Annual report 2022

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

Tryg

Tryg A/S · Klausdalsbrovej 601, 2750 Ballerup, Denmark · CVR no. 26460212

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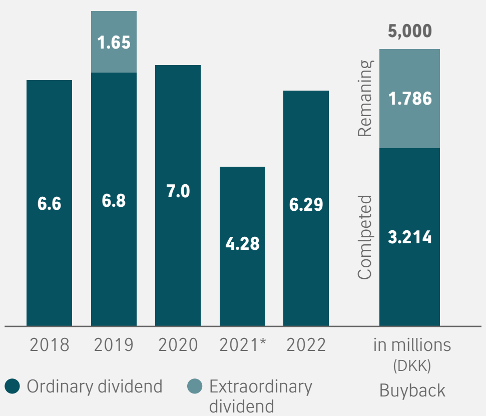
Management's review

Financial statements

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

Shareholder remuneration
(DKK per share)



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

Highlights 2022

Financial 2022

5.9%
Premium growth in local currencies, based on to pro-forma figures

14.1
Expense ratio
2021: 14.1

82.2
Combined ratio
2021: 84.5

6,177m
Technical result (DKK)
2021: 3,709m

-1,193m
Total investment return (DKK)
2021: 870m

3,051m
Profit before tax (DKK)
2021: 3,956m

6.29
Dividend per share (DKK)
2021: 4.28

201
Solvency ratio
2021: 188

Financial Q4 2022*

6.7%
Premium growth in local currencies

0.8
Group underlying claims ratio improvements percentage points
Q4 2021: 0.8

14.3
Expense ratio
Q4 2021: 14.6

82.1
Combined ratio
Q4 2021: 84.1

1,689m
Technical result (DKK)
Q4 2021: 1,380m

317m
Total investment return (DKK)
Q4 2021: 803m

1,377m
Profit before tax (DKK)
Q4 2021: 1,458m

1.60
Dividend per share (DKK)
Q4 2021: 1.07

201
Solvency ratio
Q4 2021: 188

* The comparison figures for Q4 2021 related to technical result are pro-forma disclosed in June.

Highlights 2022 (continued)

New reporting structure

In Q2 2022, Tryg started to fully consolidate Codan Norway and Trygg-Hansa. These businesses have been merged into the overall Private and Commercial organisations and reporting structure. Tryg is reporting its results through three divisions: Private, Commercial and Corporate, this is unchanged from previous practice. The old Sweden segment where Moderna Private was reported has been merged into the Private segment. Tryg has been producing pro-forma* numbers for the enlarged Group from Q2 2021 to Q1 2022 to help comparability, these have been published on **tryg.com**. Tryg will also continue to publish the results by geographies in the notes of each quarterly report, with Denmark, Norway and Sweden primarily shown here. Codan Norway and Trygg-Hansa will also flow into the respective geographical results.

Private	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021
Gross premium income	5,847	5,622	3,840
Technical result	1,073	997	681
Claims ratio	69.2	69.3	70.1
Expense ratio	13.1	12.9	12.1
Combined ratio	82.4	82.2	82.2

Commercial	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021
Gross premium income	2,292	2,264	1,352
Technical result	452	347	109
Claims ratio	64.4	65.2	72.2
Expense ratio	16.7	19.4	19.7
Combined ratio	81.1	84.6	91.9

Corporate	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021
Gross premium income	903	850	850
Technical result	164	36	36
Claims ratio	67.1	82.0	82.0
Expense ratio	15.5	13.7	13.7
Combined ratio	82.7	95.7	95.7

* Pro-forma figures from Q2 2021 to Q1 2022 have been published on **tryg.com** to improve comparability. Pro-forma figures are shown including full consolidation of Codan Norway and Trygg-Hansa

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.

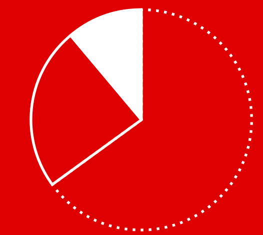
5.3 million customers

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

Attractive dividend policy

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

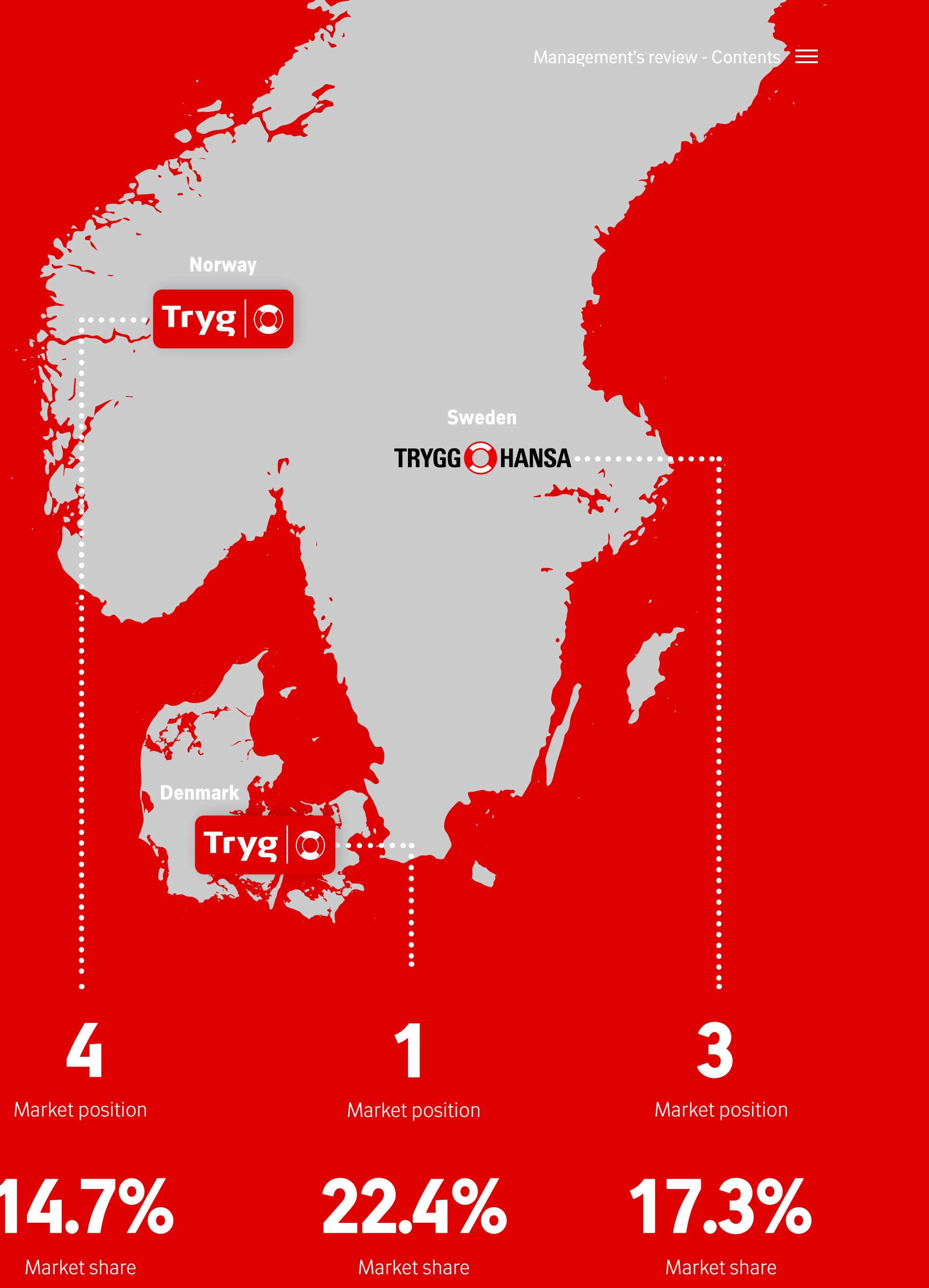
Low risk portfolio



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 1.2bn to Danish customers in Tryg.

Read more about our history at tryg.com



* 'Tryg' means feeling protected and cared for.
** Calculated excluding Tryg's own shares

Business areas

Private

Private provides insurance products to private customers in Denmark, Sweden 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 • Venter – en del av Tryg • 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, Sweden and Norway.

25%
of premiums

Distribution channels

Call centres • Online • Bancassurance • Own sales agents • Franchises • 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 Trygg-Hansa in Sweden. Tryg has a cooperative agreement with the global RSA network for international customers.

10%
of premiums

Distribution channels

Own sales agents • Insurance brokers

Brands

Tryg • TRYGG HANSA

* Not exhaustive

Income overview

DKKm	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021	2022	2021	2020	2019	2018
Gross premium income	**9,042**	**8,735**	**6,041**	**33,938**	**24,137**	**22,653**	**21,741**	**18,740**
Gross claims	-5,975	-5,837	-4,229	-22,407	-16,275	-15,437	-14,857	-12,636
Total insurance operating costs	-1,292	-1,280	-847	-4,783	-3,394	-3,202	-3,081	-2,704
Profit/loss on gross business	1,775	1,619	966	6,748	4,468	4,014	3,803	3,400
Profit/loss on ceded business	-155	-233	-135	-723	-731	-499	-566	-624
Insurance technical interest, net of reinsurance	69	-5	-5	152	-29	-20	1	-10
Technical result	**1,689**	**1,380**	**826**	**6,177**	**3,709**	**3,495**	**3,237**	**2,766**
Income from RSA Scandinavia [a]	-19		568	34	1,206	0	0	0
Currency hedge related to RSA Scandinavia	0		0	0	-1,035	0	0	0
Tryg stand-alone Investment return	336		235	-1,227	699	311	579	-332
Investment return after insurance technical interest	**317**		**803**	**-1,193**	**870**	**311**	**579**	**-332**
Other income and costs	-629		-171	-1,933	-624	-265	-188	-172
Profit/loss before tax	**1,377**		**1,458**	**3,051**	**3,956**	**3,541**	**3,628**	**2,262**
Tax	-296		-85	-804	-795	-768	-783	-529
Profit/loss on continuing business	**1,081**		1,373	2,247	3,161	2,773	2,845	1,733
Profit/loss onsiscontinued and divested business after tax	0		-3	0	-3	0	-2	-2
Profit/loss	**1,081**		**1,370**	**2,247**	**3,158**	**2,773**	**2,843**	**1,731**
Run-off gains/losses, net of reinsurance	362		232	1,380	963	1,145	1,194	1,221
Key figures								
Total equity	42,504		49,008	42,504	49,008	12,264	12,085	11,334
Return on equity after tax (%) [b]	9.5		18.0	4.9	7.8	22.5	24.6	14.9
Return on own funds (%)	27.0		40.0	13.0	23.0	32.6	35.1	16.3
Return on tangible equity (%)	30.8		37.5	7.8	16.1	55.4	62.5	21.2
Number of shares 31 December (1,000)	633,710		653,447	633,710	653,447	301,750	301,750	301,743
Earnings per share (DKK)	1.69		2.10	3.47	5.51	9.19	9.42	5.73
Operating earnings per share (DKK) [c]	2.00		2.14	4.43	5.70	9.54	9.82	5.84
Net asset value per share (DKK				67.07	75.00	40.64	40.05	37.56
Ordinary dividend per share (DKK)	1.60		1.07	6.29	4.28	7.00	6.80	6.60
Extraordinary dividend per share (DKK)				0.00	0.00	0.00	1.65	0.00
Premium growth in local currencies	6.7[d]		2.6	5.9[d]	4.9	7.0	17.1	6.3
Gross claims ratio	66.1	66.8	70.0	66.0	67.4	68.1	68.3	67.4
Net reinsurance ratio	1.7	2.7	2.2	2.1	3.0	2.2	2.6	3.3
Claims ratio, net of ceded business	67.8	69.5	72.2	68.2	70.5	70.3	70.9	70.7
Gross expense ratio	14.3	14.6	14.0	14.1	14.1	14.1	14.2	14.4
Combined ratio	**82.1**	**84.1**	**86.2**	**82.2**	**84.5**	**84.5**	**85.1**	**85.1**
Run-off, net of reinsurance (%)	-4.0	-2.5	-3.8	-4.1	-4.0	-5.1	-5.5	-6.5
Large claims, net of reinsurance (%)	3.2	2.2	2.7	3.4	1.8	2.2	2.1	2.6
Weather claims, net of reinsurance (%)	2.3	1.0	2.0	1.7	1.9	1.6	1.9	2.0
Discounting (%)	3.0	0.9	0.7	2.2	0.5	0.2	0.7	1.0
COVID-19 claims, net of reinsurance (%)	0.0	-0.3	0.0	0.0	-0.5	-0.8	0.0	0.0
Combined ratio on business areas								
Private	82.4	82.2	82.2	83.0	83.7	83.8	83.9	82.2
Commercial	81.1	84.6	91.9	80.5	83.8	83.7	83.8	78.2
Corporate	82.7	95.7	95.7	81.4	89.4	89.4	87.6	95.6

[a] Tryg's acquisition of RSA Scandinavia includes also the net effect from demerger and sale of Codan Denmark and impacts the Financial Statements from 1 June 2021
[b] ROE is calculated as Profit for the year after tax divided by the weighted average equity (as prescribed by the Danish FSA). From 1 April 2022 this included Trygg-Hansa and Codan Norway
[c] Adjusted for depreciation on intangible assets related to Brands and Customer relations after tax
[d] Based on pro-forma figures

How to read this annual report

Tryg started to fully consolidate Codan Norway and Trygg-Hansa from Q2 2022, therefore the FY technical result only includes nine months of the acquired businesses.

In June 2022, Tryg published pro-forma figures for the period Q2 2021 to Q1 2022 with the new businesses fully consolidated, the Q4 2021 pro-forma column is shown to provide comparability.

The third column shows the reported Q4 2021 results. At that time, the new businesses were equity accounted, which means the net profit for the quarter for the new businesses was included in the overall investment result.

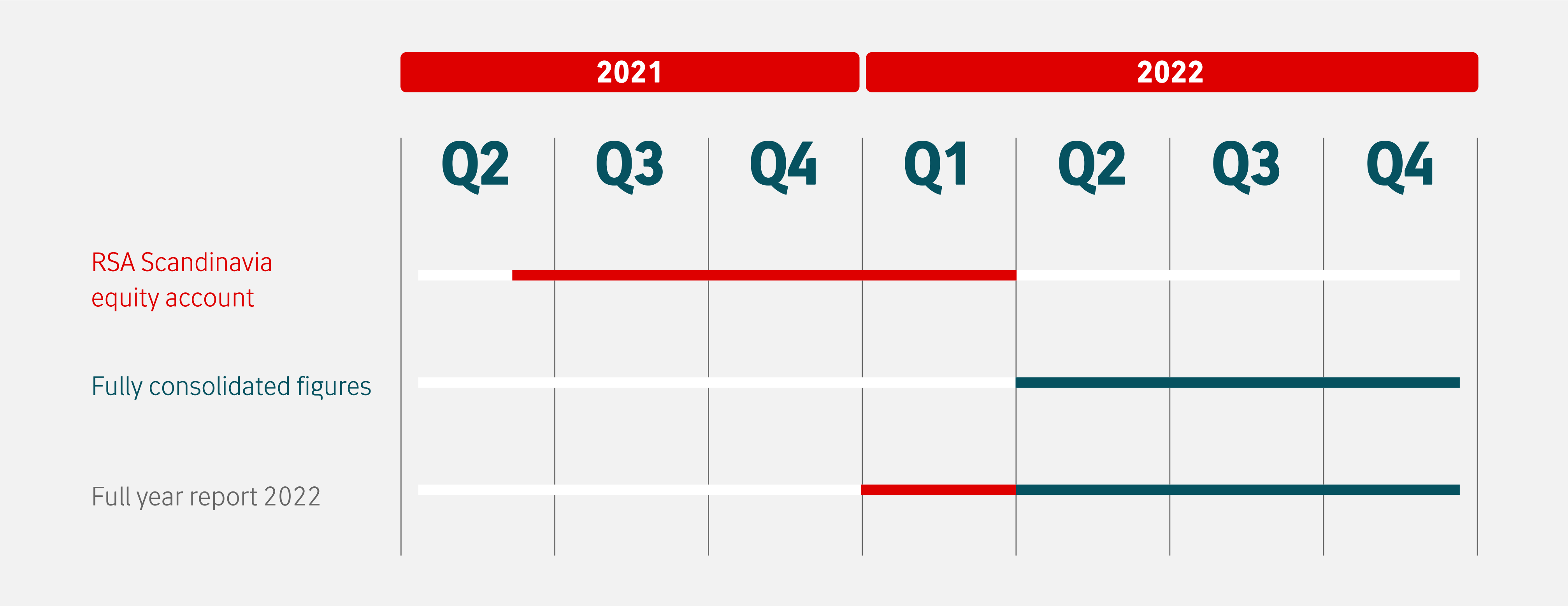
Throughout the annual report, Q4 comparison figures related to the insurance business are pro-forma. Additionally, FY comparison figures for premiums growth are also pro-forma.

Tryg reported a FY 2022 technical result of DKK 6,177m, which includes the new businesses for nine months (Q2 to Q4 2022).

The overall investment result of DKK -1,193m was primarily driven by a very difficult year for capital markets with extremely volatile equity markets as well as increasing interest rates.

Tryg is paying a FY DPS of 6.29, a 46% increase compared to 2021, driven by the full inclusion of the new businesses for nine months and an initial delivery of synergies. The solvency ratio was 201 at the end of the year, a robust level for the start of a new journey.

RSA Scandinavia's impact on Tryg's income statement



Codan Norway and Trygg-Hansa were equity accounted and therefore the net profit for the quarter was included in the overall investment result. The group technical result rom 1 June 2021 to Q1 2022 includes only Tryg stand-alone

Codan Norway and Trygg-Hansa were fully consolidated thus included in the group's technical result. The figures were consolidated for 9 months (Q2 to Q4 2022). In June 2022, Tryg published pro-forma figures for the quarters in 2021.

Tryg reported a FY 2022 technical result of DKK 6,177m. The result includes Codan Norway and Trygg-Hansa from Q2 to Q4 2022 whilst Q1 2022 was Tryg stand-alone. FY 2022 is therefore not comparable to FY 2021

Strong results in our first year as the largest fully integrated non-life insurer in Scandinavia

Introduction by Chairman & Group CEO

A resilient business despite the most difficult macroeconomic conditions in recent memory

Geopolitical and macroeconomic tensions have been at their highest level for many years in 2022, following the COVID-19 pandemic in the winter and Russia's invasion of Ukraine in February. 2022 will also be remembered as the year marking the return of inflation to levels not seen in the last 40 years. The Russian invasion of Ukraine exacerbated an already complicated situation with the global economy reeling from COVID-19 lockdowns and related supply chain issues. Inflation increased sharply throughout the year, ending at close to 10% in many advanced economies. Yet, Tryg managed to produce a robust financial performance against this highly challenging backdrop, proving the resilience of its business model.

Acquired Swedish and Norwegian businesses of RSA Scandinavia fully integrated

After obtaining all regulatory approvals and following the demerger on 1 April, Tryg started to consolidate Codan Norway and Trygg-Hansa from Q2 2022 and fully integrate these businesses into the Private, Commercial and Corporate operating segments.

In connection with the RSA Scandinavia transaction, we welcomed the swift sale of Codan Denmark to Alm. Brand, which was approved in late April 2022, thereby finalising the entire RSA Scandinavia transaction. Tryg has subsequently initiated a share buyback programme of DKK 5bn, which is expected to last until summer 2023. As per year-end 2022, some 19.8m shares had been bought for a total value of DKK 3.2bn. Overall, we can look back on a very successful process that created the largest non-life insurance group in Scandinavia, thereby creating value for our shareholders, customers and employees.

Strong results for the new group

Tryg reported a technical result of DKK 6,177m with full consolidation of Codan Norway and Trygg-Hansa from Q2; in other word, only consolidated for nine months when looking at the full-year technical result. Tryg is very satisfied with the result in a year of extremely challenging geopolitical circumstances and the highest level of inflation for many decades. The result was positively impacted by solid growth in the Private and Commercial businesses and improved underlying profitability for the group. Profitability initiatives related primarily to the Corporate and Commercial segments (large Commercial customers). The result was also supported by RSA Scandinavia related synergies of DKK 406m against a total target of DKK 350m in 2022 and DKK 900m for 2024.

Tryg's most profitable segment, the Private segment (accounting for 65% of total premiums), continued to deliver strong growth and high profitability in all countries. In the Commercial segment, Tryg saw an inflow of small commercial customers in line with the strategy of targeting an increased presence in this part of the market. We are very satisfied with the level of growth in the acquired Swedish business, which developed positively compared to previous years. The Corporate segment reported a slight drop in the business volume in line with expectations, as Tryg is strongly focused on improving profitability. Hence, Tryg is decreasing the number of the high-end international property and US liability segments to rebalance the portfolio and improve profitability.

Strong and profitable growth supported by high customer satisfaction

In both Private and Commercial, we are very satisfied with the level of profitable growth. Tryg has a very strong focus on customers and realised a customer satisfaction score of 85. Tryg generally saw a strong retention rate in both the Private and Commercial business areas, although Q4 2022 was impacted by slightly higher churn, especially in the single product customer segment in Private (in partner agreements).

Focus on shareholder remuneration

Tryg expects to return a total DKK 17-19bn to its owners between 2022 and 2024, split between DKK 12-14bn in ordinary dividends and the ongoing share buyback programme of DKK 5bn. The high shareholder return is supported by the targeted technical result of between DKK 7.0 bn and 7.4 bn, driven by a combined ratio target of at or below 82 in 2024.

Sustainability and ESG

Tryg believes that working systematically to advance sustainability and ESG aspects unleashes better business results and customer relationships while also fostering greater innovative power and a more attractive workplace. In 2022, Tryg continued to focus on delivering sustainable solutions to its customers. Through close collaboration with suppliers, Tryg was able to reduce CO_2 emissions from claims handling by 15,449 tons, putting Tryg well on track to reach its target of cutting CO_2 emissions by 20,000-25,000 tons CO_2 by 2024.

Thanks to all employees

2022 was a challenging year for all Tryg employees impacted by the acquisition of RSA's Scandinavian activities. We are very proud that we managed to strongly develop the existing business and significantly improve Tryg's strategic position by closing a very important acquisition. The Supervisory Board and the Executive Board would like to thank all employees for their great efforts in Denmark, Sweden and Norway.

JUKKA PERTOLA
Chairman

MORTEN HÜBBE
Group CEO

> ”
> **Tryg** has a strong focus on shareholders and expects to pay a total of DKK 17-19bn to its owners between 2022 and 2024, with the amount split between DKK 12-14bn in ordinary dividends and a DKK 5bn extraordinary buyback share programme.

Events in 2022

Group

Tryg is united
On 1 April, the demerger of Trygg-Hansa and Codan Norway from Codan Denmark became a reality. From that day, Trygg-Hansa and Codan Norway were legally part of the Tryg group – which also means that the Tryg group has become Scandinavia's largest non-life insurer. Following the demerger, the group has full access to data and customers, and the integration of the new Swedish and Norwegian businesses is still progressing. The group continues to focus on collaboration, knowledge sharing and creating a new, united culture – with all these endeavours made possible thanks to the great commitment of employees across the Tryg group.

Sale of Codan Denmark and launch of share buyback programme
In April, Tryg announced that the Supervisory Board had decided to initiate a share buyback programme of DKK 5.0bn following approval by the Danish Competition and Consumer Authority for the sale of Codan Denmark to Alm. Brand. The launch of the share buyback programme was an important milestone in the acquisition of RSA Scandinavia.

ESG certifications
Many important steps were taken in 2022 with regards to continuously promoting strong ESG practices across the organisation. Tryg received both an ISO 14001 certification and an EU Eco Management and Audit Scheme (EMAS) - the first insurance company in the Nordics to do so. The certificates are the two most recognised international standards for environmental management systems. This will be an important element in Tryg's continued work to integrate sustainability initiatives across the organisation.

New maternity/paternity leave rules in Tryg Denmark ensure equal rights for all parents
Tryg aims to be an inclusive workplace with equal opportunities for all employees. From autumn 2022, Tryg Denmark has introduced equal rights maternity/paternity leave for all parents. Mothers, fathers and co-parents have equal status and the right to leave with full pay for up to 25 weeks, regardless gender or family constellation. Thanks to legislation, equal parental conditions already exist in Tryg's Norwegian and Swedish branches, so the focus has been on introducing the same conditions in Tryg Denmark.

Denmark

Launch of pregnancy insurance
In December, Tryg Denmark launched its new pregnancy insurance, which covers from week 21 of the pregnancy up to six months after birth. The insurance provides help, guidance and compensation in a number of different and difficult situations as well as additional comfort during the pregnancy. The insurance offers access to online consultations with midwifes in collaboration with gravid.dk, an online forum for pregnant women, and psychological crisis counselling if needed.

Tryg's pregnancy insurance is the first of its kind in Denmark, whereas in Sweden more than 85% of all parents have already chosen to have pregnancy insurance - Trygg-Hansa is the market leader with a similar product. Hence, pregnancy insurance is also one of many good examples of how the acquisition strengthens Tryg's overall business.

Fire in Vanløse
On 25 March, a devastating fire started in an apartment building in Vanløse, one of 10 districts in Copenhagen. It was described as the largest fire in recent times and around 90 families lost their homes. Approximately, half of the 90 families were insured at Tryg. Immediately after Tryg received the news that multiple customers were affected by the fire, several employees went to the location and assisted with help and guidance about emergency housing, etc.

TryghedsGruppen's member bonus
For the seventh consecutive year, TryghedsGruppen, Tryg's largest shareholder, paid out a member bonus in 2022 - of DKK 1.2bn, equivalent to 8% of premiums paid for 2021. The bonus was paid to Tryg customers in Denmark, amounting to every fourth Dane.

Events in 2022

Norway

Anniversary of the lifebuoy

This year, the lifebuoy had its 70th anniversary in Norway. The red and white buoy is inextricably linked to Tryg and has become a symbolic representation of the company's social responsibility since 1952. In Norway, more than a thousand human lives have been saved with the help of the buoy over the years.

Integrating the acquired Norwegian business

At the end of 2022, Codan's Norwegian organisation was fully integrated into Tryg Norway and the merged organisation now has almost 1,600 employees. The focus of the integration has been on creating a new organisation and migrating Codan's customers and products over to Tryg's systems.

Customer centre award

Tryg Norway's Contact Centre won the Customer Centre Award for 2022 - the result of systematic and focused work. Tryg believes the key to this award is targeted and dedicated effort with respect to the customer experience.

Increased use of used car parts

Tryg has become the largest operator in used car parts within a short space of time, with more than one in ten car repairs now made with reused parts. Tryg has entered framework agreements with the industry's leading car dismantling companies to ensure consistent and extensive access to parts.

Sweden

A historical merger

In Sweden, the year has been marked by the merger of Trygg-Hansa and Moderna Försäkringar. The process of merging the two branches under the brand Trygg-Hansa kicked off on 1 April. Since then, the intense work has focused on creating a new organisation and migrating products, IT systems and customers. In September, an important milestone was reached by launching pet insurance under the Trygg-Hansa brand for the first time - a direct result of the merger.

Growing business thanks to digitalisation

The intense work with merging the branches has already produced concrete results, and Trygg-Hansa continues to gain market share. By the end of Q3, Trygg-Hansa was the fastest growing insurance company in Sweden, maintaining its strong position in the market. Online sales are growing very comfortably, thanks to the leading position in online marketing and data driven sales. In addition, Trygg-Hansa continues to invest in digital solutions to support interactions with customers, underpinning the ambition to reduce ordinary mail correspondence and thus the ambition to reduce the total carbon footprint of the group.

Looking ahead to 2023

During the first quarter of 2023, one of the main highlights of the year will occur when Trygg-Hansa receives the keys to the new office in Hyllie, just outside Malmö. 1,200 employees will be moving into the brand-new office in spring 2023. Being able to gather all employees in Malmö under one roof is of the highest priority in the endeavour to be an attractive employer. The work to create an inclusive culture with employees in focus continues, as employees are gathered together in Malmö as well as at other locations where Trygg-Hansa has a presence in offices in Sweden.

Strong new partnerships in the motor segment

In the beginning of 2022, Trygg-Hansa launched a new partnership with BMW. Despite being in a declining market due to the global supply issues, Trygg-Hansa saw some solid trends in the motor segment and new partner BMW contributed significantly to growth. Trygg-Hansa also saw strong sales from the existing partnership with Tesla cars, which were up more than 70% in 2022 compared to 2021. Trygg-Hansa has a strong focus on this area and expects to enter more partner agreements with car dealers going forward to support the the position in the market for electric cars.

Financial outlook

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

Global geopolitical tensions have been at their highest levels for many years in 2022 following a number of events: the COVID-19 pandemic during the winter, Russia's invasion of Ukraine in February, US/China tensions on the future of Taiwan and various 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 COVID-19 lockdowns and related supply chain issues. Inflation levels started moving upwards already in the first part of 2022 and ended the year at 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 began to materialise in various parts of the economy. Equity markets dropped substantially in the first nine months of the year, only to partly recover in the last three months of 2022. Equity valuations were primarily hit by higher risk-free rates, with cyclical stocks and business models that discounted a long period before profitability, being the worst hit.

The Scandinavian countries continue to perform 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 remain 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 premium income, but accident and health and other products are also very well developed. Households usually cover their insurance needs comparatively well and there is generally a high level of trust in insurance companies and high brand recognition.

Retention levels are very high in Scandinavia compared to nearly everywhere else in the world. This is a key profitability driver, as it helps insurers keep their overall expenses low. Retention rates hover around 90% in the Private and Commercial (SMEs) segments, which together represent close to 90% of Tryg's total business. A direct distribution model also contributes significantly to the very efficient setup.

At the end of 2022, Tryg reported an expense ratio of 14.1 (same as in 2021).

Tryg's reserves position remains strong. Run-off gains are expected to be between 3% and 5% in 2024.

Tryg'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 total DKK 800m and DKK 800m, respectively, for the enlarged group including Codan Norway and Trygg-Hansa, i.e. 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 hosted a Capital Markets Day in London in November 2021 to launch the 2024 strategy and updated financial targets for the new combined group that includes Codan Norway and Trygg-Hansa. Tryg 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 also introduced a new profitability measure, return on own funds (ROOF), which is targeted at or above 25%, also in 2024.

Financial targets 2024

7.0-7.4bn	≤82%	14%	≥25%
Technical result (DKK)	**Combined ratio**	**Expense ratio** (reaffirmed)	**Return on own funds**

Customer targets

≥40%	88	20-25,000
Digitalisation (% growth in value-creating actions upon login)	**Customer satisfaction**	**Sustainability & ESG** (tonnes CO²e reduction)

Tryg 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 the CMD date, this has a clear positive effect on Tryg earnings, at the same time currencies (SEK and NOK) have moved unfavorably and reinsurance prices have also increased. Tryg is maintaining all financial targets for 2024 including the technical result target between DKK 7.0-7.4bn and the combined ratio target at or below 82.

During 2023 Tryg 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 published a newsletter on the introduction of IFRS 17, a new accounting standard for the insurance sector that will go live from 1 January 2023 with the first interim report to be released shortly after the end of Q1 2023. The goals of IFRS 17 are to ensure accounting consistency across all insurance contracts, increase comparability between insurance companies and drive more detailed disclosure. Due to Tryg'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 financial statements overall. Key items such as the net profit and shareholder equity will remain virtually unchanged, while the technical result will see only a modest positive impact. Tryg aims to publish 12 quarters (Q1 2020 to Q4 2022) of re-stated numbers under IFRS 17 towards the end of March 2023 to ensure comparability. It is very important to remember that the acquisition of RSA Scandinavia has impacted Tryg's accounts heavily from Q2 2021, therefore comparability will be affected. The IFRS 17 newsletter is publicly available on Tryg.com and can be found ***here***.

Targets and strategy 2024

Tryg hosted a Capital Markets Day on 16 November 2021 unveiling 2024 financial and strategic targets.

Financial targets
Tryg hosted a Capital Markets Day in November 2021 where the 2024 financial targets were published. Tryg 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. In addition to the three financial targets, Tryg also introduced a new profitability target, return on own funds (ROOF), which is set at or above 25% by 2024. All financial targets are underpinned by the DKK 900m in synergies related to the acquisition of Codan Norway and Trygg-Hansa.

Customer targets
Tryg believes that high customer satisfaction and retention rates lead to lower distribution costs. Customer satisfaction targets are therefore of high importance for realising the financial targets. Tryg 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 processes. In 2022, Tryg reported a customer journey satisfaction score of 85 (on a scale from 0-100) and the target is to reach 88 by 2024.

Our purpose

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

Grasping opportunities to develop rather than just defending our business
- Digitalisation
- New products
- Analytics

Adjusting to customer preferences and needs
- Self-service
- Straight-through processing
- Packaging of products

Increasing customer relevance and share of wallet
- Product innovation
- Prevention
- Add-on services

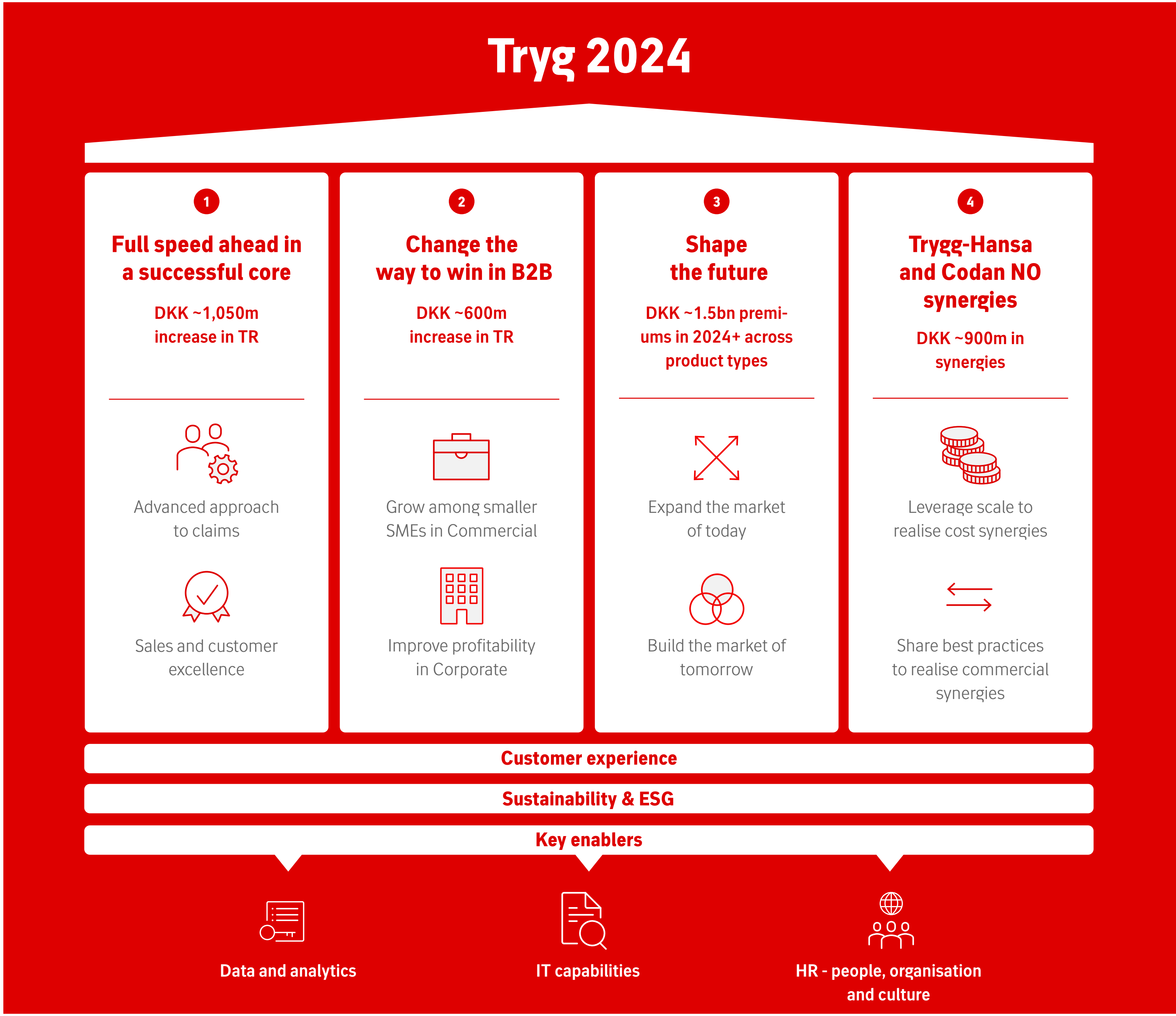
Tryg's business model
Tryg makes it easier to be 'tryg' for its customers by offering them insurance against risk, efficient claims handling, and advice and services to prevent claims from arising in the first place. By making it easier for our customers to feel protected and cared for, we all benefit of Tryg's stakeholders. Via TryghedsGruppen's 46.5%* ownership of Tryg, part of the company's profit is returned to customers, who are also members of TryghedsGruppen. Tryg's purpose is valid for all stakeholders – our customers, our employees and our shareholders.

* 'Tryg' means feeling protected and cared for

* Calculated excluding Tryg's own shares

Secondly, Tryg has set a target to grow 'value-creating actions' upon logging in online. To illustrate 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 aims to increase these low-cost value-creating actions by 40% by 2024 (vs ~DKK 14m in 2020). In 2022, Tryg increased the level of value creating actions by 35% by, for example, using "My page" for all communication instead of emails and also due to customers preferring to use self-service to a greater degree.

Tryg is also introducing a new target related to sustainability. By 2024, Tryg 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 motor, property and content claims, etc. are expected to be the main driver for reaching the sustainability target. In 2022, Tryg reduced its carbon emissions by 15,449 tonnes through the above-mentioned initiatives. Read more about Tryg's latest sustainability initiatives on page 37.



Strategic initiatives

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

Full speed ahead in a successful core

This strategic pillar aims to increase the technical result by DKK 1,050m by 2024 through the continued improvement of Tryg'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, this initiative had a very large impact on 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 in 2022, where Private Denmark introducing new car packages that meet customers' individual needs better and Tryg's claims departments increasing their focus on car repair to reduce plastic waste, for example by repairing headlights instead of replacing them. These initiatives and others helped support the strong growth in Tryg's 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 can offer good advice. Tryg therefore aims to grow its 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, better 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 strongly supported continued growth in the groups underlying claims ratio both via profitability in the Corporate business and a higher share of customers in the SME segment.

In 2022, a new partnership with Valified was announced. Valified helps Tryg's commercial customers meet increasing demands for sustainability and provides them with insights into their performance across selected ESG areas. In Norway, a new partnership between Tryg and ABAX (a large tracking and telematics company) was launched, allowing Tryg to create data-driven insurance solutions based on the customers' driving behaviour.

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'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. Both the Private and Commercial businesses have developed strongly in this area. Tryg generally has seen strong development in the health area for both Private and Commercial. In 2022, Tryg launched a new cyber insurance product that includes cyber prevention tools which the customer can install on their devices to reduce risks, while in Norway a new innovative partnership with DyreID provides access to 600,000 customers.

Tryg 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 by DKK 900m through synergies from the acquisition of Trygg-Hansa and Codan Norway. In 2022, DKK 406m was reached against a target of DKK 350m, driven by 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 capitalising on Tryg's strong procurement power as well as reduced RSA group charges have helped. 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.

* Commercial customers are defined as enterprises with less than 100 FTEs and/or DKK 100m in turnover.
Corporate customers are defined as enterprises with more than 100 FTEs and/or DKK 100m in turnover

Business initiatives

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

Private

In Private, Tryg continues to build on its strong foundation of innovative capabilities to deliver excellent customer experiences and new propositions to meet customer expectations as well as support profitability.

In Denmark, Private established a new partner-ship agreement with Velliv, the third largest pension company in Denmark. The partnership entails Velliv continuing to distribute Tryg's pension product, Tryg Pension. Private Denmark also launched a new car insurance to further meet customer needs and trends. The product aims to be even more intuitive, easier to understand and tailored to the individual customer and the demands deriving from new technologies within mobility. Subsequently, Private Denmark added a new pregnancy product, aiming to assist the 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 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 in the country are earmarked via DyreID, but less than a 25% of the pets are insured. With the new partnership, Tryg 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 is focused on providing insurance to OBOS as well as adding on the new dimension regarding improved safety along the Norwegian coastline, which is a great addition to Tryg'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, thus a good example of leveraging knowledge sharing and synergy. Also, early this year Trygg-Hansa added a new service to its already existing product Family Help. The new service is "Familjehjäljpen Gravid", which is offered to pregnant women, their partners and new parents. Additionally, Trygg-Hansa renewed several of its partnerships, including Akademikerförsäkring, an organisation for lawyers and economists; Finansförbundet, the largest organisation for employees in the insurance and banking industries; and its partnership with BMW.

Business-to-business (B2B)

At Tryg, 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 FTEs) 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 instals a device in customers' vehicles and can therefore generate data based on their actual driving behaviour and thus estimate risks more accurately than would be possible based on 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 repairs.

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

Sustainability & ESG

In 2021, Tryg launched its Corporate Responsibility strategy: "Driving sustainable impact" and the work on the strategy continued 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 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 has raised its target for increasing 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 reduction in CO_2 emissions of 20,000-25,000 tonnes through more sustainable claims handling in 2024.

Tryg wants to offer products and services that can help move society in a more climate-friendly and socially responsible direction. During this process, Tryg 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.

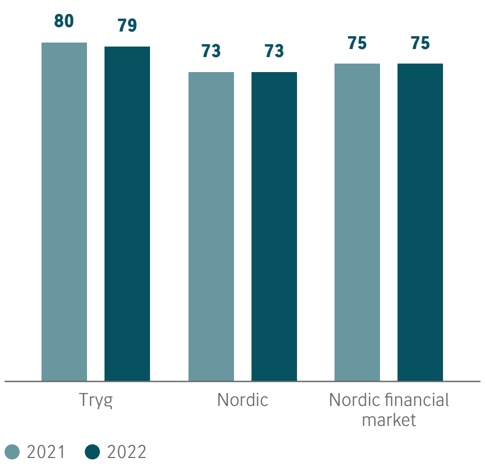
One example of a sustainable service that Tryg has started to offer its Danish customers is Valified. This can provide Tryg's business partners with insights into their performance across selected ESG (Environmental, Social and Governance) areas. Such insights are becoming key for SMEs because their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

In 2022, Tryg launched a 'smart repair' initiative whereby Tryg cooperates with car repair shops to reduce plastic waste by repairing headlights instead of replacing them. Every year, Tryg and Alka pay for having approximately 10,000 headlights replaced. An increased focus on repairing headlights when they are damaged instead of replacing them results in both savings as well as reduced waste and CO_2 emissions. To ensure the repair is attractive to suppliers, Tryg offers an incentive payment to suppliers for repairs instead of replacement and also helps train personnel. Tryg's target is to repair at least 2,000 headlights a year by 2024.

Employee satisfaction

In its annual employee survey, Tryg once again saw that the employee satisfaction was much higher than among peer groups. There was a slight drop in employee satisfaction at Tryg to 79 for 2022 compared to 80 in 2021. This was expected in a year with structural changes related to the integration of Trygg-Hansa and Codan Norway in Sweden and Norway.

Employee satisfaction
(Index)



Tryg has an employee satisfaction level above the average of the Nordic sector.
Source: Global Employee and Leadership Index

Tryg's results

Tryg reported a technical result of DKK 6,177m (DKK 3,709m) in 2022 (Codan Norway and Trygg-Hansa fully consolidated for nine months starting in Q2) impacted by a solid premium growth of 5.9%, the inclusion of RSA Scandinavia and related synergies and significantly higher interest rates. The combined ratio was 82.2 (84.5), driven by a generally improved underlying performance and tight cost controls. Investment result of DKK -1,193m (DKK 870m) primarily impacted by very challenging capital markets conditions with equities producing negative returns and increasing interest rates hitting also fixed-income returns. The overall pre-tax profit was DKK 3,051m (DKK 3,956m), with the fall entirely driven by the negative investment result and planned integration costs related to the Codan Norway and Trygg-Hansa acquisition. Tryg is paying a dividend for the full year of 6.29 per share, a 46% increase compared to 2021, driven by the consolidation of the new businesses and an initial delivery of the synergies. The solvency ratio was 201 at year-end, hence showing resilience in challenging times and supportive of the dividend outlook.

Results 2022

Tryg reported a pro-forma group premium growth of 5.9% when measured on a comparable basis that includes 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 bonuses and premium rebates), whilst the Commercial segment also reported positive top-line growth 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 reported a technical result of DKK 6,177m (DKK 3,709m) that was predominantly impacted by the consolidation (for nine months) of Codan Norway and Trygg-Hansa, but also positively impacted by the underlying claims development, the ongoing delivery of RSA Scandinavia synergies and the increasing interest rates used to discount liabilities, hence 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 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 the technical result was also supported by organic growth in both Private and Commercial, whilst Corporate improved primarily driven by pricing initiatives and Tryg's rebalancing strategy with lower levels 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 in 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 exceeded the targeted DKK 350m. The DKK 406m of synergies can be split into DKK 250m

Financial highlights 2022

6,177m
Technical result (DKK)
2021: 3,709m

3,051m
Profit before tax
2021: 3,956m

68.2
Claims ratio, net of reinsurance
2021: 70.5

14.1
Gross expense ratio
2021: 14.1

82.2
Combined ratio
2021: 84.5

Full-year technical result comparison

Split by business (DKKm)

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 -1,193m (DKK 870m) including income from RSA Scandinavia of DKK 34m (primarily driven by the equity accounting for Q1 2022 and net effect from demerger and sale of Codan DK in Q2 2022). Financial markets developed negatively in 2022 driven primarily by falling equity markets during the first nine months of the year and higher interest rates during the same period following sharply increased inflation levels. Some of these trends reversed partly in the last quarter of 2022.

Tryg continues to pursue a relatively low-risk investment strategy with limited equity exposure and a conservative fixed-income profile (more than 90% of fixed-income securities are Nordic covered bonds). Furthermore, it is worth remembering that Tryg marks to market both assets and liabilities (in accordance with 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's asset allocation remained broadly unchanged during the period.

Other income and costs totalled DKK -1,933m (DKK -624m), with the large increase driven by the booking of integration costs related to the RSA Scandinavia acquisition totalling DKK 949m as well as intangibles amortisation related to the acquistion totalling 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 3,051m (DKK 3,956m), while the net profit was DKK 2,247m (DKK 3,161m). 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 customers in Denmark received their seventh member bonus from Trygheds-Gruppen (Tryg's largest shareholder). The 8% bonus is appreciated by customers and seen as an important competitive advantage, boosting customer loyalty and supporting customer targets.

Premiums

Tryg reported a premium income of DKK 33,938m, equivalent to pro-forma 5.9% growth in local currencies. Premium growth was 5.3% after adjusting for bonuses and premium rebates. The Private segment reported pro-forma growth of 6.3% (4.9% when adjusted for bonuses and premium rebates). Private Denmark maintains a high level of organic growth and was positively impacted by a lower level of bonuses 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 further price adjusting initiatives to mitigate inflation. Private Sweden experienced improved growth compared to recent years, driven by higher sales across all channels and improvements in partner agreements. Growth was more pronounced in the motor segment even in a year when sales of new cars were challenged. Retention in all markets remains high but deteriorated slightly towards year-end due to a modestly higher churn for single product customers in some 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. Growth was also supported by a net inflow of customers. Retention in all markets remains high but deteriorated slightly at year-end as a result of customers reacting to price adjustments. Commercial Norway reported a decrease of 13.1% and was affected by a transfer of business from Codan Norway to Corporate Norway. Adjusted for the transfer, Commercial Norway grew by 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 a 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 the Codan Norway portfolio to the Corporate segment. Adjusted for the transfer, the segment experienced negative top-line development of approximately 1%, which is in line with Tryg's key priority to improve profitability in the Corporate segment. The Corporate segment continues to work on sustainable profitability initiatives, and rebalancing the portfolio by, for example, lowering the level of international high-risk exposure.

Claims

The claims ratio, net of ceded business, was 68.2. In general, the 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 is relatively shielded by robust procurement agreements and continuously monitors inflation and adjusts prices accordingly to mitigate increased claims costs. The development in inflation was primarily evident in the Private segment and affected 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 improve the underlying claims ratio for the group.

For 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 had a high level of large claims in both the Commercial and Corporate businesses. Tryg 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 its 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). At the latest CMD in November 2021, Tryg reiterated an expense ratio target of around 14, also in 2024.

Tryg has been working to generally 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 revenue level therefore supporting the low expense ratio level. The RSA Scandinavia related synergies also support the expense focus. As communicated, Tryg invests cost synergies to develop the business across the group.

Investment activities

The investment return for the full year totalled DKK -1,193m (DKK 870m). The investment return includes the income from RSA Scandinavia of DKK 34m (primarily driven by the equity accounting for Q1 2022 and the net effect of the demerger and sale of Codan DK in Q2 2022). Tryg's investment return was DKK -1,227m following a highly challenging year for financial markets. Leading equity indexes experienced a steep falls as valuations adjusted to the higher level of interest rates. Fixed-income returns were also very poor, with higher interest rates hitting bond portfolios. Tryg'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 to very difficult market conditions.

Other income and costs

Other income and costs totalled DKK -1,933m (DKK -624m). This line includes the integration costs related to RSA of DKK 949m for the full-year. Additionally, depreciation of customer relations and brands related to the RSA Scandinavia and Alka acquisitions of DKK 778m is included together with holding company costs and other minor items.

Profit before and after tax

Profit before tax was DKK 3,051m (DKK 3,956m), while profit after tax and discontinued activities was DKK 2,247m (DKK 3,158m). The drop in earnings (both pre and after tax) is entirely attributable to highly challenging capital markets developments and planned integration costs related to the acquisition of RSA Scandinavia. The total tax bill was DKK 804m (DKK 795m), equating to a tax rate of approximately 26,5%, driven primarily by losses on the equity portfolio, higher interest expenses on the subordinated loans and the booking of a deferred tax of DKK 40m in Q3 due to a new financial tax being introduced in Denmark (so called "Arne skat").

Dividend and solvency

Tryg will pay a Q4 dividend of 1.60 per share bringing the full-year dividend per share to 6.29, a 46% increase compared to the previous year and driven primarily by the nine months' consolidation of Codan Norway and Trygg-Hansa earnings and the synergies related to the acquisition. Following the sale of Codan Denmark, Tryg has initiated a DKK 5bn buyback programme (the amount has already been fully deducted from own funds). As per year-end 2022, approximately DKK 3.2bn has been bought back.

The solvency ratio (based on Tryg's partial internal model) was 201 at year-end 2022 compared to 188 at year-end 2021. Own funds were DKK 16,012m and the solvency capital requirement was DKK 7,966m. Tryg's own funds are predominantly made up of shareholders' equity, subordinated loans and future profits, while all intangibles are duly deducted from the own funds calculation.

Tryg calculates its individual solvency capital requirement based on a partial internal model in accordance with the Danish FSA's Executive Order on Solvency and Operating Plans for Insurance Companies. The model is based on the structure of the standard model. Tryg uses an internal model to evaluate insurance risks, while other risks are calculated using standard model components. The solvency capital requirement, calculated using the partial internal model, was DKK 7,966m (DKK 9,866m at year-end 2021). The fall in the solvency capital requirement as previously explained was impacted by the sale of Codan Denmark and additionally by the steep fall in equity markets, which reduces the market risk capital charge.

Tryg's solvency ratio displays low sensitivity to capital market movements. The area with the highest level of sensitivity is spread risk, where a widening/tightening of 100 basis points would impact the solvency ratio by approximately 15 percentage points. Sensitivity to the falling equity markets and interest rate movements is low.

Tryg refined its dividend policy at its Capital Markets Day. The company continues to target a stable, nominal increase in dividend payments on a full-year basis, and the targeted payout ratio remains between 60% and 90% based on operating earnings (and not reported earnings). This is driven by the fact that reported earnings will be burdened by the close to DKK 700m (after tax) annual amortisation of intangible assets deriving from the Codan Norway and Trygg-Hansa acquisition. The targeted payout ratio is secondary to the aim of increasing the annual dividend. Tryg aims to pay DKK 12-14bn in ordinary dividends between 2022 and 2024 and, as previously mentioned, launched a DKK 5bn share buyback programme in May following the closing of the sale of Codan Denmark to Alm. Brand.

Results Q4 2022

Tryg reported a premium growth of 6.7% (4.0% excluding the bonuses and premium rebates). The company reported a technical result of DKK 1,689m (DKK 1,380m for Q4 2021 based on pro-forma figures) driven by a good growth, improved underlying profitability (including RSA Scandinavia related synergies) and a higher discount rate of the liabilities. Weather claims were higher than Q4 2021, which reported an unusually low amount for weather claims, while Q4 2022 was closer to a normal end of the year and also characterised by some harsh weather in Scandinavia. The combined ratio was 82.1 (84.1), driven by a claims ratio of 67.8 (69.5) and an expense ratio of 14.3 (14.6). The group's underlying claims ratio improved by 0.8 percentage points, driven by profitability initiatives in Commercial and Corporate, which more than offset a modest deterioration in the Private segment driven by adverse developments in the travel insurance segment. The investment result was DKK 317m in Q4 2022, driven by a positive equity market and falling interest rates significantly reversing the trend of the first nine months of

Q4 Financial highlights 2022

1,689m
Technical result (DKK)
Q4 2021: 1,380m

1,377m
Profit before tax
Q4 2021: 1,458m

67.8
Claims ratio, net of reinsurance
Q4 2021: 69.5

14.3
Gross expense ratio
Q4 2021: 14.6

82.1
Combined ratio
Q4 2021: 84.1

the year. It is important to note that the DKK 803m investment result in Q4 2021 included income of DKK 568m from RSA Scandinavia, as the new businesses were equity accounted at the time and therefore the net profit was included in Tryg's overall investment result. The overall pre-tax result was DKK 1,377m (DKK 1,458m), while the result after tax was DKK 1,081m (DKK 1,370m). The fall is primarily driven by the difference in the reported investment result and also the planned booking of integration costs related to the RSA Scandinavia acquisition. The technical result developed positively.

Premiums
Tryg reported a premium growth of 6.7% in Q4 2022 (4.0% excluding bonuses and premium rebates). Growth in the Private segment was 7.4% (3.4% excluding bonuses and premium rebates) and was predominantly driven by Private Denmark. Commercial reported a premium growth of 4.1%, whilst Corporate reported a premium growth of 9.2%. Due to the transfer of the portfolio between Commercial Norway and Corporate Norway, the adjusted growth was 7.4% for Commercial and flat for the Corporate business.

Claims
The claims ratio, net of reinsurance was 67.8 (69.5). Weather claims were significantly higher than the corresponding period and characterised by a very low winter experience. At the same time, the run-off result was somewhat higher than the corresponding period. The underlying claims ratio improved by 0.8 percentage points for the group, driven by profitability initiatives in the Commercial and Corporate segments offsetting a modestly negative development (0.3%) in the Private segment driven primarily by higher travel insurance claims.

Expenses
The reported expense ratio was 14.3 (14.6). Various initiatives aimed at lowering distribution costs are being implemented, and some of the savings from these initiatives are being invested in new digital solutions and partnerships. RSA Scandinavia related synergies have had an additional positive impact and this is being used for investments especially in the Swedish business. At the Capital Markets Day in November 2021, Tryg reiterated its expense ratio target of around 14%, also for 2024.

Investment activities
The investment return totalled DKK 317m reversing the trend experienced in the first nine months of the year. Equities posted good returns in the last three months of 2022 and interest rates dropped, helping fixed-income returns. Properties reported a negative return, primarily driven by the higher level of interest rates in the first part of the year. Both the match and the free portfolio produced good returns in Q4.

Other income and costs
Other income and costs totalled DKK -629m (DKK -171m) including integration costs of Trygg-Hansa and Codan Norway of DKK 331m. The amortisation of customer relations from RSA Scandinavia of DKK 210m and Alka of DKK 32m is booked against this line together with other minor items.

Taxes
The total tax expense was DKK 296m (DKK 85m), resulting in a tax rate of 21.5%. The slightly lower than normal tax rate is primarily attributable to positive developments in the equity market during the quarter.

Private

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 of the RSA Scandinavia businesses for nine months, 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

Gross premium income was 6.3% (4.9% excluding bonuses and premium rebates) based on pro-forma figures for 2021. Private is the most profitable area and has the lowest capital requirement. Strong growth in this area is a structurally positive development for the group. In Denmark, Private maintained a high level of premium growth and was positively impacted by a lower level of bonuses 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 via partner agreements and further 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 new cars sales continued to have a negative impact on premium growth, particularly in Denmark and Norway, while Sweden reported positive developments as a result of new partner agreements. The 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 thus 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). 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 slightly due to increased claims costs in travel insurance and further 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. 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 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 the long term, the price adjustments will match claims inflation, but there may be some slightly more volatile developments in the short-term.

Key figures – Private

DKKm	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021	2022	2021
Gross premium income	**5,847**	**5,622**	**3,840**	**21,960**	**15,386**
Gross claims	-3,937	-3,829	-2,628	-14,915	-10,518
Gross expenses	-768	-724	-464	-2,961	-2,087
Profit/loss on gross business	1,142	1,069	748	4,084	2,781
Profit/loss on ceded business	-111	-69	-64	-358	-267
Insurance technical interest, net of reinsurance	42	-4	-4	86	-18
Technical result	**1,073**	**997**	**681**	**3,813**	**2,496**
Run-off gains/losses, net of reinsurance	58	0	95	338	372
Key ratios					
Premium growth in local currencies (%)	7.4[a]		9.0	6.3[a]	9.0
Gross claims ratio	67.3	68.1	68.4	67.9	68.4
Net reinsurance ratio	1.9	1.2	1.7	1.6	1.7
Claims ratio, net of ceded business	69.2	69.3	70.1	69.5	70.1
Gross expense ratio	13.1	12.9	12.1	13.5	13.6
Combined ratio	**82.4**	**82.2**	**82.2**	**83.0**	**83.7**
Combined ratio exclusive of run-off	83.4	82.2	84.6	84.6	86.1
Run-off, net of reinsurance (%)	-1.0	0.0	-2.5	-1.5	-2.4
Large claims, net of reinsurance (%)	0.3	0.0	0.0	0.7	0.1
Weather claims, net of reinsurance (%)	2.1	1.3	2.5	1.9	2.2

[a] Based on pro-forma figures.

65% The business area accounts for 65% of the group's total premium income.

Financial highlights 2022

6.3%	3,813m	13.5	83.0
Premium growth (local currencies)	Technical result (DKK)	Expense ratio	Combined ratio
Based on pro-forma figures	2021: 2,496m	2021: 13.6	2021: 83.7

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

Results Q4 2022
In Q4, Private reported a technical result of DKK 1,073m (DKK 997m) with a combined ratio of 82.4 (82.2). The higher premium level had a positive impact on the result together with the higher level of interest rates. The underlying claims ratio deteriorated slightly due to continued growth, while a spike in travel insurance claims was reported for the quarter. Additionally, the quarter also witnessed harsher weather conditions, primarily in Denmark and Norway, compared to an unusually low level in Q4 2021.

Premiums
Gross premium income increased by 7.4% (3.4% excluding bonuses and premium rebates). In Q4, Tryg reported continuing high levels of premium growth with drivers being similar to the ones described for the full-year development.

Claims
The claims ratio, net of reinsurance was 69.2 (69.3). It was positively impacted by a higher level of run-off gains by 1.0 (0.0) due to a strong reserving position in the Swedish motor business, offset by higher weather claims 2.1 (1.3) due to severe rain and snowfall in both Denmark and Norway. The underlying claims ratio slightly deteriorated by 0.3, driven by increased claims costs for travel insurance. In addition, a robust top-line development also weighed negatively, as new business displays lower profitability compared to the back book. Inflation levels continued to increase during the quarter, and claims costs in private property and motor, in particular, have increased due to higher building costs and higher prices on spare parts for cars.

Expenses
The expense ratio was 13.1 (12.9) deteriorated slightly but the comparison figures for 2021 included a lower expenses ratio from Trygg-Hansa due to the lack of a periodisation effect.

Q4 Financial highlights 2022

7.4%	1,073m	13.1	82.4
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Based on pro-forma figures	Q4 2021: 997m	Q4 2021: 12.9	Q4 2021: 82.2

Commercial

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

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 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 saw a growth in Commercial Norway of 3.1%, driven by price hikes for larger commercial customers. In general, Tryg reported strong development in Denmark, with a net inflow of customers supported by many initiatives, such as 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) and relatively stable during the year, but slightly impacted from customer reaction 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 initiative 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 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 at 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 and 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, but this has been mitigated through procurement agreements and price adjustments. The claims ratio was also impacted by much higher discounting that was 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 in recent years supporting economies of scale. Tryg's initiative is aimed at improving expense levels in Commercial Denmark through the independent sales agents and high sales of product packages positively affecting the

Key figures – Commercial

DKKm	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021	2022	2021
Gross premium income	**2,292**	**2,264**	**1,352**	**8,350**	**5,294**
Gross claims	-1,506	-1,317	-910	-5,239	-3,334
Gross expenses	-384	-440	-267	-1,360	-913
Profit/loss on gross business	402	507	175	1,752	1,048
Profit/loss on ceded business	30	-159	-66	-126	-191
Insurance technical interest, net of reinsurance	20	-1	-1	44	-7
Technical result	**452**	**347**	**109**	**1,670**	**850**
Run-off gains/losses, net of reinsurance	203	161	77	560	309
Key ratios					
Premium growth in local currencies (%)	4.1[a]		5.1	5.1[a]	6.1
Gross claims ratio	65.7	58.2	67.3	62.7	63.0
Net reinsurance ratio	-1.3	7.0	4.9	1.5	3.6
Claims ratio, net of ceded business	64.4	65.2	72.2	64.3	66.6
Gross expense ratio	16.7	19.4	19.7	16.3	17.2
Combined ratio	**81.1**	**84.6**	**91.9**	**80.5**	**83.8**
Combined ratio exclusive of run-off	90.0	91.7	97.6	87.2	89.6
Run-off, net of reinsurance (%)	-8.9	-7.1	-5.7	-6.7	-5.8
Large claims, net of reinsurance (%)	8.8	4.6	5.6	7.2	3.4
Weather claims, net of reinsurance (%)	2.6	0.2	1.1	1.7	1.5

[a] Based on pro-forma figures.

25% **The business area accounts for 25% of the group's total premium income.**

Financial highlights 2022

5.1%	1,670m	16.3	80.5
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Based on pro-forma figures	2021: 850m	2021: 17.2	2021: 83.8

expense ratio level. In Sweden, there was a strong focus on investing in digital solutions to support customer interactions. 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 into the Norwegian business had an additional positive impact on the level of expenses.

Results Q4 2022

The technical result was DKK 452m (DKK 347m) with a combined ratio of 81.1 (84.6). The result was positively impacted by an underlying improvement, especially in Norway, and negatively impacted by a higher level of weather claims at 2.6% (0.2%) and an increased level of run-offs at 8.9% (7.1%). Premiums increased by 4.1% but were impacted by the transfer of business from Commercial Norway to Corporate Norway. Adjusting for this transfer the growth rate was at 7.4%

Premiums

Gross premiums increased by 4.1% in local currencies, primarily due to increased customer numbers in Denmark, organic growth in Norway and price adjustments in Norway. As mentioned, growth was negatively impacted by the transfer of Customers from Commercial Norway to Corporate Norway. Excluding this, growth in Commercial Norway was 7.4%.

Claims

The gross claims ratio was 65.7 (58.2) with a claims ratio, net of ceded business, of 64.4 (65.2). The claims ratio was impacted by a higher level of weather claims and a more or less unchanged level of run-offs compared to the prior-year period.

Expenses

The expense ratio was 16.7 and hence much lower than the comparison figure of 19.4. It was positively impacted by economies of scale and synergy initiatives connected to the RSA Scandinavia transaction particularly those related to the integration of Codan Norway.

Q4 Financial highlights 2022

4.1%	452m	16.7	81.1
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Based on pro-forma figures	Q4 2021: 347m	Q4 2021: 19.4	Q4 2021: 84.6

Corporate

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 positive developments in the underlying claims ratio, primarily due to significant profitability initiatives in all countries combined with a rebalancing of 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 the transfer from Commercial Norway to Corporate Norway. Excluding this transfer, premium growth was negative at 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 for the transfer from Commercial Norway, growth was negative at approximately 1%, as mentioned. Tryg has a strong focus on rebalancing its portfolio to reduce large claim exposure by reducing international exposure to 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 to international property and US liability. Going forward, these initiatives will going forward improve profitability and reduce the capital requirement.

Expenses

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

Key figures – Corporate

DKKm	Q4 2022	Q4 pro-forma 2021	Q4 reported 2021	2022	2021
Gross premium income	**903**	**850**	**850**	**3,628**	**3,457**
Gross claims	-531	-691	-691	-2,253	-2,423
Gross expenses	-140	-116	-116	-462	-396
Profit/loss on gross business	231	42	42	912	638
Profit/loss on ceded business	-75	-5	-5	-239	-273
Insurance technical interest, net of reinsurance	8	-1	-1	21	-4
Technical result	**164**	**36**	**36**	**694**	**361**
Run-off gains/losses, net of reinsurance	96	60	60	482	282
Key ratios					
Premium growth in local currencies (%)	9.2		-2.5	5.4	0.3
Gross claims ratio	58.8	81.4	81.4	62.1	70.1
Net reinsurance ratio	8.3	0.6	0.6	6.6	7.9
Claims ratio, net of ceded business	67.1	82.0	82.0	68.7	78.0
Gross expense ratio	15.5	13.7	13.7	12.7	11.4
Combined ratio	**82.7**	**95.7**	**95.7**	**81.4**	**89.4**
Combined ratio exclusive of run-off	93.3	102.8	102.8	94.7	97.6
Run-off, net of reinsurance (%)	-10.6	-7.1	-7.1	-13.3	-8.2
Large claims, net of reinsurance (%)	7.4	10.3	10.3	10.8	6.6
Weather claims, net of reinsurance (%)	2.8	1.3	1.3	1.0	1.1

10% **The business area accounts for 10% of the group's total premium income.**

Financial highlights 2022

5.4%
Premium growth (local currencies)
Based on pro-forma figures

694m
Technical result (DKK)
2021: 361m

12.7
Expense ratio
2021: 11.4

81.4
Combined ratio
2021: 89.4

Results Q4 2022

The technical result was DKK 164m (DKK 36m) with a combined ratio of 82.7 (95.7). The results were positively impacted by an improved underlying claims ratio and a reduced level of large claims as well as a higher run-off level. Premium growth, adjusted for the transfer in Norway, was negative and impacted by the mentioned de-risking initiatives and price increases to improve profitability and mitigate inflation.

Premiums

Gross premiums were flat after adjusting for the transfer of business from Commercial Norway that was related to former Codan Norway customers. This was due to a continued focus on reducing exposure to property and liability related to international customers as well as price initiatives in all countries to improve profitability and mitigate inflation. Corporate Denmark saw a growth but only due to a adjustment in premiums for Q4 2021 resulting in lower comparable figures. Adjusting for this, the growth for the Corporate segment would be flat.

Claims

The gross claims ratio was 58.8 (81.4) and the claims ratio, net of ceded business, was 67.1 (82.0). The lower claims ratio was impacted by profitability initiatives, reduced international exposure, the lower level of large claims and a much higher level of run-off. The underlying claims ratio improved as a result of the above initiatives in Norway, Denmark and Sweden.

Expenses

The expense ratio was 15.5 (13.7) and somewhat higher than in Q4 2021, which did not, however, represent a trend, but rather some volatility in expenses for this quarter.

Q4 Financial highlights 2022

9.2%	164m	15.5	82.7
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Based on pro-forma figures	Q4 2021: 36m	Q4 2021: 13.7	Q4 2021: 95.7

Investment activities

Capital markets experienced highly challenging developments in 2022. Geopolitical tensions were and remain very high following Russia's invasion of Ukraine. The year also saw the return of inflation to levels not seen for forty years, while central banks have been rapidly increasing interest rates trying to tame this development. This all points to a difficult start for 2023, with a majority of analysts expect some form of economic contraction in the most advanced economies.

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

The full-year figures for investment return are partly blurred by RSA Scandinavia operations not being consolidated in Q1 and the net result for the quarter therefore being included in the investment result (equity accounting). In addition, some one-offs related to the net effect of the demerger and sale of Codan Denmark impacted the investment figures in the second quarter. These two items almost offset each other, with a total positive impact of DKK 34m.

The investment return for the full year was DKK -1,193m (DKK 870m), which represents the sum of the company's investment return of DKK -1,227m and the aforementioned income from RSA Scandinavia of DKK 34m. The free portfolio showed a result of DKK -945m (DKK 869m) after a year of high volatility and challenging capital markets conditions across nearly all asset classes while the match portfolio reported a result of DKK 58m (DKK 134m), primarily driven by narrowing Nordic covered bond credit spreads and a decreasing DK-EU yield spread. H1 was primarily characterised by widening credit spreads and an increasing DK-EU yield spread, while H2 and especially Q4 were characterised by more positive markets and narrowing credit spreads, with the DK-EU yield spread contributing to a positive Match portfolio result for the full-year.

Other financial income and expenses totalled DKK -340m (DKK -304m), the higher level (compared to full year 2021) primarily driven by somewhat higher interest expenses on 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, with Russia'a invasion of Ukraine bringing war back to the doorstep of Europe following two years characterised by the COVID-19 pandemic. Supply chain issues prompted by the pandemic led to bottlenecks in the most advanced economies, 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, equity valuations have fallen, interest rates have increased

Financial highlights 2022

-945m
Free portfolio
(DKK)

58m
Match portfolio
(DKK)

-1,193m
Total investment return
(DKK)

Key figures - investments

DKKm	Q4 2022	Q4 2021	2022	2021
Free portfolio, gross return	205	275	-945	869
Match portfolio, regulatory deviation and performance	168	30	58	134
Other financial income and expenses	-37	-70	-340	-304
Income from RSA Scandinavia	-19	568	34	1,206
Currency hedge related to RSA Scandinavia	0	0	0	-1,035
Total investment return	**317**	**803**	**-1,193**	**870**

Return - match portfolio

DKKm	Q4 2022	Q4 2021	2022	2021
Return, match portfolio	438	-47	-2,433	-332
Value adjustments, changed discount rate	90	104	3,419	528
Transferred to insurance technical interest	-360	-27	-928	-62
Match, regulatory deviation and performance	**168**	**30**	**58**	**134**
Hereof:				
Match, regulatory deviation	77	16	218	78
Match, performance	91	14	-160	56

and property markets have started to weaken. Tryg's free portfolio produced a total result of DKK -945m (DKK 869m), all main asset classes but properties produced negative returns. Tryg's equity portfolio reported a return of -15.7% (18.9%), corporate bonds (a small asset class for Tryg) reported a –15.4% (0.3%) return, while properties reported a 10.4% (12.5%) return. 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 for the purpose of matching insurance liabilities while keeping capital consumption low. The result of the match portfolio is the difference between the match portfolio and the amount transferred to the technical result. The result can be split into a "regulatory deviation" and a "performance result". The "regulatory deviation" reported a positive contribution of DKK 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. This was because of widening Nordic covered bond spread, earlier in the year, which hit the performance negatively.

Other financial income and expenses
Other financial income and expenses mainly include 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 -340m (DKK -304m). 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).

Investment result in Q4 2022
The final quarter of the year was characterised by positive developments in the financial markets, equity markets performed well and interest rates dropped after a steep increase in the first nine months of the year.

The free portfolio posted a total income of DKK 205m (DKK 275m), primarily driven by equities and fixed income securities while properties produced a negative return. Tryg's equity portfolio returned 6.6% (5.9%) for the quarter, helped by a more stable picture of inflation developments and a more dovish message from central banks when it comes to interest rates development in 2023. Interest rates fell in Q4 2022, driving a positive performance by covered and corporate bonds. Properties posted a negative return after a long period of contributing positively.

The match portfolio returned a positive DKK 168m (DKK 30m) with contributions from both the regulatory deviation and the performance result. Danish provisions are discounted by euro swap rates but hedged by a combination of euro and Danish assets. A decreasing yield spread means a positive contribution to the regulatory deviation. Nordic covered bond spreads narrowed in the final quarter of the year, thus producing a positive performance.

Other financial income and expenses were DKK -37m (DKK -70m), broadly in line with expectations.

Q4 Financial highlights 2022

205m
Free portfolio
(DKK)

168m
Match portfolio
(DKK)

317m
Total investment return
(DKK)

Return - free portfolio

DKKm	Q4 2022	Q4 2022 (%)	Q4 2021	Q4 2021 (%)	2022	2022 (%)	2021	2021 (%)	Investment assets 31.12.2022	Investment assets 31.12.2021
Bonds	**82**	**1.4**	**-7**	**-0.2**	**-427**	**-7.5**	**-35**	**-0.9**	**6,034**	**3,896**
Corporate and Emerging Market Bonds	**96**	**3.3**	**-11**	**-0.5**	**-420**	**-15.4**	**5**	**0.3**	**2,979**	**2,154**
Investment grade credit	34	3.1	-7	-0.9	-155	-15.4	2	0.3	1,199	784
Emerging market bonds	34	3.5	-5	-0.7	-120	-15.2	-1	0.0	1,039	709
High-yield bonds	28	3.4	1	0.1	-144	-15.4	4	0.7	742	661
Diversifying Alternatives [a)]	**-64**	**-5.2**	**-16**	**-1.6**	**-40**	**-3.3**	**-10**	**-1.0**	**1,239**	**1,021**
Equity	**216**	**6.6**	**157**	**5.9**	**-525**	**-15.7**	**506**	**18.9**	**3,182**	**2,710**
Real Estate	**-125**	**-2.8**	**152**	**5.0**	**467**	**10.4**	**403**	**12.5**	**4,222**	**3,233**
Total	**205**	**1.2**	**275**	**2.2**	**-945**	**-5.8**	**869**	**7.0**	**17,656**	**13,014**

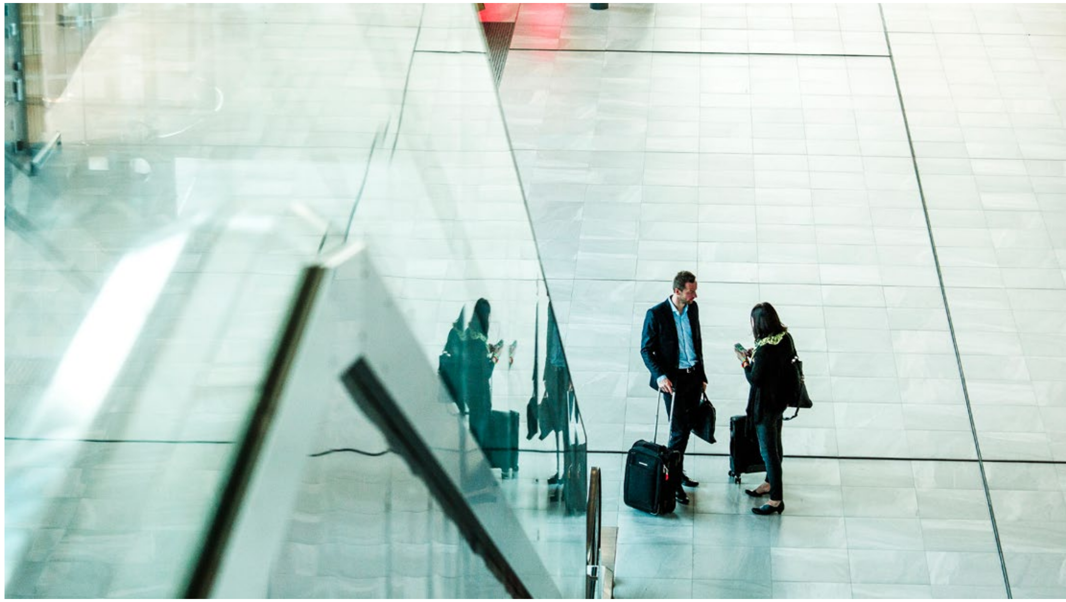
[a)] Diversifying Alternatives consist of CAT Bonds and hedging instruments.

Capital and risk management

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

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

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



Strategic and business risk

Definition

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.

Strategy

Tryg is one of the most successful non-life insurance companies in Scandinavia.

The current strategy (as presented at the Capital Markets Day in November 2021) is to a large degree to continue down this path.

Tryg 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.

Risk Management

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.

Objectives and methods

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 with regard to their performance towards the overall strategic objectives.

Insurance risk

Definition

The risk that insurance premiums are insufficient to cover the compensation and other costs associated with the insurance business.

The risk of the insurance provisions being inadequate.

Strategy

Taking on insurance risk is the cornerstone of Tryg's business model. It is therefore naturally the area where Tryg has the largest risk appetite.

Tryg's main focus is to write primarily non-life insurance business in Scandinavia. The Private and Commercial businesses (SMEs) are considered the most attractive segments.

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 risk, as this segment is typically less complex and also drives value creation.

Tryg has a conservative approach to claims provisioning.

Risk Management

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.

Capital Markets Day targets for ROOF and UW results set the overall ambition for profitability versus capital consumption (measure of unexpected risk).

Objectives and methods

Day-to-day monitoring of developments in the insurance business (premium growth, underlying profitability, capital consumption, etc.) is key to ensuring development in line with desired risk appetite.

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 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.

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.

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.

Investment risk

Definition

Financial losses due to changes in the value of financial assets or liabilities.

Strategy

Tryg has decided to divide its investment assets into the free portfolio and the match portfolio.

The strategy for the match portfolio is to mitigate interest rate risk from provisions.

The strategy for the free portfolio is to achieve the optimal market return on a medium-term basis taking risk, liquidity, etc. into account.

Risk Management

The investment risk policy adopted by the Supervisory Board sets out general guidelines for permitted investment risk. This includes specific maximum limits for

- asset classes
- interest rate risk
- currency risk
- credit risk
- counterparty exposure
- SCR market risk

Objectives and methods

Daily reporting on investment return on all asset classes.

Independent daily control ensures compliance with permitted risk-taking.

Operational risk

Definition

Risk here relates to errors or failures in internal procedures, fraud, breakdown of infrastructure, IT security and similar factors.

Strategy

The Supervisory Board sets out the overall strategy regarding operational risk.

Risk Management

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.

Objectives and methods

Ongoing identification, assessment and reporting on risks and any incident that has imposed a loss or a near loss on Tryg.

Capital management

Capital management and capital modelling are central and key functions of the Finance team at Tryg. Capital management broadly covers 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'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 has modelled the insurance risk internally, while all other modules are based on the standard formula. The capital model is based on Tryg's risk profile and takes into consideration the composition of Tryg's insurance portfolio, geographical diversification, its claims reserves profile, reinsurance programme, investment mix and overall level of profitability. The solvency ratio was 201 at year-end 2022 compared to 188 at year-end 2021.

The key components of Tryg's own funds are shareholders' 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 16,012m at the end of 2022 vs DKK 18,559m at the end of 2021. The downward movement was primarily driven by the difference between net result for the year minus dividends paid and additionally from the sale of Codan Denmark (as 50% of Codan Denmark's own funds were included in Tryg's own funds). The net result for the year has been burdened by challenging capital markets conditions and also by the planned booking of integration costs.

The solvency capital requirement (SCR) is calculated in such a way that Tryg should be able to honour its obligations in 199 out of 200 years and is regularly stress-tested. At the end of 2022, Tryg's SCR was DKK 7,966m, down from DKK 9,866m at the end of 2021. The lower level is explained by the sale of Codan DK (whose 50% capital requirement corresponding to the ownership was included in Tryg's SCR) and by a sharp correction in equity markets during the year, which resulted in a lower market risk capital charge.

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

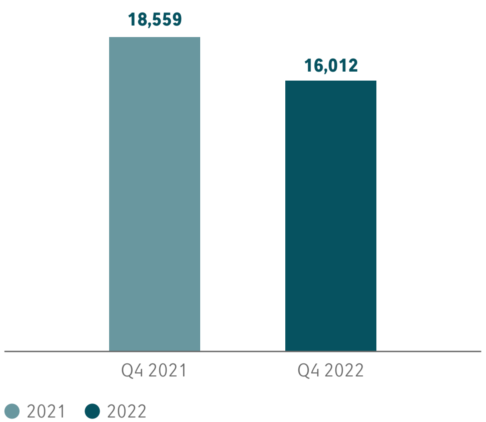
Shareholders' remuneration

The Supervisory Board regularly assesses the capital structure in light of future internal earnings forecasts and balance sheet needs. The projections include initiatives set out in the company's strategy for the coming years and are also based on the most significant risks identified by the company. Capital adequacy is measured in relation to Tryg's strategic targets, including the new return on own funds target (ROOF) and the dividend policy. Tryg will pay a Q4 dividend per share of 1.60 on 31 January 2023 after having paid a dividend for the first nine months of 4.69 per share bringing the total for the full year to 6.29 per share. The quarterly dividend in 2022 has been tailored to cater for the ongoing reduction in the number of shares due to the DKK 5bn buyback programme started at the beginning of May. As per end of 2022 approximately DKK 3.2bn out of the total DKK 5bn has been bought back. The buyback was announced following the sale of Codan Denmark to Alm.Brand and related proceeds. TryghedsGruppen, Tryg's largest shareholder, is not participating in the buyback in order to facilitate an overall increased ownership of Tryg following the acquisition of RSA Scandinavia. TryghedsGruppen owns 46.5%* of the shares with the on-going buyback facilitating an increased ownership level towards the stated 50% plus target. At the Capital Markets Day in London in November 2021, Tryg refined its dividend policy going forward. Tryg continues to aim to offer a nominally stable and increasing ordinary dividend on an annual basis. The targeted payout ratio of 60- 90% (based on operating earnings) is secondary to the aim of increasing the annual dividend.

Moody's rating

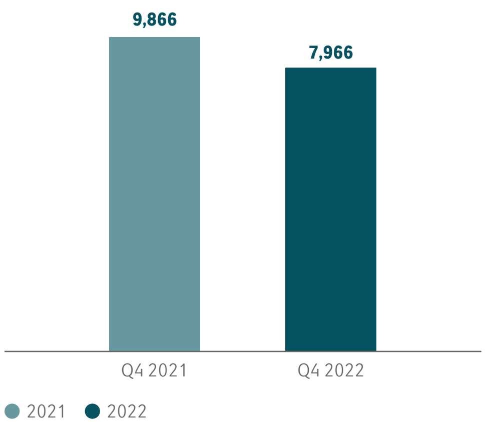
Tryg has an "A1" (stable outlook) insurance financial strength (IFSR) rating from Moody's. The rating agency highlights Tryg's strong position in the Nordic P&C market, robust profitability, very good asset quality and relatively low financial leverage. Moody's also assigned an "A3" rating to Tryg's subordinated debt and a "Baa3" rating to Tryg's Tier 1 debt. The ratings were reaffirmed following the completion of the acquisition by Tryg and Intact Financial Corporation (Intact) to acquire RSA Insurance Group Pls (RSA), whereby Tryg would acquire RSA's Swedish and Norwegian operations. Moody's expects the acquisition to further increase and broaden Tryg's earnings base in the long term. Furthermore, Tryg's leverage will reduce materially in the short term.

Own funds
(DKKm)

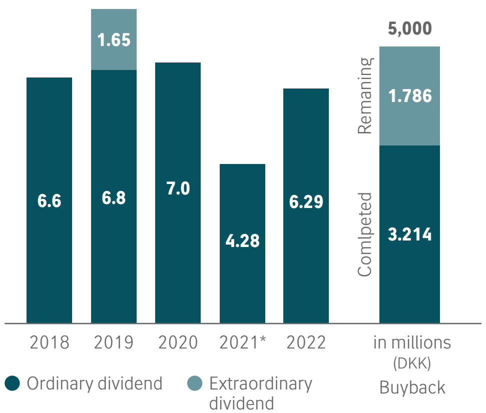


* Calculated excluding Tryg's own shares

Solvency Capital Requirement
(DKKm)

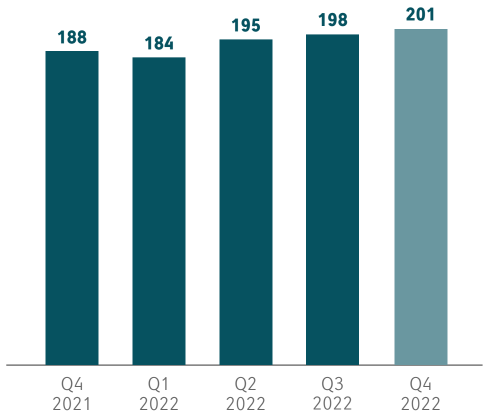


Shareholder remuneration
(DKK per share)



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

Solvency ratio development
(%)



ESG & Sustainability

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

Tryg's Sustainability report composes Tryg'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 at **www.tryg.com/en/sustainability/reporting**

Strategy, materiality and governance

Tryg'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. The sustainability and KPIs are an integrated part of Tryg's corporate strategy. Due to a strong market position and the nature of the value chain, Tryg 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 can make the biggest positive difference by working together with the customers and suppliers. Tryg 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 is able to handle them in the most climate-friendly manner.

Download Sustainability policy at **www.tryg.com/en/dokumenter/trygcom/corporate-reponsibility-policy**

Tryg's Sustainability & ESG Board drives Tryg'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.

Sustainability & ESG

Tryg has changed the name of its Corporate Responsibility department to Sustainability & ESG. This is in line with the focus on creating a sustainable business that delivers on financial as well as environmental, social and governance parameters, and is intended to signal more clearly to stakeholders that this is an integrated part of how we operate and conduct the business.

Download Terms of reference for Sustainability & ESG Board at **www.tryg.com/en/CR/cr-governance**

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

Sustainable claims handling
page 12 ⟶

Targets and results

2024 targets	2022
• 80% increase in sustainable spend[1]	59%
• 20,000 – 25,000 tonnes CO2e reduction from more sustainable claims handling	15,449

Responsible company

Responsible procurement
page 18 ⟶

2024 targets	2022
Sustainability screening of suppliers	
• Up to 90% of contract suppliers	43%
• Up to 100% of contract suppliers within claims	50%
High supplier performance for screened suppliers	N/A[3]
• Up to 50% of contract suppliers	
• 70% of contract suppliers within claims	

Responsible investment
page 19 ⟶

2030 targets	2022
• 50% CO2 intensity reduction from equity portfolio	-16.9%
• Exclusion of fossil fuel production companies with no strategy for green transition	N/A

Diverse workplace
page 26 ⟶

2024 targets	2022
• 41% women in management positions	40.5%
• 33% women at top management level	25%
• 41% women at director level	31%

Green workplace

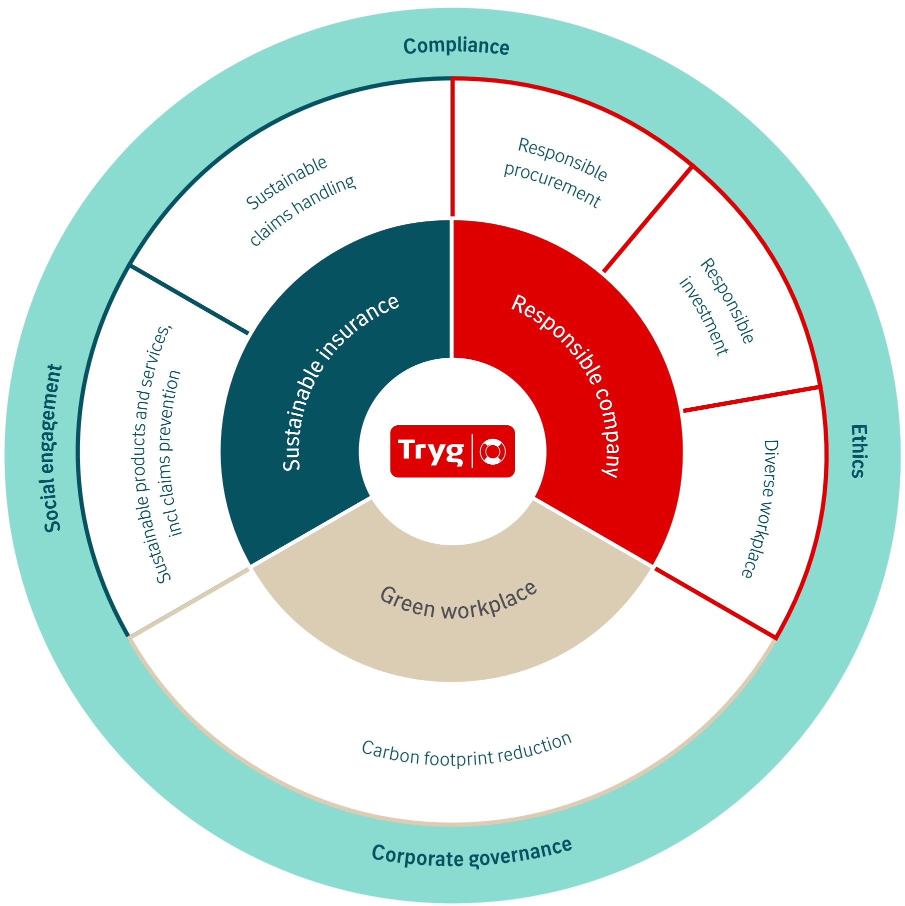
page 31 ⟶

2024 targets	2022
• 35% CO2 reduction	58%[2]
• 58% CO2 reduction from energy consumption	86%[2]
• 12% CO2 reduction from waste	31%
• 23% CO2 reduction from air travel	34%
• 23% CO2 reduction from car fleet	-2%

2030	2022
• 55% CO2 reduction	58%[2]

[1] Compared to 2020 [2] Market-based [3] Tryg is in the process of developing the critera for supplier performance screening

SUSTAINABILITY STRATEGY 2024



Climate and environment – a step change from within

In 2022, Tryg 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 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 in delivering on the strategy and realising its ambitions.

Sustainable insurance

Tryg 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'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.

Sustainable products and services

Tryg wants to offer products and services that can help move society in a climate-friendly and socially responsible direction.

In Denmark, Tryg 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 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 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 is working strategically to prevent claims from arising and has set a target that a quarter of Tryg'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

Sustainable claims handling

With more than 1.5 million claims annually, integrating sustainability into Tryg's claims handling processes is an essential part of the positive change and contribution to a more climate-friendly business that Tryg wants to contribute to. It is also the area where Tryg 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 handles claims, but also in the way suppliers operate and when it comes to what customers perceive as valuable. Tryg 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'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 was able to reduce CO_2 emissions by repairing instead of replacing within motor, by more than 14,700 tons CO_2.

In 2022, Tryg assessed the CO_2 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 has helped reduce 15,449 tons CO_2 emissions during 2022 by establishing more sustainable claims handling processes.

Tryg 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 will continue to investigate and implement more climate-friendly initiatives to support the target to reduce CO_2e 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's supplier spend totals more than DKK 22bn a year. Through specific sustainability measures, Tryg 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'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 increased its share of sustainable spend by 59% compared to base year 2020.

Tryg 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

Responsible investment

Following the integration of Trygg-Hansa, Tryg's investment portfolio is now approximately DKK 63bn, up from approximately DKK 43bn. Tryg aims to ensure that the portfolio is invested in a responsible manner and in accordance with Tryg's values and ambitions.

Tryg 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 **www.tryg.com/en/dokumenter/trygcom/responsible-investment-policy**

Active ownership

Most of Tryg's investment assets are managed externally and typically held through commingled fund structures. A key aspect in ensuring responsible conduct, is therefore via Tryg's selection of external funds managers. In addition to the evaluation performed on external managers, Tryg 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 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'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 continues to monitor and engage in dialogue with relevant external asset managers on how to ensure effective practices.

Download Active Ownership Policy at **www.tryg.com/en/dokumenter/trygcom/active-ownership-policy**

Ethical screening process

When investing, Tryg 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 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 to exclude Russian assets from its investment universe. The investment managers (equites and bonds) have divested in line with the Sanction Regulation.

Download Process for Ethical Screening at **www.tryg.com/en/dokumenter/trygcom/process-ethical-screening**

The transition to a low-carbon economy

Tryg 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 CO_2 emissions. Hence, the strategy is not to minimize the current level of CO_2 emissions in the portfolio, but rather to focus on current and future reduction-potential over time. Tryg perceives the combination of active ownership and capital allocation as the most efficient way to support ambition.

Tryg'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 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 Corporate Responsibility report

Climate-related risk and opportunities

The impact of climate change is significant and a cause of concern for Tryg's customers and the society. It is anticipated that physical and transitional climate-related risks and opportunities may impact Tryg as a business in both the medium and long terms. Inherent to Tryg'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, but also for Private, Commercial and Corporate customers, and the number of weather-related claims is increasing within all Tryg's business areas. Tryg 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) reccomendations on page 22 in Tryg's Sustainability report

Diverse and inclusive workplace

Tryg 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 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 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 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 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, who is dedicated to creating a better gender balance at the top levels of the organisa tion.

Download Policy for competency and diversity at **www.tryg.com/en/dokumenter/trygcom/competency-and-diversity-policy**

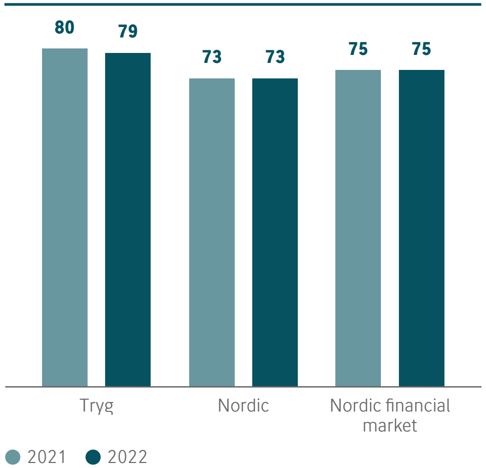
Engaging employees

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.

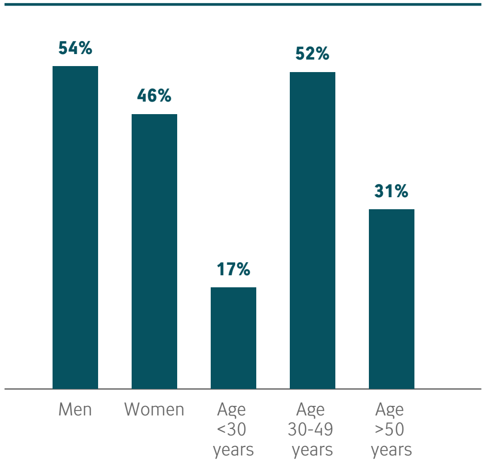
With the acquisition of Trygg-Hansa in Sweden and Codan in Norway, the number of employees in Tryg increased to approximately 7,500. Informed, engaged and enabled employees is the guiding principle for Tryg. To ensure a smooth transition to new teams, tools and processes, thorough onboarding processes 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 is proud to have maintained a high level of satisfaction across the three countries.

Employee satisfaction
(Index)



Employee mix
%



Read more on **page 30** in Tryg's Sustainability report

Green workplace

Tryg'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 CO_2e 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 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 works systematically and thoroughly with environmental matters across the organisation.

Download Climate and environmental policy at **www.tryg.com/en/dokumenter/trygcom/climate-and-environmental-policy**

Carbon footprint

The CO_2 emissions from the direct activities stem from offices and transportation, i.e. Tryg is therefor 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 will compensate for the rest of its emissions – with a clear focus to reduce more and compensate less over time. In 2022, Tryg's total carbon emissions were reduced by 58%*. Needless to say that the previous two years' performance on the CO_2 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'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

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'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's Code of Conduct.

Download Code of Conduct at **www.tryg.com/en/dokumenter/trygcom/code-conduct-uk**

Data

Tryg 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 at **www.tryg.com/en/trygs-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's data ethical principles are anchored within and approved by Tryg's GDPR and IT Security Board.

Tryg'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 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

* market-based

Investor information

Investor Relations (IR) is responsible for Tryg's communication with the capital markets. It is important that investors, analysts and other stakeholders can form a true and fair view of company developments, including Tryg's financial results. For this reason, Tryg's IR team strives to be as open and transparent as possible to ensure that stakeholders' information requirements are met at the highest possible level. IR is in charge of communication with equity investors, fixed income investors and rating agencies.

After the publication of quarterly and annual reports, Tryg's management and IR team ordinarily travel extensively to meet with shareholders and potential investors. Quarterly analyst presentations are typically held in Copenhagen and London. Tryg also attends investor meetings and various financial conferences at a local and global level. Because of COVID-19, many analyst and investor meetings were held virtually at the beginning of 2022 (as in 2021 and 2020). From Q2 onwards, the majority of analyst and investor meetings and conferences were held in-person across Europe, the USA and Canada.

The Tryg share is currently covered by 19 analysts, who continuously update their recommendations and earnings forecasts. Tryg hosts an annual Analyst Day focusing on selected aspects of the business, while a more in-depth Capital Markets Day, where new financial targets is hosted every three years. At the latest Capital Markets Day in November 2021, the 2024 financial targets were disclosed for the new enlarged group. Hence, Tryg targets a technical result of between DKK 7.0 and DKK 7.4bn, a combined ratio at or below 82, an expense ratio around 14 and a return on own funds at or above 25% in 2024.

*Calculated excluding Tryg's own shares

The Tryg share

The Tryg share is listed on the NASDAQ Copenhagen exchange. Company announcements and trading announcements are published in English - and in Danish on an optional basis. Interim reports and annual reports are published in English only.

The Tryg share started the year at a price of DKK 161.8 and ended 2022 at DKK 161.5. Total return (price and dividends) on the share was a positive 6%. The Tryg share performed relatively well in 2022 against a very challenging macroeconomic backdrop. Russia's invasion of Ukraine increased geopolitical tensions dramatically. In addition, inflation has accelerated rapidly and is currently at levels not seen in the past forty years. Central banks have been increasing interest rates at a swift pace to try and tame this development, and the economic outlook for 2023 looks challenging. Tryg is a relatively defensive stock, as the company's top-line performance is not particularly sensitive to macroeconomic developments, while investment operations are relatively low risk and the business is considered stable and produces a strong cash flow. Tryg's total shareholder return was 6% compared to the European Insurers' sector at 3% and the OMX C 25 in Denmark at -11%. Equity markets generally performed very poorly during the first nine months of the year before partly recovering in the last three months. More cyclical sectors have been sold off while defensive stocks have performed better.

Share capital and ownership

Tryg's share capital totalled DKK 3,273,269,900 on 31 December 2022. There is one share class (654,653,980 shares with a nominal value of DKK 5), and all shares rank pari passu. The largest shareholder, TryghedsGruppen smba, owns 46.5%* of the shares and is the only shareholder holding more than 5% of the share capital. TryghedsGruppen supports peace of mind and healthcare activities in the Nordic region.

Quarterly dividends

Tryg started paying quarterly dividends in 2017. The Tryg share has a distinct income profile due to the business generally growing in line with GDP, thus producing high margins that are mostly returned to shareholders. Due to the prolonged period of very low interest rates in the wake of the financial crisis, investors attach even greater importance to dividends than in a more normal environment, all else being equal.

This is particularly true for insurance investors, as insurance is one of the sectors offering the highest dividend yield. From an investment perspective, a quarterly dividend is a clear reminder of the high profitability of Tryg's business and the company's focus on returning capital to shareholders. Tryg's dividend policy is based on the following premises:

TryghedsGruppen

In 2022, and for the seventh year running, Tryg's largest shareholder, TryghedsGruppen, paid out DKK 1.2bn in member bonuses to Tryg in Denmark, corresponding to 8% of the annual premiums paid in 2021. TryghedsGruppen owns 46.5%* of the shares in Tryg.

TrygFonden

TrygFonden is the leading and best-known peace-of-mind promoter in Denmark, supporting around 800 activities that contribute to creating peace of mind, such as coastal lifeguards, cuddle bears for children in hospital and defibrillators. TrygFonden contributes around DKK 650m annually to projects that create peace of mind in all parts of Denmark.

- An aspiration to distribute a steadily increasing dividend in nominal terms on a full-year basis.
- A general objective of creating long-term value for the company's shareholders.
- A competitive dividend policy in comparison with the policies of Tryg's Nordic competitors.
- Annual distribution of 60-90% of operating earnings.
- The capital level must at all times reflect Tryg's targets for return on own funds and statutory capital requirements.
- The capital level may be adjusted via extraordinary dividends.

Annual general meeting

Tryg's annual general meeting will be held on 30 March 2023 at 15:00 CET. The notice will be advertised in the daily press in February 2023 and will be sent to shareholders upon request.

Financial calendar 2023*

27 Jan. 2023 Tryg shares are traded ex-dividend

31 Jan. 2023 Payment of Q4 dividend

30 Mar. 2023 Annual general meeting

20 Apr. 2023 Interim report Q1

21 Apr. 2023 Tryg shares are traded ex-dividend

25 Apr. 2023 Payment of Q1 dividend

11 July 2023 Interim report Q2 and H1

12 July 2023 Tryg shares are traded ex-dividend

14 July 2023 Payment of Q2 dividend

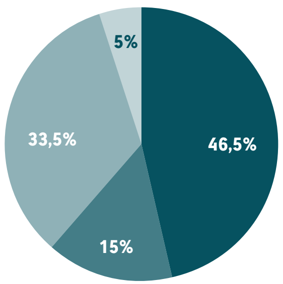
13 Oct. 2023 Interim report Q1-Q3

16 Oct. 2023 Tryg shares are traded ex-dividend

18 Oct. 2023 Payment of Q3 dividend

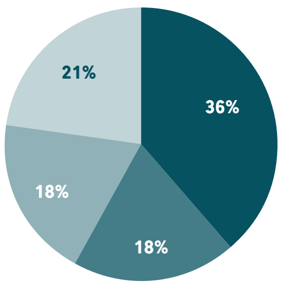
* Depending of the approval of the Supervisory Board

Shareholders at 31 December 2022



*Shareholders holding more than 10.000 shares.
Source: CMi2i

Free float - geographical distribution at 31 December 2022



Free float is exclusive of TryghedsGruppen.
Source: CMi2i

Shareholder distribution

DKKm	2022	2021	2020	2019	2018
Dividend	4,118	2,802	2,115	2,056	1,994
Dividend per share (DKK)	6.29	4.28	7.0	6.8	6.6
Payout ratio	183%	89%	76%	72%	115%
Extraordinary share buy back	5,000				
Extraordinary dividend				500	
Extraordinary dividend per share (DKK)				1.65	

Corporate governance

Tryg focuses on managing the company in accordance with the principles of good corporate governance and generally complies with the Danish recommendations prepared by the Committee on Corporate Governance. The Recommendations on Corporate Governance are available at corporategovernance.dk. At tryg.com, Tryg 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's Statutory Corporate Governance Report at **www.tryg.com/en/downloads-2022**

Dialogue between Tryg, its shareholders and other stakeholders

Tryg's Investor Relations (IR) department maintains regular contact with analysts and investors.

Together with the Executive Board, the Investor Relations team organises investor meetings, conference calls and participates in conferences in Denmark and abroad.

The Supervisory Board is regularly informed about the dialogue with investors and other stakeholders. Tryg has an IR policy which states that all company announcements may be published in English only. Tryg publishes quarterly interim reports in English. Furthermore, Tryg publishes an annual profile in Danish and Norwegian. The profile is addressed to Tryg's private shareholders, customers, employees and other stakeholders and will be published on 26 January 2023.

Tryg also prepares quarterly investor presentations which are used in the dialogue with investors and analysts. Additionally, Tryg also regularly publishes IR newsletters on relevant topics. All announcements, financial reports, presentations and newsletters are available at tryg.com. This material provides all stakeholders with a comprehensive picture of Tryg's position and performance. Finally, IR also communicates with stakeholders on social media via Twitter®TrygIR.

The consolidated financial statements are presented in accordance with IFRS. At tryg.com, stakeholders are invited to subscribe to press releases, company announcements as well as insider trading announcements. A number of internal guidelines ensure that the disclosure of price-sensitive information complies with legislation and stock exchange codes of conduct. Tryg has adopted a number of policies describing the relationship between different stakeholders.

See the IR Policy at **www.tryg.com/en/governance/policies**

Annual General Meeting

Tryg holds an Annual General Meeting (AGM) every year. As required by the Danish Companies Act and Tryg's Articles of Association, the AGM is convened via a company announcement and at tryg.com subject to at least three weeks' notice. Shareholders may also opt to receive the notice by post or email. The notice contains in- formation about the time and venue, or technical requirements for attending the meeting virtually, as well as an agenda for the meeting.

All shareholders are encouraged to attend the general meeting. The AGM is held by physical attendance as the Supervisory Board values personal contact with the Group's shareholders. Tryg has decided to livestream the general meeting and encouraged all shareholders to participate in the general meeting by physical attendance or via livestream.

Shareholders may propose items to be included on the agenda for the AGM and may ask questions before and at the meeting. Shareholders may vote at the AGM, by post, or appoint the Supervisory Board or a third party as their proxy. Shareholders may consider each item on the agenda. The proxy form and form for voting by post are available at tryg.com before the AGM.

Furthermore, prior to the general meeting, Tryg invites shareholders to submit written questions to be considered at the general meeting. Information on how to exercise shareholders' rights at the general meeting is clearly communicated to shareholders and published at tryg.com.

Share and capital structure

Tryg's share capital comprises a single share class, and all shares rank pari passu. The largest shareholder, TryghedsGruppen smba, owns 46.5%* of the shares and is the only shareholder owning more than 5% of the company's shares. The Supervisory Board ensures that Tryg's capital structure is aligned with the needs of the Group and the interests of its shareholders and that it complies with the requirements applicable to Tryg as a financial undertaking. Tryg has adopted a capital plan and a contingency capital plan, which are reviewed annually by the Supervisory Board.

Depending on the financial results, each year the Supervisory Board proposes the distribution of quarterly dividends, and possibly an extraordinary annual dividend if a further adjustment of the capital structure is required.

Duties, responsibilities and composition of the Supervisory Board

The Supervisory Board is responsible for the central strategic management and financial control of Tryg and for ensuring that Tryg's business setup is robust. 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 Super-

* Calculated excluding Tryg's own shares

visory Board ensures that the necessary skills and financial resources are available for Tryg 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. The other three members are dependent persons as they are appointed by Tryg's largest shareholder, TryghedsGruppen. See pages 45-48 for information on when the individual members joined the Supervisory Board, were re-elected, and when their current election period ends. To ensure the integration of new talent onto the Supervisory Board, members elected by the annual general meeting may hold office for a maximum of twelve years.

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

See details about the independent board members in the section Supervisory Board on **pages 49-52** and at **www.tryg.com/en/governance/management/supervisory-board**

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. 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, is a very valuable presence at board and committee meetings. He has had a 100% attendance record at all board and committee meetings 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 2022 and is continuously assessing his capability to allocate the required time and energy to his current Board positions.

In early 2022, an externally assisted evaluation 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 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 49-52** and at **www.tryg.com/en/governance/management/supervisory-board**

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

See the General action plan for diversity including women in management at **www.tryg.com/en/governance/policies**

Board committees

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

The board committees' terms of reference can be found at **www.tryg.com/en/governance/management/supervisory-board/board-committees** including descriptions of members, meeting frequency, responsibilities and activities during the year.

See the tasks of the Board Committees in 2022 at **www.tryg.com/en/governance/management/supervisory-board/board-committees**

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.

The specialist skills of all members are also described at **www.tryg.com/en/governance/management/supervisory-board/about-board**

Remuneration of management

Tryg has adopted a remuneration policy for Tryg in general that includes specific schemes for the Supervisory Board, the Executive Board and other employees in Tryg 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'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 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'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 and 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 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 in the programme at Tryg.

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).

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

Independent and internal audit

The Supervisory Board ensures monitoring by competent and independent auditors. The group's internal auditor attends all board meetings as well as meetings in the audit committee and risk committee. The independent auditor attends the annual board meeting where the annual report is presented as well as meetings in the audit committee and risk committee.

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.

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

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

Deviations and explanations

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

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 Værk Fund, Investeringsforeningen Sparinvest, Vordingborg Borg Fund, Museum of Southeast Denmark, Borgring Fonden, Tryg Invest A/S and KTIF (Kapitalforeningen Tryg Invest Funds)
Board seats, Deputy Chair Tryg A/S and Tryg Forsikring A/S
Board member Sampension KP Livsforsikring A/S and a member of the Executive Management of Bombebøssen
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 Thjømøe[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 Seilsport Maritimt Forlag A/S and ThjømøeKranen A/S
Board member Tryg A/S and Tryg Forsikring A/S, TF Bank AB, FCG Fonder AB, Hafslund 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 Hafslund 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 Östlund[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, Gladsheim Fastigheter AB, Hemdel AB, Juvinum Food&Beverage AB, Picsmart AB, Ponture AB, Ywonn Media Group Sweden AB and Nedvi Fastigheter AB
Board member Tryg A/S and Tryg Forsikring A/S, Allert Östlund AB, Delimport Ltd, Goobit Group AB, Havsgaard 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

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, Dometic Group AB, Swappie Oy and Clas Ohlson AB
Committee memberships People and Renumeration Committee in Swappie Oy
Experience 10+ years of top management experience and as board member. Thorough knowledge of the Tech start-up 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 Lif (Medicine and Healthcare Industry), CEO of the subsidiary DLI A/S (Danish Medicine Information) and the subsidiary ENLI ApS (Ethical Board for the Pharmaceutical Industry)
Education MSc in Political Science (cand.scient.pol.), European Health Leadership Programme INSEAD, Executive Management Programme INSEAD, Executive Program Columbia Business School, Executive Program Singularity University
Board seats, Chair TryghedsGruppen smba, Dansk Medicin 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 Lif since 2004 and former CEO of Herlev University Hospital. Representative in TryghedsGruppen since 2010. Deputy Chair 2014-2019 and Chair since 2019
Competencies Solid business know-how and judgement, analytical approach to problem-solving and strategy, networking, 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 Syddjurs and member of the finance committee. Agriculturalist, 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, Houmarken A/S, Lyngfeldt A/S, Lyngfeldt Finansiering A/S, Lyngfeldt Maskinudlejning ApS, K/S Prinz Carl Anlage 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

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 accountancy, organisation and tax law
Board seats, Chair Tjenestemændenes Laaneforening, Dansk Told- og Skatteforbunds Fælleslegat and TJM Bolig A/S
Board seats, Deputy Chair TryghedsGruppen SMBA
Board member Tryg A/S and Tryg Forsikring A/S, TJM Forsikring, Interesseforeningen, Lån og Spar Bank A/S, Fondet af 1844, Fagbevægelsens Hovedorganisation (the Trade Union Central Organisation), CO10 (The Central Organisation of 2010), Administrationsaktieselskabet Forenede Gruppeliv and 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 Bakk[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 Företagsekonomiska Institut 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 Affinity for 12 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

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 Høyskolen 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 Akademikerföreningen of Trygg-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 Trygg-Hansa (2012-2015)
Competencies Solid knowledge and experience of the insurance industry
Number of shares 0

Members of the Supervisory Board are elected for a term of one year. Employee representatives are, however, elected for a term of four years.
[a)] Independent member of the Supervisory Board, as per the definition in Recommendations on Corporate Governance
[b)] Dependent member of the Supervisory Board.

Commitee 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 Östlund	11/11				7/7	4/4
Claus Wistoft	11/11					
Mari Thjømøe	11/11	6/8	5/8			
Thomas Hofman-Bang[a)]	7/11	8/8	8/8			
Mengmeng Du[a)]	6/11					4/4
Jørn Rise Andersen[a)]	6/11					
Tina Snejbjerg	10/11	8/8			7/7	
Charlotte Dietzer	11/11					
Elias Bakk	11/11					4/4
Lena Darin[b)]	4/11					
Mette Osvold[b)]	4/11					

[a)] Joined the Board in March 2022
[b)] Joined the Board in July 2022

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: Siteimprove (including two holding companies) and Conscia A/S (including four holding companies)
Board seats, Deputy Chair: Simcorp A/S
Experience: Morten Hübbe is an experienced senior executive with a holistic and 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 CFO and 10 years as Group CEO. In addition, Morten has Supervisory Board experience in banking, software and real estate development
Competencies: Morten Hübbe has specific strengths within strategy, finance, communication and leadership. He also has solid know-how within the fields of investor relations, M&A and financial regulation
Number of shares held: 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 Moccau 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: KTIF (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, Tryg 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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Tryg's Group consolidated financial statements are prepared in accordance with IFRS

Tryg Group

Tryg A/S (parent company)

Reporting for Q4

Information

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 A/S and the Tryg Group.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the additional Danish disclosure requirements of the Danish Financial Business Act on annual reports prepared by listed financial services companies and the requirements of NASDAQ Copenhagen for the presentation of the financial statements of listed companies. 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 2022 - 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.

In our opinion, the annual report of Tryg A/S for the financial year 1 January to 31 December 2022 with the file name TRYG-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

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

Ballerup, 26 January 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

Mari Thjømøe

Thomas Hofman-Bang

Carl-Viggo Östlund

Mengmeng Du

Claus Wistoft

Ida Sofie Jensen

Jørn Rise Andersen

Tina Snejbjerg

Charlotte Dietzer

Elias Bakk

Mette Osvold

Lena Darin

Independent Auditor's Reports

To the shareholders of Tryg A/S

Report on the audit of the Financial Statements

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 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 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.

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.

Key audit matter	How our audit addressed the key audit matter
Measurement of provisions for insurance contracts The Group's provisions for insurance contracts total DKK 48,770m, which constitutes 43% of the balance sheet total. Provisions for insurance contracts primarily comprise premium and claims provisions. 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. 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. 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. 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. Reference is made to the description in the Financial Statements of "Risk and capital management" in Note 1 and in "Accounting policies" in Note 29.	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. 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. We assessed and challenged the methods and models and significant assumptions applied based on our experience and industry knowledge with a view to ensure that these are in line with regulatory and accounting requirements. This comprised an assessment of the continuity in the basis for the calculation of provisions for insurance contracts. We tested the calculation of provisions for insurance contracts on a sample basis. We assessed whether the disclosures on provisions for insurance contracts were adequate.

Key audit matter	How our audit addressed the key audit matter
Trygg-Hansa and Codan Norway Purchase Price Allocation RSA Scandinavia was acquired 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. According to the shareholders' agreement, Tryg A/S did not have control of 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. 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. 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" and "Equity investments in associates" in Note 11, 14 and 26 and "Accounting policies" section "Business Combinations" and "Measurement of Goodwill, Trademarks and Customer relations" in note 29.	We assessed whether the acquisitions met the criteria of a business combination. We audited the opening balance sheet and the PPA adjustments and assessed the completeness of assets and liabilities. 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. 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.

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 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.

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.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements, we performed procedures to express an opinion on whether the annual report of Tryg A/S for the financial year 1 January to 31 December 2022 with the filename TRYG-2022-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Tryg A/S for the financial year 1 January to 31 December 2022 with the file name TRYG-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 26 January 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Christian Fredensborg Jakobsen
State Authorised Public Accountant
mne16539

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Financial highlights

DKKm	2022	2021	2020	2019	2018
NOK/DKK, average rate for the period	73.95	72.92	69.63	75.80	77.53
SEK/DKK, average rate for the period	70.33	73.39	70.95	70.62	72.67
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	-3,394	-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 [a)]	-1,193	870	311	579	-332
Other income and costs	-1,933	-624	-265	-188	-172
Profit/loss before tax	**3,051**	**3,956**	**3,541**	**3,628**	**2,262**
Tax	-804	-795	-768	-783	-529
Profit/loss on continuing business	**2,247**	**3,161**	**2,773**	**2,845**	**1,733**
Profit/loss on discontinued and divested business after tax	0	-3	0	-2	-2
Profit/loss for the period	**2,247**	**3,158**	**2,773**	**2,843**	**1,731**
Run-off gains/losses, net of reinsurance	1,380	963	1,145	1,194	1,221
Run-off gains/losses, Gross	1,449	949	1,130	1,173	1,236
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	42,504	49,008	12,264	12,085	11,334
Total assets	114,113	100,392	60,916	59,059	56,545
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**
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 (%)	4.9	7.8	22.5	24.6	14.9

Note: Tryg's acquisition of the activicies in Trygg-Hansa and Codan Norway were fully consolidated in the Financial Statements from the 1 April 2022.

a) Tryg's acquisition of RSA Scandinavia affects the Financial Statement from closing the 1 June 2021.
The investment return includes income from RSA Scandinavia of DKK 34m (2021: DKK 1,206m) and includes net effect from demerger and sale of Codan DK in 2022. Following demerger 1 April, Tryg has started fully consolidation of Codan Norway and Trygg-Hansa.
Please see the income overview in Management's review for further details.

Income statement

Note	DKKm	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	-3,394
	Reinsurance commissions and profit participation from reinsurers	229	257
6	**Insurance operating costs, net of reinsurance**	**-4,554**	**-3,137**
2	**Technical result**	**6,177**	**3,709**

Note	DKKm	2022	2021
Note	**Investment activities**		
14	Profit/Loss from associates	-19	1,161
	Income from investment property	48	41
7	Interest income and dividends	918	538
8	Value adjustments	-913	-472
7	Interest expenses	-154	-182
	Administration expenses in connection with investment activities	-145	-153
	Total investment return	**-265**	**932**
	Return on insurance provisions	-928	-62
	Total investment return after insurance technical interest	**-1,193**	**870**
	Other income	150	139
9	Other costs	-2,083	-763
	Profit/loss before tax	**3,051**	**3,955**
10	Tax	-804	-795
	Profit/loss on continuing business	**2,247**	**3,161**
	Profit/loss on discontinued and divested business	0	-3
	Profit/loss for the year	**2,247**	**3,158**
24	Earnings per share	3.47	5.51

Statement of comprehensive income

DKKm		2022	2021
Note	**Profit/loss for the year**	**2,247**	**3,158**
	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		
	Deferred tax related to receivable balance	-50	0
	Exchange rate adjustments of foreign entities	-2,217	93
	Exchange rate adjustments of foreign material associates	52	-52
	Hedging of currency risk in foreign entities	496	-99
	Tax on hedging of currency risk in foreign entities	-109	22
		-1,828	-36
	Total other comprehensive income	**-1,830**	**-36**
	Comprehensive income	**417**	**3,122**

Statement of financial position

Note	DKKm	2022	2021
	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	222	37,067
	Total investments in associates	**222**	**37,067**
	Equity investments	4,647	3,487
	Unit trust units	8,330	8,231
	Bonds	55,800	35,611
	Other lending	75	75
	Derivative financial instruments	1,340	913
	Reverse repurchase lending	194	460
	Total other financial investment assets	**70,387**	**48,778**
15	**Total investment assets**	**71,626**	**86,885**
	Reinsurers' share of premium provisions	264	262
19	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
	Other receivables	414	485
15	**Total receivables**	**2,534**	**2,570**
17	Current tax assets	854	265
	Cash at bank and in hand	2,662	802
	Other	1	1
	Total other assets	**3,516**	**1,068**
	Interest and rent receivable	231	134
	Other prepayments and accrued income	769	453
	Total prepayments and accrued income	**1,000**	**588**
	Total assets	**114,113**	**100,392**

Note	DKKm	2022	2021
	Equity and liabilities		
18	**Equity**	**42,504**	**49,008**
1	**Subordinated loan capital**	**4,154**	**4,442**
19	Premium provisions	7,700	6,183
19	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**
20	Pensions and similar obligations	85	108
21	Deferred tax liability	3,542	806
22	Other provisions	94	40
	Total provisions	**3,721**	**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	4,287	2,417
15	Derivative financial instruments	2,398	879
17	Current tax liabilities	83	218
23	Other debt	5,820	7,084
	Total debt	**14,911**	**12,329**
	Accruals and deferred income	**52**	**71**
	Total equity and liabilities	**114,113**	**100,392**

1 **Risk and capital management**
25 **Contractual obligations, collateral and contingent liabilities**
26 **Acquisition of activities**
27 **Related parties**
28 **Financial highlights**
29 **Accounting policies**
30 **Transition to IFRS 9 & IFRS 17 at 1 January 2023**

Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves	Retained earnings	Proposed dividend	Non-controlling interest	Total
Equity at 31 December 2021	**3,273**	**-11**	**1,735**	**43,309**	**700**	**1**	**49,008**
2022							
Profit/loss for the year			2,989	-4,860	4,118	0	2,247
Other comprehensive income		-1,778		-52		0	-1,830
Total comprehensive income	0	-1,778	2,989	-4,912	4,118	0	417
Dividend paid					-3,771	0	-3,771
Dividend own shares				38		0	38
Purchase and sale of own shares				-3,253		0	-3,253
Share based payments				65		0	65
Total changes in equity in 2022	**0**	**-1,778**	**2,989**	**-8,062**	**347**	**0**	**-6,504**
Equity at 31 December 2022	**3,273**	**-1,789**	**4,724**	**35,247**	**1,047**	**1**	**42,504**
Equity at 31 December 2020	**1,511**	**25**	**1,706**	**8,492**	**529**	**1**	**12,264**
2021							
Profit/loss for the year			29	327	2,802		3,158
Other comprehensive income		-36		0			-36
Total comprehensive income	0	-36	29	327	2,802	0	3,122
Dividend paid					-2,630		-2,630
Dividend own shares				3			3
Purchase and sale of own shares				-137			-137
Issue of new shares [a)]	1,763			34,557			36,320
Share based payments				66			66
Total changes in equity in 2021	**1,763**	**-36**	**29**	**34,817**	**172**	**0**	**36,744**
Equity at 31 December 2021	**3,273**	**-11**	**1,735**	**43,309**	**700**	**1**	**49,008**

Proposed dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the total number of shares at the end of the year (654,653,980 shares).

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.

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

Cash flow statement

DKKm		2022	2021
Note	**Cash flow from operating activities**		
	Premiums	32,590	24,605
	Claims	-26,366	-14,597
	Ceded business	-1,126	-906
	Costs	-3,415	-3,296
	Change in other debt and other amounts receivable	177	-686
	Cash flow from insurance activities	**1,859**	**5,120**
	Interest income	567	311
	Interest expenses	-149	-182
	Dividend received	152	112
	Taxes	-1,039	-1,200
	Other income and costs	-1,147	-490
	Total cash flow from operating activities	**243**	**3,670**
	Cash flow from investment activities		
	Sale of property	0	160
	Purchase/sale 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
	Acquisition/sale of associate	6,340	-36,357
	Hedging of currency risk	496	-36
	Total cash flow from investment activities	**8,374**	**-39,647**
	Cash flow from financing activities		
	Issue of new shares	0	36,320
	Purchase and sale of own shares (net)	-3,253	-137
	Subordinated loan capital	0	2,297
	Dividend paid	-3,771	-2,630
	Change in lease liabilities	-194	-137
	Change in amounts owed to credit institutions	471	-356
	Total cash flow from financing activities	**-6,747**	**35,357**

DKKm	2022	2021
Change in cash and cash equivalents, net	**1,870**	**-620**
Exchange rate adjustment of cash and cash equivalents, 1 January	-11	32
Change in cash and cash equivalents, gross	**1,860**	**-588**
Cash and cash equivalents at 1 january	802	1,390
Cash and cash equivalents at 31 December	**2,662**	**802**

Liabilities arising from financing activities

2022	Subordinated loans	Amounts owed to credit institutions	Total
Carrying amount at 1 January	4,442	835	5,277
Exchange rate adjustments	-290	0	-290
Amortisation	2	0	2
Cash flow	0	471	471
Carrying amount at 31 December	**4,154**	**1,305**	**5,459**
2021			
Carrying amount at 1 January	2,801	1,191	3,992
Exchange rate adjustments	-658	0	-658
Amortisation	2	0	2
Cash flow	2,297	-356	1,941
Carrying amount at 31 December	**4,442**	**835**	**5,277**

Notes

1 Risk and capital management

Risk management in Tryg

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

In Tryg, 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 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'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.

What risk profile does Tryg want?

- Business model
- Strategy
- Policies

How is this supported?

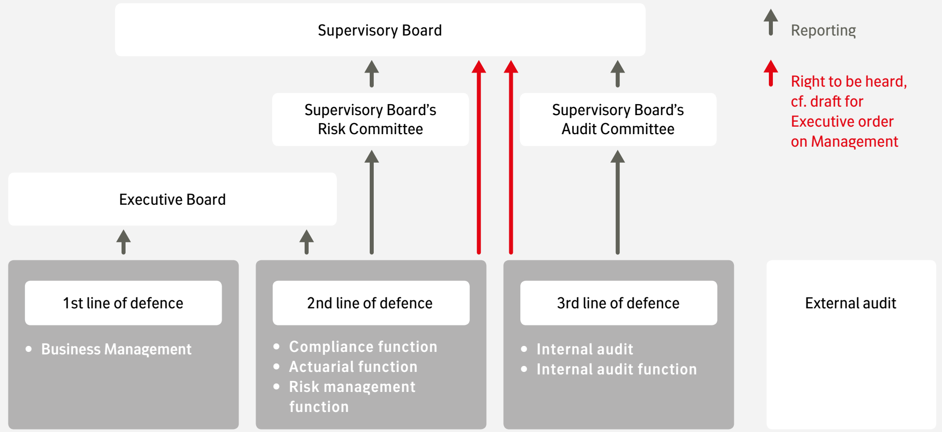
Tactically
- Policies
- Capital plan
- Contingency plan

Operationally
- Frameworks
- Limitations
- Instructions
- Allocated capital
- Contingency plans

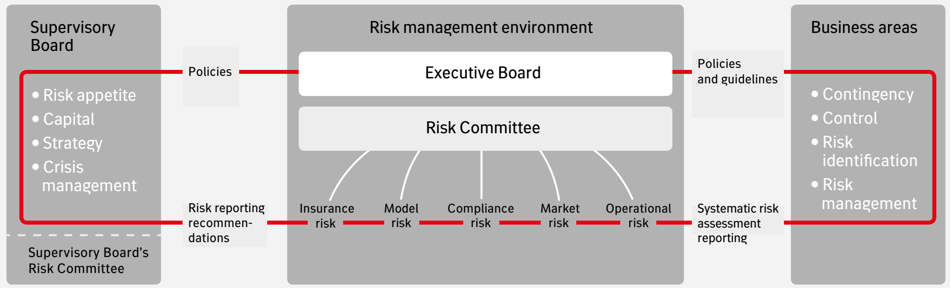
How is the actual risk profile measured?

Tactically
- Risk reports
- Internal controls
- Capital model
- Stress tests

Lines of defence



Tryg's risk management environment



Notes

Furthermore, the function prepares specific recommendations in relation to capital management, reinsurance, investment risk management and more. Tryg'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'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'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's capital requirement with 99.5% solvency level with a 1-year horizon, which means that Tryg 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 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's actual risk profile.

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

At the end of 2022, Tryg's claims reserves net of reinsurance totalled DKK 37,639m with an average discounted duration of approximately 5.2 years (average duration undiscounted 7.2 years).

Investment risk

The overall framework for managing investment risk is defined by the Supervisory Board in Tryg's investment policy. In overall terms, Tryg'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 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'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's equity portfolio accounted for 5.1% of the total investment assets.

Tryg does not want to speculate in foreign currency, but since Tryg invests and operates its insurance business in other currencies than Danish kroner, Tryg is

Notes

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'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, liquidity risk is practically non-existent, as premium payments fall due before claims payments. The only significant assets on Tryg'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'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 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's chosen strategic position. The strategic position covers both business transactions, IT strategy, choice of business partners and changed market conditions. Tryg's strategic position is determined by Tryg'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's Supervisory Board and Executive Board.

Compliance risk

Compliance risk means the risk of Tryg 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'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.

Sensitivity analysis

DKKm	2022	2021
Insurance risk		
Effect of 1% change in:		
Combined ratio (1 percentage point)	+/-339	+/-241
Large single loss	-150	-150
Catastrophe event	-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

Notes

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.

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 prior to the beginning of the risk period. The majority of Tryg's investment portfolio are placed in AAA or AA rated bonds which can be either sold or repoed in a short time span.

Provisions for claims

Gross (DKKm)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Estimated accumulated claims												
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											
	15,191	14,176	13,373	15,734	14,076	14,407	15,783	16,613	17,217	20,577	25,475	182,622
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	-146,083
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	36,539
Discounting	-853	-178	-196	-230	-252	-304	-389	-475	-586	-869	-902	-5,235
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

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

Provisions for claims (continued)

Ceded business (DKKm)	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											
	332	1,285	306	1,899	230	383	683	448	705	557	754	7,581
Cumulative payments to date	-256	-1,244	-293	-1,883	-227	-342	-631	-334	-516	-231	-94	-6,051
Provisions before discounting, end of year	76	41	14	16	3	41	51	114	189	326	661	1,530
Discounting	-3	-1	0	-1	0	-2	-2	-6	-8	-12	-25	-61
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

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

Provisions for claims (continued)

Net of reinsurance (DKKm)	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											
	14,859	12,891	13,067	13,835	13,846	14,024	15,101	16,165	16,511	20,020	24,721	175,040
Cumulative payments to date	-12,524	-12,068	-12,175	-12,712	-12,550	-12,470	-13,056	-13,393	-12,856	-13,214	-13,015	-140,032
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	35,009
Discounting	-850	-177	-196	-229	-252	-302	-387	-469	-578	-857	-877	-5,174
Reserves from 2011 and prior years												7,805
Provisions for claims, net of reinsurance, end of the year												37,639
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

	Expected cash flow, not discounted				
DKKm	0-1 year	1-2 years	2-3 years	> 3 years	Total
2022					
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**

Notes

DKKm	2022	2021
Investment risk		
The notes below are based on Tryg's investment portfolio without the external customers share		
Bond portfolio including interest derivatives		
Duration 1 year or less	20,494	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	**55,816**	**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 contries	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 -214m (DKK -117m in 2021) and excluding shares related to propertiy exposure. Unlisted equity investments are based on an estimated market price.

Exposure to exchange rate risk

	2022			2021		
	Assets and debt	Hedge	Exposure	Assets and debt	Hedge	Exposure
USD	7,271	-7,106	166	5,114	-5,041	74
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**			**1,516**

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

DKKm				
Credit risk	**2022**		**2021**	
Bond portfolio by ratings	**DKKm**	**%**	**DKKm**	**%**
AAA	53,343	90.0	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	**59,291**	**100.0**	**37,403**	**100.0**
Reinsurance balances				
AAA to A	1,548	90.3	1,207	86.8
Not rated	167	9.7	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
Subordinated loan capital	152	607	5,250	6,009
Amounts owed to credit institutions	1,305	0	0	1,305
Debt relating to unsettled funds transactions and repos	4,287	0	0	4,287
Other debt	7,021	0	0	7,021
Total	**12,765**	**607**	**5,250**	**18,622**

2021	0-1 year	1-5 years	> 5 years	Total
Subordinate loan capital	110	439	5,172	5,720
Amounts owed to credit institutions	835	0	0	835
Debt relating to unsettled funds transactions and repos	2,417	0	0	2,417
Other debt	8,248	0	0	8,248
Total	**11,609**	**439**	**5,172**	**17,220**

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

Notes

Subordinated loan capital

DKKm	Bond loan NOK 800m[b)] 2022	2021	Bond loan NOK 1,400m 2022	2021	Bond loan SEK 1,000m 2022	2021[a)]
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:	Bond loan NOK 800m	Bond loan NOK 1,400m	Bond loan SEK 1,000m
Lender	Listed bonds	Listed bonds	Listed bonds
Principal	NOK 800m	NOK 1,400m	SEK 1,000m
Issue price	100	100	100
Issue date	March 2013	November 2015	May 2016
Maturity year	Perpetual	2045	2046
Loan may be called by lender as from	2023	2025	2021
Repayment profile	Interest-only	Interest-only	Interest-only
Interest structure	3.75 % above NIBOR 3M (until 2023)	2.75 % above NIBOR 3M (until 2025)	2.75 % above STIBOR 3M (until 2026)
	4.75 % above NIBOR 3M (from 2023)	3.75 % above NIBOR 3M (from 2025)	3.75 % above STIBOR 3M (from 2026)

a) Cancelled in 2021

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.

b) 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. Will become payable only in the event of Tryg Forsikring A/S's bankruptcy.

Notes

Subordinated loan capital (continued)

	Bond loan NOK 850m		Bond loan SEK 1,300m		Bond loan SEK 700m[b)]	
DKKm	2022	2021	2022	2021	2022	2021
Amortised cost value of the loan recognised in statement of financial position	600	633	867	942	466	506
The fair value of the loan at the statement of financial position date	563	631	830	944	463	515
The fair value of the loan at the statement of financial position date is based on a price of	94	100	95	100	99	101
Total capital losses and costs at the statement of the financial position date	1	1	2	2	2	2
Interest expenses for the year	19	7	18	7	16	13
Effective interest rate	3.1%	1.7%	2.0%	1.1%	3.4%	2.5%

Loan terms:			
Lender	Listed bonds	Listed bonds	Listed bonds
Principal	NOK 850m	SEK 1,300m	SEK 700m
Issue price	100	100	100
Issue date	May 2021	May 2021	April 2018
Maturity year	May 2051	May 2051	Perpetual
Loan may be called by lender as from	2027	2026	2023
Repayment profile	Interest-only	Interest-only	Interest-only
Interest structure	1.25 % above NIBOR 3M (until 2031)	1.15 % above STIBOR 3M (until 2031)	2.5 % above STIBOR 3M
	2.25 % above NIBOR 3M (from 2031)	2.15% above STIBOR 3M (from 2031)	

b) 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. Will become payable only in the event of Tryg Forsikring A/S's bankruptcy.

Notes

Subordinated loan capital (continued)

DKKm	Bond loan SEK 1,000m[b)] 2022	2021
Amortised cost value of the loan recognised in statement of financial position statement of financial position	666	723
The fair value of the loan at the statement of financial position date	638	740
The fair value of the loan at the statement of financial position date is based on a price of	95	102
Total capital losses and costs at the statement of the financial position date	3	3
Interest expenses for the year	21	15
Effective interest rate	3.2%	2.4%

Loan terms:	
Lender	Listed bonds
Principal	SEK 1,000m
Issue price	100
Issue date	February 2021
Maturity year	Perpetual
Loan may be called by lender as from	2026
Repayment profile	Interest-only
Interest structure	2.4 % above STIBOR 3M

	2022	2021
Amortised cost value of the loan recognised in statement of financial position		
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 700m	466	506
Bond loan SEK 1,000m	666	723
Total amortised cost value of the loan recognised in statement of financial position	**4,154**	**4,442**

b) 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. Will become payable only in the event of Tryg Forsikring A/S's bankruptcy.

Notes

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 heigtened volatility in capital markets. Tryg 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 Trygs result is expected to be isolated to the effect on investment results following from the general turmoil in financial markets.

Valuation of investments 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 assets based on the price at which the investment assets are set. Reference is made to note 15, for further description of the fair value hierarchy.

The main part of Tryg's investment assets are classified as level 1 and 2 and are valuated 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

DKKm		Private[a]	Commercial	Corporate	Other	Group
2	**Operating segments**					
	2022					
	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					-3,127
	Profit/loss before tax					**3,051**
	Tax and other items					-804
	Profit/loss					**2,247**
	Run-off gains/losses, net of reinsurance	338	560	482	0	1,380
	Intangible assets	28,793	2,809	0	1,114	32,716
	Equity investments in associates	0	0	0	222	222
	Reinsurers' share of premium provisions	55	61	147	0	264
	Reinsurers' share of claims provisions	13	630	944	0	1,587
	Other assets				0	79,324
	Total assets					**114,113**
	Premium provisions	4,764	2,072	863	0	7,700
	Claims provisions	22,094	9,992	7,141	0	39,227
	Provisions for bonuses and premium discounts	1,723	120	0	0	1,843
	Other liabilities				0	22,839
	Total liabilities					**71,609**

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

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

Notes

DKKm		Private[a)]	Commercial	Corporate	Other	Group
2	**Operating segments (continued)**					
	2021					
	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					247
	Profit/loss before tax					**3,956**
	Tax and other items					-798
	Profit/loss					**3,158**
	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				37,067	37,067
	Reinsurers' share of premium provisions	55	33	174	0	262
	Reinsurers' share of claims provisions	48	377	806	0	1,232
	Other assets				0	54,805
	Total assets					**100,392**
	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				0	17,796
	Total liabilities					**51,384**

Non-current assets by country	2022	2021
Denmark	6,817	6,785
Norway	25,075	462
Sweden	1,685	539
Other	10	1
Total	**33,587**	**7,787**

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

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

Notes

DKKm		2022	2021	2020	2019	2018
2	**Geographical segments**					
	Danish general insurance					
	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, end of period	3,345	3,062	2,826	2,622	2,501
	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, end of period	1,344	1,139	1,099	1,083	1,105

Notes

DKKm		2022	2021	2020	2019	2018
2	**Geographical segments**					
	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, end of period	1,781	431	441	419	402
	Other [a]					
	Gross premium income	**211**	**159**	**105**	**24**	**-10**
	Technical result	-2	43	-3	4	-105
	Run-off gains/losses, net of reinsurance	20	-8	-15	-12	-4
	Number of full-time employees, end of period	49	42	33	28	19
	Tryg (total)					
	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	-1,193	1,008	311	579	-332
	Other income and costs	-1,933	-624	-265	-188	-172
	Profit/loss before tax	3,051	4,093	3,541	3,628	2,262
	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, end of period	6,518	4,674	4,400	4,151	4,027

a) Comprises credit & surety insurance (Tryg Garanti) in Finland, Netherlands, Austria, Switzerland, Belgium, Germany and amounts relating to one-off items.

Notes

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

DKKm	Accident and health		Health care		Worker's compensation		Motor TPL		Motor comprehensive insurance		Marine, aviation and cargo insurance	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross premiums written	**5,454**	**2,989**	**773**	**633**	**1,065**	**954**	**2,911**	**2,033**	**8,375**	**5,748**	**281**	**234**
Gross premium income	5,122	2,751	753	637	1,045	933	2,953	2,010	7,954	5,458	275	228
Gross claims	- 3,042	- 1,844	- 583	- 506	- 241	- 681	- 1,348	- 1,251	- 5,714	- 3,616	- 136	- 94
Gross operating expenses	- 681	- 409	- 111	- 75	- 123	- 116	- 445	- 291	- 975	- 747	- 48	- 34
Profit/loss on ceded business	- 10	- 11	0	0	- 4	- 14	- 41	- 29	- 93	- 88	- 31	- 33
Insurance technical interest, net of reinsurance	24	- 3	2	- 1	5	8	13	2	31	- 6	1	0
Technical result	**1,413**	**484**	**61**	**55**	**682**	**130**	**1,132**	**441**	**1,203**	**1,001**	**61**	**67**
Gross claims ratio	59.4	67.0	77.4	79.4	23.1	73.0	45.6	62.2	71.8	66.3	49.5	41.2
Combined ratio	**72.9**	**82.3**	**92.2**	**91.2**	**35.2**	**86.9**	**62.1**	**78.2**	**85.3**	**81.6**	**78.2**	**70.6**
Claims frequency [a]	6.9%	4.4%	33.0%	63.2%	15.9%	16.3%	6.7%	5.7%	27.4%	23.4%	27.0%	16.6%
Average claims DKK [b]	11,990	21,155	5,786	5,332	77,362	96,143	10,313	19,677	7,968	8,634	21,721	50,844
Total claims	274,306	89,800	109,839	103,853	11,618	10,238	158,615	87,435	709,220	423,792	6,259	2,147

DKKm	Fire and contents (Private)		Fire and contents (Commercial)		Change of ownership		Liability insurance		Credit and surety insurance		Tourist assistance insurance	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gross premiums written	**7,901**	**6,150**	**3,578**	**2,903**	**0**	**0**	**1,677**	**1,356**	**739**	**651**	**1,067**	**1,006**
Gross premium income	7,805	5,875	3,865	2,874	12	21	1,711	1,298	738	647	1,041	844
Gross claims	- 5,457	- 4,195	- 2,704	- 1,930	- 2	2	- 926	- 1,006	- 559	- 308	- 1,041	- 360
Gross operating expenses	- 1,214	- 759	- 594	- 465	- 4	- 6	- 285	- 212	- 114	- 96	- 116	- 120
Profit/loss on ceded business	- 247	- 238	- 271	- 256	0	0	- 26	- 6	61	- 60	- 59	3
Insurance technical interest, net of reinsurance	28	- 21	26	- 5	0	0	12	- 1	1	- 1	4	- 2
Technical result	**915**	**662**	**322**	**218**	**6**	**17**	**486**	**73**	**127**	**182**	**- 171**	**365**
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	**88.6**	**88.4**	**92.3**	**92.2**	**50.0**	**19.0**	**72.3**	**94.3**	**82.9**	**71.7**	**116.8**	**56.5**
Claims frequency [a]	10.4%	9.9%	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	568,677	445,872	41,024	35,556	310	521	15,790	11,533	709	63	163,672	63,963

a) The claims frequency is calculated as the number of claims incurred in the year in proportion to the average number of insurance contracts in the year.
b) Average claims are total claims before run-off in the year relative to the number of claims in the year.

Notes

2 Technical result, net of reinsurance, by line of business (continued)

DKKm	Total exclusive of Group Life		Group Life, one-year policies [a]		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Gross premiums written	**33,821**	**24,657**	**837**	**756**	**34,658**	**25,413**
Gross premium income	33,274	23,576	664	561	33,938	24,137
Gross claims	- 21,753	- 15,789	- 654	- 486	- 22,407	- 16,275
Gross operating expenses	- 4,710	- 3,330	- 73	- 64	- 4,783	- 3,394
Profit/loss on ceded business	- 721	- 732	- 2	1	- 723	- 731
Insurance technical interest, net of reinsurance	147	- 30	4	1	152	- 29
Technical result	**6,237**	**3,695**	**- 61**	**13**	**6,177**	**3,709**
Gross claims ratio	65.4	67.0	98.5	86.6	66.0	67.4
Combined ratio	**81.7**	**84.2**	**109.8**	**97.9**	**82.2**	**84.5**

a) Group Life, one-year policies related to Norwegian Group Life and Alka Group Life.

Notes

DKKm		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		2021	
	Gross	Ceded	Gross	Ceded
Denmark	16,381	-757	15,404	-762
Other EU countries [b)]	9,913	-384	2,572	-281
Other countries [a)]	8,449	-535	7,328	-558
	34,743	**-1,676**	**25,304**	**-1,601**

a) Primarily Norway
b) Primarily Sweden

		2022	2021
4	**Insurance technical interest, net of reinsurance**		
	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**

DKKm		2022	2021
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	-3,394
	Commission from reinsurers	229	257
		-4,554	-3,137
	Fees to the auditors appointed by the annual general meeting:		
	PwC, included in administrative expenses	-8	-7
		-8	-7
	The fee is divided into:		
	Statutory audit	-6	-4
	Other audit assignments	0	-1
	Other services	-2	-2
		-8	-7
	Expenses 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 3m in 2021) and consist of general tax and accounting advice and consulting services.

Notes

DKKm		2022	2021
6	**Insurance operating costs, gross, classified by type (continued)**		
	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 23 for leases recognised according to IFRS 16.

	2022	2021
Total staff expenses recognized in income statement:		
Salaries and wages	-3,866	-3,167
Commision	-5	-7
Allocated conditional and matching shares	-64	-55
Pension plans	-530	-427
Other social security costs	-8	-7
Payroll tax	-828	-623
	-5,301	**-4,286**

Please refer to note 27 for specification of Remuneration for the Supervisory Board and Executive Board.

	2022	2021
Average number of full-time employees during the year (continuing business)	**5,944**	**4,544**

Notes

DKKm

6 Share-based payment

Matching shares	Total Numbers				Fair Value			
2022	**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**	**Total fair value at 31 December DKKm**
Matching shares allocated in 2022	**0**	**6,695**	**62,494**	**69,189**	**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	-47,272	-69,076	134	-9	165	-11
Exercised	-196,558	-72,467	-173,163	-442,188	134	-59	165	-73
Total 31.12.22	**84,182**	**21,481**	**58,874**	**164,536**	**134**	**22**	**165**	**27**

2021	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	Total fair value at 31 December DKKm
Matching shares allocated in 2021	**0**	**2,680**	**74,216**	**76,896**	**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	-45,487	-139,235	-297,528	133	-39	162	-48
Total 31.12.21	**167,934**	**37,993**	**33,073**	**239,000**	**133**	**32**	**162**	**39**

Matching shares

In accordance with the Group's remuneration policy Tryg has on agreed terms allocated matching shares for some employees.

Executive Board, Risk-takers and Other employees are allocated one share in Tryg A/S for each share they acquire in Tryg A/S at market rate for liquid cash at a contractually agreed sum over deferral period of up to 4 years.

In 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. The fair value is adjusted for dividend paid, no expected dividend is included.

Notes

DKKm

6 Share-based payment

Conditional shares

2022	Total Numbers: Executive Board	Risk-takers	Other	Total	Fair Value: Average value per conditional share at grant date DKK	Total value at time of allocation DKKm	Value per conditional share at 31 December DKK	Total fair value at 31 December DKKm
Conditional shares allocated in 2022	**70,169**	**30,973**	**4,314**	**105,456**	**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	-106,742	-139,496	-256,315	172	-44	165	-42
Total 31.12.22	**125,872**	**353,010**	**74,955**	**553,837**	**172**	**95**	**165**	**92**

2021	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	Total fair value at 31 December DKKm
Conditional shares allocated in 2021	**98,776**	**158,233**	**89,662**	**346,671**	**167**	**58**	**162**	**56**
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 31.12.21	**31,560**	**213,615**	**58,090**	**303,265**	**176**	**53**	**162**	**49**

Conditional shares

In accordance with the Group's remuneration policy Tryg 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.

In 2022, the recognised fair value of conditional shares for the Group amounted to DKK 46m (DKK 40m in 2021). At 31 December 2022, total fair value of conditional shares amounted to DKK 109m.

Notes

DKKm		2022	2021
7	**Interest and dividends**		
	Interest income and dividends		
	Dividends	152	112
	Interest income, bonds	763	422
	Interest income, other	2	4
		918	538
	Interest expenses		
	Interest expenses subordinated loan capital, credit institutions and cash at bank	-152	-107
	Interest expenses, other [a]	-3	-75
		-154	-182
		763	**356**

a) Hereof DKK 33m in 2021 related to the RSA acquisition, please refer to note 26 for specification of the acquisition.

DKKm		2022	2021
8	**Value adjustments**		
	Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:		
	Equity investments	704	269
	Unit trust units	-1,481	1,095
	Bonds	-2,117	-312
	Derivatives (Equity and Interest) [a]	-1,343	-1,750
		-4,236	-698
	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	-103	-365
		3,324	226
		-913	**-472**

Exchange rate adjustments concerning financial assets or liabilities which cannot be stated at fair value total DKK 247m (DKK -336m in 2021)

a) Hereof value adjustment of currency hedge in 2021 DKK 1,035m related to RSA acquisition, which consists of the premium paid and exchange rate adjustments which cannot be attributed to hedge accounting.

DKKm		2022	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	24	31
		150	139
	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 acquisition [a]	-949	-349
	Other costs	-248	-176
		-2,083	-763
		-1,933	**-624**

a) Integration and restructuring costs primarily relates to it integration, fees to advisors and staff expenses.

DKKm		2022	2021
10	**Tax**		
	Tax on accounting profit/loss	-671	-763
	Difference between Danish and foreign tax rates	-21	-156
	Tax adjustment, previous years	-11	105
	Adjustment of non-taxable income and costs	-90	35
	Change in valuation of tax assets	19	-1
	Change in tax rate	-30	0
	Other taxes	0	-15
		-804	**-795**
	Effective tax rate	%	%
	Tax on accounting profit/loss	22.0	22.0
	Difference between Danish and foreign tax rates	1.0	3.5
	Tax adjustment, previous years	0.5	-2.5
	Adjustment of non-taxable income and costs	3.0	-1.0
	Change in valuation of tax assets	-1.0	0.0
	Change in tax rate	1.0	0.0
	Other taxes	0.0	0.5
		26.5	**22.5**

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
Transferred from assets under construction			215	-215	0
Additions for the year			77	281	358
Additions, demerger of Trygg-Hansa, Codan Norway	15,827	10,441	74	40	26,382
Disposals for the year			-7		-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**

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

DKKm

11 Intangible assets (continued)

	Goodwill	Trademarks and customer relations	Software [a]	Assets under construction [a]	Total
2021					
Cost					
Cost at 1 January	4,885	1,865	2,154	222	9,127
Exchange rate adjustments	-5	-2	22	4	18
Transferred from asset under construction	0	0	208	-208	0
Additions for the year	0	0	72	249	321
Additions, demerger of Trygg-Hansa, Codan Norway					
Disposals for the year	0	0	-190	0	-190
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	-375	-1,523	0	-2,002
Exchange rate adjustments	0	1	-12	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	188	0	188
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 and assets under construction DKK 445m (DKK 377m at 31 December 2021).

Notes

DKKm

11 Intangible assets (continued)

Impairment test

Goodwill

The Value-in-use method is used when testing the 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 13.7.bn (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.

DKKm	2022	2021
11 Intangible assets (continued)		
- 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.

Norway
In 2022, Tryg acquired the Norwigian branch Codan Norway. 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.

Notes

DKKm		2022	2021
11	**Intangible assets (continued)**		
	- 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.

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, Bilsport & 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 amount to DKK 15.1bn (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.

DKKm		2022	2021
11	**Intangible assets (continued)**		
	- 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 furture cash flows. The test did indicate an impairment of DKK 7m (DKK 79m) of 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 depreciations 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

12 Property, plant and equipment

DKKm	Operating equipment	Leases ROU equipment [a]	Leases ROU Group-occupied property [b]	Total
2022				
Cost				
Cost at 1 January	251	103	983	1,337
Exchange rate adjustments	-3	0	-19	-22
Additions for the year	28	0	95	123
Additions, demerger of Trygg-Hansa, Codan Norway	20	2	144	166
Disposals for the year	-1	0	0	-1
Cost at 31 December	295	105	1,203	1,603
Accumulated depreciation and value adjustments				
Accumulated depreciation and value adjustments at 1 January	-121	-75	-379	-575
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	-732
Carrying amount at 31 December	**162**	**16**	**693**	**871**
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.

Notes

DKKm		2022	2021
13	**Investment property**		
	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 amounts to DKK 57m (DKK 64m in 2021).

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

Return percentages, weighted average	2022	2021
Business property	5.1	4.6
Office property	5.5	5.1
Residential property	4.0	4.2
Total	5.4	5.0

Sensitivity

Tryg'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	2022	2021
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

DKKm		2022	2021
14	**Equity investments in associates**		
	Cost		
	Cost at 1 January	36,035	96
	Additions for the year	56	35,939
	Additions, demerger of Trygg-Hansa, Codan Norway	19	0
	Disposals for the year*	-35,713	0
	Cost at 31 December	396	36,035
	Revaluations at net asset value		
	Revaluations at 1 January	1,032	-81
	Reversed on sale	-1,188	0
	Value adjustments for the year	-19	1,112
	Revaluations at 31 December	-175	1,032
	Carrying amount at 31 December	**222**	**37,067**

Tryg no longer has any associates material to the Group.

In relation to the full year figures for 2021, Tryg had the following associates that were material to the Group:

Scandi JV Co A/S	Scandi JV Co A/S
Nature of relationship with the Group	Financial Holding company which sole purpose is to own Codan A/S
Principal place of business / Country of incorporation	Denmark
Ownership interest / Voting rights held	89.3% / 50%

Notes

DKKm

14 Equity investments in associates (continued)

The following is summarised financial information based on the interim report for Q3 2021 prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds.

The disclosed figures show the entire Scandi JV Co Group. The full-year figures for 2021 were not available when this report was published. The company had no activities in 2020.

The holdings in Codan A/S are classified as held for sale according to IFRS 5. Consequently the holdings are measured at the lower of its carrying amount and fair value less cost to distribute. Consequently, no amortization on intangible assets is performed.

Total comprehensive income reported is attributable to discontinued operations.

Please refer to note 26 regarding Acquisitions of activities.

DKKm	30 Sep 2021
Assets	
Other investment assets	570
Assets classified as held for sale	77,058
Other assets	140
Total assets	**77,768**
Equity and liabilities	
Equity	41,665
Liabilities directly associated with assets classified as held for sale	36,099
Other liabilities	4
Total equity and liabilities	**77,768**

	01 Jun 2021 - 30 Sep 2021
Income statement	
Investment return	-2
Income from discontinued operations	905
Other expenses	-4
Profit before tax	**899**
Tax	12
Profit for the period	**911**
Other comprehensive income	-7
Total comprehensive income	**904**
Tryg's interest in net assets of investee at 30 Sep 2021	37,207
Value adjustments in Q4 2021	-155
Carrying amount of interest in investee at 31 Dec 2021	**37,052**

DKKm		2022	2021
15	**Financial assets**		
	Financial assets held for trading	20,643	19,231
	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
	Loans and receivables measured at amortised cost	6,244	4,098
	Total financial assets	**76,437**	**52,415**
	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	3	0
	Financial liabilities at amortised cost	16,668	15,892
	Total financial liabilities	**19,065**	**16,771**

Please refer to note 1 for valuation of subordinate loan capital at fair value. Other financial liabilities measured at amortised cost only deviate to a minor extent from fair value.

Notes

15 **Financial assets (continued)**

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 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 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. Equity investments includes private equity with underlying real estate.

Valuation based on significant non-observable input (level 3) consists of certain financial instruments based substantially on non-observable input. Such instruments primarily includes unlisted shares and some unlisted bonds. 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.

DKKm

15 **Financial assets (continued)**

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

	Quoted market prices or consolidated reference prices[a]	Observable input	Non-observable input	Total
2022				
Investment property	0	0	1,017	1,017
Equity investments	0	4,554	92	4,647
Unit trust units	6,917	1,377	36	8,330
Bonds	55,372	428	0	55,800
Derivative financial instruments, assets	15	1,325	0	1,340
Derivative financial instruments, debt	0	-2,398	0	-2,398
	62,304	**5,287**	**1,145**	**68,737**

a) Consolidated reference prices mean Nasdaq consolidated reference prices

2021				
Investment property	0	0	1,040	1,040
Equity investments	308	3,142	38	3,487
Unit trust units	7,259	935	36	8,231
Bonds	35,326	285	0	35,611
Derivative financial instruments, assets	9	904	0	913
Derivative financial instruments, debt	0	-879	0	-879
	42,903	**4,387**	**1,114**	**48,403**

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.

DKKm	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

Notes

DKKm		2022	2021
15	**Financial assets (continued)**		
	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
	Additions, demerger of Trygg-Hansa, Codan Norway	50	0
	Gains/losses in the income statement	6	66
	Purchases	9	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

DKKm		2022	2021
15	**Financial assets (continued)**		
	Reconciliation of Tryg's Investment portfolio		
	Investment assets according to balance sheet	71,626	86,885
	Investment assets according to investment activities		
	Other, hereof financial instrument in liabilities [a)]	-6,964	-2,634
	External customers [b)]	-1,972	-4,052
	Tryg's investment portfolio [b)]	62,689	80,200
	Match portfolio	-45,032	-29,674
	RSA Scandinavia	0	-37,052
	Free portfolio	**17,656**	**13,475**

a) Primarily debt relating to repos and derivatives.

b) The setup of Tryg invest is impacting Tryg’s balance sheet as external customers investments are booked under “Total other financial investments” with opposing liabilities entries as “other debt”.

Notes

DKKm

15 Financial assets (continued)

Derivative financial instruments

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

DKKm	2022 Nominal	2022 Fair value in statement of financial position	2021 Nominal	2021 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*	19,359	270	9,094	-209
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 are used continuously as part of the cash and risk management carried out by Tryg and its portfolio managers.
*hereof used for hedging of foreign entities nom. SEK 6.1bn (2021: SEK 0.6bn) and NOK 3.6bn (2021: NOK 2.5bn)

DKKm

15 Financial assets (continued)

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

Gains and losses on hedges charged to other comprehensive income:

	2022 Gains	2022 Losses	2022 Net	2021 Gains	2021 Losses	2021 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	-183	-225
Value adjustment for the year	-2,217	42
Exchange rate adjustment for the year recognized in profit/loss	52	0
Value adjustments at 31 December	**-2,348**	**-183**
Receivables		
Total receivables in connection with direct insurance contracts	1,621	1,678
Receivables from insurance enterprises	498	407
Unsettled transactions	136	0
Other receivables	278	485
	2,534	**2,570**
Specification of write-downs on receivables from insurance contracts:		
Write-downs at 1 January	112	118
Exchange rate adjustments	-3	3
Write-downs and reversed write-downs for the year	15	-9
Additions, demerger of Trygg-Hansa, Codan Norway	29	0
Write-downs at 31 December	153	112

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).

Other receivables do not contain overdue receivables.

Notes

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 impairment 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.

17 Current tax

Tryg recognizes the role that taxes play in society and we acknowledge that business must have a responsible approach to handling tax matters in order to ensure sustainable societies. Our tax policy is inspired by the GRI Sustainability Reporting standard #207 regarding tax.

Tax matters are handled on a daily basis by the tax team in Tryg but is overseen by the Group CFO. The Tryg Tax Policy is ultimately the responsibility of Tryg's Executive Board and is approved and reviewed annually by the Executive Board and the Supervisory Board of Tryg.

Tryg has established a Corporate Responsibility Board with management representatives from key departments within Tryg with Tryg's Group CFO as chair. The adherence to the tax policy is secured as part of the ongoing work and the existing practices of the Tryg tax team.

The Tryg Tax Policy applies to all entities within the Tryg Group and, to the extent possible, also to investments made by Tryg. For further information on the Tryg Tax Policy reference is made to our webpage www.Tryg.com.

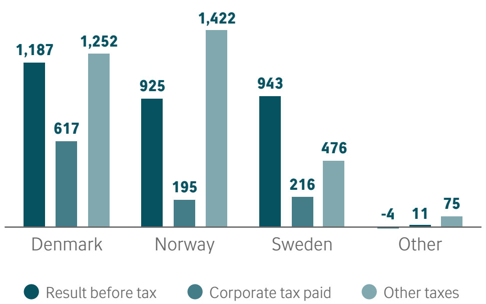
DKKm	2022	2021
17 Current tax (continued)		
Current tax		
Net current tax at 1 January	47	-306
Exchange rate adjustments	12	-15
Current tax for the year	-385	-874
Current tax on equity entries	-109	20
Adjustment of current tax in respect of previous years	8	22
Additions, demerger of Trygg-Hansa, Codan Norway	159	0
Tax paid for the year	1,039	1,200
Net current tax at 31 December	**770**	**47**
Current tax is recognised in the statement of financial position as follows:		
Under assets, current tax	854	265
Under liabilities, current tax	-83	-218
Net current tax	**770**	**47**

Due to IFRIC 23, uncertain tax positions should be valuated and recognized in the tax balance.

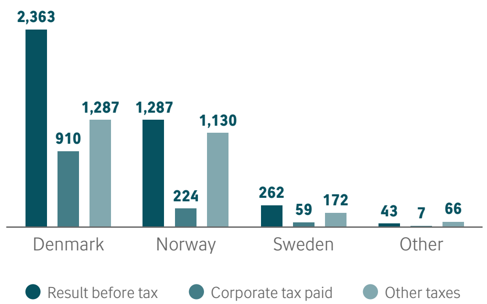
Tryg Forsikring A/S has asked the Danish tax authorities for a repayment of tax for unused tax loss in the closed Finnish branch in 2012. 80% of the expected tax repayment has been included in the balance of current tax.

The figures below show result before tax compared to actual tax payments.

2022
(DKKm)



2021
(DKKm)



Notes

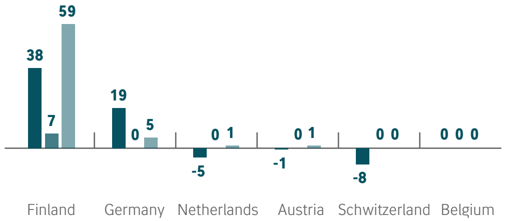
DKKm

17 Current tax (continued)

The figures below show result before tax compared to actual tax payments for other countries.

Other Countries: 2022

Other Countries: 2021



Due to local tax regulations, there may be variations in the timing of tax payment between the countries. Corporate tax payment for the year is the actual payments during the year made to the respective countries. This can be payment for current year as well as payments for previous years.

Therefore, there may be a difference in the periodization of the result before tax for the year and the actual tax paid. Beside corporate tax, Tryg Group also pays other taxes consisting of employer/social taxes, insurance premium taxes and consumption taxes, such as VAT. These are specified in the figures below.

DKKm	2022				2021			
	Employer Tax	Insurance duties	VAT	Total	Employer Tax	Insurance duties	VAT	Total
Denmark	411	716	125	1,252	380	734	173	1,287
Norway	257	1,126	39	1,422	141	958	32	1,130
Sweden	177	211	89	476	69	79	24	172
Other countries	5	28	42	75	5	23	38	66
Total	**850**	**2,081**	**295**	**3,225**	**595**	**1,794**	**267**	**2,656**

DKKm

18 Equity

Number of shares (1,000)

	Shares outstanding		Own shares	
Number of shares of DKK 5	**2022**	**2021**	**2022**	**2021**
Number of shares at 1 January	653,447	301,750	1,207	398
Bought during the year	-20,669	-1,399	20,669	1,399
Rights issue	0	352,506	0	0
Exercise of incentive programme	932	590	-932	-590
Number of shares at 31 December	**633,710**	**653,447**	**20,944**	**1,207**
Number of shares as a percentage of issued shares at 31 December	96.80	99.82	3.20	0.18
Nominal value at 31 December (DKKm)	3,169	3,267	105	6

Pursuant to the authorisation granted by the shareholders, Tryg may acquire up to a total face value DKK 327m of the share capital in the period up until 31 December 2023.
Own shares are acquired for writing down the share capital and for use in the Group's incentive programme.

	2022	2021
18 Equity (continued)		
Solvency II - Own funds		
Equity according to annual report	42,504	49,008
Proposed dividend	-1,047	-700
Share buyback	-1,786	0
Intangible assets	-32,717	-7,025
Not eligible shares in associate	0	-37,052
Eligible Own funds from shares in associate	0	8,283
Profit margin, solvency purpose	3,000	1,408
Taxes	1,896	185
Subordinated loan capital	4,162	4,453
Solvency II - Own funds	**16,012**	**18,559**

Notes

DKKm		2022	2021
19	**Premium provisions**		
	Premium provision at 1 January	6,183	6,036
	Additions, demerger of Trygg-Hansa, Codan Norway	1,980	0
	Exchange rate adjustments	-157	48
	Paid in the financial year	33,805	25,705
	Change in premiums in the financial year	-34,118	-25,614
	Exchange rate adjustments	6	8
	Premium provisions at 31 December	**7,700**	**6,183**

19 Claims provisions

2022	Gross	Ceded	Net of reinsurance
Claims provisions at 1 January	25,587	-1,232	24,355
Additions, demerger of Trygg-Hansa, Codan Norway	16,539	-86	16,453
Exchange rate adjustments	-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**

DKKm

19 Claims provisions (continued)

2021	Gross	Ceded	Net of reinsurance
Claims provisions at 1 January	24,957	-1,087	23,871
Exchange rate adjustments	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 adjustment	-465	12	-453
Claims provisions at 31 December	**25,587**	**-1,232**	**24,355**

Notes

DKKm		2022	2021
20	**Pensions and similar obligations**		
	Jubilees	37	41
	Compensation liability	24	38
	Recognised liability	**61**	**79**
	Defined-benefit pension plans:		
	Present value of pension obligations funded through operations	24	29
	Specification of change in recognised pension obligations:		
	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**
	Specification of pension cost for the year:		
	Present value of pensions earned during the year	1	0
	Total year's cost of defined-benefit plans	**1**	**0**

DKKm		2022	2021
20	**Pensions and similar obligations (continued)**		
	The premium for the following financial years is estimated at	1	0
	Number of pensioners	110	116
	Assumptions used	%	%
	Discount rate	2.7	1.1
	Salary adjustments	3.8	2.5
	Pension adjustments	1.7	0
	G adjustments	3.5	2.3
	Turnover	7.0	7.0
	Employer contributions	19.1	19.1
	Mortality table	K2013	K2013

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 in accordance with 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 year premium paid to FPK amounted to DKK 21m (DKK 5m in 2021), which is about 4.2 % of the annual premium in FPK (2021). 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.

Notes

DKKm		2022	2021
21	**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	97	130
	Contingency funds	1,173	483
		3,718	**889**
	Deferred tax	**3,542**	**806**
	Development in deferred tax		
	Deferred tax at 1 January	806	851
	Exchange rate adjustments	-32	24
	Change in deferred tax relating to change in tax rate	30	0
	Change in deferred tax previous years	19	-86
	Additions, demerger of Trygg-Hansa, Codan Norway	2,367	0
	Change in capitalised tax loss	24	0
	Change in deferred tax recognised in income statement	347	17
	Change in deferred tax taken to equity	-17	0
	Deferred tax at 31 December	**3,542**	**806**

DKKm	2022	2022	2021	2021
	Loss	Tax value	Loss	Tax value
Tax value of non-capitalised tax loss				
Denmark	-	-	72	16
Sweden	-	-	-	-
Norway	-	-	-	-
Finland	-	-	-	-
Germany	-	-	-	-
England	1	0	-	-
Schwitzerland	19	3	8	1
The Netherlands	26	5	17	3
Austria	6	2	4	1
Belgium	6	2	1	0
Total	**58**	**12**	**102**	**22**

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

The losses are not recognised 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 in the amount of DKK -109m (DKK 27m at 31 December 2021).

Notes

DKKm		2022	2021
22	**Other provisions**		
	Other provisions at 1 January	40	57
	Exchange rate adjustments	-1	1
	Change in provisions	55	-18
	Other provisions 31 December	**94**	**40**

Other provisions relate 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).

23 **Other debt and debt to group undertakings**

Other debt amounts to DKK 5,820m (DKK 7,084m 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 invesments in Tryg Invest investments funds amounts to DKK 1,972m. (DKK 4,052m at 31 December 2021).

DKKm		2022	2021
23	**Other debt**		
	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 cashflow 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 team-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.

Notes

DKKm		2022	2021
24	**Earnings per share**		
	Profit/loss from continuing business	2,247	3,161
	Profit/loss on discontinued and divested business	0	-3
	Profit/loss for the year	2,247	3,158
	Depreciation on intangible assets related to Brands and Customer relations after tax	622	106
	Operating Profit/loss for the year	2,870	3,263
	Average number of shares (1,000)	646,977	572,688
	Diluted number of shares (1,000)	646,977	572,688
	Earnings per share, continuing business	3.47	5.52
	Diluted earnings per share, continuing business	3.47	5.52
	Earnings per share	3.47	5.51
	Diluted earnings per share	3.47	5.51
	Operating earings per share [a]	4.43	5.70

[a] Calculated as operating profit/loss for the year divided by average num ber of shares in the period.

25 Contractual obligations, collateral and contingent liabilities

Contractual obligations	Obligations due by period				
2022	**<1 year**	**1-3 years**	**3-5 years**	**> 5 years**	**Total**
Other contractual obligations [a]	748	755	424	11	1,938
	748	**755**	**424**	**11**	**1,938**

2021	**<1 year**	**1-3 years**	**3-5 years**	**> 5 years**	**Total**
Other contractual obligations [a]	695	587	181	14	1,478
	695	**587**	**181**	**14**	**1,478**

a) Other contractual obligations mainly consists of investment commitments, IT and outsourcing agreements. Please refer to note 12 for lease agreements recognised as ROU.

DKKm

25 Contractual obligations, collateral and contingent liabilities (continued)

2022

Tryg has signed the following contracts above DKK 50m:

Tryg 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 has signed IT infrastructure agreements with commitments amounting to DKK 416m within 5 years.

2021

Tryg is comitted 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 has signed IT infrastructure agreements with commitments amounting to DKK 361m within 5 years.

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.

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

Notes

DKKm

25 Contractual obligations, collateral and contingent liabilities (continued)
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: Further offsetting, master netting agreements	Collateral	Net amount
2022						
Assets						
Reverse repos	194	0	194	0	-194	0
Derivative financial instruments a)	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						
Reverse repos	460	0	460	0	460	0
Derivative financial instruments a)	1,072	-8	1,064	-800	-239	24
	1,532	**-8**	**1,524**	**-800**	**221**	**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
	3,637	**-8**	**3,628**	**-800**	**-2,753**	**75**
a) Of which inflation derivatives, recognised in claims provisions:						
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 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. Tryg 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 Group are party to a number of other disputes in Denmark, Norway and Sweden, which management believes will not affect the Group's financial position significantly beyond the obligations recognized in the statement of financial position at 31 December 2022.

Notes

26 Equity investments in associates

RSA Scandinavia (Trygg-Hansa and Codan Norway)

1 June 2021 Investment in associate
On 1 June 2021, all regulatory and legal approvals regarding the acquisition of RSA Insurance Group plc were obtained. Tryg acquired RSA's Swedish and Norwegian businesses (Trygg-Hansa and Codan Norway), and a 50%-stake in RSA's Danish business (Codan Denmark). Hence the insurance portfolio in Sweden and Norway was by way of agreement managed by Tryg in coorporation with Codan. The transaction was conducted together with Intact Financial Corporation.

Tryg did not have control of any of the businesses until the separation became effective on 1 April 2022, but the company had significant influence over the entire Scandinavian business. Accordingly, the investment was classified as an investment in associates and accounted for by applying the equity method, whereby Trygs shares of the current profit/loss was recognised in the investment activities as profit/loss from associates from 1 June 2021 until 1 April 2022.

Tryg's purchase price amounted to £4.2 billion and did not include any contingent elements. The Group has incurred transaction and advisory costs of DKK 780m in connection with the investment.

1 April 2022 Demerger
Upon separation of the businesses, which came effective through a demerger on 1 April 2022, Tryg obtained control of the Swedish and Norwegian businesses and started full consolidation in the Group's financial statements on a line-byline basis from 1 April 2022.

A preliminary estimate of the fair value of the assets and liabilities of the acquired activities in Sweden and Norway is outlined below.

Tryg is currently working on the system integration of the acquired activities. The system integration has not yet been concluded. IFRS 3 furthermore stipulates that the pre-acquisition balance sheet in some instances may be adjusted for a period of up to 12 months after the date of acquisition. At the date of presentation of the Annual Report, no areas have been identified that may significantly affect the balance sheet.

26 Equity investments in associates (continued)

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

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.

The fair value measurements have been based on the actual purchase price paid to the shareholders of RSA on 1 June 2021. The purchase price have been adjusted for the income from RSA Scandinavia from 1 June 2021 until demerger 1 April 2022 and the sale of Codan DK to Alm. Brand. The fair value of the shares as at 1 April 2022 is considered to eqaul thier carrying amount based on the asessment that the business case and the required rate of return are largely unchanged. The fair value measurement is considered a level 2 measurement. The fair value of assets and liabilities acquired is for the Financial assets and liabilities primarily level 1 and some level 3. All other assets and liabilities are based on current value or amortisized costs as a proxy for fair value and will as such be level 3.

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 migration of the policy administration systems it is not possible to publish the full year premium income and net income for the acquired business 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 2.2bn. 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.

On June 11 2021, it was announced that Codan DK was acquired by Alm. Brand for a total cash consideration of DKK 12.6bn. Tryg receives 50% of the sales proceeds amounting to approximately DKK 6.3bn. The sale was completed on 2 May 2022. Following the demerger of Trygg-Hansa and Codan Norway and the sale of Codan DK to Alm. Brand Tryg has recorded a net profit of 0.2bn.

Notes

DKKm		2022	2021
27	**Related parties**		
	The group has no related parties with a controlling influence other than the parent company, TryghedsGruppen smba and the subsidiaries of TryghedsGruppen smba (other related parties). Related parties include the Supervisory Board, the Executive Board (which is considered Key Management) and their members' family.		
	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

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

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

DKKm

27 **Related parties (continued)**

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

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

b) Total expenses in 2021 for matching shares and conditional shares allocated in 2021 and previous year.

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

Notes

27 Related parties (continued)

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. The Executive Board and risk-takers are included in incentive programmes. Please refer to note 6 for more informations.

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 are paid a fixed remuneration, car allowance, pension etc. The variable salary is awarded in the form of share-based remuneration and cash.

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 Group CEO and Group 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 to be risk-takers.

Parent company
TryghedsGruppen smba
TryghedsGruppen smba controls 45% (2021: 45%) of the total shares in Tryg A/S. This amounts to TryghedsGruppen smba controlling 46.5% of the shares outstanding in Tryg A/S as at 31 December 2022.

27 Related parties (continued)

2022
In 2022 Tryg A/S paid TryghedsGruppen smba dividends of DKK 1,697m.

The transactions between TryghedsGruppen smba and Tryg A/S is conducted on an arm's length basis.

Intra-group transactions with TryghedsGruppen smba from Tryg Forsikring A/S consists of administrative services, IT and data deliveries.

The transactions amounts to DKK 4.2m. Investment management delivered from Tryg Invest A/S amounts to DKK 0.5m.

All transactions are conducted on an arm´s length basis.

2021
In 2021 Tryg A/S paid TryghedsGruppen smba dividends of DKK 1,224m.

TryghedsGruppen smba has exercised pre-empitive rights and subscribed for new shares in Tryg A/S totalling DKK 14.0bn during the subscribtion period in Q1 2021.

The transactions between TryghedsGruppen smba and Tryg A/S is conducted on an arm's length basis.

Intra-group transactions with TryghedsGruppen smba from Tryg Forsikring A/S consists of call center and customer support, marketing services, IT and data deliveries. The transactions amounts to DKK 4.5m. Investment management delivered from Tryg Invest A/S amounts to DKK 0.5m. All transactions are conducted on an arm´s length basis.

The companies in the Tryg 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.

28 Financial highlights

Please refer to page 60.

Notes

29 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 in accordance with 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.

Change in accounting policies

Tryg has not implemented any new significant accounting policies or IFRS standards in 2022.

The accounting policies have been applied consistently with last year.

Classification error

A classification error has been found in the annual report 2021. The classification error does not affect profit for the year or Equity. It affects the line item "Tax" which should have been less negative with DKK 138m and the line item "Value adjustment" which is part of "Total investment return" should have been lower with the same amount. The comparative figures for 2021 have been restated accordingly.

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 a number of interpretations. No standards have been implemented for the first time for the accounting year that began on 1 January 2022 that 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:

- 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 the 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 all financial instruments at fair value through profit and loss. The implementation of IFRS 9 will not affect Tryg's recognition and measurement. Tryg has postponed the implementation of IFRS 9 to 1 January 2023, when IFRS 17 Insurance Contracts will be applicable. Tryg 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. 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 the Tryg Group 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 Group currently expects that the implementation of IFRS (Insurance Contracts) will not significantly change the Tryg Group's financial position, including in relation to its technical result or profit/loss after tax. The standars and their impact as at 1 January 2023 are described in note 30, which is a supplement to the accounting policies.

The changes will be implemented going forward from the effective date.

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 more 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'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 have 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.

The calculation of the claims provisions is therefore inherently uncertain and, by necessity, relies upon the making of certain assumptions about 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 personal accidents, in particular.

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 in relation to 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.

Notes

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. The fair value of deal contingent derivatives (DCF) that Tryg has entered into in connection with a recommended cash offer together with Intact (a leading Canadian Insurer), to acquire RSA Insurance Group plc is further explained in note 26.

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, considering the type of property, location and maintenance standard, and based on a market-determined rental income and operating expenses in proportion to the property's required rate of return. **Cf. note 12, 13 and 15.**

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 was 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. **Cf. 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 are recognised 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, with the exception of financial assets, which are recognised at fair value. Measurement after 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
- i) exercises a controlling influence over the relevant activities in the enterprise in question,
- ii) is exposed to or has the right to a variable return on its investment, and
- iii) 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 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 in accordance with 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. 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, is 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 as-

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sets 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 allocation of resources and assessment of the Group's results divided into segments. Execute Board is considered Key operating dicision makers.

The operational business segments in the Tryg 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 Group 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 individual 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 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 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 individual 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 for 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 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 individual 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 relates to unwinding.

Claims
Claims are claims paid during the year 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 which 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 prevent, combat and mitigate damage and other direct and indirect costs associated with the handling of claims incurred. Claims prevention expenses are defined in accordance with Executive Order no. 1592 of 9/11 2020 § 37 para. 1 of the Executive Order.

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

Tryg hedges the risk of changes in future pay and price figures for provisions for workers' compensation. Tryg 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 depends on the claims record, and for which the criteria for payment have been defined prior to the financial year or when the insurance was taken out.

Insurance operating costs
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
The Tryg Group's incentive programmes comprise an employee bonus scheme and incentive programmes for Executive Board, risk takers and other employees.

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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 cash settlement and the right to request 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
Conditional shares have been allocated to some employees in accordance with the incentive programme.

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 up to four years.

Matching shares
Matching shares have been allocated to some employees in accordance with the incentive programme.
As part of the matching shares-program, employees have bought investment shares in Tryg A/S at market price, using taxed funds, for up to the amount decided.

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 or three years 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 tree 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 depreciations of intangibles assets identified in Business combinations.

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 are 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 acquisition of 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 per 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 on the basis of 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 are 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 accordance with 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 in-

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come statement. When revalued assets are sold, the amounts included in the revaluation reserves are transferred to retained earnings.

Leasing

Right-of-use assets

At inception of a contract, Tryg 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 use of the asset throughout the period of use
- The group has the right to direct the use of the asset

Tryg recognises a right-of-use asset and a corresponding lease liability with respect to 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 reassessment of a contract that contains lease components, Tryg 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 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 owner-occupied property and investment property. The Group sold the owner-occupied property in Høje Taastrup and have no longer 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 on the basis of 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. **Cf. note 15.**

Changes in fair values are recorded in the income statement.

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 past 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 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 cost.

The results of foreign subsidiaries are based on 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 are 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 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

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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 with a view to obtaining 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 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 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 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 in accordance with 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 property. 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 an 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 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 owner-occupied property is recognised in other comprehensive income unless the revaluation offsets a previous impairment loss.

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

Own shares
The purchase and sale sums of own shares and dividends thereon are taken directly to retained earnings under equity. Own shares include shares acquired for incentive programmes and share buyback programme.

Proceeds from the sale of own shares in connection with the or matching shares are taken directly to equity.

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, in general, 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 over the period of 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 a best estimate of expected payments throughout the agreed risk period; however, as a minimum as the 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 the 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 in view of 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 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 on the basis of a mortality corresponding to the G82 calculation basis (official mortality table).

In some instances, the historic data used in the actuarial models is 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 results in an increase in 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

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Norway, the Group operated a defined-benefit plan which was closed at 01 January 20. In Denmark, the Group 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 on that basis 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. 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 is no future actuarial assumptions related to the liability, only uncertainty is whether the employees stays 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 for 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 for 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 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 prior to 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 cost 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.

Notes

30 Transition to IFRS 9 & IFRS 17 at 1 January 2023

The description below is a supplement to note 29, 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’s recognition and measurement. Tryg has postponed the implementation of IFRS 9 to 1 January 2023 when IFRS 17 Insurance Contracts will be applicable.

Tryg 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 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”

These presentational changes will not affect the technical result or the profit/loss for the year.

The changes will be implemented from the effective date.

Income statement for Tryg A/S (parent company)

Note	DKKm	2022	2021
Note	**Investment activities**		
1	Income from Group undertakings	2,570	3,120
	Income from associates	34	1,206
10	Interest income	5	1
2	Value adjustments	-18	-1,015
10	Interest expenses	-365	-34
	Administration expenses in connection with investment activities	-5	-5
	Total investment return	**2,222**	**3,272**
3	Other expenses	-96	-82
	Profit/loss before tax	**2,126**	**3,190**
4	Tax	121	-33
	Profit/loss for the year	**2,247**	**3,158**
	Proposed distribution for the year:		
	Dividend	4,118	2,802
	Transferred to reserve for net revaluation according to the equity method	163	1,696
	Transferred to retained earnings	-2,033	-1,340
		2,247	**3,158**

DKKm	2022	2021
Statement of comprehensive income		
Profit/loss for the year	2,247	3,158
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		
Deferred tax related to receivable balance	-50	0
Exchange rate adjustments of foreign entities	-2,217	93
Exchange rate adjustments of foreign material associates	52	-52
Hedging of currency risk in foreign entities	496	-99
Tax on hedging of currency risk in foreign entities	-109	22
	-1,828	-36
Total other comprehensive income	**-1,830**	**-36**
Comprehensive income	**417**	**3,122**

Statement of financial position for Tryg A/S (parent company)

Note	DKKm	2022	2021
Note	**Assets**		
5	Equity investments in Group undertakings	72,524	13,029
6	Equity investments in associates	185	37,052
	Total investments in associates and Group undertakings	**72,709**	**50,081**
	Total investment assets	**72,709**	**50,081**
	Receivables from subsidiaries	65	0
	Total other assets	**65**	**0**
7	Current tax assets	106	0
	Other	1	1
	Total other assets	**107**	**1**
	Total prepayments and accrued income	**34**	**55**
	Total assets	**72,915**	**50,137**

Note	DKKm	2022	2021
Note	**Equity and liabilities**		
	Equity	**42,504**	**49,008**
	Debt to Group undertakings	30,331	1,092
	Tax liabilities	0	33
	Other debt	81	4
	Total debt	**30,412**	**1,129**
	Total equity and liabilities	**72,915**	**50,137**

8 **Deferred tax assets**
9 **Contractual obligations, contingent liabilities and collateral**
10 **Related parties**
11 **Reconciliation of profit/loss and equity**
12 **Accounting policies**

Statement of changes in equity (parent company)

Total changes in equity in DKKm	Share capital	Revaluation reserves	Retained earnings	Proposed dividend	Non-controlling interest	Total
Equity at 31 December 2021	3,273	5,119	39,915	700	1	49,008
2022						
Profit/loss for the year		163	-2,033	4,118		2,247
Other comprehensive income		-1,830				-1,830
Total comprehensive income	0	-1,667	-2,033	4,118	0	417
Dividend paid				-3,771		-3,771
Dividend own shares			38			38
Purchase and sale of own shares			-3,253			-3,253
Share-based payments			65			65
Total changes in equity in 2022	**0**	**-1,667**	**-5,183**	**347**	**0**	**-6,504**
Equity at 31 December 2022	**3,273**	**3,451**	**34,731**	**1,047**	**1**	**42,504**
Equity at 31 December 2020	**1,511**	**3,458**	**6,765**	**529**	**1**	**12,264**
2021						
Profit/loss for the year		1,696	-1,340	2,802	0	3,158
Other comprehensive income		-36				-36
Total comprehensive income	0	1,660	-1,340	2,802	0	3,122
Dividend paid				-2,630		-2,630
Dividend own shares			3			3
Purchase and sale of own shares			-137			-137
Issue of new shares [a]	1,763		34,557			36,320
Share-based payments			66			66
Total changes in equity in 2021	**1,763**	**1,660**	**33,150**	**172**	**0**	**36,744**
Equity at 31 December 2021	**3,273**	**5,119**	**39,915**	**700**	**1**	**49,008**

Proposed dividend per share is calculated as the total dividend proposed by the Supervisory Board after the end of the financial year divided by the total number of shares at the end of the year (654,653,980 shares).

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

Notes (parent company)

DKKm		2022	2021
1	**Income from Group undertakings**		
	Tryg Invest A/S	20	8
	Alka Fordele A/S	-23	-25
	Scandi JV Co A/S	285	0
	Tryg Forsikring A/S	2,287	3,137
		2,570	**3,120**

2 Value adjustments

In 2022 consists only of currency adjustments. In 2021 primarily value adjustment of currency hedge DKK -1,035m related to RSA acquisition which consists of the premium paid and exchange rate adjustments which cannot be attributed to hedge accounting.

DKKm		2022	2021
3	**Other expenses**		
	Administration expenses	-96	-82
		-96	**-82**

Remuneration for the Executive Board is paid partly by Tryg A/S and partly by Tryg Forsikring A/S and is charged to Tryg A/S via the cost allocation. Refer to Note 6 in the Tryg Group for a specification of the audit fee.

		2022	2021
	Average number of full-time employees for the year	9	8

DKKm		2022	2021
4	**Tax**		
	Reconciliation of tax costs		
	Tax on profit/loss for the year	106	-16
	Tax adjustments, previous years	16	0
	Adjustment of non-taxable income and costs	0	-18
		121	**-33**

Tax on profit/loss for the year in the parent company is calculated exclusive of profit/loss and tax in Group undertakings.

		2022	2021
	Effective tax rate		%
	Tax on profit/loss for the year	22	22
	Tax adjustment, previous years	3	0
	Adjustment of non-taxable income and costs	0	24.5
		25.0	**46.5**

DKKm		2022	2021
5	**Equity investments in Group undertakings**		
	Cost		
	Cost at 1 January	9,053	9,005
	Additions for the year	60,008	48
	Cost at 31 December	69,061	9,053
	Revaluation and impairment to net asset value		
	Revaluation and impairment at 1 January	3,976	3,470
	Revaluations for the year	686	3,137
	Dividend paid	-1,200	-2,630
	Revaluation and impairment at 31 December	3,463	3,976
	Carrying amount at 31 December	**72,524**	**13,029**

Name, registered office and activity	Ownership share in %	Profit/loss	Equity
2022			
Tryg Invest A/S, Ballerup	100	20	60
Alka Fordele A/S, Ballerup	100	-23	28
Scandi JV Co A/S (Under voluntary liquidation)	100	285	30,255
Tryg Forsikring A/S, Ballerup	100	2,287	42,182
2021			
Tryg Invest A/S, Ballerup	100	8	39
Alka Fordele A/S, Ballerup	100	-25	28
Tryg Forsikring A/S, Ballerup	100	3,137	12,962

6 Equity investments in associates

Please refer to note 14 Equity investments in associates in Tryg Group.

Notes (parent company)

DKKm		2022	2021
7	**Current tax assets**		
	Tax receivable at 1 January	-33	20
	Adjustment to previous years	16	0
	Current tax for the year	106	-33
	Tax paid for the year	17	-20
	Tax receivable at 31 December	**106**	**-33**
8	**Deferred tax assets**		
	Capitalised tax losses		
	Tryg A/S	0	72
	Tax value of non-capitalised tax losses		
	Tryg A/S	0	16

9 **Contractual obligations, contingent liabilities and collateral**

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.

Companies in the Tryg Group are party to a number of disputes in Denmark, Norway and Sweden.

Management believes that the outcome of these disputes will not affect the Group's financial position over and above the receivables and liabilities recognised in the statement of financial position at 31 December 2022.

DKKm

10 **Related parties**

Tryg A/S has no related parties with a controlling influence other than the parent company, TryghedsGruppen smba. Related parties with a significant influence include the Supervisory Board, the Executive Board (which is considered Key Management) and their members' related family.

Specification of remuneration

2022	Number of persons	Base salary incl. car allowance	Share-based variable salary [a]	Cash variable salary	Pension	Total
Supervisory Board	18	11	0	0	0	11
Executive Board	4	31	16	0	8	55
Risk-takers [b]	1	0	0	0	0	0
	23	**42**	**16**	**0**	**8**	**66**

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

b) Risk-takers in Tryg A/S includes only one employee, wherefore salary and pension is not presented. The amounts are included in note 27 for Tryg Group.

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

Notes (parent company)

DKKm

10 Related parties (continued)

2021	Number of persons	Base salary	Share-based variable salary[a)]	Cash variable salary	Pension	Total
Supervisory Board	13	10	0	0	0	10
Executive Board	4	30	12	0	7	50
Risk-takers [b)]	1	0	0	0	0	0
	18	40	12	0	7	60

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

b) Risk-takers in Tryg A/S includes only one employee, wherefore salary and pension is not presented. The amounts are included in note 27 for Tryg Group.

Of which retired	Number of persons	Severance pay
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 4 years.
The Executive Board and risk-takers are included in incentive programmes. Please refer to note 6 for more information.

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 are paid a fixed remuneration, car allowance, pension etc.
The variable salary is awarded in the form of share-based remuneration and cash. see 'Corporate governance'.

DKKm

10 Related parties (continued)

Each member of the Executive Board is entitled to 12 months' notice and severance pay equal to 12 months' salary plus pension contribution (Group CEO is entitled to severance pay equal to 18 months' salary). If a change of control clause is actioned CEO and COO are instead 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 to be risk-takers.

Parent company

TryghedsGruppen smba

TryghedsGruppen smba controls 45% (45%) of the total shares in Tryg A/S. This amounts to TryghedsGruppen smba controlling 46.5% of the shares outstanding in Tryg A/S as at 31 December 2022.

Transactions with Group undertakings and associates

Tryg A/S exercises full control over Tryg Forsikring A/S, Scandi JV Co A/S, Scandi Co 3 A/S, Alka Fordele A/S and Tryg Invest A/S.

In 2022 Tryg Forsikring A/S paid Tryg A/S DKK 1,200m and Tryg A/S paid TryghedsGruppen smba DKK 1,697m in dividends.

Intra-group trading involved	2022	2021
- Providing and receiving services	1	11
- Intra-group accounts	-30,265	1,092
- Interest	-359	0

The intra-group trading is primarily against Tryg Forsikring A/S.
Administration fee, etc. is settled on a cost-recovery basis.
Intra-group accounts are offset and carry interest on market terms.

11 Reconciliation of profit/loss and equity

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

There is no difference in profit/loss or equity recognised after Danish FSA and IFRS.

12 Accounting policies

Please refer to Tryg Group's accounting policies.

Q4 2022 Quarterly outline

DKKm	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Private										
Gross premium income	**5,847**	**6,107**	**6,020**	**3,985**	**3,840**	**3,927**	**3,877**	**3,743**	**3,638**	**3,610**
Technical result	1,073	1,203	1,200	336	681	607	729	479	633	657
Key ratios										
Gross claims ratio	67.3	65.8	65.5	75.7	68.4	68.5	65.1	71.5	67.3	66.9
Net reinsurance ratio	1.9	1.4	1.4	2.0	1.7	1.8	1.9	1.5	2.2	0.4
Claims ratio, net of reinsurance	69.2	67.1	66.9	77.7	70.1	70.3	67.0	73.1	69.6	67.3
Gross expense ratio	13.1	13.7	13.4	13.8	12.1	14.1	14.1	14.0	12.9	14.4
Combined ratio	**82.4**	**80.9**	**80.3**	**91.5**	**82.2**	**84.4**	**81.1**	**87.1**	**82.5**	**81.7**
Combined ratio exclusive of run-off	83.4	82.9	81.9	93.0	84.6	86.6	83.3	90.0	85.1	84.1
Commercial										
Gross premium income	**2,292**	**2,339**	**2,305**	**1,415**	**1,352**	**1,338**	**1,316**	**1,288**	**1,261**	**1,248**
Technical result	452	501	435	281	109	278	241	222	179	253
Key ratios										
Gross claims ratio	65.7	60.3	66.7	55.5	67.3	56.4	65.7	62.4	61.9	55.5
Net reinsurance ratio	-1.3	3.6	-1.6	7.9	4.9	7.0	-0.8	3.2	5.4	7.9
Claims ratio, net of reinsurance	64.4	63.8	65.1	63.4	72.2	63.4	64.9	65.6	67.3	63.4
Gross expense ratio	16.7	15.5	16.4	16.7	19.7	15.7	16.6	16.9	18.4	16.1
Combined ratio	**81.1**	**79.3**	**81.4**	**80.1**	**91.9**	**79.1**	**81.5**	**82.5**	**85.7**	**79.6**
Combined ratio exclusive of run-off	90.0	84.7	86.6	87.8	97.6	86.7	87.3	86.6	96.6	85.3
Corporate										
Gross premium income	**903**	**917**	**932**	**876**	**850**	**869**	**864**	**875**	**844**	**860**
Technical result	164	127	266	136	36	103	174	47	-32	70
Key ratios										
Gross claims ratio	58.8	66.6	53.1	70.4	81.4	68.5	55.1	75.6	86.7	59.8
Net reinsurance ratio	8.3	7.8	7.4	2.6	0.6	8.1	14.1	8.5	4.5	21.9
Claims ratio, net of reinsurance	67.1	74.4	60.5	73.0	82.0	76.6	69.2	84.2	91.2	81.7
Gross expense ratio	15.5	12.7	11.4	11.4	13.7	11.5	10.5	10.2	12.5	10.0
Combined ratio	**82.7**	**87.1**	**71.9**	**84.4**	**95.7**	**88.0**	**79.7**	**94.4**	**103.7**	**91.7**
Combined ratio exclusive of run-off	93.3	99.7	85.3	101.1	102.8	93.5	89.0	105.1	113.1	104.7

A further detailed version of the presentation can be downloaded from ***tryg.com/uk>investor> Downloads>tables***

Q4 2022 Quarterly outline

DKKm	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Other[a]										
Gross premium income	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Technical result	0	0	0	0	0	0	0	2	0	0
Tryg total										
Gross premium income	**9,042**	**9,363**	**9,257**	**6,276**	**6,041**	**6,133**	**6,057**	**5,906**	**5,744**	**5,719**
Technical result	1,689	1,832	1,902	754	826	988	1,144	751	780	980
Investment return	317	-348	-878	-284	941	481	-757	343	513	237
Other income and costs	-629	-521	-517	-266	-171	-267	-113	-72	-70	-67
Profit/loss before tax	1,377	964	508	204	1,596	1,201	274	1,022	1,223	1,150
Profit/loss	1,081	628	430	109	1,370	1,037	-63	814	1,038	930
Key ratios										
Gross claims ratio	66.1	64.5	64.5	70.4	70.0	65.8	63.8	70.1	69.0	63.4
Net reinsurance ratio	1.7	2.5	1.3	3.4	2.2	3.9	3.1	2.9	3.3	5.2
Claims ratio, net of reinsurance	67.8	67.0	65.8	73.8	72.2	69.7	66.9	73.1	72.3	68.6
Gross expense ratio	14.3	14.1	13.9	14.1	14.0	14.1	14.1	14.1	14.0	14.1
Combined ratio	**82.1**	**81.1**	**79.7**	**87.9**	**86.2**	**83.8**	**81.0**	**87.1**	**86.3**	**82.7**
Combined ratio exclusive of run-off	86.1	85.0	83.4	93.0	90.1	87.6	85.0	91.5	91.8	87.4

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

A further detailed version of the presentation can be downloaded from ***tryg.com/uk>investor> Downloads>tables***

Q4 2022 Geographical segments

DKKm	Q4 2022	Q4 2021	2022	2021
Danish general insurance				
Gross premium income	**3,950**	**3,522**	**15,612**	**14,326**
Technical result	745	500	2,685	2,448
Run-off gains/losses, net of reinsurance	217	133	752	644
Key ratios				
Gross claims ratio	66.7	67.9	67.2	66.2
Net reinsurance ratio	1.7	3.1	1.7	2.0
Claims ratio, net of ceded business	68.4	71.0	68.8	68.2
Gross expense ratio	13.6	14.5	14.2	14.4
Combined ratio	**81.9**	**85.6**	**83.1**	**82.7**
Run-off, net of reinsurance (%)	-5.5	-3.8	-4.8	-4.5
Number of full-time employees, end of period			3,345	3,062
Norwegian general insurance				
NOK/DKK, average rate for the period	71.66	73.94	73.95	72.92
Gross premium income	**2,115**	**1,889**	**8,386**	**7,263**
Technical result	273	179	1,267	938
Run-off gains/losses, net of reinsurance	95	29	319	215
Key ratios				
Gross claims ratio	66.5	75.4	66.9	69.1
Net reinsurance ratio	6.0	2.6	4.9	5.0
Claims ratio, net of ceded business	72.5	78.0	71.8	74.1
Gross expense ratio	15.2	12.7	13.6	13.1
Combined ratio	**87.7**	**90.7**	**85.5**	**87.2**
Run-off, net of reinsurance (%)	-4.5	-1.6	-3.8	-3.0
Number of full-time employees, end of period			1,344	1,139

DKKm	Q4 2022	Q4 2021	2022	2021
Swedish general insurance				
SEK/DKK, average rate for the period	68.18	73.45	70.33	73.39
Gross premium income	**2,920**	**584**	**9,730**	**2,390**
Technical result	682	110	2,227	279
Run-off gains/losses, net of reinsurance	55	72	289	113
Key ratios				
Gross claims ratio	62.4	67.6	63.1	71.4
Net reinsurance ratio	0.5	-1.2	0.5	2.2
Claims ratio, net of ceded business	62.9	66.4	63.6	73.6
Gross expense ratio	14.6	14.7	14.1	14.6
Combined ratio	**77.5**	**81.1**	**77.7**	**88.3**
Run-off, net of reinsurance (%)	-1.9	-12.2	-3.0	-4.7
Number of full-time employees, end of period			1,781	431
Other [a]				
Gross premium income	**57**	**46**	**211**	**159**
Technical result	-11	36	-2	43
Run-off gains/losses, net of reinsurance	-4	-2	20	-8
Number of full-time employees, end of period			49	42
Tryg (total)				
Gross premium income	**9,042**	**6,041**	**33,938**	**24,137**
Technical result	1,689	826	6,177	3,709
Investment return	317	941	-1,193	870
Other income and costs	-629	-171	-1,933	-624
Profit/loss before tax	1,377	1,596	3,051	3,956
Run-off gains/losses, net of reinsurance	362	232	1,380	963
Key ratios				
Gross claims ratio	66.1	70.0	66.0	67.4
Net reinsurance ratio	1.7	2.2	2.1	3.0
Claims ratio, net of ceded business	67.8	72.2	68.2	70.5
Gross expense ratio	14.3	14.0	14.1	14.1
Combined ratio	**82.1**	**86.2**	**82.2**	**84.5**
Run-off, net of reinsurance (%)	-4.0	-3.8	-4.1	-4.0
Number of full-time employees, end of period			6,518	4,674

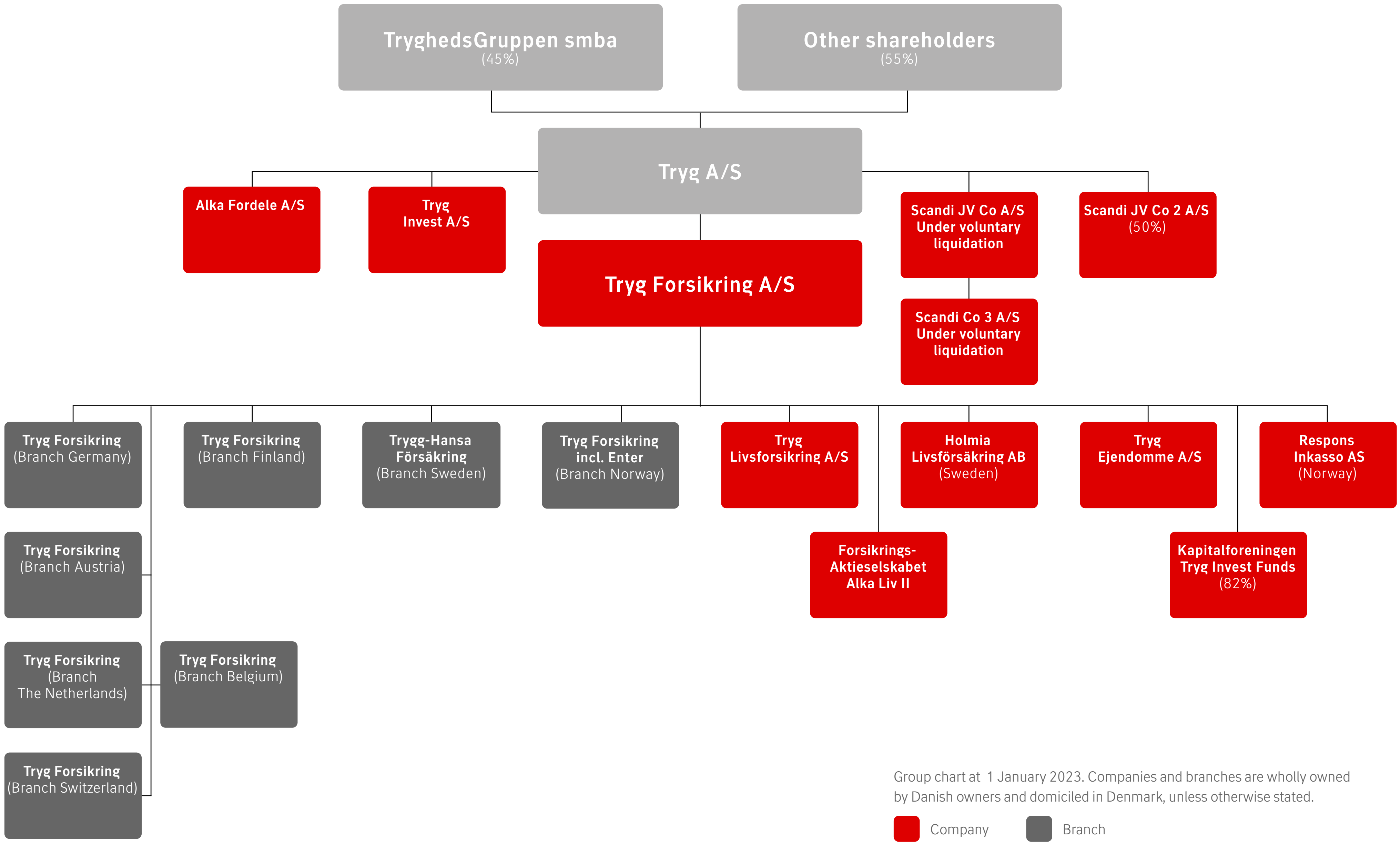
a) Comprises credit & surety insurance (Tryg Garanti) in Finland, Netherlands, Austria, Switzerland, Belgium, Germany and amounts relating to one-off items.

Other key figures

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

	2022	2021	2020	2019	2018
Share performance					
Earnings per share (DKK)	3.47	5.51	9.19	9.42	5.73
Diluted earnings per share (DKK)	3.47	5.51	9.19	9.42	5.73
Earnings per share of continuing business (DKK)	3.47	5.52	9.19	9.42	5.74
Operating earnings per share (DKK)	4.43	5.70	9.54	9.82	5.84
Number of shares (1,000)	633,710	653,447	301,750	301,700	301,743
Average number of shares (1,000)	646,977	572,688	301,678	301,954	302,043
Diluted average number of shares (1,000)	646,977	572,688	301,678	301,954	302,043
Share price (DKK)	165.35	161.50	192.10	197.50	163.90
Net asset value per share (DKK)	67.07	75.00	40.64	40.05	37.56
Market price/net asset value	2.5	2.2	4.7	4.9	4.4
Ordinary dividend per share (DKK)	6.29	4.28	7.00	6.80	6.60
Extraordinary dividend per share (DKK)	0.00	0.00	0.00	1.65	0.00
Price/Earnings	47.6	29.3	20.9	21.0	28.6
Number of full-time employess, continued business, at 31 December	6,518	4,674	4,400	4,151	4,027

Group chart



Group chart at 1 January 2023. Companies and branches are wholly owned by Danish owners and domiciled in Denmark, unless otherwise stated.

Company
Branch

Glossary, Key Ratios and alternative performance measures

The financial highlights and key ratios of Tryg 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 CFA Society Denmark.

Claims ratio, net of ceded business
Gross claims ratio + net reinsurance ratio.

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, Tryg Livsforsikring A/S, Forsikrings-Aktieselskabet Liv II and excluding the Norwegian and Swedish branches.

Diluted average number of shares
Average number of shares adjusted for number of share options which may potentially dilute.

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.

Dividend per share
$$\frac{\text{Proposed dividend}}{\text{Number of shares at year-end}}$$

Earnings per share
$$\frac{\text{Profit or loss for the year}}{\text{Average number of shares}}$$

Earnings per share of continuing business
Diluted earnings from continuing business after tax
Diluted average number of shares

Gross claims ratio
$$\frac{\text{Gross claims x 100}}{\text{Gross premium income}}$$

Gross expense ratio without adjustment
$$\frac{\text{Gross insurance operating costs x 100}}{\text{Gross premium income}}$$

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

Market price/net asset value
$$\frac{\text{Share price}}{\text{Net asset value per share}}$$

Net asset value per share
$$\frac{\text{Equity at year-end}}{\text{Number of shares at year-end}}$$

Net reinsurance ratio
$$\frac{\text{Profit or loss from reinsurance x 100}}{\text{Gross premium income}}$$

Norwegian general insurance
Comprises Tryg Forsikring A/S, Norwegian branch.

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

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

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

Own funds
Equity plus share of qualifying solvency debt and profit margin (solvency purpose), less intangible assets, tax asset and proposed dividend.

Price/Earnings
$$\frac{\text{Share price}}{\text{Earnings per share}}$$

Relative run-off result
Run-off gains/losses net of reinsurance divided by claims provisions net of reinsurance beginning of year.

Return on equity after tax (%)
$$\frac{\text{Profit or loss for the year after tax}}{\text{Weighted average equity}}$$

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 the 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 capital requirement.

Swedish general insurance
Comprises Tryg Forsikring A/S, Swedish branch.

Total reserve ratio
Reserve ratio, claims provisions + premium provisions divided by premium income.

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:

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.

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

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.

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

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

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

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:

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

Return On Own Funds (ROOF)

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

Return On Tangible Equity (ROTE)

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

Tangible Equity
Tangible Equity is defined as weighted average equity excluding intangible assets and deferred tax related to intangible assets

Product overview

Being the largest insurance company in Scandinavia, Tryg offers a broad range of insurance products to both private individuals and businesses. Tryg continuously develops new products and adapts existing peace of mind solutions to customer requirements and developments in society. Also, Tryg focuses strongly at all times on striking a better balance between price and risk.

Tryg sells its products primarily via its own sales channels such as call centres, the Internet, tied agents, franchisees (Norway), interest organisations, car dealers, real estate agents, insurance brokers and Nordea branches. Moreover, Tryg engages in international cooperation with the AXA Group. It is an important element of Tryg's distribution strategy to be available in places where customers want it and that most distribution takes place via the company's own sales channels.

Motor insurance

Motor insurance accounts for 32% of total premium income and comprises mandatory third-party liability insurance providing cover for injuries to a third party or damage to a third party's property, and a voluntary comprehensive insurance policy that provides cover for damage to the customer's own vehicle from collision, fire or theft.

In Denmark, motor insurance taken out by concept customers includes Tryg's roadside assistance, such as towing and battery jump-start.

Fire and contents – Private

Fire and contents insurance for private customers represents 23% of total premium income and includes, for example, house and contents insurance.

House insurance covers damage to properties caused by, for example, fire, storm or water, legal assistance and the customer's liability as owner of the property.

The contents insurance covers loss of or damage to private household contents and covers in and outside of the home. Moreover, the insurance includes liability and legal assistance, to which can be added a number of supplementary covers, for example cover of sudden damage and damage to electronic equipment.

Personal accident insurance

Personal accident insurance accounts for 15% of total premium income and covers accidental bodily injury and death resulting from accidents.

Compensation takes the form of a lump sum intended to help the customer cope with the financial consequences of an accident, thereby making their daily lives easier. The insurance can include a number of supplementary covers, including treatment by a physiotherapist or chiropractor.

Fire and contents – Commercial

Commercial fire and contents insurance, which includes building insurance, represents 11% of total premium income and covers the loss of or damage to the buildings, stock or equipment of commercial customers. Moreover, Tryg provides cover for operating losses in connection with covered claims.

Workers' compensation insurance

Workers' compensation insurance accounts for 3% of total premium income and covers employees against bodily injury sustained at work (in Norway, also occupational diseases). Workers' compensation insurance is mandatory and covers a company's employees (except for public sector employees and persons working for sole proprietors).

General third-party liability insurance

General third-party liability insurance represents 5% of total premium income and covers various types of liability, including claims incurred by a company arising from the conduct of its business or in connection with its products, and third-party liability for professionals.

Health insurance

Health insurance represents 2% of total premium income. The insurance covers the costs of examinations, treatment, medicine, surgery and rehabilitation at a private health facility.

Disclaimer

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

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

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

Read more in the chapter Capital and risk management and in Note 1 Risk and capital management for a description of some of the factors which may affect the Group's performance or the insurance industry.