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Annual report 2022

1 January – 31 December 2022

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 30 March 2023

A handwritten signature in blue ink, appearing to read "Bettina Drejer Clausen".

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
Claus Wistoft
Ida Sofie Jensen
Thomas Hofman-Bang
Mengmeng Du
Jørn Rise Andersen
Tina Snebjerg
Mari Thjømøe
Carl-Viggo Östlund
Elias Bakk
Mette Osvold
Lena Darin

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 1,646m 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 (<https://www.tryghed.dk> and www.Tryg.com)

Address

Tryg Forsikring A/S
Klausdalsbrovej 601
DK-2750 Ballerup

Tel. +45 70 11 20 20

www.Tryg.dk



Management's review

Tryg at a glance

As the world changes, we make it easier to be **tryg***

Strong market position

Tryg is the largest non-life insurer in Scandinavia. We are the largest player in Denmark and the third largest in Sweden. In Norway, we are the fourth largest company in the market.

5.3 million customers

Our 7,000 employees provide peace of mind for 5.3 million customers and handle approximately 1.5 million claims on a yearly basis.

Norway: Tryg

Sweden: TRYGG HANSA

Denmark: Tryg

4

Market position

14.7%

Market share

1

Market position

22.4%

Market share

3

Market position

17.3%

Market share

Attractive dividend policy

Tryg aims to distribute a stable, nominal increase in dividends, and to pay out 60-90% of operating earnings.

Low risk portfolio

Private
Commercial
Corporate

Trygheds-Gruppen

TryghedsGruppen owns 46.5% of Tryg and contributes to projects that create peace of mind via TrygFonden. In 2022, TrygFonden has contributed up to DKK 650m and paid a member bonus of 1.7bn to Danish customers in Tryg.

Business areas

Private

Private provides insurance products to private customers in Denmark and Norway. Private offers a range of insurance products including motor, content, house, accident, travel, motorcycles, pet and health.

65%

of premiums

Distribution channels*

Own sales agents Call centres
Real estate agents Online Bancassurance
Car dealers Franchises Partner

Brands

alka enter Tryg
TRYGG HANSA

Commercial

Commercial provides insurance products including motor, property, liability, workers' compensation, travel and health to small and medium-sized business in Denmark and Norway.

25%

of premiums

Distribution channels

Call centres Online Bancassurance
Own sales agents Franchise offices
Partner

Brands

Tryg Tryg Garanti
TRYGG HANSA

Corporate

Corporate provides insurance products including property, liability, workers' compensation, transport, group life etc. to corporate customers under the brand Tryg in Denmark and Norway, and Tryg-Hansa in Sweden. Tryg has a cooperation with the global RSA network for international customers.

10%

of premiums

Distribution channels

Own sales agents
Insurance brokers

Brands

Tryg TRYGG HANSA

* Not exhaustive

Merger of Trygg-Hansa and Codan Norway
 Trygg-Hansa, Codan Norway are merged into Tryg Forsikring A/S from 1 April 2022. Holmia Livsförsäkring was acquired as part of the merger. Following the merger the result for Trygg-Hansa and Codan Norway is included with 9 months from 1 April to 31 December 2022.



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Income overview Tryg Forsikring Group

DKKm	2022	2021
Gross premium income	33,938	24,137
Gross claims	-22,407	-16,275
Total insurance operating costs	-4,783	-3,395
Profit/loss on gross business	6,748	4,468
Profit/loss on ceded business	-723	-731
Insurance technical interest, net of reinsurance	152	-29
Technical result	6,177	3,709
Investment return after insurance technical interest	-1,261	709
Other income and costs	-1,814	-510
Profit/loss before tax	3,102	3,907
Tax	-832	-767
Profit/loss on continuing business	2,270	3,140
Profit/loss on discontinued and divested business after tax	0	-3
Profit/loss	2,270	3,137
Run-off gains/losses, net of reinsurance	1,380	963
Key figures		
Total equity	42,655	13,468
Return on equity after tax (%)	8.2	22.4
Return On Own Funds (ROOF)	17.4	32.8
Return On Tangible Equity (ROTE)	24.0	48.3
Premium growth in local currencies a)	5.9	4.9
Gross claims ratio	66.0	67.4
Net reinsurance ratio	2.1	3.0
Claims ratio, net of ceded business	68.2	70.5
Gross expense ratio	14.1	14.1
Combined ratio	82.2	84.5
Run-off, net of reinsurance (%)	-4.1	-4.0
Large claims, net of reinsurance (%)	3.4	1.8
Weather claims, net of reinsurance (%)	1.7	1.9
COVID-19 claims, net of reinsurance (%)	0.0	-0.5
Combined ratio on business areas		
Private b)	83.0	83.7
Commercial	80.5	83.8
Corporate	81.4	89.4

From 1 April 2022 Trygg-Hansa, Codan Norway and Holmia Livsförsäkring are fully consolidated in the Financial Statements.

a) Premium growth in 2022 is measured against comparative proforma 2021 figures from Trygg-Hansa and Codan Norway

b) From H1 2022, Tryg Forsikring's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" and comparative figures are restated accordingly.

Codan Norway and Trygg-Hansa

Tryg Forsikring started to fully consolidate Codan Norway and Trygg-Hansa from April 2022. Premium growth in local currencies is based on pro-forma figures from Codan Norway and Trygg-Hansa for the year 2021.



Tryg Forsikring's results

Results 2022

Tryg Forsikring reported a pro-forma group premium growth of 5.9% measured on a comparable basis including Codan Norway and Trygg-Hansa in 2021. The top-line development was predominantly driven by a good growth in the Private and Commercial segments. The Private segment reported a robust growth of 6.3% (4.9% excluding bonus and premiums rebates), whilst the Commercial segment reported also a positive top-line development of 5.1%. Corporate reported a growth of 5.4%, positively impacted by a transfer from the Commercial business area (adjusted for this, growth was approximately -1%). Tryg Forsikring reported a technical result of DKK 6,177m (DKK 3,709m) predominantly impacted by the consolidation (for nine months) of Codan Norway and Trygg-Hansa, but also positively impacted by the underlying claims development, ongoing delivery of RSA Scandinavia synergies, and increasing interest rates used to discount the liabilities leading to a lower level of claims paid, all else being equal.

The high technical result was achieved despite a significant drop in the Swedish and Norwegian currencies. Tryg Forsikring reported a combined ratio of 82.2 (84.5) driven by a claims ratio of 68.2 (70.5) and an expense ratio of 14.1 (14.1). The reported technical result improved significantly for Private and Commercial predominantly due to the acquisition of RSA Scandinavia. The improvement in technical result was also supported by an organic growth in both Private and Commercial, whilst Corporate improved primarily driven by pricing initiatives and Tryg Forsikring's rebalancing strategy with lower level of international high risk exposure. The group's underlying claims ratio (adjusted from the reported claims ratio for all volatile items such as weather claims, large claims, run-offs, discount rate and COVID-19 claims) continued to improve primarily driven by profitability initiatives Corporate and Commercial offsetting a small deterioration in the Private segment against pro-forma figures.

Synergies from the RSA Scandinavia transaction amounted to DKK 406m in 2022 and therefore exceed the targeted DKK 350m. The DKK 406m of synergies can be split into DKK 250m from administration and distribution, DKK 61m from Commercial synergies, DKK 55m from procurement synergies and DKK 40m from claims synergies. The investment result was DKK -1,261m (DKK 709m). Financial markets developed negatively during 2022 driven primarily by falling equity markets during the first nine months of the year and higher interest rates in the same period following sharply increased inflation levels, some of these trends reversed partly in the last quarter of 2022.

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 (in accordance to 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 -1,814m (DKK -510m), with the large increase driven by the booking of integration costs related to the RSA Scandinavia acquisition totalling DKK 949m and intangibles amortisation related to the acquisition of DKK 651m for the nine months between Q2 and Q4. Other income and costs also include the annual depreciation of customer relations and brands related to the Alka acquisition of DKK 127m, holding company costs and number of smaller items.

The pre-tax result was DKK 3,102m (DKK 3,907m), while the net profit was DKK 2,270m (DKK 3,137m). The fall in the pre-tax result is entirely attributable to the poorer investment result in 2022 and the planned booking of integration costs related to the RSA Scandinavia acquisition. In 2022, Tryg Forsikring customers in Denmark received their seventh member bonus from TryghedsGruppen. The 8% bonus is appreciated by customers and seen as an important competitive advantage, boosting customer loyalty and supporting customer targets.

Premiums

Tryg Forsikring reported a premium income of DKK 33,938m equivalent to a pro-forma 5.9% growth in local currencies, premiums growth was 5.3% after adjusting for bonus and premiums rebates. The Private segment reported a pro-forma growth of 6.3% (4.9% when adjusted for bonus and premiums rebates). Private Denmark maintains a high level of organic growth and was positively impacted by a lower level of bonus and premium rebates compared to 2021. Additionally, the development was positively impacted by strong growth driven by partner agreements, cross-selling to existing customers and price adjustments to mitigate inflation. Private Norway reported an increased growth due to strong sales to partner agreements and continued price adjusting initiatives to mitigate inflation. Private Sweden segment experienced an improved growth compared to recent years, driven by higher sales across all



channels and improvement in partner agreements, the growth was more pronounced in the motor segment even in a year where the sales of new cars were challenged. Retention in all markets remains high but deteriorated slightly towards year-end impacted by a modestly higher churn for single product customers in some of the partner agreements.

The Commercial segment reported a growth of 5.1%. Commercial Denmark had a high level of growth and was impacted by both organic growth and price adjustments to mitigate inflation and improve profitability. The growth was also supported by a net inflow of customers. Retention in all markets remains high but slightly deteriorated at year-end as a result of customers reacting to price adjustments. Commercial Norway reported a decrease of 13.1% affected by a transfer of business from Codan Norway to Corporate Norway, adjusted for the transfer, Commercial Norway grew approximately 3%. The growth was predominantly affected by price adjustment to improve profitability and mitigate inflation. Trygg-Hansa's Commercial segment delivered a strong growth compared to previous years supported by net inflow of customers, strong retention and pricing adjustments to mitigate inflation and improve profitability.

The Corporate segment, reported a growth of 5.4% including the transfer of Codan Norway portfolio to the Corporate segment. Adjusted for the transfer, the segment witnessed a negative top-line development of approximately 1% in line with Tryg Forsikring's key priorities to improve the profitability in the Corporate segment. The Corporate segment continues to work on sustainable profitability initiatives, and rebalancing the portfolio by e.g. lowering the level of international high risk exposure.

Claims

The claims ratio, net of ceded business, was 68.2. In general, group underlying profitability improved supported by profitability initiatives in Commercial and Corporate. At the same time, travel insurance claims in the Private segment increased throughout the year, as travel activity picked up and many households displayed a changed travel pattern, with fewer but more expensive trips as opposed to more activity during the year.

In 2022, inflation headlines were all over, this was particularly evident in building materials and motor spare parts. Tryg Forsikring is relatively shielded by robust procurement agreements and is continuously monitoring inflation and adjusting prices accordingly to mitigate increased claims costs. The development in inflation was primarily evident in the Private segment affecting the underlying profitability. Price adjustments in all segments and claims containment measures will offset the current pressure on the Private segment and continue to help improving underlying claims ratio for the group. For the FY 2022, large claims totalled DKK 1,142m (3.4%), weather claims totalled DKK 591m (1.7%) while the run-off result was DKK 1,380m (-4.1%). Tryg Forsikring had a high level of large claims in both the Commercial and Corporate businesses. Tryg Forsikring was also impacted by weather claims, especially in Private, particularly in Denmark and Norway. Norway experienced very bad weather in December which resulted in a high number of claims. The higher level of interest rates had a positive impact on the result as Tryg discounted the liabilities (claims reserves) with a higher interest rate therefore reducing claims costs (all else being equal).

Expenses

The expense ratio was 14.1 (14.1). In general, Tryg Forsikring has been working to reduce distribution costs whilst some of the savings from these initiatives are being invested in new digital solutions. The expense ratio is also positively impacted by the strong growth, especially in the Private segment in recent years. The strong top-line development helps the expense ratio as there are significant economies of scale considering that the backend staff and shared service units are not particularly significantly impacted by the higher revenues level therefore supporting the low expense ratio level. The RSA Scandinavia related synergies also support the expense focus. As communicated, Tryg Forsikring utilises the benefits from the costs synergies to invest in developing the business in general across the group.

Investment activities

The investment return for the full year totalled DKK -1,261m (DKK 709m). Tryg Forsikring's investment return was DKK -1,261m following a highly challenging year for financial markets. Leading equity indexes experienced steep fall as valuations adjusted to the higher level of interest rates. Fixed income returns were also very poor with higher interest rates hitting bonds portfolios. Tryg Forsikring's property portfolio produced good returns in the first part of the year while being under pressure in the second half. In general, high geopolitical tensions, the return of virtually double digit inflation in most advanced economies and a challenging macroeconomic outlook were the backdrop of very difficult markets conditions.



Other income and costs

Other income and costs totalled DKK -1,814m (DKK -510m). This line includes Integration and restructuring costs related to RSA Scandinavia acquisition DKK -949m for the full-year. Additionally, depreciation of customer relations and brands related to the RSA Scandinavia and Alka acquisition of DKK 786m.



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Financial targets and outlook

Global geopolitical tensions have been very high in 2022 following the Russian invasion of Ukraine and continuous uncertainty in different parts of the world. The macroeconomic picture has rapidly deteriorated with inflationary pressure at all-time high in the last 40 years and rapidly raising interest rates increasing the likelihood of a difficult 2023. Scandinavian economies continue to do relatively well against this highly challenging backdrop

Global geopolitical tensions have been at the highest level for many years in 2022, following different events; the COVID-19 pandemic during the winter, the Russian invasion of Ukraine in February, US/China tensions around the future of Taiwan and different other pockets of crisis in many parts of the world. 2022 will also be remembered as the year marking the return of inflation to levels not seen in the last forty years. The Russian invasion of Ukraine exacerbated an already complicated situation where the global economy was reeling from the COVID-19 lockdowns and related supply issues. Inflation levels started moving upwards already in the first part of 2022 ending the year with levels close to 10% in many developed countries. The financial markets have followed the developments closely and experienced a degree of turmoil and volatility. Most asset classes developed negatively (especially equities and corporate bonds) as inflationary pressures started to materialise in different parts of the economies. Equity markets dropped substantially in the first nine months of the year, only to partly recover in the last three months of 2022. Equities valuation was primarily hit by higher risk-free rates, cyclical stocks and business models discounting a long period before profitability, being the worst hit.

The Scandinavian countries continue to do relatively well compared to most European countries. 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 consumers and businesses against the sudden spike in inflation.

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 two thirds of total premiums, but accident and 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 the overall expenses low.

Retention rates hover around 90% in the Private and Commercial (SMEs) segments, which together represent close to 90% of Tryg Forsikring's total business. A direct-distribution model also contributes significantly to the very efficient setup.

At the end of 2022, Tryg Forsikring reported an expense ratio of 14.1 (the same as in 2021). Tryg Forsikring's reserves position remains strong. Run-off gains are expected to be between 3% and 5% in 2024.

Tryg Forsikring's systematic claims reserving approach still includes a margin of approximately 3% at best estimate.

In 2023, weather claims net of reinsurance and large claims are expected to a total of respectively DKK 800m and DKK 800m for the enlarged group including Codan Norway and Trygg-Hansa, unchanged from 2022. The investment portfolio is divided into a match portfolio, which corresponds 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 asset side should be mirrored by corresponding developments on the liability side. The free portfolio consists of a diversified asset allocation with a view to obtaining the best risk-adjusted return. The return on bonds in the free portfolio (approximately 55% of the free portfolio) will vary, and be higher for the corporate bonds' portfolio versus the covered bonds portfolio considering the different durations and credit risk. For equities, the estimated return is around 6%, with the MSCI World Index as a benchmark, while the normalised expected return on properties is expected to be around 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.



Tryg Forsikring is targeting a technical result in 2024 of between DKK 7.0 and 7.4bn driven by a combined ratio at or below 82 and an expense ratio of around 14. The overall technical result target is underpinned by DKK 900m in synergies from the Codan Norway and Trygg-Hansa acquisition. Tryg Forsikring also introduced a new profitability measure, return on own funds (ROOF), which is targeted at or above 25%, also in 2024.

Tryg Forsikring has targeted 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.

Interest rates are approximately 200 basis points higher compared to November 2021, this has a clear positive effect on Tryg Forsikring earnings, at the same time currencies (SEK and NOK) have moved unfavourably and reinsurance prices have also increased. Tryg Forsikring is maintaining all financial targets for 2024 and chiefly the technical result target between DKK 7.0-7.4bn.

During 2023 Tryg Forsikring continues to expect a positive top line growth primarily driven by the Private and Commercial segment, although some negative impact is expected from the conversion of customers from Codan Norway to Tryg Norway and to a less extent from Moderna to Trygg-Hansa, this will have no financial impact.

At the time of writing this annual report it is expected that the remaining DKK 300m (approximately) of integration costs related to the Codan Norway and Trygg-Hansa acquisition will be booked in H1 2023 against the other income and costs line (as in 2022).

The overall tax rate for the FY is expected to be approximately 23%, as the full consolidation of Trygg-Hansa's Swedish earnings will reduce the tax rate considering the lower corporate tax rate in Sweden, whereas a new financial tax (so called "Arne skat") in Denmark will tend to increase the corporate tax rate.

IFRS 17 comment

In April 2022, Tryg has published a newsletter on the introduction of IFRS 17, a new accounting standard for the insurance sector that will go live from Tryg Forsikring Group Half year report 2023. The goal of IFRS 17 is to ensure consistency across the accounting for all insurance contracts, increase comparability between insurance companies and drive more detailed disclosure.

Due to Tryg Forsikring's business being relatively short tailed along with the current accounting policy practices already in force in Denmark (e.g. mark-to-market accounting for all assets and liabilities), the introduction of IFRS 17 will primarily mean a change in terminology and only have a minor impact on the financial statements overall. Key items such as the net profit and the shareholders' equity will remain virtually unchanged, while the technical result will see only a modest positive impact. The IFRS 17 newsletter for Tryg is public on Tryg.com.



Tryg Forsikring 2024

Financial targets

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 is expected to remain stable at around 14 as in the previous strategy period. All financial targets are underpinned by the DKK 900m in synergies related to the acquisition of Codan Norway and Trygg-Hansa.

Customer targets

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.

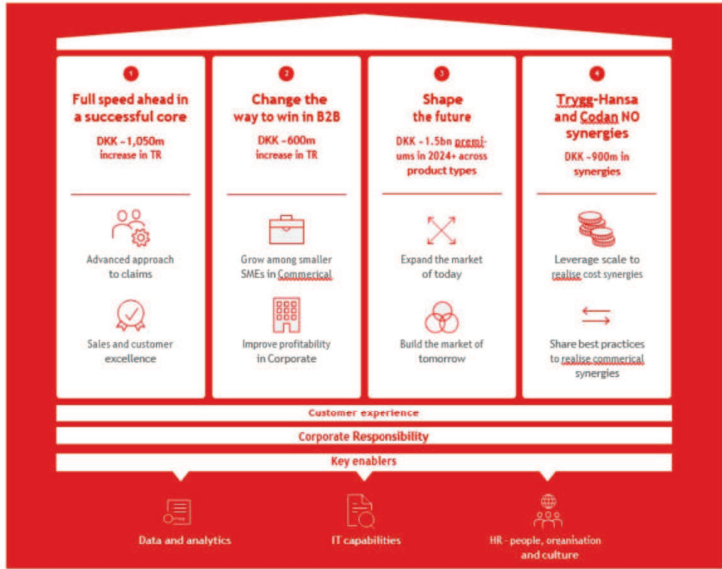
The first target builds on the customer journey from onboarding the customer to the claims handling and relation process. In 2022, Tryg Forsikring reported a customer journey satisfaction score of 85 (on a scale from 0-100) and the target is to reach 88 by 2024.

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). In 2022, Tryg Forsikring increased the level of value creating actions by 35% through among other things by using "My page" for all communication instead of emails and also through the fact that customers to a higher degree prefer self-service.

Tryg Forsikring is also introducing a new target related to sustainability. 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 are expected to be the main driver of reaching the sustainability target. In 2022, Tryg reduced the carbon emissions by 15,449 tonnes through the above mentioned initiatives. Read more about Tryg Forsikring's latest sustainability initiatives on page 28.





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Events after balance sheet date

Chief Executive Officer (CEO) Morten Hübbe step down as of 1 June 2023

January 30 2023 Group Chief Executive Officer (CEO) Morten Hübbe has informed the Supervisory Boards of Tryg A/S and Tryg Forsikring A/S that he wishes to step down after 20 years on Executive Board. Morten Hübbe became part of Tryg Forsikring at the age of 30 and has since then had a successful career in the company; he held the position as Group CFO for 8 years until he was appointed Group CEO in 2011. After having led the Company for 12 years, Morten Hübbe now wishes to step down and pursue a career at a non-executive level, and have more time for family and other interests.

Johan Kirstein Brammer appointed new CEO of Tryg Forsikring A/S as of 1 March 2023

When Johan Kirstein Brammer joined Tryg Forsikring in 2016, he spearheaded a successful transformation of Tryg Forsikring's Danish private business, and was subsequently appointed CCO and member of the Executive Board in 2018. Johan Kirstein Brammer had a decisive role in the acquisition of RSA's Scandinavian activities and is known for his relentless focus and passion for customer centricity and value creation. Since his appointment to the Executive Board in 2018, Johan Kirstein Brammer's potential to one day lead the Company has been evident.

Mikael Kärrsten has been appointed Chief Technical Officer as of 1 March 2023

Mikael Kärrsten (47) has more than 20 years of experience from the Insurance Industry and comes from a position as Head of Group PPU (Price, Product, Portfolio Management and Underwriting) in Tryg Forsikring. He has previously held several senior leadership positions with Codan and Trygg-Hansa, including Head of Underwriting. Mikael has been one of the main architects behind Trygg-Hansa's incredibly well-run and profitable business - and he knows the Swedish insurance market better than most. A market which today accounts for up to 45 percent of the Group's technical result. In addition, Mikael possesses a deep technical understanding of insurance, which is based on a data and insight driven approach.

Alexandra Bastkær Winther appointed Chief Commercial Officer as of 1 March 2023

Alexandra Bastkær Winther (37) comes from a position as CEO of Alka Insurance (stand-alone entity within the Tryg Forsikring group). She has been with Tryg Forsikring since 2020 where she, prior to her appointment to Alka, as head of Group Strategy and M&A played a key role in the historical acquisition of RSA's Scandinavian activities (Trygg-Hansa and Codan Norway).

As Chief Commercial Officer, Alexandra will take over Johan Kirstein Brammer's current areas of responsibilities, which covers enhancement of commercial value creation across the Group, the integration and realisation of synergies from acquisitions as well as the corporate strategy function. According to Morten Hübbe, the appointment of the two new executives will add valuable skills to the highly successful Executive Board that represents years of value creation and continuity.



Strategic Initiatives

Tryg Forsikring has defined four key strategic pillars to support both the financial and customer targets for 2024.

Full speed ahead in a successful core

The strategic pillar aims to increase the technical result by DKK 1,050m in 2024 through the continued improvement of Tryg Forsikring's core business. DKK 650m will relate to a more advanced approach to claims, such as the claims handling process, procurement savings and a focus on reducing the level of fraud. In 2022, Tryg Forsikring saw a very big impact from this initiative mitigating the high level of claims inflation. DKK 400m will be reached through sales and customer excellence, including partnerships as lead generators, cross and upselling as well as pricing and analytics. An example of this was during 2022, Private Denmark introduced new car packages that meet the customers' individual needs better and Tryg Forsikring's claims departments increased their focus car repair to reduce plastic waste, for example by repairing headlights instead of replace them. These initiatives, among others, supported the strong growth in the Private business.

Change the way to win in B2B

This strategic pillar aims to increase the technical result by DKK ~600m in 2024. Small customers make up the most profitable segment, and a segment where Tryg Forsikring can offer good advice. Therefore, Tryg Forsikring aims to grow the Commercial business while making Corporate more profitable. This involves a 30% portfolio increase in the SME segment (0-9 employees) and aiming for a ~90% combined ratio with run-off levels around 5-7% in the Corporate segment. An increased focus on more accurate underwriting, improved segmentation to reduce risk exposure, improved sales and distribution, and new products and services will support the target of reaching DKK ~600m by 2024. These initiatives supported strongly the continued growth in the groups underlying claims ratio both through profitability in the Corporate business and a higher share of customers in the SME segment.

Shape the future

This strategic pillar aims to grow premiums by DKK 1,500m via new products and services by 2024+. This initiative builds on Tryg Forsikring's continued focus on launching new and profitable products. Expanding the market of today and building the market of tomorrow will support realising the target. Tryg Forsikring has also had a strong development for both the Private and Commercial business. In general, Tryg Forsikring has seen a strong development in the health area for both Private and Commercial. In 2022, Tryg Forsikring has launched a new cyber insurance product that includes cyber prevention tools which the customer can install on their devices to reduce risks and in Norway, a new innovative partnership with DyreID provides access to 600.000 customers. Tryg Forsikring does not see any value in defining a specific growth target, as profitability remains the key focus.

Trygg-Hansa and Codan Norway synergies

This strategic pillar aims to strengthen the technical result with DKK 900m through synergies from the RSA Scandinavia acquisition. In 2022, DKK 406m was reached against a target of DKK 350m driven by an accelerated synergies delivery in the initial phase. Synergies have mainly been achieved through a reduced marketing spend and administration initiatives, though lower claims costs through utilising Tryg Forsikring's strong procurement power as well as reduced RSA group charges. Synergies of DKK 250m relating to administration and distribution were achieved for 2022, driven primarily by FTE reductions. DKK 61m was linked to commercial initiatives, DKK 55m from procurement and, finally, DKK 40m was related to claims costs.



Business initiatives

2022 marked the beginning of Tryg Forsikring's new strategy period, which included the acquisition of Trygg-Hansa and Codan Norway. Tryg Forsikring has set new and ambitious targets for 2024 under the headline "Growing a successful core while shaping the future". Tryg Forsikring will continue growing its successful Private and SME segment by building on the foundation for customers and sales excellence while initiating structural changes in the Corporate segment. Specifically, in 2022, Tryg Forsikring will have an enhanced focus on B2B segment, and initiatives will be implemented to continue growth in the SME segment while increasing profitability in the Corporate business.

Private

In Private, Tryg Forsikring continues to build on the strong foundation of innovative capabilities to deliver excellent customer experiences, new propositions to meet customer expectations as well as support profitability. In Denmark, Private established a new partnership agreement with Velliv, the third largest pension company in Denmark. The partnership entails Velliv continuing to distribute Tryg's pension product, Tryg Pension. Also, Private Denmark launched a new car insurance to further meet customer needs and trends. The product aims towards being even more intuitive, easier to understand and tailored towards the individual customer and the demands deriving from new technology within mobility. Subsequently, Private Denmark added a new pregnancy product, aiming to assist the pregnant women throughout the pregnancy period. The product was inspired by Trygg-Hansa, leveraging knowledge sharing and synergy. Additionally, as part of the ESG agenda, Tryg Forsikring will plant a tree for every new electric car insured, thus helping give back to the environment. In Norway, Private established a new partnership with DyreID ('Pet-ID'). More than 90% of all cats and dogs are earmarked via DyreID, but less than a 25% of the pets are insured. With the new partnership, Tryg Forsikring will start offering insurance to pets earmarked via DyreID. Additionally, Private Norway renewed its partnership with OBOS, one of the largest housing construction companies in Scandinavia. The renewed partnership has a focus to provide insurances to OBOS as well as adding on the new dimension regarding improved safety along the Norwegian coastline, which is a great addition to Tryg Forsikring's 70 year history of providing lifebuoys. In Sweden, Trygg-Hansa added a new product, pet insurance. The product is similar to ones already offered by Tryg Forsikring, thus a good example of leveraging knowledge sharing and synergies. Also, early this year Trygg-Hansa added a new service to its already existing product called Family Help. The new service "Familjehjälpen Gravid" – a service offered to pregnant women, the partner and new parents. Additionally, Trygg-Hansa renewed several of its partnership counting Akademikerförsäkring, an organisation for lawyers and economists, Finansförbundet, largest organisation for employees in the insurance and banking industries and partnership with BMW.

Business-to-business (B2B)

At Tryg Forsikring, a key priority has been to grow the attractive and profitable SME segment while finding the right balance between risk and price among large Corporate customers. One way of supporting growth in the small business segment is through tailoring products to accurately cover the needs of the smaller companies in the Commercial segment. An example of this is the new packaged product tailored towards craftsmen called 'Håndværkerpakken'.

This was launched in Denmark during the autumn of 2022 and seeks to reduce complexity by bundling the most relevant insurance products for the business. The product is an important initiative to increase the portfolio of SMEs (0-9 FTE) by 30% in 2024. So far, the product has been very well received. In Trygg-Hansa, a service called 'Din Företagsjurist' ('Your Commercial Lawyer') was launched in collaboration with HELP Försäkring. It is a legal advice service tailored to SMEs with a turnover below SEK 50m.

In Corporate, the focus has been on profitability. To strengthen the work around profitability, the tools and capabilities used when matching price with risk have been enhanced. In practice, this means that more data are included and utilised in the decision process. An example of this is a new initiative in Commercial Norway, where Tryg Forsikring installs a device in customers' vehicle and therefore, can generate data based on their actual driving behaviour and estimate risks more accurately than would be possible on the basis of their claims history. The upside for the customer is attractive pricing if their driving behaviour is considered safe or sustainable as this leads to lower fuel consumption, fewer claims and fewer

Claims

In the Danish and Norwegian claims organisations, the implementation of a new and more effective claims-handling system (Guidewire) continued in 2022. The new claims handling system boosts the quality of the claims handling process by ensuring that all the correct information is collected and that the claim is handled as soon as possible, either physically or by ways of payment to the customer. Simple claims types, such as travel claims, are handled as "Straight Through Processing", which is a fully automated claim handling. Other, more complex claims types are automated to the extent it is



possible. By the end of 2022, approximately 52% of all claims in Denmark were being handled in the new claim system and in 2022, Tryg included main products such as health, content leisure house and pets. In Norway, 68% of all claims are handled through Guidewire and in 2022 the following products were included; health, liability, content, road assistance and boat insurance.

Sustainability & ESG

In 2021, Tryg Forsikring launched its Corporate Responsibility strategy: "Driving sustainable impact" and the work on the strategy continues in 2022. In addition to strengthening the anchoring of strong ESG practices across the organisation, the strategy also aims to support customers in the green transition by increasingly offering sustainable insurance products and sustainable claims handling. Tryg Forsikring has included the activities of Trygg-Hansa and Codan Norway in its sustainability targets, and hence increased its level of ambition with regard to sustainable claims handling. Tryg Forsikring has raised its target to increase the claims spend classified as sustainable by 80% in 2024 compared to 2020. The target is an important lever for achieving its target of a total CO2 reduction of 20,000- 25,000 tonnes through more sustainable claims handling in 2024.

Tryg Forsikring wants to offer products and services that can help move society in a climate-friendly and socially responsible direction. It is a process where Tryg Forsikring wants to ensure that solutions are aligned with the business model and strategy, resonate with the customers, and are aligned with the EU Taxonomy for sustainable activities.

One example of a sustainable service that Tryg Forsikring has started to offer to Danish customers is Valified. Valified can provide Tryg Forsikring's business partners with insights into their performance across selected ESG (Environmental, Social and Governance) areas. Such insights are becoming key for SMEs because their customers demand ESG transparency. For smaller enterprises, ESG reporting can be a resource-intensive and complex task. With Valified, Tryg Forsikring is able to support its customers in their ambitions and help them better understand and work with their footprint.

In 2022, Tryg Forsikring launched a 'smart repair' initiative, where Tryg Forsikring cooperates with car repair shops to reduce plastic waste by repairing headlights instead of replacing them. Every year, Tryg and Alka pays for having approximately 10,000 headlights replaced. Increased focus on repairing headlights when they are damaged instead of replacing them results in both savings and reduced waste and CO2 emissions. To ensure the repair is attractive to suppliers, Tryg Forsikring is offering an incentive payment to suppliers for repairs instead of replacements and training of personnel. Tryg Forsikring's target is to repair at least 2,000 headlights a year by 2024.

Employee satisfaction

In the annual employee survey, Tryg Forsikring once again saw that the employee satisfaction was much higher than the peer groups. Tryg Forsikring saw a slight drop in the employee satisfaction to 79 for 2022 compared to 80 in 2021. This was expected in a year with structural changes related to the RSA Scandinavia integration in Sweden and Norway



Private

Key figures – Private a)

DKKm	2022	2021
Gross premium income	21,960	15,386
Gross claims	-14,915	-10,518
Gross expenses	-2,961	-2,087
Profit/loss on gross business	4,084	2,781
Profit/loss on ceded business	-358	-267
Insurance technical interest, net of reinsurance	86	-18
Technical result	3,813	2,496
Run-off gains/losses, net of reinsurance	338	372
Key ratios		
Premium growth in local currencies (%) b)	6.3	9.0
Gross claims ratio	67.9	68.4
Net reinsurance ratio	1.6	1.7
Claims ratio, net of ceded business	69.5	70.1
Gross expense ratio	13.5	13.6
Combined ratio	83.0	83.7
Combined ratio exclusive of run-off	84.6	86.1
Run-off, net of reinsurance (%)	-1.5	-2.4
Large claims, net of reinsurance (%)	0.7	0.1
Weather claims, net of reinsurance (%)	1.9	2.2

a) From H1 2022 Tryg Forsikring's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" and comparative figures are restated accordingly

b) Based on pro-forma figures for Trygg-Hansa and Codan Norway from 2021

Results 2022

Private reported a technical result of DKK 3,813m (DKK 2,496m in 2021) and a combined ratio of 83.0 (83.7). The higher result was pre-dominantly impacted by the inclusion for nine months of the RSA Scandinavia businesses, but was also supported by high premium growth particularly in Denmark. The result was characterised by a modest deterioration in the underlying claims ratio primarily driven by higher claims costs in the travel insurance segment.

Premiums

Premium growth was 6.3% (4.9% excluding bonus and premium rebates) based on pro-forma figures for 2021. Private is the most profitable area with the lowest capital requirement, strong growth in this area is a structurally positive development for the group. In Denmark, Private maintains a high level of premium growth and was positively impacted by a lower level of bonus and premium rebates. Additionally, the development was positively impacted by further growth driven by partner agreements, cross-selling to existing customers and price adjustments to mitigate inflation. In Norway, Private reported an increased premium growth due to strong sales to partner agreements and continued price adjusting initiatives to mitigate inflation and despite a higher churn for transferred Codan Norway customers. In Sweden, Trygg-Hansa saw improved premium growth compared to recent years, driven by higher sales across all channels and an improvement in partner agreements. The lower level of sales of new cars continued to have negative impact on premium growth particularly in Denmark and Norway, while Sweden reported a positive development as a result of new partner agreements. Retention rate for Denmark was 90.3 (90.5) slightly deteriorated at the end of the year impacted primarily by single product customers (in partner agreements) reaction to price adjustments. Retention rate for Norway was 88.7 (88.5) and positive in a period with significant price adjustments to mitigate inflation. Retention rate in Sweden was 87.6.

Claims

The claims ratio, net of ceded business, was 69.5 (70.1). The financial performance was broadly stable but characterised by higher large claims, unchanged weather claims and a slightly lower run-off result. Large claims of 0.7% were booked in the Danish business driven by a significant fire in a Copenhagen



suburb, large claims are rather unusual in the Private segment. The underlying claims ratio deteriorated modestly due to increased claims costs in travel insurance and a continued robust top line growth which initially dampens profitability. Travel insurance claims increased throughout the year as travel activity picked up significantly following two years of COVID-19 and many households displayed a changed travel pattern, with fewer but more expensive trips as opposed to more activity during the year. Inflation continued to increase throughout the year and Tryg Forsikring is continuously monitoring developments and adjusting prices accordingly. It is important to emphasise that the full impact of the price adjustments will only be visible in the P&L after 12-24 months. In long term, the price adjustments will match claims inflation, but there may be some slightly more volatile developments in the short-term.

Expenses

The expense ratio was more or less unchanged with 13.5 (13.6) reflecting a tight cost control relative to a rather high premium growth but also re-investing in commercial development in particularly in Sweden.



Commercial

Key figures - Commercial ^{a)}

DKKm	2022	2021
Gross premium income	8,350	5,294
Gross claims	-5,239	-3,334
Gross expenses	-1,360	-913
Profit/loss on gross business	1,752	1,048
Profit/loss on ceded business	-126	-191
Insurance technical interest, net of reinsurance	44	-7
Technical result	1,670	850
Run-off gains/losses, net of reinsurance	560	309
Key ratios		
Premium growth in local currencies (%) ^{b)}	5.1	6.1
Gross claims ratio	62.7	63.0
Net reinsurance ratio	1.5	3.6
Claims ratio, net of ceded business	64.3	66.6
Gross expense ratio	16.3	17.2
Combined ratio	80.5	83.8
Combined ratio exclusive of run-off	87.2	89.6
Run-off, net of reinsurance (%)	-6.7	-5.8
Large claims, net of reinsurance (%)	7.2	3.4
Weather claims, net of reinsurance (%)	1.7	1.5

^{a)} From H1 2022 Tryg Forsikring's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" and comparative figures are restated accordingly

^{b)} Based on pro-forma figures for Trygg-Hansa and Codan Norway from 2021

Results 2022

Commercial posted a technical result of DKK 1,670m (DKK 850m in 2021) and a combined ratio of 80.5 (83.8). The higher technical result was mainly driven by the inclusion of Codan Norway and Trygg-Hansa creating a larger Commercial business segment. The result was also supported by a growth in the Commercial area particularly in Denmark and Sweden for the new enlarged group and a strong improvement in the underlying claims ratio.

Premiums 2022

Gross premium income totalled DKK 8,350m (DKK 5,294m), representing a 5.1% increase when measured in local currencies and comparable figures. Commercial Denmark reported a growth of 9.1% driven by both organic growth and price adjustments to mitigate inflation. In Sweden, Trygg-Hansa reported a growth of more than 13% driven by strong sales and price adjustments. In Norway, premiums decreased by 8.1% due to transfer of business from the Codan Norway portfolio to Corporate Norway. Adjusted for this transfer, Tryg Forsikring saw a growth in Commercial Norway 3.1% driven by price hikes for larger commercial customers. 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 tailored packages. In Norway, growth was primarily based on high acceptance of price adjustments and sale of packages. The retention rate for Denmark was 88.0 (88.6), relatively stable during the year, but was slightly impacted from customer reaction due to price adjustments to mitigate inflation. In Norway, the retention rate was relatively stable at 89.0 (89.4), which was positive in a period with significant to improve profitability and mitigate inflation. In Sweden retention remained stable at 88.5 (89.0).

Claims

The claims ratio, net of ceded business, was 64.3 (66.6). Tryg Forsikring registered a higher level of large and weather claims overall compared to 2021 and what is expected in an average year. The run-off level was somewhat higher with 6.7% (5.8%), reflecting a strong reserving position. The underlying claims level improved and was particularly helped by price initiatives in Norway targeting Commercial



customers but also a general focus in all countries on smaller commercial customers. Inflation increased significantly during 2022 to levels not experienced in more than four decades and have been mitigated through procurement agreements and price adjustments. The claims ratio was also impacted by much higher discounting driven by the significantly higher level of interest rates in 2022.

Expenses

The expense ratio was 16.3 (17.2). The lower expense ratio level was impacted by the strong growth for the last years supporting economies of scale. Tryg Forsikring's initiative is aimed at improving expense levels in Commercial Denmark through the independent sales agents and with high sales of product packages positively affecting the expense ratio level. In Sweden, there was a strong focus on investing in digital solutions to support interaction with the customers. In Norway, as mentioned, pricing initiatives for large Commercial customers were widely accepted, which also had a positive impact on the expense ratio level. The integration of Codan Norway in the Norwegian business had an additional positive impact on the expenses level.



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Corporate

Key figures Corporate

DKKm	2022	2021
Gross premium income	3,628	3,457
Gross claims	-2,253	-2,423
Gross expenses	-462	-396
Profit/loss on gross business	912	638
Profit/loss on ceded business	-239	-273
Insurance technical interest, net of reinsurance	21	-4
Technical result	694	361
Run-off gains/losses, net of reinsurance	482	282
Key ratios		
Premium growth in local currencies (%)	5.4	0.3
Gross claims ratio	62.1	70.1
Net reinsurance ratio	6.6	7.9
Claims ratio, net of ceded business	68.7	78.0
Gross expense ratio	12.7	11.4
Combined ratio	81.4	89.4
Combined ratio exclusive of run-off	94.7	97.6
Run-off, net of reinsurance (%)	-13.3	-8.2
Large claims, net of reinsurance (%)	10.8	6.6
Weather claims, net of reinsurance (%)	1.0	1.1

Results 2022

The technical result amounted to DKK 694m (DKK 361m in 2021) with a combined ratio of 81.4 (89.4). The much higher technical result is primarily due to a positive development in the underlying claims ratio, primarily due to significant profitability initiatives in all countries combined with rebalancing the portfolio with lower level of international high risk exposure. Furthermore the result was impacted by a much higher level of run-off at 13.3% (8.2%) partly offsetting a higher level of large claims at 10.8% (6.6%). Premium growth was 5.4% (0.3%), impacted by transfer from Commercial Norway to Corporate Norway and excluding this transfer premium growth was negative with approximately 1%.

Premiums

Gross premium income totalled DKK 3,628m (DKK 3,457m), representing an increase of 5.4% when measured in local currencies. Adjusted from transfer from Commercial Norway growth as negative with approximately 1% as mentioned. Tryg Forsikring has a strong focus on rebalancing the portfolio to reduce large claim exposure by reducing international exposure for property and liability.

Claims

The claims ratio, net of ceded business, was 68.7 (78.0). The level of large claims was 10.8% (6.6%), weather claims were 1.0% (1.1%), and the run-off level was higher at 13.3% (8.2%). Tryg continued to see an improved underlying claims level driven by profitability initiatives in current and previous years in all countries. In 2022, there has been a strong focus on reducing volatility by reducing international exposure for international property and US liability. These initiatives will going forward improve profitability and reduce capital requirement.

Expenses

The expense ratio of 12.7 (11.4) was slightly higher compared to the prior-year period, but still at a satisfactory level.



Investment activities

Capital markets experienced highly challenging developments in 2022, geopolitical tensions were and remain very high following Russia invasion of Ukraine, the year saw the return of inflation to levels not seen in the last forty years and central banks have been rapidly increasing interest rates trying to tame this development. All this point to a difficult start of 2023 where most analysts expect some form of economic contraction for most advanced economies.

The total market value of Tryg Forsikring's investment portfolio was DKK 63bn at year-end 2022. The investment portfolio consists of a match portfolio (matching the insurance liabilities and constructed to minimize capital consumption) of DKK 45bn and a free portfolio (the net asset value of the company) of DKK 18bn.

The full-year figures for the investment returns are partly blurred by the fact that the RSA Scandinavia operations were not consolidated in Q1 and therefore the net result for the quarter was included in the investment result (equity accounting), additionally some one-offs related to the net effect from de-merger and sale of Codan Denmark impacted the investment figures in the second quarter, these two items almost offset each other with a total impact of DKK 34m.

The investment return for the full year was DKK -1,261m (DKK 709m). The free portfolio showed a result of DKK -945m (DKK 870m) driven by high volatility and challenging capital markets conditions in nearly all asset classes while the match portfolio reported a result of DKK 58m (DKK 134m) primarily driven by narrowing Nordic covered bonds credit spreads and a decreasing DK-EU yield spread. H1 was primarily characterized by widening credit spreads and increasing DK-EU yield spread, while H2 and especially Q4 was characterized by more positive markets and narrowing credit spread and DK-EU yield spread contributing to a positive Match portfolio result for the full-year.

Other financial income and expenses totalled DKK -374m (DKK -295m), the higher level (compared to the full year 2021) is primarily driven by somewhat higher interest expenses on the subordinated loans and the Q3 negative value adjustment on the Trygg-Hansa inflation swap.

Free portfolio

Financial markets have experienced a highly challenging year. Geopolitical tensions were at the highest level in recent memory, Russia invasion of Ukraine brought back war at the doorstep of Europe following two years characterized by the Covid-19 pandemic. Bottlenecks in the most advanced economies started with logistics issues under Covid-19 while energy costs increased sharply following the Russian invasion of Ukraine, all this contributed to a huge spike in inflation to levels not seen in the last forty years. Central banks have rapidly and repeatedly increased interest rates to try to tame the inflation development. Against this challenging backdrop, equities valuation have fallen, interest rates increased and property markets started to weaken. Tryg Forsikring's free portfolio produced a total result of DKK -945m (DKK 870m), all main asset classes but properties produced negative returns. Tryg's equity portfolio reported a -15.7% (18.9%) return, corporate bonds (a small asset class for Tryg) reported a -15.4% (0.3%) while properties reported a 10.4% (12.5%). The free portfolio totalled DKK 18bn at the end of 2022.

Match portfolio

The match portfolio of DKK 45bn is primarily made up primarily by Nordic covered bonds with the purpose of matching the insurance liabilities while keeping the capital consumption low. The result of the match portfolio is the difference between the on match portfolio and the amount transferred to the technical result. The result can be split into a "regulatory deviation" and a "performance result". The "regulatory deviation" reported a positive contribution of DKK 218m (DKK 78m) due to a smaller difference between Danish and European yields. For example the 10 year swap yield spread between DK and EU has decreased from 22 basis points to 11 basis points. The "performance" result was DKK -160m (DKK 56m), despite a positive contribution in Q4, because of widening Nordic covered bonds spreads, earlier in the year, which hit the performance negatively.

Other financial income and expenses

Other financial income and expenses include primarily the interest expenses related to outstanding subordinated debt, the cost of currency hedges to protect shareholders' equity, the cost of running the investment operations and other general costs. Other financial income and expenses totalled DKK -374m (DKK -295m). The higher level compared to 2021 is primarily driven by the value adjustment on the Swedish inflation swap booked in Q3 and a generally higher level of interest rates that increase the interest expenses on the subordinated loans (DKK 151m vs DKK 107m)



Key figures - Investments

DKKm	2022	2021
Free portfolio, gross return	-945	870
Match portfolio, regulatory deviation and performanc	58	134
Other financial income and expenses	-374	-295
Total investment return	-1.261	709

Return - free portfolio

DKKm	2022	2022 %	2021	2021 %	Investment assets	
					31.12.2022	31.12.2021
Bonds	-427	-7,5	-35	-0,9	6.034	3.896
Credit bonds	-420	-15,4	5	0,3	2.979	2.154
Investment grade credit	-155	-15,4	2	0,3	1.199	784
Emerging market bonds	-120	-15,2	-1	0,0	1.039	709
High-yield bonds	-144	-15,4	4	0,7	742	661
Diversifying Alternatives a)	-40	-3,3	-10	-1,0	1.239	1.021
Equity	-525	-15,7	506	18,9	3.182	2.710
Real Estate	467	10,4	404	12,5	4.222	3.233
Total	-945	-5,8	870	7,0	17.656	13.014

a) Diversifying Alternatives consists of CAT Bonds and hedging instruments

Return - match portfolio

DKKm	2022	2021
Return, match portfolio	-2.433	-332
Value adjustments, changed discount rate	3.419	528
Transferred to insurance technical interest	-928	-62
Match, regulatory deviation and performance	58	134
Hereof:		
Match, regulatory deviation	218	78
Match, performance	-160	56



Capital and risk management

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.



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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>Taking on insurance risk is the cornerstone of Tryg Forsikring's business model. It is therefore naturally the area where Tryg has the largest risk appetite.</p> <p>Tryg Forsikring's main focus is to write primary non-life insurance business in Scandinavia, the Private and Commercial businesses (SMEs) 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 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>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"> • asset classes • interest rate risk • currency risk • credit risk • counterparty exposure • SCR market risk 	<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. In addition, capital management analyses the dividend outlook and the ability of the company to meet its return on own funds target (previously return on equity). 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 199 at year-end 2022 compared to 187 at year-end 2021.

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 15,940m at the end of 2022 vs DKK 10,070m at the end of 2021.

The solvency capital requirement (SCR) is calculated in such a way 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 2022, Tryg Forsikring's SCR was DKK 7,991m, a rise from DKK 5,389m at the end of 2021.



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ESG & Sustainability

This section introduces Tryg Forsikring's approach and work with sustainability & ESG. The statutory independent and comprehensive sustainability report is available at tryg.com

Tryg Forsikring's Sustainability report composes Tryg Forsikring's Communication on Progress (COP) report and includes an ESG data overview of Tryg's key performance indicators, Tryg'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's climate-related disclosure in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations.



Download Sustainability report [Tryg's Sustainability report 2022](#)

Strategy, materiality and governance

Tryg Forsikring's 2024 Sustainability strategy, 'Driving sustainable impact', guides its priorities and targets. Under three focus areas – Sustainable insurance, Responsible company, and Green workplace – the purpose of the strategy is to ensure that sustainability is integrated across all of Tryg Forsikring. The sustainability and KPIs are an integrated part of Tryg Forsikring's corporate strategy. Due to a strong market position and the nature of the value chain, Tryg Forsikring can enable and support its customers and partners on their respective sustainability journeys. The upstream/downstream value chain is where most of the impact is, and where Tryg Forsikring can make the biggest positive difference by working together with the customers and suppliers. Tryg Forsikring can have a significant impact in reducing its indirect climate impact by preventing claims from happening in the first place, and when claims do happen, together with the suppliers, Tryg Forsikring is able to handle them in the most climate-friendly manner.



Download Sustainability & ESG policy [CSR policy](#)

Tryg Forsikring's Sustainability & ESG Board drives Tryg Forsikring's strategic direction in the Sustainability and ESG area. The Board is chaired by the Group CFO and is composed of Vice Presidents from key functions to ensure that Sustainability and ESG are effectively anchored across the organisation



Download [Terms of reference for Sustainability & ESG Board](#)



Overview of 2022

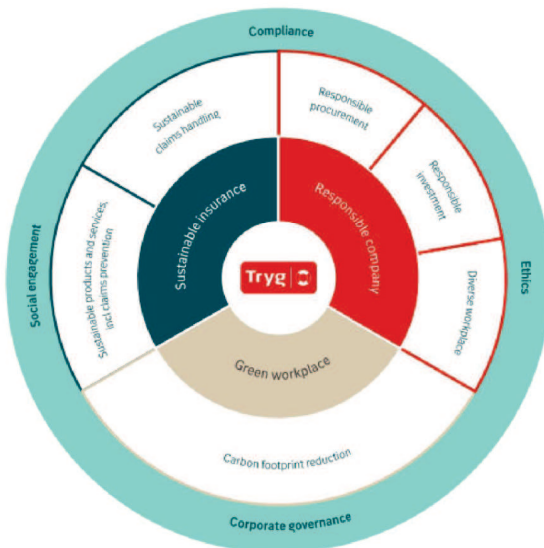
The table illustrates targets and performance of Tryg's Sustainability & ESG strategy and efforts. For specific data, please see extensive ESG data on pages 42-46 in the Sustainability report.

The table outlines Tryg's Sustainability targets and 2022 performance.

Strategic focus area	Sustainable insurance	Responsible company		Green workplace		
Strategic focus area	Sustainable claims handling page 12 →	Responsible procurement page 18 →	Responsible investment page 19 →	Diverse workplace page 26 →	Green workplace page 31 →	
Targets and results	2024 targets	2022	2024 targets	2022	2024 targets	
	<ul style="list-style-type: none"> 80% increase in sustainable spend¹ 20,000 – 25,000 tonnes CO2e reduction from more sustainable claims handling 	<ul style="list-style-type: none"> 59% 15,449 	<ul style="list-style-type: none"> Sustainability screening of suppliers Up to 90% of contract suppliers Up to 100% of contract suppliers within claims High supplier performance for screened suppliers Up to 50% of contract suppliers 70% of contract suppliers within claims 	<ul style="list-style-type: none"> 43% 50% N/A³ 	<ul style="list-style-type: none"> 41% women in management positions 33% women at top management level 41% women at director level 	<ul style="list-style-type: none"> 40.5% 25% 31% 35% CO2 reduction 58%² 86%² 31% 34% -2%
			2030 targets	2022	2030	
			<ul style="list-style-type: none"> 50% CO2 intensity reduction from equity portfolio Exclusion of fossil fuel production companies with no strategy for green transition 	-16.9%	58% ²	

¹ Compared to 2020 ² Market based ³ Tryg is in the process of developing the criteria for supplier performance screening

SUSTAINABILITY STRATEGY 2024



Climate and environment – a step change from within

In 2022, Tryg Forsikring took an important step towards making sure that sustainability, climate and the environment are integrated across the organisation and in all decision-makings, as Tryg Forsikring in Denmark was certified according to the ISO 14001 standard and the Eco-Management and Audit Scheme (EMAS). The certification implies a highly systematic approach to working with climate and environment, and will support Tryg Forsikring in delivering on the strategy and realising its ambitions.



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Sustainable insurance

Tryg Forsikring's aims to be a proactive peace-of-mind creator by integrating sustainability elements into its products and services and enable its customers to make more sustainable choices and push for change. Within sustainable insurance, Tryg Forsikring's focus is to further integrate and advance sustainability in its claims handling process and ensure that sustainability and prevention aspects are integrated aspect of its products and services

Tryg Forsikring wants to offer products and services that can help move society in a climate-friendly and socially responsible direction. In Denmark, Tryg Forsikring has started to introduce Valified to its Danish commercial customers. Valified is a platform that, based on usage data, can provide customers with insights into their performance across selected ESG (Environmental, Social and Governance) areas. Valified enables Tryg Forsikring to support customers in better understanding and working with their footprint, and live up to the transparency requirements of their customers. In 2022, Trygg-Hansa launched an improved car insurance product for electrical and hybrid cars to help customers make sustainable choices when buying a car. The insurance offers better machine damage coverage, a deductible discount as well as roadside assistance if their car runs out of battery. Another element in building a more sustainable product portfolio is to further integrate sustainability measures into the underwriting strategy. During 2022, Tryg Forsikring has started to assess the implications of this for specific sectors, while continuing its focus on impact pricing, prevention, proactive counselling and risk selection. Further work is required, especially in light of the EU Taxonomy standards, which will be intensified during 2023.

Claims prevention

Integrating claims prevention measures into products and services may prevent claims from arising in the first place or minimise any damage or loss that might occur. In addition to the comfort this provides to customers, it also has an environmental upside. Claims handling processes are often associated with the use of considerable resources and energy. Tryg Forsikring is working strategically to prevent claims from arising and has set a target that a quarter of Tryg Forsikring's top-line growth from new products and services should be attributed to claims prevention measures by 2024.



Read more on [page 16](#) in [Tryg's Sustainability report 2022](#)

Sustainable claims handling

With more than 1.5 million claims annually, integrating sustainability into Tryg Forsikring's claims handling processes is an essential part of the positive change and contribution to a more climate-friendly business that Tryg Forsikring wants to contribute to. It is also the area where Tryg Forsikring can have a significant impact both on customers and suppliers. Tryg seeks to repair or reuse to the greatest possible extent in the claims handling processes. It is not a simple task; it involves a change of mindset not only in the way Tryg Forsikring handles claims, but also in the way suppliers operate and when it comes to what customers perceive as valuable. Tryg Forsikring focus on repairs and on reducing material usage, while researching possible ways of reusing or repurposing materials that are reaching the end of their life cycle

Carbon emission reductions from claims handling

Tryg Forsikring's claims handling activities are the most carbon-intensive processes across the business. Replacing broken windshields or car bumpers might not seem like a carbon-intensive process, yet, with approximately 97,000 motor-related claims a year, a significant impact can be made by thinking in terms of reusing resources. In 2022, Tryg Forsikring was able to reduce CO2 emissions by repairing instead of replacing within motor, by more than 14,700 tons CO2.

In 2022, Tryg Forsikring assessed the CO2 emission reduction effect of new initiatives such as phone screen repairs and SWAP options instead of replacing with new phones, as well as an initiative related to the conservation of foundations in connection with major building claims instead of demolition and rebuilding. Across all initiatives, Tryg Forsikring has helped reduce 15,449 tons CO2 emissions during 2022 by establishing more sustainable claims handling processes.

Tryg Forsikring continues to expand the list of initiatives to be able to offer a more sustainable solution to a claim, while maintaining focus on existing initiatives. Already identified initiatives include using spare parts for cars, repairing windshields and plastic car bumpers instead of replacing them, phone fix, online support for road assistance, digital medical or veterinary consultations as well as remote reviewing of building claims.



Tryg Forsikring will continue to investigate and implement more climate-friendly initiatives to support the target to reduce CO₂e from claims handling by 20,000–25,000 tonnes in 2024. Critical to achieving this is collaboration with suppliers to identify new sustainable initiatives, and to develop new and more climate-friendly solutions enabling us to expand sustainable business practices across supply chain.

Classifying claims spend as sustainable

Tryg Forsikring's supplier spend totals more than DKK 22bn a year. Through specific sustainability measures, Tryg Forsikring monitors the supplier-related spend. For Tryg, it is important to understand how the spend is used, in order to be able to act on it and direct it towards more sustainable practices. Tryg Forsikring's ambition is to increase claims spend classified as sustainable by 80% in 2024 compared to 2020. By monitoring the suppliers, introducing new and advancing the existing sustainable initiatives, more claims spend will be used towards sustainable practices. In 2022, Tryg Forsikring increased its share of sustainable spend by 59% compared to base year 2020. Tryg Forsikring consistently seeks dialogue and collaboration with the industry to further align reporting methodologies related to more sustainable claims handling.



Read more on [page 15](#) in [Tryg's Sustainability report 2022](#)

Responsible investment

Following the integration of Trygg-Hansa, Tryg Forsikring's investment portfolio is now approximately DKK 63bn, up from approximately DKK 43bn. Tryg Forsikring aims to ensure that the portfolio is invested in a responsible manner and in accordance with Tryg Forsikring's values and ambitions. Tryg Forsikring works with responsible investment through active ownership by voting on shareholder proposals, engaging with external fund managers, and screening for potential violations of international conventions.



Download Responsible Investment Policy at [responsible-investment-policy](#)

Active ownership

Most of Tryg Forsikring's investment assets are managed externally and typically held through commingled fund structures. A key aspect in ensuring responsible conduct, is therefore via Tryg Forsikring's selection of external funds managers. In addition to the evaluation performed on external managers, Tryg Forsikring emphasize active ownership as a means to promote shareholder value and sustainable development whenever possible. External funds managers are expected to participate in and vote at annual general meetings, and enter into dialogue around ESG topics. Tryg Forsikring considers this as key in moving forward on the agenda. Divestment and exclusion of companies from the investment portfolio is therefore considered as a last resort since this will not result in any positive change.

Tryg Forsikring's target is for the external fund managers to attend and vote at least 90% of the possible shareholder meetings for the actively managed equity holdings. In 2022, they actively participated in 98% of the shareholder meetings. Tryg Forsikring continues to monitor and engage in dialogue with relevant external asset managers on how to ensure effective practices.



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

Ethical screening process

When investing, Tryg Forsikring always complies with all applicable national and international legislation, international standards and tax code. The company also seeks to minimise reputational risk, while maintaining a competitive risk-adjusted return. Tryg Forsikring conducts ethical screenings each year based on controversial behaviour and controversial weapons. Additionally, an external screening agency performs regular screenings to make sure that none of investments have ultimate parents that are considered unacceptable. If a violation is identified, there is a formal escalation process to guide any further steps. In 2022, the Russian invasion of Ukraine led Tryg Forsikring to exclude Russian assets from its investment universe. The investment managers (equities and bonds) have divested in line with the Sanction Regulation.

Download Process for Ethical Screening at [process-ethical-screening](#)



The transition to a low-carbon economy

Tryg Forsikring wants to contribute to the transition to a low-carbon economy by directing parts of the portfolio towards investment managers that focus on reducing carbon emissions by investing in companies that provide climate change solutions or that have high potential and clear commitment to reduce their emissions. The long-term ambition is to achieve a low-carbon and fossil-free world by allocating capital where it makes the biggest impact on current and future CO2 emissions. Hence, the strategy is not to minimize the current level of CO2 emissions in the portfolio, but rather to focus on current and future reduction-potential over time.

Tryg Forsikring perceives the combination of active ownership and capital allocation as the most efficient way to support ambition. Tryg Forsikring's target is to reduce the carbon intensity of the equity portfolio by at least 50% in 2030 compared to prime 2020. While active ownership is preferred option, Tryg Forsikring will begin to divest managers with investments in fossil fuel production companies that have not presented a strategy for a green transition. This process will begin in 2023 and conclude no later than 2030.



Read more on [pages 19](#) in [Tryg's Sustainability report 2022](#)

Climate-related risk and opportunities

The impact of climate change is significant and a cause of concern for Tryg Forsikring's customers and the society. It is anticipated that physical and transitional climate-related risks and opportunities may impact Tryg Forsikring as a business in both the medium and long terms. Inherent to Tryg Forsikring's business is a strong focus on managing and preventing claims related to natural events such as flooding and storms, and there is a continuous focus on data, methods and practices for managing this. Extreme weather events such as flooding, cloudbursts, storms, rising sea levels and heatwaves represent physical risks, not only for Tryg Forsikring, but also for Private, Commercial and Corporate customers, and the number of weather-related claims is increasing within all Tryg Forsikring's business areas. Tryg Forsikring monitors data available on adverse climate-related risks and seeks to mitigate such risks to the greatest possible extent. Read Tryg's climate-related disclosure in line with TCFD (Task Force on Climate-related Financial Disclosures) recommendations on page 22 in Tryg's Sustainability report.

Diverse and inclusive workplace

Tryg Forsikring is committed to increase the level of diversity, equality and inclusion across the organisation and industry. The ambition is to have a diverse pool of employees and managers with different backgrounds, skills, age and experience. This is not only to reflect the society that Tryg Forsikring is part of, but also to better understand and match the changing needs of the diverse customers and society in general.

Ensuring gender balance in leadership

Tryg Forsikring has had a strong focus on diversity for several years with the aim of increasing the share of women in management positions to 41%. The target includes all management levels i.e., from team manager to top management⁴. The share of women in management positions has increased slightly from 40.1% in 2021 to 40.5% in 2022, leaving Tryg Forsikring very close to the target of 41%. Progress has been driven by a continuous focus in the recruitment and HR processes, and in 2022, Tryg Forsikring has achieved gender balance in internal and external managerial recruitments, with 51% female and 49% male.

The financial sector is generally characterised by low female representation in management positions, which is a challenge when it comes to gender diversity. One of the levers to increase this is through internal talent development and promotions from the leadership pipeline where the share of women is higher. Breaking through the glass ceiling is an important focus area for Tryg Forsikring, who is dedicated to creating a better gender balance at the top levels of the organisation.



Download Policy for [competency-and-diversity-policy](#)



Engaging employees

Providing a healthy, safe and engaging working environment and securing the well-being of employees is critical to creating an attractive workplace where everyone thrives and can perform to their full potential.

With the acquisition of Trygg-Hansa in Sweden and Codan in Norway, the number of employees in Tryg Forsikring increased to approximately 7,500. Informed, engaged and enabled employees is the guiding principle for Tryg Forsikring. To ensure a smooth transition to new teams, tools and processes, thorough onboarding processes were put in place for the new colleagues, and all leaders were trained in how to support their employees in the process. Throughout all of these initiatives, commitment and engagement from immediate managers have been crucial in keeping employees engaged and continuously informed about progress.

In 2022, the overall employee satisfaction score decreased one point to 79, which is still well above the average of 75 points for the Nordic financial sector. In light of the integration, Tryg Forsikring is proud to have maintained a high level of satisfaction across the three countries.



Read more on [page 30 in Tryg's Sustainability report 2022](#)

Green workplace

Tryg Forsikring's direct carbon footprint is relatively limited. However, there is an ambition to actively do what it takes to reduce the climate impact stemming from offices, waste, company cars and business travels. To direct efforts, clear CO2e reduction targets for all areas have been defined across the relevant parts of the organisation. Governance and responsibility have been established to ensure progress on initiatives. Tryg Forsikring has furthermore focused on creating awareness across employees, to ensure that everyone understands how they can contribute. The ISO 14001 and EMAS certifications in Denmark and the Eco-Lighthouse certification in Norway ensure that Tryg Forsikring works systematically and thoroughly with environmental matters across the organisation.



Download Climate and environmental policy at [CSR policy](#)

Carbon footprint

The CO2 emissions from the direct activities stem from offices and transportation, i.e. Tryg Forsikring is therefore focusing on making its offices more environmentally friendly through energy efficiency, waste reduction and segregation, and on changing transportation habits. Tryg has set reduction targets of 35% and 55% in 2024 and 2030, respectively, compared to the 2019 base year. To achieve carbon neutrality in 2023, Tryg Forsikring will compensate for the rest of its emissions – with a clear focus to reduce more and compensate less over time. In 2022, Tryg Forsikring's total carbon emissions were reduced by 58%*. Needless to say that the previous two years' performance on the CO2 target have been highly impacted by COVID-19. In the first quarter of 2022, there is still an impact of COVID-19 as employees worked from home and were not able to travel. However, Tryg Forsikring's long-time focus on improving energy efficiency through shifts to LED lightening and better management of lightning, heating, cooling and ventilation across our buildings, is reflected in the performance across the year.



Read more on pages [31-32 in Tryg's Sustainability report 2022](#)

Ethics and compliance

It is fundamental that Tryg maintains and ensures a high level of business and data ethics, security and good corporate governance at all times. This is the foundation of the business and a precondition for succeeding with the strategy. Tryg promotes responsible business conduct throughout the value chain and expect its employees, suppliers, business partners and external investment managers to comply with these principles. This is an ongoing process that involves continuously building knowledge and capacity throughout the value chain and internally across the employee base.



Tryg Forsikring's Code of Conduct defines the rules that all employees are required to adhere to. It is mandatory for employees to complete a recurring e-learning programme on Tryg Forsikring's Code of Conduct.



Download [Code of Conduct](#)

Data

Tryg Forsikring deals with personal data daily, including sensitive data about customers and employees.

The use of data is essential for the business model, as the primary resource in the development of products that meet customer needs. Data privacy Ensuring that the customers' personal data are stored and handled in a lawful, secure and compliant manner is a high priority for Tryg. Through the Privacy and Cookies Notice, available at tryg.com, Tryg seeks to be transparent about how personal data is collected, processed and used. The notice describes which data is collected, from which sources, about whom and how it is shared and for how long it is stored.



Download [Privacy and cookie notice](#)

Data ethics and security The data ethical principles 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, and outline three main principles: transparency, free choice, and data security. Tryg Forsikring's data ethical principles are anchored within and approved by Tryg Forsikring's GDPR and IT Security Board. Tryg Forsikring's employees must be well-informed about data ethics, data security as well as the proper and confidential handling of personal data. All employees must sign a confidentiality undertaking. Tryg Forsikring creates awareness and teach employees about privacy through e-learning and training programmes, which all employees must complete.



Read more [on page 33](#) in [Tryg's Sustainability report 2022](#)



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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 corporate.governance.dk. At 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 > [Download](#)

Annual General Meeting

Tryg Forsikring holds an Annual General Meeting (AGM) every year. As required by the Danish Companies Act and Tryg Forsikring's Articles of Association, the AGM is convened via a company announcement subject to at least three weeks' notice. The notice contains information about the time and venue or technical requirements for attending the meeting as well as an agenda for the meeting.

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 TryghedsGruppen. See page 38-41 for information on when the individual members joined the Supervisory Board, were reelected 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.



See details about the independent board members in the section Supervisory Board on pages [38-41](#) and at www.tryg.com/en/governance/management/supervisory-board for information on when the individual members joined the Supervisory Board

The Supervisory Board has 14 members in total, with an equal gender representation, as the board currently comprise seven women and seven men (including one male and four female employee representatives). This complies with legislation as well as Tryg Forsikring's policy. The Supervisory Board has members from Denmark, Sweden and Norway.

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 compliance, 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 overboarding. 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 2022, 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 2022, 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 38-41 and at tryg.com: Supervisory Board | 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 adopted a policy for the underrepresented gender that sets out specific targets to ensure diversity and equal opportunities and access to management positions for qualified men and women.



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.

All members of the Audit Committee and three out of four members of the Risk Committee, including the committee chair, are independent persons. Three out of the five 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. Three out of five members of the IT-Data Committee are independent persons, including the committee chair. Board committee members are elected primarily on the basis of 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.



Remuneration of management

Tryg Forsikring has adopted a remuneration policy for Tryg Forsikring in general that 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 2022 was adopted by the Supervisory Board in January 2022 and approved by the annual general meeting on 31 March 2022.

The Chair of the Supervisory Board reports on Tryg Forsikring'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.

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 2022, the variable pay element was in January 2023 allotted as a combination of cash and conditional shares.

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).

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.



The deviations are explained in Tryg's Statutory Corporate Governance report, which is available at www.tryg.com/en/downloads-2022



Read more about remuneration at Tryg in the Remuneration policy and in the Remuneration Report at www.tryg.com/en/governance/remuneration

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



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Supervisory Board



Jukka Pertola^{a)}

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 Tryg A/S and Tryg Forsikring A/S
Siemens Gamesa Renewable Energy A/S, Asetek A/S and COWI Holding A/S
Board seats, Deputy Chair Gomspace Group AB incl. Gomspace 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 Tryg A/S, Nomination Committee in COWI Holding A/S (Chair), Remuneration Committee (Chair) Asetek A/S, Nomination Committee Asetek A/S, Remuneration Committee, Nomination Committee and Strategy 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 BTC and BTB

Competencies Solid technological background in telecommunication, IT, digitalisation, business models, strategy and business development. Understanding of risk management, M&A, business know-how and judgement as well as insurance

Number of shares held 13,000
Change in portfolio since 2021 0



Torben Nielsen^{a)}

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

Career Professional board member, former Adjunct Professor at Copenhagen Business School. Former Governor of Danmark's Nationalbank (Danish Central Bank)
Education Savings bank training, Graduate Diplomas in Organisation, Work Sociology, Credit and Financing
Board seats, Chair Ny Holmegaard Vækst Fund, Investeringforeningen Sparinvest, Vordingborg Borg Fund, Museum of Southeast Denmark, Borgerne Fonden, Tryg Invest A/S and KTIF (Kapitalforeningen Tryg Invest Funds) A/S
Board seats, Deputy Chair Tryg A/S and Tryg Forsikring A/S

Board member Sampension RP Livsforsikring A/S and a member of the Executive Management of Bombesøssen
Committee memberships Audit Committee (Chair) and Risk Committee (Chair), Nomination Committee and Remuneration Committee in Tryg A/S, Audit Committee (Chair) and Risk Committee (Chair) in Sampension KP Livsforsikring

Experience General experience at executive level in banking, Micro and macro knowledge from membership of the board of governors in the Danish Central Bank. Knowledge of chairmanship from non-executive boards

Competencies General top management experience from the financial sector as well as experience of risk management and regulatory requirements, business know-how and judgement

Number of shares 53,000
Change in portfolio since 2021 1,000



Mari Thjømøse^{a)}

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 Economics 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 Sellsport Maritimt Forlag A/S and Thjømøsekransen A/S

Board member Tryg A/S and Tryg Forsikring A/S, TF Bank AB, FCG Fonder AB, Hafsland ASA, Deezer SA, Norconsult A/S and Norconsult Holding, Varme og Bad AS

Committee memberships Audit Committee and Risk Committee in Tryg A/S, Audit Committee (Chair) in Norconsult A/S, Audit Committee (Chair) in Deezer SA, Risk Committee in TF Bank AB and Audit Committee in Hafsland AS

Experience Senior management experience from large cap companies, insurance and real estate. Extensive experience from board of directors within finance, energy and renewables and is engaged in developing sustainable businesses and good governance. Headed the Norwegian IR associations for a number of 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 16,817
Change in portfolio since 2021 2,500



Carl-Viggo Østlund^{a)}

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

Career Former CEO of Swedish banks SBAB and Nordnet and the insurance company SalusAnsvar. At present entrepreneur, professional board member and investor
Education BSc in International Business and Finance & Accounting, Stockholm School of Economics

Board seats, Chair Fondo Solutions AB, Gladshem Fastigheter AB, Hermedel AB, Juvinum Food&Beverage AB, Pricismart AB, Ponture AB, Ywonn Media Group Sweden AB and Nodvi Fastigheter AB

Board member Tryg A/S and Tryg Forsikring A/S, Allert Östlund AB, Delimport Ltd, Goobit Group AB, Havsgeard AB

Committee memberships IT-Data Committee (Chair) and Remuneration Committee in Tryg A/S

Experience More than 30 years as CEO and Managing Director in local and international environments in both listed and privately held companies as well as banks. Experience from 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 2021 0



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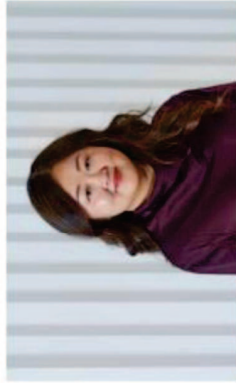
Supervisory Board



Thomas Hofman-Bang^{a)}

Born in 1964. Joined the Supervisory Board in 2022. Danish citizen.

Career CEO of the Danish Industry Foundation
Education Certified Public Accountant
Board seats, Chair CBS Academic Housing, K Alternativ Private Equity 2019 K/S, K Alternativ Private Equity 2020 K/S, K Alternativ Private Equity 2021 K/S, K Alternativ Private Equity 2022 K/S, K Alternativ Private Equity 2023 K/S and Half Double Institute fmba
Board seats, Deputy Chair Bikubenfonden
Board member Tryg A/S and Tryg Forsikring A/S and Tranes Fond
Experience 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)
Competencies 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
Number of shares 4,830



Mengmeng Du^{a)}

Born in 1980. Joined the Supervisory Board in 2022. Swedish citizen.

Career Independent advisor to tech startups and professional board member. Former leading positions at Spotify and Acast
Education MSc in Economics and Business Administration from Stockholm School of Economics, MSc in Computer Science from Royal Institute of Technology (KTH)
Board member Tryg A/S and Tryg Forsikring A/S, Domestic Group AB, Swapple Oy and Clas Ohlson AB
Committee memberships People and Remuneration Committee in Swapple Oy
Experience 10+ years of top management experience as board member. Thorough knowledge of the Tech startup space 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
Competencies BGeneral top management experience from the Tech industry. Extensive experience in the areas of IT & digitalisation, transformation, marketing, organisation, strategy and business development
Number of shares 0



Ida Sofie Jensen^{b)}

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

Career CEO of Lf (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 Verifikation 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 Lf 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, ability and skills to evaluate succession scenarios as well as understanding of digitalisation
Number of shares 5,616
Change in portfolio since 2021 0



Claus Wistoft^{b)}

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

Career 1st Deputy Mayor, Municipality of Sydjurs and member of the finance committee. Agronomist, wind energy production, tenanted properties and project development of building sites. CEO in Demex Holding A/S and C.W. Holding A/S
Education Agricultural education at Bygholm Agricultural College and various business courses
Board member Tryg A/S and Tryg Forsikring A/S, TryghedsGruppen smba, Seidelmann Holding ApS, Lyngfeldt Maskinudlejning ApS, K/S Prinz Carl Anlaage and Ejendomsfonden - Maltfabrikken
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 2021 0



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Supervisory Board



Jørn Rise Andersen^{b)}

Born in 1956. Joined the Supervisory Board in 2022. Danish citizen.

Career Union Chairman of Dansk Told og Skatteforbund (the Danish Customs and Tax Union)

Education 3-year education in the Danish Customs Authorities. Various accounting courses (business diploma level), such as internal and external accountability, organisation and tax law

Board seats, Chair Tjenestemændenes Laaneforening, Dansk Told- og Skatteforbunds Fællesråd and TJM Bolig A/S

Board seats, Deputy Chair Tryghedsgruppen SMBA
Board member Tryg A/S and Tryg Forsikring A/S, TJM Forsikring, Intereseforeningen, Lån og Spar Bank A/S, Fondet af 1864, Fagbevægelsens Hovedorganisation (the Trade Union Central Organisation), CO 10 (The Central Organisation of 2010), Administrationsakieselskabet Forenede Gruppely og Stats- og Kommunalansattes Forhandlingsfællesskab

Committee memberships Risk Committee in Tryghedsgruppen (Chair), Audit Committee in Lån og Spar Bank A/S (Chair), Risk Committee and Remuneration Committee in Lån og Spar Bank A/S

Experience Many years of experience from top management positions in Danish trade unions as well as board seats in financial companies

Competencies Understanding of the financial sector, finance and risk management, member loyalty and care, investments and capital management, political flair

Number of shares 0



Charlotte Dietzer^{b)}

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

Employed since 1998

Career Manager advisor in Claims Denmark, Tryg A/S

Education Insurance education at Forsikringsakademiet (level 5) as well as various management and communication courses. Supervisory Board education at Forsikringsakademiet

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

Experience Division partner in Tryg A/S and examiner at Forsikringsakademiet

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

Number of shares 706

Change in portfolio since 2021 156



Tina Snejbjerg^{b)}

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 Snejbjerg worked with insurance sales to both private and commercial customers as well as providing insurance advice to customers. From 2001-2009, Tina Snejbjerg was the deputy chair of the local branch of Forsikringsforbundet and since 2009 she has been the chair, working with operations, strategy, negotiating agreements and engaged in recruiting and retaining members

Competencies Many years of experience mean Tina Snejbjerg has acquired solid business know-how and judgement, problem-solving abilities, and has worked with management and HR-related issues in the financial sector, specifically the insurance industry

Number of shares 2,657

Change in portfolio since 2021 156



Elias Bakt^{b)}

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

Employed since 2006

Career Product & Strategic Engagement Manager in Tryg A/S

Education Norra Real Gymnasium, financial services & insurance at Företagsökonomiska Institutet Stockholm. Programme 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 and Affinity for 4.5 years, Business development in Moderna and Affinity for 4.5 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 3,000

Change in portfolio since 2021 250



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Supervisory Board



Mette Osvold^(b)

Born in 1978. Joined the Supervisory Board in 2022. Norwegian citizen.

Employed since 2003

Career Chair in Finansforbundet in Tryg
Education BA in Business and Finance for Managers from Oxford Brookes University, Executive programme from Norwegian School of Economics, Executive management programme from Norwegian Business School, Executive programme from Høgskolen Kristiania

Board seats, Chair Finansforbundet in Tryg

Board member Tryg A/S and Tryg Forsikring A/S
Experience Since 2003, Mette Osvold has held various positions in Tryg, including as process and business developer, project manager, competence manager and most recently as Chair of Finansforbundet in Tryg

Competencies

Solid knowledge and experience of the insurance industry

Number of shares

853



Lena Darin^(b)

Born in 1961. Joined the Supervisory Board in 2022. Swedish citizen.

Employed since 1989

Career Claims handler
Education Cand.jur./LLM
Board seats, Chair Chair of Akademikerforeningen of Tryg-Hansa since 2012
Board member Tryg A/S and Tryg Forsikring

Experience

Since 1989, Lena Darin has worked as a claims handler in the insurance industry. Former Board Employee representative at Tryg-Hansa (2012-2015)

Competencies

Solid knowledge and experience of the insurance industry

Number of shares

0

Committee meeting overview 2022

Name	Supervisory Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	IT-Data Committee
Jukka Pertola	11/11			6/6	7/7	4/4
Torben Nielsen	11/11	8/8	8/8	6/6	7/7	
Ida Sofie Jensen	11/11			6/6	7/7	4/4
Carl-Viggo Østlund	11/11				7/7	4/4
Claus Wistoft	11/11	6/8	5/8			
Marl Thjømøe	11/11	8/8	8/8			4/4
Thomas Hoffmair-Bank ^(a)	7/11					
Mengmeng Du ^(a)	6/11					
Jørn Rise Andersen ^(a)	10/11	8/8			7/7	
Tina Snelbjerg	11/11					4/4
Charlotte Dietzer	11/11					
Elias Balkk	11/11					
Lena Darin ^(b)	4/11					
Mette Osvold ^(a)	4/11					

^(a) Joined the Board in March 2022
^(b) Joined the Board in July 2022



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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 as well as management programme, The Wharton School

Board seats, Chair: Steimprove (including two holding companies) and Conscia A/S (including four holding companies)

Experience: Morten Hübbe is an experienced senior executive with a holistic and approach to strategic leadership. Morten has 25+ years of insurance experience, of which nearly 20 years have been at top executive level - 8 years as Group CEO 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: 321,061

Number of shares held at the start of 2022: 289,921

Change in portfolio: +31,140

* Other Directorships in the following non-financial holding companies: CGH Invest ApS, Gusta Invest ApS and Moccou 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: KTHF (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 of CFO within ISS' largest market, the UK & Ireland, and several senior positions within group treasury and risk management with ISS. Furthermore, she has comprehensive experience of 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 through 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 at the start of 2022: 29,319

Change in portfolio: 0



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: P/F Betri Trygging, Tryk Livsforsikring A/S and Forsikringsakademiet A/S

Board member: Danish Employers' Association for the Financial Sector 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: 122,692

Number of shares held at the start of 2022: 105,885

Change in portfolio: +16,807



Johan Kirstein Brammer **Group CCO**
Born in 1976. Joined Tryg in 2016.
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 headed 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 the UK. Before joining McKinsey & Co, Johan was an attorney with Kromann Reumert in Denmark. This range of experience 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 sense 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: 55,287

Number of shares held at the start of 2022: 49,663

Change in portfolio: +5,624



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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 2022 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 2022 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 2022.

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, 3 February 2023

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

Mari Thjømmøe

Ida Sofie Jensen



Charlotte Dietzer

Claus Wistoft

Tina Snebjerg

Carl-Viggo Östlund

Mette Osvold

Lena Darin



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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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 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 2022 and of the results of the parent company's operations for the financial year 1 January to 31 December 2022 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 2022 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 2022 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. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of two years including the financial year 2022.

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 2022. 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 data-bbox="310 241 729 289"><i>Measurement of provisions for insurance contracts</i></p> <p data-bbox="310 317 732 464">The Group's provisions for insurance contracts total DKK 48,770 million, which constitutes 43% of the balance sheet total. Provisions for insurance contracts primarily comprise premium and claims provisions.</p> <p data-bbox="310 491 732 659">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 data-bbox="310 686 732 905">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. The estimate includes direct and indirect costs relating to the settlement of claims.</p> <p data-bbox="310 932 732 1127">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 data-bbox="310 1155 732 1299">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 data-bbox="310 1327 732 1417">Reference is made to the description in the Financial Statements of "Risk and capital management" in Note 1 and in "Accounting policies" in Note 28.</p>	<p data-bbox="758 317 1300 562">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 data-bbox="758 590 1300 735">We used our own actuaries in the evaluation of the actuarial methods and models applied by the Group 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.</p> <p data-bbox="758 762 1300 930">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.</p> <p data-bbox="758 957 1300 1054">We tested the calculation of provisions for insurance contracts on a sample basis. We assessed whether the disclosures on provisions for insurance contracts were adequate.</p>
<p data-bbox="310 1423 716 1476"><i>Trygg-Hansa and Codan Norway Purchase Price Allocation</i></p> <p data-bbox="310 1503 732 1698">RSA Scandinavia was acquired by the parent company Tryg A/S with accounting effect as at 1 June 2021 comprising RSA's Swedish (Trygg-Hansa) and Norwegian (Codan Norway) businesses and a co-share of RSA's Danish business. Collectively referred to as RSA Scandinavia.</p> <p data-bbox="310 1726 732 1774">According to the shareholders' agreement, Tryg A/S did not have control of</p>	<p data-bbox="758 1497 1300 1545">We assessed whether the acquisitions met the criteria of a business combination.</p> <p data-bbox="758 1572 1300 1644">We audited the opening balance sheet and the PPA adjustments and assessed the completeness of assets and liabilities.</p> <p data-bbox="758 1671 1300 1768">Further, we involved our internal valuation specialists in assessing the valuation methodologies used by Management and the fair valuation of the acquired assets and liabilities.</p>



RSA Scandinavia but did have significant influence. Tryg A/S' access to information was restricted to ensure compliance with the competition law. Accordingly, the investment was classified as an investment in associates until 31 March 2022 in the parent company Tryg A/S.

On 1 April 2022, the demerger separating Codan Denmark from Trygg-Hansa in Sweden and Codan in Norway was completed. Tryg A/S obtained control over the Swedish and Norwegian businesses and started full consolidation in the Group's Financial Statements on a line-by-line basis. Trygg-Hansa and Codan Norway was merged into Tryg Forsikring A/S on 1 April 2022.

Management prepared a purchase price allocation ('PPA') for the acquisition of Trygg-Hansa and Codan Norway, resulting in assets and liabilities being separately recognised and valued at fair value in the opening balance sheet.

When performing the PPA, Management used the Group's valuation methodologies. In order to determine the fair value of the separately identified assets and liabilities in a business combination, the valuation methodologies require input based on assumptions about the applied cash flow forecasts - based on, amongst others, customer churn rates and claims ratios - and determination of the WACC.

The significant judgements and estimates involved in the PPA and opening balance mainly relate to assessing the fair value of acquired customer relationships, brands and other acquired assets and liabilities including provisions for insurance contracts at the opening balance sheet date.

We focused on this area because the PPA, which includes identification of the acquired assets and liabilities and their respective fair values, requires complex judgements and significant estimates by Management.

Reference is made to the Financial Statements "Intangible assets" in note 11 and 26 and "Accounting policies" section "Business Combinations" and "Measurement of Goodwill, Trademarks and Customer relations" in note 28.

We challenged key judgements and the significant assumptions used to determine the fair value of the acquired assets and liabilities in the business combination, including the fair value of the acquired customer relations, brands and provisions for insurance contracts.

Finally, we assessed the adequacy of disclosures relating to the business combination.



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.

Hellerup, 3 February 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Christian Fredensborg Jakobsen
State Authorised Public Accountant
mne16539

Per Rolf Larssen
State Authorised Public Accountant
mne24822



Tryg Forsikring Group

Financial highlights

27 DKKm	2022	2021	2020	2019	2018
Gross premium income	33,938	24,137	22,653	21,741	18,740
Gross claims	-22,407	-16,275	-15,437	-14,857	-12,636
Total insurance operating costs	-4,783	-3,395	-3,202	-3,081	-2,704
Profit/loss on gross business	6,748	4,468	4,014	3,803	3,400
Profit/loss on ceded business	-723	-731	-499	-566	-624
Insurance technical interest, net of reinsurance	152	-29	-20	1	-10
Technical result	6,177	3,709	3,495	3,237	2,766
Investment return after insurance technical interest	-1,261	709	300	570	-332
Other income and costs	-1,814	-510	-171	-115	-108
Profit/loss before tax	3,102	3,907	3,624	3,693	2,326
Tax	-832	-767	-788	-797	-542
Profit/loss on continuing business	2,270	3,140	2,837	2,896	1,784
Profit/loss on discontinued and divested business after tax	0	-3	0	-2	-2
Profit/loss	2,270	3,137	2,837	2,895	1,782
Run-off gains/losses, net of reinsurance	1,380	963	1,145	1,194	1,221
Statement of financial position					
Total provisions for insurance contracts	48,770	33,588	32,488	32,224	31,948
Total reinsurers' share of provisions for insurance contracts	1,851	1,494	1,377	1,501	1,415
Total equity	42,655	13,468	12,944	12,720	11,901
Total assets	113,942	64,361	61,041	59,178	56,591
Key ratios					
Gross claims ratio	66.0	67.4	68.1	68.3	67.4
Net reinsurance ratio	2.1	3.0	2.2	2.6	3.3
Claims ratio, net of ceded business	68.2	70.5	70.3	70.9	70.7
Gross expense ratio	14.1	14.1	14.1	14.2	14.4
Combined ratio	82.2	84.5	84.5	85.1	85.1
Gross expense ratio without adjustment					
Operating ratio	81.9	84.6	84.6	85.1	85.2
Relative run-off gains/losses	5.7	4.0	4.9	5.1	5.4
Return on equity after tax (%)	8.2	22.4	19.3	22.7	17.7

From 1 April 2022 Trygg-Hansa, Codan Norway and Holmia Livsförsäkring are fully consolidated in the Financial Statements.



Income statement

DKKkm	2022	2021
Note		
General insurance		
Gross premiums written	34,658	25,413
Ceded insurance premiums	-1,673	-1,564
Change in premium provisions	157	-44
Change in reinsurers' share of premium provisions	-3	-37
3 Premium income, net of reinsurance	33,139	23,768
4 Insurance technical interest, net of reinsurance	152	-29
Claims paid	-22,046	-15,497
Reinsurance cover received	398	471
Change in claims provisions	-361	-778
Change in the reinsurers' share of claims provisions	325	141
5 Claims, net of reinsurance	-21,683	-15,663
Bonus and premium discounts	-877	-1,232
Acquisition costs	-3,695	-2,655
Administration expenses	-1,088	-739
Acquisition costs and administration expenses	-4,783	-3,395
Reinsurance commissions and profit participation from reinsurers	229	258
6 Insurance operating costs, net of reinsurance	-4,554	-3,137
2 Technical result	6,177	3,709
Investment activities		
Income from associates	-53	-41
Income from investment property	48	41
7 Interest income and dividends	915	537
8 Value adjustments	-931	538
7 Interest expenses	-141	-149
Administration expenses in connection with investment activities	-168	-156
Total investment return	-331	771
Return on insurance provisions	-930	-62
Total investment return after insurance technical interest	-1,261	709
Other income	126	132
9 Other costs	-1,940	-642
Profit/loss before tax	3,102	3,907
10 Tax	-832	-767
Profit/loss on continuing business	2,270	3,140
Profit/loss on discontinued and divested business	0	-3
Profit/loss for the year	2,270	3,137
Statement of comprehensive income		
Profit/loss for the year	2,270	3,137
Other comprehensive income		
Other comprehensive income which cannot subsequently be reclassified as profit or loss		
Actuarial gains/losses on defined-benefit pension plans	-2	0
Tax on actuarial gains/losses on defined-benefit pension plans	1	0
	-2	0
Other comprehensive income which can subsequently be reclassified as profit or loss		
Exchange rate adjustments of foreign entities for the year	-2,217	93
Hedging of currency risk in foreign entities for the year	496	-99
Tax on hedging of currency risk in foreign entities for the year	-109	22
	-1,830	16
Total other comprehensive income	-1,832	16
Comprehensive income	438	3,153



Statement of financial position

DKKkn		2022	2021
Note	Assets		
11	Intangible assets	32,716	7,025
	Operating equipment	178	158
	Owner-occupied property	693	604
12	Total property, plant and equipment	871	762
13	Investment property	1,017	1,040
14	Equity investments in associates	37	16
	Total investments in associates	37	16
	Equity investments	4,647	3,487
	Unit trust units	8,330	8,231
	Other lending	75	75
	Bonds	55,782	35,594
	Derivative financial instruments	1,340	913
	Reverse repurchase lending	194	0
	Total other financial investment assets	70,369	48,301
15	Total investment assets	71,423	49,356
	Reinsurers' share of premium provisions	264	262
18	Reinsurers' share of claims provisions	1,587	1,232
16	Total reinsurers' share of provisions for insurance contracts	1,851	1,494
	Receivables from policyholders	1,621	1,678
	Total receivables in connection with direct insurance contracts	1,621	1,678
	Receivables from insurance enterprises	498	407
	Receivables from Group undertakings	1	1,092
	Other receivables	385	927
15	Total receivables	2,506	4,103
17	Current tax assets	847	290
	Deferred tax assets	175	0
	Cash at bank and in hand	2,588	797
	Total other assets	3,610	1,087
	Interest and rent receivable	230	134
	Other prepayments and accrued income	735	398
	Total prepayments and accrued income	966	533
	Total assets	113,942	64,361



Statement of financial position

DKKm	2022	2021
Note		
Equity and liabilities		
Equity	42,655	13,468
1 Subordinate loan capital	3,688	3,936
18 Premium provisions	7,700	6,183
18 Claims provisions	39,227	25,587
Provisions for bonuses and premium discounts	1,843	1,818
Total provisions for insurance contracts	48,770	33,588
19 Pensions and similar obligations	85	108
20 Deferred tax liability	3,667	806
21 Other provisions	94	40
Total provisions	3,846	954
Debt relating to direct insurance	895	819
Debt relating to reinsurance	123	77
Amounts owed to credit institutions	1,305	835
Debt relating to repos	4,222	2,417
15 Derivative financial instruments	2,398	879
Debt to group undertakings	96	27
17 Current tax liabilities	68	218
22 Other debt	5,792	7,073
Total debt	14,929	12,344
Accruals and deferred income	52	71
Total equity and liabilities	113,942	64,361
1 Risk and capital management		
23 Own funds		
24 Contractual obligations, collateral and contingent liabilities		
25 Related parties		
26 Acquisition of activities		
27 Financial highlights		
28 Accounting policies		
29 Transition to IFRS 9 & IFRS 17 at 1 January 2023		



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Statement of changes in equity

DKKm	Share rate capital adjustment	Reserve for exchange 41	Other reserves a)	Retained earnings	Proposed dividend	Non- controlling interest	Share- holders of Tryg Forsikring	Additional Tier 1 capital	Total equity
Equity at 31 December 2021	1,100	41	1,735	9,383	700	1	12,962	506	13,468
2022									
Profit/loss for the year			2,989	-3,789	3,070		2,270	0	2,270
Other comprehensive income	0	-2,217		385			-1,832		-1,832
Total comprehensive income	0	-2,217	2,989	-3,403	3,070		438	0	438
Issue of new shares	546			29,420	0		29,966		29,966
Dividend paid					-1,200		-1,200		-1,200
Interest paid on additional Tier 1 capital				-16			-16		-16
Total changes in equity in 2022	546	-2,217	2,989	26,001	1,870	0	29,188	0	29,188
Equity at 31 December 2022	1,646	-2,176	4,724	35,384	2,570	1	42,149	506	42,655
Equity at 31 December 2020	1,100	25	1,706	9,077	529	1	12,438	506	12,944
2021									
Profit/loss for the year			29	307	2,801		3,137		3,137
Other comprehensive income	0	16		0			16		16
Total comprehensive income	0	16	29	307	2,801		3,153		3,153
Dividend paid					-2,630		-2,630		-2,630
Total changes in equity in 2021	0	16	29	307	171	0	523	0	523
Equity at 31 December 2021	1,100	41	1,735	9,383	700	1	12,962	506	13,468

The possible payment of dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 4,724m (DKK 1,735m in 2021). 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

DKKm	2022	2021
Cash from operating activities		
Premiums	32,590	24,605
Claims paid	-26,366	-14,597
Ceded business	-1,126	-906
Expenses	-3,415	-3,297
Change in other payables and other amounts receivable	-594	-404
Cash flow from insurance activities	1,087	5,402
Interest income	538	307
Interest expenses	-149	-149
Dividend received	152	112
Taxes	-1,072	-1,218
Other income and costs	-1,027	-377
Cash from operating activities, continuing business	-471	4,078
Total cash from operating activities	-471	4,078
Cash flow from investment activities		
Sale of real property	0	160
Acquisition of equity investments and unit trust units (net)	-222	-891
Purchase/Sale of bonds (net)	1,810	-2,501
Purchase/sale of operating equipment (net)	-50	-22
Hedging of currency risk	496	-36
Cash flow from investment activities, continuing business	2,035	-3,290
Total cash flow from investment activities	2,035	-3,290
Cash flow from financing activities		
Subordinate loan capital	0	2,297
Debt and receivables, Group	1,160	-593
Dividend paid	-1,200	-2,598
Change in lease liabilities	-194	-137
Change in amounts owed to credit institutions	471	-356
Cash flow from financing activities, continuing business	237	-1,387
Total cash flow from financing activities	237	-1,387
Change in cash and cash equivalents, net	1,801	-600
Exchangerate adjustment of cash and cash equivalents, 1 January	-11	32
Change in cash and cash equivalents, gross	1,790	-568
Cash and cash equivalents, 1 January	797	1,365
Cash and cash equivalents, 31 December	2,588	797

	Subordinated loans	Amounts owed to credit institutions	Total
2022			
Carrying amount at 1 January	3,936	835	4,771
Exchange rate adjustments	-250	0	-250
Amortisation	2	0	2
Cash flow	0	471	471
Carrying amount at 31 December	3,688	1,305	4,994
2021			
Carrying amount at 1 January	2,295	1,191	3,486
Exchange rate adjustments	-1,162	0	-1,162
Amortisation	2	0	2
Cash flow	2,801	-356	2,445
Carrying amount at 31 December	3,936	835	4,771



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. Tryg Forsikring's risk profile is continuously measured, quantified and reported to the management and the Supervisory Board.

In Tryg Forsikring, we have adopted a 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.

1st line of defence is the Business Management

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

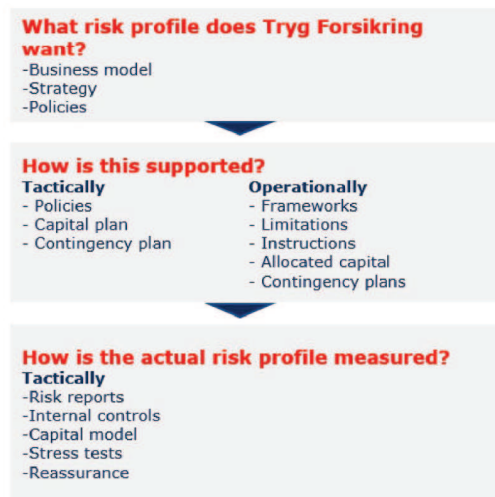
3rd line of defence is Internal Audit and the Internal Audit function

The 1st line consists of the Business Management:

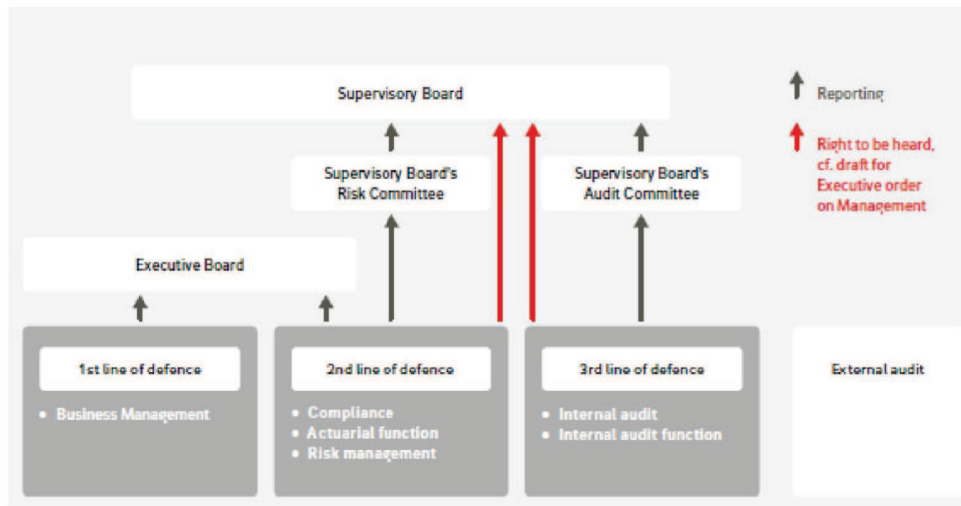
The business areas are responsible for the daily risk management and for carrying out every day work based on Tryg Forsikring's policies and instructions regarding the management of risks and are responsible for being compliant with both internal and external requirements. This means that there must be procedures and guidelines in place for vital areas, and that internal controls are carried out in such a way that risks are identified in a timely manner 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 Group level and reporting to the Supervisory Board.



Lines of defence



Tryg Forsikring's risk management environment



Furthermore, the function prepares specific recommendations in relation to 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 organisation.

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 discussed in the Supervisory Board. The Supervisory Board meets minimum 4 times annually.



Capital management

Tryg'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% (of operating earnings) Tryg Forsikring's capital base currently consist of Tier 1 and 2 capital, such as shareholders' equity and subordinated loans. The capital base is continuously measured against the capital requirement calculated on the basis of 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 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 a number of years, and was approved by the Danish Financial Supervisory Authority (DFSA) in December 2015. A major model change was last 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 selected stress 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, 2023 are:

- In case of major events involving damage to buildings and contents to cover a loss defined by the Solvency II Standard Scenario which corresponds to a 1 in 200 year event. Retention for such events is DKK 300m.
- In addition Tryg has bought a specific cover for aggregation of natural disasters with a retention of DKK 500m
- Tryg Forsikring has also taken out reinsurance on a per risk basis for large claims occurring in business lines with very high sums insured. Retention for large claims is DKK 150m, gradually dropping to DKK 50m.
- Tryg Forsikring has a reinsurance cover of other lines 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.

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. In order to manage the inflation risk of claims reserves, Tryg Forsikring has bought zero coupon inflation swaps. After Tryg Forsikring's acquisition of Trygg-Hansa, Tryg Forsikring's portfolio of long tailed Swedish motor third party liability and personal accident has increased significantly. Tryg Forsikring determines the claims reserves via statistical methods as well as individual assessments.

At the end of 2022, Tryg Forsikring's claims reserves net of reinsurance totalled DKK 37,640m with an average duration of approximately 5.2 years (discounted) whereas 7.2 (discounted).

Investment risk

The overall framework for managing investment risk is defined by the Supervisory Board in Tryg Forsikring's investment policy. In overall 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 2022, investment properties accounted for 6.7% (including property funds) and Tryg Forsikring's equity portfolio accounted for 5.1% of the total investment assets.

Tryg Forsikring does not want to speculate in foreign currency, but since Tryg Forsikring invests and operates its insurance business in other currencies than Danish kroner, Tryg is exposed to currency risk. Tryg 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 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 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 in 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 Group level, national contingency teams at country level and finally business continuity teams in the individual areas. Tryg has prepared contingency plans to address the most important areas among these ensuring servicing of customers. 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 changed 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 means the risk of Tryg Forsikring being subject to legal sanctions, authority sanctions, suffering financial losses or deterioration of reputation due to non-compliance with legislation, market standards or internal regulations. The Compliance function must control assess and report whether Tryg Forsikring's methods and procedures for complying with the legislation are reliable and function effectively.

The compliance functions conducts a risk assessment annually and identifies the areas to be reviewed in the coming year. Compliance continuously deals with the identified compliance risks until they are mitigated and monitors and assesses whether any new risks are being handled. In addition, the Compliance Function also provides ongoing training in compliance matters, e.g. Code of conduct and GDPR training as part of our mandatory compliance training courses. In 2022, 99% of our employee completed and passed the training on time.

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 a strategic level by the Supervisory Board and Executive Board, and also at an operational level by 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'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		2022	2021
1	Sensitivity analysis		
	Insurance risk		
	Effect of 1% change in:		
	Combined ratio (1 percentage point)	+/-339	+/-241
	Major events	-150	-150
	Catastrophe event up to DKK 7.250m	-200	-200
	Reserving risk		
	1% change in inflation on person-related lines of business ^{a)}	+/- 1.240	+/- 400
	10% error in the assessment of long-tailed lines of business (workers' compensation, motor liability, liability, accident)	+/- 2.780	+/- 1.745
	Investment risk		
	Interest rate market		
	Effect of 1 % increase in interest curve:		
	NOK:		
	Impact of interest-bearing securities	-252	-183
	Higher discounting of claims provisions	173	178
	Net effect of interest rate rise	-79	-5
	SEK:		
	Impact of interest-bearing securities	-936	-152
	Higher discounting of claims provisions	1,164	192
	Net effect of interest rate rise	228	40
	DKK, EUR and Other:		
	Impact of interest-bearing securities	-723	-813
	Higher discounting of claims provisions	596	734
	Net effect of interest rate rise	-128	-78
	Equity market		
	15 % decline in equity market	-505	-516
	Impact of derivatives and related thereto	32	18
	Real estate market		
	15 % decline in real estate markets	-694	-508
	Currency market		
	Equity:		
	15 % decline in exposed currency (exclusive of EUR) relative to DKK	-3,177	-1,237
	Impact of derivatives	2,904	1,226
	Net impact of exchange rate decline	-273	-11
	Technical result per year:		
	Impact of 15% change in NOK and SEK exchange rates relative to DKK	+/- 524	+/- 183
	^{a)} Including the effect of the zero coupon inflation swap		

Mio. DKK		Expected cash flow, not discounted					
1	2022	0-1 year	1-2 years	2-3 years	> 3 years	Total	
	Claims provisions, gross	13,458	6,287	4,057	23,527	47,329	
	Claims provisions, ceded	-980	-345	-155	-180	-1,659	
		12,478	5,942	3,903	23,348	45,670	
	2021						
	Claims provisions, gross	8,950	4,227	2,645	10,714	26,537	
	Claims provisions, ceded	-700	-272	-130	-137	-1,239	
		8,251	3,955	2,516	10,578	25,299	
	Investment risk						
	<i>The notes below are based on Tryg's investment portfolio without the external customers share</i>						
	Bond portfolio including interest derivatives				2022	2021	
	Duration 1 year or less				20,402	17,152	
	Duration 1 - 5 years				20,459	11,364	
	Duration 5 - 10 years				10,350	5,352	
	Duration more than 10 years				4,513	3,698	
	Total				55,724	37,566	
	Duration				3.8	3.1	
	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				2022	2021	
	Nordic countries				193	73	
	Europe ex. Nordic countries				240	442	
	North America				1,752	1,684	
	Others				1,642	1,108	
	Total				3,827	3,307	
	Tryg's share exposure includes exposure from share derivatives of DKK -214 (DKK -117m in 2021) 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				2022	2021	
		Assets and debt	Hedge	Exposure	Assets and debt	Hedge	Exposure
	USD	7,271	-7,106	166	4,977	-5,041	63
	EUR ^{a)}	2,257	-973	1,284	2,105	-709	1,396
	GBP	292	-274	18	308	-300	8
	NOK	5,033	-5,066	33	2,711	-2,703	7
	SEK	4,941	-4,862	80	-495	484	11
	Other	1,113	-854	259	637	-616	21
	Total			1,840			1,506
	^{a)} Due to correlation between DKK and EUR the exposure limit is higher than all other currencies.						



Notes

Mio. DKK

1 Credit risk

Bond portfolio by ratings	2022		2021	
	DKKm	%	DKKm	%
AAA	53,325	89.9	33,323	89.1
AA	2,502	4.2	764	2.0
A	725	1.2	1,036	2.8
BBB	1,016	1.7	736	2.0
BB	606	1.0	424	1.1
B or lower	1,098	1.9	1,121	3.0
Total	59,273	100.0	37,403	100.0

Reinsurance balances

AAA to A	1,548	90.3	1,207	86.8
Not rated	167	13.2	183	13.2
Total	1,715	100.0	1,390	100.0

Liquidity risk

Maturity of the Group's financial obligations including interest

2022	0-1 year	1-5 years	> 5 years	Total
	Subordinate loan capital	136	543	4,585
Amounts owed to credit institutions	1,305	0	0	1,305
Debt relating to unsettled funds transactions and repos	4,222	0	0	4,222
Other debt	7,004	0	0	7,004
	12,668	543	4,585	17,796

2021	0-1 år	1-5 år	> 5 år	Total
	Subordinate loan capital	110	439	5,172
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
	11,565	439	5,172	17,175

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	
	2022	2021	2022	2021	2022 ^{*)}	2021
Amortised cost value of the loan recognised in statement of financial position	566	596	989	1,042	-	-
The fair value of the loan at the statement of financial position date	567	616	990	1,103	-	-
The fair value of the loan at the statement of financial position date is based on a price of	100	103	100	106	-	-
Total capital losses and costs at the statement of the financial position date	0	1	1	2	-	-
Interest expenses for the year	32	25	46	33	-	8
Effective interest rate	5.7%	4.1%	4.7%	3.2%	-	6.9%
Loan terms:						
Lender	Listed bonds		Listed bonds			
Principal	NOK 800m		NOK 1,400m			
Issue price	100		100			
Issue date	March 2013		November 2015			
Maturity year	Perpetual		2045			
Loan may be called by lender as from	2023		2025			
Repayment profile	Interest-only		Interest-only			
Interest structure	3.75 % above NIBOR 3M (until 2023)		2.75 % above NIBOR 3M (until 2025)			
	4.75 % above NIBOR 3M (from 2023)		3.75 % above NIBOR 3M (from 2025)			

^{*)} Cancelled in 2021



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Notes

Mio. DKK

1 Subordinate loan capital	Bond loan NOK 850m		Bond loan SEK 1,300m		Bond loan SEK 1,000m*	
	2022	2021	2022	2021	2022	2021
DKKm						
Amortised cost value of the loan recognised in statement of financial position	600	633	867	942	666	723
The fair value of the loan at the statement of financial position date	563	631	830	944	638	740
The fair value of the loan at the statement of financial position date is based on a price of	94	100	95	100	95	102
Total capital losses and costs at the statement of the financial position date	1	1	2	2	3	3
Interest expenses for the year	19	7	18	7	21	15
Effective interest rate	3.1%	1.7%	2.0%	1.1%	3.2%	2.4%
Loan terms:						
Lender		Listed bonds		Listed bonds		Listed bonds
Principal		NOK 850m		SEK 1,300m		SEK 1,000m
Issue price		100		100		100
Issue date		May 2021		May 2021		February 2021
Maturity year		May 2051		May 2051		Perpetual
Loan may be called by lender as from		2027		2026		2026
Repayment profile		Interest-only		Interest-only		Inte'est-only
Interest structure		1.25 % above NIBOR 3M (until 2031)		1.15 % above STIBOR 3M (until 2031)		2.4 % above STIBOR 3M
		2.25 % above NIBOR 3M (from 2031)		2.15% above STIBOR 3M (from 2031)		

a) Tryg Forsikring intends that the Loan terminates in 2023

Amortised cost value of the loan recognised in statement of financial position

	2022	2021
Bond loan NOK 800m*	566	596
Bond loan NOK 1,400m	989	1,042
Bond loan NOK 850m	600	633
Bond loan SEK 1,300m	867	942
Bond loan SEK 1,000m*	666	723
Total amortised cost value of the loan recognised in statement of financial position	3,688	3,936

The share of subordinated loan capital included in own funds totals DKK 4,163m (DKK 4,453m in 2021). 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. Prices used for determination of fair value in respect of the loans are based on actual traded prices from Bloomberg.

*Interest on the Notes is due and payable only at the sole and absolute discretion of Tryg Forsikring A/S. Accordingly, Tryg Forsikring A/S may at any time in its sole and absolute discretion elect to cancel any interest payment (or any part thereof) which would otherwise be payable on any interest payment date. Will become payable only in the event of Tryg Forsikring A/S's bankruptcy.

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.

Subordinate loan capital recognised as equity for accounting purposes

DKKm	Bond loan SEK 700m	
	2022	2021
Carrying amount of the loan recognised in statement of financial position	506	506
The fair value of the loan at the statement of financial position date	463	515
The fair value of the loan at the statement of financial position date is based on a price of	99	101
Total capital losses and costs at the statement of the financial position date	2	2
Interest expenses for the year	16	13
Effective interest rate	3.4%	2.5%
Loan terms:		
Lender		Listed bonds
Principal		SEK 700m
Issue price		0
Issue date		April 2018
Maturity year		Perpetual
Loan may be called by lender as from		2023 a)
Repayment profile		Interest-only
Interest structure		2.5 % above STIBOR 3M

Situation in Ukraine

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 both in terms of assets and liabilities

The exposure to Russia/Ukraine equities or bonds is extremely low while also the business exposure is insignificant. Financial impact on Tryg Forsikring's result is expected to be isolated to the effect on investment results following from the general turmoil in financial markets.

Valuation of investment assets

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 as - sets 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 bond 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 2022, the value amounts to DKK 1,145m (DKK 1,114m on 31 December 2021).



Notes

DKKbn Provisions for claims											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross	12,953	13,359	12,206	14,192	12,380	12,209	13,182	14,068	16,497	16,953	25,475
1 End of year	12,953	13,359	12,206	14,192	12,380	12,209	13,182	14,068	16,497	16,953	25,475
1 year later	12,946	13,632	12,522	14,131	12,256	12,283	13,188	15,730	16,311	20,577	
2 year later	12,976	13,294	12,350	14,090	12,168	12,220	14,972	15,693	17,217		
3 year later	12,796	13,132	12,249	14,015	12,174	13,745	14,982	16,613			
4 year later	12,546	13,109	12,166	13,967	13,663	13,738	15,783				
5 year later	12,466	12,982	12,021	15,380	13,632	14,407					
6 year later	12,368	12,781	13,164	15,344	14,076						
7 year later	12,301	14,070	13,097	15,734							
8 year later	13,478	14,034	13,373								
9 year later	13,422	14,176									
10 year later	15,191										
Cumulative payments to date	-12,780	-13,312	-12,468	-14,595	-12,777	-12,812	-13,687	-13,727	-13,372	-13,445	-13,108
Provisions before discounting, end of year	2,411	864	905	1,139	1,299	1,595	2,097	2,886	3,844	7,132	12,367
Discounting	-853	-178	-196	-230	-252	-304	-389	-475	-586	-869	-902
Reserves from 2011 and prior years											7,923
Gross provisions for claims, end of year											39,227
Estimated accumulated claims regarding Trygg-Hansa and Codan Norway	1,879	306	449	526	572	732	862	1,032	1,557	3,011	6,605
											17,530
Ceded business	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated accumulated claims											
End of year	210	535	260	2,053	195	275	594	351	717	524	754
1 year later	238	1,464	293	1,859	244	376	638	431	778	557	
2 year later	274	1,247	288	1,891	237	371	665	452	705		
3 year later	268	1,241	284	1,868	236	382	675	448			
4 year later	256	1,257	305	1,898	232	353	683				
5 year later	246	1,285	302	1,911	232	383					
6 year later	259	1,334	304	1,903	230						
7 year later	258	1,294	304	1,899							
8 year later	325	1,292	306								
9 year later	325	1,285									
10 year later	332										
Cumulative payments to date	332	1,285	306	1,899	230	383	683	448	705	557	754
	-256	-1,244	-293	-1,883	-227	-342	-631	-334	-516	-231	-94
Provisions before discounting, end of year	76	41	14	16	3	41	51	114	189	326	661
Discounting	-3	-1	0	-1	0	-2	-2	-6	-8	-12	-25
Reserves from 2011 and prior years											118
Provisions for claims, end of year											1,587
Estimated accumulated claims regarding Trygg-Hansa and Codan Norway	0	0	3	0	0	11	1	0	2	8	39
											63
Net of reinsurance	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Estimated accumulated claims											
End of year	12,744	12,824	11,946	12,139	12,185	11,935	12,588	13,716	15,780	16,429	24,721
1 year later	12,708	12,168	12,229	12,272	12,012	11,907	12,550	15,299	15,534	20,020	
2 year later	12,702	12,047	12,062	12,199	11,931	11,849	14,307	15,241	16,511		
3 year later	12,529	11,891	11,964	12,147	11,938	13,363	14,307	16,165			
4 year later	12,290	11,852	11,861	12,070	13,431	13,385	15,101				
5 year later	12,220	11,697	11,719	13,468	13,400	14,024					
6 year later	12,109	11,447	12,860	13,441	13,846						
7 year later	12,043	12,776	12,793	13,835							
8 year later	13,153	12,742	13,067								
9 year later	13,097	12,891									
10 year later	14,859										
Cumulative payments to date	14,859	12,891	13,067	13,835	13,846	14,024	15,101	16,165	16,511	20,020	24,721
	-12,524	-12,068	-12,175	-12,712	-12,550	-12,470	-13,056	-13,393	-12,856	-13,214	-13,015
Provisions before discounting, end of year	2,335	823	891	1,123	1,296	1,554	2,045	2,772	3,655	6,806	11,707
Discounting	-850	-177	-196	-229	-252	-302	-387	-469	-578	-857	-877
Reserves from 2011 and prior years											7,805
Provisions for claims, net of reinsurance, end of the year											37,640
Estimated accumulated claims regarding Trygg-Hansa and Codan Norway	1,879	306	446	526	572	721	861	1,031	1,555	3,003	6,566
											17,467

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate at 31 December 2022 to prevent the impact of exchange rate fluctuations.



Notes

2 Geographical segments	2022	2021	2020	2019	2018
DKK					
Danish general insurance a)					
Gross premium income	15,612	14,326	13,902	13,126	10,375
Technical result	2,685	2,448	2,694	2,595	1,986
Run-off gains/losses, net of reinsurance	752	644	639	717	714
Key ratios					
Gross claims ratio	67.2	66.2	65.5	64.9	61.4
Net reinsurance ratio	1.7	2.0	1.1	1.5	5.4
Claims ratio, net of ceded business	68.8	68.2	66.6	66.4	66.8
Gross expense ratio	14.2	14.4	13.9	13.6	13.9
Combined ratio	83.1	82.7	80.4	80.0	80.7
Run-off, net of reinsurance (%)	-4.8	-4.5	-4.6	-5.5	-6.9
Number of full-time employees 31 December	3,345	3,062	2,797	2,598	2,475
Norwegian general insurance					
NOK/DKK, average rate for the period	73.95	72.92	69.63	75.80	77.53
Gross premium income	8,386	7,263	6,411	6,472	6,302
Technical result	1,267	938	473	469	791
Run-off gains/losses, net of reinsurance	319	215	247	283	520
Key ratios					
Gross claims ratio	66.9	69.1	75.3	73.7	72.6
Net reinsurance ratio	4.9	5.0	3.4	5.1	1.2
Claims ratio, net of ceded business	71.8	74.1	78.7	78.8	73.8
Gross expense ratio	13.6	13.1	14.1	14.4	13.9
Combined ratio	85.5	87.2	92.7	93.1	87.7
Run-off, net of reinsurance (%)	-3.8	-3.0	-3.9	-4.4	-8.3
Number of full-time employees 31 December	1,344	1,139	1,099	1,083	1,105
Swedish general insurance					
SEK/DKK, average rate for the period	70.33	73.39	70.95	70.62	72.67
Gross premium income	9,730	2,390	2,234	2,120	2,073
Technical result	2,227	279	331	169	94
Run-off gains/losses, net of reinsurance	289	113	274	205	-9
Key ratios					
Gross claims ratio	63.1	71.4	65.8	74.0	82.3
Net reinsurance ratio	0.5	2.2	4.0	2.0	-1.7
Claims ratio, net of ceded business	63.6	73.6	69.9	75.9	80.6
Gross expense ratio	14.1	14.6	15.3	16.1	14.6
Combined ratio	77.7	88.3	85.1	92.0	95.2
Run-off, net of reinsurance (%)	-3.0	-4.7	-12.3	-9.7	0.4
Number of full-time employees 31 December	1,781	431	441	419	402
Other a)					
Gross premium income	211	159	105	24	-10
Gross claims	-167	-60	-38	-1	13
Gross expenses	-44	-29	-32	-23	-85
Profit/loss on gross business	0	70	36	1	-82
Profit/loss on ceded business	-2	-27	-38	3	-23
Technical result	-2	43	-3	4	-105
Tryg Forsikring					
Gross premium income	33,938	24,137	22,653	21,741	18,740
Technical result	6,177	3,709	3,495	3,237	2,766
Investment return	-1,261	709	300	300	570
Other income and costs	-1,814	-510	-171	-171	-115
Profit/loss before tax	3,102	3,907	3,624	3,624	3,693
Run-off gains/losses, net of reinsurance	1,380	963	1,145	1,194	1,221
Key ratios					
Gross claims ratio	66.0	67.4	68.1	68.3	67.4
Net reinsurance ratio	2.1	3.0	2.2	2.6	3.3
Claims ratio, net of ceded business	68.2	70.5	70.3	70.9	70.7
Gross expense ratio	14.1	14.1	14.1	14.2	14.4
Combined ratio	82.2	84.5	84.5	85.1	85.1
Run-off, net of reinsurance (%)	-4.1	-4.0	-5.1	-5.5	-6.5
Number of full-time employees, continuing business at 31 December	6,477	4,633	4,371	4,127	4,001
a) Comprises Credit & surety insurance (Tryg Garanti) in Finland, Netherlands, Austria, Switzerland, Belgium and Germany and amounts relating to one-off items.					



Notes

DKKm					
2 Operating segments					
2022	Private a)	Commercial	Corporate	Other	Group
Gross premium income	21,960	8,350	3,628	0	33,938
Gross claims	-14,915	-5,239	-2,253	0	-22,407
Gross operating expenses	-2,961	-1,360	-462	0	-4,783
Profit/loss on ceded business	-358	-126	-239	0	-723
Insurance technical interest, net of reinsurance	86	44	21	0	152
Technical result	3,813	1,670	694	0	6,177
Investment return and Other income and costs					-3,075
Profit/loss before tax					3,102
Tax and other items					-832
Profit/loss					2,270
Run-off gains/losses, net of reinsurance	338	560	482	0	1,380
Intangible assets	28,793	2,809	0	1,113	32,716
Equity investments in associates	0	0	0	37	37
Reinsurers' share of premium provisions	55	61	147	0	264
Reinsurers' share of claims provisions	13	630	944	0	1,587
Other assets					79,338
Total assets					113,942
Premium provisions	4,764	2,072	863		7,700
Claims provisions	22,094	9,992	7,141		39,227
Provisions for bonuses and premium discounts	1,723	120			1,843
Other liabilities					22,516
Total liabilities					71,287
2021	Private	Commercial	Corporate	Other	Group
Gross premium income	15,386	5,294	3,457	0	24,137
Gross claims	-10,518	-3,334	-2,423	1	-16,275
Gross operating expenses	-2,087	-913	-396	1	-3,394
Profit/loss on ceded business	-267	-191	-273	0	-731
Insurance technical interest, net of reinsurance	-18	-7	-4	0	-29
Technical result	2,496	850	361	2	3,709
Investment return and Other income and costs					198
Profit/loss before tax					3,907
Tax and other items					-770
Profit/loss					3,137
Run-off gains/losses, net of reinsurance	372	309	282	1	963
Intangible assets	6,070	60	0	895	7,025
Equity investments in associates				16	16
Reinsurers' share of premium provisions	55	33	174	0	262
Reinsurers' share of claims provisions	48	377	806	0	1,232
Other assets				0	55,827
Total assets					64,361
Premium provisions	3,743	1,451	990	0	6,183
Claims provisions	9,766	7,573	8,249	0	25,587
Provisions for bonuses and premium discounts	1,712	102	4	0	1,818
Other liabilities					17,305
Total liabilities					50,893

Please refer to the accounting policies for a description of operating segments.

a) From H1 2022 Tryg Forsikrings's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" and comparative figures are restated accordingly.

Other assets and liabilities are managed at Group level and are not allocated to the individual segments but are included under 'Other'. Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Non-current assets by country	2022	2021
Denmark	6,817	6,785
Norway	25,075	462
Sweden	1,685	539
Other	11	1
Total	33,587	7,787



Notes

DKK m		2022	2021
3	Premium income, net of reinsurance		
	Direct insurance	34,744	25,304
	Indirect insurance	72	65
		34,816	25,369
	Unexpired risk provision	-1	0
		34,815	25,369
	Ceded direct insurance	-1,676	-1,601
		33,139	23,768
	Direct insurance, by location of risk	2022	2022
		Gross	Ceded
	Denmark	16,381	-757
	Other EU countries a)	9,913	-384
	Other countries b)	8,449	-535
		34,743	-1,676
		2021	2021
		Gross	Ceded
	Denmark	15,404	-762
	Other EU countries a)	2,572	-281
	Other countries b)	7,328	-558
		25,304	-1,601
	a) Primarily Sweden b) Primarily Norway		
4	Insurance technical interest, net of reinsurance	2022	2021
	Return on insurance provisions	928	62
	Discounting transferred from claims provisions	-776	-91
		152	-29
5	Claims, net of reinsurance		
	Claims	-23,855	-17,224
	Run-off previous years, gross	1,449	949
		-22,407	-16,275
	Reinsurance cover received	792	598
	Run-off previous years, reinsurers' share	-68	14
		-21,683	-15,663
6	Insurance operating costs, net of reinsurance		
	Commissions regarding direct insurance contracts	-420	-223
	Other acquisition costs	-3,275	-2,432
	Total acquisition costs	-3,695	-2,655
	Administration expenses	-1,088	-739
	Insurance operating costs, gross	-4,783	-3,395
	Commission from reinsurers	229	258
		-4,554	-3,137
	<i>Fees to the auditors appointed by the annual general meeting:</i>		
	PwC, included in administrative expenses	-8	-7
		-8	-7
	<i>The fee is divided into:</i>		
	Statutory audit	-6	-4
	Other audit assignments	0	-1
	Tax advice	0	0
	Other services	-2	-2
		-8	-7
	Expenses have been incurred for the Group's Internal Audit Department.	-14	-9
	Fees for non-audit services provided by PricewaterhouseCoopers to the Group amount to DKK 2m (DKK 2m in 2021) and consist of general tax and accounting advice and consulting services.		
	Insurance operating costs, gross, classified by type		
	Commissions	-421	-223
	Staff expenses	-2,677	-2,212
	Other staff expenses	-199	-126
	Office expenses, fees and headquarter expenses	-1,357	-798
	IT operating and maintenance costs, software expenses	-318	-247
	Depreciation, amortisation and impairment losses and write-downs	-118	-107
	Other income	305	318
		-4,783	-3,395
	Please refer to note 12 and 22 regarding lease recognised costs according to IFRS 16		
	Total staff expenses recognized in income statement		
	Salaries and wages	-3,767	-3,167
	Commission	-5	-7
	Recognised expenses related to conditional shares and matching shares	-61	-55
	Pension plans	-517	-427
	Other social security costs	-8	-7
	Payroll tax	-816	-623
		-5,174	-4,286
	Remuneration for the Supervisory Board and Executive Board is disclosed in note 25 'Related parties'.		
	Average number of full-time employees during the year (continuing business)	5,909	4,507



Notes

6 Share-based payment

Matching shares

	Total Numbers				Fair Value			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	Value per matching share at 31 December DKK	
2022								
Matching shares allocated in 2022	0	6,695	61,282	67,977	172	12	165	11
Allocated in 2011-2021	295,068	93,636	287,096	675,800	134	91	165	112
Category changes and addition	0	7,788	-7,788	0	134	0	165	0
Cancelled	-14,328	-7,476	-17,272	-69,076	134	-9	165	-11
Exercised	-196,558	-72,467	-172,388	-441,413	134	-59	165	-73
Total 31.12.2022	84,182	21,481	59,649	165,311	134	22	165	27
2021								
Matching shares allocated in 2021	0	2,680	72,877	75,556	149	11	162	12
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	-41,100	-139,235	-293,141	133	-29	162	-47
Total 31.12.2021	167,934	42,380	33,073	243,387	133	32	162	39

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 acquires in Tryg A/S at market rate for liquid cash at a contractually agreed sum over deferral period of up to 4 years. During the deferral periode, dividend shares are added to the allocated shares.

In 2022, the recognised fair value of matching shares for the Group amounted to DKK 18m (DKK 15m in 2021). At 31 December 2022, total fair value for matching shares amounted to DKK 38m was recognised for matching shares. The fair value is adjusted for dividend paid, no expected dividend is included.

Conditional shares

	Total Numbers				Fair Value			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	Value per conditional share at 31 December DKK	
2022								
Conditional shares allocated in 2022	70,169	30,585	4,314	105,068	162	17	165	17
Allocated in 2018-2021	135,949	405,078	212,088	753,115	172	130	165	125
Category changes and addition	0	54,674	10,594	65,268	172	11	165	11
Cancelled	0	0	-8,231	-8,231	172	-1	165	-1
Exercised	-10,077	-102,578	-139,496	-252,151	172	-43	165	-42
Total 31.12.2022	125,872	357,174	74,955	558,001	172	96	165	92
2021								
Conditional shares allocated in 2021	98,776	142,448	89,662	330,886	175	58	162	53
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
Total 31.12.2021	31,560	213,615	58,090	303,265	176	53	162	49

Conditional shares

In accordance with the Group's remuneration policy Tryg Forsikring has on agreed terms allocated conditional shares for some employees. Executive Board, Risk-takers and Other employees are allocated shares in Tryg A/S if certain conditions are fulfilled over a period of up to 4 years. During the period, dividend shares are added to the allocated shares.

In 2022, the recognised fair value of conditional shares for the Group amounted to DKK 43m (DKK 38m in 2021). At 31 December 2022, total fair value of conditional shares amounted to DKK 109m.



Notes

DKK m	2022	2021
7 Interest and dividends		
Interest income and dividends		
Dividends	152	112
Interest income, cash at bank and in hand	0	0
Interest income, bonds	763	422
Interest income, other	0	4
	915	537
Interest expenses		
Interest expenses subordinate loan capital and credit institutions	-136	-107
Interest expenses, other	-5	-42
	-141	-149
	774	389
8 Value adjustments		
Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:		
Equity investments	704	265
Unit trust units	-1,481	1,095
Bonds	-2,116	-312
Derivatives (Equity, Interest, Currency)	-1,343	-465
	-4,236	583
Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:		
Investment property	9	64
Discounting	3,418	527
Other statement of financial position items	122	-636
	3,305	-45
	-931	538
Exchange rate adjustments concerning financial assets or liabilities which cannot be stated at fair value total DKK 268m (DKK -65m in 2021)		
9 Other income and costs		
Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets.		
Other income		
Income related to the sale of pension products and car care	126	108
Other income	0	24
	126	132
Other costs		
Costs related to the sale of pension products and car care	-100	-102
Depreciations of customer relations and trademarks	-786	-136
Integration and restructuring costs related to RSA scandinavia acquisition a)	-949	-349
Other costs	-105	-55
	-1,940	-642
	-1,814	-510
a) Integration and restructuring costs primarily relates to it integration, fees to advisors and staff expenses.		
10 Tax		
Tax on accounting profit/loss	-683	-890
Difference between Danish and foreign tax rates	-28	-22
Tax adjustment, previous years	-23	104
Tax on permanent differences	-86	56
Change in tax rate	-30	0
Other taxes	0	-15
Change in valuation of tax assets	18	0
	-832	-767
Effective tax rate		
Tax on accounting profit/loss	%	%
Difference between Danish and foreign tax rates	22.0	22.0
Tax adjustment, previous years	1.0	0.5
Tax on permanent differences	1.0	-2.5
Other taxes	2.5	-1.5
Change in valuation of tax assets	0.0	0.5
Change in tax rate	-0.5	0.0
	1.0	0.0
	27.0	19.0



Notes

DKKm

11 Intangible assets

	Goodwill	Trademarks and customer relations	Software a)	Assets under construction a)	Total
2022					
Cost					
Cost at 1 January	4,880	1,863	2,267	267	9,276
Exchange rate adjustments	-34	-16	-29	-4	-84
Additions, purchase of Trygg-Hansa SE og Codan NO	15,827	10,441	74	40	26,382
Transferred from assets under construction	0	0	215	-215	0
Additions for the year	0	0	77	281	358
Disposals for the year	0	0	-7	0	-7
Cost at 31 December	20,673	12,287	2,597	369	35,926
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-510	-1,637	0	-2,251
Exchange rate adjustments	0	12	19	0	31
Transferred to assets held for sale	0	0	0	0	0
Amortisation for the year	0	-756	-233	0	-988
Impairment losses and write-downs for the year	0	0	-7	0	-7
Reversed amortisation	0	0	7	0	7
Amortisation and write-downs at 31 December	-104	-1,254	-1,851	0	-3,209
Carrying amount at 31 December	20,569	11,033	746	369	32,716
2021					
Cost					
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
Amortisation and write-downs					
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
Carrying amount at 31 December	4,776	1,353	630	267	7,025

a) Hereof proprietary software DKK 445m (DKK 377m at 31 December 2021)

Material intangible assets

Trygg-Hansa Brand DKK 2,557m not depreciated.
Trygg-Hansa Customer relations Private customers DKK 6,425m depreciated over 10 years.
Trygg-Hansa Customer relations Commercial customers DKK 815m depreciated over 7 years.

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 expense 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.

Alka

In 2018, Tryg 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 customers under the 'Alka' brand. At 31 December 2022, 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 determined on the basis of 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 26.9bn (DKK 36.5bn) relative to the value of the CGU of DKK 13.7bn (DKK 12.7bn) and does not indicate any impairment in 2022. Goodwill amounts to DKK 4,2bn (DKK 4,2bn).

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. 3.3% will result in a write down of goodwill.

	2022	2021
- Earned premium assumed CAGR 0 - 10 years	3%	4%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	9%	6%
- Expected level of combined ratio	82%	81%

Sensitivity information

Impact on the calculated present value from the following changes:

CAGR +1.0 percentage point (0 - 10 years)	1.1bn	1.7bn
CAGR -1.0 percentage point (0 - 10 years)	-1.1bn	-1.6bn
Required return +1.0 percentage point	-4.1bn	-7.1bn
Required return -1.0 percentage point	5.9bn	11.6bn
Combined ratio +1.0 percentage point	-1.4bn	-1.8bn
Combined ratio -1.0 percentage point	1.4bn	1.8bn

The above changes have no impact on equity.



Notes

DKKm

11 Norway

In 2022, Tryg acquired the Norwegian branch Codan Norge. See note 26. The insurance activities were incorporated into the Tryg Group's business structure from 1 April 2022 and distributed under the Tryg Brand.

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

At 31 December 2022, 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 Norway. 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 on the basis of 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 9.6bn (DKK 0.5bn) relative to the value of the CGU of DKK 3,3.bn (DKK 159m) and does not indicate any impairment in 2022. Goodwill amounts to DKK 1,2bn (DKK 48m)

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. 4.4% will result in a write down of goodwill.

	2022	2021
- Earned premium assumed CAGR 0 - 10 years	3%	4%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	9%	10%
- Expected level of combined ratio	88%	87%

Sensitivity information

Impact on the calculated present value from the following changes:

CAGR +1.0 percentage point (0 - 10 years)	0.3bn	25
CAGR -1.0 percentage point (0 - 10 years)	-0.3bn	-23
Required return +1.0 percentage point	1.4bn	-88
Required return -1.0 percentage point	2.0bn	123
Combined ratio +1.0 percentage point	-1.0bn	-50
Combined ratio -1.0 percentage point	1.0bn	50

The above changes have no impact on equity.



Notes

DKKm

11 Sweden

In 2022, Tryg acquired the Swedish branch Trygg-Hansa. See note 26. The insurance activities were incorporated into the Tryg Group's business structure from 1 April 2022 and distributed under the Trygg-Hansa Brand.

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

At 31 December 2022, 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.

Trygg-Hansa portfolio consists from 1 April 2022 of Trygg-Hansa, Moderna, Securator and Skandia, considered a cash-generating unit. The reason behind the the single cash-generating unit, is that they are all managed together as part of the Swedish private business and reported as part of the operating segment "Private"

Comprises the sale of insurance products to private customers under the 'Trygg-Hansa' and 'Moderna' brand. Moreover, insurance is sold under the brands Atlantica, Blisport & MC and Moderna Djurförsäkringar. 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 "Sweden". 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 on the basis of 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 30.5bn (DKK 2.5bn) relative to the value of the CGU of DKK 26.3bn (DKK 0.7bn) and does not indicate any impairment in 2022. Goodwill amounts to DKK 15,1bn (DKK 0,5bn)

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. 0.9% will result in a write down of goodwill.

	2022	2021
- 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	78%	88%

Sensitivity information

Impact on the calculated present value from the following changes:

CAGR +1.0 percentage point (0 - 10 years)	1.5bn	92
CAGR -1.0 percentage point (0 - 10 years)	-1.4bn	-87
Required return +1.0 percentage point	-5.0bn	-354
Required return -1.0 percentage point	7.1bn	498
Combined ratio +1.0 percentage point	-1.5bn	-199
Combined ratio -1.0 percentage point	1.5bn	199

The above changes have no impact on equity.

Trademarks and customer relations

As at 31 December 2022 management performed an assessment of the carrying amounts of customer relations as an integral part of the Sweden, Norway and Alka portfolio goodwill test.

Software and assets under construction

As at 31 December 2022 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 7m (DKK 79m) 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
2022				
Cost				
Cost at 1 January	251	103	983	1,339
Exchange rate adjustments	-3	0	-19	-22
Additions for the year	28	0	95	123
Additions, purchase of Trygg-Hansa SE og Codan NO	20	2	144	166
Disposals for the year	-1	0	0	-1
Cost at 31 December	295	105	1,203	1,604
Accumulated depreciation and value adjustments				
Accumulated depreciation and value adjustments at 1 January	-121	-75	-379	-576
Exchange rate adjustments	2	0	10	12
Depreciation for the year	-15	-14	-141	-170
Reversed depreciation and value adjustments	1	0	0	1
Accumulated depreciation and value adjustments at 31 December	-133	-89	-510	-733
Carrying amount at 31 December	162	16	693	871

	Operating equipment	Leases ROU equipment a)	Leases ROU 'Group-occupied property b)	Total
2021				
Cost				
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	1,339
Accumulated depreciation and value adjustments				
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
Carrying amount at 31 December	130	28	604	762

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 14 years and with yearly rent adjustments. Tryg Forsikring has no lease contracts with variable lease payments based on sale or similar.

13 Investment property

	2022	2021
Fair value at 1 January	1,040	1,117
Exchange rate adjustments	-26	25
Additions for the year	1	3
Disposals for the year	-6	-166
Value adjustments for the year	7	66
Reversed on sale	0	-4
Fair value at 31 December	1,017	1,040

Total rental income for 2022 is DKK 57m (DKK 64m in 2021).

Total expenses for 2022 are DKK 12m (DKK 20m in 2021). External experts were involved in valuing the majority of the investment properties.

Return percentages, weighted average

Office property	5.5	5.1
Business property	5.1	4.6
Residential property	4.0	4.2
Total	5.4	5.0

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%	-34	-39
Decrease in applied rate of return of 0.25%	36	42
Decrease in net rental income of 3%	-30	-31
Decrease in occupancy rate of 3%	-7	-6



Notes

NOTES

DKKmn	2022	2021
14 Equity investments in associates		
Cost		
Cost at 1 January	137	96
Additions for the year	55	42
Addition, demerger of Trygg-Hansa, Codan Norge	19	0
Cost at 31 December	211	137
Revaluations at net asset value		
Revaluations at 1 January	-122	-81
Value adjustments for the year	-53	-41
Revaluations at 31 December	-175	-122
Carrying amount at 31 December	37	16

	2022	2021
15 Financial assets		
Financial assets held for trading	20.625	19.215
Financial assets designated at fair value	49.472	29.054
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	78	32
Receivables measured at amortised cost	4.341	5.190
Total financial assets	74.516	53.491

Financial assets at amortised cost only deviate to a minor extent from fair value.

Financial liabilities

Derivative financial instruments at fair value with value adjustments in the income statement	2.394	879
Derivative financial instruments at fair value with value adjustments in other comprehensive income	4	0
Financial liabilities at amortised cost	14.434	15.401
Total financial liabilities	16.831	16.280

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.

The Fair value hierarchy

"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.

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

	Consolidated reference prices ^{a)}	Observable input	Non-observable input	Total
2022				
Investment property	0	0	1.017	1.017
Equity investments	0	4.554	92	4.646
Unit trust units	6.917	1.377	36	8.330
Bonds	55.354	428	0	55.782
Derivative financial instruments, assets	15	1.325	0	1.340
Derivative financial instruments, debt	0	-2.398	0	-2.398
	62.286	5.287	1.145	68.718
2021				
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
Derivative financial instruments, assets	9	904	0	913
Derivative financial instruments, debt	0	-879	0	-879
	42.886	4.387	1.114	48.387

^{a)} Consolidated reference prices means Nasdaq consolidated reference prices.

Bonds measured on the basis of observable inputs consist of Norwegian and Swedish 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.



Notes

DKKm			
15	Financial assets (continued)	2022	2021
	Financial instruments transferred from "Quoted market prices or consolidated reference prices" to "Observable input"	0	138
	Financial instruments transferred from "Non-observable input" to "Observable input"	0	1,142
Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:			
	Carrying amount at 1 January	1,114	1,186
	Exchange rate adjustments	-25	24
	Gains/losses in the income statement	6	66
	Purchases	58	14
	Sales	-8	-170
	Transfers to/from the group 'non-observable input'	0	-5
	Carrying amount at 31 December	1,145	1,114
	Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments	-1	-1

Financial assets

Reconciliation of Tryg Forsikring's Investment portfolio

2022	2022	2021
Investment assets according to balance sheet	71,423	49,356
Investment assets according to investment activities		
Other, hereof financial instrument in liabilities a)	-6,762	-2,616
External clients	-1,972	-4,052
Tryg Forsikring's investment portfolio b)	62,688	42,688
Match portfolio	-45,032	-29,674
Free portfolio	17,656	13,014

a) Primarily debt relating to repos and derivatives.

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:

	2022		2021	
	Nominal	Fair value in statement of financial position	Nominal	Fair value in statement of financial position
Interest derivatives	58,339	-1,548	36,333	224
Share derivatives	221	44	150	19
Exchange rate derivatives ^{a)}	19,359	270	9,094	-209
Derivatives according to statement of financial position	77,919	-1,233	45,577	34
Inflation derivatives	4,588	591	4,140	-181
Total derivative financial instruments	82,507	-643	49,717	-147
Due after less than 1 year	27,304	103	32,350	-6,292
Due within 1 to 5 years	22,404	-894	6,682	111
Due after more than 5 years	32,799	148	10,686	6,034

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

a) hereof used for hedging of foreign entities nom. SEK 6.1bn (2021: SEK 0.6bn) and NOK 3.6bn (2021: NOK 2.5bn)

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

Gains and losses on hedges - other comp. income	2022			2021		
	Gain	Losses	Net	Gain	Losses	Net
Gains and losses at 1 January	3,986	-3,767	219	3,753	-3,435	318
Value adjustments for the year	889	-393	496	233	-333	-99
Gains and losses at 31 December	4,876	-4,160	715	3,986	-3,767	219

Value adjustments

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

	2022	2021
Value adjustments at 1 January	-131	-225
Value adjustment for the year	-2,217	93
Value adjustments at 31 December	-2,348	-131

Financial assets (continued)

Receivables

Total receivables in connection with direct insurance contracts	1,621	1,678
Receivables from insurance enterprises	498	407
Receivables from Group undertakings	1	1,092
Unsettled transactions	136	120
Other receivables	250	807
	2,506	4,103

Specification of write-downs on receivables from insurance contracts:

Write-downs at 1 January	110	118
Exchange rate adjustments	-3	2
Write-downs and reversed write-downs for the year	17	-9
Addition, demerger of Trygg-Hansa, Codan Norway	29	0
Write-downs at 31 December	153	110

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 34m (DKK 32m in 2021).

16 Reinsurer's share

Impairment test

As at 31 December 2022, 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 4m (DKK 3m in 2021).

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.



Notes

DKKm

	2022	2021
17 Current tax		
Net current tax at 1 January	72	-327
Exchange rate adjustments	10	-15
Change to opening figure	-4	20
Addition, demerger Trygg-Hansa, Codan Norway	115	0
Current tax for the year	-401	-846
Current tax on equity entries	-109	22
Tax paid for the year	1,066	1,218
Net current tax at 31 December	749	72
<i>Current tax is recognised in the statement of financial position as follows:</i>		
Under assets, current tax	847	290
Under liabilities, current tax	-98	-218
Net current tax	749	72

Due to IFRIC 23, uncertain tax positions should be valuated 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	6,183	6,036
Addition, demerger of Trygg-Hansa, Codan Norway	1,990	0
Exchange rate adjustments	-157	48
Paid in the financial year	33,805	25,705
Change in premiums in the financial year	-34,121	-25,614
Exchange rate adjustments	9	8
Premium provisions at 31 December	7,700	6,183

18 Claims provisions

	Gross	Ceded	Net of reinsurance
2022			
Claims provisions at 1 January	25,587	-1,232	24,355
Addition, demerger of Trygg-Hansa, Codan Norway	16,539	-86	16,453
Value adjustments of provisions, beginning of the year	-626	36	-589
	41,500	-1,281	40,219
Paid in the financial year in respect of the current year	-13,313	299	-13,014
Paid in the financial year in respect of prior years	-8,435	297	-8,137
	-21,748	597	-21,151
Change in claims in the financial year in respect of the current year	23,454	-925	22,528
Change in claims in the financial year in respect of prior years	-1,381	11	-1,370
	22,073	-915	21,158
Discounting and exchange rate adjustments	-2,598	12	-2,586
Claims provisions at 31 December	39,227	-1,587	37,639
2021			
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
Claims provisions at 31 December	25,587	-1,232	24,355



Notes

DKKm	2022	2021
19 Pensions and similar obligations		
Jubilees	37	41
Compensation liability	24	38
Recognised liability	61	79
<i>Defined-benefit pension plans:</i>		
Present value of pension obligations funded through operations	24	29
<i>Specification of change in recognised pension obligations:</i>		
Recognised pension obligation at 1 January	29	34
Exchange rate adjustments	-1	2
Capital cost of previously earned pensions	1	0
Actuarial gains/losses	2	-1
Paid during the period	-7	-7
Recognised pension obligation at 31 December	24	29
Total pensions and similar obligations at 31 December	24	29
Total recognised obligation at 31 December	85	108
<i>Specification of pension cost for the year:</i>		
Interest expense on accrued pension obligation	1	0
Total year's cost of defined-benefit plans	1	0
The premium for the following financial years is estimated at	1	0
Number of pensioners	110	116
<i>Assumptions used</i>	%	%
Discount rate	2.7	1.1
Salary adjustments	3.8	2.5
Pension adjustments	1.7	0.0
G adjustments	3.5	2.3
Turnover	7.0	7.0
Employer contributions	19.1	19.1
Mortality table	K2013	K2013



Notes

19 Description of the Swedish plan

Trygg-Hansa, 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 21m (DKK 5m in 2021), which is about 4.2 % of the annual premium in FPK 2021 (1.4 compared with 2020 report). FPK writes in its Annual report for 2021 that it had a solvency ratio of 139 at 31 December 2021 (Solvency ratio of 141 at 31 December 2020). The Solvency Ratio is defined as the own funds relative to the solvency capital requirement.

20 Deferred tax

Tax asset

Operating equipment	21	10
Bonds	17	73
Capitalised tax loss	137	0
	175	83

Tax liability

Intangible rights	2,368	319
Land and buildings	80	-43
Debt and provisions	46	130
Contingency funds	1,173	483
	3,667	889

Deferred tax	3,492	806
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Development in deferred tax

Deferred tax at 1 January	806	851
Exchange rate adjustments	-33	24
Addition, demerger Trygg-Hansa, Codan Norway	2,317	0
Change to opening figure	19	-86
Change to deferred tax rate on opening figures	30	0
Change in valuation of tax asset	-17	0
Change in deferred tax recognised in income statement	347	17
Change in tax on tax loss to carry forward	24	0
Change in deferred tax taken to equity	-1	0
Deferred tax at 31 December	3,492	806

Loss determined according to Switzerland, 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 -109m (DKK 27m at 31 December 2021).

21 Other provisions

Other provisions at 1 January	40	57
Exchange rate adjustment	-1	-1
Change in provisions	55	-18
Other provisions 31 December	94	40

Other provisions relates to provisions for the Group's own insurance claims, restructuring costs and in 2022 DKK 50m related to bankruptcy of Gefion.

Additions to the provision for restructuring costs and own insurance claims during the year amounts to DKK 81m (DKK 18m at December 2021) and use of existing restructuring provisions amounts to DKK 28m (DKK 36m at December 2021)

The balance as at 31 December 2022 excluding own insurances amounts to DKK 88m (DKK 35m at 31 December 2021).



Notes

DKK m	2022	2021			
22 Other debt and debt to group undertakings					
Other debt amounts to DKK 5,792m (7,073 in 2021) and mainly consists of debt related to external customers' investments in Tryg Invest, leasing and accrued costs. Debt related to external customers investments in Tryg Invest investments funds amounts to DKK 1,972m (4,052m 2021).					
Other debt					
Maturity of undiscounted lease liabilities					
Due 1 year or less	181	138			
Due 1 - 5 years	399	331			
Due more than 5 years	359	402			
Total Lease liabilities 31 December	939	871			
Lease liabilities included in the statement of financial position					
Hereof future cash flow Options	44	11			
Amounts recognised in statement of cash flow					
Total cash out-flow for leases	194	137			
Amounts recognised in income statement					
Interest on lease liabilities	38	-32			
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.					
Please refer to Note 28 Accounting policies for further description					
Please refer to Note 24 Contractual obligations					
23 Solvency II - Own funds					
Equity according to annual report	42,655	13,468			
Proposed dividend	-2,570	-700			
Intangible assets	-32,716	-7,025			
Profit margin, solvency purpose	3,000	1,408			
Taxes	1,896	185			
Subordinate loan capital	3,697	2,735			
Solvency II - Own funds	15,963	10,070			
24 Contractual obligations, collateral and contingent liabilities					
Contractual obligations					
	Obligations due by period				
	<1 year	1-3 years	3-5 years	> 5 years	Total
2022					
Other contractual obligations ^{a)}	747	755	424	11	1,936
	747	755	424	11	1,936
2021					
Other contractual obligations	694	587	181	14	1,476
	694	587	181	14	1,476
a) Other contractual obligations mainly consists of investment commitments, IT and outsourcing agreements. Please refer to note 12 for lease agreements recognised as ROU.					



Notes

DKKm

24 2022

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 1,196m. DKK 363m are expected called during 2023 and additionally DKK 833m within 5 years. Tryg Forsikring has signed IT infrastructure agreements with commitments amounting to DKK 416m within 5 years.

2021

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.

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, Forsikrings-Aktieselskabet Alka Liv II and Holmia Livförsäkring AB

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

	2022	2021
Equity investments in associates	313	175
Bonds	748	1,029
Interest and rent receivable	2	5
Total	1,063	1,209

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	
2022						
Assets						
Reverse repos	194	0	194	0	-194	0
Derivative financial instruments	2,114	-350	1,763	-1,255	-456	52
	2,308	-350	1,958	-1,255	-651	52
Liabilities						
Repo debt	4,287	0	4,287	0	-4,287	0
Derivative financial instruments a)	2,748	-350	2,398	-1,255	-1,052	91
	7,035	-350	6,684	-1,255	-5,339	91
a) Of which inflation derivatives, recognised in claims provisions:						
Assets	423	0	423			
Liabilities	0	0	0			
2021						
Assets						
Derivative financial instruments	1,072	-8	1,064	-800	-239	24
Inflation derivatives, recognised in claims provisions	0	0	0	0	0	0
	1,072	-8	1,064	-800	-239	24
Liabilities						
Repo debt	2,417	0	2,417	0	-2,417	0
Derivative financial instruments a)	1,220	-8	1,211	-800	-336	75
Inflation derivatives, recognised in claims provisions	0	0	0	0	0	0
	3,637	-8	3,628	-800	-2,753	75
a) Of which inflation derivatives, recognised in claims provisions (2021):						
Assets	151	0	151			
Liabilities	332	0	332			

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 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. The FO has now decided that the case should be decided in court. Management has decided not to disclose an estimated amount but this is deemed 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 2022.



Notes

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.

	2022	2021
Premium income		
- Parent company (TryghedsGruppen smba)	0.6	0.5
- Key management	0.6	0.5
- Other related parties	2.3	2.1
Claims payments		
- Parent company (TryghedsGruppen smba)	0.1	0.0
- Key management	0.2	0.1
- Other related parties	0.3	0.3

Specification of remuneration

	Number of persons	Share-based		Cash		Pension	Total
		Base salary	Variable salary ^{a)}	Variable salary			
2022							
Supervisory Board	18	11	0	0	0	0	11
Executive Board	4	31	16	0	8	8	55
Risk-takers investment functions	11	15	1	2	2	2	20
Risk-takers staff functions	23	39	7	6	7	7	59
Risk-takers independent control functions	4	8	0	0	1	1	10
Risk-takers other functions	31	68	15	11	12	12	107
	91	172	40	19	29	29	261

a) Total expenses recognised in 2022 for matching shares and conditional shares allocated in 2022 and previous years.

	Number of persons	Severance pay
Of which retired		
Supervisory Board	4	0
Executive Board	0	0
Risk-takers	2	0
	6	0

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

a) Total expenses recognised in 2021 for matching shares and conditional shares allocated in

	Number of persons	Severance pay
Of which retired		
Supervisory Board	0	0
Executive Board	0	0
Risk-takers	0	0
	0	0

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.

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 2022 Tryg Forsikring A/S paid Tryg A/S DKK 1,200m (2,630m in 2021)

Intra-group trading involved:

	2022	2021
- Providing and receiving services	0	11
- Interest expenses	-6	0

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.



Notes

26 Equity investments in associates RSA Scandinavia (Trygg-Hansa, Holmia and Codan Norway)

Net assets acquired (DKKbn)	
Assets	31 December 2022
Intangible assets	11.3
Tangible assets	0.2
Financial assets	23.9
Total reinsurance of provisions	0.1
Receivables	3.7
Other assets and accrued income	0.9
Liabilities	
Total provisions for insurance contracts	19.8
Debt and accruals and deferred income	7.4
Total identifiable net assets acquired	12.9
Purchase price (Shares in Tryg Forsikring A/S)	29.9
Goodwill	17.0

Acquisition of activities

Trygg-Hansa and Codan Norway were merged into Tryg Forsikring A/S from 1 April 2022. Holmia was acquired as part of the merger. Following the merger the result for Trygg-Hansa, Codan Norway and Holmia Livsforsikring is included in the result: from 01.04.2022

The measurement at fair value of identifiable acquired assets and liabilities at the acquisition date, including intangible assets (customer relations and brands) and provisions for insurance contracts, results in a goodwill of DKK 17.0bn. This goodwill relates to expected synergies between the acquired activities and the Group's existing activities. The goodwill acquired is not tax deductible.

As the acquisition date was April 1, 2022, the acquired businesses have not impacted the Group's premium income or net income for the first quarter of 2022 as the profit/loss was recognised in the investment result. Due to the ongoing system integration of the acquired activities, including the migration of policy administration systems, it is not possible to publish the full year premium income and net income for the acquired businesses separately. If the acquisition date was January 1, 2022 the premium income of the Group would have been DKK 36.5bn and net income of the Group would have been DKK 2.1bn. The figures are preliminary. The determination of these pro forma amounts for premium income and net income for the period to the acquisition is based on the following significant assumptions:

- Premiums and claims have been calculated on the basis of the fair values determined in the acquisition balance sheets for premium and claims provisions, rather than the original carrying amounts.
- Other costs, including amortisation of intangible assets, have been calculated on the basis of the fair values determined in the acquisition balance sheets, rather than the original carrying amounts.

27 Financial highlights Please refer to page 51



Note 28

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 2022 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 are 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 2022. The accounting policies have been applied consistently with last year.

Accounting regulation

Implementation of changes to accounting standards and interpretation in 2022

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 2022 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. The standards and their impact as at 1 January 2023 are described in note 29, which is a supplement to the accounting policies..

Change of classification

A classification error has been found in the annual report 2021. It affects the line item "Subordinated loan capital" which should have been less positive with DKK 506m and the line item "Equity" which should have been higher with the same amount. The comparative figures for 2021 has been restated accordingly. The change in classification do not affect Own Funds, total assets and liabilities for 2021.

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. Execute Board is considered Key operating decision makers.

The operational business segments in the Tryg Forsikring are private, commercial and corporate. Private encompasses the sale of insurances to private individuals in Denmark, Sweden and Norway. Commercial encompasses the sale of insurances to small and medium-sized businesses, in Denmark, Sweden and



Norway. Corporate sells insurances to industrial clients primarily in Denmark, Norway and Sweden. In addition, Corporate handles all business involving brokers.

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 2020 § 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 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 transaction prices for similar properties, 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 capitalised value 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 12 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.

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).

Additional Tier 1 capital

Perpetual Additional Tier 1 capital with discretionary payment of interest and principal is recognised as equity for accounting purposes. Correspondingly, interest expenses relating to the issue are recorded as dividend for accounting purposes. Interest is deducted from equity at the time of payment.

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.

Interest on the Notes is due and payable only at the sole and absolute discretion of Tryg. Accordingly, Tryg may at any time in its sole and absolute discretion elect to cancel any interest payment (or any part thereof) which would otherwise be payable on any interest payment date.

In case interest payments are cancelled Tryg shall solicit interest from new investors for the purchase and subscription of replacement securities and redeem the original notes at a price equal to their outstanding principal amount together with any accrued interest and accrued and unpaid interest. Accordingly, perpetual additional capital with discretionary payment of interest and principal is recognised as debt.

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.

29 Transition to IFRS9 & IFRS 17 at 1 January 2023

The description below is a supplement to note 28, accounting policies.

Accounting regulation applicable 1 January 2023

IFRS 9 / IFRS 17

In July 2014, the IASB issued the final IFRS 9 "Financial Instruments". The standard includes new provisions governing "classification and measurement of financial assets", impairment of financial assets and "hedge accounting".

IFRS 9 entered into force for the accounting year commencing 1 January 2018

- Insurance companies are allowed to postpone the implementation to 1 January 2023.

The implementation of IFRS 9 "financial instruments" is not expected to significantly change the Tryg Group's financial position.

Regarding IFRS 9 the assessment of no significant impact on the statement of financial position or profit and loss is based on the assumption that Tryg already carry substantially all financial instruments at fair value through profit and loss. The implementation of IFRS 9, will not affect Tryg Forsikring's recognition and measurement. Tryg Forsikring has postponed the implementation of IFRS 9 to 1 January 2023 when IFRS 17 Insurance Contracts will be applicable.

Tryg Forsikring can postpone IFRS 9 due to the fact that our activities are predominantly connected with insurance and that our liabilities connected with insurance is relatively greater than 80 per cent of the total liabilities.

Classification and measurement

The general principles for measurement of financial assets and liabilities will generally change following implementation of IFRS 9. But for the Tryg Group the implementation has not given rise to significant changes.

After initial recognition, financial assets must still be measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. Going forward, classification of financial instruments will be based on the following business models:

The asset is held to collect cash flows from payments of principal and interest (Hold to Collect model). Measured at amortised cost.

The asset is held to collect cash flows from payments of principal and interest and selling the asset (Hold to Collect and Sell business model). Measured at fair value with changes recognised through other comprehensive income with reclassification to the income statement on realisation of the assets.

Other financial assets value adjusted through profit or loss (fair value). Relative to the first two categories, the business model should be based on collection of cash flows from payment of interest and principal combined with limited sales activity.

If the business model is not founded on these assumptions, the financial assets will be placed in a category, which is subject to value adjustment through profit or loss. Financial assets, which, if measured at amortised cost or at fair value through other comprehensive income would result in measuring inconsistencies, are also recognised in this category.

Having reviewed the Group's business models in relation to assessing the significance of collecting cash flows, current classification and measurement are largely unchanged compared with current practice. In particular, it should be noted that Tryg Forsikring does not have a business model that implies recognising fair value adjustments in other comprehensive income.

Thus, bank loans and deposits are essentially still measured at amortised cost.

IFRS 17 replaces IFRS 4 Insurance Contracts for reporting periods beginning on or after 1 January 2023. The adoption of IFRS 17 will not change the classification of the Company's insurance contracts.

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.

Tryg Group currently expects that the implementation of IFRS 17 (Insurance Contracts) will not significantly change the Tryg Group's financial position.

Under IFRS 17 the Group's insurance contracts issued and re-insurance contracts held are eligible to be measured using the simplification, Premium Allocation Approach (PAA).

As the current accounting principles apply PAA, the major changes will predominantly be presentational. The only consequential changes that will have an impact on the technical result will be the reclassification of education and development costs to "Other income and costs" and the reclassification of the effects of the inflation swap which will be included in "Investment activities".

IFRS 17 will introduce a new vocabulary that will affect the look of the statement of profit or loss:

- "Insurance revenue" will replace "Gross premium income" as the topline figure
- "Insurance service expense" will be a single line comprising both claims and expenses including "Bonus and premium discounts"
- The result of reinsurance contracts will be reported in a single line, "Net expenses from reinsurance contracts"
- "Insurance service result" will replace "Technical result"

The presentational changes above will not affect the technical result or the profit/loss for the year. The changes will be implemented from the effective date.



Tryg Forsikring A/S (parent company)

Income statement

DKKm	2022	2021
Notes		
General insurance		
Gross premiums written	34,202	25,036
Ceded insurance premiums	-1,672	-1,563
Change in premium provisions	-1,454	-232
Change in profit margin and risk margin	1,613	185
Change in reinsurers' share of premium provisions	-3	-37
2 Premium income, net of reinsurance	32,687	23,391
Claims paid	-21,817	-15,309
Reinsurance cover received	398	471
Change in claims provisions	-162	-870
Change in risk margin	-307	20
Change in the reinsurers' share of claims provisions	325	141
3 Claims, net of reinsurance	-21,562	-15,547
Bonus and premium discounts	-698	-1,023
Acquisition costs	-3,696	-2,655
Administration expenses	-1,853	-859
Acquisition costs and Administration expenses	-5,549	-3,514
Reinsurance commissions and profit participation from reinsurers	229	258
4 Insurance operating costs, net of reinsurance	-5,320	-3,256
5 Technical result	5,107	3,564
Investment activities		
6 Income from Group undertakings	-647	882
Income from associates	-53	-41
Income from investment property	5	0
7 Interest income and dividends	683	362
8 Value adjustments	-3,350	-706
7 Interest expenses	-147	-149
Administration expenses in connection with investment activities	-98	-101
Total investment return	-3,606	246
Return and value adjustment on insurance provisions	2,597	426
Total Investment return after insurance technical interest	-1,009	672
9 Other income	126	132
9 Other costs	-1,154	-506
Profit/loss before tax	3,070	3,862
10 Tax	-800	-722
Profit/loss on continuing business	2,270	3,140
Profit/loss on discontinued and divested business	0	-3
Profit/loss for the year	2,270	3,137
Proposed distribution for the year:		
Dividend proposed not paid	2,570	700
Dividend proposed and paid during the year	500	2,101
Transferred to Other reserves	2,989	29
Transferred to Net revaluation as per equity method	1,256	858
Transferred to Retained earnings	-5,045	-552
	2,270	3,137
Statement of comprehensive income		
DKKm		
Profit/loss for the year	2,270	3,137
Other comprehensive income which cannot subsequently be reclassified as profit or loss		
Actuarial gains/losses on defined-benefit pension plans	-2	0
Tax on actuarial gains/losses on defined-benefit pension plans	1	0
	-2	0
Other comprehensive income which can subsequently be reclassified as profit or loss		
Exchange rate adjustments of foreign entities for the year	-2,217	93
Hedging of currency risk in foreign entities for the year	496	-99
Tax on hedging of currency risk in foreign entities for the year	-109	22
	-1,830	16
Total other comprehensive income	-1,832	16
Comprehensive income	438	3,153



Statement of financial position

DKKm		2022	2021
Notes	Assets		
11	Intangible assets	32,716	7,025
12	Operating equipment	178	158
	Owner-occupied property	693	604
	Total property, plant and equipment	871	762
13	Investment property	6	13
14	Investments in Group undertakings	17,861	13,087
15	Equity investments in associates	37	16
	Total investments in Group undertakings and associates	17,898	13,103
	Equity investments	92	38
	Unit trust units	36	320
	Bonds	48,284	29,572
	Derivative financial instruments	848	817
	Other (Reverse repurchase lending)	194	0
16	Total other financial investment assets	49,454	30,747
	Total investment assets	67,350	43,862
	Reinsurers' share of premium provisions	264	262
	Reinsurers' share of claims provisions	1,587	1,232
17	Total reinsurers' share of provisions for insurance contracts	1,851	1,494
	Receivables from policyholders	1,614	1,669
	Total receivables in connection with direct insurance contracts	1,614	1,669
	Receivables from insurance enterprises	498	407
	Receivables from Group undertakings	479	1,484
	Other receivables	303	408
16	Total receivables	2,895	3,968
18	Current tax assets	844	304
	Cash at bank and in hand	2,227	741
19	Deferred tax assets	179	0
	Total other assets	3,251	1,046
	Interest and rent receivable	189	108
	Other prepayments and accrued income	721	394
	Total prepayments and accrued income	910	502
	Total assets	109,852	58,661



Statement of financial position

DKKm		2022	2021
Notes			
	Equity and liabilities		
	Equity	42,655	13,468
1	Subordinate loan capital	3,688	3,936
	Premium provisions	2,900	3,002
	Profit margin - Non-life contracts	4,459	2,884
	Claims provisions	37,670	24,167
	Risk margin - Non-life contracts	1,428	1,082
	Provisions for bonus and premium discounts	1,359	1,315
	Total provisions for insurance contracts	47,815	32,450
	Pensions and similar liabilities	85	108
19	Deferred tax liability	3,587	723
20	Other provisions	94	40
	Total provisions	3,766	872
	Debt relating to direct insurance	882	816
	Debt relating to reinsurance	121	75
	Amounts owed to credit institutions	717	600
	Debt relating to unsettled funds transactions and repos	3,616	2,135
16	Derivative financial instruments	2,059	584
	Debt to Group undertakings	589	576
18	Current tax liabilities	80	215
21	Other debt	3,810	2,863
	Total debt	11,874	7,864
	Accruals and deferred income	52	71
	Total equity and liabilities	109,852	58,661
1	Risk management and Capital management		
22	Own funds		
23	Contractual obligations, collateral and contingent liabilities		
24	Related parties		
25	Financial highlights		
26	Accounting policies		



Statement of changes in equity

DKKm	Share capital	Revaluation equity method	Other reserves ^{a)}	Retained earnings	Proposed dividend	Non-controlling interest	Shareholders of Tryg Forsikring	Additional Tier 1 capital	Total equity
Equity at 31 December 2021	1,100	1,281	1,735	8,144	700	1	12,962	506	13,468
2022									
Profit/loss for the year		1,256	2,989	-5,045	3,070		2,270	0	2,270
Other comprehensive income		-1,830		-2	0		-1,832		-1,832
Total comprehensive income	0	-574	2,989	-5,046	3,070	0	438	0	438
Issue of new shares	546	0		29,420			29,966		29,966
Dividend paid					-1,200		-1,200		-1,200
Interest paid on additional Tier 1 capital				-16			-16		-16
Total changes in equity in 2022	546	-574	2,989	24,358	1,870	0	29,187	0	29,187
Equity at 31 December 2022	1,646	706	4,724	32,502	2,570	1	42,149	506	42,655
Equity at 31 December 2020	1,100	406	1,706	8,696	529	1	12,438	506	12,944
2021									
Profit/loss for the year		858	29	-552	2,801		3,137		3,137
Other comprehensive income		16		0	0		16		16
Total comprehensive income	0	874	29	-552	2,801	0	3,153		3,153
Dividend paid					-2,630		-2,630		-2,630
Non-controlling interest									
Total changes in equity in 2021	0	874	29	-552	171	0	523		523
Equity at 31 December 2021	1,100	1,281	1,735	8,144	700	1	12,962	506	13,468

^{a)} The possible payment of the dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 4,724m (DKK 1,735m in 2021).

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	2022	2021
1 Risk management and Capital management		
Please refer to note 1 in Tryg Forsikring Group		
2 Premium income, net of reinsurance		
Direct insurance	34,291	24,925
Indirect insurance	72	65
	34,363	24,990
Unexpired risk provision	-1	0
	34,362	24,990
Ceded direct insurance	-1,675	-1,599
	32,687	23,391
Direct insurance, by location of risk		
	2022	2021
	Gross	Ceded
Denmark	16,047	-756
Other EU countries a)	9,794	-384
Other countries b)	8,449	-535
	34,290	-1,675
a) Primarily Sweden b) Primarily Norway		
3 Claims, net of reinsurance		
Claims a)	-23,178	-17,085
Run-off previous years, gross	892	927
	-22,286	-16,159
Reinsurance cover received	716	604
Run-off previous years, reinsurers' share	8	8
	-21,562	-15,547
a) Herof claims prevention cost 1% in 2022 (1% in 2021) of total Claims cost		
4 Insurance operating costs, net of reinsurance		
Commission regarding direct insurance business	-420	-223
Other acquisition costs	-3,276	-2,432
Total acquisition costs	-3,696	-2,655
Administration expenses	-1,853	-859
Insurance operating costs, gross	-5,549	-3,514
Commission from reinsurers	229	258
	-5,320	-3,256
<i>Administrative expenses include fee to the auditors appointed by the Annual General Meeting:</i>		
PwC, included in administrative expenses	-8	-6
	-8	-6
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	-3,732	-3,088
Commission	-5	-7
Recognised expenses related to conditional shares and matching shares	-61	-55
Pension	-517	-415
Other social security costs	-8	-7
Payroll tax	-816	-611
	-5,139	-4,184
Remuneration for the Supervisory Board and Executive Board is disclosed in note 24 'Related parties'.		
Average number of full-time employees during the year (continuing business)	5,909	4,507



Notes

DKKm

5 Technical result, net of reinsurance, by line of business

	Accident and health		Healthcare		Workmen's compensation		Motor TPL		Motor comprehensive		Marine, aviation and cargo	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross premiums written	5,351	2,954	756	633	1,065	954	2,911	2,033	8,375	5,748	281	234
Gross premium income	5,021	2,714	735	637	1,045	933	2,953	2,010	7,954	5,458	275	228
Gross claims	- 3,059	- 1,843	- 572	- 506	- 241	- 681	- 1,348	- 1,251	- 5,714	- 3,616	- 136	- 94
Gross operating expenses	- 782	- 421	- 128	- 78	- 144	- 121	- 519	- 302	- 1,139	- 775	- 57	- 35
Profit/loss on ceded business	- 10	- 11	0	0	- 4	- 14	- 41	- 29	- 93	- 88	- 31	- 33
Technical result	1,170	439	35	53	656	117	1,045	428	1,008	979	51	66
Gross claims ratio	60.9	67.9	77.8	79.4	23.1	73.0	45.6	62.2	71.8	66.3	49.5	41.2
Combined ratio	76.7	83.8	95.2	91.7	37.2	87.5	64.6	78.7	87.3	82.1	81.5	71.1
Claims frequency a)	7.1%	4.4%	38.3%	63.2%	15.9%	16.3%	6.7%	5.7%	27.4%	23.4%	27.0%	16.6%
Average claims DKK b)	11,816	20,959	5,668	5,332	77,362	96,143	10,313	19,677	7,968	8,634	21,721	50,844
Total claims	273,566	89,102	109,433	103,853	11,618	10,238	158,615	87,435	709,220	423,792	6,259	2,147

	Fire & contests (Private)		Fire and contests (commercial)		Change of ownership		Liability		Credit & guarantee insurance		Tourist assistance insurance	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross premiums written	7,901	6,149	3,578	2,903	0	0	1,677	1,356	739	651	1,067	1,006
Gross premium income	7,806	5,876	3,865	2,874	12	21	1,711	1,298	738	647	1,041	844
Gross claims	- 5,459	- 4,195	- 2,704	- 1,930	- 2	2	- 926	- 1,006	- 559	- 308	- 1,041	- 360
Gross operating expenses	- 1,417	- 796	- 693	- 482	- 5	- 6	- 333	- 219	- 133	- 100	- 135	- 125
Profit/loss on ceded business	- 248	- 237	- 271	- 256	0	0	- 26	- 6	61	- 60	- 59	3
Technical result	684	648	197	206	5	17	426	67	107	179	- 194	362
Gross claims ratio	69.9	71.4	70.0	67.2	16.7	-9.5	54.1	77.5	75.7	47.6	100.0	42.7
Combined ratio	91.2	89.0	94.9	92.8	58.3	19.0	75.1	94.8	85.5	72.3	118.6	57.1
Claims frequency a)	10.4%	9.8%	8.0%	16.9%	2.9%	3.7%	6.4%	10.9%	0.3%	0.0%	22.5%	9.4%
Average claims DKK b)	9,690	9,697	64,195	49,458	24,374	29,369	65,281	83,708	1,024,542	4,923,206	6,412	6,901
Total claims	566,677	445,872	41,024	35,556	310	521	15,790	11,533	709	63	163,672	63,963

	Total		Group Life, One-year policies		Total including Norwegian Group Life	
	2022	2021	2022	2021	2022	2021
Gross premiums written	33,701	24,621	502	415	34,203	25,036
Gross premium income	33,156	23,540	508	427	33,664	23,967
Gross claims	- 21,761	- 15,788	- 525	- 371	- 22,286	- 16,159
Gross operating expenses	- 5,485	- 3,460	- 64	- 54	- 5,549	- 3,514
Profit/loss on ceded business	- 722	- 731	- 1	1	- 723	- 730
Technical result	5,190	3,561	- 83	3	5,107	3,564
Gross claims ratio	65.6	67.1	103.3	86.9	66.2	67.4
Combined ratio	84.3	84.9	116.3	99.3	84.8	85.1

a) The claims frequency is calculated as the number of claims incurred 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) Claims prevention cost totalled 1% of claims cost for the year 2022 primarily related to Fire & contests (Private) but also Fire and contests (commercial), Healthcare, Motor comprehensive and Accident and health (total in 2021 was 1%).



Notes

DKKm	2022	2021
6	Income from Group undertakings	
Holmia Livforsikring AB	35	0
TI Real Estate KL	-88	8
Forsikrings-Aktieselskabet Alka Liv II	1	2
Kapitalforeningen Tryg Invest Funds	-652	824
Tryg Ejendomme A/S	1	13
Tryg Livsforsikring A/S	55	35
	-647	882
7	Interest income and dividends	
<i>Interest income and dividends</i>		
Dividends	7	0
Interest income cash at bank and in hand	2	0
Interest income bonds	674	360
Interest income other	0	2
	683	362
<i>Interest expenses</i>		
Interest expenses subordinate loan capital and credit institutions	-136	-107
Interest expenses others	-11	-42
Interest expenses, cash at bank and in hand	0	0
	-147	-149
	536	213
8	Value adjustments	
<i>Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:</i>		
Equity investments	-666	-32
Unit trust units	593	29
Bonds	-1,625	-258
Derivatives (Equity, Interest, Currency)	-1,371	-412
Other loans	-40	0
	-3,109	-673
<i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i>		
Other statement of financial position items a)	-241	-32
	-241	-32
	-3,350	-706
a) Exchange rate adjustments concerning financial assets or liabilities which cannot be stated to fair value total DKK 166m (DKK -49m in 2021).		
9	Other income and costs	
Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets.		
<i>Other income</i>		
Income related to the sale of pension products and car care	126	108
Other income	0	24
	126	132
<i>Other costs</i>		
Integration and restructuring costs related to RSA acquisition	-949	-349
Costs related to the sale of pension products and car care	-100	-102
Other costs	-105	-54
	-1,154	-506
	-1,027	-373
10	Tax	
Tax on accounting profit/loss	-675	-656
Difference between Danish and foreign tax rates	4	-219
Tax adjustment, previous years	-24	105
Change in tax rate	-30	0
Tax on permanent differences	-93	49
Change in valuation of tax assets	18	-1
	-800	-722
Effective tax rate		
	%	%
Tax on Profit/loss for the year	22.0	22.0
Difference between Danish and foreign tax rate	-0.5	7.0
Tax adjustment, previous year	1.0	-3.5
Change in tax rate	1.0	0.0
Tax on permanent differences	3.0	-1.5
Change in valuation of tax assets	-0.5	0.0
	26.0	24.0
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

11 Intangible assets

	Goodwill	Trademarks and customer relations	Software a)	Assets under construction a)	Total
2022					
Cost					
Cost at 1 January	4,880	1,863	2,267	267	9,276
Exchange rate adjustments	-34	-16	-29	-4	-84
Addition, demerger Trygg-Hansa, Codan Norway	15,827	10,441	74	40	26,382
Transferred from asset under construction	0	0	215	-215	0
Additions for the year	0	0	77	281	358
Disposals for the year	0	0	-7	0	-7
Cost at 31 December	20,673	12,287	2,597	369	35,926
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-510	-1,637	0	-2,251
Exchange rate adjustments	0	12	19	0	31
Amortisation for the year	0	-756	-233	0	-988
Impairment losses and write-downs for the year	0	0	-7	0	-7
Reversed amortisation	0	0	7	0	7
Amortisation and write-downs at 31 December	-104	-1,254	-1,851	0	-3,209
Carrying amount at 31 December	20,569	11,033	746	369	32,716
a) Hereof proprietary software DKK 445m (DKK 377m at 31 December 2021)					
2021					
Cost					
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
Amortisation and write-downs					
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
Carrying amount at 31 December	4,776	1,353	630	267	7,025

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, Norway and Sweden.



Notes

DKKm

12 Property, plant and equipment

	Operating equipment	Leases ROU equipment a)	Leases ROU 'Group-occupied property b)	Total
2022				
Cost				
Cost at 1 January	251	103	983	1,339
Exchange rate adjustments	-3	0	-19	-22
Additions for the year	28	0	95	123
Addition, demerger Trygg-Hansa, Codan Norway	20	2	144	166
Disposals for the year	-1	0	0	-1
Cost at 31 December	295	105	1,203	1,604
Accumulated depreciation and value adjustments				
Accumulated depreciation and value adjustments at 1 January	-121	-75	-379	-576
Exchange rate adjustments	2	0	10	12
Depreciation for the year	-15	-14	-141	-170
Reversed depreciation and value adjustments	1	0	0	1
Accumulated depreciation and value adjustments at 31 December	-133	-89	-510	-733
Carrying amount at 31 December	162	16	693	871

	Operating equipment	Leases ROU equipment a)	Leases ROU 'Group-occupied property b)	Total
2021				
Cost				
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
Accumulated depreciation and value adjustments				
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
Carrying amount at 31 December	130	28	604	762

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 14 years and with yearly rent adjustments. Tryg has no lease contracts with variable lease payments based on sale or similar.

13 Investment property

	2022	2021
Fair value at 1 January	13	12
Disposals for the year	-6	0
Fair value at 31 December	6	13



Notes

DKKm		2022	2021				
14	Investments in Group undertakings						
	Cost						
	Cost at 1 January	14,631	14,290				
	Addition, demerger of Trygg-Hansa, Codan Norway	410	0				
	Exchange rate adjustments	-246	197				
	Additions for the year	10,534	289				
	Disposals for the year	-5,254	-144				
	Cost at 31 December	20,074	14,631				
	Revaluations to equity value						
	Revaluations at 1 January	1,281	406				
	Exchange rate adjustments	-28	7				
	Revaluations during the year	-627	867				
	Dividend paid	-2	0				
	Disposals for the year	83	0				
	Revaluations at 31 December	706	1,281				
	Write downs						
	Write downs at 1 January	-2,825	-2,839				
	Exchange rate adjustments	1	-2				
	Revaluations during the year	-96	16				
	Write downs at 31 December	-2,920	-2,825				
	Carrying amount at 31 December	17,861	13,087				
	Name and registered office	Ownership share in %		Profit/loss for the year		Shareholders equity	
		2022	2021	2022	2021	2022	2021
	Respons Inkasso AS, Bergen	100	100	0	0	5	7
	Tryg Real Estate Invest Norway AS (Norway)	0	0	0	62	0	626
	Forsikrings-Aktieselskabet Aika Liv II, Høje Tåstrup	100	100	1	2	120	119
	Tryg Ejendomme A/S, Ballerup	100	100	1	13	49	148
	Tryg Livsforsikring A/S, Ballerup	100	100	55	35	240	185
	Holmia Livförsäkring AB	100	0	35	0	443	0
	TI Short Term Placement KL	67	67	0	0	50	50
	Kapitalforeningen Tryg invest Funds, Lyngby	82	84	-683	833	17,547	12,494
	Tryg Invest AIF-SIKAV	0	6	-840	482	19,228	4,269



DKKm	2022	2021
15 Equity investments in associates		
Cost		
Cost at 1 January	137	96
Additions for the year	55	42
Disposals for the year	19	0
Cost at 31 December	211	137
Revaluations at net asset value		
Revaluations at 1 January	-122	-81
Disposals for the year	-53	-41
Revaluations at 31 December	-174	-122
Carrying amount at 31 December	37	16
16 Financial assets		
Investment in Group undertakings, applying the equity method	366	312
Financial assets held for trading	18,587	15,793
Financial assets designated at fair value	48,284	27,697
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	78	32
Receivables measured at amortised cost	6,145	5,014
Total financial assets	73,460	48,848
Financial assets at amortised cost only deviate to a minor extent from fair value.		
Financial liabilities		
Derivative financial instruments at fair value with value adjustments in the income statement	2,059	584
Derivative financial instruments at fair value with value adjustments in other comprehensive income	4	0
Financial liabilities at amortised cost	13,503	11,217
Total financial liabilities	15,566	11,800
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.		
The Fair value hierarchy		
"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.		
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

DKKm

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

2022	Consolidated reference prices a)	Observable input	Non-observable input	Total
Investment property	0	0	6	6
Equity investments	0	0	92	92
Unit trust units	0	0	36	36
Bonds	47,874	410	0	48,284
Derivative financial instruments, assets	0	848	0	848
Derivative financial instruments, debt	0	-2,059	0	-2,059
	47,874	-802	134	47,207

a) Consolidated reference prices means Nasdaq consolidated reference prices

2021				
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

Bonds measured on the basis of observable inputs consist of Norwegian and Swedish 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)

	2022	2021
Financial instruments transferred from "Consolidated reference prices" to "Observable input"	0	120
Financial instruments transferred from "Observable input" or "Non-observable input" to "Consolidated reference prices"	0	960

Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:

Carrying amount at 1 January	86	82
Exchange rate adjustments	1	-1
Gains/losses in the income statement	-1	-2
Purchases	56	11
Sales	-8	-5
Carrying amount at 31 December	134	86
Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments	-1	-1

Receivables

Total receivables in connection with direct insurance contracts	1,614	1,669
Receivables from insurance enterprises	498	407
Receivables from Group undertakings	479	1,484
Unsettled transactions	0	120
Other receivables	303	288
	2,895	3,968

Specification of write-downs on receivables from insurance contracts

Write-downs at 1 January	133	136
Exchange rate adjustments	-3	1
Addition, demerger of Trygg-Hansa, Codan Norway	29	0
Reversed writedowns	-4	-3
Write-downs at 31 December	155	133

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 34m (DKK 32m in 2021).



Notes

DKKm	2022	2021
17 Reinsurer's share		
<i>Impairment test</i>		
As at 31 December 2022, 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 4m (DKK 3m in 2021). 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.		
18 Current tax		
Net current tax, 1 January	90	-349
Exchange rate adjustments	10	-13
Change to opening figure	-6	21
Tax on taxable income booked on equity	-109	22
Current tax for the year	-380	-812
Addition, demerger of Trygg-Hansa, Codan Norway	110	0
Tax paid for the year	1,050	1,221
Net current tax at 31 December	765	90
<i>Current tax is recognised in the statement of financial position as follows:</i>		
Under assets, current tax	844	304
Under liabilities, current tax	-80	-215
Net current tax	765	90
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.		
19 Deferred tax		
Tax asset		
Operating equipment	25	134
Obligationer	17	73
Capitalised tax loss	137	0
	179	207
Tax liability		
Intangible rights	2,368	319
Land and buildings	0	-1
Contingency funds	1,173	482
Debt and provisions	46	130
	3,587	930
Deferred tax	3,408	723
Development in deferred tax		
Deferred tax at 1 January	723	768
Exchange rate adjustments	-27	18
Addition, demerger of Trygg-Hansa, Codan Norway	2,317	0
Change to opening figure	18	-86
Change in deferred tax relating to change in tax rate	30	0
Change in deferred tax taken to the income statement	341	23
Change in valuation of tax asset	-17	0
Change in tax on tax loss to carry forward	24	0
Change in deferred tax taken to equity	-1	0
Deferred tax at 31 December	3,408	723
Loss determined according to Switzerland, 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 -109m (DKK 27m at 31 December 2021).		
20 Other provisions		
Other provisions 1 January	40	57
Exchange rate adjustments	-1	0
Change in provisions	55	-17
Other provisions 31 December	94	40
Other provisions relates to provisions for Tryg Forsikring's own insurance claims, restructuring costs and in 2022 DKK 50m related to bankruptcy of Gefion. Additions to the provision for restructuring costs and own insurance claims during the year amounts to DKK 81m (DKK 18m at December 2021) and use of existing restructuring provisions amounts to DKK 28m (DKK 36m at December 2021). The balance as at 31 December 2022 excluding own insurances amounts to DKK 88m (DKK 35m at 31 December 2021).		
The mature of the obligation is within 5 years.		



Notes

DKKm		2022	2021			
21	Other debt					
	Other debt amounts to DKK 3,810m (DKK 2,863m at 31 December 2021) and mainly consists of debt related to external customers' investments in Tryg Invest, leasing and accrued costs. Debt related to external customers investments in Tryg Invest investment funds amounts to DKK 1,972m (DKK 4,052m at 31 December 2021).					
	Maturity of undiscounted lease liabilities					
	Due 1 year or less	181	138			
	Due 2 - 5 years	399	331			
	Due more than 5 years	359	402			
	Total Lease liabilities 31 December	939	871			
	Lease liabilities included in the statement of financial position					
	Hereof future cash flow Options	44	11			
	Amounts recognised in statement of cash flow					
	Total cash out-flow for leases	194	137			
	Amounts recognised in income statement					
	Interest on lease liabilities	-38	-32			
	There are no short term leases recognised in the financial statement. Debt related to lease liabilities are included in Other debt. Please refer to note 12 for the specification of ROU assets.					
22	Own funds					
	Equity according to annual report	42,655	13,468			
	Proposed dividend	-2,570	-700			
	Intangible assets	-32,717	-7,025			
	Profit margin, solvency purpose	2,981	1,408			
	Taxes	1,893	185			
	Subordinate loan capital	3,697	2,735			
	Own funds	15,940	10,070			
23	Contractual obligations, collateral and contingent liabilities					
		Obligations due by period				
	2022	0-1 year	1-3 years	3-5 years	> 5 years	Total
	Other contractual obligations a)	327	259	40	11	637
		327	259	40	11	637
	Contractual obligations	Obligations due by period				
	2021	0-1 year	1-3 years	3-5 years	> 5 years	Total
	Other contractual obligations a)	860	229	89	4	1,182
		860	229	89	4	1,182
	a) Other contractual obligations mainly consists of IT and outsourcing agreements. Please refer to note 12 for lease agreements recognised as ROU.					
	2022	Tryg Forsikring has signed the following contracts with amounts above DKK 50m: Tryg Forsikring has signed IT infrastructure agreements with commitments amounting to DKK 347m within 5 years.				
	2021	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.				
	Collateral	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".				
24	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 families. In 2022 Tryg Forsikring A/S paid dividend to Tryg A/S DKK 1.200m (DKK 2.630m in 2021)				
	Premium income		2022	2021		
	- TryghedsGruppen smba		0.6	0.5		
	- Key management		0.6	0.5		
	- Other related parties		2.3	2.1		
	Claims paid					
	- TryghedsGruppen smba		0.1	0.0		
	- Key management		0.2	0.1		
	- Other related parties		0.3	0.3		



Notes

DKKm

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

Intra-group transactions

	Tryg A/S	Group undertakings
Providing and receiving services	1	38
Intra-group account	65	-110
Interest	6	2

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.

25 Financial highlights
Please refer to next page

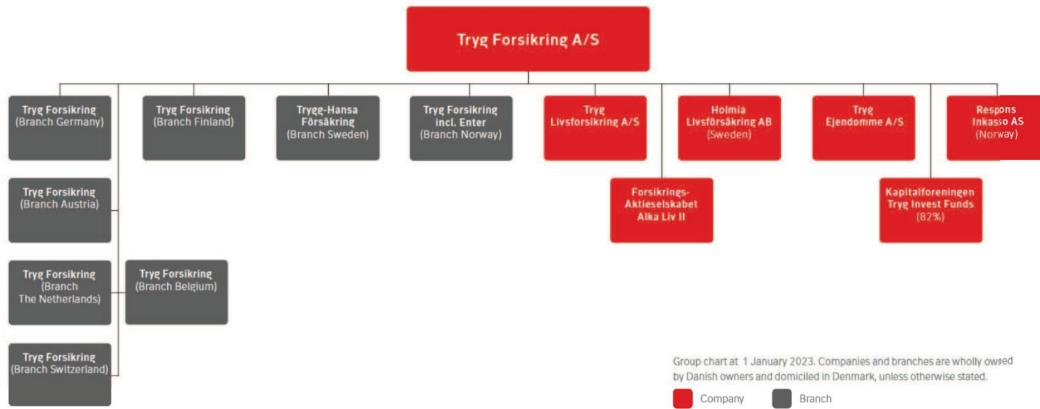
26 Accounting policies
Please refer to the Note 28 Accounting policies in Tryg Forsikring Group.



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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.

Claims ratio, net of ceded business

Gross claims ratio + net reinsurance ratio payment.

Combined ratio

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

Danish general insurance

Comprises the legal entities Tryg Forsikring A/S and Tryg Livsforsikring A/S, Forsikrings-Aktieselskabet Liv II a and excluding the Norwegian and Swedish branches).

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.

Gross claims ratio

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

Gross expense ratio

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

Gross premium income

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

Net reinsurance ratio

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

Norwegian general insurance

Comprises Tryg Forsikring A/S, Norwegian branch.

Operating ratio

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

$$\frac{\text{Claims} + \text{insurance operating costs} + \text{profit or loss from reinsurance} \times 100}{\text{Gross premium income} + \text{insurance technical interest}}$$

Other general insurance

Comprises Finnish, Dutch, Austrian, Swiss, Belgium and German Credit & surety insurance.

Own funds

Equity plus share of qualifying subordinate loan capital and profit margin (solvency purpose), less intangible assets, tax asset and proposed dividend.

Percentage return on equity after tax

$$\frac{\text{Profit or loss for the year after tax} \times 100}{\text{Average equity}}$$

Relative run-off gains/losses

Run-off gains/losses net of reinsurance relative to claims provisions net of reinsurance, beginning of year.

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.

Solvency II

Solvency requirements for insurance companies issued by the EU Commission.

Solvency ratio

Ratio between own funds and the capital requirement

Swedish general insurance

Comprises Tryg Forsikring Forsikring A/S, Swedish branch.

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.

Alternative performance measures

The following financial measures included in this annual report are not measures of financial performance or liquidity under IFRS, as adopted by the EU or 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 but are defined by management as follows:

COVID-19 claims, net of reinsurance

The impact from COVID-19 on claims, net of reinsurance is defined as impact from COVID-19 on claims, gross adjusted for reinsurance

Impact from COVID-19 claims, Gross as calculated by the Tryg Forsikring, represents

$$\frac{\text{Impact from COVID-19 claims, net of reinsurance}}{\text{Gross premium income}}$$



Large claims, net of reinsurance

Large claims, net of reinsurance, as calculated by the Tryg Group, represents Large claims, net of reinsurance is defined as single claims or claims events gross above 10m in local currencies adjusted for reinsurance.

$$\frac{\text{Large claims, net of reinsurance}}{\text{Gross Premium income}}$$

Premium proforma growth in local currencies

Premium proforma growth in local currencies is based on proforma figures that includes Trygg-Hansa and Codan Norway. As calculated by the Tryg Group, represents:

Premium proforma growth in local currencies

(Premium income including Trygg-Hansa and Codan Norway pro-forma in year X - Premium income including Trygg-Hansa and Codan Norway pro-forma in year X-1 (2021))

$$\frac{\text{Premium income including Trygg-Hansa and Codan Norway pro-forma in year X} - \text{Premium income including Trygg-Hansa and Codan Norway pro-forma in year X-1 (2021)}}{\text{Premium income including Trygg-Hansa and Codan Norway pro-forma in year X-1 (2021)}}$$

Return On Own Funds (ROOF)

$$\frac{\text{Profit for the year after tax} \times 100}{(\text{Own Funds Primo} + \text{Own Funds Ultimo})/2}$$

Return On Tangible Equity (ROTE)

$$\frac{\text{Profit for the year after tax} \times 100}{(\text{Tangible Equity primo} + \text{Tangible Equity Ultimo})/2}$$

Run-off, net of reinsurance

Run-off, net of reinsurance, as calculated by the Tryg Group, represents

$$\frac{\text{Run-off, net of reinsurance}}{\text{Gross Premium income.}}$$

Weather claims, net of reinsurance

Weather claims, net of reinsurance, as calculated by the Tryg Group, represents weather claims, net of reinsurance, is defined as claims related to storm, cloudbursts, natural perils and winter, adjusted for reinsurance.

$$\frac{\text{Weather claims, net of reinsurance}}{\text{Gross Premium income.}}$$



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.

