

A photograph of several small boats on a sandy beach. In the foreground, a red boat is partially visible, with a white boat above it. In the background, a yellow boat is on a trailer. The sea and a rocky breakwater are visible in the distance. Two people are walking on the beach. Tall grasses are in the foreground.

Interim report Q1 2018

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Teleconference

Tryg is hosting a teleconference on 11 April 2018 at 10.00 CET. View the audio webcast at tryg.com. Financial analysts and investors may participate on tel. +44 (0) 203 194 0545 or +45 35 44 55 83, where questions can be asked. The teleconference will be held in English and can subsequently be viewed at tryg.com.

Highlights

Premium growth of 2.2% in local currencies, technical result of DKK 563m and investment income of DKK 9m. Profit before tax of DKK 553m. Quarterly dividend of DKK 1.65 per share supporting TryghedsGruppen's 8% member bonus. Solvency ratio of 283 or 197 when adjusted for the capital raised for the acquisition of Alka. As previously communicated, Tryg expects a solvency ratio of approximately 170 when the Alka acquisition is finalised.

Financial highlights Q1 2018

- Premium growth of 2.2% (1.6%) in local currencies
- Technical result of DKK 563m (DKK 568m) driven by a combined ratio of 87.1
- Underlying claims ratio (Private and Group) improved by 0.5% and 0.4%
- Expense ratio of 14.0 (14.4)
- Investment return of DKK 9m (DKK 223m)
- Profit before tax of DKK 553m (DKK 779m)
- Q1 dividend of DKK 1.65 per share and solvency ratio of 283

Customer highlights Q1 2018

- TNPS of 62 (57)
- Number of products per customer 3.6 (3.4)
- For the third year running, TryghedsGruppen's Board of Representatives decided to pay out a bonus of 8% to its members in 2018

2020 targets



Earnings^{a)}

Technical result
DKK 3.3bn

Combined ratio
≤86

Expense ratio
~14

RoE
≥21



Customers

TNPS
70

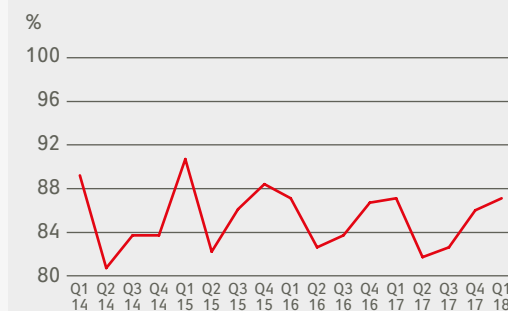
Number of products
per customer
+10%

a) The targets are conditional upon the authorities' approval of the Alka acquisition.

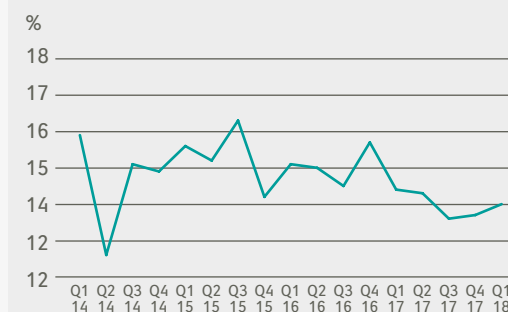
Income overview

DKKm	Q1 2018	Q1 2017	2017
Gross premium income	4,420	4,458	17,963
Gross claims	-3,069	-3,025	-11,865
Total insurance operating costs	-620	-643	-2,516
Profit/loss on gross business	731	790	3,582
Profit/loss on ceded business	-165	-221	-779
Insurance technical interest, net of reinsurance	-3	-1	-14
Technical result	563	568	2,789
Investment return after insurance technical interest	9	223	527
Other income and costs	-19	-12	-77
Profit/loss before tax	553	779	3,239
Tax	-127	-171	-720
Profit/loss on continuing business	426	608	2,519
Profit/loss on discontinued and divested business after tax	0	-3	-2
Profit/loss	426	605	2,517
Run-off gains/losses, net of reinsurance	293	286	972
Key figures			
Total equity	11,582	8,110	12,616
Return on equity after tax (%)	13.4	25.8	28.8
Number of shares, end of period (1,000)	302,102	274,604	301,945
Earnings per share	1.41	2.20	9.12
Ordinary dividend per share (DKK)	1.65	1.60	6.40
Extraordinary dividend per share (DKK)	0.00	0.00	3.31
Premium growth in local currencies	2.2	1.6	1.7
Gross claims ratio	69.4	67.9	66.1
Net reinsurance ratio	3.7	5.0	4.3
Claims ratio, net of reinsurance	73.1	72.9	70.4
Gross expense ratio	14.0	14.4	14.0
Combined ratio	87.1	87.3	84.4
Run-off, net of reinsurance (%)	-6.6	-6.4	-5.4
Large claims, net of reinsurance (%)	1.0	1.1	1.4
Weather claims, net of reinsurance (%)	3.3	2.3	1.7
Combined ratio on business areas			
Private	88.6	87.9	82.1
Commercial	82.0	81.0	82.6
Corporate	87.4	91.7	90.0
Sweden	93.5	88.1	88.1

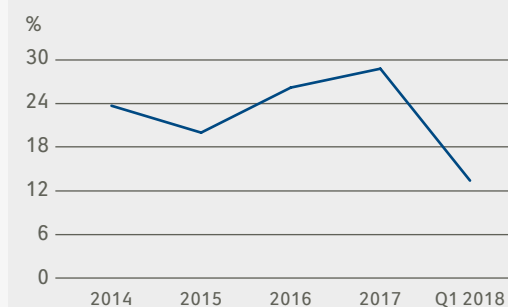
Combined ratio



Expense ratio



Return on equity



Tryg's results

Tryg reported a technical result of DKK 563m (DKK 568m) impacted by a DKK 44m increase in weather claim levels compared with the prior-year period. The underlying claims ratio for both Private and the Group improved by 0.5% and 0.4%. The combined ratio was 87.1 (87.3). The investment return was DKK 9m (DKK 223m) as equity markets posted significantly reduced returns, while rising interest rates impacted the free portfolio. Tryg will pay out a quarterly dividend of DKK 1.65 per share based on aggregate results, Tryg's dividend policy and a solvency ratio of 197 adjusted for the capital raised for the Alka acquisition.

Results

Premium growth was 2.2% in local currencies, while highly negative exchange rate movements (NOK/DKK and SEK/DKK) impacted the reported figures. The combined ratio was 87.1 (87.3). Weather claims were DKK 44m higher compared with Q1 2017, while the run-off result was virtually flat. The Private underlying claims ratio, adjusted for weather claims and large claims, run-off and discount rate (to discount the claims provisions), was 0.5% better than in Q1 2017, showing that profitability is improving. The Group's underlying claims ratio improved by 0.4% compared with Q1 2017, whereas profitability in Corporate remains under pressure. Tryg is actively reducing exposure to unprofitable segments and still expects an improved underlying claims ratio for the full year 2018.

The investment return totalled DKK 9m against DKK 223m for the prior-year period. Returns on the free portfolio were vastly different in the two quarters. The MSCI equity index saw a drop of approximately 2% in Q1 2018 against an increase of approximately 5% in Q1 2017. Also, fixed-income returns were dampened by rising interest rates. The match portfolio produced good returns, but lower than Q1 2017. Overall, it is important to note that investment income was extremely high in the

same period in 2017 as all risky assets (equities, emerging-market debt and high-yield) produced strong returns in that period. Tryg continues to pursue a low-risk investment strategy, and asset allocation remained broadly unchanged in the period.

The Transactional Net Promoter Score (TNPS) improved from 57 in Q1 2017 to 62 in Q1 2018 – a positive development driven by Tryg's strong customer focus. The number of products per customer increased by 0.2% in Q1 2018.

For the third consecutive year, TryghedsGruppen, Tryg's majority shareholder, announced a member bonus for 2018 of DKK 750m, equivalent to 8% of premiums paid for 2017. The bonus should be seen in conjunction with Tryg's dividend, and will be paid to Tryg's Danish customers on 12 June 2018. The awareness of the member bonus continues to increase.

Premiums

Gross premium income totalled DKK 4,420m (DKK 4,458m), corresponding to growth of 2.2% in local currencies. Private led the way with growth of 3.8%, and Private Denmark was up by more than 7%, helped by the inclusion of the FDM portfolio. The growth rate exclusive of FDM

would have been roughly half of the reported level. Growth in Private Norway was virtually flat in local currencies, showing an improvement which is in line with expectations. Commercial was up 1.0% in local currencies with the Danish part of Commercial more or less unchanged, while Commercial Norway showed some growth of 3.5%, driven partly by the OBOS acquisition. For Private and Commercial in both Denmark and Norway, we saw a positive development in retention rates. Premium income in Corporate was up 0.8% with Corporate Denmark up 2.9%, while Corporate Norway was down 4.7%, reflecting price initiatives introduced to improve profitability. Sweden was up just below 2%, driven primarily by consistent growth in the pet insurance segment.

Claims

The claims ratio, net of ceded business, was 73.1 (72.9). The Private underlying claims ratio, exclusive of run-offs, large claims, weather claims

and discounting, was 75.0, some 0.5% better than the same quarter in 2017. The Group's underlying claims ratio was 76.6, some 0.4% better than the prior-year quarter. To meet the financial targets for 2020, Tryg expects an improvement in the underlying claims ratio going forward.

In Scandinavia, the winter weather has been worse than last year, but still better than a normal winter characterised by seasonal storms. Weather claims were DKK 44m higher and accounted for 3.3% (2.3%) of the claims ratio, which remains below normal expectations for the quarter. In Denmark, the level of pipe claims was four times higher compared to Q1 2017, and western Norway registered the lowest temperature for the past 30 years. Large claims weighed negatively by 1.0% (1.1%). The level of large claims was also lower compared to an average quarter. Tryg's assumptions for the year are based on DKK 500m for weather claims and DKK 550m for large claims.

Customer targets

	Q1 2018	Q1 2017	Target 2020
Transactional Net Promoter Score (TNPS)	62	57	70
Products per customer (%)	3.6	3.4	4 (+10%)



Tryg will pay a quarterly dividend of DKK 1.65 per share on 16 April 2018.

Expenses

The expense ratio was 14.0 (14.4). At its most recent CMD, Tryg announced an expense ratio target for 2020 of around 14 as IT investments and an increase in employee numbers (especially in the short term) will be broadly offset by continuous efficiency improvements, driven primarily by lower distribution costs.

Investment return

Investment income was DKK 9m (DKK 223m) in a quarter characterised by highly volatile equity markets and rising interest rates. These events impacted returns on our free portfolio, for both equities and fixed-income investments. Tryg's equity portfolio returned almost 6% in Q1 2017 against -0.8% in Q1 2018. This swing alone explains a delta in Tryg's investment income of more than DKK 140m. The free portfolio posted a result of DKK 54m (DKK 212m), boosted by a revaluation of certain properties by DKK 80m, while the match portfolio posted a positive result, although significantly below the prior-year quarter, DKK 30m against DKK 98m. The yield difference between Danish and Euro swap rates decreased, and Nordic covered-bond spreads narrowed against the swap curve, helping the overall match portfolio result.

Profit before and after tax

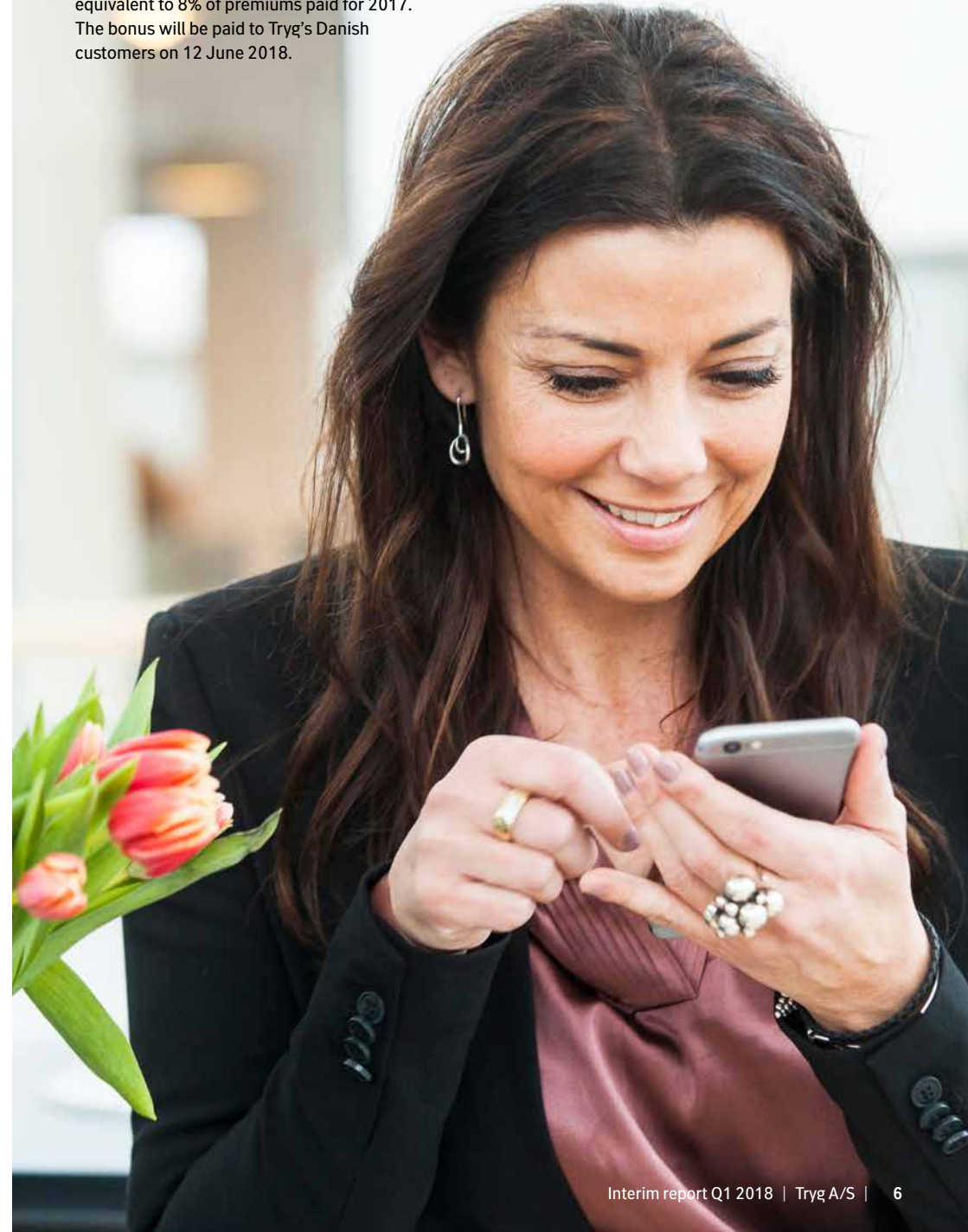
The profit before tax was DKK 553m (DKK 779m), while the profit after tax and discontinued activities was DKK 426m (DKK 605m). The overall tax bill was DKK 127m (DKK 171m), equating to a tax rate of 23.

Dividend and capital

Tryg will pay a quarterly dividend of DKK 1.65 per share or DKK 499m in all. The dividend is supported by our aggregate results, our ambition to grow the annual nominal dividend and a strong solvency ratio of 283 (197 when adjusted for the capital increase to fund the Alka acquisition).

The solvency capital requirement (SCR) declined slightly in the period, driven primarily by a lower market risk capital charge, while own funds declined slightly, driven by difference between the reported net profit and dividend. Recent industry recommendations by the European Insurance and Occupational Pensions Authority (EIOPA) on changes to the standard formula used to calculate solvency capital requirements. The changes focused on a new calibration to allow for negative interest rate shocks and the loss-absorbing capacity of deferred tax items. These proposed changes have little to no impact on Tryg.

For the third year running, TryghedsGruppen, Tryg's majority shareholder, announced a member bonus for 2018 of DKK 750m, equivalent to 8% of premiums paid for 2017. The bonus will be paid to Tryg's Danish customers on 12 June 2018.



Business initiatives

Integration of acquired portfolios

As announced, FDM Forsikring was integrated into Tryg's Danish Private business from 1 January 2018. Tryg sees considerable potential for selling insurance products to FDM's 235,000 members. By Q1 2018, Tryg's products are being sold to 20,000 customers. As part of Tryg's strategy, digital solutions have been developed for FDM members.

Tryg's Norwegian Private business has started the gradual integration of OBOS Forsikring, which is progressing according to plan and also with a high level of sales to OBOS members, which was an important strategic rationale behind the acquisition.

Acquisition of Troll Forsikring

In February 2018, Tryg announced the acquisition of Troll Forsikring. In March, nearly all the shareholders had accepted Tryg's offer. Troll Forsikring has a portfolio of NOK 120m and 12,000 private customers. The purchase price was NOK 72m, including a year-end 2017 equity of NOK 44m and a tax asset of NOK 40m, and therefore Tryg does not expect to book any goodwill. The acquisition has been approved by the authorities, and the business is expected to be integrated from Q2 2018.

Tryg Alarm part of contents insurance

In November 2017, Private Denmark launched a contents insurance product which includes Tryg Alarm as part of the package concept. This is an example of how claims prevention is integrated into insurance products. More than 40% of customers who were offered the Alarm concept have accepted. Tryg plans to launch the alarm concept for partner customers as well. It is important for Tryg to help customers prevent claims from happening, and more claims prevention products/services will therefore be incorporated into our products in future.

Smart Flex car insurance in Sweden

Very good results have been realised for Tryg's innovative Smart Flex insurance solutions for private customers in Sweden. The price of the insurance is based on the customer's driving behaviour, and one year after launching the insurance concept, we are seeing significantly improved driving behaviour among customers.

Sharing economy

Tryg remains focused on offering new innovative insurance solutions designed to make it easier to be a customer, to strengthen our core business

and to create new revenue streams. Our agreement with GoMore, the largest sharing-economy med binstreg platform for car sharing and ride sharing in the Nordics, is the 25th platform for which Tryg has tailored an insurance solution. Tryg is now the largest supplier of insurance solutions for sharing-economy solutions in the Nordics.

Digitalisation

Tryg's digital and online universe is undergoing constant development, and far more customers have started using our digital solutions. In Q1, an important tipping point was reached as a majority of customers (52%) are now using our self-service solutions. Tryg's digital insurance overview 'My page' introduced several improvements in Q1, and the number of logins increased by 34% for Private customers in Denmark and Norway compared to Q1 2017.

Private Denmark also launched a claims track-and-trace feature, which means that customers are now able to follow the processing of claims online, which supports a positive claims experience.

Digital solutions for hairdressers in Denmark

In Q1, Tryg developed an online sales solution for hairdressers in Denmark. The insurance has been developed in cooperation with Hair Magazine. The basic insurance covers workers' compensation, liability, fire, business interruption etc. and thus qualifies as a package concept for commercial customers. Tryg will continue to develop similar solutions for other commercial areas.

Status on ALKA acquisition

Alka's Q4/FY 2017 results were published on 6 March and were in line with expectations. The FSA approved the acquisition in mid-March, while approval by the competition authorities is pending.

New Chairman of Supervisory Board

At Tryg's annual general meeting, deputy chairman Jukka Pertola was appointed chairman, succeeding TryghedsGruppen's chairman Jørgen Huno Rasmussen. The chairman seat is now filled by an independent board member.

Private

Results

Private posted a technical result of DKK 253m (DKK 268m) and a combined ratio of 88.6 (87.9). The results were affected by a positive underlying improvement in the claims ratio, but also by a higher level of weather claims compared with Q1 2017, which saw very benign weather.

Premiums

Gross premium income rose by 3.8% (0.6%) when measured in local currencies. The positive development continued in the Danish part of Private with premium growth of more than 7% following the FDM acquisition and consistently high sales levels as well as high retention levels supported by TryghedsGruppen's member bonus payment. Growth in Private Norway was virtually flat in local currencies despite a more than 12% decline in sales of new cars in Q1 2018.

The retention rate developed very positively and was 90.5 (89.8) for the Danish part of the business. In Norway, we also saw a positive development where the retention rate was 86.3 (86.1).

Claims

The claims ratio, net of ceded business, was 74.6(73.7) and was influenced by a higher level of weather claims and a lower level of run-off gains of 3.8 (4.5). The underlying claims level improved by 0.5 percentage points. The primary reasons for the improved development compared to previous quarters were the impact of claims prevention initiatives and pricing adjustments.

Expenses

The expense ratio for Private was 14.0 (14.2), which was supported by an effective distribution to FDM and OBOS customers. The number of employees totalled 1,003 at the end of the quarter against 1,000 at the end of 2017, reflecting a more or less unchanged level.

Private encompasses the sale of insurance products to private individuals in Denmark and Norway. Sales are effected via call centres, the Internet, Tryg's own agents, franchisees (Norway), interest organisations, car dealers, estate agents and Nordea branches.

The business area accounts for 49% of the Group's total premium income.

Financial highlights Q1 2018

Technical result
DKK 253m
(DKK 268m)

Combined ratio
88.6
(87.9)

Premium growth
(local currencies)
3.8%
(0.6%)

Key figures – Private

DKKm	Q1 2018	Q1 2017	2017
Gross premium income	2,221	2,206	8,798
Gross claims	-1,608	-1,583	-5,807
Gross expenses	-311	-313	-1,208
Profit/loss on gross business	302	310	1,783
Profit/loss on ceded business	-48	-43	-211
Insurance technical interest, net of reinsurance	-1	1	-7
Technical result	253	268	1,565
Run-off gains/losses, net of reinsurance	84	99	306
Key ratios			
Premium growth in local currency (%)	3.8	0.6	1.1
Gross claims ratio	72.4	71.8	66.0
Net reinsurance ratio	2.2	1.9	2.4
Claims ratio, net of reinsurance	74.6	73.7	68.4
Gross expense ratio	14.0	14.2	13.7
Combined ratio	88.6	87.9	82.1
Combined ratio exclusive of run-off	92.4	92.4	85.6
Run-off, net of reinsurance (%)	-3.8	-4.5	-3.5
Weather claims, net of reinsurance (%)	3.9	3.0	1.9

Commercial

Results

Commercial posted a technical result of DKK 171m (DKK 183m) and a combined ratio of 82.0 (81.0). The results are impacted by a higher level of weather claims and lower run-offs.

Premiums

Gross premium income totalled DKK 955m (DKK 965m), which represents a 1.0% increase when measured in local currencies. The Danish part of Commercial reported a growth of 0.1%, which reflects the fact that we are approaching an improved balance between sales and churn. In Norway, premiums grew 3.5% following the acquisition of OBOS Forsikring.

The retention rate for Denmark improved to 87.8 from 87.0, which can be ascribed to Trygheds-Gruppen's member bonus concept as well as systematic contact to customers in the portfolio. In Norway, the retention rate was 87.8 in Q1 2018, which was an increase from 87.2 in Q1 2017.

Claims

The claims ratio, net of ceded business, was 65.5 (63.3). The increase is mainly attributable to a higher level of weather claims and lower run-offs. The claims level was positively affected by claims prevention initiatives and price adjustments.

Expenses

The expense ratio was 16.5 (17.7) with the positive development reflecting both a more efficient distribution setup, but also some quarterly fluctuations in expense levels in general.

At the end of Q1 2018, Commercial had 479 employees, which was an unchanged level from the end of Q4 2017.

Commercial encompasses the sale of insurance products to small and medium-sized businesses in Denmark and Norway. Sales are effected via Tryg's own sales force, brokers, franchisees (Norway), customer centres as well as group agreements.

The business area accounts for 23% of the Group's total premium income.

Financial highlights Q1 2018

Technical result
DKK 171m
(DKK 183m)

Combined ratio
82.0
(81.0)

Premium growth
(local currencies)
1.0%
(-1.8%)

Key figures – Commercial

DKK m	Q1 2018	Q1 2017	2017
Gross premium income	955	965	3,862
Gross claims	-591	-585	-2,423
Gross expenses	-158	-171	-665
Profit/loss on gross business	206	209	774
Profit/loss on ceded business	-34	-26	-106
Insurance technical interest, net of reinsurance	-1	0	-1
Technical result	171	183	667
Run-off gains/losses, net of reinsurance	72	82	329
Key ratios			
Premium growth in local currency (%)	1.0	-1.8	-0.7
Gross claims ratio	61.9	60.6	62.7
Net reinsurance ratio	3.6	2.7	2.7
Claims ratio, net of reinsurance	65.5	63.3	65.4
Gross expense ratio	16.5	17.7	17.2
Combined ratio	82.0	81.0	82.6
Combined ratio exclusive of run-off	89.5	89.5	91.1
Run-off, net of reinsurance (%)	-7.5	-8.5	-8.5
Large claims, net of reinsurance (%)	0.0	0.7	3.1
Weather claims, net of reinsurance (%)	3.6	1.8	1.8

Corporate

Results

The technical result amounted to DKK 118m (DKK 79m) with a combined ratio of 87.4 (91.7). The higher technical result is primarily due to a higher level of run-off.

Premiums

Gross premium income totalled DKK 942m (DKK 970m), representing an increase of 0.8% when measured in local currencies. The development is attributable to a good renewal process in Denmark, where customers appreciate Trygheds-Gruppen's member bonus model. Corporate was also positively impacted by very positive premium developments in the profitable guarantee product area, which supported a total growth of 3.3% in Corporate Denmark.

In Norway, premiums decreased by 4.7% following a price adjustment designed to improve profitability, which expectedly led to a drop in premium income. In Sweden, growth of 5.7% was realised, mainly due to fronting agreements written in H2 2017.

Claims

The claims ratio, net of ceded business, was 77.1 (81.6), due to a higher level of run-off gains. We also saw a slightly higher level of weather claims in Corporate.

Expenses

The expense ratio was 10.3 (10.1), reflecting an acceptable level supported by commissions from fronting agreements.

The number of employees in Corporate stood at 241 against 250 at the end of 2017. The reduction of nine employees was mainly due to a reduction in the Danish part of the Corporate business.

Corporate sells insurance products to corporate customers under the brands 'Tryg' in Denmark and Norway, 'Moderna' in Sweden and 'Tryg Garanti'. Sales are effected both via Tryg'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 21% of the Group's total premium income.

Financial highlights Q1 2018

Technical result
DKK 118m
(DKK 79m)

Combined ratio
87.4
(91.7)

Premium growth
(local currencies)
0.8%
(3.5%)

Key figures – Corporate

DKKm	Q1 2018	Q1 2017	2017
Gross premium income	942	970	3,852
Gross claims	-666	-652	-2,606
Gross expenses	-97	-98	-392
Profit/loss on gross business	179	220	854
Profit/loss on ceded business	-60	-140	-467
Insurance technical interest, net of reinsurance	-1	-1	-1
Technical result	118	79	386
Run-off gains/losses, net of reinsurance	122	68	239
Key ratios			
Premium growth in local currency (%)	0.8	3.5	2.1
Gross claims ratio	70.7	67.2	67.7
Net reinsurance ratio	6.4	14.4	12.1
Claims ratio, net of reinsurance	77.1	81.6	79.8
Gross expense ratio	10.3	10.1	10.2
Combined ratio	87.4	91.7	90.0
Combined ratio exclusive of run-off	100.4	98.7	96.2
Run-off, net of reinsurance (%)	-13.0	-7.0	-6.2
Large claims, net of reinsurance (%)	4.7	4.5	3.2
Weather claims, net of reinsurance (%)	2.1	1.3	1.2

Sweden

Results

Sweden posted a technical result of DKK 21m (DKK 38m) and a combined ratio of 93.5 (88.1). The lower result is ascribable mainly to a lower run-off level.

Premiums

Premium income totalled DKK 324m (DKK 329m), equating to an increase of 1.8% when measured in local currencies. The growth was driven primarily by positive developments in the pet insurance segment, which continues to realise double-digit growth rates.

Claims

The claims ratio, net of ceded business, was 76.8 (69.6). The higher claims ratio was driven by a lower run-off level, while the underlying level was more or less unchanged.

Expenses

The expense ratio was 16.7 (18.5), which is positive, considering the size of the Private business in Sweden.

The number of employees was 349 at the end of the quarter corresponding to a reduction of four employees from year-end 2017.

Sweden comprises the sale of insurance products to private customers under the 'Moderna' brand. Moreover, insurance is sold under the brands Atlantica, Bilsport & MC and Moderna Djurförsäkringar. Sales take place through its own sales force, call centres, partners and online.

The business area accounts for 7% of the Group's total premium income.

Financial highlights Q1 2018

Technical result
DKK 21m
(DKK 38m)

Combined ratio
93.5
(88.1)

Premium growth
(local currencies)
1.8%
(17.0%)

Key figures – Sweden

DKKm	Q1 2018	Q1 2017	2017
Gross premium income	324	329	1,487
Gross claims	-248	-229	-1,055
Gross expenses	-54	-61	-251
Profit/loss on gross business	22	39	181
Profit/loss on ceded business	-1	0	-5
Insurance technical interest, net of reinsurance	0	-1	-5
Technical result	21	38	171
Run-off gains/losses, net of reinsurance	15	37	98
Key ratios			
Premium growth in local currency (%)	1.8	17.0	12.5
Gross claims ratio	76.5	69.6	70.9
Net reinsurance ratio	0.3	0.0	0.3
Claims ratio, net of reinsurance	76.8	69.6	71.2
Gross expense ratio	16.7	18.5	16.9
Combined ratio	93.5	88.1	88.1
Combined ratio exclusive of run-off	98.1	99.3	94.7
Run-off, net of reinsurance (%)	-4.6	-11.2	-6.6
Weather claims, net of reinsurance (%)	1.9	1.2	0.9

Investment activities

Investment income totalled DKK 9m (DKK 223m) in Q1 2018, driven by a return of DKK 54m (DKK 212m) on the free portfolio, a return of DKK 30m (DKK 98m) on the match portfolio and other financial income and expenses of DKK -75m (DKK -87m).

The total market value of Tryg's investment portfolio was DKK 44bn (DKK 42.1bn) at 31 March 2018. The investment portfolio consists of a match portfolio of DKK 33.4bn (DKK 29.5bn) and a free portfolio of DKK 10.6bn (DKK 12.6bn). The match portfolio is composed of fixed-income assets that match the Group's insurance liabilities, so that fluctuations resulting from interest rate changes are offset to the greatest possible extent. The free portfolio is the Group's capital, which is predominantly invested in fixed-income securities with a short duration, but also in equities and properties.

Free portfolio

In Q1, financial markets were characterised by highly volatile developments. The investor optimism in January faded in light of trade policy uncertainties and equity market volatility, while the Federal Reserve remains unhurried on future

rate increases. US interest rates moved decisively upwards with the benchmark 10-year treasury note now yielding 2.8% against 2.4% at the end of 2017. The CBOE Volatility Index (VIX), a key measure of market expectations of near-term volatility in equity markets, moved sharply upwards from below 10 at the start of the year to above 37 at the beginning of February, before coming down in March.

Tryg's equity portfolio posted a return of DKK -17m (DKK 128m) or -0.8%, while the free portfolio was generally impacted by negative returns in most fixed-income asset classes, driven by rising interest rates. Investment-grade bonds and emerging-market bonds (small asset classes for Tryg) posted poor returns in Q1 2018, while high-yield bonds produced a small positive return. Credit bonds generally returned a negative DKK -29m in the quarter. The return on the investment property portfolio was DKK 107m (DKK 27m), helped by a revaluation of certain properties, which boosted the aggregate return by DKK 80m. At the end of Q1, the overall property allocation is closer to target, representing around 18% of the free portfolio. All in all, the return on the free portfolio was DKK 54m or 0.5% in Q1.

Financial highlights Q1 2018

Investment return
DKK 9m
(DKK 223m)

Free portfolio result
DKK 54m
(DKK 212m)

Match portfolio
DKK 30m
(DKK 98m)

Key figures – investments

DKKm	Q1 2018	Q1 2017	2017
Free portfolio, gross return	54	212	598
Match portfolio, regulatory deviation and performance	30	98	227
Other financial income and expenses	-75	-87	-298
Total investment return	9	223	527

Return – match portfolio

DKKm	Q1 2018	Q1 2017	2017
Return, match portfolio	-17	93	289
Value adjustments, changed discount rate	98	42	122
Transferred to insurance technical interest	-51	-37	-184
Match, regulatory deviation and performance	30	98	227
Hereof:			
Match, regulatory deviation	-4	31	98
Match, performance	34	67	129

Match portfolio

The result of the match portfolio is the difference between the return on the match portfolio and the amount transferred to the insurance business. The result can be split into a 'regulatory deviation' and a 'performance result'. The 'regulatory deviation' made a small negative contribution of DKK -4m (DKK 31m) as the yield difference between Danish and Euro swap rates increased by around 1 basis point. The 'performance result' made a positive contribution of DKK 34m (DKK 67m) as Nordic covered-bond spreads narrowed against the swap curve. For example, two-year covered-bond spreads in Sweden narrowed approximately 10-15 basis points in Q1, while spreads in Denmark and Norway narrowed less.

Other financial income and expenses

Other financial income and expenses totalled DKK -75m (DKK -87m) in Q1 2018. This item consists of a number of elements, the largest being expenses from hedging the foreign currency exposure of Tryg's equity, as well as expenses associated with Tryg's subordinated loans.

Return – free portfolio

DKKm	Q1 2018	Q1 2018 (%)	Investment assets			
			Q1 2017	Q1 2017 (%)	31.03.2018	31.12.2017
Bonds	-4	-0.1	21	0.3	4,403	4,985
Credit	-29	-1.5	32	1.7	1,815	2,044
Equity	-17	-0.8	128	5.5	2,014	1,715
Investment property	107	5.7	27	1.3	1,984	2,185
Diversified Alternatives	-3	-0.6	4	1.9	430	436
Total gross return	54	0.5	212	1.7	10,646	11,365

In Q1, financial markets were characterised by highly volatile developments. US interest rates moved upwards with the benchmark 10-year treasury note yielding 2.8% against 2.4% at the end of 2017. Equity markets had a very volatile performance, and world equities were down approximately 2% in Q1 2018 against a positive development of more than 5% in Q1 2017.

Capital

The solvency ratio (based on Tryg's partial internal model) was 283 at the end of Q1 2018, up slightly from 281 at year-end 2017. The solvency ratio adjusted for DKK 4bn raised to fund the Alka acquisition was 197. Tryg still expects a solvency ratio of approximately 170 once the acquisition is closed and Alka is consolidated.

Own funds were impacted primarily by the difference in the reported net profit of DKK 426m and the announced dividend of DKK 499m, corresponding to DKK 1.65 per share. The solvency capital requirement (SCR) fell slightly in the quarter as the capital charge for equities was lower after

the market correction in the first three months of 2018. At the CMD in November 2017, Tryg disclosed that further work on its partial internal model is expected to reduce the SCR by approximately DKK 400m (all else being equal) from the current level. This will be due primarily to the inclusion of the Swedish business in the partial internal model, but also to a number of minor adjustments.

Own funds

Own funds totalled DKK 13,110m at the end of Q1 against DKK 13,162m at the end of Q4 2017. Own funds were positively impacted by the net profit for the quarter and negatively impacted by the announced quarterly dividend. Tryg's own funds are predominantly made up of shareholders' equity and subordinated loans. Own funds benefit from the DKK 4bn raised to fund the Alka acquisition in December 2017, while they will be impacted by disclosed intangibles in the amount of DKK 5.2bn (as per Alka's Q3 report) once the acquisition is approved and Alka is consolidated.

Solvency capital requirement

Tryg calculates its individual solvency capital requirement based on a partial internal model in accordance with the Danish Financial Supervisory Authority's Executive Order on Solvency and

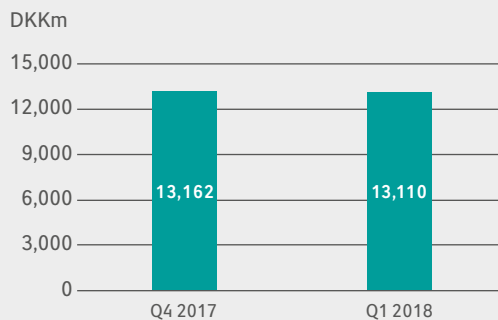
Operating Plans for Insurance Companies. The model is based on the structure of the standard model. Tryg uses an internal model to evaluate insurance risks, while other risks are calculated using standard model components. The solvency capital requirement calculated using the partial internal model was DKK 4,625m compared to DKK 4,684m in Q4 2017.

The solvency capital requirement based on the standard formula was DKK 5,765m in Q1 2018 against DKK 5,838m at the end of 2017. At the end of February, EIOPA proposed some changes to the standard formula used to calculate solvency capital requirements. The changes focused on a new calibration to allow for negative interest rate shocks and the loss-absorbing capacity of deferred tax items. These proposed changes have little to no impact on Tryg.

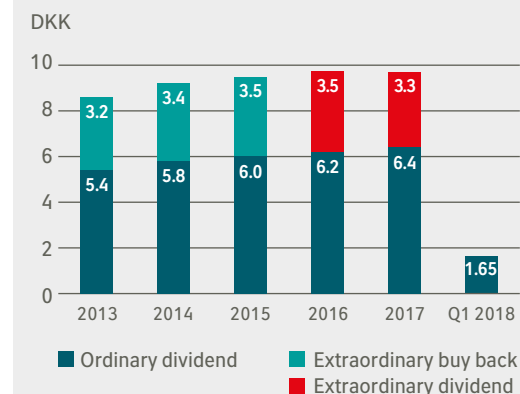
Rating

Tryg has an 'A1' (stable outlook) insurance financial strength rating (IFSR) from Moody's. The rating agency highlights Tryg's strong position in the Nordic P&C market, robust profitability, very good asset quality and relatively low financial leverage. Moody's also assigned an 'A3' rating to Tryg's subordinated debt. All ratings were confirmed following the announcement of the Alka acquisition.

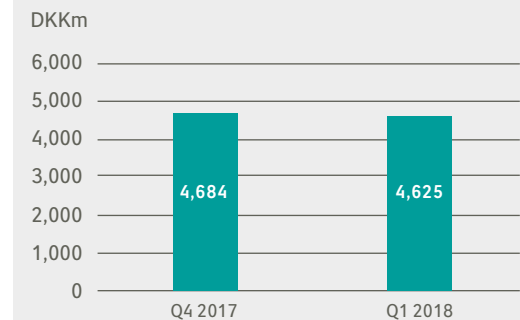
Own funds



Shareholder remuneration



Solvency capital requirement



Financial outlook

The general macroeconomic outlook remains relatively positive in Scandinavia, especially compared to the Euro zone. Government indebtedness is low, unemployment rates are below 5% both in Denmark and Norway, while GDP growth is expected to be close to 2%.

Tryg expects growth in gross premium income of 0-2% in local currencies in 2018 (exclusive of the acquisition of Alka), which is unchanged from 2017. Starting 1 January 2018, the FDM portfolio was consolidated, while the OBOS portfolio in Norway was consolidated starting June 2017. Tryg acquired Troll Forsikring in Norway in Q1 2018. Troll Forsikring wrote approximately NOK 120m of premiums in 2017, of which more than 70% were ceded to reinsurers. Going forward, Tryg plans to gradually reduce premiums ceded to reinsurers. Based on the different acquisitions mentioned above, we expect premium growth to be in the high end of the 0-2% growth guidance for 2018.

The exposure to the corporate segment is likely to be reduced, driven by an increased focus on profitability.

Tryg's reserves position remains strong. At the CMD in November 2017, it was announced that run-off gains are expected to be between 3% and 5% in 2020. Tryg's systematic claims-reserving approach continues to include a margin of approximately 3.0% based on best estimate.

In 2018, weather claims net of reinsurance and large claims are expected to be DKK 500m and DKK 550m, respectively, which is unchanged compared to previous years.

The interest rate used to discount Tryg's technical provisions remains very low. A 100 basis point increase of the interest rate curve will improve the profit before tax by around DKK 300m.

The investment portfolio is divided into a match portfolio corresponding to the technical provisions and a free portfolio. The objective is for the return on the match portfolio and changes in the technical provisions due to interest rate changes to be close to zero.

The return on bonds in the free portfolio (approximately 70% of the free portfolio) will

vary, but given current interest rate levels, a very low return is expected. Equities, as an asset class, are expected to return around 7% annually. The MSCI World Index is the chosen benchmark. The return on the property portfolio is expected to be around 5%. The investment return in the income statement also includes the cost of managing investments, the cost of currency hedges and interest expenses on subordinated loans.

The overall tax rate is expected to be 22-23% for the full year 2018. Capital gains and losses on equities are tax-deductible in Norway.

The financial guidance does not include the acquisition of Alka. Figures will be updated once the acquisition has been approved by the authorities. As disclosed in the annual report for 2017, the Alka acquisition will result in the annual depreciation of customer relations in the amount of approximately DKK 100-150m (before tax) within a five to seven-year period. This item will be booked under other income and costs in the income statement. More details will be released after closing.

Financial targets 2020 ^{a)}



Earnings

Technical result
DKK 3.3bn

Combined ratio
≤86

Expense ratio
~14

RoE
≥21

^{a)} The targets are conditional upon the authorities' approval of the Alka acquisition.



Financial calendar 2018

Tryg shares are traded ex-dividend	12 April 2018
Payment of Q1 dividend	16 April 2018
Interim report Q2 and H1	10 July 2018
Tryg shares are traded ex-dividend	11 July 2018
Payment of Q2 dividend	13 July 2018
Interim report Q1-Q3	11 October 2018
Tryg shares are traded ex-dividend	12 October 2018
Payment of Q3 dividend	16 October 2018

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Tryg's Group consolidated financial statements are prepared in accordance with IFRS.

Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the interim report for Q1 2018 for Tryg A/S.

The report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 Interim Financial Reporting, the Danish Financial Business Act

and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

In our opinion, the report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2018 and of the results of the Group's activities and cash flows for the period for the Group.

We are furthermore of the opinion that the management's report includes a fair review of the developments in the activities and financial position of the Group, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that the Group faces.

Ballerup, 11 April 2018

Executive Board

Morten Hübbe
Group CEO

Christian Baltzer
Group CFO

Lars Bonde
Group COO

Johan Kirstein Brammer
Group CCO

Supervisory Board

Jukka Pertola
Chairman

Torben Nielsen
Deputy Chairman

Elias Bakk

Tom Eileng

Lone Hansen

Anders Hjulmand

Jesper Hjulmand

Ida Sofie Jensen

Lene Skole

Tina Snebjerg

Mari Thjørmøe

Carl-Viggo Östlund

Financial highlights

	Q1 2018	Q1 2017	2017
DKKm			
NOK/DKK, average rate for the period	77.02	83.13	79.99
SEK/DKK, average rate for the period	75.22	78.10	77.24
Gross premium income	4,420	4,458	17,963
Gross claims	-3,069	-3,025	-11,865
Total insurance operating costs	-620	-643	-2,516
Profit/loss on gross business	731	790	3,582
Profit/loss on ceded business	-165	-221	-779
Insurance technical interest, net of reinsurance	-3	-1	-14
Technical result	563	568	2,789
Investment return after insurance technical interest	9	223	527
Other income and costs	-19	-12	-77
Profit/loss before tax	553	779	3,239
Tax	-127	-171	-720
Profit/loss, continuing business	426	608	2,519
Profit/loss on discontinued and divested business after tax	0	-3	-2
Profit/loss for the period	426	605	2,517
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss	46	44	-1
Other comprehensive income which can subsequently be reclassified as profit or loss	3	3	-32
Other comprehensive income	49	47	-33
Comprehensive income	475	652	2,484
Run-off gains/losses, net of reinsurance	293	286	972
Statement of financial position			
Total provisions for insurance contracts	32,055	33,195	30,018
Total reinsurers' share of provisions for insurance contracts	1,765	1,786	1,366
Total equity	11,582	8,110	12,616
Total assets	52,749	49,377	51,367
Key ratios			
Gross claims ratio	69.4	67.9	66.1
Net reinsurance ratio	3.7	5.0	4.3
Claims ratio, net of reinsurance	73.1	72.9	70.4
Gross expense ratio	14.0	14.4	14.0
Combined ratio	87.1	87.3	84.4

Key ratios are calculated in accordance with 'Recommendations & Financial Ratios' issued by the Danish Society of Financial Analysts.

Income statement

DKKm	Q1 2018	Q1 2017	2017
Notes			
General insurance			
Gross premiums written	6,507	6,726	18,358
Ceded insurance premiums	-600	-525	-1,255
Change in premium provisions	-2,009	-2,191	-145
Change in reinsurers' share of premium provisions	306	249	16
2 Premium income, net of reinsurance	4,204	4,259	16,974
3 Insurance technical interest, net of reinsurance	-3	-1	-14
Claims paid	-3,071	-3,438	-12,807
Reinsurance cover received	106	547	1,029
Change in claims provisions	2	413	942
Change in the reinsurers' share of claims provisions	-10	-524	-729
4 Claims, net of reinsurance	-2,973	-3,002	-11,565
Bonus and premium discounts	-78	-77	-250
Acquisition costs	-477	-497	-1,902
Administration expenses	-143	-146	-614
Acquisition costs and administration expenses	-620	-643	-2,516
Reinsurance commissions and profit participation from reinsurers	33	32	160
Insurance operating costs, net of reinsurance	-587	-611	-2,356
1 Technical result	563	568	2,789

DKKm	Q1 2018	Q1 2017	2017
Notes			
Investment activities			
Income from associates	4	3	3
Income from investment property	15	28	69
Interest income and dividends	148	161	624
5 Value adjustments	-61	125	224
Interest expenses	-24	-28	-107
Administration expenses in connection with investment activities	-22	-29	-102
Total investment return	60	260	711
3 Return on insurance provisions	-51	-37	-184
Total Investment return after insurance technical interest	9	223	527
Other income	35	30	117
Other costs	-54	-42	-194
Profit/loss before tax	553	779	3,239
Tax	-127	-171	-720
Profit/loss on continuing business	426	608	2,519
Profit/loss on discontinued and divested business	0	-3	-2
Profit/loss for the period	426	605	2,517
Earnings/ diluted earnings per share	1.41	2.20	9.12

Statement of comprehensive income

DKKm	Q1 2018	Q1 2017	2017
Profit/loss for the period	426	605	2,517
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Change in equalisation reserve	0	0	4
Actuarial gains/losses on defined-benefit pension plans	62	58	-7
Tax on actuarial gains/losses on defined-benefit pension plans	-16	-14	2
	46	44	-1
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	12	-6	-137
Hedging of currency risk in foreign entities	-12	12	135
Tax on hedging of currency risk in foreign entities	3	-3	-30
	3	3	-32
Total other comprehensive income	49	47	-33
Comprehensive income	475	652	2,484

Statement of financial position

DKKk	31.03.2018	31.03.2017	31.12.2017
Notes			
Assets			
Intangible assets	1,402	886	1,105
Operating equipment	109	60	67
Group-occupied property	719	0	0
Total property, plant and equipment	828	60	67
Investment property	1,413	1,303	1,324
Equity investments in associates	229	221	225
Total investments in associates	229	221	225
Equity investments	357	35	179
Unit trust units	4,338	4,614	4,852
Bonds	36,771	35,980	37,151
Deposits with credit institutions	0	0	250
Derivative financial instruments	885	972	1,079
Total other financial investment assets	42,351	41,601	43,511
Total investment assets	43,993	43,125	45,060
Reinsurers' share of premium provisions	593	458	245
Reinsurers' share of claims provisions	1,172	1,328	1,121
Total reinsurers' share of provisions for insurance contracts	1,765	1,786	1,366
Receivables from policyholders	1,976	1,992	1,471
Total receivables in connection with direct insurance contracts	1,976	1,992	1,471
Receivables from insurance enterprises	396	292	300
Other receivables	1,117	328	957
Total receivables	3,489	2,612	2,728
Cash at bank and in hand	742	281	509
Total other assets	742	281	509
Interest and rent receivable	197	220	197
Other prepayments and accrued income	333	407	335
Total prepayments and accrued income	530	627	532
Total assets	52,749	49,377	51,367

DKKk	31.03.2018	31.03.2017	31.12.2017
Notes			
Equity and liabilities			
Equity	11,582	8,110	12,616
Subordinated loan capital	2,422	2,553	2,412
Premium provisions	7,633	7,682	5,559
Claims provisions	23,968	24,975	23,925
Provisions for bonuses and premium discounts	454	538	534
Total provisions for insurance contracts	32,055	33,195	30,018
Pensions and similar liabilities	190	236	290
Deferred tax liability	686	713	656
Other provisions	111	97	111
Total provisions	987	1,046	1,057
Debt relating to direct insurance	495	361	498
Debt relating to reinsurance	816	610	454
Amounts owed to credit institutions	350	255	306
Debt relating to unsettled funds transactions and repos	724	965	1,711
Derivative financial instruments	653	685	746
Current tax liabilities	84	317	194
Other debt	2,552	1,256	1,312
Total debt	5,674	4,449	5,221
Accruals and deferred income	29	24	43
Total equity and liabilities	52,749	49,377	51,367

- 6 Acquisition of activities
- 7 Related parties
- 8 Contingent Liabilities
- 9 Accounting policies

Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves ^{a)}	Retained earnings	Proposed dividend	Total
Equity at 31 December 2017	1,511	0	-29	0	783	8,868	1,483	12,616
Q1 2018								
Profit/loss for the period					16	-89	499	426
Other comprehensive income			3			46		49
Total comprehensive income	0	0	3	0	16	-43	499	475
Dividend paid							-1,483	-1,483
Purchase and sale of own shares						-27		-27
Issue of matching shares						1		1
Total changes in equity in Q1 2018	0	0	3	0	16	-69	-984	-1,034
Equity at 31 March 2018	1,511	0	-26	0	799	8,799	499	11,582
The possible payment of dividend is influenced by contingency fund provisions of DKK 1,616m (DKK 1,592m as at 31 December 2017). The contingency fund provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured.								
Equity at 31 December 2016	1,413	0	3	0	822	5,182	2,017	9,437
Q1 2017								
Profit/loss for the period					-7	160	452	605
Other comprehensive income			3			44		47
Total comprehensive income	0	0	3	0	-7	204	452	652
Dividend paid							-2,017	-2,017
Dividend, own shares						57		57
Purchase and sale of own shares						-20		-20
Issue of conditional shares and matching shares						1		1
Total changes in equity in Q1 2017	0	0	3	0	-7	242	-1,565	-1,327
Equity at 31 March 2017	1,413	0	6	0	815	5,424	452	8,110

a) Other reserves contains Norwegian Natural Perils Pool.

Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves ^{a)}	Retained earnings	Proposed dividend	Total
Equity at 31 December 2016	1,413	0	3	0	822	5,182	2,017	9,437
2017								
Profit/loss for the year					-39	-271	2,827	2,517
Other comprehensive income		0	-32			-1		-33
Total comprehensive income	0	0	-32	0	-39	-272	2,827	2,484
Nullification of own shares	-39					39		0
Dividend paid							-3,361	-3,361
Dividend, own shares						82		82
Purchase and sale of own shares						-20		-20
Issue of new shares ^{b)}	137					3,841		3,978
Issue of employee shares						10		10
Issue of conditional shares and matching shares						6		6
Total changes in equity in 2017	98	0	-32	0	-39	3,686	-534	3,179
Equity at 31 December 2017	1,511	0	-29	0	783	8,868	1,483	12,616

a) Other reserves contains Norwegian Natural Perils Pool.

b) Cost related to the issue of new shares are deducted in proceeds recognised in retained earnings with DKK 50.3m.

Cash flow statement

DKKm	Q1 2018	Q1 2017	2017
Cash from operating activities			
Premiums	5,869	5,689	17,600
Claims	-2,933	-3,719	-13,205
Ceded business	-245	108	-139
Costs	-917	-746	-2,642
Change in other debt and other amounts receivable	268	150	495
Cash flow from insurance activities	2,042	1,482	2,109
Interest income	136	157	622
Interest expenses	-24	-28	-107
Dividend received	5	7	19
Taxes	-189	-181	-845
Other income and costs	-19	88	-77
Cash from operating activities, continuing business	1,951	1,525	1,721
Cash from operating activities, discontinued and divested business	-1	-1	-1
Total cash flow from operating activities	1,950	1,524	1,720
Investments			
Acquisition and refurbishment of real property	-2	0	-10
Sale of real property	0	2,313	2,307
Acquisition and sale of equity investments and unit trust units (net)	196	-539	-978
Purchase/sale of bonds (net)	-699	-1,598	-3,578
Deposits with credit institutions	250	0	-250
Purchase/sale of operating equipment (net)	-3	-2	-38
Acquisition of intangible assets	0	0	-102
Hedging of currency risk	-12	12	135
Total investments	-270	186	-2,514

DKKm	Q1 2018	Q1 2017	2017
Financing			
Issue of new shares	0	0	3,978
Exercise of share options/purchase of treasury shares (net)	-26	-20	-4
Dividend paid	-1,483	-1,960	-3,279
Change in lease liabilities	-25	0	0
Change in amounts owed to credit institutions	44	77	128
Total financing	-1,490	-1,903	823
Change in cash and cash equivalents, net	190	-193	29
Additions relating to purchase of subsidiary	41	0	13
Exchange rate adjustment of cash and cash equivalents, 1 January	2	-1	-8
Change in cash and cash equivalents, gross	233	-194	34
Cash and cash equivalents, beginning of year	509	475	475
Cash and cash equivalents, end of period	742	281	509

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other ^{a)}	Group
1 Operating segments						
Q1 2018						
Gross premium income	2,221	955	942	324	-22	4,420
Gross claims	-1,608	-591	-666	-248	44	-3,069
Gross operating expenses	-311	-158	-97	-54		-620
Profit/loss on ceded business	-48	-34	-60	-1	-22	-165
Insurance technical interest, net of reinsurance	-1	-1	-1			-3
Technical result	253	171	118	21		563
Other items					-137	-137
Profit						426
Run-off gains/losses, net of reinsurance	84	72	122	15		293
Intangible assets	287	97		550	468	1,402
Equity investments in associates					229	229
Reinsurers' share of premium provisions	147	96	348	2		593
Reinsurers' share of claims provisions	65	160	920	27		1,172
Other assets					49,353	49,353
Total assets						52,749
Premium provisions	2,823	2,012	1,912	886		7,633
Claims provisions	5,335	6,514	9,320	2,799		23,968
Provisions for bonuses and premium discounts	340	70	35	9		454
Other liabilities					9,112	9,112
Total liabilities						41,167

a) Amounts relating to eliminations and one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are 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.

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other ^{a)}	Group
1 Operating segments						
Q1 2017						
Gross premium income	2,206	965	970	329	-12	4,458
Gross claims	-1,583	-585	-652	-229	24	-3,025
Gross operating expenses	-313	-171	-98	-61		-643
Profit/loss on ceded business	-43	-26	-140		-12	-221
Insurance technical interest, net of reinsurance	1		-1	-1		-1
Technical result	268	183	79	38		568
Other items					37	37
Profit						605
Run-off gains/losses, net of reinsurance	99	82	68	37		286
Intangible assets		28		590	268	886
Equity investments in associates					221	221
Reinsurers' share of premium provisions	95	74	287	2		458
Reinsurers' share of claims provisions	65	260	973	30		1,328
Other assets					46,484	46,484
Total assets						49,377
Premium provisions	2,885	1,982	1,955	860		7,682
Claims provisions	5,634	6,531	9,930	2,880		24,975
Provisions for bonuses and premium discounts	435	52	44	7		538
Other liabilities					8,072	8,072
Total liabilities						41,267

a) Amounts relating to eliminations and one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are 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.

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other ^{a)}	Group
1 Operating segments						
2017						
Gross premium income	8,798	3,862	3,852	1,487	-36	17,963
Gross claims	-5,807	-2,423	-2,606	-1,055	26	-11,865
Gross operating expenses	-1,208	-665	-392	-251		-2,516
Profit/loss on ceded business	-211	-106	-467	-5	10	-779
Insurance technical interest, net of reinsurance	-7	-1	-1	-5		-14
Technical result	1,565	667	386	171		2,789
Other items					-272	-272
Profit						2,517
Run-off gains/losses, net of reinsurance	306	329	239	98		972
Intangible assets	14	106		575	410	1,105
Equity investments in associates					225	225
Reinsurers' share of premium provisions	47	22	176			245
Reinsurers' share of claims provisions	53	172	867	29		1,121
Other assets					48,671	48,671
Total assets						51,367
Premium provisions	2,358	1,277	1,008	916		5,559
Claims provisions	5,197	6,527	9,317	2,884		23,925
Provisions for bonuses and premium discounts	432	60	35	7		534
Other liabilities					8,733	8,733
Total liabilities						38,751

a) Amounts relating to eliminations and one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are 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.

Notes

DKKm	Q1 2018	Q1 2017	2017
1 Geographical segments			
Danish general insurance^{a)}			
Gross premium income	2,492	2,382	9,606
Technical result	428	349	1,783
Run-off gains/losses, net of reinsurance	114	104	449
Key ratios			
Gross claims ratio	65.5	68.3	64.2
Net reinsurance ratio	4.0	3.7	3.7
Claims ratio, net of reinsurance	69.5	72.0	67.9
Gross expense ratio	13.1	13.2	13.4
Combined ratio	82.6	85.2	81.3
Run-off, net of reinsurance (%)	-4.6	-4.4	-4.7
Number of full-time employees, end of period	1,935	1,875	1,933
Norwegian general insurance			
Gross premium income	1,471	1,606	6,272
Technical result	93	152	770
Run-off gains/losses, net of reinsurance	126	130	422
Key ratios			
Gross claims ratio	75.9	68.8	67.9
Net reinsurance ratio	3.0	6.4	5.3
Claims ratio, net of reinsurance	78.9	75.2	73.2
Gross expense ratio	15.0	15.6	14.7
Combined ratio	93.9	90.8	87.9
Run-off, net of reinsurance (%)	-8.6	-8.1	-6.7
Number of full-time employees, end of period	1,052	1,015	1,042

a) Comprises Danish general insurance, Finnish and German guarantee insurance.

Notes

DKKm	Q1 2018	Q1 2017	2017
1 Geographical segments			
Swedish general insurance			
Gross premium income	479	482	2,121
Technical result	42	67	236
Run-off gains/losses, net of reinsurance	53	52	101
Key ratios			
Gross claims ratio	76.0	65.6	69.0
Net reinsurance ratio	0.0	3.7	5.0
Claims ratio, net of reinsurance	76.0	69.3	74.0
Gross expense ratio	15.0	16.4	14.5
Combined ratio	91.0	85.7	88.5
Run-off, net of reinsurance (%)	-11.1	-10.8	-4.8
Number of full-time employees, end of period	395	391	398
Other ^{a)}			
Gross premium income	-22	-12	-36
Technical result	0	0	0
Tryg			
Gross premium income	4,420	4,458	17,963
Technical result	563	568	2,789
Investment return activities	9	223	527
Other income and costs	-19	-12	-77
Profit/loss before tax	553	779	3,239
Run-off gains/losses, net of reinsurance	293	286	972
Key ratios			
Gross claims ratio	69.4	67.9	66.1
Net reinsurance ratio	3.7	5.0	4.3
Claims ratio, net of reinsurance	73.1	72.9	70.4
Gross expense ratio	14.0	14.4	14.0
Combined ratio	87.1	87.3	84.4
Run-off, net of reinsurance (%)	-6.6	-6.4	-5.4
Number of full-time employees, end of period	3,382	3,281	3,373

a) Amounts relating to eliminations and one-off items.

Notes

DKKm	Q1 2018	Q1 2017	2017
2 Premium income, net of reinsurance			
Direct insurance	4,494	4,534	18,168
Indirect insurance	11	0	45
	4,505	4,534	18,213
Unexpired risk provision	-7	1	0
	4,498	4,535	18,213
Ceded direct insurance	-294	-276	-1,229
Ceded indirect insurance	0	0	-10
	4,204	4,259	16,974
3 Insurance technical interest, net of reinsurance			
Return on insurance provisions	51	37	184
Discounting transferred from claims provisions	-54	-38	-198
	-3	-1	-14
4 Claims, net of reinsurance			
Claims	-3,338	-3,302	-12,804
Run-off gains/losses, gross	269	277	939
	-3,069	-3,025	-11,865
Reinsurance cover received	72	14	267
Run-off gains/losses, reinsurers' share	24	9	33
	-2,973	-3,002	-11,565

DKKm	Q1 2018	Q1 2017	2017
5 Value adjustments			
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>			
Equity investments	-1	-13	-35
Unit trust units	-44	161	460
Share derivatives	-1	7	-8
Bonds	-101	1	-148
Interest derivatives	-70	-37	-96
	-217	119	173
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	80	-4	9
Owner-occupied property	0	-1	0
Discounting	98	42	123
Other statement of financial position items	-22	-31	-81
	156	6	51
	-61	125	224

Notes

DKKm

6 Acquisition of activities

Tryg has 1 January 2018 acquired FDM's insurance portfolio from LB Forsikring. The acquisition gives rights to the renewal of the portfolio.

In February 2018 Tryg and Troll Forsikring made a declaration of intent whereby Tryg would acquire Troll Forsikring AS. The agreement meant that Tryg would acquire the production and distribution of the insurances sold to Troll's policyholders. The agreement was signed in February and the acquisition was approved by the Danish and Norwegian FSA in March 2018.

7 Related parties

In Q1 2018 Tryg Forsikring A/S paid Tryg A/S DKK 0m and Tryg A/S paid TryghedsGruppen smba DKK 890m in dividends.

There have been no other material transactions with related parties.

8 Contingent Liabilities

In May 2016, Tryg received notice of an action from Finansforbundet in Norway (the Finance Sector Union of Norway) on behalf of a group of pensioners. The action concerned the adjustment in the pension schemes of Norwegian employees made in 2014.

Tryg has now received the actual lawsuit. According to Tryg's preliminary calculations, the claim will not exceed a maximum of approximately DKK 0.3bn after tax for the persons affected by the adjustment.

Tryg and its legal advisor do not agree that the adjustment was wrongful and consider the claim uncertain. Consequently, Tryg expects an action to be resolved in court and does not expect a ruling to be made for the next 2 years.

Therefore the claim is not recognised as a liability in the financial statement, but recognised as contingent liability.

9 Accounting policies

Tryg's interim report for Q1 2018 is presented in accordance with IAS 34 Interim Financial Reporting and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

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).

Changes in accounting policies

Tryg has applied IFRS 16 earlier and will recognise lease assets and lease liabilities in the balance sheet but it is not expected to have a significant impact on either profit or loss or equity. Lease assets are recognised in 'Group-occupied property' and 'Operating equipment'. Lease liabilities are recognised in 'Other debt'. Earlier application of IFRS 16 is only possible because Tryg also applies IFRS 15 'Revenue from Contracts with Customers', however applying IFRS 15 have no significant impact on the statement of financial position or profit or loss due to our income is primarily related to premiums accounted for under IFRS 4. Tryg has used the simplified approach.

Going forward from 01.01.2018 Tryg has classified depreciation related to some intangible assets, such as customer relationship and distribution. The classification will not affect Profit and Loss or Equity but it will be presented in the line item "other costs" instead of the previous line item "Acquisition costs and administration expenses".

Comparative figures has not been restated due to immateriality.

There have been no other changes to the accounting policies or accounting estimates in Q1 2018.

Quarterly outline

DKKm	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Private									
Gross premium income	2,221	2,203	2,211	2,178	2,206	2,235	2,190	2,148	2,137
Technical result	253	394	463	440	268	366	447	393	198
Key ratios									
Gross claims ratio	72.4	65.7	62.7	63.8	71.8	67.9	63.2	65.9	74.2
Net reinsurance ratio	2.2	2.6	3.1	2.0	1.9	1.8	2.1	1.2	2.2
Claims ratio, net of reinsurance	74.6	68.3	65.8	65.8	73.7	69.7	65.3	67.1	76.4
Gross expense ratio	14.0	13.7	13.2	13.9	14.2	13.9	14.3	14.5	14.3
Combined ratio	88.6	82.0	79.0	79.7	87.9	83.6	79.6	81.6	90.7
Combined ratio exclusive of run-off	92.4	84.2	82.6	83.3	92.4	86.3	84.5	84.9	94.1
Commercial									
Gross premium income	955	977	971	949	965	972	977	977	967
Technical result	171	138	175	171	183	166	142	172	215
Key ratios									
Gross claims ratio	61.9	66.3	61.1	62.9	60.6	58.3	65.5	64.1	56.6
Net reinsurance ratio	3.6	3.7	3.2	1.4	2.7	8.0	3.4	0.7	3.7
Claims ratio, net of reinsurance	65.5	70.0	64.3	64.3	63.3	66.3	68.9	64.8	60.3
Gross expense ratio	16.5	15.9	17.7	17.6	17.7	16.5	16.6	17.6	17.5
Combined ratio	82.0	85.9	82.0	81.9	81.0	82.8	85.5	82.4	77.8
Combined ratio exclusive of run-off	89.5	94.9	92.4	88.0	89.5	92.2	92.8	84.7	90.2
Corporate									
Gross premium income	942	965	975	942	970	966	968	921	920
Technical result	118	60	91	156	79	9	117	156	139
Key ratios									
Gross claims ratio	70.7	74.6	69.3	59.2	67.2	84.3	42.9	60.6	55.2
Net reinsurance ratio	6.4	9.1	11.1	13.9	14.4	4.2	34.0	11.6	18.0
Claims ratio, net of reinsurance	77.1	83.7	80.4	73.1	81.6	88.5	76.9	72.2	73.2
Gross expense ratio	10.3	10.1	10.1	10.5	10.1	10.6	11.1	10.9	11.6
Combined ratio	87.4	93.8	90.5	83.6	91.7	99.1	88.0	83.1	84.8
Combined ratio exclusive of run-off	100.4	100.2	94.1	91.5	98.7	111.6	98.3	98.0	100.9

A further detailed version of the presentation can be downloaded from tryg.com/uk>investor>Downloads>tables

Quarterly outline

DKKm	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Sweden									
Gross premium income	324	355	420	383	329	337	384	338	289
Technical result	21	30	60	43	38	23	38	49	10
Key ratios									
Gross claims ratio	76.5	73.0	70.7	70.5	69.6	72.7	72.9	65.7	75.1
Net reinsurance ratio	0.3	0.6	0.0	0.8	0.0	0.0	0.5	0.3	0.0
Claims ratio, net of reinsurance	76.8	73.6	70.7	71.3	69.6	72.7	73.4	66.0	75.1
Gross expense ratio	16.7	17.7	14.8	17.0	18.5	20.2	16.1	19.2	21.1
Combined ratio	93.5	91.3	85.5	88.3	88.1	92.9	89.5	85.2	96.2
Combined ratio exclusive of run-off	98.1	97.2	92.9	90.6	99.3	101.2	92.1	100.3	105.9
Other^{a)}									
Gross premium income	-22	-12	-1	-11	-12	-6	-5	-5	-3
Technical result	0	0	0	0	0	-250	0	0	0
Tryg									
Gross premium income	4,420	4,488	4,576	4,441	4,458	4,504	4,514	4,379	4,310
Technical result	563	622	789	810	568	314	744	770	562
Investment return	9	86	87	131	223	598	191	181	17
Profit/loss before tax	553	685	860	915	779	800	923	934	563
Profit/loss	426	527	671	714	605	560	732	734	445
Key ratios									
Gross claims ratio	69.4	68.5	64.4	63.4	67.9	72.0	59.7	64.5	66.3
Net reinsurance ratio	3.7	3.8	4.6	4.0	5.0	3.1	9.5	3.1	5.7
Claims ratio, net of reinsurance	73.1	72.3	69.0	67.4	72.9	75.1	69.2	67.6	72.0
Gross expense ratio	14.0	13.7	13.6	14.3	14.4	18.0	14.5	15.0	15.1
Combined ratio	87.1	86.0	82.6	81.7	87.3	93.1	83.7	82.6	87.1
Combined ratio exclusive of run-off	93.7	90.9	88.0	86.7	93.7	99.8	90.1	89.0	95.7

a) Amounts relating to eliminations and one-off items are included under 'Other'.

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 management. Statements regarding Tryg's future operating results, financial position, cash flows, business strategy, plans and future objectives other than statements of historical fact can generally be identified by the use of words 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. Should one or more of these risks or uncertainties materialise, or should any under-

lying assumptions prove to be incorrect, Tryg's actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected. Tryg 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.

i [Read more in the chapter Capital and risk management on pages 28-29, and in Note 1 on page 55 in the Annual report 2017, for a description of some of the factors which may affect the Group's performance or the insurance industry.](#)

