

## Key Figures and Key Ratios

DKK million	2 <sup>nd</sup> quarter 2003	2 <sup>nd</sup> quarter 2002	6 months 2003	6 months 2002	Year 2002
<b>KEY FIGURES</b>					
<b>Income</b>					
Non-Life Insurance	985	915	1.931	1.793	3.668
Banking	179	166	364	337	730
Life Insurance	144	155	299	333	696
Copenhagen Re	-6	160	22	466	725
Investments	238	251	502	486	981
<b>Total Income</b>	<b>1.540</b>	<b>1.647</b>	<b>3.118</b>	<b>3.415</b>	<b>6.800</b>
<b>Profit/loss</b>					
Underwriting result from non-life insurance	43	18	67	-3	-61
Profit/loss for banking	29	21	55	65	101
Underwriting result from life insurance	-20	0	-17	1	-18
Underwriting result from Copenhagen Re	-23	-116	-15	-183	-167
<b>Profit/loss for insurance and banking</b>	<b>29</b>	<b>-77</b>	<b>90</b>	<b>-120</b>	<b>-145</b>
Profit/loss on investments after allocation of interest	72	10	48	-6	213
Other ordinary items	6	179	40	208	76
<b>Profit/loss before tax</b>	<b>107</b>	<b>112</b>	<b>178</b>	<b>82</b>	<b>144</b>
Tax	-5	-2	-11	-2	-2
<b>Profit/loss after tax</b>	<b>102</b>	<b>110</b>	<b>167</b>	<b>80</b>	<b>142</b>
Minority interests' share of profit/loss for the period	-1	-2	-3	-3	-6
<b>Profit/loss for the period</b>	<b>101</b>	<b>108</b>	<b>164</b>	<b>77</b>	<b>136</b>
Profit/loss on business in run-off, net of reinsurance	-28	13	-41	-13	24
Technical provisions, net of reinsurance	17.870	18.277	17.870	18.277	17.515
Shareholders' equity	2.978	2.734	2.978	2.734	2.786
Minority interests	102	93	102	93	99
Total assets excl. banking	22.979	23.476	22.979	23.476	22.770
Assets banking	12.457	11.700	12.457	11.700	13.195
<b>KEY RATIOS</b>					
Return on equity before tax p.a.	15%	16%	12%	6%	5%
Return on equity after tax p.a.	14%	16%	11%	6%	5%
Earnings per share, DKK p.a.	18	19	15	7	6
Net assets value per share, DKK	133	122	133	122	125
Share price end of year	111	84	111	84	70
Share price/Net asset value	0,83	0,69	0,83	0,69	0,56

## Alm. Brand A/S

Alm. Brand A/S is a Danish financial services group consisting of a listed holding company and a number of subsidiaries operating within non-life insurance, banking and life and pension insurance. In addition, the group operates an investment business as part of its ordinary operations. The Group also comprises a reinsurance company, which is in the process of being wound up.

The Group has some 1,600 employees, of whom about half are employed at the head office in Copenhagen, while the rest are based in offices and insurance shops throughout Denmark.

### Financial results

The Alm. Brand A/S Group posted a pre-tax profit of DKK 178 million and a net profit of DKK 167 million for the first half of 2003, as compared with DKK 82 million before tax and DKK 80 million after tax in the year-earlier period.

Consolidated first-half income was DKK 3.1 billion, compared with DKK 3.4 billion in the first half of 2002. The drop in income was mainly due to the Group's reinsurance company being shut down.

Total management expenses were DKK 414 million, compared with DKK 493 million in H1 2002.

Good weather conditions had a favourable impact on the performance of the Group's non-life business, while an above average number of major claims had a negative impact. The claims ratio net of reinsurance for the period was 73, against 79 in the same period of last year. The claims ratio was better than expected.

Premium income was in line with expectations. New business written improved, while cessation was as expected. In order to balance premium income and claims expenses in all business segments, the Group has thoroughly trimmed the customer portfolio. This has had a negative impact on cessation and a positive effect on the claims ratio.

The Group's cost level remains relatively high, partly due to the implementation of the Group's new non-life system and the resulting restructuring, training activities and development costs. This brought the non-life expense ratio net of reinsurance to 27 for the first half, equal to the figure for the first half of 2002. The initiatives launched are already yielding positive results, and we expect to meet the target of an expense ratio below 25 by 2006.

The combined ratio net of reinsurance was 100, against 106 in H1 2002. The gross combined ratio

was 95 in H1 2003, against 100 in the year-earlier period.

The Group's banking business contributed favourably to the performance, as net interest and fee income improved by 18% relative to H1 2002 to DKK 225 million. Contributing to the improvement were two major deposit campaigns, the acquisition of a car finance portfolio from GE Capital Bank and increased activity in the Group's stock-broking arm.

On the other hand, the profit was affected by an increase in the bank's costs from DKK 152 million in H1 2002 to DKK 181 million in H1 2003. The rise in costs was partly due to the costs of relocating all head office functions to Midtermolen in Copenhagen.

Finally, the write-off and provisioning ratio rose by 0.1 percentage point, equal to DKK 8 million.

The Group's life and pension business contributed to consolidated profits based on favourable expense and risk results, while provisioning trends and the investment performance prevented us from maximising profits.

The H1 2003 investment return for the Alm. Brand A/S Group was DKK 700 million, as compared with DKK 112 million in the corresponding period of 2002. Most of the Group's investments are placed in interest-bearing assets. Accordingly, a change in the level of interest rates would have a large impact on the full-year 2003 investment return.

The Group's profit before tax of DKK 178 million equals a return on equity before tax of 12% per annum, against 6% per annum in H1 2002. This brings earnings per share to DKK 15 and the net asset value per share to DKK 133.

Shareholders' equity was DKK 3.0 billion at 30 June 2003, against DKK 2.7 billion a year earlier. Shareholders' equity increased because the Group sold own shares during the period. The shares were carried in the accounts at DKK 0, and the proceeds of DKK 25 million were added to the Group's shareholders' equity.

### Major events

#### *Organisational change*

In the first half of 2003, the Group restructured the organisation in order to achieve greater efficiency in customer service and distribution. As part of the programme, some 120 jobs will be eliminated by 2006 and 20 new positions will be created to strengthen sales and service.

The organisational change is consistent with the announced strategy to bring customer service more into focus and enhance efficiency. The implementation of the Group's new non-life system currently ongoing is consistent with this strategy, and as a result, a number of sales, service and management routines are being changed. In order to achieve economies of scale, management functions will be concentrated at fewer offices, and in that connection the Group's other brand – Provinsforsikring – will be integrated into Alm. Brand. This will lead to a few independent insurance shops and shops owned by Alm. Brand being closed down, and a number of Alm. Brand's own insurance shops being converted to independent shops. Overall, Alm. Brand will have representation in more Danish cities following the restructuring.

Once these initiatives have been fully implemented, including the conversion to the new non-life system, the Group expects to achieve annual cost savings totalling DKK 100 million in 2006. In addition, the customer sales and service functions will have been strengthened considerably.

*Improved agreement with EDC estate agents*  
Since 1996, the Alm. Brand Group has collaborated with the EDC Mæglerne chain of estate agents on the sale of the Group's products. In the spring of 2003, Alm. Brand and EDC Mæglerne signed a new and improved partnership agreement involving both banking and insurance products. The new agreement strengthens the Group's distribution power and increases the focus on developing new shared solutions and business opportunities.

#### *Alm. Brand Formue A/S*

In August 2003, the Group launched its new investment company, Alm. Brand Formue A/S, which is expected to be listed on the Copenhagen Stock Exchange in the autumn of 2003. The company's investment strategy is to buy bonds and shares for own funds and borrowed funds. The Group has a controlling interest in the company and will have a major shareholding following the listing.

#### *Sponsorships*

Alm. Brand is the main sponsor of AGF, which plays in the best Danish football league, and was a sponsor of the CSC cycling team during the Tour de France and the Tour of Denmark cycling competitions. The Group's sponsorships provided considerable mention in the media and attracted a lot of attention to Alm. Brand.

#### **Outlook**

For the full year 2003, the Group expects profit of DKK 280 million before tax and of DKK 260 million after tax, which is equal to an upgrade from previous forecasts of approximately DKK 30 million.

Total income is expected to be in the region of DKK 6.3 billion.

## Non-life insurance

Alm. Brand's non-life insurance business area includes all insurance products within the lines of property, liability, personal accident, animal and travel insurance. The business targets customers throughout the Danish market. Core activities are in the private, agricultural and large parts of the commercial insurance segments.

### Financial results

The Group's non-life business generated a H1 2003 pre-tax profit of DKK 138 million, including a DKK 13 million contribution from the health and personal accident business, and a net profit of DKK 128 million. The H1 2002 figure was a loss of DKK 2 million, both before and after tax.

The performance equals a return on equity before tax of 24%, which is very satisfactory.

#### *Premiums*

Gross premiums rose by DKK 101 million, or 6%, to DKK 1,924 million from DKK 1,823 million in H1 2002. Premium growth was caused mainly by index regulations and announced premium increases.

The premium income performance shows that Alm. Brand pursues a strategy focusing on profitable growth. Accordingly, the Group is continuing the efforts to build a healthy portfolio that reasonably balances premium income and claims expenses. Aiming to achieve the desired balance, the Group has over a period of time optimised its acceptance rules and trimmed the customer portfolio.

In the first half of 2003, Alm. Brand terminated its agreements with a number of insurance agents affiliated with Alm. Brand Provinsforsikring A/S.

#### *Claims experience*

The claims ratio net of reinsurance was 73 in H1 2003, as against 79 in the same period of 2002. The claims experience was satisfactory. The gross claims ratio was 70, against 74 in the year-earlier period.

The first half of 2003 was characterised by a relatively small number of weather-related events. However, the results were affected by a number of motor claims and frost damage to buildings in January and by two medium-sized weather events with large amounts of precipitation in June.

The favourable weather experience in the first half of 2003 led to fewer losses from weather-related claims relative to last year, which was severely affected by windstorms, severe wet days and lightning strikes.

On the other hand, the claims ratio was adversely affected by the higher frequency of major claims relative to H1 2002, which has caused the Group to incur losses of DKK 10-15 million above those of a normal six-month period.

The notices of premium increases and the portfolio trimmings led to the expected improvement of the claims experience.

Overall, the Group's claims experience was better than had been expected.

#### *Costs*

The expense ratio net of reinsurance was 27 in both H1 2003 and H1 2002.

Reducing the cost level remains a high-priority area for the Alm. Brand Group. Initiatives have been launched in several areas to help reduce the expense ratio to less than 25, which is the Group's target for 2006. Given the initiatives launched, the expense target is expected to be met.

#### *Combined ratio*

The H1 2003 performance led to a combined ratio net of reinsurance of 100, against 106 for the same period of 2002. The gross combined ratio was 95, against 100 in H1 2002.

#### *Reinsurance*

The Group elected to increase the retention rate in all lines when renewing the reinsurance programme for 2003. For this and other reasons, the Group achieved savings on the 2003 programme relative to 2002.

#### *Investment return*

Contributing to the investment return of DKK 71 million were capital gains of DKK 35 million. The vast majority of the financial assets were placed in short-duration bonds.

## Major events

#### *New non-life insurance system*

The implementation of the Group's new non-life system to replace our seven existing systems is progressing as planned. The system will enable us to make business processes more efficient, improve customer service and make product development less complicated. All private insurance products are expected to be implemented in the new system by the beginning of 2004.

#### *Structural changes*

The Alm. Brand Group restructured the organisation in the spring of 2003 in order to optimise the benefits of the new insurance system and improve both general services and customer service.

Under the new structure, policy and claims handling will take place by region, while customer service and sales will still be handled locally by insurance agents, independent insurance shops and Alm. Brand insurance shops. In addition, Alm. Brand Provinsforsikring will be fully integrated into the Alm. Brand Group.

### **Outlook**

The non-life claims experience was better than expected in the first half, partly due to the portfolio trimmings and favourable weather conditions. On the other hand, a significant proportion of the unrealised capital gains recorded in the first half have been eliminated after 30 June 2003 as a result of rising interest rates.

As a consequence, the Group upgrades the pre-tax profit forecast of the non-life business from around DKK 150 million to DKK 180 million.

## Banking

Alm. Brand Bank A/S ranks among the ten largest banks in Denmark. The bank focuses on providing savings, consultancy and financing solutions to selected segments. As part of this goal, the bank offers a wide range of services in car and property finance as well as financial solutions to agriculture, asset management as well as currency and securities trading.

### Financial results

The Alm. Brand Bank Group posted a pre-tax profit of DKK 55 million for the first half of 2003, as compared with DKK 65 million in the first half of 2002. The financial results included a DKK 21 million capital gain on the holding of Alm. Brand A/S shares as well as the negative effects of market value adjustments of fixed-rate debt instruments.

The H1 2003 performance equals a return on average equity of 14% per annum before tax, which was in line with expectations.

#### *Net interest and fee income*

Net interest and fee income rose by 18% relative to H1 2002 to DKK 225 million. The increase was mainly driven by lending growth and continued growth in the securities business, which generated greater income from fees and commissions.

In the second quarter of 2003, net interest and fee income was affected by the persistently low level of interest rates and by unusually low car sales.

#### *Costs*

The banking group incurred costs of DKK 181 million for the period, which was in line with expectations. Relative to the H1 2002 figure of DKK 152 million, costs were affected by the increased level of activity, higher rent charges and moving costs due to the relocation of all Alm. Brand Group head office functions to Midtermolen in Copenhagen.

#### *Provisions for bad and doubtful debts*

Total provisions for bad and doubtful debts charged to the profit and loss account were DKK 23 million for H1 2003, an increase of DKK 8 million over the same period last year.

Provisions for bad and doubtful debts charged to the profit and loss account amounted to 0.5% of total loans, advances and guarantees, against 0.4% in H1 2002.

### Balance sheet items

#### *Loans and advances*

The banking group had loans and advances of DKK 8.0 billion at 30 June 2003, which was DKK 0.7 billion higher than at 30 June 2002. The main

reason for the considerable improvement is the large car finance portfolio the banking group acquired from GE Capital Bank in the second half of 2002.

The growth in loans and advances derived from both retail and wholesale banking and from a decline in car loans.

The portfolio acquired from GE Capital Bank is in run-off and will therefore diminish over time. There has been substantial runoff in the banking group's other car portfolios due to the large volume of car loans granted in prior years which are now expiring or being repaid and to recent years' plunge in new car sales.

#### *Deposits*

Banking group deposits stood at DKK 9.2 billion at 30 June 2003, a DKK 1.3 billion increase from a year earlier. The improvement was mainly attributable to the positive contributions from two deposit campaigns and the greater activity in the professional liquidity markets. Deposits grew by more than DKK 500 million in Q2 2003, or by 6%.

#### *Other activities*

The bank issues commercial paper on an ongoing basis. At 30 June 2003, it had issued CP for a total of DKK 81 million.

Alm. Brand Bank had a total capital base of DKK 1.1 billion and a solvency ratio of 12.9 at 30 June 2003.

### Major events

#### *Alm. Brand Formue A/S*

In August 2003, Alm. Brand Bank launched a new investment company, Alm. Brand Formue A/S, which is expected to be listed on the Copenhagen Stock Exchange in the autumn of 2003. The company's investment strategy is to buy bonds and shares for own funds and borrowed funds. The objective is to generate an average annual return of 10% before tax.

Alm. Brand Bank has a controlling interest in the company and will have a major shareholding following the listing.

### Outlook

The banking group retains its forecast of a pre-tax profit for 2003 in the region of DKK 85 million, excluding any adjustments to the value of Alm. Brand Bank's holding of shares in Alm. Brand A/S.

## Life insurance

The Alm. Brand Group's life insurance business consists of life insurance, pension saving, pension insurance and health and personal accident insurance and is handled by the Alm. Brand Liv og Pension A/S insurance company.

Together with Alm. Brand Bank's pension saving activities, the life insurance business makes up the Life & Pension business unit. However, the financial results from the banking activities, including from Alm. Brand Link, are included in the bank's financial statements.

### Financial results

The pre-tax profit for H1 2003 was DKK 17 million, against a loss of DKK 3 million for the same period of last year. The figure does not include DKK 13 million in profit from the health and personal accident business, which for legislative reasons is included in the non-life results.

The performance is equivalent to a return on equity of 4.0% per annum before tax.

A risk premium of DKK 24 million earned in respect of the first half of 2003 is treated as a receivable for shareholders' equity. The risk premium will be recognised at 31 December 2003 if consistent with the full-year performance.

At 19 May 2003, the assets included in shareholders' equity were placed in a separate account. Investment income from this account will accrue to shareholders' equity as from this date, if consistent with the full-year results. Investment income from before 19 May 2003 is subject to the rules applying previously.

The distinction between assets under shareholders' equity and other assets facilitates a differentiated investment policy which considers policyholders and shareholders' equity in the best way possible. At 30 June 2003, assets under shareholders' equity were placed in low-duration interest-bearing assets, while policyholders' interest-bearing assets have a duration similar to that of the pension obligations.

The overall investment return for the first half of 2003 fell short of the amount needed to distribute the full return to shareholders' equity. The return deficit will be recognised in the shadow account along with the risk premium receivable.

### Premiums

Gross premiums were DKK 299 million for the first half, against DKK 308 million for H1 2002. The premiums for 2002 do not include the formal change of the quota distribution in Forenede Gruppeliv, which will make gross premiums for 2003 look relatively worse in a comparison with

2002. Single premiums were higher in H1 2003 than in H1 2002.

The gross premiums for H1 2003 were in line with expectations.

### Benefits paid

Benefits paid in H1 2003 amounted to DKK 297 million, against DKK 382 million in H1 2002. The decline in benefits paid in 2003 was due both to the change in the quota distribution in Forenede Gruppeliv and to the lower level of benefits resulting from fewer policies surrendered. Benefits paid in H1 2003 were in line with expectations.

### Costs

Acquisition and management expenses totalled DKK 37 million in the first half, against DKK 34 million for the same period of last year.

At the present time, total expenses for 2003 to date are lower than expected.

### Investment return

The H1 2003 return on investment assets before tax on pension investment returns was DKK 495 million, equal to a return of 4.6% for the six-month period, or 9.2% per annum, which is satisfactory. In H1 2002, the return on investment assets was negative at DKK 78 million.

The asset composition was largely unchanged from 31 December 2002. In the first half of 2003, 85% of assets were placed in interest-bearing assets, 13% were in real property and 2% were in equities.

To reduce the exposure to changes in the level of interest rates, the investment assets have a duration that largely corresponds with the duration of the liabilities.

A significant proportion of the interest-bearing assets are placed in mortgage bonds, and part of the call risk on these bonds has been hedged through options. The life group has not hedged interest rate risk by way of financial instruments such as CMS floors, swaptions or similar instruments.

### Balance sheet items

The collective bonus potential stood at DKK 0 million at 30 June 2003.

The life group's shareholders' equity amounted to DKK 843 million, equivalent to equity reserves of 6.1%, at 30 June 2003. The solvency ratio was 233.

The shadow account stood at DKK 114 million at 30 June 2003.

The life group remained in the Danish Financial Supervisory Authority's green scenario at 30 June 2003.

### **Major events**

#### *DANA*

In June 2003, Alm. Brand Liv og Pension A/S signed an agreement to offer individualised pension schemes to the more than 40,000 members of the DANA unemployment insurance fund for self-employed persons.

The company expects to attract several new pension customers through the new agreement. There will only be a limited effect in 2003, however, as the company will not begin to write new business until the end of the third quarter of 2003.

#### **Outlook for 2003**

A pre-tax profit of around DKK 40 million is still expected for the full year 2003. However, the performance will rely strongly on how interest rates and the markets for the life group's other assets, mainly property, develop.

## Other business activities

### Copenhagen Re

Developments in Copenhagen Re, which is in runoff, were in line with expectations. The investment return largely offset a minor underwriting loss and management expenses.

The company reported a pre-tax profit of DKK 5 million for the first half of 2003.

Technical provisions amounted to DKK 2.8 billion at 30 June 2003, against DKK 3.6 billion at 31 December 2002.

As Alm. Brand A/S will not be providing any more capital to Copenhagen Re, the risk to Alm. Brand A/S is limited to the potential loss of the carrying value of the investment in Copenhagen Re. Copenhagen Re's shareholders' equity amounted to DKK 109 million at 30 June 2003, which amount equalled Alm. Brand A/S' carrying value on the investment.

Copenhagen Re continues to expect a break-even performance in 2003.

### Other activities

Other activities of the Group, consisting of the former Gefion, corporate and other expenses, etc., contributed a pre-tax loss of DKK 37 million.

The Group's debtor activities generated positive, satisfactory results.

The elimination of Alm. Brand Bank's capital gain on Alm. Brand A/S shares had a negative impact on other business activities in the amount of DKK 21 million. During the second quarter, Alm. Brand Bank sold most of its shares in Alm. Brand A/S to buyers outside the Group, which had a positive effect on Alm. Brand A/S' shareholders' equity. In addition, Alm. Brand Bank sold 430,000 shares to Alm. Brand A/S. At 30 June 2003, Alm. Brand A/S held own shares at a market value of DKK 48 million. The holding of own shares was carried at DKK 0 in the first-half accounts.

### Outlook

Other business activities are expected to incur an overall loss of about DKK 25 million for the full year 2003, exclusive of the elimination of market value adjustments on Alm. Brand A/S shares.

## Accounting policies

The accounting policies are consistent with those applied in the 2002 annual report with the following exceptions:

Copenhagen Re has been consolidated in the financial statements of Alm. Brand A/S. This was not the case in the financial statements for the year ended 31 December 2002 and the comparative figures have been restated accordingly.

The financial statements for the first half of 2003 are unaudited.

## Financial calendar

- **28 August 2003 : Release of interim report for the first half of 2003**
- **12 November 2003 : Release of interim report for Q3 2003**
- **The annual report for the financial year ending 31 December 2003 is expected to be released at the end of February 2004.**

## Non-Life Insurance

### Excl. Copenhagen Re

DKK million	2 <sup>nd</sup> quarter 2003	2 <sup>nd</sup> quarter 2002	6 months 2003	6 months 2002	Year 2002
<b>Gross premiums</b>	<b>978</b>	<b>936</b>	<b>1,924</b>	<b>1,823</b>	<b>3,668</b>
Premiums, net of reinsurance	910	845	1,801	1,657	3,390
Technical interest, net of reinsurance	28	48	62	100	174
Claims incurred, net of reinsurance	-658	-652	-1,307	-1,298	-2,692
Changes in other technical provisions, net of reinsurance	-1	6	-2	-3	-5
Bonus payments and premium discounts	0	-1	-1	-1	-2
Underwriting management expenses, net of reinsurance	-236	-228	-483	-458	-927
Change in equalisation provisions	0	0	-3	0	1
<b>Underwriting profit/loss</b>	<b>43</b>	<b>18</b>	<b>67</b>	<b>-3</b>	<b>-61</b>
Interest, dividends etc.	46	53	107	105	205
Capital gains and losses	30	10	35	7	64
Management expenses relating to investments	-4	-6	-6	-7	-16
Transferred technical interest	-29	-51	-65	-103	-183
<b>Profit/loss on investments after allocation of interest</b>	<b>43</b>	<b>6</b>	<b>71</b>	<b>2</b>	<b>70</b>
Other ordinary items	0	-1	0	-1	-4
<b>Profit/loss before tax</b>	<b>86</b>	<b>23</b>	<b>138</b>	<b>-2</b>	<b>5</b>
Tax	-6	0	-10	0	0
<b>Profit/loss for the period</b>	<b>80</b>	<b>23</b>	<b>128</b>	<b>-2</b>	<b>5</b>
Profit/loss on business in run-off, net of reinsurance	-28	13	-41	-13	24
Technical provisions, net of reinsurance	4,955	4,533	4,955	4,533	4,170
Shareholders' equity	1,210	857	1,210	857	1,057
Total assets	6,439	6,182	6,439	6,182	5,868
Claims ratio	69%	75%	70%	74%	75%
Expense ratio	25%	26%	25%	26%	26%
Net combined ratio	94%	101%	95%	100%	101%
Claims ratio, net of reinsurance	72%	78%	73%	79%	80%
Expense ratio, net of reinsurance	26%	27%	27%	27%	27%
Net combined ratio, net of reinsurance	98%	105%	100%	106%	107%
Return on equity before tax p.a.	30%	10%	24%	0%	1%
Return on equity after tax p.a.	28%	10%	22%	0%	1%

## Banking

DKK million	2 <sup>nd</sup> quarter 2003	2 <sup>nd</sup> quarter 2002	6 months 2003	6 months 2002	Year 2002
Interest income	146	143	296	289	630
Interest expenses	-67	-74	-139	-146	-323
<b>Net interest income</b>	<b>79</b>	<b>69</b>	<b>157</b>	<b>143</b>	<b>307</b>
Net fee and commission income, dividends etc.	33	23	68	48	100
<b>Net interest and fee income</b>	<b>112</b>	<b>92</b>	<b>225</b>	<b>191</b>	<b>407</b>
Capital gains/losses	8	4	7	22	28
Other ordinary income	2	11	6	19	31
<b>Profit on ordinary activities before expenses</b>	<b>122</b>	<b>107</b>	<b>238</b>	<b>232</b>	<b>466</b>
Other expenses	-87	-80	-181	-152	-313
Provisions for bad and doubtful debts	-12	-6	-23	-15	-48
Value adjustment of participating interests	6	0	21	0	-4
<b>Profit before tax</b>	<b>29</b>	<b>21</b>	<b>55</b>	<b>65</b>	<b>101</b>
Tax	0	-23	-2	6	4
<b>Profit after tax</b>	<b>29</b>	<b>-2</b>	<b>53</b>	<b>71</b>	<b>105</b>
Minority interests' share of profit/loss for the period	-1	-2	-3	-3	-6
<b>Profit/loss for the period</b>	<b>28</b>	<b>-4</b>	<b>50</b>	<b>68</b>	<b>99</b>
Loans and advances	8,025	7,339	8,025	7,339	8,655
Deposits	9,229	7,922	9,229	7,922	9,091
Minority interests	102	93	102	93	99
Shareholders' equity	731	817	731	817	677
Subordinated liabilities	300	300	300	300	300
Total assets	12,457	11,700	12,457	11,700	13,195
Interest margin p.a.	2.5%	2.6%	2.6%	2.7%	2.6%
Expense ratio	77%	79%	79%	72%	78%
Write-off and provisioning ratio p.a.	0.5%	0.3%	0.5%	0.4%	0.5%
Solvency ratio	12.9%	14.4%	12.9%	14.4%	12.6%
Return on equity before tax p.a.	15%	9%	14%	16%	13%
Return on equity after tax p.a.	15%	-2%	14%	17%	14%

## Life Insurance

DKK million	2 <sup>nd</sup> quarter 2003	2 <sup>nd</sup> quarter 2002	6 months 2003	6 months 2002	Year 2002
<b>Gross premiums</b>	<b>144</b>	<b>139</b>	<b>299</b>	<b>308</b>	<b>696</b>
Premiums, net of reinsurance	136	132	283	293	664
Investment return after allocation of interest	236	-33	384	-45	314
Claims incurred, net of reinsurance	-165	-223	-284	-369	-587
Change of life insurance provisions, net of reinsurance	-210	-136	-365	186	-364
Change of bonus equalisation provisions	0	276	0	-33	22
Underwriting management expenses, net of reinsurance	-17	-16	-35	-31	-67
<b>Underwriting profit/loss</b>	<b>-20</b>	<b>0</b>	<b>-17</b>	<b>1</b>	<b>-18</b>
Transferred investment return	21	-3	34	-4	26
<b>Profit before tax</b>	<b>1</b>	<b>-3</b>	<b>17</b>	<b>-3</b>	<b>8</b>
Tax	0	0	0	0	-3
<b>Profit/loss for the period</b>	<b>1</b>	<b>-3</b>	<b>17</b>	<b>-3</b>	<b>5</b>
<b>Result in life insurance</b>					
Administrative result	6	4	11	10	22
Investment result	158	-134	219	-247	-59
Risk result	14	19	22	20	30
Change in provision for guaranteed pension benefits	-178	-169	-235	245	-23
Change of bonus equalisation provisions	0	276	0	-33	22
Reinsurance ceded	1	1	0	2	16
<b>Profit before tax</b>	<b>1</b>	<b>-3</b>	<b>17</b>	<b>-3</b>	<b>8</b>
Tax	0	0	0	0	-3
<b>Profit/loss for the period</b>	<b>1</b>	<b>-3</b>	<b>17</b>	<b>-3</b>	<b>5</b>
Technical provisions, net of reinsurance	10,071	9,258	10,071	9,258	9,720
Shareholders' equity	843	818	843	818	826
Total assets	11,341	10,543	11,341	10,543	11,125
Return on equity before tax p.a.	1%	-1%	4%	-1%	1%
Return on equity after tax p.a.	1%	-1%	4%	-1%	1%

### Investment return in life insurance in 6 months 2003

DKK million	Average amount of capital tied up	Return	Return ratio
Bonds	9,052	457	5.0%
Shares	224	4	1.7%
Property	1,422	44	3.1%
Other items	-	-10	-
<b>Total</b>	<b>10,698</b>	<b>495</b>	<b>4.6%</b>

## Group Profit and Loss Account

DKK million	6 months 2003	6 months 2002	Year 2002
<b>NON-LIFE INSURANCE</b>			
<b>Premium income</b>			
Gross premiums	2,610	2,583	4,050
Reinsurance premiums ceded	-136	-278	-419
Change in gross unearned premium provisions	-658	-299	342
Change in reinsurers' share of unearned premium provisions	-5	-22	-45
<b>Premiums, net of reinsurance</b>	<b>1,811</b>	<b>1,984</b>	<b>3,928</b>
<b>Technical interest, net of reinsurance</b>	<b>112</b>	<b>164</b>	<b>333</b>
<b>Claims incurred</b>			
Gross claims paid	-2,031	-2,375	-4,957
Reinsurers' share received	248	301	895
Change in gross outstanding claims provisions	543	715	1,659
Change in reinsurers' share of outstanding premiums provisions	-142	-242	-767
<b>Claims incurred, net of reinsurance</b>	<b>-1,382</b>	<b>-1,601</b>	<b>-3,170</b>
<b>Change in other technical provisions, net of reinsurance</b>	<b>-2</b>	<b>-3</b>	<b>-3</b>
<b>Bonus payments and premium discounts</b>	<b>-1</b>	<b>-1</b>	<b>-5</b>
<b>Underwriting management expenses</b>			
Acquisition costs	-103	-269	-451
Administrative expenses	-389	-468	-876
Commissions and profit commissions from reinsurance companies	9	8	15
<b>Total underwriting management expenses, net of reinsurance</b>	<b>-483</b>	<b>-729</b>	<b>-1,312</b>
<b>Change in equalisation provisions</b>	<b>-3</b>	<b>0</b>	<b>1</b>
<b>Underwriting result from non-life insurance</b>	<b>52</b>	<b>-186</b>	<b>-228</b>
<b>LIFE INSURANCE</b>			
<b>Premiums</b>			
Gross premiums	299	308	696
Reinsurance premiums ceded	-16	-15	-32
<b>Premiums, net of reinsurance</b>	<b>283</b>	<b>293</b>	<b>664</b>
<b>Transferred investment return, net of reinsurance</b>	<b>384</b>	<b>-45</b>	<b>314</b>
<b>Insurance benefits</b>			
Insurance benefits paid	-314	-382	-619
Reinsurers' share received	13	13	36
Change in gross outstanding claims provisions	18	0	-3
Change in reinsurers' share of gross outstanding claims provisions	-1	0	-1
<b>Insurance benefits, net of reinsurance</b>	<b>-284</b>	<b>-369</b>	<b>-587</b>
<b>Change in life insurance provisions</b>			
Change in gross life insurance provisions	-365	185	-373
Change in reinsurers' share of life insurance provisions	0	1	9
<b>Change in life insurance provisions, net of reinsurance</b>	<b>-365</b>	<b>186</b>	<b>-364</b>
<b>Change in bonus equalisation provisions</b>	<b>0</b>	<b>-33</b>	<b>22</b>
<b>Underwriting management expenses</b>			
Acquisition costs	-12	-9	-24
Administrative expenses	-25	-25	-47
Commissions and profit commissions from reinsurance companies	2	3	4
<b>Total underwriting management expenses, net of reinsurance</b>	<b>-35</b>	<b>-31</b>	<b>-67</b>
<b>Underwriting result from life insurance</b>	<b>-17</b>	<b>1</b>	<b>-18</b>

DKK million	6 months 2003	6 months 2002	Year 2002
<b>Underwriting result from non-life insurance</b>	<b>52</b>	<b>-186</b>	<b>-228</b>
<b>Underwriting result from life insurance</b>	<b>-17</b>	<b>1</b>	<b>-18</b>
<b>NON-UNDERWRITING ACTIVITY</b>			
<b>Investment income</b>			
Income from subsidiaries	42	76	106
Income from associated companies	0	0	0
Income from land and buildings	46	32	76
Interests, dividends, etc.	434	432	870
Realised gains on investment assets	161	6	0
<b>Total investment income</b>	<b>683</b>	<b>546</b>	<b>1,052</b>
<b>Unrealised gains on investment assets</b>	<b>102</b>	<b>0</b>	<b>601</b>
<b>Investment expenses</b>			
Management expenses relating to investments	-54	-43	-82
Interest expenses	-29	-21	-51
Realised losses on investment assets	0	-74	-450
<b>Total investment expenses</b>	<b>-83</b>	<b>-138</b>	<b>-583</b>
<b>Unrealised losses on investment assets</b>	<b>0</b>	<b>-200</b>	<b>0</b>
<b>Exchange rate adjustments</b>	<b>-19</b>	<b>-46</b>	<b>-72</b>
<b>Tax on pension investment returns</b>	<b>-72</b>	<b>29</b>	<b>-28</b>
<b>Total returns on investments</b>	<b>611</b>	<b>191</b>	<b>970</b>
<b>Technical interest transferred to non-life insurance</b>	<b>-117</b>	<b>-166</b>	<b>-341</b>
<b>Investment returns transferred to life insurance</b>	<b>-384</b>	<b>45</b>	<b>-314</b>
<b>Other ordinary income</b>	<b>33</b>	<b>197</b>	<b>92</b>
<b>Other ordinary expenses</b>	<b>0</b>	<b>0</b>	<b>-17</b>
<b>Profit/loss before tax</b>	<b>178</b>	<b>82</b>	<b>144</b>
<b>Tax</b>	<b>-11</b>	<b>-2</b>	<b>-2</b>
<b>Profit/loss for the period</b>	<b>167</b>	<b>80</b>	<b>142</b>
Minority interests	-3	-3	-6
<b>Alm. Brand's share of profit/loss for the period</b>	<b>164</b>	<b>77</b>	<b>136</b>

## Group Balance Sheet

DKK million	30 <sup>th</sup> June 2003	30 <sup>th</sup> June 2002	31 <sup>st</sup> December 2002
<b>ASSETS</b>			
<b>Intangible assets</b>	<b>107</b>	<b>88</b>	<b>102</b>
<b>Investment assets</b>			
<b>Land and buildings</b>	<b>1,464</b>	<b>1,241</b>	<b>1,466</b>
<b>Investments in subsidiaries and associated undertakings</b>			
Participating interests in subsidiaries	1,200	1,300	1,098
Loans to subsidiaries	41	141	52
Participating interests in financial operations	40	0	0
<b>Total investments in subsidiaries and associated undertakings</b>	<b>1,281</b>	<b>1,441</b>	<b>1,150</b>
<b>Other financial investment assets</b>			
Participating interests	299	1,600	203
Units in unit trusts	1	124	109
Bonds	16,043	13,854	15,590
Loans guaranteed by mortgage	1	0	1
Policy loans	5	5	5
Other loans	3	2	1
Deposits with credit institutions	1,040	1,756	1,133
Other	0	100	0
<b>Total other financial investment assets</b>	<b>17,392</b>	<b>17,441</b>	<b>17,042</b>
<b>Reinsurance deposits</b>	<b>143</b>	<b>266</b>	<b>243</b>
<b>Total investment assets</b>	<b>20,280</b>	<b>20,389</b>	<b>19,901</b>
<b>Debtors</b>			
Amounts due from policyholders	342	411	468
Amounts due from insurance brokers	18	0	8
Amounts due from insurance companies	455	426	634
Amounts due from subsidiaries	25	79	185
Corporation tax	3	0	4
Other debtors	209	301	196
<b>Total debtors</b>	<b>1,052</b>	<b>1,217</b>	<b>1,495</b>
<b>Other assets</b>			
Furniture and equipment, computers, cars etc.	79	74	80
Cash in hand and demand deposits	697	698	476
Own shares	0	0	0
Deferred tax	366	380	376
Other assets	1	2	3
<b>Total other assets</b>	<b>1,143</b>	<b>1,154</b>	<b>935</b>
<b>Prepayments and accrued income</b>			
Accrued interest	328	296	255
Prepaid acquisition costs	1	31	11
Other prepayments and accrued income	68	301	71
<b>Total prepayments and accrued income</b>	<b>397</b>	<b>628</b>	<b>337</b>
<b>Total assets</b>	<b>22,979</b>	<b>23,476</b>	<b>22,770</b>

DKK million	30 <sup>th</sup> June 2003	30 <sup>th</sup> June 2002	31 <sup>st</sup> December 2002
<b>LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	1,788	1,788	1,788
Reserves:			
Contingency fund	182	287	182
Reserve for own shares	0	0	0
Reserve for net revaluation using the equity method	0	0	0
	<b>182</b>	<b>287</b>	<b>182</b>
Retained profit	1,008	659	816
<b>Total shareholders' equity</b>	<b>2,978</b>	<b>2,734</b>	<b>2,786</b>
<b>Minority interests</b>	<b>102</b>	<b>93</b>	<b>99</b>
<b>Technical provisions</b>			
<b>Unearned premium provisions</b>			
Gross premium provisions	2,026	2,006	1,379
Reinsurers' share of premium provisions	-7	-38	-13
<b>Unearned premium provisions, net of reinsurance</b>	<b>2,019</b>	<b>1,968</b>	<b>1,366</b>
<b>Life insurance provisions</b>			
Guaranteed benefits	8,302	9,132	7,723
Bonus potential on future premiums	1,315	0	1,418
Bonus potential on paid-up policies	453	0	554
Reinsurers' share of life insurance provisions	-23	-14	-22
<b>Life insurance provisions, net of reinsurance</b>	<b>10,047</b>	<b>9,118</b>	<b>9,673</b>
<b>Outstanding claims provisions<sup>1)</sup></b>			
Gross outstanding claims provisions	6,546	8,573	7,420
Reinsurers' share of outstanding claims provisions	-809	-1,548	-1,005
<b>Outstanding claims provisions, net of reinsurance</b>	<b>5,737</b>	<b>7,025</b>	<b>6,415</b>
<b>Provisions for bonus payment and premium discounts, net of reinsurance</b>			
	<b>2</b>	<b>1</b>	<b>2</b>
<b>Equalisation provisions</b>	<b>41</b>	<b>39</b>	<b>37</b>
<b>Collective bonus potential</b>	<b>0</b>	<b>56</b>	<b>0</b>
<b>Other technical provisions</b>			
Gross other technical provisions	24	72	22
Reinsurers' share of other technical provisions	0	-2	0
<b>Other technical provisions, net of reinsurance</b>	<b>24</b>	<b>70</b>	<b>22</b>
<b>Total technical provisions, net of reinsurance</b>	<b>17,870</b>	<b>18,277</b>	<b>17,515</b>
<b>Provision for other risks and costs</b>			
Deferred tax on pension investment returns	9	19	10
Other provisions	69	47	77
<b>Total provisions for other risks and costs</b>	<b>78</b>	<b>66</b>	<b>87</b>
<b>Reinsurance deposits</b>	<b>200</b>	<b>333</b>	<b>245</b>
<b>Creditors</b>			
Creditors from direct insurance	23	28	27
Creditors from reinsurance	416	274	551
Amounts owed to credit institutions	344	400	759
Amounts owed to subsidiaries	387	629	384
Corporation tax payable	0	21	1
Other creditors	571	601	311
<b>Total creditors</b>	<b>1,741</b>	<b>1,953</b>	<b>2,033</b>
<b>Accruals and deferred income</b>	<b>10</b>	<b>20</b>	<b>5</b>
<b>Total liabilities</b>	<b>22,979</b>	<b>23,476</b>	<b>22,770</b>

1) The total outstanding claims provisions, net of reinsurance, at 30 June 2003 include 2.8 billion kr. concerning Copenhagen Re.

## Shareholders' equity

DKK million	Number of shares	Share capital	Retained profit	Shareholders' equity	Minority interests	Group shareholders' equity
<b>At 1 January 2003</b>	<b>22,350,000</b>	<b>1,788</b>	<b>998</b>	<b>2,786</b>	<b>99</b>	<b>2,885</b>
Profit/loss for the period			164	164	3	167
Change in accounting policies			3	3		3
Sale of own shares			25	25		25
<b>At 30 June 2003</b>	<b>22,350,000</b>	<b>1,788</b>	<b>1,190</b>	<b>2,978</b>	<b>102</b>	<b>3,080</b>