



ALM. BRAND A/S

INTERIM REPORT FOR THE THIRD QUARTER OF 2003



Alm. Brand A/S

Financial results

The Alm. Brand A/S Group posted a pre-tax profit of DKK 119 million and a net profit of DKK 113 million for the third quarter of 2003, as compared with a loss of DKK 16 million before tax and DKK 15 million after tax in the year-earlier period. The Q3 results brought the Group's profit before tax for the year to date to DKK 297 million against DKK 66 million in the same period of last year.

The improved performance was derived primarily from a substantial improvement in the results of the Group's non-life operations, which was mainly the result of a low level of claims paid.

The performance is extremely satisfactory.

Following the divestment of the debtor activities, the Group raised its overall full-year forecast to a profit before tax of DKK 360 million, which is almost 30% higher than the forecast issued in the first-half interim report.

Consolidated Q3 income was DKK 1.5 billion, compared with DKK 1.6 billion in Q3 2002. The drop in income was due to the ongoing process of winding up the Group's reinsurance company.

Total management expenses were DKK 202 million in Q3, compared with DKK 217 million in Q3 2002.

The Group's non-life operations reported growing premium income during the period. New business written and cessation was satisfactory.

The non-life claims ratio net of reinsurance for Q3 2003 was 69, against 86 in the same period of last year. The claims ratio was better than had been expected, driven by favourable weather conditions and the initiatives taken to optimise the customer portfolio in order to balance premium income and claims expenses in all non-life insurance lines. The Group continued to implement such measures in order to enhance portfolio profitability during the third quarter. The initiatives are having a negative impact on cessation and a positive effect on the claims ratio. The work to enhance the customer portfolio is expected to continue in 2004.

The non-life claims ratio net of reinsurance was 25 in Q3 2003, as against 28 in the same period of 2002, bringing the year-to-date claims ratio to 26 against 28 in the first nine months of 2002. The claims ratio was still affected by the efficiency-improving measures the Group has initiated, such

as the conversion to the Group's new non-life system.

The initiatives launched are already yielding positive results, and we expect to meet the target of an expense ratio below 25 by 2006 at the latest.

The Q3 combined ratio net of reinsurance was 94, against 114 in Q3 2002. The gross combined ratio was 91 in Q3 2003, against 106 in the year-earlier period.

The Group's banking business contributed favourably to the Q3 performance, as net interest and fee income improved by 12% relative to Q3 2002. The increase was driven mainly by a higher interest margin, greater activity in the securities business, and the resulting increase in interest, fee and commission income.

The profit was affected by an increase in the bank's costs from DKK 75 million in Q3 2002 to DKK 81 million in Q3 2003.

In spite of the economic slump and the very moderate economic growth rates in Denmark in recent years, the write-off and provisioning ratio fell by 0.1 percentage point, or by DKK 5 million relative to Q3 2002.

The Group's life and pension operations were a positive contributor to the consolidated Q3 profit, thanks to strong expense and risk results. The Q3 2002 expense and risk results were negative.

At 30 September 2003, the collective bonus potential in the life and pension company equalled 1% of the technical provisions.

The Group's total Q3 2003 investment return amounted to DKK 17 million, against DKK 284 million in Q3 2002. The year-to-date investment return was DKK 717 million, against DKK 409 million for the first nine months of 2002.

The vast majority of the Company's investment assets are placed in interest-bearing securities. Duration is about one year in the non-life operations, while in Life & Pension duration is about 10 years, which largely corresponds to the duration of the liabilities.

The investment return was satisfactory and outperformed the benchmark.

The Group's Q3 2003 profit before tax of DKK 119 million equals a return on equity of 16% per an-

num, compared with a small negative return in Q3 2002. This brings annualised earnings per share to DKK 20 and the net asset value per share to DKK 139.

Shareholders' equity was DKK 3.1 billion at 30 September 2003, against DKK 2.8 billion a year earlier.

Major events

Divestment of the Group's debtor activities

In November 2003, Alm. Brand agreed to sell most of the Group's debtor activities to DAI Fordringer A/S. Ownership in the activities will be transferred as of 14 November 2003. The debtor activities were acquired in connection with the Group's acquisition of Finansieringsselskabet Gefion A/S in 1999 and the business has run at a profit every year since. Combined with other factors, the divestment of the debtor activities prompted the Group to release an announcement to the Copenhagen Stock Exchange, upgrading the full-year profit forecast.

Focus on service and distribution

In the first half of 2003, the Group restructured the organisation in order to improve the efficiency of its customer service and distribution. Steps taken include changes to the Group's branch and agency network. A number of these measures were implemented during the third quarter of 2003. For example, five new customer service centres were opened at the Group's regional offices.

New non-life insurance system

Implementation of the Group's new non-life insurance system is progressing favourably and according to plan. All new business involving private insurance products is written through the new system and generally the conversion of the personal customer portfolio is expected to be completed by the end of 2003. The system is expected to enhance and improve the efficiency of our service to non-life customers.

Alm. Brand Formue A/S

In September 2003, the Group had a new investment company, Alm. Brand Formue A/S, listed on the Copenhagen Stock Exchange. The company's investment strategy is to buy bonds and shares for own funds and borrowed funds. The company has a share capital of DKK 200 million, and its shares have been sold to more than 2,500 new shareholders through Alm. Brand Bank and a number of close business partners. The Alm. Brand Group holds a 14% stake in the company.

Sponsorships

Based on the positive experience from sponsoring the Team CSC cycling team in the Tour de France and the Tour of Denmark cycling competitions, the Group has agreed to expand the collaboration. In October, the Group signed a long-term sponsorship agreement with Team CSC, initially for a period of two years.

Outlook

The Group expects to post a consolidated profit before minority interests of approximately DKK 360 million before tax and of DKK 335 million after tax for the full-year 2003. Excluding minorities, the profit is expected to be DKK 348 million before tax and DKK 327 million after tax.

These forecasts are consistent with the profit upgrade announced in connection with the divestment of the Group's debtor activities at the beginning of November 2003. This corresponds to an DKK 80 million upgrade relative to the forecasts announced in the first-half 2003 interim report. At the beginning of the year, the full-year 2003 profit was forecast at DKK 250 million.

The upgraded forecasts for 2003 are driven mainly by the favourable claims experience in the non-life operations, the strong activity in securities trading and the higher interest margin in the banking operations, as well as the non-recurring income from the divestment of the debtor activities.

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

The profit forecasts for the Group overall and for the individual business areas may be affected by major changes in economic conditions, changes in interest rate levels relative to the end of October 2003, bad and doubtful debts and, not least, any major insurance events.

Key Figures and Key Ratios

DKK million	3 rd quarter 2003	3 rd quarter 2002	9 months 2003	9 months 2002	Year 2002
KEY FIGURES					
Income					
Non-Life Insurance	983	916	2,907	2,739	3,668
Banking	170	192	534	529	730
Life Insurance	131	107	430	415	696
Copenhagen Re	15	149	37	615	725
Investments	220	252	722	738	981
Total Income	1,519	1,616	4,630	5,036	6,800
Profit/loss					
Underwriting result from non-life insurance	79	-71	146	-74	-61
Profit/loss for banking	37	19	92	84	101
Underwriting result from life insurance	28	-20	11	-19	-18
Underwriting result from Copenhagen Re	25	-38	10	-221	-167
Profit/loss for insurance and banking	169	-110	259	-230	-145
Profit/loss on investments after allocation of interest	-64	84	-16	228	213
Other ordinary items	14	10	54	68	76
Profit/loss before tax	119	-16	297	66	144
Tax	-6	1	-17	-1	-2
Profit/loss after tax	113	-15	280	65	142
Minority interests' share of profit/loss for the period	1	-2	-2	-5	-6
Profit/loss for the period	114	-17	278	60	136
Profit/loss on business in run-off, net of reinsurance	-5	-9	-46	-22	24
Technical provisions, net of reinsurance	17,356	17,614	17,356	17,614	17,515
Shareholders' equity	3,099	2,770	3,099	2,770	2,786
Minority interests	274	98	274	98	99
Total assets excl. banking	22,746	22,995	22,746	22,995	22,770
Assets banking	12,945	14,490	12,945	14,490	13,195
KEY RATIOS					
Return on equity before tax p.a.	16%	-3%	13%	3%	5%
Return on equity after tax p.a.	15%	-2%	13%	3%	5%
Earnings per share, DKK p.a.	20	-3	17	4	6
Net assets value per share, DKK	139	124	139	124	125
Share price end of year	130	78	130	78	70
Share price/Net asset value	0.94	0.63	0.94	0.63	0.56

Non-life insurance

Financial results

The Group's non-life business generated a Q3 2003 pre-tax profit of DKK 77 million, including a DKK 5 million contribution from the health and personal accident business, and a net profit of DKK 72 million. The figure for Q3 2002 was a loss of DKK 48 million, both before and after tax, which was due in part to poor weather conditions. The profit for the first nine months of the year was DKK 215 million before tax and DKK 200 million after tax.

The Q3 results equal an annualised return on equity before tax for the year to date of 26%, which is very satisfactory.

Premiums

Gross premiums were DKK 983 million, an increase of DKK 67 million, or 7%, from DKK 916 million in Q3 2002. The increase in premiums was caused mainly by index regulations and announced premium increases.

The numbers for Q3 2003 show that the non-life sales performance was still ahead of expectations. The full-year sales targets are expected to be met.

Claims experience

The claims ratio net of reinsurance was 69 in Q3 2003, as against 86 in the same period of 2002. Year-to-date, the claims ratio net of reinsurance was 72, compared with 81 in 2002. The overall claims experience was satisfactory.

The Q3 claims experience was at a normal level as regards major events and relatively good in respect of weather-related claims. Although Denmark has not experienced any major windstorms or other weather-related events so far this year, the underwriting results have been affected by minor storms and cloudbursts. Overall, the Group's claims expenses for weather-related claims were below the normal level after the first nine months of 2003.

In order to balance premium income and claims expenses in all non-life lines, the Group has initiated a number of measures to enhance portfolio profitability. These initiatives are having a negative impact on cessation and a positive effect on the claims ratio. The work to enhance the customer portfolio is expected to continue in 2004.

Overall, the Group has avoided large, costly insurance events and, as a result, the overall claims experience is ahead of expectations.

Costs

The non-life expense ratio net of reinsurance was 25 in Q3 2003, as against 28 in the same period of 2002, bringing the year-to-date ratio to 26 in 2003 against 28 in the first nine months of 2002.

The expense ratio was still affected by the efficiency-improving measures the Group has initiated, such as the conversion to the Group's new non-life system.

The measures launched to reduce the expense ratio are having a positive effect and they are still expected to reduce the Group's expenses to the desired level of less than 25% by 2006 at the latest.

Combined ratio

The Q3 2003 performance led to a combined ratio net of reinsurance of 94, against 114 for the same period of last year. The gross combined ratio was 91, against 106 in Q3 2002.

Year-to-date, the combined ratio net of reinsurance was 98, compared with 109 in 2002. Year-to-date, the gross combined ratio net of reinsurance was 94, compared with 102 in 2002.

Investment returns

The investment return before allocation of interest was DKK 27 million in Q3 2003 compared with DKK 70 million in the same period of 2002.

The vast majority of the investment assets are placed in interest-bearing securities. In order to hedge against large capital losses in the event interest rates were to go up, investment assets have a very short duration. At 30 September 2003, duration was about one year.

The asset composition was largely unchanged from last year.

The investment return was satisfactory relative to the benchmark performance and the investment policy pursued.

Outlook

The non-life business outperformed expectations during the first nine months of 2003. As a result, on 3 November 2003, the Group upgraded its full-year forecast for these operations.

Based on the level of interest rates as of the end of October 2003, when most of the capital gains recorded at end-September 2003 had been eliminated, a profit before tax of DKK 220 million is expected for the full-year 2003, up from DKK 180 million as forecast at the release of the first-half interim report and from DKK 150 million as forecast at the release of the Annual Report 2002.

Banking

Financial results

The Alm. Brand Bank Group posted a pre-tax profit of DKK 37 million for Q3 2003, as compared with DKK 19 million in Q3 2002, bringing the year-to-date profit before tax to DKK 92 million, against DKK 84 million in the same period of 2002.

The Q3 2003 performance equals an annualised return on average equity of 20% before tax, which was better than expected, compared with 13% in the same period of 2002.

The result is better than expected.

Net interest and fee income

Net interest and fee income was DKK 118 million, a 12% improvement relative to Q3 2002. The increase was driven mainly by the higher interest margins, greater activity in the securities business, and the resulting increase in interest, fee and commission income.

Costs

The banking group incurred costs of DKK 81 million in Q3, which was slightly below expectations, against DKK 75 million in the same period of 2002.

Provisions for bad and doubtful debts

Total provisions for bad and doubtful debts charged to the profit and loss account were DKK 8 million for Q3 2003, a DKK 5 million fall relative to the same period of last year.

Provisions for bad and doubtful debts are satisfactory in spite of the downturn in the Danish economy. Provisions for bad and doubtful debts were 0.5% in Q3, as against 0.6% in Q3 2002. The amount of recognised losses was slightly lower than in the same period of last year, which is satisfactory.

Value adjustments

The financial results for the year to date included a DKK 22 million capital gain on the holding of Alm. Brand A/S shares, of which DKK 2 million was recognised in the third quarter.

Balance sheet items

Loans and advances

Banking group loans and advances amounted to DKK 8.0 billion at 30 September 2003, which was unchanged from 30 June 2003 and DKK 0.5 billion lower than at 30 September 2002.

Loans and advances were lifted by lending to the agricultural sector and reduced by the expected runoff from the car loan portfolio acquired from GE Capital Bank. The total value of this portfolio was DKK 1.1 billion at 30 September 2002, compared with DKK 0.7 billion at 30 September 2003. The declining car sales had a negative impact on lending.

Deposits

Banking group deposits increased by DKK 0.8 billion relative to the end of September 2002 to stand at DKK 9.2 billion at 30 September 2003. The improvement was mainly attributable to the positive contributions from deposit campaigns and the greater activity in the professional liquidity markets.

Other activities

The Alm. Brand Bank Group had a total capital base of DKK 1.3 billion and a solvency ratio of 14 at 30 September 2003.

Major events

Together with a number of close business partners, Alm. Brand Bank has launched a new investment company, Alm. Brand Formue A/S, which was listed on the Copenhagen Stock Exchange in September 2003. The offering was a success, raising share capital of DKK 200 million from more than 2,500 investors, which exceeded expectations by a substantial margin.

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. Accordingly, the financial results of Alm. Brand Formue A/S including minority interests will be recognised in the financial statements of the banking group and of the Alm. Brand A/S Group.

Outlook

Based on the results achieved in the third quarter, the banking group has upgraded its profit forecast for 2003 by DKK 10 million.

Accordingly, the banking group now projects a full-year 2003 pre-tax profit of around DKK 115 million including minority interests and of DKK 103 million excluding minorities. Capital gains on the holding of Alm. Brand A/S shares is expected to make up approximately DKK 20 million of the full-year profit forecast.

Life insurance

Financial results

The Group's life and pension operations reported a pre-tax profit for Q3 2003 of DKK 28 million, against a loss of DKK 8 million for the same period of last year.

The profit before tax for the first nine months of the year amounted to DKK 45 million, equal to a return on equity of 7%. For the year to date, the full return would accrue to shareholders' equity.

All numbers are stated at market value.

Premiums

As expected, gross premiums were DKK 131 million in Q3, a DKK 24 million improvement relative to Q3 2002.

Benefits paid

Benefits paid in Q3 2003 amounted to DKK 187 million, which was a DKK 119 million increase over the year-earlier period.

The increase in benefits paid was triggered by a campaign inviting customers to surrender minor paid-up policies.

Benefits paid in respect of death or disability were less than had been expected.

Costs

Administrative expenses and management expenses related to the investment business were DKK 14 million in Q3 2003, unchanged from the year-earlier period.

Total expenses for the first nine months of 2003 were lower than expected.

Investment return

The Q3 return on investment assets before tax on pension investment returns attributable to the life and pension portfolio was negative at DKK 14 million, compared with a positive return of DKK 163 million for the year-earlier period.

For the year to date, the return on investment assets before tax on pension investment returns was DKK 481 million, equal to a return of 4.5% for the first nine months of the year. Disregarding an adjustment of property values expected to take effect at the end of the year, the return for the first nine months of the year was 4.9%.

The investment return was satisfactory and outperformed the benchmark.

The investment assets were divided into a life, a pension and an equity portfolio effective 19 May 2003.

To reduce the exposure to changes in the level of interest rates, the interest-bearing assets continue to have a duration that largely corresponds with the duration of the liabilities. Interest rate risks have not been hedged by way of long-term financial instruments, such as CMS floors, swaptions or similar instruments.

Balance sheet items

The life group's shareholders' equity amounted to DKK 871 million, equivalent to equity reserves of 7%, at 30 September 2003. The solvency ratio was 245.

The collective bonus potential amounted to DKK 94 million at 30 September 2003, equalling bonus reserves of 1%.

The shadow account stood at DKK 105 million at 30 September 2003.

The life company remained in the Danish Financial Supervisory Authority's green scenario at 30 September 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 property market develop.

Other business activities

Copenhagen Re

Developments in Copenhagen Re, which is in runoff, were in line with expectations. The investment return largely offset the management expenses.

The company reported a pre-tax profit of DKK 2 million for Q3 2003. The profit before tax for the year to date is DKK 7 million.

Technical provisions amounted to DKK 2.7 billion at 30 September 2003, against DKK 3.6 billion a year earlier.

There is still considerable uncertainty with respect to losses incurred, including the World Trade Center event. These risks still apply and are further described in the Group's Annual Report 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 111 million at 30 September 2003, equal to Alm. Brand A/S' carrying value on the investment.

A DKK 5 million full-year profit before tax is expected in Copenhagen Re, which is a minor upgrade of DKK 5 million relative to the previous forecast.

Other activities

Other activities of the Group contributed a pre-tax loss of DKK 25 million in Q3 against a DKK 21 million profit in Q3 2002. This brought the loss before tax to DKK 62 million for the first nine months of the year, against a profit of DKK 38 million in the year-earlier period.

'Other business activities' consist of corporate and other expenses, the results of the debtor activities, value adjustment of own shares, etc.

In November 2003, Alm. Brand agreed to sell most of the Group's debtor activities to DAI Fordringer A/S. Ownership in the activities will be transferred as of 14 November 2003. The debtor activities were acquired in connection with the Group's acquisition of Finansieringsselskabet Gefion A/S in 1999 and the business has run at a profit every year since. As a result of the divestment of the debtor activities and other factors, the Group released an announcement to the Copenhagen Stock Exchange, upgrading the full-year profit forecast.

The elimination of Alm. Brand Bank's capital gain on Alm. Brand A/S shares had a negative impact of approximately DKK 20 million on the financial results of 'Other business activities'.

Outlook

'Other business activities' are expected to incur an overall loss of about DKK 15 million for the full year 2003, which amount includes the elimination of approximately DKK 20 million in capital gains on Alm. Brand A/S shares.

As the previous forecast called for a loss of DKK 45 million including the above-mentioned elimination, this implies a DKK 30 million upgrade of the expected results from 'Other business activities'. The change is based in part on the divestment of the Group's debtor activities.

Accounting policies

The accounting policies are consistent with those applied in the Annual Report 2002 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.

This interim report for the third quarter of 2003 is unaudited.

Non-Life Insurance

Excl. Copenhagen Re

DKK million	3 rd quarter 2003	3 rd quarter 2002	9 months 2003	9 months 2002	Year 2002
Gross premiums	983	916	2,907	2,739	3,668
Premiums, net of reinsurance	930	830	2,731	2,487	3,390
Technical interest, net of reinsurance	27	41	89	141	174
Claims incurred, net of reinsurance	-642	-713	-1,949	-2,011	-2,692
Changes in other technical provisions, net of reinsurance	-1	-1	-3	-4	-5
Bonus payments and premium discounts	0	0	-1	-1	-2
Underwriting management expenses, net of reinsurance	-235	-228	-718	-686	-927
Change in equalisation provisions	0	0	-3	0	1
Underwriting profit/loss	79	-71	146	-74	-61
Interest, dividends etc.	45	52	152	157	205
Capital gains and losses	-15	23	20	30	64
Management expenses relating to investments	-3	-5	-9	-12	-16
Transferred technical interest	-29	-43	-94	-146	-183
Profit/loss on investments after allocation of interest	-2	27	69	29	70
Other ordinary items	0	-4	0	-5	-4
Profit/loss before tax	77	-48	215	-50	5
Tax	-5	0	-15	0	0
Profit/loss for the period	72	-48	200	-50	5
Profit/loss on business in run-off, net of reinsurance	-5	-9	-46	-22	24
Technical provisions, net of reinsurance	4,667	4,268	4,667	4,268	4,170
Shareholders' equity	1,282	908	1,282	908	1,057
Total assets	6,211	5,626	6,211	5,626	5,868
Claims ratio	67%	80%	69%	76%	75%
Expense ratio	24%	26%	25%	26%	26%
Combined ratio	91%	106%	94%	102%	101%
Claims ratio, net of reinsurance	69%	86%	72%	81%	80%
Expense ratio, net of reinsurance	25%	28%	26%	28%	27%
Combined ratio, net of reinsurance	94%	114%	98%	109%	107%
Return on equity before tax p.a.	26%	-21%	25%	-7%	1%
Return on equity after tax p.a.	25%	-21%	23%	-7%	1%

Banking

DKK million	3 rd quarter 2003	3 rd quarter 2002	9 months 2003	9 months 2002	Year 2002
Interest income	138	168	434	457	630
Interest expenses	-52	-87	-191	-233	-323
Net interest income	86	81	243	224	307
Net fee and commission income, dividends etc.	32	24	100	72	100
Net interest and fee income	118	105	343	296	407
Capital gains/losses	2	-4	9	18	28
Other ordinary income	5	4	11	23	31
Profit on ordinary activities before expenses	125	105	363	337	466
Other expenses	-81	-75	-262	-227	-313
Provisions for bad and doubtful debts	-8	-13	-31	-28	-48
Value adjustment of participating interests	1	2	22	2	-4
Profit before tax	37	19	92	84	101
Tax	-1	-1	-3	5	4
Profit after tax	36	18	89	89	105
Minority interests' share of profit/loss for the period	1	-2	-2	-5	-6
Profit/loss for the period	37	16	87	84	99
Loans and advances	7,981	8,463	7,981	8,463	8,655
Deposits	9,163	8,361	9,163	8,361	9,091
Minority interests	274	97	274	97	99
Shareholders' equity	768	832	768	832	677
Subordinated liabilities	300	300	300	300	300
Total assets	12,945	14,490	12,945	14,490	13,195
Interest margin p.a.	2.9%	2.5%	2.6%	2.6%	2.6%
Expense ratio	70%	82%	76%	75%	78%
Write-off and provisioning ratio p.a.	0.5%	0.6%	0.5%	0.4%	0.5%
Solvency ratio	14.0%	12.4%	14.0%	12.4%	12.6%
Return on equity before tax p.a.	20%	13%	16%	15%	13%
Return on equity after tax p.a.	20%	9%	16%	15%	14%

Life Insurance

DKK million	3 rd quarter 2003	3 rd quarter 2002	9 months 2003	9 months 2002	Year 2002
Gross premiums	131	107	430	415	696
Premiums, net of reinsurance	123	99	406	392	664
Investment return after allocation of interest	-5	136	379	91	314
Claims incurred, net of reinsurance	-187	-68	-471	-437	-587
Change of life insurance provisions, net of reinsurance	206	-226	-159	-40	-364
Change of bonus equalisation provisions	-94	56	-94	23	22
Underwriting management expenses, net of reinsurance	-15	-17	-50	-48	-67
Underwriting profit/loss	28	-20	11	-19	-18
Transferred investment return	0	12	34	8	26
Profit before tax	28	-8	45	-11	8
Tax	0	0	0	0	-3
Profit/loss for the period	28	-8	45	-11	5
Result in life insurance					
Administrative result	5	6	16	16	22
Investment result	-107	47	112	-200	-59
Risk result	22	5	44	25	30
Change in provision for guaranteed pension benefits	200	-122	-35	123	-23
Change of bonus equalisation provisions	-94	56	-94	23	22
Reinsurance ceded	2	0	2	2	16
Profit before tax	28	-8	45	-11	8
Tax	0	0	0	0	-3
Profit/loss for the period	28	-8	45	-11	5
Technical provisions, net of reinsurance	9,957	9,376	9,957	9,376	9,720
Shareholders' equity	871	811	871	811	826
Total assets	11,259	10,718	11,259	10,718	11,125
Return on equity before tax p.a.	13%	-4%	7%	-2%	1%
Return on equity after tax p.a.	13%	-4%	7%	-2%	1%

Investment return in life insurance in 9 months 2003

DKK million	Average amount of capital tied up	Return	Return ratio
Bonds	9,270	471	5.1%
Shares	223	7	3.1%
Property *)	1,422	23	1.6%
Other items	-	-20	-
Total	10,915	481	4.5%

*) The return includes an expected value adjustment on property

Group Profit and Loss Account

DKK million	9 months 2003	9 months 2002	Year 2002
NON-LIFE INSURANCE			
Premium income			
Gross premiums	3,266	3,330	4,050
Reinsurance premiums ceded	-208	-351	-419
Change in gross unearned premium provisions	-322	24	342
Change in reinsurers' share of unearned premium provisions	18	-81	-45
Premiums, net of reinsurance	2,754	2,922	3,928
Technical interest, net of reinsurance	170	221	333
Claims incurred			
Gross claims paid	-2,850	-3,045	-4,957
Reinsurers' share received	311	338	895
Change in gross outstanding claims provisions	742	530	1,659
Change in reinsurers' share of outstanding premiums provisions	-217	-218	-767
Claims incurred, net of reinsurance	-2,014	-2,395	-3,170
Change in other technical provisions, net of reinsurance	-3	-4	-3
Bonus payments and premium discounts	-1	-1	-5
Underwriting management expenses			
Acquisition costs	-175	-399	-451
Administrative expenses	-581	-673	-876
Commissions and profit commissions from reinsurance companies	9	34	15
Total underwriting management expenses, net of reinsurance	-747	-1,038	-1,312
Change in equalisation provisions	-3	0	1
Underwriting result from non-life insurance	156	-295	-228
LIFE INSURANCE			
Premiums			
Gross premiums	430	415	696
Reinsurance premiums ceded	-24	-23	-32
Premiums, net of reinsurance	406	392	664
Transferred investment return, net of reinsurance	379	91	314
Insurance benefits			
Insurance benefits paid	-512	-469	-619
Reinsurers' share received	20	19	36
Change in gross outstanding claims provisions	20	13	-3
Change in reinsurers' share of gross outstanding claims provisions	1	0	-1
Insurance benefits, net of reinsurance	-471	-437	-587
Change in life insurance provisions			
Change in gross life insurance provisions	-161	-42	-373
Change in reinsurers' share of life insurance provisions	2	2	9
Change in life insurance provisions, net of reinsurance	-159	-40	-364
Change in bonus equalisation provisions	-94	23	22
Underwriting management expenses			
Acquisition costs	-19	-15	-24
Administrative expenses	-35	-37	-47
Commissions and profit commissions from reinsurance companies	4	4	4
Total underwriting management expenses, net of reinsurance	-50	-48	-67
Underwriting result from life insurance	11	-19	-18

DKK million	9 months 2003	9 months 2002	Year 2002
Underwriting result from non-life insurance	156	-295	-228
Underwriting result from life insurance	11	-19	-18
NON-UNDERWRITING ACTIVITY			
Investment income			
Income from subsidiaries	82	93	106
Income from associated companies	0	0	0
Income from land and buildings	65	60	76
Interests, dividends, etc.	629	649	870
Realised gains on investment assets	166	0	0
Total investment income	942	802	1,052
Unrealised gains on investment assets	0	471	601
Investment expenses			
Management expenses relating to investments	-78	-58	-82
Interest expenses	-37	-38	-51
Realised losses on investment assets	0	-512	-450
Total investment expenses	-115	-608	-583
Unrealised losses on investment assets	-100	0	0
Exchange rate adjustments	-21	-43	-72
Tax on pension investment returns	-63	17	-28
Total returns on investments	643	639	970
Technical interest transferred to non-life insurance	-177	-226	-341
Investment returns transferred to life insurance	-379	-92	-314
Other ordinary income	43	69	92
Other ordinary expenses	0	-10	-17
Profit/loss before tax	297	66	144
Tax	-17	-1	-2
Profit/loss for the period	280	65	142
Minority interests	-2	-5	-6
Alm. Brand's share of profit/loss for the period	278	60	136

Group Balance Sheet

DKK million	30 th September 2003	30 th September 2002	31 st December 2002
ASSETS			
Intangible assets	107	87	102
Investment assets			
Land and buildings	1,464	1,570	1,466
Investments in subsidiaries and associated undertakings			
Participating interests in subsidiaries	1,419	1,317	1,098
Loans to subsidiaries	37	28	52
Participating interests in financial operations	20	0	0
Total investments in subsidiaries and associated undertakings	1,476	1,345	1,150
Other financial investment assets			
Participating interests	286	510	203
Units in unit trusts	408	508	109
Bonds	15,542	14,354	15,590
Loans guaranteed by mortgage	0	3	1
Policy loans	5	5	5
Other loans	2	1	1
Deposits with credit institutions	658	1,235	1,133
Other	0	0	0
Total other financial investment assets	16,901	16,616	17,042
Reinsurance deposits	345	495	243
Total investment assets	20,186	20,026	19,901
Debtors			
Amounts due from policyholders	264	315	468
Amounts due from insurance brokers	32	5	8
Amounts due from insurance companies	166	345	634
Amounts due from subsidiaries	50	35	185
Corporation tax	0	0	4
Other debtors	190	289	196
Total debtors	702	989	1,495
Other assets			
Furniture and equipment, computers, cars etc.	86	63	80
Cash in hand and demand deposits	701	924	476
Own shares	0	0	0
Deferred tax	361	376	376
Other assets	9	5	3
Total other assets	1,157	1,368	935
Prepayments and accrued income			
Accrued interest	457	390	255
Prepaid acquisition costs	0	22	11
Other prepayments and accrued income	137	113	71
Total prepayments and accrued income	594	525	337
Total assets	22,746	22,995	22,770

DKK million	30 th September 2003	30 th September 2002	31 st December 2002
LIABILITIES			
Shareholders' equity			
Share capital	1,788	1,788	1,788
Reserves:			
Contingency fund	182	182	182
Reserve for own shares	0	0	0
Reserve for net revaluation using the equity method	0	0	0
	182	182	182
Retained profit	1,129	800	816
Total shareholders' equity	3,099	2,770	2,786
Minority interests	274	98	99
Technical provisions			
Unearned premium provisions			
Gross premium provisions	1,698	1,644	1,379
Reinsurers' share of premium provisions	-34	-73	-13
Unearned premium provisions, net of reinsurance	1,664	1,571	1,366
Life insurance provisions			
Guaranteed benefits	7,991	9,327	7,723
Bonus potential on future premiums	1,359	0	1,418
Bonus potential on paid-up policies	512	0	554
Reinsurers' share of life insurance provisions	-24	-15	-22
Life insurance provisions, net of reinsurance	9,838	9,312	9,673
Outstanding claims provisions¹⁾			
Gross outstanding claims provisions	6,394	7,813	7,420
Reinsurers' share of outstanding claims provisions	-719	-1,181	-1,005
Outstanding claims provisions, net of reinsurance	5,675	6,632	6,415
Provisions for bonus payment and premium discounts, net of reinsurance			
	1	1	2
Equalisation provisions	41	39	37
Collective bonus potential	112	0	0
Other technical provisions			
Gross other technical provisions	25	61	22
Reinsurers' share of other technical provisions	0	-2	0
Other technical provisions, net of reinsurance	25	59	22
Total technical provisions, net of reinsurance	17,356	17,614	17,515
Provision for other risks and costs			
Deferred tax on pension investment returns	8	25	10
Other provisions	89	51	77
Total provisions for other risks and costs	97	76	87
Reinsurance deposits	391	590	245
Creditors			
Creditors from direct insurance	26	20	27
Creditors from reinsurance	342	270	551
Amounts owed to credit institutions	341	500	759
Amounts owed to subsidiaries	391	384	384
Corporation tax payable	5	4	1
Other creditors	421	659	311
Total creditors	1,526	1,837	2,033
Accruals and deferred income	3	10	5
Total liabilities	22,746	22,995	22,770

1) The total outstanding claims provisions, net of reinsurance, at 30 September 2003 include DKK 2.7 billion concerning Copenhagen Re.

Shareholders' equity

DKK million	Number of shares	Share capital	Retained profit	Shareholders' equity	Minority interests	Group shareholders' equity
At 1 January 2003	22,350,000	1,788	998	2,786	99	2,885
Profit/loss for the period			278	278	2	280
Change in accounting policies			3	3		3
Sale of own shares			32	32		32
Emission in Alm. Brand Formue A/S					173	173
At 30 September 2003	22,350,000	1,788	1,311	3,099	274	3,373