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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 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

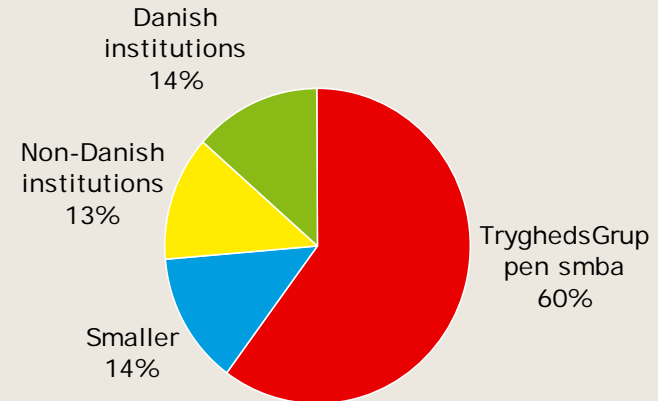
Facts about TrygVesta



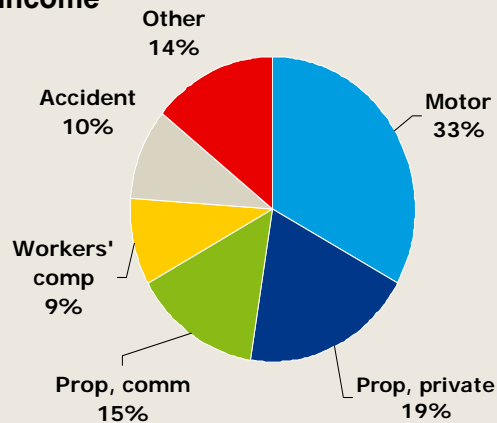
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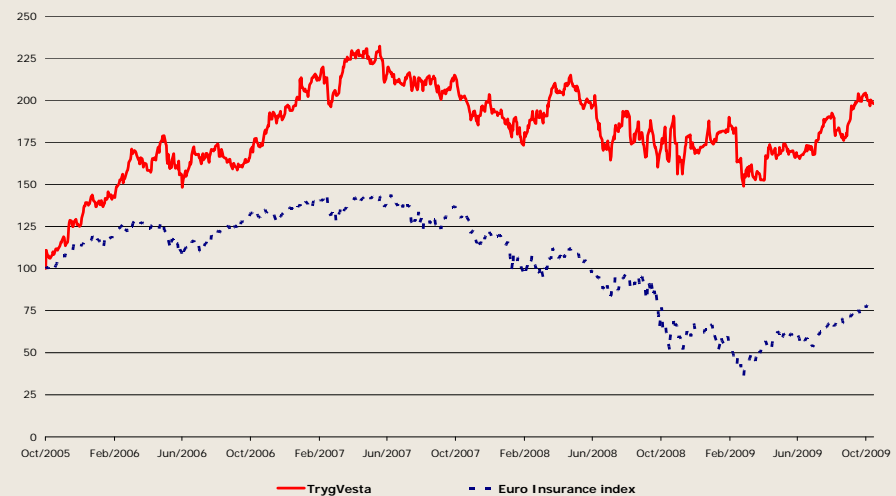
- Expanding Nordic platform
- Prudent underwriting and risk selection
- Exceed customer expectation
- Vision: To be perceived as the leading **“peace of mind”** provider in the Nordic region



Gross premium income 2008



Price performance since IPO (incl. dividends)



Growth aspects



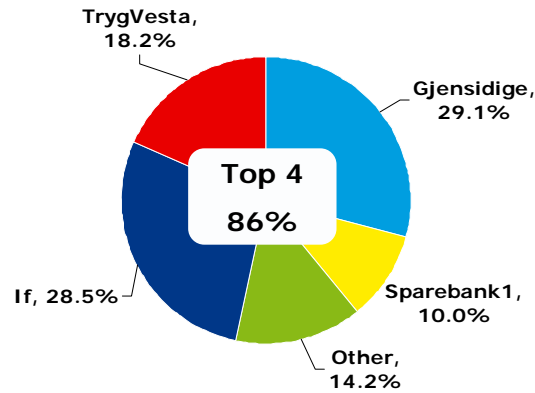
The Nordic region- structure of the insurance market



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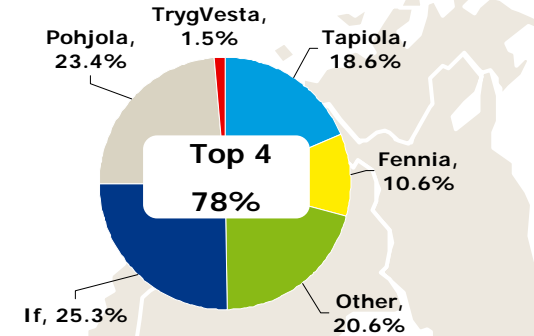
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Norway
 NOK 39.2bn
 EUR 4.6bn



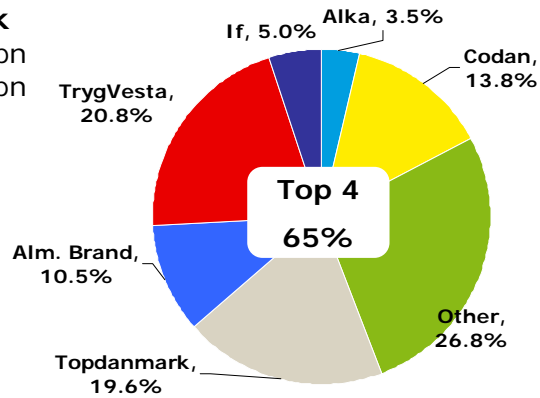
Source: FNH.no – Q209 figures

Finland
 EUR 3.4bn



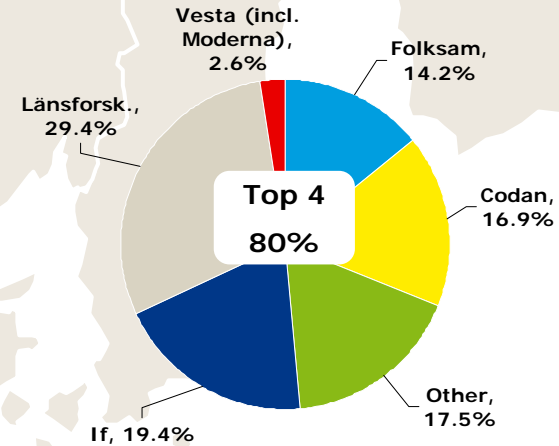
Source: FKL.fi – Q408 figures

Denmark
 DKK 43.9bn
 EUR 5.9bn



Source: F&P and company figures – Q408 figures

Sweden
 SEK 57.3bn
 EUR 5.6bn

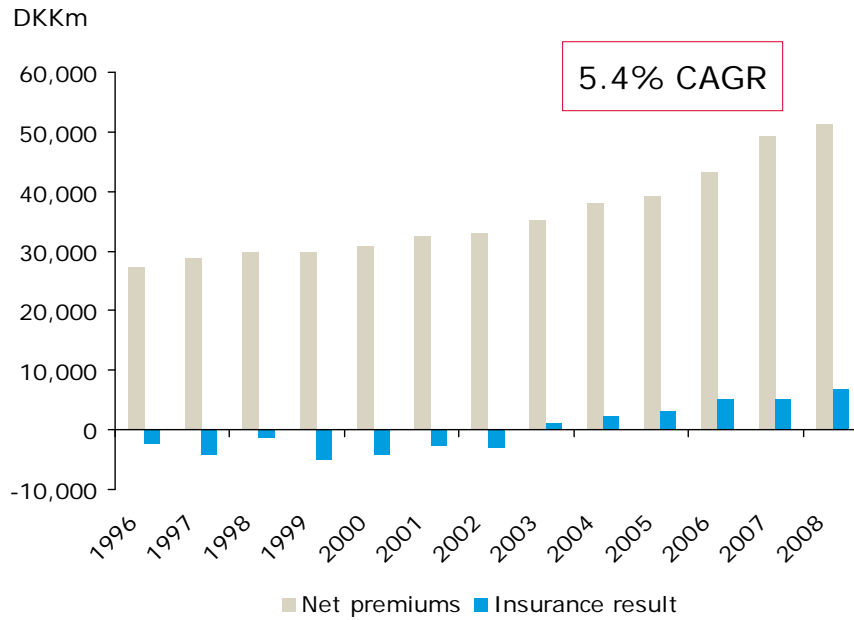


Source: forsakringsforbundet.com – Q209 figures

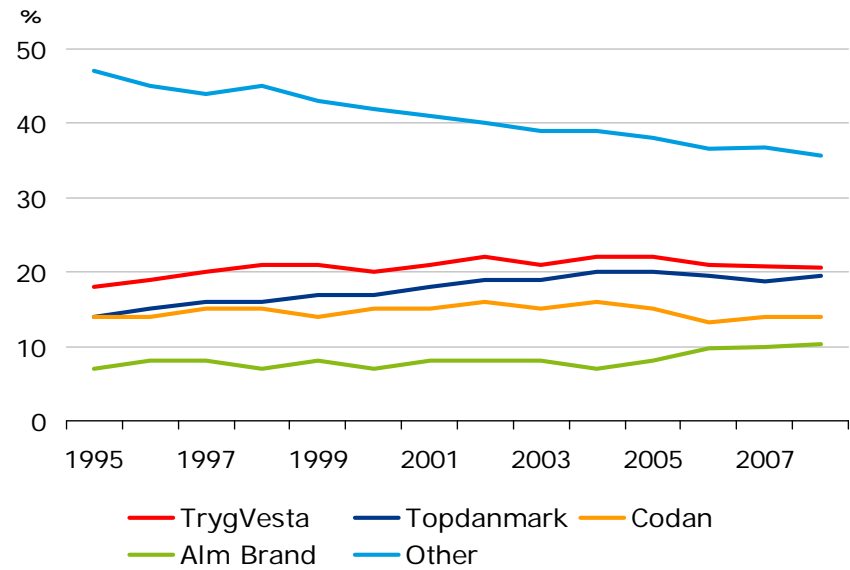
The Danish non-life insurance market since 1996



Market size and profitability



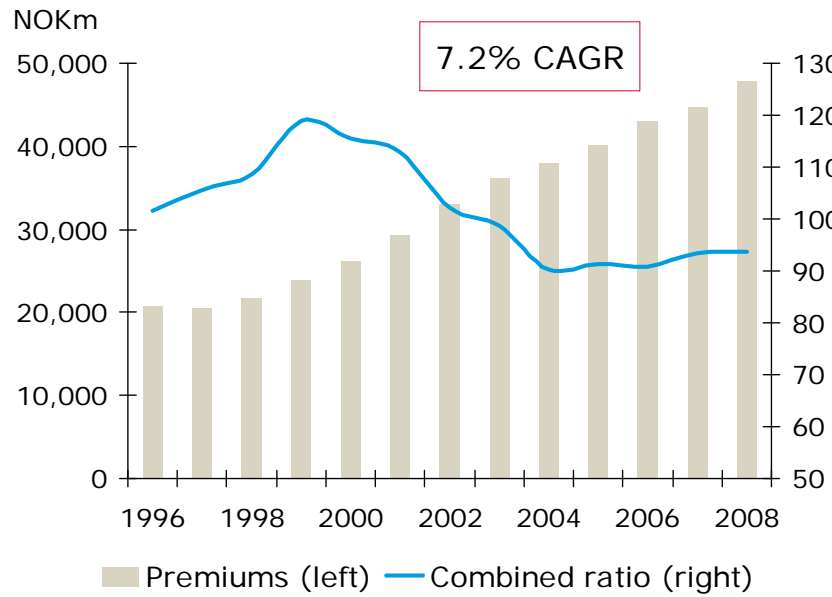
Market shares



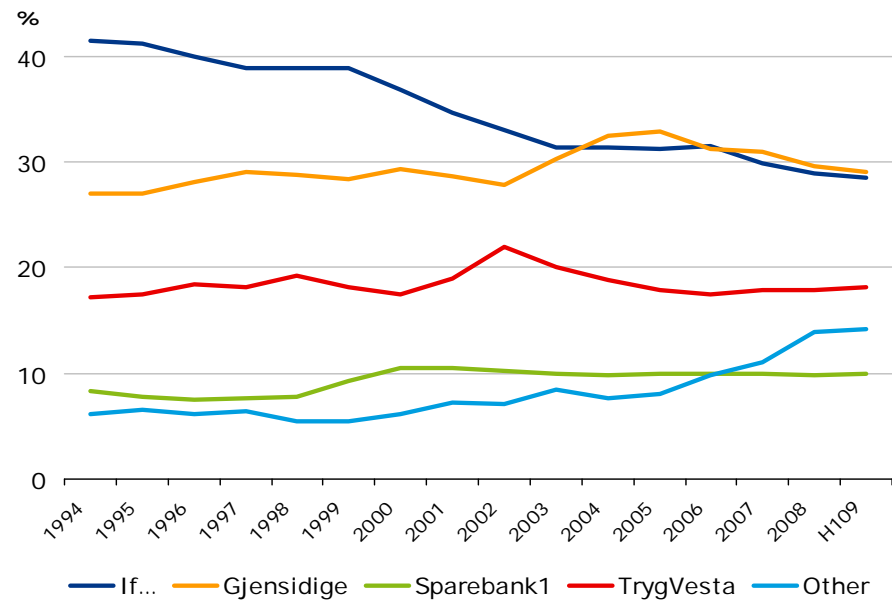
The Norwegian non-life insurance market since 1996



Market size and profitability



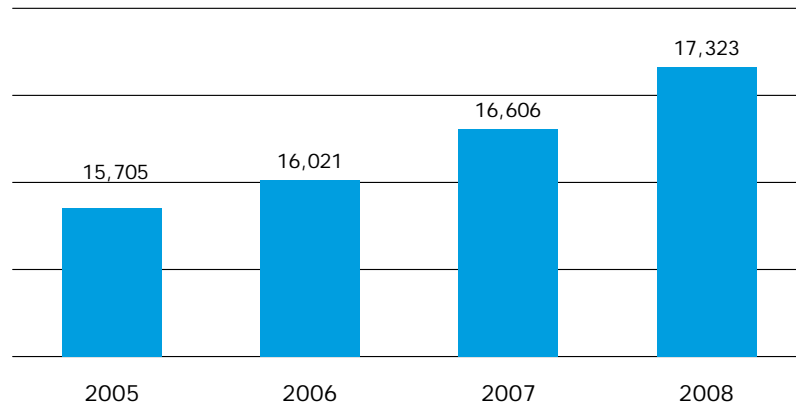
Market shares



TrygVesta

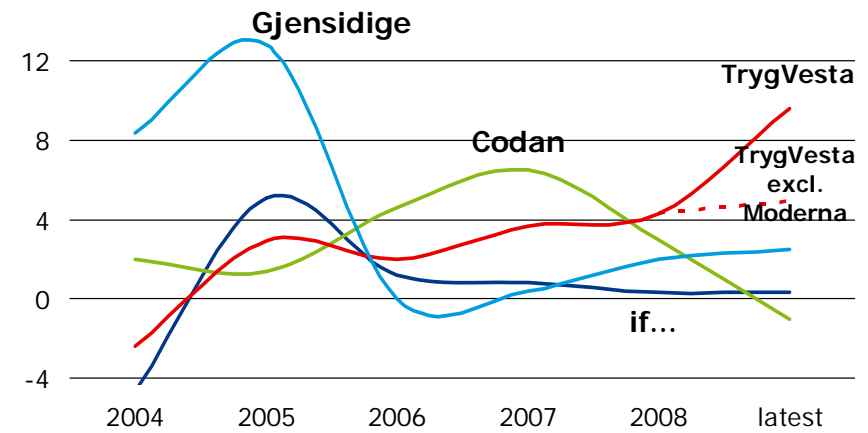
Gross premium income

DKKm



The market

Premium growth in %



Average price development

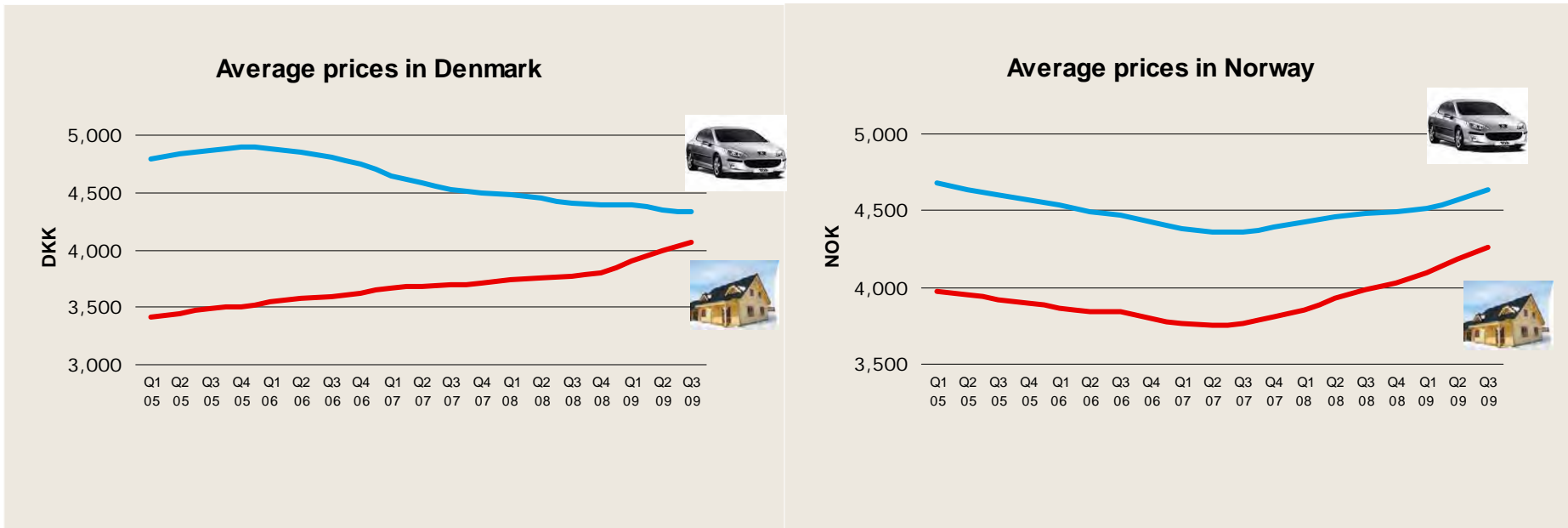


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Price increases implemented on main products

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 %

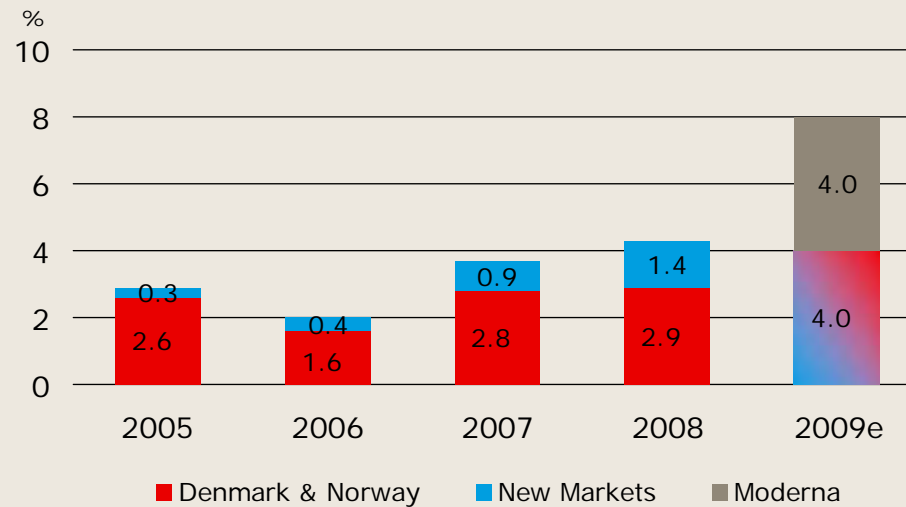


- 2002-2004 substantial price increases implemented in Denmark and Norway totalling DKK 2.1bn. Combined ratio improved from 107 to 94
- 2008-2010 price increases totalling DKK 750 million implemented. Combined ratio will consequently be improved in the coming years

* 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



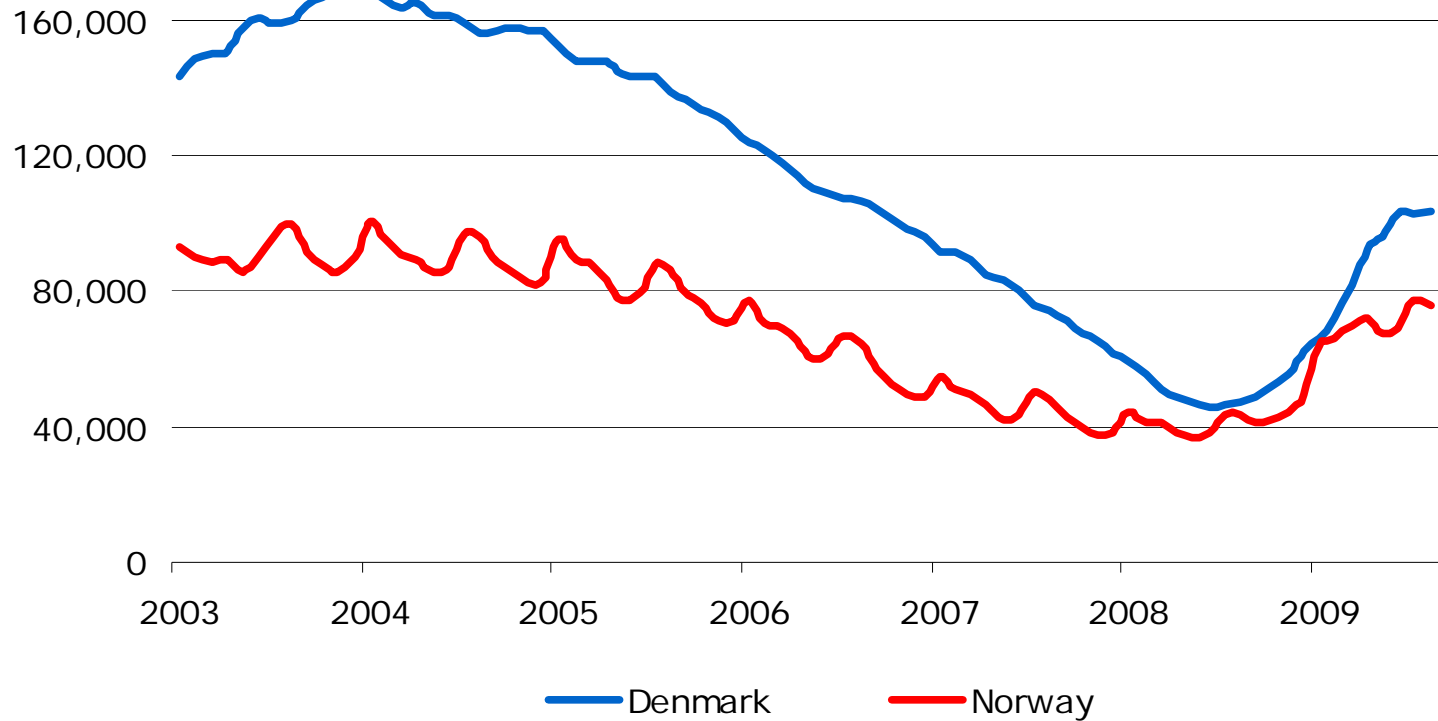
Macro impact on performance

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

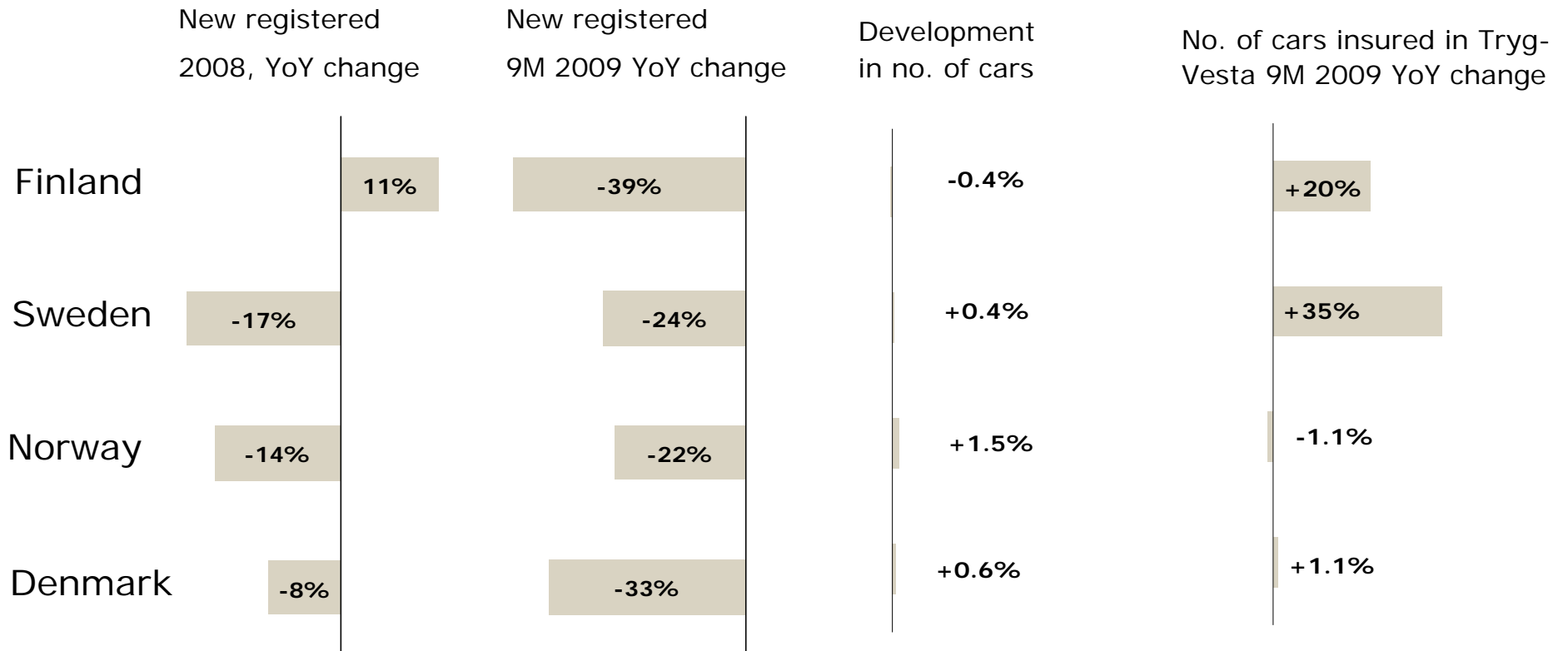


Development in passenger cars



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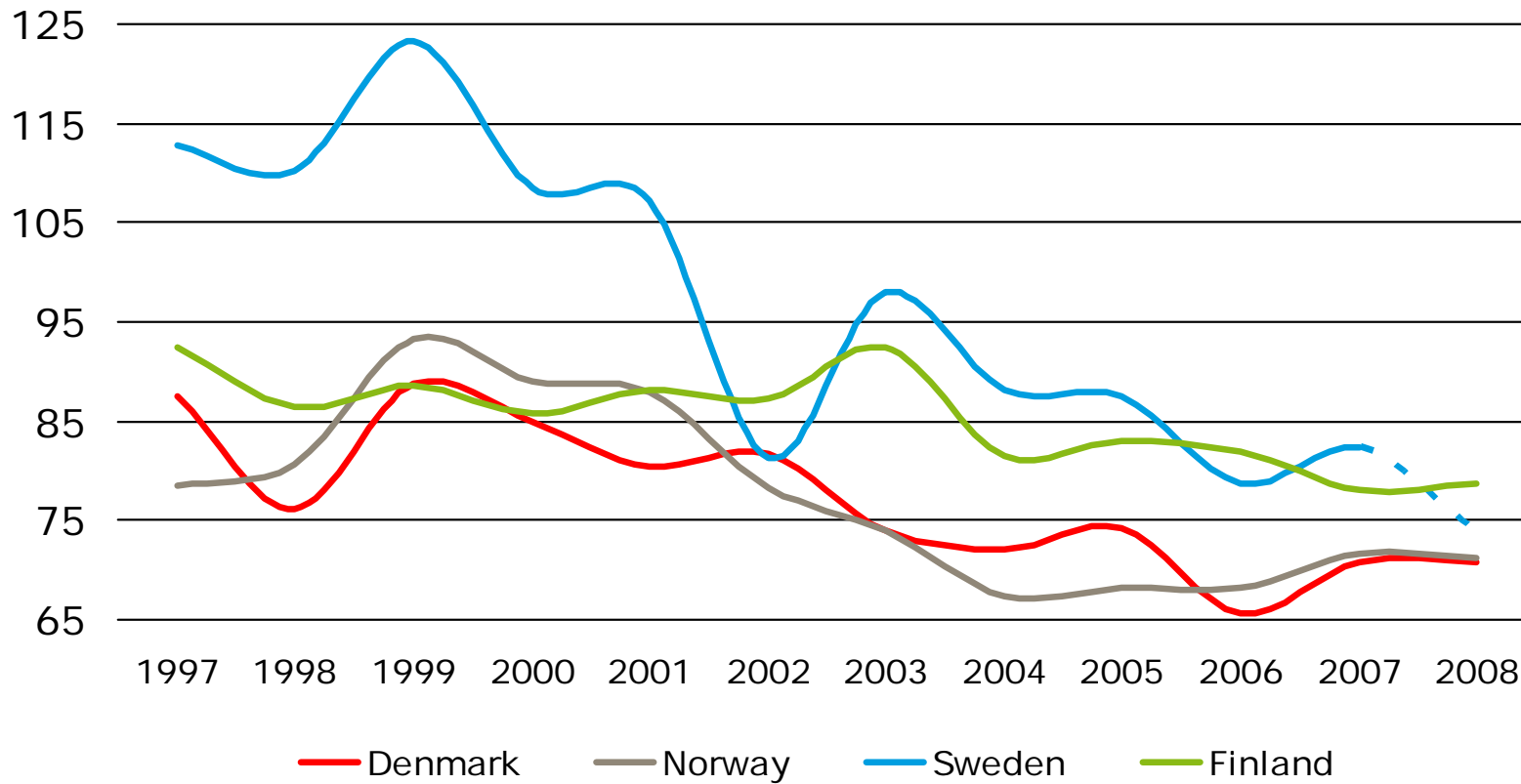


Source: Danish, Norwegian, Swedish and Finnish National Statistics

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

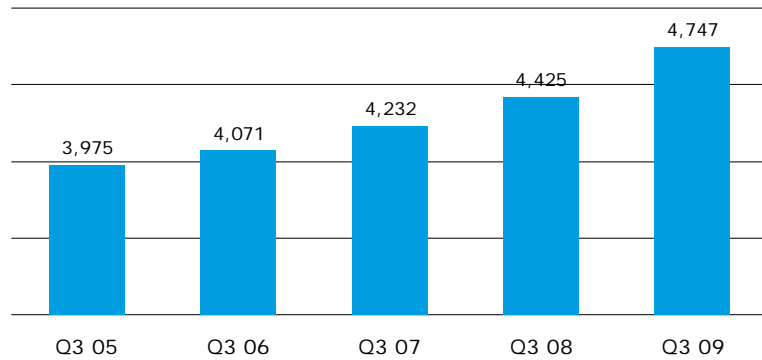


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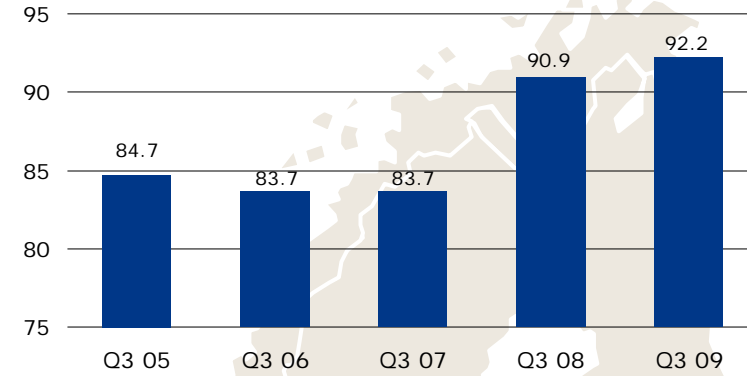
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Gross premium income

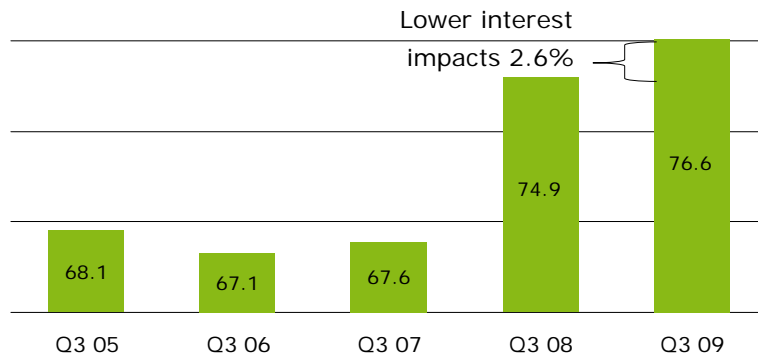
DKKm



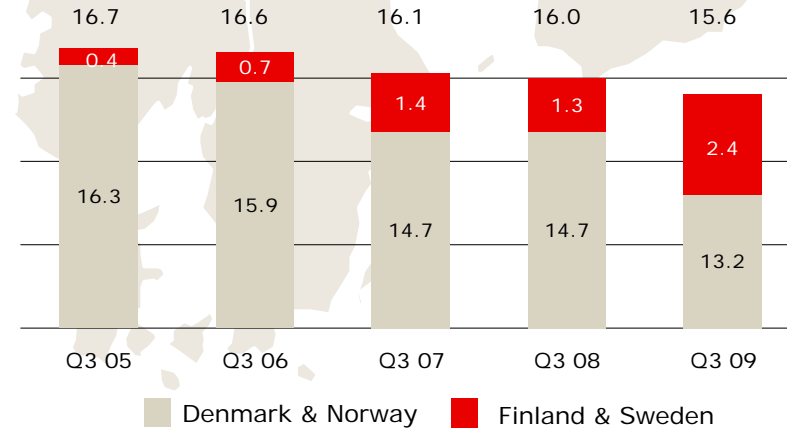
Combined ratio



Claims ratio

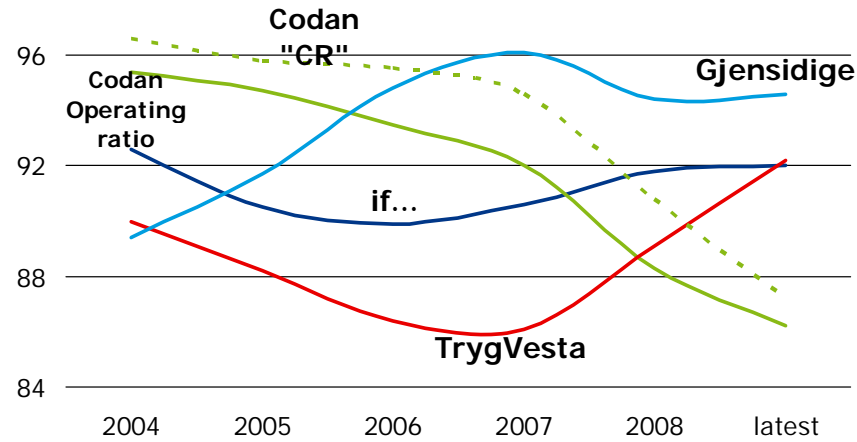


Expense ratio



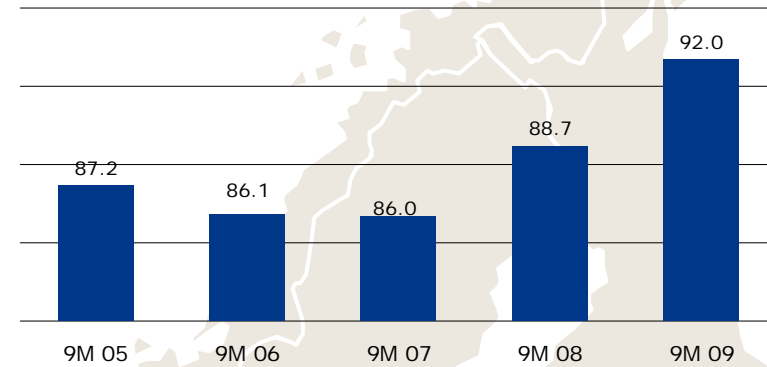
The market

Combined ratio



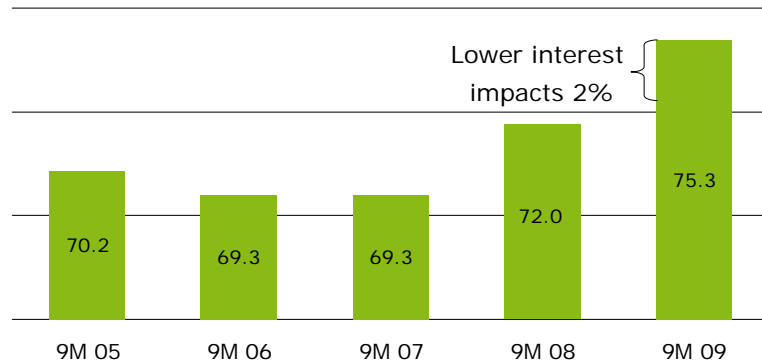
TrygVesta

Combined ratio



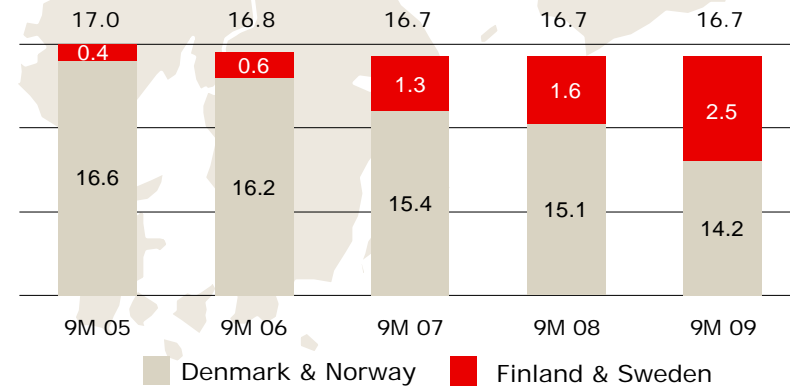
TrygVesta

Claims ratio



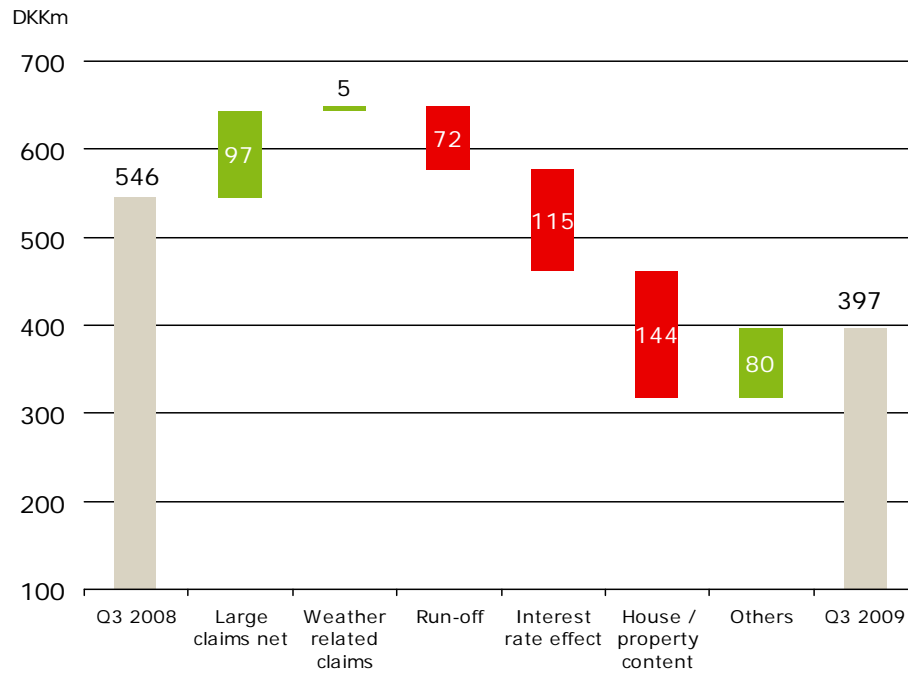
TrygVesta

Expense ratio



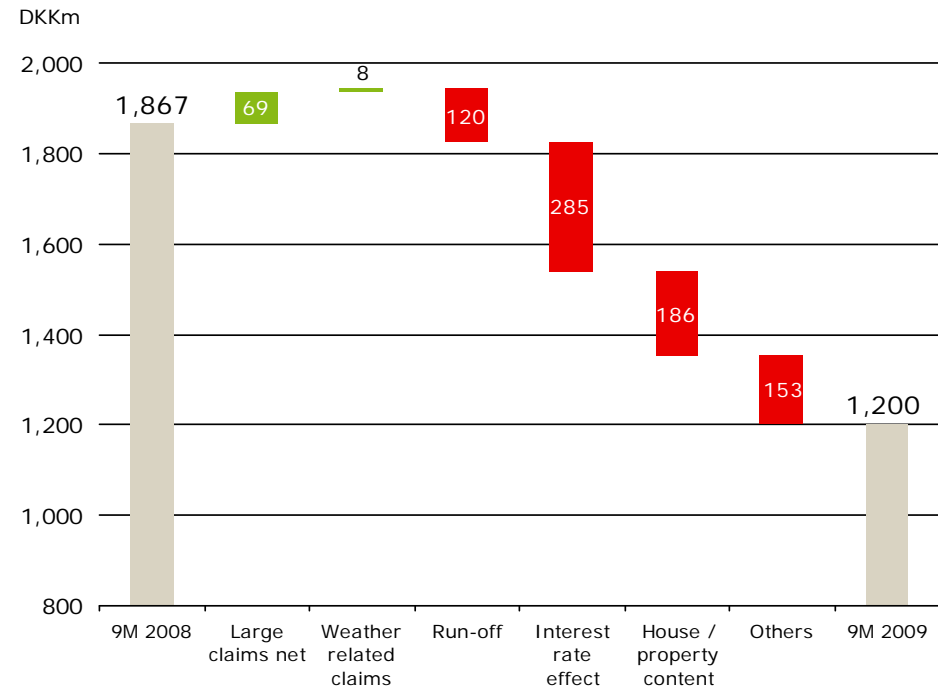
Effects on technical result

Q3 2008 to Q3 2009



Effects on technical result

9M 08 to 9M 09



Effects on gross claims ratio

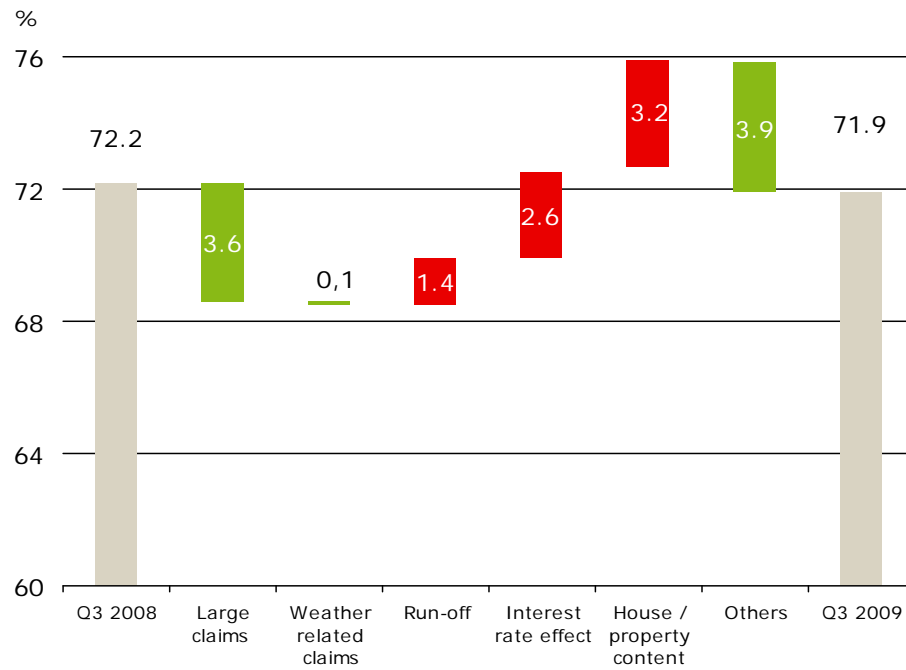


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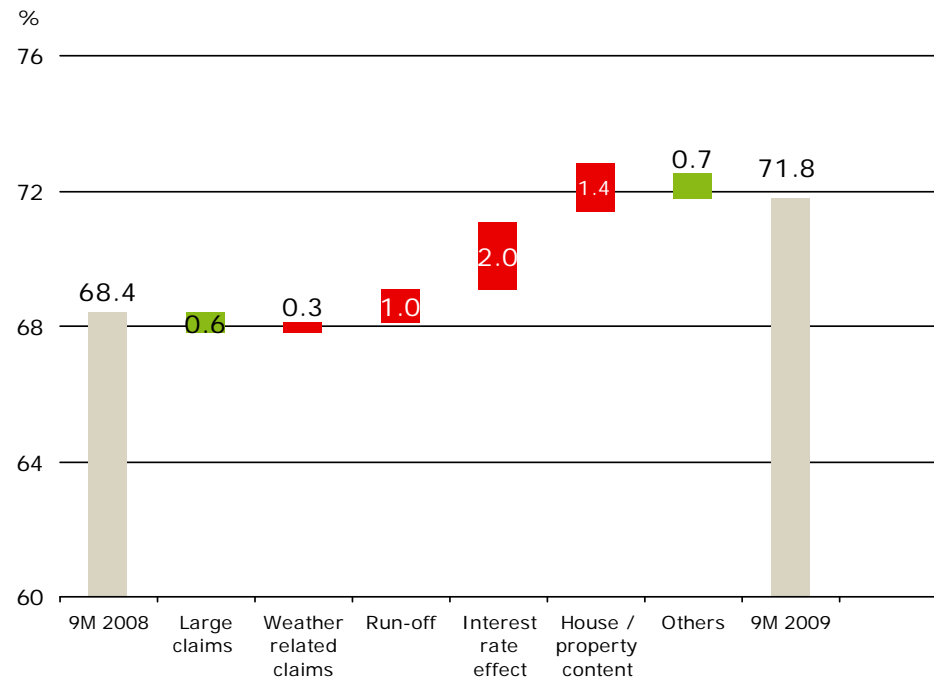
Effects on gross claims ratio

Q3 2008 to Q3 2009

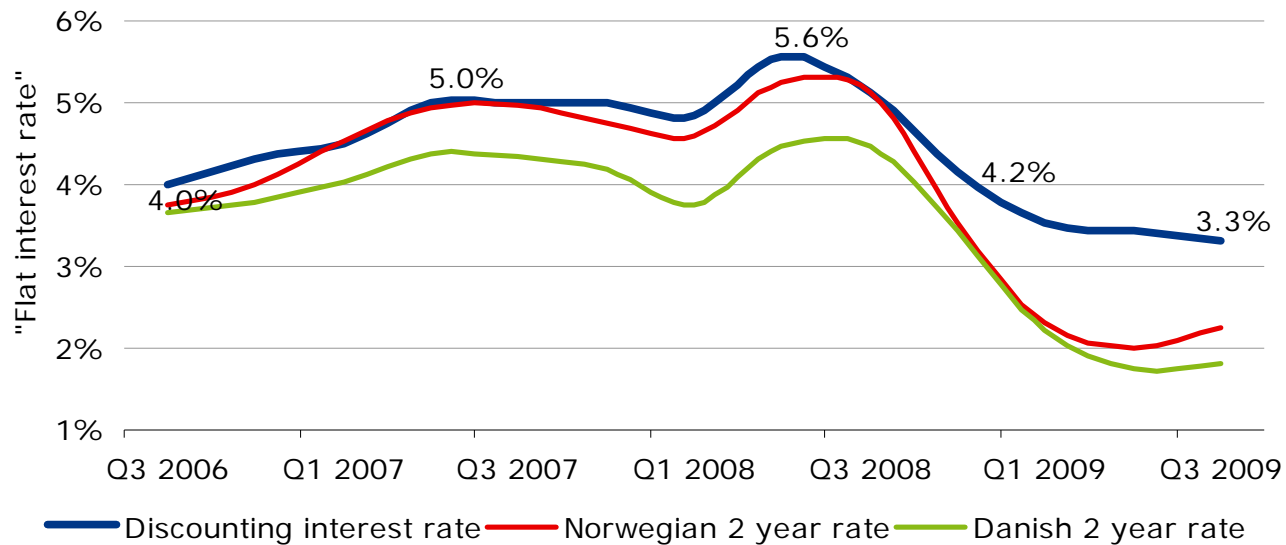


Effects on gross claims ratio

9M 08 to 9M 09



Discounting interest rate vs. goverment bond rates

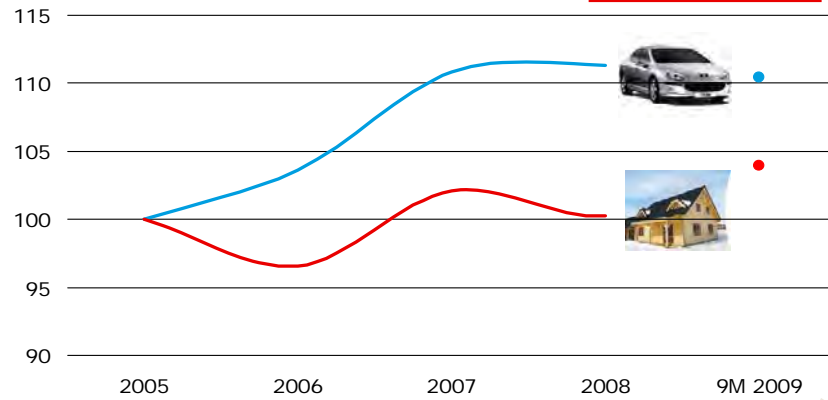


1% increase in interest level will:

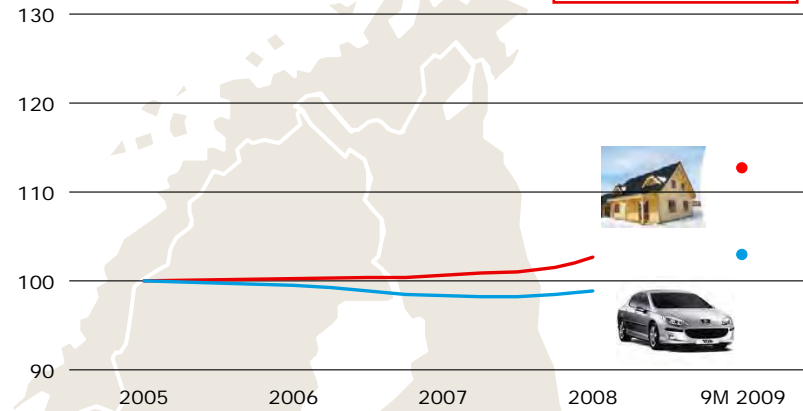
- increase pre-tax result by approx. + DKK 300m
- improve combined ratio by approx. 1 %-point

Frequency and average claims

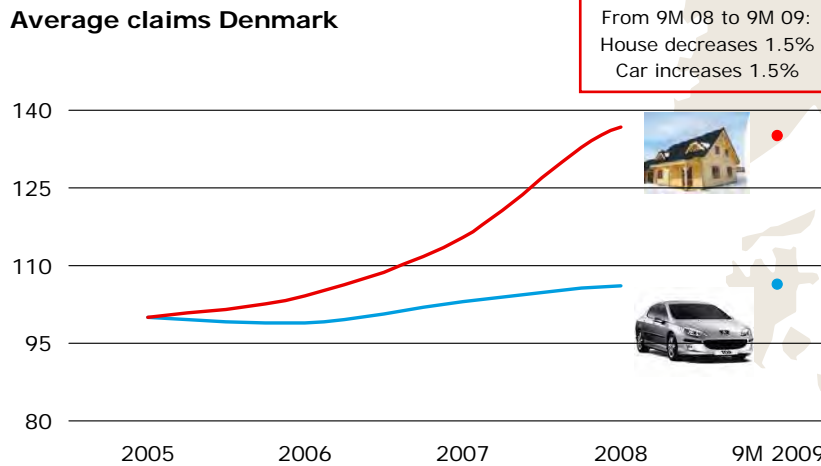
Frequency Denmark



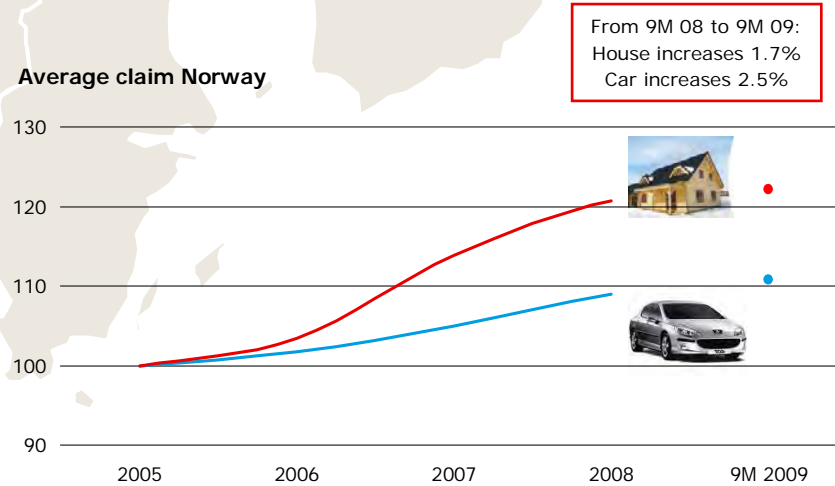
Frequency Norway



Average claims Denmark



Average claim Norway

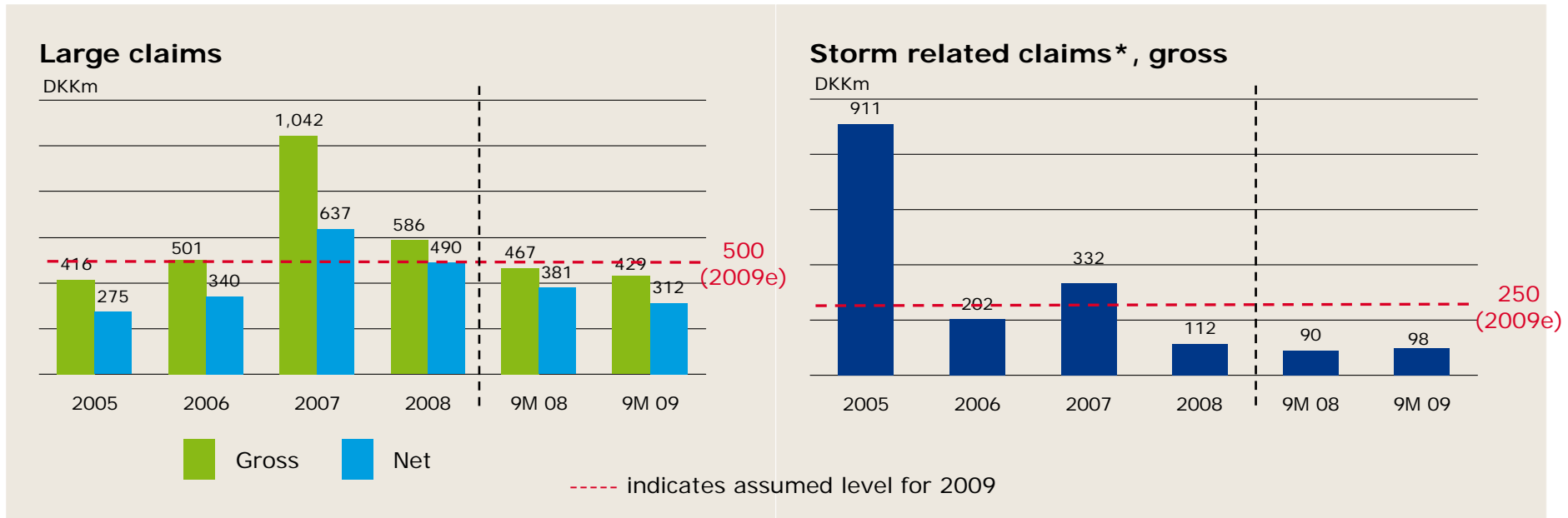


Large claims and storm related claims



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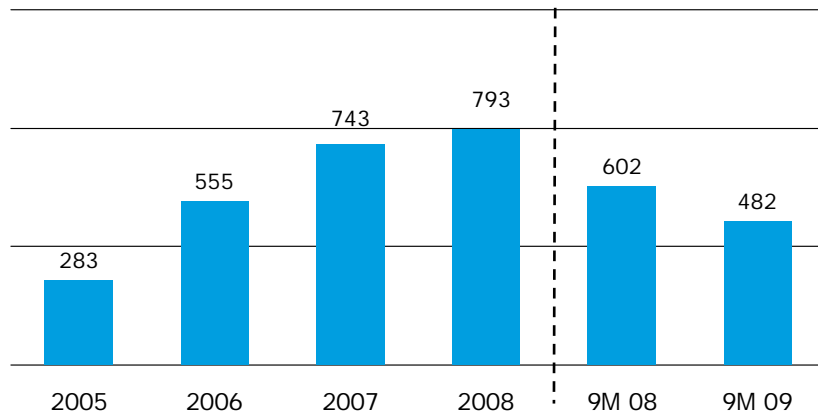


* includes storm and cloudburst claims

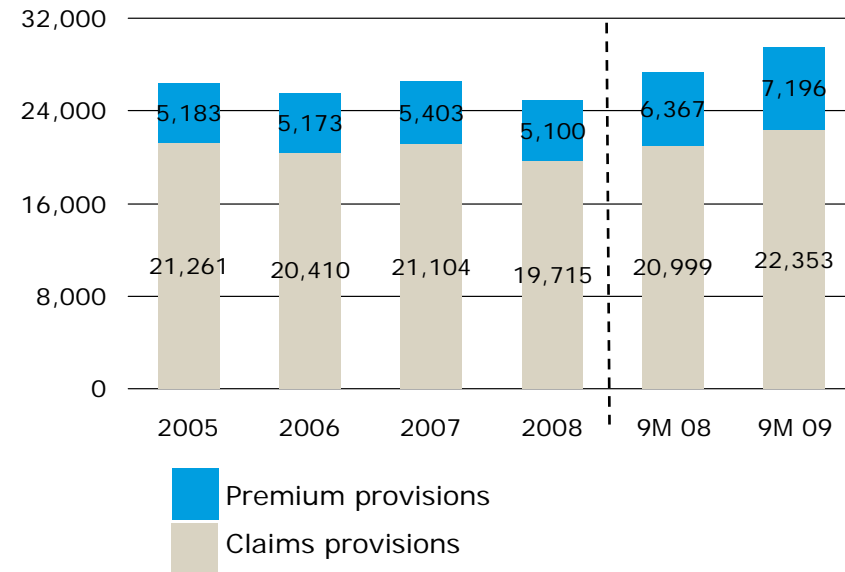
Run-off in 9M 2009 of DKK 482m equivalent to 3.6% on combined ratio

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

Run-off net, DKKm



Insurance provision - DKKm



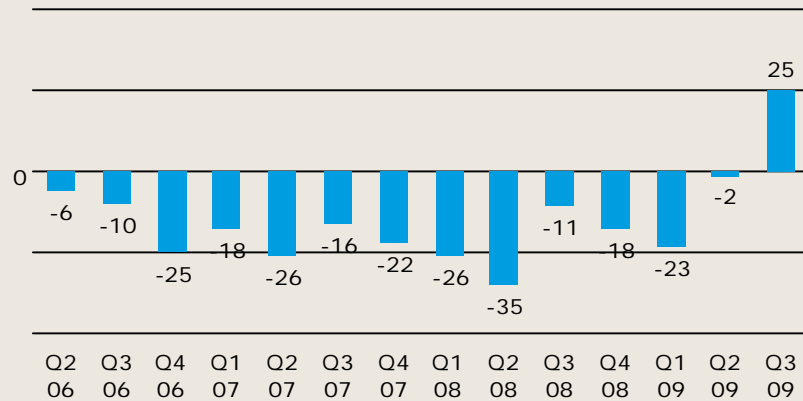


Moderna, investments, outlook 2009 and capital

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

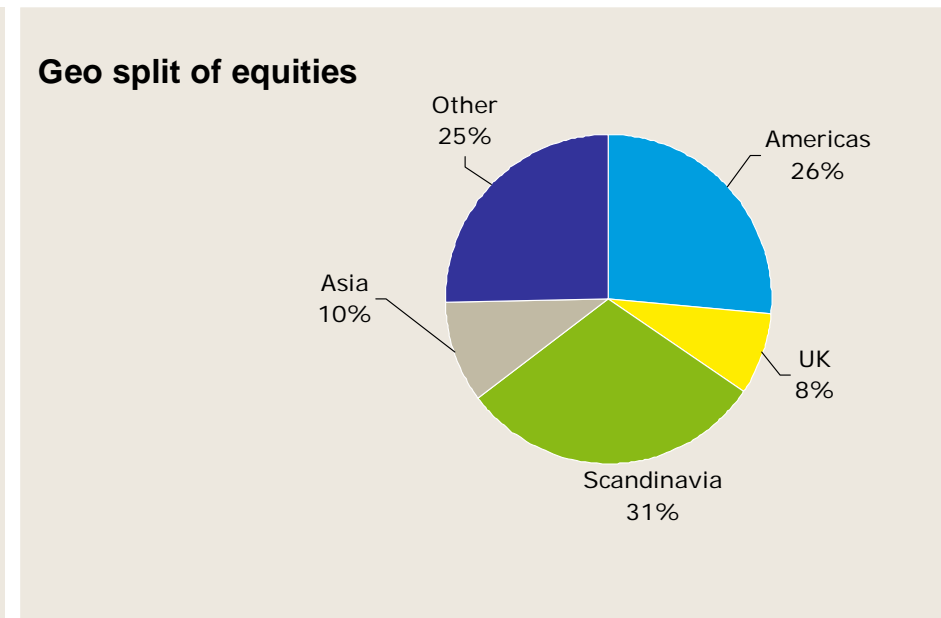
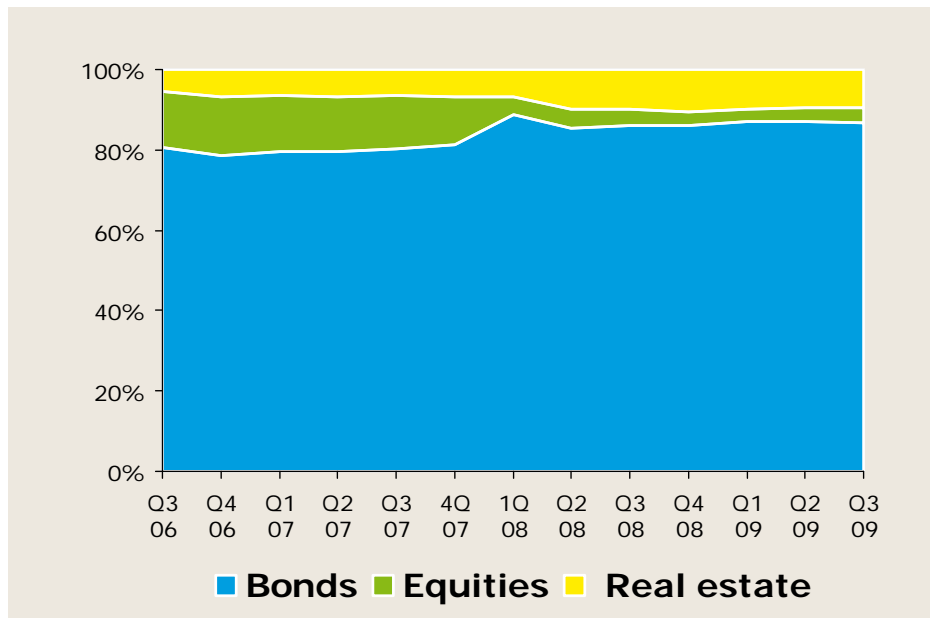
DKKm	Vesta	Moderna	Consolidated
Gross premium income	82	320	402
Technical result	-17	42	25
Claims ratio	97.6	74.0	78.8
Expense ratio	24.4	13.4	15.7
Combined ratio	122.0	87.4	94.5

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

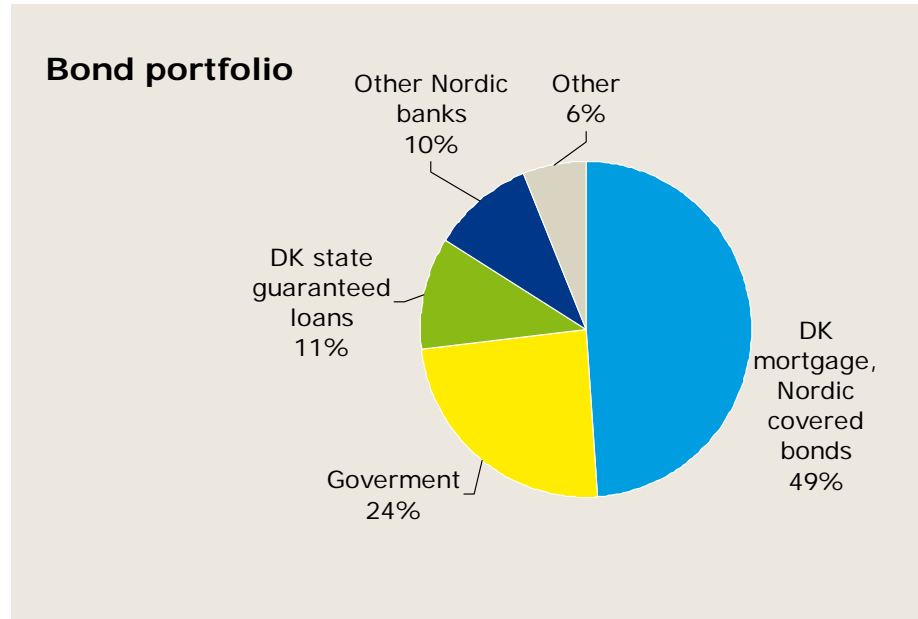
Bonds are 87% of portfolio...

...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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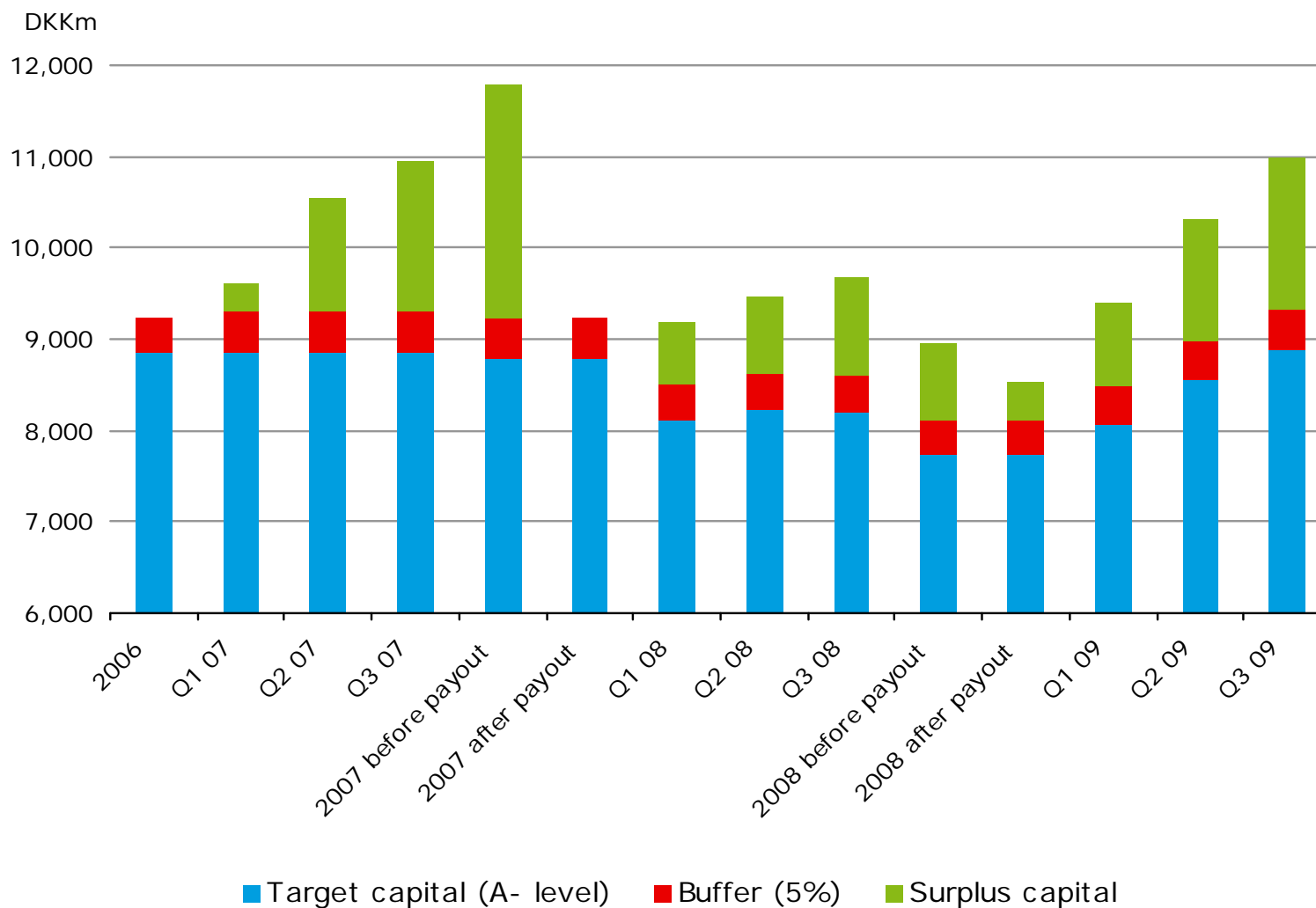
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DKKm	Realised 2008	Expected 2009					
		Mid February 2009	May 2009	August 2009	November 2009	Positive scenario	Negative scenario
Interest rate level	5.1%	3.93%	3.5%	3.4%	3.3%		
Exchange rate DKK/NOK	0.92	0.85	0.84	0.83	0.85		
Premium growth in local 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



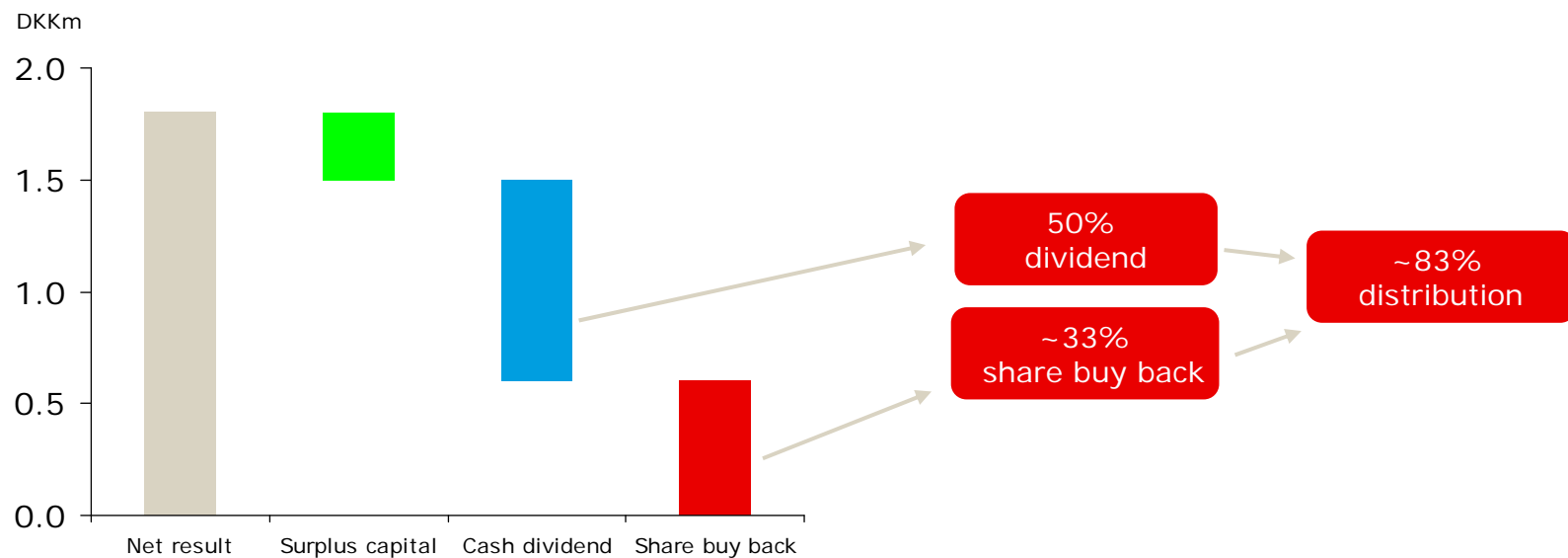
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Profit distribution policy

- 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
Gross premium income	15,266	15,705	16,021	16,606	17,323	18,255	19,264	20,075
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			
Technical result	1,707	2,047	2,512	2,820	2,384	1,932	2,202	2,321
Investment income, net	371	894	1,228	340	-988	759	426	447
Pre-tax profit	2,052	2,913	3,709	3,109	1,347	2,655	2,620	2,765
Tax	-556	-788	-624	-842	-501			
Net income	1,421	2,097	3,211	2,266	846	2,067	2,012	2,124
Total insurance provision	25,212	26,757	25,957	26,916	25,193			
Shareholders equity	6,802	8,215	9,951	10,010	8,244			

Moderna acquisition strengthens distribution platform



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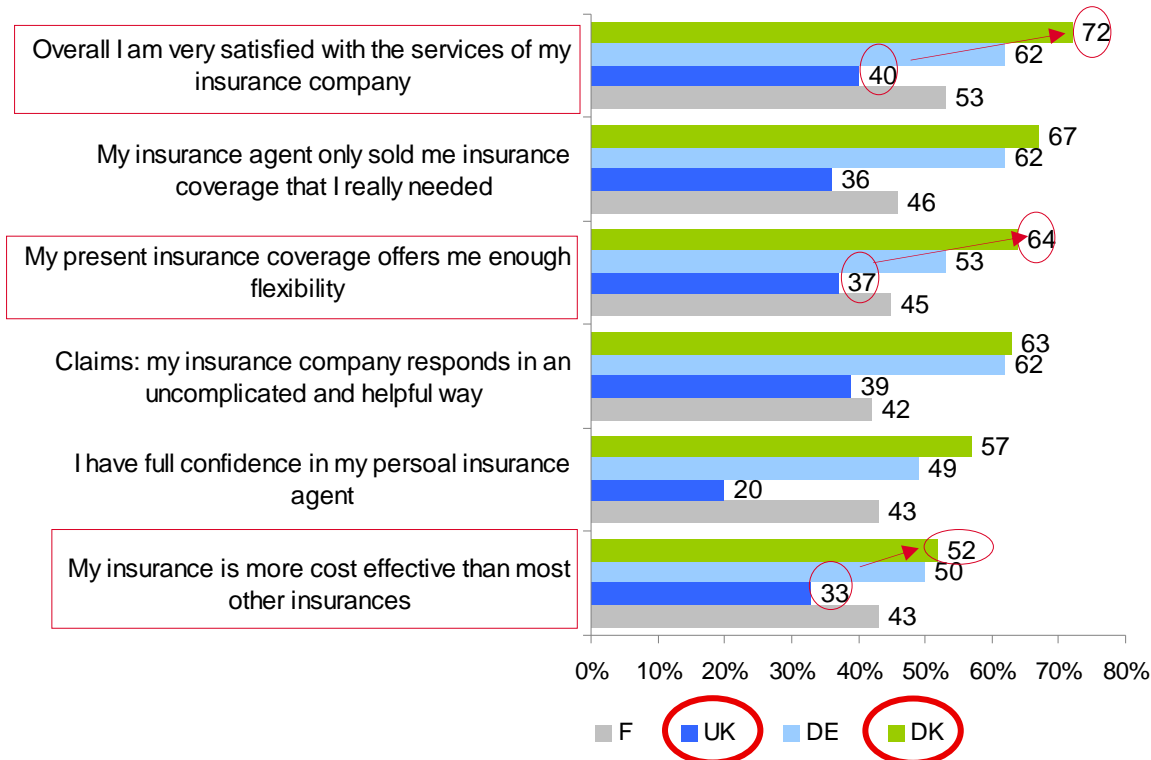
Distribution channel	Tryg	TrygVesta	Nordea	Vesta
	Denmark	Norway	Finland	Sweden
Customer centre	■	■	■	■
Call centre	■	■	■	■
Bancassurance	■	■	■	■
Car dealers	■	■	■	■ ←
Insurance brokers	■	■		■ ←
Affinity groups	■	■		■ ←
Real estate agents	■		■	
Nordea online bank			■	■
E-business/Self-service			■	■ ←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



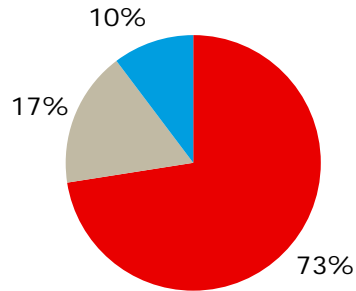
Distribution power



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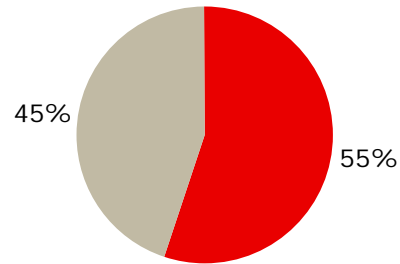
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P&C Denmark



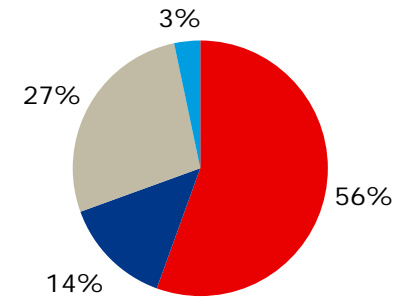
■ Local service centres ■ Affinity Groups ■ Nordea

Corporate



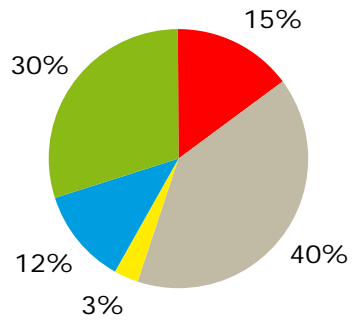
■ Direct sales ■ Brokers

P&C Norway



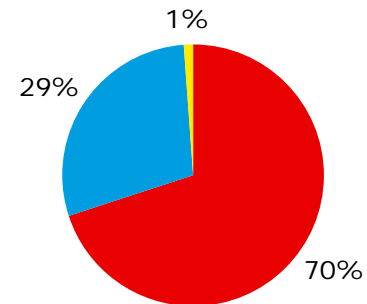
■ Local service centres ■ Franchises ■ Car dealers ■ Nordea

Finland



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

Sweden



■ Call centres ■ Nordea ■ Internet

