Interim report Q1-Q3 2011

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Teleconference

Tryg hosts a teleconference on Wednesday 9 November at 19:00 CET. Financial analysts and investors may participate on telephone +44 207 509 5139 or +45 32 71 47 67 for Q&A. The teleconference will also be broadcasted on tryg.com. A webcast with CEO Morten Hübbe and CFO Tor Magne Lønnum is available on tryg.com

The teleconference will be held in English and is subsequently available on tryg.com.

This report is unaudited. Unless otherwise stated, all comparisons are relative to the third quarter of 2010.

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This is a translation of the Danish first to third quarters report 2011. In case of any discrepancy between the Danish and the English version of the first to third quarters report 2011, the Danish version shall apply.

Highlights

With a technical result of DKK 491m, the third quarter of 2011 saw Tryg continue to improve its insurance business during a period that was marked by cloudbursts, a lower level of large and medium-sized claims, and volatile financial markets.

Third quarter of 2011

- A technical result of DKK 491m as against DKK 74m in the third quarter of 2010. Pre-tax profit of DKK 274m as against DKK 369m in the third quarter of 2010 owing to a lower investment return.
- An improved combined ratio of 91.5, as against 99.2 in the third quarter of 2010. The combined ratio improved despite, claims resulting from a cloudburst in the Copenhagen area on 2 July, which totalled some DKK 1.1bn before reinsurance and affected the combined ratio overall by 3.6 percentage points after reinsurance as against 3 percentage points in third quater 2010.
- Premium growth of 6.7% in local currency as a result of premium increases in Denmark and Norway and organic growth in Sweden and Finland. Gross earned premiums totalled DKK 5,289m.
- A continued low expense ratio of 16.3, reflecting the focus on efficiency measures.
- Gross investments return of DKK 791m, corresponding to 1.9% (7.6% p.a.). After expenses and transfers to the insurance business, the net investment return corresponded to a loss of DKK 205m as against a yield of DKK 308m in the same period in 2010, primarily as a result of volatility in the equity markets.
- Combined ratio below 100 in Finland and Sweden.

First to third quarters of 2011

- A technical result of DKK 1,263m as against DKK 114m during the same period in 2010. Pre-tax profit of DKK 1,122m as against DKK 429m during the first to third quarters of 2010.
- A combined ratio of 93.0 as against 99.9 during the same period in 2010. This improvement is due partly to more normal winter conditions during the first quarter of 2011 as compared to the first quarter of 2010 and partly to premium increases and initiatives to reduce claims and costs.
- Premium growth of 5.2% in local currency as a result of premium increases in all four countries and organic growth in Sweden and Finland.
- An expense ratio of 16.7 as against 16.9 during the same period in 2010, reflecting Tryg's continuing focus on efficiency measures.
- Gross investment return of DKK 1,407m, corresponding to a yield of 3.4% (4.5% p.a.). After expenses and transfers to the insurance business, the net investment return corresponded to a loss of DKK 97m as against a yield of DKK 304m during the same period in 2010.
- Return on equity of 12.3% after tax for the first to third quarters of 2011.

Financial highlights

DKKm	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2010 Q1-Q3	2011 Q1-Q3	FY 2010
Gross premiums earned	**4,886**	**5,049**	**5,038**	**5,145**	**5,289**	**14,426**	**15,472**	**19,475**
Gross claims incurred	-4,009	-3,900	-3,816	-3,749	-4,703	-11,717	-12,268	-15,617
Total insurance operating expenses	-796	-871	-829	-870	-854	-2,433	-2,553	-3,304
Profit/loss on gross business	81	278	393	526	-268	276	651	554
Profit/loss on ceded business	-41	-56	-180	-83	726	-257	463	-313
Technical interest, net of reinsurance	34	39	63	53	33	95	149	134
Technical result	**74**	**261**	**276**	**496**	**491**	**114**	**1,263**	**375**
Return on investments after technical interest	308	266	105	3	-205	304	-97	570
Other income and expenses	-13	-15	-20	-12	-12	11	-44	-4
Profit/loss before tax	**369**	**512**	**361**	**487**	**274**	**429**	**1,122**	**941**
Tax	-105	-144	-90	-125	-111	-121	-326	-265
Profit/loss on continuing business	**264**	**368**	**271**	**362**	**163**	**308**	**796**	**676**
Profit/loss on discontinued and divested business after tax	-66	1	0	0	0	-84	0	-83
Profit/loss for the period	**198**	**369**	**271**	**362**	**163**	**224**	**796**	**593**
Run-off gains/losses, net of reinsurance	211	286	182	133	298	538	613	824
Balance sheet								
Total provisions for insurance contracts	33,220	32,031	34,309	34,160	34,686	33,220	34,686	32,031
Total reinsurers' share of provisions for insurance contracts	1,586	1,588	1,830	1,713	2,349	1,586	2,349	1,588
Total shareholders' equity	8,411	8,458	8,716	8,801	8,786	8,411	8,786	8,458
Total assets	48,889	50,591	52,648	50,741	52,146	48,889	52,146	50,591
Key ratios								
Gross claims ratio	82.1	77.2	75.7	72.9	88.9	81.2	79.3	80.2
Business ceded as % of gross premiums	0.8	1.1	3.6	1.6	-13.7	1.8	-3.0	1.6
Claims ratio, net of ceded business	82.9	78.3	79.3	74.5	75.2	83.0	76.3	81.8
Gross expense ratio	16.3	17.2	16.6	17.0	16.3	16.9	16.7	17.0
Combined ratio	**99.2**	**95.5**	**95.9**	**91.5**	**91.5**	**99.9**	**93.0**	**98.8**
Operating ratio						99.2	91.9	98.1
Return on equity after tax (%)						3.3	12.3	6.6
Relative run-off gains/losses						3.4	3.5	3.9
Number of full-time employees, end of period						4,316	4,335	4,291
Solvency						152	128	125
Share performance								
Earnings on continuing business per share of DKK 25						4.9	13.2	10.8
Net asset value per share (DKK)						136.1	145.5	139.5
Number of shares, end of peiod (1,000)						61,791	60,373	60,634

Tryg's results

The third quarter of 2011 saw Tryg continue the positive trend in its insurance business as a result of the implementation of premium increases and loss preventive initiatives. The result for the third quarter of 2011 was positively affected by fewer large and medium-sized claims, but also dented by the cloudburst that struck Copenhagen on 2 July 2011. This resulted in claims expenses of approximately DKK 1.1bn but, due to reinsurance, Tryg's expenditure amounted to DKK 190m. The continued improvement shows that Tryg is still on course of the medium-term target to achieve a 20% return on equity after tax, corresponding to a combined ratio of 90.

The pre-tax result for the third quarter of 2011 was DKK 274m, as against DKK 369m in the third quarter of 2010. The post-tax result for the period was DKK 163m, as compared to DKK 198m for the same period in 2010. The result was achieved during a period marked by cloudburst and a difficult economic climate, which not only affected the insurance business but also gave rise to volatile financial markets.

The technical result was DKK 491m and the combined ratio 91.5, as against DKK 74m and 99.2 respectively in the same quarter of 2010. Disregarding the cost of weather damage claims in the two quarters, the combined ratio improved by approximately 9 percentage points. This improvement is due to the effect of initiatives implemented since 2010, run-off gains and lower payouts on large and medium-sized claims. The cloudburst in Copenhagen at the beginning of July accounts for some DKK 1.1bn of claims paid. The claims in question were covered by Tryg's reinsurance, limiting the claims actually incurred to DKK 100m. To be added is some DKK 90m to reinstate the cover. The event in question thus affected the result by DKK 190m and had a negative effect of 3.6 percentage points on the combined ratio. By way of comparison, the cloudburst in August 2010 affected the combined ratio for the third quarter of 2010 by 3 percentage points.

Earned premiums during the third quarter of 2011 totalled DKK 5,289m, corresponding to growth of 8.2% measured in DKK and 6.7% in local currency. Growth in Private Nordic totalled 9.3%, while Commercial Nordic and Corporate Nordic saw growth of 1.3% and 5.6%, respectively. In Private Nordic, growth was particularly driven by premium initiatives and by continued, although lower growth in business volumes for Sweden and Finland. The low growth in Commercial Nordic was affected by the current economic situation in Denmark, which is having a general impact on growth in the commercial market, in particular for smaller companies. In addition, Commercial Nordic experienced a slight increase in cancellations as a result of the introduction of premium increases. The good growth achieved in Corporate Nordic is chiefly due to a low level of earned premiums during the third quarter of 2010, resulting partly from premium repayments on schemes with profit sharing.

There is still tough competition on the corporate insurance market, and consequently Tryg's focus on profitability has led to a slight decline in the portfolio, particularly on workers' compensation in both Denmark and Norway.

The claims ratio improved from 82.9 in the third quarter of 2010 to 75.2. As indicated, the claims ratio was affected by major expenditure on weather damage claims and a lower level of large and medium-sized claims. In addition to the cloudburst in July, which affected claims payments by DKK 100m after reinsurance, the summer also saw a number of other weather damage claims that were not covered by reinsurance and resulted in expenses of approximately DKK 75m. Expenditure on weather damage claims thus affected the third quarter of 2011 by DKK 175m after reinsurance, as against DKK 105m in the same period in 2010. Earlier this year, Tryg established additional reinsurance cover for the risk of a large number of less severe weather damage claims. This cover will be effective for one year and cover when Tryg's expenses for weather damage claims exceed DKK 400m.

The level of large claims for the third quarter of 2011, excluding weather damage claims, was DKK 111m and was lower than in the third quarter of 2010, when such claims totalled DKK 150m. The level of medium-sized claims was also lower, impacting positively on the overall claims level in Corporate Nordic in particular.

The effect of discounting claims payments was in line with that seen in the third quarter of 2010. Furthermore, the level of claims payments was positively affected by run-off gains of DKK 298m, relating in particular to gains on provisions relating on workers' compensation.

The low cost level continued in the third quarter of 2011, with the expense ratio at 16.3 demonstrating Tryg's continued focus on streamlining and sustaining a low cost expenditure. The expense ratio is normally low during the third quarter as the provision for employees' holiday allowances is reduced and hence credited to income as employees take their holidays.

Effect of premium initiatives and measures to reduce future compensation for cloudburst damage

The implementation of premium initiatives continues to improve underlying profitability. Taken in isolation, these initiatives will have an impact of approximately DKK 1bn in 2011, and with the additional initiatives adopted in 2011 there will also be an effect of approximately DKK 1bn in 2012. The premium initiatives have been felt in all three business areas and, as indicated, are having a bearing on the underlying development, as anticipated. Substantial premium increases have already taken place in buildings insurance in both Private Nordic and Commercial Nordic, while in Corporate Nordic premium increases on buildings insurance policies are planned in Norway. The trend here, especially for large and medium-sized claims, has been negative, viewed over a number of years.

The cloudburst on 2 July left its mark on the third quarter in more ways than one. It came at a time when many employees were on holiday and employees from other areas of Tryg therefore needed to be called in to help out with handling claims, and retired claims staff also had to be temporarily rehired. During the initial period after such an occurrence, the key tasks are to limit the scope of damage, rehouse those customers hardest hit and provide dehumidification equipment, while subsequently the focus is on repairing damage and preventing new damages. Rain damage claims are complicated, and their nature means that claims handling extends over a long period. By the end of the third quarter, 50% and 30% of the claims for private customers and commercial customers respectively had been finalised.

In addition, this cloudburst differed from previous ones in that commercial customers were harder hit. Many businesses experienced flooding in basements and warehouses, and since the concentration of valuable assets is high on commercial customers' premises, this type of claim is more expensive than claims at the homes of private customers. At the same time, the proportion of very large claims was also considerably higher, and the 50 largest claims accounted for some 30% of total expenses.

The trend towards more intense and more frequent claims due to cloudbursts is expected to continue in the years ahead. A number of initiatives have therefore been implemented within both Private and Commercial to reduce future expenses on this type of claim in the Danish part of Tryg. These include advice to customers on loss prevention, an increase in deductibles and a tightening of the rules associated with the underwriting of new business. The general premium increases already introduced on buildings insurance are also serving to cover the anticipated development in rain damage claims.

Apart from the premium initiatives and activities resulting from cloudbursts, a range of other claims initiatives is being implemented. These relate to improvements to in-house processes and additional utilisation of Tryg's purchasing power and its potential for concluding agreements with partners that benefit customers, suppliers and Tryg alike.

The current economic situation in Europe, including the debt crisis in the southern European countries and low economic growth, is also affecting developments in the insurance market. For Tryg, this is particularly significant in respect of the Danish market and heightens the focus on cost expenditure, including a reluctance to refill vacant positions. The Norwegian market has been less affected by the financial crisis in Europe, however, and is still experiencing rising house prices, high employment rate and wage inflation of more than 4%. Tryg is continually assessing this situation, including the risk of increased claims inflation and the need for additional premium initiatives.

Investment return

During the third quarter of 2011, Tryg's total investment portfolio of DKK 42.2bn yielded a gross return of DKK 791m, equivalent to a return of 1.9% (7.6% p.a.) on average invested capital during the period. The match portfolio makes up the bulk of the investment portfolio, and matches insurance provisions. Most of the return is transferred to insurance operations. The return on the match portfolio was DKK 1,028m before and DKK 123m after transfers. The return on the remaining free investment portfolio was negative by DKK 237m, primarily as a result of a loss of DKK 260m on the equity portfolio.

Less other financial expenses, the net investment return was negative at DKK 205m in the third quarter of 2011.

Result for the first to third quarters of 2011

For the first to third quarters of 2011, the result was DKK 1,122m before tax as against DKK 429m during the same period in 2010, and the combined ratio was 93.0 as against 99.9 in 2010. This improvement is primarily a result of the initiatives taken and large-scale expenditure on winter claims during the first quarter of 2010. Premium growth was 5.2% measured in local currency, reflecting the effect of the introduction of premium increases and continued growth in Sweden and Finland.

Capital

At the end of the third quarter of 2011, Tryg's equity stood at DKK 8,786m and, with the addition of subordinated loan capital of DKK 1,590m, made up Tryg's total capital base of DKK 10,376m. The capital base has to be benchmarked against Tryg's targeted capital level corresponding to an 'A-' rating with Standard & Poor's. By this standard, Tryg had a buffer of 10% at the close of the third quarter of 2011.

Private Nordic

Private Nordic sells insurance products to private individuals in Denmark, Norway, Sweden and Finland. Sales are made through call centres, the internet, tied agents, franchisees (Norway), interest groups, car dealers, real-estate agents and branches of Nordea. This business area represents 54% of Tryg's total premium income.

Growth and underlying improvement

For Private Nordic, the introduced initiatives gave a continued improvement in the underlying development of claims payments during the third quarter of 2011. Despite the cloudburst in Denmark in July, these initiatives led to an improvement in the combined ratio of 1.1 percentage points to 91.5 in the third quarter of 2011, from 92.6 in the third quarter of 2010.

Overall growth for Private Nordic was 9.3% in local currency and therefore remains at a high level. However, growth was affected by a provision of DKK 110m for change-of-ownership insurance in Denmark during the third quarter of 2010. This amount was deducted from earned premiums. Adjusted for this, premium growth was 5.0% and was mainly driven by premium initiatives in all four countries, though it was also affected by organic growth in the Swedish and Finnish markets in particular.

The premium initiatives implemented are also visible in the average premium, which rose during the third quarter of 2011 by 7% for Danish private customers and 3% for Norwegian private customers. The retention rate for Danish customers rose to 90.5% as against 89.8% in the third quarter of 2010. The trend in the retention rate also reflects the fact that the market in general has come to appreciate the need for premium increases, particularly on house insurance. In Norway, growth stood at 4.1% and the retention rate improved to 86% despite the premium initiatives.

In Finland and Sweden, overall growth was 3.5% in the third quarter of 2011. As planned, this is a somewhat lower level than what has previously been experienced, and must be seen in the context of a heightened focus on profitability. Moreover, there has been a reduction in the total market for niche areas in Sweden as a result of the economic recession. This is also affecting the boat insurance market, on which sales of new leisure boats have been very low in 2011.

Cloudburst and initiatives

The claims ratio during the third quarter of 2011 was 76.0 as against 77.4 during the same period in 2010. This improvement

Profit/loss Private Nordic

DKKm	Q3 2010	Q3 2011	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Gross earned premiums	**2,574**	**2,859**	**7,527**	**8,331**	**10,181**
Gross claims incurred	-2,082	-2,514	-6,183	-6,654	-8,223
Gross expenses	-392	-443	-1,179	-1,323	-1,627
Profit/loss on gross business	100	-98	165	354	331
Profit/loss on ceded business	90	341	64	261	38
Technical interest, net of reinsurance	21	20	55	87	77
Technical result	**211**	**263**	**284**	**702**	**446**
Run-off gains/losses, net of reinsurance	177	73	246	112	399
Key ratios					
Gross claims ratio	80.9	87.9	82.1	79.9	80.8
Business ceded as percentage of gross premiums	-3.5	-11.9	-0.9	-3.1	-0.4
Claims ratio, net of ceded business	77.4	76.0	81.2	76.8	80.4
Gross expense ratio	15.2	15.5	15.7	15.9	16.0
Combined ratio	**92.6**	**91.5**	**96.9**	**92.7**	**96.4**

was achieved despite the cloudburst in Denmark on 2 July 2011, which affected the gross claims expense level for Private Nordic by approximately DKK 420m or 15 percentage points. By way of comparison, the cloudburst in August 2010 affected the third quarter of 2010 by approximately 8 percentage points.

During the third quarter of 2011, the effect of the premium increases in Private Nordic was approximately 5 percentage points, which is offset partly by the said cloudburst and partly by a 3% level of general claims inflation. The underlying level of claims payment has thus improved by approximately 2%.

As indicated earlier, the cloudburst kept claims handlers busy in order to service the many customers who were affected. In such situations, it is vital for Tryg to be able to offer rapid assistance in containing the damage and to provide dehumidifiers and other types of equipment. Afterwards, the focus is on repairing the damage as effectively as possible. For a number of customers, however, this was not the first time they had suffered damage as a result of cloudbursts. Tryg and Tryg's customers share a common interest in limiting future rain damage claims, and Tryg has therefore contacted the customers in question in an attempt to prevent and limit future damage. Initiatives include installing loss preventive measures such as high water seals and perimeter drainage, as well as amendments to cover such as increasing the excess and imposing restrictions on house contents cover in basement and cellar premises.

Given the meteorological trends of recent years, Tryg expects the risk of cloudbursts and similar phenomena to be a more significant factor in the pricing of insurance policies for houses and contents than was previously the case. This may result in the cost of this type of insurance rising beyond what can be attributed to normal inflation for some time. The experience gained from the cloudbursts of recent years will also be taken into consideration in the work to develop a new, common Nordic contents insurance due to be launched in 2012.

In the Norwegian part of Private Nordic, there is also an underlying improvement based on the premium initiatives taken. For house and contents insurance policies in particular, a marked improvement is being seen, despite claims inflation of some 4%. This claims inflation largely parallels the general development in wages and salaries in Norway, currently in excess of 4%. The effect of the introduction of claims initiatives has also contributed to the improvement. In Norway, these include repairs of front windscreens, a reduction in the time a courtesy car is made available during repair work to an insured car, and online internet auctions in which workmen can bid on claims jobs.

Sweden and Finland are likewise seeing some effect of the introduction of premium initiatives, and there has also been a substantial reduction in the use of discounts in the Swedish part of the business, which is generating a generally higher level of profitability in new business. In Finland, there is ongoing collaboration with Nordea to increase the influx of customers on the competitive Finnish market.

The expense ratio was 15.5% in the third quarter of 2011, as against 15.2% in the same period in 2010. This increase is primarily due to normal fluctuations in sales costs.

Result for the first to third quarters of 2011

The combined ratio for Private Nordic was 92.7 during the first to third quarters of 2011 as against 96.9 during the same period in 2010. Premium growth was 10.7% and 8.3% measured in local currency. This improvement is mainly a result of the initiatives taken and greater total expenditure on winter and weather damage claims in the first to third quarters of 2010.

Commercial Nordic

Commercial Nordic sells insurance products to small and medium-sized companies, mainly in Denmark and Norway. In Sweden, the bulk of the commercial business is underwritten through brokers and is part of Corporate Nordic. Commercial business in Finland is still in the start-up phase. The business area represents 20% of Tryg's total premium income.

Marked improvement in result and anticipated low growth

The result during the third quarter of 2011 was DKK 44m and the combined ratio 96.3, as against a deficit of DKK 57m and a combined ratio of 106.2 in the third quarter of 2010. Commercial Nordic was positively affected by fewer medium-sized claims, but was particularly hard hit by the cloudburst which struck central Copenhagen, home to many commercial customers, in July. This event cost Commercial Nordic approximately DKK 300m before reinsurance, affecting the combined ratio after reinsurance by approximately 5 percentage points.

These improvements show that the initiatives implemented are feeding through into the result. Conversely, however, the combination of initiatives and a still difficult economic situation for many small and medium-sized businesses in Denmark led to growth in the third quarter of 2011 falling to 1.3% as against 8.5% in the same period in 2010.

Effect of premium initiatives, clousbursts and improved expense ratio

The claims ratio for Commercial Nordic was 72.4 as against 81.6, representing a significant improvement and, more particularly, an outcome of the premium initiatives taken. This improvement comes despite high claims payments resulting from cloudburst, which adversely affected the claims ratio by some 4 percentage points. Large claims stood at DKK 47m for the quarter, as against DKK 39m in the same period in 2010, and affected the claims ratio by just under 4 percentage points.

Profit/loss Commercial Nordic

DKKm	Q3 2010	Q3 2011	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Gross earned premiums	**1,052**	**1,075**	**3,117**	**3,198**	**4,183**
Gross claims incurred	-849	-1,027	-2,914	-2,586	-3,732
Gross expenses	-259	-257	-764	-752	-1,014
Profit/loss on gross business	-56	-209	-561	-140	-563
Profit/loss on ceded business	-9	248	58	160	59
Technical interest, net of reinsurance	8	5	23	31	30
Technical result	**-57**	**44**	**-480**	**51**	**-474**
Run-off gains/losses, net of reinsurance	34	91	53	60	99
Key ratios					
Gross claims ratio	80.7	95.5	93.5	80.9	89.2
Business ceded as percentage of gross premiums	0.9	-23.1	-1.9	-5.0	-1.4
Claims ratio, net of ceded business	81.6	72.4	91.6	75.9	87.8
Gross expense ratio	24.6	23.9	24.5	23.5	24.2
Combined ratio	**106.2**	**96.3**	**116.1**	**99.4**	**112.0**

In both Denmark and Norway, implementation of premium initiatives has generally had no particular effect on the retention rate. Thus, the retention rate has been reduced by only 0.8 percentage points to 86.3 in the Danish part of the Commercial portfolio and remains at largely unchanged in Norway at 88.9%. In 2012, targeted premium measures will be implemented in areas that do not have satisfactory profitability. For example, premiums on agricultural insurance will be increased in Denmark in 2012.

In Commercial Nordic too, loss preventive initiatives are being implemented as a result of the increasing expenditure on rain damage. These include instructions to customers to place objects in basements at least 40 cm off the floor and a requirement to reconstruct using materials capable of withstanding water. Premium increases and changes in cover will also be implemented by way of increased deductible and adjustments to levels of cover and rules of acceptance. Particularly claims-prone lines of business and segments will undergo tailored changes to pricing and cover.

The worldwide crisis is taking its toll particularly on small and medium-sized companies in Denmark, a fact which, coupled with the introduction of premium initiatives, is making it harder to sell insurance policies. By contrast, the Norwegian part of the business is less affected by the global economic crisis.

The expense ratio for Commercial Nordic improved from 24.6 during the third quarter of 2010 to 23.9 in 2011. This improvement came about through restraining costs and the fact that lower sales have also resulted in a lower level of sales costs. The continued high cost level in Commercial Nordic will be reduced through process-improvement initiatives and improvements in distribution. This will be achieved partly by optimising the division of labour between the various sales channels.

Result for the first to third quarters of 2011

The combined ratio was 99.4 for the first to third quarters of 2011, as against 116.1 in 2010, and premium growth was 2.6% in DKK and 1.5% measured in local currency. Commercial Nordic was particularly hard hit by winter claims during the first quarter of 2010, the marked improvement being mainly due to the absence of extraordinary winter claims. In addition, the initiatives implemented are having a positive effect, which is reflected in the underlying trend, and the cost level has improved in relation to the same period in 2010.

In the context of continued initiatives to reduce cost levels, the initiatives implemented will gradually improve profitability in Commercial Nordic.

Corporate Nordic

Corporate Nordic sells insurance products to corporate customers under the 'Tryg' brand in Denmark and Norway, and the 'Moderna' brand in Sweden. The business area sells through its own internal sales force and through insurance brokers. The business area represents 26% of Tryg's total premium income.

Good result and focus on profitability

Corporate Nordic had a good result during the third quarter of 2011, despite also being hit by claims arising from the cloudburst in Copenhagen. The storm affected the result adversely by approximately DKK 70m, mainly as a result of a number of large claims. The result was positively affected by run-off gains and a lower level of large and medium-sized claims as compared to the third quarter of 2010. The result was DKK 184m for the third quarter of 2011 as against a negative result of DKK 82m for the same period in 2010, and the combined ratio was 87.0 as against 106.9 for the same period in 2010.

Earned premiums totalled DKK 1,360m as against DKK 1,266m during the third quarter of 2010, corresponding to premium growth of 5.6% in local currency. However, the growth was affected by a low level of earned premiums during the third quarter of 2010 as a result of a repayment in premiums from schemes with profit-sharing. Competition on the corporate market is still tough, and pricing remains a challenge in areas such as workers' compensation. The competition has also resulted in a minor reduction in the portfolio in the Danish and Norwegian parts of Corporate Nordic during the third quarter.

The claims ratio was 75.7 as against 95.4 during the same period in 2010. The claims ratio had been affected by fewer large claims than normal and an appreciably higher run-off than in 2010. Large claims made up approximately 5.0% as against 7.3% in the same period in 2010, while the run-off was 9.9% as against an unusually low level of 0% in the same period in 2010. The positive run-off result stems partly from workers' compensation and partly from some major claims, settlement of which has led to less being paid out than expected. Adjusted for large claims, weather damage claims and run-off, a positive development was also seen in the underlying claims ratio.

Since corporate business has a greater capital requirement than, for example, private business, particularly because of the proportion of workers' compensation, the claims payment level in Corporate Nordic still needs to be improved in order to obtain an

Profit/loss Corporate Nordic

DKKm	Q3 2010	Q3 2011	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Gross earned premiums	**1,266**	**1,360**	**3,792**	**3,963**	**5,124**
Gross claims incurred	-1,080	-1,160	-2,622	-3,054	-3,666
Gross expenses	-145	-154	-490	-478	-663
Profit/loss on gross business	41	46	680	431	795
Profit/loss on ceded business	-128	130	-387	48	-419
Technical interest, net of reinsurance	5	8	17	31	27
Technical result	**-82**	**184**	**310**	**510**	**403**
Run-off gains/losses, net of reinsurance	0	134	239	441	326
Key ratios					
Gross claims ratio	85.3	85.3	69.1	77.1	71.5
Business ceded as percentage of gross premiums	10.1	-9.6	10.2	-1.2	8.2
Claims ratio, net of ceded business	95.4	75.7	79.3	75.9	79.7
Gross expense ratio	11.5	11.3	12.9	12.1	12.9
Combined ratio	**106.9**	**87.0**	**92.2**	**88.0**	**92.6**

acceptable return on capital. This need is underpinned by the fact that prices on the corporate market have been subject to pressure in recent years and that the result, excluding run-off gains from previous years, is not at a satisfactory level.

In Corporate Nordic, therefore, premium increases are being carried out in products and segments that have experienced unsatisfactory development. This applies, for example, to buildings insurance in the Norwegian part of the business, in which there has been a rising level of large and medium-sized claims. Initiatives are also being rolled out in insurance to power plants since this is an area that has shown unsatisfactory profitability. In both the Danish and the Norwegian parts of the portfolio, action is also being taken in the form of individual initiatives.

The Swedish part of the corporate portfolio includes not only broker business and partner agreements taken over at the time of the acquisition of Moderna in 2009 but also a corporate portfolio accumulated since 2008. In this part of the corporate portfolio, selective accumulation of business is continuing in tandem with the implementation of profitability initiatives, particularly within the motor insurance area of the broker-serviced part of the portfolio.

The expense ratio was 11.3 in the third quarter of 2011, as against 11.5 in the same period in 2010. This improvement is due to tight control on costs during periods of low or negative growth in the business. A low cost level is essential to safeguard Tryg's competitive edge.

Result for the first to third quarters of 2011

Corporate Nordic had a combined ratio of 88.0 for the first to third quarters of 2011 as against 92.2 in 2010, and premium growth of 2.2% in local currency. This improvement is primarily due to the higher run-off level and thus relates to previous years, but is also the result of an improvement in the underlying level of claims payments.

Overall, the Corporate business continues to be marked by the difficult market conditions. Tryg still adheres to profitability requirements when underwriting new business and is implementing initiatives vis-à-vis specific segments while simultaneously carrying out individual initiatives. These initiatives and economic trends in the world economy, which are particularly affecting the Danish market, are expected to result in relatively low growth in Corporate Nordic during the coming period.

Investment activities

Tryg's total investment portfolio of DKK 42.2bn yielded a gross return of DKK 791m during the third quarter of 2011, equivalent to a return of 1.9% (7.6% p.a.) on average invested capital during the period. After other financial expenses and transfers to technical interest, the net investment return was negative at DKK 205m. The result was highly affected by the financial turbulence, partly as a result of losses on the equity portfolio and partly due to developments on interest markets.

The match portfolio

Tryg matches the provisions for insurance contracts with the assets in the match portfolio so that changes in interest levels affect Tryg's result as little as possible. This leads to generally lower volatility in the overall result and hence to a smaller capital requirement to accommodate fluctuations.

The match portfolio increased slightly during the period to some DKK 32bn at the end of the third quarter. As stated above, the return on the portfolio must cover not only rate adjustments on provisions for claims but also technical interest. Since it is not possible to match investments precisely to the yield curve used to discount provisions for claims, Tryg's aim is for this deviation to fall within plus/minus DKK 50m per quarter, corresponding to approximately 0.15% of the match portfolio's securities holding. In the third quarter of 2011, as outlined in the next section, there was a positive deviation of DKK 123m between the return on the match portfolio and the fair value adjustment on provisions.

This deviation is equivalent to 0.4%, and its cause is to be found in the financial situation prevailing in Europe in 2011. The discount rate is based on the interest level in the Eurozone, and Tryg matches most of the risk factors affecting this and hence the discounting of provisions. Since the cost of matching precisely in Eurobonds is considerably higher than for Nordic bonds, Tryg has been hedging primarily in the local bond markets, especially in Denmark and Norway. The deviation in the third quarter of 2011 is due to bond investors gravitating largely towards the Nordic countries as a result of the financial turbulence and thus having squeezed interest levels down compared to euro rates. Tryg considers this effect to have been exceptionally big during the third

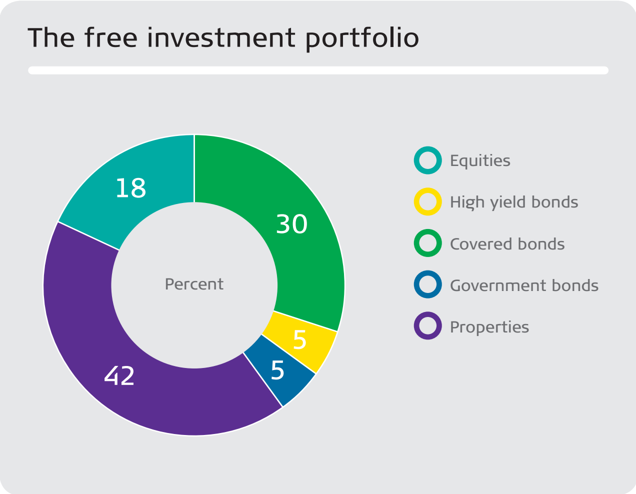
Profit/loss investment activities

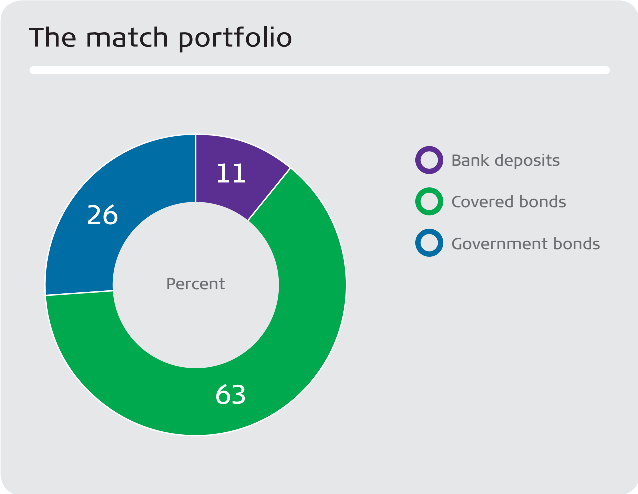
DKKm	Return Q3 2010	Return Q3 2011 Total	Match	Free	Investment assets 30.09.11
Bonds, cash deposits, etc.	407	997	1,028	-31	36,553
Equities [a]	160	-260		-260	1,695
Real estate [b]	55	54		54	3,915
Total	**622**	**791**	**1,028**	**-237**	**42,163**
Value adjustment, changed discount rate	-172	-704	-704		
Transferred to technical interest	-181	-201	-201		
Total return on investment activities before other financial items	**269**	**-114**	**123**	**-237**	
Other financial income and expenses, investment	-4	-10			
Total return on investment activities	**265**	**-124**			
Other financial income and expenses, non-investment [c]	43	-81			
Return on investment activities	**308**	**-205**			

a) DKK -40m sold on futures contracts is an additional exposure to the equity portfolio.

b) Return on properties includes a calculated return on owner-occupied property. The balancing item is recognised in 'Other financial income and expenses' to the effect that the total return shown corresponds to the investment return according to the income statement which does not include return on owner-occupied property.

c) The item comprises interest on operating assets and bank debt, exchange rate adjustment of insurance items, costs of investment activities and offsetting of return on owner-occupied property.





quarter of 2011. When the situation on the financial markets normalises, a short-lived effect in the opposite direction may occur, with the level of interest rising in the Nordic currencies. This may produce a negative fluctuation in Tryg's match portfolio. Since the situation is regarded as unusual, the result provides no reason to alter the principles for hedging in the match portfolio.

Negative return in the free investment portfolio
The free investment portfolio is mainly made up of equity, properties and bonds and, during the third quarter of 2011, generated a total negative gross return of DKK 237m, corresponding to -2.1% (-8.4% p.a.) on the average invested capital. The share portfolio, which is globally diversified, was affected by the generally negative development on the equity markets and generated a loss of DKK 260m in the third quarter of 2011, which was in line with the benchmark.

The property portfolio, which consists of Danish and Norwegian properties, produced a return of DKK 54m in the third quarter, which is as expected. In total the return on property is DKK 171m year-to-date, including a calculated return based on market rents for owner-occupied properties. This return has been deducted from the item "Other financial income and expenses", which forms part of the investment return.

During the third quarter of 2011, the bond portfolio produced a loss of DKK 31m, chiefly as a result of a negative trend on the market for high yield bonds.

Other financial income and expenses
Other financial income and expenses showed a deficit totalling DKK 91m in the third quarter of 2011, as against DKK 39m in 2010. A large portion relates to relatively stable expenses, primarily wage costs, expenses relating to portfolio management, reversal of rents and interest expenditure. The remainder will display greater variation and includes in particular inflation swaps relating to workers' compensation and exchange rate adjustments.

Result for the first to third quarters of 2011

During the first to third quarters, Tryg's total investment portfolio generated a gross return of DKK 1,407m, equivalent to a return of 3.4% (approximately 4.5% p.a.) on average invested capital during the period.

For the match portfolio, the return was DKK 1,340m in the first to third quarters of 2011. After transferring DKK 1,239m to insurance, the match portfolio's total mismatch to the technical provisions was DKK 101m.

For the free portfolio, the gross return was DKK 67m or 0.8% (1% p.a.) in return measured solely on free funds.

After other financial expenses and transfers to technical interest, the net investment return was negative at DKK 97m.

Profit/loss investment activities

DKKm	Return Q1-Q3 2010	Return Q1-Q3 2011 Total	Match	Free	Investment assets 31.12.10	30.09.11
Bonds, cash deposits, etc.	1,347	1,426	1,340	86	34,317	36,553
Equities [a]	90	-190		-190	2,179	1,695
Real estate [b]	177	171		171	3,897	3,915
Total	**1,614**	**1,407**	**1,340**	**67**	**40,393**	**42,163**
Value adjustment, changed discount rate	-607	-564	-564			
Transferred to technical interest	-564	-675	-675			
Total return on investment activities before other financial items	**443**	**168**	**101**	**67**		
Other financial income and expenses, investment	-27	-43				
Total return on investment activities	**416**	**125**				
Other financial income and expenses, non-investment [c]	-112	-222				
Return on investment activities	**304**	**-97**				

a) DKK -40m sold on futures contracts is an additional exposure to the equity portfolio.

b) Return on properties includes a calculated return on owner-occupied property. The balancing item is recognised in 'Other financial income and expenses' to the effect that the total return shown corresponds to the investment return according to the income statement which does not include return on owner-occupied property.

c) The item comprises interest on operating assets and bank debt, exchange rate adjustment of insurance items, costs of investment activities and offsetting of return on owner-occupied property.

Capital position

Tryg's equity stood at DKK 8,786m at the close of the third quarter of 2011 and, with the addition of subordinated loan capital of DKK 1,590m, formed Tryg's total capital base of DKK 10,376m. The capital base should, inter alia, be benchmarked against Tryg's objective of achieving a level of capital corresponding to an 'A-' rating with Standard & Poor's, plus a buffer, which was 10% as at 30 September 2011. The buffer has been reduced by 3 percentage points from 13% at mid-year. Of this, approximately 1 percentage point relates to a higher capital requirement as a result of larger business volumes and approximately 2 percentage points to a reduction in equity of approximately DKK 200m due to the Norwegian pension obligation being adjusted as a result of the lower interest rate level.

The Danish Financial Supervisory Authority has announced that the introduction of the Solvency II rules is being postponed by one year until 1 January 2014. This formally requires approval of the Omnibus II directive, which is expected to occur during the Polish Presidency of the EU at around the turn of the year.

Tryg is well prepared for the new regulations and, as stated in the Annual Report 2010, had surplus cover as at 31 December 2010 of DKK 1.8bn in compared to the anticipated computational model for the solvency capital requirement (SCR). Furthermore, Tryg is expected to apply to the Financial Supervisory Authority for approval of its internal capital model, following which its surplus cover will be larger. Despite the postponement of Solvency II, Tryg intends as far as possible to stick to its original implementation plan.

Financial outlook

In 2010, Tryg announced a medium-term target of achieving a return on equity after tax of 20%, corresponding to a combined ratio of 90. The result for the third quarter of 2011 shows the effect of the initiatives implemented, and this result emphasises Tryg's progress towards achieving this objective. Despite the cost of the July cloudburst in Copenhagen, Tryg expects the technical result for 2011 to be significantly better than in 2010. At the same time, it must be noted that the level of large and medium-sized claims was low during the third quarter, and normal seasonal fluctuation dictates that the third quarter of the year will generally have a lower level of claims payments than expected for the first and final quarters, which are exposed to winter weather and greater risks of storm events.

In addition to the initiatives previously adopted in 2011, which will have a total impact of DKK 1,000m in 2012, targeted initiatives are, as indicated, also being implemented in connection with the cloudburst in early July 2011.

Tryg expects premium growth in 2011 to be on the same level as in 2010, made up of continued growth in business volumes in Sweden and Finland and growth in Denmark and Norway based largely on the initiatives implemented.

Disclaimer

Certain statements in this report are based on the beliefs of management as well as assumptions made by, and information currently available to, the management. Statements regarding Tryg's future results of operations, financial condition, cash flows, business strategy, plans and future objectives other than statements of historical fact can generally be identified by terminology such as "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "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 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.

The section on risk management is available in the annual report or on tryg.com for a description of some of the factors that could affect the Group's future 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 as anticipated, believed, estimated or expected in this report. Tryg is not under any duty to update any of the forward-looking statements or to confirm such statements to actual results, except as may be required by law.

Contents – Accounts

Statement of the Supervisory Board and Executive Management

The Supervisory Board and the Executive Management have today considered and adopted the interim report for the first to third quarter of 2011.

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 2011 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, 9 November 2011

Executive Management

Morten Hübbe
Group CEO

Tor Magne Lønnum
Group CFO

Lars Bonde
Group Executive Vice President and COO

Supervisory Board

Mikael Olufsen
Chairman

Torben Nielsen
Deputy chairman

Jørn Wendel Andersen

Paul Bergqvist

Christian Brinch

Jesper Hjulmand

Bill-Owe Johansson

Rune Torgeir Joensen

Lene Skole

Tina Snejbjerg

Jens Bjerg Sørensen

Berit Torm

Income statement

Note	DKKm	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Note	**General insurance**			
	Gross premiums written	15,918	16,696	19,939
	Ceded insurance premiums	-900	-910	-1,054
	Change in provisions for unearned premiums	-1,400	-1,128	-382
	Change in reinsurers' share of provisions for unearned premiums	133	105	47
2	**Earned premiums, net of reinsurance**	**13,751**	**14,763**	**18,550**
3	**Technical interest, net of reinsurance**	**95**	**149**	**134**
	Claims paid	-10,754	-11,529	-14,809
	Reinsurance recoveries	284	587	391
	Change in provisions for claims	-963	-739	-808
	Change in the reinsurers' share of provisions for claims	172	609	211
4	**Claims incurred, net of reinsurance**	**-11,261**	**-11,072**	**-15,015**
	Bonus and premium rebates	**-92**	**-96**	**-82**
	Acquisition costs	-1,776	-1,809	-2,406
	Administrative expenses	-657	-744	-898
	Acquisition costs and administrative expenses	-2,433	-2,553	-3,304
	Commission and profit commission from the reinsurers	54	72	92
5	**Insurance operating expenses, net of reinsurance**	**-2,379**	**-2,481**	**-3,212**
9	**Technical result**	**114**	**1,263**	**375**
	Investment activities			
	Income from associates	-5	0	-5
	Income from investment properties	100	90	128
6	Interest income and dividends	842	930	1,133
7	Value adjustment	49	-288	238
6	Interest expenses	-64	-83	-96
	Investment management charges	-54	-71	-76
	Total return on investment activities	**868**	**578**	**1,322**
3	Interest on insurance provisions	-564	-675	-752
	Total return on investment activities after technical interest	**304**	**-97**	**570**
	Other income	138	90	162
	Other expenses	-127	-134	-166
	Profit/loss before tax	**429**	**1,122**	**941**
	Tax	-121	-326	-265
	Profit/loss on continuing business	308	796	676
8	Profit/loss on discontinued and divested business	-84	0	-83
	Profit/loss for the year	**224**	**796**	**593**
	Earnings on continuing business per share of DKK 25	4.9	13.2	10.8
	Earnings per share of DKK 25	3.6	13.2	9.5
	Diluted earnings per share of DKK 25	3.6	13.2	9.5

Total comprehensive income

DKKm	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Change in equalisation provision	0	0	1
Revaluation of owner-occupied properties for the year	0	0	19
Tax on owner-occupied properties for the year	0	0	-5
Exchange rate adjustment of foreign entities for the year	256	-53	330
Hedging of currency exposure in foreign entities for the year	-251	65	-328
Tax on hedging of currency exposure in foreign entities for the year	63	-16	82
Deferred tax on equalisation provision	0	-20	68
Actuarial gains/losses on defined benefit pension plans	-92	-190	-228
Tax on actuarial gains/losses on defined benefit pension plans	26	53	63
Net income/expense recognised in equity	**2**	**-161**	**2**
Profit for the period	224	796	593
Total comprehensive income	**226**	**635**	**595**

Statement of financial position

DKKm		30.09.2010	30.09.2011	31.12.2010
Note	**Assets**			
	Intangible assets	**967**	**971**	**968**
	Operating equipment	106	109	118
	Owner-occupied property	1,365	1,727	1,385
	Assets under construction	313	8	353
	Total property, plant and equipment	**1,784**	**1,844**	**1,856**
	Investment property	**2,304**	**2,176**	**2,158**
	Investments in associates	13	13	13
	Total investments in associates	**13**	**13**	**13**
	Equity investments	191	186	184
	Unit trust units	2,122	2,047	2,268
	Bonds	34,094	37,259	34,643
	Deposits in credit institutions	1,668	1,707	2,755
	Total other financial investment assets	**38,075**	**41,199**	**39,850**
	Total investment assets	**40,392**	**43,388**	**42,021**
	Reinsurers' share of provisions for unearned premiums	202	253	154
	Reinsurers' share of provisions for claims	1,384	2,096	1,434
	Total reinsurers' share of provisions for insurance contracts	**1,586**	**2,349**	**1,588**
	Receivables from policyholders	1,444	1,459	1,110
	Total receivables in relation to direct insurance contracts	1,444	1,459	1,110
	Receivables from insurance enterprises	166	162	211
	Other receivables	703	266	877
	Total receivables	**2,313**	**1,887**	**2,198**
	Current tax assets	37	30	196
	Deferred tax assets	116	121	104
	Cash in hand and at bank	994	809	857
	Other	2	1	21
	Total other assets	**1,149**	**961**	**1,178**
	Accrued interest and rent earned	482	524	609
	Other prepayments and accrued income	216	222	173
	Total prepayments and accrued income	**698**	**746**	**782**
	Total assets	**48,889**	**52,146**	**50,591**

DKKm		30.09.2010	30.09.2011	31.12.2010
Note	**Liabilities**			
	Shareholders' equity	**8,411**	**8,786**	**8,458**
	Subordinated loan capital	**1,590**	**1,590**	**1,591**
	Provisions for unearned premiums	7,833	7,884	6,819
	Provisions for claims	25,034	26,462	24,883
	Provisions for bonuses and premium rebates	353	340	329
	Total provisions for insurance contracts	**33,220**	**34,686**	**32,031**
	Pensions and similar obligations	564	797	671
	Deferred tax liability	1,292	1,319	1,387
	Other provisions	1	10	1
	Total provisions	**1,857**	**2,126**	**2,059**
	Debt related to direct insurance	363	392	419
	Debt related to reinsurance	233	307	187
	Debt to credit institutions	3	2	30
	Current tax liabilities	178	62	106
	Other debt	2,841	3,797	5,353
	Total debt	**3,618**	**4,560**	**6,095**
	Accruals and deferred income	193	398	357
	Total liabilities and equity	48,889	52,146	50,591

1 **Accounting policies**

Statement of changes in equity

DKKm	Share-capital	Revalu-ation-reserves	Reserve for exchange-rate adj.	Equali-sation-reserve	Other reserves	Retained earnings	Proposed dividends	Total
Shareholders' equity at 31 December 2009	**1,598**	**14**	**-2**	**58**	**950**	**6,022**	**991**	**9,631**
Q1-Q3 2010								
Profit for the period					96	128		224
Exchange rate adjustment of foreign entities			256					256
Hedge of foreign currency risk in foreign entities			-251					-251
Actuarial gains and losses on pension obligation						-92		-92
Tax on equity entries			63			26		89
Total comprehensive income	0	0	68	0	96	62	0	226
Dividend paid							-991	-991
Dividend own shares						14		14
Purchase of own shares						-493		-493
Exercise of share options						11		11
Issue of share options						13		13
Total equity entries Q1-Q3 2010	**0**	**0**	**68**	**0**	**96**	**-393**	**-991**	**-1,220**
Shareholders' equity at 30 September 2010	**1,598**	**14**	**66**	**58**	**1,046**	**5,629**	**0**	**8,411**
Shareholders' equity at 31 December 2009	**1,598**	**14**	**-2**	**58**	**950**	**6,022**	**991**	**9,631**
2010								
Profit for the year					128	209	256	593
Change in equalisation provision				1				1
Revaluation of owner-occupied properties		19						19
Exchange rate adjustment of foreign entities			330					330
Hedge of foreign currency risk in foreign entities			-328					-328
Actuarial gains and losses on pension obligation						-228		-228
Tax on equity entries		-5	82			131		208
Total comprehensive income	0	14	84	1	128	112	256	595
Dividend paid							-991	-991
Dividend own shares						14		14
Purchase of own shares						-816		-816
Exercise of share options						9		9
Issue of share options						16		16
Total equity entries in 2010	**0**	**14**	**84**	**1**	**128**	**-665**	**-735**	**-1,173**
Shareholders' equity at 31 December 2010	**1,598**	**28**	**82**	**59**	**1,078**	**5,357**	**256**	**8,458**

DKKm	Share-capital	Revalu-ation-reserves	Reserve for exchange-rate adj.	Equali-sation-reserve	Other reserves	Retained earnings	Proposed dividends	Total
Shareholders' equity at 31 December 2010	**1,598**	**28**	**82**	**59**	**1,078**	**5,357**	**256**	**8,458**
Q1-Q3 2011								
Profit for the period					7	789		796
Exchange rate adjustment of foreign entities			-49			-4		-53
Hedge of foreign currency risk in foreign entities			65					65
Actuarial gains and losses on pension obligation						-190		-190
Tax on equity entries			-16			33		17
Total comprehensive income	0	0	0	0	7	628	0	635
Nullification of own shares	-65					65		0
Dividend paid							-256	-256
Dividend own shares						14		14
Purchase of own shares						-91		-91
Exercise of share options						15		15
Issue of share options						11		11
Total equity entries Q1-Q3 2011	**-65**	**0**	**0**	**0**	**7**	**642**	**-256**	**328**
Shareholders' equity at 30 September 2011	**1,533**	**28**	**82**	**59**	**1,085**	**5,999**	**0**	**8,786**

Cash flow statement

DKKm		Q1-Q3 2010	Q1-Q3 2011	FY 2010
Note	**Cash generated from operations**			
	Premiums	15,458	16,272	19,911
	Claims paid	-10,851	-11,517	-14,801
	Ceded business	-460	-106	-552
	Expenses	-2,406	-2,431	-3,172
	Change in other payables and other amounts receivable	-57	-509	-314
	Cash flow from insurance operations	**1,684**	**1,709**	**1,072**
	Interest income	807	1,021	1,132
	Interest expenses	-52	-84	-96
	Dividend received	9	10	10
	Taxes	-269	-273	-482
	Other items	11	-44	-5
	Cash generated from operations, continuing business	**2,190**	**2,339**	**1,631**
	Cash generated from operations, discontinued and divested business	28	-135	-20
	Total cash generated from operations	**2,218**	**2,204**	**1,611**
	Investments			
	Acquisition and refurbishment of real property	-148	-22	-210
	Sale of real property	105	0	339
	Acquisition of equity investments and unit trust units (net)	442	-27	441
	Purchase/Sale of bonds (net)	-1,162	-2,927	593
	Deposits in credit institutions	1,342	1,031	265
	Purchase/sale of operating equipment (net)	-20	0	-31
	Foreign currency hedging	-251	65	-328
	Investments, continuing business	**308**	**-1,880**	**1,069**
	Total investments	**308**	**-1,880**	**1,069**
	Funding			
	Purchase of own shares	-482	-76	-807
	Dividend paid	-991	-256	-991
	Change in debt to credit institutions	-608	-28	-581
	Funding, continuing business	**-2,081**	**-360**	**-2,379**
	Total funding	**-2,081**	**-360**	**-2,379**
	Change in cash and cash equivalents, net	**445**	**-36**	**301**
	Exchangerate adjustment of cash and cash equivalents, beginning of year	37	-12	44
	Change in cash and cash equivalents, gross	**482**	**-48**	**345**
	Cash and cash equivalents, beginning of year	512	857	512
	Cash and cash equivalents, end of period	**994**	**809**	**857**

DKKm

1 Accounting policies

Tryg's first to third quarter 2011 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 2011 the Group implemented the following standards:
• Amendments to IFRS 7 'Financial Instruments: Disclosure'
• Amendments to IAS 1 'Presentation of Financial Statements'
• Amendments to IAS 24 'Related Party Disclosures: Revised definition of related parties'
• Amendments to IAS 27 'Consolidated and separate financial statements'
• Amendments to IAS 34 'Interim Financial Reporting'
• Amendments to IFRIC 13 'Customer Loyalty Programmes', IFRIC 14 'The Limit on a Defined Benefit Asset'
• IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'

The implementation of the new standards has not affected recognition and measurement in 2011.

In connection with the capitalisation of software for the group's future common nordic business platform, the maksimum expected useful life and thus the depreciation period for software under intangible assets has been changed from 4 to 8 years. The depreciation period for other assets is unchanged. Apart from this, the accounting policies are unchanged from the annual report 2010. The annual report 2010 contains the full description of the accounting policies.

DKKm		Q1-Q3 2010	Q1-Q3 2011	FY 2010
2	**Earned premiums, net of reinsurance**			
	Direct insurance	14,598	15,510	19,627
	Indirect insurance	30	29	36
		14,628	15,539	19,663
	Unexpired risk provision	-110	29	-106
		14,518	15,568	19,557
	Ceded direct insurance	-717	-756	-941
	Ceded indirect insurance	-50	-49	-66
		13,751	**14,763**	**18,550**
3	**Technical interest, net of reinsurance**			
	Interest on insurance provisions	564	675	752
	Transferred from provisions for claims concerning discounting	-469	-526	-618
		95	**149**	**134**
4	**Claims incurred, net of reinsurance**			
	Claims incurred	-12,304	-12,971	-16,500
	Run-off previous years, gross	587	704	883
		-11,717	-12,267	-15,617
	Reinsurance recoveries	505	1,286	661
	Run-off previous years, reinsurers' share	-49	-91	-59
		-11,261	**-11,072**	**-15,015**
	Under claims incurred, the value adjustment of inflation swaps to hedge the inflation risk concerning annuities on workers' compensation insurance totals DKK -37m (in Q1-Q3 2010 DKK -132m).			
5	**Insurance operating expenses, net of reinsurance**			
	Commission regarding direct business	-359	-349	-492
	Other acquisition costs	-1,417	-1,460	-1,914
	Total acquisition costs	-1,776	-1,809	-2,406
	Administrative expenses	-657	-744	-898
	Insurance operating expenses, gross	-2,433	-2,553	-3,304
	Commission from reinsurers	54	72	92
		-2,379	**-2,481**	**-3,212**

DKKm		Q1-Q3 2010	Q1-Q3 2011	FY 2010
6	**Interest and dividends**			
	Interest income and dividends			
	Dividends	10	10	10
	Interest income cash in hand and at bank	32	45	43
	Interest income bonds	787	860	1,054
	Interest income other	13	15	26
		842	930	1,133
	Interest expenses			
	Interest expenses subordinated loan capital and credit institutions	-64	-61	-88
	Interest expenses others	0	-22	-8
		-64	-83	-96
		778	**847**	**1,037**
7	**Value adjustment**			
	Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:			
	Equity investments	-8	14	61
	Unit trust units	158	-234	233
	Share derivatives	-14	22	5
	Bonds	224	164	78
	Interest derivatives	267	377	3
		627	343	380
	Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:			
	Investment property	5	4	74
	Discounting	-607	-564	-227
	Other balance sheet items	24	-71	11
		-578	-631	-142
		49	**-288**	**238**
	Value gains	796	598	907
	Value losses	-747	-886	-669
	Value adjustment, net	**49**	**-288**	**238**
	Under value adjustment the adjustment of inflation swaps totals DKK -8m (in Q1-Q3 2010 DKK 23m).			
8	**Profit/loss on discontinued and divested business**			
	Earned premiums, net of reinsurance	180	7	224
	Claims incurred, net of reinsurance	-254	-6	-291
	Insurance operating expenses, net of reinsurance	-38	-1	-44
	Technical result	-112	0	-111
	Profit/loss before tax	-112	0	-111
	Tax	28	0	28
	Profit/loss on discontinued and divested business	**-84**	**0**	**-83**

DKKm		Private Nordic	Commercial Nordic	Corporate Nordic	Other	Group
9	**Operating segments**					
	Q1-Q3 2011					
	Gross premiums earned	**8,331**	**3,198**	**3,963**	**-20**	**15,472**
	Gross claims	-6,654	-2,586	-3,054	26	-12,268
	Gross operating expenses	-1,323	-752	-478	0	-2,553
	Profit/loss on business ceded	261	160	48	-6	463
	Technical interest, net of reinsurance	87	31	31	0	149
	Technical result	**702**	**51**	**510**	**0**	**1,263**
	Total return on investment activities after technical interest					-97
	Other income and expenses					-44
	Profit before tax					**1,122**
	Tax					-326
	Profit on continuing business					**796**
	Profit					**796**
	Run-off gains/losses, net of reinsurance	112	60	441	0	613
	Investments in associates				13	13
	Reinsurers' share of provision for unearned premiums	12	25	216	0	253
	Reinsurers' share of provision for claims	407	446	1,243	0	2,096
	Other assets				49,784	49,784
	Total assets					**52,146**
	Provisions for unearned premiums	4,095	1,710	2,079	0	7,884
	Provisions for claims	7,380	6,739	12,343	0	26,462
	Provisions for bonuses and premium rebates	212	18	110	0	340
	Other liabilities				8,674	8,674
	Total liabilities					**43,360**

DKKm		Private Nordic	Commercial Nordic	Corporate Nordic	Other	Group
9	**Operating segments**					
	Q1-Q3 2010					
	Gross premiums earned	**7,527**	**3,117**	**3,792**	**-10**	**14,426**
	Gross claims	-6,183	-2,914	-2,622	2	-11,717
	Gross operating expenses	-1,179	-764	-490	0	-2,433
	Profit/loss on business ceded	64	58	-387	8	-257
	Technical interest, net of reinsurance	55	23	17	0	95
	Technical result	**284**	**-480**	**310**	**0**	**114**
	Total return on investment activities after technical interest					304
	Other income and expenses					11
	Profit before tax					**429**
	Tax					-121
	Profit on continuing business					**308**
	Profit/loss on discontinued and divested business					-84
	Profit					**224**
	Run-off gains/losses, net of reinsurance	246	53	239	0	538
	Investments in associates				13	13
	Reinsurers' share of provision for unearned premiums	13	23	166	0	202
	Reinsurers' share of provision for claims	247	280	857	0	1,384
	Other assets				47,290	47,290
	Total assets					**48,889**
	Provisions for unearned premiums	4,075	1,689	2,069	0	7,833
	Provisions for claims	6,823	6,344	11,857	10	25,034
	Provisions for bonuses and premium rebates	199	19	135	0	353
	Other liabilities				7,258	7,258
	Total liabilities					**40,478**

Description of segments

Amounts relating to Tryg A/S, Tryg Ejendomme A/S and eliminations are included in 'Other'. Other assets and liabilities are managed at Group level and are therefore not allocated to the individual segments.

These amounts are thus included under 'Other'. Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption. The distribution on segments between Commercial and Corporate in Moderna has been altered during Q1 2011. Comparative figures have been restated accordingly.

A presentation of segments broken down by geography is provided in 'Geographical segments.'

Geographical segments

DKKm	Q3 2010	Q3 2011	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Danish general insurance					
Gross premiums earned	**2,312**	**2,544**	**7,114**	**7,519**	**9,636**
Technical result	-34	221	54	766	166
Run-off gains/losses, net of reinsurance	190	228	419	504	615
Key ratios					
Gross claims ratio	86.5	108.1	83.6	83.7	82.0
Business ceded as % of gross premiums	-1.4	-33.4	0.2	-8.8	0.7
Claims ratio, net of ceded business	85.1	74.7	83.8	74.9	82.7
Gross expense ratio	16.8	16.7	16.0	15.6	16.1
Combined ratio	**101.9**	**91.4**	**99.8**	**90.5**	**98.8**
Number of full-time employees, end of period			2,341	2,317	2,342
Norwegian general insurance					
Gross premiums earned	**1,905**	**2,014**	**5,576**	**5,925**	**7,490**
Technical result	123	246	198	514	389
Run-off gains/losses, net of reinsurance	8	66	93	132	177
Key ratios					
Gross claims ratio	76.1	67.0	77.3	73.3	76.7
Business ceded as % of gross premiums	4.5	6.5	4.4	2.5	3.1
Claims ratio, net of ceded business	80.6	73.5	81.7	75.8	79.8
Gross expense ratio	13.8	15.1	15.6	16.4	15.7
Combined ratio	**94.4**	**88.6**	**97.3**	**92.2**	**95.5**
Number of full-time employees, end of period			1,353	1,345	1,338
Swedish general insurance					
Gross premiums earned	**525**	**576**	**1,306**	**1,562**	**1,769**
Technical result	-3	20	-94	-12	-124
Run-off gains/losses, net of reinsurance	13	4	26	-23	32
Key ratios					
Gross claims ratio	83.2	83.5	84.9	81.5	84.6
Business ceded as % of gross premiums	-1.3	-0.3	0.4	2.6	0.8
Claims ratio, net of ceded business	81.9	83.2	85.3	84.1	85.4
Gross expense ratio	19.4	15.1	22.5	18.6	22.4
Combined ratio	**101.3**	**98.3**	**107.8**	**102.7**	**107.8**
Number of full-time employees, end of period			428	431	414

DKKm	Q3 2010	Q3 2011	Q1-Q3 2010	Q1-Q3 2011	FY 2010
Finnish general insurance					
Gross premiums earned	**150**	**160**	**440**	**486**	**593**
Technical result	-14	4	-44	-5	-56
Run-off gains/losses, net of reinsurance	0	0	0	0	0
Key ratios					
Gross claims ratio	82.7	74.4	80.9	78.4	80.9
Business ceded as % of gross premiums	0.7	1.9	1.1	1.0	0.8
Claims ratio, net of ceded business	83.4	76.3	82.0	79.4	81.7
Gross expense ratio	28.7	23.1	29.8	23.9	29.3
Combined ratio	**112.1**	**99.4**	**111.8**	**103.3**	**111.0**
Number of full-time employees, end of period			194	242	197
Other [a]					
Gross premiums earned	**-6**	**-5**	**-10**	**-20**	**-13**
Technical result	2	0	0	0	0
Tryg					
Gross premiums earned	**4,886**	**5,289**	**14,426**	**15,472**	**19,475**
Technical result	74	491	114	1,263	375
Return on investment activities	308	-205	304	-97	570
Other income and expenses	-13	-12	11	-44	-4
Profit/loss before tax	369	274	429	1,122	941
Run-off gains/losses, net of reinsurance	211	298	538	613	824
Key ratios					
Gross claims ratio	82.1	88.9	81.2	79.3	80.2
Business ceded as % of gross premiums	0.8	-13.7	1.8	-3.0	1.6
Claims ratio, net of ceded business	82.9	75.2	83.0	76.3	81.8
Gross expense ratio	16.3	16.3	16.9	16.7	17.0
Combined ratio	**99.2**	**91.5**	**99.9**	**93.0**	**98.8**
Number of full-time employees, end of period			4,316	4,335	4,291

a) Amounts relating to Tryg A/S, Tryg Ejendomme A/S and eliminations are included in 'Other'.

Quarterly outline

DKKm	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Private Nordic									
Gross premiums earned	**2,376**	**2,338**	**2,391**	**2,562**	**2,574**	**2,654**	**2,698**	**2,774**	**2,859**
Technical result	299	99	-167	240	211	162	166	273	263
Key ratios									
Gross claims ratio	72.3	78.7	92.2	74.0	80.9	76.9	77.2	74.1	87.9
Business ceded as a percentage of gross premiums	1.0	1.1	-0.7	1.7	-3.5	1.0	1.7	1.3	-11.9
Claims ratio, net of ceded business	73.3	79.8	91.5	75.7	77.4	77.9	78.9	75.4	76.0
Gross expense ratio	14.7	17.2	16.3	15.5	15.2	16.9	16.2	16.0	15.5
Combined ratio	**88.0**	**97.0**	**107.8**	**91.2**	**92.6**	**94.8**	**95.1**	**91.4**	**91.5**
Commercial Nordic									
Gross premiums earned	**940**	**947**	**1,019**	**1,046**	**1,052**	**1,066**	**1,063**	**1,060**	**1,075**
Technical result	-61	29	-376	-47	-57	5	-41	48	44
Key ratios									
Gross claims ratio	81.7	70.9	117.2	83.3	80.7	76.7	81.2	65.7	95.5
Business ceded as a percentage of gross premiums	1.8	2.1	-2.5	-4.0	0.9	0.0	2.0	6.3	-23.1
Claims ratio, net of ceded business	83.5	73.0	114.7	79.3	81.6	76.7	83.2	72.0	72.4
Gross expense ratio	23.7	24.6	23.0	25.9	24.6	23.5	22.1	24.5	23.9
Combined ratio	**107.2**	**97.6**	**137.7**	**105.2**	**106.2**	**100.2**	**105.3**	**96.5**	**96.3**
Corporate Nordic									
Gross premiums earned	**1,314**	**1,335**	**1,240**	**1,286**	**1,266**	**1,332**	**1,286**	**1,317**	**1,360**
Technical result	171	205	188	204	-82	94	151	175	184
Key ratios									
Gross claims ratio	63.2	70.3	59.4	62.6	85.3	78.4	67.8	77.6	85.3
Business ceded as percentage of gross premiums	13.0	1.9	12.7	7.9	10.1	2.3	9.3	-2.9	-9.6
Claims ratio, net of ceded business	76.2	72.2	72.1	70.5	95.4	80.7	77.1	74.7	75.7
Gross expense ratio	11.3	13.0	13.2	14.1	11.5	13.0	12.2	12.7	11.3
Combined ratio	**87.5**	**85.2**	**85.3**	**84.6**	**106.9**	**93.7**	**89.3**	**87.4**	**87.0**

DKKm	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Other [a]									
Gross premiums earned	**7**	**-11**	**0**	**-4**	**-6**	**-3**	**-9**	**-6**	**-5**
Technical result	-12	-16	1	-3	2	0	0	0	0
Tryg									
Gross premiums earned	**4,637**	**4,609**	**4,650**	**4,890**	**4,886**	**5,049**	**5,038**	**5,145**	**5,289**
Technical result	397	317	-354	394	74	261	276	496	491
Return on investment activities	332	210	204	-208	308	266	105	3	-205
Profit/loss before tax	717	527	-113	173	369	512	361	487	274
Profit/loss	530	448	-102	128	198	369	271	362	163
Key ratios									
Gross claims ratio	71.5	74.5	88.9	73.1	82.1	77.2	75.7	72.9	88.9
Business ceded as percentage of gross premiums	4.7	1.6	2.5	2.1	0.8	1.1	3.6	1.6	-13.7
Claims ratio, net of ceded business	76.2	76.1	91.4	75.2	82.9	78.3	79.3	74.5	75.2
Gross expense ratio	15.9	18.0	17.2	17.3	16.3	17.2	16.6	17.0	16.3
Combined ratio	**92.1**	**94.1**	**108.6**	**92.5**	**99.2**	**95.5**	**95.9**	**91.5**	**91.5**

A more detailed version of the presentation can be seen at www.tryg.com/en/investor'

a) Amounts relating to Tryg A/S, Tryg Ejendomme A/S and eliminations are included in 'Other'

Further information

Financial calendar

8 February 2012	Interim report for the fourth quarter/annual report 2011
19 April 2012	Annual general meeting
14 May 2012	Interim report for the first quarter
14 August 2012	Interim report for the second quarter
7 November 2012	Interim report for the third quarter

Contact information

Visit tryg.com

Ulrik Andersson
Investor Relations Director
+45 21 71 30 18
ulrik.andersson@tryg.dk

Lars Møller
Investor Relations Manager
+45 22 66 66 05
lars.moeller@tryg.dk

Troels Rasmussen
Chief Communications Officer
+45 30 35 30 70
troels.rasmussen@tryg.dk