

A scenic photograph of a lake with a town on the far shore. In the foreground, a man and a woman in raincoats stand on a rocky outcrop, looking out at the water. To their right, a black signpost holds a red and white lifebuoy with the word "Tryg" written on it in black. The sky is overcast and the water is calm with small ripples.

# Interim report Q1-Q3 2019



# Contents

## Management's review

3	Highlights
4	Income overview
5	Tryg's results
7	Follow-up on strategic initiatives
8	Customer highlights
9	Private
10	Commercial
11	Corporate
12	Sweden
13	Investment activities
15	Solvency and dividend
16	Financial outlook
17	Financial calendar

## Financial statements

19	Statement by the Supervisory Board and the Executive Board
20	Financial highlights
21	Income statement
22	Statement of comprehensive income
23	Statement of financial position
24	Statement of changes in equity
26	Cash flow statement
27	Notes
34	Quarterly outline

## Teleconference

Tryg is hosting a teleconference on 10 October 2019 at 10.00 CET. View the audio webcast at [tryg.com](http://tryg.com). Financial analysts and investors may participate on tel. +44 (0) 203 194 0544 or +45 35 44 55 83, where questions can be asked. The teleconference will be held in English and can subsequently be viewed at [tryg.com](http://tryg.com).

# Highlights

Premium growth of 20.0% or 6.8% excluding Alka (4.7% in Q3 2018). Technical result of DKK 870m (DKK 761m) was positively impacted by Alka synergies and lower level of large claims and negatively impacted by higher level of weather claims. Investment income of DKK -29m (DKK 79m) driven by a loss on the match portfolio. Profit before tax of DKK 779m (DKK 825m). Quarterly dividend of DKK 1.70 per share, supporting TryghedsGruppen's member bonus. Solvency ratio of 169.

## Financial highlights Q3 2019

- Premium growth of 20.0% or 6.8% (4.7% excluding Alka in local currencies)
- Technical result of DKK 870m (DKK 761m) driven by a combined ratio of 84.4 (83.8)
- Underlying claims ratio (Private and Group) improved by 0.7 and 0.6 percentage points
- Expense ratio of 13.9 (13.9)
- Return on free investments portfolio of DKK 97m (DKK 101m)
- Total investment return of DKK -29m (DKK 79m)
- Profit before tax of DKK 779m (DKK 825m)
- Q3 dividend of DKK 1.70 per share and solvency ratio of 169

## Customer highlights Q3 2019

- TNPS of 67 (66)
- Number of products per customer 3.8 (3.7)
- In Q3, awareness of TryghedsGruppen's member bonus among non-customers increased to 29%, up by 38% compared with the same period prior year

## Financial highlights Q1-Q3 2019

- Premium growth of 19.6% or 6.3% (3.9% excluding Alka in local currencies)
- Technical result of DKK 2,475m (DKK 2,170m) driven by a combined ratio of 84.8 (84.1)
- Expense ratio of 14.0 (14.0)
- Return on free investments portfolio of DKK 631m (DKK 165m)
- Total investment return of DKK 381m (DKK -2m)
- Profit before tax of DKK 2,688m (DKK 2,113m)
- Q1-Q3 dividend of DKK 5.10 per share (DKK 1.70 paid in April, DKK 1.70 paid in July and DKK 1.70 to be paid on 15 October)

## 2020 targets



### Earnings

Technical result  
**DKK 3.3bn**

Combined ratio  
**≤86**

Expense ratio  
**~14**

RoE  
**≥21**



### Customers

TNPS  
**70**

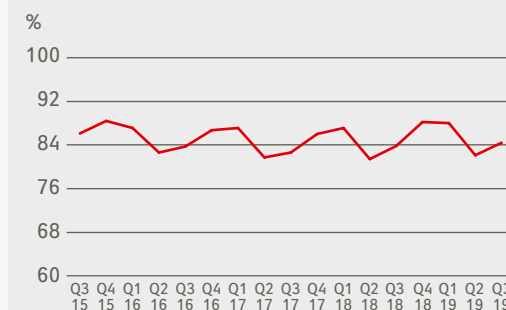
Number of products  
per customer  
**+10%**

# Income overview

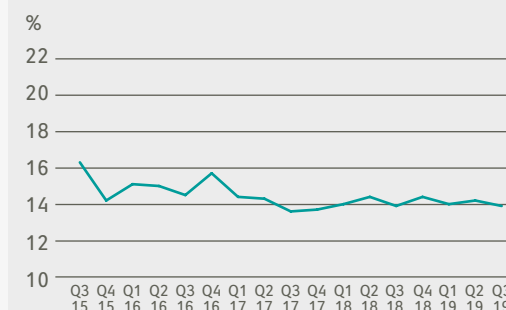
DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Gross premium income</b>	<b>5,583</b>	<b>4,696</b>	<b>16,262</b>	<b>13,687</b>	<b>18,740</b>
Gross claims	-3,785	-3,281	-11,005	-9,151	-12,636
Total insurance operating costs	-774	-651	-2,283	-1,917	-2,704
Profit/loss on gross business	1,025	764	2,974	2,619	3,400
Profit/loss on ceded business	-152	-1	-500	-440	-624
Insurance technical interest, net of reinsurance	-4	-2	1	-9	-10
<b>Technical result</b>	<b>870</b>	<b>761</b>	<b>2,475</b>	<b>2,170</b>	<b>2,766</b>
Investment return after insurance technical interest	-29	79	381	-2	-332
Other income and costs	-62	-15	-168	-55	-172
<b>Profit/loss before tax</b>	<b>779</b>	<b>825</b>	<b>2,688</b>	<b>2,113</b>	<b>2,262</b>
Tax	-179	-198	-549	-492	-529
<b>Profit/loss on continuing business</b>	<b>600</b>	<b>627</b>	<b>2,139</b>	<b>1,621</b>	<b>1,733</b>
Profit/loss on discontinued and divested business after tax	-1	0	-1	0	-2
<b>Profit/loss</b>	<b>599</b>	<b>627</b>	<b>2,138</b>	<b>1,621</b>	<b>1,731</b>
Run-off gains/losses, net of reinsurance	279	408	938	1,014	1,221
<b>Key figures</b>					
Total equity	11,897	11,814	11,897	11,814	11,334
Return on equity after tax (%)	20.8	21.7	24.9	18.1	14.9
Number of shares, end of period (1,000)	302,082	302,124	302,082	302,124	301,743
Earnings per share	1.99	2.07	7.09	5.36	5.73
Ordinary dividend per share (DKK)	1.70	1.65	5.10	4.95	6.60
Premium growth in local currencies	20.0	4.7	19.6	3.9	6.3
Gross claims ratio	67.8	69.9	67.7	66.9	67.4
Net reinsurance ratio	2.7	0.0	3.1	3.2	3.3
Claims ratio, net of reinsurance	70.5	69.9	70.7	70.1	70.7
Gross expense ratio	13.9	13.9	14.0	14.0	14.4
<b>Combined ratio</b>	<b>84.4</b>	<b>83.8</b>	<b>84.8</b>	<b>84.1</b>	<b>85.1</b>
Run-off, net of reinsurance (%)	-5.0	-8.7	-5.8	-7.4	-6.5
Large claims, net of reinsurance (%)	0.8	4.9	2.2	3.0	2.6
Weather claims, net of reinsurance (%)	2.5	1.9	2.0	2.2	2.0
<b>Combined ratio on business areas</b>					
Private	84.9	79.6	83.7	82.2	81.6
Commercial	85.7	82.5	85.6	82.3	80.3
Corporate	80.2	93.8	85.9	90.0	95.6
Sweden	87.3	85.9	87.8	85.0	86.0

Note: Tryg's acquisition of Alka affects the Financial Statement from closing the 8 November 2018.

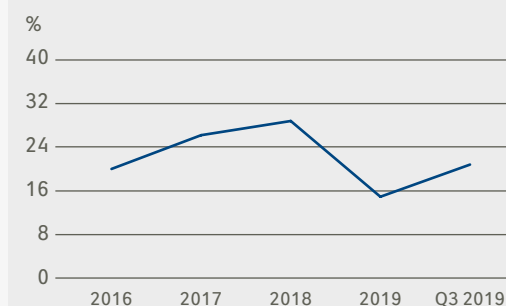
Combined ratio



Expense ratio



Return on equity



# Tryg's results

Tryg reported a technical result of DKK 870m (DKK 761m) driven by positive developments in the core business and the inclusion of Alka. The level of large claims was lower compared to the unusually high level in Q3 2018, weather claims were higher but more in line with the expected Q3 level, and run-off gains were lower compared to the prior-year period. The underlying claims ratio improved for Private and the Group by 0.7 and 0.6 percentage points, respectively. The combined ratio was 84.4% (83.8%) with run-off gains weighing positively for 5.0% (8.7%). The investment return was DKK -29m (DKK 79m) at the end of a volatile quarter. Tryg will pay a quarterly dividend of DKK 1.70 per share based on the aggregate results realised, Tryg's dividend policy and a solvency ratio of 169.

Premium growth was 20.0% in local currencies or 6.8% when adjusting for Alka. The combined ratio for the quarter was 84.4% (83.8%). The sum of large and weather claims was lower than for the prior-year period and also the run-off result was lower. The Private underlying claims ratio, adjusted for weather and large claims, run-off and discount rate (to discount the claims provisions), was 69.1% (69.8% including Alka in Q3 2018), showing that underlying profitability continues to improve. The Group's underlying claims ratio also improved by 0.6 percentage points to 72.7 (73.3) including Alka. Synergies from the Alka transaction were DKK 23m in Q3. The underlying profitability in the Corporate segment remains under pressure as the Q3 combined ratio adjusted for run-offs, Tryg Garanti and a low level of large claims, would have been above 100%. Tryg continues to actively reduce exposure to unprofitable segments and expects an improved underlying claims ratio for the full year 2019. Towards 2020 Tryg continues to expect a good growth in the Private and Commercial segments while growth for the Group is likely to be negatively impacted by significant profitability actions across the entire Corporate segment.

The investment return was DKK -29m (DKK 79m), the result was driven by a positive return (1.0%) on the free portfolio on nearly all assets classes, a

loss of DKK 69m on the match portfolio driven by a high volatility in the quarter at the long end of the interest rate curve while other financial income and expenses totalled DKK -57m.

The Transactional Net Promoter Score (TNPS) improved from 66 in Q3 2018 to 67 in Q3 2019 and continues to show a positive development. The number of products per customer increased to 3.8 (3.7 in Q3 2018), which was a positive development supporting continued focus on increasing the share of wallet per customer. Retention rates continue to increase and are now at an all-time high in Private and Commercial Denmark, while also showing a continuous positive development in Private and Commercial Norway. The payment of the member bonus to Danish customers (for the fourth year running), increased focus on prevention and improved digital solutions for customers are key drivers of the positive retention trends.

## Premiums

Gross premium income totalled DKK 5,583m (DKK 4,696m), corresponding to growth of 20.0% in local currencies or 6.8% excluding Alka. The Private segment grew by 8.6% (excluding Alka) driven primarily by a positive sales developments in the recently acquired portfolios and partner agreements (NITO and OBOS in Norway and

FDM in Denmark), a positive development in sales of new products and improved retention rates. The Commercial segment was up 4.8% (excluding Alka) due to strong sales, improved retention rates and price adjustments in Commercial Norway.

Corporate reported premium growth of 4.5%, driven primarily by positive developments in Corporate Denmark, but partly offset by the loss of unprofitable customers in Corporate Norway due to price initiatives. In Norway, price increases of approximately 14% and pruning of the portfolio have been pushed through to improve profitability.

## Claims

The claims ratio, net of ceded business, was 70.5 (69.9). The sum of large and weather claims was 3.5 percentage points lower than in the corresponding quarter in 2018, while run-off gains were 3.7 percentage points lower.

The Private underlying claims ratio, excluding run-offs, large and weather claims and discounting, was 69.1%, which was 0.7 percentage points better than in Q3 2018 (including Alka). The Group's underlying claims ratio was 72.7%, 0.6 percentage points better compared to Q3 2018 (including Alka). To meet the financial targets for 2020, Tryg continues to expect an improvement in the underlying claims ratio going forward.

In Scandinavia, the weather in Q3 2019 was worse than in Q3 2018. Several cloudbursts, a small number of thunderstorms and a record high number of lightnings were recorded. Weather claims accounted for DKK 141m or 2.5% (1.9%) on the claims ratio. Large claims impacted the claims ratio negatively by 0.8% (4.9%) which is well below the normal run-rate. Tryg's normalised assumptions are based on large claims of DKK 550m (with no seasonality) and weather claims of DKK 600m (mostly in Q1 and Q4).

## Customer targets (excluding Alka)

	Q3 2019	Q3 2018	Target 2020
Transactional Net Promoter Score (TNPS)	67	66	70
Products per customer	3.8	3.7	4 (+10%)



Tryg will pay a quarterly dividend of DKK 1.70 per share on 15 October 2019.

### Expenses

The expense ratio was 13.9 (13.9). At the most recent CMD in 2017, Tryg announced an expense ratio target for 2020 of around 14 as IT investments and a growing number of employees (especially in the short term) will be broadly offset by continuous efficiency improvements, driven primarily by lower distribution costs. Cost synergies of DKK 12m from the Alka transaction were booked in Q3.

### Investment return

The investment result was DKK -29m (DKK 79m), driven by a positive DKK 97m result in the free portfolio with good returns in nearly all assets classes, a loss of DKK 69m on the match portfolio driven by a high volatility in the quarter at the long end of the interest rate curve and other financial income and expenses that totalled DKK -57m.

### Profit before and after tax

The profit before tax was DKK 779m (DKK 825m), while the profit after tax and discontinued activities was DKK 599m (DKK 627m). The total tax bill was DKK 179m (DKK 198m), equating to a tax rate of 23%.

### Dividend and solvency

Tryg will pay a quarterly dividend of DKK 1.70 per share, or DKK 514m in total. The dividend is driven

by the overall results and the ambition to grow the annual nominal dividend. At the end of Q3 2019, the reported solvency ratio was 169. Own funds were roughly flat in the period as the net profit was offset by the dividend payment (DKK 514m) and an actuarial loss on pension obligations in Norway of DKK -67m (booked under other comprehensive income) while the SCR moved slightly upwards.

### Q1-Q3 2019 results

Premium growth of 6.3% (excluding Alka) measured in local currencies was driven primarily by satisfactory growth in the Private segment and portfolio acquisitions. The DKK 2,475m technical result was better than the prior-year period driven largely by the inclusion of Alka (and related synergies), while the significantly improved investment return was driven by positive market development.

The underlying claims ratio for the Private segment and for the Group has continued to improve. The expense ratio was 14.0 (14.0) driven by improved top-line growth and cost control despite an increase in the number of employees. Tryg reported a profit before tax of DKK 2,688m (DKK 2,113m) and an after-tax profit of DKK 2,138m (DKK 1,621m).

### Tryg Online Psychologist

Commercial Norway launched Tryg Online Psychologist to proactively prevent psychological problems escalating and to safeguard employees' well-being. The service is available via video or by phone dealing with problems such as anxiety, mild depressions, sleep issues, conflicts at work and family problems. The product was tested in autumn 2018 with great success.



# Follow-up on strategic initiatives

## supporting the CMD targets for 2020

Tryg has defined four strategic initiatives for realising its financial targets for 2020. In connection with the acquisition of Alka, the financial targets were updated, and the CMD targets therefore include the Alka synergies.

### Claims excellence

Claims excellence is a critical driver for improving the technical result, and Tryg realised continuous improvements from this initiative in Q3 2019. The claims excellence initiative is aimed at reducing claims costs by DKK 600m in 2020, and the initiatives are progressing according to plan.

- Tryg's procurement power is one of the key claims excellence initiatives, and higher utilisation of supplier contracts and leverage of procurement power have helped reducing costs by DKK 25m in Q3 2019.
- Improved claims handling processes through initiatives such as data and speech analytics as well as other initiatives such as more accurate assessment and improved recourse management have helped to reduce claims costs.
- Fraud detection has also resulted in cost savings for Tryg in 2019, and the improvements can to some extent be ascribed to implementation of Alka's fraud detection methodology. Cost savings are still modest, but with considerable potential.

### Digital empowerment of customers

Digital and efficient customer solutions are increasingly important for customers, and Tryg is highly committed to satisfying customer needs. Tryg's targets for 2020 are 50% straight-through-processing (STP) of claims and a self-service level of 70% for all contacts with Tryg, which should lead to a financial gain of DKK 100m from digital initiatives.

The number of logins to 'My Page' continues to increase. So far, Private and Commercial customers have logged in more than 2 million times in 2019, and STP-levels continues to increase in Q3 2019.

The main drivers of the digital improvements are:

- The use of robots to handle simple and large volume claims to increase the STP. Going forward, further increases in STP claims handling will be achieved through the optimisation of existing robots and from the new claims handling system that will eventually replace the robots. In Q3 2019, Tryg reached a STP-level of 30%.
- In Q3 2019, the self-service level increased to 60% following the introduction of new online initiatives. Examples are digital invoicing on 'My page' and increasing use of online chatbots for self-service.

### Product & service innovation

New products and solutions are essential to remain relevant for customers. Tryg's target for 2020+ is therefore gross premiums of DKK 1,000m from innovative products and services. In Q3 2019, the portfolio of innovative products and services continued to increase.

The main drivers of this strategic initiative are:

- New products such as Cyber insurance, GoMore, Undo and Pet insurance.
- New bundling of products such as Health and Child insurance generated DKK 25m in gross premium in Q3 2019.
- Prevention elements in products such as Tryg Drive, Alarm and Rat Blocker also generated an increase in gross premiums in Q3 2019.
- Entering new markets for its credit and surety business, Tryg Garanti has now expanded to Germany, Austria and the Netherlands.

It is important to highlight that Tryg's key focus is profitability, and Tryg therefore does not define a specific growth target for this area.

### Distribution efficiency

The initiative aimed at making distribution more efficient is extremely important for Tryg. The initiative is targeted to have an impact of DKK 150m in 2020. The main drivers of the initiative include:

- Continued optimisation of the distribution channel mix to ensure improved customer experience and efficient distribution to customers.
- In Private Denmark, Tryg has introduced independent sales agents selling exclusively for Tryg. This initiative continues to generate positive results. The private business had an impact of DKK 5m in Q3 2019.
- The commercial business has also optimised its distribution channel mix and has improved by DKK 5m in Q3 2019.
- Partnership agreements in Norway and Denmark, e.g. Danske Bank, are gradually helping to improve distribution efficiency.

### Alka synergies

In connection with the acquisition of Alka, Tryg communicated expected synergies of DKK 300m to be achieved in 2021. Tryg has announced targets of DKK 75m in 2019, DKK 150m in 2020 and DKK 300m in 2021.

In Q3, Tryg realised synergies of DKK 6m from claims. In this quarter, Alka benefitted from Tryg's agreements with craftsmen. Tryg also realised DKK 12m from cost savings and DKK 5m from revenue optimisation. From Q1-Q3 2019, Tryg has realised synergies of DKK 66m and synergies are consequently according to plan. Tryg will provide regular updates on the synergies achieved throughout the year.



# Customer highlights

## Member bonus

In June 2019, TryghedsGruppen, Tryg's majority shareholder, paid out a member bonus of DKK 925m to Tryg's customers in Denmark. Awareness and understanding of this model continues to increase in support, especially of retention rates, which improved in both Private and Commercial Danish business in Q3. The awareness of the member bonus increased among customers from 76% in Q3 2018 to 78% in Q3 2019. Additionally, awareness among non-customers increased considerably from 21% in Q3 2018 to 29% in Q3 2019.

## Customer targets for 2020

As part of our 2020 strategy, Tryg maintains a strong focus on customer targets. The Transactional Net Promoter Score (TNPS) improved from 66 in Q3 2018 to 67 in Q3 2019. Also, the number of products per customer increased to 3.8 (3.7), which is a satisfactory development based on both cross-selling and new product sales.

## Tryg Mobil

Commercial Denmark started testing a new initiative, Tryg Mobil, with the aim of increasing

safety in traffic and avoiding accidents. Surveys show that more than every third Dane text or read text messages while driving, resulting in a much higher risk of crashing. When enabling Tryg Mobil, the drivers' mobile phone is blocked while driving hence not distracting the driver. A small unit is placed in the car window interacting with an app and when the car moves, the screen of the driver's phone will automatically lock down for hand-held use. Tryg Mobil is beneficial for the customer, Tryg and society by preventing claims and accidents in traffic.

## Improving digital customer preferences

Customers can now log-in to 'My Page' and change their payment terms from annual to monthly or vice versa. Today, 12% of all invoice-related calls are from customers wanting to change their payment terms, so the initiative is expected to lower the call volumes.

In Q3, Tryg could see that online claims handling produced higher customer satisfaction compared to manual claims handling. Online registration of claims is often quicker and simple, which generates higher customer satisfaction.



## Digital partnership

In July, Tryg launched a partnership with the Danish fintech-business Lunar Way. Together Tryg and Lunar Way offer simple insurances and understandable digital solutions for the banking-app's more than 85.000 users.

## Innovative partnerships

Tryg's insurance solutions for Danske Bank's 3 million Nordic customers have been further developed, and Tryg is very pleased with the leads and sales generated in Q3 for both Private and Commercial customers in Denmark and Norway.

Commercial Denmark has signed an important distribution agreement with Arbejdernes Landsbank effective from 1 January 2020. Alka has an agreement with Arbejdernes Landsbank regarding sales to private customers.

A new partnership agreement between Alka and DiBa, a car loan company, means that Sydbank's customers with a car loan in DiBa now will be offered Alka insurances. The solution offer DiBa's customers easy access to attractive loans and insurances.



# Private

## Results

Private reported a technical result of DKK 458m (DKK 467m) and a combined ratio of 84.9 (79.6). The technical result is primarily driven by the inclusion of Alka in Q3 2019 (Alka was not consolidated in Q3 2018) offset by a much lower run-off result. The Private underlying claims ratio was 0.7% better than the corresponding quarter in 2018 including Alka.

## Premiums

Gross premium income increased by 33.4% (5.3%) including Alka and measured in local currencies. Growth was 8.6% excluding Alka. The positive development continued in the Danish part of Private with premium growth of 8.8% (5.4%) excluding Alka, driven mostly by a high sales level to new customers and upselling to existing customers, but also helped by a further improvement of retention levels underpinned by the member bonus from TryghedsGruppen. In the Norwegian part of Private, premiums increased by 8.2% (5.0%) in local currencies, helped by the agreement with NITO (Norwegian Society of Engineers and Technologists), which contributed approximately DKK 25m, and very strong sales to OBOS customers. The distribution agreement with Danske Bank came off to a good start in both Denmark and Norway. Retention rates developed favourably reaching 91.7 (91.0) for the Danish part of the business and 87.1 (86.6) for the Norwegian part of the business.

## Claims

The claims ratio, net of ceded business, was 71.0 (65.7) characterized by a lower level of run-off gains. The underlying claims ratio improved by 0.7 percentage points driven primarily by claims reduction initiatives, Alka synergies and price adjustments broadly in line with inflation.

## Expenses

The expense ratio was unchanged at 13.9 (13.9) and in line with the overall guidance of broadly unchanged expense levels in 2019. The number of employees was 1,369 at the end of the quarter against 1,329 at the end of 2018. The increase in headcounts is driven mainly by an increase in employees in customer centres, which is closely associated with the higher premium income.

## Q1-Q3 2019 results

The technical result was DKK 1,457m (DKK 1,203m). The combined ratio was 83.7 (82.2) based on slightly higher claims level due mainly to a lower run-off level. Premium growth was 32.6 (4.7) following the consolidation of the Alka business, while excluding Alka growth was 7.8% based primarily on strong sales under new partner agreements. The claims ratio, net of ceded business, was 69.9 (68.3).

**Private** encompasses the sale of insurance products to private individuals in Denmark and Norway. Sales are distributed via call centres, the Internet, Tryg's own agents, Alka (Denmark), franchisees (Norway), interest groups, car dealers, estate agents and Danske Bank branches.

The business area accounts for 55% of the Group's total premium income.

## Financial highlights Q3 2019

Technical result  
**DKK 458**  
(DKK 467m)

Combined ratio  
**84.9**  
(79.6)

Premium growth  
(local currencies)  
**33.4% (5.3%)**  
or **8.6%**  
(adjusting for Alka)

## Key figures – Private

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Gross premium income</b>	<b>3,055</b>	<b>2,309</b>	<b>8,962</b>	<b>6,787</b>	<b>9,466</b>
Gross claims	-2,114	-1,467	-6,110	-4,479	-6,198
Gross expenses	-424	-322	-1,239	-946	-1,309
Profit/loss on gross business	517	520	1,612	1,362	1,959
Profit/loss on ceded business	-56	-51	-154	-155	-220
Insurance technical interest, net of reinsurance	-3	-2	-2	-4	-5
<b>Technical result</b>	<b>458</b>	<b>467</b>	<b>1,457</b>	<b>1,203</b>	<b>1,734</b>
Run-off gains/losses, net of reinsurance	14	122	206	316	394
<b>Key ratios</b>					
Premium growth in local currency (%)	33.4	5.3	32.6	4.7	8.9
Gross claims ratio	69.2	63.5	68.2	66.0	65.5
Net reinsurance ratio	1.8	2.2	1.7	2.3	2.3
Claims ratio, net of reinsurance	71.0	65.7	69.9	68.3	67.8
Gross expense ratio	13.9	13.9	13.8	13.9	13.8
<b>Combined ratio</b>	<b>84.9</b>	<b>79.6</b>	<b>83.7</b>	<b>82.2</b>	<b>81.6</b>
Combined ratio exclusive of run-off	85.4	84.9	86.0	86.9	85.8
Run-off, net of reinsurance (%)	-0.5	-5.3	-2.3	-4.7	-4.2
Large claims, net of reinsurance (%)	0.0	0.0	0.1	0.0	0.0
Weather claims, net of reinsurance (%)	2.6	3.0	1.8	2.9	2.4

# Commercial

## Results

Commercial reported a technical result of DKK 154m (DKK 174m) and a combined ratio of 85.7 (82.5). The lower result is due primarily to a lower run-off level.

## Premiums

Gross premium income totalled DKK 1,083m (DKK 994m), which represents an 9.7% increase when measured in local currencies. Alka impacted the growth of approximately 5 percentage points. Excluding Alka, Commercial Denmark reported growth of 4.5%, and in Norway premiums increased by 5.5%. The co-operation with Danske Bank has got off to a good start, generating many leads for the sales organisation.

The retention rate for Denmark was 88.6 (87.9), which can be ascribed both to an improved service concept and the member bonus from TryghedsGruppen. In Norway, the retention rate increased to 88.7 (88.4), driven by a further strengthening of the customer focus.

## Claims

The claims ratio, net of ceded business, was 68.3 (65.3). The increase was due to a lower run-off level, while the sum of large and weather claims was in line with Q3 2018. The claims level was positively impacted by the claims efficiency programme leading to an improved underlying claims level.

## Expenses

The expense ratio was 17.3 (17.2). Tryg's initiative to improve expense levels in Commercial Denmark by recruiting independent sales agents, costing less than traditional sales agents, is seeing good traction.

At the end of the quarter, Commercial had 522 employees compared to 516 at the end of 2018, and employee numbers are therefore almost unchanged.

## Q1-Q3 2019 results

The technical result was DKK 461m (DKK 514m). The combined ratio was 85.6 (82.3) based on a higher large claims level and a lower run-off level. Premium growth was 9.6% (2.6%), or 4.8% when excluding Alka.

**Commercial** encompasses the sale of insurance products to small and medium-sized businesses in Denmark and Norway. Sales are distributed via Tryg's own sales force, brokers, Alka (Denmark), franchisees (Norway), customer centres as well as group agreements.

The business area accounts for 19% of the Group's total premium income.

## Financial highlights Q3 2019

Technical result  
**DKK 154m**  
(DKK 174m)

Combined ratio  
**85.7**  
(82.5)

Premium growth  
(local currencies)  
**9.7%** (2.9%)  
or **4.8%**  
(adjusting for Alka)

## Key figures – Commercial

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Gross premium income</b>	<b>1,083</b>	<b>994</b>	<b>3,195</b>	<b>2,927</b>	<b>3,971</b>
Gross claims	-765	-606	-2,122	-1,781	-2,326
Gross expenses	-188	-171	-560	-513	-696
Profit/loss on gross business	130	217	513	633	949
Profit/loss on ceded business	25	-43	-52	-118	-165
Insurance technical interest, net of reinsurance	-1	0	1	-1	0
<b>Technical result</b>	<b>154</b>	<b>174</b>	<b>461</b>	<b>514</b>	<b>784</b>
Run-off gains/losses, net of reinsurance	93	107	274	273	434
<b>Key ratios</b>					
Premium growth in local currency (%)	9.7	2.9	9.6	2.6	3.7
Gross claims ratio	70.7	61.0	66.4	60.8	58.6
Net reinsurance ratio	-2.3	4.3	1.6	4.0	4.2
Claims ratio, net of reinsurance	68.3	65.3	68.0	64.8	62.8
Gross expense ratio	17.3	17.2	17.5	17.5	17.5
<b>Combined ratio</b>	<b>85.7</b>	<b>82.5</b>	<b>85.6</b>	<b>82.3</b>	<b>80.3</b>
Combined ratio exclusive of run-off	94.3	93.3	94.2	91.6	91.2
Run-off, net of reinsurance (%)	-8.6	-10.8	-8.6	-9.3	-10.9
Large claims, net of reinsurance (%)	3.0	3.5	4.2	2.5	1.6
Weather claims, net of reinsurance (%)	2.5	2.0	2.6	2.3	2.3

# Corporate

## Results

The technical result amounted to DKK 204m (DKK 63m) with a combined ratio of 80.2 (93.8). The much higher technical result is primarily due to a lower level of large claims, but also to an underlying improvement based on continued profitability initiatives, primarily in Norway. The credit and surety business, Tryg Garanti, which is included in the Corporate segment, reported a satisfactory growth of approximately 10%, while growing the business in Germany. Profitability remains challenging for Corporate, excluding Tryg Garanti, and Tryg is planning significant profitability actions in connection with the upcoming renewals on 1 January 2020 for all Corporate areas. Profitability actions in 2020 are expected to have a bigger impact on the top line development compared to 2019 where a fall in Norwegian premiums has been offset by positive developments in Denmark.

## Premiums

Gross premium income totalled DKK 1,032m (DKK 991m), representing an increase of 4.5% (5.8%) when measured in local currencies. Growth was impacted by profitability initiatives in Norway, which led to a decline in premiums. The Danish corporate segment demonstrated a satisfactory growth, driven partly by Tryg Garanti, but also by low churn in connection with the renewal a majority of accounts on 1 January 2019. In Sweden,

growth of around 2% was reported, impacted by profitability initiatives and pruning of the portfolio.

## Claims

The claims ratio, net of ceded business, was 71.3 (84.5). The aggregate level of large and weather claims was much lower, while the run-off level was somewhat lower compared to last year. The underlying claims level improved, primarily due to profitability initiatives in Norway, but as previously mentioned profitability remains challenging and therefore further actions will be taken.

## Expenses

The expense ratio was broadly unchanged at 8.9 (9.3). At the end of the quarter, the number of employees in Corporate was 282 against 265 at the end of 2018, due to expansion of the Guarantee business.

## Q1-Q3 2019 results

The technical result was DKK 423m (DKK 290m), while the combined ratio was 85.9 (90.0). The improved combined ratio was due primarily to a lower level of large claims. Premiums were up 2.3% (4.3%) when measured in local currencies. This was mainly due to a loss of the Norwegian business, profitability initiatives and growth in the Danish part of Corporate for both Tryg Garanti and corporate customers in general driven by good renewal rates on 1 January 2019.

**Corporate** sells insurance products to corporate customers under the brands 'Tryg' in Denmark and Norway, 'Moderna' in Sweden and 'Tryg Garanti'. Sales are distributed both via Tryg's own sales force and via insurance brokers. Moreover, customers with international insurance needs are served by Corporate through its cooperation with the AXA Group.

The business area accounts for 18% of the Group's total premium income.

## Financial highlights Q3 2019

Technical result  
**DKK 204m**  
(DKK 63m)

Combined ratio  
**80.2**  
(93.8)

Premium growth  
(local currencies)  
**4.5%**  
(5.8%)

## Key figures – Corporate

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Gross premium income</b>	<b>1,032</b>	<b>991</b>	<b>2,992</b>	<b>2,910</b>	<b>3,897</b>
Gross claims	-616	-959	-1,966	-2,199	-3,114
Gross expenses	-92	-92	-295	-283	-385
Profit/loss on gross business	324	-60	731	428	398
Profit/loss on ceded business	-120	122	-310	-138	-225
Insurance technical interest, net of reinsurance	0	1	2	0	0
<b>Technical result</b>	<b>204</b>	<b>63</b>	<b>423</b>	<b>290</b>	<b>173</b>
Run-off gains/losses, net of reinsurance	123	143	326	325	271
<b>Key ratios</b>					
Premium growth in local currency (%)	4.5	5.8	2.3	4.3	4.0
Gross claims ratio	59.7	96.8	65.7	75.6	79.9
Net reinsurance ratio	11.6	-12.3	10.4	4.7	5.8
Claims ratio, net of reinsurance	71.3	84.5	76.1	80.3	85.7
Gross expense ratio	8.9	9.3	9.9	9.7	9.9
<b>Combined ratio</b>	<b>80.2</b>	<b>93.8</b>	<b>85.9</b>	<b>90.0</b>	<b>95.6</b>
Combined ratio exclusive of run-off	92.1	108.2	96.8	101.2	102.6
Run-off, net of reinsurance (%)	-11.9	-14.4	-10.9	-11.2	-7.0
Large claims, net of reinsurance (%)	1.3	19.5	7.1	11.5	11.0
Weather claims, net of reinsurance (%)	3.4	0.2	2.1	1.1	1.4



# Sweden

## Results

Sweden reported a technical result of DKK 54m (DKK 57m) and a combined ratio of 87.3 (85.9). The lower technical result was primarily due to a higher level of claims for Motor insurance.

## Premiums

Premium income totalled DKK 422m (DKK 411m), representing an increase of 5.1% (5.2%) when measured in local currencies. Moderna's Private segment is a small player in the Swedish market, and the aim is therefore to increase the market presence. However, profitability remains key priority.

## Claims

The claims ratio, net of ceded business, was almost unchanged at 70.8 (69.8). The claims level was impacted by a higher level of run-off due to a strong reserving position for especially Motor but also a higher level of medium-sized claims and high claims inflation for Motor insurance. Initiatives have been taken to improve the claims

development for Motor insurance, but the full impact will not be seen until the initiatives have been implemented for the entire portfolio.

## Expenses

The expense ratio was almost unchanged at 16.5 (16.1), which is a competitive level considering the limited size of the business in the Swedish market. At the end of the quarter, the number of employees was 303, which is an increase of 16 employees compared to year-end 2018. The increase was primarily due to an increase in the number of employees in claims due to growth in the business

## Q1-Q3 2019 results

The technical result was DKK 141m (DKK 163m), while the combined ratio was 87.8 (85.0). The deterioration in the result was primarily due to a higher level of medium-sized claims and the above-mentioned negative trend for motor claims compared to the prior-year period.

**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 8% of the Group's total premium income.

## Financial highlights Q3 2019

Technical result  
**DKK 54m**  
(DKK 57m)

Combined ratio  
**87.3**  
(85.9)

Premium growth  
(local currencies)  
**5.1%**  
(5.2%)

## Key figures – Sweden

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Gross premium income</b>	<b>422</b>	<b>411</b>	<b>1,157</b>	<b>1,110</b>	<b>1,471</b>
Gross claims	-298	-286	-820	-765	-1,024
Gross expenses	-70	-66	-189	-175	-237
Profit/loss on gross business	55	59	148	170	210
Profit/loss on ceded business	-1	-1	-7	-3	-4
Insurance technical interest, net of reinsurance	0	-1	0	-4	-5
<b>Technical result</b>	<b>54</b>	<b>57</b>	<b>141</b>	<b>163</b>	<b>201</b>
Run-off gains/losses, net of reinsurance	49	36	139	100	122
<b>Key ratios</b>					
Premium growth in local currency (%)	5.1	5.2	7.0	4.0	4.9
Gross claims ratio	70.5	69.6	70.9	68.9	69.6
Net reinsurance ratio	0.3	0.2	0.6	0.3	0.3
Claims ratio, net of reinsurance	70.8	69.8	71.5	69.2	69.9
Gross expense ratio	16.5	16.1	16.3	15.8	16.1
<b>Combined ratio</b>	<b>87.3</b>	<b>85.9</b>	<b>87.8</b>	<b>85.0</b>	<b>86.0</b>
Combined ratio exclusive of run-off	98.8	94.7	99.8	94.0	94.3
Run-off, net of reinsurance (%)	-11.5	-8.8	-12.0	-9.0	-8.3
Large claims, net of reinsurance (%)	0.0	0.0	0.0	0.0	0.0
Weather claims, net of reinsurance (%)	0.1	0.0	0.9	0.7	0.5

# Investment activities

Investment income totalled DKK -29m (DKK 79m) in Q3 2019 driven by a return of DKK 97m (DKK 101m) on the free portfolio, a return of DKK -69m (DKK 25m) on the match portfolio and other financial income and expenses of DKK -57m (DKK -47m).

The total market value of Tryg's investment portfolio was DKK 41bn (DKK 43bn) at the end of September. The investment portfolio consists of a match portfolio of DKK 30bn and a free portfolio of DKK 11bn. The match portfolio is composed of low-risk fixed income assets that mirror the Group's insurance liabilities, and fluctuations resulting from interest rate changes are therefore offset to the greatest possible extent.

The free portfolio reflects the Group's capital, which is predominantly invested in fixed-income securities with a short duration, but also in equities and properties.

## Free portfolio

In Q3, financial markets remained volatile due to increased political risks, trade tensions and Euro area recessionary fears. Central banks, with the noticeable exception of Norges Bank, changed their views and cut interest rates. The increased

market nervousness pushed yields further downwards with the result that currently the global stock of negative yielding debt is in excess of USD 17 trillion.

Tryg's equity portfolio reported a return of DKK 4m (DKK 69m) or 0.2% while the free portfolio was also positively impacted by falling interest rates in most fixed-income asset classes. Investment grade bonds, inflation linked bonds and high yield all produced robust returns while remaining small assets classes for Tryg.

The return on the investment property portfolio was DKK 21m (DKK 39m) or 1.3%. The overall return of the free portfolio was 1.0%

## 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 negative contribution of DKK -56m (DKK 16m), high volatility in the quarter at the long end of the interest rate curve are behind the number.

## Financial highlights Q3 2019

Investment return  
**DKK -29m**  
(DKK 79m)

Free portfolio result  
**DKK 97m**  
(DKK 101m)

Match portfolio  
**DKK -69m**  
(DKK 25m)

Other financial  
income and expenses  
**DKK -57m**  
(DKK -47m)

## Key figures – investments

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
Free portfolio, gross return	97	101	631	165	-33
Match portfolio, regulatory deviation and performance	-69	25	-61	40	-2
Other financial income and expenses	-57	-47	-189	-207	-297
<b>Total investment return</b>	<b>-29</b>	<b>79</b>	<b>381</b>	<b>-2</b>	<b>-332</b>

## Return – match portfolio

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
Return, match portfolio	215	-28	743	62	200
Value adjustments, changed discount rate	-253	105	-673	133	7
Transferred to insurance technical interest	-31	-52	-131	-155	-209
<b>Match, regulatory deviation and performance</b>	<b>-69</b>	<b>25</b>	<b>-61</b>	<b>40</b>	<b>-2</b>
Hereof:					
Match, regulatory deviation	-56	16	-96	18	-2
Match, performance	-13	9	35	23	0

The EIOPA discounting curve is constructed using so-called last liquid points (LLP) meaning insurers shall stop using market based interest rates after maturities of 10 years in Sweden and Norway and after maturities of 20 years in Denmark. At times of large moves the sensitivity of the interest rate risk in the long-dated liabilities may change more than the corresponding sensitivity of the assets, which is causing the material part of the negative regulatory deviation result.

The performance result was DKK -13m (DKK 9m) as covered-bond spreads were almost unchanged in Norway whereas the Danish and Swedish spreads against the swap curve have widened.

It is important to see the overall Match result (DKK -69m) in the context of a match portfolio of DKK 30bn fixed income securities, the result corresponds to approximately -0.2%. Hence, times of increased market volatility, the result of the match

portfolio will be affected. Since Q1 2014, the regulatory deviation has been more negative than DKK -30m four times and above DKK 30m eight times. The average quarterly regulatory deviation since Q1 2014 has been DKK 7m.

#### Other financial income and expenses

Other financial income and expenses totalled DKK -57m (DKK -47m) in Q3 2019. This item consists of a number of elements, the largest

being the interest expenses associated with Tryg loans (Tier 1 and Tier 2 loans), the hedging of foreign currency exposure and expenses related to the investment management team.

### Return – free portfolio

DKKm	Q3 2019	Q3 2019(%)	Q3 2018	Q3 2018(%)	Q1-Q3 2019	Q1-Q3 2019(%)	Q1-Q3 2018	Q1-Q3 2018 (%)	Investment assets	
									30.09.2019	31.12.2018
Government bonds	-3	-1.4	-9	-4.1	5	3.0	-7	-2.8	172	198
Covered bonds	0	0.0	-4	-0.1	37	1.0	8	0.2	3,507	3,696
Inflation linked bonds	20	3.9	-7	-1.3	42	8.4	-11	-2.2	520	493
Investment grade credit	35	3.5	0	0.0	110	12.1	-30	-3.8	1,018	820
Emerging market bonds	-10	-1.9	13	2.9	31	5.4	-25	-5.0	530	484
High-yield bonds	25	2.7	2	0.2	65	7.0	12	1.3	950	862
Other <sup>a)</sup>	5		-2		23		-24		103	47
<b>Interest rate and credit exposure</b>	<b>72</b>	<b>1.1</b>	<b>-7</b>	<b>-0.1</b>	<b>313</b>	<b>4.6</b>	<b>-77</b>	<b>-1.1</b>	<b>6,800</b>	<b>6,600</b>
<b>Equity exposure</b>	<b>4</b>	<b>0.2</b>	<b>69</b>	<b>3.5</b>	<b>252</b>	<b>13.0</b>	<b>72</b>	<b>3.5</b>	<b>1,938</b>	<b>1,842</b>
<b>Investment property</b>	<b>21</b>	<b>1.3</b>	<b>39</b>	<b>1.7</b>	<b>66</b>	<b>3.3</b>	<b>170</b>	<b>8.2</b>	<b>2,010</b>	<b>2,238</b>
<b>Total gross return</b>	<b>97</b>	<b>1.0</b>	<b>101</b>	<b>0.9</b>	<b>631</b>	<b>5.9</b>	<b>165</b>	<b>1.5</b>	<b>10,748</b>	<b>10,680</b>

a) Senior/Bank deposits less than one year and derivative financial instruments hedging interest rate risk and credit risk.



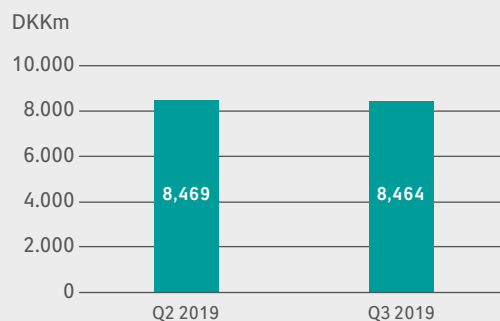
# Solvency and dividend

The solvency ratio (based on Tryg's partial internal model) was 169 at the end of Q3 2019. Tryg will pay a Q3 dividend of DKK 1.70 per share on 15 October 2019, which is in line with Tryg's policy of paying stable quarterly dividends. The Q3 dividend has already been deducted from the reported solvency ratio of 169.

## Own funds

Own funds totalled DKK 8,464m at the end of Q3 (DKK 8,469m at the end of Q2 2019). Own funds were positively impacted by the net profit for the quarter and negatively impacted by the announced quarterly dividend. Additionally, an actuarial loss on pension obligation of DKK -67m was booked under "other comprehensive income" as lower rates in Norway result in higher pension liabilities. Tryg's

## Own funds



own funds are predominantly made up of shareholders' equity and subordinated loans, while all intangibles are deducted.

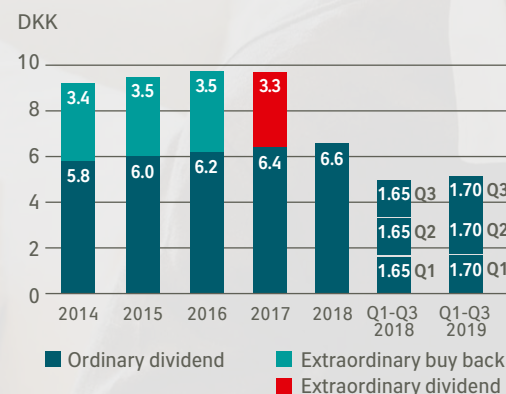
## Solvency capital requirement

Tryg calculates its individual solvency capital requirement based on a partial internal model in accordance with the Danish Financial Supervisory Authority's Executive Order on Solvency and Operating Plans for Insurance Companies. The model is based on the structure of the standard model. 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 5,000m (DKK 4,948m at the end of Q2). The modest upward move was driven by a modest move in market and insurance risks. The solvency capital requirement based on the standard formula was DKK 6,314m against DKK 6,227m at the end of Q2 2019.

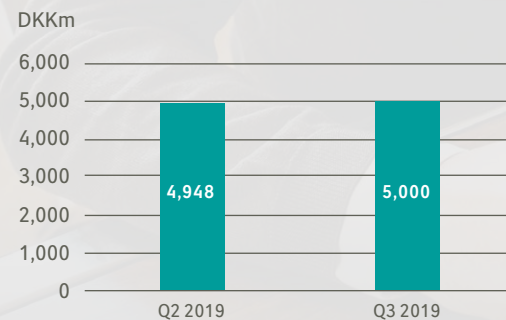
## Rating

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 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 Alka acquisition.

## Shareholder remuneration



## Solvency capital requirement



# Financial outlook

The general macroeconomic outlook remains relatively positive in Scandinavia, although the region is clearly not immune to potential external shocks such as increased protectionism or a downturn in the US economy. Government indebtedness is low, unemployment rates are expected to be below 4% at the end of 2019, while GDP growth is expected to be close to 2%.

Tryg expects organic growth to be broadly in line with GDP in a normal year. During 2019, portfolio acquisitions, new partner agreements and selected price adjustments will push top-line growth well above GDP growth. Exposure to the Corporate segment is likely to be reduced going forward, driven by an increased focus on profitability. The expected improvement of the Corporate segment will support, to some extent, in re-balancing the overall Group earnings. It will also support achieving the 2020 technical result target considering that the recent interest rates fall represents an additional headwind. Tryg has disclosed previously that a parallel shift of the interest rate curve is impacting the financial results by approximately DKK 300m (additional details can be found in a newsletter on tryg.com). The technical result target of DKK 3.3bn in 2020 is firmly maintained.

Tryg's reserves position remains strong. At the CMD in November 2017, it was announced that run-off gains are expected to be between 3 and 5% in 2020. Tryg's systematic claims-reserving approach continues to include a margin of approximately 3% based on best estimate.

Weather claims net of reinsurance and large claims are expected to be DKK 600m and DKK 550m, respectively. The expected level of weather claims includes the Alka portfolio.

The interest rate used to discount Tryg's technical provisions is at the lowest level in five years following a sharp drop the last two quarters. A 100 basis point increase of the interest rate curve will increase the pre-tax result by approximately DKK 300m.

The investment portfolio is divided into a match portfolio corresponding to the technical provisions and a free portfolio. The objective for the return on the match portfolio is to be approximately zero as capital gains and losses on the assets side should be mirrored by corresponding developments on the liabilities side. The free portfolio is invested in different asset classes with a view to obtain the best risk-adjusted return.

The return on bonds in the free portfolio (approximately 65% of the free portfolio) will vary, but given current interest rate levels, a very low return is expected. Equities, as an asset class, are expected to return around 7% annually. The MSCI World Index is the chosen benchmark. The return on the property portfolio is expected to be around 5%. The investment return in the income statement also includes the cost of managing investments, the cost of currency hedges and interest expenses on subordinated loans and other minor items.

In the past few years, corporate tax rates have been lowered throughout Scandinavia. In Denmark, the rate will remain at 22% in 2019, while it is 25% in Norway and 22% in Sweden. Capital gains and losses on equities are not taxed in Norway, which reduces the expected tax payable for an average year to 22-23%.

Alka has produced a stand-alone technical result of approximately DKK 300m in the past few years. Synergies are expected to be realised in the amounts of DKK 75m in 2019, DKK 150m in 2020 and full run-rate impact in 2021 of DKK 300m. Following the approval of the acquisition, Tryg will book an annual depreciation charge of DKK 127m pertaining to the DKK 1.4bn value of customer relations and branding.

## Financial targets 2020



### Earnings

Technical result  
**DKK 3.3bn**

Combined ratio  
**≤86**

Expense ratio  
**~14**

RoE  
**≥21**



# Financial calendar

2019 Interim report Q3 and Q1-Q3	10 October 2019
Tryg shares are traded ex-dividend	11 October 2019
Payment of Q3 dividend	15 October 2019
Annual report 2019	22 January 2020
2020 Annual general meeting	30 March 2020
2020 Interim report Q1	21 April 2020
2020 Interim report Q2 and H1	9 July 2020
2020 Interim report Q3 and Q1-Q3	9 October 2020

## Contact

### Tryg A/S

Klausdalsbrovej 601  
2750 Ballerup, Denmark  
+45 70 11 20 20  
CVR no. 26460212

### Gianandrea Roberti

Investor Relations Officer  
+45 20 18 82 67  
gianandrea.roberti@tryg.dk

### Peter Brondt

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

### Tanja Frederiksen

Head of Communications  
+45 51 95 77 78  
tanja.frederiksen@tryg.dk

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



# Contents

## Financial statements Q1-Q3 2019

### Financial statements

19	Statement by the Supervisory Board and the Executive Board	23	Statement of financial position
20	Financial highlights	24	Statement of changes in equity
21	Income statement	26	Cash flow statement
22	Statement of comprehensive income	27	Notes
		34	Quarterly outline

---

Tryg's Group consolidated financial statements are prepared in accordance with IAS 34 (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 Q1-Q3 2019 for Tryg A/S.

The report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 Interim Financial Reporting, the Danish Financial Business Act and

the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

In our opinion, the report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2019 and of the results of the Group's activities and cash flows for the period for the Group.

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

**Ballerup, 10 October 2019**

## **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

Tom Eileng

Lone Hansen

Karen Bladt

Claus Wistoft

Ida Sofie Jensen

Lene Skole

Tina Snejbjerg

Mari Thjømmøe

Carl-Viggo Östlund

# Financial highlights

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
NOK/DKK, average rate for the period	75.89	77.75	76.38	77.42	77.53
SEK/DKK, average rate for the period	69.82	71.36	70.78	72.86	72.67
<b>Gross premium income</b>	<b>5,583</b>	<b>4,696</b>	<b>16,262</b>	<b>13,687</b>	<b>18,740</b>
Gross claims	-3,785	-3,281	-11,005	-9,151	-12,636
Total insurance operating costs	-774	-651	-2,283	-1,917	-2,704
Profit/loss on gross business	1,025	764	2,974	2,619	3,400
Profit/loss on ceded business	-152	-1	-500	-440	-624
Insurance technical interest, net of reinsurance	-4	-2	1	-9	-10
<b>Technical result</b>	<b>870</b>	<b>761</b>	<b>2,475</b>	<b>2,170</b>	<b>2,766</b>
Investment return after insurance technical interest	-29	79	381	-2	-332
Other income and costs	-62	-15	-168	-55	-172
<b>Profit/loss before tax</b>	<b>779</b>	<b>825</b>	<b>2,688</b>	<b>2,113</b>	<b>2,262</b>
Tax	-179	-198	-549	-492	-529
<b>Profit/loss, continuing business</b>	<b>600</b>	<b>627</b>	<b>2,139</b>	<b>1,621</b>	<b>1,733</b>
Profit/loss on discontinued and divested business after tax	-1	0	-1	0	-2
<b>Profit/loss for the period</b>	<b>599</b>	<b>627</b>	<b>2,138</b>	<b>1,621</b>	<b>1,731</b>
<b>Other comprehensive income</b>					
Other comprehensive income which cannot subsequently be reclassified as profit or loss	-67	0	-107	11	-4
Other comprehensive income which can subsequently be reclassified as profit or loss	-10	-14	7	5	-12
<b>Other comprehensive income</b>	<b>-77</b>	<b>-14</b>	<b>-100</b>	<b>16</b>	<b>-16</b>
<b>Comprehensive income</b>	<b>522</b>	<b>613</b>	<b>2,038</b>	<b>1,637</b>	<b>1,715</b>
Run-off gains/losses, net of reinsurance	279	408	938	1,014	1,221
<b>Statement of financial position</b>					
Total provisions for insurance contracts	33,954	30,805	33,954	30,805	31,948
Total reinsurers' share of provisions for insurance contracts	1,493	1,689	1,493	1,689	1,415
Total equity	11,897	11,814	11,897	11,814	11,334
Total assets	59,169	52,514	59,169	52,514	56,545
<b>Key ratios</b>					
Gross claims ratio	67.8	69.9	67.7	66.9	67.4
Net reinsurance ratio	2.7	0.0	3.1	3.2	3.3
Claims ratio, net of reinsurance	70.5	69.9	70.7	70.1	70.7
Gross expense ratio	13.9	13.9	14.0	14.0	14.4
<b>Combined ratio</b>	<b>84.4</b>	<b>83.8</b>	<b>84.8</b>	<b>84.1</b>	<b>85.1</b>

Key ratios are calculated in accordance with 'Recommendations & Financial Ratios' issued by the Danish Society of Financial Analysts.



# Income statement

DKKm		Q1-Q3 2019	Q1-Q3 2018	2018
Notes	<b>General insurance</b>			
	Gross premiums written	17,907	14,670	18,999
	Ceded insurance premiums	-1,006	-1,112	-1,362
	Change in premium provisions	-1,192	-731	85
	Change in reinsurers' share of premium provisions	110	112	-47
2	<b>Premium income, net of reinsurance</b>	<b>15,819</b>	<b>12,939</b>	<b>17,675</b>
3	<b>Insurance technical interest, net of reinsurance</b>	<b>1</b>	<b>-9</b>	<b>-10</b>
	Claims paid	-10,900	-9,336	-13,294
	Reinsurance cover received	318	232	466
	Change in claims provisions	-105	185	658
	Change in the reinsurers' share of claims provisions	-35	227	125
4	<b>Claims, net of reinsurance</b>	<b>-10,722</b>	<b>-8,692</b>	<b>-12,045</b>
	<b>Bonus and premium discounts</b>	<b>-454</b>	<b>-252</b>	<b>-344</b>
	Acquisition costs	-1,792	-1,490	-2,104
	Administration expenses	-491	-427	-600
	Acquisition costs and administration expenses	-2,283	-1,917	-2,704
	Reinsurance commissions and profit participation from reinsurers	115	101	194
	<b>Insurance operating costs, net of reinsurance</b>	<b>-2,169</b>	<b>-1,816</b>	<b>-2,510</b>
1	<b>Technical result</b>	<b>2,475</b>	<b>2,170</b>	<b>2,766</b>

DKKm		Q1-Q3 2019	Q1-Q3 2018	2018
Notes	<b>Investment activities</b>			
	Income from associates	-10	17	22
	Income from investment property	28	48	46
	Interest income and dividends	402	438	580
5	Value adjustments	294	-169	-537
	Interest expenses	-125	-113	-140
	Administration expenses in connection with investment activities	-78	-68	-94
	<b>Total investment return</b>	<b>512</b>	<b>153</b>	<b>-123</b>
3	Return on insurance provisions	-131	-155	-209
	<b>Total investment return after insurance technical interest</b>	<b>381</b>	<b>-2</b>	<b>-332</b>
	Other income	88	91	128
	Other costs	-256	-146	-300
	<b>Profit/loss before tax</b>	<b>2,688</b>	<b>2,113</b>	<b>2,262</b>
	Tax	-549	-492	-529
	<b>Profit/loss on continuing business</b>	<b>2,139</b>	<b>1,621</b>	<b>1,733</b>
	Profit/loss on discontinued and divested business	-1	0	-2
	<b>Profit/loss for the period</b>	<b>2,138</b>	<b>1,621</b>	<b>1,731</b>
	Earnings/ diluted earnings per share	7.09	5.36	5.73

# Statement of comprehensive income

DKKm	Q1-Q3 2019	Q1-Q3 2018	2018
Profit/loss for the period	2,138	1,621	1,731
Other comprehensive income			
Other comprehensive income which cannot subsequently be reclassified as profit or loss			
Actuarial gains/losses on defined-benefit pension plans	-142	15	-5
Tax on actuarial gains/losses on defined-benefit pension plans	35	-4	1
	-107	11	-4
Other comprehensive income which can subsequently be reclassified as profit or loss			
Exchange rate adjustments of foreign entities	5	39	-50
Hedging of currency risk in foreign entities	2	-43	49
Tax on hedging of currency risk in foreign entities	0	9	-11
	7	5	-12
<b>Total other comprehensive income</b>	<b>-100</b>	<b>16</b>	<b>-16</b>
<b>Comprehensive income</b>	<b>2,038</b>	<b>1,637</b>	<b>1,715</b>

# Statement of financial position

DKKm	30.09.2019	30.09.2018	31.12.2018
<b>Notes</b>			
<b>Assets</b>			
<b>Intangible assets</b>	<b>7,317</b>	<b>1,481</b>	<b>7,236</b>
Operating equipment	189	119	145
Group-occupied property	762	680	790
<b>Total property, plant and equipment</b>	<b>951</b>	<b>799</b>	<b>935</b>
<b>Investment property</b>	<b>577</b>	<b>1,380</b>	<b>1,345</b>
Equity investments in associates	0	243	242
<b>Total investments in associates</b>	<b>0</b>	<b>243</b>	<b>242</b>
Equity investments	2,379	939	1,149
Unit trust units	1,965	1,950	1,663
Bonds	38,664	39,299	38,042
Other lending	60	0	0
Derivative financial instruments	1,254	651	899
<b>Total other financial investment assets</b>	<b>44,322</b>	<b>42,839</b>	<b>41,753</b>
<b>6 Total investment assets</b>	<b>44,898</b>	<b>44,462</b>	<b>43,340</b>
Reinsurers' share of premium provisions	288	333	181
Reinsurers' share of claims provisions	1,206	1,356	1,234
<b>Total reinsurers' share of provisions for insurance contracts</b>	<b>1,493</b>	<b>1,689</b>	<b>1,415</b>
Receivables from policyholders	2,059	1,695	1,476
Total receivables in connection with direct insurance contracts	2,059	1,695	1,476
Receivables from insurance enterprises	247	426	144
Other receivables	684	1,190	803
<b>Total receivables</b>	<b>2,990</b>	<b>3,311</b>	<b>2,423</b>
Current tax assets	69	0	0
Cash at bank and in hand	992	410	627
Other	1	0	0
<b>Total other assets</b>	<b>1,062</b>	<b>410</b>	<b>627</b>
<b>6 Interest and rent receivable</b>	<b>138</b>	<b>162</b>	<b>169</b>
Other prepayments and accrued income	320	200	400
<b>Total prepayments and accrued income</b>	<b>458</b>	<b>362</b>	<b>569</b>
<b>Total assets</b>	<b>59,169</b>	<b>52,514</b>	<b>56,545</b>

DKKm	30.09.2019	30.09.2018	31.12.2018
<b>Notes</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>11,897</b>	<b>11,814</b>	<b>11,334</b>
<b>Subordinated loan capital</b>	<b>2,835</b>	<b>2,951</b>	<b>2,868</b>
Premium provisions	7,019	6,330	5,861
Claims provisions	25,694	23,925	24,847
Provisions for bonuses and premium discounts	1,241	550	1,240
<b>Total provisions for insurance contracts</b>	<b>33,954</b>	<b>30,805</b>	<b>31,948</b>
Pensions and similar liabilities	367	250	277
Deferred tax liability	895	615	912
Other provisions	94	98	111
<b>Total provisions</b>	<b>1,356</b>	<b>963</b>	<b>1,300</b>
Debt relating to direct insurance	474	518	614
Debt relating to reinsurance	452	651	169
Amounts owed to credit institutions	492	525	494
<b>6 Debt relating to unsettled funds transactions and repos</b>	<b>1,490</b>	<b>258</b>	<b>3,408</b>
<b>6 Derivative financial instruments</b>	<b>840</b>	<b>604</b>	<b>740</b>
Debt to Group undertakings	299	322	313
Current tax liabilities	335	386	118
Other debt	4,720	2,688	3,202
<b>Total debt</b>	<b>9,102</b>	<b>5,952</b>	<b>9,058</b>
<b>Accruals and deferred income</b>	<b>24</b>	<b>29</b>	<b>37</b>
<b>Total equity and liabilities</b>	<b>59,169</b>	<b>52,514</b>	<b>56,545</b>
<b>7 Related parties</b>			
<b>8 Contingent Liabilities</b>			
<b>9 Accounting policies</b>			

# Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves <sup>a)</sup>	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2018</b>	<b>1,511</b>	<b>-41</b>	<b>1,617</b>	<b>7,748</b>	<b>499</b>	<b>11,334</b>
<b>Q1-Q3 2019</b>						
Profit/loss for the period			34	563	1,541	2,138
Other comprehensive income		7		-107		-100
Total comprehensive income	0	7	34	456	1,541	2,038
Dividend paid					-1,526	-1,526
Dividend, own shares				1		1
Purchase and sale of own shares				33		33
Issue of conditional shares and matching shares				17		17
<b>Total changes in equity in Q1-Q3 2019</b>	<b>0</b>	<b>7</b>	<b>34</b>	<b>507</b>	<b>15</b>	<b>563</b>
<b>Equity at 30 September 2019</b>	<b>1,511</b>	<b>-34</b>	<b>1,651</b>	<b>8,255</b>	<b>514</b>	<b>11,897</b>
The possible payment of dividend is influenced by contingency fund provisions and Norwegian Natural Perils Pool of DKK 1,651m (DKK 1,617m as at 31 December 2018). The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured.						
<b>Equity at 31 December 2017</b>	<b>1,511</b>	<b>-29</b>	<b>1,592</b>	<b>8,059</b>	<b>1,483</b>	<b>12,616</b>
<b>Q1-Q3 2018</b>						
Profit/loss for the period			75	49	1,497	1,621
Other comprehensive income		5		11		16
Total comprehensive income	0	5	75	60	1,497	1,637
Dividend paid					-2,481	-2,481
Purchase and sale of own shares				35		35
Issue of conditional shares and matching shares				7		7
<b>Total changes in equity in Q1-Q3 2018</b>	<b>0</b>	<b>5</b>	<b>75</b>	<b>102</b>	<b>-984</b>	<b>-802</b>
<b>Equity at 30 September 2018</b>	<b>1,511</b>	<b>-24</b>	<b>1,667</b>	<b>8,161</b>	<b>499</b>	<b>11,814</b>

a) Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions.



# Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves <sup>a)</sup>	Retained earnings	Proposed dividend	Total
<b>Equity at 31 December 2017</b>	<b>1,511</b>	<b>-29</b>	<b>1,592</b>	<b>8,059</b>	<b>1,483</b>	<b>12,616</b>
<b>2018</b>						
Profit/loss for the year			25	-290	1,996	1,731
Other comprehensive income		-12		-4		-16
Total comprehensive income	0	-12	25	-294	1,996	1,715
Dividend paid					-2,980	-2,980
Purchase and sale of own shares				-27		-27
Issue of conditional shares and matching shares				10		10
<b>Total changes in equity in 2018</b>	<b>0</b>	<b>-12</b>	<b>25</b>	<b>-311</b>	<b>-984</b>	<b>-1,282</b>
<b>Equity at 31 December 2018</b>	<b>1,511</b>	<b>-41</b>	<b>1,617</b>	<b>7,748</b>	<b>499</b>	<b>11,334</b>

<sup>a)</sup> Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions.

# Cash flow statement

DKKkm	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Cash from operating activities</b>			
Premiums	16,814	14,214	18,712
Claims	-10,428	-9,075	-13,473
Ceded business	-383	-642	-725
Costs	-2,364	-2,293	-3,165
Change in other debt and other amounts receivable	1,749	332	1,927
<b>Cash flow from insurance activities</b>	<b>5,388</b>	<b>2,536</b>	<b>3,276</b>
Interest income	372	440	546
Interest expenses	-125	-113	-138
Dividend received	11	11	12
Taxes	-254	-337	-639
Other income and costs	-169	-55	-174
<b>Cash from operating activities, continuing business</b>	<b>5,223</b>	<b>2,482</b>	<b>2,883</b>
Cash from operating activities, discontinued and divested business	0	-1	0
<b>Total cash flow from operating activities</b>	<b>5,223</b>	<b>2,481</b>	<b>2,883</b>
<b>Investments</b>			
Acquisition and refurbishment of real property	0	-2	-2
Sale of real property	0	48	117
Acquisition and sale of equity investments and unit trust units (net)	-674	-322	1,540
Purchase/sale of bonds (net)	-2,532	-743	3,268
Deposits with credit institutions	0	250	250
Purchase/sale of operating equipment (net)	-54	-36	-61
Acquisition of intangible assets	0	0	-5,671
Hedging of currency risk	2	-43	49
<b>Total investments</b>	<b>-3,258</b>	<b>-848</b>	<b>-510</b>

DKKkm	Q1-Q3 2019	Q1-Q3 2018	2018
<b>Financing</b>			
Exercise of share options/purchase of treasury shares (net)	33	42	-17
Subordinated loan capital	0	502	502
Dividend paid	-1,526	-2,481	-2,980
Change in lease liabilities	-102	-58	-135
Change in amounts owed to credit institutions	-2	219	188
<b>Total financing</b>	<b>-1,598</b>	<b>-1,776</b>	<b>-2,442</b>
Change in cash and cash equivalents, net	367	-143	-69
Additions relating to purchase of subsidiary	0	41	186
Exchange rate adjustment of cash and cash equivalents, 1 January	-2	3	1
<b>Change in cash and cash equivalents, gross</b>	<b>365</b>	<b>-99</b>	<b>118</b>
Cash and cash equivalents, beginning of year	627	509	509
<b>Cash and cash equivalents, end of period</b>	<b>992</b>	<b>410</b>	<b>627</b>

# Notes

DKKmn	Private	Commercial	Corporate	Sweden	Other <sup>a)</sup>	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2019</b>						
<b>Gross premium income</b>	<b>8,962</b>	<b>3,195</b>	<b>2,992</b>	<b>1,157</b>	<b>-44</b>	<b>16,262</b>
Gross claims	-6,110	-2,122	-1,966	-820	13	-11,005
Gross operating expenses	-1,239	-560	-295	-189		-2,283
Profit/loss on ceded business	-154	-52	-310	-7	25	-499
Insurance technical interest, net of reinsurance	-2	1	2			1
<b>Technical result</b>	<b>1,457</b>	<b>461</b>	<b>423</b>	<b>141</b>	<b>-6</b>	<b>2,475</b>
Other items					-337	-337
<b>Profit</b>						<b>2,138</b>
Run-off gains/losses, net of reinsurance	206	274	326	139	-6	938
Intangible assets	1,598	86		528	5,105	7,317
Reinsurers' share of premium provisions	81	35	171	1		288
Reinsurers' share of claims provisions	43	161	994	8		1,206
Other assets					50,359	50,359
<b>Total assets</b>						<b>59,169</b>
Premium provisions	3,075	1,639	1,381	924		7,019
Claims provisions	6,320	7,001	9,529	2,844		25,694
Provisions for bonuses and premium discounts	1,088	107	23	22		1,241
Other liabilities					13,318	13,318
<b>Total liabilities</b>						<b>47,272</b>

<sup>a)</sup> Amounts relating to eliminations and 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

DKKmn	Private	Commercial	Corporate	Sweden	Other <sup>a)</sup>	Group
<b>1 Operating segments</b>						
<b>Q1-Q3 2018</b>						
<b>Gross premium income</b>	<b>6,787</b>	<b>2,927</b>	<b>2,910</b>	<b>1,110</b>	<b>-47</b>	<b>13,687</b>
Gross claims	-4,479	-1,781	-2,199	-765	73	-9,151
Gross operating expenses	-946	-513	-283	-175		-1,917
Profit/loss on ceded business	-155	-118	-138	-3	-26	-440
Insurance technical interest, net of reinsurance	-4	-1		-4		-9
<b>Technical result</b>	<b>1,203</b>	<b>514</b>	<b>290</b>	<b>163</b>	<b>0</b>	<b>2,170</b>
Other items					-549	-549
<b>Profit</b>						<b>1,621</b>
Run-off gains/losses, net of reinsurance	316	273	325	100		1,014
Intangible assets	286	95		548	552	1,481
Equity investments in associates					243	243
Reinsurers' share of premium provisions	96	40	196	1		333
Reinsurers' share of claims provisions	67	124	1,138	27		1,356
Other assets					49,101	49,101
<b>Total assets</b>						<b>52,514</b>
Premium provisions	2,527	1,526	1,340	937		6,330
Claims provisions	5,134	6,479	9,508	2,804		23,925
Provisions for bonuses and premium discounts	428	80	31	11		550
Other liabilities					9,895	9,895
<b>Total liabilities</b>						<b>40,700</b>

<sup>a)</sup> Amounts relating to eliminations and 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	Corporate	Sweden	Other <sup>a)</sup>	Group
<b>1 Operating segments</b>						
<b>2018</b>						
<b>Gross premium income</b>	<b>9,466</b>	<b>3,971</b>	<b>3,897</b>	<b>1,471</b>	<b>-65</b>	<b>18,740</b>
Gross claims	-6,198	-2,326	-3,114	-1,024	26	-12,636
Gross operating expenses	-1,309	-696	-385	-237	-77	-2,704
Profit/loss on ceded business	-220	-165	-225	-4	-10	-624
Insurance technical interest, net of reinsurance	-5			-5		-10
<b>Technical result</b>	<b>1,734</b>	<b>784</b>	<b>173</b>	<b>201</b>	<b>-126</b>	<b>2,766</b>
Other items						-1,035
<b>Profit</b>						<b>1,731</b>
Run-off gains/losses, net of reinsurance	394	434	271	122		1,221
Intangible assets	1,694	89		534	4,919	7,236
Equity investments in associates					242	242
Reinsurers' share of premium provisions	47	3	131			181
Reinsurers' share of claims provisions	53	118	1,036	27		1,234
Other assets					47,652	47,652
<b>Total assets</b>						<b>56,545</b>
Premium provisions	2,672	1,326	947	916		5,861
Claims provisions	6,259	6,425	9,352	2,811		24,847
Provisions for bonuses and premium discounts	1,036	164	26	14		1,240
Other liabilities					13,263	13,263
<b>Total liabilities</b>						<b>45,211</b>

<sup>a)</sup> Amounts relating to eliminations and 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	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>1 Geographical segments</b>					
<b>Danish general insurance<sup>a)</sup></b>					
<b>Gross premium income</b>	<b>3,350</b>	<b>2,512</b>	<b>9,863</b>	<b>7,499</b>	<b>10,430</b>
Technical result	570	459	2,062	1,452	2,007
Run-off gains/losses, net of reinsurance	123	227	594	532	710
<b>Key ratios</b>					
Gross claims ratio	67.2	62.7	63.2	60.2	61.2
Net reinsurance ratio	1.5	4.7	1.7	6.2	5.5
Claims ratio, net of reinsurance	68.6	67.4	64.9	66.4	66.7
Gross expense ratio	14.0	14.1	14.0	14.0	13.9
<b>Combined ratio</b>	<b>82.7</b>	<b>81.5</b>	<b>78.9</b>	<b>80.4</b>	<b>80.6</b>
Run-off, net of reinsurance (%)	-3.7	-9.0	-6.0	-7.1	-6.8
Number of full-time employees, end of period	2,682	1,994	2,682	1,994	2,520
<b>Norwegian general insurance</b>					
<b>Gross premium income</b>	<b>1,667</b>	<b>1,633</b>	<b>4,835</b>	<b>4,673</b>	<b>6,302</b>
Technical result	202	182	316	549	791
Run-off gains/losses, net of reinsurance	100	157	239	422	520
<b>Key ratios</b>					
Gross claims ratio	70.9	85.1	74.9	74.9	72.6
Net reinsurance ratio	4.6	-9.1	5.4	-0.3	1.2
Claims ratio, net of reinsurance	75.5	76.0	80.3	74.6	73.8
Gross expense ratio	12.9	13.2	13.6	13.9	13.9
<b>Combined ratio</b>	<b>88.3</b>	<b>89.2</b>	<b>93.9</b>	<b>88.5</b>	<b>87.7</b>
Run-off, net of reinsurance (%)	-6.0	-9.6	-4.9	-9.0	-8.3
Number of full-time employees, end of period	1,088	1,096	1,088	1,096	1,105

a) Comprises Danish general insurance, Finnish, Netherland, Austrian and German guarantee insurance.

# Notes

DKKm	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	2018
<b>1 Geographical segments</b>					
<b>Swedish general insurance</b>					
<b>Gross premium income</b>	<b>575</b>	<b>560</b>	<b>1,607</b>	<b>1,562</b>	<b>2,073</b>
Technical result	98	120	103	169	94
Run-off gains/losses, net of reinsurance	56	24	112	60	-9
<b>Key ratios</b>					
Gross claims ratio	62.9	63.4	72.3	77.6	82.3
Net reinsurance ratio	4.5	0.7	6.2	-2.6	-1.7
Claims ratio, net of reinsurance	67.4	64.1	78.4	75.0	80.6
Gross expense ratio	15.6	14.3	15.1	14.0	14.6
<b>Combined ratio</b>	<b>82.9</b>	<b>78.4</b>	<b>93.5</b>	<b>89.0</b>	<b>95.2</b>
Run-off, net of reinsurance (%)	-9.6	-4.3	-6.9	-3.8	0.4
Number of full-time employees, end of period	415	394	415	394	402
<b>Other <sup>a)</sup></b>					
<b>Gross premium income</b>	<b>-9</b>	<b>-9</b>	<b>-44</b>	<b>-47</b>	<b>-65</b>
Technical result	0	0	-6	0	-126
<b>Tryg</b>					
<b>Gross premium income</b>	<b>5,583</b>	<b>4,696</b>	<b>16,262</b>	<b>13,687</b>	<b>18,740</b>
Technical result	870	761	2,475	2,170	2,766
Investment return activities	-29	79	381	-2	-332
Profit/loss before tax	779	825	2,688	2,113	2,262
Run-off gains/losses, net of reinsurance	279	408	938	1,014	1,221
<b>Key ratios</b>					
Gross claims ratio	67.8	69.9	67.7	66.9	67.4
Net reinsurance ratio	2.7	0.0	3.1	3.2	3.3
Claims ratio, net of reinsurance	70.5	69.9	70.7	70.1	70.7
Gross expense ratio	13.9	13.9	14.0	14.0	14.4
<b>Combined ratio</b>	<b>84.4</b>	<b>83.8</b>	<b>84.8</b>	<b>84.1</b>	<b>85.1</b>
Run-off, net of reinsurance (%)	-5.0	-8.7	-5.8	-7.4	-6.5
Number of full-time employees, end of period	4,185	3,484	4,185	3,484	4,027

a) Amounts relating to eliminations and one-off items.

# Notes

DKKm	Q1-Q3 2019	Q1-Q3 2018	2018
<b>2 Premium income, net of reinsurance</b>			
Direct insurance	16,665	13,911	19,037
Indirect insurance	39	38	50
	16,704	13,949	19,087
Unexpired risk provision	12	-10	-3
	16,716	13,939	19,084
Ceded direct insurance	-897	-1,000	-1,409
	<b>15,819</b>	<b>12,939</b>	<b>17,675</b>
<b>3 Insurance technical interest, net of reinsurance</b>			
Return on insurance provisions	132	155	209
Discounting transferred from claims provisions	-131	-164	-219
	<b>1</b>	<b>-9</b>	<b>-10</b>
<b>4 Claims, net of reinsurance</b>			
Claims	-11,907	-10,233	-13,872
Run-off gains/losses, gross	902	1,082	1,236
	-11,005	-9,151	-12,636
Reinsurance cover received	247	527	606
Run-off gains/losses, reinsurers' share	36	-68	-15
	<b>-10,722</b>	<b>-8,692</b>	<b>-12,045</b>

DKKm	Q1-Q3 2019	Q1-Q3 2018	2018
<b>5 Value adjustments</b>			
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>			
Equity investments	427	190	-64
Unit trust units	177	-42	-224
Bonds	138	-234	-364
Derivatives (Equity, Interest, Currency)	91	-308	-149
	833	-394	-800
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>			
Investment property	7	95	147
Owner-occupied property	-10	0	-1
Discounting	-673	134	5
Other statement of financial position items	138	-4	113
	-539	225	264
	<b>294</b>	<b>-169</b>	<b>-537</b>

<b>6 Tryg's investment portfolio</b>			
Total investment assets	44,898	44,462	43,340
Cash at bank and Interest and rent receivable	1,130	572	796
Debt relating to unsettled funds transactions and repos	-1,490	-258	-3,408
Derivative financial instruments	-840	-604	-740
External customers (Tryg Invest)	-2,326	-876	-857
	<b>41,372</b>	<b>43,296</b>	<b>39,131</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"

As per Q3 2019, DKK 2,326m of assets and liabilities were third-party related



# Notes

DKK m

## 7 Related parties

Dividend of DKK 1,526 m per 30 September 2019 to shareholders of which 60% has been paid to TryghedsGruppen SMBA.

Dividend of DKK 1,526 m per 30 September 2019 has been paid from Tryg Forsikring A/S to Tryg A/S. There has 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 recognized in the statement of financial position at 30 September 2019.

## 9 Accounting policies

Tryg's interim report for Q1-Q3 2019 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).

### Changes in accounting policies

Software is amortised according to the straight-line method over the assessed economic lifetime. Going forward from 01.06.2019 certain intangible assets, such as core system software will have a depreciation period of up to 8 years. It has no bearings on prior periods, hence comparative figures have not been restated.

There have been no other changes to the accounting policies or accounting estimates in Q1-Q3 2019.

### Other

The amounts in the report are disclosed in whole numbers of DKK m, unless otherwise stated. The amounts have been rounded and consequently the sum of the rounded amounts and totals may differ slightly.

# Quarterly outline

DKKm	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
<b>Private</b>									
<b>Gross premium income</b>	<b>3,055</b>	<b>3,010</b>	<b>2,897</b>	<b>2,679</b>	<b>2,309</b>	<b>2,257</b>	<b>2,221</b>	<b>2,203</b>	<b>2,211</b>
Technical result	458	593	406	531	467	483	253	394	463
<b>Key ratios</b>									
Gross claims ratio	69.2	64.7	70.7	64.2	63.5	62.2	72.4	65.7	62.7
Net reinsurance ratio	1.8	1.8	1.6	2.4	2.2	2.5	2.2	2.6	3.1
Claims ratio, net of reinsurance	71.0	66.5	72.3	66.6	65.7	64.7	74.6	68.3	65.8
Gross expense ratio	13.9	13.8	13.8	13.5	13.9	13.9	14.0	13.7	13.2
<b>Combined ratio</b>	<b>84.9</b>	<b>80.3</b>	<b>86.1</b>	<b>80.1</b>	<b>79.6</b>	<b>78.6</b>	<b>88.6</b>	<b>82.0</b>	<b>79.0</b>
Combined ratio exclusive of run-off	85.4	83.1	89.8	83.0	84.9	83.5	92.4	84.2	82.6
<b>Commercial</b>									
<b>Gross premium income</b>	<b>1,083</b>	<b>1,062</b>	<b>1,050</b>	<b>1,044</b>	<b>994</b>	<b>978</b>	<b>955</b>	<b>977</b>	<b>971</b>
Technical result	154	196	111	270	174	169	171	138	175
<b>Key ratios</b>									
Gross claims ratio	70.7	60.8	67.6	52.2	61.0	59.7	61.9	66.3	61.1
Net reinsurance ratio	-2.3	3.4	4.0	4.5	4.3	4.2	3.6	3.7	3.2
Claims ratio, net of reinsurance	68.3	64.2	71.6	56.7	65.3	63.9	65.5	70.0	64.3
Gross expense ratio	17.3	17.5	17.8	17.5	17.2	18.8	16.5	15.9	17.7
<b>Combined ratio</b>	<b>85.7</b>	<b>81.7</b>	<b>89.4</b>	<b>74.2</b>	<b>82.5</b>	<b>82.7</b>	<b>82.0</b>	<b>85.9</b>	<b>82.0</b>
Combined ratio exclusive of run-off	94.3	89.7	98.4	89.6	93.3	92.3	89.5	94.9	92.4
<b>Corporate</b>									
<b>Gross premium income</b>	<b>1,032</b>	<b>994</b>	<b>966</b>	<b>987</b>	<b>991</b>	<b>977</b>	<b>942</b>	<b>965</b>	<b>975</b>
Technical result	204	130	89	-117	63	109	118	60	91
<b>Key ratios</b>									
Gross claims ratio	59.7	62.0	76.0	92.7	96.8	58.8	70.7	74.6	69.3
Net reinsurance ratio	11.6	14.2	5.2	8.8	-12.3	20.5	6.4	9.1	11.1
Claims ratio, net of reinsurance	71.3	76.1	81.2	101.5	84.5	79.3	77.1	83.7	80.4
Gross expense ratio	8.9	11.0	9.6	10.3	9.3	9.6	10.3	10.1	10.1
<b>Combined ratio</b>	<b>80.2</b>	<b>87.2</b>	<b>90.8</b>	<b>111.8</b>	<b>93.8</b>	<b>88.9</b>	<b>87.4</b>	<b>93.8</b>	<b>90.5</b>
Combined ratio exclusive of run-off	92.1	93.5	105.3	106.3	108.2	95.0	100.4	100.2	94.1

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

# Quarterly outline

DKKmn	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
<b>Sweden</b>									
<b>Gross premium income</b>	<b>422</b>	<b>392</b>	<b>343</b>	<b>361</b>	<b>411</b>	<b>375</b>	<b>324</b>	<b>355</b>	<b>420</b>
Technical result	54	61	26	38	57	85	21	30	60
<b>Key ratios</b>									
Gross claims ratio	70.5	66.5	76.4	71.7	69.6	61.6	76.5	73.0	70.7
Net reinsurance ratio	0.3	1.3	0.3	0.3	0.2	0.3	0.3	0.6	0.0
Claims ratio, net of reinsurance	70.8	67.8	76.7	72.0	69.8	61.9	76.8	73.6	70.7
Gross expense ratio	16.5	16.6	15.7	17.2	16.1	14.7	16.7	17.7	14.8
<b>Combined ratio</b>	<b>87.3</b>	<b>84.4</b>	<b>92.4</b>	<b>89.2</b>	<b>85.9</b>	<b>76.6</b>	<b>93.5</b>	<b>91.3</b>	<b>85.5</b>
Combined ratio exclusive of run-off	98.8	98.2	102.9	95.3	94.7	89.7	98.1	97.2	92.9
<b>Other <sup>a)</sup></b>									
<b>Gross premium income</b>	<b>-9</b>	<b>-6</b>	<b>-28</b>	<b>-18</b>	<b>-9</b>	<b>-16</b>	<b>-22</b>	<b>-12</b>	<b>-1</b>
Technical result	0	0	-6	-126	0	0	0	0	0
<b>Tryg</b>									
<b>Gross premium income</b>	<b>5,583</b>	<b>5,451</b>	<b>5,228</b>	<b>5,053</b>	<b>4,696</b>	<b>4,571</b>	<b>4,420</b>	<b>4,488</b>	<b>4,576</b>
Technical result	870	979	626	596	761	846	563	622	789
Investment return	-29	57	353	-330	79	-90	9	86	87
Profit/loss before tax	779	979	930	149	825	735	553	685	860
Profit/loss	599	782	757	110	627	568	426	527	671
<b>Key ratios</b>									
Gross claims ratio	67.8	63.6	71.8	69.0	69.9	61.3	69.4	68.5	64.4
Net reinsurance ratio	2.7	4.3	2.2	3.6	0.0	6.0	3.7	3.8	4.6
Claims ratio, net of reinsurance	70.5	67.9	74.0	72.6	69.9	67.3	73.1	72.3	69.0
Gross expense ratio	13.9	14.2	14.0	15.6	13.9	14.1	14.0	13.7	13.6
<b>Combined ratio</b>	<b>84.4</b>	<b>82.1</b>	<b>88.0</b>	<b>88.2</b>	<b>83.8</b>	<b>81.4</b>	<b>87.1</b>	<b>86.0</b>	<b>82.6</b>
Combined ratio exclusive of run-off	89.4	87.4	95.1	92.3	92.5	88.2	93.7	90.9	88.0

a) Amounts relating to eliminations and one-off items are included under 'Other'.

# Disclaimer

Certain statements in this interim 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 under-

lying assumptions prove to be incorrect, Tryg's actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected. Tryg is not under any duty to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law.

**i** [Read more in the chapter Capital and risk management on pages 31-32, and in Note 1 on page 60 in the Annual report 2018, for a description of some of the factors which may affect the Group's performance or the insurance industry.](#)

