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**Investor presentation**

**November & December 2009**

**TrygVesta** 

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 our website at [www.trygvesta.com](http://www.trygvesta.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.

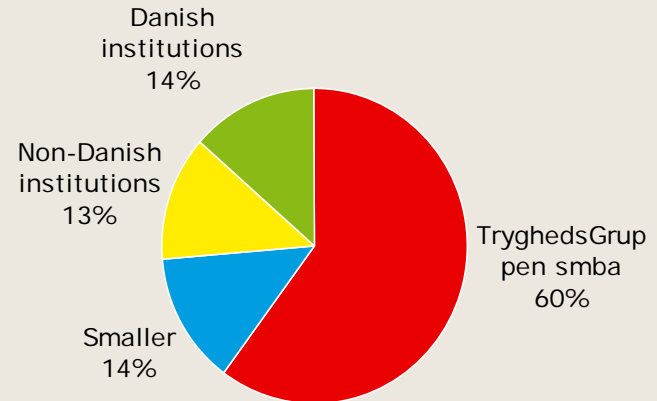
We are not under any duty to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law.

- Facts about TrygVesta
- Structure in the Nordic region
- Key operating trends impacting 2009 performance
- Opportunities
- Threats
- Capital and outlook

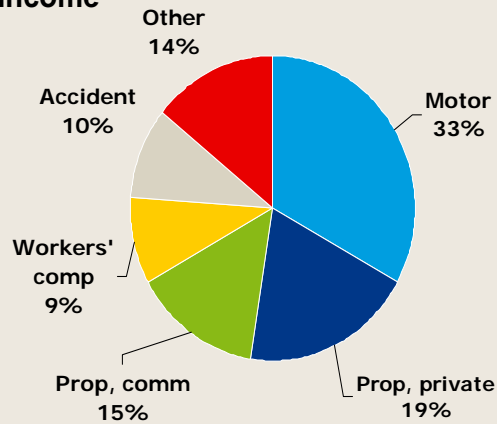
# Facts about TrygVesta



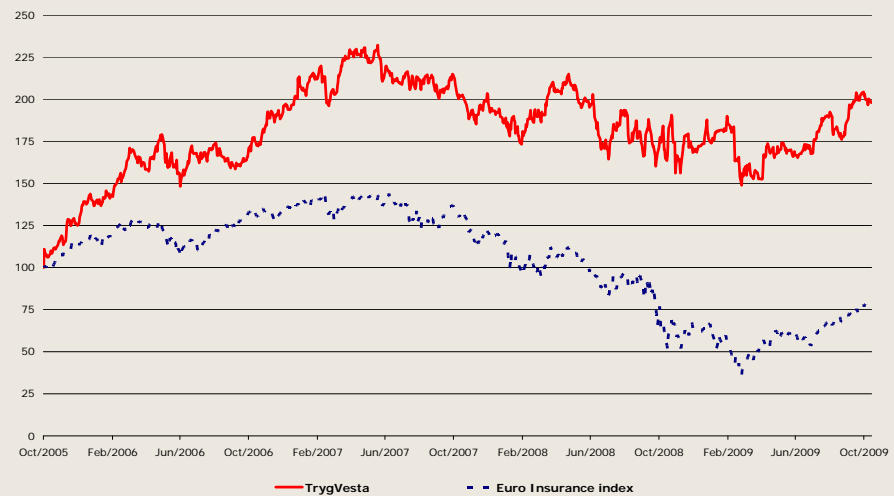
- Expanding Nordic platform
- Prudent underwriting and risk selection
- Exceed customer expectation
- Vision: To be perceived as the leading **“peace of mind”** provider in the Nordic region



## Gross premium income 2008



Price performance since IPO (incl. dividends)





Growth aspects

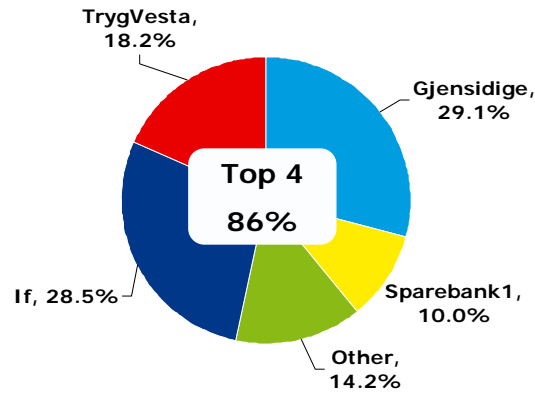
# The Nordic region- structure of the insurance market



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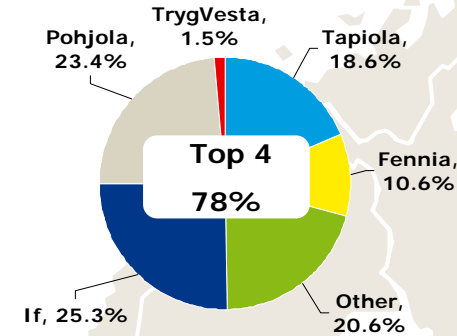
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**Norway**  
NOK 39.2bn  
EUR 4.6bn



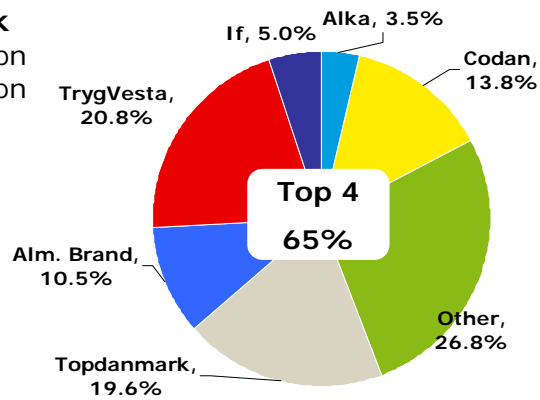
Source: FNH.no – Q209 figures

**Finland**  
EUR 3.4bn



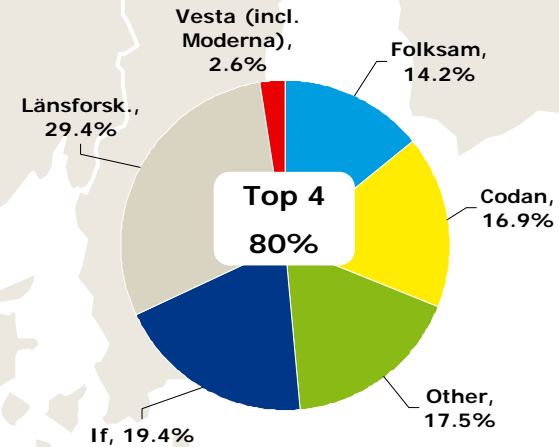
Source: FKL.fi – Q408 figures

**Denmark**  
DKK 43.9bn  
EUR 5.9bn



Source: F&P and company figures – Q408 figures

**Sweden**  
SEK 57.3bn  
EUR 5.6bn

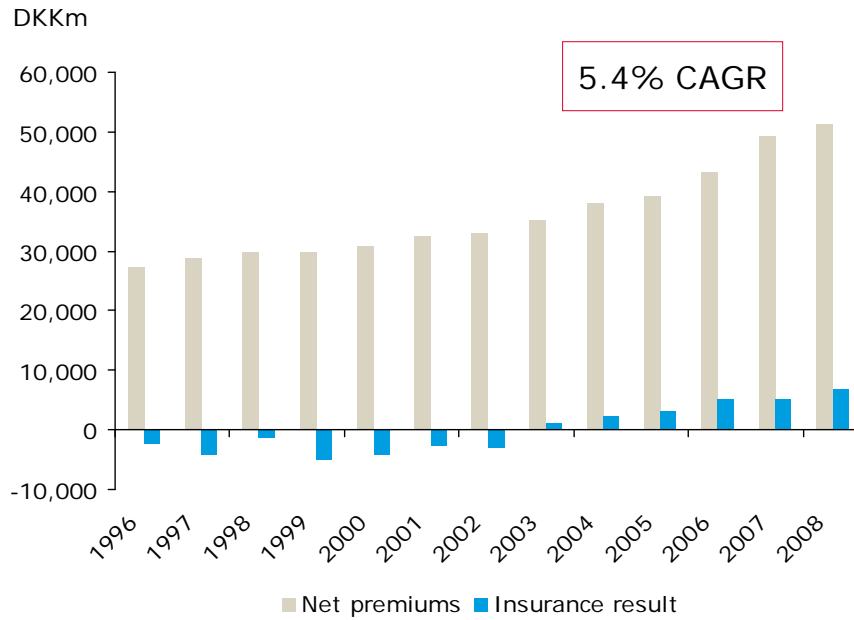


Source: forsakringsforbundet.com – Q209 figures

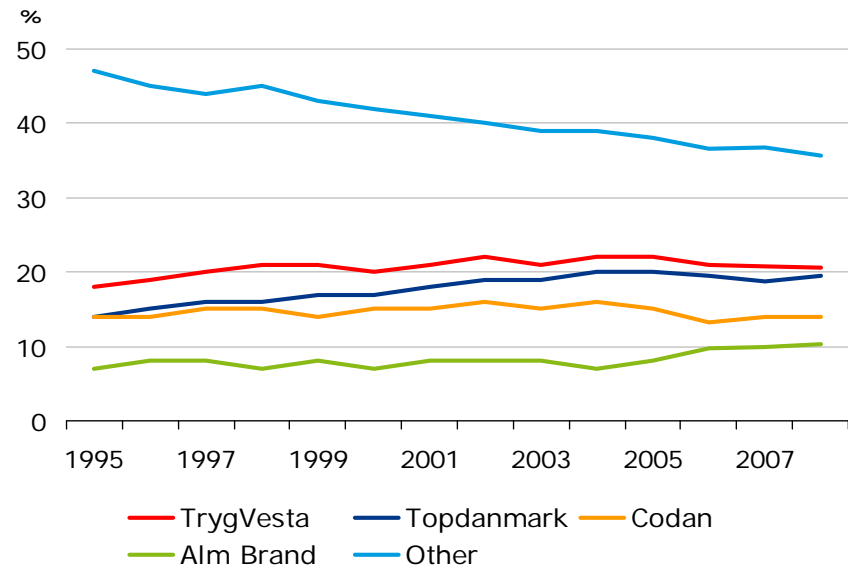
# The Danish non-life insurance market since 1996



## Market size and profitability



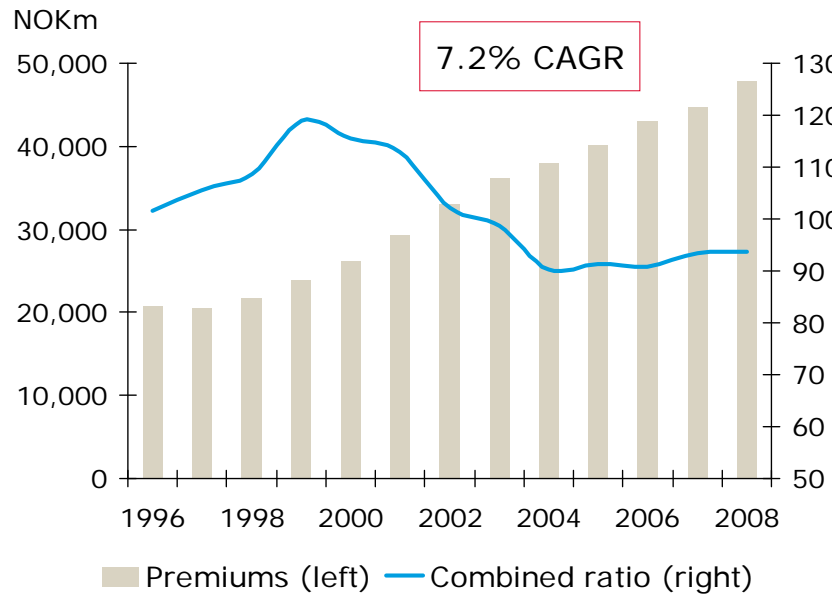
## Market shares



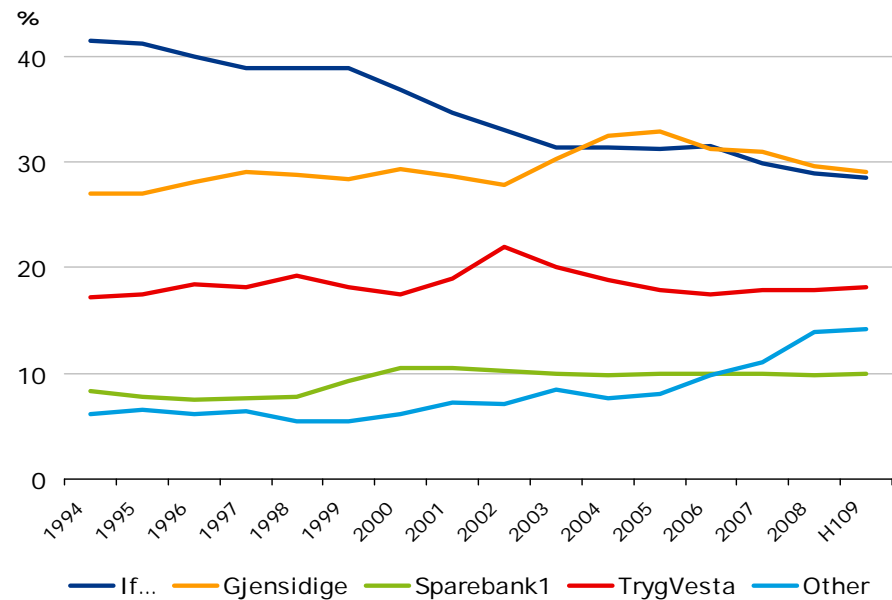
# The Norwegian non-life insurance market since 1996



### Market size and profitability



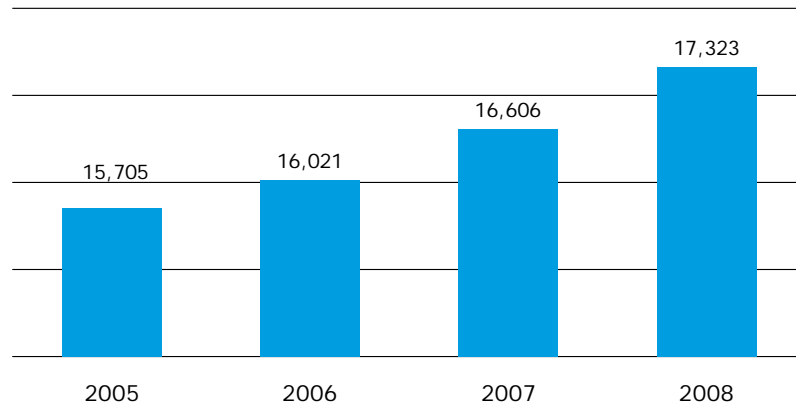
### Market shares



## TrygVesta

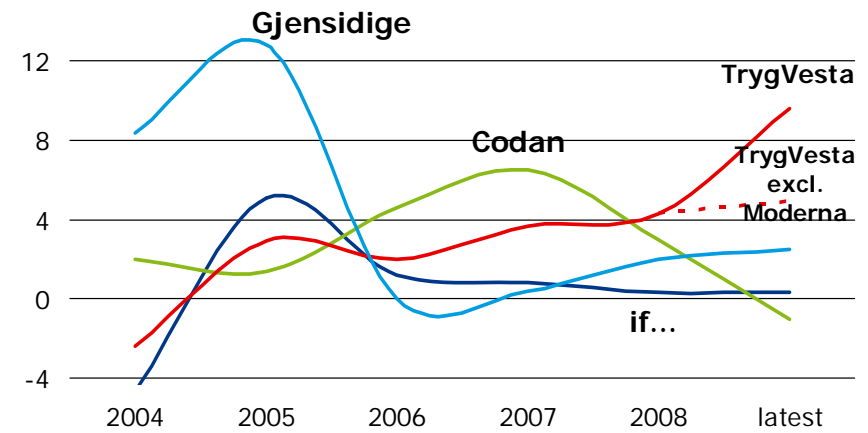
### Gross premium income

DKKm



## The market

### Premium growth in %



# Average price development

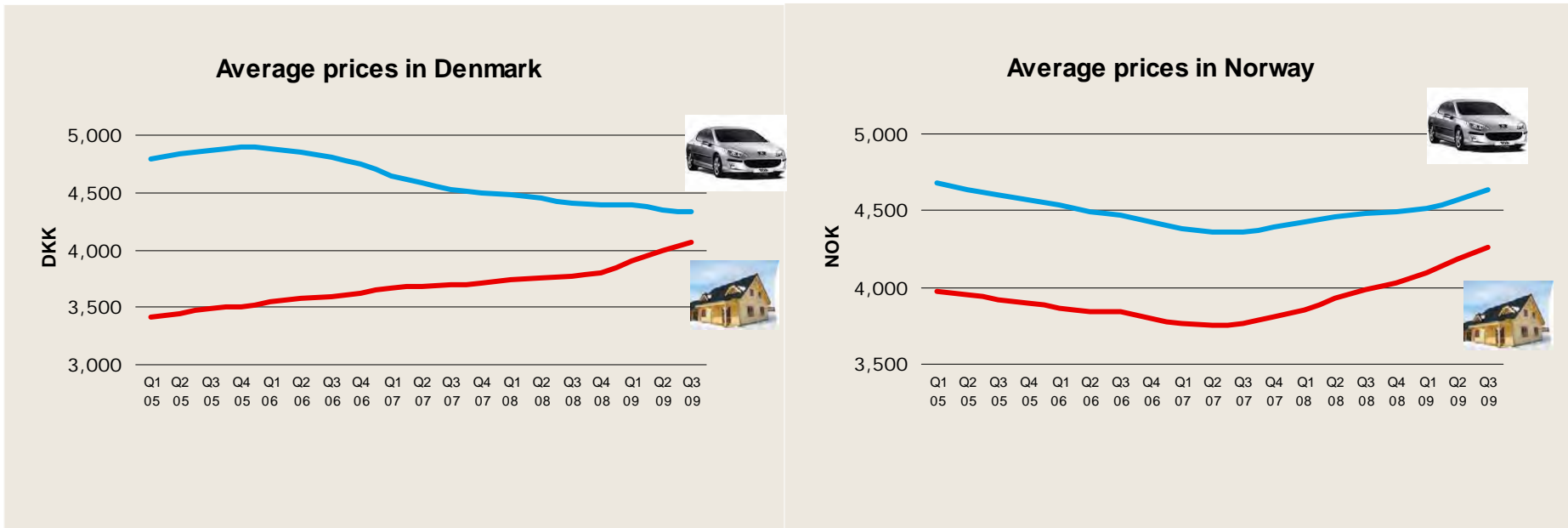


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## Price increases implemented on main products

Total effect of price increases (*)		
2009	2010	2011
DKK 250m	DKK ~650m	DKK ~750m



\* Total effect depends among other things on customers choice of coverage

Index will be regulated at 4.2% in 2010 in Denmark

## Combined ratio, in %

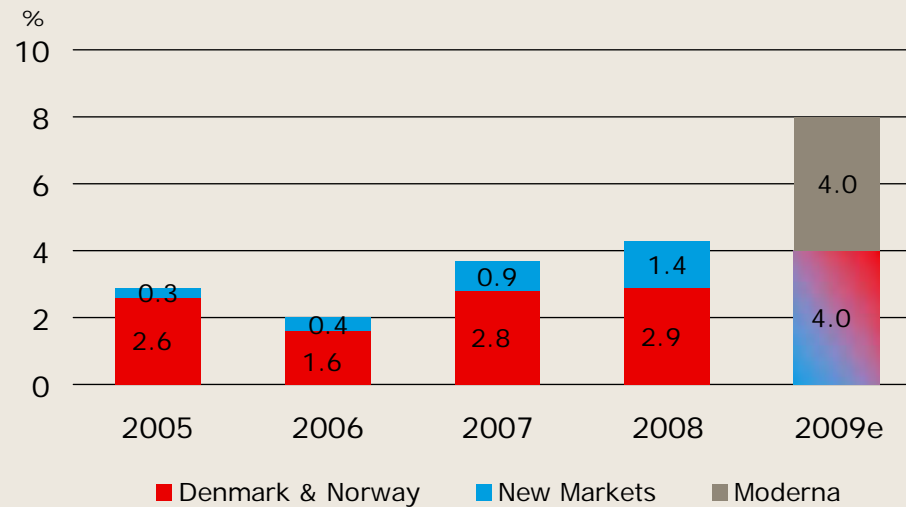


- 2002-2004 substantial price increases implemented in Denmark and Norway totalling DKK 2.1bn. Combined ratio improved from 107 to 94
- 2008-2010 price increases totalling DKK 750 million implemented. Combined ratio will consequently be improved in the coming years

\* IFRS from 2004. Previous years are Danish GAAP.

## New and old markets contribution to premium growth 2005 - 2009

### Growth contribution



## Competitive landscape characteristics



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**Dominated by direct insurance. Brokers only in corporate area**

**Danish price competition in motor**

**Norwegian bundling competition**

**Price increases due to claims inflation in all countries**

**Need for capital after financial crisis**

**Solvency II impact**

**Disciplined large players**

2005

2008

2011



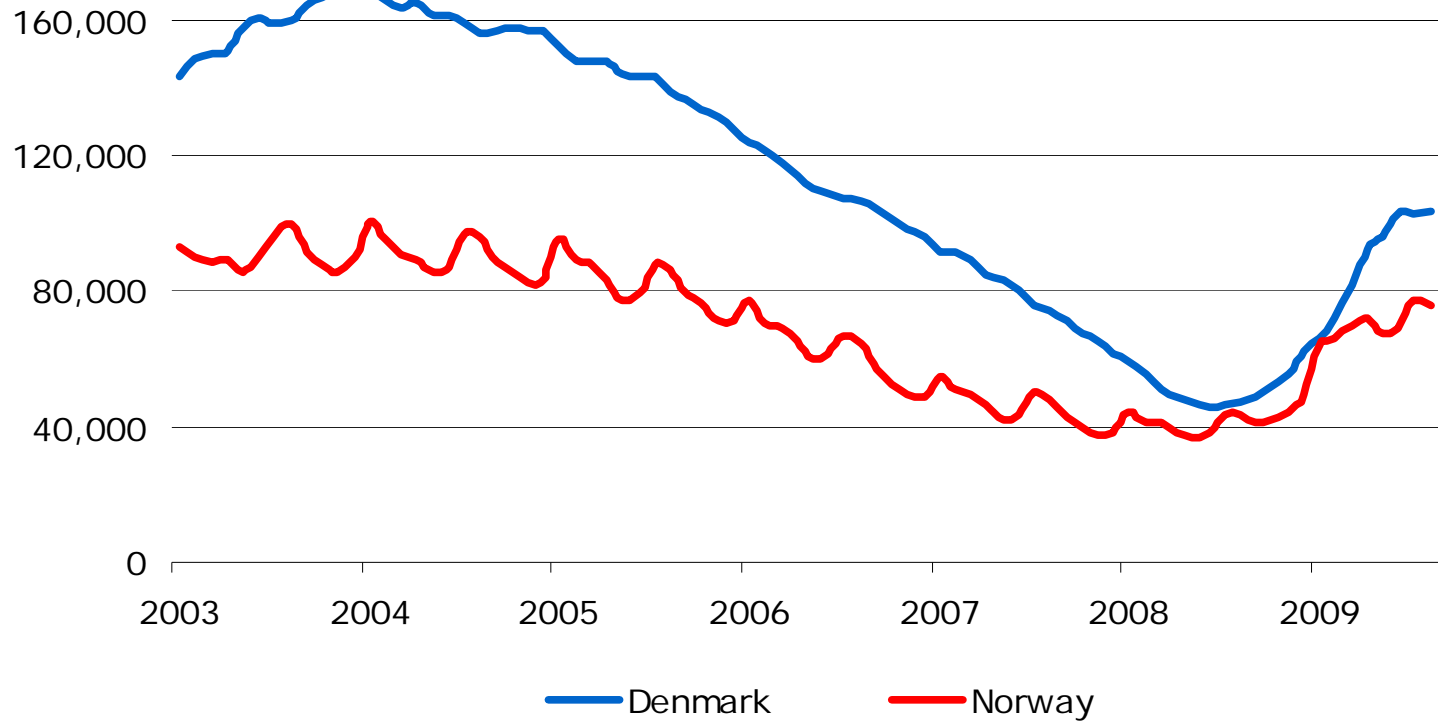
## Macro impact on performance

The economic slowdown has both positive and negative impacts on our performance



	Topline impact	Frequency impact	Average claim impact
Motor insurance	Fewer new cars sold, retention increase	Fewer kilometers driven	Lower materials prices
Property insurance	Fewer new houses	People stay more at home	Lower repair cost
Workers' compensation	Volume decline due to unemployment	Frequency decline	Longer recovery times

### Number of unemployed in Denmark and Norway

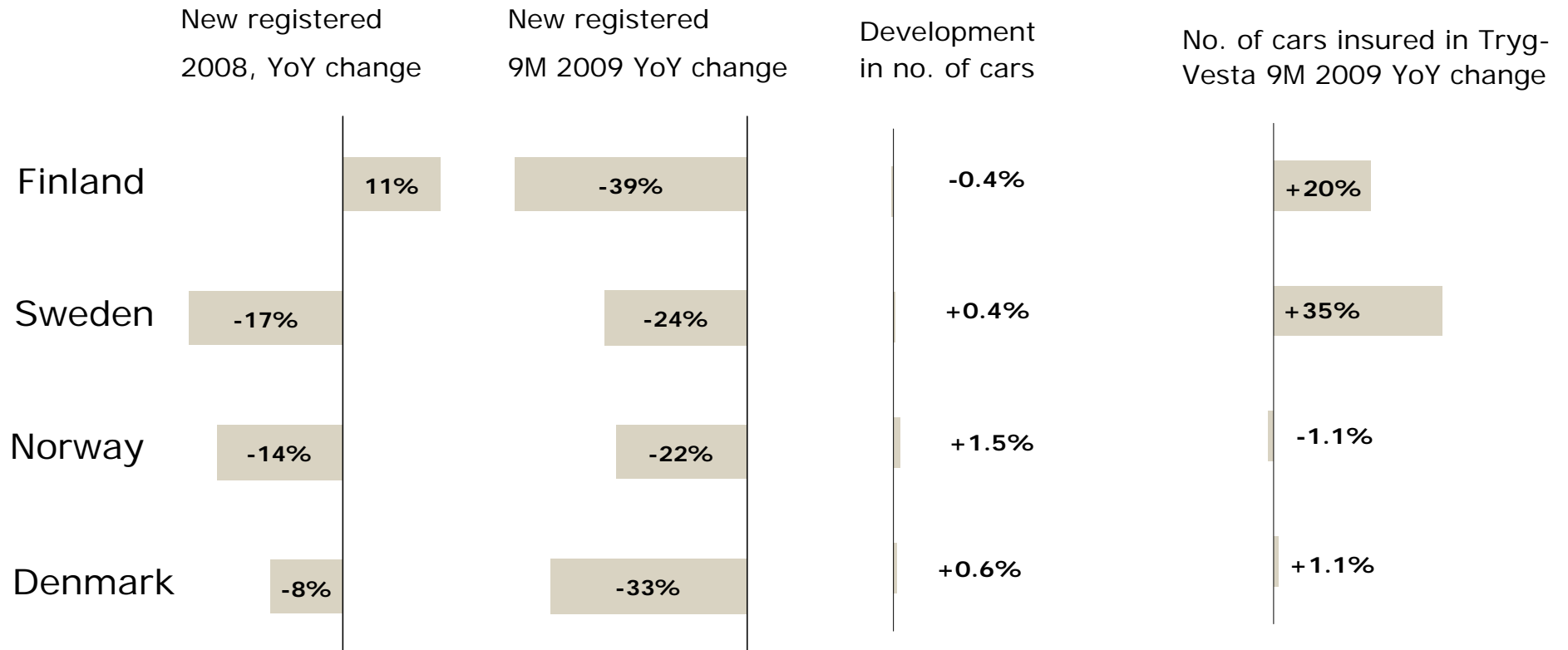


## Development in passenger cars



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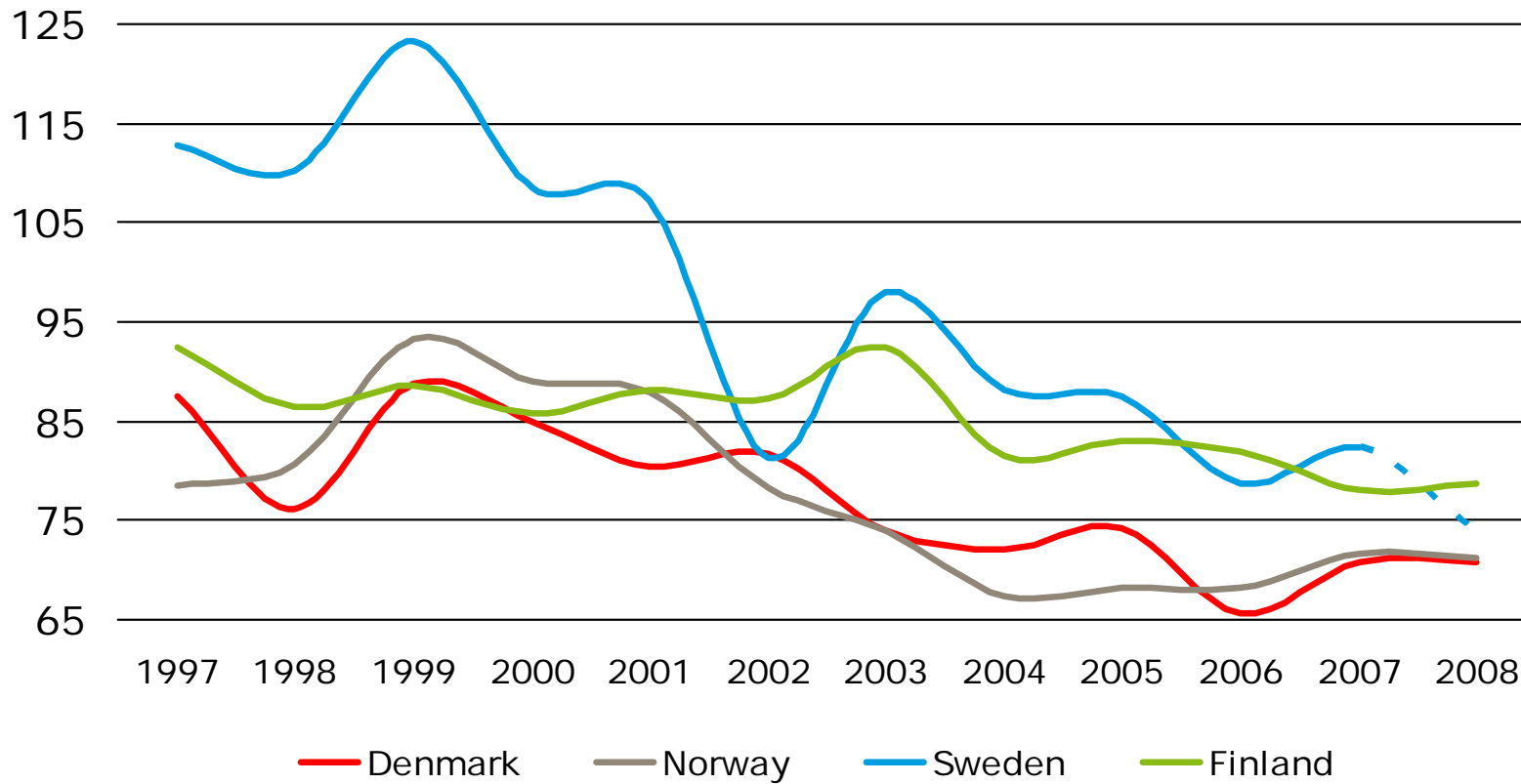


Source: Danish, Norwegian, Swedish and Finnish National Statistics

## Profitability aspects



## Nordic claims ratios



Note: dotted lines are estimates for 2008

Sources: F&P, Finanstilsynet, FKL, FNH og Försäkringsförbundet

# Key performance indicators – Q3 2009

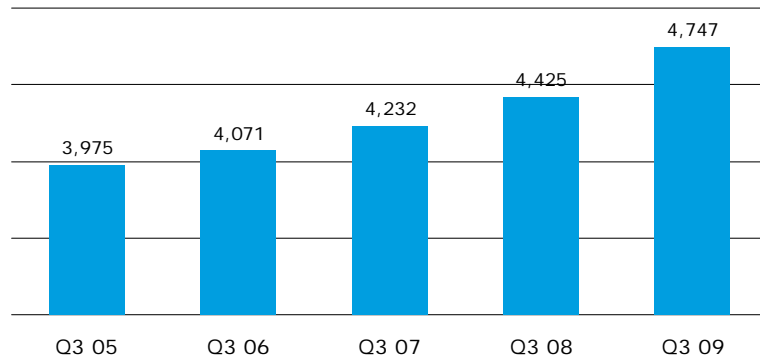


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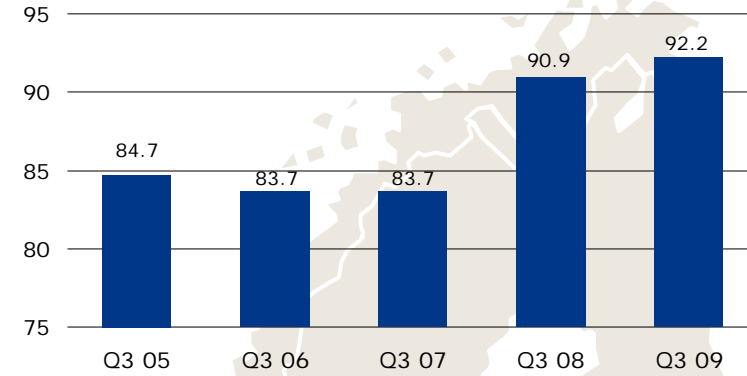
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## Gross premium income

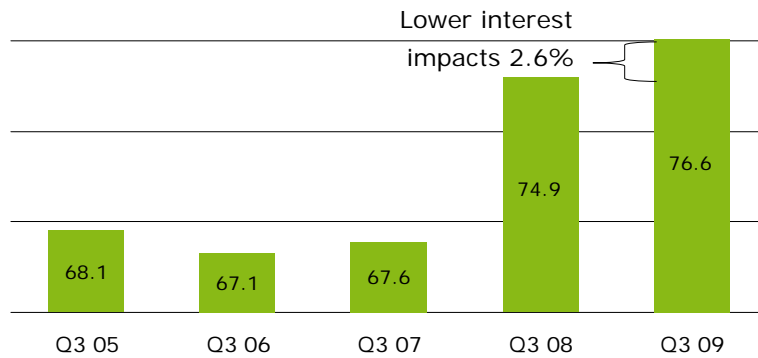
DKKm



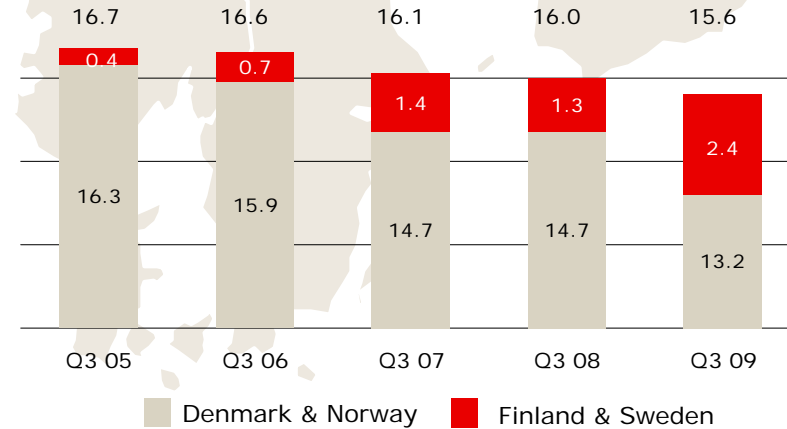
## Combined ratio



## Claims ratio

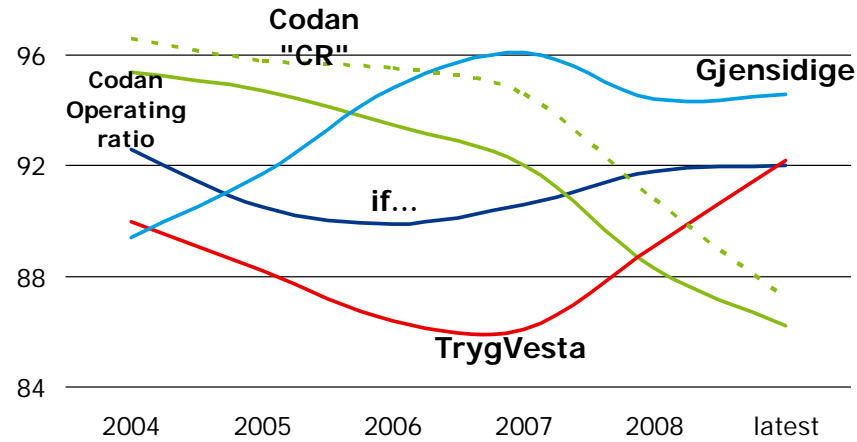


## Expense ratio



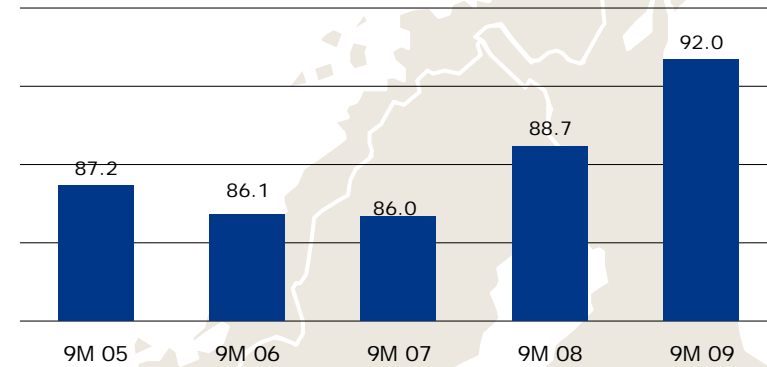
## The market

Combined ratio



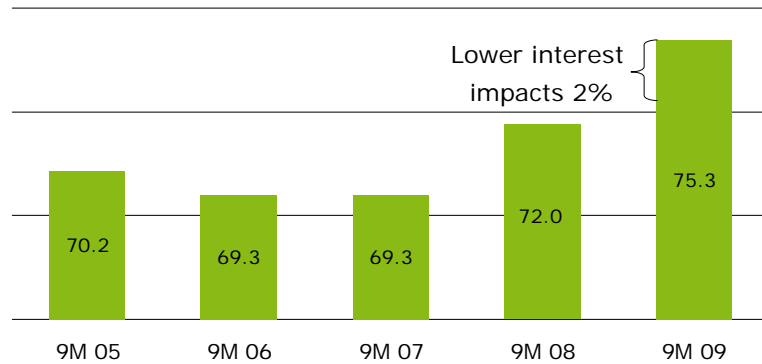
## TrygVesta

Combined ratio



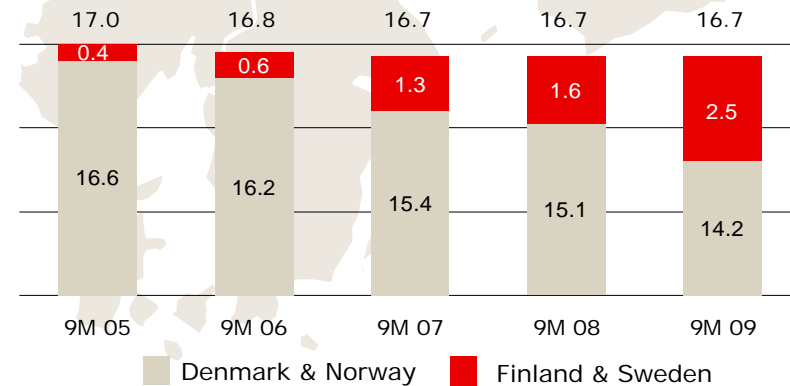
## TrygVesta

Claims ratio



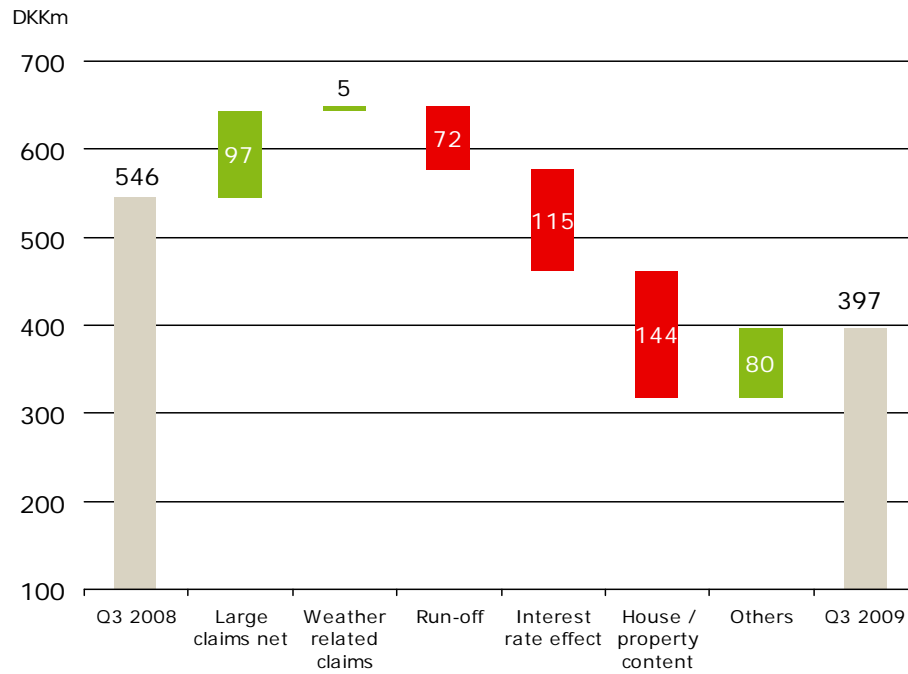
## TrygVesta

Expense ratio



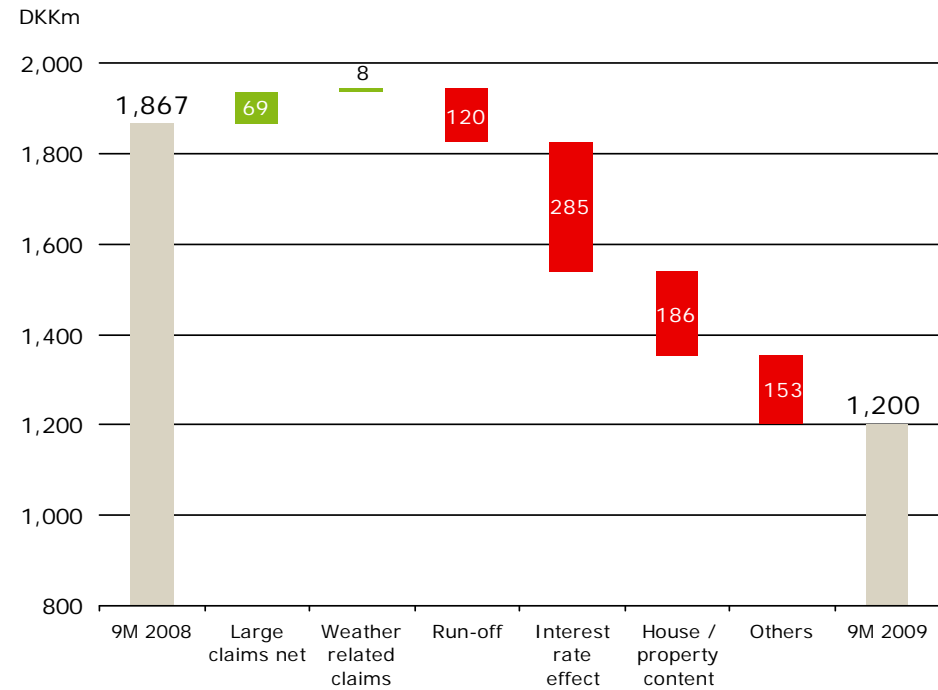
## Effects on technical result

Q3 2008 to Q3 2009



## Effects on technical result

9M 08 to 9M 09

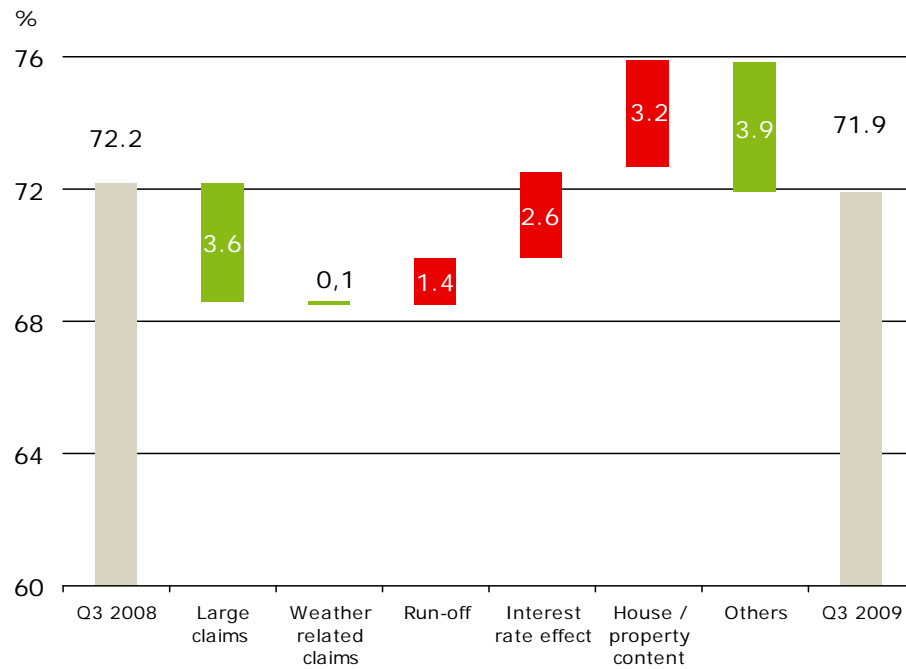


# Effects on gross claims ratio



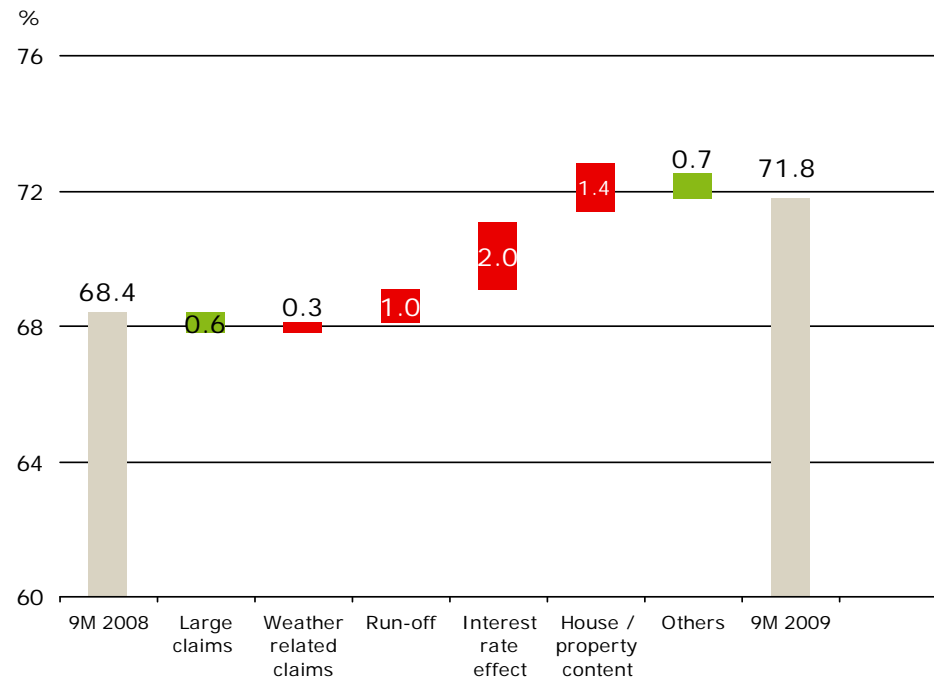
## Effects on gross claims ratio

Q3 2008 to Q3 2009

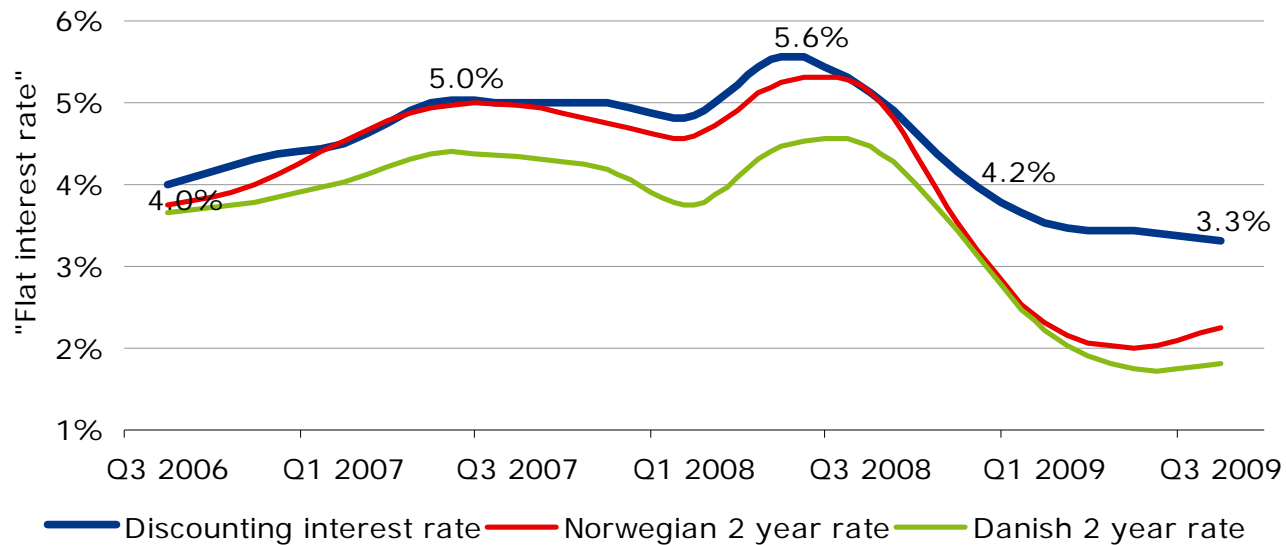


## Effects on gross claims ratio

9M 08 to 9M 09



### Discounting interest rate vs. goverment bond rates

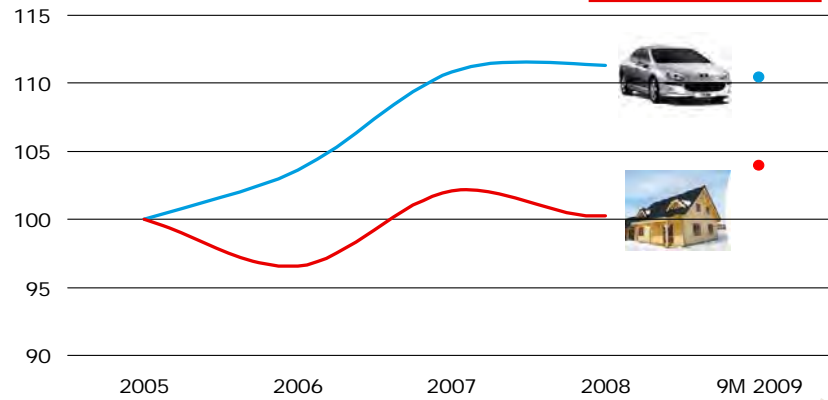


1% increase in interest level will:

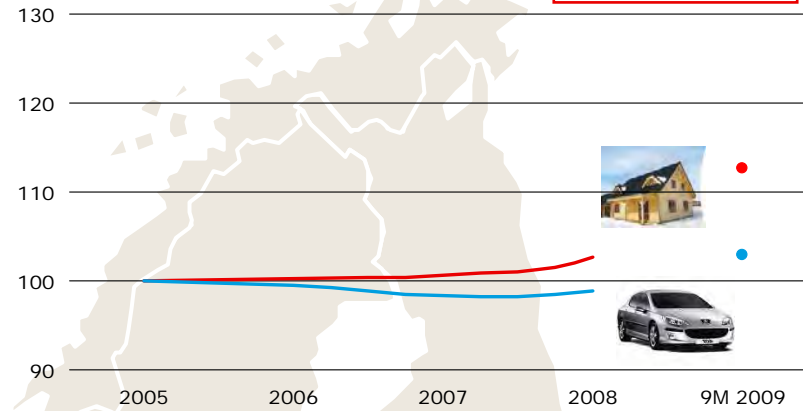
- increase pre-tax result by approx. + DKK 300m
- improve combined ratio by approx. 1 %-point

# Frequency and average claims

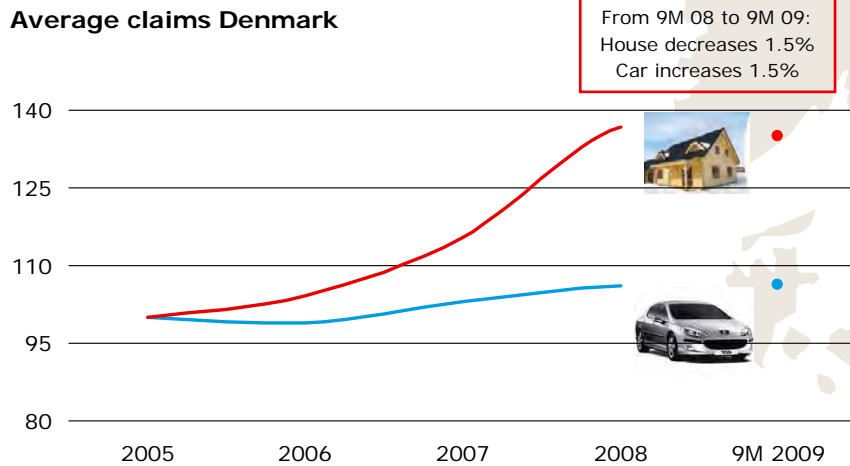
## Frequency Denmark



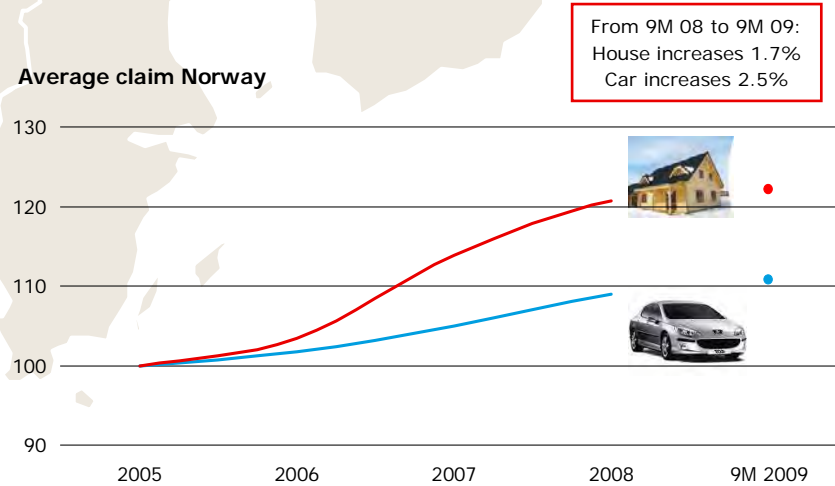
## Frequency Norway



## Average claims Denmark



## Average claim Norway

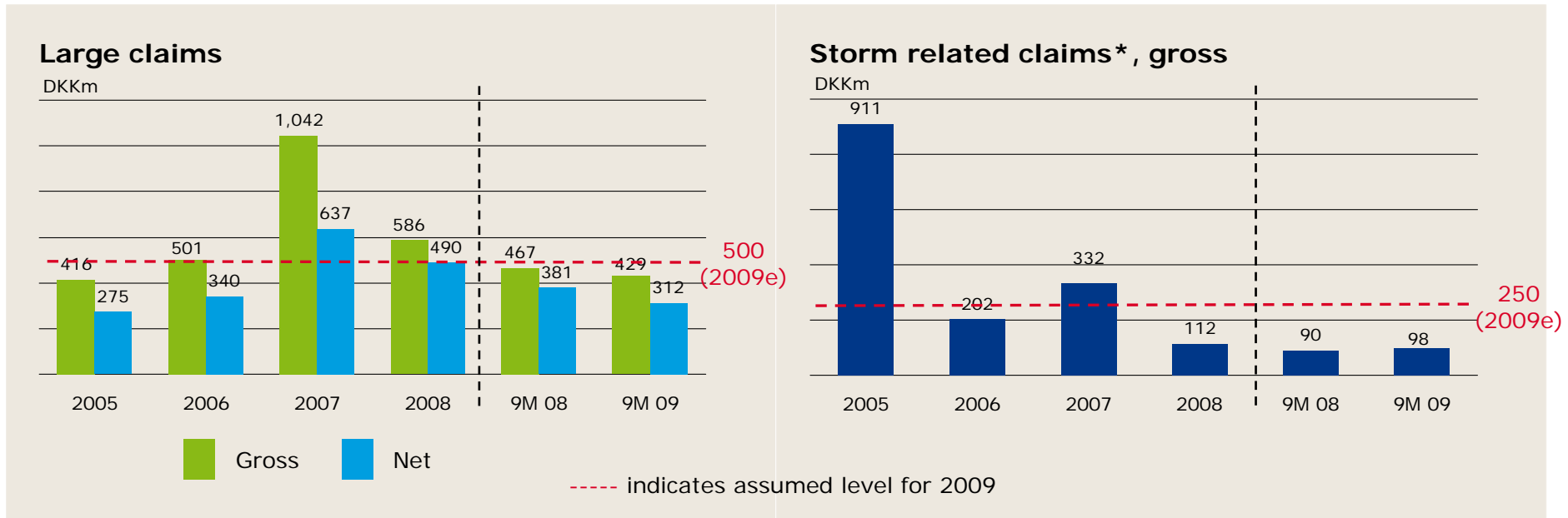


# Large claims and storm related claims



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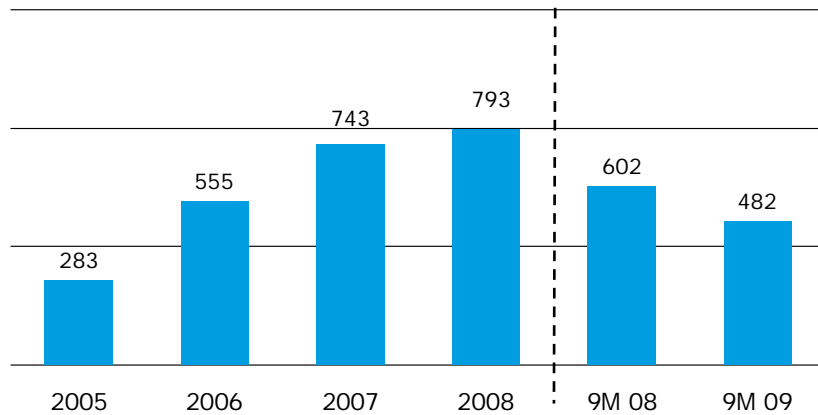


\* includes storm and cloudburst claims

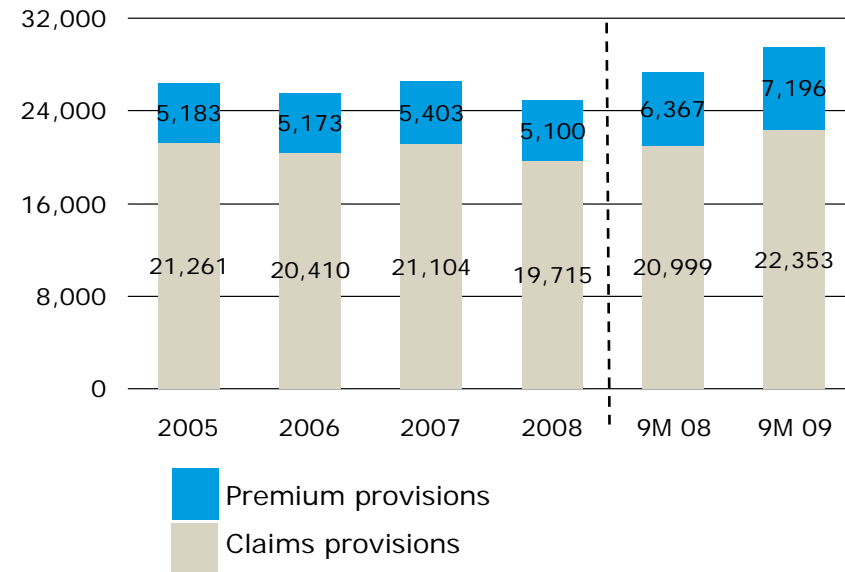
Run-off in 9M 2009 of DKK 482m equivalent to 3.6% on combined ratio

Claims provisions increased in 2009 due to consolidation of Moderna and stronger NOK/DKK

**Run-off net, DKKm**



**Insurance provision - DKKm**



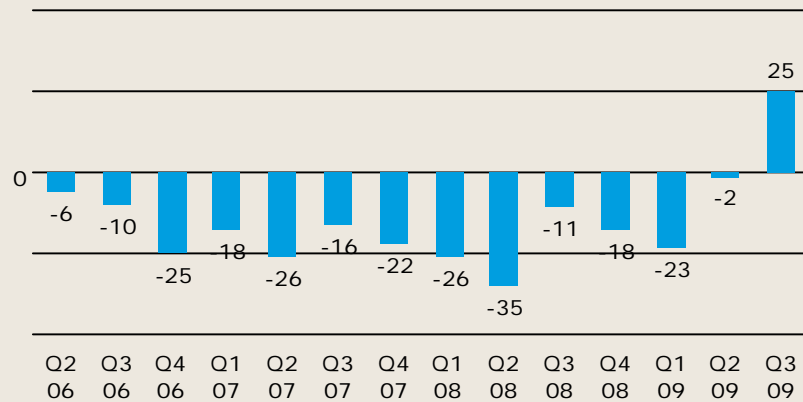


Moderna, investments, outlook 2009 and capital

## Sweden recorded best quarterly result ever

- 14% premium growth for Moderna itself from Q3 08 to Q3 09
- Vesta grew the net number of insurances with 20,000 in Q3 09
- 40% growth in premiums in P&C Sweden excl. Moderna

Technical result in DKKm - P&C Sweden



Key figures - Q3 2009

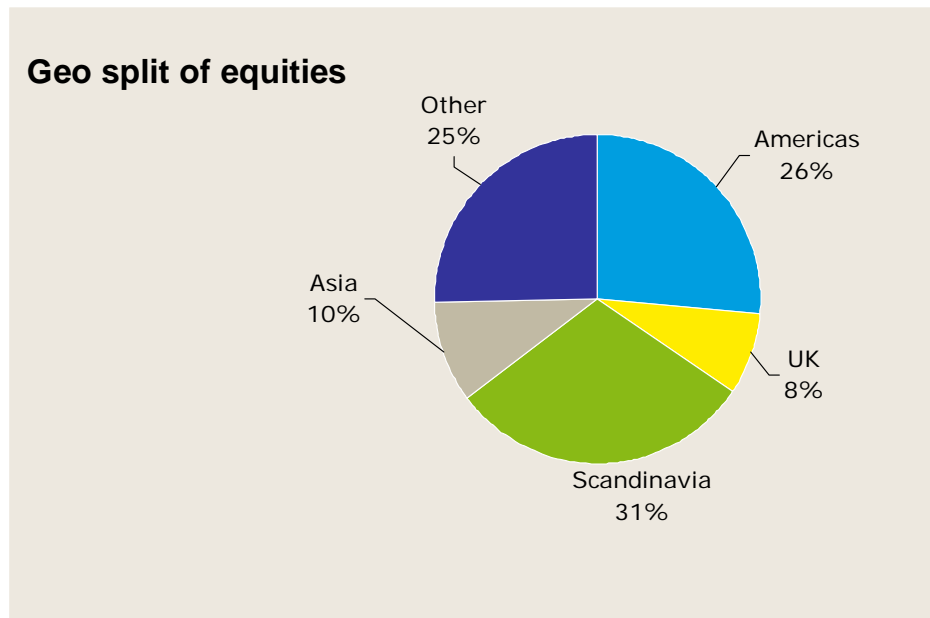
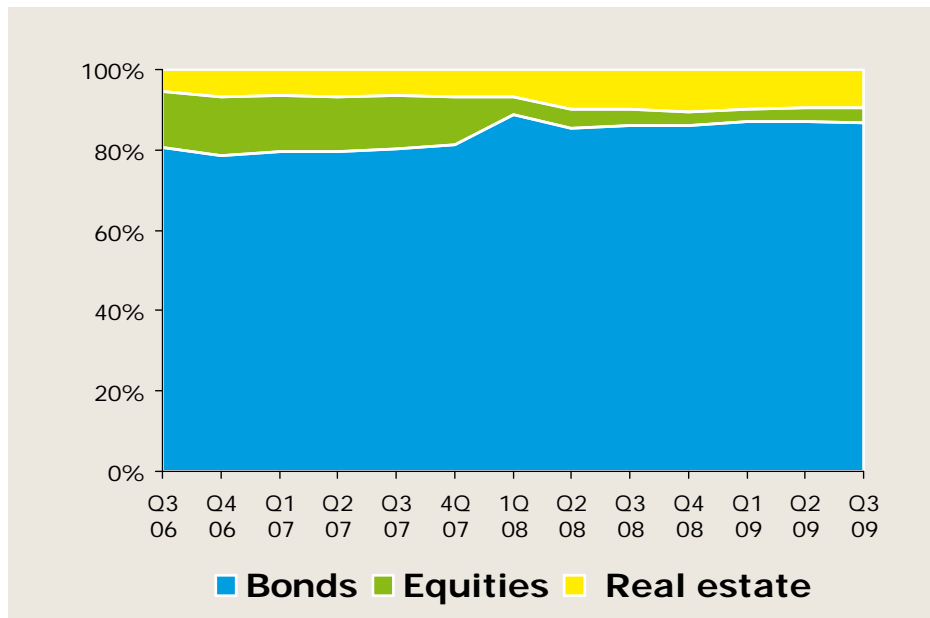
DKKm	Vesta	Moderna	Consolidated
Gross premium income	82	320	402
Technical result	-17	42	25
Claims ratio	97.6	74.0	78.8
Expense ratio	24.4	13.4	15.7
Combined ratio	122.0	87.4	94.5

## Conservative approach to the investment portfolio of DKK 39.8bn

- 2.0% gross return in 9m 2009 and 8.0% annualised and boosted by strong equity markets and gain from narrowing spread on Danish mortgage bonds
- 3.3% invested in high yield and investment grade bonds. High yield bonds outperformed equities

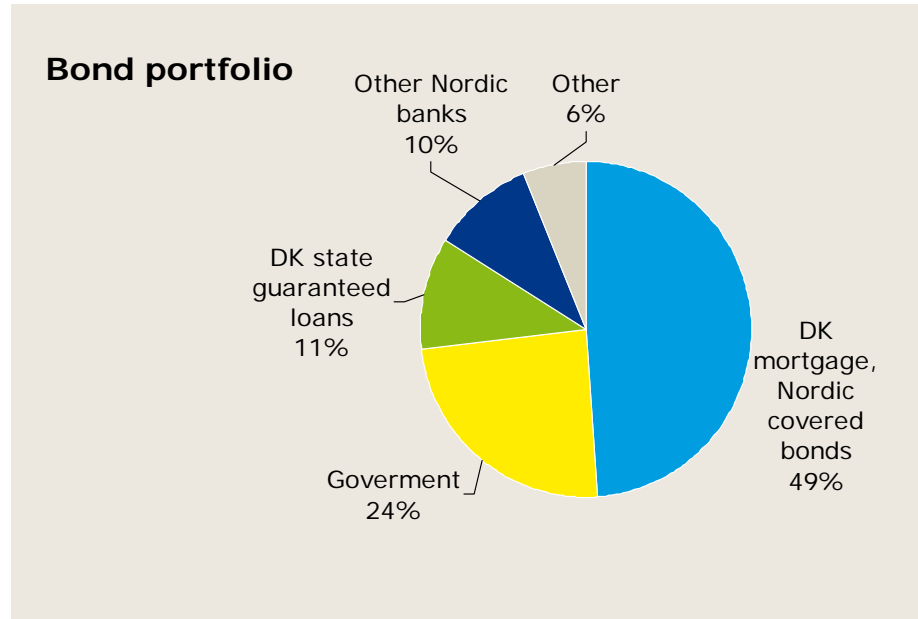
Bonds are 87% of portfolio...

...and equities are 3.8%



### Conservative approach to the investment portfolio – plain vanilla

- Bond portfolio used for matching the discounted claims liabilities
- Duration of bond portfolio is approx. 2 years
- No structured products, CDO's etc held
- 76% of bonds are AAA-rated, 15% AA-rated and 3% A-rated



# Outlook 2009



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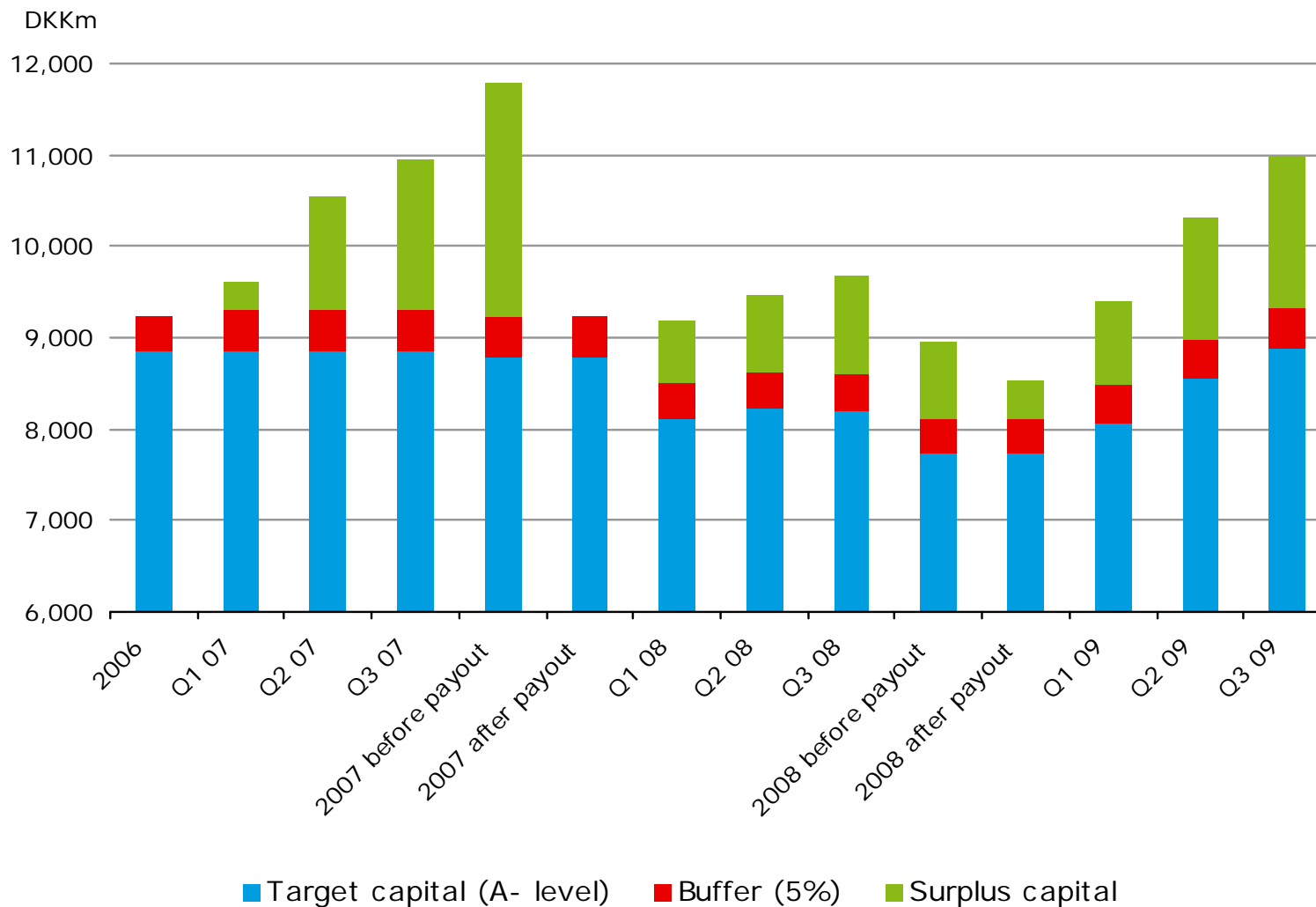
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DKKm	Realised 2008	Expected 2009					
		Mid February 2009	May 2009	August 2009	<b>November 2009</b>	Positive scenario	Negative scenario
Interest rate level	5.1%	3.93%	3.5%	3.4%	3.3%		
Exchange rate DKK/NOK	0.92	0.85	0.84	0.83	0.85		
Premium growth in local currency	4.9%	4%	8%	8%	8%		
Technical result	2,384	1,500	1,800	1,600	1,500	1,650	1,350
Investment result, net	-988	300	300	700	900		
Pre-tax result	1,347	1,800	2,100	2,200	2,400		
Net income	846	1,300	1,400	1,700	1,800	1,900	1,700
Combined ratio	89.1	92	91	92	92	91	93

Outlook for remaining 2009 assumes: zero run-off, large claims of DKK 125m and weather related claims of DKK 100m

Return assumptions p.a.	
Equity	7.0%
Bonds	2.5%
Real estate	6.0%

# Capitalisation



## Expected profit distribution for 2009



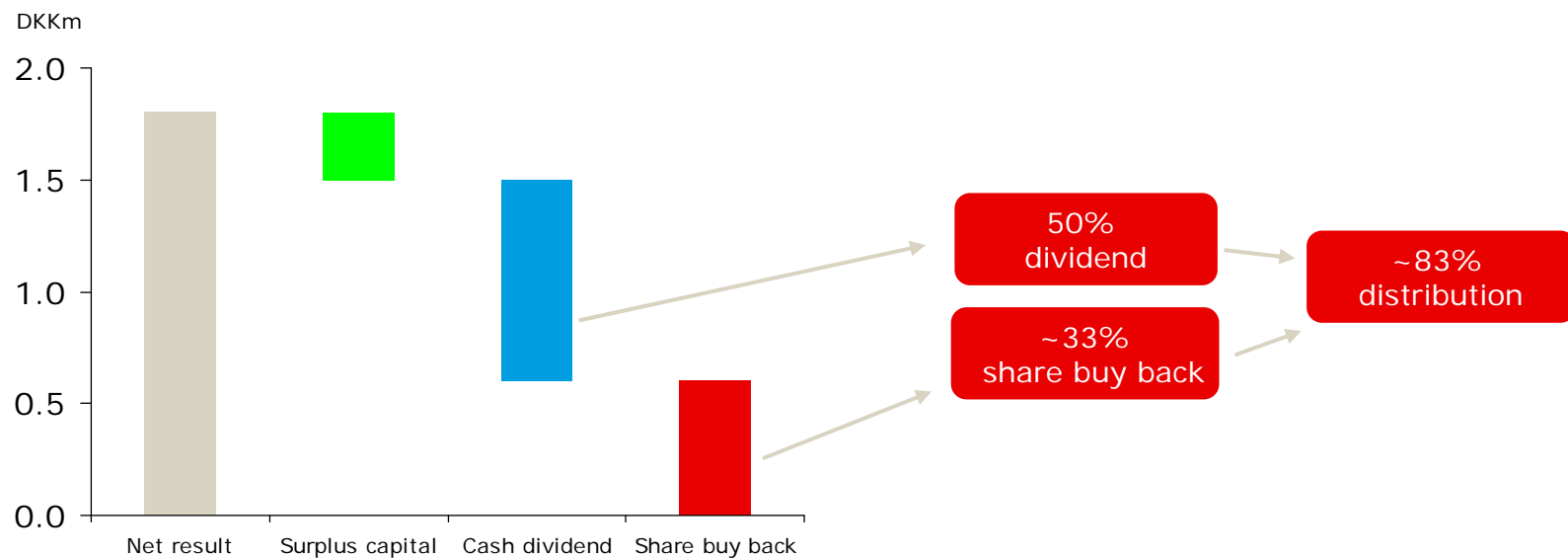
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### Profit distribution policy

- 50% of the profit for the year is distributed as ordinary cash dividends
- excess capital will be used for share buyback

- The expected profit distribution, based on the updated outlook for 2009, will be as follows:



**Strong growth of 11.4 % in Q3 despite economic slowdown**

**Premium increases and stringent cost control are supportive for earnings**

**Strong investment results due to rise in stock prices and narrowing of bond spread**

**Upgrading outlook. Capital position strong with 62 % capital to premiums**

Thank you for your attention – questions?

## Key financial figures 2004-2008 and consensus



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In DKKm	2004	2005	2006	2007	2008	Consensus Nov. 2009		
						2009E	2010E	2011E
<b>Gross premium income</b>	<b>15,266</b>	<b>15,705</b>	<b>16,021</b>	<b>16,606</b>	<b>17,323</b>	<b>18,255</b>	<b>19,264</b>	<b>20,075</b>
Gross claims incurred	-10,425	-11,159	-10,564	-11,175	-11,766			
Operating expenses	-2,611	-2,662	-2,697	-2,769	-3,003			
Ceded business	-708	-7	-591	-343	-669			
Technical interest, net	185	170	343	501	499			
<b>Technical result</b>	<b>1,707</b>	<b>2,047</b>	<b>2,512</b>	<b>2,820</b>	<b>2,384</b>	<b>1,932</b>	<b>2,202</b>	<b>2,321</b>
Investment income, net	371	894	1,228	340	-988	759	426	447
<b>Pre-tax profit</b>	<b>2,052</b>	<b>2,913</b>	<b>3,709</b>	<b>3,109</b>	<b>1,347</b>	<b>2,655</b>	<b>2,620</b>	<b>2,765</b>
Tax	-556	-788	-624	-842	-501			
<b>Net income</b>	<b>1,421</b>	<b>2,097</b>	<b>3,211</b>	<b>2,266</b>	<b>846</b>	<b>2,067</b>	<b>2,012</b>	<b>2,124</b>
<b>Total insurance provision</b>	<b>25,212</b>	<b>26,757</b>	<b>25,957</b>	<b>26,916</b>	<b>25,193</b>			
<b>Shareholders equity</b>	<b>6,802</b>	<b>8,215</b>	<b>9,951</b>	<b>10,010</b>	<b>8,244</b>			

# Moderna acquisition strengthens distribution platform



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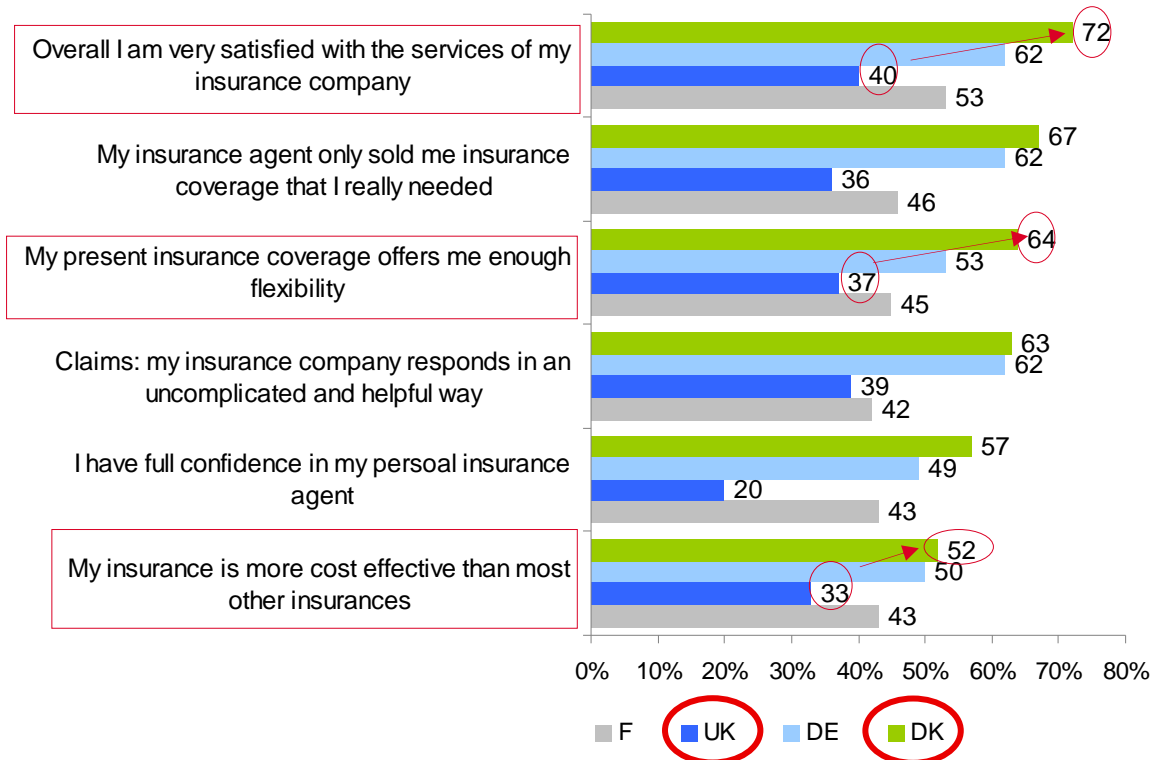
Distribution channel	Tryg	TrygVesta	Nordea	Vesta
	Denmark	Norway	Finland	Sweden
Customer centre	■	■	■	■
Call centre	■	■	■	■
Bancassurance	■	■	■	■
Car dealers	■	■	■	■ ←
Insurance brokers	■	■		■ ←
Affinity groups	■	■		■ ←
Real estate agents	■		■	
Nordea online bank			■	■
E-business/Self-service			■	■ ←
Franchise		■		



How customers differ - culture

## Denmark: Customers evaluate experiences with their insurer much more positive than in other countries

*Danish customers completely and strongly agree:*



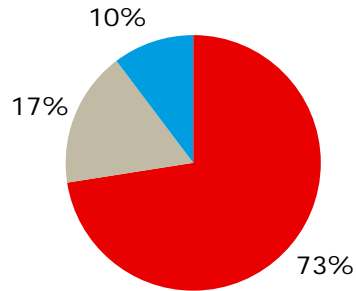
# Distribution power



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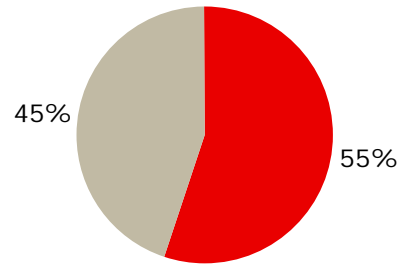
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**P&C Denmark**



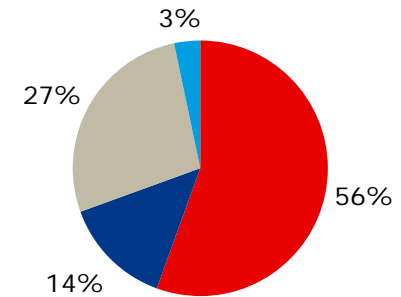
■ Local service centres ■ Affinity Groups ■ Nordea

**Corporate**



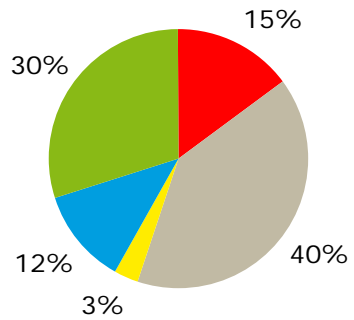
■ Direct sales ■ Brokers

**P&C Norway**



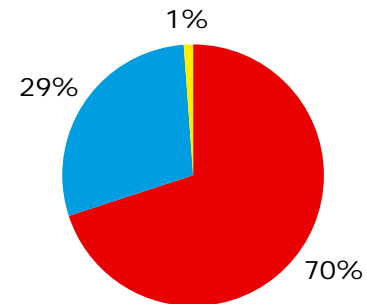
■ Local service centres ■ Franchises ■ Car dealers ■ Nordea

**Finland**



■ Call centres ■ Car dealers ■ Internet ■ Nordea ■ Tied agents

**Sweden**



■ Call centres ■ Nordea ■ Internet

