

Alm. Brand

first half of year

2013

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Company information

BOARD OF DIRECTORS

Jørgen H. Mikkelsen, Chairman
 Boris N. Kjeldsen, Deputy Chairman
 Ebbe Castella
 Henrik Christensen
 Per V. H. Frandsen
 Karen Sofie Hansen-Hoeck
 Arne Nielsen
 Jan S. Pedersen
 Lars Christiansen
 Helle L. Frederiksen
 Henning Kaffka
 Susanne Larsen

EXECUTIVE BOARD

Søren Boe Mortensen, Chief Executive Officer

AUDITORS

Deloitte, Statsautoriseret Revisionspartnerselskab

INTERNAL AUDITOR

Poul-Erik Winther, Chief auditor

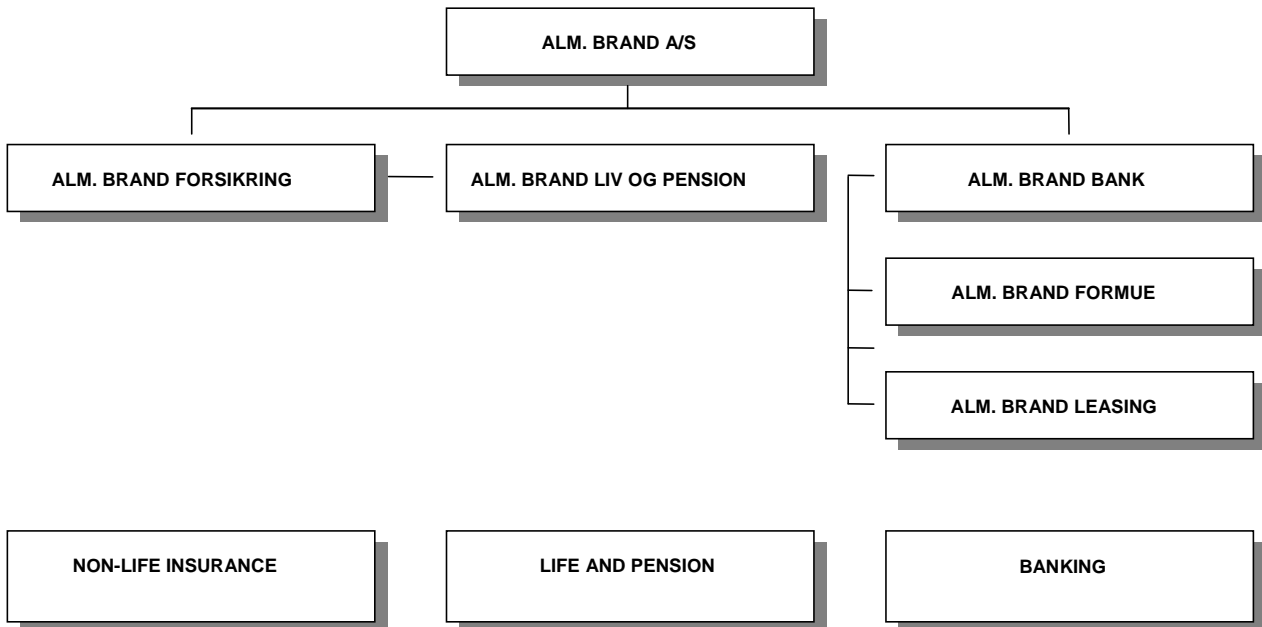
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GROUP STRUCTURE



Companies with negligible or discontinued activities are not included

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

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

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

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

This is a translation of the Danish first quarter report 2013. In case of any discrepancies the Danish version prevails.

Financial highlights and key ratios

	Q2	Q2	H1	H1	Year
DKKkm	2013	2012	2013	2012	2012
Income					
Non-life Insurance	1,258	1,206	2,483	2,401	4,866
Banking	192	213	379	446	852
Life and Pension	191	206	465	435	903
Investments	178	177	352	372	726
Total income	1,819	1,802	3,679	3,654	7,347
Profit excluding minorities					
Non-life Insurance	229	214	372	378	853
Banking	-135	-107	-262	-197	-519
Life and Pension	22	27	49	46	90
Other activities	-9	-9	-23	-20	-44
Profit before tax	107	125	136	207	380
Tax	-83	-34	-92	-53	-94
Profit after tax	24	91	44	154	286
Profit Group					
Profit before tax, Group	93	118	135	219	411
Tax	-83	-34	-92	-53	-94
Profit after tax, Group	10	84	43	166	317
Provisions for insurance contracts	19,103	19,864	19,103	19,864	19,678
Shareholders' equity	4,517	4,366	4,517	4,366	4,506
Of which minority interests	132	121	132	121	137
Total assets	41,693	46,621	41,693	46,621	42,559
Return on equity before tax excluding minorities p.a.	10%	12%	6%	10%	9%
Return on equity after tax excluding minorities p.a.	2%	9%	2%	7%	7%
Earnings per Share	0.1	0.5	0.3	0.9	1.7
Diluted Earnings per Share	0.1	0.5	0.3	0.9	1.7
Net assets value per Share	26	25	26	25	25
Share price end of period	17.6	11.8	17.6	11.8	14.0
Share price/Net asset value	0.69	0.48	0.69	0.48	0.55
Number of shares end of period ('000)	171,354	173,267	171,354	173,267	172,790
Average number of shares ('000)	171,517	173,358	172,065	173,229	173,123

The Alm. Brand Group

Financial results

The Alm. Brand Group achieved a pre-tax profit excluding minorities of DKK 107 million in Q2 2013, compared with a profit of DKK 125 million in Q2 2012.

Non-life Insurance delivered a highly satisfactory performance. In particular, weather-related and major claims were lower than expected and the investment result was well above expectations. Life and Pension delivered yet another strong performance, driven in particular by an excellent risk result.

The bank's performance had an adverse effect on the group's financial results. In addition to the expected impairment writedowns on loans, the rising level of interest rates produced adverse value adjustments on the bond portfolio. On the other hand, the bank's operations are developing favourably, and the bank improved its interest margin.

In H1 2013, the overall performance was a pre-tax profit excluding minorities of DKK 136 million, against a profit of DKK 207 million in H1 2012.

From an overall perspective, the performance was better than expected but still not satisfactory.

Non-life Insurance

The group's non-life insurance activities performed significantly better than expected in the second quarter. The combined ratio was 84.5 for Q2 and 86.8 for the H1 period.

Premiums rose by 4.3% year on year in Q2, which was also better than expected. Growth was particularly pronounced in the commercial segment.

The Q2 claims experience was characterised by weather-related and major claims below the expected level. Overall, however, they were still slightly above the favourable claims experience of 2012. The performance also found support in run-off gains, which in the second quarter were spread across most products.

Claims expenses on the underlying business were higher than expected, being affected particularly by a higher number of claims in April and May.

The Q2 investment result was favourably affected by the rising level of interest rates due to greater

interest rate sensitivity on provisions than on the investment portfolio.

Banking

The partial repayment of state-funded hybrid core capital and government guaranteed bonds at the end of the first quarter reduced the bank's funding costs, thereby improving its core earnings and interest margin.

The bank also reported a significant fee income improvement in Q2, driven by an increase in brokerage income in Financial Markets from both existing customers and new customers.

However, rising interest rates in the second quarter triggered value adjustments that reduced the bank's bond portfolio return.

The bank's writedowns remain high but within the expected range. Writedowns are still predominantly concentrated on private customers, agricultural exposures and mortgage deeds.

Life and Pension

The performance of Life and Pension remained dominated by strong expense and risk results.

Regular premium payments increased by 5% in Q2. Single payments declined on the other hand. This should be seen against the backdrop of a period of high single payments in Life and Pension.

The investment result was adversely affected by rising interest rates in the second quarter. When measured against the benchmark, however, the investment result was satisfactory.

Other business activities

Other business activities, consisting primarily of corporate expenses, performed in line with expectations. The H1 performance was a pre-tax expense of DKK 23 million, against an expense of DKK 20 million for the same period of 2012.

Group

In the first six months of 2013, the group had an average of 1,576 employees against 1,589 in H1 2012.

The Alm. Brand Group generated total revenue of DKK 3.7 billion in H1 2013.

Earnings per share amounted to DKK 0.3, and the net asset value per share was DKK 26 at 30 June 2013.

Consolidated equity was DKK 4.5 billion at 30 June 2013, which was unchanged from 31 December 2012.

Capitalisation

The group's capital base totalled DKK 5,119 million at 30 June 2013, corresponding to an excess of DKK 2,129 million relative to the statutory capital requirement for the group.

The group's internal capital target was DKK 4,431 million. The capital target has been aligned with the stricter requirements under Solvency II and Basel III and provides scope for absorbing a number of unforeseen external events.

DKKm	
Capital base of the group	5,119
Statutory capital requirement for the group	2,990
Excess relative to statutory capital requirement	2,129
Internal capital target of the group	4,431
Excess relative to internal capital target	688

Major events

Capital injection into the bank and repayment of hybrid core capital

On 22 August 2013, Alm. Brand A/S injected DKK 200 million into Alm. Brand Bank A/S as equity. The capital injection will be used to repay an additional DKK 200 million of the remaining state-funded hybrid core capital, which totalled DKK 426 million before repayment. Repayment will take place when permission has been received.

Reduction of the value of deferred tax assets

On 27 June 2013, the Danish parliament adopted a gradual reduction of the corporate tax rate in three steps over the next three years. The tax rate will be scaled down from the current 25% to 22% in 2016. The scale-down to 22% has reduced the value of deferred tax assets by DKK 59 million. This amount was expensed in full in the second quarter.

New capital adequacy rules (CRD IV)

New capital adequacy rules adopted by the EU will enter into force on 1 January 2014. The new rules prescribe, among other things, that equity should constitute a greater part of the capital base and that stricter requirements are set for the capital. The rules also scale down the inclusion of supplementary capital and tighten the require-

ments for hybrid capital. The rules will be phased in from 2014 to 2019.

As a result of the new rules, the group's excess capital adequacy will drop by about DKK 140 million with effect from 1 January 2014.

Repayment of government guaranteed bonds

On 1 July 2013, the bank repaid the remaining DKK 950 million of the original DKK 6 billion bond issue, and the bond issue has now been fully repaid.

Change to the Board of Directors

At the company's annual general meeting held on 25 April 2013, Ebbe Castella and Karen Sofie Hansen-Hoeck were elected to the Board of Directors.

After the new appointments, the Board of Directors consists of eight members elected by the shareholders, three of whom are independent of the principal shareholder.

Outlook

The guidance for full-year consolidated profit before losses and writedowns of DKK 550 million is maintained.

The guidance for Non-life Insurance is raised by DKK 55 million, while the guidance for Banking excluding losses and writedowns is lowered by DKK 55 million.

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

DKKm	May 2013 *)	August 2013 *)
Non-life	560	615
Banking	-45	-100
Life and Pension	75	75
Other	-40	-40
Profit before tax and minorities	550	550

*) Before writedowns in the bank

The guidance for combined ratio, expense ratio and growth in Non-life Insurance is maintained at about 89, 16.5 and 3%, respectively.

We maintain our guidance for losses and writedowns in the bank of around DKK 300-400 million in 2013.

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

Disclaimer

The forecast is based on the interest rate and price levels prevailing in mid-August 2013. All other forward-looking statements are based exclusively on the information available when this report was released.

This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts.

Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control.

Actual and future results and developments may differ materially from those contained or assumed in such statements.

Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive.

Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

Report – Non-life Insurance

	Q2	Q2	H1	H1	Year
DKKm	2013	2012	2013	2012	2012
Gross premiums	1,258	1,206	2,483	2,401	4,866
Investment income on insurance business	2	4	5	9	13
Claims incurred	-789	-744	-1,620	-1,715	-3,180
Underwriting management expenses	-207	-202	-413	-389	-790
Profit from business ceded	-66	-47	-124	50	-86
Underwriting profit	198	217	331	356	823
Interest and dividends etc.	60	62	122	123	245
Capital gains/losses	-9	-36	-38	-40	-106
Management expenses relating to investment business	-5	-5	-11	-10	-23
Interest on technical provisions	-15	-24	-32	-51	-86
Profit on investments business after allocation of technical interest	31	-3	41	22	30
Profit before tax	229	214	372	378	853
Tax	-74	-54	-110	-95	-214
Profit for the year	155	160	262	283	639
Run-off gains/losses	86	38	137	83	235
Technical provisions	7,761	7,833	7,761	7,833	7,215
Insurance assets	113	243	113	243	143
Shareholders' equity	2,203	2,085	2,203	2,085	2,441
Total assets	10,711	10,573	10,711	10,573	10,579
Gross claims ratio	62.7%	61.7%	65.2%	71.4%	65.4%
Gross expense ratio	16.4%	16.7%	16.6%	16.2%	16.2%
Net reinsurance ratio	5.4%	3.9%	5.0%	-2.1%	1.7%
Combined ratio	84.5%	82.3%	86.8%	85.5%	83.3%
Operating ratio	84.3%	82.1%	86.7%	85.2%	83.1%
Return on equity before tax p.a.	43%	43%	33%	36%	39%
Return on equity after tax p.a.	29%	32%	23%	27%	29%

Q2 performance

The group's non-life insurance activities generated a pre-tax profit of DKK 229 million in Q2, compared with DKK 214 million in the same period of last year.

The performance was highly satisfactory and significantly better than expected. The performance equalled a return on equity of 43% p.a. before tax.

The technical result was a profit of DKK 198 million, against DKK 217 million in 2012.

The combined ratio was 84.5, which was better than expected due to the favourable effects of run-off gains, fewer weather-related and major claims and a lower expense ratio, while being adversely affected by a higher number of claims filed in April and May.

The combined ratio of the underlying business was hence 83.6 in Q2, against 78.6 in the same period of last year.

	2011	2012	Q2 2012	Q2 2013
Combined Ratio, underlying business	80.2	79.7	78.6	83.6
Major claims	6.8	6.2	4.7	6.0
claims	6.9	2.1	2.1	1.7
Run-off result	-3.2	-4.9	-3.1	-6.8
Reinstatement premiums	1.6	0.2	-3.1	-
Combined Ratio	92.3	83.3	79.2	84.5

The investment return after transfer to insurance activities was DKK 31 million, against a negative investment return of DKK 3 million in Q2 2012.

Premiums

Gross premium income amounted to DKK 1,258 million in Q2 2013, an increase of 4.3% on Q2 2012, which was better than expected.

The growth in premium income derived mainly from Commercial, but Private also reported fair growth rates.

Claims experience

The Q2 claims ratio was 62.7, against 61.7 in Q2 2012. Net of run-off gains, the Q2 claims ratio was 69.5, which was slightly higher than expected.

Underlying business

The higher claims ratio on the underlying business was due to an increase in the number of claims reported in the second quarter.

Around half of the claims ratio increase was attributable to a higher than expected number of delayed claims relating to the first quarter.

Moreover, an unusually high number of glass claims were reported on motor insurances in April and May. Compared with Q2 2012, glass claims were up by 32%.

The higher number of claims was seen primarily in April and May, while both June and July had normal claims levels.

The performance of building insurances for commercial and agricultural customers, respectively, still failed to meet the company's profitability requirements. The company is therefore in the process of rewriting the policies of a number of customers, introducing higher deductibles and/or higher premiums.

Major claims and weather-related claims

Expenses for major claims amounted to DKK 75 million in Q2, which was DKK 19 million higher than in the year-earlier period but lower than expected. The major claims ratio was 6.0.

Expenses for weather-related claims amounted to DKK 21 million in Q2, against DKK 25 million in 2012, which was better than expected. The weather-related claims ratio was 1.7.

Discounting effect

Interest rates were significantly lower in Q2 2013 than in the year-earlier period. As a result, the discounting effect increased the claims ratio by 0.6 of a percentage point relative to Q2 2012.

Run-off result

The net run-off result for Q2 was a gain of DKK 86 million, compared with DKK 38 million in the year-earlier period.

Run-off gains mainly came from building and house contents, personal injury and liability claims.

Costs

The Q2 expense ratio was 16.4, against 16.7 in the same period of last year.

The goal for the current strategy period remains to achieve an expense ratio of around 15 by the end of 2016.

Net reinsurance ratio

The net reinsurance ratio was 5.4 in the second quarter, compared with 3.9 in 2012.

Investment return

The investment return before transfer to insurance activities was DKK 46 million in Q2, against DKK 21 million in the same period of last year. The return after interest on technical provisions was DKK 31 million in Q2, against a negative return of DKK 3 million in Q2 2012.

The Q2 performance was lifted by rising interest rates, as the assets had lower interest rate sensitivity than the liabilities. Moreover, the investment assets picked outperformed the benchmark.

The investment assets are predominantly placed in Danish interest-bearing assets with an overweight of mortgage bonds.

At 30 June 2013, the net interest rate risk in the event of a 1 percentage point increase in interest rates was minus DKK 45 million. The net interest

rate risk in the event of a 1 percentage point decline in interest rates was minus DKK 22 million. The equity exposure of Non-life Insurance represents less than 1% of the investment assets. The proportion of the assets used for hedging of the liabilities as well as the remaining part of the assets contributed favourably to the overall Q2 return.

H1 performance

The group's non-life insurance activities generated a pre-tax profit of DKK 372 million in H1 2013, as compared with a DKK 378 million profit in H1 2012.

The performance was highly satisfactory and equalled a return on equity of 33% p.a. before tax, against 36% p.a. in the year-earlier period.

The technical result was a profit of DKK 331 million, against DKK 356 million in 2012.

Premium income rose by 3.4% on the year-earlier period to DKK 2,483 million.

The combined ratio was 86.8, against 85.5 in 2012. The combined ratio of the underlying business was 82.7 in H1, against 80.2 in the same period of 2012.

	2011	2012	H1 2012	H1 2013
Combined Ratio, underlying business	80.2	79.7	80.2	82.7
Major claims	6.8	6.2	5.8	8.1
Weather-related claims	6.9	2.1	2.5	1.5
Run-off result	-3.2	-4.9	-3.4	-5.5
Reinstatement premiums	1.6	0.2	0.4	-
Combined Ratio	92.3	83.3	85.5	86.8

The combined ratio of the underlying business was 2.5 percentage point higher than in H1 2012, being affected by a 1.8 percentage point higher claims ratio than in the same period of last year. Moreover, expenses rose by 0.4 of a percentage point, which was in line with expectations and due to investments to digitalise customer-facing processes. Finally, improved reinsurance cover and higher prices in the reinsurance market caused reinsurance premiums to increase by 0.3 of a percentage point.

The claims ratio on the underlying business was adversely affected by a higher number of small

claims in the second quarter, higher average claims and lower interest rates, while higher premium rates had a favourable effect.

Major claims totalled DKK 201 million in H1 2013, against DKK 140 million in H1 2012. Compared with last year, major claims affected the combined ratio adversely by 2.3 percentage points.

Weather-related claims amounted to DKK 36 million in H1 2013, against DKK 60 million in H1 2012. Compared with last year, weather-related claims affected the combined ratio favourably by 1.0 percentage point.

The run-off result net of reinsurance totalled DKK 137 million in H1 2013, against DKK 83 million in 2012. Compared with last year, run-off gains affected the combined ratio favourably by 2.1 percentage points.

The investment return before transfer to insurance activities was DKK 73 million in H1 2013, which was unchanged from H1 2012. The return after interest on technical provisions was DKK 41 million in the reporting period, against DKK 22 million in H1 2012.

Capitalisation

The capital base of Alm. Brand Forsikring A/S totalled DKK 2,651 million at 30 June 2013, of which DKK 149 million was supplementary capital.

The company's Solvency I requirement was DKK 825 million. Accordingly, the company had excess liquidity of DKK 1,826 million for a solvency ratio of 3.2. The individual solvency need was calculated at DKK 1,008 million, compared with DKK 1,009 million at 31 December 2012.

At 30 June 2013, the equity allocated to Non-life Insurance was DKK 2.2 billion.

On 22 August 2013, Alm. Brand Forsikring A/S distributed DKK 300 million to Alm. Brand A/S.

Solvency II

The Danish FSA is drafting new rules for the calculation of individual solvency needs. These rules are expected to come into force on 1 January 2014. The final wording of the new legislation is still subject to change, but it will be based on the upcoming Solvency II standard formula. It will be possible to use partial internal models if the use of such models provides the same degree of certainty.

Since year-end 2012, Alm. Brand Forsikring has calculated the individual solvency need on the ba-

sis of QIS 4, but premium and reserve risk for all lines, except for workers' compensation and personal accident, is calculated using Alm. Brand's own partial internal model. Alm. Brand intends to apply to the Danish FSA for permission to use the partial internal model with effect from 1 January 2014.

The current draft new rules also describes new approaches to calculating capital base, allowing for the recognition of future profit while also calculating the risk on future earnings and making a risk margin provision. The overall effect of these new rules remains subject to uncertainty. The new rules are not expected to result in any significant changes to Alm. Brand Forsikring's solvency excess, but they may give rise to changes in the calculation of both capital base and solvency need.

Major events

New building insurance product for commercial and agricultural customers

In May 2013, Alm. Brand launched a new building insurance product for the company's existing commercial and agricultural customers. The new product offers a range of improvements, including extended water damage cover for customers with residential buildings.

Some customers were given notice of a higher premium on their building insurance so as to better balance the expected claims payable on the relevant policies with the premiums.

Thermographic survey of agricultural properties

As part of Alm. Brand's ongoing development of claims preventing measures, the company has entered into collaboration with a nationwide provider of infrared scanning services in order to conduct thermographic surveys of agricultural properties in Alm. Brand's portfolio. This marks an important step towards reducing the number of fires at agricultural customers caused by electrical system failures. Alm. Brand wants to ensure

thermographic surveys are carried out on the majority of productive farms in its portfolio. In return, such customers will get a lower premium.

Travel insurance

In May, well in advance of the customers' summer holidays, Alm. Brand introduced a new and improved family travel insurance, which would take effect immediately for accepting customers. The new insurance automatically covers holiday trips for up to 60 days. The insurance also provides coverage in Denmark and offers higher amount thresholds for several covers, including delayed baggage.

Revised Pluskunde concept

In late June, Alm. Brand introduced a new, revised *Pluskunde* concept, under which more prospective customers can be offered particularly attractive insurance solutions, including customers living in flats who do not need a building insurance.

The concept supports Alm. Brand's vision of making it simple for customers to achieve and maintain *Pluskunde* status. The more insurance products a customer purchases, the greater the discount the customer will get.

Outlook

The guidance for Non-life Insurance is lifted by DKK 55 million to a profit of DKK 615 million before tax.

The combined ratio is expected to remain unchanged at around 89 although the number of claims was higher than expected in the second quarter. The expense ratio is expected to be maintained at around 16.5.

The growth forecast is also unchanged at about 3%.

Report – Banking

DKK m	PRO RATA					CONSOLIDATED FIGURES				
	Q2 2013	Q2 2012	H1 2013	H1 2012	Year 2012	Q2 2013	Q2 2012	H1 2013	H1 2012	Year 2012
Interest receivable	145	179	297	379	720	148	181	303	382	728
Interest payable	-80	-118	-178	-246	-452	-81	-120	-180	-248	-457
Net interest income	65	61	119	133	268	67	61	123	134	271
Fees and commissions receivable (net) and dividends, etc.	43	31	75	63	125	44	32	76	64	124
Net interest and fee income	108	92	194	196	393	111	93	199	198	395
Value adjustments (excl. credit-related)	-36	24	-45	34	37	-56	14	-50	48	75
Other operating income	15	12	31	22	50	15	13	31	22	51
Profit before expenses	87	128	180	252	480	70	120	180	268	521
Staff costs and administrative expenses	-106	-135	-209	-248	-441	-107	-136	-210	-249	-443
Depreciation, amortisation and impairment of property, plant and equipment	-11	-7	-21	-14	-33	-11	-7	-21	-14	-33
Other operating expenses	-16	-11	-28	-21	-43	-16	-11	-28	-21	-43
Profit from investments in associates and group enterprises	2	-1	-1	0	-2	2	-1	-1	0	-2
Profit before credit losses and tax	-44	-26	-79	-31	-39	-62	-35	-80	-16	0
Writedowns and credit-related value adjustments	-91	-81	-183	-166	-480	-90	-81	-183	-166	-480
Profit before tax	-135	-107	-262	-197	-519	-152	-116	-263	-182	-480
Tax	-6	27	25	49	128	-6	27	25	49	128
Profit for the period	-141	-80	-237	-148	-391	-158	-89	-238	-133	-352
Share attributable to minority interests	-	-	-	-	-	17	9	1	-15	-39
Profit after tax excluding minority interests	-	-	-	-	-	-141	-80	-237	-148	-391
<i>Profit before tax excluding minority interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-135</i>	<i>-107</i>	<i>-262</i>	<i>-197</i>	<i>-519</i>
Loans and advances	8,266	9,566	8,266	9,566	8,698	7,838	9,377	7,838	9,377	8,396
Deposits	11,086	10,451	11,086	10,451	11,325	11,086	10,451	11,086	10,451	11,325
Shareholders' equity	1,458	1,241	1,458	1,241	996	1,624	1,393	1,624	1,393	1,169
Share attributable to minority interests	-	-	-	-	-	166	152	166	152	173
Total assets	17,898	22,108	17,898	22,108	17,550	18,261	22,461	18,261	22,461	17,903
Average number of employees, full-time equivalents	263	279	261	279	275	263	279	261	279	275
Interest margin	-	-	-	-	-	1.7%	1.3%	1.5%	1.4%	1.4%
Income/cost ratio	0.23	0.44	0.24	0.49	0.37	0.14	0.39	0.24	0.53	0.42
Impairment ratio	0.4%	0.3%	0.8%	0.8%	2.8%	0.4%	0.3%	0.8%	0.9%	2.8%
Solvency ratio	-	-	-	-	-	18.5%	17.0%	18.5%	17.0%	18.5%
Return on equity before tax p.a.	-35%	-33%	-47%	-38%	-52%	-32%	-33%	-38%	-38%	-42%
Return on equity after tax p.a.	-37%	-25%	-42%	-29%	-39%	-33%	-25%	-34%	-29%	-31%

In order to increase the transparency of Alm. Brand Bank A/S' financial statements, the bank publishes pro rata consolidated figures. The figures are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the review below concern pro rata figures. Banking group figures are commented on only when found relevant. To the extent it is deemed relevant, H1 2012 and Q1 2013, respectively, are used as benchmarks. The pro rata figures reflect the bank's proportionate ownership interests in the subsidiaries.

Financial results

The bank posted a loss of DKK 135 million before tax in Q2 2013. Excluding losses and writedowns, the bank's loss amounted to DKK 44 million.

The performance was not satisfactory and almost DKK 35 million short of the expected level. The performance was mainly attributable to negative value adjustments.

The rising level of interest rates in the latter half of June caused prices on the bank's bond portfolio to decline, as reflected in the bank's interest rate risk. This applied to the bank's bond portfolio as well as to the bond portfolio of its subsidiary Alm. Brand Formue A/S, in which the bank has an ownership interest of 43%.

The bank posted an operating loss of DKK 8 million excluding losses and writedowns and value adjustments in Q2 2013, marking an improvement of DKK 18 million compared with Q1 2013.

The bank's total impairment writedowns on loans, including credit-related value adjustments, amounted to DKK 91 million in Q2 2013. Losses and writedowns were within the projected range but remain high.

In H1 2013, the bank posted a pre-tax loss of DKK 262 million. Excluding losses and writedowns, the bank posted a loss of DKK 79 million, and total impairment writedowns on loans, including credit-related value adjustments, amounted to DKK 183 million.

Net interest and fee income

Net interest and fee income rose by DKK 22 million to a total of DKK 108 million in Q2 2013 from DKK 86 million in Q1 2013.

Interest income and expenses

Net interest income rose by DKK 11 million to DKK 65 million in Q2 2013 from DKK 54 million in Q1 2013.

The positive trend was driven primarily by a decline of DKK 18 million in interest expenses, of which DKK 14 million was attributable to the partial repayment in March of state-funded hybrid core capital and government guaranteed bonds. The remaining DKK 4 million was related to lower interest expenses for fixed-interest deposits due to a declining deposit balance, which is in line with the bank's strategy.

Interest income from the bank's bond portfolio declined by DKK 5 million due to a reduction of the average bond portfolio by close to DKK 1 billion from Q1 to Q2.

In Q2, the interest margin for the parent company and the banking group was 1.6% and 1.7%, respectively, against 1.2% and 1.3%, respectively, in Q1. The increase was primarily attributable to the DKK 18 million decline in interest expenses.

Net interest income was DKK 119 million in H1 2013, against DKK 133 million in the same period of last year. In H1, the interest margin for the parent company and the banking group was 1.4% and 1.5%, respectively, against 1.3% and 1.4% in the H1 2012.

Fee income and expenses

Net fee income for Q2 2013 was DKK 43 million, marking an increase of DKK 11 million from the DKK 32 million reported in Q1 2013.

The increase was attributable to higher brokerage income in Financial Markets, driven by existing customers and a fair increase in the number of new customers.

Net fee income rose to DKK 75 million in H1 2013 from DKK 63 million in the same period of last year.

Value adjustments

The bank posted negative value adjustments of DKK 84 million in Q2. Excluding credit-related value adjustments of DKK 48 million, the bank posted a value adjustment loss of DKK 36 million, compared with a value adjustment gain of DKK 24 million in Q2 2012.

The DKK 36 million value adjustment loss was composed of negative interest-related value adjustments of DKK 24 million on bonds, negative equity-related value adjustments of DKK 6 million and negative currency-related value adjustments of DKK 6 million.

The negative value adjustments on the bond portfolio were a result of the rising level of interest rates at the end of June 2013.

In H1 2013, the bank's bond portfolio produced a return equal to 1.6% p.a., which was satisfactory compared with the benchmark.

In H1 2013, value adjustments, excluding credit-related value adjustments, amounted to a loss of DKK 45 million, against a gain of DKK 34 million in H1 2012.

Other operating income

Other operating income was DKK 15 million in Q2 2013, against DKK 16 million in Q1 2013. In H1 2013, this item amounted to DKK 31 million, against DKK 22 million in H1 2012.

Other operating income primarily consists of leasing activities, and the volume of operating leases has increased.

Costs

The bank's payroll costs and administrative expenses totalled DKK 106 million in Q2 2013, which was largely unchanged from the DKK 102 million reported in Q1 2013.

In H1 2013, payroll costs and administrative expenses totalled DKK 209 million, against DKK 248 million in the same period of last year.

Total depreciation, amortisation and impairment charges amounted to DKK 21 million in H1 2013, against DKK 14 million in H1 2012. The increase was attributable to the higher level of leasing activity.

Other operating expenses

Other operating expenses came to DKK 16 million in Q2 2013, against DKK 12 million in Q1 2013. Of the DKK 16 million reported in Q2, DKK 8 million related to the bank's expenses to the Guarantee Fund for Depositors and Investors and DKK 8 million related to costs and value adjustment of properties taken over temporarily.

In H1 2013, other operating expenses amounted to DKK 28 million, against DKK 21 million in the same period of last year.

Impairment of loans, etc.

The bank's impairment writedowns on loans amounted to DKK 43 million in Q2 2013, compared with DKK 42 million in Q1 2013. Losses and writedowns remain affected in particular by the tough economic conditions faced by agricultural customers as well as by private customers, who are impacted by a persistently weak housing market.

In addition, the bank recognised credit-related value adjustments of DKK 48 million in Q2 2013, against DKK 50 million in Q1 2013.

Accordingly, total impairment writedowns on loans, including credit-related value adjustments, amounted to DKK 91 million in Q2 2013, against DKK 92 million in Q1 2013. In H1 2013, this item amounted to DKK 183 million, against DKK 166 million in H1 2012.

Balance sheet

Loans and advances

The bank's loans and advances amounted to DKK 8.3 billion at 30 June 2013, against DKK 8.7 billion at 31 December 2012. Excluding developments in reverse transactions, intra-group transactions and writedowns, this marked a decline in loans and

advances of DKK 426 million, of which DKK 260 million was attributable to the bank's discontinued activities.

Debt to credit institutions

The bank had debt to credit institutions of DKK 2.6 billion at 30 June 2013, against DKK 1.2 billion at 31 December 2012. The increase was attributable to repo contracts entered into.

Deposits

The bank had deposits of DKK 11.1 billion at 30 June 2013, against DKK 11.3 billion at 31 December 2012.

The bank's deposit surplus increased to DKK 2.8 billion at 30 June 2013 from DKK 2.6 billion at 31 December 2012.

Liquidity

At 30 June 2013, the bank had cash funds of DKK 4.8 billion and excess liquidity of DKK 3.1 billion, equivalent to an excess cover of 190% relative to the statutory requirement. This was an expected decline relative to the excess cover of 256% reported at 31 December 2012.

The excess liquidity of DKK 3.1 billion at 30 June 2013 was reduced by DKK 950 million at 1 July in connection with the bank's repayment of the remaining government guaranteed bonds.

Capitalisation

The bank's equity stood at DKK 1.5 billion at 30 June 2013. The capital base totalled DKK 1.9 billion, and the risk-weighted items amounted to DKK 10.2 billion at 30 June 2013.

Accordingly, the solvency ratio was 19.0, and the core capital ratio was 17.5. The bank's individual solvency need was calculated at 14.1%, which means that its solvency ratio exceeded the individual solvency need by 4.9 percentage points.

The banking group's equity stood at DKK 1.6 billion at 30 June 2013, and the capital base totalled DKK 2.0 billion. Risk-weighted items in the banking group totalled DKK 10.7 billion at 30 June 2013.

Accordingly, the banking group had a solvency ratio of 18.5, and a core capital ratio of 17.1. The banking group's individual solvency need was calculated at 14.2%, which means that its solvency ratio exceeded the individual solvency need by 4.3 percentage points.

New capital adequacy rules (CRD IV)

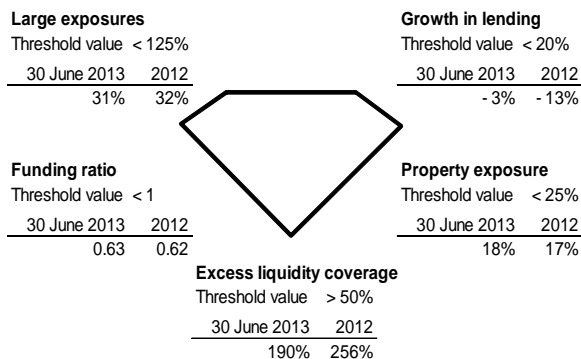
New capital adequacy rules adopted by the EU will enter into force on 1 January 2014. The new rules prescribe, among other things, that equity should constitute a greater part of the capital base and that stricter requirements are set for the capi-

tal. The rules also scale down the inclusion of supplementary capital and tighten the requirements for hybrid capital. The rules will be phased in from 2014 to 2019.

As a result of the new rules, the bank's excess capital adequacy will drop by about DKK 75 million with effect from 1 January 2014.

Supervisory diamond

At 30 June 2013, the bank was in compliance with all five threshold values of the Danish FSA's supervisory diamond as shown in the figure below.



The changes in the bank's supervisory diamond indicators reflect that loans related to the bank's discontinued activities are developing according to plan. Lending growth remains negative, which had been expected considering the bank's lending strategy of focusing exclusively on private customers. The fall in the bank's excess liquidity was due to the bank's repayment in March 2013 of loans raised through bonds issued under Bank Package II.

Major events

Capital injection into the bank and repayment of hybrid core capital

On 22 August 2013, Alm. Brand A/S injected DKK 200 million into Alm. Brand Bank A/S as equity. The capital injection will be used to repay an additional DKK 200 million of the remaining state-funded hybrid core capital, which totalled DKK 426 million before repayment. Repayment will take place when permission has been received.

Repayment of government guaranteed bonds

On 1 July 2013, the bank repaid the remaining DKK 950 million of the original DKK 6 billion bond issue, and the bond issue has now been fully repaid.

Reduction of the value of deferred tax assets

On 27 June 2013, the Danish parliament adopted a gradual reduction of the corporate tax rate in three steps over the next three years. The tax rate will be scaled down from the current 25% to 22% in 2016. The scale-down to 22% reduced the value of the bank's deferred tax assets by DKK 41 million. This amount was expensed in full in the second quarter.

Changes to the Board of Directors

At the bank's annual general meeting held on 17 April 2013, Ebbe Castella was elected as a new member of the Board of Directors.

Outlook

The full-year guidance excluding losses and writedowns is lowered by DKK 55 million to a loss of DKK 100 million.

The downgrade is primarily based on negative value adjustments on the bank's portfolio of securities but also on the customers' declining borrowing requirements and on the higher than expected operating expenses for properties taken over and higher than expected expenses to the Guarantee Fund for Depositors and Investors.

Expectations for the reduction in lending excluding losses and writedowns related to the bank's discontinued activities are maintained at around DKK 0.6 billion in 2013.

The bank maintains its guidance for losses and writedowns in 2013 of DKK 300-400 million. The amount of losses and writedowns and credit-related value adjustments is subject to considerable uncertainty and the guidance is based on current economic and market conditions.

THE BANK'S BUSINESS ACTIVITIES

Developments in the business areas Private Customers, Leasing and Financial Markets as well as in the bank's discontinued activities for the six months ended 30 June 2013 are reviewed below.

Continuing activities

The continuing activities consist of the business areas Private Customers, Leasing and Financial Markets.

Private Customers handles activities related to servicing the bank's new and existing private customers.

The business area Leasing is focused on private leasing of passenger and commercial vehicles with related car fleet management for businesses.

Financial Markets handles the bank's activities related to financial markets and comprises the areas Markets and Asset Management.

In H1 2013, the continuing activities produced a loss of DKK 18 million excluding losses and writedowns. The performance was adversely affected by negative value adjustments on the bond portfolio of DKK 36 million.

Private Customers

This business area saw a fair increase in the number of full-service customers in H1 2013. The increase was driven both by entirely new customers and by existing customers who increased the scope of their business, thereby becoming full-service customers.

However, the increase in the number of full-service customers and the gross increase in lending of DKK 200 million were not enough to offset the persistently weak borrowing appetite and the focus on debt reduction among private customers.

Despite the weak borrowing appetite among private customers, the bank increased its average earnings per household by more than 3% in the H1 period.

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

Total loans and advances to private customers declined by DKK 114 million from 31 December 2012 to 30 June 2013. Adjusted for losses and writedowns, the decline was DKK 56 million. Among other things, the decline was attributable

to conversion of home loans to mortgage loans through the bank's business partner Totalkredit. The portfolio of Totalkredit loans for which the bank acted as intermediary grew by close to 5%, or about DKK 180 million, in the first six months of 2013. At 30 June 2013, the portfolio of Totalkredit loans represented more than DKK 3.9 billion in aggregate.

As total lending activities decline due to the winding up of discontinued activities, the bank will focus continuously on aligning the deposit balance in the Private Customer segment. In H1 2013, the bank reduced its deposit balance by more than DKK 200 million.

In the first six months of 2013, losses and writedowns amounted to DKK 58 million, equivalent to 2.4% of the average portfolio value.

Writedowns on the bank's private customers remain high, reflecting a persistently weak housing market that is still only showing signs of improvement in and around the major cities.

Leasing

In the first six months of 2013, Alm. Brand Leasing A/S delivered and ordered about 30% more cars than it did in all of 2012.

In particular, car leasing and car fleet management for businesses developed favourably in H1 2013. This trend was reflected in a fair increase in the number of new business customers and in a reasonable replacement rate in the existing portfolio.

Alm. Brand Leasing was the second largest provider of private car leasing measured in terms of new business in H1 2013. Part of the strategy for Alm. Brand Leasing is to step up direct sales of car leases to private customers, both directly to end customers and through partnerships with car importers.

Financial Markets

Earnings in Financial Markets were better than expected in H1 2013. Growth was generated primarily by Markets, which experienced a fair increase in the number of new customers. This combined with stronger than expected customer activity to produce higher average earnings per customer.

In terms of earnings, Asset Management performed marginally better than expected in the H1 period. Most of the mandates under management generated a reasonable performance.

In the lending portfolio table, the segment "Other loans and advances" covers exposures for which an investment mandate has also been placed with

Markets. These loans form part of the bank's continuing portfolio.

Other loans and advances declined by DKK 108

million relative to 31 December 2012. The decline was mainly attributable to the discontinuation of a single exposure.

DKKm	Loans			Total loss and writedowns				Loss ratio ^{a)}
	31.12.2012	30.06.2013	Share of portfolio (%)	2012	Q1 2013	Q2 2013	H1 2013	
Continuing portfolio	2,647	2,425	29.4%	57	29	27	56	2.2%
Lending to private customers	2,442	2,328	28.2%	57	28	30	58	2.4%
Other loans and advances	205	97	1.2%	-	1	-3	-2	-1.3%
Winding-up portfolio	5,642	5,256	63.5%	423	63	64	127	2.3%
Agriculture	955	971	11.7%	156	26	18	44	4.6%
Car finance ^{b)}	230	170	2.1%	-1	-	-	-	0.0%
Commercial lending	1,158	1,074	13.0%	73	-18	-7	-25	-2.2%
Property development projects	254	275	3.3%	1	2	-	2	0.8%
Mortgage deed financing	115	66	0.8%	23	3	5	8	8.8%
Mortgage deeds ^{c)}	2,930	2,700	32.6%	155	50	47	97	3.4%
Shares ^{d)}	-	-	-	16	-	1	1	-
Total group lending - excl. Reverse Transactions	8,289	7,681	92.9%	480	92	91	183	2.3%
Reverse Transactions including intercompany transactions	107	158	1.9%	-	-	-	-	-
Total group lending	8,396	7,839	94.8%	480	92	91	183	2.3%
Minority interests	302	427	5.2%	-	-	-	-	-
Total prorata	8,698	8,266	100.0%	480	92	91	183	2.2%

a) Losses and writedowns as a percentage of the average portfolio in H1 2013. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

b) Leases (continuing portfolio) is not included, as it is recognised as other property, plant and equipment and not as loans and advances

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

d) Shareholding taken over in connection with the winding up of a former credit exposure. Value adjustment of the shareholding is recognised under value adjustments.

Discontinued activities

The discontinued activities are continuously reduced and relate mainly to loans provided to agricultural and commercial customers and for mortgage deeds.

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

In H1 2013, the discontinued activities produced a loss of DKK 61 million excluding losses and writedowns.

Total loans and advances provided to discontinued activities declined by DKK 386 million to DKK 5,256 million in H1 2013, now representing close to 64% of the bank's overall lending

portfolio. Adjusted for losses and writedowns, loans and advances were reduced by DKK 260 million, which was in line with the expected level.

Agriculture

The portfolio increased by DKK 16 million to DKK 971 million in H1 2013. Adjusted for losses and writedowns, the portfolio increased by DKK 60 million because the bank has granted loans for necessary investments and to secure continuing operations, thereby protecting the underlying value to the bank.

In H1 2013, losses and writedowns amounted to DKK 44 million, equivalent to 4.6% of the average portfolio value.

The level of losses and writedowns reflects the difficult conditions agricultural customers continue to face. In spite of slightly improving market conditions, impairment writedowns continue to increase on agricultural customers with high debt ratios.

Car finance

The overall portfolio declined by DKK 60 million to DKK 170 million in H1 2013. No losses or writedowns were recognised on this segment in the first six months of 2013.

Commercial lending

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

The overall portfolio declined by DKK 84 million to DKK 1,074 million in H1 2013. Adjusted for losses and writedowns, the portfolio declined by DKK 109 million.

In H1 2013, losses and writedowns produced an income of DKK 25 million, resulting from writedowns reversed in connection with the partial closing down of an exposure and to the underlying operations of certain commercial customers.

Property development projects

The portfolio consists of a limited number of property development projects. The bank will only finance the completion of ongoing projects pursuant to existing agreements. At 30 June 2013, almost 90% of lending in this segment related to a single project.

The portfolio increased by DKK 21 million in H1 2013. Losses and writedowns amounted to DKK 2 million in H1 2013, corresponding to 0.8% of the average portfolio value.

Mortgage deed exposure

The bank's overall mortgage deed exposure, comprising mortgage deed financing and mortgage deeds, declined by DKK 279 million to DKK 2,766 million in H1 2013.

Mortgage deeds run off naturally as a result of regular payments and redemptions. In H1 2013, the natural run-off on the overall mortgage deed portfolio was approximately 7% p.a.

Mortgage deed financing

This DKK 66 million portfolio consists of investment exposures secured against mortgage deeds. The portfolio fell by DKK 49 million in H1 2013. The main reason for the decline was that the bank closed out a number of investment exposures, in that connection taking over the collateral provided in the form of mortgage deeds.

Losses and writedowns amounted to DKK 8 million in H1 2013, corresponding to 8.8% of the average portfolio value.

Mortgage deeds

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

Private mortgage deeds amounted to DKK 2,012 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 688 million and comprise mortgage deeds secured against residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property.

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

The portfolio declined by DKK 230 million in H1 2013. Credit-related value adjustments amounted to DKK 97 million in the reporting period, equivalent to 3.4% of the average portfolio value. Of this amount, DKK 55 million was private mortgage deeds and DKK 42 million was commercial mortgage deeds.

The private mortgage deed portfolio was adversely affected by the general economic conditions. The number of private mortgage delinquencies remains high, although the delinquency rate was downtrending in Q2 2013.

The bank continues to feel the effects of a weak commercial property letting market and the pressure on rent levels is seen to be mounting. Higher vacancy rates have resulted in revaluations, causing impairment writedowns to increase.

Capital reservation

The banking group's total capital reservation amounted to DKK 3,335 million at 30 June 2013, against DKK 3,478 million at 31 December 2012, corresponding to a decline of DKK 143 million.

The capital reservation equalled 33% of gross loans and advances and the residual debt on mortgage deeds at 30 June 2013, which was unchanged relative to 31 December 2012.

The capital reservation on the continuing portfolio corresponds to 19% of gross loans and advances, and the capital reservation on the discontinued portfolio represents 39% of gross loans and advances and the residual debt on mortgage deeds.

Of the banking group's total capital reservation at 30 June 2013, accumulated writedowns amounted to DKK 1,465 million, compared with DKK 1,557 million at 31 December 2012. Accumulated

writedowns in H1 2013 broke down as follows: DKK 235 million on the continuing portfolio and DKK 1,230 million on the discontinued portfolio.

CAPITAL RESERVATION DKKm	Gross lending/ outstanding debt		30.06.2013				31.12.2012	
	Balance	Difference ^{a)}	Required capital	Total reservation	Reservation relative to gross lending	Total reservation	Reservation relative to gross lending	
Continuing portfolio	2,660	2,425	235	282	517	19%	515	18%
Winding-up portfolio	7,242	5,256	1,986	809	2,795	39%	2,952	38%
Total, excl. reverse transactions	9,902	7,681	2,221	1,091	3,312	33%	3,467	33%
Reverse transactions and intra-group transactions	158	158	-	23	23	15%	11	10%
Total, group	10,060	7,839	2,221	1,114	3,335	33%	3,478	33%

Report – Life and Pension

	Q2	Q2	H1	H1	Year
DKKkm	2013	2012	2013	2012	2012
Premiums	191	206	465	435	903
Claims incurred	-434	-211	-1,348	-538	-973
Investment return after allocation of interest	-169	151	-31	360	856
Total underwriting management expenses	-18	-19	-39	-38	-79
Profit on business ceded	-4	1	-3	10	3
Change in life insurance provisions	422	-167	1,164	-104	-495
Change in collective bonus potential	77	60	-29	-87	-137
Government Tax on unallocated funds	-43	0	-131	0	0
Underwriting profit/loss	22	21	48	38	78
Return on investments allocated to equity	0	6	1	8	12
Profit before tax	22	27	49	46	90
Tax	-4	-9	-11	-12	-19
Profit after tax	18	18	38	34	71
Return requirement for shareholders' equity					
Return on investments allocated to equity	0	6	1	8	12
Result of portfolios without bonus entitlement	0	-2	1	-3	-9
Interest result	3	3	6	6	11
Expense result	1	1	2	2	3
Risk result	19	17	41	35	78
Transferred to/from the shadow account	-1	2	-2	-2	-5
Profit before tax	22	27	49	46	90
Tax	-4	-9	-11	-12	-19
Profit after tax	18	18	38	34	71
Total technical provisions	11,342	12,031	11,342	12,031	12,463
Shareholders' equity	983	910	983	910	946
Total assets	13,087	13,757	13,087	13,757	14,366
Return on equity before tax p.a.	9%	12%	10%	10%	10%
Return on equity after tax p.a.	7%	8%	8%	7%	8%
Bonus rate	6.6%	5.3%	6.6%	5.3%	5.8%

Investment return on policyholders funds in Life and Pension H1 2013

	Return ratio
Interest-bearing assets	-1.8%
Shares	8.3%
Property	2.7%
Total	-0.2%

Financial results

Life and Pension posted a pre-tax profit of DKK 22 million in Q2 2013, against DKK 27 million in Q2 2012.

In H1 2013, Life and Pension reported a pre-tax profit of DKK 49 million, against DKK 46 million in the same period of 2012. The performance was satisfactory and equalled a return on equity of 10% p.a. before tax.

The performance was composed of an expense and risk result of DKK 40 million, an interest rate result of DKK 6 million and a result on annuities without bonus entitlement of DKK 1 million and, lastly, an investment return on assets allocated to shareholders' equity of DKK 1 million.

In the first six months of the year, DKK 2 million was transferred to shadow accounts, bringing the total balance close to DKK 12 million.

Premiums

Premiums totalled DKK 191 million in Q2 2013, against DKK 206 million in the year-earlier period. This figure covers satisfactory growth in regular premiums of around 5% and a decline in single payments. The decline in single payments in Q2 2013 should be seen in the light of the relatively strong inflow recorded in Q2 2013.

Payments into guaranteed schemes

For H1 2013 as a whole, premium payments rose by DKK 6.9% to DKK 465 million, compared with DKK 435 million in H1 2012. The increase was driven by growth in both regular premiums and single payments.

As a result of the tax reform in Denmark in 2012, capital pension schemes are no longer eligible for tax relief effective from 2013. Customers paying into a capital pension were therefore contacted in 2012 and 2013 with a view to deciding on their future payments. Around 60% of these customers have considered their options, and the vast majority of them have opted to transfer their payments to a new type of retirement pension called *Alderspension*. Most undecided customers have left their payments unchanged. The tax reform has therefore only had a limited adverse effect on premium payments to date, and a picture seems to be emerging that the general inflow of customers will more than offset the negative consequences of the tax reform.

Payments into market schemes

In addition to payments in Alm. Brand Liv og Pension A/S, the customers have the option of paying into market-based investment schemes in Alm. Brand Bank. Payments into these schemes amounted to DKK 110 million in Q2 2013,

against DKK 96 million in the same period of last year.

A number of customers have tried to continue making payments into their capital pension, but until a decision has been made as to the tax treatment of future payments, these payments are not recognised as pension payments. Payments made amounted to just over DKK 15 million at 30 June 2013.

Total pension payments

Total payments into pension schemes, including investment schemes in the bank, amounted to DKK 631 million in H1 2013, which was an increase of 4.1% relative to H1 2012.

Benefits paid

In connection with the tax reform in 2012, capital pension customers were given the option of paying the tax due on their schemes at a rate of 37.3%, compared to the normal rate of 40%. Around half of the customers have currently chosen to accept this scheme. Government taxes in a total amount of DKK 671 million were paid on behalf of customers in H1 2013.

The government taxes paid are recognised in the financial statements of Alm. Brand Liv og Pension as benefits paid. As a result, total benefits paid increased to DKK 1,348 million in H1 2013, compared with DKK 538 million in the same period of 2012.

In addition, a DKK 131 million provision was made for taxes on unallocated provisions. As this tax is to be paid out of the customers' unallocated provisions, the amount was expensed under changes in collective bonus potential.

Risk result

Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 18 million in Q2 2013, which was unchanged from Q2 2012.

The brought the H1 risk result to DKK 41 million, which was highly satisfactory. DKK 2 million of the risk result concerning disability was transferred to a shadow account.

Costs

Acquisition costs and administrative expenses totalled DKK 18 million in Q2 2013, against DKK 19 million in Q2 2012.

Administrative expenses were lower, whereas acquisition costs rose due to an increase in new business written.

Total expenses for H1 2013 were slightly lower than expected.

Expense result

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 2 million in H1 2013. The expense result was satisfactory, especially considering the extra administrative burden imposed by the tax reform in the form of transfer and payment of indirect capital pension taxes.

Investment return on policyholders' funds

Investment assets belonging to policyholders produced a negative return of DKK 199 million in Q2 2013, corresponding to a negative return of 1.5% (negative return of 6.0% p.a.), against a positive return of DKK 186 million in Q2 2012. The negative Q2 return was a consequence of the general increase in bond yields resulting in capital losses.

As a result, the H1 return was negative at DKK 31 million, corresponding to a negative return of 0.2% (negative return of 0.5% p.a.)

The return was calculated before tax on pension returns but after investment costs.

Relative to the benchmark performance, the return on policyholders' investment assets was satisfactory.

Total investment assets amounted to DKK 11.7 billion at 30 June 2013. The investment assets are placed in bonds, equities and property.

Payment of government taxes due to the tax reform was effected by the sale of mortgage bonds, causing the proportion of mortgage bonds relative to total investment assets to decline in H1 2013.

Bonds

Bonds represent a total of 72% of the overall portfolio of policyholders' funds. The return on the portfolio was negative at 2.2% in Q2 2013 (negative return of 8.8% p.a.).

For H1 2013 as a whole, the return was negative at 1.8% (negative return of 3.6% p.a.).

Equities

Equities represent a total of 14% of the overall portfolio of policyholders' funds. The return was 0.2% in Q2 2013 (0.8% p.a.). Equity markets fell in June, which eliminated the increases seen in April and May. At the end of May, a part of the equity portfolio was hedged, which had a favourable effect on the return on the company's equity portfolio.

For H1 2013 as a whole, the equity portfolio generated a return of 8.3% (16.6% p.a.).

	U74*	Interest rate group				I alt
		0	1	2	3	
Investment assets (DKKbn)	0.1	3.7	2.0	1.3	4.6	11.7
Rate on policyholders' savings (%)		3.00	3.00	3.75	4.75	
Bonus rate (%)		10.0	11.9	6.4	0.5	6.6
Bonds	100%	55%	55%	77%	83%	74%
Equities	0%	26%	23%	8%	3%	12%
Properties	0%	19%	17%	12%	10%	12%
Interest rate derivatives	0%	0%	5%	3%	4%	2%

Properties

Properties represent a total of 14% of the portfolio of policyholders' funds. The return on the property portfolio was in line with the budget. The return is related to the operation of the properties. Accordingly, no significant value adjustments were made to the property portfolio in H1 2013.

Financial instruments

Financial instruments used for partial hedging of insurance liabilities made a negative contribution to the return due to the rising level of interest rates. Hedging activities were reduced in H1 2013 due to the extraordinary payment of government taxes, which reduced total assets and the interest rate risk on liabilities.

Life insurance provisions

Total life insurance provisions declined by DKK 1,163 million to DKK 10.7 billion in H1 2013. The decline was mainly attributable to extraordinary payments of government taxes in connection with the tax reform and an increase in the discount rate.

Collective bonus potential

In Q2 2013, the collective bonus potential was reduced by DKK 75 million excluding provisions for government taxes to stand at DKK 617 million, corresponding to an average bonus rate of 6.6%. The reduction was primarily due to the increase in bond yields, which resulted in capital losses but also served to improve the future return potential.

New policyholders are placed in interest rate group 0, which had a bonus rate of 10.0% at 30 June 2013.

	Bonus rate
Interest rate group 0	10.0%
Interest rate group 1	11.9%
Interest rate group 2	6.4%
Interest rate group 3	0.5%

The bonus rate remained highly satisfactory from an overall perspective.

The bonus rate is low in interest rate group 3, which comprises customers with a high guarantee rate. The investment composition in this group therefore involves substantially less risk than the other interest rate groups.

Capitalisation

The capital base of Alm. Brand Liv og Pension A/S totalled DKK 1,113 million at 30 June 2013, of which DKK 115 million was supplementary capital.

The company's Solvency I requirement was DKK 461 million. Accordingly, excess liquidity was DKK 652 million, corresponding to an excess of 241% relative to the statutory solvency requirement. The individual solvency need was calculated at DKK 253 million, against DKK 314 million at 31 December 2012.

Equity allocated to life insurance was DKK 983 million at 30 June 2013.

Major events

Tax reform

Alm. Brand Liv og Pension was the first company in the market to implement the changes of the tax reform. New customers were thus able to transfer to the new retirement pension scheme (*Alderspension*) already from January 2013.

The transfer from capital pension to *Alderspension* was implemented concurrently with the first premium due date in 2013. As a very large part of the company's customers pay their premiums in the beginning of the year, most of the transfers have already been completed, and the customers have received new pension statements. In addition, the customers can get an overview and see developments in their pension scheme at Alm. Brand's website under My Customer Overview (*Mit Kundeoverblik*)

The transfer is free of charge to the customers, and they maintain their guaranteed benefits on transfer.

Solvency II

The Danish FSA and the insurance industry are currently working together to interpret the upcoming Solvency II rules in the context of Danish life insurance practice. This work is expected to result in transitional rules for 2014 in order to allow sufficient time for a full implementation of the Solvency II rules.

Alm. Brand Liv og Pension participates in this work and is in the process of preparing for the implementation of Solvency II. Alm. Brand Liv og Pension remains confident that the company's capital requirement under Solvency II will be in line with the current Solvency I requirement.

Outlook

The guidance for full-year profit of DKK 75 million before tax is maintained.

The company expects to be able to book a risk allowance for all contribution groups in 2013. However, the results of the interest rate groups will re-

ly entirely on developments in the financial markets.

Developments in premium income and provisions will depend on what customers who have

not yet decided on their capital pension will want to do with their capital pension. The company does not expect to have a clear picture of this until late in the year.

Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and adopted the interim report of Alm. Brand A/S for the six months ended 30 June 2013.

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 30 June 2013 and of the results of the group's and the parent company's operations and the group's cash flows for the six months ended 30 June 2013.

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, 22 August 2013

Søren Boe Mortensen
Chief Executive Officer

BOARD OF DIRECTORS

Copenhagen, 22 August 2013

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Ebbe Castella

Henrik Christensen

Per V. H. Frandsen

Karin Sofie Hansen-Hoeck

Arne Nielsen

Jan S. Pedersen

Lars Christensen

Helle L. Frederiksen

Henning Kaffka

Susanne Larsen

Balance sheet

DKKm	Group		
	30 June 2013	30 June 2012	31 December 2012
Assets			
Intangible assets	0	0	0
Owner-occupied properties	1,059	1,085	1,059
Deferred tax assets	573	707	665
Participating interests in joint ventures	42	43	44
Reinsurers' share of insurance contracts	133	269	164
Current tax assets	5	6	4
Other assets	1,521	1,332	1,299
Loans	7,838	9,377	8,396
Investment properties	394	417	393
Investment assets	28,151	30,444	29,350
Amounts due from credit institutions and central banks	1,183	1,906	879
Cash in hand and demand deposits	794	1,035	306
Total assets	41,693	46,621	42,559
Liabilities and equity			
Share capital	1,735	1,735	1,735
Reserves, retained profit etc.	2,650	2,510	2,634
Minority interests	132	121	137
Consolidated shareholders' equity	4,517	4,366	4,506
Subordinated debt	1,300	1,829	1,829
Provisions for insurance contracts	19,103	19,864	19,678
Other provisions	27	30	28
Deferred tax liabilities	46	46	46
Issued bonds	982	4,032	2,032
Other liabilities	1,395	1,072	1,018
Deposits	11,089	10,296	11,240
Payables to credit institutions and central banks	3,234	5,086	2,182
Total liabilities and equity	41,693	46,621	42,559

Note 1 Own shares

Note 2 Contingent liabilities, guaranties and leasing

Note 3 Accounting policies - Group

Note 4 Financial highlights and key ratios

Income statement

DKKkm	Group				
	Q2 2013	Q2 2012	H1 2013	H1 2012	Year 2012
Income					
Premium income	1,449	1,412	2,948	2,836	5,769
Interest income etc.	317	355	636	730	1,414
Fee income etc.	32	18	55	43	86
Other income from investment activities	4	5	7	22	25
Income associates	2	0	2	1	2
Other income	15	12	31	22	51
Total income	1,819	1,802	3,679	3,654	7,347
Costs					
Claims incurred	-1,223	-955	-2,968	-2,253	-4,153
Interest expenses	-98	-141	-215	-298	-550
Other cost from investment activities	-9	-12	-25	-25	-50
Impairment of loans, advances and receivables, etc.	-43	-38	-85	-103	-309
Acquisition and administrative costs	-341	-354	-675	-686	-1,326
Total costs	-1,714	-1,500	-3,968	-3,365	-6,388
Profit from business ceded	-70	-46	-127	60	-83
Change in life insurance provisions	422	-167	1,164	-104	-495
Change in collective bonus potential	34	60	-160	-87	-116
Exchange rate adjustments	-420	-4	-447	127	297
Tax on pension investment returns	22	-27	-6	-66	-151
Profit before tax	93	118	135	219	411
Tax	-83	-34	-92	-53	-94
Profit after tax	10	84	43	166	317
The profit before tax is allocated as follows:					
Share attributable to Alm. Brand	107	125	136	207	380
Share attributable to minority shareholders	-14	-7	-1	12	31
	93	118	135	219	411
The profit after tax is allocated as follows:					
Share attributable to Alm. Brand	24	91	44	154	286
Share attributable to minority shareholders	-14	-7	-1	12	31
	10	84	43	166	317
Earnings per share, DKK	0.1	0.5	0.3	0.9	1.7
Diluted earnings per share, DKK	0.1	0.5	0.3	0.9	1.7
Comprehensive income					
Profit for the year	10	84	43	166	317
Revaluation of owner-occupied properties	0	0	0	0	21
Transferred to collective bonus potential	0	0	0	0	-21
Comprehensive income	10	84	43	166	317
Proposed allocation of profit/loss:					
Share attributable to Alm. Brand	24	91	44	154	286
Share attributable to minority shareholders	-14	-7	-1	12	31
Comprehensive income	10	84	43	166	317

Statement of changes in equity

DKKm	Share capital	Contingency funds	Other provisions	Retained profit	Shareholders' equity	Minority interests	Consolidated equity
Shareholders equity, 1 January 2012	1,735	182	1,215	961	4,093	113	4,206
Changes in equity H1 2012:							
Profit/loss for the period				154	154	12	166
Total income	0	0		154	154	12	166
Repurchased shares				0	0		0
Purchase and sale of treasury shares in subsidiaries				-3	-3	0	-3
Tax on changes recognised in equity				1	1		1
Change in share attributable to minority interest				0	0	-4	-4
Changes in equity	0	0	0	152	152	8	160
Shareholders equity, 30 June 2012	1,735	182	1,215	1,113	4,245	121	4,366
Shareholders equity, 1 January 2012	1,735	182	1,215	961	4,093	113	4,206
Changes in equity 2012:							
Profit/loss for the year				286	286	31	317
Revaluation of owner-occupied properties				21	21		21
Transferred to collective bonus potential				-21	-21		-21
Tax on changes recognised in equity				0	0		0
Total income	0	0	0	286	286	31	317
Share option scheme				3	3		3
Purchase and sale of treasury shares				-6	-6		-6
Purchase and sale of treasury shares in subsidiaries				-7	-7	-7	-14
Tax on changes recognised in equity				0	0		0
Change in share attributable to minority interest				0	0	0	0
Changes in equity	0	0	0	276	276	24	300
Shareholders equity, 31 December 2012	1,735	182	1,215	1,237	4,369	137	4,506
Shareholders equity, 1 January 2013	1,735	182	1,215	1,237	4,369	137	4,506
Changes in equity H1 2013:							
Profit/loss for the period				44	44	-1	43
Total income	0	0	0	44	44	-1	43
Purchase and sale of treasury shares				-27	-27		-27
Purchase and sale of treasury shares in subsidiaries				-3	-3		-3
Share option scheme				2	2		2
Change in share attributable to minority interest				0	0	-4	-4
Changes in equity	0	0	0	16	16	-5	11
Shareholders equity, 30 June 2013	1,735	182	1,215	1,253	4,385	132	4,517
						30 June 2013	31 December 2012
Shareholders' equity exclusive minority interests						4,385	4,369
Consolidation of Pensionskassen under Alm. Brand A/S						-5	-6
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests						4,380	4,363
Share of profit attributable to Alm. Brand A/S						44	286
Consolidation of Pensionskassen under Alm. Brand A/S						1	-2
Share of profit attributable to Alm. Brand A/S under the rules of the Danish Financial Supervisory Authority						45	284

Capital target

DKKm	Capital base at 30 June 2013
Consolidated equity	4,517
Tax asset	-573
Supplementary capital	1,175
Consolidated capital base	5,119

DKKm	Capital target 30 June 2013
Non-life insurance (40% of gross premium income)	2,012
Life and Pension (8.75% of life insurance provisions)	935
Alm. Brand Bank (17.1% of risk weighted assets) *)	1,738
Capital tied Minority interests	46
Diversification effects	-300
Consolidated capital target	4,431

*) Calculated as the individual solvency need at 30 June 2013 plus 3 percentage points

Statutory capital requirement for the group at 30 June 2013	2,990
Excess relative to statutory capital requirement	2,129
Excess relative to internal capital target	688

Cash flow statement

DKKkM	Group		
	H1 2013	H1 2012	Year 2012
Cash flows from operating activities			
Premiums received	3,555	3,586	5,978
Claims paid	-3,077	-2,511	-4,551
Interest receivable, dividends, etc.	694	810	1,435
Interest payable	-179	-248	-455
Payments concerning reinsurance	-101	161	117
Fee income received	79	57	116
Fee income paid	-15	-17	-31
Expences paid	-527	-722	-1,319
Tax on pension investment returns paid	-152	-147	-151
Acquisition of intangible assets, furniture, equipments etc.	-50	-48	-66
Other ordinary income received	31	22	39
Taxes paid/received	0	0	6
Cash flows from operating activities	258	943	1,118
Change in investment placement (net)			
Properties acquired or converted	-2	15	-48
Sale of property	0	0	41
Sale/aquisition of equity investments	10	26	181
Sale/repayment of mortgage deeds and loans	441	730	1,416
Sale/aquisition of bonds	788	-791	432
Change in investment placement (net)	1,237	-20	2,022
Change in financing (net)			
Other provisions	-1	0	0
Sale/purchase of treasury shares	-27	0	-3
Sale/acquisition of subsidiaries (change in minority interests)	4	-4	-14
Subordinated debt	-530	0	0
Change in issued bonds	-1,050	-2,000	-4,000
Change in deposits	-151	2,341	3,284
Change in payables to credit institutions	1,052	475	-2,429
Change in financing (net)	-703	812	-3,162
Net change in cash and cash equivalents	792	1,735	-22
Cash and cash equivalents, beginning of period	1,185	1,207	1,207
Cash and cash equivalents, end of period	1,977	2,942	1,185

Segment reporting

H1 2013

DKKm	Non-life	Bank	Life	Other	Elimi- nation	Group
Premium income	2,483	0	465	0		2,948
Interest income etc.	124	303	211	0	-2	636
Fee income etc.	0	76	0	0	-21	55
Other investment income	0	0	43	0	-36	7
Income associates	0	2	0	0	0	2
Other income	0	31	0	0		31
Total income	2,607	412	719	0	-59	3,679
Claims incurred	-1,620	0	-1,348	0		-2,968
Interest expenses	-29	-180	-2	-6	2	-215
Other investment expenses	-11	0	-18	-17	21	-25
Provisions for bad and doubtful debts	0	-85	0	0		-85
Acquisition and administrative expenses	-413	-259	-39	0	36	-675
Total expenses	-2,073	-524	-1,407	-23	59	-3,968
Result of business ceded	-124	0	-3	0		-127
Change in life insurance provisions	0	0	1,164	0		1,164
Change in collective bonus potential	0	0	-160	0		-160
Exchange rate adjustments	-38	-151	-258	0		-447
Tax on pension investment returns	0	0	-6	0		-6
Profit before tax	372	-263	49	-23	0	135
Tax	-110	25	-11	4		-92
Profit after tax	262	-238	38	-19	0	43

H1 2012

Premium income	2,401	0	435	0		2,836
Interest income etc.	125	382	223	2	-2	730
Fee income etc.	0	64	0	0	-21	43
Other investment income	1	0	46	0	-25	22
Income associates	0	1	3	0	-3	1
Other income	0	22	0	0		22
Total income	2,527	469	707	2	-51	3,654
Claims incurred	-1,715	0	-538	0		-2,253
Interest expenses	-45	-248	-3	-4	2	-298
Other investment expenses	-10	0	-18	-18	21	-25
Provisions for bad and doubtful debts	0	-103	0	0		-103
Acquisition and administrative expenses	-389	-284	-38	0	25	-686
Total expenses	-2,159	-635	-597	-22	48	-3,365
Result of business ceded	50	0	10	0		60
Change in life insurance provisions	0	0	-104	0		-104
Change in collective bonus potential	0	0	-87	0		-87
Exchange rate adjustments	-40	-16	183	0		127
Tax on pension investment returns	0	0	-66	0		-66
Profit before tax	378	-182	46	-20	-3	219
Tax	-95	49	-12	5		-53
Profit after tax	283	-133	34	-15	-3	166

Notes

DKKkm	Group		
	H1 2013	H1 2012	Year 2012
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	-27	0	-7
Acquired during the period	27	5	12
Sold during the period	0	-5	-5
Carrying amount, end of period	0	0	0
Nominal value, beginning of year	7	3	3
Acquired during the period	14	4	9
Sold during the period	0	-5	-5
Nominal value, end of period	21	2	7
Holding (number of shares), beginning of year	710	298	298
Additions, number of shares	1,436	415	893
Disposals, number of shares	0	-480	-481
Holding (number of shares), end of period	2,146	233	710
Percentage of share capital, end of period	1.2%	0.1%	0.4%

Note 2 Contingent liabilities, guaranties and leasing

Guarantee commitments	1,565	1,501	1,473
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Note 3 Accounting policies - Group

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

The parent company financial statements have been prepared in accordance with the provisions of the - Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and profession-specific pension funds.

IFRS 13 "Fair value measurement" was implemented with effect from 1 January 2013, when the standard en-

tered into force. The standard provides a single framework for measuring fair value and provides guidance on how to measure fair value along with disclosure requirements. The implementation did not have any significant effect on the financial results.

The accounting policies applied for the consolidated financial statements are other wise unchanged from the policies applied for the Annual Report 2012.

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 six months ended 30 June 2013 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management's report.

Balance sheet

DKKkM	Note	Parent company		
		30 June 2013	30 June 2012	31 December 2012
Assets				
Investment in group enterprises	1	4,644	4,238	4,384
Total investments in group enterprises and associates		4,644	4,238	4,384
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		0	250	225
Cash in hand and balances at call		-12	16	11
Total other financial investment assets		-9	269	239
Total investment assets		4,635	4,507	4,623
Receiveables from group enterprises		11	2	11
Other receivables		36	38	37
Total receivables		47	40	48
Current tax assets		23	14	17
Deferred tax assets		14	20	17
Total other assets		37	34	34
Total assets		4,719	4,581	4,705
Liabilities and equity				
Share capital		1,735	1,735	1,735
Other provisions		1,215	1,215	1,215
Retained earnings		1,430	1,291	1,413
Total shareholders' equity		4,380	4,241	4,363
Subordinated loan capital		250	250	250
Total subordinated loan capital		250	250	250
Deferred tax liabilities		46	46	46
Total provisions		46	46	46
Payables to subsidiaries		0	0	2
Issued bonds		32	32	32
Other payables		11	12	12
Total payables		43	44	46
Deferred income		0	0	0
Total liabilities and equity		4,719	4,581	4,705

Income statement

DKKm	Note	Parent company				
		Q2 2013	Q2 2012	H1 2013	H1 2012	Year 2012
Income from group enterprises	2	32	98	63	169	319
Interest income and dividends, etc.		0	1	0	1	1
Interest expenses		-3	-1	-6	-4	-13
Administrative expenses related to investment activities		-7	-9	-16	-17	-34
Profit before tax		22	89	41	149	273
Tax		1	2	4	5	11
Profit for the Year		23	91	45	154	284

Comprehensive income

Profit for the period		23	91	45	154	284
Comprehensive income		23	91	45	154	284
Proposed allocation of profit/loss:						
Retained earnings		23	91	45	154	284

Note 3 Accounting policies parent company

Statement of changes in equity

DKK m	Parent company			
	Share-Capital	Other provisions	Retained earnings	Shareholders' equity
Shareholders equity, 1 January 2012	1,735	1,215	1,139	4,089
Changes in equity H1 2012:				
Profit/loss for the period			154	154
Total income			154	154
Purchase and sale of treasury shares			0	0
Repurchased shares			-3	-3
Tax on changes recognised in equity			1	1
Changes in equity	0		152	152
Shareholders equity, 30 June 2012	1,735	1,215	1,291	4,241
Shareholders equity, 1 January 2012	1,735	1,215	1,139	4,089
Changes in equity 2012:				
Profit/loss for the year			284	284
Total income			284	284
Cost relating to share issue			-6	-6
Purchase and sale of treasury shares in subsidiaries			-7	-7
Share option scheme			3	3
Tax on changes recognised in equity			0	0
Changes in equity	0	0	274	274
Shareholders equity, 31 December 2012	1,735	1,215	1,413	4,363
Shareholders equity, 1 January 2013	1,735	1,215	1,413	4,363
Changes in equity H1 2013:				
Profit/loss for the period			45	45
Total income			45	45
Purchase and sale of treasury shares			-27	-27
Purchase and sale of treasury shares in subsidiaries			-3	-3
Share option scheme			2	2
Changes in equity	0	0	17	17
Shareholders equity, 30 June 2013	1,735	1,215	1,430	4,380

Notes

Note 1 Investment in group enterprises

DKKkm	Parent company		
	30 June 2013	30 June 2012	31 December 2012
Cost, beginning of year	7,591	7,291	7,291
Additions during the period	700	300	300
Cost, end of period	8,291	7,591	7,591
Revaluation and impairment, beginning of year	-3,201	-3,020	-3,020
Dividend received	-500	-500	-500
Profit for the period	63	169	319
Revaluation and impairment of treasury shares in subsidiaries	-9	-2	-6
Revaluation and impairment, end of period	-3,647	-3,353	-3,207
Carrying amount, end of period	4,644	4,238	4,384
Specification of carrying amount:			
Alm . Brand Bank A/S	1,458	1,241	996
Alm . Brand Forsikring A/S	3,185	2,996	3,387
Asgaard Finans A/S	1	1	1
Carrying amount, end of period	4,644	4,238	4,384

Note 2 Income from group enterprises

DKKkm	Parent company		
	H1 2013	H1 2012	Year 2012
Alm . Brand Bank A/S	-236	-148	-391
Alm . Brand Forsikring A/S	299	317	710
Asgaard Finans A/S	0	0	0
Total income from group enterprises	63	169	319

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 2012.

The interim report for the six months ended 30 June 2013 is unaudited.