

ALM. BRAND A/S

interim report - the first quarter of 2011



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COMPANY INFORMATION

BOARD OF DIRECTORS

Jørgen H. Mikkelsen, Chairman
Boris N. Kjeldsen, Deputy Chairman
Henrik Christensen
Tage Benjaminsen
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 Revisionsaktieselskab

INTERNAL AUDITOR

Poul-Erik Winther, Chief auditor

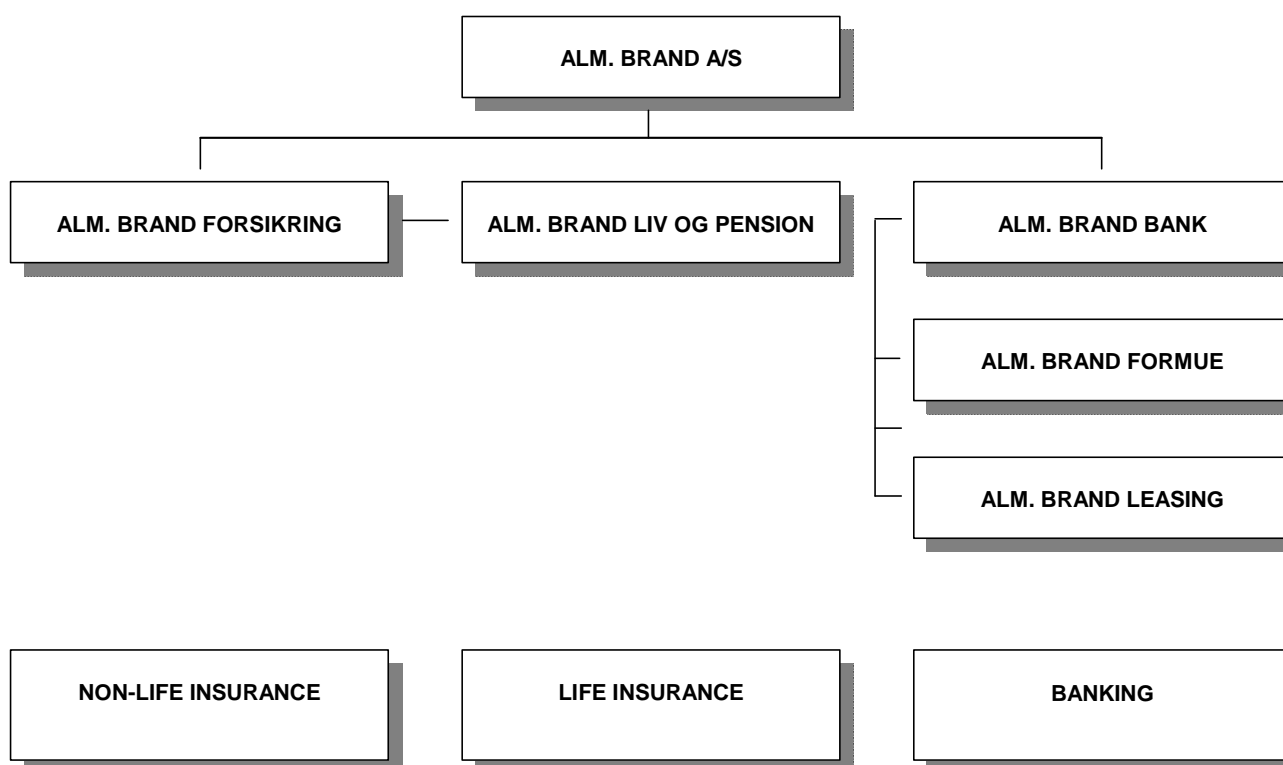
REGISTRATION

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GROUP STRUCTURE



Dormant or discontinuing activities are not included.

The Alm. Brand A/S Group 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 primary operations.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

| DKKm | Q1 2011 | Q1 2010 | Year 2010 |
|---|--------------------|--------------------|----------------------|
| Income | | | |
| Non-Life Insurance | 1,168 | 1,172 | 4,762 |
| Banking | 268 | 281 | 1,132 |
| Life Insurance | 179 | 190 | 719 |
| Copenhagen Re | - | 0 | 0 |
| Investments | 177 | 172 | 728 |
| Total income | 1,792 | 1,815 | 7,341 |
| Profit excluding minorities | | | |
| Non-Life Insurance | 37 | -250 | 207 |
| Banking | -149 | -47 | -869 |
| Life Insurance | 18 | 69 | 181 |
| Copenhagen Re | - | 0 | 0 |
| Other activities | -15 | -14 | -55 |
| Profit before tax | -109 | -242 | -536 |
| Tax | 28 | 61 | 135 |
| Profit after tax | -81 | -181 | -401 |
| Profit Group | | | |
| Profit before tax, Group | -113 | -234 | -539 |
| Tax | 28 | 61 | 135 |
| Profit after tax, Group | -85 | -173 | -404 |
| Provisions for insurance contracts | 19,092 | 19,431 | 18,413 |
| Shareholders' equity | 4,672 | 3,503 | 4,758 |
| Of which minority interests | 153 | 181 | 160 |
| Total assets | 48,320 | 47,483 | 48,149 |
| Return on equity before tax excluding minorities p.a. | -10% | -28% | -16% |
| Return on equity after tax excluding minorities p.a. | -7% | -21% | -12% |
| Earnings per Share | -0.5 | -11 | -24 |
| Diluted Earnings per Share | -0.5 | -11 | -24 |
| Net assets value per Share | 26 | 196 | 27 |
| Share price end of period | 11.3 | 95 | 14.2 |
| Share price/Net asset value | 0.43 | 0.48 | 0.53 |
| Number of shares end of period ('000) | 173,658 | 16,929 | 173,079 |
| Average number of shares ('000) | 173,218 | 16,882 | 16,882 |

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, life insurance and pension activities as well as banking activities and generates annual consolidated revenue of DKK 7 billion.

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 results

The Alm. Brand A/S Group posted a pre-tax loss excluding minorities of DKK 109 million in Q1 2011, compared with a loss of DKK 242 million in Q1 2010. The performance, including losses and writedowns in the bank, thus improved but was still not satisfactory.

The performance was favourably affected by an enhanced underlying claims experience and by declining costs. On the other hand, value adjustments due to the rising level of interest rates, impairment writedowns on the bank's loan portfolio and high weather-related expenses had an adverse impact on the performance.

The group's acquisition and administrative expenses totalled DKK 327 million in Q1 2011, a fall of 14% relative to the same period of last year.

The bank's costs were affected by an expense of DKK 25 million to the Danish Guarantee Fund for Depositors and Investors in connection with Amagerbanken's bankruptcy. In 2010, costs were affected by expenses in a similar amount related to Bank Package I.

Non-life insurance

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

Claims expenses on the underlying business declined and, at the same, time costs fell sharply. This brought the Q1 expense ratio to 15.6. Moreover, expenses for major claims were lower than anticipated.

The performance was adversely affected by higher-than-expected expenses for weather-related claims in Q1 due to a storm in February and sudden thaw claims in January.

The performance was also adversely affected by value adjustments of interest-bearing debt due to rising interest rates.

Banking

As compared with Q4 2010, the bank's results were adversely affected by lower interest income due to a decline in lending activities, negative value adjustments due to rising interest rates and by the expense related to the Danish Depositors' Guarantee Scheme in connection with Amagerbanken's bankruptcy.

On the other hand, the bank's loan impairment charges declined – but as expected they are still too high.

Life insurance and pension

Life insurance and pension activities recorded a performance in line with expectations.

The performance was favourably affected by good expense and risk results as well as by low costs. Value adjustments due to rising interest rates had an adverse impact on the performance.

For the group as a whole, premium income related to life insurance and pension savings rose by 6.3%.

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 15 million, against a loss of DKK 14 million for the same period of 2010.

Group

In Q1 2011, the group had an average of 1,566 employees, against 1,706 in the same period of 2010.

Consolidated revenue totalled DKK 1.8 billion in Q1 2011.

Earnings per share for the year to date were negative at DKK 0.5, and the net asset value per share was DKK 26 at 31 March 2010.

The group's equity stood at DKK 4.7 billion at 31 March 2011, which was DKK 0.1 billion lower than at 31 December 2010.

Capitalisation

The group's capital base stood at DKK 5,713 million at 31 March 2011, corresponding to an excess of DKK 2,017 million relative to the statutory capital requirement for the group.

The group's internal capital target, which has been adapted to the stricter requirements under Solvency II and Basel III and provides scope for absorbing a number of unforeseen external events, was DKK 5,618 million. Accordingly, there was an excess of DKK 95 million relative to the internal capital target at 31 March 2011.

| | |
|--|-------|
| Capital base of the group | 5,713 |
| Statutory capital requirement for the group | 3,696 |
| Excess relative to statutory capital requirement | |
| Internal capital target of the group | 5,618 |
| Excess relative to internal capital target | 95 |

Events after the balance sheet date

Capital injection

In the prospectus published in December 2010, the group stated that it expected to inject additional capital into the bank and effective 18 May 2011 Alm. Brand A/S injected additional capital in the amount of DKK 250 million into Alm. Brand Bank.

Management changes in Alm. Brand Bank

On 2 May 2011, the company announced the appointment of Kim Bai Wadstrøm as new Chief Executive of Alm. Brand Bank. He will take up the position on 1 August 2011.

It was also announced that the bank's management board will be changed so that, in future, it will only have one member, as opposed to previously three. In this connection, Ole Joachim Jensen (Group CFO), Bo Chr. Alberg (Executive Vice President) and Ulla Heurlin (Executive Vice Presi-

dent) will retire from the management board of Alm. Brand Bank, while Chief Executive of Alm. Brand A/S Søren Boe Mortensen has been appointed acting chief executive of the bank until Kim Bai Wadstrøm takes up the position on 1 August 2011.

At the annual general meeting of Alm. Brand Bank held on 26 April 2011, Tage Benjaminsen was elected as a new member of the board of directors. As a result of the above management board changes, Søren Boe Mortensen retired from the bank's board of directors on 2 May 2011.

Outlook

We retain our guidance for a full-year consolidated profit of DKK 375 million. The guidance is expressed before tax and before losses and writedowns in the bank.

After losses and writedowns in the bank, the group expects to generate a small profit.

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

| | February 2011 *) | May 2011 *) |
|---|---------------------|----------------|
| Non-Life | 300 | 300 |
| Banking | 45 | 45 |
| Life | 70 | 70 |
| Other | -40 | -40 |
| Profit before tax and minorities | 375 | 375 |

*) Before writedowns in the bank

The non-life combined ratio for 2011 is expected to remain around 95.

We expect full-year consolidated revenue for 2011 to be in the region of DKK 7 billion.

We will continue to focus strongly on the measures already launched to improve the group's performance, including to improve the correlation between price and risk in non-life operations, to maintain premium income at the current level and to increase the bank's core earnings.

Disclaimer

This announcement contains forward-looking statements regarding the company's expectations for future financial development 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 performance 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 events, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned list of risk factors is 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

| DKKm | Q1 2011 | Q1 2010 | Year 2010 |
|--|--------------------|--------------------|----------------------|
| Gross premiums | 1,168 | 1,172 | 4,762 |
| Investment income on insurance business | 14 | 10 | 33 |
| Claims incurred | -880 | -1,187 | -3,702 |
| Underwriting management expenses | -182 | -230 | -839 |
| Profit from business ceded | -76 | -51 | -136 |
| Underwriting profit | 44 | -286 | 118 |
| Interest and dividends etc. | 62 | 70 | 283 |
| Capital gains/losses | -18 | 14 | -22 |
| Management expenses relating to investment business | -5 | -5 | -19 |
| Interest on technical provisions | -46 | -43 | -155 |
| Profit on investments business after allocation of technical interest | -7 | 36 | 87 |
| Other ordinary items | 0 | 0 | 2 |
| Profit before tax | 37 | -250 | 207 |
| Tax | -8 | 63 | -51 |
| Profit for the year | 29 | -187 | 156 |
| Run-off gains/losses | 9 | -11 | 139 |
| Technical provisions | 7,822 | 7,971 | 6,920 |
| Insurance assets | 188 | 142 | 163 |
| Shareholders' equity | 1,837 | 1,467 | 1,808 |
| Total assets | 10,046 | 9,865 | 9,383 |
| Gross claims ratio | 75.3% | 101.3% | 77.8% |
| Gross expense ratio | 15.6% | 19.5% | 17.6% |
| Net reinsurance ratio | 6.5% | 4.3% | 2.8% |
| Combined ratio | 97.4% | 125.1% | 98.2% |
| Operating ratio | 96.3% | 124.2% | 97.6% |
| Return on equity before tax p.a. | 8% | -63% | 12% |
| Return on equity after tax p.a. | 6% | -47% | 9% |

Financial results

The non-life insurance operations posted a pre-tax profit of DKK 37 million in Q1 2011, as compared with a loss of DKK 250 million in Q1 2010.

The performance, which was satisfactory and better than anticipated, was attributable to reduced costs and an improved performance of the underlying business. The combined ratio was 97.4, against 125.1 in Q1 2010.

The technical result was a profit of DKK 44 million, against a loss of DKK 286 million in Q1 2010. The main reason for the poor technical result in 2010 was the severe winter weather with many snow

load claims and extraordinary winter-related claims.

In addition to being lifted by an improved performance of the underlying business, the 2011 performance for the year to date was favourably affected by reduced costs.

The investment return after transfer to insurance activities was a loss of DKK 7 million, against a gain of DKK 36 million in Q1 2010.

The performance in Q1 2011 equalled a negative return on equity before tax of 8% p.a., against a negative return on equity of 63% p.a. in the year-earlier period.

Premiums

Gross premiums amounted to DKK 1,168 million in Q1 2011, against DKK 1,172 million in Q1 2010.

The lack of growth was attributable to the commercial customer segment, especially workers' compensation insurance. Despite the decline in premiums in the commercial customer segment, the company expects to retain its market share, as, according to the most recent statement from the Danish Insurance Association for 2010, the Danish market for commercial insurance continues to be downward trending.

A new non-life insurance product was introduced in the fourth quarter of last year. Existing customers will be notified and gradually transferred to the new product and the new tariff after their month of renewal. At the same time, the profitability of the product will be improved. The net effect on the 2011 financial results is estimated at DKK 25-30 million.

Claims experience

The year-to-date claims ratio was 75.3, against 101.3 in Q1 2010.

As opposed to the winter of 2010, this year's winter passed without a heavy burden of snow load claims even though the snowfall started early and was unusually heavy.

However, in mid-January the weather changed to very sudden thaw and rain. This combination resulted in large number of sudden thaw claims, which have been estimated at DKK 15 million.

On 7-8 February, Denmark was hit by a small storm. Alm. Brand received 4,600 claims related to this storm, and the claims expenses are estimated at DKK 40 million.

Overall, weather-related claims, including sudden thaw claims, amounted to DKK 77 million in Q1 2011, which was DKK 35 million higher than expected. In Q1 2010, the corresponding figure was DKK 350 million, comprising snow load claims of DKK 250 million and other winter-related claims of DKK 100 million.

Adjusting for the storm in February 2011 and the snow load claims in Q1 2010, the number of other claims declined by 4.5%, which was in line with expectations.

The performance of the underlying business generally improved with the exception of personal accident insurance. The performance of the per-

sonal accident insurance segment is expected to improve as a result of the ongoing notification.

The motor claims frequency was lower than in the same period of last year, and average claims were in line with expectations.

The number of burglary claims filed continues to decline, dropping by 6% from Q1 2010 to Q1 2011.

Major claims totalled DKK 84 million in Q1 2011, against DKK 75 million in the same period of 2010. Expenses for major claims were almost DKK 10 million lower than expected.

Because interest rates were almost on a par with the level prevailing in Q1 2010, the discounting effect only increased the claims ratio by 0.1 of a percentage point relative to Q1 2010.

Run-off

The gross run-off result amounted to a gain of DKK 33 million in Q1 2011, against a loss of DKK 8 million in Q1 2010. The net run-off result, i.e. after reinsurance, was DKK 9 million.

The run-off gains were attributable to a downgrading of the claims from the cloudbursts of August 2010 by DKK 22 million and to fewer delayed motor claims than anticipated.

The downgrading of the cloudburst claims from August had no impact on the bottom line, as the reinsurance received declined by a similar amount.

Costs

The Q1 expense ratio was 15.6, against 19.5 in the year-earlier period.

A part of this reduction was due to lower marketing costs and lower bonus payments in 2010 than had been expected.

For a number of years, the group has made dedicated efforts to reduce costs, including through the implementation of a number of organisational adjustments, the most recent of which was carried out in Q3 2010.

As announced in the 2010 financial statements, the group expects to reduce the annual expense ratio to less than 17 by the end of 2012.

Net reinsurance ratio

The net reinsurance ratio was 6.5 in Q1 2011, against 4.3 in 2010. This increase was primarily due to the above-mentioned downgrading of the cloudburst claims from August 2010.

Combined ratio

The combined ratio was 97.4 in Q1 2011, against 125.1 in Q1 2010.

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

The combined ratio of the underlying business was thus 84.4.

| | 2009 | 2010 | Q1 2010 | Q1 2011 |
|--|-------------|-------------|--------------|-------------|
| Combined Ratio excl. weather- related claims and major claims | 88.8 | 85.5 | 87.8 | 84.4 |
| Major claims | 7.8 | 7.1 | 6.4 | 7.2 |
| Weather-related claims | 3.1 | 8.5 | 29.9 | 6.6 |
| Run-off result | -1.7 | -2.9 | 1 | -0.8 |
| Combined Ratio | 98.0 | 98.2 | 125.1 | 97.4 |

Investment return

The return before transfer to insurance activities was DKK 39 million in Q1 2011, against DKK 79 million for the same period of last year.

The return after interest on technical provisions was negative at DKK 7 million.

The non-life investment assets are predominantly placed in interest-bearing assets with an overweight of mortgage bonds. Throughout Q1 2011, the interest-bearing assets had a weighted duration of approximately two years.

The non-life equity exposure was less than 1% of the investment assets in Q1 2011.

The rising interest rates of the first quarter of 2011 resulted in negative value adjustments of assets, which were partly offset by positive value adjustments of non-life provisions. Value adjustments of assets and provisions contributed a net loss of DKK 18 million in Q1 2011.

Balance sheet

At 31 March 2011, the equity allocated to the non-life division was DKK 1.8 billion.

Alm. Brand Forsikring A/S had a solvency ratio of 2.7 at 31 March 2011, which was unchanged from 31 December 2010.

Major events*Notification of building and household comprehensive insurance*

In 2009 and 2010, the majority of the existing customers were notified that they would be transferred to a new product and a new tariff in terms of both building and household comprehensive insurance. In that connection, a number of customers were exempted, including customers who had taken out their insurance immediately prior to the increases. These customers are now being notified and transferred to a new product and a new tariff. Approximately 10,000 customers were notified in the first quarter. The remaining customers will receive a notification letter in the second quarter. Accordingly, all customers will have the latest building and household comprehensive insurance terms by the end of 2011.

Outlook

We retain our guidance for a full-year profit on our non-life operations of DKK 300 million. The combined ratio is expected to be in the region of 95.

The growth forecast is lowered to around 0%. The main reason for this is the sustained economic slowdown in the business sector.

REPORT – BANKING

| DKKkm | PRO RATA | | | CONSOLIDATED FIGURES | | |
|---|---------------|---------------|---------------|----------------------|---------------|---------------|
| | Q1 2011 | Q1 2010 | Year 2010 | Q1 2011 | Q1 2010 | Year 2010 |
| Interest receivable | 226 | 225 | 954 | 229 | 233 | 974 |
| Interest payable | -120 | -101 | -416 | -122 | -103 | -421 |
| Net interest income | 106 | 124 | 538 | 107 | 130 | 553 |
| Net fees and commissions receivable and dividends, etc. | 39 | 46 | 159 | 39 | 48 | 158 |
| Net interest and fee income | 145 | 170 | 697 | 146 | 178 | 711 |
| Value adjustments | -44 | -19 | -350 | -49 | -13 | -351 |
| Other operating income | 11 | 5 | 23 | 11 | 5 | 23 |
| Profit before expenses | 112 | 156 | 370 | 108 | 170 | 383 |
| Expenses and depreciation/amortisation | -120 | -122 | -516 | -121 | -125 | -523 |
| Other operation costs | -26 | -21 | -67 | -26 | -21 | -76 |
| Write-downs of loans, advances and receivables, etc. | -113 | -70 | -668 | -113 | -70 | -660 |
| Profit from equity investments | -2 | 10 | 12 | -2 | 10 | 11 |
| Profit/loss before tax | -149 | -47 | -869 | -154 | -36 | -865 |
| Tax | 37 | 11 | 222 | 37 | 11 | 222 |
| Profit after tax | -112 | -36 | -647 | -117 | -25 | -643 |
| Share attributable to minority interests | - | - | - | 5 | -11 | -4 |
| Profit after tax excluding minority interests | - | - | - | -112 | -36 | -647 |
| <i>Profit before tax excluding minority interests</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-149</i> | <i>-47</i> | <i>-869</i> |
| Loans and advances | 12,120 | 14,471 | 12,738 | 11,799 | 14,271 | 12,485 |
| Deposits | 8,038 | 11,609 | 8,599 | 8,038 | 11,607 | 8,598 |
| Shareholders' equity | 1,451 | 1,327 | 1,564 | 1,637 | 1,539 | 1,759 |
| Share attributable to minority interests | - | - | - | 186 | 213 | 195 |
| Total assets | 24,811 | 24,787 | 24,782 | 25,239 | 25,143 | 25,597 |
| Average no. of employees (full-time equivalents) | 292 | 364 | 327 | 292 | 364 | 327 |
| Interest margin | - | - | - | 1.9% | 2.2% | 2.3% |
| Income/cost ratio | 0.42 | 0.78 | 0.31 | 0.41 | 0.83 | 0.31 |
| Impairment ratio | 0.8% | 0.4% | 4.3% | 0.8% | 0.4% | 4.3% |
| Solvency ratio | - | - | - | 18.0% | 15.3% | 18.8% |
| Return on equity before tax | -40% | -14% | -81% | -40% | -14% | -81% |
| Return on equity after tax | -30% | -11% | -60% | -30% | -11% | -60% |

In order to increase the transparency of Alm. Brand Bank'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 2010, respectively, are used as benchmarks.

Financial results

The bank posted a loss before losses and write-downs of DKK 20 million in Q1 2011.

This performance was in line with expectations.

The loss was due to negative value adjustments and an estimated expense related to the Danish Depositors' Guarantee Scheme of DKK 25 million as a result of Amagerbanken's bankruptcy. The negative value adjustments were primarily attributable to an increase in interest rates, which affected the market value of the bank's bond portfolio, and to a capital loss on illiquid shares acquired in connection with the winding up of a number of exposures.

After losses and writedowns, the bank posted a loss of DKK 149 million in Q1 2011, against a loss of DKK 209 million in Q4 2010.

In Q1 2010, the bank posted a loss of DKK 47 million after losses and writedowns.

Net interest and fee income

Net interest and fee income for Q1 2011 amounted to DKK 145 million, against DKK 170 million for the year-earlier period.

In Q4 2010, net earnings totalled DKK 165 million.

Interest income

In Q1 2011, net interest income amounted to DKK 106 million, equivalent to a fall of DKK 26 million relative to Q4 2010.

The declining level of net interest income relative to Q4 2010 was due to lower interest income from loans and advances as a result of a decline in total lending and to lower interest income from the bond portfolio.

Interest expenses for the first quarter of 2011 were on a par with the fourth quarter of 2010.

The interest margin for the parent company and the banking group totalled 1.8% and 1.9%, respectively, in Q1 2011, against an interest margin of 2.1% and 2.2% in Q4 2010.

Fee income

Net fee income was DKK 39 million in Q1 2011 – a satisfactory increase of DKK 6 million on Q4 2010. The increase was primarily attributable to dividends received in the amount of DKK 4 million in Q1 2011 and to a favourable trend in total fee income and expenses.

In Q1 2010, net fee income amounted to DKK 46 million. The DKK 7 million decline relative to the

same period of last year was primarily attributable to a fall in earnings from securities trading activities in Q1 2011.

Value adjustments

Value adjustments in Q1 2011 amounted to a loss of DKK 44 million, against a loss of DKK 19 million in the year-earlier period. In Q4 2010, value adjustments amounted to a loss of DKK 133 million.

Value adjustments in Q1 2011 were adversely affected by credit-related value adjustments of mortgage deeds in the amount of DKK 16 million. Excluding credit-related writedowns on mortgage deeds, the bank thus posted a capital loss of DKK 28 million in Q1 2011.

Interest-related value adjustments, excluding credit-related writedowns of mortgage deeds, amounted to a loss of DKK 25 million in Q1 2011.

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 acquired a number of illiquid equity stakes in 2010 on which it has recorded unrealised capital losses.

Equity-related value adjustments amounted to a loss of DKK 6 million in Q1 2011. Included in this amount was a DKK 12 million loss on illiquid shares acquired in connection with the winding up of a number of exposures.

Foreign exchange adjustments amounted to a gain of DKK 3 million in Q1 2011.

Costs

The bank's costs amounted to DKK 116 million in Q1 2011, against DKK 120 million in the same period of last year. This made for an unchanged cost level relative to Q4 2010.

Other operating expenses

This item related to the bank's anticipated expense of DKK 25 million in connection with Amagerbanken's bankruptcy. In Q1 2010, the item was primarily related to the bank's expenses in connection with Bank Package I.

Impairment of loans, etc.

The bank's impairment writedowns on loans amounted to DKK 113 million in Q1 2011, against DKK 120 million in Q4 2010.

In addition, the bank incurred credit losses and writedowns on its mortgage deed portfolio of DKK 16 million in Q1 2011, against DKK 37 million in

Q4 2010. These losses and writedowns were recognised under value adjustments.

Total impairment writedowns on loans, including credit-related losses and writedowns on mortgage deeds, amounted to DKK 129 million in Q1 2011, against DKK 157 million in Q4 2010.

The bank's lending portfolio and losses and writedowns are described in detail under "Lending portfolio".

Balance sheet

Loans and advances, etc.

The bank's loans and advances amounted to DKK 12.1 billion at 31 March 2011. Excluding losses and writedowns, this corresponded to a decline in the bank's lending of almost DKK 0.5 billion relative to 31 December 2010.

Through 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 7.3 billion at 31 March 2011, which was DKK 1.0 billion higher than at 31 December 2010. Taking into account concluded repo transactions at 31 March 2011, the debt was reduced by DKK 0.7 billion.

Deposits

The bank's deposits amounted to DKK 8.0 billion at 31 March 2011, against DKK 8.6 billion at 31 December 2010.

From December 2010 to February 2011, the bank ran a fixed-rate campaign offering attractive deposit rates. Among other things due to the bank's substantial excess liquidity cover, the bank has subsequently not offered fixed-rate deposits at the highest deposit rates and has, as a result, experienced a decline on expiry of fixed-rate term deposits.

Capitalisation

The bank's equity stood at DKK 1.5 billion at 31 March 2011. The capital base totalled DKK 2.4 billion, and the risk-weighted items amounted to DKK 14.1 billion at 31 March 2011. Accordingly, the solvency ratio was 17.3, and the tier 1 capital ratio was 14.5.

The banking group's equity stood at DKK 1.6 billion at 31 March 2011, and the capital base totalled DKK 2.5 billion. Risk-weighted items in the banking group totalled DKK 14.0 billion at 31

March 2011. Accordingly, the solvency ratio was 18.0, and the tier 1 capital ratio was 15.3.

Major events

Full ownership of Alm. Brand Pantebreve A/S

In Q1 2011, the bank completed the compulsory redemption of the remaining minority shareholders of Alm. Brand Pantebreve A/S, thereby obtaining full ownership. The bank expects to dissolve Alm. Brand Pantebreve A/S during 2011.

Events after the balance sheet date

Capital injection

In the prospectus published in December 2010, the group stated that it expected to inject additional capital into the bank and effective 18 May 2011 Alm. Brand A/S injected additional capital in the amount of DKK 250 million into Alm. Brand Bank.

Management changes in Alm. Brand Bank

On 2 May 2011, the company announced the appointment of Kim Bai Wadstrøm as new Chief Executive of Alm. Brand Bank. He will take up the position on 1 August 2011.

It was also announced that the bank's management board will be changed so that, in future, it will only have one member, as opposed to previously three. In this connection, Ole Joachim Jensen (Group CFO), Bo Chr. Alberg (Executive Vice President) and Ulla Heurlin (Executive Vice President) will retire from the management board of Alm. Brand Bank, while Chief Executive of Alm. Brand A/S Søren Boe Mortensen has been appointed acting chief executive of the bank until Kim Bai Wadstrøm takes up the position on 1 August 2011.

At the annual general meeting of Alm. Brand Bank held on 26 April 2011, Tage Benjaminsen was elected as a new member of the board of directors. As a result of the above management board changes, Søren Boe Mortensen retired from the bank's board of directors on 2 May 2011.

Outlook

We retain our expectations of a full-year pre-tax profit on our banking operations of around DKK 45 million excluding losses and writedowns.

Total loans and advances are expected to drop by more than DKK 1 billion in 2011.

Expected losses and writedowns until end-2012

After the impairment writedowns made in Q1 2011, management estimates that losses and wri-

tedowns for the period 1 April 2011 to 31 December 2012 will amount to around DKK 420 million.

The amount of impairment writedowns on loans and credit-related losses on mortgage deeds is subject to considerable uncertainty and depends

on general economic developments. The continuing difficult conditions affecting agricultural customers may have an adverse effect on this forecast. Moreover, the loss rates on the mortgage deed portfolio in particular are sensitive to major interest rate increases.

LENDING PORTFOLIO

The bank's total writedowns and losses on the lending and guarantee portfolio amounted to an expense of DKK 129 million in Q1 2011. Of this amount, identified losses amounted to DKK 37 million.

In addition, losses in the amount of DKK 260 million were identified, but since provisions have previously been made to cover these losses, they will have no impact on operations in 2011. Identified losses, for which provisions have previously been made, were attributable to lending commitments on which the bank is close to incurring or has already incurred a loan loss as well as to the guarantee provided in connection with Bank Package II. As a result, the banking group's accumulated impairment ratio dropped from 9.2 at 31 December 2010 to 8.8 at 31 March 2011.

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 report on the bank.

The table reflects the bank's strategy by breaking down loans and advances on a continuing portfolio and a winding-up portfolio. The new breakdown of the portfolio has resulted in changes in segments and classification of exposures.

Total losses and writedowns charged to the income statement represented 1.1% of the average lending portfolio for the banking group excluding reverse transactions in Q1 2011.

About 68% of the total lending portfolio of DKK 12.1 billion, equal to DKK 8.3 billion, is being wound up.

The performance of the individual lending segments in the first quarter of 2011 is reviewed in the following sections. The loss and impairment ratio is calculated relative to average lending during the period.

| DKKm | Loans | | Share of portfolio (%) | Total loss and writedowns | | Loss ratio *) |
|--|---------------|---------------|------------------------|---------------------------|------------|---------------|
| | 31.12.2010 | 31.03.2011 | | 2010 | Q1 2010 | |
| <u>Continuing portfolio</u> | | | | | | |
| Lending to private customers | 3,318 | 3,204 | 26.5% | 29 | 25 | 0.8% |
| Other lending (**) | 176 | 154 | 1.3% | 0 | 0 | 0.0% |
| <u>Winding-up portfolio</u> | | | | | | |
| Agriculture | 1,199 | 1,185 | 9.8% | 74 | 35 | 2.9% |
| Car finance | 736 | 636 | 5.2% | 13 | 2 | 0.3% |
| Commercial lending | 2,230 | 2,036 | 16.8% | 57 | 14 | 0.6% |
| Property development projects | 492 | 417 | 3.4% | 61 | 0 | 0.0% |
| Mortgage deed financing | 1,936 | 1,545 | 12.8% | 380 | 36 | 2.1% |
| Mortgage deeds | 2,190 | 2,465 | 20.3% | 264 | 16 | 0.7% |
| Bank packages etc. | - | - | - | 46 | 1 | - |
| Total - excl. Reverse Transactions | 12,277 | 11,642 | 96.1% | 924 | 129 | 1.1% |
| Reverse Transactions including intercompany transactions | 207 | 157 | 1.3% | - | - | - |
| Total group lending | 12,484 | 11,799 | 97.4% | 924 | 129 | 1.1% |
| Minority interests | 254 | 321 | 2.6% | -16 | - | - |
| Total prorata | 12,738 | 12,120 | 100.0% | 908 | 129 | 1.0% |

*) Losses and writedowns as a percentage of the average portfolio in Q1 2011. 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.

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, which were previously classified under a different segment. The portfolio represents the majority of the bank's continuing loans and advances.

The delinquency rate for private customers was on a par with Q4 2010. The bank continues to see an increase in exposures being referred to debt collection and has therefore increased its collective impairment charges.

Total loans and advances to private customers declined by DKK 114 million from 31 December 2010 to 31 March 2011. In Q1 2011, losses and writedowns amounted to DKK 25 million, equivalent to 0.8% of the average portfolio.

Other lending

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 22 million relative to 31 December 2010. No losses and writedowns were identified on this segment in the first quarter of 2011.

Winding-up portfolio

Consistent with the bank's strategy, no new customers are accepted in these segments, and the business volume with existing customers is expected to be wound up over an extended period of time.

Focus is on completing a controlled and efficient winding-up process for the bank as well as for the lending segments being discontinued.

Agriculture

The portfolio declined by DKK 14 million from 31 December 2010 to 31 March 2011. In Q1 2011, losses and writedowns amounted to DKK 35 million, equivalent to 2.9% of the average portfolio. The level of losses and writedowns reflects the continuing difficult conditions affecting agricultural customers.

Car finance

The portfolio has declined as a result of the cessation of financing through car dealers etc.

The overall portfolio declined by DKK 100 million from 31 December 2010 to 31 March 2011. In Q1 2011, losses and writedowns amounted to DKK 2 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 194 million from 31 December 2010 to 31 March 2011. In Q1 2011, losses and writedowns amounted to DKK 14 million, equivalent to 0.6% 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 agreements already made.

The portfolio declined by DKK 75 million from 31 December 2010 to 31 March 2011. No losses and writedowns were identified on this segment in the first quarter of 2011.

Mortgage deed financing

This portfolio consists of investment exposures secured against mortgage deeds.

The portfolio declined by DKK 391 million from 31 December 2010 to 31 March 2011. The decline was primarily attributable to the bank's winding up of a number of investment exposures. In that connection, the bank has taken over the mortgage deeds provided as security.

In Q1 2011, losses and writedowns amounted to DKK 36 million, equivalent to 2.1% 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 and commercial mortgage deeds.

Private mortgage deeds amounted to DKK 1,851 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 614 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.

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 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 write-downs are taken on all mortgages in arrears or known to be showing signs of weakness.

The portfolio increased by DKK 275 million from 31 December 2010 to 31 March 2011. In Q1 2011, losses and writedowns amounted to DKK

16 million, equivalent to 0.7% of the average portfolio.

Bank packages etc.

The guarantee of DKK 107 million provided to Finansiel Stabilitet A/S was settled in Q1 2011. This resulted in a small expense of DKK 0.5 million.

REPORT – LIFE INSURANCE

| | Q1 | Q1 | Year |
|---|-----------|-----------|------------|
| DKKm | 2011 | 2010 | 2010 |
| Premiums | 179 | 190 | 719 |
| Claims incurred | -272 | -260 | -1,056 |
| Investment return after allocation of interest | -100 | 333 | 786 |
| Total underwriting management expenses | -19 | -19 | -73 |
| Profit on business ceded | 5 | 8 | 2 |
| Change in life insurance provisions | 128 | -112 | 65 |
| Change in collective bonus potential | 100 | -84 | -292 |
| Underwriting profit/loss | 21 | 56 | 151 |
| Return on investments allocated to equity | -3 | 13 | 30 |
| Profit before tax | 18 | 69 | 181 |
| Tax | -4 | -17 | -50 |
| Profit after tax | 14 | 52 | 131 |
| Result in life insurance | | | |
| Administrative result | 3 | -1 | 11 |
| Investment result | -203 | 260 | 521 |
| Change in provision for guaranteed pension benefits | 102 | -115 | -109 |
| Change in collective bonus potential | 100 | -84 | -292 |
| Risk result | 11 | 8 | 48 |
| Profit on business ceded | 5 | 1 | 2 |
| Profit before tax | 18 | 69 | 181 |
| Tax | -4 | -17 | -50 |
| Profit after tax | 14 | 52 | 131 |
| Total technical provisions | 11,270 | 11,460 | 11,493 |
| Shareholders' equity | 1,137 | 1,043 | 1,122 |
| Total assets | 12,869 | 12,957 | 13,131 |
| Return on equity before tax p.a. | 7% | 26% | 17% |
| Return on equity after tax p.a. | 5% | 20% | 12% |
| Bonus rate | 4.1% | 3.0% | 5.1% |

| Investment return in life insurance in Q1 2011 | Return ratio |
|--|--------------|
| Interest-bearing assets | -1.9% |
| Shares | 3.1% |
| Property | 2.0% |
| Total | -1.1% |

Financial results

The pre-tax profit for Q1 2011 was DKK 18 million, against DKK 69 million for the same period of last year.

The return on equity principles for 2011 have been changed as a consequence of the changed contribution rules.

As from 1 January 2011, customers are divided into a number of contribution groups based on rate of interest, insurance risk and expenses. The risk premium 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 premium for 2011 has been determined as follows:

- Interest rate groups: 0.1% of the 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.

In Q1 2011, shareholders' equity received a partial risk premium for one particular interest group and the full risk premium for the risk and expense groups. At 1 January 2011, the shadow account stood at DKK 0 million. The outstanding risk premium for two interest groups of DKK 1 million was transferred to the shadow account, which brought the shadow account to DKK 1 million at 31 March 2011.

The difference between the results achieved in Q1 2011 and Q1 2010 was primarily attributable to a decline of DKK 16 million in the investment return on assets directly allocated to shareholders' equity and to a reversal of DKK 36 million from the shadow account.

The performance equalled a return on equity of 7% p.a. before tax, as compared with a return of 24% p.a. in the year-earlier period.

Premiums

Gross premiums totalled DKK 179 million in Q1 2011, against DKK 190 million in the same period of last year. The decline was due to a higher outflow of customers and a slightly lower than expected volume of new business written.

The group still aims for the life insurance company, Alm. Brand Liv og Pension, to generate growth, but an increasing proportion of overall pension savings should be placed in the Alm. Brand Investment Scheme set up with Alm. Brand Bank.

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company rose by 6.3% to DKK 244 million in Q1 2011 from DKK 229 million in Q1 2010.

Investment return

The return on investment assets belonging to policyholders was negative at DKK 129 million in Q1 2011, corresponding to a return of -1.1% (-4.3% p.a.), against a return of DKK 387 million in Q1 2010. The return was made up before tax on pension returns but after finance costs.

The return on the bond portfolio was negative at 1.9% and was affected by capital losses due to rising interest rates. The return was satisfactory relative to the benchmark, which is composed of government bonds, mortgage bonds and minor positions in credit bonds and emerging market bonds.

The return on the equity portfolio was positive at 3.1% and was affected by the general equity market trends of the first quarter of 2011. The return was satisfactory relative to the benchmark, which is composed of Danish, Nordic and international equities (MSCI world index currency hedged).

The return on the portfolio of properties was in line with budget.

The Q1 return on investment assets attributable to shareholders' equity was negative at DKK 3 million, equivalent to a return of -0.3% (-1.0% p.a.), against a return of DKK 13 million in the same period of last year. The assets were placed in short-term bonds. The not insignificant increase in short-term interest rates in the first quarter of 2011 resulted in a capital loss. However, this loss is largely expected to be recovered over the rest of the year due to higher interest rates going forward.

Benefits paid

Benefits paid amounted to DKK 272 million in Q1 2011, against DKK 260 million in 2010. Benefits paid as a result of surrenders/transfers to other banks remained at a slightly higher than expected level.

Life insurance provisions

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

Total life insurance provisions fell by DKK 128 million to stand at DKK 10.8 billion at 31 March 2011.

Collective bonus potential

The collective bonus potential declined by DKK 100 million in Q1 2011 to a total of DKK 417 million, corresponding to a bonus rate of 4.1%.

Costs

Acquisition and administrative expenses totalled DKK 19 million in Q1 2011, which was on a par with the same period of 2010.

Total expenses for 2011 to date were lower than anticipated.

Expense and risk results

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 3 million in Q1 2011. The aim is for the overall expense result to be positive.

Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 16 million in Q1 2011. The overall risk result was satisfactory.

Balance sheet

The life group's shareholders' equity was DKK 1,137 million at 31 March 2011.

The solvency ratio was 236 at 31 March 2011.

The Danish FSA's stress scenarios were computed on an ongoing basis. The life group was in the green scenario by a fair margin throughout the reporting period.

Major events

New basis for writing business

The company introduced a new basis for writing business with effect from 1 April 2011, which is based on a rate of interest of 0.5%, against previously 1.5%.

The computation interest corresponds to the maximum interest on new business written as deter-

mined by the Danish FSA. The change is therefore not expected to have any impact on competition.

Business written on the basis of the new rate of interest will be placed in a new interest contribution group.

Concurrently with the reduction of the computation interest, the company has implemented a new basis for writing annuity business, which is based on the Danish FSA's announcements about future life expectancy.

Outlook

We retain our guidance for a full-year profit on our life insurance operations of DKK 70 million before tax.

The new return on equity principle gives greater weighting to the results of the basic insurance business, i.e. the results of the insurance risk groups. The results of interest rate groups are given less weighting.

Alm. Brand Liv og Pension expects to be able to obtain the full risk premium for all contribution groups in 2011.

The results of the interest rate groups are entirely dependent on developments in the financial markets, however.

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 2011.

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 2011 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 2011.

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, 18 May 2011

Søren Boe Mortensen
Chief Executive

BOARD OF DIRECTORS

Copenhagen, 18 May 2011

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Henrik Christensen

Tage Bejaminsen

Per V. H. Frandsen

Arne Nielsen

Jan S. Pedersen

Per Dahlbom

Helle L. Frederiksen

Henning Kaffka

Susanne Larsen

BALANCE SHEET

| DKKkm | Group | | |
|--|--------------------------|--------------------------|-----------------------------|
| | 31 March 2011 | 31 March 2010 | 31 December 2010 |
| Assets | | | |
| Intangible assets | 74 | 109 | 82 |
| Owner-occupied properties | 1,015 | 1,038 | 1,030 |
| Deferred tax assets | 726 | 584 | 660 |
| Participating interests in joint ventures | 33 | 46 | 35 |
| Reinsurers' share of insurance contracts | 218 | 179 | 190 |
| Current tax assets | 2 | 14 | 2 |
| Other assets | 1,607 | 2,436 | 2,006 |
| Loans | 11,799 | 14,271 | 12,485 |
| Investment properties | 444 | 441 | 451 |
| Investment assets | 30,404 | 26,731 | 29,292 |
| Amounts due from credit institutions and central banks | 1,983 | 1,576 | 1,537 |
| Cash in hand and demand deposits | 15 | 58 | 379 |
| Total assets | 48,320 | 47,483 | 48,149 |
| Liabilities and equity | | | |
| Share capital | 1,735 | 1,388 | 1,735 |
| Reserves, retained profit etc. | 2,784 | 1,934 | 2,863 |
| Minority interests | 153 | 181 | 160 |
| Consolidated shareholders' equity | 4,672 | 3,503 | 4,758 |
| Subordinated debt | 1,828 | 1,831 | 1,828 |
| Provisions for insurance contracts | 19,092 | 19,431 | 18,413 |
| Other provisions | 23 | 131 | 131 |
| Deferred tax liabilities | 46 | 46 | 46 |
| Issued bonds | 6,032 | 32 | 6,032 |
| Other liabilities | 1,084 | 1,878 | 1,751 |
| Deposits | 7,988 | 11,320 | 8,602 |
| Payables to credit institutions and central banks | 7,555 | 9,311 | 6,588 |
| Total liabilities and equity | 48,320 | 47,483 | 48,149 |

- 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 2011 | Q1 2010 | Year 2010 |
| Income | | | |
| Premium income | 1,347 | 1,362 | 5,481 |
| Interest income etc. | 402 | 408 | 1,699 |
| Fee income etc. | 31 | 40 | 123 |
| Other income from investment activities | 1 | 0 | 7 |
| Income associates | 0 | 0 | 6 |
| Other income | 11 | 5 | 25 |
| Total income | 1,792 | 1,815 | 7,341 |
| Costs | | | |
| Claims incurred | -1,152 | -1,447 | -4,758 |
| Interest expenses | -160 | -145 | -580 |
| Other cost from investment activities | -16 | -11 | -35 |
| Impairment of loans, advances and receivables, etc. | -113 | -70 | -660 |
| Acquisition and administrative costs | -327 | -373 | -1,432 |
| Total costs | -1,768 | -2,046 | -7,465 |
| Profit from business ceded | -71 | -43 | -134 |
| Change in life insurance provisions | 128 | -112 | 65 |
| Change in collective bonus potential | 100 | -84 | -279 |
| Exchange rate adjustments | -315 | 281 | 47 |
| Tax on pension investment returns | 21 | -45 | -114 |
| Profit before tax | -113 | -234 | -539 |
| Tax | 28 | 61 | 135 |
| Profit after tax | -85 | -173 | -404 |
| The profit before tax is allocated as follows: | | | |
| Share attributable to Alm. Brand | -109 | -242 | -536 |
| Share attributable to minority shareholders | -4 | 8 | -3 |
| | -113 | -234 | -539 |
| The profit after tax is allocated as follows: | | | |
| Share attributable to Alm. Brand | -81 | -181 | -401 |
| Share attributable to minority shareholders | -4 | 8 | -3 |
| | -85 | -173 | -404 |
| Earnings per share, DKK | -0.5 | -11 | -24 |
| Diluted earnings per share, DKK | -0.5 | -11 | -24 |
| Comprehensive income | | | |
| Profit for the year | -85 | -173 | -404 |
| Revaluation of owner-occupied properties | 0 | 0 | 11 |
| Comprehensive income | -85 | -173 | -406 |
| Proposed allocation of profit/loss: | | | |
| Share attributable to Alm. Brand | -81 | -181 | -403 |
| Share attributable to minority shareholders | -4 | 8 | -3 |
| Comprehensive income | -85 | -173 | -406 |

STATEMENT OF CHANGES IN EQUITY

| DKKm | Share capital | Contingency funds | Revaluation reserve | Other provisions | Retained profit | Shareholders' equity | Minority interests | Consolidated equity |
|--|---------------|-------------------|---------------------|------------------|-----------------|----------------------|----------------------|-------------------------|
| Shareholders equity, 01.01.2010 | 1,388 | 182 | 2 | 0 | 1,923 | 3,495 | 199 | 3,694 |
| Changes in equity Q1 2010 | | | | | | | | |
| Profit/loss for the year | | | | | -181 | -181 | 8 | -173 |
| Total income | 0 | 0 | 0 | 0 | -181 | -181 | 8 | -173 |
| Repurchased shares | | | | | 8 | 8 | | 8 |
| Change in share attributable to minority interest | | | | | | | -26 | -26 |
| Changes in equity | 0 | 0 | 0 | 0 | -173 | -173 | -18 | -191 |
| Shareholders equity, 31.03.2010 | 1,388 | 182 | 2 | 0 | 1,750 | 3,322 | 181 | 3,503 |
| Shareholders equity, 01.01.2010 | 1,388 | 182 | 2 | 0 | 1,923 | 3,495 | 199 | 3,694 |
| Changes in equity 2010 | | | | | | | | |
| Profit/loss for the year | | | | | -401 | -401 | 0 | -401 |
| Revaluation of owner-occupied properties | | | -2 | | 13 | 11 | | 11 |
| Transferred to collective bonus potential | | | | | -13 | -13 | | -13 |
| Total income | 0 | 0 | -2 | 0 | -401 | -403 | 0 | -403 |
| Reduction of capital on 11 November 2010 | -1,215 | | | 1,215 | | 0 | | 0 |
| Share issue on 30 December 2010 | 1,562 | | | | | 1,562 | | 1,562 |
| Cost relating to share issue | | | | | -63 | -63 | | -63 |
| Purchase and sale of treasury shares | | | | | 9 | 9 | | 9 |
| Purchase and sale of treasury shares in subsidiaries | | | | | -2 | -2 | -2 | -4 |
| Tax on changes recognised in equity | | | | | 0 | 0 | | 0 |
| Change in share attributable to minority interest | | | | | 0 | 0 | -34 | -34 |
| Changes in equity | 347 | 0 | -2 | 1,215 | -457 | 1,103 | -36 | 1,067 |
| Shareholders equity, 31.12.2010 | 1,735 | 182 | 0 | 1,215 | 1,466 | 4,598 | 163 | 4,761 |
| Shareholders equity, 01.01.2011 | 1,735 | 182 | 0 | 1,215 | 1,466 | 4,598 | 163 | 4,761 |
| Changes in equity Q1 2011 | | | | | | | | |
| Profit/loss for the year | | | | | -81 | -81 | -4 | -85 |
| Total income | 0 | 0 | 0 | 0 | -81 | -81 | -4 | -85 |
| Purchase and sale of treasury shares | | | | | 3 | 3 | | 3 |
| Purchase and sale of treasury shares in subsidiaries | | | | | -1 | -1 | | -1 |
| Tax on changes recognised in equity | | | | | 0 | 0 | | 0 |
| Change in share attributable to minority interest | | | | | 0 | 0 | -3 | -3 |
| Changes in equity | 0 | 0 | 0 | 0 | -79 | -79 | -7 | -86 |
| Shareholders equity, 31.03.2011 | 1,735 | 182 | 0 | 1,215 | 1,387 | 4,519 | 156 | 4,675 |
| | | | | | | | 31 March 2011 | 31 December 2010 |
| Shareholders' equity exclusive minority interests | | | | | | | 4,519 | 4,598 |
| Consolidation of Pensionskassen under Alm. Brand A/S | | | | | | | -6 | -9 |
| Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests | | | | | | | 4,513 | 4,589 |
| Share of profit attributable to Alm. Brand A/S | | | | | | | -81 | -401 |
| Consolidation of Pensionskassen under Alm. Brand A/S | | | | | | | 2 | -1 |
| Share of profit attributable to Alm. Brand A/S under the rules of the Danish Financial Supervisory | | | | | | | -79 | -402 |

CAPITAL TARGET

| DKKm | Capital base at 31 march 2011 |
|----------------------------------|--|
| Consolidated equity | 4,672 |
| Intangible assets | -74 |
| Tax asset | -688 |
| Supplementary capital | 1,803 |
| Consolidated capital base | 5,713 |

| DKKm | Capital target 31 march 2011 |
|--|---|
| Non-life insurance (45% of gross premium income) | 2,140 |
| Life insurance (9% of life insurance provisions) | 972 |
| Alm. Brand Bank (17,7% of risk weighted assets) *) | 2,495 |
| Alm. Brand Bank subsidiaries | 311 |
| Diversification effects | -300 |
| Consolidated capital target | 5,618 |

*) calculated as the individual solvency need at 31 march 2011 plus 3 percentage points

| | |
|---|--------------|
| Statutory capital requirement for the group at 31 march 2011 | 3,696 |
| Excess relative to statutory capital requirement | 2,017 |
| Excess relative to internal capital target | 95 |

CASH FLOW STATEMENT

| DKKm | Group | | |
|---|--------------|---------------|--------------|
| | Q1 | Q1 | Year |
| | 2011 | 2010 | 2010 |
| Cash flows from operating activities | | | |
| Premiums received | 2,154 | 2,265 | 5,284 |
| Claims paid | -1,093 | -1,123 | -4,512 |
| Interest receivable, dividends, etc. | 434 | 503 | 1,652 |
| Interest payable | -105 | -102 | -395 |
| Payments concerning reinsurance | -104 | -97 | -193 |
| Fee income received | 70 | 47 | 161 |
| Fee income paid | -10 | -10 | -43 |
| Expences paid | -496 | -510 | -1,270 |
| Tax on pension investment returns paid | -111 | 0 | 8 |
| Acquisition of intangible assets, furniture, equipments etc. | -15 | -5 | 7 |
| Other ordinary income received | 11 | 5 | 23 |
| Taxes paid/received | 0 | 0 | 9 |
| Cash flows from operating activities | 735 | 973 | 731 |
| Change in investment placement (net) | | | |
| Properties acquired or converted | 24 | -4 | -5 |
| Sale/aquisition of equity investments | 336 | -80 | 20 |
| Sale/repayment of mortgage deeds and loans | 528 | 676 | 1,328 |
| Sale/aquisition of bonds | -1,876 | 206 | -1,697 |
| Change in investment placement (net) | -988 | 798 | -354 |
| Change in financing (net) | | | |
| Other provisions | 0 | 0 | 1 |
| Sale/purchase of treasury shares | 3 | 8 | -54 |
| Sale/acquisition of subsidiaries (change in minority interests) | -4 | -26 | -38 |
| Share issue | 0 | 0 | 1,562 |
| Change in issued bonds | 0 | 0 | 6,006 |
| Change in deposits | -615 | 511 | -2,271 |
| Change in payables to credit institutions | 951 | -2,010 | -4,744 |
| Change in other payables | 0 | 0 | -303 |
| Change in financing (net) | 335 | -1,517 | 159 |
| Gross change in cash and cash equivalents | 82 | 254 | 536 |
| Net change in cash and cash equivalents | 82 | 254 | 536 |
| Cash and cash equivalents, beginning of period | 1,916 | 1,380 | 1,380 |
| Cash and cash equivalents, end of period | 1,998 | 1,634 | 1,916 |

SEGMENT REPORTING

Q1 2011

| DKKm | | | | | | Elimi- | Group |
|---|---------------|-------------|-------------|------------|------------|--------|---------------|
| | Non-life | Bank | Life | Other | nation | | |
| Premium income | 1,168 | 0 | 179 | 0 | | | 1,347 |
| Interest income etc. | 64 | 229 | 109 | 1 | -1 | | 402 |
| Fee income etc. | 0 | 39 | 0 | 0 | -8 | | 31 |
| Other investment income | 0 | 0 | 22 | 0 | -21 | | 1 |
| Income associates | 0 | 0 | -1 | 0 | 1 | | 0 |
| Other income | 0 | 11 | 0 | 0 | | | 11 |
| Total income | 1,232 | 279 | 309 | 1 | -29 | | 1,792 |
| Claims incurred | -880 | 0 | -272 | 0 | | | -1,152 |
| Interest expenses | -34 | -122 | -1 | -4 | 1 | | -160 |
| Other investment expenses | -5 | 0 | -7 | -12 | 8 | | -16 |
| Provisions for bad and doubtful debts | 0 | -113 | 0 | 0 | | | -113 |
| Acquisition and administrative expenses | -182 | -147 | -19 | 0 | 21 | | -327 |
| Total expenses | -1,101 | -382 | -299 | -16 | 30 | | -1,768 |
| Result of business ceded | -76 | 0 | 5 | 0 | | | -71 |
| Change in life insurance provisions | 0 | 0 | 128 | 0 | | | 128 |
| Change in collective bonus potential | 0 | 0 | 100 | 0 | | | 100 |
| Exchange rate adjustments | -18 | -51 | -246 | 0 | | | -315 |
| Tax on pension investment returns | 0 | 0 | 21 | 0 | | | 21 |
| Profit before tax | 37 | -154 | 18 | -15 | 1 | | -113 |
| Tax | -8 | 37 | -4 | 3 | | | 28 |
| Profit after tax | 29 | -117 | 14 | -12 | 1 | | -85 |

Q1 2010

| | | | | | | | |
|---|---------------|-------------|-------------|------------|------------|--|---------------|
| Premium income | 1,172 | 0 | 190 | 0 | | | 1,362 |
| Interest income etc. | 71 | 233 | 105 | 0 | -1 | | 408 |
| Fee income etc. | 0 | 48 | 0 | 0 | -8 | | 40 |
| Other investment income | 0 | 0 | 21 | 0 | -21 | | 0 |
| Income associates | 0 | 0 | 3 | 0 | | | 0 |
| Other income | 0 | 5 | 0 | 0 | | | 5 |
| Total income | 1,243 | 286 | 319 | 0 | -30 | | 1,815 |
| Claims incurred | -1,187 | 0 | -260 | 0 | 0 | | -1,447 |
| Interest expenses | -34 | -103 | -1 | -8 | 1 | | -145 |
| Other investment expenses | -5 | 0 | -7 | -7 | 8 | | -11 |
| Provisions for bad and doubtful debts | 0 | -70 | 0 | 0 | 0 | | -70 |
| Acquisition and administrative expenses | -230 | -146 | -19 | 1 | 21 | | -373 |
| Total expenses | -1,456 | -319 | -287 | -14 | 30 | | -2,046 |
| Result of business ceded | -51 | 0 | 8 | 0 | 0 | | -43 |
| Change in life insurance provisions | 0 | 0 | -112 | 0 | 0 | | -112 |
| Exchange rate adjustments | 14 | -3 | 270 | 0 | 0 | | 281 |
| Tax on pension investment returns | 0 | 0 | -45 | 0 | 0 | | -45 |
| Profit before tax | -250 | -36 | 69 | -14 | 0 | | -234 |
| Tax | 63 | 11 | -17 | 4 | 0 | | 61 |
| Profit after tax | -187 | -25 | 52 | -10 | 0 | | -173 |

NOTES

| DKKm | Group | | |
|---|--------------------|--------------------|----------------------|
| | Q1 2011 | Q1 2010 | Year 2010 |
| Note 1 Own Shares - Group | | | |
| Carrying amount, beginning of year | 0 | 0 | 0 |
| Value adjustments | 3 | 8 | 9 |
| Buying during the period | 3 | 0 | 0 |
| Sold during the period | -6 | -8 | -9 |
| Cancellation of shares | 0 | 0 | 0 |
| Carrying amount, end of period | 0 | 0 | 0 |
| Nominal value, beginning of year | 4 | 41 | 41 |
| Buying during the period | 3 | 0 | 0 |
| Sold during the period | -6 | -7 | -7 |
| Cancellation of shares | 0 | 0 | -29 |
| Nominal value, end of period | 1 | 34 | 5 |
| Holding (number of shares), beginning of year | 421 | 514 | 515 |
| Additions, number of shares | 300 | 0 | 0 |
| Disposals, number of shares | -579 | -93 | -94 |
| Sale of Pre-emptive Rights | 0 | 0 | -3,793 |
| Allocation of Pre-emptive Rights | 0 | 0 | 3,793 |
| Cancellation of shares | 0 | 0 | 0 |
| Holding (number of shares), end of period | 142 | 421 | 421 |
| Percentage of share capital, end of period | 0.1% | 2.4% | 0.2% |

Note 2 Contingent liabilities, guaranties and leasing

| | | | |
|------------------------------|--------------|--------------|--------------|
| Guarantee commitments | 1,721 | 2,392 | 1,888 |
|------------------------------|--------------|--------------|--------------|

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 2010.

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 2011 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management's report.

BALANCE SHEET

| DKKm | Note | Parent company | | |
|--|------|------------------|------------------|---------------------|
| | | 31 March 2011 | 31 March 2010 | 31 December 2010 |
| Assets | | | | |
| Investment in group enterprises | 1 | 4,425 | 3,837 | 4,495 |
| Investment in associates | | 0 | 17 | 0 |
| Total investments in group enterprises and associates | | 4,425 | 3,854 | 4,495 |
| Equity investments | | 1 | 1 | 1 |
| Other loans and advances | | 2 | 2 | 2 |
| Deposits with credit institutions | | 390 | 50 | 50 |
| Cash in hand and balances at call | | 6 | 45 | 371 |
| Total other financial investment assets | | 399 | 98 | 424 |
| Total investment assets | | 4,824 | 3,952 | 4,919 |
| Receiveables from group enterprises | | 12 | 33 | 0 |
| Other receivables | | 36 | 32 | 38 |
| Total receivables | | 48 | 65 | 38 |
| Current tax assets | | 10 | 14 | 8 |
| Deferred tax assets | | 20 | 16 | 19 |
| Total other assets | | 30 | 30 | 27 |
| Total assets | | 4,902 | 4,047 | 4,984 |
| Liabilities and equity | | | | |
| Share capital | | 1,735 | 1,388 | 1,735 |
| Other provisions | | 1,215 | 0 | 1,215 |
| Retained earnings | | 1,563 | 1,924 | 1,640 |
| Total shareholders' equity | | 4,513 | 3,312 | 4,590 |
| Subordinated loan capital | | 250 | 249 | 250 |
| Total subordinated loan capital | | 250 | 249 | 250 |
| Deferred tax liabilities | | 46 | 46 | 46 |
| Total provisions | | 46 | 46 | 46 |
| Payables to subsidiaries | | 4 | 307 | 13 |
| Issued bonds | | 32 | 32 | 32 |
| Other payables | | 57 | 101 | 53 |
| Total payables | | 93 | 440 | 98 |
| Total liabilities and equity | | 4,902 | 4,047 | 4,984 |

INCOME STATEMENT

| DKKm | Note | Parent company | | |
|--|------|----------------|-------------|--------------|
| | | Q1 2011 | Q1 2010 | Year 2010 |
| Income from group enterprises | 2 | -69 | -171 | -360 |
| Income from associated companies | | 0 | 0 | 0 |
| Interest income and dividends, etc. | | 1 | 0 | 1 |
| Interest expenses | | -4 | -8 | -34 |
| Administrative expenses related to investment activities | | -10 | -7 | -21 |
| Profit before tax | | -82 | -186 | -414 |
| Tax | | 3 | 4 | 14 |
| Profit for the Year | | -79 | -182 | -400 |

Comprehensive income

| | | | | |
|--|--|------------|-------------|-------------|
| Profit for the year | | -79 | -182 | -400 |
| Revaluation of owner-occupied properties | | 0 | 0 | -2 |
| Comprehensive income | | -79 | -182 | -402 |
| Proposed allocation of profit/loss: | | | | |
| Retained earnings | | -79 | -182 | -402 |

Note 3 Accounting policies parent company

STATEMENT OF CHANGES IN EQUITY

| DKKm | Parent company | | | |
|--|----------------|------------------|-------------------|----------------------|
| | Share-Capital | Other provisions | Retained earnings | Shareholders' equity |
| Shareholders equity, 01.01.2010 | 1,388 | 0 | 2,098 | 3,486 |
| Changes in equity Q1 2010 | | | | |
| Profit/loss for the year | | | -182 | -182 |
| Total income | 0 | | -182 | -182 |
| Purchase and sale of treasury shares | | | 8 | 8 |
| Changes in equity | 0 | | -174 | -174 |
| Shareholders equity, 31.03.2010 | 1,388 | | 1,924 | 3,312 |
| Shareholders equity, 01.01.2010 | 1,388 | 0 | 2,098 | 3,486 |
| Changes in equity 2010 | | | | |
| Profit/loss for the year | | | -400 | -400 |
| Revaluation of owner-occupied properties | | | -2 | -2 |
| Total income | 0 | | -402 | -402 |
| Reduction of capital on 11 November 2010 | -1,215 | 1,215 | 0 | 0 |
| Share issue on 30 December 2010 | 1,562 | | | 1,562 |
| Cost relating to share issue | | | -63 | -63 |
| Purchase and sale of treasury shares | | | 9 | 9 |
| Purchase and sale of treasury shares in subsidiaries | | | -2 | -2 |
| Tax on changes recognised in equity | | | 0 | 0 |
| Changes in equity | 347 | 1,215 | -458 | 1,104 |
| Shareholders equity, 31.12.2010 | 1,735 | 1,215 | 1,640 | 4,590 |
| Shareholders equity, 01.01.2011 | 1,735 | 1,215 | 1,640 | 4,590 |
| Changes in equity Q1 2011 | | | | |
| Profit/loss for the year | | | -79 | -79 |
| Total income | 0 | | -79 | -79 |
| Purchase and sale of treasury shares | | | 3 | 3 |
| Purchase and sale of treasury shares in subsidiaries | | | -1 | -1 |
| Tax on changes recognised in equity | | | 0 | 0 |
| Changes in equity | 0 | 0 | -77 | -77 |
| Shareholders equity, 31.03.2011 | 1,735 | 1,215 | 1,563 | 4,513 |

NOTES

| DKK ^m | Parent company | | |
|---|------------------|------------------|---------------------|
| | 31 March 2011 | 31 March 2010 | 31 December 2010 |
| Cost, beginning of year | 6,841 | 5,991 | 5,991 |
| Periodens tilgang | 0 | 0 | 850 |
| Disposals | 0 | 0 | 0 |
| Cost, end of period | 6,841 | 5,991 | 6,841 |
| Revaluation and impairment, beginning of year | -2,346 | -1,683 | -1,683 |
| Dividend received | 0 | -300 | -300 |
| Profit for the year | -69 | -171 | -360 |
| Revaluation of owner-occupied associates | 0 | 0 | -2 |
| Revaluation and impairment of treasury shares in subsidiaries | -1 | 0 | -1 |
| Revaluation and impairment, end of period | -2,416 | -2,154 | -2,346 |
| Carrying amount, end of period | 4,425 | 3,837 | 4,495 |
| Specification of carrying amount: | | | |
| Alm. Brand Bank A/S | 1,451 | 1,326 | 1,564 |
| Alm. Brand Forsikring A/S | 2,973 | 2,510 | 2,930 |
| Asgaard Finans A/S | 1 | 1 | 1 |
| Carrying amount, end of period | 4,425 | 3,837 | 4,495 |

Note 2 Income from group enterprises

| DKK ^m | Parent company | | |
|--|----------------|-------------|--------------|
| | Q1 2011 | Q1 2010 | Year 2010 |
| Alm. Brand Bank A/S | -112 | -36 | -647 |
| Alm. Brand Forsikring A/S | 43 | -135 | 287 |
| Asgaard Finans A/S | 0 | 0 | 0 |
| Total income from group enterprises | -69 | -171 | -360 |

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 2010.

The interim report for the three months ended 31 March 2011 is unaudited.