

2015 Annual results

Webcast presentation

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Disclaimer

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

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

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

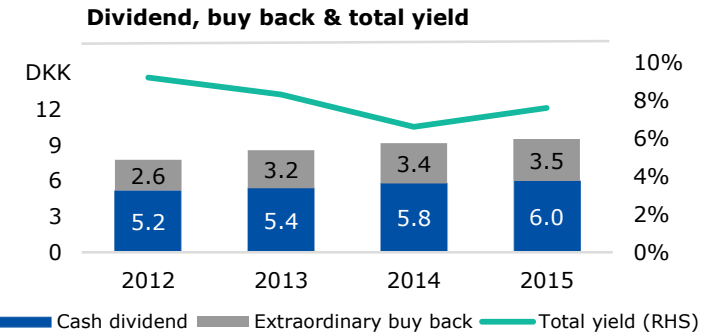
Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, our actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected.

We are not under any duty to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law.

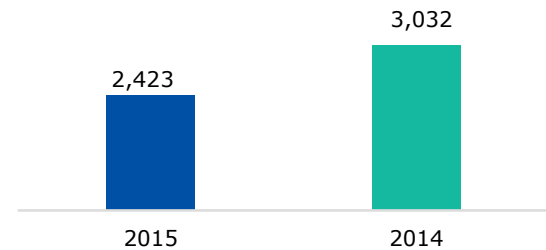
Financial highlights 2015



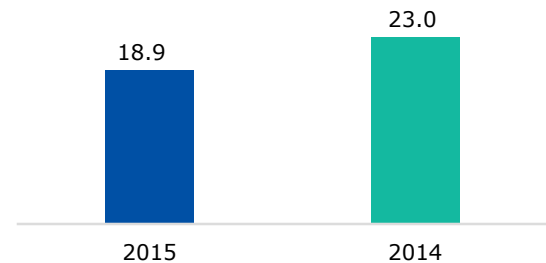
- DPS of 6.0 for the FY and buy backs of DKK 1bn in 2016
 - DPS growth in line with our aim
 - Extraordinary buy backs of DKK 1bn in 2016
 - Total yield approx. 7% on share price end of 2015
 - Solvency II ratio (int. model) as per 1 Jan 2016 @ 176%
Including Skandia's book and H2 2015 dividend
 - Approx. DKK 1bn of additional sub-debt capacity
- Technical result of DKK 2,423m (DKK 3,032m)
 - One-off costs, high weather claims & currencies development weighed negatively but also underlying claims inflation to be offset by price increases in 2016.
 - Weather & large claims DKK208m higher than in 2014
 - FY COR of 86.8 vs 84.2 in 2014
- ROE of 18.9% (23.0%) impacted by investment loss, one-off costs, high winter claims & currencies move.
- Expense ratio of 14.9, adjusted for one-off costs, in line with our 15.0 target for 2015.
- Premiums fall by 0.8% (-1.1%) in local currencies.



Technical result (DKKm)



ROE

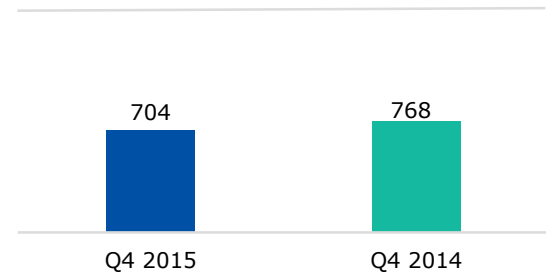


Financial highlights Q4 2015

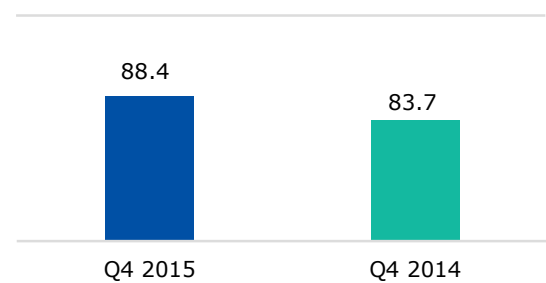
- Less satisfactory technical result

- Pre-tax profit of DKK 704m (DKK 768m) impacted by:
 - Lower technical result of DKK 522m (DKK 775m) impacted by high weather claims and negative currencies movements.
 - Positive investment result of DKK 201m (DKK 13m) boosted by a good return on the equities portfolio.
- Technical result of DKK 522m (DKK 775m)
 - Deterioration primarily driven by high weather claims and currencies impact. Underlying claims inflation calls for price increases.
 - Combined ratio of 88.4 vs 83.7 in Q4 2014
- Premiums fall by 1.6% in local currencies (-0.1%)
 - Private lines up 1.1% while drop in Corporate and mostly Commercial weigh negatively on Group figures.
- Expense ratio of 14.2 (14.9) impacted by savings initiatives but also quarterly fluctuations.

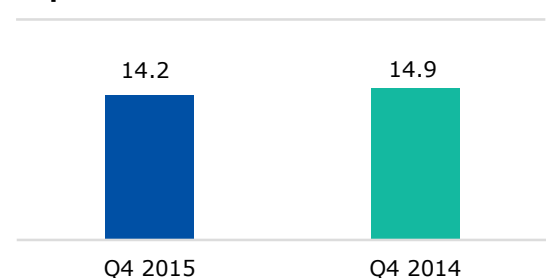
Pre-tax profit (DKKm)



Combined ratio



Expense ratio



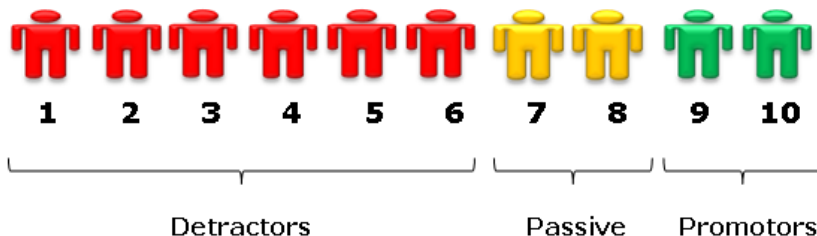
Customer highlights Q4 2015

- NPS doubled since CMD, 2017 target already met

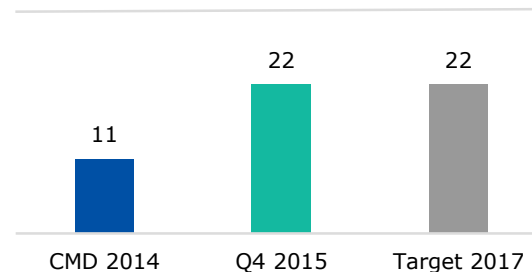
- New health care insurance launched in Denmark including a prevention app 'TrygHealth'. The app provides access to a medical hotline via mobile video conferencing.
- New car product 'Moderna Smart' launched in Sweden. The price of the car insurance is differentiated depending on the driver's driving style, recorded by an app.
- Indoor climate card, a new claims preventative initiative launched including a damp indicator, which measures the temperature and air humidity in a room.
- New organisational structure as of 1 January 2016. Removing one management level reporting to Executive board and creating 10 national business areas supports faster decision making.

What is Net Promoter Score (NPS)?

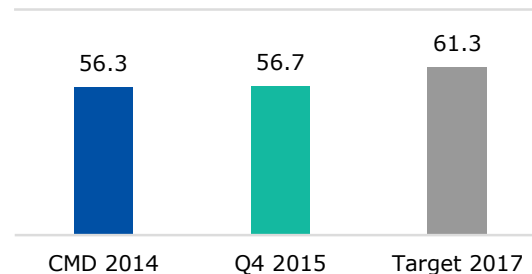
"On a scale from 1-10, what is the likelihood of you recommending Tryg to family or friends?"



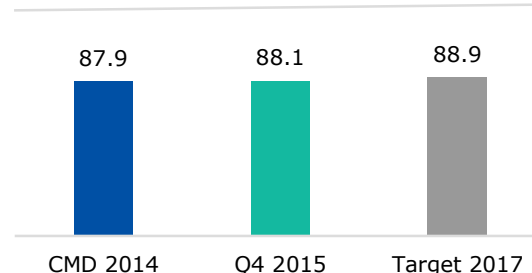
NPS



Customers with ≥3 products (%)



Retention rate

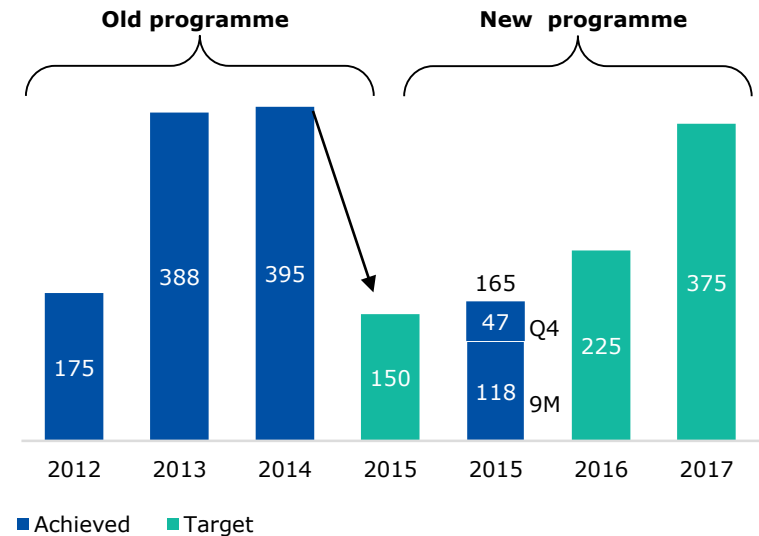


Efficiency programme, DKK 47m achieved in Q4



- Programme deliver as planned with target to achieve savings of DKK 750m over 3 years.
- Lower 2015 savings than in 2014.
- Claims initiatives:
 - Increased collection from third parties responsible for causing a claim
 - Cash payment through In4mo system
- Expense initiatives:
 - Outsourcing Accounting
 - Reorganisation of Agriculture & Small Commercial division
 - Digital communication

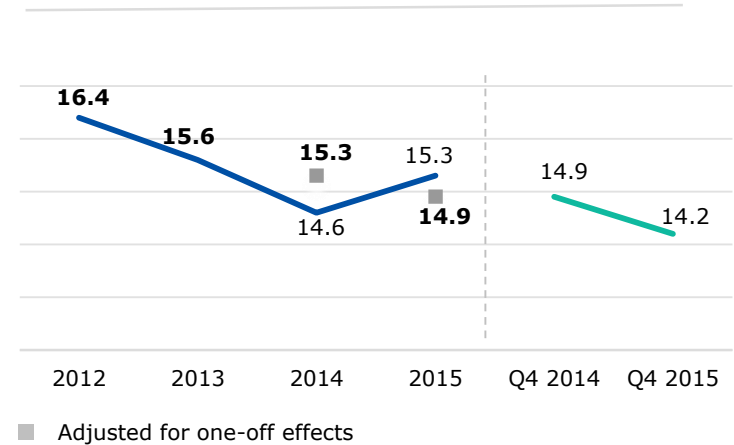
Efficiency programme up until 2017 (DKKm)



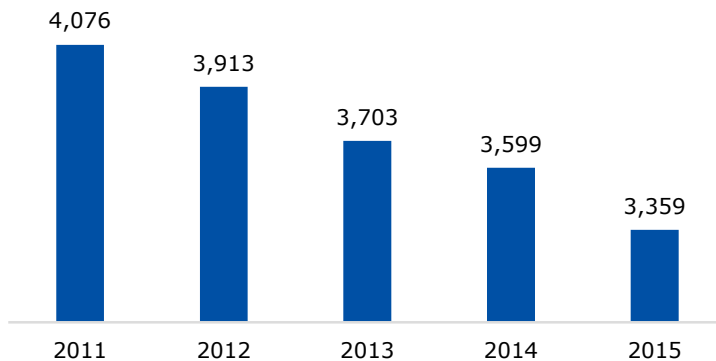
Expense ratio improved before one-offs

- Expense ratio improved 0.7 pp. to 14.2 in Q4 and reached 14.9 for the FY excluding Q3 one-off costs.
- One-off provisioning of DKK 120m in Q3 related to efficiency programme.
- Efficiency programme delivered savings of DKK 60m for the FY related to:
 - Outsourcing within Finance and IT
 - Commercial reorganisation
- Reduction in FTE by 240 during 2015.

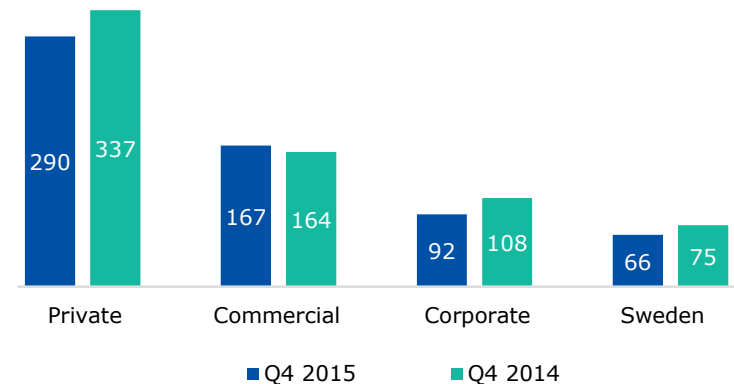
Expense ratio



FTE - Development



Nominal costs in business areas



Premiums and portfolio

Positive topline development in Private

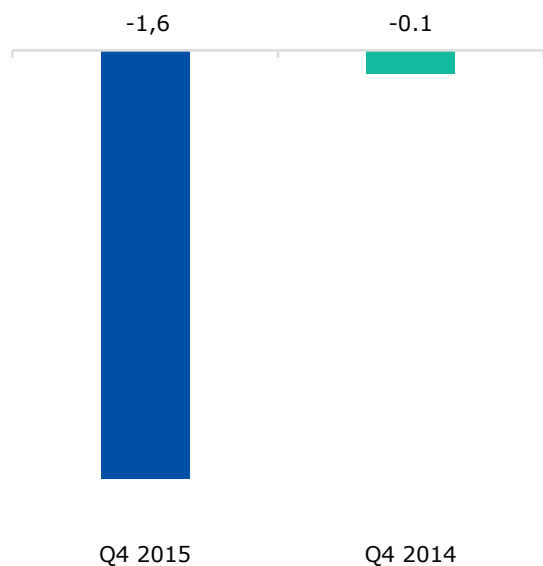


Gross earned premiums decreased by 1.6% (-0.1%) in local currencies driven by:

- Private trend helped by lower rebates but also improved growth and retention in Denmark.
- Commercial trend reflects a structural challenge with too low sales compared to current retention level.
- Corporate impacted by cancellation of some large accounts, profitability is targeted ahead of growth.

Gross earned premiums development

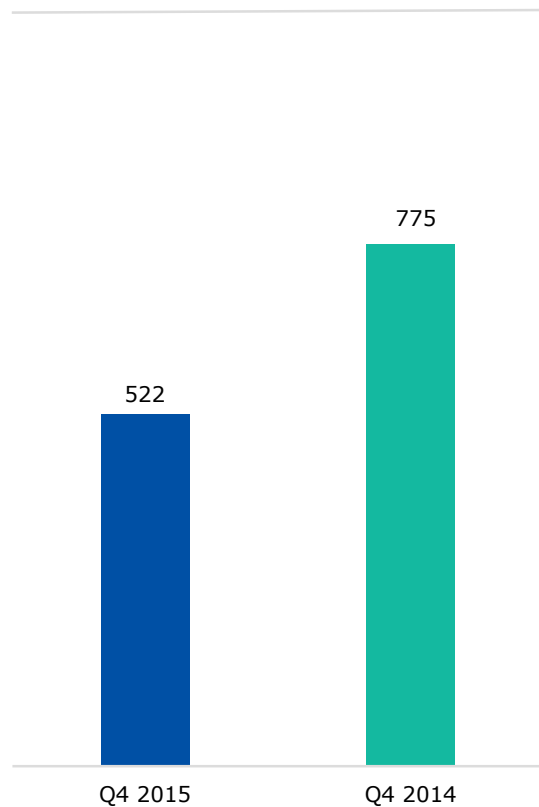
(Local currencies)



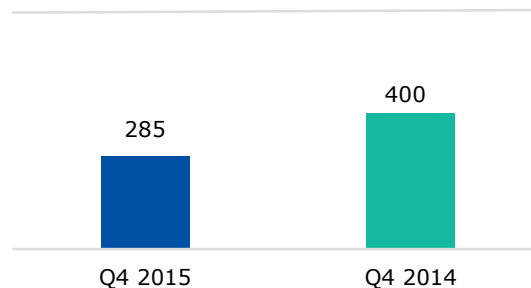
DKKm	Q4 2015	Q4 2014	Local currencies Q4 2015	Local currencies Q4 2014
Private	2,172	2,249	1.1%	-0.2%
Commercial	970	1,050	-5.0%	-1.8%
Corporate	949	1,015	-2.1%	1.5%
Sweden	313	338	-6.1%	1.6%
Group	4,393	4,646	-1.6%	-0.1%

Less satisfactory technical result

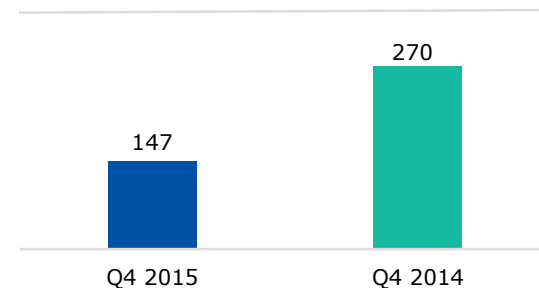
Group (DKKkm)



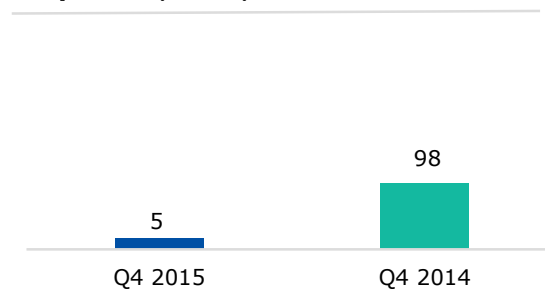
Private, DK & NO (DKKkm)



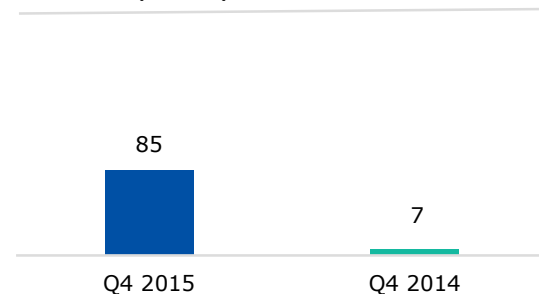
Commercial, DK & NO (DKKkm)



Corporate (DKKkm)



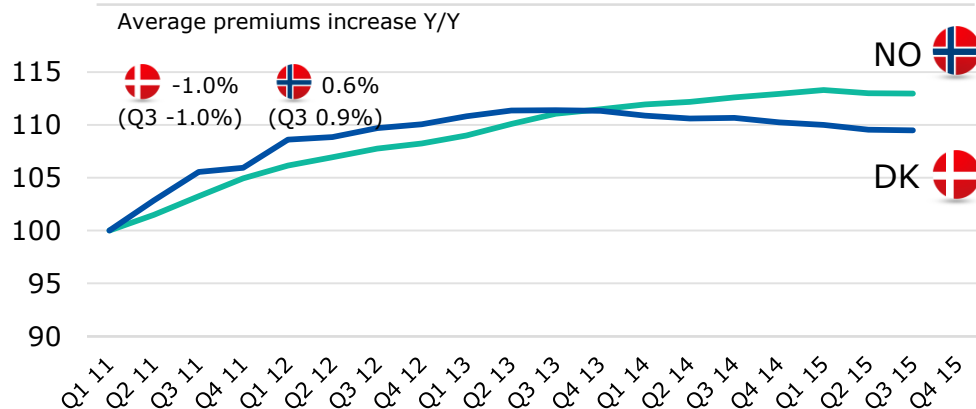
Sweden (DKKkm)



Private - average premiums

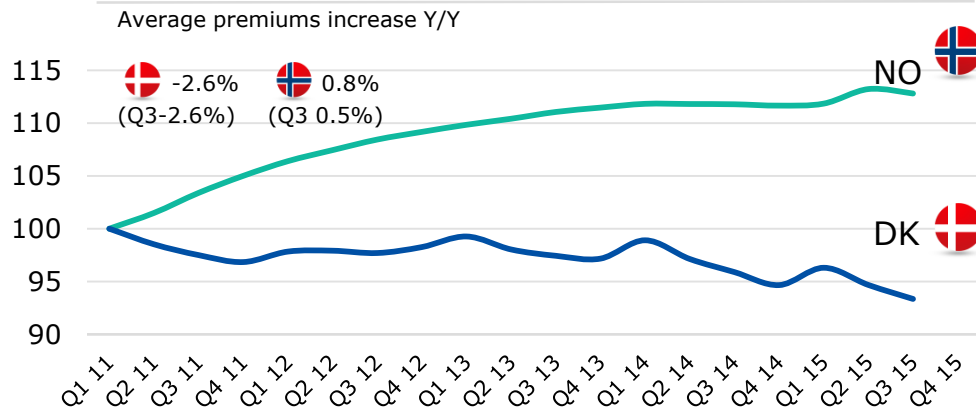
- DK profitability strong but competition increasing

House insurance – average premium (index 2011 = 100)



- NO: price increases from July
- DK: changed selection reduces average price, price increases starting 2016

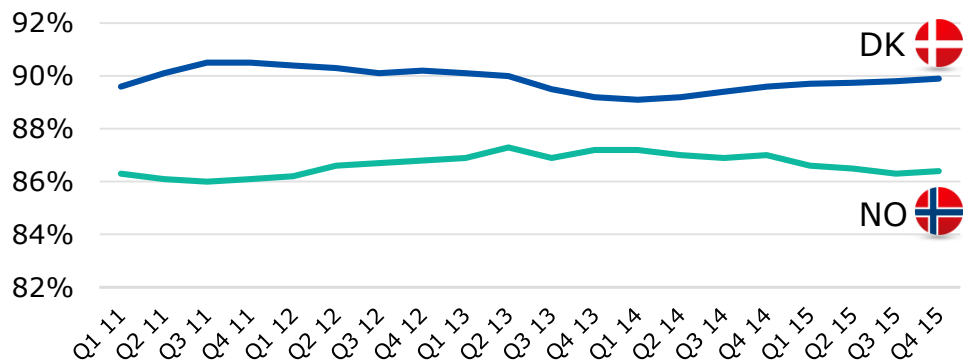
Motor insurance – average premium (index 2011 = 100)



- DK -2.6% decrease y/y driven by:
 - smaller cars
 - safer cars
- Higher price on new motor tariff DK should help in mitigating the drop in average premium
- Profitability still very strong on motor

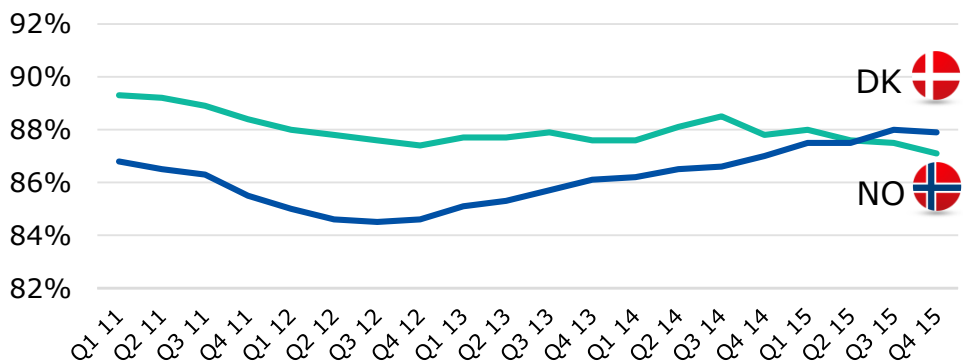
Customer retention

Private



- Customer retention in Denmark at highest level since Q3 2013
- Slight improvement in Norway

Commercial



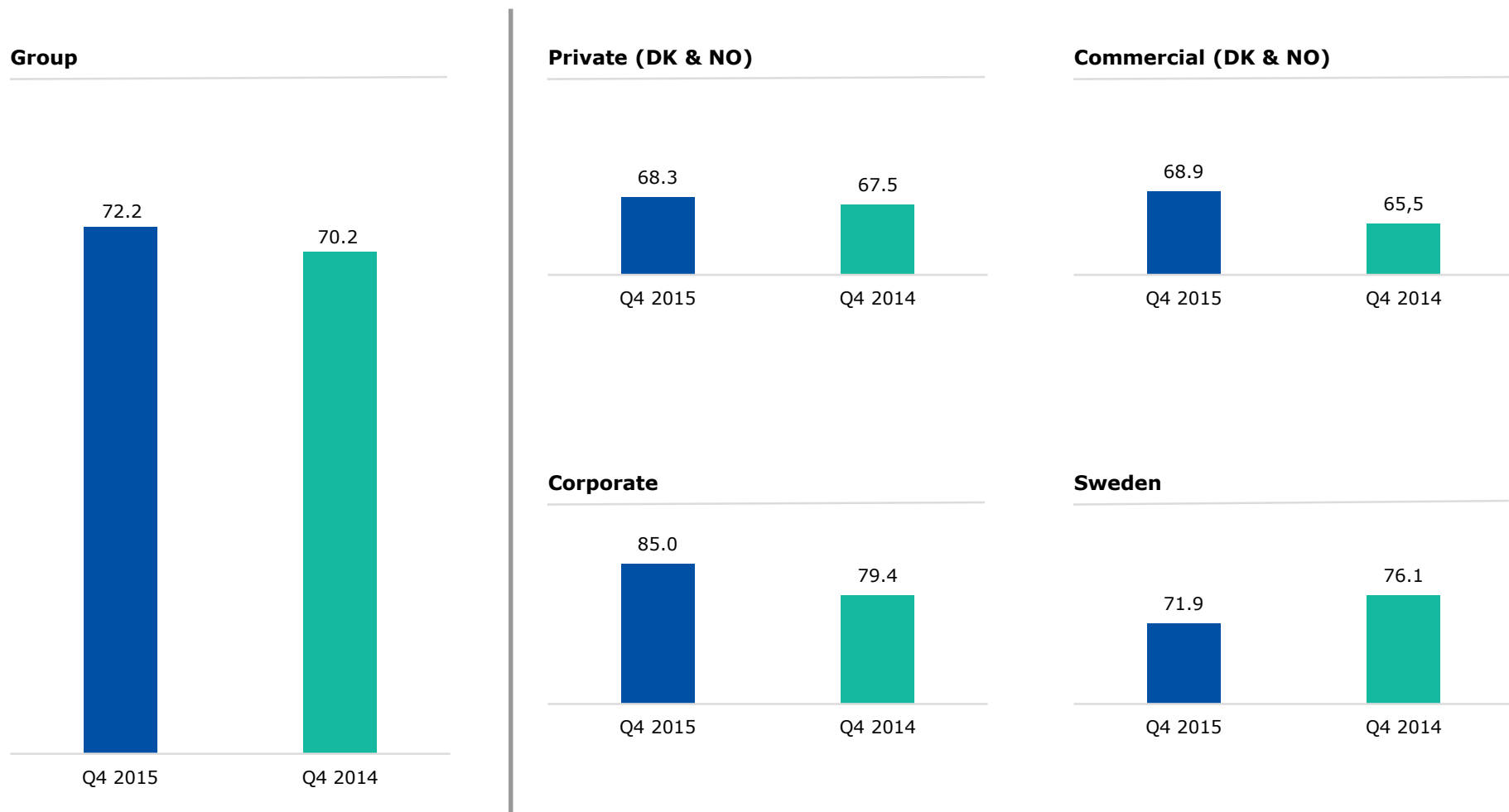
- Modest fall in Denmark
- Retention decreased in Norway impacted by economic situation



Claims



Increase in underlying claims ratio, net

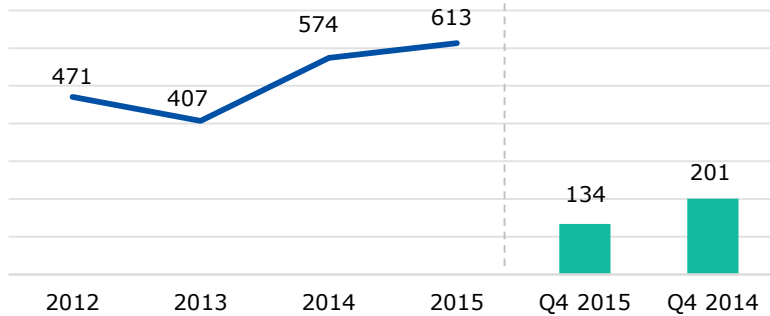


Underlying development is adjusted for large claims, weather claims, run-off and interest.

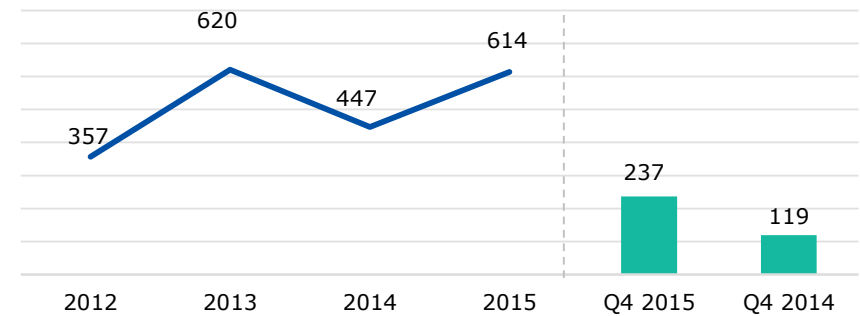
Large claims, weather claims and run-off



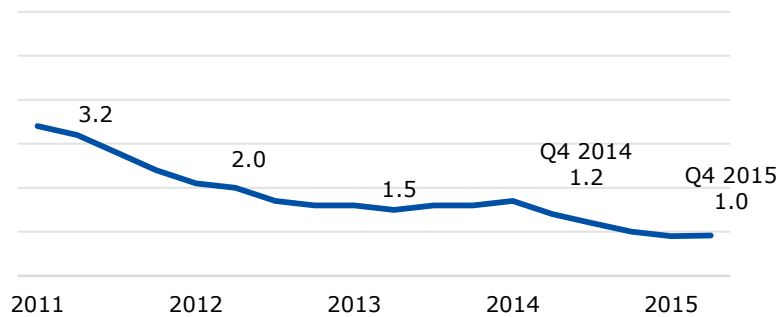
Large claims, net DKKm Expected annual level 2016: DKK 550m



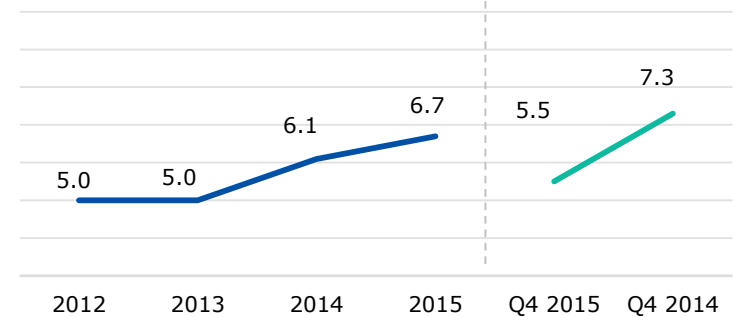
Weather claims, net DKKm Expected annual level 2016: DKK 500m



Claims reserves discounting rate (%)



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

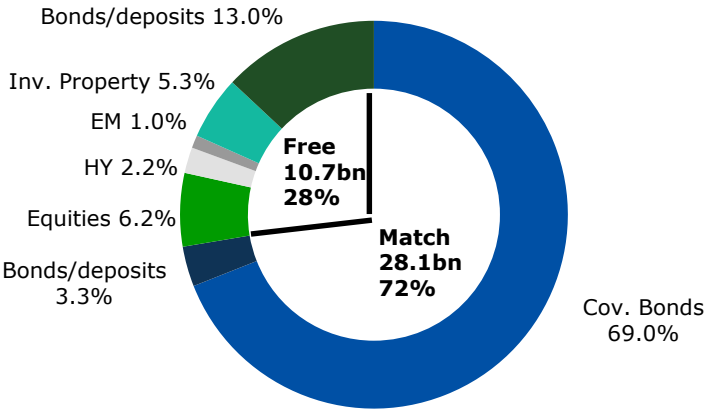


The background features a blurred image of a pair of glasses and a pen resting on a document with a line graph. A solid red horizontal band is overlaid across the middle of the image, containing the main title text.

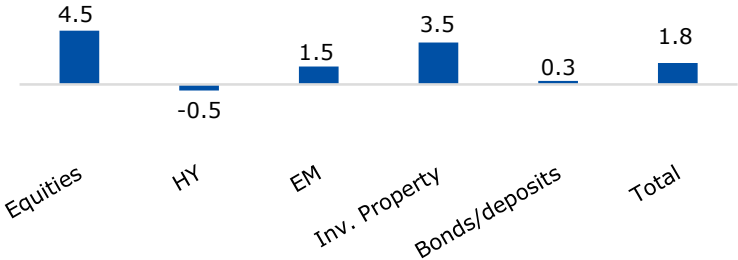
Investment, capital and targets

Investment return – low risk remains key

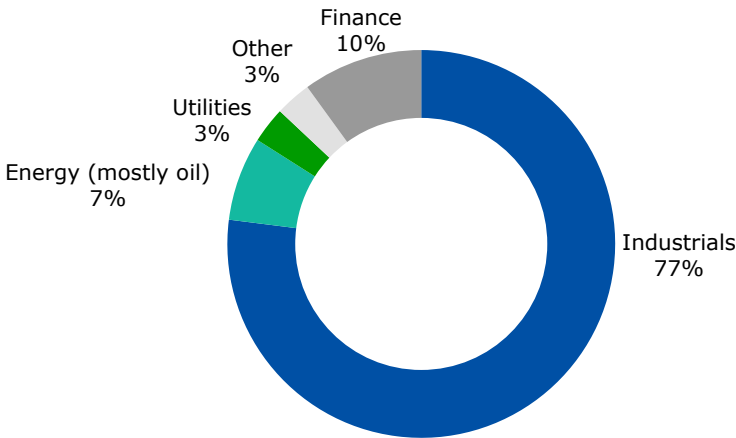
Portfolio (DKK 38.9bn)



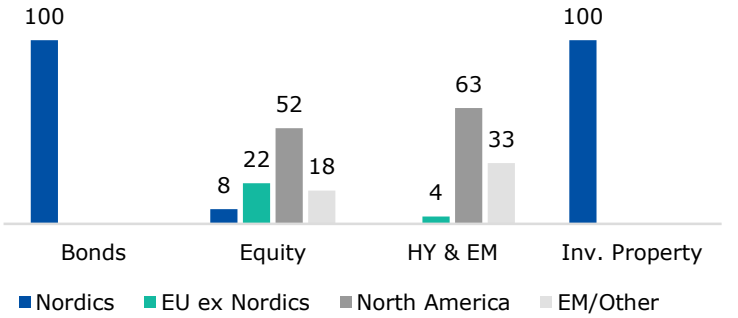
Free portfolio return Q4 2015 (%)



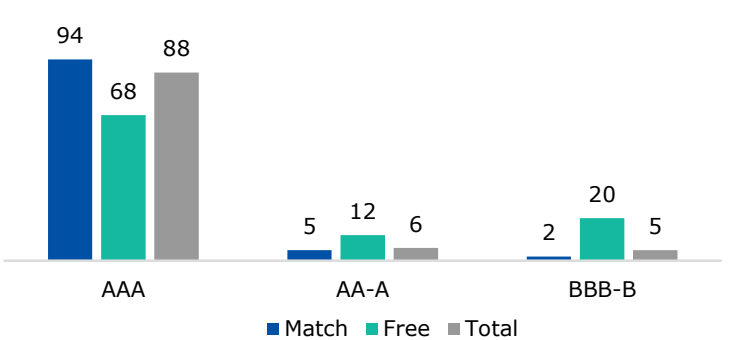
High yield corporate bonds (DKK 0.9bn)



Geographical exposure (%)

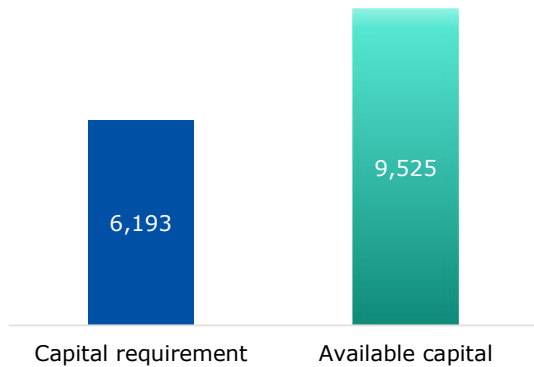


Rating (%)

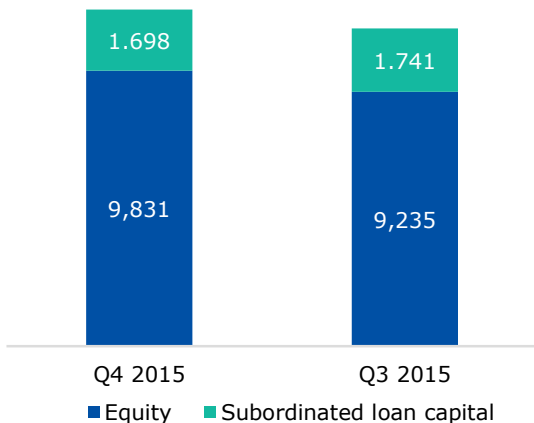


Solvency position Q4 2015

Capital – Q4 2015, DKKm



Equity and subordinate loan, DKKm



- Solvency II internal model ratio was 154% at YE (Q3 2015: 159%) and was impacted by:
 - Result Q4 2015
 - Executed share buy back in Q4 2015
 - Deduction of 60% of 2015 dividend
- Acquisition of Swedish child insurance portfolio implies an impact of DKK 400-500m, but is not included in Q4 pending regulatory approval.

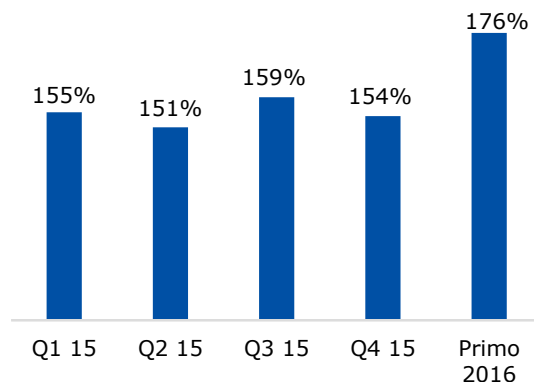
Solvency II recent developments:

- Danish FSA has approved Tryg’s internal model in November 2015.
- Norwegian FSA is likely to finalise the decision on the Natural Perils pool treatment at the beginning of 2016. It is expected that this will be considered Tier 2 capital.

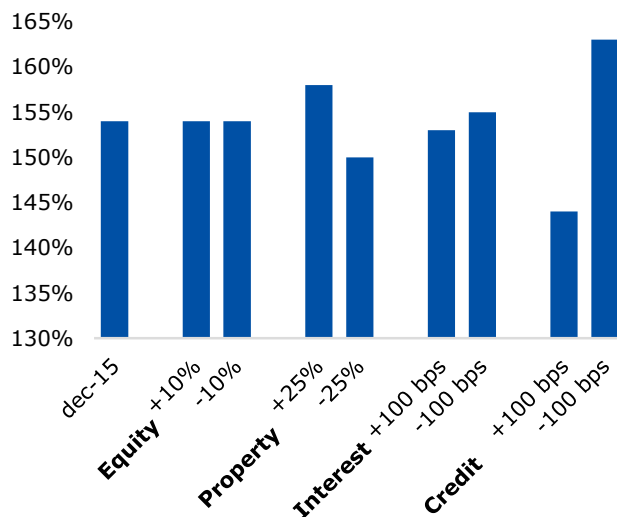
Solvency II ratio @ 176 as per 1 Jan 2016



Solvency II ratio development



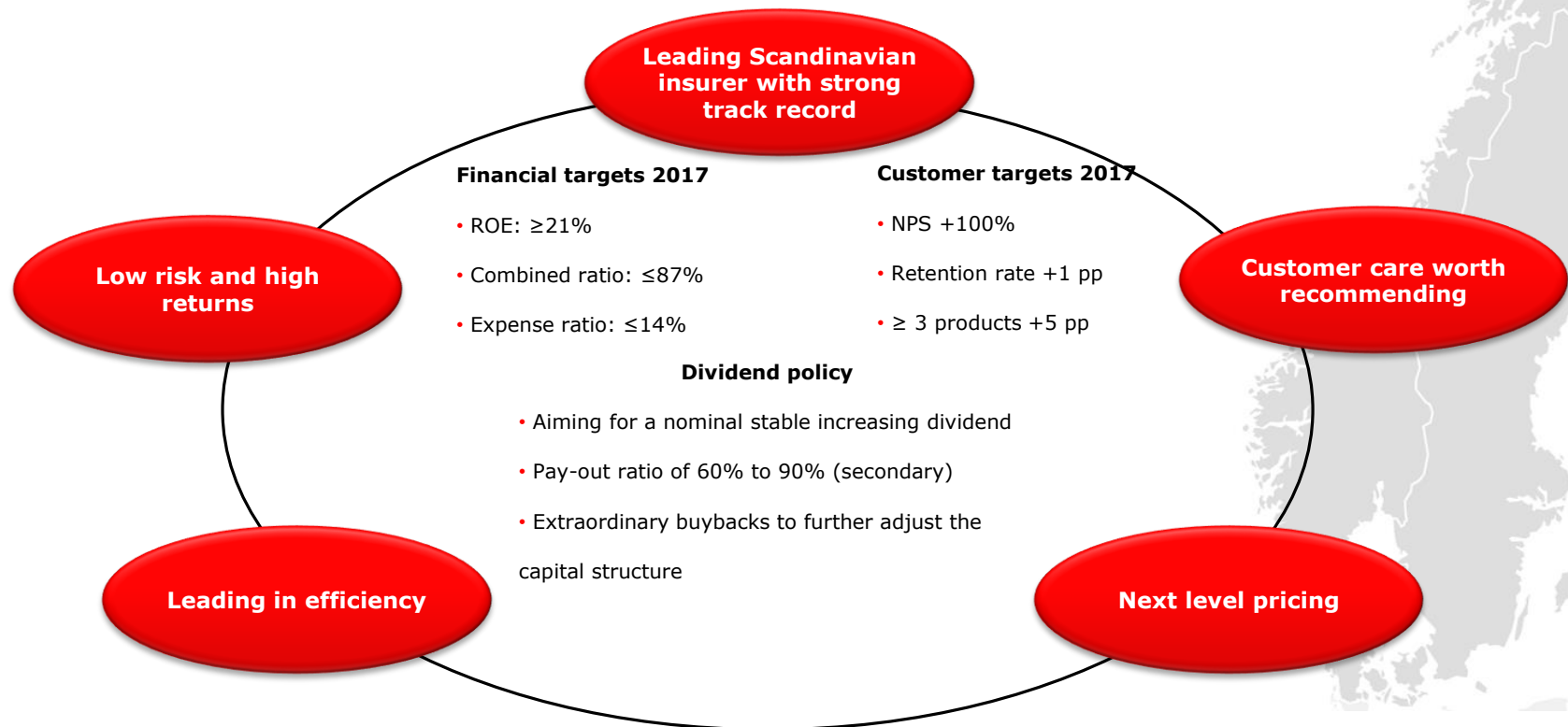
Solvency II ratio sensitivities



- Solvency II ratio (internal model) @ 176 as per 1 Jan 2016 up from 154 at year-end 2015, this includes the recent Skandia's child insurance acquisition and the H2 2015 dividend
- The capital base benefits from the inclusion of the expected future profits of DKK 600m, while the change in the discounting curve has a negative impact of DKK 200m.
- The capital requirement falls by some DKK 1.2bn due to the inclusion of a deferred tax asset while it is increased by approximately DKK 0.5bn due to the Skandia's acquisition and model changes in Sweden
- Tryg has additional subordinated debt capacity of approx. DKK 1bn as some of current subordinated debt is grandfathered to Tier 1. The additional subordinated debt capacity is based on the assumption that the Natural perils pool will be Tier 2 capital.
- The solvency ratio displays highest sensitivities to credit spreads and property prices, lowest sensitivities to equities and interest rates. More details in our Solvency 2 newsletter.

Concluding remarks & Outlook

- ✓ Efficiency programme proceeds as planned.
- ✓ Members' bonus from spring 2016
- ✓ Price increases to offset claims inflation
- ✓ 2016 top-line growth between 0%-2% (local currency!)
- ✓ 2016 expected tax rate 21%
- ✓ Markets remain very competitive
- ✓ High focus on capital repatriation



It is important to know your investment case



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

It's to see my dividends coming in."

John D. Rockefeller

Upcoming roadshows



Date	Place	Participants from Tryg	Arranged by
21/01/2016	Copenhagen	Morten Hübbe, CEO Tor Magne Lønnum, CFO Lars Bonde, COO Investor Relations	Nordea Markets
22/01/2016	London	Morten Hübbe, CEO Tor Magne Lønnum, CFO Investor Relations	KBW
25/01/2016	Oslo	Tor Magne Lønnum, CFO Peter Brondt, IR Manager	DnBNOR
01/02/2016	London	Morten Hübbe, CEO Gianandrea Roberti, IR Officer	Barclays
02/02/2016	Zurich	Tor Magne Lønnum, CFO Gianandrea Roberti, IR Officer	Berenberg
03/02/2016	Paris	Tor Magne Lønnum, CFO Gianandrea Roberti, IR Officer	BNP Paribas
10/02/2016	Munich	Lars Bonde, COO Peter Brondt, IR Manager	Berenberg
11/02/2016	Frankfurt	Lars Bonde, COO Peter Brondt, IR Manager	Berenberg
16/03/2016	Copenhagen	Supervisory Board Executive Board Investor Relations	Tryg's AGM
17/03/2016	London	Gianandrea Roberti, IR Officer	Morgan Stanley Conference