



# Interim report Q1-Q3 2015

# Contents – Management’s review

## MANAGEMENT’S REVIEW

3	Highlights	11	Corporate
4	Income overview	12	Sweden
5	Tryg’s results	13	Investment activities
8	Private	15	Capital
10	Commercial	16	Outlook

## FINANCIAL STATEMENTS

17	Financial statements
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## Financial calendar 2016

<b>21 January 2016</b>	Annual report 2015
<b>16 March 2016</b>	Annual General Meeting 2016
<b>12 April 2016</b>	Interim report for Q1 2016
<b>12 July 2016</b>	Interim report for Q2 and H1 2016
<b>11 October 2016</b>	Interim report for Q1-Q3 2016

## Teleconference

Tryg is hosting a teleconference on 9 October 2015 at 9.30 CET. View the audio webcast at [tryg.com](http://tryg.com). Financial analysts and investors may participate on tel. +44 (0) 203 194 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](http://tryg.com).

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This report constitutes Tryg A/S’s consolidated financial statements and has not been audited. Unless otherwise indicated, all comparisons are made to Q3 2014. Comparative figures for Q3 2014 are generally given in brackets.



# Highlights

Satisfactory technical result, planned one-off costs and a drop of 9% in equity index (MSCI) result in 6.1% return on equity. Improved development in premium income.

## Financial highlights Q3 2015

- Profit after tax of DKK 155m (DKK 593m) – impacted by planned and previously communicated one-off costs of DKK 120m related to the efficiency programme of DKK 750m and negative investment result of DKK 383m (DKK -1m) related to loss on equities.
- Technical result of DKK 647m (DKK 793m) – a stable development before one-off costs, lower interest rate and currency effects.
- Combined ratio of 83.5 (83.7) before planned one-off costs and 86.1 (83.7) after planned one-off costs.
- Improved premium development with a growth of 0.6% (-0.8%) in local currencies.
- Expense ratio of 14.6 (15.1) before planned one-off costs and 16.3 after planned one-off costs.

- Return on equity of 6.1% (21.7%) p.a. after tax.
- Strengthened market position with acquisition of Skandia's Swedish child insurance portfolio, which is expected to be integrated from H2 2016. This acquisition implies a DKK 400m capital loading.

## Financial highlights Q1-Q3 2015

- Profit after tax of DKK 1,260m (DKK 1,917m) – where Q3 2015 was impacted by negative one-off costs and H1 2014 by positive one-off effects.
- Technical result of DKK 1,901m (DKK 2,257m).
- Combined ratio of 86.3 (84.5) – before one-off costs, representing an underlying improvement of 0.9 percentage points.
- Drop in premium income of 0.5% (-1.4%) in local currencies, an improvement of 0.9 percentage points.
- Expense ratio of 15.1 (15.5) before one-off costs and 15.7 after one-off costs.
- Negative investment return of DKK 206m (DKK 347m) influenced by loss on equities.

- Return on equity of 16.5% (23.4%) p.a. after tax.
- Tryg has a target to deliver 20% return on equity in 2015. Achieving this target will depend on Q4 investment return.

## Customer highlights Q3 2015

- NPS improved from 11 to 20.
- Retention rate improved from 87.9 to 88.1.
- Number of customers with three or more products increased from 56.3% to 56.7%.
- Final approval of TryghedsGruppen's members' bonus scheme by the Danish Business Authority in August.

## New initiatives in Q3 2015

- New car insurance product launched in Sweden.
- Linnéa Ecorcheville appointed new Group Executive Vice President and Country Manager in Sweden.
- Efficiency programme delivered DKK 45m as planned.

## Financial targets 2015

- Return on equity of 20% after tax
- Combined ratio  $\leq 90$
- Expense ratio  $< 15$  <sup>a)</sup>

a) Excluding one-off effects

## Financial targets 2017

- Return on equity of  $\geq 21\%$  after tax
- Combined ratio  $\leq 87$
- Expense ratio  $\leq 14$

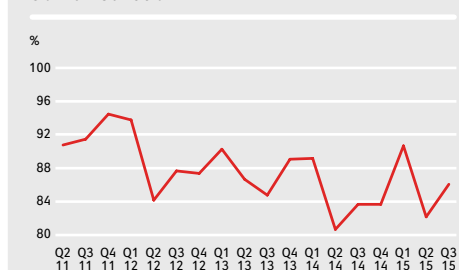
## Customer targets 2017

- NPS + 100%
- Retention rate + 1 pp
- Customers  $\geq 3$  products + 5 pp

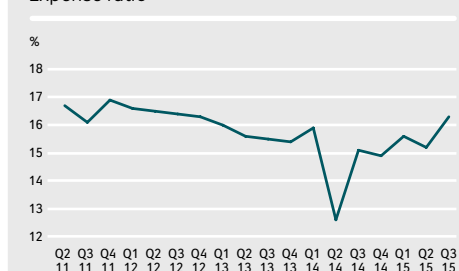
# Income overview

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
Gross premium income	4,583	4,712	13,584	14,006	18,652
<b>Technical result</b>	<b>647</b>	<b>793</b>	<b>1,901</b>	<b>2,257</b>	<b>3,032</b>
Investment return after insurance technical interest	-383	-1	-206	347	360
Profit/loss for the period before tax	244	782	1,623	2,534	3,302
Profit/loss for the period, continuing business	155	592	1,217	1,914	2,547
<b>Profit/loss for the period</b>	<b>155</b>	<b>593</b>	<b>1,260</b>	<b>1,917</b>	<b>2,557</b>
Run-off gains/losses, net of reinsurance	403	298	971	793	1,131
<b>Key ratios</b>					
Total equity	9,235	10,716	9,235	10,716	11,119
Return on equity after tax (%)	6.1	21.7	16.5	23.4	23.0
Number of shares, end of period (1,000)	284,490	291,039	284,490	291,039	289,120
Earnings per share of DKK 5	0.5	2.0	4.4	6.5	8.7
Premium growth in local currency (%)	0.6	-0.8	-0.5	-1.4	-1.1
Gross claims ratio	76.6	64.9	77.8	69.1	67.8
Net reinsurance ratio	-6.8	3.7	-7.2	0.9	1.8
Claims ratio, net of reinsurance	69.8	68.6	70.6	70.0	69.6
Gross expense ratio	16.3	15.1	15.7	14.5	14.6
<b>Combined ratio</b>	<b>86.1</b>	<b>83.7</b>	<b>86.3</b>	<b>84.5</b>	<b>84.2</b>
Combined ratio exclusive of run-off	94.9	90.0	93.4	90.2	90.3
Run-off, net of reinsurance (%)	-8.8	-6.3	-7.1	-5.7	-6.1
Large claims, net of reinsurance (%)	4.3	1.7	3.5	2.7	3.1
Weather claims, net of reinsurance (%)	2.4	3.1	2.8	2.3	2.4
<b>Combined ratio on business areas</b>					
Private	82.1	80.8	84.9	82.4	82.5
Commercial	86.9	82.3	83.2	81.1	79.4
Corporate	80.4	87.5	87.8	89.6	89.8
Sweden	89.5	92.5	86.6	90.0	92.0

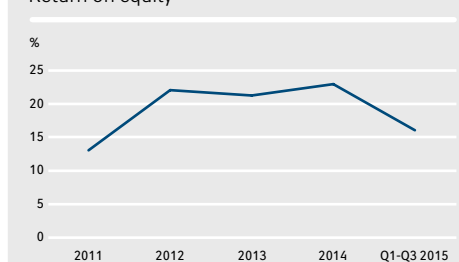
Combined ratio



Expense ratio



Return on equity



# Tryg's results

**Tryg's return on equity was 6.1% (21.7%) in Q3 2015, affected by a satisfactory technical result, planned one-off costs and a drop of 9% in equity index (MSCI). Competition continued to be at a high level but was mitigated through Tryg's efficiency programme. At the same time, we generally saw a positive development towards achieving our customer targets.**

Tryg returned a profit after tax of DKK 155m (DKK 593m). The technical result improved slightly before the planned and previously communicated one-off costs of DKK 120m related to the efficiency programme of DKK 750m. The investment return was DKK -383m (DKK -1m), especially influenced by negative equity market developments.

A combined ratio of 86.1 (83.7) was posted, representing a slightly lower level of 0.2 percentage points before the planned and previously communicated one-off costs of 2.6% in the quarter related to the efficiency programme of DKK 750m. The combined ratio was impacted by an increased level of weather and large claims of 6.7 (4.8), but also by a higher level of run-off at 8.8 (6.3).

The internal efficiency programme delivered savings of DKK 45m in Q3, which was in line with the target

of DKK 150m for 2015. The target for the efficiency programme as a whole is DKK 750m, and one-off costs of DKK 120m were realised as a result of the programme. This was in line with Tryg's statement at the Capital Markets Day (CMD) in November 2014 and relates primarily to Tryg's sourcing programme, but also to initiatives aimed at achieving our first-contact resolution targets and improving our digital solutions. Tryg has undertaken a thorough analysis in cooperation with the sourcing partner, which has confirmed significant potential as communicated at the CMD. The sourcing potential is identified in both the claims and administration parts of the business areas.

***Tryg's efficiency programme delivered savings of DKK 45m in Q3 – in line with the target of DKK 150m for 2015.***

Tryg has maintained a strong focus on the customer targets announced at the CMD in 2014. The Net Promoter Score (NPS) improved from 11 at the CMD to 20 by the end of Q3 2015. In Private Norway, we saw a significant improvement in the score for the quarter. The retention rate of 88.1 was up from 87.9 at the CMD. In Q3, we saw a significant improvement in Commercial Denmark, and a negative

development in the Norwegian part of the business. The number of private customers with three or more products increased from 56.3% to 56.7%, and thus slightly improved compared with Q2 2015.

In August, the Danish Business Authority approved Tryg's majority shareholder TryghedsGruppen's members' bonus scheme. Tryg expects the bonus scheme and the expected payment of bonus corresponding to 5-8% of the prior-year premium to support our customer targets and especially our customer retention. The first bonus payment will be made in spring 2016.

In 2014, Tryg was the first insurance company to start offering synthetic DNA marking in Denmark, the aim being to reduce the number of burglaries as part of our focus on claims prevention. The marking is invisible, using a synthetic liquid, which can be applied on all types of objects. The liquid is visible in UV light and is non-removable. In December 2014, Tryg launched an experiment in Sønderborg in Denmark, which shows that DNA marking has a preventive effect. Statistics show that burglaries have declined by 26% in general in the area, and by 50% for the 90 properties using the DNA marking in Sønderborg. On 1 September 2015, Tryg launched a similar experiment in cooperation with the police in Norway. Three hundred properties

were offered the DNA kit in Hasleåsen, a particularly burglary-prone neighbourhood.

Digitisation is one of Tryg's key strategic initiatives. In Q3, we further increased the number of customers we contact digitally, both in our daily dealings with customers, but also as part of preparing for the customer bonus scheme. We know that customers like self-service solutions, and we have therefore developed a solution for our most important product, motor in Denmark, which allows customers to register their current kilometre readings, and since the end of Q3, it has also been possible for customers to register their yearly mileage. Claims reporting is one of the most important areas for customers, and therefore we will develop user-friendly solutions, which we expect to launch at the beginning of 2016.

The market situation in Denmark remains optimistic with slightly increasing house prices and lower unemployment rates. Unemployment in Denmark is improving and expected to be lower than 5% for 2015. Car sales in Denmark are still dominated by small cars, and total car sales for Q3 were 18.8% higher than in the prior-year period. The Norwegian economy is impacted by low oil prices and a weakened Norwegian currency. Despite the weakened Norwegian economy, car sales were 7.8% higher in Q3 than in the prior-year period.

Customer targets	CMD (Nov. 2014)	Q3 2015	Target 2017
Net Promoter Score (NPS)	11	20	22
Retention rate	87.9	88.1	88.9
Customers with ≥3 products (%)	56.3	56.7	61.3

## Premiums

Gross premium income amounted to DKK 4,583m, corresponding to an increase of 0.6% when measured in local currencies (-0.8%). In general, we saw growth in all large business areas – Private, Commercial and Corporate, and a reduction in Sweden. The positive development in Commercial was, however, due to a positive one-off price regulation of a larger agreement.

The development in Private was affected by an expected and continued drop in the average premium for both private motor and house insurance in the Danish business. The development for private motor insurance is still offset by a continued drop in claims frequency rates and is therefore characterised by continued strong profitability.

For 2015, Tryg still expects a development in premium income of between -1% and 0%. We expect to see continued pressure on the prices of private motor insurance, primarily due to an improved claims frequency. However, the newly introduced car product is developing positively, and is expected to partly mitigate this decreasing trend in the longer term. We also expect the weakened Norwegian economy to have some negative impact, especially in the commercial market.

## Claims

The gross claims ratio totalled 76.6 (64.9), while the claims ratio, net of ceded business, was 69.8 (68.6). The claims ratio includes DKK 40m related to planned and previously communicated one-off costs related to the efficiency programme of DKK 750m corresponding to an effect of

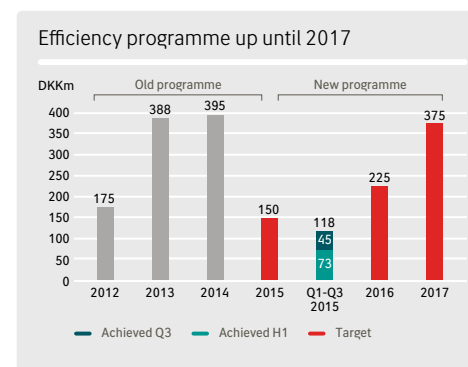
0.9 percentage points. Large claims affected the claims ratio by 4.3 (1.7), which was much higher than the prior-year level. Weather claims were at a somewhat lower level than last year, due to water claims in both Denmark and Norway. Weather claims affected the claims ratio by 2.4 (3.1) and were roughly in line with expectations. Run-off was at 8.8 (6.3), reflecting Tryg's solid reserve position.

Claims are generally developing as expected and are impacted by slightly increasing claims inflation, which Tryg will balance through minor price adjustments. For travel insurance in Denmark, which was changed as a consequence of a change in public cover as of 1 August 2014, developments in claims have been unsatisfactory in recent quarters, with a claims ratio in excess of 100. As previously stated, Tryg will monitor the profitability of our products and implement price changes as necessary. Based on developments in travel insurance, Tryg will be increasing the price of travel insurance in Q4 2015. In accordance with our focus on price differentiation, the price increases will be differentiated. For house insurance, the claims level was also high, which will be mitigated through the conversion to the new price-differentiated house product from the end of Q4.

The claims part of the efficiency programme is progressing according to plan, and DKK 30m of the target figure of DKK 100m for 2015 was realised in Q3. The main drivers were Tryg Building Network in Norway and the establishment of a competence team to handle health-related claims. The team follows the injured person and develops a programme tailored to reducing the loss of ability to work. This benefits both the injured person and the employer as well as Tryg.

Q3 is harvest season for Tryg's agricultural customers, and farm machinery fires are not uncommon. Tryg therefore requires that combine harvesters worth more than DKK 1m are fitted with a fire trace. The fire trace prevents fires in, for example, combine harvesters by putting out the fire before it develops. The fire trace saves the customer unnecessary material and consequential losses, thereby enhancing the customer experience. In addition, the number of claims in excess of DKK 1m is reduced.

Having spent a long time developing new price-differentiated products, in Q3 Tryg started preparing for the conversion of old products into the new price-differentiated products in Denmark and Norway. This will be positive for our customers, as they will be updated with the most recent products with improved cover. Furthermore, the conversion will improve the claims handling process as the claims handlers will be handling fewer products and thus be able to process the claims faster and more correctly. In Sweden, the development of price-differentiated products continue, and in Q3 the Swedish business launched a new car insurance product.



## Expenses

The expense ratio totalled 14.6 (15.1) and 16.3 after the above-mentioned one-off cost in the quarter. This represents an improvement of 0.5 percentage points and is in line with the target of an expense ratio below 15 in 2015. The efficiency programme is progressing according to plan and improved results by DKK 15m. The main driver was the effect from outsourcing in Finance and IT, but the reorganisation of Commercial involving the delegation of more mandate to the front-end organisation also contributed the efficiency gains in Q3. The next major cost-cutting exercise will involve outsourcing in the business areas, as reflected in the one-off costs of DKK 80m for the quarter. Focus will be on back-office functions in the business areas, initiatives related to digital solutions and first contact resolutions.

By the end of Q3 2015, the number of employees was 3,425, equivalent to a fall of 174 employees since year-end 2014.

*The expense ratio totalled 14.6 before planned one-off costs in Q3 2015, an improvement of 0.5 percentage points and in line with Tryg's target of an expense ratio below 15 in 2015.*

## Investment return

The investment return generated a negative result of DKK 383m (DKK -1m) and was especially impacted by a loss on equities in the free investment portfolio, but the high-yield and emerging markets bonds were also negatively affected by the generally negative financial markets.



The return on equities was impacted by a general drop on equities illustrated by a 9% drop in the MSCI world equity index.

#### Profit before and after tax

The profit before tax was DKK 244m (DKK 782m). Profit for the period after tax and discontinued business totalled DKK 155m (DKK 593m). Tax on continuing business constituted an expense of DKK 89m (DKK 190m), corresponding to a tax rate of 36.5% due the loss on equities, which is not deductible in the taxable income.

#### Capital

Tryg's equity totalled DKK 9,235 at the end of Q3 2015. Tryg determines its individual solvency need according to the guidelines issued by the Danish Financial Supervisory Authority. The individual solvency need totalled DKK 6,275m at the end of Q3 2015. In relation to the capital base of DKK 9,996m and after share buy back, Tryg's surplus capital amounted to DKK 3,721m, or 59%.

Tryg's capital adequacy calculation includes approximately NOK 1.2bn after tax from the Norwegian Natural Perils Pool and the Norwegian guarantee scheme. On 26 August 2015, the Norwegian Ministry of Justice and Public Security started a consultation in relation to the use of the Norwegian Natural Perils Pool (NNP) as an Own Funds item when Solvency II comes into force. The most important message in the consultation material is that the classification of the Natural Perils Pool will be allowed as a Tier 2 capital item. This leads to a potential for issuing future subordinated debt of approximately DKK 1bn. On 2 January 2015, Tryg initiated a buy back of own shares for an amount of DKK 1,000m. At the end of

Q3 2015, 4,844,755 shares for a total amount of DKK 722m had been repurchased. The share buy back will be realised in the period up until the end of 2015.

As earlier mentioned, Tryg has acquired Skandia's child insurance portfolio. This will lead to a reduction in excess capital of DKK 400m, both due to the price paid for the portfolio and the capital requirement related to the portfolio. In general, Tryg's first priority is to acquire small portfolios which can be implemented in an effective way and support Tryg's financial targets over a three-year horizon, supporting a return on equity of 21%. Depending on the capital position and the possible acquisition of small portfolios, Tryg will make decisions about possible extraordinary buy back.

*Tryg strengthened its market position by acquiring Skandia's Swedish child insurance portfolio in Q3 2015. The acquisition affects the capital by DKK 400m.*

#### Results Q1-Q3 2015

Profit after tax was DKK 1,260m (DKK 1,917m). The combined ratio was 86.3 (84.5), and adjusted for one-off effects and lower interest rates in 2014 and 2015, the combined ratio improved by 0.9 percentage points.

The investment income was negative by DKK 206m (DKK 347m) mainly due to a loss on equities in Q3 2015.

The claims ratio, net of ceded business, was 70.6 (70.0), representing an underlying improvement of 0.6 percentage points adjusted for one-off costs, weather claims, large claims, run-off and discounting.

In Q3 2015, Tryg acquired Skandia's child accident insurance portfolio in Sweden. The portfolio will be integrated in Tryg's Swedish business from H2 2016.



## Financial highlights Q3 2015

- Technical result of DKK 398m (DKK 445m)
- Combined ratio of 82.1 (80.8)
- Premium growth of 0.3 (0.5)

### Results

Private posted a technical result of DKK 398m (DKK 445m) and a combined ratio of 82.1 (80.8). The result is positively affected by Tryg's efficiency programme and negatively affected by a higher level of large claims. The quarter saw an increase in the underlying claims ratio of 0.5 percentage points, mainly due to an increase in the claims level for travel insurance and house insurance and at the same time a lower run-rate for the efficiency programme.

### Premiums

Gross premium income increased by 0.3% (0.5%) when measured in local currencies, which was a positive development from Q2, which saw a drop in premium income of 0.3%. The development in sales was positive, and the retention rate was roughly unchanged in Denmark, but deteriorated in Norway. In Norway, we still have a high level of franchise sales due to an increase in the number of sales agents. In Denmark, the consumer trend of buying smaller and safer cars is still leading to a drop in average premiums and at the same time an improved claims frequency. The average price for Tryg's new price-differentiated motor product remains somewhat higher than the price of the old motor product.

The retention rate increased to 88.0 for the Danish business relative to 87.9 in Q2 2015, against 89.4 at the CMD (November 2014). In Norway, the retention rate was 86.3, down from 86.5 in Q2 2015, against 86.9 at the CMD. The drop in the Norwegian retention rate could be ascribed to increased price sensitivity in Norway due to the changed economic situation.

### Claims

The gross claims ratio was 65.1 (64.6). The claims ratio, net of ceded business, constituted 67.4 (65.7) and was influenced by a higher level of large claims. The underlying claims ratio was down 0.7 percentage points, which was due to the positive impact from the efficiency programme, but also a high claims level for travel insurance in Denmark and house insurance in general.

After the change in public travel insurance cover from 1 August 2014, Tryg launched a new travel insurance product to compensate for the change

in public cover. At the time, the price of the product was increased slightly, but it is now obvious that claims levels are higher than expected, and Tryg will therefore be adjusting the price to achieve an acceptable profitability for this product. Tryg will start the conversion from the old house insurance product to new price-differentiated product in Q4, which will have a positive impact on the claims ratio.

In Norway, house insurance claims were high, and minor price adjustments are being planned. The development for house insurance in Q3 was impacted by more expensive pipe claims.

## Key figures – Private

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Gross premium income</b>	<b>2,211</b>	<b>2,289</b>	<b>6,631</b>	<b>6,802</b>	<b>9,051</b>
Gross claims	-1,439	-1,478	-4,526	-4,661	-6,129
Gross expenses	-326	-346	-1,001	-974	-1,311
Profit/loss on gross business	446	465	1,104	1,167	1,611
Profit/loss on ceded business	-50	-25	-97	25	-23
Insurance technical interest, net of reinsur.	2	5	6	20	24
<b>Technical result</b>	<b>398</b>	<b>445</b>	<b>1,013</b>	<b>1,212</b>	<b>1,612</b>
Run-off gains/losses, net of reinsurance	98	102	275	310	357
<b>Key ratios</b>					
Premium growth in local currency (%)	0.3	0.5	0.1	0.0	0.0
Gross claims ratio	65.1	64.6	68.3	68.5	67.7
Net reinsurance ratio	2.3	1.1	1.5	-0.4	0.3
Claims ratio, net of reinsurance	67.4	65.7	69.8	68.1	68.0
Gross expense ratio	14.7	15.1	15.1	14.3	14.5
<b>Combined ratio</b>	<b>82.1</b>	<b>80.8</b>	<b>84.9</b>	<b>82.4</b>	<b>82.5</b>
Combined ratio exclusive of run-off	86.5	85.3	89.0	87.0	86.4
Run-off, net of reinsurance (%)	-4.4	-4.5	-4.1	-4.6	-3.9
Large claims, net of reinsurance (%)	0.8	0.0	0.3	0.2	0.1
Weather claims, net of reinsurance (%)	2.5	2.4	3.5	2.5	2.5



For Private, the conversion of old products to the new price-differentiated products is ongoing, the aim being to convert all customers to the new products. This will increase profitability, and also improve customer claims handling as the number of different products will be significantly reduced, thereby supporting a more speedy claims handling process.

### Expenses

The expense ratio for Private was 14.7 (15.1), representing a significant improvement of 0.4 percentage points.

To improve expense levels, Private will be outsourcing some of its back-office functions. This will support the development towards a lower expense ratio and an improved competitive position. The number of employees totalled 852 at the end of Q3 against 903 at the end of 2014.

### Results Q1-Q3 2015

The technical result was DKK 1,013m (DKK 1,212m). The combined ratio was 84.9 (82.4), and before one-off effects in Q2 2014, the combined ratio increased by 0.6 percentage points, mainly due to a lower level of run-off gains.

Premium growth of 0.1% in local currencies, which was almost on a par with the same period in 2014.

The claims ratio, net of ceded business, was 69.8 (68.1), which represented an underlying improvement of 0.2 percentage points adjusted for weather claims, large claims, run-off and discounting.

**Private** encompasses the sale of insurance products to private individuals in Denmark and Norway. Sales are effected via call centres, online, through 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.



Tryg's DNA marking initiative launched in 2014 showed a preventive effect; Burglaries in Sønderborg declined by 50% for the 90 properties using the DNA marking and 26% in general in the area. A similar experiment was launched in Norway in Q3.

# Commercial

## Financial highlights Q3 2015

- Technical result of DKK 136m (DKK 188m)
- Combined ratio of 86.9 (82.3) impacted by high levels of large and medium-sized claims
- Premium growth of 0.2% (-1.6%)

### Results

Commercial posted a technical result of DKK 136m (DKK 188m) and a combined ratio of 86.9 (82.3). The result was impacted by a single very large property claim in Norway, adverse weather in Eastern Norway and some larger medium-sized claims just below the large-claim threshold. The underlying claims ratio deteriorated by around 4%, mainly due to these larger medium-sized claims.

### Premiums

Gross premium income totalled DKK 1,022m (DKK 1,045m), which represents growth of 0.2% in local currencies. This is better than last year, and a significant improvement compared to Q2, which saw a 4.3% drop in premium income. The improvement was affected by a regulation to a large

account corresponding to around 2 percentage points of the growth. However, the growth can also be ascribed to increasing sales in both Denmark and Norway, and an improved retention level in the Danish part of Commercial. In Norway, the retention rate declined slightly, which can be ascribed to the weakened economic situation. An improved retention rate of 88.0 was achieved in Denmark against 87.5 in Q2. In Norway, the retention rate dropped from 87.6 in Q2 2015 to 87.5 for the above-mentioned reasons.

Commercial radically changed its structure in Q2 by strengthening the mandate and empowerment of its frontline organisation and reducing back-office functions. The structural change is progressing according to plan, and the level of activity in the form of customer meetings has increased.

### Claims

The gross claims ratio was 77.1 (63.9), and the claims ratio, net of ceded business, was 70.3 (64.8). The development in the claims ratio, net of ceded business, is primarily attributable to a higher level of large and medium-sized claims. However, the level of property insurance claims was also high, which will be mitigated through minor price initiatives.

### Expenses

The expense ratio was 16.6 (17.5), representing a significant reduction and Commercial's strong cost focus. With a view to improving expense levels, Commercial changed its organisation, resulting in a cut of around 10 employees. At the end of Q3 2015, Commercial had 548 employees, down 11 from 2014.

### Results Q1-Q3 2015

The technical result was DKK 511m (DKK 605m). The combined ratio was 83.2 (81.1), and before one-off costs increased by 1 percentage point, mainly due to a higher level of large claims. Premium growth dropped by 2.2% in local currencies, representing an improvement of 1.1 percentage points compared

to the same period in 2014. The claims ratio, net of ceded business, was 66.1 (65.2), representing an underlying deterioration of 0.6 percentage points, primarily due to a higher level of medium-sized claims.

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

## Key figures – Commercial

DKK m	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Gross premium income</b>	<b>1,022</b>	<b>1,045</b>	<b>3,022</b>	<b>3,140</b>	<b>4,190</b>
Gross claims	-788	-668	-2,008	-2,093	-2,673
Gross expenses	-170	-183	-516	-500	-664
Profit/loss on gross business	64	194	498	547	853
Profit/loss on ceded business	70	-9	9	47	8
Insurance technical interest, net of reinsur.	2	3	4	11	14
<b>Technical result</b>	<b>136</b>	<b>188</b>	<b>511</b>	<b>605</b>	<b>875</b>
Run-off gains/losses, net of reinsurance	120	102	327	184	310
Key ratios					
Premium growth in local currency (%)	0.2	-1.6	-2.2	-3.3	-3.0
Gross claims ratio	77.1	63.9	66.4	66.7	63.8
Net reinsurance ratio	-6.8	0.9	-0.3	-1.5	-0.2
Claims ratio, net of reinsurance	70.3	64.8	66.1	65.2	63.6
Gross expense ratio	16.6	17.5	17.1	15.9	15.8
<b>Combined ratio</b>	<b>86.9</b>	<b>82.3</b>	<b>83.2</b>	<b>81.1</b>	<b>79.4</b>
Combined ratio exclusive of run-off	98.6	92.1	94.0	87.0	86.8
Run-off, net of reinsurance (%)	-11.7	-9.8	-10.8	-5.9	-7.4
Large claims, net of reinsurance (%)	8.7	5.3	8.3	4.3	4.3
Weather claims, net of reinsurance (%)	2.3	2.1	2.2	1.6	1.9

## Financial highlights Q3 2015

- Technical result of DKK 195m (DKK 130m)
- Combined ratio of 80.4 (87.5)
- Premium growth of 2.6% (0.5%)

### Results

The technical result amounted to DKK 195m (DKK 130m), and the combined ratio was 80.4 (87.5). Results were affected by a high level of large claims, related gains from reinsurance and run-off gains. The underlying combined ratio improved by 1.0 percentage point.

### Premiums

Gross premium income totalled DKK 984m (DKK 999m), an increase of 2.6% in local currencies. The growth was attributable to an increase in the Danish and Swedish portfolios and a minor decline in Norway. In Norway, some impact from the economic situation is expected and may affect the portfolio development and the premium income in coming quarters. In Q3, Corporate Sweden was once again given the highest approval rating by brokers in the Swedish market. In all countries,

Tryg has strengthened the dialogue with brokers and customers, the idea being to use the feedback to improve the customer experience.

Since 2009, Tryg has had a cooperation with the international insurance company AXA, servicing Tryg's international customers outside the Nordic areas. To expand the range of solutions for large international customers, Tryg seeks to broaden the cooperation with both AXA and other international partners. Corporate's guarantee business also developed positively, which can be ascribed to a strong position and improved economic situation in Denmark.

### Claims

A gross claims ratio of 99.9 (63.0) was posted, while the claims ratio, net of ceded business, was 69.8 (76.0). The level of gross claims was significantly impacted by large claims, but this also led to a very high reinsurance recovery rate. The level of large claims, net of reinsurance was 9.3 (2.6), reflecting Tryg's excess relating to large claims. The profitability of the Swedish business improved due to the profitability measures implemented. The initiatives signal that even though the Swedish business is quite small, with plans for balanced growth, profitability remains the most important parameter for Corporate.

### Expenses

The expense ratio was 10.6 (11.5). Corporate has identified areas for outsourcing, which will improve the expense ratio. The number of employees in Corporate was 270, representing a reduction of 9 from the end of 2014.

### Results Q1-Q3 2015

The technical result was DKK 364m (DKK 329m). The combined ratio was 87.8 (89.6); after one-off costs in 2014, it is almost unchanged. Premium growth was 0.7 in local currencies (1.0) and was more or less in line with prior-year developments despite the loss of a number of large accounts in Q2. The claims ratio, net of ceded business, was 76.7

(78.4), representing an improvement in the underlying level of 0.8, adjusted for one-off costs, weather claims, large claims, run-off and discounting.

**Corporate** sells insurance products to corporate customers under the brands 'Tryg' in Denmark and Norway, 'Moderna' in Sweden and 'Tryg Garanti'. Sales are effected via Tryg's own sales force and via insurance brokers. Moreover, customers with international insurance needs are served by Corporate through its cooperation with the AXA Group. The business area accounts for 22% of the Group's total premium income.

## Key figures – Corporate

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Gross premium income</b>	<b>984</b>	<b>999</b>	<b>2,945</b>	<b>3,018</b>	<b>4,033</b>
Gross claims	-983	-629	-3,330	-2,190	-2,872
Gross expenses	-104	-115	-328	-338	-446
Profit/loss on gross business	-103	255	-713	490	715
Profit/loss on ceded business	296	-130	1,072	-176	-304
Insurance technical interest, net of reinsur.	2	5	5	15	16
<b>Technical result</b>	<b>195</b>	<b>130</b>	<b>364</b>	<b>329</b>	<b>427</b>
Run-off gains/losses, net of reinsurance	174	74	286	259	421
<b>Key ratios</b>					
Premium growth in local currency (%)	2.6	0.5	0.7	1.0	1.1
Gross claims ratio	99.9	63.0	113.1	72.6	71.2
Net reinsurance ratio	-30.1	13.0	-36.4	5.8	7.5
Claims ratio, net of reinsurance	69.8	76.0	76.7	78.4	78.7
Gross expense ratio	10.6	11.5	11.1	11.2	11.1
<b>Combined ratio</b>	<b>80.4</b>	<b>87.5</b>	<b>87.8</b>	<b>89.6</b>	<b>89.8</b>
Combined ratio exclusive of run-off	98.1	94.9	97.5	98.2	100.2
Run-off, net of reinsurance (%)	-17.7	-7.4	-9.7	-8.6	-10.4
Large claims, net of reinsurance (%)	9.3	2.6	7.2	7.5	9.4
Weather claims, net of reinsurance (%)	3.0	5.8	2.2	3.0	3.0



# Sweden

## Financial highlights Q3 2015

- Technical result of DKK 38m (DKK 30m)
- Combined ratio of 89.5 (92.5)
- Premium growth of -1.4 (-8.4)

### Results

Sweden posted a technical result of DKK 38m (DKK 30m) and a combined ratio of 89.5 (92.5). The higher technical result can be ascribed to an improved underlying improvement and a low level of medium-sized claims, reducing the claims ratio by 3.0 percentage points.

### Premiums

Premium income totalled DKK 373m (DKK 386m), equating to a fall of 1.4% when measured in local currencies. The improved development trend thus continues, and we are generally seeing a strong performance in all sales channels. The inbound, web and aggregator distribution channels are all performing well.

The child insurance portfolio acquired from Skandia will be part of the Swedish business from H2 2016

and will thus mitigate the negative portfolio developments following the termination of the Villaägerne and ICA agreements. The Villaägerne agreement ended on 1 January 2015, and from Q4 2015 the agreement with the ICA supermarket chain will end, leading to a gradual reduction in the portfolio.

### Claims

The gross claims ratio totalled 73.2 (76.2), while the claims ratio, net of ceded business, was 73.7 (77.0). The positive development can, as mentioned, primarily be ascribed to an improved underlying claims development and a low level of medium-sized claims.

### Expenses

The expense ratio was 15.8 (15.5), which is an acceptable level for a rather small organisation, and which was achieved through a strong focus on improving expense levels. A 10% increase in sales with an unchanged sales force also supported the development of the expense ratio.

The number of employees was 336 at the end of Q3, down 46 from 382 at the end of 2014. The significant reduction can be ascribed to synergies

from the successful integration of Securator, the decision to centralise the call centre function in southern Sweden and a strong focus on improving expense levels.

### Results Q1-Q3 2015

A technical result of DKK 133m (DKK 111m) was posted. The combined ratio was 86.6 (90.0), mainly due to improved underlying developments and a higher run-off level.

Premium growth dropped by 2.1% in local currencies, which represented a significant improvement from a premium development of -10.0 in 2014.

The claims ratio, net of ceded business, was 68.7 (71.8), which represented a higher run-off level and a higher level of medium-sized claims.

**Sweden** comprises the sale of insurance products to private customers under the 'Moderna' brand. Moreover, insurance is sold under the brands Atlantica, Bilsport & MC, Securator and Moderna Djurförsäkringar. Sales take place through its own sales force, call centres and online. The business area accounts for 6% of the Group's total premium income.

## Key figures – Sweden

DKK m	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Gross premium income</b>	<b>373</b>	<b>386</b>	<b>1,004</b>	<b>1,061</b>	<b>1,399</b>
Gross claims	-273	-294	-690	-746	-998
Gross expenses	-59	-60	-180	-193	-268
Profit/loss on gross business	41	32	134	122	133
Profit/loss on ceded business	-2	-3	0	-16	-21
Insurance technical interest, net of reinsur.	-1	1	-1	5	6
<b>Technical result</b>	<b>38</b>	<b>30</b>	<b>133</b>	<b>111</b>	<b>118</b>
Run-off gains/losses, net of reinsurance	11	20	83	40	43
<b>Key ratios</b>					
Premium growth in local currency (%)	-1.4	-8.4	-2.1	-10.0	-7.4
Gross claims ratio	73.2	76.2	68.7	70.3	71.3
Net reinsurance ratio	0.5	0.8	0.0	1.5	1.5
Claims ratio, net of reinsurance	73.7	77.0	68.7	71.8	72.8
Gross expense ratio	15.8	15.5	17.9	18.2	19.2
<b>Combined ratio</b>	<b>89.5</b>	<b>92.5</b>	<b>86.6</b>	<b>90.0</b>	<b>92.0</b>
Combined ratio exclusive of run-off	92.4	97.7	94.9	93.8	95.1
Run-off, net of reinsurance (%)	-2.9	-5.2	-8.3	-3.8	-3.1
Weather claims, net of reinsurance (%)	0.3	2.8	1.7	1.5	1.5

# Investment activities

## Financial highlights Q3 2015

- Investment return of DKK -383m (DKK -1m)
- Gross return on free portfolio of DKK -292m (DKK 21m)
- Net return on match portfolio of DKK -44m (DKK 16m)

Tryg's investment activities returned a loss of DKK 383m (DKK -1m) in Q3. The financial markets were characterised by turbulence and uncertainty in Q3. Most of asset classes experienced negative returns. Equity markets declined, and emerging markets bonds and high-yield bonds also experienced a big drop. In periods of turbulence for risky assets, government bonds and well-rated covered bonds usually act as a safe haven, but this was not the case in Q3. Due to low interest rates, investors did not use this type of bonds as protection this time, and therefore Nordic Bonds also generated only small returns. All in all, this resulted in a negative return on the free portfolio of DKK 292m in Q3 and a negative net return of DKK 44m on the match portfolio. When other financial items also are taken

into account, the overall result on investment activities was negative by DKK 383m.

### The match portfolio

Tryg matches the insurance provisions with the assets in the match portfolio so that changes in interest rate levels affect Tryg's results as little as possible. This generally leads to less variation in results and will under Solvency II reduce the capital requirement needed to accommodate fluctuations. The difference between the return on the match portfolio and the price adjustments of the claims provisions and the insurance technical interest is divided into two components: a regulatory deviation and a performance component. In Q3 2015, the match portfolio generated a positive gross return of DKK 132m. On the other hand, the value of Tryg's provisions decreased by DKK 105m and the technical interest transferred was DKK 71m. The total difference thus amounts to DKK -44m, which can be split into a small positive regulatory deviation of DKK 8m and a negative performance of DKK -52m.

The regulatory deviation is caused by the differences between the market-based local swap rates and the legal constructed discounting interest rates, which must be used for evaluating Tryg's

### Return – investments

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
Free portfolio, gross return	-292	21	31	394	548
Match portfolio, regulatory deviation and performance	-44	16	-43	142	181
Other financial income and expenses	-47	-38	-194	-189	-369
<b>Total investment return</b>	<b>-383</b>	<b>-1</b>	<b>-206</b>	<b>347</b>	<b>360</b>

### Return – match portfolio

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
Return, match portfolio	132	284	77	996	1,336
Value adjustments, changed discount rate	-105	-170	75	-524	-741
Transferred to insurance technical interest	-71	-98	-195	-330	-414
<b>Match, regulatory deviation and performance</b>	<b>-44</b>	<b>16</b>	<b>-43</b>	<b>142</b>	<b>181</b>
Hereof:					
Match, regulatory deviation	8	0	-6	46	77
Match, performance	-52	16	-37	96	104

provisions. In Q3, this difference ends up only relatively small as expected.

The performance component expresses how bonds perform to the swap market. In Q3, Danish and Norwegian covered bonds did not perform

positively relative to the swap interest rate curves. A general spread widening happened across all issuers in Denmark and also Norway. In fact, in Q3 the yield difference between Danish covered bonds and European covered bonds was at its highest level since 2008. The squeezed mortgage segment

in the Nordic countries due to very volatile markets and lower demand compressed the performance of Nordic covered bonds in Q3. All in all, this implied a negative match performance of DKK 52m in Q3.

#### The free investment portfolio

The free investment portfolio is mainly made up of equities, investment property and bonds and generated a return of DKK -292m, corresponding to -2.6% on the average invested capital. At the end of the quarter, the free portfolio constituted DKK 10.9bn. The quarter was characterised by a surprising devaluation of the Chinese currency and

generally massive turbulence. Significant uncertainty as to how deep and how long China's slowdown might be, extremely low oil commodity prices and a promised but not delivered US rate hike in 2015 put pressure on the emerging markets in particular. The risk aversion in general seriously increased. The so-called volatility indicator, VIX, increased to extreme levels, only ever exceeded during the financial crisis in 2008-2009 and the debt crisis in Europe in 2010-2011.

The sharp decline of the equity markets in August and September triggered a negative return on Tryg's equity portfolio of DKK 262m or -10.3% in Q3. Also,

the asset classes high yields and emerging market debt contributed negative returns of -2.8% and -1.9% in Tryg's credit portfolios. For comparison, the return measured by the global Merrill Lynch High Yield Index was -4.9% in Q3. The only asset class to contribute positively to the investment result was investment property. Investment property generated a positive result of DKK 27m or 1.3%. All in all, the return on the free portfolio was DKK -292m.

#### Other financial income and expenses

Other financial income and expenses were negative at DKK 47m. This is attributable to expenses related to the investment portfolio, the currency

hedging of the capital in the Swedish and Norwegian branches and expenses relating to Tryg's subordinated loans.

#### Results Q1-Q3 2015

The investment return for Q1-Q3 2015 totalled DKK -206m (DKK 347m). The net return on the match portfolio totalled DKK -43m, composed of a negative regulatory deviation of DKK 6m and a negative performance component of DKK 37m. The return on the free investment portfolio totalled DKK 31m (DKK 394m). Including other financial income and expenses of DKK -194m (DKK -189m), the total investment return amounted to DKK -206m.

#### Return – free portfolio

DKKm	Q3 2015	Q3 2015 (%)	Q3 2014	Q3 2014 (%)	Q1-Q3 2015	Q1-Q3 2015 (%)	Q1-Q3 2014	Q1-Q3 2014 (%)	Investment assets	
									30.09.2015	31.12.2014
Government bonds	-1	-0.2	1	0.3	3	0.7	6	1.3	665	279
Covered bonds	1	0.0	8	0.2	-33	-0.7	54	1.1	3,811	5,188
Emerging market bonds	-8	-1.9	-5	-1.2	-4	-1.0	26	6.5	406	410
High-yield bonds	-25	-2.8	-14	-1.6	-4	-0.4	31	4.7	889	910
Other <sup>a)</sup>	-24	-3.1	10	0.8	9	0.9	22	1.8	724	1,085
<b>Interest rate and credit exposure</b>	<b>-57</b>	<b>-0.9</b>	<b>0</b>	<b>0.0</b>	<b>-29</b>	<b>-0.4</b>	<b>139</b>	<b>1.7</b>	<b>6,495</b>	<b>7,872</b>
<b>Equity exposure</b>	<b>-262</b>	<b>-10.3</b>	<b>-6</b>	<b>0.0</b>	<b>-20</b>	<b>-0.7</b>	<b>175</b>	<b>6.8</b>	<b>2,329</b>	<b>2,470</b>
<b>Investment property</b>	<b>27</b>	<b>1.3</b>	<b>27</b>	<b>1.3</b>	<b>80</b>	<b>3.8</b>	<b>80</b>	<b>3.9</b>	<b>2,042</b>	<b>2,099</b>
<b>Total gross return</b>	<b>-292</b>	<b>-2.6</b>	<b>21</b>	<b>0.2</b>	<b>31</b>	<b>0.3</b>	<b>394</b>	<b>3.1</b>	<b>10,866</b>	<b>12,441</b>

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



# Capital

## Shareholder information

On 2 January 2015, Tryg initiated the buy back of own shares for an amount of DKK 1,000m. From the start-up of the share buy back programme and up until 30 September 2015, 4,844,755 shares were acquired for a total sum of DKK 722m. Following these transactions, Tryg holds a total of 5,069,535 own shares, corresponding to 1.7%.

## Capital requirement

Tryg calculates the individual solvency requirement based on a partial internal model in accordance with the Danish Financial Supervisory Authority's Executive Order on Solvency and Operating Plans for Insurance Companies. The model is based on the structure of the standard model, and Tryg is using an internal model to evaluate insurance risks, while other risks are calculated using the standard model components.

The individual solvency requirement was DKK 6,275m in Q3 2015 compared to DKK 6,694m in Q2 2015. In relation to the

capital base of DKK 9,996m and after share buy back, Tryg's surplus capital amounted to DKK 3,721m, or 59%. Included was a capital reduction in excess capital of DKK 400m related to the acquisition of Skandia's child insurance portfolio. In general, acquisitions over a three-year horizon should support Tryg's financial target of a return on equity of 21 or more.

Applying the standard model, the solvency requirement would have been DKK 7,916m in Q3 2015 compared to DKK 8,358m in Q2 2015.

Solvency II allows for a reduction of the capital requirement due to existing and notional deferred tax that will affect both the partial internal model and the standard model. Tryg has not yet made use of this option.

## Capital

The executive order from the Danish Financial Supervisory Authority stipulates that the calculated solvency need must be covered by an 'adequate capital base'. In Q3 2015, the adequate capital base less the executed part

of the share buy back is DKK 9,996m, which means that Tryg has surplus cover of DKK 3,721m (59%) and DKK 2,080m (26%) relative to the individual solvency requirement and the standard solvency requirement, respectively. An element which can be included in the adequate capital base is expected future surplus. Tryg has not yet utilised this option.

Tryg is still expecting to refinance the subordinated loan of EUR 150m in 2015.

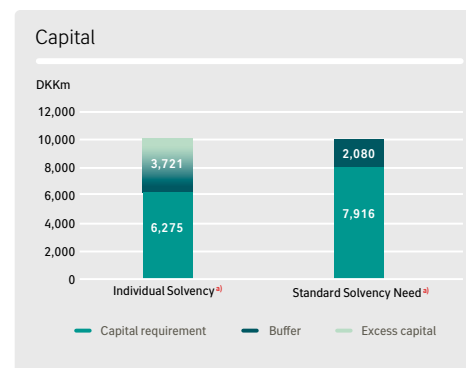
## Solvency II

Solvency II allows a company to calculate its capital requirement using an internal model approved by the Financial Supervisory Authority. Tryg has submitted its official application to the Danish FSA for approval to continue to use this partial internal model. Tryg expects its internal model to be approved before 31 December 2015. If the approval process

takes longer than expected, it will be necessary to use the Solvency II standard model for a period, which will result in a lower capital buffer, but will otherwise have no implications for Tryg's capital planning.

On 26 August 2015, the Norwegian Ministry of Justice and Public Security started a hearing in relation to the usage of the Norwegian Natural Perils Pool (NNP) as an Own Funds item when Solvency II comes into force. The most important message in the hearing material is that the classification of the Pool will be allowed as a Tier 2 capital item. This leaves a potential for issuing future subordinated debt of approximately DKK 1bn.

In July 2015, Standard & Poor's reconfirmed Tryg's interactive 'A-' rating, and the Group's capital is sufficient to support this rating.



a) Share buy back deducted.

# Outlook

Tryg announced financial targets for 2015 at the Capital Markets Day (CMD) in 2012, and for 2017 at the CMD in 2014.

To ensure that Tryg realises its financial targets for 2015 and 2017, an efficiency programme has been launched. The aim is to reduce expenses and claims by a total of DKK 750m, of which DKK 500m relates to the procurement of claims services and administration, while DKK 250m relates to expenses, in the period up to and including 2017.

Tryg has a target of delivering a 20% return on equity in 2015. Achieving this target will depend on the investment return in Q4.

Tryg expects the development in gross premium income to be slightly negative to unchanged in 2015 and on a par with the growth in GDP in 2016. The acquisition of smaller portfolios is also seen as a way of supporting gross premium development.

Tryg has a solid reserve position, which was confirmed in connection with an external review by KPMG in 2014. This review strengthened Tryg's

assessment of its reserve position, and it is therefore deemed likely that the run-off level will be higher in the coming years than previously.

The interest rate used for discounting Tryg's technical provisions is now historically low. A higher interest rate level will have a positive effect on Tryg's results.

In 2015, weather claims of DKK 500m and large claims of DKK 550m net of reinsurance are expected.

The investment portfolio is generally divided into a match portfolio corresponding to the technical provisions and a free portfolio. The objective is for the return on the match portfolio and the changes in the technical provisions due to interest rate changes to be neutral when taken together.

The return on bonds in the free portfolio will vary, but considering current interest rate levels, a low return is currently expected. For shares and real estate, returns of 7% and 6%, respectively, are expected.

Investment activities include other types of investment income and expenses, especially the cost of managing the investments, gains and losses on foreign currency hedges and interest paid on loans.

Tax rates have gradually been lowered in Denmark, Norway and Sweden in recent years. In Denmark, the tax rate will be reduced to 22% in the period up to 2016.

The Norwegian tax rate is 27%, while the Swedish rate is 22%. When calculating the total tax payable, it should be noted that gains and losses on shareholdings are not taxed in Norway. All in all, this means that the tax payable for an average year is expected to be 22-23% for 2015.

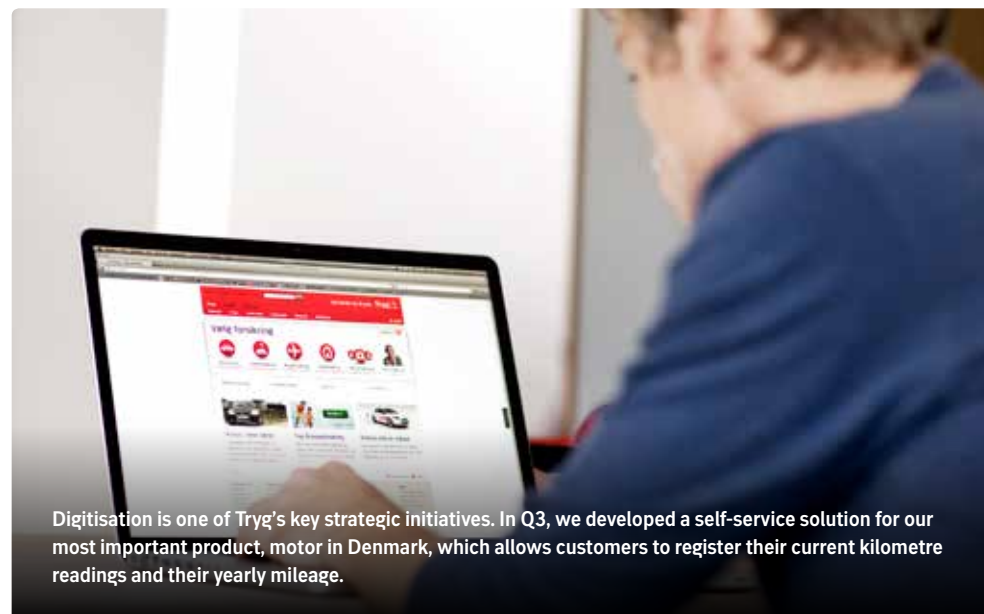
## Financial targets 2015

- Return on equity of 20% after tax
- Combined ratio  $\leq 90$
- Expense ratio  $< 15$  <sup>a)</sup>

a) Excluding one-off effects

## Financial targets 2017

- Return on equity of  $\geq 21\%$  after tax
- Combined ratio  $\leq 87$
- Expense ratio  $\leq 14$



## Contents – Financial statements Q1-Q3 2015

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<b>FINANCIAL STATEMENTS</b>	20	Income statement	25	Cash flow statement	
18	Statement by the Supervisory Board and the Executive Management	21	Statement of comprehensive income	26	Notes
19	Financial highlights	22	Statement of financial position	33	Quarterly outline
		23	Statement of changes in equity		

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



# Statement by the Supervisory Board and the Executive Management

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The Supervisory Board and the Executive Management have today considered and adopted the interim report for Q1-Q3 2015 for Tryg A/S.

The report, which is unaudited and has not been reviewed by the company's auditors, is presented

in accordance with IAS 34 Interim Financial Reporting, the Danish Financial Business Act and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

In our opinion, the report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2015 and of the results of the Group's activities and cash flows for the period for the Group.

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

## Ballerup, 9 October 2015

### 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

Anya Eskildsen

Vigdis Fossehagen

Lone Hansen

Jesper Hjulmand

Ida Sofie Jensen

Bill-Owe Johansson

Lene Skole

Tina Snebjerg

Mari Thjørmøe

Carl-Viggo Östlund



# Financial highlights

DKKkm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Gross premium income</b>	<b>4,583</b>	<b>4,712</b>	<b>13,584</b>	<b>14,006</b>	<b>18,652</b>
Gross claims	-3,512	-3,057	-10,574	-9,674	-12,650
Total insurance operating costs	-739	-704	-2,105	-2,005	-2,689
Profit/loss on gross business	332	951	905	2,327	3,313
Profit/loss on ceded business	310	-172	982	-121	-341
Insurance technical interest, net of reinsurance	5	14	14	51	60
<b>Technical result</b>	<b>647</b>	<b>793</b>	<b>1,901</b>	<b>2,257</b>	<b>3,032</b>
Investment return after insurance technical interest	-383	-1	-206	347	360
Other income and costs	-20	-10	-72	-70	-90
<b>Profit/loss before tax</b>	<b>244</b>	<b>782</b>	<b>1,623</b>	<b>2,534</b>	<b>3,302</b>
Tax	-89	-190	-406	-620	-755
<b>Profit/loss, continuing business</b>	<b>155</b>	<b>592</b>	<b>1,217</b>	<b>1,914</b>	<b>2,547</b>
Profit/loss on discontinued and divested business after tax	0	1	43	3	10
<b>Profit/loss for the period</b>	<b>155</b>	<b>593</b>	<b>1,260</b>	<b>1,917</b>	<b>2,557</b>
<b>Other comprehensive income</b>					
Other comprehensive income which cannot subsequently be reclassified as profit or loss	-39	-74	0	-58	-6
Other comprehensive income which can subsequently be reclassified as profit or loss	-27	17	-18	15	-34
<b>Other comprehensive income</b>	<b>-66</b>	<b>-57</b>	<b>-18</b>	<b>-43</b>	<b>-40</b>
<b>Comprehensive income</b>	<b>89</b>	<b>536</b>	<b>1,242</b>	<b>1,874</b>	<b>2,517</b>
Run-off gains/losses, net of reinsurance	403	298	971	793	1,131
<b>Statement of financial position</b>					
Total provisions for insurance contracts	32,708	34,228	32,708	34,228	31,692
Total reinsurers' share of provisions for insurance contracts	3,334	2,435	3,334	2,435	1,938
Total equity	9,235	10,716	9,235	10,716	11,119
Total assets	52,520	53,979	52,520	53,979	52,224
<b>Key ratios</b>					
Gross claims ratio	76.6	64.9	77.8	69.1	67.8
Net reinsurance ratio	-6.8	3.7	-7.2	0.9	1.8
Claims ratio, net of reinsurance	69.8	68.6	70.6	70.0	69.6
Gross expense ratio	16.3	15.1	15.7	14.5	14.6
<b>Combined ratio</b>	<b>86.1</b>	<b>83.7</b>	<b>86.3</b>	<b>84.5</b>	<b>84.2</b>
Gross expense ratio without adjustment*	16.1	14.9	15.5	14.3	14.4
Operating ratio	85.9	83.2	86.0	83.9	83.8

\*) 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 2015' issued by the Danish Society of Financial Analysts.

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

# Income statement

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
Notes <b>General insurance</b>			
Gross premiums written	14,492	14,931	18,672
Ceded insurance premiums	-965	-906	-1,059
Change in premium provisions	-726	-700	268
Change in reinsurers' share of premium provisions	83	26	-57
<b>2 Premium income, net of reinsurance</b>	<b>12,884</b>	<b>13,351</b>	<b>17,824</b>
<b>3 Insurance technical interest, net of reinsurance</b>	<b>14</b>	<b>51</b>	<b>60</b>
Claims paid	-9,762	-10,174	-13,695
Reinsurance cover received	438	970	1,361
Change in claims provisions	-812	500	1,045
Change in the reinsurers' share of claims provisions	1,351	-293	-688
<b>4 Claims, net of reinsurance</b>	<b>-8,785</b>	<b>-8,997</b>	<b>-11,977</b>
<b>Bonus and premium discounts</b>	<b>-182</b>	<b>-225</b>	<b>-288</b>
Acquisition costs	-1,590	-1,467	-1,955
Administration expenses	-515	-538	-734
Acquisition costs and administration expenses	-2,105	-2,005	-2,689
Reinsurance commissions and profit participation from reinsurer	75	82	102
<b>Insurance operating costs, net of reinsurance</b>	<b>-2,030</b>	<b>-1,923</b>	<b>-2,587</b>
<b>1 Technical result</b>	<b>1,901</b>	<b>2,257</b>	<b>3,032</b>

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
Notes <b>Investment activities</b>			
Income from associates	5	6	10
Income from investment property	71	69	94
Interest income and dividends	615	723	949
5 Value adjustments	-575	15	-95
Interest expenses	-73	-86	-115
Administration expenses in connection with investment activities	-54	-50	-69
<b>Total investment return</b>	<b>-11</b>	<b>677</b>	<b>774</b>
<b>3 Return on insurance provisions</b>	<b>-195</b>	<b>-330</b>	<b>-414</b>
<b>Total Investment return after insurance technical interest</b>	<b>-206</b>	<b>347</b>	<b>360</b>
Other income	59	59	81
Other costs	-131	-129	-171
<b>Profit/loss before tax</b>	<b>1,623</b>	<b>2,534</b>	<b>3,302</b>
Tax	-406	-620	-755
<b>Profit/loss on continuing business</b>	<b>1,217</b>	<b>1,914</b>	<b>2,547</b>
Profit/loss on discontinued and divested business	43	3	10
<b>Profit/loss for the period</b>	<b>1,260</b>	<b>1,917</b>	<b>2,557</b>
Earnings per share of DKK 5 - continuing business	4.2	6.5	8.7
Diluted earnings per share of DKK 5 - continuing business	4.2	6.5	8.7
Earnings per share of DKK 5	4.4	6.5	8.7
Diluted earnings per share of DKK 5	4.4	6.5	8.7

# Statement of comprehensive income

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Profit/loss for the period</b>	<b>1,260</b>	<b>1,917</b>	<b>2,557</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income which cannot subsequently be reclassified as profit or loss</b>			
Change in equalisation reserve	0	0	26
Revaluation of owner-occupied property	0	1	2
Actuarial gains/losses on defined-benefit pension plans	0	-81	-46
Tax on actuarial gains/losses on defined-benefit pension plans	0	22	12
	0	-58	-6
<b>Other comprehensive income which can subsequently be reclassified as profit or loss</b>			
Exchange rate adjustments of foreign entities	-82	51	-178
Hedging of currency risk in foreign entities	83	-47	191
Tax on hedging of currency risk in foreign entities	-19	11	-47
	-18	15	-34
<b>Total other comprehensive income</b>	<b>-18</b>	<b>-43</b>	<b>-40</b>
<b>Comprehensive income</b>	<b>1,242</b>	<b>1,874</b>	<b>2,517</b>



# Statement of financial position

DKKm	30.09.2015	30.09.2014	31.12.2014
Notes			
<b>Assets</b>			
<b>Intangible assets</b>	<b>988</b>	<b>978</b>	<b>984</b>
Operating equipment	70	109	97
Owner-occupied property	1,127	1,317	1,153
Assets under construction	20	0	11
<b>Total property, plant and equipment</b>	<b>1,217</b>	<b>1,426</b>	<b>1,261</b>
<b>Investment property</b>	<b>1,830</b>	<b>1,844</b>	<b>1,828</b>
Equity investments in associates	226	222	225
<b>Total investments in associates</b>	<b>226</b>	<b>222</b>	<b>225</b>
Equity investments	146	132	128
Unit trust units	3,572	4,057	3,884
Bonds	36,651	38,246	37,175
Deposits with credit institutions	368	567	667
Derivative financial instruments	977	984	1,318
<b>Total other financial investment assets</b>	<b>41,714</b>	<b>43,986</b>	<b>43,172</b>
<b>Total investment assets</b>	<b>43,770</b>	<b>46,052</b>	<b>45,225</b>
Reinsurers' share of premium provisions	265	271	219
Reinsurers' share of claims provisions	3,069	2,164	1,719
<b>Total reinsurers' share of provisions for insurance contracts</b>	<b>3,334</b>	<b>2,435</b>	<b>1,938</b>
Receivables from policyholders	1,367	1,493	1,232
Total receivables in connection with direct insurance contracts	1,367	1,493	1,232
Receivables from insurance enterprises	406	199	208
Other receivables	593	115	222
<b>Total receivables</b>	<b>2,366</b>	<b>1,807</b>	<b>1,662</b>
Current tax assets	0	10	0
Cash at bank and in hand	228	767	505
<b>Total other assets</b>	<b>228</b>	<b>777</b>	<b>505</b>
Interest and rent receivable	293	295	337
Other prepayments and accrued income	324	209	312
<b>Total prepayments and accrued income</b>	<b>617</b>	<b>504</b>	<b>649</b>
<b>Total assets</b>	<b>52,520</b>	<b>53,979</b>	<b>52,224</b>

DKKm	30.09.2015	30.09.2014	31.12.2014
Notes			
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>9,235</b>	<b>10,716</b>	<b>11,119</b>
<b>Subordinated loan capital</b>	<b>1,741</b>	<b>1,842</b>	<b>1,768</b>
Premium provisions	6,356	7,024	5,810
Claims provisions	25,817	26,641	25,272
Provisions for bonuses and premium discounts	535	563	610
<b>Total provisions for insurance contracts</b>	<b>32,708</b>	<b>34,228</b>	<b>31,692</b>
Pensions and similar liabilities	266	423	342
Deferred tax liability	989	1,346	1,022
Other provisions	154	68	83
<b>Total provisions</b>	<b>1,409</b>	<b>1,837</b>	<b>1,447</b>
Debt relating to direct insurance	483	550	565
Debt relating to reinsurance	454	289	188
Amounts owed to credit institutions	8	72	116
Debt relating to unsettled funds transactions and repos	4,318	2,259	2,902
Derivative financial instruments	633	533	799
Current tax liabilities	458	144	429
Liabilities associated with assets held for sale	0	68	0
Other debt	1,047	1,426	1,153
<b>Total debt</b>	<b>7,401</b>	<b>5,341</b>	<b>6,152</b>
<b>Accruals and deferred income</b>	<b>26</b>	<b>15</b>	<b>46</b>
<b>Total equity and liabilities</b>	<b>52,520</b>	<b>53,979</b>	<b>52,224</b>

6 Acquisition of activities

7 Related parties

8 Accounting policies

# Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2014</b>	<b>1,492</b>	<b>80</b>	<b>15</b>	<b>106</b>	<b>848</b>	<b>6,847</b>	<b>1,731</b>	<b>11,119</b>
<b>Q1-Q3 2015</b>								
Profit/loss for the period					-107	621	746	1,260
Other comprehensive income			-18			0		-18
Total comprehensive income	0	0	-18	0	-107	621	746	1,242
Nullification of treasury shares	-44					44		0
Dividend paid							-2,477	-2,477
Dividend, treasury shares						97		97
Purchase and sale of treasury shares						-763		-763
Exercise of share options						13		13
Issue of employee shares						2		2
Issue of share options and matching shares						2		2
<b>Total changes in equity in Q1-Q3 2015</b>	<b>-44</b>	<b>0</b>	<b>-18</b>	<b>0</b>	<b>-107</b>	<b>16</b>	<b>-1,731</b>	<b>-1,884</b>
<b>Equity at 30 September 2015</b>	<b>1,448</b>	<b>80</b>	<b>-3</b>	<b>106</b>	<b>741</b>	<b>6,863</b>	<b>0</b>	<b>9,235</b>
<b>Equity at 31 December 2013</b>	<b>1,533</b>	<b>78</b>	<b>49</b>	<b>61</b>	<b>888</b>	<b>6,842</b>	<b>1,656</b>	<b>11,107</b>
<b>Q1-Q3 2014</b>								
Profit/loss for the period					13	1,904		1,917
Other comprehensive income		1	15			-59		-43
Total comprehensive income	0	1	15	0	13	1,845	0	1,874
Nullification of treasury shares	-41					41		0
Dividend paid							-1,656	-1,656
Dividend, treasury shares						59		59
Purchase and sale of treasury shares						-708		-708
Exercise of share options						35		35
Issue of share options and matching shares						5		5
<b>Total changes in equity in Q1-Q3 2014</b>	<b>-41</b>	<b>1</b>	<b>15</b>	<b>0</b>	<b>13</b>	<b>1,277</b>	<b>-1,656</b>	<b>-391</b>
<b>Equity at 30 September 2014</b>	<b>1,492</b>	<b>79</b>	<b>64</b>	<b>61</b>	<b>901</b>	<b>8,119</b>	<b>0</b>	<b>10,716</b>

## Statement of changes in equity

DKKm	Share capital	Revaluation reserves	Reserve for exchange rate adjustment	Equalisation reserve	Other reserves	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2013</b>	<b>1,533</b>	<b>78</b>	<b>49</b>	<b>61</b>	<b>888</b>	<b>6,842</b>	<b>1,656</b>	<b>11,107</b>
<b>FY 2014</b>								
Profit/loss for the year				60	-81	847	1,731	2,557
Other comprehensive income		2	-34	-15	41	-34		-40
Total comprehensive income	0	2	-34	45	-40	813	1,731	2,517
Nullification of treasury shares	-41					41		0
Dividend paid							-1,656	-1,656
Dividend, treasury shares						59		59
Purchase and sale of treasury shares						-1,005		-1,005
Exercise of share options						49		49
Issue of employee shares						45		45
Issue of share options and matching shares						3		3
<b>Total changes in equity in 2014</b>	<b>-41</b>	<b>2</b>	<b>-34</b>	<b>45</b>	<b>-40</b>	<b>5</b>	<b>75</b>	<b>12</b>
<b>Equity at 31 December 2014</b>	<b>1,492</b>	<b>80</b>	<b>15</b>	<b>106</b>	<b>848</b>	<b>6,847</b>	<b>1,731</b>	<b>11,119</b>

# Cash flow statement

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Cash from operating activities</b>			
Premiums	13,593	14,176	18,139
Claims	-9,407	-10,041	-13,584
Ceded business	-383	149	229
Costs	-2,107	-2,171	-2,862
Change in other debt and other amounts receivable	-212	115	-249
<b>Cash flow from insurance activities</b>	<b>1,484</b>	<b>2,228</b>	<b>1,673</b>
Interest income	629	822	995
Interest expenses	-73	-85	-115
Dividend received	44	33	39
Taxes	-210	-461	-512
Other income and costs	-72	-70	-90
<b>Cash from operating activities, continuing business</b>	<b>1,802</b>	<b>2,467</b>	<b>1,990</b>
Cash from operating activities, discontinued and divested business	-24	31	-58
<b>Total cash flow from operating activities</b>	<b>1,778</b>	<b>2,498</b>	<b>1,932</b>
<b>Investments</b>			
Acquisition and refurbishment of real property	-10	1	-14
Sale of real property	0	0	7
Acquisition and sale of equity investments and unit trust units (net)	330	70	291
Purchase/sale of bonds (net)	546	-566	-386
Deposits with credit institutions	278	734	630
Purchase/sale of operating equipment (net)	-4	-3	-17
Acquisition of intangible assets	0	-224	-228
Hedging of currency risk	83	-47	191
<b>Investments, continuing business</b>	<b>1,223</b>	<b>-35</b>	<b>474</b>
Investments, discontinued and divested business	-37	0	0
<b>Total investments</b>	<b>1,186</b>	<b>-35</b>	<b>474</b>

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>Financing</b>			
Exercise of share options/purchase of treasury shares (net)	-750	-673	-956
Dividend paid	-2,380	-1,597	-1,597
Change in amounts owed to credit institutions	-109	67	110
<b>Financing, continuing business</b>	<b>-3,239</b>	<b>-2,203</b>	<b>-2,443</b>
Financing, discontinued and divested business	0	0	0
<b>Total financing</b>	<b>-3,239</b>	<b>-2,203</b>	<b>-2,443</b>
<b>Change in cash and cash equivalents, net</b>	<b>-275</b>	<b>260</b>	<b>-37</b>
Additions relating to purchase of subsidiary	0	14	14
Exchange rate adjustment of cash and cash equivalents			
beginning of year	-2	-1	-25
<b>Change in cash and cash equivalents, gross</b>	<b>-277</b>	<b>273</b>	<b>-48</b>
Cash and cash equivalents, beginning of year	505	553	553
<b>Cash and cash equivalents, end of period</b>	<b>228</b>	<b>826</b>	<b>505</b>



# Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2015</b>						
<b>Gross premium income</b>	<b>6,631</b>	<b>3,022</b>	<b>2,945</b>	<b>1,004</b>	<b>-18</b>	<b>13,584</b>
Gross claims	-4,526	-2,008	-3,330	-690	-20	-10,574
Gross operating expenses	-1,001	-516	-328	-180	-80	-2,105
Profit/loss on ceded business	-97	9	1,072	0	-2	982
Insurance technical interest, net of reinsurance	6	4	5	-1		14
<b>Technical result</b>	<b>1,013</b>	<b>511</b>	<b>364</b>	<b>133</b>	<b>-120</b>	<b>1,901</b>
Other items						-641
<b>Profit</b>						<b>1,260</b>
Run-off gains/losses, net of reinsurance	275	327	286	83		971
Intangible assets		34		591	363	988
Equity investments in associates					226	226
Reinsurers' share of premium provisions	56	54	155	0		265
Reinsurers' share of claims provisions	149	423	2,461	36		3,069
Other assets					47,972	47,972
<b>Total assets</b>						<b>52,520</b>
Premium provisions	2,544	1,532	1,417	863		6,356
Claims provisions	5,789	6,633	11,635	1,760		25,817
Provisions for bonuses and premium discounts	432	46	46	11		535
Other liabilities					10,577	10,577
<b>Total liabilities</b>						<b>43,285</b>

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

Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

# Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2014</b>						
<b>Gross premium income</b>	<b>6,802</b>	<b>3,140</b>	<b>3,018</b>	<b>1,061</b>	<b>-15</b>	<b>14,006</b>
Gross claims	-4,661	-2,093	-2,190	-746	16	-9,674
Gross operating expenses	-974	-500	-338	-193		-2,005
Profit/loss on ceded business	25	47	-176	-16	-1	-121
Insurance technical interest, net of reinsurance	20	11	15	5		51
<b>Technical result</b>	<b>1,212</b>	<b>605</b>	<b>329</b>	<b>111</b>	<b>0</b>	<b>2,257</b>
Other items						-340
<b>Profit</b>						<b>1,917</b>
Run-off gains/losses, net of reinsurance	310	184	259	40		793
Intangible assets		39		621	318	978
Equity investments in associates					222	222
Reinsurers' share of premium provisions	37	48	186			271
Reinsurers' share of claims provisions	222	421	1,468	53		2,164
Other assets					50,344	50,344
<b>Total assets</b>						<b>53,979</b>
Premium provisions	2,846	1,726	1,588	864		7,024
Claims provisions	6,426	6,933	11,481	1,801		26,641
Provisions for bonuses and premium discounts	440	53	60	10		563
Liabilities associated with assets held for sale					68	68
Other liabilities					8,967	8,967
<b>Total liabilities</b>						<b>43,263</b>

# Notes

DKKm	Private	Commercial	Corporate	Sweden	Other	Group
<b>1 Operating segments</b>						
<b>FY 2014</b>						
<b>Gross premium income</b>	<b>9,051</b>	<b>4,190</b>	<b>4,033</b>	<b>1,399</b>	<b>-21</b>	<b>18,652</b>
Gross claims	-6,129	-2,673	-2,872	-998	22	-12,650
Gross operating expenses	-1,311	-664	-446	-268		-2,689
Profit/loss on ceded business	-23	8	-304	-21	-1	-341
Insurance technical interest, net of reinsurance	24	14	16	6		60
<b>Technical result</b>	<b>1,612</b>	<b>875</b>	<b>427</b>	<b>118</b>	<b>0</b>	<b>3,032</b>
Other items						-475
<b>Profit</b>						<b>2,557</b>
Run-off gains/losses, net of reinsurance	357	310	421	43		1,131
Intangible assets		37		600	347	984
Equity investments in associates					225	225
Reinsurers' share of premium provisions	10	12	197			219
Reinsurers' share of claims provisions	154	346	1,181	38		1,719
Other assets					49,077	49,077
<b>Total assets</b>						<b>52,224</b>
Premium provisions	2,423	1,425	1,163	799		5,810
Claims provisions	6,062	6,742	10,754	1,714		25,272
Provisions for bonuses and premium discounts	488	51	62	9		610
Other liabilities					9,413	9,413
<b>Total liabilities</b>						<b>41,105</b>

# Notes

DKKkm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>1 Geographical segments</b>					
<b>Danish general insurance*</b>					
<b>Gross premium income</b>	<b>2,386</b>	<b>2,340</b>	<b>7,016</b>	<b>7,015</b>	<b>9,361</b>
Technical result	449	335	1,082	859	1,510
Run-off gains/losses, net of reinsurance	165	172	396	302	564
<b>Key ratios</b>					
Gross claims ratio	81.0	67.6	85.6	71.8	66.9
Net reinsurance ratio	-13.6	3.6	-15.3	0.1	2.1
Claims ratio, net of reinsurance	67.4	71.2	70.3	71.9	69.0
Gross expense ratio	13.8	14.5	14.2	16.0	15.1
<b>Combined ratio</b>	<b>81.2</b>	<b>85.7</b>	<b>84.5</b>	<b>87.9</b>	<b>84.1</b>
Number of full-time employees, end of period	1,903	2,032	1,903	2,032	2,007
<b>Norwegian general insurance</b>					
<b>Gross premium income</b>	<b>1,687</b>	<b>1,845</b>	<b>5,155</b>	<b>5,498</b>	<b>7,337</b>
Technical result	262	444	720	1,288	1,478
Run-off gains/losses, net of reinsurance	219	105	448	415	501
<b>Key ratios</b>					
Gross claims ratio	69.9	57.3	69.8	64.4	66.5
Net reinsurance ratio	0.1	3.8	1.4	1.6	1.4
Claims ratio, net of reinsurance	70.0	61.1	71.2	66.0	67.9
Gross expense ratio	14.8	15.4	15.2	11.3	12.5
<b>Combined ratio</b>	<b>84.8</b>	<b>76.5</b>	<b>86.4</b>	<b>77.3</b>	<b>80.4</b>
Number of full-time employees, end of period	1,131	1,165	1,131	1,165	1,167

\* Comprises Danish general insurance and Finnish guarantee insurance.

# Notes

DKKm	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	FY 2014	
<b>1 Geographical segments</b>						** Amounts relating to eliminations are included under 'Other'.
<b>Swedish general insurance</b>						*** Adjustment of gross expense ratio included only in 'Tryg'.
<b>Gross premium income</b>	<b>517</b>	<b>534</b>	<b>1,431</b>	<b>1,508</b>	<b>1,975</b>	
Technical result	56	14	219	110	44	*** In Q2 2014 the costs were positively affected by a one-time effect regarding changed pension terms in Norway and they were negatively affected by a provision in connection with the transfer to the new it-supplier. The joint effect was approx DKK 135m.
Run-off gains/losses, net of reinsurance	19	21	127	76	66	
<b>Key ratios</b>						
Gross claims ratio	72.0	80.3	66.4	74.0	77.6	
Net reinsurance ratio	1.5	2.2	1.3	1.7	2.2	
Claims ratio, net of reinsurance	73.5	82.5	67.7	75.7	79.8	
Gross expense ratio	15.5	15.2	17.0	17.4	18.4	*** In Q3 2015 costs and claims were negatively effected by DKK 80m and DKK 40m respectively due to provisioning for the efficiency programme.
<b>Combined ratio</b>	<b>89.0</b>	<b>97.7</b>	<b>84.7</b>	<b>93.1</b>	<b>98.2</b>	
Number of full-time employees, end of period	391	436	391	436	425	
<b>Other**</b>						
<b>Gross premium income</b>	<b>-7</b>	<b>-7</b>	<b>-18</b>	<b>-15</b>	<b>-21</b>	
Technical result	-120	0	-120	0	0	
<b>Tryg</b>						
<b>Gross premium income</b>	<b>4,583</b>	<b>4,712</b>	<b>13,584</b>	<b>14,006</b>	<b>18,652</b>	
Technical result	647	793	1,901	2,257	3,032	
Investment return activities	-383	-1	-206	347	360	
Other income and costs	-20	-10	-72	-70	-90	
Profit/loss before tax	244	782	1,623	2,534	3,302	
Run-off gains/losses, net of reinsurance	403	298	971	793	1,131	
<b>Key ratios</b>						
Gross claims ratio	76.6	64.9	77.8	69.1	67.8	
Net reinsurance ratio	-6.8	3.7	-7.2	0.9	1.8	
Claims ratio, net of reinsurance	69.8	68.6	70.6	70.0	69.6	
Gross expense ratio***	16.3	15.1	15.7	14.5	14.6	
<b>Combined ratio</b>	<b>86.1</b>	<b>83.7</b>	<b>86.3</b>	<b>84.5</b>	<b>84.2</b>	
Number of full-time employees, end of period	3,425	3,633	3,425	3,633	3,599	



# Notes

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>2 Premium income, net of reinsurance</b>			
Direct insurance	13,734	14,189	18,872
Indirect insurance	33	42	67
	13,767	14,231	18,939
Unexpired risk provision	-1	0	1
	13,766	14,231	18,940
Ceded direct insurance	-836	-840	-1,067
Ceded indirect insurance	-46	-40	-49
	<b>12,884</b>	<b>13,351</b>	<b>17,824</b>
<b>3 Insurance technical interest, net of reinsurance</b>			
Return on insurance provisions	195	330	414
Discounting transferred from claims provisions	-181	-279	-354
	<b>14</b>	<b>51</b>	<b>60</b>
<b>4 Claims, net of reinsurance</b>			
Claims	-11,697	-9,927	-13,376
Run-off gains/losses, gross	1,123	253	726
	-10,574	-9,674	-12,650
Reinsurance cover received	1,941	137	268
Run-off gains/losses, reinsurers' share	-152	540	405
	<b>-8,785</b>	<b>-8,997</b>	<b>-11,977</b>

DKKm	Q1-Q3 2015	Q1-Q3 2014	FY 2014
<b>5 Value adjustments</b>			
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>			
Equity investments	16	-14	-18
Unit trust units	-53	257	354
Share derivatives	28	9	17
Bonds	-555	-4	-129
Interest derivatives	-26	350	596
Other loans	0	2	2
	-590	600	822
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	10	1	23
Owner-occupied property	0	0	-106
Discounting	75	-524	-741
Other statement of financial position items	-70	-62	-93
	15	-585	-917
	<b>-575</b>	<b>15</b>	<b>-95</b>
<b>6 Acquisition of activities</b>			
In August 2015 Tryg and Skandia have signed an agreement whereby Tryg will acquire Skandia's activities within child and adult accident insurance and integrate them into its Swedish business, Moderna Försäkringar. The transaction is subject to regulatory approvals and the parties expect it to be completed in second half 2016. Hereafter Tryg will take over the control of the portfolios. The acquisition has no effect on the Financial statement for Q3.			
<b>7 Related parties</b>			
In Q1-Q3 2015 Tryg Försikring A/S paid Tryg A/S DKK 3,700m and Tryg A/S paid TryghedsGruppen smba DKK 1,430m in dividends (in Q1-Q3 2014 Tryg Försikring A/S paid Tryg A/S DKK 2,456m and Tryg A/S paid TryghedsGruppen smba DKK 960m in dividends).			
There have been no other material transactions with related parties.			

## 8 Accounting policies

Tryg's interim report for Q1-Q3 2015 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 2015 the Group implemented the following standards:

- IFRS 7 'Deferral of mandatory effective dates'
- Amendments to IFRS 2 'Definition of 'vesting condition''
- Amendments to IFRS 3 'accounting for contingent consideration'
- Amendments to IFRS 3 'scope exception for joint ventures'
- Amendments to IFRS 8 'aggregation of segments, reconciliation of segment assets'
- Amendments to IFRS 13 'scope of the portfolio exception in paragraph 52'
- Amendments to IAS 16 and IAS 38 'proportionate restatement of accumulated depreciation on revaluation'
- Amendments to IAS 24 'management entities'
- Amendments to IAS 40 'interrelationship between IFRS 3 and IAS 40'

The implementation of the new standards has not significantly affected recognition and measurement in 2015.

Except as noted above, the accounting policies have been applied consistently with last year.

For a full description of the accounting policies, please refer to the annual accounts of the Tryg Group 2014.

### Changes in accounting estimates

Change in the estimated tax percentage from 23% to 25% in Q3 2015 is due to the change in the expected tax free gain on shares in Norway.

# Quarterly outline

DKKkM	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
<b>Private</b>									
<b>Gross premium income</b>	<b>2,211</b>	<b>2,226</b>	<b>2,194</b>	<b>2,249</b>	<b>2,289</b>	<b>2,275</b>	<b>2,238</b>	<b>2,290</b>	<b>2,329</b>
Technical result	398	434	181	400	445	494	273	286	440
<b>Key ratios</b>									
Gross claims ratio	65.1	63.3	76.5	65.3	64.6	69.0	72.1	75.6	64.7
Net reinsurance ratio	2.3	2.1	0.0	2.1	1.1	-2.6	0.4	-2.5	1.7
Claims ratio, net of reinsurance	67.4	65.4	76.5	67.4	65.7	66.4	72.5	73.1	66.4
Gross expense ratio	14.7	15.3	15.3	15.0	15.1	12.4	15.5	14.6	15.1
<b>Combined ratio</b>	<b>82.1</b>	<b>80.7</b>	<b>91.8</b>	<b>82.4</b>	<b>80.8</b>	<b>78.8</b>	<b>88.0</b>	<b>87.7</b>	<b>81.5</b>
Combined ratio exclusive of run-off	86.5	83.7	96.8	84.5	85.3	82.4	93.7	90.8	84.0
<b>Commercial</b>									
<b>Gross premium income</b>	<b>1,022</b>	<b>997</b>	<b>1,003</b>	<b>1,050</b>	<b>1,045</b>	<b>1,053</b>	<b>1,042</b>	<b>1,080</b>	<b>1,075</b>
Technical result	136	220	155	270	188	224	193	157	230
<b>Key ratios</b>									
Gross claims ratio	77.1	55.7	66.3	55.2	63.9	72.1	63.9	73.8	56.0
Net reinsurance ratio	-6.8	5.2	0.9	3.7	0.9	-5.6	0.3	-5.9	3.5
Claims ratio, net of reinsurance	70.3	60.9	67.2	58.9	64.8	66.5	64.2	67.9	59.5
Gross expense ratio	16.6	17.2	17.4	15.6	17.5	12.6	17.7	17.9	19.5
<b>Combined ratio</b>	<b>86.9</b>	<b>78.1</b>	<b>84.6</b>	<b>74.5</b>	<b>82.3</b>	<b>79.1</b>	<b>81.9</b>	<b>85.8</b>	<b>79.0</b>
Combined ratio exclusive of run-off	98.6	84.5	98.9	86.5	92.1	81.9	86.9	92.8	87.3
<b>Corporate</b>									
<b>Gross premium income</b>	<b>984</b>	<b>993</b>	<b>968</b>	<b>1,015</b>	<b>999</b>	<b>1,030</b>	<b>989</b>	<b>1,025</b>	<b>1,025</b>
Technical result	195	99	70	98	130	180	19	59	42
<b>Key ratios</b>									
Gross claims ratio	99.9	170.5	67.6	67.2	63.0	73.3	81.5	75.0	122.9
Net reinsurance ratio	-30.1	-91.2	13.4	12.6	13.0	0.1	4.6	7.6	-38.2
Claims ratio, net of reinsurance	69.8	79.3	81.0	79.8	76.0	73.4	86.1	82.6	84.7
Gross expense ratio	10.6	11.0	11.9	10.6	11.5	9.5	12.6	12.1	11.6
<b>Combined ratio</b>	<b>80.4</b>	<b>90.3</b>	<b>92.9</b>	<b>90.4</b>	<b>87.5</b>	<b>82.9</b>	<b>98.7</b>	<b>94.7</b>	<b>96.3</b>
Combined ratio exclusive of run-off	98.1	94.5	100.1	106.4	94.9	86.8	113.4	102.2	104.8

A further detailed version of the presentation can be downloaded from [tryg.com/uk>investor>Downloads>tables](http://tryg.com/uk>investor>Downloads>tables)

# Quarterly outline

DKKkm	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
<b>Sweden</b>									
<b>Gross premium income</b>	<b>373</b>	<b>342</b>	<b>289</b>	<b>338</b>	<b>386</b>	<b>358</b>	<b>317</b>	<b>348</b>	<b>442</b>
Technical result	38	72	23	7	30	43	38	44	54
<b>Key ratios</b>									
Gross claims ratio	73.2	61.1	72.0	74.6	76.2	69.3	64.4	71.8	72.6
Net reinsurance ratio	0.5	0.0	-0.7	1.5	0.8	-0.3	4.4	-2.9	0.5
Claims ratio, net of reinsurance	73.7	61.1	71.3	76.1	77.0	69.0	68.8	68.9	73.1
Gross expense ratio	15.8	17.8	20.8	22.2	15.5	19.6	19.9	19.3	14.7
<b>Combined ratio</b>	<b>89.5</b>	<b>78.9</b>	<b>92.1</b>	<b>98.3</b>	<b>92.5</b>	<b>88.6</b>	<b>88.7</b>	<b>88.2</b>	<b>87.8</b>
Combined ratio exclusive of run-off	92.4	93.2	100.1	99.2	97.7	91.7	91.5	94.5	89.8
<b>Other*</b>									
<b>Gross premium income</b>	<b>-7</b>	<b>-8</b>	<b>-3</b>	<b>-6</b>	<b>-7</b>	<b>-5</b>	<b>-3</b>	<b>-6</b>	<b>-4</b>
Technical result	-120	0	0	0	0	0	0	0	0
<b>Tryg</b>									
<b>Gross premium income</b>	<b>4,583</b>	<b>4,550</b>	<b>4,451</b>	<b>4,646</b>	<b>4,712</b>	<b>4,711</b>	<b>4,583</b>	<b>4,737</b>	<b>4,867</b>
Technical result	647	825	429	775	793	941	523	546	766
Investment return	-383	-84	261	13	-1	259	89	154	152
Profit/loss before tax	244	714	665	768	782	1,150	602	639	907
Profit/loss	155	580	525	640	593	869	455	565	715
<b>Key ratios</b>									
Gross claims ratio	76.6	84.8	72.0	64.1	64.9	70.7	71.7	74.9	75.9
Net reinsurance ratio	-6.8	-17.8	3.1	4.7	3.7	-2.6	1.6	-1.2	-6.6
Claims ratio, net of reinsurance	69.8	67.0	75.1	68.8	68.6	68.1	73.3	73.7	69.3
Gross expense ratio	16.3	15.2	15.6	14.9	15.1	12.6	15.9	15.4	15.5
<b>Combined ratio</b>	<b>86.1</b>	<b>82.2</b>	<b>90.7</b>	<b>83.7</b>	<b>83.7</b>	<b>80.7</b>	<b>89.2</b>	<b>89.1</b>	<b>84.8</b>
Combined ratio exclusive of run-off	94.9	87.1	98.5	91.0	90.0	84.1	96.5	94.3	89.8

\* Amounts relating to eliminations are included under 'Other'

## 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 report, including but not limited to general economic developments, changes in the competitive environment, developments in the financial

markets, extraordinary events such as natural disasters or terrorist attacks, changes in legislation or case law and reinsurance. Should one or more of these risks or uncertainties materialise, or should any 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. **i** [Read more in the chapter Capital and risk management in the annual report on page 24-25, and in Note 1 on page 47, for a description of some of the factors which may affect the Group's performance or the insurance industry.](#)

