

Alm. Brand

interim report - the first quarter of 2012

2012



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COMPANY INFORMATION

BOARD OF DIRECTORS

Jørgen H. Mikkelsen, Chairman
Boris N. Kjeldsen, Deputy Chairman
Henrik Christensen
Per V. H. Frandsen
Arne Nielsen
Jan S. Pedersen
Per Dahlbom
Helle L. Frederiksen
Henning Kaffka
Susanne Larsen

EXECUTIVE BOARD

Søren Boe Mortensen, Chief Executive

AUDITORS

Deloitte, Statsautoriseret Revisionspartnerselskab

INTERNAL AUDITOR

Poul-Erik Winther, Chief auditor

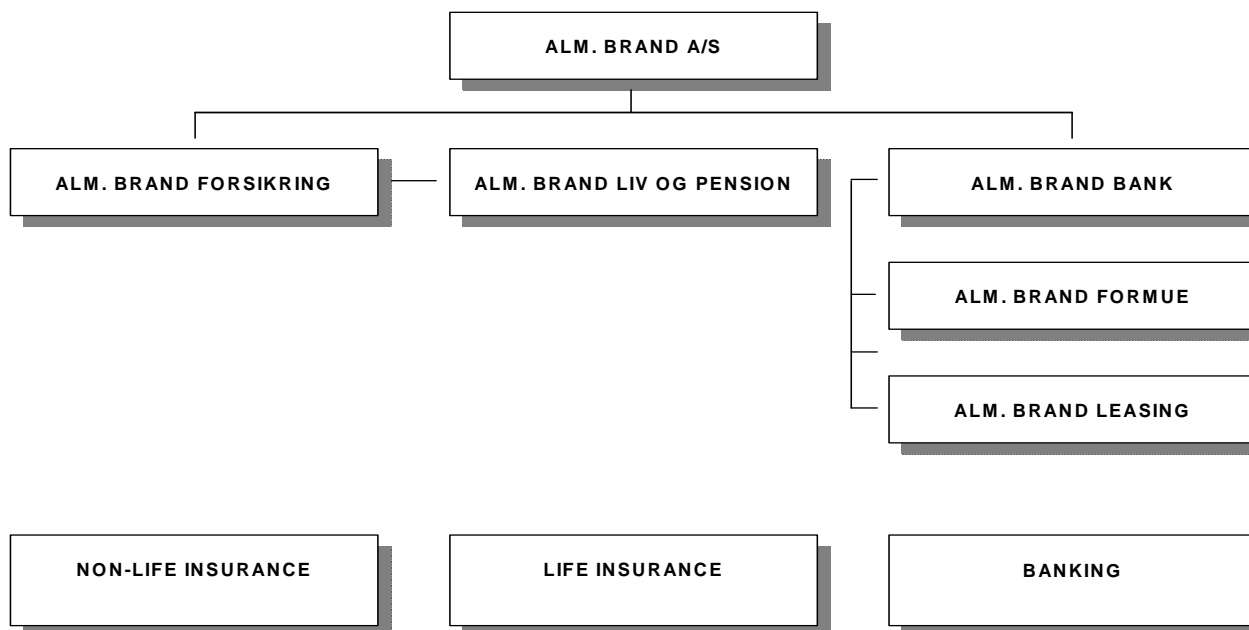
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GROUP STRUCTURE



Companies with negligible or discontinued activities are not included.

Alm. Brand A/S is a listed Danish financial services group focusing on the Danish market. The group carries on non-life insurance, life insurance and pension activities as well as banking activities and generates annual consolidated revenue of DKK 7 billion yearly.

Alm. Brand's vision "We take care of our customers" is the guiding principle for the experience customers should have when they interact with Alm. Brand.

The group's insurance and pension products cover private lines, agriculture as well as small and medium-sized businesses. The bank focuses primarily on the private customer market as well as on asset management and markets activities.

Alm. Brand is Denmark's fourth largest provider of non-life insurance products. The group's life insurance, pension and banking activities complement the services we provide to our non-life insurance customers.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	Q1 2012	Q1 2011	Year 2011
Income			
Non-Life Insurance	1,195	1,168	4,772
Banking	233	268	1,008
Life Insurance	229	179	724
Investments	195	177	714
Total income	1,852	1,792	7,218
Profit excluding minorities			
Non-Life Insurance	164	37	460
Banking	-90	-149	-1,154
Life Insurance	19	18	137
Other activities	-11	-15	-44
Profit before tax	82	-109	-601
Tax	-19	28	98
Profit after tax	63	-81	-503
Profit Group			
Profit before tax, Group	101	-113	-626
Tax	-19	28	97
Profit after tax, Group	82	-85	-529
Provisions for insurance contracts	20,102	19,092	19,197
Shareholders' equity	4,287	4,672	4,206
Of which minority interests	131	153	113
Total assets	46,582	48,320	44,913
Return on equity before tax excluding minorities p.a.	8%	-10%	-14%
Return on equity after tax excluding minorities p.a.	6%	-7%	-12%
Earnings per Share	0.4	-0.5	-2.9
Diluted Earnings per Share	0.4	-0.5	-2.9
Net assets value per Share	24	26	24
Share price end of period	11.5	11	8.2
Share price/Net asset value	0.48	0.43	0.34
Number of shares end of period ('000)	173,382	173,658	173,202
Average number of shares ('000)	173,292	173,218	173,140

The Alm. Brand A/S Group

Financial results

The Alm. Brand Group posted a pre-tax profit excluding minorities of DKK 82 million in Q1 2012, compared with a loss of DKK 109 million in Q1 2011.

The performance was lifted by favourable weather conditions, an improved underlying claims experience, run-off gains and a good investment return. The performance was adversely impacted by high funding costs and by losses and writedowns in the bank.

The performance before losses and writedowns was hence better than expected. The performance after losses and writedowns, however, remained unsatisfactory.

Non-life insurance

The group's non-life insurance activities reported a very positive performance.

The Q1 performance was lifted by favourable weather conditions. The three-month period saw very limited snowfall and no windstorms of significance. However, cold temperatures in February resulted in many frozen and burst pipes.

Claims expenses on the underlying business continue to decline, and costs have been maintained at a low level. As a result, the Q1 expense ratio was 15.7. Moreover, the performance was lifted by run-off gains mainly related to workers' compensation insurance.

The investment return improved on the year-earlier period, when the performance was adversely affected by rising interest rates.

Finally, premiums developed strongly and were up by 2.3% on Q1 2011.

Banking

The bank's operating performance was favourably affected by declining costs and capital gains on equities. The performance was adversely affected by value adjustments of interest-bearing assets and by a low interest margin, among other things due to high interest expenses.

Interest expenses were in line with Q4 2011.

At the end of 2011, the bank implemented the new FSA guidelines for the calculation of impairment charges on property and agricultural exposures, which will take effect from 1 April 2012.

The bank's losses and writedowns remain at a high level.

Life insurance

The group's life insurance activities performed in line with expectations.

Satisfactory expense and risk results were achieved, and the full risk allowance was booked for all contribution groups, except one, for which only a partial risk allowance was booked.

During the first quarter, pension contributions increased by as much as 25%, including investment schemes in the bank. The increase was primarily attributable to one-time premiums paid by new customers who have chosen to transfer their existing pension savings from other banks to Alm. Brand.

Other business activities

Other business activities, consisting primarily of corporate expenses, performed in line with expectations. The Q1 performance was a pre-tax loss of DKK 11 million, against a loss of DKK 15 million for the same period of 2011.

Group

In Q1 2012, the group had an average of 1,580 employees, compared with 1,566 in the same period of 2011.

Consolidated revenue totalled DKK 1.9 billion in Q1 2012.

Earnings per share were DKK 0.4 in Q1 2012. At 31 March 2012, net asset value per share was DKK 24.

Consolidated equity was DKK 4.3 billion at 31 March 2012, which was DKK 0.1 billion higher than at 31 December 2011.

Capitalisation

The group's capital base was DKK 5,301 million at 31 March 2012, corresponding to an excess of DKK 2,045 million relative to the statutory capital requirement for the group.

The group's internal capital target was DKK 5,082 million. The capital target has been adapted to the stricter requirements under Solvency II and Basel III and provides scope for absorbing a number of unforeseen external events.

Capital base of the group	5,301
Statutory capital requirement for the group	3,256
Excess relative to statutory capital requirement	2,045
Internal capital target of the group	5,082
Excess relative to internal capital target	219

Major events

Capital injection

As announced in connection with the annual report released at the end of February 2012, Alm. Brand A/S on 28 February 2012 injected DKK 300 million by way of equity into Alm. Brand Bank A/S, whereby the bank's solvency was restored to the desired level.

Prepayment of state-guaranteed bonds

On 21 March 2012, the company announced that state-guaranteed bonds in the amount of DKK 4 billion would be prepaid. The initial DKK 2 billion was paid on 23 March 2012, and the next DKK 2 billion will be paid on 30 June 2012.

Change to the Board of Directors

Tage Benjaminsen resigned from the boards of directors of Alm. Brand A/S and Alm. Brand Bank A/S on 27 March 2012.

Outlook

The guidance for full-year consolidated profit is lifted to DKK 525 million, driven by a DKK 75 million upgrade of the profit from non-life activities.

The guidance is expressed before tax and before losses and writedowns in the bank.

The guidance is based on the following forecasts for the individual business areas:

	February 2012 *)	May 2012 *)
Non-life insurance	400	475
Banking	10	10
Life insurance	90	90
Other	-50	-50
Profit before tax ex minorities	450	525

*) Before losses and writedowns in the bank

The full-year combined ratio for the group's non-life insurance activities is upgraded to around 91.5 from 93, and the expense ratio is maintained at around 16.5. The growth forecast is unchanged at the level of 1%.

Full-year consolidated revenue is expected to be in the region of DKK 7 billion.

Disclaimer

The forecast is based on the interest rate and price levels that prevailed at the beginning of May 2012. All other forward-looking statements are based exclusively on the information available when this report was released. This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts. Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control. Actual and future results and developments may differ materially from those contained or assumed in such statements. Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This interim report has been translated from Danish into English. In the event of any discrepancy between the Danish-language version and the English-language version, the Danish-language version shall prevail.

REPORT – NON-LIFE INSURANCE

	Q1	Q1	Year
DKKm	2012	2011	2011
Gross premiums	1,195	1,168	4,772
Investment income on insurance business	5	14	40
Claims incurred	-971	-880	-3,851
Underwriting management expenses	-187	-182	-757
Profit from business ceded	97	-76	207
Underwriting profit	139	44	411
Interest and dividends etc.	61	62	262
Capital gains/losses	-4	-18	-28
Management expenses relating to investment business	-5	-5	-18
Interest on technical provisions	-27	-46	-167
Profit on investments business after allocation of technical interest	25	-7	49
Other ordinary items	0	0	0
Profit before tax	164	37	460
Tax	-41	-8	-116
Profit for the year	123	29	344
Run-off gains/losses	45	9	153
Technical provisions	8,194	7,822	7,368
Insurance assets	372	188	336
Shareholders' equity	1,925	1,837	2,152
Total assets	10,774	10,046	10,348
Gross claims ratio	81.3%	75.3%	80.7%
Gross expense ratio	15.7%	15.6%	15.9%
Net reinsurance ratio	-8.1%	6.5%	-4.3%
Combined ratio	88.9%	97.4%	92.3%
Operating ratio	88.4%	96.3%	91.5%
Return on equity before tax p.a.	31%	8%	23%
Return on equity after tax p.a.	23%	6%	17%

Financial results

The group's non-life insurance activities generated a pre-tax profit of DKK 164 million in Q1 2012, as compared with a profit of DKK 37 million in Q1 2011.

The performance was highly satisfactory and better than expected. The improvement was mainly driven by favourable weather conditions, fewer claims on the underlying business, run-off gains and a good investment return. The combined ratio was 88.9, against 97.4 in Q1 2011.

The technical result was a profit of DKK 139 million, against DKK 44 million in the year-earlier period. The technical result was composed of a DKK 94 million improvement of claims expenses net of reinsurance and a DKK 14 million improvement of premium income net of reinsurance.

The investment return after transfer to insurance activities was a gain of DKK 25 million, against a loss of DKK 7 million in Q1 2011.

The performance in Q1 2012 equalled a return on equity before tax of 31% p.a., compared with 8% p.a. in the year-earlier period.

Premiums

Gross premiums were up by 23% to DKK 1,195 million in Q1 2012, from DKK 1,168 million in Q1 2011.

Overall, the increase was in line with expectations. However, the increase was slightly lower than anticipated for motor insurance, as customers replacing their car will often choose a less expensive car with a correspondingly lower insurance premium.

Moreover, we were pleased to note that after a couple of years of above-average customer outflow in the private customer segment due to notification of premium increases, the customer outflow declined in the first quarter.

Claims experience

The Q1 claims ratio was 81.3, against 75.3 in Q1 2011. The claims experience net of reinsurance was 73.2, compared with 81.8 in the same period of last year.

The steep increase in the gross claims ratio was attributable to the fact that the consequential loss after the cloudburst on 2 July 2011 increased the overall estimated loss by DKK 155 million to a total of DKK 785 million. Because the company had reinsurance cover for the loss, the performance was only reduced by reinstatement premiums of DKK 10 million.

Weather-related claims came to DKK 35 million in Q1 2012, which was less than anticipated. In the same period of 2011, weather-related claims amounted to DKK 62 million.

The underlying non-life insurance business continues to develop favourably. Due to the limited snowfall in the winter of 2012, the number of reported motor claims declined by approximately 14% compared with Q1 2011. However, cold temperatures in February resulted in a higher number of frozen and burst pipes than in the year-earlier period.

Compared with Q1 2011, the number of reported claims, excluding windstorm claims, fell by 9%. Moreover, the development in average claims was lower than the increase in average premiums.

Building and contents insurances are developing favourably and in line with expectations. This trend is the result of several years' work to enhance profitability by way of premium increases, additional use of deductibles and tightening of acceptance rules.

In Q1 2012, the number of burglary claims reported on building and contents insurances declined by 5% relative to the same period of 2011.

The performance of building insurances for Alm. Brand's commercial and agricultural customers, respectively, still failed to meet the company's profitability requirements. Therefore, efforts are currently being made to convert a large part of the portfolio to stricter terms and conditions and higher deductibles in 2012.

Major claims amounted to DKK 84 million in Q1 2012, equivalent to the expense incurred in the same period of 2011 and slightly lower than anticipated. In particular, the commercial segment was affected by major claims during the reporting period.

Interest rates were lower in Q1 2012 than they were in the year-earlier period. As a result, the discounting effect increased the claims ratio by 0.8 of a percentage point relative to Q1 2011.

Run-off result

The gross run-off result amounted to a loss of DKK 122 million, compared with a DKK 33 million gain in 2011. The loss was due to the upgrade of the cloudburst on 2 July 2011 as described above. The net run-off result, i.e. after reinsurance, was a gain of DKK 45 million, against a gain of DKK 9 million in Q1 2011, primarily related to workers' compensation in the form of capitalisation gains.

Costs

The Q1 expense ratio was 15.7, against 15.6 in the year-earlier period.

As announced in connection with the Annual Report 2011, the group expects to report an expense ratio of around 16.5, which is assessed to be in line with that of its best-performing competitors in the Danish market.

Net reinsurance ratio

In the first quarter of the year, the net reinsurance ratio was negative at 8.1, corresponding to an income for the group, against 6.5, or an expense, in 2011. The income in 2012 was attributable to the fact that reinsurers covered the above-mentioned upgrade of the July 2011 cloudburst claims.

As a result of rising prices in the reinsurance market, the price of Alm. Brand's catastrophe programme for the full year 2012 is approximately DKK 10 million higher than that of 2011. In Q1 2012, the amount was DKK 2 million higher than in Q1 2011.

Combined ratio

The Q1 performance resulted in a combined ratio of 88.9, against 97.4 in Q1 2011.

The table below breaks down the combined ratio into underlying result, re-establishment premiums, major claims, weather-related claims and the run-off result after reinsurance recoverables.

The combined ratio of the underlying business was 81.8 in Q1 2012, against 84.4 in the same period of 2011.

	2010	2011	Q1 2011	Q1 2012
Combined Ratio, underlying business	85.5	80.2	84.4	81.8
Major claims	7.1	6.8	7.2	7.1
Weather-related claims	8.5	6.9	6.6	2.9
Reinstatement premiums	-2.9	-3.2	-0.8	-3.8
Run-off result	-	1.6	-	0.9
Combined Ratio	98.2	92.3	97.4	88.9

Investment return

The investment return totalled DKK 60 million in Q1 2012, and value adjustments of provisions produced a loss of DKK 7 million. As a result, the return before transfer to insurance activities was DKK 52 million in Q1 2012, against DKK 39 million for the same period of last year.

The return after interest on technical provisions was DKK 25 million, against a loss of DKK 7 million in Q1 2011.

The non-life insurance company's investment assets are predominantly placed in interest-bearing assets with an overweight in mortgage bonds. Throughout Q1 2012, the interest-bearing assets had a weighted duration of slightly more than two years.

The interest rate exposure on assets is mainly adjusted to the interest rate exposure on provisions by way of interest rate swaps.

The non-life insurance equity exposure was less than 1% of investment assets in Q1 2012.

The inflation risk on workers' compensation insurance is largely hedged by way of inflation swaps, which reduced the Q1 performance by DKK 1 million.

Both short-term interest rates (less than two years) and long-term interest rates (more than six years) in the discount yield curve of the Danish FSA declined in the first quarter of 2012, while interest rates in the interim interval rose correspondingly.

In aggregate, this led to negative value adjustments of provisions of DKK 7 million in the group's non-life insurance activities. However, these were partly offset by positive value adjustments of assets in the amount of DKK 4 million due to interest rate developments.

Accordingly, value adjustments of assets and provisions contributed a net loss of DKK 3 million in Q1 2012, against a loss of DKK 18 million in the same period of 2011.

Capitalisation

The capital base of Alm. Brand Forsikring A/S totalled DKK 2,273 million at 31 March 2012, of which DKK 149 million was supplementary capital.

The company's Solvency I requirement amounted to DKK 831 million. Accordingly, excess liquidity was DKK 1,442 million for a solvency ratio of 2.7. The individual solvency need was DKK 1,039 million, against DKK 1,132 million at 31 December 2011.

At 31 March 2012, shareholders' equity allocated to the non-life insurance company was DKK 1.9 billion.

Major events*Risk mitigation initiative targeting agricultural customers*

In the autumn of 2010, Alm. Brand set up a special team dedicated to calling on the company's agricultural customers with a view to reinspecting their buildings and adjusting their insurances.

According to the team's experience, nine out of ten customers were positive towards the service and risk review they received.

In approximately 80% of the cases, a review will translate into a reduction of Alm. Brand's risk. Hence, the visits often result in insurance amounts on buildings being reduced and partial coverages on buildings being terminated by the customers.

Providing information to customers about optional extended water damage cover

In January, Alm. Brand launched an extended water damage insurance for customers holding a

building or contents insurance with Alm. Brand. The insurance covers claims that may hit customers without such claims necessarily being caused by a violent cloudburst or sudden thaw.

The aim is for all existing customers with an Alm. Brand building or contents insurance to have been informed about the opportunity to take out this additional cover by 1 June. Customers will thus be able to decide whether or not they want the extended cover before the cloudburst season sets in.

Customer information about claims prevention

In the first quarter, Alm. Brand improved its advisory services provided to commercial and agricultural customers. Accordingly, Alm. Brand's website now also provides advice on claims prevention and remedial action in case of a claims situation.

The purpose of this initiative is to provide commercial and agricultural customers with information on how to prevent and limit weather-related claims, such as windstorm, cloudburst and snow load claims, as well as on how to prevent and limit fire claims.

Outlook

The profit guidance for the group's non-life insurance activities is lifted by DKK 75 million to DKK 475 million. The combined ratio is expected to be around 91.5 and the expense ratio around 16.5.

The growth forecast is unchanged at the level of 1%. In Q3 2011, premium income on health and personal accident insurances increased extraordinarily by DKK 25 million due to a change in the method used for calculating premiums. This is the reason why growth for the year as a whole is expected to be weaker than the rate reported for the first quarter.

REPORT – BANKING

DKKm	PRO RATA			CONSOLIDATED FIGURES		
	Q1 2012	Q1 2011	Year 2011	Q1 2012	Q1 2011	Year 2011
Interest receivable	200	226	867	201	229	877
Interest payable	-128	-120	-506	-128	-122	-513
Net interest income	72	106	361	73	107	364
Net fees and commissions receivable and dividends, etc.	32	39	132	32	39	131
Net interest and fee income	104	145	493	105	146	495
Value adjustments	-10	-44	-399	14	-49	-431
Other operating income	10	11	36	9	11	36
Profit before expenses	104	112	130	128	108	100
Expenses and depreciation/amortisation	-120	-120	-476	-120	-121	-477
Other operation costs	-10	-26	-40	-10	-26	-40
Write-downs of loans, advances and receivables, etc.	-65	-113	-768	-65	-113	-768
Profit from equity investments	1	-2	0	1	-2	0
Profit/loss before tax	-90	-149	-1,154	-66	-154	-1,185
Tax	22	37	236	22	37	235
Profit after tax	-68	-112	-918	-44	-117	-950
Share attributable to minority interests	-	-	-	-24	5	32
Profit after tax excluding minority interests	-	-	-	-68	-112	-918
<i>Profit before tax excluding minority interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-90</i>	<i>-149</i>	<i>-1,154</i>
Loans and advances	10,197	12,120	10,393	10,029	11,799	10,217
Deposits	10,098	8,038	7,995	10,098	8,038	7,995
Shareholders' equity	1,324	1,451	1,093	1,487	1,637	1,234
Share attributable to minority interests	-	-	-	163	186	141
Total assets	21,790	24,811	21,053	22,155	25,239	21,393
Average no. of employees (full-time equivalents)	278	292	286	278	292	286
Interest margin	-	-	-	1.4%	1.9%	1.6%
Income/cost ratio	0.54	0.42	0.10	0.66	0.41	0.08
Impairment ratio	0.5%	0.8%	5.9%	0.5%	0.8%	6.0%
Solvency ratio	-	-	-	18.6%	18.0%	16.8%
Return on equity before tax	-30%	-40%	-106%	-30%	-40%	-106%
Return on equity after tax	-22%	-30%	-85%	-22%	-30%	-85%

In order to increase the transparency of Alm. Brand Bank A/S' financial statements, the bank publishes pro rata consolidated figures. The figures are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the review below concern pro rata figures. Banking group figures are commented on only when found relevant. To the extent it is deemed relevant, the first and fourth quarters of 2011, respectively, are used as benchmarks.

Financial results

The bank posted a loss of DKK 90 million before tax in Q1 2012.

Before tax and before losses and writedowns, the bank posted a loss of DKK 5 million in Q1 2012. The performance was unsatisfactory but in line with the guidance provided in the annual report.

The bank recognised impairment writedowns on loans, including credit-related value adjustments of mortgage deeds, of DKK 85 million in aggregate in Q1 2012. The bank's losses and writedowns remained at a high level

At the end of 2011, the bank implemented the new FSA guidelines for the calculation of impairment charges on property and agricultural exposures, which will take effect from 1 April 2012.

Net interest and fee income

In Q1 2012, net interest and fee income totalled DKK 104 million, which was DKK 41 million lower than in Q1 2011. In Q4 2011, net interest and fee income totalled DKK 98 million.

Interest income and expenses

In Q1 2012, net interest income amounted to DKK 72 million, which was DKK 34 million lower than in the same period of 2011, but DKK 4 million higher than in Q4 2011, when net interest income was DKK 68 million.

The development in net interest income was attributable to a combination of lower interest income from lending due to the bank's ongoing process of winding up parts of the lending portfolio and generally higher funding costs as a result, among other things, of the bank's fixed rate campaign. Moreover, interest income from bonds had a positive impact on the performance.

For the parent company as well as for the banking group, the interest margin was 1.4% in Q1 2012. The interest margin level is too low, and the bank's strategy going forward is to raise the interest margin. The interest margin for the parent company and the banking group totalled 1.2% and 1.3%, respectively, in Q4 2011.

Fee income and expenses

Net fee income amounted to DKK 32 million in Q1 2012, against DKK 39 million in Q1 2011.

Value adjustments

In Q1 2012, value adjustments amounted to a loss of DKK 10 million.

Value adjustments were adversely affected by credit-related writedowns of DKK 20 million on the

mortgage deed portfolio. Excluding credit-related value adjustments of mortgage deeds, the bank thus reported a capital gain of DKK 10 million in Q1 2012.

The DKK 10 million capital gain in Q1, excluding credit-related value adjustments of mortgage deeds, mainly consisted of a DKK 10 million loss on interest-related value adjustments and a DKK 20 million gain on equity-related value adjustments.

The bank had placed a large part of its excess liquidity in interest-reset bonds maturing on 1 April 2012. These bonds contributed adversely to interest-related value adjustments but, on the other hand, had a positive effect on the bank's net interest income.

Equity-related value adjustments amounted to a gain of DKK 20 million in Q1 2012. DKK 11 million of this amount was attributable to capital gains on illiquid shares.

The bank's equity portfolio is mainly composed of sector equities, while the trading portfolio of equities makes up only a limited amount. In connection with the winding-up of distressed investment exposures, the bank took over a number of illiquid shares in both 2010 and 2011, the pricing of which could impact positively as well as negatively on the bank's future financial results. The market value of the illiquid shares was approximately DKK 137 million at 31 March 2012.

Overall, foreign exchange adjustments and foreign exchange contracts produced a break-even result in Q1 2012

Costs

The bank's payroll costs and administrative expenses amounted to DKK 113 million in Q1 2012, against DKK 116 million in the same period of last year.

Total depreciation, amortisation and impairment charges amounted to DKK 7 million in Q1 2012, against DKK 4 million in Q1 2011. The charges related to Alm. Brand Leasing, which expanded its activities within operating leases.

Other operating expenses

This item mainly covers the bank's expenses for the Danish Guarantee Fund for Depositors and Investors. In Q1 2012, the bank recognised a net expense of almost DKK 7 million, which was partly attributable to accrued payments for the deposit guarantee scheme and partly to the bankruptcy of Fjordbank Mors.

Impairment of loans, etc.

The bank's impairment writedowns on loans amounted to DKK 65 million in Q1 2012, against DKK 113 million for the same period of 2011.

In addition, the bank recognised credit-related value adjustments of its mortgage deed portfolio of DKK 20 million in Q1 2012, against DKK 16 million in Q1 2011. These losses and writedowns are recognised under value adjustments but have been included in the table set out in the section "Lending portfolio", in which the lending portfolio and losses and writedowns are described in further detail.

Total impairment writedowns on loans, including credit-related value adjustments of mortgage deeds, amounted to DKK 85 million in Q1 2012, against DKK 129 million in Q1 2011.

Balance sheet*Loans and advances, etc.*

The bank's loans and advances amounted to DKK 10.2 billion at 31 March 2012, against DKK 10.4 billion at 31 December 2011. Excluding developments in reverse transactions, intra-group transactions and writedowns, this corresponds to a decline in loans and advances of DKK 0.3 billion in Q1.

Consistent with its strategy, the bank expects to continue to reduce its total loans and advances going forward.

Debt to credit institutions

The bank's debt to credit institutions amounted to DKK 4.3 billion at 31 March 2012, against DKK 4.0 billion at 31 December 2011. The increase was attributable to repo transactions concluded.

Deposits

The bank's deposits totalled DKK 10.1 billion at 31 March 2012, against DKK 8.0 billion at 31 December 2011. The increase was mainly attributable to the fixed rate campaign run in the winter of 2011-2012, which secured new deposits for the bank of approximately DKK 2.5 billion.

The combination of an increase in deposits and a reduction of loans and advances has largely eliminated the bank's deposit deficit which amounted to DKK 2.4 billion at 31 December 2011.

Liquidity

At 31 March 2012, the bank had excess liquidity cover of 351% relative to the statutory requirement. This marked an increase relative to the 327% reported at 31 December 2011. The in-

crease should be seen in the context of the bank's prepayment in March of DKK 2 billion of the total issue of state-guaranteed bonds of DKK 6 billion. The development is hence in line with the bank's liquidity plan.

Capitalisation

The bank's equity stood at DKK 1.3 billion at 31 March 2012. The capital base totalled DKK 2.2 billion, and the risk-weighted items amounted to DKK 11.9 billion at 31 March 2012. Accordingly, the solvency ratio was 18.5, and the tier 1 capital ratio was 14.8. The bank's individual solvency need was 15.0, and the bank's solvency ratio thus exceeded the individual solvency need by 3.5 percentage points.

The banking group's equity stood at DKK 1.5 billion at 31 March 2012, and the capital base totalled DKK 2.3 billion. Risk-weighted items in the banking group came to DKK 12.2 billion at 31 March 2012. Accordingly, the solvency ratio was 18.6, and the tier 1 capital ratio was 15.2.

Major events*Capital injection*

As announced in connection with the annual report at end-February 2012, Alm. Brand A/S on 28 February 2012 injected DKK 300 million by way of equity into Alm. Brand Bank, whereby the bank's solvency was restored to the desired level.

Prepayment of state-guaranteed bonds

On 21 March 2012, the bank announced that state-guaranteed bonds in the amount of DKK 4 billion would be prepaid. The initial DKK 2 billion were paid on 23 March 2012, and the next DKK 2 billion will be paid on 30 June 2012.

Inspection by the Danish FSA

In the period from December 2011 to February 2012, the Danish FSA carried out an inspection of Alm. Brand Bank. In that connection, the FSA issued a number of orders against the bank, none of which were deemed to be of a critical nature.

The FSA assessed that the bank's internally calculated solvency need makes adequate allowance for the current risks faced by the bank.

Outlook

The bank maintains its guidance for a full-year profit of around DKK 10 million before tax and before writedowns and credit-related value adjustments of mortgage deeds.

The bank maintains its expectations that total loans and advances excluding reverse transactions, losses and writedowns will decline by around DKK 0.8 billion in 2012.

The amount of impairment writedowns on loans and credit-related value adjustments of mortgage deeds is subject to considerable uncertainty and will depend on, among other factors, general eco-

nomie developments. Due to the considerable uncertainty, no guidance is provided with respect to the bank's losses and writedowns in 2012.

LENDING PORTFOLIO

The bank's total writedowns and losses on the lending and guarantee portfolio amounted to an expense of DKK 85 million in Q1 2012. Of this amount, identified losses amounted to DKK 11 million.

The banking group's accumulated writedowns totalled DKK 1,678 million at 31 March 2012, against DKK 1,620 million at 31 December 2011. As a result of the increase in accumulated writedowns and the reduction of loans, advances and guarantees, the accumulated impairment ratio increased from 12.6% at 31 December 2011 to 13.2% at 31 March 2012.

The table below shows a consolidated segment-by-segment breakdown of the bank's lending portfolio. The individual segments have been calculated for the banking group.

The table also shows pro rata consolidated loans and advances which are reviewed in the banking section of this interim report.

The table reflects the bank's strategy by breaking down loans and advances into a continuing portfolio and a winding-up portfolio.

Total losses and writedowns charged to the income statement represented 0.9% of the average lending portfolio for the banking group, excluding reverse transactions, in Q1 2012.

The overall lending portfolio, excluding reverse transactions, amounted to DKK 9.7 billion, which, including losses and writedowns, was a decline of DKK 0.4 billion relative to 31 December 2011. Adjusted for losses and writedowns, the lending portfolio declined by DKK 0.3 billion.

At 31 March 2012, DKK 6.8 billion was being wound up, equivalent to approximately 67% of the overall lending portfolio.

The performance of the individual lending segments in the first quarter of 2012 is reviewed in the following sections. The loss and impairment ratio is calculated relative to average lending during the period.

DKKm	Loans			Total loss and writedowns		Loss ratio *)
	31.12.2011	31.03.2012	Share of portfolio (%)	2011	Q1 2012	
Continuing portfolio	2,983	2,858	28.1%	105	10	0.3%
Lending to private customers	2,848	2,718	26.7%	104	10	0.4%
Other lending **)	135	140	1.4%	1	0	0.0%
Winding-up portfolio	7,059	6,797	66.6%	888	75	1.1%
Agriculture	1,038	1,039	10.2%	227	29	2.8%
Car finance	418	362	3.5%	2	-1	-0.3%
Commercial lending	1,613	1,554	15.2%	308	19	1.2%
Property development projects	431	418	4.1%	13	-	0.0%
Mortgage deed financing	405	322	3.2%	112	8	2.2%
Mortgage deeds ***)	3,154	3,102	30.4%	226	20	0.6%
Bank packages etc.	-	-	-	1	-	-
Total group lending - excl. Reverse Transactions	10,042	9,655	94.7%	994	85	0.9%
Reverse Transactions including intercompany transactions	175	374	3.7%	-	-	-
Total group lending	10,217	10,029	98.3%	994	85	0.8%
Minority interests	176	168	1.6%	-	-	-
Total prorata	10,393	10,197	100.0%	994	85	0.8%

*) Losses and writedowns as a percentage of the average portfolio in Q1 2012. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

***) Fleet management (operating leases) is not included, as it is recognised as other property, plant and equipment and not as loans and advances.

****) Credit losses and writedowns on mortgage deeds are recognised in value adjustments.

Continuing portfolio*Lending to private customers*

The portfolio consists of loans and advances to private customers and is geographically diversified across Denmark. The portfolio is calculated inclusive of car loans to private customers and represents the majority of the bank's continuing loans and advances.

Total loans and advances to private customers declined by DKK 130 million from 31 December 2011 to 31 March 2012. A significant part of the decline was attributable to the conversion of home loans to mortgage loans through the bank's business partner Totalkredit. In Q1 2012, losses and writedowns amounted to DKK 10 million, equivalent to 0.4% of the average portfolio.

Other loans and advances

This segment covers loans to investment credit facilities for which the investment mandate is placed with Alm. Brand Markets. These investment credit facilities form part of the bank's continuing loans and advances, whereas other investment credit facilities are being wound up.

Other loans and advances declined by DKK 5 million relative to 31 December 2011. No losses or writedowns were identified on this segment in the first quarter of 2012.

Winding-up portfolio

Consistent with the bank's strategy, new customers are not accepted in these segments, and the business volume with existing customers is expected to be wound up over a number of years.

As part of the implementation of a controlled winding up of the individual exposures, the bank intends to grant additional loans as part of its credit defence efforts in relation to the bank's collateral. This means that lending may increase in individual segments, although the lending segment is being wound up.

Agriculture

The portfolio at 31 March 2012 was on a par with 31 December 2011. However, adjusted for losses and writedowns, the portfolio increased by DKK 30 million because the bank granted loans to necessary investments and to secure continued operations, thereby protecting the underlying value to the bank.

In Q1 2012, losses and writedowns amounted to DKK 29 million, equivalent to 2.8% of the average portfolio. The level of losses and writedowns reflects the continuing difficult conditions agricultural customers are facing.

Car finance

This portfolio declined because the bank no longer provides financing through car dealers etc. These loans typically have a maximum term of

five years, and most of the loans are expected to be settled over the next couple of years.

The overall portfolio declined by DKK 56 million during the period from 31 December 2011 to 31 March 2012 to stand at DKK 362 million. In Q1 2012, losses and writedowns amounted to DKK 1 million, equivalent to -0.3% of the average portfolio.

Commercial lending

The portfolio consists of financing of investment properties, loans to small businesses and syndicated loans to medium-sized Danish businesses.

The overall portfolio declined by DKK 59 million from 31 December 2011 to 31 March 2012. In Q1 2012, losses and writedowns amounted to DKK 19 million, equivalent to 1.2% of the average portfolio.

Property development projects

The portfolio consists of a limited number of property development projects. The bank will only finance the completion of ongoing projects pursuant to existing agreements.

The portfolio declined by DKK 13 million from 31 December 2011 to 31 March 2012. No losses or writedowns were identified on this segment in the first quarter of 2012.

Mortgage deed exposure

The bank's overall mortgage deed exposure, comprising mortgage deed financing and mortgage deeds, declined by DKK 135 million to DKK 3,424 million in Q1 2012.

Mortgage deeds run off naturally as a result of regular payments and redemptions. Natural run-off accounted for some 10% p.a. of the total mortgage deed exposure in Q1 2012 when excluding credit writedowns and interest rate impacts.

Mortgage deed financing

This portfolio consists of investment exposures secured against mortgage deeds.

The portfolio declined by DKK 83 million from 31 December 2011 to 31 March 2012. The decline was primarily attributable to the bank winding up a number of investment exposures. In that connection, the bank has taken over the mortgage deeds provided as security.

In Q1 2012, losses and writedowns amounted to DKK 8 million, equivalent to 2.2% of the average portfolio.

The writedowns were attributable to mortgage deed debtors defaulting on their loans and to a declining excess cover on the exposures as a result of price falls on mortgage deeds provided as security.

Mortgage deeds

This segment comprises the bank's own portfolio of private mortgage deeds and commercial mortgage deeds.

Private mortgage deeds amounted to DKK 2,340 million, comprising the bank's portfolio of mortgage deeds secured primarily against single-family houses, commonhold flats and summer houses. The properties are located throughout Denmark.

Commercial mortgage deeds amounted to DKK 762 million, comprising the bank's portfolio of commercial mortgage deeds secured against residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property.

The portfolio is marked to market on a current basis using a cash flow-based pricing model, which considers factors such as estimated early redemptions and credit losses. Individual writedowns are taken on all mortgages in arrears or known to be showing signs of weakness.

This portfolio is being wound up, but new mortgage deeds may be added when the bank winds

up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

The portfolio declined by DKK 52 million from 31 December 2011 to 31 March 2012. In Q1 2012, losses and writedowns amounted to DKK 20 million, equivalent to 0.6% of the average portfolio.

Bank packages etc.

No movements were recorded in this segment in the first quarter of 2012.

Capital reservation

The banking group's total capital reservation amounted to DKK 3,891 million at 31 March 2012, against DKK 3,916 million at 31 December 2011.

The capital reservation corresponds to 31% of gross loans and advances and residual debt on mortgage deeds at 31 March 2012, which is unchanged compared with 31 December 2011.

On the continuing portfolio, the capital reservation corresponds to 14% of gross loans and advances, whereas on the winding-up portfolio the capital reservation represents 37% of gross loans and advances and residual debt on mortgage deeds. As regards both the continuing portfolio and the winding-up portfolio, this was unchanged relative to 31 December 2011.

CAPITAL RESERVATION DKKm	31.03.2012							31.12.2011	
	Gross lending/ outstanding debt	Balance	Difference*)	Required capital	Total reservation	Reservation relative to gross lending	Total reservation	Reservation relative to gross lending	
Continuing portfolio	3,025	2,858	167	268	435	14%	426	14%	
Winding-up portfolio	9,212	6,797	2,415	980	3,395	37%	3,439	37%	
Bank packages etc. **)	-	-	9	7	16	-	23	-	
Total, excl. reverse transactions	12,237	9,655	2,591	1,255	3,846	31%	3,888	31%	
Reverse transactions and intra-group transactions	374	374	-	45	45	12%	28	16%	
Total, group	12,611	10,029	2,591	1,300	3,891	31%	3,916	31%	

*) Accumulated writedowns and value adjustments of mortgage deeds.

**) No loans or advances in this segment. Reservation is related to guarantees

REPORT – LIFE INSURANCE

DKKm	Q1 2012	Q1 2011	Year 2011
Premiums	229	179	724
Claims incurred	-327	-272	-1,057
Investment return after allocation of interest	186	-100	856
Total underwriting management expenses	-19	-19	-70
Profit on business ceded	9	5	1
Change in life insurance provisions	63	128	-401
Change in collective bonus potential	-147	100	63
Underwriting profit/loss	-6	21	116
Return on investments allocated to equity	25	-3	21
Profit before tax	19	18	137
Tax	-3	-4	-32
Profit after tax	16	14	105
Result in life insurance			
Administrative result	1	3	14
Investment result	215	-203	528
Change in provision for guaranteed pension benefits	-70	102	-561
Change in collective bonus potential	-147	100	63
Risk result	11	11	92
Profit on business ceded	9	5	1
Profit before tax	19	18	137
Tax	-3	-4	-32
Profit after tax	16	14	105
Total technical provisions	11,909	11,270	11,829
Shareholders' equity	891	1,137	1,026
Total assets	13,688	12,869	13,624
Return on equity before tax p.a.	7%	7%	13%
Return on equity after tax p.a.	6%	5%	10%
Bonus rate	6.0%	4.1%	4.5%

Investment return in life insurance in Q1 2012**Return
ratio**

Interest-bearing assets	1.0%
Shares	12.8%
Property	1.2%
Total	2.1%

Financial results

The pre-tax profit for Q1 2012 was DKK 19 million, against DKK 18 million for the same period of last year. The performance was satisfactory.

The return on equity principles applied in 2012 are unchanged from 2011.

Customers have been divided into a number of contribution groups based on rate of interest, insurance risk and expenses. The risk allowance on shareholders' equity is calculated separately for each group. Similarly, any shadow account, collective bonus potential, transfer and surrender

charge, etc. will be determined separately for each contribution group.

The risk allowance for 2012 has been determined as follows:

- Interest rate groups: 0.1% of average life insurance provisions net of reinsurance exclusive of collective bonus potential and any use of the bonus potential on paid-up policies.
- Insurance risk groups: 100% of the risk result net of reinsurance after bonuses.
- Expense groups: 100% of the expense result net of reinsurance after bonuses.

The full risk allowance was booked for all contribution groups, except one, for which only a partial risk allowance was booked. The outstanding risk allowance of DKK 4 million was transferred to the shadow account for the group in question. This brought the shadow accounts to an aggregate of DKK 9 million.

The Q1 performance resulted in a return on equity of 7% p.a. before tax, compared with 7% p.a. in the year-earlier period.

Premiums

Gross premiums rose by 28% to DKK 229 million in Q1 2012 from DKK 179 million in the same period of last year. The increase was primarily attributable to a number of one-time payments from a growing number of new customers who have chosen to transfer their existing pension savings from other banks to Alm. Brand Liv og Pension.

The group's strategy is for both the life insurance company, Alm. Brand Liv og Pension, and Alm. Brand Bank to generate growth in pension contributions. In the bank, growth should primarily take place through the Alm. Brand Investment Scheme.

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company, rose by 25% to DKK 304 million in Q1 2012 from DKK 244 million in Q1 2011.

Investment return

The return on investment assets belonging to policyholders was DKK 252 million in Q1 2012, corresponding to a return of 2.1% (8.4% p.a.), against a negative return of DKK 129 million in Q1 2011. The return was made up before tax on pension returns but after investment costs.

The total return on the bond portfolio for the first three months of 2012 was 1.0% (4.0% p.a.).

Mortgage bonds, credit bonds and emerging market bonds contributed positively, whereas government bonds produced a small loss due to increasing government bond yields. The company is not invested in government bonds issued by southern European economies such as Greece, Italy, Spain or Portugal.

The return on equities was 12.8% (51.2% p.a.) for the first three months of 2012. Equity markets were generally buoyant in the first quarter of 2012, and the return on the equity portfolio, which is diversified and not dependent on any one single equity, reflected the generally positive sentiment.

The return on the property portfolio was in line with budget. The return related to the operation of the properties. Accordingly, no notable value adjustments were made to the property portfolio in Q1 2012.

Financial instruments used for partial hedging of insurance liabilities made a positive contribution to the return.

The return on policyholders' investment assets was satisfactory relative to the benchmark.

The return on investment assets attributable to shareholders' equity was DKK 2 million in Q1 2012, equivalent to a return of 0.2% (0.9% p.a.), against a negative return of DKK 3 million in the same period of last year. The assets were placed in short-term bonds. Considering the very low level of interest rates and relative to the benchmark, the return on equity was satisfactory.

Benefits paid

Benefits paid amounted to DKK 327 million in Q1 2012, against DKK 272 million in 2011.

Payments as a result of surrenders/transfers to other pension institutions declined to DKK 73 million in Q1 2012 from 103 million in Q1 2011, which was satisfactory.

The increase in total benefits paid was mainly due to timing differences between provisions and bonus on the group life insurance business. This had no impact on the profit for the period.

Life insurance provisions

Life insurance provisions are calculated using a market value principle that applies an expected cash flow discounted by the country-spread adjusted yield curve published by the Danish FSA for discounting provisions.

Total life insurance provisions fell by DKK 63 million to DKK 11.3 billion in Q1 2012.

The calculation of the market value of life insurance provisions was adjusted, reducing provisions by approximately DKK 50 million, which was offset by a corresponding increase in the collective bonus potential.

Collective bonus potential

The collective bonus potential increased by DKK 147 million in Q1 2012 to a total of DKK 597 million, corresponding to a highly satisfactory average bonus rate of 6.0%.

The collective bonus potential was lifted by around DKK 50 million due to the adjustment of the market value statement of the life insurance provisions (see above).

Costs

Acquisition and administrative expenses totalled DKK 19 million in Q1 2012, which was on a par with the same period of 2011. Administrative expenses declined, whereas acquisition costs rose due to an increase in new business written.

Total expenses for Q1 2012 were slightly lower than previously expected.

Expense and risk results

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 1 million in Q1 2012. The expense result was satisfactory.

Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 17 million in Q1 2012. The overall risk result was satisfactory.

Capitalisation

The capital base of Alm. Brand Liv og Pension A/S totalled DKK 1,020 million at 31 March 2012, of which DKK 120 million was supplementary capital.

The company's Solvency I requirement amounted to DKK 489 million. Accordingly, excess liquidity was DKK 531 million, corresponding to an excess over the solvency requirement of 209%. The individual solvency need was DKK 310 million, against DKK 440 million at 31 December 2011. Equity allocated to life insurance was DKK 891 million at 31 March 2012.

The Danish FSA's stress scenarios were computed on an ongoing basis. Alm. Brand Liv og Pen-

sion A/S was in the green scenario by a fair margin throughout the reporting period.

Major events

Adjustment of investment composition of interest rate groups

The company adjusted the investment composition of the various interest rate groups effective from 1 March 2012.

Accordingly, the group of new customers will have an investment composition in the order of:

- 20% equities
- 15% properties
- 65% bonds

This group is based on low guaranteed benefits, and from 1 March 2012 the group's investment portfolio comprises neither swaps nor swaptions.

The investment composition is deemed to be attractive for many prospective customers and, in combination with a rate on policyholders' savings of 3.65%, this is expected to support growth in premiums.

For the group with the highest guaranteed benefits, investments primarily include bonds and financial instruments. In connection with the adjustment at 1 March 2012, the proportion of swaps used for hedging of liabilities was increased for this group.

Conclusion of collaboration agreement with DANA unemployment insurance fund

In March, the DANA unemployment insurance fund and Alm. Brand Liv og Pension concluded a framework agreement on pension schemes for the members of DANA and their spouses, cohabitants and employees.

DANA is an unemployment insurance fund for a very large number of self-employed business operators who, through this collaboration, will be offered a highly competitive pension scheme with Alm. Brand Liv og Pension.

Outlook

Alm. Brand Liv og Pension retains its guidance for a full-year profit of DKK 90 million before tax.

Alm. Brand Liv og Pension expects to be able to book a risk allowance for all contribution groups in 2012.

However, the results of the interest rate groups will depend entirely on developments in the financial markets.

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today considered and adopted the interim report of Alm. Brand A/S for the three months ended 31 March 2012.

The consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, and the interim financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 March 2012 and of the results of the group's and the parent company's operations and the group's cash flows for the three months ended 31 March 2012.

The Management's review also gives a true and fair view of developments in the activities and financial position of the group and a true and fair description of significant risk and uncertainty factors that may affect the group.

MANAGEMENT BOARD

Copenhagen, 16 May 2012

Søren Boe Mortensen
Chief Executive

BOARD OF DIRECTORS

Copenhagen, 16 May 2012

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Henrik Christensen

Per Dahlbom

Per V. H. Frandsen

Arne Nielsen

Jan S. Pedersen

Helle L. Frederiksen

Henning Kaffka

Susanne Larsen

BALANCE SHEET

DKKkm	Group		
	31 March 2012	31 March 2011	31 December 2011
Assets			
Intangible assets	0	74	0
Owner-occupied properties	1,084	1,015	1,085
Deferred tax assets	739	726	758
Participating interests in joint ventures	47	33	51
Reinsurers' share of insurance contracts	398	218	362
Current tax assets	6	2	6
Other assets	1,531	1,607	1,514
Loans	10,029	11,799	10,217
Investment properties	430	444	433
Investment assets	30,447	30,404	29,280
Amounts due from credit institutions and central banks	1,834	1,983	1,068
Cash in hand and demand deposits	37	15	139
Total assets	46,582	48,320	44,913
Liabilities and equity			
Share capital	1,735	1,735	1,735
Reserves, retained profit etc.	2,421	2,784	2,358
Minority interests	131	153	113
Consolidated shareholders' equity	4,287	4,672	4,206
Subordinated debt	1,829	1,828	1,829
Provisions for insurance contracts	20,102	19,092	19,197
Other provisions	30	23	28
Deferred tax liabilities	46	46	46
Issued bonds	4,032	6,032	6,032
Other liabilities	1,051	1,084	1,008
Deposits	10,025	7,988	7,956
Payables to credit institutions and central banks	5,180	7,555	4,611
Total liabilities and equity	46,582	48,320	44,913

- Note 1 Own shares
Note 2 Contingent liabilities, guaranties and leasing
Note 3 Accounting policies
Note 4 Financial highlights and key ratios

INCOME STATEMENT

DKKm	Group		
	Q1 2012	Q1 2011	Year 2011
Income			
Premium income	1,424	1,347	5,496
Interest income etc.	375	402	1,582
Fee income etc.	25	31	96
Other income from investment activities	17	1	9
Income associates	1	0	-1
Other income	10	11	36
Total income	1,852	1,792	7,218
Costs			
Claims incurred	-1,298	-1,152	-4,908
Interest expenses	-157	-160	-663
Other cost from investment activities	-13	-16	-44
Impairment of loans, advances and receivables, etc.	-65	-113	-768
Acquisition and administrative costs	-332	-327	-1,270
Total costs	-1,865	-1,768	-7,653
Profit from business ceded	106	-71	208
Change in life insurance provisions	63	128	-401
Change in collective bonus potential	-147	100	27
Exchange rate adjustments	131	-315	125
Tax on pension investment returns	-39	21	-150
Profit before tax	101	-113	-626
Tax	-19	28	97
Profit after tax	82	-85	-529
The profit before tax is allocated as follows:			
Share attributable to Alm. Brand	82	-109	-601
Share attributable to minority shareholders	19	-4	-25
	101	-113	-626
The profit after tax is allocated as follows:			
Share attributable to Alm. Brand	63	-81	-503
Share attributable to minority shareholders	19	-4	-26
	82	-85	-529
Earnings per share, DKK	0.4	-0.5	-2.9
Diluted earnings per share, DKK	0.4	-0.5	-2.9
Comprehensive income			
Profit for the year	82	-85	-529
Revaluation of owner-occupied properties	0	0	36
Transferred to collective bonus potential	0	0	-36
Comprehensive income	82	-85	-529
Proposed allocation of profit/loss:			
Share attributable to Alm. Brand	63	-81	-503
Share attributable to minority shareholders	19	-4	-26
Comprehensive income	82	-85	-529

STATEMENT OF CHANGES IN EQUITY

DKK m	Share capital	Contingency funds	Revaluation reserve	Other provisions	Retained profit	Shareholders' equity	Minority interests	Consolidated equity
Shareholders equity, 1 January 2011	1,735	182	0	1,215	1,466	4,598	160	4,758
Changes in equity Q1 2011								
Profit/loss for the period					-81	-81	-4	-85
Total income	0	0	0	0	-81	-81	-4	-85
Repurchased shares					3	3		3
Purchase and sale of treasury shares in subsidiaries					-1	-1		-1
Change in share attributable to minority interest							-3	-3
Changes in equity	0	0	0	0	-79	-79	-7	-86
Shareholders equity, 31 March 2011	1,735	182	0	1,215	1,387	4,519	153	4,672
Shareholders equity, 1 January 2011	1,735	182	0	1,215	1,466	4,598	160	4,758
Changes in equity 2011								
Profit/loss for the year					-503	-503	-26	-529
Revaluation of owner-occupied properties			0		36	36		36
Transferred to collective bonus potential					-36	-36		-36
Tax on changes recognised in equity					0	0		0
Total income	0	0	0	0	-503	-503	-26	-529
Purchase and sale of treasury shares					2	2		2
Purchase and sale of treasury shares in subsidiaries					-4	-4	-4	-8
Tax on changes recognised in equity					0	0		0
Change in share attributable to minority interest					0	0	-17	-17
Changes in equity	0	0	0	0	-505	-505	-47	-552
Shareholders equity, 31 December 2011	1,735	182	0	1,215	961	4,093	113	4,206
Shareholders equity, 1 January 2012	1,735	182	0	1,215	961	4,093	113	4,206
Changes in equity Q1 2012								
Profit/loss for the period					63	63	19	82
Total income	0	0	0	0	63	63	19	82
Purchase and sale of treasury shares					1	1		1
Purchase and sale of treasury shares in subsidiaries					-1	-1	0	-1
Change in share attributable to minority interest					0	0	-1	-1
Changes in equity	0	0	0	0	63	63	18	81
Shareholders equity, 31 March 2012	1,735	182	0	1,215	1,024	4,156	131	4,287
							31 March 2012	31 December 2011
Shareholders' equity exclusive minority interests							4,156	4,093
Consolidation of Pensionskassen under Alm. Brand A/S							-4	-4
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests							4,152	4,089
Share of profit attributable to Alm. Brand A/S							63	-503
Consolidation of Pensionskassen under Alm. Brand A/S							0	4
Share of profit attributable to Alm. Brand A/S under the rules of the Danish Financial Supervisory Authority							63	-499

CAPITAL TARGET

DKKm	Capital base at 31 March 2012
Consolidated equity	4,287
Tax asset	-739
Supplementary capital	1,753
Consolidated capital base	5,301

DKKm	Capital target 31 March 2012
Non-life insurance (45% of gross premium income)	2,175
Life insurance (9% of life insurance provisions)	1,015
Alm. Brand Bank (18.0% of risk weighted assets) *)	2,151
Alm. Brand Bank subsidiaries	41
Diversification effects	-300
Consolidated capital target	5,082

**) calculated as the individual solvency need at 31 March 2012 plus 3 percentage points*

Statutory capital requirement for the group at 31 March 2012	3,256
Excess relative to statutory capital requirement	2,045
Excess relative to internal capital target	219

CASH FLOW STATEMENT

DKKm	Group		
	Q1 2012	Q1 2011	Year 2011
Cash flows from operating activities			
Premiums received	2,314	2,154	5,351
Claims paid	-1,368	-1,093	-4,723
Interest receivable, dividends, etc.	459	434	1,551
Interest payable	-129	-105	-505
Payments concerning reinsurance	82	-104	33
Fee income received	32	70	131
Fee income paid	-7	-10	-41
Expences paid	-374	-496	-1,357
Tax on pension investment returns paid	-147	-111	-114
Acquisition of intangible assets, furniture, equipments etc.	-29	-15	-68
Other ordinary income received	10	11	37
Taxes paid/received	0	0	4
Cash flows from operating activities	843	735	299
Change in investment placement (net)			
Properties acquired or converted	4	24	53
Sale/aquisition of equity investments	83	336	194
Sale/repayment of mortgage deeds and loans	107	528	1,282
Sale/aquisition of bonds	-1,010	-1,876	131
Change in investment placement (net)	-816	-988	1,660
Change in financing (net)			
Other provisions	0	0	-18
Sale/purchase of treasury shares	1	3	2
Sale/acquisition of subsidiaries (change in minority interests)	-2	-4	-25
Change in deposits	2,070	-615	-647
Change in payables to credit institutions	568	951	-1,980
Change in financing (net)	637	335	-2,668
Net change in cash and cash equivalents	664	82	-709
Cash and cash equivalents, beginning of period	1,207	1,916	1,916
Cash and cash equivalents, end of period	1,871	1,998	1,207

NOTES

DKK m	Group		
	Q1 2012	Q1 2011	Year 2011
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	1	3	3
Acquired during the period	4	3	3
Sold during the period	-5	-6	-6
Carrying amount, end of period	0	0	0
Nominal value, beginning of year	3	4	4
Acquired during the period	3	3	5
Sold during the period	-5	-6	-6
Nominal value, end of period	1	1	3
Holding (number of shares), beginning of year	298	421	421
Additions, number of shares	300	300	456
Disposals, number of shares	-480	-579	-579
Holding (number of shares), end of period	118	142	298
Percentage of share capital, end of period	0.1%	0.1%	0.2%

Note 2 Contingent liabilities, guaranties and leasing

Guarantee commitments	1,549	1,721	1,545
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Note 3 Accounting policies - Group

The consolidated interim report has been prepared in compliance with IAS 34 "Interim Financial Reporting" and the requirements of the Danish Financial Business Act and NASDAQ OMX Copenhagen A/S applying to interim financial reporting of Danish listed financial enterprises. The application of IAS 34 means that the report is limited relative to the presentation of a full annual report.

The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance

companies and profession-specific pension funds.

The accounting policies applied for the consolidated financial statements are unchanged from the policies applied for the Annual Report 2011.

The accounting policies of the parent company are described in connection with the parent company's interim report, as detailed in a separate section of this report.

The interim report for the three months ended 31 March 2012 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management's report.

BALANCE SHEET

DKKm	Note	Parent company		
		31 March 2012	31 March 2011	31 December 2011
Assets				
Investment in group enterprises	1	4,141	4,425	4,271
Total investments in group enterprises and associates		4,141	4,425	4,271
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		265	390	75
Cash in hand and balances at call		9	6	16
Total other financial investment assets		277	399	94
Total investment assets		4,418	4,824	4,365
Receiveables from group enterprises		9	12	8
Other receivables		39	36	31
Total receivables		48	48	39
Current tax assets		11	10	8
Deferred tax assets		21	20	20
Total other assets		32	30	28
Total assets		4,498	4,902	4,432
Liabilities and equity				
Share capital		1,735	1,735	1,735
Other provisions		1,215	1,215	1,215
Retained earnings		1,202	1,563	1,139
Total shareholders' equity		4,152	4,513	4,089
Subordinated loan capital		250	250	250
Total subordinated loan capital		250	250	250
Deferred tax liabilities		46	46	46
Total provisions		46	46	46
Payables to subsidiaries		2	4	2
Issued bonds		32	32	32
Other payables		13	57	13
Total payables		47	93	47
Deferred income		3	0	0
Total liabilities and equity		4,498	4,902	4,432

INCOME STATEMENT

DKKm	Note	Parent company		
		Q1 2012	Q1 2011	Year 2011
Income from group enterprises	2	71	-69	-469
Interest income and dividends, etc.		0	1	4
Interest expenses		-3	-4	-15
Administrative expenses related to investment activities		-8	-10	-29
Profit before tax		60	-82	-509
Tax		3	3	10
Profit for the Year		63	-79	-499

Comprehensive income

Profit for the period		63	-79	-499
Comprehensive income		63	-79	-499
Proposed allocation of profit/loss:				
Retained earnings		63	-79	-499

Note 3 **Accounting policies parent company**

STATEMENT OF CHANGES IN EQUITY

DKK m	Parent company			
	Share-Capital	Other provisions	Retained earnings	Shareholders' equity
Shareholders equity, 1 January 2011	1,735	1,215	1,640	4,590
Changes in equity Q1 2011				
Profit/loss for the period			-79	-79
Total income	0		-79	-79
Purchase and sale of treasury shares			3	3
Repurchased shares			0	-1
Tax on changes recognised in equity			0	0
Changes in equity	0		-76	-77
Shareholders equity, 31 March 2011	1,735		1,564	4,513
Shareholders equity, 1 January 2011	1,735	1,215	1,640	4,590
Changes in equity 2011				
Profit/loss for the year			-499	-499
Total income	0		-499	-499
Cost relating to share issue			2	2
Purchase and sale of treasury shares in subsidiaries			-4	-4
Tax on changes recognised in equity			0	0
Changes in equity	0	0	-501	-501
Shareholders equity, 31 December 2011	1,735	1,215	1,139	4,089
Shareholders equity, 1 January 2012	1,735	1,215	1,139	4,089
Changes in equity Q1 2012				
Profit/loss for the period			63	63
Total income	0		63	63
Purchase and sale of treasury shares			1	1
Purchase and sale of treasury shares in subsidiaries			-1	-1
Tax on changes recognised in equity			0	0
Changes in equity	0	0	63	63
Shareholders equity, 31 March 2012	1,735	1,215	1,202	4,152

NOTES

Note 1 Investment in group enterprises

DKKm	Parent company		
	31 March 2012	31 March 2011	31 December 2011
Cost, beginning of year	7,291	6,841	6,841
Additions during the period	300	0	450
Cost, end of period	7,591	6,841	7,291
Revaluation and impairment, beginning of year	-3,020	-2,346	-2,346
Dividend received	-500	0	-200
Profit for the period	71	-69	-469
Revaluation and impairment of treasury shares in subsidiaries	-1	-1	-5
Revaluation and impairment, end of period	-3,450	-2,416	-3,020
Carrying amount, end of period	4,141	4,425	4,271
Specification of carrying amount:			
Alm. Brand Bank A/S	1,324	1,451	1,092
Alm. Brand Forsikring A/S	2,816	2,973	3,178
Asgaard Finans A/S	1	1	1
Carrying amount, end of period	4,141	4,425	4,271

Note 2 Income from group enterprises

DKKm	Parent company		
	Q1 2012	Q1 2011	Year 2011
Alm. Brand Bank A/S	-67	-112	-918
Alm. Brand Forsikring A/S	138	43	449
Asgaard Finans A/S	0	0	0
Total income from group enterprises	71	-69	-469

Note 3 Accounting policies parent company

The interim report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and profession-specific pension funds. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for the interim reports of listed financial enterprises.

The accounting policies of the parent company on the recognition and measurement are in accordance with the accounting policies of the group, except for the following point:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value at the balance sheet date. The value of Pensionskassen under Alm. Brand A/S is not recognised in the balance sheet but is exclusively disclosed as a contingent liability.

The accounting policies are unchanged from the policies applied in the Annual Report 2011.

The interim report for the three months ended 31 March 2012 is unaudited.