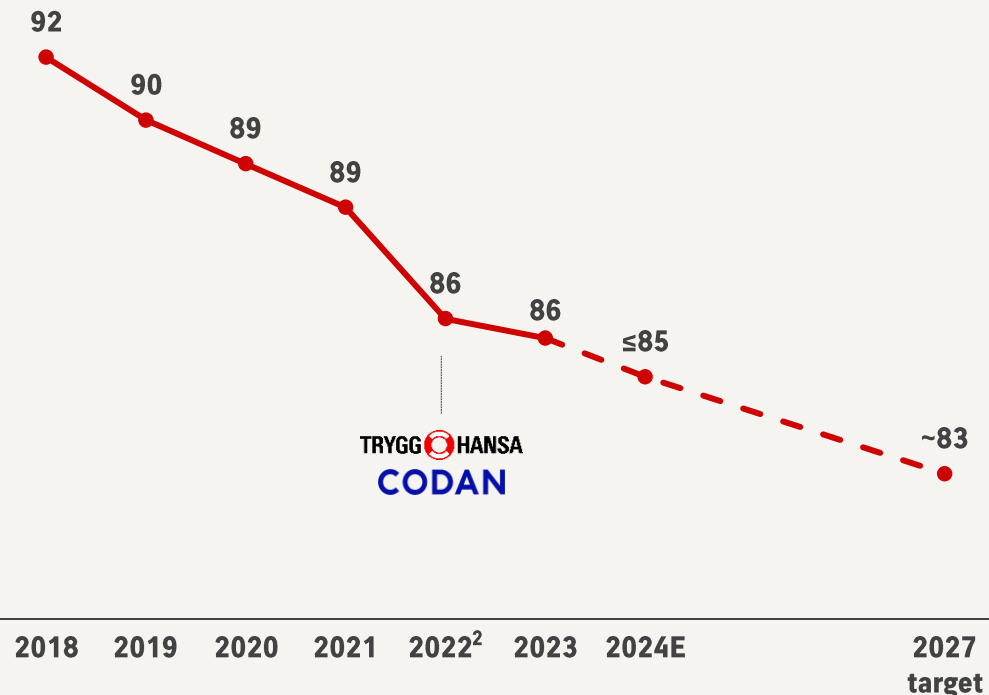
Risk selection

Pricing

# Consistent high-margin profitability requires focus on technical excellence

## Continuous improvement of Tryg's combined ratio

Tryg combined ratio (ex. run-off)<sup>1</sup>, %



## Examples of technical excellence actions supporting the journey



Strengthened **portfolio management capabilities** across all Business Units, with +20 roles added, **adopting Trygg-Hansa best practices**



**Automated the pricing back-end** and improved **individual underwriting** with custom-made underwriting tool, greater sophistication and data utilisation



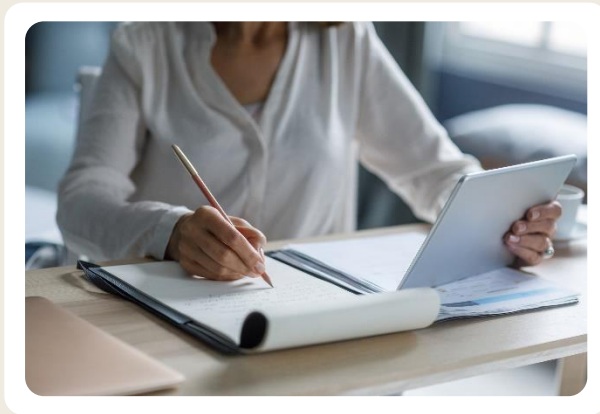
**Established Scandinavian Center of Technical Excellence**, to drive cross-market scale and develop technical disciplines for a competitive edge

# Drive technical excellence with targeted efforts and data accuracy

## Improve portfolio management



## Enhance advanced pricing



## Optimise individual underwriting process



**DKK 300m**

ISR in 2027

# Drive technical excellence with targeted efforts and data accuracy

Non-exhaustive examples

## Improve portfolio management

Scale Swedish best practices to **improve underperforming sub-portfolios**

Accelerate **data-driven granularity**

## Enhance advanced pricing

Enhance **sophisticated pricing** with greater frequency and precision

Utilise **new advanced data** in pricing models

## Optimise individual underwriting process

Continue focusing on **exposure quality**

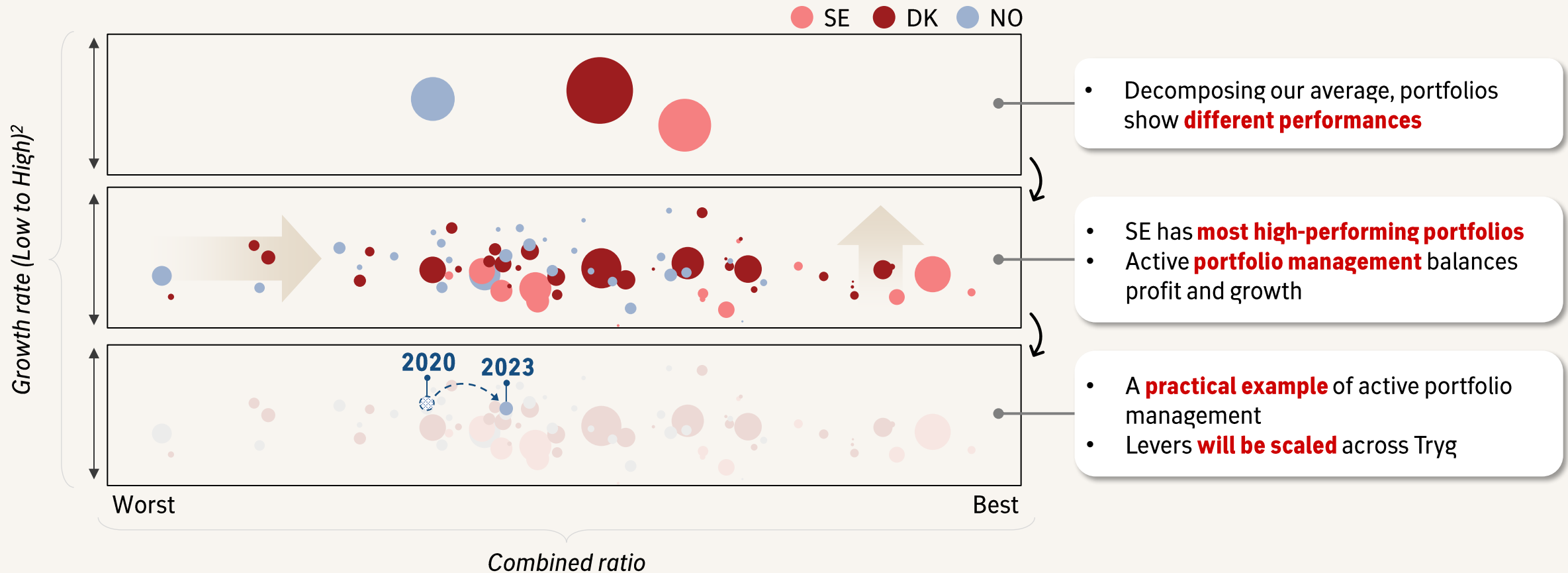
Improve profitability and risk with **new underwriting platform**



# Manage profitability and volatility in underperforming sub-portfolios with structural portfolio management


## Sweden's world-class portfolio management will be scaled to Denmark and Norway


Portfolio profitability, size<sup>1</sup> and growth rate<sup>2</sup> by product and country, 2023





# A Norwegian property portfolio proves how structural portfolio management increase profitability and growth

## Four levers driving improvement of Norwegian property portfolio

- 

**Stronger adherence to Scandinavian risk guidelines:** Portfolio adjusted for risk and focused on Scandinavian markets
- 

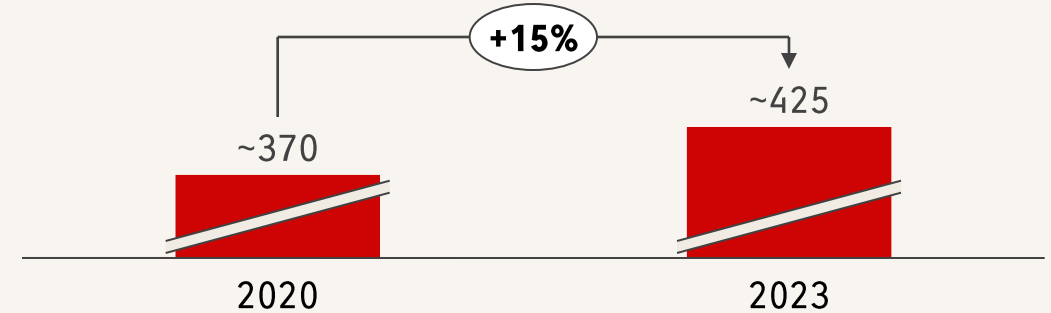
**Strategic exits:** Reduced total exposure by 16%, including high-volatile industries like recycling and food production
- 

**Optimised pricing of existing portfolio:** Better risk alignment with individual rate increases where relevant
- 

**More accurate tariffs:** Improved pricing for large claims and weather risks, including industry and property owner tariffs

## Strong impact on growth and COR in the Norwegian property portfolio despite macro headwinds

Insurance revenue of the Norwegian property portfolio, DKK m<sup>1</sup>



COR of the Norwegian property portfolio, %



# World-class technical excellence from Sweden scaled to Denmark & Norway

## Sweden has a proven toolbox for optimising portfolios



Clear roles and mandates to ensure one source of truth



Proven process from data to forward-looking actions



Sophisticated targeting of customer segments



## Now serving as a major inspiration for Denmark and Norway



**DKK >5bn**

insurance revenue in portfolios currently identified for targeted improvements

## 2027 ambition

**DKK ~200m**

ISR from **structured portfolio management** by

- Implementing forward-looking processes in all Business Units
- Increasing granularity in portfolio and trend follow up
- Targeting growth in profitable segments

# Drive technical excellence with targeted efforts and data accuracy

Non-exhaustive examples

## Improve portfolio management

Scale Swedish best practices to **improve underperforming sub-portfolios**

Accelerate **data-driven granularity**

## Enhance advanced pricing

Enhance **sophisticated pricing** with greater frequency and precision

Utilise **new advanced data** in pricing models

## Optimise individual underwriting process

Continue focusing on **exposure quality**

Improve profitability and risk with **new underwriting platform**

# Faster time to market and better pricing with more frequent tariff updates

## Pricing sophistication improved by implemented actions



**Unified platform**  
enables scaling

**~1 month to 24 hours**  
reduced time to market  
from 2020 to 2025

**~10x**  
more frequent updates to  
tariff composition

## After implementing unified platform where applicable, utilisation of AI begins

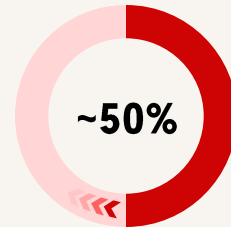
*Current implementation level of the new platform*

Private Lines



Now

Commercial Lines



Later

*Utilising more advanced technology*



Source new advanced data



Enhance sophistication identifying new patterns



Improve automation and control

## 2027 ambition

**DKK ~150m**

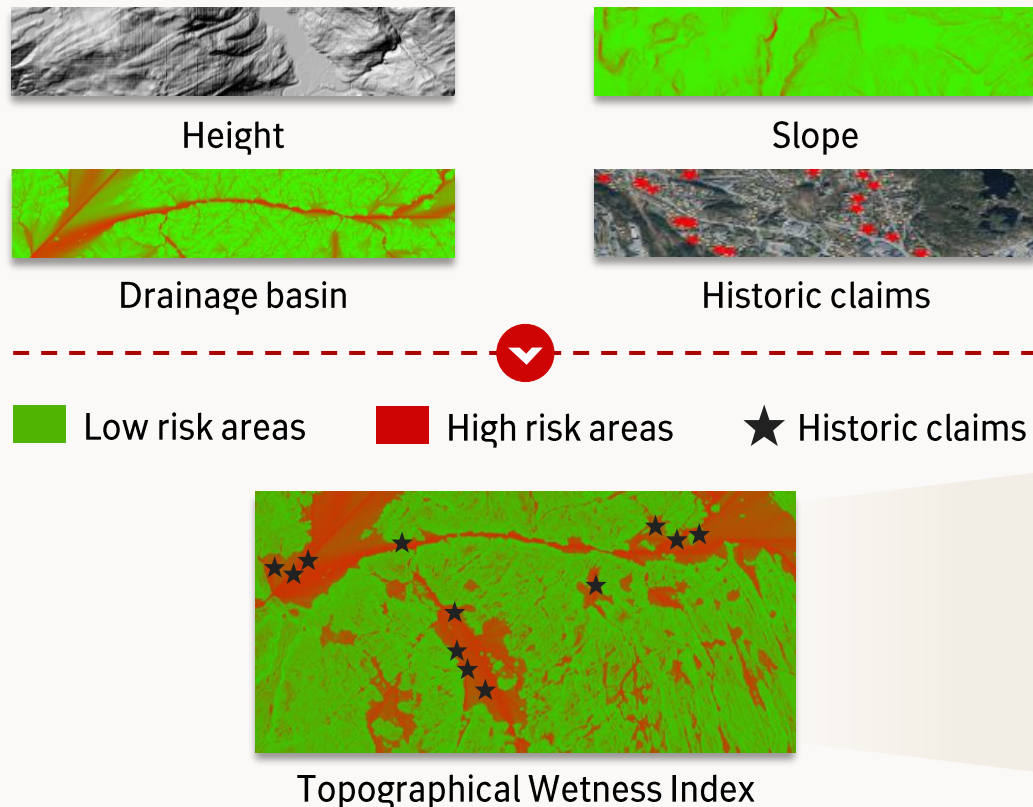
ISR from improved **pricing sophistication** by

- Including new advanced data sources in price models
- Utilising benefits of AI in pricing tools
- Fully implementing new pricing platform in Commercial Lines

# Using new advanced data sources improves pricing and price differentiation

## Using Tryg's Topographical Wetness Index in Private Lines NO pricing exemplifies the benefits of external data

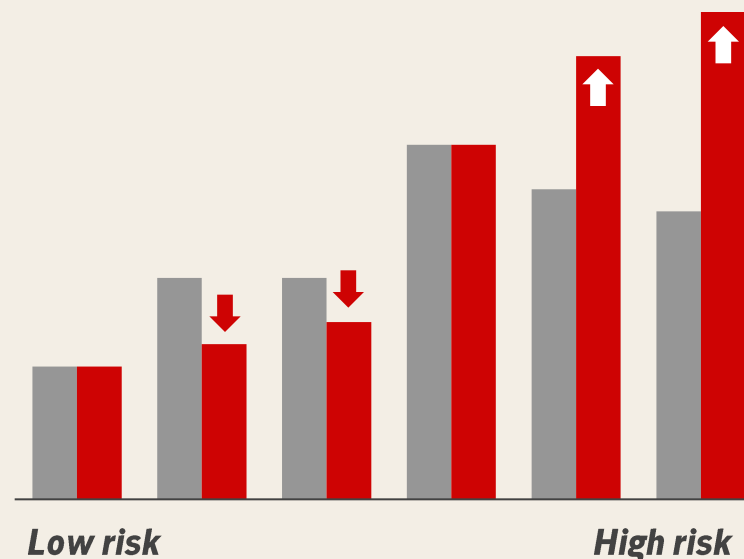
Visualisation of Topographical Wetness Index



## Integrating historical claims with external data enhances data quality and risk differentiation

Using the Topographical Wetness Index in pricing improves risk differentiation and combined ratio

Before index After index



**10%**  
improvement in  
risk differentiation

# Drive technical excellence with targeted efforts and data accuracy

Non-exhaustive examples

## Improve portfolio management

Scale Swedish best practices to **improve underperforming sub-portfolios**

Accelerate **data-driven granularity**

## Enhance advanced pricing

Enhance **sophisticated pricing** with greater frequency and precision

Utilise **new advanced data** in pricing models

## Optimise individual underwriting process

Continue focusing on **exposure quality**

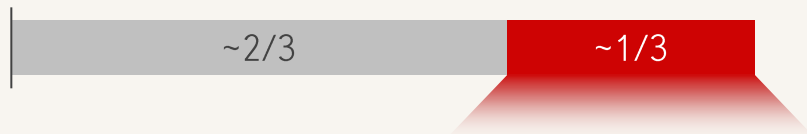
Improve profitability and risk with **new underwriting platform**

# Improve individual underwriting process with new platform, setting foundation for advanced underwriting

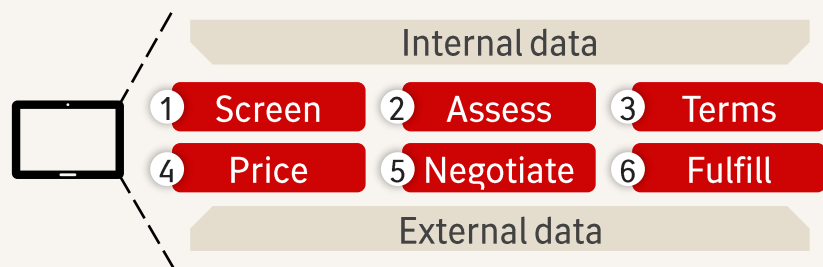
## New UW platform enables strong optimisation of individual underwriting

Share of commercial portfolio underwritten individually

■ Tariff-based ■ Individual underwriting



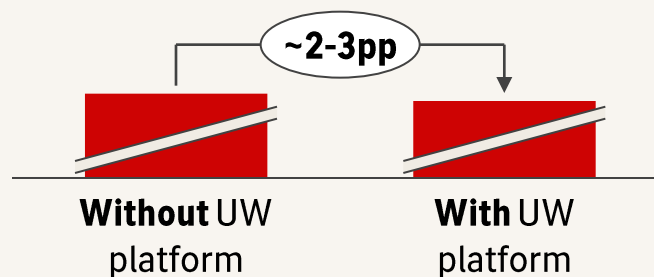
Six steps of individual underwriting on one platform



- ✓ One process for all ~135 underwriters in Tryg
- ✓ Leveraging all available Scandi data
- ✓ Advanced benchmarking of prices

## UW platform delivers significant COR improvement

Combined ratio for individual underwriting, %



Future benefits of the platform

- ➔ Improved underwriting quality at scale, with more data
- 🌐 Foundation for adoption of future technologies
- ⚠️ Improved exposure management

## 2027 ambition

**DKK ~50m**

ISR from **improved UW** by

- Increasing use of new UW platform from 30% to 80%
- Further developing platform to add features, increase sophistication and harvest AI opportunities



# Drive technical excellence with targeted efforts and data accuracy

Non-exhaustive examples

## Improve portfolio management

Scale Swedish best practices to **improve underperforming sub-portfolios**

Accelerate **data-driven granularity**

## Enhance advanced pricing

Enhance **sophisticated pricing** with greater frequency and precision

Utilise **new advanced data** in pricing models

## Optimise individual underwriting process

Continue focusing on **exposure quality**

Improve profitability and risk with **new underwriting platform**

**DKK 300m**

ISR in 2027

# Agenda

- 1 Follow-up on CMD targets for 2024
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- 6 Concluding remarks



# Customer and commercial excellence fuels long-term growth

Customer loyalty

Strong brand positions

Local strongholds to scale



# Commercial excellence is a key competitive advantage for Tryg

## Strong commercial fundamentals



**>96%**

**Brand awareness** in all markets



**~88%**

**Retention rates** across business units

## Leading positions on multiple fronts



**~88%**

**Customer satisfaction** in Private Lines



**~42%**

**Personal Accident** market share

**~48%**

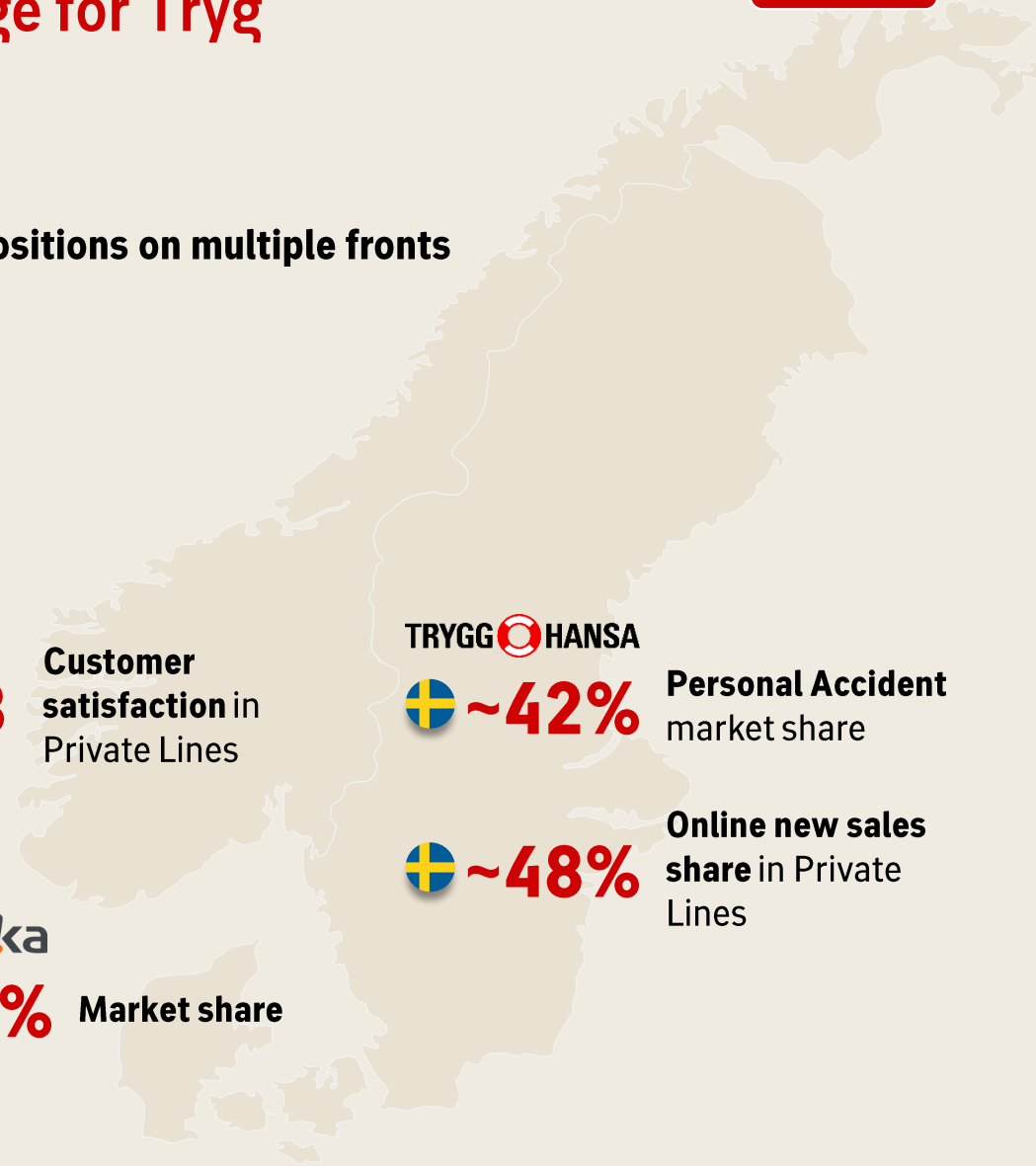
**Online new sales** share in Private Lines



**alka**

**~24%**

**Market share**




# Revenue synergies from Trygg-Hansa acquisition drive our commercial strategy

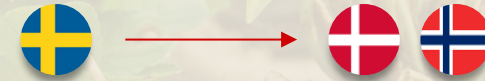
## Strategic rationale

 **Complementary strengths** in DK & NO vs. SE

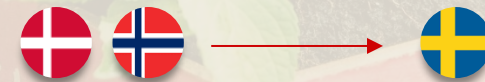
 Harvest **revenue synergies** by scaling

 High credibility of initiatives and **delivery certainty**

**Scale from SE to DK & NO**



**Scale from DK & NO to SE**

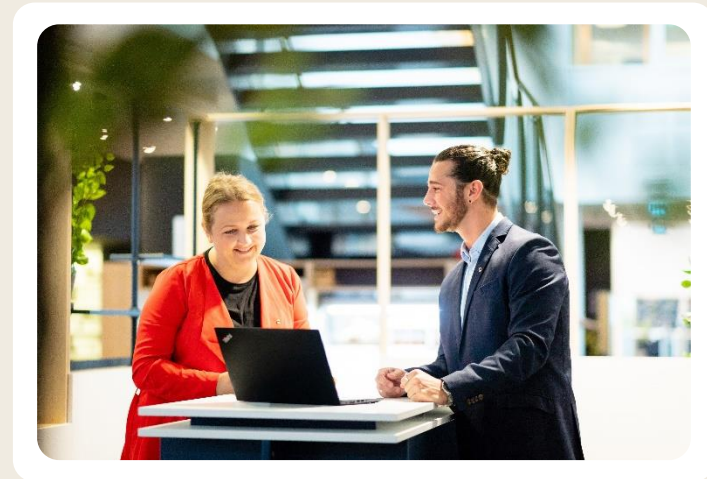


# Boost customer and commercial excellence

## Scale from SE to DK & NO



## Scale from DK & NO to SE



**DKK 200m**

ISR in 2027

# Boost customer and commercial excellence

Non-exhaustive examples

## Scale from SE to DK & NO



Grow **Personal Accident portfolio** via pregnancy product

Improve **online offering** to strengthen position in **small commercial customers**

## Scale from DK & NO to SE



Grow profitable **motor portfolio**

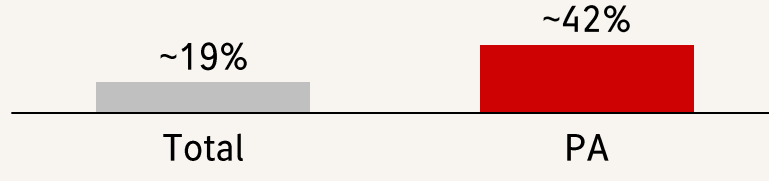
Focus on **strategic partnerships**

Increase **customer satisfaction** to drive further cross-sales and retention

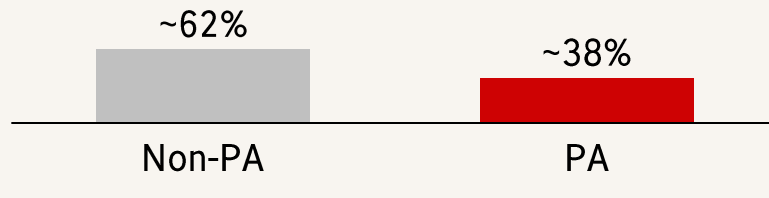
# Trygg-Hansa is worldclass within Personal Accident (PA)

## Large and profitable PA segment

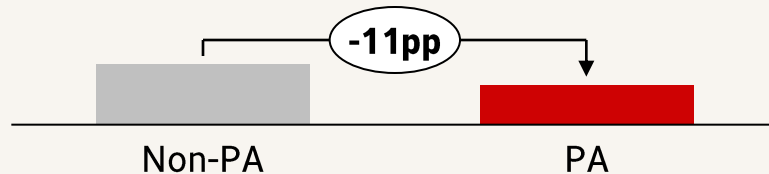
Market shares<sup>1</sup>, Private Lines SE, '23



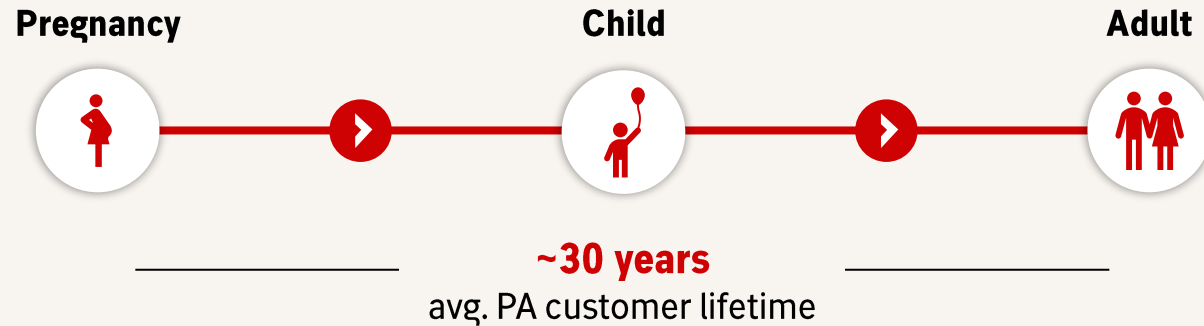
Insurance revenue split, Private Lines SE, '23



COR, Private Lines SE, '20-'23 avg.



## Stronghold starts with pregnancy insurance



## Continuous work to strengthen position

**+40%** increase in no. of leads after channel optimisation

**+20%** in sales after improving child insurance





# Scale Trygg-Hansa's PA success to Denmark and Norway

## Introduce pregnancy products



Launched **pregnancy insurance** in 2023/2024

**50%** of customers new to Tryg



## Strengthen existing offerings



Revamped **child insurance**

**50%** increase in sales vs. last year after launch



## 2027 ambition

# DKK ~1,000m

insurance revenue uplift from **growing Personal Accident** across Scandinavia by

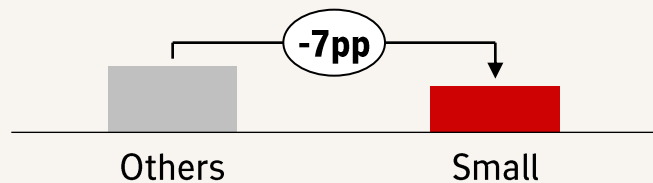
- Replicating products, services, and distribution model from SE to DK and NO
- Expanding PA ecosystem in SE with new partnerships and product offerings
- Optimising conversion rates across customer lifecycle

# Strengthen position in small commercial customers further by growing online channel

## Attractive and digital segment

**~2m** Small commercial customers<sup>1</sup> in Scandinavia

COR, Commercial Lines, avg. '21-'23

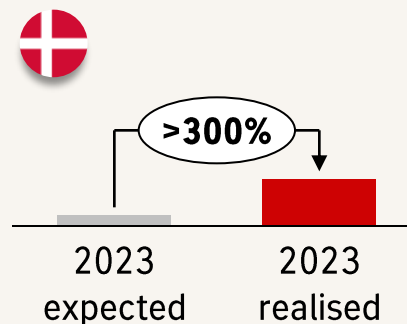
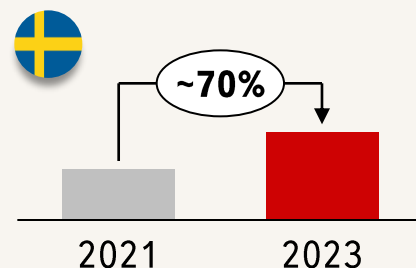


**80%** of companies use **online as primary channel** for company purchases<sup>2</sup>

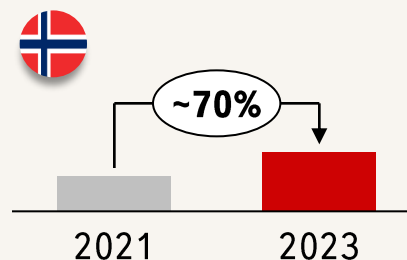
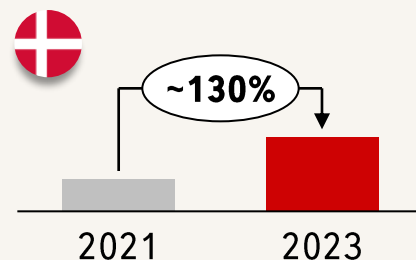
**75%** of small commercial customers' **claims are filed online**

## SE paving the way in online distribution

Online sales



No. of leads from website



## 2027 ambition

**DKK ~300m**

insurance revenue uplift from **online distribution to small commercial customers** by

- Building online distribution in Commercial Lines NO
- Increase lead generation and cross-sales from website visits
- Enhancing self-service offerings to improve retention

Thereby contributing to uplift in **total insurance revenue from small commercial customers of DKK ~700m in 2027**

# Boost customer and commercial excellence

Non-exhaustive examples

## Scale from SE to DK & NO



Grow **Personal Accident portfolio** via pregnancy product

Improve **online offering** to strengthen position in **small commercial customers**

## Scale from DK & NO to SE



Grow profitable **motor portfolio**

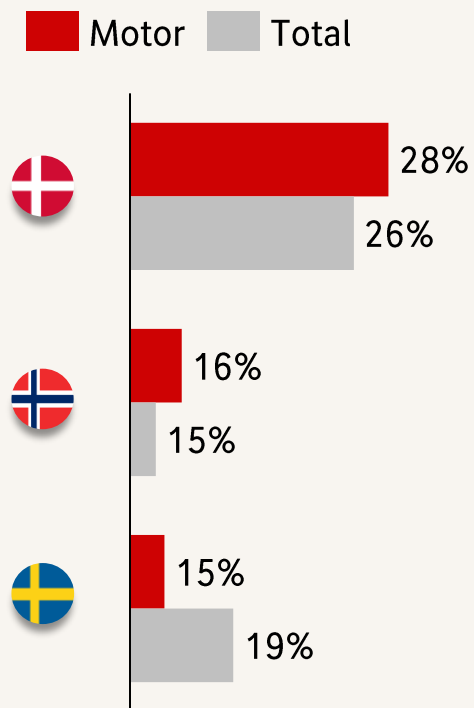
Focus on **strategic partnerships**

Increase **customer satisfaction** to drive further cross-sales and retention

# Grow motor portfolio in SE by leveraging insights from DK and NO

## Potential to scale motor insights from DK and NO to SE

Private Lines market share<sup>1</sup>, '23



## Catering to customer preferences is key in unlocking growth

**#1** Ranking in Swedish Consumers' Insurance Bureau<sup>2</sup>

**~30%** Sales increase post ranking vs. target



## Relaunched Aktsam brand to target underpenetrated segment

Launched Nov '24  
**11%** Market share of cars in **50+ segment** (~50% of cars)

## 2027 ambition

**DKK ~300m**

insurance revenue uplift from **growing motor in SE** by

- Growing market share in 50+ segment with Aktsam brand
- Winning new partnerships, and increasing leads from existing ones
- Investing in distribution capacity

# Increase focus on strategic partnerships

## Partnerships drive customer loyalty


Relative to non-partner customers, partner customers have...

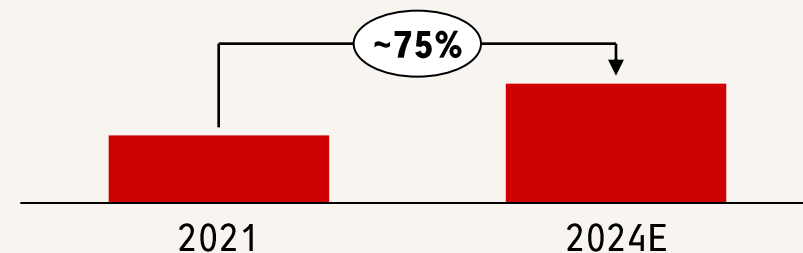
**76%** more **products per customer** 


**10pp** lower **customer acquisition costs** 

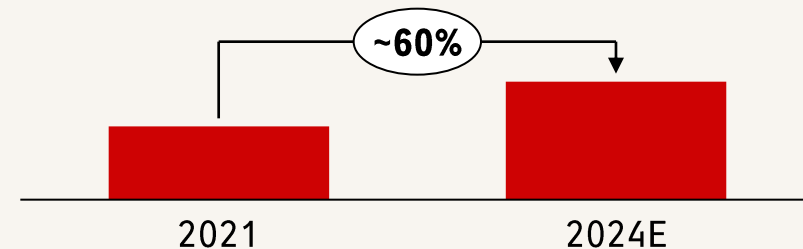
**5pp** higher **customer retention rates** 

## Learnings from strong partnerships to be scaled

*Insurance revenue from partnership, Private Lines DK* 



*Insurance revenue from partnership, Private Lines NO* 



## 2027 ambition

**DKK ~300m**

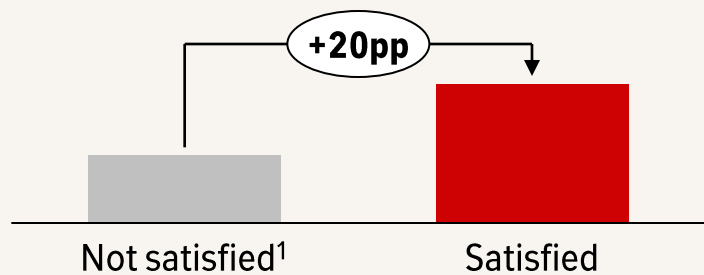
insurance revenue uplift from **scaling our approach to partnerships** by

- Winning new partnerships with attractive customer bases, e.g., banks
- Optimising existing partnerships with focus on collaboration to update offering and increase leads
- Increasing conversion rates through sales excellence

# Increase customer satisfaction (CSAT) to support cross-sales and retention

## Satisfied customers are more profitable

Premium growth 18 months later, %



Retention rate, %

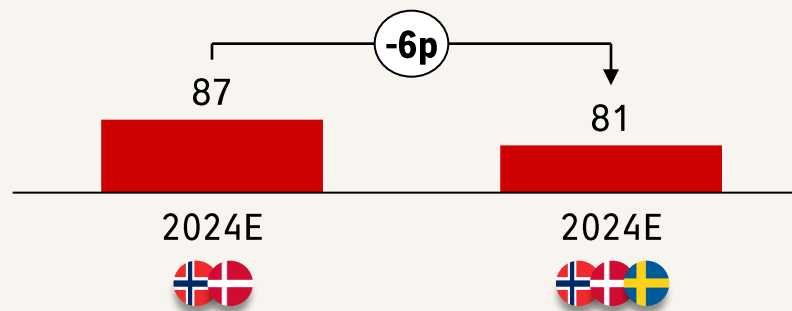


## Structured approach to improving CSAT

CSAT impact of selected initiatives

- +6p** from **improved onboarding communications**
- +5p** from proactively **offering insurance reviews**
- +6p** from **shortening claims handling time** by one week

Re-baselining CSAT targets to incorporate Sweden



## 2027 ambition

Strategic KPI

# 83 CSAT (+2p)

Group target, now including Sweden. Improvement driven by

- Scaling successful initiatives from DK & NO to SE
- Personalising customer communications and offerings
- Optimising and digitising customer journeys
- Investing in faster and more transparent claims management

# Boost customer and commercial excellence

Non-exhaustive examples

## Scale from SE to DK & NO



Grow **Personal Accident portfolio** via pregnancy product

Improve **online offering** to strengthen position in **small commercial customers**

## Scale from DK & NO to SE



Grow profitable **motor portfolio**

Focus on **strategic partnerships**

Increase **customer satisfaction** to drive further cross-sales and retention

**DKK 200m**

ISR in 2027

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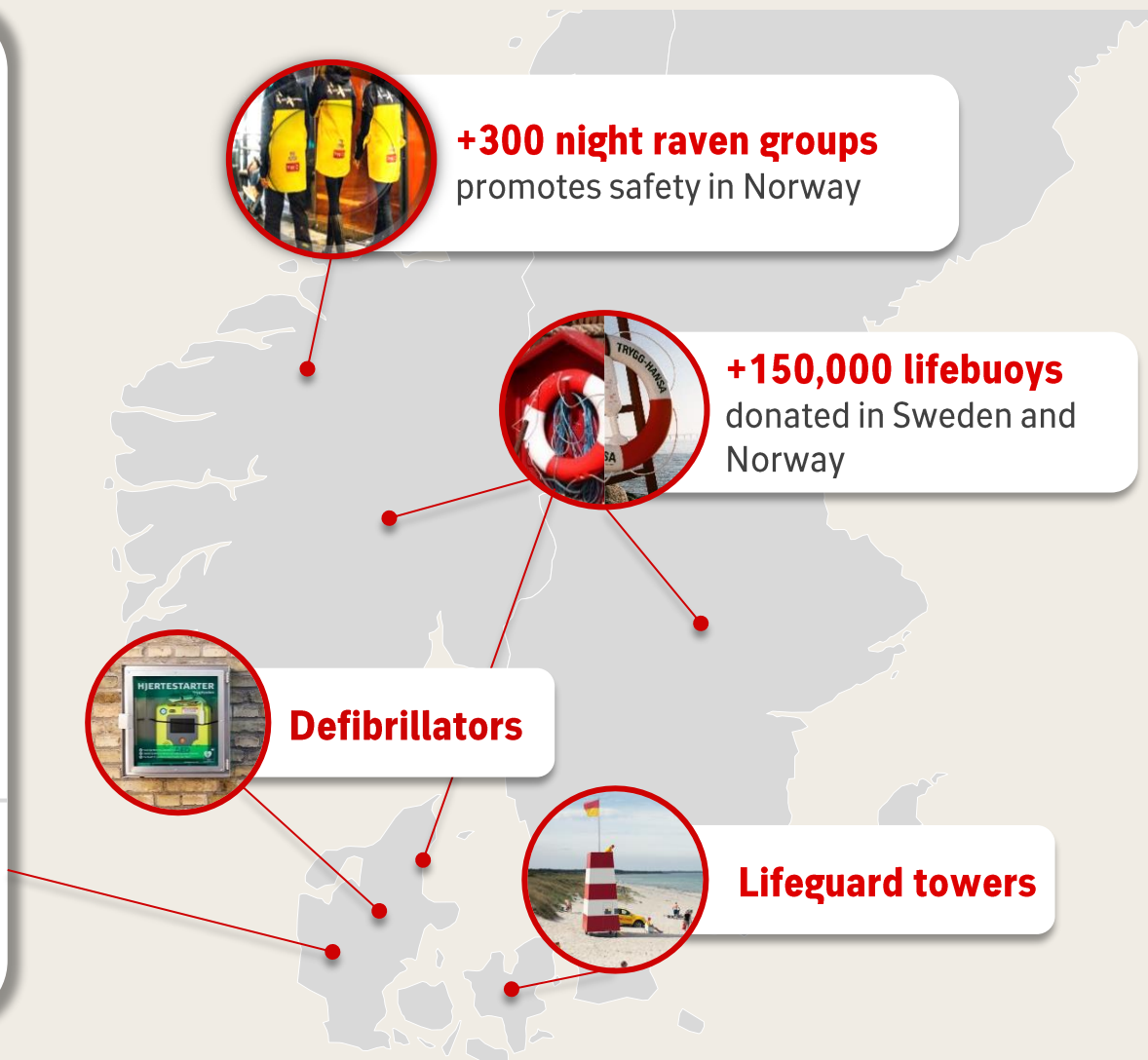
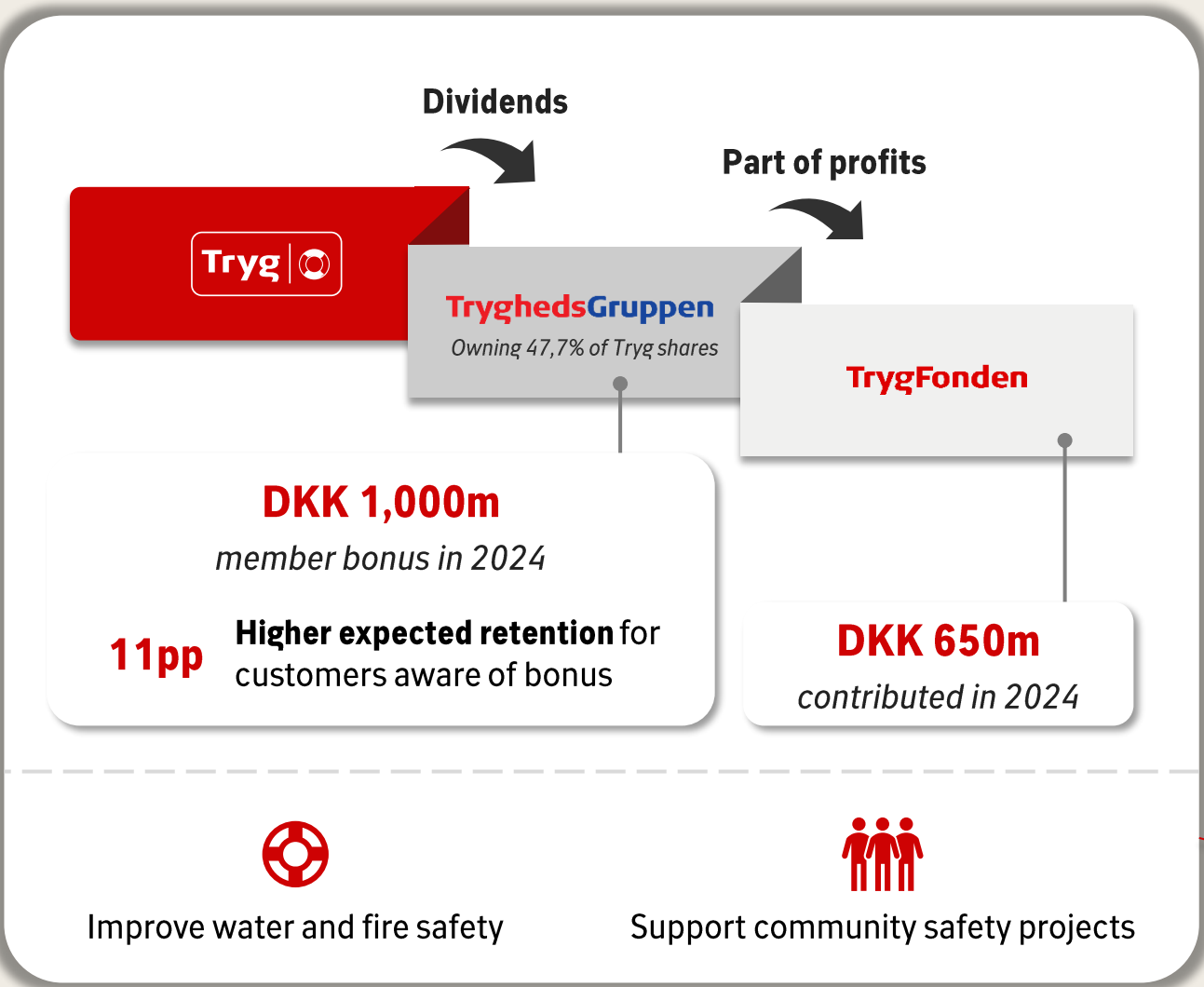




A photograph of a man and a young boy fishing together. The man is on the left, holding a fishing rod, and the boy is on the right, also holding a fishing rod. They are both smiling and looking towards the right. The background is a bright, hazy outdoor setting. The entire image is overlaid with a semi-transparent green filter.

# Sustainability and ESG are part of Tryg's DNA

# Tryg embraces its vital role in society, working with communities to make it easier to be 'tryg'



# Sustainability is anchored in Tryg's core business

## Sustainability and ESG are integrated parts of Tryg's business model

**Risk advisory**

**300 years** of expertise in coverage and risk advisory



**Prevention**

**23%** of all product categories include preventive elements



**Climate-friendly claims handling**

**~5pp** increase in repairs over replacements from 2020 - 2024



**Engaged and motivated employees**

**Top ranked** employer in Danish financial sector



# Tryg is driving sustainable change from within core business

## Climate action



**Reduce Tryg's carbon footprint**  
across the value chain

## Future-fit products



Leverage climate adaptation and prevention to **future-proof the business**

## People at Tryg



**Empower people at Tryg**  
to drive business performance

# Tryg continues to drive the green transition across the value chain

## 2027 ambition

6%

Average CO2e reduction per claim

Strategic KPI

The target has changed from an absolute target to an intensity target to account for growth

Key drivers of CO2e reductions, Q1 - Q3 2024



**9,727 tonnes of CO2e**  
from 213,435 repaired auto parts



**7,030 tonnes of CO2e**  
from 29,401 recycled spare parts

Climate action



Tryg will join the SBTi organisation and announce targets once approved by SBTi



*The Science-Based Targets initiative*

**The leading measure** for linking corporate climate targets to science



+6,500 companies with approved targets worldwide<sup>1</sup>



19 of Danish C25 companies committed

# Future-fitting Tryg's business through climate adaptation and prevention



Future-fit products

## Tryg future-proofs the business with a core focus on climate adaptation and prevention



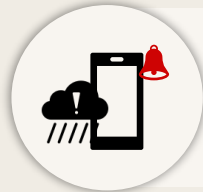
### Climate projected pricing

In a changing world, **enhanced pricing sophistication** improves price differentiation to reflect true climate risk



### Incentives for prevention in private

Installing backflow valves in private households cuts sewage backflow risk by **75%** while **lowering premiums**



### Communication on risk reduction

**+800,000** SMS alerts sent before extreme weather, with **39%** of customers taking action to prevent damage



### Additional compensation for climate risks

**New climate coverage** for commercial customers in Denmark, providing additional compensation

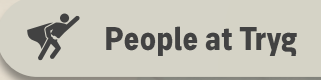
## 2027 ambition

**~60%**

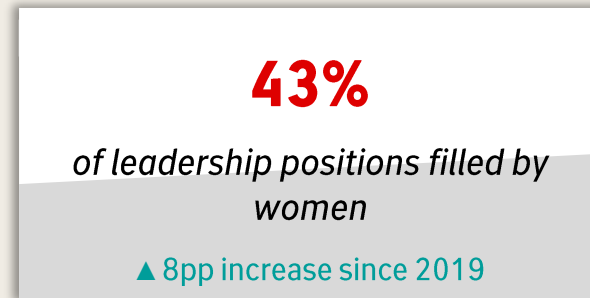
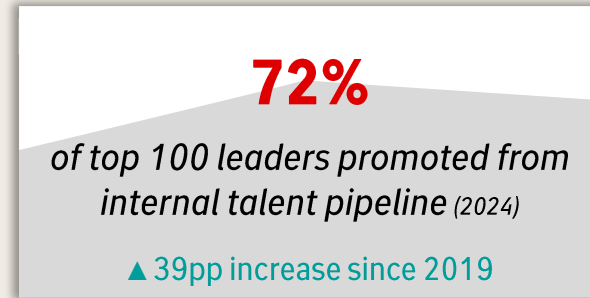
of all product categories in scope to be climate-adapted, aligned with the EU Taxonomy

Ambition is **~25pp** above current baseline

# People at Tryg are key to driving strong business performance



## Key factors reflecting solid foundation



## Levers to further empower people towards 2027

-  Advance diverse leadership teams
-  Enhance digital and AI literacy
-  Enforce an attractive workplace
-  Empower a high-performing organisation

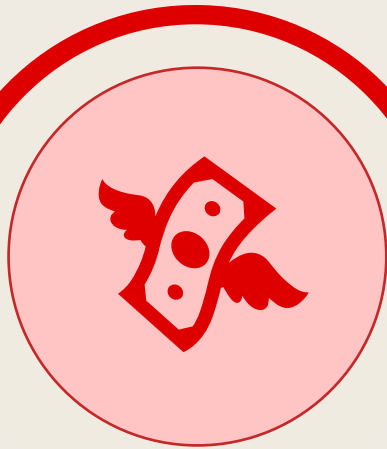
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# Financial section will highlight four key areas



**Core Insurance  
Earnings**



**Return on  
Capital**

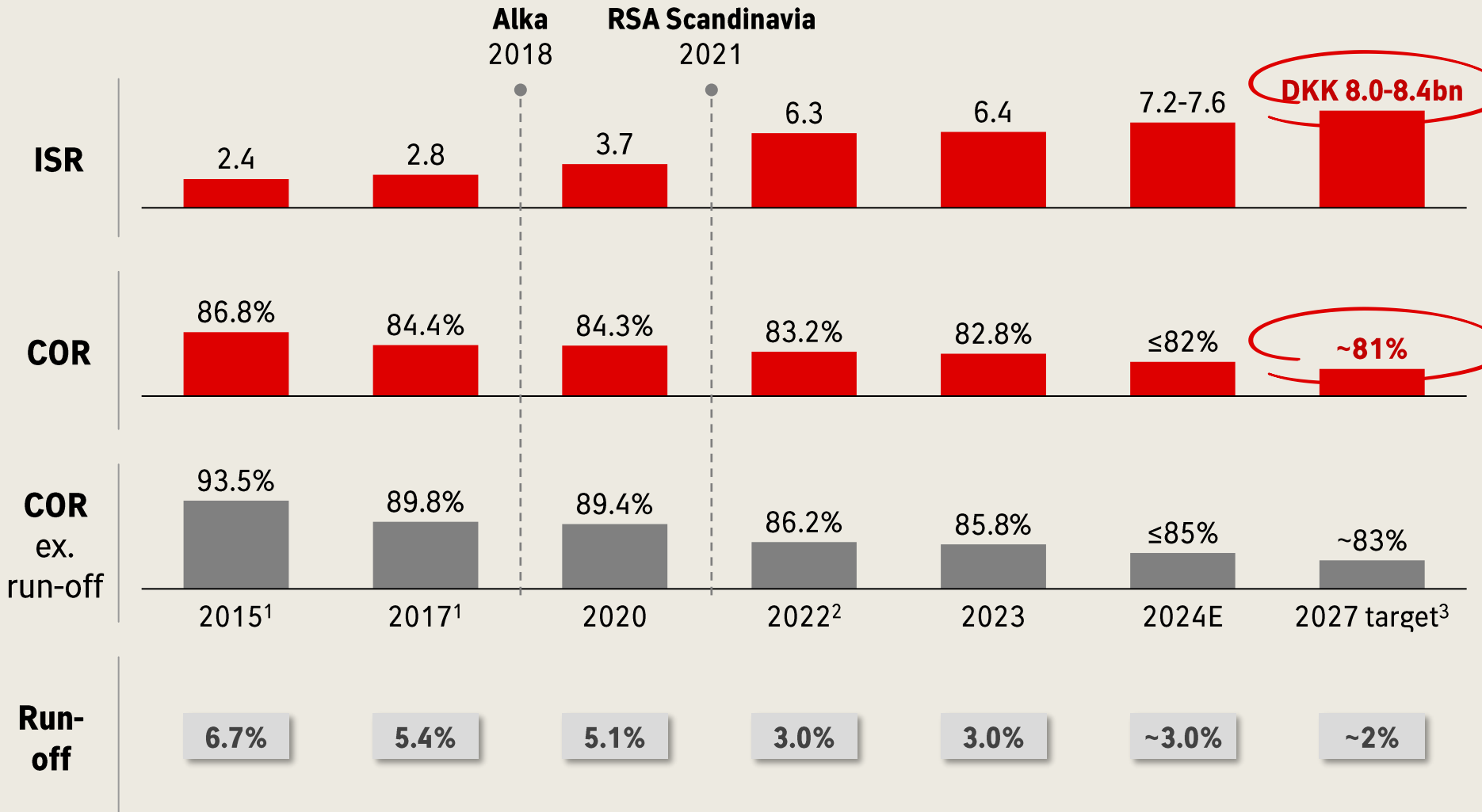


**Investment  
Activities**



**Shareholder  
Remuneration**

# Tryg targets best-ever ISR driven by strongest ever COR



Strong continuation of an Insurance Service Result that has **virtually doubled** from 2020 to 2024

Historical run-off result is **higher** due to **deliberate reduction of buffers**. Run-off level has been gradually reduced

Going forward, **Tryg guides a run-off of ~2%**

With 93% being highly diversified retail revenues, the guided run-off level should be seen as a **continuation of Tryg's conservative reserving approach**

1) IFRS 4; 2) Proforma Trygg-Hansa numbers included with full-year effect; 3) As always, Combined Ratio (COR)/ISR targets assume current interest rates, currency levels and guided large/weather claims (guidance unchanged at DKK 800/800m per annum).

# Expect DKK ~300m CAPEX impact from strategic initiatives

Recall that net impact of strategic initiatives is given

**Scale & Simplicity**

Leverage increased size to combine IT systems, simplify processes and deliver economies of scale

**DKK 500m**  
insurance service result in 2027

**Technical Excellence**

Scale world-class portfolio management and advance pricing and underwriting with new data and technology

**DKK 300m**  
insurance service result in 2027

**Customer & Commercial Excellence**

Scale proven commercial successes across the group and further strengthen focus on customer satisfaction

**DKK 200m**  
insurance service result in 2027



**OPEX investments already accounted for in Insurance Service Result impact**



**CAPEX build-up, all else equal, expected to increase by net DKK ~300m towards 2027**

# Financial section will highlight four key areas



**Core Insurance  
Earnings**



**Return on  
Capital**



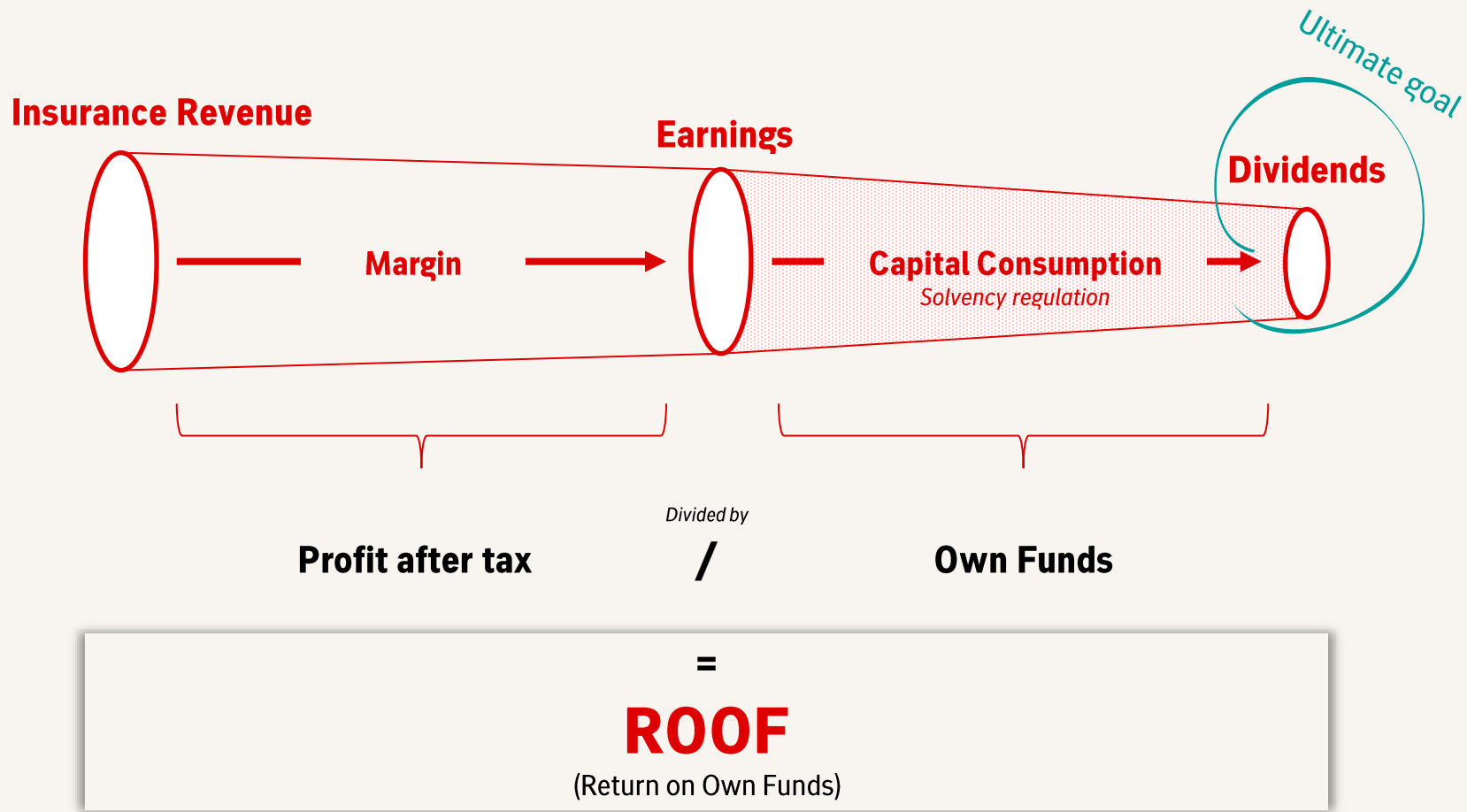
**Investment  
Activities**



**Shareholder  
Remuneration**

# ROOF is a fundamental part of Tryg's Capital Management

Tryg's capital management revolves around optimising shareholder remuneration



ROOF is a key metric in **everything Tryg does** and expresses how well the **insurance revenue translates into dividends**

**Large variation** (up to 10x) in capital consumption across insurance products:

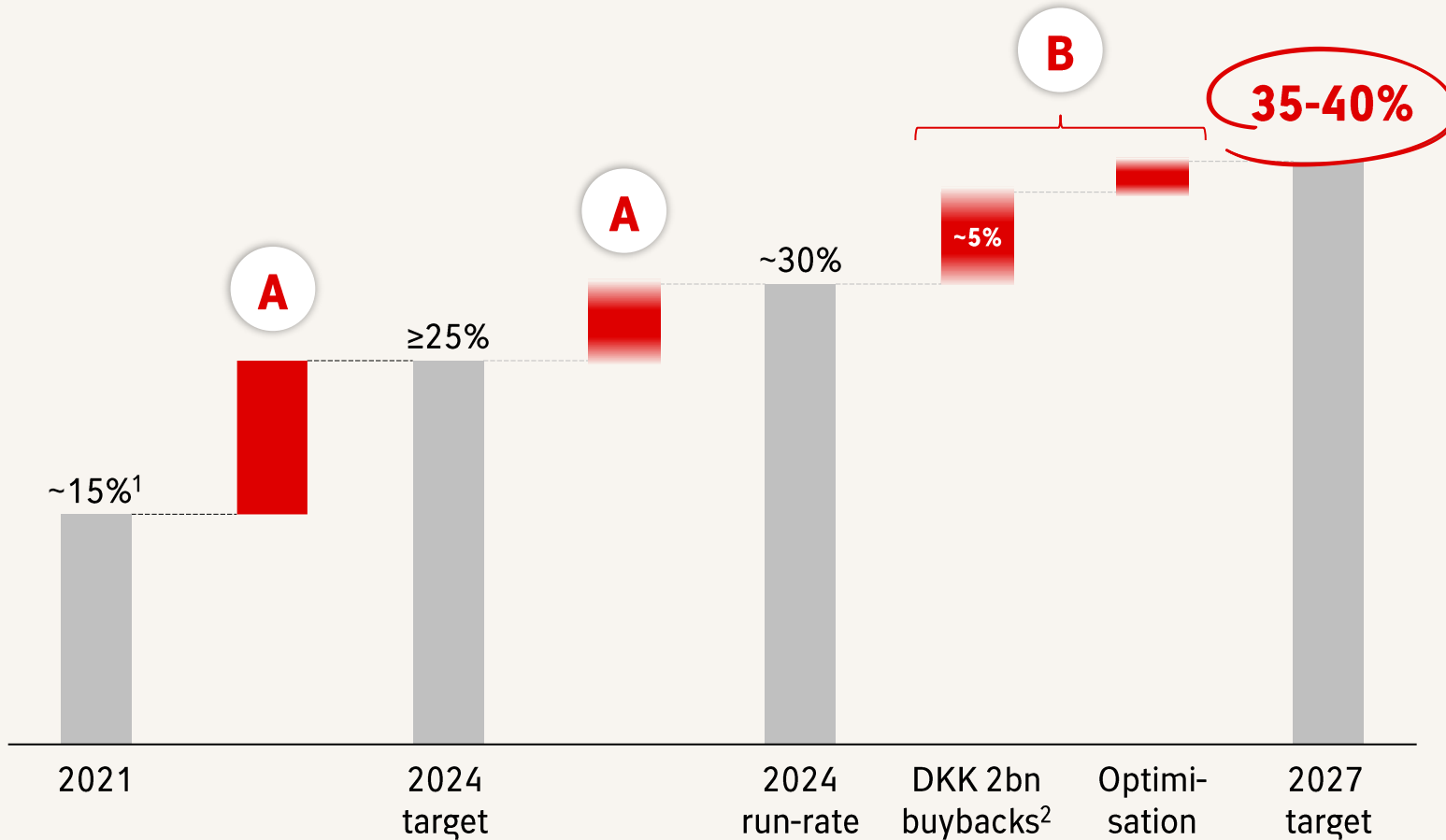
- Capital light products have a **more direct route from earnings to dividends**
- Products with higher capital consumption need to be **more profitable** to achieve similar ROOFs

ROOF serves as a supplement, **not a substitute**, to combined ratio

ROOF is also an important metric for assessing investment activities

# ROOF has continuously improved: ambitious 2027 target of 35-40%

## ROOF development



**A**

### 2021-2024 ROOF improvements

2024 vs. 2021 development primarily driven by ongoing optimisation and increased earnings and synergies following the RSA Scandinavia acquisition

**B**

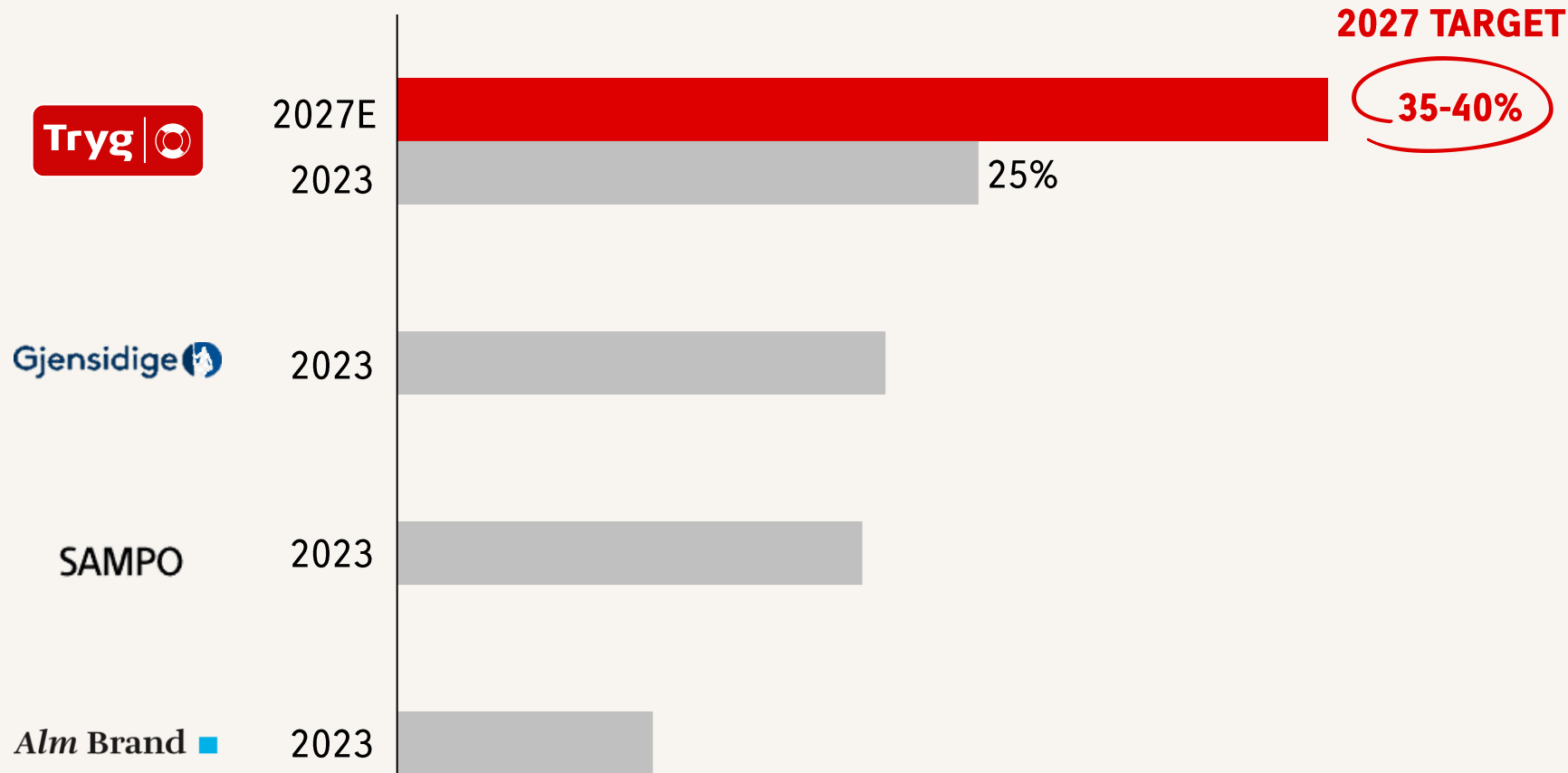
### 2024-2027 ROOF improvements

2027 vs. 2024 development driven by

- **Extraordinary DKK 2bn share buybacks**, enabled by streamlining of capital position through de-risk of Free Portfolio and a robust solvency position
- **Optimisation** through revenue and profit growth pursued in retail areas with lower relative capital consumption

# 2027 ROOF target confirms Tryg among the most profitable insurers worldwide

## ROOF Comparison, Nordic Insurance Companies<sup>1</sup>



Tryg remains **firmly convinced** that having a strong Scandinavian retail footprint, **with a unique and stable earnings diversification**, reduces capital requirements while **helping achieve a higher Return on Own Funds**

# Financial section will highlight four key areas



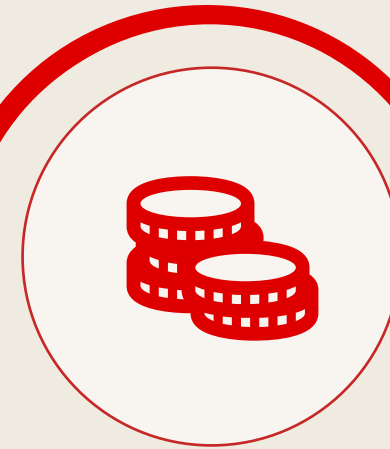
**Core Insurance  
Earnings**



**Return on  
Capital**



**Investment  
Activities**



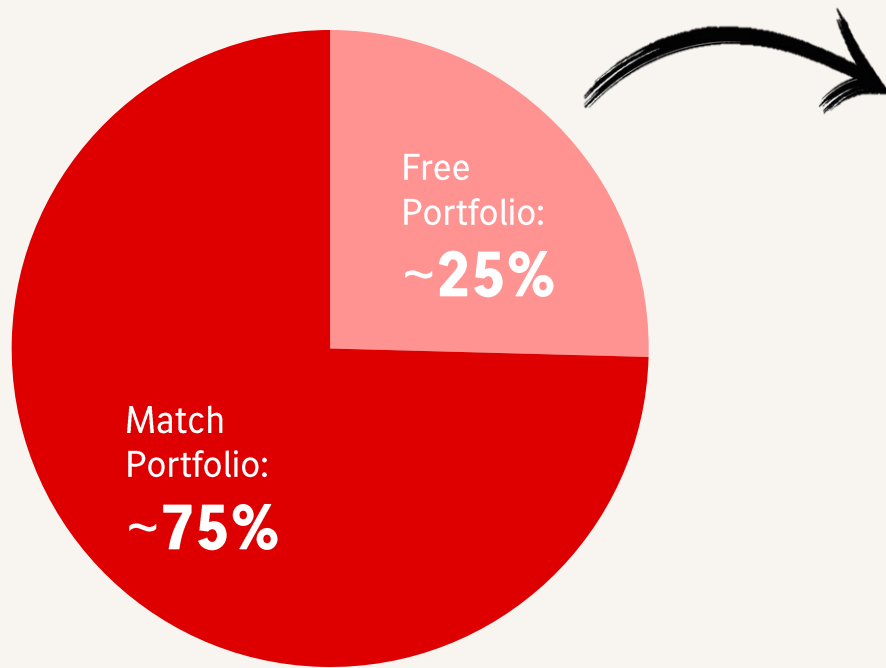
**Shareholder  
Remuneration**



# Today Tryg is announcing a significant de-risk of the Free investment portfolio

## Tryg's investment portfolio is split into Free and Match

DKK 63bn as per Q3 2024



## Strategic de-risking of Free portfolio during October/November

- 1 | **Equities and other risky assets** (DKK ~7.4bn of Q3 2024 portfolio) have been sold during October/November
- 2 | **Covered and government bonds** portfolio increased accordingly, to reflect a less risky and simpler Free Portfolio
- 3 | Strengthens Tryg's position **as a profitable, retail focused, low risk, pure-play P&C Scandinavian insurer**

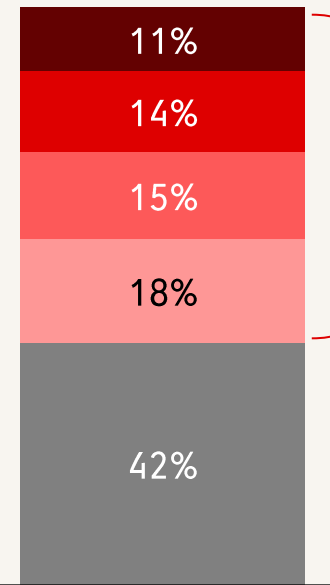
Match hedges **interest rate risk** of Tryg's provisions  
Free provides a **return on Own Funds**

**DKK ~800m** Solvency Capital Requirement (SCR) reduction following de-risking

# Free Portfolio is de-risked to reduce volatility and improve ROOF

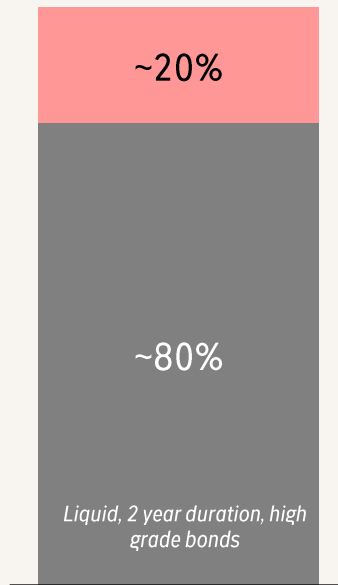
## The Free Portfolio composition

Before de-risking ...

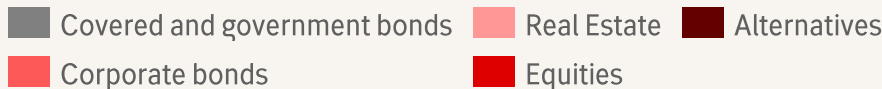


55-65% of Free asset mix last several years

... after de-risking

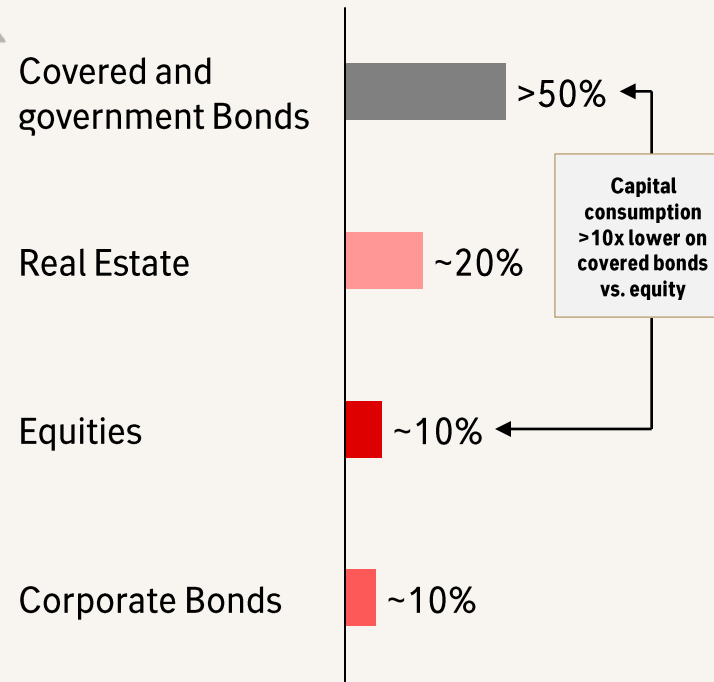


Liquid, 2 year duration, high grade bonds



## ROOF on Free Portfolio asset classes

ROOF per asset class, annualised<sup>1</sup>



Free and Match portfolio combined now consist of ~95% covered and government bonds (~85% previously)

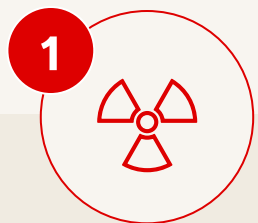
Higher ROOF on covered and government bonds, driven by low capital consumption

Other asset classes have a ROOF lower than insurance business and high capital charges

Real Estate is currently still a part of the Free Portfolio (DKK 3.4bn at Q3 2024).

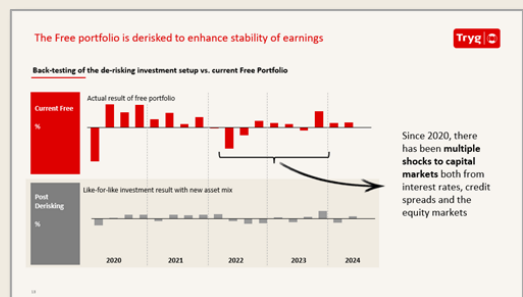
Long term Tryg does not expect Real Estate to be part of the asset mix potentially releasing further DKK ~300m SCR

# De-risking improves ROOF with neutral EPS impact due to reduced number of shares



## Decreased risk/volatility

Short duration covered and government bonds are significantly less volatile



Elaborated on next page

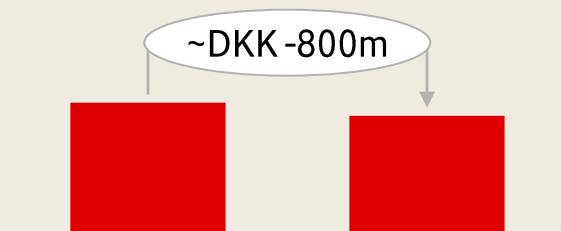
Decreasing risk lowers SCR



## Excess Capital

De-risking lowers SCR DKK ~800m<sup>1</sup>

Before de-risk    After de-risk



Group SCR

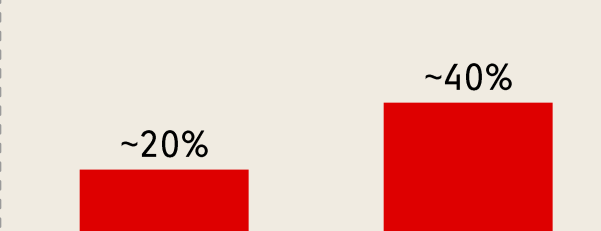
Lower capital consumption on new asset mix



## Increased ROOF

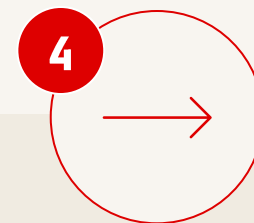
Even with DKK ~200m lower normalised investment result, Free portfolio's ROOF improve due to lower capital charges

Before de-risk    After de-risk



ROOF: Free portfolio

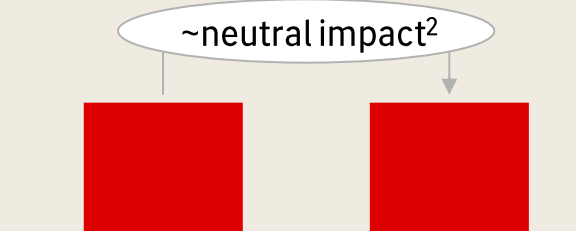
Share buyback offsets lower returns



## Neutral Operating EPS

SCR reduction enables extraordinary buybacks leading to fewer shares, which offsets lower normalised return

Before de-risk    After de-risk

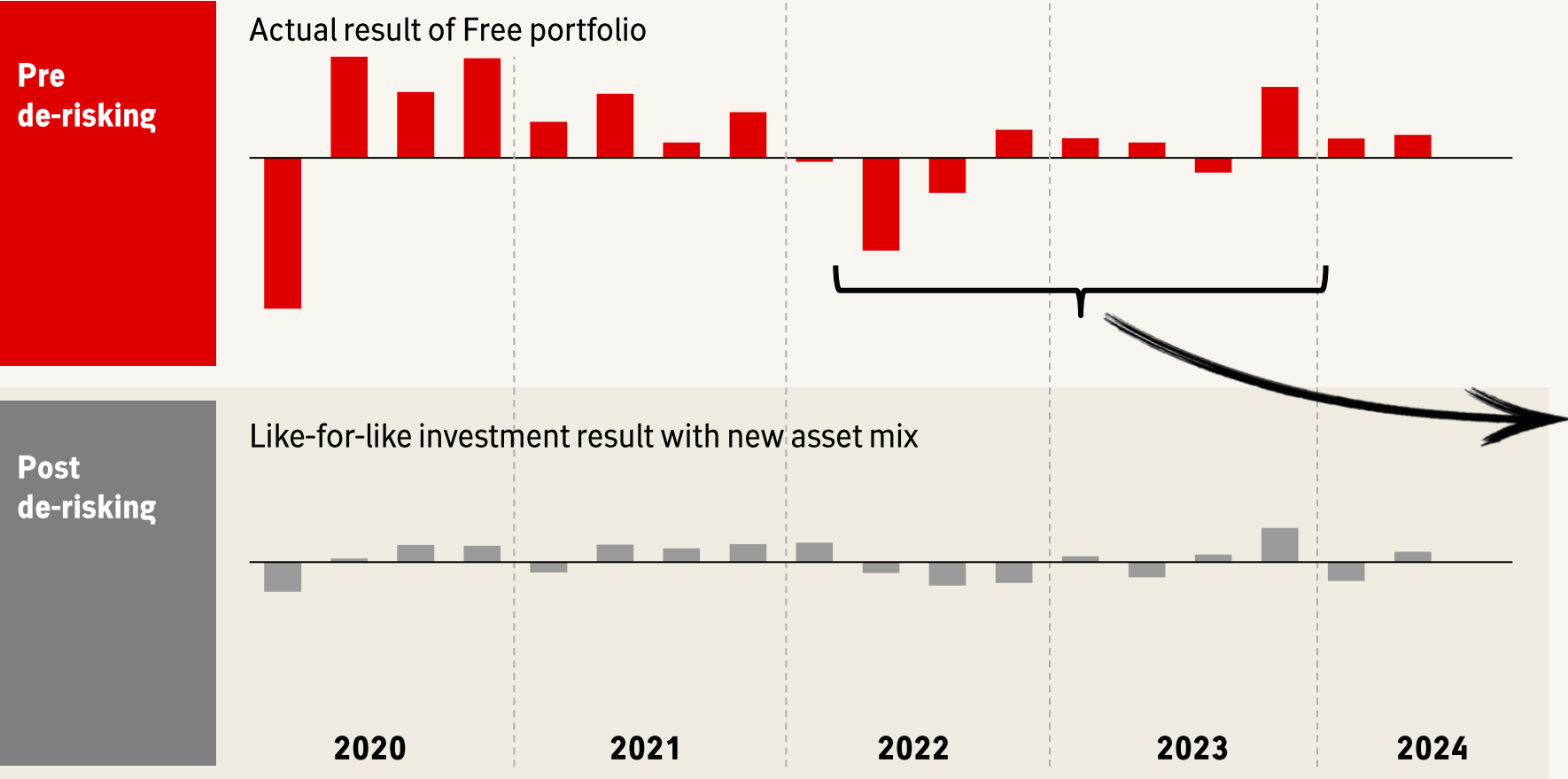


Group operating EPS

1) Full sale of properties is expected to free up additionally 300m of SCR; 2) On a Group level, lower normalised investment result of DKK ~200m pre-tax is broadly offset by the ~10m share reduction from DKK 1.6bn excess capital (with current solvency ratio), assuming current share price

# The Free portfolio is de-risked to enhance stability of earnings

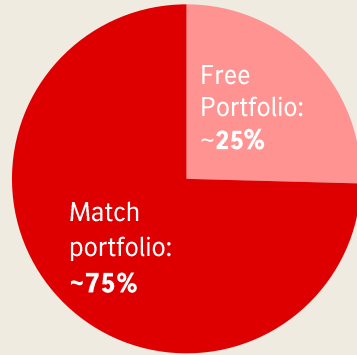
## Back-test of the de-risked investment portfolio vs. current Free Portfolio



Since 2020, there has been **multiple shocks to capital markets** both from interest rates, credit spreads and the equity markets

# Tryg has a strong and hedged balance sheet

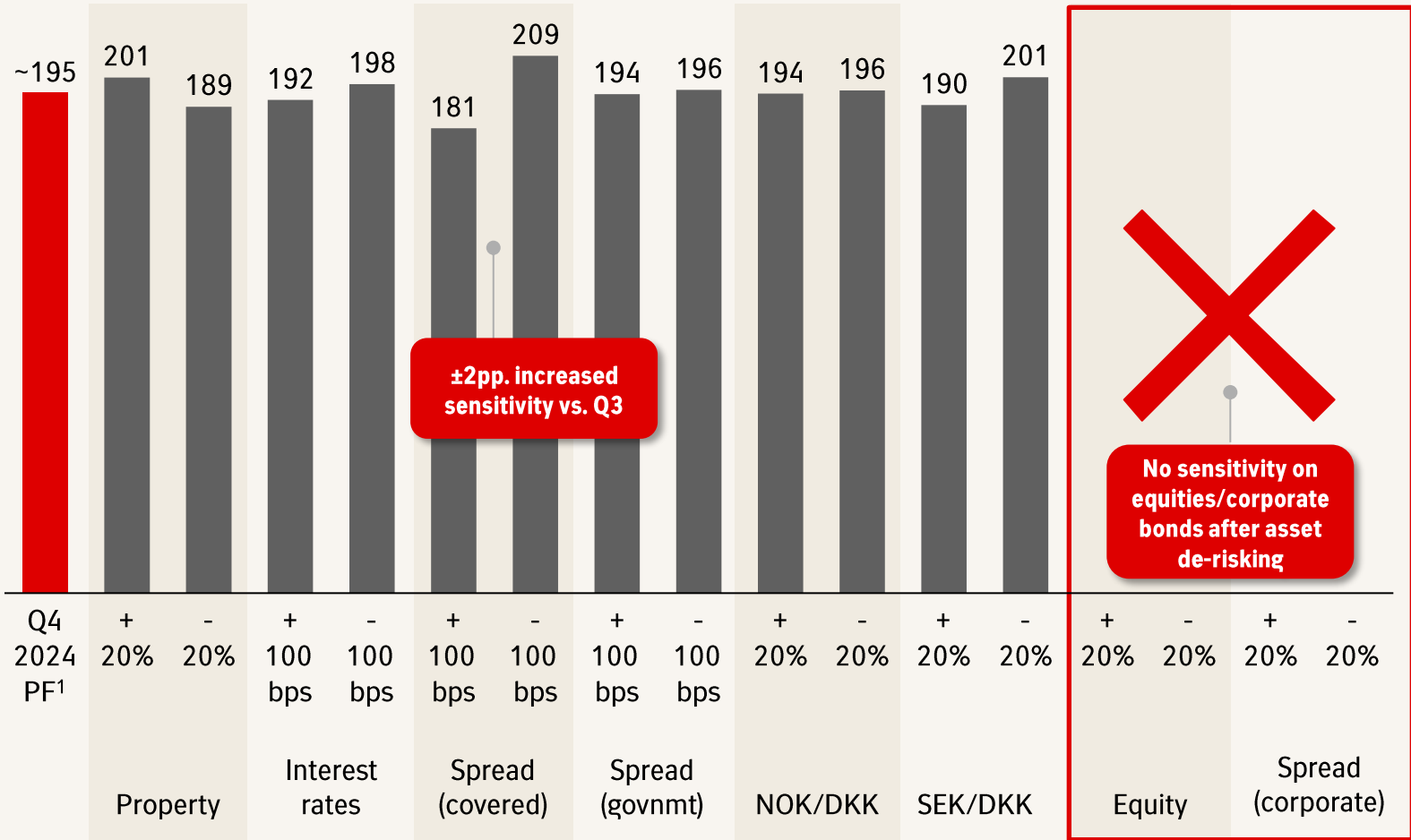
**Investment activities reflect Tryg's focus on managing balance sheet risk**



	Risk mitigation strategies	Mitigated risks
	<p><b>Free portfolio strategy</b> New de-risked investment set-up on Free lowers excessive market risk exposure</p>	<p><b>Capital market risk</b> </p>
	<p><b>Match portfolio strategy</b> Hedging interest rate risk of Tryg's provision</p>	<p><b>Interest rate risk</b> </p>
	<p><b>Currency hedging strategy</b> Hedging solvency ratio exposure to foreign currencies</p>	<p><b>Currency risk</b> </p>
	<p><b>Inflation hedging strategy</b> Hedging long tailed lines of business against inflation</p>	<p><b>Reserve risk</b> </p>

# Solvency Ratio continues to display low sensitivity to market risk

**Q4 2024 pro-forma solvency ratio sensitivity to key asset classes, after Free portfolio de-risk**



➔ **Vast majority (~95%) of Match and Free portfolio is in covered and government bonds:** spread risk being the biggest sensitivity

➔ Generally **low sensitivities** due to **strong and hedged balance sheet**

➔ Towards 2027, expect **solvency development** to be primarily driven by organic capital generation and shareholder remuneration

➔ **Stability and predictability of the solvency ratio stands out in a sector context**

# Financial section will highlight four key areas



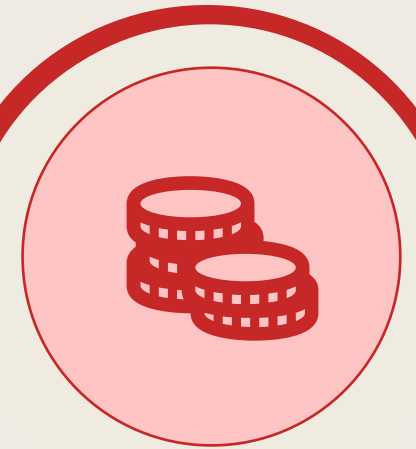
**Core Insurance  
Earnings**



**Return on  
Capital**



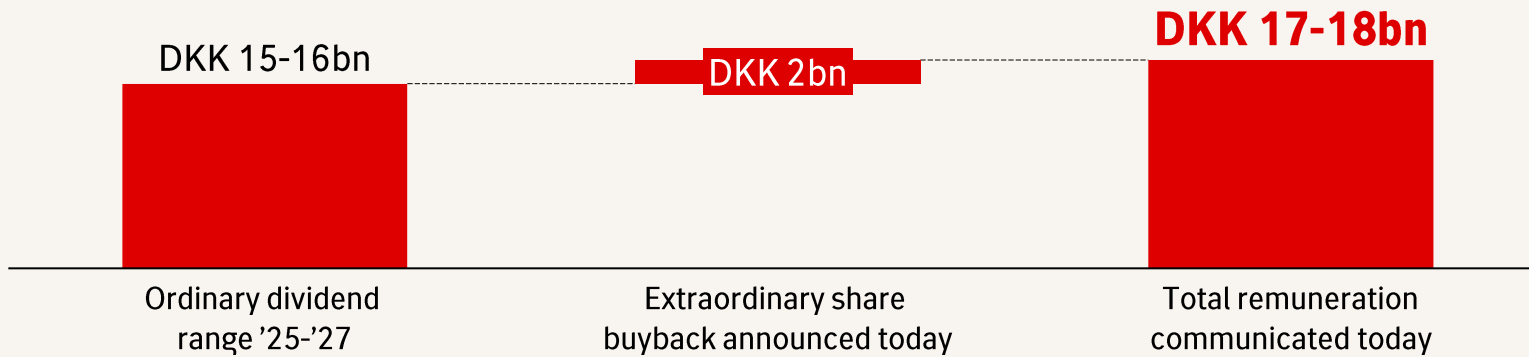
**Investment  
Activities**



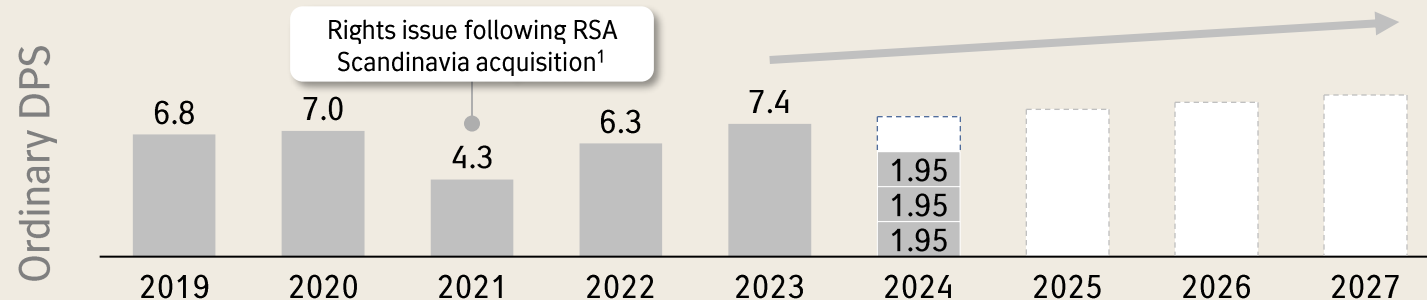
**Shareholder  
Remuneration**

# Total shareholder remuneration of DKK 17-18bn between 2025 and 2027

## Shareholders' remuneration communicated today, DKK bn



## Ordinary dividend range implies continuation of strong trajectory



1) 2021 DPS impacted by the higher number of shares at 653m (301m end of 2020) following the DKK 37bn rights issue to fund the acquisition of RSA Scandinavia



**Tryg chose a more conservative approach to solvency** following the RSA Scandinavia acquisition, which has served well in an ongoing turbulent macro environment.  
**Long term, we expect to gravitate towards a less conservative level**



**Annual year end assessment of solvency position** is also driven by very ambitious return on own funds target



**Unchanged dividend policy** with payout ratio of 60-90% secondary to growing the ordinary dividend



**Strong capital management is a key enabler** for continuing Tryg's attractive dividend journey



# Agenda

- 1 Follow-up on CMD targets for 2024
- 2 Summary of 2027 strategy
- 3 Strategic pillars for 2027
  - 3.1 *Scale & Simplicity*
  - 3.2 *Technical Excellence*
  - 3.3 *Customer & Commercial Excellence*
- 4 Sustainability & ESG
- 5 Financial & capital management
- 6 **Concluding remarks**



# Tryg's vision is to further strengthen retail position, leveraging scale, world-class technical excellence and strong distribution setup

**Scandinavian leader** in retail insurance, with strong brands, high customer satisfaction and loyalty in all markets

**Europe's most efficient insurer** with a high degree of automation, scaled back-end and efficient claims handling

**World-class** in selecting and pricing risks to **maintain strong profitability** and **competitive pricing**

**Responsible and future-proof** company that drives the **sustainability** and **diversity** agenda with concrete and measurable actions

Strongest distribution, **meeting customers where they are**, in an efficient way

**Top-ranked employer** in our industry, best at attracting and **developing talent** in all our markets

## Why Tryg is a special one:



Pure P&C player with majority retail business



Operating in stable and attractive Scandinavian region (DK, NO, SE)



Best-in-class combined ratio levels



Low volatility investment portfolio



Robust solvency position



Predictable dividends



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

***It's to see my dividends coming in***

*John D. Rockefeller*



Tryg | 

THANK  
YOU



# 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](http://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.

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