



Interim report

Q2 and H1 2021

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Tryg results



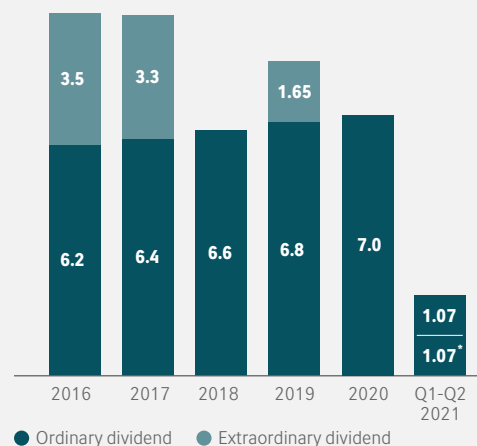
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Business initiatives

Tryg aims to pay a nominal, stable and increasing ordinary dividend, while maintaining stable results and a high level of return on capital employed

Shareholder remuneration

(DKK per share)



* Calculated on the new 654m number of shares following the DKK 37bn rights issue to fund the RSA Scandinavia acquisition



19

Investment activities

22

Financial outlook



Highlights

Financial Q2

4.7%

Premium growth
in local currencies

Q2 2020: 7.0%

1,144m

Technical result (DKK)
impacted by positive
developments in core
business/Alka synergies

Q2 2020: 1,063m

0.8

**Group underlying
claims ratio
improved**

Q2 2020: 14.3

14.1

Expense ratio

Q2 2020: 14.3

181m

**Income from RSA
Scandinavia
(DKK)**

-1,191m

**Currency hedge
related to RSA
Scandinavia
(DKK)**

253m

**Tryg stand-alone
investment return
(DKK)**

-757m

**Total investment
return (DKK)**

Q2 2020: 541m

81.0

Combined ratio

Q2 2020: 80.9

274m

Profit before tax

Q2 2020: 1,539m

1.07

**Dividend per share
(DKK)**

175

Solvency ratio

Financial H1

5.5%

Premium growth
in local currencies

H1 2020: 7.9%

1,895m

Technical result (DKK)
impacted by positive
developments in core
business/Alka synergies

H1 2020: 1,735m

0.8

**Group underlying
claims ratio
improved**

H1 2020: 14.2

14.1

Expense ratio

H1 2020: 14.2

181m

**Income from RSA
Scandinavia
(DKK)**

-1,035m

**Currency hedge
related to RSA
Scandinavia (DKK)**

440m

**Tryg stand-alone
investment return
(DKK)**

-414m

**Total investment
return (DKK)**

H1 2020: -439m

84.0

Combined ratio

H1 2020: 84.4

1,296m

Profit before tax

H1 2020: 1,167m

2.14

**Dividends per share
(DKK) 1.07 paid in
April and DKK 1.07
to be paid on 14 July**

175

Solvency ratio

Premium growth of 4.7% in Q2, primarily driven by positive developments in the Private and Commercial segments. Technical result of DKK 1,144 (DKK 1,063m), supported by the continued positive development in core busi-

ness and the delivery of Alka synergies. The underlying claims ratio improved by 0.8% for the Group, while it was flat for the Private segment, both figures exclude the impact of COVID-19.

Tryg's stand-alone investment result for Q2 was DKK 253m (DKK 541m), driven primarily by positive financial markets providing support to especially Tryg's equity, property and credit portfolios.

Tryg's key focus remains on its stand-alone financial performance but the current quarter includes items related to the RSA Scandinavia acquisition which are noteworthy. Tables sum-

marising the main components of Tryg's Q2 P&L, including the RSA acquisition currency hedge and RSA contribution, are shown below.

1) Tryg stand-alone financial result

DKKm	Q2 2021	H1 2021
Technical result	1,144	1,895
Investment result (excluding currency hedge and RSA contribution)	253	440
Pre-tax (excluding currency hedge and RSA contribution)	1,284	2,150

2) RSA-related currency hedge and one month's RSA contribution^{a)}

DKKm	Q2 2021	H1 2021
RSA currency hedge (non-tax deductible)	-1,191	-1,035
RSA contribution for June (net profit after tax)	181	181

^{a)} To be equity accounted for under "income from associates" in investment income until demerger

Tryg as reported (1+2)

DKKm	Q2 2021	H1 2021
Technical result	1,144	1,895
Investment result	-757	-414
Pre-tax	274	1,296

The investment result as reported for Q2, including the RSA related currency hedge and the relevant RSA contribution for June, was DKK -757m (DKK 541m) in Q2.

Profit before tax of DKK 274m (DKK 1,539m). Solvency ratio was 175, taking into consideration the Q2 result, a dividend per share of DKK 1.07 (DKK 700m) and the higher capital requirement following the inclusion of Codan Norway, Trygg-Hansa and 50% of Codan Denmark.

Member bonus 2021

For the sixth year running, Trygheds-Gruppen, Tryg's largest shareholder, announced a member bonus in 2021 of around DKK 700m, equivalent to 5% of premiums paid in 2020.



Income overview

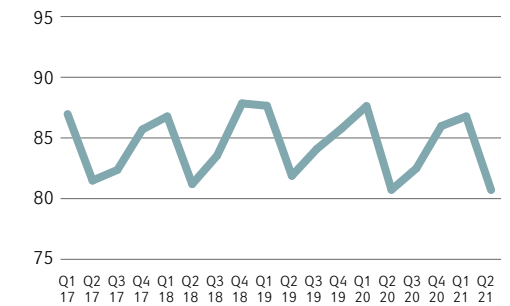
DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gross premium income	6,057	5,595	11,963	11,190	22,653
Gross claims	-3,864	-3,534	-8,007	-7,850	-15,437
Total insurance operating costs	-855	-802	-1,685	-1,589	-3,202
Profit/loss on gross business	1,338	1,260	2,271	1,752	4,014
Profit/loss on ceded business	-185	-192	-359	-11	-499
Insurance technical interest, net of reinsurance	-8	-5	-17	-6	-20
Technical result	1,144	1,063	1,895	1,735	3,495
Income from RSA Scandinavia ^{a)}	181	0	181	0	0
Currency hedge related to RSA Scandinavia	-1,191	0	-1,035	0	0
Tryg stand-alone Investment return	253	541	440	-439	311
Investment return after insurance technical interest	-757	541	-414	-439	311
Other income and costs	-113	-64	-186	-129	-265
Profit/loss before tax	274	1,539	1,296	1,167	3,541
Tax	-337	-293	-545	-363	-768
Profit/loss	-63	1,246	751	804	2,773
Run-off gains/losses, net of reinsurance	243	204	497	561	1,145
Key figures					
Total equity	48,112	11,854	48,112	11,854	12,264
Return on equity after tax (%) ^{b)}	-0.8	42.9	4.8	13.9	22.5
Number of shares, end of period (1,000)	654,085	301,734	654,085	301,734	301,750
Earnings per share	-0.10	4.13	1.53	2.67	9.19
Operating earnings per share (DKK) ^{c)}	-0.06	4.22	1.64	2.84	9.54
Ordinary dividend per share (DKK)	1.07	0.00	2.14	0.00	7.00
Premium growth in local currencies	4.7	7.0	5.5	7.9	7.0
Gross claims ratio	63.8	63.2	66.9	70.1	68.1
Net reinsurance ratio	3.1	3.4	3.0	0.1	2.2
Claims ratio, net of reinsurance	66.9	66.6	69.9	70.2	70.3
Gross expense ratio	14.1	14.3	14.1	14.2	14.1
Combined ratio	81.0	80.9	84.0	84.4	84.5
Run-off, net of reinsurance (%)	-4.0	-3.6	-4.2	-5.0	-5.1
Large claims, net of reinsurance (%)	1.7	1.3	1.9	1.8	2.2
Weather claims, net of reinsurance (%)	0.9	0.9	1.6	1.4	1.6
Discounting (%)	0.4	0.1	0.3	0.2	0.2
COVID-19 claims, net of reinsurance (%)	-0.5	-1.7	-0.9	-0.5	-0.8
Combined ratio on business areas					
Private	81.1	80.8	84.4	85.4	83.9
Commercial	81.5	81.1	82.0	84.8	83.7
Corporate	79.7	77.7	87.1	78.3	88.0
Sweden	80.9	83.7	80.7	86.6	83.2

^{a)} Tryg's acquisition of RSA Scandinavia impacts the Financial Statements from 1 June 2021 (date of closing)

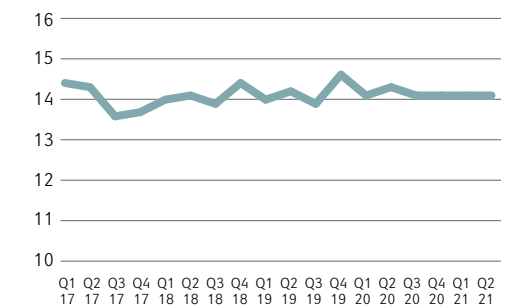
^{b)} ROE is calculated as profit for the year after tax divided with weighted average equity (as prescribed by the Danish FSA)

^{c)} Adjusted for depreciation on intangible assets (after tax), related to Brands and Customer relations after tax

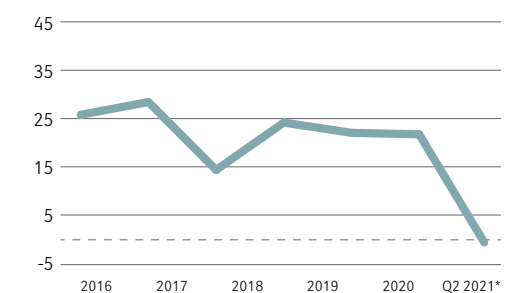
Combined ratio



Expense ratio



Return on equity (%)



* Rights issue of 37 bn impacting figures from Q1-2021

Tryg's results

Tryg reported a Q2 technical result of DKK 1,144m (DKK 1,063m), driven by a positive top-line development, particularly in the Private and Commercial segments, good development in the core business and the continued delivery of Alka synergies. The underlying claims ratio for the Group improved by 0.8 percentage points, while it was flat for the Private segment. Both figures exclude the impact of COVID-19. The combined ratio was 81.0 (80.9). The investment return for the quarter was DKK -757m (DKK 541m), representing the sum of Tryg's stand-alone investment income, the cost of the currency hedge related to the purchase price of the acquisition and one month's of net profits from Codan Norway, Trygg-Hansa and 50% of Codan Denmark. The pre-tax result was DKK 274m (DKK 1,539m). A solvency ratio of 175, including the newly acquired businesses, was reported at the end of the quarter.

Results

Group premium growth was 4.7% (7.1% excluding bonus and premium rebates) in Q2, impacted primarily by a solid growth in the Private and Commercial segments in Denmark and Norway and a decrease in the Corporate segment following profitability actions. The Private segment reported a growth of 5.0%, or 8.6%, after adjusting for higher bonus and premium rebates compared to the corresponding period in 2020. The combined ratio was 81.0 (80.9), driving a technical result of DKK 1,144m (DKK 1,063m). Lower claims frequencies caused by COVID-19 had a net impact on the technical result of DKK 32m in Q2 2021. Since mid-April, governments

have gradually re-opened large sections of society and business in Denmark and Norway. Economic activity has consequently picked up substantially, resulting in a more normalised development of claims frequencies and of Tryg's business in general. Weather claims and large claims were below normal. The run-off result was 4.0% (3.6%). The Group's underlying claims ratio, adjusted for weather claims, large claims, run-offs, discount rate (to discount the claims provisions) and COVID-19 impact, was 0.8 percentage points better than in Q2 2020, as profitability initiatives in Commercial and particularly in Corporate are improving results. The Private underlying claims ratio was flat compared to Q2

2020 as growth remained robust in the quarter. Profitability is usually somewhat lower for "new business" compared to "old" business due to an approximately 3% higher claims frequency and higher distribution costs. When growth levels are very strong, the Private segment will therefore contribute less to the underlying development in the claims ratio. Commercial and especially Corporate, given Tryg's long-term initiatives, will ensure continuous improvement for the Group and more than offset developments in the Private segment. A higher share of premium income from the Private segment will be considered a key competitive advantage in the medium and long term. Tryg's Corporate business is actively increasing prices and reducing exposure to unprofitable segments and expects profitability to improve in 2021 and the following years.

Synergies from the Alka transaction amounted to DKK 35m (DKK 43m), of which DKK 9m stemmed from lower costs, DKK 14m from claims and DKK 12m from revenue initiatives.

Customer satisfaction increased from 83 in Q2 2020 to 84 in Q2 2021. For the sixth year in a row, TryghedsGruppen, Tryg's largest shareholder, decided to pay a member bonus. The bonus for 2021 is around DKK 700m, equivalent to 5% of premiums paid in 2020. The bonus should be seen in conjunction with Tryg's dividend and will be paid to Tryg and Alka customers in Denmark later this year. Awareness of the member bonus for non-customers was at a much higher level than the same period in 2020 and reached 43% in Q2 2021 (29%).

The total investment return amounted to DKK -757m (DKK 541m), driven primarily by a previously disclosed charge of approximately DKK 1.2bn for the currency hedge related to the RSA acquisition. Tryg's stand-alone investment result was DKK 253m supported by positive financial markets. The result for June* of Codan Norway, Trygg-Hansa and 50% of Codan Denmark, was DKK 181m and it is included in the investment income as "income from associates". Tryg's stand-alone investment result showed a free portfolio result of DKK 312m (DKK 519m), driven primarily by positive financial markets providing support to especially Tryg's equity, property and credit portfolios. The match portfolio also developed positively, driven primarily by narrowing covered bond spreads. The overall match portfolio result was DKK 19m (DKK 127m). Other financial income and expenses were DKK -78m (DKK -105m).

Tryg continues to pursue a relatively low-risk investment strategy with limited equity exposure and a conservative fixed-income profile (more than 90% of fixed-income securities are Nordic covered bonds). It should be remembered that Tryg marks to market both assets and liabilities (in accordance with Danish Financial Supervisory Authority rules), resulting in some P&L volatility in turbulent times. Other Nordic and European insurers, meanwhile, hold large parts of their fixed-income portfolios to maturity or book most

* The RSA Scandinavia acquisition was closed on 1 June as per stock exchange announcement "The scheme of arrangement with RSA Insurance Group plc has become effective"



Sale of Codan Denmark

On 11 June, Tryg announced that Intact and Tryg had entered into a conditional share purchase agreement to sell Codan's Danish business to Alm. Brand A/S for DKK 12.6bn.

of the asset moves to shareholders' equity. Asset allocation remained broadly unchanged during the period.

Premiums

Gross premium income was DKK 6,057m (DKK 5,595m), corresponding to a 4.7% growth in local currencies (7.1% excluding bonus and premium rebates). The Private segment reported a growth of 5.0%, or 8.6% when adjusted for bonus and premium rebates, which reflects the high profitability of many of Tryg's partner agreements and also some periodisation between quarters. The year-to-date growth in the Private segment was around 8%, which better reflects the underlying growth in this segment. Private sales generally remained strong throughout the COVID-19 period. In Denmark, growth continued to be driven by a combination of cross-selling to existing customers, new customers from partner agreements, like FDM and Danske Bank, and continued strong sales from the latest sales channel – Tryg's independent agents. As expected, there was a reduction in the Nordea portfolio as a natural consequence of the termination of the Nordea agreement, which also impacted the retention rate negatively, though Tryg still saw a net positive inflow when looking at Danske Bank and Nordea combined. Private Norway again saw strong sales from partner agreements with OBOS and NITO, and continued to record strong sales via the car channel Enter. Commercial premiums increased by 8.1%, with Denmark characterised by high organic growth and Norway characterised by growth through price initiatives. In Denmark, sales grew by 8.5%, with a net inflow of customers, while growth in Commercial Norway was 7.0%, partly due to the acceptance of price hikes by larger Commercial customers and therefore not expected to be a sustainable growth level. The Corporate seg-

ment continued its effort to improve profitability by increasing prices; top-line development was broadly flat. The Corporate segment in Denmark and Sweden reported a reduction due to price hikes. The growth in Corporate Norway also reflects the fact that price increases in that part of the portfolio started earlier compared to Corporate Denmark and Corporate Sweden. Profitability is generally a key focus for all Corporate areas. Private Sweden saw a flat top-line development, impacted by price adjustments for main products and pet insurance.

Claims

The claims ratio net of ceded business was 66.9 (66.6). The underlying claims ratio for the Group, excluding large claims and weather claims, run-offs, discounting and COVID-19, was 69.1 (69.9), which was 0.8 percentage points better than the corresponding quarter in 2020. The Private underlying claims ratio was flat at 68.1. The gradual reopening of societies and businesses has brought a normalisation of claims frequencies. Tryg reported a modest positive impact of DKK 32m (net) in Q2 from COVID-19. In general, the biggest impact of the lower frequencies stemming from reduced economic activity related to COVID-19 was reported in the Private segment. This impact has been excluded from the calculation of the underlying claims ratio.

The current strong level of growth in the Private segment is likely to impact the underlying claims ratio somewhat, as new business does not initially have the same profitability as old business. The claims ratio for new business is approximately 3% higher than existing business, primarily because new customers generally have a higher propensity to claim on their insurance more frequently in the first couple of years. Meanwhile, profitability initiatives in

the Corporate segment should help sustain the improvement in the Group's underlying claims ratio. Tryg continues to expect an improvement in the underlying claims ratio for FY 2021.

Tryg has been working with procurement for many years and the procurement team collaborates on an ongoing basis with the claims department to monitor and control claims inflation. Tryg has benefited from the tight focus on procurement in recent months, which have been characterised by increased prices for materials, especially (but not only) in the property segment. Tryg has a cooperative arrangement with craftsmen, and for example uses three-year agreements to keep costs under control. These agreements ensure a stable income for craftsmen and are highly appreciated by both parties. More broadly, Tryg's business is relatively short tail, with an average duration of four years, while the duration on most Private products is less than one year. Price adjustments can be introduced if needed while inflation levels continue to be very carefully monitored.

Scandinavia has been relatively cold and wet, during spring and early summer, and a couple of smaller cloudbursts have been registered. Weather claims amounted to DKK 57m (DKK 49m), or 0.9% (0.9%) of the claims ratio. Large claims impacted the claims ratio negatively by 1.7% (1.3%), which is below the expected quarterly average. For the full year, Tryg assumes large claims (with no quarterly seasonality) of DKK 550m and weather claims (mainly in Q1 and Q4) of DKK 600m.

Expenses

The expense ratio was 14.1 (14.3), influenced by the good top-line growth and tight cost control. At its CMD in 2017, Tryg announced an expense

ratio target for 2020 of around 14, as IT investments and an increase in employee numbers (especially in the short term) would be broadly offset by continuous efficiency improvements, driven primarily by lower distribution costs. The expense ratio target of around 14 has also been repeated for 2021. Cost synergies of DKK 9m from the Alka transaction helped the expense ratio slightly.

Investment return

Investment income was DKK -757m (DKK 541m). The number includes Tryg's stand-alone investment result, and as previously disclosed, it also includes a charge of approximately DKK 1.2bn for the currency hedge related to the RSA acquisition. Furthermore, prior to the demerger, equity accounting will be used to include the results of the acquired business. The investment result also includes the June stand-alone result for Codan Norway, Trygg-Hansa and 50% of Codan Denmark, which amounted to DKK 181m.

Tryg's stand-alone investment result showed a free portfolio result of DKK 312m (DKK 519m), driven primarily by positive financial markets providing support to especially Tryg's equity, property and credit portfolios. Equities were up more than 5% in Q2 2021, while fixed-income returns benefitted from narrowing credit spreads. The match portfolio returned a positive DKK 19m (DKK 127m). Other financial income and expenses were DKK -78m (DKK -105m).

Profit before and after tax

Profit before tax was DKK 274m (DKK 1,539m), while the profit after tax and discontinued activities was DKK -63m (DKK 1,246m). The total tax bill was DKK 337m (DKK 293m), equating to a tax rate of 345% (after adjusting the pre-tax result

for the result from RSA). The unusual tax rate is driven by the approximate DKK 1.2bn charge for the currency hedge, which is non-tax deductible, as communicated previously.

Dividend and solvency

Own funds were DKK 17,395m at the end of Q2, while the SCR was DKK 9,916m. Both Own funds and the solvency capital requirement now fully incorporate Codan Norway, Trygg-Hansa and the 50% Codan Denmark ownership. The solvency ratio at the end of Q2 was 175. Tryg will be paying a Q2 dividend of DKK 700m or DKK 1.07 per share. The quarterly dividend is expected to remain flat, even in a 'transition' year like 2021, when various items – such as equity accounting of acquired assets, transaction costs and restructuring costs – will impact the P&L account and the balance sheet compared to a normal year. On 11 June 2021, Tryg announced the sale of Codan Denmark for a total consideration of DKK 12.6bn, of which 50% pertains to Tryg, and 50% pertains to Intact. Following the closing of this divestment, Tryg intends to carry out a share buyback programme of approximately DKK 5bn. The precise buyback amount will be communicated when all aspects of the transaction are settled. As previously indicated, TryghedsGruppen does not expect to participate in a share buyback to facilitate overall increased ownership in Tryg.

H1 2021 results

Premium growth of 5.5%, when measured in local currencies, was primarily driven by solid growth in the Private and Commercial segments. The H1 technical result was DKK 1,895m (DKK 1,735m) and therefore better than the prior-year period, driven by the good growth, continuous improvements in the core business and the delivery of Alka synergies. Investment return

was broadly similar at DKK -414m (DKK -439m). H1 2020 saw the outbreak of COVID-19, which caused extreme disruption in capital markets in March, while the negative investment result in H1 2021 is as expected impacted by the charge of approximately DKK 1.2bn connected to the RSA related currency hedge booked in Q2. Tryg reported a profit before tax of DKK 1,296m (DKK 1,167m). The solvency ratio was 175 at the end of H1 (with both Own funds and solvency capital requirement including the impact of RSA Scandinavia). Tryg has paid a Q1 dividend per share of DKK 1.07 and will pay a Q2 dividend per share of DKK 1.07, bringing the total dividend per share for H1 to DKK 2.14.

Business initiatives

In 2021, Tryg continues to build on the foundation for customer and sales excellence established during the previous strategy period (2018-2020). Additionally, 2021 will see a strong focus on the B2B segment, and initiatives will be implemented to grow the Commercial segment and increase profitability in the Corporate segment.

Private

In Private, Tryg continues to build on the strong foundation of innovative capabilities, increasing 'tryghed' (peace of mind) for customers and increasing profitability.

In Q2, Tryg launched several new products to increase 'tryghed' for customers. In Norway, Tryg works with Housecar.no, offering comprehensive insurance and roadside assistance when renting recreational vehicles via the Housecar platform. In Denmark, an updated travel insurance has been launched with better coverage for domestic vacations and for COVID-19. All new products and services seek to address customers' immediate needs, making it easier to be 'tryg'.

Tryg Norway has continued to focus on up- and cross-selling. As the distribution of Enter car insurance has been very successful in the recent year, particular attention has been paid to cross-selling to Enter customers. As a result, the number of Enter customers with additional Tryg insurances has increased approximately 4% from Q2 2020 to Q2 2021. In Denmark, an initiative to utilise data to a greater extent when pricing new customers and adjusting prices

based on claim history was implemented in Q2 2021 to maintain current profitability.

Business-to-business

In the business-to-business (B2B) segment, there is a dual focus on growth in small and medium-sized enterprises (SME) while also increasing profitability on large businesses. Both focus areas are equally important to ensuring a competitive position in the B2B segment in the Nordics. To underpin growth, initiatives related to the expansion of the product portfolio and increasing the quality and effectiveness of distribution have been prioritised. To ensure profitability, achieving the right balance between risk and price is a priority.

Tryg recently launched a health product for Commercial customers in Denmark. The health product is tailored to small enterprises that require basic health insurance with only the most frequently used coverage. The product includes services such as stress and psychological counselling, as well as access to the Tryg Health App, where customers, among other things, can access the services provided via their insurance and get advice on how to prevent health problems.

To further strengthen growth in the SME segment, a digital risk advisory portal for Commercial distribution has been launched in Q2 2021. The portal collects and displays customer data from a multitude of sources to support the effective and accurate risk assessment of existing and new customers.

Claims

The implementation of a new and more effective claims handling system continues in Tryg's Danish and Norwegian claims organisations. The new claims handling system boosts the quality of the claims handling process by ensuring that all the correct information is collected, and that the customer receives payment as fast as possible.

In Sweden, the digitalisation of the customer claim journey continues. The aim is to provide Moderna customers with the best and fastest possible experience when submitting claim requests. To help ensure this, Moderna has implemented Swish payments to Private customers in Moderna. In Q2 2021, almost 50% of all customers chose to receive their claims payment via Swish.

Corporate Responsibility

Tryg's Corporate Responsibility strategy 'Driving sustainable impact' supports Tryg's customers in the green transition by offering sustainable insurance products and sustainable claims handling. In order to provide this, Tryg favours working with sustainable suppliers. Tryg has begun to screen suppliers for compliance and performance. Tryg evaluates suppliers in relation to the minimum requirements described in Tryg's Supplier Code of Conduct and performs an ESG (Environmental, Social and Governance) risk screening.

A practical example of how Tryg works with sustainability is the focus on 'smart repair', with a cooperative agreement between Tryg, repair

shops and car importers now established in Denmark. The aim is to reduce plastic waste by repairing damaged bumpers instead of replacing them. In 2021, the target is to repair at least 25% of all bumper damage, with an estimated waste reduction of 15-20 tonnes of plastic. In Q2 2021, approximately 26% of all bumpers were repaired, putting Tryg on track to realise this target.

In Norway, Tryg has entered a cooperative agreement with 'Sykkerverket', whereby claims on high-end bicycles above NOK 20,000 are sent for valuation. The purpose is to repair rather than replace when possible and use the network of 'Sykkerverket' to obtain replacement bikes.

Alka

In connection with the acquisition of Alka, Tryg communicated a guidance of DKK 300m of synergies that are expected to be achieved in 2021. Synergy realisation remains on track with a further DKK 35m achieved in Q2 2021, bringing total synergies to approximately DKK 239m.

The synergies are accumulated from a large number of initiatives focusing on revenues, costs and claims. With respect to claims, some of the synergies are derived from continued savings from better supplier contracts, e.g. from renegotiating roadside assistance and building network contracts. Others are related to a more effective distribution setup, with best practices from Tryg's sales channels applied to Alka, which has positively affected revenues.

RSA Scandinavia H1 financial performance

Trygg-Hansa and Codan Norway reported a good H1 financial performance. Trygg-Hansa reported a top-line growth of approximately 3% and a technical result of DKK 1,052m (DKK 1,071m), two relatively large weather events impacted the technical result negatively during the spring while the run-off result was higher than the corresponding period. Profitability for the main products remained stable.

Codan Norway reported an H1 technical result of DKK 58m, tight expense control and a positive run-off development are the key drivers.

The June technical result ended up at DKK 163m for the combined Trygg-Hansa and Codan Norway.

The overall after tax net profit for June (Codan Norway, Trygg-Hansa and 50% of Codan Denmark) was DKK 181m, which is the amount included in Tryg's Q2 result (income from RSA Scandinavia).

Trygg-Hansa highlights*

DKKm	H1 2021	H1 2020
Gross earned premiums	4,702	4,553
Technical result	1,052	1,071
Combined ratio	76.4	75.5

* Preliminary and unaudited numbers

Codan Norway highlights*

DKKm	H1 2021	H1 2020
Gross earned premiums	557	539
Technical result	58	-12
Combined ratio	88.2	99.3

* Preliminary and unaudited numbers



Tryg launches a new think tank
In Q2, Tryg launched a think tank to analyse welfare insurances of the future. With this new constructive initiative, Tryg will set the agenda together with leading operators in the market.

Private



Private encompasses the sale of insurance products to private individuals in Denmark and Norway. Sales are distributed via multiple channels eg. call centres, the internet, Tryg's own agents, Alka (Denmark), franchisees (Norway), interest organisations, car dealers, estate agents and Danske Bank branches. The business area accounts for 57% of the Group's total premium income.

Results

Private reported a technical result of DKK 645m (DKK 607m) and a combined ratio of 81.1 (80.8). The higher premium level positively impacted the result, while the underlying claims ratio was flat, impacted by a lower level of run-offs and a similarly lower level of weather claims. The net impact of COVID-19 in the Private segment was positive in the quarter at 0.8% (1.3%) of the combined ratio.

Premiums

Gross premium income increased by 5.0% (10.0%), impacted by a much higher level of bonus and premium rebates due to increased profitability in partner agreements. Premium growth, excluding bonus and premium rebates, was 8.6%. Private Denmark continued to grow on the back of high sales levels for partner agreements (FDM and Danske Bank), cross-selling to existing customers and a high level of sales from independent sales agents. Private Norway reported increased growth in local currency, positively impacted further by strong sales to OBOS and

NITO customers and the car sales channel Enter. The retention rate was 90.1 (90.9) for Denmark, which was a favourable development compared to previous quarters, when Tryg as expected reported higher churn in the Nordea portfolio due to the cancellation of this agreement. The drop in the Nordea portfolio was more than offset by sales to Danske Bank customers. In Norway, the retention rate developed favourably, reaching 87.9 (87.8).

Claims

The claims ratio, net of ceded business, was 67.5 (67.1), COVID-19 impacted the figures positively by 0.8% (1.3%), while a higher level of large claims 0.4% (0.3%) was recorded due to a fire claim in the property segment in Norway.

The underlying claims ratio was unchanged, driven primarily by claims reduction initiatives, price adjustments broadly in line with inflation and was slightly negatively impacted by the continued high inflow of new business in Denmark and Norway. New business has a higher

Key figures – Private

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gross premium income	3,431	3,169	6,802	6,331	12,743
Gross claims	-2,236	-2,058	-4,679	-4,558	-8,883
Gross expenses	-468	-434	-927	-867	-1,727
Profit/loss on gross business	727	677	1,196	905	2,133
Profit/loss on ceded business	-78	-67	-135	18	-76
Insurance technical interest, net of reinsurance	-4	-3	-9	-4	-12
Technical result	645	607	1,051	920	2,045
Run-off gains/losses, net of reinsurance	34	45	66	77	120
Key ratios					
Premium growth in local currency (%)	5.0	10.0	6.4	10.2	9.0
Gross claims ratio	65.2	65.0	68.8	72.0	69.7
Net reinsurance ratio	2.3	2.1	2.0	-0.3	0.6
Claims ratio, net of reinsurance	67.5	67.1	70.8	71.7	70.3
Gross expense ratio	13.6	13.7	13.6	13.7	13.6
Combined ratio	81.1	80.8	84.4	85.4	83.9
Combined ratio exclusive of run-off	82.1	82.2	85.4	86.6	84.8
Run-off, net of reinsurance (%)	-1.0	-1.4	-1.0	-1.2	-0.9
Large claims, net of reinsurance (%)	0.4	0.3	0.2	0.4	0.2
Weather claims, net of reinsurance (%)	0.8	1.4	1.9	1.8	2.1

57% The business area accounts for 57% of the Group's total premium income.

Financial highlights Q2 2021

5.0%

Premium growth
(local currencies)

Q2 2020: 10.0%

645m

Technical result
(DKK)

Q2 2020: 607m

81.1

Combined ratio

Q2 2020: 80.8



claims level in the short term due to customers' higher propensity to claim on their insurance, and it may also include some initial discount. As mentioned, the net impact from COVID-19 in the Private segment was 0.8% (1.3%) of the combined ratio, primarily driven by a lower level of travel claims.

Expenses

The expense ratio was 13.6 (13.7), broadly unchanged despite continued high growth and thus reflecting the focus on efficient distribution. The number of employees was 1,320 at the end of the quarter against 1,344 at the end of 2020. The decrease in number of employees was mainly due to restructuring activities in both Denmark and Norway.

H1 2021 results

The technical result was DKK 1,051m (DKK 920m). The combined ratio was 84.4 (85.4). The outbreak of COVID-19 in Q1 2020 resulted in a high level of claims on travel insurance, while the significantly lower level of travel claims in 2021 explains the improved result. Overall, COVID-19 had an impact of 1.3% in H1 2021 against 0.2% in H1 2020. Premium growth was 6.4% (10.2%) due to strong sales to partner agreements and high performance in general from all sales channels. The claims ratio, net of ceded business, was 70.8 (71.7), with COVID-19 the main driving force behind the improvement.

Commercial



Commercial encompasses the sale of insurance products to small and medium-sized businesses in Denmark and Norway and under the brand 'Tryg Garanti' in selected European countries. Sales are distributed via Tryg's own sales force, brokers, Alka (Denmark), franchisees (Norway), customer centres and Group agreements. The business area accounts for 22% of the Group's total premium income.

Results

Commercial posted a technical result of DKK 241m (DKK 223m) and a combined ratio of 81.5 (81.1). The results were positively impacted by higher premium income, an underlying improvement and a higher run-off level. The net positive impact from COVID-19 on the combined ratio was 0.4 (2.4). In general, Tryg reports positive developments for Commercial, with the Danish part showing growth in customer numbers after focusing on smaller Commercial customers, while Norway focused on improving profitability through price adjustments.

Premiums

Gross premium income totalled DKK 1,316m (DKK 1,187m), representing an 8.1% increase in local currencies. In Denmark and Norway, Tryg saw good development in premium growth, which, as mentioned, in Denmark was driven by net gains in customers and in Norway, primarily by increasing prices for unprofitable customers with a high level of acceptance. Tryg also

reported healthy growth in the credit and surety business (Tryg Garanti), especially in Germany and the Netherlands.

The retention rate at Commercial Denmark was 88.7 (88.5), which can be ascribed both to an improved service concept and the member bonus from TryghedsGruppen. In Norway, the retention rate was flat at 89.3 (89.3), driven by continued strengthening of the customer focus.

Claims

The claims ratio, net of ceded business, was 64.9 (64.9). The flat development was impacted by improved underlying claims levels, a higher level of large claims, and also a higher run-off level. The claims level was positively affected by profitability initiatives, particularly in Norway, and the general claims efficiency programme, which lead to an improved underlying claims level. The net positive impact from COVID-19 on the combined ratio was 0.4 (2.4), primarily driven by travel claims.

Key figures – Commercial

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gross premium income	1,316	1,187	2,604	2,421	4,930
Gross claims	-865	-735	-1,669	-1,693	-3,167
Gross expenses	-218	-193	-436	-398	-831
Profit/loss on gross business	233	260	499	329	932
Profit/loss on ceded business	10	-35	-31	37	-130
Insurance technical interest, net of reinsurance	-2	-1	-5	-2	-5
Technical result	241	223	463	365	798
Run-off gains/losses, net of reinsurance	77	38	129	138	348
Key ratios					
Premium growth in local currency (%)	8.1	3.6	6.7	5.1	5.5
Gross claims ratio	65.7	61.9	64.1	70.0	64.2
Net reinsurance ratio	-0.8	3.0	1.2	-1.5	2.6
Claims ratio, net of reinsurance	64.9	64.9	65.3	68.4	66.9
Gross expense ratio	16.6	16.2	16.7	16.4	16.9
Combined ratio	81.5	81.1	82.0	84.8	83.7
Combined ratio exclusive of run-off	87.4	84.3	87.0	90.5	90.7
Run-off, net of reinsurance (%)	-5.9	-3.2	-5.0	-5.7	-7.1
Large claims, net of reinsurance (%)	5.6	2.4	2.8	4.8	1.8
Weather claims, net of reinsurance (%)	0.9	0.1	1.3	1.6	1.6

22%

The business area accounts for 22% of the Group's total premium income.

Financial highlights Q2 2021

8.1%

Premium growth
(local currencies)

Q2 2020: 3.6%

241m

Technical result
(DKK)

Q2 2020: 223m

81.5

Combined ratio

Q2 2020: 81.1



International Business Case Competition

In Q2, Tryg participated in the case competition for students studying International Business at Copenhagen Business School. The participants offered possible solutions for reaching Tryg's Commercial segment. The competition presented an exciting way to engage with talented students.

Expenses

The expense ratio was 16.6 (16.2), and Tryg continues to see good results from the new initiative of recruiting independent sales agents selling exclusively for Tryg at lower costs than traditional sales agents. The slightly higher expense ratio is not representative of a trend but primarily driven by quarterly fluctuations in the expense level.

At the end of the quarter, Commercial had 610 employees against 617 at the end of 2020, primarily due to distribution efficiency.

H1 2021 results

The technical result was DKK 463m (DKK 365m). The combined ratio was 82.0 (84.8), with a significantly lower large claims level, improved underlying claims ratio, and a lower run-off level. Premium growth was 6.7% (5.1%), driven by solid organic growth in Denmark, the credit and surety business, and pricing initiatives in Norway with high acceptance. The net positive impact from COVID-19 on the combined ratio was 0.6 (1.0), primarily driven by less travel activity.

Corporate



Corporate sells insurance products to corporate customers under the brands 'Tryg' in Denmark and Norway, and 'Moderna' in Sweden. Sales are effected both via Tryg's own sales force and via insurance brokers. Moreover, customers with international insurance needs are serviced by Corporate through its cooperation with the AXA Group. The business area accounts for 15% of the Group's total premium income.

Results

The technical result amounted to DKK 174m (DKK 183m) with a combined ratio of 79.7 (77.7). The broadly unchanged technical result is due to an underlying improvement in the claims ratio as result of continued profitability initiatives, primarily in Norway, and a higher level of large claims and a slightly higher level of run-offs. The net positive impact from COVID-19 on the combined ratio was 0.0 (1.8).

Premiums

Gross premium income totalled DKK 864m (DKK 825m), representing a modest increase of 0.4% (0.1%) compared to the prior-year period when measured in local currencies. Premiums were impacted by profitability initiatives in all countries, resulting in a drop in premium income for Denmark and Sweden and an increase in premium income in Norway, mainly due to an inflow of new customers.

Claims

The claims ratio, net of ceded business, was 69.2 (67.1). The total level of large claims, weather claims and positive run-off was somewhat lower than the same period last year. The underlying claims level improved, primarily due to profitability initiatives in Norway, but an improved underlying claims level was also seen in the Danish and Swedish portfolios due to significant profitability initiatives. There was no net positive impact from COVID-19 on the combined ratio at 0.0 (1.8), highlighting that business in the Corporate is stabilising.

Expenses

The expense ratio was in line with the level of last year at 10.5 (10.7). At the end of the quarter, the number of employees in Corporate was 220 against 212 at the end of 2020.

Key figures – Corporate

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gross premium income	864	825	1,738	1,672	3,376
Gross claims	-476	-468	-1,137	-1,064	-2,311
Gross expenses	-91	-88	-180	-176	-367
Profit/loss on gross business	298	269	421	431	698
Profit/loss on ceded business	-122	-86	-197	-68	-294
Insurance technical interest, net of reinsurance	-1	-1	-2	0	-2
Technical result	174	183	222	363	401
Run-off gains/losses, net of reinsurance	81	71	174	245	436
Key ratios					
Premium growth in local currency (%)	0.4	0.1	2.2	2.7	1.5
Gross claims ratio	55.1	56.7	65.4	63.7	68.5
Net reinsurance ratio	14.1	10.4	11.3	4.0	8.7
Claims ratio, net of reinsurance	69.2	67.1	76.7	67.7	77.2
Gross expense ratio	10.5	10.7	10.4	10.5	10.9
Combined ratio	79.7	77.7	87.1	78.3	88.0
Combined ratio exclusive of run-off	89.0	86.4	97.1	92.9	101.0
Run-off, net of reinsurance (%)	-9.3	-8.6	-10.0	-14.6	-12.9
Large claims, net of reinsurance (%)	2.0	4.0	7.9	3.9	11.5
Weather claims, net of reinsurance (%)	0.7	0.3	0.4	0.5	0.6

15% The business area accounts for 15% of the Group's total premium income.

Financial highlights Q2 2021

0.4%

Premium growth
(local currencies)

Q2 2020: 0.1%

174m

Technical result
(DKK)

Q2 2020: 183m

79.7

Combined ratio

Q2 2020: 77.7

**H1 2021 results**

The technical result was DKK 222m (DKK 363m), while the combined ratio was 87.1 (78.3). The lower result and the higher combined ratio reflect a much higher level of large claims and a lower level of run-off gains. Premiums increased by 2.2% (2.7%) when measured in local currencies, mainly due to a loss of business in Denmark caused by the profitability initiatives, high acceptance of price hikes in Norway and inflow of new business. The net positive impact from COVID-19 on the combined ratio was very modest, at 0.2 (0.8).

Sweden



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

Results

Sweden posted a technical result of DKK 85m (DKK 67m) and a combined ratio of 80.9 (83.7). The higher technical result was primarily due to improved underlying performance. The net impact from COVID-19 on the combined ratio was 0.0 (1.8).

The Swedish business pays a great attention to customer service and has achieved great success with Swish Payout (the main Swedish payment app supported by all Swedish banks). This system enables customers to receive claims compensation in a few seconds instead of the customary few days. Almost 50% of all customer payments are now completed via Swish Payout, which has led to a much higher customer satisfaction compared to the traditional payment system.

Premiums

Premium income totalled DKK 446m (DKK 415m), representing a positive development of 2.4% (7.4%) when measured in local currency. This development was primarily due to price

initiatives to improve profitability that impacted both retention and sales levels. Private Sweden decided to drop one of its main aggregators, as the profitability for leads was not acceptable and instead chose to focus on own distribution and partnerships.

Claims

The claims ratio, net of ceded business, was 63.4 (65.1). The lower claims level was primarily due to a lower level of run-off, but Tryg continues to see an improved underlying claims ratio based on the implemented profitability initiatives. The net impact from COVID-19 on the combined ratio was neutral at 0.0 (1.8), illustrating a more normalised situation. Price adjustments have been implemented to improve profitability for both main products and smaller products, such as pet insurance.

Expenses

The expense ratio was somewhat lower at 17.5 (18.6), which did not reflect a new trend but merely seasonal volatility. At the end of the quarter, the number of employees was 423, 15

Key figures – Sweden

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gross premium income	446	415	818	768	1,604
Gross claims	-288	-265	-523	-525	-1,067
Gross expenses	-78	-77	-142	-141	-269
Profit/loss on gross business	80	72	153	102	268
Profit/loss on ceded business	5	-4	4	1	1
Insurance technical interest, net of reinsurance	-1	0	-1	0	-1
Technical result	85	67	157	103	268
Run-off gains/losses, net of reinsurance	51	57	127	110	249
Key ratios					
Premium growth in local currency (%)	2.4	7.4	1.9	6.2	4.9
Gross claims ratio	64.6	64.0	63.9	68.4	66.5
Net reinsurance ratio	-1.2	1.0	-0.5	-0.2	-0.1
Claims ratio, net of reinsurance	63.4	65.1	63.3	68.2	66.4
Gross expense ratio	17.5	18.6	17.4	18.4	16.8
Combined ratio	80.9	83.7	80.7	86.6	83.2
Combined ratio exclusive of run-off	92.4	97.4	96.2	100.9	98.8
Run-off, net of reinsurance (%)	-11.5	-13.6	-15.5	-14.3	-15.5
Weather claims, net of reinsurance (%)	2.1	0.0	1.5	0.1	0.1

6% The business area accounts for 6% of the Group's total premium income.

Financial highlights Q2 2021

2.4%

Premium growth
(local currencies)

Q2 2020: 7.4%

85m

Technical result
(DKK)

Q2 2020: 67m

80.9

Combined ratio

Q2 2020: 83.7



higher than at the end of 2020.

H1 2021 results

The technical result was DKK 157m (DKK 103m), while the combined ratio was 80.7 (86.6). The improvement primarily reflected an underlying improvement due to the price initiatives implemented. The net impact from COVID-19 on the combined ratio was 0.0 (0.3).

Investment activities

The investment return for the quarter was DKK -757m (DKK 541m), representing the sum of Tryg's stand-alone investment result, the cost of the currency hedge related to the purchase price of the acquisition and the net profit for June of Codan Norway, Trygg-Hansa and 50% of Codan Denmark, which totalled DKK 181m.

Tryg's stand-alone investment result showed a free portfolio result of DKK 312m (DKK 519m), driven primarily by positive financial markets providing support to especially Tryg's equity, property and credit portfolios. The match portfolio also developed slightly positively, despite a significant weakening of Danish mortgage bonds in May and increasing EUR-DKK yield-spread. The overall match portfolio result was DKK 19m (DKK 127m). Other financial income and expenses were DKK -78m (DKK -105m).

The total market value of Tryg's investment portfolio was DKK 44.6bn at 30 June 2021. The investment portfolio consists of a match portfolio of DKK 32.0bn and a free portfolio of DKK 12.6bn. The match portfolio is composed of low-risk fixed-income assets that mirror the Group's insurance liabilities, so fluctuations resulting from interest rate changes are therefore offset to the greatest possible extent. The free portfolio reflects the Group's capital, it is invested in a global multi-asset low-risk portfolio strategy, predominantly in fixed-income securities of short duration but also in equities and properties.

Free portfolio

Macroeconomic expectations are improving, driven by an accelerated rollout of COVID-19 vaccination programmes (in some countries faster than others) while there remain differences in the lockdown (or reopening) across countries, with the Nordic countries managing the situation relatively well compared to many other countries. Equity markets performed well and Tryg's equity portfolio was up approximately 5% (12% in the prior-year period) for the quarter. Interest rates have moved higher upward since the beginning of the year, driving a mark-to-market loss on some parts of the fixed-income portfolio. Properties generated a return of 3.8% (1.4%), led by price increases due to the very low

Return - free portfolio

DKKm	Q2 2021	Q2 2021 (%)	Q2 2020	Q2 2020 (%)	H1 2021	H1 2021 (%)	H1 2020	H1 2020 (%)	Investment assets	
									30.06.2021	31.12.2020
Bonds	-8	-0.2	56	1.5	-15	-0.4	63	1.6	3,900	3,839
Credit bonds	67	3.2	194	9.8	14	0.7	-31	-1.4	2,041	2,261
Investment grade credit	24	3.2	84	8.9	8	1.1	37	3.8	700	908
Emerging market bonds	20	3.2	63	13.3	4	0.8	-22	-4.0	709	654
High-yield bonds	23	3.2	47	8.5	2	0.3	-46	-7.8	632	699
Diversifying Alternatives ^{a)}	-3	-0.3	2	0.3	8	0.9	-6	-1.0	940	935
Equity	151	5.5	234	12.2	359	13.6	-167	-8.3	2,802	2,588
Real Estate	105	3.7	32	1.4	139	5.0	-53	-2.2	2,907	2,806
Total	312	2.5	519	4.9	505	4.1	-194	-1.7	12,590	12,429

^{a)} Diversifying Alternatives consists of CAT bonds and other diversifying strategies

Return - Investments

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Free portfolio, gross return	312	519	505	-194	585
Match portfolio, regulatory deviation and performance	19	127	91	-76	-19
Other financial income and expenses ^{a)}	-78	-105	-156	-169	-255
Income from RSA Scandinavia	181	0	181	0	0
Currency hedge related to RSA Scandinavia	-1,191	0	-1,035	0	0
Total investment return	-757	541	-414	-439	311

^{a)} DKK 156m moved from Other financial income and expenses to Currency hedge related to RSA compared to reported Q1 2021.

Return - match portfolio

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Return, match portfolio	22	260	-222	495	548
Value adjustments, changed discount rate	13	-127	334	-533	-351
Transferred to insurance technical interest	-16	-6	-21	-38	-166
Match, regulatory deviation and performance	19	127	91	-76	-19
Hereof:					
Match, regulatory deviation	8	27	47	-63	-48
Match, performance	11	100	44	-13	29

interest rates environment, a higher savings level after COVID-19 and fears of inflation. Tryg's free portfolio was up overall 2.5% (4.9%) in Q2 2021.

Match portfolio

The result of the match portfolio is the difference between the return on the match portfolio and the amount transferred to the technical result. The result can be split into a "regulatory deviation" and a "performance result". The "regulatory deviation" reported a positive contribution of DKK 8m (DKK 27m). The "performance" result represented a positive contribution of DKK 11m (DKK 100m) and is driven by decreasing covered bond credit spreads in Q2 and reversed the increase in the Danish Mortgage market in May.

Investment activities post RSA Scandinavia acquisition

The investment result, starting Q3 2021, will be shown as Tryg's stand-alone investment result and (in a separate line) the income from RSA Scandinavia. All tables with reference to the free and match portfolio returns will be unchanged offering the same transparency into Tryg's investments activities. Following the acquisition of RSA's Scandinavia activities, Tryg will increase its invested assets by approximately DKK 25bn, divided between an approximately DKK 6-7bn higher free portfolio and an approximately DKK 18-19bn higher match portfolio. These invested assets pertain to Codan Norway and Trygg-Hansa alone. During the transition period, Tryg will gradually start to adjust the assets mix moving towards the allocations of Tryg's portfolio.



Solvency and dividend

The solvency ratio at the end of Q2 includes all figures related to RSA Scandinavia, this means that both Own funds and the solvency capital requirement are now fully reflecting the acquisition. The solvency ratio (based on Tryg's partial internal model) was 175 at the end of Q2, compared to 180 (adjusted for the equity raise) at the end of Q1 2021. Own funds were DKK 17,395m, and the solvency capital requirement was DKK 9,916m. Both figures now include Codan Norway, Trygg-Hansa and 50% of Codan Denmark. The level of the solvency ratio of 175 is in the middle of the previously guided range of ~170 and 180 as per end of Q2. Tryg will pay a quarterly dividend of DKK 1.07 per share in Q2 corresponding to DKK 700m. That amount has already been deducted from the overall Own funds level.

Own funds

Own funds totalled DKK 17,395m at the end of Q2 (DKK 46,058m at the end of Q1 including the proceeds from the rights issue). The downward move was primarily driven by the inclusion of the RSA transaction (primarily intangible assets from the acquisition). Additionally, the move in Own funds from Q1 to Q2 has been characterised by an overall increase in qualifying debt (call back of old Tier 2 and the issuance of new Tier 2 and Tier 1) for approximately DKK 1bn. Tryg's overall result and the dividend payment are also included in the Own funds. Tryg's Own funds predominantly consist of shareholders' equity and subordinated loans. These items should be

adjusted for the total amount of intangibles on the balance sheet (fully deducted in Solvency 2).

Solvency capital requirement

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

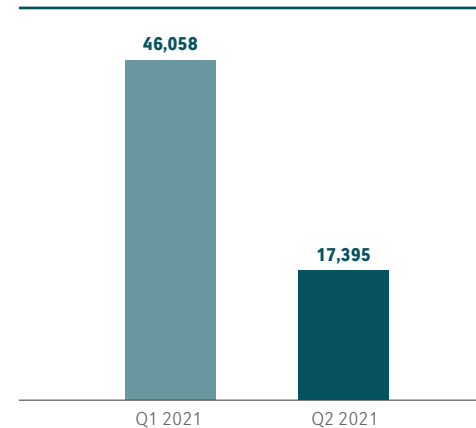
The solvency capital requirement, calculated using the partial internal model, was DKK 9,916m (DKK 5,123m at the end of Q1). The increasing SCR is driven by the enlarged perimeter including Codan Norway, Trygg-Hansa and 50% of Codan Denmark. The Q2 SCR is slightly higher than the previously disclosed "pro-forma" number of DKK 9.8bn, which is entirely driven by a higher market risk charge, primarily stemming from the positive development in equity markets in Q2. Tryg has mentioned previously that once the sale of Codan Denmark becomes effective, the solvency capital requirement will be, all else being equal, DKK 1bn lower.

Moody's rating

Tryg has an 'A1' (stable outlook) insurance financial strength rating (IFSR) from Moody's. The rating agency highlights Tryg's strong position in the Nordic P&C market, robust profitability, very

Own funds

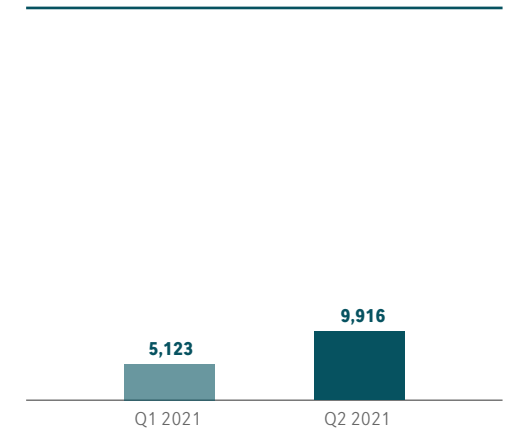
(DKKm)



good asset quality and relatively low financial leverage. Moody's also assigned an 'A3' rating to Tryg's subordinated debt and a 'Baa3' rating to the Tier 1 notes. All ratings were confirmed following the announcement of the RSA Scandinavia assets acquisition and the recent bond issues.

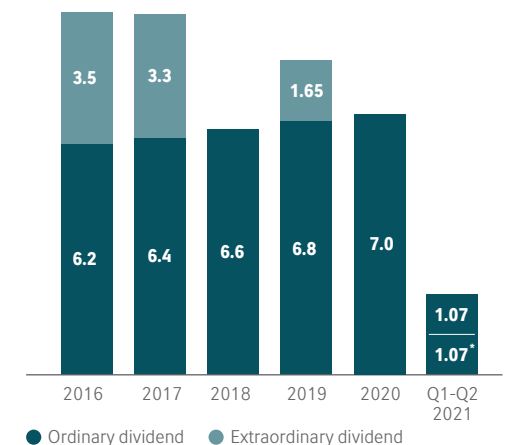
Solvency Capital Requirement

(DKKm)



Shareholder remuneration

(DKK per share)



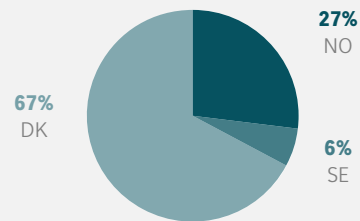
* Calculated on the new 654m number of shares

Financial outlook

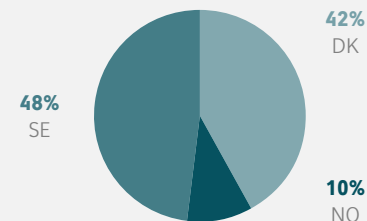
Recommended offer for RSA Insurance Group plc

Establishing the biggest non-life insurer in Scandinavia and becoming #3 insurer across all Scandinavian countries

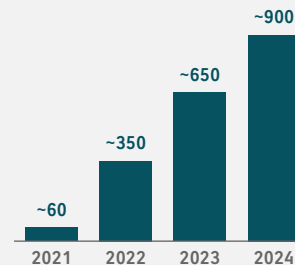
Tryg technical result pre-acquisition, Five-year avg., %¹



Tryg technical result post-acquisition, Pro-forma, %²



Synergies to be realised (DKKm)



Expected deal returns

~7

ROI (positively impacted by the sale of Codan Denmark)

EPS

High-teens EPS accretion in 2023

Sweden

~17%

Market share (Pro-forma)

Norway

~16%

Market share (Pro-forma)

Denmark

#1

Remain #1 player



¹⁾ Five-year average, 2015-2019

²⁾ Pro-forma technical result based on reported five-year historical average contribution by country for Tryg and Denmark, Sweden, Norway, plus estimated transaction synergies by country

The previous three-year strategy period ended in 2020 with Tryg meeting all its financial targets. A new Capital Markets Day was initially scheduled for 28 January 2021 but has been postponed to 16 November 2021 in order to include Codan Norway & Tryg-Hansa in the new strategy and financial targets. The acquisition is considered transformational, as it will create the largest Scandinavian non-life insurer and double the pro-forma technical result. Hence, including the acquired asset in future financial targets is deemed essential for Tryg's next Capital Markets Day. Tryg has decided to publish a detailed outlook for 2021 together with the annual report. It is important to note that Tryg will not publish annual financial guidance going forward (i.e. in future annual reports), but will instead refer to the financial targets presented at the next Capital Markets Day in autumn 2021 for the next three years ending in 2024.

Tryg (excluding RSA's assets) expects a technical result in the range of DKK 3.5-3.8bn (DKK 3.3-3.7bn previously) in 2021. On 5 July, the guidance has been upgraded and narrowed following a positive H1, while the range is due to the natural volatility of large and weather claims and profitability initiatives which could impact the top line, especially in the Corporate and Commercial segments. The low end of the range would imply a significantly higher level of weather and large claims compared to normalised guidance of large claims of DKK 550m and weather claims of DKK 600m a year. Run-off gains are expected to be between 3-5%. After Q1, Tryg guided for an investment income of between DKK 350m and DKK 500m. The stand-alone investment result totalled DKK 440m in

Tryg stand-alone

Tryg stand-alone 2021 outlook (DKK)

3.5 - 3.8bn

Technical result

~450 - 550m

Investment income

-200 and -300m

Other income and costs

H1, and the updated forecast is therefore for an investment result between DKK ~450m and DKK 550m for the full-year. A newsletter explaining all the movements is available on tryg.com. Additionally, a link on tryg.com provides daily updates on the return from the free portfolio (the capital of the company) for greater transparency about overall investment income. Other income and costs in the P&L are expected to be between DKK -200m and -300m (DKK -150m and -250m in the Q1 2021 report). This item includes the depreciation associated with the Alka acquisition, some holding company costs not related to the insurance portfolio and the income and costs related to selling pension products for Danske Bank. Additionally, in Q2, some IFRS 17 implementation costs are being booked together with expenses related to Group projects, including the acquisition of RSA Scandinavia.

Impact of RSA's assets

The acquisition of RSA's Norwegian and Swedish businesses and 50% of RSA's Danish business has been finally approved by all relevant authorities, and the closing date was 1 June. Based on this, RSA's assets are being 'equity-accounted'

for starting 1 June 2021. Tryg will book the net profit contribution (for the relevant period) from the acquired assets under 'income from associates' under investment activities. A profit of DKK 181m has been included for the month of June. In the table taken from the rights issue prospectus, it is possible to see the results for the past three years of Codan Norway and Trygg-Hansa consolidated.

Tryg has disclosed total costs of DKK 4.4bn related to the RSA transaction.

Some of these costs will be booked in the P&L, while some will be recognised on the balance sheet. In 2020, the RSA related currency hedge was booked with no impact on the P&L. In Q2 2021, an expense of approximately DKK 1.2bn related to the cost of the contract has as expected been booked in the P&L following the closing of the transaction. Additionally, DKK 1.5bn (previous guidance DKK 1.6bn) pertaining to underwriting fees for the rights issue and to the fees of financial and legal advisers has been booked on the balance sheet. Approximately DKK 700m was booked in Q1 as a deduction from shareholder equity and an additional DKK

Codan Norway and Trygg-Hansa 2018-2020 (simplified P&L)

	2018	2019	2020
Gross premium income	10,037	9,987	9,843
Gross premium growth (in local currencies) ^{a)}		1.0%	1.2%
Technical result	2,000	2,200	1,975
Investment result	-345	361	-618
Other costs	-58	-	-120
Pre-tax profit	1,597	2,561	1,237

^{a)} Excluding a DKK 180m write-off in 2020 of prior year Swedish customer debt in 2020

Source: Tryg Rights Issue Prospectus

780m has been booked in Q2. Total restructuring costs expected of DKK 1.6bn (previous guidance DKK 1.5bn) will also be booked in the P&L. At the time of writing, some DKK 500m is expected to be booked in H2 2021, and the remaining DKK 1.1bn in 2022. However, the exact timing remains uncertain as it depends on the assets separation expected during the spring in 2022. A first draft of the purchase price allocation shows likely annual amortisation of intangible assets (after-tax) in the range of DKK 600-800m following the assets separation expected in the spring of 2022.

Solvency and dividends

Tryg has announced dividends of between DKK 2.6bn and DKK 3.0bn for the full-year 2021. A quarterly dividend of DKK 700m (DKK 1.07 per share) was announced for Q1 2021, and the same amount will be paid after Q2 in line with Tryg's policy to pay a flat nominal quarterly dividend. The solvency ratio is now expected to be approximately 180 (previously above 170) at the end of 2021.

Costs related to RSA transaction

DKKbn	P&L	Balance sheet
2021		
Transaction costs (excluding restructuring)	1.3*	1.5*
Restructuring costs	0.5	
2022		
Restructuring costs	1.1	
Total		4.4

* Non-tax deductible

Financial calendar 2021

12 July 2021	Tryg shares are traded ex-dividend
14 July 2021	Payment of Q2 dividend
12 Oct. 2021	Interim report Q3 and Q1-Q3
13 Oct. 2021	Tryg shares are traded ex-dividend
15 Oct. 2021	Payment of Q3 dividend



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

Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the interim report for H1 2021 of Tryg A/S and Q2 2021 and H1 2021 of the Tryg Group.

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.

The report for the parent company is prepared in accordance with the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA.

In our opinion, the report gives a true and fair view of the Group's and parent company's assets, liabilities and financial position at 30 June 2021 and of the results of the Group's and parent company's activities and cash flows for the period for the Group.

We are furthermore of the opinion that the management's review includes a fair review of the developments in the activities and financial

position of the Group and parent company, the results for the period and of the Group's and parent company's financial position in general and describes the principal risks and uncertainties that the Group and parent company face.

Ballerup, 9 July 2021

Executive Board

Morten Hübbe
Group CEO

Barbara Plucnar Jensen
Group CFO

Lars Bonde
Group COO

Johan Kirstein Brammer
Group CCO

Supervisory Board

Jukka Pertola
Chairman

Torben Nielsen
Deputy Chairman

Elias Bakk

Gert Ove Mikkelsen

Charlotte Dietzer

Karen Bladt

Claus Wistoft

Ida Sofie Jensen

Lene Skole

Tina Snebjerg

Mari Thjørnøe

Carl-Viggo Østlund

Lone Møller Olsen

Financial highlights

DKKm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
NOK/DKK, average rate for the period	74.12	66.90	71.27	70.31	69.63
SEK/DKK, average rate for the period	73.25	69.52	73.62	70.02	70.95
Gross premium income	6,057	5,595	11,963	11,190	22,653
Gross claims	-3,864	-3,534	-8,007	-7,850	-15,437
Total insurance operating costs	-855	-802	-1,685	-1,589	-3,202
Profit/loss on gross business	1,338	1,260	2,271	1,752	4,014
Profit/loss on ceded business	-185	-192	-359	-11	-499
Insurance technical interest, net of reinsurance	-8	-5	-17	-6	-20
Technical result	1,144	1,063	1,895	1,735	3,495
Investment return after insurance technical interest ^{a)}	-757	541	-414	-439	311
Other income and costs	-113	-64	-186	-129	-265
Profit/loss before tax	274	1,539	1,296	1,167	3,541
Tax	-337	-293	-545	-363	-768
Profit/loss for the period	-63	1,246	751	804	2,773
Other comprehensive income					
Other comprehensive income which cannot subsequently be reclassified as profit or loss	0	0	0	-22	-62
Other comprehensive income which can subsequently be reclassified as profit or loss	-17	50	6	4	48
Other comprehensive income	-17	50	6	-19	-14
Comprehensive income	-80	1,296	757	785	2,759
Run-off gains/losses, net of reinsurance	243	204	497	561	1,145
Run-off gains/losses, Gross	238	207	482	551	1,131
Statement of financial position					
Total provisions for insurance contracts	35,126	34,163	35,126	34,163	32,488
Total reinsurers' share of provisions for insurance contracts	1,728	1,837	1,728	1,837	1,377
Total equity	48,112	11,854	48,112	11,854	12,264
Total assets	99,651	60,252	99,651	60,252	60,916
Key ratios					
Gross claims ratio	63.8	63.2	66.9	70.1	68.1
Net reinsurance ratio	3.1	3.4	3.0	0.1	2.2
Claims ratio, net of reinsurance	66.9	66.6	69.9	70.2	70.3
Gross expense ratio	14.1	14.3	14.1	14.2	14.1
Combined ratio	81.0	80.9	84.0	84.4	84.5

^{a)}Trygs acquisition of RSA Scandinavia affects the Financial Statement from closing the 1 June 2021. The investment return includes Income from RSA Scandinavia of DKK 181m. Please see the income overview.

Income statement

DKKkm	H1 2021	H1 2020	2020
Notes General insurance			
Gross premiums written	14,671	13,721	23,652
Ceded insurance premiums	-971	-933	-1,552
Change in premium provisions	-2,196	-2,187	-187
Change in reinsurers' share of premium provisions	164	275	85
Premium income, net of reinsurance	11,668	10,876	21,998
Insurance technical interest, net of reinsurance	-17	-6	-20
Claims paid	-7,757	-7,865	-15,542
Reinsurance cover received	191	464	987
Change in claims provisions	-250	15	105
Change in the reinsurers' share of claims provisions	175	107	-187
Claims, net of reinsurance	-7,640	-7,278	-14,637
Bonus and premium discounts	-513	-344	-812
Acquisition costs	-1,348	-1,305	-2,532
Administration expenses	-338	-284	-669
Acquisition costs and administration expenses	-1,685	-1,589	-3,202
Reinsurance commissions and profit participation from reinsurers	82	76	170
Insurance operating costs, net of reinsurance	-1,604	-1,513	-3,032
1 Technical result	1,895	1,735	3,495

DKKkm	H1 2021	H1 2020	2020
Notes Investment activities			
4 Income from associates	172	-28	-47
Income from investment property	22	23	49
Interest income and dividends	258	265	506
2 Value adjustments	-662	-554	110
Interest expenses	-108	-56	-126
Administration expenses in connection with investment activities	-74	-52	-145
Total investment return	-393	-401	348
Return on insurance provisions	-21	-38	-37
Total Investment return after insurance technical interest	-414	-439	311
Other income	46	42	88
Other costs	-232	-171	-354
Profit/loss before tax	1,296	1,167	3,541
Tax	-545	-363	-768
Profit/loss on continuing business	751	804	2,773
Profit/loss for the period	751	804	2,773
3 Earnings/ diluted earnings per share	1.53	2.67	9.19
3 Operating earnings per share	1.64	2.84	9.54

Statement of comprehensive income

DKKm	H1 2021	H1 2020	2020
Notes Profit/loss for the period	751	804	2,773
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Actuarial gains/losses on defined-benefit pension plans	0	-30	-68
Tax on actuarial gains/losses on defined-benefit pension plans	0	7	6
	0	-22	-62
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	59	-156	-51
Hedging of currency risk in foreign entities	-68	204	127
Tax on hedging of currency risk in foreign entities	15	-45	-28
	6	4	48
Total other comprehensive income	6	-19	-14
Comprehensive income	757	785	2,759

Statement of financial position

DKKm	30.06.2021	30.06.2020	31.12.2020
Notes			
Assets			
Intangible assets	7,117	7,208	7,124
Operating equipment	142	143	147
Group-occupied property	586	664	630
Total property, plant and equipment	728	807	777
Investment property	1,140	1,081	1,117
4 Equity investments in associates	36,083	7	16
Total investments in associates	36,083	7	16
Equity investments	2,911	2,466	2,611
Unit trust units	7,004	6,196	6,878
Bonds	35,762	33,802	34,339
Other lending	75	75	80
Derivative financial instruments	1,018	1,312	1,840
Total other financial investment assets	46,771	43,851	45,748
5 Total investment assets	83,994	44,940	46,881
Reinsurers' share of premium provisions	461	469	291
Reinsurers' share of claims provisions	1,267	1,368	1,087
Total reinsurers' share of provisions for insurance contracts	1,728	1,837	1,377
Receivables from policyholders	2,717	2,972	1,674
Total receivables in connection with direct insurance contracts	2,717	2,972	1,674
Receivables from insurance enterprises	346	405	270
Other receivables	1,261	670	685
Total receivables	4,325	4,048	2,628
Current tax assets	45	116	51
Cash at bank and in hand	1,358	843	1,390
Other	1	4	1
Total other assets	1,404	963	1,442
Interest and rent receivable	88	93	131
Other prepayments and accrued income	267	357	555
Total prepayments and accrued income	356	450	686
Total assets	99,651	60,252	60,916

DKKm	30.06.2021	30.06.2020	31.12.2020
Notes			
Equity and liabilities			
Equity	48,112	11,854	12,264
6 Subordinated loan capital	4,425	2,702	2,801
Premium provisions	8,321	7,939	6,036
Claims provisions	25,122	24,677	24,957
Provisions for bonuses and premium discounts	1,683	1,547	1,495
Total provisions for insurance contracts	35,126	34,163	32,488
Pensions and similar liabilities	130	157	130
Deferred tax liability	852	904	851
Other provisions	41	78	57
Total provisions	1,022	1,139	1,038
Debt relating to direct insurance	720	470	516
Debt relating to reinsurance	291	538	56
Amounts owed to credit institutions	1,246	1,201	1,191
5 Debt relating to repos	613	1,540	3,259
5 Derivative financial instruments	703	707	897
Debt to Group undertakings	0	289	0
Current tax liabilities	686	278	357
Other debt	6,675	5,342	5,979
Total debt	10,935	10,365	12,255
Accruals and deferred income	32	29	69
Total equity and liabilities	99,651	60,252	60,916
7 Related parties			
8 Contingent Liabilities			
9 Accounting policies			

Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves ^{a)}	Retained earnings	Proposed dividend	Non-controlling interest	Total
Equity at 31 December 2020	1,511	25	1,706	8,492	529	1	12,264
H1 2021							
Profit/loss for the period			-8	-642	1,401		751
Other comprehensive income		6		0			6
Total comprehensive income	0	6	-8	-642	1,401	0	757
Dividend paid					-1,229		-1,229
Dividend, own shares				1			1
Purchase and sale of own shares				-37			-37
Issue of new shares ^{b)}	1,763			34,557			36,319
Share-based payment				37			37
Total changes in equity in H1 2021	1,763	6	-8	33,916	172	0	35,848
Equity at 30 June 2021	3,274	31	1,698	42,408	700	1	48,112
Equity at 31 December 2019	1,511	-23	1,677	7,906	1,013	1	12,085
H1 2020							
Profit/loss for the period			-72	876	0		804
Other comprehensive income		4		-22			-19
Total comprehensive income	0	4	-72	854	0	0	785
Dividend paid					-1,013		-1,013
Dividend, own shares				1			1
Purchase and sale of own shares				-13			-13
Share-based payment				8			8
Total changes in equity in H1 2020	0	4	-72	850	-1,013	0	-231
Equity at 30 June 2020	1,511	-19	1,605	8,756	0	1	11,854

^{a)} Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions. The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and are not available for dividends.

^{b)} 352,505,989 new shares of nominal DKK 5 at a price of DKK 105 per share were issued. Cost related to the issue of new shares are deducted in proceeds recognised in retained earnings with DKK 694 m.

Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves ^{a)}	Retained earnings	Proposed dividend	Non-controlling interest	Total
Equity at 31 December 2019	1,511	-23	1,677	7,906	1,013	1	12,085
2020							
Profit/loss for the year			29	629	2,115		2,773
Other comprehensive income		48		-62		0	-14
Total comprehensive income	0	48	29	567	2,115	0	2,759
Dividend paid					-2,599		-2,599
Dividend, own shares				4			4
Purchase and sale of own shares				-13			-13
Share-based payment				29			29
Total changes in equity in 2020	0	48	29	586	-484	0	179
Equity at 31 December 2020	1,511	25	1,706	8,492	529	1	12,264

^{a)} Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions. The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and are not available for dividends.

Cash flow statement

DKKkm	H1 2021	H1 2020	2020
Cash from operating activities			
Premiums	13,353	12,038	22,884
Claims	-7,732	-8,182	-15,400
Ceded business	-492	-201	-634
Costs	-1,679	-1,432	-2,961
Change in other debt and other amounts receivable	126	402	468
Cash flow from insurance activities	3,576	2,624	4,358
Interest income	200	253	359
Interest expenses	-108	-56	-126
Dividend received	48	36	66
Taxes	-215	-258	-599
Other income and costs	-117	-59	-126
Total cash flow from operating activities	3,384	2,540	3,932
Cash flow from investment activities			
Sale of property	0	0	13
Purchase/sale of equity investments and unit trust units (net)	324	-4,784	-5,502
Purchase/sale of bonds (net)	-4,728	2,832	4,339
Purchase/sale of operating equipment (net)	-9	-12	-37
Acquisition of associate	-36,357	0	0
Hedging of currency risk	6	4	48
Total cash flow from investment activities	-40,763	-1,960	-1,139

DKKkm	H1 2021	H1 2020	2020
Cash flow from financing activities			
Issue of new shares	36,319	0	0
Share-based payments/purchase of own shares (net)	-37	-13	-13
Dividend paid	-1,229	-1,013	-2,599
Subordinated loan capital	2,318	0	0
Change in lease liabilities	-68	-70	-139
Change in amounts owed to credit institutions	45	490	480
Total cash flow from financing activities	37,348	-605	-2,271
Change in cash and cash equivalents, net	-32	-26	522
Exchange rate adjustment of cash and cash equivalents, 1 January	0	1	0
Change in cash and cash equivalents, gross	-32	-25	522
Cash and cash equivalents, beginning of year	1,390	868	868
Cash and cash equivalents, end of period	1,358	843	1,390

Notes

DKKm	Private	Commercial ^{a)}	Corporate ^{a)}	Sweden	Other ^{b)}	Group
1 Operating segments						
H1 2021						
Gross premium income	6,802	2,604	1,738	818		11,963
Gross claims	-4,679	-1,669	-1,137	-523	1	-8,007
Gross operating expenses	-927	-436	-180	-142	1	-1,685
Profit/loss on ceded business	-135	-31	-197	4		-359
Insurance technical interest, net of reinsurance	-9	-5	-2	-1		-17
Technical result	1,051	463	222	157	2	1,895
Other items					-1,144	-1,144
Profit/loss						751
Run-off gains/losses, net of reinsurance	66	129	174	127	1	497
Intangible assets	5,646	62		526	883	7,117
Equity investments in associates					36,083	36,083
Reinsurers' share of premium provisions	105	73	281	1		461
Reinsurers' share of claims provisions	136	441	687	3		1,267
Other assets					54,723	54,723
Total assets						99,651
Premium provisions	3,489	2,065	1,760	1,006		8,321
Claims provisions	6,786	7,357	8,141	2,839		25,122
Provisions for bonuses and premium discounts	1,477	114	1	90		1,683
Other liabilities					16,414	16,414
Total liabilities						51,539

^{a)} Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in Q1 2021 – comparative figures have been restated accordingly.

^{b)} Amounts relating to one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are not allocated to the individual segments but are included under 'Other'.

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

Notes

DKKm	Private	Commercial ^{a)}	Corporate ^{a)}	Sweden	Other ^{b)}	Group
1 Operating segments (continued)						
H1 2020						
Gross premium income	6,331	2,421	1,672	768		11,190
Gross claims	-4,558	-1,693	-1,064	-525	-9	-7,850
Gross operating expenses	-867	-398	-176	-141	-7	-1,589
Profit/loss on ceded business	18	37	-68	1		-11
Insurance technical interest, net of reinsurance	-4	-2				-6
Technical result	920	365	363	103	-16	1,734
Other items					-930	-930
Profit/loss						804
Run-off gains/losses, net of reinsurance	77	138	245	110	-9	561
Intangible assets	5,741	59		531	877	7,208
Equity investments in associates					7	7
Reinsurers' share of premium provisions	89	50	328	1		469
Reinsurers' share of claims provisions	143	155	1,060	10		1,368
Other assets					51,200	51,200
Total assets						60,252
Premium provisions	3,279	1,926	1,779	956		7,939
Claims provisions	6,263	6,768	8,845	2,800		24,677
Provisions for bonuses and premium discounts	1,360	125	20	42		1,547
Other liabilities					14,235	14,235
Total liabilities						48,398

^{a)} Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in Q1 2021 - comparative figures have been restated accordingly.

^{b)} Amounts relating to one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are not allocated to the individual segments but are included under 'Other'.

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

Notes

DKKm	Private	Commercial ^{a)}	Corporate ^{a)}	Sweden	Other ^{b)}	Group
1 Operating segments (continued)						
2020						
Gross premium income	12,743	4,930	3,376	1,604		22,653
Gross claims	-8,883	-3,167	-2,311	-1,067	-9	-15,437
Gross operating expenses	-1,727	-831	-367	-269	-7	-3,202
Profit/loss on ceded business	-76	-130	-294	1		-499
Insurance technical interest, net of reinsurance	-12	-5	-2	-1		-20
Technical result	2,045	798	401	268	-16	3,495
Other items						-723
Profit/loss						2,773
Run-off gains/losses, net of reinsurance	120	348	436	249	-9	1,145
Intangible assets	5,677	60		533	854	7,124
Equity investments in associates					16	16
Reinsurers' share of premium provisions	50	24	216			291
Reinsurers' share of claims provisions	140	330	604	12		1,087
Other assets					52,398	52,398
Total assets						60,916
Premium provisions	2,747	1,364	943	983		6,036
Claims provisions	6,348	7,306	8,406	2,896		24,957
Provisions for bonuses and premium discounts	1,303	118	5	69		1,495
Other liabilities					16,164	16,164
Total liabilities						48,651

^{a)} Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in Q1 2021 - comparative figures have been restated accordingly.

^{b)} Amounts relating to one-off items are included under 'Other'. Other assets and liabilities are managed at Group level and are not allocated to the individual segments but are included under 'Other'.

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

Notes

DKKkm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
1 Geographical segments					
Danish general insurance					
Gross premium income	3,576	3,509	7,189	6,939	13,902
Technical result	716	761	1,350	1,371	2,694
Run-off gains/losses, net of reinsurance	159	80	334	287	639
Key ratios					
Gross claims ratio	64.0	61.5	66.0	67.1	65.5
Net reinsurance ratio	1.4	2.5	0.8	-0.9	1.1
Claims ratio, net of reinsurance	65.4	64.0	66.8	66.3	66.6
Gross expense ratio	14.4	14.2	14.1	13.8	13.9
Combined ratio	79.7	78.1	81.0	80.1	80.4
Run-off, net of reinsurance (%)	-4.4	-2.3	-4.6	-4.1	-4.6
Number of full-time employees, end of period			2,944	2,689	2,826
Norwegian general insurance					
Gross premium income	1,824	1,484	3,547	3,135	6,411
Technical result	388	216	438	199	473
Run-off gains/losses, net of reinsurance	105	67	148	109	247
Key ratios					
Gross claims ratio	61.2	69.1	67.8	80.5	75.3
Net reinsurance ratio	4.5	2.7	6.4	-0.7	3.4
Claims ratio, net of reinsurance	65.7	71.9	74.1	79.8	78.7
Gross expense ratio	13.1	13.6	13.6	14.1	14.1
Combined ratio	78.8	85.5	87.7	93.9	92.7
Run-off, net of reinsurance (%)	-5.8	-4.5	-4.2	-3.5	-3.9
Number of full-time employees, end of period			1,114	1,070	1,099

Notes

DKKkm	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
1 Geographical segments					
Swedish general insurance					
Gross premium income	618	577	1,156	1,070	2,234
Technical result	35	101	108	176	331
Run-off gains/losses, net of reinsurance	-24	66	23	176	274
Key ratios					
Gross claims ratio	73.4	58.3	70.8	60.5	65.8
Net reinsurance ratio	5.5	9.3	4.7	7.0	4.0
Claims ratio, net of reinsurance	78.9	67.6	75.6	67.5	69.9
Gross expense ratio	15.4	14.8	15.0	16.0	15.3
Combined ratio	94.3	82.4	90.6	83.5	85.1
Run-off, net of reinsurance (%)	3.8	-11.5	-2.0	-16.4	-12.3
Number of full-time employees, end of period			458	441	441
Other ^{a)}					
Gross premium income	39	25	70	47	105
Technical result	6	-16	-1	-12	-3
Number of full-time employees, end of period			35	32	33
Tryg					
Gross premium income	6,057	5,595	11,963	11,190	22,653
Technical result	1,144	1,063	1,895	1,735	3,495
Investment return activities	-757	541	-414	-439	311
Other income and costs	-113	-64	-186	-129	-265
Profit/loss before tax	274	1,539	1,296	1,167	3,541
Run-off gains/losses, net of reinsurance	243	204	497	561	1,145
Key ratios					
Gross claims ratio	63.8	63.2	66.9	70.1	68.1
Net reinsurance ratio	3.1	3.4	3.0	0.1	2.2
Claims ratio, net of reinsurance	66.9	66.6	69.9	70.2	70.3
Gross expense ratio	14.1	14.3	14.1	14.2	14.1
Combined ratio	81.0	80.9	84.0	84.4	84.5
Run-off, net of reinsurance (%)	-4.0	-3.6	-4.2	-5.0	-5.1
Number of full-time employees, end of period			4,550	4,232	4,400

^{a)} Comprises Finnish, Dutch, Austrian, Swiss and German credit & surety insurance and amounts relating to one-off items.

Notes

DKKm	H1 2021	H1 2020	2020
2 Value adjustments			
Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:			
Equity investments	87	153	-153
Unit trust units	651	-786	-358
Bonds	-148	-208	-233
Derivatives (equity, interest, currency) ^{a)}	-1,575	857	769
	-985	15	25
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	7	-16	4
Discounting	334	-533	-530
Other statement of financial position items	-18	-21	611
	323	-569	85
	-662	-554	110

^{a)}Contains the value adjustment of RSA related currency hedge DKK 1.035m, which consists of the premium paid and exchange rate changes that cannot be attributed to hedge accounting.

DKKm	H1 2021	H1 2020	2020
3 Earnings per share			
Profit/loss from continuing business	751	804	2,773
Profit/loss for the year	751	804	2,773
Depreciation on intangible assets related to Brands and Customer relations after tax	53	53	105
Operating Profit/loss for the year	804	857	2,878
Average number of shares (1,000)	490,455	301,607	301,678
Diluted number of shares (1,000)	490,455	301,607	301,678
Diluted average number of shares (1,000)	0	0	0
Earnings per share, continuing business	1.53	2.67	9.19
Diluted earnings per share, continuing business	1.53	2.67	9.19
<i>Earnings per share</i>	1.53	2.67	9.19
Diluted earnings per share	1.53	2.67	9.19
Operating earnings per share	1.64	2.84	9.54

Notes

4 Equity investments in associates

Acquisition of activities

RSA Scandinavia (Scandi JVco)

On 1 June 2021, Tryg acquired RSA's Swedish (Trygg-Hansa) and Norwegian (Codan Norway) businesses and a co-share of RSA's Danish business, being Codan Denmark. The transaction was performed with Intact Financial Corporation as co-investor. Tryg's share of purchase price amounted £4.2bn.

RSA shareholders were entitled to receive 685 pence per ordinary share which represents an aggregate cash consideration of approximately £7.2bn, consisting of:

- £3.0bn for the acquisition of RSA's Canadian, UK and International operations and the Intact's indirect co-share of RSA's Danish business; and
- £4.2bn for the acquisition of RSA's Swedish and Norwegian businesses and Tryg's co-share of RSA's Danish business.

Due to the shareholders' agreement Tryg will not have control of RSA's Scandinavian business but will have significant influence. Accordingly, the investment is classified as an investment in associates. Investments in associates are accounted for by applying the equity method, whereby Tryg's shares of the current profit/loss is recognised in the investment activities as profit/loss from associates.

Equity method will be applied from closing up until the Swedish and Norwegian businesses will be separated from the Danish business through a demerger. After demerger the Swedish and Norwegian businesses will be fully consolidated in the financial statement. Until the demerger Tryg's investment is considered one unit of account. Demerger is expected in Q1 2022.

Prior to the delivery of sole legal ownership of the Swedish and Norwegian businesses to Tryg pursuant to the demerger, Tryg will enjoy all benefits and risk of the Swedish and Norwegian businesses including by having sole control of their daily and long-term operations pursuant to the shareholders' agreement.

In respect of Codan Denmark, Intact and Tryg will co-own Codan Denmark on a 50/50 economic basis. Tryg will indirectly have 50% of the voting rights, however, Tryg's ability to exercise such voting rights will be restricted, as to ensure compliance with the competition law. Intact will have sole control of Codan Denmark with Tryg's rights being reduced to minority shareholder protection rights.

Initial recognition comprise:

Purchase price (GBP 4.205m)	36,357
Value adjustment from hedge of firm commitment	-1,240
Costs directly attributable to the acquisition	780
Cost on initial recognition	35,897

Net profit (after tax) related to the RSA transaction 1 June – 30 June 2021 amounts DKK 181m. The amount is recognised in the investment return as Profit/Loss from associates.

The net profit relates to the net income after tax for the Tryg-Hansa and Codan Norway and 50% of the share of Codan Denmark.

Tryg hedged the purchase price to foreign currency fluctuations entering into a RSA related currency hedge (deal contingent forward). Premium inherent in the contract amounts to DKK 1,285m. The hedge has resulted in a positive FX value adjustment of DKK 250m. The total effect of the DCF hedge is a negative value adjustment of DKK 1,035m and is included in investment return. - Of which DKKm 156 was recorded in Q1 and DKKm -1,191 in Q2 2021.

The purchase price was deposited on an Escrow account. However, the account carried negative interest. The resulting interest expense amounted DKK 33m.

DKKm	H1 2021	H1 2020	2020
5 Tryg's investment portfolio			
Total investment assets	83,994	44,940	46,881
Other, hereof financial instrument in liabilities ^{a)}	-738	-2,376	-3,888
External customers	-2,610	-2,296	-2,470
Tryg's investment portfolio ^{b)}	80,646	40,268	40,523
Hereof Match portfolio	31,978	29,344	28,094
Hereof Free portfolio	12,590	10,924	12,429
Hereof related to RSA Scandinavia	36,077	0	0

^{a)} Primarily debt relating to repos and derivatives.

^{b)} The setup of Tryg Invest is impacting Tryg's balance sheet as external customers investments are booked under "Total other financial investments" with opposing liabilities entries such as "Debt to group undertakings" and "Other debt"

Notes

6 Subordinated loan capital

Tryg Forsikring A/S has issued a new restricted Tier 1 Capital notes for the amount of SEK 1,000m.

Amortised cost value of the loan is recognised with 735m DKK in the Statement of financial position.

Lender	Listed bonds
Issue date	February 2021
Maturity date	Perpetual
Loan may be called by lender as from	2026
Repayment profile	Interest-only
Interest structure	2.4% above STIBOR 3M

Tryg Forsikring A/S has issued a new Tier 2 Capital notes for the amount of SEK 1,300m.

Amortised cost value of the loan is recognised with 953m DKK in the Statement of financial position.

Lender	Listed bonds
Issue date	May 2021
Maturity date	May 2051
Loan may be called by lender as from	November 2026
Repayment profile	Interest-only
Interest structure	1.15% above STIBOR 3M after May 2031 2.15% above STIBOR 3M

Tryg Forsikring A/S has issued a new restricted Tier 1 Capital notes for the amount of NOK 850m.

Amortised cost value of the loan is recognised with 630m DKK in the Statement of financial position.

Lender	Listed bonds
Issue date	May 2021
Maturity date	May 2051
Loan may be called by lender as from	May 2027
Repayment profile	Interest-only
Interest structure	1.25% above NIBOR 3M after May 2031 2.25% above NIBOR 3M

For information on other subordinated loans, please refer to annual report 2020, note 1.

The total share of loan capital included in the calculation of own funds totals DKK 4,437m.

Tryg Forsikring A/S has in April 2021 cancelled a Restricted Tier 1 subordinated loan of the amount of SEK 1.000m and it was paid out in full in May 2021.

7 Related parties

In H1 2021, a dividend for Q1 2021 of DKK 529m was paid and of which 53% has been paid to TryghedsGruppen SMBA, and in Q2 a dividend of DKK 700m was paid and of which 44.9% has been paid to TryghedsGruppen SMBA.

In H1 2021, a dividend of DKK 1,929m has been paid from Tryg Forsikring A/S to Tryg A/S.

There have been no other significant transactions.

8 Contingent Liabilities

Companies in the Tryg Group are party to a number of other disputes in Denmark, Norway and Sweden, which management believes will not affect the Group's financial position significantly beyond the obligations recognised in the statement of financial position at 30 June 2021.

9 Accounting policies

Tryg's interim report for H1 2021 is presented in accordance with IAS 34 Interim Financial Reporting and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

The application of IAS 34 means that the report is limited relative to the presentation of a full annual report and that the valuation principles are in accordance with International Financial Reporting Standards (IFRS).

The interim report for H1 of the parent company is prepared in accordance with the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA.

Changes in accounting policies

There have been no changes to the accounting policies or accounting estimates in H1 2021.

Other

The amounts in the report are disclosed in whole numbers of DKKm, unless otherwise stated.

The amounts have been rounded and consequently the sum of the rounded amounts and totals may differ slightly.

Quarterly outline

DKKkm	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Private										
Gross premium income	3,431	3,371	3,245	3,167	3,169	3,162	3,059	3,055	3,010	2,897
Technical result	645	407	537	588	607	313	494	458	593	406
Key ratios										
Gross claims ratio	65.2	72.5	68.1	66.8	65.0	79.1	67.9	69.2	64.8	70.7
Net reinsurance ratio	2.3	1.7	2.5	0.4	2.1	-2.7	2.5	1.8	1.8	1.6
Claims ratio, net of reinsurance	67.5	74.2	70.5	67.3	67.1	76.4	70.4	71.0	66.5	72.3
Gross expense ratio	13.6	13.6	12.8	14.1	13.7	13.7	13.4	13.9	13.8	13.8
Combined ratio	81.1	87.8	83.3	81.3	80.8	90.1	83.8	84.9	80.3	86.1
Combined ratio exclusive of run-off	82.1	88.8	83.7	82.3	82.2	91.1	84.9	85.4	83.1	89.8
Commercial^{a)}										
Gross premium income	1,316	1,288	1,261	1,248	1,187	1,233	1,205	1,203	1,180	1,166
Technical result	241	222	179	253	223	142	199	190	233	152
Key ratios										
Gross claims ratio	65.7	62.4	61.9	55.5	61.9	77.7	65.5	65.2	55.6	62.5
Net reinsurance ratio	-0.8	3.2	5.4	7.9	3.0	-5.9	0.9	2.0	7.7	7.3
Claims ratio, net of reinsurance	64.9	65.6	67.3	63.4	64.9	71.8	66.4	67.3	63.3	69.8
Gross expense ratio	16.6	16.9	18.4	16.1	16.2	16.6	17.1	17.0	17.1	17.2
Combined ratio	81.5	82.5	85.7	79.6	81.1	88.5	83.5	84.2	80.4	87.0
Combined ratio exclusive of run-off	87.4	86.6	96.6	85.3	84.3	96.5	86.1	91.9	87.3	95.4
Corporate^{a)}										
Gross premium income	864	875	844	860	825	846	861	912	876	850
Technical result	174	47	-32	70	183	180	-21	168	93	48
Key ratios										
Gross claims ratio	55.1	75.6	86.7	59.8	56.7	70.5	93.6	65.3	69.1	84.1
Net reinsurance ratio	14.1	8.5	4.5	21.9	10.4	-2.1	-3.1	7.7	9.8	0.8
Claims ratio, net of reinsurance	69.2	84.2	91.2	81.7	67.1	68.4	90.5	73.1	78.9	84.9
Gross expense ratio	10.5	10.2	12.5	10.0	10.7	10.4	11.8	8.4	10.8	9.4
Combined ratio	79.7	94.4	103.7	91.7	77.7	78.8	102.3	81.5	89.7	94.3
Combined ratio exclusive of run-off	89.0	105.1	113.1	104.7	86.4	99.3	112.2	95.0	97.2	110.3

A further detailed version of the presentation can be downloaded from

[Tryg.com/en>investor>Downloads>tables](https://tryg.com/en/investor/Downloads/tables)

^{a)} Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in Q1 2021 – comparative figures have been restated accordingly.

Quarterly outline

DKKkm	Q2 2021	Q1 2021	Q4 2020	Q2 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Sweden										
Gross premium income	446	372	393	443	415	353	364	422	392	343
Technical result	85	72	96	69	67	35	90	54	61	26
Key ratios										
Gross claims ratio	64.6	63.0	61.3	67.9	64.0	73.5	53.1	70.5	66.5	76.4
Net reinsurance ratio	-1.2	0.2	0.3	-0.3	1.0	-1.6	0.8	0.3	1.3	0.3
Claims ratio, net of reinsurance	63.4	63.2	61.6	67.6	65.1	71.9	53.8	70.8	67.8	76.7
Gross expense ratio	17.5	17.3	13.9	16.6	18.6	18.1	21.5	16.5	16.6	15.7
Combined ratio	80.9	80.5	75.5	84.2	83.7	90.0	75.3	87.3	84.4	92.4
Combined ratio exclusive of run-off	92.4	100.8	96.8	96.8	97.4	105.1	104.8	98.8	98.2	102.9
Other^{a)}										
Gross premium income	0	0	0	0	0	0	-11	-9	-6	-28
Technical result	0	2	0	0	-18	2	0	0	0	-6
Tryg										
Gross premium income	6,057	5,906	5,744	5,719	5,595	5,595	5,479	5,583	5,451	5,228
Technical result	1,144	751	780	980	1,063	672	762	870	979	626
Investment return	-757	343	513	237	541	-980	198	-29	57	353
Profit/loss before tax	274	1,022	1,223	1,150	1,539	-372	940	779	979	930
Profit/loss	-63	814	1,038	930	1,246	-442	705	599	782	757
Key ratios										
Gross claims ratio	63.8	70.1	69.0	63.4	63.2	77.1	70.3	67.8	63.6	71.8
Net reinsurance ratio	3.1	2.9	3.3	5.2	3.4	-3.2	1.2	2.7	4.3	2.2
Claims ratio, net of reinsurance	66.9	73.1	72.3	68.6	66.6	73.9	71.5	70.5	67.9	74.0
Gross expense ratio	14.1	14.1	14.0	14.1	14.3	14.1	14.6	13.9	14.2	14.0
Combined ratio	81.0	87.1	86.3	82.7	80.9	88.0	86.1	84.4	82.1	88.0
Combined ratio exclusive of run-off	85.0	91.5	91.8	87.4	84.6	94.4	90.7	89.4	87.4	95.1

^{a)} Amounts relating to one-off items and to some extent eliminations are included under 'Other'.

Income statement for Tryg A/S (parent company)

DKKkm	H1 2021	H1 2020	2020
Notes			
Investment activities			
Income from subsidiaries	1,716	838	2,843
Income from associates	181	0	0
Value adjustment	-1,029	0	0
Interest expenses	-34	0	0
Investment management charges	-3	0	-2
Total return on investment activities	831	838	2,841
Other income			
Other expenses	-42	-43	-88
Profit before tax	789	795	2,753
Tax	-39	10	20
Profit on continuing business	751	804	2,773
Profit for the period	751	804	2,773

DKKkm	H1 2021	H1 2020	2020
Notes			
Statement of comprehensive income			
Profit/loss for the period	751	804	2,773
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Actuarial gains/losses on defined-benefit pension plans			
Revaluation of owner-occupied property and other adjustments	0	-30	-68
Tax on actuarial gains/losses on defined-benefit pension plans	0	7	6
	0	-22	-62
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	59	-156	-51
Hedging of currency risk in foreign entities	-68	204	127
Tax on hedging of currency risk in foreign entities	15	-45	-28
	6	4	48
Total other comprehensive income	6	-19	-14
Comprehensive income	756	786	2,759

Statement of financial position (parent company)

DKKm	30.06.2021	30.06.2020	31.12.2020
Notes			
Assets			
Intangible assets	0	1	0
Investments in subsidiaries	12,293	12,041	12,475
investments in associates	36,077	0	1
Total investments in associates and subsidiaries	48,371	12,041	12,475
Total investment assets	48,371	12,041	12,475
Current tax assets	0	27	20
Cash in hand and at bank	31	1	0
Other	1	1	2
Total other assets	31	28	21
Total prepayments and accrued income	16	0	326
Total assets	48,418	12,071	12,823
Liabilities			
Share capital	3,274	1,511	1,511
Revaluation reserves	3,263	3,046	3,470
Total reserves	3,263	3,046	3,470
Proposed dividends	700	0	529
Retained earnings	40,875	7,297	6,754
Non-controlling interest	1	1	1
Shareholders' equity	48,112	11,854	12,264
Debt to subsidiaries	211	209	513
Current tax liabilities	19	0	0
Other debt	76	7	46
Total debt	307	216	559
Total liabilities and equity	48,418	12,071	12,823

DKKm

1 **Investment in associates**

Please refer to note 4 in Tryg Group

2 **Related parties**

Please refer to note 7 in Tryg Group

3 **Contingent Liabilities**

Please refer to note 8 in Tryg Group

4 **Accounting policies**

Please refer to note 9 in Tryg Group

5 **Reconciliation of profit/loss and equity**

The executive order on application of international financial reporting standards for companies subject to the Danish Financial Business Act issued by the Danish FSA requires disclosure of differences between the format of the annual report under international financial reporting standards and the rules issued by the Danish FSA.

No differences are recognised in the interim report for H1 2021.

Disclaimer

Certain statements in this annual report are based on the beliefs of our management as well as assumptions made by and information currently available to management. Statements regarding Tryg's future operating results, financial position, cash flows, business strategy, plans and future objectives other than statements of historical fact can generally be identified by the use of words such as 'targets', 'believes', 'expects', 'aims', 'intends', 'plans', 'seeks', 'will', 'may', 'anticipates', 'would', 'could', 'continues' or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this annual report, including but not limited to general economic developments, changes in the competitive environment, developments in the financial markets, extraordinary events such as natural disasters or terrorist attacks, changes in legislation or case law and reinsurance.

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



Read more in the chapter Solvency and dividend on **pages 31-32**, and in Note 1 on **page 60**, in the Annual report 2020, for a description of some of the factors which may affect the Group's performance or the insurance industry.

