

ALM. BRAND GROUP

Annual report

2023

Alm. Brand A/S | Midtermolen 7 | DK-2100 Copenhagen Ø | Company reg. (CVR) no. 77 33 35 17



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Group companies

Alm. Brand Group in brief

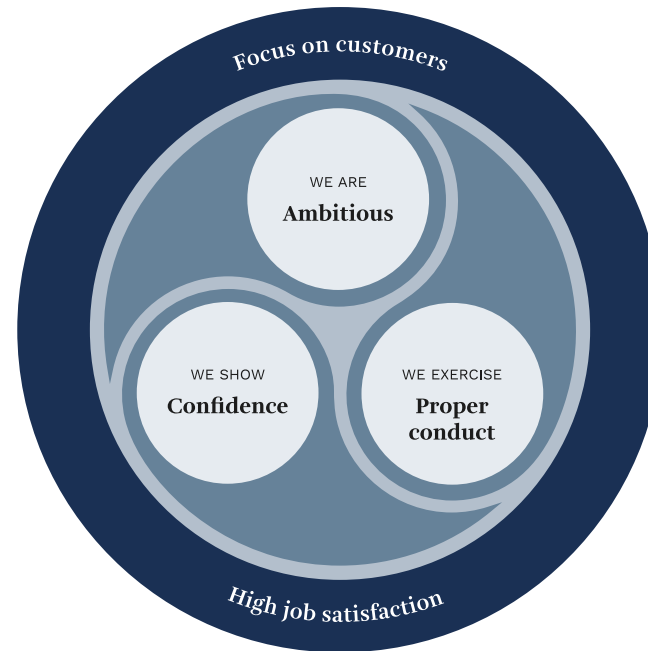
Alm. Brand Group is Denmark's second-largest non-life insurance company with around 700,000 customers and a market share of some 17%.

In 2022, Alm. Brand acquired the Danish business of Codan Forsikring, doubling the size of Alm. Brand Group. In the period towards 2025, the group will work to combine the two companies and realise synergies in a total amount of DKK 600 million.

Focus on customers and high job satisfaction are the maxims that define our business and permeate everything we do at Alm. Brand Group. ■

Our core values are:

We are **ambitious** | We show **confidence** | We exercise **proper conduct**



FOUNDED

1792

Alm. Brand was founded 232 years ago in 1792, followed by Codan in 1916.

ALM. BRAND AF 1792 FMBA

46.7%

Our largest shareholder is Alm. Brand af 1792 fmba, which holds 46.7% of the shares in Alm. Brand A/S.

FTE WORKFORCE AT 31 DECEMBER 2023

2,265

We are close to 2,300 employees working at our head office in Copenhagen and in our local offices.

*) Calculated as FTEs at 31 December 2023.

Our business model

We offer excellent customer service and high-quality products that cover our customers' insurance needs.

All our initiatives and actions begin and end with our customers.

We are committed to remaining relevant and making a positive difference for our customers every single day. Our customers should notice our commitment when they liaise with us and feel that we listen to them and use our data and experience to find the best possible solutions based on their specific needs.

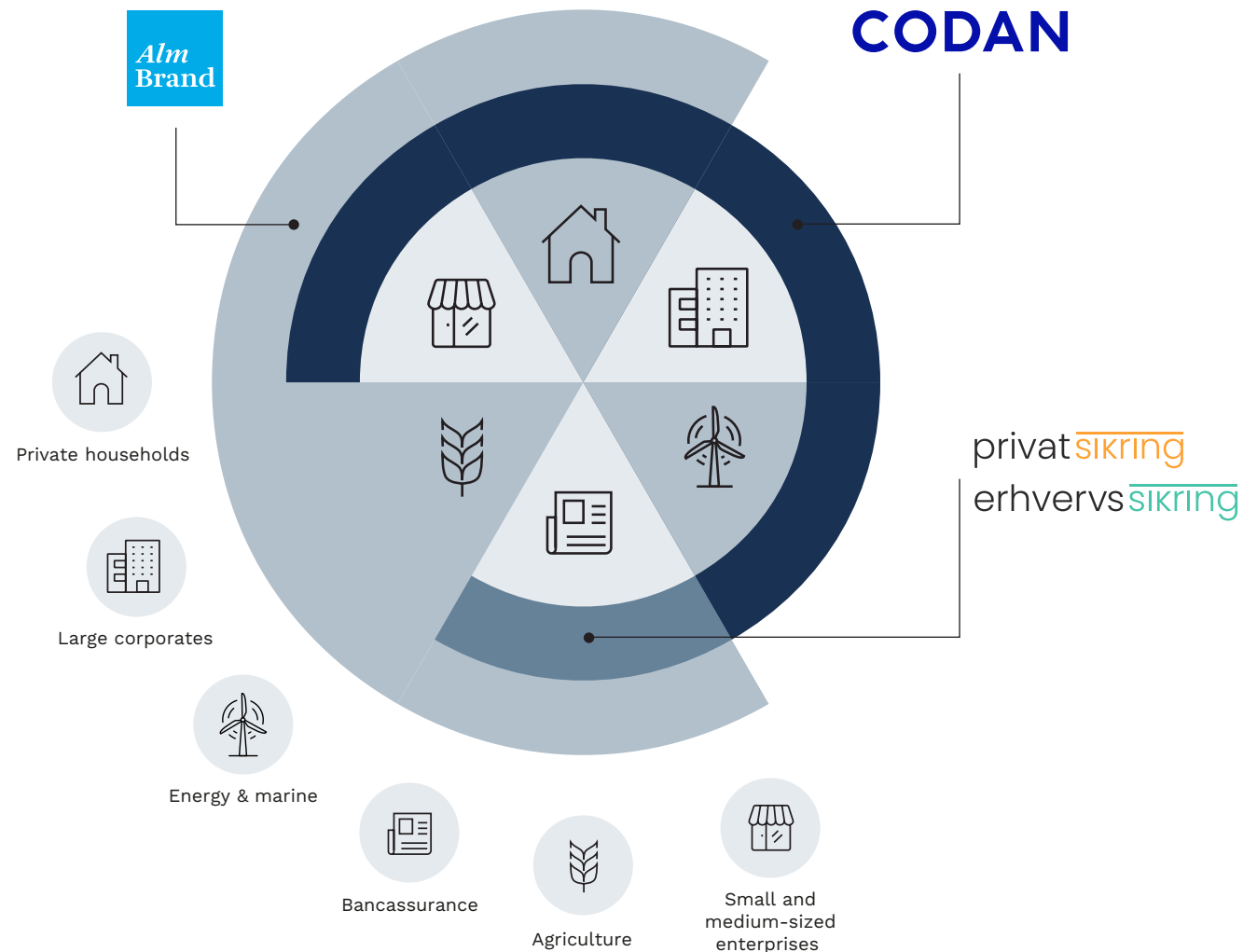
Alm. Brand Group's insurance solutions cover a broad spectrum of the Danish non-life insurance market.

Alm. Brand generally has a strong market position outside major cities and a historically strong foothold among small and medium-sized businesses and agricultural customers.

Codan has a strong market position in Copenhagen and other major cities and broad exposure among business customers.

Through the bancassurance partnership, Alm. Brand Group reaches a broad section of the Danish population. ■

Alm. Brand Group offers insurance solutions, under various brands, which are suitable for a wide range of customers.



Purpose: Why are we here?

Alm. Brand Group's purpose is aligned with our core function and its importance for people individually, for our business and for society in general. Our purpose marks a common anchorage and defines everything we do.

Our purpose

"A sense of community and trust has always been at the heart of insurance – and it still is. But to us at Alm. Brand Group, it's about much more than that. It's about having the courage to pursue dreams and ambitions. It's about unleashing vigour and initiative. When we feel secure, we dare to do more. We lean forward in life. We create the future.

Regardless of whether the dream is to travel around the world, buy a new home for the family, enter new markets, establish a new and larger machinery building or invest in wind turbines.

It's when we secure and look out for each other that we can truly set free the courage and vigour of people, families and businesses – and together make our society evolve.

At Alm. Brand Group, we leverage our several hundred years of experience,

our data and new technology to secure people, families and businesses.

When we work together with our customers and partners to prevent, advise and lend a supporting hand if you suddenly need your insurance – then we all have courage and vigour. To create the future. Together.

This is exactly what we work with our customers and partners to achieve at Alm. Brand Group. That's our purpose."

"We" extends to Alm. Brand Group, our customers and partners. We don't just deliver a product. Insuring and securing is something we do together. We work together with our partners to prevent and reduce risks. We identify needs and prevent and reduce risks together. Today.

When our customers are confident that we have their backs, they can focus on tomorrow. When we work together with our partners and customers to prevent and secure, we unleash courage and unlock potential. Courage and potential to develop, act and live. ■

OUR PURPOSE

We secure today. So we can create tomorrow. Together.



5-year highlights

	DKKm	2023	2022	2021	2020	2019
INCOME STATEMENT	Insurance revenue	11,784	9,564	5,407	5,343	5,240
	Claims expenses *)	-7,537	-6,467	-3,738	-3,464	-3,546
	Insurance operating expenses *)	-2,147	-1,680	-933	-902	-908
	Profit/loss on reinsurance	-688	-412	67	-184	-236
	Insurance service result	1,412	1,005	803	793	550
	Investment return after return on and value adjustment of provisions	364	-373	101	63	46
	Other income and expenses	-132	-174	-65	-60	-86
	Life Insurance	-	-	-	-	107
	Profit/loss before tax excluding special costs, continuing activities	1,644	458	839	796	617
	Special costs	-763	-694	-141	-98	-64
	Profit/loss before tax, continuing activities	881	-236	698	698	553
	Tax, continuing activities	-269	66	-192	-160	-113
	Profit/loss after tax, continuing activities	612	-170	506	538	440
	Profit/loss after tax, discontinued activities	-	544	92	80	12
	Profit after tax	612	374	598	618	452
	Run-off gains/losses, net of reinsurance	300	157	109	101	70
	Gross claims ratio	63.9	67.6	69.1	64.8	67.7
	Net reinsurance ratio	5.9	4.3	-1.3	3.4	4.5
	Claims ratio	69.8	71.9	67.8	68.2	72.2
Gross expense ratio	18.2	17.6	17.3	16.9	17.4	
Combined ratio *)	88.0	89.5	85.1	85.1	89.6	
Combined ratio excluding run-off result	90.5	91.1	87.1	87.0	90.9	
Combined ratio	88.7	90.3	86.4	85.1	90.4	

	DKKm	2023	2022	2021	2020	2019
BALANCE SHEET	Technical provisions	17,064	16,633	7,828	24,698	23,593
	Insurance assets	470	457	337	57	29
	Consolidated shareholders' equity	13,944	13,845	13,706	5,167	4,576
	Total assets	35,569	35,590	42,235	32,780	41,798
FINANCIAL RATIOS	Return on equity before tax, continuing activities (% p.a.)**)	12.3	3.4	19.1	16.3	13.4
	Return on equity before tax (% p.a.)***)	12.3	7.4	21.8	18.9	13.8
	Return on equity after tax (% p.a.)***)	8.9	6.7	16.9	14.6	10.9
	Earnings per share	0.4	0.2	2.4	4.0	2.9
	Diluted earnings per share	0.4	0.2	2.4	4.0	2.9
	Net asset value per share	9.3	9.2	9.0	34.0	30.0
	Share price, end of period	11.9	11.3	12.7	73.4	59.2
	Price/NAV	1.28	1.22	1.43	2.20	2.00
	Average no. of shares (in millions)	1,541	1,541	253	154	156
	No. of shares, end of period, diluted (in millions)	1,539	1,541	1,541	154	155
	Average no. of shares, diluted (in millions)	1,540	1,540	253	154	156
	No. of shares bought back (in millions)	2	-	-	1	4
Avg. price of shares bought back	12.1	-	-	57.7	56.0	
Dividend per share	0.55	0.30	2.30	4.00	3.00	

Alm. Brand Group's financial results for FY 2022 include the acquired Danish business of Codan Forsikring ("Codan") for the period 1 May 2022 to 31 December 2022. Comparative figures for 2021 and earlier financial years are based on reported figures for the periods.

Results for 2023 and 2022 reflect IFRS 17. Results for 2019-2020 have not been restated to reflect IFRS 17.

*) Claims expenses and insurance operating expenses include income from the Transitional Service Agreement (TSA) related to the divestment of Codan's activities and the TSA related to the divestment of Alm. Brand Liv og Pension A/S. Claims expenses for 2023 are stated less DKK 24 million and insurance operating expenses are stated less DKK 52 million from the TSA. Claims expenses and insurance operating expenses for 2022 are affected by DKK 26 million and DKK 50 million, respectively. Financial ratios have been restated accordingly.

**) The calculation of return on equity is based on the profit before tax on continuing activities and consequently does not include the profit on discontinued activities. In addition, adjustments for special costs have been made.

***) The return on equity is calculated for the group's consolidated profit adjusted for special costs.

Alm. Brand Group

Overview of 2023 results

The profit of Alm. Brand Group ("Alm. Brand Group" or "the group") for 2023, as opposed to the comparative figures for 2022, includes a full 12-month period of activities for the entire group. The comparative figures for 2022 include the profit for the year of Alm. Brand Forsikring ("Alm. Brand") and other activities for the full year as well as the acquired Danish business of Codan Forsikring and Privatsikring ("Codan") for the period 1 May 2022 to 31 December 2022.

This annual report is the first report prepared in accordance with the new financial reporting standard, IFRS 17. As Alm. Brand Group primarily has business with a duration of less than 12 months, the new standard has limited impact on the group's figures. Accordingly, the changes mainly concern presentation and designation. For additional information, see the note on accounting policies. Restated figures for FY 2022 were published at the end of April at almbrand.dk.

FULL-YEAR PERFORMANCE FOR THE GROUP

Alm. Brand Group's insurance revenue rose to DKK 11,784 million from DKK 9,564 million in 2022, driven partly by satisfactory organic growth, partly by the recognition of twelve months of insurance revenue in Codan, against only eight months last year.

The insurance service result was a profit of DKK 1,412 million in 2023, against DKK 1,005 million in 2022. The result reflects a satisfactory performance, although the year was characterised by challenges in the form of a high frequency of minor claims, including in particular an increase in the number of motor claims, and several periods of excessive precipitation during the year, driving the number of weather-related claims above normal. The performance was lifted by price initiatives in Commercial Lines and continued cost savings, including the realised synergies related to the integration of Codan.

The investment result was a profit of DKK 364 million, driven by generally positive financial market developments in spite of geopolitical tension and prospects of subdued economic growth.

Other income and expenses came to a net loss of DKK 132 million, composed of DKK 54 million in training and development expenses and a total of DKK 78 million in group expenses and return on the remaining mortgage deed and debt collection portfolio.

Alm. Brand Group thus generated a pre-tax profit of DKK 1,644 million excluding special costs in 2023, against a pre-tax profit of DKK 458 million in 2022.

The full-year profit also includes special costs of DKK 405 million related to the integration of Codan, realisation of synergies, employee termination benefits related to the layoffs at end-November and costs related to the bankruptcy of Gefion Finans A/S. Moreover, the profit comprises amortisation of intangible assets in the amount of DKK 358 million, bringing Alm. Brand Group's consolidated pre-tax profit for 2023 to DKK 881 million.

Based on the profit after tax adjusted for the effect of amortisation of intangible assets and costs related to

the integration of Codan, the Board of Directors recommends that a dividend of DKK 0.55 per share be paid in respect of 2023 in continuation of the general meeting scheduled to be held in April 2024 and that the current share buyback programme be increased by DKK 100 million to DKK 300 million. This means that Alm. Brand will distribute DKK 1,148 million in aggregate for the 2023 financial year, corresponding to a payout ratio of 98% of the adjusted profit after tax.

MAJOR EVENTS

Change of management structure and alignment of organisation

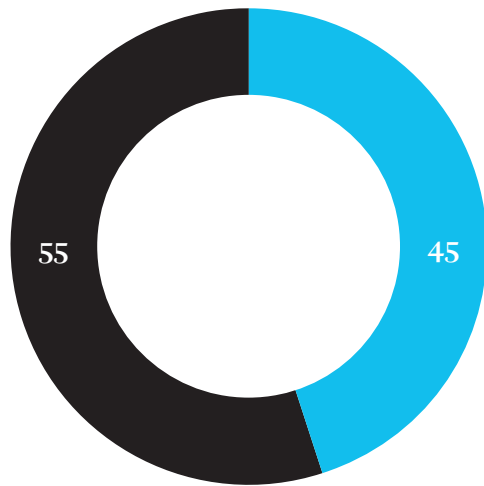
In November 2023, Alm. Brand Group aligned the organisation, anchoring it in a new, five member strong Group Executive Management ("GEM"). CEO Rasmus Werner Nielsen heads up the GEM and also holds overall responsibility for a number of group functions, including the group's overall strategy and communication.

Share buyback

As stated in company announcement no. 23/2023, Alm. Brand on 5 December 2023 launched a share purchase programme for a total amount of DKK 250 million, DKK 200 million of which is allocated to a share buyback programme and DKK 50 million to employee share programmes. ■

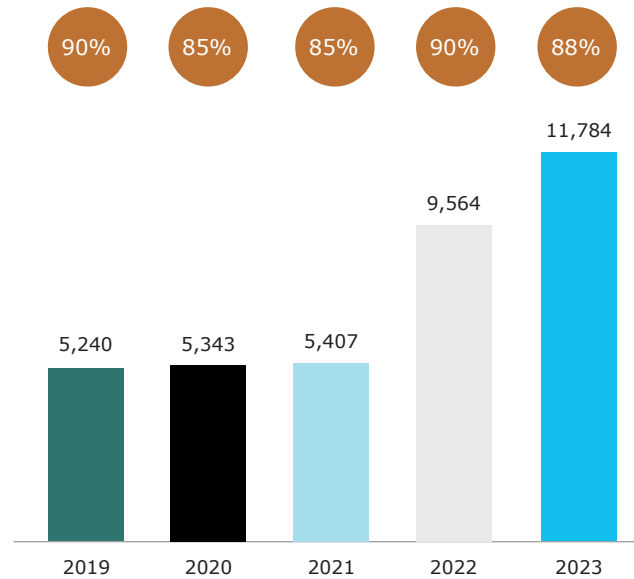
Overview of 2023 results

Insurance revenue



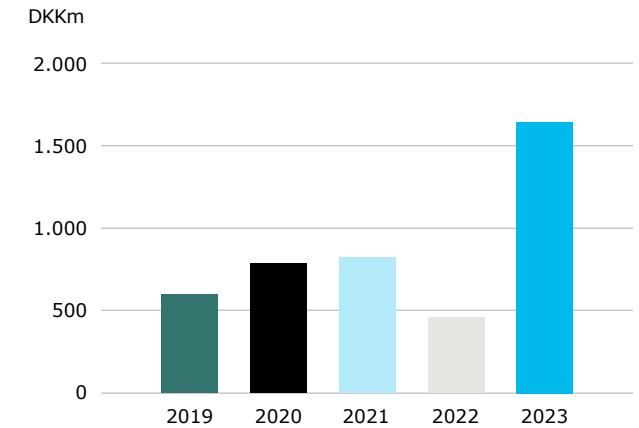
● Personal (%) ● Commercial (%)

Premiums

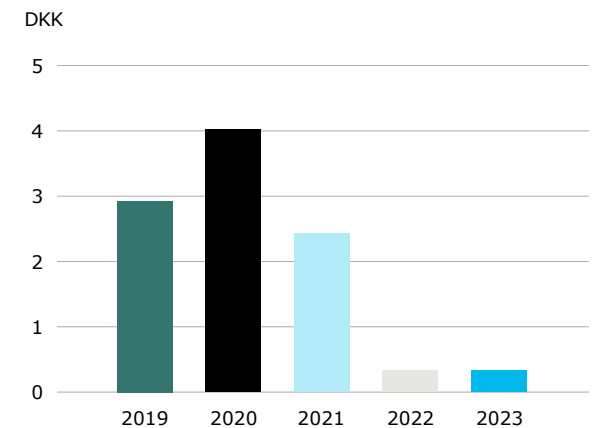


● Combined ratio

Profit before tax *)



Earnings per share **)



Gross premium income

11,784
DKKm

Profit before tax *)

1,644
DKKm

Return on equity *)

12.3%
before tax

Earnings per share

0.40
DKK

*) Profit before tax is stated exclusive of special costs.

**) In 2021, the denomination was changed to DKK 1 per share, against previously DKK 10 per share.

Letter to our shareholders

Alm. Brand Group has transformed into a different company, focused and firmly rooted, and with a business strategy that is supportive of a bigger and stronger group.



Overall progress for Alm. Brand Group

Like the year before, 2023 was a year with focus on integration and transformation to create an even stronger foundation for the future Alm. Brand Group. The combined group of Alm. Brand and Codan embarked on the new year in unity, already at the beginning of the year having completed the initial stages of the merger. In many areas, the group was ready to continue executing the many development initiatives launched across customer-facing functions, IT and other group functions, while remaining relentlessly focused on day-to-day insurance operations.

Alm. Brand Group thus had a another busy year, devoting part of the group's resources to ensuring a continued stable and successful integration of Codan. Work proceeded as planned, and we continued to achieve substantial progress, in particular within claims services. The combined volume of Alm. Brand and Codan means that we now have total claims repair costs of more than DKK 7 billion available for optimisation. Alm. Brand Group is able to achieve better terms and conditions with suppliers and now benefits from performing some tasks in-house rather than engaging third parties, for example Taksatorringen, to perform them.

During the year, the group's strategy for the period towards 2025 was further concretised, and the corner flags initially set in connection with the acquisition of Codan have now been firmly anchored in our strategy, which covers our position in relation to our customers and the

world around us as well as the internal framework to ensure attractive working conditions and development opportunities for all group employees. Alm. Brand Group's Strategy 2025 also assigns a greater priority to ensuring that we take responsibility in a broader context, that we conduct our activities with integrity and that we make a positive impact on the world around us. We therefore strive to a larger extent to incorporate prevention in our products and solutions, reduce our climate impact and ensure proper corporate conduct and responsibility in our supply chain. Over the past year, Alm. Brand Group has implemented a number of ESG initiatives, reflecting that the acquisition of Codan created a larger group with a larger platform for making a positive impact on society. As a result of these initiatives, MSCI has lifted Alm. Brand Group's ESG score from "BBB" to "A".

Finally, in a separate workstream, we are working to complete a legal merger of Alm. Brand Forsikring A/S and Codan Forsikring A/S, which in addition to direct synergies will ease and simplify the group's operational setup.

Satisfactory results mark an important step towards 2025

Our insurance operations developed satisfactorily throughout 2023, although the year was unusual and challenging in many ways. At the beginning of the year, the main headlines were continued geopolitical tension, high inflation and a global economy on a slow road to recovery. In the insurance industry, the high inflation translated into rising

claims repair costs, which were only fully compensated during the year as the effect of premium indexation began to feed through. In addition, the reinsurance market was generally challenged by lower capacity and, as a result, higher reinsurance premiums, and the year was also marked by an unusual amount of weather-related claims due to historically high precipitation rates.

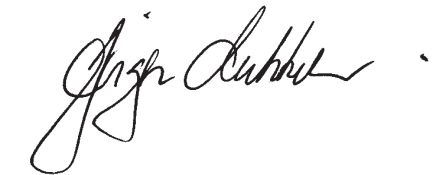
For the full year 2023, Alm. Brand Group reported insurance revenue of DKK 11.8 billion and a satisfactory insurance service result of DKK 1,412 million. The investment portfolio produced a gain of DKK 364 million, while other income and expenses were a loss of DKK 132 million.

Alm. Brand Group generated a profit after tax of DKK 1,644 million before special costs in 2023, against a profit of DKK 458 million in 2022. The increase is in line with the guidance provided by Alm. Brand Group to its shareholders, and the realised result should be viewed as an important milestone to achieving the targets defined for the period towards 2025, including an insurance service result of DKK 2.1 billion. Achieving our targets requires profitable growth, price initiatives, claims prevention, synergies, continued cost savings and transformation – together with a normalised level of weather-related claims. This means that all parts of our business will need to be reviewed and trimmed in order to build a stronger and more profitable foundation and an even more customer-centric organisation.

When we have achieved this, Alm. Brand Group will expectedly be able to realise an adjusted profit of close to DKK 1.6 billion after tax and will thus have a significant dividend distribution capacity.

Based on the financial results for the 2023 financial year, the Board of Directors recommends that a dividend of DKK 0.55 per share be distributed in continuation of the annual general meeting scheduled to be held in April 2024. This marks an increase of 83% on last year's dividend payout. In addition, the current share buyback programme of DKK 200 million will be increased to DKK 300 million for a total payout ratio for 2023 of 98% of the adjusted profit after tax. ■

Jørgen Hesselbjerg Mikkelsen
Chairman



Rasmus Werner Nielsen
CEO



Group strategy 2025

The group's strategy describes how Alm. Brand Group intends to leverage its potential and achieve its ambitious targets

With the acquisition of Codan and the subsequent establishment of Alm. Brand Group, the strategic direction for the coming years was defined. At the top of the agenda is ensuring a successful merger of Alm. Brand and Codan for the benefit of customers, business partners, employees and other stakeholders.

The acquisition of Codan was in itself a landmark strategic event, which to a large extent has come to define Alm. Brand Group's future playing field. The corner flags of the playing field consist of overall growth ambitions as well as necessary efficiency enhancements and cost reductions to ensure that we will be able to achieve our financial targets for the group.

The strategic agenda was further concretised in 2023 and has now been translated into four focus areas:

Customers' preferred choice

Alm. Brand Group's value proposition must in form and content ensure that we are the customers' preferred choice. We will to a far greater degree than today tailor the experience, service and products we offer to ensure that more customers choose us – and that they feel more closely connected to us and stay longer with us. This way we will have more and more profitable and loyal customers.

We will offer differentiated value propositions to our core target groups and will strive to have satisfied and loyal customers, supported by an even more proactive approach, proactive prevention and services based on the target group's needs and wishes.

Our value proposition is supported by the fact that the group offers insurance solutions for a wide range of customers under various brands.

Scalable business model

Alm. Brand Group must leverage its size after the merger of Codan and Alm. Brand to build a competitive and scalable business model. This means that our platforms, workstreams and processes should be able to easily handle and deliver tailored offers through brands and partnerships.

By forging the right partnerships, we will reach a broader customer audience and be able to meet as many of our customers' needs as possible in addition to our in-house capabilities. We need to bring our own and our partners' knowledge and data more into play in order to improve our value proposition. Finally we need to have an efficient and scalable business model, allowing us to serve a growing number of customers without our costs increasing at the same rate.

The merger of Codan and Alm. Brand has made us one of Denmark's largest insurance companies, and we now have the size and capabilities to take the lead as a broadly based insurance company.

Attractive workplace

Alm. Brand Group is nothing without employees capable of providing the customer experiences of the future and driving the constant change needed to be a market leader in the insurance industry. Skilled and motivated employees are key to realising and future-proofing Alm. Brand Group, and we therefore need to have a clear and attractive value proposition for existing and new employees. We will ensure this, for example by having a strong focus on management and feedback and by offering well-defined career paths and development opportunities.

A key aspect in this context is supporting a common corporate culture across Alm. Brand Group based on our values. We want to create pride and a strong reputation based on good framework conditions. Everybody should know what we stand for as a workplace – what we offer and what opportunities we create.

Taking responsibility for more than ourselves

At Alm. Brand Group, we want to take responsibility for more than ourselves. We are of course a commercial business with clear targets for earnings and profitability, ensuring that we will continue to be strongly positioned and be there for our customers tomorrow as well. But we also take responsibility more broadly for our customers and for the society we are part of. We aim and aspire to conduct our activities with integrity and to have a positive impact on the world around us. We therefore strive to a much larger extent to incorporate prevention in our products and solutions, reduce our climate impact and ensure proper corporate conduct and responsibility in our supply chain.

These days, sustainability is a fundamental prerequisite for operating a business – in terms of driving, securing and insuring the green transition and in terms of the way we see and understand our role. Going forward, insurance will come to be much more about preventing claims for the benefit of our customers and society at large.

Sustainability will be a dominant theme in the coming years – and we have a lot of work ahead of us. We will therefore continue our work with specific initiatives and objectives throughout the strategy period. By making this focus area a key priority, we want to establish our commitment to incorporating sustainability and prevention as part of our DNA. ■

Koncernstrategi '25

Purpose

Why are we here?

We secure today. So we can create tomorrow. Together.

Position

How do we position ourselves in the market?

We are a leading Danish multi-brand insurance company.



CODAN

privat**sikring**

erhvervs**sikring**

Partner brands

Focus areas

What does this require of us?



CUSTOMERS' PREFERRED CHOICE



SCALABLE BUSINESS MODEL



ATTRACTIVE WORKPLACE



TAKING RESPONSIBILITY FOR MORE THAN OURSELVES

Target

What do we want to achieve?

Insurance service result

~2.1

DKKbn

Employee satisfaction

≤80

Expense ratio

≤16

Synergies and other cost initiatives

Clear road map for realising synergies in the period until 2025

Initiatives to realise synergies in a total amount of DKK 600 million by 2025 are progressing satisfactorily and slightly ahead of schedule. In 2023, focus was on measures that will lead to efficiency enhancements of procurement and claims processing and elaboration of systems for screening claims reports with a view to reducing insurance fraud. By preparing and implementing these measures, we have created a foundation that has enabled Alm. Brand Group to achieve synergies contributing an accounting effect of DKK 262 million in the financial year. The initiatives will subsequently have a full-year effect in 2024 of DKK 350 million and will provide a strong foundation for realising synergies of DKK 450 million in aggregate in 2024, driven by further significant contributions from claims services and administration and cost savings on IT and infrastructure.

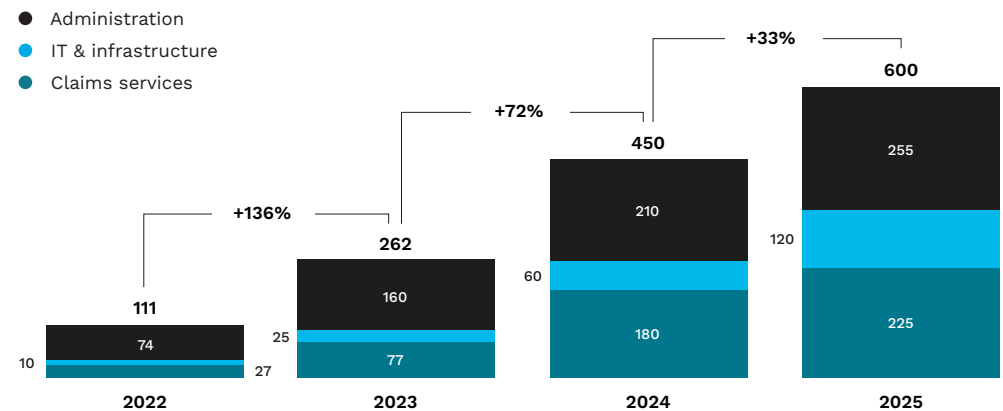
Alm. Brand Group will regularly release information about developments in the realisation of synergies in the period until 2025.

In addition, in November 2023, Alm. Brand Group aligned the group, creating a new and less complex organisation with a more efficient management structure anchored in a new, five member strong Group Executive Management. As a result of these changes, Alm. Brand Group parted with 150 employees across the organisation in order to strengthen customer focus even more, provide clearly defined responsibilities for profitability and promote even faster decision-making processes across the group.

Moreover, a process has been initiated to complete a legal merger of Alm. Brand Forsikring and Codan Forsikring in order to simplify the group's company structure and facilitate data sharing across the organisation. ■

Value capture breakdown until 2025

Synergy P&L effect – DKKm



Administration

- Elimination of duplicate functions
- Optimisation of organisation, sales channels and offices
- Optimisation of processes

IT & infrastructure

- Consolidation of IT platform (TIA)
- Adjustment of front-end systems
- Reduction of licences

Claims services

- Optimisation of procurement and claims processing
- Reduction of insurance fraud
- Subrogation of claims

Guidance for 2024 and targets for the period until 2025

GUIDANCE FOR 2024

For 2024, Alm. Brand Group expects to realise an insurance service result of DKK 1.40-1.60 billion excluding run-offs. The profit guidance includes synergies in a total amount of DKK 450 million. The expected increase relative to the result realised in 2023 is also driven by an expectedly lower level of weather-related claims and improved profitability in Personal Lines and retention of the positive momentum in Commercial Lines.

The expense ratio is expected to be about 17-17.5%, and the combined ratio excluding run-offs is expected to be about 87-89.

The investment result is expected to be about DKK 250 million based on the current estimated holding period returns on the portfolio not allocated to hedging of provisions, with other activities expected to generate a loss of about DKK 125 million.

Alm. Brand Group thus expects to report a consolidated pre-tax profit of DKK 1.53-1.73 billion excluding special costs.

Alm. Brand Group expects to incur special costs of about DKK 200-250 million for the integration of Codan and realisation of synergies and will, in addition, recognise amortisation charges on intangible assets in an amount of approximately DKK 360 million.

FINANCIAL TARGETS FOR THE PERIOD UNTIL 2025

In November 2022, Alm. Brand Group announced new financial targets for 2025, reflecting the financial potential offered by the new and enlarged insurance business. Alm. Brand Group's targets for the period until 2025 are to increase the insurance service result to DKK 2.1 billion including run-offs and to reduce the combined ratio to 84, including a reduction of the expense ratio to 16.

Alm. Brand Group has also introduced a new profitability target defined as the return on equity less intangible assets (Return on Tangible Equity) of more than 50% in 2025.

The financial targets are supported by the realisation of synergies from the acquisition of Codan in a total amount of DKK 600 million in the period towards 2025. ■

Financial targets for the period until 2025

	Realised 2022	Realised 2023	Target 2025
Insurance service result (DKKm)	1,105	1,412	2,100
Combined ratio excl. run-off result (%)	89.5	88.0	≤84
Gross expense ratio (%)	17.6	18.2	≤16
Synergies (DKKm)	111	262	600
Return on consolidated equity less intangible assets (%)	-	32	≥50

How we position ourselves in the market

Alm. Brand Group is a Danish multi-brand group offering multiple brands to cover the customers' needs and expectations. The group brand, Alm. Brand Group, is our overall brand, which we use in relation to investors, partners and our role in society. In addition to communicating our financial results, we use this brand to communicate about our workplace and approach to sustainability.

Under our group brand, we have our major market brands – Alm. Brand and Codan – enjoying broad market coverage within Personal Lines, Industry, Commercial Lines and Agriculture. Our two market brands are supplemented by the two brands Privatsikring and Erhvervsikring, which provide strong

insurance services through banks (local and nationwide) and savings banks. Supported by partners such as Sydbank, WVSF, Diabetesforeningen (the Danish Diabetes Association) and G4S, we have increased our exposure, helping us target our activities and reach a broad section of the market with relevant products and services that match the different segments and demands for value proposition.

But our brands must be more distinct so that we can sharpen our market profile even more. Our branding strategy is therefore the cornerstone of 'Group strategy 2025' when it comes to how we position ourselves, cover the market and reach the different customer segments. ■



Insurance service result

Satisfactory technical result, good year for investments.

FULL-YEAR PERFORMANCE

For the full year 2023, Alm. Brand Group's insurance revenue rose to DKK 11,784 million from DKK 9,564 million in 2022, driven by satisfactory growth as well as by the recognition of twelve months of insurance revenue in Codan, against only eight months last year.

The insurance service result increased to a profit of DKK 1,412 million in 2023, against DKK 1,005 million in 2022. The performance reflects favourable developments in insurance revenue, a generally satisfactory claims experience and a positive contribution from synergies across all group functions, but also that 2023 was a year with a high level of weather-related claims expenses.

A continued focus on profitability generated positive results in Commercial Lines, including in the Energy segment, and significant improvements have thus been reported for several successive quarters. In continuation thereof, a process has been initiated to examine alternative scenarios for how the Energy segment may add the most value to Alm. Brand Group given the growth

potential that lies in the field of insuring construction and operation of projects in the renewable energy market. The favourable developments in Commercial Lines were also supported by claims prevention and targeted price initiatives.

Throughout the year, the results of Personal Lines were generally affected by a normalisation of the claims experience to the pre-COVID 19 level. Moreover, the frequency of motor claims was generally higher. As most of these are expected to reflect a lasting trend, initiatives were launched to improve profitability in 2023. Finally, the results of Personal Lines were to a certain extent affected by unusually wet weather conditions.

In line with expectations, the annual indexation of the premium level supplemented by selected premium increases fully compensated for inflation in claims repair costs in 2023.

The combined ratio was 88.0 in 2023, against 89.5 in 2022, reflecting an improvement driven by a more favourable claims experience due to a lower level of major claims expenses, but also

higher weather-related claims expenses as a result of the windstorm Otto at the beginning of the year and unusually large amounts of precipitation in parts of the second half of 2023. The underlying claims experience generally improved, driven by favourable developments in Commercial Lines, whereas Personal Lines were affected by a higher frequency of minor claims, in particular motor claims.

At the beginning of 2023, inflation in average claims repair costs was high. To fully compensate for this, ordinary indexation of premiums as well as selective premium increases in Commercial Lines in particular were implemented over the course of the year.

Combined ratio

	Alm. Brand Group		Alm. Brand Forsikring		
	2023 ¹	2022 ²	2021 ³	2020	2019 ⁴
Underlying claims ratio	60.7	61.3	62.3	64.2	65.0
Expense ratio	18.2	17.6	17.3	16.9	17.4
Combined ratio, underlying business ex COVID-19	78.9	78.9	79.6	81.1	82.4
COVID-19 effects, estimated	-	-	-1.1	-2.2	-
Combined ratio, underlying business	78.9	78.9	78.5	78.9	82.4
Weather-related claims, net of reinsurance	3.8	2.2	1.6	1.5	2.7
Major claims, net of reinsurance	7.8	10.4	7.7	6.3	5.9
Run-off gains/losses, net of reinsurance	-2.5	-1.6	-2.0	-1.9	-1.3
Change in risk adjustment	-0.0	-0.4	-0.7	0.3	-0.1
Combined ratio	88.0	89.5	85.1	85.1	89.6

1) Calculated taking into account an income of DKK 76 million from the TSA as per the overview of financial highlights and key ratios.

2) Calculated taking into account an income of DKK 76 million from the TSA as per the overview of financial highlights and key ratios.

3) Calculated taking into account an income of DKK 72 million from the TSA as per the overview of financial highlights and key ratios.

4) Calculated exclusive of special costs in a total amount of DKK 44 million.

Insurance revenue

Insurance revenue grew to DKK 11,784 million from DKK 9,564 million in 2022, reflecting the acquisition of Codan and sustained satisfactory organic growth of 4.8% in Alm. Brand, which includes ordinary indexation of premiums as well as selective price adjustments in Commercial Lines in particular. On the one hand, this reflects a sustained satisfactory inflow of new customers and additional sales to existing customers, and on the other hand a certain amount of customer cessation, partly due to price initiatives to achieve a more profitable business.

Claims experience

The claims experience for 2023 totalled 69.8, against 71.9 in 2022, including an improvement of the claims ratio, but also an increase in the net reinsurance ratio.

Underlying business

The underlying claims ratio was 60.7, against 61.3, marking an improvement on last year driven by favourable developments in Commercial Lines during most of 2023, whereas developments in Personal Lines were adversely affected by a higher underlying claims ratio in particular due to a higher frequency of motor claims.

In addition, developments in the underlying business were affected by a number of opposing forces. Effective from the beginning of the year, Alm. Brand

Group implemented a uniform threshold for inclusion of claims expenses in the major claims category. If the same thresholds had been applied in 2022, the underlying claims ratio for the year would have been 0.6 of a percentage point higher at 61.9. Nevertheless, due to a higher interest rate level, technical provisions were lower this year, all other things being equal. Adjusted for these factors, the underlying claims ratio was on a par with 2022. Commercial Lines reported significant improvement driven by profitability-enhancing measures, whereas Personal Lines reported a higher frequency of minor claims, including in particular motor claims, which overshadowed the favourable effects of general efficiency enhancements and realisation of synergies

Weather-related claims

Weather conditions stole more headlines than normally in 2023. In February, Denmark was hit by the windstorm Otto, and the late summer and autumn months saw some very wet periods with heavy rainfall and cloudburst incidents. Moreover, the group made weather-related claims payouts to Danish summer tourists holidaying in Italy and Greece, which pushed weather-related claims to a relatively high level. Claims expenses for weather-related claims net of reinsurance amounted to DKK 446 million and affected the combined ratio by 3.8 percentage points against 2.2 percentage points in 2022.

Major claims

Claims expenses for major claims net of reinsurance amounted to DKK 923 million, reflecting a favourable experience, with positive contributions from sustained strengthened claims prevention efforts for selected customer segments in Commercial Lines and tighter underwriting requirements to ensure that claims expenses are kept at a satisfactory level going forward. The favourable trends were supported by highly satisfactory developments in the Energy segment with relatively few major claims being reported in 2023. Claims expenses for major claims net of reinsurance affected the combined ratio by 7.8 percentage points against 10.4 percentage points in 2022.

Run-off result

The run-off result on claims net of reinsurance amounted to a gain of DKK 300 million in 2023, with positive contributions from personal accident insurance in particular. Overall, run-off gains came to 2.5 percentage points, against 1.6 percentage points in 2022.

Costs

Insurance operating expenses amounted to DKK 2,147 million, and the expense ratio thus came to 18.2, against a reported ratio of 17.6 and a pro forma ratio of 19.3 in 2022. The expense ratio of 17.6 only included eight months for Codan.

The fair decline in operating expenses was in line with expectations and supported by the continued implementation of measures to realise synergies.

Reinsurance

At the beginning of 2023, the reinsurance market was marked by capacity constraints, resulting in tighter terms and conditions and a general increase in premium levels in connection with renewal of reinsurance programmes. Alm. Brand Group's reinsurance costs are thus higher this year at a net cost of DKK 688 million in 2023, against DKK 412 million in 2022. The development reflects a year in which, as opposed to 2022, there were no events that triggered recoveries under the group's reinsurance programme.

Discounting

During most of 2023, the yield curve, which is used for discounting premium and claims provisions, was higher than the year before. The effect of interest rate movements over the year is assessed to have resulted in a 1.1 percentage point improvement of the combined ratio relative to 2022, although the effect in Q4 2023 was only moderately positive at 0.2 of a percentage point after a sharp drop in interest rates in the quarter.

Personal Lines

	Alm. Brand Group		
DKKm	2023 ¹	2022 ²	Change
Insurance revenue	5,268	4,272	996
Claims expenses	-3,516	-2,649	-867
Insurance operating expenses	-1,114	-878	-236
Profit/loss on reinsurance	-122	-75	-47
Insurance service result	516	670	-154
Run-off result, claims	122	127	-5
Gross claims ratio	66.7	62.0	4.7
Net reinsurance ratio	2.4	1.7	0.7
Claims experience	69.1	63.7	5.4
Gross expense ratio	21.1	20.6	0.5
Combined ratio	90.2	84.3	5.9
Underlying claims ratio	66.4	63.3	3.1
Combined ratio, underlying business	87.5	83.9	3.6
Weather-related claims, net of reinsurance	3.9	1.4	2.5
Major claims, net of reinsurance	1.1	2.0	-0.9
Run-off result, claims	-2.3	-3.0	0.7
Change in risk adjustment	0.0	0.0	0.0
Combined ratio	90.2	84.3	5.9

1) Gross claims expenses are stated less DKK 9 million and insurance operating expenses are stated less DKK 22 million from the TSA.

2) Gross claims expenses are stated less DKK 10 million and insurance operating expenses are stated less DKK 19 million from the TSA.

Financial ratios have been restated accordingly.

PERSONAL LINES

For the full year 2023, insurance revenue from Personal Lines rose to DKK 5,268 million from DKK 4,272 million in 2022, driven by satisfactory growth as well as by the fact that the 2022 figure only included eight months of insurance revenue from Codan.

The insurance service result was a profit of DKK 516 million, against DKK 670 million in 2022, causing the combined ratio to increase from 84.3 to 90.2, including a significant effect of higher weather-related claims expenses due to the exceptionally large amounts of precipitation over the year as well as a higher frequency of minor claims, in particular due to an increase in the number of motor claims.

The sum of gross claims expenses and the reinsurance result was an expense of DKK 3,638 million in total, corresponding to a claims ratio net of reinsurance of 69.1 against 63.7 in 2022, primarily reflecting the sum of higher weather-related claims expenses and a higher frequency of motor claims as well as lower run-off gains relative to last year.

Due to unusually rainy weather conditions with historically large amounts of precipitation, claims expenses increased to DKK 208 million net of reinsurance

from DKK 58 million in 2022, causing the effect on the combined ratio to increase to 3.9 percentage points from 1.4 percentage points in 2022.

However, expenses for major claims were at a modest level, amounting to DKK 59 million net of reinsurance, equivalent to an effect on the combined ratio of 1.1 percentage points, against 2.0 percentage points in 2022.

Insurance operating expenses amounted to DKK 1,114 million, and the expense ratio thus came to 21.1, against 20.6 in 2022. The expense ratio covers expenses in the traditional distribution channel as well as in the bancassurance partnership, including Privatsikring, where the expense level is significant higher, among other things as a result of continued investments in growth. These higher costs were only included in the expense ratio for eight months in 2022, but for the full twelve months in 2023, which explains the increase. The initiatives to realise synergies are seen to reduce operating costs across the group according to plan. As a result, the trend in costs reflects a major improvement relative to the pro forma expense ratio of 23.1 for 2022.

The run-off result net of reinsurance was a gain of DKK 122 million, driven mainly by personal accident insurance.

COMMERCIAL LINES

For the full year, insurance revenue in Commercial Lines rose to DKK 6,516 million from DKK 5,292 million in 2022, reflecting, in addition to the recognition of insurance revenue in Codan for the full 12-month period as opposed to only part of the year in 2022, a continued inflow of new customers as well as the implementation of a number of price initiatives to create a satisfactory balance between premium level and the expected risk of insurance events occurring. The Energy segment delivered a strong performance throughout the year, in isolation reporting a combined ratio of 71.7, with highly satisfactory profitability achieved through targeted portfolio composition and repricing efforts.

The insurance service result in Commercial Lines was a profit of DKK 896 million in 2023, against DKK 335 million in 2022. The combined ratio thus improved considerably to 86.2 from 93.7 in 2022, reflecting a low underlying claims ratio and a more favourable major claims experience relative to last year. Throughout the year, the favourable developments were supported by a range of price and profitability initiatives, including premium increases and exposure changes among the largest customers.

The sum of gross claims expenses and the reinsurance result was an expense of DKK 4,587 million in total, corresponding to a claims ratio of 70.4 net

of reinsurance, against 78.5 in 2022, including a lower gross claims ratio but a higher net reinsurance ratio relative to 2022. The favourable developments were supported by a number of claims prevention initiatives aimed at selected customer segments and tighter underwriting requirements. Moreover, the positive effects of a higher interest rate level also contributed to reducing the level of technical provisions.

Net of reinsurance, expenses for weather-related claims amounted to DKK 238 million, against DKK 146 million in 2022. Weather conditions were indeed unusual in 2023, with windstorms and historically large amounts of precipitation, which resulted in quite high claims expenses, affecting the combined ratio by 3.6 percentage points, against 2.8 percentage points in 2022.

Net of reinsurance, expenses for major claims amounted to DKK 864 million, against DKK 908 million in 2022. Relatively few major claims were reported in 2023, and claims expenses for major claims thus affected the combined ratio by 13.2 percentage points, against 17.2 percentage points in 2022. For quite some time, Alm. Brand Group has strengthened claims prevention efforts in respect of selected customer segments and tightened underwriting requirements in order to reduce claims expenses to a more satisfactory level. These efforts continue and are producing the intended results.

Commercial Lines

	Alm. Brand Group		
DKKm	2023 ¹	2022 ²	Change
Insurance revenue	6,516	5,292	1,224
Claims expenses	-4,021	-3,818	-203
Insurance operating expenses	-1,033	-802	-231
Profit/loss on reinsurance	-566	-337	-229
Insurance service result	896	335	561
Run-off result, claims	178	30	148
Gross claims ratio	61.7	72.1	-10.4
Net reinsurance ratio	8.7	6.4	2.3
Claims experience	70.4	78.5	-8.1
Gross expense ratio	15.8	15.2	0.6
Combined ratio	86.2	93.7	-7.5
Underlying claims ratio	56.4	59.6	-3.2
Combined ratio, underlying business	72.2	74.8	-2.6
Weather-related claims, net of reinsurance	3.6	2.8	0.8
Major claims, net of reinsurance	13.2	17.2	-4.0
Run-off gains/losses, net of reinsurance	-2.7	-0.5	-2.2
Change in risk adjustment	-0.1	-0.6	0.5
Combined ratio	86.2	93.7	-7.5

1) Gross claims expenses are stated less DKK 9 million and insurance operating expenses are stated less DKK 22 million from the TSA.

2) Gross claims expenses are stated less DKK 10 million and insurance operating expenses are stated less DKK 19 million from the TSA.

Financial ratios have been restated accordingly.

Insurance operating expenses totalled DKK 1,033 million, equivalent to an expense ratio of 15.8, against 15.2 in 2022. The initiatives to realise synergies are seen to reduce operating costs across the group according to plan. As a result, the trend in costs partly reflects a small improvement relative to the pro forma expense ratio of 16.2 for 2022 and partly points to an expectedly somewhat lower level going forward.

The run-off result on claims net of reinsurance amounted to a gain of DKK 178 million in 2023, against DKK 30 million in 2022. The run-off result comprised a positive result driven mainly by personal accident insurance.

INVESTMENT RESULT

For the full year 2023, the investment result after interest on technical provisions was a gain of DKK 364 million, against a loss of DKK 373 million in 2022.

The investment result was generally satisfactory, reflecting positive financial market developments during most of 2023 in spite of sustained geopolitical tension with several hotspots around the world. Financial market trends reflect expectations of a soft landing for the global economy and growing

expectations of rate cuts driven by signs of falling global inflation.

Total investment assets amounted to DKK 22.0 billion at 31 December 2023, against DKK 21.8 billion at 31 December 2022. Investment assets are distributed on Danish and international bonds, equities, mortgage deeds, illiquid credit and property investments.

The overall goal is to achieve a satisfactory risk-return balance based on a relatively conservative investment strategy.

The return on technical provisions is calculated using the EIOPA (European Insurance and Occupational Pensions Authority) discount curve plus a volatility adjustment (VA) premium. The asset portfolio for hedging interest rate risk on provisions is composed so as to match the fluctuations on provisions occurring in step with market changes in the underlying components of the yield curve. In 2022, the hedging strategy was challenged by the exceptionally large interest rate increases and the resulting deviations between the composition of the most important component of the VA adjustment – mortgage bonds with the largest proportion of bonds in circulation – and the coupon on callable bonds.

Investment return

DKKkm	2023			2022		
	Investment assets	Return		Investment assets	Return	
Bonds etc.	19,353	979	5.1%	19,419	-987	-5.5%
Illiquid credit including mortgage deeds	1,432	93	6.5%	1,488	-29	-1.9%
Shares	831	100	12.0%	522	-74	-14.2%
Properties	355	-18	-5.1%	373	5	1.5%
Total investment return	21,971	1,154	5.3%	21,802	-1,085	-5.0%
Interest, Tier 2 capital		-73			-19	
Administrative expenses related to investment activities		-34			-32	
Return on and value adjustment of technical provisions		-683			763	
Net investment return		364			-373	

Alm. Brand Group generally manages its investments on the basis of a conservative investment strategy with relatively limited exposure to equities. Normally, the group's investment result will track the return on the portfolio not allocated to hedging of provisions and only to a lesser extent developments in the result of interest hedging in the hedging portfolio. ■

Change of outsourcing partner

Manual, administrative, repetitive tasks, such as finalisation of a quote for a customer or termination of a policy, have been outsourced by Codan for many years. Codan entered into an outsourcing agreement with the service provider Genpact in 2017. Our experience from outsourcing these tasks is that the services are performed efficiently and that most of the services are provided more speedily than before Genpact was appointed.

In addition to the regular service provision, we've gained flexibility through our agreement with Genpact in that they've stepped in to assist us in case we've had to process several thousand claims over a short span of time. For example, in case of sudden termination of a partnership or migration from one system to another.

The multi-year contract with Genpact expired at the end of 2023. This allowed us to look at our options as a new and larger group.

Automation of outsourced processes

The latest developments in terms of outsourcing is the increased use of automation of outsourced processes with a view to further improving the customer experience and cost efficiencies and thereby increase competitive strengths. At Alm. Brand Group, we've chosen Cognizant as our new outsourcing partner based on their specialist skills in terms of helping companies automate all or some of the processes outsourced to them.

Today, Genpact is providing its services out of Noida in India and Krakow in Poland. Cognizant is in the process of having existing tasks transferred from Genpact and will be performing all tasks for Alm. Brand Group out of Vilnius in Lithuania by the end of 2024. In Vilnius, Cognizant has a major Danish- and Nordic-speaking centre of excellence, which will come to act as an important partner for Alm. Brand Group's employees. ■



Sustainability

Alm. Brand Group's approach to corporate social responsibility is reflected in the group's corporate values and in the sustainability report.

At Alm. Brand Group, we feel a strong sense of corporate social responsibility and want to make a positive impact on the world around us. As part of our corporate social responsibility efforts, we strive to promote sustainable development and make a favourable impact on society.

We are ambitious, we show confidence and we exercise proper conduct. These common corporate values define the way we do business at Alm. Brand Group. With the acquisition of Codan, the group's insurance exposure has been expanded to include major Danish companies with activities in Denmark and internationally and in a range of exciting industries, including some of Denmark's players in the renewable energy market. In addition, Alm. Brand Group takes a leading position in terms of supporting the development of new projects, the most recent one of which is related to carbon capture in a collaboration with Ørsted.

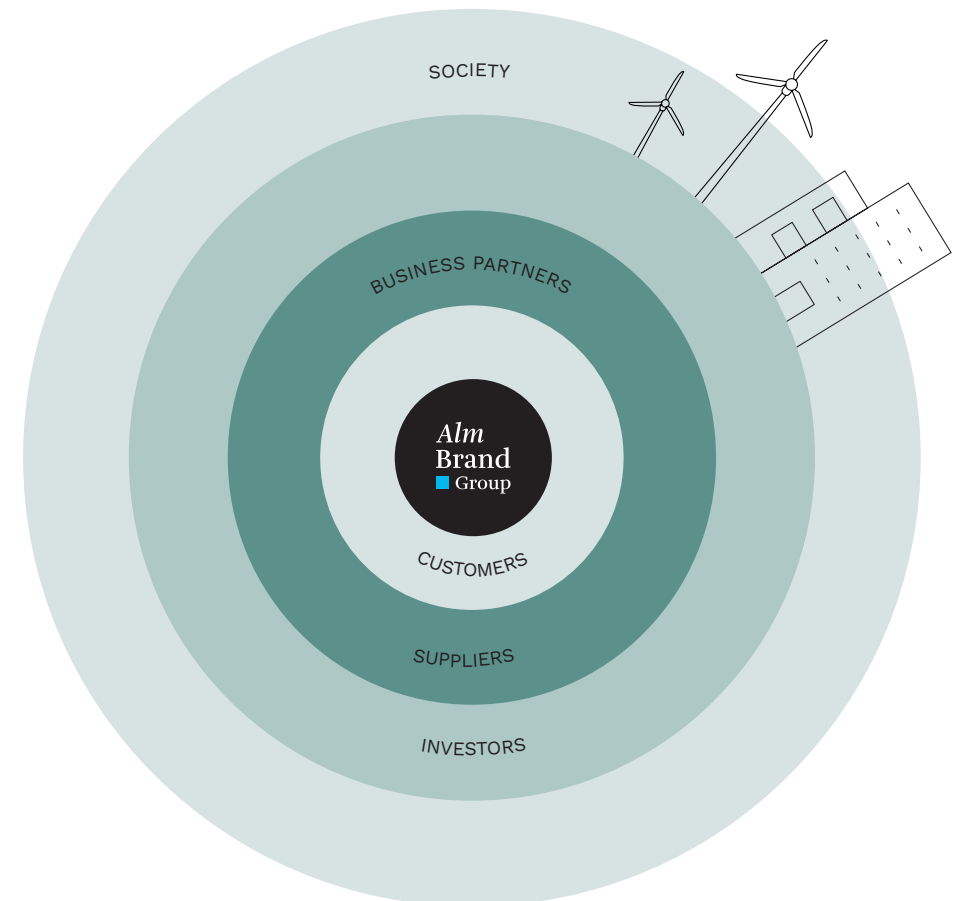
Alm. Brand Group has drawn up a sustainability policy which describes the group's position and approach to corporate social responsibility in five key areas, which are:

- Environment and climate
- Social and employee-related matters
- Anti-corruption and anti-bribery
- Human rights
- Responsible investment

Alm. Brand Group's sustainability report constitutes Alm. Brand A/S's statutory report on corporate social responsibility as per section 132 of the Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds. Find the report [here](#). The sustainability report describes the progress made relative to last year in terms of the above-mentioned and other targets. For the financial year 2024, the sustainability report will form an integral part of the annual report

and be extended to cover a range of specific data to document our progress. Alm. Brand Group is a signatory to the UN Global Compact and therefore once

annually submits a report representing Alm. Brand Group's Communication on Progress (COP). ■



Capitalisation

Robust total capital

Alm. Brand Group's long-term business goals imply that the group assumes a variety of calculated risks on behalf of its customers, which requires that Alm. Brand Group has adequate and satisfactory capital resources. The group's risks are described in detail in notes 39 and 40.

Alm. Brand Group's capitalisation level is considered to be sufficient to resist very severe stresses. The Board of Directors is responsible for identifying and quantifying the principal risks. The statutory capital requirement ensures that the companies are adequately capitalised to absorb very serious adverse events over the next 12 months without compromising outstanding customer accounts.

Alm. Brand has defined an ordinary distribution target corresponding to a payout ratio of at least 80% of the adjusted profit for the year after tax. However, such distribution will be subject to an assessment of any increased capital requirement over the following years, either due to planned activities, special risks or a shortfall in earnings.

TOTAL CAPITAL

The group's total capital for solvency coverage purposes was DKK 5,640 million at 31 December 2023, consisting of equity including restricted tier 1 capital, tier 2 capital and profit margin.

The total capital includes tier 2 capital of DKK 1,294 million and restricted tier 1 capital of DKK 397 million. The total capital furthermore consists of a profit margin of DKK 994 million. The total capital is stated after deduction of a dividend of DKK 0.55 per share and the share buyback programme. The total amount distributed for 2023 was DKK 1,148 million.

STATUTORY CAPITAL REQUIREMENT

Alm. Brand Group uses a combination of method 1 and method 2 to calculate the solvency capital requirement for the group. The solvency capital requirement of Alm. Brand Forsikring is calculated using a partial internal model and consolidated at group level using method 2.

The solvency capital requirements of the group's other companies are calculated using the standard formula of the Sol-

vency II regime and consolidated at group level using method 1. The solvency capital requirement for the group is calculated as the sum of these to calculations.

At 31 December 2023, the solvency capital requirement was DKK 3,097 million calculated using a combination of methods 1 and 2, including using the partial internal model applied in Alm. Brand Forsikring.

The SCR ratio for Alm. Brand Group was 182% less distributions at 31 December 2023.

Insurance activities

Alm. Brand Forsikring A/S calculates its solvency capital requirement on the basis of a partial internal model in combination with the standard formula of the Solvency II regime. A partial internal model is used to calculate the solvency capital requirement attributable to 'premium and reserve risk' and 'natural catastrophe risk'. The partial internal model is designed to reflect the business structure and the reinsurance cover and is based on the company's own data.

The solvency capital requirement of Alm. Brand Forsikring A/S amounted to DKK 1,024 million at 31 December 2023, against DKK 1,031 million at 31 December 2022.

Codan Forsikring and Privatsikring use the standard formula for calculation of their solvency capital requirements.

The solvency capital requirement of Codan Forsikring amounted to DKK 1,876 million at 31 December 2023, against DKK 1,945 million at 31 December 2022. The solvency capital requirement of Privatsikring amounted to DKK 230 million at 31 December 2023, against DKK 269 million at 31 December 2022.

The Solvency II regime provides the option of including the loss-absorbing effect of a deferred tax asset in the calculation of the capital requirement. Alm. Brand Group has decided to make use of this option in the calculation of the solvency capital requirement of the group's companies. ■

Corporate governance

For Alm. Brand Group, a strong corporate governance focus is important, and the Board of Directors strives to obtain maximum transparency and openness and agrees with the principles of the corporate governance recommendations.

COMPOSITION AND ORGANISATION OF THE BOARD OF DIRECTORS

Alm. Brand af 1792 fmba holds 46.7% of the shares in Alm. Brand A/S and has 700,000 members, all of whom are customers of the group under one of the group's four brands: Alm. Brand Forsikring, Codan Forsikring, Privatsikring or Erhvervssikring. As a result of this structure, five of the eight board members elected by the shareholders are nominated by Alm. Brand af 1792 fmba. The other board members elected by the shareholders are independent.

The five board members nominated by the board of Alm. Brand af 1792 fmba have been elected from among the members of the association's committee of representatives in pursuance of its by-laws.

The age, seniority, other directorships, special qualifications and meeting attendance of the board members are set forth in the list of directorships on pages 32-35. Information about the board members' background, qualifications and selection criteria are set out in the complete proposals provided ahead of the 2023 general meeting.

Pia Laub, Jais Valeur and Anette Eberhard are deemed to be independent, as they do not serve on the board of the company's principal shareholder. As less than half of the board members elected by the shareholders are independent, Alm. Brand A/S deviates from the Committee on Corporate Governance's recommendations in that respect. Management believes that the principal shareholder and the other shareholders have identical interests in the company.

New board members

In connection with the nomination of new members for the Board of Directors, the Board of Directors emphasises that a board member must possess a number of personal qualifications and that, collectively, the board members must possess a number of general and operational qualifications. See our Policy on diversity on the Board of Directors of Alm. Brand Group (link indsættes). The board members elected by the employees have the same rights and responsibilities as the board members elected at the annual general meeting.

46.7%

of the share capital is held by Alm. Brand af 1792 fmba.

Alm. Brand af 1792 fmba is an association whose members are Alm. Brand Forsikring's customers. Five of the eight shareholder-elected members of the Board of Directors are nominated by the principal shareholder.

Board committees

Audit committee

Anette Eberhard (Chair)

Jørgen Hesselbjerg Mikkelsen

Jan Skytte Pedersen

Pia Laub

Nomination committee

Jørgen Hesselbjerg Mikkelsen (Chair)

Jan Skytte Pedersen

Jørn Pedersen

Boris Nørgaard Kjeldsen

Tina Schmidt Madsen

Risk committee

Jan Skytte Pedersen (Chair)

Jørgen Hesselbjerg Mikkelsen

Anette Eberhard

Pia Laub

Remuneration committee

Jørgen Hesselbjerg Mikkelsen (Chair)

Jan Skytte Pedersen

Anette Eberhard

Brian Egested

DIVERSITY ON THE BOARD OF DIRECTORS AND IN MANAGEMENT

The Committee on Corporate Governance recommends that companies once a year discuss activities to ensure relevant diversity at all management levels in the group. Alm. Brand's Board of Directors is focused on promoting diversity and has adopted a policy for increasing the proportion of the under-represented gender at Alm. Brand Group's management levels in accordance with applicable legislation. The policy is focused on increasing the proportion of the under-represented gender and encompasses an annual follow-up on the development in the gender distribution in senior management positions.

The Board of Directors of Alm. Brand consists of 12 members including employee-elected members. At 31 December 2023, the Board of Directors was composed of seven men and five women. Less the employee-elected board members, the Board of Directors was composed of five men and three women. As the Board of Directors has defined a target stipulating that the share of the under-represented gender must be at least 40%, the gender equality target was met. For additional information, see the relevant guidelines of the Danish Business Authority. The full report on diversity in management as well as additional information and policies on the gender composition of management are available [here](#).

BOARD COMMITTEES

The Board of Directors has set up four board committees – the audit committee, the risk committee, the nomination committee and the remuneration committee. The Chairman and the Deputy Chairman of the Board of Directors, who are not deemed to be independent, are members of these committees. The majority of the committee members are thus not independent. This is not in compliance with the corporate governance recommendations, but the Board of Directors has made this choice in order to ensure a strong focus on the work of the committees.

A detailed description of the tasks of the committees, the members of the committees, meeting frequency, etc. is available [here](#).

GOVERNING BODIES

In compliance with Danish legislation, Alm. Brand A/S and the group's subsidiaries have a two-tier management system with a board of directors and an executive management. A detailed presentation of the members of the Board of Directors and the Executive Management of Alm. Brand A/S is provided in the section listing directorships and special qualifications below. The responsibilities and duties of the Board of Directors and the Executive Management are defined in the rules of procedure of the Board of Directors as well as in internal governance documents.

BOARD EVALUATION

On an annual basis, the Board of Directors considers which qualifications are collectively required on the Board of Directors in order for it to be able to govern the company, and whether these qualifications are represented on the Board of Directors. The 2023 self-evaluation comprised an evaluation of qualifications as well as an evaluation of how the Board of Directors cooperates, including the cooperation with the Executive Management, the chairman's ability to lead the Board of Directors, committee work and the quality of the material provided to the Board of Directors and the overall planning of board duties.

The chairman of the Board of Directors was responsible for the 2023 self-evaluation of the Board of Directors, and the results were satisfactory. Overall, the Board of Directors concluded that its work is efficient and that the cooperation between the Board of Directors and the Executive Management is satisfactory and trustful. The board's work continues to be characterised by an open culture, with appropriate consideration being given to the views of all board members. The members of the Board of Directors represent broad business knowledge and experience.

Overleaf is a table showing the qualifications deemed by the Board of Directors to be required on the Board of Directors on a collective basis in order to ensure the proper operation of the company. The table also shows the qualifications possessed by the individual board members.

Additional information on the group's management and organisational structures is available [here](#).

REMUNERATION POLICY

Alm. Brand's remuneration policy is available on the company's website [here](#). In 2022, the group complied with the remuneration policy described in the 2022 financial statements, and in 2023 it complied with the remuneration policy adopted for 2023.

Board of Directors

Board members receive a fixed annual remuneration reflecting the scope of the board duties and the responsibility related to serving on the board.

In accordance with the remuneration policy, the board members are not remunerated by way of incentive schemes.

From 2024, the remuneration of the Board of Directors will be explicitly approved at the annual general meeting in accordance with the corporate governance recommendations and section 144 of the Danish Insurance Business Act.

Specific expertise held by board members

	Jørgen Hesselbjerg Mikkelsen	Jan Skytte Pedersen	Anette Eberhard	Boris Nørgaard Kjeldsen	Pia Laub	Tina Schmidt Madsen	Jørn Pedersen	Jais Stampe Li Valeur	Brian Egested	Claus Nexø Jensen	Henriette Franck Pedersen	Lotte Kathrine Sørensen
Personal qualifications												
Interpersonal skills	•	•	•	•	•	•	•	•	•	•	•	•
Propriety	•	•	•	•	•	•	•	•	•	•	•	•
Commitment	•	•	•	•	•	•	•	•	•	•	•	•
Autonomy and independence	•	•	•	•	•	•	•	•	•	•	•	•
General board qualifications												
Business understanding	•	•	•	•	•	•	•	•	•	•	•	•
Problem-solving skills	•	•	•	•	•	•	•	•	•	•	•	•
Networking skills	•	•	•	•	•	•	•	•	•	•	•	•
Dialogue with owners	•	•	•	•	•	•	•	•	•	•	•	•
Strategic management	•	•	•	•	•	•	•	•	•	•	•	•
Organisation and HR	•	•	•	•	•	•	•	•	•	•	•	•
Operational qualifications												
Insurance operations	•	•	•	•	•	•	•	•	•	•	•	•
Stock market law	•	•	•	•	•	•	•	•	•	•	•	•
Financial reporting	•	•	•	•	•	•	•	•	•	•	•	•
Risk management	•	•	•	•	•	•	•	•	•	•	•	•
Investment/Financing	•	•	•	•	•	•	•	•	•	•	•	•
Compliance and legal matters	•	•	•	•	•	•	•	•	•	•	•	•
IT and digitalisation	•	•	•	•	•	•	•	•	•	•	•	•
Sustainability and ESG	•	•	•	•	•	•	•	•	•	•	•	•

¹The concepts autonomy and independence should be interpreted literally, it being noted that the company is aware that the board members who are also members of the board of the company's majority shareholder, Alm. Brand af 1792 fmba, will not be deemed to be independent according to the definition of independence adopted by the Committee on Corporate Governance.

Executive Management

The members of the Executive Management are remunerated by way of a salary which is intended to be competitive with similar positions in the financial sector.

The Executive Management receives part of the fixed salary in the form of shares in Alm. Brand A/S. In addition to this salary, the company provides a pension contribution, and the remuneration also includes a company car, paid telephone subscription and other customary salary substitutes. Other directorships held by member of the Executive Management in companies of Alm. Brand Group do not trigger any remuneration. The remuneration report is available [here](#).

The remuneration paid to the Executive Management, including the value of share-based remuneration, pension, etc., is stated in the published remuneration report.

The remuneration of the Executive Management is adjusted every two years. The Executive Management is composed of Rasmus Werner Nielsen (CEO) and Anne Mette Toftegaard (Deputy CEO).

FINANCIAL REPORTING PROCESS

The primary responsibility for Alm. Brand A/S's risk management and control organisation in relation to the financial reporting process rests with the Board of Directors and the Executive Management, including compliance with applicable legislation and other financial reporting regulations.

Control environment

The Board of Directors has defined a working plan ensuring that the Board of Directors reviews, at least once a year, the group's:

- Organisation
- Plans and budgets
- Risk of fraud
- In-house rules and guidelines

The Board of Directors and the Executive Management are responsible for establishing and approving general policies, procedures and controls in key areas in relation to the financial reporting process. The audit committee supports the Board of Directors in this work. On an ongoing basis, the Executive Management monitors compliance with relevant legislation and other financial reporting regulations and provisions, and reports its findings to the Board of Directors.

The group's internal audit department reports directly to the Board of Directors in compliance with the audit plan presented by the internal audit department and adopted by the Board of Directors. The internal audit department performs sample audits of business procedures and internal controls in critical audit areas, including the financial statements and the financial reporting.

Risk assessment

The working plan of the Board of Directors ensures that the Board of Directors and the Executive Management at least once a year perform an overall assessment of

risks in relation to the financial reporting process. In this connection, the Board of Directors assesses the group's organisation with respect to:

- Risk measurement and risk management
- Financial reporting and budget organisation
- Internal control
- Rules on powers of procurement
- Segregation of functions or compensatory measures
- IT organisation and IT security

As part of the risk assessment, the Board of Directors considers the risk of fraud on an annual basis. This work includes:

- A discussion of management's potential incentive/motive for committing fraudulent financial reporting or other types of fraud
- A discussion of management reporting with a view to preventing/identifying and responding to fraudulent financial reporting

The risk committee and the audit committee support the Board of Directors in these assessments.

RISK MANAGEMENT AND FINANCIAL REPORTING PROCESS

Day-to-day risk management is handled at segment level on the basis of risk limits defined by the Executive Management and approved by the Board of Directors. Risk management is coordinated by a cross-organisational risk committee con-

sisting of the Executive Management and the companies' risk managers as well as the persons in charge of the actuarial department, the IT department, the finance department and the persons holding business responsibility.

The finance department is responsible for preparing full-year and interim financial statements. The key financial reporting contributors are the actuarial department, which is responsible for calculating technical provisions, and the investment & capital management department, which is responsible for calculating the group's financial assets and liabilities.

The report is prepared by the investor relations department on the basis of information from a number of departments, including the finance department and the relevant business area.

For a more detailed review of the risks facing the group, see note 39, Risk management, and note 40, Significant accounting estimates, assumptions and uncertainties.

WHISTLEBLOWER SCHEME

The group has had a whistleblower scheme since 2014. Employees can use the whistleblower scheme to anonymously report violations or suspected violations of financial legislation committed by employees or board members of Alm. Brand Group's companies. Responsibility for the whistleblower scheme rests with the compliance department, which received no reports under the scheme in 2023.

Board and committee meetings

	Board meetings	Audit committee	Risk committee	Remuneration committee	Nomination committee
Jørgen Hesselbjerg Mikkelsen	●●●●●●●●●●	●●●●●	●●●●●	●●	●
Jan Skytte Pedersen	●●●●●●●●●●	●●●●●	●●●●●	●●	●
Anette Eberhard	●●●○●●●●●●	●●○●●	●●○●●	●●	
Boris Nørgaard Kjeldsen	●●●●●●●●○●				●
Pia Laub	●●●●●●●●●●	●●●●●	●●●●●		
Tina Schmidt Madsen	●●●●●●●●●●				●
Jørn Pedersen* (elected to the Board of Directors in April 2023)	●●●●●○●●				○
Jais Stampe Li Valeur (elected to the Board of Directors in April 2023)	●●○●●○●●				
Brian Egested	●●●●●○●●●●			●●	
Claus Nexø Jensen	●●●○●○●●●●				
Henriette Franck Pedersen	●●●●●●○●●●				
Lotte Kathrine Sørensen	●●●●●●●●●●				

Additional information on the group's management and organisational structures is available [here](#).

*) Jørn Pedersen resigned from the Board of Directors effective from 1 February 2024.

ACTIVE OWNERSHIP

Alm. Group has a policy on responsible investment and a policy on active ownership, which combine to help the group maintain a high degree of responsibility in the investments made. Most of our liquid investments are made through investment associations that promote sustainability. We also have a major shareholding dedicated to achieving specific sustainability targets. Through our external asset managers, we conduct active ownership with a view to influencing strategy and actions in the companies in which Alm. Brand Group invests. Alm. Brand's long-term equity investments are limited to investments in companies which are deemed to comply with [Alm. Brand Group's responsible investment policy](#).

DATA ETHICS POLICY

Protecting our customers' personal data is a key priority for Alm. Brand Group, and we support the principles of data ethics of the Danish Insurance Association ([Forsikring & Pensions principper for dataetik](#)).

Against this background, Alm. Brand Group has decided to implement the following data ethics principles:

- We want our customers to be informed about the use of personal data, and we will ensure regular updating of our privacy policy, which contains updated information about how we process our customers' personal data.

- We want to make relevant solutions available to our customers, and it is our ambition to use relevant digital options on a responsible basis in the best interest of our customers.
- We will only request consent to obtain and disclose such information as is needed for the specific solutions and products we or our business partners offer our customers.
- Protection of personal data is a key priority for Alm. Brand Group, and we encourage customers to contact us, if they have any questions related to the processing of their personal data. We have therefore appointed a Data Protection Officer and a GDPR and customer ambassador, who will be

available to answer queries from customers and contribute to equipping the group's employees to observe our data ethics principles in order to give our customers a sense of security.

RECOMMENDATIONS OF THE COMMITTEE ON CORPORATE GOVERNANCE

Alm. Brand is subject to the recommendations prepared by the Committee on Corporate Governance, which are available at [corporategovernance.dk](#).

On an annual basis, the Board of Directors of Alm. Brand A/S considers all recommendations applying the "comply or explain" principle. The full account is available [here](#).

The group deviates from the corporate governance recommendations in the following respect:

- At least half of the board members elected by the shareholders are not independent. See 'Composition and organisation of the Board of Directors'

Except in the above-mentioned respect, the Board of Directors believes that Alm. Brand A/S predominantly complies with the corporate governance criteria and that this exception does not constitute a disadvantage or is contrary to the interests of the shareholders or other stakeholders.



Windstorm Pia caused rush of work just before Christmas

The windstorm Pia made for an all but quiet lead-up to Christmas for many Alm. Brand Group's employees. Although the damage caused by the storm was not as severe as we had feared, the Danish Natural Hazards Council subsequently declared storm surge in four areas in Denmark.

Only two months earlier, another windstorm swept across Denmark, and two such serious weather incidents hitting in such a short time span is in itself exceptional.

We were able to handle this as a one-off event, but because the storm topped off an already extreme year with unusually large amounts of precipitation, hail damage sustained by customers holidaying abroad and a storm surge in October, our claims services employees had to work overtime in every respect.

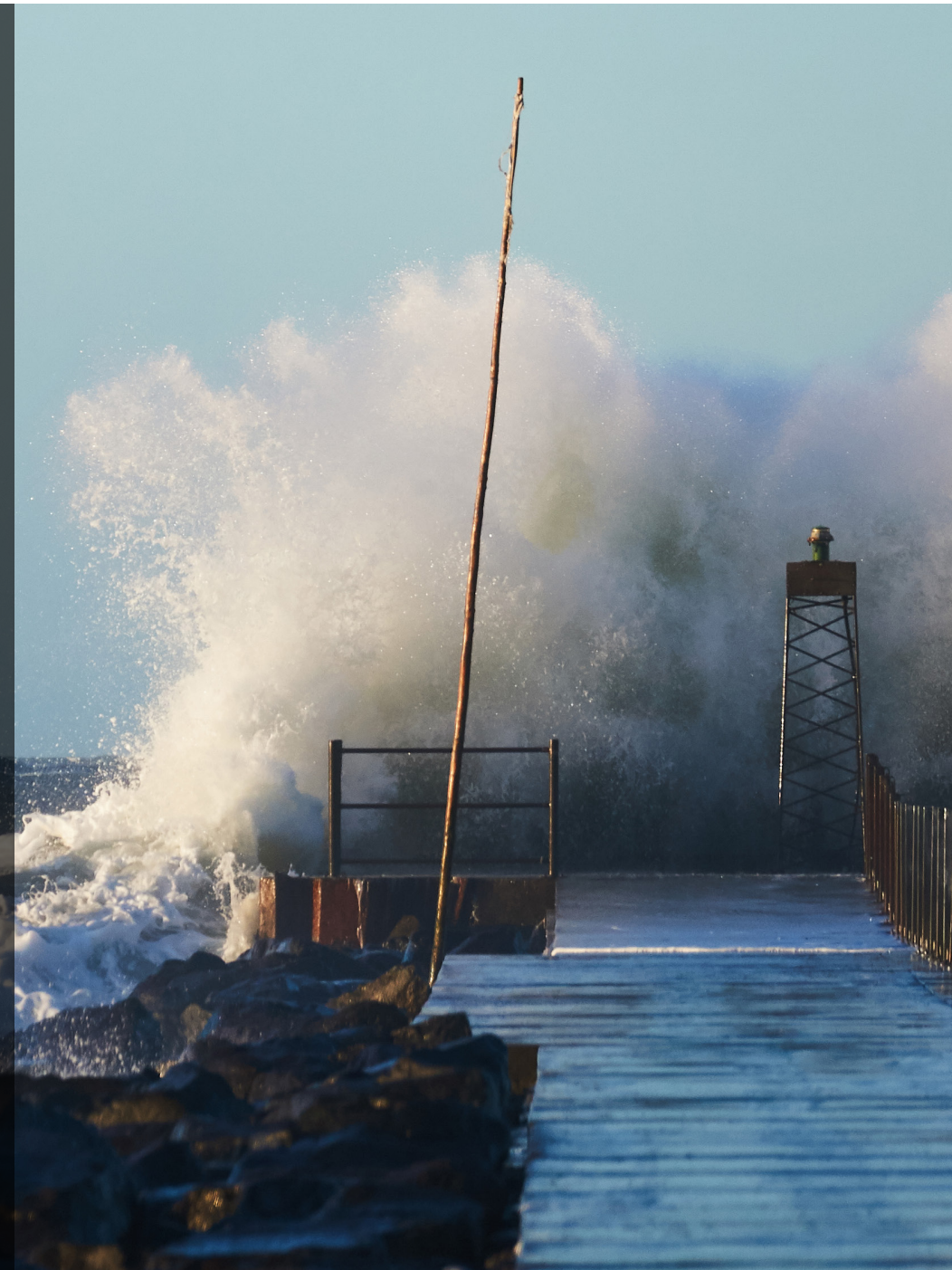
Colleagues volunteered

Already before the storm made landfall on the west coast of Jutland on Thursday, 21 December, several claims services employees had volunteered to lend a helping hand in handling customer queries. In the days leading up to the storm, our claims services team had

reached out to their colleagues in Private Lines and Commercial Lines to ask for help, and the number of colleagues volunteering was staggering.

We requested support more broadly in the organisation than we would normally have done, because the storm made landfall right up to the Christmas holidays. Moreover, like so many other companies, we had quite a lot of absence due to illness during that period. Thanks to strong support from across the organisation, we were able to assist many of our customers before Christmas. Indeed, we wouldn't hesitate to call our employees people of dedication.

When we consider that for two months straight we were working overtime to handle the claims reported after the windstorm and storm surge in October, we're almost at a loss for words to describe the commitment shown by our employees in assisting our customers in such a difficult situation. Their efforts call for the deepest respect, and we see this supportive spirit as a positive sign of the corporate culture we're well in the process of building at Alm. Brand Group. ■



Shareholder information

SHARE PRICE

The Alm. Brand share is listed on Nasdaq Copenhagen and is a component of the Nasdaq OMX Copenhagen Large Cap index. At 31 December 2023, the share price was DKK 11.93 per share, against DKK 11.25 at 31 December 2022. After the annual

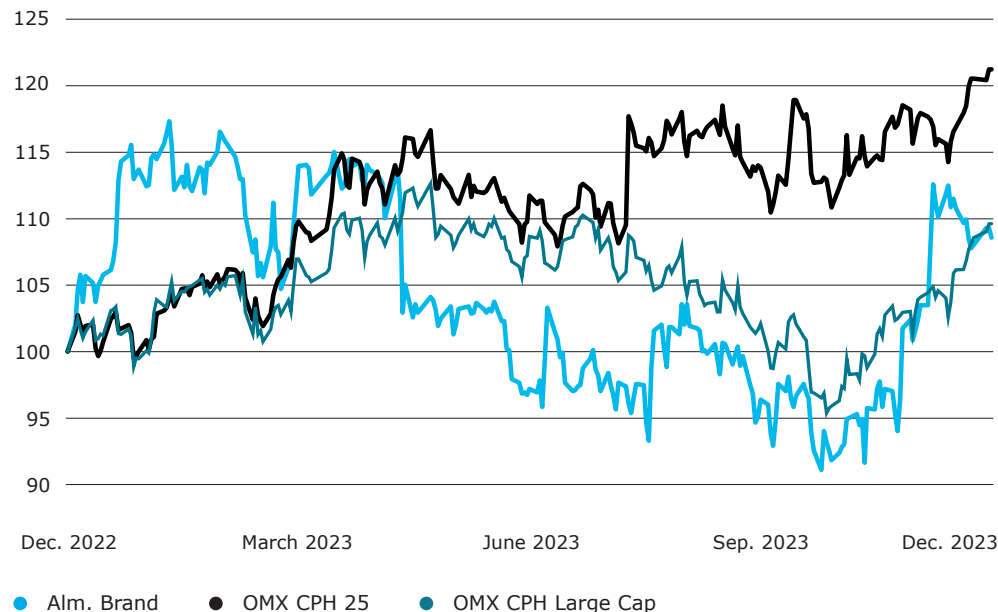
general meeting held in April, Alm. Brand paid an ordinary dividend of DKK 0.30 per share for the 2022 financial year. Accordingly, an investment in the Alm. Brand share in 2023 produced a return of 8.6% including the dividend paid.

By way of comparison, the Nasdaq OMX Copenhagen Large Cap and Nasdaq OMX Copenhagen 25 indices produced returns of 21.2% and 9.6%, respectively.

At 31 December 2023, Alm. Brand's market capitalisation totalled DKK 18.4 billion, and the average daily trading volume of Alm. Brand shares was 1.6 in 2023.

Share price performance

Alm. Brand compared with Nasdaq OMX CPH C25 and Nasdaq OMX Copenhagen Large Cap



Share capital and ownership

The company's nominal share capital amounted to DKK 1,541,140,000 at 31 December 2023, divided into shares of DKK 1 each. Each share represents one vote.

On 5 December 2023, Alm. Brand launched a new share purchase programme, under which Alm. Brand A/S will acquire own shares for a total amount of up to DKK 250 million, DKK 200 million of which is allocated to a share buyback programme and DKK 50 million to employee share programmes. At 31 December 2023, Alm. Brand held 2,037,679 treasury shares, equivalent to 0.1% of the share capital.

Authorisation to effect capital increases and acquire own shares

The Board of Directors is authorised, subject to certain specified limits, to increase the share capital in one or more issues

Share information

No. of shares (of DKK 1 each)	1,541,140,000
Share classes	1
Restrictions on transferability and voting rights	None
Index	Nasdaq OMX Copenhagen Large Cap
Ticker	ALMB
ISIN	DK0015250344

by up to a total nominal amount of DKK 236,490,000. The authorisation is valid until 29 April 2025.

The Board of Directors is furthermore authorised to let the company acquire own shares, provided the nominal value of treasury shares held by the company does not exceed 10% of the share capital.

Ownership

With an ownership interest of 46.7% at 31 December 2023, Alm. Brand af 1792 fmba is the largest shareholder of Alm. Brand, and Alm. Brand is not aware of any other shareholders holding an ownership interest of more than 5%.

Geographical breakdown

Free float



- 61% Denmark
- 12% Nordics excluding Denmark
- 21% Europe excluding Nordics
- 6% North America
- < 1% Other

In aggregate, Alm. Brand had 32,155 registered shareholders at 31 December 2023, which is an increase of almost 5% on last year. The free float represents 53.3% of the total number of shares.

Danish investors make up the largest group of shareholders, holding in aggregate 61% of the free float of registered shares.

Dividend policy

Alm. Brand Group has a dividend policy, according to which the aim is to distribute

at least 80% of the profit for the year to the group's shareholders. For this purpose, the profit for the year is calculated as the profit on continuing activities excluding special costs related to the integration of Codan, realisation of synergies and amortisation charges on intangible assets.

Moreover, Alm. Brand Group has defined a target that it should at all times have an SCR ratio of at least 170% relative to the solvency capital requirement. Also, dividend distributions for the individual years will be determined with due consideration to planned activities, including investments and special risks.

The Board of Directors proposes that an ordinary dividend of DKK 0.55 per share be paid for the 2023 financial year and that the current share buyback programme be increased by DKK 100 million to DKK 300 million. The sum of the proposed dividend and the proposed share buyback programme makes for a total distribution of DKK 1,148 million for the 2023 financial year, corresponding to payout of 98% of the consolidated adjusted profit after tax.

Investor relations policy

In order to ensure that equity market players, including existing and potential investors, are able to make informed investment decisions, Alm. Brand Group organises investor meetings hosted by group management in connection with the release of interim financial statements. Group management and the investor relations department also meet with existing

and potential investors as well as equity analysts on a regular basis, in 2023 participating in investor seminars in Denmark and internationally. Alm. Brand's investor relations website (available [here](#)) contains all official company announcements, financial statements, investor presentations, the financial calendar, corporate governance documents and other materials.

Analyst coverage

The Alm. Brand share is currently covered by four analysts.

Analyst coverage

The Alm. Brand share is currently covered by four analysts.

Danske Bank	Asbjørn Nicholas Mørk
Jyske Bank	Anders Haulund Vollesen
Nordea	Jakob Brink
SEB	Martin Gregers Birk

Financial calendar 2024

The financial calendar for the 2024 financial year is as follows:

18 April 2024	Annual general meeting
2 May 2024	Interim report for Q1 2024
15 August 2024	Interim report for Q2 2024
7 November 2024	Interim report for Q3 2024

Contact

Day-to-day contact with investors and analysts is handled by:

Mads Thinggaard,
First Vice President, Investor Relations

Tel. +45 20 25 54 69

E-mail: mati@abgroup.dk

Annual general meeting

The annual general meeting of Alm. Brand A/S will be held on 18 April 2024, at 11:00 a.m. at Tivoli Hotel & Congress Center, Copenhagen, Denmark. ■

Board of Directors

Jørgen Hesselbjerg Mikkelsen (Chairman)

Farm owner, born in 1954 and appointed in 1994.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into legal matters
Insight into economic matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS

Chairman

Alm. Brand af 1792 fmba
Alm. Brand A/S

WITHIN

ALM. BRAND GROUP

Alm. Brand Fond
Codan Fonden
Remuneration committee of Alm. Brand A/S
Nomination committee of Alm. Brand A/S

Member

Codan Forsikring A/S
Risk committee of Alm. Brand A/S
Audit committee of Alm. Brand A/S

DIRECTORSHIPS

OUTSIDE ALM. BRAND GROUP

Chairman

Danish Agro A.m.b.a
Danish Agro Finance A/S
OndriveLeasing A/S

Deputy Chairman

Danish Agro Machinery Holding A/S
Dava Foods Holding A/S

Member

DanHatch Holding A/S
Hesselbjerg Agro A/S
Vilomix International Holding A/S
DV International Holding A/S
Sjællandske Medier A/S and subsidiaries

MANAGER

JHM Holding 2010 ApS

Jan Skytte Pedersen (Deputy Chairman)

Manager, born in 1956 and appointed in 2010.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into legal matters
Insight into economic matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS

Chairman

Risk committee of Alm. Brand A/S

WITHIN

ALM. BRAND GROUP

Deputy Chairman

Alm. Brand af 1792 fmba
Alm. Brand A/S
Alm. Brand Fond

Member

Alm. Brand Forsikring A/S
Audit committee of Alm. Brand A/S
Nomination committee of Alm. Brand A/S
Remuneration committee of Alm. Brand A/S

DIRECTORSHIPS

OUTSIDE ALM. BRAND GROUP

Chairman

Herm. Rasmussen A/S

Member

Herm. Rasmussen A/S Holding
Herm. Rasmussen A/S Erhvervsjendomme
Herm. Rasmussen A/S Malerforretning
Ringvejens Autolakereri A/S
Malerfirma Fr. Nielsen og Søn A/S
Søfronten Herning P/S
Ejendomsselskabet Lysbroengen P/S
Rederiet Viking P/S
Silkeborg Fodbold College
Fabrikant Michael Sørensens Fond

MANAGER

MFP Holding, Silkeborg ApS
Herm. Rasmussen A/S Holding

Anette Eberhard

Manager, born in 1961 and appointed in 2015.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into economic matters
General insight into IT and digitalisation
Experience in risk management and solvency compliance and investments
Experience in sustainability and ESG

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS

Chairman

Audit committee of Alm. Brand A/S

WITHIN

ALM. BRAND GROUP

Member

Alm. Brand A/S
Risk committee of Alm. Brand A/S
Remuneration committee of Alm. Brand A/S

DIRECTORSHIPS

OUTSIDE ALM. BRAND GROUP

Deputy Chairman

The Investment Fund for Developing Countries (IFU)

MANAGER

IIP Denmark P/S
IIP Denmark GP ApS
PKA Private Funds III GP ApS
PKA Venture I GP ApS
PKA Private Funds IV GP ApS
IIP Venture II GP ApS
IIP Private Funds V GP ApS
SEEKEE ApS

Boris Nørgaard Kjeldsen

Managing Director,
born in 1959 and appointed in 2003.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into legal matters
Insight into economic matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS	Member Alm. Brand af 1792 fmba Alm. Brand A/S
WITHIN ALM. BRAND GROUP	Alm. Brand Fond Codan Forsikring A/S Codan Fonden Nomination committee of Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	Chairman Kemp & Lauritzen A/S Glentco-Legatfonden AG Gruppen A/S and wholly-owned subsidiaries Nørgaard Skødt Ejendomme ApS
	Member Benny Johansen & Sønner A/S EjendomDanmark TG Partners VI P/S Holding TG Partners VI P/S

Pia Laub

Professional board member, born in 1969 and appointed in 2020.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into legal matters
Insight into economic matters
General insight into IT and digitalisation
Experience in risk management and solvency compliance and investments
Experience in sustainability and ESG

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS	Member Alm. Brand A/S Audit committee of Alm. Brand A/S Risk committee of Alm. Brand A/S
WITHIN ALM. BRAND GROUP	
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	Chairman NCG Ejendomsselskab P/S
	Deputy Chairman Ny Carlsberg Glyptotek
	Member The Danish National Center for Grief

Tina Schmidt Madsen

Manager, born in 1968 and appointed in 2021.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into economic matters
Experience in risk management and solvency compliance and investments

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS	Member Alm. Brand af 1792 fmba Alm. Brand A/S
WITHIN ALM. BRAND GROUP	Alm. Brand Forsikring Alm. Brand Fond Nomination committee of Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	Member of board of representatives Sydbank A/S
MANAGER	Schmidt Invest ApS TSM Holding ApS Schmidt Ejendomme ApS

Jørn Pedersen

Head of Development, born in 1968 and appointed in 2023.

Jørn Pedersen resigned from the Board of Directors on 1 February 2024.



SPECIAL QUALIFICATIONS

General management experience
Insight into financial matters
Insight into economic matters
Insight into investment matters
Experience in sustainability and ESG

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS	Member Alm. Brand af 1792 fmba Alm. Brand A/S
WITHIN ALM. BRAND GROUP	Alm. Brand Forsikring A/S Alm. Brand Fond Nomination committee of Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	Chairman CCTV Nordic A/S
	Member BlueKolding Vand A/S BlueKolding Spildevand A/S BlueKolding Holding A/S BlueKolding A/S BlueKolding Energiproduktion A/S
MANAGER	SlotssøBadets Fond

Jais Stampe Li Valeur

Group CEO, born in 1962 and appointed in 2023.



SPECIAL QUALIFICATIONS

General management experience
Insight into legal matters
Insight into economic matters
Insight into financial matters
General insight into IT and digitalisation
Experience in risk management and solvency compliance and investments
Experience in sustainability and ESG

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	Member Alm. Brand A/S Codan Forsikring A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	Chairman ESS-Food Dat-Schaub
	Deputy Chairman Royal Unibrew A/S
MANAGER	Leverandørselskabet Danish Crown Amba Danish Crown A/S (Group CEO) Valeur Invest ApS

Brian Egested (employee representative)

Head of department, born in 1969 and appointed in 2014.



SPECIAL QUALIFICATIONS

Experience from Alm. Brand Group's customer segments
General management experience
Insight into financial matters
Insight into legal matters
Insight into economic matters
General insight into IT and digitalisation
Investments

DIRECTORSHIPS

DIRECTORSHIPS AND COMMITTEE SEATS	Chairman Alm. Brand Chefforeningen (association of managers)
WITHIN ALM. BRAND GROUP	Member Alm. Brand A/S Alm. Brand Fond Remuneration committee of Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	
MANAGER	Egested Holding ApS (Managing Director) MonKeyBo Group ApS

Claus Nexø Jensen
(employee representative)

Tied agent (agricultural insurance), born in 1966 and appointed in 2018.



SPECIAL QUALIFICATIONS

General management experience
Experience from Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into legal matters
Insight into economic matters
General insight into IT and digitalisation
Investments

DIRECTORSHIPS

<p>DIRECTORSHIPS WITHIN ALM. BRAND GROUP</p>	<p>Chairman Assurandørforeningen (association of tied agents) at Alm. Brand</p> <hr/> <p>Member Alm. Brand A/S Alm. Brand Fond</p>
<p>DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP</p>	<p>Chairman Finansforbundet (Financial Services Union in Denmark) - Tied Agents</p> <hr/> <p>Member Executive committee of the Financial Services Union Denmark</p>

Henriette Franck Pedersen
(employee representative)

Claims processor (building claims), born in 1978 and appointed in 2022.



SPECIAL QUALIFICATIONS

Experience from Alm. Brand Group's customer segments

DIRECTORSHIPS

<p>DIRECTORSHIPS WITHIN ALM. BRAND GROUP</p>	<p>Member Alm. Brand A/S Codan Fonden Staff association of Alm. Brand Forsikring A/S</p>
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Lotte Kathrine Sørensen
(employee representative)

Staff association chair, born in 1974 and appointed in 2020.



SPECIAL QUALIFICATIONS

Experience from Alm. Brand Group's customer segments

DIRECTORSHIPS

<p>DIRECTORSHIPS WITHIN ALM. BRAND GROUP</p>	<p>Chairman Staff association of Alm. Brand Forsikring A/S</p> <hr/> <p>Member Alm. Brand A/S Alm. Brand Fond</p>
<p>DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP</p>	<p>Member Executive committee of the Danish Insurance Association Danish Amputee Association</p>

Executive Management

Rasmus Werner Nielsen

Chief Executive Officer, born in 1969 and employed with Alm. Brand since 2017.

Chief Executive Officer since October 2019.



DIRECTORSHIPS

CHIEF EXECUTIVE OFFICER Alm. Brand A/S

DIRECTORSHIPS WITHIN ALM. BRAND GROUP **Chairman**
Alm. Brand Forsikring A/S
Codan Forsikring A/S
Pensionskassen under Alm. Brand A/S
(appointed by the Executive Management)

DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP **Deputy Chairman**
Forsikring & Pension (the Danish Insurance Association)

Anne Mette Toftegaard

Deputy CEO, born in 1966 and employed with Alm. Brand since 2022. Deputy CEO since September 2022.



DIRECTORSHIPS

DEPUTY CEO Alm. Brand A/S

DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP **Member**
EKF Danmarks Eksportkredit
Eksport Kredit Finansiering A/S
Danmarks Eksport- og Investeringsfond

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Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the annual report of Alm. Brand A/S for the period 1 January to 31 December 2023.

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements for listed financial enterprises. The parent company financial statements have been prepared in accordance with the Danish Financial Business Act. The management's review has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements and the 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 2023 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year ended 31 December 2023.

In our opinion, the management's review contains a fair review of developments in the group's and the parent company's activities and financial position and describes the principal risks and uncertainties that may affect the group and the parent company.

Furthermore, in our opinion, the annual report of Alm. Brand A/S for 2023 with the file name [Alm.Brand-2023-12-31-da.zip](#) has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend the annual report for adoption at the annual general meeting. ■

Executive Management

Copenhagen, 29 February 2024

Rasmus Werner Nielsen
CEO

Anne Mette Toftegaard
Deputy CEO

Board of Directors

Copenhagen, 29 February 2024

Jørgen Hesselbjerg Mikkelsen
Chairman

Anette Eberhard

Pia Laub

Jais Stampe Li Valeur

Claus Nexø Jensen

Lotte Kathrine Sørensen

Jan Skytte Pedersen
Deputy Chairman

Boris Nørgaard Kjeldsen

Tina Schmidt Madsen

Brian Egested

Henriette Franck Pedersen

INDEPENDENT AUDITORS' REPORT

To the shareholders of Alm. Brand A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Alm. Brand A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement for the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial institutions, and the parent company financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial institutions.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2023 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Business Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Alm. Brand on 20 April 2021 for the financial year 2021. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and parent company financial statements (hereinafter collectively referred to as "the financial statements") for the financial year 2023. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks

of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

Key audit matters

Measurement of provisions for insurance contracts

The Group's provisions for insurance contracts total DKK 17,064 million at 31 December 2023 (2022: DKK 16,633 million). Provisions for insurance contracts comprise liability for incurred claims and liability for remaining coverage.

The measurement of provisions for insurance contracts is subject to significant management estimates, including selection of method and assumptions under IFRS 17, expected claims for losses incurred regarding current and previous years, known as well as unknown claims (IBNR and IBNER provisions).

Reference is made to the specification of provisions for insurance contracts in note 20 and 38 to the consolidated financial statements, notes 39 and 40 for Management's description of risks, uncertainties and estimates made in respect of the measurement of provisions for losses incurred as well as note 41 for a description of the accounting policies.

Measurement of goodwill, customer relations and brand

Goodwill, customer relations and brand amount to DKK 10,169 million at 31 December 2023 (2022: DKK 10,626 million). The assets relate to the acquisition of Codan Forsikring og Privatsikring in 2022.

Measurement of goodwill, customer relations and brand (impairment test) is a key audit matter as Management performs significant estimates and assessments in connection with:

- Budget assumptions (future cash flows)
- WACC (required rate of return)
- Presentation in the consolidated financial statements in accordance with the accounting principles.

Management has provided details on the measurement of goodwill, customer relations and brand, including assumptions and sensitiveness, in note 11, to which we refer.

How our audit addressed the key audit matter

Our audit procedures performed in cooperation with our actuarial specialists included i.a.:

- An assessment of the methods applied, models and significant assumptions in respect of compliance with the accounting rules, including IFRS 17.
- Assessment of design and test of operational efficiency of key controls in the processes for claims handling and provisions for insurance claims and actuarial methods applied for the statement of IBNR and IBNER provisions.
- Comparison of data, methods and assumptions used with generally accepted actuarial standards, historical developments and trends.
- Assessment and analyses of the development in run-off profits/losses and changes to the models applied and assumptions used compared with last year and the development in industry standards.
- Sample control of accuracy and completeness of underlying data as well as recalculation on a test basis of selected elements, which are included in provisions for insurance contracts for selected industries.

Furthermore, we assessed whether note disclosures relating the provisions' risks and uncertainties meet the relevant accounting rules.

Our audit procedures performed in cooperation with our valuation experts included:

- Assessment of design and implementation of key controls, which form the basis for the impairment test.
- Assessment of methods applied and assumptions used based on our industry knowledge and experience.
- Assessment of budget procedures and projections as well as examination of differences between budgets previously presented and figures realised.
- Assessment and challenge of the assumptions selected by Management in relation to the determination of CGU, cash flows, projection factors and WACC.

Furthermore, we assessed whether note disclosures, assumptions and sensitiveness regarding the impairment test meet the relevant accounting rules.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements of relevant legislation.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the relevant legislation. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial institutions and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Business Act.

Moreover, Management is responsible 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 in preparing the financial statements 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 in preparing the financial statements 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.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

financial statements and the parent company financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the financial statements of Alm. Brand A/S, we performed procedures to express an opinion as to whether the annual report for the financial year 1 January – 31 December 2023, with the file name [Alm.Brand-2023-12-31-da.zip](#), has been prepared in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of an annual report in XHTML format and iXBRL tagging of the consolidated financial statements, including notes.

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

- The preparation of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF Taxonomy and the anchoring thereof to elements in the Taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

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

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the Company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the Company's use of iXBRL elements selected from the ESEF Taxonomy and the creation of extension elements where no suitable elements in the ESEF Taxonomy have been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF Taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Alm. Brand A/S for the financial year 1 January – 31 December 2023, with the file name [Alm.Brand-2023-12-31-da.zip](#) is prepared, in all material respects, in compliance with the ESEF Regulation.

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Copenhagen, 29 February 2024

Lars Rhod Søndergaard

State Authorised
Public Accountant
mne28632

Thomas Hjortkær Petersen

State Authorised
Public Accountant
mne33748

Income statement

DKKm	Note			Note	Group	
		2023	2022		2023	2022
Insurance revenue	1	14,350	12,262	9	227	172
Insurance service expenses	2	-12,326	-10,921	9	-966	-835
Reinsurance result	3	-688	-412			
Insurance service result		1,336	929			
Interest income and dividends, ect.	4	281	163			
Value adjustments	5	1,003	-1,249			
Interest expenses	6	-175	-55			
Other income		19	26			
Administrative expenses related to investment activities		-161	-150			
Total investment return		967	-1,265			
Return on and value adjustments of insurance contracts, gross	7	-705	764			
Return on and value adjustments of insurance contracts, reinsurance	8	22	-1			
Total investment return after financial items related to insurance contracts		284	-502			
Other income				9	227	172
Other expenses				9	-966	-835
Profit/loss before tax, continuing activities					881	-236
Tax, continuing activities				10	-269	66
Profit/loss after tax, continuing activities					612	-170
Profit/loss after tax, discontinuing activities					0	544
Profit/loss after tax					612	374
Earnings per share, DKK, continuing activities					0.4	-0.1
Diluted earnings per share, DKK, continuing activities					0.4	-0.1
Earnings per share, DKK					0.4	0.2
Diluted earnings per share, DKK					0.4	0.2

Statement of comprehensive income

DKKm	Note	Group	
		2023	2022
Comprehensive income			
Profit for the period		612	374
<i>Items that are or may be reclassified to profit or loss</i>			
Foreign currency translation adjustments related to foreign entities		0	-2
<i>Items that will not be reclassified to profit or loss:</i>			
Tax on other comprehensive income		0	0
Total other comprehensive income		0	-2
Comprehensive income		612	372
Proposed allocation of profit/loss:			
Proposed dividend		848	462
Additional Tier 1 capital holders		25	7
Share attributable to Alm. Brand		-261	-97
Comprehensive income		612	372

Balance sheet

DKKm	Note	Group	
		2023	2022
Intangible assets	11	10,339	10,764
Tangible assets	12	844	914
Investments in associates	13	135	144
Equities		253	722
Unit trust units		20,372	19,469
Bonds		703	535
Mortgage deeds		380	433
Other loans and advances		277	311
Deposits in credit institutions		291	31
Other		431	491
Other investments assets	14	22,707	21,992
Reinsurers' share of insurance contract provisions	16	470	457
Current tax assets	15	58	67
Other receivables	17	728	794
Cash in hand and demand deposits		288	458
Receivables		1,074	1,319
Total assets		35,569	35,590

Balance sheet

DKKm	Note	Group	
		2023	2022
Share capital		1,541	1,541
Contingency funds and other provisions etc.		1,092	1,092
Reserves, retained earnings, ect.		10,066	10,353
Proposed dividend		848	462
Consolidated shareholders' equity		13,547	13,448
Tier 1 capital		397	397
Total consolidated equity	18	13,944	13,845
Subordinated debt	19	1,294	1,294
Provisions for insurance contracts	20	17,064	16,633
Pension obligations ect.	21	15	12
Deferred tax liabilities	22	863	909
Other provisions	23	61	45
Provisions		939	966
Issued bonds	24	150	150
Payables to credit institutions and central banks		149	143
Other payables	25	2,029	2,559
Payables		2,328	2,852
Total liabilities		35,569	35,590

Statement of changes in equity

DKKm	Share capital	Contingency funds	Other provisions etc.	Retained profit	Proposed dividend	Shareholders equity	Additional tier 1 capital	Consolidated equity
Consolidated equity, 1 January 2022	1,541	182	0	11,521	462	13,706	0	13,706
Change in accounting policies				79		79		79
Adjusted shareholders' equity at 1 January 2022	1,541	182	0	11,600	462	13,785	0	13,785
Changes in equity 2022:								
Profit/loss for the year				367		367	7	374
Foreign currency translation adjustments related to foreign entities			-2	0		-2		-2
Comprehensive income	0	0	-2	367	0	365	7	372
Disposals relating to divestment of Alm. Brand Liv og Pension		-101		101		0		0
Additions relating to acquisition of Codan		1,395	2	-1,397		0		0
Effect of changed accounting policies on Codan addition				133		133		133
Tax on contingency funds		-384		18		-366		-366
Tier 1 capital				0		0	397	397
Interest paid on Tier 1 capital						0	-7	-7
Proposed dividend				-462	462	0		0
Dividend distributed				0	-462	-462		-462
Purchase and sale of treasury shares				-7		-7		-7
Changes in equity	0	910	0	-1247	0	-337	397	60
Consolidated equity, 31 December 2022	1,541	1,092	0	10,353	462	13,448	397	13,845
Consolidated equity, 1 January 2023	1,541	1,092	0	10,353	462	13,448	397	13,845
Changes in equity FY 2023:								
Profit/loss for the period				587	0	587	25	612
Comprehensive income	0	0	0	587	0	587	25	612
Interest paid on Tier 1 capital				0		0	-25	-25
Proposed dividend				-848	848	0		0
Dividend distributed				0	-462	-462		-462
Purchase and sale of treasury shares				-26		-26		-26
Changes in equity	0	0	0	-287	386	99	0	99
Consolidated equity, 31 December 2023	1,541	1,092	0	10,066	848	13,547	397	13,944

The contingency funds are to be used for the benefit of policyholders.

In the consolidated financial statements of Alm. Brand Group, deferred tax on contingency funds is recognised in accordance with IFRS rules, which results in a difference relative to the shareholders' equity of the parent company Alm. Brand A/S.

Cash flow statement

DKKm			Group	
	2023	2022	2023	2022
Cash flows from operating activities				
Premiums received	11,806	8,286		
Claims paid	-10,361	-8,370		
Payments concerning reinsurance	-703	9		
Cash flows from insurance activities	742	-75		
Interest receivable, dividends, etc.	224	218		
Interest expenses	-175	-55		
Other income/expenses	-382	117		
Taxes paid/received	-301	-19		
Cash flows from operating activities, continuing activities	-633	186		
Cash flows from operating activities, discontinuing activities	0	-38		
Cash flows from operating activities	-633	148		
Change in investment placement (net)				
Acquisition of intangible assets, furniture, equipment, etc.	0	3		
Sale/aquisition of equity investments	431	-10,651		
Acquisition of group enterprise	0	-13,347		
Divestment of group enterprise	0	1,107		
Sale/repayment of mortgage deeds and loans	64	-161		
Sale/aquisition of bonds	-31	23,332		
Change in investment placement, continuing activities	464	283		
Change in investment placement, discontinuing activities	0	164		
Change in investment placement	464	447		
Change in financing				
Change in Tier capital			-25	390
Sale/purchase of treasury shares			-26	-7
Dividend distributed			-462	-462
Repayment of subordinated debt			0	-1
Change in payables to credit institutions			6	-179
Change in other liabilities			25	26
Change in financing, continuing activities *)			-482	-233
Change in financing, discontinuing activities			0	-150
Change in financing			-482	-383
Net change in cash and cash equivalents, continuing activities			91	236
Net change in cash and cash equivalents, discontinuing activities			0	-24
Disposals relating to divestment			0	-154
Disposals relating to divestment			0	178
Additions relating to acquisition of Codan			0	143
Cash and cash equivalents, beginning of period, continuing activities			488	110
Cash and cash equivalents, end of period			579	489

*) The amount of DKK 482 million consists only of cash inflows og outflows.

Segment reporting, income statement

DKKm	2023							
	Personal	Commercial	Non-life	Other	Elimi- nation	Group before adjustments	IFRS 3 adjustments	Group
Insurance revenue	5,268	6,516	11,784	0	0	11,784	2,566	14,350
Claims paid	-3,525	-4,036	-7,561	0	0	-7,561	-2,566	-10,127
Net operation expenses	-1,136	-1,063	-2,199	0	0	-2,199	0	-2,199
Insurance service expenses	-4,661	-5,099	-9,760	0	0	-9,760	-2,566	-12,326
Reinsurance result	-122	-566	-688	0	0	-688	0	-688
Insurance service result	485	851	1,336	0	0	1,336	0	1,336
Interest income and dividends, ect.			271	83	-73	281	0	281
Value adjustments			984	19	0	1,003	0	1,003
Interest expenses			-175	-73	73	-175	0	-175
Other income			0	19	0	19	0	19
Administrative expenses related to investment activities			-35	-126	0	-161	0	-161
Total investment return			1,045	-78	0	967	0	967
Return on and value adjustment of insurance contracts, gross			-705	0	0	-705	0	-705
Return on and value adjustment of insurance contracts, reinsurance			22	0		22		22
Investment return after financial items related to insurance contracts			362	-78	0	284	0	284
Other income			227	0	0	227	0	227
Other expenses			-608	-358	0	-966	0	-966
Profit/loss before tax			1,317	-436	0	881	0	881
Tax			-354	85	0	-269	0	-269
Profit/loss after tax			963	-351	0	612	0	612

Segment reporting, income statement

DKKm	Note	2022							
		Personal	Commercial	Non-life	Other	Elimi- nation	Group before adjustments	IFRS 3 adjustments	Group
Insurance revenue		4,272	5,292	9,564	0	0	9,564	2,698	12,262
Claims paid		-2,658	-3,833	-6,491	0	0	-6,491	-2,698	-9,189
Net operation expenses		-897	-835	-1,732	0	0	-1,732	0	-1,732
Insurance service expenses		-3,555	-4,668	-8,223	0	0	-8,223	-2,698	-10,921
Reinsurance result		-75	-337	-412	0	0	-412	0	-412
Insurance service result		642	287	929	0	0	929	0	929
Interest income and dividends, ect.				145	37	-19	163	0	163
Value adjustments				-1,206	-43	0	-1,249	0	-1,249
Interest expenses				-43	-31	19	-55	0	-55
Other income				0	26	0	26	0	26
Administrative expenses related to investment activities				-42	-108	0	-150	0	-150
Total investment return				-1,146	-119	0	-1,265	0	-1,265
Return on and value adjustment of insurance contracts, gross				764	0	0	764	0	764
Return on and value adjustment of insurance contracts, reinsurance				-1	0	0	-1	0	-1
Investment return after financial items related to insurance contracts				-383	-119	0	-502	0	-502
Other income				172	0	0	172	0	172
Other expenses				-588	-247	0	-835	0	-835
Profit/loss before tax, continuing activities				130	-366	0	-236	0	-236
Tax, continuing activities				-12	78	0	66	0	66
Profit/loss after tax, continuing activities				118	-288	0	-170	0	-170
Profit/loss after tax, discontinuing activities				544	0	0	544	0	544
Profit/loss after tax				662	-288	0	374	0	374

Overview of notes

Notes with reference

1	Insurance revenue	→
2	Insurance expenses	→
3	Reinsurance result	→
4	Interest income and dividends, etc.	→
5	Value adjustments	→
6	Interest expenses	→
7	Return on and value adjustment of technical provisions, gross	→
8	Return on and value adjustment of technical provisions, reinsurance	→
9	Other income and expenses	→
10	Tax, continuing activities	→
11	Intangible assets	→
12	Property, plant and equipment	→

13	Investments in associates	→
14	Investment assets	→
15	Current tax assets	→
16	Reinsurers' share of insurance contracts	→
17	Other assets	→
18	Consolidated shareholders' equity	→
19	Subordinated debt	→
20	Provisions for insurance contracts	→
21	Pensions and similar obligations	→
22	Deferred tax liabilities	→
23	Other provisions	→
24	Issued bonds	→
25	Other creditors	→

Notes without reference

26	Insurance service result - Non-life insurance	→
27	Contingent liabilities, guarantees and lease agreements	→
28	Related parties	→
29	Fair value and classification of financial assets, liabilities and instruments	→
30	Return on financial instruments	→
31	Offsetting	→
32	Financial instruments by term to maturity	→
33	Market risk	→
34	Sensitivity information	→
35	Discontinued activities	→
36	Reconciliation	→
37	Financial highlights and key ratios	→
38	Acquired portfolios	→
39	Risk management	→
40	Significant accounting estimates, assumptions and uncertainties	→
41	Accounting policies	→

Notes

DKKm	2023	2022
Note 1 Insurance revenue		
Insurance revenue	14,350	12,262
Total insurance revenue	14,350	12,262
Gross premium income for direct insurance distributed geographically according to the location of the risk involved:		
Denmark	13,929	11,954
Other EU countries	153	140
AAE countries	0	0
Other countries	44	67
Gross premium income for direct insurance	14,126	12,161
Gross premium income for indirect insurance	224	101
Total gross premium income	14,350	12,262
Note 2 Insurance service expenses		
Claims paid	-10,127	-9,189
Total claims expenses	-10,127	-9,189
<i>Changes related to past services</i>		
Changes related to past services LFIC	162	122
Changes related to past services AFIC	138	35
Changes related to past services result, net	300	157
<i>Net operation expenses</i>		
Acquisition commission	-500	-428
Other acquisition costs	-1,215	-916
Total acquisition costs	-1,715	-1,344
Administrative expenses	-484	-388
Total net operation expenses	-2,199	-1,732

	2023	2022
<i>Net operation expenses, by type of expenditure</i>		
Acquisition commission	-500	-428
Salaries and wages etc.	-1,126	-864
Other staff-related expenses	-59	-45
Head office expenses	-262	-201
IT operation, telephony, etc.	-204	-157
Depreciation, amortisation and impairment losses and write-downs	-83	-64
Fee income, miscellaneous expenses	35	27
Total net operation expenses	-2,199	-1,732
Total insurance service expenses	-12,326	-10,921
Salaries and wages	1,755	1,127
Pension	270	187
Payroll tax, etc.	289	206
Total salaries and wages, pension, etc.	2,314	1,520
Part of the payroll expenses for the year have been allocated as claims handling costs and are therefore included under claims incurred. Payroll expenses in Alm. Brand Liv og Pension A/S are included under Profit/loss after tax, discontinuing activities.		
Average number of employees	2,239	2,458

Notes

	2023	2022
<i>Remuneration to the Executive Management and Board of Directors (DKK '000)</i>		
Salaries and wages	20,204	12,786
Pension plans	3,017	2,193
Total remuneration to the Executive Management	23,221	14,979
Directors' fees	8,159	6,697
Total remuneration to the Executive Management and Board of Directors	31,380	21,865
No. of members of the Executive Management	2	2
No. of members of the Board of Directors	12	12

Remuneration to the Executive Management comprises remuneration to Chief Executive Officer Rasmus Werner Nielsen and Deputy Chief Executive Officer Anne Mette Toftegaard

The total remuneration including any severance payments accruing to the chief executive officer in the event of termination of employment cannot constitute more than up to the equivalent of two years' remuneration.

In Alm. Brand, most employees, including the Executive Management, are entitled to a defined contribution pension plan.

Agreements may be concluded between the company and the senior executives that up to 10% of the salary may be allotted by way of shares in Alm. Brand A/S. The shares are granted free of charge twice annually (third trading day of June and December, respectively). The value is calculated as a simple average of the average price of one share in Alm. Brand quoted on the first trading day of each calendar month during the calendar months forming the basis of the individual share grant.

The group's employees have been offered to participate in a share-based remuneration scheme, under which a part of their gross salary will be paid in the form of shares. The shares are granted on a quarterly basis, the number of shares received being based partly on the individual employee's saved-up amount, partly on the average share price on the fourth weekday after the date of announcement of the relevant financial report.

The remuneration of the Board of Directors includes remuneration for audit committee, risk committee and remuneration committee participation.

Group Chief Auditor Morten Bendtsen is chairman of the board of the Institute of Internal Auditors (IIA Denmark) and is also a member of the Danish Accounting Practices Board. Morten Bendtsen holds no other offices or employment outside Alm. Brand.

	2023	2022
<i>Remuneration to key employees (DKK '000)</i>		
Salaries	54,396	37,266
Pension plans	8,554	6,079
Share-based payment	0	0
Total remuneration to key employees	62,950	43,345

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group.

<i>Remuneration to risk takers (DKK '000)</i>		
Fixed salary	106,303	86,404
Pension	16,911	13,605
Variable salary	110	11,261
Share-based payment	0	0
Total remuneration to risk takers	123,324	111,270
Number of risk takers	46	49

Risk takers are those persons who, in accordance with the Danish Executive Order on remuneration policy and public disclosure of salaries, have a material influence on the company's risk profile.

In 2023 remuneration to risk takers includes salary etc. in connection with severance (DKK 1 million). In 2023 variable remuneration components were assigned to risk takers in accordance with the provisions of the remuneration policy.

Notes

DKKm	2023	2022
<i>Audit fees (DKK '000)</i>		
EY - Audit	7	7
EY - other assurance engagements	1	0
EY - tax advice	0	0
EY - other services	0	2
Total audit fees	8	9

Fees for other assurance engagements comprise reports to public authorities, etc.

Fees for tax advice and other services comprise consultancy related to miscellaneous tax rules etc.

Note 3 Reinsurance result

Premiums paid	-1,071	-332
Recoveries from reinsurance	349	-86
Ceding commissions and other directly attributable expenses	34	6
Total reinsurance result	-688	-412

Note 4 Interest income and dividends, ect.

Equities	103	55
Unit trust units	6	0
Bonds	28	36
Mortgage deeds	34	38
Deposits in credit institutions	24	3
Other	86	31
Total interest income and dividends, etc.	281	163

Note 5 Value adjustments

Equities	28	-57
Unit trust units	826	-755
Bonds	19	-219
Mortgage deeds	23	-57
Other	102	-195
Exchange rate adjustments	5	34
Total value adjustments	1,003	-1,249

Change in fair values based on valuation models and recognised in the income statement

Mortgage deeds	23	-57
Unlisted shares	-7	34
Total	16	-23

The group's counterparties are primarily financial institutions with a high credit rating with which the group exchanges collateral security on a daily basis. Accordingly, the group finds that a credit adjustment does not give rise to any notably different valuation.

Note 6 Interest expenses

Issued bonds	-7	-3
Subordinated debt	-63	-23
Other interest expenses	-105	-29
Total interest expenses	-175	-55

Notes

DKKm	2023	2022
Note 7 Return on and value adjustments of insurance contracts, gross		
Changed discount rate and unwinding	-476	-613
Value adjustments	-229	1,377
Total return on and value adjustment of insurance contracts, gross	-705	764
Note 8 Return on and value adjustments of insurance contracts, reinsurance		
Changed discount rate and unwinding	21	-1
Value adjustments	1	0
Total return on and value adjustment of insurance contracts, reinsurance	22	-1
Note 9 Other income and expenses		
Other income	227	172
Total other income	227	172

Other income consists of income from the Transitional Service Agreement related to the divestment of Alm. Brand Liv og Pension A/S and the divestment of Codan's activities to Tryg.

Amortisation of customer relationships and brand	-357	-238
Integration costs	-316	-376
Other costs	-239	-166
Training and development expenses	-54	-55
Total other expenses	-966	-835

Costs cover the integration of Codan and realisation of synergies. In addition, costs were incurred in connection with the hive-off of Alm. Brand Liv og Pension and Tryg.

Other costs include the recognition of costs related to termination payments.

DKKm	2023	2022
Note 10 Tax, continuing activities		
Estimated tax on profit/loss for the year	-345	-18
Adjustment of tax relating to prior years	4	2
Adjustment of deferred tax	69	80
Effect of changed tax rate	3	2
Total tax	-269	66
<i>Tax for the year consists of:</i>		
Tax on accounting profit	-256	-62
Non-deductible expenses and non-taxable income	-20	124
Effect of changed tax rate	3	2
Adjustment of tax relating to prior years	4	2
Total tax	-269	66
Effective tax rate	30.5	28.0

Notes

DKKm	2023				2022					
Note 11 Intangible assets	customer relationships and brand			Software	Total	customer relationships and brand			Software	Total
	Goodwill	and brand	Software	Total	Goodwill	and brand	Software	Total	Total	
Cost, beginning of year	7,736	3,028	649	11,413	0	0	369	369	369	
Additions during the year	0	0	40	40	0	0	37	37	37	
Additions relating to acquisition of Codan	0	0	0	0	7,736	3,028	243	11,007	11,007	
Disposals during the year	0	0	-94	-94	0	0	0	0	0	
Cost, year-end	7,736	3,028	595	11,359	7,736	3,028	649	11,413	11,413	
Accumulated depreciation and impairment, beginning of year	0	-238	-411	-649	0	0	-326	-326	-326	
Depreciation for the year	0	-357	-14	-371	0	-238	-86	-324	-324	
Impairment	0	0	0	0	0	0	0	0	0	
Depreciation on disposals	0	0	0	0	0	0	1	1	1	
Accumulated depreciation and impairment, year-end	0	-595	-425	-1,020	0	-238	-411	-649	-649	
Intangible assets, year-end	7,736	2,433	170	10,339	7,736	2,790	238	10,764	10,764	

On 2 May 2022, Alm. Brand acquired Codan Forsikring A/S and its subsidiary Forsikringselskabet Privatsikring A/S. At 31 December 2022, management has performed an impairment test of the carrying amount of goodwill etc. in the two cash-generating units (CGUs) Codan Forsikring and Privatsikring on which goodwill is distributed. The impairment test was performed using a value-in-use-model. The model is based on expected future cash flows, which are discounted at the market rate of return (WACC) for the purpose of calculating the carrying amount of future earnings. Different parameters affect expected future cash flows. The most important effect is from the technical result, including the expected combined ratio.

The cash flows used in the model are based on the most recent budgets for the next three years approved by management. Subsequently, the cash flows are extrapolated for the following years (terminal period) including adjustments for the expected growth rates based on expectations for long-term economic growth in the markets in which the companies operate. The return requirement applied is based on an assessment of the risk profile of the underlying business activities comprised by the impairment test as compared with market expectations.

Notes

Codan Forsikring A/S, goodwill

The impairment test shows a calculated value-in-use of DKK 13.1 billion compared with the carrying amount of the net assets associated with this cash-generating unit of DKK 10.9 billion. The test thus shows no evidence of goodwill impairment. Goodwill thus amounted to DKK 6.6 billion at 31 December 2023, and the calculated excess amounted to DKK 2.2 billion.

	2023	2022
<i>Key assumptions</i>		
Gross premiums, expected growth in per cent (terminal period)	2	2
Return requirement before tax (%)	10.1	9.4
Expected combined ratio (terminal period)	82	84
<i>Sensitivity information</i>		
Change in growth +1 ppt (DKKm)	2,226	1,254
Change in growth -1 ppt (DKKm)	-1,812	-2,078
Change in return requirement +1 ppt (DKKm)	-1,876	-2,082
Change in return requirement -1 ppt (DKKm)	2,627	3,009
Change in combined ratio +1 ppt (DKKm)	-704	-751
Change in combined ratio -1 ppt (DKKm)	704	751
Combined ratio must deteriorate by 3 ppts before triggering an impairment charge.		

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Customer relationships and brand

At 31 December 2023, management performed a test of the value of customer relationships and brand as part of the goodwill impairment test of Codan Forsikring and Privatsikring, see above. The review did not give rise to any impairment charges.

Other intangible assets

Other intangible assets have been reviewed with a view to a comparison of the financial performance and the carrying amounts. No objective evidence of impairment was identified for other intangible assets, and on that basis no impairment test was performed.

Forsikringselskabet Privatsikring A/S, goodwill

The impairment test shows a calculated value-in-use of DKK 3.0 billion compared with the carrying amount of the net assets associated with this cash-generating unit of DKK 1.8 billion. The test thus shows no evidence of goodwill impairment. Goodwill thus amounted to DKK 1.1 billion at 31 December 2023, and the calculated excess amounted to DKK 1.2 billion.

	2023	2022
<i>Key assumptions</i>		
Gross premiums, expected growth in per cent (terminal period)	2	2
Return requirement before tax (%)	10.1	9.4
Expected combined ratio (terminal period)	87	89
<i>Sensitivity information</i>		
Change in growth +1 ppt (DKKm)	518	498
Change in growth -1 ppt (DKKm)	-351	-327
Change in return requirement +1 ppt (DKKm)	-433	-397
Change in return requirement -1 ppt (DKKm)	607	574
Change in combined ratio +1 ppt (DKKm)	-255	-243
Change in combined ratio -1 ppt (DKKm)	255	243
Combined ratio must deteriorate by 4 ppts before triggering an impairment charge.		

Notes

DKKm	2023				2022			
Note 12 Tangible assets	Leased assets	Other assets	Leased properties	Total	Leased assets	Other assets	Leased properties	Total
Cost, beginning of year	104	51	1,042	1,197	31	10	217	258
Additions during the year	135	20	103	258	29	10	0	39
Additions relating to acquisition of Codan				0	61	40	140	241
Additions relating to the divestment of subsidiaries*				0	0	0	722	722
Reassessment	0	0	0	0	2	0	-12	-10
Disposals during the year	-119	-10	-341	-470	-19	-9	-25	-53
Cost, year-end	120	61	804	985	104	51	1,042	1,197
Accumulated depreciation and impairment, beginning of year	-39	-15	-229	-283	-16	-8	-102	-126
Depreciation for the year	-83	-23	-88	-194	-38	-7	-104	-149
Impairment	0	0	0	0	0	0	0	0
Disposals relating to the divestment of subsidiaries				0	0	0	-46	-46
Depreciation on disposals	91	10	235	336	15	0	23	38
Accumulated depreciation and impairment, year-end	-31	-28	-82	-141	-39	-15	-229	-283
Tangible assets, year-end	89	33	722	844	65	36	813	914

Lease liabilities concerning properties and cars are recognised in note

*) On divestment of a subsidiary, properties are reclassified from leased properties (eliminated) to externally leased properties

Notes

DKKm	2023	2022
Note 13 Investments in associates		
Carrying amount, beginning of year	144	0
Additions during the year	0	144
Value adjustments during the year	-9	0
Investments in associates, year-end	135	144
SOS International A/S (DKK 140 million nominal value, 23.9% owned)	83	92
Goodwill	52	52
Investments in associates, year-end	135	144

No investments in associates are material to Alm. Brand Group.

Note 14 Other investments assets		
Bonds	703	535
Shares	253	722
Unit trust units	20,372	19,469
Positive market value of derivative financial instruments, gross	431	491
Mortgage deeds	380	433
Other loans	277	311
Deposits in credit institutions	291	31
Total other investments assets	22,707	21,992

The group's holding of listed and unlisted shares had a market value of DKK 20,625 million at 31 December 2023 (2022: DKK 20,191 million). A significant part of the group's equity exposure is achieved through the use of derivatives such as options and futures. The aggregate equity exposure, including derivatives, was DKK 826 million at 31 December 2023. For an overview of the net position in derivative financial instruments, see Note 31 Offsetting.

	2023	2022
Note 15 Current tax assets		
Current tax assets, beginning of year	67	21
Additions relating to acquisition of Codan	0	85
Prior-year tax adjustment	29	-9
Tax paid/received in respect of prior years	-96	-97
Tax paid during the year	403	85
Estimated tax on profit/loss for the year	-345	-18
Total current tax assets	58	67

Notes

DKKm

2023

Note 16 Reinsurers' share of insurance contract provisions

	AFRC* excl. loss component	Loss component	AFIC** Cash- flow	AFIC** Risk- adjustment	Group before adjustment	IFRS3 adjustment	Total Group
Balance as at 1 January 2023	-140	0	574	23	457	0	457
Reinsurance expenses	-861	0	0	0	-861	-210	-1,071
Changes related to past services			138		138		138
Claims recovered			36	-1	35	210	245
Net income from reinsurance contracts held	0	0	174	-1	173	210	383
Finance income and expenses from reinsurance contracts held			22		22	0	22
Total amounts recognised in income statement	-861	0	196	-1	-666	0	-666
Premiums paid	926				926		926
Recoveries from reinsurance			-247		-247		-247
Total cash flows	926	0	-247	0	679	0	679
Reinsurers Balance. 31. December 2023, before IFRS 3 adjustment	-75	0	523	22	470	0	470
IFRS 3 adjustment to reinsurance balances***	454	0	-454	0	0	0	0
Reinsurers Balance. 31. December 2023, after IFRS 3 adjustment	379	0	69	22	470	0	470

*AFRC - Assets for remaining coverage

**AFIC - Assets for incurred claims

*** IFRS 3 adjustment to the acquired contracts in a business combination, please see note 38 Acquired insurance contracts for more information

Notes

DKKm

2022

Note 16 Reinsurers' share of insurance contract provisions, continued

	AFRC* excl. loss component	Loss component	AFIC** Cash- flow	AFIC** Risk- adjustment	Group before adjustment	IFRS3 adjustment	Total Group
Balance as at 1 January 2022	-14	0	336	9	331	0	331
Addition of Codan 1 May 2022	74	0	432	20	526	0	526
Reinsurance expenses	-641	0	0	0	-641	308	-333
Changes related to past services			35		35	-308	-273
Claims recovered			200	-6	194		194
Net income from reinsurance contracts held	0	0	235	-6	229	-308	-79
Finance income and expenses from reinsurance contracts held			-1		-1	0	-1
Total amounts recognised in income statement	-641	0	234	-6	-413	0	-413
Premiums paid	441						441
Recoveries from reinsurance			-428				-428
Total cash flows	441	0	-428	0	13	0	13
Reinsurers Balance. 31. December 2023, before IFRS 3 adjustment	-140	0	574	23	457	0	457
IFRS 3 adjustment to reinsurance balances***	456	0	-456	0	0	0	0
Reinsurers Balance. 31. December 2023, after IFRS 3 adjustment	316	0	118	23	457	0	457

*AFRC - Assets for remaining coverage

**AFIC - Assets for incurred claims

*** IFRS 3 adjustment to the acquired contracts in a business combination, please see note 38 Acquired insurance contracts for more information

Notes

DKKm	2023	2022
Note 17 Other receivables		
Other receivables	224	278
Positive market value of derivatives, gross	0	0
Collaterals	248	302
Pensionskassen under Alm. Brand A/S	7	8
Accruals and deferred expenses	249	206
Other assets, year-end	728	794
Alm. Brand has hedged its pension commitments in Pensionskassen under Alm. Brand A/S.		
<i>Information about Pensionskassen under Alm. Brand A/S:</i>		
Present value of commitment, beginning of year	-50	-64
Interest expenses	-1	0
Benefits paid	6	6
Actuarial gains/losses from financial assumptions	0	-7
Actuarial gains/losses from demographic assumptions	-1	5
Actuarial gains/losses from experience adjustments	-2	10
Present value of commitment, year-end	-48	-50
Fair value of plan assets, beginning of year	58	75
Return on plan assets	1	-1
Return on assets (excluding amounts recognised in net interest expense)	2	-10
Benefits paid	-6	-6
Fair value of plan assets, year-end	55	58
Present value of commitment	-48	-50
Fair value of plan assets	55	58
Net asset recognised in the balance sheet	7	8
Net interest income	0	-1
Costs recognised in the income statement	0	-1

	2023	2022
<i>Remeasurement of defined benefit pension plans</i>		
Return on plan assets excluding amounts recognised in net interest expenses	2	-10
Actuarial gains/losses from financial assumptions	0	-7
Actuarial gains/losses from demographic assumptions	-1	5
Actuarial gains/losses from experience adjustments	-2	10
Recognised in other comprehensive income	-1	-2
Recognised in income statement and other comprehensive income	-1	-3

The plan assets are exclusively comprised of cash and cash equivalents (less than DKK 1 million) and bonds valued at the official market price.

The pension obligations are calculated on the basis of the following actuarial assumptions

The 10-year point on the discount curve at the beginning of the financial year	1.89%	-0.41%
Expected rate of inflation	1.00%	1.00%
<i>Average remaining life expectancy in years for pension benefit recipients*</i>		
Male	6.0	6.2
Female	7.6	8.4

*) Based on the Danish Financial Supervisory Authority's updated longevity benchmark

The pension fund is a defined benefit disbursement-only fund. There are no contribution-paying members, which means that the members are either retired themselves or retired spouses. All payments are regular life benefits originally determined as a percentage of the members' pensionable salary. The benefits are adjusted twice annually. The adjustment rate is determined as the development in the net price index less 1% p.a.

The pension fund is managed by Alm. Brand A/S, which pays all costs related thereto. Auditing expenses and regulatory fees and taxes are paid by the pension fund. Alm. Brand A/S has undertaken to pay pension contribution determined by the pension fund's chief actuary and any

Notes

extraordinary contributions required by the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations. The pension fund is managed by a board of directors comprised of eight members, half of whom are elected by an among the voting members of the pension fund.

The pension fund is exposed to risks such as life expectancy risk, interest rate risk and inflation risk.

The calculation of the pension obligations is based on life expectancy. If this life expectancy changes, the value of the pension obligations will increase or decline depending on whether the life expectancy rises or falls. If the actual lifetime exceeds the life expectancy, the pension fund will incur an expense. Conversely, a shorter actual lifetime will result in income for the pension fund.

The obligations of the pension fund are calculated on the basis of expected benefits discounted by the EIOPA discount curve including any positive volatility adjustment. An interest rate change will affect the value of both assets and liabilities. The difference in this effect constitutes the interest rate risk.

The benefits are adjusted by the development in the net price index less 1 percentage point. Provisions are calculated on the basis of an expected annual increase in the net price index of 2%. If the expected future development in the net price index changes, the value of pension provisions will change as well. If the actual adjustment exceeds the expected adjustment, the pension fund will incur an expense. Conversely, a lower adjustment rate will equal an income.

The actuarial assumptions underlying the determination of the pension obligation comprise discount rate, expected rate of inflation and life expectancies. The sensitivity analysis below has been calculated on the basis of probable changes in the respective assumptions existing at the balance sheet date, while all other variables are maintained.

If the discount rate is 100 bps higher (lower), the pension obligations will decline by DKK 2 million (increase by DKK 3 million). If the rate of inflation is 1 percentage point higher (lower), the pension obligations will increase by DKK 3 million (fall by DKK 2 million). A 10% increase (decline) in mortality intensities will cause the average remaining lifetime to decline (increase) by 0.4 of a year for both men and women and cause the pension obligation to decline by DKK 2 million (increase by DKK 3 million).

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The sensitivity analysis does not necessarily reflect the actual change in the obligations, as it is unlikely that changes in one assumption will occur isolated from changes in other assumptions. The present value of the pension obligations in the above sensitivity analysis is calculated in the same way as the calculation of the pension obligations recognised in the balance sheet.

The method used for the sensitivity analysis and the assumptions included therein are unchanged from prior years.

As the pension fund is a disbursement-only pension fund, no contributions are expected to be made to the scheme next year. The average weighted duration of the pension obligations at 31 December 2023 was 5.4 years.

Note 18 Total consolidated equity

Share capital, year-end **1,541** **1,541**

The share capital consists of 1,541,140,000 shares of DKK 1 each and has been fully paid up.

The following shareholder has announced that it holds more than 5% of the share capital:
Alm. Brand af 1792 fmba, Midtermolen 7, 2100 Copenhagen Ø

DKKm	2023	2022	2021	2020	2019
Share capital,					
beginning of the year	1,541	1,541	1,541	1,577	1,610
Reduction of capital	0	0	-1,387	0	0
Issue of new shares	0	0	1,387	0	0
Cancellation					
of treasury shares	0	0	0	0	-33
Share capital, year-end	1,541	1,541	1,541	1,577	1,577

Reference is made to the statement of changes in equity.

Notes

DKKm	2023	2022
Consolidated shareholders' equity excluding tax on contingency funds	14,237	14,149
Outstanding share buybacks	-278	0
Proposed dividend	-848	-462
Intangible assets	-9,759	-10,090
Profit margin, non-life	994	967
Tier 1 capital	4,346	4,564
Tier 2 capital	1,294	1,294
Total capital of the group	5,640	5,858

The total capital of the group is calculated in accordance with the provisions of Solvency II, which applies a different valuation of assets and liabilities, mainly with respect to insurance contracts.

No. of shares

Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	1,541,140	1,541,140
Treasury shares, beginning of year	-117	-49
No. of shares, beginning of year	1,541,023	1,541,091
Shares acquired/sold during the year	-1,921	-68
Issued shares, year end	1,541,140	1,541,140
Treasury shares, year end	-2,038	-117
No. of shares, year end	1,539,102	1,541,023

Treasury shares

Nominal value, beginning of year	0	0
Acquired during the year, net	2	0
Nominal value, year-end	2	0

	2023	2022
Holding (1,000) beginning of year	117	49
Acquired during the year	5,689	3,150
Sold during the year	-3,768	-3,082
Holding (1,000), year-end	2,038	117
Percentage of share capital, year-end	0.1%	0.0%
Average no. of shares (in thousands)	1,541,140	1,541,140
No. Og shares at year-end, diluted (ind thousands)	1,539,102	1,541,023
Average no. of shares, diluted (in thousands)	1,540,457	1,541,140
Earnings per share	0.4	0.2

Note 19 Subordinated debt

Subordinated loan capital

Floating rate bullet loans maturing 2027.01.31	1,294	1,294
Subordinated loan capital, year-end	1,294	1,294

Subordinated debt, year-end

Interest on subordinated debt	63	23
Of which amortisation of costs incurred on raising	6	6

The subordinated loan capital consists of capital securities carrying interest at a floating rate of 3M CIBOR plus 1.5 basis points. The capital securities are issued with a maturity of ten years with optional early redemption five years after the date of issue.

Note 20 Provisions for insurance contracts

Assets for Insurance acquisition cash flow

The Group expects to derecognise assets for insurance acquisition cash flows

Less than one year	15	21
One to two years	12	11
Two to three years	2	1

Total

	29	33
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Notes

DKKm

2023

Note 20 Provisions for insurance contracts, continued

	LFRC* excl. Loss component	loss component	LFIC** Cash- flow	LFIC** Risk- adjustment	Group before adjustment	IFRS3 adjustment	Total Group
Provisions for insurance contracts 1 January 2023	2,106	17	14,118	392	16,633	0	16,633
Insurance revenue	-11,784	0	0	0	-11,784	-2,566	-14,350
Incurred claims and other insurance service expenses			9,905	8	9,913	2,566	12,479
Amortisation of insurance acquisition cash flows	26				26		26
Changes related to future services		-17			-17		-17
Changes related to past services			-162		-162		-162
Insurance service expenses	26	-17	9,743	8	9,760	2,566	12,326
Finance income and expenses from insurance contracts issued	0	0	700	5	705	0	705
Total amounts recognised in income statement	-11,758	-17	10,443	13	-1,319	0	-1,319
Insurance revenue received	11,809				11,809		11,809
Insurance acquisition cash flows	-30				-30		-30
Claims and other directly attributable expenses paid			-10,029		-10,029		-10,029
Total cash flows	11,779	0	-10,029	0	1,750	0	1,750
Provisions for insurance contracts 31 December 2023 before IFRS adjustment	2,127	0	14,532	405	17,064	0	17,064
IFRS 3 adjustment to provisions for insurance contracts***	5,606	0	-5,606	0	0	0	0
Provisions for insurance contracts 31 December 2023 after IFRS adjustment	7,733	0	8,926	405	17,064	0	17,064

*LFRC - Assets for remaining coverage

**LFIC - Assets for incurred claims

*** IFRS 3 adjustment to the acquired contracts in a business combination, please see note 38 Acquired insurance contracts for more information

The calculated risk adjustment corresponds to the confidence level of 71%

Notes

DKKm

2022

Note 20 Provisions for insurance contracts, continued

	LFRC* excl. Loss component	loss component	LFIC** Cash- flow	LFIC** Risk- adjustment	Group before adjustment	IFRS3 adjustment	Total Group
Provisions for insurance contracts 1 January 2022	1,573	20	5,968	115	7,676	0	7,676
Addition of Codan 1 May 2022	1,870	0	8,612	293	10,775	0	10,775
Insurance revenue	-9,564	0	0	0	-9,564	-2,698	-12,262
Incurred claims and other insurance service expenses			8,339	-8	8,331	2,698	11,029
Amortisation of insurance acquisition cash flows	17				17		17
Changes related to future services		-3			-3		-3
Changes related to past services			-122		-122		-122
Insurance service expenses	17	-3	8,217	-8	8,223	2,698	10,921
Finance income and expenses from insurance contracts issued	0	0	-756	-8	-764	0	-764
Total amounts recognised in income statement	-9,547	-3	7,461	-16	-2,105	0	-2,105
Insurance revenue received	8,227				8,227		8,227
Insurance acquisition cash flows	-17				-17		-17
Claims and other directly attributable expenses paid			-7,923		-7,923		-7,923
Total cash flows	8,210	0	-7,923	0	287	0	287
Provisions for insurance contracts 31 December 2022 before IFRS adjustment	2,106	17	14,118	392	16,633	0	16,633
IFRS 3 adjustment to provisions for insurance contracts***	7,059	0	-7,059	0	0	0	0
Provisions for insurance contracts 31 December 2022 after IFRS adjustment	9,165	17	7,059	392	16,633	0	16,633

*LFRC - Assets for remaining coverage

Notes

DKKm	2018	2019	2020	2021	2022	2023	Total
<i>Run-off triangle, gross</i>							
Estimated accumulated claims							
Year-end	3,547	3,637	3,544	3,891	6,316	7,372	
1 year later	3,519	3,604	3,376	5,314	6,312		
2 years later	3,564	3,604	4,350	5,147			
3 years later	3,692	4,323	4,444				
4 years later	4,329	4,307					
5 years later	4,288						
	4,288	4,307	4,444	5,147	6,312	7,372	31,870
Paid to date	-3,425	-3,332	-3,063	-3,541	-3,968	-3,390	-20,719
Provisions before discounting effect, year-end	863	975	1,381	1,606	2,344	3,982	11,151
Discounting effect	-55	-68	-86	-102	-133	-200	-644
	808	907	1,295	1,504	2,211	3,782	10,507
Provisions from 2017 and prior years							4,025
LFIC claims provisions, year-end							14,532

The table indicates the historical development of the assessed final liability (the sum of payments and provisions) for each claim year from 2017 to 2022. The stated liabilities were calculated excluding discounting, thus eliminating fluctuations due to changes in discount rates and discounting methods. Worker's compensation are, however, calculated including discounting.

Notes

DKKm	2018	2019	2020	2021	2022	2023	I alt
<i>Run-off triangle, net of reinsurance</i>							
Estimated accumulated claims							
Year-end	3,545	3,635	3,502	3,598	6,059	7,359	
1 year later	3,517	3,600	3,329	4,975	6,040		
2 years later	3,561	3,600	4,179	4,754			
3 years later	3,689	4,287	4,163				
4 years later	4,280	4,294					
5 years later	4,233						
	4,233	4,294	4,163	4,754	6,040	7,359	30,843
Paid to date	-3,421	-3,347	-2,984	-3,234	-3,807	-3,386	-20,179
Provisions before discounting effect, year-end	812	947	1,179	1,520	2,233	3,973	10,664
Discounting effect	-52	-66	-75	-99	-126	-199	-617
	760	881	1,104	1,421	2,107	3,774	10,047
Provisions from 2017 and prior years							3,962
LFIC claims provisions, year-end							14,009

The table indicates the historical development of the assessed final liability (the sum of payments and provisions) for each claim year from 2017 to 2022. The stated liabilities were calculated excluding discounting, thus eliminating fluctuations due to changes in discount rates and discounting methods. Worker's compensation are, however, calculated including discounting.

Notes

DKKm	2023	2022
<i>Undiscounted expected cash flows</i>		
<u>LFIC cash flow</u>		
Cash flow 1 year or less		
Cash flow 1-2 år		
Cash flow 2-3 år		
Cash flow 3-4 år		
Cash flow 4-5 år	2023	2022
Cash flow over 5 år		
<u>Risk adjustment</u>		
Cash flow 1 år eller mindre	5,172	5,567
Cash flow 1-2 år	2,425	2,586
Cash flow 2-3 år	1,486	1,603
Cash flow 3-4 år	1,033	1,097
Cash flow 4-5 år	788	811
Cash flow over 5 år	4,581	4,142

Calculation of claims provisions

For all lines except workers' compensation, the future inflation rate is estimated and recognised implicitly in the provision models. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation consists of an inflation element and a real wage element.

The cash flow regarding payment of provisions for the past ten claims years is estimated for all lines and discounted using the government bond-adjusted yield curve of the Danish Financial Supervisory Authority. In workers' compensation, provisions relating to claims years more than ten years back are also discounted.

Sensitivity of provisions

Social inflation may have a great impact on our results and the size of outstanding claims provisions. Social inflation can be a tendency for the courts to increase claims payments, changed case handling procedures with the public authorities which lead to higher claims and legislative changes that affect benefit levels, also with retroactive effect.

Social inflation has a particular impact on claims levels within workers' compensation, vehicle and liability insurance. When discounted provisions are made, expectations of the future inflation and discount rates on long-tail business are sensitive to changes.

Adequacy of provisions

The outstanding claims provisions are calculated using actuarial methods and with due consideration to avoiding run-off losses and run-off gains. At the time they are calculated, the provisions represent the best estimate of future claims expenses in respect of the current and earlier claims years. The outstanding claims provisions are recalculated every month, which means that the level is considered adequate at all times.

DKKm	2023	2022
Note 23 Other provisions		
Provisions for jubilees, severance payments, bonus, etc.	15	12
Other provisions, year-end	15	12
Provisions for jubilees, severance payment, bonus, etc., beginning of year	12	13
New and adjusted provisions	8	3
Reversed provisions during the year	-3	-1
Additions relating to acquisition of Codan	0	1
Net provisions recognised during the year	-1	-1
Discounting effect	-1	-3
Provisions for jubilees, severance payment, bonus, etc., year-end	15	12

The provision for anniversaries, severance of service, etc. has been calculated using an estimated likelihood of disbursement.

Notes

DKKm	2023	2022
Note 22 Deferred tax liabilities		
Deferred tax assets, beginning of year	-909	-19
Ændring af anvendt regnskabspraksis	0	-57
Additions relating to acquisition of Codan	0	90
Addition of intangible assets	0	-666
Contingency funds	0	-344
Changes in tax rates	3	2
Prior-year adjustment	-26	9
Change for the year	69	76
Deferred tax assets, year-end	-863	-909
Deferred tax on contingency funds	-384	-384
Deferred tax on tangible assets, etc.	64	34
Deferred tax on intangible assets	-541	-656
Deferred tax on provisions	24	27
Deferred tax on losses carried forward	-26	70
Deferred tax assets, year-end	-863	-909

Deferred tax has been capitalised taking into account future earnings and the potential for utilisation. The group has a deferred tax asset of DKK 11 million, which has not been capitalised.

Note 23 Other provisions		
Other provisions	61	45
Other provisions, year-end	61	45

	2023	2022
Note 24 Issued bonds		
Credit institutions	150	150
Issued bonds, year-end	150	150

The issued bonds carry interest at a floating rate of 3M CIBOR plus 1.45 percentage points. The loan must be repaid in full on 4 February 2026.

Note 25 Other payables		
Payables to group enterprises	8	1
Negative market value of derivatives	511	659
Lease liability	796	957
Other payables	590	913
Accruals and deferred income	124	29
Other payables, year-end	2,029	2,559

For an overview of the net position in derivative financial instruments, see Note 31 Offsetting.

Notes

Note 26 Technical result, Non-life Insurance

DKKm	Health and accident insurance	Workers' compensation insurance	Liability insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, commercial	Marine aviation and transport	Other direct insurance	2023 Total
Gross premiums	1,203	1,032	398	659	1,963	2,242	3,299	268	897	11,961
Gross premium income	1,186	1,037	402	655	1,960	2,222	3,222	267	833	11,784
Gross claims expenses	-656	-639	-283	-511	-1,312	-1,432	-1,840	-222	-666	-7,561
Gross operating expenses	-264	-133	-57	-121	-397	-505	-511	-65	-146	-2,199
Profit/loss from business ceded	-4	-7	48	-5	-7	-118	-558	-22	-15	-688
Total technical result	262	258	110	18	244	167	313	-42	6	1,336
No. of claims	33,635	13,238	3,332	23,218	168,766	106,797	25,250	1,492	55,801	431,529
Frequency of claims	0.060	0.398	0.046	0.048	0.299	0.179	0.157	0.370	0.174	0.155
Average damages paid for claims incurred, DKK '000	22	60	72	25	8	13	72	158	11	18

DKKm	Health and accident insurance	Workers' compensation insurance	Liability insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, commercial	Marine aviation and transport	Other direct insurance	2022 Total
Gross premiums	852	739	202	559	1,497	1,673	2,221	134	503	8,380
Gross premium income	974	935	229	602	1,647	1,860	2,529	171	617	9,564
Gross claims expenses	-500	-742	-135	-402	-1,047	-1,189	-2,000	-87	-389	-6,491
Gross operating expenses	-205	-144	-41	-104	-324	-373	-395	-46	-100	-1,732
Profit/loss from business ceded	-6	-14	-14	-3	-8	-63	-219	-49	-36	-412
Total technical result	263	35	39	93	268	235	-85	-11	92	929
No. of claims	26,206	10,934	2,761	20,126	140,303	89,281	22,726	1,037	37,720	351,094
Frequency of claims	0.055	0.340	0.048	0.046	0.296	0.174	0.157	0.393	0.167	0.122
Average damages paid for claims incurred, DKK '000	22	56	43	23	8	13	93	84	11	18

The group mainly underwrites insurance in Denmark. Reference is made to note 1, showing the distribution of premiums on other countries.

Notes

DKKm	2023	2022
Note 27 Contingent liabilities, guarantees and lease agreements		
Guarantee commitments	1,581	664

The group's continuing companies have made lease and service agreements concerning IT with total annual payments of DKK 342 million allocated over a five-year period.

The continuing companies of the group have undertaken to participate in investing in unlisted securities in the amount of DKK 1,007 million.

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of the Copenhagen Reinsurance Company (U.K.) Ltd. (Cop. Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) written through ILU in the period from 3 April 1989 to 1 July 1997. In connection with the divestment of the Copenhagen Re Group in 2009, the buyer has undertaken to indemnify Alm. Brand A/S against the guarantee commitments.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (Winding-up pension fund). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations.

For Danish tax purposes, the company is taxed jointly with Alm. Brand A/S as an administration company. Alm. Brand A/S has unlimited, joint and several liability together with the other jointly taxed companies for corporate income tax payable from and including the 2013 financial year and for withholding taxes on dividends, interest and royalties from and including 1 July 2012. The net liability of the jointly taxed companies to SKAT is specified in segment reporting, balance sheet. Any subsequent adjustments of income subject to joint taxation and withholding tax, etc. could cause Alm. Brand A/S's

Being an active financial services group, the Group is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the Group.

Note 28 Related parties

The Alm. Brand Group considers the following to be related parties:

- Alm. Brand af 1792 fmba (owns 47% of the group)
- The Executive Management and Board of Directors of Alm. Brand Group
- Key employees

Related parties also include related family members of the Executive Management, Board of Directors and key employees as well as companies in which these persons have significant interests.

The Alm. Brand Group handles administrative tasks for Alm. Brand af 1792 fmba.

An arm's length agreement has been signed on interest accruing on intra-group accounts between the group companies.

An overview of subsidiaries is provided in the corporate overview.

Alm. Brand Forsikring A/S has an option agreement with Alm. Brand PIA A/S to sell back mortgage deeds to the bank if a debtor defaults on its payment obligations. Alm. Brand PIA thus assumes the underlying credit risk on the mortgage deeds, while the market risk is assumed by Alm. Brand Forsikring A/S, including the risk of interest rate changes and early redemption.

Notes

DKKm

2023

	Alm. Brand af 1792 fmba	Key employees	Executive Management and board of directors of A/S	Companies controlled by members of the Board of Directors	
					Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis.
Sale of services	6	1	1	1	See note 2 Insurance service expenses , which sets out further details on remuneration paid to the group's Board of Directors, Executive Management and other senior executives.
Purchase of services	0	0	0	1	
Interest and fee income	0	0	0	0	
Interest and fee expenses	0	0	0	0	In addition to the remuneration paid to members of the Board of Directors, Executive Management, etc. in the financial year, the following transactions took place between the Alm. Brand Group and the related parties:
Receivables	0	0	0	0	
Debt	8	0	0	0	
Collateral	0	0	0	0	

2022

	Alm. Brand af 1792 fmba	Key employees	Executive Management and board of directors of A/S	Companies controlled by members of the Board of Directors	
					The buying and selling of services comprising insurance services and buying/selling of mortgage deeds etc. Is made on an arm's length basis. Board members elected by the employees, however, obtain the usual staff terms. No losses or impairment charges were recognised on related party transactions in the financial year or the previous financial year.
Sale of services	4	0	0	1	
Purchase of services	0	0	0	0	
Interest and fee income	0	0	0	0	
Interest and fee expenses	0	0	0	0	
Receivables	0	0	0	0	
Debt	1	0	0	0	
Collateral	0	0	0	0	

Notes

DKKm	2023			2022		
	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
<i>Assets at fair value classified on initial recognition using the fair value option</i>						
Loans and advances	380	0	380	433	0	433
<i>Assets at fair value through income statement</i>						
Mortgage bonds	703	0	703	535	0	535
Shares	253	0	253	722	0	722
Unit trust units	20,372	0	20,372	19,469	0	19,469
Other investment assets	291	0	291	31	0	31
Positive market value of derivative financial instruments	431	0	431	491	0	491
<i>Loans and receivables at amortised cost</i>						
Other receivables	224	224	224	278	278	278
Pensionskassen under Alm. Brand A/S	7	7	7	8	8	8
Interest receivable	118	0	118	42	0	42
Other assets	0	0	248	0	0	302
Cash in hand and demand deposits	288	288	288	458	458	458
Financial assets, year-end	23,067	519	23,315	22,467	744	22,769

Notes

DKKm	2023			2022		
	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
<i>Liabilities at fair value through income statement</i>						
Negative market value of derivative financial instruments						
<i>Liabilities, amortised cost</i>						
Subordinated debt	511	0	511	659	0	659
Payables to group enterprises	1,294	1,294	1,294	1,294	1,294	1,294
Payables to credit institutions and central banks	8	8	8	1	1	1
Repo/reverse transactions, negative values	149	149	149	143	143	143
Lease liability	123	123	123	139	139	139
Other payables	796	796	796	957	957	957
Financial liabilities, year-end	590	590	590	883	883	883

Loans, advances and receivables at fair value, bonds at fair value, shares etc. and derivatives are measured at fair value in the financial statements so that recognised values equal fair values.

Subordinated debt is measured at amortised cost. The difference relative to fair values is assumed to be the interest rate level-independent value adjustment calculated by comparing current market rates with the market rates prevailing when the issues were made.

Notes

DKKm	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>Fair value measurement of financial instruments</i>								
<u>Financial assets</u>								
Loans and advances	0	0	657	657	0	0	744	744
Bonds	0	703	0	703	0	535	0	535
Shares and unit trust units	19,415	0	1,210	20,625	19,004	0	1,187	20,191
Other assets	0	840	0	840	0	564	0	564
Total financial assets	19,415	1,543	1,867	22,825	19,004	1,099	1,931	22,034
<u>Financial liabilities</u>								
Subordinated debt	0	0	1,691	1,691	0	0	1,691	1,691
Issued bonds	0	0	150	150	0	0	150	150
Other payables	0	723	0	723	0	827	0	827
Total financial liabilities	0	723	1,841	2,564	0	827	1,841	2,668

The fair value is the price obtained in a sale of an asset or paid for transferring a liability in an arm's length transaction at the time of measurement. The fair value may be identical to the net asset value if the net asset value is calculated on the basis of underlying assets and liabilities measured at fair value. There are three levels of fair value measurement:

Level 1 is based on quoted (unadjusted) prices in active markets.

Level 2 is used where no quoted price is available but where the use of another official price is deemed to best reflect the fair value. In the case of listed securities for which the closing price does not represent fair value, valuation techniques or other observable data are used to determine fair value. Depending on the nature of the asset or liability, these may be calculations based on underlying parameters such as yields, exchange rates and volatility or with reference to transaction prices for similar instruments.

Level 3 is used for financial assets and liabilities the valuation of which cannot be based on observable data due to such data not being available or not being deemed to be usable for the determination of fair value. Instead recognised techniques, including discounted cash flows, and internal models and assumptions are used for the determination of fair value.

The process for recognising fair values has been structured so that effective segregation of duties has been set up between the departments in the group that report, monitor and effect the transactions. Reconciliation procedures have been set up for the purpose of identifying material discrepancies across the various reports and source systems used.

Notes

Transfer between the categories of the fair value hierarchy is only effected in case of changes to available data for use in measurement. The portfolio is reviewed on an ongoing basis to identify any changes in available data and any other changes which may have prompted recategorisation. There were no transfers between categories in the fair value hierarchy in 2022 or 2023.

Loans at fair value comprises mortgage deeds measured using a model which is based on the present value of expected future cash flows. The model distinguishes between 'delinquent' and 'non-delinquent' mortgage deeds. For non-delinquent mortgage deeds, the calculation is based on the expected future cash flows over the term of the mortgage deed discounted using the sum of a risk-free interest rate and a return requirement plus a risk premium, taking into account the ranking of the mortgage deed on the property and the type of property. The return requirement including risk premium is determined in intervals between 2.75%-6.25%. If the return requirement is increased by 100 basis points, the market value will decline by approximately DKK 20 million. The sensitivity is calculated on values at 31 December 2022. See note 41, Accounting policies. Other loans of DKK 275 million are measured by the fund manager at the discounted value of future payments and validated using an internal valuation model. An interest rate increase of 1 percentage point leads to a DKK 6.4 million decline in the value.

Bonds measured at quoted prices primarily comprise Danish mortgage bonds and, to a lesser extent, Danish government bonds and corporate bonds. These bonds are attributed to level 1 if a quoted price is identified within 1-3 trading days before the date of calculation (depending on the type of bond). Bonds which are not traded are attributed to level 2. Other bonds included in level 2 are those which, as a result of lack of market liquidity, are measured based on market rates and yield spreads to these as observed for similar issues.

Shares mainly comprise listed shares and share options measured at quoted prices. These shares are included in level 1. For unlisted shares where no observable input is immediately available, the measurement is based on an estimate which builds on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties. These shares are included in level 3. A 10% drop in share prices would cause the value of the shares to decline by DKK 121 million in aggregate.

Investment units are measured at quoted prices of listed investment associations or the equity value of account-holding investment associations.

Other assets comprises interest receivable at DKK 118 million and positive values of derivative financial instruments at DKK 431 million. Interest rates are measured on the basis of normal principles of accrual. Derivative financial instruments mainly comprise interest rate swaps, which are measured by way of calculation of the net present value of expected future cash flows discounted on the basis of obtainable interest rate points, interpolation between interest rate points and exchange rates. Listed futures and options are measured on the basis of obtainable prices. Unlisted options are measured on the basis of obtainable volatilities, prices of underlying assets and exercise prices using Black-Scholes. Forward exchange transactions are measured on the basis of obtainable forward premiums and exchange rates. Inflation swaps are measured by way of calculation of the net present value of expected future cash flows discounted on the basis of obtainable index points and interest rate points, interpolation between these and exchange rates.

Other liabilities comprises interest payable at 88 million and negative values of derivative financial instruments at 511 million. Interest rates are measured on the basis of normal principles of accrual. Derivative financial instruments are valued on the basis of listed prices from an active market and using generally accepted valuation models with observable data, including yield curves, volatilities and equity indices.

Notes

DKKm	2023	2022
Development in level 3 financial instruments		
<i>Loans and advances</i>		
Carrying amount, beginning of year	744	583
Additions during the year	7	4
Additions during the year relating to acquisition of subsidiary	0	360
Disposals during the year	-123	-104
Realised value adjustments	1	7
Unrealised value adjustments	28	-106
Carrying amount, year-end	657	744
Value adjustments recognised in the income statement	29	-99
<i>Shares and unit trust units</i>		
Carrying amount, beginning of year	1,187	400
Additions during the year	139	291
Additions during the year relating to acquisition of subsidiary	0	644
Disposals during the year	-57	-152
Disposals relating to the divestment of subsidiaries	0	0
Realised value adjustments	-2	-1
Unrealised value adjustments	-57	5
Carrying amount, year-end	1,210	1,187
Value adjustments recognised in the income statement	-59	4

	2023	2022
<i>Other liabilities</i>		
Carrying amount, beginning of year	1,841	1,445
Additions during the year	0	400
Disposals during the year	0	0
Realised value adjustments	0	0
Unrealised value adjustments	0	-4
Carrying amount, year-end	1,841	1,841
Value adjustments recognised in the income statement	0	-4
<i>Rating of bonds</i>		
Rated AAA	703	535
Rated AA- to AA+	0	0
Rated A- to A+	0	0
Others	0	0
Bonds at fair value, year-end	703	535

Notes

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Note 30 Return on financial instruments

	On initial recognition fair value	Assets through income statement	Assets at amortised cost	Debt at amortised cost	Total	On initial recognition fair value	Assets through income statement	Assets at amortised cost	Debt at amortised cost	Total
Interest income, etc.	0	281	0	0	281	0	163	0	0	163
Other income		19	0	0	19		26	0	0	26
Total income	0	300	0	0	300	0	189	0	0	189
Interest expenses		-112	0	-63	-175		-32	0	-23	-55
Value adjustments excluding credit losses on mortgage deeds	0	995	0	0	995	0	-1,281	0	0	-1,281
Impairment of loans, advances and receivables, etc.	0	0	0	0	0	0	0	0	0	0
Profit/loss before tax	0	1,183	0	-63	1,128	0	-1,124	0	-23	-1,115

Notes

DKKm	2023			2022		
	Derivatives	Repo agreements	Total	Derivatives	Repo agreements	Total
Note 31 Offsetting						
<i>Financial assets</i>						
Recognised assets, gross	431	0	431	491	0	491
Liabilities offset in the balance sheet	0	0	0	0	0	0
Financial assets stated at net amounts in the balance sheet	431	0	431	491	0	491
<i>Related amounts which have not been offset in the balance sheet</i>						
Financial instruments	0	0	0	0	0	0
Financial collateral	-248	0	-248	-302	0	-302
Net amounts	183	0	183	189	0	189
<i>Financial liabilities</i>						
Recognised liabilities, gross	511	123	634	659	139	798
Assets offset in the balance sheet	0	0	0	0	0	0
Financial liabilities stated at net amounts in the balance sheet	511	123	634	659	139	798
<i>Related amounts which have not been offset in the balance sheet</i>						
Financial instruments	0	0	0	0	0	0
Financial collateral	-26	0	-26	-4	0	-4
Net amounts	485	123	608	655	139	794

Derivative financial instruments are recognised in the balance sheet at fair value. Negative fair values are included under Other payables, while positive fair values are included under Investments assets. Financial instruments in the balance sheet are comprised by framework agreements for netting or other agreements. Assets and liabilities are offset when Alm. Brand and the counterparty have a legally enforceable right to offset the recognised amounts and subsequently realise the assets and settle the liability simultaneously. Alm. Brand uses master netting agreements, which entitle the group to offset amounts when a counterparty is in default as the exposure to the counterparty in such a case would be reduced because of collateral security received. Collateral security reduces the exposure if a counterparty is in default, but it does not meet the criteria for offsetting in accordance with IFRS.

Notes

DKKm	2023	2022
Note 32 Financial instruments by term to maturity		
<i>Bonds</i>		
Expiry within 1 year	61	279
Expiry between 1 year and 5 years	642	256
Expiry after more than 5 years	0	0
Bonds, year-end	703	535
<i>Cash in hand and balances at call</i>		
Expiry within 1 year	288	458
Expiry between 1 year and 5 years	0	0
Expiry after more than 5 years	0	0
Cash in hand and balances at call, year-end	288	458
<i>Loans, advances and receivables</i>		
Expiry within 1 year	179	221
Expiry between 1 year and 5 years	13	13
Expiry after more than 5 years	465	510
Loans, advances and receivables, year-end	657	744
<i>Payables to credit institutions and payables related to insurance</i>		
Due on demand	386	531
Expiry between 1 month and 3 months	0	0
Expiry between 3 months and 1 year	0	0
Expiry between 1 year and 5 years	0	0
Expiry after more than 5 years	0	0
Payables to credit institutions and payables related to insurance, year-end	386	531

	2023	2022
<i>Guarantees and rent commitments</i>		
Expiry within 3 months	24	37
Expiry between 3 months and 1 year	73	81
Expiry between 1 year and 5 years	244	367
Expiry after more than 5 years	310	340
Guarantees and rent commitments, year-end	651	825
<i>Financial liabilities</i>		
Expiry within 3 months	211	168
Expiry between 3 months and 1 year	30	50
Expiry between 1 year and 5 years	122	142
Expiry after more than 5 years	510	617
Financial liabilities, year-end	873	977

The actual expiry dates may deviate from the contractual expiry dates as the issuers of the specific instruments may be entitled to repurchase the instrument before it expires. See note 20 Provisions for insurance contracts, which includes the expected cash flow for the group's claims and life insurance provisions. Amounts in the table above do not comprise interest payments.

Notes

DKKm	2023	2022
Note 33 Market risk		
<i>Currency risk</i>		
Foreign currency positions:		
Long positions	33,148	16,691
Short positions	-30,005	-15,294
Net positions	3,143	1,397
Foreign currency positions distributed on the five largest net positions:		
EUR	3,031	1,309
USD	43	9
GBP	-18	120
SEK	41	-51
JPY	15	-12
Øvrige	31	22
Total foreign currency positions	3,143	1,397

Interest rate risk

Total interest rate risk calculated according to the group's internal approach	1,086	628
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The internal calculation approach is used for the management of day-to-day risk. The calculation approach applies modified option-adjusted durations for the calculation of interest rate risk in the event of a 1 percentage point increase in interest rates. Interest rate risk is measured as the expected loss on interest rate positions that would result from an immediate upwards or downwards change in all interest rates by 1 percentage point. The interest rate risk is calculated for each currency.

	2023	% af EK
Note 34 Sensitivity information		
<i>Sensitivity information, group</i>		
<i>Financial assets</i>		
Risk on shareholders' equity in case of specific events:		
Interest rate increase of 1 percentage point	-104	-0.7
Interest rate fall of 1 percentage point	57	0.4
Share price fall of 15%	-145	-1.0
Fall in property prices of 15%	-53	-0.4
Currency risks excluding EUR, 25% decline	-28	-0.2
1 percentage point spread widening	-273	-2.0
<i>Caststrophe events:</i>		
Change in combined ratio +1 ppt (DKKm)	-106	-0.8
Change in combined ratio -1 ppt (DKKm)	106	0.8
Change in provision for claims +10 %-point	-1,263	-9.1
Change in provision for claims -10 %-point	1,263	9.1

The order of the risk factors is not an indication of the size or importance of each risk factor.

Note 39 Risk management contains a detailed description of the risks assumed by the group.

Note 35 Discontinued Operations **2022**

Alm. Brand Liv og Pension A/S was sold to Nordic I&P at a price of DKK 1.1 billion effective from 1 March 2022.

Alm. Brand Liv og Pension, Profit/loss after tax	7
Gain on sale of Alm. Brand Liv og Pension	537
Profit/loss after tax	544

Earnings per share, DKK, discontinuing activities	0.4
Diluted earnings per share, DKK, discontinuing activities	0.4

Notes

DKKm 2023

Note 36 Reconciliation

	Financial statement	Reclas- sification	Review
Technical result	1,336	76	1,412
Investment return	362	2	364
Non-life Insurance	1,698	78	1,776
Other activities	-78	-54	-132
Profit before tax, continuing activities excluding special costs	1,620	24	1,644
Special costs	-739	-24	-763
Profit/loss after tax, continuing activities	881	0	881

2022

	Financial statement	Reclas- sification	Review
Technical result	929	76	1,005
Investment return	-383	10	-373
Non-life Insurance	546	86	632
Other activities	-119	-55	-174
Profit before tax, continuing activities excluding special costs	427	31	458
Special costs	-663	-31	-694
Profit/loss after tax, continuing activities	-236	0	-236

Income from the TSA has been moved from other income to offsetting in the technical result and the investment result. In addition, the profit of other activities has been recognised separately in the management's review.

Notes

DKKm	2023	2022	2021*	2020*	2019*
Note 37 Financial highlights and key ratios					
Gross premium Income	14,350	12,262	5,407	5,343	5,240
Gross claims expenses	-10,127	-9,189	-3,760	-3,464	-3,567
Insurance operating expenses	-2,199	-1,732	-983	-902	-931
Profit/loss on reinsurance	-688	-412	67	-184	-236
Technical result	1,336	929	731	793	506
Investment return after return on and value adjustment of provisions	284	-502	36	33	-55
Other ordinary items, net	-739	-663	-69	-98	0
Profit/loss before tax, Alm. Brand Liv og Pension					102
Profit/loss before tax	881	-236	698	728	553
Tax, continuing activities	-269	66	-192	-167	-113
Profit/loss after tax, continuing activities	612	-170	506	561	440
Profit/loss after tax, discontinuing activities	0	544	92	57	12
Profit/loss after tax	612	374	598	618	452
Run-off result, net of reinsurance	300	157	109	101	70
Technical provisions	17,064	16,633	7,828	24,698	23,593
Insurance assets	470	457	337	195	148
Consolidated shareholders' equity	13,944	13,845	13,706	5,167	4,576
Total assets	35,569	35,590	42,235	32,780	41,798
Gross claims ratio	70.6	74.9	69.5	64.8	68.1
Net reinsurance ratio	4.8	3.4	1.2	3.4	4.5
Claims experience	75.4	78.3	70.8	68.3	72.6
Gross expense ratio	15.3	14.1	18.2	16.9	17.8
Combined ratio	90.7	92.4	89.0	85.2	90.3
Operating ratio	90.7	92.4	86.5	85.2	90.3
Return on equity before tax p.a. (%)	6.6	2.3	16.9	16.9	12.4
Return on equity after tax p.a. (%)	4.6	2.7	12.6	12.6	9.9

*The years 2019-2021 have not been calculated in accordance with IFRS 17 but are merely presented using IFRS 17 terminology.

Financial ratios have been calculated to reflect IFRS 3 adjustments.

Notes

DKKm

2023

Note 38 Acquired contracts

Development in provision for insurance contracts - acquired insurance contracts

	LFRC incl. Riskadjustment			Total Group
	LFRC* excl. loss-component	Loss-component**	LFIC** Cash Flows	
Provisions for insurance contracts 1 January 2023	5,823	1,236	0	7,059
Insurance revenue / expected incurred claims	-2,566			-2,566
Incurring claims and other expenses		-1,119	1,295	176
Changes relating to future service: onerous contract losses and reversals of those losses		2,016		2,016
Changes that relate to past service: changes to liabilities for incurred claims				0
Insurance service expenses, total	0	897	1,295	2,192
Insurance service result	-2,566	897	1,295	-374
Finance income and expenses from insurance contracts	216	0	0	216
Total amounts recognised in income statement	-2,350	897	1,295	-158
Claims and other expenses paid			-1,295	-1,295
Total cash flows	0	0	-1,295	-1,295
Provisions for insurance contracts 31 December 2023	3,473	2,133	0	5,606

*LFRC (Liabilities for remaining coverage)

**LFIC (Liabilities for incurred claims)

*** The loss component is the difference between the budgeted and actual payment pattern. It expresses the share of LFRC that was expected to be paid out on the balance sheet date but has not been paid, but is still expected to be paid later.

The loss component is a difference in the payments patterns between the actual payments and the expected payments and has no impact on the provisions and the result.

There is no CSM (contractual service margin) on the acquired insurance contracts.

Notes

DKKm

2022

Note 38 Acquired contracts

Development in provision for insurance contracts - acquired insurance contracts

	LFRC incl. Riskadjustment			Total Group
	LFRC* excl. loss-component	Loss-component**	LFIC** Cash Flows	
Provisions for insurance contracts 1 May 2022	8,800	0	0	8,800
Insurance revenue / expected incurred claims	-2,698			-2,698
Incurring claims and other expenses		-355	1,689	1,334
Changes relating to future service: onerous contract losses and reversals of those losses		1,592		1,592
Changes that relate to past service: changes to liabilities for incurred claims				0
Insurance service expenses, total	0	1,236	1,689	2,925
Insurance service result	-2,698	1,236	1,689	227
Finance income and expenses from insurance contracts	-279	0	0	-279
Total amounts recognised in income statement	-2,977	1,236	1,689	-52
Claims and other expenses paid			-1,689	-1,689
Total cash flows	0	0	-1,689	-1,689
Provisions for insurance contracts 31 December 2022	5,823	1,236	0	7,059

*LFRC (Liabilities for remaining coverage)

**LFIC (Liabilities for incurred claims)

*** The loss component is the difference between the budgeted and actual payment pattern. It expresses the share of LFRC that was expected to be paid out on the balance sheet date but has not been paid, but is still expected to be paid later.

The loss component is a difference in the payments patterns between the actual payments and the expected payments and has no impact on the provisions and the result.

There is no CSM (contractual service margin) on the acquired insurance contracts.

Notes

DKKm

2023

Note 38 Acquired contracts

Development in provision for reinsurance contracts - acquired insurance contracts

	<u>AFRC incl. Riskadjustment</u>			Total Group
	AFRC* excl. loss-compment	Loss-component**	AFIC** Cash Flows	
Reinsurers' share of insurance contract provisions 1 January 2023	436	19	0	455
Revenue from reinsurance contracts	-444			-444
Recoveries of incurred claims and other expenses			106	106
Changes relating to future service: recoveries and reservesals of recoveries of losses on onerous underlying contracts	316	128		444
Expenses from reinsurance contracts	316	128	106	550
Reinsurance service result	-128	128	106	106
Finance income and expenses from reinsurance contracts	-1	0	0	-1
Total amounts recognised in income statement	-129	128	106	105
Recoveries from reinsurance			-106	-106
Total cash flows	0	0	-106	-106
Reinsurers' share of insurance contract provisions 31 December 2023	307	147	0	454

*AFRC (Assets for remaining coverage)

*AFIC (Assets for incurred claims)

*** The loss component is the difference between the budgeted and actual payment pattern. It expresses the share of LFRC that was wxpected to be paid out on the balance sheet date but has not been paid, but is still expected to be paid later.

The loss component is a difference in the payments patterns between the actual payments and the expected paymnets and has no impact on the provisions and the result.

There is no CSM (contractual service margin) on the acquired insurance contracts.

Notes

DKKm

2022

Note 38 Acquired contracts

Development in provision for reinsurance contracts - acquired insurance contracts

	<u>AFRC incl. Riskadjustment</u>			Total Group
	AFRC* excl. loss-compoment	Loss-component**	AFIC** Cash Flows	
Reinsurers' share of insurance contract provisions 1 May 2022	453	0	0	453
Revenue from reinsurance contracts	-256			-256
Recoveries of incurred claims and other expenses			131	131
Changes relating to future service: recoveries and reservesals of recoveries of losses on onerous underlying contracts	190	79		269
Expenses from reinsurance contracts	190	79	131	400
Reinsurance service result	-66	79	131	144
Finance income and expenses from reinsurance contracts	-10	0	0	-10
Total amounts recognised in income statement	-76	79	131	134
Recoveries from reinsurance			-131	-131
Pengestrømme, i alt	0	0	-131	-131
Genforsikringsandele af forsikringskontrakter pr. 31. december 2022	377	79	0	456

*AFRC (Assets for remaining coverage)

*AFIC (Assets for incurred claims)

*** The loss component is the difference between the budgeted and actual payment pattern. It expresses the share of LFRC that was wxpected to be paid out on the balance sheet date but has not been paid, but is still expected to be paid later.

The loss component is a difference in the payments patterns between the actual payments and the expected paymnets and has no impact on the provisions and the result.

There is no CSM (contractual service margin) on the acquired insurance contracts.

Notes

NOTE 39 RISK MANAGEMENT

OBJECTS

The objective of risk management in Alm. Brand Group is to ensure that the risks assumed at any given time are calculated and reflect the companies' business strategy, risk profile and capital resources. This is achieved through identification, measurement via e.g. stress scenarios, active management and continuous monitoring of both actual and potential risks which the company is exposed to during the strategy period.

RISK MANAGEMENT SYSTEM

Responsibilities and committees of the Board of Directors

The Board of Directors is responsible for the strategic management of the company and in that capacity sets the framework for risk management and the overall risk tolerance. Based on the strategy and business model, the Board of Directors also determines risk management policies and issues guidelines for the Executive Management. In order to ensure a uniform approach to risk management across the companies of Alm. Brand Group, the individual group companies have adopted group-wide risk management policies.

The risk management policies are built around a hierarchy, in which the Risk management policy and strategy determines the overall risk tolerance and the framework for managing the principal

risks. The Risk management policy and strategy is supplemented by guidelines prepared specifically for the executive managements of the individual group companies. In addition, separate group-wide risk policies and, where relevant, company-specific guidelines have been drawn up for the executive managements for each of the principal risk types to which the group is exposed.

Through regular reporting, the Board of Directors follows up on the group's risk exposures and on whether risk management is adequate and in accordance with policies and guidelines. A risk committee has been set up to assist the Board of Directors in its risk management efforts. The risk committee is responsible for monitoring and controlling that the risk profile and risk tolerance adopted by the Board of Directors are implemented throughout the organisation and for discussing and recommending risk-mitigating measures to the Board of Directors. The risk committee also prepares and recommends internal and external risk reports for review and approval by the Board of Directors.

Responsibilities and committees of the Executive Management

The Executive Management is responsible for implementing the group's strategy and handling day-to-day management. In risk management contexts, this responsibility

includes ensuring that the group is operated in accordance with the risk management policies and guidelines determined by the Board of Directors, including in terms of organisation, processes, systems and resources and competences supporting adequate risk management.

Three committees assist the Executive Management in its work: a Risk Committee, an Investment Committee and a Strategy & Initiatives Committee.

The Risk Committee promotes a healthy risk culture and ensures a constant overview of the group's risk exposure with a view to assisting the Executive Management in ensuring implementation and compliance with the risk policies and guidelines determined by the Board of Directors. The Risk Committee is furthermore responsible for monitoring and assessing the group's capital and solvency.

The Investment Committee assists the Executive Management in ensuring that policies and guidelines on investing the group's funds are sufficient and adequate and in monitoring compliance with such policies and guidelines. The Investment Committee prepares recommendations on risk management in the investment area and provides input in connection with important investment decisions.

The Strategy & Initiatives Committee is set up to monitor the implementation of the group's general strategic initiatives and the development in the overall project and programme portfolio.

The Executive Management committees are supplemented by a number of specialist business committees, including a pricing committee, a products committee, a claims committee, a provisioning committee, an outsourcing and vendor management committee and an information security and data protection committee.

Day-to-day risk management

Day-to-day risk management of the group's risks is carried out through the group structure of Alm. Brand Group. Risk management is structured in accordance with the principles of three independent lines of defence, each of which plays an independent role in the group's risk management efforts.

The first line of defence consists of the individual business units which assume risk and are responsible for the day-to-day risk management across the group's companies. The managements of the business units in the first line of defence are responsible for ensuring that risks associated with the performance of their duties are properly and adequately identified, assessed, managed and reported.

Notes

NOTE 39 RISK MANAGEMENT – CONTINUED

The second line of defence consists of three functions: the Risk Function, the Compliance Function (including the data protection officer (DPO)) and the Actuarial Function. The Risk Function and the Actuarial Function monitor the group's risk exposures and assess the methods and models used by the first line of defence for risk management purposes. The Compliance Function monitors compliance with legislation, industry standards and internal guidelines. The entities in the second line of defence furthermore assist the first line of defence with advice on risk management and compliance and with structuring the internal control environment.

The third line of defence consists of the internal audit department. Internal Audit is responsible for performing an independent audit of risk management and internal controls in both the first and second lines of defence.

RISK FACTORS

We take various types of calculated risk in support of the group's long-term business objectives. The content and size of risks encountered in the various business areas differ considerably.

The sections below provide details on the risk scenarios of Alm. Brand Forsikring A/S, Codan Forsikring A/S and Forsikrings-selskabet Privatsikring A/S.

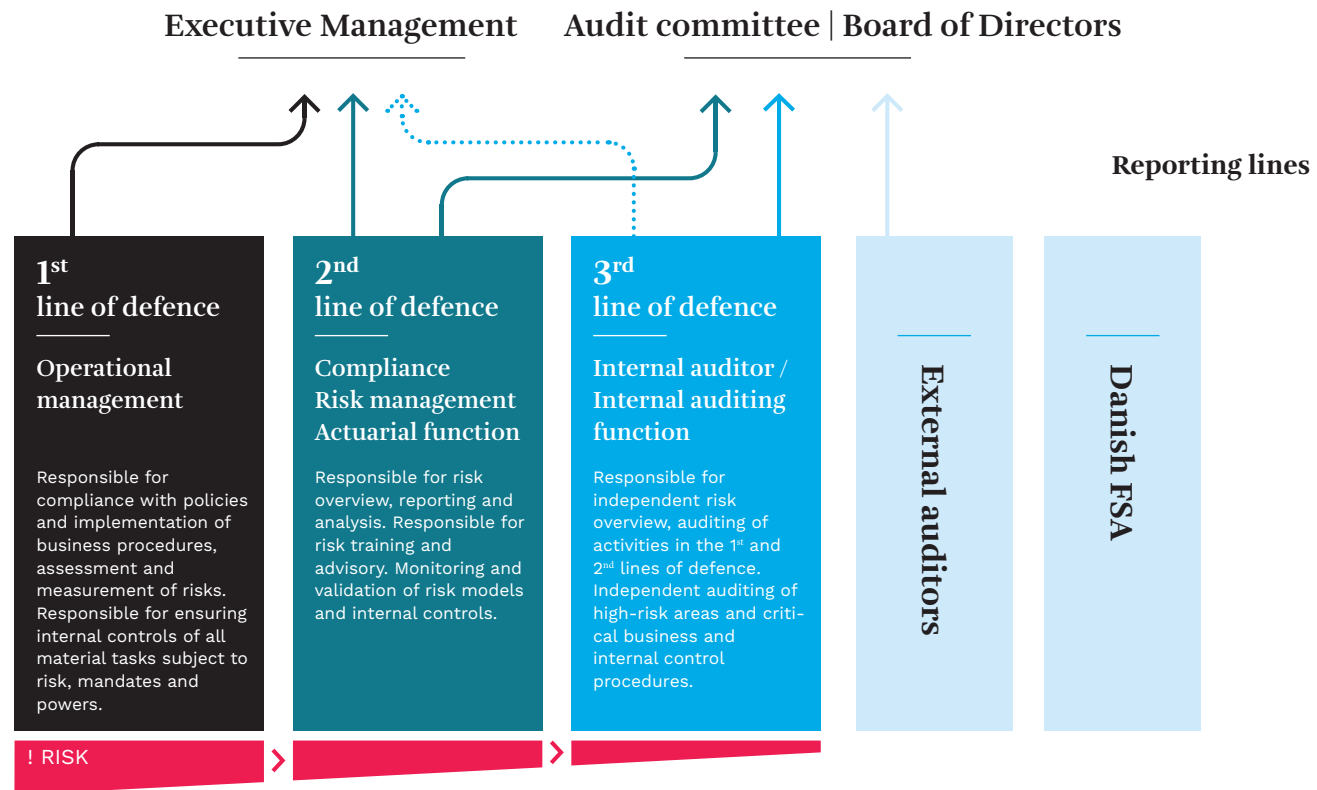
INSURANCE RISKS

Insurance risk is the risk of incurring unforeseen expenses by entering into insurance contracts. The risks are premium risks, claims provision risks and catastrophe risks.

Premium risks

Premium risk is the risk that costs and claims expenses exceed premium income. This risk is assessed for each individual type of business and, accordingly, there are multiple premium risks. If, in any one

year, the company records a high number of major claims, or if the tariff is out of step with trends in the underlying risk, the premium may prove insufficient to cover the claims expenses and the company's costs.



Notes

NOTE 39 RISK MANAGEMENT – CONTINUED

Rules governing acceptance and writing of new business at customer and product level reduce premium risks. Written risks are assessed for the possibility that several policies can be affected by the same loss event (accumulation). Moreover, each sales personnel member has been given instructions as to what risks can be accepted. In addition, premium risks are reduced through the use of reinsurance and by frequently monitoring trends in tariff parameters.

Claims provision risks

Claims provision risk is the risk that the claims provisions made are too low to cover the ultimate cost of claims incurred. In connection with the preparation of the financial statements, the company reserves funds for payment of reported but not settled claims and expectedly incurred but not reported claims. Claims provisions are estimated by the company's actuaries. The payments and other liabilities to the policyholders may ultimately prove greater or smaller than estimated. If so, the company will incur a loss or recognise a gain. The most important reasons for this are calculation uncertainty and claims inflation. The amount of run-off gains and losses is evaluated in the annual actuarial report. This control contributes to providing a true and fair view of the risk of run-off losses.

Catastrophe risks

Catastrophe risks are risks related to extreme events. The greatest single risks in the company are natural disasters, for which the company's risk is assessed using financial models and a number of scenarios based on portfolio exposure and on a calculated probability. Both components show that the current reinsurance programme will provide cover at least for losses resulting from a 1:200-year loss event.

From 1 July 2019, the risk of a terrorist attack is covered under a state terrorism insurance scheme, comprising claims related to attacks involving nuclear, biological or chemical agents. The company therefore no longer covers these risks, but still covers claims related to conventional terrorist attacks, which are also covered under the company's catastrophe reinsurance programme.

Health insurance risks

Health insurance risk arises as a result of the insurance group's writing of workers' compensation and personal accident insurance. These policies all give rise to both premium, claims provision and catastrophe risks, as described in the sections above.

Workers' compensation insurance and health and accident insurance are affected by legislative amendments and changed legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and socio-economic factors. Such factors arise due to trends in society and will have a tendency to drive up the number of insurance-covered claims and average claims expenses.

Concentration risks

Concentration risk is the risk arising when the company's exposures are concentrated, for instance, on few lines or on few large individual exposures. The company has determined procedures for the monitoring and mitigation of concentration risks.

The insurance portfolio is well-diversified across customer types (personal/commercial lines), products and markets (domestic/international). The company is subject to insurance concentration risks in the sense that e.g. a major weather event may affect a large part of the portfolio at the same time. However, this risk is reduced through the reinsurance programme.

Reinsurance

An insurance company can protect itself against losses by taking out reinsurance, often with major international reinsurers

that have a high credit rating. Reinsurance cover can be designed in different ways, depending on which losses the insurance company wishes to manage.

The purpose of the company's reinsurance programme is to ensure that a single loss event or a random accumulation of large losses does not lead to an unacceptable loss of capital and, moreover, the purpose is to reduce fluctuations in technical results. The reinsurance programme provides extensive and broad coverage and reduces the company's risks overall.

FINANCIAL RISKS

Market risks

Market risk is defined as the risk that the value of a portfolio of financial instruments is impaired due to fluctuations in exchange rates or prices in financial markets. The risks arise both for assets and liabilities and for derivative financial instruments (derivatives), for which only the positive or negative market value of the derivative appears in the balance sheet.

The management of market risk is intended to ensure achievement of an optimum return without putting the total capital of the individual group companies at risk of significant deterioration due to financial market developments or financial difficulties of individual issuers.

Notes

NOTE 39 RISK MANAGEMENT – CONTINUED

Market risks are divided into a number of sub-risks as described below.

Interest rate risks

Interest rate risk is the risk of incurring a loss on an interest rate exposure as a result of an interest rate increase or decline. The investment assets are predominantly placed in interest-bearing assets, most of which are Danish mortgage bonds with a high credit rating, while a small part is placed in credit bonds. The interest rate risk on assets and liabilities is monitored and adjusted on an ongoing basis, and derivatives are used to adjust the interest rate risk on assets.

Currency risks

Currency risk primarily arises as a result of investments in global equities and provisions in foreign currency. In addition, the group is exposed to euro-denominated equities, European credit bonds, property funds and market values of derivative fixed-income instruments denominated in foreign currency. Alm. Brand Group has hedging strategies for all currency positions.

Liquidity risks

Liquidity risk arises due to differences in the timing of ingoing and outgoing payments. Such differences may arise as a result of unexpected events or may

be a deliberate strategy. The objective of liquidity risk management is to ensure that liquidity is at all times sufficient to support operations and comply with the statutory requirements. Should Alm. Brand's liquidity come under substantial pressure, liquidity may be procured within a short period of time by selling assets.

Counterparty risks

Counterparty risk arises when a counterparty in a financial agreement, e.g. reinsurance contracts or financial contracts, fails to meet its obligations. Counterparty risk related to reinsurance is the uncertainty associated with the situation that one or more of the group's reinsurers go into insolvent liquidation, resulting in a full or partial loss of receivables and in new coverage of the business having to be purchased. In order to minimise the risk related to each reinsurer, reinsurers must be rated at least A-. Counterparty risk against credit institutions arises in a bilateral derivative agreement or by depositing cash funds in a bank account. Placement limits contain restrictions as to the companies' maximum receivable from specific credit institutions. The group limits counterparty risks in connection with derivative agreements by entering into margin agreements and netting with the counterparties.

The group is exposed to the ability of its customers to pay. The risk is distributed on a large number of personal and commercial customers and is limited by the fact that the customers' insurance covers will to a large extent lapse if the customers fail to pay their premiums. In addition, Alm. Brand Forsikring has a small portfolio of mortgage deeds where the company is exposed to counterparty risk on the individual debtors.

OPERATIONAL RISKS

Operational risk is the risk of incurring a loss due to inexpedient or faulty internal procedures, human or system errors or as a result of external events, including legal risks.

Operational risk and resulting losses due to operational incidents can be mitigated through active risk management, but cannot be entirely eliminated. Accordingly, the purpose of risk management of operational risks is to ensure that the group is able to carry on a stable, secure and attractive business while ensuring that such risk management is performed with due consideration to the costs associated therewith. The Board of Directors aims for the group to only offer products and use systems offering fully transparent complexity and making it possible for the group to reduce operational risks to an

acceptable level. This objective is to be achieved, among other things, by having a high professional level among employees and business partners, by using tested and well-documented solutions in all business areas and by maintaining a constant focus on identifying and reporting significant identified operational risks and incidents. In addition, risk management must be strengthened on an ongoing basis by having a risk culture in which openness, awareness and knowledge-sharing on operational risks and incidents form a natural part of day-to-day work.

Information security

A key element of operational risk is related to information security. Alm. Brand's management and control of the information security area should contribute to ensuring that data are processed in a lawful and safe manner. This involves ensuring that, relative to their value, the company's data and solutions relating to information and communication technology observe

- confidentiality (data can only be accessed by authorised persons);
- integrity (data and information systems are accurate and complete); and
- accessibility (data and information systems are accessible to and usable for authorised persons).

Notes

NOTE 39 RISK MANAGEMENT – CONTINUED

Insufficient and/or inadequate information security may lead to breach of confidentiality, integrity and accessibility and ultimately result in financial loss, breach of the law and reputational damage.

The company's widespread use of digitisation, involving the processing of confidential information and sensitive personal data, involves a high degree of information security ('license to operate'). Together with a systemically high threat level in the industry, not least in terms of cybercrime, this means that, if no counter-measures are taken, the company would have a very high exposure to inherent information security-related risks. The information security risk discipline is therefore a key element of the company's information security efforts, as the result of such efforts can identify any high-risk areas requiring risk-mitigation measures.

Managing operational risks

As part of the management of operational risks, significant operational risks are mapped throughout the group on an annual basis. The mapping process is carried out by way of workshops in the individual business areas with the aim of identifying, classifying and assessing significant risks. Identified risks are reported and managed in accordance with the risk tolerance for operational risks defined by the Board of Directors, and the risk assessments and

the way in which identified operational risks are addressed are revised on an ongoing basis. The group's operational risk exposure is furthermore supplemented by risks identified during the year.

Addressing operational incidents

When an operational incident has occurred, loss-mitigating measures will be implemented as soon as possible. Such measures may include, e.g., that the risk owner arranges for the finalisation of a legal document, performs hedging of a transaction, revises business procedures, completes training and/or adapts processes. Operational incidents leading to an actual or potential loss exceeding the threshold limit determined by the Board of Directors must be registered, classified and reported. Operational incidents resulting in a gain, or incidents which could have led to a loss but did not (near misses), must also be registered to the extent relevant. The systematic registration, classification and reporting of operational incidents make up valuable input in the efforts to identify and manage operational risks.

Compliance

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, loss of customers or reputational damage to which the company is exposed due to non-compliance with applicable legisla-

tion, market standards or internal rules (policies, business procedures, etc.). Alm. Brand has determined methods and procedures to identify, assess and mitigate the group's compliance risks.

OTHER RISKS

Strategic risks

Strategic risks arise due to inexpedient business decisions, insufficient implementation of business initiatives or slow response to the challenges facing the group.

Alm. Brand's strategy has been prepared by group management on the basis of a structured process and in cooperation with each group subsidiary's Board of Directors, Executive Management and managerial groups. The group's strategic risks are monitored and assessed on an ongoing basis.

NEW AND EMERGING RISKS

As Alm. Brand needs to assess both short-term and long-term risks, relevant risk identification reports are used to assess the landscape of new and emerging risks. These are characterised by being subject to a high degree of uncertainty in terms of impact and likelihood of occurrence and may have a significant potential impact on an insurance company's underwriting, investments and/or operations.

Notes

NOTE 40 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES

The preparation of the financial statements involves the use of accounting estimates. Such estimates are made by the company's management in accordance with the accounting policies and on the basis of historical experience and assumptions, which management considers prudent and realistic but which are inherently uncertain and unpredictable. The financial statements have been prepared using the going concern basis of accounting and in accordance with applicable rules.

The most significant estimates in 2023 were made in connection with the measurement of goodwill, customer relationships and brand value. In addition, estimates were made in relation to the calculation of fair values of unlisted financial instruments, receivables, mortgage deeds and liabilities under insurance contracts.

This note should be read in conjunction with note 29, which contains information about the determination of fair value.

Business acquisition

In connection with a business acquisition, significant estimates were made in relation to the calculation of the fair value of assets acquired and liabilities assumed and in connection with the identification

of goodwill, customer relationships and brand value.

Goodwill, customer relationships and brand value

Goodwill, customer relationships and brand value are identified in connection with the acquisition of a business in 2022. Goodwill is allocated to business units constituting the smallest identifiable cash-generating units, corresponding to the internal reporting structure and the level at which management monitors the investment. Goodwill, customer relationships and brand value are tested for impairment at least once a year. A number of different factors affect the net present value of expected future cash flows, including discount rates, changes in the economic outlook, changes in customer behaviour and competition as well as actuarial assumptions.

Financial instruments

Significant estimates are not used for the valuation of financial instruments where the valuation is based on prices quoted in an active market or on generally accepted valuation models employing observable market data.

Valuations of financial instruments that are only to a limited extent based on observable market data are subject to

estimates. This applies for example to unlisted shares and certain bonds for which an active market does not exist. For securities that are not listed on a stock exchange, or for which no price is quoted that reflects the fair value of the instrument, the fair value is determined using a model calculation.

The valuation models include the discounting of the instrument cash flow using an appropriate market rate.

The valuation of unlisted shares is based on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties.

Valuation of mortgage deed portfolios

The mortgage deed portfolios are valued partly on the basis of non-observable input and are therefore to some extent subject to estimates.

Mortgage deeds are measured at fair value on initial and subsequent recognition. The fair value is measured using a valuation model in which the valuation is expressed by the present value of expected future cash flows. The model distinguishes between 'delinquent' and 'non-delinquent' mortgage deeds.

For non-delinquent mortgage deeds, the calculation is based on the expected future cash flows over the term of the mortgage deed discounted using the sum of a risk-free interest rate and a return requirement plus a risk premium, taking into account the ranking of the mortgage deed on the property and the type of property. The return requirement including risk premium is determined in intervals between 2.75%-6.25%.

If the mortgage deed becomes delinquent, the market value will be calculated based on a probability of default, i.e. that the underlying property is subjected to a forced sale. The probability of default increases with the number of delinquent days. In case of more than 120 delinquent days, the market value will be calculated based on a 50% probability that the mortgage deed will be repaid over the contractual term and a 50% probability of a forced sale of the mortgaged property.

Technical provisions

Liabilities under insurance contracts are measured based on a number of actuarial calculations, applying, among other things, assumptions on a number of variables. The liabilities are furthermore affected by the discount rate.

Notes

NOTE 40 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES – CONTINUED

The provisions for workers' compensation insurance are affected by several acts. The Danish Social Pensions Act was amended in December 2020, whereby the state retirement age was raised from 68 to 69 years for people born on or after 1 January 1967. The Act also imposes a duty on the Minister for Social Affairs in 2025 to reassess whether the retirement age should be raised further.

On 7 December 2023, the Danish parliament adopted a new act in the workers' compensation area. Most of the amendments will not come into force until in July 2024 and generally only concern injuries sustained after 1 July 2024. The amendments concern, for example, the way in which annual salary and degree of loss of earning capacity are calculated.

Generally, the reform is intended to increase labour market retention and simplify processes. It is still uncertain how the new legislation will affect compensation levels going forward.

Alm. Brand Group reserves capital with due regard to all known and unknown factors which may impact the level of claims.

Contingent liabilities

Contingent liabilities, including the outcome of pending lawsuits, are inherently uncertain. Management has assessed contingent liabilities on the basis of legal assessments in each individual case.

SENSITIVITY INFORMATION

We take various types of calculated risk in support of the long-term business objectives. The most important business risks and financial risks are listed in the table below.

The individual risks are described in note 39, Risk management, on pages 89 to 93.

Sensitivity information

DKKm	Total	% of shareholders' equity
Sensitivity information, group		
Financial assets		
Risk on shareholders' equity in case of specific events		
Interest rate increase of 1 percentage point	-104	-0.7
Interest rate fall of 1 percentage point	57	0.4
Equity price fall of 15%	-145	-1.0
Fall in property prices of 15%	-53	-0.4
Currency risk excl. EUR 25% decline	-28	-0.2
Spread widening of 1 percentage point	-273	-2.0
Change in combined ratio + 1 ppt	-106	-0.8
Change in combined ratio - 1 ppt	106	0.8
Change in claims provisions + 10 ppts	-1,263	-9.1
Change in claims provisions - 10 ppts	1,263	9.1

The table lists the most important risks to which Alm. Brand Group is exposed. The order of the risk factors is not an indication of the size or importance of each risk factor.

Notes

NOTE 41 ACCOUNTING POLICIES

GENERAL

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU. The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on Financial Reporting for insurance companies and multi-employer occupational pension funds. In addition, the consolidated financial statements have been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

Additional Danish disclosure requirements for financial statements are for the group set out in the Danish Statutory Order on Adoption of IFRS for financial enterprises issued pursuant to the Danish Insurance Business Act and by NASDAQ Copenhagen A/S. For the parent company, the disclosure requirements are defined in the Danish Financial Business Act and by NASDAQ Copenhagen A/S.

The annual financial statements are presented in Danish kroner (DKK), which is considered the primary currency of the group's activities and the functional currency of the parent company. All other currencies are deemed to be foreign

currencies. Assets and liabilities denominated in foreign currency are recognised at the rates of exchange prevailing at the balance sheet date. Income and expenses denominated in foreign currency are recognised at the rates of exchange prevailing at the transaction date. Exchange gains and losses are recognised in the income statement.

The accounting policies applied in the consolidated financial statements are described in the following. The accounting policies of the parent company are described as part of the parent company's financial statements.

Change in accounting policies

Alm. Brand Group has implemented "IFRS 17 Insurance contracts" (IFRS 17) effective from 1 January 2023. IFRS 17 replaces the previous standard "IFRS 4 Insurance contracts" (IFRS 4) and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts issued and held. IFRS 17 defines an insurance contract as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder). Insurance contract services are services that the issuer provides to a policyholder as coverage for an

insured event. According to IFRS 17, significant insurance risk must be involved. All insurance contracts issued by Alm. Brand Group are assessed to involve significant risk and consequently fall within the scope of the rules and provisions applicable under IFRS 17.

For changes in the transition from IFRS 4 to IFRS 17, the full retrospective approach has been used effective from 1 January 2022 to the extent practically possible. It has not been practically possible to use the full retrospective approach on the change of ownership portfolio, as this portfolio is onerous. Alm. Brand Group has reviewed and identified each group of insurance and reinsurance contracts and recognised each group of insurance and reinsurance contracts as if IFRS 17 had always applied.

Alm. Brand Group has recognised and measured acquisition cost assets as if IFRS 17 had always applied. Any balances that would not have existed under IFRS 17 are no longer recognised, and the net difference is recognised directly in equity as a change in accounting policies. The carrying amount of goodwill from the acquisition of Codan has not been adjusted in accordance with the rules of IFRS 17 and IFRS 3.

In connection with the implementation of IFRS 17, the calculation of claims provisions and premium provisions will be amended, and new concepts will be introduced relative to the previous standard IFRS 4. IFRS 17 prescribes two methods of measuring insurance contracts, the general measurement model (GMM) and the premium allocation approach (PAA).

The GMM is the standard approach to calculating insurance contracts, according to which insurance contracts with similar characteristics (risk) are to be grouped and the present value of future cash flows from the insurance contracts to be calculated. This calculation includes a risk adjustment and a contractual service margin (CSM). CSM represents the unearned profit to be recognised in the income statement as the agreed services are provided in future periods. On each reporting date, the expected cash flows are remeasured based on current assumptions.

Risk adjustment is a requirement under IFRS, and Alm. Brand Group has chosen to calculate the risk adjustment using a cost of capital method. The difference between IFRS 4 and IFRS 17 is that operational risk is not to be included in the calculation of the risk adjustment. The calculation of the risk adjustment using the cost of capital method estimates the capital a third party requires as a safety buffer against

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

the underlying risks which are directly associated with the obligations under the insurance contract and which are not mitigated in the market. IFRS 17 also requires that this is calculated for both gross insurance contract liabilities and reinsurance contract liabilities.

The PAA is basically a simplified version of the GMM which may be used if a number of conditions have been met.

Generally speaking, the key differences between the two methods are, for example, that the PAA involves simpler calculation of provisions for the remaining coverage period in line with the previous policies as well as fewer reporting requirements. The PAA entails methods and requirements which in many ways are consistent with IFRS 4.

The PAA may be used for insurance contracts with a coverage period of one year or less as the effect of discounting on the provision for these will be limited. However, the PAA can also be used for insurance contracts with a coverage period of more than one year, provided it can be documented that measurement of technical provisions according to the PAA will not produce a materially different result than measurement according to the GMM.

Alm. Brand Group recognises all policies with a coverage period of one year or less under the PAA. The product groups Change of Ownership, Construction Policies and Technical Lines (construction policies for renewable energy) have contracts with a coverage period of more than one year. For these groups of contracts, PAA tests have been carried out to assess whether the conditions for using the PAA have been met. All product groups have proved to meet the conditions for using the PAA.

Alm. Brand Group has thus chosen to use the PAA for the entire insurance portfolio, which in many ways is similar to Alm. Brand Group's previous accounting policies. Alm. Brand Group will make no changes to its existing policies, thus expensing acquisition costs as incurred for the majority of the insurance contracts. For construction policies involving multi-year contracts, acquisition costs are expensed over the life of the contract. This means that the future insurance service results of Alm. Brand Group are not expected to change significantly as a result of the transition to IFRS 17. Changes will primarily be in the form of changes in the presentation of the income statement and the balance sheet.

In 2022, Alm. Brand Group sold Alm. Brand Liv & Pension A/S, the results and gains from which were classified under "Assets held for sale" throughout 2022. The transition to IFRS 17 has had no effect on this.

The effect of the transition to IFRS 17 recognised in equity as a result of changes in accounting policies is shown on the right. The changed format is reflected on page 98.

Presentation Balance sheet

As compared with IFRS 4, the balance sheet presentation under IFRS 17 is generally unchanged from prior years, with a few exceptions. Receivables and payables related to insurance and reinsurance con-

tracts are now included in the measurement of technical provisions and reinsurance assets and will therefore no longer be presented as independent line items. Whereas technical provisions were previously split on different components in the balance sheet, they are now combined in one line item and presented separately in the notes. In addition, a few line items have been renamed.

Income statement

The income statement under IFRS 17 has not changed significantly compared with IFRS 4. IFRS 17 requires few recognition and measurement changes and a limited number of reclassifications as described below.

Effect of new accounting policies

	Shareholder's equity			Financial results
	1 January 2022	1 May 2022	31 December 2022	FY 2022
DKKkm				
Accounting policies, Annual Report 2022	13,706		13,765	506
Changes, IFRS 17	79	133	80	-132
Accounting policies, 2023	13,785	133	13,845	374

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Insurance revenue

Insurance revenue replaces “gross premium income” and comprises premium income earned during the reporting period. Insurance revenue contains the following changes relative to the previously applied policies:

Bonus and premium discounts

Bonus and premium discounts were previously presented in a separate line item in the income statement and were included in premiums in the calculation of technical key figures. Under IFRS 17, bonus and premium discounts are no longer to be included in premiums, but to be recognised in the line item “Insurance service expenses”. This means that bonus and premium discounts are not presented separately and will now be recognised in insurance service expenses instead of premiums in connection with the calculation of technical key figures. The effect of this change is not expected to have any significant impact on Alm. Brand Group.

Discounting

Under IFRS 4, discounting of premium provisions had opposing effects on premium provisions and the investment result. Under IFRS 17, Alm. Brand Group has chosen not to discount premium provisions, except for loss components.

Loss components

Under IFRS 4, loss components were recognised in premium provisions, and subsequent changes were recognised in gross premiums. Under IFRS 17, loss components are no longer to be included under premium provisions, but are to be accounted for separately as an independent element of technical provisions. Subsequent changes to onerous contracts are to be included under insurance service expenses in future.

Insurance service expenses

Insurance service expenses comprises claims expenses, administrative expenses and acquisition costs. The transition to IFRS 17 has resulted in a few classification changes within claims expenses, administrative expenses and acquisition costs.

Under IFRS 4, inflation swaps used to hedge wage indexation on workers' compensation insurance were presented under claims expenses. Under IFRS 17, however, inflation swaps must be presented under the investment result instead of under the insurance service result. As a result, inflation swaps entered into for the purpose of reducing the inflation effect have been reclassified from gross claims expenses to investment result. This only affects the 2022 figures, as Alm. Brand Group currently has no inflation swaps.

Under IFRS 17, training and development expenses not directly attributable to the insurance portfolio must be reclassified from insurance service result to the line item “Other costs”, which is presented after the insurance service result.

Acquired portfolio

The insurance contracts taken over in connection with the acquisition of Codan on 1 May 2022 are to be treated in accordance with the provisions of IFRS 3 and IFRS 17 concerning acquired insurance contracts. This will affect the consolidated income statement and the consolidated balance sheet.

As the date of acquisition of Codan is within the transition period from 1 January 2022 to 31 December 2022, IFRS 17 requires the insurance contracts to be measured in accordance with the conditions and assumptions prevailing at the date of acquisition and not the original conditions and assumptions.

IFRS 17 does not permit that the acquired contracts are grouped together with newly issued contracts going forward. This means that the acquired insurance contracts may be grouped and measured together as a separate portfolio during the entire coverage period.

The requirement under IFRS 17 furthermore affects provisions in the acquired portfolio in case a claim has already occurred.

Codan originally wrote the policies based on a risk assessment that a given insured event/claim could occur. At the time when Alm. Brand acquired the portfolio, the acquisition was deemed to constitute the conclusion of a new contract. The risk acquired by Alm. Brand was thus the risk that inadequate provisions had been made to cover the run-off on claims incurred, not the risk of incurring the claims.

The acquired claims provisions must thus be treated as a provision for the remaining coverage period (premium provision) at the date of acquisition and not as claims provisions. In simple terms, the claims provisions were reclassified as at 1 May 2022 to premium provisions.

The measurement of Codan's provisions at the date of acquisition will be identical using the GMM method and the PAA method, the only difference thus being in the classification in the balance sheet between premium and claims provisions.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

In the subsequent recognition in the income statement, “Insurance revenue” and “Insurance expenses” will increase as and when the liabilities are settled. This will have an effect on “Insurance income” and “Insurance expenses”, which will be particularly high in the first year, after which the effect will decrease.

Under IFRS 17, the acquisition of an insurance company with an associated claims provision is considered as a new insurance risk which occurs and is transferred in the transaction with the seller, and the total compensation for the risk transfer is thus included in the purchase price. Such a contract is treated on an equal footing with individual contracts in the legal entities, only for the consolidated financial statements in isolation. The balance sheet will be largely unaffected, but in the group's income statement revenue will increase for a number of years by the run-off on the compensation amount and claims expenses will be increased by the run-off on the liability. The accrual takes place in step with the expected cash flows on the acquired liability. The effect on the consolidated financial statements will be that, over time, the acquired claims provision from Codan will be included in the consolidated income statement under both income and expenses until the claims provisions have been fully settled.

This recognition and measurement of the acquired portfolio in the consolidated income statement will result in artificially high insurance income and insurance expenses.

In future, when commenting on and presenting financial results in the management's review, Alm. Brand Group will thus disregard this effect. The special rules for acquired claims provisions are not expected to have any significant effect on the group's consolidated financial results or equity.

The presentation of financial results will thus be similar to the existing financial highlights and key ratios for both Alm. Brand Forsikring and Codan under the current IFRS 4.

Capitalisation and dividend

Alm. Brand Group's solvency and financial condition are not expected to be affected by the transition to IFRS 17, as provisions and total capital are still to be calculated in accordance with the Solvency II provisions.

Similarly, the group's dividend potential is expected to remain unchanged.

In addition to the above-mentioned changes, a few IFRS standards have come into force but have not had any significant impact on the financial statements.

Other than as set out above, the accounting policies are consistent with those applied in the annual report for 2022.

STANDARDS AND INTERPRETATIONS NOT YET IN FORCE

At the date of publication of these financial statements, a number of new or amended standards have not yet entered into force and/or been adopted for use in the EU and are therefore not included in these financial statements. Alm. Brand does not expect to implement the new accounting standards and interpretations until they become mandatory.

General recognition and measurement policies

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to the financial year. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described in the accounting policies. Amounts recognised in other comprehensive income are adjusted for the tax effect.

Assets are recognised in the balance sheet when, due to a previous event, it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when,

due to a previous event, it is probable that future economic benefits will flow from the group and the value of the liability can be reliably measured.

Otherwise, assets and liabilities are recognised and measured as described for each individual item below.

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

Financial instruments are measured at fair value on initial recognition at the settlement date. Changes to the value of the asset acquired or sold during the period from the transaction date to the settlement date are included as derivative financial instruments. If the acquired item is measured at cost or amortised cost after initial recognition, any value changes during the period from the transaction date to the settlement date are not recognised.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

between cost and the nominal amount. This method allocates capital gains and losses over the term to maturity.

Financial assets and liabilities are classified on the basis of the business model and the contractual cash flows related to the financial assets and liabilities.

Financial assets are measured subsequent to initial recognition at amortised cost if they are held in order to collect the contractual cash flows and if the contractual cash flows are solely payments of interest and principal on the principal amount outstanding.

Financial assets are generally measured according to the time of initial recognition at fair value through other comprehensive income if the financial assets are held in a mixed business model in which some financial assets are held to collect the contractual cash flows and other financial assets are sold and if the contractual cash flows are solely payments of interest and principal on the principal amount outstanding. However, the relevant financial assets form part of a risk management system and an investment strategy based on fair values and on that basis form part of Alm. Brand's internal management reporting. Against this background, Alm. Brand assesses that the financial assets do not satisfy the criteria of a business model

relating to the measurement categories amortised cost and fair value through other comprehensive income. The relevant financial assets are instead measured at fair value through profit or loss.

If financial assets do not satisfy the above-mentioned business model criteria or if the contractual cash flows are not solely payments of interest and principal on the principal amount outstanding, the financial assets will subsequent to initial recognition be measured at fair value through profit or loss.

Below is a description of the accounting policies applied to financial assets and liabilities as well as other items.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the parent company and subsidiaries in which the parent company holds the majority of the voting rights or otherwise holds a controlling interest. Companies in which the group holds between 20% and 50% of the voting rights or otherwise exercises a significant but not a controlling influence are considered associates.

The consolidated financial statements have been prepared by consolidating items of a uniform nature in the income statements and balance sheets of each

company. Intercompany income, expenses, intra-group accounts, shareholdings and gains and losses on transactions between the consolidated enterprises are eliminated.

The financial statements of subsidiary undertakings that present annual reports under other jurisdictions have been restated to the accounting policies applied by the group.

In the preparation of the consolidated financial statements, accounting items of subsidiaries are fully recognised, regardless of the percentage of ownership. The proportionate shares of the results and equity of subsidiary undertakings attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Intra-group services are settled on market terms or on a cost recovery basis. Intra-group financial statements carry interest on market terms. Intra-group transactions in securities and other assets are settled at market prices.

ACQUISITION OF SUBSIDIARIES

Following the Danish Financial Supervisory Authority's and the Danish Competition and Consumer Authority's approvals of Alm. Brand A/S's acquisition of Codan's Danish business from Intact and Tryg, closing of the transaction took place on 1

May 2022. Codan's Danish business consists of the companies Codan Forsikring A/S and Privatsikring A/S, with Alm. Brand A/S having acquired 100% of the share capital and the voting rights. The main activity of Codan Forsikring A/S and Privatsikring A/S is to carry on insurance activities in the Danish market for personal and commercial customers.

With the acquisition, Alm. Brand Group has increased its presence in the Danish non-life insurance market for both personal and commercial customers. With effect from 1 May 2022, Alm. Brand Group has implemented new accounting policies in a number of areas as a result of new subsidiaries in the group. The new areas are described in the sections below.

BUSINESS COMBINATIONS

With effect from 1 May 2022, and thus for the first time in the H1 interim financial statements for 2022, Alm. Brand Group has implemented accounting policies for business combinations as a result of the acquisition of the new subsidiaries. The new areas are described in the sections below. Newly acquired businesses are recognised in the consolidated financial statements from the acquisition date. Comparative figures are not restated to reflect recent acquisitions.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

On acquisition of new businesses in which the group assumes control over the acquired business, the acquisition method of accounting is applied. The identifiable assets, liabilities and contingent assets and contingent liabilities of the acquired businesses are measured at their fair values at the acquisition date. Identifiable intangible assets are recognised in the balance sheet if they are separable or arise from a contractual right. Deferred tax is recognised on the basis of the revaluations made. The acquisition date is the date on which the group effectively assumes control of the acquired businesses.

The acquisition date on which Alm. Brand Group effectively assumed control of Codan Forsikring A/S and Privatsikring A/S was 1 May 2022. The financial statements of Codan Forsikring A/S and Privatsikring A/S will be consolidated in the financial statements of Alm. Brand Group as of 1 May 2022, at which date a group affiliation was established. Expenses incurred during the year in connection with an acquisition are recognised in 'Other expenses' in the year in which they are incurred. If the identification or measurement of acquired assets, liabilities or contingent assets and contingent liabilities at fair value or the determination of the purchase consid-

eration is subject to uncertainty at the acquisition date, recognition will be based on a provisional calculation of the fair values. In the event of a subsequent adjustment of the provisional calculation of the values, the calculation will be adjusted retrospectively until 12 months after the acquisition, and comparative figures will be restated accordingly.

Tax

All companies in the group are jointly taxed.

Tax includes tax for the year, comprising income tax payable for the year, movements in deferred tax and prior-year adjustments. Changes in deferred tax resulting from changes in tax rates are also recognised in this item.

Current tax assets and liabilities are recognised in the balance sheet at the amount that can be calculated on the basis of the expected taxable income for the year adjusted for prior years' tax losses carried forward.

Deferred tax is recognised according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax regulations and tax rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax.

Deferred tax assets, including the tax base of tax losses carried forward, are measured at the amount at which they are expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. At each balance sheet date, it is reassessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

INCOME STATEMENT

General

In accordance with the accrual basis of accounting, income and expenses concerning the financial year are recognised in the income statement irrespective of the time of payment. The accrual basis of accounting also forms the basis of recognition of technical results. In accounts broken down by line of business and on claims processing costs, insurance operating expenses (acquisition costs and administrative expenses) and administrative expenses related to investment activities, the allocation of non-directly attributable expenses is based on estimated time spent or estimated cost charge.

Insurance revenue

Insurance revenue is the expected premium income, excluding any investment components, allocated to the period. Premiums are recognised over the term of the contract on the basis of the passage of time over the coverage period. If the expected pattern of release of risk during the insurance contract coverage period differs significantly from the passage of time, the allocation will be made on the basis of the expected timing of incurred insurance service expenses. Under IFRS 17, Alm. Brand Group has chosen not to apply LFRC.

Insurance service expenses

Insurance service expenses attributable to insurance contracts are generally recognised in the income statement as incurred. Insurance service expenses do not include investment components or repayments thereof. The individual elements are reviewed below:

Loss components

On initial recognition, Alm. Brand Group assesses whether or not a group of insurance contracts is onerous. The overriding general assessment is that the different groups of insurance contracts are not onerous. Alm. Brand Group collects data and assesses facts to identify whether or not a group of insurance contracts is onerous. This assessment is made on the basis of

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

the result of similar contracts, budgets and significant changes in the market. If at any time in the coverage period, circumstances indicate or directly have the effect that a group of insurance contracts becomes onerous, a loss component will be recognised in the income statement at the time when the group of insurance contracts is found to be onerous. The liability for remaining coverage (LFRC) is increased to the extent current estimates of fulfilment cash flows for the liability for remaining coverage for the onerous contracts exceed the carrying amount of the liability. At the end of the coverage period for the group of insurance contracts, the loss component will be zero.

Claims expenses

Claims expenses include claims paid during the insurance year adjusted for movements in claims provisions corresponding to known and anticipated claims relating to the year. Also included is any change in the part of the risk adjustment attributable to liabilities for incurred claims.

Amounts to cover expenses for surveying and assessment and other direct or indirect staff administration costs, etc. associated with claims processing are included in the item. In addition, the item includes run-off results regarding previous years.

The group's indirect costs relating to the processing of claims are distributed between claims expenses and administrative expenses using allocation keys based on estimated resource application.

The part of the change in outstanding claims provisions and risk adjustment which can be attributed to changes in the discount rate applied after inflation is transferred to the line item "Return on and value adjustment of technical provisions".

Acquisition costs

The part of the insurance operating expenses that can be ascribed to acquisition and renewal of the insurance portfolio, and which is directly attributable to a group of contracts written by Alm. Brand Group, is recognised under acquisition costs. Alm. Brand Group will make no changes to its existing policies, thus expensing acquisition costs as incurred for the majority of the insurance contracts. For construction policies involving multi-year contracts, acquisition costs are expensed over the life of the contract.

Administration expenses

Administration expenses are all other incurred expenses which are attributable to the administration of the insurance portfolio. Expenses for future contracts

or costs not directly attributable to the portfolio of insurance contracts, such as specific skills development and training costs, are presented in the line item "Other costs" as incurred.

Administrative expenses are accrued to match the financial year.

Reinsurance result

Income and expenses from reinsurance contracts are presented in a single line item in the income statement as "Reinsurance result".

Reinsurance premiums ceded and reinsurers' share received are accrued and recognised in the income statement according to the same principles as those applied for the corresponding items under the gross business.

Changes in ceded business attributable to discounting and value adjustments are shown in the line item "Return on and value adjustment of technical provisions, reinsurance".

Investment return

Interest income and dividends, etc. includes dividends received and interest earned during the financial year.

The item also includes interest-like fees and commissions that are an integral part of the effective rate of interest on financial assets measured at amortised cost.

Value adjustments comprise all realised and unrealised gains and losses on investment assets, including loans secured by mortgages, except for value adjustment of group enterprises. Brokerage and commission relating to the purchase and sale of securities are recognised under market value adjustments.

Interest expenses comprises interest and interest-like expenses concerning debt and liabilities.

Other income under investment return comprises income derived from activities that cannot be attributed to the group's principal activities.

In connection with investment activities, the item administrative expenses comprises amounts associated with the management of investment assets.

Return on and value adjustment of technical provisions comprises the part of the change in liabilities for incurred coverage which is attributable to unwinding and changes in the discount rate applied.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Other income and expenses

Income related to activities which cannot be attributed to the group's insurance portfolio or investment assets is recognised under other income or other expenses, including amortisation of intangible assets in connection with business combinations.

Presentation of discontinued activities and assets and liabilities held for sale

Discontinued activities form a substantial part of a business if activities and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and if the entity has either been divested or separated out as held for sale and such sale pursuant to a formal plan is expected to take place within 12 months. The gain on the divestment of Alm. Brand Liv og Pension and the share of the financial results for 2022 are included under discontinued activities.

Profit on discontinued activities after tax is presented in a separate line item in the income statement with restatement of comparative figures. Information about income, expenses, value adjustments and tax on the discontinued activity is disclosed in the notes.

Assets held for sale comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continued use.

Assets held for sale are measured at the lower of the carrying amount at the date when the assets were classified as held for sale and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as 'held for sale'. Assets held for sale are recognised at the carrying amount as the lowest amount at the time of calculation.

Impairment losses from the initial classification of the non-current assets as 'held for sale' as well as gains and losses from subsequent measurement of the lower of the carrying amount and the fair value less costs to sell are recognised in the income statement in the items to which they relate. Gains and losses are disclosed in the notes.

Assets and related liabilities are recognised separately in the balance sheet, and the main items are specified in the notes. Comparative figures in the balance sheet are not restated.

Cash flows from operating, investing and financing activities of discontinued activities are presented in a separate line item in the cash flow statement.

Other comprehensive income

Exchange gains and losses from the translation of net investments in foreign entities are recognised under other comprehensive income.

BALANCE SHEET

ASSETS

Intangible assets

Goodwill

Goodwill arises on acquisition of undertakings and is calculated as the difference between the cost of the undertakings acquired and the fair value of the acquired net assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is allocated to business units constituting the smallest identifiable cash-generating units, corresponding to the internal reporting structure and the level at which management monitors the investment. Goodwill is not amortised; instead each business unit is tested for impairment at

least once a year or more frequently if indications of impairment exist.

Brand value and customer relationships

Brand value and customer relationships are identified as intangible assets on acquisition of undertakings. The intangible assets are recognised at fair value at the date of acquisition and amortised over the expected useful lives. The brand value has an expected useful life of 10 years, while customer relationships have an expected useful life of eight years.

Software

Intangible assets are measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount. Intangible assets are amortised on a straight-line basis over an expected useful life not exceeding five years.

In determining cost, all costs that are directly attributable to development and that will probably generate economic benefits for the group are recognised. All other costs are expensed as incurred. Amortisation and impairment are recognised as administrative expenses.

Furniture and equipment, computers, cars, etc.

Operating equipment is measured at cost less accumulated depreciation and

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

impairment. Depreciation is provided on a straight-line basis over the estimated useful life of the assets taking into account the expected residual value. The expected useful lives are assessed to be:

Furniture and equipment	3–5 years
IT equipment	3–5 years

Cost comprises acquisition cost and directly attributable costs.

Leasehold improvements are capitalised and amortised over their estimated useful lives, taking into account the expected residual value.

Leases

A lease asset and a lease liability are recognised in the balance sheet when, under a lease, a specifically identifiable asset is made available for Alm. Brand's use for the lease term and when Alm. Brand obtains substantially all of the economic benefits from use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of future lease payments. Lease payments are discounted at the interest rate implicit in the lease. If such interest rate is not available, the payments are discounted using Alm. Brand's alternative borrowing rate.

Alm. Brand recognises a right of use or similar liability for all leases. If the group is the lessee, however, short-term leases (12 months or less) or leases of low-value assets are not included. Alm. Brand has chosen not to recognise leases relating to intangible assets, including licences, etc.

The lease liability is remeasured when there is a change in the underlying contractual cash flows or if Alm. Brand changes its assessment of whether it is reasonably certain that a purchase option, an extension option or a termination option will be exercised.

Upon commencement or reassessment of a contract containing lease components, a right of use (ROU asset) and a lease liability are recognised. ROU assets are measured at initial cost, comprising the initial amount of the lease liability adjusted for:

- lease payments made at or prior to commencement;
- any direct costs;
- lease incentives received;
- estimated term of the contract.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The lease asset is depreciated over the shorter of

the lease term and the useful life of the lease asset. Depreciation is recognised in the income statement on a straight-line basis.

The lease asset is adjusted for changes in the lease liability resulting from changes in the lease terms or changes in the contractual cash flows.

ROU assets are tested for impairment in the event of changes to the contractual basis etc. ROU assets are presented in the notes under 'leased cars' and 'leased properties'.

Leased cars only consists of car leases with a term of 3–4 years. Monthly payments are fixed, and there is no option to purchase the assets after expiry of the term.

Leased properties consist of leases for office premises used by Alm. Brand Group. The term of these leases is 1–15 years with annual rent adjustment. Alm. Brand has no leases with variable payments based on achieved sales or the like.

Other leases are recognised in the income statement as and when payments fall due.

Investment in associates

The consolidated financial statements comprise the parent company and subsidiaries in which the parent company holds the majority of the voting rights or otherwise holds a controlling interest. Companies in which the group holds between 20% and 50% of the voting rights or otherwise exercises a significant but not a controlling influence are considered associates.

Investments are recognised at the date of acquisition and measured at cost and are subsequently measured according to the equity method. The proportionate shares of the shareholders' equity of the entities with the addition of goodwill on consolidation are recognised in the item "Investments in associates" and the proportionate shares of the net profit or loss of the individual entities are recognised in the income statement item "Income from associates". The proportionate share is based on the most recent financial statements prepared in accordance with the group's accounting policies.

Testing for impairment of intangible assets, equipment and investments in associates.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Equipment and other intangible assets are tested annually to ensure that the adopted method and period of depreciation/amortisation reflect the expected useful lives of the assets. If the test identifies an indication of impairment, an impairment loss is recognised in the income statement.

Goodwill is tested for impairment annually or more frequently if indications of impairment are identified. Goodwill is written down to its recoverable amount in the income statement provided that the carrying amount of the net assets of the cash-generating unit exceeds the higher of the assets' net selling price and their value in use, which equals the present value of the future cash flows expected to be derived from the unit. The value is calculated on the basis of budgeted cash flows for business plans based on historical and expected future economic developments.

Investments in associates are tested for impairment annually or more frequently if indications of impairment are identified. If the test identifies an indication of impairment, an impairment loss is recognised in the income statement.

Investment assets

Investment assets comprise financial assets measured at fair value. The classification depends on the purpose for which the

investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Investment assets are measured at fair value on initial and subsequent recognition. The determination of fair value and the classification of value adjustments of financial instruments in the financial statements depend on whether the fair value can be reliably measured. Generally, the group's financial instruments form part of the trading book, however, not unlisted shares and parts of the portfolio of mortgage deeds designated at fair value.

Listed financial assets are measured at fair value based on the closing price at the balance sheet date, or, in the absence of a closing price, another public price deemed to be most similar thereto.

Bonds at amortised cost comprise listed bonds intended to be held to maturity and to generate the contractual payments over the period. Bonds at amortised cost are measured at fair value plus transaction costs on initial recognition. The bonds are subsequently measured at amortised cost.

The majority of the unlisted shares are measured at fair value using recognised valuation methods. These assets are on

this basis measured at fair value, and value adjustments are taken to the income statement. For unlisted assets that are managed by external fund managers, these calculate an estimated market value based on the estimated present value of expected future cash flows.

The measurement of financial instruments at fair value is consistent with the group's internal risk management, which is based on market exposure of assets and liabilities subject to risk.

Financial assets are recognised or derecognised at the settlement date.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through income are included in the income statement in the period in which they arise.

Securities sold under agreements to repurchase at a later date (repo transactions) remain in the balance sheet. Amounts received are included as amounts owed to the purchaser and are subject to interest at the agreed rate. Measurement of securities is unchanged, and both value adjustments and interest etc. are recognised in the income statement. Securities purchased under agreements to resell at a later date (reverse

transactions) are not recognised in the balance sheet. Amounts paid are recognised as a receivable and are subject to interest at the agreed rate.

Derivative financial instruments

Derivatives are measured at fair value on initial recognition. Subsequently, derivatives are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses.

Reinsurers' share of insurance contracts

Reinsurers' share of insurance contracts is calculated separately and presented separately, depending on whether the shares represent assets or liabilities. Expected cash flows from reinsurance companies are measured relative to the reinsurance contracts entered into.

The reinsurers' share of the technical provisions is calculated as the amounts expected to be received from reinsurance companies under the applicable reinsurance contracts.

The group regularly assesses its reinsurance assets for impairment. If there is a clear indication of impairment, the carrying amount of the asset is written down. Changes in the expected cash flows due to changes in the risk of the reinsurance

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

issuer defaulting on its obligations are recognised separately, and a note disclosure is provided.

Changes due to unwinding, changes in the yield curve and value adjustments are recognised in the line item “Return on and value adjustment of technical provisions, reinsurance”.

Other loans, advances and receivables

Other loans and advances and other receivables are measured at amortised cost. On initial recognition, the portfolio is measured at fair value plus transaction costs less fees and commissions received that are directly related to the acquisition or issue of the financial instrument. On subsequent recognition, such loans, advances and other receivables will be adjusted to amortised cost on a current basis.

An ongoing evaluation takes place to detect any objective evidence of impairment of the company's loans, advances and other receivables determined at amortised cost. If there is any objective evidence of impairment, the need to write down the loan, advance or receivable is assessed.

Other receivables

Other receivables include the positive fair value of spot transactions and derivative financial instruments.

Forward transactions, futures, swaps, options and unsettled spot transactions are measured at fair value on initial and subsequent recognition. Positive and negative fair values of derivatives are recognised as ‘Other assets’ or ‘Other liabilities’, respectively. Changes in the fair value of derivatives are recognised in the income statement.

The loss option issued to cover credit losses on mortgage deeds in Alm. Brand Forsikring A/S is measured using the credit model, which is also used for the measurement of the group's other delinquent mortgage deeds.

Cash in hand and balances at call

Cash in hand and balances at call are measured at fair value on initial recognition and subsequently at amortised cost, which largely corresponds to nominal value.

Prepayments

This item includes interest receivables accrued during the year which become payable in the following financial year. Prepayments comprises expenses incurred prior to the balance sheet date but which relate to a subsequent accounting period.

LIABILITIES AND EQUITY

Contingency funds

The contingency funds can only be used

for the benefit of policyholders. Contingency fund 2 is moreover subject to the restriction that it can only be used when permission has been obtained from the Danish Financial Supervisory Authority.

Deferred tax has been provided on the group's contingency funds.

Dividend

Dividends are recognised as a liability in the financial statements at the time of adoption by the shareholders at the annual general meeting. Proposed dividends in respect of the financial year are stated as a separate line item in the notes relating to shareholders' equity.

Treasury shares

Purchases and sales of treasury shares are recognised as a change in shareholders' equity under Other reserves.

Employee shares

Alm. Brand has established an employee share scheme, under which an employee may receive shares in Alm. Brand against a salary reduction. The value of the shares is recognised on an ongoing basis as staff costs in the income statement. The shares are granted on a quarterly basis.

Additional Tier 1 capital

Capital issued with a perpetual term and without a contractual obligation to make

repayments of principal and pay interest does not qualify as a financial liability. Additional Tier 1 capital is therefore accounted for as equity. The net amount of additional Tier 1 capital at the time of issue is recognised as an increase in equity. The payment of interest is treated as dividend and recognised directly in equity at the time when the liability arises. Upon redemption of the additional Tier 1 capital, shareholders' equity will be reduced by the redemption amount at the time of redemption.

Subordinated debt

Subordinated debt comprises liabilities which, in the case of liquidation or bankruptcy and pursuant to the loan conditions, cannot be settled until any other creditor claims have been honoured.

Subordinated debt is recognised at fair value, equalling the payment received less directly attributable costs incurred. Subsequently, subordinated debt is measured at amortised cost using the effective interest method.

Provisions for insurance contracts

Contracts under which Alm. Brand Group assumes significant insurance risks are classified as insurance contracts. Contracts under which Alm. Brand Group transfers significant insurance risks related to the underlying insurance contracts are classified as reinsurance contracts.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Under IFRS 17, insurance contracts containing elements other than insurance coverage must be kept separate. For example, if the insurance contract also contains a service element, this must be booked separately and not be included as a part of provisions for insurance contracts. Alm. Brand Group has reviewed all products, and the group's products contain no separate components requiring separation. Consequently, Alm. Brand Group uses IFRS 17 on all its insurance contracts.

Aggregation and recognition

Insurance contracts are aggregated in groups with a view to measurement. Groups of insurance contracts are determined by identifying portfolios of insurance contracts which are subject to similar risks and managed together and then disaggregating each portfolio into annual cohorts. The cohorts are divided into three groups based on the expected profitability of the insurance contracts. The first group consists of contracts that are onerous at initial recognition. The second group consists of contracts that at initial recognition have no significant possibility of becoming onerous subsequently. The third group contains all remaining contracts of the annual cohort.

An issued insurance contract is recognised from the earliest of the following:

- the beginning of the coverage period for the insurance contract;
- the date when the first payment from the policyholder is due or actually received, if there is no due date;
- when it is determined that the insurance contract has become onerous.
- Insurance contracts acquired in connection with business combinations are recognised at the date of acquisition.

Reinsurance contracts

Alm. Brand Group has grouped its reinsurance contracts in such a way that each group of reinsurance contracts constitutes one single contract. A group of reinsurance contracts is recognised in one of the following ways:

- Reinsurance contracts containing proportionate coverage are recognised on the date of initial recognition of the underlying insurance contracts. This applies to the group's quota share programme.
- Other reinsurance contracts are recognised at the beginning of the coverage period for the group of reinsurance contracts.
- Acquired reinsurance contracts are recognised at the date of acquisition.

Contract boundaries

The contract boundaries define the cash

flows under the contract. Cash flows are within the boundaries of an insurance contract if they arise from substantive rights and obligations that exist during the period in which Alm. Brand Group can compel the policyholder to pay the premiums or in which Alm. Brand Group has an obligation to provide insurance contract services, including insurance coverage.

The obligation to provide insurance contract services

to the policyholder ends when:

- Alm. Brand Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Alm. Brand Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio, and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Alm. Brand Group generally only issues non-life insurance contracts with a short coverage period. Alm. Brand Group uses

the premium allocation approach (PAA) on all issued insurance contracts.

For a reinsurance contract, cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which Alm. Brand Group is required to pay the reinsurance company or has a substantive right to receive services from the reinsurer. A substantive right to receive reinsurance recoveries ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and, as a result, can set a price or level of benefits that fully reflects the reassessed risks; or
- has a substantive right to terminate the coverage. The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances.

The contract boundaries are reassessed at each reporting date to ensure that any changes in circumstances are correctly reflected in the basis of calculation.

Measurement of insurance contracts

Alm. Brand Group uses the premium allocation approach (PAA) to simplify the measurement of groups of insurance contracts. On initial recognition, the liability

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

for remaining coverage (LFRC) is measured as the value of premiums received. Alm. Brand Group has chosen to expense acquisition costs as incurred for the majority of the insurance contracts. For construction policies involving multi-year contracts, acquisition costs are expensed over the life of the contract. Newly written insurance contracts are recognised when an agreement has been concluded, whereas renewed insurance contracts are recognised when there is one month or less until the renewed contract enters into force.

After initial recognition, the liability is reduced by the amounts recognised as insurance revenue for services provided and increased by any premiums received during the period. Services and benefits are normally provided on the basis of the passage of time over the coverage period. Alm. Brand Group has chosen not to discount LFRC under IFRS 17, as the time between providing the services and the related premium due date is expected to be no more than a year.

If at any time during the coverage period, there are circumstances indicating that a group of insurance contracts may become onerous, Alm. Brand Group will recognise a loss in the income statement and increase the liability for remaining coverage (LFRC) to the extent current estimates of expected cash flows exceed the carrying amount

of the liability. Alm. Brand Group has chosen to discount loss components, as the time between providing the services and the related premium due date on loss components is estimated to potentially be more than one year because losses are recognised when a group of insurance contracts is onerous.

The coverage period is defined as the period during which an insured event may occur.

Claims expenses

Claims expenses cover claims processing, administration and acquisition costs and claims payments. Claims expenses are charged to the income statement as incurred based on the expected future cash flows to policyholders. Claims expenses cover both direct and indirect claims processing costs arising as a result of events that have occurred until the balance sheet date even if the claims have not been reported to Alm. Brand Group.

*Liabilities for incurred claims (LFIC) are stated as the sum of expected fulfilment cash flows, comprising estimates of future cash flows, adjusted for discounting effects and related financial risks, and risk adjustment for non-financial risks.

The risk adjustment for non-financial risk for the liability for claims incurred is calculated separately from the other es-

timates and is the compensation required for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment is based on statistical methods (cost of capital), and information about the confidence level corresponding to the results of the technique used is disclosed in note 20. Changes in the risk adjustment for non-financial risk are allocated between the insurance service result and return on and value adjustment of technical provisions.

The fulfilment cash flows are generally determined using statistical methods based on the aggregate historical development in payments and case reserves. The statistical methods are supplemented by best estimates of claims processors and claims assessors in the event of major claims. For workers' compensation, a separate model has been introduced which is mainly based on rulings and case officer assessments of individual claims. Moreover, provisions are made to cover expected delayed reporting of claims incurred and expected future reopening of claims. In addition to the statistical methods, an assessment is included of other factors affecting the necessary level of outstanding claims provisions, such as changes in legal practice, internal processes, inflation and singular, extreme claims.

The cash flows regarding payment of provisions are estimated for all lines and discounted using Alm. Brand's approximation of the maturity-dependent yield curve including volatility adjustment published by EIOPA.

For all lines except workers' compensation, the future inflation rate is estimated and recognised implicitly in the provisioning models. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation is calculated explicitly and consists of an inflation element and a real wage element.

Reinsurance contracts

Alm. Brand Group applies the same accounting policies to measure a group of reinsurance contracts as for the gross unit of account. Adjustments are made where this is deemed necessary to correctly reflect any differences relative to the direct insurance contracts.

Risk adjustment for non-financial risk for reinsurance contracts are modelled and calculated using the same statistical models as those used for the direct insurance contracts. This means the risk adjustment must be determined so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Key assumptions

Significant accounting estimates and assumptions have been applied in the calculation of provisions for insurance contracts, with IFRS 17 defining aggregation level and contract boundaries as significant estimates, as these estimates define the application of the simplified premium allocation approach (PAA) instead of the general measurement model (GMM). Discounting has a profound effect on long-tail claims such as workers' compensation claims and complex major claims where assessing the claim takes a long time. Liabilities for incurred claims (LFIC) are calculated for each line based on the actuarial methods which best reflect the complexity of the individual lines. The statistical methods are supplemented by best estimates of claims processors and claims assessors in the event of major claims. For workers' compensation, a separate model has been introduced which is mainly based on rulings and case officer assessments of individual claims. Moreover, provisions are made to cover expected delayed reporting of claims incurred and expected future reopening of claims. In addition to the statistical methods, an assessment is included of other factors affecting the necessary level of outstanding claims provisions, such as changes in legal practice, internal processes, inflation and singular, extreme claims.

There is an interdependence of several of the assumptions and estimates on which the calculation of LFIC is based, the most important ones being assumptions and estimates concerning interest rates and inflation.

The actuarial models containing implicit inflation assumptions will cause a certain delay in the assumption of the level of future losses in the event of changes in inflation. However, the discounting effect will be visible immediately as a result of inflationary changes to the extent the changes affect interest rates. Other correlations are not assessed to be significant and are therefore not described.

Presentation

Portfolios of insurance contracts are presented separately, depending on whether they represent assets or liabilities. The same applies to reinsurance contracts: They are presented separately, depending on whether they represent assets or liabilities.

Provisions

Provisions for pensions and similar obligations comprise jubilee benefits etc. to employees, notwithstanding that the future benefit is subject to the individual being employed by the company at the time of payment of the benefit. The value

of the future benefits is recognised as the present value of the benefits expected to be paid based on a best estimate.

Current costs in respect of pensions etc. for the group's employees are treated as defined contribution plans. For defined contribution plans, the group pays fixed contributions and has no obligation to pay any further contributions. The obligations are fully funded.

Other creditors

On initial recognition, other financial liabilities are measured at fair value less transaction costs. The liabilities are subsequently measured at amortised cost.

Deposits with ceding companies comprise amounts received which are kept to cover the insurance liabilities of other insurance companies towards the group's reinsurance companies.

Deposits for financial reinsurance comprise premiums received less deductions for claims paid equivalent to the company's liabilities pursuant to contracts made.

Leases

On initial recognition, lease liabilities are measured at the present value of the lease payments. For discounting, the rate implicit in the lease is used, if such rate can

be readily determined. Alternatively, the borrowing rate on the company's overdraft facility at the time of conclusion of the contract is used.

Subsequently, the liability is measured at amortised cost applying the effective interest method and recognised in 'Other creditors'. Remeasurement is effected in the event of a change in the lease payments.

Payables to credit institutions and central banks

Payables to credit institutions and central banks are measured at amortised cost and comprise, among other things, obligations in connection with genuine sale and repurchase transactions with counterparties which are credit institutions or central banks and receivable margins in connection with futures and option transactions if the customer is a credit institution.

SEGMENT INFORMATION

The group's segments are presented as Personal Lines, Commercial Lines and Other activities. No geographical segment information is provided as the group's activities are predominantly focused on the Danish market.

Notes

NOTE 41 ACCOUNTING POLICIES – CONTINUED

Personal Lines comprises the group's sales of insurances to private households through its own sales channels and partnerships. Commercial Lines comprises the group's sales to agricultural and commercial customers through own sales channels and partnerships. Commercial Lines also comprises the group's industrial segment, whose products are mainly sold through partnerships. The management reporting related to Personal Lines and Commercial Lines consists exclusively of reporting of the technical result.

Other activities comprise corporate functions undertaken by Alm. Brand A/S and the operation of a debt collection and mortgage deed portfolio.

CASH FLOW STATEMENT

The cash flow statement is presented using the direct method and shows cash flows from operating, investing and financing activities. Moreover, the group's cash and cash equivalents are presented at the beginning and end of the financial year.

Cash flows from operating activities include the items of the income statement adjusted for operating items of a non-cash nature. Realised gains and losses on the sale of tangible assets or investment assets are included in cash flows from investing activities.

Cash flows from investing activities include changes in intra-group accounts and net additions of investment assets, including realised gains and losses on the sale of such assets.

Cash flows from financing activities include financing from shareholders as well as by raising of short-term and long-term loans.

Cash flows from Alm. Brand Liv og Pension A/S are presented as discontinued activities in the main items operating activities, investment activities and changes in financing.

Cash and cash equivalents comprise cash and demand deposits.

DISCLAIMER

The forecast is based on the interest rate and price levels prevailing at the beginning of February 2024. All other forward-looking statements are based exclusively on the information available when this report was released. This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts.

Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control.

Actual and future results and developments may differ materially from those contained or assumed in such statements. Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such

as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This annual report has been translated from Danish into English. In the event of any discrepancy between the Danish-language version and the English-language version, the Danish-language version shall prevail.

ESEF DATA

Country of incorporation	Denmark
Description of the nature of the company's operations and main activity	The company's objects are to hold – directly or indirectly – participating interests in insurance companies and financial companies and other companies.
Country of domicile	Denmark
Geographical location of business areas	Denmark
Corporate form	Public limited company (<i>aktieselskab</i>)
Company name	Alm. Brand A/S
Address of registered office	Midtermolen 7, 2100 Copenhagen Ø, Denmark

Financial statements

Parent company

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Income and comprehensive income statement

DKKm	Note	Parent company	
		2023	2022
Income statement			
Income from group enterprises	1	972	274
Interest income and dividends, etc.	2	74	27
Interest expenses	3	-74	-31
Value adjustments	4	6	-53
Administrative expenses related to investment activities	5	-110	-93
Total return on investments		868	124
Other expenses		-358	-247
Profit/loss before tax, continuing activities		510	-123
Tax, continuing activities	6	91	85
Profit/loss after tax, continuing activities		601	-38
Profit/loss after tax, discontinuing activities		0	544
Profit/loss after tax		601	506
Proposed allocation of profit/loss for the year:			
Proposed dividend		848	462
Additional Tier 1 capital holders		25	7
Retained earnings		-272	37
Profit/loss for the year		601	506
Comprehensive income			
Profit/loss for the year		601	506
Total comprehensive income		601	506
Proposed allocation:			
Proposed dividend		848	462
Additional Tier 1 capital holders		25	7
Retained earnings		-272	37
Total comprehensive income		601	506

Statement of changes in equity

DKKm	Share capital	Contingency funds	Other provisions	Retained earnings	Proposed dividend	Shareholders' equity	Additional tier 1 capital	Shareholders' equity
Shareholders' equity at 1 January 2022	1,541	182	0	11,521	462	13,706	0	13,706
Changes in shareholders' equity 2022:								
Profit/loss for the year				499		499	7	506
Foreign currency translation adjustments related to foreign entities						-2		-2
Comprehensive income	0	0	-2	499	0	497	7	504
Reduction of capital		-101		101		0		0
Issue of new shares pr. 2. december 2021		1,395	2	-1,397		0		0
Reversed tax on contingency fund				18		18		18
Tier 1 capital						0	397	397
Interest paid on Tier 1 capital				0		0	-7	-7
Proposed dividend				-462	462	0		0
Dividende distributed				0	-462	-462		-462
Purchase and sale of treasury shares				-7		-7		-7
Changes in shareholders' equity	0	1,294	0	-1,248	0	46	397	443
Shareholders' equity at 31 December 2022	1,541	1,476	0	10,273	462	13,752	397	14,149
Shareholders' equity at 1 January 2023	1,541	1,476	0	10,273	462	13,752	397	14,149
Changes in shareholders' equity 2023:								
Profit/loss for the year				576		576	25	601
Foreign currency translation adjustments related to foreign entities				0		0		0
Comprehensive income	0	0	0	576		576	25	601
Interest paid on Tier 1 capital				0		0	-25	-25
Proposed dividend				-848	848	0		0
Dividende distributed				0	-462	-462		-462
Purchase and sale of treasury shares				-26		-26		-26
Changes in shareholders' equity	0	0	0	-298	386	88	0	88
Shareholders' equity at 31 December 2023	1,541	1,476	0	9,975	848	13,840	397	14,237

Notes

DKKm	2023	2022
Note 1 Income from group enterprises		
Alm. Brand PIA A/S	20	24
Alm. Brand Forsikring A/S	385	228
Codan Forsikring A/S	567	22
Total income from group enterprises	972	274
Note 2 Interest income and dividends, etc.		
Bonds	1	8
Subordinated debt in subsidiaries	73	19
Total interest income and dividends, etc.	74	27
Note 3 Interest expenses		
Interest expenses, subordinated debt	-63	-23
Other interest expenses	-11	-8
Total interest expenses	-74	-31
Note 4 Value adjustments		
Bonds	0	-30
Equity investments	6	-23
Total value adjustments	6	-53
Note 5 Administrative expenses related to investment activities		
Other costs	-110	-93
Total administrative expenses related to investment activities	-110	-93

	2023	2022
Note 6 Tax, continuing activities		
Estimated tax on profit/loss for the year	13	19
Prior-year adjustment	-1	0
Adjustment of deferred tax	79	66
Total tax	91	85
<i>Tax for the year consists of:</i>		
Tax on accounting profit	87	87
Non-deductible expenses and non-taxable income	-2	-2
Total tax	85	85
Effective tax rate	19.7%	21.4%
Note 7 Intangible assets		
Cost, beginning of year	10,764	0
Additions during the year	0	10,764
Cost, year-end	10,764	10,764
Accumulated depreciation and impairment, beginning of year	-238	0
Depreciation for the year	-357	-238
Accumulated depreciation and impairment, year-end	-595	-238
Intangible assets, year-end	10,169	10,526

Intangible assets consist of goodwill of DKK 7,736 million, which is not amortised, brand and customer relationships. For additional information, see the consolidated financial statements.

Notes

DKKm	2023	2022
Note 8 Tangible assets		
Cost, beginning of year	920	939
Additions during the year	103	0
Disposals during the year	-109	-19
Cost, year-end	914	920
Accumulated depreciation and impairment, beginning of year	-213	-148
Depreciation for the year	-81	-84
Depreciation on disposals	99	19
Accumulated depreciation and impairment, year-end	-195	-213
Tangible assets, year-end	719	707
Note 9 Investment in group enterprises		
Cost, beginning of year	7,088	3,439
Additions during the year	0	3,249
Additions during the year relating to tier 1 capital	0	400
Cost, year-end	7,088	7,088
Revaluation and impairment, beginning of year	-3,056	-1,379
Dividend received	-930	-2,490
Profit/loss for the year	972	818
Reversal of impairment, cessation	-27	-5
Revaluation and impairment, year-end	-3,041	-3,056
Investment in group enterprises, year-end	4,047	4,032

	2023	2022
Specification of carrying amount:		
Alm. Brand PIA A/S (DKK 400 thousand nominal value wholly owned)	99	110
Alm. Brand Forsikring A/S (DKK 103 million nominal value wholly owned)	1,429	1,571
Codan Forsikring A/S (DKK 158 million nominal value wholly owned)	2,519	2,431
Investment in group enterprises, year-end	4,047	4,112
Note 10 Cash in hand and balances at call		
Deposits held at call, Alm. Brand Bank	5	65
Cash in hand and balances at call, year-end	5	65

Note 11 Other receivables		
Miscellaneous debtors	0	3
Rent deposit	44	29
Pensionskassen under Alm. Brand A/S	7	8
Other receivables, year-end	51	40

Note 12 Current tax assets		
Current tax assets, beginning of year	19	35
Tax paid in respect of prior years	-19	-35
Tax on profit/loss for the year	13	19
Current tax assets, year-end	13	19

Note 13 Shareholders' equity		
Share capital, beginning of year	1,541	1,541
Share capital, year-end	1,541	1,541

The share capital consists of 1,541,140,000 shares of DKK 1 each and has been fully paid up.

Notes

DKKm	2023	2022	2021	2020	2019
Share capital,					
beginning of year	1,541	1,541	1,541	1,577	1,610
Reduction of capital	0	0	-1,387	0	0
Issue of new shares	0	0	1,387	0	0
Cancellation of					
treasury shares	0	0	0	0	-33
Share capital, year end	1,541	1,541	1,541	1,577	1,577

DKKm	2023	2022
<i>No. of shares</i>		
Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	1,541,140	1,541,140
Treasury shares, beginning of year	-117	-49
No. of shares, beginning of year	1,541,023	1,541,091
Shares acquired/sold during the year	-1,921	-68
Issued shares, year end	1,541,140	1,541,140
Treasury shares, year end	-2,038	-117
No. of shares at year-end	1,539,102	1,541,023

Treasury shares

Nominal value, beginning of year	0	0
Acquired during the year, net	2	0
Cancellation of treasury shares	0	0
Nominal value, year-end	2	0

*) 2021 translated to denomination of DKK 1.

Holding (1,000), beginning of year	117	49
Acquired during the year	5,689	3,150
Sold during the year	-3,768	-3,082
Cancellation of treasury shares	0	0
Holding (1,0000), year-end	2,038	117

Percentage of share capital	0.1%	0.0%
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	2023	2022
Note 14 Total subordinated debt		
Floating rate bullet loans maturing 7 October 2031	1,294	1,294
Subordinated debt, year-end	1,294	1,294

Interest on subordinated debt	63	23
Costs incurred in connection with the raising of the subordinated debt	0	0

The subordinate loan capital carries a floating rate of interest of 3M CIBOR plus 1.5 percentage points. The capital securities are issued with a maturity of ten years with optional early redemption five years after the date of issue. The capital securities are expected to be listed within six months of the date of issue. The subordinate loan capital is included in the calculation of total capital under the current rules.

Note 15 Deferred tax liabilities

Deferred tax liabilities, beginning of year	598	38
Tax liability relating to intangible assets	0	666
Reversed tax on contingency funds	0	-40
Prior-year tax adjustment	13	0
Change for the year	-79	-66
Deferred tax liabilities, year-end	532	598

Deferred tax on losses carried forward	0	-13
Deferred tax on equipment	-1	-1
Deferred tax on intangible assets	535	614
Deferred tax on provisions	-2	-2
Deferred tax liabilities, year-end	532	598

Notes

DKKm	2023	2022
Note 16 Contingent liabilities, guarantees and lease agreements		
Guarantee commitments	31	31

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of the Copenhagen Reinsurance Company (U.K.) Ltd. (Cop. Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) writtenthrough ILU in the period from 3 April 1989 to 1 July 1997. In connection with the divestment of the Copenhagen Re Group in 2009, the buyer has undertaken to indemnify Alm. Brand A/S against the guarantee commitments.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (Winding-up pension fund). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations.

On behalf of the subsidiary Alm. Brand Pia A/S, Alm. Brand A/S has undertaken to the Danish Registration Court and the police that it will fulfill the applicant guarantee required to carry on debt collection activities.

For Danish tax purposes, the company is taxed jointly with Alm. Brand A/S as an administration company. Alm. Brand A/S has unlimited, joint and several liability together with the other jointly taxed companies for corporate income tax payable from and including the 2013 financial year and for withholding taxes on dividends, interest and royalties from and including 1 July 2012. The net liability of the jointly taxed companies to SKAT is specified in segment reporting, balance sheet. Any subsequent adjustments of income subject to joint taxation and withholding tax, etc. could cause Alm. Brand A/S's liability to increase.

	2023	2022
Note 17 Staff costs		
Salaries and wages	63	44
Pension	10	7
Share-based payment	0	0
Total salaries and wages, pension, etc.	73	51

Average number of employees	16	10
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Payroll costs in Alm. Brand A/S are allocated to the group's other companies based on time spent in the individual group companies.

	2023	2023	2022	2022
	Parent company	Alm. Brand Group	Parent company	Alm. Brand Group
<i>Remuneration to the Executive Management and Board of Directors (DKK '000)</i>				
Salaries and wages	20,204	20,204	12,786	12,786
Pension plans	3,017	3,017	2,193	2,193
Total remuneration to the Executive Management	23,221	23,221	14,979	14,979
Directors' fees	7,339	8,159	6,297	6,697
Total remuneration to the Executive Management and Board of Directors	30,560	31,380	21,276	21,676
No. of members of the Executive Management	2		2	
No. of members of the Board of Directors	12		12	

Remuneration to the Management Board comprises remuneration to Chief Executive Officer Rasmus Werner Nielsen and Deputy Chief Executive Officer Anne Mette Toftegaard

The total remuneration including any severance payments accruing to the chief executive officer in the event of termination of employment cannot constitute more than up to the equivalent of two years' remuneration.

Notes

In Alm. Brand, most employees, including the Executive Management, are entitled to a defined contribution pension plan.

Agreements may be concluded between the company and the senior executives that up to 10% of the salary may be allotted by way of shares in Alm. Brand A/S. The shares are granted free of charge twice annually (third trading day of June and December, respectively). The value is calculated as a simple average of the average price of one share in Alm. Brand quoted on the first trading day of each calendar month during the calendar months forming the basis of the individual share grant.

The remuneration of the Board of Directors includes remuneration for audit committee, risk committee and remuneration committee participation.

Group Chief Auditor Morten Bendtsen, who is employed by the Board of Directors, holds no employment outside Alm. Brand.

	2023	2022
<i>Remuneration to risk takers (DKK '000)</i>		
Fixed salary	90,583	63,840
Pension	14,620	10,526
Variable salary	110	3,045
Share-based payment	0	0
Total remuneration to risk takers	105,313	77,411
Number of risk takers	36	32

Risk takers are those persons who, in accordance with the Danish Executive Order on remuneration policy and remuneration in insurance companies, insurance holding companies and company pension funds, have a material influence on the company's risk profile.

Remuneration to risk takers is included in the allocated costs.

Remuneration to risk takers includes salary etc. in connection with severance.

In 2023, variable remuneration components were assigned to risk takers in accordance with the provisions of the remuneration policy.

Note 18 Related parties

Related parties comprise:

- Members of the company's Executive Management and Board of Directors and their related family members
- Companies controlled by members of the Executive Management or the Board of Directors
- Other companies in the Alm. Brand Group
- Alm. Brand af 1792 fmba (owns 47% of the group)

Related party transactions:

The Alm. Brand Group has intra-group functions that solve joint administrative tasks for group companies.

In 2023, Alm. Brand A/S reported administrative income of DKK 81 million and administrative expenses of DKK 85 million in connection with intra-group trading.

All agreements and transactions are made on an arm's length basis or, where there is no specific market, on a costrecovery basis.

Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis.

An arm's length agreement has been signed on interest accruing on intra-group accounts between the group companies.

An overview of subsidiaries is provided in the corporate overview.

Notes

DKKm

Note 19 Accounting policies

Generally

The annual report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and lateral pension funds. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

With respect to recognition and measurement, the accounting policies of the parent company Alm. Brand A/S are identical to those described for the group, with the exception that:

Investments in group enterprises are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate interest in the subsidiaries' equity is presented as "Investments in group enterprises". Tier 1 capital which is classified as equity for accounting purposes in the subsidiaries is included in the net asset value and thus in the parent company's investments. The proportionate interest in the subsidiaries' profit after tax is presented in the item "Profit/loss from group enterprises". The proportionate interest is based on Alm. Brand A/S's balance sheet date and calculated in accordance with Alm. Brand A/S's accounting policies.

The accounting policies are unchanged from the policies applied in the annual report for 2022 .

Definitions of financial ratios and Alternative Performance Measures (APM)

Alm. Brand's management believes that the use of financial highlight and key ratios in the management's review in respect of each business area provides the reader with a good basis for comparing results over time. The financial highlights and key ratios have been prepared on the basis of the statutory requirements for content and are supplemented by individual pieces of relevant information. The information provided in the financial highlights and key ratios contain data regularly provided to management. In the review, income from the TSA is included in the insurance service result of Non-life Insurance. In the financial statements, such income is included under 'Other income'.

Run-off gains/losses, net of reinsurance

The run-off result net of reinsurance reflects the gains and/or losses relating to prior-year technical provisions which affect the result for the current year.

Insurance revenue

Insurance revenue is calculated as gross premiums adjusted for changes in premium provisions.

Gross claims ratio

$$\frac{\text{Gross claims expenses} \times 100}{\text{Insurance revenue}}$$

Gross expense ratio

$$\frac{\text{Insurance operating expenses} \times 100}{\text{Insurance revenue}}$$

Price/NAV

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

Combined ratio

$$\frac{(\text{Gross claims expenses} + \text{Insurance operating expenses} + \text{Profit/loss on reinsurance}) \times 100}{\text{Insurance revenue}}$$

Return on equity after tax*

$$\frac{\text{Profit for the year} \times 100}{\text{Average shareholders' equity}}$$

Return on equity before tax*

$$\frac{\text{Profit before tax} \times 100}{\text{Average shareholders' equity}}$$

Net asset value per share**

$$\frac{\text{Shareholders' equity} \times 100}{\text{No. of shares at year-end}}$$

Net reinsurance ratio

$$\frac{\text{Profit/loss on reinsurance} \times 100}{\text{Insurance revenue}}$$

Earnings per share**

$$\frac{\text{Profit for the year after tax} \times 100}{\text{Average no. of shares}}$$

Claims ratio

$$\frac{\text{Sum of claims ratio and reinsurance ratio}}{\text{Insurance revenue}}$$

Dividend per share

$$\frac{\text{Total amount distributed for the financial year} \times 100}{\text{No. of shares at year-end}}$$

Payout ratio

The payout ratio is calculated as proposed dividend as a percentage of the profit after tax adjusted for integration costs, amortisation of intangible assets and other special circumstances, if relevant.

RoTe (Return on Tangible Equity)

Profit after tax adjusted for amortisation and impairment of intangible assets as a percentage of consolidated equity excluding Tier 1 capital and intangible assets.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Underlying combined ratio

This ratio is calculated as the combined ratio less factors which may vary considerably from year to year (major claims net of reinsurance, weather-related claims net of reinsurance and run-off result on claims net of reinsurance). Accordingly, the underlying combined ratio reflects the trend in small claims, costs and reinsurance ceded.

Underlying claims ratio

Underlying combined ratio less expense ratio

Major claims, net of reinsurance

$$\frac{\text{Major claims, net of reinsurance}}{\text{Insurance revenue}}$$

Weather-related claims, net of reinsurance

$$\frac{\text{Weather-related claims, net of reinsurance}}{\text{Insurance revenue}}$$

Change in risk margin

$$\frac{\text{Change in risk margin}}{\text{Insurance revenue}}$$

COVID-19 effect

$$\frac{\text{Estimated effect of COVID-19 on claims expenses}}{\text{Insurance revenue}}$$

*) In the calculation of return on equity, consideration is made for capital increases in the year and any other equity entries to the effect that such changes are included on a pro rata basis. In addition, adjustments are made for special costs.

***) In the determination of the average number of shares, any stock options and warrants are taken into consideration.

Group companies

DKK m		Profit/loss for the year	Shareholders' equity at year-end	Ownership interest
Holding				
Alm. Brand A/S, Copenhagen	Holding	601	14,237	
Non-life Insurance				
Alm. Brand Forsikring A/S, Copenhagen	Non-life Insurance	402	1,463	100%
Codan Forsikring A/S, Frederiksberg	Non-life Insurance	561	2,717	100%
Forsikringselskabet Privatsikring A/S, Copenhagen	Non-life Insurance	47	324	100%
Other companies				
Alm. Brand PIA A/S, Copenhagen	Administration	20	99	100%

'Ownership interest' indicates Alm. Brand A/S's direct or indirect ownership interests.