

Alm. Brand A/S

Interim report for the third quarter of 2004

Finansiel Highlights and Key Ratios

DKK million	3 rd quarter 2004	3 rd quarter 2003	9 months 2004	9 months 2003	Year 2003
KEY FIGURES					
Income					
Non-Life Insurance	1,048	983	3,078	2,907	3,927
Banking	170	170	514	534	719
Life Insurance	129	131	447	430	714
Copenhagen Re	-2	15	15	37	136
Investments	207	220	653	722	969
Total income	1,552	1,519	4,707	4,630	6,465
Results					
Underwriting result from non-life insurance	121	79	276	146	164
Profit on banking operations	57	37	150	92	107
Underwriting result from life insurance	2	28	11	11	54
Underwriting result from Copenhagen Re	-5	25	0	10	-25
Profit/loss for insurance and banking operations	175	169	437	259	300
Profit/loss on investments after allocation of interest	5	-64	6	-16	-18
Other ordinary items	-15	14	9	54	112
Profit/loss before tax	165	119	452	297	394
Tax	-11	-6	-37	-17	-19
Profit/loss after tax	154	113	415	280	375
Minority interests' share of profit for the period	-18	1	-38	-2	-3
Profit/loss after tax excluding minorities	136	114	377	278	372
Profit/loss before tax excluding minorities	140	115	410	293	387
Profit/loss on business in run-off, net of reinsurance	1	-5	-35	-46	-64
Technical provisions, net of reinsurance	17,197	17,356	17,197	17,356	16,749
Shareholders' equity	3,574	3,099	3,574	3,099	3,190
Minority interests	314	274	314	274	277
Total assets excluding banking operations	23,124	22,746	23,124	22,746	22,057
Assets in banking operations	13,721	12,945	13,721	12,945	11,936
KEY RATIOS					
Return on equity before tax p.a.	16%	15%	16%	13%	13%
Return on equity after tax p.a.	16%	15%	15%	13%	12%
Earnings per share, DKK 80	6	5	17	12	17
Net assets value per share, DKK	160	139	160	139	143
Share price end of year	158	130	158	130	133
Share price/Net asset value	0.99	0.94	0.99	0.94	0.93

Alm. Brand A/S

Financial results

The Alm. Brand A/S Group posted a profit before minorities of DKK 140 million before tax and of DKK 136 million after tax in the third quarter of 2004, compared with a profit of DKK 115 million before tax and DKK 114 million after tax in the year-earlier period. For the year to date, the profit was DKK 410 million against DKK 293 million a year earlier.

The consolidated profit for the third quarter of 2004 reflects the sustained strength of the claims experience in the non-life business, with claims payments at a low level. The rest of the Group's business areas performed in line with expectations.

The very strong profit performance for the year to date was driven by a substantially better-than-expected performance by the non-life and banking operations, which was mainly due to low claims disbursements by the non-life operations and a good overall performance by the banking operations. The rest of the Group's business activities performed in line with expectations.

The Q3 performance equalled an annualised return on equity of 16% before tax and minorities, which was highly satisfactory. The return on equity for the year to date was also 16% before tax.

Due to the highly satisfactory financial results both in the third quarter and the year to date, the Group upgrades the full-year profit forecast before minorities to DKK 475 million before tax and DKK 437 million after tax, an increase of DKK 35 million relative to the guidance provided in the first half-year profit announcement.

The Group generated total income of DKK 1.6 billion in Q3 2004.

Earnings per share were DKK 6 in the third quarter and the net asset value per share was DKK 160 at 30 September 2004.

Shareholders' equity was DKK 3.6 billion at 30 September 2004, against DKK 3.2 billion at 31 December 2003.

Business operations

Management expenses continued to fall, standing at DKK 541 million for the year to date compared with DKK 581 million in the year-earlier period. The fall in expenses was the result of the efficiency-improving measures the Group has implemented during the last couple of years and a more precise method of calculating the part of expenses attributable to claims. Management expenses were DKK 188 million in Q3 2004 against DKK 192 million in Q3 2003.

The non-life operations reported premium income growth at the rate of 7% in Q3 2004, which was in line with expectations.

The claims ratio net of reinsurance was 70, continuing the strong performance in Q3 2004. The low claims ratio was the result of the very mild weather conditions during the reporting period and a below-average number of major fire claims. Finally, the premium adjustments and the measures taken to enhance the profitability of the customer portfolio have produced the expected improvements to the claims experience and the profit performance. The year-to-date claims ratio was 69 net of reinsurance, compared with 72 in the year-earlier period, which was a good deal better than expected.

The combined ratio net of reinsurance was 91 in Q3 2004 against 94 in Q3 2003. The combined ratio net of reinsurance for the year to date was 92 against 98 a year earlier.

The banking operations have performed well in 2004, reporting satisfactory developments in all lending segments. The stockbroking arm was a major contributor to the bank's earnings.

The credit policy combined with the stable economic conditions to produce a highly satisfactory performance in the write-off and provisioning ratio. Bad and doubtful debts were DKK 17 million in the year to date, compared with DKK 31 million in the first nine months of 2003.

The Group's life and pension operations contributed DKK 13 million to the consolidated Q3 profit, mainly due to strong expense and risk results, compared with DKK 28 million in the year-earlier period. The life and pension business reported a profit for the year to date of

DKK 39 million against DKK 45 million in the same period of last year.

The collective bonus potential in the life and pension company improved, equalling 1.6% of the technical provisions at 30 September 2004.

No risk premium was recognised in the first nine months of 2004.

Investment returns

The Group's overall Q3 investment return was DKK 420 million, driven by falling interest rates and the resulting capital gains on interest-bearing assets. The investment return for the period was slightly below the benchmark return.

The year to date investment return was DKK 764 million against DKK 643 million a year earlier.

The vast majority of the 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 nine years, which largely corresponds to the duration of the liabilities.

Major events

The "dobbeltkunde" concept

During the first quarter of 2004, the Group began to roll out the "dobbeltkunde" concept intended to attract more full-service customers to the Group. Customers buying services and products from more than one of the Group's business areas and pooling their financial activities with the Alm. Brand Group are eligible for substantial discounts of up to 51% on their insurance premiums. The new concept is expected to enhance customer loyalty and to increase the number of banking customers. In turn, this is expected to raise the Group's overall level of business activity, while reducing distribution costs per customer. The business concept performed in line with expectations in the first nine months of 2004.

New non-life insurance system

The implementation of the Group's new non-life insurance system that will replace the seven existing systems continues. The system is intended to make business processes more efficient, improve customer service and ease the product development process. All private insurance products have been fully implemented in the new system, and the Group has taken the

first steps towards developing commercial insurance products.

Merger of Alm. Brand Forsikring A/S and Alm. Brand Skade A/S

Forsikringsaktieselskabet Alm. Brand Skade and Alm. Brand Forsikring A/S have merged with accounting effect from 1 January 2004. The Danish Financial Supervisory Authority has approved the merger.

Following the merger, all of the Group's non-life insurance operations are organised in Alm. Brand Forsikring A/S. The merger has not affected the insurance customers.

Outlook

The Group expects an overall profit for 2004 of around DKK 475 million before tax and DKK 437 million after tax.

This forecast represents a DKK 35 million upgrade relative to the guidance provided in the first-half 2004 profit announcement. Much of the profit upgrade for the full year is motivated by the favourable claims experience in the non-life operations, due in part to the mild weather conditions.

This brings the aggregate upgrade relative to the guidance provided at the start of the year to DKK 160 million.

The full-year consolidated income for 2004 is expected to be in the region of DKK 6.4 billion.

The expected performance of the Group overall and of each individual business area may be affected by major changes in economic conditions, developments in bad and doubtful debts, the claims experience and certain other factors. The forecast is based on the level of interest rates prevailing at end-October 2004.

The forecast for the fourth quarter of 2004 is based on the assumption of a claims experience at the normal level for the period, including the claims relating to the fire at the fireworks factory in Kolding. In other words, the final three months of the year are not expected to see such an exceptionally positive claims experience in terms of weather-related events as has been seen in the year to date.

Non-life insurance

Alm. Brand Forsikring A/S is the fourth largest non-life insurer in Denmark. The company's business area includes all insurance products within the lines of property, liability, personal accident, animal and travel insurance. The business area addresses customers throughout the Danish market.

Financial results

Non-life operations generated a Q3 profit before tax of DKK 126 million, compared with DKK 77 million in Q3 2003. The profit for the first nine months of the year was DKK 308 million both before and after tax.

The Q3 performance is equivalent to an annualised return on equity of 39% before tax, compared with 26% in Q3 2003.

The profit was highly satisfactory.

Premiums

Gross premiums were DKK 1,048 million, an increase of DKK 65 million, or 7%, from DKK 983 million in Q3 2003. The increase in premiums was caused mainly by index regulations and announced premium increases.

Although sales were back to normal in Q3 2004, Alm. Brand does not expect to meet the full-year sales budgets, in part due to this summer's industrial dispute with the Group's insurance agents.

Remaining focused on profitable growth, Alm. Brand optimises its customer portfolio on a regular basis in order to achieve the key objective of reasonably balancing claims expenses and premium income.

Claims experience

The claims ratio net of reinsurance was 70 in Q3 2004, compared with 69 in the same period of 2003. Year-to-date, the claims ratio net of reinsurance was 69, compared with 72 in 2003. The overall claims experience was highly satisfactory.

Claims expenses were very low in the third quarter of 2004 due to continued mild weather conditions and a small number of major fire claims.

The remarkable improvement in the claims experience in the year to date was based on the improved customer portfolio and the unusually

good claims experience from weather-related claims in all segments thanks to the mild weather conditions in Denmark, especially in the first half of 2004. Also, the number of major claims reported was well below normal. Overall, the Group's claims expenses were well below the normal level after the first nine months of 2004.

Costs

The expense ratio net of reinsurance was satisfactory at 21 for Q3 2004, compared with 25 in Q3 2003. Year-to-date, the expense ratio net of reinsurance was 23, compared with 26 in the first nine months of 2003.

Affecting the expense ratio were the costs of developing and implementing the Group's new non-life insurance system, which is expected to gradually enhance efficiency and improve the service provided to customers.

The measures launched to lower 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 23 by 2006 at the latest.

Combined ratio

The Q3 2004 performance led to a combined ratio net of reinsurance of 91, against 94 for the same period of 2003. The gross combined ratio was 88, against 91 in Q3 2003. The combined ratio for the year to date was 92 against 98 a year earlier. The gross combined ratio for the year to date was 89, against 94 in 2003.

Investment return

The investment return before allocation of interest was DKK 55 million in Q3 2004 compared with DKK 27 million in Q3 2003. The year-to-date investment return before allocation of interest was DKK 146 million, against DKK 163 million for the first nine months of 2003.

The vast majority of the investment assets were placed in short-duration bonds.

Major events

Alm. Brand Byggeteknik

Effective 1 May 2004, Alm. Brand set up a new business area staffed by certified building surveyors. The team of building experts consists of Alm. Brand's own staff and independent business partners, who prepare surveyors' reports and energy rating reports for Alm. Brand policyholders as well as for other insurers' customers. The new business area reported a satisfactory performance.

New non-life insurance product

Alm. Brand has developed and launched a new personal accident insurance product featuring a whole new personal accident concept. The new product provides extended coverage in key areas and has been well received in the market. For example, it also covers accidents resulting from fainting or indisposition, which were previously considered non-external events and thus not covered by the insurance.

New customer service procedures

In a number of customer service projects, Alm. Brand has analysed business procedures, processing times and other factors, changing a number of procedures in order to improve the quality of service provided to policyholders.

Outlook

The non-life business outperformed expectations during the first nine months of 2004. As a result, the Group is once more upgrading the forecast for the non-life operations, this time by DKK 55 million. The upgrade is motivated mainly by the very mild weather conditions experienced in 2004 to date, but also by the generally good performance of the business area.

The full-year profit forecast for the non-life operations is now in the range of DKK 355 million, compared with DKK 300 million forecast in the first half-year profit announcement and DKK 200 million in the 2003 Annual Report.

Banking

Alm. Brand Bank is among the 10 largest banks in Denmark and is becoming the main banker to more and more personal customers. The bank provides all traditional banking products to personal customers and also focuses on providing savings, consultancy, investment 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 profit before tax and minorities of DKK 40 million in Q3 2004, as compared with DKK 38 million in Q3 2003. The year-to-date profit before tax and minorities was DKK 108 million, against DKK 88 million for the first nine months of 2003. The performance was satisfactory.

The Q3 2004 performance equalled a return on average equity of 20% per annum before tax, bringing the year-to-date return on average equity before tax to 18%. The return on average equity in Q3 2003 was also 20%, while it was 15% for the full-year 2003.

Net interest and fee income

Net interest and fee income was DKK 113 million in Q3 2004, in line with the year-earlier figure of DKK 118 million. The year-to-date net interest and fee income was DKK 350 million, against DKK 343 million in the first nine months of 2003.

Value adjustments

Overall value adjustments including minorities were DKK 27 million in Q3 2004, mainly attributable to the generally appreciating market prices for securities. The blue chip KFX index gained 5.4% and long-term interest rates fell during the period. A substantial part of the banking group's value adjustments (DKK 20 million) related to Alm. Brand Formue's holdings of bonds and shares. Given Alm. Brand Bank's 13% ownership interest in Alm. Brand Formue, the Q3 profit before minorities included only DKK 3 million of the value adjustments.

Value adjustments for the year to date were DKK 69 million, of which DKK 42 million related to Alm. Brand Formue's holdings of bonds and shares.

Costs

Costs in Q3 2004 were DKK 85 million, as against DKK 81 million in Q3 2003, bringing costs for the year to date to DKK 265 million, against DKK 262 million for the first nine months of 2003. Costs are developing in line with expectations.

Provisions for bad and doubtful debts

Bad and doubtful debts were DKK 17 million for the year to date, compared with DKK 31 million in the same period of 2003. The satisfactory improvement was attributable to the positive business cycle and the general financial strength of customers.

The loss on this item in 2004 to date was DKK 18 million, which was DKK 1 million lower than in the year-earlier period. The banking group's provisioning ratio was 2.7% at 30 September 2004, compared with 2.8% at 30 September 2003.

Participating interests in subsidiaries

The bank recorded no significant gains or losses on participating interests in subsidiaries in the first nine months of 2004. In the year-earlier period, the bank recorded value adjustments of DKK 21 million on this item, which related mainly to capital gains on the bank's portfolio of Alm. Brand A/S shares at the time.

Balance sheet

The bank reported a rise in total assets, partly as a result of an increase in car loans, new home loans arranged by the EDC estate agents and an increase in lending to agricultural customers. In addition, the bank recorded a general increase in business resulting from the added business volume generated through the *dobbeltkunde* campaign.

Loans and advances

Loans and advances amounted to DKK 8.4 billion at 30 September 2004, an increase of DKK 0.4 billion from 30 September 2003 and an increase of DKK 0.2 billion from 30 June 2004.

Deposits

Deposits amounted to DKK 9.3 billion at 30 September 2004, a small increase, of DKK 0.1 billion, from 30 September 2003 and an increase of DKK 0.4 billion from 30 June 2004.

Other activities

The Alm. Brand Bank Group had core capital of DKK 1.3 billion and a solvency ratio of 12.4 at 30 September 2004.

Major events

EDC Kredit 105

Alm. Brand Bank and *EDC Mæglerne*, Denmark's largest chain of estate agents, have developed a new home loan product named EDC Kredit 105.

The new product was well received by the market. Designed for new home purchases and for supplementary mortgage loans through *EDC Mæglerne*, the product is similar to a variable rate overdraft with a 30-year maturity. The credit facility provided covers up to 105% of the value of a property, subject to an individual rating of the customer's financial status.

Stock market game

Alm. Brand Bank, TV2, a Danish television station, and Berlingske Tidende, a Danish newspaper, have launched Denmark's largest stock market game. Participants are given the chance to invest a hypothetical DKK 250,000 in a realistic environment. More than 88,000 people have registered for the game, exceeding expectations by a substantial margin.

Outlook

The Alm. Brand Bank Group forecasts a profit before tax and minorities in the region of DKK 125 million for 2004. The forecast is unchanged from the guidance provided in the first-half profit announcement.

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 Alm. Brand Liv og Pension A/S.

Alm. Brand Bank A/S' pension activities and the life insurance business make 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 Q3 2004 was DKK 13 million, against DKK 28 million for the same period of last year. The drop was due mainly to a lower investment return on equity relative to 2003. The profit before tax for the year to date was DKK 39 million, against DKK 45 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 year-to-date performance is equivalent to an annualised return on equity of 6% before tax, compared with a return of 7% in the year-earlier period.

In addition, the life operations had an earned risk premium of DKK 37 million for the first nine months of 2004, which amount has been transferred to the shadow account and will only be recognised in shareholders' equity if consistent with the full-year performance.

Premiums

Gross premiums were DKK 129 million in Q3 2004, against DKK 131 million in Q3 2003. The year-to-date gross premiums were DKK 447 million, against DKK 430 million in the first nine months of 2003.

Gross premiums were in line with expectations.

Benefits paid

Benefits paid in Q3 2004 amounted to DKK 164 million, against DKK 187 million in Q3 2003.

Benefits paid in the year to date were DKK 517 million, against DKK 471 million in the first nine months of 2003. The increase in benefits paid was due mainly to payments of DKK 48 million related to a benefits disbursement/policy transfer

campaign conducted in the second and third quarters of 2004 and targetting unprofitable paid-up policies.

Costs

Acquisition and management expenses totalled DKK 15 million in Q3 2004, which was in line with the costs of the same period of last year. Acquisition and management expenses net of reinsurance for the year to date totalled DKK 46 million, compared with DKK 50 million in the year-earlier period.

Total expenses for 2004 to date are in line with expectations.

Investment return

The year-to-date return on investment assets before tax on pension investment returns attributable to the life and pension portfolio was DKK 558 million, compared with DKK 447 million for the year-earlier period.

The return on investment assets attributable to shareholders' equity was DKK 27 million in the first nine months of 2004, against DKK 34 million in the year-earlier period.

For the year to date, the return on the overall investment assets before tax on pension investment returns was DKK 585 million, equal to an annualised return of 7.1% and a year-to-date return of 5.4%.

The investment return was not quite in line with the benchmark return.

Equities represented about 5% of the investment assets. The equity exposure including futures and options was about 7%.

The life group has placed part of its bond investments in mortgage bonds with a part of the prepayment risk hedged by way of options. In addition, the life group applies derivative instruments to hedge the company's interest rate risk, largely balancing out the assets and liabilities risk. These instruments are mainly short-term options. In the event of a significant increase in the level of interest rates, the life group would expect to apply bonus potential on paid-up policies.

Balance sheet

The collective bonus potential amounted to DKK 152 million at 30 September 2004, against DKK 79 million at 31 December 2003, equalling a bonus rate of 1.6%.

The life group's shareholders' equity amounted to DKK 962 million, equivalent to equity reserves of 7.6%, at 30 September 2004. The solvency ratio was 249.

The shadow account stood at DKK 111 million at 30 September 2004.

The life company remained in the Danish Financial Supervisory Authority's green scenario at 30 September 2004.

Major events

Increased equity exposure

The equity exposure rose slightly in the third quarter, bringing the share of customers' investments in equities to about 7%, including futures and options.

Increased disability claims

The volume of disability claims rose during the third quarter. The separate risk result for disablement benefits and premium waivers was a loss of approximately DKK 11 million. The overall risk result remained positive.

Outlook

The forecast profit for the full year 2004 is raised by DKK 5 million to around DKK 45 million before tax and any risk premium.

The performance will rely strongly on how interest rates develop. With 11% of the portfolio placed in real property and an equity exposure of about 7%, adverse developments in these markets could impact the profit for the year, including the potential for recognising a risk premium.

Other business activities

Copenhagen Re

Copenhagen Re, which is in runoff, performed in line with expectations. The investment return largely offset the underwriting loss and the management expenses.

The company reported a profit before tax of DKK 2 million for Q3 2004. The year-to-date profit before tax was DKK 4 million, against DKK 7 million for the first nine months of 2003.

Technical provisions amounted to DKK 1.9 billion at 30 September 2004, against DKK 2.3 billion a year earlier.

There is still considerable uncertainty with respect to losses incurred, including for the World Trade Center event. These risks are further described in the Group's Annual Report 2003.

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 107 million at 30 September 2004, equal to Alm. Brand A/S' carrying value on the investment.

Copenhagen Re continues to expect a break-even performance in 2004.

Other activities

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

Other activities of the Group contributed a loss before tax of DKK 34 million in Q3 2004 against a DKK 25 million loss in Q3 2003. This brought the loss before tax to DKK 49 million for the first nine months of the year, against a loss of DKK 62 million in the year-earlier period.

The performance in Q3 2004 was affected by provisions for rent related to vacant premises while the loss in 2003 related to the cost of a partnership agreement with the EDC chain of estate agents and the elimination of capital gains on the holding of Alm. Brand A/S shares.

Outlook

An overall loss of about DKK 50 million is projected for 'Other business activities' for the full year 2004. This implies a DKK 25 million downgrade of the forecast provided in the first-

half profit announcement, relating mainly to provisions for rent related to vacant office premises.

Accounting policies

The accounting policies are unchanged from those applied in the annual report for 2003.

This interim report for the third quarter of 2004 is unaudited.

Non-Life Insurance

Excl. Copenhagen Re

DKK million	3 rd quarter 2004	3 rd quarter 2003	9 months 2004	9 months 2003	Year 2003
Gross premiums	1,048	983	3,078	2,907	3,927
Premiums, net of reinsurance	1,000	930	2,934	2,731	3,727
Technical interest, net of reinsurance	31	27	91	89	118
Claims incurred, net of reinsurance	-703	-642	-2,020	-1,949	-2,670
Changes in other technical provisions, net of reinsurance	-1	-1	-3	-3	-4
Bonus payments and premium discounts	-2	0	-1	-1	-2
Underwriting management expenses, net of reinsurance	-206	-235	-673	-718	-962
Change in equalisation provisions	2	0	-52	-3	-43
Underwriting profit/loss	121	79	276	146	164
Interest, dividends etc.	52	45	173	152	220
Capital gains/losses	6	-15	-17	20	7
Management expenses relating to investment business	-3	-3	-10	-9	-15
Transferred technical interest	-33	-29	-97	-94	-128
Profit/loss on investments after allocation of interest	22	-2	49	69	84
Other ordinary items	-17	0	-17	0	-29
Profit/loss before tax	126	77	308	215	219
Profit/loss on business in run-off, net of reinsurance	1	-5	-35	-46	-64
Technical provisions, net of reinsurance	5,108	4,667	5,108	4,667	4,557
Shareholders' equity	1,375	1,282	1,375	1,282	1,067
Total assets	7,354	6,211	7,354	6,211	5,966
Claims ratio	68%	67%	67%	69%	70%
Expense ratio	20%	24%	22%	25%	24%
Combined ratio	88%	91%	89%	94%	94%
Claims ratio, net of reinsurance	70%	69%	69%	72%	72%
Expense ratio, net of reinsurance	21%	25%	23%	26%	26%
Combined ratio, net of reinsurance	91%	94%	92%	98%	98%
Return on equity before tax p.a.	39%	26%	34%	25%	21%

Banking

DKK million	3 rd quarter 2004	3 rd quarter 2003	9 months 2004	9 months 2003	Year 2003
Interest income	140	138	413	434	575
Interest expenses	-57	-52	-164	-191	-246
Net interest income	83	86	249	243	329
Net fee and commission income, dividends etc.	30	32	101	100	144
Net interest and fee income	113	118	350	343	473
Value adjustments	27	3	69	9	22
Other operating income	1	4	11	11	15
Profit on financial operations	141	125	430	363	510
Total costs	-85	-81	-265	-262	-356
Net provisions for bad and doubtful debts	0	-8	-17	-31	-64
Value adjustment of participating interests	1	1	2	22	22
Profit before tax	57	37	150	92	112
Profit before tax excluding minorities	40	38	108	88	105
Loans and advances	8,358	7,981	8,358	7,981	8,205
Deposits	9,285	9,163	9,285	9,163	8,734
Minority interests	314	274	314	274	277
Shareholders' equity	841	768	841	768	735
Subordinated debt	300	300	300	300	300
Total assets	13,721	12,945	13,721	12,945	11,936
Net interest margin p.a.	2.5%	2.8%	2.6%	2.6%	2.5%
Expense ratio	60%	70%	65%	76%	79%
Write-off and provisioning ratio p.a.	0.0%	0.4%	0.2%	0.5%	0.7%
Solvency ratio	12.4%	14.0%	12.4%	14.0%	14.7%
Return on equity before tax p.a.	20%	20%	18%	16%	15%

Life Insurance

DKK million	3 rd quarter 2004	3 rd quarter 2003	9 months 2004	9 months 2003	Year 2003
Gross premiums	129	131	447	430	714
Premiums, net of reinsurance	122	123	423	406	681
Investment return after allocation of interest	314	-5	471	379	376
Claims incurred, net of reinsurance	-164	-187	-517	-471	-772
Change of life insurance provisions, net of reinsurance	-197	206	-247	-159	-79
Change of collective bonus potential	-58	-94	-73	-94	-79
Underwriting management expenses, net of reinsurance	-15	-15	-46	-50	-73
Underwriting profit/loss	2	28	11	11	54
Transferred investment return	11	0	28	34	44
Profit before tax for the period	13	28	39	45	98
Result in life insurance					
Administrative result	6	5	14	16	15
Investment result	209	-107	181	112	20
Risk result	6	22	26	44	67
Change in provision for guaranteed pension benefits	-156	200	-118	-35	88
Change of collective bonus potential	-58	-94	-73	-94	-79
Reinsurance ceded	6	2	9	2	-13
Profit before tax	13	28	39	45	98
Technical provisions, net of reinsurance	10,181	9,957	10,181	9,957	9,871
Shareholders' equity	962	871	962	871	924
Total assets	11,741	11,259	11,741	11,259	11,152
Return on equity before tax p.a.	5%	13%	6%	7%	11%

Investment return in life insurance in 9 months 2004

DKK million	Average amount of capital tied up	Return	Return ratio
Bonds	9,215	517	5.6%
Shares	369	24	6.5%
Property	1,305	58	4.4%
Management expenses relating to investments activities		-14	-0.1%
Total	10,889	585	5.4%

Group Profit and Loss Account

DKK million	9 months 2004	9 months 2003	Year 2003
NON-LIFE INSURANCE			
Premium income			
Gross premiums	3,410	3,266	4,070
Reinsurance premiums ceded	-165	-208	-212
Change in gross unearned premium provisions	-317	-322	-7
Change in reinsurers' share of unearned premium provisions	4	18	-6
Premiums, net of reinsurance	2,932	2,754	3,845
Technical interest, net of reinsurance	132	170	209
Claims incurred			
Gross claims paid	-2,312	-2,850	-3,830
Reinsurers' share received	143	311	392
Change in gross outstanding claims provisions	166	742	865
Change in reinsurers' share of outstanding premiums provisions	21	-217	-215
Claims incurred, net of reinsurance	-1,982	-2,014	-2,788
Change in other technical provisions, net of reinsurance	-3	-3	-4
Bonus payments and premium discounts	-1	-1	-2
Underwriting management expenses			
Acquisition costs	-214	-175	-245
Administrative expenses	-541	-581	-842
Commissions and profit commissions from reinsurance companies	5	9	9
Total underwriting management expenses, net of reinsurance	-750	-747	-1,078
Change in equalisation provisions	-52	-3	-43
Underwriting result from non-life insurance	276	156	139
LIFE INSURANCE			
Premiums			
Gross premiums	447	430	714
Reinsurance premiums ceded	-24	-24	-33
Premiums, net of reinsurance	423	406	681
Transferred investment return, net of reinsurance	471	379	376
Claims and benefits			
Claims and benefits paid	-553	-512	-798
Reinsurers' share received	22	20	18
Change in gross outstanding claims provisions	14	20	8
Change in reinsurers' share of gross outstanding claims provisions	0	1	0
Claims and benefits, net of reinsurance	-517	-471	-772
Change in life insurance provisions			
Change in gross life insurance provisions	-255	-161	-77
Change in reinsurers' share of life insurance provisions	8	2	-2
Change in life insurance provisions, net of reinsurance	-247	-159	-79
Change in collective bonus potential	-73	-94	-79
Underwriting management expenses			
Acquisition costs	-22	-19	-25
Administrative expenses	-27	-35	-52
Commissions and profit commissions from reinsurance companies	3	4	4
Total underwriting management expenses, net of reinsurance	-46	-50	-73
Underwriting result from life insurance	11	11	54

DKK million	9 months 2004	9 months 2003	Year 2003
Underwriting result from non-life insurance	276	156	139
Underwriting result from life insurance	11	11	54
NON-UNDERWRITING ACTIVITY			
Investment income			
Income from subsidiaries	143	82	67
Income from land and buildings	62	65	91
Interests, dividends, etc.	591	629	847
Realised gains on investment assets	9	166	107
Total investment income	805	942	1,112
Unrealised gains on investment assets	160	0	0
Investment expenses			
Management expenses relating to investments activities	-90	-78	-130
Interest expenses	-17	-37	-45
Total investment expenses	-107	-115	-175
Unrealised losses on investment assets	0	-100	-194
Exchange rate adjustments	-15	-21	5
Tax on pension investment returns	-79	-63	-67
Total returns on investments	764	643	681
Investment returns transferred to non-life insurance	-137	-177	-216
Investment returns transferred to life insurance	-471	-379	-376
Other ordinary income	28	43	152
Other ordinary expenses	-19	0	-40
Profit/loss before tax	452	297	394
Tax	-37	-17	-19
Profit/loss for the period	415	280	375
Minority interests' share	-38	-2	-3
Alm. Brand's share of profit/loss for the period	377	278	372

Group Balance Sheet

DKK million	30 th September 2004	30 th September 2003	31 st December 2003
ASSETS			
Intangible assets	103	107	104
Investment assets			
Land and buildings	1,286	1,464	1,430
Investments in subsidiaries and associated undertakings			
Participating interests in subsidiaries	1,522	1,419	1,378
Loans to subsidiaries	0	37	0
Participating interests in associated undertakings	20	20	20
Total investments in subsidiaries and associated undertakings	1,542	1,476	1,398
Other financial investment assets			
Participating interests	488	286	236
Units in unit trusts	50	408	89
Bonds	16,177	15,542	15,798
Policy loans	4	5	4
Other loans	2	2	5
Deposits with credit institutions	931	658	730
Total other financial investment assets	17,652	16,901	16,862
Reinsurance deposits	306	345	84
Total investment assets	20,786	20,186	19,774
Debtors			
Amounts due from policyholders	330	264	403
Amounts due from insurance brokers	1	32	0
Amounts due from insurance companies	103	166	313
Amounts due from subsidiaries	23	50	95
Corporation tax	0	0	3
Other debtors	196	190	195
Total debtors	653	702	1,009
Other assets			
Furniture and equipment, computers, cars etc.	64	86	63
Cash in hand and demand deposits	694	701	423
Deferred tax	330	361	361
Other assets	19	9	0
Total other assets	1,107	1,157	847
Prepayments and accrued income			
Accrued interest	433	457	270
Prepaid acquisition costs	2	0	6
Other prepayments and accrued income	40	137	47
Total prepayments and accrued income	475	594	323
Total assets	23,124	22,746	22,057

DKK million	30 th September 2004	30 th September 2003	31 st December 2003
LIABILITIES			
Shareholders' equity			
Share capital	1,788	1,788	1,788
Reserves:			
Contingency fund	182	182	182
	182	182	182
Retained profit	1,604	1,129	1,220
Total shareholders' equity	3,574	3,099	3,190
Minority interests	314	274	277
Technical provisions			
Unearned premium provisions			
Gross premium provisions	1,703	1,698	1,387
Reinsurers' share of premium provisions	-24	-34	-6
Unearned premium provisions, net of reinsurance	1,679	1,664	1,381
Life insurance provisions			
Guaranteed benefits	8,050	7,991	7,671
Bonus potential on future premiums	1,399	1,359	1,450
Bonus potential on paid-up policies	586	512	682
Reinsurers' share of life insurance provisions	-32	-24	-24
Life insurance provisions, net of reinsurance	10,003	9,838	9,779
Outstanding claims provisions¹⁾			
Gross outstanding claims provisions	6,060	6,394	6,082
Reinsurers' share of outstanding claims provisions	-887	-719	-679
Outstanding claims provisions, net of reinsurance	5,173	5,675	5,403
Provisions for bonus payment and premium discounts, net of reinsurance			
	0	1	1
Equalisation provisions	133	41	80
Collective bonus potential	152	112	79
Other technical provisions			
Gross other technical provisions	57	25	26
Other technical provisions, net of reinsurance	57	25	26
Total technical provisions, net of reinsurance	17,197	17,356	16,749
Provision for other risks and costs			
Deferred tax on pension investment returns	0	8	7
Other provisions	195	89	184
Total provisions for other risks and costs	195	97	191
Reinsurance deposits	396	391	230
Creditors			
Creditors from direct insurance	127	26	43
Creditors from reinsurance	142	342	296
Amounts owed to credit institutions	326	341	327
Amounts owed to subsidiaries	390	391	413
Corporation tax payable	6	5	0
Other creditors	453	421	338
Total creditors	1,444	1,526	1,417
Accruals and deferred income	4	3	3
Total liabilities	23,124	22,746	22,057

1) The total outstanding claims provisions, net of reinsurance, at 30 September 2004 include DKK 2.0 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 2004	22,350,000	1,788	1,402	3,190	277	3,467
Profit/loss for the period			377	377	38	415
Sale of own shares			7	7	0	7
Change in minority interests' share					-1	-1
At 30 September 2004	22,350,000	1,788	1,786	3,574	314	3,888