

ALM. BRAND GROUP

Interim report Q1

2024

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

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Company information

Alm. Brand Group

DKKm		Q1 2024	Q1 2023	FY 2023
INCOME STATEMENT	Insurance revenue	3,012	2,853	11,784
	Claims expenses *)	-1,947	-1,933	-7,537
	Insurance operating expenses *)	-576	-571	-2,147
	Profit/loss on reinsurance	-194	-144	-688
	Insurance service result	295	205	1,412
	Investment return after return on and value adjustment of provisions	167	149	364
	Other income and expenses	-28	-43	-132
	Profit/loss before tax excluding special costs	434	311	1,644
	Special costs	-147	-165	-763
	Profit/loss before tax	287	146	881
	Tax	-85	-52	-269
	Profit/loss after tax	202	94	612
	Run-off gains/losses, net of reinsurance	11	73	300
	Gross claims ratio	64.6	67.8	63.9
	Net reinsurance ratio	6.5	5.0	5.9
	Claims experience	71.1	72.8	69.8
	Gross expense ratio	19.1	20.0	18.2
Combined ratio *)	90.2	92.8	88.0	
Combined ratio excluding run-off result	90.6	95.4	90.5	
Combined ratio	90.5	93.6	88.7	

DKKm		Q1 2024	Q1 2023	FY 2023
BALANCE SHEET	Technical provisions	18,574	18,433	17,064
	Insurance assets	444	528	470
	Consolidated shareholders' equity	14,000	13,925	13,944
	Total assets	36,910	37,440	35,569
FINANCIAL RATIOS	Return on equity before tax (% p.a.) **)	12.8	9.1	12.3
	Return on equity after tax (% p.a.) **)	9.3	6.5	8.9
	Earnings per share	0.1	0.1	0.4
	Diluted earnings per share	0.1	0.1	0.4
	Net asset value per share	9.4	9.3	9.3
	Share price, end of period	13.2	12.8	11.9
	Price/NAV	1.40	1.38	1.28
	Average no. of shares (in millions)	1,535	1,541	1,541
	No. of shares, end of period, diluted (in millions)	1,528	1,540	1,539
	Average no. of shares, diluted (in millions)	1,535	1,541	1,540
	No. of shares bought back (in thousands)	10,002	-	1,829
Avg. price of shares bought back	12.6	-	12.1	
Dividend per share	0.00	0.00	0.55	

*) Claims expenses and insurance operating expenses for Q1 2024 include income from the Transitional Service Agreement (TSA) related to the divestment of Alm. Brand Liv og Pension A/S and the sale of Codan's activities to Tryg. Claims expenses are stated less DKK 3 million and insurance operating expenses are stated less DKK 7 million. The Q1 2024 result included income from the TSA of 8 million and DKK 15 million, respectively. Claims expenses for 2023 are stated less DKK 24 million and insurance operating expenses are stated less DKK 52 million from the TSA.

Financial ratios have been restated accordingly.

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

Alm. Brand Group

Satisfactory insurance service result despite weather conditions

Q1 PERFORMANCE

The insurance service result for Q1 2024 was a profit of DKK 295 million, against DKK 205 million in the year-earlier period, mainly driven by favourable developments in Commercial Lines.

Insurance revenue rose to DKK 3,012 million in Q1 2024 from DKK 2,853 million in Q1 2023, marking a highly satisfactory performance with growth of 5.6%. The increase in the insurance service result generally reflects an improved claims experience relative to Q1 2023 and fewer expenses for major claims, but the Q1 period was impacted by sustained high expenses for weather-related claims. Last year's favourable profitability performance continued with an improvement in the underlying claims ratio of 3.0 percentage points, driven by a significant improvement in Commercial Lines. The high frequency of motor claims seen in previous quarters continued in Q1 2024. However, the scheduled profitability-enhancing measures are beginning to take effect. The expense ratio was 19.1 in Q1 2024, against 20.0 in the year-earlier period. Operating expenses developed according to the plan laid down for the period until 2025, supported by a tight cost focus and continued realisation of synergies.

The financial markets developed favourably in the quarter, enabling Alm. Brand Group to post a highly satisfactory investment result of DKK 167 million in Q1 2024, against DKK 149 million in Q1 2023. The investment result was composed of a satisfactory return on the portfolio not allocated to hedging of provisions and a positive return on the hedging portfolio after return on and value adjustment of provisions.

Other income and expenses came to a net loss of DKK 28 million, composed of DKK 15 million in training and development expenses and a total of DKK 13 million in group expenses and return on the remaining mortgage deed and debt collection portfolio.

Alm. Brand Group thus generated a pre-tax profit of DKK 434 million excluding special costs in Q1 2024, against a pre-tax profit of DKK 311 million in Q1 2023.

The Q1 result includes special costs of DKK 58 million related to the integration of Codan and realisation of synergies as well as amortisation of intangible assets in the amount of DKK 89 million, bringing Alm. Brand Group's consolidated profit for Q1 2024 to a pre-tax profit of DKK 287 million, against DKK 146 million in the year-earlier period.

Capitalisation

DKKm	Q1 2024	Q4 2023
Total capital for the group	5,960	5,640
Solvency capital requirement for the group	3,087	3,097
Solvency capital requirement excess	2,873	2,543
Total capital as a percentage of solvency capital requirement	193	182

CAPITALISATION

The solvency capital requirement for the group was DKK 3,087 million at 31 March 2024, calculated using a combination of a partial internal model and the standardised model, against DKK 3,097 million at 31 December 2023.

The total capital for coverage of the solvency capital requirement rose to DKK 5,960 million, including the profit for the period, for an excess cover of DKK 2,873 million relative to the solvency capital requirement. The group's total capital is assessed to be sufficiently robust to manage the risks associated with its activities.

At 31 March 2024, Alm. Brand Group had an SCR ratio of 193%, including funds to cover the expected restructuring costs in connection with the integration of Codan. Alm. Brand Group aims to have an SCR ratio of at least 170% going forward and will, with due consideration to this target, be able to distribute a high proportion of future earnings to its shareholders. In consequence thereof, Alm. Brand Group has specified a payout ratio of at least 80% in its distribution policy and expects the distribution in the coming years to be a combination of dividend payments and share buy-backs.

SYNERGIES

Initiatives to realise synergies in a total amount of DKK 600 million by 2025 are progressing satisfactorily and according to plan. For the quarter, the synergies are calculated to have had a positive accounting effect of DKK 98 million.

As in the preceding quarters, focus has been on measures that will lead to efficiency enhancements of procurement and claims processing and elaboration of systems for screening claims reports with a view to reducing insurance fraud. By preparing and implementing these measures, we have created a foundation that makes Alm. Brand Group expect the synergies to contribute the anticipated accounting effect of DKK 450 million this year.

OUTLOOK FOR 2024

Alm. Brand Group lifts its guidance for pre-tax profit excluding special costs for 2024.

Alm. Brand Group still expects to realise an insurance service result of DKK 1.40-1.60 billion excluding run-off gains and losses for Q2-Q4 2024. The profit guidance includes synergies in a total amount of DKK 450 million. The expected increase relative to the result realised in 2023 is also driven by an expectedly lower level of weather-related claims and improved profitability in Personal Lines and retention of the positive momentum in Commercial Lines.

The expense ratio is expected to stay unchanged at about 17-17.5, and the combined ratio excluding run-offs is expected to be about 87-89 for Q2-Q4 2024.

Supported by the development in the investment result for Q1 2024, the guidance is lifted by DKK 100 million to about DKK 350 million based on the current estimated holding period return on the portfolio not allocated to hedging of provisions, with other activities expected to generate a loss of about DKK 125 million.

Alm. Brand Group thus lifts its guidance for consolidated profit excluding special costs to DKK 1.63-1.83 billion from previously DKK 1.53-1.73 billion.

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

MAJOR EVENTS

Board of Directors

Jørn Pedersen resigned from the Board of Directors of Alm. Brand A/S on 1 February 2024.

After the annual general meeting held on 18 April 2024, the Board of Directors of Alm. Brand A/S consists of three members (previously five members) who are also members of the Board of Directors of Alm. Brand af 1792 fmba as well as three independent members and three employee representatives.

Alm. Brand af 1792 fmba

Alm. Brand af 1792 fmba (“the Association”) has announced that up to 25% of all future dividends received from Alm. Brand A/S will be allocated to growth-promoting activities in Alm. Brand Group.

In addition, the Association will allocate up to 25% to philanthropic causes falling within the Association’s objects, which are to support the customers/members of Alm. Brand Group. At least 50% will be allocated to consolidation.

Merger

The planned legal merger of Alm. Brand Forsikring and Codan Forsikring was completed on 31 March 2024 with Alm. Brand Forsikring as the continuing company. The merger has created a more simple corporate structure for the group.

Rating

At the beginning of March, Fitch revised their rating principles for a certain type of bond issues, which caused the rating of Alm. Brand Group’s Restricted Tier 1 to be upgraded from BBB- to BBB.

INSURANCE SERVICE RESULT

Q1 PERFORMANCE

Alm. Brand Group reported an insurance service result of DKK 295 million in Q1 2024, against DKK 205 million in the year-earlier period, reflecting significant growth in insurance revenue, a generally declining claims experience and costs developing according to plan.

The combined ratio was 90.2, against 92.8 in Q1 2023, reflecting an improvement in the underlying claims experience, a lower-than-normal level of major claims, but higher weather-related claims expenses, and fewer run-off gains compared with last year.

Insurance revenue

Insurance revenue in Alm. Brand Group grew by 5.6% from DKK 2,853 million in Q1 2023 to DKK 3,012 million in Q1 2024. Growth was driven in particular by Personal Lines as a result of higher indexation, premium increases and strong organic growth attributable to an inflow of new customers and an increase in sales to existing customers.

Combined ratio

	Q1 2024 ¹	Q1 2023 ²	Change
Underlying claims ratio	61.0	64.0	-3.0
Expense ratio	19.1	20.0	-0.9
Combined ratio, underlying business	80.1	84.0	-3.9
Weather-related claims, net of reinsurance	4.2	2.2	2.0
Major claims, net of reinsurance	6.3	9.5	-3.2
Run-off result, claims	-0.4	-2.6	2.2
Change in risk margin	0.0	-0.3	0.3
Combined ratio	90.2	92.8	-2.6

1) Calculated taking into account income of DKK 10 million from the TSA.

2) Calculated taking into account income of DKK 23 million from the TSA.

Claims experience

The claims experience was 71.1, against 72.8 in Q1 2023, including an improvement of the claims ratio but also an increase in the reinsurance ratio. Costs for the group's reinsurance programme in 2024 were on a par with last year's programme costs.

Underlying business

The underlying claims ratio was 61.0 in Q1 2024, against 64.0 in the year-earlier period, for a significant improvement of 3.0 percentage points, driven by a strong momentum in Commercial Lines achieved through several profitability-enhancing initiatives, and an improved underlying claims ratio in Personal Lines despite the persistently high frequency of motor claims. The improvement was also favourably affected by sector-related non-recurring income. The underlying claims ratios of both Commercial Lines and Personal Lines were also favourably affected by the sustained realisation of synergies.

Weather-related claims

Adverse weather conditions continued into 2024, with the first month of the year being affected by snowstorms. In February, Denmark was hit by the windstorm Rolf, and the first quarter of the year generally saw a number of large precipitation events. All of this, combined with the already saturated soils across Denmark following the large amounts of precipitation in the autumn of 2023, once again triggered higher weather-related claims expenses. As a result, claims expenses net of reinsurance rose to DKK 127 million from a mere DKK 61 million in Q1 2023, or 4.2 percentage points against 2.2 percentage points in Q1 2023.

Major claims

Net of reinsurance, major claims expenses were quite a bit below the normal level at DKK 189 million in Q1 2024, against DKK 268 million in Q1 2023. Claims expenses for major claims thus affected the combined ratio by a mere 6.3 percentage points, against 9.5 percentage points in Q1 2023.

Run-off result

The run-off result on claims net of reinsurance amounted to a gain of DKK 11 million in Q1 2024, with run-off gains amounting to 0.4 of a percentage point in total.

The run-off result was thus lower than the level realised on average for the past few quarters, but still within the normal quarter-on-quarter fluctuations. The low run-off result was primarily due to loss on building insurance.

Costs

Insurance operating expenses totalled DKK 576 million, bringing the expense ratio to 19.1, against 20.0 in Q1 2023, which is in line with the planned trajectory. In line with expectations, costs in the first quarter of the year included seasonal costs, in particular commission expenses due to insurance policy payment patterns.

Discounting

The discounting effect on underlying claims was calculated to be 3.6% in Q1 2024, which is unchanged relative to Q1 2023.

PERSONAL LINES

Insurance revenue from Personal Lines rose to DKK 1,383 million in Q1 2024 from DKK 1,273 million in Q1 2023 for a highly satisfactory growth rate of 8.6%, reflecting higher indexations, premium increases and a higher inflow of new customers and an increase in sales to existing customers.

The insurance service result was DKK 77 million, against DKK 111 million in Q1 2023, causing the combined ratio to increase to 94.4 from 91.3 in Q1 2023. The result was driven by higher expenses for weather-related claims as a result of the snowstorm at the beginning of the year, the windstorm Rolf in February and generally large amounts of precipitation. The underlying claims ratio improved by 0.7 of a percentage point relative to the year-earlier period, declining to 66.9 from 67.6. The improvement was driven by targeted premium increases which are intended to stem the continued high frequency of motor claims.

The sum of claims expenses and the reinsurance result was an expense of DKK 995 million in total, corresponding to a claims ratio of 71.9, against 66.6 in Q1 2023, primarily driven by a combination of higher weather-related claims expenses, a higher frequency of motor claims and lower run-off gains relative to last year.

Net of reinsurance, weather-related claims expenses more than doubled relative to Q1 2023, amounting to DKK 71 million, corresponding to a 5.1 percentage point effect on the combined ratio.

However, expenses for major claims were at a modest level, amounting to a mere DKK 10 million net of reinsurance, equivalent to an effect of 0.7 of a percentage point on the combined ratio.

Insurance operating expenses amounted to DKK 311 million in Q1 2024, against DKK 315 million in Q1 2023, which improved the expense ratio by 2.2 percentage points to 22.5 from 24.7 in Q1 2023 due to sustained efficiencies.

The run-off result net of reinsurance amounted to a gain of DKK 14 million, or 1.0 percentage point against 4.8 percentage points in Q1 2023. The run-off result in Personal Lines was thus lower than the level realised on average for the past few quarters, but still within the normal quarter-on-quarter fluctuations.

Personal Lines

DKKm	Q1 2024 ¹	Q1 2023 ²	Change
Insurance revenue	1,383	1,273	110
Claims expenses	-966	-813	-153
Insurance operating expenses	-311	-315	4
Profit/loss on reinsurance	-29	-34	5
Insurance service result	77	111	-34
Run-off gains/losses, net of reinsurance	14	62	-48
Gross claims ratio	69.8	63.9	5.9
Net reinsurance ratio	2.1	2.7	-0.6
Claims experience	71.9	66.6	5.3
Gross expense ratio	22.5	24.7	-2.2
Combined ratio	94.4	91.3	3.1
Underlying claims ratio	66.9	67.6	-0.7
Combined ratio, underlying business	89.4	92.3	-2.9
Weather-related claims, net of reinsurance	5.1	2.4	2.7
Major claims, net of reinsurance	0.7	1.2	-0.5
Run-off gains/losses, net of reinsurance	-1.0	-4.8	3.8
Change in risk margin	0.2	0.2	0.0
Combined ratio	94.4	91.3	3.1

1) Gross claims expenses are stated less DKK 1 million and insurance operating expenses are stated less DKK 2 million from the TSA.

2) Gross claims expenses are stated less DKK 3 million and insurance operating expenses are stated less DKK 5 million from the TSA.

Financial ratios have been restated accordingly.

COMMERCIAL LINES

Insurance revenue grew by 3.1% from DKK 1,580 million in Q1 2023 to DKK 1,629 million in Q1 2024. The insurance service result in Commercial Lines was DKK 218 million, against DKK 94 million in Q1 2023, causing the combined ratio to improve to 86.6 from 94.1 in Q1 2023. The result reflects both a lower underlying claims ratio and a highly favourable major claims experience as compared with last year. The favourable developments continued to be supported by several profitability-enhancing initiatives, including claims-preventing initiatives and tighter underwriting requirements.

The favourable developments in Commercial Lines, including Energy, continued in the first quarter of the year. The Energy segment delivered yet another strong performance in Q1, in isolation reporting a combined ratio of 70.4, for yet another quarter with satisfactory profitability achieved through targeted portfolio composition and repricing efforts.

The sum of claims expenses and the reinsurance result was an expense of DKK 1,146 million in total, corresponding to a claims ratio of 70.3, against 77.9 in the year-earlier period.

The Q1 performance was driven by a highly favourable development in the underlying claims ratio and lower claims expenses for major claims. The underlying claims ratio declined by 5.2 percentage points to 55.8 in Q1 2024, from 61.0 in the year-earlier period. The favourable developments continued to be supported by several profitability-enhancing initiatives, but the first quarter of the year also saw sector-related non-recurring income, which had a positive effect on the underlying claims ratio.

The adverse weather conditions in Q1 2024 affected the claims experience in Commercial Lines in the same way as in Personal Lines – but on a slightly smaller scale. Expenses for weather-related claims net of reinsurance thus amounted to DKK 56 million and affected the combined ratio by 3.4 percentage points, against 2.0 percentage points in Q1 2023.

Net of reinsurance, expenses for major claims amounted to DKK 179 million in Q1 2024, against DKK 254 million in Q1 2023. Major claims affected the combined ratio by 11.0 percentage points in total, against 16.2 percentage points in Q1 2023, and expenses for major claims were thus quite a bit below the expected level.

Insurance operating expenses totalled DKK 265 million, against DKK 256 million in Q1 2023, bringing the expense ratio to 16.3, against 16.2 in Q1 2023.

Net of reinsurance, the run-off result was a loss of DKK 3 million in Q1 2024, which was lower than in the year-earlier period. The run-off result was affected by building-related claims, but the run-off loss was also due to a number of opposing fluctuations, each of which was within the fluctuation range considered to be normal for run-offs.

Commercial Lines

DKKm	Q1 2024 ¹	Q1 2023 ²	Change
Insurance revenue	1,629	1,580	49
Claims expenses	-981	-1,120	139
Insurance operating expenses	-265	-256	-9
Profit/loss on reinsurance	-165	-110	-55
Insurance service result	218	94	124
Run-off gains/losses, net of reinsurance	-3	11	-14
Gross claims ratio	60.2	70.9	-10.7
Net reinsurance ratio	10.1	7.0	3.1
Claims experience	70.3	77.9	-7.6
Gross expense ratio	16.3	16.2	0.1
Combined ratio	86.6	94.1	-7.5
Underlying claims ratio	55.8	61.0	-5.2
Combined ratio, underlying business	72.1	77.2	-5.1
Weather-related claims, net of reinsurance	3.4	2.0	1.4
Major claims, net of reinsurance	11.0	16.2	-5.2
Run-off gains/losses, net of reinsurance	0.2	-0.7	0.9
Change in risk margin	-0.1	-0.6	0.5
Combined ratio	86.6	94.1	-7.5

1) Gross claims expenses are stated less DKK 2 million and insurance operating expenses are stated less DKK 5 million from the TSA.

2) Gross claims expenses are stated less DKK 5 million and insurance operating expenses are stated less DKK 10 million from the TSA.

Financial ratios have been restated accordingly.

INVESTMENT RESULT

The investment result after interest on technical provisions and costs related to tier 2 capital and administrative expenses was a gain of DKK 167 million in Q1 2024, as compared with a gain of DKK 149 million in Q1 2023. Administrative expenses were DKK 7 million, and costs related to the group's tier 2 capital were DKK 20 million.

General market conditions had a favourable effect on several asset classes in the portfolio. Before costs etc., the return on the portfolio not allocated to hedging of provisions was DKK 131 million, supported in particular by positive returns on shares and bonds, which generally saw significant increases, but also by illiquid credit.

The return on the hedging portfolio totalled DKK 63 million before costs etc. Moreover, the return was within the expected range for fluctuations in the investment result which the hedging portfolio may cause from one quarter to the next relative to the return on and value adjustment of technical provisions.

Overall, the performance was highly satisfactory.

Total investment assets amounted to DKK 23.8 billion, against DKK 23.2 billion at 31 March 2023, distributed on Danish and international bonds, mortgage deeds and illiquid credit, shares 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 hedging interest rate risk on provisions is composed so as to match the fluctuations on provisions occurring in step with market changes in the underlying components of the yield curve.

Investment return

DKKm	Q1 2024			Q1 2023		
	Investment assets	Return		Investment assets	Return	
Bonds etc.	21,291	149	0.7%	20,775	218	1.0%
Illiquid credit including mortgage deeds	1,124	23	2.1%	1,468	18	1.0%
Shares	992	73	7.6%	541	33	6.1%
Properties	352	-3	-0.9%	372	-1	-0.2%
Total investment return	23,759	242	1.0%	23,156	268	1.2%
Interest, tier 2 capital		-20			-15	
Administrative expenses related to investment activities		-7			-9	
Return on and value adjustment of insurance contracts		-48			-95	
Net investment return		167			149	

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim report of Alm. Brand A/S for the period 1 January to 31 March 2024.

The consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU.

In addition, the condensed interim report has been prepared in accordance with additional Danish disclosure requirements for listed financial enterprises.

The management’s review has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the interim report gives a true and fair view of the group’s assets, liabilities and financial position at 31 March 2024 and of the group’s cash flows for the period 1 January to 31 March 2024.

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

Executive Management

Copenhagen, 2 May 2024

Rasmus Werner Nielsen
CEO

Anne Mette Toftegaard
Deputy CEO

Board of Directors

Copenhagen, 2 May 2024

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy Chairman

Anette Eberhard

Pia Laub

Tina Schmidt Madsen

Jais Stampe Li Valeur

Brian Egested

Claus Nexø Jensen

Lotte Kathrine Sørensen

Income statement

DKKm	Group		
	Q1 2024	Q1 2023	FY 2023
Insurance revenue	3,538	3,566	14,350
Insurance service expenses	-3,059	-3,240	-12,326
Reinsurance result	-194	-144	-688
Insurance service result	285	182	1,336
Interest income and dividends, ect.	272	47	281
Value adjustments	187	224	1,003
Interest expenses	-229	-22	-175
Other income	8	5	19
Administrative expenses related to investment activities	-36	-41	-161
Total investment return	202	213	967
Net finance income/expense from insurance contracts	-51	-93	-705
Net finance income/expense from reinsurance contracts	3	-1	22
Net investment return	154	119	284
Other income	46	76	227
Other expenses	-198	-231	-966
Profit/loss before tax	287	146	881
Tax	-85	-52	-269
Profit/loss after tax	202	94	612
Earnings per share, DKK	0.1	0.1	0.4
Diluted earnings per share, DKK	0.1	0.1	0.4

Statement of comprehensive income

DKKm	Group		
	Q1 2024	Q1 2023	FY 2023
Comprehensive income			
Profit for the period	202	94	612
<i>Items that are or may be reclassified to profit or loss</i>			
Foreign currency translation adjustments related to foreign entities	0	0	0
Total other comprehensive income	0	0	0
Comprehensive income	202	94	612
Proposed allocation of profit/loss:			
Proposed dividend	0	0	848
Additional Tier 1 capital holders	8	5	25
Share attributable to Alm. Brand	194	89	-261
Comprehensive income	202	94	612

Balance sheet

DKKm	Group		
	31 March 2024	31 March 2023	31 December 2023
Assets			
Intangible assets	10,259	10,648	10,339
Tangible assets	815	923	844
Investments in associates	135	135	135
Equities	270	740	253
Unit trust units	21,407	21,171	20,372
Bonds	733	715	703
Mortgage deeds	362	416	380
Other loans and advances	276	305	277
Deposits in credit institutions	661	46	291
Other	370	456	431
Other investments assets	24,079	23,849	22,707
Reinsurance deposits	0	0	0
Investments assets	24,079	23,849	22,707
Reinsurers' share of insurance contract provisions	444	528	470
Current tax assets	0	124	58
Other assets	928	835	728
Cash in hand and demand deposits	528	398	288
Total assets	37,188	37,440	35,569

Balance sheet

DKKm	Group		
	31 March 2024	31 March 2023	31 December 2023
Liabilities and equity			
Share capital	1,541	1,541	1,541
Contingency funds and other provisions etc.	1,092	1,092	1,092
Reserves, retained earnings, ect.	10,122	10,433	10,066
Proposed dividend	848	462	848
Consolidated shareholders' equity	13,603	13,528	13,547
Tier 1 capital	397	397	397
Total consolidated equity	14,000	13,925	13,944
Subordinated debt	1,294	1,294	1,294
Provisions for insurance contracts	18,574	18,433	17,064
Pension obligations ect.	15	12	15
Deferred tax liabilities	842	978	863
Other provisions	61	44	61
Provisions	918	1,034	939
Issued bonds	150	150	150
Payables to credit institutions and central banks	187	99	149
Current tax liabilities	14	0	0
Other payables	2,051	2,505	2,029
Payables	2,402	2,754	2,328
Total liabilities	37,188	37,440	35,569
Note 1	Own shares		
Note 2	Contractual obligation and leasing		
Note 3	Fair value measurement of financial instruments		
Note 4	Accounting policies		
Note 5	Financial highlights and key ratios		

Statement of changes in equity

DKKm	Share capital	Contingency funds	Other provisions etc.	Retained profit	Proposed dividend	Shareholders equity	Additional tier 1 capital	Consolidated equity
Consolidated equity, 1 January 2023	1,541	1,092	0	10,353	462	13,448	397	13,845
Changes in equity Q1 2023:								
Profit/loss for the period				89		89	5	94
Comprehensive income	0	0	0	89	0	89	5	94
Interest paid on Tier 1 capital				0		0	-5	-5
Purchase and sale of treasury shares				-9		-9		-9
Changes in equity	0	0	0	80	0	80	0	80
Consolidated equity, 31 March 2023	1,541	1,092	0	10,433	462	13,528	397	13,925
Consolidated equity, 1 January 2023	1,541	1,092	0	10,353	462	13,448	397	13,845
Changes in equity 2023:								
Profit/loss for the year				587	0	587	25	612
Foreign currency translation adjustments related to foreign entities			0	0		0		0
Comprehensive income	0	0	0	587	0	587	25	612
Interest paid on Tier 1 capital							-25	-25
Proposed dividend				-848	848	0		0
Dividend distributed				0	-462	-462		-462
Purchase and sale of treasury shares				-26		-26		-26
Changes in equity	0	0	0	-287	386	99	0	99
Consolidated equity, 31 December 2023	1,541	1,092	0	10,066	848	13,547	397	13,944
Consolidated equity, 1 January 2024	1,541	1,092	0	10,066	848	13,547	397	13,944
Changes in equity Q1 2024:								
Profit/loss for the period				194		194	8	202
Comprehensive income	0	0	0	194	0	194	8	202
Interest paid on Tier 1 capital				0		0	-8	-8
Purchase and sale of treasury shares				-138		-138		-138
Changes in equity	0	0	0	56	0	56	0	56
Consolidated equity, 31 March 2024	1,541	1,092	0	10,122	848	13,603	397	14,000

Cash flow statement

DKKm				Group		
	Q1 2024	Q1 2023	FY 2023	Q1 2024	Q1 2023	FY 2023
Cash flows from operating activities						
Insurance revenue	4,553	5,274	11,806			
Insurance service expenses	-2,630	-3,275	-10,361			
Payments concerning reinsurance	-169	-218	-703			
Cash flows from insurance activities	1,753	1,781	742			
Interest receivable, dividends, etc.	218	3	224			
Interest expenses	-230	-21	-175			
Other income and expenses	-63	-61	-381			
Taxes paid/received	-34	-35	-301			
Cash flows from operating activities	1,645	1,667	109			
Change in investment placement (net)						
Acquisition of intangible assets, furniture, equipment, etc.	-37	0	0			
Sale/aquisition of equity investments	-856	-1,515	431			
Sale/repayment of mortgage deeds and loans	22	21	64			
Sale/aquisition of bonds	-53	-137	-31			
Change in investment placement	-924	-1,631	464			
				Change in financing		
				Change in Tier capital	-8	-5
				Sale/purchase of treasury shares	-138	-9
				Dividend distributed	0	0
				Change in payables to credit institutions	38	-44
				Change in other liabilities	-4	-23
				Change in financing	-112	-81
				Net change in cash and cash equivalents	609	-45
				Cash and cash equivalents, beginning of period	580	489
				Cash and cash equivalents, end of period	1,189	444

*) The amount of DKK 112 million consists only of cash inflows og outflows.

Segment reporting

	Q1 2024							
DKKm	Personal	Commercial	Non-life	Other	Elimi- nation	Group before adjustments	IFRS 3 adjustments	Group
Insurance revenue	1,383	1,629	3,012	0	0	3,012	526	3,538
Claims paid	-967	-983	-1,950	0	0	-1,950	-526	-2,476
Net operating expenses	-313	-270	-583	0	0	-583	0	-583
Insurance service expenses	-1,280	-1,253	-2,533	0	0	-2,533	-526	-3,059
Reinsurance result	-29	-165	-194	0	0	-194	0	-194
Insurance service result	74	211	285	0	0	285	0	285
Interest income and dividends, ect.			263	29	-20	272	0	272
Value adjustments			187	0	0	187	0	187
Interest expenses			-228	-21	20	-229	0	-229
Other income			0	8	0	8	0	8
Administrative expenses related to investment activities			-7	-29	0	-36	0	-36
Total investment return			215	-13	0	202	0	202
Net finance income/expense from insurance contracts			-51	0	0	-51	0	-51
Net finance income/expense from reinsurance contracts			3	0	0	3	0	3
Net investment return			167	-13	0	154	0	154
Other income			46	0	0	46	0	46
Other expenses			-109	-89	0	-198	0	-198
Profit/loss before tax			389	-102	0	287	0	287
Tax			-105	20	0	-85	0	-85
Profit/loss after tax			284	-82	0	202	0	202

Segment reporting

	Q1 2023							
DKKm	Personal	Commercial	Non-life	Other	Elimi- nation	Group before adjustments	IFRS 3 adjustments	Group
Insurance revenue	1,273	1,580	2,853	0	0	2,853	713	3,566
Claims paid	-816	-1,126	-1,942	0	0	-1,942	-713	-2,655
Net operating expenses	-320	-265	-585	0	0	-585	0	-585
Insurance service expenses	-1,136	-1,391	-2,527	0	0	-2,527	-713	-3,240
Reinsurance result	-34	-110	-144	0	0	-144	0	-144
Insurance service result	103	79	182	0	0	182	0	182
Interest income and dividends, ect.			44	18	-15	47	0	47
Value adjustments			230	-6	0	224	0	224
Interest expenses			-22	-15	15	-22	0	-22
Other income			0	5	0	5	0	5
Administrative expenses related to investment activities			-11	-30	0	-41	0	-41
Total investment return			241	-28	0	213	0	213
Net finance income/expense from insurance contracts			-93	0	0	-93	0	-93
Net finance income/expense from reinsurance contracts			-1	0	0	-1		-1
Net investment return			147	-28	0	119	0	119
Other income			76	0	0	76	0	76
Other expenses			-141	-90	0	-231	0	-231
Profit/loss before tax			264	-118	0	146	0	146
Tax			-76	24	0	-52	0	-52
Profit/loss after tax			188	-94	0	94	0	94

Notes

DKKm	Group		
	31 March 2024	31 March 2023	FY 2023
Note 1 Treasury shares			
Nominal value, beginning of year	2	0	0
Acquired during the year	12	1	6
Sold during the year	-1	0	-4
Nominal value, end of year	13	1	2
Holding number of shares ('000), beginning of period	2,038	117	117
Additions, number of shares	11,669	1,175	5,689
Disposals, number of shares	-873	-500	-3,768
Holding number of shares ('000), end of year	12,834	792	2,038
Percentage of share capital, end of year	0.8%	0.1%	0.1%
Note 2 Contractual obligation and leasing			
Contractual obligation	1,603	719	1,581

The Alm. Brand Group is contractually obliged to pay rent of DKK 331 million over the next five years. The obligation is recognised in Other liabilities as a lease obligation.

The companies of the group have undertaken to participate in investing in unlisted securities at an amount of DKK 992 million.

Notes

DKKm	31 March 2024				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Note 3 Fair value measurement of financial instruments								
<u>Financial assets</u>								
Loans and advances	0	0	638	638	0	0	657	657
Bonds	30	703	0	733	0	703	0	703
Shares and unit trust units	20,447	0	1,230	21,677	19,415	0	1,210	20,625
Other assets	0	1,209	0	1,209	0	840	0	840
Total financial assets	20,477	1,912	1,868	24,257	19,415	1,543	1,867	22,825
<u>Financial liabilities</u>								
Subordinated debt	0	0	1,691	1,691	0	0	1,691	1,691
Issued bonds	0	0	150	150	0	0	150	150
Other payables	0	703	0	703	0	723	0	723
Total financial liabilities	0	703	1,841	2,544	0	723	1,841	2,564

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.

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 2023 or 2024.

Notes

DKKm	31 March 2024			
	Loans and advances	Shares and unit trust units	Issued bonds (liability)	Subordinated debt (liability)
Development in level 3 financial instruments				
Carrying amount, beginning of period	657	1,210	150	1,691
Additions during the year	3	26	0	0
Disposals during the year	-16	-2	0	0
Realised value adjustments	1	0	0	0
Unrealised value adjustments	-7	-4	0	0
Carrying amount, end of period	638	1,230	150	1,691
Value adjustments recognised in the income statement	-6	-4	0	0
DKKm	31 December 2023			
	Loans and advances	Shares and unit trust units	Issued bonds (liability)	Subordinated debt (liability)
Development in level 3 financial instruments				
Carrying amount, beginning of year	744	1,187	150	1,691
Additions during the year	7	139	0	0
Additions during the year relating to acquisition of subsidiary	0	0	0	0
Disposals during the year	-123	-57	0	0
Realised value adjustments	1	-2	0	0
Unrealised value adjustments	28	-57	0	0
Carrying amount, year-end	657	1,210	150	1,691
Value adjustments recognised in the income statement	29	-59	0	0

Notes

NOTE 4 ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and with the requirements of the Danish Financial Business Act and NASDAQ Copenhagen A/S for interim reports of listed financial enterprises. The application of IAS 34 means that the scope of the report is limited relative to the presentation of a full annual report.

The accounting policies are unchanged from the policies applied in Annual Report 2023, to which reference is made.

NOTE 5 FINANCIAL HIGHLIGHTS AND KEY RATIOS

See the management’s review.

Definitions of financial ratios and Alternative Performance Measures (APM)

Alm. Brand's management believes that the use of financial highlight and key ratios in the management's review in respect of each business area provides the reader with a good basis for comparing results over time. The financial highlights and key ratios have been prepared on the basis of the statutory requirements for content and are supplemented by individual pieces of relevant information. The information provided in the financial highlights and key ratios contain data regularly provided to management. In the review, income from the TSA is included in the insurance service result of Non-life Insurance. In the financial statements, such income is included under 'Other income'.

Run-off gains/losses, net of reinsurance

The run-off result net of reinsurance reflects the gains and/or losses relating to prior-year technical provisions which affect the result for the current year.

Insurance revenue

Insurance revenue is calculated as gross premiums adjusted for changes in premium provisions.

Gross claims ratio

$$\frac{\text{Gross claims expenses} \times 100}{\text{Insurance revenue}}$$

Gross expense ratio

$$\frac{\text{Insurance operating expenses} \times 100}{\text{Insurance revenue}}$$

Price/NAV

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

Combined ratio

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

Return on equity after tax*

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

Return on equity before tax*

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

Net asset value per share**

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

Net reinsurance ratio

$$\frac{\text{Profit/loss on reinsurance} \times 100}{\text{Insurance revenue}}$$

Earnings per share**

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

Claims ratio

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

Dividend per share

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

Payout ratio

The payout ratio is calculated as proposed dividend as a percentage of the profit after tax adjusted for integration costs, amortisation of intangible assets and other special circumstances, if relevant.

RoTe (Return on Tangible Equity)

Profit after tax adjusted for amortisation and impairment of intangible assets as a percentage of consolidated equity excluding Tier 1 capital and intangible assets.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Underlying combined ratio

This ratio is calculated as the combined ratio less factors which may vary considerably from year to year (major claims net of reinsurance, weather-related claims net of reinsurance and run-off result on claims net of reinsurance). Accordingly, the underlying combined ratio reflects the trend in small claims, costs and reinsurance ceded.

Underlying claims ratio

Underlying combined ratio less expense ratio

Major claims, net of reinsurance

$$\frac{\text{Major claims, net of reinsurance}}{\text{Insurance revenue}}$$

Weather-related claims, net of reinsurance

$$\frac{\text{Weather-related claims, net of reinsurance}}{\text{Insurance revenue}}$$

Change in risk margin

$$\frac{\text{Change in risk margin}}{\text{Insurance revenue}}$$

*) In the calculation of return on equity, consideration is made for capital increases in the year and any other equity entries to the effect that such changes are included on a pro rata basis. In addition, adjustments are made for special costs.

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

Company information

Board of Directors

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy Chairman

Anette Eberhard

Pia Laub

Tina Schmidt Madsen

Jais Stampe Li Valeur

Brian Egested
Employee representative

Claus Nexø Jensen
Employee representative

Lotte Kathrine Sørensen
Employee representative

Executive Management

Rasmus Werner Nielsen
CEO

Anne Mette Toftegaard
Deputy CEO

Auditors

EY
Godkendt Revisionspartnerselskab

Internal auditor

Morten Bendtsen
Group Chief Auditor

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