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Alm. Brand A/S – Interim report for the first quarter of 2006

Highlights of the Alm. Brand A/S Group's interim report for the first quarter of 2006.

- The Alm. Brand A/S Group posted a pre-tax profit excluding minorities of DKK 226 million in Q1 2006. The profit for the same period of 2005 was DKK 49 million, affected by poor weather conditions.

- The good results were attributable to the positive performance in all of the group's business areas.

- The Alm. Brand Group's profit for the three months ended 31 March 2006 equals an annualised pre-tax return on equity of 20% against an annualised return of 5% in the year-earlier period.

- As a result of the positive developments in the first quarter, the profit forecast for the full year 2006 is upgraded to DKK 670 million from the previous DKK 610 million.

- Non-life operations generated a pre-tax profit of DKK 144 million, which is satisfactory. This performance was achieved as a result of a positive claims experience in the customer portfolio, good weather conditions, few major claims and a high investment return. On the downside, the profit was impacted by an extraordinary run-off loss relating to workers' compensation and expenses relating to the group's employee share scheme.

  The combined ratio – excluding the above extraordinary costs – was 89.7 in Q1 2006, which is highly satisfactory. Including these costs, the combined ratio was 94.3.

- The bank posted a pre-tax profit of DKK 51 million excluding minorities in Q1 2006, which was better than expected. The profit reflected a good performance overall – including not least an extremely good performance by the bank's lending activities – tight cost management and moderate losses and provisions.

- The Group's life operations reported a Q1 pre-tax profit of DKK 21 million. The capital loss on the bond portfolio was largely offset by reduced provisioning needs. The collective bonus potential rose to 3.8% of provisions in Q1.

- The Group generated total income of DKK 1.6 billion in Q1 2006.
- At 31 March 2006, shareholders' equity was DKK 5.0 billion including minority interests totalling DKK 0.4 billion.

Please direct any questions regarding this announcement to Søren Boe Mortensen, CEO, on tel. +45 35 47 47 47.

Yours sincerely,

Alm. Brand A/S

Søren Boe Mortensen
CEO



ALM. BRAND A/S

INTERIM REPORT

THE FIRST QUARTER OF 2006

7 Midtermolen, DK-2100 Copenhagen Ø, Registration Number CVR-nr. 77333517

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Group

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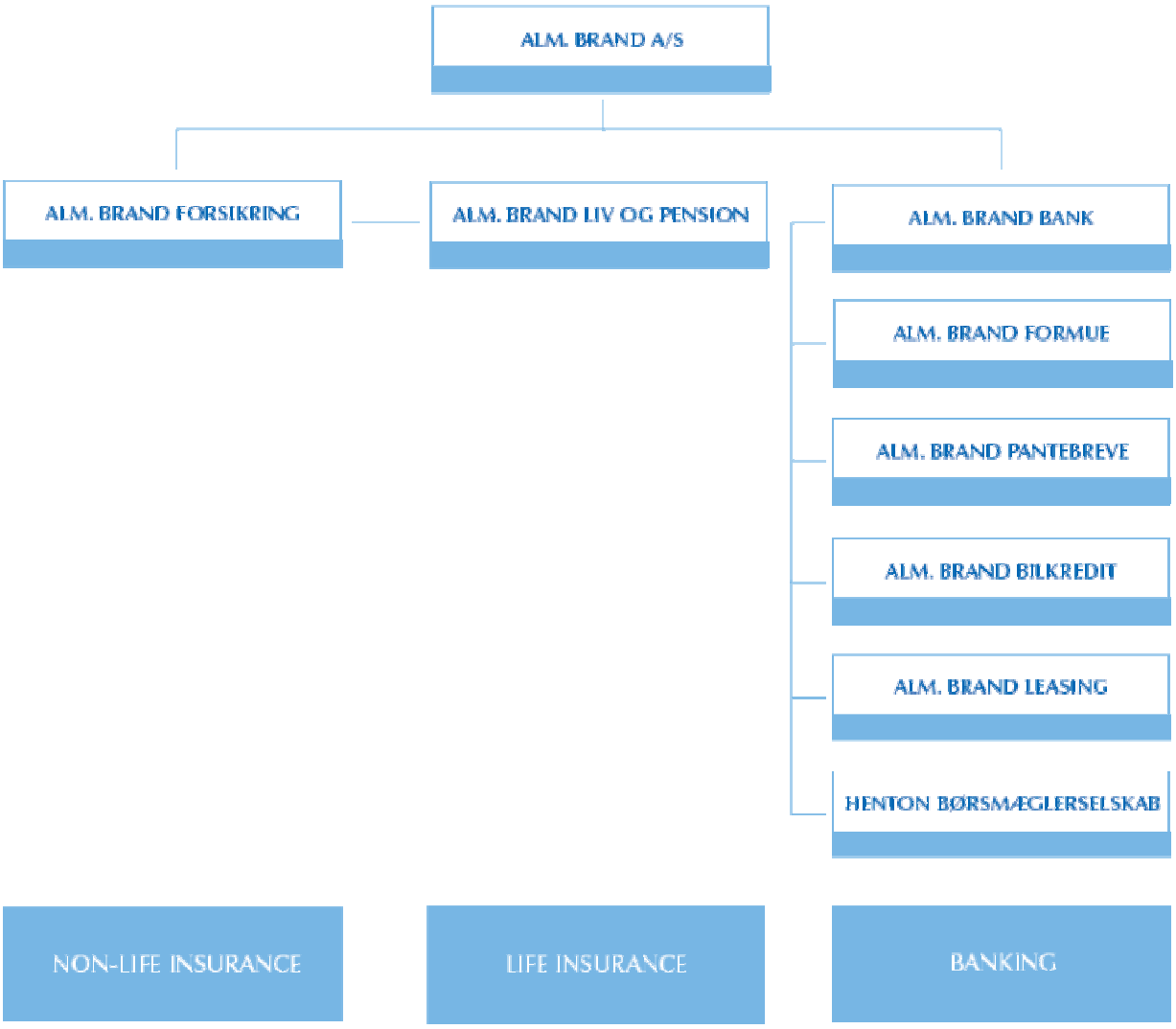
Company information

Group structure

Alm. Brand Group main companies



Dormant or discontinuing activities are not included.

Alm. Brand A/S is a Danish financial services group consisting of a listed holding company and a number of subsidiaries operating within non-life insurance, banking and life and pension insurance. In addition, the group operates an investment business in the ordinary course of its operations.

Finance calendar

22.08.2006 Publication of interim report first half-year 2006.
21.11.2006 Publication of interim report Q3 2006.

Company information

Board of directors

Christian N.B. Ulrich

Henrik Stenbjerre

Niels Kofoed

Henning Kaffka

Susanne Larsen

Jørgen H. Mikkelsen

Boris N. Kjeldsen

Jørgen S. Larsen

Lone Clausen

Management board

Søren Boe Mortensen
Chief Executive Officer

Henrik Nordam
Deputy Chief Executive Officer

Auditors

Deloitte, Statsautoriseret Revisionsaktieselskab

Internal auditor

Chief Internal Auditor Poul-Erik Winther Nielsen

Company information

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Financial Highlights and Key Ratios

DKK million	Q1 2006	Q1 2005	Year 2005
KEY FIGURES			
Income			
Non-Life Insurance	1,021	1,005	4,079
Banking	221	191	786
Life Insurance	185	171	747
Copenhagen Re	11	16	37
Investments	196	203	840
Total income	**1,634**	**1,586**	**6,489**
Results			
Underwriting result from non-life insurance	80	-23	399
Profit on banking operations	28	96	329
Underwriting result from life insurance	19	-5	121
Underwriting result from Copenhagen Re	12	-2	5
Profit/loss for insurance and banking operations	**139**	**66**	**854**
Profit/loss on investments after allocation of interest	72	13	10
Other ordinary items	-5	-6	-12
Profit/loss before tax	**206**	**73**	**852**
Tax	-58	-18	-56
Profit/loss after tax	**148**	**55**	**796**
Minority interests share of profit for the period	15	-23	-108
Profit/loss after tax excluding minorities	**163**	**32**	**688**
Profit/loss before tax excluding minorities	**226**	**49**	**747**
Profit/loss on business in run-off, net of reinsurance	-32	34	27
Provisions for insurance contracts	19,872	20,012	19,193
Shareholders' equity	5,041	4,263	4,935
Of which minority interests	411	474	474
Total assets	41,628	38,565	42,550
KEY RATIOS			
Return on equity before tax excluding minorities p.a.	20%	5%	18%
Return on equity after tax excluding minorities p.a.	14%	3%	17%
Earnings per Share, DKK 80	7	1	31
Diluted Earnings per Share, DKK 80	7	1	31
Net assets value per Share, DKK	207	170	199
Share price end of year	356	185	267
Share price/Net asset value	1.72	1.09	1.34

The Alm. Brand A/S Group

Alm. Brand A/S is a listed Danish financial services group focusing on the Danish market. The group carries on non-life insurance, banking and life and pension insurance activities and operates an investment business in the ordinary course of its operations. Alm. Brand is the only financial services business in Denmark to offer insurance, banking and pension products under one roof.

Financial results
The Alm. Brand A/S Group posted a pre-tax profit excluding minorities of DKK 226 million in Q1 2006, as compared with a profit of DKK 49 million in Q1 2005.

The good results were attributable to the positive performance in all three of the group's business areas.

The Q1 performance equalled an annualised return on equity of 20% before tax and minorities, against 5% in Q1 2005.

As a result of the positive Q1 performance in all business areas, the group upgrades the profit forecast for the full year by DKK 60 million to DKK 670 million before tax.

The Group generated total income of DKK 1.6 billion in Q1 2006.

Earnings per share were DKK 7 in Q1 2006. At 31 March 2006, the net asset value per share was DKK 207.

Shareholders' equity was DKK 5.0 billion at 31 March 2006, against DKK 4.9 billion at 31 December 2005.

Business operations
Gross premium income from the group's non-life operations amounted to DKK 1,021 million for Q1, which constitutes a 1.6% increase over Q1 2005. The drop in premium income in 2005 has thus been turned into a minor increase.

The combined ratio amounted to 94.3 in Q1 2006, against 104.8 in 2005. In 2006, the combined ratio was extraordinarily impacted by 4.6 percentage points, in part in respect of run-off losses relating to workers' compensation and in part due to the employee share scheme decided in January 2006. In Q1 2005, the Combined Ratio was extraordinarily impacted by 17.4 percentage points in respect of the storm in January 2005.

The combined ratio for the underlying business – i.e. excluding run-off losses, costs related to employee shares and the storm in January 2005 – was 89.7 in Q1 2006 against 90.8 in 2005.

The Group's banking business posted satisfactory results in all lending segments in Q1 2006. The business volume was generally growing, while costs remained largely unchanged.

Accordingly, the performance of the bank's core activities was largely unchanged compared to Q1 2005, which was satisfactory in view of the group's restricted stockbroking activities during the quarter after a number of stockbroking employees handed in their resignations at the end of 2005. The bank's overall performance was weaker than in Q1 2005, which was largely explained by value adjustments.

The credit policy combined with the favourable economic conditions led to highly satisfactory write-downs and provisions. For the year to date, write-downs and provisions amounted to income of DKK 4 million against a DKK 1 million expense in Q1 2005.

The group's life and pension insurance operations also contributed to consolidated profits, as the business performed according to expectations in all segments. The negative investment return, which was attributable to capital losses following the rise in interest rates, was largely offset by a reduced provisioning need.

At 31 March 2006, the collective bonus potential in the life and pension insurance company equalled 3.8% of the technical provisions, against 3.1% at 31 December 2005.

Other activities posted a profit of DKK 10 million, distributed on an DKK 18 million profit in Copenhagen Re and holding expenses of DKK 8 million.

Total expenses
The Group's acquisition and administrative expenses totalled DKK 345 million, as compared with DKK 329 million in Q1 2005.

Investment return
The Group's interest and fee income and value adjustments were negative in the amount of DKK 20 million in Q1 2006, compared with a positive amount of DKK 565 million in 2005. The return includes capital losses of DKK 387 million against capital gains of DKK 176 million in Q1 2005. The return was affected by increases in the equity markets as well as by increases in short-term and long-term interest rates.

The vast majority of the investment assets are fixed-income securities. Duration is about one year in non-life operations, while duration in life and pension operations is about nine years, which largely corresponds to the duration of the liabilities.

Number of employees
At 31 March 2006, Alm. Brand A/S had 1,628 employees. At 31 December 2005, the headcount was 1,600.

Major events

Appointing branch managers
In order to support the group's growth strategy, the group in 2005 decided to hire 12 branch managers for its 12 largest branches. All these positions were filled by highly qualified employees in Q1 2006. The branch managers are to strengthen the decentralised branches, and for that purpose greater powers and customer responsibility were delegated to the branches.

To further strengthen the branches, the largest branches are undergoing a major renovation to enhance their customer friendliness. The renovation of the two largest branches has now been completed, and work on the remaining ten branches is expected to be completed before the end of 2006.

Outlook
Based on the generally positive experience throughout the group, the Alm. Brand Group's full-year profit forecast for 2006 has been upgraded by DKK 60 million to DKK 670 million before tax and minorities.

The forecast is upgraded by DKK 40 million to DKK 440 million for the non-life insurance business, by DKK 10 million to DKK 150 million for the banking operations and by 10 million to DKK 40 million for the reinsurance business. The forecasts for the life operations and other business were unchanged at DKK 70 million and a loss of DKK 30 million, respectively.

The combined ratio expectations for the full year are maintained at 92.

The forecast is based on the level of interest rates prevailing at mid-May 2006. The actual performance of the group overall and of the individual business areas may be affected by major changes in economic conditions, changes in interest rates and in the equity markets, bad and doubtful debts or the claims experience.

The full-year consolidated income for 2006 is expected to be in the region of DKK 6.6 billion.

Forecast 2006		
	February 2006	Opgrade May 2006
Non-life	400	440
Banking	140	150
Life	70	70
Other	0	10
Profit before tax and minorities	610	670

Non-Life Insurance

Excl. Copenhagen Re

DKK million	Q1 2006	Q1 2005	Year 2005
Gross premiums	**1,021**	**1,005**	**4,079**
Technical interest	23	25	45
Gross claims expenses	-682	-1,418	-3,536
Bonus payments and premium discounts	0	0	0
Underwriting management expenses	-234	-219	-779
Profit from reinsurance	-48	584	590
Underwriting profit/loss	**80**	**-23**	**399**
Interest, dividends etc.	56	67	269
Capital gains/losses	64	-18	-129
Management expenses relating to investment business	-3	-3	-16
Return on technical provisions	-48	-38	-136
Total profit/loss on investments transfer of technical interest	**69**	**8**	**-12**
Other ordinary items	-5	-3	-12
Profit/loss before tax	**144**	**-18**	**375**
Tax	-40	0	-152
Profit/loss after tax	**104**	**-18**	**223**
Profit/loss on business in run-off, net of reinsurance	-32	34	27
Technical provisions	6,500	6,589	5,612
Insurance assets	300	1,026	269
Shareholders' equity	1,905	1,251	1,801
Total assets	9,021	8,993	7,821
Claims Ratio	66.8%	141.1%	86.7%
Expense Ratio	22.8%	21.8%	19.1%
Net reinsurance Ratio	4.7%	-58.1%	-14.5%
Combined Ratio	94.3%	104.8%	91.3%
Operating Ratio	92.3%	102.2%	90.3%
Return on equity before tax p.a.	31%	-5%	22%
Return on equity after tax p.a.	22%	-5%	13%

Non-Life Insurance

Alm. Brand is one of the largest non-life insurers in Denmark. Non-life operations include the private, agricultural and commercial segments and target a broad range of customers in the Danish market. Alm. Brand aims to have satisfied and loyal customers and maintain long-term business relationships. The Group strives to be known for providing high-quality products, competent advice and correct and quick claims handling.

Financial results

The non-life operations generated a Q1 pre-tax profit of DKK 144 million, compared with a pre-tax loss of DKK 18 million in Q1 2005, although that performance was impacted by the storm on 8 January 2005.

The performance in Q1 2006 equals an annualised return on equity before tax of 31% against a negative 5% in the year-earlier period.

Premiums
Gross premium income amounted to DKK 1,021 million for Q1, which constitutes a 1.6% increase over Q1 2005. The reduction in premium income in 2005 has thus been turned into a minor increase. Alm. Brand initiated a number of activities in 2005 to ensure greater premium volume growth. The main aim of these activities is to strengthen sales and customer loyalty. Accordingly, Alm. Brand has increased its sales force - both in terms of insurance agents and customer consultants, and the group will continue to increase the headcount in this area.

Claims experience
The claims ratio was 66.8 in Q1 2006.

This performance is positively affected by a favourable experience in the number of major claims, good weather conditions and the generally positive experience in the group's customer portfolio.

More over the claims experience was impacted by a run-off loss of DKK 32 million, of which DKK 25 million related to a Supreme Court ruling in the workers' compensation area.

Net reinsurance ratio
The net reinsurance ratio was 4.7 in Q1, against 4.1 in Q1 2005, excluding reimbursements relating to the storm in January 2005. The 0.6 percentage point increase was due in part to the general rate increases in the reinsurance market and in part to the fact that Alm. Brand has improved coverage of storm events from a maximum of DKK 3.7 billion in 2005 to the current coverage of claims events of up to a maximum of DKK 4.4 billion.

Expenses
The expense ratio in Q1 was in line with expectations at 22.8, against 21.8 in Q1 2005. The expense ratio for Q1 2006 is impacted by approximately 1.5 percentage point in respect of employee share expenses.

The expense ratio for the full year is expected to be below 20. The cost-savings achieved by the group through new and more efficient processes and business procedures will be invested in allocating more resources to the group's sales and service force.

Combined ratio
The combined ratio was 94.3 in Q1 2006, against 104.8 in Q1 2005, measured including the storm.

The combined ratio for the underlying business, i.e. excluding run-off losses, costs related to employee shares and the storm in January 2005, was 89.7 in Q1 2006 against 90.8 in 2005.

Investment return
The non-life investment return before allocation of interest was DKK 117 million in the first quarter of 2006, as compared with DKK 46 million in the same period of 2005. The investment return on assets, mainly placed in short-term bonds, was considerably lower than expected due to the rise in the short-term yield in the first quarter of 2006.

Conversely, the investment return was positively impacted by the fact that the claims provisions at 31 March 2006 were discounted at a higher rate of interest than at 31 December 2005. This resulted in considerable income because the duration of assets did not match the duration of liabilities. Q2 2006 will see a gradual convergence of the duration of assets and of liabilities.

Major events

Supreme Court ruling, workers' compensation
A judgement handed down by the Danish Supreme Court in February 2006 means that the Danish National Board of Industrial Injuries will have to reopen all cases involving temporary annuities decided in the period 9 February 1986 to 10 January 2002. During this period, claimants were automatically awarded 25% occupational disability, whereas the Supreme Court has now found that the actual occupational disability rate should be assessed. The judgement, which will affect the entire industry, has caused Alm. Brand a DKK 25 million run-off loss on prior year claims.

Hedging of inflation risk on workers' compensation
At 28 February 2006, Alm. Brand hedged the inflation risk on workers' compensation.

Outlook
Based on the overall performance of the non-life operations in Q1 2006, the combined ratio expectations for the full year are maintained at 92.

Furthermore, the rise in interest rates has yielded significant income as the provisions for future obligations in respect of non-life operations have been reduced. The Group therefore raises the forecast for the non-life results by DKK 40 million for the full year.

Accordingly, the non-life operations are expected to post a full-year profit before tax in the range of DKK 440 million, as compared with the forecast of DKK 400 million announced in the Annual Report 2005.

Banking

DKK million	Q1 2006	Q1 2005	Year 2005
Interest income	177	148	617
Interest expenses	-89	-65	-275
Net interest income	**88**	**83**	**342**
Net fee and commission income, dividends etc.	44	43	169
Net interest and fee income	**132**	**126**	**511**
Value adjustments	-24	59	183
Other operating income	4	3	9
Profit on financial operations	**112**	**188**	**703**
Total costs	-91	-91	-369
Write-downs on bad and doubtful debts etc.	4	-1	-5
Profit on participating interests	3	0	0
Profit before tax	**28**	**96**	**329**
Tax	-9	-3	-63
Profit after tax	**19**	**93**	**266**
Minority interests' share of profit/loss for the period	18	-26	-110
Profit after tax excluding minorities	**37**	**67**	**156**
Profit before tax excluding minorities	**51**	**69**	**222**
Loans and advances	10,988	9,392	10,729
Deposits	9,145	8,870	8,989
Shareholders' equity	1,581	1,379	1,609
Of which minority interests	455	468	520
Total assets	17,367	14,672	19,409
Net interest margin p.a.	2.1%	2.4%	2.3%
Operating income over operating expenses including minorities	1.32	2.04	1.88
Operating income over operating expenses excluding minorities	1.70	1.83	1.65
Write-down ratio p.a.	-0.1%	0.0%	0.0%
Solvency ratio	12.1%	12.3%	11.5%
Return on equity before tax p.a.	19%	32%	23%
Return on equity after tax p.a.	13%	31%	16%

Banking

Alm. Brand Bank is among the major banks in Denmark and is becoming the principal banker to more and more private customers. In addition to being a full-service bank offering its customers a full range of conventional banking products, the bank specialises in providing savings, investment and financial solutions to the personal and professional segments. The bank attaches great importance to its role as an adviser and sparring partner to its customers.

Financial results
The banking group's profit for Q1 2006 was DKK 51 million before tax and minorities, against DKK 69 million in the same quarter last year. The drop in profit was attributable to changed market conditions for securities and against this background the profit is considered satisfactory.

The Q1 profit corresponds to a return on equity before tax of 19% per annum. In Q1 2005, the return was 32% per annum, while it was 23% for the full year 2005.

Net interest and fee income
In Q1 2006, the banking group's net interest and fee income totalled DKK 132 million, equalling a 5% increase over Q1 2005. The net interest income was up by 6% on Q1 2005, while the net fee income was up by 3%.

Value adjustments
The total value adjustments of the banking group constituted a loss of DKK 24 million in Q1 2006, a difference that is mainly explained by capital losses on bonds due to the increase in yields. In the corresponding period of 2005 the value adjustments were positive by DKK 59 million. Otherwise, the first quarter was affected by a one-off gain on the sale of the bank's holding of shares in the Copenhagen Stock Exchange and the football club AGF.

The bank's share of the value adjustments was a DKK 6 million gain while the minority interests' share was a loss of DKK 30 million, against a gain of DKK 39 million and a gain of DKK 20 million, respectively, in Q1 2005.

Costs
The total costs of the banking group in Q1 2006 were unchanged from Q1 2005 at DKK 91 million. The cost level was unchanged despite a 10% increase in the level of activity.

The income/cost ratio fell to 1.32 in Q1 2006, against 2.04 in Q1 2005. The drop is principally attributable to the change in the overall value adjustments of the banking group, of which the majority relates to the subsidiary Alm. Brand Formue. Disregarding the minority interests, the income/cost ratio rose to 1.70 in Q1 2006, against 1.65 at 31 December 2005.

Write-downs of loans etc.
Impairment of loans and guarantees totalled DKK 4 million in income for Q1 2006, against an expense of DKK 1 million in Q1 2005. The banking group thus still enjoys extraordinarily low losses on the back of the favourable economic conditions in Denmark.

The banking group's impairment of loans and guarantees charged to the income statement relative to total loans and guarantees was negative in the amount of 0.1% at 31 March 2005, a fall of 0.1 percentage point against Q1 2005.

The banking group's accumulated impairment charges/provisions on loans and guarantees totalled DKK 207 million at 31 March 2006, which corresponds to an accumulated impairment ratio of 1.6 against 2.0 at 31 March 2005 and 1.7 at 31 December 2005.

Balance sheet
The banking group's balance sheet is positively affected by the continued increase in the loan portfolio, due in part to the banking group's continued success in providing home, agricultural, investment property and car financing. In addition, the bank continued to record a general increase in business resulting from the Alm. Brand Group's *dobbeltKUNDE* concept.

The growth in the bank's loans and advances should be seen in relation to the bank's strategy of focusing on selected segments while maintaining limited risk.

Loans and advances
Loans and advances amounted to DKK 11.0 billion at 31 March 2006, an increase of DKK 1.6 billion or 17% from 31 March 2005.

Deposits
Deposits amounted to DKK 9.1 billion at 31 March 2006, an increase of DKK 0.2 billion from 31 March 2005.

Guarantees
The banking group's guarantees and other commitments increased to DKK 1.9 billion in Q1 2006, an increase of DKK 0.4 billion on Q1 2005.

Payables to credit institutions
The banking group's payables to credit institutions were up from DKK 3.3 billion at 31 March 2005 to DKK 5.6 billion at 31 March 2006. The increase was primarily ascribed to the fact that the bank took up a syndicated loan of EUR 375 million, corresponding to DKK 2.8 billion, at the end of 2005. The loan was raised due to the banking group's continued success in providing loans.

Capital
The banking group's equity stood at DKK 1.6 billion at 31 March 2006. The capital base totalled DKK 1.6 billion. The group had a solvency ratio of 12.1% and a tier 1 ratio of 9.8%.

Report - Banking

Major events

Henton Børsmæglerselskab
At 30 December 2005, Alm. Brand Bank acquired Henton Børsmæglerselskab A/S. With the acquisition, Alm. Brand Bank expanded its position in the stockbroking and asset management areas. Furthermore, Henton Børsmæglerselskab A/S' unique research reports and products aimed at the agricultural sector underpin the bank's continuing growth in agricultural finance.

Despite a number of resignations in the stockbroking area at the end of 2005, the bank's stockbroking and asset management activities are well under way towards being re-established. With 22 new employees hired since the beginning of the year, the aggregate stockbroking and asset management activities, called Alm. Brand Henton, are well equipped to continue and to expand the positive trend of the business area in recent years.

Injunction case – Alm. Brand vs. FIH Erhvervsbank
At 31 December 2005, 18 employees collectively resigned from Alm. Brand Børs. Alm. Brand is of the opinion that this action was unlawful, and has therefore requested an injunction prohibiting the persons in question from taking up employment in the new enterprise. Alm. Brand lost the initial injunction case, but has appealed the decision to the Danish High Court.

Outlook
For 2006, the banking group expects a profit before tax and minority interests in the region of DKK 150 million. This is a minor upgrade of DKK 10 million relative to the forecast provided in connection with the Annual Report 2005.

Life Insurance

DKK million	Q1 2006	Q1 2005	Year 2005
Premiums	185	171	747
Claims incurred	-170	-152	-752
Investment return after allocation of interest	-259	217	1,031
Total underwriting management expenses	-18	-16	-67
Reinsurance result	-1	3	-4
Change in life insurance provisions	349	-139	-614
Change in collective bonus potential	-67	-89	-220
Underwriting profit/loss	**19**	**-5**	**121**
Transferred investment return	2	8	23
Profit before tax for the period	**21**	**3**	**144**
Tax	-6	0	139
Profit/loss after tax	**15**	**3**	**283**
Result in life insurance			
Administrative result	3	6	23
Investment result	-370	125	654
Change in provision for guaranteed pension benefits	437	-62	-353
Change in collective bonus potential	-67	-89	-220
Risk result	19	20	44
Reinsurance result	-1	3	-4
Profit before tax	**21**	**3**	**144**
Tax	-6	0	139
Profit/loss after tax	**15**	**3**	**283**
Provisions for insurance contracts	11,120	10,767	11,416
Shareholders' equity	1,293	998	1,278
Total assets	12,797	11,867	12,796
Return on equity before tax p.a.	6%	1%	13%
Return on equity after tax p.a.	5%	1%	25%
Bonus rate	3.8%	1.9%	3.1%

Investment return in life insurance in 1st quarter 2006

DKK million	Average amount of capital tied up	Return	Return ratio
Interest-bearing assets	9,364	-361	-3.9%
Shares	1,047	39	3.8%
Property	1,325	17	1.3%
Management expenses relating to investments activities		-4	
Total	**11,736**	**-309**	**-2.6%**

Life Insurance

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

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

Report – Life Insurance

Financial results
The pre-tax profit for Q1 2006 was DKK 21 million, against DKK 3 million for the same period of last year. This performance is satisfactory.

The year-to-date performance entails an annualised return on equity of 6% before tax, as compared with a return of 1% in the year-earlier period.

Premiums
Gross premiums rose by 8% to DKK 185 million in Q1 2006, against DKK 171 million in the year-earlier period. Gross premiums were in line with expectations.

Benefits paid
Benefits paid in Q1 2006 amounted to DKK 170 million, as compared with DKK 152 million in Q1 2005.

Expense and risk results
The expense result, which expresses the difference between expense loading and expenses incurred, amounted to DKK 3 million in the first three months of 2006. The overall expense result was satisfactory.

The risk result, which expresses the difference between risk premiums and claims expenses, totalled DKK 19 million in Q1 2006 and was also satisfactory.

Expenses
Acquisition and administrative expenses totalled DKK 18 million in Q1 2006, against DKK 16 million for the same period of last year. Total expenses for 2006 to date were in line with expectations.

Return on investment
The return on investment was negative in Q1 2006, due to capital losses as a result of the rising interest rates. The negative return was largely offset by a reduced provisioning need, as it is the group's policy to maintain balance between assets and liabilities in order to reduce the risk.

The Q1 return on investment assets before tax on pension investment returns to customers was negative at DKK 309 million, as compared with a positive return of DKK 260 million in the year-earlier period, corresponding to a negative return of 2.6% (a negative 10.5% annualised) in Q1.

The Q1 return on investment assets attributable to shareholders' equity was DKK 2 million, equivalent to a return of 0.2% (0.7% annualised), against a return of DKK 8 million in the same period last year.

Accordingly, the return on the overall investment assets before tax on pension investment returns was negative at DKK 307 million, equal to a negative return of 2.4% (a negative 9.4% annualised).

Balance sheet
The life group's shareholders' equity amounted to DKK 1,293 million, equivalent to equity reserves of 7.9%, at 31 March 2006. The solvency ratio was 255.

The collective bonus potential amounted to DKK 380 million at 31 March 2006, against DKK 314 million at 31 December 2005, corresponding to a bonus rate of 3.8%, a 0,7 percentage point increase relative to the end of 2005.

Outlook
The pre-tax profit for the full year 2006 is still expected to be DKK 70 million including a full risk premium.

The performance will rely strongly on how interest rates and the equity markets develop.

Other activities

Copenhagen Re
Copenhagen Re, which is in runoff, performed in line with expectations.

The Q1 pre-tax profit for Copenhagen Re was better than expected at DKK 18 million, against a profit of DKK 3 million in Q1 2005.

Technical provisions net of reinsurance totalled DKK 1.5 billion at 31 March 2006.

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 2005.

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 153 million at 31 March 2005, equal to Alm. Brand A/S' carrying value on the investment.

Based on the improved investment result, the profit forecast for the reinsurance activities is upgraded by DKK 10 million to DKK 40 million for the full year 2006.

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

Other activities of the group posted a pre-tax loss of DKK 8 million in Q1 2006, against a DKK 7 million loss in Q1 2005.

Outlook
On the back of the upgrade of reinsurance activities, the profit forecast for other activities has been upgraded to an overall profit in the region of DKK 10 million for the full year 2006.

Accounting Policies

GENEREL INFORMATION

The interim report has been prepared in accordance with IAS 34 "Interim Financial reporting" as approved by the EU. 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 pensions funds and Danish accounting standards. In addition, the interim report has been prepared in accordance with additional Danish disclosure requirements for the interim reports of listed financial companies.

Additional Danish disclosure requirements in the interim report are for the group set out in the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Business Act and by the Copenhagen Stock Exchange.

The Interim report is presented in Danish kroner (DKK), which is considered the primary currency of the group's activities and the functional currency of the parent company.

The accounting policies are unchanged from those applied in the annual report for 2005. The accounting policies of the parent company are described in connection with the parent company's financial statements, as detailed in a separate section of this report.

The interim report for the first quarter of 2006 is unaudited

Balance Sheet

Balance Sheet - Group

DKK million	31 March 2006	31 March 2005	Year 2005
Assets			
Intangible assets	133	106	130
Owner-occupied properties	629	608	632
Deferred tax assets	540	594	553
Participating interests in joint ventures	21	21	21
Reinsurers' share of insurance contracts	1,096	1,562	859
Other assets	2,112	1,955	1,850
Loans	9,465	9,385	9,282
Investment properties	727	669	723
Investment assets	24,898	21,998	25,403
Amounts due from credit institutions and central banks	1,552	1,344	2,766
Cash in hand and demand deposits	455	323	331
Total assets	**41,628**	**38,565**	**42,550**
Liabilities			
Share capital	1,788	1,788	1,788
Reserves, retained profit etc.	2,842	2,001	2,673
Minority interests	411	474	474
Consolidated equity	5,041	4,263	4,935
Subordinated loan capital	300	300	300
Provisions for insurance contracts	19,872	20,012	19,193
Other provisions	323	1,169	333
Deferred tax liabilities	51	55	51
Other liabilities	1,781	1,110	1,691
Deposits	8,698	8,297	8,632
Amounts owed to credit institutions and central banks	5,562	3,359	7,415
Total liabilities	**41,628**	**38,565**	**42,550**

Note 1 Own Shares
Note 2 Changes in contingent liabilities, guarantees and leasing

Profit and loss account

Profit and loss account - Group

DKK million	Q1 2006	Q1 2005	Year 2005
Income			
Premium income	1,214	1,191	4,863
Interest income etc.	367	351	1,413
Fee income etc.	40	38	144
Other investment income	2	0	41
Profit from investments in joint ventures	0	0	1
Other income	11	6	27
Total income	**1,634**	**1,586**	**6,489**
Expenses			
Claims incurred	-847	-1,591	-4,261
Interest expenses	-111	-62	-358
Other investment expenses	-10	-13	-54
Provisions for bad and doubtful debts	4	-1	-2
Acquisition and administrative expenses	-345	-329	-1,289
Other expenses	-12	-6	-30
Total expenses	**-1,321**	**-2,002**	**-5,994**
Result of business ceded	-46	581	591
Change in life insurance provisions	349	-141	-614
Change in collective bonus potential	-67	-89	-215
Exchange rate adjustments	-387	176	767
Tax on pension investment returns	44	-38	-172
Profit before tax	**206**	**73**	**852**
Tax	-58	-18	-56
Profit after tax	**148**	**55**	**796**
Profit before tax is distributed as follows			
Alm. Brand's share of the profit for the period	226	49	747
Minority shareholders' share of the profit for the period	-20	24	105
	206	**73**	**852**
Profit after tax is distributed as follows			
Alm. Brand's share of the profit for the period	163	32	688
Minority shareholders' share of the profit for the period	-15	23	108
	148	**55**	**796**
Earnings per Share, DKK 80	7	1	31
Diluted Earnings per Share, DKK 80	7	1	31

Statement of changes in equity

DKK million	Share capital	Contingency funds	Retained profit	Revaluation reserve	Share-holders' equity	Minority interests	Consoli-dated equity
At 1 January 2006	**1,788**	**182**	**2,488**	**3**	**4,461**	**474**	**4,935**
Profit/loss for the period			163		163	-15	148
Sale of treasury shares			6		6		6
Change in share attributable to minority interest						-48	-48
At 31 March 2006	**1,788**	**182**	**2,657**	**3**	**4,630**	**411**	**5,041**

DKK million	Share capital	Contingency funds	Retained profit	Revaluation reserve	Share-holders' equity	Minority interests	Consoli-dated equity
Restated at 1 January 2005	**1,788**	**182**	**1,778**	**3**	**3,751**	**323**	**4,074**
Profit/loss for the period			688		688	108	796
Revaluation of owner-occupied properties				5	5		5
Transferred to collective bonus potential				-5	-5		-5
Sale of treasury shares			22		22		22
Intra-group ownership						-44	-44
Change in share attributable to minority interest						87	87
At 31 December 2005	**1,788**	**182**	**2,488**	**3**	**4,461**	**474**	**4,935**

Capital calculation model

DKK million	Times the statutory solvency margin	31 March 2006	Year 2005
Non-life insurance	2.4	1,565	1,565
Banking excluding partly owned listed subsidiaries	1.3	1,083	1,232
Banking, investments in partly-owned listed subsidiaries		614	636
Life insurance	2.0	1,024	1,068
Reinsurance		153	140
Capital target		**4,439**	**4,641**
Consolidated shareholders' equity		5,041	4,935
Net tax asset		-489	-502
Intangible assets		-133	-130
Adjusted consolidated shareholders' equity excluding capital base		**4,419**	**4,303**
Dividend distribution excluding capital base		**-20**	**-338**
Capital base		300	300
Dividend distribution including capital base		**280**	**-38**

Cash flow statement

Cash flow statement

DKK million	31 March 2006	31 March 2005	Year 2005
Cash flows from operating activities			
Premiums received	2,017	2,018	4,892
Claims paid	-1,131	-955	-4,208
Interest receivable, dividends, etc.	502	463	1,536
Interest payable	-82	-60	-260
Payments concerning reinsurance	-15	-78	489
Fee income received	41	46	159
Fee income paid	-9	-13	-28
Expences paid	-270	-350	-1,356
Tax on pension investment returns paid	0	0	-148
Acquisition of intangible assets, furniture, equipments etc.	-20	-17	-53
Taxes paid/received	1	-3	-8
Cash flows from operating activities	**1,034**	**1,051**	**1,015**
Change in investment placement (net)			
Properties acquired or converted	-1	4	-33
Sale/aquisition of equity investments	86	-39	-241
Sale/repayment of mortgage deeds and loans	-346	-338	-1,455
Sale/aquisition of bonds	-112	-1,548	-2,938
Dividend received from joint ventures	0	0	1
Change in receivables from credit institutions over 3 months	41	50	9
Change in investment placement (net)	**-332**	**-1,871**	**-4,657**
Change in financing (net)			
Other provisions	-5	-3	-36
Sale/purchase of treasury shares	8	19	22
Sale/acquisition of subsiadiaries (change in minority interests)	0	132	140
Change in deposits	155	-315	-195
Change in payables to credit institutions	-1,856	207	4,214
Change in other payables	-37	-63	0
Change in financing (net)	**-1,735**	**-23**	**4,145**
Gross change in cash and cash equivalents	**-1,033**	**-843**	**503**
Exchange rate adjustments of cash equivalents, beginning of period	-16	15	58
Net change in cash and cash equivalents	**-1,049**	**-828**	**561**
Cash and cash equivalents, beginning of period	3,056	2,495	2,495
Cash and cash equivalents, end of period	**2,007**	**1,667**	**3,056**

Segment Reporting

Profit and loss account by business segments – Group

DKK million	Non-life Insurance	Banking	Life Insurance	Other	Consolidation Adjustments	Group
			Q1 2006			
Premium income	1,021	0	185	8	0	1,214
Interest income etc.	56	177	118	20	-4	367
Fee income etc.	0	44	0	0	-4	40
Other investment income	0	0	17	0	-15	2
Other income	7	4	0	0	0	11
Total income	**1,084**	**225**	**320**	**28**	**-23**	**1,634**
Claims incurred	-682	0	-171	6	0	-847
Interest expenses	-25	-89	0	-1	4	-111
Other investment expenses	-3	0	-4	-7	4	-10
Provisions for bad and doubtful debts	0	4	0	0	0	4
Acquisition and administrative expenses	-234	-91	-18	-17	15	-345
Other expenses	-12	0	0	0	0	-12
Total expenses	**-956**	**-176**	**-193**	**-19**	**23**	**-1,321**
Result of business ceded	-48	0	-1	3	0	-46
Change in life insurance provisions	0	0	349	0	0	349
Change in collective bonus potential	0	0	-67	0	0	-67
Exchange rate adjustments	64	-21	-431	-2	3	-387
Tax on pension investment returns	0	0	44	0	0	44
Profit before tax	**144**	**28**	**21**	**10**	**3**	**206**
Tax	-40	-9	-6	-3	0	-58
Profit after tax	**104**	**19**	**15**	**7**	**3**	**148**
Minority interests share of profit for the period	0	18	0	0	-3	15
Profit/loss after tax excluding minorities	**104**	**37**	**15**	**7**	**0**	**163**
Profit/loss before tax excluding minorities	**144**	**51**	**21**	**10**	**0**	**226**

Notes

Note 1 Own Shares - Group

DKK million	Q1 2006	Q1 2005	Year 2005
Own shares held at beginning of year	0	0	0
Value adjustments	6	21	22
Additions	78	38	102
Disposals	-84	-59	-124
Book value	**0**	**0**	**0**
Nominal value, beginning of year	26	35	35
Additions, nominal value	18	15	36
Disposals, nominal value	-20	-24	-45
Nominal value	**24**	**26**	**26**
Number of shares held at beginning of year	319,832	439,052	439,052
Additions, number of shares	234,450	187,910	453,524
Disposals, number of shares	-248,889	-298,117	-572,744
Number of shares held at period-end	**305,393**	**328,845**	**319,832**
Percentage of share capital at period-end	**1.4%**	**1.5%**	**1.4%**

Note 2 Changes in contingent liabilities, guarantees and leasing

DKK million	Q1 2006	Year 2005
Guarantee commitments	**2,419**	**2,518**

The change is primarily attributable to Alm. Brand Bank A/S' unrecognised guarantee commitments.

Alm. Brand A/S

Parent company

Accounting Policies - Parent company

GENEREL INFORMATION

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 pensions funds and Danish accounting standards. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for the interim reports of listed financial companies.

The consolidated financial statements of Alm. Brand A/S are prepared in accordance with IAS 34 "Interim Financial reporting" as approved by the EU. With respect to recognition and measurement, the accounting policies of the parent company Alm. Brand A/S are identical to those described for the group, with the exeption that:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value on the balance sheet date.

The value of Pensionskassen under Alm. Brand A/S is not recognized in the balance sheet but is exclusively disclosed in the notes as a contingent liability.

The accounting policies are unchanged from those applied in the annual report for 2005.

The interim report for the first quarter of 2006 is unaudited

Balance Sheet

Balance Sheet - Parent company

DKK million	Note	31 March 2006	31 March 2005	31 December 2005
ASSETS				
Participating interests in subsidiaries	1	4,917	3,637	4,749
Participating interests in associated undertakings		21	21	21
Total investments in subsidiaries and associated undertakings		**4,938**	**3,658**	**4,770**
Other loans		2	2	2
Deposits with credit institutions		0	160	125
Cash in hand and demand deposits		126	7	26
Total other financial investment assets		**128**	**169**	**153**
Total Investment Assets		**5,066**	**3,827**	**4,923**
Amounts due from subsidaries		31	5	5
Other debtors		18	27	21
Total debtors		**49**	**32**	**26**
Current tax assets		28	0	28
Deferred tax assets		25	571	24
Other assets		0	0	0
Total other assets		**53**	**571**	**52**
Accrued interest		0	4	0
Accruals and deferred income		4	0	0
Accruals and deferred income		**4**	**4**	**0**
Total assets		**5,172**	**4,434**	**5,001**
LIABILITIES				
Share capital		1,788	1,788	1,788
Retained profit		2,835	2,001	2,666
Total shareholders' equity		**4,623**	**3,789**	**4,454**
Deferred tax assets		51	55	51
Other provisions		0	26	0
Total provisions for other risks and costs		**51**	**81**	**51**
Amounts owed to credit institutions		0	100	0
Amounts owed to subsidiaries		433	417	428
Other creditors		65	47	68
Total creditors		**498**	**564**	**496**
Total liabilities		**5,172**	**4,434**	**5,001**

Profit and loss account

Profit and loss account – Parent company

DKK million	Note	Q1 2006	Q1 2005	Year 2005
Income from subsidiaries	2	232	58	789
Income from associated companies		0	0	1
Interest, dividends etc.		1	2	7
Gain and losses on investment assets		0	1	1
Interest expenses		-2	-4	-15
Administrative expenses related to investment activities		-5	-8	-34
Total return on investments		**226**	**49**	**749**
Profit/loss before tax		**226**	**49**	**749**
Tax		**-63**	**-17**	**-60**
Profit/loss after tax		**163**	**32**	**689**

Statement of changes in equity

DKK million	Share capital	Retained profit	Shareholders' equity
At 1 January 2006	**1,788**	**2,666**	**4,454**
Profit/loss for the period		163	163
Sale/buy of treasury shares		6	6
At 31 March 2006	**1,788**	**2,835**	**4,623**

DKK million	Share capital	Retained profit	Shareholders' equity
Restated at 1 January 2005	**1,788**	**1,955**	**3,743**
Profit/loss for the period		689	689
Sale of treasury shares		22	22
At 31 December 2005	**1,788**	**2,666**	**4,454**

Notes

Note 1 Participating interest in subsidiaries

DKK million	31 March 2006	31 March 2005	31 December 2005
Cost at beginning of year	6,042	6,042	6,042
Additions	0	0	0
Disposals	0	0	0
Cost at year-end	**6,042**	**6,042**	**6,042**
Revaluation and write-downs, beginning of year	-1,609	-2,941	-2,941
Dividends	0	-4	-104
Reversal of prior-year revaluation and write-downs	0	0	0
Revaluation during the year	0	-6	562
Profit/loss for the year	167	57	700
Remission of loans, subsidiaries	0	0	173
Revaluation and write-downs on own shares in subsidiaries	1	-1	1
Revaluation and write-downs, at year-end	**-1,441**	**-2,895**	**-1,609**
Set-off against debtors and capital base	316	490	316
Book value	**4,917**	**3,637**	**4,749**
The book value is composed as follows:			
Alm. Brand Bank A/S	1,123	907	1,087
Alm. Brand Forsikring A/S	3,350	2,369	3,219
Asgaard Finans A/S	0	0	0
Finansieringsselskabet Balder A/S	369	360	368
Finansieringsselskabet af 9/10 1992 A/S	75	1	75
	4,917	**3,637**	**4,749**

Note 2 Income from subsidiaries

DKK million	Q1 2006	Q1 2005	Year 2005
Alm. Brand Bank A/S	35	67	154
Alm. Brand Forsikring A/S	131	-13	540
Asgaard Finans A/S	0	0	0
Finansieringsselskabet Balder A/S	1	3	11
Finansieringsselskabet af 9/10 1992 A/S	0	0	-5
	167	**57**	**700**
The amount comprises the following:			
Ordinary income from subsidiaries	232	58	789
Tax	-65	-1	-89
	167	**57**	**700**