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## 03 Tryg Forsikring Årsrapport 2021.pdf

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# Annual report 2021

1 January – 31 December 2021

## Tryg Forsikring A/S

(CVR-no. 24260666)

Klausdalsbrovej 601

2750 Ballerup

The Annual report is presented and approved  
at the company's ordinary annual general meeting  
6 April 2022

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Bettina Drejer Clausen, Chairman of the annual general meeting



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## Company details

### Supervisory Board

Jukka Pertola, Chairman  
Torben Nielsen, Deputy Chairman  
Charlotte Dietzer  
Gert Ove Mikkelsen  
Claus Wistoft  
Ida Sofie Jensen  
Thomas Hofman-Bang  
Mengmeng Du  
Jørn Rise Andersen  
Tina Snejbjerg  
Mari Thjømøe  
Carl-Viggo Östlund  
Elias Bakk

### Executive Board

Morten Hübbe, Group CEO  
Barbara Plucnar Jensen, Group CFO  
Lars Bonde, Group COO  
Johan Kirstein Brammer, Group CCO

### Internal audit

Jens Galsgaard

### Independent auditors

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab

### Ownership

Tryg Forsikring A/S is part of the Tryg Forsikring Group. The company has a share capital of DKK 1,100m and is wholly-owned by Tryg A/S, Ballerup, Denmark.

The annual report is included in the consolidated financial statements of TryghedsGruppen smba, Hummeltoftevej 49, 2830 Virum and Tryg A/S, Ballerup ([www.Tryghedsgruppen.dk](http://www.Tryghedsgruppen.dk) and [www.Tryg.com](http://www.Tryg.com))

### Address

Tryg Forsikring A/S  
Klausdalsbrovej 601  
DK-2750 Ballerup

Tel. +45 70 11 20 20

[www.Tryg.dk](http://www.Tryg.dk)



# Management's review

## Income overview Tryg Forsikring Group

DKKm	2021	2020
<b>Gross premium income</b>	<b>24,137</b>	<b>22,653</b>
Gross claims	-16,275	-15,437
Total insurance operating costs	-3,394	-3,202
Profit/loss on gross business	4,468	4,014
Profit/loss on ceded business	-731	-499
Insurance technical interest, net of reinsurance	-29	-20
<b>Technical result</b>	<b>3,709</b>	<b>3,495</b>
Investment return after insurance technical interest	709	300
Other income and costs	-510	-171
<b>Profit/loss before tax</b>	<b>3,907</b>	<b>3,624</b>
Tax	-767	-788
<b>Profit/loss on continuing business</b>	<b>3,140</b>	<b>2,837</b>
Profit/loss on discontinued and divested business after tax	-3	0
<b>Profit/loss</b>	<b>3,137</b>	<b>2,837</b>
Run-off gains/losses, net of reinsurance	963	1,145
<b>Key figures</b>		
Total equity	12,962	12,438
Return on equity after tax (%)	23.2	21.5
Premium growth in local currencies	4.9	7.0
Gross claims ratio	67.4	68.1
Net reinsurance ratio	3.0	2.2
Claims ratio, net of ceded business	70.5	70.3
Gross expense ratio	14.1	14.1
<b>Combined ratio</b>	<b>84.5</b>	<b>84.5</b>
Run-off, net of reinsurance (%)	-4.0	-5.1
Large claims, net of reinsurance (%)	1.8	2.2
Weather claims, net of reinsurance (%)	1.9	1.6
COVID-19 claims, net of reinsurance (%)	-0.5	-0.8
<b>Combined ratio on business areas</b>		
Private	83.7	83.9
Commercial	83.8	83.3
Corporate	89.4	88.0
Sweden	83.6	83.2

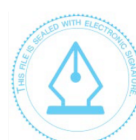
## Events in 2021

### Denmark

In November, Private Denmark announced it had reached a key milestone, as DKK 10bn was achieved in premiums. Commercial Denmark has also reached several significant targets: DKK 3.5bn in premiums and more than 80,000 commercial customers in the portfolio.

### TryghedsGruppen's member bonus

For the sixth consecutive year, TryghedsGruppen paid out a member bonus for 2021 of DKK 715m, equivalent to 5% of premiums paid for 2020. The bonus was paid to Tryg and Alka customers in Denmark, or every fourth Dane.



## **Tryg Business**

In 2021, Commercial Denmark has focussed on the concept, Tryg Business, to the lower commercial segment (0-19 employees). When the customers choose to collect several of the company's insurances in Tryg Forsikring, they achieve a discount (up to 15%) and unique benefits. Tryg Business is an important initiative in the core business to increase the number of products per customer and last year's focus resulted in one-third of all commercial customers being signed via Tryg Business at the end of the year.

## **Norway**

### **Lifebuoy no. 50,000 handed out**

Tryg Forsikring has been providing lifebuoys for 69 years, and this summer lifebuoy no. 50,000 was handed over. The lifebuoy was given to the rescue company Region Vest. Since 1952, when the first lifebuoy was hung up, Tryg Forsikring estimates its lifebuoys have helped save more than 1,000 lives.

### **Re-use of car parts**

As a part of its Corporate Responsibility strategy, Tryg Forsikring has encouraged its network of suppliers to increase the use of used parts in car repairs. By the end of 2021, the efforts meant that at least 10 per cent of all damage repairs included at least one used part.

### **More pets in Norwegian families**

The number of pets has increased significantly in Norway during the pandemic, and it has been important for Tryg Forsikring to be able to offer pet insurance that accommodates this growth area. It was therefore gratifying that Norsk Familieøkonomi (Norwegian consulting company) selected Tryg Forsikring's dog and cat insurance as best in test for the second year in a row.

## **Integration**

The Norwegian organisation is expected to be fully integrated and operational by April 1 2022. At that time, employees from both organisations have been reappointed based on a thorough competency survey.

To create a common corporate culture in the merged organisation, a culture survey has also been conducted. The goal of this process is to create viable solutions that serve both the company, the individual employees and the work environment in the best possible way. The new and integrated company will be the 3rd largest non-life insurance company in Norway and will be a strong and competitive player in the Norwegian insurance market.

## **Sweden**

### **Moderna hits historical highs**

Moderna breaks records in customer satisfaction. The customer satisfaction score hit an all-time high in Q3 within claims, up 69% compared to 2020. Insight-driven investments in Self-service functionality lifted My Pages from last place to joint first place in the Swedish market during the year, and several technical applications were launched, such as Swish and Fraud detection. In addition, the strength of the Moderna brand is at a historically high level. Helped awareness has increased 17% since 2020, Spontaneous awareness 40% and Consideration 10%.

## **Integration**

In 2021, Moderna, together with Trygg-Hansa, succeeded in reaching many important integration milestones. For example, a number of important decisions were made and communicated during the autumn as to which core IT system will be used and migrated, what brands are to be kept and what the future management team will look like. As the next step in designing the new organisation, organisational levels below the country management team will be presented at the end of February 2022. Focus on designing the future organisation is one of the main priorities in 2022 as well as getting to know one another better. There is no doubt that employees in both Moderna and Trygg-Hansa feel a strong commitment to the integration, as the results from several pulse surveys are very positive.

### **Broker Desk of the Year**

Moderna received the award Broker Desk of the Year from Söderberg & Partners with the motivation: "Moderna has climbed past all other insurance companies in terms of the overall grade for all parts of the annual survey".



## Financial targets and outlook

The COVID-19 pandemic broke out at the beginning of 2020 and has continued to impact the world's economies, health systems and businesses in general in 2021 as well. The Scandinavian countries were able to navigate through this period better than most, thanks to a high level of trust in public authorities, balanced overall public finances and a low level of unemployment.

The COVID-19 pandemic again characterised most of the narrative in 2021. Vaccination plans were pushed by governments all over the world and the situation seemed to improve during the spring and the early summer. New variants and the arrival of cold weather later in the year means the number of infections has been growing rapidly despite a relatively high vaccination rate in the western world. The financial markets have followed developments closely and experienced a degree of turmoil at times, especially when new and worrying issues arose. Most asset classes developed positively (especially equities and properties) and inflationary pressures started to materialise in different parts of the economies. The year ended with another variant of the virus (Omicron) triggering a new alert and increased restrictions. Despite significantly higher infection rates, the high vaccination take up has resulted in less pressure on the health system due to fewer people being severely ill and hospitalised. In Scandinavia, a lockdown similar to spring 2020 has proved unnecessary and only some milder restrictions have been re-introduced.

Societies re-opening have provided a strong economic boost in Scandinavia (and all over the world), though fears of rapidly increasing inflationary pressures are building. Central banks have turned more "hawkish" in their narratives, and this has resulted in different bouts of volatility in the financial markets. In this context, it is essential to remember that Tryg Forsikring has previously disclosed a positive P&L impact of approximately DKK 300m from a 100 basis points parallel shift in the interest rate curve. The impact would primarily come from a higher technical result (via a higher level of discounting of claims reserves) of around DKK 200m and a higher re-investment rate on the bonds portfolio of around DKK 100m. The negative mark-to-market movement that would hit the fixed income portfolio would be broadly offset by a positive gain on the liabilities side.

The Scandinavian countries continue to do relatively well compared to most European countries. Relatively high vaccination rates (helped by a high level of trust in public authorities), solid overall public finances and relatively low unemployment rates are strong competitive advantages, especially in troubled times. Government indebtedness across Scandinavia remains low compared to larger European countries, and this has allowed for various schemes to support businesses and contain the damage from the prolonged lockdown period.

Scandinavian non-life insurance markets remain relatively stable. The region is characterised by relatively high product penetration, and ratios of non-life insurance premiums as a percentage of GDP are some of the highest in the world. Product offerings are broader and also significantly more diverse compared to larger European countries. Motor and property insurance make up around 65% of total premiums, but accident & health and other products are also very well developed. Households generally cover their insurance needs relatively well, and there is generally a high level of trust in insurance companies and high brand recognition.

Retention levels are very high in Scandinavia compared to nearly everywhere else in the world. This is a key profitability driver, as it helps insurers keep their overall expenses low. Retention rates hover around 90% in the Private and Commercial (SMEs) segments, representing more than 80% of Tryg Forsikring's total business. A direct-distribution model also contributes significantly to the very efficient setup. At the end of 2021, Tryg Forsikring reported an expense ratio of 14.1% (in line with 14.1% in 2020).

Tryg Forsikring's reserves position remains strong. In 2022, weather claims net of reinsurance and large claims are expected to total DKK 600m and DKK 550m for Tryg Forsikring stand-alone.

The investment portfolio is divided into a match portfolio corresponding to the technical provisions and a free portfolio. The objective is for the return on the match portfolio 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 to obtain the best risk-adjusted return. The return on bonds in the free portfolio (slightly above 60% of the free portfolio) will vary, but a low return is expected given current interest rate levels. For shares, the expected return is around 7%, with the MSCI World Index as a benchmark, while the expected return on property is about 5%. Investment return in the P&L also includes the cost of managing investments, the cost of currency hedges, 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 2022, while it is at 25% in Norway and 21% in Sweden. Capital gains and losses on equities are not taxed in Norway, which reduces the expected tax payable for an average year to 21-23%.

### **Events after balance sheet date**

International tensions have increased since the beginning of 2022 and escalated dramatically after mid-February following Russia's invasion of Ukraine. These events have created some turmoil and heightened volatility in capital markets. Tryg Forsikring has a very modest (i.e. negligible) exposure to the region in terms of assets and liabilities. The exposure to Russia/Ukraine equities or bonds is extremely low while the business exposure is also insignificant.

Financial impact on Tryg Forsikrings results is expected to be isolated to the effect on investment results following from the general turmoil in financial markets. The solvency ratio of Tryg Forsikring is impacted slightly by the market volatility, but it is only modestly down compared to the levels shown at year-end. It has had no impact of the result and balance sheet for year 2021.

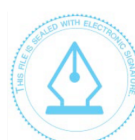
### **Impact for Tryg Forsikring regarding Tryg's acquisition of RSA**

In November 2020, Tryg made a recommended cash offer together with the Canadian insurer Intact Financial Corporation to acquire RSA Insurance Group PLC. During the spring of 2021, shareholders of all companies and all regulatory bodies approved the transaction. Tryg has taken over RSA's Swedish and Norwegian business.

The acquisition has had no impact on the income statement at Tryg Forsikring before the demerger of the RSA Scandinavian part (Trygg-Hansa and Codan Norway), which was completed in April 2022. Afterwards, Swedish and Norwegian businesses are fully consolidated in the financial statement of Tryg Forsikring.

Trygg-Hansa's technical result for 2021 was DKK 2,019m, and Codan Norway's technical result for the full year was DKK 163m (was not part of Tryg Forsikrings result in 2021). The market share in Sweden is 16.9 when Trygg Hansa is included. Market share rise to 15.2 in Norway, including Codan Norway. Tryg Forsikring in Denmark is unchanged with a market share of 22.7%.

Trygg-Hansa and Codan Norway synergies are targeted towards DKK 900m by 2024. 80% of the synergies will be driven by cost synergies such as administration & distribution, procurement and claims.



## 2022 outlook

Tryg Forsikring has identified synergies from the acquisition of Codan Norway and Trygg-Hansa of DKK 350m in 2022, growing to DKK 650m in 2023 and DKK 900m in 2024.

## Financial targets 2024

- Technical result: 7.0-7.4bn DKK
- Combined ratio: ≤82%
- Expense ratio: 14%

## Customer targets

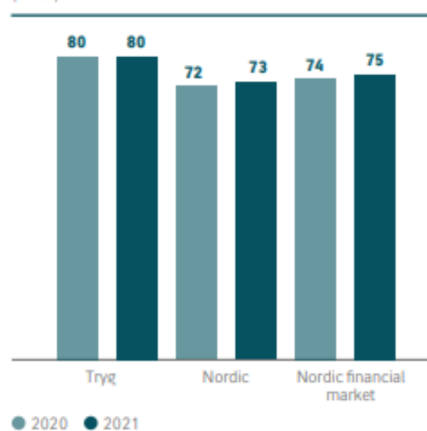
- Digitalisation (% growth in value-creating actions upon login): ≥40%
- Customer satisfaction: 88
- Corporate responsibility (tonnes CO2 e): 20-25,000

## Targets and strategy 2024



## Employee satisfaction

(Index)



Tryg has an employee satisfaction level above the average of the Nordic sector.

Source: Global Employee and Leadership Index

Tryg Forsikring targets a technical result of between DKK 7.0 and 7.4bn driven by a combined ratio at or below 82. The expense ratio remains stable at around 14 as in the previous strategy period.

## Customer targets

All financial targets are underpinned by the DKK 900m in synergies related to the acquisition of Codan in Norway and Trygg-Hansa (expected to be completed in H1 2022). Tryg Forsikring believes that high customer satisfaction and retention rates lead to lower distribution costs. Customer targets are therefore of high importance for realising the financial targets. Tryg Forsikring has disclosed two ambitious targets relating to the customer experience.

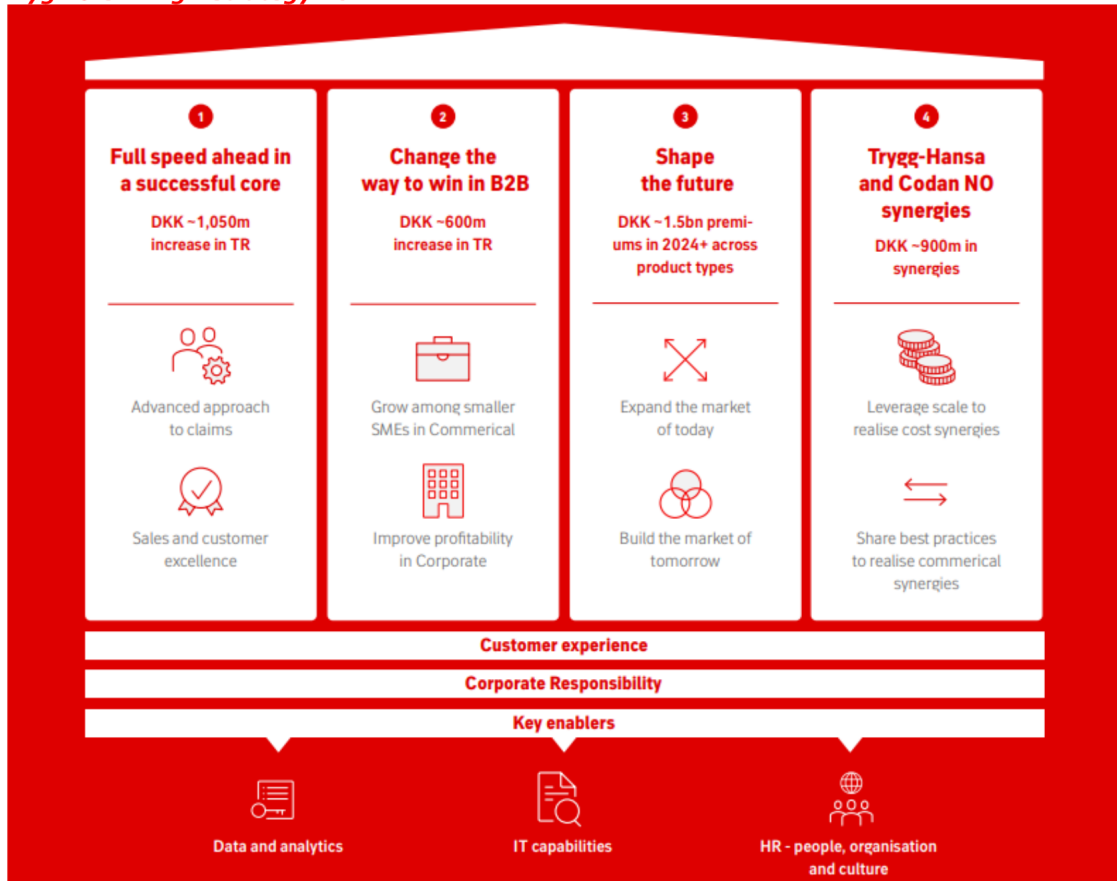
The first target builds on the customer journey from onboarding the customer to the claims handling and relation process. In 2021, Tryg Forsikring reported a customer journey satisfaction score of 84 (on a scale from 0-100) and the target is to reach 88 by 2024.



Secondly, Tryg Forsikring has set a target to grow 'value-creating actions' upon login online. To exemplify this, if a customer logs in to tryg.dk to report a claim, buy insurance, self-service or similar, the customer creates value in a very low-cost frictionless manner. Tryg Forsikring aims to increase this low-cost value-creating action by 40% by 2024 (vs ~ DKK 14m in 2020).

Tryg Forsikring is also introducing a new target related to corporate responsibility. By 2024, Tryg Forsikring aims to reduce carbon emissions by 20,000-25,000 tonnes in claims handling, equivalent to approximately 1,000 annual household emissions. Sustainable claims handling with initiatives within e.g. motor, property, and content claims is expected to be the main driver of reaching the sustainability target. Read more about Tryg Forsikring's latest corporate responsibility initiatives on page 33.

**Tryg Forsikring - strategy 2024**



a) Trygg-Hansa and Codan Norway is expected to be merged with Tryg forsikring in H1 2022



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# Tryg Forsikring's results

## Results 2021

**Premium growth of 4.9% (7.0%) was reported for FY 2021 driven primarily by the Private and Commercial segments. Growth excluding the bonus and premiums rebates was 6.4%. Technical result of DKK 3,709m (DKK 3,495m) impacted positively by the development of the underlying claims, DKK 333m in Alka synergies and lower than normal large and weather claims. Investment income of DKK 709m (DKK 300m) primarily impacted by positive capital markets developments driven by equities and properties returns. The overall pre-tax profit was DKK 3,907m (DKK 3,624m). The solvency ratio of 187.**

Tryg Forsikring reported premium growth of 4.9% (6.4% excluding bonus and premiums rebates), primarily driven by good growth in the Private and Commercial segments. The Private segment was up 5.8% (8.3% excluding bonus and premiums rebates), while the Commercial segment was up 6.1%. Corporate reported a virtually flat top-line development. Tryg Forsikring reported a technical result of DKK 3,709m (DKK 3,495m) that was impacted positively by the underlying claims development, full delivery of Alka synergies, lower than normal large and weather claims and slightly lower claims frequencies driven by COVID-19 developments, although with lower positive impact than in 2020. The overall technical result of DKK 3,709m should be seen against the updated guidance of H1 2021 of a technical result range between DKK 3,500m and DKK 3,800m.

Tryg Forsikring reported a combined ratio of 84.5 (84.5) driven by a claims ratio of 70.5 (70.3) and an expense ratio of 14.1 (14.1). Private, Commercial and Sweden reported positive top-line development, while the Corporate segment was virtually flat. The reported technical result improved markedly for Private, Commercial and Sweden, while the Corporate segment was virtually flat. The underlying claims ratio improved for Commercial, Corporate and Sweden, while it was flat for Private.

Synergies from the Alka transaction amounted to DKK 333m in 2021 (DKK 176m in 2020) and exceed the targeted DKK 300m. The DKK 333m of synergies can be split into DKK 140m from claims, DKK 101m from costs and DKK 92m from revenue synergies.

The investment result was DKK 709m (DKK 300m). Financial markets developed positively during 2021, with especially equities and properties posting solid returns. COVID-19 developments continue to impact the development of the financial market and have been causing heavy and concentrated sell-offs. In addition, inflation has been pointing upwards since after the summer and the central banks' narrative has been about increasing interest rates in 2021. Tryg Forsikring 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). Furthermore, it is worth remembering that Tryg Forsikring marks to market both assets and liabilities (following Danish Financial Supervisory Authority rules), resulting in P&L volatility in turbulent times, while other Nordic and European insurers hold large parts of their fixed-income portfolios to maturity, or book most of their asset moves to shareholders' equity. Tryg Forsikring's asset allocation remained broadly unchanged during the period.

Other income and costs totalled DKK -510m (DKK -171m), with the large increase entirely driven by the booking of integration costs related to the RSA Scandinavia acquisition totalling DKK 102m. Other income and costs include the annual depreciation of customer relations and brands (mostly related to the Alka acquisition) of DKK 136m.

The pre-tax result was DKK 3,907m (DKK 3,624m), while the net profit was DKK 3,140m (DKK 2,837m).

In 2021, Danish customers received their fifth member bonus from TryghedsGruppen (Tryg's 45% key shareholder). The 5% bonus is appreciated by customers and seen as an important competitive advantage, boosting customer loyalty and supporting customer targets.

## Premiums

Premium income totalled DKK 24,137m (DKK 22,653m), representing growth in local currencies of 4.9%. Growth was 6.4% after adjusting for a high bonus and premiums rebates in the Private segment. The Private segment had a strong growth of 5.8% (9.0% in 2020) and 8.3% when adjusted for bonus and premiums rebates. Growth in Private Denmark is still driven by lead-generating partner agreements and cross-selling to the existing customer base, and also the use of Tryg Forsikring's digital platforms (tryg.dk) to generate leads has increased in 2021. The semiconductor chips shortage has impacted negatively the sales of a new car in 2021.



COVID-19 developments in Malaysia and other Southeast Asian countries have been impacting heavily the production of chips. Fewer new cars have been imported, this has impacted the level of Motor insurances especially in the second half of 2021 as customers have preferred to keep their old cars awaiting for their preferred models to be available. Partner agreements are attractive, as they generally display a longer customer lifetime (compared to direct private business), a higher number of products per customer and a lower expense ratio. Prices are typically slightly lower compared to direct Private business, while overall profitability is similar.

As expected, the termination of the Nordea agreement led to a reduction in the Nordea portfolio, which has negatively impacted overall retention levels. However, the reduction in the Nordea portfolio has been more than offset by sales to Danske Bank customers, resulting in a positive net impact. Private Norway reported robust growth, driven by price adjustments, upselling to existing customers, and continued strong sales from Enter (Tryg Forsikring's dedicated car brand in Norway), which capitalised on the robust trend in sales of new and used cars.

The Commercial segment in both Denmark and Norway continued to develop positively, realising growth of 6.1% (5.5%). In Commercial Denmark, Tryg Forsikring saw a net inflow of customers and growth was impacted by the sale of packages and cross-selling to existing customers. In Norway, price increases were pushed through, especially for large Commercial customers, leading to higher premium income, and packages were also introduced to the customers.

In Corporate, premiums were up by a modest 0.3% as a result of Corporate's continued work on sustainable profitability initiatives. Improving profitability in the Corporate segment is one of Tryg Forsikring's key priorities, which is why significant profitability initiatives have been implemented in Denmark and Sweden.

Sweden reported growth of 2.7% based on strong sales to the niche areas Atlantica (boat insurance) and Bilsport MC (vintage cars and motorbikes), but also strong sales from the Danske Bank distribution agreement.

### **The impact of bonus and premiums rebate**

Tryg Forsikring has many years of experience and a long history of developing partner agreements in both Denmark and Norway. The majority of partner agreements are in the Private segment. In general, partner agreements support Tryg Forsikring's strong results. Tryg Forsikring tailors the different agreements to the partner's needs and therefore each partner agreement has specific features.

Some partner agreements include profit sharing, typically based on a combined ratio target. Under the current accounting rules, profit sharing is booked as bonus and premiums rebates and is therefore deducted from the total premium income. This has led to some volatility in the premiums pattern between quarters. It should be noted that bonus and premiums rebates in IFRS 17, which will come into force from 2023, will be included in the claims line, so the top-line should exhibit a more stable development between quarters.

In the charts, premium growth excluding bonus and premiums rebates is clearly more stable, reflecting the real development in premium income. The high level of bonus and premiums rebates in 2021 reflects the strong profitability of the partner agreements.

### **Claims**

The claims ratio, net of ceded business, was 70.5 (70.3). The underlying claims ratio for the Group, excluding large claims and weather claims, runoffs, discounting and COVID-19, was 72.0 (72.8), which was 0.8 percentage points better than FY 2020. The Private underlying claims ratio was flat at 69.0, in line with recent developments.

COVID-19 had a relatively modest impact on the full-year figures at a total of DKK 129m (DKK 179m), primarily driven by lower travel insurance claims in H1. The COVID-19 situation developed positively between the spring and the early autumn with societies in Scandinavia fully re-opened, social distancing measures cancelled and economies rebounding strongly, in part thanks to successful vaccination campaigns. The positive development came to a halt towards the end of the year when a new and highly contagious COVID-19 variant, Omicron, began spreading rapidly, increasing the number of people infected and hospitalised and forcing new restrictions to be re-introduced.

Strong growth in the Private segment in more recent periods is having some impact on the underlying claims ratio development, as 'new' business is initially and generally is not as profitable as 'old' business. The claims ratio for new business is approximately 3% higher than the claims ratio for existing business, primarily because new customers tend to make more frequent claims under their insurance policies during 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 Forsikring continues to expect an improved underlying claims ratio for full-year 2022.

In 2021, inflation, especially for building materials, was particularly evident in Denmark and Norway. Tryg Forsikring has strong procurement agreements that mitigate inflationary developments, thus gaining time to prepare price adjustments if needed. Tryg Forsikring expects some negative impact on the partner agreements to be renegotiated in 2022 and therefore price adjustments have been initiated affected from the beginning of 2022.

In 2021, large claims totalled DKK 428m (DKK 500m), while weather claims totalled DKK 456m (DKK 368m). Large and weather claims were thus below normalised yearly expectations of DKK 550m and DKK 600m a year. The overall run-off result was DKK 963m (DKK 1,145m) or 4.0% (5.1%) on the combined ratio. The run-off result was driven mainly by run-off gains in the long-tail segments.

### **Expenses**

The expense ratio was 14.1 (14.1). Tryg Forsikring has been working to reduce distribution costs, and some of the savings from these initiatives are being invested in new digital solutions. The expense ratio is also positively impacted by satisfactory growth, especially in the Private segment in recent years. This high growth impacts the costs in the sales year, as commissions are paid upfront in many distribution channels. The high growth, however, also improves economies of scale for Tryg Forsikring, as the shared service units in particular are not significantly impacted by premium growth and thus support the low expense ratio level.

### **Investment activities**

The investment return for the full year totalled DKK 709m (DKK 300m). Financial markets developed favourably during 2021, though there were periods of intense volatility. After the summer, inflation started to dominate the narrative together with the more hawkish tone of the central banks. Later, a new COVID-19 variant, Omicron, spooked the markets and resulted in rapid and heavy sell-offs. COVID-19 developments remain critical for the financial markets and the broader economic recovery. The free portfolio produced a very healthy income of DKK 870m (DKK 585m), almost entirely driven by equities - up around 18% - and properties - up around 13%. Fixed-income returns were slightly negative or close to zero in general. The total return from the free portfolio was 8.0% (5.3%).

The match portfolio reported a positive DKK 134m (DKK -19m) contribution primarily driven by decreasing spreads between Euros and Danish swap rates. Other financial income and expenses totalled DKK -295m (DKK -266m).

### **Other income and costs**

Other income and costs totalled DKK -510m (DKK -171m). This line includes the integration and restructuring costs related to the future merge with Trygg Hansa, Holmia and Codan Norway (DKK -349m). Additionally, depreciation of customer relations and brands (mostly related to the Alka acquisition) of DKK -136m, costs related to the sale of pension products and car care of DKK -102 and other smaller items.

### **Dividend and solvency**

The solvency ratio (based on Tryg Forsikring's partial internal model) was 187 at year-end 2021 compared to 187 at year-end 2020. Own funds were DKK 10,070m and the solvency capital requirement was DKK 5,389m. The proposed dividend is DKK 700m.

Tryg Forsikring's own funds predominantly consist of equity and subordinated loans. These items should be adjusted for the total amount of intangibles on the balance sheet (fully deducted in Solvency 2).

Regarding the solvency capital requirement, Tryg Forsikring calculates its individual solvency capital requirement based on a partial internal model following 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 Forsikring 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 5,389m (DKK 4,855m at year-end 2020).

Tryg Forsikring's solvency ratio displays low sensitivity to capital market movements. The area with the highest level of sensitivity is spread risk, where a widening/ tightening of 100 basis points would impact the solvency ratio by approximately 20 percentage points. Sensitivity to the falling equity market and interest rate movements are low.



## Private

### Key figures - Private

DKKm	2021	2020
<b>Gross premium income</b>	<b>13,685</b>	<b>12,743</b>
Gross claims	-9,377	-8,883
Gross expenses	-1,803	-1,727
Profit/loss on gross business	2,505	2,133
Profit/loss on ceded business	-270	-76
Insurance technical interest, net of reinsurance	-16	-12
<b>Technical result</b>	<b>2,219</b>	<b>2,045</b>
Run-off gains/losses, net of reinsurance	136	120
<b>Key ratios</b>		
Premium growth in local currencies	5.8	9.0
Gross claims ratio	68.5	69.7
Net reinsurance ratio	2.0	0.6
Claims ratio, net of ceded business	70.5	70.3
Gross expense ratio	13.2	13.6
<b>Combined ratio</b>	<b>83.7</b>	<b>83.9</b>
Combined ratio exclusive of run-off	84.7	84.8
Run-off, net of reinsurance (%)	-1.0	-0.9
Large claims, net of reinsurance (%)	0.1	0.2
Weather claims, net of reinsurance (%)	2.2	2.1

### Results 2021

Private reported a technical result of DKK 2,219m (DKK 2,045m in 2020) and a combined ratio of 83.7 (83.9). The higher result was impacted by the strong growth in premiums, while the total level of weather claims and run-offs was similar to the level reported for FY 2020. Synergies from the Alka transaction also had a positive impact on the overall technical result. The Private underlying claims ratio for 2021 was unchanged compared to 2020.

### Premiums

Gross premium income increased by 5.8% (9.0%) measured in local currencies. In Private Denmark, the positive development continued with premium growth of 3.8% (7.4%) driven by a continued strong performance from all sales channels. Due to the current accounting treatment, premium growth in Private Denmark was negatively impacted by a high level of bonuses and premiums rebates, representing profit-sharing related to partner agreements. Exclusive of the bonus and premiums rebates, Private in total would have reported a growth of 8.3% and Private Denmark would have posted growth of 7.3%.

In the Norwegian part of Private, premiums increased by 9.8% (12.3%) in local currencies, helped by continued strong sales to both NITO and OBOS customers and the car dealer channel Enter. The retention rate of 90.5 (90.1) in Denmark was impacted by churn from the cancellation of the Nordea portfolio following Tryg Forsikring's agreement with Danske Bank. Excluding the impact of the Nordea agreement, retention was 91.2. The reduction in the Nordea portfolio has been more than offset by sales to Danske Bank customers, resulting in a positive net impact. The retention rate was 88.5 (88.4) for the Norwegian part of the business, which was very positive and helped by the fact that retention levels are generally high for partner customers.

### Claims

The claims ratio, net of ceded business, was 70.5 (70.3). A slightly higher level of weather claims and lower positive impact from COVID-19 were broadly offset by a slightly higher level of run-off gains and discounting. The underlying claims ratio was unchanged compared to 2020 and impacted by the high growth in Private resulting in many new customers, who in general have a 3% higher claims frequency. As Private is the most profitable area with the lowest capital requirement, strong growth in this area is



a structurally good development for the Group. Claims inflation was very much in focus in 2021, particularly because of high price increases for building materials and spare parts for automobiles. Tryg Forsikring is helped by robust procurement agreements, but started adjusting prices during the year to mitigate any potential inflation impact.

### **Expenses**

The expense ratio has decreased to 13.2 (13.6), reflecting good top-line growth and tight cost control in 2021. The number of employees was 1,355 at the end of the year against 1,344 at the end of 2020. The increase is driven mainly by upscaling in customer service in Denmark.



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# Commercial

## Key figures - Commercial

DKKm	2021	2020
<b>Gross premium income</b>	<b>5,294</b>	<b>4,930</b>
Gross claims	-3,334	-3,167
Gross expenses	-913	-831
Profit/loss on gross business	1,048	932
Profit/loss on ceded business	-191	-130
Insurance technical interest, net of reinsurance	-7	-5
<b>Technical result</b>	<b>850</b>	<b>798</b>
Run-off gains/losses, net of reinsurance	309	348
<b>Key ratios</b>		
Premium growth in local currencies	6.1	5.5
Gross claims ratio	63.0	64.2
Net reinsurance ratio	3.6	2.6
Claims ratio, net of ceded business	66.6	66.9
Gross expense ratio	17.2	16.9
<b>Combined ratio</b>	<b>83.8</b>	<b>83.7</b>
Combined ratio exclusive of run-off	89.6	90.8
Run-off, net of reinsurance (%)	-5.8	-7.1
Large claims, net of reinsurance (%)	3.4	3.0
Weather claims, net of reinsurance (%)	1.5	1.6

### Results 2021

Commercial posted a technical result of DKK 850m (DKK 798m in 2020) and a combined ratio of 83.8 (83.7). The higher technical result was realised through a positive premium income and helped by a strong improvement in the underlying claims ratio, which offset a higher level of large claims and a lower level of run-off.

### Premiums 2021

Gross premium income totalled DKK 5,294m (DKK 4,930m), representing a 6.1% increase when measured in local currencies. Commercial Denmark reported a growth of 6.6%, while in Norway, premiums increased by 4.9%. In general, Tryg Forsikring reported strong development in Denmark, with a net inflow of customers supported by many initiatives such as the high level of sales of insurance packages. In Norway, growth was primarily based on high acceptance of price adjustments. The retention rate for Denmark was 88.6 (88.6), helped by a strong market position as evidenced by various market surveys and TryghedsGruppen's member bonus. In Norway, the retention rate increased to 89.4 (89.2), which was a positive development in a period with price adjustments.

### Claims

The claims ratio, net of ceded business, was 66.6 (66.9). Tryg Forsikring registered a higher level of large and weather claims overall compared to 2020. The run-off level was 5.8 (7.1), reflecting a strong reserving position. The underlying claims level improved in both Denmark and Norway and was particularly helped by price initiatives in Norway targeting large Commercial customers.

### Expenses

The expense ratio was 17.2 (16.9). Tryg Forsikring's initiative is aimed at improving expense levels in Commercial Denmark through the recruitment of independent sales agents. In Norway, as mentioned, pricing initiatives for large Commercial customers were widely accepted, which also had a positive impact on the expense ratio level. At the end of the year, Commercial had 640 employees compared to 617 at the end of 2020, primarily due to continued expansion in the credit and surety business and upscaling in the sales part of Commercial Denmark.



## Corporate

### Key figures Corporate

DKKm	2021	2020
<b>Gross premium income</b>	<b>3,457</b>	<b>3,376</b>
Gross claims	-2,423	-2,311
Gross expenses	-396	-367
Profit/loss on gross business	638	698
Profit/loss on ceded business	-273	-294
Insurance technical interest, net of reinsurance	-4	-2
<b>Technical result</b>	<b>361</b>	<b>401</b>
Run-off gains/losses, net of reinsurance	282	436
<b>Key ratios</b>		
Premium growth in local currencies	0.3	1.5
Gross claims ratio	70.1	68.5
Net reinsurance ratio	7.9	8.7
Claims ratio, net of ceded business	78.0	77.2
Gross expense ratio	11.4	10.9
<b>Combined ratio</b>	<b>89.4</b>	<b>88.0</b>
Combined ratio exclusive of run-off	97.6	101.0
Run-off, net of reinsurance (%)	-8.2	-12.9
Large claims, net of reinsurance (%)	6.6	9.8
Weather claims, net of reinsurance (%)	1.1	0.6

#### Results 2021

The technical result amounted to DKK 361m (DKK 401m in 2020) with a combined ratio of 89.4 (88.0). The lower technical result is primarily due to a lower level of run-off gains (8.2% vs 12.9%). Tryg Forsikring continued to see a positive development in the underlying claims ratio, primarily due to significant price initiatives in all countries. Premium growth was almost flat at 0.3%, impacted by the aforementioned price increases that led to a somewhat higher churn.

#### Premiums

Gross premium income totalled DKK 3,457m (DKK 3,376m), representing an increase of 0.3% (1.5%) when measured in local currencies. As mentioned, growth was impacted by profitability initiatives in all countries. Tryg Forsikring has seen a negative premium development in recent quarters, reflecting the profitability initiatives.

#### Claims

The claims ratio, net of ceded business, was 78.0 (77.2). The level of large claims was 6.6 (9.8), weather claims were 1.1 (0.6), and the runoff level was lower at 8.2 (12.8). Tryg Forsikring continued to see an improved underlying claims level driven by the profitability initiatives in all countries. The full impact of these initiatives in combination with new initiatives will improve profitability further in the coming years.

#### Expenses

The expense ratio of 11.4 (10.9) was slightly higher compared to the prior-year period, but still at a satisfactory level. The number of employees in Corporate was 222 against 212 at the end of 2020, primarily due to the strengthened focus on portfolio management.



# Sweden

## Key figures Sweden

DKKm	2021	2020
<b>Gross premium income</b>	<b>1,701</b>	<b>1,604</b>
Gross claims	-1,141	-1,067
Gross expenses	-284	-269
Profit/loss on gross business	276	268
Profit/loss on ceded business	3	1
Insurance technical interest, net of reinsurance	-2	-1
<b>Technical result</b>	<b>277</b>	<b>268</b>
Run-off gains/losses, net of reinsurance	235	249
<b>Key ratios</b>		
Premium growth in local currencies	2.7	4.9
Gross claims ratio	67.1	66.5
Net reinsurance ratio	-0.2	-0.1
Claims ratio, net of ceded business	66.9	66.4
Gross expense ratio	16.7	16.8
<b>Combined ratio</b>	<b>83.6</b>	<b>83.2</b>
Combined ratio exclusive of run-off	97.4	98.8
Run-off, net of reinsurance (%)	-13.8	-15.5
Weather claims, net of reinsurance (%)	2.3	0.1

### Results 2021

Sweden (Moderna) posted a technical result of DKK 277m (DKK 268m in 2020) and a combined ratio of 83.6 (83.2). The higher technical result was composed of a significantly improved underlying claims ratio, a much higher level of weather claims and a lower run-off level, but was also impacted by a positive development in the Swedish currency.

### Premiums

Premium income totalled DKK 1,701m (DKK 1,604m), representing an increase of 2.7% (4.9%) when measured in local currencies. Premium income was impacted by price adjustments and strong growth for the niche businesses Atlantica (leisure boats) and Bilsport & MC (vintage cars and motorbikes) as well as pet insurance. Very strong customer satisfaction growth, with Moderna's self-service solution reaching the highest score on the Swedish market, was also supportive of premium development.

### Claims

The claims ratio, net of ceded business, was 66.9 (66.4). The claims level was positively impacted by pricing adjustments, resulting in an improved underlying claims level, and negative impacted from a much higher level of weather-related claims because of flooding in Gävle in the third quarter. The high run-off result of 13.8 (15.5) was driven by a strong reserving position for motor insurance but was at a somewhat lower level than the previous year.

### Expenses

The expense ratio was 16.7 (16.8), and therefore slightly lower than last year. At the end of the quarter, the number of employees was 314 and thus somewhat lower than year-end 2020, when 323 were employed. This also reflects restraint in hiring people due to the coming integration between Trygg-Hansa and Moderna.



## Investment activities

The total market value of Tryg Forsikring's investment portfolio was DKK 42.7bn (DKK 40bn) at yearend 2021. The investment portfolio consists of a match portfolio of DKK 29.7bn (DKK 28.1bn) and a free portfolio of DKK 13.0bn (DKK 12.4bn). The match portfolio is constructed with low-risk fixed-income assets that match the Group's insurance liabilities, so that fluctuations resulting from interest rate changes are 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.

The investment return for the full year was DKK 709m (DKK 300m). The free portfolio result of DKK 870m (DKK 585m), driven primarily by strong returns on equities and properties. The match portfolio reported a positive DKK 134m (DKK -19m) contribution primarily driven by decreasing spreads between Euro and Danish swap rates. Other financial income and expenses totalled DKK -295m (DKK -266m).

### Free portfolio

Financial markets developed positively during 2021, with especially risky asset classes such as equities and properties producing solid returns. The narrative was generally dominated by developments in the COVID-19 pandemic and discussions around inflationary pressures following a strong economic rebound after the reopening of societies in the spring and summer. These themes continued to dominate discussions towards the end of the year. The free portfolio produced a very healthy income of DKK 870m (DKK 585m), almost entirely driven by equities – up around 18% - and properties up around 13%. Fixed income returns were slightly negative or close to zero in general. The total return on the free portfolio was 7.0% (5.3%).

### 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 was DKK 78m (DKK -48m), driven primarily by a decreased yield spread between the FSA/EIOPA discounting curve (in EUR) and the assets side invested in Danish kroner. The performance result was DKK 56m (DKK 29m), as Nordic covered-bond spreads narrowed slightly.

### Other financial income

Other financial income and expenses are primarily characterised by interest expenses related to outstanding subordinated debt, the cost of currency hedges to protect shareholders' equity and the cost of running investment operations. Other financial income and expenses totalled DKK -295m (DKK -266m). The higher level compared to 2020 is primarily driven by the negative interest costs paid on the rights issue funds in the period between the rights issue and the actual closing of the transaction.

#### Key figures - Investments

DKKm	2021	2020
Free portfolio, gross return	870	585
Match portfolio, regulatory deviation and performance	134	-19
Other financial income and expenses	-295	-266
<b>Total investment return</b>	<b>709</b>	<b>300</b>

#### Return - free portfolio

DKKm	2021	2021 %	2020	Investment assets		
				2020 %	31.12.2021	31.12.2020
<b>Bonds</b>	<b>-35</b>	<b>-0,9</b>	<b>88</b>	<b>2,3</b>	<b>3.896</b>	<b>3.839</b>
<b>Credit bonds</b>	<b>5</b>	<b>0,3</b>	<b>136</b>	<b>6,3</b>	<b>2.154</b>	<b>2.261</b>
Investment grade credit	2	0,3	70	7,2	784	908
Emerging market bonds	-1	0,0	25	4,6	709	654
High-yield bonds	4	0,7	41	6,2	661	699
<b>Diversifying Alternatives a)</b>	<b>-10</b>	<b>-1,0</b>	<b>20</b>	<b>2,1</b>	<b>1.021</b>	<b>935</b>
<b>Equity</b>	<b>506</b>	<b>18,9</b>	<b>277</b>	<b>13,5</b>	<b>2.710</b>	<b>2.588</b>
<b>Real Estate</b>	<b>404</b>	<b>12,5</b>	<b>64</b>	<b>2,7</b>	<b>3.233</b>	<b>2.806</b>
<b>Total</b>	<b>870</b>	<b>7,0</b>	<b>585</b>	<b>5,3</b>	<b>13.014</b>	<b>12.429</b>

a) Diversifying Alternatives consists of CAT Bonds and a tactical mandate including both bonds, interest based investment funds and equity based investment funds.

#### Return - match portfolio

DKKm	2021	2020
Return, match portfolio	-332	548
Value adjustments, changed discount rate	528	-530
Transferred to insurance technical interest	-62	-37
<b>Match, regulatory deviation and performance</b>	<b>134</b>	<b>-19</b>
Hereof:		
Match, regulatory deviation	78	-48
Match, performance	56	29



## Capital and risk management

Risk management is a key function at Tryg Forsikring. The assessment and management of Tryg Forsikring's aggregated risk and associated capital requirement constitute a core element in the management of the company.

Tryg Forsikring's risk management is based on the targets and strategy and the risk exposure limits decided by the Supervisory Board.

Tryg Forsikring's Supervisory Board defines the framework for the company's target risk appetite and there by the capital which must be available to cover any losses. The company's risk management is based on four risk categories: Strategic and business risk, Insurance risk, Investment risk and Operational risk. A detailed description of these can be found in the tables below.

### Strategic and business risk

Definition	Strategy	Risk management	Objectives and methods
Financial losses or lost opportunities due to a lack of ability to carry out business plans and strategies. This includes the risk of not being able to adjust to changing market conditions in a timely fashion.	Tryg Forsikring has chosen to implement a highly decentralised organisation with a large degree of autonomy for each business unit.  This ensures a timely reaction to changing market conditions in the separate business units	The risk management policy adopted by the Supervisory Board sets out guidelines for risk management.  The strategy process sets out overall strategic objectives. This is done as a bottom-up process where the individual business units contribute with concrete business plans.	Risk management carries out ongoing risk identification and assessment to ensure that all existing and emerging strategic and business risks are reported to the Supervisory Board on a semi-annual basis.  Close monitoring of each business unit concerning their performance.



## Insurance risk

Definition	Strategy	Risk Management	Objectives and methods
<p>The risk that insurance premiums are insufficient to cover the compensations and other costs associated with the insurance business.</p> <p>The risk of the insurance provisions being inadequate.</p>	<p>Insurance risk is the cornerstone of the business model. It is the area where Tryg Forsikring has the largest risk appetite.</p> <p>The main focus is to write primary non-life insurance business in Scandinavia.</p> <p>The Private and Commercial businesses are considered the most attractive segments.</p> <p>The insurance portfolio should be well-diversified and profitable with an overweight on the retail segment. Increased focus on the retail segment in the coming years will help to mitigate insurance risks, as this segment is typically less complex and also drives value creation.</p> <p>Tryg Forsikring has a conservative approach towards claims provisioning</p>	<p>The insurance risk policy adopted by the Supervisory Board sets out general guidelines for permitted insurance risk. This includes guidelines for provisioning, general underwriting principles, new products, profitability measuring, reinsurance etc.</p> <p>Capital Markets Day target for ROOF and UW results sets the overall ambition for profitability versus capital consumption (measure of unexpected risk).</p>	<p>Day-to-day monitoring of developments in the insurance business is key to ensuring development in line with desired risk appetite.</p> <p>Reinsurance is used to reduce the underwriting risk in situations where this cannot be achieved to a sufficient degree via ordinary diversification. The retention limit specifies the maximum loss that Tryg Forsikring is willing to take on a specific event. The capacity of the reinsurance programme is set so that it is very unlikely that a breach will occur. Both the retention limit and the capacity are approved by the Supervisory Board.</p> <p>The internal model used to calculate the solvency capital requirements in Solvency II are used to allocate capital consumption to the business and thereby ensure sufficient profitability in the insurance business.</p> <p>The actuary function calculates the technical provision based on the guidelines set out in the insurance risk policy. These are regularly presented to the Supervisory Board.</p>



## Investment risk

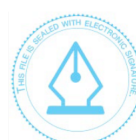
Definition	Strategy	Risk Management	Objectives and methods
Financial losses due to changes in the value of financial assets or liabilities	<p>Tryg Forsikring has decided to divide its investment assets into the free portfolio and the match portfolio.</p> <p>The strategy for the match portfolio is to mitigate interest rate risk from provisions.</p> <p>The strategy for the free portfolio is to achieve the optimal market return on a medium-term basis taking risk, liquidity, etc. into account.</p>	<p>The investment risk policy adopted by the Supervisory Board sets out general guidelines for permitted investment risk. This includes specific maximum limits for</p> <ul style="list-style-type: none"> <li>• asset classes</li> <li>• interest rate risk</li> <li>• currency risk</li> <li>• credit risk</li> <li>• counterparty exposure</li> <li>• SCR market risk</li> </ul>	<p>Daily reporting on investment return on all asset classes.</p> <p>Independent daily control ensures compliance with permitted risk-taking.</p>

## Operational risk

Definition	Strategy	Risk Management	Objectives and methods
Risk relates to errors or failures in internal procedures, fraud, breakdown of infrastructure, IT security and similar factors.	The Supervisory Board sets out the overall strategy regarding operational risk	The operational risk policy adopted by the Supervisory Board sets out general guidelines for operational risk. This includes general guidelines for IT security, physical security, compliance, fraud, money laundering, contingency planning, and model risk.	Ongoing identification, assessment and reporting on risks and any incident that has imposed a loss or a near loss for Tryg Forsikring.

## Capital management

Capital management and capital modelling are central and key functions in the Finance team at Tryg Forsikring. Capital management covers broadly the company's current and future capital requirements, capital allocation to the different lines of business and required returns.



Tryg Forsikring's solvency ratio is a function of developments in own funds and the solvency capital requirement (based on the approved partial internal model). As mentioned previously, Tryg Forsikring has modelled the insurance risk internally, while all other modules are based on the standard formula. The capital model is based on Tryg Forsikring's risk profile and takes into consideration the composition of Tryg Forsikring's insurance portfolio, geographical diversification, its claims reserves profile, reinsurance programme, investments mix and overall level of profitability. The solvency ratio was 187 at year-end 2021 compared to 187 at year-end 2020.

The key components of Tryg Forsikring's own funds are equity, qualifying debt instruments (both Tier 1 and Tier 2 debt) and future profit, while all intangibles are deducted in the calculation. Own funds totalled DKK 10,070m at the end of 2021 vs DKK 9,058m at the end of 2020. The upwards movement was primarily driven by the difference between the funds raised for the acquisition, and also as usual by the net result for the year minus dividends paid.

The solvency capital requirement (SCR) is calculated such that Tryg Forsikring should be able to honour its obligations in 199 out of 200 years and is regularly stress-tested. At the end of 2021, Tryg Forsikring's SCR was DKK 5,389m.

Tryg Forsikring's solvency ratio continues to display low sensitivity towards capital markets movements. Fixed-income securities represent some 90% of Tryg Forsikring's invested assets, and the highest solvency sensitivity is therefore towards spread risk, Tryg Forsikring's solvency ratio continues to display low sensitivity towards capital markets movements. Fixed-income securities represent some 90% of Tryg Forsikring's invested assets, and the highest solvency sensitivity is therefore towards spread risk, where a widening/tightening of 100 basis points would impact the solvency ratio by approximately 20 percentage points. Lower sensitivity is displayed towards equity market losses and interest rate fluctuations.

## Corporate governance

Tryg Forsikring focuses on managing the company in accordance with the principles of good corporate governance and generally complies with the Danish recommendations prepared by the Committee on Corporate Governance. The Recommendations on Corporate Governance are available at [corporategovernance.dk](http://corporategovernance.dk). At [tryg.com](http://tryg.com), Tryg Forsikring has published its statutory corporate governance report based on the 'comply-or-explain' principle for each individual recommendation. This section on corporate governance is an excerpt of the corporate governance report.

Download Tryg Forsikring's Statutory Corporate Governance Report at [tryg.com](http://tryg.com) > [Download](#)

### Annual General Meeting

Tryg forsikring holds an Annual General Meeting (AGM) every year.

### Duties, responsibilities and composition of the Supervisory Board

The Supervisory Board is responsible for the central strategic management and financial control of Tryg Forsikring and for ensuring that Tryg Forsikring's business is organised robustly. This is achieved by monitoring targets and frameworks based on regular and systematic reviews of strategy and risks. The Executive Board reports to the Supervisory Board on strategies and action plans, market developments and Group performance, funding issues, capital resources and special risks.

The Supervisory Board holds one annual strategy seminar to decide on and/or adjust the Group's strategy to sustain value creation in the company. The Executive Board works with the Supervisory Board to ensure that the Group's strategy is developed and monitored. The Supervisory Board ensures that the necessary skills and financial resources are available for Tryg Forsikring to achieve its strategic targets. The Supervisory Board specifies its activities in a set of rules of procedure and an annual cycle for its work.

The current nine external members of the Supervisory Board were elected by the annual general meeting for a term of one year. Of the nine members elected at the annual general meeting, six, and thus the majority, are independent persons, thus complying with recommendation 3.2.1. in the Recommendations on Corporate Governance, while the other three members are dependent persons as they are appointed by Tryg Forsikring's largest shareholder, TryghedsGruppen. See pages 27-31 for information on when the individual members joined the Supervisory Board, were re-elected and when their current



election period ends. To ensure the integration of new talent on the Supervisory Board, members elected by the annual general meeting may hold office for a maximum of twelve years.

The Supervisory Board has 13 members in total, with an overrepresentation of women, as the board currently comprise seven women and six men (including two male and two female employee representatives). This complies with legislation as well as Tryg Forsikring's policy. The Supervisory Board has members from Denmark, Sweden and Norway.

See details about the independent board members in the section Supervisory Board [on pages 27-31](#).

The Supervisory Board performs an annual evaluation of its work and skills to ensure that it possesses the expertise required to perform its duties in the best possible way. In addition to the annual self-evaluation, an assessment is facilitated with external assistance at least every three years to ensure objectivity in the evaluation process. The Supervisory Board focuses primarily on the following qualifications and skills: business judgement, problem-solving, networking, risk management, succession management, general management, CFO/audit, people and organisation, business development, financial services, risk and regulatory matters, insurance – commercial and product insurance – technical/financial modelling, IT & digitalisation, value chain optimisation and customer journey.

As part of the evaluation, the Supervisory Board also focuses on other executive positions and board memberships held by the members of the Supervisory Board, including the level of commitment and workload associated with each position to prevent potential overboard. The evaluation is based on the individual board member's ability to devote the necessary time for preparation, their performance, attendance and participation at committee and board meetings in Tryg Forsikring.

In 2021, the Chair, Jukka Pertola, held four board seats in publicly listed companies. As a professional board member with more than 25 years of relevant international experience combined with a unique set of competencies, the Chair, with his role as an independent chair at Tryg Forsikring, is a very valuable presence at board and committee meetings. He has attended all board and committee meetings with a 100% attendance rate since he was elected as Chair of the Supervisory Board in 2018. In line with good corporate governance, the Chair has reduced his obligations in listed and non-listed companies in 2021 and is continuously assessing his capability to allocate the required time and energy to his current Board positions.

In early 2021, an evaluation with external assistance was conducted of all board members and members of the executive management based on a questionnaire focusing on board competencies and performance. The overall conclusion was that Tryg Forsikring has a very good, value-adding and professional Supervisory Board that works efficiently and in accordance with sound governance principles. The evaluation resulted in a continued strong focus on Trygg-Hansa integration, long-term strategy, digitalisation, ESG and succession. Further, the Supervisory Board decided to arrange a board training day on relevant matters.

See CVs and descriptions of skills in the section Supervisory Board [on pages 27- 31 and at \[tryg.com: Supervisory Board | Tryg.com\]\(https://tryg.com\)](#)

### **Duties and composition of the Executive Board**

Each year, the Supervisory Board reviews and adopts the rules of procedure of the Supervisory Board and the Executive Board, comprising relevant policies, guidelines and instructions describing reporting requirements and requirements for communication with the Executive Board. Financial legislation also requires the Executive Board to disclose all relevant information to the Supervisory Board and report on compliance with limits defined by the Supervisory Board and in legislation.

The Supervisory Board considers the composition, development, risk and succession plans of the Executive Board in connection with the annual evaluation of the Executive Board, and regularly in connection with board meetings. Each year, the Supervisory Board discusses Tryg Forsikring's activities to guarantee diversity at management levels. Tryg Forsikring attaches great importance to diversity at all management levels.

Tryg Forsikring has prepared an action plan that sets out specific targets to ensure diversity and equal opportunities and access to management positions for qualified men and women. For several years, Tryg Forsikring has had a strong focus on diversity and has been aiming to increase the number of women in management positions to 41%. The number of women in management positions increased from 38% in 2020 to 40% in 2021, just short of the target. Progress has been driven through continuous focus in the recruitment and HR processes.



See the General action plan for diversity including women in management at [Policies | Tryg.com](#)

### Board committees

Tryg Forsikring has an Audit Committee, a Risk Committee, a Nomination Committee, a Remuneration Committee and an IT-Data Committee. The frameworks for the committees' work are defined in their terms of reference.

The board committees' terms of reference can be found at [tryg.com](#) including descriptions of members, meeting frequency, responsibilities and activities during the year: [Board committees | Tryg.com](#)

See the tasks of the Board Committees in 2021 at [Board committees | Tryg.com](#)

All members of the Audit Committee and four out of five members of the Risk Committee, including the committee chair, are independent persons. Three out of the five All members of the Remuneration Committee are independent persons, including the committee chair. Two out of three members of the Nomination Committee are independent, including the committee chair. Two out of four members of the IT-Data Committee are independent persons, including the committee chair. Board committee members are elected primarily based on their specialist skills considered important by the Supervisory Board. The involvement of the employee representatives in the committees is also considered important. The committees exclusively prepare matters for decision by the entire Supervisory Board.

The specialist skills of all members are also described at [About the board | Tryg.com](#)

### Remuneration of management

Tryg Forsikring has adopted a remuneration policy following Tryg Forsikring's policy in general. This includes specific schemes for the Supervisory Board, the Executive Board and other employees in Tryg Forsikring whose activities have a material impact on the risk profile of the company - risk-takers. The remuneration policy for 2021 was adopted by the Supervisory Board in January 2021 and approved by the annual general meeting on 26 March 2021.

The Chair of the Supervisory Board reports on Tryg's remuneration policy each year in connection with the review of the annual report at the annual general meeting. The Board's proposal for the remuneration of the Supervisory Board for the current financial year is also submitted for approval by the shareholders at the annual general meeting.

### Total remuneration of the Supervisory Board in 2021

DKK	Basic fee	Audit Committee	Risk Committee	Remuneration Committee	IT-Data Committee	Nomination Committee	Social contributions (NO/SE) <sup>3</sup>	Total
Jukka Pertola, Chair	1,170,000			165,000	140,000	150,000		1,625,000
Torben Nielsen, Dep. Chair <sup>1)</sup>	780,000	240,000	240,000	110,000		100,000		1,470,000
Lene Skole	390,000	160,000	160,000					710,000
Mari Thjømøe	390,000	160,000	160,000				135,610	845,610
Carl-Viggo Østlund	390,000			110,000	210,000		72,491	782,491
Ida Sofie Jensen	390,000			110,000	140,000	100,000		740,000
Tina Snebjerg	390,000		160,000	110,000				660,000
Lone Møller Olsen <sup>2)</sup>	292,500	120,000	120,000					532,500
Elias Bakk	390,000				140,000		104,940	634,940
Karen Bladt	390,000							390,000
Claus Wistoft	390,000							390,000
Gert Ove Mikkelsen	390,000						74,490	464,490
Charlotte Dietzer	390,000							390,000
<b>Total</b>								<b>9,635,031</b>

1) Also received a fee as Chair of the Board of the subsidiaries Tryg Invest A/S (DKK 250,000) and Kapitalforeningen Tryg Invest Funds (DKK 200,000),

2) Joined the Board in March 2021 as an additional member of the Board

3) Employer contributions to social security/tax relating to board members from Sweden and Norway

The base fee received by the Chair is triple that received by ordinary members, while the Deputy Chair's base fee is double that received by ordinary members of the Board. The chair of the various board



committees receive 1.5 times the fee received by ordinary members of the Board. Members of the Supervisory Board receive no variable salary elements or pension in addition to those amounts.

### **Remuneration of the Supervisory Board**

Members of Tryg Forsikring's Supervisory Board receive a fixed fee and are not covered by any form of incentive or severance programme or pension scheme. Their remuneration is based on trends in peer companies and benchmarked against C25, taking into account the required skills, efforts and the scope of the Supervisory Board's work, including the number of meetings held. The remuneration received by the Chair of the Supervisory Board is three times that received by ordinary members, while the Deputy Chair's remuneration is twice that received by ordinary members of the Supervisory Board.

### **Remuneration of the Executive Board**

Members of the Executive Board are employed on a contractual basis, and all terms of their remuneration are established by the Supervisory Board within the framework of the approved remuneration policy.

Tryg Forsikring wants to strike an appropriate balance between management remuneration, predictable risk and value creation for the company's shareholders in the short and long term.

The Executive Board's remuneration consists of a fixed basic salary, a pension contribution of 25% of the base salary and other benefits. The base salary must be competitive and appropriate for the market and provide sufficient motivation for all members of the Executive Board to do their best to realise the company's defined targets.

The Supervisory Board can decide that the basic salary should be supplemented with a variable pay element of up to 50% of the fixed salary including pension.

The variable pay is set out in an incentive programme for the Executive Board. The allocation of the variable salary components under the incentive programme is based on a result and performance assessment for the performance year (financial year) in accordance with specific weighted financial and non-financial targets decided at the beginning of the performance year.

The principal purpose of the incentive programme is to ensure the congruence of the financial interest of the participants and the company's shareholders and to create a correlation between remuneration and performance results. Secondly, the programme should contribute to retaining the participants of the programme at Tryg Forsikring.

For the performance year 2021, the variable pay element was in January 2022 allotted as conditional shares. The cap for the incentive programme was 32% of the fixed salary including pension in 2021.

The allotted conditional shares are deferred for four years from the time of allotment. After the end of the deferral period, the participant will receive free shares in Tryg A/S corresponding to the numbers of conditional shares allotted. The granting of free shares is conditional upon the fulfilment of additional conditions such as continued employment and back-testing (testing prior to granting to ensure that the criteria on which the variable salary is based are still met at the time of the granting of free shares).

Furthermore, all members of the Executive Board received a discretionary one-off bonus in 2021 due to the Executive Board's extraordinary strategic efforts that led to the approval of the acquisition of RSA Scandinavia in 2021. The one-off bonus took the form of conditional shares, which are deferred for four years.

Read more about remuneration at Tryg Forsikring in the Remuneration policy and the Remuneration Report at [Remuneration | Tryg.com](#)

### **Independent and internal audit**

The Supervisory Board ensures monitoring by competent and independent auditors. The Group's internal auditor attends all board meetings. The independent auditor attends the annual board meeting where the annual report is presented.

The annual general meeting appoints an independent auditor recommended by the Supervisory Board. At least once a year, the auditors meet with the Audit Committee without the presence of the Executive Board. The Audit Committee chair deals with any matters that need to be reported to the Supervisory Board.



Tryg Forsikring's internal audit department regularly reviews the quality of the Group's internal control systems and business procedures. It is responsible for planning, performing and reporting on the audit work to the Supervisory Board.

### Deviations and explanations

Tryg Forsikring complies with the Recommendations on Corporate Governance except with regards to the number of independent members of board committees, with which Tryg Forsikring complies partially; see recommendation 3.4.2. of the Recommendations on Corporate Governance.

The deviations are explained in Tryg Forsikring's Statutory Corporate Governance report, which is available at [Downloads 2021 | Tryg.com](#)

### Total remuneration of the Executive Board in 2021

DKK Name	Basic salary	Pension	Car allowance	Other benefits <sup>1)</sup>	Total fixed salary	Conditional Shares <sup>2)</sup>	Special allowance <sup>3)</sup>	Total salary
Morten Hübbe	12,159,084	3,039,771	255,000	27,000	15,480,855	4,730,949	1,200,000	21,411,804
Lars Bonde	5,779,112	1,444,778	255,000	27,000	7,505,890	2,285,794	1,200,000	10,991,684
Johan Kirstein Brammer	5,874,091	1,468,523	255,000	27,000	7,624,614	2,358,547	1,200,000	11,183,161
Barbara Plucnar Jensen	5,365,880	1,341,470	255,000	27,000	6,989,350	2,135,945	1,200,000	10,325,295

- 1) The calculation of "Staff benefits" is based on the estimated capitalised value of other benefits such as insurance, mobile phone etc.
- 2) The value of Conditional Shares at the time of allotment in January 2022 for the 2021 performance year.
- 3) One-off award in Conditional Shares



## Supervisory Board



### Jukka Pertola\*

Born in 1960. Joined the Supervisory Board in 2017.  
Finnish citizen.

**Career** Professional board member. Former CEO of Siemens Denmark.  
**Education** MSc in Electrical Engineering  
**Board seats, Chair** Tryk A/S and Tryk Forsikring A/S, COWI Holding A/S, Siemens Gamesa Renewable Energy A/S and Asetek A/S  
**Board seats, Deputy Chair** Comspace Group AB incl. GN Hearing A/S, GN Store Nord A/S incl. GN Audio A/S and GN Hearing A/S  
**Committee memberships** Remuneration Committee (Chair), Nomination Committee (Chair) and IT-Data Committee in Tryk A/S, Remuneration Committee in COWI Holding A/S, Nomination Committee Asetek A/S, Remuneration Committee, Nomination Committee and Strategy Committee in GN Store Nord A/S  
**Experience** More than 25 years of top management experience in the IT and telecommunication industry and electrical engineering, the latest position being CEO of Siemens Denmark from 2002 to 2017. Broad international experience with global and regional business responsibilities in both B2C and B2B  
**Competencies** Solid technological background in telecommunications, IT, digitalisation, business models, strategy, and business development. Understanding of risk management, M&A, business know-how and judgement.  
**Number of shares held** 13,000  
**Change in portfolio since** 2020 7,000



### Torben Nielsen\*

Born in 1947. Joined the Supervisory Board in 2011.  
Danish citizen.

**Career** Professional board member, Adjunct Professor at Copenhagen Business School, Former Governor of Danmarks Nationalbank (Danish Central Bank)  
**Education** Savings bank training, Graduate Diplomas in Organisation, Work Sociology, Credit and Financing  
**Board seats, Chair** Ny Holmegaard Værk Fund, Investingsforeningen Sparinvest, Vordingborg Borg Fund, Museum of Southeast Denmark, Tryk Invest A/S and KITIF (Kapitalforeningen Tryk Invest Funds)  
**Board seats, Deputy Chair** Tryk A/S and Tryk Forsikring A/S  
**Board member** Sampension KP Livsforsikring A/S and a member of the Executive Management of Bombørbøssen  
**Committee memberships** Audit Committee (Chair) and Risk Committee (Chair), Nomination Committee and Remuneration Committee in Tryk A/S, Audit Committee (Chair) and Risk Committee (Chair) in Sampension KP Livsforsikring  
**Experience** General experience at an executive level in banking, Micro and macro knowledge from membership of the board of governors in the Danish Central Bank.  
**Competencies** Knowledge of chairmanship from non-executive boards in the financial sector as well as experience with risk management and regulatory requirements, business know-how and judgement.  
**Number of shares** 52,000  
**Change in portfolio since** 2020 24,000



### Lone Møller Olsen\*\*

Born in 1958. Joined the Supervisory Board in 2020.  
Danish citizen.

**Career** Professional Non-executive board member and executive director of LMO. Former partner at Deloitte  
**Education** MSc in Economics and Business Administration from Copenhagen Business School (CBS), State Authorised Public Accountant and Strategy and Leadership at IMD, Lausanne  
**Board member** Tryk A/S and Tryk Forsikring A/S, Bankinvest, Jøttrup AB, Karmor Group AB and KNI A/S  
**Committee memberships** Audit Committee and Risk Committee in Tryk A/S, Audit Committee (Chair) at Karmor Group AB, Audit Committee in Jøttrup AB and Audit Committee in KNI A/S  
**Experience** More than 20 years' experience of Board work as well as Audit Committee work. Senior management experience from various positions in Deloitte. Extensive experience from advising on M&A, PMI, Outsourcing, IPO and Corporate Bond issuance  
**Competencies** Financial insight and solid business know-how. Understanding of risk management, accounting, finance, tax, strategy and M&A. Broad business approach with strong strategy and implementation experience  
**Number of shares** 4,334  
**Change in portfolio since** 2020 2,334

### Resigned: in 2022



### Carl-Viggo Østlund\*

Born in 1955. Joined the Supervisory Board in 2015.  
Swedish citizen.

**Career** Former CEO of Swedish banks SBAB and Noodnet and the insurance company SalusAssvar. At present professional board member and investor.  
**Education** BSc in International Business and Finance & Accounting, Stockholm School of Economics  
**Board seats, Chair** FCG Fonder AB, Fondo Solutions AB, Gladshelm Fastigheter AB, Herndel AB, Jevnum Food&Beverage AB, Picmart AB, Ponture AB, Yworm Media Group Sweden AB and Nockvi Fastigheter AB  
**Board member** Tryk A/S and Tryk Forsikring A/S, Allert Odland AB, DBT Capital AB, Dellimport Ltd and Havsqaard AB  
**Committee memberships** IT-Data Committee (Chair) and Remuneration Committee in Tryk A/S  
**Experience** More than 30 years as CEO and Managing Director in local and international environments in listed companies as well as banks. Experience in the following industries: manufacturing, logistics, insurance, finance and banking  
**Competencies** Solid background from the insurance industry, non-life as well as life. Business know-how and judgement, banking and finance know-how, understanding of digitalisation and risk management  
**Number of shares** 7,788  
**Change in portfolio since** 2020 4,708



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## Supervisory Board



### Lene Skole<sup>a)</sup>

Born in 1959. Joined the Supervisory Board in 2010. Danish citizen.

**Career** CEO of Lundbeckfonden (+ Lundbeck Invest A/S)  
**Education:** The A. P. Møller Group International Shipping Education, Graduate Diploma in Finance and various international management programmes.  
**Board seats, Chair** LFI Equity A/S  
**Board seats, Deputy Chair** Ørsted A/S, H. Lundbeck A/S, ALK Abello A/S and Falck A/S  
**Board member** Tryg A/S and Tryg Forsikring A/S  
**Committee memberships** Audit Committee and Risk Committee in Tryg A/S, Audit Committee, Nomination Committee and Scientific Committee in ALK Abello A/S, Scientific Committee and Remuneration Committee in H. Lundbeck A/S, Remuneration Committee and Nomination Committee in Falck A/S and Nomination Committee and Remuneration Committee in Ørsted A/S, The Committee on Foundation Governance  
**Experience** Top management experience from various positions in the AP Møller-Maersk Group, CFO in Coloplast and currently CEO of Lundbeckfonden.  
**Competencies** Solid business know-how and judgement, risk management, business development, finance, strategy, M&A and understanding of business models.  
**Number of shares** 15,220  
**Change in portfolio since 2020** 8,195

**Resigned:** in 2022



### Mari Thjømmø<sup>a)</sup>

Born in 1962. Joined the Supervisory Board in 2012. Norwegian citizen.

**Career:** Professional board member and independent advisor. Former CFO of KLP  
**Education:** MSc in Economy and Business Administration, Chartered Financial Analyst (CFA), the Senior Executive Programme from London Business School and Effective Board Management from Harvard Business School  
**Board seats, Chair:** Bilington Process Technology A/S, Seilspport Maritimt Forlag A/S and ThjømmøKranen A/S  
**Board member:** Tryg A/S and Tryg Forsikring A/S, TF Bank AB, FCG Fonder AB, Hålsund Eco ASA, ICE ASA, Norconsult A/S and Norconsult Holding  
**Committee memberships:** Audit Committee and Risk Committee in Tryg A/S, Audit Committee (Chair) in Norconsult A/S and Audit Committee (Chair) in ICE ASA, Audit Committees TF Bank AB and Hålsund Eco ASA  
**Experience:** Senior management experience from large-cap companies, insurance and real estate. Extensive experience from the boards of directors within finance, energy and renewables and is engaged in developing sustainable businesses and good governance. Headed the Norwegian IR associations for many years and received the Women's Board Award for Norway  
**Competencies:** Business know-how from experience with the financial sector and energy as well as risk management, strategy, restructuring, business development, M&A, IR and financial communication and working with regulatory authorities  
**Number of shares:** 14,316  
**Change in portfolio since 2020:** 10,016



### Ida Sofie Jensen<sup>b)</sup>

Born in 1958. Joined the Supervisory Board in 2013. Danish citizen.

**Career** CEO of Lif (Medicine and Healthcare Industry), CEO of the subsidiary DLI A/S (Danish Medicine Information) and the subsidiary ENLI ApS (Ethical Board for the Pharmaceutical Industry)  
**Education** MSc in Political Science (cand.scient.pol.), European Health Leadership Programme INSEAD, Executive Management Programme INSEAD, Executive Program Columbia Business School, Executive Program Singularity University  
**Board seats, Chair** Tryghedsgruppen smba, Dansk Medicin Verifikations Organisation ApS  
**Board member** Tryg A/S and Tryg Forsikring A/S  
**Committee memberships** Remuneration Committee, Nomination Committee and IT-Data Committee in Tryg A/S  
**Experience** General top management experience as CEO of Lif since 2004 and former CEO of Herlev University Hospital. Representative in Tryghedsgruppen since 2010. Deputy Chair 2014-2019 and Chair since 2019  
**Competencies** Solid business know-how and judgement, analytical approach to problem-solving and strategy, networking, skills and the ability to evaluate succession scenarios as well as an understanding of digitalisation  
**Number of shares** 5,205  
**Change in portfolio since 2020** 2,300



### Claus Wistoft<sup>b)</sup>

Born in 1959. Joined the Supervisory Board in 2019. Danish citizen.

**Career** 1st Deputy Mayor, Municipality of Sydjylland and member of the finance committee. Agriculturalist, wind energy production, tenanted properties and project development of building sites. CEO in Demtex Holding A/S and C.W. Holding A/S  
**Education** Agricultural education at Bygholm Agricultural College and various business courses  
**Board seats, Chair** Midttrafik I/S  
**Board member** Tryg A/S and Tryg Forsikring A/S, Tryghedsgruppen smba, Seidelmann Holding ApS, Hourmarken A/S, Lyngfeldt A/S, Lyngfeldt Finansiering A/S, Lyngfeldt Maskinudlejning ApS, K/S Prinz Carl Anlæg 1 and Sydjylland udviklingspark  
**Experience** Top management experience from operating his own business for 35 years  
**Competencies** Analytical approach to problem-solving, solid business know-how and business development, understanding of risk management and succession  
**Number of shares** 8,716  
**Change in portfolio since 2020** 6,216



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## Supervisory Board



### Karen Bladt<sup>b)</sup>

Born in 1967. Joined the Supervisory Board in 2019. Danish citizen.

**Career** Director/owner of HASLE Refractories A/S  
**Education** MSc. Eng. in Operations and Supply Chain Management, Aalborg University  
**Board member** programme, Pension and Insurance, CBS Executive  
**Board seats, Chair** Business Center Bornholm  
**Board seats, Deputy Chair** Erhvervs- og Hovedstaden – Bornholm  
**Board members** Tryg A/S and Tryg Forsikring A/S, HASLE Refractories A/S, HASLE Refractories India Pvt.Ltd., Bornholmstrafikken Holding A/S and TrykedsGruppen smba, Bornholms Erhvervsfond  
**Experience** Top management experience as the owner of HASLE Refractories A/S since 2003 as well as more than 10 years' experience as a member of various supervisory boards.  
**Competencies** Solid business know-how and judgement, experienced in business development with an analytical approach to problem-solving.  
**Number of shares** 582  
**Change in portfolio since 2020** 313

**Resigned:** in 2022



### Gert Ove Mikkelsen<sup>b)</sup>

Born in 1979. Joined the Supervisory Board in 2020. Norwegian citizen.

**Career** Senior investigator in Tryg A/S  
**Education** The Norwegian Police University College (BA) and Queensland University of Technology (Master of Justice). Norwegian School of Economics (Business Economics and Management Accounting). Numerous courses in insurance-related matters and Supervisory Board education at Forsikringsakademiet  
**Board member** Tryg A/S and Tryg Forsikring A/S  
**Experience** Police Officer/Detective for 10 years, including Leading Investigator at Organised Crime Unit in Oslo Norway. Joined the Special Investigation Unit at Tryg in 2011  
**Competencies** Broad experience with insurance-related matters from most parts of the Tryg organisation. Solid knowledge and experience with compliance/audits, impact analyses and responsive strategies. Excellent interpersonal and verbal communication skills  
**Number of shares** 2,349  
**Change in portfolio since 2020** 1,604



### Tina Snebjerg<sup>b)</sup>

Born in 1962. Joined the Supervisory Board in 2010. Danish citizen.

**Employed since** 1987  
**Career** Officer of Tryg's Personnel Department  
**Education** Insurance training  
**Board member** The Central Board of Forsikringsforbundet, Tryg A/S and Tryg Forsikring A/S  
**Committee memberships** Risk and Remuneration Committees in Tryg A/S  
**Experience** From 1987 to 2001, Tina Snebjerg worked with the sale of insurance to both private and commercial customers as well as providing insurance advice to customers. From 2001-2009, Tina Snebjerg was the deputy chair of the local department of Forsikringsforbundet and since 2009, she has been the chair working with operations, strategy, negotiation agreements and engaged in recruiting and retaining members  
**Competencies** From many years of experience, Tina Snebjerg has acquired solid business know-how and judgement, problem-solving abilities working with management and HR-related issues in the financial sector, specifically the insurance industry  
**Number of shares** 2,501  
**Change in portfolio since 2020** 1,326



### Elias Bakk<sup>b)</sup>

Born in 1975. Joined the Supervisory Board in 2017. Swedish citizen.

**Employed since** 2006  
**Career** Project Manager in Tryg A/S  
**Education** Norra Real Gymnasium, financial services & insurance at Företagsökonomiska Institutet Stockholm. Education at Forsikringsakademiet for new board members  
**Board member** Tryg A/S and Tryg Forsikring A/S  
**Committee memberships** IT Data Committee in Tryg A/S  
**Experience** Team Manager in Moderna Affinity for 12 years, Business development in Moderna and Affinity for 2 years  
**Competencies** Solid insurance knowledge from his years in the industry, business know-how and judgement, experience with organisation development, business development, customer handling and interaction.  
**Number of shares** 2,750  
**Change in portfolio since 2020** 1,794



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# Supervisory Board



## Charlotte Dietzer<sup>b)</sup>

Born in 1974. Joined the Supervisory Board in 2020.  
Danish citizen.

**Career** Manager advisor in Claims Denmark, Tryg A/S

**Education** Insurance education at Forskringsakademiet (level 5) as well as various management and communication training. Supervisory Board education at Forskringsakademiet.

**Board member** Tryg A/S and Tryg Forsikring A/S

**Experience** Division partner in Tryg A/S and examiner at Forskringsakademiet

**Competencies** Solid knowledge and experience within the insurance industry. Excellent interpersonal and verbal communication skills

**Number of shares** 550

**Change in portfolio since 2020** 412

Members of the Supervisory Board are elected for a term of one year. Employee representatives are, however, elected for a term of four years.

- <sup>a)</sup> Independent member of the Supervisory Board, as per the definition in Recommendations on Corporate Governance
- <sup>b)</sup> Dependent member of the Supervisory Board.
- <sup>c)</sup> Joined the Supervisory Board in March 2021 as an additional member of the Board

# Committee meeting overview 2021

Name	Supervisory Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	IT-Data Committee
Jukka Perola	17/17			5/5	11/11	4/4
Torben Nielsen	17/17	8/8	8/8	5/5	11/11	
Elias Baikk	17/17					4/4
Charlotte Dietzer	17/17					
Gert Ove Mikkelsen	17/17					
Tina Snebjerg	17/17		8/8		11/11	
Ida Sofie Jensen	17/17			5/5	11/11	4/4
Lene Skole	17/17	8/8	7/8			
Mari Thymøje	17/17	8/8	8/8			
Claus Wistoft	17/17					
Karen Bladt	17/17					
Carl-Viggo Østlund	17/17				11/11	
Lone Møller Olsson <sup>c)</sup>	16/17	7-8	7/8			4/4

<sup>a)</sup> Joined the Board in March 2021 as an additional member of the Board



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## Supervisory Board – New board members in 2022

<p><b>Thomas Hofman-Bang</b> - Born in 1964, Joined the Supervisory Board in 2022, Danish citizen</p> <p><b>Career:</b> CEO the Danish Industry Foundation</p> <p><b>Education:</b> Certified Public Accountant 1994</p> <p><b>Board seats, Chair:</b> CBS Academic Housing (2014 - )</p> <p><b>Board seats, Deputy Chair:</b> Bikubenfonden (2012 - )</p> <p><b>Board seats:</b> Tranes Fond (2007 - )</p> <p><b>Experience:</b> Extensive global experience in the B2B environment and within the professional services industry in various roles as CEO, CFO, COB, Non-executive director and advisor for world class and market leading companies, including positions as CEO KPMG Denmark (5 years), President and Group CEO NKT (8 years) and Group CFO NKT (6 years).</p> <p><b>Competencies:</b> Key competencies include leadership, development and execution of ambitious growth strategies focused on value creation, performance culture, transparency, integrity, strong team performance and great communication skills.</p> <p><b>Number of shares held:</b> 4,830</p>	<p><b>Mengmeng Du</b> - Born in 1980, Joined the Supervisory Board in 2022, Swedish citizen</p> <p><b>Career:</b> Independent advisor for tech startups and professional board member. Former leading positions at Spotify and Acast.</p> <p><b>Education:</b> M.Sc. in Economics and Business Administration from Stockholm School of Economics, M.Sc. in Computer Science from Royal Institute of Technology (KTH)</p> <p><b>Board member:</b> Dometic Group AB (2021 - ), Swapple Oy (2020 - ), Clas Ohlson AB (2020 - ) &amp; NetOnNet AB (2016 - )</p> <p><b>Committee memberships:</b> People and Remuneration Committee in Swapple Oy</p> <p><b>Experience:</b> 10+ years of top management experience and as board member. Thorough knowledge of tech startups as well as international experience from leading positions within Marketing and Operations at Spotify and COO at Acast. Extensive board experience from Retail, Life Insurance and Aviation. Member of Sweden’s National Innovation Council.</p> <p><b>Competencies:</b> General top management experience from the tech industry. Extensive experience in the areas of IT &amp; digitalization, transformation, marketing, organization, strategy and business development</p> <p><b>Number of shares held:</b> 0</p>	<p><b>Jørn Rise Andersen</b> - Born in 1956, Joined the Supervisory Board in 2022, Danish citizen</p> <p><b>Career:</b> Union Chairman of Dansk Told og Skatteforbund (the Danish Customs and Tax Union)</p> <p><b>Education:</b> Various accounting educations</p> <p><b>Board seats, Chairman:</b> Tjenestemændenes Låneforening, Dansk Told and Skatteforbunds Fælleslegat</p> <p><b>Board seats, Deputy Chairman:</b> Tryghedsgruppen SMBA, Interessesforeningen</p> <p><b>Board member:</b> TJM Forsikring, Lån &amp; Spar Bank A/S, Interessesforeningen, Fondet af 1844 &amp; The Trade Union Central Organisation &amp; CO10</p> <p><b>Committee membership:</b> Chairman of the Risk Committee in Tryghedsgruppen and Chairman of the Audit Committee in Lån &amp; Spar Bank A/S, member of the Risk Committee and Remuneration Committee in Lån &amp; Spar Bank A/S</p> <p><b>Experience:</b> Many years of experience from top management positions in Danish trade unions as well as board seats in financial companies</p> <p><b>Competencies:</b> Understanding of the financial sector, finance and risk management, member loyalty and care, investments and capital management, political flair</p> <p><b>Number of shares held:</b> 0</p>
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## Executive Board



**Morten Hübbe** Group CEO\*  
Born in 1972. Joined Tryg in 2002.  
Joined the Executive Board in 2003.

**Education:** BSc. in International Business and Modern Languages and MSc. in Finance and Accounting, Copenhagen Business School, and management programme, The Wharton School

**Board seats, Chair:** Siteimprove (including two holding companies) and Consicia A/S (including four holding companies)

**Board seats, Deputy Chair:** Simcorp A/S  
**Experience:** Morten Hübbe is an experienced senior executive with a holistic and strategic leadership approach. Morten has 25+ years of insurance experience, of which nearly 20 years have been at top executive level - 8 years as Group CFO and 10 years as Group CEO. In addition, Morten has Supervisory Board experience in Banking, Software and Real Estate development

**Competencies:** Morten Hübbe has specific strengths within strategy, finance, communication and leadership. He also has solid know-how within the fields of Investor Relations, M&A and Financial Regulation

**Number of shares held:** 289,921  
**Number of shares held in the beginning of 2021:** 230,812  
**Change in portfolio:** +59,109

\* Other Directorships in the following non-financial holding companies CGH Invest ApS, Gusto Invest ApS and Meccas Holding ApS (including one subsidiary). The investment companies are established for the benefit of Morten Hübbe and his related family.



**Barbara Plucnar Jensen** Group CFO  
Born in 1971. Joined Tryg in 2019.  
Joined the Executive Board in 2019.

**Education:** MSc. in Economics, University of Copenhagen

**Board seats, Deputy Chair:** KTF (Kapitalforeningen Tryg Invest Funds)

**Board member:** Nordsøenheden and Scandi JV Co 2 A/S  
**Experience:** Barbara Plucnar Jensen has extensive senior management experience in the financial and service sector. Before joining Tryg, she held the position as CFO within ISS' largest market, UK & Ireland, and several senior positions within group treasury and risk management with ISS. Furthermore, she has comprehensive experience in the banking industry as she has held several senior positions within the largest financial institution in Denmark, Danske Bank.

**Competencies:** Barbara Plucnar Jensen is an execution-oriented executive with an international and strategic mindset focused on making an impact. She has a passion for understanding the day-to-day business and the ability to grasp complex issues quickly and generate results by strong leadership capabilities. She has a strong financial profile and extensive experience within finance and investments, risk management and governance, financial regulation & compliance, group treasury, M&A, IT & outsourcing, use of technology and data as well as sustainability

**Number of shares held:** 29,319  
**Number of shares held in the beginning of 2021:** 13,532  
**Change in portfolio:** +15,787



**Lars Bonde** Group COO  
Born in 1965. Joined Tryg in 1998.  
Joined the Executive Board in 2006.

**Education:** Insurance training, LL.M., University of Copenhagen

**Board seats, Chair:** PF Betri Trygging, Tryg Livsforikring A/S and Forsikringsakademiet A/S

**Board member:** Danish Employers' Association for the Financial Sector, Erhvervsakademiet Copenhagen Business Academy and Scandi JV Co 2 A/S

**Experience:** With more than 35 years experience in the insurance industry, of which more than 15 years have been as a top executive, Lars Bonde has extensive industry knowledge. Throughout his tenure, he has held consecutive positions as leader and business responsible for claims and all Tryg's business units, some of which were alongside his role as a member of the Executive Board. Lars Bonde has over 10 years of international experience from board positions.

**Competencies:** Comprehensive experience from the insurance industry. Experienced in strategy, business development, digitalisation, innovation, legal and M&A. Management and leadership experience, including international experience. Extensive board experience across several countries

**Number of shares held:** 105,885  
**Number of shares held in the beginning of 2021:** 81,960  
**Change in portfolio:** +23,925



**Johan Kirstein Brammer** Group CCO  
Born in 1976. Joined Tryg in 2015.  
Joined the Executive Board in 2018.

**Education:** LL.M., University of Copenhagen, MBA, Australian Graduate School of Management, and Graduate Diploma (HD-Finance) Copenhagen Business School

**Board member:** Insurance & Pension Denmark (IPD)

**Experience:** Johan Kirstein Brammer has extensive top management experience from a range of industries. Prior to joining Tryg's Executive Board, Johan was heading Tryg's Private Lines business in Denmark. Before joining Tryg, Johan held numerous executive roles with TDC before joining the company's Board as Head of Consumer and Group Chief Marketing Officer. Prior to this, Johan was with McKinsey & Co as a strategy consultant based in Australia and United Kingdom. Before joining McKinsey & Co, Johan was Attorney with Kromann Reumert in Denmark. This range of experiences has provided Johan with a broad, diverse toolbox having held strategic and P&L responsibilities across multiple industries in an international setting

**Competencies:** Johan Kirstein Brammer has an international and strategic mindset developed from his time as a management consultant as well as a number of strategic roles across several industries. He couples this with a strong commercial mindset and a desire to grow the business and improve the customer experience through innovation and digitalisation. Johan has extensive experience within transformative M&A across borders and sectors.

**Number of shares held:** 49,663  
**Number of shares held in the beginning of 2021:** 37,405  
**Change in portfolio:** +12,258



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## Corporate Responsibility in Tryg Forsikring

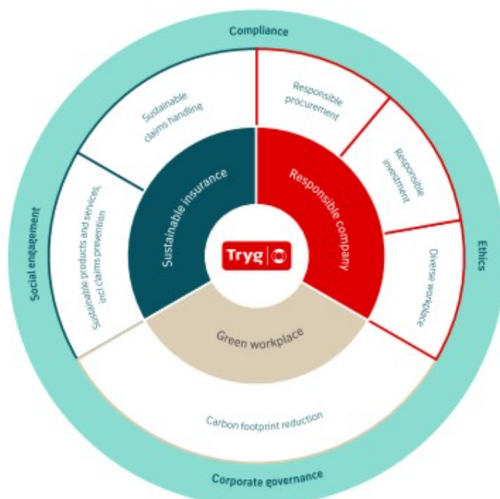
In addition to this section on Corporate Responsibility, Tryg publishes its independent Corporate Responsibility report. The report represents Tryg Forsikring's statutory statement on corporate social responsibility, gender diversity at the management level and data ethics presented in accordance with Sections 132, 132a and 132d of the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds).

Tryg Forsikring has been a signatory member to the UN Global Compact since 2008. Tryg's Corporate Responsibility report composes Tryg's Communication on Progress (COP) report and thus underlines Tryg's continuous commitment to the UN Global Compact's Ten Principles.

Tryg Forsikring's Corporate Responsibility report includes an ESG data overview of Tryg Forsikring's key performance indicators, Tryg Forsikring's climate reporting in line with Insurance & Pension Denmark's industry recommendations, Tryg's reporting on EU Taxonomy eligible and non-eligible economic activities as well as Tryg Forsikring's climate-related disclosure in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

Tryg Forsikring has pushed its Corporate Responsibility strategy targets for 2023, now including the activities of the acquired businesses in Norway and Sweden, to 2024. However, the reporting for 2021 does not include the activities of the acquired businesses, as the integration has not been completed.

### Corporate Responsibility strategy 2024



Download Terms of reference for Corporate Responsibility Board at [terms-reference-cr-board-2021.pdf \(tryg.com\)](#)

Download Terms of reference for Corporate Responsibility Board at [CSR policy \(tryg.com\)](#)

Read more on page 9 in [Tryg's Corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

See ESG data on pages 27-29 in [Tryg's Corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

### Corporate Responsibility strategy

As the largest non-life insurance company in Scandinavia, Tryg Forsikring wants to live up to its purpose: 'As the world changes, we make it easier to be tryg'. Tryg Forsikring's Corporate Responsibility strategy is linked to its business model and is anchored in its corporate strategy for 2024 (pages 8-9). The Corporate Responsibility strategy focuses on how Tryg Forsikring as a company and its employees can contribute to a more sustainable society, and how Tryg Forsikring can influence its suppliers and help its customers make more sustainable choices. The strategy has three focus areas: Responsible company, Green workplace and Sustainable insurance, for which Tryg Forsikring has targets for both 2024 and 2030.

High ethical standards, compliance with all applicable national and international legislation and good corporate governance are underlying but fundamental elements to everything Tryg Forsikring does as a company, in the daily lives of its employees and in its Corporate Responsibility strategy.

Tryg Forsikring conducts an annual materiality assessment to identify the environmental, social, economic and governance issues that are perceived to be most important to Tryg Forsikring and its stakeholders, and this forms the basis of Tryg Forsikring's Corporate Responsibility strategy and reporting.

**Tryg Forsikring, Annual report 2021, page 33**



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Tryg Forsikring's Corporate Responsibility Board, chaired by the CFO, supervises Tryg Forsikring's Corporate Responsibility efforts, including its Corporate Responsibility strategy.

### **Responsible company**

#### **Responsible procurement**

Making Tryg Forsikring's procurement and claims handling processes more sustainable are inevitable steps on Tryg Forsikring's sustainability journey. Tryg Forsikring's ambition is to be a responsible purchaser and live up to the highest standards of responsible procurement. Tryg Forsikring continuously strives to contribute to sustainable development by entering into agreements and collaborations with suppliers who share its values and visions for sustainable development. The target for 2024 is to screen up to 90% of Tryg Forsikring's contract suppliers for sustainability. In 2021, Tryg Forsikring added the sub-target to screen up to 100% of its contract suppliers within claims. In addition, up to 50% of the screened suppliers must have achieved a high performance rating in 2024. A sub-target that up to 70% of Tryg Forsikring's screened suppliers within claims must achieve a high-performance rating has also been added.

In 2021, Tryg Forsikring has started to distribute its Supplier Code of Conduct to its suppliers for them to accept and comply with. 23% of Tryg Forsikring's contract suppliers have accepted the Supplier Code of Conduct. In order to evaluate Tryg Forsikring's suppliers' compliance with the Supplier Code of Conduct, Tryg Forsikring has implemented a systematic screening process to evaluate suppliers in terms of ESG risks, the UN Global Compact principles and the additional minimum requirements described in Tryg Forsikring's Supplier Code of Conduct. In 2021, Tryg Forsikring has completed the screening of 18% of its contract suppliers and 24% of its contract suppliers within claims.

Download Supplier Code of Conduct Download Corporate Responsibility report at [supplier-code-conduct-uk-2020.pdf \(tryg.com\)](#)

### **Responsible investment**

Tryg Forsikring wants to ensure that its assets are invested in a responsible manner. Tryg Forsikring's responsible investment policy outlines the principles Tryg follows to ensure that its investments are conducted in accordance with Tryg Forsikring's values.

Download Responsible Investment Policy: [responsible-investment-policy-2021.pdf \(tryg.com\)](#)

### **Active ownership**

Tryg Forsikring's initiatives on active ownership are primarily directed towards managing and monitoring the responsible investment processes of its external managers. Thus, Tryg Forsikring seeks to ensure that external managers apply active ownership to individual holdings. The process for ensuring the compliance of external managers with Tryg Forsikring's responsible investment policy is described in Tryg Forsikring's Active ownership policy. Tryg Forsikring's primary focus is to select external managers who share its principles and have policies in place to ensure that investments are managed responsibly.

The responsibility practices of Tryg Forsikring's external managers are being evaluated on a variety of metrics, including whether they are a UN PRI signatory and also how well they implement responsibility into their organisations.

Tryg Forsikring's active ownership statistics describe the percentage of possible shareholder meetings that Tryg Forsikring's managers have attended. Tryg Forsikring has set a voting target of at least 90% of the possible shareholder meetings for its actively managed equity holdings.

Download Active Ownership Policy: [active-ownership-policy-2021.pdf \(tryg.com\)](#)

### **Ethical screening process**

Each year, Tryg Forsikring screens its holdings for controversial behaviour and controversial weapons to ensure that individual holdings do not deviate from expectations. Furthermore, Tryg Forsikring has formulated a formal escalation process that outlines the steps to be taken after a screening of investments. In 2021, companies were flagged for controversial behaviour or involvement in controversial weapons, and no follow-up dialogues were necessary.

Download Process for Ethical Screening: [process-ethical-screening.pdf \(tryg.com\)](#)



### **The transition to a low-carbon economy**

Tryg Forsikring integrates ESG considerations into its investment process with the primary aim of contributing to the transition to a low carbon economy. Tryg Forsikring's target is to reduce the carbon intensity of its equity portfolio by at least 50% in 2030 compared to 2020. Also, Tryg Forsikring wants to contribute to the green transition by aiming to divest all its investments in fossil fuel production companies with no strategy for a green transition before 2030 in order to support Tryg Forsikring's long-term ambition of having a low-carbon and fossil-free investment portfolio. Tryg Forsikring will begin divesting no later than 2023.

To support Tryg Forsikring's carbon intensity reduction target and mitigate risk in Tryg Forsikring's investment portfolio, Tryg Forsikring monitors the carbon footprint and climate-related risks associated with its investments using of third-party data. Tryg Forsikring currently monitors the equity portfolio and parts of the credit bond portfolio and focuses, in particular, on climate-related transition risks and opportunities that arise from the transition to a low-carbon economy. Tryg Forsikring's equity portfolio is characterised by having low exposure to climate-related transition risks.

Tryg Forsikring provides information on its external managers, active ownership and carbon intensity in its Corporate Responsibility report.

Read more on pages 12-13 in [Tryg's Corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

### **Diverse workplace**

Tryg Forsikring believes that a diverse representation of employees and, more importantly, diversity of thought, are key elements to the future success of Tryg Forsikring.

As part of Tryg Forsikring's diversity and inclusion strategy, Tryg Forsikring is focusing on increasing diversity of thought in its management teams. The ambition is to improve the number of management teams that are diverse on three factors: gender, age and industry/experience.

Tryg Forsikring has had a strong focus on diversity for several years with the aim of increasing the proportion of women in management positions to 41%. The share of women in management positions has increased from 38% in 2020 to 40% in 2021. Progress has been driven by a continuous focus in Tryg Forsikring's recruitment and HR processes.

Tryg Forsikring's Supervisory Board is composed of six men and seven women, and under Danish law as well as Tryg Forsikring's own policy, there is equality among the genders.

Download General action plan for diversity, including women in management: [Plan-diversity-including-women-management.pdf \(tryg.com\)](#)

### **Working at Tryg Forsikring**

Providing a healthy and safe working environment and securing the well-being of its employees is vital to Tryg Forsikring. Tryg Forsikring's annual employee satisfaction survey provides a starting point for talking about well-being in the workplace. In 2021, Tryg Forsikring's overall employee satisfaction score remained at 80.

Read more on pages 14-16 in [Tryg's Corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

### **Green workplace**

As an insurance company, Tryg Forsikring's direct carbon footprint is relatively limited. Yet, as a responsible company, Tryg Forsikring is committed to minimising its own negative climate and environmental impact. Tryg Forsikring's target is to reduce its carbon emission by 35% in 2024 and 55% in 2030 compared to 2019 and to achieve carbon neutrality in 2023 by compensating for the rest of its carbon emissions deriving from Scope 1 and Scope 2 and from waste, air and train travel in Scope 3 a). The goal is to compensate less and reduce more over time. Tryg Forsikring's climate and environmental policy sets out Tryg Forsikring's commitment to minimising the carbon footprint and negative impact of its own operations and its business activities.

Download the Climate and environmental policy: [CSR policy \(tryg.com\)](#)

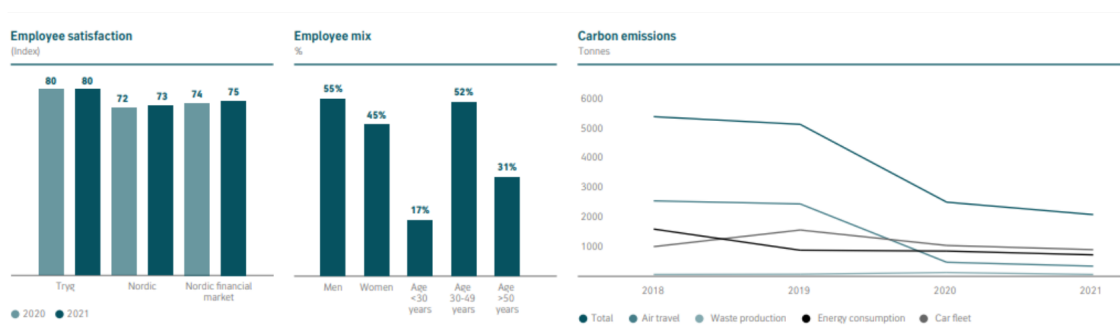


## Carbon emissions

In 2021, Tryg Forsikring's total carbon emissions decreased by 59% compared to 2019, corresponding to a decrease of 3,045 tonnes of CO<sub>2</sub> in total and 790 kg of CO<sub>2</sub> per employee.

However, 2021 was an unusual year due to the COVID-19 pandemic, which again significantly affected Tryg Forsikring's carbon emissions. During the year, most of our employees in Denmark, Norway and Sweden were asked and advised to work from home for longer periods of time. As a result, our total electricity consumption decreased by 48% compared to 2019, total district heating consumption by 29% compared to 2019 and total waste production by 52% compared to 2019, contributing to the decrease in Tryg Forsikring's total carbon emissions.

Except for business-critical travel, there was no business travel across national borders during January to mid-August and again from mid-December. This led to an 86% decrease in carbon emissions from air travel compared to 2019. Under normal circumstances, air travel accounts for around 50% of Tryg Forsikring's total carbon emissions. Thus, our limited use of air travel during 2021 contributed to the decrease in Tryg Forsikring's total carbon emissions.



a) Tryg Forsikring's carbon emission reduction targets are based on the Greenhouse Gas Protocol Initiative (GHG Protocol)

In addition, Tryg Forsikring launched several initiatives in 2021 to reduce the negative environmental impact of its internal operations, which have also contributed to the decrease in Tryg Forsikring's total carbon emissions.

Read more on pages 17-19 in [Tryg's Corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

## Sustainable insurance

Tryg Forsikring wants to support and motivate its customers on their own sustainability journey by offering sustainable products and services as well as incorporating sustainability into its claims handling process. By offering products and services with claims prevention measures, Tryg Forsikring may prevent claims from happening in the first place or minimise damage. When claims do occur, Tryg Forsikring wants to ensure that the claims handling where possible is conducted in a sustainable manner.

## Sustainable products and services

Claims handling processes are often associated with the use of considerable resources and energy as well as carbon being emitted into the atmosphere. Thus, Tryg Forsikring seeks to prevent claims from happening in the first place by increasing its focus on claims prevention measures in its products and services. Tryg Forsikring's ambition is that claims prevention products and services make up a fourth of Tryg Forsikring's top-line growth from new products and services.

In 2021, Tryg Forsikring launched its new contents insurance in Denmark comprising Basis, Extended and Super covers. The Extended contents insurance as an example includes either an optional house alarm or an optional bike safety accessory in the form of a bike lock with or without an alarm, a reflector with a built in GPS tracker or an alarm box for the bike. The Super contents insurance includes both an optional house alarm and an optional bike safety accessory.

Read more on [pages 20-21 in Tryg's Corporate Responsibility report](#)



### **Sustainable claims handling**

The area where Tryg Forsikring as an insurance company can make the biggest impact within sustainability is the claims handling processes. Each year, Tryg Forsikring handles more than one million claims, and making the claims handling processes more sustainable is an inevitable step on Tryg Forsikring's sustainability journey and an important part of Tryg Forsikring's contribution to a more sustainable society. Tryg Forsikring seeks to make its claims handling processes as sustainable as possible. By encouraging its employees, its suppliers and its business partners to take a leading role exploring how Tryg Forsikring can become even better at sustainable claims handling, Tryg Forsikring will drive positive environmental and social progress and contribute to a more circular economy.

In order to track progress, Tryg Forsikring monitors how much of its purchasing volume is spent on sustainable claims handling activities. In the absence of an industry-wide standard, Tryg Forsikring has developed a method to systematically classify parts of its spend in terms of sustainability. Tryg Forsikring's target is to increase its sustainable claims spend by minimum 80% in 2024 compared to 2020. To increase the claims spend that Tryg Forsikring classifies as sustainable, Tryg Forsikring has intensified the use of the claims handling methods that historically have proven to be more sustainable. Furthermore, Tryg Forsikring has introduced new claims handling initiatives that enable the implementation of more sustainable claims handling methods. From 2020 to 2021, we increased our share of sustainable spend by 35%.

### **Carbon emissions reductions from sustainable claims handling**

To contribute to a low-carbon economy, Tryg Forsikring has set a target to achieve a total CO2 reduction effect of 20,000-25,000 tonnes through more sustainable claims handling in 2024. Tryg Forsikring furthers the use of initiatives where it can document CO2 reductions and collaborate with its suppliers to identify more opportunities to reduce CO2 in the claims handling processes.

In 2021, Tryg Forsikring has calculated the CO2 reduction effect of a number of claims handling initiatives such as digitising veterinarian and doctor visits, repairing car plastic bumpers and conducting video claim inspections rather than inspecting the claim on site. These CO2 reduction effects have been added to the effects of the cases calculated in 2020.

From the existing and new cases, Tryg Forsikring has achieved a total CO2 reduction effect of 6,740 tonnes in 2021 through more sustainable claims handling.

Read more on page 22 in [Tryg's Corporate Responsibility report](#)

### **Ethics and compliance**

Business ethics, risk management and good corporate governance are underlying, but fundamental elements of responsible business conduct. Tryg Forsikring is committed to running an ethical, transparent and responsible business. Tryg Forsikring's commitment to ethical and good corporate governance as well as compliance with all applicable national and international legislation is the foundation on which Tryg Forsikring builds and drives its business forward. Tryg Forsikring wants to promote responsible business conduct throughout its value chain and expects its employees, suppliers, business partners and external investment managers to comply with these principles.

Tryg Forsikring's Code of Conduct defines the rules, that all employees are required to adhere to. Tryg Forsikring's tax policy and anti-corruption guidelines further outline its commitment to acting as a responsible company.

Download Code of Conduct: [code-conduct-uk.pdf \(tryg.com\)](#)

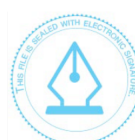
Download Tax Policy: [Tryg Forsikring Tax policy](#)

Download Anti-corruption Guidelines: [Anti-corruption guideline](#)

### **Security**

As an insurance company for which digitalisation and innovation are high priorities, Tryg Forsikring is exposed to several security threats that must be mitigated. It is vital that Tryg Forsikring pays attention to security, since a high level of security creates a safe workplace as well as the basis for a successful and adaptive business. This includes cyber security, as Tryg Forsikring is dependent on well-functioning IT systems to perform its work and run its business.

To uphold the security level, Tryg Forsikring tests its employees in their knowledge of Tryg Forsikring's security rules once a year, including rules on cyber security, confidential material, press enquiries and access to Tryg Forsikring's offices.



## Data

As an insurance company, Tryg Forsikring deals with personal data on a daily basis, and ensuring that its customers' personal data are stored and handled in a lawful, secure and compliant manner is a high priority focus. Through its Privacy and Cookies Notice, available at [tryg.com](https://tryg.com), Tryg Forsikring seeks to be transparent about how it collects, processes and uses its customers' personal data.

Tryg Forsikring requires all new employees to undertake a mandatory e-learning programme on GDPR and IT security as part of their onboarding programme. During 2021, all new employees will complete the online training.

## Data ethics

The use of data, including personal data, is essential for Tryg Forsikring's business model. Hence, using data in a responsible and ethical way is a key issue for us.

Tryg Forsikring's data ethical principles form part of Tryg Forsikring's Code of Conduct, are based on industry standards stemming from the Danish trade association, Insurance & Pension Denmark's Data Ethical Codex, relevant legal requirements as well as internationally agreed standards. They outline three main principles.

- Through transparency we communicate our use of data.
- We care for personalisation and prevention
- We strive to ensure a strong data security

Read more on pages 23-25 in [Tryg's Corporate Responsibility report](#)

## Climate-related risks and opportunities

The changing climate is causing harm and is a cause of concern for Tryg Forsikring's customers and society. Tryg Forsikring is aware of how physical and transitional climate-related risks and opportunities may impact Tryg Forsikring as a business in the future.

As a result, Tryg Forsikring progressed in how it assesses, acts and reports on climate-related risks and opportunities and is working towards aligning its disclosures with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. In the coming years, Tryg Forsikring plans to continue improving data, methods and practices in order to further align its disclosures on climate-related risks and opportunities with TCFD recommendations.

In 2022, Tryg Forsikring expects to publicly declare support for the TCFD and its recommendations, thus demonstrating that Tryg is taking action to build a more resilient financial system through climate-related disclosure.

Tryg has published an independent Corporate Responsibility report with extended Environmental, Social and Governance (ESG) data: [corporate-responsibility-report-2021.pdf \(tryg.com\)](#)

Read Tryg's climate-related disclosure, which is in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations [on pages 33-35 in Tryg's Corporate Responsibility report](#)



## Statement by the Supervisory Board and the Executive Board

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

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and the Danish disclosure requirements for issuers of listed bonds, and the financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. The annual report 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.

In our opinion, the accounting policies applied are appropriate, and the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the parent company's operations and the cash flows of the Group for the financial year 1 January – 31 December 2021.

Furthermore, in our opinion the management's review gives a true and fair view of developments in the activities and financial position of the Group and the parent company, the results for the year and of the Group's and the parent company's financial position in general and describes significant risk and uncertainty factors that may affect the Group and the parent company.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Ballerup, 5 April 2022

### 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*

*Mengmeng Du*

*Thomas Hofman-Bang*

*Jørn Rise Andersen*

*Gert Ove Mikkelsen*

*Mari Thjøømøe*

*Charlotte Dietzer*

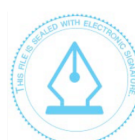
*Claus Wistoft*

*Ida Sofie Jensen*

*Tina Snebjerg*

*Carl-Viggo Östlund*

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# Independent auditor's report

To the shareholders of Tryg Forsikring A/S

## Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Business Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

## What we have audited

The Consolidated Financial Statements of Tryg Forsikring A/S for the financial year 1 January to 31 December 2021 comprise the consolidated income statement and statement of other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes, including summary of significant accounting policies.

The Parent Company Financial Statements of Tryg Forsikring A/S for the financial year 1 January to 31 December 2021 comprise the income statement and statement of other comprehensive income, the balance sheet, the statement of changes in equity and notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

## Appointment

We were first appointed auditors of Tryg Forsikring A/S on 26 March 2021 for the financial year ending 31 December 2021.



## Key audit matters

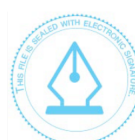
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><b>Measurement of provisions for insurance contracts</b></p> <p>The Company's provisions for insurance contracts total DKK 32,450 million, which constitutes 55% of the balance sheet total. Provisions for insurance contracts primarily comprise premium and claims provisions.</p> <p>Premium provisions are calculated as the net present value of a best estimate of expected future cash-flows relating to insurance events after the balance sheet date on insurance contracts entered into on this date, including direct and indirect costs relating to these contracts.</p> <p>Claims provisions are calculated as the present value of a best estimate of expected payments relating to insurance events incurred at the balance sheet date in addition to payments already made in connection with these events.</p> <p>The estimate includes direct and indirect costs relating to the settlement of claims.</p> <p>Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts.</p> <p>We focused on the measurement of provisions for insurance contracts, as the accounting estimate is by nature complex and influenced by subjectivity and thus to a large extent associated with estimation uncertainty.</p> <p>Reference is made to the description in the Financial Statements of "Risk and capital management" in Note 1 and in "Accounting policies" in Note 27.</p>	<p>We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to claims processing and insurance provisioning. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. For selected controls, on which we planned to rely on, we tested whether these controls had been performed on a consistent basis.</p> <p>We used our own actuaries in the evaluation of the actuarial methods and models applied by the Company as well as assumptions applied, and calculations made. For a sample of provisions for insurance contracts, we tested the calculation and the data used to underlying documentation. We assessed and challenged the methods and models and significant assumptions applied based on our experience and industry knowledge with a view to ensure that these are in line with regulatory and accounting requirements. This comprised an assessment of the continuity in the basis for the calculation of provisions for insurance contracts. We tested the calculation of provisions for insurance contracts on a sample basis.</p> <p>We assessed whether the disclosures on provisions for insurance contracts were adequate.</p>

## Statement on Management's Review

Management is responsible for Management's Review. Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Business Act, and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, 5 April 2022

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 3377 1231

Christian Fredensborg Jakobsen  
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# Tryg Forsikring Group

## Financial highlights

DKKm	2021	2020	2019	2018	2017
<b>Gross premium income</b>	<b>24,137</b>	<b>22,653</b>	<b>21,741</b>	<b>18,740</b>	<b>17,963</b>
Gross claims	-16,275	-15,437	-14,857	-12,636	-11,865
Total insurance operating costs	-3,394	-3,202	-3,081	-2,704	-2,516
Profit/loss on gross business	4,468	4,014	3,803	3,400	3,582
Profit/loss on ceded business	-731	-499	-566	-624	-779
Insurance technical interest, net of reinsurance	-29	-20	1	-10	-14
<b>Technical result</b>	<b>3,709</b>	<b>3,495</b>	<b>3,237</b>	<b>2,766</b>	<b>2,789</b>
Investment return after insurance technical interest	709	300	570	-332	532
Other income and costs	-510	-171	-115	-108	-7
<b>Profit/loss before tax</b>	<b>3,907</b>	<b>3,624</b>	<b>3,693</b>	<b>2,326</b>	<b>3,314</b>
Tax	-767	-788	-797	-542	-736
<b>Profit/loss on continuing business</b>	<b>3,140</b>	<b>2,837</b>	<b>2,896</b>	<b>1,784</b>	<b>2,578</b>
Profit/loss on discontinued and divested business after tax	-3	0	-2	-2	-2
<b>Profit/loss</b>	<b>3,137</b>	<b>2,837</b>	<b>2,895</b>	<b>1,782</b>	<b>2,576</b>
Run-off gains/losses, net of reinsurance	963	1,145	1,194	1,221	972
<b>Statement of financial position</b>					
Total provisions for insurance contracts	33,588	32,488	32,224	31,948	30,018
Total reinsurers' share of provisions for insurance contracts	1,494	1,377	1,501	1,415	1,366
Total equity	12,962	12,438	12,214	11,395	9,066
Total assets	64,378	61,041	59,178	56,591	51,356
<b>Key ratios</b>					
Gross claims ratio	67.4	68.1	68.3	67.4	66.1
Net reinsurance ratio	3.0	2.2	2.6	3.3	4.3
Claims ratio, net of ceded business	70.5	70.3	70.9	70.7	70.4
Gross expense ratio	14.1	14.1	14.2	14.4	14.0
<b>Combined ratio</b>	<b>84.5</b>	<b>84.5</b>	<b>85.1</b>	<b>85.1</b>	<b>84.4</b>
Gross expense ratio without adjustment					
Operating ratio	84.6	84.6	85.1	85.2	84.5
Relative run-off gains/losses	4.0	4.9	5.1	5.4	4.1
Return on equity after tax (%)	23.2	21.5	23.6	18.1	29.3

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



# Income statement

DKKm		2021	2020
<b>Note</b>			
<b>General insurance</b>			
	Gross premiums written	25,413	23,652
	Ceded insurance premiums	-1,564	-1,552
	Change in premium provisions	-44	-187
	Change in reinsurers' share of premium provisions	-37	85
3	<b>Premium income, net of reinsurance</b>	<b>23,768</b>	<b>21,998</b>
<b>Insurance technical interest, net of reinsurance</b>			
4		<b>-29</b>	<b>-20</b>
	Claims paid	-15,497	-15,542
	Reinsurance cover received	471	987
	Change in claims provisions	-778	105
	Change in the reinsurers' share of claims provisions	141	-187
5	<b>Claims, net of reinsurance</b>	<b>-15,663</b>	<b>-14,637</b>
<b>Bonus and premium discounts</b>			
		<b>-1,232</b>	<b>-812</b>
	Acquisition costs	-2,655	-2,532
	Administration expenses	-739	-669
	Acquisition costs and administration expenses	-3,395	-3,202
	Reinsurance commissions and profit participation from reinsurers	258	170
6	<b>Insurance operating costs, net of reinsurance</b>	<b>-3,137</b>	<b>-3,032</b>
<b>Technical result</b>			
2		<b>3,709</b>	<b>3,495</b>
<b>Investment activities</b>			
	Income from associates	-41	-47
	Income from investment property	41	49
7	Interest income and dividends	537	506
8	Value adjustments	538	110
7	Interest expenses	-149	-126
	Administration expenses in connection with investment activities	-156	-156
	<b>Total investment return</b>	<b>771</b>	<b>337</b>
4	Return on insurance provisions	-62	-37
	<b>Total investment return after insurance technical interest</b>	<b>709</b>	<b>300</b>
	Other income	132	88
9	Other costs	-642	-259
	<b>Profit/loss before tax</b>	<b>3,907</b>	<b>3,624</b>
10	Tax	-767	-788
	<b>Profit/loss on continuing business</b>	<b>3,140</b>	<b>2,837</b>
	Profit/loss on discontinued and divested business	-3	0
	<b>Profit/loss for the year</b>	<b>3,137</b>	<b>2,837</b>
<b>Statement of comprehensive income</b>			
	<b>Profit/loss for the year</b>	<b>3,137</b>	<b>2,837</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income which cannot subsequently be reclassified as profit or loss</b>			
	Actuarial gains/losses on defined-benefit pension plans	0	-68
	Tax on actuarial gains/losses on defined-benefit pension plans	0	6
		0	-62
<b>Other comprehensive income which can subsequently be reclassified as profit or loss</b>			
	Exchange rate adjustments of foreign entities for the year	93	-51
	Hedging of currency risk in foreign entities for the year	-99	127
	Tax on hedging of currency risk in foreign entities for the year	22	-28
		16.05	48
	<b>Total other comprehensive income</b>	<b>16</b>	<b>-14</b>
	<b>Comprehensive income</b>	<b>3,153</b>	<b>2,823</b>



# Statement of financial position

DKKm		2021	2020
Note	<b>Assets</b>		
11	<b>Intangible assets</b>	<b>7,025</b>	<b>7,123</b>
	Operating equipment	158	147
	Owner-occupied property	604	630
12	<b>Total property, plant and equipment</b>	<b>762</b>	<b>777</b>
13	<b>Investment property</b>	<b>1,040</b>	<b>1,117</b>
14	Equity investments in associates	16	15
	<b>Total investments in associates</b>	<b>16</b>	<b>15</b>
	Equity investments	3,487	2,611
	Unit trust units	8,231	6,878
	Other lending	75	80
	Bonds	35,594	34,339
	Derivative financial instruments	913	1,840
	<b>Total other financial investment assets</b>	<b>48,301</b>	<b>45,748</b>
15	<b>Total investment assets</b>	<b>49,356</b>	<b>46,881</b>
	Reinsurers' share of premium provisions	262	291
18	Reinsurers' share of claims provisions	1,232	1,087
16	<b>Total reinsurers' share of provisions for insurance contracts</b>	<b>1,494</b>	<b>1,377</b>
	Receivables from policyholders	1,678	1,674
	Total receivables in connection with direct insurance contracts	1,678	1,674
	Receivables from insurance enterprises	407	270
	Receivables from Group undertakings	1,092	516
	Other receivables	927	667
15	<b>Total receivables</b>	<b>4,103</b>	<b>3,127</b>
17	Current tax assets	307	30
	Cash at bank and in hand	797	1,365
	<b>Total other assets</b>	<b>1,104</b>	<b>1,395</b>
	Interest and rent receivable	134	131
	Other prepayments and accrued income	398	229
	<b>Total prepayments and accrued income</b>	<b>533</b>	<b>360</b>
	<b>Total assets</b>	<b>64,378</b>	<b>61,041</b>



# Statement of financial position

DKKm		2021	2020
Note			
	<b>Equity and liabilities</b>		
	<b>Equity</b>	<b>12,962</b>	<b>12,438</b>
1	<b>Subordinate loan capital</b>	<b>4,442</b>	<b>2,801</b>
18	Premium provisions	6,183	6,036
18	Claims provisions	25,587	24,957
	Provisions for bonuses and premium discounts	1,818	1,495
	<b>Total provisions for insurance contracts</b>	<b>33,588</b>	<b>32,488</b>
19	Pensions and similar obligations	108	130
20	Deferred tax liability	806	851
21	Other provisions	40	57
	<b>Total provisions</b>	<b>954</b>	<b>1,038</b>
	Debt relating to direct insurance	819	516
	Debt relating to reinsurance	77	56
	Amounts owed to credit institutions	835	1,191
	Debt relating to repos	2,417	3,259
15	Derivative financial instruments	879	897
	Debt to group undertakings	27	9
17	Current tax liabilities	235	357
22	Other debt	7,073	5,921
	<b>Total debt</b>	<b>12,361</b>	<b>12,205</b>
	<b>Accruals and deferred income</b>	<b>71</b>	<b>69</b>
	<b>Total equity and liabilities</b>	<b>64,378</b>	<b>61,041</b>
1	<b>Risk and capital management</b>		
23	<b>Own funds</b>		
24	<b>Contractual obligations, collateral and contingent liabilities</b>		
25	<b>Related parties</b>		
26	<b>Financial highlights</b>		
27	<b>Accounting policies</b>		



## Statement of changes in equity

DKKm	Reserve for exchange		Other reserves a)	Retained earnings	Proposed dividend	Non-controlling interest	Total
	Share rate capital adjustment						
<b>Equity at 31 December 2020</b>	<b>1,100</b>	<b>25</b>	<b>1,706</b>	<b>9,077</b>	<b>529</b>	<b>1</b>	<b>12,438</b>
<b>2021</b>							
Profit/loss for the year			29	307	2,801		3,137
Other comprehensive income	0	16		0			16
Total comprehensive income	0	16	29	307	2,801		3,153
Dividend paid					-2,630		-2,630
<b>Total changes in equity in 2021</b>	<b>0</b>	<b>16</b>	<b>29</b>	<b>307</b>	<b>171</b>	<b>0</b>	<b>523</b>
<b>Equity at 31 December 2021</b>	<b>1,100</b>	<b>41</b>	<b>1,735</b>	<b>9,383</b>	<b>700</b>	<b>1</b>	<b>12,962</b>
<b>Equity at 31 December 2019</b>	<b>1,100</b>	<b>-23</b>	<b>1,677</b>	<b>8,445</b>	<b>1,014</b>	<b>1</b>	<b>12,214</b>
<b>2020</b>							
Profit/loss for the year			29	694	2,114		2,837
Other comprehensive income	0	48		-62			-14
Total comprehensive income	0	48	29	632	2,114		2,823
Dividend paid					-2,598		-2,598
<b>Total changes in equity in 2020</b>	<b>0</b>	<b>48</b>	<b>29</b>	<b>632</b>	<b>-484</b>	<b>0</b>	<b>225</b>
<b>Equity at 31 December 2020</b>	<b>1,100</b>	<b>25</b>	<b>1,706</b>	<b>9,077</b>	<b>529</b>	<b>1</b>	<b>12,438</b>

The possible payment of dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 1,735m (DKK 1,706m in 2020). The contingency fund provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured.



## Statement of cash flow

DKKkm	2021	2020
<b>Cash from operating activities</b>		
Premiums	24,605	22,884
Claims paid	-14,597	-15,400
Ceded business	-906	-634
Expenses	-3,297	-2,962
Change in other payables and other amounts receivable	-404	330
<b>Cash flow from insurance activities</b>	<b>5,402</b>	<b>4,218</b>
Interest income	307	348
Interest expenses	-149	-126
Dividend received	112	66
Taxes	-1,218	-616
Other items	-377	-32
<b>Cash from operating activities, continuing business</b>	<b>4,078</b>	<b>3,859</b>
<b>Total cash from operating activities</b>	<b>4,078</b>	<b>3,859</b>
<b>Cash flow from investment activities</b>		
Sale of real property	160	13
Acquisition of equity investments and unit trust units (net)	-891	-5,502
Purchase/Sale of bonds (net)	-2,501	4,339
Purchase/sale of operating equipment (net)	-22	-37
Hedging of currency risk	-36	48
<b>Cash flow from investment activities, continuing business</b>	<b>-3,290</b>	<b>-1,139</b>
<b>Total cash flow from investment activities</b>	<b>-3,290</b>	<b>-1,139</b>
<b>Cash flow from financing activities</b>		
Subordinate loan capital	2,297	0
Debt and receivables, Group	-593	51
Dividend paid	-2,598	-2,598
Change in lease liabilities	-137	-139
Change in amounts owed to credit institutions	-356	480
<b>Cash flow from financing activities, continuing business</b>	<b>-1,387</b>	<b>-2,206</b>
<b>Total cash flow from financing activities</b>	<b>-1,387</b>	<b>-2,206</b>
<b>Change in cash and cash equivalents, net</b>	<b>-600</b>	<b>514</b>
Exchange rate adjustment of cash and cash equivalents, 1 January	32	0
<b>Change in cash and cash equivalents, gross</b>	<b>-568</b>	<b>514</b>
Cash and cash equivalents, 1 January	1,365	851
<b>Cash and cash equivalents, 31 December</b>	<b>797</b>	<b>1,365</b>

	Subordinated loans	Amounts owed to credit institutions	Total
<b>2021</b>			
Carrying amount at 1 January	2,801	1,191	3,992
Exchange rate adjustments	-1,162	0	-1,162
Amortisation	2	0	2
Cash flow	2,801	-356	2,445
<b>Carrying amount at 31 December</b>	<b>4,442</b>	<b>835</b>	<b>5,277</b>
<b>2020</b>			
Carrying amount at 1 January	2,875	711	3,586
Exchange rate adjustments	-76	0	-76
Amortisation	2	0	2
Cash flow	0	480	480
<b>Carrying amount at 31 December</b>	<b>2,801</b>	<b>1,191</b>	<b>3,992</b>



## Notes

### 1 Risk- and capital management Risk management in Tryg Forsikring

The Supervisory Board defines the basis for the risk appetite through the business model and the current strategy. The Supervisory Board has regulated the management of risk activities through policies and guidelines to the business supported by underlying business processes and a power of attorney structure. The company's risk management forms the basis for the risk profile being in line with the specified risk appetite at all times. risk profile is continuously measured, quantified and reported to the management and the Supervisory Board.

In Tryg Forsikring, we have adopted three lines of defence governance model across the organisation. This is to ensure robust governance and effective communication between the business areas, key functions and internal audit as well as reporting to the Supervisory Board and the Supervisory Board's Risk Committee ("RiU").

1st line of defence is the Business Management

2nd line of defence is Compliance-, Actuarial- and Risk Management function

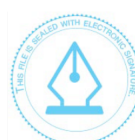
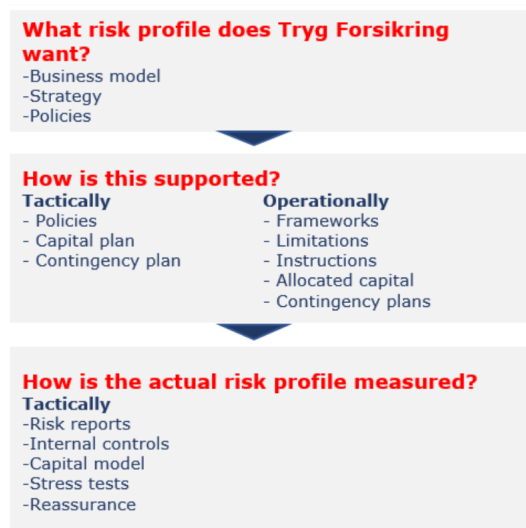
3rd line of defence is Internal Audit and the Internal Audit function

#### The 1st line consists of the Business Management:

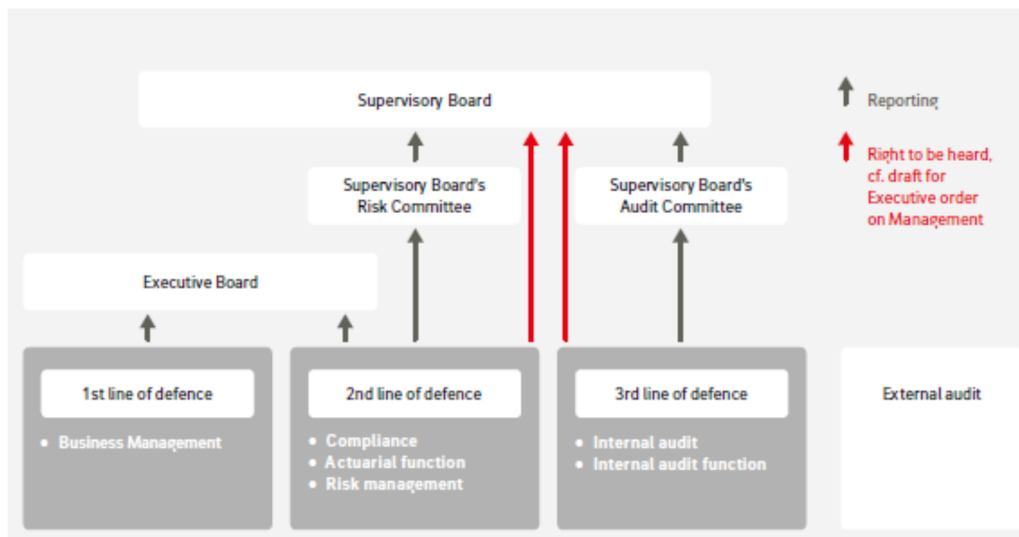
The business areas are responsible for the daily risk management and for carrying out everyday work based on Tryg Forsikring's policies and instructions regarding the management of risks and are responsible for being compliant with both internal and external requirements. This means that there must be procedures and guidelines in place for vital areas and that internal controls are carried out in such a way that risks are identified on time and necessary risk mitigation activities are implemented.

#### The 2nd line consists of the Compliance, Actuarial and Risk Management function:

The compliance function has the overall responsibility for overseeing and monitoring compliance with applicable laws and legislation as well as internal policies and guidelines. The key responsibility of the actuarial function is to ensure and assess the adequacy of the provisions. The risk management function is responsible for the facilitation, monitoring and implementation of effective risk management practices and reporting of adequate risk-related information throughout the organisation. The risk management function ensures a consistent approach to risk identification across the organisation, risk assessment of the most significant risks at the Group level and reporting to the Supervisory Board.



## Lines of defence



## Tryg Forsikring's risk management environment



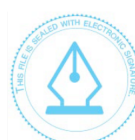
The risk management function consists of a Group risk management department and decentralized risk managers in the individual business areas. The decentralized risk managers are anchored in the respective business areas, and also have a dotted reporting line into the Group risk management. The decentralized risk managers are responsible for carrying out the activities of the risk management function in their respective business areas including the monitoring and reporting of second line internal controls.

Furthermore, the function prepares specific recommendations concerning capital management, reinsurance, investment risk management and more. Tryg Forsikring's risk management function is also responsible for determining the company's solvency capital requirement. The functions in the second line of defence must have an overview of business processes and risks across the organization.

### The 3rd line consists of internal audit:

The third line must ensure an independent and objective audit of the organization's internal controls, risk management and governance processes. Internal audit reports independently to the Supervisory Board and to its Audit Committee.

The Supervisory Board has organised their own Risk Committee consisting of 4 members of the Supervisory Board. In addition to these 4 members, the Chief Financial Officer, Chief Risk Officer and the General Counsel (in Capacity as overseeing the Compliance function) are part of the Committee. The Supervisory Board's Risk Committee was established to ensure that all risk and capital related topics are discussed thoroughly before being discussed in the Supervisory Board. The Supervisory Board meets minimum 4 times annually.



## Capital management

Tryg Forsikring's capital management is based on the key business objectives:

- A solid capital base, supporting both the statutory requirements and a single 'A' rating from Moody's.
- Support of a steadily increasing nominal dividend per share, with a payout ratio in the interval 60-90%.

Tryg Forsikring's capital base currently consists of Tier 1 and 2 capital, such as shareholders' equity and subordinated loans.

See table on pages 58-59.

The capital base is continuously measured against the capital requirement calculated based on Tryg Forsikring's partial internal model, where insurance risks are modelled using an internal model, while other risks are described using the standard formula.

The model calculates Tryg Forsikring's capital requirement with a 99.5% solvency level with a 1-year horizon, which means that Tryg Forsikring will be able to fulfil its obligations in 199 out of 200 years. The partial internal model has been used for several years and was approved by the Danish Financial Supervisory Authority (DFSA) in December 2015. A major model change was approved by DFSA in April 2020.

Monitoring of the capital base also involves capital projections based on expected business plans within the strategic planning period and stress on selected scenarios.

## Company's Own Risk and Solvency Assessment (ORSA)

ORSA is the company's own risk assessment based on the Solvency II principles, which implies that Tryg Forsikring must assess all material risks that the company is or may be exposed to. The ORSA report also contains an assessment of whether the calculation of solvency capital requirement is reasonable and is reflecting Tryg Forsikring's actual risk profile.

Tryg Forsikring's risk activities are implemented via continuous risk management processes, where the main results are reported to the Supervisory Board and its Risk Committee during the year. Therefore, the ORSA report is an annual summary document assessing all these processes.

## Insurance risk

Insurance risk comprises two main types of risks: Underwriting risk and reserving risk.

### Underwriting risk

Underwriting risk is the risk that insurance premiums will not be sufficient to cover the compensations and other costs associated with the insurance business. Underwriting risk is managed primarily through the company's insurance policy defined by the Supervisory Board, and administered through business procedures, underwriting guidelines etc. Underwriting risk is assessed in Tryg Forsikring's capital model, determining the capital impact from insurance products.

Reinsurance is used to reduce the underwriting risk in situations where this cannot be achieved to a sufficient degree via ordinary diversification. The main components of the reinsurance programme as of January 1, 2022 are:

- In case of major events involving damage to buildings and contents, Tryg Forsikring's reinsurance program provides protection for up to DKK 8.5bn, which statistically is sufficient to cover at least a 250-year event. Retention for such events is DKK 200m.
- In the event of a frequency of natural disasters, Tryg Forsikring is covered for up to DKK 600m, after total annual retention of DKK 300m.
- Tryg Forsikring has also taken out reinsurance for the risk of large claims occurring in sectors with very large sums insured. Tryg Forsikring's largest individual building and contents risks are covered by up to DKK 2bn. Retention for large claims is DKK 100m, gradually dropping to DKK 25m. Single risks exceeding DKK 2bn are covered individually.
- Tryg Forsikring has combined the minimum cover of other sectors into a joint cover with retention of DKK 100m for the first claim and DKK 25m for subsequent claims. For the individual sectors, individual cover has subsequently been taken out as needed. The use of reinsurance



creates a natural counterparty risk. This risk is handled by applying a wide range of reinsurers with a suitable rating and adequate capital level as defined by the Supervisory Board.

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### **Reserving risk**

Reserving risk relates to the risk of Tryg Forsikring's insurance provisions being inadequate. The Supervisory Board lays down the overall framework for the handling of reserving risk in the insurance policy, while the overall risk is measured in the capital model. The uncertainty associated with the calculation of claims reserves affects Tryg Forsikring's results through the run-off on reserves.

Long-tailed reserves in particular are subject to interest rate and inflation risk. Interest rate risk is hedged by means of Tryg Forsikring's match portfolio which corresponds to the discounted claims reserves. To manage the inflation risk of Danish workers' compensation claims reserves, Tryg Forsikring has bought zero-coupon inflation swaps. Tryg Forsikring determines the claims reserves via statistical methods as well as individual assessments.

At the end of 2021, Tryg Forsikring's claims reserves net of reinsurance totalled DKK 24,355m with an average duration of approximately 4.6 years.

### **Investment risk**

The overall framework for managing investment risk is defined by the Supervisory Board in Tryg Forsikring's investment policy. In general terms, Tryg Forsikring's investment portfolio is divided into a match portfolio and a free portfolio. The match portfolio corresponds to the value of the discounted claims reserves and is designed to hedge the interest rate sensitivity of these as closely as possible. Tryg Forsikring carries out daily monitoring, follow-up and risk management of the Group's interest rate risk.

The free portfolio is subject to the framework defined by the Supervisory Board through the investment policy. The purpose of the free portfolio is to achieve the highest possible return relative to risk. Tryg Forsikring's property portfolio constitutes the company's largest investment risk. The Property portfolio comprises primarily well-diversified and liquid property investment funds, but also a small proportion of directly held investment properties, the value of which is adjusted based on the conditions on the property market through internal valuations backed by external valuations. At the end of 2021, investment properties accounted for 7.9% (including property funds) and Tryg Forsikring's equity portfolio accounted for 6.3% of the total investment assets.

Tryg Forsikring does not want to speculate in foreign currency, but since Tryg invests and operates its insurance business in other currencies than Danish kroner, Tryg Forsikring is exposed to currency risk. Tryg Forsikring is primarily exposed to fluctuations in the other Scandinavian currencies due to its ongoing insurance activities. Premiums earned and claims paid in other currencies create a natural currency hedge, for which reason other risk mitigation measures are not required in this area. However, the part of equity held in other currencies than Danish kroner will be exposed to currency risk. This risk is hedged on an ongoing basis using currency swaps.

In addition to the above-mentioned risks, Tryg Forsikring is exposed to credit, counterparty and concentration risk. These risks primarily relate to exposures in high-yield bonds, emerging market debt exposures as well as Tryg Forsikring's investments in AAA-rated Nordic and European government and mortgage bonds. These risks are also managed through the investment policy and the framework for reinsurance defined in the insurance policy.

For a non-life insurance company like Tryg Forsikring, liquidity risk is practically non-existent, as premium payments fall due before claims payments. The only significant assets on Tryg Forsikring's balance sheet, which by nature is somewhat illiquid, are the property portfolio.



### **Operational risk**

Operational risk relates to errors or failures in internal procedures, fraud, breakdown of infrastructure, IT security and similar factors. As operational risks are mainly internal, Tryg Forsikring focuses on an adequate control environment for its operations. In practice, this work is organised by means of procedures, controls and guidelines covering the various aspects of the Group's operations. The Supervisory Board defines the overall framework for managing operational risk in Tryg Forsikring's Operational risk policy and the Information Security Policy.

A special crisis management structure is set up to deal with the eventuality that Tryg Forsikring is hit by major crises. This comprises a Crisis Management Team at the Group level, national contingency teams at country level and finally business contingency teams in the individual areas. Tryg Forsikring has prepared contingency plans to address the most important areas. In addition, comprehensive IT contingency plans have been established, primarily focusing on the business critical systems.

### **Other risks**

#### **Strategic risk**

The strategic risk is the risk of loss as a result of Tryg Forsikring's chosen strategic position. The strategic position covers both business transactions, IT strategy, choice of business partners and changing market conditions. Tryg Forsikring's strategic position is determined by Tryg Forsikring's Supervisory Board in close collaboration with the Executive Board. Before determining the strategic position, the strategic decisions are subject to a risk assessment, explaining the risk of the chosen strategy to Tryg Forsikring's Supervisory Board and Executive Board.

#### **Compliance risk**

Compliance risk is the risk of loss as a result of lack of compliance with rules, regulations, market standards or internal guidelines. The handling of compliance risk is coordinated centrally via the Compliance function, which, among other things, sits on industry committees in connection with legislative monitoring, ensures implementation of regulation in Tryg Forsikring through business procedures, provides ongoing training in compliance matters and performs compliance controls within the organisation. Compliance risks and the result of the performed compliance controls are reported to the Supervisory Board's Risk Committee.

#### **Emerging risk**

Emerging risk covers both new risks and already known risks, with changing characteristics. The management of this type of risk is handled in the individual business areas, which monitor the market and adapt the products as the conditions change. In the event of a change in insurance terms, it is ensured that Tryg Forsikring's reinsurance cover is consistent with the new conditions.

Emerging risk is also a part of the systematically implemented risk identification process in Tryg Forsikring.

#### **Liquidity risk**

Liquidity risk is the risk of loss as a result of not being able to meet payments when they fall due. In insurance companies, the liquidity risk is very limited as premiums are paid before the beginning of the risk period. The majority of Tryg Forsikring's investment portfolio is placed in AAA or AA rated bonds which can be either sold or repoed in a short time span.



## Notes

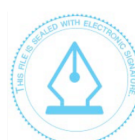
Mio. DKK	2021	2020
<b>1 Sensitivity analysis</b>		
<b>Insurance risk</b>		
<b>Effect of 1% change in:</b>		
Combined ratio (1 percentage point)	+/-241	+/-226
Major events	-150	-100
Catastrophe event up to DKK 7.250m	-200	-183
<b>Reserving risk</b>		
1% change in inflation on person-related lines of business <sup>a)</sup>	+/- 400	+/- 411
10% error in the assessment of long-tailed lines of business (workers' compensation, motor liability, liability, accident)	+/- 1.745	+/- 1.753
<b>Investment risk</b>		
<b>Interest rate market</b>		
<b>Effect of 1 % increase in interest curve:</b>		
<b>NOK:</b>		
Impact of interest-bearing securities	-183	-167
Higher discounting of claims provisions	178	176
Net effect of interest rate rise	-5	8
<b>SEK:</b>		
Impact of interest-bearing securities	-152	-156
Higher discounting of claims provisions	192	201
Net effect of interest rate rise	40	45
<b>DKK, EUR and Other:</b>		
Impact of interest-bearing securities	-813	-834
Higher discounting of claims provisions	734	694
Net effect of interest rate rise	-78	-140
<b>Equity market</b>		
15 % decline in equity market	-516	-471
Impact of derivatives and related thereto	18	-11
<b>Real estate market</b>		
15 % decline in real estate markets	-508	-294
<b>Currency market</b>		
Equity:		
15 % decline in exposed currency (exclusive of EUR) relative to DKK	-1,237	-1,485
Impact of derivatives	1,226	1,486
Net impact of exchange rate decline	-11	1
Technical result per year:		
Impact of 15% change in NOK and SEK exchange rates relative to DKK	+/- 183	+/- 121
<sup>a)</sup> Including the effect of the zero coupon inflation swap		



## Notes

DKK m Provisions for claims											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Gross</b>											
1 Estimated accumulated claims											
End of year	15,747	13,306	13,712	12,554	14,547	12,725	12,558	13,613	16,112	16,918	17,373
1 year later	16,126	13,382	13,974	12,874	14,488	12,602	12,682	15,377	16,127	16,734	
2 year later	16,185	13,340	13,634	12,693	14,442	12,517	14,181	15,360	16,091		
3 year later	16,138	13,155	13,469	12,589	14,362	14,033	14,100	15,368			
4 year later	15,964	12,894	13,443	12,505	15,748	14,016	14,092				
5 year later	15,997	12,812	13,319	13,760	15,694	13,983					
6 year later	15,864	12,702	14,542	13,497							
7 year later	15,681	13,925	14,397	13,429							
8 year later	17,406	13,823	14,361								
9 year later	17,109	13,766									
10 year later	17,004										
Cumulative payments to date	-16,442	-13,032	-13,555	-12,660	-14,756	-12,907	-12,824	-13,639	-13,422	-12,362	-9,012
Provisions before discounting, end of year	562	734	806	769	938	1,076	1,268	1,729	2,668	4,371	8,362
Discounting	-40	-36	-48	-44	-49	-57	-61	-71	-94	-121	-151
Reserves from 2010 and prior years											
Gross provisions for claims, end of year											25,587
<b>Ceded business</b>											
Estimated accumulated claims											
End of year	1,447	220	1,131	270	2,071	201	286	625	370	733	535
1 year later	2,128	249	1,476	305	1,877	253	393	670	454	794	
2 year later	2,248	286	1,258	299	1,909	245	387	698	477		
3 year later	2,286	279	1,252	295	1,885	244	398	709			
4 year later	2,234	267	1,269	316	1,915	241	369				
5 year later	2,228	256	1,301	313	1,929	241					
6 year later	2,233	269	1,350	315	1,921						
7 year later	2,618	268	1,305	315							
8 year later	2,611	341	1,303								
9 year later	2,612	341									
10 year later	2,613										
Cumulative payments to date	-2,614	-265	-1,247	-303	-1,902	-234	-327	-646	-314	-508	-91
Provisions before discounting, end of year	0	76	56	12	19	6	42	63	163	287	443
Discounting	0	0	0	0	0	0	0	0	-3	-1	-1
Reserves from 2010 and prior years											
Provisions for claims, end of year											1,232
<b>Net of reinsurance</b>											
Estimated accumulated claims											
End of year	14,300	13,086	12,581	12,284	12,476	12,524	12,272	12,988	15,742	16,185	16,839
1 year later	13,997	13,133	12,498	12,569	12,611	12,350	12,290	14,707	15,673	15,939	
2 year later	13,936	13,054	12,376	12,394	12,533	12,272	13,794	14,662	15,614		
3 year later	13,851	12,876	12,216	12,294	12,477	13,789	13,702	14,658			
4 year later	13,731	12,628	12,175	12,189	13,834	13,775	13,724				
5 year later	13,769	12,556	12,018	13,446	13,802	13,742					
6 year later	13,631	12,434	13,192	13,182	13,773						
7 year later	13,063	13,657	13,092	13,114							
8 year later	14,795	13,482	13,058								
9 year later	14,498	13,425									
10 year later	14,391										
Cumulative payments to date	-13,829	-12,767	-12,308	-12,357	-12,854	-12,672	-12,497	-12,993	-13,108	-11,855	-8,921
Provisions before discounting, end of year	562	658	750	757	919	1,070	1,226	1,666	2,506	4,085	7,919
Discounting	-40	-36	-48	-44	-49	-57	-61	-71	-91	-120	-150
Reserves from 2010 and prior years											
Provisions for claims, net of reinsurance, end of the year											24,355

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate at 31 December 2021 to prevent the impact of exchange rate fluctuations.



## Notes

Mio. DKK

1	2021	Expected cash flow, not discounted				Total
		0-1 year	1-2 years	2-3 years	> 3 years	
	Claims provisions, gross	8.950	4.227	2.645	10.714	26.537
	Claims provisions, ceded	-700	-272	-130	-137	-1.239
		<b>8.251</b>	<b>3.955</b>	<b>2.516</b>	<b>10.578</b>	<b>25.299</b>
	<b>2020</b>					
	Claims provisions, gross	8.301	3.930	2.489	10.546	25.266
	Claims provisions, ceded	-610	-223	-118	-135	-1.086
		<b>7.691</b>	<b>3.707</b>	<b>2.371</b>	<b>10.411</b>	<b>24.181</b>

### Investment risk

The notes below are based on Tryg's investment portfolio without the external customers share

#### Bond portfolio including interest derivatives

Duration 1 year or less	17.152	14.216
Duration 1 - 5 years	11.364	13.820
Duration 5 - 10 years	5.352	6.571
Duration more than 10 years	3.698	3.152
<b>Total</b>	<b>37.566</b>	<b>37.760</b>
<b>Duration</b>	<b>3,1</b>	<b>3,8</b>

The option adjusted duration is used to measure duration. The option adjustment relates primarily to Danish mortgage bonds and reflects the expected duration-shortening effect of the borrower's option to cause the bond to be redeemed through the mortgage institution at any point in time.

#### Shares

Nordic countries	73	79
EU ex. Nordic countries	442	314
North America	1.684	2.162
Others	1.108	643
<b>Total</b>	<b>3.307</b>	<b>3.196</b>

Tryg's share exposure includes exposure from share derivatives of DKK -117 (DKK 69m in 2020) and excluding shares related to property exposure.

Unlisted equity investments are based on an estimated market price. UK is included in Europe ex. Nordic countries.

#### Exposure to exchange rate risk

	2021	2021	2021	2020	2020	2020
	Assets and debt	Hedge	Exposure	Assets and debt	Hedge	Exposure
USD	4.977	-5.041	63	5.318	-5.314	3
EUR a)	2.105	-709	1.396	2.287	-2.658	372
GBP	308	-300	8	230	-221	9
NOK	2.711	-2.703	7	3.740	-3.749	9
SEK	-495	484	11	497	-496	1
Other	637	-616	21	446	-454	9
<b>Total</b>			<b>1.506</b>			<b>403</b>

a) Due to correlation between DKK and EUR the exposure limit is higher than all other currencies.



# Notes

Mio. DKK

1 Credit risk	2021		2020	
	DKKm	%	DKKm	%
<b>Bond portfolio by ratings</b>				
AAA	33,323	89.1	33,515	91.7
AA	764	2.0	274	0.8
A	1,036	2.8	587	1.6
BBB	736	2.0	868	2.4
BB	424	1.1	476	1.3
B or lower	1,121	3.0	828	2.3
<b>Total</b>	<b>37,403</b>	<b>100.0</b>	<b>36,548</b>	<b>100.0</b>
<b>Reinsurance balances</b>				
AAA to A	1,207	0	969	0
Not rated	183	0	178	0
<b>Total</b>	<b>1,390</b>	<b>100.0</b>	<b>1,147</b>	<b>100.0</b>

## Liquidity risk

### Maturity of the Group's financial obligations including interest

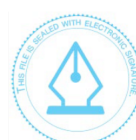
2021	0-1 year	1-5 years	> 5 years	Total
Subordinate loan capital	110	439	5,172	5,720
Amounts owed to credit institutions	835	0	0	835
Debt relating to unsettled funds transactions and repos	2,417	0	0	2,417
Other debt	8,203	0	0	8,203
	<b>11,565</b>	<b>439</b>	<b>5,172</b>	<b>17,175</b>
<b>2020</b>	<b>0-1 år</b>	<b>1-5 år</b>	<b>&gt; 5 år</b>	<b>Total</b>
Subordinate loan capital	95	382	3,756	4,233
Amounts owed to credit institutions	1,191	0	0	1,191
Debt relating to unsettled funds transactions and repos	3,259	0	0	3,259
Other debt	6,907	0	0	6,907
	<b>11,453</b>	<b>382</b>	<b>3,756</b>	<b>15,591</b>

Interest on loans for a perpetual term has been recognised for the first fifteen years.

### Subordinate loan capital

DKKm	Bond loan NOK 800m		Bond loan NOK 1,400m		Bond loan SEK 1,000m	
	2021	2020	2021	2020	2021 <sup>a)</sup>	2020
Amortised cost value of the loan recognised in statement of financial position	596	563	1,042	985	-	738
The fair value of the loan at the statement of financial position date	616	589	1,103	1,027	-	745
The fair value of the loan at the statement of financial position date is based on a price of	103	105	106	104	-	101
Total capital losses and costs at the statement of the financial position date	1	1	2	2	-	2
Interest expenses for the year	25	26	33	36	8	21
Effective interest rate	4.1%	4.6%	3.2%	3.6%	6.9%	2.8%
<b>Loan terms:</b>						
Lender	Listed bonds		Listed bonds		Listed bonds	
Principal	NOK 800m		NOK 1,400m		SEK 1,000m	
Issue price	100		100		100	
Issue date	March 2013		November 2015		May 2016	
Maturity year	Perpetual		2045		2046	
Loan may be called by lender as from	2023		2025		2021	
Repayment profile	Interest-only		Interest-only		Interest-only	
Interest structure	3.75 % above NIBOR 3M (until 2023)		2.75 % above NIBOR 3M (until 2025)		2.75 % above STIBOR 3M (until 2026)	
	4.75 % above NIBOR 3M (from 2023)		3.75 % above NIBOR 3M (from 2025)		3.75 % above STIBOR 3M (from 2026)	

<sup>a)</sup> Cancelled in 2021



## Notes

Mio. DKK

1	Subordinate loan capital		Bond loan SEK 1,300m		Bond loan SEK 700m	
	Bond loan NOK 850m	2020	2021	2020	2021	2020
DKK m						
Amortised cost value of the loan recognised in statement of financial position	633	-	942	-	506	516
The fair value of the loan at the statement of financial position date	631	-	944	-	515	521
The fair value of the loan at the statement of financial position date is based on a price of	100	-	100	-	101	101
Total capital losses and costs at the statement of the financial position date	1	-	2	-	2	2
Interest expenses for the year	7	-	7	-	13	14
Effective interest rate	1.7%	-	1.1%	-	2.5%	2.6%
<b>Loan terms:</b>						
Lender	Listed bonds		Listed bonds		Listed bonds	
Principal	NOK 850m		SEK 1,300m		SEK 700m	
Issue price	100		100		100	
Issue date	May 2021		May 2021		April 2018	
Maturity year	May 2051		May 2051		Perpetual	
Loan may be called by lender as from	2027		2026		2023 a)	
Repayment profile	Interest-only		Interest-only		Interest-only	
Interest structure	1.25 % above NIBOR 3M (until 2031)		1.15 % above STIBOR 3M (until 2031)		2.5 % above STIBOR 3M	
	2.25 % above NIBOR 3M (from 2031)		2.15 % above STIBOR 3M (from 2031)			
<b>Subordinate loan capital</b>					<b>Bond loan SEK 1,000m</b>	<b>2020</b>
DKK m					2021	2020
Amortised cost value of the loan recognised in statement of financial position					723	-
The fair value of the loan at the statement of financial position date					740	-
The fair value of the loan at the statement of financial position date is based on a price of					102	-
Total capital losses and costs at the statement of the financial position date					3	-
Interest expenses for the year					15	-
Effective interest rate					2.4%	-
<b>Loan terms:</b>						
Lender					Listed bonds	
Principal					SEK 1,000m	
Issue price					100	
Issue date					February 2021	
Maturity year					Perpetual	
Loan may be called by lender as from					2026	
Repayment profile					Interest-only	
Interest structure					2.4 % above STIBOR 3M	

a) Tryg Forsikring intends that the Loan terminates in 2023

The share of capital included in the calculation of the capital base totals DKK 4,453m (DKK 2,663m in 2020).

The loans are initially recognised at fair value on the date on which a loan is entered and subsequently measured at amortised cost. The loans are taken by Tryg Forsikring A/S. The creditors have no option to call the loans before maturity or otherwise terminate the loan agreements. The loans are automatically accelerated upon the liquidation or bankruptcy of Tryg Forsikring A/S. It is Tryg Forsikring's intention to repay the subordinated loan at the first possible call date. This is subject to an adequate Own funds and to an FSA approval. Prices used to determine fair value in respect of the loans are based on actual traded prices from Bloomberg.

### The impact of COVID-19

COVID-19 has continued to impact the world's economic trends and societies in general via restrictions and lock-downs. From a business perspective, Tryg Forsikring's figures were impacted especially at the beginning of the year with lower than normal claims frequencies in travel and motor insurance. Towards the end of 2021, the impact was very limited despite the outbreak of the Omicron variant.

### Valuation of investments assets

Total financial investment assets are measured at fair value with value adjustment in the income statement. Listed bonds and shares, parts of unit trust as well as derivative financial instruments are measured at the quoted price at the balance sheet date. The valuation of the investment assets can be distributed in the fair value hierarchy model, which is determined in accordance with IFRS 13. The model distributes the total investments assets based on the price at which the investment assets are set. Reference is made to note 15 for further description of the fair value hierarchy.

The main part of Tryg Forsikring's investment assets are classified as level 1 and 2 and are valued based on listed prices. This involves the bonds portfolio, the main part of shares and unit trust units as



well as the statement of financial instruments. Assets, which can be classified as level 3, can be attributed to unlisted assets, specific unlisted Unit trusts and investment property. As these investment assets are not valued based on observable input, there will be a discretionary element in this hierarchy. On 31 December 2021, the value amounts to DKK 1,114m (DKK 1,186m on 31 December 2020).

#### **Claims provisions**

The volatility introduced by the outbreak of COVID-19 affects some of Tryg Forsikring's claims provisions, particularly travel insurance but also several other insurance products due to significant changes in behavior. The effects are incorporated in Tryg Forsikring's reserving models. The statistical uncertainty related to these changes is insignificant compared to the total provisions and balance sheet.

#### **Exchange rates**

Tryg Forsikring has business in three different Nordic countries meaning that Tryg Forsikring is exposed to fluctuations in the local currencies (NOK and SEK) in regard to the financial results.

Tryg Forsikring has chosen to implement a currency hedge strategy that focuses on mitigating the currencies impact on the financial results. This means that the impact on the P/L of changes in local currencies is limited. The shareholders' equity, due to the currency hedge strategy, is not sensitive to changes in the local currencies. Impairment of intangibles COVID-19 has not have any effect on the assumptions related to impairment of Goodwill, Trademarks and Brand. Reference is made to note 11 for further description on Impairment test.



## Notes

DKKm

<b>2 Operating segments</b>						
<b>2021</b>	<b>Private</b>	<b>Commercial<sup>a)</sup></b>	<b>Corporate<sup>a)</sup></b>	<b>Sweden</b>	<b>Other<sup>b)</sup></b>	<b>Group</b>
<b>Gross premium income</b>	<b>13,685</b>	<b>5,294</b>	<b>3,457</b>	<b>1,701</b>	<b>0</b>	<b>24,137</b>
Gross claims	-9,377	-3,334	-2,423	-1,141	1	-16,275
Gross operating expenses	-1,803	-913	-396	-284	1	-3,394
Profit/loss on ceded business	-270	-191	-273	3	0	-731
Insurance technical interest, net of reinsurance	-16	-7	-4	-2	0	-29
<b>Technical result</b>	<b>2,219</b>	<b>850</b>	<b>361</b>	<b>277</b>	<b>2</b>	<b>3,709</b>
Investment return and Other income and costs						198
<b>Profit/loss before tax</b>						<b>3,907</b>
Tax and other items						-770
<b>Profit/loss</b>						<b>3,137</b>
Run-off gains/losses, net of reinsurance	136	309	282	235	1	963
Intangible assets	5,549	60	0	521	895	7,025
Equity investments in associates	0	0	0	0	16	16
Reinsurers' share of premium provisions	55	33	174	0	0	262
Reinsurers' share of claims provisions	47	377	806	1	0	1,232
Other assets					55,843	55,843
<b>Total assets</b>						<b>64,378</b>
Premium provisions	0	0	0	0	6,183	6,183
Claims provisions	0	0	0	0	25,587	25,587
Provisions for bonuses and premium discounts	1,615	102	4	97	0	1,818
Other liabilities					17,828	17,828
<b>Total liabilities</b>						<b>51,416</b>
<b>2020</b>	<b>Private</b>	<b>Commercial<sup>a)</sup></b>	<b>Corporate<sup>a)</sup></b>	<b>Sweden</b>	<b>Other<sup>b)</sup></b>	<b>Group</b>
<b>Gross premium income</b>	<b>12,743</b>	<b>4,930</b>	<b>3,376</b>	<b>1,604</b>	<b>0</b>	<b>22,653</b>
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	0	-499
Insurance technical interest, net of reinsurance	-12	-5	-2	-1	0	-20
<b>Technical result</b>	<b>2,045</b>	<b>798</b>	<b>401</b>	<b>268</b>	<b>-16</b>	<b>3,495</b>
Investment return and Other income and costs						129
<b>Profit/loss before tax</b>						<b>3,624</b>
Tax and other items						-788
<b>Profit/loss</b>						<b>2,837</b>
Run-off gains/losses, net of reinsurance	120	348	436	249	-9	1,145
Intangible assets	5,677	60	0	533	854	7,123
Equity investments in associates	0	0	0	0	16	16
Reinsurers' share of premium provisions	50	24	216	0	0	291
Reinsurers' share of claims provisions	140	330	604	12	0	1,087
Other assets					52,524	52,524
<b>Total assets</b>						<b>61,041</b>
Premium provisions	2,747	1,364	943	983	0	6,036
Claims provisions	6,348	7,306	8,406	2,896	0	24,957
Provisions for bonuses and premium discounts	1,303	118	5	69	0	1,495
Other liabilities					16,114	16,114
<b>Total liabilities</b>						<b>48,602</b>

a) Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in 2021. Comparative figures have been restated accordingly.

b) One-off items are included under 'Other'

Other assets and liabilities are managed at the 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

### 2 Geographical segments

DKKm	2021	2020	2019	2018	2017
<b>Danish general insurance a)</b>					
<b>Gross premium income</b>	<b>14,326</b>	<b>13,902</b>	<b>13,126</b>	<b>10,375</b>	<b>9,567</b>
Technical result	2,448	2,694	2,595	1,986	1,767
Run-off gains/losses, net of reinsurance	644	639	717	714	451
<b>Key ratios</b>					
Gross claims ratio	66.2	65.5	64.9	61.4	64.3
Net reinsurance ratio	2.0	1.1	1.5	5.4	3.6
Claims ratio, net of ceded business	68.2	66.6	66.4	66.8	67.9
Gross expense ratio	14.4	13.9	13.6	13.9	13.4
<b>Combined ratio</b>	<b>82.7</b>	<b>80.4</b>	<b>80.0</b>	<b>80.7</b>	<b>81.3</b>
Run-off, net of reinsurance (%)	-4.5	-4.6	-5.5	-6.9	-4.7
Number of full-time employees 31 December	3,062	2,797	2,598	2,475	1,899
<b>Norwegian general insurance</b>					
NOK/DKK, average rate for the period	72.92	69.63	75.80	77.53	79.99
<b>Gross premium income</b>	<b>7,263</b>	<b>6,411</b>	<b>6,472</b>	<b>6,302</b>	<b>6,272</b>
Technical result	938	473	469	791	770
Run-off gains/losses, net of reinsurance	215	247	283	520	422
<b>Key ratios</b>					
Gross claims ratio	69.1	75.3	73.7	72.6	67.9
Net reinsurance ratio	5.0	3.4	5.1	1.2	5.3
Claims ratio, net of ceded business	74.1	78.7	78.8	73.8	73.2
Gross expense ratio	13.1	14.1	14.4	13.9	14.7
<b>Combined ratio</b>	<b>87.2</b>	<b>92.7</b>	<b>93.1</b>	<b>87.7</b>	<b>87.9</b>
Run-off, net of reinsurance (%)	-3.0	-3.9	-4.4	-8.3	-6.7
Number of full-time employees 31 December	1,139	1,099	1,083	1,105	1,042
<b>Swedish general insurance</b>					
SEK/DKK, average rate for the period	73.39	70.95	70.62	72.67	77.24
<b>Gross premium income</b>	<b>2,390</b>	<b>2,234</b>	<b>2,120</b>	<b>2,073</b>	<b>2,121</b>
Technical result	279	331	169	94	236
Run-off gains/losses, net of reinsurance	113	274	205	-9	101
<b>Key ratios</b>					
Gross claims ratio	71.4	65.8	74.0	82.3	69.0
Net reinsurance ratio	2.2	4.0	2.0	-1.7	5.0
Claims ratio, net of ceded business	73.6	69.9	75.9	80.6	74.0
Gross expense ratio	14.6	15.3	16.1	14.6	14.5
<b>Combined ratio</b>	<b>88.3</b>	<b>85.1</b>	<b>92.0</b>	<b>95.2</b>	<b>88.5</b>
Run-off, net of reinsurance (%)	-4.7	-12.3	-9.7	0.4	-4.8
Number of full-time employees 31 December	431	441	419	402	398
<b>Other a)</b>					
<b>Gross premium income</b>	<b>159</b>	<b>105</b>	<b>24</b>	<b>-10</b>	<b>3</b>
Gross claims	-60	-38	-1	13	16
Gross expenses	-29	-32	-23	-85	-4
Profit/loss on gross business	70	36	1	-82	15
Profit/loss on ceded business	-27	-38	3	-23	1
Technical result	43	-3	4	-105	16
<b>Tryg Forsikring</b>					
<b>Gross premium income</b>	<b>24,137</b>	<b>22,653</b>	<b>21,741</b>	<b>18,740</b>	<b>17,963</b>
Technical result	3,709	3,495	3,237	2,766	2,789
Investment return	709	300	300	570	-332
Other income and costs	-510	-171	-171	-115	-108
Profit/loss before tax	3,907	3,624	3,624	3,693	2,326
Run-off gains/losses, net of reinsurance	963	1,145	1,194	1,221	972
<b>Key ratios</b>					
Gross claims ratio	67.4	68.1	68.3	67.4	66.1
Net reinsurance ratio	3.0	2.2	2.6	3.3	4.3
Claims ratio, net of ceded business	70.5	70.3	70.9	70.7	70.4
Gross expense ratio	14.1	14.1	14.2	14.4	14.0
<b>Combined ratio</b>	<b>84.5</b>	<b>84.5</b>	<b>85.1</b>	<b>85.1</b>	<b>84.4</b>
Run-off, net of reinsurance (%)	-4.0	-5.1	-5.5	-6.5	-5.4
Number of full-time employees, continuing business at 31 December	4,633	4,371	4,127	4,001	3,345

a) Comprises Finnish, Dutch, Austrian, Swiss, Belgium and German Credit & surety insurance and amounts relating to one-off items.



## Notes

### 2 Technical result, net of reinsurance, by line of business

DKKm	Accident and health		Health care		Worker's compensation		Motor TPL		Motor comprehensive insurance		Marine, aviation and cargo insurance	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Gross premiums written</b>	<b>2,989</b>	<b>2,736</b>	<b>633</b>	<b>574</b>	<b>954</b>	<b>921</b>	<b>2,033</b>	<b>1,917</b>	<b>5,748</b>	<b>5,136</b>	<b>234</b>	<b>201</b>
Gross premium income	2,751	2,565	637	543	933	934	2,010	1,874	5,458	4,897	228	219
Gross claims	- 1,844	- 1,400	- 506	- 467	- 681	- 496	- 1,251	- 1,468	- 3,616	- 3,380	- 94	- 67
Gross operating expenses	- 409	- 378	- 75	- 53	- 116	- 88	- 291	- 287	- 747	- 691	- 34	- 34
Profit/loss on ceded business	- 11	- 7	0	0	- 14	- 22	- 29	- 36	- 88	- 53	- 33	- 37
Insurance technical interest, net of reinsurance	- 3	- 3	- 1	- 1	8	- 1	2	- 1	- 6	- 4	0	0
<b>Technical result</b>	<b>484</b>	<b>777</b>	<b>55</b>	<b>22</b>	<b>130</b>	<b>327</b>	<b>441</b>	<b>82</b>	<b>1,001</b>	<b>769</b>	<b>67</b>	<b>81</b>
Gross claims ratio	67.0	54.6	79.4	86.0	73.0	53.1	62.2	78.3	66.3	69.0	41.2	30.6
<b>Combined ratio</b>	<b>82.3</b>	<b>69.6</b>	<b>91.2</b>	<b>95.8</b>	<b>86.9</b>	<b>64.9</b>	<b>78.2</b>	<b>95.6</b>	<b>81.6</b>	<b>84.2</b>	<b>70.6</b>	<b>63.0</b>
Claims frequency a)	4.4%	3.8%	63.2%	68.8%	16.3%	18.1%	5.7%	5.4%	23.4%	20.5%	16.6%	15.8%
Average claims DKK b)	21,155	21,326	5,332	5,111	96,143	77,053	19,677	22,505	8,634	9,201	50,844	52,837
Total claims	89,800	78,286	103,853	94,689	10,238	10,742	87,435	79,347	423,792	364,832	2,147	1,882

	Fire and contents (Private)		Fire and contents (Commercial)		Change of ownership		Liability insurance		Credit and guarantee insurance		Tourist assistance insurance	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Gross premiums written</b>	<b>6,150</b>	<b>5,788</b>	<b>2,903</b>	<b>2,816</b>	<b>0</b>	<b>0</b>	<b>1,356</b>	<b>1,179</b>	<b>651</b>	<b>553</b>	<b>1,006</b>	<b>996</b>
Gross premium income	5,875	5,589	2,874	2,769	21	59	1,298	1,163	647	547	844	890
Gross claims	- 4,195	- 3,976	- 1,930	- 1,568	2	- 17	- 1,006	- 968	- 308	- 384	- 360	- 788
Gross operating expenses	- 759	- 791	- 465	- 430	- 6	- 7	- 212	- 192	- 96	- 81	- 120	- 125
Profit/loss on ceded business	- 238	- 194	- 256	- 344	0	0	- 6	41	- 60	- 1	3	142
Insurance technical interest, net of reinsurance	- 21	- 6	- 5	- 2	0	0	- 1	- 2	- 1	0	- 2	- 1
<b>Technical result</b>	<b>662</b>	<b>622</b>	<b>218</b>	<b>425</b>	<b>17</b>	<b>35</b>	<b>73</b>	<b>42</b>	<b>182</b>	<b>81</b>	<b>365</b>	<b>118</b>
Gross claims ratio	71.4	71.1	67.2	56.6	-9.5	28.8	77.5	83.2	47.6	70.2	42.7	88.5
<b>Combined ratio</b>	<b>88.4</b>	<b>88.8</b>	<b>92.2</b>	<b>84.6</b>	<b>19.0</b>	<b>40.7</b>	<b>94.3</b>	<b>96.2</b>	<b>71.7</b>	<b>85.2</b>	<b>56.5</b>	<b>86.6</b>
Claims frequency a)	9.9%	9.9%	16.9%	16.8%	3.7%	5.6%	10.9%	11.2%	0.0%	0.0%	9.4%	22.3%
Average claims DKK b)	9,697	8,984	49,458	47,636	29,369	41,969	83,708	78,017	4,923,206	7,653,673	6,901	5,014
Total claims	445,872	442,157	35,556	34,352	521	1,060	11,533	11,500	63	55	63,963	156,604

	Other insurance		Total exclusive of Norwegian Group Life		Norwegian and danish group life one-year policies c)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Gross premiums written</b>	<b>0</b>	<b>52</b>	<b>24,657</b>	<b>22,869</b>	<b>756</b>	<b>783</b>	<b>25,413</b>	<b>23,652</b>
Gross premium income	0	54	23,576	22,103	561	550	24,137	22,653
Gross claims	0	4	- 15,789	- 14,975	- 486	- 462	- 16,275	- 15,437
Gross operating expenses	0	5	- 3,330	- 3,152	- 64	- 50	- 3,394	- 3,202
Profit/loss on ceded business	0	9	- 732	- 502	1	3	- 731	- 499
Insurance technical interest, net of reinsurance	0	0	- 30	- 21	1	1	- 29	- 20
<b>Technical result</b>	<b>0</b>	<b>72</b>	<b>3,695</b>	<b>3,453</b>	<b>13</b>	<b>42</b>	<b>3,709</b>	<b>3,495</b>
Gross claims ratio		-7.4	67.0	67.8	86.6	84.0	67.4	68.1
<b>Combined ratio</b>		<b>-33.3</b>	<b>84.2</b>	<b>84.3</b>	<b>97.9</b>	<b>92.5</b>	<b>84.5</b>	<b>84.5</b>

a) The claims frequency is calculated as the number of claims incurred in the year in proportion to the average number of insurance contracts in the year.

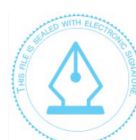
b) Average claims are total claims before run-off in the year relative to the number of claims in the year.

c) Norwegian Group Life one-year policies and danish Group Life policies



## Notes

DKK m		2021	2020
3	<b>Premium income, net of reinsurance</b>		
	Direct insurance	25,304	23,388
	Indirect insurance	65	53
		25,369	23,441
	Unexpired risk provision	0	24
		25,369	23,465
	Ceded direct insurance	-1,601	-1,467
		<b>23,768</b>	<b>21,998</b>
		<b>2021</b>	<b>2021</b>
		<b>Gross</b>	<b>Ceded</b>
	<b>Direct insurance, by location of risk</b>		
	Denmark	15,404	-762
	Other EU countries	2,572	-281
	Other countries a)	7,328	-558
		<b>25,304</b>	<b>-1,601</b>
		<b>2020</b>	<b>2020</b>
		<b>Gross</b>	<b>Ceded</b>
	Denmark	14,606	-632
	Other EU countries	2,363	-282
	Other countries a)	6,443	-553
		<b>23,412</b>	<b>-1,467</b>
	a) Mainly Norway		
4	<b>Insurance technical interest, net of reinsurance</b>		
	Return on insurance provisions	62	37
	Discounting transferred from claims provisions	-91	-57
		<b>-29</b>	<b>-20</b>
5	<b>Claims, net of reinsurance</b>		
	Claims	-17,224	-16,567
	Run-off previous years, gross	949	1,130
		-16,275	-15,437
	Reinsurance cover received	598	785
	Run-off previous years, reinsurers' share	14	15
		<b>-15,663</b>	<b>-14,637</b>
6	<b>Insurance operating costs, net of reinsurance</b>		
	Commissions regarding direct insurance contracts	-223	-290
	Other acquisition costs	-2,432	-2,243
	Total acquisition costs	-2,655	-2,532
	Administration expenses	-739	-669
	Insurance operating costs, gross	-3,395	-3,202
	Commission from reinsurers	258	170
		<b>-3,137</b>	<b>-3,032</b>
	<i>Fees to the auditors appointed by the annual general meeting:</i>		
	PWC (Deloitte was auditors until 26 March 2021), included in administrative expenses	-7	-8
		<b>-7</b>	<b>-8</b>
	<i>The fee is divided into:</i>		
	Statutory audit	-4	-4
	Other audit assignments	-1	0
	Tax advice	0	-1
	Other services	-2	-3
		<b>-7</b>	<b>-8</b>
	Expenses have been incurred for the Group's Internal Audit Department.	-9	-9
	Fees for non-audit services provided by PricewaterhouseCoopers to Tryg Forsikring Group amount to DKK 2m (Deloitte DKK 3m in 2020) and consist of various declaration tasks required by law, mainly related to review of interim balances and other services related to comfort letter regarding capital notes, general accounting advice and consulting services.		
	<b>Insurance operating costs, gross, classified by type</b>		
	Commissions	-223	-290
	Staff expenses	-2,212	-1,971
	Other staff expenses	-126	-137
	Office expenses, fees and headquarter expenses	-798	-739
	IT operating and maintenance costs, software expenses	-247	-287
	Depreciation, amortisation and impairment losses and write-downs	-107	-106
	Other income	318	328
		<b>-3,395</b>	<b>-3,202</b>
	Please refer to note 12 and 22 regarding lease recognised costs according to IFRS 16		
	<b>Total staff expenses recognized in income statement</b>		
	Salaries and wages	-3,167	-2,796
	Commission	-7	-2
	Allocated share options and matching shares	-55	-18
	Pension plans a)	-427	-259
	Other social security costs	-7	-7
	Payroll tax	-623	-528
		<b>-4,286</b>	<b>-3,610</b>
	a) In 2021 defined benefit plans were included with DKK 0m (DKK 128m in 2020). Remuneration for the Supervisory Board and Executive Board is disclosed in note 25 'Related parties'.		
	<b>Average number of full-time employees during the year (continuing business)</b>	<b>4,507</b>	<b>4,251</b>



## Notes

### 6 Share-based payment

Matching shares	Total Numbers				Fair Value		Value per matching share at 31 December DKK	Total fair value at 31 December DKKm
	Executive Board	Risk-takers	Other	Total	Average value per matching share at grant date DKK	Total value at time of allocation DKKm		
<b>2021</b>								
<b>Matching shares allocated in 2021</b>	<b>0</b>	<b>2,680</b>	<b>72,877</b>	<b>75,556</b>	<b>149</b>	<b>11</b>	<b>162</b>	<b>12</b>
Allocated in 2011-2020	295,068	89,859	206,880	591,807	133	78	162	96
Category changes and addition	0	1,097	6,000	7,097	133	1	162	1
Cancelled	-14,328	-7,476	-40,572	-62,376	133	-8	162	-10
Exercised	-112,806	-41,190	-139,235	-293,141	133	-39	162	-47
<b>Total 31.12.21</b>	<b>167,934</b>	<b>42,380</b>	<b>33,073</b>	<b>243,387</b>	<b>133</b>	<b>32</b>	<b>162</b>	<b>39</b>

2020	Total Numbers				Fair Value		Value per matching share at 31 December DKK	Total fair value at 31 December DKKm
	Executive Board	Risk-takers	Other	Total	Average value per matching share at grant date DKK	Total value at time of allocation DKKm		
<b>Matching shares allocated in 2020</b>	<b>52,015</b>	<b>809</b>	<b>37,897</b>	<b>90,721</b>	<b>203</b>	<b>18</b>	<b>192</b>	<b>17</b>
Allocated in 2011-2019	243,053	89,050	168,983	501,086	120	60	192	96
Cancelled	-14,328	-7,476	-40,572	-62,376	120	-7	192	-12
Exercised	-108,059	-12,287	-109,356	-229,702	120	-28	192	-44
<b>Total 31.12.20</b>	<b>120,666</b>	<b>69,287</b>	<b>19,055</b>	<b>209,008</b>	<b>120</b>	<b>25</b>	<b>192</b>	<b>40</b>

#### Matching shares

In accordance with the Group's remuneration policy Tryg Forsikring has on agreed terms allocated matching shares for some employees. Executive Board, Risk-takers and Other employees are allocated one share in Tryg A/S for each share they acquire in Tryg A/S at market rate for liquid cash at a contractually agreed sum over deferral period of up to 4 years.

In 2021, the recognised fair value of matching shares for Tryg Forsikring Group amounted to DKK 15m (DKK 17m in 2020). At 31 December 2021, a total amount of DKK 51m was recognised for matching shares.

Conditional shares	Total Numbers				Fair Value		Value per conditional share at 31 December DKK	Total fair value at 31 December DKKm
	Executive Board	Risk-takers	Other	Total	Average value per conditional share at grant date DKK	Total value at time of allocation DKKm		
<b>2021</b>								
<b>Conditional shares allocated in 2021</b>	<b>98,776</b>	<b>142,448</b>	<b>89,662</b>	<b>330,886</b>	<b>175</b>	<b>58</b>	<b>162</b>	<b>53</b>
Allocated in 2018-2020	37,173	242,856	91,775	371,804	176	66	162	60
Category changes and addition	0	3,989	30,651	34,640	176	6	162	6
Cancelled	0	0	-8,231	-8,231	176	-1	162	-1
Exercised	-5,613	-33,230	-56,105	-94,948	176	-17	162	-15
<b>Total 31.12.21</b>	<b>31,560</b>	<b>213,615</b>	<b>58,090</b>	<b>303,265</b>	<b>176</b>	<b>53</b>	<b>162</b>	<b>49</b>

2020	Total Numbers				Fair Value		Value per conditional share at 31 December DKK	Total fair value at 31 December DKKm
	Executive Board	Risk-takers	Other	Total	Average value per conditional share at grant date DKK	Total value at time of allocation DKKm		
<b>Conditional shares allocated in 2020</b>	<b>27,096</b>	<b>128,936</b>	<b>3,802</b>	<b>159,834</b>	<b>173</b>	<b>28</b>	<b>192</b>	<b>31</b>
Allocated in 2018-2019	10,077	113,920	87,973	211,970	169	36	192	41
Additions, cancelled & exercised	-5,613	-25,494	-35,502	-66,609	169	-11	192	-13
<b>Total 31.12.20</b>	<b>4,464</b>	<b>88,426</b>	<b>52,471</b>	<b>145,361</b>	<b>169</b>	<b>25</b>	<b>192</b>	<b>28</b>

#### Conditional shares

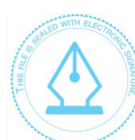
In 2018-2020, Tryg entered into an agreement on conditional shares in accordance of the Group's remuneration policy. Executive Board, Risk-takers and Other employees are allocated one share in Tryg A/S for each share they acquires in Tryg A/S at market rate for liquid cash at a contractually agreed sum over the 3- or 4-year deferral period.

In 2021, the recognised fair value of conditional shares for the Group amounted to DKK 38m (DKK 31m in 2020). At 31 December 2021, a total amount of DKK 102m was recognised for conditional shares.



## Notes

DKKm	2021	2020
<b>7 Interest and dividends</b>		
<b>Interest income and dividends</b>		
Dividends	112	66
Interest income, cash at bank and in hand	0	2
Interest income, bonds	422	437
Interest income, other	4	0
	<b>537</b>	<b>506</b>
<b>Interest expenses</b>		
Interest expenses subordinate loan capital and credit institutions	-107	-95
Interest expenses, other	-42	-30
	<b>-149</b>	<b>-126</b>
	<b>389</b>	<b>380</b>
<b>8 Value adjustments</b>		
<b>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</b>		
Equity investments	265	-153
Unit trust units	1,095	-358
Bonds	-312	-233
Derivatives (Equity, Interest, Currency)	-465	769
	<b>583</b>	<b>25</b>
<b>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</b>		
Investment property	64	4
Discounting	527	-530
Other statement of financial position items	-636	611
	<b>-45</b>	<b>85</b>
	<b>538</b>	<b>110</b>
Exchange rate adjustments concerning financial assets or liabilities which cannot be stated at fair value total DKK -65m (DKK -104m in 2020)		
<b>9 Other income and costs</b>		
Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets.		
<b>Other income</b>		
Income related to the sale of pension products and car care	108	86
Other income	24	2
	<b>132</b>	<b>88</b>
<b>Other costs</b>		
Costs related to the sale of pension products and car care	-102	-135
Depreciations of customer relations and trademarks	-136	0
Integration and restructuring costs related to RSA acquisition	-349	-124
Other costs	-55	0
	<b>-642</b>	<b>-259</b>
	<b>-510</b>	<b>-171</b>
<b>10 Tax</b>		
Tax on accounting profit/loss	-890	-797
Difference between Danish and foreign tax rates	-22	15
Tax adjustment, previous years	104	10
Tax on permanent differences	56	-56
Other taxes	-15	-13
Change in valuation of tax assets	0	53
	<b>-767</b>	<b>-788</b>
<b>Effective tax rate</b>	%	%
Tax on accounting profit/loss	22.0	22.0
Difference between Danish and foreign tax rates	0.5	-0.5
Tax adjustment, previous years	-2.5	0.0
Tax on permanent differences	-1.5	1.5
Other taxes	0.5	0.0
Change in valuation of tax assets	0.0	-1.5
	<b>19.0</b>	<b>21.5</b>



# Notes

DKK m

## 11 Intangible assets

	Goodwill	Trademarks and customer relations	Software a)	Assets under construction a)	Total
<b>2021</b>					
<b>Cost</b>					
Cost at 1 January	4,885	1,864	2,153	222	9,124
Exchange rate adjustments	-5	-1	23	4	20
Transferred from assets under construction	0	0	208	-208	0
Additions for the year	0	0	72	249	321
Disposals for the year	0	0	-189	0	-189
Cost at 31 December	4,880	1,863	2,267	267	9,276
<b>Amortisation and write-downs</b>					
Amortisation and write-downs at 1 January	-104	-376	-1,521	0	-2,001
Exchange rate adjustments	0	2	-13	0	-11
Amortisation for the year	0	-136	-212	0	-348
Impairment losses and write-downs for the year	0	0	-79	0	-79
Reversed amortisation	0	0	187	0	187
Amortisation and write-downs at 31 December	-104	-510	-1,637	0	-2,251
<b>Carrying amount at 31 December</b>	<b>4,776</b>	<b>1,353</b>	<b>630</b>	<b>267</b>	<b>7,025</b>
<b>2020</b>					
<b>Cost</b>					
Cost at 1 January	4,876	1,861	2,097	292	9,125
Exchange rate adjustments	9	4	-26	-6	-19
Transferred from asset under construction	0	0	249	-249	0
Additions for the year	0	0	112	188	300
Disposals for the year	0	0	-280	-3	-282
Cost at 31 December	4,885	1,864	2,153	222	9,124
<b>Amortisation and write-downs</b>					
Amortisation and write-downs at 1 January	-104	-236	-1,422	0	-1,762
Exchange rate adjustments	0	-5	13	0	8
Amortisation for the year	0	-135	-193	0	-328
Impairment losses and write-downs for the year	0	0	-147	0	-147
Reversed amortisation	0	0	229	0	229
Amortisation and write-downs at 31 December	-104	-376	-1,521	0	-2,001
<b>Carrying amount at 31 December</b>	<b>4,781</b>	<b>1,488</b>	<b>632</b>	<b>222</b>	<b>7,123</b>

a) Hereof proprietary software DKK 377m (DKK 366m at 31 December 2020)

### Impairment test

#### Goodwill

The Value-in-use method is used when testing Goodwill for impairment.

#### Primary assumptions for impairment test:

When assessing the cash flow management has based its estimates of premiums earned on the insurance portfolio adjusted to reflect the expected effect of business decisions and market development from past experiences. The portfolio is indexed with the wage and salary index. Claims incurred are based on expected claims ratios, which corresponds to normalised large- and weather claims. Reinsurance is taken into account when looking at the overall technical result together with the expected cost ratio. Required returns are based on management's requirements for returns of the individual cash generation units and are not expected to change significantly in the near future. COVID-19 has not had any effect on the assumptions related to impairment of Goodwill, Trademarks and Brand.

#### Alka

In 2018, Tryg Forsikring acquired Forsikrings-Aktieselskabet Alka. The insurance activities were incorporated into the Tryg Group's business structure from 8 November 2018. Comprises the sale of insurance products to private and commercial customers under the 'Alka' brand.

At 31 December 2021, management performed an impairment test of the carrying amount of goodwill based on the allocation of the cost of goodwill to the cash-generating unit.

The cash flows appearing from the latest prognosis approved by management for the next 6 quarters are used when calculating the value in use of Private DK. The cash flows in the latest prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates are determined based on expectations for the general economic growth. The required return is based on an assessment of the risk profile of the tested business activities compared with the market's expectations for the Group.

The impairment test shows a calculated value in use of approximately DKK 36.5bn (31.1bn) relative to recognised goodwill of DKK 4.2bn (4.2bn) and does not indicate any impairment in 2021. According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 4.6% will result in a write-down of goodwill.

	2021	2020
- Earned premium assumed CAGR 0 - 10 years	4%	3%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	6%	7%
- Expected level of combined ratio	81%	81%

#### Sensitivity information

Impact on the calculated present value from the following changes:

CAGR +1.0 percentage point (0 - 10 years)	1.7bn	1.4bn
CAGR -1.0 percentage point (0 - 10 years)	-1.6bn	-1.3bn
Required return +1.0 percentage point	-7.1bn	-5.6bn
Required return -1.0 percentage point	11.6bn	8.6bn
Combined ratio +1.0 percentage point	-1.8bn	-1.6bn
Combined ratio -1.0 percentage point	1.8bn	1.6bn

The above changes have no impact on equity.



**DKKm****11 Obos**

In 2017, Tryg Forsikring acquired Obos' insurance portfolio. The insurance activities were incorporated into the Tryg Group's business structure from 1 June 2017.

Comprises the sale of insurance products to private and commercial customers under the 'Obos' brand.

At 31 December 2021, management performed an impairment test of the carrying amount of goodwill based on the allocation of the cost of goodwill to the cash-generating unit.

The cash flows appearing from the latest prognosis approved by management for the next 6 quarters are used when calculating the value in use of Obos. The cash flows in the prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates determined based on expectations for the general economic growth. The required return is based on an assessment of the risk profile of the tested business activities compared with the market's expectations for the Group.

The impairment test shows a calculated value in use of approximately DKK 0.5bn (0.5bn) relative to recognised goodwill of DKK 48m (46m) and does not indicate any impairment in 2021.

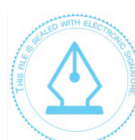
According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 5.2% will result in a write-down of goodwill.

	<b>2021</b>	<b>2020</b>
- Earned premium assumed CAGR 0 - 10 years	4%	5%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	10%	10%
- Expected level of combined ratio	87%	87%

**Sensitivity information****Impact on the calculated present value from the following changes:**

CAGR +1.0 percentage point (0 - 10 years)	25	25
CAGR -1.0 percentage point (0 - 10 years)	-23	-23
Required return +1.0 percentage point	-88	-93
Required return -1.0 percentage point	123	135
Combined ratio +1.0 percentage point	-50	-47
Combined ratio -1.0 percentage point	50	47

The above changes have no impact on equity.



## Notes

DKKm

### 11 Moderna

In 2016, Tryg Forsikring acquired Skandia's child and adult accident insurance portfolio. The insurance activities were incorporated into the Tryg Forsikring's business structure from 1 September 2016.

In 2014, Tryg Forsikring acquired Securator A/S, Optimal Djurforsikring i Norr AB. The insurance activities were incorporated into the Tryg Forsikring's business structure and merged into Tryg Forsikring in 2015.

At 31 December 2021, management performed an impairment test of the carrying amount of goodwill based on the allocation of the cost of goodwill to the cash-generating unit. Moderna portfolio consists from 1 January 2017 of Moderna, Securator and Skandia, which was prior to this date three separate cash-generating units. The reasons behind the merger of Securator and Skandia into Moderna, is that they are managed together as part of the Swedish business and reported under the segment "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 Djurforsikringar. Sales take place through its own sales force, call centres and online.

The cash flows appearing from the latest prognosis approved by management for the next 6 quarters are used when calculating the value in use of Moderna. The cash flows in the latest prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates determined based on expectations for the general economic growth. The required return is based on an assessment of the risk profile of the tested business activities compared with the market's expectations for the Group.

The impairment test shows a calculated value in use of approximately DKK 2.5bn (2.2bn) relative to a recognised goodwill of DKK 0.5bn (0.5bn) and does not indicate any impairment in 2021.

According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 5.6% will result in a write-down of goodwill.

	2021	2020
- Earned premium assumed CAGR 0 - 10 years	2%	2%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	10%	10%
- Expected level of combined ratio	88%	90%

#### Sensitivity information

Impact on the calculated present value from the following changes:

CAGR +1.0 percentage point (0 - 10 years)	92	81
CAGR -1.0 percentage point (0 - 10 years)	-87	-77
Required return +1.0 percentage point	-354	-337
Required return -1.0 percentage point	498	480
Combined ratio +1.0 percentage point	-199	-77
Combined ratio -1.0 percentage point	199	81

The above changes have no impact on equity.

#### Trademarks and customer relations

As at 31 December 2021 management performed a test of the carrying amounts of customer relations as an integral part of the Moderna, Obos and Alka portfolio goodwill test.

#### Software and assets under construction

As at 31 December 2021 management performed a test of the carrying amounts of software and assets under construction.

The impairment test compares the carrying amount with the estimated present value of future cash flows. The test did indicate an impairment of DKK 79m (DKK 147m) due to revaluation of the Groups IT-systems. Due to higher related costs and some lower expected systems benefits, a write-down has been recognized. The cost is recognised as write-downs under depreciation in the income statement.

Assets under construction are not depreciated but tested once a year for impairment or when there is any indication of a decrease in value. Amortised software is assessed for impairment at the balance sheet date or when there are indications that the future cash flow cannot justify the carrying amount. If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement. The recoverable amount is the higher of fair value less sales costs and value in use.



## Notes

DKKm

### 12 Property, plant and equipment

	Operating equipment	Leases ROU equipment a)	Leases ROU 'Group-occupied property b)	Total
<b>2021</b>				
<b>Cost</b>				
Cost at 1 January	246	88	904	1,239
Exchange rate adjustments	2	0	11	13
Additions for the year	23	17	87	126
Disposals for the year	-19	-1	-19	-40
Cost at 31 December	251	103	983	1,337
<b>Accumulated depreciation and value adjustments</b>				
Accumulated depreciation and value adjustments at 1 January	-126	-62	-274	-462
Exchange rate adjustments	-1	0	-4	-5
Depreciation for the year	-11	-14	-101	-125
Reversed depreciation and value adjustments	17	0	0	17
Accumulated depreciation and value adjustments at 31 December	-121	-75	-379	-575
<b>Carrying amount at 31 December</b>	<b>130</b>	<b>28</b>	<b>604</b>	<b>762</b>
<b>2020</b>				
<b>Cost</b>				
Cost at 1 January	360	76	912	1,348
Exchange rate adjustments	-4	0	-14	-18
Additions for the year	37	15	10	62
Disposals for the year	-146	-3	-4	-153
Cost at 31 December	246	88	904	1,239
<b>Accumulated depreciation and value adjustments</b>				
Accumulated depreciation and value adjustments at 1 January	-235	-46	-182	-463
Exchange rate adjustments	3	0	3	6
Depreciation for the year	-22	-18	-99	-140
Reversed depreciation	128	2	4	135
Accumulated depreciation and value adjustments at 31 December	-126	-62	-274	-462
<b>Carrying amount at 31 December</b>	<b>120</b>	<b>27</b>	<b>630</b>	<b>777</b>

a) Lease assets (Right of use-assets - ROU) equipment only consists of leases of vehicles with a lease term of three to four years. The monthly amounts are fixed and there is no option for purchase or extension. Short term leases are not recognised as Right of use-assets.

b) Lease assets (Right of use-assets), Group occupied property consists of leases of offices buildings. Contract terms are from 1 to 15 years and with yearly rent adjustments. Tryg Forsikring has no lease contracts with variable lease payments based on sale or similar.

### 13 Investment property

	2021	2020
Fair value at 1 January	1,117	1,151
Exchange rate adjustments	25	-30
Additions for the year	3	7
Disposals for the year	-166	-15
Value adjustments for the year	66	1
Reversed on sale	-4	4
<b>Fair value at 31 December</b>	<b>1,040</b>	<b>1,117</b>

Total rental income for 2021 is DKK 64m (DKK 65m in 2020).

Total expenses for 2021 are DKK 20m (DKK 13m in 2020). External experts were involved in valuing the majority of the investment properties.

#### Return percentages, weighted average

Office property	5.1	5.8
Business property	4.6	7.5
Residential property	4.2	2.4
<b>Total</b>	<b>5.0</b>	<b>5.3</b>

#### Sensitivity

Tryg Forsikring's property valuations are based on the market-based rental income and operating expenses of the individual property relative to the required rate of return. The most important factors impacting the valuations are the applied rates of return, annual net rental income and occupancy rates. The average rates of return applied are stated above.

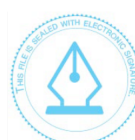
#### Impacts on the fair value of properties:

Increase in applied rate of return of 0.25%	-39	-39
Decrease in applied rate of return of 0.25%	42	42
Decrease in net rental income of 3%	-31	-33
Decrease in occupancy rate of 3%	-6	-7



## Notes

DKKm	2021	2020		
<b>14 Equity investments in associates</b>				
<b>Cost</b>				
Cost at 1 January	96	34		
Additions for the year	42	62		
Cost at 31 December	137	96		
<b>Revaluations at net asset value</b>				
Revaluations at 1 January	-81	-34		
Value adjustments for the year	-41	-47		
Revaluations at 31 December	-122	-81		
<b>Carrying amount at 31 December</b>	<b>16</b>	<b>15</b>		
<b>15 Financial assets</b>	<b>2021</b>	<b>2020</b>		
Financial assets held for trading	19,215	18,579		
Financial assets designated at fair value	29,054	27,169		
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	32	0		
Receivables measured at amortised cost	5,207	4,522		
<b>Total financial assets</b>	<b>53,508</b>	<b>50,270</b>		
Financial assets at amortised cost only deviate to a minor extent from fair value.				
<b>Financial liabilities</b>				
Derivative financial instruments at fair value with value adjustments in the income statement	879	990		
Derivative financial instruments at fair value with value adjustments in other comprehensive income	0	-93		
Financial liabilities at amortised cost	15,924	14,109		
<b>Total financial liabilities</b>	<b>16,803</b>	<b>15,007</b>		
Information on valuation of subordinate loan capital at fair value is stated in note 1. Other financial liabilities measured at amortised cost only deviate to a minor extent from fair value.				
<b>The Fair value hierarchy</b>				
"Quoted market prices and consolidated reference prices" (level 1) consists of financial instruments that are quoted and traded in a principal and active market (markets generally accessible and with substantial volume and trade frequency).				
Valuation based on observable input (level 2) consists of financial instruments that are valued substantially on the basis of observable input other than quoted price or consolidated reference price for the instrument itself. If a financial instrument is quoted in a market that is not active, Tryg Forsikring bases its measurement on the most recent transaction price.				
Adjustment is made for subsequent changes to market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market exists. In such cases, Tryg Forsikring uses recent transactions in similar instruments and discounted cash flows or other generally accepted estimation and valuation techniques based on market conditions at the balance sheet date to calculate an estimated value. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar liquid bonds.				
Valuation based on significant non-observable input (level 3) consist of certain financial instruments based substantially on non-observable input. Such instruments include unlisted shares, unit trust investments, some unlisted bonds and Deal Contingent Forwards. The fair value of Investment property is also based on non-observable input. Please refer to note 13 and accounting policies section Investment property.				
If, at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year, the classification of the instrument changes. Changes are considered to have taken place at the balance sheet date. Developments in the financial markets can result in reclassifications between the categories. Some bonds have become illiquid and have therefore been moved from "Quoted prices or consolidated reference prices" to the "Observable input" category, while other bonds have become liquid and have been moved from "Observable input" to the "Quoted prices or consolidated reference prices" category.				
<b>Fair value hierarchy for financial instruments and investment property measured at fair value in the statement of financial position</b>				
	<b>Quoted market prices or consolidated reference prices a)</b>	<b>Observable input</b>	<b>Non-observable input</b>	<b>Total</b>
<b>2021</b>				
Investment property	0	0	1,040	1,040
Equity investments	308	3,142	38	3,488
Unit trust units	7,259	935	36	8,231
Bonds	35,309	285	0	35,594
Other lendings	0	75	0	75
Derivative financial instruments, assets	9	904	0	913
Derivative financial instruments, debt	0	-879	0	-879
	42,886	4,462	1,114	48,462
<b>2020</b>				
Investment property	0	0	1,117	1,117
Equity investments	177	2,399	35	2,611
Unit trust units	6,843	0	35	6,878
Bonds	31,619	2,720	0	34,339
Other lendings	0	80	0	80
Derivative financial instruments, assets	6	1,834	0	1,840
Derivative financial instruments, debt	0	-897	0	-897
	38,645	6,136	1,186	45,968
a) Bonds measured on the basis of observable inputs consist of Norwegian bonds issued by banks and to some extent Danish semi-liquid bonds, where no quoted prices based on actual trades are available.				



## Notes

DKKm		2021	2020
<b>15</b>	<b>Financial assets (continued)</b>		
	Financial instruments transferred from "Quoted market prices or consolidated reference prices" to "Observable input"	138	1,021
	Financial instruments transferred from "Non-observable input" to "Observable input"	1,142	878
	<b>Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:</b>		
	Carrying amount at 1 January	1,186	1,375
	Exchange rate adjustments	24	-29
	Gains/losses in the income statement a)	66	48
	Purchases	14	111
	Sales	-170	-89
	Transfers to/from the group 'non-observable input'	-5	-231
	<b>Carrying amount at 31 December</b>	<b>1,114</b>	<b>1,186</b>
	Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments	-1	44
	a) Hereof realised DKK 0m (DKK 53m in 2020) Inflation derivatives are measured at fair value on the basis of non-observable input and are included under claims provisions at a fair value of DKK-181m (DKK -709m in 2020).		
	<b>Financial assets</b>		
	<b>Reconciliation of Tryg Forsikring's Investment portfolio</b>		
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	Investment assets according to balance sheet	49,356	46,881
	<b>Investment assets according to investment activities</b>		
	Other, hereof financial instrument in liabilities a)	-2,616	-3,889
	Classified according to investment strategy	0	0
	External clients	-4,052	-2,470
	<b>Tryg Forsikring's investment portfolio b)</b>	<b>42,688</b>	<b>40,523</b>
	Match portfolio	-29,674	-28,094
	<b>Free portfolio</b>	<b>13,014</b>	<b>12,429</b>
	a) The setup of Tryg invest is impacting Tryg Forsikring'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".		
	b) The setup of Tryg invest is impacting Tryg Forsikring'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

DKKm

### 15 Derivative financial instruments

Derivatives with value adjustments in the income statement at fair value:

	2021		2020	
	Nominal	Fair value in statement of financial position	Nominal	Fair value in statement of financial position
Interest derivatives	31,802	224	29,420	645
Share derivatives	-117	19	69	12
Exchange rate derivatives	-9,094	-209	12,562	286
Derivatives according to statement of financial position	22,591	34	42,052	943
Inflation derivatives, recognised in claims provisions	4,140	-181	7,280	-709
Total derivative financial instruments	26,731	-147	49,331	234
Due after less than 1 year	9,363	-6,292	12,860	303
Due within 1 to 5 years	6,682	111	24,356	-693
Due after more than 5 years	10,686	6,034	12,116	624

Derivatives, repos and reverses are used continuously as part of the cash and risk management carried out by Tryg Forsikring and its portfolio managers.

### Derivative financial instruments used in connection with hedging of foreign entities for accounting purposes

Gains and losses on hedges - other comp. income	2021			2020		
	Gains	Losses	Net	Gains	Losses	Net
Gains and losses at 1 January	3,753	-3,435	318	3,291	-3,099	191
Value adjustments for the year	233	-333	-99	463	-336	127
<b>Gains and losses at 31 December</b>	<b>3,986</b>	<b>-3,767</b>	<b>219</b>	<b>3,753</b>	<b>-3,435</b>	<b>318</b>

### Value adjustments

Value adjustments of foreign entities recognised in other comprehensive income in the amount of:

	2021	2020
Value adjustments at 1 January	-225	-170
Value adjustment for the year	93	-55
<b>Value adjustments at 31 December</b>	<b>-131</b>	<b>-225</b>

### Financial assets (continued)

#### Receivables

Total receivables in connection with direct insurance contracts	1,678	1,674
Receivables from insurance enterprises	407	270
Receivables from Group undertakings	1,092	516
Unsettled transactions	120	120
Other receivables	807	547
	<b>4,103</b>	<b>3,127</b>

#### Specification of write-downs on receivables from insurance contracts:

Write-downs at 1 January	118	136
Exchange rate adjustments	2	-5
Write-downs and reversed write-downs for the year	-9	-13
<b>Write-downs at 31 December</b>	<b>110</b>	<b>118</b>

Receivables are written down in full when submitted for debt collection. The write-down is reversed if payment is subsequently received from debt collection and amounts to DKK 32m (DKK 37m in 2020).



## Notes

DKKm

### 16 Reinsurer's share

#### Impairment test

As at 31 December 2021, management performed a test of the carrying amount of total reinsurers' share of provisions for insurance contracts and receivables. The impairment test resulted in a write-down totalling DKK 3m (DKK 0m in 2020).

The use of reinsurance creates a natural counterparty risk. The Risk will be handled by applying a wide range of reinsurers with at least an 'A' rating.

### 17 Current tax

	2021	2020
Net current tax at 1 January	-327	-91
Exchange rate adjustments	-15	7
Change to opening figure	20	95
Current tax for the year	-846	-926
Current tax on equity entries	22	-28
Tax paid for the year	1,218	616
<b>Net current tax at 31 December</b>	<b>72</b>	<b>-327</b>
<i>Current tax is recognised in the statement of financial position as follows:</i>		
Under assets, current tax	307	30
Under liabilities, current tax	-235	-357
<b>Net current tax</b>	<b>72</b>	<b>-327</b>

Due to IFRIC 23, uncertain tax positions should be valued and recognized in the tax balance. Tryg Forsikring A/S has asked the Danish tax authorities for a repayment of tax for unused tax loss in the closed Finnish branch in 2012. 80% of the expected tax repayment has been included in the balance of actual tax.

### 18 Premium provisions

Premium provision at 1 January	6,036	5,996
Exchange rate adjustments	48	-52
Paid in the financial year	25,705	23,820
Change in premiums in the financial year	-25,614	-23,714
Exchange rate adjustments	8	-13
	<b>6,183</b>	<b>6,036</b>

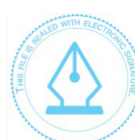
### 18 Claims provisions

	Gross	Ceded	Net of reinsurance
<b>2021</b>			
Claims provisions at 1 January	24,957	-1,087	23,871
Value adjustments of provisions, beginning of the year	320	-22	299
	25,278	-1,108	24,170
Paid in the financial year in respect of the current year	-8,935	91	-8,844
Paid in the financial year in respect of prior years	-6,592	386	-6,205
	-15,527	478	-15,049
Change in claims in the financial year in respect of the current year	17,184	-535	16,649
Change in claims in the financial year in respect of prior years	-883	-78	-961
	16,301	-613	15,688
Discounting and exchange rate adjustments	-465	12	-453
	<b>25,587</b>	<b>-1,232</b>	<b>24,355</b>
<b>2020</b>			
Claims provisions at 1 January	24,859	-1,285	23,574
Value adjustments of provisions, beginning of the year	-402	37	-365
	24,457	-1,248	23,210
Paid in the financial year in respect of the current year	-8,691	199	-8,492
Paid in the financial year in respect of prior years	-7,005	808	-6,197
	-15,695	1,006	-14,689
Change in claims in the financial year in respect of the current year	16,650	-711	15,940
Change in claims in the financial year in respect of prior years	-1,071	-91	-1,162
	15,579	-802	14,777
Discounting and exchange rate adjustments	616	-43	573
	<b>24,957</b>	<b>-1,087</b>	<b>23,871</b>



## Notes

DKKm	2021	2020
<b>19 Pensions and similar obligations</b>		
Jubilees	41	45
Compensation liability	38	51
<b>Recognised liability</b>	<b>79</b>	<b>96</b>
<i>Defined-benefit pension plans:</i>		
Present value of pension obligations funded through operations	29	34
<i>Specification of change in recognised pension obligations:</i>		
Recognised pension obligation at 1 January	34	1,190
Adjustment regarding the terminated part of the plan termination recognised in the income statement	0	-1,059
Exchange rate adjustments	2	-84
Capital cost of previously earned pensions	0	1
Actuarial gains/losses	-1	-6
Paid during the period	-7	-7
<b>Recognised pension obligation at 31 December</b>	<b>29</b>	<b>34</b>
<i>Change in carrying amount of plan assets:</i>		
Carrying amount of plan assets at 1 January	0	940
Adjustment regarding the terminated part of the plan termination recognised in the income statement	0	-874
Exchange rate adjustments	0	-66
<b>Total pensions and similar obligations at 31 December</b>	<b>29</b>	<b>34</b>
<b>Total recognised obligation at 31 December</b>	<b>108</b>	<b>130</b>
<i>Specification of pension cost for the year:</i>		
Interest expense on accrued pension obligation	0	-128
Expected return on plan assets	0	1
<b>Total year's cost of defined-benefit plans</b>	<b>0</b>	<b>-128</b>
The premium for the following financial years is estimated at	0	1
Number of pensioners	116	127
<i>Assumptions used</i>		
Discount rate	%	%
Salary adjustments	1.1	1.2
G adjustments	2.5	2.3
Turnover	2.3	2.0
Employer contributions	7.0	7.0
Mortality table	19.1	19.1
	K2013	K2013



## Notes

### 19 Description of the Swedish plan

Moderna Försäkringar, a branch of Tryg Forsikring A/S, complies with the Swedish industry pension agreement, the FTP plan, which is insured with Försäkringsbranschens Pensionskassa - FPK.

Under the terms of the agreement, the Group's Swedish branch has undertaken, along with the other businesses in the collaboration, to pay the pensions of the individual employees following the applicable rules.

The FTP plan is primarily a defined-benefit plan in terms of the future pension benefits. FPK is unable to provide sufficient information for the Group to use defined-benefit accounting. For this reason, the Group has accounted for the plan as if it were a defined-contribution plan in accordance with IAS 19.30.

This years premium paid to FPK amounted to DKK 5m (DKK 10m in 2020), which is about 1.4 % of the annual premium in FPK (2020).

FPK writes in its Annual report for 2020 that it had a solvency ratio of 141 at 31 December 2020 (Solvency ratio of 137 at 31 December 2019).

The Solvency Ratio is defined as the own funds relative to the solvency capital requirement.

### 20 Deferred tax

#### Tax asset

Operating equipment	10	11
Bonds	73	42
	<b>83</b>	<b>53</b>

#### Tax liability

Intangible rights	319	416
Land and buildings	-43	79
Debt and provisions	130	-77
Contingency funds	483	487
	<b>889</b>	<b>905</b>

#### Deferred tax

	<b>806</b>	<b>851</b>
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#### Development in deferred tax

Deferred tax at 1 January	851	911
Exchange rate adjustments	24	-30
Change to opening figure	-86	32
Change to deferred tax rate on opening figures	0	-3
Change in deferred tax recognised in income statement	17	-81
Change in deferred tax taken to equity	0	22
<b>Deferred tax at 31 December</b>	<b>806</b>	<b>851</b>

Loss determined according to Swedish, Finnish, German, Austrian and Belgium rules can be carried forward indefinitely. In the Netherlands tax losses can be carried forward 6 years. In Switzerland tax losses can be carried forward 7 years.

The losses are not recognized as tax assets until it has been substantiated that the company can generate sufficient future taxable income to offset the tax loss.

The total current and deferred tax relating to items recognised in equity is recognised in the statement of financial position of DKK 27m (DKK 50m at 31 December 2020).

### 21 Other provisions

Other provisions at 1 January	57	86
Change in provisions	-18	-29
<b>Other provisions 31 December</b>	<b>40</b>	<b>57</b>

Other provisions relate to provisions for the Group's own insurance claims and restructuring costs.

Additions to the provision for restructuring costs during the year amounts to DKK 18m (DKK 14m in 2020) and use of existing restructuring provision amounts to DKK 36m (DKK 42m in 2020). The balance at 31 December 2021 excluding own insurances amounts to DKK 35m (DKK 47m at 31 December 2020).



## Notes

DKK m	2021	2020			
<b>22 Other debt and debt to group undertakings</b>					
Debt related to external customers investments amounts to DKK 4,052m please refer to note 15 Tryg Forsikring's investment portfolio.					
<b>Other debt</b>					
<b>Maturity of undiscounted lease liabilities</b>					
Due 1 year or less	138	134			
Due 1 - 5 years	331	345			
Due more than 5 years	402	411			
<b>Total Lease liabilities 31 December</b>	<b>871</b>	<b>890</b>			
<b>Lease liabilities included in the statement of financial position</b>					
Hereof future cash flow Options	11	66			
<b>Amounts recognised in statement of cash flow</b>					
Total cash out-flow for leases	137	139			
<b>Amounts recognised in income statement</b>					
Interest on lease liabilities	-32	-36			
There are no short term-leases recognised in the financial statement.					
Debt related to Leasing are included in Other debt. Please refer to note 12 for specification of ROU assets.					
a) Please refer to Note 27 Accounting policies for further description					
b) Please refer to Note 24 Contractual obligations					
<b>23 Solvency II - Own funds</b>					
Equity according to annual report	12,962	12,438			
Proposed dividend	-700	-529			
Intangible assets	-7,025	-7,123			
Profit margin, solvency purpose	1,408	1,408			
Taxes	185	201			
Subordinate loan capital	3,241	2,663			
<b>Solvency II - Own funds</b>	<b>10,070</b>	<b>9,058</b>			
<b>24 Contractual obligations, collateral and contingent liabilities</b>					
<b>Contractual obligations</b>	<b>Obligations due by period</b>				
<b>2021</b>	<b>&lt;1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Other contractual obligations <sup>a)</sup>	694	587	181	14	1,476
	<b>694</b>	<b>587</b>	<b>181</b>	<b>14</b>	<b>1,476</b>
<b>2020</b>	<b>&lt;1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Other contractual obligations	580	532	303	4	1,419
	<b>580</b>	<b>532</b>	<b>303</b>	<b>4</b>	<b>1,419</b>
a) Other contractual obligations mainly consists of IT and outsourcing agreements. Please refer to note 12 for lease agreements recognised as ROU.					



## Notes

DKK m

### 24 2021

Tryg Forsikring has signed the following contracts with amounts above DKK 50m:

Tryg Forsikring is committed to invest in some investment funds. The commitment amounts to DKK 910m. DKK 450m are expected called during 2022 and additionally DKK 450m within 5 years. Tryg Forsikring has signed IT infrastructure agreements with commitments amounting to DKK 361m within 5 years.

### 2020

Tryg Forsikring is committed to invest in some investment funds. The commitment amounts to DKK 934m. DKK 265m are expected called during 2021 and additionally DKK 535m within 5 years. Tryg Forsikring has signed IT infrastructure agreements with commitments amounting to DKK 357m within 5 years.

### Contractual obligations, collateral and contingent

The Danish companies in the Tryg Group are jointly taxed with TryghedsGruppen smba. The companies and the other jointly taxed companies are liable for any obligations to withhold taxes at source on interest, royalties, dividends and income taxes etc. in respect of the jointly taxed companies.

Tryg Livsforsikring A/S and Forsikrings-Aktieselskabet Alka Liv II

have registered the following assets as having been held as security for the insurance provisions:

	2021	2020
Equity investments in associates	175	0
Bonds	1,029	1,141
Interest and rent receivable	5	4
<b>Total</b>	<b>1,209</b>	<b>1,145</b>

### 24 Offsetting and collateral in relation to financial assets and obligations

	Gross amount before offsetting	Offsetting	According to the statement of financial position	Collateral which is not offset in the statement of financial position		Net amount
				Further offsetting, master netting agreements	Collateral	
<b>2021</b>						
<b>Assets</b>						
Derivative financial instruments	1,072	-8	1,064	-800	-239	24
	<b>1,072</b>	<b>-8</b>	<b>1,064</b>	<b>-800</b>	<b>-239</b>	<b>24</b>
<b>Liabilities</b>						
Repo debt	2,417	0	2,417	0	-2,417	0
Derivative financial instruments a)	1,220	-8	1,211	-800	-336	75
	<b>3,637</b>	<b>-8</b>	<b>3,628</b>	<b>-800</b>	<b>-2,753</b>	<b>75</b>

a) Of which inflation derivatives, recognised in claims provisions:

Assets	151	0	151
Liabilities	332	0	332

### 2020

<b>Assets</b>						
Derivative financial instruments a)	1,843	0	1,843	-1,210	-595	39
	<b>1,843</b>	<b>0</b>	<b>1,843</b>	<b>-1,210</b>	<b>-595</b>	<b>39</b>
<b>Liabilities</b>						
Repo debt	3,259	0	3,259	0	-3,259	0
Derivative financial instruments	1,610	0	1,610	-1,210	-397	3
	<b>4,869</b>	<b>0</b>	<b>4,869</b>	<b>-1,210</b>	<b>-3,656</b>	<b>3</b>

a) Of which inflation derivatives, recognised in claims provisions (2020):

Assets	3	0	3
Liabilities	712	0	712

Financial assets and liabilities are offset and the net amount reported when the Group and the counterparty have a legally enforceable right of set-off and have agreed to settle on a net basis or to realise the asset and settle the liability.

Positive and negative fair values of derivative financial instruments with the same counterparty are offset if it has been agreed to settle contractual payments on a net basis when cash payments are made or collateral is provided on a daily basis in case of fair value changes. The Group's netting of positive and negative fair values of derivative financial instruments may be cleared through LCH (CCP clearing).

Furthermore, netting is carried out in accordance with enforceable master netting agreements. Master netting agreements and similar agreements entitle parties to offset in the event of default, which further reduces the exposure to a defaulting counterparty but does not meet the conditions for accounting offsetting in the balance sheet.

### Contingent liabilities

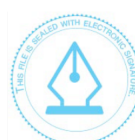
Price adjustments 2016-2020

At the end of October (2020) Tryg Forsikring received the Forbrugerombudsmand's (FO or Consumer Ombudsman) assessment of the case. In FO's opinion Tryg Forsikring was not complying with regulations on price adjustments for residential customers when increasing prices above indexation between March 2016 and February 2020. The case is related to a part of the private portfolio in Denmark.

Based on this assessment the FO is concluding that certain customers may have a recovery claim against Tryg Forsikring. Tryg Forsikring does not agree with the FO's assessment as the company believes it has followed the guidelines stated by the Danish FSA in terms of price increases. Tryg Forsikring is in a process with the FO in order to gain a better understanding of the FO assessment of the case. Management has decided not to disclose an estimated amount but this is deemed to be immaterial.

### Other

Companies in the Tryg Forsikring are party to a number of disputes. Management believes that the outcome of these disputes will not affect the Group's financial position significantly beyond the obligations recognized in the statement of financial position at 31 December 2021.



## Notes

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DKKm

### 25 Related parties

Tryg Forsikring A/S has no related parties with a decisive influence other than the parent company Tryg A/S, TryghedsGruppen smba and the subsidiaries of TryghedsGruppen smba (Other related parties). Related parties with significant influence include the Supervisory board, Executive Board and their members' families.

	<b>2021</b>	<b>2020</b>
<b>Premium income</b>		
- Parent company (TryghedsGruppen smba)	0.5	0.5
- Key management	0.5	0.5
- Other related parties	2.1	3.4
<b>Claims payments</b>		
- Parent company (TryghedsGruppen smba)	0.0	0.1
- Key management	0.1	0.2
- Other related parties	0.3	0.4



## Notes

DKK m

### 25 Related parties (continued)

Specification of remuneration

	Number of persons	Share-based		Cash	Pension	Total
		Base salary	Variable salary a)	Variable salary		
<b>2021</b>						
Supervisory Board	13	10	0	0	0	10
Executive Board	4	30	12	0	7	50
Risk-takers investment functions	12	16	2	2	2	22
Risk-takers staff functions	19	38	7	7	6	59
Risk-takers independent control functions	5	9	0	0	1	11
Risk-takers other functions	18	44	11	7	7	69
	<b>71</b>	<b>147</b>	<b>32</b>	<b>16</b>	<b>25</b>	<b>220</b>

a) Total expenses recognised in 2021 for matching shares and conditional shares allocated in 2021 and previous year. For matching shares and conditional shares allocated to Executive Board in 2021 for fiscal year 2021, please refer to "Corporate governance" in Management review.

	Number of persons	Severance pay
<b>Of which retired</b>		
Supervisory Board	0	0
Risk-takers	0	0
	<b>0</b>	<b>0</b>

	Number of persons	Share-based		Cash	Pension	Total a)
		Base salary	Variable salary	Variable salary		
<b>2020</b>						
Supervisory Board	14	9	0	0	0	9
Executive Board	4	29	11	0	7	47
Risk-takers investment functions	9	13	1	2	2	18
Risk-takers staff functions	20	36	5	8	6	56
Risk-takers independent control functions	5	9	0	1	1	11
Risk-takers other functions	20	42	7	7	7	63
	<b>72</b>	<b>138</b>	<b>25</b>	<b>18</b>	<b>24</b>	<b>205</b>

a) Exclusive of severance pay

	Number of persons	Severance pay
<b>Of which retired</b>		
Supervisory Board	2	0
Risk-takers	4	2
	<b>6</b>	<b>2</b>

Base salary are charges incurred during the financial year. Variable salary includes the charges for matching shares and conditional shares, which are recognised over a deferral period up to 4 years. Reference is made to section 'Corporate governance' of the management's review on the corresponding disbursements. The Executive Board and risk-takers are included in incentive programmes. Please refer to note 6 for information concerning this.

The members of the Supervisory Board in Tryg A/S are paid with a fixed remuneration and are not covered by the incentive schemes. The members of the Executive Board is paid a fixed remuneration, car allowance and pension. The variable salary is awarded in the form of share-based remuneration. Please refer to 'Corporate governance'.

Each member of the Executive Board is entitled to 12 months' notice and severance pay equal to 12 months' salary plus pension contribution except Group CEO who is entitled to severance pay equal to 18 months' salary. If a change of control clause is actioned CEO and COO are entitled to severance pay equal to 36 months' salary.

Risk-takers are defined as employees whose activities have a significant influence on the company's risk profile. The Supervisory Board decides which employees should be considered as risk-takers.

#### Parent company

In 2021 Tryg Forsikring A/S paid Tryg A/S DKK 2,630m (2,598m in 2020)

#### Intra-group trading involved:

- Providing and receiving services	<b>2021</b>	<b>2020</b>
	11	36

#### Intra-group transactions

Administration fee, etc. is fixed on a cost-recovery basis.

Intra-group accounts are offset and carry interest on market terms.

The companies in the Tryg Forsikring Group have entered into reinsurance contracts on market terms.

Transactions with Group undertakings have been eliminated in the consolidated financial statements in accordance with the accounting policies.

### 26 Financial highlights

Please refer to page 44



## Note 27

### ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2021 and the additional Danish disclosure requirements of the Danish Financial Business Act on annual reports prepared by listed financial services companies. The annual report of the parent company is prepared following the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA. The deviations from the recognition and measurement requirements of IFRS are:

- The Danish FSA's executive order does not allow provisions for deferred tax of contingency reserves allocated from untaxed funds. Deferred tax and the other comprehensive income of the parent company have been adjusted accordingly on the transition to IFRS.

#### **The following deviations are only relevant concerning presentation between the group and parent:**

- "The Executive order on financial reports by insurance companies and lateral pension funds" issued by the Danish FSA from 1 January 2016 implement elements from the Solvency II regime, which sets down the basic principles for the calculation of insurance provisions:
  - Best estimate of the present value of expected future cash flows for incurred insurance
  - A risk margin to cover the risk of deviation between best estimate and final execution of future cash flows
  - An interest rate curve laid down for Solvency II. Tryg Forsikring uses the interest rate curve without adjustment.
- Solvency II incorporates the expected profit in the capital base at the time when insurance is incurred.
- Premium income represents gross premiums written during the year, net of reinsurance premiums and adjusted for changes in premium provisions, corresponding to an accrual of premiums to the risk period of the policies, in the reinsurers' share of the premium provisions, and the change in profit margin and risk margin.
- Technical interest, unwinding and discounting is presented as part of return and value adjustment on insurance provisions
- Changes in risk margin related to claims provisions are deducted and presented in a separate line, change in risk margin.
- Premium provisions are stated at the present value of the best estimate of the expected payments for future insurance events covered by existing insurance policies. In Tryg Forsikring insurance are mainly signed for one year. Expected payments include claims and costs for claims handling, other costs as well as bonuses and discounts.
- Profit margin is the expected profit of the remaining period of cover for written insurance. Profit margin is calculated as the difference between premiums for future periods of cover for written insurance, and the expected payments included in the premium provision. The profit margin is deducted with the portion of the risk margin attributable to the settlement of premium provision. If the expected present value of future payments and risk margin for a portfolio of insurance policies with similar risks exceeds the premium, the profit margin for this portfolio is recognised at zero.

Changes in the present value of the expected payments as a result of the change in the yield curve, as well as unwinding of the profit margin, are transferred to return and value adjustment on insurance provisions. Claims provisions are calculated at the present value of best estimate of incurred claims, covered by incurred insurance. Risk margin is the amount a business will have to pay any acquirer of an insurance portfolio for taking over the risk that the actual expenses in connection with the settlement of insurance provisions deviate from best estimate. At Tryg Forsikring, the risk margin is calculated using a method equivalent to the Solvency II risk margin based on a "Cost of Capital" method.

- Depreciation related to some intangible assets, such as customer relationship and distribution will be presented in the line item "Acquisition costs and administration expenses".



## Change in accounting policies

Tryg Forsikring has not implemented any new significant accounting policies or IFRS standards in 2021. The accounting policies have been applied consistently with last year.

## Accounting regulation

### Implementation of changes to accounting standards and interpretation in 2021

The International Accounting Standards Board (IASB) has issued several changes to the international accounting standards, and the International Financial Reporting Interpretations Committee (IFRIC) has also issued several interpretations. No standards have been implemented for the first time for the accounting year that began on 1 January 2021 which will have a significant impact on the group. See below regarding IFRS 9 'Financial instruments.

There has not been implemented any new or amended standards and interpretations that have affected the group significantly.

### Future orders, standards and interpretations that the group has not implemented, and which have still not entered into force but could affect the group significantly:

There are several revised IFRS the Tryg Forsikring has not implemented, and which have still not entered into force:

- IFRS 9 (Financial Instruments) 1)
- IFRS 17 (Insurance Contracts) 2)

1) Enters into force for the accounting year commencing 1 January 2018 - Insurance companies are allowed to postpone the implementation to 1 January 2023 if certain criteria are met.

2) Expected to enter into force for the accounting year commencing 1 January 2023.

The implementation of IFRS 9 (Financial Instruments) is not expected to significantly change Tryg Forsikring's financial position. The assessment of no significant impact on the statement of financial position or profit and loss is based on the assumption that the Tryg Group already carries all financial instruments at fair value through profit and loss. Tryg Forsikring has postponed the implementation of IFRS 9 (Financial Instruments) to January 1, 2023, when IFRS 17 (Insurance Contracts) will be applicable.

Tryg Forsikring has postponed the implementation of IFRS 9 (Financial Instruments) because its activities are predominantly connected with insurance. Its liabilities connected with insurance are relatively greater than 80% of the total liabilities. The impact of IFRS 17 (Insurance Contracts) is currently being assessed in a structured and formal manner and is expected to be concluded in due course ahead of the implementation date. Whilst Tryg Forsikring anticipates minor changes in certain of its key figures, such as premiums growth and claims ratio as a result of changes to the definitions of premiums and costs under IFRS 17 (Insurance Contracts), Tryg Forsikring currently expects that the implementation of IFRS (Insurance Contracts) will not significantly change Tryg Forsikring's financial position, including its technical result or profit/loss after tax.

## Significant accounting estimates and assessments

The preparation of financial statements under IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

- Liabilities under insurance contracts
- Fair value of financial assets and liabilities
- Valuation of property
- Business Combinations
- Measurement of goodwill, Trademarks and Customer relations
- Control of subsidiaries



### **Liabilities under insurance contracts**

Estimates of provisions for insurance contracts represent the group's most critical accounting estimates, as these provisions involve several uncertainty factors.

Claims provisions are management's best estimate based on actuarial and statistical projections of claims and administration of claims including a margin incorporating the uncertainty related to the range of actuarial scenarios and other short and long-term risks not reflected in standard actuarial models. The projections are based on Tryg Forsikring's knowledge of historical developments, payment patterns, reporting delays, duration of the claims settlement process and other factors that might influence future developments in the liabilities.

The group makes claims provisions, in addition to provisions for known claims, which cover estimated compensation for losses that has been incurred but are not yet reported to the group (known as IBNR reserves) and future developments in claims which are known to the group but are not finally settled. Claims provisions also include direct and indirect claims settlement costs or loss adjustment expenses that arise from events that have occurred up to the statement of financial position date even if they have not yet been reported to Tryg Forsikring.

The calculation of the claims provisions is therefore inherently uncertain and, by necessity, relies upon the making of certain assumptions as regards factors such as court decisions, amendments to legislation, social inflation and other economic trends, including inflation. The Group's actual liability for losses may be subject to material positive or negative deviations relative to the initially estimated claims provisions.

Claims provisions are discounted. As a result, initial changes in discount rates or changes in the duration of the claims provisions could have positive or negative effects on earnings. Discounting affects the motor third-party liability, general third-party liability, workers' compensation classes, including sickness and in particular personal accidents.

The Financial Supervisory Authority's discount curve, which is based on EIOPA's yield curves, is used to discount Danish, Norwegian and Swedish claims provisions with the relevant functional currencies.

Several assumptions and estimates underlying the calculation of the claims provisions are mutually dependent. This has the greatest impact on assumptions regarding interest rates and inflation.

### **Fair value of financial assets and liabilities**

Measurements of financial assets and liabilities for which prices are quoted in an active market or which are based on generally accepted models with observable market data are not subject to material estimates. For securities that are not listed on a stock exchange, or for which no stock exchange price is quoted that reflects the fair value of the instrument, the fair value is determined using a current OTC price of a similar financial instrument or using a model calculation. The valuation models include the discounting of the instrument cash flow using an appropriate market interest rate with due consideration for credit and liquidity premiums.

### **Valuation of property**

The fair value is calculated based on a market-determined rental income, as well as operating expenses in proportion to the property's required rate of return in per cent. Investment property is recognised at fair value. The calculation of fair value is based on market prices, taking into consideration the type of property, location and maintenance standard, and based on a market-determined rental income as well as operating expenses in proportion to the property's required rate of return. Please refer to notes 12, 13 and 15 in Tryg Forsikring group.

### **Business combinations**

In business combinations, significant assessments are made when considering the fair value of the assets required and liabilities assumed and when identifying intangible assets, such as trademarks, customer relations and goodwill as part of the transactions.



### **Measurement of goodwill, trademarks and customer relations**

Goodwill, trademarks and customer relations were acquired in connection with the acquisition of businesses. Goodwill is allocated to the cash-generating units under which management manages the investment. The carrying amount is tested for impairment at least annually. Impairment testing involves estimates of future cash flows and is affected by several factors, including discount rates and other circumstances dependent on economic trends, such as customer behaviour and competition. Please refer to note 11.

### **Control of subsidiaries**

Control of subsidiaries is assessed yearly. Hence whether a subsidiary should still be part of the consolidation on line by line basis or as a single line item in the balance sheet.

### **Description of accounting policies**

#### **Recognition and measurement**

The annual report has been prepared under the historical cost convention, as modified by the revaluation of owner-occupied property, where increases are recognised in other comprehensive income, and revaluation of investment property, financial assets held for trading and financial assets and financial liabilities (including derivative instruments) at fair value in the income statement.

Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Group, and the value of such assets can be measured reliably. Liabilities are recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the group, and the value of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost, except for financial assets, which are recognised at fair value. Measurement initial recognition is affected as described below for each item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the statement of financial position date are considered at recognition and measurement.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement unless otherwise described below.

All amounts in the notes are shown in millions of DKK unless otherwise stated.

## **Consolidation**

### **Consolidated financial statements**

The consolidated financial statements comprise the financial statements of Tryg A/S (the parent company) and the enterprises (subsidiaries) controlled by the parent company. The parent company is regarded as controlling an enterprise when it:

1. exercises a controlling influence over the relevant activities in the enterprise in question,
2. is exposed to or has the right to a variable return on its investment, and
3. can exercise its controlling influence to affect the variable return.

Enterprises in which the group directly or indirectly holds between 20% and 50% of the voting rights and exercises significant influence but no controlling influence are classified as associates.

### **Basis of consolidation**

The consolidated financial statements are prepared based on the financial statements of Tryg Forsikring A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature.

The financial statements used for the consolidation are prepared following the Group's accounting policies.

On consolidation, intra-group income and costs, intra-group accounts and dividends, and gains and losses arising on transactions between the consolidated enterprises are eliminated. Items of subsidiaries are fully recognised in the consolidated financial statements.



### **Business combinations**

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition and the date of formation, respectively. The date of acquisition is the date on which control of the acquired enterprise actually passes to Tryg Forsikring. Divested or discontinued enterprises are recognised in the consolidated statement of comprehensive income up to the date of disposal or the settlement date. The date of disposal is the date on which control of the divested enterprise actually passes to a third party.

The purchase method is applied for new acquisitions if the Group gains control of the acquired enterprise. Subsequently, identifiable assets, liabilities and contingent liabilities in the acquired enterprises are measured at fair value at the date of acquisition. Non-current assets which are acquired with the intention of selling them are, however, measured at fair value less expected selling costs. Restructuring costs are recognised in the pre-acquisition balance sheet only if they constitute an obligation for the acquired enterprise. The tax effect of revaluations is taken into account. The acquisition price of an enterprise consists of the fair value of the price paid for the acquired enterprise.

If the final determination of the price is conditional upon one or more future events, such events are recognised at their fair values at the date of acquisition. Costs relating to the acquisition are recognised in the income statement as incurred.

Any positive balances (goodwill) between the acquisition price of the acquired enterprise, the value of minority interests in the acquired enterprise and the fair value of previously acquired equity investments, on the one hand, and the fair value of the acquired assets, liabilities and contingent liabilities, on the other hand, are recognised as an asset under intangible assets and are tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, it is impaired to the lower recoverable amount.

If at the date of acquisition, there is uncertainty as to the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the acquisition price, initial recognition is based on a preliminary determination of values. The preliminarily determined values may be adjusted or additional assets or liabilities may be recognised up to 12 months after the acquisition, provided that new information has come to light regarding matters existing at the date of acquisition which would have affected the determination of the values at the date of acquisition, had such information been known.

Generally, subsequent changes in estimates of conditional acquisition prices are recognised directly in the income statement.

### **Currency translation**

A functional currency is determined for each of the reporting entities in the group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions in foreign currencies are translated into the functional currency using the exchange rate applicable at the transaction date. Assets and liabilities denominated in foreign currencies are translated using the exchange rates applicable at the statement of financial position date. Translation differences are recognised in the income statement under price adjustments.

On consolidation, the assets and liabilities of the Group's foreign operations are translated using the exchange rates applicable at the statement of financial position date. Income and expense items are translated using the average exchange rates for the period. Exchange rate differences arising on translation are classified as other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the activities are divested. All other foreign currency translation gains and losses are recognised in the income statement. The presentation currency in the annual report is DKK.

### **Segment reporting**

Segment information is based on the group's management and internal financial reporting system and supports the management decisions on the allocation of resources and assessment of the Group's results divided into segments.

The operational business segments in the Tryg Forsikring are private, commercial, corporate and Sweden. Private encompasses the sale of insurances to private individuals in Denmark and Norway. Commercial encompasses the sale of insurances to small and medium-sized businesses, in Denmark and Norway. Corporate sells insurances to industrial clients primarily in Denmark, Norway and Sweden. In addition, Corporate handles all business involving brokers. Sweden encompasses the sale of insurance



products to private individuals in Sweden as well as the sale of product insurances in the Nordic region.

Geographical information is presented based on the economic environment in which the Tryg Forsikring operates. The geographical areas are Denmark, Norway and Sweden.

Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each segment and those items that can be allocated to the individual segments on a reliable basis. Unallocated items primarily comprise assets and liabilities concerning investment activity managed at the group level.

### **Key ratios**

Earnings per share (EPS) are calculated according to IAS 33. This and other key ratios are calculated in accordance with recommendations and ratios issued by "The Danish Finance Society and the Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds" issued by the Danish Financial Supervisory Authority.

### **Income statement**

#### **Premiums**

Premium income represents gross premiums written during the year, net of reinsurance premiums and adjusted for changes in premium provisions, corresponding to an accrual of premiums to the risk period of the policies, and in the reinsurers' share of the premium provisions.

Premiums are calculated as premium income in accordance with the risk exposure over the cover period, calculated separately for each insurance contract. The calculation is generally based on the pro-rata method, although this is adjusted for an unevenly divided risk between lines of business with strong seasonal variations or policies lasting many years.

The portion of premiums received on contracts that relate to unexpired risks at the statement of financial position date is reported under premium provisions.

The portion of premiums paid to reinsurers that relate to unexpired risks at the statement of financial position date is reported as the reinsurers' share of premium provisions.

#### **Technical interest**

Technical interest is presented in the income statement from Tryg Forsikring group as a calculated return on the year's average insurance liability provisions, net of reinsurance. The calculated interest return for grouped classes of risks is calculated as the monthly average provision plus an actual interest from the present yield curve for each group of risks. The interest is applied according to the expected run-off pattern of the provisions.

Insurance technical interest is reduced by the portion of the increase in net provisions that relate to unwinding.

#### **Claims**

Claims consist of claims paid during the year and adjusted for changes in claims provisions less the reinsurers' share. In addition, the item includes run-off gains/losses in respect of previous years. The portion of the increase in provisions that can be ascribed to unwinding is transferred to insurance technical interest.

Claims are shown inclusive of direct and indirect claims handling costs, including costs of inspecting and assessing claims, costs to combat and mitigate damage and other direct and indirect costs associated with the handling of claims incurred. Claims prevention expenses are defined by Executive Order no. 1592 of 9/11 2021 § 37 paragraph 1 of the Executive Order.

Changes in claims provisions due to changes in the yield curve and exchange rates are recognised as a price adjustment.

Tryg Forsikring hedges the risk of changes in future pay and price figures for provisions for workers' compensation. Tryg Forsikring uses zero-coupon inflation swaps acquired with a view to hedging the inflation risk. Value adjustments of these swaps are included in claims, thereby reducing the effect of changes to inflation expectations under claims.



### **Bonus and premium discounts**

Bonuses and premium discounts represent anticipated and refunded premiums to policyholders, where the amount refunded depend on the claims record, and for which the criteria for payment have been defined before the financial year or when the insurance was taken out.

### **Insurance operating expenses**

Insurance operating costs represent acquisition costs and administration expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are recognised at the time of writing the business. Underwriting commission is recognised when a legal obligation occurs. Administration expenses are all other expenses attributable to the administration of the insurance portfolio. Administration expenses are accrued to match the financial year.

### **Share-based payment**

Tryg Forsikring's incentive programmes comprise an employee bonus scheme and incentive programmes for executive board, risk-takers and other employees.

### **Employee bonus scheme**

According to the remuneration policy, the Group's employees can be granted a bonus in the form of free shares. When the bonus is granted, employees can choose between receiving shares or cash. The expected value of the shares will be expensed over the performance period. The scheme will be treated as a complex financial instrument, consisting of the right to a cash settlement and the right to request the delivery of shares. The difference between the value of shares and the cash payment is recognised in equity and is not remeasured. The remainder is treated as a liability and is remeasured until the time of exercise, such that the total recognition is based on the actual number of shares or the actual cash amount.

### **Conditional shares**

Other risk-takers have been allotted conditional shares under the incentive programme for risk-takers.

Equity-settled conditional shares are measured at the fair value at the allotment date and recognised under staff costs over the period from the allotment date until the end of the deferral period (the transfer date), where the holder receive free shares. The shares are recognised at market value and are accrued from one to four years.

### **Matching shares**

As part of the matching shares program for the executive board members, members of the board have bought investment shares in Tryg A/S at market price, using taxed funds, for up to the amount decided by the Supervisory Board.

Other incentive program participants who are not risk-takers have also bought investment shares as part of their incentive program.

The purchase of investment shares entitles the holder to a number of matching shares, corresponding to the number of investment shares which the holder has bought. The shares (matching shares) are provided free of charge, four (Executive Board) or three years (other participants) after the time of purchase of the investment shares. The holder may not sell the shares until six months after the matching date.

The shares are recognised at market value and are accrued over the four and three year maturation period, based on the market price at the time of acquisition. Recognition is from the end of the month of acquisition under staff expenses with a balancing entry directly in equity. If the holder retires during the maturation period but remains entitled to shares, the remaining expense is recognised in the current accounting year.

### **Investment activities**

Income from associates includes the group's share of the associates' net profit.

Income from investment properties before fair value adjustment represents the profit from property operations less property management expenses.

Interest and dividends represent interest earned and dividends received during the financial year. Realised and unrealised investment gains and losses, including gains and losses on derivative financial instruments, value adjustment of investment property, foreign currency translation adjustments and the effect of movements in the yield curve used for discounting, are recognised as value adjustments.



investment management charges represent expenses relating to the management of investments including salary and management fees on the investment area. The external investors share of the result in Kapitalforeningen Tryg Invest Funds and Tryg Invest Real Estate are either deducted (in case of a profit) from or added (in case of a loss) to the investment result.

#### **Other income and costs**

Other income and costs include income and expenses which cannot be ascribed to the group's insurance portfolio or investment assets, including the sale of products for Velliv, Pension & Livsforsikring A/S, Danske Bank and depreciation of intangibles assets identified in business combinations.

#### **The discontinued and divested business**

Discontinued and divested business is consolidated in one item in the income statement. Discontinued and divested business includes gross premiums, gross claims, gross costs, profit/loss on ceded business, insurance technical interest net of reinsurance, investment return after insurance technical interest, other income and costs and tax in respect of the discontinued business. Any reversal of earlier impairment is recognised under other income and costs.

The statement of financial position items concerning discontinued activities is reported unchanged under the respective entries whereas assets and liabilities concerning divested activities are consolidated under one item as assets held for sale and liabilities held for sale.

### **Statement of financial position**

#### **Intangible assets**

##### **Goodwill**

Goodwill is acquired in connection with the acquisition of a business. Goodwill is calculated as the difference between the cost of the undertaking and the fair value of acquired identifiable assets, liabilities and contingent liabilities at the time of acquisition. Goodwill is allocated to the cash-generating units under which management manages the investment and is recognised under intangible assets. Goodwill is not amortised but is tested for impairment at least once a year.

##### **Trademarks and customer relations**

Trademarks and customer relations have been identified as intangible assets on acquisition. The intangible assets are recognised at fair value at the time of acquisition and amortised on a straight-line basis over the expected economic lifetime of 5–15 years.

##### **Software**

Acquired computer software licences are capitalised based on the costs incidental to acquiring and bringing to use the specific software. The costs are amortised based on an estimated economic lifetime of up to 8 years.

Costs for group developed software that is directly connected with the production of identifiable and unique software products, where there is sufficient certainty that future earnings will exceed the costs in more than one year, are reported as intangible assets. Direct costs include personnel costs for software development and directly attributable relevant fixed costs. All other costs connected with the development or maintenance of software are continuously charged as expenses.

After completion of the development work, the asset is amortised according to the straight-line method over the assessed economic lifetime, though over a maximum of 8 years. The amortisation basis is reduced by any impairment and write-downs.

##### **Assets under construction**

Group-developed intangibles are recorded under the entry "Assets under construction" until they are put into use, whereupon they are reclassified as software and are amortized in the amortization periods stated above.

#### **Fixed assets**

##### **Operating equipment**

Fixtures and operating equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost encompasses the purchase price and costs directly attributable to the acquisition of the relevant assets until the time when such assets are ready to be brought into use.

Depreciation of operating equipment is calculated using the straight-line method over its estimated



economic lifetime as follows:

- IT, 4 years
- Vehicles, 5 years
- Furniture, fittings and equipment, 5-10 years

Leasehold improvements are depreciated over the expected economic lifetime, however maximally the term of the lease.

Gains and losses on disposals and retired assets are determined by comparing proceeds with carrying amounts. Gains and losses are recognised in the income statement. When revalued assets are sold, the amounts included in the revaluation reserves are transferred to retained earnings.

## **Leasing**

### **Right-of-use assets**

At the inception of a contract, Tryg Forsikring assesses whether a contract is, or contains a lease. It has the following prerequisites:

- The underlying asset is identifiable
- The group has the right to obtain substantially all the economic benefits from the use of the asset throughout its use
- The group has the right to direct the use of the asset

Tryg Forsikring recognises a right-of-use asset and a corresponding lease liability for all lease agreements in which it is the lessee, excluding short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets.

At inception or on the reassessment of a contract that contains lease components, Tryg Forsikring allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Right-of-use asset (ROU asset) and lease liability are recognised at the lease commencement date. The ROU asset is initially measured the cost, which comprises the initial amount of the lease liability adjusted for:

- lease payments made at or before the commencement date
- any initial direct cost incurred
- estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset
- lease incentives received

ROU assets are tested for impairment.

### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, Tryg Forsikring uses its incremental borrowing rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method and is presented as part of other debt. It is remeasured when there is a change in future lease payments. A corresponding adjustment is made to the carrying amount of the ROU asset.

## **Land and buildings**

Land and buildings are divided into the owner-occupied property and investment property. Tryg Forsikring does no longer have any owner-occupied properties. All remaining properties are classified as investment property.

### **Investment property**

Properties held for renting yields that are not occupied by the group are classified as investment properties.

Investment property is recognised at fair value. Fair value is based on market prices, adjusted for any differences in the nature, location or maintenance condition of specific assets. If this information is not available, the group uses alternative valuation methods such as discounted cash flow projections and recent prices in the market.

The fair value is calculated based on market-specific rental income per property and typical operating



expenses for the coming year. The resulting operating income is divided by the required return on the property in per cent, which is adjusted to reflect market interest rates and property characteristics, corresponding to the present value of a perpetual annuity. The value is subsequently adjusted with the value in use of the return on prepayments and deposits and adjustments for specific property issues such as vacant premises or special tenant terms and conditions. Please refer to note 13 in Tryg Forsikring group.

Changes in fair values are recorded in the income statement.

#### **The impairment test for intangible assets, property and operating equipment**

Operating equipment and intangible assets are assessed at least once per year to ensure that the depreciation method and the depreciation period that is used are connected to the expected economic lifetime. This also applies to the salvage value. Write-down is performed if impairment has been demonstrated.

Goodwill is tested annually for impairment, or more often if there are indications of impairment, and impairment testing is performed for each cash-generating unit to which the asset belongs. The present value is normally established using budgeted cash flows based on business plans. The business plans are based on experience and expected market developments.

#### **Equity investments in group undertakings**

The parent company's equity investments in subsidiaries are recognised and measured using the equity method. The parent company's share of the enterprises' profits or losses after the elimination of unrealised intra-group profits and losses is recognised in the income statement. In the statement of financial position, equity investments are measured at the pro-rata share of the enterprises' equity.

Subsidiaries with a negative net asset value are recognised at zero value. Any receivables from these enterprises are written down by the parent company's share of such negative net asset value where the receivables are deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognised under provisions if the parent company has a legal or constructive obligation to cover the liabilities of the relevant enterprise. Net revaluation of equity investments in subsidiaries is taken to reserve for net revaluation under equity if the carrying amount exceeds the cost.

The results of foreign subsidiaries are based on the translation of the items in the income statement using average exchange rates for the period unless they deviate significantly from the transaction day exchange rates. Income and costs in domestic enterprises denominated in foreign currencies are translated using the exchange rates applicable on the transaction date.

Statement of financial position items of foreign subsidiaries is translated using the exchange rates applicable at the statement of financial position date.

When it is assessed that the parent company no longer has control over the subsidiary, it will be transferred to either assets held for sale or unquoted shares and when sold, it will be derecognised.

#### **Equity investments in associates**

Associates are enterprises in which the Group has significant influence but not control, generally in the form of an ownership interest of between 20% and 50% of the voting rights. Equity investments in associates are measured using the equity method and the carrying amount of the investment represents the Group's proportionate share of the enterprises' net assets. Significant transaction costs are recognised as part of the acquisition price.

Profit after tax from equity investments in associates is included as a separate line in the income statement. Income is made up after the elimination of unrealised intra-group profits and losses.

Associates with a negative net asset value are measured at zero value. If the group has a legal or constructive obligation to cover the associate's negative balance, such obligation is recognised under liabilities.



## **Investments**

Investments include financial assets at fair value which are recognised in the income statement. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Financial assets measured at fair value with recognition of value adjustments in the income statement comprise assets that form part of a trading portfolio and financial assets designated at fair value with value adjustment via the income statement.

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 approximately offset the capital gains and losses on the assets with the corresponding developments on the insurance provisions. The free portfolio is invested in different asset classes to obtain the best risk-adjusted return.

To avoid an accounting mismatch fixed-income financial assets in the match portfolio are designated as measured at fair value through profit or loss.

## **Financial assets at fair value recognised in the income statement**

Financial assets are recognised at fair value on initial recognition if they are entered in a portfolio that is managed in accordance with fair value. Derivative financial instruments are similarly classified as financial assets held for sale unless they are classified as hedging instruments.

Realised and unrealised profits and losses that may arise because of changes in the fair value for the category financial assets at fair value are recognised in the income statement in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, or if they have been transferred, and the group has also transferred substantially all risks and rewards of ownership. Financial assets are recognised and derecognised on a trade date basis, the date on which the group commits to purchase or sell the asset.

The fair values of quoted securities are based on stock exchange prices at the statement of financial position date. For securities that are not listed on a stock exchange, or for which no stock exchange price is quoted that reflects the fair value of the instrument, the fair value is determined using valuation techniques. These include the use of similar recent arm's length transactions, reference to other similar instruments or discounted cash flow analysis.

## **Derivative financial instruments and hedge accounting**

The group's activities expose it to financial risks, including changes in share prices, foreign exchange rates, interest rates and inflation. Forward exchange contracts and currency swaps are used for currency hedging of portfolios of shares, bonds, hedging of foreign entities and insurance statement of financial position items. Interest rate derivatives in the form of futures, forward contracts, swaps and FRAs are used to manage cash flows and interest rate risks related to the portfolio of bonds and insurance provisions. Share derivatives in the form of futures and options are used from time to time to adjust share exposures.

Derivative financial instruments are reported from the trading date and are measured in the statement of financial position at fair value. Positive fair values of derivatives are recognised as derivative financial instruments under assets. Negative fair values of derivatives are recognised under derivative financial instruments under liabilities. Positive and negative values are only offset when the company is entitled or intends to make a net settlement of more financial instruments.

Calculation of value is generally performed based on rates supplied by Danske Bank with relevant information providers and is checked by the group's valuation technicians. Discounting based on market interest rates is applied in the case of derivative financial instruments involving an expected future cash flow.

Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of investments in foreign entities. Changes in the fair value of derivatives that are designated and qualify as net investment hedges in foreign entities, and which provide effective currency hedging of the net investment are recognised in other comprehensive income.



The net asset value of the foreign entities estimated at the beginning of the financial year is hedged 90-100% by entering into short-term forward exchange contracts according to the requirements of hedge accounting. Changes in the fair value relating to the ineffective portion are recognised in the income statement. Gains and losses accumulated in equity are included in the income statement on the disposal of the foreign entity.

#### **Reinsurers' share of provisions for insurance contracts**

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurers' share of provisions for insurance contracts.

Contracts that do not meet these classification requirements are classified as financial assets.

The benefits to which the group is entitled under its reinsurance contracts held are recognised as assets and reported as reinsurers' share of provisions for insurance contracts.

Amounts receivable from reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and following the terms of each reinsurance contract.

Changes due to unwinding are recognised in insurance technical interest. Changes due to changes in the yield curve or foreign exchange rates are recognised as price adjustments.

The group continuously assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the group reduces the carrying amount of the reinsurance asset to its recoverable amount. Impairment losses are recognised in the income statement.

#### **Receivables**

Total receivables comprise accounts receivable from policyholders and insurance companies as well as other accounts receivable. Other receivables primarily contain accounts receivable in connection with investment activities.

Receivables that arise because of insurance contracts are classified in this category and are reviewed for impairment as a part of the impairment test of accounts receivable.

Receivables are recognised initially at fair value and are subsequently assessed at amortised cost. The income statement includes an estimated reservation for expected unobtainable sums when objective evidence of the asset impairment is observed. The reservation entered is assessed as the difference between the carrying amount of an asset and the present value of expected future cash flows.

#### **Other assets**

Other assets include current tax assets and cash at bank and in hand. Current tax assets are receivables concerning tax for the year adjusted for on-account payments and any prior-year adjustments. Cash at bank and in hand is recognised at the nominal value at the statement of financial position date. Reverse repurchase lending to credit institutions are recognised and measured at amortised cost, and the return is recognised as interest income in the income statement.

#### **Prepayments and accrued income**

Prepayments include expenses paid in respect of subsequent financial years and interest receivable. Accrued underwriting commission relating to the sale of insurance products is also included.

#### **Equity**

##### **Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

##### **Revaluation reserves**

Revaluation of an owner-occupied property is recognised in other comprehensive income unless the revaluation offsets a previous impairment loss.



### **Foreign currency translation reserve**

Assets and liabilities of foreign entities are recognised using the exchange rate applicable at the statement of financial position date. Income and expense items are recognised using the average monthly exchange rates for the period. Any resulting differences are recognised in Other comprehensive income. When an entity is wound up or sold, the balance is transferred to the income statement. The hedging of the currency risk in respect of foreign entities is also offset in other comprehensive income in respect of the part that concerns the hedge.

### **Contingency fund reserves**

Contingency fund reserves are recognised as part of retained earnings under equity. The reserves may only be used when so permitted by the Danish Financial Supervisory Authority and when it is for the benefit of the policyholders. The Norwegian contingency fund reserves include provisions for the Norwegian Natural Perils Pool and security reserve. The Danish and Swedish provisions comprise contingency fund provisions. Deferred tax on the Norwegian and Swedish contingency fund reserves is allocated.

### **Dividends**

The proposed dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (date of declaration).

### **Subordinate loan capital**

Subordinate loan capital is recognised initially at fair value, net of transaction costs incurred. Subordinate loan capital is subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the borrowing period using the effective interest method.

### **Provisions for insurance contracts**

Premiums written are recognised in the income statement (premium income) proportionally throughout coverage and, where necessary, adjusted to reflect any time variation of the risk. The portion of premiums written on in-force contracts that relates to unexpired risks at the statement of financial position date is reported as premium provisions. Premium provisions are generally calculated according to the best estimate of expected payments throughout the agreed risk period; however, as a minimum as part of the premium calculated using the pro rata temporis principle until the next payment date. Adjustments are made to reflect any risk variations. This applies to gross as well as ceded business.

Claims and claims handling costs are expensed in the income statement as incurred based on the estimated liability for compensation owed to policyholders or third parties sustaining losses at the hands of the policyholders. They include direct and indirect claims handling costs that arise from events that have occurred up to the statement of financial position date even if they have not yet been reported to the group. Claims provisions are estimated using the input of assessments for individual cases reported to the group and statistical analyses for the claims incurred but not reported and the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions). The provisions include claims handling costs.

Claims provisions are discounted. Discounting is based on a yield curve reflecting duration applied to the expected future payments from the provision. Discounting affects motor liability, professional liability, workers' compensation and personal accident and health insurance classes, in particular.

Provisions for bonuses and premium discounts etc. represent amounts expected to be paid to policyholders given the claims experience during the financial year.

Claims provisions are determined for each line of business based on actuarial methods. Where such business lines encompass more than one business area, short-tailed claims provisions are distributed based on a number of claims reported while long-tailed claims provisions are distributed based on premiums earned. The models currently used are Chain-Ladder, Bornhuetter-Ferguson, the Loss Ratio method. Chain-Ladder techniques are used for lines of business with a stable run-off pattern. The Bornhuetter-Ferguson method, and sometimes the Loss Ratio method, are used for claims years in which the previous run-off provides insufficient information about the future run-off performance.

The provision for annuities under workers' compensation insurance is calculated based on a mortality corresponding to the G82 calculation basis (official mortality table).

In some instances, the historic data used in the actuarial models are not necessarily predictive of the expected future development of claims. For example, this is the case with legislative changes where an a priori estimate is used for premium increases related to the expected increase in claims. In connection



with legislative changes, the same estimate is used for determining the change in the level of claims. Subsequently, this estimate is maintained until new loss history materialises which can be used for re-estimation.

Several assumptions and estimates underlying the calculation of the claims provisions are mutually dependent. Most importantly, this can be expected to be the case for assumptions relating to interest rates and inflation.

Workers' compensation is an area in which explicit inflation assumptions are used, with annuities for the insured being indexed based on the workers' compensation index. An inflation curve that reflects the market's inflation expectations plus a real wage spread is used as an approximation to the workers' compensation index.

For other lines of business, the inflation assumptions, because present only implicitly in the actuarial models, will cause a certain lag in predicting the level of future losses when a change in inflation occurs. On the other hand, the effect of discounting will show immediately as a consequence of inflation changes to the extent that such changes affect the interest rate.

Other correlations are not deemed to be significant.

### **Liability adequacy test**

Tests are continuously performed to ensure the adequacy of the insurance provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency increases the relevant provision, and the adjustment is recognised in the income statement.

### **Employee benefits**

#### **Pension obligations**

The Group operates various pension schemes. The schemes are funded through contributions to insurance companies or trustee-administered funds. In Norway, Tryg Forsikring operates a defined-benefit plan which was closed at 01 January 2020. In Denmark, Tryg Forsikring operates a defined-contribution plan.

A defined-contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. In Sweden, the Group complies with the industry pension agreement, FTP-Planen. FTP-Planen is primarily a defined-benefit plan as regards the future pension benefits. Försäkringsbranschens Pensionskassa (FPK) is unable to provide sufficient information for the Group to use defined-benefit accounting.

The plan is accounted for as a defined-contribution plan. As part of the termination of the defined-benefit plan in Norway, an agreement of compensation to the employees covered by the plan was agreed upon. A liability has been established to cover the expected compensation to be paid to the employees upon retirement from the company. If the employee leaves before retirement only a part of the compensation is paid. There are no future actuarial assumptions related to the liability, only uncertainty is whether the employees stay to retirement or not.

#### **Other employee benefits**

Employees of the group are entitled to a fixed payment when they reach retirement and when they have been employed with the group for 25 and 40 years. The group recognises this liability at the time of signing the contract of employment.

In special instances, the employee can enter into a contract with the Group to receive compensation for loss of pension benefits caused by reduced working hours. The Group recognises this liability based on statistical models.

### **Income tax and deferred tax**

The Group expenses current tax according to the tax laws of the jurisdictions in which it operates. Current tax liabilities and current tax receivables are recognised in the statement of financial position as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and tax paid under the on-account tax scheme.

Deferred tax is measured according to the statement of financial position liability method on all timing differences between the tax and accounting value of assets and liabilities. Deferred income tax is measured using the tax rules and tax rates that apply in the relevant countries on the statement of financial position date when the deferred tax asset is realised, or the deferred income tax liability is settled.



Deferred income tax assets, including the tax value of tax losses carried forward, are recognised to the extent that it is probable that future taxable profit will be realised against which the temporary differences can be offset.

Deferred income tax is provided on temporary differences concerning investments, except where Tryg Forsikring controls when the temporary difference will be realised, and it is probable that the temporary difference will not be realised in the foreseeable future.

### **Other provisions**

Provisions are recognised when the group has a legal or constructive obligation because of an event prior to or at the statement of financial position date, and it is probable that future economic benefits will flow out of the group. Provisions are measured at the best estimate by management of the expenditure required to settle the present obligation.

Provisions for restructurings are recognised as obligations when a detailed formal restructuring plan has been announced before or at the statement of financial position date at the latest to the persons affected by the plan.

Own insurance is included under other provisions. The provisions apply to the group's own insurance claims and are reported when the damage occurs according to the same principle as the group's other claims provisions.

### **Debt**

Debt comprises debt in connection with direct insurance and reinsurance, amounts owed to credit institutions, current tax obligations, debt to group undertakings and other debt. Other liabilities are assessed at amortised costs based on the effective interest method.

Debt related to leasing and the external investors share of Kapitalforeningen Tryg Invest Funds and Kapitalforeningen Tryg Invest are included in other debt. The external investors share of Kapitalforeningen Tryg Invest relates to shares, bonds and investment properties.

Repo deposits from credit institutions are recognised and measured at amortised cost, and the return is recognised as interest expenses in the income statement.

### **Cash flow statement**

The consolidated cash flow statement is presented using the direct method and shows cash flows from operating, investing and financing activities as well as the group's cash and cash equivalents at the beginning and end of the financial year. No separate cash flow statement has been prepared for the parent company because it is included in the consolidated cash flow statement.

Cash flows from operating activities are calculated whereby major classes of gross cash receipts and gross cash payments are disclosed.

Cash flows from investing activities comprise payments in connection with the purchase and sale of intangible assets, property, plant and equipment as well as financial assets and deposits with credit institutions.

Cash flows from financing activities comprise changes in the size or composition of Tryg's share capital and related costs as well as the raising of loans, repayments of interest-bearing debt and the payment of dividends.

Cash and cash equivalents comprise cash and demand deposits.

### **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.



# Tryg Forsikring A/S (parent company)

## Income statement

DKKm		2021	2020
<b>Notes</b>			
	<b>General insurance</b>		
	Gross premiums written	25,036	23,272
	Ceded insurance premiums	-1,563	-1,552
	Change in premium provisions	-232	-211
	Change in profit margin and risk margin	185	17
	Change in reinsurers' share of premium provisions	-37	85
<b>2</b>	<b>Premium income, net of reinsurance</b>	<b>23,391</b>	<b>21,610</b>
	Claims paid	-15,309	-15,317
	Reinsurance cover received	471	987
	Change in claims provisions	-870	28
	Change in risk margin	20	13
	Change in the reinsurers' share of claims provisions	141	-187
<b>3</b>	<b>Claims, net of reinsurance</b>	<b>-15,547</b>	<b>-14,477</b>
	<b>Bonus and premium discounts</b>	<b>-1,023</b>	<b>-592</b>
	Acquisition costs	-2,655	-2,532
	Administration expenses	-859	-798
	Acquisition costs and Administration expenses	-3,514	-3,330
	Reinsurance commissions and profit participation from reinsurers	258	170
<b>4</b>	<b>Insurance operating costs, net of reinsurance</b>	<b>-3,256</b>	<b>-3,160</b>
<b>5</b>	<b>Technical result</b>	<b>3,564</b>	<b>3,381</b>
	<b>Investment activities</b>		
<b>6</b>	Income from Group undertakings	882	568
	Income from associates	-41	-47
	Income from investment property	0	1
<b>7</b>	Interest income and dividends	362	381
<b>8</b>	Value adjustments	-706	164
<b>7</b>	Interest expenses	-149	-126
	Administration expenses in connection with investment activities	-101	-105
	<b>Total investment return</b>	<b>246</b>	<b>837</b>
	Return and value adjustment on insurance provisions	426	-575
	<b>Total Investment return after insurance technical interest</b>	<b>672</b>	<b>263</b>
	Other income	132	88
	Other costs	-506	-124
<b>9</b>	<b>Profit/loss before tax</b>	<b>3,862</b>	<b>3,608</b>
	Tax	-722	-771
	<b>Profit/loss on continuing business</b>	<b>3,140</b>	<b>2,837</b>
	Profit/loss on discontinued and divested business	-3	0
	<b>Profit/loss for the year</b>	<b>3,137</b>	<b>2,837</b>
	<b>Proposed distribution for the year:</b>		
	Dividend proposed not paid	700	529
	Dividend proposed and paid during the year	2,101	1,585
	Transferred to Other reserves	29	29
	Transferred to Net revaluation as per equity method	858	-122
	Transferred to Retained earnings	-552	815
		<b>3,137</b>	<b>2,837</b>
<b>Statement of comprehensive income</b>			
<b>DKKm</b>			
	<b>Profit/loss for the year</b>	<b>3,137</b>	<b>2,837</b>
	<b>Other comprehensive income which cannot subsequently be reclassified as profit or loss</b>		
	Actuarial gains/losses on defined-benefit pension plans	0	-68
	Tax on actuarial gains/losses on defined-benefit pension plans	0	6
		0	-62
	<b>Other comprehensive income which can subsequently be reclassified as profit or loss</b>		
	Exchange rate adjustments of foreign entities for the year	93	-51
	Hedging of currency risk in foreign entities for the year	-99	127
	Tax on hedging of currency risk in foreign entities for the year	22	-28
		16	48
	<b>Total other comprehensive income</b>	<b>16</b>	<b>-14</b>
	<b>Comprehensive income</b>	<b>3,153</b>	<b>2,823</b>



# Statement of financial position

DKKm		2021	2020
<b>Notes</b>	<b>Assets</b>		
<b>10</b>	<b>Intangible assets</b>	<b>7,025</b>	<b>7,123</b>
<b>11</b>	Operating equipment	158	147
	Owner-occupied property	604	630
	<b>Total property, plant and equipment</b>	<b>762</b>	<b>777</b>
<b>12</b>	<b>Investment property</b>	<b>13</b>	<b>12</b>
<b>13</b>	Investments in Group undertakings	13,087	11,857
<b>14</b>	Equity investments in associates	16	15
	<b>Total investments in Group undertakings and associates</b>	<b>13,103</b>	<b>11,872</b>
	Equity investments	38	35
	Unit trust units	320	291
	Bonds	29,572	28,822
	Derivative financial instruments	817	1,318
<b>15</b>	<b>Total other financial investment assets</b>	<b>30,747</b>	<b>30,466</b>
	<b>Total investment assets</b>	<b>43,862</b>	<b>42,350</b>
	Reinsurers' share of premium provisions	262	291
	Reinsurers' share of claims provisions	1,232	1,087
<b>16</b>	<b>Total reinsurers' share of provisions for insurance contracts</b>	<b>1,494</b>	<b>1,377</b>
	Receivables from policyholders	1,669	1,662
	Total receivables in connection with direct insurance contracts	1,669	1,662
	Receivables from insurance enterprises	407	270
	Receivables from Group undertakings	1,484	923
	Other receivables	408	654
<b>15</b>	<b>Total receivables</b>	<b>3,968</b>	<b>3,509</b>
<b>17</b>	Current tax assets	304	2
	Cash at bank and in hand	741	1,261
	<b>Total other assets</b>	<b>1,046</b>	<b>1,263</b>
	Interest and rent receivable	108	109
	Other prepayments and accrued income	394	225
	<b>Total prepayments and accrued income</b>	<b>502</b>	<b>334</b>
	<b>Total assets</b>	<b>58,661</b>	<b>56,734</b>



# Statement of financial position

DKKm		2021	2020
<b>Notes</b>	<b>Equity and liabilities</b>		
	<b>Equity</b>	<b>12,962</b>	<b>12,438</b>
<b>1</b>	<b>Subordinate loan capital</b>	<b>4,442</b>	<b>2,801</b>
	Premium provisions	3,002	3,037
	Profit margin - Non-life contracts	2,884	2,693
	Claims provisions	24,167	23,422
	Risk margin - Non-life contracts	1,082	1,107
	Provisions for bonus and premium discounts	1,315	1,136
	<b>Total provisions for insurance contracts</b>	<b>32,450</b>	<b>31,396</b>
	Pensions and similar liabilities	108	130
<b>18</b>	Deferred tax liability	723	767
<b>19</b>	Other provisions	40	57
	<b>Total provisions</b>	<b>872</b>	<b>955</b>
	Debt relating to direct insurance	816	513
	Debt relating to reinsurance	75	55
	Amounts owed to credit institutions	600	976
	Debt relating to unsettled funds transactions and repos	2,135	3,259
<b>15</b>	Derivative financial instruments	584	800
	Debt to Group undertakings	576	67
<b>17</b>	Current tax liabilities	215	351
<b>20</b>	Other debt	2,863	3,054
	<b>Total debt</b>	<b>7,864</b>	<b>9,075</b>
	<b>Accruals and deferred income</b>	<b>71</b>	<b>69</b>
	<b>Total equity and liabilities</b>	<b>58,661</b>	<b>56,734</b>
<b>1</b>	<b>Risk management and Capital management</b>		
<b>21</b>	<b>Own funds</b>		
<b>22</b>	<b>Contractual obligations, collateral and contingent liabilities</b>		
<b>23</b>	<b>Related parties</b>		
<b>24</b>	<b>Financial highlights</b>		
<b>25</b>	<b>Accounting policies</b>		



## Statement of changes in equity

DKKm	Share capital	Revaluation equity method	Other reserves a)	Retained earnings	Proposed dividend	Non-controlling interest	Total
<b>Equity at 31 December 2020</b>	<b>1,100</b>	<b>406</b>	<b>1,706</b>	<b>8,696</b>	<b>529</b>	<b>1</b>	<b>12,438</b>
<b>2021</b>							
Profit/loss for the year		858	29	-552	2,801		3,137
Other comprehensive income		16		0	0		16
Total comprehensive income	0	874	29	-552	2,801	0	3,153
Dividend paid					-2,630		-2,630
<b>Total changes in equity in 2021</b>	<b>0</b>	<b>874</b>	<b>29</b>	<b>-552</b>	<b>171</b>	<b>0</b>	<b>523</b>
<b>Equity at 31 December 2021</b>	<b>1,100</b>	<b>1,281</b>	<b>1,735</b>	<b>8,144</b>	<b>700</b>	<b>1</b>	<b>12,962</b>
<b>Equity at 31 December 2019</b>	<b>1,100</b>	<b>480</b>	<b>1,677</b>	<b>7,942</b>	<b>1,014</b>	<b>1</b>	<b>12,214</b>
<b>2020</b>							
Profit/loss for the year		-122	29	816	2,114		2,837
Other comprehensive income		48		-62	0		-14
Total comprehensive income	0	-74	29	754	2,114	0	2,823
Dividend paid					-2,598		-2,598
Non-controlling interest							0
<b>Total changes in equity in 2020</b>	<b>0</b>	<b>-74</b>	<b>29</b>	<b>754</b>	<b>-484</b>	<b>0</b>	<b>225</b>
<b>Equity at 31 December 2020</b>	<b>1,100</b>	<b>406</b>	<b>1,706</b>	<b>8,696</b>	<b>529</b>	<b>1</b>	<b>12,438</b>

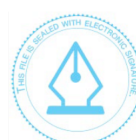
a) The possible payment of the dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 1,735m (DKK 1,706m in 2020).

The contingency fund provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and have been reclassified from retained earnings to reflect the total amounts related to Norwegian Natural Perils Pool and contingency fund provisions.



# Notes

DKKm		2021	2020
<b>1</b>	<b>Risk management and Capital management</b> Please refer to note 1 in Tryg Forsikring Group		
<b>2</b>	<b>Premium income, net of reinsurance</b>		
	Direct insurance	24,925	23,001
	Indirect insurance	65	52
		24,990	23,053
	Unexpired risk provision	0	24
		24,990	23,077
	Ceded direct insurance	-1,599	-1,467
		<b>23,391</b>	<b>21,610</b>
	<b>Direct insurance, by location of risk</b>	<b>2021</b>	<b>2021</b>
		<b>Gross</b>	<b>Ceded</b>
		<b>2020</b>	<b>2020</b>
		<b>Gross</b>	<b>Ceded</b>
	Denmark	15,063	-761
	Other EU countries	2,535	-281
	Other countries	7,328	-558
		<b>24,925</b>	<b>-1,600</b>
		<b>23,025</b>	<b>-1,467</b>
<b>3</b>	<b>Claims, net of reinsurance</b>		
	Claims a)	-17,085	-16,447
	Run-off previous years, gross	927	1,171
		-16,159	-15,276
	Reinsurance cover received	604	783
	Run-off previous years, reinsurers' share	8	17
		<b>-15,547</b>	<b>-14,477</b>
	a) Herof claims prevention cost 1% of total Claims cost for the year 2021		
<b>4</b>	<b>Insurance operating costs, net of reinsurance</b>		
	Commission regarding direct insurance business	-223	-291
	Other acquisition costs	-2,432	-2,242
	Total acquisition costs	-2,655	-2,532
	Administration expenses	-859	-798
	Insurance operating costs, gross	-3,514	-3,330
	Commission from reinsurers	258	170
		<b>-3,256</b>	<b>-3,160</b>
	<i>Administrative expenses include fee to the auditors appointed by the Annual General Meeting:</i>		
	PWC (Deloitte was auditors until 26 March 2021), included in administrative expenses	-6	-8
		<b>-6</b>	<b>-8</b>
	<i>Of which services other than audit:</i>		
	PWC (Deloitte was auditors until 26 March 2021), included in administrative expenses	-1	-1
		<b>-1</b>	<b>-1</b>
	In addition, expenses have been incurred for the Group's Internal Audit Department. For specification of audit costs please refer to the note 6 in Tryg Forsikring Group.		
	<i>Insurance operating costs and claims include the following staff expenses:</i>		
	Salaries and wages	-3,088	-2,796
	Commission	-7	-2
	Allocated share options and matching shares	-55	-18
	Pension	-415	-387
	Defined-benefit pension plans a)	0	128
	Other social security costs	-7	-7
	Payroll tax	-611	-528
		<b>-4,184</b>	<b>-3,610</b>
	Remuneration for the Supervisory Board and Executive Board is disclosed in note 23 'Related parties'.		
	a) In 2021 defined benefit plans were included with DKK 0m (DKK 128m in 2020)		
	<b>Average number of full-time employees during the year (continuing business)</b>	<b>4,507</b>	<b>4,251</b>
	<b>Share-based payment</b> Please refer to the note 6 in Tryg Forsikring Group.		





## Notes

DKKm	2021	2020
<b>6 Income from Group undertakings</b>		
Kapitalforeningen Tryg invest	0	192
Respons Inkasso AS	0	1
Tryg Real Estate Invest Norway AS (Norway)	0	3
TI Real Estate KL	8	-1
Forsikrings-Aktieselskabet Alka Liv II	2	-9
Kapitalforeningen Tryg invest Funds	824	375
Tryg Ejendomme A/S	13	-5
Tryg Livsforsikring A/S	35	11
	<b>882</b>	<b>568</b>
<b>7 Interest income and dividends</b>		
<i>Interest income and dividends</i>		
Dividends	0	7
Interest income bonds	360	375
Interest income other	2	0
	362	382
<i>Interest expenses</i>		
Interest expenses subordinate loan capital and credit institutions	-107	-95
Interest expenses others	-42	-30
Interest expenses, cash at bank and in hand	0	-1
	-149	-126
	<b>213</b>	<b>255</b>
<b>8 Value adjustments</b>		
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>		
Equity investments	-32	81
Unit trust units	29	-381
Bonds	-258	-194
Derivatives (Equity, Interest, Currency)	-412	650
	-673	155
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>		
Investment property	0	2
Other statement of financial position items*	-32	7
	-32	9
	<b>-706</b>	<b>164</b>
*Exchange rate adjustments concerning financial assets or liabilities which cannot be stated to fair value total DKK -49m (DKK -126m in 2020).		
<b>9 Tax</b>		
Tax on accounting profit/loss	-656	-669
Difference between Danish and foreign tax rates	-219	-104
Tax adjustment, previous years	105	10
Tax on permanent differences	49	-55
Change in valuation of tax assets	-1	53
Other taxes	0	-6
	<b>-722</b>	<b>-771</b>
<b>Effective tax rate</b>	%	%
Tax on Profit/loss for the year	22.0	22.0
Difference between Danish and foreign tax rate	7.0	3.5
Tax adjustment, previous year	-3.5	-0.5
Tax on permanent differences	-1.5	1.5
Change in valuation of tax assets	0.0	-1.5
Other taxes	0.0	0.5
	<b>24.0</b>	<b>25.5</b>
Tax on the Profit/loss for the year in the parent company is calculated exclusive of profit/loss and tax in Group undertakings.		



## Notes

DKKm

### 10 Intangible assets

2021	Goodwill	Trademarks and customer relations	Software a)	Assets under construction a)	Total
<b>Cost</b>					
Cost at 1 January	4,885	1,864	2,153	222	9,124
Exchange rate adjustments	-5	-1	23	4	20
Transferred from asset under construction	0	0	208	-208	0
Additions for the year	0	0	72	249	321
Disposals for the year	0	0	-189	0	-189
Cost at 31 December	4,880	1,863	2,267	267	9,276
<b>Amortisation and write-downs</b>					
Amortisation and write-downs at 1 January	-104	-376	-1,521	0	-2,001
Exchange rate adjustments	0	2	-13	0	-11
Amortisation for the year	0	-136	-212	0	-348
Impairment losses and write-downs for the year	0	0	-79	0	-79
Reversed amortisation	0	0	187	0	187
Amortisation and write-downs at 31 December	-104	-510	-1,637	0	-2,251
<b>Carrying amount at 31 December</b>	<b>4,776</b>	<b>1,353</b>	<b>630</b>	<b>267</b>	<b>7,025</b>

a) Hereof proprietary software DKK 377m (DKK 366m at 31 December 2020)

2020	Goodwill	Trademarks and customer relations	Software a)	Assets under construction a)	Total
<b>Cost</b>					
Cost at 1 January	4,876	1,861	2,097	292	9,125
Exchange rate adjustments	9	4	-26	-6	-19
Transferred from asset under construction	0	0	249	-249	0
Additions for the year	0	0	112	188	300
Disposals for the year	0	0	-280	-3	-282
Cost at 31 December	4,885	1,864	2,153	222	9,124
<b>Amortisation and write-downs</b>					
Amortisation and write-downs at 1 January	-104	-236	-1,422	0	-1,762
Exchange rate adjustments	0	-5	13	0	8
Amortisation for the year	0	-135	-193	0	-328
Impairment losses and write-downs for the year	0	0	-147	0	-147
Reversed amortisation	0	0	229	0	229
Amortisation and write-downs at 31 December	-104	-376	-1,521	0	-2,001
<b>Carrying amount at 31 December</b>	<b>4,781</b>	<b>1,488</b>	<b>632</b>	<b>222</b>	<b>7,123</b>

### Intangible assets

#### Goodwill

The Value-in-use method is used when testing the Goodwill for impairment.

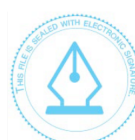
Please refer to the Note 11 "Intangible assets" in Tryg Forsikring Group regarding impairment test of goodwill for Alka, Obos and Moderna



## Notes

DKKm

11 Property, plant and equipment				Leases ROU 'Group- occupied property b)	
		Operating equipment	Leases ROU equipment a)		Total
<b>2021</b>					
<b>Cost</b>					
Cost at 1 January		246	88	904	1,239
Exchange rate adjustments		2	0	11	13
Additions for the year		23	17	87	126
Disposals for the year		-19	-1	-19	-40
Cost at 31 December		251	103	983	1,337
<b>Accumulated depreciation and value adjustments</b>					
Accumulated depreciation and value adjustments at 1 January		-126	-62	-274	-462
Exchange rate adjustments		-1	0	-4	-5
Depreciation for the year		-11	-14	-101	-125
Reversed depreciation and value adjustments		17	0	0	17
Accumulated depreciation and value adjustments at 31 December		-121	-75	-379	-575
<b>Carrying amount at 31 December</b>		<b>130</b>	<b>28</b>	<b>604</b>	<b>762</b>
<b>2020</b>					
<b>Cost</b>					
Cost at 1 January		360	76	912	1,348
Exchange rate adjustments		-4	0	-14	-18
Additions for the year		37	15	10	62
Disposals for the year		-146	-3	-4	-153
Cost at 31 December		246	88	904	1,239
<b>Accumulated depreciation and value adjustments</b>					
Accumulated depreciation and value adjustments at 1 January		-235	-46	-182	-463
Exchange rate adjustments		3	0	3	6
Depreciation for the year		-22	-18	-99	-140
Reversed depreciation and value adjustments		128	2	4	135
Accumulated depreciation and value adjustments at 31 December		-126	-62	-274	-462
<b>Carrying amount at 31 December</b>		<b>120</b>	<b>27</b>	<b>630</b>	<b>777</b>
a) Lease assets (Right of use-assets(ROU)) equipment only consists of leases of vehicles with a lease term of three to four years. The monthly amounts are fixed and there is no option for purchase or extension. Short term leases are not recognised as Right of use-assets.					
b) Lease assets (Right of use-assets), Group occupied property consists of leases of offices buildings. Contract terms are from 1 to 15 years and with yearly rent adjustments. Tryg has no lease contracts with variable lease payments based on sale or similar.					
<b>12 Investment property</b>				<b>2021</b>	<b>2020</b>
Fair value at 1 January				12	25
Exchange rate adjustments				0	-1
Disposals for the year				0	-15
Value adjustments for the year				0	-1
Reversed on sale				0	4
<b>Fair value at 31 December</b>				<b>13</b>	<b>12</b>
Total rental income for 2021 is DKK 0.0m (DKK 0.2m in 2020).					
Total expenses for 2021 are DKK 0.2m (DKK 1.0m in 2020).					
External experts were involved in valuing some of the investment property.					
The following return percentages were used for each property category:					
<b>Return percentages, weighted average</b>					
Business property				5.1	5.0
Office property				4.6	5.8
Residential property				4.2	2.1
<b>Total</b>				<b>5.0</b>	<b>4.9</b>



## Notes

DKKm		2021	2020				
<b>13</b>	<b>Investments in Group undertakings</b>						
	<b>Cost</b>						
	Cost at 1 January	14,290	13,123				
	Exchange rate adjustments	197	-25				
	Additions for the year	289	11,990				
	Disposals for the year	-144	-10,799				
	Cost at 31 December	14,631	14,290				
	<b>Revaluations to equity value</b>						
	Revaluations at 1 January	406	480				
	Exchange rate adjustments	7	-6				
	Revaluations during the year	867	-67				
	Dividend paid	0	-1				
	Revaluations at 31 December	1,281	406				
	<b>Write downs</b>						
	Write downs at 1 January	-2,839	-1,638				
	Exchange rate adjustments	-2	0				
	Revaluations during the year	16	-31				
	Reversal of write-downs made in the previous year (profit for the year)	0	-1,170				
	Write downs at 31 December	-2,825	-2,839				
	<b>Carrying amount at 31 December</b>	<b>13,087</b>	<b>11,857</b>				
	<b>Name and registered office</b>	<b>Ownership share in %</b>		<b>Profit/loss for the year</b>		<b>Shareholders equity</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Kapitalforeningen Tryg invest, Lyngby	0	0	0	542	0	10,569
	Respons Inkasso AS, Bergen	100	100	0	1	7	7
	Tryg Real Estate Invest Norway AS (Norway)	0	0	62	1	626	0
	Forsikrings-Aktieselskabet Alka Liv II, Høje Tåstrup	100	100	2	-9	119	117
	Tryg Ejendomme A/S, Ballerup	100	100	13	-5	148	135
	Tryg Livsforsikring A/S, Ballerup	100	100	35	11	185	151
	TI Short Term Placement KL	67	100	0	0	50	76
	Kapitalforeningen Tryg invest Funds, Lyngby	84	85	833	382	12,494	11,561
	TI Real Estate KL	6	0	482	92	4,269	2,984



## Notes

DKKm	2021	2020
<b>14 Equity investments in associates</b>		
<b>Cost</b>		
Cost at 1 January	96	34
Additions for the year	42	62
Cost at 31 December	137	96
<b>Revaluations at net asset value</b>		
Revaluations at 1 January	-81	-34
Disposals for the year	-41	-47
Revaluations at 31 December	-122	-81
<b>Carrying amount at 31 December</b>	<b>16</b>	<b>15</b>
<b>15 Financial assets</b>		
Investment in Group undertakings, applying the equity method	312	275
Financial assets held for trading	15,793	16,485
Financial assets designated at fair value	27,697	25,564
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	32	0
Receivables measured at amortised cost	5,014	4,773
<b>Total financial assets</b>	<b>48,848</b>	<b>47,095</b>
Financial assets at amortised cost only deviate to a minor extent from fair value.		
<b>Financial liabilities</b>		
Derivative financial instruments at fair value with value adjustments in the income statement	584	893
Derivative financial instruments at fair value with value adjustments in other comprehensive income	0	-93
Financial liabilities at amortised cost	11,723	11,076
<b>Total financial liabilities</b>	<b>12,306</b>	<b>11,876</b>
Information on valuation of subordinate loan capital at fair value is stated in note 1. Other financial liabilities measured at amortised cost only deviate to a minor extent from fair value.		
<b>The Fair value hierarchy</b>		
"Quoted market prices and consolidated reference prices" (level 1) consists of financial instruments that are quoted and traded in a principal and active market (markets generally accessible and with substantial volume and trade frequency)		
Valuation based on observable input (level 2) consists of financial instruments that are valued substantially based on observable input other than quoted price or consolidated reference price for the instrument itself. If a financial instrument is quoted in a market that is not active, Tryg Forsikring bases its measurement on the most recent transaction price.		
Adjustment is made for subsequent changes to market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market exists. In such cases, Tryg uses recent transactions in similar instruments and discounted cash flows or other generally accepted estimations and valuation techniques based on market conditions at the balance sheet date to calculate an estimated value. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar liquid bonds.		
Valuation based on significant non-observable input (level 3) consists of certain financial instruments based substantially on non-observable input. Such instruments include unlisted shares, unit trust investments, some unlisted bonds and Deal Contingent Forwards. The fair value of investment property is also based on non-observable input. Please refer to note 13 and accounting policies section Investment property.		
If, at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year, the classification of the instrument changes. Changes are considered to have taken place at the balance sheet date. Developments in the financial markets can result in reclassifications between the categories. Some bonds have become illiquid and have therefore been moved from "Quoted prices or consolidated reference prices" to the "Observable input" category, while other bonds have become liquid and have been moved from "Observable input" to the "Quoted prices or consolidated reference prices" category.		



## Notes

DKK m

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### Fair value hierarchy for financial instruments and investment property measured at fair value in the statement of financial position

	Quoted market prices or consolidated reference prices a)	Observable input	Non-observable input	Total
<b>2021</b>				
Investment property	0	0	13	13
Equity investments	0	0	38	38
Unit trust units	284	0	36	320
Bonds	29,305	267	0	29,572
Derivative financial instruments, assets	0	817	0	817
Derivative financial instruments, debt	0	-584	0	-584
	29,589	500	86	30,176

a) Consolidated reference prices means Nasdaq consolidated reference prices

### 2020

Investment property	0	0	12	12
Equity investments	0	0	35	35
Unit trust units	256	0	35	291
Bonds	26,429	2,393	0	28,822
Derivative financial instruments, assets	0	1,318	0	1,318
Derivative financial instruments, debt	0	-800	0	-800
	26,685	2,911	82	29,678

Bonds measured on the basis of observable inputs consist of Norwegian bonds issued by banks and to some extent Danish semi-liquid bonds, where no quoted prices or consolidated reference prices based on actual trades are available.

### Financial assets (continued)

	2021	2020
Financial instruments transferred from "Quoted market prices or consolidated reference prices" to "Observable input"	120	902
Financial instruments transferred from "Observable input" or "Non-observable input" to "Quoted market prices or consolidated reference prices"	960	0
<i>Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:</i>		
Carrying amount at 1 January	82	98
Exchange rate adjustments	-1	2
Gains/losses in the income statement	-2	55
Purchases	11	9
Sales	-5	-82
<b>Carrying amount at 31 December</b>	<b>86</b>	<b>82</b>

Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments

\* Hereof realised DKK 0m (DKK 54m in 2020)

Inflation derivatives are measured at fair value on the basis of non-observable input and are included under claims provisions at a fair value of DKK -181m (DKK -709m in 2020).

### Receivables

Total receivables in connection with direct insurance contracts	1,669	1,662
Receivables from insurance enterprises	407	270
Receivables from Group undertakings	1,484	923
Unsettled transactions	120	120
Other receivables	288	534
	<b>3,968</b>	<b>3,509</b>

*Specification of write-downs on receivables from insurance contracts*

Write-downs at 1 January	136	138
Exchange rate adjustments	1	1
Reversed writedowns	-3	-3
<b>Write-downs at 31 December</b>	<b>133</b>	<b>136</b>

Receivables are written down in full when submitted for debt collection. The write-down is reversed if payment is subsequently received from debt collection and amounts to DKK 32m (DKK 37m in 2020).



## Notes

DKKm	2021	2020
<b>16 Reinsurer's share</b>		
<i>Impairment test</i>		
As at 31 December 2021, management performed a test of the carrying amount of total reinsurers' share of provisions for insurance contracts and receivables. The impairment test resulted in write-down totalling DKK 3m (DKK m in 2020). The use of reinsurance creates a natural counterparty risk. The Risk will be handled by applying a wide range of reinsurers with at least an 'A' rating.		
<b>17 Current tax</b>		
Net current tax, 1 January	-349	-86
Exchange rate adjustments	-13	7
Change to opening figure	21	93
Tax on taxable income booked on equity	22	-28
Current tax for the year	-812	-922
Tax paid for the year	1,221	587
<b>Net current tax at 31 December</b>	<b>90</b>	<b>-349</b>
<i>Current tax is recognised in the statement of financial position as follows:</i>		
Under assets, current tax	304	2
Under liabilities, current tax	-215	-351
<b>Net current tax</b>	<b>90</b>	<b>-349</b>
Due to IFRIC 23, uncertain tax positions should be valued and recognized in the tax balance. Tryg Forsikring A/S has asked the Danish tax authorities for a repayment of tax for unused tax loss in the closed Finnish branch in 2012. 80% of the expected tax repayment has been included in the balance of actual tax.		
<b>18 Deferred tax</b>		
<b>Tax asset</b>		
Operating equipment	134	11
Obligationer	73	42
Debt and provisions	0	76
	<b>207</b>	<b>129</b>
<b>Tax liability</b>		
Intangible rights	319	410
Land and buildings	-1	0
Contingency funds	482	487
Debt and provisions	130	0
	<b>930</b>	<b>897</b>
<b>Deferred tax</b>	<b>723</b>	<b>768</b>
<b>Development in deferred tax</b>		
Deferred tax at 1 January	768	829
Exchange rate adjustments	18	-23
Change to opening figure	-86	31
Change in deferred tax relating to change in tax rate	0	-3
Change in deferred tax taken to the income statement	23	-87
Change in deferred tax taken to equity	0	21
<b>Deferred tax at 31 December</b>	<b>723</b>	<b>768</b>
Loss determined according to Swedish, Finnish, German, Austrian and Belgium rules can be carried forward indefinitely. In the Netherlands tax losses can be carried forward 6 years. In Switzerland tax losses can be carried forward 7 years.		
The losses are not recognized as tax assets until it has been substantiated that the company can generate sufficient future taxable income to offset the tax loss. The total current and deferred tax relating to items recognised in equity is recognised in the statement of financial position of DKK 27m (DKK 50m at 31 December 2020).		
<b>19 Other provisions</b>		
Other provisions 1 January	57	86
Exchange rate adjustments	0	-2
Change in provisions	-17	-27
<b>Other provisions 31 December</b>	<b>40</b>	<b>57</b>
Other provisions relate to provisions for the Group's own insurance claims and restructuring costs. Additions to the provision for restructuring costs during the year amounts to DKK 18m (DKK 14m in 2020) and use of existing restructuring provisions amounts to DKK 36m (DKK 42m in 2020). The balance as at 31 December 2021 excluding own insurances amounts to DKK 35m (DKK 47m at 31 December 2020).		
The mature of the obligation is within 5 years.		



## Notes

DKKm		2021	2020			
<b>20</b>	<b>Other debt</b>					
	Debt related to Leasing are included in Other Debt. Please refer to note 11 for specification of ROU assets.					
	<b>Maturity of undiscounted lease liabilities</b>					
	Due 1 year or less	138	134			
	Due 1 - 5 years	331	345			
	Due more than 5 years	402	411			
	<b>Total Lease liabilities 31 December</b>	<b>871</b>	<b>890</b>			
	<b>Lease liabilities included in the statement of financial position</b>					
	Hereof future cash flow Options	11	66			
	<b>Amounts recognised in statement of cash flow</b>					
	Total cash out-flow for leases	137	139			
	<b>Amounts recognised in income statement</b>					
	Interest on lease liabilities	-32	-36			
	There are no short term leases recognised in the financial statement.					
<b>21</b>	<b>Own funds</b>					
	Equity according to annual report	12,962	12,438			
	Proposed dividend	-700	-529			
	Intangible assets	-7,025	-7,123			
	Profit margin, solvency purpose	1,408	1,408			
	Taxes	185	201			
	Subordinate loan capital	3,241	2,652			
	<b>Own funds</b>	<b>10,070</b>	<b>9,047</b>			
<b>22</b>	<b>Contractual obligations, collateral and contingent liabilities</b>					
	<b>Obligations due by period</b>					
<b>2021</b>		<b>0-1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	Other contractual obligations	860	229	89	4	1,182
		<b>860</b>	<b>229</b>	<b>89</b>	<b>4</b>	<b>1,182</b>
	<b>Contractual obligations</b>					
	<b>Obligations due by period</b>					
<b>2020</b>		<b>0-1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	Operating leases a)					
	Other contractual obligations	288	221	71	4	584
		<b>288</b>	<b>221</b>	<b>71</b>	<b>4</b>	<b>584</b>
<b>2021</b>	a) Other contractual obligations mainly consists of investments commitments, IT and outsourcing agreements. Please refer to note 11 for lease agreements recognised as ROU. Tryg Forsikring has signed the following contracts with amounts above DKK 50m: Tryg Forsikring is committed to invest in some investment funds. The commitment amounts to DKK 625m. DKK 625m are expected called during 2022. Tryg Forsikring has signed IT infrastructure agreements with commitments amounting to DKK 361m within 5 years.					
<b>2020</b>	a) Other contractual obligations mainly consists of investments commitments, IT and outsourcing agreements. Please refer to note 11 for lease agreements recognised as ROU. Tryg Forsikring has signed the following contracts with amounts above DKK 50m: Tryg has signed IT infrastructure agreements with commitments amounting to DKK 357m within 5 years.					
	<b>Collateral</b>					
	The Danish companies in the Tryg Forsikring Group are jointly taxed with TryghedsGruppen smba. As of 1. July 2012, the companies and the other jointly taxed companies are liable for any obligations to withhold taxes at source on interest, royalties and dividends in respect of the jointly taxed companies. Please find offsetting and collateral in relation to financial assets and obligations in Tryg Forsikring Group note 24 "Contractual obligations, collateral and contingent liabilities".					
<b>23</b>	<b>Related parties</b>					
	Tryg Forsikring A/S has no related parties with a decisive influence other than the parent company Tryg A/S, TryghedsGruppen smba and the subsidiaries of TryghedsGruppen smba (Other related parties). Related parties with significant influence include the Supervisory board, Executive Board and their families. In 2021 Tryg Forsikring A/S paid dividend to Tryg A/S DKK 2.630m (DKK 2,599m in 2020)					
	<b>Premium income</b>					
	- TryghedsGruppen smba			0.5		0.5
	- Key management			0.5		0.5
	- Other related parties			2.1		3.4
	<b>Claims paid</b>					
	- TryghedsGruppen smba			0.0		0.1
	- Key management			0.1		0.2
	- Other related parties			0.3		0.4



## Notes

DKKm

**23** Specification of remuneration please refer to note 25 in Tryg Forsikring Group

**Intra-group transactions**

	Tryg A/S	Group undertakings
Buying and selling of other assets	0	0
Providing and receiving services	15	26
Intra-group account	513	340
Interest	0	0

Transactions between Tryg Forsikring A/S, Tryg A/S and group undertakings are conducted on an arm's length basis.

Administration fee, ect. is fixed on a cost-recovery basis

Intra-group accounts are offset and carry interest on market terms.

The companies in the Tryg Forsikring group have entered into reinsurance contracts on market terms.

**24 Financial highlights**

Please refer to next page

**25 Accounting policies**

Please refer to the Note 27 Accounting policies in Tryg Forsikring Group.

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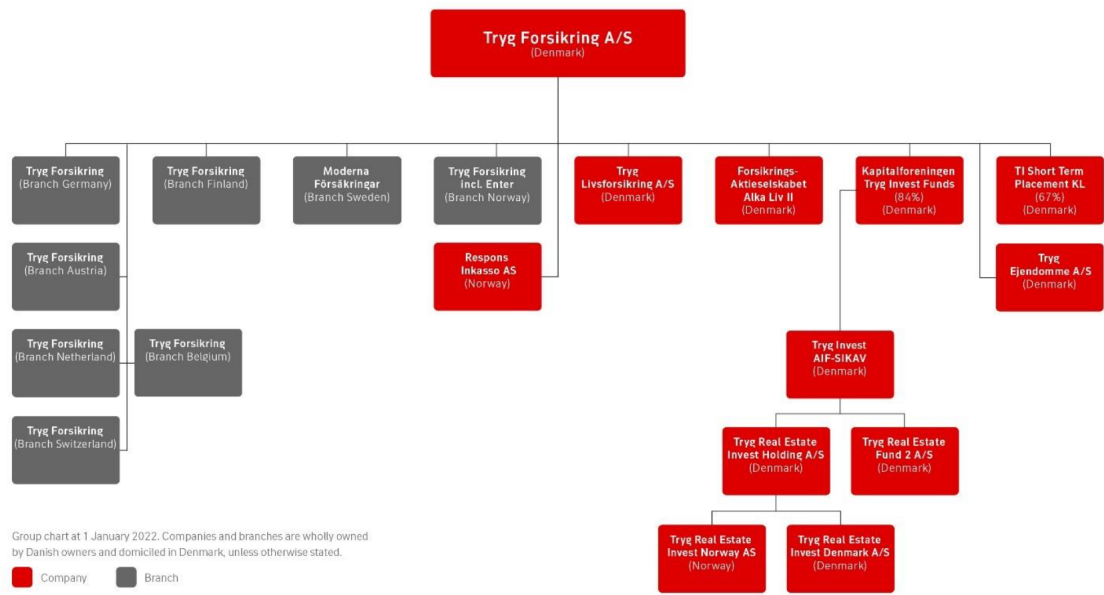
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## Notes

	DKKm	2021	2020	2019	2018	2017
<b>24</b>	<b>Gross premium income</b>	<b>23,967</b>	<b>22,485</b>	<b>21,541</b>	<b>18,668</b>	<b>17,901</b>
	Gross claims	-16,159	-15,276	-14,686	-12,584	-11,785
	Total insurance operating costs	-3,514	-3,330	-3,225	-2,735	-2,491
	Profit/loss on gross business	4,294	3,878	3,629	3,349	3,625
	Profit/loss on ceded business	-730	-497	-566	-623	-778
	<b>Technical result</b>	<b>3,564</b>	<b>3,381</b>	<b>3,064</b>	<b>2,726</b>	<b>2,847</b>
	Investment return after insurance technical interest	672	263	525	-409	431
	Other income	132	88	168	128	117
	Other costs	-506	-124	-125	-202	-124
	<b>Profit/loss for the year before tax</b>	<b>3,862</b>	<b>3,608</b>	<b>3,631</b>	<b>2,243</b>	<b>3,271</b>
	Tax	-722	-771	-734	-459	-693
	<b>Profit/loss for the year, continuing business</b>	<b>3,140</b>	<b>2,837</b>	<b>2,896</b>	<b>1,784</b>	<b>2,578</b>
	Profit/loss on discontinued and divested business after tax	-3	0	-2	-2	-2
	<b>Profit/loss for the year</b>	<b>3,137</b>	<b>2,837</b>	<b>2,895</b>	<b>1,782</b>	<b>2,576</b>
	Run-off gains/losses, net of reinsurance	934	1,188	1,188	1,209	1,009
	Relative run-off gains/losses	4.2	5.4	5.4	5.8	4.8
	<b>Statement of financial position</b>					
	Total provisions for insurance contracts	32,450	31,396	31,149	30,744	29,119
	Total reinsurers' share of provisions for insurance contracts	1,494	1,377	1,501	1,415	1,366
	Total equity	12,962	12,438	12,214	11,395	9,066
	Total assets	58,661	56,734	56,140	54,576	51,531
	<b>Key ratios</b>					
	Gross claims ratio	67.4	67.9	68.2	67.4	65.8
	Business ceded as a percentage of gross premiums	3.0	2.2	2.6	3.3	4.3
	Claims ratio, net of ceded business	70.5	70.2	70.8	70.7	70.1
	Gross expense ratio	14.7	14.8	15.0	14.7	13.9
	<b>Combined ratio</b>	<b>85.1</b>	<b>85.0</b>	<b>85.8</b>	<b>85.4</b>	<b>84.0</b>
	Operating ratio	85.1	85.0	85.8	85.4	84.0
	Return on equity after tax and before discontinued and divested business (%)	23.2	21.5	23.6	18.1	26.9
	Return on equity after tax and discontinued and divested business (%)	23.2	21.5	23.6	18.1	26.8
	Note: Tryg's acquisition of Alka affects the Financial Statement from closing the 8 November 2018					



# Organisation chart



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## Glossary

The financial highlights and key ratios of Tryg Forsikring have been prepared in accordance with the Executive Order issued by the Danish Financial Supervisory Authority on the Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds and also comply with 'Recommendations & Ratios' issued by the Danish Finance Society.

### Gross premium income

Calculated as gross premium income adjusted for change in gross premium provisions, less bonuses and premium discounts.

### Gross claims ratio

$$\frac{\text{Gross claims} \times 100}{\text{Gross premium income}}$$

### Net reinsurance ratio

$$\frac{\text{Profit or loss from reinsurance} \times 100}{\text{Gross premium income}}$$

### Gross expense ratio

$$\frac{\text{Gross insurance operating costs} \times 100}{\text{Gross premium income}}$$

### Combined ratio

The sum of the gross claims ratio, the net reinsurance ratio and the gross expense ratio.

### Operating ratio

Calculated as the combined ratio plus insurance technical interest in the denominator.

$$\frac{\text{Claims} + \text{insurance operating costs} + \text{profit or loss from reinsurance} \times 100}{\text{Gross premium income} + \text{insurance technical interest}}$$

### Relative run-off gains/losses

Run-off gains/losses net of reinsurance relative to claims provisions net of reinsurance, beginning of year.

### Discounting

Expresses recognition in the financial statements of expected future payments at a value below the nominal amount, as the recognised amount carries interest until payment. The size of the discount depends on the market-based discount rate applied and the expected time to payment.

### Claims ratio, net of ceded business

Gross claims ratio + net reinsurance ratio payment.

### Unwinding

Unwinding of discounting takes place with the passage of time as the expected time to payment is reduced. The closer the time of payment, the smaller the discount. This gradual increase of the provision is not recognised under claims, but under technical interest in the income statement.

### Percentage return on equity after tax

$$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$$

### Danish general insurance

Comprises the legal entities Tryg Forsikring A/S and Tryg Livsforsikring A/S and excluding the Norwegian and Swedish branches).

### Norwegian general insurance

Comprises Tryg Forsikring A/S, Norwegian branch.

### Swedish general insurance

Comprises Tryg Forsikring Forsikring A/S, Swedish branch.

### Other general insurance

Comprises Finnish, Dutch, Austrian, Swiss, Belgium and German Credit & surety insurance.

### Solvency II

New solvency requirements for insurance companies issued by the EU Commission. The new rules came into force at 1 January 2016.

### Run-off gains/losses

The difference between the claims provisions at the beginning of the financial year (adjusted for foreign currency translation adjustments and discounting effects) and the sum of the claims paid during the financial year and that part of the claims provisions at the end of the financial year pertaining to injuries and damage occurring in earlier financial years.

### Own funds

Equity plus share of qualifying subordinate loan capital and profit margin (solvency purpose), less intangible assets, tax asset and proposed dividend.

### Solvency ratio

Ratio between own funds and the capital requirement



## 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 the management. Such statements may constitute forward-looking statements. These forward-looking statements (other than statements of historical fact) regarding our future results of operations, financial condition, cash flows, business strategy, plans and future objectives can generally be identified by terminology 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.

Tryg Forsikring urges readers to refer to the section on risk management available on the Group's website for a description of some of the factors that could affect the company's future performance and the industry in which it operates.

Should one or more of these risks or uncertainties materialise or should any underlying assumptions prove to be incorrect, the Tryg Forsikring Group's actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected. Tryg Forsikring Group 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.

