Annual report 2021

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

Tryg

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

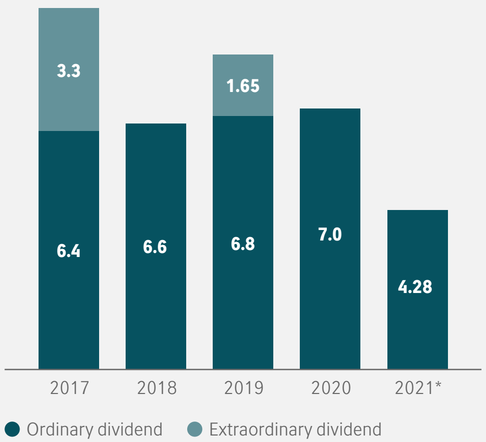
Contents

Management's review

Financial statements

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

Shareholder remuneration
(DKK per share)



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

Highlights 2021

Financial 2021

4.9%
Premium growth in local currencies (6.4% ex bonus and premiums rebates)
2020: 7.0%

3,709m
Technical retult (DKK)
2020: 3,495m

0.8
Group underlying claims ratio improvements percentage points
2020: 0.6

14.1
Expense ratio
2020: 14.1

84.5
Combined ratio
2020: 84.5

837m
Tryg's stand-alone investment return (DKK)
2020: 311m

1,206m
Income from RSA Scandinavia (DKK)
2020: 0m

1,008m
Total investment return (DKK)
2020: 311m

4,093m
Profit before tax (DKK)
2020: 3,541m

3,158m
Profit/loss (DKK)
2020: 2,773m

4.28
Dividend per share (DKK)
2020: 7.00

188
Solvency ratio
2020: 183

Financial Q4 2021

2.6%
Premium growth in local currencies (5.1% ex bonus and premiums rebates)
Q4 2020: 7.4%

826
Technical result (DKK)
Q4 2020: 780m

0.8
Group underlying claims ratio improvements percentage points
2020: 0.6

14.0
Expense ratio
Q4 2020: 14.0

86.2
Combined ratio
Q4 2020: 86.3

373m
Tryg's stand-alone investment return (DKK)
Q4 2020: 513m

568m
Income from RSA Scandinavia (DKK)
Q4 2020: 0

941m
Total investment return (DKK)
Q4 2020: 513m

1,596m
Profit before tax (DKK)
Q4 2020: 1,223m

1,370m
Profit/loss (DKK)
Q4 2020: 1,038m

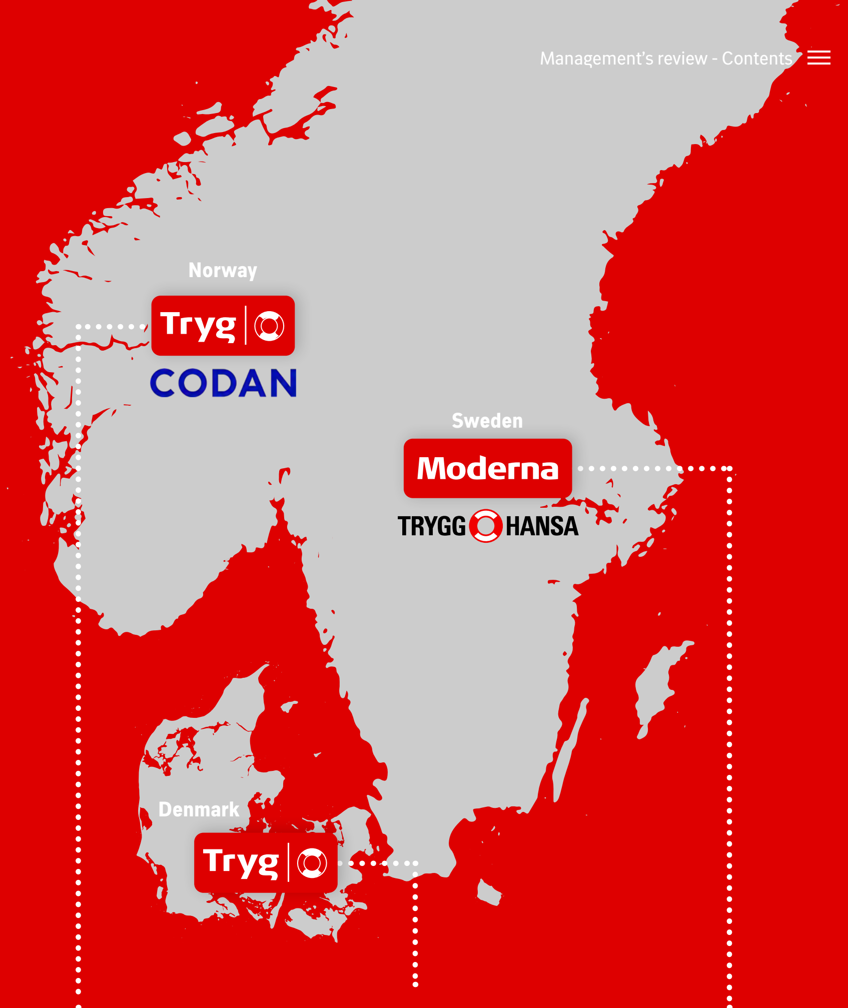
1.07
Dividend per share (DKK)
Q4 2020: 1.75

188
Solvency ratio
Q4 2020: 183

Premium growth of 4.9% (7.0% in 2020) was reported for FY 2021 driven primarily by the Private and Commercial segments. Growth excluding bonus and premiums rebates was 6.4%. Technical result of DKK 3,709m (DKK 3,495m) impacted positively by the underlying claims development, a DKK 333m Alka synergies and lower than normal large and weather claims. Investment income of DKK 1,008m primarily impacted by positive capital markets developments driven mainly by equities and properties returns. Overall pre-tax profit was DKK 4,093m (DKK 3,541m). Quarterly dividend of 1.07 per share, bringing the total dividend for the full year to 4.28 per share, generally supporting TryghedsGruppen's member bonus. Solvency ratio of 188.

Tryg at a glance

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



	Norway	Denmark	Sweden
Market position	3	1	3
Market share	15.2%	22.7%	16.9%

Strong market position

Tryg is the largest non-life insurer in Scandinavia with a top 3 market position across Denmark, Norway and Sweden.

4 million customers

Our 4,700 employees provide peace of mind for 4 million customers and handle approximately 1 million claims on a yearly basis.

Attractive dividend policy

We aim to distribute a nominal, stable increase in dividend and to pay out 60-90% of our profit.

Broad diversity of products

We offer a broad range of insurance products for private individuals as well as businesses.

Trygheds-Gruppen

TryghedsGruppen owns 45% of Tryg and contributes to projects that create peace of mind via TrygFonden. In 2021, TrygFonden has contributed up to DKK 650m.

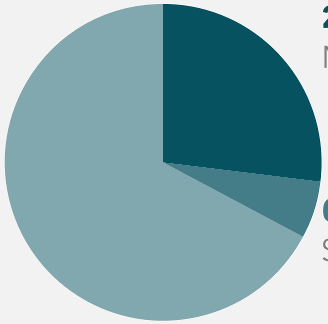
Read more about our history at tryg.com

*** 'Tryg' means feeling protected and cared for.**

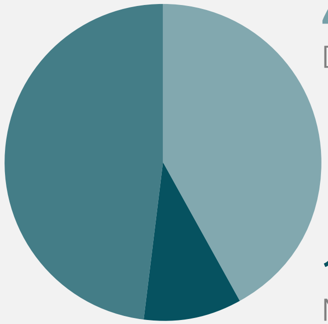
Financial impact of the RSA Scandinavia acquisition

Tryg is the largest non-life insurer in Scandinavia and #3 insurer across all Scandinavian countries

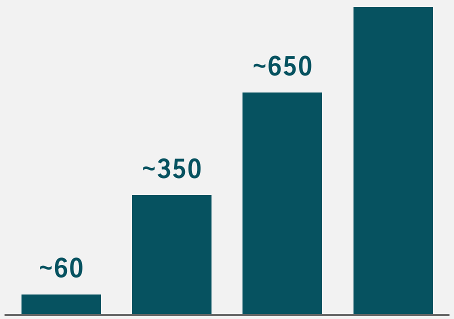
Tryg technical result pre-acquisition, Five-year avg., %[1]



Tryg technical result post-acquisition, Pro-forma, %[2]



Synergies to be realised (DKKm)



Expected deal returns

~7
ROI

EPS
High-teens EPS accretion in 2023

Sweden

~17%
Market share (Pro-forma)

Norway

~16%
Market share (Pro-forma)

Denmark

#1
Remain #1 player

[1] Five-year average, 2015-2019
[2] Pro-forma technical result based on reported five-year historical average contribution by country for Tryg and Denmark, Sweden, Norway, plus estimated transaction synergies by country

Source: Investor Presentation: Recommended Offer for RSA Insurance Group plc (available on tryg.com)

Business areas

Private

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

57% of premiums

1,355 employees [2]

Distribution channels

Own sales agents • Call centres • Real estate agents • Internet • Car dealers • Franchises

Brands

Commercial

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

22% of premiums

640 employees [2]

Distribution channels

Call centres • Internet • Own sales agents • Franchise offices

Brands

Corporate

Corporate provides insurance products including property, liability, workers' compensation, transport, group life etc. to corporate customers under the brand Tryg in Denmark and Norway, and Mod-erna in Sweden. Tryg is part of the global AXA Corporate solutions network.

14% of premiums

222 employees [2]

Distribution channels

Own sales agents • Insurance brokers

Brands

Sweden[1]

Sweden provides insurance products to private individuals within car, house, pet, child, boat and accident insurance etc.

7% of premiums

314 employees [2]

Distribution channels

Own sales agents • Call centres • Internet

Brands

[1] Sweden is excluding Trygg-Hansa

[2] Employee numbers do not include shared service units such as IT, Finance etc. and claims departments

Income overview

DKKm	Q4 2021	Q4 2020	2021	2020	2019	2018	2017
Gross premium income	**6,041**	**5,744**	**24,137**	**22,653**	**21,741**	**18,740**	**17,963**
Gross claims	-4,229	-3,963	-16,275	-15,437	-14,857	-12,636	-11,865
Total insurance operating costs	-847	-806	-3,394	-3,202	-3,081	-2,704	-2,516
Profit/loss on gross business	966	975	4,468	4,014	3,803	3,400	3,582
Profit/loss on ceded business	-135	-187	-731	-499	-566	-624	-779
Insurance technical interest, net of reinsurance	-5	-7	-29	-20	1	-10	-14
Technical result	**826**	**780**	**3,709**	**3,495**	**3,237**	**2,766**	**2,789**
Income from RSA Scandinavia [a]	568	0	1,206	0	0	0	0
Currency hedge related to RSA Scandinavia	0	0	-1,035	0	0	0	0
Tryg stand-alone Investment return	373	513	837	311	579	-332	527
Investment return after insurance technical interest	**941**	**513**	**1,008**	**311**	**579**	**-332**	**527**
Other income and costs	-171	-70	-624	-265	-188	-172	-77
Profit/loss before tax	**1,596**	**1,223**	**4,093**	**3,541**	**3,628**	**2,262**	**3,239**
Tax	-223	-185	-932	-768	-783	-529	-720
Profit/loss on continuing business	**1,373**	1,038	3,161	2,773	2,845	1,733	2,519
Profit/loss onsiscontinued and divested business after tax	-3	0	-3	0	-2	-2	-2
Profit/loss	**1,370**	**1,038**	**3,158**	**2,773**	**2,843**	**1,731**	**2,517**
Run-off gains/losses, net of reinsurance	232	314	963	1,145	1,194	1,221	972
Key figures							
Total equity	49,008	12,264	49,008	12,264	12,085	11,334	12,616
Return on equity after tax (%) [b]	18.0	34.2	7.8	22.5	24.6	14.9	28.8
Return on own funds (%) [c]	40.0	48.9	23.0	32.6	35.1	16.3	21.9
Return on tangible equity (%) [c]	37.5	80.0	16.1	55.4	62.5	21.2	31.0
Number of shares 31 December (1,000)	653,447	301,750	653,447	301,750	301,750	301,743	301,945
Earnings per share (DKK)	2.10	3.44	5.51	9.19	9.42	5.73	9.12
Operating earnings per share (DKK) [d]	2.14	3.53	5.70	9.54	9.82	5.84	9.12
Net asset value per share (DKK			75.00	40.64	40.05	37.56	41.78
Ordinary dividend per share (DKK)	1.07	1.75	4.28	7.00	6.80	6.60	6.40
Extraordinary dividend per share (DKK)			0.00	0.00	1.65	0.00	3.31
Premium growth in local currencies	2.6	7.4	4.9	7.0	17.1	6.3	1.7
Gross claims ratio	70.0	69.0	67.4	68.1	68.3	67.4	66.1
Net reinsurance ratio	2.2	3.3	3.0	2.2	2.6	3.3	4.3
Claims ratio, net of ceded business	72.2	72.3	70.5	70.3	70.9	70.7	70.4
Gross expense ratio	14.0	14.0	14.1	14.1	14.2	14.4	14.0
Combined ratio	**86.2**	**86.3**	**84.5**	**84.5**	**85.1**	**85.1**	**84.4**
Run-off, net of reinsurance (%)	-3.8	-5.5	-4.0	-5.1	-5.5	-6.5	-5.4
Large claims, net of reinsurance (%)	2.7	3.5	1.8	2.2	2.1	2.6	1.4
Weather claims, net of reinsurance (%)	2.0	2.6	1.9	1.6	1.9	2.0	1.7
Discounting (%)	0.7	0.2	0.5	0.2	0.7	1.0	1.0
COVID-19 claims, net of reinsurance (%)	0.0	-0.9	-0.5	-0.8	0.0	0.0	0.0
Combined ratio on business areas							
Private	82.2	83.3	83.7	83.9	83.7	81.6	82.1
Commercial	91.9	85.7	83.8	83.3	86.8	80.3	82.6
Corporate	95.7	103.7	89.4	88.0	87.6	95.6	90.0
Sweden	81.7	75.5	83.6	83.2	84.8	86.0	88.1

a) Tryg's acquisition of RSA Scandinavia impacts the Financial Statements from 1 June 2021 (date of closing) **b)** ROE is calculated as Profit for the year after tax divided by the weighted average equity (as prescribed by the Danish FSA) **c)** Definition to be found in Glossary/APM on page 128 **d)** Adjusted for depreciation on intangible assets related to Brands and Customer relations after tax

How to read this annual report

Tryg started to include the RSA acquisition in its accounts as of 1 June 2021. The RSA assets are "equity-accounted" from 1 June until the end of 2021 therefore a total of seven months.

The "equity accounting" in 2021 means that Tryg is showing the net profit contribution from the RSA assets for the period as "income from RSA Scandinavia", this item is booked into the overall investment result and totalled **DKK 1,206m** for the full year.

Additionally, the investment result is also impacted by the one-off cost of the currency hedge that Tryg entered at the time of the acquisition, this totalled **DKK -1,035m** for the full year.

Tryg's stand-alone investment result has been reported separately to clearly distinguish the different lines, this totalled **DKK 837m** for the full year.

Tryg expects to fully consolidate Codan Norway and Trygg-Hansa during Q2 2022. More details on the operational performance of Codan Norway and Trygg-Hansa can be found in the report on page 24.

For Q4, the income from RSA Scandinavia totalled DKK 568m while Tryg's stand-alone investment return was DKK 373m. The total investment income was therefore DKK 941m.

Creating the largest non-life insurer in Scandinavia and positive developments in all business segments

Introduction by Chairman & Group CEO

The largest non-life insurer in Scandinavia
In November 2020, Tryg made a recommended cash offer together with the Canadian insurer Intact Financial Corporation to acquire RSA Insurance Group PLC. During the spring of 2021, shareholders of all companies and all regulatory bodies approved the transaction. Tryg has taken over RSA's Swedish and Norwegian business and co-owns RSA's Danish business on a 50/50 economic basis. The transaction has made Tryg the largest non-life insurer in Scandinavia and created a much more balanced group with a strong footprint in Denmark, Norway and Sweden.

We are very happy that we can now look back on a highly successful process that involved raising capital through the largest ever Danish rights issue of DKK 37bn, and the sale of the co-owned RSA Danish business to Alm. Brand for a very satisfactory price. We are also pleased to see that we have already had good results from the acquired business in 2021 and that the integration and synergies are following our ambitious plans.

Positive developments in all areas
Tryg reported a technical result of DKK 3,709m, which should be seen against the guidance given at the beginning of 2021 of DKK 3.3-3.7bn (guidance was changed to DKK 3.5-3.8bn in H1), so the result was at the upper end of this range. The result was helped by a lower level of weather and large claims, but also positively impacted by strong organic growth and improved underlying profitability.

In 2021, Tryg developed very positively in all areas. Our most profitable segment, the Private business, continued to exhibit strong growth and high profitability. In Commercial, we saw improved profitability with strong growth, while in Corporate we saw improved underlying profitability in all main markets based on continued pricing initiatives.

Strong and profitable growth supported by high customer satisfaction
In both Private and Commercial, we are very satisfied with the strong and profitable growth. Tryg has a very strong focus on customers and we are pleased to see an increase in customer satisfaction from 84 at the end of 2020 to 85 at the end of 2021. This development was also supported by a general improvement in the retention rate and a net inflow of customers.

Introducing new, ambitious financial targets at our Capital Markets Day
Tryg hosted a Capital Markets Day in London on 16 November 2021 and presented new targets under the headline "Growing a successful core while shaping the future". The key message was that Tryg is targeting its highest ever technical result at DKK 7.0-7.4 bn in 2024, to be achieved through continued growth in the successful existing business, synergies from the RSA transaction and by continuing to develop new products and services. Tryg also communicated ambitious targets for customer satisfaction and corporate responsibility.

The ambitious technical result target was the foundation for keeping the strong shareholders' remuneration focus unchanged, Tryg expects to return a total DKK 17-19bn to its owners between 2022 and 2024, split between DKK 12-14bn in ordinary dividends and a previously announced share buyback programme of DKK 5bn following the closing of the sale of the co-owned RSA Danish business to Alm. Brand.

Another year with COVID-19
COVID-19 has continued to impact the world's economic trends and societies in general via restrictions and lockdowns. From a business perspective, Tryg's figures were particularly impacted at the beginning of the year, with lower than normal claims frequencies in travel and motor insurance. Towards the end of 2021, the impact was very limited despite the outbreak of the Omicron variant. COVID-19 led to changing ways of working, with more remote work and a increased number of virtual meetings. Despite this, Tryg managed to improve customer satisfaction and maintained a high level of sales.

Thanks to all employees
2021 was another very challenging year for all Tryg employees as a result of the COVID-19 pandemic but also due to the acquisition of RSA's Scandinavian activities. We are very proud that we managed to strongly develop the existing business and significantly improved Tryg's strategic position by closing a very important acquisition. The Supervisory Board and the Executive Board would like to thank all employees for their great efforts and to welcome our many new employees in Sweden and Norway following the Codan Norway and Trygg-Hansa acquisition.

JUKKA PERTOLA
Chairman

MORTEN HÜBBE
Group CEO

"

Tryg has a strong focus on shareholders and expects to pay a total of DKK 17-19bn to its owners between 2022 and 2024.

Events in 2021

Group

Rights issue of DKK 37bn to finance the acquisition of Trygg-Hansa, Codan Norway and 50% of Codan Denmark

On 1 March 2021, Tryg announced the launch of a rights issue to finance the acquisition of Trygg-Hansa in Sweden, Codan in Norway and 50% of Codan in Denmark. Tryg experienced strong support, with almost full take-up and 99.7% of shares subscribed to by existing shareholders or other investors through the exercise, which was also the largest rights issue ever in Denmark and one of the largest in Europe.

Tryg and Intact complete RSA acquisition

On 1 June, Tryg completed the acquisition of RSA Insurance Group plc together with the Canadian insurer Intact. Following the completion of the acquisition, Tryg and Intact initiated the separation of the RSA business, providing Tryg with the ownership of Trygg-Hansa, Codan Norway and a 50/50 economic ownership of Codan Denmark. Following the acquisition of Codan in Norway and Trygg-Hansa in Sweden, Tryg has become the largest non-life insurance company in Scandinavia.

Sale of Codan Denmark

On 11 June, Tryg and Intact entered into a conditional share purchase agreement for the sale of Codan Denmark to Alm. Brand for approximately DKK 12.6bn. The sale of Codan Denmark is expected to be completed in H1 2022. As a result of this transaction, Tryg announced that an expected share buyback of DKK 5bn will be initiated after the completion of the sale.

Capital Markets Day

On 16 November, Tryg hosted its Capital Markets Day in London to launch the new strategic plan, "Growing a successful core while shaping the future", and set new, ambitious, financial targets for 2024. Tryg targets a technical result of between DKK 7.0 and DKK 7.4bn, a combined ratio at or below 82, and an expense ratio that remains around 14. Tryg also introduced a new profitability target - return on own funds (ROOF), which is set at or above 25% in 2024.

Denmark

Private and Commercial exceed expectations

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

TryghedsGruppen's member bonus

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

Alka Mobil

At the beginning of 2021, Alka started a new mobile phone subscription company in Denmark called 'Alka Mobil'. Alka Mobil offers attractive prices and other loyalty benefits for customers in Alka and members of the unions that co-operate with Alka, equivalent to 2.5 million Danes. In October, the Danish Consumer Council, Tænk, named Alka Mobil best in test amongst 160 different mobile subscriptions.

Tryg Business

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

Events in 2021

Norway

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

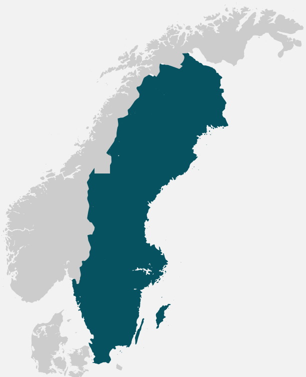
Re-use of car parts
As a part of its Corporate Responsibility strategy, Tryg has encouraged its network of suppliers to increase the use of used parts in car repairs. By the end of 2021, the efforts meant that at least 10 per cent of all damage repairs included at least one used part.

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

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

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

Sweden



In this section, events in Sweden relate to Tryg's Moderna business and not to events in Trygg-Hansa in 2021.

Moderna hits historical highs
Moderna breaks records in customer satisfaction. The customer satisfaction score hit an all-time high in Q3 within claims, up 69% compared to 2020. Insight-driven investments in Self-service functionality lifted My Pages from last place to joint first place in the Swedish market during the year, and a number of technical applications were launched, such as Swish and Fraud detection.

In addition, the strength of the Moderna brand is at a historically high level. Helped awareness has increased 17% since 2020, Spontaneous awareness 40% and Consideration 10%.

Integration
In 2021, Moderna, together with Trygg-Hansa, succeeded in reaching many important integration milestones. For example, a number of important decisions were made and communicated during the autumn as to which core IT system will be used and migrated, what brands are to be kept and what the future management team will look like. As the next step in designing the new organisation, organisational levels below the country management team will be presented at the end of February 2022. Focus on designing the future organisation is one of the main priorities in 2022 as well as getting to know one another better.

There is no doubt that employees in both Moderna and Trygg-Hansa feel a strong commitment to the integration, as the results from several pulse surveys are very positive.

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

Financial outlook

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

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

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

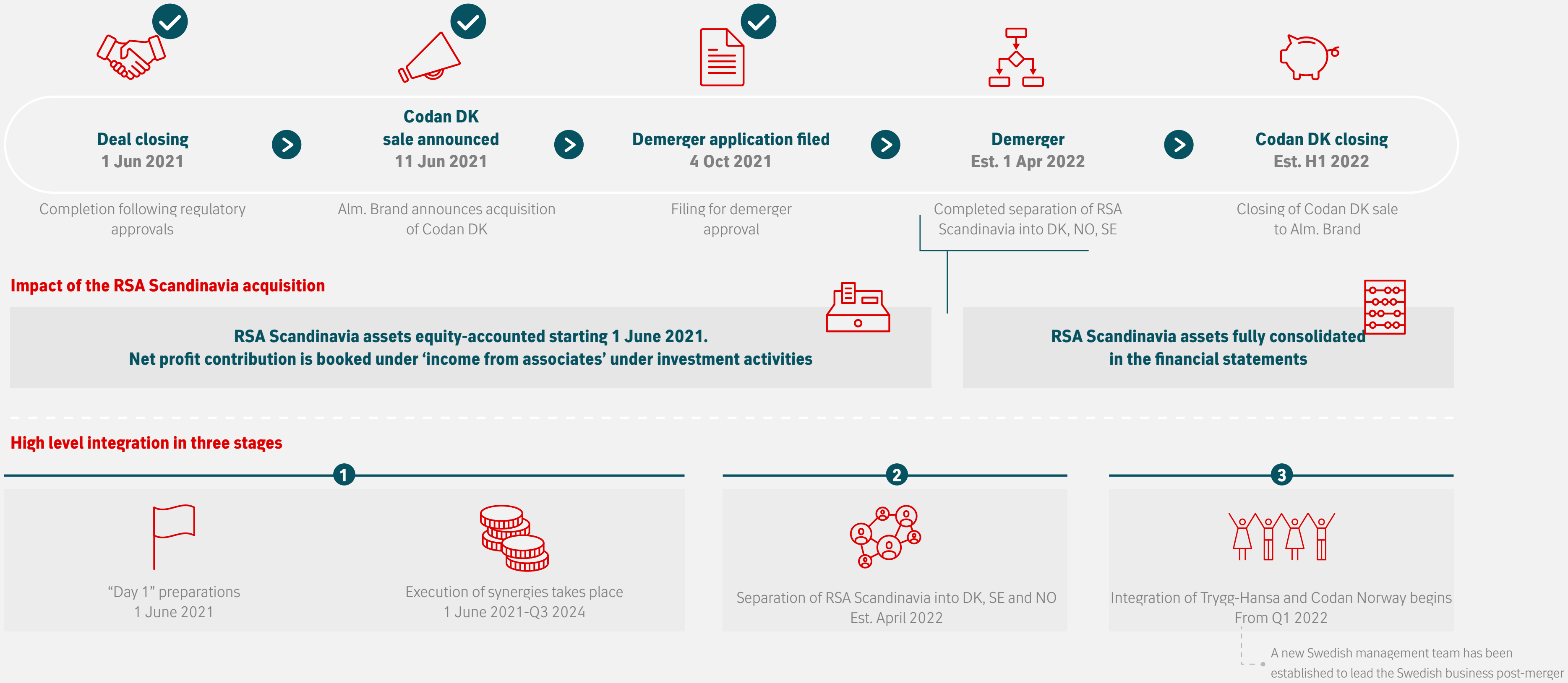
The Scandinavian countries continue to do relatively well compared to most European countries. Relatively high vaccination rates (helped by a high level of trust in public authorities), solid overall public finances and relatively low unemployment rates are strong competitive advantages, especially in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

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

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

Tryg's reserves position remains strong. At the Capital Markets Day in November 2021, it was disclosed that run-off gains are expected to be between 3% and 5% in 2024. Tryg's systematic

RSA Scandinavia acquisition is on track



claims reserving approach still includes a margin of approximately 3% at best estimate.

In 2022, weather claims net of reinsurance and large claims are expected to total DKK 600m and DKK 550m for Tryg stand-alone. Updated amounts that include Codan Norway and Trygg-Hansa will be published in spring 2022 together with re-stated figures for the enlarged group.

The investment portfolio is divided into a match portfolio corresponding to the technical provisions, and a free portfolio. The objective is for the return on the match portfolio to be approximately zero, as capital gains and losses on the assets side should be mirrored by corresponding developments on the liabilities side. The free portfolio is invested in different asset classes with a view to obtaining the best risk-adjusted return. The return on bonds in the free portfolio (slightly above 60% of the free portfolio) will vary, but given current interest rate levels, a low return is expected. For shares, the expected return is around 7% with the MSCI World Index as a benchmark, while the expected return on property is around 5%. Investment return in the P&L also includes the cost of managing investments, the cost of currency hedges, interest expenses on subordinated loans and other minor items.

In the past few years, corporate tax rates have been lowered throughout Scandinavia. In Denmark, the rate will remain at 22% in 2022, while it is at 25% in Norway and 21% in Sweden. Capital gains and losses on equities are not taxed in Norway, which reduces the expected tax payable for an average year to 21-23%.

Tryg hosted a Capital Markets Day in London in November 2021 to launch the new strategy and updated financial targets for the new group including Codan Norway and Trygg-Hansa. Tryg is targeting a technical result in 2024 between DKK 7.0 and 7.4bn driven by a combined ratio at or below 82 and an expense ratio around 14. The overall technical result target is underpinned by DKK 900m in synergies from the Codan Norway and Trygg-Hansa acquisition. Tryg also introduced a new profitability measure, return on own funds (ROOF), which is targeted at or above 25%, also in 2024.

2022 outlook

For 2021, Tryg extraordinarily published an annual earnings guidance, as the previous strategy period (and related financial targets) ended in 2020 but Tryg decided to postpone its Capital Markets Day by one year from November 2020 to November 2021, driven by the process for the acquisition of Codan Norway and Trygg-Hansa. Tryg hosted a Capital Markets Day in November 2021, launching new financial targets for the enlarged group for 2024. Tryg will therefore not publish a detailed annual earnings guidance going forward but will refer to the 2024 financial targets presented at the most recent Capital Markets Day, which is in line with previous financial communication.

In the first quarter of 2022, Codan Norway, Trygg-Hansa and 50% of Codan Denmark will still be reported as "equity accounting" and therefore the quarterly net profit will be booked in Tryg's investment result. However, Tryg expects to start a full consolidation of Codan Norway and Trygg-Hansa (post the demerger of Codan Norway and Trygg-Hansa from Codan Denmark) from Q2 2022.

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

At the time of writing the annual report it is expected that the vast majority of the remaining DKK 1.3bn (approximately) integration costs related to the Codan Norway and Trygg-Hansa acquisition will be booked in 2022 against the other income and costs line (as in 2021). More precise details will be published during the year.

At the Capital Markets Day in November, Tryg guided for an expected solvency ratio of between 195 and 205 as per Q2 2022 following the full consolidation of Codan Norway and Trygg-Hansa and the sale of Codan Denmark to Alm. Brand - the guidance is confirmed.

The overall tax rate for the FY is expected to be between 21% and 23%, as the consolidation of Trygg-Hansa's Swedish earnings will slightly reduce the tax rate considering the lower corporate tax rate in Sweden.

Financial targets 2024

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

Customer targets

≥40%	88	20-25,000
Digitalisation (% growth in value-creating actions upon login)	**Customer satisfaction**	**Corporate responsibility** (tonnes CO^2e)

Targets and strategy 2024

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

Financial targets

Tryg has hosted a Capital Markets Day in November 2024 where new financial targets were published. Tryg targets a technical result of between DKK 7.0 and 7.4bn driven by a combined ratio at or below 82. The expense ratio remains stable at around 14 as in the previous strategy period. In addition to the three financial targets, Tryg also introduced a new profitability target, return on own funds (ROOF), which is set at or above 25% by 2024. All financial targets are underpinned by the DKK 900m in synergies related to the acquisition of Codan in Norway and Trygg-Hansa.

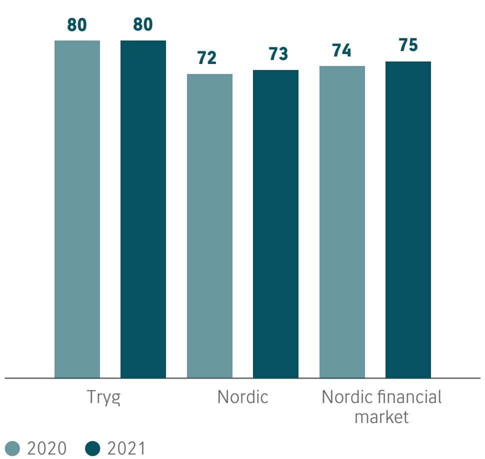
Customer targets

Tryg believes that high customer satisfaction and retention rates lead to lower distribution costs. Customer targets are therefore of high importance for realising the financial targets. Tryg has disclosed two ambitious targets relating to the customer experience.

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

Employee satisfaction

(Index)



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

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

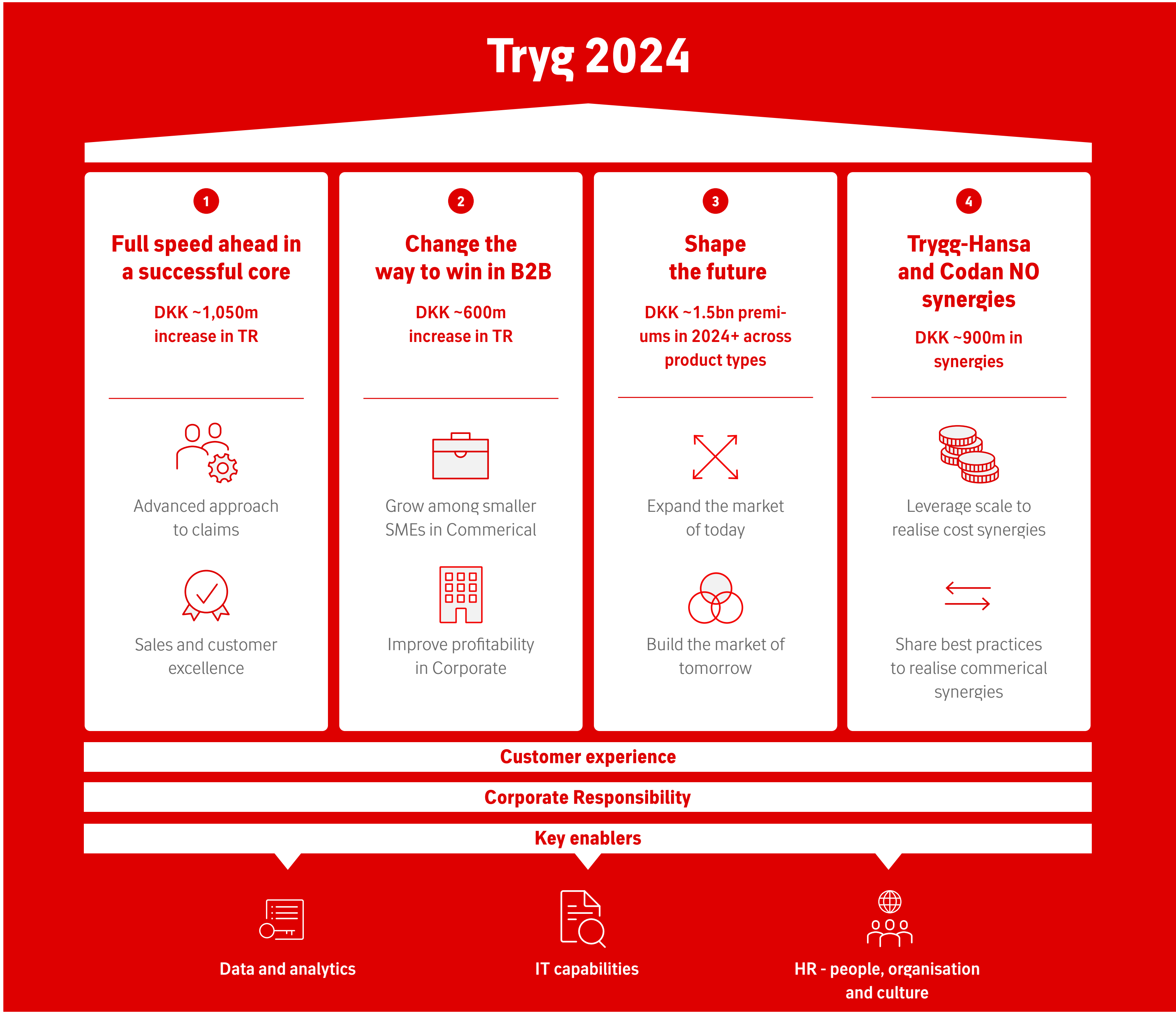
Tryg's business model

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 benefit all of Tryg's stakeholders. Via TryghedsGruppen's 45% ownership of Tryg, part of the company's profit is returned to customers, who are also members of TryghedsGruppen. Tryg's purpose is valid for all stakeholders – our customers, our employees and our shareholders.

* 'Tryg' means feeling protected and cared for

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

Tryg is also introducing a new target related to corporate responsibility. By 2024, Tryg aims to reduce carbon emissions by 20,000-25,000 tonnes in claims handling, equivalent to approximately 1,000 annual household emissions. Sustainable claims handling with initiatives within e.g. motor, property, and content claims is expected to be the main driver of reaching the sustainability target. Read more about Tryg's latest corporate responsibility initiatives on page 19.



Strategic initiatives

Tryg has defined four key strategic pillars to support both the financial and customer targets for 2024. The new strategic initiatives build upon the targets set for the previous strategy period, where Tryg had a strong track-record in terms of delivering on strategic priorities as well as the synergies relating to the acquisition of Alka. In the 2021-2024 strategy period, Tryg will continue its journey towards growing the Private and SME business while improving profitability in Corporate and the delivery of synergies relating to the acquisition of Trygg-Hansa and Codan Norway.

Full speed ahead in a successful core is the leading strategic pillar for reaching the 2024 financial targets. The target aims to increase the technical result by DKK 1,050m in 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. 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* is another key pillar to support the CMD targets and aims to increase the technical result by DKK ~600m in 2024. Small customers make up the most profitable segment. Therefore, Tryg aims to grow the Commercial business while making Corporate more profitable. This involves a 30% portfolio increase in the SME segment (0-9 employees) and aiming for a ~90% combined ratio with run-off levels around 5-7% in the Corporate segment. An increased focus on more accurate underwriting, improved segmentation to reduce risk exposure, improved sales and distribution, and new products and services will support the target of reaching DKK ~600m by 2024.

Shape the future aims to grow premiums by DKK 1,500m via new products and services by 2024+. This initiative builds on Tryg's continued focus on launching new and profitable products. In the previous strategy period, Tryg successfully launched more than 50 new products, thereby growing the topline by more than DKK 1bn in premiums. Expanding the market of today and building the market of tomorrow will support realising the target. Tryg does not see any value in defining a specific growth target, as profitability remains the key focus.

Trygg-Hansa and Codan Norway synergies are targeted towards DKK 900m by 2024. 80% of the synergies will be driven by cost synergies such as administration & distribution, procurement and claims. The remaining 20% in synergies will be derived from commercial activities, including initiatives such as up- and cross-selling and the repricing of Moderna. By utilising the experiences from the Alka acquisition, Tryg believes it will facilitate the full realisation of synergies.

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

Business initiatives

In 2021, Tryg continued to build on the foundation for customer and sales excellence established during the previous strategy period (2018-2020). Additionally, 2022 will see a strong focus on the B2B segment, and initiatives will be implemented to continue to grow the Commercial segment and increase profitability in the Corporate segment.

Private

In Private, Tryg continues to build on the strong foundation of innovative capabilities. In 2021, several new offerings were made available to Private customers, making it easier to be 'tryg'.

In 2021, Tryg Denmark established a partnership with Volvo Polestar, making Tryg the default insurer for Polestar cars in Denmark. The partnership with Volvo Polestar supports Tryg's ambition to expand the ways partnerships are formed, as the insurance is offered as a part of the Polestar digital sales flow.

Also in Denmark, a number of preventive options related to bicycling were included in content insurance to provide "tryghed" for all customers. The options include a bike lock with alarm, rear reflector bike tracker GPS, or an Alarm box to mount on the bike. In 2021, approximately 20,000 customers have bought content insurance with the option of selecting one of these preventive elements.

To ensure a healthy and profitable business, Tryg Norway has continued the focus on cross and upselling. As the distribution of the Enter car insurance has been very successful in the recent year, special focus has been given to cross-selling to Enter customers. In 2021, around 30% of all Enter customers were insured with one or more products by Tryg.

In 2021, the new company - Alka Mobil - was launched. Alka Mobil is a low-price mobile phone subscription available to all Alka customers and members of the unions with whom Alka cooperates. Approximately 2.5m people in Denmark can get an Alka Mobil subscription. With this offering, Alka seeks to deliver a solution to customers and union members that provides a tangible financial advantage.

Business-to-business (B2B)

At Tryg, a key priority has been to grow the attractive and profitable SME segment while finding the right balance between risk and price among large Corporate customers. One way of stimulating growth in the small business segment is through tailoring products to accurately cover the needs of the smaller companies in the Commercial segment. An example of this is the new health product – Behandling Enkel ('Simple Treatment') – which was launched in Norway in 2021. The product contains the most frequently used coverages. In 2021, approximately 12% of all customers chose Behandling Enkel as their health insurance.

In Denmark, a new packaged product – Tryg Business – was launched as a head start to 2021. The product seeks to reduce complexity by bundling the most relevant insurances and also incorporates prevention elements, such as annual online workplace assessments (mandatory in Denmark) and access to 'Tryg Tilbage' ('Tryg Return'), which is additional help should an employee suffer an accident. More than 16,000 customers now have Tryg Business.

In 2021, Tryg has also continued to expand the Tryg Garanti business across Europe. During the year, offices have been established in Belgium, and in Switzerland a license to operate has been acquired. Tryg Garanti now has offices in Denmark, Norway, Sweden, Finland, Germany, the Netherland, Austria, Switzerland and Belgium.

In Corporate, the focus has been on profitability. To strengthen the work around profitability, the tools and capabilities used when matching price with risk have been enhanced. In practice, this means that more data are included and utilised in the decision process.

Claims

In the Danish and Norwegian claims organisations, the implementation of a new and more effective claims handling system (Guidewire) has continued in 2021. 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 claim types, such as travel claims, are handled as "Straight Through Processing", which is a fully automated claim handling. Other, more complex claim types are automated to the extent it is possible. By the end of 2021, approximately 30% of all claims in Denmark were being handled in the new claim system and approximately 40% of all claims in Norway.

At Moderna, the digitalisation of the customer claim journey continues. The purpose is to provide Moderna customers with the best and fastest possible experience when submitting claim requests. To ensure this, Moderna has implemented Swish payments to Private customers. 50% of all customers choose to receive their claims payment via Swish.

Corporate Responsibility

In January 2021, Tryg launched its new Corporate Responsibility strategy: "Driving sustainable impact". The strategy includes supporting Tryg's customers in the green transition by offering sustainable insurance products and sustainable claims handling. In order to offer customers sustainable claims handling, Tryg will favour working with sustainable suppliers. Therefore, Tryg has started to screen suppliers for compliance and performance. Tryg will evaluate suppliers in terms of the minimum requirements described in Tryg's Supplier Code of Conduct, and will also conduct an ESG (Environmental, Social and Governance) risk screening. The screening process of suppliers has been initiated in 2021 and the target is to have screened 70-90% of Tryg's suppliers by 2024.

A specific example of a sustainability initiative is 'smart repair', where Tryg cooperates with car repair shops to reduce plastic waste by repairing bumpers instead of replacing them. Every year, Tryg/Alka pays for having approximately 30,000 bumpers replaced. In 2021, 'smart repair' has resulted in a waste reduction of 15-20 tons of plastic. To ensure the repair is attractive to suppliers, the base payment has been increased regardless of time consumption, and Tryg is also offering support to repair shops that do not have the competencies and equipment to perform the repair.

Alka acquisition has been executed successfully

In November 2018, when the acquisition of Alka was completed, Tryg disclosed a synergy target for the acquisition of DKK 300m by 2021. Synergies have been progressing well, and total synergies of DKK 333m have now been reported at the end of 2021, thus realising the synergy target. Synergies have been accumulated from a large number of initiatives focusing on revenues, costs and claims, with the bulk of synergies stemming from the latter. In total, synergies of DKK 92m stemmed from revenue, DKK 101m from costs and DKK 140m from claims.

With respect to claims, synergies are derived from continued savings from utilising Tryg's better supplier contracts e.g., for motor and buildings. Revenue synergies have been achieved by increasing the effectiveness of the distribution setup, with best practices from Tryg's sales channels applied to Alka, and from better risk assessment and more accurate tariffs. Finally, in relation to costs, synergies are derived from, e.g., savings on buildings and marketing.

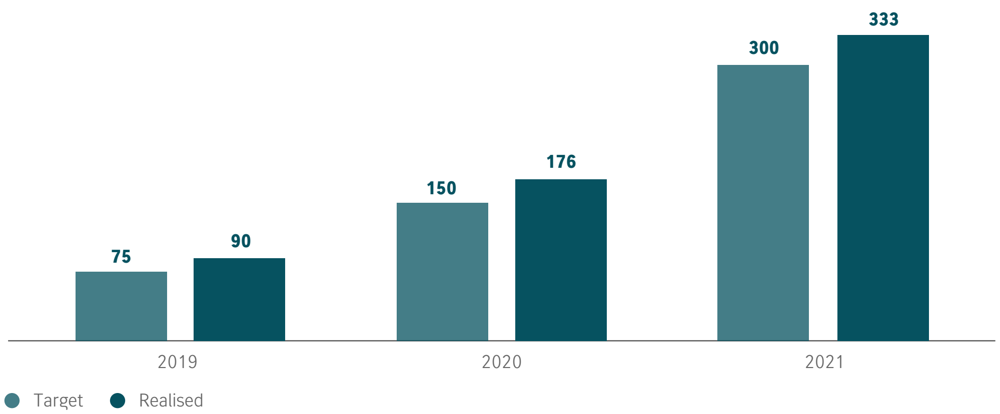
Tryg believes the Alka acquisition has been executed very successfully and by utilising some of the key learnings, Tryg has the know-how to ensure a well-executed integration of Trygg-Hansa and Codan Norway.

RSA synergies

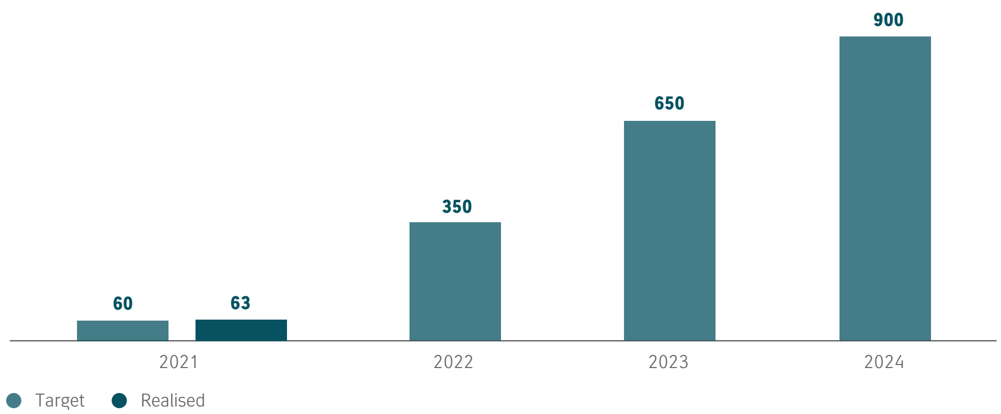
In Q4, synergies of DKK 35m were realised, thus totalling DKK 63m for 2021. Synergies have mainly been achieved through reduced RSA group charges and natural attrition. Year to date, synergies of DKK 56m related to administration and distribution, DKK 5m in synergies was linked to commercial initiatives and finally DKK 2m related to claims costs.

Tryg is working extensively towards a demerger that will separate Codan Denmark from Trygg-Hansa and Codan Norway. The separation process is currently as expected and on track. The demerger is expected to be complete on 1 April 2022.

Alka synergies
(DKKm)



RSA synergies
(DKKm)



Tryg's results

Premium growth of 4.9% (7.0%) was reported for FY 2021 driven primarily by the Private and Commercial segments. Growth excluding the bonus and premiums rebates was 6.4%. Technical result of DKK 3,709m (DKK 3,495m) impacted positively by the underlying claims development, DKK 333m in Alka synergies and lower than normal large and weather claims. Investment income of DKK 1,008m (DKK 311m) primarily impacted by positive capital markets developments driven by equities and properties returns. The overall pre-tax profit was DKK 4,093m (DKK 3,541m). Quarterly dividend of 1.07 per share, bringing the total dividend for the full year to 4.28 per share, supporting TryghedsGruppen's member bonus. Solvency ratio of 188.

Results 2021

Tryg reported a premium growth of 4.9% (6.4% excluding bonus and premiums rebates), primarily driven by good growth in the Private and Commercial segments. The Private segment was up 5.8% (8.3% excluding bonus and premiums rebates), while the Commercial segment was up 6.1%. Corporate reported a virtually flat top-line development. Tryg reported a technical result of DKK 3,709m (DKK 3,495m) that was impacted positively by the underlying claims development, full delivery of Alka synergies, lower than normal large and weather claims and slightly lower claims frequencies driven by COVID-19 developments, although with lower positive impact than in 2020. The overall technical result of DKK 3,709m should be seen against the updated guidance of H1 2021 of a technical result range between DKK 3,500m and DKK 3,800m. Tryg reported a combined ratio of 84.5 (84.5) driven by a claims ratio of 70.5 (70.3) and an expense ratio of 14.1 (14.1). Private, Commercial and Sweden reported positive top-line development, while the Corporate segment was virtually flat. The reported technical result improved markedly for Private, Commercial and Sweden, while it was slightly down for Corporate. The underlying claims ratio improved for Commercial, Corporate and Sweden, while it was flat for Private.

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

The investment result was DKK 1,008m (DKK 311m) including the income from RSA Scandinavia of DKK 1,206m, the cost of the currency hedge of DKK -1,035m and Tryg's stand-alone investment return of DKK 837m. Financial markets developed positively during 2021, with especially equities and properties posting solid returns. COVID-19 developments continue to impact the development of the financial market and have been causing heavy and concentrated sell-offs. In addition, inflation has been pointing upwards since after the summer and the central banks' narrative has been about increasing interest rates in 2021. Tryg continues to pursue a relatively low-risk investment strategy with limited equity exposure and a conservative fixed-income profile (more than 90% of fixed-income securities are Nordic covered bonds). Furthermore, it is worth remembering that Tryg marks to market both assets and liabilities (in accordance to Danish Financial Supervisory Authority rules), resulting in P&L volatility in turbulent times, while other Nordic and European insurers hold large parts of their fixed-income portfolios to maturity, or book most of their asset moves to shareholders' equity. Tryg's asset allocation remained broadly unchanged during the period.

In 2021, Tryg reported synergies of DKK 63m related to the Codan Norway and Trygg-Hansa acquisition (more details in the Business initiatives section on page 19).

Financial highlights 2021

3,709m
Technical result (DKK)
2020: 3,495m

4,093m
Profit before tax
2020: 3,541m

70.5
Claims ratio, net of reinsurance
2020: 70.3

14.1
Gross expense ratio
2020: 14.1

84.5
Combined ratio
2020: 84.5

Other income and costs totalled DKK -624m (DKK -265m), with the large increase entirely driven by the booking of integration costs related to the RSA Scandinavia acquisition totalling DKK 349m. Other income and costs include the annual depreciation of customer relations and brands (mostly related to the Alka acquisition) of DKK 136m, some holding company costs and smaller items.

The pre-tax result was DKK 4,093m (DKK 3,541m), while the net profit was DKK 3,158m (DKK 2,773m).

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

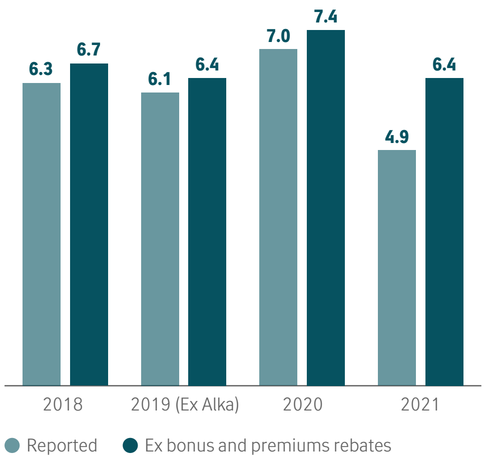
Premiums

Premium income totalled DKK 24,137m (DKK 22,653m), representing growth in local currencies of 4.9%. Growth was 6.4% after adjusting for a high bonus and premiums rebates in the Private segment. The Private segment had a strong growth of 5.8% (9.0% in 2020) and 8.3% when adjusted for bonus and premiums rebates. Growth in Private Denmark is still driven by lead-generating partner agreements and cross-selling to the existing customer base, and also the use of Tryg's own digital platforms (tryg.dk) to generate leads has increased in 2021. The semiconductor chips shortage has impacted negatively the sales of a new car in 2021. COVID-19 developments in Malaysia and other Southeast Asian countries have been impacting heavily the production of chips. Fewer new cars have been imported, this has impacted the level of Motor insurances especially in the second half of 2021 as customers have preferred to keep their old cars awaiting for their preferred models to be available. Partner agreements are attractive, as they generally display a longer customer lifetime (compared to direct private business), a higher number of products per customer and a lower expense ratio. Prices are typically slightly lower compared to direct Private business, while overall profitability is similar.

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

Group premium growth

(%)



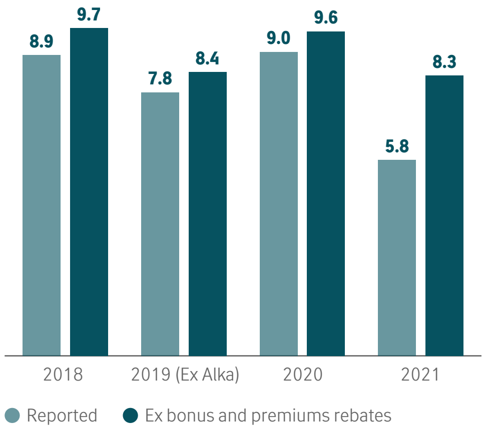
The Commercial segment in both Denmark and Norway continued to develop positively, realising growth of 6.1% (5.5%). In Commercial Denmark, Tryg saw a net inflow of customers and growth was impacted by the sale of packages and cross-selling to existing customers. In Norway, price increases were pushed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

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

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

Private premium growth

(%)



The impact of bonus and premiums rebates

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

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

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

Claims

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

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

Strong growth in the Private segment in more recent periods is having some impact on the underlying claims ratio development, as 'new' business is initially and generally is not as profitable as 'old' business. The claims ratio for new business is approximately 3% higher than the claims ratio for existing business, primarily because new customers tend to make more frequent claims under their insurance policies during the first couple of years. Meanwhile, profitability initiatives in the Corporate segment should help sustain the improvement in the Group's underlying claims ratio. Tryg continues to expect an improved underlying claims ratio for full-year 2022.

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

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

Expenses

The expense ratio was 14.1 (14.1). At the recent CMD in November 2021, Tryg repeated an expense ratio target of around 14, also in 2024. In general, Tryg has been working to reduce distribution costs, and some of the savings from these initiatives are being invested in new digital solutions. The expense ratio is also positively impacted by satisfactory growth, especially in the Private segment in recent years. This high growth impacts the costs in the sales year, as commissions are paid upfront in many distribution channels. The high growth, however, also improves economies of scale for Tryg, as the shared service units in particular are not significantly impacted by premium growth and thus support the low expense ratio level.

Investment activities

The investment return for the full year totalled DKK 1,008m (DKK 311m). The investment return includes the income from RSA Scandinavia of DKK 1,206m (equity accounting for 7 months since closing 1 June 2021), the one-off cost of the currency hedge related to the acquisition of RSA Scandinavia of DKK -1,035m, and Tryg's stand-alone investment return of DKK 837m. Tryg's stand-alone investment return was clearly above the normalised run rate, driven in particular by the equity and property asset classes. Financial markets developed favourably during 2021, though there were periods of intense volatility. After the summer, inflation started to dominate the narrative together with the more hawkish tone of the central banks. Later, a new COVID-19 variant, Omicron, spooked the markets and resulted in rapid and heavy sell-offs. COVID-19 developments remain critical for the financial markets and the broader economic recovery.

The free portfolio produced a very healthy income of DKK 1,007m (DKK585m), almost entirely driven by equities and properties, with both asset classes up around 18%. Fixed-income returns were slightly negative or close to zero in general. The total return from the free portfolio was 8.0% (5.3%).

The match portfolio reported a positive DKK 134m (DKK -19m) contribution primarily driven by decreasing spreads between Euros and Danish swap rates. Other financial income and expenses totalled DKK -304m (DKK -255m). The amount is more negative than previously guided driven primarily by the inclusion of negative interest expenses following the closing of the DKK 37bn rights issue.

Other income and costs

Other income and costs totalled DKK -624m (DKK -265m). This line includes the integration and restructuring costs related to the RSA Scandinavia transaction (DKK 349m). Additionally, depreciation of customer relations and brands (mostly related to the Alka acquisition) of DKK 136m, and finally holding company costs and other smaller items.

Profit before and after tax

Profit before tax was DKK 4,093m (DKK 3,541m), while profit after tax and discontinued activities was DKK 3,158m (DKK 2,773m). The total tax bill was DKK 932m (DKK 768m), equating to a tax rate (measured on the pre-tax result excluding the income from RSA Scandinavia) of approximately 23%, which is in line with expectations.

Dividend and solvency

The solvency ratio at the end of the year includes all figures related to RSA Scandinavia, which means that both own funds and the solvency capital requirement fully reflect the acquisition. The solvency ratio (based on Tryg's partial internal model) was 188 at year-end 2021 compared to 183 at year-end 2020. Own funds were DKK 18,559m and the solvency capital requirement was DKK 9,866m. As stated previously, both figures now include Codan Norway, Trygg-Hansa and 50% of Codan Denmark. Tryg will pay a quarterly dividend of DKK 1.07 per share on 29 January 2022 (in line with previous quarters in 2021), corresponding to approximately DKK 700m. That amount has already been deducted from the overall own funds level. Tryg's own funds predominantly consist of shareholder equity and subordinated loans. These items should be adjusted for the total amount of intangibles on the balance sheet (fully deducted in Solvency 2).

Regarding the solvency capital requirement, Tryg calculates its individual solvency capital requirement based on a partial internal model in accordance with the Danish FSA's Executive Order on Solvency and Operating Plans for Insurance Companies. The model is based on the structure of the standard model. Tryg uses an internal model to evaluate insurance risks, while other risks are calculated using standard model components. The solvency capital requirement, calculated using the partial internal model, was DKK 9,866m (DKK 4,855m at year-end 2020). The significantly higher level is explained by the acquisition of Codan Norway, Trygg-Hansa and the 50% of Codan Denmark, which significantly impacts the overall capital requirements. Tryg has previously mentioned that once the sale of Codan Denmark becomes effective, the solvency capital requirement will be approximately DKK 1bn lower, all else being equal. At the Capital Markets Day in November 2021, Tryg disclosed an expected solvency ratio of between 195 and 205 as per H1 2022. This guidance already incorporates the previously announced intended approximately DKK5bn share buyback following the closing of the sale of Codan DK - the guidance remains unchanged.

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

Tryg has recently (at its Capital Markets Day) refined its dividend policy. The company continues to target a nominal, stable increase in dividend payments on a full-year basis and the targeted pay-out ratio remains between 60% and 90%, based on operating earnings (and not reported earnings). This is driven by the fact that reported earnings will be burdened by an approximately DKK 600-800m (after tax) annual amortisation of intangible assets deriving from the Codan Norway and Trygg-Hansa acquisition. The targeted pay-out ratio is secondary to the aim of increasing the annual dividend. Tryg aims to pay DKK 12-14bn in ordinary dividends between 2022 and 2024 and has additionally unveiled an approximately DKK 5bn share buyback programme to start in H1 2022 following the closing of the sale of Codan Denmark to Alm. Brand.

Results Q4 2021

Premium growth of 2.6%, or 5.1% excluding the bonus and premiums rebates. Tryg reported a technical result of DKK 826m (DKK 780m) driven by an improved underlying claims trend and the higher than previously guided delivery of Alka synergies, while the sum of large and weather claims was below Q4 2020 and below normal expectations. The combined ratio was 86.2 (86.3) driven by a claims ratio of 72.2 (72.3) and an expense ratio of 14.0 (14.0). The underlying claims ratio was flat for the Private segment and improved 0.8 for the Group driven by profitability initiatives in Commercial and Corporate. Overall investment income was DKK 941m driven by a DKK 568m income contribution from RSA Scandinavia and Tryg's stand-alone investment results of DKK 373m. The overall pre-tax result was DKK 1,596m (DKK 1,223m), while the result after tax was DKK 1,373m (DKK 1,038m). Tryg will pay a quarterly dividend of 1.07 and reported a solvency ratio of 188.

Premiums

Premium growth was 2.6% in Q4 2021, or 5.1% after adjusting for the bonus and premiums rebates. The bonus and premiums rebates totalled DKK -400m in Q4 2021 vs DKK -240m in Q4 2020. These growth levels reflect the particularly strong profitability of Tryg's partner agreements and some, at times complex, periodisation be-

Q4 Financial highlights 2021

826m
Technical result (DKK)
Q4 2020: 780m

1,596m
Profit before tax
Q4 2020: 1,223m

72.2
Claims ratio, net of reinsurance
Q4 2020: 72.3

14.0
Gross expense ratio
Q4 2020: 14.0

86.2
Combined ratio
Q4 2020: 86.3

tween quarters. Growth in the Private segment was 3.1%, or 7.3% after adjusting for the bonus and premiums rebates, and it was predominantly in the Private Denmark segment that the bonus and premium rebates impacted the top-line. Commercial reported top-line growth of 5.1%, while Corporate showed a top line reduction of 2.5% following targeted profitability initiatives. Sweden grew 1.5% driven by price adjustments and a strong development in niche businesses Bilsport MC (vintage cars and motorbikes) and Atlantica (leisure boats).

Claims

The claims ratio (net) was 72.2 (72.3). Large claims were DKK 162m (DKK 201m) - higher than Q4 2020 and above the normalised run rate of between DKK 135 and 140m per quarter. Weather claims were DKK 122m (DKK 148m), below a normal Q4 experience when approximately 30% of the annual DKK 600m weather claims are booked. The run-off result was DKK 232m (DKK 314m) or 3.8% on the combined ratio. The underlying claims ratio was flat for the Private segment, while it improved 0.8 for the Group, driven by profitability initiatives in the Commercial and Corporate segments. COVID-19 developments had a negligible impact on the quarter, while they impacted the claims ratio by 0.9 in Q4 2020. More restrictions were put in place towards the end of December in both Norway and Denmark, but no lockdown has been re-introduced as the overall health situation is better compared to the beginning of 2020. It remains to be seen how the new restrictions will impact claims frequencies at the start of the new year.

Expenses

The reported expense ratio was 14.0 (14.0). Various initiatives aimed at lowering distribution costs are being implemented, and some of the savings from these initiatives are being invested in new digital solutions and partnerships. At the Capital Markets Day in November 2021, Tryg reiterated its expense ratio target of around 14%, also for 2024.

Investment activities

The investment return totalled DKK 941m and was the sum of the income from RSA Scandinavia (equity accounting for Q4) of DKK 568m (the primary driver was a Q4 technical result of DKK 552m) and Tryg's stand-alone investment income of DKK 373m. Capital markets developed positively in Q4, and good returns came primarily from properties (up 8.8% in the quarter) and equities (up 5.9% in the quarter). The free portfolio returned DKK 413m (DKK 513m), the match portfolio returned DKK 30m (DKK 17m), while other financial income and expenses totalled DKK -70m (DKK -17m).

Other income and costs

Other income and costs totalled DKK -171m (DKK -70m). All the integration costs from the acquisition of Codan Norway and Trygg-Hansa will be booked against the other income and costs line. In Q4, DKK 122m was booked, which is below the previous communication of DKK 300m. The difference is likely to be booked in 2022. Additionally, the amortisation of customer relations stemming from the Alka acquisition and other minor items are booked in this line.

Taxes

The total tax expense was DKK 223m (DKK 185m), resulting in a tax rate of 14.0%. The slightly lower than normal tax rate is primarily attributable to positive developments in the financial markets during the quarter.

Trygg-Hansa and Codan Norway Financial performance in FY and Q4 2021

Tryg started to include the RSA Scandinavia acquisition in its accounts as of 1 June 2021. The RSA assets are "equity-accounted" from 1 June until demerger. The "equity accounting" in 2021 means that Tryg is showing the net profit contribution for the period as "income from RSA Scandinavia", this item is booked into the overall investment result.

Trygg-Hansa reported an adjusted premiums growth of 4% for the full year, the growth excluded one-off adjustments in the comparison period, the reported premiums growth was 6%. This is a result of strong new business performance in the personal lines segment, which grew by 3%, mainly due to strong performance in the Motor segment. Commercial Lines grew by 6% from strong retention in property as well as new business volumes in motor. The quarter isolated grew by 5% on an underlying basis, which is driven by the same fundamental drivers as for the full year.

Trygg-Hansa's technical result for the year came in at DKK 2,019m and a Combined ratio of 78.8%, this includes the impact of DKK 149m from the extreme weather that hit Gävle (Central Sweden) in August. Large losses and weather losses were higher in 2021 vs 2020. The business continues to perform well driven by improving underlying claims ratios in the Commercial segment while the performance remains stable in the Private segment. Expenses was at a satisfactory level mainly driven by good growth and tight cost control.

For the fourth quarter, TH delivered a technical result of DKK 508m (DKK 505m) driven by a Combined ratio of 78.8 (75.8). The Q4 2020 combined ratio was helped by a relatively high run-off result and COVID-19 recognition.

Codan Norway reported a premium growth of 3% in 2021, with growth in Q4 isolated ~1% compared to the prior year. Commercial Lines drove the growth with 4% for the full year, while Personal Lines realised 2% growth. Q4 growth was limited by demerger activities, shifting business to Tryg, as well as overall low activity in the market.

Codan Norway's technical result for the full year was DKK 163m driven by a Combined ratio of 85.5%, this is significantly better than the corresponding period last year, marking a record result for Codan Norway. The improvement is driven by better underlying claims ratio, benign weather events, run-off and lower overall expenses. For the quarter isolated, Codan Norway delivered a Technical result of DKK 44m driven by a Combined ratio of 84.2%, DKK 124m better than last year, driven by benign weather paired with lower expenses.

Codan Norway and Trygg-Hansa reported an overall DKK 218m investment result (pre-tax), the high amount was driven by a positive performance of the REITs (real estate investments trusts) portfolio in the first part of Q4 and by equities in the second part of Q4. Additionally, positive value adjustments were recorded on the Swedish inflation swaps portfolio. During the second half of the quarter, the REITs portfolio was sold (as previously announced) and re-invested primarily in equities.

It is important to note that due to potential minor discrepancies in definitions and internal reporting systems the figures may differ slightly from Tryg's own reporting.

Private

Results 2021

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

Premiums

Gross premium income increased by 5.8% (9.0%) measured in local currencies. In Private Denmark, the positive development continued with premium growth of 3.8% (7.4%) driven by a continued strong performance from all sales channels. Due to the current accounting treatment, premium growth in Private Denmark was negatively impacted by a high level of bonuses and premiums rebates, representing profit-sharing related to partner agreements. Exclusive of the bonus and premiums rebates, Private in total would have reported a growth of 8.3% and Private Denmark would have posted growth of 7.3%. In the Norwegian part of Private, premiums increased by 9.8% (12.3%) in local currencies, helped by continued strong sales to both NITO and OBOS customers and the car dealer channel Enter. The retention rate of 90.5 (90.1) in Denmark was impacted by churn from the cancellation of the Nordea portfolio following Tryg's agreement with Danske Bank. Excluding the impact of the Nordea agreement, retention was 91.2. The reduction in the Nordea portfolio has been more than offset by sales to Danske Bank customers, resulting in a positive net impact. The retention rate was 88.5 (88.4) for the Norwegian part of the business, which was very positive and helped by the fact that retention levels are generally high for partner customers.

Claims

The claims ratio, net of ceded business, was 70.5 (70.3). A slightly higher level of weather claims and lower positive impact from COVID-19 were broadly offset by a slightly higher level of run-off gains and discounting. The underlying claims ratio was unchanged compared to 2020 and impacted by the high growth in Private resulting in many new customers, who in general have a 3% higher claims frequency. As Private is the most profitable area with the lowest capital requirement, strong growth in this area is a structurally good development for the Group. Claims inflation was very much in focus in 2021, particularly because of high price increases for building materials and spare parts for automobiles. Tryg is helped by robust procurement agreements, but started adjusting prices during the year to mitigate any potential inflation impact.

Expenses

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

Key figures – Private

DKKm	Q4 2021	Q4 2020	2021	2020
Gross premium income	**3,433**	**3,245**	**13,685**	**12,743**
Gross claims	-2,363	-2,209	-9,377	-8,883
Gross expenses	-396	-414	-1,803	-1,727
Profit/loss on gross business	673	622	2,505	2,133
Profit/loss on ceded business	-63	-80	-270	-76
Insurance technical interest, net of reinsurance	-3	-4	-16	-12
Technical result	**606**	**537**	**2,219**	**2,045**
Run-off gains/losses, net of reinsurance	34	12	136	120
Key ratios				
Premium growth in local currencies	3.1	9.0	5.8	9.0
Gross claims ratio	68.8	68.1	68.5	69.7
Net reinsurance ratio	1.8	2.5	2.0	0.6
Claims ratio, net of ceded business	70.7	70.5	70.5	70.3
Gross expense ratio	11.5	12.8	13.2	13.6
Combined ratio	**82.2**	**83.3**	**83.7**	**83.9**
Combined ratio exclusive of run-off	83.2	83.7	84.7	84.8
Run-off, net of reinsurance (%)	-1.0	-0.4	-1.0	-0.9
Large claims, net of reinsurance (%)	0.0	0.0	0.1	0.2
Weather claims, net of reinsurance (%)	2.8	3.1	2.2	2.1

57% The business area accounts for 57% of the Group's total premium income.

Financial highlights 2021

5.8%
Premium growth (local currencies)
2020: 9.0%

2,219m
Technical result (DKK
2020: 2,045m

13.2
Expense ratio
2020: 13.6

83.7
Combined ratio
2020: 83.9

Results Q4 2021

The technical result totalled DKK 606m (DKK 537m) with a combined ratio of 82.2 (83.3). The higher technical result was due primarily to a higher level of premium income, slightly lower level of weather claims and somewhat higher run-off. The underlying claims ratio was unchanged, in line with developments in previous quarters.

Premiums

Gross premiums increased by 3.1% (9.0%). In Q4, Tryg reported continued high growth levels in Denmark and Norway for the reasons described for the full-year development. The retention rate in Denmark increased from 90.1 to 90.5 despite churn from the Nordea agreement. In general, the churn from the Nordea agreement was significantly offset by sales to Danske Bank customers. In Norway, the retention rate was almost unchanged with 88.5 against 88.4 in Q4 2020.

Claims

The gross claims ratio was 68.8 (68.1) and the claims ratio, net of ceded business, was 70.7 (70.5). The underlying claims ratio was unchanged and positively impacted by the claims excellence programme and Alka synergies, but also slightly negatively impacted by the high growth, due to higher claims frequencies for new customers. There was no positive impact from COVID-19 in the quarter, while Tryg saw a positive impact corresponding to 1.2% in the same quarter previous year.

Expenses

The expense ratio was 11.5 (12.8) and in line with the same period last year, thus supporting the focus on efficient operation.

Q4 Financial highlights 2021

3.1%	606m	11.5	82.2
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Q4 2020: 9.0%	Q4 2020: 537m	Q4 2020: 12.8	Q4 2020: 83.3

Commercial

Results 2021
Commercial posted a technical result of DKK 850m (DKK 798m in 2020) and a combined ratio of 83.8 (83.7). The higher technical result was realised through a positive premium income and helped by a strong improvement in the underlying claims ratio, which offset a higher level of large claims and a lower level of run-off.

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

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

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

Key figures – Commercial

DKKm	Q4 2021	Q4 2020	2021	2020
Gross premium income	**1,352**	**1,261**	**5,294**	**4,930**
Gross claims	-910	-781	-3,334	-3,167
Gross expenses	-267	-232	-913	-831
Profit/loss on gross business	175	249	1,048	932
Profit/loss on ceded business	-66	-68	-191	-130
Insurance technical interest, net of reinsurance	-1	-2	-7	-5
Technical result	**109**	**179**	**850**	**798**
Run-off gains/losses, net of reinsurance	77	138	309	348
Key ratios				
Premium growth in local currencies	5.1	6.5	6.1	5.5
Gross claims ratio	67.3	61.9	63.0	64.2
Net reinsurance ratio	4.9	5.4	3.6	2.6
Claims ratio, net of ceded business	72.2	67.3	66.6	66.9
Gross expense ratio	19.7	18.4	17.2	16.9
Combined ratio	**91.9**	**85.7**	**83.8**	**83.7**
Combined ratio exclusive of run-off	97.6	96.6	89.6	90.8
Run-off, net of reinsurance (%)	-5.7	-11.0	-5.8	-7.1
Large claims, net of reinsurance (%)	5.6	2.6	3.4	3.0
Weather claims, net of reinsurance (%)	1.1	2.8	1.5	1.6

22% The business area accounts for 22% of the Group's total premium income.

Financial highlights 2021

6.1%	850m	17.2	83.8
Premium growth (local currencies)	Technical result (DKK)	Expense ratio	Combined ratio
2020: 5.5%	2020: 798m	2020: 16.9	2020: 83.7

Results Q4 2021

The technical result was DKK 109m (DKK 179m) with a combined ratio of 91.9 (85.7). The result was negatively impacted by a higher level of large claims and a much lower level of run-off. Premiums increased by 5.1% (6.5%).

Premiums

Gross premiums increased by 5.1% (6.5%) in local currencies, primarily due to increased customer numbers in Denmark and price adjustments in Norway. The retention rate in Denmark was stable at 88.6 (88.6), while the retention rate in Norway increased to 89.4 (89.2) despite increased pricing, reflecting high acceptance of this initiative.

Claims

The gross claims ratio was 67.3 (61.9) with a claims ratio, net of ceded business, of 72.2 (67.3). The claims ratio was impacted by a higher level of large claims and also a substantially lower level of run-offs compared to the prior-year period.

Expenses

The expense ratio was somewhat higher compared to the full-year level at 19.7 (18.4), which did not represent a trend but reflected a somewhat volatile expense pattern.

Q4 Financial highlights 2021

5.1%	109m	19.7	91.9
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Q4 2020: 6.5%	Q4 2020: 179m	Q4 2020: 18.4	Q4 2020: 85.7

Corporate

Results 2021
The technical result amounted to DKK 361m (DKK 401m in 2020) with a combined ratio of 89.4 (88.0). The lower technical result is primarily due to a lower level of run-off gains (8.2% vs 12.9%). Tryg continued to see a positive development in the underlying claims ratio, primarily due to significant price initiatives in all countries. Premium growth was almost flat at 0.3%, impacted by the aforementioned price increases that led to a somewhat higher churn.

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

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

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

Key figures – Corporate

DKKm	Q4 2021	Q4 2020	2021	2020
Gross premium income	**850**	**844**	**3,457**	**3,376**
Gross claims	-691	-732	-2,423	-2,311
Gross expenses	-116	-105	-396	-367
Profit/loss on gross business	42	7	638	698
Profit/loss on ceded business	-5	-38	-273	-294
Insurance technical interest, net of reinsurance	-1	-1	-4	-2
Technical result	**36**	**-32**	**361**	**401**
Run-off gains/losses, net of reinsurance	60	80	282	436
Key ratios				
Premium growth in local currencies	-2.5	2.0	0.3	1.5
Gross claims ratio	81.4	86.7	70.1	68.5
Net reinsurance ratio	0.6	4.5	7.9	8.7
Claims ratio, net of ceded business	82.0	91.2	78.0	77.2
Gross expense ratio	13.7	12.5	11.4	10.9
Combined ratio	**95.7**	**103.7**	**89.4**	**88.0**
Combined ratio exclusive of run-off	102.8	113.1	97.6	101.0
Run-off, net of reinsurance (%)	-7.1	-9.4	-8.2	-12.9
Large claims, net of reinsurance (%)	10.3	19.9	6.6	9.8
Weather claims, net of reinsurance (%)	1.3	1.4	1.1	0.6

14% The business area accounts for 14% of the Group's total premium income.

Financial highlights 2021

0.3%
Premium growth (local currencies)
2020: 1.5%

361m
Technical result (DKK)
2020: 401m

11.4
Expense ratio
2020: 10.9

89.4
Combined ratio
2020: 88.0

Results Q4 2021

The technical result was DKK 36m (DKK -32m) with a combined ratio of 95.7 (103.7). The results were positively impacted by an improved underlying claims ratio and a much lower level of large claims. Premium growth was negative and impacted by price increases to improve profitability.

Premiums

Gross premiums were down 2.5% (up 2.0%) in local currencies due to a continued focus on price initiatives in all countries to improve profitability.

Claims

The gross claims ratio was 81.4 (86.7) and the claims ratio, net of ceded business, was 82.0 (91.2). The lower claims ratio was primarily caused by a lower level of large claims. The underlying claims ratio improved as a result of the above initiatives in Norway, Denmark and Sweden.

Expenses

The expense ratio was 13.7 (12.5) and somewhat higher than Q4 2020, which did not, however, represent a trend but rather reflected negative premium development and some volatility in expenses, but in general expenses is not a concern for the Corporate business.

Q4 Financial highlights 2021

-2.5%	36m	13.7	95.7
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Q4 2020: 2.0%	Q4 2020: -32m	Q4 2020: 12.5	Q4 2020: 103.7

Sweden

Results 2021

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

Premiums

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

Claims

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

Expenses

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

Key figures – Sweden

DKKm	Q4 2021	Q4 2020	2021	2020
Gross premium income	**407**	**393**	**1,701**	**1,604**
Gross claims	-264	-241	-1,141	-1,067
Gross expenses	-67	-55	-284	-269
Profit/loss on gross business	75	98	276	268
Profit/loss on ceded business	-1	-1	3	1
Insurance technical interest, net of reinsurance	0	-1	-2	-1
Technical result	**74**	**96**	**277**	**268**
Run-off gains/losses, net of reinsurance	60	84	235	249
Key ratios				
Premium growth in local currencies	1.5	4.9	2.7	4.9
Gross claims ratio	65.0	61.3	67.1	66.5
Net reinsurance ratio	0.1	0.3	-0.2	-0.1
Claims ratio, net of ceded business	65.1	61.6	66.9	66.4
Gross expense ratio	16.6	13.9	16.7	16.8
Combined ratio	**81.7**	**75.5**	**83.6**	**83.2**
Combined ratio exclusive of run-off	96.5	96.8	97.4	98.8
Run-off, net of reinsurance (%)	-14.8	-21.4	-13.8	-15.5
Weather claims, net of reinsurance (%)	0.0	0.0	2.3	0.1

7% **The business area accounts for 7% of the Group's total premium income.**

Financial highlights 2021

2.7%	277m	16.7	83.6
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
2020: 4.9%	2020: 268m	2020:16.8	2020: 83.2

Results Q4 2021

Gross premium income for Q4 2021 was DKK 407m (DKK 393m). The technical result was DKK 74m (DKK 96m), with an expense ratio of 16.6 (13.9) and a combined ratio of 81.7 (75.5).

Premiums

Gross premium income was DKK 407m (DKK 393m), up 1.5% (4.9%) in local currencies. The primary growth driver was the aforementioned price adjustments to improve profitability, but it was also positively impacted by strong sales from Danske Bank.

Claims

The gross claims ratio was 65.0 (61.3) and net of ceded business 65.1 (61.6). The higher claims level was primarily due to a lower level of run-off gains at 14.8% compared to 21.4% for the prior-year period.

Expenses

The expense ratio was 16.6 (13.9) and was impacted by adjustments relating to previous quarters and therefore did not represent the actual expense level.

Q4 Financial highlights 2021

1.5%	74m	16.6	81.7
Premium growth (local currencies)	**Technical result** (DKK)	**Expense ratio**	**Combined ratio**
Q4 2020: 4.9%	Q4 2020: 96m	Q4 2020: 13.9	Q4 2020: 75.5

Investment activities

The total market value of Tryg's investment portfolio was DKK 42.9bn (DKK 40bn) at year-end 2021. The investment portfolio consists of a match portfolio of DKK 29.7bn (DKK 28.1bn) and a free portfolio of DKK 13.2bn (DKK 12.4bn). The match portfolio is constructed with low-risk fixed-income assets that match the Group's insurance liabilities, so that fluctuations resulting from interest rate changes are offset to the greatest possible extent. The free portfolio reflects the Group's capital, which is predominantly invested in fixed-income securities with a short duration, but also in equities and properties.

The investment return for the full year was DKK 1,008m (DKK 311m), representing the sum of Tryg's stand-alone investment return of DKK 837m (DKK 311m) and the net profit for 7 months* of Codan Norway, Trygg-Hansa and 50% of Codan Denmark, which totalled DKK 1,206m (DKK 0m), and the cost of the currency hedge related to the acquisition of RSA Scandinavia of DKK -1,035m (DKK 0m).

Tryg's stand-alone investment result showed a free portfolio result of DKK 1,007m (DKK 585m), driven primarily by strong returns on equities and properties. The match portfolio reported a positive DKK 134m (DKK -19m) contribution primarily driven by decreasing spreads between Euro and Danish swap rates. Other financial income and expenses totalled DKK -304m (DKK -255m).

Free portfolio

Financial markets developed positively during 2021, with especially risky asset classes such as equities and properties producing solid returns. The narrative was generally dominated by developments in the COVID-19 pandemic and discussions around inflationary pressures following a strong economic rebound after the reopening of societies in the spring and summer. These themes continued to dominate discussions towards the end of the year. The free portfolio produced a very healthy income of DKK 1,007m (DKK585m), almost entirely driven by equities and properties, both asset classes were up around 18%. Fixed income returns were slightly negative or close to zero in general. The total return on the free portfolio was 8.0% (5.3%).

Match portfolio

The result of the match portfolio is the difference between the return on the match portfolio and the amount transferred to the technical result. The result can be split into a 'regulatory deviation' and a 'performance result'. The regulatory deviation was DKK 78m (DKK -48m), driven primarily by a decreased yield spread between the FSA/EIOPA discounting curve (in EUR) and the assets side invested in Danish kro-

Financial highlights 2021

837m

Tryg's stand-alone investment return (DKK)

1,206m

Income from RSA Scandinavia (DKK)

-1,035m

Currency hedge related to RSA Scandinavia (DKK)

1,008m

Total investment return (DKK)

Key figures - investments

DKKm	Q4 2021	Q4 2020	2021	2020
Free portfolio, gross return	413	513	1,007	585
Match portfolio, regulatory deviation and performance	30	17	134	-19
Other financial income and expenses [a]	-70	-17	-304	-255
Income from RSA Scandinavia [b]	568	0	1,206	0
Currency hedge related to RSA Scandinavia	0	0	-1,035	0
Total investment return	**941**	**513**	**1,008**	**311**

[a] DKK 156m moved from Other financial income and expenses to Currency hedge related to RSA Scandinavia compared to reported Q1 2021

[b] Tryg's acquisition of RSA Scandinavia impacts the Financial Statements from 1 June 2021 (date of closing)

Return - match portfolio

DKKm	Q4 2021	Q4 2020	2021	2020
Return, match portfolio	-47	-33	-332	548
Value adjustments, changed discount rate	104	48	528	-530
Transferred to insurance technical interest	-27	2	-62	-37
Match, regulatory deviation and performance	**30**	**17**	**134**	**-19**
Hereof:				
Match, regulatory deviation	16	4	78	-48
Match, performance	14	13	56	29

ner. The performance result was DKK 56m (DKK 29m), as Nordic covered-bond spreads narrowed slightly.

Other financial income and expenses

Other financial income and expenses is primarily characterised by interest expenses related to outstanding subordinated debt, the cost of currency hedges to protect shareholders' equity and the cost of running investment operations. Other financial income and expenses totaled DKK -304m (DKK -255m). The higher level compared to 2020 is primarily driven by the negative interest costs paid on the rights issue funds in the period between the rights issue and the actual closing of the transaction. Tryg has previously guided that this line should report a result of approximately DKK -60m per quarter.

Investment result in Q4 2021

The last quarter of the year has been characterised by positive developments in the financial markets, especially the returns from the equity and property asset classes. Fixed income returns (in the free portfolio) were meagre, as increasing interest rates have resulted in negative value adjustments on the bonds.

The free portfolio posted a total income of DKK 413m (DKK 513m), almost entirely driven by equities and properties, with returns of 5.9% (14.0%) and 8.8% (2.9%). The match portfolio returned a positive DKK 30m (DKK 17m) with contributions both from the regulatory deviation and the performance. Other financial income and expenses were DKK -70m (DKK -17m), broadly in line with expectations.

Tryg's total investment result for the quarter was DKK 941m (DKK 513m) including a DKK 568m income from RSA Scandinavia. The result excluding RSA Scandinavia was DKK 373m and is well above normalised levels. Tryg has published a newsletter where it has guided for an annual normalised investment income between DKK 0m and DKK 200m.

Investment activities post the RSA Scandinavia acquisition

Starting in Q2 2021, the investment result has been shown as Tryg's stand-alone investment result and (in a separate line) the income from RSA Scandinavia. All tables with reference to the free and match portfolio returns will be unchanged, offering the same transparency into Tryg's investment activities. Following the acquisition of RSA Scandinavia's activities and after de-merger, Tryg will increase its invested assets by approximately DKK 25bn, divided between an approximately DKK 6-7bn higher free portfolio and an approximately DKK 18-19bn higher match portfolio. These invested assets pertain to Codan Norway and Trygg-Hansa alone. During the transition period, Tryg will gradually start to adjust the assets mix, moving towards the allocations of Tryg's portfolio.

Q4 Financial highlights 2021

373m

Tryg's stand-alone investment return (DKK)

568m

Income from RSA Scandinavia (DKK)

941m

Total investment return (DKK)

Return - free portfolio

DKKm	Q4 2021	Q4 2021 (%)	Q4 2020	Q4 2020 (%)	2021	2021 (%)	2020	2020 (%)	Investment assets 31.12.2021	Investment assets 31.12.2020
Bonds	-7	-0.2	15	0.4	-35	-0.9	88	2.3	3,896	3,839
Credit bonds	-11	-0.5	113	5.0	5	0.3	136	6.3	2,154	2,261
Investment grade credit	-7	-0.9	12	1.3	2	0.3	70	7.2	784	908
Emerging market bonds	-5	-0.7	44	7.6	-1	0.0	25	4.6	709	654
High-yield bonds	1	0.1	57	7.8	4	0.7	41	6.2	661	699
Diversifying Alternatives [a]	-16	-1.6	6	0.6	-10	-1.0	20	2.1	1,021	935
Equity	157	5.9	307	14.0	506	18.9	277	13.5	2,710	2,588
Real Estate	290	8.8	72	2.9	541	18.2	64	2.7	3,370	2,806
Total	413	3.2	513	4.5	1,007	8.0	585	5.3	13,151	12,429

[a] Diversifying Alternatives consist of CAT Bonds and a tactical mandate including bonds, interest-based investment funds and equity-based investment funds.

Capital and risk management

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

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

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

Strategic and business risk

Definition

Financial losses or lost opportunities due to a lack of ability to carry out business plans and strategies.

This includes the risk of not being able to adjust to changing market conditions in a timely fashion.

Strategy

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

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

Tryg has chosen to implement a highly decentralised organisation with a large degree of autonomy for each business unit. This ensures a timely reaction to changing market conditions in the separate business units.

Risk Management

The risk management policy adopted by the Supervisory Board sets out guidelines for risk management.

The strategy process sets out overall strategic objectives. This is done as a bottom-up process where the individual business units contribute with concrete business plans.

Objectives and methods

Risk management carries out ongoing risk identification and assessment to ensure that all existing and emerging strategic and business risks are reported to the Supervisory Board on a semi-annual basis.

Close monitoring of each business unit with regard to their performance towards the overall strategic objectives.

Insurance risk

Definition

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

The risk of the insurance provisions being inadequate.

Strategy

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

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

The insurance portfolio should be well-diversified and profitable with an overweight on the retail segment. Increased focus on the retail segment in the coming years will help to mitigate insurance risks, as this segment is typically less complex and also drives value creation.

Tryg has a conservative approach towards claims provisioning.

Risk Management

The insurance risk policy adopted by the Supervisory Board sets out general guidelines for permitted insurance risk. This includes guidelines for provisioning, general underwriting principles, new products, profitability measuring, reinsurance etc.

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

Objectives and methods

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

Reinsurance is used to reduce the underwriting risk in situations where this cannot be achieved to a sufficient degree via ordinary diversification. The retention limit specifies the maximum loss that Tryg is willing to take on a specific event. The capacity of the reinsurance programme is set so that it is very unlikely that a breach will occur. Both the retention limit and the capacity are approved by the Supervisory Board.

The internal model used to calculate the solvency capital requirements in Solvency II are used to allocate capital consumption to the business and thereby ensure sufficient profitability in the insurance business.

The actuary function calculates the technical provision based on the guidelines set out in the insurance risk policy. These are regularly presented to the Supervisory Board.

Investment risk

Definition

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

Strategy

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

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

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

Risk Management

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

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

Objectives and methods

Daily reporting on investment return on all asset classes.

Independent daily control ensures compliance with permitted risk-taking.

Operational risk

Definition

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

Strategy

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

Risk Management

The operational risk policy adopted by the Supervisory Board sets out general guidelines for operational risk. This includes general guidelines for IT security, physical security, compliance, fraud, money laundering, contingency planning, and model risk.

Objectives and methods

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

Capital management

Capital management and capital modelling are central and key functions in the Finance team at Tryg. Capital management covers broadly the company's current and future capital requirements, capital allocation to the different lines of business and required returns. In addition, capital management analyses the dividend outlook and the ability of the company to meet its return on own funds target (previously return on equity). Tryg's solvency ratio is a function of developments in own funds and the solvency capital requirement (based on the approved partial internal model). As mentioned previously, Tryg has modelled the insurance risk internally, while all other modules are based on the standard formula. The capital model is based on Tryg's risk profile and takes into consideration the composition of Tryg's insurance portfolio, geographical diversification, its claims reserves profile, reinsurance programme, investments mix and overall level of profitability. The solvency ratio was 188 at year-end 2021 compared to 183 at year-end 2020.

The acquisition of Codan Norway, Trygg-Hansa and 50% of Codan Denmark impacted both own funds and the solvency capital requirement in 2021 since closing 1 June 2021. A rights issue of DKK 37bn to fund the acquisition was conducted in March and new loans of DKK2bn were issued. The solvency capital requirement virtually doubled, although the amount at year-end 2021 includes approximately DKK 1bn pertaining to the 50% ownership of Codan Denmark. The amount will therefore be approximately DKK 1bn lower in H1 2022 upon the final closing of the sale of Codan Denmark. The overall own funds level will be impacted by the "loss" of shareholders' equity pertaining to Codan Denmark and by the intended share buyback (the amount will be fully deducted at the start of the programme), while the proceeds from the sale will impact own funds positively.

The key components of Tryg's own funds are shareholders' equity, qualifying debt instruments (both Tier 1 and Tier 2 debt) and future profit, while all intangibles are deducted in the calculation. own funds totalled DKK 18,559m at the end of 2021 vs DKK 8,884m at the end of 2020. The upwards movement was primarily driven by the difference between the funds raised for the acquisition, and also as usual by the net result for the year minus dividends paid.

The solvency capital requirement (SCR) is calculated 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 2021, Tryg's SCR was DKK 9,866m, up approximately DKK 5bn from the end of 2020. The significantly higher level is explained by the acquisition of Codan Norway, Trygg-Hansa and 50% of Codan Denmark, which significantly impacts the overall capital requirements.

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

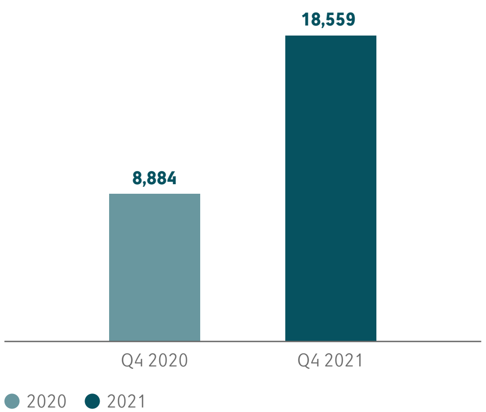
Shareholders' remuneration

The Supervisory Board regularly assesses the capital structure in light of future internal earnings forecasts and balance sheet needs. The projections include initiatives set out in the company's strategy for the coming years and are also based on the most significant risks identified by the company. Capital adequacy is measured in relation to Tryg's strategic targets, including the new return on own funds target (ROOF) and the dividend policy. Tryg will pay a Q4 dividend per share of 1.07 on 28 January 2022 after having paid a dividend for the first nine months of 3.21 per share. The dividend per share in 2021 is based on the higher number of shares (approximately 654m) following the rights issue to fund the acquisition of Codan Norway, Trygg-Hansa and 50% of Codan Denmark in March. In June, together with Intact, Tryg announced the sale of Codan Denmark to Alm. Brand for a total price of DKK 12.6bn for 100% of the share capital of Codan Denmark, of which Tryg will receive 50% of the sale proceeds. The sale is expected to have a positive impact on Tryg's previously disclosed expectations of an ROI of approximately 7% for the acquisition of RSA Scandinavia. Following the closing of the sale and upon approval from the Danish FSA, Tryg intends to carry out a share buyback programme of approximately DKK 5bn, although, the precise buyback amount will be communicated when all aspects of the transaction are settled. As previously indicated, TryghedsGruppen does not expect to participate in the share buyback programme to facilitate overall increased ownership of Tryg. 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 pay-out ratio of 60-90% (based on operating earnings) is secondary to the aim of increasing the annual dividend.

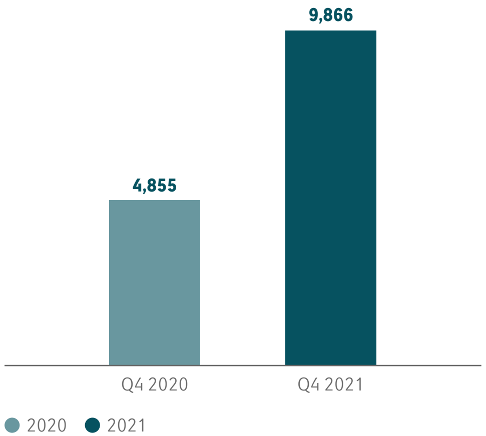
Moody's rating

Tryg has an "A1" (stable outlook) insurance financial strength (IFSR) rating from Moody's. The rating agency highlights Tryg's strong position in the Nordic P&C market, robust profitability, very good asset quality and relatively low financial leverage. Moody's also assigned an "A3" rating to Tryg's subordinated debt and a "Baa3" rating to Tryg's Tier 1 debt. The ratings were re-affirmed following the completion of the acquisition by Tryg and Intact Financial Corporation (Intact) to acquire RSA Insurance Group Pls (RSA), whereby Tryg would acquire RSA's Swedish and Norwegian operations, and Tryg and Intact would co-own RSA's Danish business via a 50/50 economic participation. Moody's expects the acquisition to further increase and broaden Tryg's earnings base in the long term. Furthermore, Tryg's leverage will reduce materially in the short term.

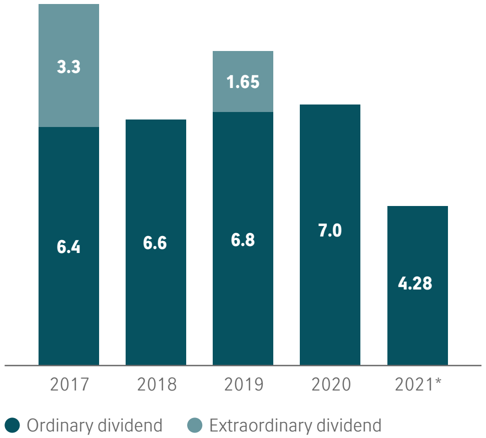
Own funds
(DKKm)



Solvency Capital Requirement
(DKKm)



Shareholder remuneration
(DKK per share)



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

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 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 on a local and global basis. As a result of COVID-19, the majority of the analyst and investor meetings and financial conferences were held virtually in 2021 (as in 2020). It was a record year in terms of analyst and investor interaction, clearly driven by the acquisition of RSA's Scandinavian activities, with Tryg meeting 136 investors in relation to the rights issue. At the Capital Markets Day in November 2021, 60 investors and analysts attended and 220 followed the presentation online.

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

The Tryg share

The Tryg share is listed on NASDAQ Copenhagen. 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.

The Tryg share started the year at a price of DKK 192.4 and ended 2021 at DKK 161.5.

The share price development in 2021 should be adjusted for the DKK 37bn rights issue with a subscription ratio of 7:6 and subscription price of 105 DKK per new share launched on 1 March 2021, hence and increase of 353m shares from 302m to 654m.

The share price was DKK 149.7 at the beginning of 2021 after adjusting for the rights issue. Total return (price and dividends) on the share was a positive 11.2%.

The insurance sector's key attraction is its dividend yield. Earnings and solvency are always carefully scrutinised by investors. In the world of Solvency II, changes in solvency levels can be more difficult to predict and often difficult to understand. Tryg has a relatively simple business model and a transparent capital position, which is highly appreciated by analysts and investors.

Share capital and ownership

Tryg's share capital totalled DKK 3,273,269,900 on 31 December 2021. It comprises one share class (654,653,980 shares with a nominal value of DKK 5), and all shares rank pari passu. The majority shareholder, TryghedsGruppen smba, owns 45% of the shares and is the only shareholder holding more than 5% of the share capital. TryghedsGruppen invests in peace of mind and healthcare providers in the Nordic region and supports non-profit-making activities.

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, producing high margins that are mostly returned to shareholders. The prolonged period of very low-interest rates in the wake of the financial crisis means that investors, all else being equal, attach even greater importance to dividends than in a more normal environment.

This is particularly true for insurance investors, as insurance is one of the sectors offering the highest dividend yield. From an investment per-

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. Behind TrygFonden is TryghedsGruppen, which owns 45% of the shares in Tryg and annually contributes around DKK 650m to projects that create peace of mind in all parts of Denmark.

TryghedsGruppen

In 2021 and for the sixth year running, Tryg's majority shareholder, TryghedsGruppen, paid out DKK 715m in member bonus to Tryg and Alka customers in Denmark corresponding to 5% of the annual premiums paid for 2020.

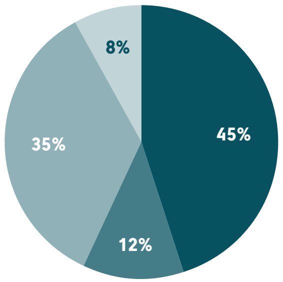
spective, a quarterly dividend is a clear reminder of the high profitability of Tryg's business and the company's focus on returning capital to shareholders. Tryg's dividend policy is based on the following assumptions:

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

Annual general meeting

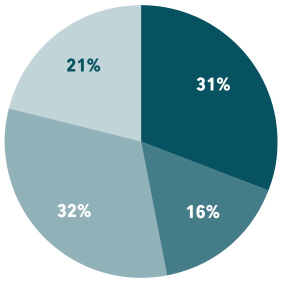
Tryg's annual general meeting will be held virtually on 31 March 2022 at 15:00 CET. The notice will be advertised in the daily press in February 2022 and will be sent to shareholders upon request.

Shareholders at 31 December 2021



*Shareholders holding more than 10.000 shares.

Free float - geographical distribution at 31 December 2021



Free float is exclusive of TryghedsGruppen.

Shareholder distribution

DKKm	2021	2020	2019	2018	2017
Dividend	2,802	2,115	2,056	1,994	1,827
Dividend per share (DKK)	4.28	7.0	6.8	6.6	6.4
Payout ratio	89%	76%	72%	115%	73%
Extraordinary share buy back					
Extraordinary dividend			500		1,000
Extraordinary dividend per share (DKK)			1.65		3.31

Financial calendar 2022

26 Jan. 2022 Tryg shares are traded ex-dividend

28 Jan. 2022 Payment of Q4 dividend

31 Mar. 2022 Annual general meeting

26 Apr. 2022 Interim report Q1

27 Apr. 2022 Tryg shares are traded ex-dividend

29 Apr. 2022 Payment of Q1 dividend

08 July 2022 Interim report Q2 and H1

11 July 2022 Tryg shares are traded ex-dividend

13 July 2022 Payment of Q2 dividend

13 Oct. 2022 Interim report Q1-Q3

14 Oct. 2022 Tryg shares are traded ex-dividend

17 Oct. 2022 Payment of Q3 dividend

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-2021**

Dialogue between Tryg, shareholders and other stakeholdersdownloads

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. Due to the outbreak of COVID-19, the majority of meetings were held virtually in 2021.

The Supervisory Board is regularly informed about the dialogue with investors and other stakeholders. Tryg has an IR policy which states that all company announcements may be published in English only. Tryg publishes quarterly interim reports in English. Furthermore, Tryg publishes an annual profile in Danish and Norwegian. The profile is addressed to Tryg's private shareholders, customers, employees and other stakeholders and will be published on 25 January 2022.

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

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

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

Annual General Meeting

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

All shareholders are encouraged to attend the general meeting. 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.

In light of Tryg's responsibility for the safety of shareholders, employees and management and the Danish authorities' measures to control the risk of infection with COVID-19, Tryg decided, for the very first time to hold a virtual general meeting without the option of physical attendance. Tryg encouraged all shareholders to participate in the virtual general meeting or to exercise their influence by submitting written votes or by voting by proxy. Furthermore, prior to the general meeting, Tryg invited shareholders to submit written questions to be considered at the general meeting. Information on how to exercise shareholders' rights at the general meeting was clearly communicated the 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 45% 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 how the financial results develop, 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 is organised robustly. This is achieved by monitoring targets and frameworks based on regular and systematic reviews of strategy and risks. The Executive Board reports to the Supervisory Board on strategies and action plans, market developments and Group performance, funding issues, capital resources and special risks.

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

The current nine external members of the Supervisory Board were elected by the annual general meeting for a term of one year. Of the nine members elected at the annual general meeting, six, and thus the majority, are independent persons, thus complying with recommendation 3.2.1. in the Recommendations on Corporate Governance, while the other three members are dependent persons as they are appointed by Tryg's largest shareholder, TryghedsGruppen. See page 45-48 for information on when the individual members joined the Supervisory Board, were re-elected and when their current election period ends. To ensure the integration of new talent on the Supervisory Board, members elected by the annual general meeting may hold office for a maximum of twelve years.

The Supervisory Board has 13 members in total, with an overrepresentation of women, as the board currently comprise seven women and six men (including two male and two female employee representatives). This complies with legislation as well as Tryg'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 45-48** and at **www.tryg.com/en/governance/management/supervisory-board**

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

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

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

See CVs and descriptions of skills in the section Supervisory Board on **pages 45-48** and at **www.tryg.com/en/governance/management/supervisory-board**

Duties and composition of the Executive Board

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

The Supervisory Board considers the composition, development, risk and succession plans of the Executive Board in connection with the annual evaluation of the Executive Board, and regularly in connection with board meetings. Each year, the Supervisory Board discusses Tryg's activities to guarantee diversity at management levels. Tryg attaches great importance to diversity at all management levels. Tryg has prepared an action plan that sets out specific targets to ensure diversity and equal opportunities and access to management positions for qualified men and women. For several years, Tryg has had a strong focus on diversity and has been aiming to increase the number of women in management positions to 41%. The number of women in management positions increased from 38% in 2020 to 40% in 2021, just short of the target. Progress has been driven through continuous focus in the recruitment and HR processes.

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

Board committees

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

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

See the tasks of the Board Committees in 2021 at **www.tryg.com/en/governance/management/supervisory-board/board-committees**

All members of the Audit Committee and four out of five members of the Risk Committee, including the committee chair, are independent persons. Three out of the five members of the Remuneration Committee are independent persons, including the committee chair. Two out of three members of the Nomination Committee are independent, including the committee chair. Two out of four members of the IT-Data Committee are independent persons, including the committee chair. Board committee members are elected primarily 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 2021 was adopted by the Supervisory Board in January 2021 and approved by the annual general meeting on 26 March 2021.

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

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, 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

Total remuneration of the Supervisory Board in 2021

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

[1] Also received a fee as Chair of the Board of the subsidiaries Tryg Invest A/S (DKK 250,000) and Kapitalforeningen Tryg Invest Funds (DKK 200,000),
[2] Joined the Board in March 2021 as an additional member of the Board
[3] Employer contributions to social security/tax relating to board members from Sweden and Norway

The base fee received by the Chair is triple that received by ordinary members, while the Deputy Chair's base fee is double that received by ordinary members of the Board. The chair of the various board committees receive 1.5 times the fee received by ordinary members of the Board. Members of the Supervisory Board receive no variable salary elements or pension in addition to those amounts.

Board within the framework of the approved remuneration policy.

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

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

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

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

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

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

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

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

Read more about remuneration at Tryg 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. The independent auditor attends the annual board meeting where the annual report is presented.

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

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

Deviations and explanations

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

The deviations are explained in Tryg's Statutory Corporate Governance report, which is available at **www.tryg.com/en/downloads-2021**

Total remuneration of the Executive Board in 2021

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

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

Supervisory Board

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

Torben Nielsen[a)]

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

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

Lone Møller Olsen[a+c)]

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

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

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 professional board member and investor.
Education BSc in International Business and Finance & Accounting, Stockholm School of Economics
Board seats, Chair FCG Fonder AB, Fondo Solutions AB, Gladsheim Fastigheter AB, Hemdel AB, Juvinum Food&Beverage AB, Picsmart AB, Ponture AB, Ywonn Media Group Sweden AB and Nedvi Fastigheter AB
Board member Tryg A/S and Tryg Forsikring A/S, Allert Östlund AB, DBT Capital AB, Delimport Ltd and Havsgaard AB
Committee memberships IT-Data Committee (Chair) and Remuneration Committee in Tryg A/S
Experience More than 30 years as CEO and Managing Director in local and international environments in listed companies as well as banks. Experience in the following industries: manufacturing, logistics, insurance, finance and banking
Competencies Solid background from the insurance industry, non-life as well as life. Business know-how and judgement, banking and finance know-how, understanding of digitalisation and risk management
Number of shares 7,788
Change in portfolio since 2020 4,708

Supervisory Board

Lene Skole[a)]
Born in 1959. Joined the Supervisory Board in 2010. Danish citizen.

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

Mari Thjømøe[a)]
Born in 1962. Joined the Supervisory Board in 2012. Norwegian citizen.

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

Ida Sofie Jensen[b)]
Born in 1958. Joined the Supervisory Board in 2013. Danish citizen.

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

Claus Wistoft[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 seats, Chair Midttrafik I/S
Board member Tryg A/S and Tryg Forsikring A/S, Trygheds-Gruppen smba, Seidelmann Holding ApS, Houmarken A/S, Lyngfeldt A/S, Lyngfeldt Finansiering A/S, Lyngfeldt Maskinudlejning ApS, K/S Prinz Carl Anlage I and Syddjurs udviklingspark
Experience Top management experience from operating his own business for 35 years
Competencies Analytical approach to problem-solving, solid business know-how and business development, understanding of risk management and succession
Number of shares 8,716
Change in portfolio since 2020 6,216

Supervisory Board

Karen Bladt[b)]

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

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

Gert Ove Mikkelsen[b)]

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

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

Tina 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 the sale of insurance 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 department of Forsikringsforbundet and since 2009, she has been the chair working with operations, strategy, negotiation agreements and engaged in recruiting and retaining members
Competencies From many years of experience, Tina Snejbjerg has acquired solid business know-how and judgement, problem-solving abilities working with management and HR-related issues in the financial sector, specifically the insurance industry
Number of shares 2,501
Change in portfolio since 2020 1,326

Elias Bakk[b)]

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

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

Supervisory Board

Charlotte Dietzer[b)]

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

Career Manager advisor in Claims Denmark, Tryg A/S
Education Insurance education at Forsikringsakademiet (level 5) as well as various management and communication training. 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 within the insurance industry. Excellent interpersonal and verbal communication skills
Number of shares 550
Change in portfolio since 2020 412

Members of the Supervisory Board are elected for a term of one year. Employee representatives are, however, elected for a term of four years.
[a)] Independent member of the Supervisory Board, as per the definition in Recommendations on Corporate Governance
[b)] Dependent member of the Supervisory Board.
[c)] Joined the Supervisory Board in March 2021 as an additional member of the Board

Commitee meeting overview 2021

Name	Supervisory Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	IT-Data Committee
Jukka Pertola	17/17			5/5	11/11	4/4
Torben Nielsen	17/17	8/8	8/8	5/5	11/11	
Elias Bakk	17/17					4/4
Charlotte Dietzer	17/17					
Gert Ove Mikkelsen	17/17					
Tina Snejbjerg	17/17		8/8		11/11	
Ida Sofie Jensen	17/17			5/5	11/11	4/4
Lene Skole	17/17	8/8	7/8			
Mari Thjømøe	17/17	8/8	8/8			
Claus Wistoft	17/17					
Karen Bladt	17/17					
Carl-Viggo Östlund	17/17				11/11	4/4
Lone Møller Olsen[a)]	16/17	7/8	7/8			

[a)] Joined the Board in March 2021 as an additional member of the Board

Executive Board

Morten Hübbe Group CEO*

Born in 1972. Joined Tryg in 2002.
Joined the Executive Board in 2003.

Education: BSc. in International Business and Modern Languages and MSc. in Finance and Accounting, Copenhagen Business School, and management programme, The Wharton School
Board seats, Chair: Siteimprove (including two holding companies) and Conscia A/S (including four holding companies)
Board seats, Deputy Chair: Simcorp A/S
Experience: Morten Hübbe is an experienced senior executive with a holistic and strategic leadership approach. Morten has 25+ years of insurance experience, of which nearly 20 years have been at top executive level - 8 years as Group CFO and 10 years as Group CEO. In addition, Morten has Supervisory Board experience in Banking, Software and Real Estate development
Competencies: Morten Hübbe has specific strengths within strategy, finance, communication and leadership. He also has solid know-how within the fields of Investor Relations, M&A and Financial Regulation
Number of shares held: 289,921
Number of shares held in the beginning of 2021: 230,812
Change in portfolio: +59,109

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

Barbara Plucnar Jensen Group CFO

Born in 1971. Joined Tryg in 2019.
Joined the Executive Board in 2019.

Education: MSc. in Economics, University of Copenhagen
Board seats, Deputy Chair: KTIF (Kapitalforeningen Tryg Invest Funds)
Board member: Nordsøenheden and Scandi JV Co 2 A/S
Experience: Barbara Plucnar Jensen has extensive senior management experience in the financial and service sector. Before joining Tryg, she held the position as CFO within ISS' largest market, UK & Ireland, and several senior positions within group treasury and risk management with ISS. Furthermore, she has comprehensive experience in the banking industry as she has held several senior positions within the largest financial institution in Denmark, Danske Bank.
Competencies: Barbara Plucnar Jensen is an execution-oriented executive with an international and strategic mindset focused on making an impact. She has a passion for understanding the day-to-day business and the ability to grasp complex issues quickly and generate results by strong leadership capabilities. She has a strong financial profile and extensive experience within finance and investments, risk management and governance, financial regulation & compliance, group treasury, M&A, IT & outsourcing, use of technology and data as well as sustainability
Number of shares held: 29,319
Number of shares held in the beginning of 2021: 13,532
Change in portfolio: +15,787

Lars Bonde Group COO

Born in 1965. Joined Tryg in 1998.
Joined the Executive Board in 2006.

Education: Insurance training, LL.M., University of Copenhagen
Board seats, Chair: P/F Betri Trygging, Tryg Livsforsikring A/S and Forsikringsakademiet A/S
Board member: Danish Employers' Association for the Financial Sector, Erhvervsakademiet Copenhagen Business Academy and Scandi JV Co 2 A/S
Experience: With more than 35 years experience in the insurance industry, of which more than 15 years have been as a top executive, Lars Bonde has extensive industry knowledge. Throughout his tenure, he has held consecutive positions as leader and business responsible for claims and all Tryg's business units, some of which were alongside his role as a member of the Executive Board. Lars Bonde has over 10 years of international experience from board positions.
Competencies: Comprehensive experience from the insurance industry. Experienced in strategy, business development, digitalisation, innovation, legal and M&A. Management and leadership experience, including international experience. Extensive board experience across several countries
Number of shares held: 105,885
Number of shares held in the beginning of 2021: 81,960
Change in portfolio: +23,925

Johan Kirstein Brammer Group CCO

Born in 1976. Joined Tryg in 2015.
Joined the Executive Board in 2018.

Education: LL.M., University of Copenhagen, MBA Australian Graduate School of Management, and Graduate Diploma (HD-Finance) Copenhagen Business School
Board member: Insurance & Pension Denmark (IPD)
Experience: Johan Kirstein Brammer has extensive top management experience from a range of industries. Prior to joining Tryg's Executive Board, Johan was heading Tryg's Private Lines business in Denmark. Before joining Tryg, Johan held numerous executive roles with TDC before joining the company's Board as Head of Consumer and Group Chief Marketing Officer. Prior to this, Johan was with McKinsey & Co as a strategy consultant based in Australia and United Kingdom. Before joining McKinsey & Co, Johan was Attorney with Kromann Reumert in Denmark. This range of experiences has provided Johan with a broad, diverse toolbox having held strategic and P&L responsibilities across multiple industries in an international setting
Competencies: Johan Kirstein Brammer has an international and strategic mindset developed from his time as a management consultant as well as a number of strategic roles across several industries. He couples this with a strong commercial mindset and a desire to grow the business and improve the customer experience through innovation and digitalisation. Johan has extensive experience within transformative M&A across borders and sectors.
Number of shares held: 49,663
Number of shares held in the beginning of 2021: 37,405
Change in portfolio: +12,258

Corporate Responsibility

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

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

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

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

Corporate Responsibility strategy

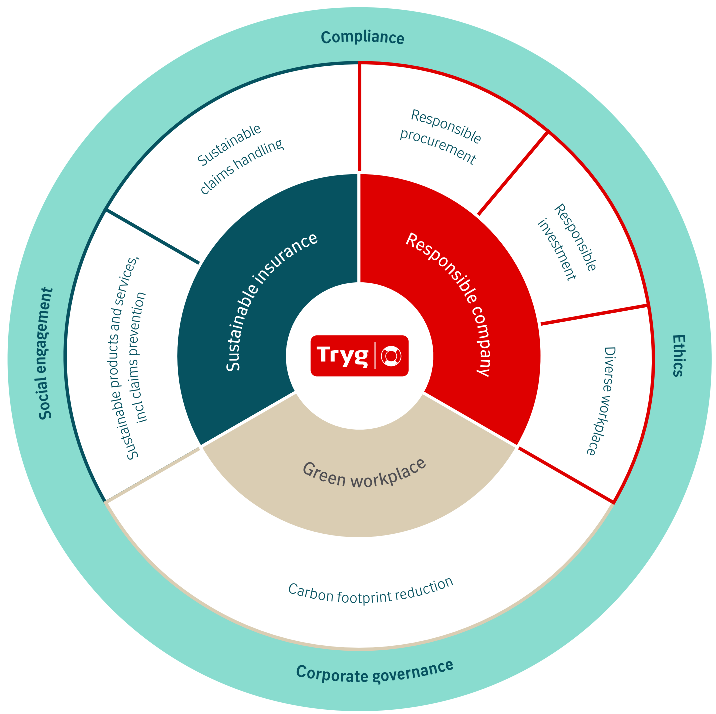
As the largest non-life insurance company in Scandinavia, Tryg wants to live up to its purpose: 'As the world changes, we make it easier to be tryg'. Tryg's Corporate Responsibility strategy is linked to its business model and anchored in its corporate strategy for 2024 (pages 15-17). The Corporate Responsibility strategy focuses on how Tryg as a company and its employees can contribute to a more sustainable society, and how Tryg can influence its suppliers and help its customers make more sustainable choices. The strategy has three focus areas: Responsible company, Green workplace and Sustainable insurance, for which Tryg has targets for both 2024 and 2030.

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

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

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

CORPORATE RESPONSIBILITY STRATEGY 2024



Download Terms of reference for Corporate Responsibility Board at **www.tryg.com/en/dokumenter/trygcom/terms-reference-cr-board-2021.pdf**

Download Corporate Responsibility policy at **www.tryg.com/en/dokumenter/trygcom/corporate-responsibility-policy-2020.pdf**

Read more on **pages 9** in Tryg's Corporate Responsibility report

Download Corporate Responsibility report at **www.tryg.com/en/dokumenter/trygcom/corporate-responsibility-report-2021.pdf See** ESG data on **pages 27-29** in Tryg's Corporate Responsibility report

Responsible company

Responsible procurement

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

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

Download Supplier Code of Conduct at **www.tryg.com/en/dokumenter/trygcom/supplier-code-conduct-uk-2020.pdf**

Read more on **page 11** in Tryg's Corporate Responsibility report

Responsible investment

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

Download Responsible Investment Policy at **www.tryg.com/en/dokumenter/trygcom/responsible-investment-policy-2021.pdf**

Active ownership

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

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

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

Download Active Ownership Policy at **www.tryg.com/en/dokumenter/trygcom/active-ownership-policy-2021.pdf**

Ethical screening process

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

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

The transition to a low-carbon economy

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

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

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

Read more on **pages 12-13** in Tryg's Corporate Responsibility report

Diverse workplace

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

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

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

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

Download General action plan for diversity, including women in management at **www.tryg.com/en/dokumenter/trygcom/general-action-plan-diversity-including-women-management.pdf**

Working at Tryg

Providing a healthy and safe working environment and securing the well-being of its employees is vital to Tryg.

Tryg's annual employee satisfaction survey provides a starting point for talking about well-being in the workplace. In 2021, Tryg's overall employee satisfaction score remained at 80.

Read more on **pages 14-16** in Tryg's Corporate Responsibility report

Green workplace

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

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

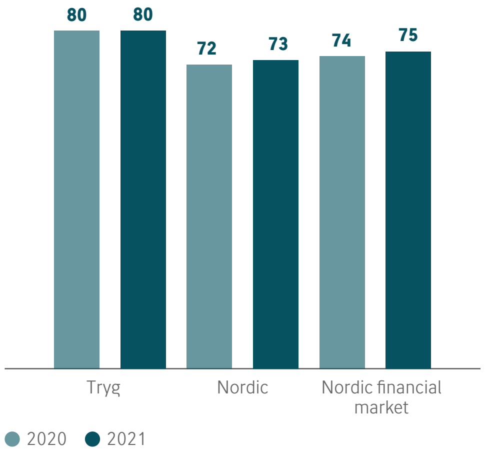
Carbon emissions

In 2021, Tryg's total carbon emissions decreased by 59% compared to 2019, corresponding to a decrease of 3,045 tonnes of CO2 in total and 790 kg of CO2 per employee.

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

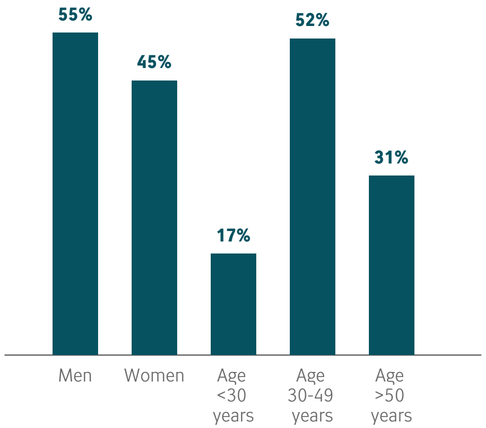
Employee satisfaction

(Index)



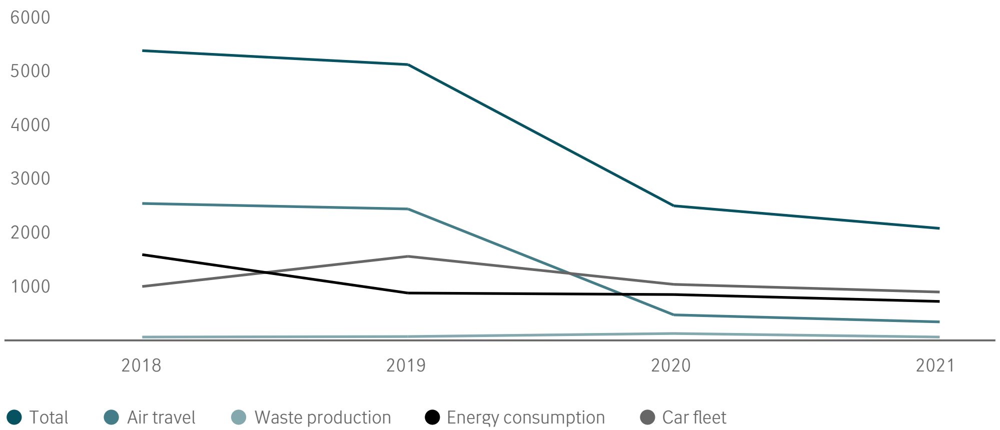
Employee mix

%



Carbon emissions

Tonnes



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

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

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

Read more on **pages 17-19** in Tryg's Corporate Responsibility report

Sustainable insurance

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

Sustainable products and services

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

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

Read more on **pages 20-21** in Tryg's Corporate Responsibility report

Sustainable claims handling

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

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

Carbon emissions reductions from sustainable claims handling

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

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

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

Read more on **page 22** in Tryg's Corporate Responsibility report

Ethics and compliance

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

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

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

Download Tax Policy at **www.tryg.com/en/dokumenter/trygcom/tax-policy.pdf**

Download Anti-corruption Guidelines at **www.tryg.com/en/dokumenter/trygcom/anti-corruption-guidelines.pdf**

Security

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

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

Data

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

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

Data ethics

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

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

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

Read more on **pages 23-25** in Tryg's Corporate Responsibility report

Climate-related risks and opportunities

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

As a result, Tryg progressed in how it assesses, acts and reports on climate-related risks and opportunities and is working towards aligning its disclosures with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. In the coming years, Tryg plans to continue improving data, methods and practices in order to further align its disclosures on climate-related risks and opportunities with TCFD recommendations. In 2022, Tryg expects to publicly declare support for the TCFD and its recommendations, thus demonstrating that Tryg is taking action to build a more resilient financial system through climate-related disclosure.

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

Tryg has published an independent Corporate Responsibility report with extended Environmental, Social and Governance (ESG) data.

Download the report at **www.tryg.com/en/dokumenter/trygcom/corporate-responsibility-report-2021.pdf**

Contents – Financial statements 2021

Tryg's Group consolidated financial statements are prepared in accordance with IFRS

Tryg Group

Tryg A/S (parent company)

Reporting for Q4

Information

Statement by the Supervisory Board and the Executive Board

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

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the additional Danish disclosure requirements of the Danish Financial Business Act on annual reports prepared by listed financial services companies and the requirements of NASDAQ Copenhagen for the presentation of the financial statements of listed companies. The annual report of the parent company is prepared in accordance with the executive order on financial reports presented by insurance companies and lateral pension funds issued by the Danish FSA.

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

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

In our opinion, the annual report of Tryg A/S for the financial year 1 January to 31 December 2021 with the file name 213800ZRS8AC4L-STCE39-2021-12-31-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 2022

Executive Board

Morten Hübbe
Group CEO

Barbara Plucnar Jensen
Group CFO

Lars Bonde
Group COO

Johan Kirstein Brammer
Group CCO

Supervisory Board

Jukka Pertola
Chairman

Torben Nielsen
Deputy Chairman

Elias Bakk

Gert Ove Mikkelsen

Charlotte Dietzer

Karen Bladt

Claus Wistoft

Ida Sofie Jensen

Lene Skole

Tina Snejbjerg

Mari Thjømøe

Carl-Viggo Östlund

Lone Møller Olsen

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Business Act.

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

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

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

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

Collectively referred to as the "Financial Statements".

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Audi-

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

Key audit matter	How our audit addressed the key audit matter
Measurement of provisions for insurance contracts The Company's provisions for insurance contracts total DKK 33,588 million, which constitutes 33% of the balance sheet total. Provisions for insurance contracts primarily comprise premium and claims provisions. Premium provisions are calculated as the net present value of a best estimate of expected future cash-flows relating to insurance events after the balance sheet date on insurance contracts entered into on this date, including direct and indirect costs relating to these contracts. Claims provisions are calculated as the present value of a best estimate of expected payments relating to insurance events incurred at the balance sheet date in addition to payments already made in connection with these events. The estimate includes direct and indirect costs relating to the settlement of claims. Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts. We focused on the measurement of provisions for insurance contracts, as the accounting estimate is by nature complex and influenced by subjectivity and thus to a large extent associated with estimation uncertainty. Reference is made to the description in the Financial Statements of "Risk and capital management" in Note 1 and in "Accounting policies" in Note 29.	We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to claims processing and insurance provisioning. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. For selected controls, on which we planned to rely on, we tested whether these controls had been performed on a consistent basis. We used our own actuaries in the evaluation of the actuarial methods and models applied by the Company as well as assumptions applied, and calculations made. For a sample of provisions for insurance contracts, we tested the calculation and the data used to underlying documentation. We assessed and challenged the methods and models and significant assumptions applied based on our experience and industry knowledge with a view to ensure that these are in line with regulatory and accounting requirements. This comprised an assessment of the continuity in the basis for the calculation of provisions for insurance contracts. We tested the calculation of provisions for insurance contracts on a sample basis. We assessed whether the disclosures on provisions for insurance contracts were adequate.

Key audit matter	How our audit addressed the key audit matter
Acquisition of RSA Scandinavia The Company's equity investments in associates related to the acquisition of RSA Scandinavia through the entity Scandi JV Co A/S amount to a total of DKK 37,052 million, which represents 37% of the total balance. RSA Scandinavia was acquired with accounting effect as at 1 June 2021 comprising RSA's Swedish (Trygg-Hansa) and Norwegian (Codan Norway) businesses and a co-share of RSA's Danish business. Collectively referred to as RSA Scandinavia. According to the shareholders' agreement, Tryg A/S will not have control of RSA Scandinavia but will have significant influence. Tryg A/S' access to information is restricted to ensure compliance with the competition law. Accordingly, the investment is classified as an investment in associates. Investments in associates are accounted for by applying the equity method, reflecting the shareholder agreement. We focused on the acquisition of RSA Scandinavia due to the significance and complexity of the transaction and the degree of professional judgement applied in determining appropriate recognition and measurement criteria. Reference is made to the Financial Statements "Equity investments in associates" in Note 14 and 26 and "Accounting policies" section "Equity investments in associates" in note 29.	Our audit procedures included assessing the Group's accounting policies and whether the acquisition met the criteria as an equity investment in associates. We involved our internal specialists in assessing the accounting treatment applied by Management as supported by an external accounting expert advice obtained by Management. We verified Tryg A/S' share of the purchase price to the Share Purchase Agreement entered into on 18 November 2020, and payment on 1 June 2021 as well as the costs directly attributable to the acquisition. We also verified the carrying amount as of 31 December 2021 and Tryg A/S' share of the profit to the carrying amounts and profits as per financial reporting audited and reviewed by Scandi JV Co A/S's independent auditors. Moreover, we assessed the methodology used by Management to ensure consistency with the Group's accounting policies. We assessed the adequacy of disclosures relating to the acquisition.

tor'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.

Statement on the management's review
Management is responsible for Management's Review.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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 2021 with the filename 213800ZRS8AC4LSTCE39-2021-12-31-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.

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;
- 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 2021 with the file name 213800ZRS8AC4L-STCE39-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 25 January 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Christian Fredensborg Jakobsen
State Authorised Public Accountant
mne16539

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Financial highlights

DKKm	2021	2020	2019	2018	2017
NOK/DKK, average rate for the period	72.92	69.63	75.80	77.53	79.99
SEK/DKK, average rate for the period	73.39	70.95	70.62	72.67	77.24
Gross premium income	**24,137**	**22,653**	**21,741**	**18,740**	**17,963**
Gross claims	-16,275	-15,437	-14,857	-12,636	-11,865
Total insurance operating costs	-3,394	-3,202	-3,081	-2,704	-2,516
Profit/loss on gross business	4,468	4,014	3,803	3,400	3,582
Profit/loss on ceded business	-731	-499	-566	-624	-779
Insurance technical interest, net of reinsurance	-29	-20	1	-10	-14
Technical result	**3,709**	**3,495**	**3,237**	**2,766**	**2,789**
Investment return after insurance technical interest [a)]	1,008	311	579	-332	527
Other income and costs	-624	-265	-188	-172	-77
Profit/loss before tax	**4,093**	**3,541**	**3,628**	**2,262**	**3,239**
Tax	-932	-768	-783	-529	-720
Profit/loss on continuing business	**3,161**	**2,773**	**2,845**	**1,733**	**2,519**
Profit/loss on discontinued and divested business after tax	-3	0	-2	-2	-2
Profit/loss for the period	**3,158**	**2,773**	**2,843**	**1,731**	**2,517**
Run-off gains/losses, net of reinsurance	963	1,145	1,194	1,221	972
Run-off gains/losses, Gross	949	1,130	1,173	1,236	939
Statement of financial position					
Total provisions for insurance contracts	33,588	32,488	32,224	31,948	30,018
Total reinsurers' share of provisions for insurance contracts	1,494	1,377	1,501	1,415	1,366
Total equity	49,008	12,264	12,085	11,334	12,616
Total assets	100,580	60,916	59,059	56,545	51,367
Key ratios					
Gross claims ratio	67.4	68.1	68.3	67.4	66.1
Net reinsurance ratio	3.0	2.2	2.6	3.3	4.3
Claims ratio, net of ceded business	70.5	70.3	70.9	70.7	70.4
Gross expense ratio	14.1	14.1	14.2	14.4	14.0
Combined ratio	**84.5**	**84.5**	**85.1**	**85.1**	**84.4**
Operating ratio	84.6	84.6	85.1	85.2	84.5
Relative run-off gains/losses	4.0	4.9	5.1	5.4	4.1
Return on equity after tax (%)	7.8	22.5	24.6	14.9	28.8

a) Trygs acquisition of RSA Scandinavia affects the Financial Statement from closing the 1 June 2021. The investment return includes income from RSA Scandinavia of DKK 1,206m. Please see the income overview.

Income statement

Note	DKKm	2021	2020
Note	**General insurance**		
	Gross premiums written	25,413	23,652
	Ceded insurance premiums	-1,564	-1,552
	Change in premium provisions	-44	-187
	Change in reinsurers' share of premium provisions	-37	85
3	**Premium income, net of reinsurance**	**23,768**	**21,998**
4	**Insurance technical interest, net of reinsurance**	**-29**	**-20**
	Claims paid	-15,497	-15,542
	Reinsurance cover received	471	987
	Change in claims provisions	-778	105
	Change in the reinsurers' share of claims provisions	141	-187
5	**Claims, net of reinsurance**	**-15,663**	**-14,637**
	Bonus and premium discounts	**-1,232**	**-812**
	Acquisition costs	-2,655	-2,532
	Administration expenses	-739	-669
	Acquisition costs and administration expenses	-3,395	-3,202
	Reinsurance commissions and profit participation from reinsurers	258	170
6	**Insurance operating costs, net of reinsurance**	**-3,137**	**-3,032**
2	**Technical result**	**3,709**	**3,495**

Note	DKKm	2021	2020
Note	**Investment activities**		
14	Profit/Loss from associates	1,161	-47
	Income from investment property	41	49
7	Interest income and dividends	538	506
8	Value adjustments	-334	110
7	Interest expenses	-182	-126
	Administration expenses in connection with investment activities	-153	-145
	Total investment return	**1,070**	**348**
4	Return on insurance provisions	-62	-37
	Total investment return after insurance technical interest	**1,008**	**311**
	Other income	139	88
9	Other costs	-763	-354
	Profit/loss before tax	**4,093**	**3,541**
10	Tax	-932	-768
	Profit/loss on continuing business	**3,161**	**2,773**
	Profit/loss on discontinued and divested business	-3	0
	Profit/loss for the year	**3,158**	**2,773**
24	Earnings per share	5.51	9.19

Statement of comprehensive income

DKKm		2021	2020
Note	**Profit/loss for the year**	**3,158**	**2,773**
	Other comprehensive income		
	Other comprehensive income which cannot subsequently be reclassified as profit or loss		
	Actuarial gains/losses on defined-benefit pension plans	0	-68
	Tax on actuarial gains/losses on defined-benefit pension plans	0	6
		0	-62
	Other comprehensive income which can subsequently be reclassified as profit or loss		
	Exchange rate adjustments of foreign entities for the year	93	-51
	Exchange rate adjustments of foreign material associates for the year	-52	0
	Hedging of currency risk in foreign entities for the year	-99	127
	Tax on hedging of currency risk in foreign entities for the year	22	-28
		-36	48
	Total other comprehensive income	**-36**	**-14**
	Comprehensive income	**3,122**	**2,759**

Statement of financial position

Note	DKKm	2021	2020
Note	**Assets**		
11	**Intangible assets**	**7,025**	**7,124**
	Operating equipment	158	147
	Owner-occupied property	604	630
12	**Total property, plant and equipment**	**762**	**777**
13	**Investment property**	**1,040**	**1,117**
14	Equity investments in associates	37,067	16
	Total investments in associates	**37,067**	**16**
	Equity investments	3,625	2,611
	Unit trust units	8,231	6,878
	Bonds	35,611	34,339
	Other lending	75	80
	Derivative financial instruments	913	1,840
	Total other financial investment assets	**48,455**	**45,748**
15	**Total investment assets**	**86,562**	**46,881**
	Reinsurers' share of premium provisions	262	291
19	Reinsurers' share of claims provisions	1,232	1,087
16	**Total reinsurers' share of provisions for insurance contracts**	**1,494**	**1,377**
	Receivables from policyholders	1,678	1,674
	Total receivables in connection with direct insurance contracts	1,678	1,674
	Receivables from insurance enterprises	407	270
	Other receivables	946	685
15	**Total receivables**	**3,030**	**2,628**
17	Current tax assets	315	51
	Cash at bank and in hand	802	1,390
	Other	1	1
	Total other assets	**1,118**	**1,442**
	Interest and rent receivable	134	131
	Other prepayments and accrued income	453	555
	Total prepayments and accrued income	**588**	**686**
	Total assets	**100,580**	**60,916**

Note	DKKm	2021	2020
Note	**Equity and liabilities**		
18	**Equity**	**49,008**	**12,264**
1	**Subordinated loan capital**	**4,442**	**2,801**
19	Premium provisions	6,183	6,036
19	Claims provisions	25,587	24,957
	Provisions for bonuses and premium discounts	1,818	1,495
	Total provisions for insurance contracts	**33,588**	**32,488**
20	Pensions and similar obligations	108	130
21	Deferred tax liability	944	851
22	Other provisions	40	57
	Total provisions	**1,092**	**1,038**
	Debt relating to direct insurance	819	516
	Debt relating to reinsurance	77	56
	Amounts owed to credit institutions	835	1,191
	Debt relating to repos	2,417	3,259
15	Derivative financial instruments	879	897
17	Current tax liabilities	268	357
23	Other debt	7,084	5,979
	Total debt	**12,379**	**12,255**
	Accruals and deferred income	**71**	**69**
	Total equity and liabilities	**100,580**	**60,916**

1 **Risk and capital management**
25 **Contractual obligations, collateral and contingent liabilities**
26 **Acquisition of activities**
27 **Related parties**
28 **Financial highlights**
29 **Accounting policies**

Statement of changes in equity

DKKm	Share capital	Reserve for exchange rate adjustment	Other reserves[a]	Retained earnings	Proposed dividend	Non-controlling interest	Total
Equity at 31 December 2020	**1,511**	**25**	**1,706**	**8,492**	**529**	**1**	**12,264**
2021							
Profit/loss for the year			29	327	2,802		3,158
Other comprehensive income		-36		0			-36
Total comprehensive income	0	-36	29	327	2,802	0	3,122
Dividend paid					-2,630		-2,630
Dividend own shares				3			3
Purchase and sale of own shares				-137			-137
Issue of new shares [b]	1,763			34,557			36,320
Share based payments				66			66
Total changes in equity in 2021	**1,763**	**-36**	**29**	**34,817**	**172**	**0**	**36,744**
Equity at 31 December 2021	**3,273**	**-11**	**1,735**	**43,309**	**700**	**1**	**49,008**
Equity at 31 December 2019	**1,511**	**-23**	**1,677**	**7,906**	**1,013**	**1**	**12,085**
2020							
Profit/loss for the year			29	629	2,115		2,773
Other comprehensive income		48		-62			-14
Total comprehensive income	0	48	29	567	2,115	0	2,759
Dividend paid					-2,599		-2,599
Dividend, own shares				4			4
Purchase and sale of own shares				-13			-13
Share based payments				29			29
Total changes in equity in 2020	**0**	**48**	**29**	**586**	**-484**	**0**	**179**
Equity at 31 December 2020	**1,511**	**25**	**1,706**	**8,492**	**529**	**1**	**12,264**

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

The possible payment of dividend from Tryg Forsikring A/S to Tryg A/S is influenced by contingency fund provisions of DKK 1,735m (DKK 1,706m in 2020). The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and are not available for dividends.

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

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

Cash flow statement

Note	DKKm	2021	2020
Note	**Cash flow from operating activities**		
	Premiums	24,605	22,884
	Claims	-14,597	-15,400
	Ceded business	-906	-634
	Costs	-3,296	-2,961
	Change in other debt and other amounts receivable	-686	468
	Cash flow from insurance activities	**5,120**	**4,358**
	Interest income	311	359
	Interest expenses	-182	-126
	Dividend received	112	66
	Taxes	-1,200	-599
	Other income and costs	-490	-126
	Total cash flow from operating activities	**3,670**	**3,932**
	Cash flow from investment activities		
	Sale of property	160	13
	Purchase/sale of equity investments and unit trust units (net)	-891	-5,502
	Purchase/sale of bonds (net)	-2,501	4,339
	Purchase/sale of operating equipment (net)	-22	-37
	Acquisition of associate	-36,357	0
	Hedging of currency risk	-36	48
	Total cash flow from investment activities	**-39,647**	**-1,139**
	Cash flow from financing activities		
	Issue of new shares	36,320	0
	Sharebased payments/purchase of own shares (net)	-137	-13
	Subordinated loan capital	2,297	0
	Dividend paid	-2,630	-2,599
	Change in lease liabilities	-137	-139
	Change in amounts owed to credit institutions	-356	480
	Total cash flow from financing activities	**35,357**	**-2,271**

DKKm	2021	2020
Change in cash and cash equivalents, net	**-620**	**522**
Exchange rate adjustment of cash and cash equivalents, 1 January	32	0
Change in cash and cash equivalents, gross	**-588**	**522**
Cash and cash equivalents at 1 january	1,390	868
Cash and cash equivalents at 31 December	**802**	**1,390**

Liabilities arising from financing activities

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

2020	Subordinated loans	Amounts owed to credit institutions	Total
Carrying amount at 1 January	2,875	711	3,586
Exchange rate adjustments	-76	0	-76
Amortisation	2	0	2
Cash flow	0	480	480
Carrying amount at 31 December	**2,801**	**1,191**	**3,992**

Notes

1 Risk and capital management

Risk management in Tryg

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

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

1st line of defence is the Business Management

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

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

The 1st line consists of the Business Management: The business areas are responsible for the daily risk management and for carrying out every day work based on Tryg's policies and instructions regarding the management of risks and are responsible for being compliant with both internal and external requirements. This means that there must be procedures and guidelines in place for vital areas, and that internal controls are carried out in such a way that risks are identified in a timely manner and necessary risk mitigation activities are implemented.

The 2nd line consists of the Compliance, Actuarial and Risk Management function: The compliance function has the overall responsibility for overseeing and monitoring compliance with applicable laws and legislation as well as internal policies and guidelines. The key responsibility of the actuarial function is to ensure and assess the adequacy of the provisions. The risk management function is responsible for the facilitation, monitoring and implementation of effective risk management practices and reporting of adequate risk-related information throughout the organisation. The risk management function ensures a consistent approach to risk identification across the organisation, risk assessment of the most significant risks at Group level and reporting to the Supervisory Board. The risk management function consists of a Group risk management department and decentralized risk managers in the individual business areas. The decentralized risk managers are anchored in the respective business are-

What risk profile does Tryg want?

- Business model
- Strategy
- Policies

How is this supported?

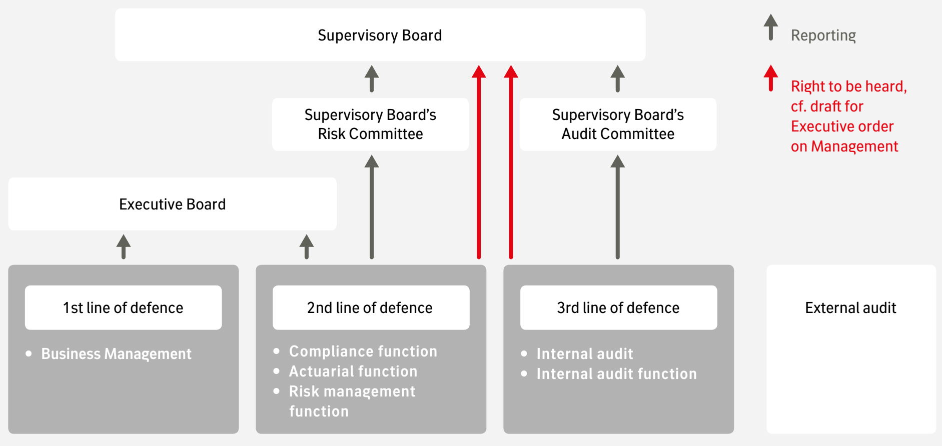
Tactically
- Policies
- Capital plan
- Contingency plan

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

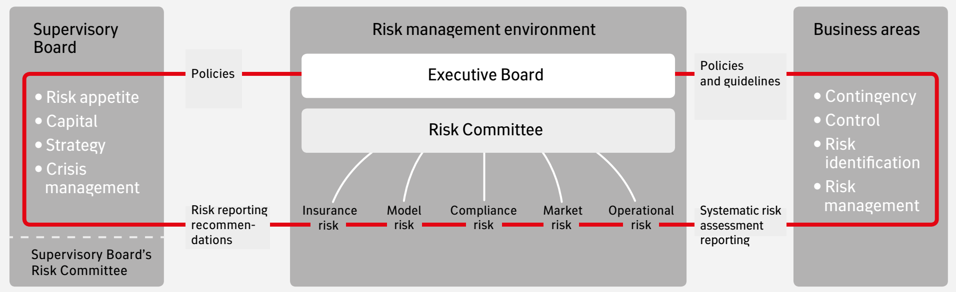
How is the actual risk profile measured?

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

Lines of defence



Tryg's risk management environment



Notes

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

Furthermore, the function prepares specific recommendations in relation to capital management, reinsurance, investment risk management and more. Tryg's risk management function is also responsible for determining the company's solvency capital requirement.

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

The 3rd line consists of internal audit: The third line must ensure an independent and objective audit of the organization's internal controls, risk management and governance processes. Internal audit reports independently to the Supervisory Board and to its Audit Committee.

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

Capital management

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

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

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

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

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

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

Company's Own Risk and Solvency Assessment (ORSA)

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

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

Insurance risk

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

Underwriting risk

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

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

- In case of major events involving damage to buildings and contents, Tryg's reinsurance programme provides protection for up to DKK 8.5bn, which statistically is sufficient to cover at least a 250-year event. Retention for such events is DKK 200m.
- In the event of a frequency of natural disasters, Tryg is covered for up to DKK 600m, after total annual retention of DKK 300m.
- Tryg has also taken out reinsurance for the risk of large claims occurring in sectors with very large sums insured. Tryg's largest individual building and contents risks are covered by up to DKK 2bn. Retention for large claims is DKK 150m, gradually dropping to DKK 50m. Single risks exceeding DKK 2bn are covered individually.
- Tryg has combined the minimum cover of other sectors into a joint cover with retention of DKK 100m for the first claim, 50m for the second claim, and DKK 25m for subsequent claims.

For the individual sectors, individual cover has subsequently been taken out as needed. The use of reinsurance creates a natural counterparty risk. This risk is handled by applying a wide range of reinsurers with a suitable rating and adequate capital level as defined by the Supervisory Board.

Reserving risk

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

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

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

Investment risk

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

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

Notes

(including property funds) and Tryg's equity portfolio accounted for 6.3% of the total investment assets.

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

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

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

Operational risk

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

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

Other risks

Strategic risk

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

Sensitivity analysis

DKKm	2021	2020
Insurance risk		
Effect of 1% change in:		
Combined ratio (1 percentage point)	+/-241	+/-226
Major events	-150	-100
Catastrophe event up to DKK 7,250m	-200	-183
Reserving risk		
1% change in inflation on person-related lines of business [a]	+/- 400	+/- 411
10% error in the assessment of long-tailed lines of business (workers' compensation, motor liability, liability, accident)	+/- 1,745	+/- 1,753
Investment risk		
Interest rate market		
Effect of 1 % increase in interest curve:		
NOK:		
Impact of interest-bearing securities	-183	-167
Higher discounting of claims provisions	178	176
Net effect of interest rate rise	-5	8
SEK:		
Impact of interest-bearing securities	-152	-156
Higher discounting of claims provisions	192	201
Net effect of interest rate rise	40	45
DKK, EUR and Other:		
Impact of interest-bearing securities	-813	-834
Higher discounting of claims provisions	734	694
Net effect of interest rate rise	-78	-140
Equity market		
15 % decline in equity market	-516	-471
Impact of derivatives and related thereto	18	-11
Real estate market		
15 % decline in real estate markets	-508	-294
Currrency market		
Equity:		
15 % decline in exposed currency (exclusive of EUR) relative to DKK	-1,237	-1,485
Impact of derivatives	1,226	1,486
Net impact of exchange rate decline	-11	1
Technical result per year:		
Impact of 15% change in NOK and SEK exchange rates relative to DKK	+/- 183	+/- 121

a) Including the effect of the zero coupon inflation swap

Notes

Emerging risk

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

Liquidity risk

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

Provisions for claims

Gross (DKKm)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Estimated accumulated claims												
End of year	15,747	13,306	13,712	12,554	14,547	12,725	12,558	13,613	16,112	16,918	17,373	
1 year later	16,126	13,382	13,974	12,874	14,488	12,602	12,682	15,377	16,127	16,734		
2 year later	16,185	13,340	13,634	12,693	14,442	12,517	14,181	15,360	16,091			
3 year later	16,138	13,155	13,469	12,589	14,362	14,033	14,100	15,368				
4 year later	15,964	12,894	13,443	12,505	15,748	14,016	14,092					
5 year later	15,997	12,812	13,319	13,760	15,731	13,983						
6 year later	15,864	12,702	14,542	13,497	15,694							
7 year later	15,681	13,925	14,397	13,429								
8 year later	17,406	13,823	14,361									
9 year later	17,109	13,766										
10 year later	17,004											
	17,004	13,766	14,361	13,429	15,694	13,983	14,092	15,368	16,091	16,734	17,373	167,894
Cumulative payments to date	-16,442	-13,032	-13,555	-12,660	-14,756	-12,907	-12,824	-13,639	-13,422	-12,362	-9,012	-144,611
Provisions before discounting, end of year	562	734	806	769	938	1,076	1,268	1,729	2,668	4,371	8,362	23,284
Discounting	-40	-36	-48	-44	-49	-57	-61	-71	-94	-121	-151	-772
Reserves from 2010 and prior years												3,075
Gross provisions for claims, end of year												25,587

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

Notes

Provisions for claims (continued)

Ceded business (DKKm)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Estimated accumulated claims												
End of year	1,447	220	1,131	270	2,071	201	286	625	370	733	535	
1 year later	2,128	249	1,476	305	1,877	253	393	670	454	794		
2 year later	2,248	286	1,258	299	1,909	245	387	698	477			
3 year later	2,286	279	1,252	295	1,885	244	398	709				
4 year later	2,234	267	1,269	316	1,915	241	369					
5 year later	2,228	256	1,301	313	1,929	241						
6 year later	2,233	269	1,350	315	1,921							
7 year later	2,618	268	1,305	315								
8 year later	2,611	341	1,303									
9 year later	2,612	341										
10 year later	2,613											
	2,613	341	1,303	315	1,921	241	369	709	477	794	535	9,618
Cumulative payments to date	-2,614	-265	-1,247	-303	-1,902	-234	-327	-646	-314	-508	-91	-8,452
Provisions before discounting, end of year	0	76	56	12	19	6	42	63	163	287	443	1,166
Discounting	0	0	0	0	0	0	0	0	-3	-1	-1	-5
Reserves from 2010 and prior years												71
Provisions for claims, end of year												1,232

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

Notes

Provisions for claims (continued)

Net of reinsurance (DKKm)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Estimated accumulated claims												
End of year	14,300	13,086	12,581	12,284	12,476	12,524	12,272	12,988	15,742	16,185	16,839	
1 year later	13,997	13,133	12,498	12,569	12,611	12,350	12,290	14,707	15,673	15,939		
2 year later	13,936	13,054	12,376	12,394	12,533	12,272	13,794	14,662	15,614			
3 year later	13,851	12,876	12,216	12,294	12,477	13,789	13,702	14,658				
4 year later	13,731	12,628	12,175	12,189	13,834	13,775	13,724					
5 year later	13,769	12,556	12,018	13,446	13,802	13,742						
6 year later	13,631	12,434	13,192	13,182	13,773							
7 year later	13,063	13,657	13,092	13,114								
8 year later	14,795	13,482	13,058									
9 year later	14,498	13,425										
10 year later	14,391											
	14,391	13,425	13,058	13,114	13,773	13,742	13,724	14,658	15,614	15,939	16,839	158,277
Cumulative payments to date	-13,829	-12,767	-12,308	-12,357	-12,854	-12,672	-12,497	-12,993	-13,108	-11,855	-8,921	-136,160
Provisions before discounting, end of year	562	658	750	757	919	1,070	1,226	1,666	2,506	4,085	7,919	22,117
Discounting	-40	-36	-48	-44	-49	-57	-61	-71	-91	-120	-150	-766
Reserves from 2010 and prior years												3,004
Provisions for claims, net of reinsurance, end of the year												24,355

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

Notes

DKKm	Expected cash flow, not discounted 0-1 year	1-2 years	2-3 years	> 3 years	Total
2021					
Claims provisions, gross	8,950	4,227	2,645	10,714	26,537
Claims provisions, ceded	-700	-272	-130	-137	-1,239
	8,251	**3,955**	**2,516**	**10,578**	**25,299**
2020					
Claims provisions, gross	8,301	3,930	2,489	10,546	25,266
Claims provisions, ceded	-610	-223	-118	-135	-1,086
	7,691	**3,707**	**2,371**	**10,411**	**24,181**

Notes

DKKm	2021	2020
Investment risk		
The notes below are based on Tryg's investment portfolio without the external customers share		
Bond portfolio including interest derivatives		
Duration 1 year or less	17,152	14,216
Duration 1 - 5 years	11,364	13,820
Duration 5 - 10 years	5,352	6,571
Duration more than 10 years	3,698	3,152
Total	**37,566**	**37,760**
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	73	79
Europe ex. Nordic contries	442	314
North America	1,684	2,162
Others	1,108	643
Total	**3,307**	**3,196**

Tryg's share exposure includes exposure from share derivatives of DKK -117 (DKK 69m in 2020) and excluding shares related to propertiy exposure. Unlisted equity investments are based on an estimated market price. UK is included in Europe ex. Nordic countries.

Exposure to exchange rate risk

	2021			2020		
	Assets and debt	Hedge	Exposure	Assets and debt	Hedge	Exposure
USD	5,114	-5,041	74	5,318	-5,314	3
EUR [a]	2,105	-709	1,396	2,287	-2,658	372
GBP	308	-300	8	230	-221	9
NOK	2,711	-2,703	7	3,740	-3,749	9
SEK	-495	484	11	497	-496	1
Other	637	-616	21	446	-454	9
Total			**1,516**			**403**

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

DKKm				
Credit risk	**2021**		**2020**	
Bond portfolio by ratings	**DKKm**	**%**	**DKKm**	**%**
AAA	33,323	89.1	33,515	91.7
AA	764	2.0	274	0.8
A	1,036	2.8	587	1.6
BBB	736	2.0	868	2.4
BB	424	1.1	476	1.3
B or lower	1,121	3.0	828	2.3
Total	**37,403**	**100.0**	**36,548**	**100.0**
Reinsurance balances				
AAA to A	1,207	86.8	969	84.5
Not rated	183	13.2	178	15.5
Total	**1,390**	**100.0**	**1,147**	**100.0**

Liquidity risk

Maturity of the Group's financial obligations including interest

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

2020	0-1 year	1-5 years	> 5 years	Total
Subordinate loan capital	95	382	3,756	4,233
Amounts owed to credit institutions	1,191	0	0	1,191
Debt relating to unsettled funds transactions and repos	3,259	0	0	3,259
Other debt	6,907	0	0	6,907
Total	**11,453**	**382**	**3,756**	**15,591**

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

Notes

Subordinated loan capital

	Bond loan NOK 800m		Bond loan NOK 1,400m		Bond loan SEK 1,000m	
DKKm	2021	2020	2021	2020	2021[a]	2020
Amortised cost value of the loan recognised in statement of financial position	596	563	1,042	985	-	738
The fair value of the loan at the statement of financial position date	616	589	1,103	1,027	-	745
The fair value of the loan at the statement of financial position date is based on a price of	103	105	106	104	-	101
Total capital losses and costs at the statement of the financial position date	1	1	2	2	-	2
Interest expenses for the year	25	26	33	36	8	21
Effective interest rate	4.1%	4.6%	3.2%	3.6%	6.9%	2.8%

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	May 2016
Maturity year	Perpetual	2045	2046
Loan may be called by lender as from	2023	2025	2021
Repayment profile	Interest-only	Interest-only	Interest-only
Interest structure	3.75 % above NIBOR 3M (until 2023) 4.75 % above NIBOR 3M (from 2023)	2.75 % above NIBOR 3M (until 2025) 3.75 % above NIBOR 3M (from 2025)	2.75 % above STIBOR 3M (until 2026) 3.75 % above STIBOR 3M (from 2026)

a) Cancelled in 2021

The share of subordinated loan capital included in Own Funds totals DKK 4,453m (DKK 2,663m in 2020).

The loans are initially recognised at fair value on the date on which a loan is entered and subsequently measured at amortised cost.

The loans are taken by Tryg Forsikring A/S. The creditors have no option to call the loans before maturity or otherwise terminate the loan agreements. The loans are automatically accelerated upon the liquidation or bankruptcy of Tryg Forsikring A/S.

Prices used for determination of fair value in respect of the loans are based on actual traded prices from Bloomberg.

Notes

Subordinated loan capital (continued)

	Bond loan NOK 850m		Bond loan SEK 1,300m		Bond loan SEK 700m	
DKKm	2021	2020	2021	2020	2021	2020
Amortised cost value of the loan recognised in statement of financial position	633	-	942	-	506	516
The fair value of the loan at the statement of financial position date	631	-	944	-	515	521
The fair value of the loan at the statement of financial position date is based on a price of	100	-	100	-	101	101
Total capital losses and costs at the statement of the financial position date	1	-	2	-	2	2
Interest expenses for the year	7	-	7	-	13	14
Effective interest rate	1.7%	-	1.1%	-	2.5%	2.6%

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

Notes

Subordinated loan capital (continued)

	Bond loan SEK 1,000m	
DKKm	2021	2020
Amortised cost value of the loan recognised in statement of financial position	723	-
The fair value of the loan at the statement of financial position date	740	-
The fair value of the loan at the statement of financial position date is based on a price of	102	-
Total capital losses and costs at the statement of the financial position date	3	-
Interest expenses for the year	15	-
Effective interest rate	2.4%	-

Loan terms:

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

Notes

COVID-19

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

Towards the end of 2021, the impact was very limited despite the outbreak of the Omicron variant.

Valuation of investments assets

Total financial investment assets are measured at fair value with value adjustment in the income statement. Listed bonds and shares, parts of unit trusts as well as part of derivative financial instruments are measured at quoted market prices or consolidated references prices at the balance sheet date.

The valuation of the investment assets can be distributed in the fair value hierarchy model, which is determined in accordance with IFRS 13. The model distributes the total investments assets based on the price at which the investment assets are set. Reference is made to note 15 for further description of the fair value hierarchy.

The main part of Tryg's investment assets are classified as level 1 and 2 and are valuated based on quoted market prices or consolidated references prices. This involves the bonds portfolio, the main part of shares and unit trust units as well as the statement of financial instruments. Assets, which can be classified as level 3, can be attributed to unlisted assets, specific unlisted unit trusts and investment property. As these investment assets are not valued based on observable input, there will be a discretionary element in this hierarchy.

On 31 December 2021, the value amounts to DKK 1,114m (DKK 1,186m on 31 December 2020).

Claims provisions

The volatility introduced by the outbreak of COVID-19 affects some of Trygs claims provisions, particularly travel insurance but also several other insurance products due to significant changes in behavior. The effects are incorporated in Trygs reserving models.

The statistical uncertainty related to these changes is insignificant compared to the total provisions and balance sheet.

Exchange rates

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

Tryg has chosen to implement a currency hedge strategy that focuses on mitigating the currencies impact on the financial results. This means that the impact on the P/L of changes in local currencies is limited.

The shareholders' equity, due to the currency hedge strategy, is not sensitive to changes in the local currencies.

Impairment of intangibles

COVID-19 has not have any affect on the assumptions related to impairment of Goodwill, Trademarks and Brand. Reference is made to note 11 for further description on Impairment test.

Notes

DKKm	Private	Commercial[a)]	Corporate[a)]	Sweden	Other[b)]	Group
2 **Operating segments**						
2021						
Gross premium income	**13,685**	**5,294**	**3,457**	**1,701**	**0**	**24,137**
Gross claims	-9,377	-3,334	-2,423	-1,141	1	-16,275
Gross operating expenses	-1,803	-913	-396	-284	1	-3,394
Profit/loss on ceded business	-270	-191	-273	3	0	-731
Insurance technical interest, net of reinsurance	-16	-7	-4	-2	0	-29
Technical result	**2,219**	**850**	**361**	**277**	**2**	**3,709**
Investment return and Other income and costs						384
Profit/loss before tax						**4,093**
Tax and other items						- 935
Profit/loss						**3,158**
Run-off gains/losses, net of reinsurance	136	309	282	235	1	963
Intangible assets	5,549	60	0	521	895	7,025
Equity investments in associates					37,067	37,067
Reinsurers' share of premium provisions	55	33	174	0	0	262
Reinsurers' share of claims provisions	47	377	806	1	0	1,232
Other assets					54,993	54,993
Total assets						**100,580**
Premium provisions	2,820	1,451	990	923	0	6,183
Claims provisions	6,906	7,573	8,249	2,859	0	25,587
Provisions for bonuses and premium discounts	1,615	102	4	97	0	1,818
Other liabilities					17,983	17,983
Total liabilities						**51,572**

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

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

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

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

Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Notes

DKKm	Private	Commercial[a)]	Corporate[a)]	Sweden	Other [b)]	Group
2 Operating segments (continued)						
2020						
Gross premium income	**12,743**	**4,930**	**3,376**	**1,604**	**0**	**22,653**
Gross claims	-8,883	-3,167	-2,311	-1,067	-9	-15,437
Gross operating expenses	-1,727	-831	-367	-269	-7	-3,202
Profit/loss on ceded business	-76	-130	-294	1	0	-499
Insurance technical interest, net of reinsurance	-12	-5	-2	-1	0	-20
Technical result	**2,045**	**798**	**401**	**268**	**-16**	**3,495**
Investment return and Other income and costs						45
Profit/loss before tax						**3,541**
Tax and other items						- 768
Profit/loss						**2,773**
Run-off gains/losses, net of reinsurance	120	348	436	249	-9	1,145
Intangible assets	5,677	60	0	533	854	7,124
Equity investments in associates					16	16
Reinsurers' share of premium provisions	50	24	216	0	0	291
Reinsurers' share of claims provisions	140	330	604	12	0	1,087
Other assets					52,398	52,398
Total assets						**60,916**
Premium provisions	2,747	1,364	943	983	0	6,036
Claims provisions	6,348	7,306	8,406	2,896	0	24,957
Provisions for bonuses and premium discounts	1,303	118	5	69	0	1,495
Other liabilities					16,164	16,164
Total liabilities						**48,651**

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

a) Credit & surety insurance has been transferred from the Corporate segment to the Commercial segment in Q1 2021. Comparative figures have been restated accordingly.

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

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

Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Notes

DKKm		2021	2020	2019	2018	2017
2	**Geographical segments**					
	Danish general insurance					
	Gross premium income	**14,326**	**13,902**	**13,126**	**10,375**	**9,567**
	Technical result	2,448	2,694	2,595	1,986	1,767
	Run-off gains/losses, net of reinsurance	644	639	717	714	451
	Key ratios					
	Gross claims ratio	66.2	65.5	64.9	61.4	64.3
	Net reinsurance ratio	2.0	1.1	1.5	5.4	3.6
	Claims ratio, net of ceded business	68.2	66.6	66.4	66.8	67.9
	Gross expense ratio	14.4	13.9	13.6	13.9	13.4
	Combined ratio	**82.7**	**80.4**	**80.0**	**80.7**	**81.3**
	Run-off, net of reinsurance (%)	-4.5	-4.6	-5.5	-6.9	-4.7
	Number of full-time employees, end of period	3,062	2,826	2,622	2,501	1,928
	Norwegian general insurance					
	NOK/DKK, average rate for the period	72.92	69.63	75.80	77.53	79.99
	Gross premium income	**7,263**	**6,411**	**6,472**	**6,302**	**6,272**
	Technical result	938	473	469	791	770
	Run-off gains/losses, net of reinsurance	215	247	283	520	422
	Key ratios					
	Gross claims ratio	69.1	75.3	73.7	72.6	67.9
	Net reinsurance ratio	5.0	3.4	5.1	1.2	5.3
	Claims ratio, net of ceded business	74.1	78.7	78.8	73.8	73.2
	Gross expense ratio	13.1	14.1	14.4	13.9	14.7
	Combined ratio	**87.2**	**92.7**	**93.1**	**87.7**	**87.9**
	Run-off, net of reinsurance (%)	-3.0	-3.9	-4.4	-8.3	-6.7
	Number of full-time employees, end of period	1,139	1,099	1,083	1,105	1,042

Notes

DKKm		2021	2020	2019	2018	2017
2	**Geographical segments**					
	Swedish general insurance					
	SEK/DKK, average rate for the period	73.39	70.95	70.62	72.67	77.24
	Gross premium income	**2,390**	**2,234**	**2,120**	**2,073**	**2,121**
	Technical result	279	331	169	94	236
	Run-off gains/losses, net of reinsurance	113	274	205	-9	101
	Key ratios					
	Gross claims ratio	71.4	65.8	74.0	82.3	69.0
	Net reinsurance ratio	2.2	4.0	2.0	-1.7	5.0
	Claims ratio, net of ceded business	73.6	69.9	75.9	80.6	74.0
	Gross expense ratio	14.6	15.3	16.1	14.6	14.5
	Combined ratio	**88.3**	**85.1**	**92.0**	**95.2**	**88.5**
	Run-off, net of reinsurance (%)	-4.7	-12.3	-9.7	0.4	-4.8
	Number of full-time employees, end of period	431	441	419	402	398
	Other [a]					
	Gross premium income	**159**	**105**	**24**	**-10**	**3**
	Technical result	43	-3	4	-105	16
	Run-off gains/losses, net of reinsurance	-8	-15	-12	-4	-2
	Number of full-time employees, end of period	42	33	28	19	5
	Tryg (total)					
	Gross premium income	**24,137**	**22,653**	**21,741**	**18,740**	**17,963**
	Technical result	3,709	3,495	3,237	2,766	2,789
	Investment return	1,008	311	579	-332	527
	Other income and costs	-624	-265	-188	-172	-77
	Profit/loss before tax	4,093	3,541	3,628	2,262	3,239
	Run-off gains/losses, net of reinsurance	963	1,145	1,194	1,221	972
	Key ratios					
	Gross claims ratio	67.4	68.1	68.3	67.4	66.1
	Net reinsurance ratio	3.0	2.2	2.6	3.3	4.3
	Claims ratio, net of ceded business	70.5	70.3	70.9	70.7	70.4
	Gross expense ratio	14.1	14.1	14.2	14.4	14.0
	Combined ratio	**84.5**	**84.5**	**85.1**	**85.1**	**84.4**
	Run-off, net of reinsurance (%)	-4.0	-5.1	-5.5	-6.5	-5.4
	Number of full-time employees, end of period	4,674	4,400	4,151	4,027	3,373

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

Notes

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

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

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

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

Notes

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

DKKm	Other insurance		Total exclusive of Group Life		Group Life, one-year policies [a]		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Gross premiums written	**0**	**52**	**24,657**	**22,869**	**756**	**783**	**25,413**	**23,652**
Gross premium income	0	54	23,576	22,103	561	550	24,137	22,653
Gross claims	0	4	- 15,789	- 14,975	- 486	- 462	- 16,275	- 15,437
Gross operating expenses	0	5	- 3,330	- 3,152	- 64	- 50	- 3,394	- 3,202
Profit/loss on ceded business	0	9	- 732	- 502	1	3	- 731	- 499
Insurance technical interest, net of reinsurance	0	0	- 30	- 21	1	1	- 29	- 20
Technical result	**0**	**72**	**3,695**	**3,453**	**13**	**42**	**3,709**	**3,495**
Gross claims ratio	0.0	-7.4	67.0	67.8	86.6	84.0	67.4	68.1
Combined ratio	**0.0**	**-33.3**	**84.2**	**84.3**	**97.9**	**92.5**	**84.5**	**84.5**

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

Notes

DKKm		2021	2020
3	**Premium income, net of reinsurance**		
	Direct insurance	25,304	23,388
	Indirect insurance	65	53
		25,369	23,441
	Unexpired risk provision	0	24
		25,369	23,465
	Ceded direct insurance	-1,601	-1,467
		23,768	**21,998**

Direct insurance, by location of risk	2021		2020	
	Gross	Ceded	Gross	Ceded
Denmark	15,404	-762	14,606	-632
Other EU countries	2,572	-281	2,363	-282
Other countries [a]	7,328	-558	6,443	-553
	25,304	**-1,601**	**23,412**	**-1,467**

a) Primarily Norway

		2021	2020
4	**Insurance technical interest, net of reinsurance**		
	Return on insurance provisions	62	37
	Discounting transferred from claims provisions	-91	-57
		-29	**-20**
5	**Claims, net of reinsurance**		
	Claims	-17,224	-16,567
	Run-off previous years, gross	949	1,130
		-16,275	-15,437
	Reinsurance cover received	598	785
	Run-off previous years, reinsurers' share	14	15
		-15,663	**-14,637**

DKKm		2021	2020
6	**Insurance operating costs, net of reinsurance**		
	Commissions regarding direct insurance contracts	-223	-290
	Other acquisition costs	-2,432	-2,243
	Total acquisition costs	-2,655	-2,532
	Administration expenses	-739	-669
	Insurance operating costs, gross	-3,395	-3,202
	Commission from reinsurers	258	170
		-3,137	-3,032
	Fees to the auditors appointed by the annual general meeting:		
	PwC (Deloitte was auditors until 26 March 2021), included in administrative expenses	-7	-9
	PwC (Deloitte was auditors until 26 March 2021), included in the balance sheet	0	-78
		-7	-87
	The fee is divided into:		
	Statutory audit	-4	-5
	Other audit assignments	-1	0
	Tax advice	0	-1
	Other services	-2	-81
		-7	-87
	Expenses have been incurred for the Group´s Internal Audit Department.	-9	-9

Fees for non-audit services provided by PricewaterhouseCoopers to the Group amount to DKK 3m (Deloitte DKK 82m in 2020) and consist of various declaration tasks required by law, mainly related to review of interim balances (DKK 1m) and other services related to comfort letter regarding capital notes, general accounting advice and consulting services (DKK 2m).

Notes

DKKm		2021	2020
6	**Insurance operating costs, gross, classified by type (continued)**		
	Commissions	-223	-290
	Staff expenses	-2,212	-1,971
	Other staff expenses	-126	-137
	Office expenses, fees and headquarter expenses	-798	-739
	IT operating and maintenance costs, software expenses	-247	-287
	Depreciation, amortisation and impairment losses and write-downs	-107	-106
	Other income	318	328
		-3,395	**-3,202**

Please refer to note 12 and 23 regarding lease recognised costs according to IFRS 16

		2021	2020
	Total staff expenses recognized in income statement:		
	Salaries and wages	-3,167	-2,776
	Commision	-7	-2
	Allocated conditional and matching shares	-55	-38
	Pension plans [a)]	-427	-259
	Other social security costs	-7	-7
	Payroll tax	-623	-528
		-4,286	**-3,610**

a) In 2021 defined benefit plans were included with DKK 0m (DKK 128m in 2020).

Remuneration for the Supervisory Board and Executive Board is disclosed in note 27 'Related parties'.

		2021	2020
	Average number of full-time employees during the year (continuing business)	**4,544**	**4,278**

Notes

DKKm

6 Share-based payment

Matching shares	Total Numbers				Fair Value			
2021	**Executive Board**	**Risk-takers**	**Other**	**Total**	**Average value per matching share at grant date DKK**	**Total value at time of allocation DKKm**	**Value per matching share at 31 December DKK**	**Total fair value at 31 December DKKm**
Matching shares allocated in 2021	**0**	**2,680**	**74,216**	**76,896**	**149**	**11**	**162**	**12**
Allocated in 2011-2020	295,068	89,859	206,880	591,807	133	78	162	96
Category changes and addition	0	1,097	6,000	7,097	133	1	162	1
Cancelled	-14,328	-7,476	-40,572	-62,376	133	-8	162	-10
Exercised	-112,806	-45,487	-139,235	-297,528	133	-39	162	-48
Total 31.12.21	**167,934**	**37,993**	**33,073**	**239,000**	**133**	**32**	**162**	**39**

2020	**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 2020	**52,015**	**809**	**37,897**	**90,721**	**203**	**18**	**192**	**17**
Allocated in 2011-2019	243,053	89,050	168,983	501,086	120	60	192	96
Cancelled	-14,328	-7,476	-40,572	-62,376	120	-7	192	-12
Exercised	-108,059	-12,287	-109,356	-229,702	120	-28	192	-44
Total 31.12.20	**120,666**	**69,287**	**19,055**	**209,008**	**120**	**25**	**192**	**40**

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 acquires in Tryg A/S at market rate for liquid cash at a contractually agreed sum over deferral period of up to 4 years.

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

Notes

DKKm

6 Share-based payment

Conditional shares	Total Numbers				Fair Value			
2021	**Executive Board**	**Risk-takers**	**Other**	**Total**	**Average value per conditional share at grant date DKK**	**Total value at time of allocation DKKm**	**Value per conditional share at 31 December DKK**	**Total fair value at 31 December DKKm**
Conditional shares allocated in 2021	**98,776**	**158,233**	**89,662**	**346,671**	**167**	**58**	**162**	**56**
Allocated in 2018-2020	37,173	242,856	91,775	371,804	176	66	162	60
Category changes and addition	0	3,989	30,651	34,640	176	6	162	6
Cancelled	0	0	-8,231	-8,231	176	-1	162	-1
Exercised	-5,613	-33,230	-56,105	-94,948	176	-17	162	-15
Total 31.12.21	**31,560**	**213,615**	**58,090**	**303,265**	**176**	**53**	**162**	**49**

2020	**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 2020	**27,096**	**128,936**	**3,802**	**159,834**	**173**	**28**	**192**	**31**
Allocated in 2018-2019	10,077	113,920	87,973	211,970	169	36	192	41
Additions, cancelled & exercised	-5,613	-25,494	-35,502	-66,609	169	-11	192	-13
Total 31.12.20	**4,464**	**88,426**	**52,471**	**145,361**	**169**	**25**	**192**	**28**

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 2021, the recognised fair value of conditional shares for the Group amounted to DKK 40m (DKK 31m in 2020). At 31 December 2021, total fair value of conditional shares amounted to DKK 105m..

Notes

DKKm		2021	2020
7	**Interest and dividends**		
	Interest income and dividends		
	Dividends	112	66
	Interest income, cash at bank and in hand	0	2
	Interest income, bonds	422	437
	Interest income, other	4	0
		538	506
	Interest expenses		
	Interest expenses subordinated loan capital, credit institutions and cash at bank	-107	-95
	Interest expenses, other [a)]	-75	-30
		-182	-126
		356	**380**

a) Hereof DKK 33m related to the RSA acquisition, please refer to note 26

DKKm		2021	2020
8	**Value adjustments**		
	Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement:		
	Equity investments	407	-153
	Unit trust units	1,095	-358
	Bonds	-312	-233
	Derivatives (Equity and Interest) [a)]	-1,750	769
		-560	25
	Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:		
	Investment property	64	4
	Discounting	527	-530
	Other statement of financial position items	-365	611
		226	85
		-334	**110**

Exchange rate adjustments concerning financial assets or liabilities which cannot be stated at fair value total DKK -336m (DKK -104m in 2020)

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

DKKm		2021	2020
9	**Other income and costs**		
	Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets.		
	Other income		
	Income related to the sale of pension products and car care	108	86
	Other income	31	2
		139	88
	Other costs		
	Costs related to the sale of pension products and car care	-102	-124
	Depreciations of customer relations and trademarks	-136	-135
	Integration and restructuring costs related to RSA acquisition	-349	0
	Other costs	-176	-95
		-763	-354
		-624	**-265**
10	**Tax**		
	Tax on accounting profit/loss	-900	-779
	Difference between Danish and foreign tax rates	-156	15
	Tax adjustment, previous years	105	12
	Adjustment of non-taxable income and costs	35	-56
	Change in valuation of tax assets	-1	53
	Other taxes	-15	-13
		-932	**-768**
	Effective tax rate	%	%
	Tax on accounting profit/loss	22.0	22.0
	Difference between Danish and foreign tax rates	3.5	-0.5
	Tax adjustment, previous years	-2.5	1.5
	Adjustment of non-taxable income and costs	-1.0	-1.5
	Other taxes	0.5	0.0
		22.5	**21.5**

Notes

DKKm

11 Intangible assets

	Goodwill	Trademarks and customer relations	Software [a]	Assets under con-struction [a]	Total
2021					
Cost					
Cost at 1 January	4,885	1,865	2,154	222	9,127
Exchange rate adjustments	-5	-2	22	4	18
Transferred from assets under construction	0	0	208	-208	0
Additions for the year	0	0	72	249	321
Disposals for the year	0	0	-190	0	-190
Cost at 31 December	4,880	1,863	2,267	267	9,276
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-375	-1,523	0	-2,002
Exchange rate adjustments	0	1	-12	0	-11
Amortisation for the year	0	-136	-212	0	-348
Impairment losses and write-downs for the year	0	0	-79	0	-79
Reversed amortisation	0	0	188	0	188
Amortisation and write-downs at 31 December	-104	-510	-1,637	0	-2,251
Carrying amount at 31 December	**4,776**	**1,353**	**630**	**267**	**7,025**

DKKm

11 Intangible assets (continued)

	Goodwill	Trademarks and customer relations	Software [a]	Assets under con-struction [a]	Total
2020					
Cost					
Cost at 1 January	4,876	1,861	2,099	292	9,128
Exchange rate adjustments	9	4	-26	-6	-19
Transferred from asset under construction	0	0	249	-249	0
Additions for the year	0	0	112	188	300
Disposals for the year	0	0	-280	-3	-282
Cost at 31 December	4,885	1,865	2,154	222	9,127
Amortisation and write-downs					
Amortisation and write-downs at 1 January	-104	-235	-1,425	0	-1,764
Exchange rate adjustments	0	-5	13	0	8
Amortisation for the year	0	-135	-193	0	-328
Impairment losses and wri-te-downs for the year	0	0	-147	0	-147
Reversed amortisation	0	0	229	0	229
Amortisation and write-downs at 31 December	-104	-375	-1,523	0	-2,002
Carrying amount at 31 December	**4,781**	**1,489**	**631**	**222**	**7,124**

a) Hereof proprietary software and assets under construction DKK 377m (DKK 366m at 31 December 2020).

Notes

DKKm

11 **Intangible assets (continued)**

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

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

COVID-19 has not had any affect on the assumptions related to impairment of Goodwill, Trademarks and Brand.

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 private and commercial customers under the 'Alka' brand.

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

The cash flows appearing from the latest prognosis approved by management for the next 6 quarters are used when calculating the value in use of Private DK. The cash flows in the latest prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates 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 36.5bn (DKK 31.1bn) relative to a recognised goodwill of DKK 4.2bn (DKK 4.2bn) and does not indicate any impairment in 2021. According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 4.6% will result in a write down of goodwill.

DKKm	2021	2020
11 **Intangible assets (continued)**		
- Earned premium assumed CAGR 0 - 10 years	4%	3%
- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
- Required return before tax	6%	7%
- Expected level of combined ratio	81%	81%
Sensitivity information		
Impact on the calculated present value from the following changes:		
CAGR +1.0 percentage point (0 - 10 years)	1.7bn	1.4bn
CAGR -1.0 percentage point (0 - 10 years)	-1.6bn	-1.3bn
Required return +1.0 percentage point	-7.1bn	-5.6bn
Required return -1.0 percentage point	11.6bn	8.6bn
Combined ratio +1.0 percentage point	-1.8bn	-1.6bn
Combined ratio -1.0 percentage point	1.8bn	1.6bn

The above changes have no impact on equity.

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

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

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

The cash flows appearing from the latest prognosis approved by management for the next 6 quarters are used when calculating the value in use of Obos. The cash flows in the prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates determined 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 0.5bn (0.5bn) relative to a recognised goodwill of DKK 48m (46m) and does not indicate any impairment in 2021. According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 5.2% will result in a write down of goodwill.

Notes

DKKm		2021	2020
11	**Intangible assets (continued)**		
	- Earned premium assumed CAGR 0 - 10 years	4%	5%
	- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
	- Required return before tax	10%	10%
	- Expected level of combined ratio	87%	87%
	Sensitivity information		
	Impact on the calculated present value from the following changes:		
	CAGR +1.0 percentage point (0 - 10 years)	25	25
	CAGR -1.0 percentage point (0 - 10 years)	-23	-23
	Required return +1.0 percentage point	-88	-93
	Required return -1.0 percentage point	123	135
	Combined ratio +1.0 percentage point	-50	-47
	Combined ratio -1.0 percentage point	50	47

The above changes have no impact on equity.

Moderna

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.

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

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

Comprises the sale of insurance products to private customers under the 'Moderna' brand. Moreover, insurance is sold under the brands Atlantica, Bilsport & MC and Moderna 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 Moderna. The cash flows in the latest prognosis period have been extrapolated for financial years after the prognosis periods (terminal period) and adjusted for expected growth rates determined 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 2.5bn (2.2bn) relative to a recognised goodwill of DKK 0.5bn (0.5bn) and does not indicate any impairment in 2021. According to the sensitivity information below a change in the required return rate will have the highest effect on the equity. An increase in the required return of approx. 5.6% will result in a write down of goodwill.

DKKm		2021	2020
11	**Intangible assets (continued)**		
	- Earned premium assumed CAGR 0 - 10 years	2%	2%
	- Earned premium assumed CAGR > 10 years (terminal period)	2%	2%
	- Required return before tax	10%	10%
	- Expected level of combined ratio	88%	90%
	Sensitivity information		
	Impact on the calculated present value from the following changes:		
	CAGR +1.0 percentage point (0 - 10 years)	92	81
	CAGR -1.0 percentage point (0 - 10 years)	-87	-77
	Required return +1.0 percentage point	-354	-337
	Required return -1.0 percentage point	498	480
	Combined ratio +1.0 percentage point	-199	-77
	Combined ratio -1.0 percentage point	199	81

The above changes have no impact on equity.

Trademarks and customer relations

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

Software and assets under construction

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

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

Assets under construction are not depreciated but tested once a year for impairment or when there is any indication of a decrease in value.

Amortised software is assessed for impairment at the balance sheet date or when there are indications that the future cash flow cannot justify the carrying amount.

If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement.

The recoverable amount is the higher of fair value less sales costs and value in use.

Notes

12 Property, plant and equipment

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

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

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

Notes

DKKm		2021	2020
13	**Investment property**		
	Fair value at 1 January	1,117	1,151
	Exchange rate adjustments	25	-30
	Additions for the year	3	7
	Disposals for the year	-166	-15
	Value adjustments for the year	66	1
	Reversed on sale	-4	4
	Fair value at 31 December	1,040	1,117

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

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

Return percentages, weighted average	2021	2020
Business property	4.6	7.5
Office property	5.1	5.8
Residential property	4.2	2.4
Total	5.0	5.3

Sensitivity

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

Impacts on the fair value of properties	2021	2020
Increase in applied rate of return of 0.25%	-39	-39
Decrease in applied rate of return of 0.25%	42	42
Decrease in net rental income of 3%	-31	-33
Decrease in occupancy rate of 3%	-6	-7

DKKm		2021	2020
14	**Equity investments in associates**		
	Cost		
	Cost at 1 January	96	34
	Additions for the year	35,939	62
	Cost at 31 December	36,035	96
	Revaluations at net asset value		
	Revaluations at 1 January	-81	-34
	Value adjustments for the year	1,112	-47
	Revaluations at 31 December	1,032	-81
	Carrying amount at 31 December	**37,067**	**16**

Tryg has one associate that is material to the Group, which is equity accounted.

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

Notes

DKKm

14 Equity investments in associates (continued)

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

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

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

Total comprehensive income reported is attributable to discontinued operations.

Please refer to note 26 regarding Acquisitions of activities.

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

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

DKKm	2021	2020
15 Financial assets		
Financial assets held for trading	19,369	18,579
Financial assets designated at fair value	29,054	27,169
Derivative financial instruments at fair value used for hedge accounting with value adjustment in other comprehensive income	32	0
Receivables measured at amortised cost	4,148	4,070
Total financial assets	**52,603**	**49,819**
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	879	990
Derivative financial instruments at fair value with value adjustments in other comprehensive income	0	-93
Financial liabilities at amortised cost	15,942	14,159
Total financial liabilities	**16,821**	**15,056**

Information on valuation of subordinated loan capital at fair value is stated in note 1. Other financial liabilities measured at amortised cost only deviate to a minor extent from fair value.

Notes

15 Financial assets (continued)

The Fair value hierarchy

"Quoted market prices and consolidated reference prices" (level 1) consists of financial instruments that are quoted and traded in a principal and active market (markets generally accessible and with substantial volume and trade frequency).

Valuation based on observable input (level 2) consists of financial instruments that are valued substantially on the basis of observable input other than quoted price or consolidated reference price for the instrument itself. If a financial instrument is quoted in a market that is not active, Tryg bases its measurement on the most recent transaction price.

Adjustment is made for subsequent changes to market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market exists.

In such cases, Tryg uses recent transactions in similar instruments and discounted cash flows or other generally accepted estimation and valuation techniques based on market conditions at the balance sheet date to calculate an estimated value. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar liquid bonds.

Valuation based on significant non-observable input (level 3) consists of certain financial instruments based substantially on non-observable input. Such instruments include unlisted shares, unit trust investments, some unlisted bonds and Deal Contingent Forwards. The fair value of Investment property is also based on non-observable input. Please refer to note 13 and accounting policies section Investment property.

If, at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year, the classification of the instrument changes. Changes are considered to have taken place at the balance sheet date. Developments in the financial markets can result in reclassifications between the categories. Some bonds have become illiquid and have therefore been moved from "Quoted prices or consolidated reference prices" to the "Observable input" category, while other bonds have become liquid and have been moved from "Observable input" to the "Quoted prices or consolidated reference prices" category.

DKKm

15 Financial assets (continued)

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

	Quoted market prices or consolidated references prices[a]	Observable input	Non-observable input	Total
2021				
Investment property	0	0	1,040	1,040
Equity investments	308	3,279	38	3,625
Unit trust units	7,259	935	36	8,231
Bonds	35,326	285	0	35,611
Other lendings	0	75	0	75
Derivative financial instruments, assets	9	904	0	913
Derivative financial instruments, debt	0	-879	0	-879
	42,903	**4,599**	**1,114**	**48,616**

a) Consolidated reference prices mean Nasdaq consolidated reference prices

	Quoted market prices or consolidated references prices	Observable input	Non-observable input	Total
2020				
Investment property	0	0	1,117	1,117
Equity investments	177	2,399	35	2,611
Unit trust units	6,843	0	35	6,878
Bonds	31,619	2,720	0	34,339
Other lendings	0	80	0	80
Derivative financial instruments, assets	6	1,834	0	1,840
Derivative financial instruments, debt	0	-897	0	-897
	38,645	**6,136**	**1,186**	**45,968**

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

DKKm	2021	2020
Financial instruments transferred from "Quoted market prices or consolidated reference prices" to "Observable input"	138	1,021
Financial instruments transferred from "Non-observable input" to "Observable input"	1,142	878

Notes

DKKm		2021	2020
15	**Financial assets (continued)**		
	Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:		
	Carrying amount at 1 January	1,186	1,375
	Exchange rate adjustments	24	-29
	Gains/losses in the income statement [a)]	66	48
	Purchases	14	111
	Sales	-170	-89
	Transfers to/from the group 'non-observable input'	-5	-231
	Carrying amount at 31 December	**1,114**	**1,186**
	Gains/losses in the income statement for assets held at the statement of financial position date recognised in value adjustments	-1	44

a) Hereof realised DKK 0m (DKK 53m in 2020)

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

DKKm		2021	2020
15	**Financial assets (continued)**		
	Reconciliation of Tryg's Investment portfolio		
	Investment assets according to balance sheet	86,562	46,881
	Investment assets according to investment activities		
	Other, hereof financial instrument in liabilities [b)]	-2,634	-3,888
	External customers [c)]	-4,052	-2,470
	Tryg's investment portfolio [c)]	79,877	40,523
	Match portfolio	-29,674	-28,094
	RSA Scandinavia	-37,052	0
	Free portfolio	**13,151**	**12,429**

b) Primarily debt relating to repos and derivatives.

c) The setup of Tryg invest is impacting Tryg's balance sheet as external customers investments are booked under "Total other financial investments" with opposing liabilities entries as "other debt".

Notes

DKKm

15 **Financial assets (continued)**

Derivative financial instruments

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

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

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

DKKm

15 **Financial assets (continued)**

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

Gains and losses on hedges charged to other comprehensive income:

	2021			2020		
	Gains	Losses	Net	Gains	Losses	Net
Gains and losses at 1 January	3,753	-3,435	318	3,291	-3,099	191
Value adjustments for the year	233	-333	-99	463	-336	127
Gains and losses at 31 December	**3,986**	**-3,767**	**219**	**3,753**	**-3,435**	**318**

Value adjustments

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

	2021	2020
Value adjustments at 1 January	-225	-170
Value adjustment for the year	42	-55
Value adjustments at 31 December	**-183**	**-225**

Receivables

	2021	2020
Total receivables in connection with direct insurance contracts	1,678	1,674
Receivables from insurance enterprises	407	270
Unsettled transactions	0	120
Other receivables	946	565
	3,030	**2,628**

Specification of write-downs on receivables from insurance contracts:

	2021	2020
Write-downs at 1 January	118	136
Exchange rate adjustments	3	-4
Write-downs and reversed write-downs for the year	-9	-13
Write-downs at 31 December	112	118

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

Other receivables do not contain overdue receivables.

Notes

16 **Reinsurer's share**

Impairment test

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

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

17 **Current tax**

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

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

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

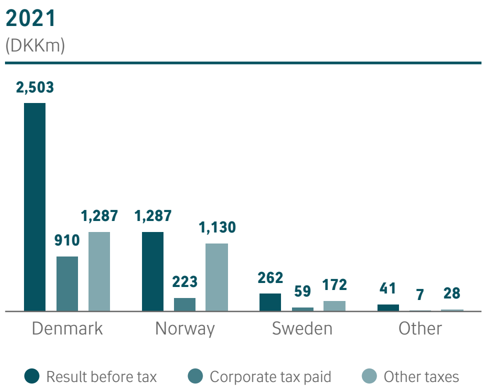
The Tryg Tax Policy applies to all entities within the Tryg Group and, to the extent possible, also to investments made by Tryg. For further information on the Tryg Tax Policy reference is made to our webpage www.Tryg.com.

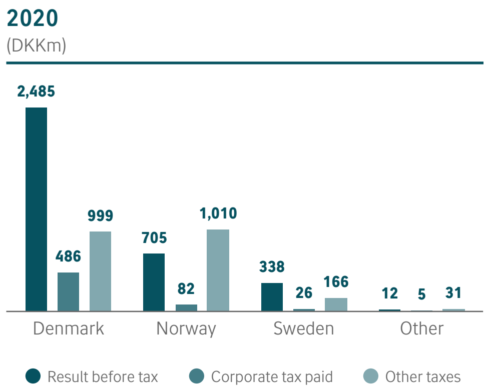
DKKm		2021	2020
17	**Current tax (continued)**		
	Current tax		
	Net current tax at 1 January	-306	-73
	Exchange rate adjustments	-13	6
	Current tax for the year	-874	-907
	Current tax on equity entries	22	-28
	Adjustment of current tax in respect of previous years	20	97
	Tax paid for the year	1,200	599
	Net current tax at 31 December	**47**	**-306**
	Current tax is recognised in the statement of financial position as follows:		
	Under assets, current tax	315	51
	Under liabilities, current tax	-268	-357
	Net current tax	**47**	**-306**

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

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

The figures below show Result Before Tax compared to actual tax payments.





Notes

DKKm

17 Current tax (continued)

The overview show result before tax compared to tax payments. Other countries mainly consist of Finland, Germany, Austria, The Netherlands, and Switzerland where Tryg's Credit & Surety business, labelled as Tryg Garanti, has some activities.

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

Therefore, there may be a difference in the periodization of the result before tax for the year and the actual tax paid.

Beside corporate tax, Tryg Group also pays other taxes consisting of employer taxes, insurance premium taxes and consumption taxes, such as VAT. These are specified in the figures below.

	2021				2020			
	Employer Tax	Insurance duties	VAT	Total	Employer Tax	Insurance duties	VAT	Total
Denmark	380	734	173	1,287	336	598	66	999
Norway	141	958	32	1,130	131	847	32	1,010
Sweden	69	79	24	172	68	72	27	166
Other countries	5	24	0	28	5	26	0	31
Total	**595**	**1,794**	**229**	**2,618**	**540**	**1,542**	**124**	**2,207**

DKKm

18 Equity

Number of shares

Number of shares of DKK 5 (1,000)	Shares outstanding 2021	Shares outstanding 2020	Own shares 2021	Own shares 2020
Number of shares at 1 January	301,750	301,700	398	448
Bought during the year	-1,399	-535	1,399	535
Rights issue	352,506	0	0	0
Exercise of incentive programme	590	585	-590	-585
Number of shares at 31 December	**653,447**	**301,750**	**1,207**	**398**
Number of shares as a percentage of issued shares at 31 December	99.82	99.87	0.18	0.13
Nominal value at 31 December (DKKm)	3,267	1,509	6	2

Pursuant to the authorisation granted by the shareholders, Tryg may acquire up to a total face value 151m DKK of the share capital in the period up until 31 December 2022.
Own shares are acquired for use in the Group's incentive programme.

	2021	2020
18 Equity (continued)		
Solvency II - Own funds		
Equity according to annual report	49,008	12,264
Proposed dividend	-700	-529
Intangible assets	-7,025	-7,124
Not eligible shares in associate	-37,052	0
Eligible Own funds from shares in associate	8,283	0
Profit margin, solvency purpose	1,408	1,408
Taxes	185	201
Subordinated loan capital	4,453	2,663
Solvency II - Own funds	**18,559**	**8,884**

Notes

DKKm		2021	2020
19	**Premium provisions**		
	Premium provision at 1 January	6,036	5,996
	Exchange rate adjustments	48	-52
	Paid in the financial year	25,705	23,820
	Change in premiums in the financial year	-25,614	-23,714
	Exchange rate adjustments	8	-13
	Premium provisions at 31 December	**6,183**	**6,036**

19 **Claims provisions**

2021	Gross	Ceded	Net of reinsurance
Claims provisions at 1 January	24,957	-1,087	23,871
Exchange rate adjustments	320	-22	299
	25,278	-1,108	24,170
Paid in the financial year in respect of the current year	-8,935	91	-8,844
Paid in the financial year in respect of prior years	-6,592	386	-6,205
	-15,527	478	-15,049
Change in claims in the financial year in respect of the current year	17,184	-535	16,649
Change in claims in the financial year in respect of prior years	-883	-78	-961
	16,301	-613	15,688
Discounting and exchange rate adjustments	-465	12	-453
Claims provisions at 31 December	**25,587**	**-1,232**	**24,355**

DKKm

19 **Claims provisions (continued)**

2020	Gross	Ceded	Net of reinsurance
Claims provisions at 1 January	24,859	-1,285	23,574
Exchange rate adjustments	-402	37	-365
	24,457	-1,248	23,210
Paid in the financial year in respect of the current year	-8,691	199	-8,492
Paid in the financial year in respect of prior years	-7,005	808	-6,197
	-15,695	1,006	-14,689
Change in claims in the financial year in respect of the current year	16,650	-711	15,940
Change in claims in the financial year in respect of prior years	-1,071	-91	-1,162
	15,579	-802	14,777
Discounting and exchange rate adjustment	616	-43	573
Claims provisions at 31 December	**24,957**	**-1,087**	**23,871**

Notes

DKKm		2021	2020
20	**Pensions and similar obligations**		
	Jubilees	41	45
	Compensation liability	38	51
	Recognised liability	**79**	**96**
	Defined-benefit pension plans:		
	Present value of pension obligations funded through operations	29	34
	Specification of change in recognised pension obligations:		
	Recognised pension obligation at 1 January	34	1,190
	Adjustment regarding the terminated part of the plan termination recognised in the income statement	0	-1,059
	Exchange rate adjustments	2	-84
	Capital cost of previously earned pensions	0	1
	Actuarial gains/losses	-1	-6
	Paid during the period	-7	-7
	Recognised pension obligation at 31 December	**29**	**34**
	Change in carrying amount of plan assets:		
	Carrying amount of plan assets at 1 January	0	940
	Adjustment regarding the terminated part of the plan termination recognised in the income statement	0	-874
	Exchange rate adjustments	0	-66
	Carrying amount of plan assets at 31 December	**0**	**0**
	Total pensions and similar obligations at 31 December	**29**	**34**
	Total recognised obligation at 31 December	**108**	**130**
	Specification of pension cost for the year:		
	Adjustment regarding the terminated part of the plan termination recognised in the income statement	0	-128
	Interest expense on accrued pension obligation	0	1
	Total year's cost of defined-benefit plans	**0**	**-128**

DKKm		2021	2020
20	**Pensions and similar obligations (continued)**		
	The premium for the following financial years is estimated at	0	1
	Number of pensioners	116	127
	Assumptions used	%	%
	Discount rate	1.1	1.2
	Salary adjustments	2.5	2.3
	G adjustments	2.3	2.0
	Turnover	7.0	7.0
	Employer contributions	19.1	19.1
	Mortality table	K2013	K2013

Description of the Swedish plan

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

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

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

This year premium paid to FPK amounted to DKK 5m (DKK 10m in 2020), which is about 1.4 % of the annual premium in FPK(2020). FPK writes in its Annual report for 2020 that it had a solvency ratio of 141 at 31 December 2020 (Solvency ratio of 137 at 31 December 2019).

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

Notes

DKKm		2021	2020
21	**Deferred tax**		
	Tax asset		
	Operating equipment	-128	11
	Bonds	73	42
		-55	**53**
	Tax liability		
	Intangible rights	319	416
	Land and buildings	-43	79
	Debt and provisions	130	-77
	Contingency funds	483	487
		889	**905**
	Deferred tax	**944**	**851**
	Development in deferred tax		
	Deferred tax at 1 January	851	911
	Exchange rate adjustments	24	-29
	Change in deferred tax relating to change in tax rate	0	-2
	Change in deferred tax previous years	-86	32
	Change in deferred tax recognised in income statement	155	-82
	Change in deferred tax taken to equity	0	22
	Deferred tax at 31 December	**944**	**851**
	Tax value of non-capitalised tax loss		
	Denmark	16	16
	Other Countries	6	5

The loss in Tryg A/S cannot be utilised in the Danish joint taxation scheme. The loss can be carried forward indefinitely. Loss determined according to Swedish, Finnish, German, Belgium and Austria rules can be carried forward indefinitely. In Netherlands tax losses can be carried forward 6 years. In Switzerland tax losses can be carried forward 7 years.

The losses are not recognised as tax assets until it has been substantiated that the company can generate sufficient future taxable income to offset the tax loss. The total current and deferred tax relating to items recognised in equity is recognised in the statement of financial position in the amount of DKK 27m (DKK 50m at 31 December 2020).

DKKm		2021	2020
22	**Other provisions**		
	Other provisions at 1 January	57	86
	Exchange rate adjustments	1	-1
	Change in provisions	-18	-28
	Other provisions 31 December	**40**	**57**

Other provisions relate to provisions for the Group's own insurance claims and restructuring costs. Additions to the provision for restructuring costs and own insurance claims during the year amounts to DKK 18m (DKK 14m at December 2020) and use of existing restructuring provisions amounts to DKK 36m (DKK 42m at December 2020).

The balance as at 31 December 2021 excluding own insurances amounts to DKK 35m (DKK 47m at 31 December 2020).

23 Other debt and debt to group undertakings

Debt related to external customers investments amounts to DKK 4,052m please refer to note 15 Tryg's investment portfolio.

	2021	2020
Other debt		
Maturity of undiscounted lease liabilities		
Due 1 year or less	138	134
Due 2 - 5 years	331	345
Due more than 5 years	402	411
Total Lease liabilities 31 December	**871**	**890**
Lease liabilities included in the statement of financial position		
Hereof future cashflow options	11	66
Amounts recognised in statement of cash flow		
Total cash out-flow for leases	137	139
Amounts recognised in income statement		
Interest on lease liabilities	-32	-36

There are no short team-leases recognised in the financial statement. Debt related to Leasing are included in Other debt. Please refer to note 12 for specification of ROU assets.

Notes

DKKm	2021	2020
24 Earnings per share		
Profit/loss from continuing business	3,161	2,773
Profit/loss on discontinued and divested business	-3	0
Profit/loss for the year	3,158	2,773
Depreciation on intangible assets related to Brands and Customer relations after tax	106	105
Operating Profit/loss for the year	3,263	2,878
Average number of shares (1,000)	572,688	301,678
Diluted number of shares (1,000)	572,688	301,678
Earnings per share, continuing business	5.52	9.19
Diluted earnings per share, continuing business	5.52	9.19
Earnings per share	5.51	9.19
Diluted earnings per share	5.51	9.19
Operating earings per share	5.70	9.54

25 Contractual obligations, collateral and contingent liabilities

Contractual obligations	Obligations due by period				
2021	**<1 year**	**1-3 years**	**3-5 years**	**> 5 years**	**Total**
Other contractual obligations [a]	692	587	181	14	1,475
	692	**587**	**181**	**14**	**1,475**
2020	<1 year	1-3 years	3-5 years	> 5 years	Total
Other contractual obligations [a]	581	532	303	4	1,420
	581	**532**	**303**	**4**	**1,420**

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

DKKm

25 Contractual obligations, collateral and contingent liabilities (continued)

2021

Tryg has signed the following contracts above DKK 50m:

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

2020

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

	2021	2020
Tryg Livsforsikring A/S and Forsikrings-Aktieselskabet Alka Liv II have registered the following assets as having been held as security for the insurance provisions:		
Equity investments	175	0
Bonds	1,029	1,141
Interest and rent receivable	5	4
Total	**1,209**	**1,145**

Notes

DKKm

25 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		
	Gross amount before offsetting	**Offsetting**	**According to the statement of financial position**	**Further offsetting, master netting agreements**	**Collateral**	**Net amount**
2021						
Assets						
Derivative financial instruments a)	1,072	-8	1,064	-800	-239	24
	1,072	**-8**	**1,064**	**-800**	**-239**	**24**
Liabilities						
Repo debt	2,417	0	2,417	0	-2,417	0
Derivative financial instruments a)	1,220	-8	1,211	-800	-336	75
	3,637	**-8**	**3,628**	**-800**	**-2,753**	**75**
a) Of which inflation derivatives, recognised in claims provisions:						
Assets	151	0	151			
Liabilities	332	0	332			
2020						
Assets						
Derivative financial instruments a)	1,843	0	1,843	-1,210	-595	39
	1,843	**0**	**1,843**	**-1,210**	**-595**	**39**
Liabilities						
Repo debt	3,259	0	3,259	0	-3,259	0
Derivative financial instruments a)	1,610	0	1,610	-1,210	-397	3
	4,869	**0**	**4,869**	**-1,210**	**-3,656**	**3**
a) Of which inflation derivatives, recognised in claims provisions:						
Assets	3	0	3			
Liabilities	712	0	712			

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

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

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

Contingent liabilities

Price adjustments 2016-2020
At the end of October (2020) Tryg received the Forbrugerombudsmand's (FO or Consumer Ombudsman) assessment of the case. In FO's opinion Tryg was not complying with regulations on price adjustments for residential customers when increasing prices above indexation between March 2016 and February 2020. The case is related to a part of the private portfolio in Denmark. Based on this assessment the FO is concluding that certain customers may have a recovery claim against Tryg. Tryg does not agree with the FO's assessment as the company believes it has followed the guidelines stated by the Danish FSA in terms of price increases. Tryg is in a process with the FO in order to gain a better understanding of the FO assessment of the case. Management has decided not to disclose an estimated amount but this is deemed 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 2021.

Notes

26 **Equity investments in associates**
Acquisition of activities

RSA Scandinavia (Scandi JVco)
On June 1, 2021 Tryg acquired RSA's Swedish (Trygg-Hansa) and Norwegian (Codan Norway) businesses and a co-share of RSA's Danish business, being Codan Denmark. The transaction was performed with Intact Financial Corporation as co-investor. Tryg's share of purchase price amounted to £4.2 billion.

RSA shareholders were entitled to receive 685 pence per ordinary share which represents an aggregate cash consideration of approximately £7.2 billion, consisting of:

- £3.0 billion for the acquisition of RSA's Canadian, UK and International operations and the Intact's indirect co-share of RSA's Danish business; and
- £4.2 billion for the acquisition of RSA's Swedish and Norwegian businesses and Tryg's co-share of RSA's Danish business.

Due to the shareholders' agreement, Tryg will not have control of RSA´s Scandinavian businesses but will have significant influence. Accordingly, the investment is classified as an investment in associates. Investments in associates are accounted for by applying the equity method, whereby Trygs shares of the current profit/loss is recognised in the investment activities as profit/loss from associates.

The equity method will be applied from closing until the Swedish and Norwegian businesses will be separated from the Danish business through a demerger. After the demerger, the Swedish and Norwegian businesses will be fully consolidated in the financial statement. Until the demerger Tryg's investment is considered one unit of account. The demerger is estimated 1 April 2022.

Prior to the delivery of sole legal ownership of the Swedish and Norwegian businesses to Tryg pursuant to the demerger, Tryg will enjoy all benefits and risk of the Swedish and Norwegian businesses, including by having sole control of their daily and long-term operations pursuant to the shareholders' agreement.

In respect of Codan Denmark, Intact and Tryg will co-own Codan Danmark on a 50/50 economic basis. Tryg will indirectly have 50% of the voting rights. However, Tryg's ability to exercise such voting rights will be restricted to ensure compliance with the competition law. Intact will have sole control of Codan Denmark, with Tryg's rights being reduced to minority shareholder protection rights.

DKKm

26 **Equity investments in associates (continued)**

Initial recognition comprise:	
Purchase price (GBP 4,205m)	36,357
Value adjustment from hedge of firm commitment	-1,240
Costs directly attributable to the acquisition	780
Cost on initial recognition	35,897

Net profit (after tax) related to the RSA transaction June 1 – December 31 2021, amounts to DKK 1,206m.
The amount is recognized in the investment return as Profit/Loss from associates.
The net profit relates to the net income after tax for Trygg-Hansa, Codan Norway and 50% of the share of Codan Denmark.

Tryg hedged the purchase price to foreign currency fluctuations entering into a DCF (deal contingent forward) hedge. Premium inherent in the contract amounts to DKK 1,285m. The hedge has resulted in a positive FX value adjustment of DKK 250m. The total effect of the DCF hedge is a negative value adjustment of DKK 1,035m and is included in investment return. - Of which DKKm 156 was recorded in Q1 and DKKm -1,191 in Q2 2021.

The purchase price was deposited on an Escrow account. However, the account carried negative interest. The resulting interest expense amounted to DKK 33m.

Notes

DKKm	2021	2020
27 Related parties		
The group has no related parties with a controlling influence other than the parent company, TryghedsGruppen smba and the subsidiaries of TryghedsGruppen smba (other related parties). Related parties include the Supervisory Board, the Executive Board (which is considered Key Management) and their members' family.		
Premium income		
- Parent company (TryghedsGruppen smba)	0.5	0.5
- Key management	0.5	0.5
- Other related parties	2.1	3.4
Claims payments		
- Parent company (TryghedsGruppen smba)	0.0	0.1
- Key management	0.1	0.2
- Other related parties	0.3	0.4

Specification of remuneration

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

a) Total expenses recognised in 2021 for matching shares and conditional shares allocated in 2021 and previous year.
For matching shares and conditional shares allocated to Executive Board in 2021, please refer to "Corporate governance" in Management review. For further details on remunerations of Supervisory Board and Executive Board, please refer to "Corporate gorvernance" in Management review.

DKKm

27 Related parties (continued)

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

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

b) Total expenses in 2020 for matching shares and conditional shares allocated in 2020 and previous year.

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

Notes

27 Related parties (continued)

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

The members of the Supervisory Board in Tryg A/S are paid with a fixed remuneration and are not covered by the incentive schemes.

The members of the Executive Board is paid a fixed remuneration, car allowance and pension.
The variable salary is awarded in the form of share-based remuneration. Please refer to 'Corporate governance'.

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

Risk-takers are defined as employees whose activities have a significant influence on the company's risk profile.

The Supervisory Board decides which employees should be considered to be risk-takers.

Parent company
TryghedsGruppen smba
TryghedsGruppen smba controls 44,9% (2020: 53 %) of the shares in Tryg A/S.

27 Related parties (continued)

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

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

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

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

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

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

2020
In 2020 Tryg A/S paid TryghedsGruppen smba DKK 1,599m in dividends.

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

TryghedsGruppen smba has provided an irrevocable subscribtion undertaking to Tryg, to subscribe for new shares in the coming Tryg Rights Issue for an amount totalling DKK 6.0bn.

Intra-group transactions with TryghedsGruppen smba from Tryg Forsikring A/S consists of call center and customer support, marketing services, IT and data deliveries.

The transactions amounts to DKK 5,0m. Investment management delivered from Tryg Invest A/S amounts to DKK 1,3m. All transactions are conducted on an arm´s length basis.

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

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

28 Financial highlights

Please refer to page 61.

Notes

29 Accounting policies

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

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

Change in accounting policies

Tryg has not implemented any new significant accounting policies or IFRS standards in 2021.

The accounting policies have been applied consistently with last year.

Accounting regulation

Implementation of changes to accounting standards and interpretation in 2021

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

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

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

- IFRS 9 'Financial Instruments'[1]
- IFRS 17 'Insurance Contracts'[2]

[1] enters into force for the accounting year commencing 1 January 2018 - Insurance companies are allowed to postpone the implementation to 1 January 2023 if certain criteria are met.
[2] Expected to enter into force for the accounting year commencing 1 January 2023.

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

Regarding IFRS 9, the assessment of no significant impact on the statement of financial position or profit and loss is based on the assumption that Tryg already carry all financial instruments at fair value through profit and loss. The implementation of IFRS 9 will not affect Tryg's recognition and measurement. Tryg has postponed the implementation of IFRS 9 to 1 January 2023, when IFRS 17 Insurance Contracts will be applicable. Tryg can postpone IFRS 9 due to the fact that our activities are predominantly connected with insurance and that our liabilities connected with insurance is relatively greater than 80 per cent of the total liabilities. The impact of IFRS 17 (Insurance Contracts) is currently being assessed in a structured and formal manner and is expected to be concluded in due course ahead of the implementation date. Whilst the Tryg Group anticipates minor changes in certain of its key figures, such as premiums growth and claims ratio as a result of changes to the definitions of premiums and costs under IFRS 17 (Insurance Contracts), Tryg Group currently expects that the implementation of IFRS (Insurance Contracts) will not significantly change the Tryg Group's financial position, including in relation to its technical result or profit/loss after tax.

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

Significant accounting estimates and assessments

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

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

Liabilities under insurance contracts

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

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

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

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

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

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

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

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

Notes

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

Valuation of property

The fair value is calculated based on a market-determined rental income, as well as operating expenses in proportion to the property's required rate of return in per cent. Investment property is recognised at fair value. The calculation of fair value is based on market prices, considering the type of property, location and maintenance standard, and based on a market-determined rental income and operating expenses in proportion to the property's required rate of return. **Cf. note 12, 13 and 15.**

Business Combinations

In Business Combinations, significant assessments are made when considering the fair value of the assets required and liabilities assumed and when identifying intangible assets, such as Trademarks, Customer relations and goodwill as part of the transactions.

Measurement of Goodwill, Trademarks and Customer relations

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

Control of subsidiaries

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

Description of accounting policies

Recognition and measurement

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

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

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

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

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

Consolidation

Consolidated financial statements

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

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

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

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of Tryg A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

On consolidation, intra-group income and costs, intra-group accounts and dividends, and gains and losses arising on transactions between the consolidated enterprises are eliminated.

Items of subsidiaries are fully recognised in the consolidated financial statements.

Business combinations

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

The purchase method is applied for new acquisitions if the Group gains control of the acquired enterprise. Subsequently, identifiable assets, liabilities and contingent liabilities in the acquired enterprises are measured at fair value at the date of acquisition. Non-current assets which are acquired with the intention of selling them are, however, measured at fair value less expected selling costs. Restructuring costs are recognised in the pre-acquisition balance sheet only if they constitute an obligation for the acquired enterprise. The tax effect of revaluations is taken into account. The acquisition price of an enterprise consists of the fair value of the price paid for the acquired enterprise. If the final determination of the price is conditional upon one or more future events, such events are recognised at their fair values at the date of acquisition. Costs relating to the acquisition are recognised in the income statement as incurred.

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

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

Notes

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.

The operational business segments in the Tryg are Private, Commercial, Corporate and Sweden. Private encompasses the sale of insurances to private individuals in Denmark and Norway. Commercial encompasses the sale of insurances to small and medium sized businesses, in Denmark and Norway. Corporate sells insurances to industrial clients primarily in Denmark, Norway and Sweden. In addition, Corporate handles all business involving brokers. Sweden encompasses the sale of insurance products to private individuals in Sweden as well as sale of Product insurances in the Nordic region.

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

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

Key ratios

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

Income statement

Premiums

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

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

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

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

Technical interest

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

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

Claims

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

Claims are shown inclusive of direct and indirect claims handling costs, including costs of inspecting and assessing claims, costs to prevent, combat and mitigate damage and other direct and indirect costs associated with the handling of claims incurred. Claims prevention expenses are defined in accordance with Executive Order no. 1592 of 9/11 2020 § 37 para. 1 of the Executive Order.

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

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

Bonus and premium discounts

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

Insurance operating costs

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

Share-based payment

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

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

Notes

expected value of the shares will be expensed over the performance period. The scheme will be treated as a complex financial instrument, consisting of the right to cash settlement and the right to request delivery of shares. The difference between the value of shares and the cash payment is recognised in equity and is not remeasured. The remainder is treated as a liability and is remeasured until the time of exercise, such that the total recognition is based on the actual number of shares or the actual cash amount.

Conditional shares

Conditional shares have been allocated to some employees in accordance with the incentive programme.

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

The shares are recognised at market value and are accrued from up to four years.

Matching shares

Matching shares have been allocated to some employees in accordance with the incentive programme.

As part of the matching shares-program, employees have bought investment shares in Tryg A/S at market price, using taxed funds, for up to the amount decided.

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

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

Investment activities

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

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

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

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

Other income and costs

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

Discontinued and divested business

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

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

Statement of financial position

Intangible assets

Goodwill

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

Trademarks and customer relations

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

Software

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

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

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

Assets under construction

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

Fixed assets

Operating equipment

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

Depreciation of operating equipment is calculated using the straight-line method over its estimated economic lifetime as follows:

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

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

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

Notes

Leasing

Right-of-use assets

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

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

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

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

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

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

ROU assets are tested for impairment.

Lease liability

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

Land and buildings

Land and buildings are divided into owner-occupied property and investment property. The Group sold the owner-occupied property in Høje Taastrup and have no longer any owner-occupied properties. All remaining properties are classified as investment property.

Investment property

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

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

The fair value is calculated 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 value in use of the return on prepayments and deposits and adjustments for specific property issues such as vacant premises or special tenant terms and conditions. **Cf. note 15.**

Changes in fair values are recorded in the income statement.

Impairment test for intangible assets, property and operating equipment

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

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

Equity investments in Group undertakings

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

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

Net revaluation of equity investments in subsidiaries is taken to reserve for net revaluation under equity if the carrying amount exceeds cost.

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

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

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

Equity investments in associates

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

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

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

Investments

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

Notes

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

The investment portfolio is divided into a match portfolio corresponding to the technical provisions, and a free portfolio. The objective for the return on the match portfolio is to approximately offset the capital gains and losses on the assets with the corresponding developments on the insurance provisions. The free portfolio is invested in different asset classes with a view to obtain the best risk-adjusted return.

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

Financial assets at fair value recognised in income statement

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

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

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

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

Derivative financial instruments and hedge accounting

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

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

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

Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of investments in foreign entities. Changes in the fair value of derivatives that are designated and qualify as net investment hedges in foreign entities and which provide effective currency hedging of the net investment are recognised in other comprehensive income. The net asset value of the foreign entities estimated at the beginning of the financial year is hedged 90-100% by entering into short-term forward exchange contracts according to the requirements of hedge accounting. Changes in the fair value relating to the ineffective portion are recognised in the income statement. Gains and losses accumulated in equity are included in the income statement on disposal of the foreign entity.

Reinsurers' share of provisions for insurance contracts

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurers' share of provisions for insurance contracts. Contracts that do not meet these classification requirements are classified as financial assets.

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

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

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

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

Receivables

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

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

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

Other assets

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

Prepayments and accrued income

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

Equity

Share capital

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

Revaluation reserves

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

Notes

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

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

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

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

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

Subordinated loan capital
Subordinate 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.

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

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

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

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

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

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

In some instances, the historic data used in the actuarial models is not necessarily predictive of the expected future development of claims. For example, this is the case with legislative changes where an a priori estimate is used for premium increases related to the expected increase in claims. In connection with legislative changes, the same estimate is used for determining the change in the level of claims. Subsequently, this estimate is maintained until new loss history materialises which can be used for re-estimation.

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

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

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

Other correlations are not deemed to be significant.

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

Employee benefits
Pension obligations
The Group operates various pension schemes. The schemes are funded through contributions to insurance companies or trustee-administered funds. In Norway, the Group operated a defined-benefit plan which was closed at 01 January 20. In Denmark, the Group operates a defined-contribution plan. A defined-contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. In Sweden, the Group complies with the industry pension agreement, FTP-Planen. FTP-Planen is primarily a defined-benefit plan as regards the future pension benefits. Försäkringsbranschens Pensionskassa (FPK) is unable to provide sufficient information for the Group to use defined-benefit accounting. The plan is on that basis accounted for as a defined-contribution plan. As part of the termination of the defined-benefit plan in Nor-

Notes

way, 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 are no future actuarial assumptions related to the liability, the only uncertainty is whether the employees stay to retirement or not.

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

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

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

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

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

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

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

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

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

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

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

Repo deposits from credit institutions are recognised and measured at amortised costs, 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.

Income statement for Tryg A/S (parent company)

Note	DKKm	2021	2020
Note	**Investment activities**		
1	Income from Group undertakings	3,120	2,843
	Income from associates	1,206	0
	Interest income	1	0
2	Value adjustments	-1,015	0
	Interest expenses	-34	0
	Administration expenses in connection with investment activities	-5	-2
	Total investment return	**3,272**	**2,841**
3	Other expenses	-82	-88
	Profit/loss before tax	**3,190**	**2,753**
4	Tax	-33	20
	Profit/loss for the year	**3,158**	**2,773**
	Proposed distribution for the year:		
	Dividend	2,802	2,115
	Transferred to reserve for net revaluation according to the equity method	1,696	235
	Transferred to retained earnings	-1,340	423
		3,158	**2,773**

DKKm	2021	2020
Statement of comprehensive income		
Profit/loss for the year	3,158	2,773
Other comprehensive income		
Other comprehensive income which cannot subsequently be reclassified as profit or loss		
Actuarial gains/losses on defined-benefit pension plans	0	-68
Tax on actuarial gains/losses on defined-benefit pension plans	0	6
	0	**-62**
Other comprehensive income which can subsequently be reclassified as profit or loss		
Exchange rate adjustments of foreign entities for the year	93	-51
Exchange rate adjustments of foreign material associates for the year	-52	0
Hedging of currency risk in foreign entities for the year	-99	127
Tax on hedging of currency risk in foreign entities for the year	22	-28
	-36	48
Total other comprehensive income	**-36**	**-14**
Comprehensive income	**3,122**	**2,759**

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

Note	DKKm	2021	2020
Note	**Assets**		
5	Equity investments in Group undertakings	13,029	12,475
6	Equity investments in associates	37,052	1
	Total investments in associates and Group undertakings	**50,081**	**12,475**
	Total investment assets	**50,081**	**12,475**
7	Current tax assets	0	20
	Other	1	2
	Total other assets	**1**	**21**
	Total prepayments and accrued income	**55**	**326**
	Total assets	**50,137**	**12,823**

Note	DKKm	2021	2020
Note	**Equity and liabilities**		
	Equity	**49,008**	**12,264**
	Debt to Group undertakings	1,092	513
	Tax liabilities	33	0
	Other debt	4	46
	Total debt	**1,129**	**559**
	Total equity and liabilities	**50,137**	**12,823**

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 2020	**1,511**	**3,458**	**6,765**	**529**	**1**	**12,264**
2021						
Profit/loss for the year		1,696	-1,340	2,802	0	3,158
Other comprehensive income		-36				-36
Total comprehensive income	0	1,660	-1,340	2,802	0	3,122
Dividend paid				-2,630		-2,630
Dividend own shares			3			3
Purchase and sale of own shares			-137			-137
Issue of new shares [a)]	1,763		34,557			36,320
Share-based payments			66			66
Total changes in equity in 2021	**1,763**	**1,660**	**33,150**	**172**	**0**	**36,744**
Equity at 31 December 2021	**3,273**	**5,119**	**39,915**	**700**	**1**	**49,008**
Equity at 31 December 2019	**1,511**	**3,238**	**6,323**	**1,013**	**1**	**12,085**
2020						
Profit/loss for the year		235	423	2,115	0	2,773
Other comprehensive income		-14				-14
Total comprehensive income	0	220	423	2,115	0	2,758
Dividend paid				-2,599		-2,599
Dividend, own shares			4			4
Purchase and sale of own shares			-13			-13
Share-based payments			29			29
Total changes in equity in 2020	**0**	**220**	**442**	**-484**	**0**	**179**
Equity at 31 December 2020	**1,511**	**3,458**	**6,765**	**529**	**1**	**12,264**

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

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

Notes (parent company)

DKKm		2021	2020
1	**Income from Group undertakings**		
	Tryg Invest A/S	8	11
	Alka Fordele A/S	-25	-5
	Tryg Forsikring A/S	3,137	2,837
		3,120	**2,843**
2	**Value adjustments**		
	Primarily value adjustment of currency hedge DKK 1,035m related to RSA acquisition which consists of the premium paid and exchange rate adjustments that cannot be attributed to hedge accounting.		
3	**Other expenses**		
	Administration expenses	-82	-88
		-82	**-88**
	Remuneration for the Executive Board is paid partly by Tryg A/S and partly by Tryg Forsikring A/S and is charged to Tryg A/S via the cost allocation. Refer to Note 6 in the Tryg Group for a specification of the audit fee.		
	Average number of full-time employees for the year	8	8
4	**Tax**		
	Reconciliation of tax costs		
	Tax on profit/loss for the year	16	20
	Adjustment of non-taxable income and costs	18	0
		33	**20**
	Effective tax rate	%	%
	Tax on profit/loss for the year	22	22.0
	Adjustment of non-taxable income and costs	24.5	1.0
		46.5	**23.0**

DKKm		2021	2020
5	**Equity investments in Group undertakings**		
	Cost		
	Cost at 1 January	9,005	8,995
	Additions for the year	48	10
	Cost at 31 December	9,053	9,005
	Revaluation and impairment to net asset value		
	Revaluation and impairment at 1 January	3,470	3,238
	Revaluations for the year	3,137	2,830
	Dividend paid	-2,630	-2,598
	Revaluation and impairment at 31 December	3,976	3,470
	Carrying amount at 31 December	**13,029**	**12,475**

Name, registered office and activity	Ownership share in %	Profit/loss	Equity
2021			
Tryg Invest A/S, Ballerup	100	8	39
Alka Fordele A/S, Ballerup	100	-25	28
Tryg Forsikring A/S, Ballerup	100	3,137	12,962
2020			
Tryg Invest A/S, Ballerup	100	11	31
Alka Fordele A/S, Ballerup	100	-5	5
Tryg Forsikring A/S, Ballerup	100	2,837	12,438

6 **Equity investments in associates**

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

Notes (parent company)

DKKm		2021	2020
7	**Current tax assets**		
	Tax receivable at 1 January	20	17
	Current tax for the year	-33	20
	Tax paid for the year	-20	-17
	Tax receivable at 31 December	**-33**	**20**
8	**Deferred tax assets**		
	Capitalised tax losses		
	Tryg A/S	0	0
	Tax value of non-capitalised tax losses		
	Tryg A/S	16	16

The loss in Tryg A/S can only be utilised in Tryg A/S.
The loss can be carried forward indefinitely.

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 losses.

9 Contractual obligations, contingent liabilities and collateral

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

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

Management believes that the outcome of these disputes will not affect the Group's financial position over and above the receivables and liabilities recognised in the statement of financial position at 31 December 2021.

DKKm

10 Related parties

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

Specification of remuneration

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

a) Total expenses recognised in 2021 for matching shares and conditional shares allocated in 2021 and previous years.
For matching shares and conditional shares allocated to Executive Board in 2021, 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) Risk-takers in Tryg A/S includes only one employee, wherefore salary and pension is not presented. The amounts are included in note 27 for Tryg Group.

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

Notes (parent company)

DKKm

10 Related parties (continued)

2020	Number of persons	Base salary	Share-based variable salary[a)]	Cash variable salary	Pension	Total
Supervisory Board	14	9	0	0	0	9
Executive Board	4	29	11	0	7	47
Risk-takers [b)]	1	0	0	0	0	0
	19	**38**	**11**	**0**	**7**	**57**

a) Total expenses recognised in 2020 for matching shares and conditional shares allocated in 2020 and previous year. For matching shares and conditional shares allocated to Executive Board in 2020, please refer to "Corporate governance" in Management review.
b) Risk-takers in Tryg A/S includes only one employee, wherefore salary and pension is not presented. The amounts are included in note 27 for Tryg Group.

Of which retired	Number of persons	Severance pay
Supervisory Board	2	0
	2	**0**

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

The members of the Supervisory Board in Tryg A/S are paid with a fixed remuneration and are not cove-red by the incentive schemes.

The Executive Board is paid a fixed remuneration, car allowance and pension.
The variable salary is awarded in the form of share-based remuneration and cash. see 'Corporate gover-nance'.

DKKm

10 **Related parties (continued)**

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

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

Parent company
TryghedsGruppen smba
TryghedsGruppen smba controls 44.9% (53%) of the shares in Tryg A/S.

Transactions with Group undertakings and associates
Tryg A/S exercises full control over Tryg Forsikring A/S, Alka Fordele A/S and Tryg Invest A/S.

In 2021 Tryg Forsikring A/S paid Tryg A/S DKK 2,630m and Tryg A/S paid TryghedsGruppen smba DKK 1,224m in dividends.

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

Intra-group trading involved	2021	2020
- Providing and receiving services	11	36
- Intra-group accounts	1,092	513

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

11 **Reconciliation of profit/loss and equity**

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

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

12 **Accounting policies**

Please refer to Tryg Group's note 29 accounting policies.

Q4 2021 Quarterly outline

DKKm	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Private										
Gross premium income	**3,433**	**3,450**	**3,431**	**3,371**	**3,245**	**3,167**	**3,169**	**3,162**	**3,059**	**3,055**
Technical result	606	561	645	407	537	588	607	313	494	458
Key ratios										
Gross claims ratio	68.8	67.7	65.2	72.5	68.1	66.8	65.0	79.1	67.9	69.2
Net reinsurance ratio	1.8	2.1	2.3	1.7	2.5	0.4	2.1	-2.7	2.5	1.8
Claims ratio, net of reinsurance	70.7	69.8	67.5	74.2	70.5	67.3	67.1	76.4	70.4	71.0
Gross expense ratio	11.5	13.9	13.6	13.6	12.8	14.1	13.7	13.7	13.4	13.9
Combined ratio	**82.2**	**83.6**	**81.1**	**87.8**	**83.3**	**81.3**	**80.8**	**90.1**	**83.8**	**84.9**
Combined ratio exclusive of run-off	83.2	84.7	82.1	88.8	83.7	82.3	82.2	91.1	84.9	85.4
Commercial										
Gross premium income	**1,352**	**1,338**	**1,316**	**1,288**	**1,261**	**1,248**	**1,187**	**1,233**	**1,205**	**1,203**
Technical result	109	278	241	222	179	253	223	142	199	190
Key ratios										
Gross claims ratio	67.3	56.4	65.7	62.4	61.9	55.5	61.9	77.7	65.5	65.3
Net reinsurance ratio	4.9	7.0	-0.8	3.2	5.4	7.9	3.0	-5.9	0.9	2.0
Claims ratio, net of reinsurance	72.2	63.4	64.9	65.6	67.3	63.4	64.9	71.8	66.4	67.3
Gross expense ratio	19.7	15.7	16.6	16.9	18.4	16.1	16.2	16.6	17.1	16.9
Combined ratio	**91.9**	**79.1**	**81.5**	**82.5**	**85.7**	**79.6**	**81.1**	**88.5**	**83.5**	**84.2**
Combined ratio exclusive of run-off	97.6	86.7	87.4	86.6	96.6	85.3	84.2	96.5	86.1	91.9
Corporate										
Gross premium income	**850**	**869**	**864**	**875**	**844**	**860**	**825**	**846**	**861**	**912**
Technical result	36	103	174	47	-32	70	183	180	-21	168
Key ratios										
Gross claims ratio	81.4	68.5	55.1	75.6	86.7	59.8	56.7	70.5	93.6	65.3
Net reinsurance ratio	0.6	8.1	14.1	8.5	4.5	21.9	10.4	-2.1	-3.1	7.7
Claims ratio, net of reinsurance	82.0	76.6	69.2	84.2	91.2	81.7	67.1	68.4	90.5	73.1
Gross expense ratio	13.7	11.5	10.5	10.2	12.5	10.0	10.7	10.4	11.8	8.4
Combined ratio	**95.7**	**88.0**	**79.7**	**94.4**	**103.7**	**91.7**	**77.7**	**78.8**	**102.3**	**81.5**
Combined ratio exclusive of run-off	102.8	93.5	89.0	105.1	113.1	104.7	86.4	99.3	112.2	95.0

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

Q4 2021 Quarterly outline

DKKm	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Sweden										
Gross premium income	**407**	**476**	**446**	**372**	**393**	**443**	**415**	**353**	**364**	**422**
Technical result	74	46	85	72	96	69	67	35	90	54
Key ratios										
Gross claims ratio	65.0	74.4	64.6	63.0	61.3	67.9	64.0	73.5	53.1	70.5
Net reinsurance ratio	0.1	0.2	-1.2	0.2	0.3	-0.3	1.0	-1.6	0.8	0.3
Claims ratio, net of reinsurance	65.1	74.6	63.4	63.2	61.6	67.6	65.1	71.9	53.8	70.8
Gross expense ratio	16.6	15.7	17.5	17.3	13.9	16.6	18.6	18.1	21.5	16.5
Combined ratio	**81.7**	**90.2**	**80.9**	**80.5**	**75.5**	**84.2**	**83.7**	**90.0**	**75.3**	**87.3**
Combined ratio exclusive of run-off	96.5	100.4	92.4	100.8	96.8	96.8	97.4	105.1	104.8	98.8
Other[a]										
Gross premium income	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-11**	**-9**
Technical result	0	0	0	2	0	0	-18	2	0	0
Tryg total										
Gross premium income	**6,041**	**6,133**	**6,057**	**5,906**	**5,744**	**5,719**	**5,595**	**5,595**	**5,479**	**5,583**
Technical result	826	988	1,144	751	780	980	1,063	672	762	870
Investment return	941	481	-757	343	513	237	541	-980	198	-29
Other income and costs	-171	-267	-113	-72	-70	-67	-64	-64	-20	-62
Profit/loss before tax	1,596	1,201	274	1,022	1,223	1,150	1,539	-372	940	779
Profit/loss	1,370	1,037	-63	814	1,038	930	1,246	-442	705	599
Key ratios										
Gross claims ratio	70.0	65.8	63.8	70.1	69.0	63.4	63.2	77.1	70.3	67.8
Net reinsurance ratio	2.2	3.9	3.1	2.9	3.3	5.2	3.4	-3.2	1.2	2.7
Claims ratio, net of reinsurance	72.2	69.7	66.9	73.1	72.3	68.6	66.6	73.9	71.5	70.5
Gross expense ratio	14.0	14.1	14.1	14.1	14.0	14.1	14.3	14.1	14.6	13.9
Combined ratio	**86.2**	**83.8**	**81.0**	**87.1**	**86.3**	**82.7**	**80.9**	**88.0**	**86.1**	**84.4**
Combined ratio exclusive of run-off	90.1	87.6	85.0	91.5	91.8	87.4	84.6	94.4	90.7	89.4

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

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

Q4 2021 Geographical segments

DKKm	Q4 2021	Q4 2020	2021	2020
Danish general insurance				
Gross premium income	**3,522**	**3,511**	**14,326**	**13,902**
Technical result	500	707	2,448	2,694
Run-off gains/losses, net of reinsurance	133	240	644	639
Key ratios				
Gross claims ratio	67.9	64.1	66.2	65.5
Net reinsurance ratio	3.1	1.9	2.0	1.1
Claims ratio, net of ceded business	71.0	66.0	68.2	66.6
Gross expense ratio	14.5	13.7	14.4	13.9
Combined ratio	**85.6**	**79.6**	**82.7**	**80.4**
Run-off, net of reinsurance (%)	-3.8	-6.8	-4.5	-4.6
Number of full-time employees, end of period			3,062	2,826
Norwegian general insurance				
NOK/DKK, average rate for the period	73.94	68.26	72.92	69.63
Gross premium income	**1,889**	**1,640**	**7,263**	**6,411**
Technical result	179	40	938	473
Run-off gains/losses, net of reinsurance	29	50	215	247
Key ratios				
Gross claims ratio	75.4	72.6	69.1	75.3
Net reinsurance ratio	2.6	10.5	5.0	3.4
Claims ratio, net of ceded business	78.0	83.1	74.1	78.7
Gross expense ratio	12.7	14.5	13.1	14.1
Combined ratio	**90.7**	**97.6**	**87.2**	**92.7**
Run-off, net of reinsurance (%)	-1.6	-3.0	-3.0	-3.9
Number of full-time employees, end of period			1,139	1,099

DKKm	Q4 2021	Q4 2020	2021	2020
Swedish general insurance				
SEK/DKK, average rate for the period	73.45	71.83	73.39	70.95
Gross premium income	**584**	**564**	**2,390**	**2,234**
Technical result	110	30	279	331
Run-off gains/losses, net of reinsurance	72	28	113	274
Key ratios				
Gross claims ratio	67.6	90.0	71.4	65.8
Net reinsurance ratio	-1.2	-9.6	2.2	4.0
Claims ratio, net of ceded business	66.4	80.3	73.6	69.9
Gross expense ratio	14.7	14.3	14.6	15.3
Combined ratio	**81.1**	**94.6**	**88.3**	**85.1**
Run-off, net of reinsurance (%)	-12.2	-4.9	-4.7	-12.3
Number of full-time employees, end of period			431	441
Other [a]				
Gross premium income	**46**	**29**	**159**	**105**
Technical result	36	4	43	-3
Run-off gains/losses, net of reinsurance	-2	-3	-8	-15
Number of full-time employees, end of period			42	33
Tryg (total)				
Gross premium income	**6,041**	**5,744**	**24,137**	**22,653**
Technical result	826	780	3,709	3,495
Investment return	941	513	1,008	311
Other income and costs	-171	-70	-624	-265
Profit/loss before tax	1,596	1,223	4,093	3,541
Run-off gains/losses, net of reinsurance	232	314	963	1,145
Key ratios				
Gross claims ratio	70.0	69.0	67.4	68.1
Net reinsurance ratio	2.2	3.3	3.0	2.2
Claims ratio, net of ceded business	72.2	72.3	70.5	70.3
Gross expense ratio	14.0	14.0	14.1	14.1
Combined ratio	**86.2**	**86.3**	**84.5**	**84.5**
Run-off, net of reinsurance (%)	-3.8	-5.5	-4.0	-5.1
Number of full-time employees, end of period			4,674	4,400

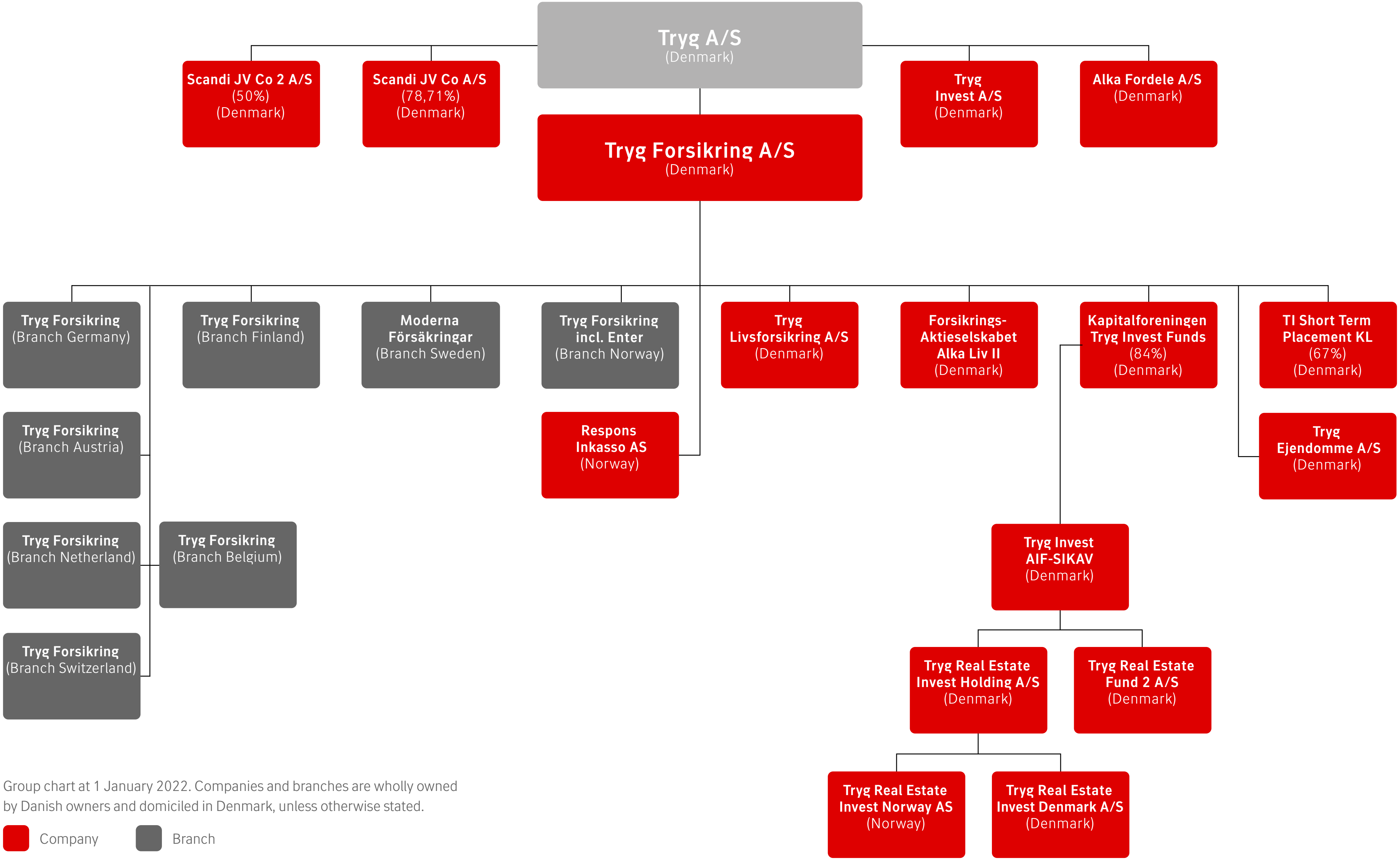
a) Comprises Finnish, Dutch, Austrian, Swiss, Belgium and German Credit & surety insurance and amounts relating to one-off items.

Other key figures

	2021	2020	2019	2018	2017
Share performance					
Earnings per share (DKK)	5.51	9.19	9.42	5.73	9.12
Diluted earnings per share (DKK)	5.51	9.19	9.42	5.73	9.12
Earnings per share of continuing business (DKK)	5.52	9.19	9.42	5.74	9.12
Operating earnings per share (DKK)	5.70	9.54	9.82	5.84	9.12
Number of shares (1,000)	653,447	301,750	301,700	301,743	301,945
Average number of shares (1,000)	572,688	301,678	301,954	302,043	276,080
Diluted average number of shares (1,000)	572,688	301,678	301,954	302,043	276,080
Share price (DKK)	161.50	192.10	197.50	163.90	155.20
Net asset value per share (DKK)	75.00	40.64	40.05	37.56	41.78
Market price/net asset value	2.2	4.7	4.9	4.4	3.7
Ordinary dividend per share (DKK)	4.28	7.00	6.80	6.60	6.40
Extraordinary dividend per share (DKK)	0.00	0.00	1.65	0.00	3.31
Price/Earnings	29.3	20.9	21.0	28.6	17.0
Number of full-time employess, continued business, at 31 December	4,674	4,400	4,151	4,027	3,373

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

Group chart



Group chart at 1 January 2022. Companies and branches are wholly owned by Danish owners and domiciled in Denmark, unless otherwise stated.

Company Branch

Glossary, Key Ratios and alternative performance measures

The financial highlights and key ratios of Tryg have been prepared in accordance with the executive order issued by the Danish Financial Supervisory Authority on the financial reports for insurance companies and multi-employer occupational pension funds, and also comply with 'Recommendations & Ratios' issued by the CFA Society Denmark.

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

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

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

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

Discounting
Expresses recognition in the financial statements of expected future payments at a value below the nominal amount, as the recognised amount carries interest until payment. The size of the discount depends on the market-based discount rate applied and the expected time to payment.

Dividend per share

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

Earnings per share

$$\frac{\text{Profit or loss for the year x 100}}{\text{Average number of shares}}$$

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

Gross claims ratio

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

Gross expense ratio without adjustment

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

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

Market price/net asset value

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

Net asset value per share

$$\frac{\text{Equity at year-end}}{\text{Number of shares at year-end}}$$

Net reinsurance ratio

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

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

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

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

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

Price/Earnings

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

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

Return on equity after tax (%)

$$\frac{\text{Profit for the year after tax x 100}}{\text{Weighted average equity}}$$

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. The new rules came into force at 1 January 2016

Solvency ratio
Ratio between own funds and capital requirement.

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

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

Unwinding
Unwinding of discounting takes place with the passage of time as the expected time to payment is reduced. The closer the time of payment, the smaller the discount. This gradual increase of the provision is not recognised under claims, but under technical interest in the income statement.

Alternative performance measures
Until the sale of certain owner occupied properties by the Tryg Group in 2016, pursuant to the executive order issued by the Danish Financial Supervisory Authority on the financial reports for insurance companies and multi-employer occupational pension funds, the Tryg Group has calculated the gross expense ratio, the combined ratio and the operating ratio by adding a hypothetical market rent to and deducting the actual depreciation from operating expenses. Previously, in addition the Tryg Group has in its financial statements presented a gross expense ratio without these adjustment as an alternative performance measure, however, subsequent to 2016 this alternative performance measure is not relevant and not presented as the Tryg Group does not have owner occupied properties.

The following financial measures included in this Annual report are not measures of financial performance or liquidity under IFRS, as adopted by the EU or in accordance with the executive order issued by the Danish Financial Supervisory Authority on the financial reports for insurance companies and multi-employer occupational pension funds but are defined by management as follows:

Large claims, net of reinsurance
Large claims, net of reinsurance, as calculated by the Tryg Group, represents

Large claims, net of reinsurance is defined as single claims or claims events gross above 10m in local currencies adjusted for reinsurance.

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

Weather claims, net of reinsurance
Weather claims, net of reinsurance, as calculated by the Tryg Group, represents

Weather claims, net of reinsurance, is defined as claims related to Storm, Cloudbursts, Natural perils and Winter, adjusted for reinsurance.

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

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

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

Premium growth excluding Alka in local currencies
Premium Growth excluding Alka in local currencies, as calculated by the Tryg Group, represents

$$\frac{\text{(Premium income excluding Alka in local currencies in year X - Premium income excluding Alka in local currencies in year X-1)}}{\text{Gross Premium income excluding Alka in local currencies in year X-1}}$$

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

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

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

Return On Own Funds (ROOF)

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

Return On Tangible Equity (ROTE)

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

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

Product overview

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

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

Motor insurance

Motor insurance accounts for 31% of total premium income and comprises mandatory third-party liability insurance providing cover for injuries to a third party or damage to a third party's property, and a voluntary comprehensive insurance policy that provides cover for damage to the customer's own vehicle from collision, fire or theft.

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

Fire and contents – Private

Fire and contents insurance for private customers represents 24% of total premium income and includes, for example, house and contents insurance.

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

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

Personal accident insurance

Personal accident insurance accounts for 11% of total premium income and covers accidental bodily injury and death resulting from accidents.

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

Fire and contents – Commercial

Commercial fire and contents insurance, which includes building insurance, represents 12% of total premium income and covers the loss of or damage to the buildings, stock or equipment of commercial customers. Moreover, Tryg provides cover for operating losses in connection with covered claims.

Workers' compensation insurance

Workers' compensation insurance accounts for 4% of total premium income and covers employees against bodily injury sustained at work (in Norway, also occupational diseases). Workers' compensation insurance is mandatory and covers a company's employees (except for public sector employees and persons working for sole proprietors).

General third-party liability insurance

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

Health insurance

Health insurance represents 3% of total premium income. The insurance covers the costs of examinations, treatment, medicine, surgery and rehabilitation at a private health facility.

Disclaimer

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

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

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

Read more in the chapter Solvency and dividend on ***pages 37-38***, and in Note 1 on ***page 67-78***, for a description of some of the factors which may affect the Group's performance or the insurance industry.