Annual report 2023

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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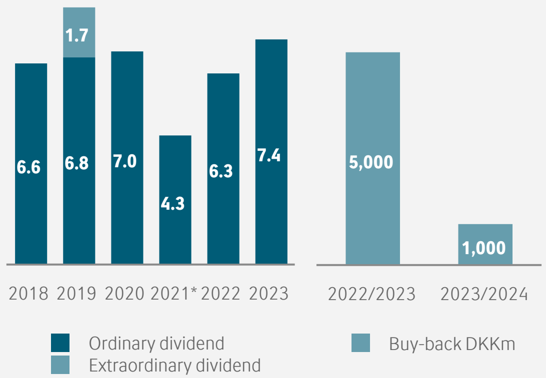
Management's review

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 renumeration

(Dividend per share and total share buy-back)



*2021 DPS impacted by the higher number of shares at 653m (301m end of 2020) following the DKK 37bn rights issue to fund the acquisition of RSA Scandinavia

Highlights 2023

Financial 2023

4.8%
Revenue growth* in local currencies

13.4
Expense ratio
2022*: 13.6

82.8
Combined Ratio
2022*: 83.2

6,399m
Insurance service result (DKK)
2022*: 6,292m

631m
Total investment return (DKK)
2022: -441m

5,029m
Profit before tax (DKK)
2022: 3,051m

7.4
Dividend per share (DKK)
2022: 6.3

197
Solvency ratio
2022: 201

Financial Q4 2023

6.3%
Revenue growth in local currencies

0.5
Group underlying claims ratio improvements percentage points
Q4 2022[a]: 0.8

13.5
Expense ratio
Q4 2022: 13.8

82.4
Combined Ratio
Q4 2022: 84.0

1,654m
Insurance service result (DKK)
Q4 2022: 1,472m

146m
Total investment return (DKK)
Q4 2022: 549m

1,389m
Profit before tax (DKK)
Q4 2022: 1,377m

1.85
Dividend per share (DKK)
Q4 2022: 1.55

197
Solvency ratio
Q4 2022: 201

*) FY 2023 insurance related figures are measured against comparative proforma 2022 figures as the RSA Scandinavia business was fully consolidated only from Q2 2022
a) Underlying claims ratio improvement Q4 2022 is measured against proforma 2021 figures

Tryg at a glance

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

Leading market position

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

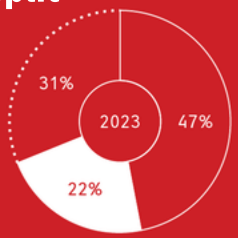
More than 5 million customers

Our 6,800 employees provide peace of mind for over 5 million customers and handle approximately 1.7 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.

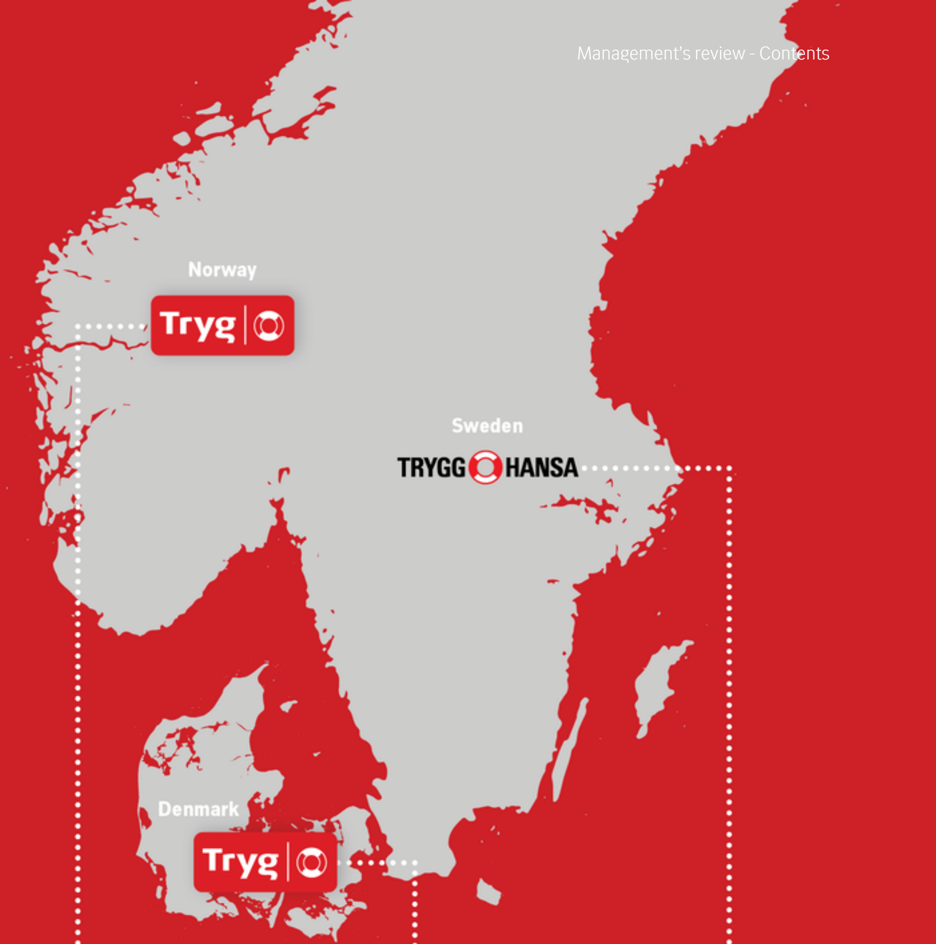
Balanced geographical footprint, revenue split



- Denmark
- Norway
- Sweden

Trygheds-Gruppen

TryghedsGruppen owns 47.5%** of Tryg and contributes to projects that create peace of mind via TrygFonden. In 2023, Tryg Fonden has contributed up to DKK 650m and TryghedsGruppen has paid a member bonus of 950m to Danish customers in Tryg.



Norway	Denmark	Sweden
4 Market position	**1** Market position	**3** Market position
13.5% Market share	**22.5%** Market share	**16.8%** Market share

Read more about our history at tryg.com

* 'Tryg' means feeling protected and cared for in Danish.
** 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, motorcycle, pet and health.

65%

of insurance revenue

Distribution channels

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

Brands

Commercial

Commercial provides insurance products to small and medium-sized commercial customers in Denmark, Sweden and Norway. Commercial offers a range of insurance products including motor, property, liability, workers' compensation, travel and health.

25%

of insurance revenue

Distribution channels

Call centres • Online • Bancassurance • Own sales agents • Franchises • Partner

Brands

Corporate

Corporate provides insurance products to large corporate customers in Denmark, Sweden and Norway. Corporate offers a range of insurance products including motor, property, liability, workers' compensation, travel and health.

10%

of insurance revenue

Distribution channels

Own sales agents • Insurance brokers

Brands

Income overview

DKKm All figures restated to IFRS 17	Q4 2023	Q4 2022	2023	2022 pro-forma	2022	2021	2020	2019
Insurance revenue	**9,396**	**9,220**	**37,135**	**37,379**	**34,814**	**25,369**	**23,442**	**22,405**
Gross claims	-6,241	-6,361	-25,270	-25,407	-23,904	-17,988	-16,150	-15,370
Total insurance operating costs	-1,272	-1,269	-4,959	-5,077	-4,701	-3,316	-3,126	-3,004
Insurance service expense	**-7,513**	**-7,630**	**-30,229**	**-30,484**	**-28,605**	**-21,304**	**-19,276**	**-18,375**
Profit/loss on gross business	1,883	1,590	6,906	6,897	6,212	4,065	4,167	4,030
Net expense from reinsurance contracts	-229	-118	-507	-606	-576	-727	-480	-538
Insurance service result	**1,654**	**1,472**	**6,399**	**6,292**	**5,636**	**3,338**	**3,687**	**3,492**
Investment return [a]	**146**	**549**	**631**		**-441**	**1,369**	**241**	**441**
Other income and costs	-411	-644	-2,001		-2,143	-752	-387	-305
Profit/loss before tax	**1,389**	**1,377**	**5,029**		**3,051**	**3,956**	**3,541**	**3,628**
Tax	-258	-296	-1,178		-804	-795	-768	-783
Profit/loss	**1,129**	**1,081**	**3,851**		**2,247**	**3,158**	**2,773**	**2,843**
Run-off gains/losses, net of reinsurance	281	192	1,099	1,115	759	435	1,194	1,332
Key ratios								
Shareholders' equity	40,351	42,504	40,351		42,504	49,008	12,264	12,085
Return on equity after tax (%)	11.0	9.5	9.4		4.9	7.8	22.5	24.6
Return on Own Funds (%)	30.3	27.0	24.8		13.0	23.0	32.6	35.1
Return on Tangible Equity (%)	42.1	30.8	34.3		7.8	16.1	55.4	62.5
Number of shares 31 December (1,000)	617,455	633,710	617,455		633,710	653,447	301,750	301,700
Earnings per share (DKK)	1.82	1.69	6.08		3.47	5.51	9.19	9.42
Operating earnings per share (DKK) [b]	2.12	2.00	7.26		4.43	5.70	9.54	9.82
Ordinary dividend per share (DKK)	1.85	1.60	7.40		6.29	4.28	7.00	6.80
Extraordinary dividend per share (DKK)								1.65
Revenue growth in local currencies (%) [c]	6.3	4.0	4.8		5.9	6.4	7.4	18.6
Gross claims ratio	66.4	69.0	68.0	68.0	68.7	70.9	68.9	68.6
Net reinsurance ratio	2.4	1.3	1.4	1.6	1.7	2.9	2.0	2.4
Claims ratio, net of reinsurance	68.9	70.3	69.4	69.6	70.3	73.8	70.9	71.0
Gross expense ratio	13.5	13.8	13.4	13.6	13.5	13.1	13.3	13.4
Combined ratio	**82.4**	**84.0**	**82.8**	**83.2**	**83.8**	**86.8**	**84.3**	**84.4**
Run-off, net of reinsurance (%)	-3.0	-2.1	-3.0	-3.0	-2.2	-1.7	-5.1	-5.9
Large claims, net of reinsurance (%)	1.5	3.1	2.7	3.3	3.3	1.7	2.1	2.0
Weather claims, net of reinsurance (%)	3.4	2.2	3.4	1.7	1.7	1.8	1.6	1.9
Discounting (%)	2.6	2.9	3.0	2.1	2.1	0.4	0.2	0.7
COVID-19 claims, net of reinsurance (%)	n/a	n/a	n/a	n/a	n/a	-0.5	-0.8	n/a
Combined ratio by business areas								
Private	84.0	82.9	84.5	82.3	82.9	84.1	83.9	83.8
Commercial	73.1	82.0	78.1	81.9	82.7	88.4	82.9	82.5
Corporate	95.4	96.6	83.2	92.3	92.3	97.4	87.6	89.4

a) Income from RSA Scandinavia includes net effect from demerger and sale of Codan DK for 01/06-2021 to 31/03-2022
b) Adjusted for depreciation on intangible assets related to Brands and Customer relations after tax
c) Insurance revenue growth in FY 2023 is measured against comparative proforma 2022 figures

Solid results despite a year with a challenging external environment and numerous weather events, Tryg delivered further dividend growth and announced a new buyback programme

Introduction by Chairman & Group CEO

A year with a challenging external environment

2023 was a year characterised by challenging geopolitical developments and a difficult macroeconomic environment. Inflation levels remained very high in the first part of the year only to fall somewhat during the autumn, risky assets displayed volatility, and the Swedish and Norwegian kroner fell to all-time lows against the Danish kroner. The summer of 2023 will be remembered for the very high amount of weather claims, with storms in Scandinavia and multiple weather events in Southern Europe that hit our customers. Following the complete re-opening of societies (after the Covid-19 outbreak), our customers started travelling more frequently and to more distant destinations, this also impacted our financial results in the first part of 2023.

New CEO and organisational changes

Johan Kirstein Brammer took over as the new CEO in June 2023, taking the helm from Morten Hübbe, who left Tryg after 20 years as CEO and previously CFO. Johan Kirstein Brammer has been the CCO and a member of the Executive Board of Tryg for four years. In September, Tryg announced some strategic and organisational changes. Tryg decided to merge its Commercial and Corporate Lines in Denmark and Norway, aligning the organisations to the successful operating model towards Commercial customers that Trygg-Hansa has adopted for some time. The merging of the Commercial & Corporate segments in Denmark and Norway is also in line with Tryg's strategy to increase focus on SME customers and reducing exposure towards large non-Scandinavian customers. With synergies from the RSA Scandinavia integration being delivered slightly ahead of schedule, it was a natural next step to align the organisational design of the Group's Swedish business, Trygg-Hansa, with the organisational structure of the Tryg Group, where the heads of the business areas report directly to the Executive Board. Following these changes, approximately 4% of employees have been laid off. The organisational changes reinforce Tryg's commitment to deliver on the 2024 targets in a challenging macroeconomic environment.

Improved customer satisfaction

Customer satisfaction remains one of the key parameters for Tryg. It is noteworthy to see customer satisfaction improving from 85 in 2022 to 86 in 2023 despite a year with numerous weather events affecting Tryg's customers.

Growth primarily driven by price adjustments to mitigate inflation

Tryg reported good growth in the Private and Commercial business of approximately 5%. Growth was primarily driven by price adjustments to offset the high level of claims inflation. In the Corporate business there was an reduction in revenues, driven by initiatives to rebalance the portfolio towards smaller local customers in our core market and reduce exposure to US liability and to property outside the Nordics.

Strong focus on full integration of the acquired RSA Scandinavia businesses

Tryg is very focused on delivering the synergies of DKK 900m in 2024 as communicated in connection with the acquisition of the Swedish and Norwegian business of RSA Scandinavia. At the end of 2023, Tryg realised accumulated synergies of DKK 711m and is well on track to deliver the total synergies of DKK 900m in 2024. Sharp currency devaluations (NOK & SEK against DKK) have caused some headwinds, as most of the synergies come from Norway & Sweden, but the overall target is firmly maintained.

Weather-related claims at a high level

2023 was impacted by many different weather events. Across Scandinavia, weather events primarily related to heavy rain, flooding and storms. Weather events in Southern Europe also impacted Tryg's result. As an example, hail storms in Italy caused extensive damage to approximately 400 cars of Danish customers. It is important to stress that weather claims levels in 2023 are not deemed "the new normal", and the DKK 800m annual expectation for weather claims stands. However, as the largest insurance company in Scandinavia, Tryg wants to support society in adapting to climate change and give customers peace of mind.

Solid results and improved underlying development

Tryg reported an improved underlying performance in 2023 driven primarily by the realisation of the RSA Scandinavia synergies and continued profitability initiatives in the Commercial and Corporate businesses. Inflation remained at a high level, especially in the first half of 2023, but has been mitigated via strong procurement agreements and various price adjustments across the portfolio.

Increased dividend and new buybacks

On 15 June, Tryg concluded the DKK 5 billion share buyback programme that was initiated in June 2022 as a result of the sale of Codan Denmark to Alm. Brand. Tryg started a new buyback programme of DKK 1 billion following the publication of the Q3 results. This programme is set to end no later than 31 January 2024. Tryg has paid a quarterly dividend for all quarters of DKK 1.85 amounting to DKK 7.40 for 2023. The buyback programmes and increasing dividend illustrate Tryg's strong commitment to shareholder remuneration.

Adapting products to climate change

As of 2023, Tryg offers customers in Denmark, Norway and Sweden insurance to help them adapt to climate change. Specifically, house and property insurance have been EU Taxonomy-aligned to ensure that customers are covered for climate-related damage and are incentivised to take measures to prevent climate-related damage. Predicting risk is an important part of the business of insurance companies, and Tryg is making significant efforts to become even better at understanding and predicting future extreme climate and weather-related events for the benefit of society and Tryg's customers.

Thanks to all employees

2023 has been a very busy year for Tryg employees. It was a year with continued work on the integration of RSA's Scandinavia activities and a year where we helped many of our customers with claims stemming from to weather-related events. The Supervisory Board and the Executive Board would like to thank all employees for their great efforts.

JUKKA PERTOLA
Chairman

JOHAN KIRSTEIN BRAMMER
Group CEO

Events in 2023

Group

Johan Kirstein Brammer appointed new Group Chief Executive Officer (CEO)

Morten Hübbe, Executive Board member for more than 20 years, with 12 years as Group CEO, stepped down in June. Johan Kirstein Brammer was appointed as the new Tryg Group CEO. Subsequent to the appointment of the new Group CEO, Tryg also announced the appointment of 2 new members to the Executive Board to ensure the right mix of competences going forward. Mikael Kärrsten has been appointed Chief Technical Officer (CTO) and Alexandra Bastkær Winther has been appointed Chief Commercial Officer (CCO), both are internal promotions.

Strategic and organisational changes

Tryg announced a number of strategic and structural changes that will enhance the company's resilience and competitiveness in both the short and long term while building a strong foundation for the next strategy period.

Drawing on inspiration from Trygg-Hansa's successful operating model towards Commercial Customers, Tryg merged its Commercial and Corporate Lines in Denmark and Norway. Furthermore, a new national management team, with joint responsibility for operations in Trygg-Hansa, was formed. The operating model in Trygg-Hansa is now similar to the rest of Tryg, moving mandates and financial responsibility even closer to the business and thus closer to customers. To ensure that size and scale are used in the optimal way, around 250-270 positions were decommissioned, which is equivalent to approximately 4% of the total workforce.

New Chief Financial Officer (CFO)

Tryg's Senior Vice President of Group Finance for the past 5 years, Allan Kragh Thaysen, was appointed as the new Group Chief Financial Officer and member of the Executive Board.

The storm 'Hans'

2023 was characterised by numerous unrelated weather events throughout Scandinavia, but Storm Hans was the single most devastating weather event in a decade, causing havoc across several countries. The storm caused billions in damages and led to thousands having to be evacuated from their homes. Tryg responded immediately to the emergency and reached out to customers who were affected by the storm. Tryg's customers across all countries were extremely satisfied with the aid and guidance they received in the aftermath of the storm.

Rebalancing of Corporate portfolio

Corporate reached its CMD target of reducing exposure one year earlier than anticipated, as the business area managed to reduce its exposure to international property by 50% and reduced US liabilities by 70%. It is worth mentioning that Tryg's exposure to these segments was already limited prior to the CMD.

Denmark

Embracing hidden disabilities - creating peace-of-mind for employees and customers

Tryg joined the international Sunflower programme - making invisible disabilities visible –to ensure necessary considerations are shown. Internally, sunflower lanyards are available for employees and guests who wish to visualise special attention or support of the programme. Externally, a Sunflower telephone line is available for Tryg's customers to meet the needs of those with invisible disabilities.

SMART repair benefits customers and the environment

Tryg initiated a SMART repair concept - Small to Medium Auto Repair Technology. The new initiative reduces the claims handling process from 3-5 days to 1 day. With SMART repair, small dents, paintwork scratches and other minor cosmetic claims are repaired at one location in one day instead of several locations. By minimising the repair process, Tryg reduces the CO2 footprint and improves the customer experience.

Tryg as you are

Tryg partnered with Copenhagen Pride (and Bergen Pride) and partook in their respective Pride parades. Tryg arranged several internal events focusing on being "Tryg as you are".

TryghedsGruppen's member bonus

For the eighth consecutive year, TryghedsGruppen, Tryg's largest shareholder, paid out a member bonus of DKK 950m, equivalent to 6% of premiums paid for 2022. The bonus was paid to 1.5m Tryg customers in Denmark, amounting to every fourth Dane.

Events in 2023

Norway

Excellent claims handling
Tryg renewed its claims processing system, ensuring that customer claims are now resolved in a faster and more efficient manner. The claims process has been digitised, providing an improved and more customer-friendly experience. One third of the claims are processed automatically, with settlement in minutes. The system has been developed in collaboration with the American company Guidewire, propelling Tryg into an absolute excellent position in terms of claims management.

Sustainable collaboration
The Environmental Certification Foundation (Miljøfyrtårn) and Tryg have entered a collaboration to assist small and medium-sized enterprises with their sustainability efforts. The collaboration provides Tryg's customers with tools and expertise they can use in their sustainability initiatives. This collaboration is the first of its kind, with the goal of encouraging Norwegian small businesses to actively reduce their impact on the climate and the environment through an environmental certification process.

Codan conversion completed
In 2023, Tryg completed the conversion of Codan Norway's portfolio onto Tryg's books. The completion of the conversion also enabled Tryg to terminate various Codan Norway IT contracts related to processes and systems, which is in line with the synergy plan.

Sweden

First full year as one Trygg-Hansa
2023 was the first full year as one Trygg-Hansa after the merger between Trygg-Hansa and Moderna Försäkringar. The main focus of the year was integration, both of processes and systems and, more importantly, of people and culture. Two of the highlights worth mentioning are the opening of the new office in Malmö, and cross-selling and upselling in the Swedish business

Making life easier for our clients
Several new initiatives were launched supporting our mission of making life easier for customers. Trygg-Hansa launched the option for customers to use a digital power of attorney and started using the digital mailbox, thus reducing costs as well as environmental impact.

Strong and lasting partnerships
Trygg-Hansa and SEB's long and successful partnership was renewed. The collaboration gives Trygg-Hansa the opportunity to offer insurance products to SEB's customers. The motor segment was further strengthened by several new partnerships, among them Opel, NIO and other partnerships supporting a number of other segments as well.

Financial outlook

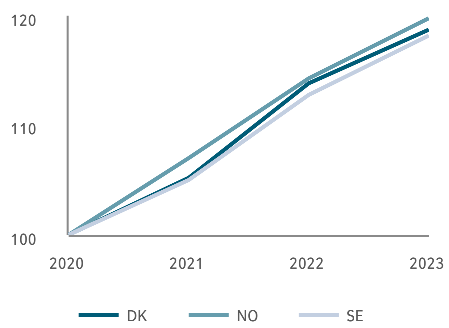
Global geopolitical tensions continued to run high in 2023, causing macroeconomic volatility. Inflation levels remained elevated in the first half of 2023, but declined in most advanced economies in the second half of the year. The Scandinavian economies continued to perform well, while the non-life insurance markets remained broadly stable with all listed players adjusting prices to protect margins and fight inflationary pressures.

Global geopolitical tensions remained high in 2023 on multiple fronts: Russia's invasion of Ukraine, US/China tensions on the future of Taiwan, Israel and Palestine at war, and a number of other flashpoints around the world. These geopolitical tensions are reflected in a complex macroeconomic environment characterised by persistently high inflation and high interest rates, especially in the first half of the year. Inflation levels (as measured by CPI) and general inflation expectations eased in the last few months of 2023, driving interest rates slightly lower. Financial markets have been volatile with risk assets coming under pressure, especially during the summer and early autumn. Most assets classes, with the noticeable exception of real estate, generally produced a good return during the year. Equities moved higher, but returns were driven by the performances of certain specific sectors/ companies.

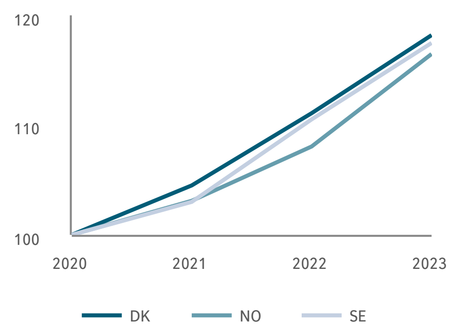
Despite the complex macroeconomic environment, Scandinavian countries continue to perform relatively well. A high level of trust in public authorities, solid overall public finances with low levels of Government debt and relatively low unemployment rates remain strong competitive advantages, especially during periods of volatility.

Scandinavian non-life insurance markets remain generally stable. The region is characterised by relatively high product penetration, with ratios of non-life premiums as a percentage of GDP being some of the highest in the world. Product offerings are broader and more diverse compared to larger European countries. Motor, Property, and Accident & Health are the most important business lines, but smaller products like contents insurance and travel insurance are also widely sold. Households usually cover their insurance needs well and trust in insurance companies is generally high. Retention levels are very high in Scandinavia compared to 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. Direct distribution also contributes significantly to the very efficient business model. The expense ratio was 13.4% (13.6%) at the end of 2023.

Property insurance, inflation (index)



Motor insurance, inflation (index)



Tryg's reserves position remains strong. Tryg's systematic claims reserving approach still includes a margin of approximately 3% on best estimates. Run-off gains are expected to be between 3% and 5% in 2024 as disclosed at the November 2021 CMD (Capital Markets Day). Weather claims and large claims (both on a net basis) are expected to be DKK 800m annualised post the RSA Scandinavia integration. This is meant as a normal annualised guidance, there will always be fluctuations, positive and negative, around this level.

Investment activities (DKK 64bn as per end of 2023) are managed taking into consideration the specifics of the non-life insurance business. Invested assets are split into a match portfolio (DKK 46bn) and a free portfolio (DKK 18bn). The match portfolio is primarily made up of Scandinavian covered bonds (rated AAA) matching the insurance liabilities. The objective is for the return on the portfolio to be as close as possible to zero, as capital gains or losses driven by interest rate movements should result in similar, but opposite, movements (gains or losses) on assets and liabilities. The free portfolio is a diversified mix of assets where the goal is to seek the best risk-adjusted return. Riskier asset classes like equities, real estate and corporate bonds should offer higher normalised returns compared to safer assets classes like covered bonds.

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. The targets have been updated following the introduction of a new accounting standard, IFRS 17, at the start of 2023. Tryg is targeting an insurance service result between DKK 7.2 and 7.6bn, driven by a combined ratio at or below 82 and an expense ratio at approximately 13.5%.

Financial targets 2024

7.2-7.6bn
Insurance service result (DKK)

≤82.0
Combined ratio

13.5%
Expense ratio (reaffirmed)

≥25.0%
Return on own funds

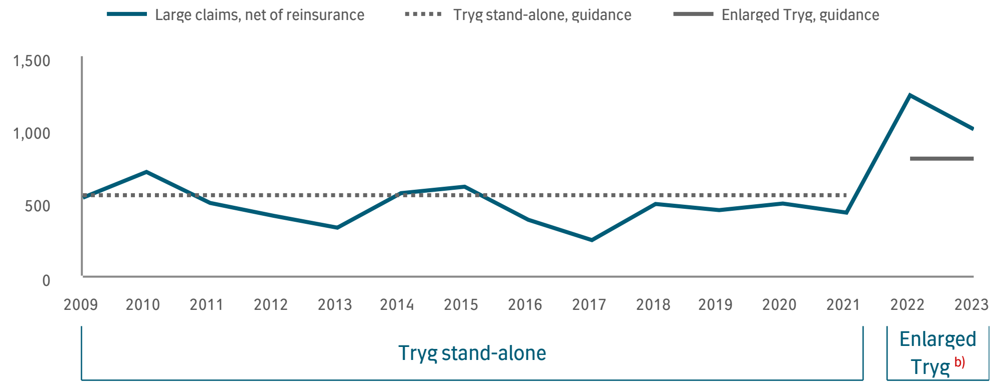
Customer targets

≥40%
Digitalisation
(% growth in value-creating actions upon login)

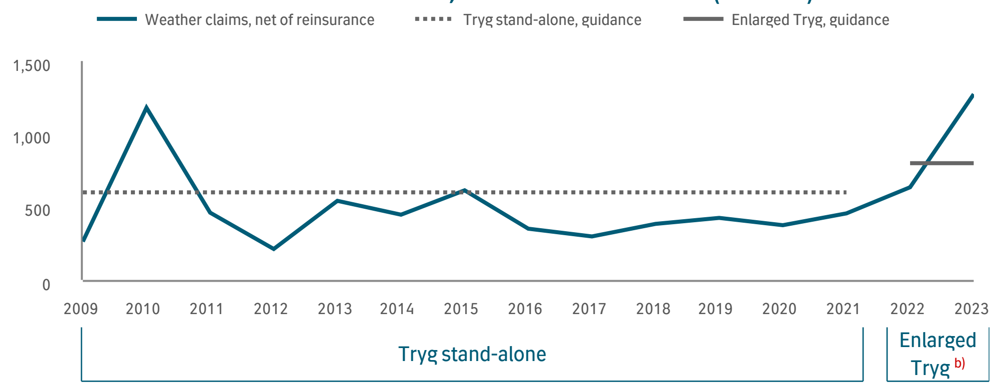
88
Customer satisfaction

20-25,000
Sustainability & ESG
(tonnes CO2e reduction)

Large claims, net of reinsurance (DKKm)



Weather claims, net of reinsurance (DKKm)[a]



a) Weather claims include storms and cloudbursts, and normal weather events
b) Tryg and RSA Scandinavia consolidated

The overall insurance service result is underpinned by DKK 900m in synergies from the Codan Norway and Trygg-Hansa acquisition, these are targeted to be DKK 650m in 2023 (DKK 350m in 2022) and DKK 900m in 2024. Tryg is also targeting a ROOF (Return on Own Funds) at or above 25%. The ROOF target has replaced the old ROE target, as it is more meaningful in a Solvency II world and more appropriate following a very large rights issue to fund the RSA Scandinavia acquisition.

Interest rates are approximately 200 basis points higher compared to the 2021 Capital Markets Day period, which has a clear positive impact on Tryg earnings, but on the contrary currencies (SEK and NOK) have moved unfavourably. Tryg is maintaining all financial targets for 2024 including the insurance service result between DKK 7.2-7.6bn and the combined ratio target at or below 82.
Tryg continues to expect positive top-line growth in 2024, primarily driven by the Private and Commercial segments, while the Corporate

segment is expected to remain broadly stable. Most growth currently stems from price adjustments enacted to protect margins during a period of relatively high inflation.
The overall tax rate for full-year 2024 is expected to be approximately 24%. Higher Swedish earnings in the enlarged Group will help lower the tax rate due to a lower corporate tax rate in Sweden, while a new Danish financial tax (so-called "Arne skat") will tend to increase the corporate tax rate. The investment result may also weigh positively or negatively on the tax rate.

IFRS 17 came into effect on 1 January 2023

A new accounting standard for the insurance sector, IFRS 17, came into effect on 1 January 2023. The new accounting standard had very limited implications for Tryg, as the company had been reporting the entire balance sheet at mark to market for many years.

Tryg published an Investor Update in March 2023 on the introduction of IFRS 17 containing extensive information and comparison figures for the Group and various business segments. The update can be found ***here.***

Targets and strategy 2024

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

Financial targets
Tryg hosted a Capital Markets Day in November 2021 when the 2024 financial targets were published. Tryg targets an insurance service result of between DKK 7.0bn and 7.4bn, driven by a combined ratio at or below 82 and an expense ratio around 14% under the IFRS 4 accounting standard. The new accounting standard, IFRS 17, came into effect in 2023 and resulted in Tryg revising its financial targets for 2024. It now targets an insurance service result of between DKK 7.2bn and 7.6bn, driven by a reiterated combined ratio at or below 82 and a revised expense ratio of around 13.5%. In addition to the three financial targets, Tryg reiterates the profitability target, return on own funds (ROOF), which is set at or above 25% by 2024.

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 claims handling and relation processes. In 2023, Tryg reported a customer satisfaction score of 86 (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 as Tryg's stakeholders. Via TryghedsGruppen's 47,5%** ownership of Tryg, part of the company's profit is returned to customers, who are also members of TryghedsGruppen. Tryg's purpose applies to all stakeholders – our customers, our employees and our shareholders.

* 'Tryg' means feeling protected and cared for in Danish.
** 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 2023, Tryg increased the level of value-creating actions by 53% exceeding the target. This was achieved by, for example, using "My page" for all communication instead of emails and also as a result of customers preferring to use self-service to a greater extent.

Tryg also introduced a new target related to sustainability. By 2024, Tryg aims to avoid carbon emissions by 20,000-25,000 tonnes in claims handling, equivalent to approximately 1,000 annual household emissions by focusing on repairs, reuse and recycling. Sustainable claims handling, with initiatives within motor, property and content claims, etc., is expected to be the main driver for reaching the sustainability target. In 2023, Tryg reduced its carbon emissions by 21,208 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 insurance service 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. To further support this strategic pillar, DKK ~400m will be reached through sales and customer excellence, including partnerships as lead generators, cross and upselling as well as pricing and analytics.

Change the way to win in B2B*
This strategic pillar aims to increase the insurance service 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) for Commercial 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 improvement in the Group's underlying claims ratio both via a continued focus on growing the SME segment and by rebalancing and reducing risk exposure for international property and US liability.

Shape the future
This strategic pillar aims to grow insurance revenue 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 has generally seen strong development in the health area for both Private and Commercial. Tryg does not see any value in defining a specific growth target, as profitability remains the key focus.

Trygg-Hansa and Codan Norway synergies
In connection with the acquisition of RSA Scandinavia, Tryg communicated expected synergies of DKK 900m to be delivered by 2024. In 2023, synergies of DKK 305m were realised, thus amounting to DKK 711m for 2021, 2022 and 2023 accumulated. The main synergy drivers continue to be cost initiatives, with administration & distribution and procurement driving the largest effects. The accumulated synergies of DKK 348m related to administration and distribution were predominantly driven by the termination of Codan Norway's IT contracts and the reduction in IT FTE staff. Synergies of DKK 147m associated with procurement were driven by utilisation of lowest price contracts and an intensified focus on repairing plastic and glass car parts in Sweden. Synergies of DKK 88m were linked to claims costs, supported by natural attrition and the ongoing effect of improving processes in areas like fraud and recourse. Synergies of DKK 127m were supported by commercial initiatives driven by the cross-selling of Moderna's niche products to Trygg-Hansa's customers and the upselling of Trygg-Hansa's products and coverages to Moderna's customers. Synergies were negatively impacted by weaker currencies, especially the SEK.

* 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

2023 marks the second year of Tryg's new strategy period, presented at its Capital Markets Day (CMD) on 21 November 2021, that includes the acquisition of Trygg-Hansa and Codan Norway. Tryg has set new ambitious targets for 2024 under the headline "Growing a successful core while shaping the future". Tryg will continue to grow its successful Private and SME segments by building on its foundation for customers and sales excellence while initiating structural changes in the Corporate segment. In 2023, Tryg enhanced its focus on the B2B segment, implementing initiatives to further grow the SME segment while increasing profitability in the Corporate business. Moreover, in 2023, Tryg announced strategic and organisational changes encompassing the merging of the Commercial and Corporate lines.

Private

In Private, Tryg continued 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 Private Denmark, Tryg has been marketing its new pregnancy product, which is aimed at assisting women during pregnancy and which is inspired by a product offered by Trygg-Hansa in Sweden - thus leveraging knowledge-sharing and experience and creating synergies. In Private Norway, Tryg embarked on a new partnership with the independent agency BuySure, the largest provider of 'change of ownership insurance' in Norway. The partnership aims to provide customers with 'trygghed' (peace of mind) when buying or selling their home. The partnership with BuySure is a great opportunity, as the agency operates in a niche market, thus giving Tryg access and the opportunity to capitalise on a new customer base. In Private Norway, Tryg also embarked on a partnership with Golfforbundet, which is the Norwegian golf federation. In Sweden, Trygg-Hansa continued its strategic collaboration with SEB, the largest bank in Sweden. The main objectives are to increase customer value for SEB and Trygg-Hansa customers, offer SEB's customers a wide range of Trygg-Hansa products and to further deepen, develop and strengthen the partnership. Trygg-Hansa also expanded its collaboration with car brands by engaging in a new partnership with Opel (Vauxhall), NIO as well as other partnerships supporting a number of segments.

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.

In Commercial Denmark, Tryg launched its third product package tailored to the retail segment. Packaged products seek to reduce complexity by bundling the most relevant insurance products for a particular segment. The previous two packaged products have already been well received. Commercial Denmark also initiated a partnership with GoMore, which is the largest car rental, car leasing and carpooling platform in Denmark. Tryg will act as an insurance provider for carpoolers and offer insurance to car renters. In Commercial Norway, Tryg embarked on a new partnership with Mestergruppen. Mestergruppen is one of the largest construction companies in Scandinavia and is involved in the distribution of building materials, housing administration and construction. The partnership gives Tryg the opportunity to offer insurance products to Mestergruppen's members and partners.

In the Corporate business, focus has been on improving profitability, as presented at the CMD. To achieve that objective, the segment aimed to rebalance the portfolio towards smaller, local customers and to reduce risk exposure to international property and US liability. Corporate reached its CMD target of reducing exposure one year earlier than anticipated, as the business area managed to reduce its exposure to international property by 50% and reduced US liabilities by 70%. It is worth mentioning that Tryg's exposure to these segments was already limited prior to the CMD.

Claims

Implementation of Guidewire (a new and more effective and efficient claims handling system) entered its final stage. The new claims handling system boosts the quality of the claims handling process by ensuring that all the correct information is collected and that the customer receives payment as quickly as possible. Simple claims, such as travel claims, are handled fully automated. Other, more complex claim types are automated to the extent it is possible. By digitalising the claim's process, the customer can access the claim status at any given time and communicate with a claim's handler for more complicated enquiries.
In Norway, the Claims organisation completed the implementation of Guidewire, as 100%, or more than 300 thousand, of all claims are now handled by the system, with approx. 80% of all claims handled digitally and approx. 45% of these handled automatically. In Denmark, the Claims organisation entered the final stage of the integration of Guidewire, as 80%, or more than 650 thousand, of all claims are handled in the system, with approx. 75% of all claims being handled digitally and approx. 50% of these handled automatically. In Sweden, the Claims organisation expanded the scope for automating claims handling, thus improving process efficiency and the customer experience through simplicity and speed. Also, a new fraud identification system was developed in Sweden. The new fraud system displayed improved results by identifying more fraud cases compared to previous years.

Sustainability and ESG

In Corporate Denmark, Tryg launched a new preventive product. The product is offered as an add-on to Workers compensation insurance, with the aim of preventing and reducing injuries by monitoring and analysing the movements of workers undertaking manual labour.

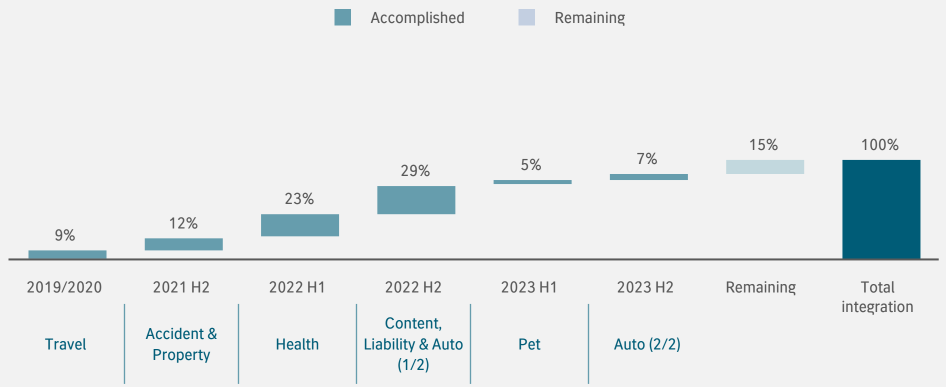
In Claims Denmark, the organisation initiated a SMART repair concept - Small to Medium Auto Repair Technology. The new initiative reduces the claims handling process from 3-5 days to 1 day. With SMART repair, small dents, paintwork scratches and other minor cosmetic claims are repaired at one location in one day instead of several locations. Hence, by minimising the repair process, Tryg reduces the CO2 footprint and improves the customer experience. Also in Claims Denmark, the organisation introduced a

Smart water controller to prevent water damage in private homes. Tryg offered home insurance customers a Grohe Sense Guard as part of its efforts to prevent water damage and reduce insurance claims. The Grohe Sense Guard is a smart water controller that can detect leaks and automatically disconnect the water supply to prevent further damage. The initiative is an excellent way to help homeowners protect their properties from water damage and reduce the risk of insurance claims as well as making our customers feel safe and protected.

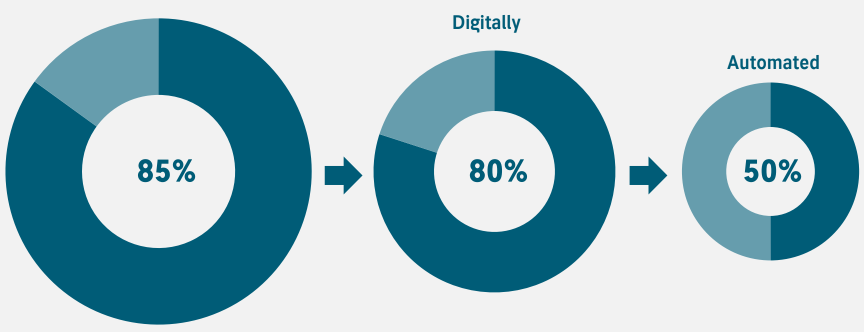
In Private Norway, Tryg launched 'Tryg Vei App' to help reduce the risk of accidents among younger drivers. The Norwegian Highway Authority recommends 2,000 kilometres driving practice. The app supports the national recommendation, and once the 2,000 kilometres are registered, the young driver is offered cheaper car insurance as well as a start-up bonus. The app has been well-received, and more than 4,600 Norwegians have downloaded the app within the first couple of months. To increase the societal impact, Tryg offers the app not only to customers, but to all Norwegians below 23 years of age.

Guidewire overview

Step-by-step Guidewire integration



Guidewire in numbers



Approx 85% of all claims handled in Guidewire ...

... approx 80% of these are handled digitally ...

... approx 50% of these are handled automatically (STP)

Number of claims (2022): 60%

Digitally (2022): 45%

Automated (2022): 15%

Tryg's results

Tryg reported an insurance service result of DKK 6,399m (DKK 6,292m) in 2023. The result was impacted by revenue growth of 4.8% in local currencies, driven primarily by price adjustments to mitigate inflation and a significantly higher than normal level of weather claims of just below DKK 1.3bn due to cloudbursts, storms and heavy rain hitting all geographies. The underlying claims ratio for the Group improved by 0.5 percentage points, while the delivery of RSA Scandinavia-related synergies reached DKK 711m against a target of DKK 650m for 2023. The Investment result was DKK 631m, predominantly driven by positive returns from the equity and fixed income asset classes. The pre-tax result was DKK 5,029m. Tryg is paying a dividend for the full year of DKK 7.4 per share and has, in addition, launched a share buyback programme of DKK 1bn following the Q3 results. The solvency ratio at the end of the year is 197, demonstrating resilience in challenging times.

Results 2023*

Tryg reported an insurance service result of DKK 6,399m (DKK 6,292m) and a combined ratio of 82.8 (83.2). The result was impacted by insurance revenue growth of 4.8% measured in local currencies and predominantly driven by premium growth in the Private and Commercial segments to mitigate increased inflation costs. The insurance service result was negatively impacted by significantly higher weather claims compared to 2022 and the normalised level. Numerous weather claims related to cloudbursts and heavy rain were recorded in all markets together with a powerful storm. Total weather claims amounted to approximately DKK 1.3bn (annual normalised expected level of DKK 800m). Higher inflation levels drove interest rates up, hitting the Swedish and Norwegian kroner in particular. Currency movement had a negative impact of approximately DKK 360m in 2023. The insurance service result was positively impacted by an improvement in the Group's underlying claims ratio (adjusted for reported volatile items such as weather claims, large claims, run-offs and discounting) of approximately 50 basis points, primarily driven by profitability initiatives in the Commercial and the Corporate segments. The underlying claims ratio in Private deteriorated slightly, mainly driven by the motor segment due to increased spare parts costs, especially in Norway and Sweden as a result of adverse currency movements, and a slight increase in motor claims frequencies across countries. The result was supported by the realisation of synergies related to the RSA Scandinavia acquisition of DKK 305m for 2023 and a total of DKK 711m since the beginning of the integration. DKK 348m of the synergies relates to administration and distribution, DKK 147m relates to procurement, DKK 88m comes from claims costs, and DKK 127m relates to commercial initiatives.

Financial performance in general was helped by higher interest rates (a higher discounting rate reduces the value of claims in the income statement), weather claims were significantly worse than in 2022 (and also a normal year), large claims were lower than in 2022 (but still somewhat worse than a normal year), while the run-off result was in line with 2022 and also in line with the 3% to 5% guidance for 2024.

A customer satisfaction score of 86 was achieved in 2023, an increase from 85 in 2022. Tryg had a strong focus on improving customer satisfaction. Different events in 2023 called for extraordinary assistance, as many customers were affected by the numerous weather-related claim events in both Scandinavia and abroad.

Total investment return amounted to DKK 631m, predominantly driven by good returns from the equity and fixed income asset classes. Equity markets returned a positive result in 2023 with some volatility during the year. Tryg

*) FY 2023 insurance related figures are measured against comparative proforma 2022 figures as the RSA Scandinavia business was fully consolidated only from Q2 2022

Financial highlights 2023

6,399m

Insurance service result (DKK)

2022*: 6,292m

5,029m

Profit before tax

2022: 3,051m

69.4

Claims ratio, net of reinsurance

2022*: 69.6

13.4

Gross expense ratio

2022*: 13.6

82.8

Combined ratio

2022*: 83.2

reduced its equity exposure by some 25%, equivalent to DKK 900m, in H2, reflecting Tryg's continued pursuance of a relatively low-risk investment strategy with limited exposure to risky assets and a conservative fixed income profile (more than 90% of fixed income securities are Nordic covered bonds). It should be remembered that Tryg marks to market both assets and liabilities, resulting in heightened P&L volatility in turbulent times.
Total invested assets amounted to approximately DKK 64bn, with the free portfolio accounting for approximately DKK 18bn of this amount.

Insurance revenue

Insurance revenue amounted to DKK 37,135m (DKK 37,379m), corresponding to growth of 4.8% in local currencies. Growth was impacted by the conversion of the Codan portfolio in Norway and the repricing of the Moderna portfolio in Trygg-Hansa in Sweden in 2023, and technical partner agreements in Denmark. Excluding the conversion, repricing and technical adjustments, growth was approximately 5.5%. The impact of the conversion and repricing on premium growth was in line with expectations. The Private segment reported revenue growth of 5.5% and approximately 6.5% after adjusting for technical adjustments, repricing and conversions related to the RSA Scandinavia transaction. Insurance revenue growth in Private was predominantly driven by pricing initiatives to mitigate inflation, but also further cross-selling to existing customers, strong sales via partner agreements and an enhanced focus on direct customers. Growth in the Private segment was negatively impacted by a slight deterioration in retention rates, especially in Denmark and Norway, and particularly for customer with a lower lifetime.

Inflation, interest rates and currencies

Inflation

Initial signs of higher **inflation growth in the second half of 2021**

Non-life insurers are exposed to higher inflation via higher claims costs

Tryg is mitigating higher inflation growth via its strong procurement agreements, while at the same time adjusting prices to reflect the higher inflation level

Interest rates[1]

Interest rates have started to increase following many years of very low levels

Due to full discounting of claims reserves, **increased interest rates will have a positive impact** on the claims ratio (all else being equal) and will help lower claims costs

An increase of one percentage point in the average interest rate used for discounting claims will **reduce the claims ratio by ~1 p.p.**

Currencies

Due to the unstable macroeconomic environment, currency movements have been highly unfavourable, as the SEK and NOK are trading close to 20-year lows

After the acquisition of Codan Norway & Trygg-Hansa, more than 50% of the Group's business now stems from outside Denmark.

A one percentage point fluctuation in the exchange rate will effect the Group's insurance service result by ~DKK 50-75m annually.

[1] Tryg has published a newsletter on the sensitivity of earnings to interest rate movements. Read more on ***tryg.com/newsletters***

The commercial segment reported insurance revenue growth of 3.9%, and approximately 5% after adjusting for the transfer between Commercial and Corporate in the Norwegian business in 2023. Growth in the Commercial segment was predominantly driven by pricing initiatives to mitigate inflation, an enhanced focus on smaller commercial customers supported by increased sales of packaged products and strong sales through our own sales force and online channels, but was negatively impacted by a deterioration in retention rates following a period of continuous price adjustments. The Corporate segment continued its efforts to improve profitability through price adjustments and by reducing exposure to property and liabilities outside Scandinavia. Corporate reported modest growth of 2.3%, or slightly negative after adjusting for the transfer from Commercial to Corporate, which is in line with expectations. The Corporate segment reached its target for the current CMD period of reducing exposure to international property by 50% and US liabilities by 70%. Tryg's exposure to these segments was already relatively low prior to the CMD.

Claims

The claims ratio, net of reinsurance, was 69.4 (69.6) and characterised by higher weather claims at 3.4 (1.7) impacted by numerous cloudbursts across Scandinavia, storm "Hans" in August, and hailstorms and wildfires in Southern Europe that affected Scandinavian travellers. The multiple weather events were below Tryg's own retention of DKK 300m, hence the total amount of weather claims in 2023 was very high and there was little help from reinsurance protection. Despite an unusually high level of weather claims in 2023, Tryg does not consider the recent development as a new trend and is therefore reiterating the guidance for annual weather claims at DKK 800m. The claims ratio was positively impacted by a lower level of large claims at 2.7 (3.3), including a single large claim event in Q2 related to Tryg's Scandinavian exposure. Large claims were approximately DKK 1,000m, higher than the DKK 800m for a normalised year, but lower than in 2022, when large claims totalled DKK 1,250m.

The run-off level was 3.0 (3.0), in line with the 2022 level and at the low end of the 3% to 5% guidance for 2024 published in November 2021. The run-off result was impacted by multiple factors including the increased inflation levels in 2022 and 2023 compared to previous years. Discounting of claims reserves was higher at 3.0 (2.1), predominantly reflecting the higher level of interest rates. The underlying claims ratio for the Group improved by 50 basis points compared to 2022. The underlying claims ratio for the Private segment deteriorated marginally compared to 2022, primarily driven by a higher claims level for travel insurance in the first half of 2023 and a higher level of motor comprehensive claims in the second half of 2023. Automobile spare parts costs were higher in Norway and Sweden following the weakening of the currencies (SEK & NOK), plus a slight increase in motor claims frequencies was recorded across countries.

Profitability initiatives in the Commercial & Corporate segments, including a rebalancing of the Corporate portfolio, supported the improvement in the Group's underlying claims ratio.

Reinsurance prices increased from the beginning of 2023 and price initiatives were initiated to mitigate the impact for both the large claims and weather reinsurance contracts.

Tryg has been working actively with procurement agreements to contain claims inflation. The company is in continuous dialogue with suppliers and updates selected agreements to reflect the current market situation. Most agreements extend beyond one year and have fixed prices.

Inflation remained high during most of 2023, and worth mentioning is that wage growth is the main driver for claims inflation. Moreover, the Swedish and Norwegian businesses are affected by their respective currencies weakening, which in particular has impacted automobile spare parts. 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, price adjustments will match claims inflation, but there may be some slightly more volatile developments in the short term.

Expenses

The expense ratio was 13.4 (13.6) for 2023, impacted by strong cost control. Tryg targets an expense ratio of around 13.5% in 2024 - a very efficient set-up is considered a key competitive advantage. In 2023, synergies from the RSA Scandinavia acquisition had a positive impact on the overall expense level and supported the low expense ratio.

Investment activities

Investment income was DKK 631m, primarily driven by positive returns from the equity and fixed income asset classes. The free portfolio reported an overall result of DKK 622m (DKK -945m), the match portfolio reported an overall result of DKK 468m (DKK 207m), while other financial income and expenses amounted to DKK -459m (DKK 263m), including a value adjustment from the inflation swap of DKK -246m.

Other income and costs

Other income and costs amounted to DKK -2,001m (DKK -2,143m). The remaining DKK 300m of integration costs from the acquisition of RSA Scandinavia was booked in 2023 (H1). This accounting item primarily comprises intangibles amortisation (customer relations) of DKK 968m from the RSA Scandinavia acquisition and the Alka acquisition. Finally, other general costs (primarily costs related to the holding company, bancassurance-related commissions and general costs) and educational and development costs are also booked against this line. Tryg also booked DKK 180m in 2023 in costs related to the redundancies of 250-270 employees communicated in Q3 2023 as well as a DKK 50m charge related to the bankruptcy of Gefion Finans A/S* (a Danish insurance company). An initial charge of DKK 50m for the bankruptcy of Gefion was booked in Q1 2022, but based on an updated view of the company's financial position, Tryg has updated the total cost to DKK 100m.

Profit before and after tax

Profit before tax was DKK 5,029m, while profit after tax and discontinued activities was DKK 3,851m. Total tax amounted to DKK -1,178m, equating to a tax rate of approximately 23.4%.

Dividend and solvency

Own funds totalled DKK 14,998m at the end of 2023, while the SCR was DKK 7,633m. Tryg will be paying a dividend of DKK 4,734m, or DKK 7,4 per share for the full year, and announced a share buyback programme of DKK 1bn following the Q3 results. Tryg reports a year-end solvency ratio of 197.

*) Please find more information on Gefion on oage 7 of the Q1 2022 report

Results Q4 2023

Tryg reported revenue growth of 6.3% measured in local currencies, which was mainly driven by growth in the Private and Commercial segments. The insurance service result was DKK 1,654m (1,472m). The Group underlying claims ratio improved by 50 basis points, driven by the Commercial and Corporate businesses, whilst Private displayed a deterioration of 30 basis points, impacted by higher claims for motor spare parts, particularly in Sweden and Norway due to weakened currencies, and by slightly higher claims frequencies for motor in all markets. Weather claims had a negative impact at 3.4 (2.2). A lower level of discounting at 2.6 (2.9) was reported following a drop in interest rates in the last three months of the year, whilst a lower large claims level at 1.5 (3.1) had a positive impact versus Q4 2022. Adverse movements in the Swedish and Norwegian currencies had a negative impact of approximately DKK -60m in Q4 2023. Tryg will pay dividends of DKK1.85 per share in Q4 2023, in line with previous quarters, and will continue to execute the buyback programme published in connection with the Q3 2023 results.

Private

Results 2023*

Private reported an insurance service result of DKK 3,800m (DKK 4,331m) and a combined ratio of 84.5 (82.3). The lower insurance service result was impacted by numerous weather-related claims and a modest deterioration in the underlying claims ratio due to travel insurance claims in the first half of 2023 and a slightly higher claims level for motor comprehensive in the second half of 2023. Insurance revenue growth was mainly driven by price adjustments to mitigate inflation.

Insurance revenue

Insurance revenue amounted to DKK 24,455m (DKK 24,453m), corresponding to growth of 5.5% in local currencies. Growth was impacted by the conversion and repricing of the Moderna portfolio in Sweden and Codan Norway in Norway, and technical adjustments of partner agreements. Adjusted for this, growth was 6.5%. Growth was generated across all countries, and as Private is the most profitable segment in Tryg with the lowest capital requirement, growth in this segment is structurally positive for the Group. In Denmark, Tryg reported top-line growth impacted by price adjustments, an enhanced focus on direct customers, strong sales in partner channels and cross-selling to existing customers, and technical adjustments of partner agreements. In Norway, Tryg reported top-line growth impacted by price adjustments, strong performance across multiple sales channels and increased sales of insurance to new electric cars. In Sweden, Trygg-Hansa reported top-line growth impacted by organic growth across multiple sales channels and cross-selling to existing customers. Growth was also supported by good sales via Trygg-Hansa's new automobile partnerships. All geographical areas in the Private segment continued to adjust prices to mitigate inflation and saw a high level of acceptance, as retention rates in all countries showed only a modest deterioration. In Denmark, the retention rate remained high but decreased to 89.7 (90.3), impacted by customers with a lower lifetime. In Norway, the retention rate decreased slightly to 87.4 (88.7) following a period of continuous price adjustments. In Sweden, the retention rate was flat at 87.8 (87.8) despite a period of significant price adjustments.

Claims

The claims ratio, net of reinsurance, was 71.9 (69.4), impacted by higher weather claims at 3.8 (1.8) due to numerous unrelated cloudbursts across several countries, hailstorms and wildfires in southern Europe that affected Scandinavian travellers, landslides impacting Tryg through the Natural Perils Pool in Norway, and storm "Hans" causing havoc throughout the region. The run-off result was lower at 1.1 (2.3) and was impacted by inflationary pressure, whilst large claims were lower at 0.3 (0.6). The underlying claims ratio deteriorated slightly, driven somewhat by motor insurance due to higher costs for spare car parts, particularly in Norway and Sweden following significant adverse currency movements (SEK & NOK), and also a slight increase in claims frequency across countries. Motor comprehensive is a

*) FY 2023 figures are measured against comparative proforma 2022 figures, as the RSA Scandinavia business was fully consolidated only from Q2 2022.

Key figures - Private

DKKm All figures restated to IFRS 17	Q4 2023	Q4 2022	2023	2022 pro-forma	2022
Insurance revenue	**6,203**	**6,010**	**24,455**	**24,453**	**22,776**
Gross claims	-4,339	-4,060	-17,305	-16,634	-15,625
Total insurance operating costs	-775	-756	-3,074	-3,141	-2,913
Insurance service expense	**-5,114**	**-4,816**	**-20,379**	**-19,775**	**-18,538**
Profit/loss on gross business	1,089	1,194	4,076	4,678	4,238
Net expense from reinsurance contracts	-98	-167	-276	-347	-332
Insurance service result	**991**	**1,027**	**3,800**	**4,331**	**3,906**
Run-off gains/losses, net of reinsurance	87	73	268	567	357
Key ratios					
Revenue growth in local currencies (%)	7.7	3.4	5.5		4.9
Gross claims ratio	70.0	67.6	70.8	68.0	68.6
Net reinsurance ratio	1.6	2.8	1.1	1.4	1.5
Claims ratio, net of reinsurance	71.5	70.3	71.9	69.4	70.1
Gross expense ratio	12.5	12.6	12.6	12.8	12.8
Combined ratio	**84.0**	**82.9**	**84.5**	**82.3**	**82.9**
Combined ratio exclusive of run-off	85.4	84.1	85.6	84.6	84.4
Run-off, net of reinsurance (%)	-1.4	-1.2	-1.1	-2.3	-1.6
Large claims, net of reinsurance (%)	-0.2	0.3	0.3	0.6	0.6
Weather claims, net of reinsurance (%)	3.8	2.0	3.8	1.8	1.8

65% The business area accounts for 65% of the Group's total insurance revenue.

Financial highlights 2023

5.5%	3,800m	12.6	84.5
Revenue growth (local currencies)	Insurance service result (DKK)	Expense ratio	Combined ratio
Based on pro-forma figures	2022: 4,331m	2022: 12.8	2022: 82.3

short-tailed line of business that Tryg is currently monitoring and increasing prices to offset the negative impact of rising inflation. Additionally, claims related to travel insurance were high, as travel activity increased and many households displayed a changed travel pattern with fewer but more expensive trips in the first half of the year. Also, Tryg observed a further increase in the number of smaller travel claims associated with card agreements with major banks in Scandinavia.

Expenses

The expense ratio was lower at 12.6 (12.8) and was supported by synergies related to the acquisition of RSA Scandinavia's Swedish and Norwegian businesses.

Results Q4 2023

Private reported an insurance service result of DKK 991m (DKK 1,027m) and a combined ratio of 84.0 (82.9). The lower insurance service result was impacted by a high level of weather-related claims and a modest deterioration in the underlying claims ratio due to a slightly higher claims level for motor comprehensive, but was supported by revenue growth driven by organic growth and price adjustments to mitigate inflation.

Insurance revenue

Insurance revenue amounted to DKK 6,203m (DKK 6,010m), corresponding to growth of 7.7% in local currencies. Growth was impacted by the conversion and repricing of the Moderna portfolio in Sweden and Codan Norway in Norway, and technical adjustments of partner agreements. Adjusted for this, growth would have been approximately 7%. In Q4, growth was mainly driven by price adjustments.

Claims

The claims ratio, net of reinsurance, was 71.5 (70.3), characterised by higher weather claims at 3.8 (2.0). The run-off result was higher at 1.4 (1.2), whilst large claims improved at -0.2 (0.3). The underlying claims ratio deteriorated slightly, driven by motor insurance due to higher costs for spare car parts, particularly in Norway and Sweden following significant adverse currency movements (SEK & NOK), and also a slight increase in claims frequency across countries. Motor comprehensive is a short-tailed line of business that Tryg is currently monitoring and increasing prices to offset the negative impact of rising inflation.

Expenses

The expense ratio was lower at 12.5 (12.6) and was supported by synergies related to the acquisition of RSA Scandinavia's Swedish and Norwegian businesses.

Financial highlights Q4 2023

7.7%	991m	12.5	84.0
Revenue growth (local currencies)	Insurance service result (DKK)	Expense ratio	Combined ratio
	Q4 2022: 1,027m	Q4 2022: 12.6	Q4 2022: 82.9

Commercial

Results 2023*

Commercial reported an insurance service result of DKK 2,010m (DKK 1,684m) and a combined ratio of 78.1 (81.9). The higher insurance service result was supported by a lower level of large claims. The underlying claims ratio improved due to a continued focus on smaller commercial customers. Insurance revenue growth was mainly driven by price adjustments to mitigate inflation but was also impacted positively by organic growth.

Insurance revenue

Insurance revenue amounted to DKK 9,178m (DKK 9,295m), corresponding to growth of 3.9% measured in local currencies. Growth was mainly impacted by price adjustments and a portfolio transfer from Commercial Norway to Corporate Norway. Note that while the conversion had been finalised, it still had an impact on insurance revenue. Adjusted for the transfer, growth for the segment was approximately 5%. In Denmark, Tryg reported growth impacted by price adjustments and a positive net inflow of new customers. The business unit continued to focus on smaller commercial customers. In Norway, Tryg reported negative growth impacted by the portfolio transfer from Commercial to Corporate, as a high proportion of the customers in Codan Norway are labelled as Corporate customers according to Tryg's definition. Adjusting for this, Commercial Norway reported growth predominantly driven by price adjustments. In Sweden, Trygg-Hansa reported growth impacted by organic growth in the small customer segment on the back of a strong business performance by Trygg-Hansa's own sales force and online sales, whilst price adjustments also had an impact. Tryg also reported growth in the credit and surety business (Tryg Garanti). All geographical areas in the Commercial segment continued to adjust prices to mitigate inflation with a high level of acceptance. Retention rates remained high but deteriorated slightly, primarily due to customer reaction to price adjustments. In Denmark, the retention rate deteriorated to 87.6 (88.0) following a period of continuous price adjustments. In Norway, the retention rate improved to 89.5 (89.0) following a period of continuous price adjustments. In Sweden, the retention rate improved slightly to 88.6 (88.5).

Claims

The claims ratio, net of reinsurance, was 62.3 (65.9), characterised by a lower level of large claims at 3.8 (7.3). Weather claims were higher at 3.1 (1.5), impacted by numerous unrelated cloudbursts in Scandinavia, whilst the run-off level was lower at 3.4 (4.4). The underlying claims ratio improved, driven by price adjustments and by focusing on growing the smaller commercial customer segment, as this segment displays higher profitability. The increase in claims costs was highest for the property line of business and for motor comprehensive. The increase in the motor segment was mainly driven by higher costs for spare parts following currency weakness (SEK & NOK). Motor comprehensive is a short-tailed line of business where Tryg is increasing prices to offset the negative impact of rising inflation.

*) FY 2023 figures are measured against comparative 2022 figures, as the RSA Scandinavia business was fully consolidated only from Q2 2022

Key figures - Commercial

DKKm All figures restated to IFRS 17	Q4 2023	Q4 2022	2023	2022 pro-forma	2022
Insurance revenue	**2,315**	**2,306**	**9,178**	**9,295**	**8,408**
Gross claims	-1,296	-1,623	-5,517	-6,045	-5,551
Total insurance operating costs	-390	-377	-1,454	-1,485	-1,337
Insurance service expense	**-1,686**	**-2,000**	**-6,972**	**-7,530**	**-6,889**
Profit/loss on gross business	629	306	2,207	1,765	1,519
Net expense from reinsurance contracts	-6	108	-197	-81	-66
Insurance service result	**623**	**414**	**2,010**	**1,684**	**1,453**
Run-off gains/losses, net of reinsurance	102	126	315	411	264
Key ratios					
Revenue growth in local currencies (%)	4.2	3.9	3.9		8.6
Gross claims ratio	56.0	70.4	60.1	65.0	66.0
Net reinsurance ratio	0.3	-4.7	2.1	0.9	0.8
Claims ratio, net of reinsurance	56.2	65.6	62.3	65.9	66.8
Gross expense ratio	16.9	16.4	15.8	16.0	15.9
Combined ratio	**73.1**	**82.0**	**78.1**	**81.9**	**82.7**
Combined ratio exclusive of run-off	77.5	87.5	81.5	86.3	85.9
Run-off, net of reinsurance (%)	-4.4	-5.5	-3.4	-4.4	-3.1
Large claims, net of reinsurance (%)	2.0	8.8	3.8	7.3	7.2
Weather claims, net of reinsurance (%)	3.0	2.6	3.1	1.5	1.6

25% The business area accounts for 25% of the Group's total insurance revenue

Financial highlights 2023

3.9%	2,010m	15.8	78.1
Revenue growth (local currencies)	Insurance service result (DKK)	Expense ratio	Combined ratio
Based on pro-forma figures	2022: 1,684m	2022: 16.0	2022: 81.9

Expenses
The expense ratio was lower at 15.8 (16.0). The segment is generally focused on lowering distribution costs through the use of more efficient sales channels. The expense ratio was also supported by synergies related to the acquisition of RSA Scandinavia's Swedish and Norwegian businesses. Furthermore, pricing adjustments were widely accepted, which also helped lower the expense ratio.

Results Q4 2023

Commercial reported an insurance service result of DKK 623m (DKK 414m) and a combined ratio of 73.1 (82.0). The higher insurance service result was characterised by a lower level of large claims and an improved underlying claims ratio, whilst insurance revenue growth was driven by price adjustments to mitigate inflation.

Insurance revenue
Insurance revenue amounted to DKK 2,315m (2,306m), corresponding to growth of 4.2% in local currencies. The development was mainly driven by price adjustments.

Claims
The claims ratio, net of reinsurance was 56.2 (65.6), characterised by lower large claims at 2.0 (8.8). Weather claims were higher at 3.0 (2.6), whilst the run-off result was also lower at 4.4 (5.5). The underlying claims ratio improved, but was dampened by higher costs for spare car parts in Norway and Sweden following significant adverse currency movements (SEK & NOK), and also a slight increase in claims frequency across countries. Motor comprehensive is a short-tailed line of business that Tryg is currently monitoring and increasing prices to offset the negative impact of rising inflation.

Expenses
The expense ratio was higher at 16.9 (16.4). The segment is generally focused on lowering distribution costs through the use of more efficient sales channels. The expense ratio was also supported by synergies related to the acquisition of RSA Scandinavia's Swedish and Norwegian businesses.

Financial highlights Q4 2023

4.2%	623m	16.9	73.1
Revenue growth (local currencies)	Insurance service result (DKK)	Expense ratio	Combined ratio
	Q4 2022: 414m	Q4 2022: 16.4	Q4 2022: 82.0

Corporate

Results 2023*

Corporate reported an insurance service result of 590m (278m) and a combined ratio of 83.2 (92.3). The higher insurance service result was supported by a higher run-off result, but dampened by a higher level of large claims. The higher result was driven by a continued focus on rebalancing the portfolio and price adjustments. The corporate segment is on track to deliver the CMD Combined ratio target of less than 90, driven by run-off results of between 3% and 5%.

Insurance revenue

Insurance revenue amounted to DKK 3,502m (3,631m), corresponding to growth of 2.3% in local currencies. Growth was mainly impacted by price adjustments and a portfolio transfer from Commercial Norway to Corporate Norway. Note that while the conversion had been finalised, it still had an impact on insurance revenue. Adjusted for the transfer, growth for the segment was negative. In Denmark, Tryg reported negative growth as the business unit continued to rebalance its portfolio and reduce volatility and exposure. In Norway, Tryg reported positive growth impacted by the transfer of customers from Commercial to Corporate, as a high proportion of the customers in Codan Norway are labelled as Corporate customers according to Tryg's definition. Adjusted for the transfer, growth was negative. In Sweden, Trygg-Hansa reported growth driven by price adjustments to offset rising inflation. Corporate reached its CMD target of reducing exposure one year earlier than anticipated, as the business area managed to reduce its exposure to international property by 50% and reduced US liabilities by 70%. Note that Tryg's exposure to these segments was already limited prior to the CMD.

Claims

The claims ratio, net of reinsurance, was 70.9 (79.9), characterised by a higher run-off result and a higher level of large claims. The claims ratio, net of reinsurance, was supported by a higher run-off result at 14.7 (3.8), but dampened by a higher level of large claims at 16.6 (10.7) on the back of various large claims below Tryg's retention level and a large claims event related to Tryg's Scandinavia exposure. Weather claims were higher at 1.7 (1.0). The underlying claims ratio improved, mainly driven by profitability initiatives across countries and the segment's continued focus on rebalancing the portfolio and reducing volatility by cutting exposure to international property and US liability.

Expenses

The expense ratio was higher at 12.3 (12.4). In general, a lower expense ratio should be expected for the Corporate segment, as acquisition costs in the broker channel are paid for by customers via a commission to brokers.

*) FY 2023 figures are measured against comparative proforma 2022 figures, as the RSA Scandinavia business was fully consolidated only from Q2 2022

Key figures - Corporate

DKKm All figures restated to IFRS 17	Q4 2023	Q4 2022	2023	2022 pro-forma	2022
Insurance revenue	**879**	**904**	**3,502**	**3,631**	**3,631**
Gross claims	-606	-678	-2,448	-2,724	-2,724
Total insurance operating costs	-107	-136	-430	-451	-451
Insurance service expense	**-713**	**-814**	**-2,878**	**-3,175**	**-3,175**
Profit/loss on gross business	166	90	624	456	456
Net expense from reinsurance contracts	-125	-59	-34	-177	-177
Insurance service result	**41**	**30**	**590**	**278**	**278**
Run-off gains/losses, net of reinsurance	92	-7	517	137	137
Key ratios					
Revenue growth in local currencies (%)	2.5	8.9	2.3		-0.8
Gross claims ratio	69.0	75.0	69.9	75.0	75.0
Net reinsurance ratio	14.3	6.6	1.0	4.9	4.9
Claims ratio, net of reinsurance	83.3	81.5	70.9	79.9	79.9
Gross expense ratio	12.1	15.1	12.3	12.4	12.4
Combined ratio	**95.4**	**96.6**	**83.2**	**92.3**	**92.3**
Combined ratio exclusive of run-off	105.9	95.9	97.9	96.1	96.1
Run-off, net of reinsurance (%)	-10.5	0.8	-14.7	-3.8	-3.8
Large claims, net of reinsurance (%)	12.6	7.4	16.6	10.7	10.7
Weather claims, net of reinsurance (%)	1.7	2.7	1.7	1.0	1.0

10% The business area accounts for 10% of the Group's total insurance revenue

Financial highlights 2023

2.3%
Revenue growth (local currencies)

590m
Insurance service result (DKK)
2022: 278m

12.3
Expense ratio
2022: 12.4

83.2
Combined ratio
2022: 92.3

Results Q4 2023

Corporate reported an insurance service result of DKK 41m (DKK 30m) and a combined ratio of 95.4 (96.6). The higher insurance service result was supported by a higher run-off result, but dampened by a higher level of large claims. The result was also impacted by a continued focus on rebalancing the portfolio and price adjustments.

Insurance revenue

Insurance revenue amounted to DKK 879m (DKK 904m), corresponding to negative growth of 2.5% in local currencies. Growth was mainly impacted by price adjustments

Claims

The claims ratio, net of reinsurance, was 83.3 (81.5), characterised by a higher run-off result and a higher level of large claims. The claims ratio, net of reinsurance, was supported by a lower run-off result at 10.5 (0.8) but dampened by a higher level of large claims at 12.6 (7.4). The underlying claims ratio improved, mainly driven by profitability initiatives across countries as well as the segment's continued focus on rebalancing the portfolio and reducing volatility by cutting exposure to international property and US liability.

Expenses

The expense ratio was lower at 12.1 (15.1). In general, a lower expense ratio should be expected for the Corporate segment, as acquisition costs in the broker channel are paid for by customers via a commission to brokers.

Financial highlights Q4 2023

2.5%	41m	12.1	95.4
Revenue growth (local currencies)	Insurance service result (DKK)	Expense ratio	Combined ratio
	Q4 2022: 30m	Q4 2022: 15.1	Q4 2022: 96.6

Investment activities

Investment result 2023

Capital markets experienced challenging developments in 2023. Geopolitical tensions remained very high following Russia's invasion of Ukraine, US/China tensions on Taiwan and, later in the year, the Israel/Palestine war. Interest rates remained elevated following a spike in inflation during the first half of 2022 as central banks in all the world's advanced economies attempted to carefully balance tightening monetary conditions without creating a severe recession. Interest rates started to fall again in the final quarter of the year after inflation slowed in most advanced economies.

The total market value of Tryg's investment portfolio was approximately DKK 64bn at 2023 year-end. The investment portfolio consists of a match portfolio (which matches the insurance liabilities and is constructed to minimise capital consumption) of DKK 46bn and a free portfolio (the net asset value of the company) of DKK 18bn.

Tryg maintained a low risk approach to its investment activities while further reducing the allocation to equities in Q3 2023.

The investment return for the full year was DKK 631m (DKK -441m), which represents the sum of the free and the match portfolio returns and other financial income and expenses. The free portfolio reported a result of DKK 622m (DKK -945m), with most of the performance coming in the final quarter of the year after data clearly pointed to lower inflation expectations. Equities are approaching record levels while real estate returns were challenging in a higher interest rate environment.

The match portfolio reported a result of DKK 468m (DKK 207m). An increasing DK-EU yield spread provided a negative regulatory deviation, whereas Nordic covered bond spreads traded sideways during the year. Finally, positive interest on premium provisions (previously booked as technical interest under IFRS 4) helped the match portfolio result in its performance component. Other financial income and expenses totalled DKK -459m (DKK 263m), the higher level (compared to full year 2022) primarily driven by somewhat higher interest expenses on subordinated loans and especially the Q4 negative value adjustment on the inflation swap (DKK -222m) driven by sharply lower future inflation expectations in the final three months of the year.

Free portfolio

Financial markets experienced a challenging and volatile year. Geopolitical tensions remained high in multiple areas of the world. Against this unsettled backdrop, equity markets developed positively overall, but with significant differences driven by single stock performances and varying quarterly returns. Interest rates remained at a high level, while real estate as an asset class found conditions challenging. Tryg's free portfolio produced a total result of DKK 622m (DKK -945m), with all main asset classes except properties producing positive returns. Tryg's equity portfolio reported a return of 11.1% (-15.7%), corporate bonds (a relatively small asset class for Tryg) reported a 8.2%

Financial highlights 2023

622m
Free portfolio
(DKK)

468m
Match portfolio
(DKK)

631m
Total investment return
(DKK)

Return - Investments

DKKm	Q4 2023	Q4 2022	2023	2022
Free portfolio, gross return	397	205	622	-945
Match portfolio, regulatory deviation and performance	34	232	468	207
Other financial income and expenses	-285	130	-459	263
Income from RSA Scandinavia	0	-18	0	34
Total investment return	**146**	**549**	**631**	**-441**

Return - Match portfolio

DKKm	Q4 2023	Q4 2022	2023	2022
Return, match portfolio	1,863	438	2,580	-2,433
Value adjustments, changed discount rate	-1,548	90	-905	3,419
Transferred to insurance technical interest	-281	-295	-1,207	-779
Match, regulatory deviation and performance	**34**	**232**	**468**	**207**
Hereof:				
Match, regulatory deviation	-190	197	-7	142
Match, performance	224	35	475	65

(−15.4%) return, while real estate reported a -8.5% (10.4%) return. The free portfolio totalled DKK 18bn at the end of 2023.

Match portfolio
The match portfolio of DKK 46bn primarily consists of Nordic covered bonds for the purpose of matching insurance liabilities while keeping capital consumption low. The result can be split into a "regulatory deviation" and a "performance result".The "regulatory deviation" reported a slightly negative contribution of DKK -7m (DKK 142m) due to a slightly increased DK-EU yield spread. The "performance" result was DKK 475m (DKK 65m), primarily driven by interest on premium provisions (the old technical interest, which was previously booked under the technical result in IFRS 4), whereas Nordic covered bond spreads traded sideways during the year.

Other financial income and expenses
Other financial income and expenses include interest expenses related to outstanding subordinated debt, the cost of currency hedges to protect own funds, the value change on the inflation swap, the cost of running the investment operations and other general costs. Other financial income and expenses totalled DKK -459m (DKK 263m). The higher level compared to normalised expectations is primarily driven by the negative value adjustment on the inflation swap of DKK -222m booked in Q4 due to sharply lower inflation.

Investment result in Q4 2023

The final quarter of the year was characterised by positive developments in the financial markets, equity markets performed well and interest rates fell, driven by lower inflation expectations moving into 2024.

The free portfolio reported a result of DKK 397m (DKK 205m), primarily driven by the equity and fixed income asset classes, while real estate produced a negative return. Tryg's equity portfolio returned 4.7% (6.6%) for Q4.
The match portfolio returned a positive DKK 34m (DKK 232m), with a small contribution from the performance component offsetting a negative regulatory contribution component.

Danish provisions are discounted by euro swap rates but hedged by a combination of euro and Danish assets. An increasing yield spread therefore means a negative contribution to the regulatory deviation. The positive performance in the final quarter of 2023 stems from the positive interest return on premium provisions together with narrowing Nordic covered bond spreads, which produced a positive performance overall.

Other financial income and expenses were DKK -285m (DKK 130m), clearly more negative than the normalised level of approximately DKK -90m. A negative inflation swap value change of DKK -222m was booked as inflation expectations fell sharply in the last three months of the year. Interest expenses on outstanding subordinated loans were DKK 48m, in line with previous quarters.

Financial highlights Q4 2023

397m
Free portfolio
(DKK)

34m
Match portfolio
(DKK)

146m
Total investment return
(DKK)

Return - free portfolio

									Investment assets	
DKKm	**Q4 2023**	**Q4 2023 (%)**	**Q4 2022**	**Q4 2022 (%)**	**2023**	**2023 (%)**	**2022**	**2022 (%)**	**31/12/2023**	**31/12/2022**
Government and Covered Bonds	131	2.2	82	1.4	240	4.2	-427	-7.5	7,198	6,034
Corporate and Emerging Markets Bonds	199	6.9	96	3.3	254	8.2	-420	-15.4	2,969	2,979
Investment grade credit	74	6.7	34	3.1	97	8.2	-155	-15.4	1,113	1,199
Emerging markets bonds	78	7.0	34	3.5	97	8.3	-120	-15.2	1,157	1,039
High-yield bonds	48	7.0	28	3.4	61	8.2	-144	-15.4	699	742
Diversifying Alternatives	8	0.7	-64	-5.2	77	6.4	-40	-3.3	1,456	1,239
Equity	150	4.7	216	6.6	377	11.1	-525	-15.7	2,418	3,182
Real Estate	-91	-2.6	-125	-2.8	-326	-8.5	467	10.4	3,465	4,222
Total	397	2.4	205	1.2	622	3.6	-945	-5.8	17,506	17,656

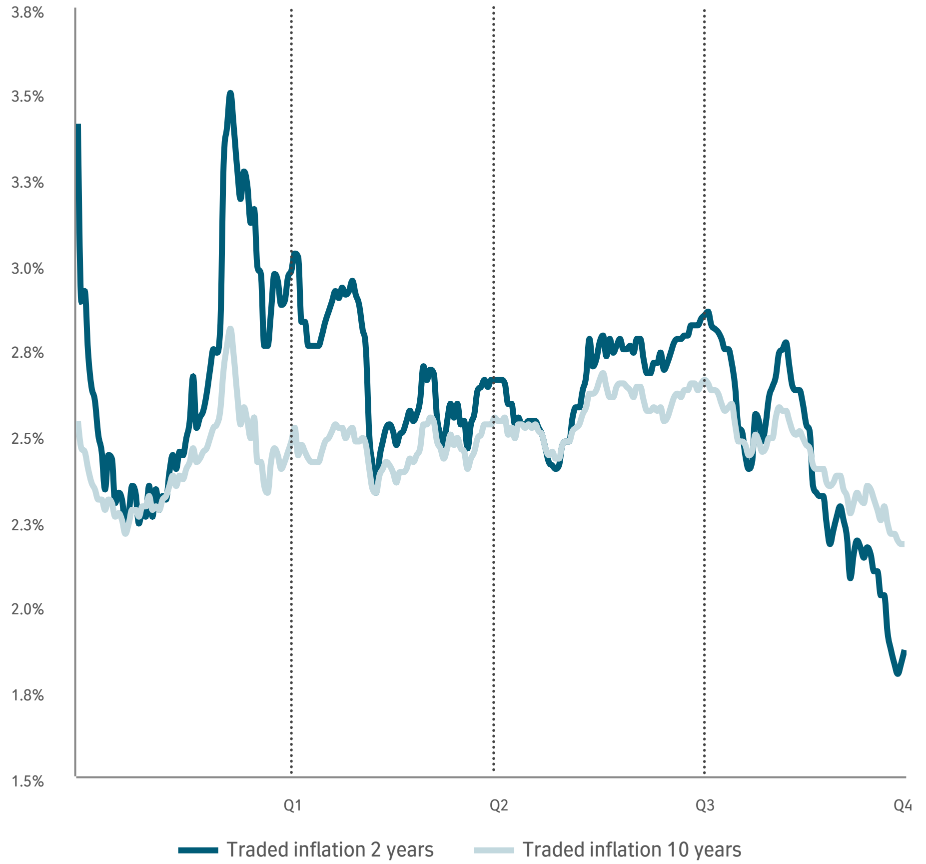
Follow Tryg's free portfolio at tryg.com

Tryg publishes the percentage return of the most volatile part of its investment income, the so-called free portfolio (the NAV of the company), daily at Tryg.com. Tryg has previously published a newsletter detailing the different building blocks of the investment result. At the end of Q4 2023, the free portfolio totalled approximately DKK 18bn and the amount is broadly stable. The match portfolio is made up primarily of Nordic covered bonds and structured to report a result close to zero. Since the switch to IFRS 17, an item previously called "technical interest", and booked under the old technical result (insurance service result), is now part of the overall investment result. Moving into 2024, a change to the ultimate forward rate (UFR), or the curve used to discount liabilities, will also be included in the match result. The overall match portfolio result is expected to be between DKK 250m and DKK 300m for FY 2024, capturing the UFR change and also the lower level of interest rates in Q4 (vs Q3)

The match portfolio has been built to minimise capital consumption. Finally, the line "other financial income and expenses" is expected to be approximately DKK -90m per quarter, but it can be a volatile item. The main component of "Other financial income and expenses" is the interest expenses on Tier 1 and Tier 2 loans, which are estimated at DKK -50m quarterly. Significant changes in inflation going forward may impact the value of the inflation swap (as per Q4 2023) and thus impact the overall "other financial income and expenses" line.

Tryg strives to increase transparency across its financial reporting, so in challenging financial markets it is worth remembering that the most volatile part of the investment result is observable on a daily basis.

Forward-looking inflation expectations, Q1-Q4 2023



Source: Bloomberg , EUSWI2 INDEX & EUSWI10 INDEX

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 determined 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.

Tryg has chosen to implement a 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 tolerance limits and 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 quarterly basis - thus providing close monitoring of each business unit with regard to their performance towards the overall strategic objectives.

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

Operational risk is understood as the risk of loss due to inadequate or failed internal processes, people and/or system errors, or as a result of external events.

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 tolerance limits and 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, measurement, management, monitoring and reporting on risks and incidents potentially resulting in a loss or a near loss for Tryg.

This is ensured by implemented methods covering incident management, operational risk self-assessments and internal controls and through business continuity management.

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.
Tryg's solvency ratio is a function of developments in own funds and the solvency capital requirement (based on the approved partial internal model). 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, reinsurance programme, investment mix and overall level of profitability. The solvency ratio was 197 at year-end 2023 compared to 201 at year-end 2022.

The key components of Tryg's own funds are shareholders' tangible equity, qualifying debt instruments (both Tier 1 and Tier 2 debt) and future profit. Own funds totalled DKK 14,998m at the end of 2023 vs DKK 16,012m at the end of 2022. The decrease was primarily driven by an extraordinary share buyback of DKK 1,000m announced in October in connection with the Q3 report and fully deducted from own funds. The decrease in own funds was partly offset by a decrease in the solvency capital requirement (SCR) which mitigated the net effect on the solvency ratio.

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 2023, Tryg's SCR was DKK 7,633m, down from DKK 7,966m at the end of 2022. The lower level is mainly explained by weakening NOK and SEK exchange rates and a reduced equity exposure. 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, therefore the highest sensitivity is towards spread risk, where a widening/tightening of 100 basis points would impact the solvency ratio by approximately 12 percentage points. Lower sensitivity is displayed towards equity market losses and interest rate fluctuations.

Shareholders' remuneration

The Supervisory Board regularly assesses Tryg's 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 return on own funds target (ROOF) and the dividend policy. Tryg will pay a Q4 dividend per share of DKK 1.85 on 30 January 2023 after having paid a dividend for the first nine months of DKK 5.55 per share, bringing the total for the full year to DKK 7.40 per share.

In October 2023, Tryg announced a share buyback of DKK 1.0bn. As per end of 2023, approximately DKK 700m out of the total DKK 1bn has been bought back as per end of 2023. TryghedsGruppen, Tryg's largest shareholder, is not participating in the buyback in order to facilitate an overall increase in ownership of Tryg following the acquisition of RSA Scandinavia.

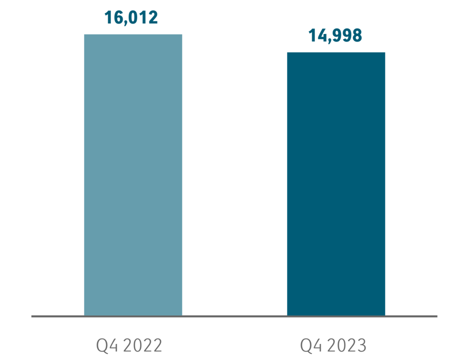
TryghedsGruppen owns 47,5%** of the shares, with the ongoing buyback facilitating an increased ownership level towards the stated 50% plus target. At the Capital Markets Day in London in November 2021, Tryg refined its dividend policy going forward. Tryg continues to aim to offer a nominally stable and 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 Tier 2 debt and a "Baa3" rating to Tryg's Tier 1 debt. Moody's reconfirmed Tryg's rating in November 2023.

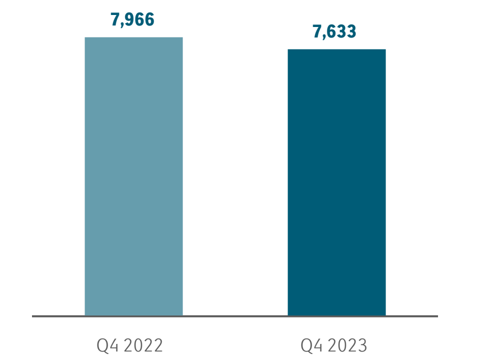
Own funds

(DKKm)



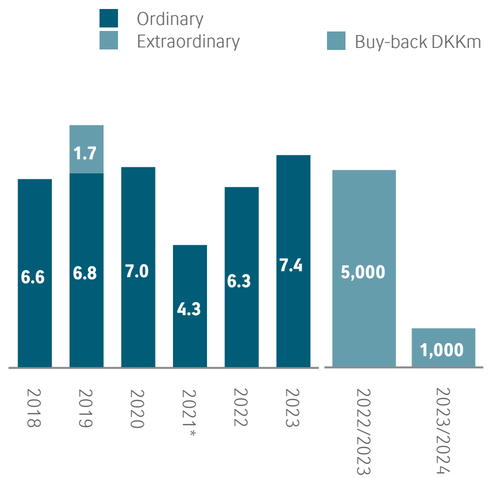
Solvency Capital Requirement

(DKKm)



Shareholder renumeration

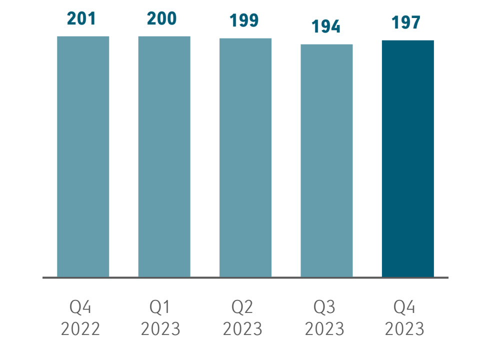
(DKK per share)



*2021 DPS impacted by the higher number of shares at 653m (301m end of 2020) following the DKK 37bn rights issue to fund the acquisition of RSA Scandinavia.

Solvency ratio development

(%)



** Calculated excluding Tryg's own shares

Tax overview

Tax Policy
Tryg recognises the role that taxes play in society and acknowledges that business must have a responsible approach to handling tax matters in order to ensure sustainable societies. Tryg's tax policy is inspired by the GRI Sustainability Reporting standard #207 regarding tax.

The Tryg Tax Policy governs all taxes paid by Tryg including corporate income tax, withholding taxes, insurance premium taxes and consumption taxes, such as VAT.

The Tryg Tax Policy applies to all entities within the Tryg Group and, to the extent possible, also to investments made by Tryg.

For information on the Tryg Tax Policy, please refer to our website at **www.tryg.com**

Income tax
The total tax bill was DKK 1,178m (DKK 804m), corresponding to an effective tax rate of approximately 23.4%. The tax rate is driven primarily by tax-free investments in Norway and non-deductible costs in across countries.

The effective tax rate for 2024 is expected to be approx. 24% due to full implementation of the new financial tax in Denmark and the weakened currencies in Sweden and Norway.

Global minimum tax regime
Tryg is within scope of the OECD global minimum tax regime rules, also known as Pillar II.

Although Pillar II legislation is not effective until 2024 from a current tax perspective, Tryg applies the exception to recognising and disclosing information about deferred tax assets and liabilities related thereto.

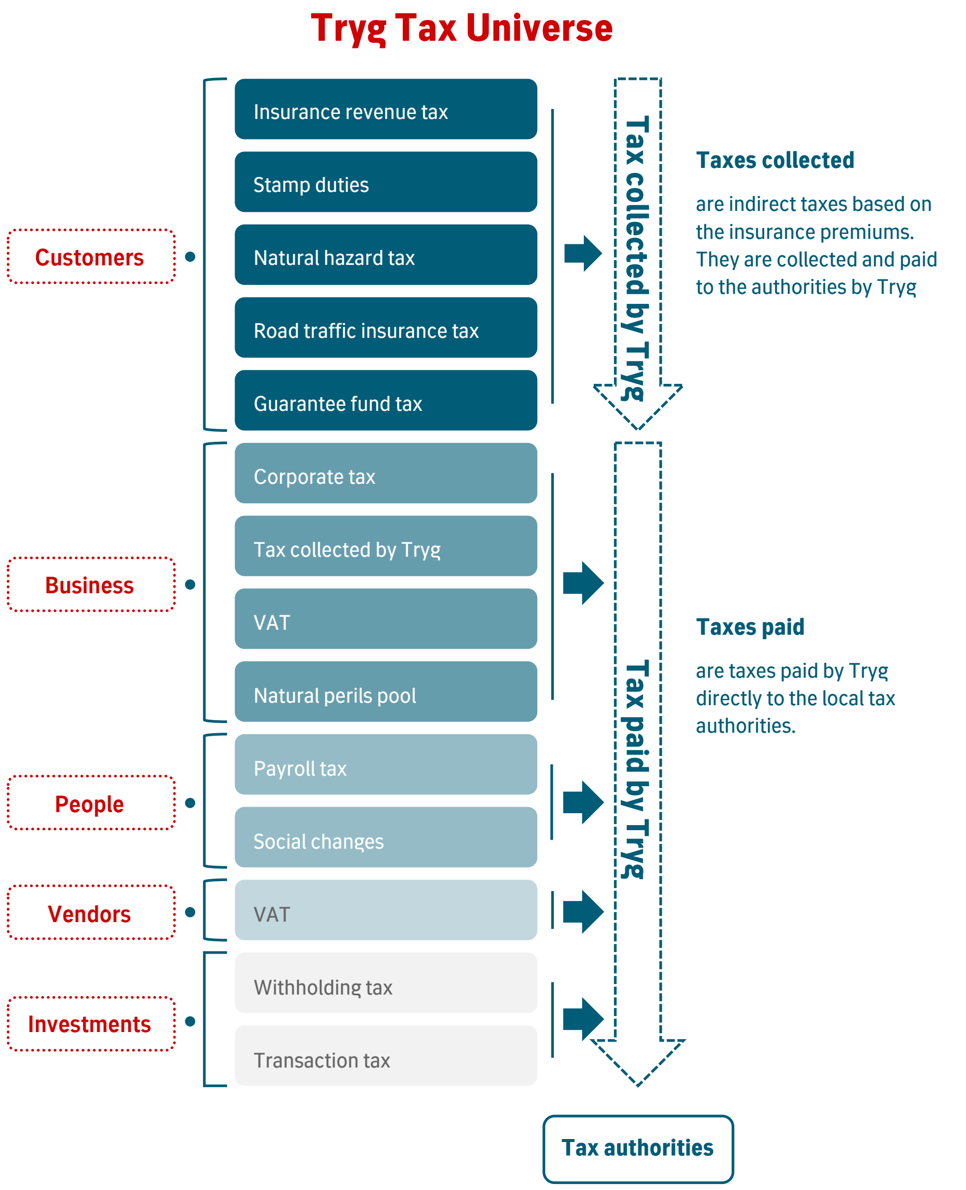
An assessment based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in Tryg, i.e. financial year 2022, has been prepared.

For information on Pillar II, reference is made to the Financial Statement below.

Tryg Tax Universe
Taxes paid by Tryg do not only originate from the core business. They arise during all parts of our business cycle. Some are collected by us and then paid to the local tax authorities. Others are a direct result of our business or investments.

All in all, Tryg paid a total tax contribution to local Tax authorities of DKK 5,023m in 2023.

For further information on taxes, reference is made to the Financial Statement below.



Sustainability statement

Table of contents

About the statement

The sustainability statement describes how Tryg is progressing on its sustainability strategy and targets, and how impacts, risks and opportunities are managed.

This statement represents Tryg's statutory statement on sustainability, gender diversity and data ethics in accordance with Sections 144, 143 and 146 of the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds. It comprises information for communicating on progress to the UN Global Compact and thus underlines Tryg's ongoing commitment the Ten Principles on human and labour rights, environment and anti-corruption.

As of financial year 2024, Tryg is obliged to report according to the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The standards bring forward a number of changes and new requirements to sustainability reporting.

Tryg has initiated the preparations for reporting according to CSRD, and ESRS, by for example, conducting a double materiality assessment. The process and results are described in detail on page 42.

Sustainability strategy and governance

As the world changes, we make it easier to be tryg[1]
Tryg has an ambition to be a proactive peace-of-mind creator for its customers. Through its insurance products, Tryg can help protect customers against uncertainties related to e.g. property damage, sickness or pregnancy. Through prevention services and advice, Tryg can help customers protect themselves better against damage or injury. All claims are inconvenient and stressful for our customers, whether they relate to their car, home or personal health. Resolving claims is, furthermore, associated with high resource and energy use. The most sustainable claim is the one that does not occur. Prevention is therefore a strategic priority for Tryg, who aims to integrate prevention services or products into its insurance offers. This way, Tryg is not only creating peace-of-mind for customers but also contributing positively to the environment and society.

As the largest non-life insurer in Scandinavia, Tryg provides insurance products, efficient claims handling and advice and services for preventing claims from arising in the first place to its more than 5 million private and commercial customers across Denmark, Norway and Sweden.

Driving sustainable impact
Tryg's 2024 sustainability strategy, 'Driving Sustainable Impact', underlines the importance of integrating sustainability into decision-making throughout the organisation. Through its three pillars: Responsible company, Green workplace and Sustainable insurance, specific targets and initiatives are defined across every aspect of Tryg's activities. From practices around sourcing, investments and claims handling, to the climate impact of offices, the impact on employees, to the type of products and services delivered.

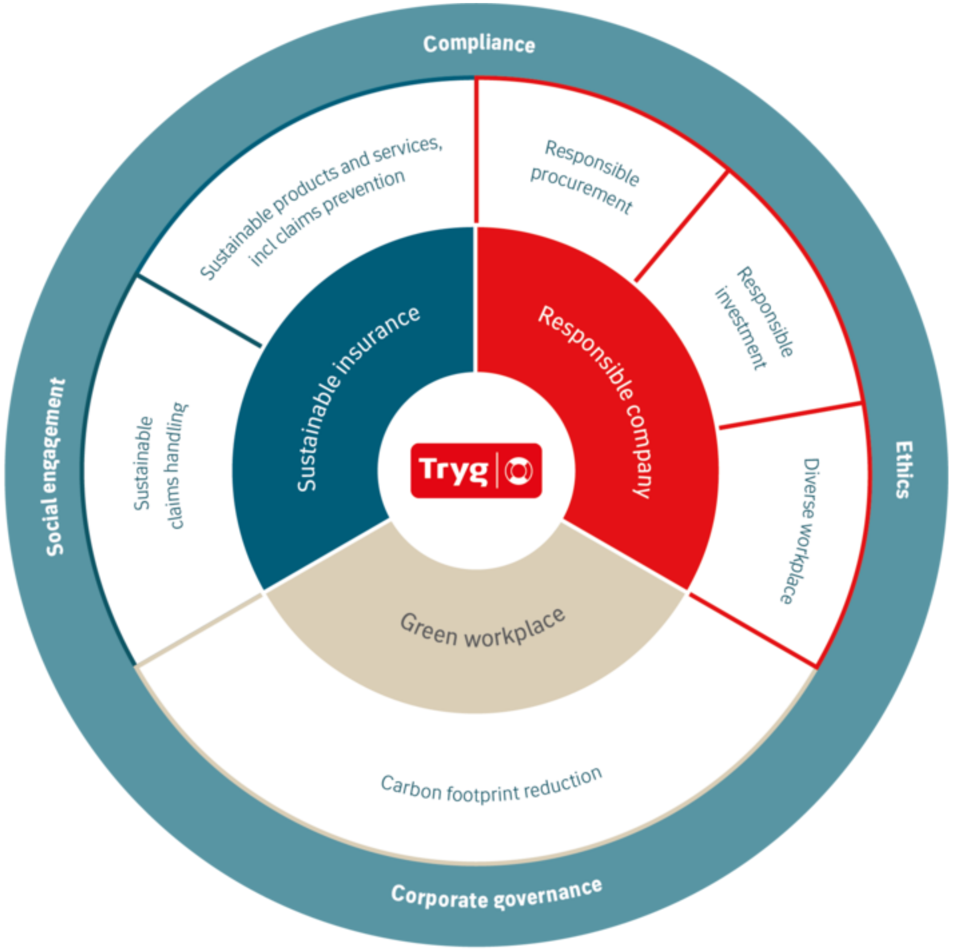
Specifically for products, this includes, but is not limited to, activities around aligning products with the criteria in the EU Taxonomy. Such criteria cover the inclusion of sustainability parameters in product design processes, services and engagement with customers and suppliers, all with the purpose of adapting products to climate change. The alignment with the EU Taxonomy builds on Tryg's existing sustainability efforts within prevention and claims handling.

Sustainability policy [link]

Governance
The Corporate Governance section of this report describes Tryg's approach to Good Corporate Governance. Read more on page 86.

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 composition and experience of the Supervisory Board is described in the Corporate Governance section on page 89.



[1] 'tryg' means feeling protected and cared for in Danish.

To ensure that the capabilities in the Supervisory Board correspond to the increased focus on sustainability matters, specific educational sessions have been conducted for the Board in recent years. Matters such as the EU Taxonomy, CSRD and climate ambitions have been presented and discussed by the Board.

The Supervisory Board has set up committees to support the Board within specific areas, and to ensure proper oversight. The committees prepare matters for decision by the entire Supervisory Board and report directly to the Board. ESG is an integrated part of the work performed by the committees and the Supervisory Board.

Read about the composition and experience of Tryg's Executive Board on page 93.

Sustainability & ESG Board

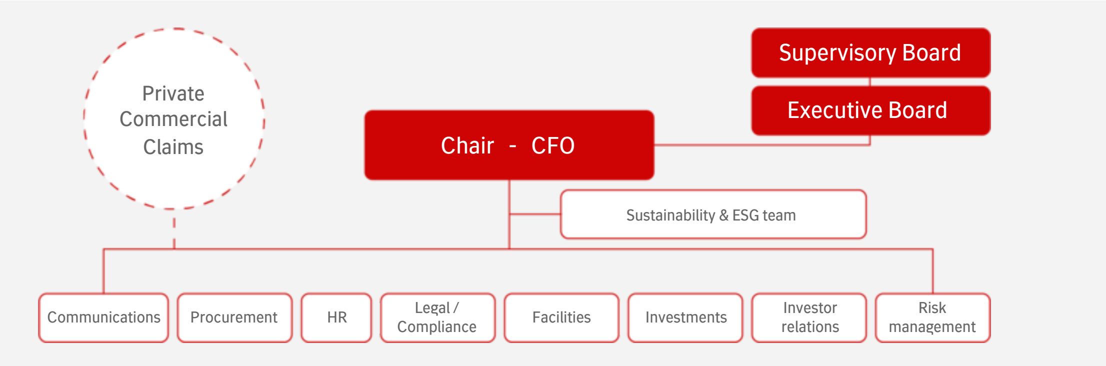
Tryg's Sustainability & ESG Board drives Tryg's strategic direction on the sustainability and ESG agenda.

The Board is chaired by Tryg's CFO, and is composed of Vice Presidents from central functions such as HR, Investments, Compliance, Risk management, Supply chain, etc. to ensure that the agenda is effectively anchored across the organisation.

At quarterly meetings, the Board discusses Tryg's direction and specific initiatives and recommendations. Furthermore, the Sustainability & ESG Board approves the annual sustainability reporting and projects prior to final approval by the Executive Board and/or the Supervisory Board.

The Executive Board is informed on a quarterly basis about performance and progress on targets and relevant initiatives. Tryg's Supervisory Board is kept informed about strategy, risk, opportunities, initiatives and progress on sustainability-related targets and thus monitors and oversees the implementation of the strategy and progress against targets.

Sustainability and ESG Board



In 2023, the Sustainability & ESG Board has addressed a wide range of issues such as the EU taxonomy, integration of sustainability and ESG into the business areas, ESG ratings and reporting, ISO14001 certification and climate action.

Additionally, the Sustainability & ESG Board receives a quarterly update on strategic KPIs related to diversity, CO_2e emissions and avoided CO_2e emissions from claims handling.

Integration of sustainability related performance into incentive schemes

The Executive Board and a number of other employees (depending on position in the organisation) are covered by a variable salary incentive programme (INP).

The quantitative targets are assessed on a linear scale from 1 to 7. Most of the targets are strategic for Tryg and are thus part of Tryg's Capital Markets Day targets for the period up to 2024. For most of the targets, no external benchmark exists.

The sustainability & ESG target is composed of avoided CO_2e emissions from claims handling, CO_2e reduction from Tryg's own operations, top-line growth from prevention initiatives, diversity & inclusion, and employee satisfaction.

Performance is based on specific milestones and thresholds within each of the categories. The sustainability element of the total variable salary constituted 15% in 2023.

Supervisory Board committees' oversight of ESG themes

Audit committee

- Compliance with CSRD.
- Approval of double materiality analysis, process and outcome.
- Non-financial assurance.

Nomination committee

- Composition and size of Supervisory and Executive Boards.
- Defines qualifications required for boards.

Remuneration committee

- Remuneration policy.
- Recommendations to variable salary programme (INP) for Executive Board.

Risk committee

- Climate-related risks
- Monitor risk management system and assess effectiveness.

Overview of 2023

The table outlines Tryg's Sustainability targets and 2023 performance.

Strategic focus area

Sustainable insurance

Prevention and claims handling

page 50 →

2024 targets	2023
• 80% increase in sustainable spend	**29%**
• 20,000–25,000 tonnes CO_2e of avoided emissions from more sustainable claims handling	**21,208**

Responsible company

Responsible procurement

page 56 →

2024 targets	2023
Sustainability screening of suppliers	
• Up to 90% of contract suppliers	**66%**
• Up to 100% of contract suppliers within claims	**73%**
High supplier performance for screened suppliers	
• Up to 50% of contract suppliers	**50%**
• 70% of contract suppliers within claims	**48%**

Responsible investment

page 62 →

2030 targets	2023
• 50% CO_2e intensity reduction from equity portfolio	**51.9%**
• Exclusion of fossil fuel production companies with no strategy for green transition	

Diverse workplace

page 52 →

2024 targets	2023
• 33% women at other management level (2026 target)	**29%**
• 33% women at top management level	**27%**
• 41% women at director level	**26%**
• 41% women in management positions	**41%**

Green workplace

Climate impact

page 43 →

2024 targets	2023
• 35% CO_2e reduction	**55%**[1]
• 58% CO_2e reduction from energy consumption	**89%**[2]
• 12% CO_2e reduction from waste	**5%**
• 23% CO_2e reduction from air travel	**20%**
• 23% CO_2e reduction from car fleet	**3%**

2030	2023
• 55% CO_2e reduction	**55%**[1]

Targets and results

1 Market-based
2 Market-based and scope 2 only

Double materiality assessment

Tryg has performed a double materiality assessment (DMA) to identify and assess material ESG impacts, risks and opportunities. In a DMA, materiality is assessed from both an impact and a financial perspective.

A group of internal stakeholders has been involved throughout the process to inform, validate and assess the analysis. Where relevant, some stakeholder groups have acted as proxies for external stakeholders. Representatives from the Finance and Risk management departments have played central roles in helping to inform the mapping of the value chain, the assessment criteria and the anticipated financial effect of identified risks and opportunities.

Understanding Phase I: Business model and value chain
Based on a review of the organisational structure, it was confirmed that the main activity of Tryg is to provide insurance. This was valid for all key aspects of the value chain. Impacts, risks and opportunities are therefore only identified under the insurance activity.

For investments, governance around responsible investment practices was assessed. This is primarily due to the fact that Tryg's investment activities are handled by external managers, and because of the inherent responsibility to select the right external managers who can act in accordance with Tryg's guidelines and ambitions for returns and ESG impact.

Claims handling is one of the central functions in Tryg's delivery to customers. For claims suppliers, the analysis deep-dives on suppliers within the largest types of claims, namely motor and building.

Identification Phase II: Identifying impacts, risks and opportunities
Impacts, risks and opportunities were identified across ESRS topics, sub-topics and sub-sub topics based on existing internal information.

Interviews with internal subject matter experts were performed across relevant staff functions, business areas and management. The identified long-list was validated by a cross-functional team of subject matter experts in a workshop. The outcome was a final list determined valid for the assessment phase.

Phase III: Assessing impacts, risks and opportunities
To assess the materiality of the identified impacts, risks and opportunities, initial workshops were conducted to determine the assessment methodology and to set initial thresholds for, respectively, impact and financial materiality. For both perspectives, the methodology was aligned with the methodology used by Tryg's Risk management.

Through bilateral engagements, subject matter experts were consulted on the actual assessment, which was finally validated at a workshop with a cross-functional team.

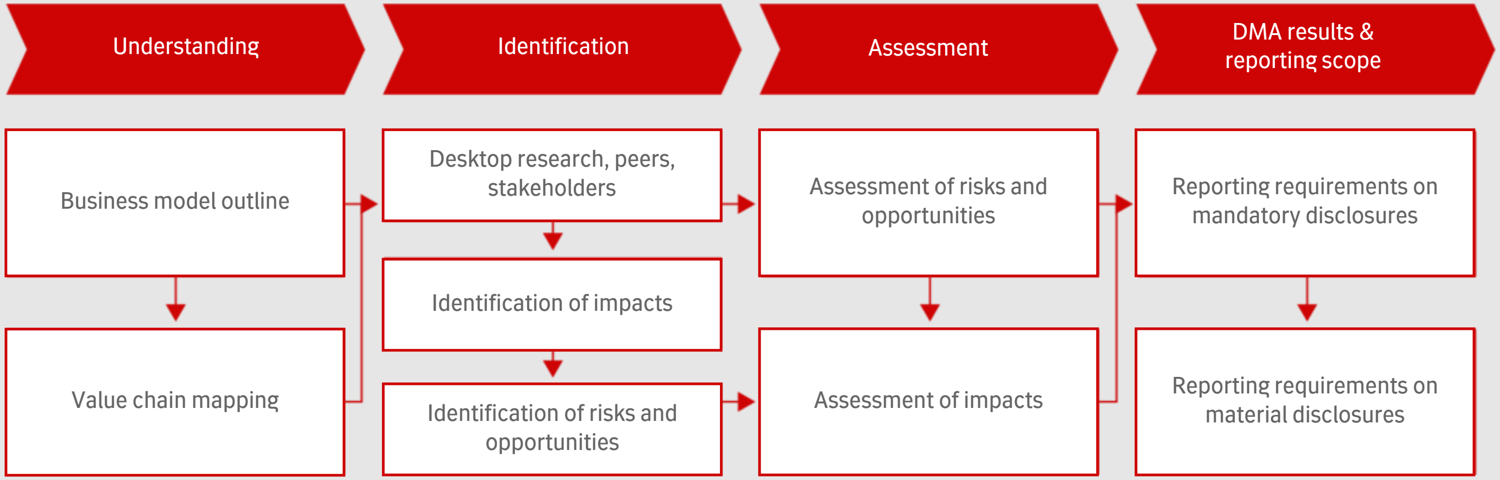
Methodology
Impact materiality: Impacts have been assessed according to severity (scale, scope and irremediability) and likelihood – each on a 4-point scale. For positive impacts, irremediability was not considered, and similarly for actual impacts, likelihood was not scored.

Financial materiality: Risks and opportunities were considered in terms of their potential effect on, respectively, cash flow, development, performance, position, cost of capital and access to finance. The expected financial effect was assessed on a 4-point scale. Threshold was set in line with the Risk management procedures in Tryg. The anticipated financial effect is estimated based on various sources of input such as current targets, estimates and assumptions.

Phase IV: Final validation and senior level approval
To ensure senior level approval, the process and analysis were reviewed by the Sustainability & ESG Board, and hereafter the Audit Committee.

Both factions approved the process and the final result.

The material impacts, risks and opportunities are disclosed under the relevant topic throughout the Sustainability statement.



Environment

Climate impact

Material impacts, risks and opportunities

Material negative and positive impacts and opportunities related to climate and environment have been identified in the double materiality assessment (read more about the process on page 42).

These impacts and opportunities relate to prevention measures, claims handling, customer portfolio and products. Each of these are closely linked to the core of Tryg's insurance business: To reduce the number and size of claims and to resolve claims using a minimum of resources. An opportunity is identified in terms of developing new products that can help customers mitigate their respective climate risk.

Tryg's current climate-related targets cover emissions from direct activities as well as waste and business travel by air. Additionally, Tryg accounts for the footprint of its investment portfolio and avoided emissions from more circular handling of claims.

Commitment to minimise direct and indirect negative climate impact

The Climate and Environmental policy outlines Tryg's commitment to ensure protection of the climate and environment, including biodiversity.

The policy applies to all legal entities and business areas in Tryg. It is reviewed annually and approved by the Supervisory Board, and builds on the principles of the UN Global Compact, UN Sustainable Development Goals and, for investments, the UN Principles for Responsible Investment.

Tryg is committed to minimising both its direct and indirect negative climate impact. Recognising that the direct impact is limited, Tryg remains committed to actively contributing to climate change mitigation, energy efficiency and renewable energy deployment through a focus on minimising and managing energy consumption, waste generation and employee transportation.

In 2024, Tryg will continue its current work to map and understand its full climate impact, including scope 3 CO_2e emissions, as defined by the GHG Protocol. Establishing a baseline is key for being able to monitor emission reductions from external partners and for formalising an ambitious target.

Climate and Environmental policy [link]

Embedding climate and environment across the organisation

With around 7,900[1] colleagues at more than 30 locations, Tryg is committed to contributing to changing mindsets, actions and habits for reducing its direct carbon footprint. This means that Tryg works to make its offices more environmentally friendly by focusing on energy efficiency, waste reduction and segregation, and changing employees' transportation habits.

One important step towards this is making sure that sustainability, climate and environment are integrated across the organisation and in all decisions taken. In 2023, Sweden and Norway were certified according to the ISO 14001 standard. Denmark was certified in 2022. Additionally, Tryg Norway maintained its certification under the national Eco-Lighthouse certification scheme, which focuses on the environment and a safe working environment for employees.

The certifications imply a highly systematic approach to working with climate and environment and will support Tryg in delivering on strategy and ambitions while paving the way for future climate considerations.

1 Headcount

The climate partnership of the Danish Financial sector

In 2019, the Danish government set up thirteen climate partnerships divided into industries that will contribute to the government's ambition of reducing Denmark's carbon emissions by 70% in 2030 compared with 1990.

The financial sector's own emissions are estimated to account for less than 0.1% of total Danish emissions. As a result, the sector wants to contribute to the Danish reduction target in four areas:

1. Setting targets and monitoring the reduction in customers' carbon footprints
2. Actively engaging with customers
3. Integrating sustainability into business models; and
4. Reducing emissions from the financial sector itself

This information is available in the Environmental sections on page 43, as well as in the ESG data tables from page 65.

Targets for reducing climate impact

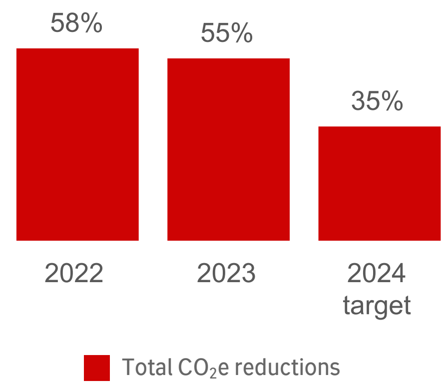
Tryg has defined CO_2e targets for its direct emissions and emissions from waste and business travel. By 2024 and 2030, Tryg has an ambition to reduce emissions by 35% and 55%, respectively, compared to the 2019 base year.

In 2023, Tryg emitted 4,180 tonnes CO_2e corresponding to a reduction of 55% relative to the base year.

Since 2019, Tryg has covered 100% of its electricity consumption through Renewable Energy Certificates – RECs. Thanks to these measures, combined with the move to more energy-efficient locations and initiatives such as the replacing of light sources with LED lighting and other energy-saving activities, Tryg has reached its target for 2024. Nonetheless, Tryg continues its efforts to reduce its footprint.

Tryg's operations can never become completely carbon neutral through Tryg's efforts alone due to the mechanisms in the market, e.g., the energy mix in district heating. In 2023, Tryg compensated for the remaining unavoidable carbon emissions through a carbon credit project related to wind power in India, verified to a Gold standard. The project is installing a 20MW wind farm composed of 25 windmills. Expected annual production is approx. 34,000 MWh.

By investing in carbon credits, Tryg also supports the local community, as the project also supports Sustainable Development Goals no. 3, 7, 8 and 13 through training of employees, local safeguards, job creation and health & education related activities for the local communities.



Focus on energy-efficiency and charging stations

Energy consumption (scope 2) from offices constituted approximately 12% of Tryg's own CO_2e emissions in 2023. During the year, total emissions from energy consumption (scope 2) were reduced by 89% relative to the base year.

The primary reason for the decline is the move to new and more space- and energy-efficient locations in Malmö and Stockholm. Focus on space- and energy-efficiency are central criteria when Tryg scouts new locations. For instance, Tryg's new state-of-the-art building in Malmö is certified to Miljöbyggnad Gold, a Swedish certification system where only the most ambitious buildings meet gold level requirements. Furthermore, the building is also certified according to SGBC:s certification for buildings with net zero climate impact, NollCO2.

Waste management still needs attention

Waste generated at Tryg's sites only accounts for 3% of total emissions. However, Tryg remains focused on the disposal and recycling of the waste generated. As an example, in 2023, following the major relocations in Malmö and Stockholm, Tryg sold and donated a large number of used desks, cabinets and bookcases to charities such as Red Cross and Pentecostal church. At the end of 2023, Tryg invested in new waste handling equipment for its Danish locations in order to better sort the waste into the different fragments and in that way reuse more of our waste.

The relocations affected waste levels negatively, yet as a result of the various initiatives, CO_2e from waste was reduced by 5% compared to the base year.

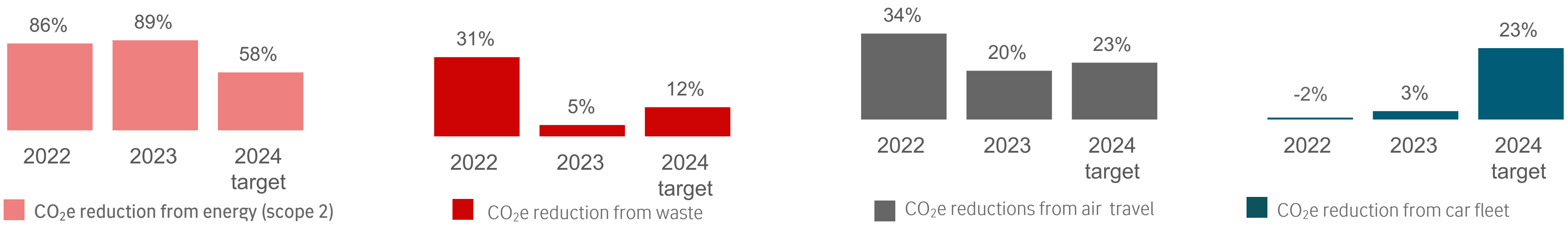
Transportation

Transportation includes air travel and Tryg's Danish car fleet. Air travel accounts for 63% of Tryg's total emissions in 2023. Since the 2019 base year, emissions from air travel have been reduced by 20%. Tryg remains focused on keeping air travel to the absolute minimum, and with improved collaboration platforms and options for online meetings, it has become easier to collaborate and connect across national borders.

Relative to the baseline, there has been a decrease of 3% in emissions from the car fleet. In recent years, Tryg has had a granted increase in the total cost of ownership (TCO) for employees who selected an A+++ classified car. In spring 2023, the car policy was updated so the granted increase in TCO now only applies to employees who select electric vehicles. The results are already visible in the car fleet, where 93% of new cars are A+++ and approximately half of these are electric.

The share of electric cars increased especially in the second half of 2023.

Tryg is also working to promote the use of more climate-friendly cars among employees by increasing the number of charging stations at its locations.



CO_2e reductions relative to base year 2019

Climate-related risks

The impact of climate change is significant and a cause of concern for Tryg's customers and for 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 the insurance business is a strong focus on managing and preventing claims related to natural events such as flooding and storms.

Tryg monitors the potential effect of climate change on the underwriting risk for its main insurance products based on consensus UN scenarios for future CO_2e emissions and increases in temperature. The forward looking scenario-based approach is incorporated into the pricing of products where relevant (notably house insurance).

Climate-related risks are identified, measured, managed, monitored and reported as part of Tryg's overall risk management system.

Tryg reports according to the recommendations of the Task Force for Climate-related Financial disclosures. See more on page 64.

Physical risks and opportunities

Extreme weather events such as flooding, cloudbursts, storms, rising sea levels and heatwaves represent physical risks, not only for Tryg, but also for private households and commercial companies, and there has been an increase in the number of weather-related claims across all of Tryg's business areas. Tryg monitors available data on adverse climate-related risks and seeks to mitigate such risks to the greatest possible extent.

Climate and weather-related claims

In 2023, Tryg's expenditure for weather-related claims amounted to DKK 1.274bn, which is an increase from DKK 591m in 2022. Throughout the year, there have been record-breaking weather events at regular intervals e.g., Storm 'Hans', which caused severe flooding in Norway and Sweden, hail storms in Northern Italy, the once in a 100 years flooding in Denmark in the autumn, and many more. More extreme weather conditions can cause an increase in the frequency of weather-related claims from all our customers. This is accounted for in our financial planning regarding e.g. underwriting risks and reinsurance. Reinsurance is used to reduce the underwriting risk in situations where this cannot be achieved to a sufficient degree via ordinary diversification – thereby capping the cost of large and weather-related claims.

To prevent or minimise claims, Tryg advises its customers on how to protect their assets from environmental and climate-related damage. Tryg works closely with local authorities to prevent damage to buildings and assets, e.g., by sharing data on areas that are most exposed to weather-related claims.

In Norway, Tryg is partnering with UNI Research AS on seasonal weather warnings. Based on last year's seasonal weather warnings and the amount of snow on the mountains, Tryg warns customers about increased flooding risks and advises them on how to prevent damage caused by flooding.

Tryg is also a partner in Climate Futures, a Norwegian initiative aimed at co-producing new solutions for predicting and managing climate risks from ten days to ten years into the future together with a cluster of partners in climate and weather-sensitive sectors. By participating in this project, Tryg gains knowledge that can improve the value and relevance of its claims prevention advice and actions for customers.

Transitional risks and opportunities

Climate-related issues are also associated with the transition to a global low-carbon economy, including regulatory, technological and societal developments, which represent a range of risks and opportunities for Tryg as a business.

Regulation

One of the main transitional risks is associated with developments in climate-related policies and regulation. This includes the implementation of national carbon taxes or the tightening of energy efficiency standards. Despite having a relatively limited direct footprint, the introduction of regulation and policies on climate-related matters, e.g., carbon tax or increased compliance and reporting requirements, will have implications for Tryg. Adaptations, training and controls are needed to stay compliant and competitive.

Claims handling

From an opportunity side, the transition to a low-carbon economy will enable Tryg to implement a more circular approach to resolving claims. As an insurance company, a large share of our indirect carbon emissions derive from claims handling. More circular thinking in terms of using used spare parts or repairing instead of replacing, enables Tryg to contribute to a low-carbon economy while solving customers' claims using fewer resources.

Read more about Tryg's circular mindset in claims handling on page 50.

Products and services

Similarly, continuous technological developments, more advanced knowledge and more sophisticated data enable Tryg to improve its claims prevention measures and develop better climate adaptation, resilience and insurance risk solutions. By contributing to the prevention of climate and weather-related claims, Tryg can offer relevant products and services to customers. Tryg has established an approval process for new products involving relevant Group functions such as Legal, Compliance, Risk and Sustainability in evaluating, among other perspectives, climate risks and opportunities.

Investments

To mitigate the risks associated with our investment portfolio, Tryg monitors the carbon footprint and climate-related risks associated with its investments. The equity portfolio is characterised by low exposure to climate-related transitional risks. Going forward, Tryg will seek to further expand monitoring of climate-related risks and include a larger portion of our investment assets in the analyses. Read more about responsible investment practices at page 62.

Environment

EU Taxonomy-aligned insurance and investment activities

For the first time, Tryg is reporting on the share of 'taxonomy-aligned' insurance and investment activities.

The EU Taxonomy is considered a lever for future-proofing Tryg's business by enabling and protecting customers against climate-related risks.

In 2023, work has been done to establish a solid foundation for being able to develop and adapt products, as well as measure and report on the Taxonomy-aligned insurance and investment activities in Tryg .

This reporting is based on Tryg's best understanding of the requirements set out in the legislation and associated guidance at the time of preparing the reporting. Tryg will continue to follow the regulatory developments closely.

Preparing customers for climate change
Substantial progress was achieved in 2023, when Tryg's different business areas and relevant staff functions were actively engaged in a Group-wide project pursuing efforts to align eligible insurance activities in Denmark, Norway and Sweden.

As of 31 December 2023, 83% of Tryg's insurance activities are Taxonomy-eligible but not aligned – confirming that Tryg has significant opportunities to substantially contribute to the EU's environmental objective for climate change adaptation going forward.

EU Taxonomy - Insurance activities

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
	2023		2022						
tDKK Economic activities	Absolute premiums	Proportion of premiums	Proportion of premiums 2022	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	Currency	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**3,572,278**	**9.8 %**		Y					Y
A.1.1 Of which reinsured	220,250	0.6 %		Y					Y
A.1.2. Of which stemming from reinsurance activity									
A.1.2.1 Of which reinsured (retrocession)									
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	30,436,547	83 %	90 %						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	2,645,281	7 %	10 %						
Total A.1 + A.2 + B)	**36,654,106**	100 %	100 %						

Data sources for the Taxonomy-eligible, non-eligible and aligned insurance activities are accounting data, retrieved from Tryg's registers in accordance with requirements set out in the Solvency II regulation and external data sources such as the NACE-code classification.
A1: GWP for Taxonomy-aligned activities within a given product group has been used for the calculation at the end of the financial year 2023. The GWP data from Taxonomy-aligned activities is included in the alignment ratio once the Taxonomy-aligned product is available for customers.
A2: Tryg's economic activities are segmented according to the categories defined in the Climate Delegated Act to assess taxonomy eligibility. For each product category, it is examined whether the insurance products provide cover for climate-related risks as defined by the EU Taxonomy. Once an insurance policy does not explicitly exempt all climate-related events from coverage, it is concluded that the insurance product encompasses climate-related cover, and the full gross written premium of the product category is reported as taxonomy eligible.

Going forward, alignment with the Taxonomy will be considered as part of Tryg's product development processes. Tryg expects to align more insurance activities with the EU Taxonomy and to explore and pursue any commercial opportunities within climate change adaptation over the coming years.

Substantially contribute to climate change adaptation

In 2023, Tryg adapted its first insurance products to be aligned with the EU Taxonomy. Specifically, this covered house insurance and property insurance activities in Denmark, Norway and Sweden. Additionally, Norway also included boat insurance.

Taxonomy-aligned activities are the share of Tryg's insurance activities that meet the technical screening criteria outlined in the Taxonomy regulation, i.e. activities that substantially contribute to climate change adaptation, do no significant harm to climate change mitigation, and comply with the minimum social safeguards.

DKK 3.57bn, corresponding to 9.8% of total insurance activities, are aligned with the EU Taxonomy as of 31 December 2023.

State-of-the-art modelling techniques

In Tryg's risk modelling, climate risks are modelled separately from other risks in the product and each cover is priced separately. To assess the impact of climate change on pricing and future claims, Tryg incorporates historical internal data sources in combination with external weather sources and climate projections on the forward-looking RCP[1] climate change scenarios adopted by the UN's Intergovernmental Panel on Climate Change (IPCC). Tryg will continuously work with the data and techniques to maintain the state-of-the-art standard going forward.

Incentives for customers to prevent climate related damage

For 2023 alignment, Tryg has ensured that each Taxonomy-aligned product includes a risk-based incentive for preventative actions to encourage customers to reduce the risk of water-related damage to their house or property following extreme weather-related events, such as cloudbursts. Specifically, customers are offered a reduced premium or can avoid the deductible if they install specific devices that prevent water-related damage. In Norway, boat insurance customers are offered a reduced premium if the boat is protected during the winter season, e.g., stored inside.

Tryg communicates to customers about the importance of preventative measures and informs about incentives and the impact that preventing climate-related damage can have on their insurance coverage via various communication channels e.g. SMS, email or through the claims handling processes.

As part of the ongoing work with the EU Taxonomy, Tryg will seek to identify any potential new and appropriate preventive measures and integrate these into the pricing and product design as well as customer communication.

Coverage of relevant climate-related risks

Tryg has reviewed the coverage of the relevant climate-related perils and documented the customers' demands and needs of coverage in

products related to house, property and boat insurance across Denmark, Norway and Sweden.

The analyses have been carried out based on an evaluation of climate-related damage covered by Tryg or by other relevant insurance pools such as Naturskaderådet in Denmark and the Norwegian Natural Perils Pool, as well as an assessment of customers' actual and stated needs and concerns.

The analyses have included relevant claims data, scenarios on climate change risks, interviews with claims handlers and sales departments as well as customer surveys. To ensure that Tryg is also able to meet customers' future needs and demands, Tryg expects to take relevant customer insights into consideration.

Sharing climate-related claims data

Tryg's focus on prevention includes improving data quality to understand and provide the authorities with better tools for identifying risks and vulnerabilities, developing adaptation strategies and planning relevant measures to help both customers and public authorities. Tryg has prepared for sharing such claims data, and will upon request and free of charge share claims data with public authorities for the purpose of analytical research.

Helping customers through large-scale climate events

Various contingency plans are in place across all countries and business units and ready to be activated in case of a large-scale climate or weather-related event. Claims handlers regularly go through an internal training programme that enables them to always handle claims in accordance with applicable laws, including after large-scale natural disasters.

Recently, Tryg's contingency plans were activated in connection with storm Hans in Sweden and Norway in the late summer of 2023, confirming that Tryg provides a high level of service in post-disaster situations.

Do no significant harm

Taxonomy-aligned activities must not cover insurance of the extraction, storage, transport or manufacture of fossil fuels (coal, oil and gas), or insurance of vehicles, property or other assets dedicated to such purposes. Tryg has used applicable NACE codes relevant for this criteria to identify these activities. Based on data available, Tryg has excluded the relevant activities from the numerator in the calculation of its Taxonomy aligned activities.

[1] The IPCC has defined several representative concentration scenarios, the RCP scenarios (Representative Concentration Pathways), which are a measure of how much the climate is affected by an increased concentration of greenhouse gases in the atmosphere.

Comply with minimum social safeguards

Tryg's compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is embodied in Tryg's Code of Conduct, Supplier Code of Conduct as well as Tryg's Human and labour rights policy.

Tryg has established human rights due diligence processes, which are carried out in relation to own workforce, customers and suppliers.

Read more about how Tryg works with human and labour rights due diligence across its value chain on page 60.

Finally, Tryg has anti-corruption processes in place, a governance setup on taxation, and screens commercial customers and suppliers for compliance with international standards. Furthermore, Tryg promotes employee awareness and trains senior management in the importance of compliance with applicable regulation. Tryg has a whistleblower scheme in place for both external parties and employees to raise concerns regarding unlawful or unethical behaviour.

Taxonomy-aligned investments

As the largest non-life insurance company in Scandinavia, Tryg manages a large amount of investment assets. Most of Tryg's assets are invested by external managers. At fund level, Tryg seeks to select funds that are either SFDR Article 8 or 9 whenever possible – or funds that can demonstrate an equivalent level of ESG-integration (especially relevant for non-EU funds). Other ESG features are also evaluated, including Taxonomy alignment.

Total Taxonomy-alignment - Investment activities

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:

Turnover-based: 0.13 % (of assets covered by the KPI)	Turnover-based: 76,586,090 DKK
Capital expenditures-based: 0.17 % (of assets covered by the KPI)	Capital expenditures-based: 100,885,395 DKK

Assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.

Coverage ratio: 93.59 % (of total AuM)	Coverage: 59,571,978,828 DKK

A variety of data sources have been used for the calculation of Taxonomy-aligned assets under management. Data sources depend on the asset class, and methodological differences may arise across these sources. For listed equity and corporate bonds, a dataset containing reported EU Taxonomy data from the companies is used. For unlisted assets held via funds, external manager reporting is used as a basis.

Assets for assessment

The economic activities concerning the total investment assets of Tryg have been categorised pursuant to the Climate Delegated Act – including Annexes 1 and 2, as such activities could be related to climate change mitigation and/or climate change adaptation.

Tryg performs investments in a variety of asset classes, and a description of data and calculation method is described in the text box. Disclosures are based on available data obtained from Sustainalytics for the purpose.

Listed equities, REITS and corporate bonds: Most of these asset class exposures are held through funds. The underlying holding of the funds are aggregated, and the third-party data set is applied to the underlying holdings. Only reported data from the companies is used. Currently, very few companies have reported on the EU Taxonomy.

Covered Bonds: EU taxonomy eligibility is evaluated using NACE codes provided by the EU Taxonomy Compass. Currently, Tryg does not have data available to evaluate Taxonomy alignment, and eligible exposures are considered non-aligned as a precautionary assumption. Part of the holdings are invested in green bonds, but Tryg only considers a green bond Taxonomy-aligned, if the bond is considered eligible (in NACE code screening). This is a precautionary assumption until data quality is considered high enough.

Sovereign, supranational and agency bonds: These assets are not included in the calculations of the KPIs. Part of the holdings are invested in green bonds but are also considered non-aligned as a precautionary assumption until data quality is considered high enough.

Derivatives: Holdings include primarily fixed-income derivatives, and equity derivatives to a lesser extent. These assets are not included in the calculation of the KPIs.

Real Estate: Most of these asset class exposures are held through funds, while a minor portion is held directly. All exposures have been determined to be fully Taxonomy-eligible. Fund reporting data is used to calculate the relevant KPIs (alignment). For directly held real estate, Taxonomy alignment data is currently not available and is assumed non-aligned in the reporting.

Other unlisted exposures: The exposures include unlisted infrastructure, unlisted credit and private equity held through funds and directly held unlisted equity positions. Fund reporting data is used to calculate the relevant KPIs. For directly held equity positions, Taxonomy alignment data is not currently available.

Environment

Prevention and claims handling

Tryg has an ambition to be a proactive peace-of-mind creator for our customers by for example integrating claims prevention measures into our products and services. This is a way of preventing claims from arising in the first place or minimising any damage or loss that might occur. In addition to the comfort this provides to our customers, it also has both an environmental and social upside.

With more than 1.7 million claims per year, the financial, social and environmental impact of claims is significant. Particularly in terms of the use of resources for replacing broken items with new ones, or in terms of the impact on the healthcare system in the case of an injury. Claims handling is the core of Tryg's delivery to customers and – from a sustainability perspective – among the most resource-intensive activities in the value chain.

Central to Tryg's business model is therefore a focus on prevention. By preventing claims from happening in the first place, by reducing the apparent risk or putting in place monitoring mechanisms for early detection, Tryg can positively impact the number and size of claims and thereby the climate impact and resource use from replacing broken or stolen items. Prevention initiatives are integrated across numerous products today.

As part of the house insurance for homes specifically classified as high risk, an automatic water switch is offered to detect water leaks and avoid water damage from broken pipes.

Prevention is identified as a material positive impact and opportunity for Tryg, a key focus area across the business lines, and one of the technical criteria for classifying a product as EU Taxonomy aligned. As part of Tryg's corporate strategy, claims prevention in products and services should make up a quarter of Tryg's sales from new products and services.

Claims handling

When claims do occur, Tryg is committed to making sure they are handled in the most sustainable way possible. Tryg aims to integrate circularity principles in the claims handling process by preserving what can be preserved, repairing what can be repaired, and reusing what can be reused, thereby leaving the least possible strain on the planet's resources. Another key aspect is to integrate a social principle through continuous capacity building and knowledge sharing across the supply chain.

Pushing for a shift away from the traditional replace-with-new towards a repair- and reuse-mindset can take time, and ensuring that customers follow this journey is critical. Tryg has set a target for customer satisfaction covering the processes from onboarding to claims handling. Making sure that customers are well informed and understand the rationale and impact of working with claims from a more circular mindset is one of the success criteria for this.

Circular mindset around claims handling

The largest group of claims suppliers to Tryg is in the categories Motor and Building. Especially within these categories there is a great potential for more circular thinking about how claims are managed and to push for a greater focus on repairing and reusing.

Even small improvements in the way individual claims are handled can have a significant impact if applied across the category over the course of a year. As a result, a circular mindset is integrated into the claims process, and Tryg is working to reduce material usage and to prolong the life cycle of materials in general. The focus is 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.
The task is not simple, as it involves a change of mindset not only in the way Tryg handles claims, but also in the way suppliers operate, and in terms of customers' perception of value. In this sense, Tryg is on a mission to convey the benefits of working in a more circular way with materials and product life cycles.

Proactively partnering with claims suppliers

Tryg has assumed the role of a proactive partner who, in close collaboration with suppliers and partners, seeks to take the most sustainable approach to claims handling. This implies continuous investigation and implementation of more climate-friendly initiatives. Tryg's procurement team engages in dialogue with suppliers on sustainability on a regular basis and is currently in the process of finalising a catalogue covering a wide range of sustainable claims handling projects, which can serve as a common language for sustainability and innovation when engaging with suppliers.

During the year, the internal process for qualifying initiatives as 'sustainable' was further strengthened with the launch of a Sustainable Initiative Platform (SIP), a gate model process flow to ensure a structured gate signing process. This enables Tryg to quality check the potential and data of any new circular initiatives. To understand the avoided CO_2e emissions from claims handling, the qualified initiatives are assessed based on life cycle principles.

Avoided emissions from claims handling project

	2023
Motor	**tCO2e**
Used spare parts	9,266
Repairing of windshields	3,591
Road assistance by phone-fix service	97
Electrical rental cars (Leiebil)	1,305
Repairing of plastic car bumpers	1,425
Repair of headlights	189
Repair of rims	390
Repair of car bodyparts	3,700
Use of biofuels in marine services	1
Repair of caravans	56
SMART-repair	5
Paint inhouse	8
Photo inspection	74
Health & Pet	
Online medical consultations (Tryg Lægehjælp -DK and Helsetelefonen - NO)	260
Online veterinarian consultations (firstVet)	36
Online physiotherapy help (1)	0
Online psychological help (Videobehandling Psykolog Norge)	4
Building	
Remote monitoring of building claims	14
Reduction of transport related to inspection activities	40
Conservation of building foundations & building materials	161
Repair of windows & doors	54
Reuse of tiles	87
Partiel repairs of parquet floors	71
Reduce the use of building materials	33
Smart-repair of pipes	2
Multiseal	12
Content	
Repairing phone screens	264
Refurbished options (2)	63
Total CO_2e reduction from claims handling process	21,208

(1) This is a newly established project, and no cases have been closed in 2023.
(2) Formerly called SWAP options.

Progress on CO_2e claims emissions target

Tryg has a target to avoid CO_2e from claims handling by 20,000 – 25,000 tonnes by the end of 2024.

Motor claims are currently where Tryg is seeing a real impact from its efforts to push towards circularity, as windshields, car bumpers, rims and headlights can be repaired with good results. Additionally, the auto repair shops that Tryg collaborates with are increasingly using recycled spare parts to repair the cars. There has been an explicit focus on repair techniques in 2023. This has resulted in an increase in the number of repairs of parts like rims, bumpers and headlights on cars. Next year, Tryg will focus on building capacity and training suppliers on sustainability topics.

In 2023, Tryg assessed avoided emissions on new initiatives such as online services that provides digital physiotherapy and psychological help, collaboration with multiservice suppliers as well as online tools for claims inspection activities. This is a means to avoiding transport-related emissions when possible. Additionally, Tryg has collaborated with suppliers on providing electric instead of fossil fuel vehicles as loan cars for a claims handling process.

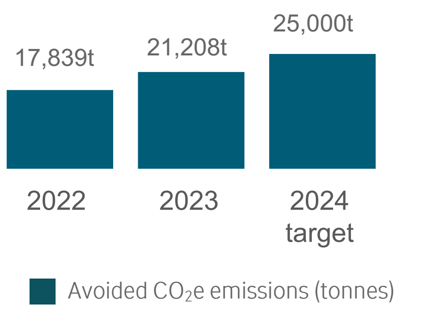
As a result of these efforts, Tryg has avoided 21,208 tCO_2e emissions in 2023

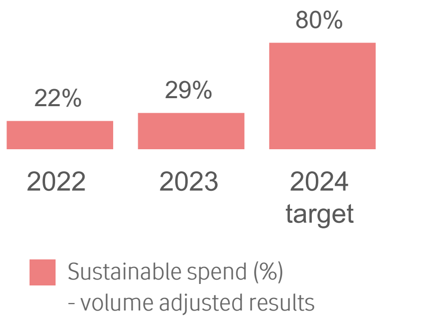
Sustainable spend

Closely connected to solving claims from a more circular mindset, is the classification of spend used on more sustainable practices. This requires working towards the use of more sustainable solutions available in the market, as well as more ways of handling claims using fewer resources.

Our ambition is to increase claims spend classified as sustainable by 80% in 2024 compared to 2020. The evaluation and classification of sustainable spend is based on the performance of our sustainable claims handling initiatives.

In a field that is continuously developing, Tryg has updated the methodology for the calculation of sustainable spend as a result of more sophisticated and accurate methodologies. Read more in the Accounting principles on page 76. The update has affected performance negatively, and the share of spend classified as sustainable in 2023 was 29%. Tryg does therefore not expect to be able to reach the 2024 target but will, regardless, continue its efforts to work for more sustainable claims handling processes.





Social

Creating an engaging and inclusive workplace

Material impacts, risks and opportunities
Potential negative material impacts are identified in terms of employee data handling, gender pay gap, harassment, diversity and work/life balance. Each of these can potentially impact Tryg's ability to attract and retain employees, and to deliver on targets – and all areas are central elements of Tryg's existing HR focus. On the positive side, Tryg can have a positive impact on employees by creating a workspace where purpose, flexibility and influence are key words. Diversity & inclusion are also considered material as a central strategic priority for Tryg.

Tryg as you are
Tryg is committed to providing a healthy and engaging working environment. Securing the well-being of employees is critical for creating an attractive workplace where people thrive and can perform at their full potential.

Under the tagline 'Tryg as you are', Tryg strives for a company culture where everyone feels equally included. A diverse pool of employees and managers with different backgrounds, skills and experiences that reflect the society we live in is assumed to better understand and match the changing needs of Tryg's diverse customers. Moreover, this is also a prerequisite for Tryg being able to attract and retain the full pool of talent.

Tryg's Human and Labour rights policy guides the overall commitment to creating a company culture where everyone is treated with equal dignity and respect. All employees must comply with Tryg's Code of Conduct (CoC), which, among other themes, describes the commitment to respect human and labour rights, and the expectations for employees in this regard. Regular training is conducted to ensure that employees know and understand the different themes of the CoC.

Tryg's policy for the underrepresented gender describes its commitments and efforts tor be an including workplace offering equal opportunities for all genders. The long-term objectives include:

- to promote awareness of and attention to equal treatment and equal opportunities for women and men;
- to achieve a representation of women in management at all levels that reflects the overall distribution of women and men in Tryg, and;
- to promote equal pay and equal opportunities for women and men performing the same job or a job of the same value.

Human and labour rights policy **[link]**
Policy for the underrepresented gender **[link]**
Sustainability policy **[link]**
Tryg Code of Conduct **[link]**

Dedicated strategy to advance on diversity and inclusion

To create a diverse and inclusive organisation, Tryg has a dedicated strategy that works on a number of parameters.

Creating an inclusive workplace

In order to create an inclusive workplace with a diverse representation of ethnic origin, gender, age, sexual orientation, health status, disabilities, political opinion, religious beliefs or other needs, understanding is key.

In 2023, Tryg entered into a partnership with the Pride organisations in Copenhagen and Bergen. Across the two locations, approximately 500 Tryg employees, families and friends participated in the Pride parades.

Tryg's LGBT+ network works to further advance inclusion by creating a forum for discussing and engaging around LGBT+ employees' conditions and well-being. The network meets every quarter to discuss specific conditions, barriers, and other issues around being an LGBT+ person in order to ensure the each has the abilities to explore their full potential in Tryg. In connection with the Pride parade, the network and Tryg hosted events to further shed light, educate and involve colleagues in the agenda.

Making the invisible visible

With the purpose of making the invisible visible, Tryg has introduced the Hidden Disabilities programme in Denmark. The Hidden Disabilities Programme is an international programme with the purpose of ensuring inclusion of people with invisible disabilities and special needs.

Living with an invisible disability can make everyday life demanding, and other people can have difficulties understanding and accommodating the challenges, as they cannot be seen. Invisible disabilities can for example be mental illness, chronic pain or anxiety, or visual, voice or hearing impairment.

As the first insurance company in the Nordics, Tryg has implemented the programme as an offer to Tryg's employees and customers. For customers, a special hidden disabilities sunflower phone line has been created to support customers with special needs. All customer-facing employees have been trained to answer 'sunflower' calls, where patience, extended explanations or emotional support might be needed.

Employees and guests visiting Tryg's Danish offices can choose to wear the hidden disabilities sunflower lanyard to signal that they might need help, support, patience or more time.

A Tryg sunflower network enables employees to engage in the area and discuss how Tryg can create the most suitable conditions for all. It can be difficult to fully understand the challenges that colleagues with invisible disabilities face, which can lead to structures or behaviour that are not inclusive or where people do not feel safe. The network can help Tryg identify blind spots where further action is needed to ensure optimal conditions and well-being for all employees. The network meets every other month.

91%

At Tryg, I can be who I am

92%

At Tryg, there are equal opportunities for all (despite gender identity, age, ethnicity, sexual orientation, religion, disability etc.)

90%

My direct manager makes sure everyone in the team is being heard and feels included

Strong feeling of inclusion among employees

The annual employee engagement survey includes specific questions about inclusion. Similar to last year, these questions receive the highest scores across all categories, which is a strong signal that employees feel safe being their true self at work and that they experience equal opportunities for all. The employee survey is conducted ones a year in August/September.

Ensuring diversity in leadership

Tryg works actively to promote diversity in management teams. A management team is considered diverse when it has a minimum of two out of the following three parameters: Gender, age and experience. The latter means that Tryg distinguishes between and values experience from a combination of insurance and other industries.

In 2023, Tryg continues its focus on identifying and developing a strong pipeline of female leaders and managers for the upper levels of management, where female representation is lower. Among the initiatives are talent reviews and succession plans, equal conditions of maternity/paternity leave for women, men and co-parents, flexible working hours and alternating career choices, annual gender-segregated statistics of earnings and quarterly reporting on gender diversity across all management levels.

Tryg promotes diversity through a consistent focus in the recruitment process. Among the initiatives are external candidate searches for management positions in cases where the level of diversity in the pool of applicants is too limited. In Denmark and Norway, Tryg has a stringent recruitment and approval process in place when recruiting for leadership positions to ensure a gender-balanced population. All recruitment partners are trained in ensuring inclusion and minimising bias in the recruitment process.

Tryg has a gender-neutral remuneration policy and strives for equal pay. However, it is acknowledged that Tryg has not yet accomplished a complete gender pay balance. Tryg works purposefully to improve data and analyses to better understand where there are differences as well as their respective root causes. To reduce inequality, Tryg regularly launches initiatives with that aim to minimise structural differences. Tryg has recently introduced equal parental opportunities for men and women, which is expected to have a positive impact on equality in Tryg.

Women in management

To increase the share of women in management positions, Tryg has defined targets for different levels of management (see definitions in the Accounting Principles). This also includes the lower levels of management as a means for building up the talent pool.

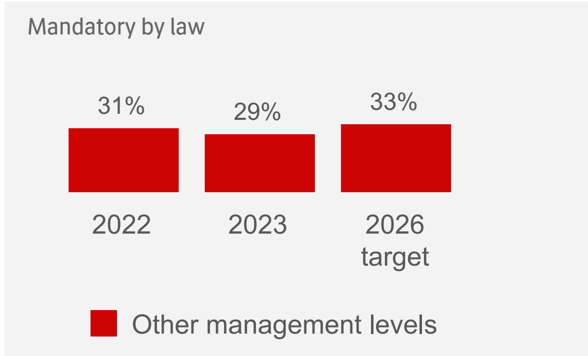
For both top and other management levels, Tryg has a target to increase the share of women to 33% by respectively 2024 and 2026. In 2023, the share of women in top management increased from 25% in 2022 to 27%. At other management levels the share of women decreased from 31% to 29%. The decrease is considered a result of general employee turnover and a slight overweight of male in new recruitments. Tryg remains confident to reach the 2026 target.

At director level, the target is that women make up 41% . In 2023, women constituted 26% in 2023, down from 31% in 2022.

Tryg will continue its focus on increasing the gender balance in senior leadership to ensure that we progress on our ambitions and are on track towards the target.

Across all managers, Tryg has reached its target, with 41% women in leadership.

Tryg's Supervisory Board has a gender distribution that is considered equal under Danish legislation, with three of nine (33%) non-employee elected members being women.
No specific target is therefore defined.



Engaging with employees

Employee engagement survey

Tryg wants to ensure close alignment and understanding of the motivation, engagement, and well-being of employees in order to be able to create the best possible workplace. During the year, Tryg completes employee engagement surveys to enable employee feedback and dialogues around issues that can be improved.

The survey is an important tool for Tryg to be able to deliver its financial results, but also for individual employees to ensure they have the best possible conditions for fulfilling their work. The annual survey is conducted in the autumn, and a short pulse survey mid-year. The survey is performed by an external provider and covers themes such as engagement, motivation, management, team collaboration, working conditions, payment and terms of employment, training and development, harassment and psychological working environment.

The result of the 2023 survey showed a continuous high level of engagement at 79 out of a maximum of 100, well above the Nordic industry benchmark of 75. The high level of engagement is consistent across business areas, gender, age and seniority.

Engagement with trade unions

To facilitate dialogues across trade unions and employee organisations, works and communication committees are established at regional and Nordic level, respectively. The purpose of the committees is to promote mutual understanding and acceptance through open dialogue and information exchange across the organisation.

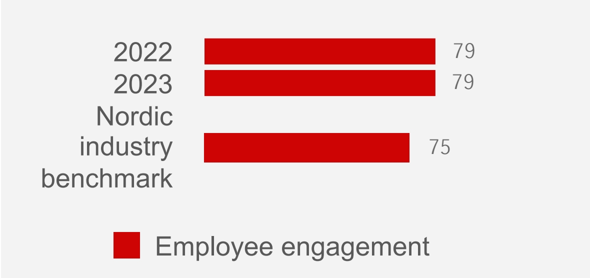
The committees are composed of members of the leadership, HR leadership, employee and union representatives. Among topics discussed and/or negotiated in 2023 are: Organisational changes, terms and conditions related to workforce reduction, changes to employee-related policies, employee engagement, career development, and diversity and inclusion initiatives.

Employees can raise concerns

Employees in Tryg can at any time raise concerns with their direct manager, staff representative, occupational health and safety representative, HR, or use Tryg's anonymous whistleblower hotline.

Read more about the whistleblower hotline on page 60.

In 2023, 14 cases regarding harassment were reported to and investigated by HR. Three cases led to resignations, eight to a warning, two were dismissed and one is still being investigated. Tryg has zero tolerance for harassment, as expressed in its Code of Conduct. Avoiding harassment is a priority and has the full attention of management. Great effort is invested in preventing cases occurring in the first place through, for example, leader communication and internal meetings. If it occurs, the HR team is determined to ensure proper process and clear consequences for inappropriate behaviour.



Social

Responsible procurement

Material impacts, risks and opportunities
Tryg has a positive impact by pushing for and teaching suppliers about more circular practices for solving claims - i.e., by repairing and reusing. Potential negative impacts are identified in terms of working conditions and health and safety procedures at claims suppliers. The scope of workers in the value chain is limited to workers in the two largest groups of claims suppliers – namely workers in auto repair shops and workers in construction or craftsmen. The potential negative impacts are considered widespread in the industries.

Read more about how Tryg push for change in its claims handling processes on page 50.

A responsible purchaser
Tryg is a large buyer with an annual total spend of more than DKK 27bn. A large spend can create a high impact, so sustainability is therefore an integrated part of the procurement processes. Tryg aims to be a responsible purchaser and live up to the highest standards of responsible procurement as expressed in Tryg's Supplier Code of Conduct (Supplier CoC).

The Supplier CoC expresses the requirements to suppliers and partners for sustainable and responsible business conduct. It is based on the UN Global Compact's ten principles and specifically outlines requirements within business ethics, environment, working conditions and employment practices, human rights and health and safety. Repeated or serious violations of the requirements in the Supplier CoC may constitute a breach of contract with Tryg, in which case Tryg reserves the right to terminate any agreement with the supplier.

Tryg's Human and labour rights policy describes the company's commitment to respect human and labour rights across its value chains. It includes a commitment to proactively collaborate with suppliers to help them increase their sustainability performance and achieve higher standards for human and labour rights – thereby mitigating risks.

The commitment to human and labour rights includes a commitment to conduct regular due diligence to ensure that Tryg is able to identify, prevent and mitigate adverse human rights from occurring in the value chain operations.

Read more about how Tryg works with human rights due diligence across different stakeholder groups on page 60.

Supplier Code of Conduct [link]
Human and labour rights policy [link]
Sustainability policy [link]

Claims suppliers screened

50%
2022

73%
2023

100%
2024 target

Supplier screening
To enable an evaluation of suppliers' compliance with the Supplier CoC, Tryg systematically screens suppliers through an evaluation platform. The guiding target is that all of Tryg's contracted suppliers within claims handling are screened in 2024. Through the platform, Tryg can screen and evaluate suppliers' ESG risks and their adherence to the ten principles of the UN Global Compact. Based on information provided by suppliers, Tryg evaluates sustainability performance and compliance on an ongoing basis. The information is obtained via questionnaires.

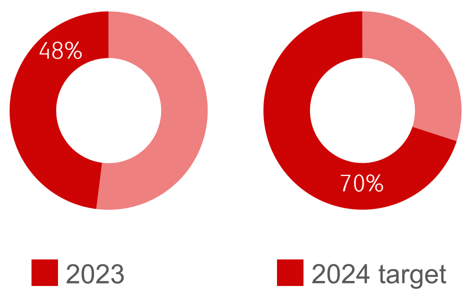
In 2023, the scope was expanded, and 1,600 suppliers received questionnaires covering ESG topics.

Based on the responses in the ESG questionnaires, Tryg assesses whether further action is needed and engages in dialogue with suppliers. This allows Tryg to identify any potential or actual risk areas where supplier collaboration should be advanced as a means of improving performance. In 2023, 73% of suppliers were screened through the supplier evaluation platform.

As expressed in the Supplier CoC, Tryg expects suppliers to have a grievance mechanism or similar procedure in place to ensure their employees have the ability to file complaints regarding breaches of responsible business conduct or poor working conditions anonymously and without fear of retaliation.

In 2023, Tryg defined its criteria for sustainability high-performing suppliers. The classification takes into consideration the size of the supplier to ensure that Tryg inspires and motivates its supply chain to increase focus on sustainability and at the same time leaves no one behind or excludes any potential positive contribution among smaller suppliers.

High performing suppliers



If a supplier has accepted Tryg's Supplier CoC and has a policy or certificate within areas of sustainability, they are characterised as high-performing. Alternatively for smaller suppliers (1-5 employees), they can also be classified as high-performing by accepting the Supplier CoC and having a documented positive contribution within a selected area.

Tryg has a target of ensuring at least 70% of screened claims suppliers achieve a high-performance rating. In 2023, 48% of these were categorised as high-performing.

Engaging suppliers and improving practices in the industries

Tryg's procurement team engages in dialogue with suppliers on sustainability on a regular basis. To ensure that material impacts are addressed, supplier performance is closely monitored through the supplier screening process.

Supplier workshops or meetings are some of the means for engaging and collaborating with suppliers. This allows Tryg to share its sustainability ambitions and strategy and to learn more about the focus areas of the suppliers – and potentially help them further advance it. An initial workshop was hosted in the autumn, and more are expected over the coming years.

For the coming year, Tryg will focus on building capacity and training suppliers on sustainability topics.

Social

Protecting customers' data

Material impacts, risks and opportunities
As an insurance company, Tryg handles personal data on daily basis, including sensitive data about customers and employees. Responsible and ethical use of data is key for Tryg to be able to protect its most important resource and to safeguard its business model.

Through Data Protection Officers and GDPR partners across business areas and central functions,Tryg has a strong governance for securing data privacy. This involves continuous awareness training and monitoring of compliance risks around GDPR. If data is not processed and stored adequately, it can potentially be leaked or misused, which can have adverse personal or economic consequences for the individual.

Policies for data privacy and data ethics
Ensuring that customers' personal data is stored and processed in a lawful, secure and compliant manner, is the foundation of Tryg's approach to data.

To track GDPR compliance across the organisation, Tryg works with different GDPR key performance indicators. In 2023, this included focus on vendor compliance.

To facilitate more transparency and security towards customers and to support their right to be in control of their own personal data, Tryg strives to improve digital customer solutions. Among other things, Tryg in Denmark has introduced a digital consent solution for

customers to verify their identity and consents. Tryg continues to increase the use of secure customer portals in our customer dialogue.

Employee behaviour is central to ensure proper and confidential handling of personal data. Tryg raises awareness and teaches employees about privacy and cyber security through e-learning and training programmes, which all employees must complete. The training focuses, among other topics, on GDPR issues, including data processing principles, GDPR roles and responsibilities, data subjects' rights to privacy by design and by default.

Tryg's internal procedures for handling data breaches enable all employees to report any data breaches via a digital platform.

Data ethics

Tryg follows the Data Ethical Codex from the Danish trade association Insurance & Pension Denmark, as well as relevant legal requirements and internationally agreed standards. Data ethical practices are based on three main principles: Transparency, free choice and data security.

Data Ethical Codex, Insurance & Pension Denmark **[link]**

Transparency: It is important for Tryg to openly communicate about the use of data. This includes being transparent about when data is used to influence customers' behaviour in order to avoid or prevent claims.

Personalisation and prevention: Tryg uses data to offer tailor-made solutions that can meet customers' need and facilitate a good customer experience. Based on customers' personal behaviour, Tryg can design the best possible offer or user experience. When using data to

personalise products and experiences, it is critical to ensure that it is in the best interest of customers.

Data security: Protecting the data of customers, suppliers, employees and other stakeholders is based on best practices and standards. Tryg collaborates and shares experiences on data security with the industry and authorities as part of its memberships in the respective Trade Associations in Denmark, Norway and Sweden. To the extent possible, Tryg shares threat intelligence to support a high level of information security in the insurance industry and in society. Any data breach is carefully analysed to prevent future breaches.

The human factor and employee behaviour is central to ensuring proper and confidential processing of personal data and avoidance of cyber incidents. Tryg raises awareness and teaches employees about privacy and cyber security through annual e-learning and training programmes, which all employees must complete.

Cybersecurity and functioning IT systems are prerequisites for Tryg to run its business. Tryg's information security rules are built on the principles of the ISO27001 standard on information security management. Tryg is continuously monitoring the evolution of the surrounding cyber-threat landscape while adapting technical and organisational cyber controls to ensure proper cyber resilience.

Insurance fraud

Insurance fraud can have adverse impacts and implications for Tryg and its customers.

Insurance fraud leads to increasing expenses for claims, which may lead to price increases. As a result, the honest customers end up paying for customers who commit fraud. It is therefore critical for Tryg to continuously improve its efforts to prevent and mitigate insurance fraud. Every year, cases of suspected insurance fraud are investigated by Tryg's special investigation unit.

In 2023, 12,098 notifications of potential fraud were passed on to the unit in Denmark. This is an increase of more than 27% compared to 2022. 50% of these cases were classified as fraud.

Fraud investigation is a delicate issue, and making sure that customers are treated with respect in the process is of greatest importance. All investigations of individual persons must be approved by the Executive Board before initiated and performed with respect for the guidelines defined by the trade associations.

Customers will be informed during the investigation or when it is finalized. They are assigned a personal contact, so they can easily provide the information needed to settle their claim. This way, honest customers will receive the compensation they are entitled to, while fewer fraudsters will succeed in their endeavours.

Governance

Responsible business conduct

Responsible business conduct is fundamental for Tryg's business, for its credibility and its ability to succeed with its strategy. It is a responsibility that Tryg promotes throughout its value chain, and expects employees, suppliers, business partners and external investment managers to comply with.

Tryg's Code of Conduct (CoC) describes expectations and guidelines applicable to all employees and other parties acting on behalf of Tryg. It covers themes such as accountability, good business conduct, effective and free competition, duty of confidentiality, sensitive data, and security and economic crime.

To support the CoC, specific standard operational procedures are established to explain how Tryg will ensure that employees understand the rules around, for example, preventing corruption, money laundering, financing of terrorism, breach of financial sanctions, tax evasion and bribery.

The CoC is based on the rules applicable to Tryg as an insurance company as well as internationally agreed standards, in particular the ten principles of the United Nations Global Compact.

Tryg's Supplier Code of Conduct clearly describes expectations to suppliers. Read more about Tryg's supplier management on page 56.

Whistleblower hotline

Tryg's anonymous whistleblower hotline is open to employees (current, former and coming), other people affiliated with employment, and shareholders and members of the Executive Board, the Supervisory Board and the like, who wish to report a violation or potential violation of legislation and other issues, for example harassment. Reporting can be done anonymously, and whistleblowers have special protection under the Whistleblower Act. Reports are handled by the Whistleblower unit in Tryg, which is composed of the chairman of the Risk Committee and the Audit Committee, the Head of Group Compliance and the Vice President for Legal.

In 2023, 43 cases were reported through the hotline. Cases are still under investigation but the vast majority has been closed without any sanctions. It is a slight increase compared to last year, where 37 cases were reported.

Tryg Code of Conduct **[link]**
Supplier Code of Conduct **[link]**

Prevention and detection of corruption and bribery

An overall risk assessment of Tryg's risk exposure to corruption and bribery has been carried out across activities in Denmark, Norway and Sweden. It is based on the general risk areas highlighted for the insurance sector, such as claims handling, procurement and distribution. The result indicates that the overall risk exposure to corruption and bribery in Tryg is at a satisfactory level.

Corruption and bribery are themes that will continue to be monitored to ensure that unethical behaviour does not occur.

Regular training on Tryg's CoC is required to ensure that employees know and understand Tryg's position. Anti-corruption and bribery are separate modules, and a final test must be completed to ensure company-wide compliance.

Human and labour rights due diligence

Tryg's commitment to responsible business conduct extends beyond compliance and risk mitigation. The company has high ambitions to foster a diverse culture and push for more sustainable solutions both internally for employees, through collaboration with suppliers, and through investments.

As expressed in Tryg's Human and labour rights policy, Tryg is fully committed to respecting fundamental human rights and decent working conditions as expressed in, for example, the International Bill of Human Rights and the ILO's core conventions on fundamental rights and principles in working life.

Human and labour rights policy **[link]**

As part of Tryg's commitment, a human rights due diligence risk assessment was conducted in 2023, across Tryg's own operations, customers and suppliers.

The purpose of the assessment was to highlight areas of highest potential or actual risk to human rights, which should be further monitored.

Potential adverse risk scenarios were identified across the respective value chain activities and rightsholder groups. The completeness of the list was validated across different functions in Tryg. Each risk scenario was further assessed in terms of its potential or actual impact and likelihood.

To help guide the assessment of the supplier and customer base, which covers a wide range of sectors, Tryg applied the framework of the Principles for Sustainable Insurance from the UN Environmental Programme. The guide suggests a classification of potential risks, including risks to human rights, across different industries.

By combining Tryg's customer portfolio and supplier base with the guide, different sector risk categories were defined to enable an assessment across the wide-ranging supplier and customer base. Specific potential or actual adverse human rights impacts were thereafter identified and assessed across each sector risk group.

For suppliers, input was furthermore gathered through a specific and newly developed due diligence questionnaire.

The result of the assessment highlighted areas of further attention or investigation. Among the means for monitoring performance is the employee engagement survey, the whistleblower hotline, ESG customer and supplier screenings.

Read more about supplier screenings on page 56.

Screening customers for ESG performance

To ensure that the commercial customers Tryg underwrites operate in compliance with responsible business practices, specific ESG screening of larger commercial customers are performed. The ESG screenings are performed by an external supplier and are based on input from various sources such as global news, legal & government data, certifications, third parties or NGO data. It is a complex task to factor all data across the many ESG-related themes into one score. In the case of poor performance, Tryg will always investigate the underlying reason and enter into a dialogue with the customer.

Norwegian Transparency Act

Tryg's Norwegian branch is subject to the Norwegian Transparency Act and reports annually on the performed due diligence processes.

In January 2023, Tryg Norway performed a due diligence focusing on mapping risks across the organisation, including suppliers and partners.

Risks of negatively impacting human rights were mapped across functions and scored according to impact and likelihood. The result of the assessment shows that the risk of breaching or negatively impacting human rights is assessed to be low in most areas of Tryg's operations. The highest risks lie in Tryg's supply chain due to the inherent risks of certain industries and the likelihood of certain geographies.

Declaration on human rights and decent working conditions, Norway **[link]**

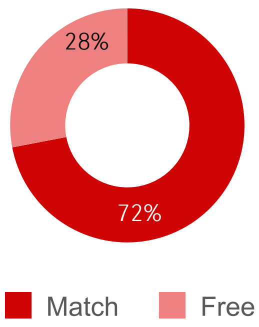
Governance

Responsible investment

Tryg has DKK 64bn of investment assets. The underlying economic activities of these assets can lead to material social or environmental impacts. A strong governance setup for ensuring responsible investment practices is therefore key.

Tryg's investment portfolio is split into two portfolios: a match portfolio and a free portfolio. The match portfolio, which comprises Nordic government and mortgage bonds, makes up 72%. The free portfolio, comprising various bonds, funds, investment properties or equities, constitutes 28%. Tryg's internally managed funds have been classified as Article 8 funds under the Sustainable Finance Disclosure Regulation (SFDR), meaning that the funds promote certain sustainability characteristics.

Portfolio split



The match portfolio consist of covered bonds.

The free portfolio is composed of government and covered bonds, investment grade credit, emerging market bonds, high yield bonds, diversifying alternatives, equity and real estate.

Policies for governing responsible investment practices

Tryg's responsible investment practices are governed by two policies: the Responsible investment policy and the Active ownership policy. Furthermore, a process for ethical screening details how screening of the portfolio is conducted.

The purpose of the Responsible investment policy is to ensure that Tryg's investment activities are managed with due consideration to sustainability related risks and their potential adverse impact on society, that they promote environmental and social characteristics and meet sustainable investment objectives.

Responsible investment policy **[link]**

The Active Ownership Policy covers active ownership practices across Tryg's investments, but is especially relevant for the free portfolio, where part of the portfolio is invested in equity holdings. Active ownership is defined as the use of rights and position of ownership to influence the activities or behaviour of investee companies based on financial and/or climate, environmental and societal impact considerations. The vast majority of Tryg's equity holdings consists of exchange-listed equities held via mutual funds, where external asset managers have direct influence over active ownership activities (denoted 'externally managed assets').

Active ownership policy **[link]**

Tryg's external investment managers are UN PRI signatories and have a natural inclination towards an ethical mindset. Ethical screening is used as a supplemental tool to ensure that an investment manager does not invest in unethical companies. In such cases, Tryg engages in dialogue with the investment manager to get an explanation.

Process for ethical screening **[link]**

External manager selection and monitoring

Most of Tryg's investment assets are managed externally and typically held through commingled fund structures. The most important work regarding the implementation of responsible investment is therefore via the selection of external managers and the specific investment funds. Tryg evaluates investment funds on (a) the external fund managers' governance and commitment to responsible investment and (b) the specific fund's integration of ESG considerations while taking specific asset class characteristics into considerations.

Tryg qualifies all external managers through a comprehensive due diligence process followed by ongoing monitoring to ensure that the individual manager has the capacity to manage sustainability related risks, promote environmental and social impacts and meet sustainable investment objectives when applied.

Tryg's external managers are generally members of responsible investment organisations, and all of them are UN PRI signatories, and on average score well on UN PRI assessments. Furthermore, the vast majority have explicit net-zero commitments and have joined relevant coalitions.

As part of the ongoing monitoring of asset managers, their responsible investment practices are continuously reviewed. In addition to regular dialogues, meetings and ad-hoc questions, thematic ESG-related questions are asked of external asset managers to ensure that the overall ethical intent remains aligned with Tryg.

Exercising active ownership

The aim of active ownership is to encourage investees to improve practices in order to safeguard the investment's value and/or to reduce negative externalities on society. Active ownership usually takes the form of engagements with investees and voting at shareholder meetings. Tryg's initiatives are primarily directed towards managing and monitoring that the external managers apply active ownership to individual holdings. In 2023, the external managers continued to exercise active ownership on Tryg's behalf. The managers' voting share remains high and above the ambition of 90% on the aggregated equity portfolio. The primary focus for engagements in 2023 has been on remuneration and climate change impact, while there has also been a growing number of dialogues revolve around biodiversity impacts.

Tryg believes that active dialogue on ESG topics is central to moving forward and creating an actual impact. Divestment and exclusion of companies from the investment portfolio is considered as a last resort.

Ethical screening process

To ensure that the individual holdings are aligned to Tryg's values, ethical screenings are conducted annually against controversial behaviour and controversial weapons. Controversial behaviour covers violation of the ten principles of the UN Global Compact.

The screening is carried out using data from an external ESG research provider and considers compliance with UN and EU council regulations. If a violation is identified, a formal escalation process guides the further process. See the relevant process document for further information.

The transition to a low-carbon economy

The long-term ambition is to support the transition to a low-carbon and fossil-free world by allocating capital where it makes the biggest impact on current and future CO_2e emissions within the limits of the investment model. Tryg does this by directing investments towards external managers who have an ambitious integration of ESG into the investment process and investment strategies that promote sustainability characteristics. Within listed equities, Tryg favours collaborating with external managers who conduct active ownership on its behalf, which can, for example, motivate investees to reduce their emissions over time.

Hence, the strategy is not to minimise the current level of CO_2e emissions in the portfolio, but to focus on current and future reduction potential over time. The combination of active ownership and capital allocation are considered as the most efficient way to support that ambition.

Tryg is committed to phasing out investments in fossil fuel production companies that do not have a credible 2030 plan for a sustainable transition in line with the Paris Agreement. Currently, Tryg has a very limited exposure to fossil fuel production in its portfolio (<1%). External managers are continuously encouraged to engage with fossil fuel companies to motivate them to commit to a sustainable transition.

Tryg's target is to reduce the carbon intensity of its equity portfolio by at least 50% by 2030 compared to base year 2019. Tryg currently monitor its equity and parts of its credit bond portfolio and focuses especially on risks and opportunities that arise from the transition to a low-carbon economy.

In 2023, the CO_2e intensity of the equity portfolio improved by 51.9% compared to base year 2019. This change is primarily driven by higher allocation to lower impact sectors such as information technology.

Although this is a positive development towards Tryg's 2030 target, it is important to highlight that the input data for these figures are highly volatile, and actual impact should be considered over a longer period of time. Tryg is confident that the portfolio is on a good path, and will continue its efforts to show continued progress on the CO_2e intensity.

Holdings of green bonds are steadily increasingly and on track to reach DKK 5bn by 2030. This is being driven by a combination of larger issuances and lower "greeniums" on the bond prices. Tryg's capital commitment of DKK 100m to renewable energy infrastructure funds focusing on building capacity in Africa is gradually being deployed.

Weighted Average Carbon Intensity

$$\frac{\text{Current value of investment}}{\text{Current portfolio value}} \times \frac{\text{Issuer's Scope 1 \& 2 carbon emissions}}{\text{Issuer's USDM revenue}} = \text{Weighted Average Carbon Intensity (WACI)}$$

(tCO2e / USDm revenue, Scopes 1 and 2)

Task Force on Climate-related Financial Disclosures

Tryg supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Theme	Recommended disclosures	Read more at	Page
Governance			
	a) Describe the board's oversight of climate-related risks and opportunities	Sustainability strategy & Governance	39
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability strategy & Governance	39
Strategy			
	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate impact	43
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate impact	43
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	Climate impact	43
Risk Management			
	a) Describe the organisation's processes for identifying and assessing climate-related risk	Climate-related risks / Risk and capital management	43 / 108
	b) Describe the organisation's processes for managing climate-related risks	Climate-related risks / Risk and capital management	43 / 108
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate-related risks / Risk and capital management	43 / 108
Metrics and targets			
	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	ESG data tables	65
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks	ESG data tables	65
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Overview of 2023	41 and related references

Environmental, Social and Governance data

Climate and environmental

[blank] = Internal assurance
● = Limited assurance

Note		Unit	2023	2022	2019	Assurance level 2023 data
	CO2e emissions					
3.1	**Scope 1 (direct emissions)**					
3.1.1	Emissions from fossil fuel consumption, company cars	tCO2e	858	898	880	●
3.2.2	**Stationary combustion**					
	Heating oil, total	tCO2e	0	0	20	●
	Natural gas, total	tCO2e	40	55	93	●
	Total Scope 1 carbon emissions	tCO2e	898	953	993	●
3.2	**Scope 2 (indirect emissions)**					
	Electricity consumption, total (location-based)	tCO2e	625	720	1,212	●
	Electricity consumption, total (market-based)	tCO2e	0	106	4,152	●
	District heating, total	tCO2e	520	595	792	●
	Total Scope 2 carbon emissions (location-based)	tCO2e	1,145	1,315	2,004	●
	Total Scope 2 carbon emissions (market-based)	tCO2e	520	701	4,944	●
3.3	**Scope 3 (indirect emissions)**					
3.3.1	C5. Waste generated in operations	tCO2e	133	97	140	●
3.3.2	C6. Business travel, Air	tCO2e	2,629	2,175	3,299	●
	Total Scope 3 carbon emissions	tCO2e	2,762	2,272	3,439	●
	Total direct and indirect carbon emissions (location-based)	tCO2e	4,805	4,540	6,436	●
3.4	**Total direct and indirect carbon emissions per employee (location-based) (1)**	tCO2e	0.6	0.7	1.6	
	Total direct and indirect carbon emissions (market-based)	tCO2e	4,180	3,926	9,376	●
3.4	**Total direct and indirect carbon emissions per employee (market-based) (1)**	tCO2e	0.5	0.6	2.3	
	Resource consumption					
3.5.1	Energy consumption, total (scope 1 and 2)	MWh	17,848	20,437	26,779	●
3.5.1	Renewable energy share	%	46	41	N/A	●

(1) Based on total Number of Employees (Headcount).

Environmental, Social and Governance data

Climate impact: Claims handling

[blank] = Internal assurance
● = Limited assurance

Note		Unit	2023	2022	2020	Assurance level 2023 data (1)
	Avoided CO_2e emissions					
	Motor					
	Used spare parts	tCO2e	9,266	7,967	5,416	●
	Repairing of windshields	tCO2e	3,591	3,508	2,775	●
	Road assistance by phone-fix service	tCO2e	97	107	28	●
	Electrical rental cars (Leiebil)	tCO2e	1,305	427	19	●
	Repairing of plastic car bumpers	tCO2e	1,425	1,211	863	●
	Repair of headlights	tCO2e	189	168	101	
	Repair of rims	tCO2e	390	260	227	
	Repair of car bodyparts	tCO2e	3,700	3,147	1,491	
	Use of biofuels in marine services	tCO2e	1	N/A	N/A	
	Repair of caravans	tCO2e	56	43	23	
	SMART-repair	tCO2e	5	N/A	N/A	
	Paint inhouse	tCO2e	8	12	12	
	Photo inspection	tCO2e	74	73	0	
	Health & Pet					
	Online medical consultations (Tryg Lægehjælp -DK and Helsetelefonen - NO)	tCO2e	260	211	127	●
	Online veterinarian consultations (firstVet)	tCO2e	36	33	28	●
	Online physiotherapy help (2)	tCO2e	0	N/A	N/A	●
	Online psychological help (Videobehandling Psykolog Norge)	tCO2e	4	N/A	N/A	●

(1) As preparation for future requirements for obtaining limited assurance from an independent third party, Tryg has asked PwC to review some of the KPI's regarding claims in the 2023 ESG reporting. Regardless of whether being assured or not by PwC, every project has been through the same internal quality requirements and controls to ensure data completeness and accuracy. Trustworthy and robust data are of highest priority as the total CO2e emissions from claims handling are one of Tryg's strategic targets, and one of the indicators in the incentive schemes for the Executive Board.
(2) This is a newly established project, and no cases have been closed in 2023.

Environmental, Social and Governance data

Climate impact: Claims handling

[blank] = Internal assurance

● = Limited assurance

Note		Unit	2023	2022	2020	Assurance level 2023 data (1)
	Avoided CO_2e emissions					
	Building					
	Remote monitoring of building claims	tCO2e	14	19	N/A	●
	Reduction of transport related to inspection activities	tCO2e	40	N/A	N/A	●
	Conservation of building foundations & building materials	tCO2e	161	52	N/A	●
	Repair of windows & doors	tCO2e	54	60	N/A	
	Reuse of tiles	tCO2e	87	85	N/A	
	Partiel repairs of parquet floors	tCO2e	71	53	N/A	
	Reduce the use of building materials	tCO2e	33	N/A	N/A	
	Smart-repair of pipes	tCO2e	2	N/A	N/A	
	Multiseal	tCO2e	12	1	N/A	
	Content					
	Repairing phone screens	tCO2e	264	337	353	●
	Refurbished options (2)	tCO2e	63	65	31	●
4.1	**Total CO_2e reduction from claims handling process**	tCO2e	21,208	17,839	11,493	●
4.2	**Sustainable Spend - volume adjusted results**	%	29	21	0	●
4.3	**Payments to claims prevention**	%	1	1	N/A	

(1) As preparation for future requirements for obtaining limited assurance from an independent third party, Tryg has asked PwC to review some of the KPI's regarding claims in the 2023 ESG reporting. Regardless of whether being assured or not by PwC, every project has been through the same internal quality requirements and controls to ensure data completeness and accuracy. Trustworthy and robust data are of highest priority as the total CO2e emissions from claims handling are one of Tryg's strategic targets, and one of the indicators in the incentive schemes for the Executive Board.
(2) Formerly called SWAP options.

Environmental, Social and Governance data

Climate impact: Investments

Equity portfolio

[blank] = Internal assurance
● = Limited assurance

Note		Unit	2023	2022	2019	Assurance level 2023 data
	External manager statistics					
5.1.1	Percentage of UN PRI Signatories	%	100	100	N/A	
5.1.2	Average external manager score for Investment & Stewardship Policy	score	85	86	N/A	
5.1.3	Average external manager score for voting for relevant listed equity strategies	score	77	77	N/A	
	Active ownership					
5.2.1	Voting percentage for equity portfolio	%	97	97.7	N/A	
	Weighted Average Carbon Intensity (WACI)					
5.3.1	WACI for listed equities	tCO2e / USDm revenue, Scopes 1 and 2	76	184.9	158	
5.3.2	WACI for listed equities (coverage ratio)	%	91.7	94.3	N/A	
5.3.3	WACI for benchmark	tCO2e / USDm revenue, Scopes 1 and 2	98	189.2	N/A	
5.3.4	WACI for benchmark (coverage ratio)	%	88	95.7	N/A	
5.3.5	Percentage difference	%	-22	-2.3	N/A	
5.3.6	CO2e intensity reduction of equity portfolio	%	51.9	-16.9	N/A	
	Carbon footprint					
5.4.1	Carbon footprint for Listed equity	tCO2e / USDm invested, Scopes 1 and 2	80	108.8	N/A	
5.4.2	Carbon footprint for Listed equity (coverage ratio)	%	91	94.3	N/A	
5.4.3	Carbon footprint for Corporate bonds (coverage ratio)	tCO2e / USDm invested, Scopes 1 and 2	20	149.1	N/A	
5.4.4	Carbon footprint for Corporate bonds (coverage ratio)	%	53.2	76.2	N/A	

Environmental, Social and Governance data

Social

[blank] = Internal assurance

● = Limited assurance

Note		Unit	2023	2022	2019	Assurance level 2023 data
	Characteristics of Employee					
6.1.1	**Total number of employees (Headcount)**	Number	7,943			●
	Permanent employees (headcount)	Number	7,076			●
	Temporary employees (headcount)	Number	301			●
	Non-guaranteed hourly paid employees (headcount)	Number	566			●
6.1.2.	**Employees age groups**					
	Employees (total by headcount), <30 years	%	28	20	16	●
	Employees (total by headcount), 30-49 years	%	47	53	53	●
	Employees (total by headcount), 50 years and above	%	24	28	31	●
6.1.3.	**Total gender distribution**					
	Total gender distribution	Number f/m/n	3,591 / 4,350 / 2			●
	Total gender distribution	% f/m/n	45 / 55 / 0	46 / 54 / N/A	46 / 54 / N/A	●
	Gender distribution at management levels					
6.2.1	Gender distribution, all management levels (headcount)	Number f/m/n	339 / 480 / 0			●
	Gender distribution, all management levels (headcount) (1)	% f/m/n	41 / 59 / 0	41 / N/A / N/A	35 / N/A / N/A	●
6.2.2	Gender distribution, top management level	Number f/m/n	15 / 40 / 0			●
	Gender distribution, top management level	% f/m/n	27 / 73 / 0	25 / 75 / N/A		●
6.2.3	Gender distribution, director level	Number f/m/n	24 / 69 / 0			●
	Gender distribution, director level	% f/m/n	26 / 74 / 0	31 / 69 / N/A		●
6.2.4	Gender distribution, the other level of management	Number f/m/n	22 / 53 / 0	24 / 54 / 0		●
	Gender distribution, the other level of management	% f/m/n	29 / 71 / 0	31 / 35 / 0		●

f=Female
m=Male
n=Not reported

(1) Formerly called "Total share of women in management positions.

Environmental, Social and Governance data

Social

[blank] = Internal assurance
● = Limited assurance

Note		Unit	2023	2022	2019	Assurance level 2023 data
	Employee turnover					
6.3.1	Employee turnover (headcount) (1)	%	18	14	12	●
6.3.2	Total leavers (1)	Number	1,405	877	529	●
6.3.2	Share of voluntary leavers (turnover rate)	%	11	10	7	●
	Share of involuntary leavers (turnover rate)	%	7	3	5	●
	Pay ratio					
6.4.1	Gender pay ratio	Times f/m	1.1	1.2	1.2	●
6.4.2	Ratio of annual total compensation ratio	%	21	32	26	●
	Training and skills development					
6.5.1	Employees that participated in regular performance and career development	%	66			●
	Employees that participated in regular performance and career development by gender	Number f/m/n	2,282 / 2,557 /0			●
6.5.2	Total employee training hours (2)	Hours	8,235	88,321	86,476	●
	Average employee training hours (2)	Average number of training hours per person (Hours)	1	17	20	●
6.6	**Employee engagement (3)**	Index point	79	79	78	

f=Female
m=Male
n=Not reported

(1) The figure is not comparable with those from previous years. As of 2023, the number includes all employees, including temporary and non-guaranteed hourly paid employees. The previous year numbers, only included permanent.
(2) The figure is not compatible with those from previous years. As of 2023, training hours only include compliance training
(3) Formerly called "Employee satisfaction"

Environmental, Social and Governance data

[blank] = Internal assurance
● = Limited assurance

Governance

Note		Unit	2023	2022	2019	Assurance level 2023 data
	Size of the Supervisory Board excl. employee representatives					
7.1.1	Size of the Supervisory Board	Number	9	9	8	
7.1.2	Average ratio of female to male board members (1)	%	33	50	50	
7.1.3	Number of employee representatives	Number	5	5	4	
7.1.4	Number of executive and non-executive members	Number (exe/non-exe)	0/9	0/9	0/8	
7.1.4	Board members age group, <30 years	Number	0	0	0	
	Board members age group, 30-49 years	Number	4	4	1	
	Board members age group, 50 years and above	Number	10	10	11	
7.1.5	Board meetings	Number	15	11	8	
	Attendance rate	%	100	98	100	
7.1.6	Independent supervisory board members	Number	6	6	5	
	Independent supervisory board members in percentage	%	67	67	63	
	Incentive schemes and remuneration					
7.2.1	ESG-linked pay, Executive Board	%	15	6.3	N/A	
7.2.2	Remuneration of the Executive Board (2)	Reference				
7.2.2	Remuneration of the Supervisory Board (2)	Reference				
7.3	Whistleblower cases	Number	43	37	3	
7.4	Harassment cases	Number	14	6	N/A	
	Management of relationships with suppliers					
7.5.1	**Suppliers screened**					
	Contract suppliers	%	66	43	N/A	
	Suppliers w/ claims	%	73	50	N/A	
7.5.2	**High-performance suppliers**					
	Contract suppliers	%	50	N/A	N/A	
	Suppliers w/ claims	%	48	N/A	N/A	
	Insurance fraud					
7.6.1	Notifications of potential fraud	Number	12,098	9,526	5,798	
7.6.2	Cases classified as fraud	%	50	46	43	

(1) Formerly called "Share of women, incl. employee representatives
(2) See Tryg's Remuneration report 2023

EU Taxonomy-alignment investments

Additional, complementary disclosures

Breakdown of denominator	
The percentage of derivatives relative to total assets covered by the KPI. 0.00 %	The value in monetary amounts of derivatives 0
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. For non-financial undertakings: 12.5% For financial undertakings: 87.0%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU. For non-financial undertakings: 7,431,239,262 For financial undertakings: 51,823,757,169
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. For non-financial undertakings: 8.3% For financial undertakings: 15.8%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU. For non-financial undertakings: 4,931,737,682 For financial undertakings: 9,403,746,391
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. Non-financial undertakings: 0.5% Financial undertakings: 0.03%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU. Non-financial undertakings: 301,118,151 Financial undertakings: 15,864,245
The proportion of exposures to other counterparties and assets over total assets covered by the KPI. 0%	Value of exposures to other counterparties and assets. 0

EU Taxonomy-alignment investments

Additional, complementary disclosures

Breakdown of denominator	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities. 0.13%	Value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities. 76,177,610
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI. 92.83%	Value of all the investments that are funding economic activities that are not Taxonomy-eligible. 53,301,354,485
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI. 7.04%	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned. 4,194,038,253

EU Taxonomy-alignment investments

Additional, complementary disclosures

Breakdown of denominator	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. For non-financial undertakings: Turnover-based: 0.04% Capital expenditures-based: 0.08% For financial undertakings: Turnover-based: 0.00% Capital expenditures-based: 0.01%	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU. For non-financial undertakings: Turnover-based: 25,696,103 Capital expenditures-based: 45,286,034 For financial undertakings: Turnover-based: 2,483,867 Capital expenditures-based: 6,352,310
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned. Turnover-based: 0.13% Capital expenditure-based: 0.17%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned. Turnover-based: 76,177,610 Capital expenditure-based: 100,187,177
The proportion of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI. Turnover-based: 0.00% Capital expenditure-based: 0.00%	Value of Taxonomy-aligned exposures to other counterparties and assets in over total assets covered by the KPI. Turnover-based: 0 Capital expenditure-based: 0

EU Taxonomy-alignment investments

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities
Provided 'do-no-significant-harm (DNSH) and social safeguards positive assessment

(1) Climate change mitigation	Turnover: 0.13% CapEx: 0.17%	Transitional activites: 0.08%; 0.08% Enabling activities: 0.03%; 0.05%
(2) Climate change adaptation	Turnover: 0.08% CapEx: 0.08%	Enabling activities: 0.00%; 0.00%

Accounting principles

1 Basis of ESG reporting

The accounting principles describe the base principles for Tryg's material environment, social and governance (ESG) indicators.

As of 2024, Tryg is obligated to report according to the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). In the process of aligning our business and ESG reporting to the directive, we have decided to prepare a number of indicators herein 2023 so they are adjusted to the requirement in ESRS. This has also included the engagement of our financial auditors to provide limited assurance on a selected number of our ESG data readouts for the period 1 January – 31 December 2023. The indicators that are assured are marked with a ● in the ESG tables.

2 Reporting boundaries

The organisational scope for the reporting includes all operations for Tryg A/S and subsidiaries, and is aligned with the scope of the consolidated financial report. See Group chart at page 187. There are a few exceptions, which are stated under the specific indicators.

2.1 Business changes impacting ESG data

There have been no business changes impacting the ESG data in 2023. In 2022, all consumption data from Trygg-Hansa and Codan Norway is included as of 1 April 2022, when the acquisition was completed.

2.2 Reporting period

The basis of ESG reporting is prepared in alignment with Tryg's consolidated financial statement that follows the fiscal year 1 January 2023 to 31 December 2023.

Most of the ESG figures are reported for 2023 and 2022 plus the 2019 baseline. Only exception is the climate impact indicator Claims handling, which operates with a 2020 base line.

As of 1 April 2022, figures include the full organisational scope including Tryg-Hansa and Codan Norway. Tryg's strategy baseline, 2019, has also been updated to include figures from the two acquisitions.

2.3 ESG data selection and reporting frameworks

The selection and reporting scope of ESG disclosures are in the process of being aligned with CSRD and the result of the double materiality assessment. In the alignment process, new indicators have been introduced and some have been re-defined. This is going to be our first step in meeting the ESRS requirements.

2.4 ESG data reporting quality and assurance

To ensure high ESG data quality, completeness and accuracy of the data collection processes and controls are aligned and documented and the use of IT solutions optimised.

The ESG reporting has been submitted to auditors at the same time as the financial figures. Both internal and external audits have been conducted on selected indicators.

2.5 New ESG indicators in 2023

Introduction of a number new ESG indicators to align with ESRS.

Environmental
- GHG emissions intensity based on net revenue.

Claims
- Payments to claims prevention. Previously presented in the table: The climate partnership of the Danish financial sector.

Social
- Total number of employees (headcount)
  - Permanent employees (headcount)
  - Temporary employees (headcount)
  - Non-guaranteed hourly paid employees (headcount).
- Gender distribution, other levels of management; which aligns with Danish legislation.

Governance
- Number of employee representatives
- Number of executive and non-executive members
- Independent supervisory board members (number/percentage)
- Management of relationships with supplier indicators
- Insurance fraud indicators.

2.6 Revised ESG data

Environmental
- The indicator; Emissions from fossil fuel consumption, company cars changed name from Car travel, total.
- The indicator; energy consumption, total unit has been changed from GJ to Mwh to align with ESRS and the Green House Gas protocol (GHG protocol). Data has been converted for 2022 and baseline 2019.
- Change in calculation method of Renewable energy share.

Social
- Total gender distribution (female/male/not rep) in numbers and with new categories "not reported"
- Gender distribution at top management level (Average headcount) in numbers
- Employee turnover (headcount): number includes all employees, including temporary employees and non-guaranteed hourly paid employees.
- Average ratio of female to male board members: adjusted so it is exclusive employee representatives.
- Employees participated in regular performance and career development by gender
- Total employee training hours and average employee training hours: Revised to no longer include external courses, as the calculation was based on estimates.

Investment
- Weighted Average Carbon Intensity (WACI) is used to clarify the indicator Carbon intensity.

Governance
- Ratio of annual total remuneration replaces the indicator CEO pay ratio

- Sustainability-related performance replaces the indicator ESG-linked pay, Executive Board.

2.7 Cancelled ESG indicators

- The indicator Sick leave is discontinued due to different definitions across countries.

3 Climate and environment

The carbon footprint provides a general overview of Tryg's greenhouse gas emissions converted into CO_2 equivalents. It is based on reported data from internal and external systems. The carbon footprint analysis is based on the international standard: A Corporate Accounting and Reporting Standard, by the Greenhouse Gas Protocol Initiative (GHG Protocol) and developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD, 2021).

The reporting considers the following greenhouse gases, all converted into Carbon Dioxide Equivalents (CO_2e): CO_2 (Carbon dioxide), CH_4 (methane), N_2O (Nitrous oxide), SF_6 (Sulfur hexafluoride), HFCs (Hydrofluorocarbons) and PFCs (Perfluorocarbons) and NF_3 (Nitrogen trifluoride). The methodology is based on the Greenhouse Gas Protocol. The calculation is based on the operational control aspect that defines what should be included in the carbon inventory, as well as in the different scopes.

The key external sources used as a basis for the calculations in this report are World Resource Institute (WRI/US), International Energy Agency (IEA/OECD), Intergovernmental Accounting principles for selected indicators Panel on Climate Change (IPCC), Department of Energy and Climate Change (DECC/UK), EcoInvent LCI Database.

Facility data is provided by external suppliers with a delay compared to the time of consumption. Because of the rapid year-end closing in Tryg, the fourth quarter is an estimate based on relevant data from the corresponding period including adjustment for any known changes. When actual data is available, an update is made in the next external reporting if the figures are above the material limit.

3.1 Scope 1

3.1.1 Emissions from fossil fuel consumption, company cars: Fossil fuel consumption covers all transportation in fossil fuel company vehicles in Denmark. Driving consumption is based on invoices handled by our leasing partner. All figures are controlled and stored in Cemasys.

3.1.2 Stationary combustion: The indicators for Heating oil and Natural gas include all direct emission sources from all locations with above 50 employees. This includes all use of fossil fuels for stationary combustion including heating oil and natural gas. Consumption data is based on meter readings and documentation from suppliers and all calculations are done in Tryg's Cemasys Solution.

3.2 Scope 2

This includes indirect emissions related to purchased energy; electricity and heating/ cooling where Tryg has operational control from locations with above 50 employees. According to the GHG protocol, scope 2 emissions are calculated as both location-based and market-based.

3.3 Scope 3

Scope 3 includes indirect emissions from Tryg's waste production (C5) and business travel (C6) activities. This is incomplete according to our business model, and we are in process preparing reporting on other relevant scope 3 categories, and figures will be included in the YE2024 report.

3.3.1 C5. Waste generated in operations: Data is based on invoices from waste management facility or supplier. It is calculated based on DEFRA[1] emission factors 2022 for waste type and treatment.

3.3.2 C6. Business travel, Air: Business travel covers transportation of employees in business-related air travel. Data is sourced from an external business travel management system, and reported into Cemasys. Tryg plans to include other transportation forms in the reporting year 2024.

3.4 Total direct and indirect carbon emissions per employee (location- and market-based)

These indicators are the sum of Scope 1, 2 and 3 for, respectively, location-based and marked-based) divided by the total Number of Employees (Headcount). See definition under "Total number of employees (Headcount)".

3.5 Resource consumption

3.5.1 Energy consumption, total (scope 1 and 2): The energy consumption unit has been changed from GJ to Mwh to align with ESRS and the GHG protocol. Data has also been converted for 2022 and baseline year 2019.

3.5.2 Renewable energy share: The consumed energy also contain energy from renewable sources. The indicator of renewable energy share include how much of the total consumed energy comes from renewables energy sources. All of Tryg's electricity consumption is based on renewable energy sources through the purchase of certificates of guarantee of origin from wind turbines and solar cells. According to FSR Danish Auditors, CFA Society Denmark and Nasdaq's suggestions on standardised ESG key figures.
In 2023, Tryg has purchased and secured cancelled certified renewable electricity corresponding to all of our electricity consumption.

4 Claims handling and sustainable spend

4.1 Claims handling

Organisational scope: Claims handling covers both private and commercial claims.

The CO_2e reduction effect is based on Life-cycle assessment (LCA) principles. From a life cycle perspective, the CO_2e emissions from a baseline/conventional claims handling is compared to an alternative sustainable claims handling. The calculations are mainly performed by the use of the LCA software SimaPro including the environmental databases ecoinvent and exiobase as well as other relevant sources such as DEFRA and EPDs (Environmental Product Declaration).

2022 data has been restated due to the improvement of calculation methods and updating of CO_2e factors, and has been updated continuously throughout the year. It is the factors at end-year that are used in the external reporting. Additionally, data from Trygg-Hansa and Codan Norway are now fully included, which also affects the numbers.

4.2 Sustainable spend

Organisational scope: Sustainable spend limited to supplier payments.

Sustainable spend refers to our claims payments that can be documented as payments to more sustainable solutions and are referred to as more sustainable claims handling.

[1] DEFRA: Department for Environment, Food and Rural Affairs. Emission conversion factors are use by UK and international organisations to report on greenhouse gas emissions.

There has been a restatement of the sustainable spend because of improvements in the methodology, including new initiatives in calculations and an update of the 2020 baseline.

4.3 Payments to claims prevention: Claims prevention expenses are defined in accordance with Section 37(1) in BEK no. 460 of 02/05/2023. Claims prevention expenses comprise internal and external costs to mitigate expected future claims.

5 Investments

5.1 External manager statistics

5.1.1 Percentage of UN PRI signatories: The percentage of external managers that are UN PRI signatories. The score is an equal-weighted average of the external managers used within the investment portfolios. External managers that are not part of the regular investment management operations are not included. Data is collected from UN PRI [link].

5.1.2 Average external manager score for Investment & Stewardship Policy: The average score of the external fund managers is based on their respective UNPRI assessment scores for "Investment & Stewardship Policy". The score is an equal-weighted average of the external managers used within the investment portfolios. External managers that are not part of the regular investment management operations are not included. Some external managers have not received an assessment, and these are excluded from the calculation. Scores of 1-100 are given, where 100 is best. Data is collected from the individual external managers by Tryg Invest. The underlying data is from 2021 Assessment Reports, which is the most recent at the time of calculation cut-off.

5.1.3 Average external manager score for voting for relevant listed equity strategies: The average score of the external fund managers is based on their respective UNPRI assessment scores for "Direct - Listed equity - Active fundamental - voting" and "Direct - Listed equity - Active quantitative - voting". The score is an equal-weighted average of the external managers that are managing listed equity strategies in Tryg Invest Global Equities Fund. Depending on the strategy type, the relevant variable score will be used. Data is collected from the individual external managers by Tryg Invest. The underlying data is from 2021 Assessment Reports, which is the most recent at the time of calculation cut-off.

5.2 Active ownership

5.2.1 Voting percentage for equity portfolio: The aggregated percentage of participation in shareholder meetings relative to total number of shareholder meetings available for participation. The percentage is calculated by adding the number of shareholder meetings participated in by the individual funds and divided by the total number of shareholder meetings available for participation. The KPI covers actively managed equity funds in Tryg Invest Global Equities. Data is collected from the individual external managers managing equity funds for Tryg Invest. The calculation period covers the 12-month period 30 September 2022 to 30 September 2023.

5.3 Weighted Average Carbon Intensity (WACI)

The weighted average carbon intensity figures are calculated in tonnes of CO_2e (Scope 1 and 2) relative to revenue (million dollars) and weighted relative to the portfolio holdings. The calculation follows the methodology of the "Weighted Average Carbon Intensity" metric in the TCFD framework. The calculation methods have not been changed, the name has just been aligned with the TCFD framework. .

5.3.1 WACI for listed equities: This indicator is calculated using holdings data from Tryg Invest's Global Equities Fund. The numbers are weighted relative to the portfolio holdings' weight. Carbon data is based on data from Sustainalytics.

5.3.2 WACI for listed equities (coverage ratio): The indicator states the percentage of assets covered by the "5.3.1 WACI for listed equities" calculation, measured by Assets under Management (AuM) weight. Holdings data from Tryg Invest's Global Equities Fund is used. For 2022, there has been an adjustment in the figure due to a rounding error.

5.3.3 WACI for benchmark: Calculation of the indicator is done by using holdings data from MSCI All Countries World Index. The numbers are weighted relative to the benchmark holdings' weight.

5.3.4 WACI for benchmark (coverage ratio): The indicator states the percentage of assets covered by "5.3.3 WACI for benchmark" measured by Assets under Management (AuM) weight. Holdings data from MSCI All Countries World Index is used.

5.3.5 Percentage difference: The indicator states the percentage difference between the carbon intensity for listed equities and for the benchmark. Calculated as carbon intensity for listed equities divided by carbon intensity for benchmark – 1.

5.3.6 CO_2e intensity reduction of equity portfolio: The indicator states the percentage difference between the carbon intensity for listed equities and the baseline at end-2019. For 2022, there has been an adjustment in the figure due to a minor calculation error.

5.4 Carbon footprint

The Carbon footprint is calculated in tonnes of CO_2e (Scope 1 and 2) relative to investment (million dollars), based of the issuer's market capitalisation. Carbon data based on data from Sustainalytics. The calculation follows the methodology of the "Carbon Footprint" metric in the TCFD framework.

5.4.1 Carbon footprint for Listed equity: The indicator is calculated using holdings data from Tryg Invest's Global Equities Fund.

5.4.2 Carbon footprint for Listed equity (coverage ratio): The KPI states the percentage of assets covered by the "5.4.1 Carbon footprint for listed equities", measured by Assets under Management (AuM) weight. Holdings data from Tryg Invest's Global Equities Fund is used.

5.4.3 Carbon footprint for corporate bonds: The KPI is calculated using holdings data from Tryg Invest's Credit Fund. Only holdings from High Yield and Investment Grade Corporate funds are used in the calculation.

5.4.4 Carbon footprint for corporate bonds (coverage ratio): The KPI states the percentage of assets covered by "5.4.3 Carbon footprint for corporate bonds" measured by AuM weight. Holdings data from Tryg Invests Credit Fund is used.

6 Social

All figures regarding Tryg's employees, gender distribution, management, turnover and pay gap are managed in Tryg's global HR system SAP Successfactors

6.1 Characteristics of Tryg's employees

6.1.1 Total number of employees (headcount): The headcount represents the number of employees with employment status "active". It includes the employment types; permanent, temporary, and non-guaranteed hourly paid employees. The employees are divided by gender and age. All figures are an average of headcounts during each month of the reporting period, with the figures determined at the end of each month.

6.1.2 Employee age groups
The age groups are calculated at the end of the reporting period and include all headcounts in Tryg. The age groups are >30, 30-49 and 50+ years.

6.1.3 Total gender distribution
Total headcounts are split into male, female, not reported. To ensure inclusion, we will in 2024 introduce the category "'others" in the organisation.

6.2 Gender distribution at management levels
6.2.1 Gender distribution, all management levels: Formerly called "Total share of women in management positions". The number of employees at management level is the year-end headcounts who are employed in a management position during the last month of the reporting period.
A manager includes only "active" employments and must have the employment types of either "permanent" or "temporary". The indicator includes Tryg's four levels of management.

6.2.2 Gender distribution, top management level: Gender distribution based on job level/ role. This is the upper level in Tryg called 'Top management', which consists of 'Senior Vice President', 'Vice president' and 'Executive board (EB)'.

6.2.3 Gender distribution, director level: Gender distribution on the second management level, the director level, is based on job level/role .

6.2.4 Gender distribution, the other level of management: This indicator is defined according to BEK no. 460 Section 143 (2). It is the two management levels below the Supervisory Board. The first level is the Executive Board and persons who are organisationally on the same level as the Executive Board. The second level is mangers with staff responsibilities reporting directly to members of the Executive Board.

6.3 Employee turnover
6.3.1 Employee turnover (headcount): The turnover rate is based on the total share of employees leaving within the year divided by the average headcount during the financial year. The number includes all employees, including temporary employees and non-guaranteed hourly paid employees. Previous years have only considered Permanent employees.

6.3.2 Total leavers and share of voluntary and involuntary leavers (turnover rate): Total leavers include both voluntary and involuntary leavers.

The share of leavers within the year is calculated by dividing the number of, respectively, voluntary and involuntary leavers by the average total headcount. The number for 2023 covers all employees, including temporary employees and non-guaranteed hourly paid employees.

6.4 Pay gap
6.4.1 Gender pay gap: This indicator measures female-male pay gap by calculating the difference between average gross monthly earnings of males and females that are included in the headcount figure.

6.4.2 Annual total remuneration ratio: Total annual remuneration ratio of the highest paid employees to the median annual total remuneration for all employees excl. the highest paid employee. This indicator replaces the CEO pay ratio.

6.5 Training and skills development
6.5.1 Employees who participated in regular performance and career development: Training reported to or registered by the HR department. The figure includes only mandatory compliance training. The figure is reported as a percentage and total hours split by gender. Figures are managed in Tryg's global HR system SAP Successfactors.

6.5.2 Total and average employee training hours: The total and average employee training hours based on headcount of "Permanent" and "Management" employment types.
The total employee and average employee training hours differs from previous figures because the 2023 figures only include internal compliance training.

The figures are based on Tryg's three leaning platforms: Microsoft LMS 360learning, Grow Learning Lab and SAP SuccessFactors.

6.6 Employee engagement
Annual survey for all Tryg employees (permanent and temporary) with a minimum of three months seniority, working at least 40% full time. It includes questions covering job satisfaction, management, inclusion, job content and learning and development. Conducted by an external supplier. This indicator was previously called: Employee satisfaction.

7 Governance

7.1 Size of the Supervisory Board excl. employee representatives
7.1.1 Size of the Supervisory Board excl. employee representatives: The total number of members in the supervisory Board excluding employee-elected representatives.

7.1.2 Average ratio of female to male board members: The average ratio of female to male board members is calculated at the end of the reporting period. The 2023 figures are exclusive employee representatives. This indicator was formerly called "Share of women, incl. employee representatives".

7.1.3 Number of employee representatives: The employee representatives are elected for a term of four years, whereas members of the Supervisory Board are elected for a term of one year.

7.1.4 Number of executive and non-executive members: Tryg's Supervisory Board consists of only non-executive directors, who are not members of the Executive Board and who do not have management responsibilities.

7.1.5 Board members age groups: The age groups are calculated at the end of the reporting period and includes all board members. The age groups are <30, 30-49 and 50+ years.

7.1.6 Board meetings and attendance rate: Board meetings include both ordinary and extraordinary meetings. The attendance rate is calculated by taking the sum of regular board meetings attended per board member and dividing by the total possible attendance.

7.1.7 Independent Supervisory board members (numbers/%): Information about board members and their independence is published on Tryg's website [link] or see CVs on page 89 - 92. Independent members are calculated based on their relation to Trygheds Gruppen. See also the definition in Recommendations on Corporate Governance.

7.2 Incentive schemes and Remuneration

7.2.1 Sustainability-related performance, Executive Board: Changed name from ESG-linked pay, Executive Board. The percentage of the Executive Board's variable salary that is based on selected ESG KPIs. The target is based on indicators related to CO_2e reductions from respectively claims handling processes and Tryg's direct and indirect emissions, as well as the share of top-line growth coming from prevention initiatives, employee engagement targets, and diversity and inclusion initiatives and targets.

7.2.2 Remuneration of the Executive Board and Supervisory Board: Tryg has a remuneration policy for the Executive Board and Supervisory Board. See definition and accounting principles in Tryg's Remuneration report 2023.

7.3 Whistleblower cases

Number of cases reported via Tryg's anonymous whistleblower hotline that is available at tryg.com and via Tryg's intranet.

7.4 Harassment cases

Harassment is a collective term for cases of discrimination, bullying, sexual harassment and other types of harassment that can occur at the workplace. Cases are reported to the HR department through leaders, union or employee representatives or through the Whistleblower hotline.

7.5 Management of relationships with suppliers

7.5.1 Suppliers screened: Tryg systematically screen Contract and Claims suppliers through an evaluation platform to evaluate suppliers' compliance with Tryg's Supplier Code of Conduct and sustainability performance.

7.5.2 High-performance suppliers: If a supplier has accepted Tryg's Supplier Code of Conduct and has a policy or certificate within areas of sustainability they are high-performance suppliers. The tracking is done for both Contract suppliers and Suppliers with claims. Small suppliers (size 1-5 employees) are classified by accepting the Supplier Code of Conduct and having a documented positive contribution within a selected sustainability area.

7.6 Insurance fraud

The fraud figures only cover Denmark, but will in 2024 also include Sweden and Norway.

7.6.1 Notifications of potential fraud: Number of notifications where there is suspected insurance fraud and which is investigated by Tryg's special investigation unit.

7.6.2 Cases classified as fraud: Identification and handling of cases follows the guidelines defined by the trade associations. All investigations of individual persons must be approved by the Executive Board before being initiated. Customers are always informed when they have been selected for investigation and are treated with respect in the process.

Independent limited assurance report on ESG data

To the stakeholders of Tryg A/S

Tryg A/S engaged us to provide limited assurance on the selected data described below and marked with black dots in the reporting and included in the annual report on pages 65-67 and 69-70 for the period 1 January – 31 December 2023.

Our Conclusion

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the selected data in scope for our limited assurance engagement included in the annual report on pages 65-67 and 69-70 for the period 1 January - 31 December 2023 has not been prepared, in all material respects, in accordance with the accounting policies developed by Tryg A/S, as stated on pages 76-80. This conclusion is to be read in the context of what we say in the remainder of our report.

We are assuring

The scope of our work was limited to assurance over selected sustainability data included in the section Sustainability statement on pages 65-67 and 69-70 of the management review of the annual report for 2023. This includes selected environmental and social data, and selected CO_2e emissions data from claims handling, marked with black dots in the reporting.
We express limited assurance in our conclusion.

Corresponding information

With effect from the current financial year, the selected sustainability data included in the section Sustainability statement on pages 65-67 and 69-70 of the management review of the annual report for 2023 has become subject to limited assurance engagement. Please note that the comparative information stated in the selected sustainability data included in the section Sustainability statement on pages 65-67 and 69-70 has not been subject to assurance, which also appears from the selected sustainability data included in the section Sustainability statement on pages 65-67 and 69-70.

Professional standards applied and level of assurance

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions stated on pages 65-67, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. Greenhouse Gas emissions quantification is subject to inherent uncertainty as a result of incomplete scientific knowledge used to determine emission factors and the values and methods needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality of control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Management 1, ISMQ 1, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent, multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The ESG data and information need to be read, and understood, together with the ESG accounting policies, which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw on, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the ESG data. In doing so, and based on our professional judgement, we:

- Made inquiries and conducted interviews with Group functions to assess consolidation processes, use of company-wide systems, and controls performed at Group level,
- Checked ESG data on a sample basis to underlying documentation, and evaluated the appropriateness of quantification methods and compliance with the

accounting policies for preparing the consolidated ESG data,
- Conducted an analytical review of the ESG data and trend explanations submitted by all business units for consolidation at Group level,
- Considered the disclosure and presentation of the ESG data statement, and
- Evaluated the obtained evidence.

Statement on other sustainability information mentioned in the report

Management is responsible for other sustainability information communicated in the 2023 management review of the annual report.

Our conclusion on the ESG data on pages 65-67 and 69-70 does not cover other sustainability information and we do not express an assurance conclusion thereon. In connection with our review of the ESG data, we read the other ESG and sustainability information and, in doing so, considered whether the other ESG or sustainability information is materially inconsistent with the ESG data or our knowledge obtained in the limited assurance engagement or otherwise appear to be materially misstated. We have nothing to report in this regard.

Management responsibilities

Management of Tryg A/S is responsible for:
- designing, implementing and maintaining internal controls over information relevant to the preparation of data in the annual report that is free from material misstatement, whether due to fraud or error;
- establishing objective accounting policies for preparing data;
- measuring and reporting data in the annual report based on the accounting policies; and
- the content of the annual report for the period 1 January – 31 December 2023.

Our responsibilities

We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether selected data in the 2023 annual report is free from material misstatement, and has been prepared, in all material respects, in accordance with the accounting policies developed by Tryg A/S.
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the stakeholders of Tryg A/S.

Hellerup, 25 January 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Stefan Vastrup
State Authorised Public Accountant
mne32126

Reader's guide cf. sections 143, 144 and 146

Tryg reports according to the provisions of BEK no. 360 of 02/05/2023 the Danish Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds).

Section 143	Reader's guide
Status and target for the Supervisory Board for increasing the share of the underrepresented gender: Section 143 subs. 1 (1) and subs. 5	According to Danish law, the gender distribution of Tryg's Supervisory Board is considered equal and no target is required. See description on page 54 and data table on page 71.
Status, target, action plan and policy for increasing the share of the underrepresented gender other management levels: Section 143 subs. 1 (2), subs. 2 (2) and subs. 4 (1)(2)(3)	Policy, target, action plan and results for increasing the share of the underrepresented gender at other management levels are available on pages 52 - 54 and in the tables on page 69.

Section 144	Reader's guide
Business model Section 144, subs. 2 (1)	Tryg's business model is described on pages 4-5
Policies for sustainability Section 144, subs. 2 (2)	A description of policies for sustainability and specifically for topics such as climate & environment, human and labour rights and diversity, code of conduct, suppliers and investments are included across the relevant chapters. See pages 43, 52, 56, 60 and 62.
Actions, systems and due diligence processes and key risks Section 144, subs. 2 (3)(4)	A description of actions for sustainability and specifically for topics such as climate & environment, human and labour rights and diversity, code of conduct, suppliers and investments are included across the relevant chapters. See pages 43-46, 50-57, 60-63.
KPIs and results Section 144, subs. 2 (5)(6)	See targets overview on page 41, results and progress described in the relevant chapters pages 45, 51, 54-57, 63 and in the ESG data tables on pages 65-71. Description of accounting principles on pages 76-80.

Section 146	Reader's guide
Data ethics policy Section 146, subs. 1 and 2	Tryg's data ethics policy is described on pages 58-59.

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. 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 are unveiled, is hosted every three years. At the latest Capital Markets Day in November 2021, financial targets for 2024 were disclosed. Tryg targets an insurance service result of between DKK 7.2bn and DKK 7.6bn, a combined ratio at or below 82, an expense ratio around 13.5 and a return on own funds at or above 25%. In 2024, all targets have been updated following the introduction of the new accounting standard, IFRS 17.

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 167.7 and ended 2023 at DKK 146.9. Total return (price and dividends) on the share was a negative -8%. The Tryg share was under pressure in the first half of the year as inflation worries hit non-life insurance stocks, particularly those with a high valuation. The second half of the year and especially the autumn have been positive for share price performance given also lower inflation expectations. 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 -8%, underperforming the European Insurers' sector, which produced a return of 13%. Equity market performance during the year was mixed. Volatility has been high, with positive periods followed by corrections and performance generally driven by a few selected shares as opposed to a broad-based trend.

Share capital and ownership

Tryg's share capital totalled DKK 3,174,174,900 on 31 December 2023. There is one share class (634,834,980 shares with a nominal value of DKK 5), and all shares rank pari passu. The largest shareholder, TryghedsGruppen smba, owns 47,5%* 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.

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:

- 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 compared to 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.

TryghedsGruppen

In 2023, and for the eighth year running, Tryg's largest shareholder, TryghedsGruppen, paid out DKK 950m in member bonuses to Tryg in Denmark, corresponding to 6% of the annual premiums paid in 2022. TryghedsGruppen owns 47,5%* 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.

* Calculated excluding Tryg's own shares

- The capital level may be adjusted via extraordinary dividends or share buybacks

Annual general meeting
Tryg's annual general meeting will be held on 21 March 2024 at 15:00 CET. The notice will be advertised in the daily press in February 2024 and will be sent to shareholders upon request.

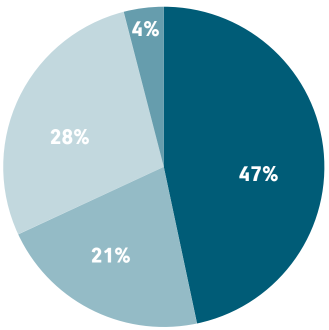
Financial calendar 2024*

26 Jan. 2024 Tryg shares are traded ex-dividend
30 Jan. 2024 Payment of Q4 dividend
21 Mar. 2024 Annual general meeting
17 Apr. 2024 Interim report Q1
18 Apr. 2024 Tryg shares are traded ex-dividend
22 Apr. 2024 Payment of Q1 dividend
11 July 2024 Interim report Q2 and H1
12 July 2024 Tryg shares are traded ex-dividend
16 July 2024 Payment of Q2 dividend
11 Oct. 2024 Interim report Q1-Q3
14 Oct. 2024 Tryg shares are traded ex-dividend
16 Oct. 2024 Payment of Q3 dividend

* Supervisory Board's approval required

Shareholders
at 31 December 2023

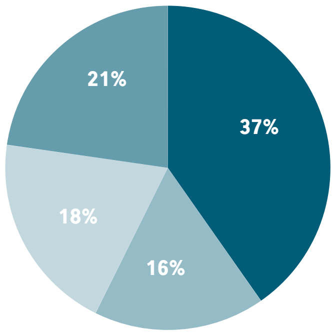
Tryghedsgruppen
Large Danish shareholders*
Large international shareholders*
Small shareholders



*Shareholders holding more than 10,000 shares. Source: CMi2i

Free float - geographical distribution
at 31 December 2023

Denmark
USA
UK
Others



*Free float is exclusive of TryghedsGruppen. Source: CMi2i

Shareholder distribution

DKKm	2023	2022	2021	2020	2019
Dividend	4,734	4,118	2,802	2,115	2,056
Dividend per share (DKK)	7.40	6.29	4.28	7.0	6.8
Payout ratio	123%	183%	89%	76%	72%
Extraordinary share buyback programme	1,000	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-2023**

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. The profile is addressed to Tryg's private shareholders, customers, employees and other stakeholders and will be published on 25 January 2024.

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 **https://dk.linkedin.com/company/tryg**

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 information 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. If the Supervisory Board decides to hold general meetings exclusively through electronic means, detailed information concerning registration and procedures for virtual attendance including how to ask questions and submit comments and cast votes will be made available at Tryg's website and in the notice convening such electronic general meetings. Thus, there will be clear instructions and feedback channels ensuring sufficient safeguards for shareholders' participation rights at potential future virtual-only meetings.

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 47,5%* 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

* Calculated excluding Tryg's own shares

company. The Executive Board works with the Supervisory Board to ensure that the Group's strategy is developed and monitored. The Supervisory Board ensures that the necessary skills and financial resources are available for Tryg 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 **89-92** 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 89-92** 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, ESG, 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 2023, 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 ESG, Diversity and Digitalisation.

See CVs and descriptions of skills in the section Supervisory Board on **pages 89-92** 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 adopted policy and target figures for the underrepresented gender that set 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 40.55% in 2022 to 42.35% in 2023, exceeding the initial 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 2023 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 2023 was adopted by the Supervisory Board in January 2023 and approved by the annual general meeting on 30 March 2023.

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

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 base 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 2023, the variable pay element was in January 2024 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.

Deviations and explanations

Tryg complies with all the Recommendations on Corporate Governance.

Supervisory Board

Anne Kaltoft (1961)
Board member
CEO of Hjerteforeningen. Many years of leadership experience at a high level.

Tina Snejbjerg (1962)
Board member, Employee representative
Officer of Tryg's Personnel Department. Employed since 1987.

Lena Darin (1961)
Board member, Employee representative
Since 1989, Lena Darin has worked as a claims handler in the insurance industry.

Charlotte Dietzer (1974)
Board member, Employee representative
Manager advisor in Claims Denmark, Tryg A/S. Has solid knowledge and experience within the insurance industry.

Jukka Pertola (1960)
Chairman
More than 25 years of top management experience in the IT and telecommunication industry and electrical engineering, the latest position being the CEO of Siemens Denmark from 2002 to 2017.

Elias Bakk (1975)
Board member, Employee representative
Product & Strategic Engagement Manager in Tryg A/S. Solid insurance knowledge from his years in the industry, business know-how and judgement.

Mengmeng Du (1980)
Board member
Thorough knowledge of the Tech startup space as well as international experience from leading positions within Marketing and Operations at Spotify and COO at Acast.

Jørn Rise Andersen (1956)
Board member
Many years of experience from top management positions in Danish trade unions as well as board seats in financial companies.

Thomas Hofman-Bang (1964)
Board member
CEO in the Danish Industry Foundation. Extensive global experience in the B2B environment and within the professional services industry.

Carl-Viggo Östlund (1955)
Board member
Has experience from insurance, logistics, finance and banking, from leading positions in listed and non-listed companies. Carl-Viggo Östlund has specialist knowledge of Swedish market conditions.

Mari Thjømøe (1962)
Board member
Business know-how from experience with the financial sector and energy. Understanding of risk management, strategy, restructuring, business development, M&A, IR and financial communication and working with regularity authorities.

Steffen Kragh (1964)
Deputy Chairman
22 years' experience heading an international company with 6,000 employees within the consumer space where technology, data, subscription, and user experience are key elements.

Claus Wistoft (1959)
Board member
Top management experience from operating his own business for 38 years. Analytical approach to problem-solving, solid business know-how and business development, understanding of risk management and succession.

Mette Osvold (1978)
Board member, Employee representative
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.

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, COWI Holding A/S, GN Store Nord A/S incl. GN Audio A/S and GN Hearing A/S
Board member Asetek A/S
Committee memberships Remuneration Committee (Chair), Nomination Committee (Chair) and IT Data Committee in Tryg A/S, Nomination and Remuneration Committee in COWI Holding A/S (Chair), Remuneration Committee (Chair) Asetek A/S, Remuneration Committee, Nomination Committee and Strategy (Chair) 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 the 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 and experience of risk management, M&A, ESG, business know-how and judgement as well as insurance
Number of shares 13,000
Change in portfolio since the start of 2023 0

Steffen Kragh[a)]

Born in 1964. Joined the Supervisory Board in 2023. Danish citizen.

Career President & CEO of Egmont Fonden and Egmont International Holding A/S since 2001 (as well as management positions in 12 Egmont daughter companies). Previously CEO of Egmont subsidiaries, employment in insurance and banking group Hafnia Holding A/S and stockbroker Erik Møllers Efterfølgere A/S.
Education MSc in Economics and MBA
Board seats, Chair Lundbeckfonden (including Lundbeckfond Invest A/S). Various Egmont companies
Board seats, Deputy Chair Tryg A/S and Tryg Forsikring A/S, Lundbeckfonden (including Lundbeckfond Invest A/S).
Board member: Various Egmont companies
Director: NKB Invest 103 ApS
Committee memberships Lundbeckfonden (Investment committee)
Experience 22 years' experience heading an international company with 6,000 employees within the consumer space where technology, data, subscription, and user experience are key elements.
Former chairman of Nykredit, including roles in Audit, Risk, Remuneration and Nomination Committee
Competencies Experience within strategy, economics, finance and accounting, capital markets, securities and funding, legal and regulatory matters of importance to financial business, and corporate management including data, technology and ESG.
Number of shares 6,500
Change in portfolio since the start of 2023 -

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 and CFO/CEO of Norwegian Property
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 seats, Deputy Chair Norconsult ASA, Norconsult Norge AS
Board member Tryg A/S and Tryg Forsikring A/S, Hafslund AS, Deezer SA, Varme og Bad AS, SINTEF Eiendom Holding AS, FCG Fonder AB
Committee memberships Audit Committee and Risk Committee in Tryg A/S, Audit Committee (Chair) in Norconsult A/S, Audit Committee (Chair) in Deezer SA 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 ten 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 the start of 2023 0

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 Coeli Finans AB, Fondo Solutions AB, Gladsheim Fastigheter AB, Juvinum Food & Beverage AB, Nedvi Fastigheter AB, Picsmart AB and Ponture AB
Board member Tryg A/S and Tryg Forsikring A/S, Allert Östlund AB, Goobit Group AB including Goobit AB, Goobit Exchange AB and Goobit Blocktech AB, Havsgaard AB, Ywonne Media Group AB, Wonderbox AB, Hemdel AB, Umbrella Finans 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, ESG
Number of shares 7,788
Change in portfolio since the start of 2023 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 Alternativ Private Equity 2024, K/S, Half Double Institute fmba
Board seats, Deputy Chair Bikubenfonden
Board member Tryg A/S and Tryg Forsikring A/S and Tranes Fond, Foreningen Roskilde Festival
Committee memberships Audit Committee (Chair) and Risk Committee (Chair) in Tryg A/S
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 sustainability
Number of shares 12,233
Change in portfolio since the start of 2023 +7,403

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 IT Data Committee in Tryg A/S, People and Remuneration Committee in Swappie Oy
Experience 10+ years of top management experience and as board member. Thorough knowledge of the Tech startup space as well as international experience from leading positions within Marketing and Operations at Spotify and COO at Acast. Extensive board experience from Retail, Life Insurance and Aviation. Member of Sweden's National Innovation Council
Competencies General 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 3000
Change in portfolio since the start of 2023 +3,000

Anne Kaltoft[b)]

Born in 1961. Joined the Supervisory Board in 2023. Danish citizen.

Career Managing Director of the Danish Heart Foundation.
Education MSc in Medicine, Medical Specialist in cardiology, PhD in cardiology, Master of Public Management. Pathfinder (a leadership development programme).
Board seats, Chair Tjenestemændenes Laaneforening, Dansk Told og Skatteforbunds Fælleslegat, TryghedsGruppen SMBA
Board member Tryg A/S, Tryg Forsikring A/S, TryghedsGruppen smba
Committee memberships TrygFondens bevillingsudvalg
Experience Many years' experience from top management positions within the Danish healthcare system, and as Managing Director of the Danish Heart Foundation
Competencies Competencies within management, strategy and business development, communication and governance, optimisation of structure and processes, financial management and social development within health
Number of shares 0
Change in portfolio since the start of 2023 -

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, I/S Torntoft jf, Seidelmann Holding ApS, Houmarken A/S, Lyngfeldt A/S, Lyngfeldt Finansiering A/S, Lyngfeldt Maskinudlejning ApS, Komplementarselskabet Prinz Carl Anlage I ApS, K/S Prinz Carl Anlage I and Ejendomsfonden - Maltfabrikken
Experience Top management experience from operating his own business for 38 years
Competencies Analytical approach to problem-solving, solid business know-how and business development, understanding of risk management and succession
Number of shares 5,416
Change in portfolio since the start of 2023 0

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 Dansk Told og Skatteforbunds Fælleslegat, TryghedsGruppen SMBA
Board member Tryg A/S and Tryg Forsikring A/S,TJM Forsikring, Lån og Spar Bank A/S, Interesseforeningen, Fondet af 1844, Fagbevægelsens Hovedorganisation (the Trade Union Central Organisation), CO10 (The Central Organisation of 2010) and Forenede Gruppeliv
Committee memberships Remuneration committee and nomination committee in Tryg A/S, Chairman of the Audit Committee in Lån og Spar Bank A/S, member of the 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
Change in portfolio since the start of 2023 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 educations. 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 the start of 2023 0

Supervisory Board

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 held 2,657
Change in portfolio since the start of 2023 0

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 4,000
Change in portfolio since the start of 2023 +1,000

Mette Osvold[b)]

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

Employed since 2003
Career Chair of 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 High competencies and experience within the insurance industry, management, strategy and business development, negotiations, processes and organisation optimisation.
Number of shares held 853
Change in portfolio since the start of 2023 0

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 held 0
Change in portfolio the start of 2023 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.

Committee meeting overview 2023

Name	Supervisory Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	IT Data Committee
Jukka Pertola	15/15			8/8	6/6	6/6
Steffen Kragh[a)]	10/15	5/6	5/6	7/8	4/6	
Mari Thjømøe	15/15	6/6	6/6			
Carl-Viggo Östlund	15/15				6/6	6/6
Thomas Hofman-Bang	15/15	6/6	6/6			
Mengmeng Du	15/15					6/6
Anne Kaltoft[b)]	10/15					
Claus Wistoft	15/15					
Jørn Rise Andersen	15/15			8/8	6/6	
Charlotte Dietzer[c)]	15/15					5/6
Tina Snejbjerg	15/15		5/6		6/6	
Elias Bakk	15/15					6/6
Mette Osvold	15/15					
Lena Darin	15/15					

a) Joined the Board 30 March 2023. Please note that 5 board meetings were held prior to 30 March 2023, and 10 were held after 30 March 2023. As for the Audit Committee, 5 meetings were held after 30 March 2023. As for the Risk Committee, 5 meetings were held after 30 March 2023. As for the Nomination Committee, 7 meetings were held after 30 March 2023. As for the Remuneration Committee, 4 meetings were held after 30 March 2023.

b) Joined the Board 30 March 2023. Please note that 5 board meetings were held prior to 30 March 2023, and 10 meetings were held after 30 March 2023.

c) Joined the IT-Data Committee 30 March 2023. Please note that 1 IT-Data Committee meeting was held before 30 March 2023, and 5 IT-Data committee meetings were held after 30 March 2023.

Executive Board

Allan Kragh Thaysen (1977)

Group CFO
Key competencies include management, accounting, tax, external and internal reporting, Financial Planning & Analysis, reserving, risk management and capital modelling. He is a commercially oriented finance executive with a strong strategic, technical and commercial focus and understanding of the business.

Alexandra Bastkær Winther (1985)

Group CCO
Key competencies include experience in strategy development & execution, M&A and large-scale transformations. She has an innovative and commercial mindset with a continuous focus on identifying potential for further improvement.

Johan Kirstein Brammer (1976)

Group CEO
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.

Mikael Kärrsten (1975)

Group CTO
Key competencies include management, case underwriting, pricing, profitability, analytics, portfolio management and product development.

Lars Bonde (1965)

Group COO
Comprehensive experience from the insurance industry. Experienced in strategy, business development, digitalisation, innovation, legal and M&A. Management and leadership experience, including international experience.

Executive Board

Johan Kirstein Brammer Group CEO

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

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: 74,854

Number of shares held at the start of 2023: 55,287

Change in portfolio: +19,567

Allan Kragh Thaysen Group CFO

Born in 1977. Joined Tryg in 2018.

Joined the Executive Board in 2023.

Education: Graduate Diploma (HD/R) in Accounting and an MSc in Business Economics and Auditing (CMA) from Copenhagen Business School

Experience: Since May 2018, Allan Kragh Thaysen has been SVP of Group Finance in Tryg. Before then he held several positions in the Norwegian company Gjensidige from 2005 to 2018, where he became Financial Director for the Danish and Swedish operation of the business from 2010 to 2018. He started his career as an accountant at Deloitte from 1998 to 2005.

Allan Kragh Thaysen is deeply rooted in the insurance sector and has extensive experience from finance management within non-life insurance. He has for many years been in management positions within the core finance areas: accounting, tax, external and internal reporting, Financial Planning and Analysis, reserving, risk management and capital modelling.

Throughout his career he has been part of several M&A transactions and integration cases, and he played a pivotal role for Tryg in the acquisition of RSA's Scandinavian businesses, Trygg-Hansa and Codan Norway.

Competencies: Allan Kragh Thaysen's key competencies include management, accounting, tax, external and internal reporting, FP&A, reserving, risk management and capital modelling. Allan Kragh Thaysen is a commercially oriented finance executive with a strong strategic, technical and commercial focus and understanding of the business.

Number of shares held: 504

Number of shares held at the start of 2023: -

Change in portfolio: -

Alexandra Bastkær Winther Group CCO

Born in 1985. Joined Tryg in 2020.

Joined the Executive Board in 2023.

Education: Mphil in Finance, University of Cambridge MSc Economics, University of Copenhagen

Board seats: Forsikring og Pension, Scandi JV Co 2 A/S

Experience: Alexandra Bastkær Winther is an accomplished executive leader with experience spanning across multiple industries and geographies. At Tryg, Alexandra initially led the transformative acquisition of Trygg-Hansa and Codan NO. Subsequently, she headed up Alka Forsikring, acting as 'CEO'. Here, she was a board member of Alka Liv II and Alka Fordele. Prior to Tryg, Alexandra was with Boston Consulting Group (BCG) for almost a decade working as a management consultant across more than 20 countries and numerous industries, before she specialised in Financial Institutions, M&A, and Transformation. Prior to BCG, Alexandra was with J.P. Morgan Chase & Co. in London where she worked in capital markets, focusing on equity derivates for institutional investors.

Competencies: Alexandra Bastkær Winther comes with deep experience in strategy development & execution, M&A and large-scale transformations. She has an innovative and commercial mindset with a continuous focus on identifying potential for further improvement. This is supported by a strong implementation capacity, focus on leadership & change management, ultimately driving better outcomes for customers and employees.

Number of shares held: 235

Number of shares held at the start of 2023: -

Change in portfolio: -

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, Forsikringsakademiet and F&P Arbejdsgiver

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: 142,707

Number of shares held at the start of 2023: 122,692

Change in portfolio: 20,015

Mikael Kärrsten Group CTO

Born in 1975. Joined Tryg in 2022.

Joined the Executive Board in 2023.

Education: Master in Business Economics

Board seats, Chair: Tryg Livsforsikring A/S

Board member: Trafikförsäkringsföreningen

Experience: Mikael Kärrsten has extensive experience from insurance management, particularly within the technical field, including portfolio management, case underwriting, pricing and product management. Over the past 15+ years he has held management positions within underwriting, both in commercial and personal lines. Before joining Tryg as part of the acquisition of Trygg-Hansa and Codan Norway in April 2022, he held positions as Underwriting Director for Trygg-Hansa (2016-2018) and Chief UW Officer for RSA Scandinavia (2018-2022). In RSA Scandinavia, Mikael was one of the key architects of the insurance technical excellence programme that gained RSA Scandinavia in general and Trygg-Hansa in particular a competitive edge through in-depth portfolio understanding and proactive action management. This experience was brought into Tryg when Mikael joined the company as PPU (price, product and underwriting) Director, and in 2023 Mikael join the Executive Board of Tryg.

Competencies: Mikael Kärrsten's key competencies include management, case underwriting, pricing, profitability, analytics, portfolio management and product development.

Mikael Kärrsten is a commercially oriented, technical insurance executive with a strong strategic focus as well as focus on setting and achieving ambitious goals. Having spent two decades within insurance, he has an understanding of most insurance activities and has the ability to connect dots and simplify complex issues and generate results through proactive leadership.

Number of shares held: 2,880

Number of shares held at the start of 2023: -

Change in portfolio: -

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Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the annual report for 2023 of Tryg A/S and the Tryg Group.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards 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. Management's Review has been prepared in accordance with the Danish Financial Business Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). 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 2023 and of the results of the Group and the parent company's operations and the cash flows of the Group for the financial year 1 January 2023 - 31 December 2023.

We are furthermore of the opinion that the management's review includes a fair review of the developments in the activities and financial position of the Group and 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 2023 with the file name TRYG-2023-12-31-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, 25 January 2024

Executive Board

Johan Kirstein Brammer
Group CEO

Allan Kragh Thaysen
Group CFO

Lars Bonde
Group COO

Alexandra Bastkær Winther
Group CCO

Mikael Kärrsten
Group CTO

Supervisory Board

Jukka Pertola
Chairman

Steffen Kragh
Deputy Chairman

Mari Thjømøe

Carl-Viggo Östlund

Thomas Hofman-Bang

Mengmeng Du

Anne Kaltoft

Claus Wistoft

Jørn Rise Andersen

Charlotte Dietzer

Tina Snejbjerg

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 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting 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 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 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 2023 comprise the consolidated income statement and statement of other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and notes, including material accounting policy information.

The Parent Company Financial Statements of Tryg A/S for the financial year 1 January to 31 December 2023 comprise the income statement and statement of other comprehensive income, the statement of financial position, the statement of changes in equity and notes, including material accounting policy information.

Collectively referred to as the "Financial Statements".

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

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

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

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

Appointment
We were first appointed auditors of Tryg 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 three years including the financial year 2023.

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 and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

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 and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Review.

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 2023. 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.

Measurement of provisions for insurance contracts

The Group's provisions for insurance contracts total DKK 49,463 million, which constitutes 44% of the statement of financial position total. Provisions for insurance contracts primarily comprise premium provisions (liability for remaining coverage, LRC) and claims provisions (liability for incurred claims, LIC).

The IFRS 17 premium allocation approach (PAA) is applied for measurement of groups of insurance contracts.

Premium provisions (LRC) are recognised at the premiums received on initial recognition as the carrying amount. Subsequently, the carrying amount of the LRC is increased by any premiums received and decreased by the amount recognised as insurance revenue for services provided. Services are primarily provided based on passage of time. The estimate covers direct and indirect costs relating to the remaining service period. Insurance acquisition costs are expensed as incurred.

Claims provisions (LIC) are measured as the total of the expected fulfilment cash flows relating to insurance events occurred at the statement of financial position date, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risks. The estimate includes direct and indirect claims handling costs that arise from events occurring up to the statement of financial position date.

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" sections "Significant accounting estimates and assessments" and "Insurance and reinsurance contracts" in Note 31 .

How our audit addressed the key audit matter

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 in the 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, including IFRS 17. 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.

Recoverability of the carrying amount of goodwill, trademarks and customer relations

The Group's goodwill, trademarks and customer relations total DKK 30,674 million, which constitutes 27% of the statement of financial position total.

The principal risks are in relation to Management's assessment of the future timing and amount of projected cash flows that are used to assess the recoverability of the carrying amount of goodwill, trademark and customer relations. There are specific risks related to the impact on future earnings from intensified competition and receding economic conditions in key markets. Bearing in mind the generally long-lived nature of the assets, the significant assumptions are Management's view of expected premium growth rates, claims ratio, reinsurance ratio, gross cost ratio, discount rate and inflation.

We focused on this, as there is a high level of subjectivity exercised by Management in estimating future cash flows and the models used are complex.

The key assumptions and accounting treatment are described in Note 12 "Intangible assets" in the Financial Statements and in "Accounting policies" sections "Significant accounting estimates and assessments" and "Measurement of Goodwill, Trademarks and Customer relations" in Note 31.

How our audit addressed the key audit matter

We performed risk assessment procedures to obtain an understanding of IT systems, business processes and relevant controls related to the assessment of the carrying amount of goodwill, trademarks and customer relations. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement.

We considered the appropriateness of Management's defined CGUs within the business. We examined the methodology used by Management to assess the carrying amount of goodwill, trademarks and customer relations and the process for identifying CGUs that require impairment testing to determine compliance with IFRS.

We performed detailed testing for the assets where an impairment review was required and evaluated whether there were any indications of impairment related to the assets. For those assets, we analysed the reasonableness of significant assumptions in relation to the ongoing operation of the assets.

We evaluated and challenged the assumptions used by Management, including assessment of expected premium growth rates, claims ratio, reinsurance ratio, gross cost ratio, discount rate and inflation and tested the mathematical accuracy of the relevant value-in-use models prepared by Management.

Further, we assessed the appropriateness of disclosures, including sensitivity analyses prepared for the significant assumptions.

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 IFRS Accounting 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 2023 with the filename TRYG-2023-12-31-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 2023 with the file name TRYG-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 25 January 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Stefan Vastrup
State Authorised Public Accountant
mne32126

Financial highlights

DKKm	2023	2022	2021	2020	2019
Insurance revenue	**39,126**	**38,365**	**25,369**	**23,442**	**22,405**
Insurance service expenses	-32,219	-32,156	-21,304	-19,276	-18,375
Net expense from reinsurance contracts	-507	-576	-727	-480	-538
Insurance service result	**6,399**	**5,636**	**3,338**	**3,687**	**3,492**
Total Investment return [a]	631	-441	1,369	241	441
Other income and costs	-2,001	-2,143	-752	-387	-305
Profit/loss before tax	**5,029**	**3,051**	**3,956**	**3,541**	**3,628**
Tax	-1,178	-804	-795	-768	-783
Profit/loss on continuing business	3,851	2,247	3,161	2,773	2,845
Profit/loss on discontinued and divested business	0	0	-3	0	-2
Profit/loss for the period	**3,851**	**2,247**	**3,158**	**2,773**	**2,843**
Other comprehensive income					
Other comprehensive income which cannot subsequently be reclassified as profit or loss	-1	-2	0	-62	-57
Other comprehensive income which can subsequently be reclassified as profit or loss	-8	-1,828	-36	48	18
Other comprehensive income	**-9**	**-1,830**	**-36**	**-14**	**-39**
Comprehensive income	**3,842**	**417**	**3,122**	**2,759**	**2,804**
Run-off gains/losses, net of reinsurance	1,099	759	435	1,194	1,332
Run-off gains/losses, Gross	1,735	1,120	421	1,179	1,312
Statement of financial position					
Total provisions for insurance contracts	49,463	49,063	32,968	31,081	30,884
Assets from reinsurance contracts	3,060	2,823	2,244	2,052	1,959
Total equity	40,351	42,504	49,008	12,264	12,085
Total assets	112,940	113,387	99,245	59,647	57,549
Key ratios					
Gross claims ratio	68.0	68.7	70.9	68.9	68.6
Net reinsurance ratio	1.4	1.7	2.9	2.1	2.4
Claims ratio, net of reinsurance	69.4	70.3	73.8	70.9	71.0
Gross expense ratio	13.4	13.5	13.1	13.3	13.4
Combined ratio	**82.8**	**83.8**	**86.8**	**84.3**	**84.4**
Operating ratio	82.8	83.8	86.8	84.3	84.4
Relative run-off gains/losses	2.7	2.9	1.8	4.9	5.4
Return on equity after tax (%)	9.4	4.9	7.8	22.5	24.6
Share price (DKK)	146.90	165.35	161.50	192.10	197.50
Net asset value per share (DKK)	65.35	67.07	75.00	40.64	40.50
Market price/Net asset value	2.2	2.5	2.2	4.7	4.9
Price/Earnings	24.2	47.6	29.3	20.9	21.0

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.

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

Please see the income overview in Management's review for further details.

Income statement

DKKm		2023	2022
Note			
3	Insurance revenue	39,126	38,365
	Insurance service expenses	-32,219	-32,156
	Net expense from reinsurance contracts	-507	-576
2, 4	**Insurance service result**	**6,399**	**5,636**
	Investment activities		
	Profit/loss from associates	-75	-19
	Income from investment property	35	48
6	Interest income and dividends	1,624	918
7	Value adjustments	1,674	-3,675
6	Interest expenses	-344	-154
	Administration expenses in connection with investment activities	-176	-145
	Investment return	**2,738**	**-3,028**
8	Net finance income/expense from insurance contracts	-2,190	2,621
9	Net finance income/expense from reinsurance contracts	84	-34
	Total Investment return	**631**	**-441**
10	Other income	145	150
10	Other costs	-2,147	-2,293
	Profit/loss before tax	**5,029**	**3,051**
11	Tax	-1,178	-804
	Profit/loss for the period	**3,851**	**2,247**
25	Earnings per share basic and diluted	6.08	3.47

Statement of comprehensive income

DKKm		2023	2022
Note			
	Profit/loss for the period	**3,851**	**2,247**
	Other comprehensive income which cannot subsequently be reclassified as profit or loss		
	Actuarial gains/losses on defined-benefit pension plans	-2	-2
	Tax on actuarial gains/losses on defined-benefit pension plans	0	1
		-1	**-2**
	Other comprehensive income which can subsequently be reclassified as profit or loss		
	Deferred tax related to receivable balance	0	-50
	Exchange rate adjustments of foreign entities	-105	-2,217
	Exchange rate adjustments of foreign material associates	0	52
	Hedging of currency risk in foreign entities	130	496
	Tax on hedging of currency risk in foreign entities	-33	-109
		-8	**-1,828**
	Total other comprehensive income	**-9**	**-1,830**
	Comprehensive income	**3,842**	**417**

Statement of financial position

Note	DKKm	2023	2022
Note	**Assets**		
12	**Intangible assets**	**31,987**	**32,716**
	Operating Equipment	191	178
	Group-occupied property	935	693
13	**Total property, plant and equipment**	**1,125**	**871**
14	**Investment property**	**498**	**1,017**
15	Equity investments in associates	54	222
	Total investments in associates	**54**	**222**
	Equity investments	3,939	4,647
	Unit trust units	8,192	8,330
	Bonds	57,065	55,800
	Other lending	0	75
	Derivative financial instruments	2,038	1,763
	Reverse repurchase lending	59	194
	Total other financial investment assets	**71,293**	**70,810**
16	**Total investment assets**	**71,844**	**72,049**
17	**Assets from reinsurance contracts**	**3,060**	**2,823**
	Other receivables	233	414
	Total receivables	**233**	**414**
19	Current tax assets	197	854
18	Cash at bank and in hand	3,132	2,662
	Other	5	1
	Total other assets	**3,334**	**3,516**
	Interest and rent receivable	418	231
	Other prepayments and accrued income	938	769
	Total prepayments and accrued income	**1,357**	**1,000**
	Total assets	**112,940**	**113,387**

Note	DKKm	2023	2022
Note	**Equity and liabilities**		
20	**Equity**	**40,351**	**42,504**
1	**Subordinated loan capital**	**3,031**	**4,154**
21	**Total provisions for insurance contracts**	**49,463**	**49,063**
22	Pensions and similar obligations	77	85
23	Deferred tax liability	3,367	3,542
24	Other provisions	223	94
	Total provisions	**3,666**	**3,721**
	Amounts owed to credit institutions	2,028	1,305
	Debt relating to repos	4,645	4,287
16	Derivative financial instruments	1,779	2,398
19	Current tax liabilities	389	83
26	Other debt	7,551	5,820
	Total debt	**16,391**	**13,893**
	Accruals and deferred income	**38**	**52**
	Total equity and liabilities	**112,940**	**113,387**

1 Risk and capital management
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Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves	Retained earnings	Proposed dividend	Non-controlling interest	Share-holders of Tryg	Additional Tier 1 capital	Total equity
Equity at 31 December 2022	**3,273**	**-1,789**	**4,724**	**35,247**	**1,047**	**1**	**42,504**	**0**	**42,504**
Changes in impairment owing to implementation of IFRS 9				-2			-2		-2
Changes in taxes due owing to implementation of IFRS 9				1			1		1
Equity at 1 January 2023	**3,273**	**-1,789**	**4,724**	**35,245**	**1,047**	**1**	**42,502**	**0**	**42,502**
2023									
Profit/loss for the period			-178	-763	4,734		3,794	57	3,851
Other comprehensive income		-8		-1			-9		-9
Total comprehensive income	0	-8	-178	-765	4,734	0	3,785	57	3,842
Nullification of own shares	-99			99			0		0
Dividend paid					-4,607		-4,607		-4,607
Dividend, own shares				135			135		135
Interest paid on additional Tier 1 capital							0	-57	-57
Purchase and sale of own shares				-2,531			-2,531		-2,531
Issue of additional Tier 1 capital							0	987	987
Share-based payment				79			79		79
Total changes in equity in 2023	-99	-8	-178	-2,982	127	0	-3,138	987	-2,151
Equity at 31 December 2023	3,174	-1,796	4,547	32,263	1,174	1	39,364	987	40,351

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 (634,834,980 shares).

The possible payment of dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 4,547m (DKK 4,724m in 2022). The contingency fund provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured.

Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves	Retained earnings	Proposed dividend	Non-controlling interest	Share-holders of Tryg
Equity at 31 December 2021	**3,273**	**-11**	**1,735**	**43,309**	**700**	**1**	**49,008**
2022							
Profit/loss for the period			2,989	-4,860	4,118		2,247
Other comprehensive income		-1,778		-52			-1,830
Total comprehensive income	0	-1,778	2,989	-4,912	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 payment				65			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**

Cash flow statement

DKKm	2023	2022
Cash flow from operating activities		
Insurance revenue received	36,905	33,433
Insurance service expenses paid	-29,562	-30,235
Net expenses from reinsurance contracts	-876	-1,126
Cash flow from insurance activities	**6,468**	**2,071**
Interest income	1,145	567
Interest expenses	-344	-149
Dividend received	149	152
Taxes	-318	-1,039
Other income and costs	-1,034	-1,359
Total cash flow from operating activities	**6,067**	**243**
Cash flow from investment activities		
Purchase/sale of equity investments and unit trust units	883	-222
Purchase/sale of bonds (net)	-523	1,810
Purchase/sale of operating equipment (net)	-69	-50
Acquisition/sale of associate	165	6,340
Sale of investment property	502	0
Hedging of currency risk	130	496
Total cash flow from investment activities	**1,087**	**8,375**
Cash flow from financing activities		
Purchase and sale of own shares (net)	-2,531	-3,253
Subordinated loan capital	-45	0
Dividend paid	-4,607	-3,771
Change in lease liabilities	-211	-194
Change in amounts owed to credit institutions	722	471
Total cash flow from financing activities	**-6,672**	**-6,747**
Change in cash and cash equivalents, net	**482**	**1,871**
Exchange rate adjustment of cash and cash equivalents, 1 January	-12	-11
Change in cash and cash equivalents, gross	**470**	**1,860**
Cash and cash equivalents at 1 January	2,662	802
Cash and cash equivalents at end of period	**3,132**	**2,662**

DKKm

Liabilities arising from financing activities

2023	Subordinated loans*	Amounts owed to credit institutions	Total
Carrying amount at 1 January	4,154	1,305	5,459
Exchange rate adjustments	-94	1	-93
Amortisation	3	0	3
Cash flow*	-45	722	677
Carrying amount at 31 December	**4,018**	**2,028**	**6,045**

*hereof DKK 987m part of equity

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**

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 governance model across the organisation. This is to ensure robust governance and effective communication between the business areas, key function and internal audit as well as reporting to the Supervisory Board and the Supervisory Board's Risk Committee.

- 1st line is the Business Management
- 2nd line is Compliance-, Actuarial- and Risk Management function
- 3rd line is Internal Audit and Internal Audit function

The 1st line consists of the Business Management:
The business areas and group functions 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 and, monitoring 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.

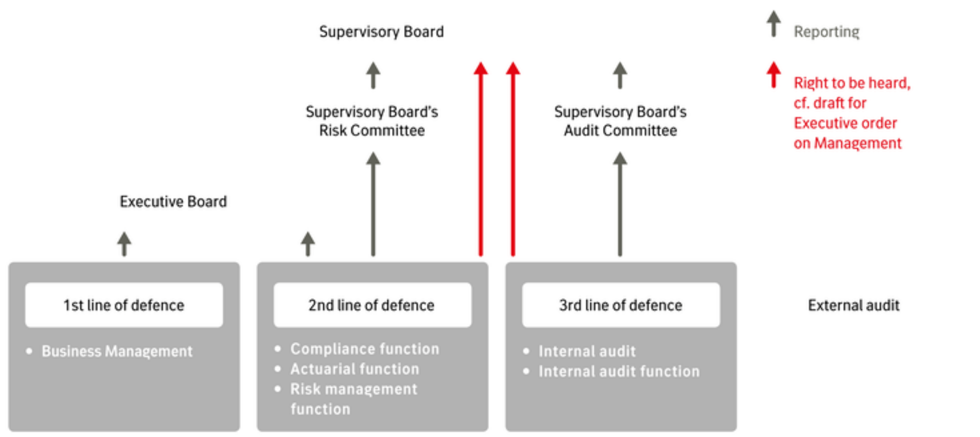
What risk profile does Tryg want?
- Business model
- Strategy
- Policies

How is this supported?

Tactically	**Operationally**
- Policies	- Frameworks
- Capital plan	- Limitations
- Contingency plan	- Instructions
	- Allocated capital
	- Contingency plans

How is the actual risk profile measured?
Tactically
- Risk reports
- Internal controls
- Capital model
- Stress tests

Governance model



Tryg's risk management environment

Notes

Furthermore, the function prepares specific recommendations in relation to capital management, reinsurance, investment risk management and more.

The functions in the second line must have an overview of business processes and risks across the organisation.

The 3rd line consists of Internal Audit and Internal Audit function: The third line must ensure an independent and objective audit of the organisation'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. .

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 October 2023.

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 1 January 2024 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.

- 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 200m, gradually dropping to DKK 135m.

- Tryg has a reinsurance cover of other lines with retention of DKK 100m for the first claim and gradually dropping to DKK 46m.

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 is aligned to the discounted claims reserves. In order to manage the inflation risk of claims reserves, Tryg has bought zero coupon inflation swaps. Tryg determines the claims reserves via statistical methods as well as assessments of individual claims.

Notes

At the end of 2023, Tryg's claims reserves net of reinsurance totalled DKK 40,705m with an average discounted duration of approximately 5.4 years (average duration undiscounted 7.9 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 provisions for insurance contracts 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. At the end of 2023, investment properties accounted for 1.7% (including property funds) and Tryg's equity portfolio accounted for 5.5% of the total investment assets.

Tryg operates its insurance business in other currencies than Danish kroner, Tryg is therefore 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 tangible equity held in other currencies than Danish kroner will be exposed to currency risk. This risk is to a large degree 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. Tryg focuses on an adequate control environment for its operations to mitigate operational risk. 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.

Sensitivity analysis

DKKm	2023	2022
Insurance risk		
Effect of 1% change in:		
Combined ratio (1 percentage point)	+/- 391	+/- 339
Large single loss	-150	-150
Catastrophe event	-300	-200
Reserving risk		
1% change in inflation on person-related lines of business	+/- 1,325	+/- 1,240
10% error in the assessment of long-tailed lines of business (workers' compensation, motor liability, liability, accident)	+/- 2,853	+/- 2,780
Investment risk		
Interest rate market		
Effect of 1 % increase in interest curve:		
NOK:		
Impact of interest-bearing securities	-201	-252
Higher discounting of claims provisions	136	173
Net effect of interest rate rise	-66	-79
SEK:		
Impact of interest-bearing securities	-990	-936
Higher discounting of claims provisions	1,301	1,164
Net effect of interest rate rise	312	228
DKK, EUR and Other:		
Impact of interest-bearing securities	-735	-723
Higher discounting of claims provisions	620	596
Net effect of interest rate rise	-115	-128
Equity market		
15 % decline in equity market	-357	-505
Impact of derivatives and related thereto	31	32
Real estate market		
15 % decline in real estate markets	-575	-694
Currrency market		
Equity:		
15 % decline in exposed currency (exclusive of EUR) relative to DKK	-2,357	-3,177
Impact of derivatives	1,610	2,904
Net impact of exchange rate decline	-747	-273
Insurance service result per year:		
Impact of 15% change in NOK and SEK exchange rates relative to DKK	+/- 476	+/- 524

Notes

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 controls 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.

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.

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.

Notes

Liability for incurred claims (LIC)

Gross (DKKm)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated accumulated claims												
End of year	13,110	11,961	13,947	12,137	11,999	12,936	15,403	16,184	16,640	25,493	27,865	
1 year later	13,380	12,279	13,882	11,985	12,079	13,640	15,432	15,995	20,317	24,784		
2 year later	13,043	12,113	13,847	11,911	12,286	13,610	15,397	16,929	18,651			
3 year later	12,885	12,031	13,768	12,041	12,192	13,622	16,341	17,321				
4 year later	12,868	11,929	13,798	12,015	12,186	14,422	16,175					
5 year later	12,735	11,850	13,780	11,984	12,837	14,300						
6 year later	12,593	11,599	13,745	12,452	12,724							
7 year later	12,462	11,533	14,155	12,520								
8 year later	12,427	11,827	14,081									
9 year later	12,729	11,769										
10 year later	14,011											
	14,011	11,769	14,081	12,520	12,724	14,300	16,175	17,321	18,651	24,784	27,865	184,201
Cumulative payments to date	-11,870	-10,987	-13,112	-11,334	-11,515	-12,722	-13,953	-13,989	-14,978	-19,203	-14,174	-147,836
Provisions before discounting, end of year	2,141	783	969	1,186	1,210	1,578	2,221	3,332	3,672	5,582	13,691	36,365
Discounting	-371	-160	-168	-212	-227	-273	-356	-470	-496	-550	-841	-4,124
Reserves from 2012 and prior years												8,943
Gross provisions for claims, end of year												41,185
Debt related to Liability for incurred claims (LIC) and other insurance liabilities												2,544

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate 31 December 2023 to prevent the impact of exchange rate fluctuations.

Notes

Asset for incurred claims (AIC)

Ceded business (DKKm)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated accumulated claims												
End of year	528	249	2,032	189	267	553	342	687	517	1,255	1,953	
1 year later	1,452	281	1,839	235	364	605	417	763	596	816		
2 year later	1,237	278	1,870	230	358	630	437	683	479			
3 year later	1,230	273	1,851	224	368	640	428	628				
4 year later	1,247	280	1,861	220	339	616	367					
5 year later	1,147	276	1,874	220	332	584						
6 year later	1,194	277	1,866	221	261							
7 year later	1,154	277	1,862	221								
8 year later	1,152	279	1,858									
9 year later	1,280	277										
10 year later	1,401											
	1,401	277	1,858	221	261	584	367	628	479	816	1,953	8,844
Cumulative payments to date	-1,161	-266	-1,849	-216	-327	-598	-351	-569	-380	-453	-189	-6,358
Provisions before discounting, end of year	240	11	9	5	-67	-14	16	60	100	363	1,764	2,486
Discounting	-10	0	0	0	4	1	-1	-5	-4	-14	-50	-79
Reserves from 2012 and prior years												206
Provisions for claims, end of year												2,614
Receivables related to Asset for incurred claims (AIC)												410

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate at 31 December 2023 to prevent the impact of exchange rate fluations.

Notes

LIC and AIC

Net of reinsurance (DKKm)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimated accumulated claims												
End of year	12,582	11,712	11,915	11,948	11,732	12,383	15,061	15,497	16,123	24,238	25,912	
1 year later	11,928	11,998	12,044	11,750	11,715	13,035	15,016	15,231	19,721	23,969		
2 year later	11,807	11,835	11,977	11,682	11,928	12,980	14,959	16,246	18,171			
3 year later	11,655	11,758	11,917	11,817	11,825	12,981	15,914	16,693				
4 year later	11,622	11,649	11,937	11,794	11,847	13,806	15,808					
5 year later	11,587	11,575	11,906	11,764	12,504	13,716						
6 year later	11,399	11,322	11,879	12,230	12,464							
7 year later	11,308	11,256	12,293	12,300								
8 year later	11,276	11,548	12,223									
9 year later	11,449	11,492										
10 year later	12,610											
	12,610	11,492	12,223	12,300	12,464	13,716	15,808	16,693	18,171	23,969	25,912	175,357
Cumulative payments to date	-10,709	-10,720	-11,262	-11,119	-11,187	-12,124	-13,603	-13,421	-14,599	-18,750	-13,986	-141,478
Provisions before discounting, end of year	1,901	772	961	1,181	1,276	1,592	2,205	3,273	3,573	5,219	11,927	33,879
Discounting	-361	-159	-167	-212	-232	-275	-355	-465	-491	-536	-791	-4,045
Reserves from 2012 and prior years												8,737
Provisions for claims, net of reinsurance, end of the year												38,571

The amounts in foreign currency in the table are translated to Danish kroner using the exchange rate at 31 December 2023 to prevent the impact of exchange rate fluations.

Eiopa yield curves used on all contracts measured under PAA	2023					2022				
Currency	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
DKK	3.34 %	2.31 %	2.38 %	2.41 %	2.55 %	3.16 %	3.12 %	3.09 %	2.75 %	2.72 %
SEK	3.04 %	2.25 %	2.25 %	2.76 %	2.99 %	3.46 %	3.16 %	3.02 %	3.18 %	3.27 %
NOK	3.99 %	3.31 %	3.21 %	3.26 %	3.30 %	3.46 %	3.15 %	3.19 %	3.28 %	3.32 %

Notes

DKKm	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Expected cash flow, not discounted							
2023							
Liabilities for incurred claims	17,089	6,386	3,850	2,909	2,271	18,621	51,127
Assets for incurred claims	-2,122	-687	-108	-75	-24	-112	-3,127
	14,968	**5,698**	**3,742**	**2,834**	**2,247**	**18,509**	**47,999**
2022							
Liabilities for incurred claims	16,539	6,397	4,239	3,048	2,378	18,511	51,111
Assets for incurred claims	-1,817	-449	-327	-77	-33	-81	-2,783
	14,721	**5,948**	**3,912**	**2,970**	**2,345**	**18,431**	**48,328**

Concentration of underwriting risk

Reinsurance is ceded across all geographic regions in which Tryg operates, Tryg does not have a significant concentration of credit risk with any single reinsurer.
The geographical concentration of the Group´s liabilities for incurred claims is noted below. The disclosure is based on the countries where the business is written.

DKKm			2023		
	Denmark	Sweden	Norway	Other	Total
Income protection	8,608	8,595	3,193	0	20,395
Motor	1,717	7,340	755	0	9,812
Property	2,514	2,750	1,836	0	7,100
Liability	1,553	810	693	0	3,056
Other	2,091	359	713	203	3,365
Total	**16,483**	**19,853**	**7,189**	**203**	**43,728**

DKKm			2022		
	Denmark	Sweden	Norway	Other	Total
Income protection	8,780	7,420	3,812	0	20,012
Motor	1,595	6,966	1,035	0	9,596
Property	2,531	1,848	1,531	0	5,910
Liability	1,413	1,092	714	0	3,218
Other	2,238	1,011	753	244	4,247
Total	**16,556**	**18,338**	**7,845**	**244**	**42,983**

Notes

DKKm	2023	2022
Investment risk		
The notes below are based on Tryg's investment portfolio without the external customers share		
Bonds portfolio including interest derivatives		
Duration 1 year or less	24,674	20,494
Duration 1 - 5 years	17,904	20,459
Duration 5 - 10 years	12,532	10,350
Duration more than 10 years	1,909	4,513
Total	**57,019**	**55,816**
Duration	**3.1**	**3.8**

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

Shares		
Nordic countries	179	193
European countries ex. Nordic countries	204	240
North America	1,339	1,752
Others	624	1,642
Total	**2,345**	**3,827**

Share exposure includes exposure from share derivatives of DKK -206m (DKK -214m in 2022) and excluding shares related to property exposure. Unlisted equity investments are based on an estimated market price.

Exposure to exchange rate risk

	2023			2022		
DKKm	Assets and debt	Hedge	Exposure	Assets and debt	Hedge	Exposure
USD	6,610	-6,462	148	7,271	-7,106	166
EUR[a)]	2,094	115	2,209	2,257	-973	1,284
GBP	437	-410	27	292	-274	18
NOK	2,716	-2,646	70	5,033	-5,066	33
SEK	3,213	-3,197	15	4,941	-4,862	80
Other	994	-777	217	1,113	-854	259
Total			**2,686**			**1,840**

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

DKKm				
Credit risk	**2023**		**2022**	
Bond portfolio by ratings	**DKKm**	**%**	**DKKm**	**%**
AAA	54,887	89.6	53,343	90.0
AA	1,710	2.8	2,502	4.2
A	1,055	1.7	725	1.2
BBB	1,007	1.6	1,016	1.7
BB	550	0.9	606	1.0
B or lower	2,046	3.3	1,098	1.9
Total	**61,256**	**100.0**	**59,291**	**100.0**
Reinsurance balances				
AAA to A	2,922	96.6 %	2,515	93.8 %
Not rated	102	3.4 %	167	6.2 %
Total	**3,024**	**100.0 %**	**2,682**	**100.0 %**

At 31 December 2023, the maximum exposure to credit risk from insurance contracts is DKK 1,800m (DKK 1,621m in 2022), which primarily relates to premiums receivable for services that the Group has already provided. In 2023 management performed impairment test of the receivables from Insurance contracts. The total write-down and reversed write-down for 2023 amount to DKK 3m (DKK 15m) totalling write-down at 31 December 2023 of DKK 152m (DKK 153m). The reversed write-down in 2023 amount to DKK 41m (DKK 34m in 2022). The maximum exposure to credit risk from reinsurance contracts is DKK 410m (DKK 498m in 2022).

Liquidity risk

Maturity of the Group's financial obligations including interest

2023	0-1 year	1-5 years	> 5 years	Total
Subordinated loan capital	169	676	4,721	5,566
Amounts owed to credit institutions	2,028	0	0	2,028
Debt relating to unsettled funds transactions and repos	4,645	0	0	4,645
Other debt	7,551	0	0	7,551
Total	**14,392**	**676**	**4,721**	**19,789**

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	5,820	0	0	5,820
Total	**11,564**	**607**	**5,250**	**17,421**

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

Notes

Subordinated loan capital

	Bond loan NOK 800m		Bond loan NOK 1,400m		Bond loan SEK 1,000m	
DKKm	**2023[a)]**	**2022**	**2023**	**2022**	**2023**	**2022**
Amortised cost value of the loan recognised in statement of financial position	0	566	927	989	669	666
The fair value of the loan at the statement of financial position date	0	567	967	990	660	638
The fair value of the loan at the statement of financial position date is based on a price of	0	100	104	100	98	95
Total capital losses and costs at the statement of the financial position date	0	0	1	1	2	3
Interest expenses for the year	8	32	61	46	39	21
Effective interest rate	6.8 %	5.7 %	6.6 %	4.7 %	5.8 %	3.2 %

Loan terms:			
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	February 2021
Maturity year	Perpetual	2045	Perpetual
Loan may be called by lender as from	2023	2025	2026
Repayment profile	Interest-only	Interest-only	Interest-only
Interest structure	3.75 % above NIBOR 3M (until 2023) 4.75 % above NIBOR 3M (from 2023)	2.75 % above NIBOR 3M (until 2025) 3.75 % above NIBOR 3M (from 2025)	2.4 % above STIBOR 3M

The share of subordinated loan capital included in own funds totals DKK 3,052m (DKK 4,162m in 2022)

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.

a) Cancelled in 2023

Notes

Subordinated loan capital (continued)

	Bond loan NOK 850m		Bond loan SEK 1,300m		Bond loan SEK 700m	
DKKm	**2023**	**2022**	**2023**	**2022**	**2023**[a)]	**2022**
Amortised cost value of the loan recognised in statement of financial position	562	600	872	867	0	466
The fair value of the loan at the statement of financial position date	564	563	854	830	0	463
The fair value of the loan at the statement of financial position date is based on a price of	100	94	98	95	0	99
Total capital losses and costs at the statement of the financial position date	1	1	2	2	0	2
Interest expenses for the year	29	19	40	18	12	16
Effective interest rate	5.1 %	3.1 %	4.6 %	2.0 %	5.8 %	3.4 %

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	2051	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) 2.25 % above NIBOR 3M (from 2031)	1.15 % above STIBOR 3M (until 2031) 2.15% above STIBOR 3M (from 2031)	2.5 % above STIBOR 3M

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.

a) Cancelled in 2023

Notes

Subordinated loan capital (continued)

DKKm	2023	2022
Amortised cost value of the loan recognised in statement of financial position		
Bond loan NOK 800m	0	566
Bond loan NOK 1,400m	927	989
Bond loan NOK 850m	562	600
Bond loan SEK 1,300m	872	867
Bond loan SEK 700m	0	466
Bond loan SEK 1,000m	669	666
Total amortised cost value of the loan recognised in statement of financial position	**3,031**	**4,154**

Notes

Subordinated loan capital recognised as equity for accounting purposes

	Bond loan SEK 900m[a)]	Bond loan NOK 600m[a)]
DKKm	**2023**	**2023**
Carrying amount of the loan recognised in statement of financial position	596	391
The fair value of the loan at the statement of financial position date	604	401
The fair value of the loan at the statement of financial position date is based on a price of	100	101
Total capital losses and costs at the statement of the financial position date	0	0
Interest expenses for the year	33	23
Effective interest rate	7.1 %	7.5 %
Loan terms:		
Lender	Listed bonds	Listed bonds
Principal	SEK 900m	NOK 600m
Issue price	100	100
Issue date	March 2023	March 2023
Maturity year	Perpetual	Perpetual
Loan may be called by lender as from	2028	2028
Repayment profile	Interest-only	Interest-only
Interest structure	3.5 % above STIBOR 3M	3.45 % above NiBOR 3M

a) 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

DKKm	Private	Commercial	Corporate	Other[a)]	Group
2 Operating segments					
2023					
Insurance revenue	24,455	9,178	3,502	1,990	39,126
Gross claims	-17,305	-5,517	-2,448	-1,990	-27,261
Insurance operating costs	-3,074	-1,454	-430	0	-4,959
Insurance service expenses	**-20,379**	**-6,972**	**-2,878**	**-1,990**	**-32,219**
Net expense from reinsurance contracts	-276	-197	-34	0	-507
Insurance service result	**3,800**	**2,010**	**590**	**0**	**6,399**
Investment return					631
Other income and costs					-2,001
Profit/loss before tax					**5,029**
Tax					-1,178
Profit/loss for the period					**3,851**
Run-off gains/losses, net of reinsurance	268	315	517	0	1,099
Intangible assets	28,089	2,584	0	1,314	31,987
Equity investments in associates					54
Assets from reinsurance contracts	239	946	1,575	300	3,060
Other assets					77,839
Total assets					**112,940**
Total provision for insurance contracts	29,595	11,999	8,898	-1,029	49,463
Other liabilities					23,126
Total liabilities					**72,589**

Non-current assets by country	2023	2022
Denmark	6,806	6,817
Norway	1,642	1,685
Sweden	24,657	25,075
Other	8	10
Total	**33,112**	**33,587**

Description of segments

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

a) The other segment in the profit/loss includes insurance revenue and gross claims arising from the Trygg-Hansa and Codan Norway acquisition. Please refer to note 4 and Accounting policies for further description. The assets from reinsurance contracts and provisions for insurance contracts allocated to the segment pertain to debts and receivables from insurance contracts.

Other assets and liabilities are managed at Group level and are not allocated to the individual segments but are included under 'Other'.

Notes

2 Operating segments (continued)

DKKm	Private	Commercial	Corporate	Other[a)]	Group
2022					
Insurance revenue	22,776	8,408	3,631	3,551	38,365
Gross claims	-15,625	-5,551	-2,724	-3,551	-27,451
Insurance operating costs	-2,913	-1,337	-451	0	-4,702
Insurance service expenses	**-18,538**	**-6,889**	**-3,175**	**-3,551**	**-32,156**
Net expense from reinsurance contracts	-332	-66	-177	0	-576
Insurance service result	**3,906**	**1,453**	**278**	**0**	**5,636**
Investment return					-441
Other income and costs					-2,143
Profit/loss before tax					**3,051**
Tax					-804
Profit/loss for the period					**2,247**
Run-off gains/losses, net of reinsurance	357	264	137	0	759
Intangible assets	28,793	2,809	0	1,114	32,716
Equity investments in associates					222
Assets from reinsurance contracts	164	967	1,320	372	2,823
Other assets					77,626
Total assets					**113,387**
Total provision for insurance contracts	28,678	12,682	8,428	-724	49,063
Other liabilities					21,820
Total liabilities					**70,883**

Notes

DKKm	2023	2022
2 Insurance service result by geography		
Danish general insurance		
Insurance revenue	17,396	16,430
Insurance service results	**3,200**	**2,110**
Run-off gains/losses, net of reinsurance	631	109
Key ratios		
Gross claims ratio	66.5	72.5
Net reinsurance ratio	1.8	1.3
Claims ratio, net of reinsurance	68.3	73.8
Gross expense ratio	13.3	13.3
Combined ratio	**81.6**	**87.2**
Run-off, net of reinsurance (%)	-3.6	-0.7
Number of full-time employees, end of period	3,423	3,345
Norwegian general insurance		
NOK/DKK, average rate for the period	65.37	73.95
Insurance revenue	7,962	8,445
Insurance service results	**662**	**1,266**
Run-off gains/losses, net of reinsurance	188	324
Key ratios		
Gross claims ratio	73.8	67.6
Net reinsurance ratio	4.6	4.1
Claims ratio, net of reinsurance	78.4	71.7
Gross expense ratio	13.3	13.3
Combined ratio	**91.7**	**85.0**
Run-off, net of reinsurance (%)	-2.4	-3.8
Number of full-time employees, end of period	1,350	1,344

DKKm	2023	2022
2 Insurance service result by geography (continued)		
Swedish general insurance		
SEK/DKK, average rate for the period	64.88	70.33
Insurance revenue	11,512	9,730
Insurance service results	**2,511**	**2,219**
Run-off gains/losses, net of reinsurance	266	298
Key ratios		
Gross claims ratio	67.2	62.8
Net reinsurance ratio	-2.3	0.6
Claims ratio, net of reinsurance	64.9	63.4
Gross expense ratio	13.3	13.8
Combined ratio	**78.2**	**77.2**
Run-off, net of reinsurance (%)	-2.3	-3.1
Number of full-time employees, end of period	1,973	1,781
Other European countries [a)]		
Insurance revenue	265	209
Insurance service results	**27**	**41**
Run-off gains/losses, net of reinsurance	14	27
Number of full-time employees, end of period	59	49
Other [b)]		
Insurance revenue	1,990	3,551
Insurance service expenses	-1,990	-3,551
Insurance service result	**0**	**0**

Notes

DKKm	2023	2022
2 Insurance service result by geography (continued)		
Tryg (total)		
Insurance revenue	39,126	38,365
Insurance service result	**6,399**	**5,636**
Investment return	631	-441
Other income and costs	-2,001	-2,143
Profit/loss before tax	5,029	3,051
Run-off gains/losses, net of reinsurance	1,099	759
Key ratios		
Gross claims ratio	68.0	68.7
Net reinsurance ratio	1.4	1.7
Claims ratio, net of reinsurance	69.4	70.3
Gross expense ratio	13.4	13.5
Combined ratio	**82.8**	**83.8**
Run-off, net of reinsurance (%)	-3.0	-2.2
Number of full-time employees, end of period	6,805	6,518

a) Comprises credit & surety insurance (Tryg Garanti) in European countries besides Denmark, Norway and Sweden.

b) Reclassification relating to claims provisions from the Trygg-Hansa and Codan Norway acquisition. Please refer to note 4 and Accounting policies for further description.

Notes

2 Insurance service result, net of reinsurance, by line of business

	Accident and health		Health care		Worker's compensation c)		Motor TPL		Motor comprehensive insurance		Marine, aviation and cargo insurance	
DKKm	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gross premiums written	**6,223**	**5,454**	**905**	**773**	**1,034**	**1,065**	**2,910**	**2,911**	**8,611**	**8,375**	**199**	**281**
Insurance revenue	6,171	5,337	880	755	1,040	1,056	2,885	2,903	8,699	8,257	252	276
Gross claims	-3,499	-3,167	-561	-563	5	-882	-1,775	-1,334	-6,601	-6,052	-217	-138
Insurance operating costs	-787	-650	-109	-91	-144	-131	-405	-459	-1,237	-1,014	-30	-45
Net expense from reinsurance	-13	-11	0	0	-9	-5	-30	-29	-88	-69	31	-30
Insurance service result	**1,872**	**1,509**	**209**	**102**	**892**	**38**	**676**	**1,173**	**772**	**1,032**	**35**	**62**
Gross claims ratio	56.7	59.3	63.8	74.5	-0.5	83.5	61.5	45.9	75.9	73.3	86.3	50.2
Combined ratio	**69.7**	**71.7**	**76.2**	**86.5**	**14.2**	**96.4**	**76.6**	**62.7**	**91.1**	**86.4**	**86.1**	**77.3**
Claims frequency a)	6.8 %	6.9 %	37.0 %	33.0 %	13.7 %	15.9 %	5.9 %	6.7 %	32.0 %	27.4 %	27.4 %	27.0 %
Average claims DKK b)	12,517	11,549	5,058	5,703	66,231	77,412	13,033	10,597	8,025	7,861	33,525	26,354
Total claims	252,439	274,306	132,998	109,839	9,509	11,618	148,916	158,615	814,423	709,220	6,411	6,259

	Fire and contents (Private)		Fire and contents (Commercial)		Change of ownership		Liability insurance		Credit and guarantee insurance		Tourist assistance insurance	
DKKm	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gross premiums written	**8,116**	**7,901**	**4,501**	**3,578**	**3**	**0**	**1,804**	**1,677**	**807**	**739**	**1,123**	**1,067**
Insurance revenue	8,195	7,915	4,438	3,936	7	12	1,762	1,717	809	738	1,140	1,067
Gross claims	-6,192	-5,555	-3,545	-2,728	-1	-2	-778	-964	-429	-622	-947	-1,073
Insurance operating costs	-1,081	-1,121	-605	-605	-3	-5	-260	-266	-121	-111	-127	-127
Net expense from reinsurance	-221	-227	15	-261	0	0	-70	-6	-109	125	-1	-59
Insurance service result	**701**	**1,012**	**303**	**342**	**3**	**5**	**653**	**482**	**150**	**131**	**65**	**-193**
Gross claims ratio	75.6	70.2	79.9	69.3	14.9	14.9	44.2	56.1	53.0	84.2	83.1	100.6
Combined ratio	**91.4**	**87.2**	**93.2**	**91.3**	**59.3**	**58.6**	**62.9**	**71.9**	**81.4**	**82.3**	**94.3**	**118.0**
Claims frequency a)	8.0 %	10.4 %	10.7 %	8.0 %	2.8 %	2.9 %	5.7 %	6.4 %	0.3 %	0.3 %	23.5 %	22.5 %
Average claims DKK b)	11,060	10,130	69,622	56,679	21,979	24,406	65,556	65,902	931,454	1,187,668	5,611	6,453
Total claims	569,227	568,677	50,804	41,024	202	310	15,216	15,790	834	709	179,864	163,672

a) The claims frequency is calculated as the number of claims insured in the year in proportion to the average number of insurance contracts in the year.
b) Average claims are total claims before run-off in the year relative to the number of claims in the year
c) Under IFRS 17, the inflation swap from Danish Worker's compensation is moved out of Insurance service result and into the investment result. This explains a rise in Gross claims compared with the former reported figure from 2022.

Notes

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

DKKm	Other insurance [d)] 2023	Other insurance [d)] 2022	Total exclusive of Group Life [f)] 2023	Total exclusive of Group Life [f)] 2022	Group Life, one-year policies [e)] 2023	Group Life, one-year policies [e)] 2022	Total [f)] 2023	Total [f)] 2022
Gross premiums written	**0**	**0**	**36,236**	**33,821**	**890**	**837**	**37,126**	**34,658**
Insurance revenue	1,990	3,551	38,267	37,522	859	844	39,126	38,365
Gross claims	-1,990	-3,551	-26,530	-26,629	-730	-826	-27,261	-27,455
Insurance operating costs	0	0	-4,911	-4,625	-48	-76	-4,959	-4,701
Net expense from reinsurance contracts	0	0	-495	-573	-11	-2	-507	-576
Insurance service result	**0**	**0**	**6,330**	**5,695**	**69**	**-61**	**6,399**	**5,636**
Gross claims ratio			67.6 %	67.9 %	85.0 %	97.9 %	68.0 %	68.7 %
Combined ratio			**82.6 %**	**83.2 %**	**91.9 %**	**107.2 %**	**82.8 %**	**83.8 %**

d) Please refer to note 4 regarding other insurance

e) Group Life one-year policies related to Norwegian Group Life and Alka Group Life

f) Key ratios are calculated based on the figures used in “Management’s Review”. Excluded are amounts under "Other insurance".

Notes

DKKm		2023	2022
3	**Insurance revenue**		
	Direct insurance	39,045	38,294
	Indirect insurance	81	72
	Insurance revenue total	**39,126**	**38,365**
	Direct insurance, by location of risk		
	Denmark	17,347	16,381
	Other EU countries[b)]	13,591	13,464
	Other countries[a)]	8,107	8,449
		39,045	**38,294**

a) Primarily Norway
b) Primarily Sweden

DKKm	2023	Insurance service result in Management´s Review	Reclassification [a)]	Income statement
4	**Insurance service result**			
	Insurance revenue	37,135	1,990	39,126
	Gross claims	-25,270	-1,990	-27,261
	Insurance operating costs	-4,959	0	-4,959
	Total Insurance service expenses	**-30,229**	**-1,990**	**-32,219**
	Expenses from reinsurance contracts held	-1,729	0	-1,729
	Income from reinsurance contracts held	1,222	0	1,222
	Net expense from reinsurance contracts	**-507**	**0**	**-507**
	Insurance service result	**6,399**	**0**	**6,399**

DKKm	2022	Insurance service result in Management´s Review	Reclassification [a)]	Income statement
4	**Insurance service result (Continued)**			
	Insurance revenue	34,814	3,551	38,365
	Gross claims	-23,904	-3,551	-27,455
	Insurance operating costs	-4,701	0	-4,701
	Total Insurance service expenses	**-28,605**	**-3,551**	**-32,156**
	Expenses from reinsurance contracts held	-1,447	0	-1,447
	Income from reinsurance contracts held	871	0	871
	Net expense from reinsurance contracts	**-576**	**0**	**-576**
	Insurance service result	**5,636**	**0**	**5,636**

a) IFRS 17 requires that claims provisions acquired shall be presented as Insurance revenue. The reclassification refers to Insurance revenue and Gross claims relating to Claims provisions from the Trygg-Hansa and Codan Norway acquisition. The presentation would have resulted in an artificial high insurance revenue and Gross claims with no impact on the Insurance service result. Therefore Tryg presents Insurance revenue and Gross claims in "Management´s review" without the above reclassification as it gives a fair view of Insurance revenue, Gross claims and Insurance service result as well as key ratios. This explains the difference between "Management's review" and the Financial statements. Key ratios are calculated on the basis of the figures used in "Management's Review".

Notes

DKKm		2023	2022
5	**Insurance service expenses**		
	Insurance operating costs		
	Commissions regarding direct insurance contracts	-410	-421
	Other acquisition costs	-2,957	-3,276
	Total acquisition costs	**-3,367**	**-3,697**
	Administration expenses	-1,592	-1,004
	Insurance operating costs, gross	**-4,959**	**-4,701**
	Fees to the auditors recognized in insurance service expenses		
	PwC appointed by the annual general meeting	-11	-8
		-11	**-8**
	The fee is divided into:		
	Statutory audit	-7	-6
	Other audit assignments	-1	0
	Tax advice	-1	0
	Other services	-2	-2
		-11	**-8**

Fees for non-audit services provided by PricewaterhouseCoopers to the Group amount to DKK 3m (DKK 2m in 2022) and consists of general advice related to tax, accounting and ESG matters.

DKKm		2023	2022
5	**Insurance service expenses (Continued)**		
	Insurance operating costs, gross, classified by type		
	Commissions	-410	-421
	Staff expenses	-2,799	-2,629
	Other staff expenses	-200	-195
	Office expenses, fees and headquarter expenses	-1,212	-1,333
	IT operating and maintenance costs, software expenses	-487	-312
	Depreciation, amortisation and impairment losses and	-132	-118
	Other income	281	305
		-4,959	**-4,701**

Please refer to note 13 and note 26 for leases recognised according to IFRS 16.

	2023	2022
Total staff expenses recognised in income statement		
Salaries and wages	-4,039	-3,866
Commision	-2	-5
Recognised expenses related to conditional shares and	-79	-64
Pension plans	-663	-530
Other social security costs	-9	-8
Payroll tax	-906	-828
	-5,698	**-5,301**

Please refer to note 29 for specification of Remuneration for the Supervisory Board and Executive Board.

	2023	2022
Average number of full-time employees during the year (continuing business)	**6,784**	**5,944**

Notes

DKKm

5 Share-based payment

Matching shares — Total Numbers / Fair Value

2023	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 2023	**0**	**1,670**	**57,362**	**59,032**	**163**	**10**	**147**	**9**
Allocated in 2011 - 2022	295,068	108,118	341,802	744,989	138	103	147	109
Category changes and addition	-32,167	-6,585	38,752	0	138	0	147	0
Cancelled	-14,328	-7,476	-49,958	-71,762	138	-10	147	-11
Exercised	-248,573	-79,860	-205,400	-533,833	138	-74	147	-78
Total 31.12.23	**0**	**14,197**	**125,196**	**139,393**	**138**	**19**	**147**	**20**

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**

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 2023, the recognised fair value of matching shares for the Group amounted to DKK 14m (DKK 18m in 2022). At 31 December 2023, total fair value related to matching shares amounted to DKK 29m. The number of shares is adjusted for dividend paid, no expected dividend is included.

Notes

DKKm

5 Share-based payment (continued)

Conditional shares — Total Numbers — Fair Value

2023	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 2023	**34,800**	**163,583**	**58,829**	**257,212**	**161**	**42**	**147**	**38**
Allocated in 2018-2022	206,118	490,725	226,996	923,839	171	158	147	136
Category changes and addition	-93,915	127,070	136,904	170,059	171	29	147	25
Cancelled	0	-14,208	-12,857	-27,065	171	-5	147	-4
Exercised	-10,077	-268,152	-213,898	-492,127	171	-84	147	-72
Total 31.12.23	**102,126**	**335,435**	**137,145**	**574,706**	**171**	**98**	**147**	**84**

2022	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 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**

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 2023, the recognised fair value of conditional shares for the Group amounted to DKK 65m (DKK 46m in 2022). At 31 December 2023, total fair value related to conditional shares amounted to DKK 122m.

Notes

DKKm	2023	2022
6 Interest and dividends		
Interest income and dividends		
Dividends	149	152
Interest income, bonds	1,427	763
Interest income, other	47	2
	1,624	918
Interest expenses		
Interest expenses subordinated loan capital, credit institutions and cash at bank	-195	-152
Interest expenses, other	-149	-3
	-344	-154
	1,280	**763**

7 Value adjustments

Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:

DKKm	2023	2022
Equity investments	-550	704
Unit trust units	765	-1,481
Bonds	642	-2,117
Derivatives (Equity, interest, currency and inflation)	713	-738
	1,571	-3,632
Value adjustments concerning assets or liabilities that cannot be attributed to IFRS 9:		
Investment property	96	9
Other statement of financial position items	6	-52
	103	-43
	1,674	**-3,675**

Exchange rate adjustments concerning financial assets or liabilities which cannot be stated at fair value total DKK 17m (DKK 5m in 2022)

DKKm	2023	2022
8 Net finance income/expenses from insurance		
Changed discount rate	-912	3,462
Unwinding	-1,285	-797
Exchange rate adjustment from insurance contracts	7	-44
	-2,190	**2,621**
9 Net finance income/expenses from reinsurance		
Changed discount rate	7	-44
Unwinding	78	20
Exchange rate adjustment from reinsurance contracts	-1	-10
	84	**-34**

10 Other income and costs

Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets.

DKKm	2023	2022
Other income		
Income related to the sale of non-insurance products	115	126
Other income	31	24
	145	150
Other costs		
Amortisation of customer relations and trademarks	-968	-786
RSA Scandinavia	-300	-949
Costs related to the sale of non-insurance products	-162	-100
Other costs [a]	-717	-458
	-2,147	-2,293
	-2,001	**-2,143**

a) Hereof DKK 180m in Q3 2023 related to restructuring costs and DKK 100m related to bankruptcy of Gefion, hereof DKK 50m in Q3 2023 and DKK 50m in Q1 2022

Notes

DKKm	2023	2022
11 Tax		
Tax on accounting profit/ loss	1,268	-671
Difference between Danish and foreign tax rates	-56	-21
Tax adjustment, previous years	-64	-11
Adjustment of non-taxable income and costs	17	-90
Change in valuation of tax assets	4	19
Change in tax rate	8	-30
	1,178	**-804**
Effective tax rate	%	%
Tax on accounting profit/ loss	25.2	22.0
Difference between Danish and foreign tax rates	-1.1	1.0
Tax adjustment, previous years	-1.3	0.5
Adjustment of non-taxable income and costs	0.3	3.0
Change in valuation of tax assets	0.1	-1.0
Change in tax rate	0.2	1.0
	23.4	**26.5**

Notes

DKKm

12 Intangible assets

2023	Goodwill	Trademarks and customer relations	Software[a)]	Assets under construction[a)]	Total
Cost					
Cost at 1 January	20,673	12,287	2,597	369	35,926
Exchange rate adjustments	-9	45	-31	-5	-1
Transferred from assets under construction to software	0	0	262	-262	0
Additions for the year	29	0	45	458	531
Disposals for the year	0	0	-12	-1	-13
Cost at 31 December	20,693	12,332	2,861	559	36,445
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-1,254	-1,851	0	-3,209
Exchange rate adjustments	4	-2	18	0	21
Amortisation for the year	0	-967	-274	0	-1,241
Impairment losses and write-downs for the year	-29	0	-4	0	-33
Reversed amortisation	0	0	6	0	6
Amortisation and write-downs at 31 December	-129	-2,223	-2,106	0	-4,459
Carrying amount at 31	**20,564**	**10,110**	**755**	**559**	**31,987**

Material intangible assets

Trygg-Hansa Trademark DKK 2,569m not depreciated.

Trygg-Hansa Customer relations Private customers DKK 5,757m (DKK 6,425m at 31 December 2022) depreciated over 10 years. Remaining depreciation 8 years.

Trygg-Hansa Customer relations Commercial customers DKK 688m (DKK 815m at 31 December 2022) depreciated over 7 years. Remaining depreciation 5 years.

DKKm

12 Intangible assets

2022	Goodwill	Trademarks and customer relations	Software[a)]	Assets under construction[a)]	Total
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 to software	0	0	215	-215	0
Additions for the year	0	0	77	281	358
Additions, demerger of Trygg-Hansa, Codan Norway	15,827	10,441	74	40	26,382
Disposals for the year	0	0	-7	0	-7
Cost at 31 December	20,673	12,287	2,597	369	35,926
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-510	-1,637	0	-2,251
Exchange rate adjustments	0	12	19	0	31
Amortisation for the year	0	-756	-233	0	-988
Impairment losses and write-downs for the year	0	0	-7	0	-7
Reversed amortisation	0	0	7	0	7
Amortisation and write-downs at 31 December	-104	-1,254	-1,851	0	-3,209
Carrying amount at 31	**20,569**	**11,033**	**746**	**369**	**32,716**

a) Hereof proprietary software and assets under construction DKK 522m (DKK 445m at 31 December 2022)

Notes

12 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 insurance revenue 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. Gross claims are based on expected claims ratios, which corresponds to normalised large- and weather claims. Reinsurance is taken into account when looking at the overall insurance service 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 2023, 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 27.2bn (DKK 26.9bn) relative to the value of the CGU of DKK 15.4bn (DKK 13.7bn) and does not indicate any impairment in 2023. 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. 3.2% will result in a write down of goodwill.

DKKm	2023	2022
12 Intangible assets (continued)		
— Earned premium assumed CAGR 0-10 years	3 %	3 %
— Earned premium assumed CAGR > 10 years (terminal	2 %	2 %
— Required return before tax	10 %	9 %
— Expected level of combined ratio	81 %	82 %
Sensitivity information		
Impact on the calculated present value from the following changes:		
CAGR + 1.0 percentage point (0-10 years)	1.1bn	1.1bn
CAGR - 1.0 percentage point (0-10 years)	-1.0bn	-1.1bn
Required return +1.0 percentage point	-3.8bn	-4.1bn
Required return -1.0 percentage point	5.2bn	5.9bn
Combined ratio +1.0 percentage point	-1.3bn	-1.4bn
Combined ratio -1.0 percentage point	1.3bn	1.4bn

The above changes have no impact on equity

Norway
In 2022, Tryg acquired the Norwegian branch Codan Norway. See note 28. 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 2023, 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.

Notes

The impairment test shows a calculated value in use of approximately DKK 8.1bn (DKK 9.6bn) relative to the value of the CGU of DKK 3,8bn (DKK 3.3bn) and does not indicate any impairment in 2023. Goodwill amounts to DKK 1.1bn (DKK 1.2bn).

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. 6.7% will result in a write down of goodwill.

DKKm		2023	2022
12	**Intangible assets (continued)**		
	— Earned premium assumed CAGR 0-10 years	3 %	3 %
	— Earned premium assumed CAGR > 10 years (terminal	2 %	2 %
	— Requried return before tax	11 %	9 %
	— Expected level of combined ratio	88 %	88 %
	Sensitivity information		
	Impact on the calculated present value from the following changes:		
	CAGR + 1.0 percentage point (0-10 years)	0.2bn	0.3bn
	CAGR - 1.0 percentage point (0-10 years)	-0.2bn	-0.3bn
	Required return +1.0 percentage point	-1.0bn	-1.4bn
	Required return -1.0 percentage point	1.3bn	2.0bn
	Combined ratio +1.0 percentage point	-0.8bn	-1.0bn
	Combined ratio -1.0 percentage point	0.8bn	1.0bn

The above changes have no impact on equity

Sweden

In 2022, Tryg acquired the Swedish branch Trygg-Hansa. See note 28. 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 2023, 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 as one 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".

Private SE comprises the sale of insurance products to private customers under the 'Trygg-Hansa' 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 35.8bn (DKK 30.5bn) relative to the value of the CGU of DKK 27.6bn (DKK 26.3bn) and does not indicate any impairment in 2023. Goodwill amount to DKK 15.1bn (DKK 15.1bn).

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. 2.1% will result in a write down of goodwill.

Notes

DKKm	2023	2022
12 Intangible assets (continued)		
— Earned premium assumed CAGR 0-10 years	3 %	2 %
— Earned premium assumed CAGR > 10 years (terminal	3 %	2 %
— Requried return before tax	10 %	10 %
— Expected level of combined ratio	79 %	78 %
Sensitivity information		
Impact on the calculated present value from the following changes:		
CAGR + 1.0 percentage point (0-10 years)	1.6bn	1.5bn
CAGR - 1.0 percentage point (0-10 years)	-1.5bn	-1.4bn
Required return +1.0 percentage point	-5.7bn	-5.0bn
Required return -1.0 percentage point	8.4bn	7.1bn
Combined ratio +1.0 percentage point	-1.7bn	-1.5bn
Combined ratio -1.0 percentage point	1.7bn	1.5bn

The above changes have no impact on equity

Material Goodwill
Goodwill Alka DKK 4,242m
Goodwill Trygg-Hansa and Moderna DKK 15,049m
Goodwill Codan-Norge DKK 1,080m

Trademarks and customer relations
As at 31 December 2023 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 2023 management performed a test of the carrying amounts of software and assets under construction.

The impairment test compares the carrying amount with the estimated present value of future cash flows. The test did indicate an impairment of DKK 4m (DKK 7m) 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 insurance service expenses in the income statement.

Assets under construction are not depreciated but tested once a year for impairment or when if 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

13 Property plant and equipment

DKKm	Operating equipment	Leases ROU equipment [a]	Leases ROU 'Group-occupied property [b]	Total
2023				
Cost				
Cost at 1 January	295	105	1,203	1,603
Exchange rate adjustments	-2	0	-16	-19
Additions for the year	56	0	424	481
Disposals for the year	-25	0	0	-25
Cost at 31 December	324	105	1,611	2,040
Accumulated depreciation and value adjustments				
Accumulated depreciation and value adjustments at 1 January	-133	-89	-510	-732
Exchange rate adjustments	1	0	9	10
Depreciation for the year	-23	-9	-175	-207
Reversed depreciation and value adjustments	15	0	0	15
Accumulated depreciation and value adjustment at 31 December	-141	-98	-676	-915
Carrying amount at 31 December	**183**	**7**	**935**	**1,125**

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 adjustment at 31 December	-133	-89	-510	-732
Carrying amount at 31 December	**162**	**16**	**693**	**871**

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 (ROU), 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

14 Investment property

DKKm	2023	2022
Fair value at 1 January	1,017	1,040
Exchange rate adjustments	-30	-26
Additions for the year	0	1
Disposals for the year	-588	-6
Value adjustments for the year [a)]	99	7
Fair value at 31 December	**498**	**1,017**

a) Value adjustment in the income statement for property held at the statement of financial position date recognised in value adjustments amounts DKK -31m

Total rental income amounts to DKK 46m (DKK 57m in 2022)
Total expenses amounts to DKK 9m (DKK 12m in 2022).
External experts were involved in valuing the majority of the investment properties.

Return percentages, weighted average	2023	2022
Business property	-39.8	5.1
Office property	4.9	5.5
Residential property	5.0	4.0
Total	**1.2**	**5.4**

Sensitivity
The Group´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	2023	2022
Increase in applied rate of return of 0.25%	-20	-34
Decrease in applied rate of return of 0.25%	22	36
Decrease in net rental income of 3%	-15	-30
Decrease in occupancy rate of 3%	-3	-7

15 Equity investments in associates

DKKm	2023	2022
Cost		
Cost at 1 January	396	36,035
Additions for the year	69	56
Additions, demerger of Trygg-Hansa, Codan Norway	0	19
Disposals for the year	-165	-35,713
Cost at 31 December	300	396
Revaluations at net asset value		
Revaluations at 1 January	-175	1,032
Reversed on sale	0	-1,188
Value adjustments for the year	-72	-19
Revaluations at 31 December	-246	-175
Carrying amount at 31 December	**54**	**222**

Notes

DKKm	2023	2022
16 Financial assets		
Financial assets held for trading	20,641	20,991
Financial assets designated at fair value [a)]	50,593	49,472
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	0	78
Financial assets measured at amortised cost	3,626	4,199
Total financial assets	**74,859**	**74,740**
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	1,431	2,394
Derivative financial instruments at fair value with value adjustments in other comprehensive income	348	4
Financial liabilities at amortised cost	17,643	15,649
Total financial liabilities	**19,422**	**18,047**

a) Financial assets designated at fair value comprise bonds in the match portfolio.

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

The Fair value hierarchy

Quoted market 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 prices 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. For 2023 Tryg has assessed whether quoted prices does represent fair value at the measurement date. Thus quoted prices derived from a brokered market are considered Level 2 input.

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 14 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 to the Observable input category, while other bonds have become liquid and have been moved from Observable input to the Quoted prices category.

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

2023	Quoted prices	Observable input	Non-observable input	Total
Investment property	0	0	498	498
Equity investments	142	3,699	97	3,939
Unit trust units	6,966	1,194	32	8,192
Bonds	26,564	30,128	373	57,065
Derivative financial instruments, assets	9	2,029	0	2,038
Derivative financial instruments, debt	0	-1,779	0	-1,779
	33,681	**35,271**	**1,001**	**69,952**

Notes

DKKm				
16 Financial assets (continued)				
2022	**Consolidated references prices a)**	**Observable input**	**Non-observable input**	**Total**
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
Other lendings	0	0	0	0
Derivative financial instruments, assets	15	1,748	0	1,763
Derivative financial instruments, debt	0	-2,398	0	-2,398
	62,304	**5,709**	**1,145**	**69,158**

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 based on actual trades are available. External experts were involved in valuing the majority of the investment properties.

DKKm	2023	2022
Financial instruments transferred from "Quoted prices" to "Observable input"	11,521	0

Transfers between the categories quoted prices and observable input mainly result from bonds that are reclassified either due to traded volume or the number of days between last transaction and the time of determination.

DKKm	2023	2022
16 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	1,145	1,114
Exchange rate adjustments	-29	-25
Addition, demerger of Trygg-Hansa, Codan Norge	0	50
Gains/losses in the income statement	101	6
Purchases	373	9
Sales	-591	-8
Transfers to/from the group 'non-observable input'	0	0
Carrying amount at 31 December	**1,001**	**1,145**
Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments	2	-1

	2023	2022
Reconciliation of Tryg's Investment portfolio		
Investment assets according to statement of financial	71,844	72,049
Other, hereof financial instrument in liabilities a)	-6,803	-7,387
External customers b)	-1,672	-1,972
Tryg's investment portfolio b)	63,369	62,688
Match portfolio	45,863	45,032
Free portfolio	**17,506**	**17,656**

a) Primarily debt relating to repos and derivatives.

b) The setup of Tryg Invest is impacting Tryg's statement of financial position as external customers investments are booked under "Total other financial investments" with opposing liabilities entries as "other debt".

Notes

DKKm

16 Financial assets (continued)

Derivative financial instruments

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

2023

DKKm	Nominal	Positive market value	Negative market value	Fair value in statement of financial position
Interest derivatives	64,765	1,221	-1,694	-473
Share derivatives	206	37	-5	32
Exchange rate derivatives [a]	13,065	942	-597	345
Inflation derivatives	5,918	354	0	354
Gross amount before offsetting	**83,954**	**2,554**	**-2,295**	**258**
Due after less than 1 year	13,656	979	-601	377
Due within 1 to 5 years	37,029	430	-372	57
Due after more than 5 years	33,269	1,145	-1,321	-176
2022				
Interest derivatives	58,339	913	-2,453	-1,541
Share derivatives	221	53	-8	44
Exchange rate derivatives [a]	19,359	519	-249	270
Inflation derivatives	4,588	629	-38	591
Gross amount before offsetting	**82,507**	**2,113**	**-2,749**	**-636**
Due after less than 1 year	27,304	638	-535	103
Due within 1 to 5 years	31,393	605	-646	-41
Due after more than 5 years	23,810	870	-1,568	-698

a) hereof used for hedging of foreign entities nom. DKK 6.8bn (2022 DKK 6.6bn)"

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

DKKm

16 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:

	2023			2022		
	Gains	Losses	Net	Gains	Losses	Net
Gains and losses at 1 January	4,875	-4,161	715	3,986	-3,768	219
Value adjustments for the year	1,001	-872	130	889	-393	496
Gains and losses at 31 December	**5,877**	**-5,033**	**844**	**4,875**	**-4,161**	**715**

Value adjustments

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

	2023	2022
Value adjustments at 1 January	-2,347	-184
Value adjustment for the year	-105	-2,215
Exchange rate adjustment for the year recognised in profit/loss	11	52
Value adjustments at 31 December	**-2,441**	**-2,347**

Derivative financial instruments used in connection with hedging of foreign entities for accounting purposes consists of FX-forward contracts with a duration of 3 month and have a nominal value of SEK 6.4bn at a exchange rate of 64.11 and NOK 3.8bn at a exchange rate of 62.42.

Notes

DKKm

17 Assets from reinsurance contracts

2023

	Asset for Remaining Coverage [c]	Asset for Incurred claims: Present value of future cash flows	Asset for Incurred claims: Risk adjustment for non-financial risk	Total
Balance as at 1 January	**141**	**2,086**	**596**	**2,823**
Reinsurance expenses	1,729	0	0	1,729
Claims recovered	0	-2,632	774	-1,858
Run-off previous years adjustments to the AIC	0	1,182	-547	636
Net income/expenses from reinsurance contracts held	**1,729**	**-1,450**	**228**	**507**
Finance expenses from reinsurance contracts held	-34	-66	16	-84
Total amounts recognised in income statement	**1,696**	**-1,516**	**243**	**423**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid [a]	-1,800	0	0	-1,800
Recoveries from reinsurance [b]	0	1,614	0	1,614
Total Cash flows	**-1,800**	**1,614**	**0**	**-186**
Closing balance assets from reinsurance contracts	36	2,184	840	3,060
Balance as at 31 December	**36**	**2,184**	**840**	**3,060**

a) Premiums paid include amounts from change in balance sheet and exchange rate adjustments
b) Recoveries from reinsurance contains recoveries, change in balance sheet and exchange rate adjustments
c) No recognised loss components

Notes

DKKm

17 Assets from reinsurance contracts (continued)

2022		Asset for Incurred claims		
	Asset for Remaining Coverage c)	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance re-insurance contract assets	185	1,639	420	2,244
Addition, demerger of Trygg-Hansa, Codan Norway	22	50	42	114
Balance as at 1 January	**207**	**1,689**	**462**	**2,358**
Reinsurance expenses	1,447	0	0	1,447
Claims recovered	0	-731	-501	-1,232
Run-off previous years adjustments to the AIC	0	8	353	361
Net income/expenses from reinsurance contracts held	**1,447**	**-723**	**-148**	**575**
Finance expenses from reinsurance contracts held	-2	36	0	34
Total amounts recognised in income statement	**1,444**	**-686**	**-148**	**610**
Cash flows				
Premiums paid net of ceding commissions and other directly attributable expenses paid a)	-1,511	0	0	-1,511
Recoveries from reinsurance b)	0	1,084	282	1,366
Total Cash flows	**-1,511**	**1,084**	**282**	**-145**
Closing balance assets from reinsurance contracts	141	2,086	596	2,823
Balance as at 31 December	**141**	**2,086**	**596**	**2,823**

a) Premiums paid include amounts from change in balance sheet and exchange rate adjustments
b) Recoveries from reinsurance contains recoveries, change in balance sheet and exchange rate adjustments
c) No recognised loss components

Notes

DKKm	2023	2022
18 Cash at bank and in hand		
Impairment charges for receivables from credit institutions		
Additions	0	0
Reversals	0	0
Write-offs for the year, not previously written down for	0	0
Total impairment charges	**0**	**0**

DKKm	Stage 1	Stage 2	Stage 3	Total
Total impairment IAS 39 provisions 31 December 2022	0	0	0	0
Effect of IFRS 9 transition	2	0	0	2
Total impairment provisions, 1 January 2023	**2**	**0**	**0**	**2**
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Additions	0	0	0	0
Reversals	0	0	0	0
Previously written down for impairment, now written off	0	0	0	0
Interest on impaired facilities	0	0	0	0
Total impairment provisions, 31 December 2023	**2**	**0**	**0**	**2**

19 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 overseen by the Chairman of Tryg Risk Committee and reviewed and approved annually by the Executive Board and the Supervisory Board of Tryg.

Tryg has established a Sustainability & ESG Board with management representatives from key departments within Tryg with Tryg's Group CFO as chair. This specifically implies that Tryg must have a high moral and act ethically responsible in pursuance of legislation as well as internal policies, rules and procedures set by Tryg's Management.

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 govern all taxes paid by Tryg including corporate income tax, withholding taxes, insurance premium taxes and consumption taxes, such as VAT.

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.

Notes

DKKm	2023	2022
19 Current tax (continued)		
Net current tax at 1 January	770	47
Exchange rate adjustments	10	12
Current tax for the year	-1,277	-385
Current tax on changes in equity	-33	-109
Adjustment of current tax in respect of previous years	28	8
Addition, demerger of Trygg-Hansa, Codan Norway	0	159
Tax paid for the year	310	1,039
Net current tax at 31 December	**-192**	**770**
Current tax is recognised in the statement of financial position as follows:		
Assets, current tax	197	854
Lliabilities, current tax	-389	-83
Net current tax at 31 December	**-192**	**770**

Due to IFRIC 23, Tryg Forsikring A/S have previous included 80% of an expected repayment for unused tax losses in the closed Finnish branch in 2012

Tryg Forsikring A/S has received the decision from the Danish tax authorities. The decision has been appealed to National tax Tribunal and a new valuation and assessment of the expected outcome have been made. The expected probability to win the case at the National Tax Tribunal is less than 50%. The tax asset has therefore been written down in full.

DKKm

The figures below show profit/loss before tax compared to actual tax payments.

	2023			2022		
	Profit/loss before tax	**Corporate tax paid**	**Other taxes**	**Profit/loss before tax**	**Corporate tax paid**	**Other taxes**
Denmark	2,575	268	2,236	1,187	617	2,318
Norway	833	78	1,529	925	195	1,850
Sweden	1,597	-26	904	943	216	708
Other countries	23	-9	44	-4	11	86
Total	**5,029**	**310**	**4,713**	**3,049**	**1,039**	**4,963**

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

	2023			2022		
	Profit/loss before tax	**Corporate tax paid**	**Other taxes**	**Profit/loss before tax**	**Corporate tax paid**	**Other taxes**
Finland	34	-15	21	18	11	58
Germany	12	6	12	6	0	12
Netherlands	-5	0	3	-10	0	12
Austria	2	0	3	-1	0	3
Schwitzerland	-6	0	1	-11	0	0
Belgium	-5	0	1	-6	0	1
UK	-8	0	2	0	0	0
Ireland	-1	0	0	0	0	0
Total	**23**	**-9**	**44**	**-4**	**11**	**86**

Activities in these countries mainly consist of Tryg's Credit & Surety business, under the brand Tryg Garanti.

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 profit/loss 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.

Notes

DKKm	Employer Taxes	Employee Taxes	Insurance premium taxes	VAT	Total
2023					
Denmark	476	967	727	65	2,236
Norway	194	239	1,042	54	1,529
Sweden	252	314	256	82	904
Finland	0	3	18	0	21
Germany	5	6	1	0	12
Netherlands	0	2	1	0	3
Austria	2	2	0	0	3
Schwitzerland	0	0	1	0	1
Belgium	0	1	0	0	1
UK	1	1	0	0	2
Ireland	0	0	0	0	0
Total	**929**	**1,537**	**2,046**	**202**	**4,713**

DKKm	Employer Tax	Employee Taxes	Insurance premium taxes	VAT	Total
2022					
Denmark	411	1,066	716	125	2,318
Norway	257	429	1,126	39	1,850
Sweden	177	232	211	89	708
Finland	0	0	16	42	59
Germany	3	6	2	0	12
Netherlands	0	2	9	0	12
Austria	1	1	0	0	3
Schwitzerland	0	0	0	0	0
Belgium	0	1	0	0	1
UK	0	0	0	0	0
Ireland	0	0	0	0	0
Total	**850**	**1,737**	**2,081**	**295**	**4,963**

Global minimum tax regime

The Group is within scope of the OECD global minimum tax regime rules, also known as Pillar Two.

Pillar Two legislation is enacted in Denmark, the jurisdiction in which Tryg A/S is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

As the Group is in scope of the enacted legislation an assessment of Tryg's potential exposure to Pillar Two income taxes in pursuant to the transitional safe harbour relief has been made. The assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group, i.e. financial year 2022.

Based on the assessment, most of the non-Danish entities complies with at least one of the requirements set out in the transitional safe harbour relief. However, there are a limited number of individual entities where the transitional safe harbour relief are not met. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. Furthermore, the assessment implies that the activities in Denmark fail the transitional safe harbour relief. Therefore a top-up tax calculation based on 2022 values has been made.

The result shows a GloBE effective tax rate in Denmark well above the threshold for top-up tax.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes

20 Equity

DKKm

Number of shares (1,000)	Shares outstanding 2023	Shares outstanding 2022	Own shares 2023	Own shares 2022
Number of shares at 1 January	633,710	653,447	20,944	1,207
Acquired own shares during the year	-16,359	-20,669	16,359	20,669
Cancellation in connection with buyback programme	0	0	-19,819	0
Exercise of incentive programme	105	932	-105	-932
Number of shares at 31 December	**617,455**	**633,710**	**17,380**	**20,944**
Number of shares as a percentage of issued shares at 31 December	97.26	96.80	2.74	3.20
Nominal value at 31 December (DKKm)	3,087	3,169	87	105

All shares have equal rights.

Pursuant to the authorisation granted by the shareholders, Tryg may acquire up to a total face value DKK 317m of the share capital in the period up until 31 December 2024. Own shares are acquired for writing down the share capital and for use in the Group's incentive programme.

20 Equity (continued)

DKKm	2023	2022
Solvency II - Own funds		
Equity according to annual report	40,351	42,504
Proposed dividend	-1,174	-1,047
Share buyback	-304	-1,786
Intangible assets	-31,987	-32,716
Profit margin, solvency purpose	3,400	3,000
Taxes	1,660	1,896
Subordinate loan capital	3,052	4,162
Solvency II - Own funds	**14,998**	**16,012**

Notes

DKKm

21 Provisions for insurance contracts

2023	Liability for remaining coverage		Liabilities for incurred claims for contracts under the PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Provisions for insurance contracts					
Balance as at 1 January	**6,077**	**1**	**40,939**	**2,045**	**49,063**
Insurance revenue	**-39,126**	**0**	**0**	**0**	**-39,126**
Incurred claims and other directly attributable expenses	1,588	0	27,703	1,292	30,584
Insurance acquisition cash flows amortisation	3,371	0	0	0	3,371
Run-off previous years adjustments to the LIC			-599	-1,136	-1,735
Insurance service expenses (gross)	**4,959**	**0**	**27,105**	**156**	**32,219**
Profit/loss on gross business	**-34,167**	**0**	**27,105**	**156**	**-6,906**
Finance expenses from insurance contracts issued	-4	0	2,106	88	2,190
Total income statement (Gross)	**-34,170**	**0**	**29,211**	**244**	**-4,716**
Cash flows					
Insurance revenue received [a)]	38,785	0	0	0	38,785
Claims and other directly attributable expenses paid [b)]	-1,588	0	-28,711	0	-30,298
Insurance acquisition costs cash flows [c)]	-3,371	0	0	0	-3,371
Total Cash flows	**33,826**	**0**	**-28,711**	**0**	**5,116**
Closing insurance contract liabilities	5,733	1	41,440	2,289	49,463
Balance as at 31 December	**5,733**	**1**	**41,440**	**2,289**	**49,463**

The calculated risk adjustment corresponds to the confidence level of 68.0 at 31 December 2023.

a) Insurance revenue received contains ordinary premiums received, change in liability for remaining coverage from business combinations (Trygg-Hansa), change in debt and receivable and exchange rate adjustment from local currency to group currency.
b) Claims and other directly attributable expenses paid contains claims paid, claims from IFRS 3 business combinations (Trygg-Hansa), change in debt and receivable and exchange rate adjustment from local currency to group currency. Liability for remaining coverage contains administrations costs related to insurance contracts.
c) Tryg has chosen to expense acquisition cost as they incur.

Notes

DKKm

21 Provisions for insurance contracts (continued)

2022	Liability for remaining coverage		Liabilities for incurred claims for contracts under the PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Provisions for insurance contracts					
Opening balance					
Insurance contract liabilities	4,506	0	26,947	1,516	32,968
Balance as at 1 January	**4,506**	**0**	**26,947**	**1,516**	**32,968**
Addition, demerger of Trygg-Hansa, Codan Norway	1,980	0	16,129	410	18,519
Net balance	6,486	0	43,075	1,926	51,488
Insurance revenue	-38,365	0	0	0	-38,365
Incurred claims and other directly attributable expenses	1,833	0	27,508	1,068	30,409
Insurance acquisition cash flows amortisation	2,868	0	0	0	2,868
Run-off previous years adjustments to the LIC			-373	-746	-1,120
Losses on onerous contracts and reversal of those losses	0	1	0	0	1
Insurance service expenses (gross)	**4,700**	**1**	**27,134**	**321**	**32,156**
Profit/loss on gross business	**-33,668**	**1**	**27,134**	**321**	**-6,212**
Finance expenses from insurance contracts issued	-8	0	-2,410	-203	-2,621
Total income statement (Gross)	**-33,677**	**1**	**24,724**	**119**	**-8,833**
Cash flows					
Insurance revenue received [a)]	37,969	0	0	0	37,969
Claims and other directly attributable expenses paid [b)]	-1,833	0	-26,860	0	-28,694
Insurance acquisition costs cash flows [c)]	-2,868	0	0	0	-2,868
Total Cash flows	**33,268**	**0**	**-26,860**	**0**	**6,408**
Closing insurance contract liabilities	6,077	1	40,939	2,045	49,063
Balance as at 31 December	**6,077**	**1**	**40,939**	**2,045**	**49,063**

The calculated risk adjustment corresponds to the confidence level of 68.0 at 31 December 2022.

a) Insurance revenue received contains ordinary premiums received, change in liability for remaining coverage from business combinations (Trygg-Hansa), change in debt and receivable and exchange rate adjustment from local currency to group currency.
b) Claims and other directly attributable expenses paid contains claims paid, claims from IFRS 3 business combinations (Trygg-Hansa), change in debt and receivable and exchange rate adjustment from local currency to group currency. Liability for remaining coverage contains administrations costs related to insurance contracts.
c) Tryg has chosen to expense acquisition cost as they incur.

Notes

DKKm		2023	2022
22	**Pensions and similar obligations**		
	Jubilees, pensions and other obligations	39	37
	Compensation liability	12	24
	Recognised liability	**51**	**61**
	Defined-benefit pension plans:		
	Present value of pension obligations funded through operations	26	24

DKKm	2023	2022
Specification of change in recognised pension obligations:		
Recognised pension obligation at 1 January	24	29
Exchange rate adjustments	-2	-1
Capital cost of previously earned pensions	6	1
Actuarial gains/losses	2	2
Paid during the period	-4	-7
Recognised pension obligation at 31 December	**26**	**24**
Total pensions and similar obligations at 31 December	**26**	**24**
Total recognised obligation at 31 December	**77**	**85**
Specification of pension cost for the year:		
Present value of pensions earned during the year	1	1
Total year's cost of defined-benefit plans	**1**	**1**

Notes

DKKm	2023	2022
22 Pensions and similar obligations (continued)		
The premium for the following financial years is estimated at	1	1
Number of pensioners	102	110
Assumptions used	**%**	**%**
Discount rate	3.0	2.7
Salary adjustments	3.8	3.8
Pension adjustments	2.4	1.7
G adjustments	3.5	3.5
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 years premium paid to FPK amounted to DKK 18m (DKK 21m in 2022), which is about 2.3% (4.2% in 2022) of the annual premium in FPK (2022). FPK writes in its annual report for 2022 that it had a solvency ratio of 135 at 31 December 2022 (Solvency ratio 139 for 31 December 2021).

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

DKKm	2023	2022
23 Deferred tax		
Tax asset		
Operating equipment	1	21
Bonds	4	17
Capitalised tax loss	0	137
	5	**175**
Tax liability		
Intangible rights	2,168	2,368
Land and buildings	0	80
Debt and provisions	49	97
Contingency funds	1,156	1,173
	3,373	**3,718**
Deferred tax	**3,367**	**3,542**
Development in deferred tax		
Deferred tax at 1 January	3,542	806
Exchange rate adjustments	-14	-32
Change in deferred tax relating to change in tax rate	8	30
Change in deferred tax previous years	-38	19
Addition, demerger of Trygg-Hansa, Codan Norway	0	2,367
Change in capitalised tax loss	179	24
Change in deferred tax recognised in income statement	-314	347
Change in valuation of tax asset	4	-17
Deferred tax at 31 December	**3,367**	**3,542**

Notes

DKKm

23 Deferred tax (continued)

Tax value of non-capitalised tax loss

DKKm	2023		2022	
Tax value of non-capitalised tax loss	**Loss**	**Tax value**	**Loss**	**Tax value**
Denmark	0	0	0	0
Sweden	0	0	0	0
Norway	0	0	0	0
Finland	0	0	0	0
Germany	0	0	0	0
Ireland	1	0	0	0
England	9	2	1	0
Switzerland	26	4	19	3
The Netherlands	31	6	26	5
Austria	7	2	6	2
Belgium	11	3	6	2
Total	**86**	**17**	**58**	**12**

Loss determined according to Swedish and Finnish, German, Belgium, Dutch and Austria rules can be carried forward indefinitely. 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 -37m (DKK -109m at 31 December 2022).

24 Other provisions

DKKm	2023	2022
Other provisions at 1 January	94	40
Exchange rate adjustment	0	-1
Change in provisions	129	55
Other provisions 31 December	**223**	**94**

Other provisions relates to provisions for the Group's own insurance claims, restructuring costs and bankruptcy of Gefion. Additions to the provision for restructuring costs and own insurance claims during the year amounts to DKK 238m (DKK 81m at December 2022) and use of existing restructuring provisions amounts to DKK 109m (DKK 28m at December 2022).

Other provisions at 31 December 2023 excluding own insurances amounts to DKK 222m (DKK 88m at 31 December 2022).

25 Earnings per share, operating earnings per share

	2023	2022
Profit/loss from continuing business to shareholders of Tryg	3,794	2,247
Profit/loss on discontinued and divested business	0	0
Profit/loss for the year	3,794	2,247
Depreciation on intangible assets related to Brands and Customer relations after tax	739	622
Operating Profit/loss for the year	4,533	2,870
Average number of shares (1,000)	624,507	646,977
Diluted number of shares (1,000)	624,507	646,977
Earnings per share, continuing business	6.08	3.47
Diluted earnings per share, continuing business	6.08	3.47
Earnings per share	6.08	3.47
Diluted earnings per share	6.08	3.47
Operating earnings per share[a)]	7.26	4.43

a) Calculated as operating profit/loss for the year divided by average number of shares in the period.

Notes

26 Other debt

Other debt amounts to DKK 7,551m (DKK 5,820m at 31 December 2022) and mainly consists of debt related to external customers'investments in Tryg Invest, unsettled fund transactions, leasing and accrued costs. Debt related to external customers investments in Tryg Invest investments funds amounts to amounts to DKK 1,672m (DKK 1,972m at 31 December 2022).

DKKm		2023	2022
26	**Other debt**		
	Maturity of undiscounted lease liabilities		
	Due 1 year or less	202	181
	Due 2-5 years	465	399
	Due more than 5 years	625	359
	Total lease liabilities 31 December	**1,293**	**939**
	Lease liabilities included in the statement of financial position		
	Hereof future cash flow of contract options	45	44
	Amounts recognised in statement of cash flow		
	Total cash out-flow for leases	211	194
	Amounts recognised in income statement		
	Interest on lease liabilities	-51	-38

There are no short team-leases recognised in the financial statement.

Debt related to lease are included in Other debt. Please refer to note 13 for specification of ROU assets.

Notes

DKKm

27 Contractual obligations, collateral and contingent liabilities

Contractual obligations	Obligations due by period				
2023	**<1 year**	**1-3 years**	**3-5 years**	**> 5 years**	**Total**
Other contractual obligations[a]	1,011	742	451	11	2,216
	1,011	**742**	**451**	**11**	**2,216**
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**

a) Other contractual obligations mainly consists of investment commitments, IT and outsourcing agreements.
Please refer to note 13 for lease agreements recognised as ROU.

2023
Tryg has signed the following contracts above DKK 50m:
Tryg is committed to invest in some investment funds. The commitment amounts to DKK 909m of which DKK 284m are expected called during 2023 and additionally DKK 625m within 5 years.
Tryg has signed IT infrastructure agreements with commitments amounting to DKK 737m within 5 years.

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 of which 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.

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.

DKKm

27 Contractual obligations, collateral and contingent liabilities (continued)

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:

	2023	**2022**
Equity investments	463	313
Bonds	553	748
Interest and rent receivable	3	2
Total	**1,019**	**1,063**

Notes

DKKm

27 Contractual obligations, collateral and contingent liabilities (continued)

Offsetting and collateral in relation to financial assets and obligations

				Collateral which is not offset in the statement of financial position		
2023	**Gross amount before offsetting**	**Offsetting**	**According to the statement of financial position**	**Further offsetting, master netting agreements**	**Collateral**	**Net amount**
Assets						
Reverse repos	59	0	59	0	-59	0
Derivative financial instruments	2,554	-516	2,038	-1,223	-788	27
	2,613	**-516**	**2,096**	**-1,223**	**-847**	**27**
Liabilities						
Repo debt	4,645	0	4,645	0	-4,645	0
Derivative financial instruments	2,295	-516	1,779	-1,223	-434	123
	6,940	**-516**	**6,424**	**-1,223**	**-5,079**	**123**

2022						
Assets						
Reverse repos	194	0	194	0	-194	0
Derivative financial instruments	2,114	-350	1,763	-1,255	-456	52
	2,308	**-350**	**1,958**	**-1,255**	**-651**	**52**
Liabilities						
Repo debt	4,287	0	4,287	0	-4,287	0
Derivative financial instruments	2,748	-350	2,398	-1,255	-1,052	91
	7,035	**-350**	**6,684**	**-1,255**	**-5,339**	**91**

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.

Notes

DKKm

27 Contractual obligations, collateral and contingent liabilities (continued)

Contingent liabilities
Price adjustments 2016-2020
The Consumers Ombudsman (FO) has raised doubts about the lawfulness of the price increases in Denmark between 2016 and 2019 and has therefore mentioned the possibility to pursue a compensation on behalf of some customers. The case is related to a part of the private portfolio in Denmark.

The FO has now brought the case to court. 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. Tryg has given mandate to an external lawyer to produce a legal judgement, this is unchanged from previous assessments, the probability of winning the case remains higher than the probability of losing the case. The case is expected to be tried in court in February 2024.

Management has decided not to disclose an estimated amount but this is deemed to be 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 2023.

Notes

28 Acquisition activities

2023

Undo

29 December 2023 Tryg acquired all the outstanding shares in Undo Forsikringsagentur A/S. Tryg had prior to the acquisition a non-controlling interest in Undo and Undo is now part of the Tryg Group. The acquisition affects the Financial statement from 29 December 2023:
If the activities were included with a full year, the premium income and the insurance service result would not be significantly affected.

DKKm

28 Net assets acquired

	Undo	RSA Scandinavia
Assets	**2023 (DKKm)**	**2022 (DKKbn)**
Intangible assets	0.0	11.3
Tangible assets	0.0	0.2
Financial assets	62.2	23.9
Total reinsurance of provisions	0.0	0.1
Receivables	0.0	3.7
Other assets and accrued income	15.4	0.9
Liabilities		
Total provisions for insurance contracts	0.0	19.8
Debt and accruals and deferred income	72.8	7.4
Total identifiable net assets acquired	**4.8**	**12.9**
Purchase price (Shares in Tryg Forsikring A/S)	**34.0**	**29.9**
Goodwill	**29.2**	**17.0**

The Group has not incurred any significant acquisition costs in connection with the closed acquisition. The purchase price is final. In connection with the acquisition, a sum was paid which exceeds the fair value of the identifiable acquired assets.

It has not been decided how the activities in Undo will be integrated into Tryg hence the excess value (Goodwill) will be expensed at the acquisition date.

28 Acquisition activities (continued)

2022

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 cooperation 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 in the table.

Tryg is currently working on the system integration of the acquired activities. 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."

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.

Notes

DKKm

28 Acquisition activities (continued)

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 equal their carrying amount based on the assessment 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 amortised costs as a proxy for fair value and will as such be level 3.

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

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

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

29 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 par-ties). Related parties include the Supervisory Board, the Executive Board (which is considered Key Management) and their members' family.

DKKm	2023	2022
Premium income		
-Parent company (TryghedsGruppen smba)	0.5	0.6
-Key management	0.6	0.6
-Other related parties	2.6	2.3
Claims payments		
-Parent company (TryghedsGruppen smba)	0.3	0.1
-Key management	0.1	0.2
-Other related parties	0.3	0.3

Notes

29 Related parties (continued)

Specification of remuneration

DKKm	2023	Number of persons	Base salary incl. car allowance	Share-based variable salary a)	Cash variable salary b)	Pension	Total
	Supervisory Board	16	12	0	0	0	12
	Executive Board	7	30	18	10	8	66
	Risk-takers	12	15	2	2	2	21
	Risk-takers staff functions	24	41	9	7	7	65
	Risk-takers independent	4	8	0	0	1	10
	Risk-takers other	28	66	18	11	12	107
		91	**172**	**48**	**30**	**30**	**280**

a) Total expenses recognised in 2023 for matching shares and conditional shares allocated in 2023 and previous year. For matching shares and conditional shares allocated to Executive Board in 2023, please refer to "Corporate governance" in Management review.For further details on remunerations of Supervisory Board and Executive Board, please refer to "Corporate governance" in Management review.

b) Including non-competition clause

DKKm	2022	Number of persons	Base salary incl. car allowance	Share-based variable salary c)	Cash variable salary	Pension	Total
	Supervisory Board	18	11	0	0	0	11
	Executive Board	4	31	16	0	8	55
	Risk-takers investment	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**

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

Of which retired	Number of persons	Severance pay
Supervisory Board	2	0
Executive Board d)	2	14
Risk-takers	0	0
	4	**14**

d) Severance pay is included in the remuneration table above in all categories, for a splitt please see the Remuneration report 2023 on Tryg.com

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

Notes

29 Related parties (continued)

Base salary are charges incurred during the financial year. Variable salary includes the charges for conditional shares, which are recognised over a deferral period up to 4 years. Reference is made to section 'Corporate governance' of the management's review on the corresponding disbursements. The Executive Board and risk-takers are included in incentive programmes. Please refer to note 5 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 is paid a fixed remuneration, pension, car allowance, special allowances, and staff benefits.

The variable salary is awarded with 40% cash, and 60% conditional shares which are deferred for 4 years. Please refer to 'Corporate governance'.
Each member of the Executive Board is entitled to 12 months' notice and severance pay equal to 12 months' salary plus pension contribution. If a change of control clause is actioned COO is 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 46,3% (2022: 45%) of the total shares in Tryg A/S.
This amounts to TryghedsGruppen smba controlling 47,5% of the shares outstanding in Tryg A/S as at 31 December 2023.

2023
In 2023 Tryg A/S paid TryghedsGruppen smba dividends of DKK 2,102m.

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 2m.

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

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.

30 Financial highlight

Please refer to page 101

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31 Accounting policies

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU on 31 December 2023 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 following implementation of IFRS 9 and IFRS 17

This is the first set of the Group's annual financial statements in which IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have been applied. As a result, Tryg has restated comparative amounts and the presentation of the Profit and loss and the balance sheet as at 1 January 2023. Except for the changes mentioned; the accounting policies have been applied consistently for all periods presented in these consolidated financial statements.
IFRS 17, as adopted by EU, has been implemented with effect from 1 January 2023.

The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held. It replaces IFRS 4 – Insurance contracts.

Changes in accounting policies from the adoption of IFRS 17 have been applied using a full retrospective approach at 1 January 2022 to the extent practicable. Tryg has:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied,
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied; and
- recognised any resulting net difference in equity. The carrying amount of goodwill from previous business combinations was not adjusted.

In IFRS 17 a general measurement model measures groups of contracts based on the estimates of the present value of future cash flows that are expected as the contracts are fulfilled. The general model is based on present value of future cash flows, adjusted to reflect the time value of money, including a risk adjustment and a contractual service margin. The contractual service margin represents the unearned profit to be recognised in the statement of profit or loss when services are provided in future periods. At each reporting date, the fulfilment cash flows are remeasured using current assumptions.

IFRS 17 requires that a risk margin is estimated. Tryg uses a cost of capital approach, which is also prescribed under Solvency II. A cost of capital approach estimates the capital which a third party would need to hold, in order to protect itself from the underlying risks associated with the insurance contract liabilities, and which cannot be mitigated in the market. IFRS 17 requires that the risk margin is split into both a gross margin and a ceded margin.

The gross margin does not play a role in Trygs internal management of capital and reserves, and is constructed for reporting purposes only. Tryg's business is entirely focused on non-life insurance and it is relatively short-tail. This makes Tryg eligible to use the premium allocation approach as simplification for measurement. In some cases e.g. when Tryg in the future acquire portfolios the premium allocation model may not be applied. In these cases the general model will apply.

The premium allocation model is similar to Tryg's previous accounting principles. Tryg has in line with the current accounting principle chosen to expense acquisition cost as they incur. This means that the financial effect of implementing IFRS 17 is limited.

The main impact will be on presentation of profit and loss compared to previously:

- Insurance revenue
  Insurance revenue is the amount recognised for services provided in the period. Predominantly on the basis of the passage of time. The previous top-line 'gross earned premium' was measured in the same way.
- Insurance service expenses
  Insurance service expenses comprise 'Acquisition costs', 'claims costs' and 'administration expenses'. Previously,
  (i) 'Bonus and premium discounts' were off set in 'Gross earned premium'. Under IFRS 17 it will be presented as 'Claims costs'
  (ii) 'Onerous contracts' were off set in 'Gross earned premiums' as 'unexpired risk'. Under IFRS 17 it will be presented as 'Claims costs'
  (iii) Movement in inflation swaps were included in 'claims costs'. Going forward the movements will be included in 'Investment activities'.
- Net expenses from reinsurance contracts
  Net expenses from reinsurance contracts comprise payments to and recoveries from reinsurance contracts held. Under IFRS 17 these will be presented in profit and loss as a single net amount including changes in a specific risk adjustment. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately and off set in insurance contracts.

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- 'Insurance service result' is the result of 'Insurance revenue', 'Insurance service expenses' and 'Net expenses from reinsurance contracts'.

Statement of financial position presentation has been changed following IFRS 17. The carrying amount of portfolios of

- reinsurance contracts held that are assets Comprises reinsurer's share of premiums and claims provisions and receivables and debt relating to reinsurance
- insurance contracts issued that are liabilities Comprises provisions for premium, claims, bonuses and premium discounts and receivables and debt relating to policyholders

Acquired portfolios

The amendment to IFRS 3 Business Combinations introduced by IFRS 17 that requires a entity to classify contracts acquired as insurance contracts based on the contractual terms and other factors at the date of acquisition. Claims reserves acquired before the initial application date 1 January 2023 will be presented as insurance revenue based on the expected cash flows as of the acquisition date. IFRS 9 has been implemented with effect from 1 January 2023. The standard includes new provisions governing "classification and measurement of financial assets", "impairment of financial assets" and "hedge accounting". Implementation of IFRS 9 has not lead to reclassifications.

Accounting regulation

Implementation of changes to accounting standards and interpretation in 2023

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 2023 that will have a significant impact on the Group except IFRS 9 and IFRS 17. See below regarding IFRS 9 'Financial instruments'

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:

- Insurance and reinsurance contracts
- Fair value of financial assets and liabilities
- Valuation of property
- Business Combinations
- Measurement of Goodwill, Trademarks and Customer relations
- Control of subsidiaries

Insurance and reinsurance contracts

Estimates of insurance contracts liabilities and especially liability for incurred claims represent the Group's most critical accounting estimates, as these provisions involve several uncertainty factors. Similarly, the estimation of recoveries from reinsurers may be significant.
Changes in the following key assumptions may change the fulfilment cash flows materially:

- assumptions about the contract boundary;
- assumptions about level of aggregation;
- assumptions about claims development; and
- assumptions about discount rates, including any illiquidity premiums.

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The expected fulfilment cash flows are similarly applied to reinsurance contract assets.

The sensitivity of the key assumptions and the underlying assumptions and development of discount rates are disclosed in note 1.

Fair value of financial assets and liabilities

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

Valuation of property

The fair value is calculated based on a market-determined rental income, as well as operating expenses in proportion to the property's required rate of return in per cent. Investment property is recognised at fair value. The calculation of fair value is based on market prices, 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 13, 14 and 16.

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,

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such as customer behavior and competition. Cf. note 12.

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:

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

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

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of Tryg 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 assets or liabilities may be recognised up to 12 months after the acquisition, provided that new information has come to light regarding matters existing at the date of acquisition which would have affected

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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 decision makers.The segment reporting is based on the Group Accounting policy.

The operational business segments in the Group are Private, Commercial, Corporate and Other. 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. Other encompasses Acquired portfolios. Cf. Acquired portfolios p. 162.

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 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

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. Tryg allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. If the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

Tryg changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Loss component

Tryg assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise.
Tryg considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

Where this is not the case, and if at any time during the coverage period, the facts and circumstances mentioned indicate that a group of insurance contracts is onerous, Tryg establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group.
Accordingly, by the end of the coverage period of the group of contracts the loss component will be nil.

Loss-recovery components

When Tryg recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, Tryg establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses if relevant.

The loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance

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contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Insurance service expenses
Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims
- Amortisation of insurance acquisition cash flows:
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Other insurance service expenses

Incurred claims
Claims are claims incurred during the year. Incurred claims include run-off gains/losses in respect of previous years. The portion which can be ascribed to unwinding and/or change in discount rates is transferred to Insurance finance income and expenses.
Incurred claims include direct and indirect claims handling costs, including costs of inspecting and assessing claims, costs to prevent, control and mitigate damage and other direct and indirect costs associated with the handling of claims incurred in relation insurance contracts in force.
Incurred claims comprise bonus and premiums discounts based on defined claims experience set prior to the period where the insurance contract was incepted or sold.
Tryg disaggregates changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. Changes relating to the risk adjustment for non-financial risk are included in the insurance service result while discounting effects are included in Net finance income from reinsurance contracts.

Insurance acquisition cash flows
Insurance acquisition cash flows Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Tryg chooses to expense insurance acquisition cash flows as they occur for contracts measured under the PAA, if the coverage period for each contract in a group is one year or less.

Other insurance service expenses
Other insurance service expenses represent administration expenses to administrate insurance contracts in force. Administration expenses are all other incurred expenses attributable to the administration of existing contracts. Expenses relating to future contracts or expenses that cannot be directly attributed to the portfolio of insurance contracts e.g. some development and training costs are expensed as 'Other costs' as they incur.

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.

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.

Net expense from reinsurance contracts held
Income and expenses from reinsurance contracts are presented separately from revenue and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented in

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one line as 'net expenses from reinsurance contracts' in the insurance service result.

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 and are recognised as a separate line item in the income statement. 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.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts and arising from the effects of the time value of money, financial risk and changes therein. Moreover, Insurance finance income and expenses comprise changes in the carrying amounts risk adjustment for non financial risks and arising from the effects of the time value of money, financial risk and changes therein.

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

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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. All 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 14. 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

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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.

Recognition and classification of financial instruments

Following implementation of IFRS 9 financial instruments are classified as follows:

As at 1 January 2023, financial instruments were classified as follows based on the Group's business models:

- The asset is held to collect cash flows from payments of principal and interest (hold to collect business model). Measured at amortised cost after initial recognition.
- 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 are measured at fair value through profit or loss. These include assets managed on a fair value basis, held in the trading book or assets, where contractual cash flows do not solely comprise interest and principal of the receivable. It is also still possible to measure financial assets at fair value with value adjustment through profit or loss, when such measurement significantly reduces or eliminates an accounting mismatch that would otherwise have occurred on measurement of assets and liabilities or recognition of losses and gains on different bases.
- Generally, financial liabilities are measured at amortised cost after initial recognition.

For the first two categories, financial assets must be held within a business model whose objective is to hold assets to collect contractual cash flows representing payments of principal and interest etc combined with limited sales activity.

If this is not the objective of the business model, the financial assets will be placed in a category, which is subject to fair value adjustment through profit or loss. Financial assets, which, if measured at amortised cost fair fair value with changes recognised through other comprehensive income would result in a accounting mismatch, are also recognised in this category.

The Group's financial assets and business models have been reviewed to ensure correct classification thereof. The review included an assessment of whether collecting cash flows is a significant element, including whether the cash flows represent solely payments of principal and interest.

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.

Financial assets and liabilities measured at fair value through profit or loss

A financial asset is attributable to this category

- if the asset is not held within a business model whose objective is to hold assets to collect cash flows representing payments of principal and interest and which has limited sales activity
- if measurement of the asset at amortised cost or at fair value through other comprehensive income would result in an accounting mismatch.

Equity and bond portfolios are generally measured at fair value through profit or loss.

The business model behind the bond portfolio is not intrinsically based on collecting cash flows from payments of principal and interest but is based on, for example, short-term trading activity and investments focused on cost minimisation, where contractual cash flows do not constitute a central element but follow solely from the investment.

Equity instruments are not based on cash flows which comprise payments of principal and interest. Therefore, these instruments are measured at fair value with value adjustment through profit or loss.
Derivative financial instruments (derivatives), which are assets or liabilities, are measured at fair value through profit or loss, unless they are classified as hedging instruments.

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 devel opments on the insurance provisions. The free portfolio is invested in different asset classes with a view to obtaining the best risk-adjusted return.

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

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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 tangible 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.

Reinsurance contract assets

Portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

Expected cash flows 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 and changes due to changes in the yield curve or foreign exchange rates are recognised as 'Net finance income from reinsurance contracts'.

The effect of Changes in expected cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held is recognised separately and disclosed in note 17.

Receivables

Receivables primarily contain accounts receivable in connection with property.

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 less impairment provisions 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.

Impairment charges for loans, advances and receivables

Impairments corresponding to expected credit losses are based on a classification of the individual loans in stages, reflecting the changes in credit risk since initial recognition.

- Stage 1 covers loans and advances etc without significant increase in credit risk since initial recognition. For this category, impairment provisions at initial recognition are made corresponding to the expected credit losses over a period of 12 months for lending at amortised cost. If there is an insignificant change in credit risk, the impairment provisions will be adjusted but the exposure will be kept at stage 1.
- Stage 2 covers loans and advances etc with significant increase in credit risk since initial recognition. For this category, impairment provisions are made corresponding to the expected credit losses over the time-to-maturity.

- Stage 3 covers loans and advances that are credit impaired, and which have been subject to individual provisioning on the specific assumption that the customers will default on their loans. For this category, impairment provisions are also made corresponding to the expected credit losses over the time-to-maturity.

This model is applied to all instruments in the scope of the impairment of IFRS 9 measured at amortised cost.

Tryg has applied the methodology used under Solvency II to derive the expected credit loss on a single name exposure. Further, determining the expected credit loss is subject to management judgement.

At the statement of financial position date Tryg has no exposures covered by Stage 2 or Stage 3.

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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.

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 other reserves 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.

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

Dividends
Proposed dividend is part of equity until payment.

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 matching shares are taken directly to equity.

Subordinated loan capital
Subordinated loan capital is recognised initially at fair value, net of transaction costs incurred. Subordinated 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.

Insurance contracts
Insurance and reinsurance contract classification
Contracts under which Tryg accepts significant insurance risk are classified as insurance contracts. Contracts held by Tryg under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk, but does not include any savings contracts.

To a limited extend Tryg also issues reinsurance contracts to compensate other insurers for claims arising from one or more insurance contracts issued by them.

Insurance and reinsurance contracts accounting treatment
Tryg assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, Tryg applies IFRS 17 to all remaining components of the insurance contract. Currently, Tryg's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately.

Aggregation and recognition
Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of

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issue) and each annual cohort into three groups based on the profitability of contracts:
- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An insurance contract issued is recognised from the earliest of:
- the beginning of its coverage period;
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract.

A group of reinsurance contracts is recognised on the following date.
- Reinsurance contracts held that provide proportionate coverage is recognised at the date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts held is recognised at the beginning of the coverage period of the group of reinsurance contracts.
- Tryg recognises an onerous group of underlying insurance contracts if Tryg entered into the related reinsurance contract held at or before that date.
- Reinsurance contracts acquired is recognised at the date of acquisition.

Contract boundary

Contract boundary define the cash flows within the boundary of each insurance contract.
Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which Tryg can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

A substantive obligation to provide services ends when:
- Tryg has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- Tryg has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to Tryg, which may include both insurance and financial risks, but exclude lapse and expense risks.

Tryg issues non-life insurance contracts with a short period of insurance covers. Tryg apply the premium allocation model to all insurance contracts issued.

Cash flows are within the contract boundary of a reinsurance contract held if they arise from substantive rights and obligations that exist during the reporting period in which Tryg is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:
- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances.

Measurement, insurance contracts

Tryg uses the premium allocation approach to simplify the measurement of groups of insurance contracts.

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. Tryg has chosen to expense insurance acquisition cash flows when they are incurred.

The coverage period is defined as the period when an insured event can occur.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and decreased by the amount recognised as insurance revenue for services provided. Services is usually provided based on passage of time.

Tryg expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, Tryg has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The fulfilment cash flows are discounted (at current rates)(see below).

Claims and claims handling costs are expensed in the income statement as incurred based on the estimated future cash flows to policyholders or third parties to fulfil the obligations toward policyholders. Cf. section 2.4 above, claims include direct and indirect claims handling costs that arise from events that have occurred up to

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the statement of financial position date even if they have not yet been reported to the Group.

Liability for Incurred claims is measured as the total of the expected fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk. The risk adjustment for non-financial risk for the liability for incurred claims is determined separately from the other estimates and is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment is based on statistical methods (cost of capital) and the disclose of the confidence level corresponding to the results of that technique is in note 21.

Tryg disaggregates the change in the risk adjustment for non-financial risk between the insurance service result and the effect of discounting in insurance finance income or expenses.

Tryg recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future fulfilment cash flows are discounted (at current rates).
Fulfilment cash flows are estimated using the assessments of individual cases reported to the Group and statistical analyses of 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.

Liability for incurred claims is discounted to reflect the time value of money and the associated financial risks at the reporting date. discount rate reflects the yield curve in the appropriate currency for instruments that expose the holder to no or negligible credit risk, adjusted to reflect the liquidity characteristics of payment of future incurred claims.

Assumptions and interdependencies

Level of aggregation and the evaluation of contract boundary are significant assumptions as these define the use of the premium allocation model's simplified measurement model.

Discounting affects in particular long tailed claims where payments may be made as annuity payments or where the assessment of the actual claim takes time. This is the case for claims in motor liability, professional liability, workers' compensation and personal accident and health insurance classes.

Liability for incurred claims 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 accident years in which the previous run-off provides insufficient information about the future run-off performance.

In some instances, historic data used in the actuarial models is not necessarily predictive for the expected future development of claims. This is the case with legislative changes. In this situation the a priori estimate used for premium increases is used to reflect the expected increase in claims based on the new legislation. This estimate is used for determining the change in the level of claims. The estimate is maintained until new loss history materialises which can be used for re-estimation.

Several assumptions and estimates underlying the calculation of the liability for incurred claims are interdependent. 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, with implicit inflation assumptions, 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.

Measurement, reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then Tryg adjusts the carrying amount of the asset for remaining coverage.

Risk adjustment for non-financial risk for reinsurance contracts are modelled using similar statistical models as for direct insurance contract so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

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Employee benefits

Pension obligations

The Group operates various pension schemes. The schemes are funded through contributions to insurance companies or trustee-administered funds. In Norway, the Group operated a defined-benefit plan which was closed at 01 January 2020. 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 restructuring 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 is included in other debt. The external investors share of Kapitalforeningen Tryg Invest Funds 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.

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

Changes opening balance 01.01.23 related to IFRS 17 and IFRS 9	01.01.23 IFRS 17 & IFRS 9	Change	31.12.22 IFRS 4 & IAS 39
Assets			
Total other financial investment assets	**70,810**	**424**	**70,386**
Of which held at fair value through profit or loss	70,616	424	70,192
Of which held at amortised cost	194	0	194
Assets from reinsurance contracts	**2,823**	**971**	**1,851**
Reinsurers' share of premium provisions			264
Reinsurers' share of claims provisions			1,587
Receivables from policyholders	**0**	**-1,621**	**1,621**
Receivables from insurance enterprises	**0**	**-498**	**498**
Cash at banks and in hand (amortised cost)	**2,660**	**-2**	**2,662**
Other asset positions	**37,095**	**1**	**37,094**
Total assets	**113,387**	**-726**	**114,113**
Equity and liabilities			
Equity	**42,502**	**-2**	**42,504**
Subordinated loan capital (amortised cost)	4,154	0	4,154
Total provisions for insurance contracts	**49,063**	**292**	**48,770**
Premium provisions			7,700
Claims provisions			39,227
Provisions for bonuses and premium discounts			1,843
Debt relating to direct insurance		**-896**	**896**
Debt relating to reinsurance		**-123**	**123**
Amounts owed to credit institutions (amortised cost)	**1,305**	**0**	**1,305**
Debt relating to repos (amortised cost)	**4,287**	**0**	**4,287**
Derivative financial instruments (FVTPL)	**2,398**	**0**	**2,398**
Other liability positions	**9,678**	**3**	**9,676**
Total equity and liabilities	**113,387**	**-726**	**114,113**

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32 Transition to IFRS 9 & IFRS 17 at 1 January 2023 (Continued)

Change in income statement due to IFRS 17	31.12.22 IFRS 17 & IFRS 9	Change	31.12.22 IFRS 4 & IAS 39
Gross premiums written			34,658
Change in premium provisions			157
Insurance revenue [a]	**38,365**	**3,551**	**34,814**
Insurance technical interest, net of reinsurance		**-152**	**152**
Claims paid			-22,046
Change in claims provisions			-361
Bonus and premium discounts			-877
Acquisition costs and administration expenses			-4,783
Insurance service expenses [a]	**-32,156**	**-4,090**	**-28,067**
Ceded insurance premiums			-1,673
Change in reinsurers' share of premium provisions			-3
Reinsurance cover received			399
Change in the reinsurers' share of claims provisions			325
Reinsurance commissions and profit participation from reinsurers			229
Net expense from reinsurance contracts	**-576**	**146**	**-723**
Insurance service result/Technical result	**5,636**	**-542**	**6,177**

[a] The reclassification of DKK 3,551m refers to Insurance revenue and Gross claims relating to Claims provisions from the Trygg-Hansa and Codan Norway acquisition. Incurred claims are now presented as Insurance revenue instead of Claims. Please refer to note 31 Accounting policy section Acquired portfolios.

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32 Transition to IFRS 9 & IFRS 17 at 1 January 2023 (Continued)

Change in income statement due to IFRS 17	31.12.22 IFRS 17 & IFRS 9	Change	31.12.22 IFRS 4 & IAS 39
Investment activities			
Profit/loss from associates	-19	0	-19
Income from investment property	48	0	48
Interest income and dividends	918	0	918
Value adjustments	-3,675	-2,763	-913
Interest expenses	-154	0	-154
Administration expenses in connection with investment activities	-145	0	-145
Investment return	**-3,028**	**-2,763**	**-265**
Return on insurance provisions	0	928	-928
Net finance income from reinsurance contracts	2,621	2,621	0
Net finance expenses from insurance contracts	-34	-34	0
Total investment return	**-441**	**751**	**-1,193**
Other income	150	0	150
Other costs	-2,293	-209	-2,083
Profit/loss before tax	**3,051**	**0**	**3,051**
Tax	**-804**	0	**-804**
Profit/loss on continuing business	**2,247**	**0**	**2,247**
Profit/loss on discontinued and divested business	**0**	**0**	**0**
Profit/loss for the year	**2,247**	**0**	**2,247**

Financial assets and liabilities
Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows the original measurement categories with IAS 39 and the new measurement categories under IFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2023.

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32 Transition to IFRS 9 & IFRS 17 at 1 January 2023 (Continued)

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Equity investments	FVTPL	FVTPL (mandatory)	4,647	4,647
Unit trust units	FVTPL	FVTPL (mandatory)	8,330	8,330
Bonds	FVTPL	FVTPL (mandatory)	6,328	6,328
Bonds	FVTPL (designated)	FVTPL (designated)	49,472	49,472
Other lending	Loans and receivables	Amortised cost	75	75
Derivative financial instruments	FVTPL	FVTPL (mandatory)	1,340	1,763
Reverse repurchase lending	Loans and receivables	Amortised cost	194	194
Other receivables	Loans and receivables	Amortised cost	414	414
Cash at bank and in hand	Loans and receivables	Amortised cost	2,662	2,660
Current tax assets	Loans and receivables	Amortised cost	854	854
Total financial assets			**74,316**	**74,737**
Financial liabilities				
Subordinated loan capital	Amortised cost	Amortised cost	4,154	4,154
Amounts owed to credit institutions	Amortised cost	Amortised cost	1,305	1,305
Debt relating to repos	Amortised cost	Amortised cost	4,287	4,287
Derivative financial instruments	FVTPL	FVTPL (mandatory)	2,398	2,398
Total financial liabilities			**12,144**	**12,144**

Income and comprehensive income statement

Note	DKKm	Parent company 2023	Parent company 2022
Note	**Investment activities**		
1	Income from subsidiaries	4,415	2,570
	Income from associates	0	34
10	Interest income	1	5
2	Value adjustments	9	-18
10	Interest expenses	-563	-365
	Administration expenses in connection with investment activities	-6	-5
	Total Investment return	**3,855**	**2,222**
3	Other expenses	-155	-96
	Profit/loss before tax	**3,700**	**2,126**
4	Tax	151	121
	Profit/loss for the period	**3,851**	**2,247**
	Proposed distribution for the year:		
	Dividend	4,734	4,118
	Transferred to reserve for net revaluation according to the equity method	-3,271	163
	Transferred to retained earnings	2,387	-2,033
		3,851	**2,247**

DKKm	Parent company 2023	Parent company 2022
Statement of comprehensive income		
Profit/loss for the period	3,851	2,247
Other comprehensive income		
Other comprehensive income which cannot subsequently be reclassified as profit or loss		
Actuarial gains/losses on defined-benefit pension plans	-2	-2
Tax on actuarial gains/losses on defined-benefit pension plans	0	1
	-1	**-2**
Other comprehensive income which can subsequently be reclassified as profit or loss		
Deferred tax related to receivable balance	0	-50
Exchange rate adjustments of foreign entities	-105	-2,217
Exchange rate adjustments of foreign material associates	0	52
Hedging of currency risk in foreign entities	130	496
Tax on hedging of currency risk in foreign entities	-33	-109
	-8	-1,828
Total other comprehensive income	**-9**	**-1,830**
Comprehensive income	**3,842**	**417**

Statement of financial position

DKKm		Parent company 2023	Parent company 2022
Note	**Assets**		
5	Equity investments in subsidiaries	40,156	72,524
6	Equity investments in associates	20	185
	Total investments in associates and subsidiaries	**40,176**	**72,709**
	Total investment assets	**40,176**	**72,709**
	Receivables from subsidiaries	261	65
	Total receivables	**261**	**65**
7	Current tax assets	151	106
	Cash at bank and in hand	8	0
	Other assets	0	1
	Total other assets	**159**	**107**
	Total prepayments and accrued income	**41**	**34**
	Total assets	**40,637**	**72,915**

DKKm		Parent company 2023	Parent company 2022
Note	**Equity and Liabilities**		
	Equity	**40,351**	**42,504**
	Debt to subsidiaries	211	30,331
	Other debt	75	81
	Total debt	**286**	**30,412**
	Total equity and liabilities	**40,637**	**72,915**

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 2022	**3,273**	**3,451**	**34,731**	**1,047**	**1**	**42,504**
2023						
Profit/loss for the period		-3,271	2,387	4,734		3,851
Other comprehensive income		-9				-9
Total comprehensive income	0	-3,280	2,387	4,734	0	3,842
Nullification of own shares	-99		99			0
Dividend paid				-4,607		-4,607
Dividend, own shares			135			135
Purchase and sale of own shares			-2,531			-2,531
Interest paid on additional Tier 1 capital		-57				-57
Issue of additional Tier 1 capital		987				987
Share-based payment			79			79
Total changes in equity in 2023	**-99**	**-2,350**	**169**	**127**	**0**	**-2,151**
Equity at 31 December 2023	**3,174**	**1,102**	**34,900**	**1,174**	**1**	**40,351**
Equity at 31 December 2021	**3,273**	**5,119**	**39,915**	**700**	**1**	**49,008**
2022						
Profit/loss for the period		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 payment			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**

Notes (parent company)

DKKm		2023	2022
1	**Income from Group undertakings**		
	Tryg Invest A/S	18	20
	Fordelsselskabet A/S	-24	-23
	Scandi JV Co A/S	437	285
	Tryg Forsikring A/S	3,984	2,287
		4,415	**2,570**

2 Value adjustments

Value adjustments only consists of currency adjustments both in 2022 and 2023.

DKKm		2023	2022
3	**Other expenses**		
	Administration expenses	-155	-96
		-155	**-96**

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 5 in the Tryg Group for a specification of the audit fee.

	2023	2022
Average number of full-time employees for the year	10	9

DKKm		2023	2022
4	**Tax**		
	Reconciliation of tax costs		
	Tax on profit/loss for the year	-180	106
	Difference between Danish tax percent and local tax percent	23	0
	Tax adjustments, previous years	0	16
	Tax on permanent differences	7	0
		-151	**121**

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

Effective tax rate	**%**	**%**
Tax on profit/loss for the year	25.2	22.0
Difference between Danish tax percent and local tax percent	-3.2	0.0
Tax adjustments, previous years	0.0	3.0
Tax on permanent differences	-1.0	0.0
	21.0	**25.0**

DKKm		2023	2022
5	**Equity investments in Group undertakings**		
	Cost		
	Cost at 1 January	69,061	9,053
	Disposals for the year	3	60,008
	Additions for the year	-30,021	0
	Cost at 31 December	39,043	69,061
	Revaluation and impairment to net asset value		
	Revaluation and impairment at 1 January	3,463	3,976
	Revaluations for the year	4,680	686
	Dividend paid	-7,030	-1,200
	Revaluation and impairment at 31 December	1,113	3,463
	Carrying amount at 31 December	**40,156**	**72,524**

Name, registered office and activity	**Ownership share in %**	**Profit/loss**	**Equity**
2023			
Tryg Invest A/S, Ballerup	100	18	77
Fordelsselskabet A/S, Ballerup	100	-24	6
Scandi JV Co A/S	100	437	11
Tryg Forsikring A/S, Ballerup	100	3,984	40,062
2022			
Tryg Invest A/S, Ballerup	100	20	60
Fordelsselskabet A/S, Ballerup	100	-23	28
Scandi JV Co A/S	100	285	30,255
Tryg Forsikring A/S, Ballerup	100	2,287	42,182

Notes (parent company)

DKKm	2023	2022
6 Equity investments in associates		
Cost		
Cost at 1 January	185	35,898
Disposals for the year	-165	-35,713
Cost at 31 December	20	185
Revaluations at net asset value		
Revaluations at 1 January	0	1,154
Reversed on sale	0	-1,188
Value adjustments for the year	0	34
Revaluations at 31 December	0	0
Carrying amount at 31 December	**20**	**185**

7 Current tax assets

	2023	2022
Tax receivable at 1 January	106	-33
Adjustments to previous years	0	16
Current tax for the year	151	106
Tax paid for the year	-106	17
Tax receivable at 31 December	**151**	**106**

8 Deferred tax assets

	2023	2022
Capitalised tax losses		
Tryg A/S	0	0
Tax value of non-capitalised tax losses		
Tryg A/S	0	0

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.

DKKm

9 Contractual obligations, collateral and contingent liabilities (continued)

Management believes that the outcome of these disputes will not affect the Group's financial position significantly beyond the obligations recognised in the statement of financial position at 31 December 2023.

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

2023	Number of persons	Base salary incl. car allowance	Share-based variable	Cash variable salary [b]	Pension	Total
Supervisory Board	16	12	0	0	0	12
Executive Board	7	30	18	10	8	66
Risk-takers [c]	1	0	0	0	0	0
	24	**41**	**18**	**10**	**8**	**77**

a) Total expenses recognised in 2023 for matching shares and conditional shares allocated in 2023 and previous year.

b) Including non-competition clause.

c) Risk-takers in Tryg A/S includes only one employee, wherefore salary and pension is not presented. The amounts are included in Note 29 for Tryg Group.

Of which retired	Number of persons	Severance pay
Supervisory Board	2	0
Executive Board	2	14
Risk-takers	0	0
	4	**14**

Notes (parent company)

DKKm

10 Related parties

Specification of

2022	Number of persons	Base salary incl. car allowance	Share-based variable salary b)	Cash variable salary	Pension	Total
Supervisory	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 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 29 for Tryg Group

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

Base salary are charges incurred during the financial year. Variable salary includes the charges for conditional shares, which are recognised over 4 years. The Executive Board and risk-takers are included in incentive programmes. Please refer to note 5 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, pension, car allowance, special allowances, and staff benefits.

The variable salary is awarded with 40% cash, and 60% conditional shares which are deferred for 4 years. Please refer to '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. If a change of control clause is actioned COO is 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 46,3% (45%) of the total shares in Tryg A/S. This amounts to TryghedsGruppen smba controlling 47.5% of the shares outstanding in Tryg A/S as at 31 December 2023.

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, Fordelsselskabet A/S and Tryg Invest A/S.

In 2023 Tryg Forsikring A/S paid Tryg A/S DKK 7,030m and Tryg A/S paid TryghedsGruppen smba DKK 2,102m in dividends.

Intra-group trading involved	2023	2022
- Providing and receiving services	9	1
- Intra-group accounts	50	-30,265
- Interest	-562	-359

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.

Notes (parent company)

DKKm

11 Reconciliation of profit/loss and equity

The executive order on application of IFRS Accounting 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 IFRS Accounting Standards and the rules issued by the Danish FSA.

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

12 Accounting policies

Please refer to Tryg Group's accounting policies.

Q4 2023 Quarterly outline

DKKm	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Private										
Insurance revenue	**6,203**	**6,180**	**6,070**	**6,002**	**6,010**	**6,274**	**6,228**	**4,264**	**4,217**	**4,232**
Insurance service result	**991**	**877**	**1,104**	**828**	**1,027**	**1,254**	**1,255**	**370**	**709**	**641**
Key ratios										
Gross claims ratio	70.0	71.8	69.1	72.2	67.6	66.8	65.8	76.8	71.0	70.6
Net reinsurance ratio	1.6	1.4	0.1	1.4	2.8	0.1	1.3	1.8	1.6	1.7
Claims ratio, net of reinsurance	71.5	73.2	69.2	73.6	70.3	66.9	67.2	78.6	72.5	72.3
Gross expense ratio	12.5	12.6	12.6	12.6	12.6	13.1	12.7	12.7	10.6	12.6
Combined ratio	**84.0**	**85.8**	**81.8**	**86.2**	**82.9**	**80.0**	**79.9**	**91.3**	**83.2**	**84.8**
Combined ratio exclusive of run-off	85.4	87.4	82.2	87.2	84.1	81.9	81.5	92.8	85.4	86.8
Commercial										
Insurance revenue	**2,315**	**2,304**	**2,286**	**2,273**	**2,306**	**2,354**	**2,319**	**1,429**	**1,370**	**1,351**
Insurance service result	**623**	**463**	**523**	**401**	**414**	**481**	**477**	**82**	**40**	**211**
Key ratios										
Gross claims ratio	56.0	57.3	65.9	61.4	70.4	61.1	65.2	68.4	72.7	61.7
Net reinsurance ratio	0.3	7.3	-4.0	5.1	-4.7	3.4	-1.7	9.3	5.0	7.1
Claims ratio, net of reinsurance	56.2	64.6	61.8	66.5	65.7	64.5	63.5	77.8	77.7	68.9
Gross expense ratio	16.9	15.3	15.3	15.9	16.4	15.1	16.0	16.5	19.4	15.5
Combined ratio	**73.1**	**79.9**	**77.2**	**82.3**	**82.0**	**79.6**	**79.4**	**94.3**	**97.1**	**84.4**
Combined ratio exclusive of run-off	77.5	84.0	80.8	83.9	87.5	83.6	86.0	86.7	97.4	86.6
Corporate										
Insurance revenue	**879**	**865**	**844**	**914**	**904**	**917**	**934**	**876**	**854**	**870**
Insurance service result	**41**	**172**	**131**	**246**	**30**	**54**	**289**	**-95**	**-49**	**20**
Key ratios										
Gross claims ratio	69.0	54.6	116.7	42.0	75.0	74.4	51.4	100.8	91.6	78.4
Net reinsurance ratio	14.3	12.1	-44.8	19.9	6.6	7.4	6.5	-1.3	0.5	7.8
Claims ratio, net of reinsurance	83.3	66.8	71.9	61.9	81.5	81.9	57.9	99.6	92.1	86.2
Gross expense ratio	12.1	13.3	12.6	11.2	15.1	12.2	11.2	11.3	13.7	11.5
Combined ratio	**95.4**	**80.1**	**84.4**	**73.1**	**96.6**	**94.1**	**69.1**	**110.8**	**105.8**	**97.7**
Combined ratio exclusive of run-off	105.9	93.9	106.2	86.4	95.9	101.2	86.0	101.8	102.7	93.5

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

Q4 2023 Quarterly outline

DKKm	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Other [a]										
Insurance revenue	**411**	**447**	**521**	**610**	**749**	**1,010**	**1,792**	**0**	**0**	**0**
Insurance service result	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Tryg total										
Insurance revenue	**9,808**	**9,797**	**9,722**	**9,799**	**9,969**	**10,555**	**11,273**	**6,569**	**6,441**	**6,452**
Insurance service result	**1,654**	**1,513**	**1,759**	**1,474**	**1,472**	**1,785**	**2,021**	**358**	**700**	**872**
Investment return	146	265	53	167	549	-203	-948	161	958	630
Other income and costs	-411	-553	-583	-455	-644	-618	-566	-315	-200	-301
Profit/loss before tax	1,389	1,225	1,229	1,187	1,377	964	507	204	1,458	1,201
Tax	-258	-311	-307	-302	-296	-336	-77	-95	-85	-165
Profit/loss	1,129	914	922	885	1,081	628	430	109	1,370	1,037
Key ratios										
Gross claims ratio	66.4	66.6	72.7	66.5	69.0	66.2	64.3	78.2	74.1	69.8
Net reinsurance ratio	2.4	3.9	-5.0	4.2	1.3	1.6	1.1	3.0	2.1	3.7
Claims ratio, net of reinsurance	68.9	70.5	67.6	70.7	70.3	67.8	65.4	81.2	76.2	73.4
Gross expense ratio	13.5	13.3	13.3	13.3	13.8	13.5	13.3	13.3	12.9	13.0
Combined ratio	**82.4**	**83.8**	**80.9**	**84.0**	**84.0**	**81.3**	**78.7**	**94.6**	**89.1**	**86.5**
Combined ratio exclusive of run-off	85.4	87.1	84.1	86.2	86.1	84.2	83.0	92.6	90.3	87.7

a) Amounts relating to Trygg-Hansa and Codan Norway acquisitions. Please refer to note 4 and Accounting policies

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

Q4 2023 Quarterly outline

DKKm	Q4 2023	Q4 2022
Danish general insurance		
Insurance revenue	**4,434**	**4,115**
Insurance service result	**761**	**517**
Run-off gains/losses, net of reinsurance	55	25
Key ratios		
Gross claims ratio	69.1	74.7
Net reinsurance ratio	1.1	0.0
Claims ratio, net of reinsurance	70.2	74.6
Gross expense ratio	12.6	12.8
Combined ratio	**82.8**	**87.4**
Run-off, net of reinsurance (%)	-1.2	-0.6
Number of full-time employees, end of period	3,423	3,345

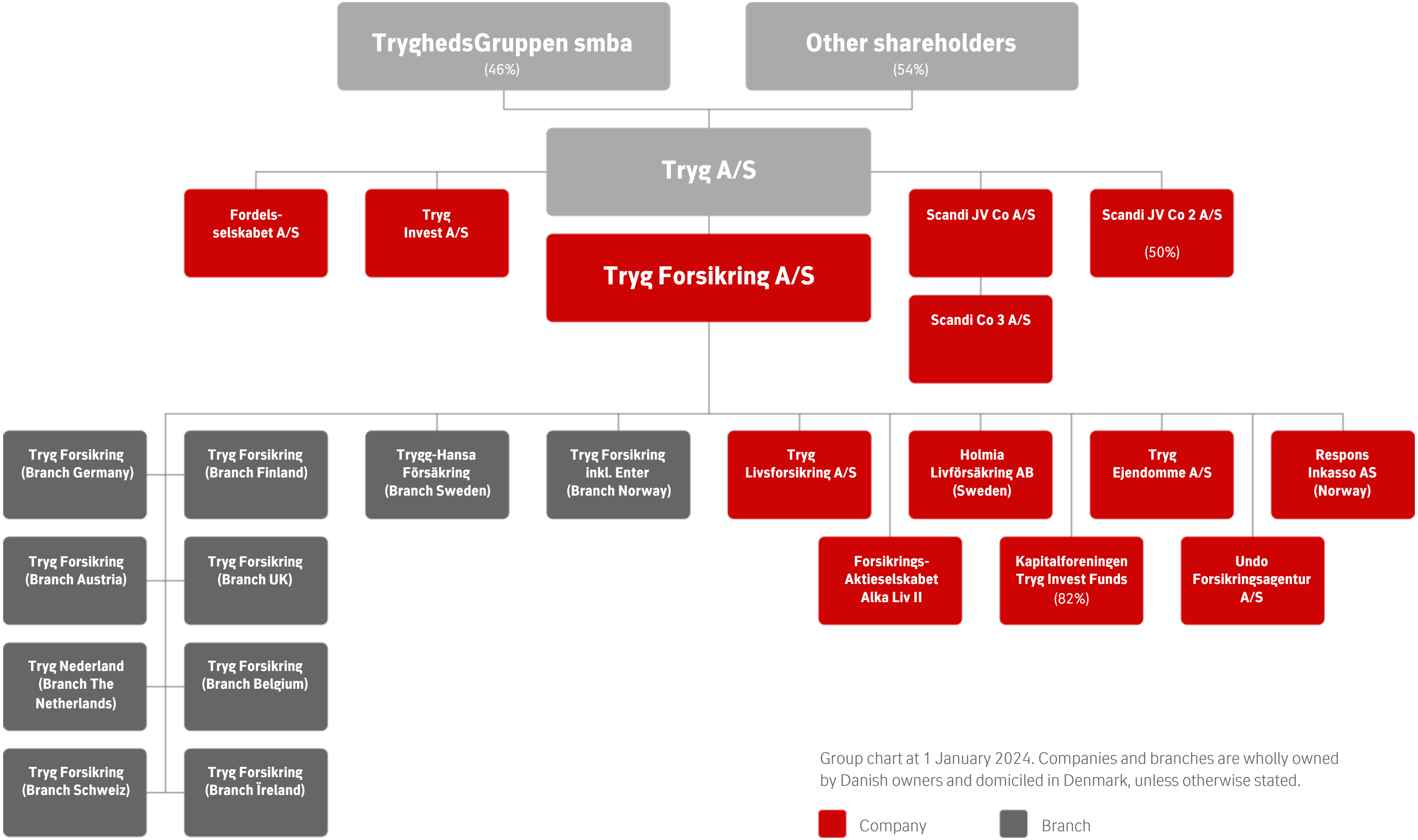
DKKm	Q4 2023	Q4 2022
Norwegian general insurance		
NOK/DKK, average rate for the period	64.25	71.66
Insurance revenue	**2,014**	**2,137**
Insurance service result	**96**	**278**
Run-off gains/losses, net of reinsurance	56	96
Key ratios		
Gross claims ratio	75.2	63.8
Net reinsurance ratio	6.5	8.3
Claims ratio, net of reinsurance	81.7	72.2
Gross expense ratio	13.6	14.8
Combined ratio	**95.2**	**87.0**
Run-off, net of reinsurance (%)	-2.8	-4.5
Number of full-time employees, end of period	1,350	1,344

Q4 2023 Quarterly outline

DKKm	Q4 2023	Q4 2022
Swedish general insurance		
SEK/DKK, average rate for the period	64.33	68.18
Insurance revenue	**2,875**	**2,911**
Insurance service result	**790**	**687**
Run-off gains/losses, net of reinsurance	166	70
Key ratios		
Gross claims ratio	56.9	61.7
Net reinsurance ratio	0.8	0.4
Claims ratio, net of reinsurance	57.7	62.1
Gross expense ratio	14.8	14.3
Combined ratio	**72.5**	**76.4**
Run-off, net of reinsurance (%)	-5.8	-2.4
Number of full-time employees, end of period	1,973	1,781
Other European countries a)		
Insurance revenue	**74**	**56**
Insurance service result	**7**	**-10**
Run-off gains/losses, net of reinsurance	4	2
Number of full-time employees, end of period	59	49

DKKm	Q4 2023	Q4 2022
Other b)		
Insurance revenue	**411**	**749**
Insurance service expenses	-411	-749
Insurance service result	**0**	**0**
Tryg (total)		
Insurance revenue	**9,808**	**9,969**
Insurance service result	**1,654**	**1,472**
Investment return	146	549
Other income and costs	-411	-644
Profit/loss before tax	1,389	1,377
Run-off gains/losses, net of reinsurance	281	192
Key ratios		
Gross claims ratio	66.4	69.0
Net reinsurance ratio	2.4	1.3
Claims ratio, net of reinsurance	68.9	70.3
Gross expense ratio	13.5	13.8
Combined ratio	**82.4**	**84.0**
Run-off, net of reinsurance (%)	-3.0	-2.1
Number of full-time employees, end of period	6,805	6,518

Group chart



Group chart at 1 January 2024. Companies and branches are wholly owned by Danish owners and domiciled in Denmark, unless otherwise stated.

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 reinsurance
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

$$\frac{\text{Diluted earnings from continuing business after tax}}{\text{Diluted average number of shares}}$$

Gross claims ratio

$$\frac{\text{Gross claims x 100}}{\text{Insurance revenue}}$$

Gross expense ratio without adjustment

$$\frac{\text{Gross insurance operating costs x 100}}{\text{Insurance revenue}}$$

Insurance revenue
Calculated as insurance revenue adjusted for change in gross premium provisions.

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

$$\frac{\text{Net expense from reinsurance contracts x 100}}{\text{Insurance revenue}}$$

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

Other insurance
Comprises Finnish, Dutch, Austrian, Swiss, Belgian, German, United Kingdom and credit & surety insurance and amounts relating to one-off items and reclassification relating to business combinations, from RSA Scandinavia transaction.

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

Price/Earnings

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

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 is the regulatory framework that the Group operates under.

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 insurance revenue

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 investment return in the income statement.

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.

$$\frac{\text{Large claims, net of reinsurance}}{\text{Insurance revenue}}$$

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.

$$\frac{\text{Weather claims, net of reinsurance}}{\text{Insurance revenue}}$$

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

$$\frac{\text{Run-off, net of reinsurance}}{\text{Insurance revenue}}$$

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:

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

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

Disclaimer

Certain statements in this financial 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 financial 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 Annual report 2023 in the chapter of Capital and risk management on **page 32,** and in Note 1 on **page 108** for a description of some of the factors which may affect the Group's performance or the insurance industry.