Half-year report 2013

Tryg Forsikring A/S

(CVR-no. 24260666)

Contents

Company details

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Deloitte, Statsautoriseret Revisionspartnerselskab

Ownership
Tryg Forsikring A/S is part of the Tryg Forsikring Group. The company has a share capital of DKK 1,100m and is wholly-owned by Tryg A/S, Ballerup, Denmark.

The half-year report is included in the consolidated financial statements of TryghedsGruppen smba and Tryg A/S, Ballerup (www.tryghedsgruppen.dk and www.tryg.com)

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Management's report

Income overview Tryg Forsikring Group

DKKm	H1 2012	H1 2013	2012
Gross premium income	10,042	9,900	20,314
Technical result	**1,192**	**1,184**	**2,492**
Investment return after insurance technical interest	245	285	593
Profit/loss for the period before tax	**1,440**	**1,476**	**3,092**
Profit/loss for the period, continuing business	**1,073**	**1,120**	**2,237**
Profit/loss for the period	**1,099**	**1,111**	**2,265**
Run-off gains/losses, net of reinsurance	583	480	1,015
Key ratios			
Total equity	9,558	10,404	10,872
Return on equity after tax (%)	23.7	20.9	22.8
Premium growth in local currency	0.8	-2.5	-0.1
Gross claims ratio	74.3	72.5	72.2
Net reinsurance ratio	-1.9	0.3	-0.4
Claims ratio, net of reinsurance	72.4	72.8	71.8
Gross expense ratio	16.5	15.8	16.4
Combined ratio	**88.9**	**88.6**	**88.2**
Combined ratio exclusive of run-off	94.7	93.4	93.2
Run-off, net of reinsurance (%)	-5.8	-4.8	-5.0
Large claims, net of reinsurance (%)	0.7	2.8	2.3
Weather claims, net of reinsurance (%)	1.9	2.1	1.8
Combined ratio on business areas			
Private	89.9	87.4	87.7
Commercial	86.6	89.5	83.7
Corporate	83.8	87.1	87.7
Sweden	102.1	94.7	95.3

Tryg Forsikring's results

Results for H1 2013

Profit before tax was DKK 1,476m (DKK 1,440m). The profit thus increased by DKK 36m, which is attributable to an improvement of the technical profit of DKK 40m. The combined ratio improved from 88.9 to 88.6. The improvement stems from cost and claims measures, which more than offset a higher level of weather claims and large claims. Run-off was 4.8%, which is at a slightly lower level than in the same period in 2012 when run-off was 5.8.

The claims ratio, net of ceded business, was 72.8 (72.4) in spite of a higher level of weather claims and large claims, a lower interest rate level and lower run-off gains, and the improvement can thus be attributed to the claims measures implemented.

As mentioned, profitability was improved in H1 2013, primarily as a consequence of the efficincy programme implemented. The measures were supplemented by a large number of customeroriented initiatives in the form of new customer concepts and new differentiated products in the Danish and Norwegian markets.

With the results for H1 2013, Tryg Forsikring is well on the way towards attaining its target of a stable combined ratio of 90 or lower from Q3 2013.

Capital

Tryg Forsikring's equity totalled DKK 10,404m at the end of H1 2013. Tryg Forsikring determines the individual solvency need according to the Danish Financial Supervisory Authority's guidelines. This totalled DKK 6,486m at the end of H1 2013 and should be seen in relation to a capital base of DKK 10,841m.

Events after the statement of financial position date

At the beginning of July, Standard & Poor's affirmed Tryg Forsikring's and Tryg Garantiforsikring's 'A'/stable rating.

Private

Key figures - Private

DKKm	Q2 2012	Q2 2013	H1 2012	H1 2013	2012
Gross premium income	**2,405**	**2,363**	**4,806**	**4,747**	**9,733**
Gross claims	-1,727	-1,619	-3,658	-3,358	-7,084
Gross expenses	-385	-368	-769	-733	-1,524
Profit/loss on gross business	293	376	379	656	1,125
Profit/loss on ceded business	51	-19	106	-61	81
Insurance technical interest, net of reinsurance	7	7	18	14	27
Technical result	**351**	**364**	**503**	**609**	**1,233**
Run-off gains/losses, net of reinsurance	105	96	209	180	326
Key ratios					
Premium growth in local currency	1.6	-2.0	1.8	-2.0	1.5
Gross claims ratio	71.8	68.5	76.1	70.7	72.8
Net reinsurance ratio	-2.1	0.8	-2.2	1.3	-0.8
Claims ratio, net of reinsurance	69.7	69.3	73.9	72.0	72.0
Gross expense ratio	16.0	15.6	16.0	15.4	15.7
Combined ratio	**85.7**	**84.9**	**89.9**	**87.4**	**87.7**
Combined ratio exclusive of run-off	90.1	89.0	94.2	91.2	91.0
Run-off, net of reinsurance (%)	-4.4	-4.1	-4.3	-3.8	-3.3
Large claims, net of reinsurance (%)	0.0	0.1	0.0	0.1	0.1
Weather claims, net of reinsurance (%)	0.9	1.9	2.6	2.2	2.4

Private encompasses the sale of insurance products to private individuals in Denmark and Norway. Sales are effected via call centres, the Internet, Tryg Forsikring's own agents, franchisees (Norway), interest organisations, car dealers, estate agents and Nordea's branches. The business area accounts for 48% of the Group's total premium income.

Results for H1 2013

The result of H1 totalled DKK 609m (DKK 503m) and was achieved on the basis of the measures implemented and in spite of a higher number of weather claims, a lower level of run-off gains and a lower interest rate level. The combined ratio for H1 2013 was 87.4 (89.9), an improvement of 2.5 percentage points. Overall, H1 for the Private area progressed largely as expected, with continued improvement of the combined ratio and negative premium growth based on the macroeconomic situation and the prioritisation of profitability.

Results for Q2 2013

The technical profit for Private amounted to DKK 364m (DKK 351m), which was affected positively by efficiency programme, while a significantly higher level of weather claims due to flooding in Norway as well as a lower level of run-off gains pulled in the opposite direction. The combined ratio for Private was 84.9 (85.7), and, adjusted for the higher level of weather claims and run-off gains, the combined ratio improved by 2.2 percentage points. The improvement, which is attributable to the cost and claims measures implemented, was achieved in spite of a reduction in premium income of approx. 2%.

Towards the end of Q2, the Private market in Denmark was marked by growing optimism as well as by increased activity in the housing market, particularly as regards the sale of owner-occupied flats in the Copenhagen area. The sale of passenger cars for April and May taken together was 12.6% higher relative to the same period in 2012 and was still marked by high sales of small cars with more safety equipment, resulting in a lower average insurance premium. The Norwegian economy was still characterised by growth and high private consumption. Employment continued to be at a high level, and pay increases were in the order of 4%. Car sales in April and May taken together were 16.6% higher than in the same period in 2012. Norwegian inflation was low, but as the development in pay levels is important to many damage repairs, Tryg Forsikring continues to follow this development closely in order to be able to adjust the tariffs for the individual products.

Premiums

Gross premium income decreased by 2.0% and was affected by both the competitive situation, profit sharing and the new distribution agreement with Nordea. Premium income was negatively impacted by profit sharing on group agreements due to the sound profitability of several of these and to the new distribution agreement with Nordea that includes profit sharing, and is recognised as premium discount and deducted from gross premiums written. In return, the distribution agreement with Nordea will entail lower commission expenses.

The development in premium income should be seen in the context of the competition in the Danish market where Tryg Forsikring is affected in particular by the profitability improving measures introduced in recent years. In 2012, this led to a slight decrease in the renewal rate and lower sales, which impacts growth negatively in 2013. The renewal rate was at a continued high level in 2013, but was affected by the keen competition particularly in the Danish market, which meant that the level of sales was not sufficient to maintain the overall business volume.

In step with the profitability measures, Tryg Forsikring has been working on product differentiation and on developing the special benefits programmes for private customers. The first product to introduce a higher degree of price differentiation, i.e. striking a better balance between price and risk, was the contents insurance product launched in Denmark in November 2012. The development of more differentiated products has continued, and Tryg Forsikring launched new products in Q2 within travel insurance, holiday house and caravan insurance in Denmark and house insurance in Norway. In June 2013, Tryg Forsikring launched a new special benefits programme, Tryg Plus, which is an addition to all the advantages of the previous programmes also include Tryg Backup, Tryg ID, Tryg Home alarm and Tryg in Life.

To increase sales, the distribution have been strengthened and, based on Tryg Forsikring's extensive data basis, efforts have also been made to improve the customer segmentation and increase cross-selling and upselling to existing Nordea customers.

Claims

The gross claims ratio was 68.5 (71.8). The claims ratio, net of ceded business, which includes profit or loss from reinsurance, improved from 69.7 to 69.3, but the level of weather claims was significantly higher in Q2 2013 at 1.9 (0.9) concrrently with run-off gains being at a lower level at 4.1 (4.4). Adjusted for these effects, the underlying level thus improved by 2.2 percentage points. The improvement was mainly achieved through the efficincy programme in relation to the procurement of claims and the reduction of internal costs of calculating and processing claims.

Costs

The expense ratio for Private was 15.6 (16.0), and the improvement of 0.4 percentage point consists of a combination of the efficiency improvements in the staff functions and lower up-front commissions to Nordea. At the same time, the number of employees increased from 876 at the end of Q1 to 919, which is mainly attributable to the recruitment of new staff for sales functions with a view to strengthening the distribution without reducing profitability.

Commercial

Key figures - Commercial					
DKKm	Q2 2012	Q2 2013	H1 2012	H1 2013	2012
Gross premium income	**930**	**899**	**1,850**	**1,807**	**3,687**
Gross claims	-582	-657	-1,301	-1,272	-2,372
Gross expenses	-196	-170	-380	-346	-748
Profit/loss on gross business	152	72	169	189	567
Profit/loss on ceded business	13	19	78	0	32
Insurance technical interest, net of reinsurance	3	3	8	3	5
Technical result	**168**	**94**	**255**	**192**	**604**
Run-off gains/losses, net of reinsurance	75	28	117	71	212
Key ratios					
Premium growth in local currency	-0.5	-3.5	-0.9	-2.8	-2.0
Gross claims ratio	62.6	73.1	70.3	70.4	64.3
Net reinsurance ratio	-1.4	-2.1	-4.2	0.0	-0.9
Claims ratio, net of reinsurance	61.2	71.0	66.1	70.4	63.4
Gross expense ratio	21.1	18.9	20.5	19.1	20.3
Combined ratio	**82.3**	**89.9**	**86.6**	**89.5**	**83.7**
Combined ratio exclusive of run-off	90.4	93.0	92.9	93.4	89.4
Run-off, net of reinsurance (%)	-8.1	-3.1	-6.3	-3.9	-5.7
Large claims, net of reinsurance (%)	0.0	8.3	0.6	4.2	1.5
Weather claims, net of reinsurance (%)	0.9	1.0	1.4	2.2	1.9

Commercial encompasses the sale of insurance products to small and medium-sized businesses in Denmark and Norway. Sales are effected by Tryg Forsikring's own sales force, franchisees (Norway), customer centres as well as through group agreements. The business area accounts for 18% of the Group's total premium income.

Results for H1 2013

A profit of DKK 192m (DKK 255m) was posted for H1, consisting of a combination of an improvement in profit based on measures within pricing, pruning of customers and the effect of the cost and claims measures implemented, but was also negatively impacted by a considerably higher level of weather claims and large claims of DKK115m (DKK 38m). The combined ratio was 89.5 in H1 2013 (86.6), which, adjusted for the level of large claims, weather claims and run-off as well as the interest rate level, corresponds to an improvement of approximately 4 percentage points, which, however, is also attributable to a low level of medium-sized claims.

Generally, H1 2013 progressed as expected with an underlying improvement of the combined ratio due to profitability measures and efficiency improving measures as well as an expected small reduction in business volume based on price increases, pruning and the macroeconomic situation.

Results for Q2 2013

The technical profit for Commercial was DKK 94m (DKK 168m). The technical profit emphasises the effect of the measures implemented to improve profitability in Commercial and further emphasises that improving the cost level, and thus the competitive situation, is the primary task for Commercial. The profit was also affected negatively by a considerably higher large claims level of DKK 75m (DKK 0m), which is mainly attributable to a large claim related to a large manor house in Denmark.

At DKK 28m (DKK 75m), run-off gains were significantly lower relative to the same period last year and the expense ratio was improved from 21.1 to 18.9 wihich was achieved in spite of a reduction in premium income. The improvement is mainly due to the profitability measures implemented in Commercial and to the effect of the efficincy measures implemented. With a significantly improved profitability level and the current measures to further improve profitability, the focus is also on customer segmentation and on developing differentiated products.

The combined ratio was 89.9 (82.3), and, as mentioned, a number of special conditions contributed to the decreasing. Adjusted for the higher large claims level, lower run-off level and lower interest rate level, the combined ratio improved by more than 5 percentage points, this improvement was also the result of a lower level of mediumsized claims. Combined with the improvement, it is particularly satisfactory that this also included a reduction in the expense ratio corresponding to 2.2 percentage points.

The market situation for the Commercial area did not change significantly in Q2 2013 and is still very different in Denmark and Norway. The Danish market is affected by low private consumption, investment caution and the banks' reluctance to lend money, just as the low activity level also poses a challenge affecting business volume. In Norway, small and medium-sized businesses were positively affected by healthy growth in private consumption.

Premiums

Gross premium income for Q2 amounted to DKK 899m (DKK 930m), corresponding to a decrease of 3.5% in local currencies. The negative development in premium income was expected as a consequence of the profitability measures implemented over the past years in the form of price increases and pruning. The retention rate was affected by the measures implemented, but is now back at a high level, and the development in premium income was particularly impacted by the reduction in business volume in 2012 as well as the macroeconomic situation in Denmark.

In addition to the development of new products, which so far covers workers' compensation insurance, a chat function has been developed in the Norwegian part of the business, making it possible for customers who prefer this form of communication to get better and more efficient service. Commercial will continue developing various online communication forms for its customers.

To increase business volume on a profitable basis, segmentation measures will continue to be targeted at profitable segments, which should be seen in light of the continued development of more differentiated products.

Claims

The gross claims ratio was 73.1 (62.6), and the claims ratio, net of ceded business, was 71.0 (61.2). The development in the claims ratio, net of ceded business, is due to Tryg Forsikring's own measures to improve the claims procedure within, in particular, the buildings and contents insurance market as well as a reduction in the number of claims handling employees. The claims procedure was also high at 8.3% (0.0%) and affected by fire damage to a listed manor house which occurred after a lightning strike. Experience has shown that damage to listed buildings is considerably more expensive than damage to non-listed buildings, and this is what prompted Tryg Forsikring to implement price increases for insurance of several listed buildings.

In continuation of the profitability measures implemented, a new workers' compensation tariff has been launched in both Denmark and Norway, which far better reflects variations in risks for various segments. To ensure a more balanced and profitable portfolio, focus remains on segmentation and price differentiation within other products.

Costs

The expense ratio was 18.9, a reduction of 2.2 percentage points. This is a particularly positive development as improving the cost level constitutes a very important task for Commercial in the efforts to achieve acceptable results relative to the capital allocated to the commercial area. The implementation of cost measures with a view to achieving higher efficiency also represents an important element in the efforts to improve Commercial's competitiveness.

Converting insurance policies to match the current product portfolio and weeding out various product types are also important measures. The conversion of policies also ensures that the customers are covered in accordance with the most recent, updated terms and conditions, while at the same time reducing the complexity of the product portfolio.

The number of employees in Commercial was reduced from 550 at the beginning of the year to 520 at the end of Q2.

Corporate

Key figures - Corporate	Q2	Q2	H1	H1	
DKKm	2012	2013	2012	2013	2012
Gross premium income	**1,312**	**1,287**	**2,617**	**2,557**	**5,258**
Gross claims	-840	-1,064	-1,869	-1,939	-3,929
Gross expenses	-166	-152	-330	-318	-648
Profit/loss on gross business	306	71	418	300	681
Profit/loss on ceded business	-24	123	5	27	-37
Insurance technical interest, net of reinsurance	2	4	11	5	6
Technical result	**284**	**198**	**434**	**332**	**650**
Run-off gains/losses, net of reinsurance	179	136	275	240	506
Key ratios					
Premium growth in local currency	-1.3	-2.4	-0.2	-3.4	-2.0
Gross claims ratio	64.0	82.7	71.4	75.8	74.7
Net reinsurance ratio	1.8	-9.6	-0.2	-1.1	0.7
Claims ratio, net of reinsurance	65.8	73.1	71.2	74.7	75.4
Gross expense ratio	12.7	11.8	12.6	12.4	12.3
Combined ratio	**78.5**	**84.9**	**83.8**	**87.1**	**87.7**
Combined ratio exclusive of run-off	92.1	95.5	94.3	96.5	97.3
Run-off, net of reinsurance (%)	-13.6	-10.6	-10.5	-9.4	-9.6
Large claims, net of reinsurance (%)	4.3	10.0	2.3	7.7	7.6
Weather claims, net of reinsurance (%)	0.2	0.9	0.7	1.8	0.6

Corporate sells insurance products to corporate customers under the brand 'Tryg' in Denmark and Norway, 'Moderna' in Sweden and 'Tryg Garanti'. Sales are effected both via Tryg Forsikring's own sales force and via insurance brokers. Moreover, customers with international insurance needs are served by Corporate through its cooperation with the AXA Group. The business area accounts for 26 % of the Group's total premium income.

Results for H1 2013

The profit for H1 2013 was DKK 332m (DKK 434m). The lower profit can especially be attributed to the higher large claims level and the lower interest rate level. Adjusted for these effects, the underlying business shows an improvement of 5.1 percentage points based on the profitability measures and claims and cost measures implemented. The combined ratio was 87.1 for H1 (83.8) and can, as mentioned earlier, especially be ascribed to the higher large claims level.

Overall, the results are satisfactory and show that the profitability measures have had a positive impact on profitability. However, there is still a need for improving business to ensure an acceptable return on the capital level which can be attributed to the Corporate area.

Results for Q2 2013

A profit of DKK 198m (DKK 284m) was posted. The lower profit can especially be attributed to a significantly higher level of large claims of DKK 129m (DKK 57m) compared to the same period last year.

The combined ratio was 84.9 (78.5) and is primarily due to the higher level of large claims, but also to the run-off level being lower by 3.0 percentage point as well as to a negative impact of the low interest rate level, which, taken in isolation, increases the combined ratio by 0.6 percentage points relative to the same period last year.

The Danish part of Corporate continues to be affected by the difficult market economy situation in Denmark, which has led to a reduced business volume. The Norwegian market continues to be positively affected by solid domestic growth. The economic situation in Sweden has no major impact on the Corporate portfolio as the portfolio is still in the development phase.

Premiums

Premium income was DKK 1,287m (DKK 1,312m), which represents a reduction of 2.4% in local currencies. In the past few years, Corporate has taken ongoing steps to improve the portfolio's profitability. This, combined with the stiff competition, has resulted in a minor reduction in the portfolio, which is reflected in premium income. Competition remains fierce, and Tryg Forsikring does not want to engage in price competition that is obviously making business unprofitable.

The reduction in premium income took place within the activities involving brokers and the activities handled directly by Tryg Forsikring. However, the largest reduction occurred in the part of the portfolio involving brokers and especially within Norwegian personal injury insurance customers. Customers with direct contact to Tryg Forsikring are experiencing added value in their direct and often long-standing relationship with Tryg Forsikring and Tryg Forsikring's risk advice concept. For some time, Tryg Forsikring has focused on preventing claims by offering access to Tryg Forsikring's engineer corps when formulating risk reports. The risk report gives the customer an insight into and an overview of his risk exposure and helps to prevent claims to the benefit of all parties.

In the Swedish part of the Corporate business, the organic growth was satisfacting, and it was particularly positive that corporate brokers named Moderna the preferred company with a considerable margin to the large established companies. This does not change the fact that the Swedish business continues its controlled growth in selected segments, with a clear focus on profitability in the further expansion of the business. Segmented activities are also being carried out in the Danish and Norwegian part of the portfolio to ensure a profitable increase in the influx of new customers.

Claims

The gross claims ratio stood at 82.7 (64.0), while the claims ratio, net of ceded business, which includes the profit or loss from reinsurance, was 73.1 (65.8). Corporate was affected by a substantially higher large claims level in Q2 representing 10.0 (4.3) percentage points of the claims ratio, net of ceded business. The large claims were especially related to two large claims. Large claims are to be expected in Corporate, and it is important to price insurance based on the comprehensive statistical material that Tryg Forsikring has compiled as a large player in the Corporate market. Furthermore, the run-off level was 3 percentage points lower than in the same period last year, and this, combined with a low interest rate level and a slightly higher weather claims level, resulted in an improvement in the underlying claims level of 3.6 percentage points. The improvement can be ascribed to the effect of the claims measures implemented and the measures taken to improve profitability. These measures are rooted in the risk engineers' company reviews and feedback on the company's various risks and suggestions for claims prevention measures, among other things.

Costs

The expense ratio was 11.8 (12.7), and the improvement can especially be attributed to changed bookkeeping practices relating to fee income of DKK 13m. This change largely corresponds to the improvement in the expense ratio, but there is also a minor reduction in the cost level, which is positive considering the reduction in the portfolio as a whole.

Sweden

Key figures - Sweden

DKKm	Q2 2012	Q2 2013	H1 2012	H1 2013	2012
Gross premium income	**417**	**420**	**778**	**797**	**1,654**
Gross claims	-324	-322	-640	-607	-1,267
Gross expenses	-74	-74	-153	-148	-306
Profit/loss on gross business	19	24	-15	42	81
Profit/loss on ceded business	1	0	-1	1	-3
Insurance technical interest, net of reinsurance	8	4	16	8	24
Technical result	**28**	**28**	**0**	**51**	**102**
Run-off gains/losses, net of reinsurance	-10	0	-18	-11	-29
Key ratios					
Premium growth in local currency	1.7	-4.3	1.9	-2.2	0.7
Gross claims ratio	77.7	76.7	82.3	76.2	76.6
Net reinsurance ratio	-0.2	0.0	0.1	-0.1	0.2
Claims ratio, net of reinsurance	77.5	76.7	82.4	76.1	76.8
Gross expense ratio	17.7	17.6	19.7	18.6	18.5
Combined ratio	**95.2**	**94.3**	**102.1**	**94.7**	**95.3**
Combined ratio exclusive of run-off	92.8	94.3	99.8	93.3	93.5
Run-off, net of reinsurance (%)	2.4	0.0	2.3	1.4	1.8
Weather claims, net of reinsurance (%)	0.0	0.0	1.9	1.9	1.2

Sweden comprises the sale of insurance products to private customers under the 'Moderna' brand. Sales are effected via Tryg Forsikring's own salespeople, call centres and the Internet. This business area accounts for 8% of the Group's total premium income.

Results for H1 2013

The profit for H1 2013 totalled DKK 51m (DKK 0m). The combined ratio was 94.7 in H1 2013 (102.1). The improvement was achieved thanks to the above profitability measures and cost measures.

The results posted by the Swedish business are generally satisfactory and underline the fact that, although the Swedish business is significantly smaller than the Danish and Norwegian business, it is possible to achieve satisfactory results relative to the capital which can be attributed to this business area.

Results for Q2 2013

The profit for Sweden was DKK 28m (DKK 28m). The profit is satisfactory thanks to the many profitability measures implemented in the Swedish business. The niche areas, which comprise insurance, of leisure boats, motorcycles and product insurance once again reported excellent results, and the cost level improved significantly with an expense ratio of 17.6 (17.7), which was important to achieving a combined ratio of 94.3 (95.2).

Premiums

Premium income was DKK 420m (DKK 417m) in Q2 2013, representing a fall of 4.3% in local currencies. The negative premium development as compared to the previously high growth levels can be ascribed to the efforts to improve profitability, which was achieved through profitability measures and reduced growth in unprofitable segments. Naturally, growth was also impacted by the termination of the distribution agreement with Nordea in Sweden, which influenced overall portfolio growth. To ensure the most optimum distribution mix, Tryg Forsikring is establishing its own distribution channel in Malmö and slimming the sales channel in Luleå, Sweden.

Moderna's new bonus programme, Moderna Bonuskund, encouraging customers to concentrate their insurance in one police, was well received by the market. Also, Moderna's contents and motor products have a very high score compared to other companies.

Following the inclusion of the classic cars segment in the car sports/motorcycle niche area, the total number of customers grew within this area, which is positive. The extended warranty product, which is sold to customers buying electronic goods, saw solid growth based on strong revenue in the retail chains Elkjöp and Elgiganten, both cooperating with Moderna.

Claims

The claims ratio for Q2 2013 was 76.7 (77.7), which is a positive development owing to the profitability measures implemented. Moderna is still characterised by high claims handling efficiency with a very large portion of claims being registered and finalised on the same day.

Costs

The expense ratio totalled 17.6 (17.7), representing a marked improvement, which can be ascribed, among other things, to the structural measures implemented within distribution and the integration of IT systems. The IT system integration will reduce the system costs. The integration with Moderna and the originally launched business in Malmö, has made it possible to cut the number of staff by approx. 40, while at the same time establishing own sales channels to replace the distribution partnership with Nordea.

Investment activities

DKKm	Return H1 2012 Total	Return H1 2013 Total	Match	Free	Investment assets 31.12.2012	30.06.2013
Bonds, cash deposits, etc.	828	102	26	76	40,431	39,582
Equities	58	241		241	2,444	2,574
Real estate	132	48		48	2,082	2,059
Total	**1,018**	**391**	**26**	**365**	**44,957**	**44,215**
Value adjustments, changed discount rate	-178	241	241			
Transferred to insurance technical interest	-306	-232	-232			
Total investment return before other financial items	**534**	**400**	**35**	**365**		
Other financial income and expenses, investments*	-34	-16				
Total investment return	**500**	**384**				
Other financial income and expenses, non-investment*	-255	-99				
Total investment	**245**	**285**				

*) The item comprises interest on operating assets and bank debt, exchange rate adjustments of insurance items and costs of investment activities.

Results for H1 2013

In H1 2013, Tryg Forsikring's total investment portfolio yielded a gross return of DKK 391m (DKK 1,018m). After transfers to insurance technical interest, the net investment return totalled DKK 400m (DKK 534m). The bond portfolio as a whole yielded a return of DKK 102m in H1. The match portfolio closed H1 with a mismatch of DKK 35m. The free investment portfolio yielded a total return of DKK 365m in H1, with equities accounting for DKK 241m and the real estate portfolio for DKK 48m.

Other financial income and expenses were negative at DKK 115m in H1 2013. This is attributable, among other things, to Tryg Forsikring's currency hedging of its Swedish and Norwegian subsidiaries as well as expenses relating to Tryg Forsikring's subordinate loans. Furthermore, H1 2012 was affected by the depresiation of DKK 150m of Tryg Forsikring's head office buildings in Denmark.

Capital

Tryg Forsikring calculates its capital requirement under two different capital regimes. One capital regime concerns the statutory capital as defined in the Danish Financial Business Act (Lov om finansiel virksomhed), in which the Danish authorities require active capital management through the quarterly calculation of an individual solvency need. Tryg Forsikring's calculation of its individual solvency need is based on the Group's internal capital model. The other capital regime concerns the future Solvency II, where Tryg Forsikring calculates the capital requirement according to the latest version of the standard model under Solvency II.

Statutory capital

The individual solvency need was DKK 6,486m in H1 2013. This should be seen in light of the capital base, which stood at DKK 10,841m in H1 2013. This entails a surplus cover of DKK 4,355m, corresponding to a buffer of 67% in H1 2013.

Solvency II standard model

The capital requirement under the standard model (SCR) was DKK 8,140m in H1 2013. Own funds were DKK 12,008m in H1 2013, resulting in a surplus cover of DKK 3,868m or a buffer of 48%.

New individual solvency calculation rules

The Danish Financial Supervisory Authority is preparing new individual solvency need calculation rules which are scheduled to take effect on 1 January 2014. The rules are currently undergoing a public hearing, and Tryg Forsikring takes part in this process. There is still considerable uncertainty as to the wording of the final act, but the main aim is to ensure a uniform safety level corresponding to a 99.5% confidence level over a one-year period based on the forthcoming Solvency II standard model. Furthermore, it will be possible to use internal models if it can be demonstrated that these guarantee the same level of confidence as a minimum.

Outlook

Tryg Forsikring has a target of achieving a return on equity of 20% after tax from Q3 2013, corresponding to a combined ratio of 90 or less. The H1 2013 results and further planned efficiency measures show that Tryg Forsikring is well on the way to achieving a stable combined ratio of 90 or less from Q3 2013 and an expense ratio under 15 from 2015.

Statement by the Supervisory Board and the Executive Management

The Supervisory Board and the Executive Management have today considered and adopted the interim report for the first half-year of 2013 of Tryg Forsikring A/S and the Tryg Forsikring Group.

The interim report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 Interim Financial Reporting and the Danish Financial Business Act. The interim report of the parent company has been prepared in accordance with the executive order issued by the Danish FSA on the presentation of financial reports by insurance companies and profession-specific pension funds.

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 June 2013 and of the results of the Group's and the parent company's operations and the cash flows of the Group for the half-year.

Furthermore, in our opinion the Management's report gives a true and fair view of developments in the activities and financial position of the Group and the parent company, the results for the period and of the Group's and the parent company's financial position in general and describes significant risk and uncertainty factors that may affect the Group and the parent company.

Ballerup, 10 July 2013

Executive Management:

Morten Hübbe Group CEO	*Tor Magne Lønnum* Group CFO	*Lars Bonde* Group Executive Vice president

Supervisory Board:

Jørgen Huno Rasmussen Chairman	*Torben Nielsen* Deputy chairman	*Paul Bergqvist*
Vigdis Fossehagen	*Lone Hansen*	*Jesper Hjulmand*
Bill-Owe Johansson	*Ida Sofie Jensen*	*Anya Eskildsen*
Lene Skole	*Tina Snejbjerg*	*Mari Thjømøe*

Accounts Tryg Forsikring Group

Financial highlights

DKKm	H1 2012	H1 2013	FY 2012
Gross premium income	**10,042**	**9,900**	**20,314**
Gross claims	-7,457	-7,173	-14,675
Total insurance operating costs	-1,632	-1,545	-3,295
Profit/loss on gross business	953	1,182	2,344
Profit/loss on ceded business	186	-28	86
Insurance technical interest, net of reinsurance	53	30	62
Technical result	**1,192**	**1,184**	**2,492**
Investment return after insurance technical interest	245	285	593
Other income and costs	3	7	7
Profit/loss before tax	**1,440**	**1,476**	**3,092**
Tax	-367	-356	-855
Profit/loss, continuing business	**1,073**	**1,120**	**2,237**
Profit/loss on discontinued and divested business after tax *	26	-9	28
Profit/loss for the period	**1,099**	**1,111**	**2,265**
Run-off gains/losses, net of reinsurance	583	480	1,015
Statement of financial position			
Total provisions for insurance contracts	36,374	35,149	34,355
Total reinsurers' share of provisions for insurance contracts	2,456	2,420	2,317
Total equity	9,558	10,404	10,872
Total assets	56,441	55,067	54,311
Key ratios			
Gross claims ratio	74.3	72.5	72.2
Net reinsurance ratio	-1.9	0.3	-0.4
Claims ratio, net of reinsurance	72.4	72.8	71.8
Gross expense ratio	16.5	15.8	16.4
Combined ratio	**88.9**	**88.6**	**88.2**
Gross expense ratio without adjustment**	16.3	15.6	16.2
Operating ratio	88.2	88.1	87.8

*The result of Tryg's finnish branch and the marine hull insurance is part of discontinued business.
The finnish branch is sold to If P & C Insurance Company Ltd. (Finland) as at 1 May 2013 . The comparative figures related to the changes are restated accordingly. Result from discontinued and divested business

**The gross expense ratio without adjustment is calculated as the ratio of actual gross insurance operating costs to gross premium income. Other key ratios are calculated in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

The adjustment, which is made pursuant to the Danish Financial Supervisory Authority's and the Danish Society of Financial Analysts' definitions of expense ratio and combined ratio, involves the addition of a calculated expense (rent) in recpect of owner-occupied property based on a calculated market rent and the deduction of actual depreciation and operating costs on owner-occupied property.

Income statement

DKKm		H1 2012	H1 2013	FY 2012
Notes				
	General insurance			
	Gross premiums written	11,851	11,932	20,128
	Ceded insurance premiums	-767	-668	-1,147
	Change in premium provisions	-1,723	-1,874	354
	Change in reinsurers' share of premium provisions	218	110	35
2	**Premium income, net of reinsurance**	**9,579**	**9,500**	**19,370**
3	**Insurance technical interest, net of reinsurance**	**53**	**30**	**62**
	Claims paid	-7,974	-7,150	-15,480
	Reinsurance cover received	574	411	964
	Change in claims provisions	517	-23	805
	Change in the reinsurers' share of claims provisions	109	60	131
4	**Claims, net of reinsurance**	**-6,774**	**-6,702**	**-13,580**
	Bonus and premium discounts	**-86**	**-158**	**-168**
	Acquisition costs	-1,217	-1,156	-2,490
	Administration expenses	-415	-389	-805
	Acquisition costs and administration expenses	-1,632	-1,545	-3,295
	Reinsurance commissions and profit participation from reinsurers	52	59	103
	Insurance operating costs, net of reinsurance	**-1,580**	**-1,486**	**-3,192**
1	**Technical result**	**1,192**	**1,184**	**2,492**
	Investment activities			
	Income from associates	-4	0	6
	Income from investment property	64	57	123
	Interest income and dividends	626	517	1,196
5	Value adjustments	-40	17	-16
	Interest expenses	-49	-49	-100
	Administration expenses in connection with investment activities	-46	-25	-91
	Total investment return	**551**	**517**	**1,118**
3	Return on insurance provisions	-306	-232	-525
	Total Investment return after insurance technical interest	**245**	**285**	**593**
	Other income	54	47	106
	Other costs	-51	-40	-99
	Profit/loss before tax	**1,440**	**1,476**	**3,092**
	Tax	-367	-356	-855
	Profit/loss on continuing business	**1,073**	**1,120**	**2,237**
6	Profit/loss on discontinued and divested business	26	-9	28
	Profit/loss for the period	**1,099**	**1,111**	**2,265**

Statement of comprehensive income

DKKm	H1 2012	H1 2013	FY 2012
Profit/loss for the period	**1,099**	**1,111**	**2,265**
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Revaluation of owner-occupied property	36	8	42
Tax on revaluation of owner-occupied property	-10	0	-12
Actuarial gains/losses on defined-benefit pension plans	-238	70	-62
Tax on actuarial gains/losses on defined-benefit pension plans	68	-20	16
Deferred tax on contingency fund provision	0	0	0
	-144	58	-16
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	98	-168	193
Hedging of currency risk in foreign entities	-84	167	-184
Tax on hedging of currency risk in foreign entities	21	-42	46
	35	-43	55
Total other comprehensive income	-109	15	39
Comprehensive income	**990**	**1,126**	**2,304**

Statement of financial position

DKKm		30.06.2012	30.06.2013	31.12.2012
Notes				
	Assets			
	Intangible assets	**927**	**727**	**759**
	Operating equipment	116	130	138
	Owner-occupied property	1,628	1,412	1,443
	Assets under construction	7	6	11
	Total property, plant and equipment	**1,751**	**1,548**	**1,592**
	Investment property	**2,187**	**2,059**	**2,081**
	Equity investments in associates	10	19	21
	Total investments in associates	**10**	**19**	**21**
	Equity investments	195	197	199
	Unit trust units	2,752	3,525	3,261
	Bonds	40,950	39,645	38,862
	Deposits with credit institutions	1,055	774	949
	Derivative financial instruments	770	324	547
	Total other financial investment assets	**45,722**	**44,465**	**43,818**
	Total investment assets	**47,919**	**46,543**	**45,920**
	Reinsurers' share of premium provisions	414	337	237
	Reinsurers' share of claims provisions	2,042	2,083	2,080
	Total reinsurers' share of provisions for insurance contracts	**2,456**	**2,420**	**2,317**
	Receivables from policyholders	1,799	1,841	1,149
	Total receivables in connection with direct insurance contracts	1,799	1,841	1,149
	Receivables from insurance enterprises	218	185	227
	Receivables from Group undertakings	0	93	1
	Other receivables	379	292	610
	Total receivables	**2,396**	**2,411**	**1,987**
	Current tax assets	15	4	0
	Deferred tax assets	32	9	0
	Cash at bank and in hand	473	1,008	504
7	Assets held for sale	0	0	742
	Other	0	1	0
	Total other assets	**520**	**1,022**	**1,246**
	Interest and rent receivable	310	289	369
	Other prepayments and accrued income	162	107	121
	Total prepayments and accrued income	**472**	**396**	**490**
	Total assets	**56,441**	**55,067**	**54,311**

Statement of financial position

Notes	DKKm	30.06.2012	30.06.2013	31.12.2012
	Equity and liabilities			
	Equity	**9,558**	**10,404**	**10,872**
8	**Subordinated loan capital**	**1,590**	**1,865**	**1,597**
	Premium provisions	8,794	8,305	6,688
	Claims provisions	27,214	26,354	27,242
	Provisions for bonuses and premium discounts	366	490	425
	Total provisions for insurance contracts	**36,374**	**35,149**	**34,355**
	Pensions and similar liabilities	1,241	945	1,102
	Deferred tax liability	1,340	1,312	1,143
	Other provisions	9	48	98
	Total provisions	**2,590**	**2,305**	**2,343**
	Debt relating to direct insurance	387	410	415
	Debt relating to reinsurance	381	308	256
	Amounts owed to credit institutions	52	199	14
	Debt relating to unsettled funds transactions and repos	4,116	2,633	1,470
	Derivative financial instruments	18	26	66
	Debt to Group undertakings	18	0	85
	Current tax liabilities	262	554	676
7	Liabilities associated with assets held for sale	0	0	742
	Other debt	717	772	1,026
	Total debt	**5,951**	**4,902**	**4,750**
	Accruals and deferred income	**378**	**442**	**394**
	Total equity and liabilities	**56,441**	**55,067**	**54,311**
9	**Related parties**			
10	**Accounting policies**			

Statement of changes in equity Group

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
Equity at 31 December 2011	**1,100**	**43**	**101**	**59**	**1,824**	**5,441**	**400**	**8,968**
H1 2012								
Profit/loss for the period					-51	1,150		1,099
Revaluation of owner-occupied property		36						36
Exchange rate adjustment of foreign entities			98					98
Hedging of foreign currency risk in foreign entities			-84					-84
Actuarial gains and losses on pension obligation						-238		-238
Tax on changes in equity		-10	21			68		79
Total comprehensive income	0	26	35	0	-51	980	0	990
Dividend paid							-400	-400
Total changes in equity in H1 2012	**0**	**26**	**35**	**0**	**-51**	**980**	**-400**	**590**
Equity at 30 June 2012	**1,100**	**69**	**136**	**59**	**1,773**	**6,421**	**0**	**9,558**
Equity at 31 December 2011	**1,100**	**43**	**101**	**59**	**1,824**	**5,441**	**400**	**8,968**
2012								
Profit/loss for the year					-40	711	1,594	2,265
Change in equalisation provision				2		-2		0
Revaluation of owner-occupied property		42						42
Exchange rate adjustment of foreign entities			192		-1	2		193
Hedging of foreign currency risk in foreign entities			-184			0		-184
Actuarial gains and losses on pension obligation						-62		-62
Tax on changes in equity		-12	46			16		50
Total comprehensive income	0	30	54	2	-41	665	1,594	2,304
Dividend paid							-400	-400
Total equity entries in 2012	**0**	**30**	**54**	**2**	**-41**	**665**	**1,194**	**1,904**
Equity at 31 December 2012	**1,100**	**73**	**155**	**61**	**1,783**	**6,106**	**1,594**	**10,872**
Equity at 31 December 2012	**1,100**	**73**	**155**	**61**	**1,783**	**6,106**	**1,594**	**10,872**
H1 2013								
Profit/loss for the period					-109	1,220		1,111
Revaluation of owner-occupied property		8						8
Exchange rate adjustment of foreign entities			-168					-168
Hedging of foreign currency risk in foreign entities			167					167
Actuarial gains and losses on pension obligation						70		70
Tax on changes in equity			-42			-20		-62
Total comprehensive income	0	8	-43	0	-109	1,270	0	1,126
Dividend paid							-1,594	-1,594
Total changes in equity in H1 2013	**0**	**8**	**-43**	**0**	**-109**	**1,270**	**-1,594**	**-468**
Equity at 30 June 2013	**1,100**	**81**	**112**	**61**	**1,674**	**7,376**	**0**	**10,404**

Statement of cash flow

DKKm	H1 2012	H1 2013	FY 2012
Cash from operating activities			
Premiums	10,898	11,054	20,200
Claims	-7,373	-7,154	-15,104
Ceded business	110	-80	42
Costs	-1,604	-1,530	-3,094
Change in other debt and other amounts receivable	-171	-576	-94
Cash flow from insurance activities	**1,860**	**1,714**	**1,950**
Interest income	820	614	1,347
Interest expenses	-49	-49	-99
Dividend received	11	10	15
Taxes	-137	-286	-435
Other income and costs	3	7	7
Cash from operating activities, continuing business	**2,508**	**2,010**	**2,785**
Cash from operating activities, discontinued and divested business	-29	60	37
Total cash flow from operating activities	**2,479**	**2,070**	**2,822**
Investments			
Acquisition and refurbishment of real property	0	-5	-53
Sale of real property	95	0	278
Acquisition and sale of equity investments and unit trust units (net)	-229	-137	-563
Purchase/sale of bonds (net)	-1,812	61	-1,897
Deposits with credit institutions	55	136	163
Purchase/sale of operating equipment (net)	-14	4	-54
Hedging of currency risk	-84	166	-184
Investments, continuing business	**-1,989**	**225**	**-2,310**
Investments, discontinued and divested business	**-184**	**-584**	**-74**
Total investments	**-2,173**	**-359**	**-2,384**
Financing			
Exercise of share options/purchase of treasury shares (net)	0	0	0
Subordinated loan capital	0	316	0
Loans, group	-3	-93	0
Dividend paid	-400	-1,594	-400
Change in amounts owed to credit institutions	40	185	3
Financing, continuing business	**-363**	**-1,186**	**-397**
Financing, discontinued and divested business	137	0	58
Total financing	**-226**	**-1,186**	**-339**
Change in cash and cash equivalents, net	**80**	**525**	**99**
Cash and cash equivalents - discontinued and divested business	**-11**	**0**	**-11**
Exchange rate adjustment of cash and cash equivalents, beginning of year	2	-21	14
Change in cash and cash equivalents, gross	**71**	**504**	**102**
Cash and cash equivalents, beginning of year	402	504	402
Cash and cash equivalents, end of period	**473**	**1,008**	**504**

Notes

DKKm

1 **Operating segments**

H1 2013	Private	Commercial	Corporate	Sweden	Other	Group
Gross premium income	**4,747**	**1,807**	**2,557**	**797**	**-8**	**9,900**
Gross claims	-3,358	-1,272	-1,939	-607	3	-7,173
Gross operating expenses	-733	-346	-318	-148	0	-1,545
Profit/loss on ceded business	-61	0	27	1	5	-28
Insurance technical interest, net of reinsurance	14	3	5	8	0	30
Technical result	**609**	**192**	**332**	**51**	**0**	**1,184**
Total Investment return activities after insurance technical interest						285
Other income and costs						7
Profit/loss before tax						**1,476**
Tax						-356
Profit/loss on continuing business						**1,120**
Profit/loss on discontinued and divested business						-9
Profit						**1,111**
Run-off gains/losses, net of reinsurance	180	71	240	-11	0	480
Intangible assets				481	246	727
Equity investments in associates					19	19
Reinsurers' share of premium provisions	43	47	247	0	0	337
Reinsurers' share of claims provisions	201	340	1,480	62	0	2,083
Other assets					51,901	51,901
Total assets						**55,067**
Premium provisions	3,321	1,705	2,322	957	0	8,305
Claims provisions	6,449	6,031	12,269	1,605	0	26,354
Provisions for bonuses and premium discounts	395	19	73	3	0	490
Other liabilities					9,514	9,514
Total liabilities					0	**44,663**

H1 2012	Private	Commercial	Corporate	Sweden	Other	Group
Gross premium income	**4,806**	**1,850**	**2,617**	**778**	**-9**	**10,042**
Gross claims	-3,658	-1,301	-1,869	-640	11	-7,457
Gross operating expenses	-769	-380	-330	-153	0	-1,632
Profit/loss on ceded business	106	78	5	-1	-2	186
Insurance technical interest, net of reinsurance	18	8	11	16	0	53
Technical result	**503**	**255**	**434**	**0**	**0**	**1,192**
Total Investment return activities after insurance technical interest						245
Other income and costs						3
Profit/loss before tax						**1,440**
Tax						-367
Profit/loss on continuing business						**1,073**
Profit/loss on discontinued and divested business					26	26
Profit						**1,099**
Run-off gains/losses, net of reinsurance	209	117	275	-18	0	583
Intangible assets				498	429	927
Equity investments in associates					10	10
Reinsurers' share of premium provisions	42	46	326	0	0	414
Reinsurers' share of claims provisions	247	336	1,389	63	7	2,042
Other assets					53,048	53,048
Total assets						**56,441**
Premium provisions	3,428	1,801	2,359	1,051	155	8,794
Claims provisions	6,321	6,164	12,786	1,441	502	27,214
Provisions for bonuses and premium discounts	246	16	104	0	0	366
Other liabilities					10,509	10,509
Total liabilities						**46,883**

1 **Operating segments**

FY 2012	Private	Commercial	Corporate	Sweden	Other	Group
Gross premium income	**9,733**	**3,687**	**5,258**	**1,654**	**-18**	**20,314**
Gross claims	-7,084	-2,372	-3,929	-1,267	-23	-14,675
Gross operating expenses	-1,524	-748	-648	-306	-69	-3,295
Profit/loss on ceded business	81	32	-37	-3	13	86
Insurance technical interest, net of reinsurance	27	5	6	24	0	62
Technical result	**1,233**	**604**	**650**	**102**	**-97**	**2,492**
Total Investment return activities after insurance technical interest						593
Other income and costs						7
Profit/loss before tax						**3,092**
Tax						-855
Profit/loss on continuing business						**2,237**
Profit/loss on discontinued and divested business					28	28
Profit						**2,265**
Run-off gains/losses, net of reinsurance	326	212	506	-29	0	1,015
Intangible assets				502	257	759
Equity investments in associates					21	21
Reinsurers' share of premium provisions	1	0	236	0		237
Reinsurers' share of claims provisions	249	319	1,448	64		2,080
Assets held for sale					742	742
Other assets					50,472	50,472
Total assets						**54,311**
Premium provisions	2,899	1,397	1,414	978		6,688
Claims provisions	6,479	6,203	13,011	1,549		27,242
Provisions for bonuses and premium discounts	291	32	101		1	425
Liabilities associated with assets held for sale					742	742
Other liabilities					8,342	8,342
Total liabilities						**43,439**

Description of segments

Amounts relating to eliminations, restructuring expenses and discontinued and divested business are included under 'Other'.
Other assets and liabilities are managed at Group level and are therefore not allocated to the individual segments
but are included under 'Other'.
Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.
The operating business segments consist of Private, Commercial,
Corporate and Sweden (Private and commercial). Finland is included under 'Discontinued and divested business'/'Other'.
The comparative figures have been restated accordingly.

NOTES

DKKm		H1 2012	H1 2013	FY 2012
2	**Premium income, net of reinsurance**			
	Direct insurance	10,080	9,962	20,395
	Indirect insurance	36	63	60
		10,116	10,025	20,455
	Unexpired risk provision	12	33	27
		10,128	10,058	20,482
	Ceded direct insurance	-483	-546	-1,051
	Ceded indirect insurance	-66	-12	-61
		9,579	**9,500**	**19,370**
3	**Insurance technical interest, net of reinsurance**			
	Return on insurance provisions	306	232	525
	Discounting transferred from claims provisions	-253	-202	-463
		53	**30**	**62**
4	**Claims, net of reinsurance**			
	Claims	-7,485	-7,478	-14,958
	Run-off previous years, gross	23	305	283
		-7,462	-7,173	-14,675
	Reinsurance cover received	128	296	363
	Run-off previous years, reinsurers' share	560	175	732
		-6,774	**-6,702**	**-13,580**
5	**Value adjustments**			
	Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:			
	Equity investments	2	3	2
	Unit trust units	100	225	378
	Share derivatives	1	-9	-2
	Bonds	82	-195	202
	Interest derivatives	98	-203	263
	Other loans	0	-1	0
		283	-180	843
	Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:			
	Investment property	68	0	82
	Owner-occupied property	-150	0	-350
	Discounting	-178	241	-475
	Other statement of financial position items	-63	-44	-116
		-323	197	-859
		-40	**17**	**-16**
	Value gains	369	563	1,001
	Value losses	-409	-546	-1,017
	Value adjustments, net	**-40**	**17**	**-16**
6	**Profit/loss on discontinued and divested business**			
	Gross premium income	309	203	611
	Gross claims	-229	-157	-484
	Total insurance operating costs	-74	-54	-244
	Profit/loss on gross business	6	-8	-117
	Profit/loss on ceded business	3	0	-4
	Insurance technical interest, net of reinsurance	0	1	4
	Technical result	9	-7	-117
	Total investment return after insurance technical interest	17	0	32
	Other income and costs	0	0	113
	Profit/loss before tax	26	-7	28
	Tax	0	-2	0
	Profit/loss on discontinued and divested business	**26**	**-9**	**28**
	Run-off regarding discontinued Marine Hull insurance	-1	6	1
	Divested finnish branch	27	-15	27

The 6. November 2012 Tryg Forsikring a/s entered into an agreement on sale of the Finnish branch, which was responsible for the Group's activities in Finland. The sale is concluded with effect from 1 May 2013, after which control of the activity in question is transferred to the buyer.

		30.06.2012	30.06.2013	31.12.2012
7	**Assets held for sale and associated liabilities**			
	Intangible assets	0	0	112
	Property, plant and equipment	0	0	2
	Investment assets and cash and cash equivalents	0	0	603
	Reinsurers' share of premium provisions	0	0	0
	Reinsurers' share of claims provisions	0	0	7
	Receivables	0	0	18
	Assets held for sale	0	0	742
	Premium provisions	0	0	125
	Claims provisions	0	0	540
	Other debt	0	0	77
	Liabilities associated with assets held for sale	0	0	742
	Net assets held for sale	0	0	0

In the balance sheets as of 31 December 2012 assets and liabilities related to the sale of the Finnish branch are classified as 'Assets held for sale' and 'Liabilities related to assets held for sale' The proceeds from the sale are equal to the carrying amount of the related assets and liabilities.
The activity did not meet the conditions for classification as assets and liabilities held for sale as of 30 June 2012.
The group had no other assets and liabilities held for sale as of 30 June 2012.
The profit is unchanged in relation to the assessment per 30.09.2012

The activity which comprised assets and liabilities held for sale and constituted the Group's activities in Finland was definitively disposed of on 1 May 2013. The sale can be specified as follows:

Intangible assets	112
Property, plant and equipment	1
Investment assets, cash and cash equivalents	696
Reinsurers' share of claims provisions	3
Receivables	48
Premium provisions	168
Claims provisions	565
Other debt	15
Bookvalue of net assets sold	112
Total consideration	112

8 **Subordinated loan capital**

In March 2013 Tryg Forsikring A/S issued a subordinated bond loan of NOK 800m. At the same time a subordinated loan of EUR 65m from TryghedsGruppen was called in for repayment.

Lender	Listed bonds
Principal	NOK 800m
Issue price	100
Issue date	March 2013
Maturity year	Perpetual
Loan may be called by lender as from	2023
Repayment profile	Interest-only
Interest structure	3.75 % above NIBOR 3M (until 2023)
	4.75 % above NIBOR 3M (from 2023)

9 **Related parties**

In H1 2013 Tryg Forsikring A/S paid Tryg A/S DKK 1.594m in dividends
(in H1 2012 Tryg Forsikring A/S paid Tryg A/S DKK 400m in dividends).
In H1 2013 Tryg Garantiforsikring A/S and Vesta Eiendom AS paid DKK 50m and DKK 59m in dividends
(In 2012 Tryg Garantiforsikring A/S and Vesta Eiendom AS paid DKK 0m and DKK 178m in dividends).
Ref. Note 8 a subordinated loan from TryghedsGruppen smba was called in for repayment.
There have been no other material transactions with related parties.

10 **Accounting policies**

Tryg Forsikring's half-year 2013 report is presented in accordance with IAS 34 Interim Financial Reporting and the financial reporting Financial Business Act.

The interim report of the parent company has been prepared in accordance with the executive order issued by the Danish FSA on the presentation of financial reports by insurance companies and profession-specific pension funds. The application of IAS 34 means that the report is limited relative to the presentation of a full annual report and that the valuation principles are in accordance with International Financial Reporting Standards (IFRS).

From 1 January 2013 the Group implemented the following standards:
- Amendments to IFRS 7 'Financial Instruments: Disclosure - Offsetting of asets and liabilities'
- Amendments to IAS 12 'Deferred Tax - Recovery of underlying Assets'
- IFRS 13 'Fair Value Measurement'
- Amendments to IAS 1 'Presentation of items of other Comprehensive Income'
- Amendments to IAS 1 'Annual Improvemnets 2009-2011 Cycle (comparative information)'
- Amendments to IAS 16 'Annual Improvements 2009-2011 cycle (Servicing equipment)'
- IAS 19 (as revised in 2011) 'Employee Benefits'
- IAS 27 (as revised in 2011) 'Separate Financial Statements'
- IAS 28 (as revised in 2011) 'Investments in Associates and Joint Ventures'
- Amendments to IAS 32 'Annual Improvements 2009-2011 Cycle (tax effect of equity distribution)'

The implementation of the new standards has not significantly affected recognition and measurement in 2013.

Apart from this, the accounting policies are unchanged from the annual report 2012. The annual report 2012 contains the full description of the accounting policies.

Changes in accounting estimates

The calculation of insurance technical interest was changed with effect from Q2 2013. Insurance technical interest is subsequently calculated based on the monthly average provision plus interest under the present yield curve for each individual group of risks taking into account the provisions' expected run-off pattern. A co-weighted interest from the present yield curve was previously used for each individual group of risks.

The change does not affect the net profit for the year as it concerns a redistribution between the technical result and the investment return net of insurance technical interest. The change is estimated to have increased the insurance technical result by as much as DKK 12m, , with the investment return being reduced by the same amount.

Change in the estimated tax percentage from 25% to 24 % in Q2 2013 is due to change in tax free share gains in Norway and the reduction in the tax percentage in Denmark in the coming years.

Accounts Tryg Forsikring A/S (parent company)

Income statement

DKKm		H1 2012	H1 2013	FY 2012
Notes				
	General insurance			
	Gross premiums written	11,716	11,781	19,845
	Ceded insurance premiums	-687	-571	-980
	Change in premium provisions	-1,717	-1,876	358
	Change in reinsurers' share of premium provisions	212	112	33
	Premium income, net of reinsurance	**9,524**	**9,446**	**19,256**
	Insurance technical interest, net of reinsurance	**51**	**28**	**59**
	Claims paid	-7,945	-7,102	-15,427
	Reinsurance cover received	574	390	958
	Change in claims provisions	528	136	948
	Change in the reinsurers' share of claims provisions	96	-88	52
	Claims, net of reinsurance	**-6,747**	**-6,664**	**-13,469**
	Bonus and premium discounts	**-86**	**-159**	**-168**
	Acquisition costs	-1,264	-1,182	-2,543
	Administration expenses	-383	-386	-777
	Acquisition costs and administration expenses	-1,647	-1,568	-3,320
	Reinsurance commissions and profit participation from reinsurers	22	24	35
	Insurance operating costs, net of reinsurance	**-1,625**	**-1,544**	**-3,285**
	Technical result	**1,117**	**1,107**	**2,393**
	Investment activities			
	Income from Group undertakings	-11	76	-224
	Income from associates	-3	0	6
	Income from investment property	37	33	72
	Interest income and dividends	618	509	1,180
	Value adjustments	79	22	311
	Interest expenses	-49	-49	-100
	Administration expenses in connection with investment activities	-44	-24	-90
	Total investment return	**627**	**567**	**1,155**
	Return on insurance provisions	-305	-231	-523
	Total Investment return after insurance technical interest	**322**	**336**	**632**
	Other income	54	48	105
	Other costs	-51	-40	-99
	Profit/loss before tax	**1,442**	**1,451**	**3,031**
	Tax	-368	-331	-794
	Profit/loss on continuing business	**1,074**	**1,120**	**2,237**
1	Profit/loss on discontinued and divested business	26	-9	28
	Profit/loss for the period	**1,100**	**1,111**	**2,265**

STATEMENT OF COMPREHENSIVE INCOME

DKKm			
Profit/loss for the period	**1,100**	**1,111**	**2,265**
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Revaluation of owner-occupied property	36	8	42
Tax on revaluation of owner-occupied property	-10	0	-12
Actuarial gains/losses on defined-benefit pension plans	-238	70	-62
Tax on actuarial gains/losses on defined-benefit pension plans	67	-20	16
	-145	58	-16
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	98	-168	193
Hedging of currency risk in foreign entities	-84	167	-184
Tax on hedging of currency risk in foreign entities	21	-42	46
	35	**-43**	**55**
Total other comprehensive income	**-110**	**15**	**39**
Comprehensive income	**990**	**1,126**	**2,304**

Statement of financial position

Notes	DKKm	H1 2012	H1 2013	FY 2012
	Assets			
	Intangible assets	**923**	**725**	**756**
	Operating equipment	116	130	138
	Total property, plant and equipment	**116**	**130**	**138**
	Investment property	**1,361**	**1,229**	**1,248**
	Investments in Group undertakings	2,881	2,600	2,687
	Equity investments in associates	10	19	21
	Total investments in Group undertakings and associates	**2,891**	**2,619**	**2,708**
	Equity investments	195	197	199
	Unit trust units	2,752	3,525	3,261
	Bonds	40,289	38,913	38,134
	Deposits with credit institutions	1,055	774	949
	Derivative financial instruments	770	324	546
	Total other financial investment assets	**45,061**	**43,733**	**43,089**
	Total investment assets	**49,313**	**47,581**	**47,045**
	Reinsurers' share of premium provisions	396	323	223
	Reinsurers' share of claims provisions	1,905	1,752	1,893
	Total reinsurers' share of provisions for insurance contracts	**2,301**	**2,075**	**2,116**
	Receivables from policyholders	1,793	1,816	1,144
	Total receivables in connection with direct insurance contracts	1,793	1,816	1,144
	Receivables from insurance enterprises	218	184	226
	Receivables from Group undertakings	117	185	105
	Other receivables	323	283	606
	Total receivables	**2,451**	**2,468**	**2,081**
	Deferred tax assets	31	0	0
	Cash at bank and in hand	428	968	431
2	Assets held for sale	0	0	742
	Total other assets	**459**	**968**	**1,173**
	Interest and rent receivable	305	283	357
	Other prepayments and accrued income	162	107	121
	Total prepayments and accrued income	**467**	**390**	**478**
	Total assets	**56,030**	**54,337**	**53,787**

Statement of financial position

Notes	DKKm	H1 2012	H1 2013	FY 2012
	Equity and liabilities			
	Share capital	1,100	1,100	1,100
	Revaluation reserves	69	81	73
	Revaluation equity metode	381	356	410
	Equalisation reserves	61	61	61
	Other reserve	1,771	1,674	1,783
	Total reserves	2,213	2,091	2,254
	Retained earnings	6,193	7,149	5,868
	Proposed dividend	0	0	1,594
	Shareholders' equity	**9,575**	**10,421**	**10,889**
3	**Subordinated loan capital**	**1,590**	**1,865**	**1,597**
	Premium provisions	8,762	8,277	6,660
	Claims provisions	26,929	25,804	26,842
	Provisions for bonuses and premium discounts	366	490	424
	Total provisions for insurance contracts	**36,057**	**34,571**	**33,926**
	Pensions and similar liabilities	1,240	945	1,102
	Deferred tax liability	1,164	1,102	957
	Other provisions	9	48	98
	Total provisions	**2,413**	**2,095**	**2,157**
	Debt relating to direct insurance	387	409	415
	Debt relating to reinsurance	363	283	234
	Amounts owed to credit institutions	52	193	14
	Debt relating to unsettled funds transactions and repos	4,115	2,633	1,429
	Derivative financial instruments	18	24	66
	Debt to Group undertakings	134	126	283
	Current tax liabilities	260	538	655
2	Liabilities associated with assets held for sale	0	0	742
	Other debt	690	740	991
	Total debt	**6,019**	**4,946**	**4,829**
	Accruals and deferred income	**376**	**439**	**389**
	Total equity and liabilities	**56,030**	**54,337**	**53,787**

4 **Related parties**
5 **Reconciliation of differences in the Profit/loss and the shareholders equity**
6 **Accounting policies**
7 **Financial highlights**

Notes

1 **Profit/loss on discontinued and divested business**
Please refer to the Note 6 "Profit/loss on discontinued and divested business" in Tryg Forsikring Group

2 **Assets held for sale and associated liabilities**
Please refer to the Note 7 "Assets held for sale and associated liabilities" in Tryg Forsikring Group

3 **Subordinated loan capital**
Please refer to the Note 8 "Subordinated loan capital" in Tryg Forsikring Group

4 **Related parties**
Please refer to the Note 9 "Related parties" in Tryg Forsikring Group

5 **Reconciliation of differences in the profit and the shareholders equity**
The executive order on application of international financial reporting standards for companies subject to the Danish Financial Business Act issued by the Danish FSA requires disclosure of differences between the format of the annual report under international financial reporting standards and the rules issued by the Danish FSA. The following is a reconciliation of differences in the profit and equity.

Profit reconciliation	**H1 2012**	**H1 2013**	**FY 2012**
Profit - IFRS	1,100	1,111	2,265
Profit - Danish FSA executive order	**1,100**	**1,111**	**2,265**
Equity reconciliation			
Shareholders' equity - IFRS	9,558	10,404	10,872
Deferred tax provisions for contingency funds	17	17	17
Equity - Danish FSA executive order	**9,575**	**10,421**	**10,889**

6 **Accounting policies**
Please refer to the Note 10 "Accounting policies" in Tryg Forsikring Group.

7 **Financial highlights**
Please refer to next page

Financial highlights and key ratios of Tryg Forsikring A/S (Parent company)

DKKm	H1 2012	H1 2013	FY 2012
Gross premium income	**9,913**	**9,746**	**20,035**
Gross claims	-7,417	-6,966	-14,479
Total insurance operating costs	-1,647	-1,568	-3,320
Profit/loss on gross business	849	1,212	2,236
Profit/loss on ceded business	217	-133	98
Insurance technical interest, net of reinsurance	51	28	59
Technical result	**1,117**	**1,107**	**2,393**
Investment return after insurance technical interest	322	336	632
Other income	54	48	105
Other costs	-51	-40	-99
Profit/loss before tax	**1,442**	**1,451**	**3,031**
Tax	-368	-331	-794
Profit/loss, continuing business	**1,074**	**1,120**	**2,237**
Profit/loss on discontinued and divested business after tax *	26	-9	28
Profit/loss for the period	**1,100**	**1,111**	**2,265**
Run-off gains/losses, net of reinsurance	580	479	1,010
Statement of financial position			
Total provisions for insurance contracts	36,057	34,571	33,926
Total reinsurers' share of provisions for insurance contracts	2,301	2,075	2,116
Total equity	9,575	10,421	10,889
Total assets	56,030	54,337	53,787
Key ratios			
Gross claims ratio	74.8	71.5	72.3
Net reinsurance ratio	-2.2	1.4	-0.5
Claims ratio, net of reinsurance	72.6	72.9	71.8
Gross expense ratio	16.6	16.1	16.6
Combined ratio	**89.2**	**89.0**	**88.4**
Other data			
Return on equity after tax and discontinued and divested business (%)	23.7	20.9	22.8

*The result of Tryg Forsikring's finnish branch and the marine hull insurance is part of discontinued business. The finnish branch is sold to If P & C Insurance Company Ltd. (Finland) as at 1 May 2013 . The comparative figures related to the changes are restated accordingly. Result from discontinued and divested business

Disclaimer

Certain statements in this annual report are based on the beliefs of our management as well as assumptions made by and information currently available to the management. Such statements may constitute forward-looking statements. These 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,” “would,” “could,” “continues” or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this annual report, 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.

Tryg Forsikring urges readers to refer to the section on risk management available on the Group’s website for a description of some of the factors that could affect the company’s future performance and the industry in which it operates.

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