

Annual results 2011

Webcast presentation



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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.

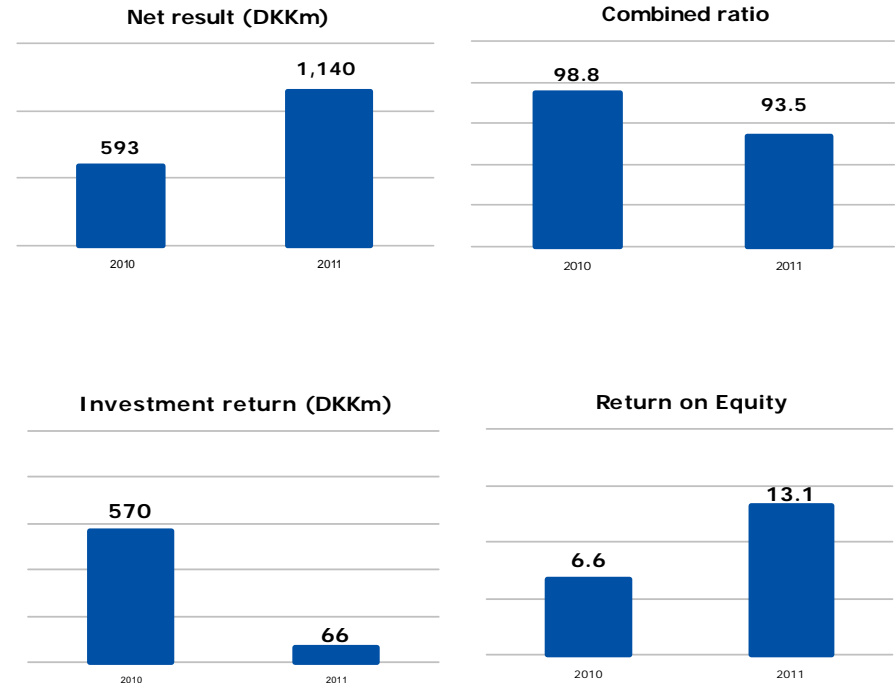
Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

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.

# Highlights 2011

- Strong improvement in net result from DKK 593m to DKK 1,140m in 2011.
- Technical result improved from DKK 375m to DKK 1,534m.
- Satisfactory investment result in a challenging market.
- Strategic review of Finnish operations.

## Financial KPI's

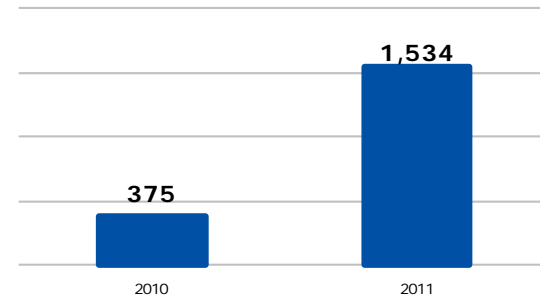


# Highlights 2011

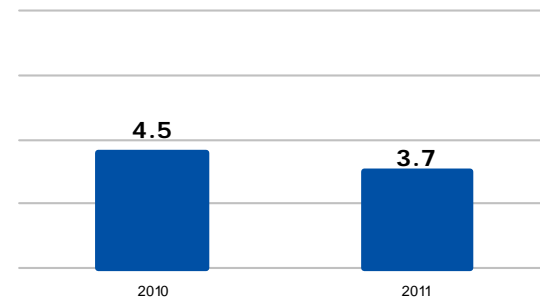
- Improved technical result driven by:
  - Price increases and claims initiatives.
  - DKK 416m lower net impact from weather claims.
- Gross earned premiums grew 3.7% (5.6% in DKK).
- Lower interest level called for further strengthening of pension obligation in Norway of approx. DKK 400m before tax.
- Suggested cash dividend of DKK 400m and no share buy back.

## Financial KPI's

Technical result (DKKm)



Premium growth (%)



# Highlights Q4 2011

## Facts

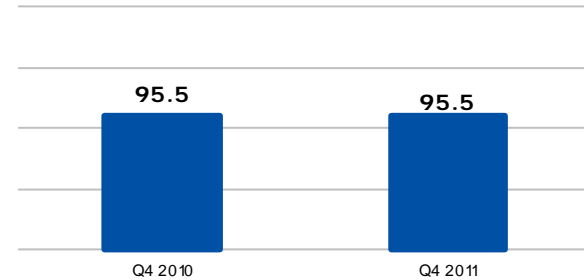
- Net result DKK 344m compared to DKK 369m in Q4 2010.
- Technical result DKK 271m compared to DKK 261m Q4 2010.

## Q4 - a mixed picture

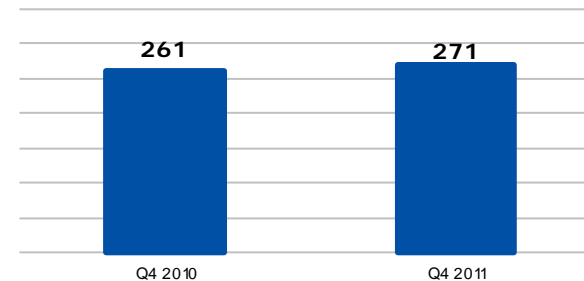
- Positives
  - Strong result in Private
  - Combined ratio of 94.2 in Commercial
  - Strong investment result
- Negatives
  - Windstorms Berit and Dagmar in Norway – total windstorm loss of DKK 184m
  - High level of large claims – total DKK 306m
  - Premium growth of 1.0% (-0.5% in local currency)

## Financial KPI's

### Combined ratio



### Technical result (DKKm)



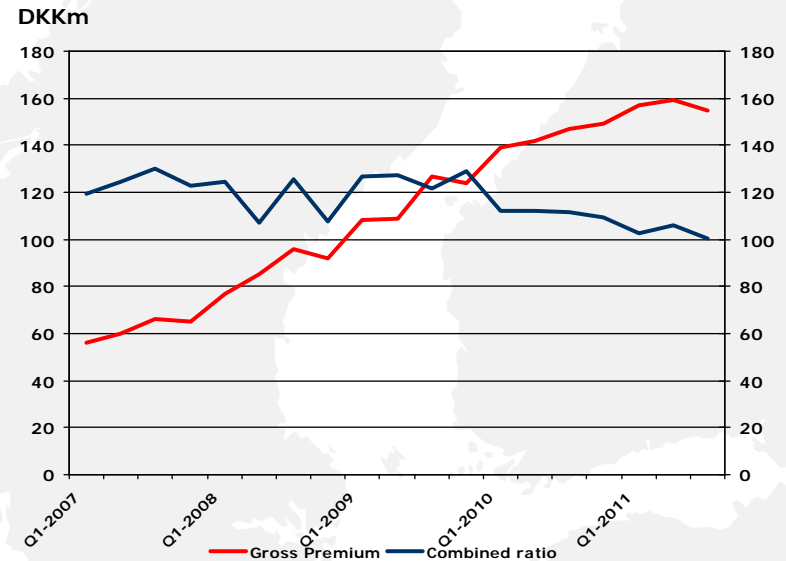
# Key figures 2011

DKKm	Q4 2010	Q4 2011	2010	2011
Gross premiums earned	5,049	5,100	19,475	20,572
Technical result	261	271	375	1,534
Return on investments after technical interest	266	163	570	66
Profit/loss before tax	512	447	941	1,569
<b>Profit/loss for the period</b>	<b>369</b>	<b>344</b>	<b>593</b>	<b>1,140</b>
Gross claims ratio	77.2	79.0	80.2	79.2
Business ceded as % of gross premiums	1.1	-0.9	1.6	-2.5
Claims ratio, net of ceded business	78.3	78.1	81.8	76.7
Gross expense ratio	17.2	17.4	17.0	16.8
<b>Combined ratio</b>	<b>95.5</b>	<b>95.5</b>	<b>98.8</b>	<b>93.5</b>
Combined ratio before run-off	101.2	102.0	103.0	98.1

# Strategic review Finland

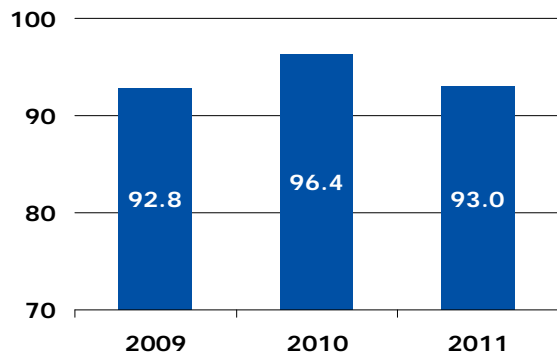


- Profitability in Tryg's Finnish business has improved but is not yet at a satisfactory level.
- Based on this, Tryg has decided to undertake a strategic review of the Finnish operation.
- Review will look at all options for the Finnish business.
- Review will be finalised within 12 months.



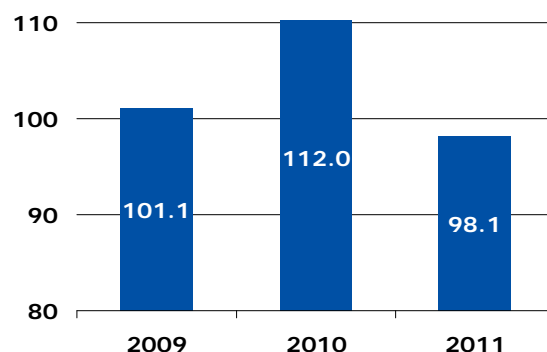
# Segment performance

## Private Nordic - CR



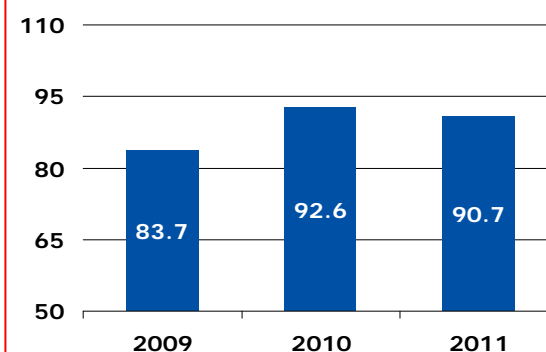
- Combined ratio 93.0 compared to 96.4.
- Effect of profitability initiatives.
- 6.8% premium growth in local currency.
- Customer retention:
  - DK 90.5 vs 89.5 in Q4 2010,
  - Norway 86.3, unchanged
- Customer average premium up 6% in Denmark and 3% in Norway.

## Commercial Nordic - CR



- Combined ratio improved by 13.9 percentage points.
- Effect of profitability initiatives and net effect of weather claims.
- 0.2% premium growth.
- Customer retention impacted as expected.
- Tough macro and market conditions.

## Corporate Nordic - CR

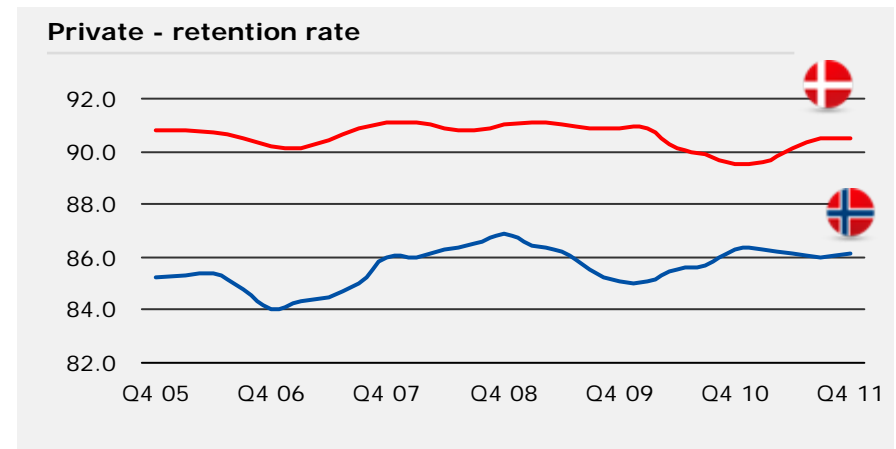
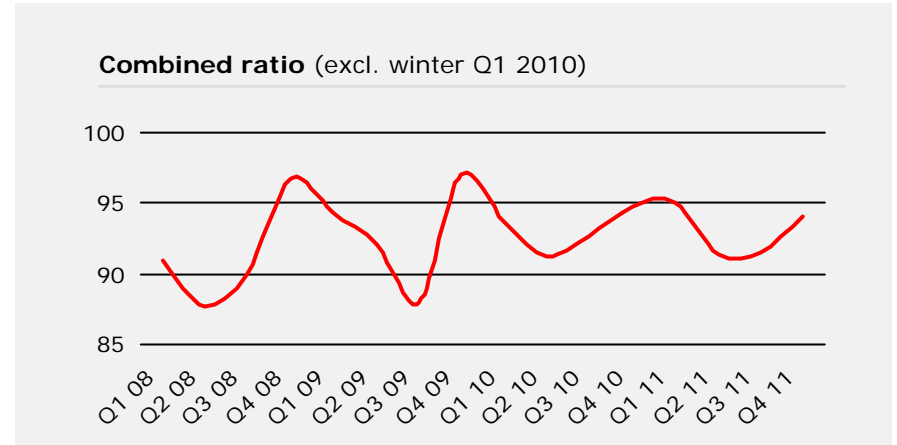


- Combined ratio helped by high run-off level.
- Combined ratio of 102.6 before run-off.
- 0.8% premium growth due to price initiatives and market conditions.
- High level of large claims in Q4 DKK 287m vs DKK 149m in 2010.
- Satisfactory renewals 1 January 2012.
- Still tough market conditions in all countries.



# Private Nordic

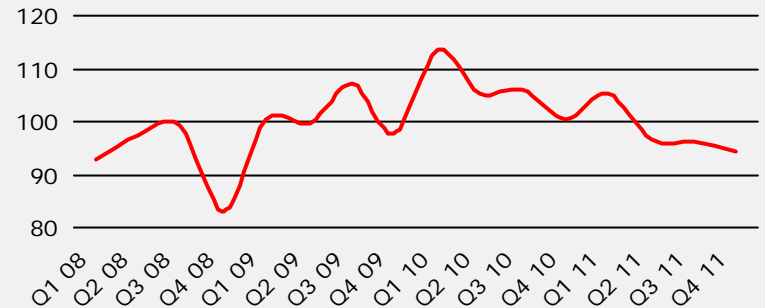
- Profitability in Private on the right track.
- Price increases impacting the portfolio and has impacted retention rates as expected.
- Good growth of 6.8% in local currency driven by price increases.
- Focus area in 2012 to optimise sales channels and improve time to market.



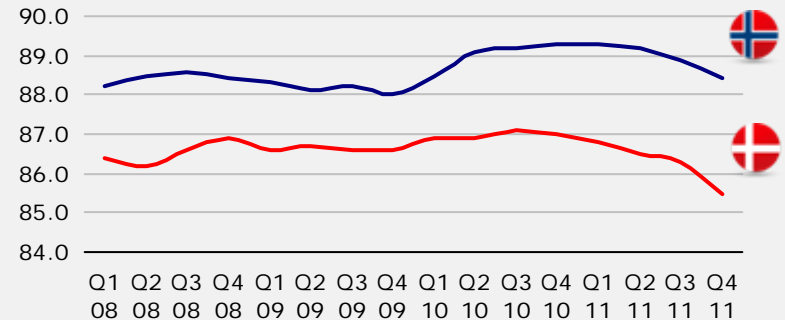
# Commercial Nordic

- Profitability in Tryg's Commercial business improved due to profitability initiatives.
- Drop in retention rate for Commercial, especially in Denmark.
- Going forward continued effect of
  - implementation of profitability initiatives
  - macro environment

**Combined ratio** (excl. winter Q1 2010)



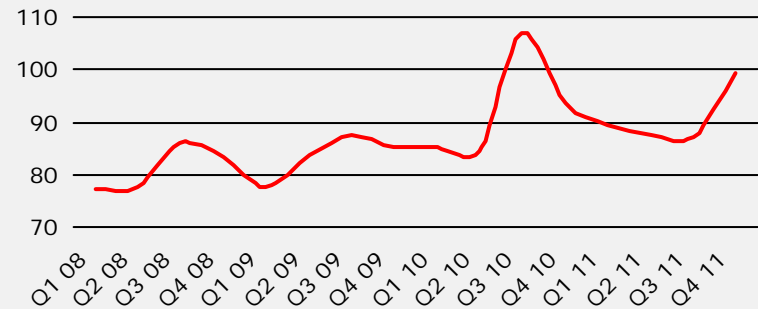
**Commercial - retention rate**



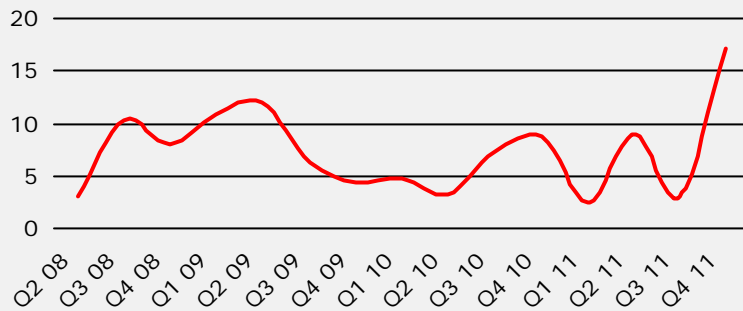
# Corporate Nordic

- Low combined ratios in Corporate.
- However, profitability supported by high level of run-off gains.
- Price increases on property especially in Norway.
- Focus on pricing of risk of large claims.
- Combination of pruning and rate increases

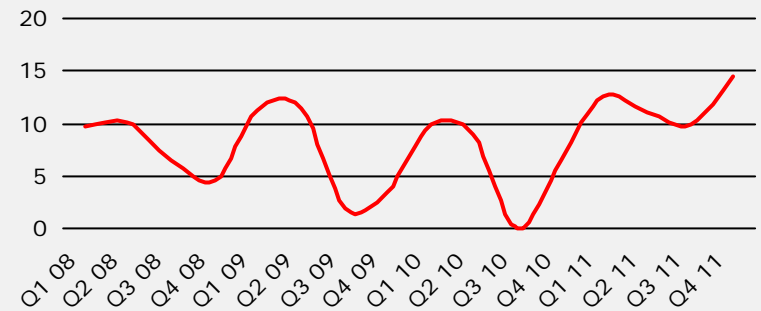
Combined ratio (excl. winter Q1 2010)



Large claims effect on combined ratio

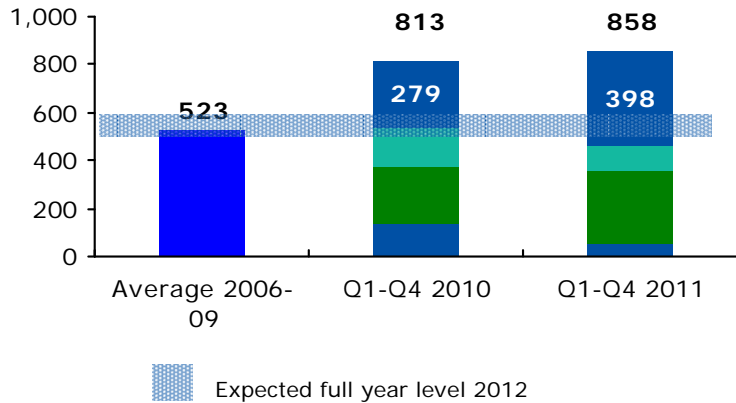


Run-off effect on combined ratio



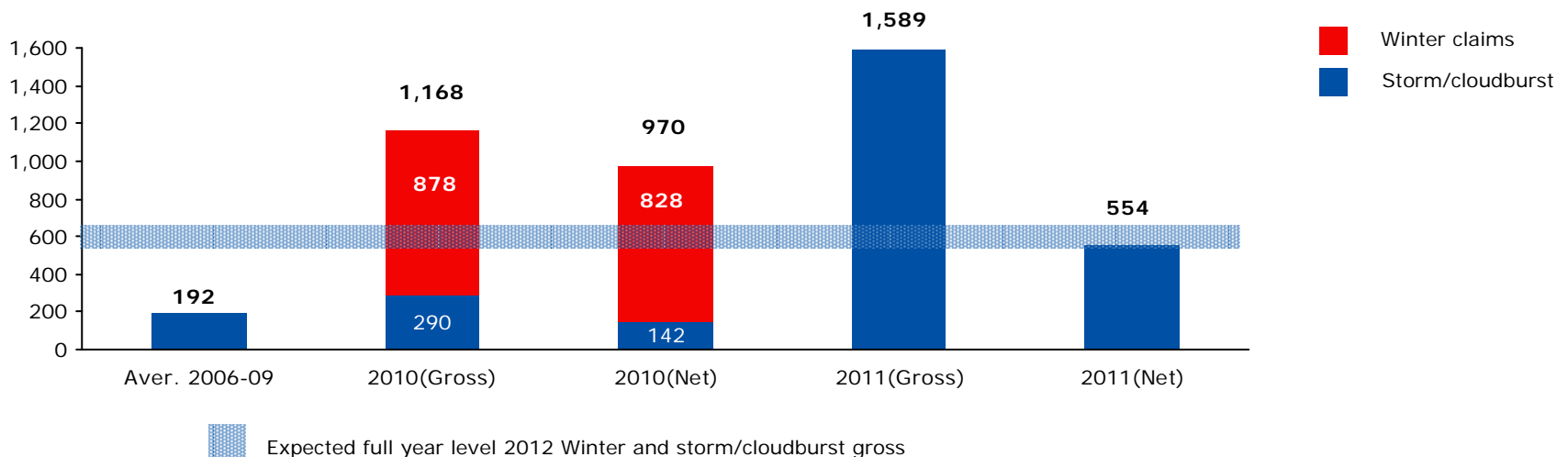
# Large and weather claims

## Large claims, gross DKKm



- Large claims gross amounted to DKK 858m in 2011 against DKK 813m in 2010.
- Large claims net amounted to DKK 546m in 2011 against DKK 709m in 2010.
- Heavy rain in Copenhagen on 2 July and storms in Norway in Q4 resulted in gross claims of DKK 1.6bn. Net impact of DKK 315m.

## Weather claims, DKKm

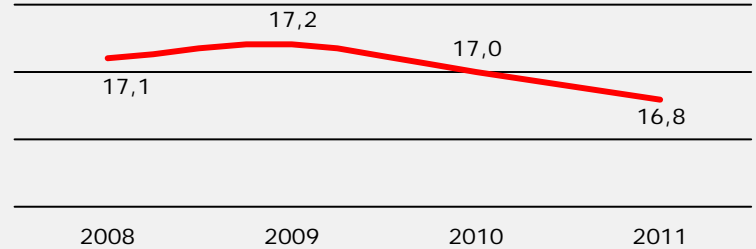


# Expenses

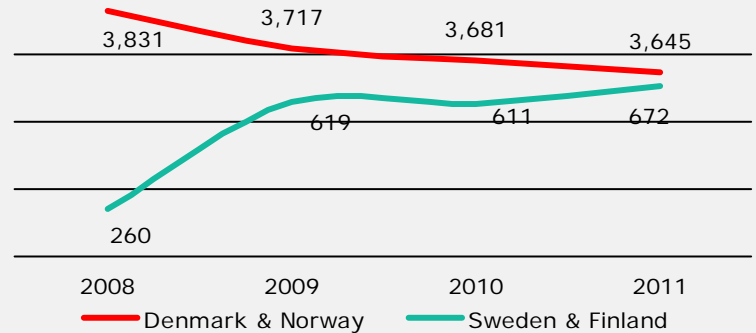
- Expense ratio for 2011 at 16.8 against 17.0 in 2010.
- Continued focus on cost reductions.
- 1% less full time employees in DK/NO.



Expense ratio



Number of employees

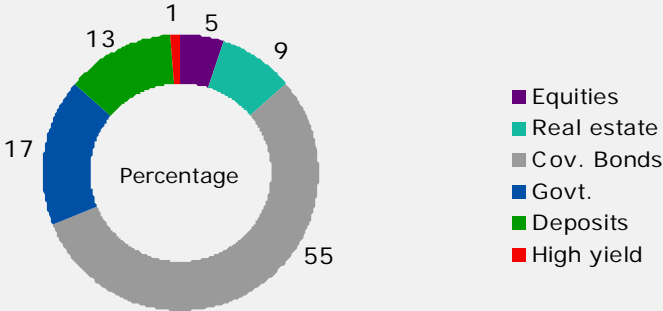


# Investment result Q4 and 2011

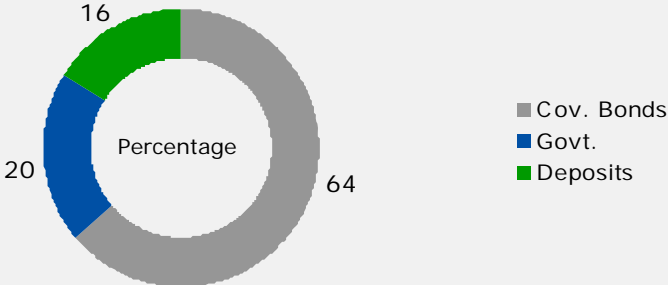


# Assets allocation

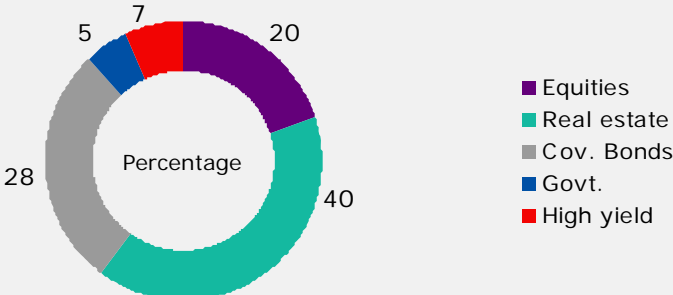
Total assets



Match portfolio



Free portfolio (exposure)

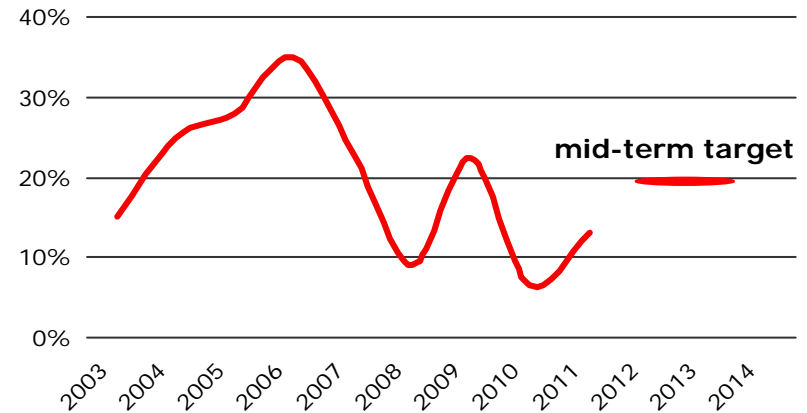


# Outlook

## Mid-term

- Mid-term target is return on equity of 20% after tax.
- This implies a combined ratio in the level of 90% including potential run-off and at current interest rate level which is unchanged relative to end of 2010.
- Effect of price initiatives are the main driver for reaching target.
- Expected large claims level increased from DKK 400-450m to DKK 500-600m due to large claims level in 2010 and 2011.
- Expected storm and cloudburst level increased from DKK 300-350m to DKK 350-450m based on especially cloudburst level 2011.
- Although interest rates are at a very low level, Tryg maintains mid-term targets.

## ROE after tax



### Annual impact from price increases

**2011**

DKK ~1.0bn

**2012**

DKK ~1.0bn



# Upcoming roadshows

Date	Place	Participants from Tryg	Arranged by
9 February 2012	Copenhagen	Morten Hübbe, CEO Tor Magne Lønnum, CFO Lars Bonde, Group EVP Investor Relations	SEB Enskilda
10 February 2012	Oslo, Norway	Tor Magne Lønnum, CFO Peter Brondt, IR Manager	ABG
15-16 February 2012	London	Tor Magne Lønnum, CFO Peter Brondt, IR Manager	Morgan Stanley
21 February 2012	Toronto, Canada	Morten Hübbe, CEO Lars Møller, IR Manager	KBW
22-24 February 2012	USA, east coast	Morten Hübbe, CEO Lars Møller, IR Manager	KBW
2 March 2012	Frankfurt	Tor Magne Lønnum, CFO Lars Møller, IR Manager	Morgan Stanley
6 March 2012	Amsterdam	Ulrik Andersson, IR Director	Cheuvreux
7 March 2012	Brussels	Ulrik Andersson, IR Director	Cheuvreux
8 March 2012	Stockholm, Sweden	Per Fornander, Group EVP Lars Møller, IR Manager	DnBNOR
14 March 2012	Paris	Tor Magne Lønnum, CFO Ulrik Andersson, IR Director	Cheuvreux