ALM. BRAND A/S

INTERIM REPORT - THE THIRD QUARTER OF 2010



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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

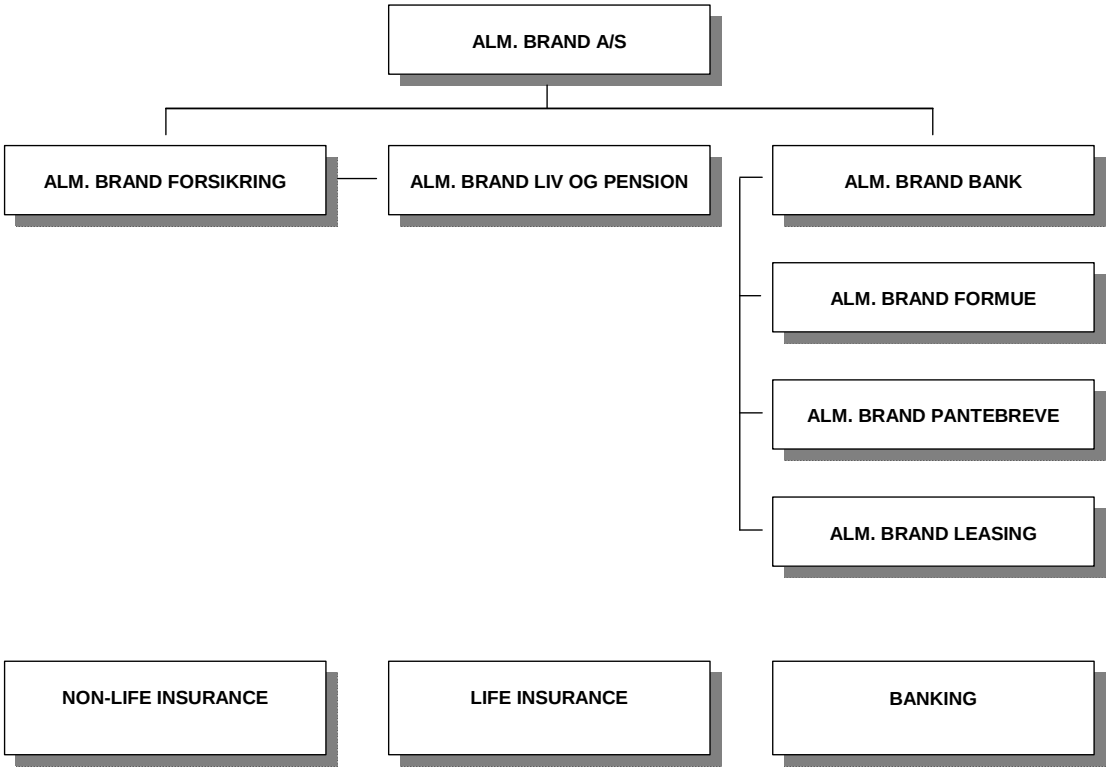
AUDITORS
Deloitte, Statsautoriseret Revisionsaktieselskab

INTERNAL AUDITOR
Poul-Erik Winther, Chief auditor

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GROUP STRUCTURE



Dormant or discontinuing activities are not included.

The Alm. Brand A/S Group's principal activity is its non-life insurance operations, which are supported by the two business areas life insurance and pension and banking.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Year 2009
Income					
Non-Life Insurance	1,201	1,175	3,559	3,509	4,714
Banking	289	294	846	985	1,254
Life Insurance	151	136	499	466	710
Copenhagen Re	-	3	-	10	10
Investments	170	214	530	680	883
Total income	**1,811**	**1,822**	**5,434**	**5,650**	**7,571**
Profit excluding minorities					
Non-Life Insurance	105	42	41	231	287
Banking	-488	-312	-660	-1,309	-1,758
Life Insurance	30	70	159	107	139
Copenhagen Re	-	0	-	3	-11
Other activities	-9	-20	-36	1	7
Profit before tax	**-362**	**-220**	**-496**	**-967**	**-1,336**
Tax	87	53	143	247	336
Profit after tax	**-275**	**-167**	**-353**	**-720**	**-1,000**
Profit Group					
Profit before tax, Group	**-363**	**-250**	**-500**	**-997**	**-1,416**
Tax	87	52	143	246	336
Profit after tax, Group	**-276**	**-198**	**-357**	**-751**	**-1,080**
Provisions for insurance contracts	19,164	18,945	19,164	18,945	17,894
Shareholders´ equity	3,304	4,029	3,304	4,029	3,694
Of which minority interests	156	250	156	250	199
Total assets	49,669	47,809	49,669	47,809	47,498
Return on equity before tax excluding minorities p.a.	-44%	-23%	-20%	-31%	-33%
Return on equity after tax excluding minorities p.a.	-33%	-17%	-14%	-23%	-25%
Earnings per Share	-16	-10	-21	-43	-59
Diluted Earnings per Share	-16	-10	-21	-43	-59
Net assets value per Share	186	224	186	224	207
Share price end of period	48	119	48	119	91
Share price/Net asset value	0.26	0.53	0.26	0.53	0.44
Number of shares end of period ('000)	16,929	16,835	16,929	16,835	16,835
Average number of shares ('000)	16,882	16,835	16,882	16,729	16,828

THE ALM. BRAND A/S GROUP

The group's principal activity is its non-life insurance operations, which account for most of the group's total income. This principal activity is supported by the two business areas life and pension insurance and banking.

Alm. Brand Forsikring is the 4th largest non-life insurer in the Danish market. Alm. Brand Bank is Denmark's 15th largest bank, while Alm. Brand Liv og Pension is the 7th largest commercial life and pension insurer.

Non-life insurance has activities within all customer segments, except corporate and marine insurance. Life insurance offers insurance products and traditional savings products, including guaranteed benefit products, while pension savings such as market rate products are offered through the bank. Life insurance only operates in the commercial market and therefore does not offer labour market pensions.

Going forward, Alm. Brand Bank will focus exclusively on private customers, leasing and Asset Management and Markets. All other activities are being wound up, including loans to commercial and agricultural customers, mortgage deed trading, loans for property development projects and investment commitments with illiquid assets, including mortgage deeds, etc.

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.

Main elements of the Q3 report

Non-life insurance

- The company posted a profit before tax of DKK 105 million in Q3 2010, against DKK 42 million in Q3 2009.
- The combined ratio improved from 99.1 in Q3 2009 to 92.2 in Q3 2010.
- Premium income grew by 2.2% in Q3 2010 relative to the same period of last year.
- The claims frequency fell and average claims stabilised.
- On 31 August, the group completed a layoff programme comprising 110 employees as well as restructurings.
- The full-year guidance is upgraded by DKK 120 million from a loss of DKK 20 million to a profit of DKK 100 million before tax. The combined ratio is expected to be in the region of 99 in 2010.
- For 2011, the company expects to generate a profit of DKK 300 million before tax. The combined ratio is expected to be in the region of 95 in 2011.

Banking

- The strategy for the bank has been further delineated.
- Nine out of 20 bank branches were closed at 31 August 2010.
- At 30 September 2010, the bank's pro rata consolidated lending portfolio totalled DKK 13.2 billion, some three quarters of which is being wound up.
- The Danish FSA conducted an ordinary inspection of Alm. Brand Bank in October and November 2010. The inspection caused management to increase impairment writedowns in Q3 2010. This in all material respects represents an advancement of impairment writedowns. Moreover, management's forecast for future losses and writedowns was raised from around DKK 1.3 billion to around DKK 1.4 billion from 1 January 2010 to 31 December 2012. The increase was caused by a more conservative valuation of mortgage deeds and not by a rising delinquency rate. After the impairment write-downs made in Q3 2010, management estimates that losses and writedowns for the period 1 October 2010 to 31 December 2012 will amount to almost DKK 700 million.
- The bank posted a loss of DKK 23 million before tax and before losses and writedowns in Q3 2010. The performance was adversely affected by provisions for restructurings and branch office closures and by an unrealised capital loss on mortgage deeds of DKK 59 million in aggregate.
- The bank's losses and writedowns amounted to an expense of DKK 465 million in Q3 2010.
- The full-year guidance is downgraded by DKK 50 million from a profit of DKK 140 million to a profit of DKK 90 million before tax and before losses and writedowns.
- For 2011, the bank expects to generate a profit of DKK 70 million before tax and before losses and writedowns.

Life insurance and pension

- The company posted a profit of DKK 30 million before tax in Q3 2010, against DKK 70 million in the year-earlier period.
- The profit before tax for the year to date was DKK 159 million, against DKK 107 million for the same period of 2009.
- Shareholders' equity received the full risk premium for the nine months ended

30 September 2010. In addition, DKK 56 million was reversed from the shadow account, bringing the shadow account to DKK 0 million.
- The forecast for the full-year profit before tax is upgraded by DKK 30 million to DKK 170 million. The Q3 upgrade was primarily based on the positive equity return.
- For 2011, the company expects to generate a profit before tax of DKK 70 million.

Group

- Including losses and writedowns in the bank, the Alm. Brand Group posted a loss of DKK 362 million before tax and excluding minority interests in Q3 2010. The corresponding figure for the same period of last year was a loss of DKK 220 million.
- Excluding losses and writedowns in the bank, the group posted a profit of DKK 103 million in Q3 2010.
- The group's total acquisition and administrative expenses excluding expenses for Bank Package I and the Private Contingency Association declined by 3.4% relative to Q3 2009.
- The guidance for the full-year consolidated profit before losses and writedowns in the bank is upgraded by DKK 100 million to DKK 300 million.
- For 2011, the group expects to generate a full-year profit before losses and writedowns in the bank of DKK 340–400 million, depending on whether the group raises subordinated loan capital or completes a rights issue.

Major events

Extraordinary general meeting
On 5 August 2010, the company held an extraordinary general meeting. The only item on the agenda was a proposal to reduce the denomination of the company's shares from DKK 80 to DKK 10. The proposal was approved. Following the capital reduction, the nominal share capital of Alm. Brand A/S amounts to DKK 173,500,000, equivalent to 17,350,000 shares of DKK 10 nominal value each.

Layoffs and restructurings
On 31 August, the group completed a comprehensive layoff and restructuring programme.

In that connection, 110 employees were made redundant. In addition, a number of employees were transferred to a new job position or to a new work location.

In addition, the group established a department dedicated to preventing claims and to performing inspections, risk assessment and adjustment of insurances with a view to achieving a better correlation between price and risk, particularly in agricultural lines.

Finally, almost half of the group's bank branches were closed. The closures were motivated partly by the fact that the bank has abandoned its growth focus, partly by the fact that customers have changed their behaviour to the effect that more and more customers use electronic means to contact the group and carry out their financial transactions. Alm. Brand's current number of branch offices more or less corresponds to that maintained by its competition.

Significant events after the end of the reporting period

Extraordinary general meeting
On 28 October 2010, the company held an extraordinary general meeting. At this general meeting, the Board of Directors was authorised to increase the share capital by up to DKK 1,735 million.

In addition, the group's management and management decisions were discussed, including whether the strategy presented would secure the group's future profit and value-creation.

Senior loan from Alm. Brand af 1792 fmba
As a result of the Danish FSA's inspection of Alm. Brand Bank's lending portfolio, management has resolved to increase the individual solvency need of the bank to 14.1% going forward, corresponding to a strengthening of Alm. Brand Bank's capital requirement of approximately DKK 0.5 billion. The assessment of the individual solvency need reflects the substantial uncertainty surrounding the estimate of expected future impairment writedowns.

At 17 November, Alm. Brand af 1792 fmba granted a senior loan of DKK 600 million to Alm. Brand A/S, which subsequently, also at 17 November 2010, contributed DKK 600 million in equity to Alm. Brand Bank.

In June 2010, Alm. Brand af 1792 fmba made a commitment to provide DKK 900 million to Alm. Brand A/S, either in the form of subordinated loan capital or share capital.

Outlook

Outlook for 2010
The forecast for the group's full-year profit is upgraded by DKK 100 million to DKK 300 million relative to the most recent guidance announced in August 2010.

The upgrade is the result of the improved performance of the group's insurance operations, including a more positive performance of the underlying non-life business than expected, fewer

major claims, run-off gains and a satisfactory investment return in the life insurance company.

On the other hand, the bank has downgraded its full-year forecast due to negative value adjustments of mortgage deeds.

The guidance has been calculated before tax and before losses and writedowns in the bank.

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

	August 2010 *)	**November 2010 *)**
Non-Life	-20	100
Banking	140	90
Life	140	170
Other	-60	-60
Profit before tax and minorities	**200**	**300**

*) Before losses and writedowns in the bank

The guidance for the non-life combined ratio for the full year 2010 is upgraded from 103 to around 99.

The full-year consolidated revenue for 2010 is expected to be in the region of DKK 7 billion.

Outlook for 2011
For the full year 2011, the group expects to generate a profit of DKK 340–400 million, depending on whether the group raises subordinated loan capital or completes a rights issue.

The guidance has been calculated 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 for the full year 2011.

The non-life combined ratio is expected to be around 95.

The group will remain strongly focused on the measures already launched to enhance its performance, including to improve the correlation between price and risk in non-life operations 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	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Year 2009
Gross premiums	1,201	1,175	3,559	3,509	4,714
Investment income on insurance business	6	0	25	43	53
Claims incurred	-904	-906	-2,839	-2,678	-3,601
Underwriting management expenses	-207	-209	-652	-672	-872
Profit from business ceded	4	-49	-87	-101	-146
Underwriting profit	**100**	**11**	**6**	**101**	**148**
Interest and dividends etc.	72	105	214	295	370
Capital gains/losses	-27	-21	-46	10	1
Management expenses relating to investment business	-5	-6	-15	-15	-29
Interest on technical provisions	-36	-48	-120	-161	-205
Profit on investments business after allocation of technical interest	**4**	**30**	**33**	**129**	**137**
Other ordinary items	1	1	2	1	2
Profit before tax	**105**	**42**	**41**	**231**	**287**
Tax	-26	-11	-10	-58	-79
Profit for the year	**79**	**31**	**31**	**173**	**208**
Run-off gains/losses	65	60	162	52	80
Technical provisions	7,399	6,955	7,399	6,955	6,631
Insurance assets	192	134	192	134	103
Shareholders' equity	1,683	1,558	1,683	1,558	1,753
Total assets	9,854	9,048	9,854	9,048	8,933
Gross claims ratio	75.3%	77.1%	79.8%	76.3%	76.4%
Gross expense ratio	17.2%	17.8%	18.3%	19.2%	18.5%
Net reinsurance ratio	-0.3%	4.2%	2.5%	2.9%	3.1%
Combined ratio	92.2%	99.1%	100.6%	98.4%	98.0%
Operating ratio	91.7%	99.1%	99.8%	97.2%	96.9%
Return on equity before tax p.a.	26%	11%	3%	21%	19%
Return on equity after tax p.a.	20%	8%	2%	16%	14%

Performance

The group's non-life insurance operations generated a profit before tax of DKK 105 million in Q3 2010. The performance is satisfactory and better than had been expected. The performance for the same period of 2009 was a pre-tax profit of DKK 42 million.

Year to date, profit before tax was DKK 41 million, against DKK 231 million in the same period of 2009.

The year-to-date performance was not satisfactory and was driven primarily by substantial expenses for winter-related claims, including snow load claims in the beginning of 2010.

The Q3 performance was favourably affected by higher premium income, run-off gains, fewer major claims and a positive performance of the underlying business. It was adversely affected by many cloudburst claims in August and by a lower investment return. Operating expenses for the third quarter of 2010 comprise provisions for salary, pension, etc. for employees made redundant.

The Q3 performance was equivalent to a return on equity before tax of 26% p.a., against 11% p.a. in Q3 2009. The year-to-date performance was equivalent to a return on equity before tax of 3% p.a., against 21% p.a. in the same period of last year.

Premiums
Gross premiums totalled DKK 1,201 million in Q3, an increase of 2.2% on the year-earlier period. The increase in premium income was attributable to the premium increases notified during 2009 and 2010.

In the private customer segment, growth in premium income was 3.7% relative to Q3 2009. Year to date, premium income amounted to DKK 3,559 million, against DKK 3,509 million for the same period of 2009, corresponding to an increase of 1.4%.

Building and contents insurances

Premium increases of 12% on average on the portfolio of building and contents policies in the commercial and agricultural customer segments have been announced on a regular basis since 1 January 2010. In the commercial customer segment, this has resulted in a slightly greater customer outflow than expected.

Moreover, many customers, particularly in the agricultural segment, have chosen to convert to policies with higher deductibles or reduced cover. Although these conversions have reduced the effect of the premium increases, they have also lowered Alm. Brand's risk exposure.

Claims experience

The claims ratio was 75.3 in Q3 2010, as compared with 77.1 in the same period of last year.

The Q3 claims ratio was adversely affected by the cloudburst claims in August and by a lower discount rate and favourably affected by an improved performance of the underlying business, fewer major claims and by run-off gains.

The number of reported claims declined in Q3 2010. The number of insurances also declined during the period, but the company recorded an actual decline in the claims frequency of 3.5% excluding cloudburst claims.

The year-to-date claims ratio including run-off gains was 79.8, against 76.3 in Q3 2009.

The claims ratio for the year to date remained adversely impacted by the previously announced snow load claims and the severe winter weather in the first three months of the year as well as by a lower discount rate.

The claims ratio for the year to date was favourably affected by fewer small claims, lower expenses for major claims and run-off gains.

Weather conditions

On 14 August 2010, Copenhagen and North Zealand were hit by a violent cloudburst with a fall rate of around 100 millimetres in some places. In the following days, additional cloudbursts were seen in many parts of Denmark.

Total weather-related expenses amounted to DKK 160 million in Q3, against DKK 75 million in the same period of 2009. Net of reinsurance, the expense was DKK 105 million for the full quarter, while expenses for the cloudburst claims in August amounted to DKK 85 million net of reinsurance. This was due to the company's reinsurance programme, which accumulates claims within a 72-hour period. The company has reinsurance cover in respect of expenses for cloudburst claims from DKK 85 million to DKK 185 million.

Weather-related claims affected the gross claims ratio by 13.3 percentage points in Q3 2010, against 6.3 percentage points in the same period of 2009. Net of reinsurance, the effect on the combined ratio was 8.7 percentage points.

Year to date, weather-related claims affected the combined ratio by 13.5 percentage points, and 12.0 percentage points net of reinsurance, against 3.0 percentage points in 2009.

Major claims

Total expenses in respect of major claims for all segments amounted to DKK 85 million in Q3 2010, against DKK 90 million net of reinsurance in the same period of last year. The performance was slightly better than expected. Major claims affected the combined ratio by 7.1 percentage points in Q3, as compared with 7.7 percentage points net of reinsurance last year.

Year to date, expenses for major claims totalled DKK 266 million, against DKK 309 million net of reinsurance in the same period of 2009, corresponding to 7.5 percentage points of the combined ratio in 2010 and 8.8 percentage points in 2009.

Positive trend in small claims

In terms of building insurances, expenses for small claims not related to the weather declined relative to the year-earlier period. The most important reason for this decline was the sustained fall in the number of reported burglary and theft claims. In Q3 2010, the frequency of such claims declined by almost 6% relative to the same period of last year. The year-to-date decline was also almost 6%.

The same claims trend is seen for commercial buildings.

Harvest fires in agricultural lines

In Q3 2010, the number of harvest fires declined relative to the same period of last year. This marked a 50% reduction of expenses for major agricultural fire claims in the period from July to September, which was probably due to the heavy rainfall.

Fewer motor claims in Q3

The severe winter caused an increase in the number of reported motor claims in Q1 2010, but developments in the subsequent quarters were favourable with a decline in the number of reported claims relative to last year. The number of insurances also declined, but the company recorded an actual decline in the claims frequency of 3.4% in Q3 2010 relative to the same period of 2009.

Effect of lower rate of interest
The interest rate used for discounting provisions declined in Q3 2010, as compared with Q3 2009. The effect on the claims ratio in Q3 2010 was an increase of 0.5 of a percentage point on Q3 2009.

The lower rate of interest increased the claims ratio for the year to date by around 0.6 of a percentage point relative to the year-earlier period.

Run-off result
The run-off result for Q3 2010 was a gain of DKK 65 million, against a gain of DKK 60 million in Q3 2009.

Year to date, the run-off result was a gain of DKK 162 million, against DKK 52 million in 2009. The company recorded significant gains in the motor insurance and workers' compensation segments, and most other segments also reported gains.

Net reinsurance ratio
The Q3 reinsurance result amounted to a net income of 0.3%, against a net expense of 4.2% in the same period of 2009. The improvement was attributable to reinsurance cover received for cloudburst claims in August.

Year to date, the net reinsurance ratio was 2.5, against 2.9 in the same period of 2009.

Costs
The Q3 expense ratio was 17.2, against 17.8 in the year-earlier period. Year-to-date expenses totalled 18.3% of gross premiums, against 19.2% last year.

The lower level of expenses was attributable to the group's efforts to reduce costs. Accordingly, the expense ratio is expected to be reduced by around 2 percentage points by end-2012 relative to the full year 2009.

On 31 August, the group completed a number of layoffs and restructurings. Salary, pension, etc. for employees made redundant were expensed in Q3 2010.

Combined ratio
The Q3 performance produced a combined ratio of 92.2, against 99.1 in Q3 2009.

The year-to-date combined ratio was 100.6, against 98.4 in 2009.

The table below shows a breakdown of the combined ratio on the run-off result, weather-related claims and major claims net of reinsurance received which can be attributed to such claims expenses.

	2008	2009	Q1-Q3 2009	Q1-Q3 2010
Combined Ratio excl. weather-related claims and major claims	84.6	88.8	88.1	85.7
Major claims	9.3	7.8	8.8	7.5
Weather-related claims	1.9	3.1	3.0	12
Run-off result	0.7	-1.7	-1.5	-4.6
Combined Ratio	**96.5**	**98.0**	**98.4**	**100.6**

Investment return
The non-life investment assets are predominantly placed in interest-bearing assets, most of which are mortgage bonds, while approximately 40% of the overall interest rate risk is attributable to interest rate swaps. Throughout the first nine months of 2010, the interest-bearing assets had a weighted duration of two to three years. The non-life equity exposure was less than 1% of the investment assets in Q3 2010.

The investment return after value adjustment of provisions, but before transfer to insurance activities, amounted to DKK 40 million in Q3 2010, against DKK 78 million in Q3 2009.

The fall in interest rates during the third quarter of 2010 resulted in negative value adjustments of non-life provisions, which were offset by positive value adjustments of assets. However, value adjustments of assets and provisions contributed a net loss. Accordingly, the investment return consisted mainly of interest income.

The year-to-date investment return was DKK 153 million, as compared with DKK 290 million in the corresponding period of 2009.

Balance sheet

At 30 September 2010, the equity allocated to non-life insurance was DKK 1.7 billion. Alm. Brand Forsikring A/S had a solvency ratio of 2.7 at 30 September 2010, as compared with 2.7 at 31 December 2009.

Major events

Cloudburst in August
On 14 August 2010, Copenhagen and North Zealand were hit by a violent cloudburst. Hardest hit was North Zealand, where the town of Vedbæk experienced a fall rate of almost 100 millimetres over a period of 24 hours. This was 1.5 times the monthly average for the area.

During the following days, there were additional cloudbursts all over Denmark. The total precipitation recorded for Denmark overall was 124 millimetres in August 2010, making it the 10th wettest

month of August since the Danish Meteorological Institute (DMI) started measuring precipitation.

Alm. Brand received an aggregate of almost 3,000 cloudburst claims during the period, the cost of which is estimated at approximately DKK 140 million net of reinsurance.

New agreement with insurance agents
The company concluded a new agreement with insurance agents effective 1 July, which reduces commission rates on commercial and agricultural business by around 20% on average. However, it is expected that new tools and work methods will facilitate improved customer service and enhance the efficiency of individual insurance agents in order that their salary levels may be retained.

Inspection of agricultural properties
In order to enhance the profitability of the agricultural segment, a new "Quality and Risk" unit was set up in September, consisting of a team of agricultural consultants who are all experienced former insurance agents. The agricultural consultants are responsible for inspection, risk assessment and adjustment of insurances on a substantial part of the agricultural portfolio. This service is expected to result in fewer and less expensive claims.

Conversion of the commercial portfolio
A specialist group of former insurance advisers was set up in September. This group will focus on conversion of commercial policies, technical industries and workers' compensation insurances. The purpose of this is to collect additional data for use in more precise risk assessment and determination of premiums. When the conversion team has completed its task, the entire portfolio of commercial customers will be up to date with the most recent versions of products and tariff parameters.

Trimming process
In order to create a better balance between risk and price, all segments are trimmed on an ongoing basis. With a view to improving profitability, particularly in the commercial and agricultural segments, additional measures were taken and additional resources were committed for this purpose in Q3 2010.

Fewer agricultural insurance agents
The structure of the agricultural sector has changed significantly over the past ten years. The number of productive farms has declined sharply, among other things due to acquisitions and combination of farms. Accordingly, the company does not require as many insurance agents to serve its agricultural customers as it did before. Alm. Brand therefore reduced the number of agricultural insurance agents from 63 to 35 in August.

New personal accident product
On 13 September 2010, Alm. Brand launched a new personal accident product. In addition to the general price adjustments resulting from the recent higher number of and more expensive personal accident claims, the cover has been extended for the benefit of the customers. In addition, the company offers supplementary cover options, thereby increasing the flexibility of the product in order to accommodate the wishes and requirements of the individual customer.

Overall, the product and price adjustments are expected to result in premium increases at the level of 30%. The new conditions and prices will be introduced for the existing portfolio, starting with policies coming up for renewal on or after 1 January 2011.

Premium increases on household comprehensive and building insurances
In order to ensure profitability in the portfolio, the company has gradually implemented a number of premium increases on household comprehensive and building insurance since 2008.

Existing customers have received notification of new insurance terms and conditions as well as new tariffs. This resulted in average price increases on the portfolio of around 12% on building insurances in 2009 and 8% on household comprehensive insurances from mid-2009 to mid-2010.

The prices for new building and household comprehensive insurances taken out were further increased by 13% and 9%, respectively, from mid-November.

Reinsurance
As from 1 October, Alm. Brand took out cover in respect of the risk of a windstorm or other catastrophic events from DKK 75 million upwards, as opposed to previously when the company had only covered risks from DKK 150 million upwards. This cover should be seen in light of last winter's events and as a consequence of the company's ongoing risk management efforts.

Outlook

Outlook for 2010
The guidance for non-life insurance is upgraded by DKK 120 million from a loss of DKK 20 million to a profit of DKK 100 million before tax. The upgrade is based on fewer major claims, a better performance of the underlying business and run-off gains. In addition, the combined ratio forecast is lowered by 4 percentage points from 103 to around 99.

The forecast for premium growth is retained at around 1% for the year as a whole.

Outlook for 2011
Non-life insurance expects to generate a profit of DKK 300 million in 2011.

The forecast is based on the implemented and planned premium increases, new terms and conditions and initiatives to achieve a more precise price/risk relationship for the individual customer. The forecast also includes the already implemented and planned cost savings, which are expected to reduce the expense ratio by approximately 2 percentage points by the end of 2012 relative to year-end 2009.

Accordingly, the combined ratio for 2011 is expected to be in the region of 95.

The company expects to generate premium growth at the rate of approximately 1% for the full year 2011.

REPORT – BANKING

	PRO RATA					CONSOLIDATED FIGURES				
DKKm	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Year 2009	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Year 2009
Interest receivable	250	249	703	845	1,082	254	257	720	870	1,114
Interest payable	-104	-130	-297	-507	-634	-105	-131	-301	-514	-643
Net interest income	**146**	**119**	**406**	**338**	**448**	**149**	**126**	**419**	**356**	**471**
Net fees and commissions receivable and dividends, etc.	36	36	126	116	143	35	37	126	115	140
Net interest and fee income	**182**	**155**	**532**	**454**	**591**	**184**	**163**	**545**	**471**	**611**
Value adjustments	-138	-87	-217	-89	-177	-137	-117	-221	-119	-257
Other operating income	7	5	16	15	17	7	3	17	14	17
Profit before expenses	**51**	**73**	**331**	**380**	**431**	**54**	**49**	**341**	**366**	**371**
Expenses and depreciation/amortisation	-140	-132	-397	-395	-658	-143	-133	-404	-402	-669
Other operation costs	-23	-21	-65	-59	-81	-22	-22	-66	-60	-81
Write-downs of loans, advances and receivables, etc.	-375	-233	-548	-1,236	-1,451	-375	-233	-548	-1,236	-1,451
Profit from equity investments	-1	1	19	1	1	-1	1	19	1	1
Profit/loss before tax	**-488**	**-312**	**-660**	**-1,309**	**-1,758**	**-487**	**-338**	**-658**	**-1,331**	**-1,829**
Tax	119	84	184	331	433	**119**	**83**	**184**	**330**	**433**
Profit after tax	**-369**	**-228**	**-476**	**-978**	**-1,325**	**-368**	**-255**	**-474**	**-1,001**	**-1,396**
Share attributable to minority interests	**-**	**-**	**-**	**-**	**-**	-1	27	-2	23	71
Profit after tax excluding minority interests	-	-	-	-	-	**-369**	**-228**	**-476**	**-978**	**-1,325**
Profit before tax excluding minority interests	-	-	-	-	-	*-488*	*-312*	*-660*	*-1,309*	*-1,758*
Loans and advances	14,286	15,526	14,286	15,526	15,024	14,010	15,476	14,010	15,476	14,823
Deposits	9,620	11,386	9,620	11,386	11,102	9,618	11,386	9,618	11,386	11,096
Shareholders' equity	886	1,158	886	1,158	1,362	1,076	1,434	1,076	1,434	1,589
Share attributable to minority interests	-	-	-	-	-	190	276	190	276	227
Total assets	27,031	24,749	27,031	24,749	26,162	27,339	25,186	27,339	25,186	26,539
Average no. of employees (full-time equivalents)	336	366	349	366	365	336	366	349	366	366
Interest margin	-	-	-	-	-	2.4%	2.1%	2.4%	1.9%	1.9%
Income/cost ratio	0.10	0.19	0.35	0.23	0.20	0.10	0.13	0.35	0.22	0.17
Impairment ratio	2.1%	1.2%	3.1%	6.5%	7.8%	2.2%	1.2%	3.2%	6.4%	7.9%
Solvency ratio	-	-	-	-	-	12.6%	16.5%	12.6%	16.5%	16.0%

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, Q1–Q3 2009 and Q3 2009, respectively, are used as benchmarks for Q1–Q3 2010 and Q3 2010, respectively.

Performance

The bank posted a loss before writedowns and losses of DKK 23 million in Q3 2010. Year to date, the bank posted a profit of DKK 91 million.

The loss for Q3 2010 was partly attributable to provisions for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures and partly to a substantial unrealised capital loss on mortgage deeds.

This capital loss was attributable to an update of the security ranking of the mortgage deeds in the respective properties, which forms part of the basis for estimating the value of the mortgage deed portfolio in the bank and the bank's partly owned subsidiary Alm. Brand Pantebreve A/S.

The year-to-date profit of DKK 91 million before losses and writedowns was mainly attributable to

declining interest rates in 2010 to date. The decline in interest rates entailed, among other things, unrealised capital gains on mortgage deeds, which, at 30 September 2010, were greater than the previously mentioned unrealised capital gains on mortgage deeds in Q3 2010. Moreover, the performance for the year to date was favourably affected by the development in net interest income, primarily as a result of a lower level of interest rates on fixed-rate deposits and investments in high-yielding bonds. On the other hand, provisions for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures had an adverse effect.

Including losses and writedowns, the bank incurred a loss of DKK 660 million for the year to date. In the same period of last year, the bank posted a loss of DKK 1,309 million including losses and writedowns.

The unsatisfactory performance including losses and writedowns was primarily attributable to substantial credit-related losses and writedowns on mortgage deeds. Total losses and writedowns amounted to DKK 751 million for the year to date, of which DKK 465 million was written down in the third quarter.

Net interest and fee income
Net interest and fee income for the first nine months of 2010 amounted to DKK 532 million, against DKK 454 million in the same period of last year.

In Q3 2010, net interest and fee income totalled DKK 182 million, against DKK 180 million in Q2 2010. In Q3 2009, the net income amounted to DKK 155 million.

Interest income
The bank's net interest income was DKK 406 million for the year to date, an increase of DKK 68 million relative to the year-earlier period.

In Q3 2010, net interest income amounted to DKK 146 million, which was an increase of DKK 10 million relative to Q2 2010 and DKK 27 million relative to Q3 2009.

The positive trend in net interest income was partly due to the lower level of interest rates on fixed-rate deposits prevailing from the beginning of the year, and partly to investments in high-yielding bonds.

The banking group's interest margin was 2.4% in Q3 2010, equivalent to the interest margin for the first six months of 2010.

Year to date, the interest margin for the banking group was 2.4%, against 1.9% for the nine months ended 30 September 2009.

Fee income
Year to date, net fee income amounted to DKK 126 million, which was an increase of DKK 10 million relative to the year-earlier period. Net fees for Q3 2010 amounted to DKK 36 million, which was on a par with Q3 2009.

Value adjustments
Value adjustments for the year to date amounted to a capital loss of DKK 217 million, against a DKK 89 million loss in the same period of last year. Value adjustments amounted to a capital loss of DKK 138 million in Q3.

Value adjustments for the year to date were affected by credit-related value adjustments of mortgage deeds in the amount of DKK 203 million. In Q3 2010, credit-related impairment writedowns on the mortgage deed portfolio amounted to DKK 90 million.

In Q3 2010, value adjustments were also adversely impacted by an unrealised capital loss of DKK 41 million on the mortgage deed portfolio. The loss was attributable to an update of the security ranking of the mortgage deeds in the respective properties, which forms part of the basis for estimating the value of the mortgage deed portfolio.

The security ranking of the Danish mortgage deeds was updated on the basis of the most recent selling price statistics and the most recent public property value assessment. The latter is used if no selling price statistics are available.

Excluding credit-related impairment writedowns on mortgage deeds and value adjustments related to security ranking, the bank posted a capital loss of DKK 7 million in Q3 2010 and a capital gain of DKK 27 million for the year to date.

Interest-related value adjustments, excluding the mortgage deed adjustments described above, amounted to a gain of DKK 3 million in Q3 2010 and DKK 77 million for the year to date.

Equity-related value adjustments amounted to a capital loss of DKK 7 million in Q3 2010 and a DKK 46 million loss for the year to date.

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 has acquired a number of non-marketable equities in 2010 on which it recorded a substantial unrealised capital loss.

Foreign exchange adjustments amounted to a capital loss of DKK 3 million in Q3 2010 and of DKK 4 million for the year to date.

Costs
The bank's costs amounted to DKK 138 million in Q3 2010, against DKK 129 million in the same period of last year. The increase in expenses was due to provisions in the amount of DKK 18 million for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures.

The year-to-date expenses were in line with the same period of last year.

Other operating expenses
Other operating expenses totalled DKK 65 million for the year to date, against DKK 59 million for the first nine months of 2009. This item primarily related to the bank's expenses in respect of Bank Package I.

The bank's overall expenses in respect of Bank Package I and the Private Contingency Association totalled DKK 41 million in Q3 2010 and DKK 84 million for the year to date. Total expenses for the year to date in the amount of DKK 61 million were recognised under other operating expenses and DKK 23 million under impairment of loans, advances and receivables, etc.

Impairment of loans, etc.
The bank's losses and writedowns on loans amounted to DKK 548 million in the nine months ended 30 September 2010. In Q3 2010, losses and writedowns amounted to DKK 375 million.

In addition, the bank incurred credit losses and writedowns on its mortgage deed portfolio of DKK 203 million in the nine months ended 30 September 2010, of which DKK 90 million was attributable to Q3 2010. These losses and writedowns were recognised under value adjustments.

Total losses and writedowns on loans and advances, including credit-related losses and writedowns on mortgage deeds, thus amounted to DKK 751 million for the nine months ended 30 September 2010. Of this amount, identified losses amounted to DKK 113 million.

In addition, losses in the amount of DKK 694 million were identified for the year to date, but since provisions have previously been made to cover these losses, they will have no impact on operations in 2010. The identified losses for which provisions have previously been made were attributable to lending exposures on which the bank is close to realising or has already realised a loss. As a result, the bank's accumulated writedowns declined from 10.0% of the bank's loans and guarantees at 31 December 2009 to 9.5% at 30 September 2010.

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

Balance sheet
Lending
The bank's loans and advances, excluding reverse transactions totalling DKK 1.1 billion, amounted to DKK 13.2 billion at 30 September 2010. This corresponds to a decline in loans and advances of DKK 1.8 billion relative to 31 December 2009.

Going forward, the bank expects to continue to reduce its total loans and advances in light of its strategy.

Debt to credit institutions
The bank's debt to credit institutions amounted to DKK 8.1 billion at 30 September 2010, which was DKK 3.1 billion lower than at 31 December 2009.

Issued bonds
At 30 September 2010, issued bonds amounted to DKK 6.0 billion. The bonds were issued at 30 June 2010.

Deposits
The bank's deposits totalled DKK 9.6 billion at 30 September 2010, against DKK 11.1 billion at 31 December 2009. This decline was primarily attributable to fewer fixed-rate deposits, as the bank has refrained from conducting any major fixed-rate deposit campaigns in 2010. Moreover, the bank has experienced a decline in large deposits from wholesale customers.

Capital
The banking group's equity stood at DKK 1.1 billion at 30 September 2010, whereas the capital base totalled DKK 2.0 billion.

Risk-weighted items in the banking group totalled DKK 15.6 billion at 30 September 2010. Accordingly, the solvency ratio was 12.6, and the tier 1 capital ratio was 7.3.

Major events

Delineation of the bank's strategy
Going forward, the Bank will focus exclusively on private customers, leasing and Asset Management and Markets. All other activities are being wound up, including loans to commercial and agricultural customers, mortgage deed trading, loans for property development projects and investment commitments for the financing of investments in illiquid assets, including mortgage deeds, etc.

The goal is for Alm. Brand Bank to become a bank with a significantly reduced exposure to losses and writedowns. The bank will offer attractive products to the core private customers of non-life insurance and will offer services in the financial markets, while maintaining a profitable business.

Restructuring
On 31 August 2010, the bank completed a comprehensive restructuring of its branch network, closing nine out of 20 bank branches. The restructuring was implemented with a view to saving costs and adapting to the bank's new strategy.

The employees of the 11 continuing bank branches will serve new and existing private customers, and their current focus is on proactively following up on the bank's mortgage deed debtors.

Loss mitigation activities
Proactively following up on the bank's mortgage deed debtors is an important element in the bank's loss mitigation activities.

Alm. Brand Bank offers to advise its mortgage deed debtors on their financial situation and alternative sources of finance. Alm. Brand Bank believes that such advice in many cases improves the debtors' ability to repay their debts and thus minimises the risk of future losses to the bank. If the bank is able to offer a home loan based on the debtor's financial situation, the mortgage deeds will be redeemed with a view to converting all of the debtor's mortgage credit debt and home loan debt with the bank. Otherwise, the mortgage deed will continue unchanged.

Like the bank branches, most of the bank's employees in the central administration are focused on loss mitigation activities in relation to both the bank's mortgage deed portfolio and the remaining winding-up portfolio.

Events after the balance sheet date

Review of the bank's lending portfolio
The Danish FSA conducted an ordinary inspection of Alm. Brand Bank in October and November 2010. In that connection, the Danish FSA assessed the bank's impairment writedowns on loans and the individual solvency need.

The review caused management to increase impairment writedowns on a few large exposures and in the mortgage deed area, including mortgage deed investment exposures, in Q3 2010. This in all material respects represents an advancement of impairment writedowns. Moreover, management's forecast for future losses and writedowns was raised from around DKK 1.3 billion to around DKK 1.4 billion from 1 January 2010 to 31 December 2012. The increase was caused by a more conservative valuation of mortgage deeds and not by a rising delinquency rate. After the impairment writedowns made in Q3 2010, management estimates that losses and writedowns for the period 1 October 2010 to 31 December 2012 will amount to almost DKK 700 million.

As a result of the Danish FSA's inspection of Alm. Brand Bank's lending portfolio, management has resolved to increase the individual solvency need of the bank to 14.1% going forward, corresponding to a strengthening of Alm. Brand Bank's capital requirement by approximately DKK 0.5 billion. The assessment of the individual solvency need thus reflects the substantial uncertainty associated with the estimate of expected future losses and writedowns.

At 17 November 2010, Alm. Brand A/S contributed DKK 600 million in equity to Alm. Brand Bank.

Alm. Brand's management has requested Deloitte, KPMG and an external credit specialist to review management's estimate for impairment writedowns and credit losses on mortgage deeds for the period 1 October 2010 to 31 December 2012. Based on the individual reports on the work performed, management has not identified a further need to change the above-mentioned increased level of expected impairment writedowns on loans and credit losses on mortgage deeds for the period 1 October 2010 to 31 December 2012 of almost DKK 700 million.

Tender offer to other shareholders of Alm. Brand Pantebreve A/S
In light of the financial situation in Alm. Brand Pantebreve A/S, the bank, as the principal shareholder, owning 76% of the company's shares at 30 September 2010, has submitted a voluntary public tender offer for the remaining shares of Alm. Brand Pantebreve A/S.

The tender offer was submitted on 12 October 2010, and the offer period expired on 10 November 2010. On expiry of the offer period, the bank's ownership interest had increased to 94% of the company's share capital, and the bank has requested the company to convene an extraordinary general meeting, among other things, with a view to considering a resolution to delist Alm. Brand Pantebreve A/S from NASDAQ OMX Copenhagen.

Outlook

Outlook for 2010
The bank downgrades its full-year guidance by DKK 50 million to a profit of around DKK 90 million before tax and before losses and writedowns.

The downgrade is primarily effected as a result of an adjustment of the valuation of the mortgage deed portfolio in the bank and in the bank's partly owned subsidiary Alm. Brand Pantebreve A/S in the third quarter of 2010. The adjustment of the valuation was attributable to an update of the security ranking of Danish mortgage deeds in the respective properties on the basis of the most recent selling price statistics and the most recent public property value assessment.

Outlook for 2011
The bank expects to generate a profit of around DKK 70 million before tax and before losses and writedowns in 2011.

This forecast is based on management's expectations of reducing the bank's risk-weighted assets on an ongoing basis, including continuing the winding up of a number of business areas. Moreover, the restructurings and cost savings implemented will have a favourable impact on the financial results.

Expected losses and writedowns until end-2012
After the impairment writedowns made in Q3 2010, management estimates impairment writedowns on loans and credit losses on mortgage deeds will amount to almost DKK 700 million for the period 1 October 2010 to 31 December 2012.

The amount of impairment writedowns on loans and credit losses on mortgage deeds is subject to considerable uncertainty and depends on general economic developments. The estimates are based on economic trend assumptions of limited positive GDP growth continuing in the coming years, a stable interest rate level, unchanged property prices and unchanged unemployment figures.

LENDING PORTFOLIO

The bank's total writedowns and losses on the lending and guarantee portfolio amounted to an expense of DKK 465 million in Q3 2010, of which DKK 53 million was attributable to identified losses.

Year to date, total writedowns and identified losses amounted to an expense of DKK 751 million. Of this amount, identified losses amounted to DK 113 million. The total losses and writedowns of DKK 751 million equalled 5.1% of the average lending portfolio in 2010.

Prorata

	Loans		Share of portefolio	Total loss and writedowns		
DKKm	**31.12.2009**	**30.09.2010**	**(%)**	**Q3 2010**	**Q1-Q3 2010**	**Loss ratio *)**
Segments						
Retail lending	3,356	3,327	23.3%	3	3	0.1%
Car finance	994	706	5.0%	3	8	1.0%
Agriculture	1,125	1,213	8.5%	14	29	2.5%
Other commercial lending	1,008	613	4.3%	-2	25	3.0%
Lending to subsidiaries **)	1,345	577	4.0%	0	0	0.0%
Security financing	3,756	2,616	18.3%	182	375	11.8%
Investment properties	1,791	1,604	11.2%	112	27	1.6%
Residential mortgage deeds	856	1,390	9.7%	-27	40	3.5%
Commercial mortgage deeds	263	562	3.9%	117	163	39.6%
Property developments projects	515	547	3.9%	42	57	10.9%
The Private Contingency Committee	-	-	-	21	24	-
Total - excl. Reverse Transactions	15,009	13,155	92.1%	465	751	5.3%
Reverse Transactions	15	1,131	7.9%	-	-	-
Total	15,024	14,286	100.0%	465	751	5.1%

*) Losses and writedowns as a percentage of the average portfolio in Q1-Q3 2010. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

**) Alm. Brand Formue A/S and Alm. Brand Pantebreve A/S.

The table shows a pro rata consolidated segment-by-segment breakdown of the bank's lending portfolio. The loss and impairment ratio is calculated relative to average lending during the period. The performance of the individual lending segments for the nine months ended 30 September 2010 is reviewed in the following sections.

As a result of the bank's strategy, most lending segments are being wound up. As part of the implementation of a controlled winding up of the individual exposures, the bank has granted, and will continue to grant, loans as part of its credit defence efforts in relation to the bank's collateral. This means that lending may increase in the individual segments, although the lending segment is being wound up.

The bank's pro rata consolidated lending portfolio totalled DKK 13.2 billion at 30 September 2010 (excluding guarantees and reverse transactions). The continuing part of the portfolio accounted for around DKK 3.6 billion, including loans to private customers of around DKK 3.3 billion, loans for investment credits in liquid securities against collateral from customers of around DKK 0.2 billion, and loans for continuing leasing activities of around DKK 0.1 billion. The rest of the portfolio, which is being wound up, amounted to around DKK 9.6 billion. Of this amount, private mortgage deeds accounted for around DKK 3.2 billion, including mortgage deeds in Alm. Brand Pantebreve A/S and in the investment commitments. It is expected that, over the coming years, parts of the portfolio of private mortgage deeds which is being wound up will be redeemed and replaced by home loans provided by the bank.

Historically as well as in Q3 2010, the bank's losses and provisions were primarily related to the areas which are being wound up.

Lending to private customers
The portfolio is geographically diversified across Denmark. Total loans and advances to private customers at 30 September 2010 were on a par with 31 December 2009.

Impairment writedowns amounted to DKK 3 million for the nine months ended 30 September 2010, equivalent to 0.1% of the average portfolio.

Car finance
The car finance portfolio is mainly anchored in the subsidiary Alm. Brand Leasing A/S. The bank offers car loans through the bank's own branches. As a result of the cessation of financing through car dealers, the portfolio has declined.

Impairment writedowns amounted to DKK 8 million for the nine months ended 30 September 2010, equivalent to 1.0% of the average portfolio. The impairment writedowns were primarily attributable to the winding up of defaulting agreements.

Agriculture
No new agricultural customer relationships have been established since year-end 2008. As a result of the bank's new strategy, no new agricultural customers are accepted, and the business volume with existing customers is expected to be wound up over a number of years.

Impairment writedowns amounted to DKK 29 million for the nine months ended 30 September 2010, equivalent to 2.5% of the average agricultural portfolio.

Other commercial lending
As a result of the bank's new strategy, no new commercial customers are accepted, and the business volume with existing customers will be wound up over a number of years.

The portfolio under other commercial lending consists partly of loans to small businesses and partly of syndicated loans to medium-sized Danish businesses. In addition, the portfolio consists of corporate car and equipment leases established with Alm. Brand Finans A/S.

Impairment writedowns amounted to DKK 25 million for the nine months ended 30 September 2010, equivalent to 3.0% of the average portfolio.

Loans to subsidiaries
Alm. Brand Bank has granted loans to its two partly-owned, listed subsidiaries. The above table is based on pro rata consolidated figures. This means that loans corresponding to Alm. Brand Bank's ownership interest appear from the segment-by-segment breakdown of own lending, while loans to subsidiaries in the overview correspond to the ownership interest held by minority interests.

At 30 September 2010, minority interests had 57% ownership of Alm. Brand Formue A/S, which was unchanged compared with 31 December 2009, while minority interests' ownership of Alm. Brand Pantebreve A/S declined from 78% at 31 December 2009 to 24% at 30 September 2010. The change in the share attributable to minority interests was the key explanation for the decline in loans to subsidiaries from DKK 1,345 million at 31 December 2009 to DKK 577 million at 30 September 2010. The change in the share attributable to minority interests resulted in a similar increase in the bank's portfolio of mortgage deeds.

Alm. Brand Formue A/S generated a satisfactory performance for the nine months ended 30 September 2010.

Alm. Brand Pantebreve A/S was affected by the adverse developments in the property market and incurred substantial losses and credit-related value adjustments in the nine months ended 30 September 2010. Alm. Brand Bank has secured the necessary operating credits until end-February 2011.

No losses were incurred or impairment writedowns made on loans to subsidiaries. For further information, see the respective companies' financial statements, which are posted at www.pantebreve.almbrand.dk and www.formue.almbrand.dk.

Security financing
This portfolio consists of investment commitments secured against mortgage deeds as well as equities and bonds.

Mortgage deed exposures represent approximately 70% of this portfolio. Measured in terms of market value, commercial mortgage deeds represent approximately 30% of the mortgage deed portfolio. All mortgage deeds in arrears are measured individually, and mortgaged shares listed on recognised stock exchanges are measured at their fair value.

At 30 September 2010, the bank recognised writedowns on commitments that were showing indications of impairment. This resulted in impairment writedowns of DKK 375 million for the year to date, corresponding to 11.8% 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 securities.

An amount of DKK 765 million was wound up on the portfolio in the nine months ended 30 September 2010. These commitments were mainly transferred to the residential and commercial mortgage deed segments. No new loans will be granted for mortgage deed investments.

Investment properties
The portfolio comprises lending for investment properties, primarily within retail trade and rentals. Danish properties make up some 70% of the portfolio, while the remaining 30% is made up of German properties with Danish debtors. The future strategy does not include investment property funding.

The bank recognised impairment writedowns in the amount of DKK 27 million for the nine months ended 30 September 2010, equivalent to 1.6% of the average portfolio.

Residential mortgage deeds
This segment represents the bank's portfolio of mortgage deeds secured primarily against single-family houses, commonhold flats and summer houses. The properties are located all over Denmark. The bank does not buy new mortgage deeds. Accordingly, this portfolio is being wound up, but new mortgage deeds may be added when the bank increases its ownership interest in Alm. Brand Pantebreve A/S, or if the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

The bank has updated the method of calculating residential and commercial mortgage deeds. Previously, residential mortgage deeds also comprised mortgage deeds in which the debtor was a private customer but the mortgaged property was a commercial property. These arrangements were not expedient, and such mortgage deeds will henceforth be categorised as commercial mortgage deeds. The change was implemented in the third quarter of 2010, resulting in a transfer of residential mortgage deeds worth approximately DKK 190 million to commercial mortgage deeds. Moreover, impairment writedowns in the amount of almost DKK 40 million were transferred for the year to date.

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

Impairment writedowns amounted to DKK 40 million for the nine months ended 30 September 2010, equivalent to 3.5% of the average portfolio.

Commercial mortgage deeds
This segment comprises the bank's portfolio of commercial mortgage deeds secured against three types of property: residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property. Land and mixed residential/commercial property covers around 25% of the overall portfolio, while residential rental property and commercial property account for equal shares of the remaining portfolio.

The bank is no longer active in the market for commercial mortgage deeds. Accordingly, this portfolio is being wound up, but new mortgage deeds may be added when the bank increases its ownership interest in Alm. Brand Pantebreve A/S, or if the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

During the nine months ended 30 September 2010, the portfolio of commercial mortgage deeds grew by DKK 299 million relative to 31 December 2009. Approximately DKK 190 million of this amount was transferred from residential mortgage deeds as a result of a change in the method of calculating residential and commercial mortgage deeds. The remainder of the increase recorded in 2010 to date was attributable to the fact that the bank has increased its ownership interest in Alm. Brand Pantebreve A/S and that the bank has wound up investment exposures that were wholly or partly secured against mortgage deeds.

Impairment writedowns amounted to DKK 163 million for the nine months ended 30 September 2010, equivalent to 39.6% of the average portfolio.

Property development projects
The portfolio consists of a limited number of property development projects. Financing of property projects is not a part of the bank's future strategy, and the bank therefore does not participate in the financing of new property projects. However, the bank will finance the completion of ongoing projects pursuant to agreements already made.

The increase in lending from 31 December 2009 to 30 September 2010 was due to existing exposures, which were largely in line with the previously accepted, agreed and expected budgets.

Impairment writedowns amounted to DKK 57 million for the nine months ended 30 September 2010, equivalent to 10.9% of the average portfolio.

The bank's loans and advances to this segment are expected to increase for the full year 2010. When the projects have been completed, the loans and advances are expected to decline significantly.

The Private Contingency Association / Finansiel Stabilitet A/S
At 30 September 2010, provisions in the amount of DKK 24 million had been made for losses on the guarantee provided vis-à-vis Finansiel Stabilitet A/S.

Reverse transactions
At 30 September 2010, reverse transactions had grown by DKK 1.1 billion relative to 31 December 2009.

REPORT – LIFE INSURANCE

DKKm	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Year 2009
Premiums	151	136	499	466	710
Claims incurred	-236	-175	-788	-617	-889
Investment return after allocation of interest	323	402	962	673	780
Total underwriting management expenses	-18	-16	-54	-49	-67
Profit on business ceded	-3	11	5	15	5
Change in life insurance provisions	-189	-181	-373	-313	-233
Change in collective bonus potential	-4	-120	-122	-120	-225
Underwriting profit/loss	**24**	**57**	**129**	**55**	**81**
Return on investments allocated to equity	6	13	30	52	58
Profit before tax	**30**	**70**	**159**	**107**	**139**
Tax	-8	-18	-40	-27	-26
Profit after tax	**22**	**52**	**119**	**80**	**113**
Result in life insurance					
Administrative result	2	2	9	6	4
Investment result	404	340	911	467	486
Change in provision for guaranteed pension benefits	-380	-156	-671	-282	-176
Change in collective bonus potential	-4	-120	-122	-120	-225
Risk result	11	-7	27	21	45
Profit on business ceded	-3	11	5	15	5
Profit before tax	**30**	**70**	**159**	**107**	**139**
Tax	-8	-18	-40	-27	-26
Profit after tax	**22**	**52**	**119**	**80**	**113**
Total technical provisions	11,764	11,244	11,764	11,244	11,263
Shareholders' equity	1,111	1,159	1,111	1,159	1,192
Total assets	14,336	12,971	14,336	12,971	12,691
Return on equity before tax p.a.	23%	25%	19%	13%	12%
Return on equity after tax p.a.	17%	18%	15%	10%	10%
Bonus rate	3.4%	1.1%	3.4%	1.1%	2.1%

Investment return in life insurance in Q1-Q3 2010	**Return ratio**
Interest-bearing assets	12.3%
Shares	4.8%
Property	3.7%
Total	**9.8%**

Performance
Profit before tax amounted to DKK 30 million in Q3 2010, against DKK 70 million for the same period of last year. Profit before tax for the first nine months of the year amounted to DKK 159 million, against DKK 107 million in 2009.

The performance was highly satisfactory.

The return on equity principle is to achieve a return on equity corresponding to the investment return on the assets included in the company's equity plus a risk premium of 0.5% of the average life insurance provisions net of reinsurance exclusive of the collective bonus potential and any use of the bonus potential on paid-up policies. Finally, the full expense result net of reinsurance and 25% of the risk result net of reinsurance before bonus are added.

Shareholders' equity received the full risk premium for the nine months ended 30 September 2010. In addition, DKK 56 million was reversed from the shadow account, bringing the shadow account to DKK 0 million.

The performance in the first nine months of 2009 equalled a return on equity before tax of 19% p.a., against 13% p.a. in the year-earlier period. The return on equity was significantly higher than the full-year guidance, as the shadow account was booked in the reporting period.

Premiums
Gross premiums rose by 11% to DKK 151 million in Q3 2010, against DKK 136 million in the year-earlier period. Year to date, gross premiums rose by 7% to DKK 499 million from DKK 466 million in the same period of 2009. The increase recorded in 2010 to date was attributable to lump sum premiums, which totalled DKK 69 million in the first nine months of the year, against DKK 42 million in the same period of 2009.

The group's strategy is for the life insurance company to support the group's principal activity primarily by offering attractive life insurance products to non-life insurance customers. Alm. Brand Liv og Pension should generate growth, but an increasing proportion of overall pension savings should be placed in market products, including in particular the Alm. Brand Investment Scheme, which is set up with Alm. Brand Bank.

Recent years' strategy of expanding the position as a competitive pension provider has generated positive results, and this strategy will be maintained in the years ahead.

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company rose by 10% overall to DKK 193 million in Q3 2010 from DKK 176 million in Q3 2009. Year to date, contributions rose by a total of 9% to DKK 635 million, against DKK 583 million a year earlier.

Investment return
The return on investment assets belonging to policyholders was DKK 1,148 million for the nine months ended 30 September 2010, corresponding to a return of 9.8% (13.1% p.a.), against a return of DKK 801 million in the same period of 2009. The return was made up before tax on pension returns but after finance costs.

The return on the bond portfolio was favourably affected by the sustained decline in interest rates and, consequently, rising yields on the bond portfolio. The return was highly 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 positively affected by the general equity market trends in Q3 2010. The total return on equities for Q3 was DKK 81 million. For the nine months ended 30 September 2010, the return on the equity portfolio amounted to DKK 60 million, of which the portfolio of Danish equities accounted for a total return of DKK 40 million. 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 investment assets attributable to shareholders' equity was DKK 30 million for the nine months ended 30 September 2010, corresponding to a return of 2.4% (3.2% p.a.), against a return of DKK 52 million in the same period of 2009. Investments of shareholders' equity are placed in short-term interest-bearing assets. This return was acceptable considering the low yield level for short-term bonds.

Benefits paid
Benefits paid in Q3 2010 amounted to DKK 236 million, against DKK 175 million in 2009. The benefits paid for the nine months ended 30 September 2010 amounted to DKK 788 million, against DKK 617 million in the year-earlier period. The amount of benefits paid increased as a result of a higher number of surrenders than in the year before.

Part of the increase was due to a number of customers postponing surrender in 2009 due to the transfer and surrender charge then in force. Since the transfer and surrender charge was cancelled in the autumn of 2009, the volume of surrenders has therefore been above normal. The volume of surrenders was expected to drop to a lower level, but this has yet to happen.

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 provisions for nine months ended 30 September 2010 were up by DKK 373 million.

Collective bonus potential
The collective bonus potential increased by DKK 4 million in Q3 2010 to a total of DKK 348 million, corresponding to a bonus rate of 3.4%.

Costs
Acquisition and administrative expenses totalled DKK 19 million in Q3 2010, against DKK 16 million for the same period of 2009. Expenses for the year to date amounted to DKK 55 million, against DKK 49 million in the year-earlier period.

Total expenses for 2010 to date were in line with expectations. The increase relative to 2009 was mainly attributable to higher acquisition costs as a result of a greater volume of new business written.

Expense and risk results
The expense result net of reinsurance, which expresses the difference between expense loading and expenses incurred net of reinsurance, was an income of DKK 9 million for the nine months ended 30 September 2010. The company aims for the expense result net of reinsurance to be neutral. The expense result was satisfactory.

The risk result net of reinsurance, which expresses the difference between risk premiums and actual claims expenses net of reinsurance was an income of DKK 34 million in the nine months ended 30 September 2010. The overall risk result was highly satisfactory.

Balance sheet

The life group's shareholders' equity was DKK 1,111 million at 30 September 2010. The solvency ratio was 245 at 30 September 2010.

Major events

New executive order on the contribution principle from the Danish FSA
In April, the Danish FSA issued a new executive order on the contribution principle, which will take effect on 1 January 2011. The executive order provides guidelines for the distribution of profits between customers and equity and among customers. Alm. Brand Liv og Pension has consulted with the Danish FSA to clarify the scope of the new rules. Against this background, the company has described the future rules, drafted requirements for IT systems, drafted proposals for future return on equity, etc.

Although the IT changes have been quite comprehensive, the progress and process of implementation of the changes have been highly satisfactory and in line with the plan set out.

Outlook

Outlook for 2010
The forecast for the full-year profit before tax is upgraded by DKK 30 million to DKK 170 million. The Q3 upgrade was primarily based on the positive equity return.

Assuming that the new executive order on the contribution principle can be implemented in accordance with the company's expectations, the transition to the new rules is not expected to have any material impact on the company's financial results.

The company expects to retain the rate on policyholders' savings at 3.5% after tax on pension returns throughout the year.

Outlook for 2011
The company expects to generate a profit before tax of DKK 70 million in 2011.

This forecast is based on the company's expectations of limited premium growth due to the group's focus on customers saving up in market rate products, which are offered through Alm. Brand Bank.

The amended rules on the contribution principle coming into effect on 1 January 2011 will cause the company to change the composition of results in order to maintain a profit in line with previous years.

The results guided for both years depend on financial market developments.

Moreover, the effect of a potential change in the adjusted yield curve fixed by the Danish FSA has not been included in the profit guidance.

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 nine months ended 30 September 2010.

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 September 2010 and of the results of the group's and the parent company's operations and the group's cash flows for the nine months ended 30 September 2010.

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, 17 November 2010

Søren Boe Mortensen
Chief Executive

BOARD OF DIRECTORS

Copenhagen, 17 November 2010

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*	

AUDITORS' REVIEW REPORT

Internal auditors' report on the interim financial statements for the nine months ended 30 September 2010.

We have reviewed the interim financial statements of the Alm. Brand A/S Group and of the parent company as at 30 September 2010 and for the nine months then ended, comprising consolidated and parent company income statement; balance sheet; statement of changes in capital and notes to the financial statements, including accounting policies; consolidated cash flow statement and management's review. Our review did not comprise comparative figures for the corresponding period of 2009.

Scope of review
A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Danish Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We did not conduct an audit and, accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not in all material respects give a true and fair view of the company's assets, liabilities and financial position at 30 September 2010 and of the company's results of operations and cash flows for the period 1 January to 30 September 2010 in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, in respect of the group and the Danish Financial Business Act in respect of the parent company. Furthermore, nothing has come to our attention that causes us to conclude that the management's review does not include a fair review in accordance with the Danish Financial Business Act.

Copenhagen, 17 November 2010

Poul-Erik Winther
Group Chief Auditor

AUDITORS' REVIEW REPORT

Independent auditors' review report
To the shareholders of Alm. Brand A/S

We have reviewed the interim financial statements of the Alm. Brand A/S Group and of the parent company as at 30 September 2010 and for the nine months then ended, comprising consolidated and parent company income statement; balance sheet; statement of changes in capital and notes to the financial statements, including accounting policies; consolidated cash flow statement and management's review. Our review did not comprise comparative figures for the corresponding period of 2009.

The management of the company is responsible for the preparation and presentation of the interim financial statements. The consolidated interim financial statements are presented in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, while the interim financial statements of the parent company are presented in accordance with the Danish Financial Business Act. In addition, the interim financial statements have been prepared in accordance with additional Danish disclosure requirements for interim financial statements of listed financial enterprises. Our responsibility is, based on our review, to express a conclusion on the interim financial statements for the group and the parent company.

Scope of review

We conducted our review in accordance with the Danish Standard on Auditing RS 2410, "Review of Interim Financial Information Performed by the Auditor". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Danish Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We did not conduct an audit and, accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not in all material respects give a true and fair view of the company's assets, liabilities and financial position at 30 September 2010 and of the company's results of operations and cash flows for the period 1 January to 30 September 2010 in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, in respect of the group and the Danish Financial Business Act in respect of the parent company. Furthermore, nothing has come to our attention that causes us to conclude that the management's review does not include a fair review in accordance with the Danish Financial Business Act.

Copenhagen, 17 November 2010

Deloitte
Statsautoriseret Revisionsaktieselskab

Henrik Priskorn
State-Authorised Public Accountant

Jens Ringbæk
State-Authorised Public Accountant

BALANCE SHEET

	Group		
	30 September	30 September	31 December
DKKm	2010	2009	2009
Assets			
Intangible assets	91	228	118
Owner-occupied properties	1,032	1,033	1,035
Deferred tax assets	665	444	521
Participating interests in joint ventures	35	49	46
Reinsurers' share of insurance contracts	226	379	134
Current tax assets	14	18	14
Other assets	1,544	2,134	1,650
Loans	12,879	15,476	14,823
Investment properties	440	456	440
Investment assets	31,790	25,894	27,337
Amounts due from credit institutions and central banks	847	1,476	1,331
Cash in hand and demand deposits	106	222	49
Total assets	**49,669**	**47,809**	**47,498**
Liabilities and equity			
Share capital	1,388	1,388	1,388
Reserves, retained profit etc.	1,760	2,391	2,107
Minority interests	156	250	199
Consolidated shareholders' equity	**3,304**	**4,029**	**3,694**
Subordinated debt	1,828	1,937	1,834
Provisions for insurance contracts	19,164	18,945	17,894
Other provisions	163	362	90
Deferred tax liabilities	46	46	46
Issued bonds	6,032	26	26
Other liabilities	1,709	1,847	1,727
Deposits	9,207	11,215	10,874
Payables to credit institutions and central banks	8,216	9,402	11,313
Total liabilities and equity	**49,669**	**47,809**	**47,498**

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

INCOME STATEMENT

					Group
	Q3	Q3	Q1-Q3	Q1-Q3	Year
DKKm	**2010**	**2009**	**2010**	**2009**	**2009**
Income					
Premium income	1,352	1,314	4,058	3,985	5,434
Interest income etc.	427	475	1,252	1,555	1,995
Fee income etc.	26	28	100	92	100
Other income from investment activities	0	0	2	3	23
Income associates	-1	0	5	0	0
Other income	7	5	17	15	19
Total income	**1,811**	**1,822**	**5,434**	**5,650**	**7,571**
Costs					
Claims incurred	-1,140	-1,085	-3,627	-3,304	-4,499
Interest expenses	-142	-172	-419	-629	-803
Other cost from investment activities	-4	-26	-23	-32	-27
Impairment of loans, advances and receivables, etc.	-375	-233	-548	-1,236	-1,451
Acquisition and administrative costs	-369	-368	-1,113	-1,148	-1,670
Other costs	1	1	2	1	0
Total costs	**-2,029**	**-1,883**	**-5,728**	**-6,348**	**-8,450**
Profit from business ceded	1	-35	-82	-81	-136
Change in life insurance provisions	-189	-181	-373	-313	-233
Change in collective bonus potential	-4	-120	-122	-120	-225
Exchange rate adjustments	104	217	523	337	198
Tax on pension investment returns	-57	-70	-152	-122	-141
Profit before tax	**-363**	**-250**	**-500**	**-997**	**-1,416**
Tax	87	52	143	246	336
Profit after tax	**-276**	**-198**	**-357**	**-751**	**-1,080**
The profit before tax is allocated as follows:					
Share attributable to Alm. Brand	-362	-220	-496	-967	-1,336
Share attributable to minority shareholders	-1	-30	-4	-30	-80
Profit before tax	**-363**	**-250**	**-500**	**-997**	**-1,416**
The profit after tax is allocated as follows:					
Share attributable to Alm. Brand	-275	-167	-353	-720	-1,000
Share attributable to minority shareholders	-1	-31	-4	-31	-80
Profit after tax	**-276**	**-198**	**-357**	**-751**	**-1,080**
Earnings per share, DKK	-16	-10	-21	-43	-59
Diluted earnings per share, DKK	-16	-10	-21	-43	-59

Comprehensive income

Profit for the year	-276	-198	-357	-751	-1,080
Revaluation of owner-occupied properties	-2	0	-2	0	-4
Comprehensive income	**-278**	**-198**	**-359**	**-751**	**-1,084**
Proposed allocation of profit/loss:					
Share attributable to Alm. Brand	-277	-167	-355	-720	-1,004
Share attributable to minority shareholders	-1	-31	-4	-31	-80
Comprehensive income	**-278**	**-198**	**-359**	**-751**	**-1,084**

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Contingency funds	Reva-luation reserve	Retained profit	Share-holders' equity	Minority interests	Consoli-dated equity
Shareholders equity, 01.01.2009	**1,476**	**182**	**8**	**2,852**	**4,518**	**282**	**4,800**
Changes in equity Q1-Q3 2009							
Profit/loss for the year				-720	-720	-31	-751
Total income	0	0	0	-720	-720	-31	-751
Cancellation of shares	-88			88	0		0
Sale of treasury shares				11	11		11
Repurchased shares				-30	-30		-30
Change in share attributable to minority interest						-1	-1
Changes in equity	**-88**	**0**	**0**	**-651**	**-739**	**-32**	**-771**
Shareholders equity, 30.09.2009	**1,388**	**182**	**8**	**2,201**	**3,779**	**250**	**4,029**
Shareholders equity, 01.01.2009	**1,476**	**182**	**8**	**2,852**	**4,518**	**282**	**4,800**
Changes in equity 2009							
Profit/loss for the year				-1,000	-1,000	-80	-1,080
Reversed revaluation of owner-occupied properties			-6	2	-4		-4
Total income	0	0	-6	-998	-1,004	-80	-1,084
Cancellation of shares	-88			88	0		0
Sale of treasury shares				11	11		11
Repurchased shares				-30	-30		-30
Change in share attributable to minority interest						-3	-3
Changes in equity	**-88**	**0**	**-6**	**-929**	**-1,023**	**-83**	**-1,106**
Shareholders equity, 31.12.2009	**1,388**	**182**	**2**	**1,923**	**3,495**	**199**	**3,694**
Shareholders equity, 01.01.2010	**1,388**	**182**	**2**	**1,923**	**3,495**	**199**	**3,694**
Changes in equity Q1-Q3 2010							
Profit/loss for the year				-353	-353	-4	-357
Reversed revaluation of owner-occupied properties			-2		-2		-2
Total income	0	0	-2	-353	-355	-4	-359
Sale of treasury shares				8	8		8
Change in share attributable to minority interest						-39	-39
Changes in equity	**0**	**0**	**-2**	**-345**	**-347**	**-43**	**-390**
Shareholders equity, 30.09.2010	**1,388**	**182**	**0**	**1,578**	**3,148**	**156**	**3,304**

	30 September 2010	31 December 2009
Shareholders' equity exclusive minority interests	3,148	3,495
Consolidation of Pensionskassen under Alm. Brand A/S	-7	-9
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests	**3,141**	**3,486**
Share of profit attributable to Alm. Brand A/S	-355	-1,000
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	**-353**	**-1,001**

CASH FLOW STATEMENT

			Group
	Q1-Q3	Q1-Q3	Year
DKKm	2010	2009	2009
Cash flows from operating activities			
Premiums received	4,316	4,367	5,454
Claims paid	-3,472	-3,098	-4,320
Interest, dividends, etc. received	1,099	1,634	2,152
Interest payable	-276	-503	-628
Payments concerning reinsurance	-173	-101	-112
Fee income received	118	120	144
Fee income paid	-29	-35	-45
Expences paid	-1,048	-1,143	-1,562
Tax on pension investment returns paid	11	-19	-171
Acquisition of intangible assets, furniture, equipments etc.	3	-49	-6
Other ordinary income received	17	15	17
Taxes paid/received	-1	-11	-4
Cash flows from operating activities	**565**	**1,177**	**919**
Change in investment placement (net)			
Properties acquired or converted	4	-1	9
Sale/aquisition of equity investments	-32	82	42
Sale/repayment of mortgage deeds and loans	1,169	340	376
Divestment Kjøbenhavnske Reassurance	0	0	150
Sale/purcase of bonds	-3,328	-4,232	-5,957
Change in receivables from credit institutions over 3 months	0	311	311
Change in investment placement (net)	**-2,187**	**-3,500**	**-5,069**
Change in financing			
Sale/purchase of treasury shares	8	-19	-19
Sale/acquisition of subsidiaries (change in minority interests)	-39	-1	-3
Subordinated debt	0	1,106	1,003
Issued bonds	6,006	-1,367	-1,367
Change in deposits	-1,667	244	-45
Change in payables to credit institutions	-3,115	827	2,749
Change in other payables	0	110	300
Change in financing	**1,193**	**900**	**2,618**
Gross change in cash and cash equivalents	**-427**	**-1,423**	**-1,532**
Exchange rate adjustments of cash equivalents, beginning of period	0	0	4
Disposals relating to divestments	0	0	-209
Net change in cash and cash equivalents	**-427**	**-1,423**	**-1,737**
Cash and cash equivalents, beginning of period	1,380	-427	3,117
Cash and cash equivalents, end of period	**953**	**-1,850**	**1,380**

SEGMENT REPORTING

						Q1-Q3 2010
DKKm	**Non-life**	**Bank**	**Life**	**Other**	**Elimi-nation**	**Group**
Premium income	3,559	0	499	0		4,058
Interest income etc.	216	720	323	0	-7	1,252
Fee income etc.	0	126	0	0	-26	100
Other investment income	1	0	64	0	-63	2
Income associates	0	5	6	0	-6	5
Other income	0	17	0	0		17
Total income	**3,776**	**868**	**892**	**0**	**-102**	**5,434**
Claims incurred	-2,839	0	-788	0		-3,627
Interest expenses	-98	-301	-4	-23	7	-419
Other investment expenses	-15	0	-21	-13	26	-23
Provisions for bad and doubtful debts	0	-548	0	0		-548
Acquisition and administrative expenses	-652	-470	-54	0	63	-1,113
Other expenses	2	0	0	0		2
Total expenses	**-3,602**	**-1,319**	**-867**	**-36**	**96**	**-5,728**
Result of business ceded	-87	0	5	0		-82
Change in life insurance provisions	0	0	-373	0		-373
Change in collective bonus potential	0	0	-122	0		-122
Exchange rate adjustments	-46	-207	776	0		523
Tax on pension investment returns	0	0	-152	0		-152
Profit before tax	**41**	**-658**	**159**	**-36**	**-6**	**-500**
Tax	-10	184	-40	9		143
Profit after tax	**31**	**-474**	**119**	**-27**	**-6**	**-357**

						Q1-Q3 2009
Premium income	3,509	0	466	10		3,985
Interest income etc.	297	870	359	43	-14	1,555
Fee income etc.	0	115	0	0	-23	92
Other investment income	1	0	63	0	-61	3
Income associates	0	0	8	0		0
Other income	0	15	0	0		15
Total income	**3,807**	**1,000**	**896**	**53**	**-98**	**5,650**
Claims incurred	-2,678	0	-617	-9	0	-3,304
Interest expenses	-121	-514	-4	-4	14	-629
Other investment expenses	-15	0	-19	-21	23	-32
Provisions for bad and doubtful debts	0	-1,236	0	0	0	-1,236
Acquisition and administrative expenses	-672	-462	-49	-26	61	-1,148
Other expenses	1	0	0	0	0	1
Total expenses	**-3,485**	**-2,212**	**-689**	**-60**	**98**	**-6,348**
Result of business ceded	-101	0	15	5	0	-81
Change in life insurance provisions	0	0	-313	0	0	-313
Change in collective bonus potential	0	0	-120	0	0	-120
Exchange rate adjustments	10	-119	440	6	0	337
Tax on pension investment returns	0	0	-122	0	0	-122
Profit before tax	**231**	**-1,331**	**107**	**4**	**0**	**-997**
Tax	-58	330	-27	1	0	246
Profit after tax	**173**	**-1,001**	**80**	**5**	**0**	**-751**

NOTES

DKKm	Group Q1-Q3 2010	Group Q1-Q3 2009	Group Year 2009
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	8	69	69
Buying during the period	0	30	30
Sold during the period	-8	-11	-11
Cancellation of shares	0	-88	-88
Carrying amount, end of period	**0**	**0**	**0**
Nominal value, beginning of year	41	110	110
Buying during the period	0	31	31
Sold during the period	-7	-12	-12
Cancellation of shares	0	-88	-88
Nominal value, end of period	**34**	**41**	**41**
Holding (number of shares), beginning of year	514	1,377	1,376
Additions, number of shares	0	391	391
Disposals, number of shares	-93	-153	-153
Cancellation of shares	0	-1,100	-1,100
Holding (number of shares), end of period	**421**	**515**	**514**
Percentage of share capital, end of period	**2.4%**	**3.0%**	**3.0%**
Note 2 Contingent liabilities, guaranties and leasing			
Guarantee commitments	**2,300**	**2,739**	**2,386**

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 2009.

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 has been reviewed by the group’s auditors.

Note 4 Financial highlights and key ratios

Referring to management's report.

BALANCE SHEET

		Parent company		
		30 September	30 September	31 December
DKKm	Note	2010	2009	2009
Assets				
Investment in group enterprises	1	3,681	4,047	4,308
Loans to group enterprises		0	250	0
Investment in associates		0	19	17
Total investments in group enterprises and associates		**3,681**	**4,316**	**4,325**
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		50	150	0
Cash in hand and balances at call		40	0	9
Total other financial investment assets		**93**	**153**	**12**
Total investment assets		**3,774**	**4,469**	**4,337**
Receiveables from group enterprises		30	12	7
Other receivables		32	30	31
Total receivables		**62**	**42**	**38**
Current tax assets		20	37	13
Deferred tax assets		14	16	13
Total other assets		**34**	**53**	**26**
Accrued interest		0	1	0
Accruals and deferred income		**0**	**1**	**0**
Total assets		**3,870**	**4,565**	**4,401**
Liabilities and equity				
Share capital		1,388	1,388	1,388
Retained earnings		1,753	2,383	2,098
Total shareholders' equity		**3,141**	**3,771**	**3,486**
Deferred tax liabilities		250	250	249
Total provisions		**250**	**250**	**249**
Deferred obligations		46	46	46
Total deferred obligations		**46**	**46**	**46**
Gæld til tilknyttede virksomheder		303	362	501
Issued bonds		32	26	26
Current tax liabilities		0	0	0
Other payables		98	110	93
Total Payables		**433**	**498**	**620**
Total liabilities and equity		**3,870**	**4,565**	**4,401**

INCOME STATEMENT

		Parent company				
		Q3	Q3	Q1-Q3	Q1-Q3	Year
DKKm	**Note**	**2010**	**2009**	**2010**	**2009**	**2009**
Income from group enterprises	2	-268	-152	-326	-721	-1,006
Income from associated companies		0	0	0	0	-1
Interest income and dividends, etc.		0	3	0	24	27
Interest expenses		-8	-1	-23	-4	-9
Administrative expenses related to investment activities		2	-20	-11	-19	-11
Profit before tax		**-274**	**-170**	**-360**	**-720**	**-1,000**
Tax		2	5	9	0	-1
Profit for the Year		**-272**	**-165**	**-351**	**-720**	**-1,001**

Comprehensive income

Profit for the year	-272	-165	-351	-720	-1,001
Revaluation of owner-occupied properties	0	0	-2	0	-4
Comprehensive income	**-272**	**-165**	**-353**	**-720**	**-1,005**
Proposed allocation of profit/loss:					
Retained earnings	-272	-165	-353	-720	-1,005

STATEMENT OF CHANGES IN EQUITY

	Parent company		
DKKm	Share-Capital	Retained earnings	Shareholders' equity
Shareholders equity, 01.01.2009	**1,476**	**3,034**	**4,510**
Changes in equity Q1-Q3 2009			
Profit/loss for the year		-720	-720
Total income	0	-720	-720
Cancellation of shares	-88	88	0
Sale of treasury shares		11	11
Repurchased shares		-30	-30
Changes in equity	**-88**	**-651**	**-739**
Shareholders equity, 30.09.2009	**1,388**	**2,383**	**3,771**
Shareholders equity, 01.01.2009	**1,476**	**3,034**	**4,510**
Changes in equity 2009			
Profit/loss for the year		-1,001	-1,001
Revaluation of owner-occupied properties		-4	-4
Total income	0	-1,005	-1,005
Cancellation of shares	-88	88	0
Sale of treasury shares		11	11
Repurchased shares		-30	-30
Changes in equity	**-88**	**-936**	**-1,024**
Shareholders equity, 31.12.2009	**1,388**	**2,098**	**3,486**
Shareholders equity, 01.01.2010	**1,388**	**2,098**	**3,486**
Changes in equity Q1-Q3 2010			
Profit/loss for the year		-351	-351
Total income	0	-351	-353
Sale of treasury shares		8	8
Changes in equity	**0**	**-343**	**-345**
Shareholders equity, 30.09.2010	**1,388**	**1,755**	**3,141**

NOTES

Note 1 Investment in group enterprises

	Parent company		
DKKm	30 September 2010	30 September 2009	31 December 2009
Cost, beginning of year	5,991	4,242	4,242
Periodens tilgang	0	1,200	1,750
Disposals	0	0	-1
Cost, end of period	**5,991**	**5,442**	**5,991**
Revaluation and impairment, beginning of year	-1,683	-162	-162
Dividend received	-300	-512	-511
Profit for the year	-326	-721	-1,006
Revaluation of owner-occupied associates	-1	0	-4
Revaluation and impairment, end of period	**-2,310**	**-1,395**	**-1,683**
Carrying amount, end of period	**3,681**	**4,047**	**4,308**
Specification of carrying amount:			
Alm. Brand Bank A/S	886	1,158	1,362
Alm. Brand Forsikring A/S	2,794	2,888	2,945
Finansieringsselskabet af 9/10 1992 A/S (liquidated in 2009)	0	0	0
Asgaard Finans A/S	1	1	1
Carrying amount, end of period	**3,681**	**4,047**	**4,308**

Note 2 Income from group enterprises

	Parent company		
DKKm	Q1-Q3 2010	Q1-Q3 2009	Year 2009
Alm. Brand Bank A/S	-476	-978	-1,325
Alm. Brand Forsikring A/S	150	257	319
Asgaard Finans A/S	0	0	0
Finansieringsselskabet af 9/10 1992 A/S (liquidated in 2009)	0	0	0
	-326	**-721**	**-1,006**

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 2009.

The interim report has been reviewed by the group's auditors.