



# Interim report Q1-Q3 2014

# Contents

---

Interim report Q1-Q3 2014	Page
<b>Management's review</b>	
Highlights	1
Income overview	2
Tryg's results	3
Private	6
Commercial	8
Corporate	10
Sweden	12
Investment activities	14
Capital	16
Outlook	17
Disclaimer	18
<b>Financial statements</b>	
Statement by the Supervisory Board and the Executive Management	20
Financial highlights	21
Income statement	22
Statement of comprehensive income	23
Statement of financial position	24
Equity	26
Cash flow statement	28
Notes	29
Quarterly outline	36
Further information	38

---

## Teleconference

Tryg hosts a teleconference on 10 October 2014 at 9.30 CET. View the audio webcast at [tryg.com](http://tryg.com). Financial analysts and investors may participate on tel. +44 (0) 203 194 0544 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](http://tryg.com).*

This report constitutes Tryg A/S's consolidated financial statements and has not been audited. Unless otherwise indicated, all comparisons are made to Q3 2013. Comparative figures for Q3 2013 are generally given in brackets.

<b>Editors</b>	Investor Relations
<b>Layout</b>	amo design
<b>Translation</b>	TextMinded
<b>Publication</b>	10 October 2014



## Satisfactory results despite cloudbursts

Satisfactory results despite cloudbursts and with further improvement in premium income development trend. The efficiency programme improves results and strengthens competitiveness. The return on investment was impacted by a negative equity market.



### Financial highlights for Q3 2014

- Profit before tax of DKK 782m (DKK 907m).
- Improved technical result of DKK 793m (DKK 766m).
- Improved combined ratio of 83.7 (84.8) despite cloudburst claims of approximately DKK 150m.
- 0.8% (-3.4%) decline in premium income, but further improvement in development trend.
- Lower expense ratio of 15.1 (15.5) as a result of efficiency programme.
- Negative investment return of DKK 1m (DKK 152m) influenced by low return on bonds and equities.
- Return on equity of 21.7% (27.0%) p.a. after tax.

### Financial highlights for Q1-Q3 2014

- Profit before tax of DKK 2,534m (DKK 2,354m).
- Improved technical result of DKK 2,257m (DKK 1,950m).
- Combined ratio improved by 2.8 percentage points to 84.5 (87.3).
- 1.4% (-2.9%) decline in premium income, but improved development trend.
- Expense ratio of 14.5 (15.7) impacted by efficiency programme and one-off effects. Excluding one-off effects, expense ratio was 15.4.
- Investment return of DKK 347m (DKK 434m) influenced especially by a high return on equities.
- Return on equity of 23.4% (22.0%) p.a. after tax.

### New initiatives during the quarter

- Cloudbursts affected results negatively, but the implemented claims initiatives reduced the effect significantly.
- Acquisition of Securator – Tryg strengthens its market-leading position in the Nordic countries within extended warranty insurance for electronic products, which Tryg can operate more efficiently.
- Continued development of new price-differentiated products.
- The efficiency programme improved results by DKK 95m.

### Tryg's financial targets

- Combined ratio of 90 or less.
- Expense ratio below 15 in 2015.
- Return on equity of 20% after tax.

## Capital Markets Day

Tryg hosts a Capital Markets Day on 5 November 2014 in London. Further information on [tryg.com](http://tryg.com).

## Income overview

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
Gross premium income	4,712	4,867	14,006	14,767	19,504
<b>Technical result</b>	<b>793</b>	<b>766</b>	<b>2,257</b>	<b>1,950</b>	<b>2,496</b>
Investment return after insurance technical interest	-1	152	347	434	588
<b>Profit/loss for the period before tax</b>	<b>782</b>	<b>907</b>	<b>2,534</b>	<b>2,354</b>	<b>2,993</b>
<b>Profit/loss for the period, continuing business</b>	<b>592</b>	<b>711</b>	<b>1,914</b>	<b>1,809</b>	<b>2,373</b>
<b>Profit/loss for the period</b>	<b>593</b>	<b>715</b>	<b>1,917</b>	<b>1,804</b>	<b>2,369</b>
Run-off gains/losses, net of reinsurance	298	243	793	723	970
<b>Key ratios</b>					
Total equity	10,716	10,854	10,716	10,854	11,107
Return on equity after tax (%)	21.7	27.0	23.4	22.0	21.5
Number of shares, end of period (1,000)	58,208	59,880	58,208	59,880	59,374
Earnings per share of DKK 25	10.0	11.8	32.4	29.8	39.4
Premium growth in local currency (%)	-0.8	-3.4	-1.4	-2.9	-2.7
Gross claims ratio	64.9	75.9	69.1	73.6	73.9
Net reinsurance ratio	3.7	-6.6	0.9	-2.0	-1.8
Claims ratio, net of reinsurance	68.6	69.3	70.0	71.6	72.1
Gross expense ratio	15.1	15.5	14.5	15.7	15.6
<b>Combined ratio</b>	<b>83.7</b>	<b>84.8</b>	<b>84.5</b>	<b>87.3</b>	<b>87.7</b>
Combined ratio exclusive of run-off	90.0	89.8	90.2	92.2	92.7
Run-off, net of reinsurance (%)	-6.3	-5.0	-5.7	-4.9	-5.0
Large claims, net of reinsurance (%)	1.7	1.7	2.7	2.4	2.1
Weather claims, net of reinsurance (%)	3.1	0.0	2.3	1.4	3.2
<b>Combined ratio on business areas</b>					
Private	80.8	81.5	82.4	85.5	86.0
Commercial	82.3	79.0	81.1	85.4	85.4
Corporate	87.5	96.3	89.6	90.7	91.7
Sweden	92.5	87.8	90.0	92.2	91.2

Tryg's profit before tax was DKK 782m (DKK 907m). The results were positively affected by the internal efficiency programme of DKK 95m, but negatively affected by weather claims of approximately DKK 150m, relating in particular to a severe cloudburst in the Copenhagen area, but also a number of small cloudbursts elsewhere in Denmark. The investment return totalled DKK -1m (DKK 152m) and was influenced by a low return on both equities and bonds. The investment return translates into a return on equity of 21.7% (27.0%).

A combined ratio of 83.7 (84.8) was posted, which is a very low level in view of the above-mentioned cloudbursts, which impacted the combined ratio by 3.1 percentage points; the same quarter last year was not affected by weather claims. The improvement in the combined ratio can be attributed to the efficiency programme and also a significantly lower level of medium-sized claims in both Commercial and Corporate.

Many initiatives were also implemented as part of Tryg's strategic focus on its 'Customer journey & success culture' in Q3. A positive customer experience depends very much on the first employee that the customer encounters when contacting Tryg being able to resolve issues on initial contact. Consequently, 'first contact resolution' is an absolute top priority for all business areas, together with substantially reducing the processing time for enquiries which are not resolved on initial contact. As an important part of customer focus, all managers and many employees have undergone massive training. The purpose of the current initiatives is, of course, to improve customer experience. Following customer contact, up to 100,000 SMS messages have therefore been sent out to elicit feedback from customers. Customer feedback has generally been very positive.

The development of price-differentiated products continues, and the plan is to launch new house insurance, building insurance, pet insurance and short-term travel insurance products in Q4 2014. Concurrently with the development of new price-differentiated products, the conversion of old products into the new products continues. This is going extremely well, as illustrated for example by an overall improvement in retention rates in Q3 2014.

The market situation in Denmark has not changed significantly during 2014. Consumer confidence is up slightly, as evidenced in particular by increases in the price of flats, while prices of single-family houses are generally stagnating, but with some geographical variation. Unemployment is around 6%. Car sales in Denmark are dominated by small cars. In both Denmark and Norway, total car sales for July and August were 0.7% higher than during the prior-year period. The Norwegian economy is characterised by low unemployment of approximately 3%, low interest rates and persistent concern about a drop in property prices, which may result in a more cautious investment climate.

### Premiums

Gross premium income amounted to DKK 4,712m in Q3 2014, corresponding to a decline of 0.8% when measured in local currencies relative to a 3.4% fall in Q3 last year. The improved development trend thus continues. In Q1 and Q2 2014, the reduction totalled 2.0% and 1.2%, respectively.

Overall the business areas reported improved premium income in Q3. Developments have been particularly positive in Private and Commercial, and retention rates have generally improved.

Tryg acquired the company Securator in Q3, and has thus strengthened its market-leading position in the Nordic countries within the sale of product and extended warranty insurance for consumer electronics. Following the acquisition of Securator, Tryg has gained a solid foothold within this product area in Denmark, strengthening its market position. Securator may also be integrated more effectively in Tryg's organisation and will become part of Moderna, which already distributes similar insurance products.

The renewal right for Codan's agricultural portfolio, which Tryg acquired in Q2 2014, has now been fully integrated, and by far the majority of customers have wanted to be covered by Tryg's insurance products in future. The process has shown that such an acquisition of a small portfolio is an expedient way of increasing Tryg's business volume; at the same time, synergies can be achieved through integration.

## Claims

The gross claims ratio was 64.9 (75.9). The claims ratio, net of ceded business, was 68.6 (69.3).

In August and September, Denmark was hit by several cloudbursts. The extent of damage was considerably lower than in connection with the cloudburst in the Copenhagen area in July 2011. A significant reason why the cloudbursts affected results to a lesser extent are the many preventative initiatives launched after the cloudburst in 2011. Since 2011, Tryg has offered customers a review of their homes to assess how well they are protected in the event of cloudbursts. As part of the preventative initiatives, objects in basements must be raised above floor level, customers must install anti-flooding valves in basements, and policy limits have been introduced as well as higher excess amounts. On the basis of the completed claims, it is evident that on average claims from private customers were significantly lower than the claims seen in connection with the cloudburst in 2011.

In connection with the cloudburst in 2011, preventative initiatives were also introduced for major customers, in collaboration with customers. A specific example of this was the extensive flooding of the Tivoli amusement park in Copenhagen in 2011. In connection with the cloudburst in August 2014, it was very clear that the measures had limited the damage considerably. It is estimated that twice as much rain fell, but Tivoli's claims costs will be only about a third of what they were in 2011.

The cloudbursts in Q3 show that weather events of this kind are becoming more frequent, which is also substantiated by global assessments. In the past ten years, a more than 20% increase has been seen in weather events, whereas the increase over the past approximately 30 years has been only about 5%. This clearly indicates an increase in weather claims. In a report, the Nordic insurance organisations have estimated that the incidence and scope of cloudbursts will increase by 20-40% in the period leading up to 2100. This development is a focus area for Tryg, both with regard to preventative initiatives and the adaptation of insurance terms, but also in connection with the development of price-differentiated

products and discussions with the authorities about measures which may help to reduce the risk.

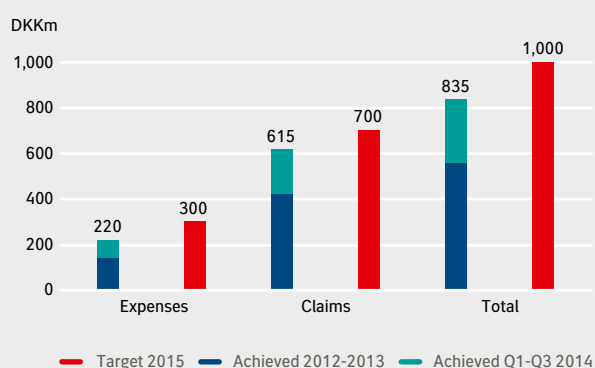
The very high gross claims level in Q3 2013 compared with Q3 2014 is attributable, in particular, to a single large Tryg Garanti claim, which was, however, largely covered by reinsurance.

The claims ratio, net of ceded business, was 68.6 (69.3), despite the higher level of weather claims. Efficiency measures worth DKK 65m were implemented in Q3, corresponding to an improvement of 1.4 percentage points. As regards the aim of introducing claims prevention measures totalling DKK 700m by the end of 2015, DKK 615m of that amount had been realised on 30 September 2014. Most efficiency gains have so far still been made within building and contents insurance. The underlying claims level improved by 2.5 percentage points, partly as a result of the initiatives introduced and partly due to a somewhat lower level of medium-sized claims in Corporate.

## Expenses

The expense ratio totalled 15.1 (15.5), which is a significant improvement, and which shows that Tryg is well on the way to achieving a

### Efficiency programme



---

ratio of under 15 from 2015. However, it should be noted that costs are often lower in Q3 than in other quarters, especially due to the summer holidays and, thus, lower levels of activity.

The efficiency programme is progressing according to plan and improved results by DKK 30m. As regards the savings target of DKK 300m in the period leading up to 2015, savings of DKK 220m have been realised.

At the end of Q3 2014, the number of employees was 3,633, corresponding to a reduction of 64 employees since Q2 2014 and a total of 127 employees since the beginning of the year, when adjusted for the employees taken over in connection with the acquired activities.

#### **Investment return**

Investment activities generated a loss of DKK 1m (DKK 152m), and were impacted by a low return on both equities and bonds in the free investment portfolio. The return on the match portfolio was DKK 16m, while the return on the free investment portfolio was DKK 21m, equivalent to a return of 0.2% (0.8% p.a.) on the average invested capital. Other financial income and expenses totalled DKK -38m.

#### **Profit before and after tax**

Profit before tax was DKK 782m (DKK 907m). The profit for the period after tax and discontinued business was thus DKK 593m (DKK 715m). Tax on continuing business constituted an expense of DKK 190m (DKK 196m), corresponding to a tax rate of 24.3%.

#### **Results for Q1-Q3 2014**

Profit before tax was DKK 2,534m (DKK 2,354m). This increase in the result can be ascribed to an improved technical result, while the investment return was at a somewhat lower level. The combined ratio improved to 84.5 (87.3) on account of the results of the efficiency programme, one-off effects in respect of the Norwegian pension scheme and provisions covering the transition to a new IT operations provider. At the same time, weather claims and large claims were up.

The measures implemented as part of the efficiency programme have been supplemented by a large number of customer-oriented

initiatives, and new price-differentiated products have been launched in both the Danish and Norwegian markets.

#### **Capital**

Tryg's equity totalled DKK 10,716m at the end of Q3 2014. Tryg determines the individual solvency need according to the Danish Financial Supervisory Authority's guidelines. The individual solvency need totalled DKK 6,723m at the end of Q3 2014, and in relation to the capital base of DKK 11,020m and after recognition of the completed share buy back, Tryg's surplus cover amounts to DKK 4,297m, corresponding to 64%.

On 19 June, the Financial Supervisory Authority of Norway made an announcement concerning issues associated with Solvency II. In the announcement, the Financial Supervisory Authority of Norway estimates that the Norwegian Natural Perils Pool and the Norwegian guarantee scheme should only to a limited extent be included in the capital adequacy calculation. Tryg's capital adequacy calculation includes about NOK 1.2bn after tax from the Norwegian Natural Perils Pool and the Norwegian guarantee scheme. This matter has not been clarified further in Q3 2014.

In relation to Solvency II, final clarification of the expected future surplus and full recognition of subordinate loan capital is still pending; this will obviously have a positive impact on Tryg's capital. The final Solvency II rules will take effect from 2016. The plan was for the uniform solvency and accounting principles to take effect on 1 January 2015, but in October 2014, the Danish Financial Supervisory Authority announced that the harmonisation has been postponed until 1 January 2016.

On 2 January 2014, Tryg initiated the buy back of own shares for an amount of DKK 1,000m. At the end of Q3 2014, 1,391,568 shares for a total amount of DKK 751m had been bought back. The share buy back will be realised in the period up until the end of 2014.

# Private

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

## Results

Private posted an improved technical result of DKK 445m (DKK 440m) and a combined ratio of 80.8 (81.5). The result is affected positively by Tryg's efficiency programme, but negatively by the cloudbursts in Q3 2014.

## Premiums

Gross premium income rose by 0.5% when measured in local currencies (-2.9%) and was impacted by a lower level of premium discounts. Adjusted for the lower level of premium discounts, premium income was largely unchanged, and thus Q3 also saw

a markedly improved development trend. The positive development in sales and customer numbers is continuing. In Norway, this resulted in an influx of customers.

Price-differentiated products still have a positive effect in the form of higher sales rates. The conversion of old products to the new price-differentiated products continues, and the conversion process is progressing satisfactorily and has only had a marginal impact on retention rates.

Moreover, the development in premium income in Denmark is still affected by rising sales of small cars with lower risk and therefore lower insurance premiums.

The retention rate remains high, with the quarter seeing an increase to 89.4 for the Danish part of the business against 89.2 in Q2 2014. In Norway, the retention rate for the Private segment was 86.9 against 87.0 for the previous quarter.

## Key figures – Private

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Gross premium income</b>	<b>2,289</b>	<b>2,329</b>	<b>6,802</b>	<b>7,076</b>	<b>9,366</b>
Gross claims	-1,478	-1,507	-4,661	-4,865	-6,596
Gross expenses	-346	-351	-974	-1,084	-1,418
Profit/loss on gross business	465	471	1,167	1,127	1,352
Profit/loss on ceded business	-25	-39	25	-100	-43
Insurance technical interest, net of reinsurance	5	8	20	22	26
<b>Technical result</b>	<b>445</b>	<b>440</b>	<b>1,212</b>	<b>1,049</b>	<b>1,335</b>
Run-off gains/losses, net of reinsurance	102	58	310	238	310
<b>Key ratios</b>					
Premium growth in local currency (%)	0.5	-2.9	0.0	-2.3	-2.2
Gross claims ratio	64.6	64.7	68.5	68.8	70.4
Net reinsurance ratio	1.1	1.7	-0.4	1.4	0.5
Claims ratio, net of reinsurance	65.7	66.4	68.1	70.2	70.9
Gross expense ratio	15.1	15.1	14.3	15.3	15.1
<b>Combined ratio</b>	<b>80.8</b>	<b>81.5</b>	<b>82.4</b>	<b>85.5</b>	<b>86.0</b>
Combined ratio exclusive of run-off	85.3	84.0	87.0	88.9	89.3
Run-off, net of reinsurance (%)	-4.5	-2.5	-4.6	-3.4	-3.3
Large claims, net of reinsurance (%)	0.0	0.0	0.2	0.0	0.1
Weather claims, net of reinsurance (%)	2.4	0.4	2.5	1.6	3.2



---

Distribution has been strengthened in Private, with, among other things, two new franchisees being added in Norway. This has contributed to a decent increase in sales via this channel.

#### **Claims**

The gross claims ratio was 64.6 (64.7). The claims ratio, net of ceded business constituted 65.7 (66.4) and was influenced, among other things, by the cloudburst in Denmark, adding 2.4 percentage points. This is, however, to some extent offset by a run-off which is 2.0 percentage points higher than for the prior-year period. The underlying claims ratio was improved by 0.7 percentage points as a result of the efficiency programme which is currently being implemented. The level of large house insurance claims was higher than normal in both Denmark and Norway, and adjusted for this, the underlying improvement was approximately 1 percentage point.

#### **Expenses**

The expense ratio for Private was 15.1 (15.1). This is a satisfactory level, which has been achieved against the background of an increase in sales resources. Tryg has a strong focus on being able to communicate digitally with customers, and 60% of customers in

Denmark and 70% in Norway have signed up for digital communication with Tryg. The proportion will gradually be increased, resulting in a significant reduction in paper and postage costs. Moreover, Private has introduced a number of measures, including a major organisational restructuring. The changes are expected to strengthen Tryg's position in the partner areas, while at the same time paving the way for cutting 15-20 jobs.

The number of employees totalled 910 at the end of the quarter against 908 at the end of Q2 2014, which must be seen in the context of the above-mentioned expansion of the sales resources.

#### **Results for Q1-Q3 2014**

A technical result of DKK 1,212m (DKK 1,049m) was posted together with a combined ratio of 82.4 (85.5). The positive development may be attributed, in part, to one-off effects from the Norwegian pension scheme and the new IT provider and, in part, to Tryg's efficiency programme. In addition, this business area has implemented a number of customer-oriented initiatives and has launched several new price-differentiated products.

# Commercial

**Commercial encompasses the sale of insurance products to small and medium-sized businesses in Denmark and Norway. Sales are effected by Tryg's own sales force, brokers, franchisees (Norway), customer centres as well as through group agreements. The business area accounts for 23% of the Group's total premium income.**

## Results

Commercial posted a technical result of DKK 188m (DKK 230m) and a combined ratio of 82.3 (79.0). The results are influenced by a significant improvement in the expense ratio and a higher level of large claims and weather claims.

## Premiums

Gross premium income totalled DKK 1,045m (DKK 1,075m), which represents a 1.6% drop in premium income when measured in local currencies. The reduction in premium income reflects a significantly improved development trend from the previous

quarter which saw a 3.9% decline in premium income. This mainly reflects an improved development in sales, which has been achieved through a variety of measures. These include sales training activities, shifting decision-making authority closer to the customer and closer follow-up on the activities.

The development in retention rates has generally improved based on an significant improvement in the retention rate in Norway and a slight improvement in Denmark. The new price-differentiated tariffs also have a positive effect within Commercial, leading among other things to a substantial reduction in the need for discounts.

In connection with the new division of customer service responsibilities between Corporate and Commercial, the broker sales channel is now part of Commercial. In order to strengthen relations with this channel, a dialogue has been initiated with the brokers in order to ensure efficient collaboration.

## Key figures – Commercial

DKK m	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Gross premium income</b>	<b>1,045</b>	<b>1,075</b>	<b>3,140</b>	<b>3,331</b>	<b>4,411</b>
Gross claims	-668	-602	-2,093	-2,181	-2,978
Gross expenses	-183	-210	-500	-627	-820
Profit/loss on gross business	194	263	547	523	613
Profit/loss on ceded business	-9	-38	47	-35	29
Insurance technical interest, net of reinsurance	3	5	11	9	12
<b>Technical result</b>	<b>188</b>	<b>230</b>	<b>605</b>	<b>497</b>	<b>654</b>
Run-off gains/losses, net of reinsurance	102	89	184	189	265
<b>Key ratios</b>					
Premium growth in local currency (%)	-1.6	-4.7	-3.3	-3.5	-2.9
Gross claims ratio	63.9	56.0	66.7	65.5	67.5
Net reinsurance ratio	0.9	3.5	-1.5	1.1	-0.7
Claims ratio, net of reinsurance	64.8	59.5	65.2	66.6	66.8
Gross expense ratio	17.5	19.5	15.9	18.8	18.6
<b>Combined ratio</b>	<b>82.3</b>	<b>79.0</b>	<b>81.1</b>	<b>85.4</b>	<b>85.4</b>
Combined ratio exclusive of run-off	92.1	87.3	87.0	91.1	91.4
Run-off, net of reinsurance (%)	-9.8	-8.3	-5.9	-5.7	-6.0
Large claims, net of reinsurance (%)	5.3	1.1	4.3	5.9	4.5
Weather claims, net of reinsurance (%)	2.1	-0.2	1.6	0.8	4.5

The acquired renewal rights to the Codan agricultural portfolio in April have now been fully integrated into Tryg's portfolio. This is an example of how Tryg is able to turn such acquisitions into satisfactory earnings based on efficient operations and thereby a low expense ratio.

### Claims

The gross claims ratio was 63.9 (56.0), and the claims ratio, net of ceded business, was 64.8 (59.5). The development in the claims ratio, net of ceded business, is attributable to a higher level of large claims and weather claims, which to a limited extent is offset by a higher level of run-off gains. In addition, the level of medium-sized claims was also slightly higher than for the prior-year period. The cloudbursts in Q3 affected Commercial only to a limited extent, which can be ascribed, among other things, to the steps taken following the cloudburst in July 2011. Following this cloudburst, advice was offered to customers, and a requirement was introduced that objects kept in basements

have to be stored at least 40 cm above the floor. Also, the excess was generally raised.

### Expenses

The expense ratio was 17.5 (19.5), which reflects a very satisfactory development. Reducing costs is very important for Commercial to be able to strengthen its competitiveness and improve results. This will remain a significant focus area.

At the end of Q3, Commercial had 562 employees, which is unchanged since the end of Q2.

### Results for Q1-Q3 2014

A technical result of DKK 605m (DKK 497m) was posted together with a combined ratio of 81.1 (85.4). The improvement can be ascribed to one-off effects in Q2 in respect of the Norwegian pension scheme and costs incidental to the change of IT provider as well as the effect of Tryg's efficiency programme.



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'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.

## Results

A technical result of DKK 130m (DKK 42m) was posted, with a combined ratio of 87.5 (96.3). The results are affected by a high level of weather claims and somewhat lower large claim and run-off levels. The underlying claims level is significantly lower than for the prior-year period, which is largely attributable to a smaller proportion of medium-sized claims during the past quarter.

## Premiums

Premium income totalled DKK 999m (DKK 1,025m), representing growth of 0.5% when measured in local currencies. The underlying development in the portfolio is largely unchanged, and the positive trend is mainly due to a lower level of premium discounts relative to the same period in 2013. As the development in Corporate premiums can be significantly impacted by the gain and loss of individual customers, the most important focus area in Corporate is ensuring profitability through correct pricing and close cooperation with customers and brokers on claims prevention.

For this purpose, Corporate is increasingly working with a service model which caters for customers wanting direct servicing as well as those working also with a broker. The largest companies are particularly likely to want to combine Tryg's direct services with the services of a broker, and so this is an important part of the activ-

## Key figures – Corporate

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Gross premium income</b>	<b>999</b>	<b>1,025</b>	<b>3,018</b>	<b>3,133</b>	<b>4,158</b>
Gross claims	-629	-1,260	-2,190	-2,892	-3,661
Gross expenses	-115	-119	-338	-366	-490
Profit/loss on gross business	255	-354	490	-125	7
Profit/loss on ceded business	-130	392	-176	416	338
Insurance technical interest, net of reinsurance	5	4	15	8	13
<b>Technical result</b>	<b>130</b>	<b>42</b>	<b>329</b>	<b>299</b>	<b>358</b>
Run-off gains/losses, net of reinsurance	74	87	259	298	375
<b>Key ratios</b>					
Premium growth in local currency (%)	0.5	-2.6	1.0	-3.2	-2.9
Gross claims ratio	63.0	122.9	72.6	92.3	88.0
Net reinsurance ratio	13.0	-38.2	5.8	-13.3	-8.1
Claims ratio, net of reinsurance	76.0	84.7	78.4	79.0	79.9
Gross expense ratio	11.5	11.6	11.2	11.7	11.8
<b>Combined ratio</b>	<b>87.5</b>	<b>96.3</b>	<b>89.6</b>	<b>90.7</b>	<b>91.7</b>
Combined ratio exclusive of run-off	94.9	104.8	98.2	100.2	100.7
Run-off, net of reinsurance (%)	-7.4	-8.5	-8.6	-9.5	-9.0
Large claims, net of reinsurance (%)	2.6	6.9	7.5	5.0	4.7
Weather claims, net of reinsurance (%)	5.8	-1.0	3.0	1.5	2.5

---

ities which have been introduced following the changed division of responsibilities between Corporate and Commercial in early 2014.

#### **Claims**

The gross claims ratio stood at 63.0 (122.9), while the claims ratio, net of ceded business, was 76.0 (84.7). The high gross claims level in Q3 2013 was due to a single large Tryg Garanti claim. This was, however, to a large extent covered by reinsurance. Large claims, net of reinsurance, totalled 2.6 (6.9) for Q3 2014, which was low. Weather claims accounted for 5.8 (-1.0) and pertained mainly to the cloudburst in Denmark at the end of August, but the Swedish Corporate segment also received claims from southern Sweden.

In connection with the cloudburst, it was very positive that many of the claims prevention initiatives launched after the severe cloudburst in 2011 proved effective. Among other things, this led to media coverage of Tryg's cooperation with Tivoli in Copenhagen.

Thanks to the preventative initiatives introduced, the amusement park was much better prepared for handling the cloudburst.

#### **Expenses**

The expense ratio was 11.5 (11.6), which represents a satisfactory improvement in line with the development seen in the course of the year. The number of Corporate employees was reduced by 10 to 285 at the end of Q3 2014.

#### **Results for Q1-Q3 2014**

A technical result of DKK 329m (DKK 299m) was posted for Q1-Q3 2014, with a combined ratio of 89.6 (90.7). The improvement is the result of a combination of lower cost levels due to the one-off effects of the Norwegian pension plan in Q2 and IT costs associated with the transition to the new IT contract. Moreover, the level of medium-sized claims was particularly low.



# Sweden

Sweden comprises the sale of insurance products to private customers under the 'Moderna' brand. Moreover, insurance is sold under the brands Atlantica, Car Sports/Motorcycles, Securator and Optimal Djurförsäkringar. Sales take place through its own sales force, call centres and the Internet. The business area accounts for 7% of the Group's total premium income.

## Results

Sweden posted a technical result of DKK 30m (DKK 54m) and a combined ratio of 92.5 (87.8). The results are impacted by a continued expected considerable reduction in premium income as a result of the termination of the Nordea agreement. Moreover, Sweden was also to a lesser extent affected by weather claims and a SEK 5m claim on a pleasure craft.

## Premiums

Premium income totalled DKK 386m (DKK 442m), representing a fall of 8.4% when measured in local currencies. This represents

an improvement on Q2, which saw a fall of 9.3%. The reduction was expected, and a number of initiatives will be introduced to compensate for this development. The initiatives relate to the continued development of the collaboration with Danske Bank both through branches and in the form of online sales. Also, cross-selling is being introduced between the niche areas (Car Sports/Motorcycles and Atlantica) and the rest of the business, which is progressing satisfactorily. In parallel with this, a strong focus is directed at performance follow-up, which has increased average sales per sales rep.

Based on the many initiatives, sales levels are now higher than under the Nordea contract, which has contributed to a slightly increasing portfolio.

In September 2014, Tryg acquired Securator, which is the leading provider of extended warranty insurance for electronic products in Denmark. As Moderna has extensive experience with this type of

## Key figures – Sweden

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Gross premium income</b>	<b>386</b>	<b>442</b>	<b>1,061</b>	<b>1,239</b>	<b>1,587</b>
Gross claims	-294	-321	-746	-928	-1,178
Gross expenses	-60	-65	-193	-213	-280
Profit/loss on gross business	32	56	122	98	129
Profit/loss on ceded business	-3	-2	-16	-1	9
Insurance technical interest, net of reinsurance	1	0	5	8	11
<b>Technical result</b>	<b>30</b>	<b>54</b>	<b>111</b>	<b>105</b>	<b>149</b>
Run-off gains/losses, net of reinsurance	20	9	40	-2	20
<b>Key ratios</b>					
Premium growth in local currency (%)	-8.4	-4.7	-10.0	-3.1	-4.9
Gross claims ratio	76.2	72.6	70.3	74.9	74.2
Net reinsurance ratio	0.8	0.5	1.5	0.1	-0.6
Claims ratio, net of reinsurance	77.0	73.1	71.8	75.0	73.6
Gross expense ratio	15.5	14.7	18.2	17.2	17.6
<b>Combined ratio</b>	<b>92.5</b>	<b>87.8</b>	<b>90.0</b>	<b>92.2</b>	<b>91.2</b>
Combined ratio exclusive of run-off	97.7	89.8	93.8	92.0	92.5
Run-off, net of reinsurance (%)	-5.2	-2.0	-3.8	0.2	-1.3
Weather claims, net of reinsurance (%)	2.8	0.0	1.5	1.2	1.4

product, Tryg has decided that Securator will be integrated with the Swedish business.

### Claims

The gross claims ratio totalled 76.2 (72.6), which can be ascribed to cloudbursts in Sweden, a single larger claim and a general increase in the claims frequency for contents insurance.

Moderna is continuing the further automation of its claims handling processes without the involvement of claims handlers. So far, only a limited number of claims are handled in this way, but the potential is generally believed to be considerable for Tryg.

### Expenses

The expense ratio was 15.5 (14.7), which is a satisfactory level given the size of the business area. Also, it must be seen in the context of an adaptation of cost levels following the reduction in the business volume. Moreover, the expense ratio is usually

lower in Q3, as exposure and thereby premium income are relatively high for this quarter.

The number of employees was 390 at the end of the quarter, up 29 from 361 at the end of Q2. The increase is composed of an intake of 57 employees from Securator and a reduction that pertains to the jobs cut in connection with the closure of the call centre in Luleå in northern Sweden.

### Results for Q1-Q3 2014

A technical result of DKK 111m (DKK 105m) was posted for Q1-Q3 2014, with a combined ratio of 90.0 (92.2). The results are positively impacted by a higher run-off level and negatively impacted by costs associated with the transition to new IT operations provider.



## Investment activities

### Key figures – Investments

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
Free portfolio, gross return	21	243	394	608	891
Match portfolio, regulatory deviation and performance	16	-33	142	2	40
Other financial income and expenses	-38	-58	-189	-176	-343
<b>Total investment return</b>	<b>-1</b>	<b>152</b>	<b>347</b>	<b>434</b>	<b>588</b>

The return on investment totalled DKK -1m (DKK 152m) in a quarter which was characterised by geopolitical unrest and by changing market sentiments, which all in all resulted in a largely neutral return on investment.

The return on investment was composed of a return of DKK 21m on the free portfolio, a net return of DKK 16m on the match portfolio and other financial income and expenses of DKK -38m.

#### The match portfolio

Tryg matches the insurance provisions with the assets in the match portfolio so that changes in interest rate levels affect Tryg's results as little as possible. This generally leads to less variation in results and will under Solvency II reduce the capital requirement needed to accommodate fluctuations. The difference between the return on the match portfolio and the price adjustments of the claims provisions and the insurance technical interest is ascribable to two factors: a regulatory deviation and a performance component.

The regulatory deviation stems from the evaluation of the claims based on the Danish Financial Supervisory Authority's discount curve relative to the selected local benchmarks used in the match portfolios. Thus, this component is primarily a result of how European interest rates develop relatively to Danish, Norwegian and Swedish interest rates, as EUR swaps constitute an important element in the Financial Supervisory Authority's interest curve.

The performance component expresses the match portfolio return relative to the selected local benchmarks. Thus, this component

primarily shows how local bonds are performing relative to the local market rates. The match portfolio generated a return of DKK 284m, while an amount of DKK 268m was transferred to insurance. The difference thus amounts to a regulatory deviation of DKK 0m and a performance of DKK 16m.

A continued fall in inflation and an easing of monetary policy in the form of legislation allowing intervention to stimulate the markets resulted in historically low interest rate levels during the quarter. This has resulted in a high level of capital gains and thereby a relatively large transfer to insurance.

A good performance from Nordic mortgage bonds has generally led to a positive performance for the portfolio during the quarter, thus contributing the above-mentioned DKK 16m.

### Return – match portfolio

DKKm	Return Q3 2014	Return Q1-Q3 2014
Return, match portfolio	284	996
Value adjustments, changed discount rate	-170	-524
Transferred to insurance technical interest	-98	-330
<b>Match, regulatory deviation and performance</b>	<b>16</b>	<b>142</b>
Hereof:		
Match, regulatory deviation	0	46
Match, performance	16	96

## Return – free portfolio

DKKm	Return	Return (%)	Return	Return (%)	Investment assets	
	Q3 2014	Q3 2014	Q1-Q3 2014	Q1-Q3 2014	30.09.2014	31.12.2013
Government bonds	1	0.3	6	1.3	304	501
Covered bonds	8	0.2	54	1.1	4,953	4,736
Emerging market bonds	-5	-1.2	26	6.5	413	387
High-yield bonds	-14	-1.6	31	4.7	882	802
Other <sup>a)</sup>	10	0.8	22	1.8	1,295	1,944
<b>Interest rate and credit exposure</b>	<b>0</b>	<b>0.0</b>	<b>139</b>	<b>1.7</b>	<b>7,847</b>	<b>8,370</b>
<b>Equity exposure</b>	<b>-6</b>	<b>0.0</b>	<b>175</b>	<b>6.8</b>	<b>2,789</b>	<b>2,966</b>
<b>Investment property</b>	<b>27</b>	<b>1.3</b>	<b>80</b>	<b>3.9</b>	<b>2,127</b>	<b>2,022</b>
<b>Total gross return</b>	<b>21</b>	<b>0.2</b>	<b>394</b>	<b>3.1</b>	<b>12,763</b>	<b>13,358</b>

a) Bank deposits and derivative financial instruments hedging interest rate risk and credit risk.

### The free investment portfolio

The free investment portfolio is mainly made up of equities, real estate and bonds and generated a return of DKK 21m, corresponding to 0.2% on the average invested capital. At the end of the quarter, the free portfolio constituted DKK 12.8bn.

The quarter began with a negative atmosphere in the financial markets in response to a deterioration of the geopolitical situation. However, statements in August from the European Central Bank (ECB) meant a generally improved risk appetite. The ECB promised further monetary stimuli, if needed to maintain positive inflation expectations in Europe. The equity markets recovered, and interest rates on both Danish mortgage bonds and German government bonds fell to the lowest level ever. However, nervousness returned to the equity and credit markets, which slumped back.

The equity portfolio saw a small negative return of DKK 6m, and the interest and credit exposures supplied a DKK 0m return. The real estate portfolio, which consists of Danish and Norwegian investment properties, was thus the only asset class realising a positive return with DKK 27m, or 1.3%, for the quarter.

Altogether, a positive return on the free portfolio of DKK 21m was posted for the quarter, corresponding to 0.2%.

### Other financial income and expenses

Other financial income and expenses were negative at DKK 38m. This is attributable, partly, to the currency hedging of the capital in the Swedish and Norwegian branches, and partly to expenses relating to Tryg's subordinate loans.

### Results for Q1-Q3 2014

The investment return for Q1-Q3 2014 totalled DKK 347m. The return on the match portfolio was DKK 142m, composed of a regulatory deviation of DKK 46m and a performance component of DKK 96m. The return on the free investment portfolio totalled DKK 394m, with the high return being attributable in particular to a return on equities of DKK 175m and a satisfactory return on bonds and credit bonds of DKK 139m. With other financial income and expenses of DKK -189m, the total investment return amounted to DKK 347m.

# Capital

Tryg calculates the individual solvency need based on a partially internal model in accordance with 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, where Tryg has decided to model insurance risks using an internal model, while the other risks are calculated using the standard model components. The individual solvency need was DKK 6,723m in Q3 2014 against DKK 6,734m in Q2 2014.

According to the standard model, the solvency need would be DKK 8,554m in Q3 2014 against DKK 8,508m in Q2 2014.

## Capital

The executive order from the Danish Financial Supervisory Authority stipulates that the calculated solvency need must be covered by an 'adequate capital base'. This represents an adjustment of the capital base and includes some (but not all) of the elements in the future capital concept of Own Funds, which will apply as from the introduction of Solvency II from 2016.

An element, which can already be included in the adequate capital base is expected future surplus. Tryg has not yet done so, as we are awaiting the introduction of uniform solvency and accounting principles. The plan was for the uniform principles to take effect on 1 January 2015, but in October 2014, the Danish Financial Super-

visory Authority announced that the harmonisation has been postponed until 1 January 2016.

One example of an element which has not yet been included in the adequate capital base is the extended access to including subordinate loan capital which will apply under the Solvency II regime. It is expected, however, that a transitional model will apply for 2015, which will extend access to including subordinate loans. Under the current regulations, the subordinate loan of EUR 150m cannot be included in full in the adequate capital base. Any extended access will mean that the whole loan can be included, which will make a positive contribution with approximately DKK 300m.

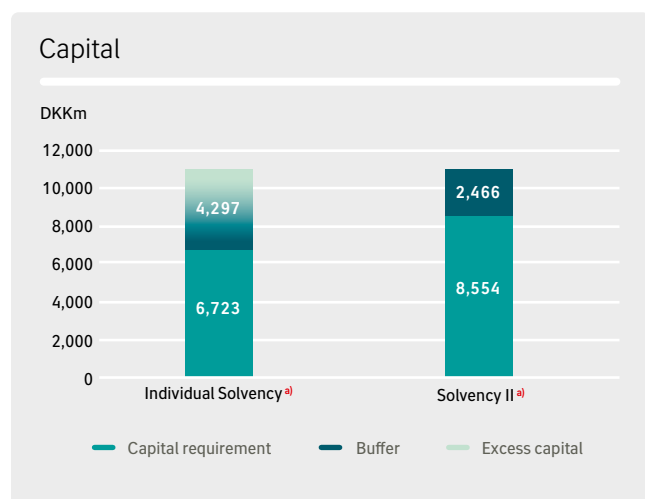
In Q3 2014, the adequate capital base less the executed part of the share buy back programme is DKK 11,020m, which means that Tryg has surplus cover of DKK 4,297m (64%) and DKK 2,466m (29%) relative to the individual solvency need and the standard solvency need, respectively.

On 19 June, the Financial Supervisory Authority of Norway made an announcement concerning issues associated with Solvency II. In the announcement, the Financial Supervisory Authority of Norway estimates that the Norwegian Natural Perils Pool and the Norwegian guarantee scheme should only to a limited extent be included in the capital adequacy calculation. Tryg's capital adequacy calculation includes about NOK1.2bn after tax from the Norwegian Natural Perils Pool and the Norwegian guarantee scheme. In relation to Solvency II, final clarification of the expected future surplus and full recognition of subordinate loan capital is still pending; this will obviously have a positive impact on Tryg's capital. The final Solvency II rules will take effect from 2016.

Tryg has an interactive 'A-' rating from Standard & Poor's, and the capital will be sufficient to support this rating.

## Share buy back

On 2 January 2014, Tryg initiated the buy back of own shares for an amount of DKK 1,000m. Tryg reports weekly on the share buy back programme. From the start-up of the share buy back programme and up until 30 September 2014, 1,391,568 shares have been acquired for a total sum of DKK 751m. Following these transactions, Tryg holds a total of 1,487,660 own shares, corresponding to 2.5%. The total number of shares is 59,695,516 less own shares, i.e. 58,207,856 shares.



a) Share buy back deducted.



# Outlook

Tryg has a target of achieving a return on equity of 20% after tax, and a combined ratio of 90 or less, and from 2015 an expense ratio below 15.

In order to ensure the realisation of Tryg's financial targets, on Capital Markets Day in 2012, Tryg announced an efficiency programme, the aim being to reduce expenses and claims by a total of DKK 1bn in the period up to 2015.

## Tryg's financial targets

- Combined ratio of 90 or less.
- Expense ratio below 15 in 2015.
- Return on equity of 20% after tax.




---

## Disclaimer

Certain statements in this 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.

 [Read more in the chapter Risk management in the annual report 2013 note 1 for a description of some of the factors which may affect the Group's performance or the insurance industry.](#)

Should one or more of these risks or uncertainties materialise, or should any underlying 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.

---

# Contents – Financial statements

---

Financial statements Q1-Q3 2014	Page
Statement by the Supervisory Board and the Executive Management	20
Financial highlights	21
Income statement	22
Statement of comprehensive income	23
Statement of financial position	24
Equity	26
Cash flow statement	28
Notes	29
Quarterly outline	36

---

---

# 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 interim report for Q1-Q3 2014 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 OMX 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 30 september 2014 and of the results of the Group's activities and cash flows for the period.

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, 10 October 2014

## Executive management

Morten Hübbe  
Group CEO

Tor Magne Lønnum  
Group CFO

Lars Bonde  
Group Executive Vice President and COO

## Supervisory Board

Jørgen Huno Rasmussen  
Chairman

Torben Nielsen  
Deputy Chairman

Paul Bergqvist

Anya Eskildsen

Vigdís Fossehagen

Lone Hansen

Jesper Hjulmand

Ida Sofie Jensen

Bill-Owe Johansson

Lene Skole

Tina Snebjerg

Mari Thjømøe

# Financial highlights

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Gross premium income</b>	<b>4,712</b>	<b>4,867</b>	<b>14,006</b>	<b>14,767</b>	<b>19,504</b>
Gross claims	-3,057	-3,692	-9,674	-10,865	-14,411
Total insurance operating costs	-704	-745	-2,005	-2,290	-3,008
Profit/loss on gross business	951	430	2,327	1,612	2,085
Profit/loss on ceded business	-172	319	-121	291	349
Insurance technical interest, net of reinsurance	14	17	51	47	62
<b>Technical result</b>	<b>793</b>	<b>766</b>	<b>2,257</b>	<b>1,950</b>	<b>2,496</b>
Investment return after insurance technical interest	-1	152	347	434	588
Other income and costs	-10	-11	-70	-30	-91
<b>Profit/loss before tax</b>	<b>782</b>	<b>907</b>	<b>2,534</b>	<b>2,354</b>	<b>2,993</b>
Tax	-190	-196	-620	-545	-620
<b>Profit/loss, continuing business</b>	<b>592</b>	<b>711</b>	<b>1,914</b>	<b>1,809</b>	<b>2,373</b>
Profit/loss on discontinued and divested business after tax	1	4	3	-5	-4
<b>Profit/loss for the period</b>	<b>593</b>	<b>715</b>	<b>1,917</b>	<b>1,804</b>	<b>2,369</b>
<b>Other comprehensive income</b>	<b>-57</b>	<b>77</b>	<b>-43</b>	<b>91</b>	<b>34</b>
<b>Comprehensive income</b>	<b>536</b>	<b>792</b>	<b>1,874</b>	<b>1,895</b>	<b>2,403</b>
Run-off gains/losses, net of reinsurance	298	243	793	723	970
<b>Statement of financial position</b>					
Total provisions for insurance contracts	34,228	34,425	34,228	34,425	32,939
Total reinsurers' share of provisions for insurance contracts	2,435	2,628	2,435	2,628	2,620
Total equity	10,716	10,854	10,716	10,854	11,107
Total assets	53,979	54,511	53,979	54,511	53,371
<b>Key ratios</b>					
Gross claims ratio	64.9	75.9	69.1	73.6	73.9
Net reinsurance ratio	3.7	-6.6	0.9	-2.0	-1.8
Claims ratio, net of reinsurance	68.6	69.3	70.0	71.6	72.1
Gross expense ratio	15.1	15.5	14.5	15.7	15.6
<b>Combined ratio</b>	<b>83.7</b>	<b>84.8</b>	<b>84.5</b>	<b>87.3</b>	<b>87.7</b>
Gross expense ratio without adjustment <sup>a)</sup>	14.9	15.3	14.3	15.5	15.4
Operating ratio	83.2	84.3	83.9	86.8	87.2

a) 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 respect 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	Q1-Q3 2014	Q1-Q3 2013	FY 2013
Note <b>General insurance</b>			
Gross premiums written	14,931	15,933	19,820
Ceded insurance premiums	-906	-873	-1,220
Change in premium provisions	-700	-915	36
Change in reinsurers' share of premium provisions	26	42	24
<b>2 Premium income, net of reinsurance</b>	<b>13,351</b>	<b>14,187</b>	<b>18,660</b>
<b>3 Insurance technical interest, net of reinsurance</b>	<b>51</b>	<b>47</b>	<b>62</b>
Claims paid	-10,174	-10,386	-14,059
Reinsurance cover received	970	676	1,034
Change in claims provisions	500	-479	-352
Change in the reinsurers' share of claims provisions	-293	366	406
<b>4 Claims, net of reinsurance</b>	<b>-8,997</b>	<b>-9,823</b>	<b>-12,971</b>
<b>Bonus and premium discounts</b>	<b>-225</b>	<b>-251</b>	<b>-352</b>
Acquisition costs	-1,467	-1,700	-2,227
Administration expenses	-538	-590	-781
Acquisition costs and administration expenses	-2,005	-2,290	-3,008
Reinsurance commissions and profit participation from reinsurers	82	80	105
<b>Insurance operating costs, net of reinsurance</b>	<b>-1,923</b>	<b>-2,210</b>	<b>-2,903</b>
<b>1 Technical result</b>	<b>2,257</b>	<b>1,950</b>	<b>2,496</b>
<b>Investment activities</b>			
Income from associates	6	8	6
Income from investment property	69	77	97
Interest income and dividends	723	780	1,029
5 Value adjustments	15	51	115
Interest expenses	-86	-77	-112
Administration expenses in connection with investment activities	-50	-42	-64
<b>Total investment return</b>	<b>677</b>	<b>797</b>	<b>1,071</b>
3 Return on insurance provisions	-330	-363	-483
<b>Total investment return after insurance technical interest</b>	<b>347</b>	<b>434</b>	<b>588</b>
Other income	59	69	100
Other costs	-129	-99	-191
<b>Profit/loss before tax</b>	<b>2,534</b>	<b>2,354</b>	<b>2,993</b>
Tax	-620	-545	-620
<b>Profit/loss on continuing business</b>	<b>1,914</b>	<b>1,809</b>	<b>2,373</b>
Profit/loss on discontinued and divested business	3	-5	-4
<b>Profit/loss for the period</b>	<b>1,917</b>	<b>1,804</b>	<b>2,369</b>
Earnings per share of DKK 25 - continuing business	32.4	29.9	39.4
Earnings per share of DKK 25	32.4	29.8	39.4
Diluted earnings per share of DKK 25	32.4	29.7	39.3
Earnings per share of DKK 25 - discontinued and divested business	0.0	-0.1	0.0
Diluted earnings per share of DKK 25 - discontinued and divested business	0.0	-0.1	0.0

# Statement of comprehensive income

DKKm		Q1-Q3 2014	Q1-Q3 2013	FY 2013
Note	<b>Profit/loss for the period</b>	<b>1,917</b>	<b>1,804</b>	<b>2,369</b>
	<b>Other comprehensive income</b>			
	<b>Other comprehensive income which cannot subsequently be reclassified as profit or loss</b>			
	Revaluation of owner-occupied property	1	8	9
	Tax on revaluation of owner-occupied property	0	0	-3
	Actuarial gains/losses on defined-benefit pension plans	-81	199	179
	Tax on actuarial gains/losses on defined-benefit pension plans	22	-56	-54
		-58	151	131
	<b>Other comprehensive income which can subsequently be reclassified as profit or loss</b>			
	Exchange rate adjustments of foreign entities	51	-219	-326
	Hedging of currency risk in foreign entities	-47	212	305
	Tax on hedging of currency risk in foreign entities	11	-53	-76
		15	-60	-97
	<b>Total other comprehensive income</b>	<b>-43</b>	<b>91</b>	<b>34</b>
	<b>Comprehensive income</b>	<b>1,874</b>	<b>1,895</b>	<b>2,403</b>

# Statement of financial position

DKKm		30.09.2014	30.09.2013	31.12.2013
Note 6	<b>Assets</b>			
	<b>Intangible assets</b>	<b>978</b>	<b>723</b>	<b>758</b>
	Operating equipment	109	122	122
	Owner-occupied property	1,317	1,399	1,304
	<b>Total property, plant and equipment</b>	<b>1,426</b>	<b>1,521</b>	<b>1,426</b>
	<b>Investment property</b>	<b>1,844</b>	<b>1,859</b>	<b>1,831</b>
	Equity investments in associates	222	218	215
	<b>Total investments in associates</b>	<b>222</b>	<b>218</b>	<b>215</b>
	Equity investments	132	194	150
	Unit trust units	4,057	3,795	3,741
	Bonds	38,246	39,239	36,971
	Deposits with credit institutions	567	806	1,301
	Derivative financial instruments	984	676	692
	<b>Total other financial investment assets</b>	<b>43,986</b>	<b>44,710</b>	<b>42,855</b>
	<b>Total investment assets</b>	<b>46,052</b>	<b>46,787</b>	<b>44,901</b>
	Reinsurers' share of premium provisions	271	264	237
	Reinsurers' share of claims provisions	2,164	2,364	2,383
	<b>Total reinsurers' share of provisions for insurance contracts</b>	<b>2,435</b>	<b>2,628</b>	<b>2,620</b>
	Receivables from policyholders	1,493	1,378	1,088
	Total receivables in connection with direct insurance contracts	1,493	1,378	1,088
	Receivables from insurance enterprises	199	202	299
	Other receivables	115	101	1,027
	<b>Total receivables</b>	<b>1,807</b>	<b>1,681</b>	<b>2,414</b>
	Current tax assets	10	0	145
	Cash at bank and in hand	767	716	553
	Other	0	1	0
	<b>Total other assets</b>	<b>777</b>	<b>717</b>	<b>698</b>
	Interest and rent receivable	295	354	406
	Other prepayments and accrued income	209	100	148
	<b>Total prepayments and accrued income</b>	<b>504</b>	<b>454</b>	<b>554</b>
	<b>Total assets</b>	<b>53,979</b>	<b>54,511</b>	<b>53,371</b>

# Statement of financial position

DKKm		30.09.2014	30.09.2013	31.12.2013
Note	<b>Equity and liabilities</b>			
	<b>Equity</b>	<b>10,716</b>	<b>10,854</b>	<b>11,107</b>
	<b>Subordinated loan capital</b>	<b>1,842</b>	<b>1,844</b>	<b>1,818</b>
	Premium provisions	7,024	7,278	6,212
	Claims provisions	26,641	26,586	26,087
	Provisions for bonuses and premium discounts	563	561	640
	<b>Total provisions for insurance contracts</b>	<b>34,228</b>	<b>34,425</b>	<b>32,939</b>
	Pensions and similar liabilities	423	769	791
	Deferred tax liability	1,346	1,438	1,057
	Other provisions	68	31	73
	<b>Total provisions</b>	<b>1,837</b>	<b>2,238</b>	<b>1,921</b>
	Debt relating to direct insurance	550	423	447
	Debt relating to reinsurance	289	214	330
	Amounts owed to credit institutions	72	0	6
	Debt relating to unsettled funds transactions and repos	2,259	2,300	2,821
	Derivative financial instruments	533	456	514
	Current tax liabilities	144	591	409
7	Liabilities associated with assets held for sale	68	0	0
	Other debt	1,426	1,124	1,033
	<b>Total debt</b>	<b>5,341</b>	<b>5,108</b>	<b>5,560</b>
	<b>Accruals and deferred income</b>	<b>15</b>	<b>42</b>	<b>26</b>
	<b>Total equity and liabilities</b>	<b>53,979</b>	<b>54,511</b>	<b>53,371</b>

## 8 Accounting policies

## Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2013</b>	<b>1,533</b>	<b>78</b>	<b>49</b>	<b>61</b>	<b>888</b>	<b>6,842</b>	<b>1,656</b>	<b>11,107</b>
<b>Q1-Q3 2014</b>								
Profit/loss for the period					13	1,904		1,917
Revaluation of owner-occupied property		1						1
Exchange rate adjustment of foreign entities			51					51
Hedging of foreign currency risk in foreign entities			-47					-47
Actuarial gains/losses on defined-benefit pension plans						-81		-81
Tax on changes in equity			11			22		33
Total comprehensive income	0	1	15	0	13	1,845	0	1,874
Nullification of treasury shares	-41					41		0
Dividend paid							-1,656	-1,656
Dividend, treasury shares						59		59
Purchase and sale of treasury shares						-708		-708
Exercise of share options						35		35
Issue of share options and matching shares						5		5
<b>Total changes in equity in Q1-Q3 2014</b>	<b>-41</b>	<b>1</b>	<b>15</b>	<b>0</b>	<b>13</b>	<b>1,277</b>	<b>-1,656</b>	<b>-391</b>
<b>Equity at 30 September 2014</b>	<b>1,492</b>	<b>79</b>	<b>64</b>	<b>61</b>	<b>901</b>	<b>8,119</b>	<b>0</b>	<b>10,716</b>
<b>Equity at 31 December 2012</b>	<b>1,533</b>	<b>72</b>	<b>146</b>	<b>61</b>	<b>1,044</b>	<b>6,529</b>	<b>1,594</b>	<b>10,979</b>
<b>Q1-Q3 2013</b>								
Profit/loss for the period					-129	1,933		1,804
Revaluation of owner-occupied property		8						8
Exchange rate adjustment of foreign entities			-219					-219
Hedging of foreign currency risk in foreign entities			212					212
Actuarial gains/losses on defined-benefit pension plans						199		199
Tax on changes in equity			-53			-56		-109
Total comprehensive income	0	8	-60	0	-129	2,076	0	1,895
Dividend paid							-1,594	-1,594
Dividend, treasury shares						15		15
Purchase and sale of treasury shares						-540		-540
Exercise of share options						96		96
Issue of share options and matching shares						3		3
<b>Total changes in equity in Q1-Q3 2013</b>	<b>0</b>	<b>8</b>	<b>-60</b>	<b>0</b>	<b>-129</b>	<b>1,650</b>	<b>-1,594</b>	<b>-125</b>
<b>Equity at 30 September 2013</b>	<b>1,533</b>	<b>80</b>	<b>86</b>	<b>61</b>	<b>915</b>	<b>8,179</b>	<b>0</b>	<b>10,854</b>

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2012</b>	<b>1,533</b>	<b>72</b>	<b>146</b>	<b>61</b>	<b>1,044</b>	<b>6,529</b>	<b>1,594</b>	<b>10,979</b>
<b>2013</b>								
Profit/loss for the year					-156	869	1,656	2,369
Revaluation of owner-occupied property		9						9
Exchange rate adjustment of foreign entities			-326					-326
Hedging of foreign currency risk in foreign entities			305					305
Actuarial gains/losses on defined-benefit pension plans						179		179
Tax on changes in equity		-3	-76			-54		-133
<b>Total comprehensive income</b>	<b>0</b>	<b>6</b>	<b>-97</b>	<b>0</b>	<b>-156</b>	<b>994</b>	<b>1,656</b>	<b>2,403</b>
Dividend paid							-1,594	-1,594
Dividend, treasury shares						15		15
Purchase and sale of treasury shares						-800		-800
Exercise of share options						100		100
Issue of share options and matching shares						4		4
<b>Total changes in equity in 2013</b>	<b>0</b>	<b>6</b>	<b>-97</b>	<b>0</b>	<b>-156</b>	<b>313</b>	<b>62</b>	<b>128</b>
<b>Equity at 31 December 2013</b>	<b>1,533</b>	<b>78</b>	<b>49</b>	<b>61</b>	<b>888</b>	<b>6,842</b>	<b>1,656</b>	<b>11,107</b>



# Cash flow statement

DKKm	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>Cash from operating activities</b>			
Premiums	14,176	15,389	19,610
Claims	-10,041	-10,925	-14,048
Ceded business	149	-108	-63
Costs	-2,171	-2,153	-3,032
Change in other debt and other amounts receivable	174	68	-1
<b>Cash flow from insurance activities</b>	<b>2,287</b>	<b>2,271</b>	<b>2,466</b>
Interest income	822	814	1,006
Interest expenses	-85	-77	-142
Dividend received	33	17	19
Taxes	-461	-286	-1,017
Other income and costs	-70	-30	-91
<b>Cash from operating activities, continuing business</b>	<b>2,526</b>	<b>2,709</b>	<b>2,241</b>
Cash from operating activities, discontinued and divested business	-28	32	25
<b>Total cash flow from operating activities</b>	<b>2,498</b>	<b>2,741</b>	<b>2,266</b>
<b>Investments</b>			
Acquisition and refurbishment of real property	1	-14	-18
Sale of real property	0	0	2
Acquisition and sale of equity investments and unit trust units (net)	70	-488	-128
Purchase/sale of bonds (net)	-566	15	657
Deposits with credit institutions	734	91	-420
Purchase/sale of operating equipment (net)	-3	0	-6
Acquisition of intangible assets	-224	0	0
Hedging of currency risk	-47	212	305
<b>Investments, continuing business</b>	<b>-35</b>	<b>-184</b>	<b>392</b>
Investments, discontinued and divested business	0	-584	-584
<b>Total investments</b>	<b>-35</b>	<b>-768</b>	<b>-192</b>
<b>Financing</b>			
Exercise of share options/purchase of treasury shares (net)	-673	-444	-700
Subordinated loan capital	0	316	316
Dividend paid	-1,656	-1,594	-1,594
Change in amounts owed to credit institutions	67	-14	-8
<b>Financing, continuing business</b>	<b>-2,262</b>	<b>-1,736</b>	<b>-1,986</b>
<b>Total financing</b>	<b>-2,262</b>	<b>-1,736</b>	<b>-1,986</b>
<b>Change in cash and cash equivalents, net</b>	<b>201</b>	<b>237</b>	<b>88</b>
Additions relating to purchase of subsidiary	14	0	0
Exchange rate adjustment of cash and cash equivalents, beginning of year	-1	-25	-39
<b>Change in cash and cash equivalents, gross</b>	<b>214</b>	<b>212</b>	<b>49</b>
Cash and cash equivalents, beginning of year	553	504	504
<b>Cash and cash equivalents, end of period</b>	<b>767</b>	<b>716</b>	<b>553</b>

# Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2014</b>						
<b>Gross premium income</b>	<b>6,802</b>	<b>3,140</b>	<b>3,018</b>	<b>1,061</b>	<b>-15</b>	<b>14,006</b>
Gross claims	-4,661	-2,093	-2,190	-746	16	-9,674
Gross operating expenses	-974	-500	-338	-193	0	-2,005
Profit/loss on ceded business	25	47	-176	-16	-1	-121
Insurance technical interest, net of reinsurance	20	11	15	5	0	51
<b>Technical result</b>	<b>1,212</b>	<b>605</b>	<b>329</b>	<b>111</b>	<b>0</b>	<b>2,257</b>
Total Investment return activities after insurance technical interest						347
Other income and costs						-70
<b>Profit/loss before tax</b>						<b>2,534</b>
Tax						-620
<b>Profit/loss on continuing business</b>						<b>1,914</b>
Profit/loss on discontinued and divested business						3
<b>Profit</b>						<b>1,917</b>
Run-off gains/losses, net of reinsurance	310	184	259	40	0	793
Intangible assets		39		621	318	978
Equity investments in associates					222	222
Reinsurers' share of premium provisions	37	48	186	0	0	271
Reinsurers' share of claims provisions	222	421	1,468	53	0	2,164
Other assets					50,344	50,344
<b>Total assets</b>						<b>53,979</b>
Premium provisions	2,846	1,726	1,588	864	0	7,024
Claims provisions	6,426	6,933	11,481	1,801	0	26,641
Provisions for bonuses and premium discounts	440	53	60	10	0	563
Liabilities associated with assets held for sale					68	68
Other liabilities					8,967	8,967
<b>Total liabilities</b>						<b>43,263</b>

# Notes

DKK m	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2013</b>						
<b>Gross premium income</b>	<b>7,076</b>	<b>3,331</b>	<b>3,133</b>	<b>1,239</b>	<b>-12</b>	<b>14,767</b>
Gross claims	-4,865	-2,181	-2,892	-928	1	-10,865
Gross operating expenses	-1,084	-627	-366	-213	0	-2,290
Profit/loss on ceded business	-100	-35	416	-1	11	291
Insurance technical interest, net of reinsurance	22	9	8	8	0	47
<b>Technical result</b>	<b>1,049</b>	<b>497</b>	<b>299</b>	<b>105</b>	<b>0</b>	<b>1,950</b>
Total Investment return activities after insurance technical interest						434
Other income and costs						-30
<b>Profit/loss before tax</b>						<b>2,354</b>
Tax						-545
<b>Profit/loss on continuing business</b>						<b>1,809</b>
Profit/loss on discontinued and divested business						-5
<b>Profit</b>						<b>1,804</b>
Run-off gains/losses, net of reinsurance	238	189	298	-2	0	723
Intangible assets				481	242	723
Equity investments in associates					218	218
Reinsurers' share of premium provisions	34	38	190	2	0	264
Reinsurers' share of claims provisions	193	332	1,780	59	0	2,364
Other assets					50,942	50,942
<b>Total assets</b>						<b>54,511</b>
Premium provisions	3,003	1,476	1,877	922	0	7,278
Claims provisions	6,366	6,433	11,972	1,815	0	26,586
Provisions for bonuses and premium discounts	445	24	82	10	0	561
Other liabilities					9,232	9,232
<b>Total liabilities</b>						<b>43,657</b>

# Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>FY 2013</b>						
<b>Gross premium income</b>	<b>9,366</b>	<b>4,411</b>	<b>4,158</b>	<b>1,587</b>	<b>-18</b>	<b>19,504</b>
Gross claims	-6,596	-2,978	-3,661	-1,178	2	-14,411
Gross operating expenses	-1,418	-820	-490	-280	0	-3,008
Profit/loss on ceded business	-43	29	338	9	16	349
Insurance technical interest, net of reinsurance	26	12	13	11	0	62
<b>Technical result</b>	<b>1,335</b>	<b>654</b>	<b>358</b>	<b>149</b>	<b>0</b>	<b>2,496</b>
Total Investment return activities after insurance technical interest						588
Other income and costs						-91
<b>Profit/loss before tax</b>						<b>2,993</b>
Tax						-620
<b>Profit/loss on continuing business</b>						<b>2,373</b>
Profit/loss on discontinued and divested business						-4
<b>Profit</b>						<b>2,369</b>
Run-off gains/losses, net of reinsurance	310	265	375	20	0	970
Intangible assets				463	295	758
Equity investments in associates					215	215
Reinsurers' share of premium provisions	8	9	219	1	0	237
Reinsurers' share of claims provisions	265	404	1,641	73	0	2,383
Other assets					49,778	49,778
<b>Total assets</b>						<b>53,371</b>
Premium provisions	2,727	1,281	1,374	830	0	6,212
Claims provisions	6,377	6,462	11,491	1,757	0	26,087
Provisions for bonuses and premium discounts	507	29	94	10	0	640
Other liabilities					9,325	9,325
<b>Total liabilities</b>						<b>42,264</b>

## Description of segments

Amounts relating to eliminations 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). The distribution on segments between Commercial and Corporate as to medium sized enterprise has been altered during H1 2014. The portfolio of product insurance from the acquisition of Securator A/S in September 2014 is included under Sweden (Private).

# Notes

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>1 Geographical segments</b>					
<b>Danish general insurance<sup>a)</sup></b>					
<b>Gross premium income</b>	<b>2,340</b>	<b>2,365</b>	<b>7,015</b>	<b>7,170</b>	<b>9,534</b>
Technical result	335	399	859	1,074	1,202
Run-off gains/losses, net of reinsurance	172	134	302	442	566
<b>Key ratios</b>					
Gross claims ratio	67.6	85.6	71.8	77.3	79.5
Net reinsurance ratio	3.6	-17.5	0.1	-7.1	-7.0
Claims ratio, net of reinsurance	71.2	68.1	71.9	70.2	72.5
Gross expense ratio	14.5	15.2	16.0	14.9	15.0
<b>Combined ratio</b>	<b>85.7</b>	<b>83.3</b>	<b>87.9</b>	<b>85.1</b>	<b>87.5</b>
Number of full-time employees, end of period	2,032	2,081	2,032	2,081	2,046
<b>Norwegian general insurance</b>					
<b>Gross premium income</b>	<b>1,845</b>	<b>1,914</b>	<b>5,498</b>	<b>5,934</b>	<b>7,819</b>
Technical result	444	365	1,288	846	1,258
Run-off gains/losses, net of reinsurance	105	105	415	270	387
<b>Key ratios</b>					
Gross claims ratio	57.3	61.4	64.4	66.9	65.1
Net reinsurance ratio	3.8	4.6	1.6	3.7	4.1
Claims ratio, net of reinsurance	61.1	66.0	66.0	70.6	69.2
Gross expense ratio	15.4	15.5	11.3	15.7	15.3
<b>Combined ratio</b>	<b>76.5</b>	<b>81.5</b>	<b>77.3</b>	<b>86.3</b>	<b>84.5</b>
Number of full-time employees, end of period	1,165	1,209	1,165	1,209	1,199
<b>Swedish general insurance</b>					
<b>Gross premium income</b>	<b>534</b>	<b>592</b>	<b>1,508</b>	<b>1,675</b>	<b>2,169</b>
Technical result	14	2	110	30	36
Run-off gains/losses, net of reinsurance	21	4	76	11	17
<b>Key ratios</b>					
Gross claims ratio	80.3	82.8	74.0	80.8	80.6
Net reinsurance ratio	2.2	2.0	1.7	0.7	0.7
Claims ratio, net of reinsurance	82.5	84.8	75.7	81.5	81.3
Gross expense ratio	15.2	14.9	17.4	17.3	17.6
<b>Combined ratio</b>	<b>97.7</b>	<b>99.7</b>	<b>93.1</b>	<b>98.8</b>	<b>98.9</b>
Number of full-time employees, end of period	436	467	436	467	458

a) Comprises Danish general insurance and Finnish guarantee insurance.

# Notes

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>1 Geographical segments</b>					
<b>Other<sup>b)</sup></b>					
<b>Gross premium income</b>	<b>-7</b>	<b>-4</b>	<b>-15</b>	<b>-12</b>	<b>-18</b>
Technical result	0	0	0	0	0
<b>Tryg</b>					
<b>Gross premium income</b>	<b>4,712</b>	<b>4,867</b>	<b>14,006</b>	<b>14,767</b>	<b>19,504</b>
Technical result	793	766	2,257	1,950	2,496
Investment return activities	-1	152	347	434	588
Other income and costs	-10	-11	-70	-30	-91
Profit/loss before tax	782	907	2,534	2,354	2,993
Run-off gains/losses, net of reinsurance	298	243	793	723	970
<b>Key ratios</b>					
Gross claims ratio	64.9	75.9	69.1	73.6	73.9
Net reinsurance ratio	3.7	-6.6	0.9	-2.0	-1.8
Claims ratio, net of reinsurance	68.6	69.3	70.0	71.6	72.1
Gross expense ratio	15.1	15.5	14.5	15.7	15.6
<b>Combined ratio</b>	<b>83.7</b>	<b>84.8</b>	<b>84.5</b>	<b>87.3</b>	<b>87.7</b>
Number of full-time employees, end of period, continuing business	3,633	3,757	3,633	3,757	3,703

b) Amounts relating to eliminations are included under 'Other'



# Notes

DKKm	Q1-Q3 2014	Q1-Q3 2013	FY 2013
<b>2 Premium income, net of reinsurance</b>			
Direct insurance	14,189	14,926	19,740
Indirect insurance	42	59	83
	14,231	14,985	19,823
Unexpired risk provision	0	32	33
	14,231	15,017	19,856
Ceded direct insurance	-840	-808	-1,161
Ceded indirect insurance	-40	-22	-35
	<b>13,351</b>	<b>14,187</b>	<b>18,660</b>
<b>3 Insurance technical interest, net of reinsurance</b>			
Return on insurance provisions	330	363	483
Discounting transferred from claims provisions	-279	-316	-421
	<b>51</b>	<b>47</b>	<b>62</b>
<b>4 Claims, net of reinsurance</b>			
Claims	-9,927	-11,424	-15,273
Run-off gains/losses, gross	253	559	862
	-9,674	-10,865	-14,411
Reinsurance cover received	137	878	1,332
Run-off gains/losses, reinsurers' share	540	164	108
	<b>-8,997</b>	<b>-9,823</b>	<b>-12,971</b>
<b>5 Value adjustments</b>			
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>			
Equity investments	-14	0	-42
Unit trust units	257	367	578
Share derivatives	9	5	30
Bonds	-4	-256	-250
Interest derivatives	350	-289	-300
Other loans	2	-1	-5
	600	-174	11
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	1	0	-17
Owner-occupied property	0	0	-76
Discounting	-524	280	298
Other statement of financial position items	-62	-55	-101
	-585	225	104
	<b>15</b>	<b>51</b>	<b>115</b>

## DKKm

### 6 Intangible assets

The Tryg Group has taken control of Securator A/S and Optimal Djurførsikring i Norr AB by acquiring all shares in the companies. Securator A/S is a Danish market leader within the sale and brokering of multi-annual product insurance via dealers in the electronics and telecommunications sector and supermarket chains. The acquisition is expected to increase Tryg's market share within product insurance by providing access to Securator A/S's customer portfolio and distribution channels. Optimal Djurførsikring i Norr AB is a Swedish market leader within the sale of pet insurance. Tryg also expects to realise cost savings through synergies.

In Q3, Securator A/S and Optimal Djurførsikring i Norr AB is included in premium income and the results for the period at a negligible amount due to the short period of ownership up to the quarterly closing. Net assets acquired amount to DKK -11m and intangible assets amount to DKK 184m.

The Group has incurred no significant acquisition costs as a result of the takeovers.

### 7 Liabilities associated with assets held for sale

In September 2014, Tryg transferred liabilities relating to its marine activities of DKK 68m. The agreement is pending approval from the Danish Financial Supervisory Authority.

### 8 Accounting policies

Tryg's first to third quarter 2014 report is presented in accordance with IAS 34 Interim Financial Reporting and the financial reporting requirements for Danish listed companies of the Danish Financial Business Act and OMX. 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 2014 the Group implemented the following standards:

- Amendments to IAS 39 'Novations of derivatives'
- IFRIC 21 'Levies'
- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of interests in Other Entities'
- Amendments to IFRS 10, 11 and 12 'Transitional guidance'
- Amendments to IAS 19 'Clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service'
- Amendments to IAS 32 'Offsetting of assets and liabilities'
- Amendments to IAS 36 'Recoverable Amounts Disclosures for Non financial Assets'
- IAS 27 (as revised in 2011) 'Separate Financial Statements'
- IAS 28 (as revised in 2011) 'Investments in Associates and Joint Ventures'

The implementation of the new standards has not significantly affected recognition and measurement in 2014.

#### Change in accounting policies

Some of the Group's assets, mainly 'Investment property' of DKK 191m in 2013, have been reclassified to 'Investments in associates' following the implementation of IFRS 11 and IAS 28, according to which the Group's interest in joint ventures must be accounted for using the equity method. So far, property has been recognised using the pro-rata method.

A reclassification has been made in respect of other debt of DKK 431m in 2013 (DKK 486m 30.09.13) from the main item 'Accruals and deferred income' to 'Total debt'.

The distribution on segments between Commercial and Corporate as to medium sized enterprise has been altered during H1 2014.

The comparative figures have been restated to reflect the above changes. Except as noted above, the accounting policies have been applied consistently with last year.

## Quarterly outline

DKKm	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
<b>Private</b>									
<b>Gross premium income</b>	<b>2,289</b>	<b>2,275</b>	<b>2,238</b>	<b>2,290</b>	<b>2,329</b>	<b>2,363</b>	<b>2,384</b>	<b>2,449</b>	<b>2,478</b>
Technical result	445	494	273	286	440	364	245	326	404
<b>Key ratios</b>									
Gross claims ratio	64.6	69.0	72.1	75.6	64.7	68.5	72.9	70.1	69.0
Net reinsurance ratio	1.1	-2.6	0.4	-2.5	1.7	0.8	1.8	1.1	-0.1
Claims ratio, net of reinsurance	65.7	66.4	72.5	73.1	66.4	69.3	74.7	71.2	68.9
Gross expense ratio	15.1	12.4	15.5	14.6	15.1	15.6	15.3	15.6	15.0
<b>Combined ratio</b>	<b>80.8</b>	<b>78.8</b>	<b>88.0</b>	<b>87.7</b>	<b>81.5</b>	<b>84.9</b>	<b>90.0</b>	<b>86.8</b>	<b>83.9</b>
Combined ratio exclusive of run-off	85.3	82.4	93.7	90.8	84.0	89.0	93.5	88.4	87.0
<b>Commercial</b>									
<b>Gross premium income</b>	<b>1,045</b>	<b>1,053</b>	<b>1,042</b>	<b>1,080</b>	<b>1,075</b>	<b>1,124</b>	<b>1,132</b>	<b>1,129</b>	<b>1,150</b>
Technical result	188	224	193	157	230	153	114	146	270
<b>Key ratios</b>									
Gross claims ratio	63.9	72.1	63.9	73.8	56.0	69.5	70.5	65.9	56.8
Net reinsurance ratio	0.9	-5.6	0.3	-5.9	3.5	-1.1	0.8	2.1	0.8
Claims ratio, net of reinsurance	64.8	66.5	64.2	67.9	59.5	68.4	71.3	68.0	57.6
Gross expense ratio	17.5	12.6	17.7	17.9	19.5	18.3	18.6	18.7	18.8
<b>Combined ratio</b>	<b>82.3</b>	<b>79.1</b>	<b>81.9</b>	<b>85.8</b>	<b>79.0</b>	<b>86.7</b>	<b>89.9</b>	<b>86.7</b>	<b>76.4</b>
Combined ratio exclusive of run-off	92.1	81.9	86.9	92.8	87.3	94.5	91.0	92.8	84.3
<b>Corporate</b>									
<b>Gross premium income</b>	<b>999</b>	<b>1,030</b>	<b>989</b>	<b>1,025</b>	<b>1,025</b>	<b>1,062</b>	<b>1,046</b>	<b>1,107</b>	<b>1,092</b>
Technical result	130	180	19	59	42	139	118	131	18
<b>Key ratios</b>									
Gross claims ratio	63.0	73.3	81.5	75.0	122.9	88.5	66.2	75.2	82.5
Net reinsurance ratio	13.0	0.1	4.6	7.6	-38.2	-12.2	10.1	0.9	4.1
Claims ratio, net of reinsurance	76.0	73.4	86.1	82.6	84.7	76.3	76.3	76.1	86.6
Gross expense ratio	11.5	9.5	12.6	12.1	11.6	10.9	12.5	11.9	11.6
<b>Combined ratio</b>	<b>87.5</b>	<b>82.9</b>	<b>98.7</b>	<b>94.7</b>	<b>96.3</b>	<b>87.2</b>	<b>88.8</b>	<b>88.0</b>	<b>98.2</b>
Combined ratio exclusive of run-off	94.9	86.8	113.4	102.2	104.8	94.4	101.7	99.7	101.6

DKKm	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
<b>Sweden</b>									
<b>Gross premium income</b>	<b>386</b>	<b>358</b>	<b>317</b>	<b>348</b>	<b>442</b>	<b>420</b>	<b>377</b>	<b>399</b>	<b>477</b>
Technical result	30	43	38	44	54	28	23	54	48
<b>Key ratios</b>									
Gross claims ratio	76.2	69.3	64.4	71.8	72.6	76.7	75.6	67.2	75.3
Net reinsurance ratio	0.8	-0.3	4.4	-2.9	0.5	0.0	-0.3	-0.8	1.0
Claims ratio, net of reinsurance	77.0	69.0	68.8	68.9	73.1	76.7	75.3	66.4	76.3
Gross expense ratio	15.5	19.6	19.9	19.3	14.7	17.6	19.6	21.1	14.5
<b>Combined ratio</b>	<b>92.5</b>	<b>88.6</b>	<b>88.7</b>	<b>88.2</b>	<b>87.8</b>	<b>94.3</b>	<b>94.9</b>	<b>87.5</b>	<b>90.8</b>
Combined ratio exclusive of run-off	97.7	91.7	91.5	94.5	89.8	94.3	92.0	87.2	88.7
<b>Other<sup>a)</sup></b>									
<b>Gross premium income</b>	<b>-7</b>	<b>-5</b>	<b>-3</b>	<b>-6</b>	<b>-4</b>	<b>-7</b>	<b>-1</b>	<b>-8</b>	<b>-1</b>
Technical result	0	0	0	0	0	0	0	-9	-88
<b>Tryg</b>									
<b>Gross premium income</b>	<b>4,712</b>	<b>4,711</b>	<b>4,583</b>	<b>4,737</b>	<b>4,867</b>	<b>4,962</b>	<b>4,938</b>	<b>5,076</b>	<b>5,196</b>
Technical result	793	941	523	546	766	684	500	648	652
Investment return	-1	259	89	154	152	13	269	5	338
Profit/loss before tax	782	1,150	602	639	907	688	759	638	976
Profit/loss	593	869	455	565	715	514	575	404	733
<b>Key ratios</b>									
Gross claims ratio	64.9	70.7	71.7	74.9	75.9	73.7	71.2	70.2	70.3
Net reinsurance ratio	3.7	-2.6	1.6	-1.2	-6.6	-2.6	3.1	0.9	1.0
Claims ratio, net of reinsurance	68.6	68.1	73.3	73.7	69.3	71.1	74.3	71.1	71.3
Gross expense ratio	15.1	12.6	15.9	15.4	15.5	15.6	16.0	16.3	16.4
<b>Combined ratio</b>	<b>83.7</b>	<b>80.7</b>	<b>89.2</b>	<b>89.1</b>	<b>84.8</b>	<b>86.7</b>	<b>90.3</b>	<b>87.4</b>	<b>87.7</b>
Combined ratio exclusive of run-off	90.0	84.1	96.5	94.3	89.8	91.9	94.8	92.1	91.5

a) Amounts relating to eliminations expenses are included under 'Other'

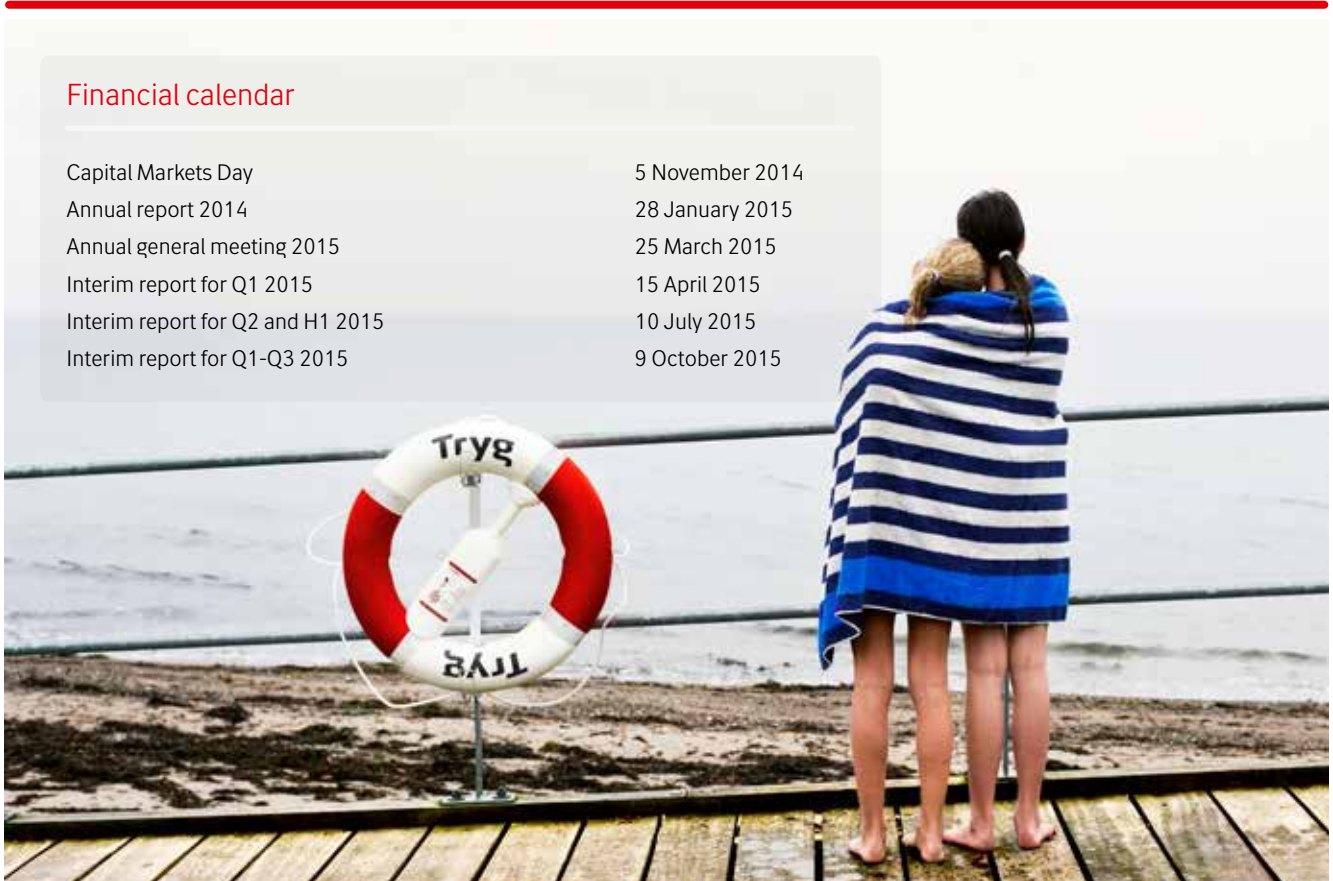
The distribution on segments between Commercial an Corporate as to medium sized enterprise has been altered during H1 2014. Comparative figures have been restated accordingly.

 A more detailed version of the presentation can be seen at [tryg.com](http://tryg.com) > investor > Downloads

## Further information

### Financial calendar

Capital Markets Day	5 November 2014
Annual report 2014	28 January 2015
Annual general meeting 2015	25 March 2015
Interim report for Q1 2015	15 April 2015
Interim report for Q2 and H1 2015	10 July 2015
Interim report for Q1-Q3 2015	9 October 2015



### Contact details

Visit [tryg.com](http://tryg.com)  
and follow us at  
[twitter.com/TrygIR](https://twitter.com/TrygIR)

**Lars Møller**  
Investor Relations Director  
+45 22 66 66 05  
[lars.moeller@tryg.dk](mailto:lars.moeller@tryg.dk)

**Peter Brondt**  
Investor Relations Manager  
+45 22 75 89 04  
[peter.brondt@tryg.dk](mailto:peter.brondt@tryg.dk)

**Kasper Riis**  
Communications Manager  
+45 41 77 68 34  
[kasper.riis@tryg.dk](mailto:kasper.riis@tryg.dk)