

Tryg A/S

Growing a successful core, while shaping the future

Capital Markets Day

London, November 16th 2021



Welcome

Tryg | 

Tryg Executive Board



Morten Hübbe

Group CEO



Barbara Plucnar Jensen

Group CFO



Lars Bonde

Group COO



Johan Kirstein Brammer

Group CCO



Agenda



1 Follow-up on CMD targets and initiatives 2018 - 2020

2 Introducing the 2021 - 2024 strategy and targets

Q&A session

2.1 *Full speed ahead in a successful core*

2.2 *Change the way to win in B2B*

Q&A session followed by coffee break

2.3 *Shape the future*

2.4 *Trygg-Hansa / Codan NO integration and synergies*

3 Customer experience

4 Corporate responsibility

Q&A session

5 Financials and capital management

6 Concluding remarks

Q&A session

Tryg 2024 at a glance: Growing a successful core, while shaping the future



Target highest ever **technical result**



DKK 7.0-7.4bn



Continue **growing** the successful, **existing business**



DKK ~1.6bn technical result improvement in existing business



Acquisition process and synergies **on track**, strong **Trygg-Hansa momentum**



DKK 900m synergies realised in 2024



Strong **shareholders' remuneration focus** intact



DKK ~17-19bn in ordinary dividends and extraordinary buybacks














Follow-up on CMD targets and initiatives 2018 - 2020

As the world **changes**, we
make it **easier** to be 'tryg'



Tryg delivered on the 2020 targets presented at last CMD in 2017



Category	 Key Performance Indicators	 Targets 2020	 Realised 2020
 FINANCIAL	Technical result	DKK 3.3bn	 DKK 3.5bn
	Combined ratio	≤ 86%	 84.5%
	Expense ratio	~14% reaffirmed	 14.1%
	Return on equity	≥ 21%	 22.5%
 CUSTOMERS	TNPS	70	 72
	Number of products per customer	4.0	 3.9

Tryg delivered on all four key priorities from 2020 strategy



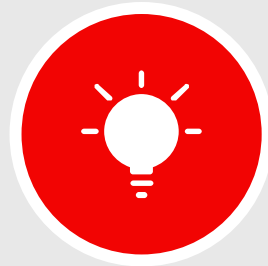
Claims excellence



- **DKK 600m in claims cost reduction**

✓ **DELIVERED**

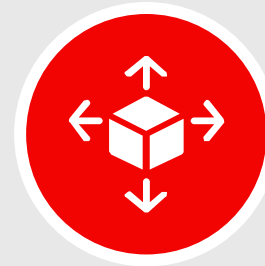
Digital empowerment of customers



- **DKK 100m improvement in technical result**
- **50% STP¹ on claims**
- **70% self-service rate**

✓ **DELIVERED**

Product and service innovation



- **DKK 1bn in premiums from new products by 2020+**

✓ **DELIVERED**

Distribution efficiency



- **DKK 150m in technical result impact**

✓ **DELIVERED**

Priorities presented at CMD 2017



Long-term profitable growth and attractive shareholder value creation

The Alka acquisition has been executed successfully



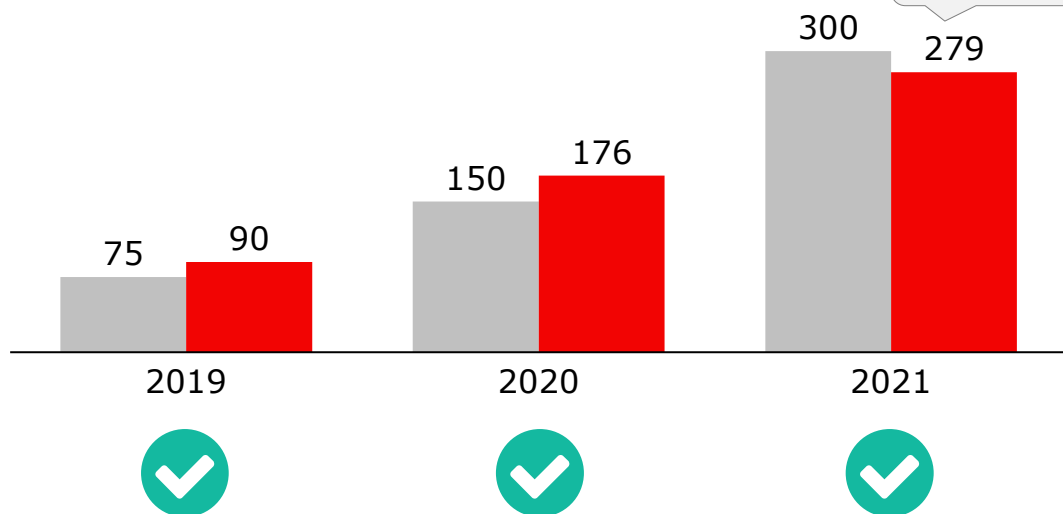
Tryg has delivered on all Alka synergies

Targeted and realised benefits, DKKm

■ Targeted benefits
■ Realised benefits



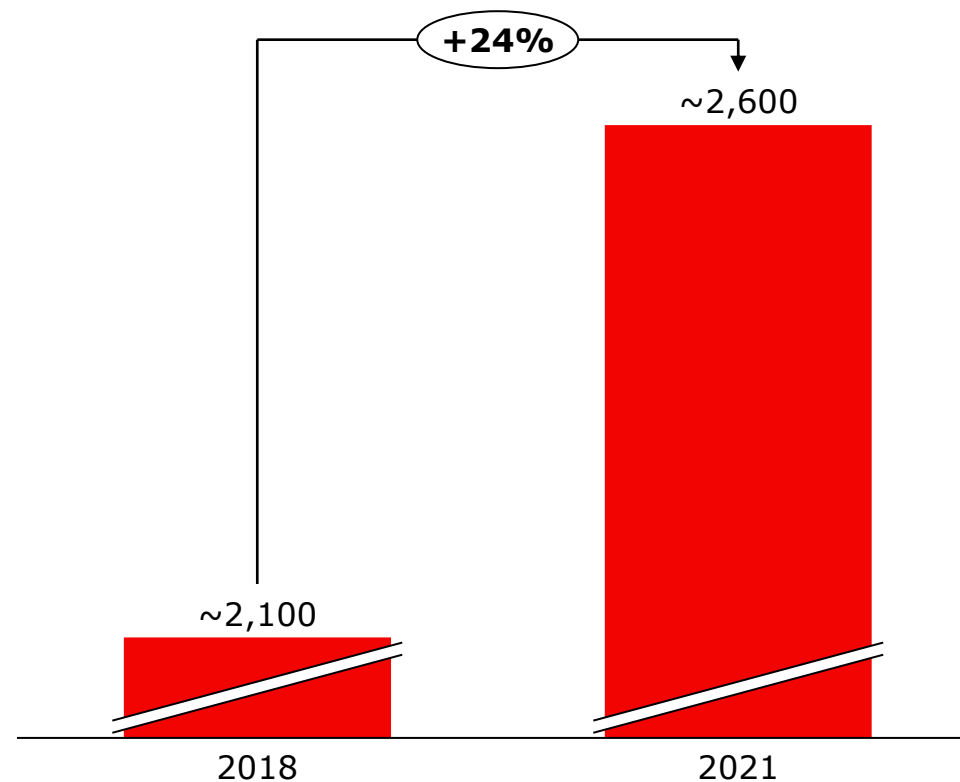
Q3 YTD -
On track



Alka **learnings to be used** in relation to the **acquisition** of Trygg-Hansa and Codan NO

Alka is performing at a historic high

Portfolio, DKKm



Tryg performs well when benchmarked against competitors



The Nordic insurance market is attractive with unique characteristics:



Large, listed players (DK+NO)



Highly consolidated market



High retention rates

Tryg is the only pure **non-life** insurance player

Scandi peers

European peers

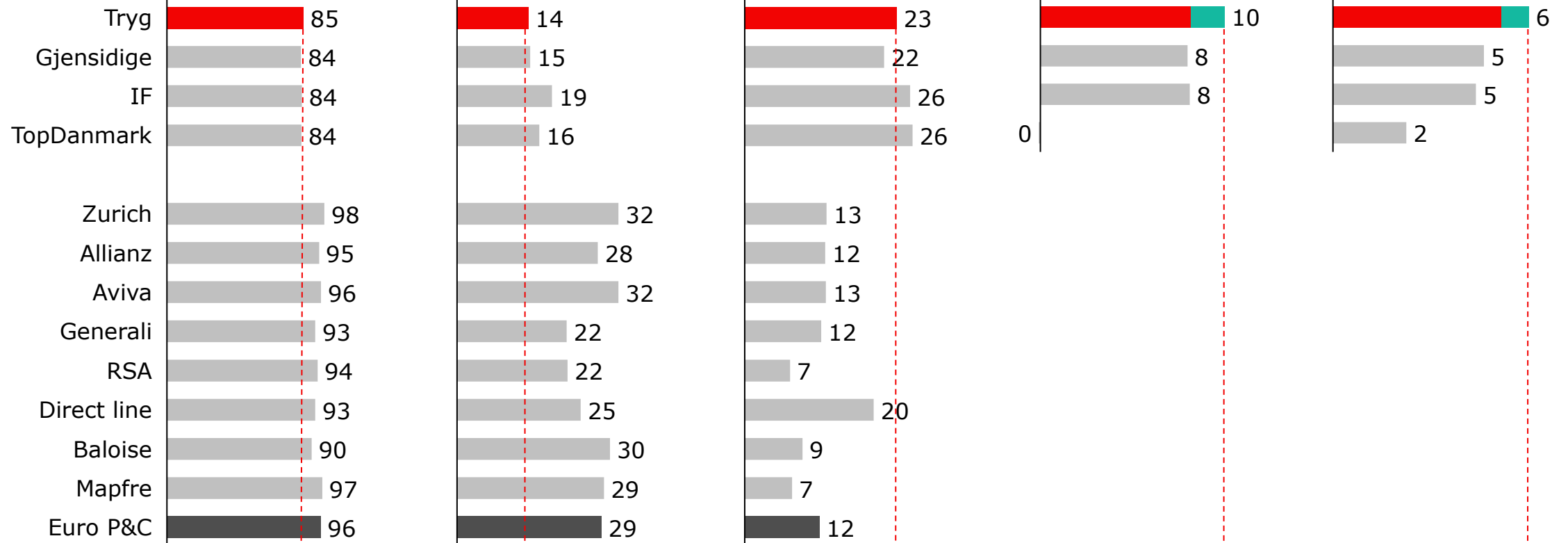
Combined ratio
5y average ('16-'20), %

Expense ratio
year-end 2020, %

ROE
5y average ('16-'20), %

TR growth
5y CAGR ('16-'20), %

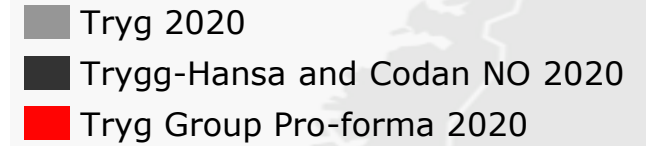
Premium growth
5y CAGR ('16-'20), %





Introducing the 2021 - 2024 strategy and CMD targets

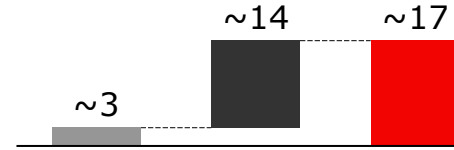
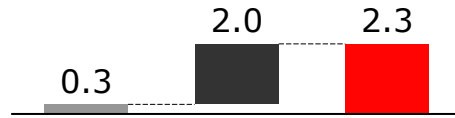
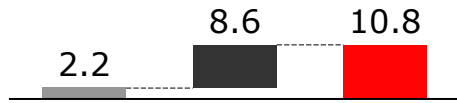
The acquisition has created the largest Scandinavian P&C player



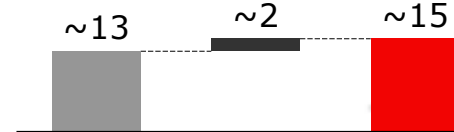
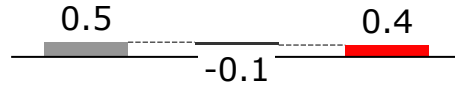
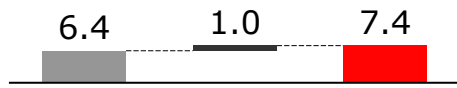
Gross premiums earned, DKKbn

Technical result, DKKbn

Market shares¹, %



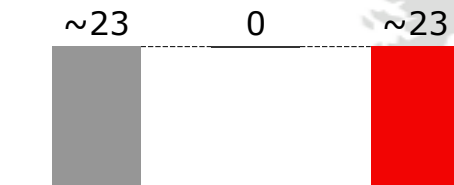
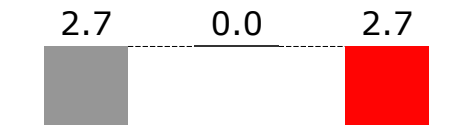
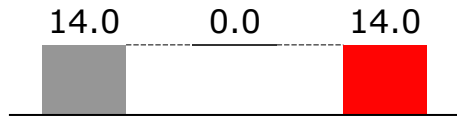
#3 in Sweden



#3 in Norway



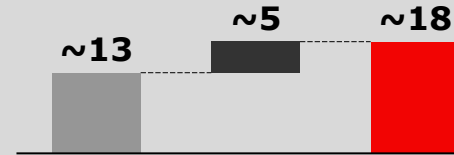
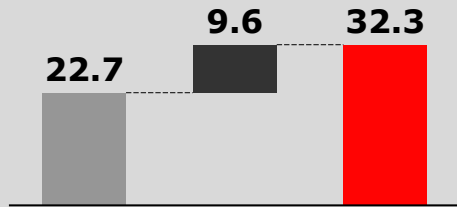
CODAN



#1 in Denmark

TRYGG HANSA

Moderna Försäkringar



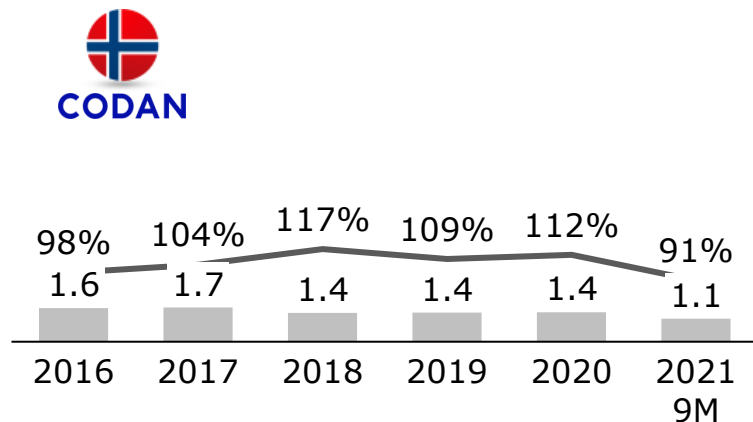
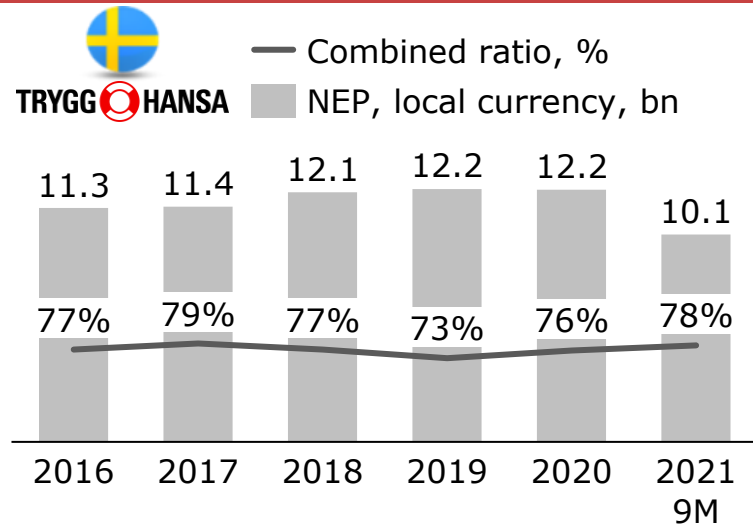
#1 in Scandinavia



Trygg-Hansa: Strong and stable profitability, growth to improve

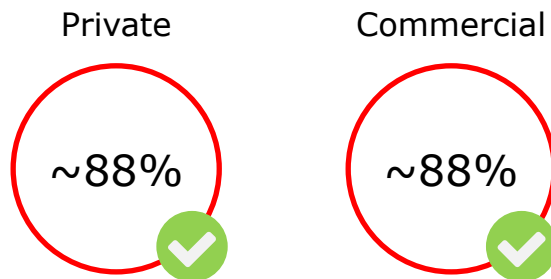


Trygg-Hansa has high profitability

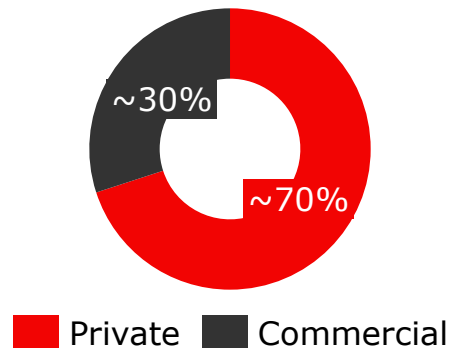


Profitability driven by strong retention

Trygg-Hansa retention rates, 2020

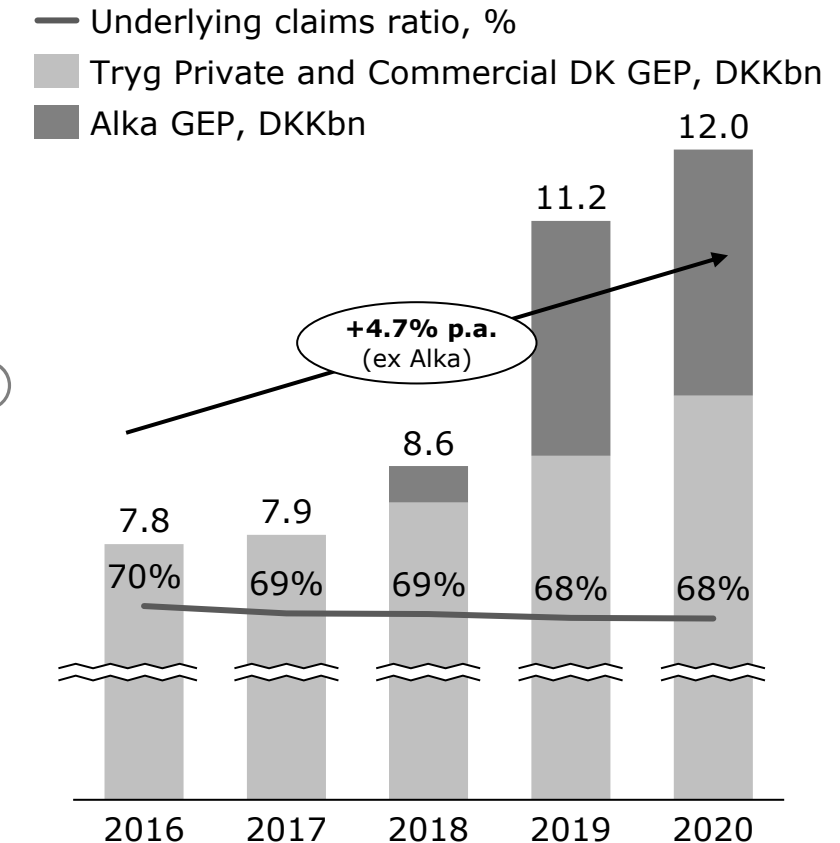


Trygg-Hansa premiums mix, 2020



Next step is to increase growth

Underlying claims ratio, %

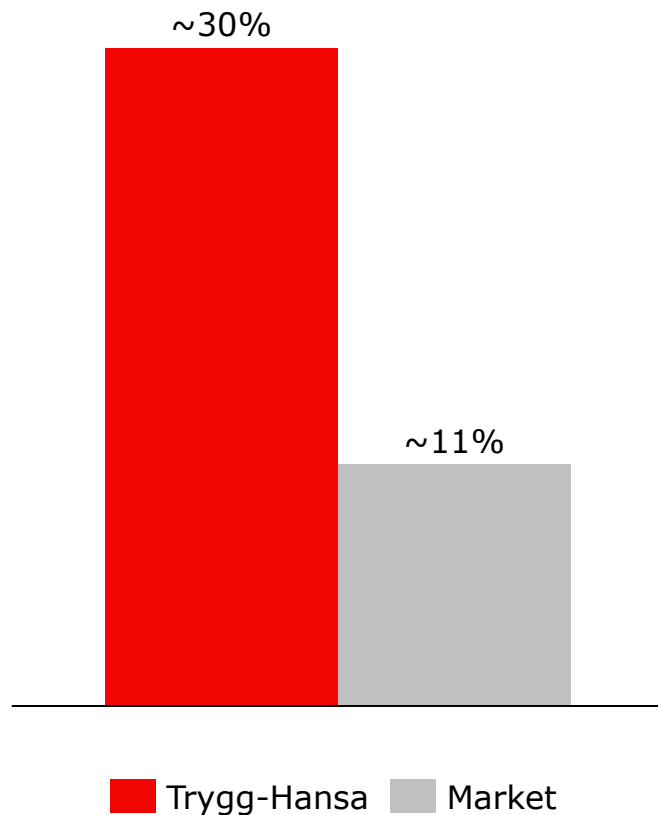


Trygg-Hansa: Pioneer and market leader of personal accident



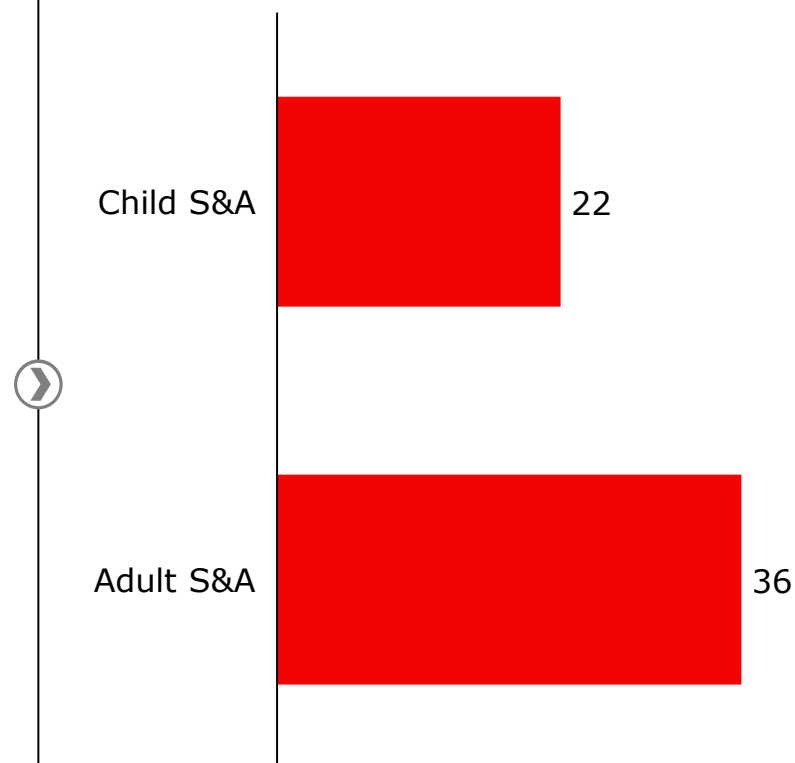
Large PA share in Trygg-Hansa premiums

PA¹ share of total premiums, 2020



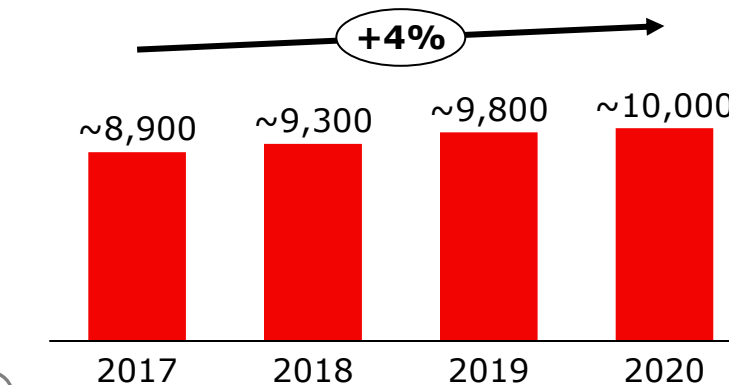
High retention rate drives PA performance

Avg. retention, years

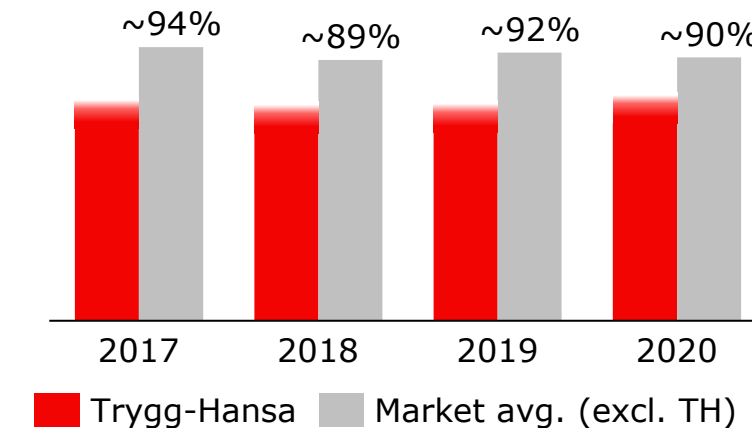


Trygg-Hansa has strong competitive edge

PA market size, 2017-2020, SEKm



PA combined ratio, 2017-2020



2024 targets: Highest technical result ever

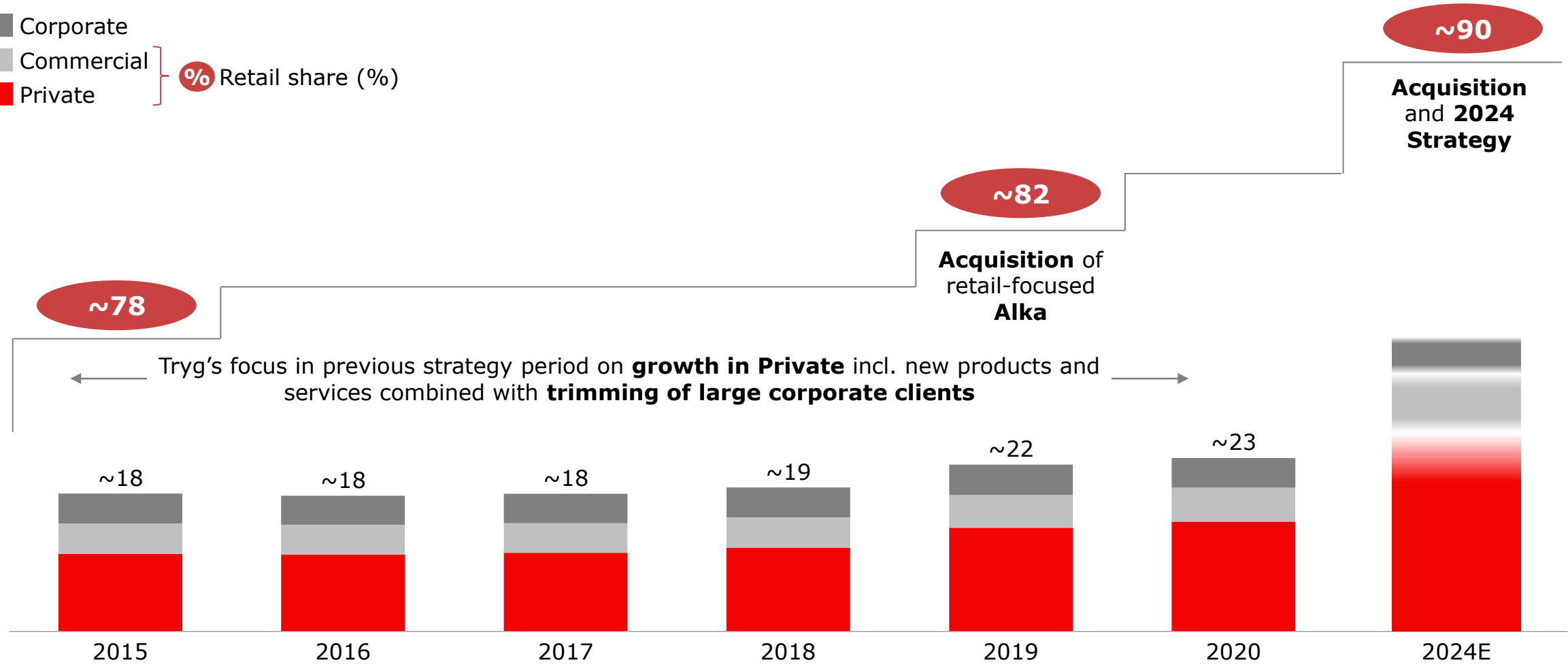
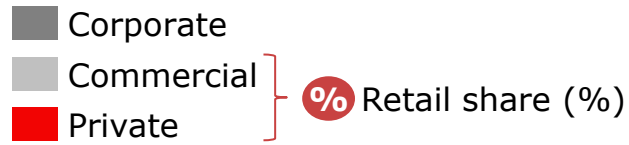


	Targets 2020	Realised FY 2020	Targets 2024
Financial KPIs	Technical result DKK 3.3bn	DKK 3.5bn ✓	DKK 7.0-7.4bn
	Combined ratio ≤86%	84.5% ✓	≤82%
	Expense ratio ~14% reaffirmed	14.1% ✓	~14% reaffirmed
	Return on Own Funds¹ New KPI	N/A	≥25%
Strategic KPIs	Trygg-Hansa and Codan NO synergy realisation New KPI	N/A	900m
	Digitalisation (% growth in value creating actions upon login) New KPI	~14m	≥40%
	Customer satisfaction (Customer journey satisfaction) New KPI	84	88
	Corporate responsibility (CO2e reduction from claims) New KPI	NA	20-25k tonnes per year
			DKK ~17-19bn in pay-out in 2022-2024 from ordinary dividends and extraordinary buy-backs

Retail focus drives value creation



Premiums mix, DKKbn



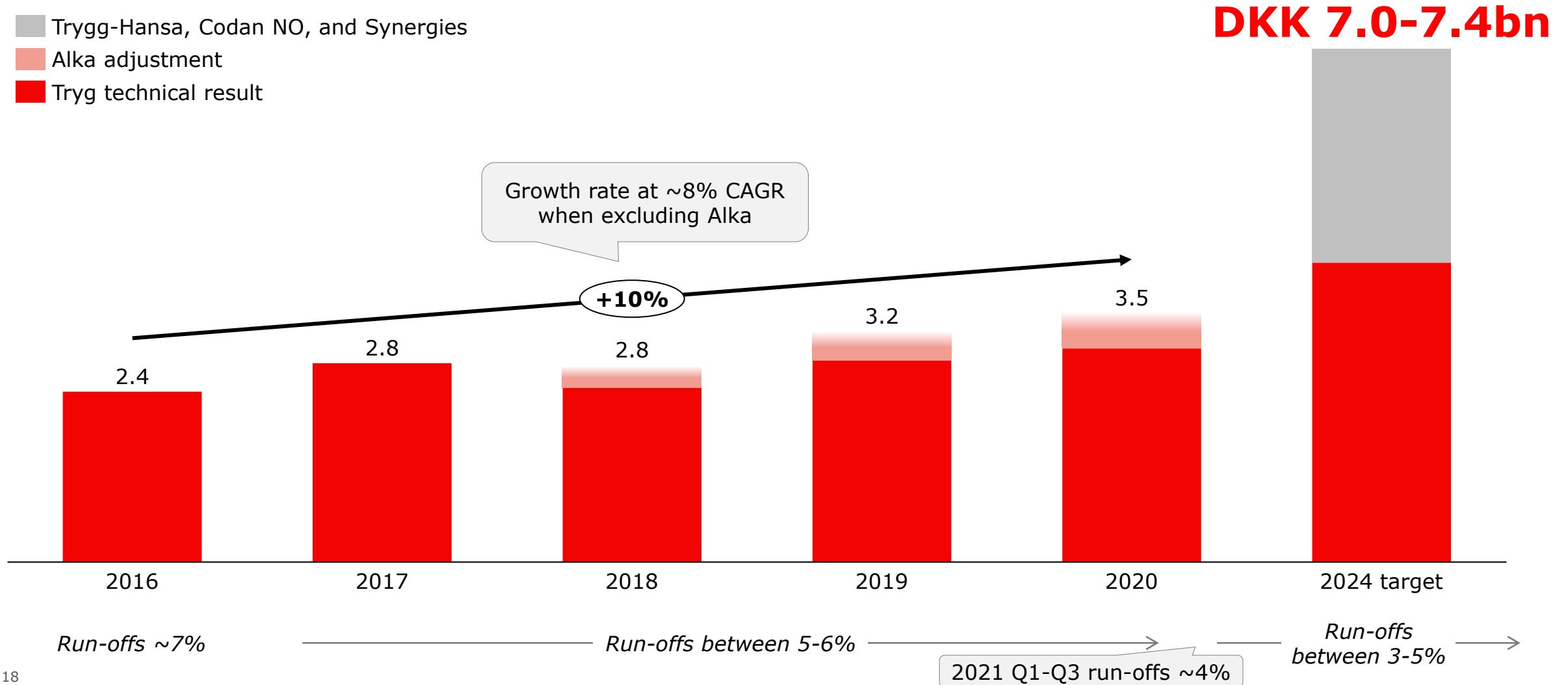
← Tryg's focus in previous strategy period on **growth in Private** incl. new products and services combined with **trimming of large corporate clients** →



Strong track record of growing technical result

Technical result, DKKbn

- Trygg-Hansa, Codan NO, and Synergies
- Alka adjustment
- Tryg technical result





Tryg will deliver on ambitions by focusing on four key pillars

TRYG 2024

1 Full speed ahead in a successful core

DKK ~1050m increase in TR

Advanced approach to claims

Sales and customer excellence

2 Change the way to win in B2B

DKK ~600m increase in TR

Grow among smaller SMEs in Commercial

Improve profitability in Corporate

3 Shape the future

DKK ~1.5bn premiums in 2024+ across product types

Prevention *Expand the market of today*

Build the market of tomorrow

4 Trygg-Hansa and Codan NO synergies

DKK ~900m in synergies

Leverage scale to realise cost synergies

Share best practices to realise commercial synergies

Key enablers

Data and analytics

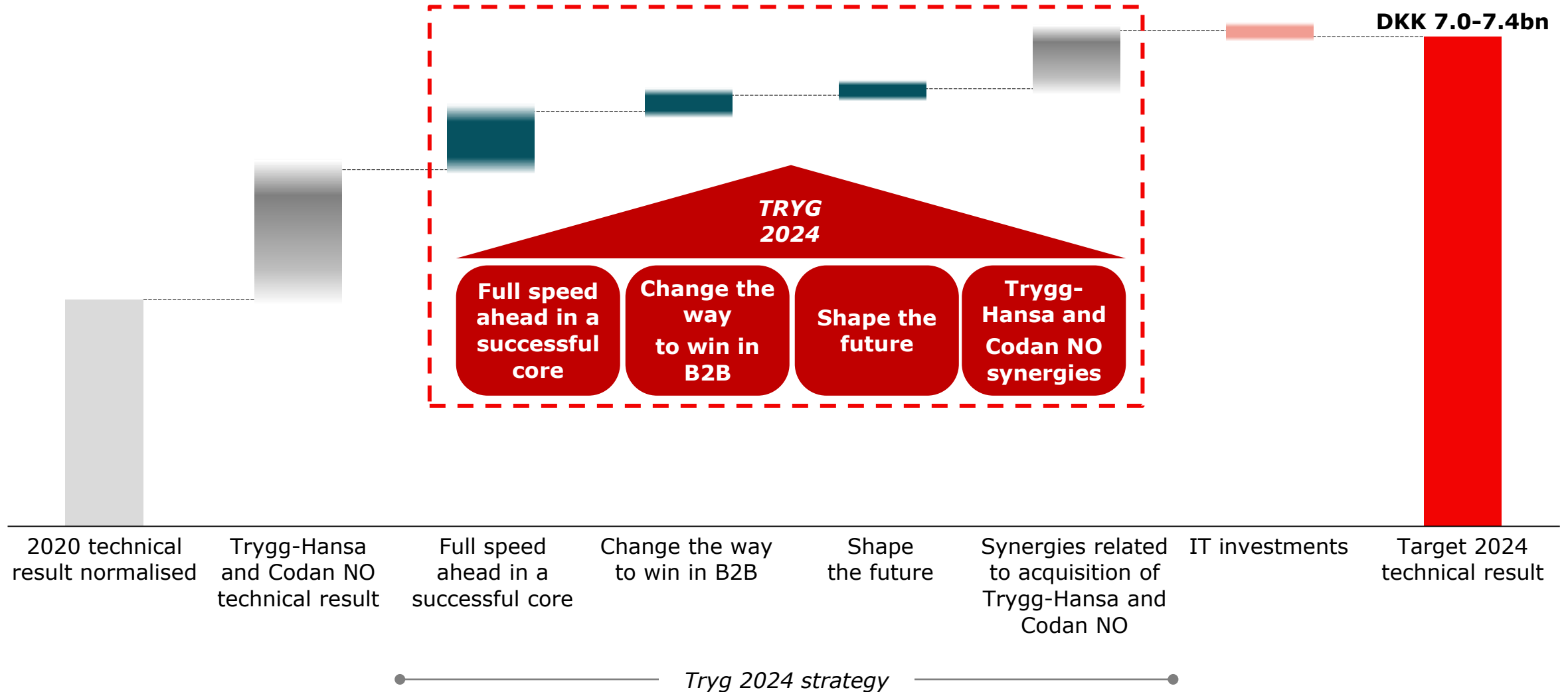
IT capabilities

HR – people, organisation and culture



Drivers of doubling technical result

Breakdown of 2024 technical result target



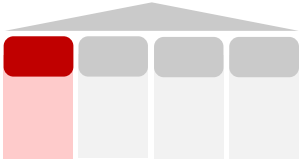
Questions?

(5 minutes)

Tryg | 



**Full speed ahead in
a successful core**



Tryg will continue to improve core business



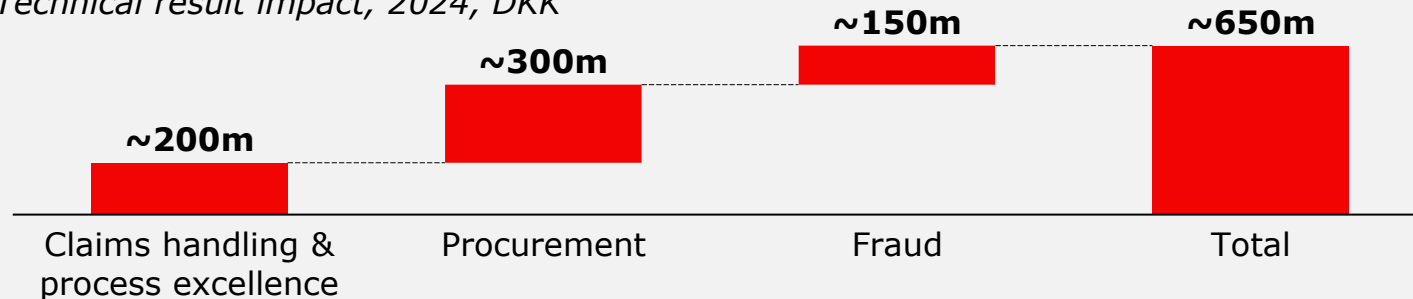
Advanced approach to claims

Sales and customer excellence

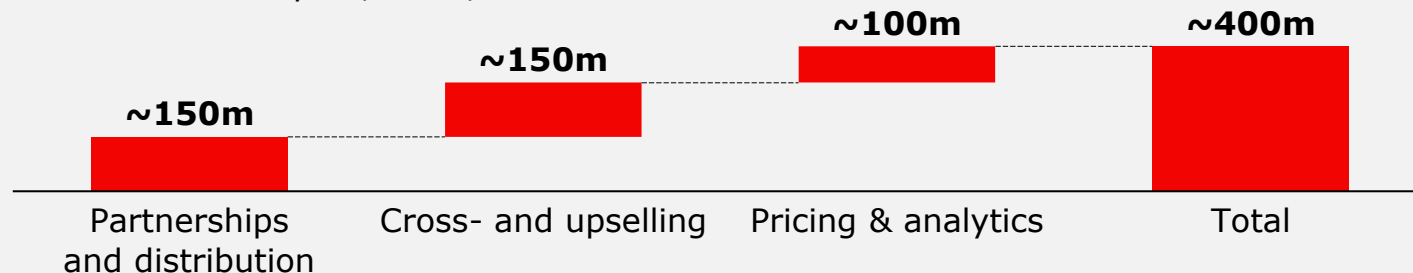
Strategic focus areas

Target 2024

Technical result impact, 2024, DKK



Technical result impact, 2024, DKK



DKK ~1050m
Total TR contribution in 2024

Three-fold structure used to present the strategy



Relevance



Why is this **topic relevant** for Tryg to address in the strategy?



Evidence



Which **results** has Tryg **delivered historically** on this topic?

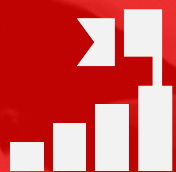


Potential



What is the **ambition** to be achieved in **2024**?

FULL SPEED AHEAD IN A SUCCESSFUL CORE



Advanced approach to claims



Sales and customer excellence



Relevance: Claims is Tryg's largest cost driver

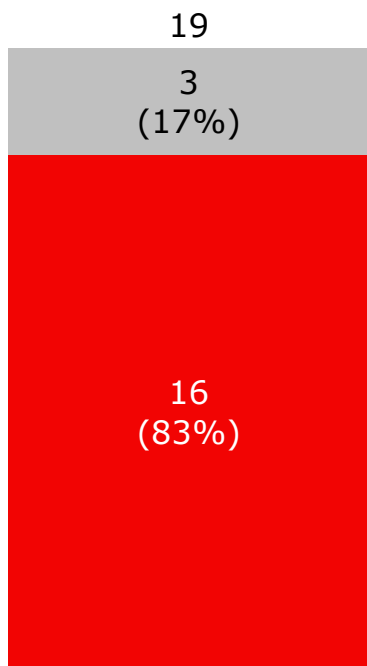


Claims costs account for 83% of total costs

Three levers to address claims costs

Total costs, 2020, DKKbn

 Claims costs
 Expenses



**Process
excellence**



**Procurement
excellence**



Fraud detection

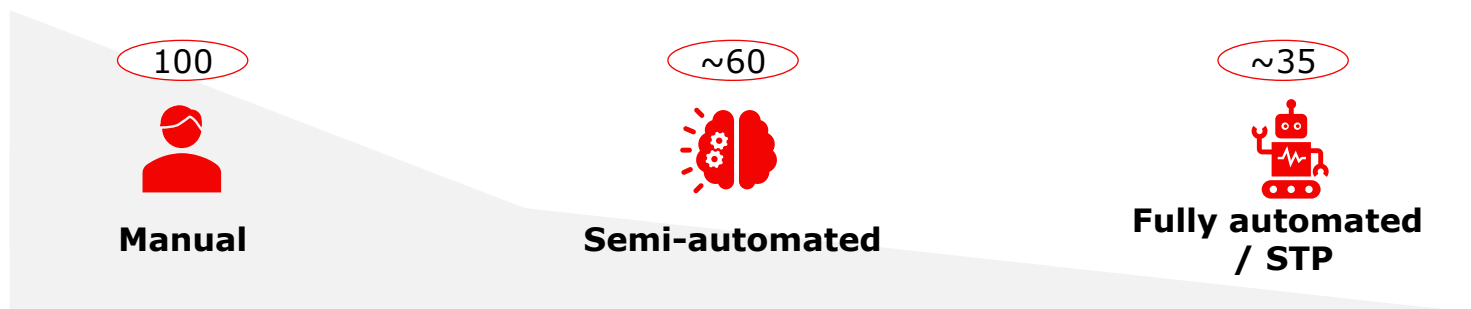
Process excellence and automation expected to reduce claims costs



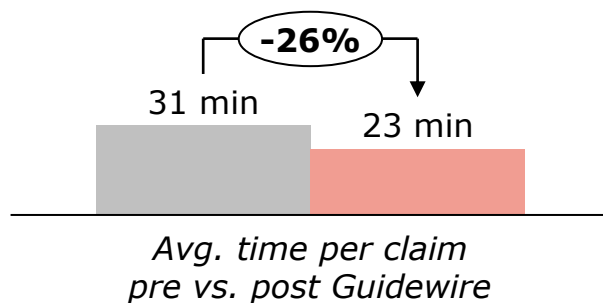
Evidence: Automation journey leads to higher number of claims per FTE and reduces the payout per claim

Potential: DKK ~200m in 2024

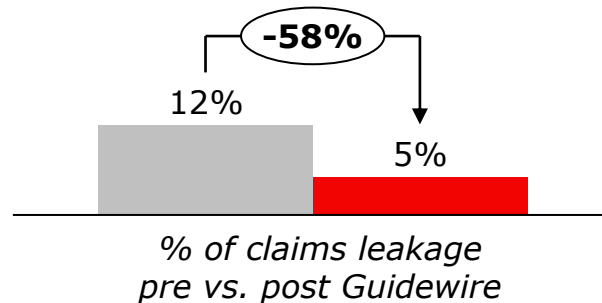
Costs (estimated index=100)



Time: More claims per FTE

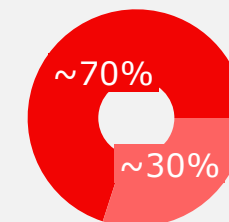


Quality: Payout reduction per claim



DKK ~200m

Technical result from **process excellence** in 2024



From **reduced payout per claim** as result of improved process quality

From **More claims per FTE** with ~155 FTE reductions expected as direct result of Guidewire



Savings from **new Guidewire system also** expected **beyond 2024**

Further potential from procurement savings, building on strong past

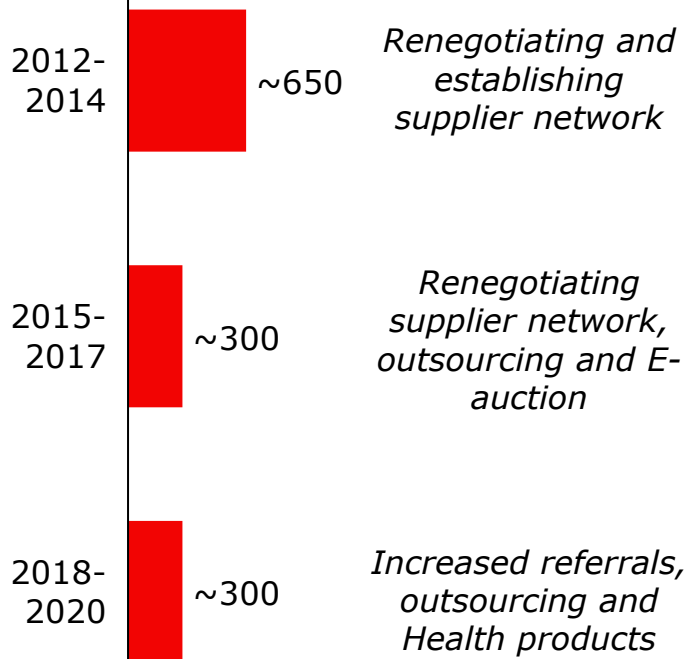


Evidence: Tryg has strong track record

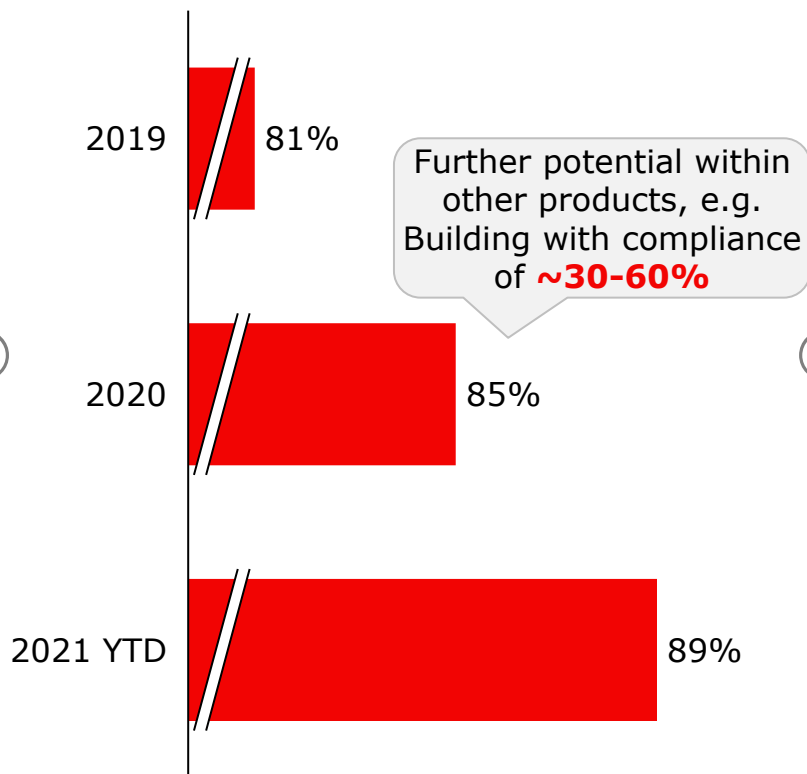
Evidence: Key driver has been renegotiating

Potential: DKK ~300m in 2024

Procurement savings from previous programmes, DKKm

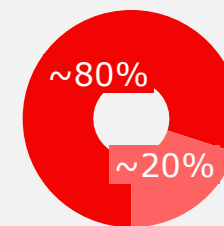


Degree of compliance, Motor



DKK ~300m

Technical result from **procurement** in 2024



From **improving compliance**, renegotiation of contracts and **network** building

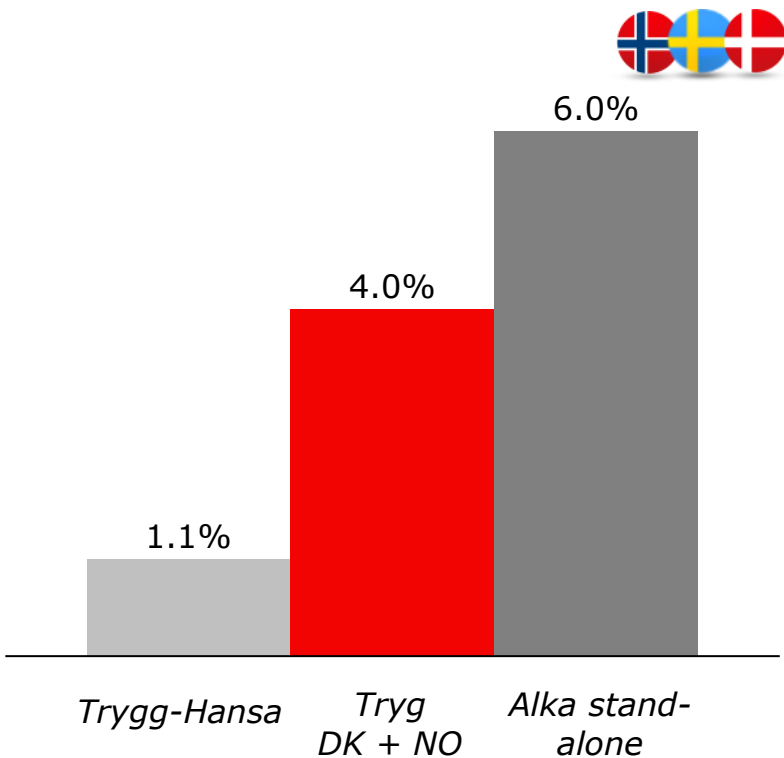
From **new innovative solutions**

Tryg will continue to reduce fraud with data tools and nudging



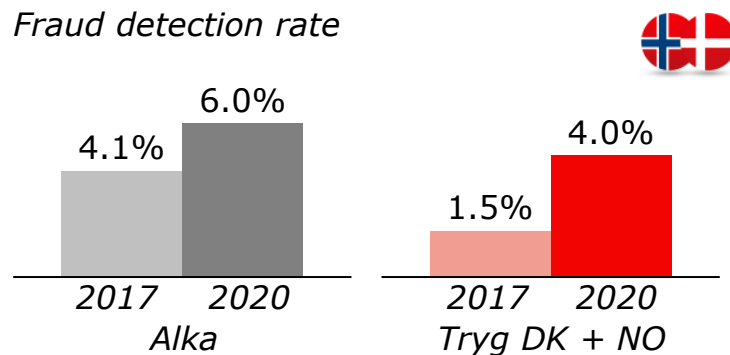
Relevance: Savings opportunity in fraud

Fraud detection rate out of eligible claims costs (DKK ~10bn in Tryg), 2020



Evidence: Further use of data and nudging

Fraud detection rate



Tryg already started **next generation of fraud reduction** with **nudging** in NO

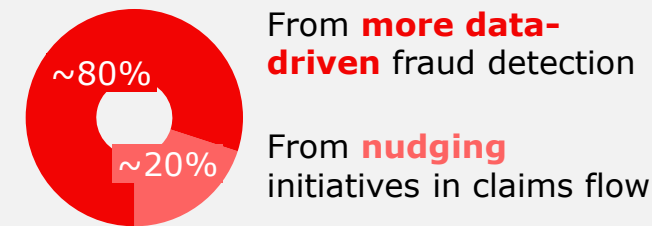


-3.2% decrease in avg. claims spend from pilot in 2021

Potential: DKK ~150m in 2024

DKK ~150m

Technical result from **fraud detection** in 2024



Advanced fraud modelling and operational capabilities will be investigated beyond 2024

FULL SPEED AHEAD IN A SUCCESSFUL CORE



Advanced approach to claims



Sales and customer excellence

Relevance: Partnerships are efficient lead generators



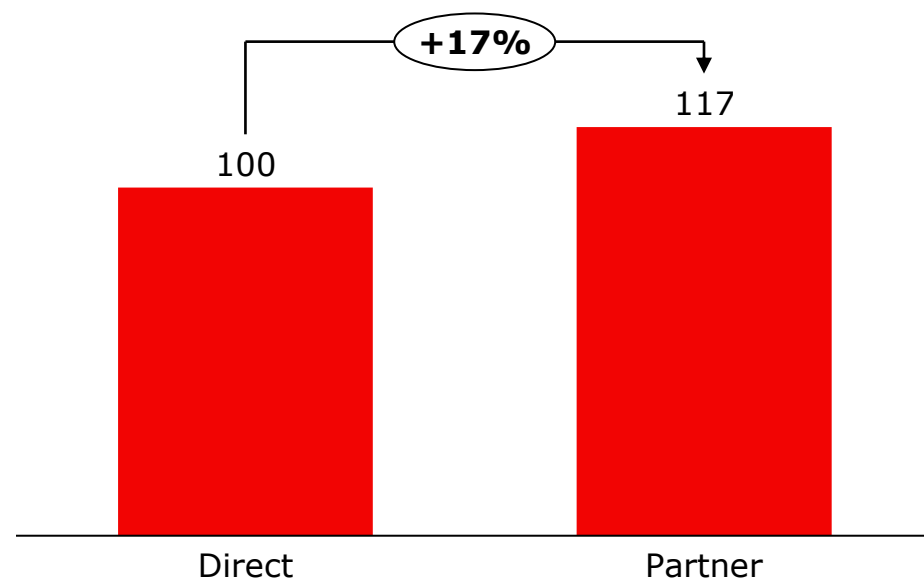
Partnerships provide leads into attractive customer segments

Tryg has proven ability to convert these leads

Large partnerships, Tryg



Lead conversion rate, Private, 2020, index=100



Partnership metrics attractive, and expected to yield DKK ~150m



Evidence: Tryg's partnership portfolio is performing well across key metrics

Potential: DKK ~150m in 2024

Average partner figures, Private DK+NO, 2020



4.5
products per customer



~12 years
Customer lifetime



~12%
Expense ratio

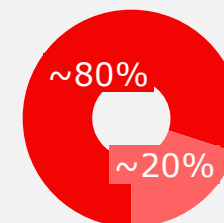


~85%
Combined ratio



DKK ~150m

Technical result from **partnerships and distribution** in 2024



From **partnerships** incl. new profitable partners, **penetration of existing partnerships** and focus on reducing costs of sale

From **other distribution initiatives** incl. improved agents setup and digital sales

New partnerships have on average **~20-30pp** lower penetration rate than established

Relevance: More products per customer is key to profitability

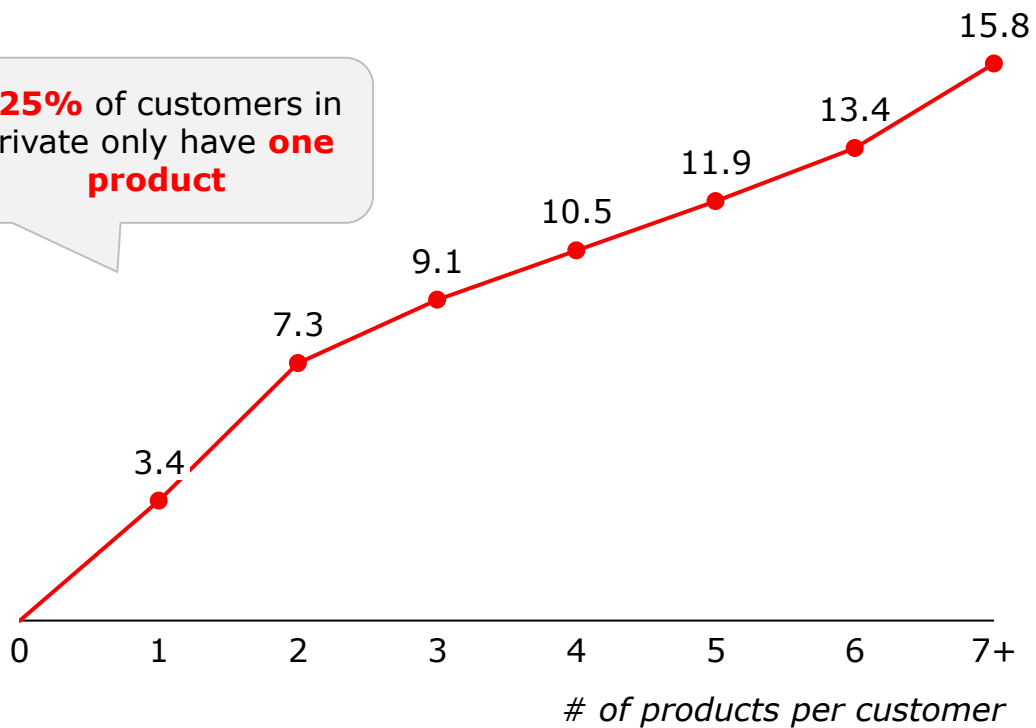


Customers with more products have higher customer lifetime

Customer lifetime, years

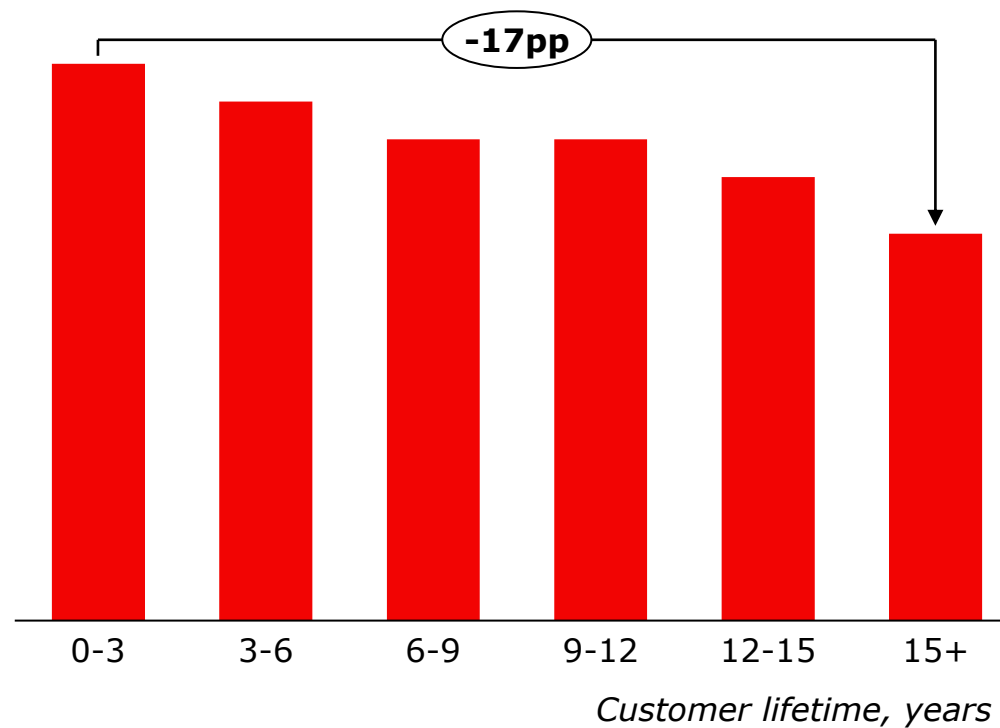


~25% of customers in Private only have **one product**



Loyal customers have much better profitability

Average claims ratio, %



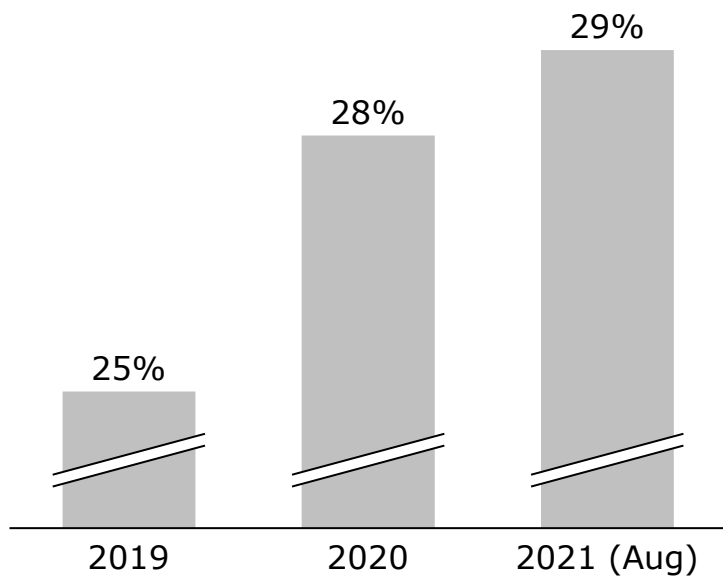
Tryg will leverage strong track record within cross- and upselling



Evidence: Tryg is cross-selling to single-product Enter customers

Enter cross-selling

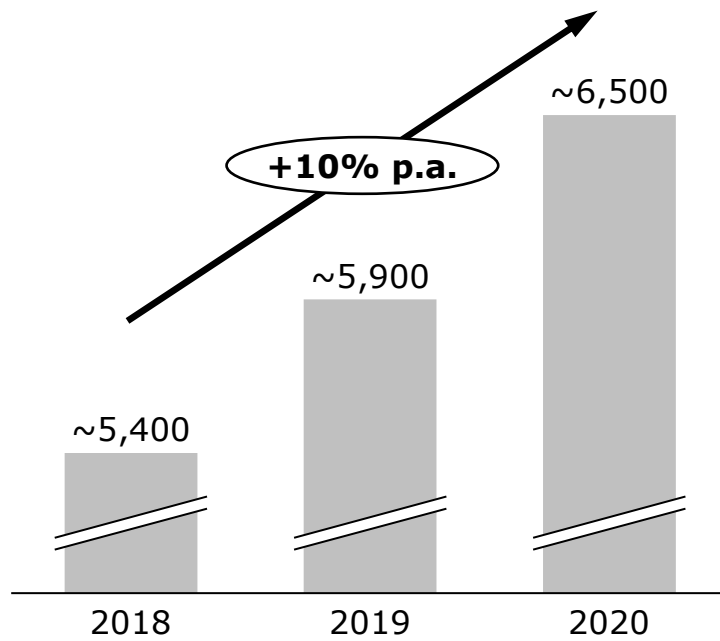
Share of Enter portfolio with 2+ products



Evidence: Alka is upselling additional coverages to existing customers

Alka upselling

Average premiums per Alka customer, DKK



Potential: DKK ~150m in 2024

DKK ~150m

Technical result from **cross/upselling** in 2024



Expand cross- and upselling of existing products, e.g. by bundling

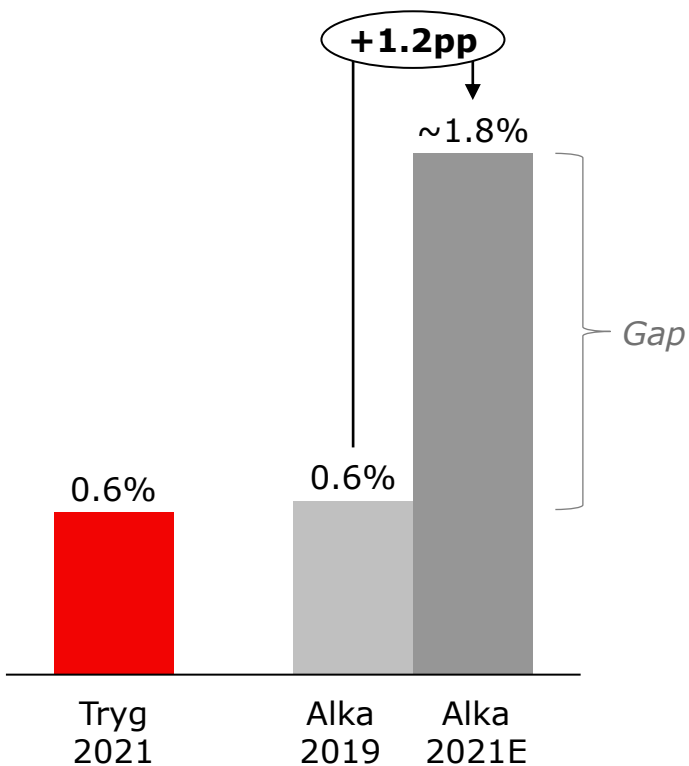
Develop new products to cross- and upsell

Data and analytics are key to matching price and risk



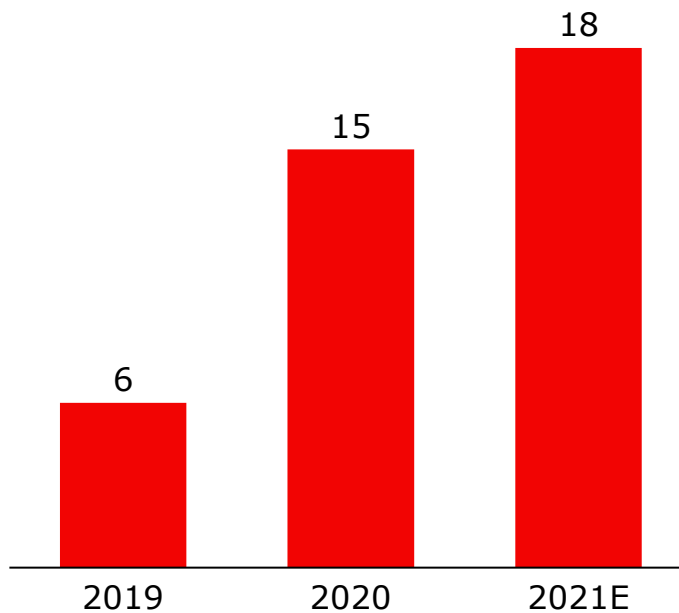
Relevance: Gap identified in Tryg vs. Alka practices

Share of portfolio identified for pruning, Private, %



Evidence: Alka's advanced pruning methods result in TR uplift

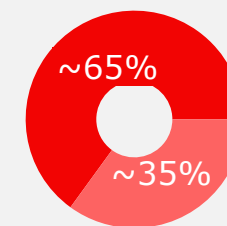
Technical result impact of pruning, Alka, DKKm



Potential: DKK ~100m in 2024

DKK ~100m

Technical result from **better pricing and analytics** in 2024



Improved repricing models, including pruning

Improved **quality of sales**, ensuring correct data registration



Knowledge sharing between **Tryg** and **Trygg-Hansa** will drive further potential

Concluding thoughts on *Full speed ahead in a successful core*



TRYG 2024

1 Full speed ahead in a successful core

DKK ~1050m increase in TR



Advanced approach to claims



Sales and customer excellence

2 Change the way to win in B2B

DKK ~600m increase in TR



Grow among smaller SMEs in Commercial



Improve profitability in Corporate

3 Shape the future

DKK ~1.5bn premiums in 2024+ across product types

Prevention



Expand the market of today



Build the market of tomorrow

4 Trygg-Hansa and Codan NO synergies

DKK ~900m in synergies



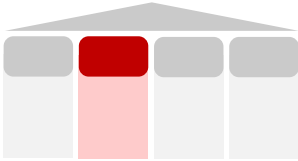
Leverage scale to realise cost synergies



Share best practices to realise commercial synergies



**Change the way
to win in B2B**



Focus on growth in Commercial and profitability in Corporate



Commercial

Corporate
(revenue DKK >100m and/or >100 FTEs)

Target 2024

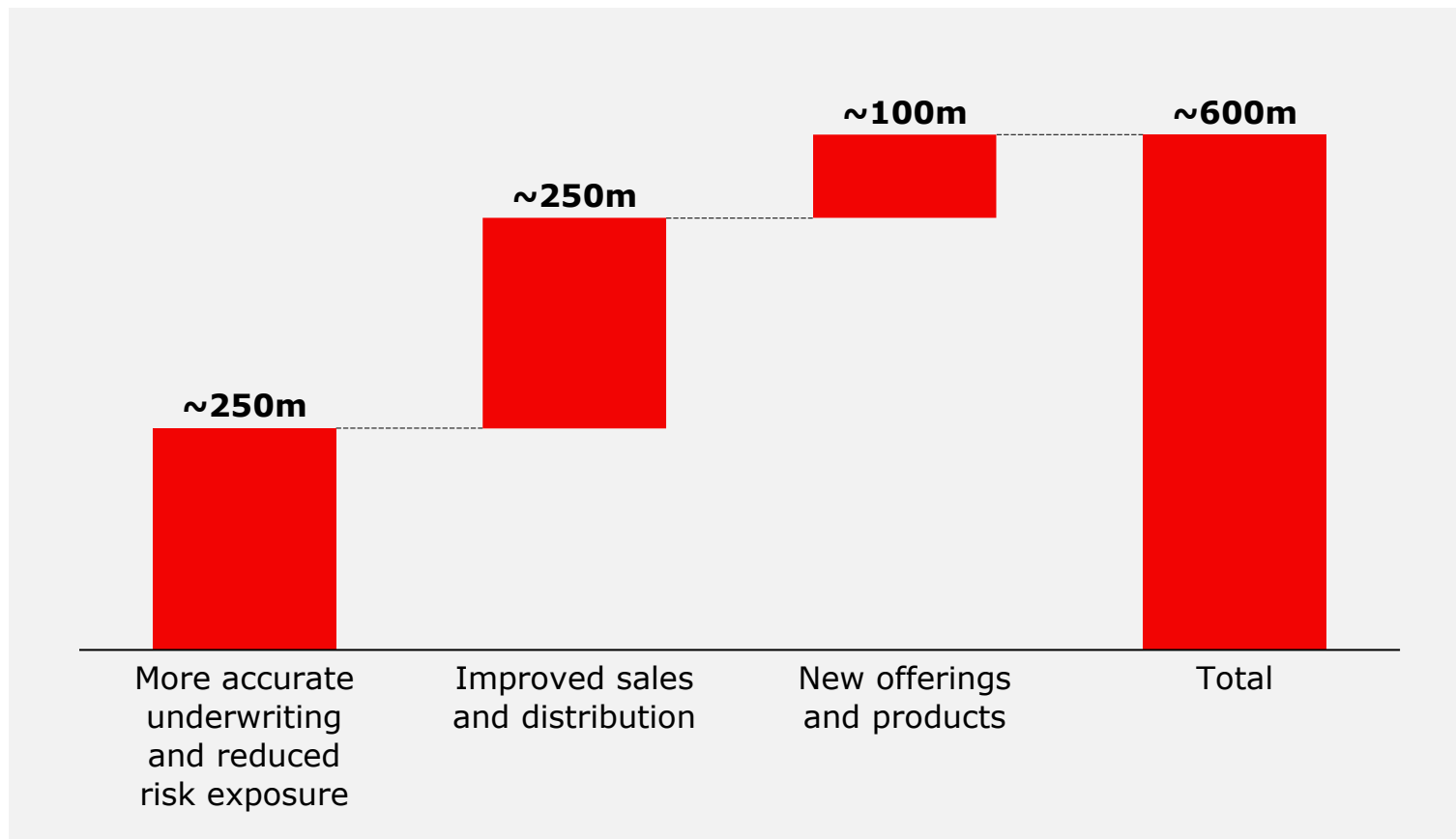
30%

portfolio increase in smallest and most profitable Commercial segment (0-9 FTEs)

~90%

combined ratio with run-off level at **~5-7%** (vs. 10%-average last five years)

Technical result improvement by 2024, DKK





Change the way to win in B2B



Commercial



Corporate



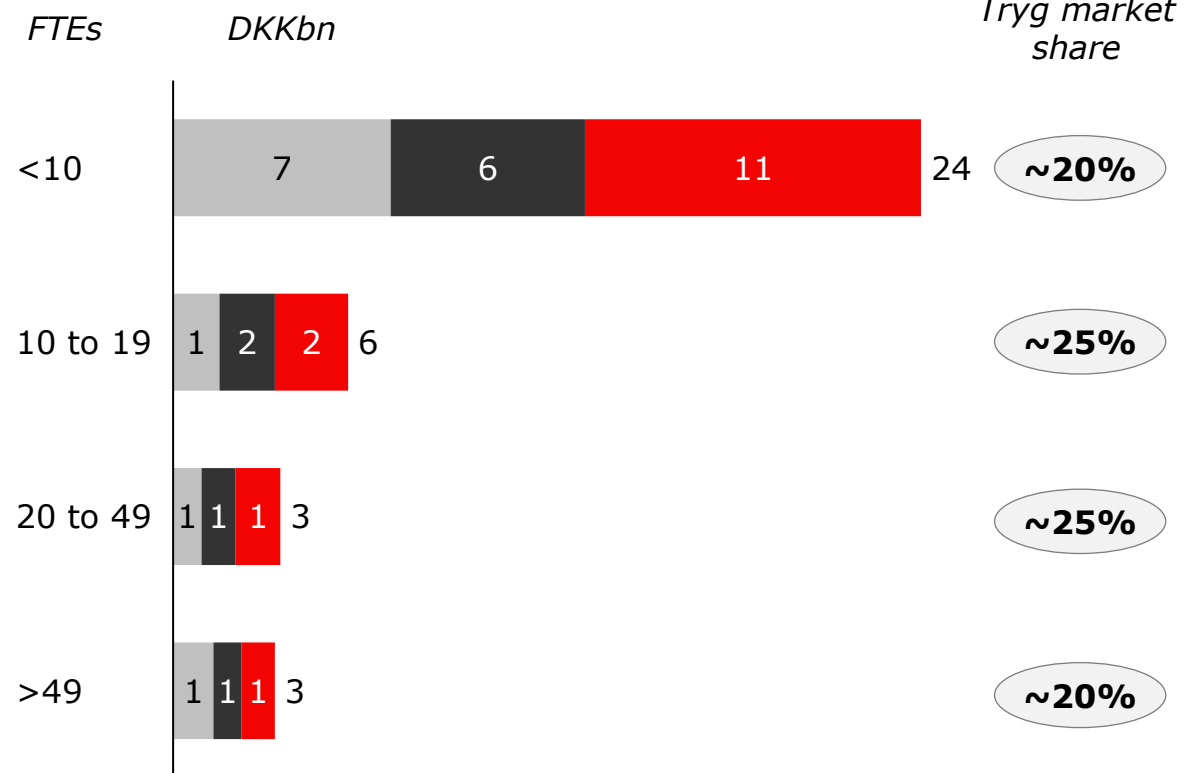
Relevance: Small customers make up a large and profitable segment



Small customers is the largest Commercial segment

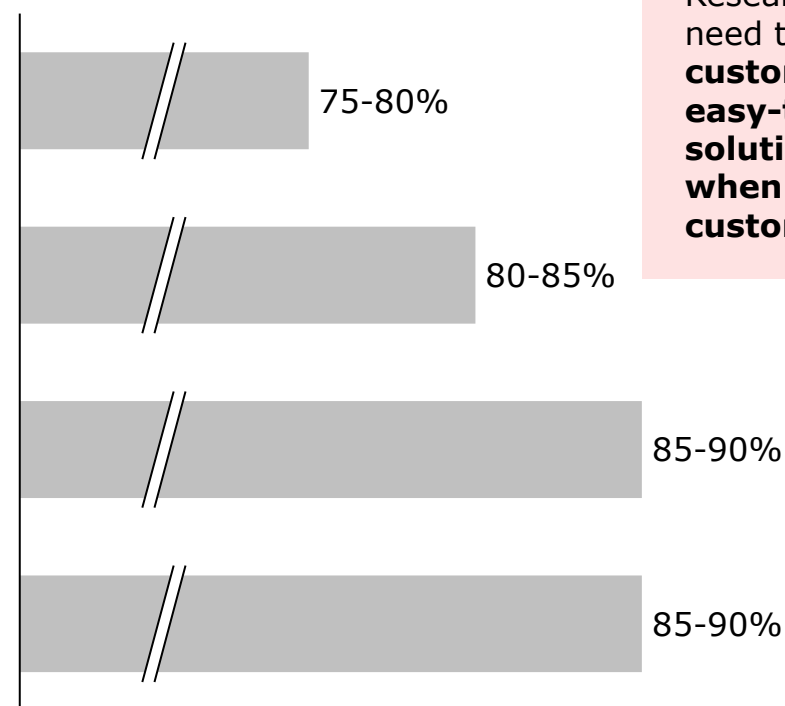
Scandinavian market size¹ per segment (# FTEs), 2021

DK NO SE



Small customers make up the most profitable segment

Tryg COR² per segment (# FTEs), 2021YTD



Research shows a need to **offer small customers tailored, easy-to-understand solutions** at times when it suits the customers



Evidence: Tailored packages and focused distribution drive growth



Increased premiums and improved distribution

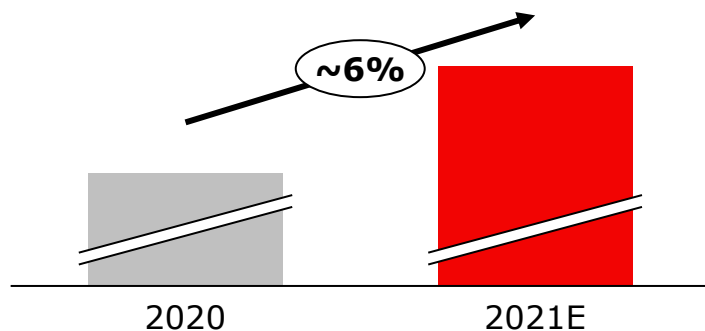
Several specific initiatives launched

Learn from Trygg-Hansa

Tailored packages



Average small customer premiums, Commercial DK



Bundle

35% of new Commercial sales from packages in 2021

Tryg **Business**

Tailor

900 packages tailored to craftsmen sold since September 2021



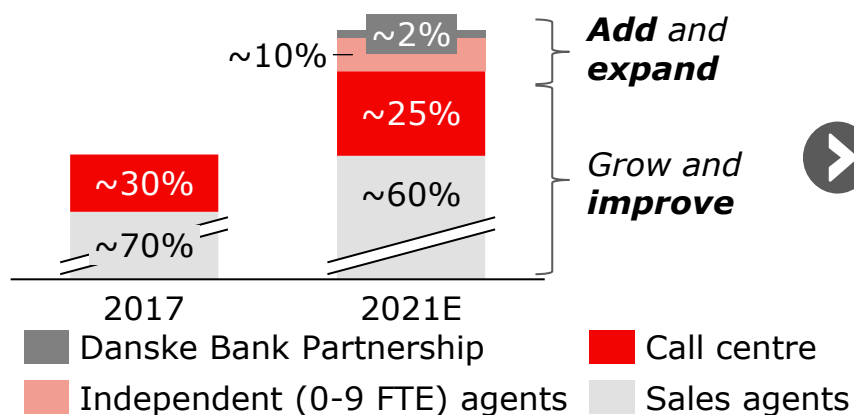
Tailor options based on customers' line of business



Focused distribution



Direct sales, Commercial DK



Expand

7.300 new customers from partnerships and independent agents

Danske Bank

Improve

>50% increased sales per employee with Call Centre 2.0



>10% of Trygg-Hansa sales to small Commercial customers take place online



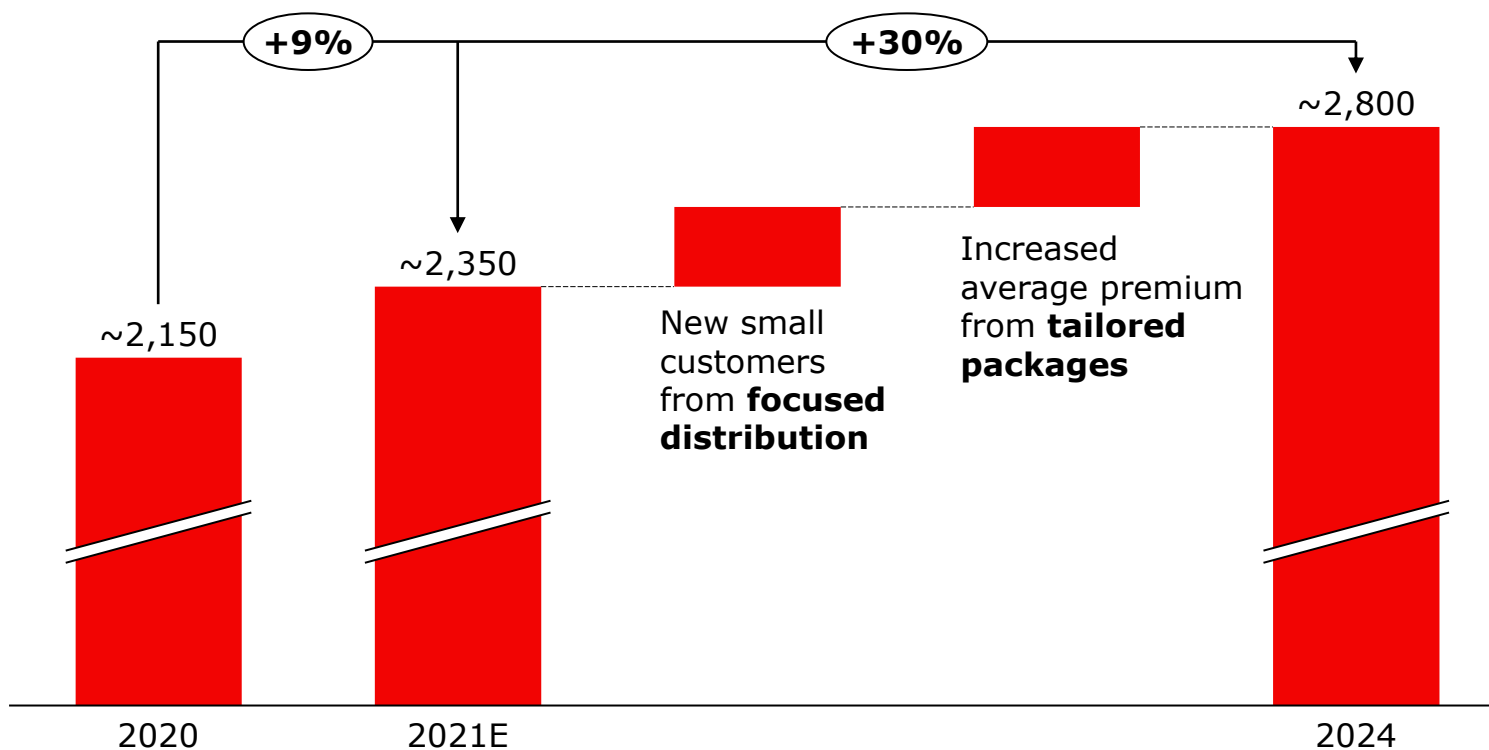
Potential: Tryg well underway to 30%-growth target



Early success in profitably growing the small customer portfolio

More, better insured customers

Small customer portfolio, Commercial DK+NO, DKKm

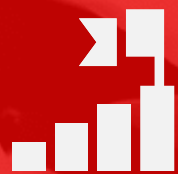


30%

portfolio increase in small Commercial segment by 2024

- » Grow number of small customers by 15% to **~115,000**
- » Increase average premium by >10% to **DKK ~24,000**
- » Continue maintaining **high profitability** of small customers

Change the way to win in B2B



Commercial



Corporate



Corporate business is structurally more challenging than retail



High competition, use of brokers, volatility and high capital requirements are key features

Profitability gap



Large clients
with greater
bargaining
power



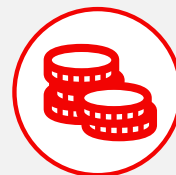
Highly **brokered**
business leading
to more
competition



Presence of
global insurers
increases
competition

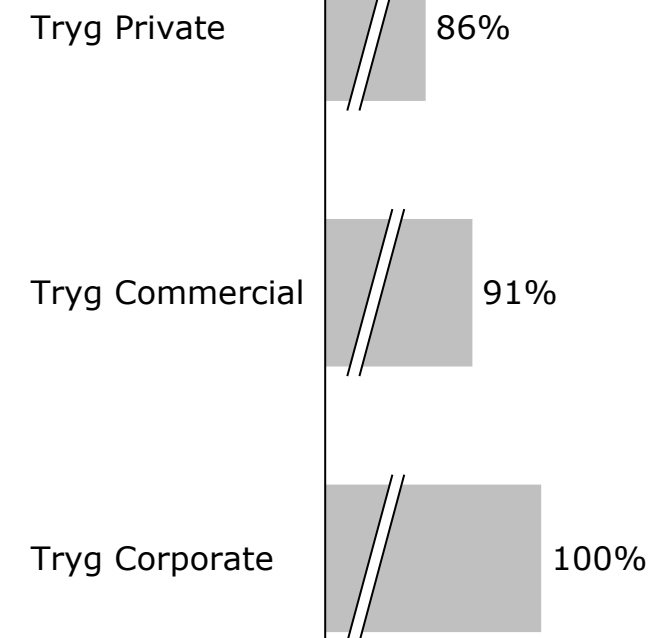


High exposure to
large claims
increases
volatility



High **capital**
requirements

Average COR (excl. run-off), 2016-2020





Relevance: Underlying profitability improved while COR is volatile

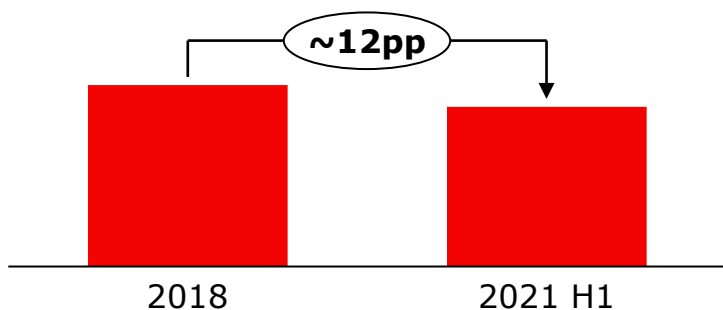


Underlying claims ratio improved

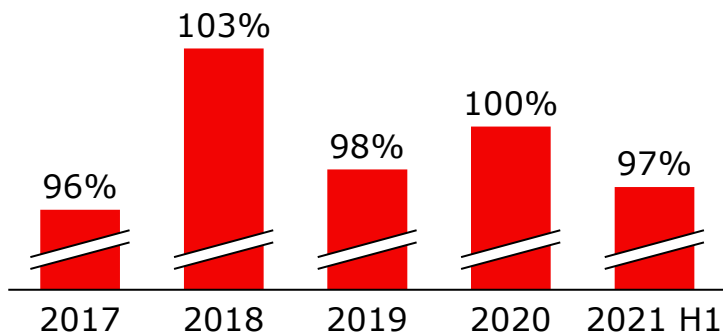
Large claims are volatile by nature

Specific customers, products drive volatility

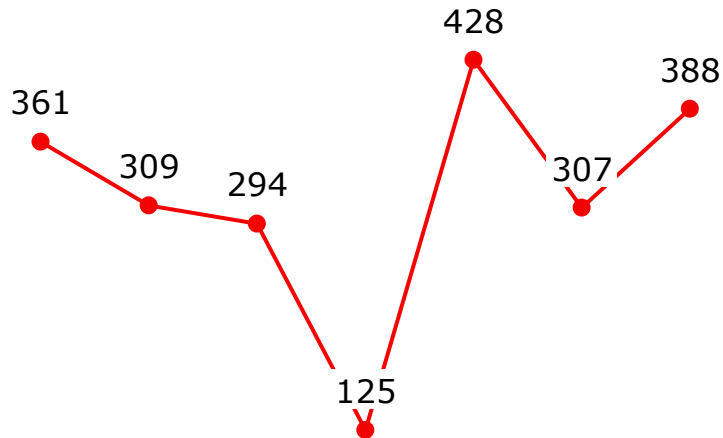
Underlying claims ratio



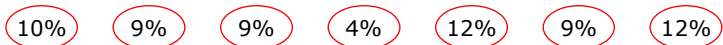
Combined ratio (exclusive run-off)



Large claims (net), DKKm



2014 2015 2016 2017 2018 2019 2020

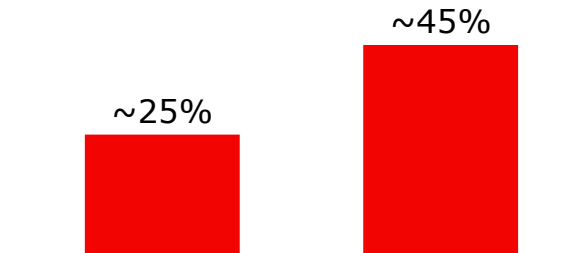


% Large claims as share of premiums

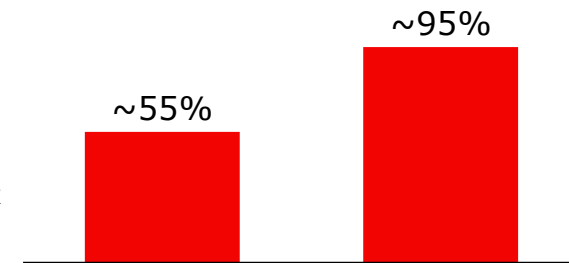
Share of premiums, 2021

Share of large claims (net), 2014-2021

Large customers



Property & Liability

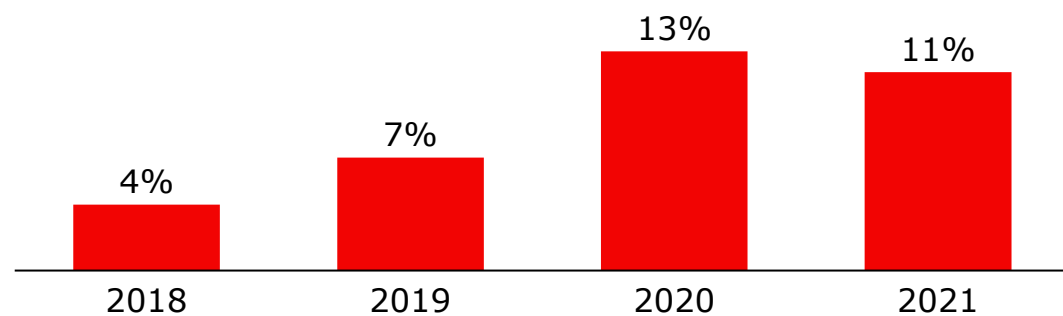




Evidence: From price increases to structural changes

From price increases to structural changes

Rate increases, Corporate Nordic



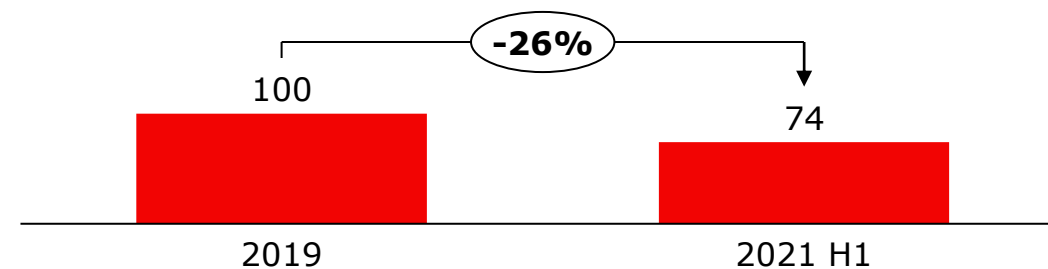
**Improved
competencies
and underwriting**



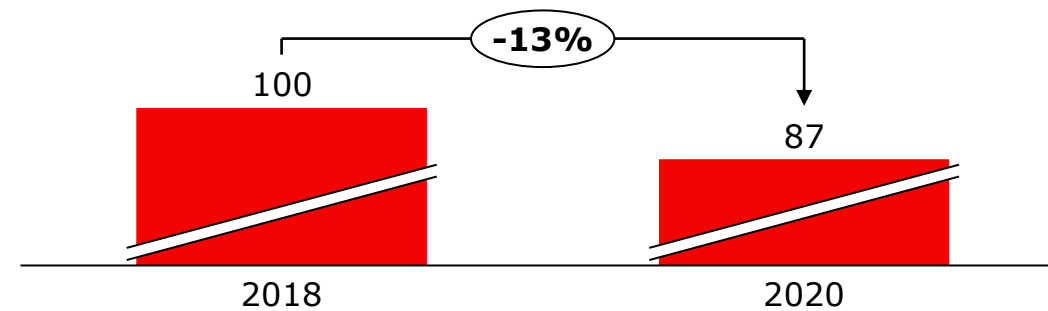
**Customer
segmentation**

Exposure to unattractive customer segments reduced

large liability policies, index=100



Large customer property exposure, index





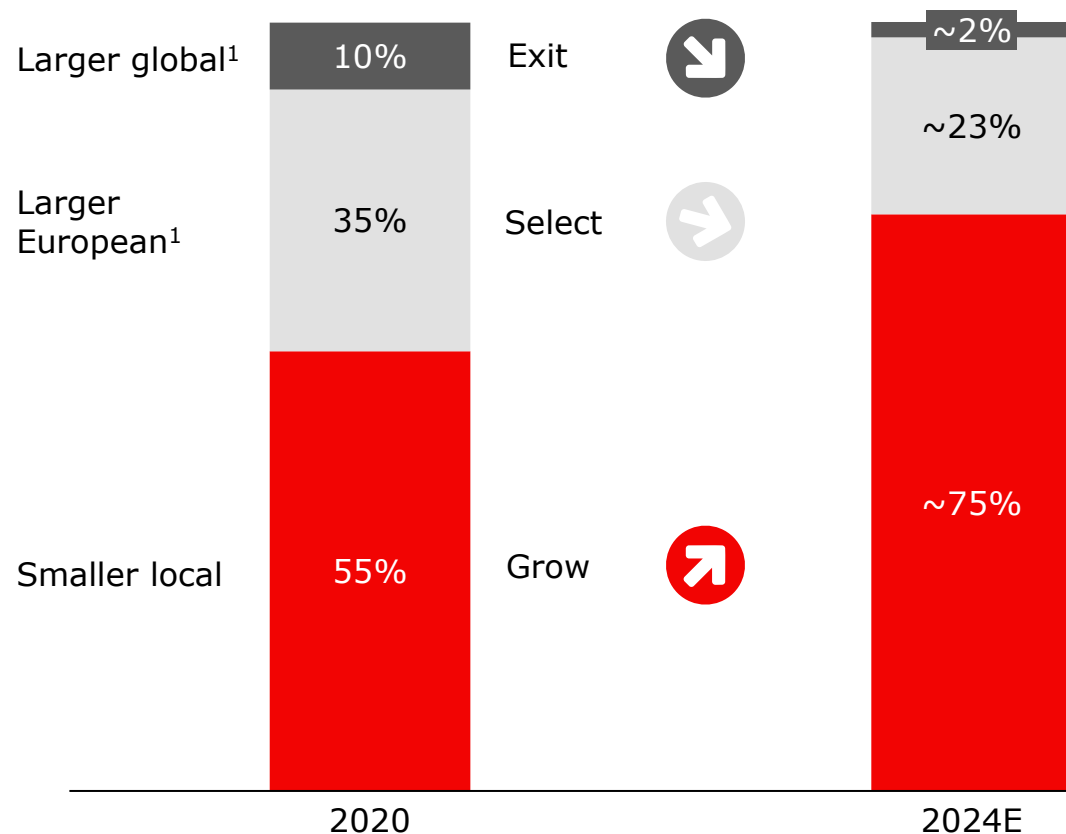
Potential: 90% COR target and focus on smaller customers



Tryg will shift portfolio towards smaller customers and reduce least attractive exposure

Reach combined ratio of ~90%

Tryg Corporate premiums mix



2024 ambition

~70%
reduction in US
liability exposure

~50%
reduction in property
exposure outside
Nordics

~90%
combined ratio with
run-off level at **~5-7%**
(vs. 10%-average last
five years) in 2024



Focus on profitability
rather than growth



Concluding thoughts on *Change the way to win in B2B*

TRYG 2024

1 Full speed ahead in a successful core

DKK ~1050m increase in TR

Advanced approach to claims

Sales and customer excellence

2 Change the way to win in B2B

DKK ~600m increase in TR

Grow among smaller SMEs in Commercial

Improve profitability in Corporate

3 Shape the future

DKK ~1.5bn premiums in 2024+ across product types

Prevention *Expand the market of today*

Prevention *Build the market of tomorrow*

4 Trygg-Hansa and Codan NO synergies

DKK ~900m in synergies

Leverage scale to realise cost synergies

Share best practices to realise commercial synergies

Questions?

(5 minutes)

Tryg | 

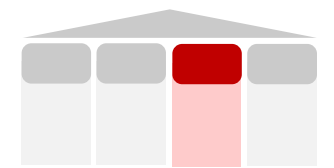
Coffee Break

(10 minutes)

Tryg | 



Shape the future

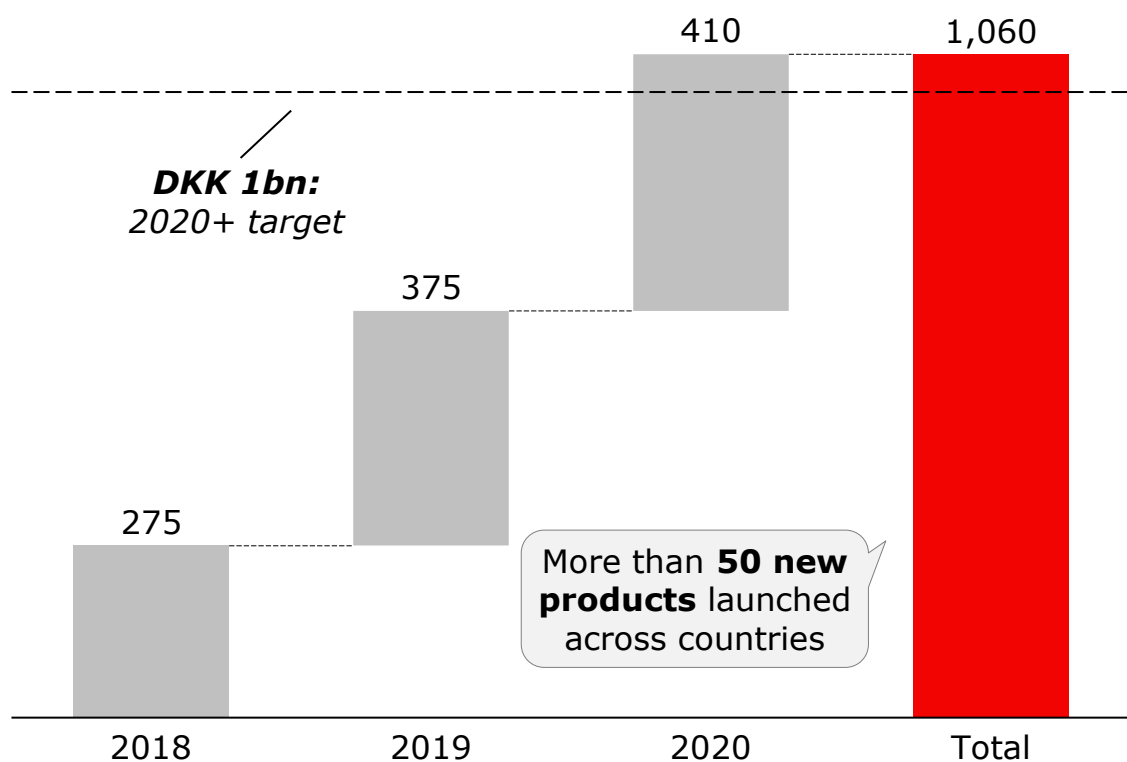


Tryg will continue track record of launching products profitably



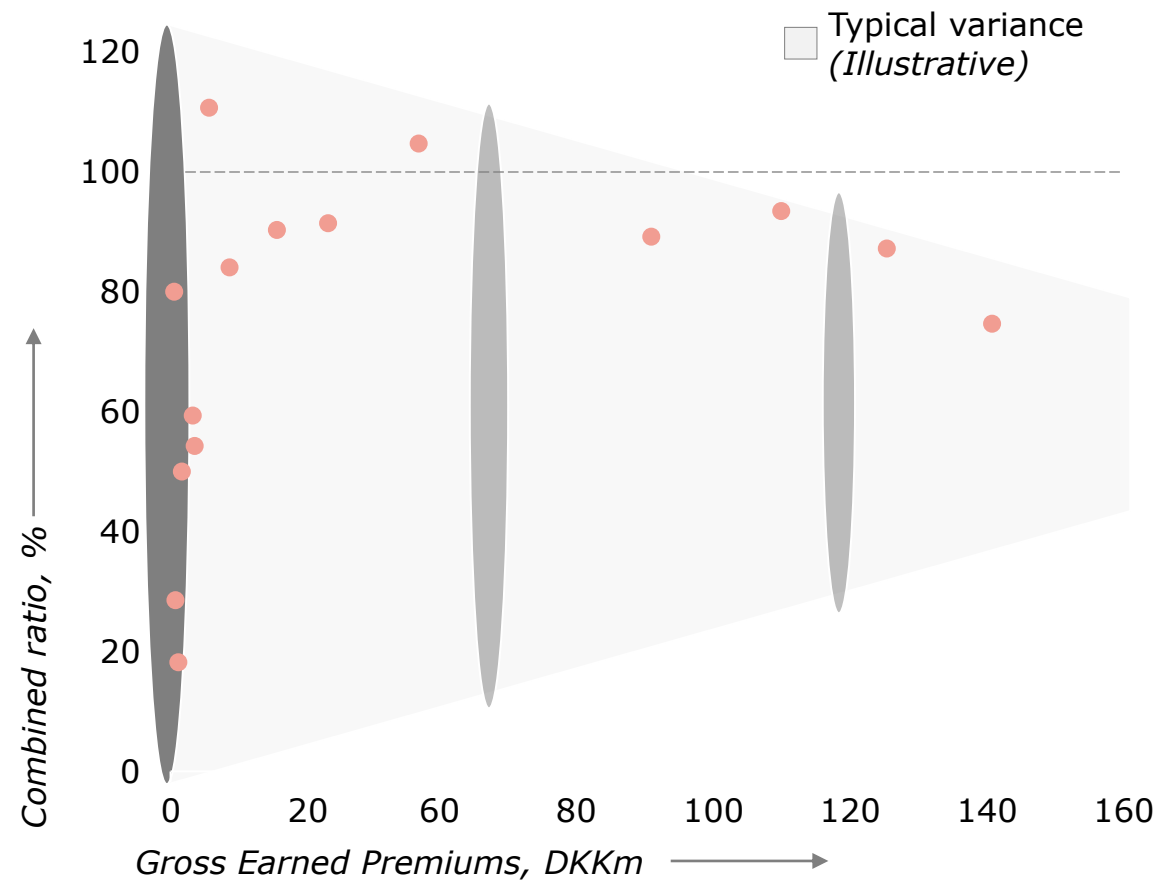
Tryg has grown DKK 1bn by expanding market

Premiums from NP&S¹, 2018-2020, DKKm



New products are profitable and improve with scale

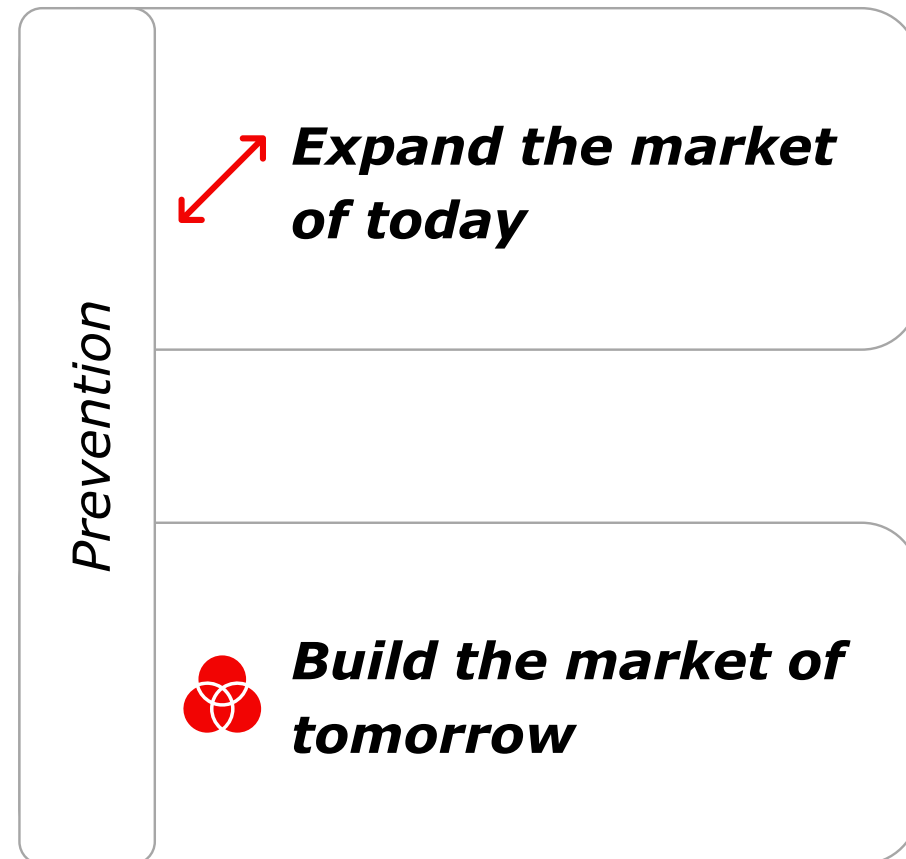
Example from Private DK+NO, NP&S portfolio, 2020



Two focus areas to drive DKK ~1.5bn in premiums



DKK ~1.5bn in
premiums from **new**
products and services
by **2024+**



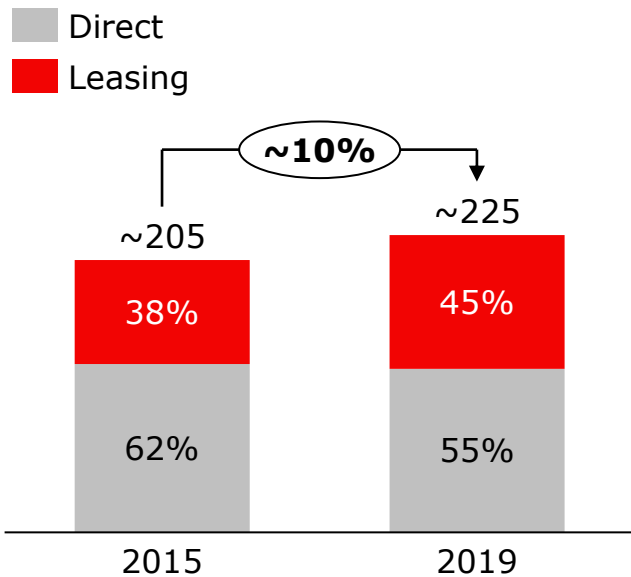
Tryg develops to meet changing needs for mobility insurances



Relevance: Changing market

Auto accounts for **~30%** of Tryg's total premiums

of new cars sold in Denmark, '000s



Vision: Adapt offerings to new trends



Vision

- 1 Sustain strong market position in mobility insurance

Example
~35% market share in new electric vehicles in DK and NO

- 2 Become central player in mobility ecosystems

Example
GoMore imove

Plan: Meet customers' needs

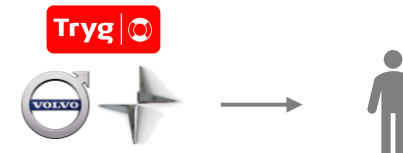
Polestar embedded insurance
Launched October 6th 2021



Traditional flow: Insurance purchase separate from car sale



Embedded insurance flow: Insurance embedded in sales flow

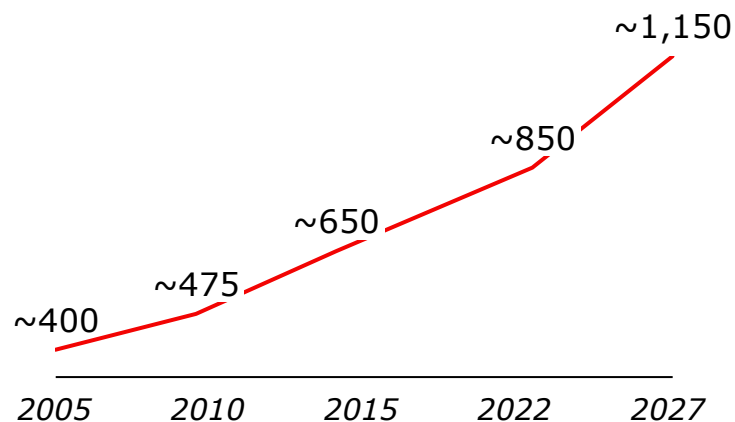


Tryg will expand market by complementing public welfare



Relevance: Growing market

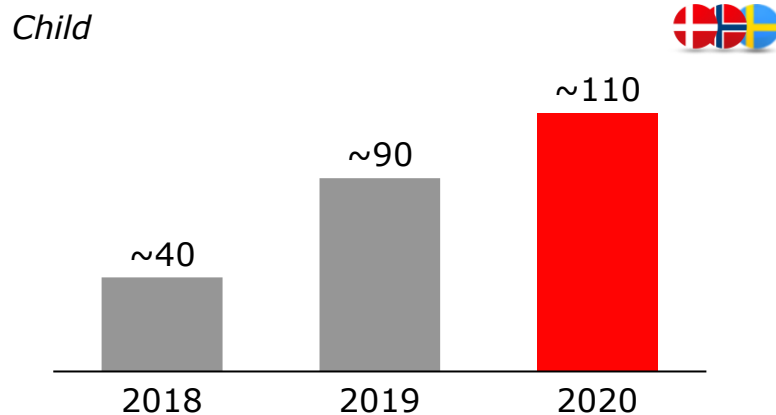
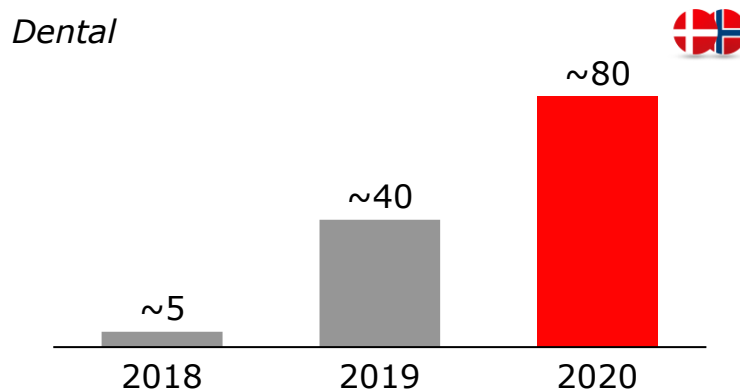
Scandinavian healthcare expenditure, DKKbn



~65% of Danes fear that they will not get sufficient health care as elderly

Evidence: Products launched successfully

Portfolio, DKKm



Vision: Expand market

Towards private customers



Offer **products** that complement **public welfare systems**

Example

Tryg Senior Care

Towards commercial customers



Be a **risk advisor**

Example

ISS LINAK PRECURE

Concluding thoughts on *Shape the future*



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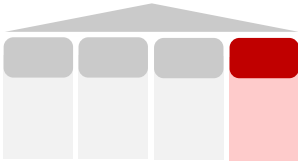
DKK ~900m in synergies

Leverage scale to realise cost synergies

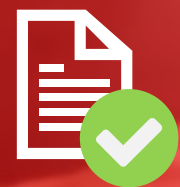
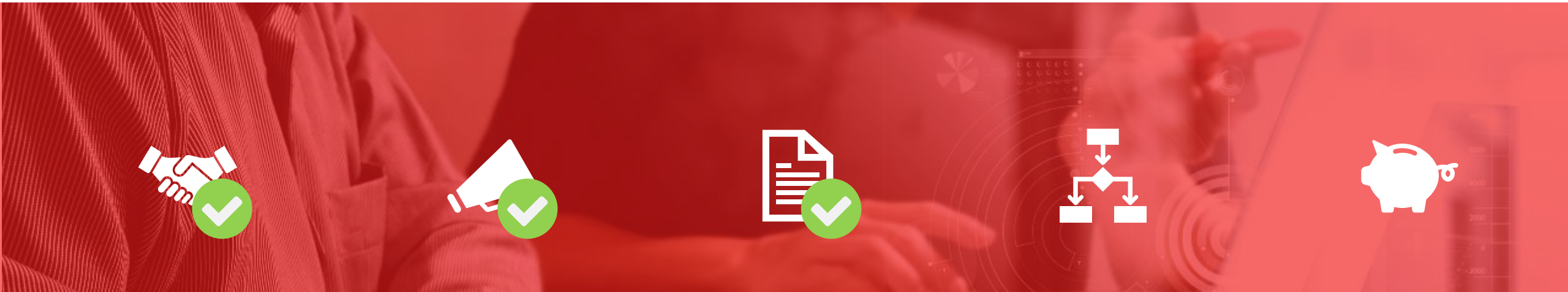
Share best practices to realise commercial synergies



**Trygg-Hansa / Codan
NO integration and
synergies**



Process and timeline for RSA acquisition are as expected and on track



Completion following regulatory approvals

Alm. Brand announces acquisition of Codan DK

Filing for demerger approval

Completed separation of RSA Scandinavia into DK, NO, SE

Closing of Codan DK sale to Alm. Brand



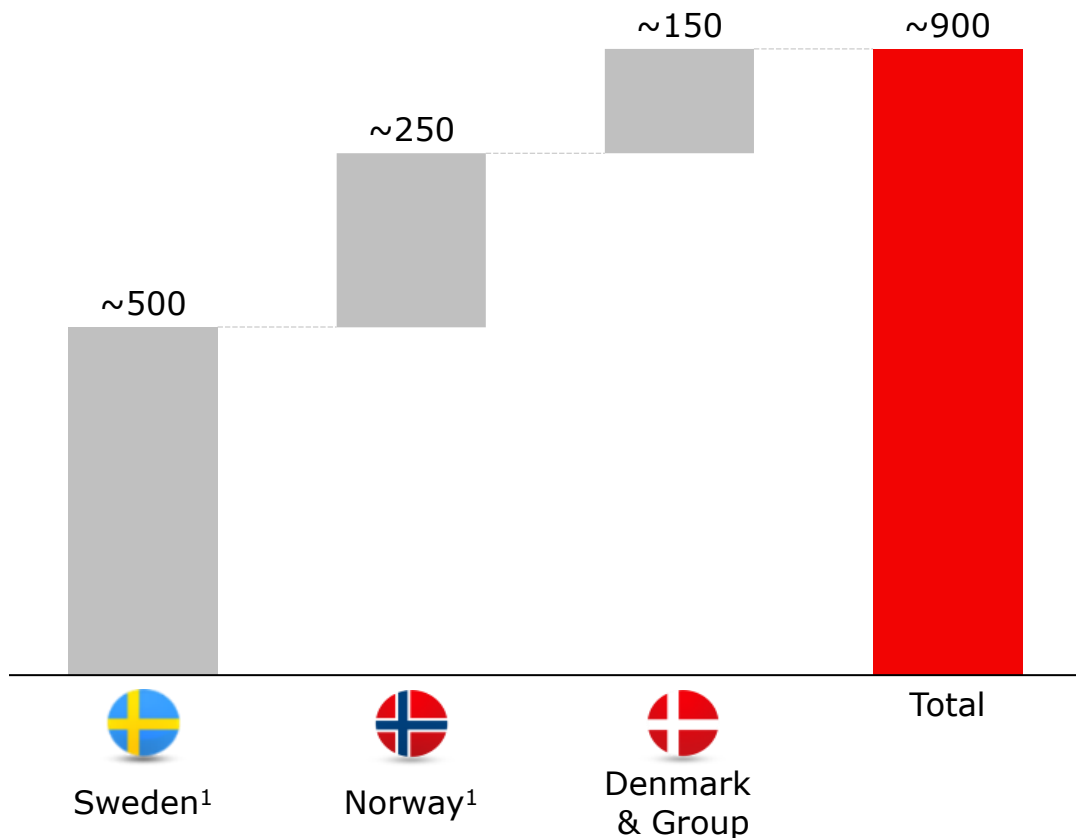
Closing-Demerger period
Est. 9-10 months
Operationally separate RSA Scandinavia into DK, NO, SE

DKK 900m in synergies targeted, driven by ~80% cost synergies



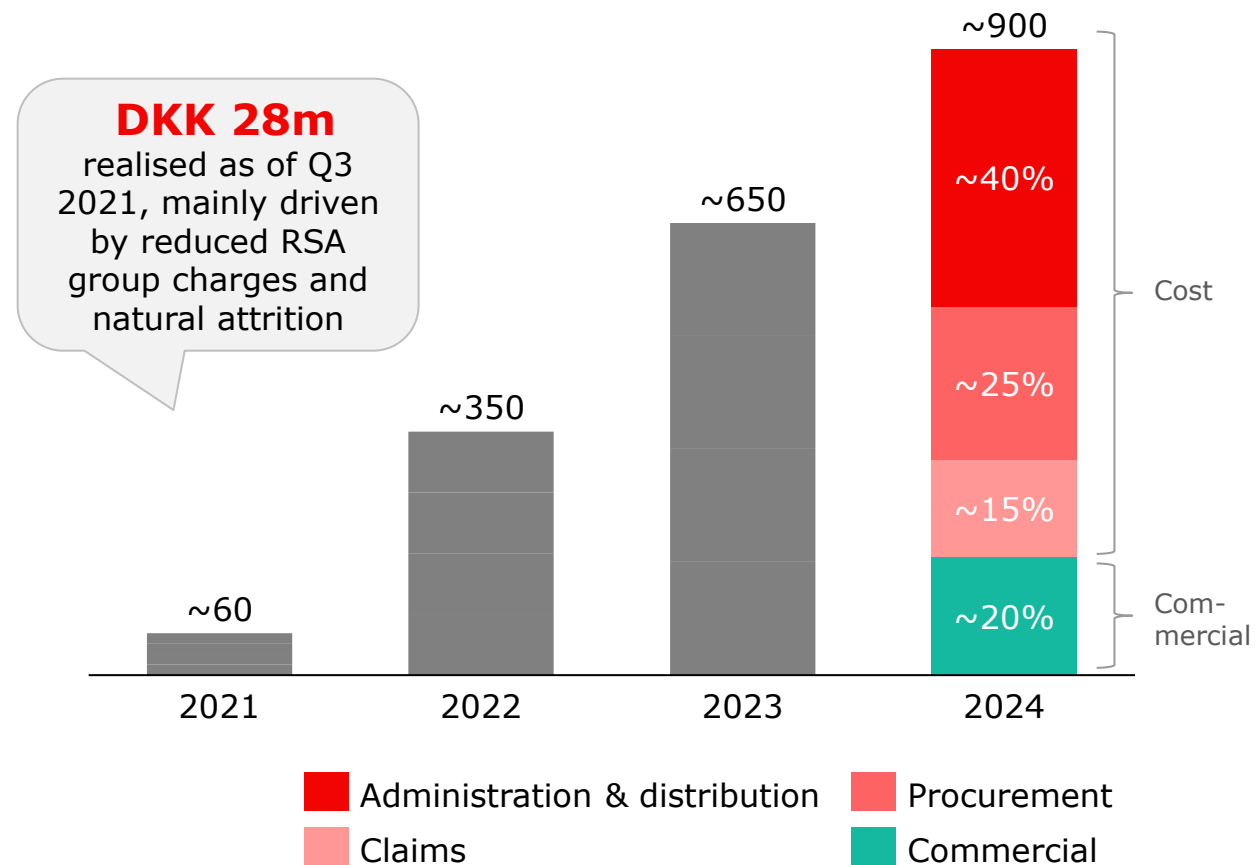
Geographic split of synergies

Estimated pre-tax synergies split by country, DKKm



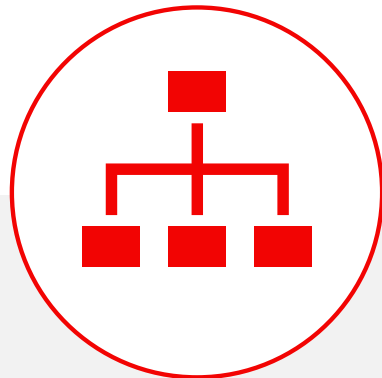
Synergy target over time and across categories

Estimated pre-tax synergies split by function and year, DKKm



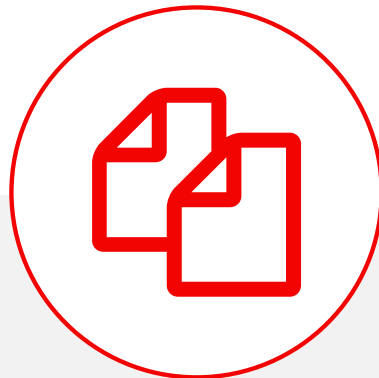
Alka experience will facilitate the full realisation of synergies

Program structure with joint ownership



Deep-dive 1

Transfer of synergy levers



Deep-dive 2

People retention & culture



Synergy catalogue is broken down into ~150 specific initiatives



TR impact in 2024

Cost initiatives

Commercial initiatives



Crash repair
supplier network



DKK ~30m



Cross- and
upselling (SE)



DKK ~20m



Data-driven
fraud detection



DKK ~30m



Repricing of
Moderna



DKK ~30m

*Examples
of large
synergy
initiatives*

Three aspects will ensure retention and motivation of key employees



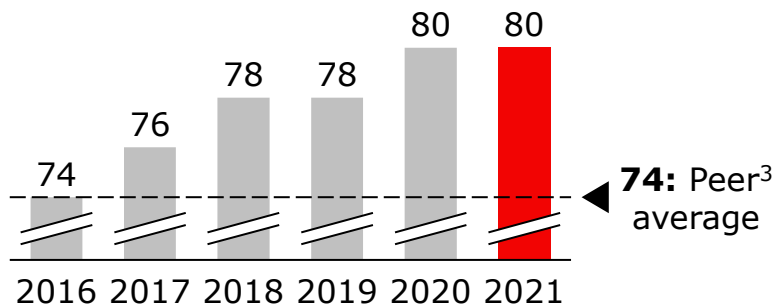
Tryg is an attractive place to work at

#1 most attractive financial services company for young professionals¹

#1 insurance company on job satisfaction²

Ability to attract strong **competencies** beyond insurance e.g., within **data** and **commercial**

Tryg employee engagement index



Strong cultural fit between companies



Long **history** in respective markets

Strong **fit** between **values** and **societal roles**

Joint focus on retaining employees

Dedicated personal efforts made to **identify** and **retain** key employees

Key employees **included** in **designing** future organisational structure and synergy harvesting

Proactive **culture focused work** to support strategy and ensure a unified new Tryg

Concluding thoughts on Trygg-Hansa and Codan NO synergies



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DKK ~900m in synergies

Leverage scale to realise cost synergies

Share best practices to realise commercial synergies

Conclusion of presentation of the four 2024 strategic pillars





Customer experience

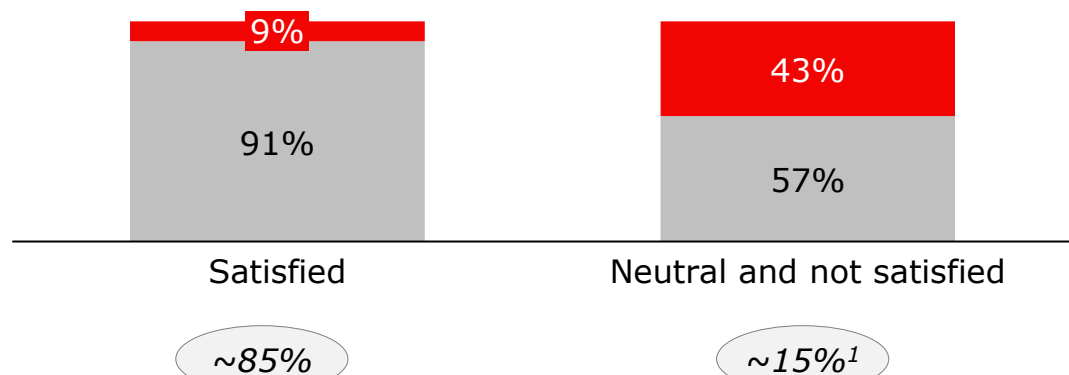
Customer experience is linked to financial performance



Relevance: Satisfied customers are better customers financially

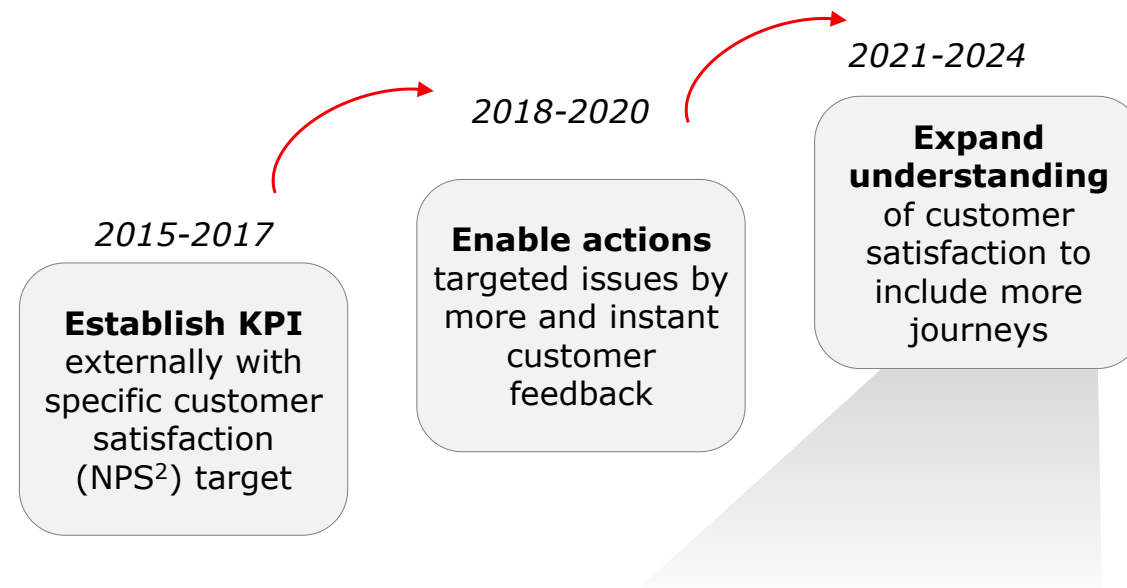
Private DK+NO customers

- I will consider leaving Tryg
- I will not leave Tryg



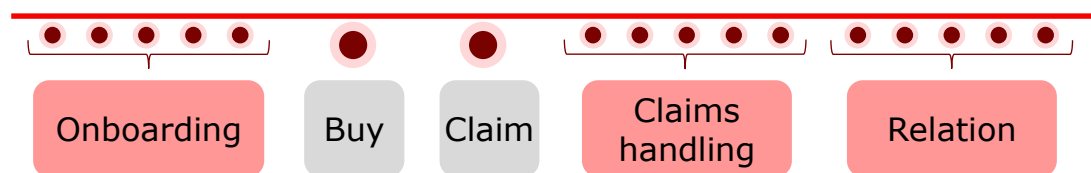
High retention means **lower distribution costs**

Evidence: Improve ability to act on customer experience



Sample customer journey

■ Touchpoint ■ Process **New KPI component**



Ambitious targets set for customer satisfaction and digitalisation

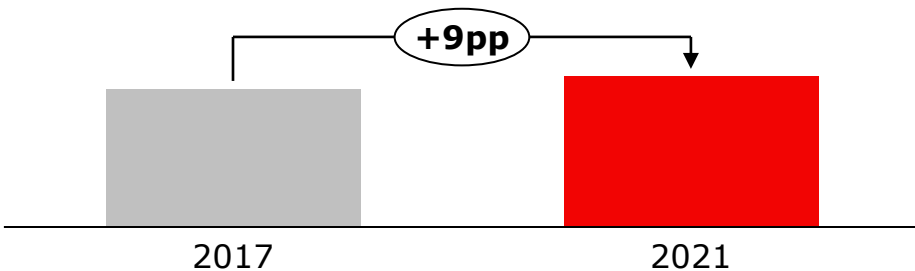


Evidence: Initiatives across the customer journey

Potential: Ambitious targets on customer experience

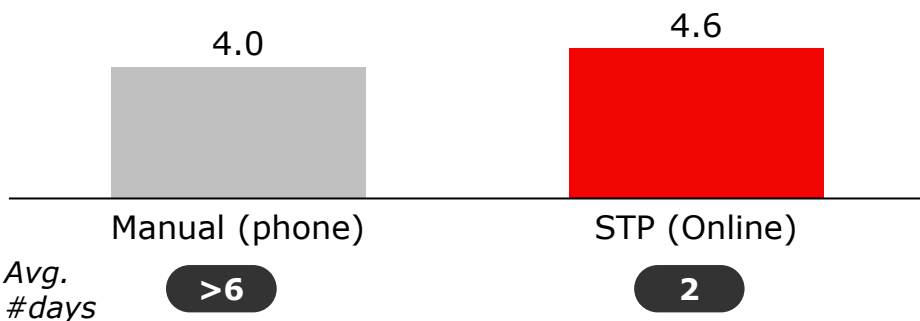
Onboarding

Improvement in retention rate from 'Hooked' onboarding program



Claims handling

Customer satisfaction on closed claims, 2020 (1-5, 5 is best)



88

(0-100 scale)
Customer journey satisfaction
(vs 84 in 2020)

≥40%

% growth in value creating actions upon login
(vs ~14m in 2020)

Member bonus has positive effect on retention (DK customers only)

Digitalisation of **claims reporting, chatbot support** and **speech analytics**



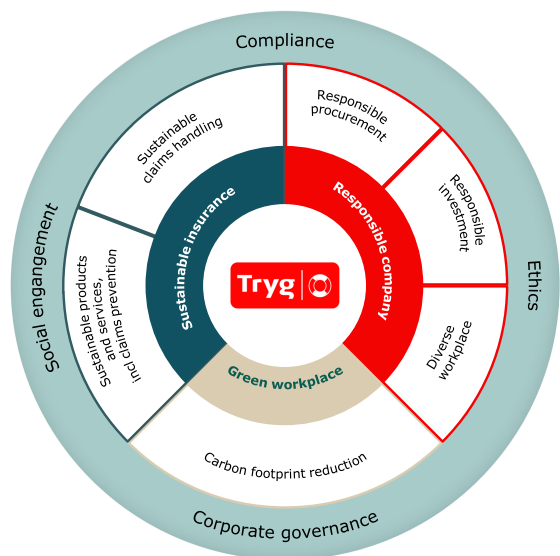
Corporate responsibility

Corporate responsibility is part of Tryg's identity and operating model



Responsibility is rooted in Tryg values

Tryg's customer offerings and operating model will contribute to a sustainable future



Tryg's three Corporate Responsibility focus areas:

Responsible company

Green workplace

Sustainable insurance

Selected ambitions

50%
... reduction in CO2 intensity of equity portfolio by 2030

55%
... reduction in CO2 emissions from operations by 2030

20-25,000 t
... CO2e reduction from sustainable claims handling by 2024

Detailed on next page

Sustainable claims handling main driver of sustainability impact

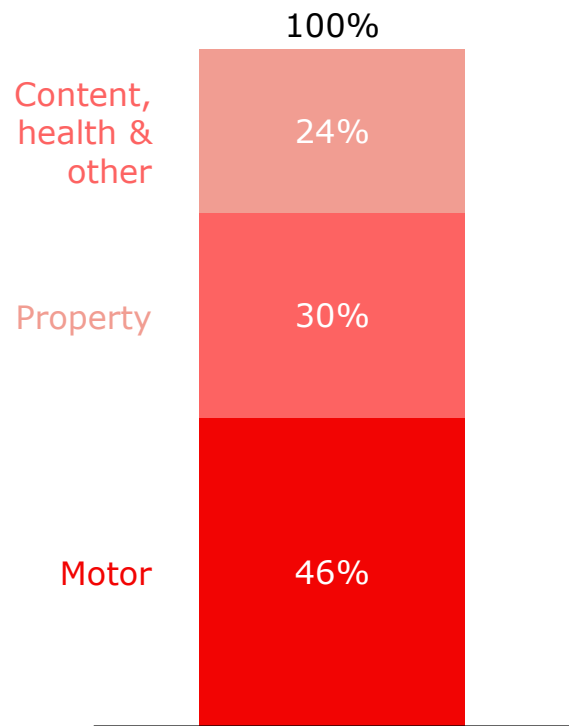


Relevance: Motor accounts for half of supplier spend

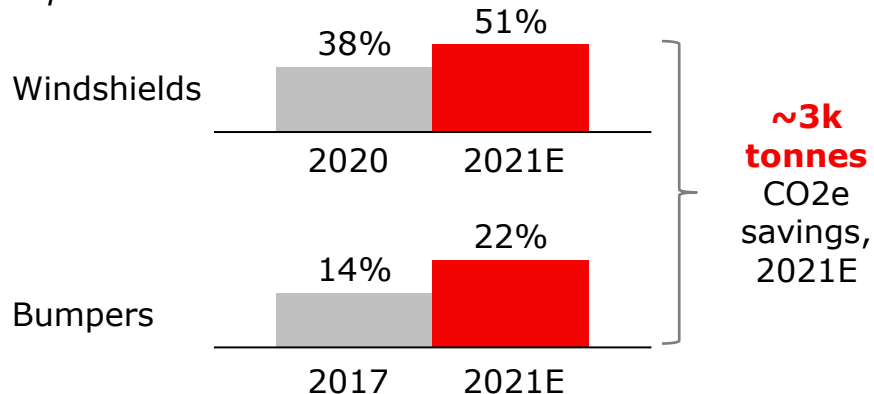
Evidence: Tryg is handling motor claims sustainably

Potential: Sustainable claims handling to drive reductions

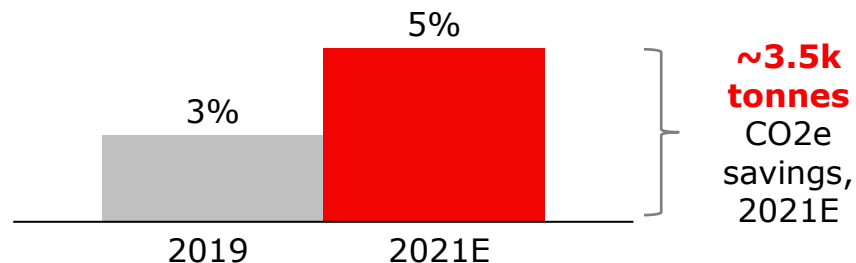
Share of supplier claims spend



Share of damages repaired instead of replaced



Share of repairs using recycled parts instead of new



20-25,000 tonnes

CO2e reduction from **sustainable claims handling** in 2024



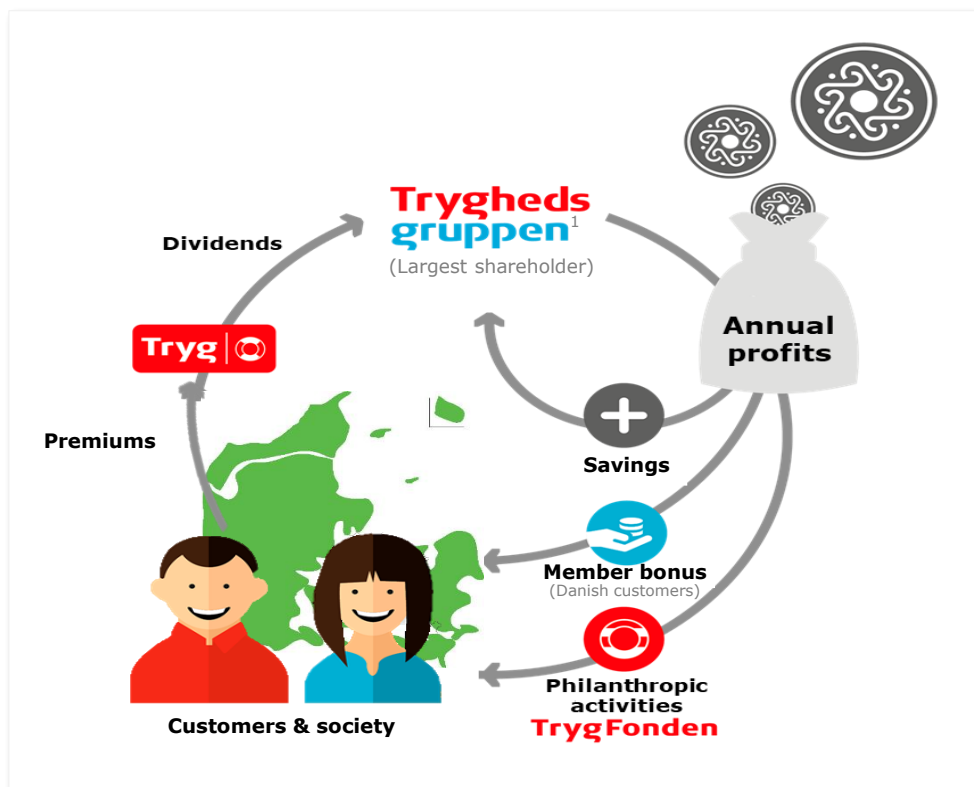
... equivalent to **~1,000** annual household emissions

Strong visibility in Denmark



Largest shareholder has strong brand and contributes to society

Tryg brand is visible throughout Denmark



Questions?

(5 minutes)

Tryg | 



Financials and capital management

Financial section will highlight five key areas



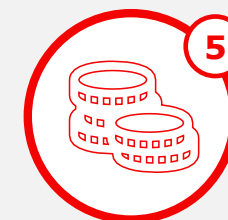
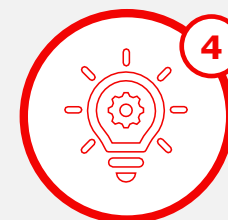
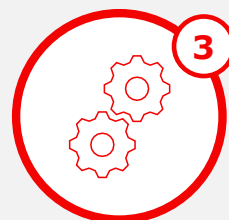
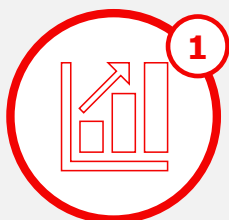
Investments overview

Solvency II ratio development

Solvency II ratio sensitivities

Return on Own Funds

Dividends and buybacks



Tryg will continue creating attractive shareholder value

Invested assets up ~50%

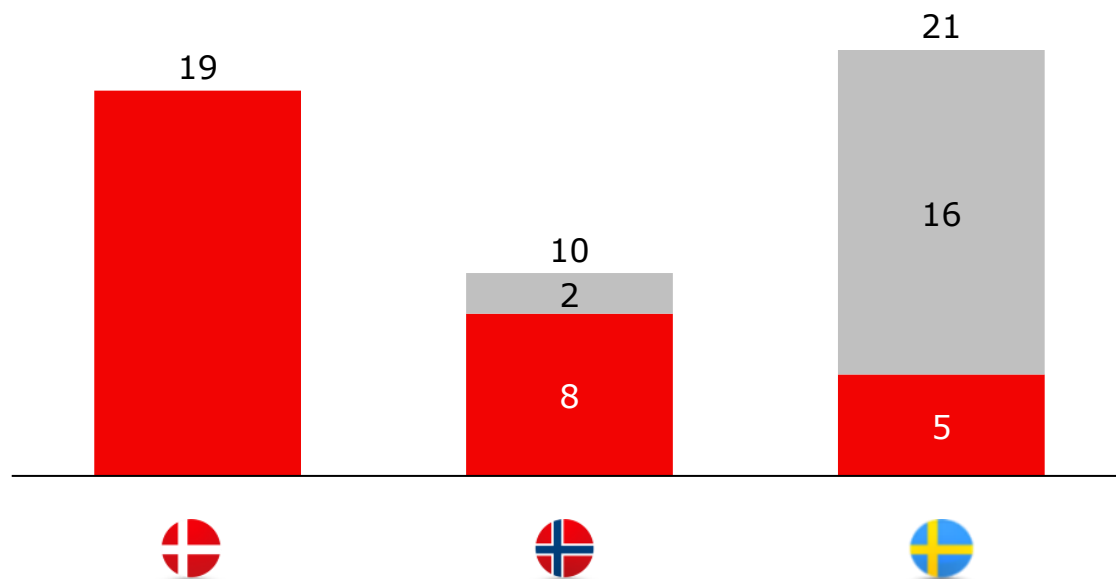
Match portfolio, DKKbn

Low-risk fixed-income assets that mirror the Group's insurance liabilities to offset interest rate changes

Q2 2021
DKK ~32bn

Q2 2022
DKK ~50bn

Portfolio split by country, DKKbn



■ Tryg portfolio ■ Trygg-Hansa and Codan NO portfolio

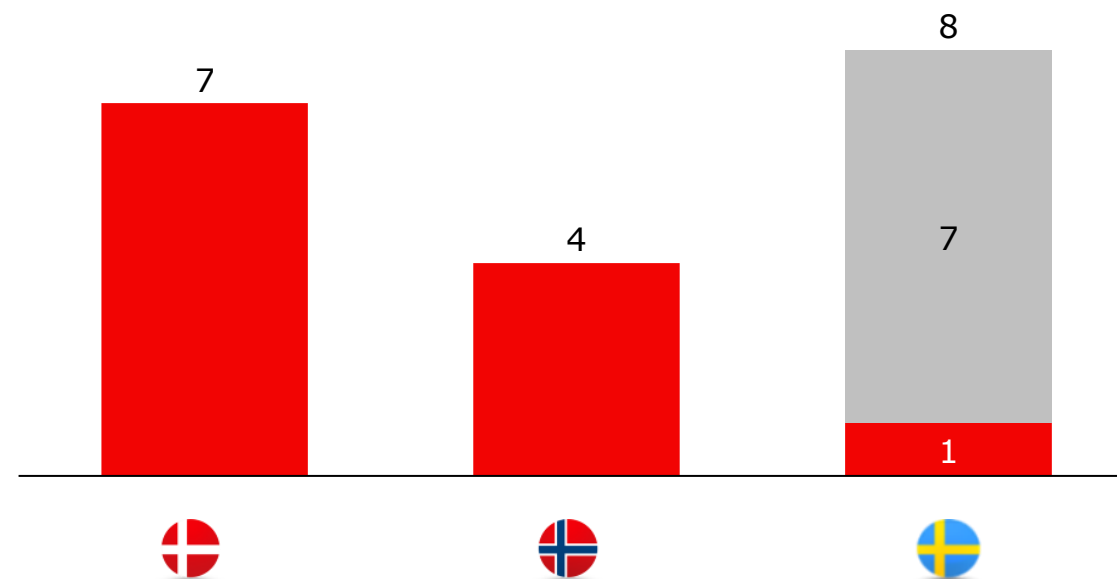
Free portfolio, DKKbn

Global multi-asset low-risk portfolio, predominantly short duration fixed-income securities but also equities and properties

Q2 2021
DKK ~12bn

Q2 2022
DKK ~19bn

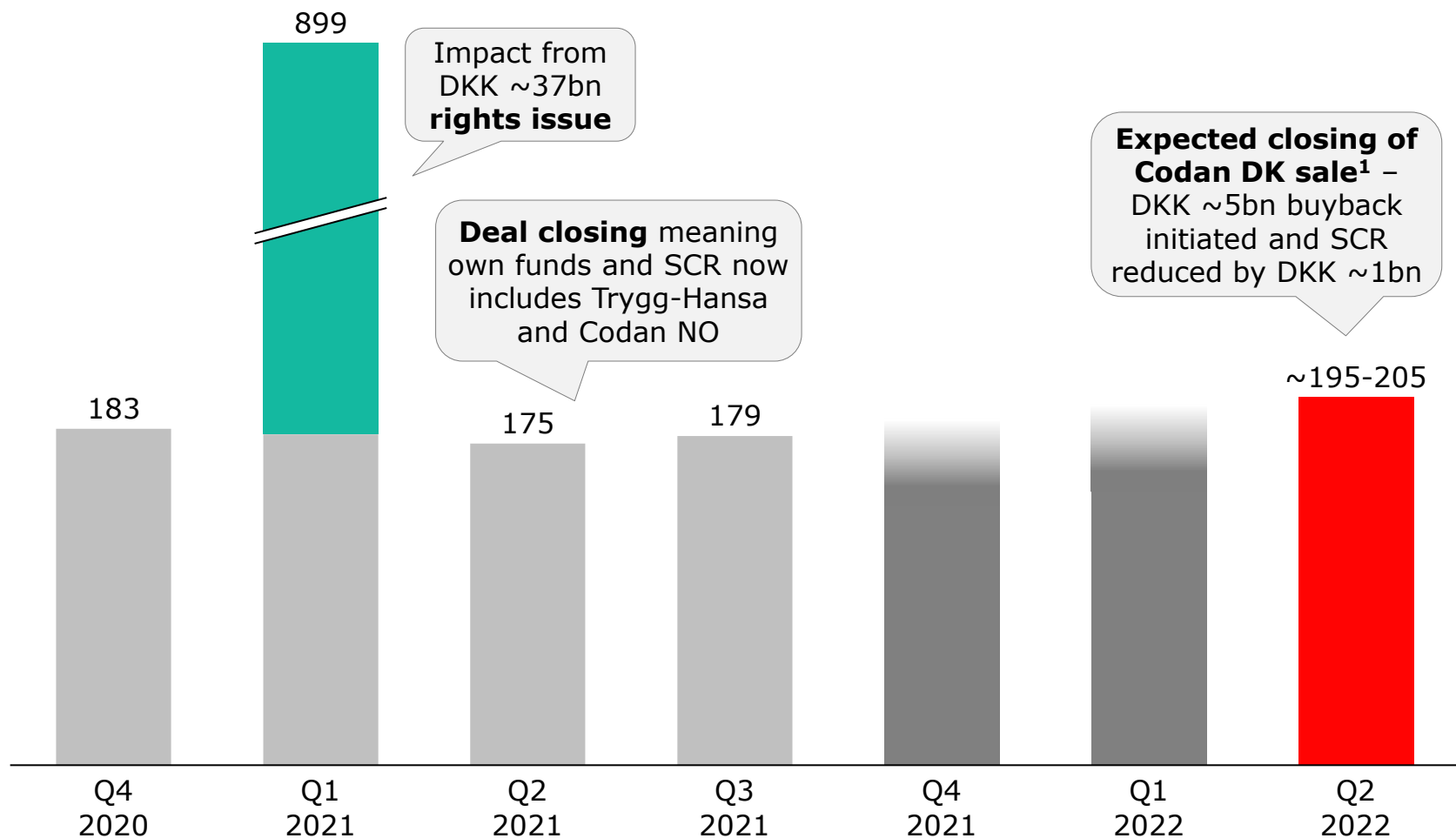
Portfolio split by country, DKKbn



Solvency II ratio is expected at ~195-205 in H1 2022



Solvency II Ratio development Q4 2020 to Q2 2022E (%)

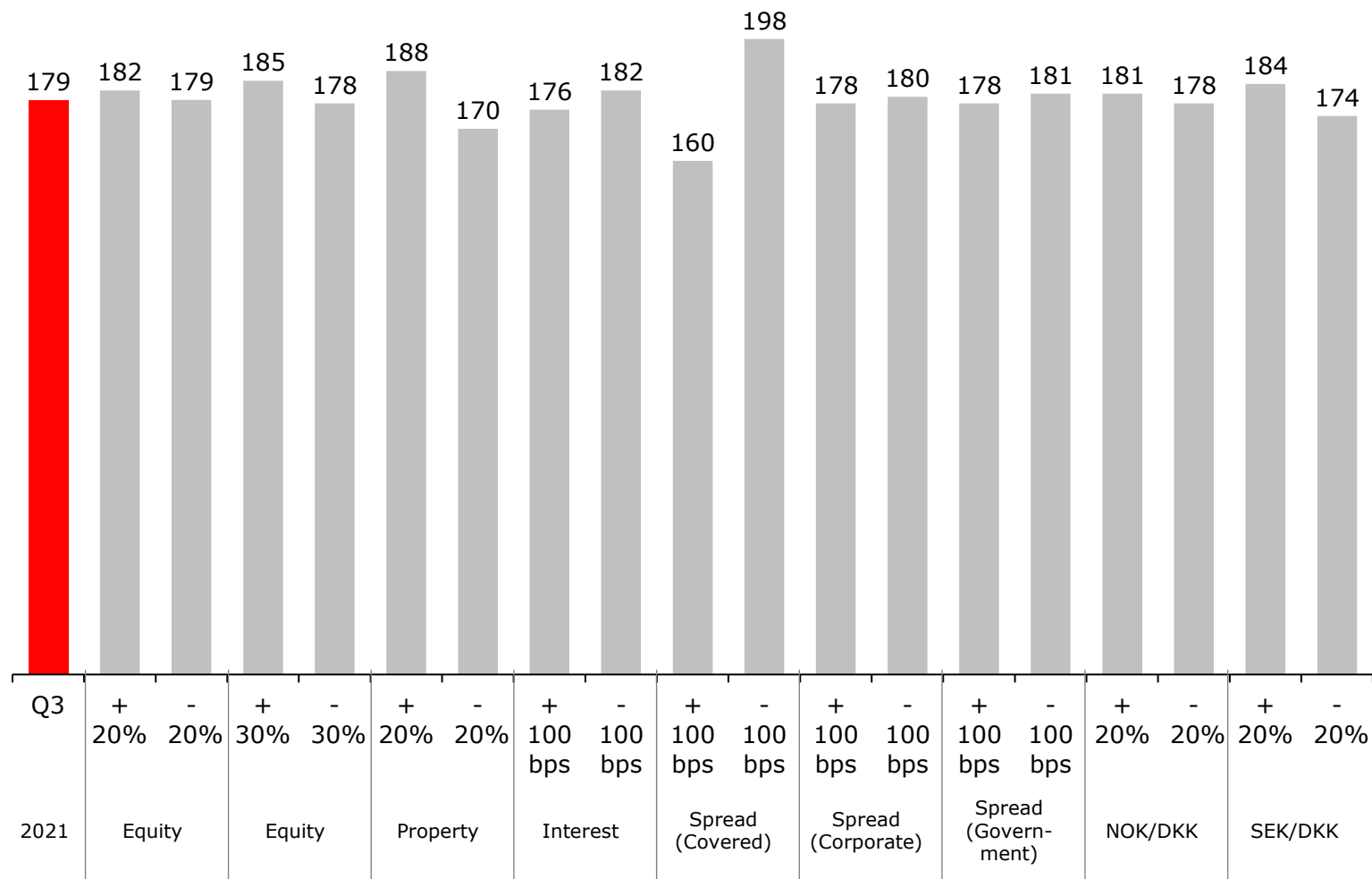


» Post Q2 2022, **Solvency ratio** movements primarily **driven by profits and dividends**

» **No current plans to issue more debt**, being mindful of Tier 1 and 2 limitations

Solvency II ratio continues to display low sensitivity to market risk

Solvency II Ratio sensitivities to key asset classes



» **Biggest spread sensitivity** is towards **covered bonds**, driven by high exposures

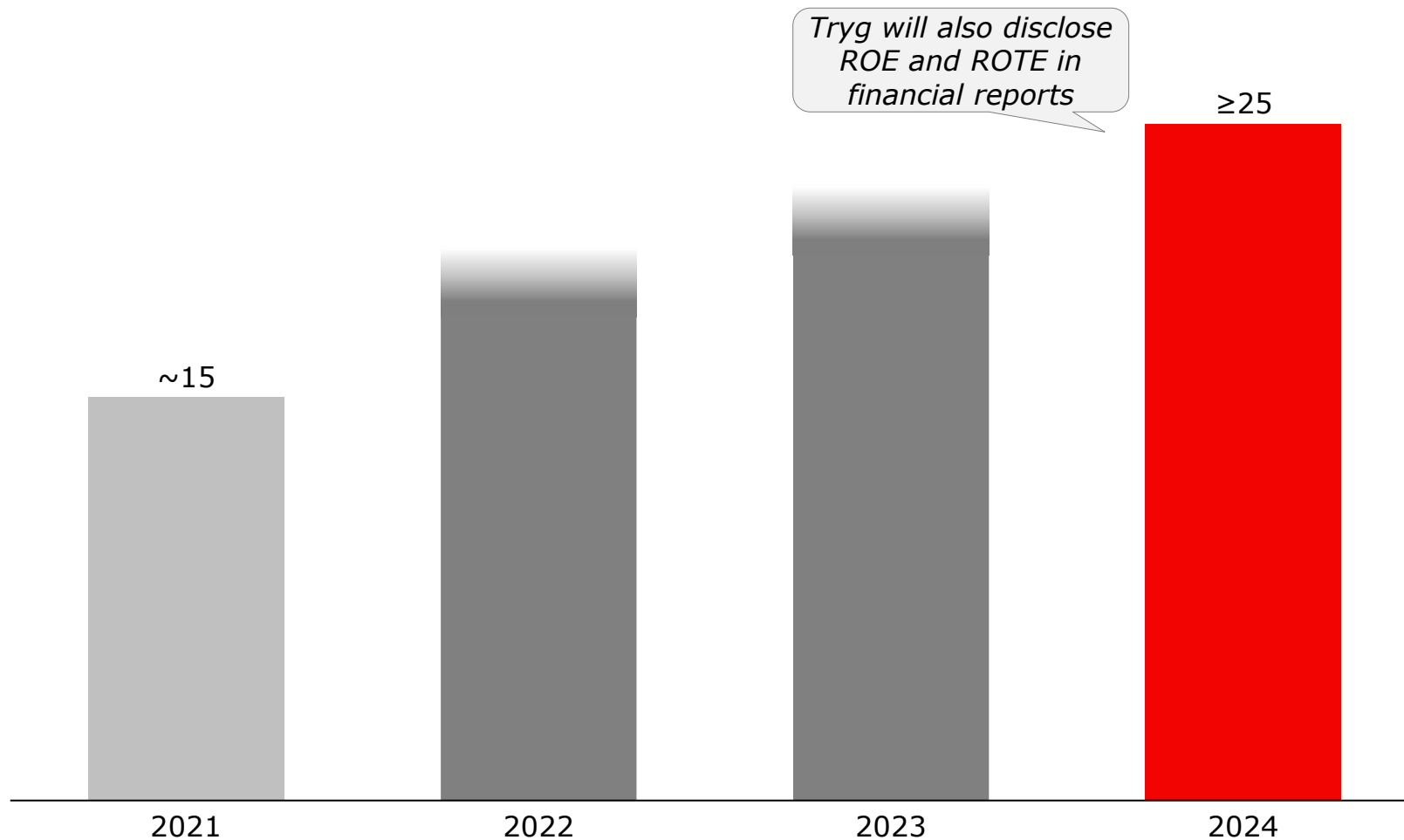
» Corporate and Government **spread sensitivities** are lower due to low exposures

» **Interest rate risk** is very **low**, since matching strategy keeps capital charges low

Introducing Return on Own Funds (ROOF) as an improved profitability measure in a Solvency II world



Expected Return on Own Funds development 2021 to 2024 target (%)



Following the **acquisition** of **Trygg-Hansa** and **Codan NO**, the **RoE does not** fully reflect **profitability** of the business

Own funds **better represent** the **capital position** of insurance companies in a Solvency II world as **opposed to shareholders' equity**

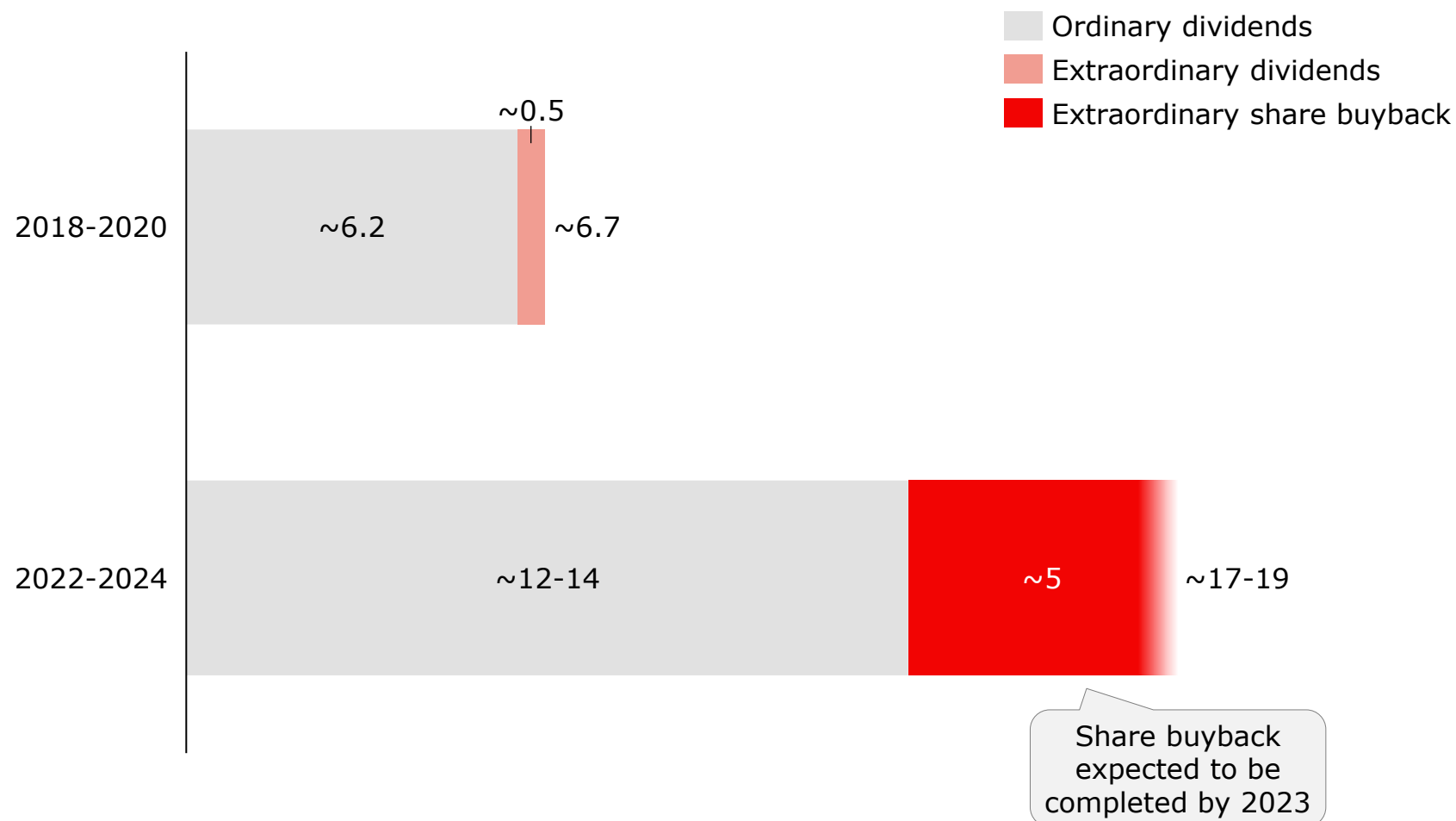
Tryg's **own funds movements** primarily **driven by profits** and **dividends**

Improved ROOF level primarily **driven by increased net profits** following Trygg-Hansa and Codan Norway acquisition

Tryg aims to pay DKK ~17-19bn to shareholders in 2022 - 2024



Shareholders remuneration, DKKbn



Tryg aims to pay **DKK ~12-14bn** in **ordinary dividends** between 2022 and 2024

Tryg intends to carry out a **buyback program** of **DKK ~5bn**, starting **H1 2022** (subject to FSA approval) following closing of Codan DK sale

Tryg aims to offer a **nominally stable** and **increasing ordinary dividend** on an annual basis – the **targeted pay-out ratio of 60-90%** (based on operating earnings) is **secondary to the aim of increasing annual dividend**

Potential for extraordinary dividends evaluated yearly based on **earnings forecast, solvency position** and **return on own funds** target



Concluding remarks



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2024 strategy and targets will ensure highly attractive shareholders' returns

Technical result **DKK 7.0-7.4bn**

Combined ratio **≤82%**

Expense ratio **~14% reaffirmed**

Return on Own Funds **≥25%**

Synergy realisation **DKK 900m**

Ordinary dividends and extraordinary buybacks **DKK ~17-19bn in 2022 - 2024**

Tryg



Do you know the only thing that gives me pleasure?

It's to see my dividends coming in

John D. Rockefeller

Q&A Session



THANK YOU

Tryg | 

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.