



UBS Nordic Financials Conference
18 September 2014
CFO Tor Lønnum

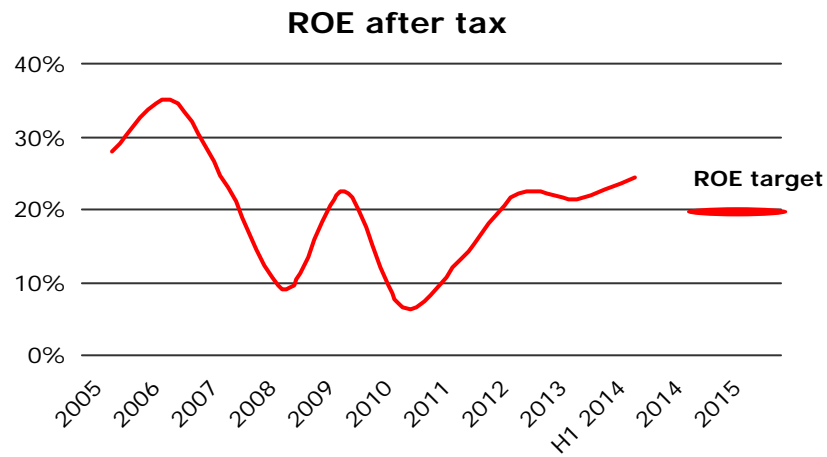
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Financial targets



ROE after tax of 20% to be achieved by delivering a full year combined ratio of 90 or lower.

Expense ratio <15 in 2015



Strategic initiatives 2014

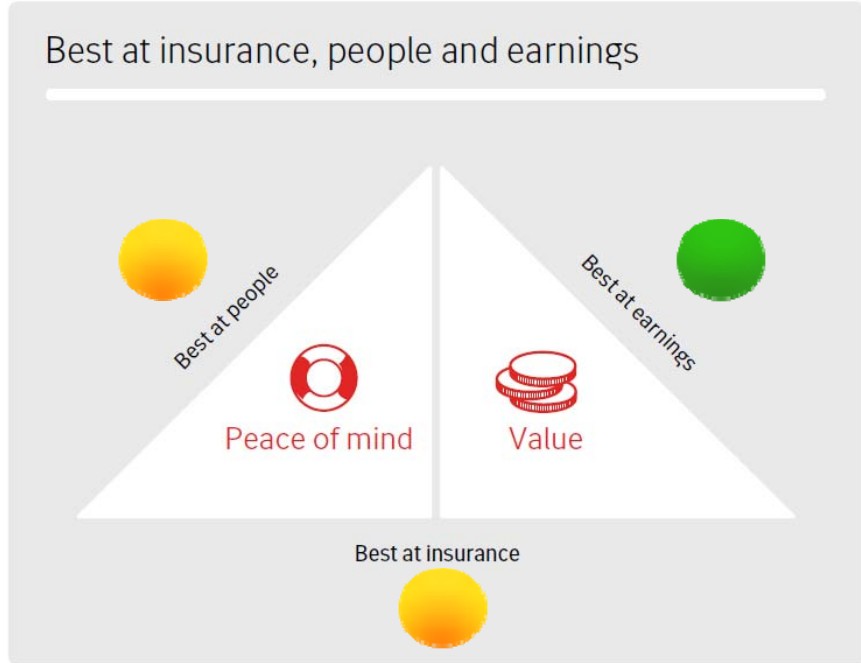


Increased price differentiation

Customer journey & success culture

Expenses/claims reductions

IT operational stability

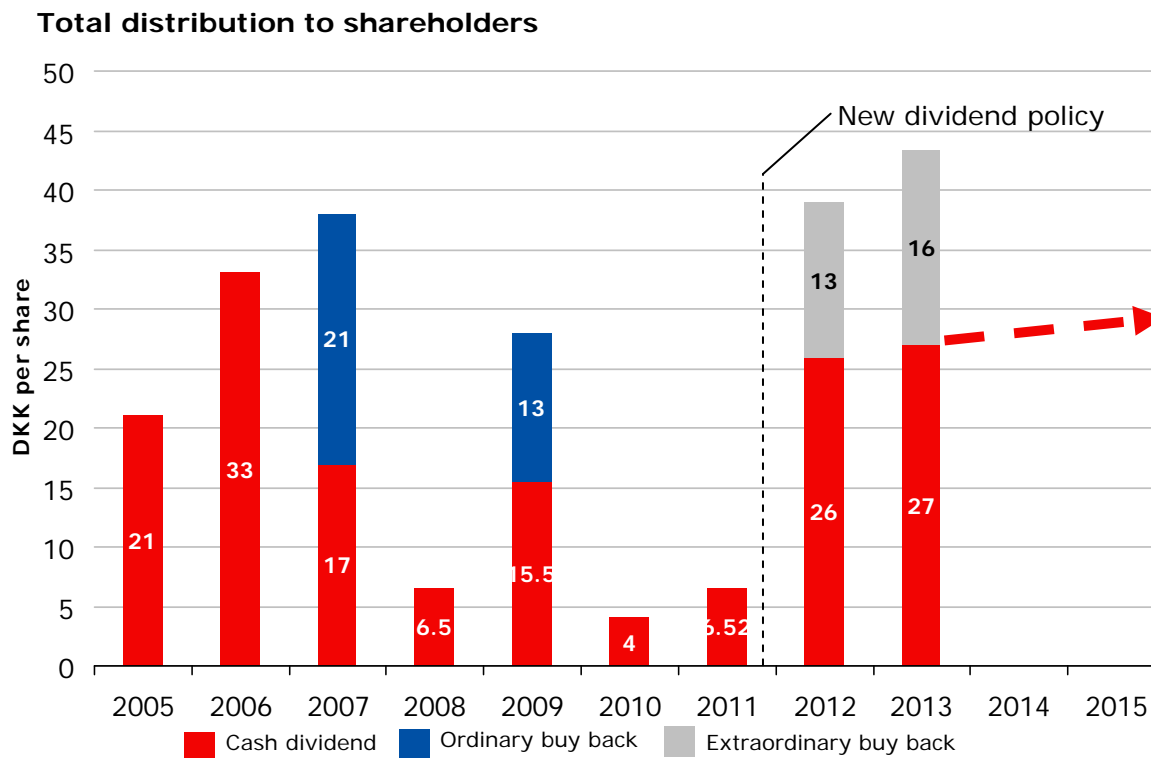


Dividend policy

- creating long-term value for our shareholders



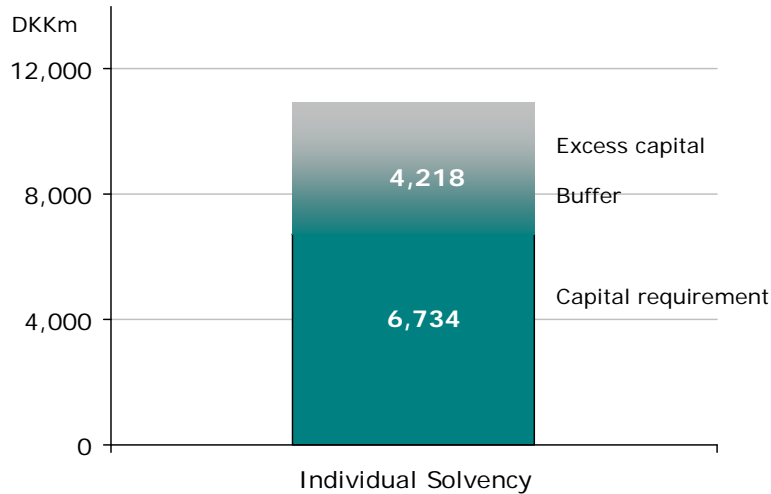
- Payout ratio of 60–90%.
- Aiming for a nominal stable increasing dividend.
- Ambitious ROE target of 20% after tax calls for disciplined capital approach.
- Adjustment of the capital level can be made via share buy back.



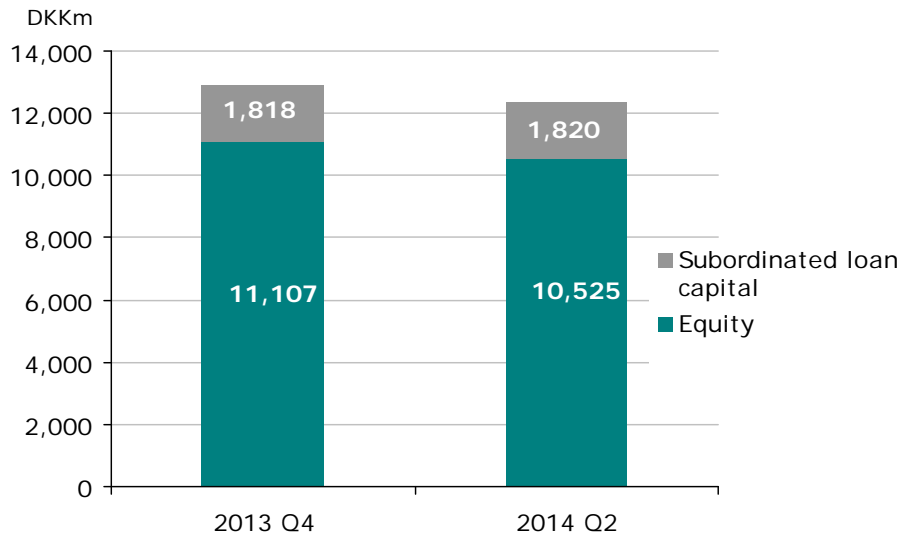
Capital structure and status on share buy back



Capital – Q2 2014



Equity and subordinated loan



- Capital buffer based on Individual Solvency increased to 63% (2013 Q4: 50%) and was impacted by:
 - H1 result 2014
 - H1 share buy back deducted in buffer.
- Based on Solvency II model the capital buffer was 29% (2013 Q4: 25%).
- 40% of 2014 share buy back of DKK 1bn completed.

Unsolved Solvency II issues:

Negatives:

- Recommendation from FSA Norway
- Future eligibility in Norway of Natural Perils Pool and the Guarantee scheme provision in Solvency II.

Positives:

- Expected future profits
- Full inclusion of subordinated capital

Highlights Q2 2014

- Improved results and positive trend in premium income.



- Pre-tax profit of DKK 1,150m (DKK 688m).
- Technical result of DKK 941m (DKK 684m).
- Combined ratio improved by 6.0 pp. to 80.7 (86.7).
- Premium dropped 1.2% (-2.6%) - however, an improved trend in development.
- Expense ratio of 12.6 (15.6) impacted by Norwegian pension scheme and IT costs.
- Investment return of DKK 259m (DKK 13m) impacted by positive financial markets.
- 40% of the share buy back programme of DKK 1,000m completed.

