

Interim report Q1 2014

Contents

Interim report – Q1 2014	Page
Management's review	
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
Financial statements	
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 is hosting a teleconference on 10 April 2014 at 9.30 CET. View the audio webcast at tryg.com. Financial analysts and investors may participate on tel. +44 (0) 203 194 0545 or +45 35 44 55 83, where questions can be asked.

The teleconference will be held in English and can subsequently be viewed at tryg.com.

This report constitutes Tryg A/S's consolidated financial statements and has not been audited. Unless otherwise indicated, all comparisons are made to Q1 2013. Comparative figures for Q1 2013 are generally given in brackets.

Editors	Investor Relations
Design	e-types
Layout	amo design
Publication	10 April 2014

Highlights

Good results of DKK 455m with a 5% increase in the technical result despite a higher level of large claims of DKK 150m. The Group's efficiency programme is progressing according to plan, contributing significantly to results.



Highlights for Q1 2014

- Profit before tax of DKK 602m (DKK 759m).
- Technical result of DKK 523m (DKK 500m).
- Combined ratio of 89.2 (90.3) is impacted positively by cost and claims measures.
- Claims ratio, net of reinsurance, of 73.3 (74.3) with improvements in Private, Commercial and Sweden.
- The 2% reduction in premiums reflects a reduction in the Nordea portfolio in Sweden and the impact of the profitability measures implemented in Commercial.
- Lower expense ratio of 15.9 (16.0) and reduction in nominal expenses of more than 2% in local currencies.
- Lower investment return of DKK 89m (DKK 269m) due primarily to a lower return on equities.
- Return on equity after tax of 16.1% (20.3%).
- Share buy back of DKK 1,000m commenced.

New initiatives during the quarter

- New customer-focused organisation in Commercial and Corporate.
- Launch of new customer concept – Nordea Tryg Plus.
- Efficiency programme progressing as planned. The programme contributed to savings of DKK 90m in the quarter.
- Tryg acquires the renewal right for Codan's agricultural portfolio.
- MC – new price-differentiated product in Denmark.
- New IT agreements with TCS and Accenture from 2014.

Income overview

DKKm	Q1 2014	Q1 2013	FY 2013
Gross premium income	4,583	4,938	19,504
Technical result	523	500	2,496
Investment return after insurance technical interest	89	269	588
Profit/loss for the period before tax	602	759	2,993
Profit/loss for the period, continuing business	454	569	2,373
Profit/loss for the period	455	575	2,369
Run-off gains/losses, net of reinsurance	333	220	970
Key ratios			
Total equity	11,480	11,664	11,107
Return on equity after tax (%)	16.1	20.3	21.5
Number of shares, end of period (1,000)	59,172	60,868	59,374
Earnings per share of DKK 25	7.7	9.5	39.4
Premium growth in local currency (%)	-2.0	-2.5	-2.7
Gross claims ratio	71.7	71.2	73.9
Net reinsurance ratio	1.6	3.1	-1.8
Claims ratio, net of reinsurance	73.3	74.3	72.1
Gross expense ratio	15.9	16.0	15.6
Combined ratio	89.2	90.3	87.7
Combined ratio exclusive of run-off	96.5	94.8	92.7
Run-off, net of reinsurance (%)	-7.3	-4.5	-5.0
Large claims, net of reinsurance (%)	4.7	1.4	2.1
Weather claims, net of reinsurance (%)	2.6	2.8	3.2
Combined ratio on business areas			
Private	88.0	90.0	86.0
Commercial	81.9	89.9	85.4
Corporate	98.7	88.8	91.7
Sweden	88.7	94.9	91.2

Tryg's profit before tax was DKK 602m (DKK 759m). The results comprise an improvement in the technical result of 5% and a significantly lower investment return than for the prior-year period. The profit corresponds to a return on equity after tax of 16.1% (20.3%).

The combined ratio totalled 89.2, representing an improvement of 1.1 percentage points relative to the prior-year period. Adjusted for the run-off level, weather and large claims, the underlying improvement totalled 1.4 percentage points. Normally, the combined ratio for Q1 would be at a higher level than for the year as a whole due to a higher level of weather claims. On this basis, the results of the insurance business are satisfactory.

The Group's efficiency programme contributed a total of DKK 90m in Q1, and since the launch, improvements totalling DKK 647m have been achieved. In the coming years, improvements in results will be achieved mainly through this programme.

Our customers are fundamental to our business, and are therefore at the core of everything we do in Tryg. In 2014, we will continue to strengthen customer experience and the internal culture through our group initiative Customer journey and success culture. For that purpose, Tryg has introduced a new indicator for the development in the degree of reference, measured as the ratio between very satisfied and unsatisfied customers. Very satisfied customers drive the degree of reference, which has a positive impact on the bottom line. Consequently, we have decided to introduce degree of reference as a new KPI for measuring the Tryg customer experience. At the same time, specific initiatives will be implemented to support a positive trend. For instance, it has been decided to improve accessibility through the introduction of uniform and extended telephone hours, and text-based customer surveys will be introduced in all key contact points with quick response. Moreover, new principles will be introduced for how managers are to take responsibility for dissatisfied customers and make them satisfied, and new management principles have been implemented to form the basis of a new management programme, focused on strengthening a customer-oriented success culture.

The market situation in Denmark and Norway is unchanged relative to the end of 2013. Consumer confidence in the Danish market is still slightly up, while the Norwegian market is concerned that the rise in house prices seen in recent years may not last, which could lead to a slow-down in economic growth rates relative to those seen in recent

years. The rate of unemployment was 6% in Denmark and 4% in Norway. In Denmark, sales of small and economical cars were still booming, which, in combination with more safety features, resulted in lower insurance premiums. Norwegian car sales for the first two months of the year were about 1.5% down on the prior-year period.

Premiums

Gross premium income amounted to DKK 4,583m, which corresponds to a reduction of 2.0% in local currencies relative to a reduction of 2.5% in the same period last year. Q1 2014 saw an improved trend in Private, with a decline of 0.5% compared to a drop of 2.0% for the prior-year period. In Sweden, the termination of an unprofitable bank insurance agreement with Nordea resulted in the discontinuation of sales through this channel and a lower retention rate than for the rest of the portfolio. This has a negative impact on gross premiums, which is likely to continue for some time. Commercial saw a reduction in premium income of 4.4%, which should be seen in the context of the measures implemented to improve profitability. However, retention rates showed a positive trend in Commercial in both Denmark and Norway, and sales in Norway increased relative to 2013.

In early 2014, Tryg decided to redefine responsibilities for customer service between Commercial and Corporate. Following this change, the future main focus of Corporate will be on major customers with more than 100 employees and an annual turnover of DKK 100m. As a result of the change, the portfolio of just over DKK 900m, or approximately 8,000 customers, will be served by Commercial in future. As part of the new service strategy, some 65 employees will be transferred to Commercial. In future, customers will benefit from Commercial's tried and tested service concepts, ensuring better and more efficient service. This change has enabled a staff reduction of about 20 employees, achieved through voluntary agreements. The change is also expected to help improve profitability in both Commercial and Corporate.

The development of price-differentiated products continues in 2014. In 2013, Tryg developed 13 new differentiated products, and Q1 2014 has seen the development of a new motorcycle insurance policy for the Danish market. Experience from the price-differentiated products already launched has been positive, reflected in higher sales rates and improved profitability. Thus, sales in the Private market in both Denmark and Norway were 4% higher than in the prior-year period.

Rules on how the Danish National Health Service covers Danes travelling abroad will be changed on 1 August 2014. With that in mind, Tryg has adjusted the existing travel insurance product to ensure that customers can still feel safe when travelling abroad.

In March, the new customer-focused concept between Tryg and Nordea in Denmark was launched, entailing a new structure for multi-policy discounts. Customers need to take out more insurance policies, but, in return, may achieve higher discounts. In addition, new technological solutions have been developed for both Denmark and Norway to be used for distribution through Nordea. The new concept and improved solutions are designed to help further increase sales from Nordea – sales that were approximately 10% higher in Q1 than for the same period in 2013. The profitability of this portfolio is very satisfactory in Denmark and Norway, and the payment for distribution is primarily in the form of profit-sharing.

The Norwegian part of Private is now reaping the benefits of a customer value model launched to improve segmentation in this market. In Q1, we have seen improved sales trends and better customer retention, reflected in an increase in customer numbers.

The Norwegian part of Commercial recorded positive sales trends, which is explained by the measures implemented to increase sales for the franchise sales channel, among other things.

The Swedish Private segment launched its partnership with Danske Bank in early March 2014. Initially, the Malmö-based customer service centre will be responsible for customer sales, but during May it will be possible also to purchase insurance online. Customers will be able to purchase both Moderna's insurance for private customers and insurance within the niche areas of Atlantica Leisure Boat Insurance and Car Sports/Motorcycles.

Claims

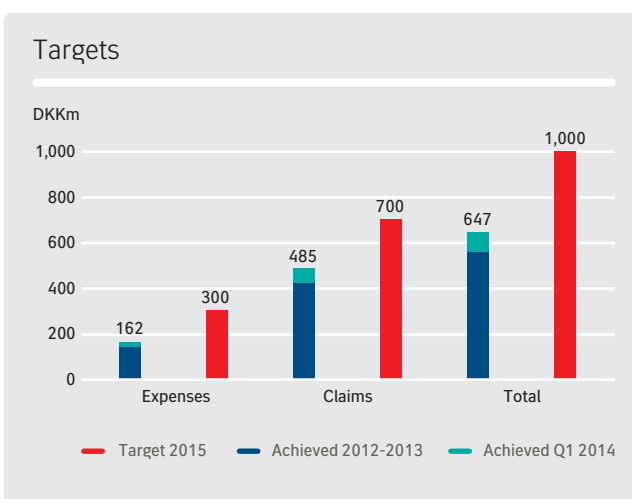
The gross claims ratio was 71.7 (71.2). The claims ratio, net of reinsurance was 73.3 (74.3). Procurement of claims services improved the claims ratio, net of reinsurance, by approximately 1.4 percentage points. The claims ratio was also impacted by a higher level of large claims, equivalent to 3.3 percentage points. The run-off result, net of reinsurance, was 7.3%, and at a higher level than in Q1 2013.

The efficiency programme contributed savings of DKK 65m in Q1. Since the launch of the efficiency programme, improvements of DKK 485m have been achieved within claims, outperforming the target. The results achieved can be ascribed, in particular, to procurement savings, attributable to the increased use of Scalepoint, and the increased use of fixed-price agreements regarding building repairs. In addition, efficiency improvements in the claims organisation also helped to improve the underlying claims level.

The large claims ratio was 4.7%, or approximately DKK 150m higher than for the same period in 2013 and about DKK 75m higher than the expected level for one quarter. Large claims related, in particular, to a number of large claims in the Danish Corporate segment.

The claims ratio was also impacted, by about 0.8 percentage points, by fires in small Norwegian areas. Such claims are usually associated with winter weather.

As was the case in 2013, Q1 was impacted by weather claims to a small extent only, reflecting that weather-related claims are generally rather unpredictable. Thus, Denmark was severely affected by storms in Q4 2013, and a few years ago Denmark experienced heavy cloud-bursts. At the end of 2011, Norway was hit by storms. The general expectation is that weather patterns will become more severe in the coming years, and consequently Tryg's presence in several geograph-



ical markets ensures a higher degree of diversification than can be achieved by companies operating in a single geographical area.

With a run-off ratio of 7.3 (4.5), the run-off level was high, especially due to a high run-off level in the Corporate segment.

Expenses

The expense ratio improved from 16.0 to 15.9, impacted by the efficiency programme measures, which contributed DKK 25m. Moreover, ongoing adjustments have been made to reflect the decline in business activity, which, along with the efficiency programme, was the reason for a reduction in nominal expenses of more than 2% in local currencies.

The efficiency programme is progressing according to plan in terms of reductions in expenses, and, as already mentioned, savings of DKK 25m were achieved in Q1. Relative to the target of reducing expenses by DKK 300m by 2015, reductions of DKK 162m had been realised at the end of Q1.

At the end of Q1 2014, the number of employees was 3,655, corresponding to a reduction of 184 employees compared with the prior-year period and a reduction of 48 since the start of 2014.

The change of IT provider from CSC to TCS will result in additional expenses in 2014. The size of this expense remains to be clarified, but, viewed in isolation, it will have a negative impact on the expense ratio in 2014. This is not expected to significantly affect net profit for the year, and thus expectations are still of a combined ratio of 90 or lower for 2014. The additional expenses are explained by the need for improved IT stability; at the same time, the new agreement is part of the plan to achieve an expense ratio below 15 by 2015. The agreement will also help to further reduce expenses once the target for 2015 has been attained.

Investment return

Tryg discounts technical provisions and matches the disbursement profile of the provisions with bonds. Investment assets other than those included in the match portfolio are included in the free investment portfolio and are invested broadly.

Investment activities generated a profit of DKK 89m (DKK 269m), reflecting a return on the match portfolio of DKK 27m, a return on the free investment portfolio of DKK 129m and other financial income and expenses of DKK -67m.

The free investment portfolio is made up mainly of equities, real estate and bonds and, in Q1 2014, generated a return of DKK 129m (DKK 272m). The return consisted of a return on equities of DKK 41m, a return on interest rate and credit exposure of DKK 60m and a return on investment properties of DKK 28m.

Profit before and after tax

Profit before tax was DKK 602m (DKK 759m). Tax on continuing business was DKK 148m, corresponding to a tax rate of 24.5%. The profit for the period after tax and discontinued business was thus DKK 455m (DKK 575m).

Capital

Tryg's equity totalled DKK 11,480m at the end of Q1 2014. Tryg determines its individual solvency need according to the Danish Financial Supervisory Authority's guidelines. This totalled DKK 6,740m at the end of Q1 2014 based on the adequate capital base of DKK 10,331m after the realised share buy back. Tryg thus has surplus cover of DKK 3,591m, corresponding to a buffer of 53%.

Tryg's capital position at the end of Q1 2014 enables the company to withstand major financial challenges. At the same time, it is important to Tryg that the size and composition of the capital base support the company's financial targets.

With the revised Executive Order on Individual Solvency, which took effect on 1 January 2014, Denmark has pre-implemented parts of Solvency II, including a number of changes that affect both the capital requirement assessment and the available capital. The overall net impact of these changes is that the solvency surplus cover is largely unchanged.

On 2 January 2014, Tryg initiated the buy back of own shares in the amount of DKK 1,000m. At the end of Q1, shares of DKK 213m had been bought back, corresponding to 21.3% of the programme.

Events occurring after the end of the accounting period

On 1 April 2004, Tryg announced that the company had acquired the renewal right for Codan's agricultural portfolio, consisting of small and medium-sized farms. Tryg expects this portfolio to make a positive contribution to Tryg's results due to our effective setup and low administrative expenses. Customers will experience high service and accessibility through Tryg's specialised agricultural organisation.

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 a technical result of DKK 273m (DKK 245m), corresponding to an increase of more than 10%. The combined ratio was 88.0 (90.0). The improved combined ratio is attributable to a positive impact from the claims measures implemented as part of Tryg's efficiency programme and also a higher level of weather claims which can primarily be ascribed to a number of fires in two small areas in Norway.

Premiums

Gross premium income declined by 0.5%, which is an improvement on Q1 2013 when gross premium income declined by 2%. The modest decline should also be seen in the context of the competition in the market and developments in Denmark, with rising sales of small cars with lower risk and therefore lower insurance premiums.

In conjunction with the price differentiation, the conversion of the existing portfolio has commenced. The conversion means that equal shares of customers will see increasing and declining prices. So far, the conversion has resulted in a slightly lower outflow of customers than expected, and at the same time, the price-differentiated products are producing a higher sales rate and an improved risk selection.

Key figures – Private

DKKm	Q1 2014	Q1 2013	FY 2013
Gross premium income	2,238	2,384	9,366
Gross claims	-1,614	-1,739	-6,596
Gross expenses	-347	-365	-1,418
Profit/loss on gross business	277	280	1,352
Profit/loss on ceded business	-10	-42	-43
Insurance technical interest, net of reinsurance	6	7	26
Technical result	273	245	1,335
Run-off gains/losses, net of reinsurance	127	84	310
Key ratios			
Premium growth in local currency (%)	-0.5	-2.0	-2.2
Gross claims ratio	72.1	72.9	70.4
Net reinsurance ratio	0.4	1.8	0.5
Claims ratio, net of reinsurance	72.5	74.7	70.9
Gross expense ratio	15.5	15.3	15.1
Combined ratio	88.0	90.0	86.0
Combined ratio exclusive of run-off	93.7	93.5	89.3
Run-off, net of reinsurance (%)	-5.7	-3.5	-3.3
Large claims, net of reinsurance (%)	0.5	0.0	0.1
Weather claims, net of reinsurance (%)	3.2	2.4	3.2

The Norwegian business saw a positive inflow of customers, and the retention rate remained high in both Denmark and Norway.

Claims

The gross claims ratio was 72.1 (72.9). The claims ratio, net of reinsurance, which includes profit or loss from reinsurance, improved from 74.7 to 72.5.

The claims ratio adjusted for run-off, weather claims and large claims shows an improvement of 1.3 percentage points. This improvement must be seen in the context of the claims measures implemented which have a considerable effect within Private.

Furthermore, the claims level was impacted by a number of fires in two small areas in Norway. Such claims are usually winter weather-related.

Expenses

The expense ratio was 15.5 (15.3), representing a fall of 0.2 percentage points. This can be attributed to a higher level of commissions in Q1 2014 and thus does not represent a trend, but periodical variation. The expense ratio for 2014 as a whole is expected to be lower than in 2013.

The number of employees in Private has been reduced from 923 at the beginning of the year to 907 at the end of Q1.



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, franchisees (Norway), customer centres as well as through group agreements. The business area accounts for 23% of the Group's total premium income.

Results

The technical result for Commercial was DKK 193m (DKK 114m). The improvement is primarily attributable to efficiency increases, improved segmentation and a low level of large claims and weather claims as well as a high level of run-off.

The combined ratio was 81.9 (89.9), up 8 percentage points. In this context, it is particularly satisfactory that the expense ratio has been improved by 0.9 percentage points.

Premiums

Gross premium income amounted to DKK 1,042m (DKK 1,132m), corresponding to a decrease of 4.4% in local currencies. The negative development in premium income can be ascribed to the tariff measures implemented previously to ensure a profitable Commercial business. In general, the tariffs are now at a clearly improved level, and to ensure continued improvement, focus is on additional price differentiation in relation to the risk in the individual segments.

Sales are positively impacted by the price-differentiated products within workers' compensation insurance and commercial car insurance, but all in all, sales in Commercial Denmark are still too low. This development is negatively impacted by the economic slowdown in the Danish market. On the other hand, the Norwegian business has seen a positive development, which must be seen in the context of the initiatives taken to improve the scope of this part of the

Key figures – Commercial

DKKm	Q1 2014	Q1 2013	FY 2013
Gross premium income	1,042	1,132	4,411
Gross claims	-666	-798	-2,978
Gross expenses	-184	-211	-820
Profit/loss on gross business	192	123	613
Profit/loss on ceded business	-3	-9	29
Insurance technical interest, net of reinsurance	4	0	12
Technical result	193	114	654
Run-off gains/losses, net of reinsurance	52	12	265
Key ratios			
Premium growth in local currency (%)	-4.4	-2.8	-2.9
Gross claims ratio	63.9	70.5	67.5
Net reinsurance ratio	0.3	0.8	-0.7
Claims ratio, net of reinsurance	64.2	71.3	66.8
Gross expense ratio	17.7	18.6	18.6
Combined ratio	81.9	89.9	85.4
Combined ratio exclusive of run-off	86.9	91.0	91.4
Run-off, net of reinsurance (%)	-5.0	-1.1	-6.0
Large claims, net of reinsurance (%)	0.8	4.8	4.5
Weather claims, net of reinsurance (%)	1.6	1.8	4.5

business. For example, an increase has been achieved in sales to Commercial customers from the franchise sales channel through better training in the Commercial products and focused follow-up without this having had any negative impact on sales to Private customers. The retention rate is high and developed positively in both Denmark and Norway.

To increase business volume on a profitable basis, segmentation measures targeting profitable segments will continue.

Claims

The gross claims ratio was 63.9 (70.5), and the claims ratio, net of reinsurance, was 64.2 (71.3). The improved claims ratio, net of reinsurance, can be attributed to the claims measures implemented and, moreover, to a lower level of large and weather claims as well as a higher level of run-off.

The claims level for Commercial was generally satisfactory, and against this background, the focus is on improving segmentation in connection with the introduction of more price-differentiated products.

Expenses

The expense ratio was 17.7, representing a substantial reduction of 0.9 percentage points. The improvement can be attributed to the efficiency increases achieved within Commercial as well as a reduction in staff costs. The reduction in expense ratio remains central to ensuring that Tryg achieves an expense ratio of less than 15 in 2015.

The number of employees in Commercial has increased from 506 at the beginning of the year to 509 at the end of Q1. Compared to the same period of 2013, the number of employees is reduced by more than 50.

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. Tryg Garanti is also included in Corporate results. The business area accounts for 21% of the Group's total premium income.

Results

The technical result amounted to DKK 19m (DKK 118m), which can primarily be attributed to an increase of more than DKK 180m in claims costs related to large claims, especially for the Danish part of the Corporate portfolio.

The combined ratio was 98.7 (88.8), primarily due to a considerably higher level of large claims which is only countered to a limited extent by the run-off, which was 1.8 percentage points higher than for the same period in 2013. Large claims and weather claims affected the combined ratio by 22.5 percentage points (5.7 percentage points).

Premiums

Premium income totalled DKK 989m (DKK 1,046m), representing growth of 0.7% in local currencies. This development represents a substantial improvement relative to the same period in 2013, when premium income fell by 4.4% in local currencies. The development can be ascribed to the loss of a small number of large customers, especially in Norway, at the beginning of 2014, and a satisfactory renewal in Denmark. Tryg focuses on delivering a high quality of service to this type of customer, but is also maintaining focus

Key figures – Corporate

DKKm	Q1 2014	Q1 2013	FY 2013
Gross premium income	989	1,046	4,158
Gross claims	-806	-692	-3,661
Gross expenses	-125	-131	-490
Profit/loss on gross business	58	223	7
Profit/loss on ceded business	-45	-106	338
Insurance technical interest, net of reinsurance	6	1	13
Technical result	19	118	358
Run-off gains/losses, net of reinsurance	145	135	375
Key ratios			
Premium growth in local currency (%)	0.7	-4.4	-2.9
Gross claims ratio	81.5	66.2	88.0
Net reinsurance ratio	4.6	10.1	-8.1
Claims ratio, net of reinsurance	86.1	76.3	79.9
Gross expense ratio	12.6	12.5	11.8
Combined ratio	98.7	88.8	91.7
Combined ratio exclusive of run-off	113.4	101.7	100.7
Run-off, net of reinsurance (%)	-14.7	-12.9	-9.0
Large claims, net of reinsurance (%)	19.6	1.2	4.7
Weather claims, net of reinsurance (%)	2.9	4.5	2.5

on profitability and risk selection, which explains the outflow of customers, especially in the Norwegian part of the business.

In the Swedish part of the Corporate business, growth was around 10%. Going forward, growth in the Swedish portfolio is expected to decline slightly as the portfolio develops. The strategy is thus still controlled growth in selected segments with a clear focus on profitability and quality.

Claims

The gross claims ratio stood at 81.5 (66.2), while the claims ratio, net of reinsurance, was 86.1 (76.3). The deterioration is primarily attributable to the above-mentioned higher level of large claims, associated in particular with a small number of claims in the Danish part of the business totalling just over DKK 100m.

Expenses

The expense ratio was 12.6, which is largely on a par with the prior-year period in 2013. For 2014 as a whole, the expense ratio is expected to be lower than in 2013.

In connection with the redefinition of responsibilities in relation to Commercial, 65 employees will be transferred from Corporate to Commercial, while voluntary redundancy agreements have been made with 20 employees. At the end of Q1, the number of Corporate employees stood at 352 against 365 at the beginning of the year. The number will be reduced in the course of the year as the affected employees are transferred to Commercial or resign.



Sweden

Sweden comprises the sale of insurance products to private customers under the 'Moderna' brand. Sales are effected via Tryg's own salespeople, call centres and the Internet. This business area accounts for 7% of the Group's total premium income.

Results

A profit of DKK 38m (DKK 23m) was posted for Sweden. This is satisfactory, and the improvement can be ascribed in particular to the profitability measures introduced and the termination of the bank assurance agreement with Nordea, which has led to a substantial drop in this portfolio. The Nordea portfolio has generally been unprofitable, and consequently the reduction in this part of the portfolio has improved profitability overall.

The combined ratio was 88.7 (94.9), primarily as a result of the above-mentioned profitability measures. Moreover, the expense ratio has largely been maintained despite a considerable reduction in premium income, which is satisfactory.

Premiums

Premium income totalled DKK 317m (DKK 377m), corresponding to a 12.5% fall in local currencies. This development is primarily attributable to a reduction in the bank assurance portfolio following the termination of the agreement with Nordea. In October 2013, Tryg entered into a strategic partnership agreement with Danske Bank in Sweden. The partnership was launched in March 2014, and has therefore only had a limited effect on premium income so far. The negative development in premium income following

Key figures – Sweden

DKKm	Q1 2014	Q1 2013	FY 2013
Gross premium income	317	377	1,587
Gross claims	-204	-285	-1,178
Gross expenses	-63	-74	-280
Profit/loss on gross business	50	18	129
Profit/loss on ceded business	-14	1	9
Insurance technical interest, net of reinsurance	2	4	11
Technical result	38	23	149
Run-off gains/losses, net of reinsurance	9	-11	20
Key ratios			
Premium growth in local currency (%)	-12.5	0.2	-4.9
Gross claims ratio	64.4	75.6	74.2
Net reinsurance ratio	4.4	-0.3	-0.6
Claims ratio, net of reinsurance	68.8	75.3	73.6
Gross expense ratio	19.9	19.6	17.6
Combined ratio	88.7	94.9	91.2
Combined ratio exclusive of run-off	91.5	92.0	92.5
Run-off, net of reinsurance (%)	-2.8	2.9	-1.3
Weather claims, net of reinsurance (%)	1.3	4.0	1.4

the termination of the Nordea agreement is expected to continue for some time, but will gradually diminish in step with the development of alternative profitable channels and agreements.

Moderna's portfolio consists, among other things, of a number of niche areas within the insurance of leisure boats, and the insurance of vintage cars and motorcycles. Due to effective segmentation, these areas are very profitable. To increase business volume, cross-sales activities have been initiated which will increase these segments' share of the other Moderna insurance products.

Claims

The claims ratio was 64.4 (75.6). The low claims ratio is attributable to the profitability measures implemented, including the introduction of new tariffs for motor and house insurance which more accurately reflect the risks involved.

Efficient claims handling remains a focus area. Figures for Q1 2014 reveal that approximately 40% of claims are registered, processed and concluded on the same day. Moreover, a model for automated claims handling has been developed which ensures the very efficient handling of claims without involving claims handlers.

Expenses

The expense ratio was 19.9 (19.6), which represents a slight increase. This can be ascribed to the fact that it has not been possible to adapt expenses to a reduction in the portfolio in Q1.

The number of employees was 360 at the end of Q1 2014 against 356 at the beginning of the year. The increase is ascribable to the building of distribution power in the wake of the termination of the agreement with Nordea.

Investment activities

Key figures – Investments

DKKm	Q1 2014	Q1 2013	FY 2013
Free portfolio, gross return	129	272	891
Match portfolio, regulatory deviation and performance	27	54	40
Other financial income and expenses	-67	-57	-343
Total investment return	89	269	588

In Q1 2014, Tryg's total investment portfolio of DKK 45bn generated a return of DKK 89m after transfer to insurance. The investment return is attributable partly to a return on the free portfolio of DKK 129m and partly to a return on the match portfolio of DKK 27m. Other financial income and expenses were negative at DKK 67m. The results generally reflect low interest levels, positive equity markets and falling credit premiums and interest rates.

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 leads to generally lower variation in the results and will under Solvency II reduce the capital requirement needed to accommodate fluctuations.

The match portfolio totalled DKK 31.4bn at the end of Q1 2014. The return on the portfolio must cover price adjustments of the claims provisions and the insurance technical interest. The return on the match portfolio can be divided into a regulatory deviation and a performance component. The regulatory deviation expresses the difference between the amount transferred to insurance based on the Danish Financial Supervisory Authority's discount curve relative to the return of an investable portfolio. The performance component expresses the return on the match portfolio relative to an investable portfolio. In Q1 2014, the match portfolio generated a total return of DKK 320m, of which DKK -293m was transferred to insurance. It can thus be calculated that the difference amounts to a regulatory deviation of DKK -3m and a performance of DKK 30m.

The regulatory deviation can be substantial in case of changes in the Danish Financial Supervisory Authority's discount curve. Thus in Q2 2012 Tryg realised a gain of DKK 150m as a result of regulatory changes. The statutory introduction of a new regulatory discount curve may become relevant if the Danish Financial Supervisory Authority changes the regulatory interest curve as a result of adjustments to the European solvency method.

Generally speaking, falling inflation and a reduction in interest rates by the European Central Bank have resulted in lower interest rates and thus a need to increase insurance provisions. A narrowing of credit spreads has generally led to a positive performance for the portfolio during the quarter, thus contributing the above-mentioned DKK 30m.

Return – match portfolio

DKKm	Return Q1 2014
Return, match portfolio	320
Value adjustments, changed discount rate	-175
Transferred to insurance technical interest	-118
Match, regulatory deviation and performance	27
Hereoff:	
Match, regulatory deviation	-3
Match, performance	30

Return – free portfolio

DKKm	Return Q1 2014	Return (%) Q1 2014	Investment assets	
			31.03.14	31.12.13
Government bonds	2	0.4	531	501
Covered bonds	30	0.6	4,876	4,736
Emerging market bonds	14	3.7	401	387
High-yield bonds	22	3.0	711	802
Other ^{a)}	-8	-	2,024	1,944
Interest rate and credit exposure	60	0.7	8,543	8,370
Equity exposure	41	1.8	2,990	2,966
Investment property	28	1.4	2,027	2,022
Total gross return	129	0.9	13,560	13,358

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

Satisfactory return on free investment portfolio

The free investment portfolio is mainly made up of equities, real estate and bonds, and in Q1 2014 generated a total gross return of DKK 129m, corresponding to 0.9% (3.6% p.a.) on the average invested capital. The markets have generally been characterised by an underlying belief in low, but positive growth from the USA, which has taken over the role of 'locomotive' played for a number of years by China and a number of emerging markets. Q1 saw considerable fluctuations in both interest and equity markets and was strongly affected by single events in a number of developing countries such as Argentina and Turkey as well as Russia's annexation of Crimea and disappointing Chinese fundamentals.

The real estate portfolio, comprising Danish and Norwegian investment properties, generated a return of DKK 28m in Q1 2014, which was in line with expectations.

Other financial income and expenses

Other financial income and expenses were negative at DKK 67m in Q1 2014. This pertains, in particular, to Tryg's currency hedging of Swedish and Norwegian equity as well as costs relating to Tryg's subordinate loans.

Capital

In connection with the commencement of the revised Executive Order on Solvency and Operating Plans for Insurance Companies, Tryg calculates the individual solvency need based on a partially internal capital model. Tryg's partially internal 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 described by means of the standard model components.

The Danish Financial Supervisory Authority requires that the companies also calculate their solvency need according to the standard model.

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

Capital requirement

The individual solvency need was DKK 6,740m in Q1 2014 against DKK 6,366m in Q4 2013. In connection with the revised executive order, at the beginning of the year Tryg modified the method for calculating the individual solvency need, which explains the increase in the individual solvency need.

According to the Solvency II standard model, the solvency need was DKK 8,561m in Q1 2014 against DKK 8,530m in Q4 2013.

Capital

The Executive Order on Solvency and Operating Plans for Insurance Companies introduces the concept of 'adequate capital base'.

This represents an adjustment of the capital base and includes some of the elements in the future capital concept of 'Own funds', which will apply as from the introduction of Solvency II from 2016. The transition means that Tryg can now include an additional amount of approximately DKK 400m, which counterbalances the increase in the individual solvency need. Examples of elements which have not yet been included in the adequate capital base are the extended access to including subordinate loan capital under the Solvency II regime. This means that Tryg cannot yet include the whole value of the company's subordinate loan when calculating the adequate capital base.

The figure below shows the individual solvency need and the standard model capital requirement together with the adequate capital base.

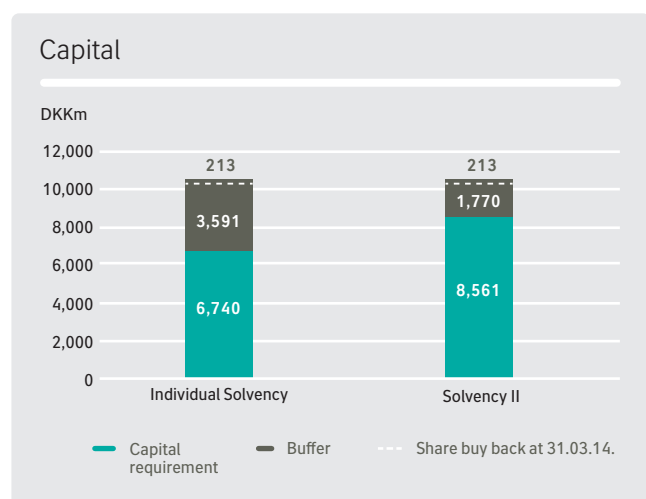
In Q1 2014, the adequate capital base is DKK 10,544m, which means that Tryg has surplus cover of DKK 3,804m (56%) and DKK 1,983m (23%) relative to the individual solvency need and the Solvency II standard model, respectively.

If deducting the executed part (DKK 213m) of the announced share buy back programme, the adequate capital base falls to DKK 10,331m, reducing the surplus cover to DKK 3,591m relative to the individual solvency need and DKK 1,770m relative to the standard solvency need. The surplus cover shown will increase once the future 'Own funds' capital elements are included in full in 2016.

Share buy back

In January 2014, Tryg initiated the buy back of own shares in the amount of DKK 1,000m. Tryg reports weekly on the progress of the share buy back programme. From the start-up of the share buy back programme on 2 January 2014 and up until 31 March 2014, 411,380 shares have been acquired for a total sum of DKK 213m. Following these transactions, Tryg holds a total of 2,143,844 own shares, corresponding to 3.5%.

The total number of shares is 61,316,103. After the deduction of own shares, the number of shares is 59,172,259.



Outlook

Tryg has a target of achieving a medium-term return on equity of 20% after tax, corresponding to a combined ratio of 90 or less.

In order to ensure the realisation of Tryg's financial targets, Tryg announced in 2012 an efficiency programme, with an aim 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 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 Q1 2014.

The report, which has not been audited or reviewed by the company auditors, is presented in accordance with IAS 34 Interim Financial Reporting, the Danish Financial Business Act and the reporting requirements of Nasdaq OMX Copenhagen for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2014, and of the results of its activities and cash flows for the period.

Furthermore, in our opinion the management's review gives a true and fair view of 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 significant risk and uncertainty factors that may affect the Group.

Ballerup, 10 April 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

DKK m	Q1 2014	Q1 2013	FY 2013
Gross premium income	4,583	4,938	19,504
Gross claims	-3,287	-3,514	-14,411
Total insurance operating costs	-719	-781	-3,008
Profit/loss on gross business	577	643	2,085
Profit/loss on ceded business	-72	-155	349
Insurance technical interest, net of reinsurance	18	12	62
Technical result	523	500	2,496
Investment return after insurance technical interest	89	269	588
Other income and costs	-10	-10	-91
Profit/loss before tax	602	759	2,993
Tax	-148	-190	-620
Profit/loss, continuing business	454	569	2,373
Profit/loss on discontinued and divested business after tax	1	6	-4
Profit/loss for the period	455	575	2,369
Run-off gains/losses, net of reinsurance	333	220	970
Statement of financial position			
Total provisions for insurance contracts	35,082	36,486	32,939
Total reinsurers' share of provisions for insurance contracts	2,874	2,455	2,620
Total equity	11,480	11,664	11,107
Total assets	54,139	58,499	53,371
Key ratios			
Gross claims ratio	71.7	71.2	73.9
Net reinsurance ratio	1.6	3.1	-1.8
Claims ratio, net of reinsurance	73.3	74.3	72.1
Gross expense ratio	15.9	16.0	15.6
Combined ratio	89.2	90.3	87.7
Gross expense ratio without adjustment ^{a)}	15.7	15.8	15.4
Operating ratio	88.6	89.9	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 2014	Q1 2013	FY 2013
Note General insurance			
Gross premiums written	6,849	7,386	19,820
Ceded insurance premiums	-515	-597	-1,220
Change in premium provisions	-2,196	-2,361	36
Change in reinsurers' share of premium provisions	217	317	24
2 Premium income, net of reinsurance	4,355	4,745	18,660
3 Insurance technical interest, net of reinsurance	18	12	62
Claims paid	-3,771	-3,597	-14,059
Reinsurance cover received	197	255	1,034
Change in claims provisions	484	83	-352
Change in the reinsurers' share of claims provisions	3	-166	406
4 Claims, net of reinsurance	-3,087	-3,425	-12,971
Bonus and premium discounts	-70	-87	-352
Acquisition costs	-537	-585	-2,227
Administration expenses	-182	-196	-781
Acquisition costs and administration expenses	-719	-781	-3,008
Reinsurance commissions and profit participation from reinsurers	26	36	105
Insurance operating costs, net of reinsurance	-693	-745	-2,903
1 Technical result	523	500	2,496
Investment activities			
Income from associates	3	3	6
Income from investment property	25	26	97
Interest income and dividends	243	250	1,029
5 Value adjustments	-14	149	115
Interest expenses	-31	-22	-112
Administration expenses in connection with investment activities	-19	-20	-64
Total investment return	207	386	1,071
3 Return on insurance provisions	-118	-117	-483
Total investment return after insurance technical interest	89	269	588
Other income	19	23	100
Other costs	-29	-33	-191
Profit/loss before tax	602	759	2,993
Tax	-148	-190	-620
Profit/loss on continuing business	454	569	2,373
Profit/loss on discontinued and divested business	1	6	-4
Profit/loss for the period	455	575	2,369
Earnings per share of DKK 25 - continuing business	7.7	9.4	39.4
Earnings per share of DKK 25	7.7	9.5	39.4
Diluted earnings per share of DKK 25	7.7	9.4	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 2014	Q1 2013	FY 2013
Note	Profit/loss for the period	455	575	2,369
	Other comprehensive income			
	Other comprehensive income which cannot subsequently be reclassified as profit or loss			
	Revaluation of owner-occupied property	0	0	9
	Tax on revaluation of owner-occupied property	0	0	-3
	Actuarial gains/losses on defined-benefit pension plans	54	70	179
	Tax on actuarial gains/losses on defined-benefit pension plans	-15	-20	-54
		39	50	131
	Other comprehensive income which can subsequently be reclassified as profit or loss			
	Exchange rate adjustments of foreign entities	43	-19	-326
	Hedging of currency risk in foreign entities	-39	17	305
	Tax on hedging of currency risk in foreign entities	10	-4	-76
		14	-6	-97
	Total other comprehensive income	53	44	34
	Comprehensive income	508	619	2,403

Statement of financial position

DKKm		31.03.2014	31.03.2013	31.12.2013
Note	Assets			
	Intangible assets	758	769	758
	Operating equipment	118	141	122
	Owner-occupied property	1,310	1,441	1,304
	Total property, plant and equipment	1,428	1,582	1,426
	Investment property	1,836	1,880	1,831
	Equity investments in associates	218	221	215
	Total investments in associates	218	221	215
	Equity investments	145	198	150
	Unit trust units	3,641	3,555	3,741
	Bonds	37,728	40,057	36,971
	Deposits with credit institutions	1,326	1,574	1,301
	Derivative financial instruments	677	1,132	692
	Total other financial investment assets	43,517	46,516	42,855
	Total investment assets	45,571	48,617	44,901
	Reinsurers' share of premium provisions	454	552	237
	Reinsurers' share of claims provisions	2,420	1,903	2,383
	Total reinsurers' share of provisions for insurance contracts	2,874	2,455	2,620
	Receivables from policyholders	1,834	2,065	1,088
	Total receivables in connection with direct insurance contracts	1,834	2,065	1,088
	Receivables from insurance enterprises	244	183	299
	Other receivables	154	375	1,027
	Total receivables	2,232	2,623	2,414
	Current tax assets	117	0	145
	Cash at bank and in hand	639	1,113	553
	Assets held for sale	0	865	0
	Other	1	4	0
	Total other assets	757	1,982	698
	Interest and rent receivable	341	350	406
	Other prepayments and accrued income	178	121	148
	Total prepayments and accrued income	519	471	554
	Total assets	54,139	58,499	53,371

Statement of financial position

DKKm		31.03.2014	31.03.2013	31.12.2013
Note	Equity and liabilities			
	Equity	11,480	11,664	11,107
	Subordinated loan capital	1,834	1,905	1,818
	Premium provisions	8,470	9,007	6,212
	Claims provisions	26,090	27,027	26,087
	Provisions for bonuses and premium discounts	522	452	640
	Total provisions for insurance contracts	35,082	36,486	32,939
	Pensions and similar liabilities	726	982	791
	Deferred tax liability	1,155	1,284	1,057
	Other provisions	12	77	23
	Total provisions	1,893	2,343	1,871
	Debt relating to direct insurance	377	335	447
	Debt relating to reinsurance	588	525	330
	Amounts owed to credit institutions	29	1	6
	Debt relating to unsettled funds transactions and repos	1,039	1,403	2,821
	Derivative financial instruments	485	734	514
	Debt to Group undertakings	0	487	0
	Current tax liabilities	216	545	409
	Liabilities associated with assets held for sale	0	865	0
	Other debt	1,082	1,156	1,083
	Total debt	3,816	6,051	5,610
	Accruals and deferred income	34	50	26
	Total equity and liabilities	54,139	58,499	53,371

Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
Equity at 31 December 2013	1,533	78	49	61	888	6,842	1,656	11,107
Q1 2014								
Profit/loss for the period					-15	470		455
Exchange rate adjustment of foreign entities			43					43
Hedging of foreign currency risk in foreign entities			-39					-39
Actuarial gains and losses on pension obligation						54		54
Tax on changes in equity			10			-15		-5
Total comprehensive income	0	0	14	0	-15	509	0	508
Purchase and sale of treasury shares						-213		-213
Exercise of share options						41		41
Issue of employee shares						34		34
Issue of share options and matching shares						3		3
Total changes in equity in Q1 2014	0	0	14	0	-15	374	0	373
Equity at 31 March 2014	1,533	78	63	61	873	7,216	1,656	11,480
Equity at 31 December 2012	1,533	72	146	61	1,044	6,529	1,594	10,979
Q1 2013								
Profit/loss for the period					-16	591		575
Exchange rate adjustment of foreign entities			-19					-19
Hedging of foreign currency risk in foreign entities			17					17
Actuarial gains and losses on pension obligation						70		70
Tax on changes in equity			-4			-20		-24
Total comprehensive income	0	0	-6	0	-16	641	0	619
Purchase and sale of treasury shares						-24		-24
Exercise of share options						89		89
Issue of share options and matching shares						1		1
Total changes in equity in Q1 2013	0	0	-6	0	-16	707	0	685
Equity at 31 March 2013	1,533	72	140	61	1,028	7,236	1,594	11,664

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
Equity at 31 December 2012	1,533	72	146	61	1,044	6,529	1,594	10,979
2013								
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 and losses on pension obligation						179		179
Tax on changes in equity		-3	-76			-54		-133
Total comprehensive income	0	6	-97	0	-156	994	1,656	2,403
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
Total changes in equity in 2013	0	6	-97	0	-156	313	62	128
Equity at 31 December 2013	1,533	78	49	61	888	6,842	1,656	11,107

Cash flow statement

DKKm	Q1 2014	Q1 2013	FY 2013
Cash from operating activities			
Premiums	5,837	6,357	19,610
Claims	-3,844	-3,516	-14,048
Ceded business	3	23	-63
Costs	-720	-786	-3,032
Change in other debt and other amounts receivable	121	132	-1
Cash flow from insurance activities	1,397	2,210	2,466
Interest income	309	273	1,006
Interest expenses	-31	-22	-142
Dividend received	8	2	19
Taxes	-270	-155	-1,017
Other income and costs	-11	-10	-91
Cash from operating activities, continuing business	1,402	2,298	2,241
Cash from operating activities, discontinued and divested business	0	42	25
Total cash flow from operating activities	1,402	2,340	2,266
Investments			
Acquisition and refurbishment of real property	0	-1	-18
Sale of real property	3	4	2
Acquisition and sale of equity investments and unit trust units (net)	181	-98	-128
Purchase/sale of bonds (net)	-1,293	-1,848	657
Deposits with credit institutions	-25	-628	-420
Purchase/sale of operating equipment (net)	2	-4	-6
Hedging of currency risk	-39	17	305
Investments, continuing business	-1,171	-2,558	392
Investments, discontinued and divested business	0	-72	-584
Total investments	-1,171	-2,630	-192
Financing			
Exercise of share options/purchase of treasury shares (net)	-172	65	-700
Subordinated loan capital	0	800	316
Dividend paid	0	0	-1,594
Change in amounts owed to credit institutions	24	-13	-8
Financing, continuing business	-148	852	-1,986
Financing, discontinued and divested business	0	47	0
Total financing	-148	899	-1,986
Change in cash and cash equivalents, net	83	609	88
Exchange rate adjustment of cash and cash equivalents, beginning of year	3	0	-39
Change in cash and cash equivalents, gross	86	609	49
Cash and cash equivalents, beginning of year	553	504	504
Cash and cash equivalents, end of period	639	1,113	553

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
1 Operating segments						
Q1 2014						
Gross premium income	2,238	1,042	989	317	-3	4,583
Gross claims	-1,614	-666	-806	-204	3	-3,287
Gross operating expenses	-347	-184	-125	-63	0	-719
Profit/loss on ceded business	-10	-3	-45	-14	0	-72
Insurance technical interest, net of reinsurance	6	4	6	2	0	18
Technical result	273	193	19	38	0	523
Total Investment return activities after insurance technical interest						89
Other income and costs						-10
Profit/loss before tax						602
Tax						-148
Profit/loss on continuing business						454
Profit/loss on discontinued and divested business						1
Profit						455
Run-off gains/losses, net of reinsurance	127	52	145	9	0	333
Intangible assets				457	301	758
Equity investments in associates					218	218
Reinsurers' share of premium provisions	71	91	291	1	0	454
Reinsurers' share of claims provisions	294	452	1,618	56	0	2,420
Other assets					50,289	50,289
Total assets						54,139
Premium provisions	3,279	2,226	2,157	808	0	8,470
Claims provisions	6,342	6,584	11,435	1,729	0	26,090
Provisions for bonuses and premium discounts	411	33	68	10	0	522
Other liabilities					7,577	7,577
Total liabilities						42,659

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
1 Operating segments						
Q1 2013						
Gross premium income	2,384	1,132	1,046	377	-1	4,938
Gross claims	-1,739	-798	-692	-285	0	-3,514
Gross operating expenses	-365	-211	-131	-74	0	-781
Profit/loss on ceded business	-42	-9	-106	1	1	-155
Insurance technical interest, net of reinsurance	7	0	1	4	0	12
Technical result	245	114	118	23	0	500
Total Investment return activities after insurance technical interest						269
Other income and costs						-10
Profit/loss before tax						759
Tax						-190
Profit/loss on continuing business						569
Profit/loss on discontinued and divested business						6
Profit						575
Run-off gains/losses, net of reinsurance	84	12	135	-11	0	220
Intangible assets				512	257	769
Equity investments in associates					221	221
Reinsurers' share of premium provisions	83	92	377	0	0	552
Reinsurers' share of claims provisions	248	332	1,258	65	0	1,903
Assets held for sale					865	865
Other assets					54,189	54,189
Total assets						58,499
Premium provisions	3,547	1,937	2,733	790	0	9,007
Claims provisions	6,663	6,618	12,135	1,611	0	27,027
Provisions for bonuses and premium discounts	333	28	88	3	0	452
Liabilities associated with assets held for sale					865	865
Other liabilities					9,484	9,484
Total liabilities						46,835

Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
1 Operating segments						
FY 2013						
Gross premium income	9,366	4,411	4,158	1,587	-18	19,504
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
Technical result	1,335	654	358	149	0	2,496
Total Investment return activities after insurance technical interest						588
Other income and costs						-91
Profit/loss before tax						2,993
Tax						-620
Profit/loss on continuing business						2,373
Profit/loss on discontinued and divested business						-4
Profit						2,369
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
Total assets						53,371
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
Total liabilities						42,264

Description of segments

Amounts relating to eliminations and discontinued and divested business are included under 'Other'. Other assets and liabilities are managed at Group level and are therefore not allocated to the individual segments but are included under 'Other'.

Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption. The operating business segments consist of Private, Commercial, Corporate and Sweden (Private and Commercial).

Notes

DKKm	Q1 2014	Q1 2013	FY 2013
1 Geographical segments			
Danish general insurance^{a)}			
Gross premium income	2,339	2,417	9,534
Technical result	294	273	1,202
Run-off gains/losses, net of reinsurance	120	133	566
Key ratios			
Gross claims ratio	70.2	70.0	79.5
Net reinsurance ratio	2.7	3.8	-7.0
Claims ratio, net of reinsurance	72.9	73.8	72.5
Gross expense ratio	14.6	14.8	15.0
Combined ratio	87.5	88.6	87.5
Number of full-time employees, end of period	2,015	2,146	2,046
Norwegian general insurance			
Gross premium income	1,781	2,007	7,819
Technical result	192	235	1,258
Run-off gains/losses, net of reinsurance	190	80	387
Key ratios			
Gross claims ratio	73.9	69.4	65.1
Net reinsurance ratio	-0.3	3.3	4.1
Claims ratio, net of reinsurance	73.6	72.7	69.2
Gross expense ratio	16.2	16.1	15.3
Combined ratio	89.8	88.8	84.5
Number of full-time employees, end of period	1,186	1,243	1,199
Swedish general insurance			
Gross premium income	466	515	2,169
Technical result	37	-8	36
Run-off gains/losses, net of reinsurance	23	7	17
Key ratios			
Gross claims ratio	70.8	83.3	80.6
Net reinsurance ratio	3.0	-0.2	0.7
Claims ratio, net of reinsurance	73.8	83.1	81.3
Gross expense ratio	18.9	19.4	17.6
Combined ratio	92.7	102.5	98.9
Number of full-time employees, end of period	454	450	458

Notes

DKKm	Q1 2014	Q1 2013	FY 2013
1 Geographical segments			
Other^{b)}			
Gross premium income	-3	-1	-18
Technical result	0	0	0
Tryg			
Gross premium income	4,583	4,938	19,504
Technical result	523	500	2,496
Investment return activities	89	269	588
Other income and costs	-10	-10	-91
Profit/loss before tax	602	759	2,993
Run-off gains/losses, net of reinsurance	333	220	970
Key ratios			
Gross claims ratio	71.7	71.2	73.9
Net reinsurance ratio	1.6	3.1	-1.8
Claims ratio, net of reinsurance	73.3	74.3	72.1
Gross expense ratio	15.9	16.0	15.6
Combined ratio	89.2	90.3	87.7
Number of full-time employees, end of period, continuing business	3,655	3,839	3,703

a) Comprises danish general insurance and Finnish guarantee insurance.

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

Notes

DKKm	Q1 2014	Q1 2013	FY 2013
2 Premium income, net of reinsurance			
Direct insurance	4,626	4,952	19,740
Indirect insurance	27	38	83
	4,653	4,990	19,823
Unexpired risk provision	0	34	33
	4,653	5,024	19,856
Ceded direct insurance	-280	-276	-1,161
Ceded indirect insurance	-18	-3	-35
	4,355	4,745	18,660
3 Insurance technical interest, net of reinsurance			
Return on insurance provisions	118	118	483
Discounting transferred from claims provisions	-100	-106	-421
	18	12	62
4 Claims, net of reinsurance			
Claims	-3,479	-3,677	-15,273
Run-off previous years, gross	192	163	862
	-3,287	-3,514	-14,411
Reinsurance cover received	59	32	1,332
Run-off previous years, reinsurers' share	141	57	108
	-3,087	-3,425	-12,971
5 Value adjustments			
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>			
Equity investments	0	-1	-42
Unit trust units	67	176	578
Share derivatives	3	-18	30
Bonds	15	-12	-250
Interest derivatives	104	-54	-300
Other loans	2	-1	-5
	191	90	11
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	0	0	-17
Owner-occupied property	0	0	-76
Discounting	-175	66	298
Other statement of financial position items	-30	-7	-101
	-205	59	104
	-14	149	115

DKKm

6 Accounting policies

Tryg's first 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 315m 31.03.13) from the main item 'Accruals and deferred income' to 'Total debt'.

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	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Private									
Gross premium income	2,238	2,290	2,329	2,363	2,384	2,449	2,478	2,405	2,401
Technical result	273	286	440	364	245	326	404	351	152
Key ratios									
Gross claims ratio	72.1	75.6	64.7	68.5	72.9	70.1	69.0	71.8	80.4
Net reinsurance ratio	0.4	-2.5	1.7	0.8	1.8	1.1	-0.1	-2.1	-2.3
Claims ratio, net of reinsurance	72.5	73.1	66.4	69.3	74.7	71.2	68.9	69.7	78.1
Gross expense ratio	15.5	14.6	15.1	15.6	15.3	15.6	15.0	16.0	16.0
Combined ratio	88.0	87.7	81.5	84.9	90.0	86.8	83.9	85.7	94.1
Combined ratio exclusive of run-off	93.7	90.8	84.0	89.0	93.5	88.4	87.0	90.1	98.4
Commercial									
Gross premium income	1,042	1,080	1,075	1,124	1,132	1,129	1,150	1,159	1,153
Technical result	193	157	230	153	114	146	270	291	159
Key ratios									
Gross claims ratio	63.9	73.8	56.0	69.5	70.5	65.9	56.8	57.3	77.9
Net reinsurance ratio	0.3	-5.9	3.5	-1.1	0.8	2.1	0.8	-1.9	-9.8
Claims ratio, net of reinsurance	64.2	67.9	59.5	68.4	71.3	68.0	57.6	55.4	68.1
Gross expense ratio	17.7	17.9	19.5	18.3	18.6	18.7	18.8	19.8	18.6
Combined ratio	81.9	85.8	79.0	86.7	89.9	86.7	76.4	75.2	86.7
Combined ratio exclusive of run-off	86.9	92.8	87.3	94.5	91.0	92.8	84.3	87.2	92.2
Corporate									
Gross premium income	989	1,025	1,025	1,062	1,046	1,107	1,092	1,083	1,072
Technical result	19	59	42	139	118	131	18	161	78
Key ratios									
Gross claims ratio	81.5	75.0	122.9	88.5	66.2	75.2	82.5	70.0	79.3
Net reinsurance ratio	4.6	7.6	-38.2	-12.2	10.1	0.9	4.1	3.0	1.8
Claims ratio, net of reinsurance	86.1	82.6	84.7	76.3	76.3	76.1	86.6	73.0	81.1
Gross expense ratio	12.6	12.1	11.6	10.9	12.5	11.9	11.6	12.3	12.4
Combined ratio	98.7	94.7	96.3	87.2	88.8	88.0	98.2	85.3	93.5
Combined ratio exclusive of run-off	113.4	102.2	104.8	94.4	101.7	99.7	101.6	95.9	100.5

DKKm	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Sweden									
Gross premium income	317	348	442	420	377	399	477	417	361
Technical result	38	44	54	28	23	54	48	28	-28
Key ratios									
Gross claims ratio	64.4	71.8	72.6	76.7	75.6	67.2	75.3	77.7	87.5
Net reinsurance ratio	4.4	-2.9	0.5	0.0	-0.3	-0.8	1.0	-0.2	0.6
Claims ratio, net of reinsurance	68.8	68.9	73.1	76.7	75.3	66.4	76.3	77.5	88.1
Gross expense ratio	19.9	19.3	14.7	17.6	19.6	21.1	14.5	17.7	21.9
Combined ratio	88.7	88.2	87.8	94.3	94.9	87.5	90.8	95.2	110.0
Combined ratio exclusive of run-off	91.5	94.5	89.8	94.3	92.0	87.2	88.7	92.8	107.8
Other^{a)}									
Gross premium income	-3	-6	-4	-7	-1	-8	-1	-7	-2
Technical result	0	0	0	0	0	-9	-88	0	0
Tryg									
Gross premium income	4,583	4,737	4,867	4,962	4,938	5,076	5,196	5,057	4,985
Technical result	523	546	766	684	500	648	652	831	361
Investment return	89	154	152	13	269	5	338	-111	353
Profit/loss before tax	602	639	907	688	759	638	976	701	702
Profit/loss	455	565	715	514	575	404	733	515	556
Key ratios									
Gross claims ratio	71.7	74.9	75.9	73.7	71.2	70.2	70.3	68.7	79.9
Net reinsurance ratio	1.6	-1.2	-6.6	-2.6	3.1	0.9	1.0	-1.0	-2.7
Claims ratio, net of reinsurance	73.3	73.7	69.3	71.1	74.3	71.1	71.3	67.7	77.2
Gross expense ratio	15.9	15.4	15.5	15.6	16.0	16.3	16.4	16.5	16.6
Combined ratio	89.2	89.1	84.8	86.7	90.3	87.4	87.7	84.2	93.8
Combined ratio exclusive of run-off	96.5	94.3	89.8	91.9	94.8	92.1	91.5	91.1	98.5

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

 A more detailed version of the presentation can be seen at tryg.com > investor > Downloads

Further information

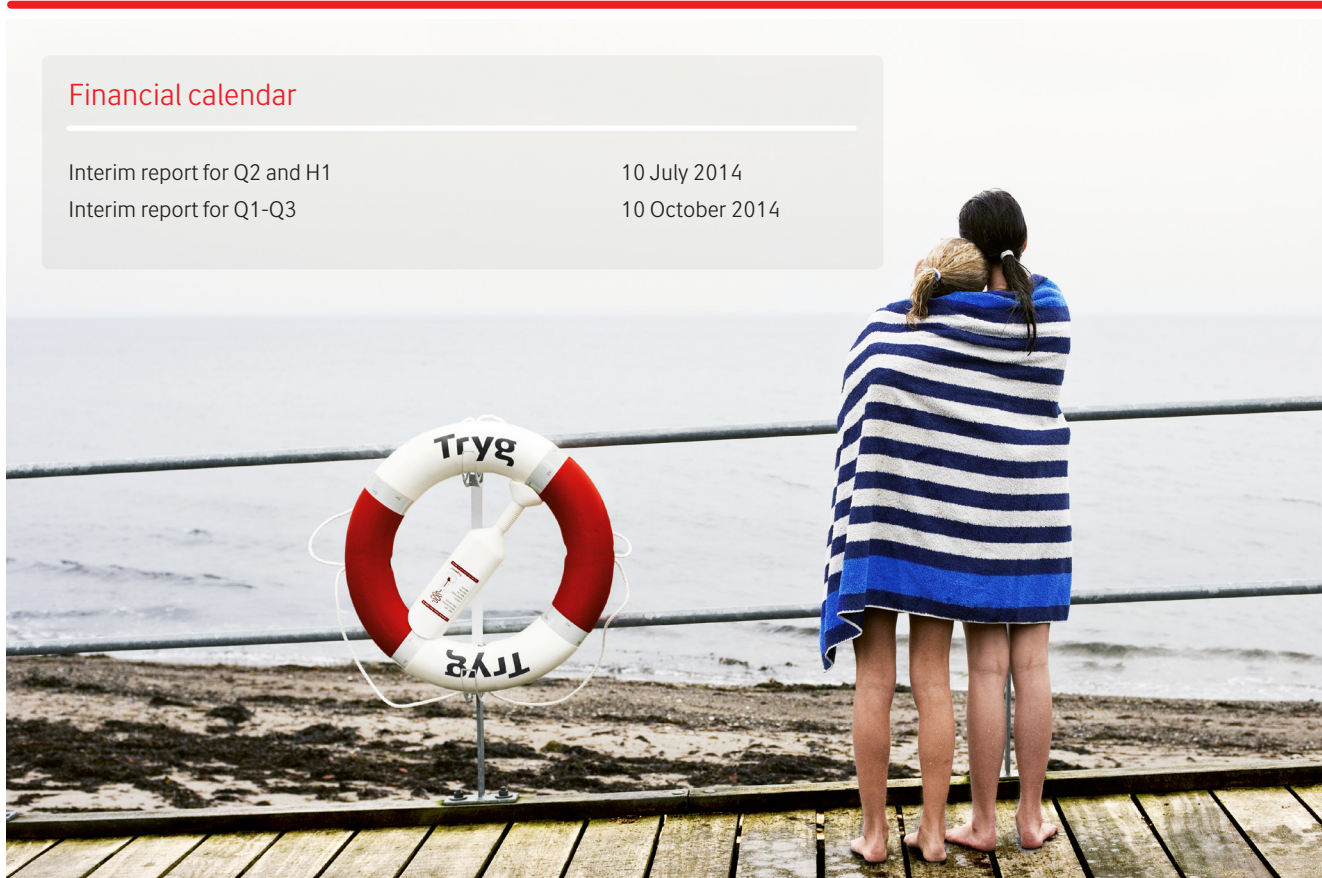
Financial calendar

Interim report for Q2 and H1

10 July 2014

Interim report for Q1-Q3

10 October 2014



Contact details

Visit tryg.com
and follow us at
twitter.com/TrygIR

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

Peter Brondt
Investor Relations Manager
+45 22 75 89 04
peter.brondt@tryg.dk

Steffen Lundgren Kristensen
Chief Communication Officer
+45 41 86 28 92
steffen.kristensen@tryg.dk