Alm Brand Group

ALM. BRAND GROUP

Annual Report 2022

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

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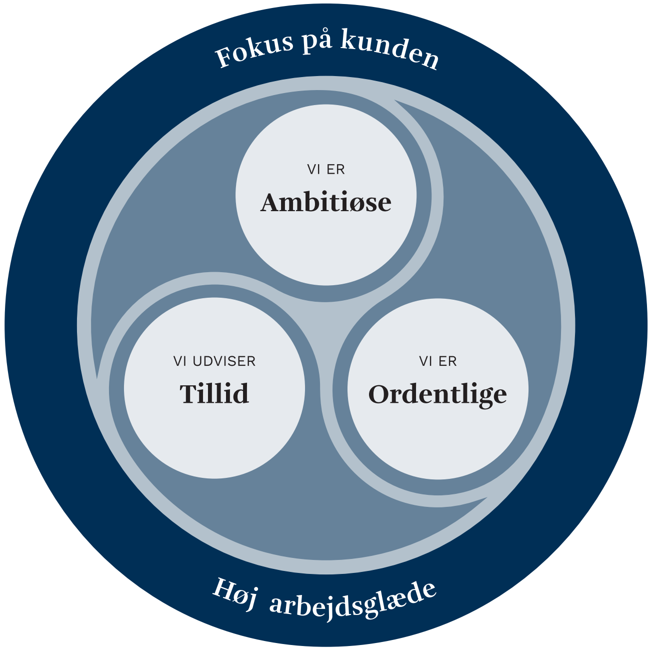
Alm. Brand Group in brief

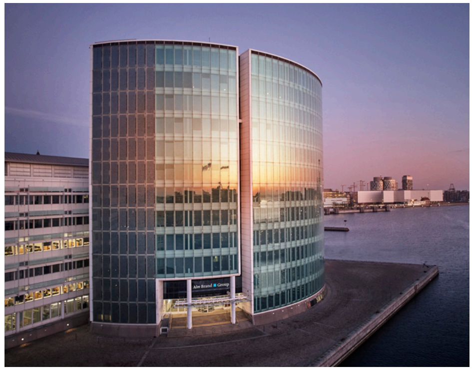
Alm. Brand Group is Denmark's second-largest non-life insurance company with around 700,000 customers and a market share of approximately 17%.

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 totalling 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	ALM. BRAND AF 1792 FMBA	FTES AT 31 DECEMBER 2022*)
1792	46.7%	2,294
Alm. Brand was founded 230 years ago in 1792, followed by Codan in 1916.	Our largest shareholder is Alm. Brand af 1792 fmba, which holds 46.7% of the shares of Alm. Brand A/S.	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 2022

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.

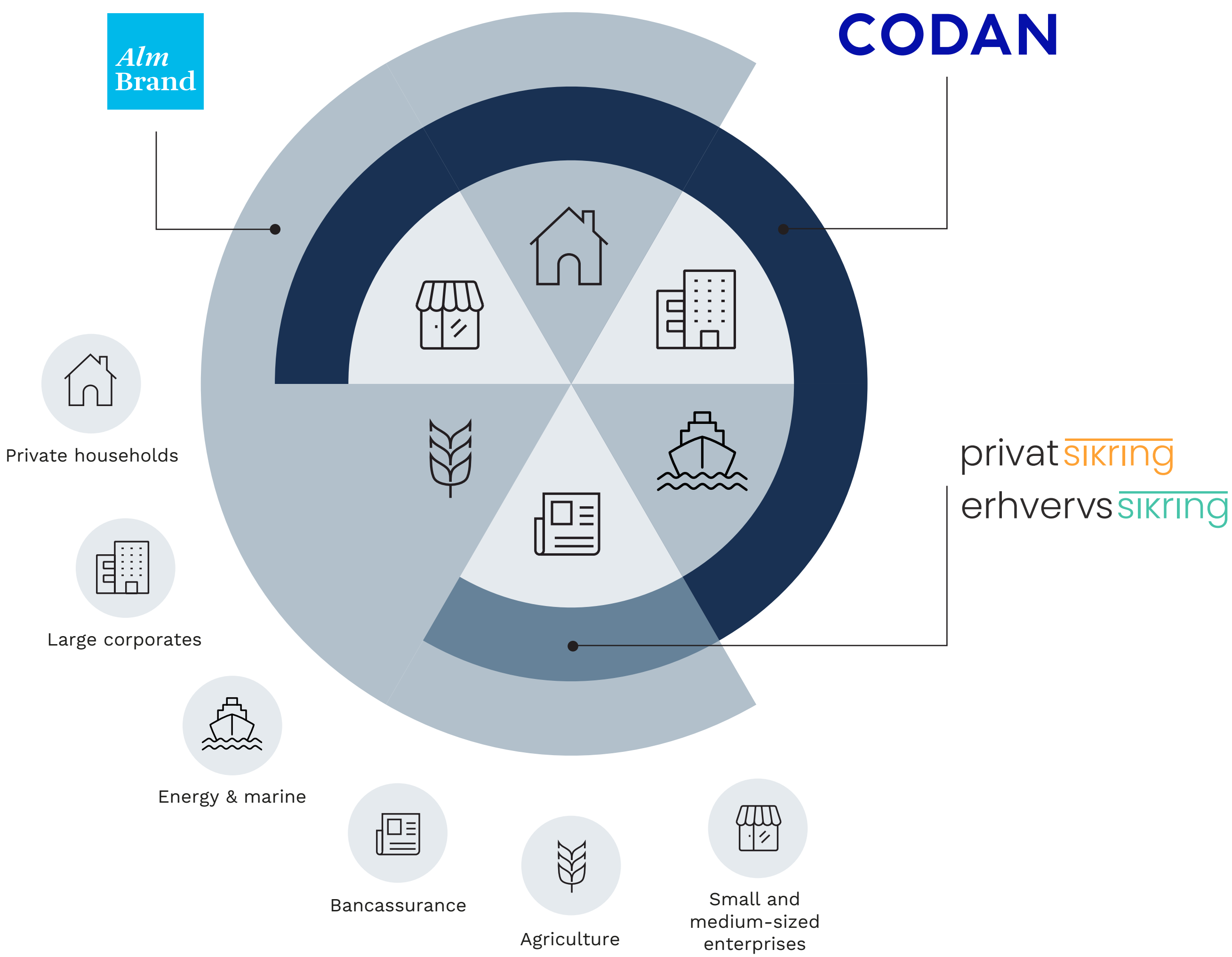
Alm. Brand Group's insurance solutions cover a broad spectrum of the Danish non-life insurance market.

Alm. Brand generally has a strong market position outside major cities and a historically strong foothold among small and medium-sized businesses and agri-cultural 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 for a wide range of customers under various brands.



New common corporate values launched group-wide

Three new common corporate values and a supporting foundation will unite us as a company internally and externally.

We have launched Alm. Brand Group's new common corporate values, consisting of three values and a foundation.

'We are ambitious', 'We show confidence' and 'We exercise proper conduct'.

The values are our mantra and help us function as a team and work towards our new common business goals.

Our values unite us and define us as a company amongst ourselves and towards the external community, that is our customers, business partners and potential new colleagues. The values guide us in everything we do and in the decisions we make every day, particularly the difficult ones – from Group Management right through to the individual departments and teams and each individual employee. We must all live and breathe our corporate values to be able to apply them in our personal, professional and business conduct.

Supporting our three corporate values, we have built a foundation focused on customers and high job satisfaction.

This foundation is the cornerstone of our values and should permeate everything we to at Alm. Brand Group.

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.

High job satisfaction is key to our success. High job satisfaction and well-being in the workplace not only affect our own work. It impacts on the work of our colleagues and the customer experience we provide. Consequently, job satisfaction is both a shared and an individual responsibility.

5-year highlights

	DKKm	2022	2021	2020	2019	2018
GROUP	Technical result	1,163	803	793	550	665
	Investment result	-411	101	63	46	-33
	Non-life Insurance	752	904	856	596	632
	Other activities	-119	-65	-60	-86	-58
	Life Insurance	-	-	-	107	124
	Banking	-	-	-	-	26
	Profit/loss before tax, continuing activities excluding special costs	**633**	**839**	**796**	**617**	**724**
	Special costs	-694	-141	-98	-64	-
	Profit/loss before tax, continuing activities	**-61**	**698**	**698**	**553**	**724**
	Tax, continuing activities	23	-192	-160	-113	-155
	Profit/loss after tax, continuing activities	**-38**	**506**	**538**	**440**	**569**
	Profit/loss after tax, discontinued activities	544	92	80	12	-
	Profit/loss after tax	**506**	**598**	**618**	**452**	**569**
	Total provisions for insurance contracts	17,649	7,828	24,698	23,593	21,626
	Consolidated shareholders' equity	13,765	13,706	5,167	4,576	4,748
	Total assets	36,869	42,235	32,780	41,798	39,025
	Average no. of employees	2,458	1,410	1,690	1,796	1,770
	No. of employees, end of period	2,294	1,486	1,369	1,904	1,884
	Return on equity before tax, continuing activities (%) *)	4.6	19.1	16.3	13.4	-
	Return on equity before tax (%) **)	8.6	21.8	18.9	13.8	15.2
	Return on equity after tax (%) **)	7.7	16.9	14.6	10.9	12.0

	DKKm	2022	2021	2020	2019	2018
PARENT COMPANY	**Profit/loss before tax, continuing activities**	**-123**	**492**	**504**	**429**	**555**
	Tax, continuing activities	85	14	34	23	14
	Profit/loss after tax, continuing activities	**-38**	**506**	**538**	**452**	**569**
	Profit/loss after tax, discontinued activities	544	92	80	12	-
	Profit/loss after tax	**506**	**598**	**618**	**452**	**569**
	Total assets	16,951	16,176	6,257	5,208	5,095
	Total investment assets	5,647	15,265	5,634	4,952	5,021
	Share capital	1,541	1,541	1,541	1,577	1,610
	Shareholders' equity	14,149	13,706	5,167	4,576	4,748
	Payables	900	1,133	822	345	59
	Return on equity before tax (%) **)	8.6	21.8	18.9	13.8	15.2
	Return on equity after tax (%) **)	7.7	16.9	14.5	10.9	12.0
FINANCIAL RATIOS	Earnings per share	0.3	2.4	4.0	2.9	3.6
	Diluted earnings per share	0.3	2.4	4.0	2.9	3.6
	Earnings per share, continuing activities	0.0	2.0	3.5	-	-
	Diluted earnings per share, continuing activities	0.0	2.0	3.5	-	-
	Net asset value per share	9	9	34	30	30
	Share price, end of period	11.3	12.7	73.4	59.2	49.3
	Price/NAV	1.23	1.43	2.2	2.0	1.7
	Average no. of shares (in millions)	1,540	253	154	156	158
	No. of shares, end of period, diluted (in millions)	1,541	1,541	154	155	158
	Average no. of shares, diluted (in millions)	1,540	253	154	156	160
	Dividend per share (DKK)	0.30	2.26	4.00	3.00	3.00
	No. of shares bought back (in thousands)	-	-	809	3,891	3,307
	Avg. price of shares bought back, DKK	-	-	57.7	56.0	65.5

Alm. Brand Group's financial results for FY 2022 include the acquired Danish business of 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 period excluding Codan.

Profit/loss before tax, continuing activities excluding special costs includes income of DKK 86 million from the Transitional Service Agreement (TSA) related to the divestment of Alm. Brand Liv og Pension and the divestment of Codan's activities to Tryg.

*) The calculation of financial ratios for 2018-2022 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.

In the key figures and financial ratios, no eliminations have been recognised between the profit on continuing activities and the loss on discontinued activities. Eliminations totalled DKK 30 million before tax in 2020 and DKK 34 million in 2019.

**) Return on equity in the parent company is calculated before tax in subsidiaries. The calculation of return on equity before tax for 2018 takes into account deferred tax of DKK 49 million from an intangible asset (customer relationships). The return on equity is calculated for the group's consolidated profit adjusted for special costs.

Alm. Brand Group

Overview of 2022 results

The financial results of Alm. Brand Group (in this report referred to as 'Alm. Brand Group' or 'the group') for 2022 include the FY results of Alm. Brand Forsikring ('Alm. Brand') and other activities as well as the results of the acquired Danish business of Codan Forsikring and Privatsikring ('Codan') for the period 1 May 2022 to 31 December 2022. Comparative figures for 2021 are based on reported figures excluding Codan, and organic growth thus only reflects developments in Alm. Brand's continuing activities.

FULL-YEAR PERFORMANCE FOR THE GROUP

Alm. Brand Group's gross premium income grew to DKK 9,591 million in 2022, from DKK 5,407 million in 2021, driven by the acquisition of Codan and highly satisfactory organic growth of 5.5% in Alm. Brand.

The technical result was a profit of DKK 1,163 million in 2022, against a profit of DKK 803 million in 2021, composed of a technical result of DKK 848 million for Alm. Brand and DKK 315 million for Codan, supported by savings on operating costs, a higher interest rate level and an overall satisfactory claims experience.

However, a total net expense of DKK 85 million from the windstorms Malik and Nora as well as high expenses for major claims detracted from the FY performance. Rising inflation driven by high energy and raw materials prices resulted in higher average claims repair costs within building and motor insurance in particular. Against this background, Alm. Brand Group implemented premium increases on selected insurance products to reflect the rising claims payout levels. The sum of ongoing premium increases and the ordinary premium level indexation is expected to compensate for the inflationary effect on claims repair costs in 2023.

For most of the year, the financial markets were characterised by adverse developments across asset classes in the wake of Russia's invasion of Ukraine and uncertainty triggered by rising prices and inflation fears. As a result of general market trends, Alm. Brand Group incurred a loss on investments of DKK 411 million in 2022, against a gain of DKK 101 million in 2021.

Other activities were a loss of DKK 119 million, consisting of group expenses as well as the return on the remaining mortgage deed and debt collection portfolio and costs related to the placement of the purchase consideration for Codan until the closing date.

Alm. Brand Group thus generated a pre-tax profit on continuing activities of DKK 633 million excluding special costs in 2022, against a pre-tax profit of DKK 839 million in 2021. Overall, and in the light of developments in the financial markets, the performance was satisfactory and in line with the guidance for a profit of DKK 600-650 million before tax announced in connection with the release of the interim report for Q3 2022.

Alm. Brand Group furthermore incurred special costs in a total amount of DKK 456 million in 2022, including costs in connection with the integration of Codan and realisation of synergies of DKK 376 million. The profit also comprises amortisation of intangible assets in an amount of DKK 238 million. The consolidated result of continuing activities was a pre-tax loss of DKK 61 million in 2022.

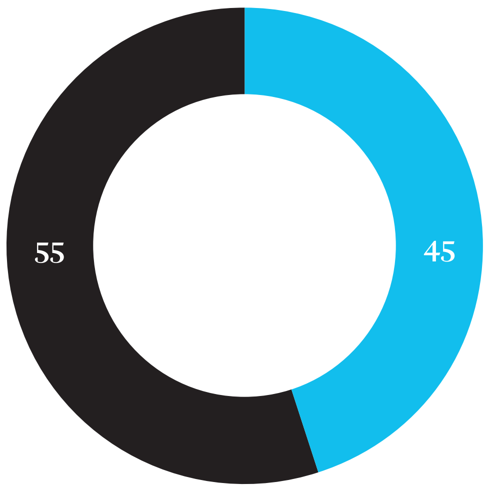
The group posted a profit on discontinued activities of DKK 544 million after tax, composed of a gain on the sale of Alm. Brand Liv og Pension A/S of DKK 537 million and that company's profit for January and February in a total amount of DKK 7 million after tax.

The group thus generated a consolidated profit of DKK 506 million after tax in 2022, against DKK 598 million in 2021.

Based on the profit after tax adjusted for the effect of amortisation of intangible assets, costs related to the integration of Codan and the gain on the sale of Alm. Brand Liv og Pension, the Board of Directors recommends that an ordinary dividend of DKK 0.30 per share be paid in respect of 2022 in continuation of the general meeting scheduled to be held in April 2023. This means that Alm. Brand will distribute DKK 462 million for the 2022 financial year, corresponding to a payout ratio of 98% of the adjusted profit after tax. ■

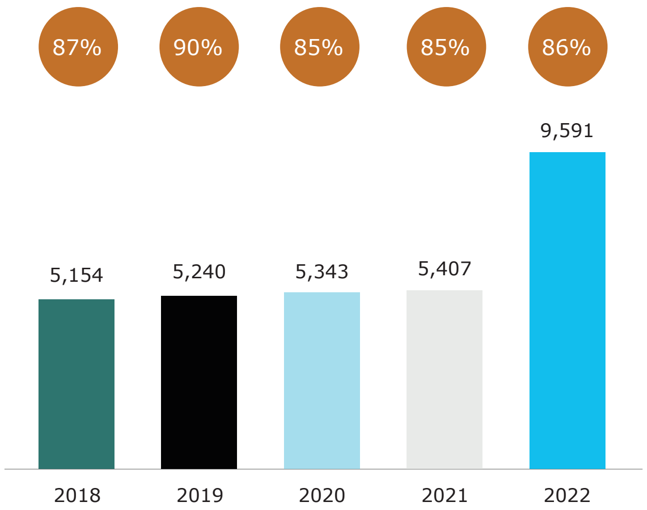
Overview of 2022 results

Non-life Insurance



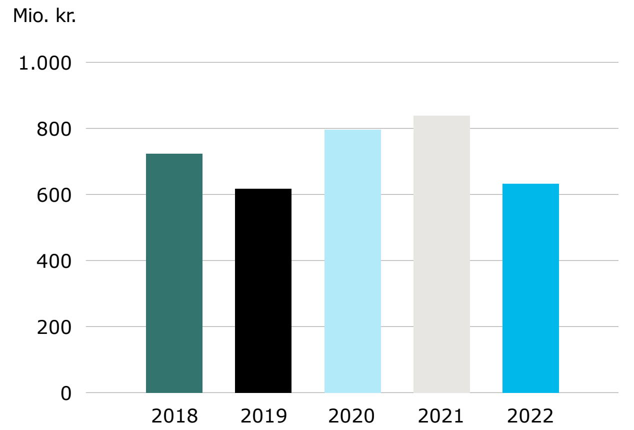
Personal (%) Commercial (%)

Premium income

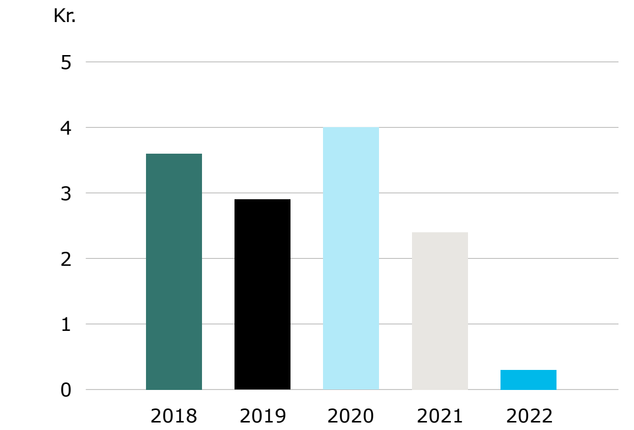


Combined ratio

Profit before tax *)



Earnings per share **)



Gross premium income	Profit before tax *)	Return on equity *)	Earnings per share
9,591 DKKm	633 DKKm	4.6% before tax	0.33 DKK

*) Profit before tax is stated exclusive of special costs.
**) Denomination in 2021 changed to DKK 1 per share, against previously DKK 10 per share.

Letter to our shareholders

Alm. Brand Group is now positioned as the second-largest player in the Danish non-life insurance market.

A milestone has been reached
In 2022, Alm. Brand Group reached yet another important milestone. The acquisition of the Danish business of Codan Forsikring ('Codan') in the spring marked the beginning of a process that will create one of Denmark's largest insurance companies in the coming years for the benefit of our customers, business partners and shareholders.

Closing of the acquisition marked the end of a lengthy process of building the foundation of what was to become a new and enlarged Alm. Brand Group. To recapitulate the background, Alm. Brand back in June 2021 entered into an agreement to acquire Codan and subsequently raised fresh capital in the share and bond markets to finance the acquisition. The final part of the relevant regulatory approvals from the competition authorities and the Danish Financial Supervisory Authority were granted in April 2022, after which the process of combining the two companies and realising the first synergies was accelerated.

The acquisition of Codan has changed the nature of the combined Alm. Brand Group and given rise to new business opportunities.

The most evident change is the greater business volume: The group's total gross premium income will almost double in size as compared with previously, which in itself will pave the way for realising a range of scale benefits and increase the competitive strength of the combined group. In addition, the group now has at its disposal a range of specific brands – Alm. Brand, Codan, Privatsikring and Erhvervssikring – which appeal to different customer segments based on their different positions and strengths relative to Conzoom segments and geography. With the integration of Codan, the group now has a customer portfolio covering all of Denmark, from personal customers and households over agriculture and small businesses to the largest Danish companies with international exposure and business.

As a non-life insurance company, Alm. Brand Group, as we call the new, combined group, is now positioned as the second-largest player in the Danish with a strong local anchoring in all regions of Denmark.

Alm. Brand Group serves some 700,000 customers in Denmark. All other things equal, due to its position, Alm. Brand Group now has a more powerful voice in the public sphere, which also lays a greater obligation on Alm. Brand Group to use this voice in terms of corporate responsibility and sustainability. And perhaps sometimes even to raise its voice and set a good example. We are of course very conscious of our responsibility.

Satisfactory performance
2022 was also a year marked by outside impacts. The tense geopolitical situation in the wake of Russia's invasion of Ukraine and the resulting price falls in the financial markets, along with rising inflation on a scale unprecedented in recent history, left a mark also on Alm. Brand Group's activities, e.g. in the form of higher claims repair costs and a negative investment result. In general, the insurance sector is nonetheless more comfortably positioned compared to many other parts of the business sector.

Alm. Brand Group's financial statements for 2022 include Codan as from 1 May, with the group reporting total premium income of DKK 9.6 billion, against DKK 5.4 billion in 2021. Against this backdrop, the group was able to record a satisfactory increase in the technical result to DKK 1,163 million from DKK 803 million in 2021, driven by a profit in Alm. Brand Forsikring of DKK 848 million for FY2022, against the profit range of DKK 525-575 million guided at the beginning of the year, as well as a profit in Codan of DKK 315 million for the period 1 May to 31 December 2022. However, 2022 was an expensive year in terms of the group's investment portfolio, which yielded a negative return of DKK 411 million in total due to substantial price falls in the financial markets.

Based on the financial results for the 2022 financial year, the Board of Directors recommends that a dividend of DKK 0.30 per share be distributed in continuation of the annual general meeting scheduled to be held in April 2023.

The way forward
The task that lies ahead of Alm. Brand Group is in many ways a given.

With the acquisition of Codan, we have created a strong business platform for further strengthening our customer value proposition, leveraging the new business opportunities for increased value creation, enabling us to honour the confidence our many shareholders have placed in us. This is the task we have been assigned to perform in the years ahead, and in that connection we have set a strategic direction for Alm. Brand Group and new financial targets, which will be presented separately in this annual report. ■

Jørgen Hesselbjerg Mikkelsen
Chairman

Rasmus Werner Nielsen
Chief Executive Officer

Strategy

Advancing to a position among the largest players in the Danish non-life insurance market, Alm. Brand Group has established a strong position to provide insurance for an even greater part of Danish society.

Realising our full potential
With the acquisition of Codan, Alm. Brand's strategic priorities for the coming years are in place. The most important task on Alm. Brand's strategic agenda is to ensure a successful combination with and integration of Codan. The acquisition of Codan doubled the size of Alm. Brand Group measured in terms of gross premium income, and the group now serves a combined base of about 700,000 customers with annual claims payouts exceeding DKK 7 billion.

The acquisition of Codan marked a significant strategic step that will reposition Alm. Brand Group as a leading insurance group with an even broader appeal among Danish policyholders and with an even stronger voice in a social context in terms of claims prevention, sustainability and other issues. The greater business volume in itself offers new opportunities for Alm. Brand Group, and the platform that has been established has been applied to make a number of strategic inclusion and exclusion decisions with a view to realising the full potential of Alm. Brand Group.

The group's new strategy and business plans are based on a wide range of initiatives aimed at creating profitable growth in the group's premium volume, reducing costs and resource consumption and successfully completing the combination of Alm. Brand Forsikring and Codan.

Profitable growth
The market place for non-life insurance has changed in recent years, with increased concentration among the market players. In some areas, the market is undergoing disruption or a development in which innovation of insurance products and services and deep technological integration with partners are fundamentally changing the industry's business models.

Alm. Brand Group embraces this trend, promoting distribution through strong partnerships as an ever more important way to achieve stronger growth and increase market shares. A couple of years ago, Alm. Brand Forsikring set up a partnership with Sydbank for the distribution of insurance products, which has already produced very strong results. Codan has contributed a quite substantial bancassurance business through Privatsikring, including the newly established Erhvervssikring, cooperating with partners such as Nykredit, Spar Nord and the more than 30 banks and savings banks that are members of the Association of Local Banks in Denmark (LOPI). This has given Alm. Brand Group access to a distribution channel with the potential to reach more than one in three banking customers in Denmark.

Today, the customer portfolios of Alm. Brand Forsikring and Codan have different characteristics, with some of Alm. Brand Forsikring's special strengths being its generally strong market position outside major cities and a historically strong foothold among small and medium-sized businesses and agricultural customers. Codan, on the other hand, has a strong market position in Copenhagen and other major cities and broad exposure among business customers, including within the renewable energy sector.

Going forward, Alm. Brand Group wants to retain and expand its market position across the customer segments of Alm. Brand Forsikring and Codan. Providing a good customer experience is key to the growth journey that lies ahead, as is retaining existing customers. Just as important to the inclusion and exclusion decisions to be made is the requirement that the individual customer segments must be positive contributors to the consolidated financial results of the group.

Costs need to go down
Operating one large company should be more cost-efficient than operating two medium-sized companies.

Part of the financial rationale behind the acquisition of Codan is that a wide range of synergies may be realised by combining and integrating the two companies and that a greater business volume will make it possible to realise scale benefits in claims services and procurement. Alm. Brand Group has prepared a catalogue of initiatives covering all aspects, from reducing the number of employees to sharing best practise and optimising processes and consolidating key IT infrastructure.

Alm. Brand Group has defined clear targets for the development in costs for the period until 2025 and will closely follow up on the achievement of these targets.

Integration must create a platform for success

In the early stages after the acquisition of Codan, Alm. Brand Group established a new, strong and collaboration-oriented management team working closely with a team of project managers to create a strong platform for the group's business.

A new common organisation, a new common corporate culture and new common corporate values. These are some of the components of the transformation of the group which are well underway, already charting a course for the new company.

The integration work is indeed also a practical exercise with a clearly mapped out programme plan defining specific milestones for delivery of sub-projects, including not least the establishment of a common IT platform for the group's core systems.

Throughout 2022, Alm. Brand Group implemented initiatives defined in the plans mapped out, and the integration work is expected to continue at full steam in the coming years with a view to establishing the best possible platform for a strong insurance group for the benefit of customers, business partners, shareholders and employees. ■

Synergies and other cost initiatives

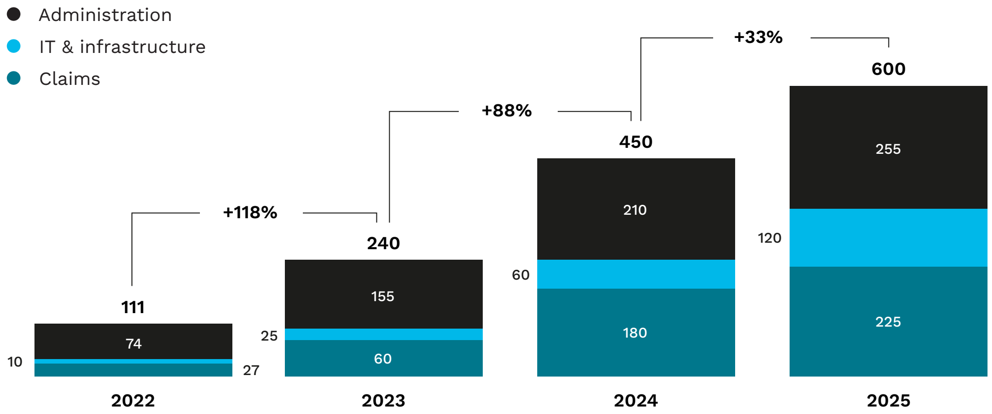
Clear road map for realising synergies in the period until 2025.

In connection with the acquisition of Codan, Alm. Brand Group announced that it expected to realise cost and claims repair synergies of DKK 600 million with accounting effect in 2025. After the acquisition of Codan, various initiatives have been implemented, primarily to eliminate duplicate group functions and to realise scale economies in claims services, which produced synergies of DKK 111 million with accounting effect in 2022. The realised synergies will have a positive effect of DKK 240 million on results in 2023.

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

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

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

Outlook for 2023 and financial targets for 2025

In 2023, Alm. Brand Group expects to realise a technical result of DKK 1,200-1,400 million excluding run-off gains and losses, including expected synergies of DKK 240 million in total. The expected increase relative to the result realised in 2022 is also driven by a lower level of both weather-related and major claims than in the year before as well as the full-year effects of other cost savings implemented. However, higher expenses for the group's reinsurance programme will have the opposite effect.

The guidance is based on continued growth in the group's gross premium income across the individual customer segments, supported by the ordinary indexation of the premium level and individual premium adjustments. The expense ratio is expected to be about 18-18.5%, and the combined ratio excluding run-offs is expected to be 88-90.

In addition, Alm. Brand Group expects an investment result of about DKK 250 million based on the current estimated holding period returns on the portfolio not allocated to the hedging of provisions, with other activities expected to generate a loss of about DKK 75 million.

Alm. Brand Group thus expects to report a consolidated pre-tax profit of DKK 1,375-1,575 million excluding special costs.

Moreover, Alm. Brand Group expects to incur special costs of about DKK 300-350 million in 2023 for the integration of Codan and realisation of synergies. Amortisation of intangible assets is expected to affect the income statement by approximately DKK 360 million.

FOLLOW-UP ON FINANCIAL TARGETS FOR 2022

In connection with the release of the 2019 Annual Report, a number of financial targets were defined for the period until 2022. Since then, dedicated efforts have been made to achieve these targets.

In 2022, Alm. Brand was on a strong organic growth trajectory, while staying focused on ensuring that growth should be profitable. Alm. Brand achieved its growth and earnings targets, reporting an increase in gross premium income of 5.5% to DKK 5,702 million and a technical result excluding run-off gains of DKK 741 million, corresponding to a com-

Achievement of financial targets for 2022

	Target 2022	Realised 2022
Non-life Insurance		
Premium growth (%)	≥3	5.5
Combined ratio excl. run-off result (%)	≤90	87.0
Gross expense ratio (%)	≤16	16.3
Banking		
Return on equity before amortisation of customer relationships and tax (%)	≥10	Sold – proceeds paid as extraordinary dividend
Life Insurance		
Growth in regular premiums (%)	≥7	Sold – proceeds used to reduce share issue

Financial targets for the period until 2025

	Realised 2022	Target 2025
Technical result (DKKm)	1,163	2,100
Combined ratio excl. run-off result (%)	87.8	≤84
Gross expense ratio (%)	18.0	≤16
Synergies (DKKm)	111	600
Return on consolidated equity less intangible assets (%)	-	≥50

bined ratio of 87.0. Gross expenses also developed favourably, with a reduction of the expense ratio to 16.3.

As part of the implemented adjustments of Alm. Brand Group's business, the reporting period saw the divestment of both Alm. Brand Bank and Alm. Brand Liv & Pension, both transactions serving to realise and make visible the value of these two entities.

New financial targets for the period until 2025 for Alm. Brand Group

In November 2022, Alm. Brand Group announced new financial targets for 2025, reflecting the financial potential offered by the new and enlarged insurance business. The group's targets for the period until 2025 are to increase the technical 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 determined 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. ■

First product launch across Codan and Alm. Brand

Personal customers of both Codan and Alm. Brand will now get the market's broadest cover against identity theft, credit card fraud, cyberbullying, abuse and any other threats we may encounter from constantly increasing cyberspace crime.

Customers who have taken out contents insurance with either Codan or Alm. Brand will now be able to sleep much more peacefully – knowing that their digital data are well protected: We have launched one of the market's broadest cyber covers for personal customers. Our new cyber insurance product is the first group-wide launch across the Alm. Brand and Codan brands since the merger.

In times when our digital data are becoming increasingly valuable and are under constant threat, it makes good sense that we, as an insurance company, stay up to date on the latest developments and align our insurance products to the lives our customers lead. This makes sense to the individual customer, but we also shoulder the responsibility required of us in our capacity of Denmark's second-largest insurance group. Cyber insurance is actually not a new product to Codan and Alm. Brand. We have long had cyber insurance cover as a component of our contents insurance, but we are now relaunching it in a move that will seriously improve both products.

The backbone of our comprehensive cyber insurance is a 24/7 hotline made available by our highly-skilled business partner, ensuring that our customers can get advice on prevention as and when needed.

And perhaps even more importantly: We have professionals ready to take over and help you with all the practical aspects, such as if you need to have compromising image material removed from social media. The insurance also covers assistance for psychological counselling and consolation payouts in the event of identity theft or identity fraud.

Finally, our cyber insurance also comprises a cyber alarm which searches for data recorded about the customer on the open internet as well as on the so-called Deep Web and Dark Web and alerts the customer if data about him or her are found. The cyber alarm meets the highest data security standards.

Non-life Insurance

	DKKm	2022	2021	2020	2019	2018
INCOME STATEMENT	Gross premium income	9,591	5,407	5,343	5,240	5,154
	Claims expenses *)	-6,315	-3,738	-3,464	-3,546	-3,357
	Insurance operating expenses *)	-1,728	-933	-902	-908	-885
	Profit/loss on reinsurance	-385	67	-184	-236	-247
	Technical result	**1,163**	**803**	**793**	**550**	**665**
	Interest and dividends, etc.	102	79	117	129	138
	Capital gains and losses	-1,253	-125	57	29	-151
	Administrative expenses related to investment activities	-32	-13	-27	-26	-26
	Return on and value adjustment of technical provisions	772	160	-84	-86	6
	Investment return after return on and value adjustment of technical provisions	**-411**	**101**	**63**	**46**	**-33**
	Profit/loss before tax excluding special costs, continuing activities	**752**	**904**	**856**	**596**	**632**
	Special costs	-447	-34	-	-44	-
	Profit/loss before tax, continuing activities	**305**	**870**	**856**	**552**	**632**
	Tax, continuing activities	-55	-194	-193	-125	-135
	Profit/loss after tax, continuing activities	**250**	**676**	**663**	**427**	**497**
	Profit/loss after tax, discontinued activities	544	18	19	9	16
	Profit/loss after tax	**794**	**694**	**682**	**436**	**513**

	DKKm	2022	2021	2020	2019	2018
BALANCE SHEET	Run-off gains/losses, net of reinsurance	244	109	101	70	117
	Provisions for insurance contracts	17,649	7,828	7,139	6,780	6,581
	Insurance assets	598	337	57	29	47
FINANCIAL RATIOS	Gross claims ratio *)	65.8	69.1	64.8	67.7	65.1
	Net reinsurance ratio	4.0	-1.3	3.4	4.5	4.8
	Claims experience *)	**69.8**	**67.8**	**68.2**	**72.2**	**69.9**
	Gross expense ratio *)	18.0	17.3	16.9	17.4	17.2
	Combined ratio *)	**87.8**	**85.1**	**85.1**	**89.6**	**87.1**
	Combined ratio excluding run-off result *)	90.3	87.1	87.0	90.9	90.5
	Combined ratio	86.6	86.4	85.1	90.4	87.1

*) Claims expenses and insurance operating expenses for FY2022 include income from the Transitional Service Agreement (TSA) related to the divestment of Alm. Brand Liv og Pension A/S. In addition, income from the TSA related to the sale of Codan's activities to Tryg has been recognised. Claims expenses are stated less DKK 26 million, and insurance operating expenses are stated less DKK 50 million. Financial ratios for 2022 have been restated accordingly.

Similarly, DKK 10 million from the TSA has been recognised under administrative expenses related to investment activities.

Claims expenses and insurance operating expenses for 2021 include income from the Transitional Service Agreement (TSA) related to the divestment of Alm. Brand Bank A/S. Claims expenses are stated less DKK 22 million, and insurance operating expenses are stated less DKK 50 million. Financial ratios for 2021 have been restated accordingly.

The financial results for FY 2022 include the acquired Danish business of 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 period excluding Codan.

Non-life Insurance

Satisfactory technical result, but loss on investments.

FULL-YEAR PERFORMANCE

The technical result was a profit of DKK 1,163 million in 2022, reflecting satisfactory insurance operations for Alm. Brand and a positive profit contribution from Codan. The result was composed of a technical result of DKK 848 million for Alm. Brand, against DKK 803 million in 2021, and DKK 315 million for Codan.

For Alm. Brand Group, the total combined ratio was 87.8 in 2022. Alm. Brand reported a combined ratio of 85.1, which was unchanged from 2021, which included a positive effect from COVID-19 restrictions.
The trend reflects a favourable development in the underlying business driven by cost savings as a result of realised synergies and a positive effect on claims provisions due to a higher interest rate level, which compensated for the inflationary effect on claims repair costs. The performance also included higher claims expenses for weather-related claims due the windstorms Malik and Nora at the beginning of the year.

Premiums
Gross premiums increased to DKK 9,591 million, from DKK 5,407 million in 2021, driven by highly satisfactory and higher-than-expected organic growth in Alm. Brand of 5.5% to DKK 5,702 million and the acquisition of Codan, which contributed an amount of DKK 3,889 million. The organic growth trend in Alm. Brand was seen in both Personal Lines and Commercial Lines, reporting growth of 5.1% and 5.8%, respectively, and was supported by a number of sales-oriented initiatives, including additional sales to existing customers, and satisfactory contributions from partnerships as well as the ordinary premium level indexation. In Codan, in particular sales through Privatsikring contributed to a positive trend in premiums.

Customer loyalty as measured by the retention rate remained at a satisfactory level in both Commercial Lines and Personal Lines.

Claims experience
The claims ratio totalled 69.8 in 2022. In Alm. Brand, the claims ratio was 68.8, against 67.9 in 2021, reflecting marginal movements in the underlying claims ratio and in the sum of claims expenses for major claims and weather-related claims, but also a slightly less positive impact from the risk margin than in the year before. In Codan, the claims ratio was 71.4 based on a low underlying claims ratio, but also significantly higher claims expenses for major claims compared with Alm. Brand's business.

Underlying business
The underlying claims ratio totalled 60.1 in 2022. In Alm. Brand, the underlying claims ratio increased marginally to 61.5,

Combined ratio

	Alm. Brand Group	Alm. Brand Forsikring				
	2022[1]	2022[2]	2021[3]	2020	2019[4]	2018
Combined ratio, underlying business ex COVID-19	78.1	77.8	79.6	81.1	82.4	82.1
COVID-19 effects, estimated	-	-	-1.1	-2.2	-	-
Combined ratio, underlying business	78.1	77.8	78.5	78.9	82.4	82.1
Weather-related claims, net of reinsurance	2.2	2.8	1.6	1.5	2.7	1.2
Major claims, net of reinsurance	10.4	6.7	7.7	6.3	5.9	7.4
Run-off gains/losses, net of reinsurance	-2.5	-1.9	-2.0	-1.9	-1.3	-3.4
Change in risk margin	-0.4	-0.3	-0.7	0.3	-0.1	-0.2
Combined ratio	**87.8**	**85.1**	**85.1**	**85.1**	**89.6**	**87.1**

(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 37 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.

from 61.3 in 2021, as a result of a higher number of minor claims after lifting of the COVID-19 restrictions and higher average claims repair costs. On the other hand, a positive derivative effect from a higher interest rate level served to compensate for the inflationary effects. The sum of announced premium increases and the premium level indexation is believed to fully compensate for the price increases in claims repair costs in 2023.

Weather-related claims
Claims expenses for weather-related claims net of reinsurance amounted to DKK 207 million. At the beginning of 2022, Denmark was hit by a severe windstorm, Malik, and later also by the windstorm Nora, resulting in a total expense of DKK 85 million for Alm. Brand. However, the rest of the year was predominantly characterised by mild weather conditions resulting in only few claims. Alm. Brand accounted for DKK 160 million of total weather-related claims expenses, against DKK 86 million in 2021, while Codan, which in 2022 applied other criteria for claims classification than Alm. Brand, accounted for DKK 47 million of total claims expenses. Overall, weather-related claims expenses affected the combined ratio by 2.2 percentage points, distributed on 2.8 percentage points in Alm. Brand and 1.2 percentage points in Codan.

Major claims
Claims expenses for major claims net of reinsurance amounted to DKK 993 million. Expenses for major claims totalled DKK 381 million in Alm. Brand, against DKK 416 million in 2021, and DKK 612 million in Codan. During the year, the number of large claims reported in the energy and industrial customer segment was higher than expected, and claims expenses for major claims affected the combined ratio by 10.4 percentage points for the group, distributed on 6.7 percentage points in Alm. Brand and 15.7 percentage points in Codan. As a direct consequence thereof, Alm. Brand Group has strengthened its claims prevention efforts for selected customer segments and tightened underwriting requirements to ensure that claims expenses will be reduced to a more satisfactory level in future. In addition, a number of initiatives have been introduced with a view to reducing and sharing exposure to isolated major risks in order to improve profitability.

Run-off result
The run-off result on claims net of reinsurance was a gain of DKK 244 million. For Alm. Brand, the run-off result was a gain of DKK 107 million, or 1.9 percentage points. For Codan, the run-off result was a gain of DKK 137 million, or 3.5 percentage points. Overall, run-off gains came to 2.5 percentage points.

Risk margin
The change in the overall risk margin lifted the full-year performance by DKK 36 million, equivalent to a 0.4 percentage point improvement of the combined ratio. By comparison, the changes in risk margin affected the 2021 result in Alm. Brand by DKK 36 million, or 0.7 of a percentage point, after the expansion of the partial internal model in workers' compensation and personal accident lines.

Costs
Insurance operating expenses amounted to DKK 1,728 million, and the expense ratio thus came to 18.0. Following the acquisition of Codan, the cost initiatives already implemented in Alm. Brand were supplemented by a number of measures aimed at realising synergies. As a result, the expense ratio was reduced by 1.0 percentage point to 16.3 in Alm. Brand, while Codan's expense ratio was 20.5.

Reinsurance
Costs of reinsurance were a net amount of DKK 385 million, equivalent to a reinsurance ratio of 4.0.

In Alm. Brand, the reinsurance expense was DKK 185 million, against a gain of DKK 68 million in 2021, which included significant coverage received under the reinsurance programme.
In Codan, the reinsurance expense was DKK 200 million, including significant payouts under the reinsurance programme due to major claims reported.

Discounting
The yield curve, which is used for discounting premium and claims provisions, increased by 2.5-3 percentage points including the VA premium at the mid-part of the curve from the level reported at 31 December 2021. The effect of interest rate movements over the year is assessed to have resulted in a 2.0 percentage point improvement of the combined ratio in 2022.

PERSONAL LINES
The technical result amounted to a profit of DKK 685 million, of which DKK 404 million was attributable to Alm. Brand, against DKK 460 million in 2021, and DKK 281 million to Codan. The combined ratio was 84.1, against 82.2 in 2021, reflecting a higher underlying claims experience due to an increase in the number of minor claims – partly as a result of a normalisation of claims levels after the reopening of society post COVID-19 – combined with a higher average claims expense, but also a positive effect from the acquired personal lines activities of Codan.

Gross premium income was DKK 4,301 million, supported by satisfactory organic growth of 5.1% to DKK 2,724 million in Alm. Brand, which was driven by an inflow of new customers and increased sales to existing customers. Codan contributed gross premium income of DKK 1,577 million, including a sustained positive trend in Privatsikring. Across the Personal Lines business, partnerships contributed significantly to the overall growth in premiums.

Personal Lines

	Alm. Brand Group	Alm. Brand Forsikring		
DKKm	2022[1]	2022[2]	2021[3]	Change
Gross premium income	4,301	2,724	2,592	132
Gross claims expenses	-2,649	-1,775	-1,577	-198
Insurance operating expenses	-896	-502	-514	12
Profit/loss on reinsurance	-71	-43	-41	-2
Technical result	**685**	**404**	**460**	**-56**
Run-off result, claims	127	63	63	0
Gross claims ratio	61.4	65.2	60.8	4.3
Net reinsurance ratio	1.7	1.6	1.6	0.0
Claims experience	**63.1**	**66.8**	**62.4**	**4.3**
Gross expense ratio	21.0	18.4	19.8	-1.4
Combined ratio	**84.1**	**85.2**	**82.2**	**2.9**
Combined ratio, underlying business	83.7	82.5	81.5	1.0
Weather-related claims, net of reinsurance	1.4	2.1	1.0	1.1
Major claims, net of reinsurance	2.0	3.0	2.6	0.3
Run-off result, claims	-3.0	-2.3	-2.4	0.1
Change in risk margin	0.0	-0.1	-0.5	0.4
Combined ratio	**84.1**	**85.2**	**82.2**	**2.9**

(1) Gross claims expenses are stated less DKK 10 million and insurance operating expenses are stated less DKK 19 million from the TSA.
(2) Gross claims expenses are stated less DKK 6 million and insurance operating expenses are stated less DKK 12 million from the TSA.
(3) Gross claims expenses are stated less DKK 10 million and insurance operating expenses are stated less DKK 23 million from the TSA.

Financial ratios have been restated accordingly.

The sum of gross claims expenses and the reinsurance result was an expense of DKK 2,720 million in total, corresponding to a claims ratio net of reinsurance of 63.1. In Alm. Brand, the claims ratio increased to 66.8 from 62.4 in 2021, reflecting a higher number of claims across home, contents and motor insurance lines than in 2021, among other things due to a normalisation of the activity level after the reopening of society post COVID-19. In addition, inflation is seen to have resulted in higher average claims expenses for building and motor claims, among other lines.

Expenses for weather-related claims amounted to DKK 58 million net of reinsurance, the full amount of which was attributable to Alm. Brand. Except for the windstorms Malik and Nora at the beginning of the year, there were no major weather-related incidents in 2022, and the overall effect on the combined ratio for Alm. Brand Group therefore came to a mere 1.4 percentage points.

Net of reinsurance, major claims amounted to DKK 85 million in 2022, of which DKK 80 million was attributable to Alm. Brand, against DKK 67 million in 2021, and DKK 5 million to Codan. For Alm. Brand Group, claims expenses for major claims in Personal Lines affected the combined ratio by 2.0 percentage points overall.

Insurance operating expenses amounted to DKK 896 million in total. In Alm. Brand, costs were reduced to DKK 502 million, from DKK 514 million in 2021, in spite of rising business volume measured in terms of premium income. The reduction was driven by general operational efficiencies and cost savings from realised synergies. In Codan, costs amounted to DKK 394 million, including costs related to Privatsikring. Overall, the expense ratio was 21.0, with Alm. Brand accounting for 18.4, against 19.8 in 2021, and Codan accounting for 25.6.

The run-off result net of reinsurance amounted to a gain of DKK 127 million, of which DKK 63 million was attributable to Alm. Brand, which was unchanged from the year before, and DKK 64 million was attributable to Codan. The run-off result was mainly supported by a positive result on motor and personal accident insurance.

COMMERCIAL LINES

The technical result amounted to a profit of DKK 478 million, of which DKK 444 million was attributable to Alm. Brand, against DKK 343 million in 2021, and DKK 34 million to Codan. The combined ratio was 90.9, against 87.8 in 2021, reflecting an improvement in Alm. Brand supported by a higher interest rate level and consequently a reduced need to make technical provisions. However, a somewhat higher combined ratio in the acquired Commercial Lines business in Codan due to a high level of major claims detracted.

Gross premium income was DKK 5,290 million, supported by a satisfactory trend of sustained strong organic premium growth of 5.8% to DKK 2,978 million in Alm. Brand, driven by a continuous inflow of new customers, additional sales to existing customers, indexation of workers' compensation insurance and high customer retention. In addition, Codan contributed gross premium income of DKK 2,312 million.

The sum of gross claims expenses and the reinsurance result totalled DKK 3,980 million in 2022, equivalent to a claims experience of 75.3. In Alm. Brand, the claims experience improved to 70.9 from 72.9 in 2021, driven by the positive effects of a higher interest rate level as well as by the fact that continuous initiatives to improve the claims experience compensated for the rising claims inflation. These initiatives include, among others, continued positive effects of already implemented profitability-enhancing measures to lift profitability on building insurances in the residential segment and on motor insurance.

Net of reinsurance, weather-related claims amounted to DKK 146 million in 2022, of which DKK 102 million was attributable to Alm. Brand, against DKK 59 million in 2021, and DKK 44 million to Codan. Except for the windstorms Malik and Nora, 2022 was predominantly characterised by mild weather conditions, with only the cloudbursts in August standing out. The overall effect on the combined ratio for Alm. Brand Group due to weather-related claims was 2.8 percentage points.

Claims expenses for major claims came to DKK 908 million net of reinsurance. In Alm. Brand, claims expenses fell to DKK 301 million from DKK 349 million in 2021, supported by a generally favourable claims experience. In Codan, claims expenses for major claims totalled DKK 607 million, with energy and industrial lines in particular reporting a higher-than-expected frequency of major claims. Major claims affected the combined ratio by 17.2 percentage points overall.

Overall, 2022 was an unsatisfactory year for the energy business, despite double-digit growth in premium income relative to 2021 driven by premium increases. Due to a number of major claims, the combined ratio was 104 for the period after the acquisition. Alm. Brand Group has defined a target for the combined ratio of 83 in 2025 for the energy business and, in addition to additional premium increases in the first half of 2023, the group is planning to execute on a number of initiatives to improve profitability, including a reduction of Offshore Construction to 20% of premium income, compared with about 30% in 2022, improved control and management of risks associated with mounting and installation and a

Commercial Lines

	Alm. Brand Group	Alm. Brand Forsikring		
DKKm	**2022[1]**	**2022[2]**	**2021[3]**	**Change**
Gross premium income	5,290	2,978	2,815	143
Gross claims expenses	-3,666	-1,968	-2,162	203
Insurance operating expenses	-832	-424	-419	-6
Profit/loss on reinsurance	-314	-142	109	-250
Technical result	**478**	**444**	**343**	**89**
Run-off result, claims	117	44	46	-2
Gross claims ratio	69.4	66.1	76.8	-10.6
Net reinsurance ratio	5.9	4.8	-3.9	8.7
Claims experience	**75.3**	**70.9**	**72.9**	**-1.9**
Gross expense ratio	15.6	14.3	14.9	-0.5
Combined ratio	**90.9**	**85.2**	**87.8**	**-2.4**
Combined ratio, underlying business	73.8	73.6	75.8	-1.8
Weather-related claims, net of reinsurance	2.8	3.4	2.1	1.3
Major claims, net of reinsurance	17.2	10.1	12.4	-2.3
Run-off gains/losses, net of reinsurance	-2.2	-1.5	-1.6	-0.1
Change in risk margin	-0.7	-0.4	-0.8	0.4
Combined ratio	**90.9**	**85.2**	**87.8**	**-2.4**

(1) Gross claims expenses are stated less DKK 16 million and insurance operating expenses are stated less DKK 31 million from the TSA.
(2) Gross claims expenses are stated less DKK 6 million and insurance operating expenses are stated less DKK 13 million from the TSA.
(3) Gross claims expenses are stated less DKK 12 million and insurance operating expenses are stated less DKK 27 million from the TSA.

Financial ratios have been restated accordingly.

reduction in the exposure to the USA, which is assessed to have relatively high exposure to natural disasters.

Insurance operating expenses amounted to DKK 832 million in total. In Alm. Brand, costs increased only marginally from DKK 419 million to DKK 424 million. As the business volume increased over the year, the expense ratio dropped from 14.9 to 14.3. In Codan, costs amounted to DKK 408 million, equivalent to an expense ratio of 17.4. Alm. Brand Group's expense ratio thus came to 15.6, with initiatives to realise synergies seen to reduce operating costs across the group more and more.

The run-off result on claims net of reinsurance was a gain of DKK 117 million, of which DKK 44 million was attributable to Alm. Brand, against DKK 46 million in 2021, and DKK 73 million was attributable to Codan. The run-off result reflected a positive result on building and contents insurance in particular as well as a negative contribution from workers' compensation insurance due to changed expectations for future wage developments.

INVESTMENT RESULT

The investment result after interest on technical provisions was a loss of DKK 411 million, including interest expenses for the group's tier 2 capital, against a gain of DKK 101 million in 2021. The result comprises the group's combined investment portfolio after the acquisition of Codan. The result for 2022 was not satisfactory, but should be seen in the light of the exceptionally adverse conditions characterising the financial markets, with price falls on shares and bonds and widening credit spreads for Danish mortgage bonds and European credit bonds.
Total investment assets amounted to DKK 21.8 billion after the acquisition of Codan, against DKK 9.1 billion at 31 December 2021, distributed on Danish and international bonds, mortgage deeds and illiquid credit, equities and property investments. The overall goal is to achieve a satisfactory risk-return balance. The financial risk is adjusted using derivative financial instruments.

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 the hedging of 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.

Overall, the return on the portfolio not allocated to the hedging of provisions and the long-horizon shareholdings detracted DKK 234 million from the investment result. From an investment perspective, 2022 was generally a challenging year, mainly due to the war in Ukraine, monetary retrenchment and rising inflation, which triggered substantial market volatility and led to negative returns on shares and bonds alike.

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 the hedging of provisions and only to a lesser extent developments in the result of interest hedging in the hedging portfolio. ■

Investment return

DKKm	2022			2021		
	Investment assets	Return		Investment assets	Return	
Bonds etc.	19,419	-1,053	-5.4%	7,782	-149	-1.9%
Illiquid credit including mortgage deeds	1,488	-29	-1.9%	597	7	1.2%
Shares	522	-74	-14.2%	405	77	24.0%
Properties	373	5	1.5%	289	19	7.2%
Total return on investments	**21,802**	**-1,151**	**-5.3%**	**9,073**	**-46**	**-0.5%**
Administrative expenses related to investment activities		-32			-13	
Return on and value adjustment of technical provisions		772			160	
Net investment return		**-411**			**101**	

Sales of agricultural insurance through banks

Alm. Brand enjoys a strong position in the market for agricultural insurance. Codan, on the other hand, has not focused on agriculture for a number of years and has not previously been able to offer insurance to agricultural customers of banks. After the merger of Alm. Brand and Codan, this will now change.

More than one in four farms in Denmark are insured through Alm. Brand, but we have room for many more. From 30 September 2022, Alm. Brand has been offering agricultural insurance to customers of all banks in the bancassurance partnership. This possibility emerged as a direct consequence of the merger, which allows us to combine our strengths within bancassurance with our expertise in agricultural insurance.

Up to one in two agricultural customers in Denmark is a customer of one of the close to 30 banks forming part of our bancassurance partnership. Based on Alm. Brand's extensive experience and strong competencies within agricultural insurance, our many partner banks have after the merger promoted Alm. Brand to their agricultural customers and have now shown us the confidence of referring their agricultural customers to Alm. Brand in future.

The agricultural customers are referred to one of Alm. Brand's tied agents with agricultural expertise by the agricultural advisers working at the many partner banks.

Focus on claims prevention and sustainability

The agricultural sector is transforming these years, driven by new consumer demands, new technological opportunities, changed ownership structures and not least new risks posed by climate change and derivative regulatory requirements to strengthen sustainability in industry. The agricultural sector must adapt to become more climate and environmentally friendly while remaining financially viable.

There is a growing focus on preventing claims in the agricultural sector, and the interest in claims prevention measures targeted at the agricultural sector is increasing as a result. Together with a number of close business partners, we have developed a number of claims preventing and sustainability enhancing measures, which we began marketing to agricultural customers as an add-on to their insurance policies from the beginning of 2023. ■

Sustainability

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

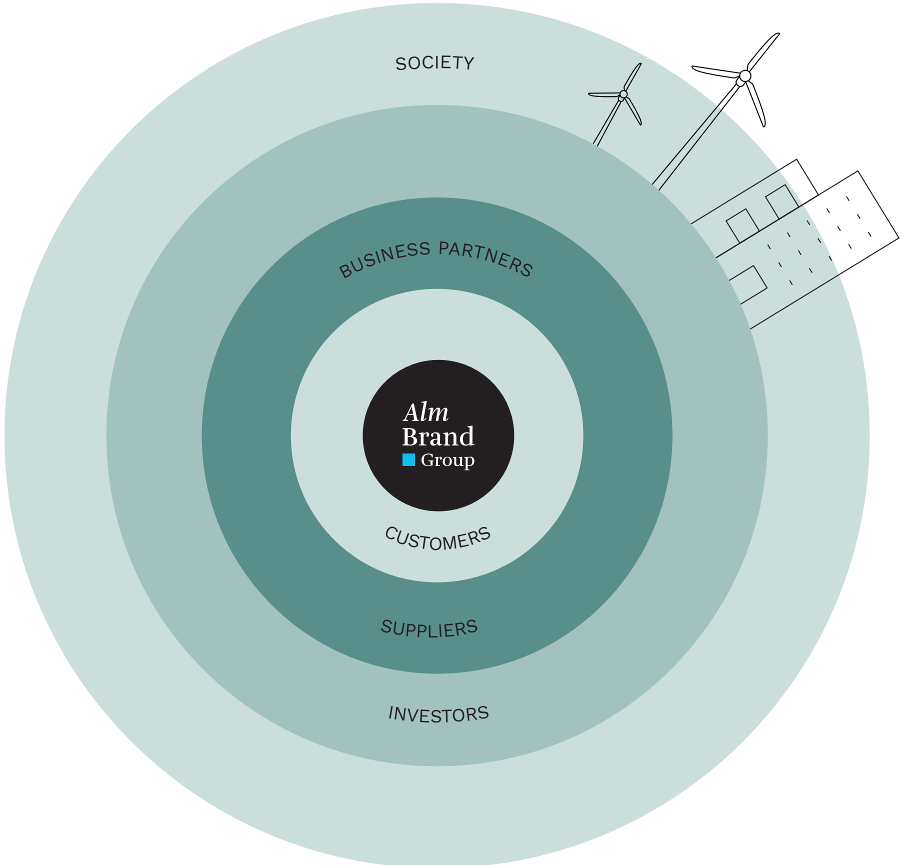
We feel a strong sense of corporate responsibility and want to make a positive impact on the world around us. As part of our corporate social responsibility efforts, we strive to promote sustainable development and make a favourable impact on society.

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 the Danish players in the renewable energy market.

Over the past year, Alm. Brand Group has updated its sustainability policy to include relevant targets for reducing its climate footprint in the period until 2030. This policy also describes the group's position on and approach to corporate social responsibility in five key areas. The policy covers these areas:

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

The full report on corporate social responsibility for 2022 is provided in Alm. Brand Group's Sustainability Report 2022 here. Alm. Brand Group is a signatory to the UN Global Compact, and the report therefore also represents 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 40 and 41.

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 dividend target corresponding to a payout ratio of at least 80% of the 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 5,858 million at 31 December 2022, consisting of equity including restricted tier 1 capital, tier 2 capital and profit margin.

Tier 2 capital of DKK 1,294 million is included in the total capital. In addition, the group issued restricted tier 1 capital in April 2022, recognised at an amount of DKK 396 million at 31 December 2022. The total capital furthermore consists of a profit margin of DKK 967 million. The total capital is stated after deduction of a dividend of DKK 0.30 per share, equivalent to DKK 462 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 Solvency 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 2022, the solvency capital requirement was DKK 3,112 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 188% less distributions at 31 December 2022.

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 1,031 million at 31 December 2022, against DKK 973 million at 31 December 2021.

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

The solvency capital requirement for Codan Forsikring was DKK 1,945 million, and the solvency capital requirement for Privatsikring was DKK 230 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 basic 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 with the acquisition of Codan has a total of about 700,000 members, all of whom are customers of either Alm. Brand Forsikring or Codan. 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 have been elected from among the members of the association's committee of representatives in pursuance of its by-laws.

Information about the recommended candidates' background, qualifications and selection criteria are provided in the complete proposals ahead of the general meeting. Information about e.g. the board members' other executive positions and directorships as well as their special qualifications is provided in the financial statements. As regards new candidates, information on other executive positions and directorships is also provided in the complete proposals sent to shareholders ahead of the annual general meeting.

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.

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.

The Board of Directors of Alm. Brand is focused on promoting diversity, and most recently in 2022 Alm. Brand adopted a gender equality policy in accordance with applicable law. The policy is focused on increasing the share of the under-represented gender and encompasses an annual follow-up on the development in

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	Risk committee
Anette Eberhard (Chair)	Jan Skytte Pedersen (Chair)
Jørgen Hesselbjerg Mikkelsen	Jørgen Hesselbjerg Mikkelsen
Jan Skytte Pedersen	Anette Eberhard
Pia Laub	Pia Laub

Nomination committee	Remuneration committee
Jørgen Hesselbjerg Mikkelsen (Chair)	Jørgen Hesselbjerg Mikkelsen (Chair)
Jan Skytte Pedersen	Jan Skytte Pedersen
Per V. H. Frandsen	Anette Eberhard
Boris Nørgaard Kjeldsen	Brian Egested
Tina Schmidt Madsen	

the gender distribution in management positions.

The Board of Directors of Alm. Brand consists of 12 members including employee-elected members. At the end of 2022, the board was equally composed of men and 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. 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 a management board. A detailed presentation of the members of the Board of Directors and the Management Board 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 Management Board are defined in the rules of procedure of the Board of Directors.

The Board of Directors consists of eight members elected by the shareholders in general meeting and currently four members elected by the employees. Of the 12 board members, six are male and six are female. The age, seniority, other directorships and special qualifications of the board members are set forth in the list of directorships on pages 34-37. Pia Laub, Karen Sofie Hansen-Hoeck and Anette Eberhard are deemed to be independent, as they do not serve on the board of the company's principal shareholder.

When nominating new members for the Board of Directors, the Board of Directors emphasises that as a whole the following qualifications are represented: General management experience, experience from Alm. Brand Group's customer segments, experience in auditing and accounting matters, particularly in relation to membership of the audit committee, and insight into legal matters, insight into financial matters, experience in risk management and solvency matters, investments and general insight into IT matters.

Specific expertise held by board members

	General management	Alm. Brand's customer segments	Auditing and accounting	Finance	Legal	General economy	IT	Risk management and solvency	Investments
Jørgen Hesselbjerg Mikkelsen	•	•	•	•		•		•	•
Jan Skytte Pedersen	•	•	•	•		•		•	•
Anette Eberhard	•	•	•	•		•	•	•	•
Per V.H. Frandsen	•	•		•		•			•
Karen Sofie Hansen-Hoeck	•	•		•	•	•	•		
Boris Nørgaard Kjeldsen	•	•	•	•	•	•	•	•	•
Pia Laub	•	•	•	•	•	•	•	•	
Tina Schmidt Madsen	•	•	•	•		•		•	•
Brian Egested	•	•		•	•	•	•		•
Claus Nexø Jensen	•	•	•	•	•	•	•		•
Henriette Pedersen		•							
Lotte Kathrine Sørensen		•							
	83%	100%	58%	83%	42%	83%	50%	50%	67%

BOARD EVALUATION

The Board of Directors assesses its overall qualifications and work procedures once a year. At least once every three years, the Board of Directors obtains external assistance for the evaluation. As part of the evaluation, the number, level and complexity of other directorships held by the members of the Board of Directors are discussed with a view to ensuring that other directorships are kept at a reasonable level. The evaluation is presided over by the Chairman of the Board of Directors. The evaluation procedure is based on the company's business model and strategy and entails an evaluation of the individual qualifications of each member of the Board of Directors as well as of the combined qualifications of all members of the Board of Directors in accordance with the recommendations of the Danish Financial Supervisory Authority on board evaluation. The evaluation also comprises e.g. the cooperation with the company's Management Board, the Chairman's ability to lead the Board of Directors, committee work and the overall planning of board work.

In addition to the usual evaluation of qualifications and the cooperation with the Management Board, the Board of Directors' self-evaluation in 2022 comprised a review of the qualifications of the members of the Board of Directors and their readiness in terms of the forthcoming acquisition of Codan. In December 2022, the Board of Directors carried out an extraordinary board evaluation with the assistance of an external consultant.

The evaluation was based on the new Alm. Brand Group. The evaluation did not give rise to any significant remarks. The results of the evaluation will form part of the work of the Board of Directors going forward.

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 2021, the group complied with the remuneration policy described in the 2021 financial statements, and in 2022 it complied with the remuneration policy adopted for 2022.

Board of Directors

Board members receive a fixed annual remuneration reflecting the scope of the board work 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.

Pursuant to the corporate governance recommendations, the remuneration paid to the board members for the current financial year must be approved by the shareholders in general meeting. The Board of Directors believes that it is sufficient that the shareholders approve the remuneration paid to the Board of Directors in respect of the past financial year when approving the financial statements

Board and committee meetings

	Board meetings	Audit committee	Remuneration committee	Present
Jørgen Hesselbjerg Mikkelsen	●●●●●●●●●●●	●●●●●	●●	100%
Jan Skytte Pedersen	●●●●●●●●●●●	●●●●●	●●	100%
Anette Eberhard	●●●●●●●○●●●	●●●○●	●●	89%
Per V.H. Frandsen	●●●●●●●●●●●			100%
Karen Sofie Hansen-Hoeck	●●●●●●●●●●●			100%
Boris Nørgaard Kjeldsen	●●●●●●●●●○●			91%
Pia Laub (joined the audit committee as from 16 August 2022)	●●●●●●●●●●●	●●		100%
Tina Schmidt Madsen	●●●●●●●●●●●			100%
Brian Egested	●●○●●●●●●●●		○●	92%
Claus Nexø Jensen	●●●●●●○●●●●			100%
Henriette Pedersen (elected to the Board of Directors in April 2022)	●●●●●●●			100%
Lotte Kathrine Sørensen	●●●●●●●●●●●			100%

● Present ○ Absent

and that the Chairman of the Board of Directors explains the expected remuneration payable to the Board of Directors for the current financial year.

The members of the Board of Directors received DKK 6.7 million in aggregate in 2022.

An overview of the shareholdings in Alm. Brand A/S of the Board of Directors and the Management Board is available **here** under Report on corporate governance and remuneration.

Management Board
The members of the Management Board are remunerated by way of a salary which is intended to be competitive with similar positions in the financial sector. 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 the members of the Management Board in companies of Alm. Brand Group do not trigger any remuneration. The remuneration report is available **here**.

In 2022, the Management Board received remuneration in a total amount of DKK 15 million including the value of share-based remuneration, pension, etc. The award of shares by way of share-based remuneration takes place in the months of June and December, respectively. On 3 June 2022, 37,433 shares were granted at a price of DKK 445,453 for the first half of 2022, and on 8 December 2022, 63,128 shares were granted at a price of DKK 667,263 for the second half of 2022.

The remuneration of the Management Board is adjusted every two years. The Management Board is composed of Rasmus Werner Nielsen (CEO) and Anne Mette Toftegaard (Deputy CEO) (joined on 1 September 2022).

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 Management Board, 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 Management Board 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 Management Board 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 Management Board 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 procuration
- 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 audit committee supports 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 Management Board and approved by the Board of Directors.

Risk management is coordinated by a cross-organisational risk committee, which serves to ensure advice, coordination and uniformity in the group companies with respect to accepting, calculating and reporting risk.

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 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 40, Capital and risk management, and note 41, Significant accounting estimates, assumptions and uncertainties.

WHISTLEBLOWER SCHEME

In 2014, the group set up a whistleblower scheme as part of the implementation of new legislation. 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 falling within the scope of the scheme in 2022.

ACTIVE OWNERSHIP

Alm. Brand Group's liquid equity investments are made through sustainable investment associations. As the investments are made within the realm of the investment associations, Alm. Brand has no possibility of exercising any voting rights, but instead assesses on an ongoing basis whether the external managers meet the expectations defined. Alm. Brand receives quarterly ESG reports in respect of the liquid investment portfolio. 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**.

On that basis, Alm. Brand Group has adopted a data ethics policy, which is based on the following principles:

- We want our customers to be informed about our use of their 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 enabling the group's employees to observe our data ethics principles and provide our customers a sense of security.

RECOMMENDATION 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 recommendations and that this exception does not constitute a disadvantage or is contrary to the interests of the shareholders or other stakeholders.

Corporate governance recommendations

Highlights from the form:	Alm. Brand complies:
1. Interaction with the company's shareholders, investors and other stakeholders	Yes
2. Duties and responsibilities of the Board of Directors	Yes
3. The composition, organisation and evaluation of the board of directors	Yes – predominantly
4. Remuneration of management	Yes
5. Risk management	Yes

Fire protection of garden nurseries

Because of steep repair costs resulting from two major fire incidents at garden nurseries in 2022, we made a decision to strengthen claims prevention efforts directed at the entire horticultural sector.

How do farms and nurseries make sure that their contingency set-up is adequate so that they are prepared and ready to combat a fire incident, should it occur? Because farms and nurseries are big and expensive facilities, claims repair costs may easily run into the millions. On top of this come the expenses related to loss of profit due to the facilities being damaged by fire. Not to mention the human costs involved. In connection with the largest of the two nursery fire incidents, a greenhouse area covering 24,000 sqm was damaged, equivalent in size to just over three football fields. In both cases, faults in electrical installations were deemed to be the main fire cause.

After having visited a number of nurseries, and supported by the experience gained from the above-mentioned fire incidents, we joined forces with external partners in reassessing the risks to which the industry is exposed. As a result of these efforts, we asked all nurseries in our insurance portfolio to implement various claims prevention measures.

We have also decided to carry out on-site inspections of some 100 nurseries in 2023. The inspections will be carried out by the group's risk consultants.

Specific claims prevention measures

The majority of the nursery inspections will lead to stricter requirements for improving fire prevention. During the good years, many major nurseries have been focused on automating operations, without updating electrical panels, plant growth lights and other electrical installations at the same rate. This may result in a greater load on electrical panels and consequently increase the risk of fire.

Installing sprinklers by the electrical panels significantly reduces the risk of a panel fire spreading. And in cases where a sprinkler system is not an ideal solution, installing fire detectors near the panel, for instance with smoke detectors, may contribute to an alarm being triggered and power being switched off in the areas affected.
Many of our garden nursery customers have welcomed the initiative, and several have already started implementing the recommended claims prevention measures. ■

Shareholder information

SHARE PRICE

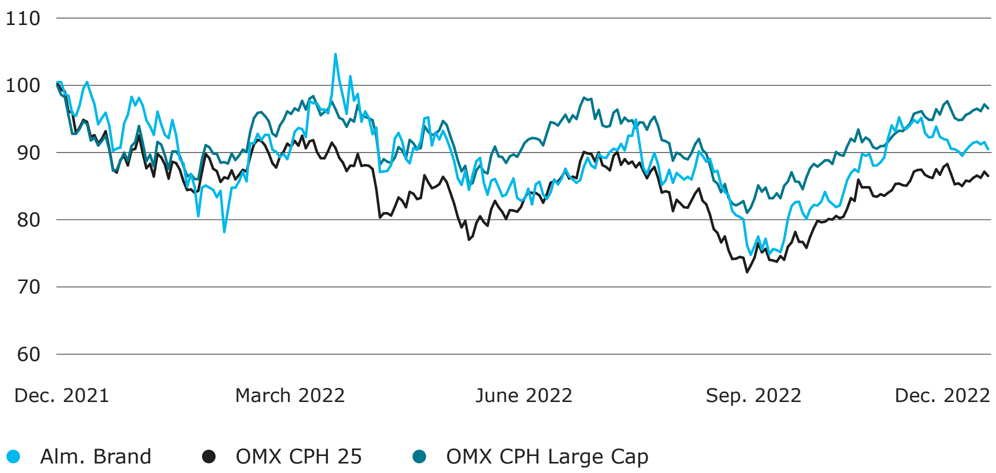
The Alm. Brand share is listed on Nasdaq Copenhagen and is a component of the Nasdaq OMX Copenhagen Large Cap index. At 31 December 2022, the share price was DKK 11.25 per share, against DKK 12.74 at 31 December 2021. After the annual general meeting held in April, Alm. Brand paid an ordinary dividend of DKK 0.30 per share for the 2021 financial year. Accordingly, an investment in the Alm. Brand share in 2022 produced a negative return of 9.52% including reinvestment of the dividend paid.

By way of comparison, the Nasdaq OMX Copenhagen Large Cap and Nasdaq OMX Copenhagen 25 indices produced negative returns of 3.42% and 13.49%, respectively.

At 31 December 2022, Alm. Brand's market capitalisation totalled DKK 17.3 billion, and the average daily trading volume of Alm. Brand shares was 1,814,015 in 2022.

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 2021, divided into shares of DKK 1 each. Each share represents one vote.

At 31 December 2022, Alm. Brand held 116,743 treasury shares, equivalent to less than 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 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 2022, 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%.

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

In aggregate, Alm. Brand had 30,709 registered shareholders at 31 December 2022, which is an increase of almost 2,000 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 72% of the free float of registered shares.

Updated dividend policy

In November 2022, the Board of Directors of Alm. Brand adopted a new dividend policy, according to which Alm. Brand aims to distribute at least 80% of the profit for the year to the shareholders. For this purpose, the profit for the year is calculated as the profit on continuing

Geographical breakdown

Free float

- 72% Denmark
- 2% Nordics excluding Denmark
- 21% Europe excluding Nordics
- 14% North America
- < 1% Other

activities excluding special costs related to the integration of Codan, realisation of synergies and amortisation of 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 0.30 per share be paid in respect of the 2022 financial year. The proposed dividend per share adds up to a total dividend payout of DKK 462 million, corresponding to payout of 98% of the 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 Investor Relations also meet with existing and potential investors as well as equity analysts on a regular basis, in 2022 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 material.

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: abmati@almbrand.dk

Mikael Bo Larsen,
Senior Investor Relations Officer
Tel. +45 51 43 80 02
E-mail: abmela@almbrand.dk

Annual general meeting
The annual general meeting of Alm. Brand A/S will be held on 26 April 2023, at 11:00 a.m. at Scandic Hotel Kødbyen, Skelbækgade 3A, DK-1717 Copenhagen, Denmark.

Analyst coverage

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

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

Financial calendar 2023

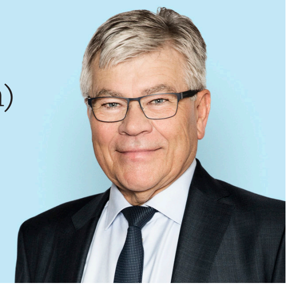
The financial calendar for the 2023 financial year is as follows:

26 April 2023	Annual general meeting
11 May 2023	Interim report for Q1 2023
17 August 2023	Interim report for Q2 2023
9 November 2023	Interim report for Q3 2023

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 economic matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Chairman** Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Fond Codan Forsikring
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Chairman** Danish Agro A.m.b.a Danish Agro Finance A/S
	Deputy Chairman Dan Agro Holding A/S
	Member DanHatch Holding A/S Hesselbjerg Agro A/S Vilomix International Holding A/S DV International Holding A/S Danish Agro Machinery Holding A/S Dava Foods 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 economic matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Deputy Chairman** Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Forsikring Alm. Brand Fond
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Chairman** Herm. Rasmussen A/S
	Member Herm. Rasmussen A/S Holding Herm. Rasmussen A/S Erhvervsejendomme 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 Malerfirma Fr. Nielsen og Søn A/S

Boris Nørgaard Kjeldsen

Managing Director, born in 1959 and appointed in 2003.

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 matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Fond Codan Forsikring
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Chairman** Kemp & Lauritzen A/S Glentco-Legatfonden
	Member Benny Johansen & Sønner A/S AG Gruppen A/S and wholly-owned subsidiaries EjendomDanmark

Karen Sofie Hansen-Hoeck

Manager, born in 1965 and appointed in 2013.

SPECIAL QUALIFICATIONS

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

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S Codan Forsikring
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Chairman** Madkulturen (institution under the Ministry of Food, Agriculture and Fisheries of Denmark)
	Member Danske Spil A/S Søstrene Grene Softline A/S Fairtrade Mærket Danmark Fonden Fødevarebanken Hovmand A/S Connecting Food Holding ApS
MANAGER	Connecting Food Holding ApS Producters ApS

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 matters
Experience in risk management and solvency compliance

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Member** The Danish National Center for Grief Ny Carlsberg Glyptotek

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 matters
Experience in risk management and solvency compliance
Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Deputy Chairman** The Investment Fund for Developing Countries (IFU)
MANAGER	IIP Denmark P/S (Managing Director) IIP Denmark GP ApS PKA Private Funds III GP ApS SEEKEE ApS PKA Venture I GP ApS PKA Private Funds IV GP ApS

Per Viggo Hasling Frandsen

Estate owner, born in 1952 and appointed in 2009.

SPECIAL QUALIFICATIONS

- General management experience
- Experience from Alm. Brand Group's customer segments
- Insight into financial matters
- Insight into economic matters
- Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Forsikring Alm. Brand Fond
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Chairman** "Sia" Per Frandsen Latvia

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 statement
- Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Forsikring
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Member of board of representatives** Sydbank A/S
MANAGER	Schmidt Invest ApS TSM Holding ApS Schmidt Ejendomme ApS Schmidt Advicer ApS

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

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Chairman** Staff association of Alm. Brand Forsikring A/S
	Member Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Fond

Claus Nexø Jensen (employee representative)

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

SPECIAL QUALIFICATIONS

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

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Chairman** Assurandørforeningen (association of tied agents) at Alm. Brand
	Member Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Fond
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Deputy Chairman** Finansforbundet (Financial Services Union in Denmark) - Tied Agents

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 matters
Investments

DIRECTORSHIPS

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Chairman** Alm. Brand Chefforeningen (association of managers)
	Member Alm. Brand A/S Alm. Brand af 1792 fmba Alm. Brand Fond
MANAGER	Egested Holding ApS (Managing Director) MonKeyBo Group ApS Finansforbundet (Financial Services Union in Denmark) - Tied Agents

Henriette 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

DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Member** Alm. Brand A/S

Management Board

Rasmus Werner Nielsen

Chief Executive Officer, born in 1969 and employed with Alm. Brand since 2017. Chief Executive Officer since October 2019.

DIRECTORSHIPS

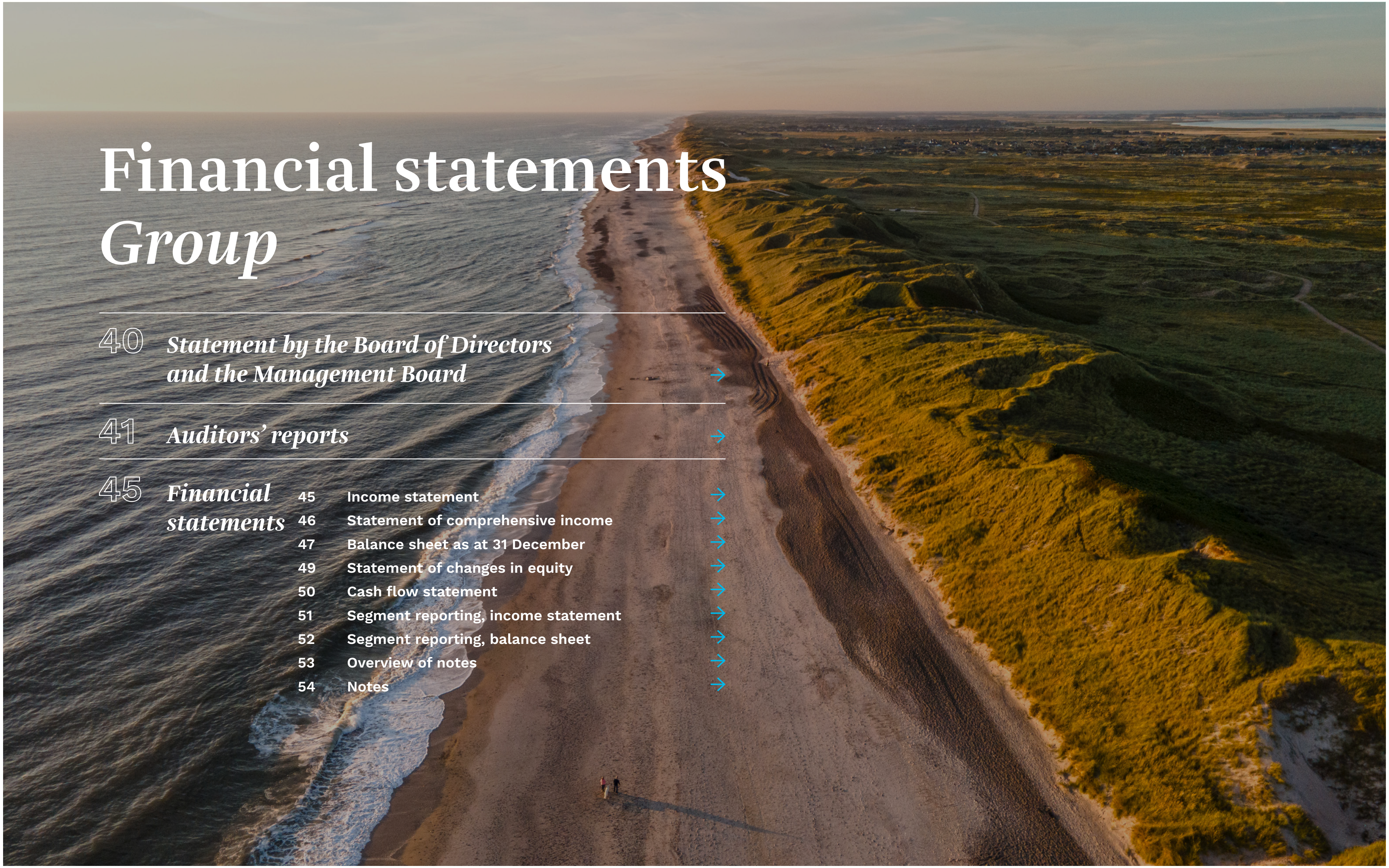
CHIEF EXECUTIVE OFFICER	Alm. Brand A/S Alm. Brand af 1792 fmba
DIRECTORSHIPS WITHIN ALM. BRAND GROUP	**Chairman** Alm. Brand Forsikring A/S Alm. Brand Præmieservice A/S Codan Forsikring A/S Pensionskassen under Alm. Brand A/S (appointed by the Management Board)
DIRECTORSHIPS OUTSIDE ALM. BRAND GROUP	**Member** 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 Management Board

The Board of Directors and the Management Board have today considered and approved the annual report of Alm. Brand A/S for the period 1 January to 31 December 2022.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting 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 2022 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 2022.

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 2022 with the file name **Alm.Brand-2022-12-31-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. ■

Management Board

Copenhagen, 2 March 2023

Rasmus Werner Nielsen
Chief Executive Officer

Anne Mette Toftegaard
Deputy CEO

Board of Directors

Copenhagen, 2 March 2023

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy Chairman

Anette Eberhard

Per Viggo Hasling Frandsen

Karen Sofie Hansen-Hoeck

Boris Nørgaard Kjeldsen

Pia Laub

Tina Schmidt Madsen

Brian Egested

Claus Nexø Jensen

Henriette Pedersen

Lotte Kathrine Sørensen

INDEPENDENT AUDITOR'S 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 2022, 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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our 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 2 years up until the financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and Parent Company financial statements (hereinafter collectively referred to as "the financial statements") for the financial year 2022. 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	How our audit addressed the key audit matter
Measurement of outstanding claims provision The Group's outstanding claims provisions for non-life insurance totalled DKK 14,101 million at 31 December 2022. The measurement of outstanding claims provisions is subject to significant management estimates, Including expected losses for incurred claims in currenct and in previous years, as well as unknown claims (IBNR and IBNER provisions). Reference is made to note 19 to the consolidated financial statements for a specification of outstanding claims provisions, notes 39 and 40 for Management's description of risks, uncertainties and estimates made in respect of outstanding claims provisions as well as note 41 for a description of the accounting policies.	Our audit procedures performed in cooperation with our actuarial specialists included: • Assessment of design and test of effectiveness of key controls in the processes for claims handling and provisions for claims reserves as well as actuarial methods applied for estimating 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 of run-off results and changes to the models applied and assumptions used compared with last year and the development in industry standards. • Test of accuracy and completeness of underlying data on a sample basis as well as re-projections of outstanding claims provisions for selected lines of business. Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of provisions made meet the relevant accounting rules.
Business acquisition In 2022, the Company acquired control of Codan Forsikring A/S. This implies that Codan Forsikring A/S and its subsidiary Forsikringsselskabet Privatsikring A/S is fully consolidated into the consolidated financial statements of Alm. Brand A/S as of the acquisition date 2 May 2022, based on a fair value measurement of the assets and liabilities acquired. The accounting treatment of the acquisition is a key audit matter in the audit as Management exercise significant estimates and judgements in connection with: • The determination of the fair value of the acquired assets and liabilities, including brand value and customer relations. • Subsequent measurement of goodwill. • Presentation of the acquisition in the consolidated financial statements in accordance with the accounting principles. We refer to the description in note 43.	Our audit procedures performed in cooperation with our valuation experts included: • Audit of the opening balance sheet as of 2 May 2022. • Assessment of whether the principles, methods and assumptions applied for the fair value measurement of the opening balance is well-founded and in accordance with the accounting principles. • Assessment of the models, methods, assumptions and data applied by Management in connection with the impairment test of intangible assets, including goodwill. • Comparison of assumptions applied as well as methods and models with industry standards. • Assessment of the presentation of the acquisition in the consolidated financial statements in accordance with IFRS. Furthermore, we assessed whether disclosures relating to the acquisition and assumptions and uncertainties regarding the impairment test meet the relevant accounting principles.

Statement on the Management's review
Management is responsible for the Management' 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 the Danish Financial Business Act.
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 Danish Financial Business Act. 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 2022, with the file name Alm.Brand-2022-12-31-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 preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

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

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Alm. Brand A/S for the financial year 1 January – 31 December 2022, with the file name Alm.Brand-2022-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

EY Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Copenhagen, 2 March 2023

Lars Rhod Søndergaard
State Authorised Public Accountant
MNE-nr. 28632

Thomas Hjortkjær Petersen
State Authorised Public Accountant
MNE-nr. 33748

Income statement

Group

DKKm	Note	2022	2021
Income statement			
Gross premiums written	1	8,380	5,442
Premiums ceded to reinsurers		-308	-230
Change in premium provision		1,384	-1
Change in profit margin and risk margin		-178	-34
Change in provision for unearned premiums, reinsurers' share		-335	-3
Earned premiums, net of reinsurance		**8,943**	**5,174**
Claims paid, gross	2	-6,215	-3,080
Claims paid, reinsurers' share		441	16
Change in the provision for claims		-190	-716
Change in risk margin		64	36
Change in provision for claims, reinsurers' share		-189	283
Claims incurred, net of reinsurance		**-6,089**	**-3,461**
Bonus and premium discounts		**5**	**0**
Acquistion costs	3	-1,361	-761
Administrative expenses	4	-417	-222
Reinsurance commissions and profit participation		6	1
Net operating expenses		**-1,772**	**-982**
Technical result		**1,087**	**731**

DKKm	Note	2022	2021
Interest income and dividens, ect.	5	163	102
Value adjustments	6	-1,296	-143
Interest expenses	7	-55	-15
Other income		26	29
Administrative expenses related to investment activities		-150	-97
Total investment return		**-1,312**	**-124**
Return on and value adjustments of technical provisions		772	160
Total investment return after return on and value adjustment on technical provisions		**-540**	**36**
Other income		172	72
Other expenses	8	-780	-141
Profit/loss before tax, continuing activities		**-61**	**698**
Tax, continuing activities	9	23	-192
Profit/loss after tax, continuing activities		**-38**	**506**
Profit/loss after tax, discontinuing activities	37	544	92
Profit/loss after tax		**506**	**598**
Earnings per share, DKK, continuing activities		0.0	2.0
Diluted earnings per share, DKK, continuing activities		0.0	2.0
Earnings per share, DKK		0.3	2.4
Diluted earnings per share, DKK		0.3	2.4

Statement of comprehensive income

		Group	
DKKm	**Note**	**2022**	**2021**
Comprehensive income			
Profit for the period		506	598
Items that are or may be reclassified to profit or loss		0	0
Foreign currency translation adjustments related to foreign entities		-2	0
Items that will not be reclassified to profit or loss:			
Tax on other comprehensive income		0	0
Total other comprehensive income		**-2**	**0**
Comprehensive income		**504**	**598**
Proposed allocation of profit/loss:			
Proposed dividend		462	462
Additional Tier 1 capital holders		7	0
Share attributable to Alm. Brand		35	136
Comprehensive income		**504**	**598**

Balance sheet

		Group	
DKKm	**Note**	**2022**	**2021**
Intangible assets	**10**	**10,764**	**43**
Tangible assets	11	914	132
Tangible assets		**914**	**132**
Investments in associates	**12**	**144**	**0**
Shares		722	599
Unit trust units		19,469	9,024
Bonds		535	11,978
Mortage deeds		433	583
Other loans and advances		311	0
Deposits in credit institutions		31	0
Other		491	140
Investments assets	**13**	**21,992**	**22,324**
Reinsurers' share of provision for unearned premiums		24	1
Reinsurers' share of provision for claims		574	336
Reinsurers' share of insurance contract provisions	**14**	**598**	**337**
Receivables related to direct insurance contracts	15	791	117
Receivables from insurance companies		371	28
Other receivables	16	565	255
Receivables		**1,727**	**400**
Current tax assets	25	67	21
Assets held for sale	37	1,697	18,725
Cash in hand and demand deposits		458	110
Other assets		**2,222**	**18,856**
Interest receivable		42	74
Other prepayments		163	69
Prepayments		**205**	**143**
Total assets		**38,566**	**42,235**

Balance sheet

		Group	
DKKm	**Note**	**2022**	**2021**
Liabilities and equity			
Share capital		1,541	1,541
Reserves, retained earnings, ect.		11,365	11,703
Proposed dividend		462	462
Shareholders' equity	17	13,368	13,706
Tier 1 capital		397	0
Consolidated shareholders' equity		**13,765**	**13,706**
Subordinated debt	**18**	**1,294**	**1,295**
Premium provisions		1,252	1,128
Profit margin on general insurance contracts		1,623	486
Provision for outstanding claims		14,101	5,968
Risk margin on general insurance contracts		620	246
Provision for bonuses and premium discounts		53	0
Provision for insurance contracts	**19**	**17,649**	**7,828**
Pension obligations ect.	20	12	13
Deferred tax liabilities	21	891	19
Other provisions	22	46	0
Provisions		**949**	**32**
Payables related to direct insurance	23	218	83
Payables related to reinsurance		170	15
Issued bonds	24	150	150
Payables to credit institutions		143	322
Liabilities related to assets held for sale	37	0	18,146
Other payables	26	2,502	643
Payables		**3,183**	**19,359**
Accruals and deferred income		29	15
Liabilities		**36,869**	**42,235**

Statement of changes in equity

DKKm	Share capital	Contin-gency funds	Other provi-sions	Retai-ned profit	Propo-sed di-vidend	Share-holders equity	Tier 1 capital	Consoli-dated equity
Shareholders' equity at 1 January 2021	**1,541**	**182**	**1,215**	**1,150**	**1,079**	**5,167**	**0**	**5,167**
Changes in shareholders' equity 2021:								
Profit/loss for the year				598	0	598	0	598
Comprehensive income	0	0	0	598	0	598	0	598
Reduction of capital	-1,387		-1,215	2,602		0		0
Issue of new shares pr. 2. december 2021	1,387			9,085		10,472		10,472
Cost related to the issue of new shares				-231		-231		-231
Proposed dividend				-462	462	0		0
Dividend distributed				-1,229	-1,079	-2,308		-2,308
Purchase and sale of treasury shares				8		8		8
Changes in shareholders' equity	**0**	**0**	**-1215**	**10371**	**-617**	**8539**	**0**	**8539**
Shareholders' equity at 31 December 2021	**1,541**	**182**	**0**	**11,521**	**462**	**13,706**	**0**	**13,706**
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	0	499	7	506
Foreign currency translation adjustments related to foreign entities			-2	0		-2		-2
Comprehensive income	0	0	-2	499	0	497	7	504
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
Tax on contingency funds		-384		18		-366		-366
Tier 1 capital				0		0	397	397
Interest paid on Tier 1 capital				0		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 shareholders' equity	**0**	**910**	**0**	**-1,248**	**0**	**-338**	**397**	**59**
Shareholders' equity at 31 December 2022	**1,541**	**1,092**	**0**	**10,273**	**462**	**13,368**	**397**	**13,765**

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	2022	2021
Cash flows from operating activities		
Premiums received	9,298	5,572
Claims paid	-6,914	-3,080
Dividends received	55	12
Interest, etc. received	163	78
Interest expenses	-55	-14
Payments concerning reinsurance	9	-210
Expenses paid	-2,523	-1,245
Other ordinary income received	172	66
Taxes paid/received	-19	-187
Cash flows from operating activities, continuing activities	**186**	**992**
Cash flows from operating activities, discontinuing activities	-38	-70
Cash flows from operating activities	**148**	**922**
Change in investment placement (net)		
Acquisition of intangible assets, furniture, equipment, etc.	3	-38
Properties acquired or converted	0	0
Sale/acquisition of shares and unit trust units	-10,651	-8,300
Sale/repayment of mortgage deeds and loans	-161	156
Sale/purchase of bonds	23,332	-2,008
Acquisition of group enterprise	-13,347	0
Divestment of group enterprise	1,107	0
Change in investment placement, continuing activities	**12,523**	**-10,190**
Change in investment placement, discontinuing activities	164	891
Change in investment placement	**12,687**	**-9,299**

Group	2022	2021
Change in financing		
Tier 1 capital, loan and interest paid	390	0
Sale/purchase of treasury shares	-7	8
Dividende distributed	-462	-2,308
Issue of new shares	0	10,241
Repayment of subordinated debt	-1	895
Change in payables to credit institutions	-179	215
Change in other liabilities	26	-6
Change in financing, continuing activities *)	**-233**	**9,045**
Change in financing, discontinuing activities	-150	-904
Change in financing	**-616**	**17,186**
Net change in cash and cash equivalents, continuing activities	236	-153
Net change in cash and cash equivalents, discontinuing activities	-24	-83
Cash and cash equivalents, beginning of period, discontinuing activities	178	0
Cash in hand and demand deposits presented within assets held for sale	0	-178
Additions relating to acquisition of Codan	143	0
Disposals relating to divestment	-154	0
Cash and cash equivalents, beginning of period	**110**	**524**
Cash and cash equivalents, end of period	**489**	**110**
Cash and cash equivalents comprise the following items:		
Cash in hand and balances at call	458	110
Balances due from credit institutions and central banks, see note	31	0
Cash and cash equivalents, year end	**489**	**110**

*) The amount of DKK 233 million consists only of cash inflows og outflows.

Segment reporting, income statement

							2022
DKKm	**Note**	**Private**	**Commercial**	**Non-life**	**Other**	**Elimination**	**Group**
Gross premiums written	1	3,850	4,530	8,380	0	0	8,380
Premiums ceded to reinsurers		-52	-256	-308	0	0	-308
Change in premium provision		523	861	1,384	0	0	1,384
Change in profit margin and risk margin		-64	-114	-178	0	0	-178
Change in provision for unearned premiums, reinsurers' share		-28	-307	-335	0	0	-335
Earned premiums, net of reinsurance		**4,229**	**4,714**	**8,943**	**0**	**0**	**8,943**
Claims paid, gross	2	-2,624	-3,591	-6,215	0	0	-6,215
Claims paid, reinsurers' share		5	436	441	0	0	441
Change in the provision for claims		-24	-166	-190	0	0	-190
Change in risk margin		-11	75	64	0	0	64
Change in provision for claims, reinsurers' share		4	-193	-189	0	0	-189
Claims incurred, net of reinsurance		**-2,650**	**-3,439**	**-6,089**	**0**	**0**	**-6,089**
Bonus and premium discounts		-8	13	5	0	0	5
Acquistion costs	3	-776	-585	-1,361	0	0	-1,361
Administrative expenses	4	-139	-278	-417	0	0	-417
Reinsurance commissions and profit participation		0	6	6	0	0	6
Net operating expenses		**-915**	**-857**	**-1,772**	**0**	**0**	**-1,772**
Technical result		**656**	**431**	**1,087**	**0**	**0**	**1,087**
Interest income and dividens, ect.	5			145	37	-19	163
Value adjustments	6			-1,253	-43	0	-1,296
Interest expenses	7			-43	-31	19	-55
Other income				0	26	0	26
Administrative expenses related to investment activities				-42	-108	0	-150
Total investment return				**-1,193**	**-119**	**0**	**-1,312**
Return on and value adjustments of technical provisions				772	0	0	772
Total investment return after return on and value adjustment on technical provisions				**-421**	**-119**	**0**	**-540**
Other income				172	0	0	172
Other expenses	**8**			-533	-247	0	-780
Profit/loss before tax, continuing activities				**305**	**-366**	**0**	**-61**
Tax, continuing activities	9			-55	78	0	23
Profit/loss after tax, continuing activities				**250**	**-288**	**0**	**-38**
Profit/loss after tax, discontinuing activities	37			544	0	0	544
Profit/loss after tax				**794**	**-288**	**0**	**506**

Segment reporting, income statement

DKKm	Note	2021 Private	Commercial	Non-life	Other	Elimination	Group
Gross premiums written	1	2,584	2,858	5,442			5,442
Premiums ceded to reinsurers		-44	-186	-230			-230
Change in premium provision		29	-30	-1			-1
Change in profit margin and risk margin		-21	-13	-34			-34
Change in provision for unearned premiums, reinsurers' share		-1	-2	-3			-3
Earned premiums, net of reinsurance		**2,547**	**2,627**	**5,174**			**5,174**
Claims paid, gross	2	-1,535	-1,545	-3,080			-3,080
Claims paid, reinsurers' share		0	16	16			16
Change in the provision for claims		-64	-652	-716			-716
Change in risk margin		12	24	36			36
Change in provision for claims, reinsurers' share		4	279	283			283
Claims incurred, net of reinsurance		**-1,583**	**-1,878**	**-3,461**			**-3,461**
Acquistion costs	3	-448	-313	-761			-761
Administrative expenses	4	-89	-133	-222			-222
Reinsurance commissions and profit participation		0	1	1			1
Net operating expenses		**-537**	**-445**	**-982**			**-982**
Technical result		**427**	**304**	**731**			**731**
Interest income and dividens, ect.	5			85	18	-1	102
Value adjustments	6			-125	-18	0	-143
Interest expenses	7			-6	-10	1	-15
Other income				0	29	0	29
Administrative expenses related to investment activities				-13	-84	0	-97
Total investment return				**-59**	**-65**	**0**	**-124**
Return on and value adjustments of technical provisions				160	0	0	160
Total investment return after return on and value adjustment or				**101**	**-65**	**0**	**36**
Other income				72	0	0	72
Other expenses	**8**			-34	-107	0	-141
Profit/loss before tax, continuing activities				**870**	**-172**	**0**	**698**
Tax, continuing activities	9			-194	2	0	-192
Profit/loss after tax, continuing activities				**676**	**-170**	**0**	**506**
Profit/loss after tax, discontinuing activities	37			0	92	0	92
Profit/loss after tax				**676**	**-78**	**0**	**598**

Overview of notes

Notes with reference

1 Gross premiums →
2 Claims paid →
3 Acquisition costs →
4 Administrative expenses →
5 Interest income and dividends, etc. →
6 Value adjustments →
7 Interest expenses →
8 Other costs →
9 Tax, continuing activities →
10 Intangible assets →
11 Furniture and equipment, computers, cars, etc. →
12 Investments in associates →
13 Investment assets →
14 Reinsurers' share of insurance contracts →
15 Receivables related to direct insurance contracts →
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17 Consolidated shareholders' equity →
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27 Technical result, Non-life Insurance →
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Notes

DKKm	**2022**	**2021**
Note 1 Gross premiums written		
Gross premiums written	8,380	5,442
Total premium income	**8,380**	**5,442**
Gross premium income for direct insurance distributed geographically according to the location of the risk involved:		
Denmark	8,072	5,442
Other EU countries	140	0
AAE countries	0	0
Other countries	67	0
Gross premium income for direct insurance	8,279	5,442
Gross premium income for indirect insurance	101	-
Total gross premium income	8,380	5,442
Note 2 Claims paid, gross, run-off result		
Claims paid	-6,215	-3,080
Total claims expenses	**-6,215**	**-3,080**
Run-off result, claims	209	103
Run-off result, ceded business	35	6
Run-off result, net	244	109

The run-off result 2021 includes value adjustment of inflation swaps used to hedge inflation risk related to workers' compensation.

	2022	**2021**
Note 3 Acquistion costs		
Acquisition commission	-428	-148
Other acquisition costs	-933	-613
Total acquisition costs	**-1,361**	**-761**
Note 4 Administrative expenses		
Acquisition commission	-417	-222
Total acquisition costs	**-417**	**-222**
Salaries and wages	1,127	962
Pension	187	151
Payroll tax, etc.	206	170
Share-based payment	0	4
Total salaries and wages, pension, etc.	1,520	1,287

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	2,458	1,410

Notes

DKKm	**2022**	**2021**
Remuneration to the Management Board and Board of Directors (DKK '000)		
Total remuneration to the Management Board and Board of Directors	21,865	15,865
No. of members of the Management Board	2	1
No. of members of the Board of Directors	12	11

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.

In Alm. Brand, all employees, including the Management Board member, 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, who is employed by the Board of Directors, holds no employment outside Alm. Brand.

DKKm	**2022**	**2021**
Remuneration to key employees (DKK '000)		
Salaries	37,266	23,572
Pension plans	6,079	4,403
Share-based payment	0	2,368
Total remuneration to key employees	43,345	30,343

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.

DKKm	**2022**	**2021**
Remuneration to risk takers (DKK '000)		
Fixed salary	86,404	60,932
Pension	13,605	9,800
Variable salary	11,261	430
Share-based payment	0	4,117
Total remuneration to risk takers	111,270	75,279
Number of risk takers	49	28

Notes

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 2022 remuneration to risk takers includes salary etc. in connection with severance (DKK 11 million).

In 2022, variable remuneration components were assigned to risk takers in accordance with the provisions of the remuneration policy.

	2022	**2021**
Audit fees (DKK '000)		
EY - Audit	7,017	2,619
EY - other assurance engagements	204	0
EY - Non-audit services	1,687	2,109
Total audit fees	8,908	4,728

Fees for 2022 include audit expenses in connection with the acquisition of Codan. Fees for non-audit services comprise assistance in connection with the acquisition of Codan, assistance in connection with divestment of Alm. Brand Liv og Pension and miscellaneous financial reporting assistance.

	2022	**2021**
Note 5 Interest income and dividens, ect.		
Equity investments	55	11
Bonds	36	40
Loans secured by mortgages	38	45
Deposits in credit institutions	3	2
Other investment assets	31	4
Total interest income and dividens, etc.	**163**	**102**
Note 6 Value adjustments		
Investment assets		
Equity investments	-57	25
Unit trust units	-755	46
Bonds	-219	-150
Loans secured by mortgages	-57	-4
Investment properties	0	0
Other investment assets	-238	-60
Exchange rate adjustments	30	0
Total value adjustments	**-1,296**	**-143**

Notes

DKKm	2022	2021
Change in fair values based on valuation models and recognised in the		
Mortgage deeds	-57	-19
Unlisted shares	34	-31
Investment properties	0	91
Total change in fair values	-23	41

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 7 Interest expenses

DKKm	2022	2021
Issued bonds	-3	-5
Subordinated debt	-23	-3
Other interest expenses	-29	-7
Total interest expenses	**-55**	**-15**

Note 8 Other expenses

DKKm	2022	2021
Amortisation of customer relationships and brand	-238	0
Integration costs	-376	-34
Other costs	-166	-107
Total other expenses	**-780**	**-141**

Note 9 Tax, continuing activities

	2022	2021
Estimated tax on profit/loss for the year	-18	-166
Adjustment of tax relating to prior years	2	0
Adjustment of deferred tax	37	-26
Effect of changed tax rate	2	0
Total tax	**23**	**-192**
Tax for the year consists of:		
Tax on accounting profit	-105	-154
Non-deductible expenses and non-taxable income	124	-38
Effect of changed tax rate	2	0
Adjustment of tax relating to prior years	2	0
Total tax	23	-192
Effective tax rate	37.7	27.5

Notes

DKKm	2022				2021	
Note 10 Intangible assets						
	Goodwill	**Software**	**customer relationships and brand**	**Total**	**Software**	**Total**
Cost, beginning of year	0	0	369	369	332	332
Additions during the year	0	0	37	37	37	37
Additions relating to acquisition of Codan	7,736	3,028	243	11,007	0	0
Disposals during the year	0	0	0	0	0	0
Cost, year-end	7,736	3,028	649	11,413	369	369
Accumulated depreciation and impairment, beginning of year	0	0	-326	-326	-323	-323
Depreciation for the year	0	-238	-86	-324	-3	-3
Impairment	0	0	0	0	0	0
Depreciation on disposals	0	0	1	1	0	0
Accumulated depreciation and impairment, year-end	0	-238	-411	-649	-326	-326
Intangible assets, year-end	7,736	2,790	238	10,764	43	43

On 2 May 2022, Alm. Brand acquired Codan Forsikring A/S and its subsidiary Forsikringsselskabet 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 13.3 billion compared with the carrying a mount of the net assets associated with this cash-generating unit of DKK 11.1 billion. The test thus shows no evidence of goodwill impairment. Goodwill thus amounted to DKK 6.6 billion at 31 December 2022, and the calculated excess amounted to DKK 2.2 billion.

DKKm	**2022**	**2021**
Key assumptions		
Gross premiums, expected growth in per cent (terminal period)	2.0	-
Return requirement before tax (%)	9.4	-
Expected combined ratio (terminal period)	83.7	-
Sensitivity information		
Change in growth +1 ppt (DKKm)	1,254	-
Change in growth -1 ppt (DKKm)	-2,078	-
Change in return requirement +1 ppt (DKKm)	-2,082	-
Change in return requirement -1 ppt (DKKm)	3,009	-
Change in combined ratio +1 ppt (DKKm)	-751	-
Change in combined ratio -1 ppt (DKKm)	751	-

Combined ratio must deteriorate by 3 ppts before triggering an impairment charge.

Forsikringsselskabet Privatsikring A/S, goodwill

The impairment test shows a calculated value-in-use of DKK 2.4 billion compared with the value of the cash-generating unit of DKK 1.4 billion. The test thus shows no evidence of goodwill impairment. Goodwill amounted to DKK 1.1 billion at 31 December 2022.

	2022	**2021**
Key assumptions		
Gross premiums, expected growth in per cent (terminal period)	2.0	-
Return requirement before tax (%)	9.4	-
Expected combined ratio (terminal period)	83.7	-
Sensitivity information		
Change in growth +1 ppt (DKKm)	498	-
Change in growth -1 ppt (DKKm)	-327	-
Change in return requirement +1 ppt (DKKm)	-397	-
Change in return requirement -1 ppt (DKKm)	574	-
Change in combined ratio +1 ppt (DKKm)	-243	-
Change in combined ratio -1 ppt (DKKm)	243	-

Combined ratio must deteriorate by 5 ppts before triggering an impairment charge.

Customer relationships and brand

At 31 December 2022, 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.

Notes

Note 11 Tangible assets

DKKm	2022				2021			
	Leased assets	**Other assets**	**Leased properties**	**Total**	**Leased Cars**	**Other assets**	**Leased properties**	**Total**
Cost, beginning of year	31	10	217	258	25	18	199	242
Additions during the year	29	10	0	39	7	0	28	35
Additions relating to acquisition of Codan	61	40	140	241	0	0	0	0
Additions relating to the divestment of subsidiaries*			722	722	0	0	0	0
Reassessment	2	0	-12	-10	0	0	0	0
Disposals during the year	-19	-9	-25	-53	-1	-8	-10	-19
Cost, year-end	104	51	1,042	1,197	31	10	217	258
Accumulated depreciation and impairment, beginning of year	-16	-8	-102	-126	-9	-15	-78	-102
Depreciation for the year	-38	-7	-104	-149	-8	-1	-34	-43
Impairment	0	0	0	0	0	0	0	0
Disposals relating to the divestment of subsidiaries			-46	-46	0	0	0	0
Depreciation on disposals	15	0	23	38	1	8	10	19
Accumulated depreciation and impairment, year-end	-39	-15	-229	-283	-16	-8	-102	-126
Tangible assets, year-end	65	36	813	914	15	2	115	132

Lease liabilities concerning properties and cars are recognised in note 26 Other payables

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

Notes

DKKm	2022	2021
Note 12 Investments in associates		
Carrying amount, beginning of year	0	0
Additions during the year	144	0
Investments in associates, year-end	**144**	**0**
SOS International A/S		
(DKK 140 million nominal value, 23.9% owned)	144	0
Investments in associates, year-end	144	0

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

	2022	2021
Note 13 Investments assets		
Government bonds	0	1,479
Mortgage bonds	535	10,499
Shares	722	599
Unit trust units	19,469	9,024
Positive market value of derivative financial instruments, gross	491	140
Mortgage deeds at fair value	433	581
Other	342	2
Investment assets, year-end	**21,992**	**22,324**

The group's holding of listed and unlisted shares had a market value of DKK 20,191 milion at 31 December 2022 (2021: DKK 9,623 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 518 million at 31 December 2022. For an overview of the net position in derivative financial instruments, see Note 33 Offsetting.

	2022	2021
Note 14 Reinsurers' share of insurance contract provisions		
Reinsurers' share of premium provisions	24	1
Reinsurers' share of claims provisions	574	336
Reinsurers' share ofinsurance contracts, year-end	**598**	**337**
Reinsurers' share of premium provisions		
Beginning of year	1	4
Additions relating to acquisition of Codan	351	0
Premiums ceded	-641	-233
Payments to reinsurers	308	230
Value adjustments	5	0
Year-end	24	1
Reinsurance share of premium provision at year-end is broken down on:		
Present value of expected future cash flows	-305	-155
Profit margin	329	156
	24	1
Reinsurers' share of claims provisions		
Beginning of year	336	191
Additions relating to acquisition of Codan	433	0
Claims ceded	252	336
Payments received from reinsurers	-441	-20
Disposals relating to the divestment of subsidiaries	0	-171
Value adjustments	-2	0
Discounting	-4	0
Year-end	574	336

Alm. Brand is automatically notified about any changes to the security rating of reinsurance companies and their financial figures. This provides an overview of thereinsurance market and allows the group to identify potential financial difficulties (run-off) in any of the compa-nies with which it collaborates.

Notes

DKKm	**2022**	**2021**

If the security rating of a reinsurer is downgraded to below the level prevailing at the signing of the contract, Alm. Brand has a contractual right to terminate the contract. Any commutation proposals/agreements at less than 100% of the claims provisions are registered, and any disputes that the group might have with its reinsurers are taken into consideration.

Based on the above, at the balance sheet date, the group assesses whether there are any doubtful receivables from reinsurers. If that is the case, an impairment loss is recognised. Alm. Brand has no significant concentrations of credit risks on reinsurers.

Reinsurance is calculated on the basis of gross claims incurred based on the given retention rates. See the section on risk for a more detailed description of retention rates. The sensitivity of reinsurance to changes in assumptions is similar to that for gross claims expenses.
There is a direct correlation between reinsurance and gross provisions, so the level of the reinsurance provisions is considered to be adequate at all times.

Note 15 Receivables related to direct insurance contracts		
Receivables from policyholders	786	113
Receivables from insurance brokers	5	4
Receivables related to direct insurance contracts, year-end	**791**	**117**
Total receivables written down in connection with insurance operations:		
Impairment, beginning of year	169	169
Impairment during the year and reversal of impairment	-8	0
Impairment, year-end	161	169

Note 16 Other receivables		
Other receivables	255	46
Positive market value of derivatives, gross	0	158
Collaterals	302	42
Pensionskassen under Alm. Brand A/S	8	9
Other receivables, year-end	**565**	**255**

Alm. Brand has hedged its pension commitments in Pensionskassen under Alm. Brand A/S.

	2022	**2021**
Information about Pensionskassen under Alm. Brand A/S:		
Present value of commitment, beginning of year	-64	-76
Interest expenses	0	1
Benefits paid	6	7
Actuarial gains/losses from financial assumptions	-7	0
Actuarial gains/losses from demographic assumptions	5	0
Actuarial gains/losses from experience adjustments	10	4
Present value of commitment, year-end	-50	-64
Fair value of plan assets, beginning of year	75	86
Return on plan assets	-1	-1
Return on assets (excluding amounts recognised in net interest expenses	-10	-3
Benefits paid	-6	-7
Fair value of plan assets, year-end	58	75
Present value of commitment	-50	-64
Fair value of plan assets	58	75
Net asset recognised in the balance sheet	8	11
Net interest income	-1	0
Costs recognised in the income statement	-1	0
Remeasurement of defined benefit pension plans		
Return on plan assets excluding amounts recognised in net interest expenses	-10	-3
Actuarial gains/losses from financial assumptions	-7	0
Actuarial gains/losses from demographic assumptions	5	0
Actuarial gains/losses from experience adjustments	10	4
Recognised in other comprehensive income	-2	1
Recognised in income statement and other comprehensive income	-3	1

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

Notes

DKKm	2022	2021
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	-0.41%	-1.14%
Expected rate of inflation	1.00%	1.00%
Average remaining life expectancy in years for pension benefit recipient		
Male	6.2	6.28
Female	8.4	8.3

*) 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 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 3 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 3 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).

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 2022 was 5.7 years.

Notes

DKKm	2022	2021
Note 17 Shareholders' 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	2022	2021	2020	2019	2018
Share capital,	1,541	1,541	1,577	1,610	1,655
beginning of year	0	-1,387	0	0	0
Cancellation of	0	1,387	0	0	0
treasury shares	0	0	-36	-33	-45
Share capital, year-end	1,541	1,541	1,541	1,577	1,610

Reference is made to the statement of changes in equity.

mio. kr.	2022	2021
Consolidated shareholders' equity excluding tax on contingency funds	14,149	13,706
Deferred tax assets	0	-20
Propsed dividend	-462	-462
Intangible assets	-10,090	-44
Profit margin, non-life	967	379
Profit margin and risk margin, life	0	268
Tier 1 capital	4,564	13,827
Tier 2 capital	1,294	526
Tier 3 deferred tax	0	20
Total capital of the group	5,858	14,373

Total capital at 31 December 2021 comprises capital from the completed share issue. A large part of the total capital is reserved for the acquisition of Codan. Adjusted for this amount, total capital amounted to DKK 2,483 million.

	2022	2021
No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	1,541,140	154,114
Treasury shares, beginning of year	-49	-227
No. of shares, beginning of year	1,541,091	153,887
Shares acquired/sold during the year	-68	178
Issued shares, year end	1,541,140	1,541,140
Treasury shares, year end	-117	-49
No. of shares, year end	1,541,023	1,541,091
Treasury shares		
Nominal value, beginning of year	0	0
Acquired during the year, net	0	0
Nominal value, year-end	0	0
Holding (1,000) beginning of year	49	227
Acquired during the year	3,150	460
Sold during the year	-3,082	-638
Holding (1,000), year-end	117	49
Percentage of share capital, year-end	0.0%	0.0%
Average no. of shares (in thousands)	1,541,140	252,916
No. Og shares at year-end, diluted (ind thousands)	1,541,023	1,541,091
Average no. of shares, diluted (in thousands)	1,541,140	252,916
Earnings per share	0.3	2.4

Notes

DKKm	2022	2021
Note 18 Subordinated debt		
Subordinated loan capital		
Floating rate bullet loans maturing 2020.03.15	0	0
Floating rate bullet loans maturing 2024.04.01	0	0
Floating rate bullet loans maturing 2027.01.31	1,294	1,295
Subordinated loan capital, year-end	1,294	1,295
Subordinated debt, year-end	**1,294**	**1,295**
Interest on subordinated debt	23	4
Of which amortisation of costs incurred on raising	6	5
Extraordinary instalments	0	0

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. The capital securities are expected to be listed within six months of the date of issue.

	2022	2021
Note 19 Provision for insurance contracts		
Unearned premium provisions	1,252	1,128
Profit margin on non-life insurance contracts	1,623	486
Outstanding claims provisions	14,101	5,968
Risk margin on non-life insurance contracts	620	246
Bonus and premium discounts	53	0
Provisions for insurance contracts, year-end	**17,649**	**7,828**

	2022	2021
Unearned premium provisions		
Unearned premium provisions, beginning of year	1,128	1,203
Disposals relating to the divestment of subsidiaries	0	-51
Additions relating to acquisition of Codan	1,597	0
Premiums received	8,379	5,442
Premiums recognised as income	-9,584	-5,407
Discounting (bond maturity effect), all years	29	1
Discounting (value adjustment), all years	-113	-26
Value adjustments	-7	0
Change in profit margin	-175	-58
Change in risk margin	-2	24
Unearned premium provisions, year-end	1,252	1,128
Profit margin on non-life insurance contracts		
Profit margin, beginning of year	486	418
Disposals relating to the divestment of subsidiaries	0	-8
Additions relating to acquisition of Codan	879	0
Discounting (bond maturity effect), all years	1	-4
Discounting (value adjustment), all years	82	22
Change for the year	175	58
Profit margin, year-end	1,623	486

Notes

DKKm	2022	2021
Outstanding claims provisions		
Beginning of year	5,968	5,810
Disposals relating to the divestment of subsidiaries	0	-547
Additions relating to acquisition of Codan	8,640	0
Claims paid regarding previous years	-2,360	-1,241
Change in expected claims expenses regarding previous years	-209	-103
Claims paid regarding current year	-3,855	-1,839
Expected claims expenses, current year	6,551	3,863
Discounting (bond maturity effect), all years	202	16
Discounting (value adjustment), all years	-948	-161
Value adjustments	-31	0
Hedging of inflation risk	87	134
Change in risk margin	56	36
Outstanding claims provisions, year-end	14,101	5,968
Risk margin on non-life insurance contracts		
Risk margin, beginning of year	246	323
Disposals relating to the divestment of subsidiaries	0	-9
Additions relating to acquisition of Codan		
Change for the year regarding previous years	-58	-93
Change for the year regarding current year	3	57
Discounting (bond maturity effect), all years	4	0
Discounting (value adjustment), all years	-33	-8
Value adjustments	-1	0
Change for the year in the risk margin on premiums	2	-24
Risk margin, year-end	620	246

	2022	2021
Bonus and premium discounts		
Beginning of year	0	0
Additions relating to acquisition of Codan	81	0
Paid bonus	-22	0
Earned bonus	-6	0
Value adjustments	0	0
Bonus and premium discounts, year-end	53	0

Notes

DKKm	2017	2018	2019	2020	2021	2022	Total
Run-off triangle, gross							
Estimated accumulated claims							
Year-end	3,474	3,547	3,637	3,544	3,891	6,316	
1 year later	3,474	3,519	3,604	3,376	5,314		
2 years later	3,528	3,564	3,604	4,350			
3 years later	3,577	3,692	4,323				
4 years later	3,565	4,329					
5 years later	3,914						
	3,914	4,329	4,323	4,350	5,314	6,316	28,546
Paid to date	-3,238	-3,263	-3,154	-2,691	-2,818	-2,145	-17,309
Provisions before discounting effect, year-end	676	1,066	1,169	1,659	2,496	4,171	11,237
Discounting effect	-48	-66	-77	-104	-150	-218	-663
	628	1,000	1,092	1,555	2,346	3,953	10,574
Provisions from 2015 and prior years							3,527
Gross outstanding claims provisions, year-end							14,101

Codan Forsikring and Privatsikring are recognised in undiscounted provisions and discounting effect at the following amounts:

	2017	2018	2019	2020	2021	2022	Total
Undiscounted provisions	402	630	715	1,121	1,610	2,413	6,891
Discounting effect	-46	-60	-69	-90	-123	-163	-551

A total amount of provisions relating to Codan Forsikring and Privatsikring of DKK 2,178 million is recognised under reserves from 2016 and prior years.

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	2017	2018	2019	2020	2021	2022	Total
Run-off triangle, net of reinsurance							
Estimated accumulated claims							
Year-end	3,396	3,545	3,635	3,502	3,598	6,059	
1 year later	3,395	3,517	3,600	3,329	4,975		
2 years later	3,449	3,561	3,600	4,179			
3 years later	3,498	3,689	4,287				
4 years later	3,484	4,280					
5 years later	3,825						
	3,825	4,280	4,287	4,179	4,975	6,059	27,605
Paid to date	-3,159	-3,260	-3,150	-2,644	-2,604	-2,085	-16,902
Provisions before discounting effect, year-end	666	1,020	1,137	1,535	2,371	3,974	10,703
Discounting effect	-47	-64	-75	-99	-145	-211	-641
	619	956	1,062	1,436	2,226	3,763	10,062
Provisions from 2016 and prior years							3,465
Outstanding claims provisions year-end, net of reinsurance							13,527

Codan Forsikring and Privatsikring are recognised in undiscounted provisions and discounting effect at the following amounts:

	2017	2018	2019	2020	2021	2022	Total
Undiscounted provisions	391	584	684	997	1,553	2,243	6,452
Discounting effect	-45	-58	-67	-85	-120	-157	-532

A total amount of provisions relating to Codan Forsikring and Privatsikring of DKK 2,122 million is recognised under reserves from 2016 and prior years.

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	2022	2021
Undiscounted expected cash flows		
Gross claims provisions		
Cash flow 1 year or less	-898	81
Cash flow 1-5 years	2,076	737
Cash flow 5 years or more	594	338
Profit margin, gross		
Cash flow 1 year or less	3,809	1,456
Cash flow 1-5 years	-2,058	-670
Cash flow 5 years or more	-595	-328
Claims provisions, gross		
Cash flow 1 year or less	5,269	2,253
Cash flow 1-5 years	5,891	1,941
Cash flow 5 years or more	4,132	1,935
Risk margin, gross		
Cash flow 1 year or less	234	72
Cash flow 1-5 years	267	86
Cash flow 5 years or more	149	89

Calculation of claims provisions

For all lines except workers' compensation, the future inflation rate is estimated and recognised implicitly in the provison 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 bondadjusted yield curve of the Danish Financial Super visory Authority.

In workers' compensation, provisions relating to claims years more than tenyears 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 inflaion 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	2022	2021
Note 20 Pension obligations ect.		
Provisions for jubilees, severance payments, bonus, etc.	12	13
Other provisions, year-end	**12**	**13**
Provisions for jubilees, severance payment, bonus, etc., beginning of year	13	16
New and adjusted provisions	3	1
Reversed provisions during the year	-1	-1
Disposals relating to the divestment of subsidiaries	0	-1
Additions relating to acquisition of Codan	1	0
Net provisions recognised during the year	-1	-1
Discounting effect	-3	-1
Provisions for jubilees, severance payment, bonus, etc., year-end	12	13

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

Notes

DKKm	**2022**	**2021**
Note 21 Deferred tax liabilities		
Deferred tax assets, beginning of year	-19	0
Disposals relating to the divestment of subsidiaries	0	32
Additions relating to acquisition of Codan	90	0
Addition of intangible assets	-666	0
Contingency funds	-344	0
Changes in tax rates	2	0
Prior-year adjustment	9	0
Change for the year	37	-51
Deferred tax assets, year-end	**-891**	**-19**
Deferred tax on contingency funds	-384	-40
Deferred tax on tangible assets, etc.	34	16
Deferred tax on intangible assets	-656	1
Deferred tax on provisions	27	4
Deferred tax on losses carried forward	88	0
Deferred tax assets, year-end	-891	-19
Deffered tax assets, Non-life	-91	20
Deffered tax assets, Other	-800	-39
Deferred tax assets, year-end	**-891**	**-19**

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.

	2022	**2021**
Note 22 Other provisions		
Other provisions	46	0
Other provisions, year-end	**46**	**0**
Note 23 Payables related to direct insurance		
Payables to policyholders	54	83
Payables related to direct insurance	164	0
Payables related to direct insurance, year-end	**218**	**83**

	2022	**2021**
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.

	2022	**2021**
Note 25 Current tax liabilities/Current tax assets		
Current tax assets, beginning of year	21	-5
Disposals relating to the divestment of subsidiaries	0	-10
Additions relating to acquisition of Codan	85	0
Prior-year tax adjustment	-9	0
Tax paid/received in respect of prior years	-97	4
Tax paid during the year	85	197
Estimated tax on profit/loss for the year	-18	-165
Current tax liabilities/Current tax assets year-end	**67**	**21**
Current tax assets, Non-life	54	-1
Current tax assets, Other	13	22
Current tax liabilities/Current tax assets year-end	**67**	**21**
Note 26 Other payables		
Payables to group enterprises	1	1
Repo/reverse transactions, negative values	139	101
Negative market value of derivatives	659	146
Lease liability	957	134
Other payables	746	261
Other payables, year-end	**2,502**	**643**

For an overview of the net position in derivative financial instruments, see Note 33 Offsetting.

Notes

Note 27 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	2022 Total
Gross premiums	852	739	202	559	1,497	1,673	2,221	134	503	8,380
Gross premium income	973	935	229	613	1,639	1,860	2,527	171	644	9,591
Gross claims expenses	-499	-681	-129	-389	-1,047	-1,175	-1,974	-86	-361	-6,341
Gross operating expenses	-210	-148	-41	-110	-331	-386	-403	-46	-103	-1,778
Profit/loss from business ceded	-4	-7	-14	-3	-8	-62	-205	-49	-33	-385
Total technical result	**260**	**99**	**45**	**0**	**253**	**237**	**-55**	**-10**	**147**	**1,087**
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	0.149
Average damages paid for claims incurred, DKK '000	19	62	47	19	7	13	87	83	10	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	2021 Total
Gross premiums	574	525	148	448	1,028	1,150	1,280	-	289	5,442
Gross premium income	565	509	146	456	1,026	1,160	1,266	-	279	5,407
Gross claims expenses	-318	-446	-67	-358	-631	-676	-1,108	-	-156	-3,760
Gross operating expenses	-120	-66	-26	-87	-195	-235	-206	-	-48	-983
Profit/loss from business ceded	-1	-4	-1	0	-5	-35	118	-	-5	67
Total technical result	**126**	**-7**	**52**	**0**	**195**	**214**	**70**	**-**	**70**	**731**
No. of claims	15,209	5,850	2,267	14,877	96,623	52,844	15,944	-	19,242	222,856
Frequency of claims	0,044	0,198	0.047	0.041	0.288	0.141	0.139	-	0,092	0,122
Average damages paid for claims incurred, DKK '000	24	78	32	25	7	13	73	-	10	18

Direct insurance is written only in Denmark

Notes

DKKm			2022			2021
Note 28 Segment reporting, Non-life Insurance	**Private**	**Commercial**	**Total**	**Private**	**Commercial**	**Total**
Gross premium income	4,301	5,290	9,591	2,592	2,815	5,407
Gross claims expenses	-2,659	-3,682	-6,341	-1,587	-2,173	-3,760
Operating expenses relating to insurance activities	-915	-863	-1,778	-537	-446	-983
Reinsurance profit/loss	-71	-314	-385	-41	108	67
Technical result	656	431	1,087	427	304	731
Run-off result, net of reinsurance	127	117	244	63	46	109
Gross claims ratio	61.8	69.6	66.1	61.2	77.2	69.5
Net reinsurance ratio	1.7	5.9	4.0	1.6	-3.9	-1.3
Claims experience	63.5	75.5	70.1	62.8	73.3	68.2
Gross expense ratio	21.3	16.3	18.5	20.7	15.8	18.2
Combined ratio	84.7	91.9	88.7	83.5	89.1	86.4

Non-life Insurance is divided into Personal and Commercial. Personal comprises the group's sales of insurances to private households through its own sales channels and partnerships. Commercial comprises the group's sales to agricultural and commercial customers through own sales channels and partnerships. Commercial also comprises sales to the group's industrial customers, and these products are mainly sold through partnerships. The management reporting related to Private and Commercial consists exclusively of reporting of the technical result.

Transactions between the segments are settled on market terms. The recognition and measurement criteria are consistent with the group's accounting policies. The line items used are consistent with the financial highlights in the management's review and as described in note 42 Accounting policies.

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

See the management's review for a more detailed description of the segments and the organisational basis.

Notes

DKKm	2022	2021
Note 29 Contingent liabilities, guarantees and lease agreements		
Guarantee commitments	664	244

The group's continuing companies have made lease and service agreements concerning IT with total annual payments of DKK 486 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 425 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 30 Related parties

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

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

Related parties also include related family members of the Management Board, 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.

Alm. Brand A/S has contributed subordinated loan capital of DKK 400 million to Alm. Brand Forsikring A/S and DKK 900 million to Codan Forsikring A/S.

Alm. Brand A/S has contributed restricted tier 1 capital of DKK 150 million to Alm. Brand Forsikring A/S and DKK 250 million to Codan Forsikring A/S.

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	2022			
	Alm. Brand af 1792 fmba	**Key employees**	**Management Board and board of directors of A/S**	**Companies controlled by members of the Board of Directors**
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	3	0	0
Collateral	0	0	0	0

	2021			
	Alm. Brand af 1792 fmba	**Key employees**	**Management Board and board of directors of A/S**	**Companies controlled by members of the Board of Directors**
Sale of services	8	2	4	1
Purchase of services	0	0	0	0
Interest and fee income	0	0	0	0
Interest and fee expenses	4	0	1	0
Receivables	0	0	0	0
Debt	2	3	40	0
Collateral	0	0	0	0

Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis.

See note 4 Administrative expenses, which sets out further details on remuneration paid to the group's Board of Directors, Management Board and other senior executives.

In addition to the remuneration paid to members of the Board of Directors, Management Board, etc. in the financial year, the following transactions took place between the Alm. Brand Group and the related parties:

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.

Notes

DKKm			2022			2021

Note 31 Fair value and classification of financial assets, liabilities and instruments

	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Assets at fair value classified on initial recognition using the fair value option						
Loans and advances	433	0	433	581	0	581
Assets at fair value through income statement						
Government bonds	0	0	0	1,479	0	1,479
Mortgage bonds	535	0	535	10,499	0	10,499
Shares	722	0	722	599	0	599
Unit trust units	19,469	0	19,469	9,024	0	9,024
Other investment assets	342	0	342	2	0	2
Positive market value of derivative financial instruments	491	0	491	298	0	298
Loans and receivables at amortised cost						
Receivables from policyholders	786	786	786	113	113	113
Receivables from insurance brokers	5	5	5	4	4	4
Receivables from insurance companies	371	371	371	28	28	28
Other receivables	255	255	255	46	46	46
Pensionskassen under Alm. Brand A/S	8	8	8	9	9	9
Interest receivable	42	0	42	74	0	74
Other assets	302	302	302	42	42	42
Cash in hand and demand deposits	458	458	458	110	110	110
Financial assets, year-end	24,219	2,185	24,219	22,908	352	22,908

Notes

DKKm			2022			2021
	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Liabilities at fair value through income statement						
Negative market value of derivative financial instruments	659	0	659	146	0	146
Liabilities, amortised cost						
Subordinated debt	1,294	1,294	1,294	1,295	1,295	1,295
Payables to policyholders	54	54	54	83	83	83
Payables related to direct insurance	164	164	164	0	0	0
Payables related to reinsurance	170	170	170	15	15	15
Payables to group enterprises	1	1	1	1	1	1
Payables to credit institutions and central banks	143	143	143	322	322	322
Repo/reverse transactions, negative values	139	139	139	101	101	101
Lease liability	957	957	957	134	134	134
Other payables	746	746	746	261	261	261
Financial liabilities, year-end	4,327	3,668	4,327	2,358	2,212	2,358

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

In the accounting policies, the calculation of fair values is described further for items recognised at fair value.

DKKm	**Level 1**	**Level 2**	**Level 3**	**I alt**	**Level 1**	**Level 2**	**Level 3**	**Total**
Fair value measurement of financial instruments								
Financial assets								
Loans and advances	0	0	744	744	0	0	583	583
Bonds	0	535	0	535	11,659	319	0	11,978
Shares and unit trust units	19,004	0	1,187	20,191	9,223	0	400	9,623
Other assets	0	564	0	564	0	372	0	372
Total financial assets	19,004	1,099	1,931	22,034	20,882	691	983	22,556
Financial liabilities								
Subordinated debt	0	0	1,691	1,691	0	0	1,295	1,295
Issued bonds			150	150			150	150
Other payables	0	827	0	827	0	262	0	262
Total financial liabilities	0	827	1,841	2,668	0	262	1,445	1,707

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 2021 or 2022.

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 interval 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 42, Accounting policies.

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 49 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 42 million and positive values of derivative financial instruments at DKK 833 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 og interest rate points, interpolation between these and exchange rates.

Other liabilities comprises interest payable at 29 million and negative values of derivative financial instruments at 798 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	2022	2021
Development in level 3 financial instruments		
Loans and advances		
Carrying amount, beginning of year	583	738
Additions during the year	4	5
Additions during the year relating to acquisition of subsidiary	360	0
Disposals during the year	-104	-135
Realised value adjustments	7	4
Unrealised value adjustments	-106	-29
Carrying amount, year-end	744	583
Value adjustments recognised in the income statement	-99	-25
Bonds		
Carrying amount, beginning of year	0	6
Additions during the year	0	0
Disposals during the year	0	-6
Realised value adjustments	0	0
Unrealised value adjustments	0	0
Carrying amount, year-end	0	0
Value adjustments recognised in the income statement	0	0

Value adjustments are recognised in the income statement under value adjustments.

	2022	2021
Shares and unit trust units		
Carrying amount, beginning of year	400	496
Additions during the year	291	646
Additions during the year relating to acquisition of subsidiary	644	0
Disposals during the year	-152	0
Disposals relating to the divestment of subsidiaries	0	-770
Realised value adjustments	-1	0
Unrealised value adjustments	5	28
Carrying amount, year-end	1,187	400
Value adjustments recognised in the income statement	4	28
Other liabilities		
Carrying amount, beginning of year	1,445	552
Additions during the year	400	1,295
Disposals during the year	0	-400
Realised value adjustments	0	0
Unrealised value adjustments	-4	-2
Carrying amount, year-end	1,841	1,445
Value adjustments recognised in the income statement	-4	-2
Rating of bonds		
Rated AAA	535	11,978
Rated AA- to AA+	0	0
Rated A- to A+	0	0
Others	0	0
Bonds at fair value, year-end	535	11,978

Notes

Note 32 Return on financial instruments

DKKm	2022					2021				
	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	163	0	0	163	0	102	0	0	102
Other income		26	0	0	26		29	0	0	29
Total income	0	189	0	0	189	0	131	0	0	131
Interest expenses		-32	0	-23	-55		-11	0	-4	-15
Value adjustments excluding credit losses on mortgage deeds	0	-417	0	0	-417	0	-222	0	0	-222
Profit/loss before tax	0	-260	0	-23	-283	0	-102	0	-4	-106

Notes

DKKm		**2022**			**2021**	
	Derivatives	**Repo agreements**	**Total**	**Derivatives**	**Repo agreements**	**Total**
Note 33 Offsetting						
Financial assets						
Recognised assets, gross	491	0	491	902	0	902
Liabilities offset in the balance sheet	0	0	0	0	0	0
Financial assets stated at net amounts in the balance sheet	491	0	491	902	0	902
Related amounts which have not been offset in the balance sheet						
Financial instruments	0	0	0	0	0	0
Financial collateral	-302	0	-302	-577	0	-577
Net amounts	189	0	189	325	0	325
Financial liabilities						
Recognised liabilities, gross	659	139	798	441	101	542
Assets offset in the balance sheet	0	0	0	0	0	0
Financial liabilities stated at net amounts in the balance sheet						
Related amounts which have not been offset in the balance sheet						
Financial instruments	0	0	0	0	0	0
Financial collateral	-4	0	-4	-159	0	-159
Net amounts	655	139	794	282	101	383

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

Note 34 Financial instruments by term to maturity

DKKm	2022	2021
Bonds		
Expiry within 1 year	279	11,978
Expiry between 1 year and 5 years	256	0
Expiry after more than 5 years	0	0
Bonds, year-end	535	11,978
Cash in hand and balances at call		
Expiry within 1 year	458	110
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	458	110
Loans, advances and receivables		
Expiry within 1 year	1,383	196
Expiry between 1 year and 5 years	13	184
Expiry after more than 5 years	510	346
Loans, advances and receivables, year-end	1,906	726
Payables to credit institutions and payables related to insurance		
Due on demand	531	420
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
Deposits and payables to credit institutions and central banks, year-end	531	420

	2022	2021
Guarantees and rent commitments		
Expiry within 3 months	37	5
Expiry between 3 months and 1 year	81	15
Expiry between 1 year and 5 years	367	25
Expiry after more than 5 years	340	0
Guarantees, year-end	825	45
Financial liabilities		
Expiry within 3 months	168	122
Expiry between 3 months and 1 year	50	0
Expiry between 1 year and 5 years	142	39
Expiry after more than 5 years	617	251
Financial liabilities, year-end	977	412

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 19 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	2022	2021
Note 35 Market risk		
Currency risk		
Foreign currency positions:		
Long positions	14,126	9,856
Short positions	-15,294	-9,071
Net positions	-1,168	785
Foreign currency positions distributed on the five largest net positions:		
EUR	-903	779
SEK	-95	0
USD	-77	0
MXN	-56	6
IDR	14	0
Other	-51	0
Total foreign currency positions	-1,168	785
Interest rate risk		
Total interest rate risk calculated according to the group's internal approach.	326	9

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.

	Total	% of shareholders' equity
Note 36 Sensitivity information		
Sensitivity information, group		
Risk on shareholders' equity in case of specific events:		
Interest rate increase of 1 percentage point	-131	-1.0
Interest rate fall of 1 percentage point	123	0.9
Share price fall of 15%	-109	-0.8
Fall in property prices of 15%	-56	-0.4
Currency risks excluding EUR, 25% decline	5	0.0
1 percentage point spread widening	-341	-2.5
Caststrophe events:		
Change in combined ratio +1 ppt (DKKm)	-96	-0.7
Change in combined ratio -1 ppt (DKKm)	96	0.7
Change in provision for claims +10 %-point	-1,410	-10.2
Change in provision for claims -10 %-point	1,410	10.2

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

Note 40 Capital and risk management contains a detailed description of the risks assumed by the group.

Note 37 Discontinued Operations

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	92
Gain on sale of Alm. Brand Liv og Pension	537	0
Profit/loss after tax	**544**	**92**
Earnings per share, DKK, discontinuing activities	0.4	0.4
Diluted earnings per share, DKK, discontinuing activities	0.4	0.4

Notes

Note 38 Afstemning

DKKm	2022 Financial statement	2022 Reclas-sification	2022 Review	2021 Financial statement	2021 Reclas-sification	2021 Review
Technical result	1,087	76	1,163	731	72	803
Investment return	-540	129	-411	36	65	101
Non-life Insurance	547	205	752	767	137	904
Other activities	0	-119	-119	0	-65	-65
Profit before tax, continuing activities excluding special costs	547	86	633	767	72	839
Special costs	-608	-86	-694	-69	-72	-141
Profit/loss after tax, continuing activities	-61	0	-61	698	0	698

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

mio. kr.	**2022**	**2021**	**2020**	**2019**	**2018**
Note 39 Hoved- og nøgletal					
Gross premium Income	9,586	5,407	5,343	5,240	5,154
Gross claims expenses	-6,341	-3,760	-3,464	-3,567	-3,357
Insurance operating expenses	-1,778	-983	-902	-931	-885
Bonus and premium discounts	5	0	0	0	0
Profit/loss on reinsurance	-385	67	-184	-236	-247
Technical result	**1,087**	**731**	**793**	**506**	**665**
Investment return after return on and value adjustment of provisions	-540	36	33	-55	-92
Other ordinary items, net	-608	-69	-98	0	0
Profit/loss before tax, Alm. Brand Liv og Pension				102	125
Profit/loss before tax, Alm. Brand Bank				16	-23
Profit/loss before tax	**-61**	**698**	**728**	**569**	**675**
Tax	23	-192	-167	-117	-106
Profit/loss after tax, continuing activities	**-38**	**506**	**561**	**452**	**569**
Profit/loss after tax, discontinuing activities	544	92	57	0	0
Profit/loss after tax	**506**	**598**	**618**	**452**	**569**
Run-off result, net of reinsurance	244	109	101	70	177
Technical provisions	17,649	7,828	24,698	23,593	21,626
Insurance assets	598	337	195	148	148
Consolidated shareholders´ equity	13,765	13,706	5,167	4,576	4,748
Total assets	38,566	42,235	32,780	41,798	39,025
Gross claims ratio	66.1	69.5	64.8	68.1	65.1
Net reinsurance ratio	-4.0	1.2	-3.4	-4.5	-4.8
Claims experience	62.1	70.8	61.4	63.6	60.3
Gross expense ratio	18.5	18.2	16.9	17.8	17.2
Combined ratio	80.7	89.0	78.3	81.3	77.5
Operating ratio	88.7	86.5	85.2	90.3	87.1
Relative run-off result	1.7	2.0	2.0	1.4	3.6
Return on equity before tax p.a. (%)	3.6	18.6	16.9	12.4	15.2
Return on equity after tax p.a. (%)	3.8	13.7	12.6	9.9	12.0

Notes

NOTE 40 CAPITAL AND RISK MANAGEMENT

OBJECTIVE

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, business model and company limits, the Board of Directors also determines risk management policies and issues guidelines for the Management Board. 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 management boards of the individual group companies. In addition, separate group-wide risk policies and, where relevant, company-specific guidelines have been drawn up for the management boards 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 Management Board

The Management Board 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 Management Board 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 Management Board 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 Management Board 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 Management Board 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

Notes

NOTE 40 CAPITAL AND RISK MANAGEMENT – CONTINUED

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.

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.

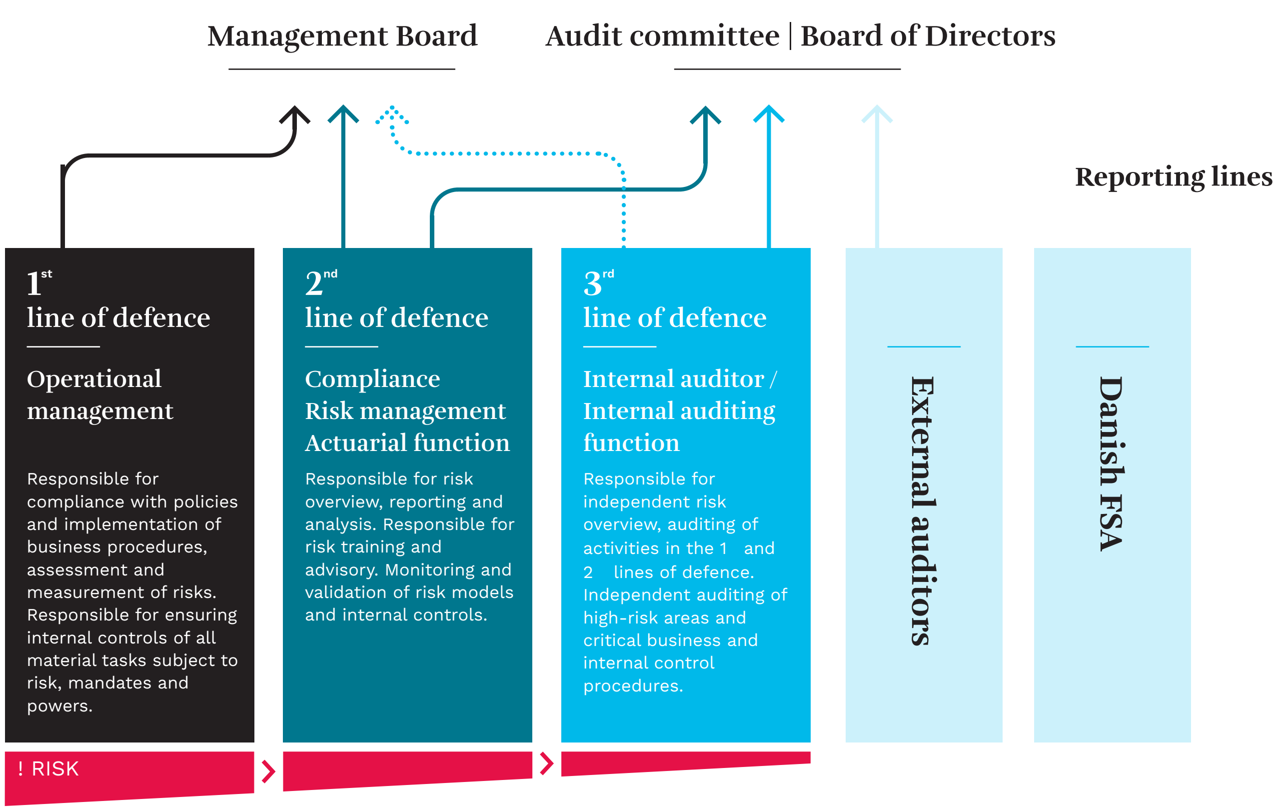
RISK FACTORS

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 Forsikringsselskabet 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.



Notes

NOTE 40 CAPITAL AND RISK MANAGEMENT – CONTINUED

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.

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 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 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

Notes

NOTE 40 CAPITAL AND RISK MANAGEMENT – CONTINUED

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.

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 its 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 private 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.

Managing operational risks

As part of the management of operational risks, significant operational risks are mapped throughout the group on an an-

Notes

NOTE 40 CAPITAL AND RISK MANAGEMENT – CONTINUED

nual 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 risks 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 legislation, 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, Management Board and managerial groups. The group's strategic risks are monitored and assessed on an ongoing basis.

Notes

NOTE 41 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 2022 were made in connection with a business acquisition, including 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 31, 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. 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 41 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.

An expert committee has been set up, which has made proposals in connection with a revision of the Danish Act on Industrial Injuries.

The most recent legislative amendment at 1 January 2020 concerning the accident concept is assessed to be the first step of this revision, but the process of revising the legislation is still ongoing with the involvement of e.g. the Danish Insurance Association (Forsikring & Pension). It is still uncertain which recommendations will be implemented in legislation – including how the senior pension proposed by the Danish government will affect the level of claims – and the amount of claims expenses arising as a result of a potential revision of the act is therefore subject to uncertainty.

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 40 Capital and risk management on pages 86 to 90.

Sensitivity information

DKKm	Total	% of shareholders' equity
Sensitivity information, group Risk on shareholders' equity in case of specific events		
Interest rate increase of 1 percentage point	-131	-1.0
Interest rate fall of 1 percentage point	123	0.9
Equity price fall of 15%	-109	-0.8
Fall in property prices of 15%	-56	-0.4
Currency risk excl. EUR 25% decline	5	0.0
Spread widening of 1 percentage point	-341	-2.5
Change in combined ratio + 1 ppt	-96	-0.7
Change in combined ratio - 1 ppt	96	0.7
Change in claims provisions + 10 ppts	-1,410	-10.2
Change in claims provisions - 10 ppts	1,410	10.2

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 42 ACCOUNTING POLICIES

GENERAL

The consolidated financial statements have been prepared in accordance with the International Financial Reporting 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 Financial 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.

The accounting policies are unchanged from the policies applied in the annual report for 2021.

Divestment of subsidiary

The divestment of Alm. Brand Liv og Pension A/S to Nordic I&P was completed on 28 February 2022 at a price of DKK 1.1 billion. For accounting purposes, this means that the divestment gain and the share of the financial results of Alm. Brand Liv og Pension for 2022 will be presented under discontinued activities and that comparative figures for 2021 will be restated.

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. 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 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

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

liabilities at fair value or the determination of the purchase consideration 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.

Intangible assets
Goodwill
Goodwill arises on the acquisition of a business and is calculated as the difference between the cost of the acquired business and the fair value of the net assets acquired. Goodwill represents the value of the expected profit of Codan which cannot be attributed reliably to individually identifiable assets, including the value of brand and customer relationships as well as expected future synergies from the combination of the businesses. 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. 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. 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.

Brand value and customer relationships
Brand and customer relationships acquired in connection with the business combination are recognised as separate identifiable intangible assets. The fair value of brands is calculated based on the relief from royalty method using a percentage rate of two and an expected useful life of 10 years. The fair value of customer relationships is calculated based on expected earnings and the useful life of customer relationships and expected future earnings. Customer relationships are amortised over a period of eight years, reflecting their expected useful life.

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.

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. Except for the ones set out below, none of the new standards or interpretations are expected to have a significant impact on the financial reporting of the group.

IFRS 17 Insurance contracts
On 1 January 2023, the financial reporting standard 'IFRS 17 Insurance contracts' (IFRS 17) entered into force, changing the presentation in the income statement and the balance sheet and the principles for recognition and measurement of insurance contracts. Alm. Brand Group's first presentation of financial statements in accordance with the provisions of IFRS 17 will be the interim report for Q1 2023. Before the release of the interim financial statements for Q1 2023, Alm. Brand Group will publish a restated income statement and balance sheet for the transition period 1 January 2022 to 31 December 2022 and restated financial highlights and key ratios for the four years preceding the implementation on 1 January 2023.
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 Insurance contracts' (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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

The PAA is 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 is that the PAA involves simpler calculations and far fewer and more simple reporting requirements. The PAA is similar to the methods and requirements presently applying under 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 is 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 underwrites insurance contracts only and the vast majority of these are short-term contracts with a coverage period of one year or less, meaning that the PAA may be used for these insurance contracts. The group does have contracts with a coverage period of more than one year, which have been tested with the result that the differences between measurement of the relevant insurance contracts according to the GMM and the PAA are immaterial.

Alm. Brand Group has thus chosen to use the PAA for the entire insurance portfolio, which is similar to Alm. Brand Group's existing accounting policies. This means that the future technical 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.

The most evident change will be the presentation of the technical result, but adjustments in terms of presentation have also be made to the balance sheet:

- 'Insurance income' replaces 'gross premium income'
- 'Insurance expenses' will comprise 'gross claims expenses', 'gross operating expenses' and 'bonus and premium discounts'
- 'Reinsurance' will comprise all items related to reinsurance, i.e. premiums ceded and coverage received
- 'Provisions for insurance contracts' will comprise all technical provisions, i.e. premium provisions, claims provisions, etc. Moreover, insurance receivables will be offset against the item 'Provisions for insurance contracts'.

In addition, costs for training and development will be reclassified to the item 'Other costs', which is not included in the technical result. The effect is expected to be immaterial.

A number of items from the existing format will be aggregated, and specifications etc. will consequently be provided in the notes to the financial statements in future.

Acquired insurance contracts
The insurance contracts taken over in connection with the acquisition of Codan Forsikring A/S and Forsikringsselskabet Privatsikring A/S (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. Because 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.

As the acquired claims provisions according to IFRS 17 are to be classified as premium provisions, this also means that the PAA can no longer be used for the

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

acquired portfolio, as the coverage period of the acquired contracts now equals the payout period. For the product 'loss of earning capacity/workers' compensation', for instance, for which the coverage period far exceeds one year, discounting thus becomes material. The acquired claims provisions should therefore be measured as insurance contracts according to the GMM.

The measurement of Codan's provisions at the date of acquisition, i.e. at 1 May 2022, 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.

In the subsequent recognition in the income statement, 'Insurance income' 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.

Effect on equity and profit on transition to IFRS 17
At 1 January 2022, Alm. Brand Group's equity will increase by DKK 65-85 million, while equity at 1 January 2023 will increase by DKK 65-85 million.
The effect of IFRS 17 on the group's future financial results is not expected to be material.

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.

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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

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 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.

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 bal-

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

ance 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.

Premium income

Gross premiums comprise premiums due relating to insurance policies and contracts.

Premium income, net of reinsurance, is the gross premiums for the year adjusted for movements in unearned premium provisions, profit margin and the part of the risk margin attributable to unearned premium provisions, and less reinsurers' share.

The part of the change in unearned premium provisions, profit margin and risk margin which is attributable to unwinding and changes in the discount rate applied is transferred to the investment result under the line item 'Return on and value adjustment of technical provisions'.

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 margin attributable to claims provisions.

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 margin 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'.

Profit/loss from business ceded

For reinsurance contracts containing a combination of financial terms and traditional terms with transfer of risk, the risk premium is recognised on an accruals basis under premium income. The accrual is based on the value of the contracts at the end of the year. Realised losses relating to these contracts are included in claims after adjustment for movements in financial deposits.

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 are transferred to technical interest, while changes attributable to changes in the discount rate applied are transferred to value adjustments.

Insurance operating expenses

The part of the insurance operation expenses that can be ascribed to acquisition and renewal of the insurance portfolio is recognised under acquisition costs. Acquisition costs are generally charged to the income statement when the insurance takes effect.

Administrative expenses comprise expenses related to managing the company's activities. Administrative expenses are accrued to match the financial year.

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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

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 unearned premium provisions and outstanding claims provisions and profit margin and risk margin which is attributable to unwinding and changes in the discount rate applied.

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.

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 2021 and 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.

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.

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

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

expected useful lives. The brand value has an expected useful life of 10 years, while customer relationships have an expected useful life of 8 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 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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

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

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.

For the majority of the unlisted shares, it is assessed that the fair values can be measured sufficiently reliably 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, deriv-

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

atives 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 from insurance contracts
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.

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 assets comprised by IFRS 16 Leases. The item also comprises 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
Interest and rent receivable comprises interest and rent 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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

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
All provisions are measured at their discounted value using a maturity-dependent discount rate including volatility adjustment for the duration in question. Alm. Brand uses a yield curve developed in-house according to the same principles and on the basis of data identical to the ones on which EIOPA's published discount rates is based.

Unearned premium provisions
Unearned premium provisions comprises the amounts provided at the end of the year against claims not yet incurred in respect of insurance contracts entered into. The provisions are measured as the present value of the best estimate of future claims at the balance sheet date for the part of the risk period not yet run off, including all direct and indirect administrative and claims processing expenses. The premium provisions comprise all insurance contracts entered into and take into account all agreed premium rates, irrespective of whether they have fallen due for payment before the time of calculation. 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.

Profit margin
Profit margin is the expected future earnings for the insurance contracts which the company has entered into at the end of the year. The profit margin is measured as the present value of the accrued profit on profit-making contracts.

Measurement of the profit margin comprises all insurance contracts entered into. Newly written insurance contracts in Alm. Brand Forsikring's portfolio will be 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.

Risk margin
The risk margin comprises the amount which the company is expected to have to pay to a third party to take over the risk that the realised future costs deviate from the estimated level stated under unearned premium and claims provisions at the end of the accounting period.

The risk margin is measured as the present value of the future cost of capital related to maintaining the solvency capital required for settlement of the company's current liabilities and risks.

The measurement is based on the company's solvency capital requirement and is consistent with the Solvency II principles, as the future solvency capital requirements are approximated by the current solvency capital requirement written down proportionally by the remaining share of the expected cash flow for the unearned premium and claims provisions. The calculation of the cost of capital is based on the Cost-of-Capital rate of 6% under Solvency II. The risk margin development tracks the development in the company's solvency capital requirement.

Claims provisions
Outstanding claims provisions comprises the amounts provided at the end of the year against claims reported but not settled and against payment of claims incurred but not reported. The provisions are measured as the present value of the best estimate of these claims expenses at the balance sheet date. They 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 outstanding claims provisions also include amounts to cover direct and indirect costs which are reasonably considered to be adequate in relation to settling the claims obligations. The estimate of the provision is based on the direct and indirect costs incurred during a normal claims year on the establishment of new claims and the processing and settlement of old claims. Included in the calculations

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

is the ratio of claims paid and the outstanding claims provisions at year end, including claims incurred but not reported.

The cash flow regarding payment of provisions is 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.

Liability adequacy test
The outstanding claims provisions are calculated according to actuarial methods and with a view to avoiding run-off losses as well as run-off gains. At the calculation date, the provisions thus represent the best estimate of future claims for the current and previous claims years. The outstanding claims provisions are calculated on a monthly basis, and the level is therefore assessed to be adequate at all times.

The provision will be discounted if such discounting has a material impact on the size of the liability.

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, Commercial and Other activities. The group's activities are predominantly focused on the Danish market.

Personal comprises the group's sales of insurances to private households through its own sales channels and partnerships. Commercial comprises the group's sales to agricultural and commercial customers through own sales channels and partnerships. Commercial also comprises the group's industrial businesses, whose products are mainly sold through partnerships. The management reporting related to Private and Commercial consists exclusively of reporting of the technical result.

Other activities comprise corporate functions consolidated in 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.

Notes

NOTE 42 ACCOUNTING POLICIES – CONTINUED

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 AND ESEF DATA

The forecast is based on the interest rate and price levels prevailing at the beginning of February 2023. 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 (*aktieselskab*)
Company name	Alm. Brand A/S
Address of registered office	Midtermolen 7, 2100 Copenhagen Ø, Denmark

Notes

NOTE 43 ACQUISITION OF ACTIVITIES

Alm. Brand A/S acquired Codan's Danish business from Intact and Tryg, comprising the companies Codan Forsikring A/S and Privatsikring A/S, of which 100% of the share capital and voting rights was acquired with effect from 1 May 2022.

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 will increase its presence in the Danish non-life insurance market for both personal and commercial customers.

Pre-acquisition balance sheet

The fair values of net assets acquired are recognised in the balance sheet of Alm. Brand Group at the acquisition date on 1 May 2022. The amounts may be adjusted within the next 12 months, including the value of the acquired goodwill, to reflect information obtained about facts and circumstances that existed at the acquisition date. This includes a potential reallocation between goodwill and the provisionally calculated fair values of other identifiable assets. Shown below is the provisionally recognised pre-acquisition balance sheet as of 31 December 2022 for Codan's Danish business.

The final purchase price was negotiated in Q4 2022. In connection with the final adjustment of the purchase price, some fair value adjustments were made, reducing the pre-acquisition balance sheet by a total of DKK 55 million and the acquisition price by DKK 38 million, which had a net effect on goodwill of DKK 17 million.

There were no material contingent liabilities at the acquisition date requiring recognition of liabilities in the pre-acquisition balance sheet.

Brand and customer relationships acquired in connection with the business combination are recognised as separate identifiable intangible assets. These have been recognised in the item Intangible assets.

Goodwill represents the value of the expected profit of Codan which cannot be attributed reliably to individually identifiable assets, including the value of staff, know-how and expected synergies from the business combination, such as cost savings, etc. As goodwill derives from the acquisition of the shares in Codan, the amount is not deductible for tax purposes.

The fair value of insurance provisions is calculated in accordance with policies similar to the accounting policies applied by the group for items subject to actuarial assumptions etc.

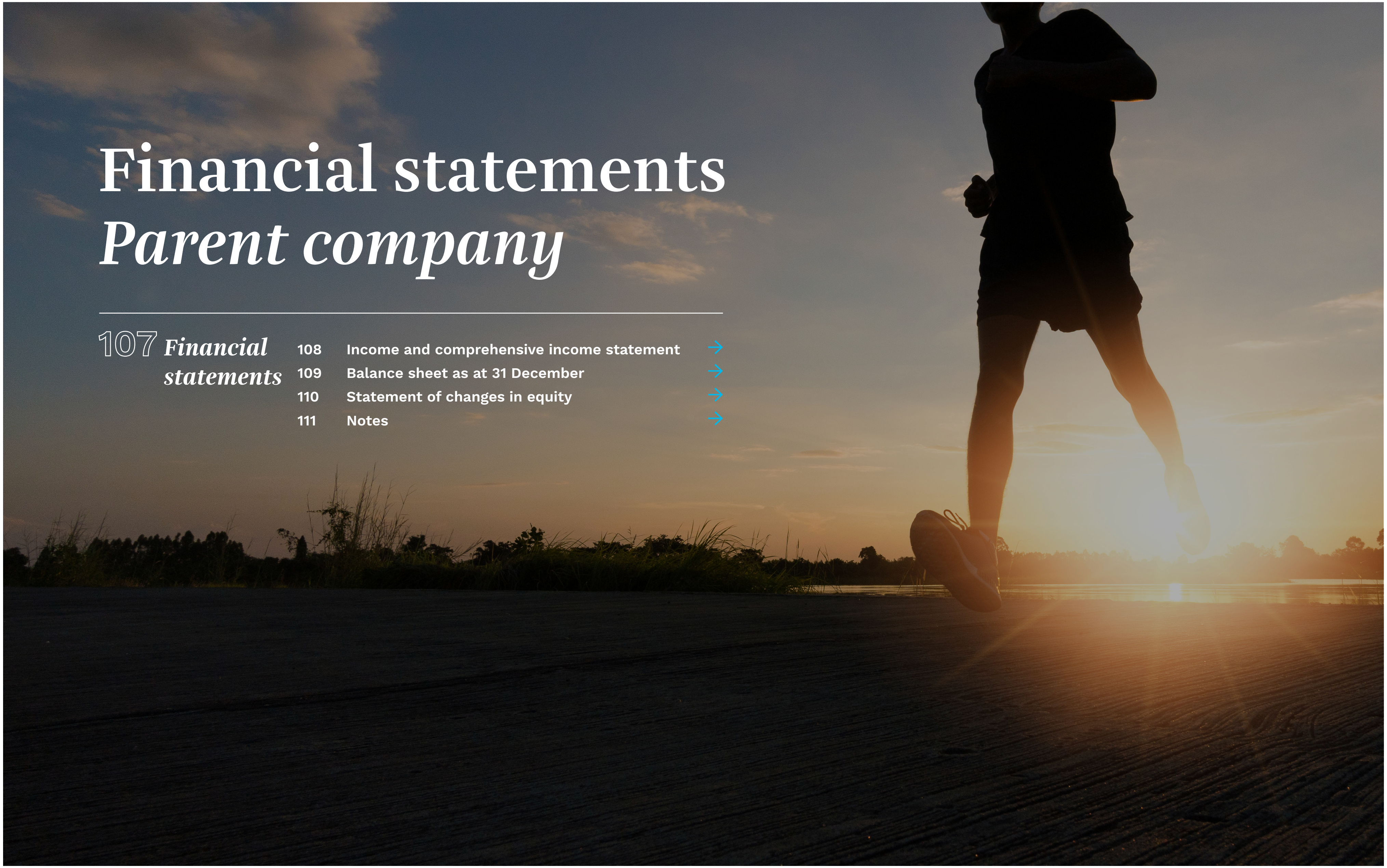
Fair value adjustments of other intangible assets relate to IT systems and are calculated based on what an informed third party would be willing to pay for an IT system designed for a specific purpose. The expected useful lives of the IT systems are adjusted to reflect this.

If the acquisition date had been 1 January 2022, the group's gross premium income would have been DKK 11,413 million, and the profit for the year after tax and special items would have been DKK 533 million. This figure has been calculated on the basis of the fair value in the opening balance sheet and not on the basis of the actual figures for Codan's Danish business.

Codan Forsikring A/S and Privatsikring are recognised in the consolidated financial statements with gross premium income of DKK 3,889 million (including bonus and premium discounts) and a profit after tax of DKK 22 million.

Pre-acquisition balance sheet at fair value at 1 May 2022

Assets	**DKKm**
Intangible assets	3,271
Tangible assets	333
Financial investment assets	13,431
Receivables related to insurance contracts	1,728
Receivables, other assets and prepayments	651
Total assets	**19,414**
Liabilities and equity	
Technical provisions	11,655
Other provisions	29
Payables related to direct insurance, other payables and deferred income	2,119
Total liabilities and equity	**13,803**
Identifiable net assets	5,611
Goodwill	7,736
Total purchase consideration paid in cash	**13,347**



Financial statements
Parent company

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Income and comprehensive income statement

		Parent company	
DKKm	**Note**	**2022**	**2021**
Income statement			
Income from group enterprises	1	274	719
Interest income and dividends, etc.	2	27	6
Interest expenses	3	-31	-9
Value adjustments	4	-53	-47
Administrative expenses related to investment activities	5	-93	-177
Total return on investments		**124**	**492**
Other expenses		-247	0
Profit/loss before tax, continuing activities		**-123**	**492**
Tax, continuing activities	6	85	14
Profit/loss after tax, continuing activities		**-38**	**506**
Profit/loss after tax, discontinuing activities		544	92
Profit/loss after tax		**506**	**598**
Proposed allocation of profit/loss for the year:			
Proposed dividend		462	462
Additional Tier 1 capital holders		7	0
Retained earnings		37	136
Profit/loss for the year		**506**	**598**
Comprehensive income			
Profit/loss for the year		506	598
Total comprehensive income		**506**	**598**
Proposed allocation:			
Proposed dividend		462	462
Additional Tier 1 capital holders		7	0
Retained earnings		37	136
Total comprehensive income		**506**	**598**

Balance sheet as at 31 December

Parent company

DKKm	Note	2022	2021
Assets			
Intangible assets	**7**	**10,526**	**0**
Tangible assets	**8**	**707**	**791**
Investment in group enterprises	9	4,032	2,060
Loans to group enterprises		1,300	400
Investments in associates		144	0
Total investments in group enterprises		**5,476**	**2,460**
Equity investments		4	978
Bonds		100	11,798
Other loans and advances		2	2
Cash in hand and balances at call	10	65	27
Total other financial investment assets		**171**	**12,805**
Total investment assets		**5,647**	**15,265**
Receiveables from group enterprises		0	0
Other receivables	11	40	47
Total receivables		**40**	**47**
Current tax assets	12	19	35
Total other assets		**19**	**35**
Interest receivable		12	34
Miscellaneous prepayments		0	4
Total prepayments and accrued income		**12**	**38**
Total assets		**16,951**	**16,176**

No investments in associates are material to Alm. Brand Group. For additional information, see the consolidated financial statements.

	Note	2022	2021
Liabilities and equity			
Share capital		1,541	1,541
Sikkerhedsfonde		1,476	182
Other provisions		0	0
Proposed dividend		462	462
Retained earnings		10,273	11,521
Shareholders' equity		13,752	13,706
Additional tier 1 capital		397	0
Total shareholders' equity	13	**14,149**	**13,706**
Subordinated debt		1,294	1,295
Total subordinated debt	14	**1,294**	**1,295**
Deferred tax liabilities	15	598	38
Total provisions		**598**	**38**
Payables to group enterprises		18	0
Payables to associated enterprises		1	38
Issued bonds		150	150
Other payables		731	945
Total payables		**900**	**1,133**
Accruals and deferred income		**10**	**4**
Total liabilities and equity		**16,951**	**16,176**
Contingent liabilities, guarantees and lease agreements	16		
Staff costs	17		
Related parties	18		
Accounting policies	19		

Statement of changes in equity

DKKm	Share capital	Contin-gency funds	Other provisions	Retained earnings	Proposed dividend	Share-holders equity	Additional tier 1 capital	Share-holders' equity
Shareholders' equity at 1 January 2021	**1,541**	**182**	**1,215**	**1,150**	**1,079**	**5,167**	**0**	**5,167**
Changes in shareholders' equity 2021:								
Profit/loss for the year				598		598		598
Comprehensive income				598		598		598
Reduction of capital	-1,387		-1,215	2,602		0		0
Issue of new shares pr. 2. december 2021	1,387			9,085		10,472		10,472
Cost related to the issue of new shares				-231		-231		-231
Proposed dividend				-462	462	0		0
Dividende distributed				-1,229	-1,079	-2,308		-2,308
Purchase and sale of treasury shares				8		8		8
Changes in shareholders' equity	**0**	**0**	**-1,215**	**10,371**	**-617**	**8,539**	**0**	**8,539**
Shareholders' equity at 31 December 2021	**1,541**	**182**	**0**	**11,521**	**462**	**13,706**	**0**	**13,706**
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	0		-2		-2
Comprehensive income	0	0	-2	499		497	7	504
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
Reversed tax on contingency fund				18		18		18
Tier 1 capital				0		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**	**1294**	**0**	**-1248**	**0**	**46**	**397**	**443**
Shareholders' equity at 31 December 2022	**1,541**	**1,476**	**0**	**10,273**	**462**	**13,752**	**397**	**14,149**

Notes

DKKm	**2022**	**2021**
Note 1 Income from group enterprises		
Alm. Brand PIA A/S	24	43
Alm. Brand Forsikring A/S	228	676
Codan Forsikring A/S	22	0
Total income from group enterprises	**274**	**719**
The results are recognised in the following items:		
Income from group enterprises	274	719
Total income from group enterprises	274	719
Note 2 Interest income and dividends, etc.		
Bonds	8	5
Subordinated debt in subsidiaries	19	1
Total interest income and dividends, etc.	**27**	**6**
Note 3 Interest expenses		
Interest expenses, group enterprises	0	-3
Interest expenses, subordinated debt	-23	-4
Other interest expenses	-8	-2
Total interest expenses	**-31**	**-9**
Note 4 Value adjustments		
Bonds	-30	-14
Equity investments	-23	-27
Other investments	0	-6
Total value adjustments	**-53**	**-47**
Note 5 Administrative expenses related to investment activities		
Cost, group enterprises	0	0
Other costs	-93	-177
Total administrative expenses related to investment activities	**-93**	**-177**

	2022	**2021**
Note 6 Tax, continuing activities		
Estimated tax on profit/loss for the year	19	35
Prior-year adjustment	0	0
Adjustment of deferred tax	66	-21
Total tax	**85**	**14**
Tax for the year consists of:		
Tax on accounting profit	87	49
Non-deductible expenses and non-taxable income	-2	-35
Total tax	85	14
Effective tax rate	21.4%	2.8%
Note 7 Intangible assets		
Cost, beginning of year	0	0
Additions during the year	10,764	0
Cost, year-end	10,764	0
Accumulated depreciation and impairment, beginning of year	0	0
Depreciation for the year	-238	0
Accumulated depreciation and impairment, year-end	-238	0
Intangible assets, year-end	**10,526**	**0**

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	2022	2021
Note 8 Tangible assets		
Cost, beginning of year	939	692
Additions during the year	0	711
Disposals during the year	-19	-464
Cost, year-end	920	939
Accumulated depreciation and impairment, beginning of year	-148	-142
Depreciation for the year	-84	-108
Depreciation on disposals	19	102
Accumulated depreciation and impairment, year-end	-213	-148
Tangible assets, year-end	**707**	**791**
Note 9 Investment in group enterprises		
Cost, beginning of year	3,439	3,439
Additions during the year	3,249	0
Additions during the year relating to tier 1 capital	400	0
Cost, year-end	7,088	3,439
Revaluation and impairment, beginning of year	-1,379	525
Dividend received	-2,494	-2,715
Profit/loss for the year	818	811
Reversal of impairment, cessation	-5	0
Revaluation and impairment, year-end	-3,060	-1,379
Investment in group enterprises, year-end	**4,028**	**2,060**

	2022	2021
Specification of carrying amount:		
Alm. Brand PIA A/S		
(DKK 400 thousand nominal value wholly owned)	110	186
Alm. Brand Forsikring A/S		
(DKK 103 million nominal value wholly owned)	1,553	1,874
Codan Forsikring A/S		
(DKK 158 million nominal value wholly owned)	2,369	0
Investment in group enterprises, year-end	4,032	2,060
Note 10 Cash in hand and balances at call		
Deposits held at call, Alm. Brand Bank	65	27
Cash in hand and balances at call, year-end	**65**	**27**
Note 11 Other receivables		
Miscellaneous debtors	3	4
Rent deposit	29	34
Pensionskassen under Alm. Brand A/S	8	9
Other receivables, year-end	**40**	**47**
Note 12 Current tax assets		
Current tax assets, beginning of year	35	15
Tax paid in respect of prior years	-35	-15
Tax on profit/loss for the year	19	35
Current tax assets, year-end	**19**	**35**
Note 13 Shareholders' equity		
Share capital, beginning of year	1,541	1,541
Reduction of capital	0	-1,387
Issue of new shares pr. 2. december 2021	0	1,387
Cancellation of treasury shares	0	0
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	2022	2021	2020	2019	2018
Share capital, beginning of year	1,541	1,541	1,577	1,610	1,655
Reduction of capital	0	-1,387	0	0	0
Issue of new shares	0	1,387	0	0	0
Cancellation of treasury shares	0	0	0	-33	-45
Share capital, year end	1,541	1,541	1,577	1,577	1,610

DKKm	2022	2021
No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	1,541,140	154,114
Treasury shares, beginning of year	-49	-227
No. of shares, beginning of year	1,541,091	153,887
Shares acquired/sold during the year	-68	178
Issued shares, year end	1,541,140	1,541,140
Treasury shares, year end	-117	-49
No. of shares at year-end	1,541,023	1,541,091
Treasury shares		
Nominal value, beginning of year	0	0
Acquired during the year, net	0	0
Cancellation of treasury shares	0	0
Nominal value, year-end	0	0
*) 2021 translated to denomination of DKK 1.		
Holding (1,000), beginning of year	49	227
Acquired during the year	3,150	460
Sold during the year	-3,082	-638
Holding (1,0000), year-end	117	49
Percentage of share capital	0.0%	0.0%

	2022	2021
Note 14 Total subordinated debt		
Floating rate bullet loans maturing 7 October 2031	1,295	1,295
Subordinated debt, year-end	1,295	1,295
Interest on subordinated debt	23	3
Costs incurred in connection with the raising of the subordinated debt	0	5

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.

	2022	2021
Note 15 Deferred tax liabilities		
Deferred tax liabilities, beginning of year	38	18
Tax liability relating to intangible assets	666	0
Reversed tax on contingency funds	-40	0
Prior-year tax adjustment	0	0
Change for the year	-66	20
Deferred tax liabilities, year-end	**598**	**38**
Deferred tax on contingency funds in group enterprises	0	40
Deferred tax on losses carried forward	-13	0
Deferred tax on equipment	-1	0
Deferred tax on intangible assets	614	-2
Deferred tax on provisions	-2	0
Deferred tax liabilities, year-end	598	38

Notes

DKKm	2022	2021
Note 16 Contingent liabilities,		
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 toindemnify 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.

	2022	2021
Note 17 Staff costs		
Salaries and wages	44	29
Pension	7	5
Share-based payment	0	3
Total salaries and wages, pension, etc.	**51**	**37**
Average number of employees	10	9

Payroll costs in Alm. Brand A/S are allocated to the group's other companies based on time spent in the individual group companies.

	2022	2022	2021	2021
	Parent company	Alm. Brand Group	Parent company	Alm. Brand Group
Remuneration to the Management Board and Board of Directors (DKK '000)				
Total remuneration to the Management Board and Board of Directors	21,276	21,676	15,865	15,865
No. of members of the Management Boarc	2		1	
No. of members of the Board of Directors	12		11	

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, all employees, including the Management Board member, 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.

	2022	**2021**
Remuneration to risk takers (DKK '000)		
Fixed salary	63,840	48,854
Pension	10,526	8,451
Variable salary	3,045	365
Share-based payment	0	3,668
Total remuneration to risk takers	77,411	61,338
Number of risk takers	32	22

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 2022, 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 Management Board and Board of Directors and their related family members
- Companies controlled by members of the Management Board of Board of Directors
- Other companies in the Alm. Brand Group
- Alm. Brand af 1792 fmba (owns 47% of the group)

Related party transactions:

Alm. Brand af 1792 fmba has contributed subordinated loan capital of DKK 250 million to Alm. Brand A/S. The loan was repaid in full in connection with the acquisition of Codan.

Alm. Brand A/S har indskudt ansvarlig lånekapital på 400 mio. kr. i Alm. Brand Forsikring A/S.

The Alm. Brand Group has intra-group functions that solve joint administrative tasks for group companies.

In 2022, Alm. Brand A/S reported administrative income of DKK 69 million and administrative expenses of DKK 60 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.

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 subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value on the balance sheet date.

Apart from the description provided in the group's accounting policies on pages 93 to 105, the accounting policies are consistent with those applied in the 2021 Annual Report.

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 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 technical result and the investment result of Non-life Insurance. In the financial statements, such income is included under 'Other income'. See note 38 to the financial statements.

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.

Gross premium income
Gross premium income is calculated as gross premiums adjusted for changes in premium provisions, profit margin and risk margin. Gross premium income is regulated for bonus and premium discounts.

Gross claims ratio

$$\frac{\text{Gross claims expenses x 100}}{\text{Gross premium income}}$$

Gross expense ratio

$$\frac{\text{Insurance operating expenses x 100}}{\text{Gross premium income}}$$

Price/NAV

$$\frac{\text{Share price}}{\text{Net asset value per share}}$$

Combined ratio

$$\frac{\text{(Gross claims expenses + Insurance operating expenses + Profit/loss on reinsurance) x 100}}{\text{Gross premium income}}$$

Return on equity after tax*

$$\frac{\text{Profit for the year x 100}}{\text{Average shareholders' equity}}$$

Return on equity before tax*

$$\frac{\text{Profit before tax x 100}}{\text{Average shareholders' equity}}$$

Net asset value per share**

$$\frac{\text{Shareholders' equity x 100}}{\text{No. of shares at year-end}}$$

Net reinsurance ratio

$$\frac{\text{Profit/loss on reinsurance x 100}}{\text{Gross premium income}}$$

Earnings per share**

$$\frac{\text{Profit for the year after tax x 100}}{\text{Average no. of shares}}$$

Claims experience

$$\frac{\text{Sum of claims ratio and reinsurance ratio}}{\text{Reinsurance ratio}}$$

Dividend per share

$$\frac{\text{Total amount distributed for the financial year x 100}}{\text{No. of shares at year-end}}$$

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.

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

$$\frac{\text{Major claims, net of reinsurance}}{\text{Gross premium income}}$$

Weather-related claims, net of reinsurance

$$\frac{\text{Weather-related claims, net of reinsurance}}{\text{Gross premium income}}$$

Change in risk margin

$$\frac{\text{Change in risk margin}}{\text{Gross premium income}}$$

COVID-19 effect

$$\frac{\text{Estimated effect of COVID-19 on claims expenses}}{\text{Gross premium income}}$$

*) 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 the determination of the average number of shares, any stock options and warrants are taken into consideration.

Group companies

DKKm		**Profit/loss for the year**	**Shareholders' equity year-end**	**Ownership interest**
Holding				
Alm. Brand A/S, Copenhagen	Holding	506	14,149	
Non-life Insurance				
Alm. Brand Forsikring A/S, Copenhagen	Non-life Insurance	722	1,553	100%
Codan Forsikring A/S, Copenhagen *)	Non-life Insurance	22	2,510	100%
Forsikringsselskabet Privatsikring A/S, Copenhagen *)	Non-life Insurance	58	550	100%
Other companies				
Alm. Brand Præmieservice A/S, Copenhagen	Financing	0	1	100%
Alm. Brand PIA A/S, Copenhagen	Administration	23	109	100%

'Ownership interest' indicates Alm. Brand A/S's direct or indirect ownership interests.

*) Profit/loss for the year covers the period 1 May 2022 to 31 December 2022.