MOODY'S
RATINGS

Rating Action: Moody's Ratings affirms Alm. Brand Forsikring A/S' IFSR of A2 and Alm. Brand A/S' Baa1 issuer rating; outlooks stable

24 Aug 2026

Frankfurt am Main , August 24, 2026 – Moody's Ratings (Moody's) has today affirmed the A2 insurance financial strength ratings (IFSRs) of Alm. Brand Forsikring A/S, the main operating entity of the wider Alm. Brand Group (Alm. Brand). At the same time, we also affirmed the Baa1 long-term issuer ratings of Alm. Brand A/S, the Group's non-operating holding company. We also affirmed Alm. Brand A/S' Floating Rate Subordinated Callable Tier 2 Capital Notes at Baa2(hyb) and the Floating Rate Perpetual Restricted Tier 1 Capital Notes at Baa3(hyb). The outlooks on the entities remain stable.

RATINGS RATIONALE

The affirmation of the A2 IFSRs reflects Alm. Brand's strong position in the Danish property and casualty (P&C) market, supported by good product and distribution channel diversification, low exposure to high-risk assets, and strong profitability and capitalisation. These strengths are partly offset by Alm. Brand's modest scale, lack of geographic diversification beyond its relatively small domestic market, and moderate product risk.

Alm. Brand's business profile benefits from its position as the third-largest non-life insurer in the Danish market. The group benefits from diverse range of distribution channels including service centers and partners, notably banks, as well as through tied agents. However, as a pure Danish P&C insurer, Alm. Brand lacks geographic diversification and remains exposed to moderate product risk, with its business mix that is broadly balanced between commercial and retail lines.

Alm. Brand's financial profile is strong. The group maintains a very low level of risk within its investment portfolio. However, the group has a significant amount of goodwill and other intangibles arising from the acquisition of Codan Forsikring A/S (Codan) in 2022, which results in lower quality of capital.

Alm. Brand's capital adequacy is strong, as reflected in a Solvency II ratio of 193% at year-end 2025. The group has recently raised its Solvency II target by 10% points to around 180%. We expect Alm. Brand to adhere to this target level on a sustainable basis, supported by its conservative investment portfolio and relatively low sensitivity to financial market movements.

Alm. Brand has steadily improved its underwriting performance in recent years. The group reported combined ratio of 83.7% at year-end 2025, supported by recent price increases, portfolio optimisation, integration synergies and ongoing cost-efficiency measures. With the integration of Codan largely completed, the group has shifted its focus towards capturing the benefits of its enlarged scale through its 2026-28 strategy, which targets a combined ratio of 82% and an insurance service result of DKK 2.35 billion by 2028. While we expect profitability to remain strong, underwriting performance in 2026 will be affected by a one-off reserve strengthening following the recent Danish workers' compensation ruling. Despite the significant one-off charge, we expect the combined ratio to stay close to 90% for the year 2026, reflecting the group's strong underlying underwriting performance.

STABLE OUTLOOK

The stable outlook reflects our view that Alm. Brand will maintain a stable business and financial profile over the next 12-18 months. We expect the group to preserve its strong market position in Denmark, further gradually strengthen profitability, and maintain robust capitalisation.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Positive pressure on Alm. Brand Forsikring A/S's IFSRs and Alm. Brand A/S's long-term Issuer Ratings could arise from a combination of: (1) A significantly stronger business profile, (2) Stronger operating performance, reflected in sustainable Return on Capital (Moody's definition) of above 8% and combined ratio of 80-85%, and (3) Solvency II ratio sustainably above 180% with continuously low sensitivities to financial market movements.

Downward rating pressure on the IFSRs and long-term Issuer Ratings could result from: (1) Loss of market share due to lower growth than main peers or decreased retention rates of customers, reflecting a weakening of its position in the Danish P&C market, (2) Failure to maintain underwriting performance on strong levels, as indicated by a combined ratio sustainably above 90%, and/or (3) Significant reduction in capital adequacy with a Solvency II ratio continuously at levels close to 150%.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Property and Casualty Insurers published in April 2024 and available at https://ratings.moodys.com/rmc-documents/418354 . Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

Alm. Brand's "Standalone Scorecard-indicated Outcome" of A2 is two notches below the "Preliminary Standalone Outcome" of Aa3. This predominantly reflects the relatively small size of the Danish market compared to European peers and a more holistic assessment of Alm. Brand's capital adequacy and financial flexibility, based on regulatory solvency ratios and qualitative considerations.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions .

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