

A photograph of a modern building facade. The main part of the building is covered in light-colored, rectangular stone tiles. A vertical strip of dark, horizontal slats runs down the center of the facade. To the right, there is a glass-enclosed section with a dark frame. The sky is clear and blue. The word 'sampension' is visible on the top left of the building facade.

Annual Report 2022

sampension

Photos in the report are
from current investments in
the construction PH Park
Hørsholm, NRGi solar park and
Sampension's headquarters.

PHOTO

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The English version of the Annual Report is a translation of the original document in Danish for information purposes only. In case of any discrepancies of legal disputes, the Danish original will prevail.

“The premiums amounted to DKK 11.7 billion in 2022. A very satisfactory growth of 6% in an otherwise very turbulent year”



A robust Sampension in a very difficult year

Pension is security! In difficult years, this security, and consequently also Sampension, are put to the test.

2022 proved to be a very difficult year, but our strategy for investments, expenses and services passed the test. This is the security we want and need to offer our customers year after year.

Admittedly, the war in Ukraine, the energy crisis, rising interest rates, inflation and the global decline in equity markets resulted in negative returns across the industry, but Sampension was one of the best pension providers at limiting its losses. To this should be added that Sampension also generated one of the industry's highest returns the year before. Our investment strategy thus proves to be very robust during both good and bad times. This is highly satisfactory and provides a sense of security in regard to our customers' pension savings.

Seen over a five-year period, Sampension customers with unit-linked pension schemes aged up to 42 had returns of 33% with a moderate risk profile, while 55-year-old customers in the same group saw returns of 24%.

The overall return across all investment environments ended at a negative DKK 29.5 billion, corresponding to a negative 12.1% against a positive 9.0% the year before.

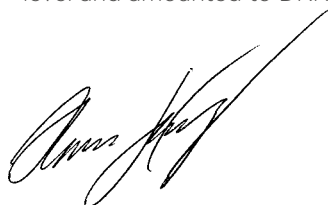
Sampension's substantial portfolio of alternative investments of DKK 57 billion is and has been key in creating good stable results over a longer period of time. These stabilise the portfolio and ensure returns over time.

The portfolio of alternative investments produced a return of some 4% in 2022, while listed markets dropped significantly. Particularly infrastructure investments generated a high return, and investments in forestry also contributed positively. In fact, the sale of an alternative investment – in the biogas company Nature Energy – yielded a very large profit for Sampension in what was one of Denmark's largest corporate transactions in 2022.

Alternative investments in biogas, wind turbines, forestry and solar power plants also help us fulfil our climate responsibility. But most importantly, we need to push all our investments towards a continually lower level of climate gas emissions in line with the Paris Agreement, which we are also doing. At 31 December 2022, our overall carbon footprint was 4.94 tonnes of CO₂e per million kroner invested. We have seen a significant reduction in emissions from the portfolio over the past three years – for listed equities and directly-owned credit bonds alone, emissions have been reduced by 44%.

Premiums amounted to DKK 11.7 billion in 2022. A highly satisfactory growth rate of 6% in an otherwise very turbulent year. Regular premiums grew, but particularly transfers and single premiums saw a significant increase from DKK 1.9 billion to DKK 2.6 billion.

Administrative and investment expenses are still kept at a minimum and with an annual percentage rate (APR) of 0.7%, Sampension expenses are again very low by pension industry standards. Administrative expenses were kept at a very low level and amounted to DKK 391 per customer per year in 2022.



Hasse Jørgensen
CEO



An aerial photograph of a construction site. In the foreground, there's a large concrete foundation for a building, with several yellow construction vehicles and workers. To the left, a building is under construction, heavily covered in scaffolding. In the background, a residential neighborhood with houses and trees is visible under a clear sky.

Management's review

1

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Management's review

Five-year key figures for the parent company DKKm	2022	2021	2020	2019	2018
Premiums	11,730	11,083	11,672	10,129	9,251
Benefits paid	-11,291	-10,597	-12,169	-9,416	-9,107
Investment return	-29,535	19,724	10,305	20,102	-249
Total insurance operating expenses	-181	-183	-179	-175	-172
Technical result	78	28	-29	-58	-88
Profit/loss for the year, parent company's share	-324	55	32	86	-45
Total provisions for insurance and investment contracts	213,664	238,119	220,347	211,727	194,507
Surplus capital	3,341	4,032	4,086	4,256	4,311
Equity attributable to parent company	3,420	3,744	3,689	3,657	3,571
Total assets	269,207	305,415	294,828	293,330	262,283

Five-year financial ratios for the parent company	2022	2021	2020	2019	2018
Return ratios					
Rate of return related to average-rate products	-17.5%	3.4%	5.1%	9.8%	1.1%
Rate of return related to unit-linked products	-7.3%	15.2%	4.8%	10.7%	-1.7%
Risk on return related to unit-linked products	4.75	4.50	4.50	3.75	3.75
Expense ratios					
Expenses as a percentage of provisions	0.08%	0.08%	0.09%	0.09%	0.09%
Expenses per policyholder (DKK)	391	387	384	388	389
Other return ratios					
Return on equity after tax	-9.0%	1.5%	0.9%	2.4%	-1.3%
Return on surplus capital	-11.9%	3.8%	3.0%	3.5%	1.1%
Capital structure ratios					
Solvency coverage ratio ¹	267%	298%	275%	293%	444%

Reference is made to "Definitions of financial ratios" on page 79.

¹ The method of calculating provisions for solvency purposes was changed with effect from 2022.

Customers and products

Sampension Livsforsikring A/S (Sampension Liv) is a customer-owned pension company offering labour market and company pensions on commercial terms. Our key responsibility is to offer our customers the best pensions possible. Accordingly, our main focus is on what adds value to pension schemes – low expenses, solid returns on a responsible basis, flexible products and competent advice and customer service.

Sampension Liv is part of the Sampension joint management company (the Sampension community). In addition to Sampension Liv, the Sampension community comprises the Pension Fund Architects and Designers (PAD), the Pension Fund for Agricultural Academics and Veterinary Surgeons (PJD) and the Pension Fund for Technicians and Bachelors of Engineering (ISP). The group of owners of Sampension Administrationsselskab A/S comprises: Sampension Liv (88%), PAD (3%), PJD (3%) and ISP (6%).

Sampension Liv has 305,629 customers and is one of Denmark's largest pension providers. Most of the people insured are employed in the municipal sector or with the state or regional authorities. Sampension Liv also provides pension schemes for private enterprises and acts as a reinsurer to most of Denmark's municipal and regional authorities in respect of 17,380 civil servants.

A pension scheme contains both savings and insurance components covering loss of earning capacity, death, certain critical illnesses and in some cases health insurance. Sampension Liv provides the following savings products:

Product types	Investments and allocation of returns
Unit-linked 3 i 1 Livspension lifecycle product Linkpension, a unit-linked product	Actual returns are allocated to customers each month Sampension Liv's core product. Savings are invested in generation pools according to the customer's age and choice of investment profile Customers determine which investment funds they wish to invest their savings in
Average rate Non-guaranteed benefit reinsurance Conventional average rate	Rate of interest on policyholders' savings allocated to customers reflects the average return achieved over time This product provides reinsurance for employers' future pension obligations in respect of civil servants and hedges inflation risk Comprises pension schemes with declarations of intent, guaranteed direct insurance and guaranteed reinsurance

Premiums and benefits

Premium income

DKK **11.7** billion

Growing premium income

Premiums amounted to DKK 11.7 billion, against DKK 11.1 billion in 2021.

The development was driven by transfers and single premiums, which ended at DKK 2.6 billion in 2022, against DKK 1.9 billion in 2021. The increase was due to the development in single premiums from several professions and a net inflow of new company pension schemes in 2022.

Premium income DKKm	2022	2021	Change (%)
Regular premiums	5,307	4,972	6.7
Group life premiums	3,021	2,918	3.5
Total regular premiums	8,328	7,891	5.5
Transfers and single premiums	2,561	1,926	33.0
Premiums, direct insurance	10,889	9,816	10.9
Premiums, indirect insurance	841	1,267	-33.6
Total gross premiums	11,730	11,083	5.8

There was a net increase in the number of directly insured customers of 6,900 in 2022, corresponding to 2.3%.

Number of customers	2022	2021	Change (%)
Premium payers	115,703	113,088	2.3
Paid-up policies etc.	121,047	118,901	1.8
Pensioners	68,879	66,698	3.3
Total directly insured	305,629	298,687	2.3
Indirectly insured	17,380	17,416	-0.2
Group life insured, including share of Forenede Gruppeliv	729,267	741,559	-1.7

306 thousand
insured costumers

Growing benefits paid

Total benefits paid amounted to DKK 11.3 billion in 2022, against DKK 10.6 billion in 2021. The increase in benefits paid was primarily attributable to retirement and annuity benefits.

Due to the expected negative annual return, during the final months of 2022, we contacted our customers to align their expectations in regard to their pension benefit payments in 2023, where customers with unit-linked schemes will experience a drop in their amount of pension benefits.

Expenses

For several years, Sampension Liv has made targeted efforts to reduce its expenses, which are among the lowest in the industry. The lower the expenses, the greater the proportion of premiums and returns will be allocated to savings. Together with the other partners of the Sampension community, Sampension Liv's focus is on ensuring low investment and administration expenses.

Efficient investment management

Internal and external management efficiency is very important to the Sampension community. For that purpose, we invest the pension savings of all our customers in the same investment assets, for example. The combination of such assets may vary from customer to customer depending on their specific savings product and risk profile.

The Sampension community uses cost-benefit analyses to assess whether the various portfolios should be managed internally or externally. Virtually all of our equity investments are outsourced to external asset managers, while most investment in bonds and other fixed-income instruments is managed in-house. Property investments in markets where the Sampension community has long-standing investment experience are also managed internally. A number of investments in higher-risk credit bonds are made through external managers, and most alternative investments in, e.g., forestry, wind turbines, hedge funds and unlisted equities are managed by external managers.

Investment expenses of 0.67%

Investment expenses include expenses incurred by Sampension Liv and indirect expenses incurred when investing in external funds, investment associations, etc. Investment expenses as a percentage of customer savings for 2022 and 2021 are shown in the table below:

Investment expenses ¹ as a percentage of customer savings	2022	2021
3 i 1 Livspension, selected generation pools (moderate risk):		
25 years	0.72	0.50
55 years	0.69	0.47
65 years	0.61	0.41
3 i 1 Livspension total (average)	0.67	0.46
Conventional average rate	0.33	0.27

1) The calculation of investment expenses has been changed effective from 2022 and in accordance with the updated recommendations from Insurance & Pension Denmark.

Total investment expenses amounted to 0.67% of 3 i 1 Livspension customer savings against 0.46% in 2021. The increase was mainly due to Insurance & Pension Denmark's transition to applying standard calculation rates on a large part of the alternative investments which, in terms of technical (not actual) calculation, results in an increase in expenses.

Investment expenses for conventional average-rate products amounted to 0.33% of customer savings in 2022, compared with 0.27% in 2021.

Return ratios are calculated after deduction of direct and indirect investment expenses. The return after investment expenses is the all-important ratio to consider when assessing the performance of customers' pension savings.

Administrative expenses of

DKK **391**

Administrative expenses per customer of DKK 391

Financial ratios for insurance-related administrative expenses were practically unchanged relative to 2021:

- Expenses per customer amounted to DKK 391 in 2022 against DKK 387 in 2021. The ratio was kept at a low level.
- Expenses expressed as a percentage of customers' savings were unchanged at 0.08% in 2022.

APR of 0.7%

Information on annual expenses expressed in Danish kroner and as a percentage (APR) is available in Description of method – annual expenses expressed in Danish kroner and as a percentage 2022¹ (in Danish only). APR includes an annual administration fee of DKK 420 per customer and investment expenses, see above. APR depends on customers' savings. For a 55-year-old customer with savings of DKK 1 million, the APR for 2022 was at 0.7% for 3 i 1 Livspension Moderate Risk. APR for conventional average-rate products was at 0.3%.

¹ The publication is available on sampension.dk/finansiel-information/aarsrapport

Investments and returns

The global economy and financial markets

The coronavirus pandemic did not play as big a role in 2022 as in previous years, and most countries could gradually return to more normal conditions. Despite the many fiscal and monetary relief packages being rolled back, economic activity was still at a level where the problems with shortage of labour, goods and materials at the end of 2021 continued into the new year. Accordingly, inflation continued its upward curve and moved further and further away from the central banks' target of keeping inflation at a low level. Several central banks were already rolling back their very expansive fiscal and monetary policy measures, and when the US Federal Reserve announced at the beginning of the year that it would also hike its interest rate in an attempt to tame the rising inflation, interest rates increased, while equity prices started to drop.

Russia's ever-more aggressive invasion of Ukraine and mutual sanctions and re-sanctions resulted in sharply increasing energy and food prices, which also affected the inflation. Central banks responded to the continuously rising inflation with historically large interest rate increases.

Due to the central banks' interest rate hikes, equity markets saw some deep plunges in 2022. The global equity market index fell by almost 16% in 2022. The UK equity market was the best performer with an increase of just under 5%. The Danish equity market fell by a mere 4%, European equities by some 12% and the US equity market by nearly 19%. With a drop of 10% and 15%, respectively, Asia and the emerging markets recorded a similar trend².

Annual investment return was negative at DKK 29.5 billion or -12.1%

The overall return across all investment environments in 2022 was a loss of DKK 29.5 billion, relative to a positive return of DKK 19.7 billion in 2021. The overall investment return was negative at 12.1% before tax on pension returns, compared to a positive return of 9% in 2021.

The overall return includes return on the hedge portfolio in the conventional average-rate environment. In a year like 2022 with rising interest rates, Sampension Liv's investment strategy of hedging the interest rate risk on pension obligations in the conventional average-rate environment will produce a loss, which, after tax on pension returns, is largely offset by the drop in the market value of pension obligations in the conventional average-rate environment. See note 15 to the financial statements.

Investment returns by environment DKKm	2022	2021
3 i 1 Livspension	-8,604	15,651
Linkpension	-8	25
Non-guaranteed benefit reinsurance	-1,075	5,277
Conventional average rate	-19,848	-1,228
Total return	-29,535	19,724

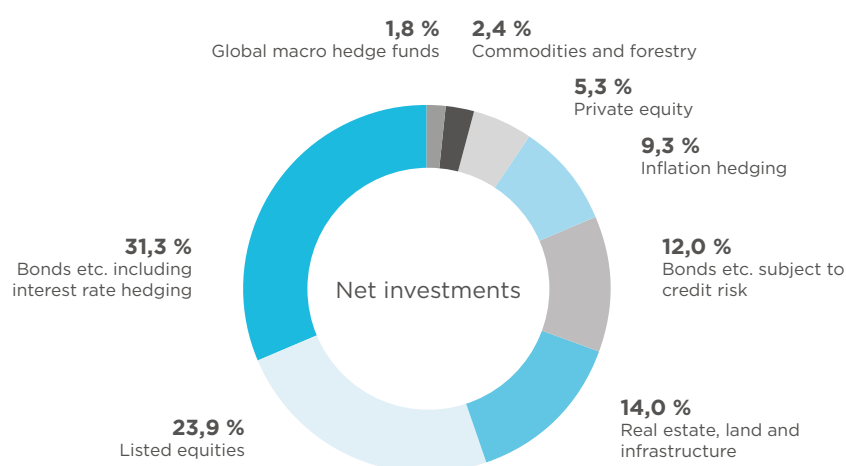
Investment return of

DKK **-29.5** billion

Breakdown of net investments

Almost a third of Sampension Liv's total net investment assets were placed in low-risk bonds (such as Danish government and mortgage bonds), while almost 25% were placed in listed equities.

² Return rates are stated before translation into Danish kroner and reflect benchmark indices for the respective markets.



Investment strategies in Sampension Liv's various investment environments

Sampension Liv investment strategy aims to maximise the long-term return in a responsible manner and within the given risk framework. The unit-linked and average-rate environments generally participate in the same investments, only at different weightings and volumes. The 3 i 1 Livspension and non-guaranteed benefit reinsurance products have a relatively larger share of investments in high-risk assets than the conventional average-rate environment.

Sampension Liv are currently in the process of building a portfolio of direct investments in debt, unlisted equities and real estate, where volatile and unstable macroeconomic markets also provided attractive investment opportunities. These efforts continued in 2022, where the Sampension community invested in, for example, 10% of the geothermal company Innargi and in a residential property in Holbæk, an independent nursing home in Slagelse, an office property in Aalborg as well as in two new property funds with Harbert and Nuveen, respectively. The private equity portfolio was also expanded in 2022 with a co-investment in a software company and in funds with existing managers in Europe and the USA. As for the forestry portfolio, the Sampension community made its next forestry investment in Southern USA. In the infrastructure portfolio, two fund investments and a co-investment in the UK-based electric vehicle charging company InstaVolt were made in collaboration with EQT Infrastructure as well as two follow-up investments in other co-investments within the portfolio.

Unit-linked environment investments

The 3 i 1 Livspension product investments are placed in different generation pools, each with a specific composition of investment assets, to reflect the customer's age. Customers have three investment profiles to choose from: low risk, moderate risk and high risk.

Negative returns for all generation pools in 3 i 1 Livspension

Despite Sampension Liv once again being among the best in the industry in terms of delivering returns, the lifecycle product reported negative returns for all generation pools across risk profiles.

As shown in the table below, the youngest age groups, which have relatively large shares of equities, produced the lowest returns under the highest-risk profiles. The majority of the customers have chosen the moderate risk investment profile.

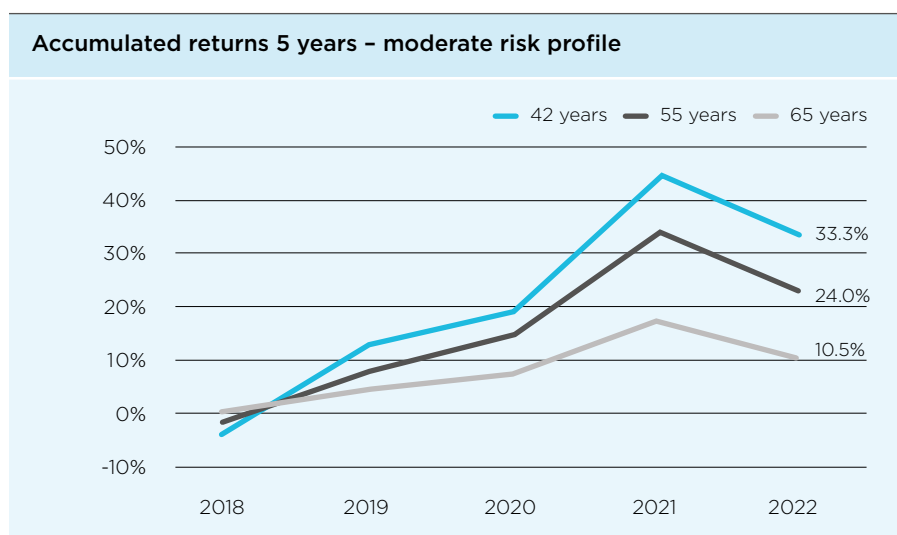
It should also be noted that customers with low risk profiles received a return that fell with age, which is rather unusual. The reason is that, with the sharply rising interest rates, bonds produced a relatively lower return than equities in 2022, and that these customer groups have more bonds and fewer equities as they grow older, while the proportion of alternative investments will remain largely unchanged throughout the lifecycle.

Generation pools 3 i 1 Livspension, selected	Investment profile		
Return (%)	Low	Moderate	High
25 år	-7.3	-7.9	-9.4
55 år	-7.5	-7.3	-8.7
65 år	-7.7	-6.1	-7.4

For a more detailed specification of holdings and returns in 3 i 1 Livspension, see notes 24 and 25 to the financial statements.

Youngest age groups receive five-year returns of 33.3% in 3 i 1 Livspension

Despite this year's negative return, customers with Sampension Liv's lifecycle product have obtained high investment returns over the past five years. A typical customer with a moderate risk profile aged up to and including 42 has achieved an accumulated return of over 33%.



Return of up to

33.3 %

Negative return of 2.5% for non-guaranteed benefit insurance

Non-guaranteed benefit reinsurance covers risks relating to civil servant pensions. Indexation of these is based on salary trends, which is a significant risk factor in a municipal or regional authority's pension obligations. Asset allocation is determined on the basis of the expected future net payment obligations on civil servant pension schemes.

Investments relating to non-guaranteed benefit reinsurance of civil servant pension obligations produced a negative return of 2.5% in 2022. For a specification of holdings and returns in the non-guaranteed benefit reinsurance segment, see note 24 to the financial statements.

Negative return of 24.9% in the conventional average-rate environment

The conventional average-rate environment consists of guaranteed and non-guaranteed pension schemes. Provisions for pensions are stated at market value, which means that the value will depend on interest rate levels, among other things. To limit the interest rate risk for both Sampension Liv and its customers, we have set up a hedge portfolio which together with a part of the interest rate risk of the investment portfolio is designed to obtain a high degree of security that Sampension Liv can meet its guarantees and declarations of intent issued to customers.

The overall distribution of investments in the average-rate environment at 31 December 2022 and the return contributions for the year are set out in the table below.

Return in conventional
Average-rate of

-24.9 %

Conventional average rate	Market Value 31.12.2022 DKKm	Distribution %	Return contribution (%), time- weighted
Total investment portfolio	52,035	93.8	-11.8
Other interest rate hedging	3,441	6.2	-13.1
Total investment assets	55,475	100.0	-24.9

Some 78% of Sampension Liv's total net investment assets of almost DKK 56 billion in the conventional average-rate environment was placed in bonds, etc., while some 5% was invested in listed equities, just over 5% in other interest rate hedging and almost 11% in alternative investments, etc.

The overall return for 2022 was negative at 24.9% before tax on pension returns and inclusive of other interest rate hedging. The return was negative at 11.8%, excluding other interest rate hedging.

For a more detailed specification of holdings and returns in the conventional average-rate segment, see note 24 to the financial statements.

Corporate social responsibility

In addition to contributing to the individual customer's financial situation in retirement, being a part of the collective agreements, Sampension Liv contributes to the sustainable development of the Danish economy and to maintaining a healthy balance between public sector benefits and labour market benefits. Labour market pensions, which constitute a significant pillar of the Danish model, have contributed to the steady development of a secure and responsible labour market since the 1980s.

Sampension Liv is responsible for managing its pension schemes in a way that serves the best interests of our customers. We fulfil that responsibility by focusing on what is important, i.e. growing the value of our customers' pension schemes. Ensuring strong returns in a responsible manner is one of our most important focus areas³.

3 initiatives

to increase focus on climate

Responsible investments

Sampension Liv's investments are arranged so that they are socially responsible. Our responsible investment policy has three areas of focus:

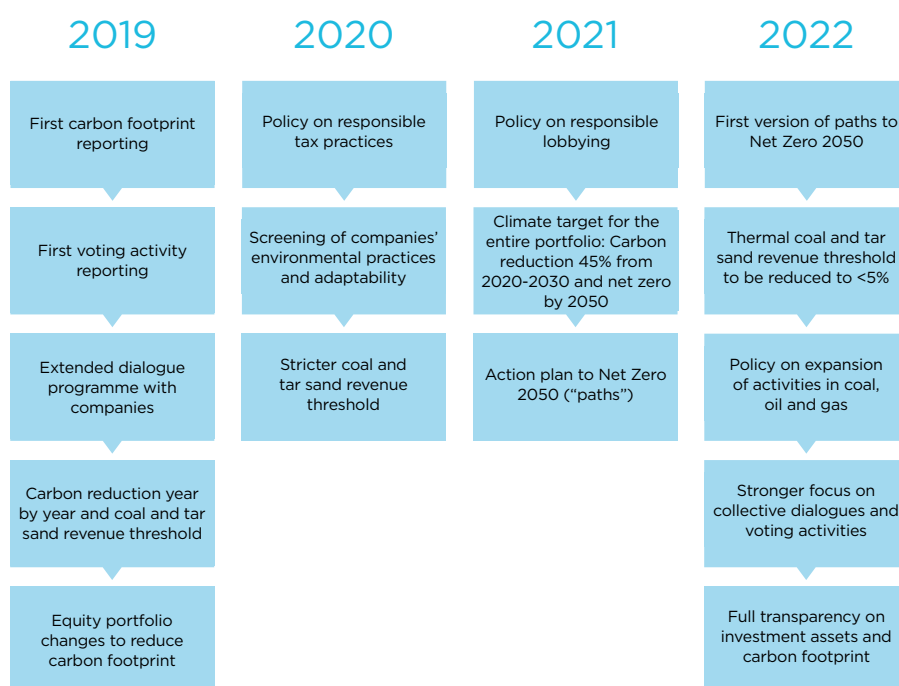
- Environmental and climate impact of investments
- Social impact of investments
- Corporate governance

Our approach to corporate social responsibility is governed by our ambition to comply with and implement international standards and guidelines, including the ten principles of the UN Global Compact in the areas of human rights, labour rights, the environment and anti-corruption, the OECD guidelines for responsible business conduct for both multinational enterprises and institutional investors as well as the climate targets of the Paris Agreement.

The responsible investment policy applies to all pension providers and company schemes under the Sampension community. The boards of directors have set up a cross-functional committee which is charged with considering the social, environmental and governance aspects of investment decisions with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

³ For more information on focus areas, see the Customers and products section.

New responsible investment initiatives 2019-2022



Every two years, the Sampension community also conducts customer and member surveys to ensure that the policy pursued is reflected in the values and beliefs of the customers and members. The most recent survey conducted in 2021 showed that customers and members find responsible investments to be very important to their level of satisfaction with their pension provider, and some 90% of the customers and members of the Sampension community are very satisfied/satisfied with our responsible investment efforts. A new survey will be conducted in 2023.

Climate-neutral by 2050

The companies in which the Sampension community has invested continue their energy efficiency procedures and their transition away from fossil energy sources. The Sampension community has defined a target for the carbon footprint of its overall investment portfolio to be reduced by 45% relative to the 2020-level by 2030 and to net zero by 2050. The target applies to all assets in the portfolio. The carbon footprint is thus reduced most significantly within the first 10 years with the remaining 55% over the subsequent 20 years. To support this, the Sampension community will define continuous sub-targets for the period, both for the overall portfolio and for the various sectors in which we invest with the purpose of providing full transparency on our efforts towards climate neutrality.

In 2022, annual sub-targets for the utilities, energy, materials and industrial sectors were prepared for the entire period from 2020 until 2050, which are summarised in the overall path towards net zero emissions for the entire portfolio by 2050. Annual sub-targets for the remaining sectors are determined in 2023.

Continued reduction of the carbon footprint of our investments

2022 was the first year in which the Sampension community could collect data and model emissions based on data for virtually the entire portfolio. Sampension can thus calculate the carbon footprint of more than 90% of the total net investment assets. This is paramount to meeting the climate targets of the pension providers and ensuring the necessary transparency for customers and stakeholders in the society at large.

In 2022, it was even possible to include forestry investments that absorb carbon in the calculation of our total carbon footprint. Calculations of this carbon sequestration are based on data collected and calculated by an external data provider.

Sampension Liv's forestry investments gave a total sequestration of 234,821 tonnes of CO₂e in 2022. A calculation of the carbon footprint across asset classes⁴ shows total emissions for 2022 of 728,525 tonnes of CO₂e and a carbon footprint of 4.94 tonnes per million kroner invested.

Carbon footprint

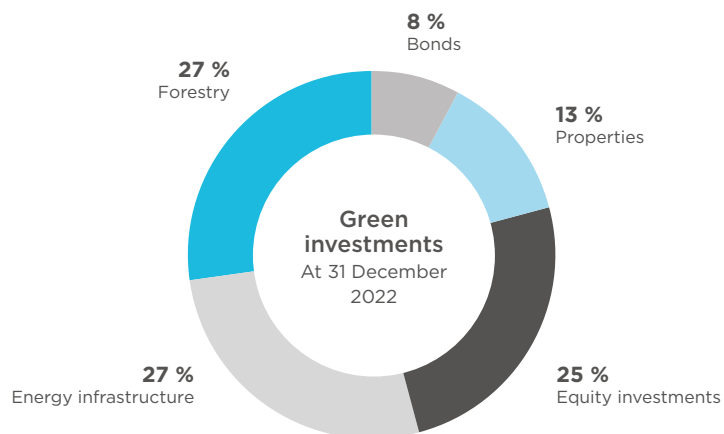
4.94

Carbon footprint	Emissions	Carbon footprint
Footprint, excluding forestry	963,346	6.67
Footprint, including forestry	728,525	4.94

Green investments

At 31 December 2022, the Sampension community had total green investments of DKK 21 billion in e.g. wind turbines, forestry and solar panel farms. This is an increase in green investments of DKK 2 billion from 2021 to 2022. Opportunities to support the green transition are constantly explored as part of our investment policy, including through investments in renewable energy, energy efficiency improvements and other technologies and activities which are necessary in order to achieve the transition to a carbon-neutral economy.

Green investments within the portfolio



Active ownership in constant growth

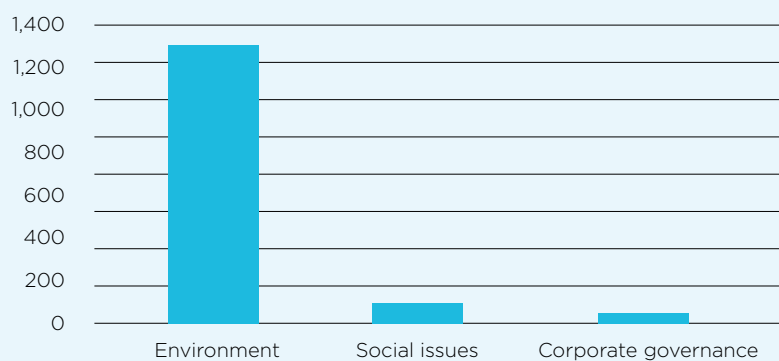
The Sampension community takes a proactive approach to the overall investment portfolio. This applies to anything from government bonds, where e.g. Russia is currently excluded, over indirect investments through funds to direct investments in e.g. listed companies. We do so throughout the year, and if we find a company's conduct to be in conflict with our responsibility policy, the Sampension community will actively address this by voting at general meetings, engaging in dialogues with the company or, ultimately, by excluding the company.

⁴ Does not include government bonds and bonds issued by supranational authorities, which are calculated separately.

Increasing number of dialogues

In 2022, we significantly extended our dialogue programme and voting. The Sampension community also engages in more dialogues as lead/co-lead on behalf of large groups of investors with companies that must improve their social responsibility in specific areas. In 2022, the Sampension community engaged in 1,414 dialogues with portfolio companies and voted at 92 general meetings. The Sampension community functions as lead/co-lead or as an actively participating investor in a total of 27 dialogues – including e.g. a dialogue on labour rights with Amazon, one of the world's largest companies⁵.

1,414 dialogues in 2022 – of which 1,237 dialogues on climate issues



27

Reduction in carbon footprint by

In 2022, the Sampension community was part of several networks which either facilitate dialogues on behalf of a group of international investors, or where e.g. the Sampension community engages in dialogues on behalf of the network:

- Climate Action 100+ (CA100+) is the world's largest investor initiative consisting of 700 investors with combined assets of DKK 470,000 billion. In 2022, CA100+ engaged in dialogue, on behalf of e.g. the Sampension community, with climate-damaging companies within the oil and gas, mining and metals, utilities, transport, consumer products and industrial sectors.
- Carbon Disclosure Project (CDP) conducts an annual Non-Disclosure Campaign, which aims at getting even more companies to disclose their carbon footprint. The Sampension community participated together with several hundred other international investors and was also in charge of the dialogue with a series of companies. About 300 of the 1,052 companies the investors engaged with in 2022 have now reported on their carbon footprint. We see the same trend in the Sampension community's investment portfolio, where the number of companies disclosing their carbon footprint increased to 80.1% at 30 June 2022, against 71.6% at 30 June 2021.
- UN PRI Advance (UN-supported investor network) – Principles for Responsible Investment – launched a new human rights dialogue initiative in 2022 focusing on mining companies and companies producing renewable energy. With this initiative, investors, including the Sampension community, engage in dialogue with about 40 companies from all over the world that specialise in the commodities sector and the so-called renewables sector with a view to ensuring that they enhance their focus on respecting human rights in their activities. 220 international investors with aggregate assets under management of more than DKK 200,000 billion have joined this initiative.

⁵ The dialogue is established in collaboration with other Danish pension providers.

275

Excluded companies

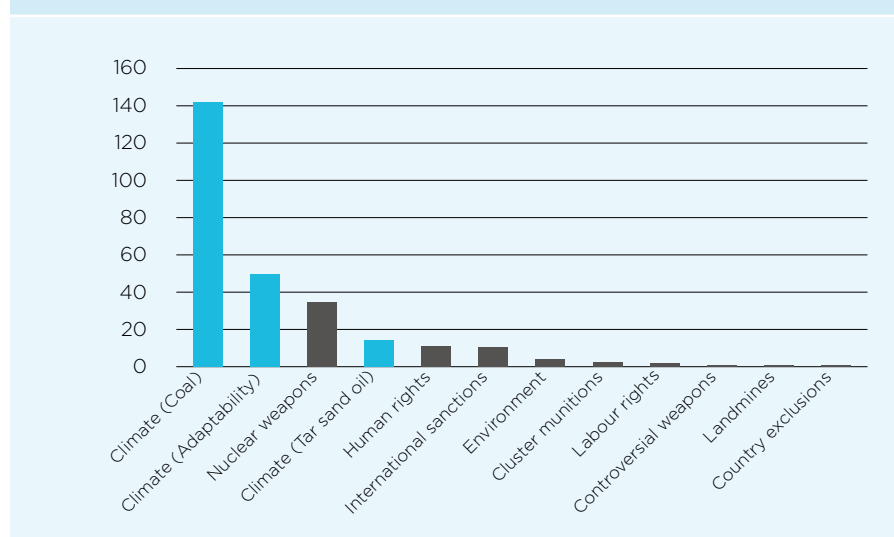
Climate dominates exclusions

Investments in listed companies are continuously monitored by a professional and independent screening provider, and the screening is based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises. If a company's conduct is found to be significantly in conflict with the policy and guidelines for responsible investments, it will be assessed whether the company has acted acceptably or unacceptably, and whether it should be placed on a surveillance list pending further investigation, or whether to engage in dialogue with the company. Companies acting unacceptably are added to the exclusion list.

In this context, we screened the companies' coal and tar sand activities as well as their climate practices and adaptability. Companies of the equity portfolio which are operating within the most heavily emitting sectors are regularly screened for their ability and willingness to transition to a low-carbon economy, and this consideration forms part of our exclusion criteria.

In 2022, the number of companies excluded based on our criterion for unacceptable environmental practices rose from 190 to 204. The net increase of 14 companies covers exclusion of 28 companies and the re-inclusion of 14 companies, for example because these companies have since their exclusion substantially reduced their carbon emissions or determined ambitious strategies for improving their carbon footprint.

275 exclusions – of which 204 exclusions due to climate issues



Moreover, we do not invest in companies generating 5% or more of their revenue from thermal coal or tar sand operations⁶.

Key ESG indicators provide comparability and transparency

The Sampension community has decided to support the pension industry's request for a common standard by publishing an overview of its ESG ratios calculated according to the industry recommendations published by Insurance & Pension Denmark as a consequence of the government's climate partnerships for the financial sector, the most recent version being Insurance and Pension Denmark's climate reporting in October 2022.

The report on corporate social responsibility 2022 (in Danish only) provides additional information on calculation methods and our responsible investment approach and is available at sampension.dk/ansvarlige-investeringer.

⁶ The threshold value for metallurgical coal is 25%. This is due to the fact that there is still no viable industrial and financially scalable alternative to metallurgical coal in the production of steel. Accordingly, the process of phasing out metallurgical coal is slower than the process of phasing out thermal coal.

Sampension Group	Unit	2022	2021	2020	2019
E – Environmental data (including climate reporting)					
The company's carbon emissions					
CO2 scope 1	Tonnes	51	65	50	73
CO2 scope 2	Tonnes	207	206	225	213
Renewable energy intensity	%	76	75	74	66
- Purchased externally	%	93	94	92	93
- Generated internally	%	7	6	8	7
Energy consumption	Gigajoules	7,250	8,284	6,409	7,315
Water consumption	m ³	3,108	2,467	2,568	3,290
S – Social data					
Full-time equivalent employees	FTE	369	340	317	297
Gender diversity, all	%	48	46	48	49
Gender diversity, managers	%	34	38	44	40
Remuneration gap men/women, all	Times	1.3	1.3	1.3	1.3
Remuneration gap men/women, managers	Times	1.4	1.2	1.3	1.4
Employee turnover	%	16.6	12.8	12.6	14.2
Absenteeism	Days/FTE	6.7	6.6	3.7	4.7
Employees with no sickness absence	Number	127	137	156	120
Taxes paid	DKKm	4,838	3,230	5,578	2,594
G – Governance data					
Gender diversity, Board of Directors ¹	%	33	36	36	36
Board meeting attendance	%	87	90	91	93
Remuneration gap between CEO and employees	Times	7.8	7.8	8.0	8.3

¹ The ratio is for Sampension Livsforsikring A/S. The calculation method has been changed in accordance with the new guidelines of the Danish Business Authority, which means that figures for 2022 are not comparable with figures for years before 2022.

Investment climate reporting

Carbon footprint of investments	Unit	2022	2021	2020	2019
Carbon emissions by the listed equity portfolio¹					
Percentage of asset class calculated		99%			
Absolute emissions	Tonnes/CO ₂ e	388,710	468,296	561,425	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	7.6	7.7	10.7	-
Carbon emissions by the credit portfolio²					
Percentage of asset class calculated		95%			
Absolute emissions	Tonnes CO ₂ e	297,926	-	-	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	10.5	-	-	-
CO₂-udledning fra Private Equity-porteføljen²					
Percentage of asset class calculated		84%			
Absolute emissions	Tonnes CO ₂ e	85,066	-	-	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	6.0	-	-	-
Carbon emissions by the infrastructure portfolio²					
Percentage of asset class calculated		95%			
Absolute emissions	Tonnes CO ₂ e	141,116			
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	15.7	-	-	-
Carbon emissions by the portfolio of Danish mortgage bonds²					
Percentage of asset class calculated		100%	-	-	-
Absolute emissions	Tonnes CO ₂ e	40,267	-	-	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	1.6	-	-	-
Carbon emissions by the property portfolio²					
Percentage of asset class calculated		92%	-	-	-
Absolute emissions	Tonnes CO ₂ e	10,262	-	-	-
Financed emissions (carbon footprint)	Tonnes CO ₂ e/DKKm	0.6	-	-	-
Carbon sequestration by direct forestry investments²					
Percentage of asset class calculated		99%	-	-	-
Net sequestration	Tonnes CO ₂ e	-234,821	-	-	-
Total absolute emissions	Tonnes CO₂e	728,525	-	-	-
Carbon emissions by government bonds and supranationals²					
Percentage of asset class calculated		96%	-	-	-
Carbon intensitet (Sovereign emissions - production intensity)	Tonnes CO ₂ e/DKKm GDP	31.5	-	-	-

¹ Due to a change in the calculation method, it has not been possible to calculate comparative figures for 2019.

² Emissions from the respective asset classes were calculated for the first time for 2022. It was not possible to calculate comparative figures for the years 2019, 2020 and 2021 at the time of calculation due to a lack of data. Reference is made to the report on corporate social responsibility 2022.

Supplementary information	Unit	2022	2021	2020	2019
Carbon displacement from directly-owned renewable energy infrastructure¹					
Absolute carbon displacement	Tonnes CO ₂ e	94,937	68,527	102,571	-
Active ownership, number of climate dialogues					
Total dialogues on climate change	No.	1,237	-	-	-
- of which own dialogues	No.	7	-	-	-
- of which dialogues via investor network as lead/colead	No.	6	-	-	-
- of which dialogues via investor network in general	No.	1,214	-	-	-
- of which dialogues via ESG rating agency	No.	10	-	-	-

¹ Due to a change in the calculation method, it has not been possible to calculate comparative figures for 2019.

Development in the investments' ESG ratios is addressed in the section on corporate social responsibility above the table.

The company's ESG ratios show, among other things:

- The company's carbon emissions (CO₂ scope 1) dropped back to the 2020-level, which was extraordinarily low due to the lower level of activity during the coronavirus pandemic. The primary reason is the transition to petrol-fuelled/hybrid company cars instead of diesel cars.
- The total energy consumption and water consumption are back at a 2019-level before the coronavirus pandemic. Renewable energy's share of the total energy consumption shows an increase over time.
- Developments show that – in recent years – the gender distribution in terms of the company's management positions has dropped in relation to the underrepresented gender, which is currently women. The drop is primarily due to an increase in the number of employees at Sampension Administrationssselskab, leading to an extended management task and thus an addition to the number of team managers – especially within the area of IT, which primarily employs men. This is also reflected in recruitments. The gender distribution among team managers in 2022 was 25% women and 75% men – in 2021, it was 31% women and 69% men. The gender distribution among department managers is 44% women and 56% men.
- Taxes paid increased by 50% in 2022. The item Taxes paid includes tax on pension returns which depends on the realised investment return for the preceding year, which was extraordinarily high in 2021.

Data ethics

Sampension Liv has chosen not to define a data ethics policy for 2022, as the company does not process data or apply algorithms for data analysis in excess of what is expected and normal in relation to operating a pension company. This could be information about the employer, employment and state of health. Sampension Liv's performance of its core task requires access to and processing of extensive amounts of data about customers, companies and employees. When Sampension Liv processes data, the individual person's data is respected as much as possible honouring Sampension Liv's pension obligations.

Data processing in the form of e.g. detecting customer patterns is also not an integral part of Sampension Liv's current business activities. The customer's historical data are naturally considered – after a specific needs assessment – when providing advice.

Data processing at Sampension Liv must never involve any form of discrimination or partial results. Regardless of how Sampension Liv collects data, this will always be in accordance with the data protection legislation applicable. Sampension Liv recognises that the strategic focus on digitalisation and new technologies may result in a need for a data ethics policy in the future.

Sampension Liv never sells data.

For more information on how Sampension Liv processes data, see Processing of personal data and digital communications (sampension.dk/forbehold).

Profit, solvency capital requirement and total capital

Loss of DKK 324 million

Sampension Liv reported a loss of DKK 324 million after tax for 2022, against a profit of DKK 55 million for 2021. The profit or loss for the year consists mainly of the share of the investment portfolio return for the year allocated to equity and the risk premium for the year. The 2022 performance fell short of expectations.

Equity of

DKK **3.4** billion

The Board of Directors proposes that the loss for the year be covered by “Retained earnings” under equity. After this, parent company equity amounted to DKK 3.4 billion. Consolidated equity at 31 December 2022 was DKK 18.2 billion. The difference between parent company equity and consolidated equity was attributable to the investments in, for example, Sampension Invest made by PAD, PJD and ISP and others. Investors that are not part of the Sampension Liv Group are stated as non-controlling shareholders under equity in the consolidated financial statements.

Solvency requirements and total capital

Sampension Liv calculates solvency requirements in accordance with the standard model specified in the Solvency II rules. The calculation method was changed in 2022⁷.

Solvency requirement

267 %

Solvency capital requirements and total capital DKKm	31.12.2022	31.12.2021
Equity	3,420	3,744
Surplus capital	3,341	4,032
Intangible assets	-158	-148
Difference between provisions for financial reporting and solvency purposes	239	-
Total capital	6,842	7,628
Solvency capital requirement (SCR)	2,567	2,563
Minimum capital requirement (MCR)	1,155	641
Surplus total capital	4,275	5,065
Solvency coverage ratio relative to SCR	267%	298%
Solvency coverage ratio relative to MCR	592%	1190%

The solvency coverage ratio – i.e. total capital relative to the solvency capital requirement – was 267% at 31 December 2022, against 298% in 2021. The decline is a result of, among other things, negative returns on the investment assets in which the total capital is placed. In addition, the solvency coverage ratio was affected partly by the division of average-rate products into two portfolios at the beginning of 2022, depending on whether they have a benefit guarantee or a declaration of intent, and partly by the implementation of a new method for calculating technical provisions for solvency purposes.

⁷ For more information, see section D.2. in the Solvency and financial condition report for 2022.

Overall, the calculated solvency capital requirement is considered to be adequate relative to the company's risks.

Sampension Liv's solvency coverage ratio remains at a satisfactory level.

Further information is available in the Solvency and financial condition report for 2022. This report also provides information on the solvency coverage ratio's sensitivity to significant risks in accordance with section 126 of the Danish Executive Order on Financial Reports.

Provisions for insurance contracts

Provisions for unit-linked products fell by DKK 3.2 billion to stand at DKK 115.3 billion at 31 December 2022. The fall was due to financial market developments, which resulted in a significant negative investment return in 2022.

Provisions for average-rate products amounted to DKK 98.4 billion at 31 December 2022, against DKK 119.7 billion at the end of 2021. Market value strengthening, which is part of provisions, fell by DKK 10.4 billion in 2022. The decline was primarily driven by an increase in discount rates.

Collective bonus potentials concerning interest rate groups included in provisions for conventional average-rate products fell to DKK 2 million in 2022 against DKK 7.5 billion in 2021. The fall was a result of the negative investment return in response to financial market developments. The drop in collective bonus potentials was partly offset by an increase in individual bonus potentials, which means that the company's bonus ratio did not drop correspondingly.

The bonus ratio reflects individual and collective bonus potentials in relation to customer savings. The bonus ratio for interest rate group F, interest rate group G and interest rate group H as well as non-guaranteed benefit reinsurance fell in 2022 due to a drop in collective bonus potentials. As bonus potentials in interest rate group F reached zero, a surrender charge was introduced for this interest rate group in November 2022.

Bonus potential and bonus ratios		31.12.2022		31.12.2021	
Interest rate group ¹	Average technical rate	DKKm Bonus potentials	% Bonus ratios	DKKm Bonus potentials	% Bonus ratios
F	Non-guaranteed	0	0,0	101	8.6
G	0%	518	10.2	772	29.0
H	0%	3,275	7.4	6,605	14.3
Conventional average rate, interest rate groups, total		3,793	-	7,478	-
Non-guaranteed benefit reinsurance		6,708	19.2	9,422	27.5
Total bonus potentials		10,501	-	16,899	-

1) At 1 January 2022, the portfolio of average-rate products in interest rate group G was divided into two independent interest rate groups. The comparative figures for 2021 have been updated.

In addition to the bonus potential in the interest rate groups, bonus potentials in cost and risk groups amounted to DKK 949 million at 31 December 2022, compared with DKK 1,184 million at 31 December 2021.

At 1 January 2022, the portfolio of average-rate products in interest rate group G was divided into two independent interest rate groups. The portfolio of average-rate products subsequently consists of the following interest rate groups: Interest rate group G for the guaranteed benefit products, interest rate group H for products with declaration-of-intent benefits, a group with non-guaranteed risk covers (F) and a group for non-guaranteed benefit reinsurance (GTPU). For further information on the division of interest rate groups, see the Annual Report 2021.

Outlook for 2023

Sampension Liv expects moderate growth in premium income and customer flow in 2023 relative to 2022. Pensioners are expected to continue to account for a growing proportion of customers. Total insurance administration expenses are expected to remain at the 2022 level.

Economic developments are considered to be extraordinarily uncertain in the short term, including in relation to political and supply-related developments and the knock-on effects on economic developments.

In 2022, the return allocated to equity, which depends on financial market developments, was affected by unusual financial market turmoil with rising interest rates and declining equity prices. Equity is expected to generate a significantly stronger return after tax in 2023 relative to 2022 due to, among other things, the higher interest rate level gradually resulting in a higher return.

Sampension Liv changed the rate of interest on policyholders' savings for average-rate products with declaration-of-intent benefits to 0.0% at 1 January 2023. The rate of interest on policyholders' savings in non-guaranteed reinsurance was maintained at 5.0% as per 1 January 2023. For unit-linked schemes, realised returns are allocated to the customers' savings on a continual basis.

Other matters

Uncertainty in recognition and measurement

In preparing the annual report, management makes a number of estimates and judgments of future events. Such estimates and judgments may influence the carrying amount of assets and liabilities. Management's estimates and judgments have the most material effect on provisions for insurance contracts and on the calculation of fair values of illiquid assets such as unlisted financial instruments and real estate. See the note on accounting policies for further details on estimates and judgments. The Audit and Risk Management Committee and the company's Board of Directors review the estimates and valuation methods applied in Sampension Liv's financial statements on an annual basis.

Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of this document which may change the assessment of the Annual Report.



An aerial photograph of a large solar farm with rows of solar panels stretching across a green field. A semi-transparent blue rectangle is overlaid on the right side of the image, containing the page's title and table of contents.

Company details

2

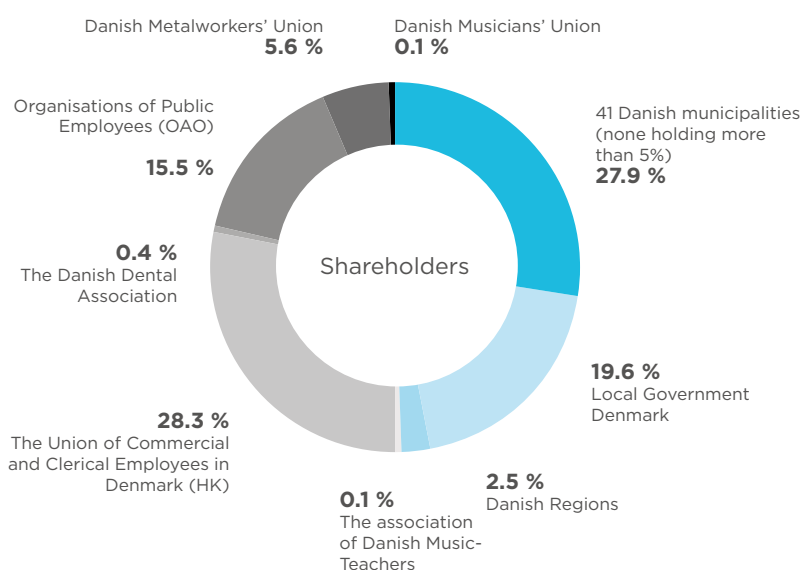
Management structure	28
Group structure and organisation chart.....	30
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Management structure

Shareholders

Sampension Liv is owned by the parties to the collective agreements for which Sampension Liv is a pension provider. Sampension Liv's share capital of DKK 800,000 is held equally by employee organisations on the one hand and by employers and employer organisations on the other.

The share capital consists of 800 shares with a nominal value of DKK 1,000 each. According to Sampension Liv's Articles of Association, dividends to shareholders may amount to up to 5%, but not exceeding DKK 40,000. No dividends have been distributed since 2011 due to a wish among the shareholders that the company's profit should benefit the customers.



Board of Directors

Sampension Liv's Board of Directors consists of shareholder representatives, two Board members recommended by the Board of Directors and representatives of the Group's employees.

A new Board of Directors was elected at the annual general meeting and meeting of the board of representatives held on 20 April 2022. Jens Ejner Christensen, Mayor of Vejle Municipality, was elected to the Board of Directors and replaced Jørn Pedersen as Chairman. In addition, Michael Brautsch, Jakob Juul-Thorsen and Simon Hinrichsen joined the Board of Directors. Jørn Pedersen, Martin Damm, Annett Schultz and Majbritt Pedersen resigned from the Board of Directors. Information about other directorships held by the members of the Board of Directors and the Executive Board is provided on pages 32-35.

The Board of Directors held five meetings and one feature day in 2022.

Audit and Risk Management Committee

Pursuant to the provisions of the EU and of Danish legislation on audit committees in public-interest entities, the Board of Directors of Sampension Liv has established a separate Audit and Risk Management Committee.

The Audit and Risk Management Committee is chaired by Torben Nielsen, former governor of the Danish central bank. By virtue of his professional career and educational background, Torben Nielsen meets the qualification requirements set out in the rules on audit committees. He also complies with the requirements of independence.

The three other members appointed by the Board of Directors to serve on the Audit and Risk Management Committee in 2022 were: Jørn Pedersen (former Chairman of the Board) until 20 April 2022, Kim Simonsen (Deputy Chairman of the Board) and Anne Mette Barfod (Deputy Chairman of the Audit and Risk Management Committee from 1 May 2022 and Board member). On 20 April 2022, Jens Ejner Christensen (Chairman of the Board) took over Jørn Pedersen's (former Chairman of the Board) seat on the Committee.

The Audit and Risk Management Committee held four meetings in 2022.

The framework for the Audit and Risk Management Committee's work is defined in a terms of reference. Its principal duties are:

- to oversee the financial reporting process;
- to prepare the Board of Directors' reviews and resolutions involving risk documents regarding the company's capital, solvency and operational matters;
- to oversee the effectiveness of risk management systems, internal control systems and the internal audit function;
- to oversee the statutory audit of the financial statements; and
- to oversee and verify the independence of the auditors.

A whistleblowing scheme has been set up to give the employees of Sampension a dedicated and independent channel for reporting any violation of relevant regulations by the company, including bribery and corruption, competition law, fraud and financial crime, harassment and discrimination as well as protection of personal data.

Reporting to the whistleblowing scheme is made via a whistleblowing IT platform and screened by the Danish law firm Kromann Reumert, which manages the whistleblowing scheme. Subsequently, Kromann Reumert informs the chairman of the Audit and Risk Management Committee and the person in charge of the compliance function via the IT platform. No reports were filed in 2022.

Committee for Responsible Investment

The responsible investment policy applies to all four parties of the Sampension community. The boards of directors have set up a cross-functional committee to make proposals for ESG-related decisions. The Committee is charged with considering the environmental, social and governance aspects of investment decisions made by the four pension providers with a view to agreeing on the principles to be included in the pension providers' policy on responsible investment.

Kim Simonsen (Chairman of the Committee, Deputy Chairman of the Board), Hans Christen Østerby (Board member) and Anne Mette Barfod (Board member) represented Sampension Liv on the Committee in 2022. The Committee held three meetings in 2022.

Organisation and management

The Executive Board is in charge of the overall day-to-day management of Sampension Administrationsselskab A/S. The organisation also consists of five main divisions, which are in charge of day-to-day operations and development, and three staff functions (Executive Secretariat, Communications and HR). A detailed presentation of the organisation can be found at sampension.dk/sampensions-organisation-og-ledelse.

Sampension Liv's risk management, compliance, actuary and internal audit functions contribute to ensuring efficient management. The heads of the respective departments have been designated as key persons performing controlled functions in respect of the work of the Sampension community.

Remuneration

The boards of directors of the financial enterprises managed by Sampension Administrationsselskab A/S have drawn up a remuneration policy that is compliant with the provisions of the EU and of Danish legislation. The purpose of the remuneration principles is to ensure that the management and the employees are remunerated in a manner that best supports the business and long-term strategic goals of the organisation.

The terms of remuneration reflect and support Sampension Administrationsselskab A/S's consistent ability to recruit and retain a competent and responsible management that promotes healthy and efficient risk management and that does not motivate excessive risk-taking. Furthermore, the remuneration principles are to prevent conflicts of interest for the benefit of our customers.

See note 5 to the financial statements or go to sampension.dk/struktur-og-ledelse/sampension-livsforsikring (in Danish only) for more information about the policy for remuneration of members of the Board of Directors and the Executive Board.

Gender diversity in management

The current composition of the shareholder-elected members of the Board of Directors represents an equal gender distribution with three of the members, corresponding to 33%, being women and six members, corresponding to 67%, being men. This distribution is consistent with the Danish Business Authority's guidelines on an equal gender composition of the board of directors.

The Board aims to have equal gender distribution at other management levels, including the Executive Board, and has defined a target for the underrepresented gender in Sampension Administrationsselskab A/S to make up at least 40% of managers with HR responsibility. The proportion of female managers fell from 38% in 2021 to 34% in 2022. The target is subject to an annual review.

We have accounted for targets, etc. in the statutory report on corporate social responsibility 2022.

Group structure and organisation chart

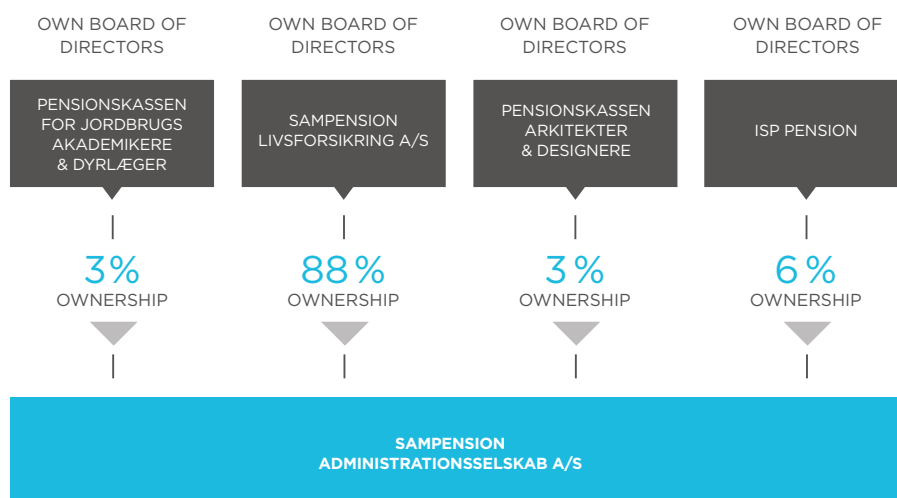
The Sampension Group comprises the parent company, Sampension Livsforsikring A/S, the subsidiary Sampension Administrationsselskab A/S and a number of other subsidiaries and associates. Between them, they operate the Group's business areas.

Sampension Administrationsselskab A/S

The objective of Sampension Administrationsselskab A/S is to provide administrative services to life insurance companies, pension funds and pension companies as well as general asset management services and other related business.

The Sampension community currently manages companies of the Sampension Group as well as the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering. The group of owners of Sampension Administrationsselskab A/S comprises: Sampension Livsforsikring A/S (88%), the Pension Fund Architects and Designers (3%), the Pension Fund for Agricultural Academics and Veterinary Surgeons (3%) and ISP (6%).

The Sampension community:

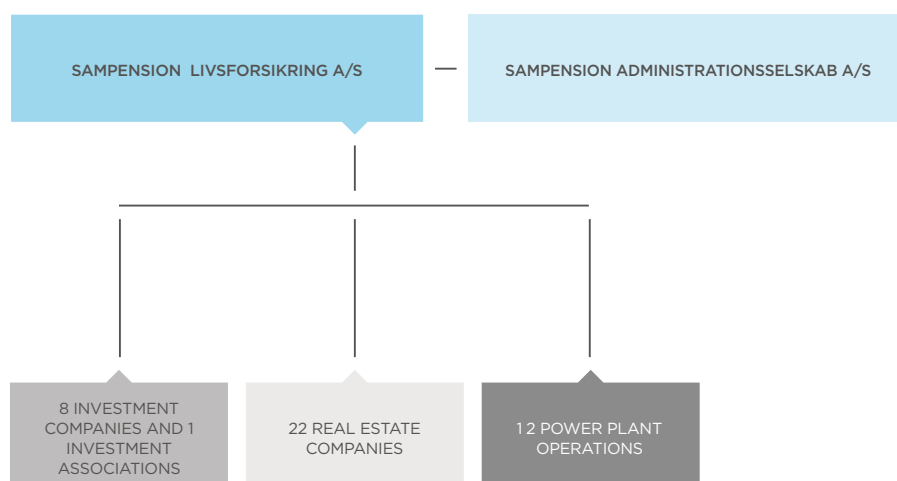


▼ Ownership and administrative agreements with equal conditions

Other companies

In addition to Sampension Administrationselskab A/S, the Group consists of several real estate companies and a number of investment companies and one capital association, which specifically manages alternative investments and equities for all pension providers being managed by the Sampension community.

Group structure at 31 December 2022



For further information on group enterprises, see note 29 on Equity Investments to the financial statements.

Management and other directorships

Board of Directors

Members representing local authorities, regions and jointly-controlled local authority institutions:

Jens Ejner Christensen, Mayor of Vejle Municipality, Chairman
Hans Christen Østerby, Mayor of Holstebro Municipality
Michael Brautsch, local council member, Frederiksberg Municipality

Members representing negotiating organisations of the customers:

Kim Simonsen, former chairman of HK/Denmark, Deputy Chairman
Rita Bundgaard, deputy chairman of HK/Government Authorities
Lene Roed Poulsen, deputy chairman of HK/Municipal Authorities
René Nielsen, deputy chairman of the Danish Metalworkers' Union

Members recommended by the Board of Directors:

Anne Mette Barfod, CFO of Lessor Group ApS
Torben Henning Nielsen, former governor of the Danish central bank

Members elected by the employees:

John Helle, pension adviser
Morten Lundsgaard, digital communications adviser
Jakob Juul-Thorsen, account manager
Simon Hinrichsen, portfolio manager
Søren Sperling, business consultant

Executive Board

Hasse Jørgensen, Chief Executive Officer
Mads Smith Hansen, Chief Operating Officer

Management team

Hasse Jørgensen, Chief Executive Officer
Mads Smith Hansen, Chief Operating Officer
Michael Carlsen, Chief Communications Officer
Henrik Olejasz Larsen, Chief Investment Officer
Ole Fabricius, Chief Financial Officer
Ole B. Tønnesen, Customer Director
Anne Louise Baltzer Engelund, Product Director
Morten Lund Madsen, Chief IT Officer
Christian Due, Head of Secretariat

Chief actuary

Peter Fledelius

Internal audit

Gert Stubkjær, Group Chief Internal Auditor

Independent auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

Annual General Meeting

The Annual General Meeting will be held on 21 March 2023.

Other directorships

The following sets out the directorships in other companies held by the members of the Board of Directors and the Executive Board of Sampension Livsforsikring A/S. The list does not include directorships in Sampension's wholly-owned subsidiaries.

Board of Directors

Jens Ejner Christensen, Mayor of Vejle Municipality, chairman, born 19 June 1968

Chairman of the board of directors of Sampension Administrationsselskab A/S

Chairman of the board of directors of JE&P A/S

Member of the board of directors of Billund Airport A/S

Fully liable participant of the sole proprietorship Jens Ejner Christensen

Fully liable participant of the partnership Brandbjerg Nørreskov

Kim Simonsen, Former Chairman of HK/Denmark,

Deputy Chairman, born 23 April 1961

Chairman of the board of directors of Refshaleøen Holding A/S

Chairman of the board of directors of Refshaleøens Ejendomsselskab A/S

Chairman of the board of directors of AKF Holding A/S

Chairman of the board of directors of AKF Invest CPH A/S

Chairman of the board of directors of AOF Center Storkøbenhavn

Chairman of the joint committee for responsible investment of Sampension

Livsforsikring A/S, the Pension Fund Architects and Designers,

the Pension Fund for Agricultural Academics and Veterinary Surgeons

and the Pension Fund for Technicians and Bachelors of Engineering

Deputy chairman of the board of directors of

Sampension Administrationsselskab A/S

Deputy chairman of the executive committee of the Danish Refugee Council

Chairman of Funktionærernes Solidaritetsfond

Member of the executive committee of AOF Landsforbund

Anne Mette Barfod, CFO of Lessor Group ApS, born 15 January 1970

Member of the board of directors of Sampension Administrationsselskab A/S

Member of the joint committee for responsible investment of Sampension

Livsforsikring A/S, the Pension Fund Architects and Designers,

the Pension Fund for Agricultural Academics and Veterinary Surgeons

and the Pension Fund for Technicians and Bachelors of Engineering

Member of the board of directors of Investeringsforeningen Sydinvest

Member of the board of directors of Investeringsforeningen Sydinvest Portefølje

Member of the board of directors of Kapitalforeningen TDC Pension Emerging Markets

Rita Bundgaard, Deputy Chairman of HK/Government Authorities, born 3 November 1960

Member of the board of directors of Sampension Administrationsselskab A/S

René Nielsen, Deputy Chairman, Danish Metalworkers' Union, born 11 January 1968

Chairman of the board of directors of AOF

Deputy chairman of the Danish Metalworkers' Union

Member of the board of directors of Sampension Administrationsselskab A/S

Member of the board of directors of the unemployment fund of the Danish

Metalworkers' Union

Member of the executive committee of the Central Organisation

of Industrial Employees in Denmark

Member of the general council of Fagbevægelsens Hovedorganisation

Torben Henning Nielsen, Former Governor of the Danish Central Bank, born 2 November 1947

Chairman of the board of directors of Investeringsforeningen Sparinvest
Chairman of the board of directors of Tryg Invest A/S
Chairman of the board of directors of Kapitalforeningen Tryg Invest Funds
Chairman of the board of directors of Ny Holmegaard Fonden
Chairman of the board of directors of Vordingborg Borg Fond
Chairman of the board of directors of Borgring Fonden
Chairman of the board of directors of Museum Sydøstdanmark
Deputy chairman of the board of directors of Tryg A/S
Deputy chairman of the board of directors, chairman of the audit and risk management committees and member of the nomination and remuneration committees of Tryg forsikring A/S
Member of the board of directors of Sampension Administrationsselskab A/S
CEO of BAWN Invest ApS

Lene Roed Poulsen, Deputy Chairman of HK/Municipal Authorities, born 4 October 1963

Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of PKA A/S
Member of the board of directors of Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale (including one subsidiary)
Member of the board of directors of Kommanditselskabet Christiansminde (Hotel Christiansminde A/S, Svendborg)
Member of the board of directors of A/S Knudemosen
Member of the board of directors of Administrationsaktieselskabet Forenede Gruppeliv
Member of the board of directors of Forbrugsforeningen af 1886
Member of the board of directors of the unemployment fund of HK
Member of the insurance board of HK Danmark Lønforsikring, HK Danmark and ALKA
Chairman of OAO and OAO-K
Member of the negotiation committee, the board of directors and the board of representatives of Forhandlingsfællesskabet

Michael Brautsch, Local Council Member, born 1 July 1963

Member of the board of directors of Sampension Administrationsselskab A/S
Sole owner of the sole proprietorship Basis v/Michael Brautsch

Hans Christen Østerby, Mayor, born 20 December 1955

Deputy chairman of the board of directors of Holstebro-Struer Havn
Deputy chairman of the board of directors of Sygehusgrunden P/S
Deputy chairman of the board of directors of Sygehusgrunden Komplementar ApS
Member of the board of directors of Midtjyllands Airport a.m.b.a.
Member of the board of directors of Holstebro Udvikling P/S
Member of the board of directors of Holstebro Udvikling Komplementar ApS
Member of the board of directors of Sampension Administrationsselskab A/S
Member of the board of directors of Den Erhvervsdrivende Fond Nupark
Member of the board of directors of Nupark Innovation A/S
Member of the board of directors of Fonden Nr. Vosborg
Member of the board of directors of UCH (Uddannelses Center Holstebro)
Member of the board of directors of Danish Board of Business Development
Member of the joint committee for responsible investment of Sampension Livsforsikring A/S, the Pension Fund Architects and Designers, the Pension Fund for Agricultural Academics and Veterinary Surgeons and the Pension Fund for Technicians and Bachelors of Engineering

Søren sperling, business consultant, born 19 February 1967

Member of the board of directors of Sampension Administrationsselskab A/S

John Helle, Pension adviser, born 28 July 1964

Member of the board of directors of Sampension Administrationsselskab A/S

Morten Lundsgaard, Digital communications adviser, born 10 April 1968

Member of the board of directors of Sampension Administrationsselskab A/S

Jakob Juul-Thorsen, Account Manager, born 26 February 1972

Member of the board of directors of Sampension Administrationsselskab A/S

Simon Hinrichsen, Portfolio Manager, born 2 October 1989

Member of the board of directors of Sampension Administrationsselskab A/S

Executive Board

Hasse Jørgensen, CEO, born 23 July 1962

CEO of Sampension Administrationsselskab A/S

CEO of the Pension Fund for Technicians and Bachelors of Engineering

Member of the board of directors of Refshaleøen Holding A/S

(including one subsidiary)

Member of the board of directors of Insurance & Pension Denmark

Mads Smith Hansen, Chief Operating Officer, born 6 January 1969

Chief Operating Officer of Sampension Administrationsselskab A/S

CEO of the Pension Fund Architects and Designers

CEO of the Pension Fund for Agricultural Academics and Veterinary Surgeons

Director of Komplementarselskabet Sorte Hest ApS



The background of the entire page is a photograph of a modern building facade. The building features a grid of light-colored stone or concrete panels. On the left side, there are vertical glass panels and a dark, slatted vertical element. The word "sampension" is mounted on the top part of the facade in a bold, black, sans-serif font.

sampension

Financial statements

3

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Group and Parent Company Financial Statements

Note	INCOME STATEMENT DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
2	Gross premiums	11,730	11,083	11,730	11,083
	Ceded insurance premiums	-1	0	-1	0
	Total premiums, net of reinsurance	11,729	11,083	11,729	11,083
	Income from group enterprises	0	0	-5,337	22,233
	Income from associates	245	768	284	615
	Income from investment property and other tangible investment assets	595	475	0	0
3	Interest income, dividends etc.	7,937	4,938	6,154	3,660
4	Market value adjustments	-40,085	17,330	-30,244	-6,680
	Interest expenses	-110	-86	-14	-19
5	Investment management expenses	-982	-918	-423	-422
	Total investment return	-32,400	22,507	-29,579	19,387
	Tax on pension returns	3,721	-2,186	3,721	-2,186
6	Benefits paid	-11,291	-10,597	-11,291	-10,597
	Total insurance benefits, net of reinsurance	-11,291	-10,597	-11,291	-10,597
15,16	Total change in provisions, net of reinsurance	24,570	-17,484	24,570	-17,484
14	Change in surplus capital	691	53	691	53
5	Administrative expenses	-181	-183	-181	-183
	Total net operating expenses, net of reinsurance	-181	-183	-181	-183
	Transferred return on investments	2,839	-3,168	418	-48
	TECHNICAL RESULT	-323	28	78	28
	Investment return on equity	118	121	-418	48
	Minority interests of investment return	-2,956	3,047	0	0
	Other income	0	72	0	0
	Other expenses	0	-89	0	0
	PROFIT BEFORE TAX	-3,161	3,180	-340	76
7	Tax	-52	-111	23	-22
	PROFIT FOR THE YEAR	-3,213	3,069	-317	54
	Other comprehensive income				
	Domicile property revaluation	-61	33	0	0
	Translation of units outside Denmark	44	337	44	337
	Translation of units outside Denmark - minority interests share	0	48	0	0
	Tax on pension returns	-5	-43	-5	-43
	Change in collective bonus potential	-46	-292	-46	-292
7	Tax	0	0	0	0
	TOTAL OTHER COMPREHENSIVE INCOME	-68	83	-7	2
	NET PROFIT FOR THE YEAR	-3,281	3,152	-324	56
	Minority interests share	2,956	-3,096	0	0
	PARENT COMPANY'S SHARE OF PROFIT FOR THE YEAR	-324	55	-324	55

Group and Parent Company Financial Statements (continued)

Note	BALANCE SHEET DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
	ASSETS				
	INTANGIBLE ASSETS	158	148	0	0
8	Equipment	7	8	0	0
9	Domicile property	464	527	0	0
	TOTAL PROPERTY, PLANT AND EQUIPMENT	471	535	0	0
10	Investment property and other tangible investment assets	5,488	6,202	0	0
	Investments in group enterprises	0	0	23,285	26,153
11	Loans to group enterprises	0	0	1,083	1,100
	Investments in associates	1,231	1,171	529	455
11	Loans to associates	234	68	234	68
	Total investments in group enterprises and associates	1,466	1,239	25,131	27,776
	Investments	36,164	41,375	6,197	5,486
	Units in mutual funds	604	734	504	616
	Bonds	78,180	91,763	77,807	91,276
	Loans secured by mortgage	268	336	268	336
12	Derivative financial instruments	17,054	37,965	16,708	37,691
	Deposits with credit institutions	4,813	4,666	4,789	4,656
	Total other financial investment assets	137,083	176,840	106,274	140,060
	TOTAL INVESTMENT ASSETS	144,037	184,281	131,405	167,837
13	INVESTMENT ASSETS RELATED TO UNIT-LINKED CONTRACTS	127,198	130,734	124,831	128,208
	Total receivables arising from direct and indirect insurance contracts	259	261	259	261
	Receivables from group enterprises	0	0	430	910
	Other receivables	633	478	48	76
	TOTAL RECEIVABLES	892	739	738	1,247
	Current tax assets	17	39	0	23
7	Deferred tax assets	63	42	0	0
	Cash and cash equivalents	2,336	1,862	2,443	1,705
	Other	7,099	2,695	7,099	2,696
	TOTAL OTHER ASSETS	9,515	4,638	9,542	4,423
	Interest and rent receivable	2,496	3,502	2,425	3,451
	Other prepayments	357	325	267	249
	TOTAL PREPAYMENTS	2,853	3,827	2,692	3,700
	TOTAL ASSETS	285,123	324,902	269,207	305,415

Note	BALANCE SHEET DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Share capital	1	1	1	1
	Other reserves	209	277	72	79
	Total reserves	209	277	72	79
	Retained earnings	3,190	3,446	3,348	3,665
	Minority interests	14,828	18,503	0	0
	TOTAL EQUITY	18,229	22,228	3,420	3,744
14	Surplus capital	3,341	4,032	3,341	4,032
	TOTAL SUBORDINATED LOAN CAPITAL	3,341	4,032	3,341	4,032
15	Provisions for average-rate products	98,394	119,685	98,394	119,685
16	Provisions for unit-linked contracts	115,270	118,434	115,270	118,434
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	213,664	238,119	213,664	238,119
7	Deferred tax liabilities	110	130	0	0
	Other provisions	83	101	0	0
	TOTAL PROVISIONS FOR LIABILITIES	194	231	0	0
	Payables arising from reinsurance operations	74	70	74	70
17	Payables to credit institutions	28,420	27,094	26,626	24,545
	Payables to group enterprises	0	0	1,660	2,651
	Payables to associates	86	0	0	0
	Current tax liabilities	79	31	0	0
18	Other debt	20,881	32,918	20,329	32,148
	TOTAL DEBT	49,539	60,114	48,688	59,414
	TOTAL DEFERRED INCOME	156	179	93	106
	TOTAL EQUITY AND LIABILITIES	285,123	324,902	269,207	305,415
1	ACCOUNTING POLICIES				
19	CONTINGENT ASSETS AND LIABILITIES				
20	COLLATERAL				
21	INTRA GROUP TRANSACTIONS				
22	REALISED RESULT FOR INTEREST GROUPS, COST AND RISK GROUPS				
23	FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE				
24	OVERVIEW OF ASSETS AND RETURNS				
25	UNIT-LINKED PRODUCT, RETURN ETC. BY INVESTMENT PROFILES				
26	SUPPLEMENTARY PRODUCT RATIOS				
27	FIVE-YEAR FINANCIAL HIGHLIGHTS AND RATIOS, GROUP AND PARENT COMPANY				
28	RISK MANAGEMENT				
29	OVERVIEW OF GROUP EQUITY INVESTMENTS				

Statement of changes in equity

DKKkm.	Share capital	Currency translation adjustment	Domicile	Retained earnings	Minority interest	Total
PARENT COMPANY						
Equity at 1 January 2021	1	77	0	3,611	0	3,689
Profit for the year	0	0	0	54	0	54
Other comprehensive income	0	2	0	0	0	2
Equity at 31 December 2021	1	79	0	3,665	0	3,744
Profit for the year	0	0	0	-317	0	-317
Other comprehensive income	0	-7	0	0	0	-7
Equity at 31 December 2022	1	72	0	3,348	0	3,420
GROUP						
Equity at 1 January 2021	1	76	166	3,425	15,999	19,668
Profit for the year	0	0	0	21	3,047	3,069
Other comprehensive income	0	2	33	0	47	83
Minority interests shares - disposals	0	0	0	0	-591	-591
Equity at 31 December 2021	1	78	199	3,446	18,503	22,228
Profit for the year	0	0	0	-256	-2,956	-3,213
Other comprehensive income	0	-7	-61	0	0	-68
Minority interests shares - disposals	0	0	0	0	-718	-718
Equity at 31 December 2022	1	71	138	3,190	14,828	18,229
Capital base					31.12.2022	31.12.2021
Equity					3,420	3,744
Surplus capital					3,341	4,032
Intangible assets in group enterprises					-158	-148
Difference between provisions for financial reporting and solvency purposes					239	0
Total					6,842	7,628

Notes to the financial statements

1 Accounting policies

GENERAL INFORMATION

The Annual Report of the Group and the parent company has been prepared in accordance with the Danish Financial Business Act and the executive order issued by the Danish FSA on financial reports for insurance companies and multi-employer occupational pension funds (the Executive Order on Financial Reports).

The accounting policies are consistent with those applied last year.

Sampension has reported a change to its method of calculating the risk margin. The change in method has no effect on the profit or loss or the balance sheet as the change causes a difference between the risk margin and individual bonus potentials, which are both included in provisions for average-rate products. The change in method means that the risk margin is reduced by DKK 8 million, which is offset by a corresponding increase in individual bonus potentials, and the provisions for average-rate products thus remain unchanged.

Foreign exchange adjustments in relation to Sampension Invest have been moved from other comprehensive income to the income statement due to the fact that Sampension Invest's financial statements are prepared in accordance with Danish GAAP, and Sampension Invest is thus considered to be a Danish association. Comparative figures for 2021 have been adjusted as reflected in the table below.

DDKm	2021	Change	2021 adjusted
Income statement			
Income from group enterprises	18,523	3,710	22,233
Tax on pension returns	-1,709	-477	-2,186
Total change in provisions, net of reinsurance	-14,270	-3,213	-17,484
Profit for the year	34	20	54
Other comprehensive income			
Translation of units outside Denmark	4,047	-3,710	337
Tax on pension returns	-520	477	-43
Total change in provisions	-3,505	3,213	-292
Other comprehensive income	21	-20	2

Distribution of realised result (contribution principle)

The following rules on the calculation and distribution of results between equity, bonus capital and policyholders have been reported to the Danish FSA:

A proportionate share of the return for the year on the investment portfolio is allocated to equity and surplus capital (total capital) less the proportion deriving from other interest rate hedging. In addition, the profit or loss from Sampension Liv's business in Forenede Gruppeliv is allocated to total capital.

For guaranteed benefit average-rate contracts, an amount (risk premium) representing 0.24% of the proportion of pension savings is allocated to total capital. No amount is allocated to total capital for non-guaranteed contracts or for expense and risk groups. The rest is allocated to the policyholders, equalling the realised results for the year, calculated in accordance with the Executive Order on the Contribution Principle, less the calculated amount allocated to total capital.

Recognition and measurement

In the income statement, all income is recognised as earned, and all expenses are recognised as incurred. All gains and losses, value adjustments, amortisation, depreciation, impairment losses as well as reversals of amounts previously recognised in the income statement are recognised in the income statement. Foreign exchange adjustments as a result of translation from functional currency to presentation currency are recognised in other comprehensive income. Unrealised revaluations of domicile properties are also recognised in other comprehensive income. Amounts recognised in other comprehensive income are adjusted for the tax effect.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group

and the company and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when an outflow of economic benefits from the Group and the company is probable and the value of the liability can be reliably measured.

Financial instruments and derivative financial instruments are recognised at the trading date.

Sampension Liv does not offset financial assets and financial liabilities with the same counterparty despite being allowed to do so as the disposal of the asset and the settlement of the liability do not happen concurrently.

On initial recognition, assets and liabilities are measured at cost, which is equal to fair value. Subsequently, assets and liabilities are primarily measured at fair value. Further details are provided under the individual items.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The measurement currency is Danish kroner. All other currencies are foreign currencies.

Accounting estimates

In preparing the consolidated and the parent company financial statements, management makes a number of estimates and judgments of future circumstances which could influence the carrying amount of assets and liabilities.

The estimates and judgments are based on assumptions that management finds reasonable but which are inherently uncertain and unpredictable. The assumptions may be incomplete, and unforeseen future events or circumstances may arise.

Notes to the financial statements (continued)

The areas in which management's estimates and judgments have the most material effect on the consolidated and the parent company financial statements, or which are particularly relevant in the financial statements for 2022, are:

Note	Significant estimates and assumptions
Note 15	Provisions for average-rate products
Note 15	Input for calculation: • Discount curve • Recognised expected future longevity trend • Mortality • Disability rates • Probability of policy surrenders and conversion into paid-up policies • Retirement age • Risk margin
Note 23	Financial instruments recognised at fair value
Note 23	Unlisted equity investments, including private equity, real estate and forestry funds
Note 23	Input for calculations: • Expected cash flows • Discount curve
Note 23	Unlisted bonds, including credit bonds and structured bonds
Note 23	Input for calculations: • Prices of similar bonds • Indicative prices from investment banks
Note 23	Tangible investment assets, incl. properties, wind turbines and forestry
Note 23	Input for calculations: • Expected cash flows • Discount curve

The measurement of provisions for average-rate contracts is based on an actuarial calculation method, to which a number of inputs in the form of calculations or assumptions are applied. The measurement is subject to particular uncertainty in respect of the applied discount curve and the recognised expected future life expectancy trend, determined on the basis of the Danish FSA's model. In addition, the assumptions applied in the measurement are mainly longevity, disability rates, probability of surrenders and conversion into paid-up policies as well as retirement age.

Due to their illiquidity and timing differences, the measurement of level 3 investment assets is subject to greater uncertainty than level 1 and level 2 assets, whose fair values are measured on the basis of quoted prices in an active market or on the basis of observable inputs. As a result, the measurement of

level 3 investment assets typically has the highest uncertainty margin, as the measurement is often based on unobservable inputs, meaning that deviations may occur in relation to another company's measurement of the same asset. In addition to the uncertainty related to fair value, as explained in the section on risk management, there is a risk that large volumes of illiquid assets cannot be sold over a short period of time at the same prices as smaller volumes can. In practice, however, Sampension Liv is not subject to any notable risk of having to sell illiquid assets on unfavourable terms. The value of the most liquid assets at level 1 in the fair value hierarchy exceeds the annual payment obligations by a substantial margin.

Corporate information and consolidation policies

Group enterprises are included in the consolidation. The consolidated financial statements are prepared on the basis of the financial statements or other reporting of all consolidated enterprises, restated to the accounting policies applied by the Group.

Consolidation was made by adding items of a uniform nature line by line and by eliminating intra-group balances as well as intra-group income and expenses.

Investments in group enterprises are set off against the parent company's share of the equity value of each group enterprise at the year-end date.

Newly acquired or divested group enterprises are recognised in the consolidated financial statements from the date of acquisition or until the date of divestment, respectively.

Non-controlling interests

Investments in group enterprises that are not wholly owned are recognised in full in the consolidated financial statements. Non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Related parties

Related parties for Sampension Livsforsikring A/S comprise the company's directly-owned subsidiaries and associates as well as board of directors and executive board.

Intra-group transactions

Intra-group transactions are made in writing and settled on market terms.

INCOME STATEMENT

Technical result

Premiums, net of reinsurance

Premium income relates to insurance and investment contracts with bonus entitlement made as part of an employment contract as well as reinsurance contracts relating to municipal or regional authorities' obligations to civil servants. Premium income covers premiums and contributions for the year. Premium income is stated net of social security contributions and reinsurance premiums.

Forenede Gruppeliv

The most significant part of Sampension Liv's group life insurance is managed by Forenede Gruppeliv (FG). FG's annual report is included in the relevant items of the annual report on a pro-rata basis.

The item Premiums, net of reinsurance comprises Sampension Liv's share of gross premiums. Insurance benefits, net of reinsurance comprise Sampension Liv's share of benefits paid and group life bonuses paid to the owner companies. Group life bonuses are the risk surplus after payment of costs such as administrative expenses and catastrophe risk costs.

Investment return

Income from group enterprises and associates

Income from group enterprises and associates covers the Group's and the company's proportionate share of total profit after tax, restated to the accounting policies applied by the Group.

Group enterprises are fully recognised in the consolidated financial statements, and non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Income from investment property and other tangible investment assets

The item covers income from management of investment property and other tangible investment assets net of management costs, but before deduction of mortgage interest. The item also includes fair value adjustment of wind turbines.

Interest income and dividends, etc.

The item covers interest for the year from financial investment assets and cash and cash equivalents, indexation of index-linked bonds and dividends on equity investments, including equities and investment funds. Interest income from loans to group enterprises is also included.

Market value adjustments

The item covers realised and unrealised net gains/losses on investment assets, including foreign exchange adjustments except for gains and losses relating to group enterprises and associates.

Foreign exchange adjustments comprise value adjustments related to exchange differences arising on translation of foreign currencies into Danish kroner.

Foreign currency assets and liabilities, including assets and liabilities in foreign group enterprises, are translated into Danish kroner at the closing exchange rates at the balance sheet date. Transactions during the year are translated using the exchange rates at the date of transaction, and realised and unrealised foreign exchange gains and losses are recognised in the income statement. Profits/losses from group enterprises are translated at average exchange rates. Foreign exchange adjustments as a result of translation from functional currency to presentation currency are recognised in other comprehensive income.

Interest expenses

The item Interest expenses mainly covers interest expenses relating to investment activity and mortgage interest for the financial year, as well as the interest element in connection with leases.

Investment management charges

The item comprises management fees, part of direct administrative expenses incurred, deposit fees, front-end fees and performance fees in relation to funds as well as securities trading costs.

Costs relating to funds etc. are recognised to the extent that information thereon has been received.

Tax on pension returns

Tax on pension returns consists of both individual and non-allocated tax on pension returns.

Individual tax on pension returns is computed on the basis of the return allocated to customers' savings, with due consideration for any exempt values.

The non-allocated tax on pension returns is computed on the basis of the difference between customers' share of the investment return for the year and returns allocated to customer pension accounts, with due consideration for any exempt values.

The part of tax on pension returns attributable to profit or loss for the year plus any adjustments to prior-year tax on pension returns is recognised in the income statement and the part attributable to other comprehensive income is recognised in the statement of other comprehensive income.

Insurance benefits, net of reinsurance

The item insurance benefits, net of reinsurance comprises benefits paid in respect of direct or indirect insurance less reinsurance cover received. Insurance benefits also include cash group life bonuses.

Change in provisions, net of reinsurance

The item comprises the change for the year in provisions relating to average-rate products as well as unit-linked products.

Change in surplus capital

The item comprises the reserve for the year on transfer from equity to individual special bonus provisions (bonus capital), bonus capital paid out to customers and the share of investment return and a payment attributable to the bonus capital in accordance with the contribution principle, less tax on pension returns.

Operating expenses, net of reinsurance

Operating expenses for the parent company comprise an administrative fee in accordance with the management contract with the subsidiary Sampension Administrationselskab A/S and direct expenses incurred. Administrative expenses are divided into insurance business and investment business. The Group's administrative expenses comprise depreciation and amortisation for the financial year on property, plant and equipment and intangible assets.

Return on investment carried forward

The technical result is stated net of return on investment carried forward, which constitutes the investment return attributable to equity and to non-controlling interests.

Other income

Other income comprises income from administrative services for other enterprises and other income not attributable to insurance business.

Other expenses

Other expenses comprise expenses related to administrative services for other enterprises and other expenses not attributable to insurance business.

Tax

Sampension Livsforsikring A/S acts as a management company in relation to income tax payments to the tax authorities.

The company is taxed jointly with the Danish subsidiaries of which it has exercised control during the financial year. Income tax is fully absorbed within the Group. Accordingly, the company is charged for utilising any negative tax-

Notes to the financial statements (continued)

ble income from jointly taxed companies and is reimbursed for any tax losses in the company utilised by jointly taxed companies. The charge or reimbursement, as the case may be, corresponds to the value of the utilised tax loss. The taxable income of wholly-owned real estate subsidiaries is considered part of Sampension Livsforsikring A/S' taxable income. The total income tax payable on the Danish subsidiaries' tax base is recognised and paid by Sampension Livsforsikring A/S.

Income tax regarding entities not included in the Danish joint taxation is calculated on the basis of the tax rules in the respective countries.

Tax on the profit for the year comprises tax calculated on the taxable income for the year and adjustment of deferred tax. Current tax is calculated on the profit for the year before tax, adjusted for non-taxable income and non-deductible expenses. The part of the tax for the year attributable to profit or loss for the year is recognised in the income statement, and the part attributable to other comprehensive income is recognised in the statement of other comprehensive income.

The jointly taxed companies are taxed under the Danish tax prepayment scheme. In its capacity as management company, Sampension Livsforsikring A/S is jointly and severally liable with the jointly-taxed companies for any part of income tax, tax paid on account and residual tax plus any surcharges or interest relating to individual companies.

Other comprehensive income

Other comprehensive income is set out separately below the income statement. Other comprehensive income comprises items recognised directly in equity through Other comprehensive income.

Non-controlling interests

Non-controlling shareholders' proportionate share of the total profit or loss is stated below the income statement and other comprehensive income.

BALANCE SHEET

Intangible assets

IT development projects which are clearly defined and identifiable, where the level of technical utilisation, sufficient resources and a potential future business opportunity for the company can be demonstrated and where the intention is to use the results of the project, are recognised as intangible assets where there is sufficient certainty that the value in use of future earnings covers not only administrative expenses but also actual development costs.

On recognition, IT development projects are measured at cost. Cost comprises costs directly associated with the acquisition up until the time when the asset is ready for use. Cost comprises costs of materials, components, subcontractors, direct payroll costs with the addition of fixed functional costs.

Development costs that do not meet the criteria for recognition in the balance sheet are expensed in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount.

On completion, capitalised development costs are amortised on a straight-line basis over the period in which it is expected to generate economic benefits, not exceeding five years, however.

Property, plant and equipment

Equipment

Operating equipment is measured at cost less accumulated depreciation and impairment.

Cost comprises the acquisition price and costs directly associated with the acquisition up until the time when the asset is ready for use.

Equipment, IT systems and cars are depreciated on a straight-line basis over 2-5 years. Any residual value is deter-

mined based on an estimated selling price at the expected date of disposal or replacement.

Leases are recognised in the balance sheet at the lower of the asset's fair value and the present value of the lease payments, calculated using the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Leased assets are depreciated and written down for impairment in accordance with the accounting policy for the Group's other operating equipment.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is charged to the income statement over the term of the lease.

Domicile property

The domicile property is the office building occupied by Sampension Administrationsselskab A/S. The domicile property is measured at a revalued amount less accumulated depreciation. The revalued amount is calculated according to the Discounted Cash Flow (DCF) method on the basis of the estimated cash flows from income and expenses on the property for a 10-year budget period and a discount curve corresponding to the planning period. A market rent for the property is applied as income. Determination of the revalued amount of the property is supported by a valuation from an external expert.

Any increases in revalued amounts are recognised in other comprehensive income, unless the increase offsets a decrease in value previously recognised in the income statement. Any decreases in revalued amounts are recognised in the income statement, unless the decrease offsets an increase in value previously recognised in other comprehensive income. Depreciation is recognised in the income statement.

The domicile property is depreciated on a straight-line basis over 40 years, assuming a residual value of 75% of fair value.

Investment assets

Investment property

Investment properties are measured at fair value.

For residential properties abroad, fair values are determined based on published prices from regular trading in similar properties.

For other investment properties, fair values are determined according to either the capitalised returns method or the DCF method. Fair values determined according to the capitalised returns method are based on the expected operating return and related required rate of return on individual properties, adjusted for any atypical conditions relating to the property. Fair values determined according to the DCF method are based on the expected cash flow from income and expenses on individual properties for a relevant planning period, the terminal value at the end of the planning period and a discount curve corresponding to the planning period.

Properties that the company plans to sell at the balance sheet date are measured at fair value, corresponding to the expected selling price less any costs in connection with the sale.

Investment in other tangible investment assets

Investments in other tangible investment assets consist of wind turbines and forestry, where fair values are determined for individual assets according to the DCF method on the basis of cash flows from expected income and expenses within a relevant investment horizon and a discount curve corresponding to the investment horizon.

In connection with acquisitions or disposals of other tangible investment assets, the additions or disposals are recognised at the date of the agreement.

Investments in group enterprises

Enterprises in which Sampension Livsforsikring A/S exercises control are recognised as group enterprises.

Enterprises in which the Group holds more than 50% of the voting rights are generally classified as group enterprises. However, the determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in group enterprises are measured at the proportionate share of the equity value in accordance with the most recent annual reports or other reporting of the enterprises, restated to the Group's accounting policies.

Investments in group enterprises that are not wholly owned by Sampension Livsforsikring A/S are recognised in full in the consolidated financial statements. Non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Loans to group enterprises

Intra-group loans are made in writing and on an arm's length basis. Intra-group loans are measured at an estimated fair value at the balance sheet date.

Investments in associates

Enterprises in which the Sampension Group exercises significant influence but not control are recognised as associates. Enterprises in which the Group holds between 20% and 50% of the voting rights are generally classified as associates. However, the determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in associates are measured at the proportionate share of the equity values in accordance with the most recent annual or interim reports of the enterprises. Investments are also adjusted for subsequent capital increases, capital reductions or dividends up to the reporting date. Furthermore, the value of investments is adjusted on a discretionary basis where the adjusted equity value is not deemed to reflect fair value.

Loans to associates

Loans to associates are made in writing and on an arm's length basis. Loans are measured at an estimated fair value at the balance sheet date. Value adjustments are made through profit or loss under Market value adjustments.

Investments and units in mutual funds

Listed equity investments and units in mutual funds are measured at fair value at the balance sheet date, usually equal to the investments' quoted prices in an active market (closing price).

Unlisted equity investments and units in mutual funds are measured at an estimated fair value. At year end, this is normally based on fund managers' third-quarter reporting, adjusted for subsequent capital increases, capital reductions or dividends up to the reporting date. Furthermore, the value of individual investments is adjusted on a discretionary basis where the adjusted equity value is not deemed to reflect fair value.

Bonds

Listed bonds are measured at fair value at the balance sheet date, usually equal to the bonds' quoted prices in an active market (closing price). The measurement of bonds for which no quoted price in an active market exists is based on one of the following:

- quoted prices of similar bonds, adjusted for any differences,
- indicative prices from investment banks,
- a DCF model based on estimates of, e.g. discount curve, risk premiums, prepayments and the amount of default losses and dividends on underlying loans.

The fair value of drawn bonds is measured at present value.

Loans secured by mortgage

Loans secured by mortgage are measured at fair value at the balance sheet date. Value adjustments are made through profit or loss under Market value adjustments.

Notes to the financial statements (continued)

Derivative financial instruments

Derivative financial instruments are measured at fair value at the balance sheet date. For listed instruments, fair value is based on the closing price, whereas for OTC instruments it is determined according to generally accepted methods based on observable inputs.

Value adjustments are made through profit or loss under Market value adjustments.

Deposits with credit institutions

Deposits with credit institutions consist of fixed-term deposits and are measured at fair value.

Investment assets related to unit-linked products

Investment assets related to unit-linked products are measured according to the accounting policy described above for the company's investment assets and are specified in a note to this balance sheet item.

Receivables

Receivables are measured at nominal value less provision for bad debts. Provision for bad debts is made according to an individual assessment of each receivable.

Other assets

Current tax assets

Current tax assets relate to tax paid on account and is measured at nominal value.

Deferred tax assets

Deferred tax is recognised based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured in accordance with the tax rules in force and at the tax rate expected to apply when the deferred tax is expected to be used, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. Deferred tax assets arising from unused tax losses are recognised

to the extent that it is probable that such losses can be offset against taxable income in the following financial year.

Cash and cash equivalents

Cash and cash equivalents consist of deposits with credit institutions. Cash and cash equivalents are measured at fair value.

Other

The item Other includes bonus adjustment accounts regarding group life schemes, among other things.

Prepayments

Prepayments comprise interest and rent receivable and costs incurred relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to nominal value.

Equity

Other reserves

Other reserves comprise reserves for foreign exchange adjustments as a result of translation from functional currency to presentation currency and for unrealised revaluations of the domicile property. Adjustment is made for changes in reserves, tax on pension returns and income tax.

Non-controlling interests

The item comprises the share of equity attributable to non-controlling interests.

Subordinated loan capital

Surplus capital

Surplus capital comprises individual special bonus provisions (bonus capital). Surplus capital accrues interest at the same rate as equity and is included in total capital to cover the solvency capital requirement.

Provisions for insurance and investment contracts

Provisions for average-rate products

Average-rate products comprise insurance contracts, investment contracts with bonus entitlement and reinsurance

contracts. Insurance contracts and investment contracts with bonus entitlement are classified as direct insurance, while reinsurance contracts are classified as indirect insurance.

The provisions are measured at market value according to the principles reported to the Danish FSA. The provisions are computed applying the risk-free yield curve including volatility adjustment published by EIOPA in accordance with the Solvency II Directive or a yield curve as close as possible thereto. The computation furthermore applies assumptions of mortality, disability, conversions into paid-up policies, surrenders and retirement age determined from the company's past experience and an estimate of future improvements in life expectancy defined on the basis of the Danish FSA's benchmark model.

Guaranteed benefit policies – direct and indirect insurance.

Guaranteed benefits comprise obligations to pay benefits on the part of the portfolio with guaranteed benefits. Guaranteed benefits are calculated as the present value of the benefits guaranteed by the insurance policy plus the present value of the expected future insurance administration costs and less the present value of the agreed future premiums.

Non-guaranteed benefit policies – direct insurance.

The bonus potential of non-guaranteed benefits comprises the company's direct policies with average-rate products without guaranteed benefits and is calculated as the value of agreed benefits. The value is determined using the same method as is applied for guaranteed benefits.

Individual bonus potentials

Individual bonus potential comprises obligations to pay bonuses. Individual bonus potential is calculated as the value of policyholders' savings less the guaranteed benefits or the bonus potential of non-guaranteed benefits. The policyholders' share of a decline

in the value of the assets is recognised mainly by reducing the collective bonus potential, see below. If the collective bonus potential is insufficient to absorb such decline in the value of the assets, the individual bonus potential is reduced in accordance with the company's reported profit allocation rules.

Collective bonus potentials

The collective bonus potential comprises the policyholders' share of the realised results not yet allocated to individual policyholders according to the contribution principle.

Group life insurance

Provisions relating to group life insurance comprise Sampension Liv's share of provisions in Forenede Gruppeliv. The value is determined using the same method as is applied for other average-rate products.

Profit margin

The profit margin is the net present value of expected future profit in the remaining contract periods of the insurance contracts entered into by the company. The profit margin on life insurance contracts is nil, as all profit is allocated to customers.

Risk margin

A risk margin is added to the provisions for the portfolio of guaranteed benefit policies. The risk margin is the amount expected to be payable to another insurance company to assume the risk of the cost of settling the portfolio of insurance and investment contracts deviating from the calculated net present value of expected future cash flows. The risk margin is calculated as an adjustment to the significant intensities in the calculation of the present value of expected cash flows.

Non-guaranteed benefit policies – indirect insurance

Provisions for indirect policies without guaranteed benefits are calculated as the sum of the pension accounts relating to employers having chosen this reinsurance model. If undistributed funds relating to these policies are negative,

the provisions are reduced by a corresponding amount.

Provisions for unit-linked products

Provisions for unit-linked products are calculated as the market value of the corresponding net investment assets.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the company has a legal or constructive obligation, and it is probable that economic benefits will flow from the company to meet the obligation.

Deferred tax liabilities

Deferred tax is recognised based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax liabilities are measured using applicable tax rules and the tax rate expected to apply when the temporary differences are expected to crystallise as current tax.

Other provisions

Statutory provisions pursuant to the Danish Lease and Housing Regulation Act are made in the balance sheet and expensed in the income statement. Actual costs incurred during the financial year are recognised directly in the provision accounts recognised in the balance sheet, and any additional expenditure is recognised in the income statement.

Liabilities

Payables to credit institutions

Payables to credit institutions include debt relating to repo transactions. Repo transactions, i.e. securities sold with a simultaneous repurchase agreement, are recognised in the balance sheet as if the securities remained part of the portfolio. The consideration received is recognised as payables to credit institutions and measured at fair value.

Payables to credit institutions regarding investment property and other tangible investment assets are initially recognised

at the proceeds received net of transaction costs incurred. Subsequently, the financial liabilities are measured at fair value. The value adjustment is recognised in the income statement.

Other payables

Other payables, which include debt related to direct insurance, deposits received, current tax liabilities and payables to group enterprises and associates, are measured at amortised cost, which usually corresponds to the nominal value.

Other debt

Other debt, comprising debt related to purchases of bonds as a result of trades with long value dates and derivative financial instruments, is measured at fair value.

The item also comprises lease liabilities, holiday allowance obligations and other provisions for employee benefits. The obligations are measured at amortised cost, which usually corresponds to nominal value. If the expected term is more than 12 months after the balance sheet date, the provisions are discounted to present value.

Deferred income

Deferred income comprises payments received relating to income in subsequent financial years. Deferred income is measured at amortised cost, which usually corresponds to nominal value.

FINANCIAL HIGHLIGHTS

The company's financial highlights are prepared in accordance with the provisions of the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds. For additional information, see Definitions of financial ratios on page 79. Financial highlights are not prepared for the Group as it comprises one life insurance company only.

Notes to the financial statements (continued)

Note	DKKkm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
2	Gross premiums				
	Regular premiums	5,305	4,972	5,305	4,972
	Group life contracts	3,021	2,918	3,021	2,918
	Single premiums	2,561	1,926	2,561	1,926
	Premiums, direct insurance	10,887	9,816	10,887	9,816
	Premiums, indirect insurance	843	1,267	843	1,267
	Total gross premiums	11,730	11,083	11,730	11,083
	Premiums, direct insurance, broken down by insurance arrangement				
	Insurance contracts written in connection with employment	7,866	6,898	7,866	6,898
	Group life contracts	3,021	2,918	3,021	2,918
	Total	10,887	9,816	10,887	9,816
	Premiums with profits insurance	3,548	3,417	3,548	3,417
	Unit-linked contracts	7,339	6,400	7,339	6,400
	Total	10,887	9,816	10,887	9,816
	Premium by policyholder's address				
	Denmark	10,873	9,782	10,873	9,782
	Other EU-countries	13	32	13	32
	Other countries	1	1	1	1
	Total	10,887	9,816	10,887	9,816
	Number of policyholders with insurance and investment contracts written as part of their employment (thousands)	306	299	306	299
	Of this number of unit-linked contracts (thousands)	222	211	222	211
	Number of group life insurances (thousands)	729	739	729	739
3	Interest income and dividends etc.				
	Dividends from investments	1,885	1,381	138	130
	Dividends from units in mutual funds	12	7	10	6
	Interest from bonds	2,095	1,915	2,038	1,860
	Interest on loans secured by mortgage	21	11	21	11
	Interest from group enterprises	0	0	38	34
	Other interest income	27	5	13	2
	Indexation	3,149	972	3,149	972
	Interest rate hedging instruments	748	645	748	645
	Total interest income, dividends, etc.	7,937	4,938	6,154	3,660
4	Market value adjustments				
	Investment property and other tangible investment assets	-969	2,331	0	0
	Investments	-10,614	23,494	2,329	2,068
	Units in mutual funds	-148	193	-130	183
	Bonds	-20,006	-3,167	-19,882	-3,307
	Loans secured by mortgage	-22	10	-22	10
	Derivative financial instruments	-12,667	-5,595	-12,614	-5,701
	Cash and demand deposit	123	44	141	31
	Other	4,217	20	-66	36
	Total value adjustments	-40,085	17,330	-30,244	-6,680

Note	DKKm.	GROUP 2022	GROUP 2021
5	Administrative expenses		
	All staff are employed with and paid by Sampension Administrationsselskab A/S, which is the joint management company for four pension providers, including the parent company Sampension Livsforsikring A/S. Furthermore, the CEO, the chief actuary and control function staff are employed with the parent company. Administrative expenses re. Insurance and investment activities include the following staff costs for the joint management company:		
	Staff salaries	-315	-278
	Staff pensions	-53	-48
	Other social security costs	-1	-1
	Payroll tax etc.	-56	-49
	Total staff costs	-425	-376
	Average number of full-time employees	369	340
	Remuneration to the Executive Board, the Board of Directors and to material risk takers		
	Remuneration to the Executive Board and employees whose activities have a material impact on the company's risk profile is distributed on the basis of ownership interests to the units that form a part of and are owners of the joint management company Sampension Administrationsselskab A/S. Sampension Livsforsikring A/S has a 88% ownership interest in Sampension Administrationsselskab A/S.		
	Executive Board		
	Total remuneration to the Executive Board	-10.49	-10.60
	Sampension Livs' share of the Executive Board's remuneration is	-9.85	-9.95
	Number of individuals	2	2
	Board remuneration		
	Board of Directors' remuneration	-2.51	-2.37
	Number of individuals	14	14
	Material risk takers		
	Fixed salary, including pension, of employees whose activities have a material impact on the company's risk profile *)	-10.91	-11.17
	Number of individuals	7	7

*) Information about variable salaries, including information about the breakdown of variable salaries on granted, paid out and deferred amounts and on the breakdown on cash and subordinated debt has been left out, as it would otherwise reveal salary information pertaining to specific individuals.

No special incentive programmes have been set up for management, nor has variable remuneration been paid. No pension commitments other than regular pension contributions are included in the above-mentioned costs.

No sign-on bonuses or severance payments have been made to members of the Executive Board, Board of Directors or to employees whose activities have a material impact on the company's risk profile.

In accordance with the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions and financial holding companies, the company has disclosed certain information regarding its remuneration policy etc. Such information is provided on the company's website sampension.dk/om-sampension/struktur-og-ledelse/sampension-livsforsikring

note 5 continued on next page.

Notes to the financial statements (continued)

Note 5 continued

Note	DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
	Remuneration for auditors elected by the Annual General Meeting PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab				
	Statutory audit	-4.01	-3.94	-0.59	-0.68
	Assurance engagements	-0.07	-0.07	-0.07	-0.04
	Tax advice	-0.31	-0.41	-0.06	-0.09
	Other services	-0.20	-0.17	0.00	0.00
		-4.59	-4.58	-0.72	-0.81

In addition to the above fees, costs have been incurred for the Group's internal audit.

The stated amounts are inclusive of foreign network companies. All amounts and rates are stated including VAT.

In addition to the statutory audit of the consolidated and parent company financial statements and other statutory assurance engagements, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab has issued an industry-specific report on annual expenses expressed as a percentage and as an amount, provided assistance in the digital filing of annual reports of certain group enterprises, provided tax and VAT advisory services and provided assistance on an IT security assessment.

6	Benefits paid				
	Insurance sums payable in the event of death	-335	-307	-335	-307
	Insurance sums payable in the event of critical illness	-292	-286	-292	-286
	Insurance sums payable in the event of disability	-90	-68	-90	-68
	Insurance sums payable in the event of maturity	-94	-70	-94	-70
	Retirement and annuity benefits	-3,848	-3,570	-3,848	-3,570
	Payment at surrender etc.	-2,289	-2,040	-2,289	-2,040
	Bonuses paid in cash	-2,214	-2,187	-2,214	-2,187
	Benefits paid, direct insurance	-9,162	-8,530	-9,162	-8,530
	Benefits paid, indirect insurance	-2,129	-2,067	-2,129	-2,067
	Total benefits paid	-11,291	-10,597	-11,291	-10,597
7	Tax				
	Current corporation tax	-57	-70	0	-25
	Change in deferred tax, ordinary	-257	22	-274	-7
	Adjustment relating to previous years, current tax	21	4	23	4
	Adjustment relating to previous years, deferred tax	143	67	107	42
	Other taxes paid etc.	-69	-74	0	0
	Write-down of deferred tax asset	166	-60	166	-35
	Total tax income statement	-52	-111	23	-22
	Tax, other comprehensive income	0	0	0	0
	Tax reconciliation				
	Profit before tax	-3,161	3,180	-340	76
	Other comprehensive income before tax	-68	83	-7	2
	Calculated tax, 22.0 %	710	-718	76	-17
	Non-taxable income and non-deductible expenses	-262	913	88	-15
	Other	-69	-74	0	0
	Prior-year adjustment	165	71	23	46
	Write-down of deferred tax asset	166	-60	-165	-35
		710	132	23	-22

note 7 continued on next page.

Note 7 continued

Note	DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
	Tax provisions				
	Land and buildings	-210	-223	-94	-79
	Taxation of tax on pension returns	-1,334	-344	-1,334	-344
	IT assets	63	53	0	0
	Other assets	7	3	0	0
	Tax loss carry-forward	2,501	1,323	2,501	1,323
	Write-down of deferred tax asset	-1,073	-900	-1,073	-900
	Total tax provisions	-47	-88	0	0
	Deferred tax asset	63	53	0	0
	Deferred tax liability	-110	-141	0	0
8	Equipment				
	Cost at 1 January	24	24	0	0
	Additions during the year, including improvements	1	7	0	0
	Disposals during the year	-1	-7	0	0
	Cost at 31 December	24	24	0	0
	Write downs and depreciation at 1 January	-16	-15	0	0
	Depreciation for the year	-2	-8	0	0
	Reversal of previous depreciation	0	6	0	0
	Write downs and depreciation at 31 December	-17	-16	0	0
	Carrying value at 31 December	7	8	0	0
9	Domicile property				
	Revaluation at 1 January	527	482	0	0
	Additions during the year	0	0	0	0
	Revaluation for the year recognised in other comprehensive income	-61	48	0	0
	Depreciation for the year	-2	-3	0	0
	Revaluated value at 31 December	464	527	0	0
	Fair value included in the item Domicile property	464	527	0	0
	Rates of return applied to assess the market value of the property	4.25	3.75	-	-

Notes to the financial statements (continued)

Note	DKKkm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
10	Investment property and other tangible investment assets				
	Investment properties				
	Fair value, beginning of year	16,212	12,784	0	0
	Correction previous years	-95	291	0	0
	Additions during the year	401	1,470	0	0
	Disposals during the year	-1,870	-465	0	0
	Fair value adjustment for the year	-1,329	2,132	0	0
	Fair value, end of year	13,319	16,212	0	0
	Other tangible investment assets, fair value	2,815	2,330	0	0
	Investment property and other tangible investment assets, total fair value	16,134	18,542	0	0
	Fair value included in the item Investment property and other tangible investment assets	5,488	6,202	0	0
	Fair value included in the item Investment assets related to unit-linked contracts, see note 13.	10,646	12,340	0	0
	Valuation reports from external experts have been obtained for most properties.				
	Average rates of return applied to assess the market value each type of properties:				
	Residential property	3.76	2.94	-	-
	Commercial property	5.03	5.09	-	-
	Youth housing	4.05	3.06	-	-
	Foreign commercial property	6.36	5.87	-	-
	Weighted average of rates of return	4.96	4.53	-	-
11	Loans to group enterprises and associates				
	Group enterprises				
	Fallcorner BV, Holland	-	-	190	190
	KP CE s.a., Frankrig	-	-	165	165
	Sampension KP International A/S, Danmark	-	-	650	683
	Ndr, Ringgade 16A ApS, Danmark	-	-	20	0
	Sampension Renewables P/S, Danmark	-	-	228	188
	Total loans to group enterprises	-	-	1,253	1,225
	Included in the item loans to group enterprises	-	-	1,083	1,100
	Included in the item Investment assets related to unitlinked contracts, see note 13	-	-	169	125
	Associates				
	OPP Slagelse Sygehus P/S, Danmark	72	78	72	78
	OPP Retten i Svendborg P/S, Danmark	14	16	14	16
	OPP Vejle P/S, Danmark	87	94	87	94
	OPP HoldCo ApS	17	17	17	17
	Britannia Invest	420	0	420	0
	Total loans to associates	610	204	610	204
	Included in the item loans to associates	234	68	234	68
	Included in the item Investment assets related to unitlinked contracts, see note 13	376	136	376	136

In addition, group enterprises have provided loans to their subsidiaries at no risk for the parent company.

Note	DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
12	Derivative financial instruments				
2022		Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate hedging instruments etc.:					
Interest swaps		16,018	15,607	16,018	15,607
Caps/floors		17	6	17	6
Swaptions		1,305	2,427	1,305	2,427
CDS's		10	7	10	7
Option on futures		85	108	85	108
Total interest rate hedging instruments		17,434	18,155	17,434	18,155
Currency-based derivative financial instruments		5,333	861	4,391	855
TRS Equity		0	2	0	2
Total derivative financial instruments		22,768	19,019	21,825	19,012
Fair value included in the item Derivative financial instruments		17,054		16,708	
Fair value included in the item Investment assets related to unit-linked contracts, see note 13		5,713		5,117	
Fair value included in the item other debt see note 18			19,019		19,012
Net carrying value (asset)		3,749		2,813	
DKKm.		2022	2021	2022	2021
Agreements have been concluded to post collateral for derivative financial instruments					
The Group has received collateral in the form of liquid bonds equal to a fair value of (asset)		7,331	19,757	7,331	19,757
The Group has provided collateral in the form of liquid bonds equal to a fair value of (liability)		-3,504	-6,147	-3,504	-6,147
Net collateral		3,827	13,610	3,827	13,610

In addition, equity futures used for effective portfolio management purposes had a total exposure of DKK -2,262 million (2021: -4,522 million) in the unitlinked environment and a total exposure of DKK -663 million (2021: -1,363 million) in the average-rate environment. Bond futures used for hedging interest rate risk on the bond portfolio had a total exposure of DKK 3,855 million (2021: -2,138 million) in the unit-linked environment and a total exposure of DKK -9,073 million (2021: -3,045 million) in the average-rate environment. As gains/losses are settled on current basis, the fair value is nil.

note 12 continued on next page.

Notes to the financial statements (continued)

Note 12 continued

Note	DKKm.	GROUP		PARENT COMPANY	
		Positive fair value	Negative fair value	Positive fair value	Negative fair value
2021					
Interest rate hedging instruments etc.:					
Interest swaps		37,643	26,758	37,643	26,758
Caps/floors		39	87	39	87
Swaptions		411	514	411	514
CDS's		264	29	264	29
Option on futures		36	29	36	29
Total interest rate hedging instruments		38,392	27,418	38,392	27,418
Currency-based derivative financial instruments		1,441	1,460	739	1,460
TRS Equity		3	0	3	0
Total derivative financial instruments		39,837	28,878	39,135	28,878
Fair value included in the item Derivative financial instruments		37,965		37,691	
Fair value included in the item Investment assets related to unit-linked contracts, see note 13		1,872		1,444	
Fair value included in the item other debt, see note 18			28,878		28,878
Net carrying value (asset)		10,959		10,257	
DKKm.		2022	2021	2022	2021
13 Investment assets related to unit-linked contracts					
3 i 1 Livspension					
Investment property and other tangible investment assets		10,646	12,340	0	0
Investments in group enterprises		0	0	64,533	73,747
Loans to group enterprises		0	0	169	125
Investments in associates		2,541	2,329	1,129	902
Loans to associates		376	136	376	136
Investments		64,920	71,360	13,191	11,634
Units in mutual funds		1,120	1,107	1,120	1,130
Bonds		37,017	36,623	36,339	35,727
Loans secured by mortgage		377	430	377	430
Deposits with credit institutions		4,318	4,349	2,311	2,743
Derivative financial instruments, see note 12		5,713	1,872	5,117	1,444
Total investment assets		127,030	130,544	124,663	128,016
Linkpension					
Investments in group enterprises		0	0	35	66
Investments		54	57	21	16
Units in mutual funds		112	132	112	110
Bonds		2	1	0	0
Total investment assets		168	190	168	191
Total investment assets related to unit-linked contracts		127,198	130,734	124,831	128,208
14 Surplus capital					
Surplus capital beginning of year		4,032	4,086	4,032	4,086
Paid out to customers		-204	-200	-204	-200
Return for the year		-487	146	-487	146
Total surplus capital		3,341	4,032	3,341	4,032

Note	DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
15	Provisions for average-rate products				
	Insurance provisions is specified as follows				
	Life insurance provisions, beginning of year	119,684	118,582	119,684	118,582
	Collective bonus potential, beginning of year	-18,201	-10,281	-18,201	-10,281
	Risk margin covered by collective bonus potential at beginning of year	-87	-352	-87	-352
	Accumulated value adjustment, beginning of year	-13,077	-19,364	-13,077	-19,364
	Retrospective provisions, beginning of year	88,320	88,585	88,320	88,585
	Gross premiums	4,363	4,667	4,363	4,667
	Addition of interest after tax on pension returns	3,360	2,739	3,360	2,739
	Tax on pension returns	-247	-252	-247	-252
	Transfer between classes I and III	-449	-275	-449	-275
	Insurance benefits	-7,202	-6,978	-7,202	-6,978
	Cost addition after addition of cost bonus	-152	-176	-152	-176
	Risk gain after addition of risk bonus	106	49	106	49
	Change in quota Forenede Gruppeliv	-8	-69	-8	-69
	Other	-117	30	-117	30
	Retrospective provisions, end of year	87,973	88,320	87,973	88,320
	Accumulated value adjustment, end of year	2,701	13,077	2,701	13,077
	Collective bonus potential, end of year	7,719	18,201	7,719	18,201
	Risk margin covered by collective bonus potential at end of	0	87	0	87
	Life insurance provisions, end of year	98,394	119,685	98,394	119,685
	Life insurance provisions are specified as follows				
	Interest rate group F (special non-guaranteed)				
	Bonus potential - non-guaranteed benefits	1,206	1,187	1,206	1,187
	Collective bonus potential	0	101	0	101
	Total interest rate group F	1,206	1,288	1,206	1,288
	Interest rate group G (average basic rate of interest 0.00 %) *)				
	Guaranteed benefits	4,615	5,946	4,615	5,946
	Bonus potential - non-guaranteed benefits	0	0	0	0
	Individual bonus potential	518	0	518	0
	Collective bonus potential	0	772	0	772
	Total interest rate group G	5,133	6,718	5,133	6,718
	Interest rate group H (Declaration-of-intent benefits, basic rate of interest 0.0%) *)				
	Bonus potential - non-guaranteed benefits	46,640	56,880	46,640	56,880
	Collective bonus potential	2	6,605	2	6,605
	Total interest rate group H	46,642	63,485	46,642	63,485
	Total interest rate groups	52,982	71,491	52,982	71,491

*) In 2022, the former interest rate group G, which comprised average-rate pension schemes, was divided into an interest rate group G with guaranteed benefit products and an interest rate group H with products with declaration-of-intent benefits. The comparative figures have been adjusted accordingly.

note 15 continued on next page.

Notes to the financial statements (continued)

Note 15 continued

Note	DKKkm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
	Expense groups				
	Collective bonus potential	165	171	165	171
	Total expense groups	165	171	165	171
	Risk groups				
	Collective bonus potential	784	1,013	784	1,013
	Total risk groups	784	1,013	784	1,013
	Group life insurance				
	Bonus potential - non-guaranteed benefits	814	835	814	835
	Individual bonus potential	1,863	1,943	1,863	1,943
	Collective bonus potential FG	120	117	120	117
	Total Group life insurance	2,797	2,896	2,797	2,896
	Risk margin				
	Risk margin	8	312	8	312
	Group life insurance	9	67	9	67
	Total risk margin	17	379	17	379
	Non-guaranteed indirect insurance				
	Bonus potential - non-guaranteed benefits	34,941	34,313	34,941	34,313
	Collective bonus potential	6,708	9,422	6,708	9,422
	Total non-guaranteed indirect insurance	41,649	43,735	41,649	43,735
	Total provisions for average-rate products	98,394	119,685	98,394	119,685
	Total				
	Guaranteed benefits	4,615	5,946	4,615	5,946
	Bonus potential - non-guaranteed benefits	44,574	58,067	44,574	58,067
	Individual bonus potential	3,791	0	3,791	0
	Collective bonus potential	951	8,662	951	8,662
	Group life contracts	2,797	2,896	2,797	2,896
	Risk margin	17	379	17	379
	Non-guaranteed indirect insurance	41,649	43,735	41,649	43,735
	Total provisions for average-rate products	98,394	119,685	98,394	119,685
16	Provisions for unit-linked contracts				
	Change in provisions for 3 i 1 Livspension contracts are specied as follows				
	Provision for 3 i 1 Livspensions contracts, beginning of year	118,221	101,585	118,221	101,585
	Gross premiums	7,297	6,349	7,297	6,349
	Addition of interest after tax on pension returns	-8,604	15,651	-8,604	15,651
	Transfer between classes I and III	449	275	449	275
	Subsidy from transfer	306	207	306	207
	Tax on pension returns and on subsidy from transfer	1,287	-2,424	1,287	-2,424
	Insurance benefits	-3,756	-3,283	-3,756	-3,283
	Cost addition after addition of cost bonus	-101	-95	-101	-95
	Risk gain after addition of risk bonus	-33	-42	-33	-42
	Other	0	-1	0	-1
	Provisions for 3 i 1 Livspension, end of year	115,065	118,221	115,065	118,221

note 16 continued on next page.

Note 16 continued

Note	DKKm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
Change in provisions for Linkpension contracts are specified as specied as follows					
	Provision for 3 i 1 Livspensions contracts, beginning of year	213	180	213	180
	Gross premiums	14	39	14	39
	Addition of interest after tax on pension returns	-8	25	-8	25
	Tax on pension returns	1	-4	1	-4
	Insurance benefits	-13	-27	-13	-27
Provisions for Linkpension, end of year		206	213	206	213
Total provisions for unit-linked contracts		115,270	118,434	115,270	118,434
Insurances taken out without minimum interest rate gaurantee					
Change in provsions are specified as follows					
	Change in provisions for average-rate products	21,291	-1,103	21,291	-1,103
	Change in provisions for unit-linked products	3,164	-16,669	3,164	-16,669
	Bonus paid to policyholder accounts	70	67	70	67
	Change in quota Forenede Gruppeliv	-8	-69	-8	-69
	Change in provisions, Other comprehensive income	46	292	46	292
	Other	8	-3	8	-3
Change in provisions, Income statement		24,570	-17,484	24,570	-17,484
The profit margin on life insurance contracts is nil as all the profit is allocated to customers.					
17	Payables to credit institutions				
	Repos	26,610	24,303	26,610	24,303
	Bank loans	639	767	16	242
	Mortgage debt	1,171	2,024	0	0
Total payables to credit institutions		28,420	27,094	26,626	24,545
From the bank loans and the mortgage loans (index-linked loans) the following fall due in the coming year		27,249	25,070	26,626	24,545
After five years the outstanding balance (index-linked) will be		1,171	2,024	0	0
18	Other debt				
	Derivative financial instruments, according to note 12	19,019	28,878	19,012	28,878
	Payables relating to bond purchase	718	510	718	510
	Sundry financial liabilities	11	2	0	0
	Holiday allowance obligation	23	20	0	0
	Provision for tax on pension returns payable etc.	1,111	3,507	599	2,759
Total other debt		20,881	32,918	20,329	32,148

Notes to the financial statements (continued)

Note	DKKkm.	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
19	Contingent liabilities				
	The Company has committed itself at a later date to invest in funds etc. amounting to	13,987	15,639	9,664	11,228
	Capital increases in group enterprises not yet paid in, which the parent company has committed to paying, amounting to	0	0	23,426	17,871
	Legal proceedings against the company Tribune, which was divested in 2007 and has since gone into bankruptcy	0	3	0	3
	VAT adjustment liability relating to properties	4	2	0	0
	Sampension KP Denmark A/S are jointly and severally liable for total debt and liabilities in Scandinavian Center I/S, Århus				
	According to the Annual Report the total debt and liabilities amount to	40	33	0	0
	Total contingent liabilities	14,031	15,677	33,090	29,102

The jointly taxed companies are taxed under the Danish tax on-account tax scheme. As a management company, Sampension KP Livsforsikring A/S is jointly and severally liable with the jointly-taxed companies for any part of tax plus any surcharges or interest relating to each individual company.

Sampension is jointly and severally liable with the other owner companies for insurance liabilities relating to all policies managed by Forenede Gruppeliv A/S.

In the course of its ordinary business activities, the parent company has provided guarantees to third parties in the event of subsidiaries' default on payment obligations to third parties.

20	Collateral				
	Sampension KP Livsforsikring A/S has provided security for Sampension KP International A/S group	14	14	14	14
	Margin deposits relating to futures	867	986	867	986
	Bonds sold as part of repo debt	21,320	18,243	21,320	18,243
	Net assets registered in cover of 'Total provisions for insurance and investment contracts' amount to	217,511	244,391	217,511	244,391
	The amount related to the following items:				
	Total investments in group enterprises			87,501	97,832
	Loans to group enterprises			1,233	1,225
	Investments			5,264	7,056
	Units in mutual funds			23,649	20,820
	Bonds			90,481	104,235
	Currency-based derivative financial instruments			4,679	13,223
	Tax asset re. tax on pension returns			4,704	0
	Total assets earmarked as security for policyholders' savings			217,511	244,391
	Off which concerning unit-linked contracts			115,270	118,421

*) The technical provisions for which assets are registered as cover are calculated according to the relevant provisions of the solvency regulation. As from 2022, the calculation made according to the solvency regulation will differ from the technical provision in the annual report.

Note	DKK m.	PARENT COMPANY	
		2022	2021
21	Intra group transactions		
	Sampension's overall administration is handled in accordance with the management agreement with Sampension Administrationsselskab which undertakes all administrative functions. Administration covers both insurance and investments activities.		
	Sampension pays an administrative fee, distributed on insurance operating expenses and investment management expenses with DKK 160 million (2021: 176 million) and DKK 375 million (2021: 347 million) respectively.		
	Current intra group transactions:		
	Management contracts	535	521
	Fixed-term deposits and lending (maximum monthly balance)	5,686	5,354
	Interest etc.	47	25
	These services are settled on market terms.		
	As regards group enterprises and associates, reference is made to note 11, which provides a specification of intra group loans, and to the specification of investments in note 29.		
22	Realised result for interest rate, expense and risk groups		
	Total interest rate groups		
	Investment return before tax on pension returns	-19,318	-1,213
	Change in market value adjustment	10,376	6,287
	Basic rate of interest added	-46	-46
	Other	-97	-37
	Realised interest rate result pursuant to the Executive Order on the Contribution Principle	-9,086	4,990
	Tax on pension returns	2,385	218
	Available for allocation after tax on pension returns	-6,701	5,208
	Bonus added	-1,407	-1,439
	Contributions to savings on interest rate group conversion	0	0
	Transferred to collective bonus potential, interest rate groups	7,387	-3,570
	Investment return and risk premium allocated to equity	-722	199
	Expense cost groups		
	Expense contribution	462	473
	Allocated investment return after tax on pension returns	-18	0
	Actual administrative expenses	-166	-180
	Realised expense result pursuant to the Executive Order on the Contribution Principle	278	293
	Bonus added	-286	-279
	Transferred to collective bonus potential, cost groups	6	-15
	Expense result recognised in equity	-1	-1
	Expense result as a percentage of technical provisions	0.01%	0.01%
	Total risk groups		
	Realised risk result pursuant to the Executive Order on the Contribution Principle	-115	-31
	Bonus added	-11	-11
	Allocated investment return after tax on pension returns	-103	0
	Transferred to collective bonus potential, risk groups	229	41
	Risk result recognised in capital base	1	0
	Risk result as a percentage of technical provisions	0.01%	0.01%

Notes to the financial statements (continued)

Note

23 Financial instruments recognised at fair value

Investment assets and financial liabilities are recognised at fair value or amortised cost. See Note 1. Fair value is the price obtainable in a sale of an asset or payable on transfer of a liability in an arm's length transaction between independent parties at the time of measurement. Fair value is determined on the basis of the following hierarchy:

Level 1 – quoted market prices

Quoted prices are used where an active market exists for the individual assets. Generally, the price used is the closing price at the balance sheet date.

Level 2 – observable inputs

Where the closing price of listed securities does not reflect their fair value, fair value is determined using quoted prices of similar assets or liabilities or using other valuation methodology based on observable market inputs, e.g. inputs from banks etc. For derivative financial instruments, valuation techniques based on observable market inputs such as yield curves, exchange rates, etc. are used.

Level 3 – non-observable inputs

For a significant part of investments, their valuation cannot be based on observable market data alone. For such assets, valuation models are used which may include estimates of current market conditions and future developments thereof. The valuation methodologies applied are described in Note 1, Accounting policies.

DKKkm.	GROUP 2022				GROUP 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Domicile property	0	0	464	464	0	0	527	527
Investment property	0	1,026	12,293	13,319	0	852	15,360	16,212
Other tangible investment assets	0	0	2,815	2,815	0	0	2,330	2,330
Investments in associates	0	0	3,773	3,773	0	0	3,500	3,500
Loans to associates	0	0	610	610	0	0	204	204
Investments	67,776	0	33,296	101,072	80,843	0	31,984	112,827
Units in mutual funds	176	1,257	403	1,837	1,974	0	0	1,974
Bonds	88,004	1,195	26,000	115,199	100,011	2,410	25,965	128,386
Loans secured by mortgage	0	0	645	645	0	0	766	766
Derivative financial instruments	0	22,767	0	22,767	0	39,837	0	39,837
Deposits with credit institutions	7,193	0	0	7,193	7,427	0	0	7,427
Cash and cash equivalents	4,274	0	0	4,274	3,450	0	0	3,450
Total financial assets	167,423	26,244	80,300	273,968	193,704	43,098	80,635	317,438
Financial liabilities								
Repos	26,610	0	0	26,610	24,303	0	0	24,303
Payables to credit institutions	1,810	0	0	1,810	2,791	0	0	2,791
Derivative financial instruments	0	19,019	0	19,019	0	28,878	0	28,878
Payables relating to bond purchase and settlement of repos	729	0	0	729	513	0	0	513
Total financial assets	29,149	19,019	0	48,167	27,606	28,878	0	56,485
Total net assets	138,274	7,226	80,300	225,800	166,098	14,220	80,635	260,953
Of which concerning:								
Average-rate products, Total capital and Minority interests share	76,557	3,187	29,840	109,584	91,589	13,284	32,613	137,486
Unit-linked products	61,717	4,039	50,460	116,216	74,509	936	48,023	123,468
Total	138,274	7,226	80,300	225,800	166,098	14,220	80,635	260,953

note 23 continued on next page.

Note 23 continued

Note

Specification of valuation based on Level 3

DKKkm.	Value at 1 January 2022	Value adjustments	Purchase/ sale/ settlement	Transfers Between Levels	Value at 31 December 2022
Domicile property	527	-63	0	0	464
Investment property	15,360	-2,171	-895	0	12,293
Other tangible investment assets	2,330	485	0	0	2,815
Investments in associates	3,500	-156	429	0	3,773
Loans to associates	204	-16	422	0	610
Investments	31,984	5,277	-3,965	0	33,296
Units in mutual funds	0	-55	0	458	403
Bonds	25,965	-956	1,001	-10	26,000
Loans secured by mortgage	766	-22	-99	0	645
Total	80,635	2,323	-3,107	448	80,300

Value adjustments are distributed on these items:

Other comprehensive income	-61
Income from investment property and other tangible investment assets	485
Marked value adjustments	1,899

2,323

DKKkm.	Value at 1 January 2021	Value adjustments	Purchase/ sale/ settlement	Transfers Between Levels	Value at 31 December 2021
Domicile property	482	45	-1	0	527
Investment property	12,223	2,132	1,005	0	15,360
Other tangible investment assets	2,220	126	-16	0	2,330
Investments in associates	2,632	355	513	0	3,500
Loans to associates	221	0	-17	0	204
Investments	25,840	9,171	-3,027	0	31,984
Bonds	23,740	691	557	977	25,965
Loans secured by mortgage	272	10	484	0	766
Total	67,630	12,529	-500	977	80,635

Value adjustments are distributed on these items:

Other comprehensive income	33
Income from investment property and other tangible investment assets	-15
Marked value adjustments	12,511

12,529

For further details on valuation techniques and inputs, see Note 1 Accounting Policies, Note 9 Domicile property and Note 10 Investment property and other tangible investment assets.

Notes to the financial statements (continued)

Note		PARENT COMPANY 2022		
24	Overview of assets and returns			
Assets and return DKKm.		Market value		Return 2022 % p.a.
		Beg. of year	End of year	
Average-rate				
Traditional average-rate product				
Land and buildings		5,484	4,990	8.1%
Listed investments		4,350	3,202	-11.6%
Unlisted investments		3,510	3,531	5.7%
Total Investments		7,860	6,733	-3.8%
Government- and mortgage bonds		35,465	24,398	-20.3%
Index-linked bonds		1,411	3,185	-2.6%
Credit bonds and emerging markets bonds		13,823	12,460	-2.6%
Loans etc.		1,561	1,685	-0.2%
Total bonds and loans etc.		52,261	41,729	-14.1%
Group Enterprises		0	0	0.0%
Other investment assets		-1,027	-1,417	-
Derivative financial instruments to hedge the net change in assets and liabilities		13,871	3,441	-
Total		78,448	55,475	-24.9%
Non-guaranteed reinsurance				
Land and buildings		5,078	4,610	9.2%
Listed investments		9,181	8,269	-9.6%
Unlisted investments		3,240	3,167	6.5%
Total Investments		12,421	11,436	-5.3%
Government- and mortgage bonds		2,836	2,591	-16.8%
Index-linked bonds		18,241	19,129	2.7%
Credit bonds, investment grade and non-investment grade		4,407	3,869	-4.5%
Loans etc.		0	0	0.0%
Total bonds and loans etc.		25,484	25,589	-0.7%
Other investment assets		61	-563	0.8%
Derivative financial instruments to hedge the net change in assets and liabilities		-169	34	-
Total		42,875	41,106	-2.5%

The specifications have been prepared in accordance with the requirements in section 96 of the Danish Financial Supervisory Authority's executive order on financial reports of insurance companies and therefore cannot be reconciled with the figures in the financial statements. The annual return has been calculated as a time-weighted return.

note 24 continued on next page.

Note 24 continued

		PARENT COMPANY	
Note		2022	
Assets and return DKKmn.	Market value		Return 2022 % p.a.
	Beg. of year	End of year	
Unit-linked contracts			
Land and buildings	21,030	19,414	9.2%
Listed investments	46,148	40,046	-9.6%
Unlisted investments	14,934	14,416	6.3%
Total Investments	61,082	54,462	-5.5%
Government- and mortgage bonds	19,314	17,469	-17.0%
Index-linked bonds	648	2,304	-3.0%
Credit bonds, investment grade and non-investment grade	19,625	19,068	-3.3%
Loans etc.	0	0	0.0%
Total bonds and loans etc.	39,587	38,840	-9.9%
Other investment assets	-429	819	4.2%
Derivative financial instruments to hedge the net change in assets and liabilities	-741	136	-
Total	120,529	113,671	-7.2%

The specifications have been prepared in accordance with the requirements in section 96 of the Danish Financial Supervisory Authority's executive order on financial reports of insurance companies and therefore cannot be reconciled with the figures in the financial statements. The annual return has been calculated as a time-weighted return.

Notes to the financial statements (continued)

Note	PARENT COMPANY
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25 Unit-linked product, return etc. by investment profiles

	2022			2021		
	% of average provisions	Return % p.a.	Risk	% of average provisions	Return % p.a.	Risk
Lifecycle product 3 i 1 Livspension						
Investment profile with high risk						
Years to retirement						
30 years	0.06	-9.4	5.75	0.06	23.4	5.50
15 years	0.14	-9.4	5.75	0.14	23.4	5.50
5 years	0.11	-8.0	5.25	0.08	15.0	4.50
5 years after	0.02	-7.4	4.50	0.01	11.1	4.25
Investment profile with moderate risk						
Years to retirement						
30 years	0.66	-7.9	5.50	0.70	21.1	5.25
15 years	2.83	-7.9	5.50	2.87	21.1	5.25
5 years	3.63	-6.7	4.50	3.43	12.3	4.25
5 years after	1.67	-6.1	4.25	1.59	8.1	3.75
Investment profile with low risk						
Years to retirement						
30 years	0.00	-7.3	4.75	0.00	15.3	4.50
15 years	0.02	-7.3	4.75	0.02	15.3	4.50
5 years	0.03	-7.6	4.50	0.02	8.6	4.25
5 years after	0.01	-7.7	4.25	0.01	5.3	3.50

A retirement age of 65 is assumed.

26 Supplementary product ratios

	2022		2021	
	Return in % p.a.	Bonus rate in % p.a.	Return in % p.a.	Bonus rate in % p.a.
Traditional average-rate product				
Interest rate group F (special non-guaranteed)	1.1%	0.0%	1.0%	8.6%
Interest rate group G (average basic rate of interest 0.00 %)	2.9%	10.2%	3.5%	29.0%
Interest rate group H (Declaration-of-intent benefits, basic rate of interest)	2.9%	7.4%	3.5%	14.3%
Non-guaranteed indirect insurance	-2.5%	19.2%	13.6%	27.5%
Return on policyholder savings after expenses before tax				
Including return on surplus capital	Total in %		Total in %	
Average-rate product	-27.3%		-1.9%	
Non-guaranteed indirect insurance	-2.5%		13.3%	
Unit-linked contracts (3 i 1 Livspension)	-7.2%		14.9%	

Group life insurance is not included in the calculations as the above information is not relevant for this product.

Note

27 Five-year financial highlights and ratios for the group and parent company

DKKm.	2022	2021	2020	2019	2018
Five-year financial highlights for the group					
Gross premiums	11,730	11,083	11,672	10,129	9,251
Benefits	-11,291	-10,597	-12,169	-9,416	-9,107
Investment return	-32,017	22,925	11,030	23,426	-800
Total net operating expenses	-181	-183	-179	-175	-172
Technical result	-323	28	-29	-58	-88
Parent company's share of profit for the year	-324	55	32	86	-45
Minority interest's share of the net profit for the year	-2,956	3,096	651	3,249	-599
Total provisions for insurance and investment contracts	213,664	238,119	220,347	211,727	194,507
Surplus capital	3,341	4,032	4,086	4,256	4,311
Total equity, minority interests	14,828	18,503	15,999	16,735	10,426
Total assets	285,123	324,902	312,460	313,106	274,886

Five-year financial highlights for the parent company

Gross premiums	11,730	11,083	11,672	10,129	9,251
Benefits	-11,291	-10,597	-12,169	-9,416	-9,107
Investment return	-29,535	19,724	10,305	20,102	-249
Total net operating expenses	-181	-183	-179	-175	-172
Technical result	78	28	-29	-58	-88
Parent company's share of profit for the year	-324	55	32	86	-45
Total provisions for insurance and investment contracts	213,664	238,119	220,347	211,727	194,507
Surplus capital	3,341	4,032	4,086	4,256	4,311
Total equity, parent company interests	3,420	3,744	3,689	3,657	3,571
Total assets	269,207	305,415	294,828	293,330	262,283

Reference is made to the section on accounting policies. Numbers include amounts recognised in other comprehensive income.

Five-year financial ratios for the parent company

Return ratios

Rate of return related to average-rate products	-17.5%	3.4%	5.1%	9.8%	1.1%
Rate of return related to unit-linked products	-7.3%	15.2%	4.8%	10.7%	-1.7%
Risk on return related to unit-linked products	4.75	4.50	4.50	3.75	3.75

Expense ratios

Expenses as a percentage of pension provisions	0.08%	0.08%	0.09%	0.09%	0.09%
Expenses in DKK. per policyholder	391	387	384	388	389

Return ratios

Return on equity after tax	-9.0%	1.5%	0.9%	2.4%	-1.3%
Return on surplus capital	-11.9%	3.8%	3.0%	3.5%	1.1%

Reference is made to Definitions of financial ratios on page 79.

Note

28 Risk management

Sampension Liv's risks may be divided into two general categories:

1. Risks that are largely within the company's control and that the company's risk management system regularly identifies, measures, monitors and reports on. These risks comprise investment, insurance and operational risks.
2. Risks that are beyond the company's control and are largely framework conditions, to which the company's activities must be adjusted in case of changes. External risks comprise regulatory risk, reputational risk and a number of other external and strategic risks. These risks are monitored by the organisation and are reflected in the company's strategy.

The general objective of the management of investment assets and life insurance provisions is to maximise the return and provide the best insurance covers to customers with due consideration for risk. The objective of managing short-term risks is, among other things, for the investment policy and risk management to work together to ensure that Sampension Liv has sufficient reserves to have comfortable excess solvency coverage and to limit the risk of a reduction in benefits.

The Board of Directors has defined the appetite for the principal risks in policies and guidelines and thereby determined an overall level for risk exposure or hedging. Regular reporting is provided on compliance with the defined guidelines, and the Board of Directors reviews the risk profile as part of its assessment of the company's own risk and solvency.

The approach to managing the principal quantifiable risk factors is set out below.

Unit-linked products and non-guaranteed benefit reinsurance

The financial risks relating to the unit-linked products 3 i 1 Livspension and Linkpension and to non-guaranteed benefit reinsurance lie with the policyholders as well as with municipalities and regions, respectively. Hence, they have no effect on Sampension Liv's total capital (equity and surplus capital).

As for 3 i 1 Livspension, the objective is to combine the highest possible return with stable benefit payments during the payment phase, but without a guarantee that prevents the amount of benefit payments from being reduced. We seek to fulfil this objective by increasing the investment of younger policyholders' savings in equities in expectation of a higher return but also larger fluctuations in the returns. As the policyholders get older, the risk is gradually reduced by investing more of their savings in bonds, which means that the expected return will be lower but also subject to less fluctuation.

The age-specific allocation in 3 i 1 Livspension is determined by the Board of Directors by allocating savings to the following three base funds under the generation pools: bonds, equities and alternative investments. Customers with 3 i 1 Livspension have three investment profiles to choose from: low risk, moderate risk and high risk.

For non-guaranteed benefit reinsurance, asset allocation is determined on the basis of the expected future pension benefits to be paid by the municipalities and the regions. As indexation of civil servant pension assets is based on salary trends, pension benefits due to be paid within the near future are mainly invested in low-risk assets that also hedge the risk of rising inflation. Benefits payable longer term are invested mostly in listed equities and to some extent in alternative asset classes. Investments are placed in the three base funds also used by 3 i 1 Livspension and in an inflation base fund.

The Board of Directors has determined a framework for the types of investment allowed in the base funds and has also set up a market-risk framework for the base funds.

Conventional average-rate product and total capital

The market risk of the conventional average-rate product depends on the correlation between investment assets, life insurance obligations and total capital. If the investment return is insufficient to sustain the bonus potential level, the deficit is covered first by the collective bonus potential and then by the individual bonus potential. If these bonus potentials are insufficient to fully cover a deficit, the benefits of the non-guaranteed policies may be reduced, whereas total capital is used to cover the guaranteed policies.

The Board of Directors has determined the framework governing the overall investment policy and the financial risks. The overall risk is maintained at a relatively low level, partly by ensuring appropriate diversification of risk on overall asset classes, partly by establishing a framework for the overall Value-at-Risk (VaR), which is monitored through a proprietary VaR model.

Sampension Liv applies the Solvency II discount curve including volatility adjustment (VA) for the computation of life insurance provisions. The discount curve is based on market rates up until the 20-year mark, after which the curve converges towards an ultimate forward rate determined by the authorities equal to long-term inflation and real growth forecasts. The VA is intended to mitigate exposure to market volatility and thereby curb procyclical behaviour.

Investment assets relating to the company's total capital are invested together with investment assets relating to the conventional average-rate environment. In addition, the total capital includes a small portfolio of strategic investments, of which Sampension Administrationselskab A/S is the most important.

FINANSIELLE RISICI

Financial risks arise mainly from guaranteed policies in the conventional average-rate environment and from total capital.

Sampension Liv is sensitive to changes to the VA, which has counter-cyclical qualities, and which has this also played a major role in the 2022 market volatility.

Significant financial risks arise as a result of an intentional risk exposure. Credit spread risk is a major factor, and the risk relates to losses resulting from a widening of the credit spread or from default leading to losses on bonds, loans, etc. Exposures to listed and unlisted equities, real estate and infrastructure are also significant risk factors.

Sampension Liv strives to hedge the interest rate-based changes in the discount curve to the greatest extent possible to ensure stable reserves in the short term. It does so mainly by way of derivative financial instruments such as interest rate swaps, swaptions and government bonds. The interest rate risk is mitigated by the high hedge ratio.

Currency risk is a less significant risk factor as the risk is hedged in accordance with the guidelines of the Board of Directors when assets held in an individual currency represent more than 2% of the total investment assets. For currencies other than DKK and EUR, between 50% and 100% of the currency exposure is hedged, depending on the asset.

Sampension Liv invests in illiquid assets, for which valuation and risk measurement are subject to greater uncertainty than listed equities, for example. Illiquidity involves a risk that large selling transactions over a short period of time result in a loss, and the Board of Directors has therefore defined a framework for investing in illiquid asset classes that reflects these considerations. Currently, the value of illiquid assets exceeds the annual payment obligations by a substantial margin. As a result, the likelihood of Sampension Liv having to sell on unfavourable terms is very low. The risk management system comprising, among other things, a valuation committee was set up with a view to ensuring ongoing market valuation and management of illiquid assets.

Sampension Liv also has counterparty risk exposure. This is the risk of suffering losses because a counterparty to a financial contract is unable to meet its obligations. Counterparty risk is managed through the provision of collateral and limits for net outstanding balances with the relevant financial institutions. Limits have also been defined for the amount of single investments and major concentration risk.

Responsible investments

Investing responsibly is a prerequisite for being able to generate high long-term returns. Climate targets, fiscal transparency and active ownership are defining characteristics of responsible investments from Sampension Liv's point of view. With a view to ensuring that Sampension Liv invests responsibly, the Board of Directors has defined a number of requirements and conditions in policies and guidelines with the following focus areas:

- Environmental and climate impact of investments
- Social impact of investments
- Corporate governance

Objective of maximising the probability for avoiding a reduction in benefits

Sampension Liv has discontinued most of its defined benefit guarantees. Sampension Liv continues to arrange investments in the conventional average-rate environment with a view to achieving maximum probability of not having to reduce policy-defined benefits. Achieving this objective requires both short-term and long-term planning.

Notes to the financial statements (continued)

Note 28 continued

In the short term, the emphasis is on limiting the risk of a negative change in the value of assets relative to the value of liabilities calculated on the assumption that policy benefits are not reduced. The longer term projections include the fact that a higher expected current return will reduce the risk of policy benefits being reduced.

Overall, this is a conservative investment profile for conventional average-rate savings with maximum emphasis on mitigating the short-term risk of a reduction in benefits. For that purpose, investment funds are placed mostly in relatively low-risk bonds. Sampension Liv also invests, albeit to a limited extent, in assets with a higher expected return and thus subject to higher risk. This also achieves a risk diversification gain for the benefit of the conventional average-rate environment. However, the risk limits in this respect are restrictive, which curtails the potential for achieving returns over and above the announced benefits.

INSURANCE RISK

For the conventional average-rate environment, insurance risk includes the risk of increased longevity, changes in disability rates, conversions into paid-up policies, surrenders and retirement age. The various risk elements are analysed on an ongoing basis.

An increase in longevity means regular pension benefits will be paid over a longer period. Sampension Liv calculates provisions for average-rate products using the Danish FSA's model for longevity assumptions based partially on the company's own past experience and partially on the Danish FSA's benchmark for expected future longevity improvements.

All sums insured are covered for own account. No reinsurance contracts have been concluded for life insurance. The sum insured is the difference between accumulated reserves and reserves to be provided to meet future pension and insurance benefits in the event of a customer's disability or death.

OPERATIONAL RISK

The company's operational risks comprise the risk of direct or indirect losses resulting from inappropriate or inadequate internal processes, human or system error or losses resulting from external events, including legal and cyber risk.

In order to reduce operational risk, Sampension Liv has set up business procedures to monitor and report on risks with a view to minimising these in relation to the life insurance business and the investment business. In addition, insurance cover has been taken out for certain asset classes. Sampension Liv records operational incidents on an ongoing basis and follows up and reports to the Audit and Risk Management Committee and, in exceptional circumstances, directly to the chairmanship of the Board of Directors.

OUTSOURCING

Sampension Liv has outsourced tasks in critical or significant areas of activity with a view to reducing costs and gaining access to specialist competencies. The Board of Directors has set out guidelines for outsourcing of critical or significant areas of activity in order to ensure adequate management of the risks associated with outsourcing, including that outsourcing agreements and activities are handled in accordance with the Board of Directors' guidelines and applicable outsourcing legislation.

The ongoing monitoring of outsourced activities is controlled via business procedures that ensure reporting to relevant management bodies and to the Board of Directors on the supplier's performance of the task, for example in the form of regular operational reports, meetings, random checks, reports by auditors, etc.

SOLVENCY AND FINANCIAL CONDITION REPORT

The company's risk management processes are described in detail in its Solvency and Financial Condition Report (SFCR). The SFCR is available to the public at [Sampension.dk/Om Sampension/Finansielt information/Årsrapport mm](https://sampension.dk/Om+Sampension/Finansielt+information/Årsrapport+mm).

Note

29 Overview of Group equity investments

DKKm. Group enterprises	Ownership interest (%) 2022 2021		Profit in annual report 2022 2021		Equity in annual report 2022 2021		Included in annual report
Management							
Sampension Administrationsselskab A/S, Gentofte	88.0	88.0	-31	-10	517	596	455
Real estate company and energy plant							
Sampension KP Danmark A/S, Gentofte	100.0	100.0	-295	1,381	8,757	8,661	8,757
Frederiksholms Kanal 6 P/S, Gentofte	100.0	100.0	-18	11	211	229	-
K/S Strømmen, Ålborg	0.0	95.0	0	36	0	180	-
Ejendomsselskabet Vodroffsvej 26 Komplementar ApS, Gentofte	100.0	100.0	0	0	0	0	-
Ejendomsselskabet Vodroffsvej 26 P/S, Gentofte	100.0	100.0	1	-1	30	31	-
K/S Søndre Ringvej 15, Roskilde	90.0	90.0	-27	101	335	361	-
K/S Kristensen Partners V, Ålborg ¹⁾	95.0	95.0	29	30	345	334	-
K/S Kristensen Partners VII, Ålborg ¹⁾	57.0	57.0	30	7	258	104	-
Blåkløkken ApS, Køge	100.0	100.0	2	77	242	180	-
PH Park 1+3 K/S, Ålborg	60.0	60.0	0	0	0	0	-
Lærkebolig ApS, Frederikssund	60.0	60.0	23	3	128	109	-
Skovlytoften, Holte	100.0	100.0	30	0	126	102	-
Værkstedsvej ApS, Valby	60.0	60.0	39	2	287	254	-
Sampension KP International A/S, Gentofte	100.0	100.0	-259	25	974	1,276	974
Fallcorner BV, Holland ³⁾	90.0	90.0	-27	-17	198	230	-
KP CE s.a., Frankrig	100.0	100.0	-27	-3	341	382	-
Sampension Renewables P/S, Gladsaxe ¹⁾	100.0	100.0	28	48	577	547	577
Sampension Renewables GP ApS, Gladsaxe	100.0	100.0	0	0	0	0	0
Ulvemosen Wind Park ApS, Gladsaxe	100.0	100.0	112	77	334	286	334
SAMEJI K/S, Hellerup	80.0	80.0	-16	-2	688	626	550
Komplementarselskabet EJI DK ApS, Hellerup	100.0	100.0	0	0	0	0	0
Investment company							
Sampension Forestry K/S, Gentofte ²⁾	100.0	100.0	364	267	2,497	2,583	2,497
Sampension Global Real Estate K/S, Gentofte ²⁾	100.0	100.0	1,227	2,547	9,850	11,738	9,850
Sampension US Real Estate I, L.P., USA ³⁾	98.9	98.9	-146	47	439	661	-
Sampension US Real Estate II, L.P., USA ³⁾	75.7	75.7	-159	925	1,156	1,882	-
Mermaid Homes L.P., USA ³⁾	89.8	89.8	123	162	666	529	-
HUSREF Blocker REIT Inc., USA ³⁾	100.0	0.0	0	0	18	0	-
Sampension American Timberland I, L.P., USA ³⁾	84.4	83.6	54	105	1,205	1,146	1,017
Sampension Timber LP, USA ³⁾	82.0	0.0	-3	0	529	0	433
Sampension Parksite, USA ³⁾	71.0	0.0	0	0	0	0	0
Sampension Private Equity K/S, Gentofte ²⁾	100.0	100.0	116	4,549	10,701	12,035	10,701
Sampension Structured Credit K/S, Gentofte ²⁾	100.0	100.0	-41	185	951	1,446	951
SP HoldCo af 13.12.2018 AB, Sverige	0.0	100.0	0	80	0	365	0
EIP IV Danske Holding Inc., USA	82.2	82.2	-11	11	59	95	123
Ndr. Ringgade 16A ApS, Slagelse	52.0	0.0	-1	0	45	0	23
Holbæk Have, Holbæk	65.0	0.0	0	0	0	0	0
Komplementarselskabet Alternative Investments ApS, Gentofte	100.0	100.0	0	1	4	5	4
Udviklingsselskabet af 29. november 2022	80.0	0.0	0	0	3	0	3
Kapitalforeningen SAMPENSION INVEST, København V:							
GEM II	79.7	80.9	-830	283	24	4,164	19
Obligationer	100.0	100.0	-29	-5	137	166	137
Danske aktier II	100.0	100.0	-421	665	3,863	3,864	3,863
Aktieindeks Enhanced	75.5	73.4	-4,763	5,145	21,223	27,640	16,015
Aktieindeks	80.1	79.3	-5,997	6,300	27,162	30,637	21,758
GEM Enhanced	79.5	79.5	-1,448	-150	6,038	6,945	4,798
Danske aktier I	59.7	52.2	-217	402	3,533	2,887	2,108
Kinesiske Aktier	82.8	0.0	10	0	2,302	0	1,906
Total group enterprises							87,853
Included in the item Investments in group enterprises							23,286
Included in the item Investment assets related to unit-linked contracts, see note 13.							64,568

See definitions next page.

Note 29 fortsat

DKKm. Associates	Ownership interest (%)		Profit in annual report		Equity in annual report		Included in annual report
	2022	2021	2022	2021	2022	2021	
Refshaleøen Holding A/S, København ³⁾	39.0	39.0	0	0	0	0	789
Interessentskabet af 23, december 1991, Danmark	42.5	42.5	-33	69	1,134	1,240	482
K/S Kristensen Partners I, Danmark ³⁾	36.3	36.3	-3	-5	271	242	97
Kristensen Partners I ApS, Danmark ³⁾	36.3	36.3	0	0	0	0	0
Britannia Invest A/S, Danmark ³⁾	21.9	21.9	-0	0	1,654	1,976	363
Komplementarselskabet Britannia Invest A/S, Danmark ³⁾	21.9	21.9	0	0	0	0	0
DEAS Invest I Holding A/S, Danmark ³⁾	33.3	33.3	43	125	1,035	1,034	345
Komplementarselskabet Industri Udvikling II A/S, Danmark ³⁾	20.0	20.0	-	-	0	0	0
Panda Power Annex, USA ³⁾	39.6	39.6	-2	-2	0	1	0
PMM Global III, Danmark ³⁾	20.5	20.5	22	7	716	881	144
OPP Vejle P/S, Danmark	33.3	33.3	16	23	131	115	44
Komplementarselskabet OPP Vejle ApS, Danmark	33.3	33.3	0	0	0	0	0
OPP Retten i Svendborg P/S, Danmark	33.3	33.3	4	4	29	25	10
Komplementarselskabet OPP Retten i Svendborg ApS, Danmark	33.3	33.3	0	0	0	0	0
OPP Slagelse Sygehus P/S, Danmark	25.0	25.0	17	16	96	80	24
Komplementarselskabet Slagelse Sygehus ApS, Danmark ³⁾	25.0	25.0	0	0	0	0	0
OPP HoldCo ApS, Danmark ³⁾	50.0	50.0	3	2	23	21	12
HoldCo P/S, Danmark	47.6	47.6	0	0	0	0	402
SP HoldCo, Sverige	23.4	0.0	0	0	0	0	375
Forenede Gruppeliv adm, selskab, A Aktier	20.0	20.0	2	2	8	8	2
Greystar UK Multifamily Unit Trust, England ³⁾	45.0	45.0	-13	0	0	0	139
NRGI Renewables A/S, Danmark ³⁾	39.2	39.2	0	0	0	0	490
Renewables Energy Partnership I K/S, Danmark ³⁾	29.3	29.3	0	0	0	0	54
Renewables Energy Partnership ICIV K/S, Danmark ³⁾	21.3	21.3	0	0	0	0	0
Total associates							3,773
Included in the item Investments in group enterprises							1,232
Included in the item Investment assets related to unit-linked contracts. See Note 13.							2,541

1) Included group enterprises

2) Group enterprises that are wholly-owned limited partnerships will not publish independent annual reports, in accordance with the Danish Financial Statements Act.

3) Profit/loss recognised based on reporting received.

A list of Sampension's total equity portfolio is available on the company's website at sampension.dk/om-sampension/finansiel-information/aktiver

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Sampension Livsforsikring A/S for the financial year 1 January – 31 December 2022.

The Annual Report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the parent company's operations for the financial year ended 31 December 2022.

In our opinion, the Management's review includes a fair review of developments in the Group's and the parent company's activities and financial position together with a description of the principal risks and uncertainties that they face.

We recommend the Annual Report for adoption at the annual general meeting.

Hellerup, 2 March 2023

Executive Board

Hasse Jørgensen
Chief Executive Officer

Mads Smith Hansen
Chief Operating Officer

Board of Directors

Jens Ejner Christensen
(Chairman)

Kim Simonsen
(Deputy Chairman)

Anne Mette Barfod

Rita Bundgaard

Hans Christen Østerby

René Nielsen

Torben Henning Nielsen

Lene Roed Poulsen

Michael Brautsch

John Helle (ME)

Morten Lundsgaard (ME)

Jakob Juul-Thorsen (ME)

Simon Hinrichsen (ME)

Søren Sperling (ME)

(ME): Employee representative

Internal auditor's report

Opinion

In our opinion, the consolidated and parent company financial statements of Sampension Livsforsikring A/S give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the parent company's operations for the financial year ended 31 December 2022 in accordance with the Danish Financial Business Act in respect of the consolidated and the parent company financial statements.

Our opinion is consistent with our long-form audit report to the Audit and Risk Management Committee and the Board of Directors.

Basis of opinion

We have audited the consolidated and parent company financial statements of Sampension Livsforsikring A/S for the financial year ended 31 December 2022. The consolidated and parent company financial statements are prepared in accordance with the Danish Financial Business Act.

We conducted our audit on the basis of the Executive Order of the Danish Financial Supervisory Authority on auditing financial enterprises etc. and financial groups and in accordance with international standards on auditing with respect to the planning and performance of the audit procedures.

We planned and performed the audit so as to obtain reasonable assurance that the consolidated financial statements and the parent company financial statements are free from material misstatement. We participated in the audit of all critical audit areas.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Business Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We have not identified any material misstatement of the Management's review.

Hellerup, 2 March 2023

Gert Stubkjær
Group Chief Auditor

Independent Auditor's Report

To the Shareholders of Sampension Livsforsikring A/S

Opinion

In our opinion, the Group Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Business Act.

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

What we have audited

The Group Financial Statements and the Parent Company Financial Statements of Sampension Livsforsikring A/S for the financial year 1 January – 31 December 2022 comprise income statement and statement of other comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including accounting policies, for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

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

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

Independence

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

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

Appointment

We were first appointed auditors of Sampension Livsforsikring A/S on 30 May 2000 for the financial year 2000. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 23 years including the financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Measurement of provisions for insurance and investment contracts The Group's provisions for insurance and investment contracts total DKK 213,664 million, which constitutes 75 percent of the Group's balance sheet total. The provisions primarily consist of provisions for average-rate products and unit-linked contracts. The provisions are based on actuarial principles and involves significant accounting estimates, which are linked to the actuarial assumptions concerning the timing and amounts of future payments to the policyholders. Significant actuarial assumptions include yield curve used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies as well as costs. We focused on the measurement of provisions for insurance and investment contracts, because the accounting estimate is complex by nature and influenced by subjectivity and thus associated with a high degree of estimation uncertainty. Reference is made to the mention of "Accounting estimates" in note 1 and "Provisions for average-rate products" in note 15 and "Provisions for unit-linked contracts" in note 16 to the Group Financial Statements and the Parent Company Financial Statements.	We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls regarding the calculation of provisions for insurance and investment contracts. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis. We used our own actuaries to assess the actuarial methods and models used by the Group, as well as the assumptions used and calculations made. We assessed and challenged the methods used, models and significant assumptions in the form of yield curves used for discounting, life span, mortality, disability, probability of repurchase and paid-up policies probability and costs based on our industry knowledge to assess whether these are in accordance with regulatory and accounting requirements. This included an assessment of the continuity of the basis for the calculation of provisions. We tested the calculation of the calculated insurance provisions on a sample basis. We assessed whether the information regarding the provisions was appropriate.
Measurement of unlisted investment assets Unlisted investment assets comprise investments in equity funds, infrastructure funds, unlisted shares, investment properties and corporate bonds, etc and are included in the financial line items: • Investment property and other tangible investment assets • Investments • Bonds • Investment assets related to unit-linked contracts Unlisted investment assets are measured at an estimated fair value. The fair value accounting estimate is based on valuation models, data and significant assumptions that are not directly observable to third parties. Changes in the significant assumptions that are included in the accounting estimate can have a significant impact on the financial statements. We focused on the measurement of unlisted investments because the accounting estimate is complex in nature and influenced by subjectivity and thus associated with a high degree of estimation uncertainty. Reference is made to the mention of "Accounting estimates" in note 1 and note 23, "Financial instruments recognised at fair value", to the Group Financial Statements and the Parent Company Financial Statements.	We performed risk assessment procedures in order to gain an understanding of IT systems, business procedures and relevant internal controls for measuring unlisted investments. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to base the audit on, we tested whether they were performed on a consistent basis. We assessed and tested the valuation models used by Management. We tested on a sample basis the consistency between the assumptions used, data and the calculation of fair values. We tested on a sample basis the applied fair values against relevant reporting from external fund managers. We challenged the accounting estimates forming the basis of the calculation of the fair values based on our knowledge of the portfolio and the market development. We assessed whether the information regarding the unlisted investment assets was appropriate.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Group 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 Group financial statements and 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 and the Parent Company to cease to continue as a going concern.

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- 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 Group Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Hellerup, 2 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Hellerup, 2. marts 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 3377 1231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

Definitions of financial ratios

Danish FSA financial ratios

Financial ratios have been calculated in accordance with the Danish FSA's Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds.

Rate of return =
$$\frac{\text{Investment return on average rate and unit-linked products} \times 100}{\text{Pension provisions at beginning of year} + \text{weighted average contributions and benefits paid in respect of average-rate and market-rate products}}$$

The financial ratio is calculated on a money-weighted basis. The target return can be divided into two categories: a money-weighted and a time-weighted return:

The money-weighted return reflects the actual return – or the relative value appreciation – achieved for the portfolio during the reporting period including returns on net contributions for the period. In other words, the money-weighted return expresses the actual return for the period.

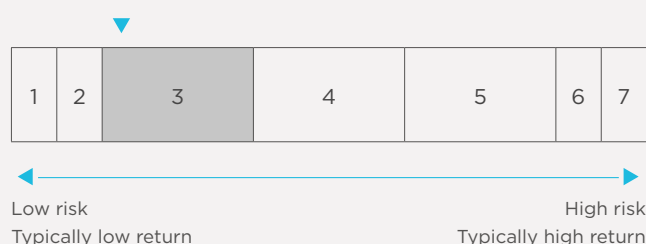
The time-weighted return reflects the return that would have been achieved if no payments had been made to or from the portfolio during the period. The time-weighted return expresses performance and can be used to measure against a benchmark or returns achieved by other investors within the same asset class.

Risk on return related to unit-linked products = Calculated as the standard deviation (SD) of the monthly return related to market-rate products over the past 36 months using the following scale of 1 to -7:

Riskclass	%	
	SD≥	SD<
1.00	0.00	0.50
2.00	0.50	2.00
3.25	2.00	3.00
3.50	3.00	4.00
3.75	4.00	5.00
4.25	5.00	6.70
4.50	6.70	8.34
4.75	8.34	10.00
5.25	10.00	11.67
5.50	11.67	13.33
5.75	13.33	15.00
6.00	15.00	25.00
7.00	25.00	

Note that the standard deviation is measured as an average across risk profiles and generation pools. The standard deviation is converted into a risk category using the following scale:

Return/Risk profile



Expenses as a percentage of provisions =
$$\frac{\text{Operating expenses re. insurance activities for the year} \times 100}{\text{Pension provisions at beginning of year} + \text{weighted average contributions and benefits paid in respect of average-rate and market-rate products}}$$

Expenses per policyholder (DKK) =
$$\frac{\text{Operating expenses re. insurance activities for the year}}{\text{Average number of policyholders related to direct insurance} + \text{average number of policyholders with group life contracts} \times 0.1}$$

Return on equity after tax =
$$\frac{\text{Profit after tax} \times 100}{\text{Weighted average equity}}$$

Return on surplus capital, allocated same rate as equity =
$$\frac{\text{Return on surplus capital before tax} \times 100}{\text{Weighted average surplus capital}}$$

Solvency coverage ratio =
$$\frac{\text{The capital at year end} \times 100}{\text{Solvency capital requirement}}$$

Supplementary financial ratios

The rates of return of each individual interest rate group are calculated using the above formula.

Bonus rate (%) =
$$\frac{\text{Individual and collective bonus potentials of the interest rate group at year end} \times 100}{\text{Total custody accounts for interest rate group at year end}}$$

Return on customer funds after deduction of expenses and before tax, per product type =
$$\frac{(\text{Weighted average provisions} + \text{Weighted average surplus capital} + \text{tax on pension returns}) \times 100}{\text{Technical provisions at beginning of year plus surplus capital at beginning of year} + \text{weighted average cash flows}}$$

The financial ratio expresses policyholders' total return less expenses and risk premium

