

ALM. BRAND A/S

INTERIM REPORT

- THE THIRD QUARTER OF 2008

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COMPANY INFORMATION

BOARD OF DIRECTORS
Christian N.B. Ulrich, Chairman
Jørgen H. Mikkelsen, Deputy Chairman
Lone Clausen
Henning Kaffka
Boris N. Kjeldsen
Niels Kofoed
Jørgen S. Larsen
Susanne Larsen
Henrik Stenbjerre

EXECUTIVE BOARD
Søren Boe Mortensen, Chief Executive
Henrik Nordam, Deputy Chief Executive

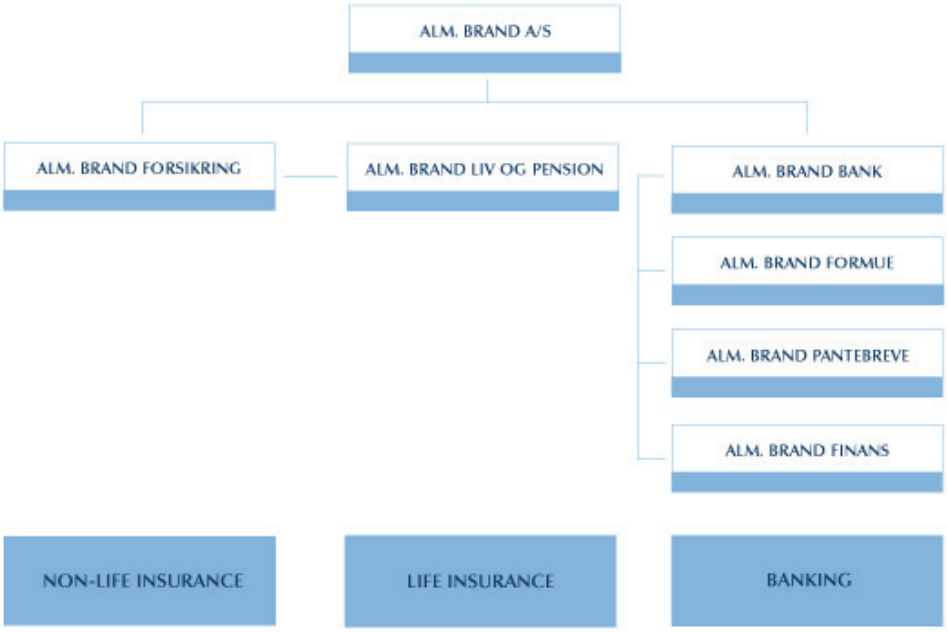
AUDITORS
Deloitte, Statsautoriseret Revisionsaktieselskab

INTERNAL AUDITOR
Poul-Erik Winther, Chief auditor

REGISTRATION
Alm. Brand A/S
Registration Number CVR 77 33 35 17

ADDRESS
Alm. Brand Huset
Midtermolen 7, DK-2100 Copenhagen Ø
Phone: +45 35 47 47 47
Fax: +45 35 47 35 47
Internet: www.almbrand.dk
E-mail: almbrand@almbrand.dk

GROUP STRUCTURE



Dormant or discontinuing activities are not included.

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

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Year 2007
Income					
Non-Life Insurance	1,216	1,161	3,565	3,401	4,578
Banking	432	361	1,306	1,046	1,444
Life Insurance	146	149	492	489	750
Copenhagen Re	-4	3	3	18	17
Investments	230	218	700	679	932
Total income	**2,020**	**1,892**	**6,066**	**5,633**	**7,721**
Profit excluding minorities					
Non-Life Insurance	26	118	196	452	647
Banking	-42	68	-140	178	196
Life Insurance	14	39	18	73	104
Copenhagen Re	20	15	70	54	71
Other activities	1	-16	-20	-25	-32
Profit before tax	**19**	**224**	**124**	**732**	**986**
Tax	-4	-48	-44	-214	-281
Profit after tax	**15**	**176**	**80**	**518**	**705**
Profit Group					
Profit before tax, Group	**-31**	**240**	**-35**	**750**	**980**
Tax	-1	-45	-20	-199	-266
Profit after tax, Group	**-32**	**195**	**-55**	**551**	**714**
Provisions for insurance contracts	18,113	19,010	18,113	19,010	18,331
Shareholders´ equity	4,989	5,648	4,989	5,648	5,446
Of which minority interests	335	585	335	585	504
Total assets	45,828	47,064	45,828	47,064	47,886
Return on equity before tax excluding minorities p.a.	2%	18%	4%	20%	20%
Return on equity after tax excluding minorities p.a.	1%	14%	2%	14%	14%
Earnings per Share, DKK 80	1	9	4	25	35
Diluted Earnings per Share, DKK 80	1	9	4	25	35
Net assets value per Share, DKK	267	254	267	254	260
Share price end of year	99	327	99	327	286
Share price/Net asset value	0.37	1.29	0.37	1.29	1.10
Number of shares end of period ('000)	17,427	19,940	17,427	19,940	18,966
Average number of shares ('000)	17,427	20,151	18,214	20,448	20,182
No. of own shares acquired ('000)			1,485	1,269	1,981
Average share price acquired own shares, DKK			233	351	328
Pay-out ratio *			28%	7%	14%
Pay-out ratio remaining buy-back programme *			5%	4%	2%

*) Based on marketcapitalisation at the end of the period of the buy-back programme.

The Alm. Brand A/S Group

Alm. Brand A/S is a listed Danish financial services group focusing on the Danish market. The group carries on non-life insurance, life insurance and pension activities as well as banking activities, including car finance, leasing and markets & asset management operations, and generates annual revenue of just under DKK 8 billion.

Alm. Brand's vision "We take care of our customers" is the guiding principle for the experience Alm. Brand seeks to give its customers when they interact with Alm. Brand.

Alm. Brand focuses on maintaining a strong local presence and more than half of the group's 1,900 employees work in close proximity to the customer at insurance offices and bank branches across Denmark.

The group's insurance, banking and pension products cover private lines, agriculture as well as small and medium-sized businesses. Alm. Brand is Denmark's fourth largest provider of non-life insurance products. Alm. Brand Bank also offers nationwide coverage and is one of Denmark's large banks. The group offers traditional pension schemes through the life insurance company, while market schemes are offered through the bank.

Financial results

The Alm. Brand A/S Group posted pre-tax profit excluding minorities of DKK 19 million in Q3 2008, compared with DKK 224 million in Q3 2007. Excluding minority interests, profit after tax was DKK 15 million.

The year-to-date profit before tax was DKK 124 million, as compared with DKK 732 million in the corresponding period of 2007.

The performance was not satisfactory but in line the most recent guidance provided on 22 October 2008.

The group's 9M performance fell significantly short of the original expectations, primarily as a result of capital losses on the group's investment assets due to developments in the financial markets. Overall, the capital losses reduced the group's profit by approximately DKK 300 million.

At the same time, economic conditions in Denmark have increased the need to write down loans and advances.

Another factor was the lower than expected claims experience triggered in part by a large number of major claims in the agricultural segment and rising average claims on building and household comprehensive insurance. Finally, motor premium reductions affected the performance.

Growth in non-life and pension activities remained positive with non-life premiums growing by almost 5% and total pension premiums increasing by slightly more than 6%. On the other hand, the bank's loans and advances declined as a result of the financial crisis and a wish to reduce the bank's property market exposure.

The group's acquisition and administrative expenses totalled DKK 348 million in Q3 2008, a fall of 5% relative to the same period of last year. The year-to-date expenses were DKK 1,141 million, as compared with DKK 1,125 million last year.

Expenses developed in line with expectations and reflected the group's focus on ensuring a lower expense ratio.

In Q3 2008, the group had an average of 1,893 employees against 1,853 in the same period of 2007.

The third quarter 2008 performance equalled an annualised return on equity of 2% before tax and minorities, against 18% in Q3 2007. The year-to-date return on equity was 4%, compared with 20% in the same period of last year.

Consolidated revenue for Q3 2008 was DKK 2.0 billion and year-to-date revenue totalled DKK 6.1 billion.

Earnings per share for the year to date amounted to DKK 4, and the net asset value per share was DKK 267 at 30 September 2008.

Shareholders' equity was DKK 5.0 billion at 30 September 2008, against DKK 5.4 billion at 31 December 2007.

Major events

Share buybacks
The group's share buyback programme amounting to DKK 400 million until 31 January 2009 continued in the third quarter.

Until the end of October 2008, shares with a total value of DKK 351 million were bought back, of which DKK 50 million related to the 2007 share buyback programme. Accordingly, shares worth an aggregate of DKK 49 million remain outstanding on the overall programme.

The group's website contains information about the guidelines for the share buyback programme.

Events after the balance sheet date

Announcement of revised forecast

Due to the continued value adjustments of the group's investment portfolio, increased writedowns of loans and advances and the trend in major agricultural claims, the group's Board of Directors resolved at a board meeting held on Wednesday, 22 October 2008, to issue a profit warning regarding the expected consolidated full-year performance.

This downgrade reduced the group's profit forecast from DKK 400 million to DKK 50 million for the full year.

Outlook

The full-year consolidated profit is expected to be DKK 50 million.

The unsatisfactory profit forecast is mainly attributable to significant capital losses on the group's investment portfolios, writedowns of the portfolio of loans and advances and a not satisfactory claims experience.

Forecast for 2008	
DKKm	**November 2008**
Non-Life	200
Banking	-250
Life	25
Other	75
Profit before tax and minorities	**50**

On the other hand, a strong performance by the group's reinsurance activities in run-off had a favourable impact on the full-year guidance and lower group costs also contributed positively to the profit forecast.

The forecast for the full year 2008 takes into account the weak property market, the sustained high level of interest rates, increased credit risks and the deteriorating claims experience.

The non-life combined ratio is expected to be 96 for the full year.

The full-year consolidated income for 2008 is expected to be in the region of DKK 8 billion.

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

Disclaimer

The forecast is based on the level of interest rates prevailing at mid-November 2008. All forward-looking statements are based exclusively on the information available when this interim report was released.

The actual performance of the group overall and of the individual business areas may be affected by major changes in a number of factors. Such impacts include changes in economic conditions, changes 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 risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

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

REPORT – NON-LIFE INSURANCE

DKKm	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Year 2007
Gross premiums	1,216	1,161	3,565	3,401	4,578
Investment income on insurance business	32	29	99	88	112
Claims incurred	-938	-871	-2,577	-2,367	-3,156
Underwriting management expenses	-219	-236	-693	-700	-898
Profit from business ceded	-47	10	-145	-79	-129
Underwriting profit	**44**	**93**	**249**	**343**	**507**
Interest and dividends etc.	96	85	286	254	338
Capital gains/losses	-23	18	-80	81	98
Management expenses relating to investment business	-4	-4	-11	-11	-15
Interest on technical provisions	-81	-70	-233	-203	-268
Profit on investments business after allocation of technical interest	**-12**	**29**	**-38**	**121**	**153**
Other ordinary items	-6	-4	-15	-12	-13
Profit before tax	**26**	**118**	**196**	**452**	**647**
Tax	-6	-30	-49	-135	-185
Profit for the period	**20**	**88**	**147**	**317**	**462**
Run-off gains/losses	-10	80	-38	70	85
Technical provisions	6,450	6,300	6,450	6,300	5,930
Insurance assets	86	145	86	145	104
Shareholders' equity	1,860	2,191	1,860	2,191	2,338
Total assets	9,107	9,440	9,107	9,440	8,786
Gross claims ratio	77.1%	75.0%	72.3%	69.6%	69.0%
Gross expense ratio	18.0%	20.3%	19.4%	20.6%	19.6%
Net reinsurance ratio	3.9%	-0.9%	4.1%	2.3%	2.8%
Combined ratio	99.0%	94.4%	95.8%	92.5%	91.4%
Operating ratio	96.5%	92.2%	93.2%	90.2%	89.2%
Return on equity before tax p.a.	6%	22%	14%	29%	30%
Return on equity after tax p.a.	4%	16%	11%	20%	22%

Financial results

The group's non-life operations generated a not satisfactory profit before tax of DKK 26 million in Q3 2008, as compared with DKK 118 million in the year-earlier period.

As a result of the significant capital losses on investment assets, the quarterly return after transfer to insurance activities was negative at DKK 12 million, against a positive return of DKK 29 million in the same period of 2007.

The year-to-date profit was DKK 196 million, against DKK 452 million a year earlier. The performance was favourably affected by higher premium income and lower costs and adversely affected by lower revenue from investment activities and a weaker claims experience including run-off losses.

The Q3 2008 performance was equivalent to an annualised return on equity of 11% before tax, compared with 22% in Q3 2007. The year-to-date performance is equivalent to an annualised return on equity of 14% before tax, compared with 29% in the same period of last year.

Premiums
Gross premiums totalled DKK 1,216 million in Q3 2008, an increase of 4.8% on the year-earlier period.

Premium income was DKK 3,565 million for the year to date, an increase of 4.8% from DKK 3,401 million in the first nine months of 2007, which was in line with expectations.

Alm. Brand has decided to raise the premiums on both private building and household comprehensive insurance by an average of 11% and 6%, respectively. Moreover, the final part of the motor portfolio will be converted to a new tariff, which will also have a positive impact on premium income. Premium increases are expected to affect total premium income by one-third in 2009 and two-thirds in 2010.

Claims experience
The claims ratio was 77.1 in Q3 2008, as compared with 75.0 in the same period of last year.

The claims ratio was adversely affected by small claims on household comprehensive and motor insurance and by major claims in the agricultural segment. The claims ratio was favourably affected by fewer weather-related claims than in the same period of last year, which lowered the Q3 claims ratio by 2.3 percentage points.

The weak major claims experience in the agricultural segment continued in the third quarter with major claims amounting to DKK 60 million, against DKK 37 million in Q3 2007. Major claims reported in the agricultural segment in 2007 and 2008 have been thoroughly analysed and various initiatives will be launched to reverse the negative trend.

The year-to-date claims ratio was 72.3, against 69.6 in Q3 2007. The poor claims ratio was primarily attributable to major claims in the agricultural segment, run-off losses from prior insurance years and higher claims expenses on building, comprehensive household and motor insurance. The claims ratio was favourably affected by fewer weather-related claims, which lowered the claims ratio by 2.7 percentage points.

Major claims in all segments totalled DKK 286 million for the year to date, against DKK 255 million in the year-earlier period.

The Q3 run-off loss was DKK 10 million, as compared with a run-off gain of DKK 80 million in Q3 2007. A year-to-date run-off loss of DKK 38 million was incurred, against a run-off gain of DKK 70 million in Q3 2007. The significant run-off gain recorded in 2007 was attributable to a strong claims experience in workers' compensation and to a settlement reached with a reinsurer.

As described in the H1 report, the claims experience in building insurance was not satisfactory and, as a result, a new tariff introducing additional tariff criteria will be implemented. This will entail an average price increase of around 11%. The new tariff will be introduced for the entire portfolio from 2009 onwards.

Based on recent quarters' poor claims experience, Alm. Brand has intensified its efforts to improve the claims experience of the customers who file the most claims. For example, there is a clear correlation between ability/willingness to pay and claims experience.

The private portfolio claims ratio continued to be influenced by the motor premium reduction. Seen in isolation, the premium reduction affected the 9M claims ratio adversely by approximately 8 percentage points relative to last year. In addition, increased traffic density and higher speeds have lifted the claims frequency.

	2006	2007	Q1-Q3 2007	Q1-Q3 2008
Combined Ratio ex. weather-related claims and major claims	81.4	81.6	81.6	84.0
Major claims	5.6	7.4	7.5	8.0
Weather-related claims	2.2	4.3	5.5	2.7
Run-off result	-1.1	-1.9	-2.1	1.1
Combined Ratio	**88.1**	**91.4**	**92.5**	**95.8**

Net reinsurance ratio
The Q3 2008 reinsurance result amounted to a net expense of 3.9%, against a net income of 0.9% in the same period of 2007. The net income in 2007 was attributable to a settlement reached with a reinsurer.

The year-to-date net reinsurance ratio was 4.1, against 2.3 in Q3 2007.

Expenses
The Q3 2008 expense ratio was 18.0, against 20.3 in the year-earlier period. Year-to-date expenses totalled 19.4 of gross premiums, as compared with 20.6 last year. Expenses developed in line with expectations.

Combined ratio
The Q3 2008 performance produced a combined ratio of 99.0, against 94.4 in Q3 2007.

The year-to-date combined ratio was 95.8, as compared with 92.5 in 2007.

Investment return
The non-life investment assets are primarily placed in interest-bearing assets with an overweight of government and mortgage bonds. During the third quarter of 2008, interest-bearing assets were placed with a weighted duration of between two and three years, corresponding to the duration of liabilities. The non-life equity exposure represented slightly less than 1% of the investment assets in Q3 2008.

The investment return after value adjustment of provisions, but before transfer to insurance activities, amounted to DKK 69 million in Q3 2008, against DKK 99 million in Q3 2007.

Using government bonds as the benchmark, the Q3 investment return was below expectations, primarily because the yield spread between mortgage bonds and government bonds widened during the period and because most of the assets were placed in mortgage bonds. At the same time, the discount rates used for discounting of provisions fell during the period, which contributed to the negative fair value adjustments in the third quarter.

The year-to-date investment return was DKK 195 million, as compared with DKK 324 million in the corresponding period of 2007.

Balance sheet

At 30 September 2008, equity allocated to the non-life division was DKK 1.9 billion. Alm. Brand Forsikring A/S had a solvency ratio of 3.2 at 30 September 2008, compared with 3.9 at 31 December 2007.

Major events

Alm. Brand Vejhjælp
In mid-October, Alm. Brand launched a road assistance scheme for private motor insurance policyholders. The agreement offers policyholders roadside assistance as coverage on their comprehensive motor insurance. The roadside assistance scheme is voluntary and provides coverage for policyholders in case of claims arising in Denmark or abroad.

Conversion of commercial and agricultural portfolio to new IT system
In the third quarter, Alm. Brand converted the company's portfolio of commercial and agricultural policies to the new IT system, which had been in the pipeline for two and a half years.

The conversion was the last remaining major milestone of the comprehensive project. Following the conversion, Alm. Brand's entire portfolio of non-life products is comprised on a single IT platform. The conversion also means that after the system has been finally run in, Alm. Brand will have a modern and efficient non-life, sales and service system.

For example, it will provide better opportunities for Alm. Brand to develop and improve the efficiency of its products and processes, resulting in reduced costs and better and faster introduction of products.

Outlook

The group's non-life operations are expected to generate a full-year profit of DKK 200 million before tax and the combined ratio is expected to be 96.

The full-year guidance takes into account the adverse trend in major agricultural claims, building and comprehensive household insurance and the motor premium reductions. The forecast also includes capital losses on investment assets until mid-November 2008.

Premium growth is performing as expected, corresponding to a growth rate of 5% for the full year.

REPORT – BANKING

	PRO RATA					CONSOLIDATED FIGURES				
DKKm	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Year 2007	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Year 2007
INCOME STATEMENT										
Interest receivable	376	307	1,121	868	1,206	382	317	1,144	891	1,237
Interest payable	-267	-214	-800	-587	-832	-271	-216	-809	-596	-842
Net interest income	**109**	**93**	**321**	**281**	**374**	**111**	**101**	**335**	**295**	**395**
Net fees and commissions receivable and dividends, etc.	51	46	162	155	210	50	44	162	155	207
Net interest and fee income	**160**	**139**	**483**	**436**	**584**	**161**	**145**	**497**	**450**	**602**
Value adjustments	-58	40	-211	65	70	-116	53	-400	76	52
Other operating income	2	3	10	9	12	2	3	10	9	12
Profit before expenses	**104**	**182**	**282**	**510**	**666**	**47**	**201**	**107**	**535**	**666**
Expenses and depreciation/amortisation	-119	-116	-397	-374	-515	-122	-118	-404	-379	-521
Write-downs of loans, advances and receivables, etc.	-35	0	-39	42	50	-35	0	-39	42	50
Profit from equity investments	8	2	14	0	-5	8	2	14	0	-5
Profit before tax	**-42**	**68**	**-140**	**178**	**196**	**-102**	**85**	**-322**	**198**	**190**
Tax	2	-9	22	-43	-48	6	-6	47	-28	-33
Profit after tax	**-40**	**59**	**-118**	**135**	**148**	**-96**	**79**	**-275**	**170**	**157**
Share attributable to minority intere	-	-	-	-	-	-56	20	-157	35	9
Profit after tax excluding minority interests	**-**	**-**	**-**	**-**	**-**	**-40**	**59**	**-118**	**135**	**148**
Profit before tax excluding minority interests	-	-	-	-	-	*-42*	*68*	*-140*	*178*	*196*
BALANCE SHEET										
Loans and advances	17,635	16,975	17,635	16,975	18,006	17,549	16,152	17,549	16,152	17,116
Deposits	11,078	10,532	11,078	10,532	11,759	11,078	10,532	11,078	10,532	11,758
Shareholders' equity	1,246	1,351	1,246	1,351	1,365	1,608	1,988	1,608	1,988	1,917
Share attributable to minority intere	-	-	-	-	-	361	637	361	637	552
Total assets	23,615	23,059	23,615	23,059	25,048	24,146	23,911	24,146	23,911	25,785
KEY RATIOS ETC.										
Average no. of employees (full-time equivalents)	380	382	382	372	374	381	383	383	373	374
Interest margin	-	-	-	-	-	1.8%	1.7%	1.8%	1.8%	1.7%
Income/cost ratio	0.73	1.59	0.68	1.53	1.42	0.35	1.73	0.27	1.59	1.40
Impairment ratio	0.2%	0.0%	0.3%	-0.1%	-0.3%	0.2%	0.0%	0.7%	-0.2%	-0.3%
Solvency ratio	-	-	-	-	-	11.7%	12.2%	11.7%	12.2%	11.7%
Return on equity before tax	-13%	21%	-14%	19%	15%	-13%	21%	-14%	19%	15%
Return on equity after tax	-13%	18%	-12%	14%	12%	-13%	18%	-12%	14%	12%
Return in excess of the money market rate	-18.7%	16.4%	-5.1%	14.5%	10.7%	-18.7%	16.4%	-5.1%	14.5%	10.7%

In order to increase the transparency of Alm. Brand Bank's financial statements, the bank publishes pro rata consolidated figures (i.e. excluding minorities). The numbers are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the text below are for pro-rata numbers. Banking group numbers (i.e. not pro rata) are commented on only when found relevant.

Financial results

The bank posted a pre-tax loss of DKK 42 million in Q3 2008, as compared with a profit of DKK 68 million in the year-earlier period.

The year-to-date loss before tax was DKK 140 million, against a DKK 178 million profit for the first nine months of 2007. The year-to-date performance equals a negative return on equity before tax of 14% p.a., relative to a positive return on equity of 19% in the same period of last year.

The financial results were favourably affected by a strong EBITDA performance.

Nevertheless, the performance fell significantly short of expectations, partly attributable to large capital losses on the bank's portfolio of securities triggered by rising interest rates and the volatile financial markets and partly to an increase in writedowns in the third quarter.

The performance was not satisfactory.

Net interest and fee income
Net interest and fee income totalled DKK 160 million, a 15% increase from DKK 139 million in Q3 2007. The year-to-date net interest and fee income was DKK 483 million, against DKK 436 million in the first nine months of 2007.

The banking group had an interest margin of 1.8% in Q3 2008, which was on a par with the same period of 2007. The 9M interest margin was 1.8%.

Interest income was favourably influenced by growth in the bank's lending activities as compared with Q3 2007 and by the bank raising its lending rates to improve its profitability and cover the growing funding costs. Accordingly, the customer interest margin has increased in 2008. The bank's total interest margin was on a par with that of 31 December 2007 mainly because the investment rate of the bank's cash resources in Danmarks Nationalbank was relatively low compared with the prevailing deposit rates.

The bank is working proactively to improve its interest income and, most recently in October 2008, readjusted the interest rates paid to customers, which is expected to enhance interest income in the fourth quarter.

Fee income performed satisfactorily, increasing slightly relative to the year-earlier period. The performance was mainly attributable to the strong performance of Alm. Brand Markets, which recorded satisfactory trading income in spite of difficult market conditions.

Value adjustments
Value adjustments in Q3 2008 amounted to a loss of DKK 58 million, against a gain of DKK 40 million in the year-earlier period. An amount of DKK 31 million of the total capital loss was attributable to credit writedowns on mortgage deeds as a result of actual or anticipated losses. Interest-related value adjustments amounted to a loss of DKK 22 million in Q3, primarily attributable to rising interest rates, whereas equity-related value adjustments totalled a loss of DKK 5 million.

Year-to-date value adjustments amounted to DKK 211 million at 30 September 2008. Overall credit writedowns on mortgage deeds in the bank's portfolio amounted to DKK 63 million. Interest-related value adjustments totalled a loss of DKK 124 million, whereas other value adjustments on shares and foreign exchange totalled a loss of DKK 24 million.

Expenses
Total costs for Q3 2008 amounted to DKK 119 million, against DKK 116 million for the same period of last year.

The income/cost ratio was 0.73 in Q3 2008, against 1.59 in the third quarter of 2007.

The bank has launched a number of efficiency-enhancing activities intended to reduce costs.

Impairment of loans, etc.
The bank's total writedowns and losses amounted to DKK 66 million in Q3 2008. Out of this amount, DKK 27 million related to security financing, while credit writedowns on commercial and home mortgages accounted for DKK 25 million and DKK 6 million, respectively. Credit writedowns on mortgages are recognised under value adjustments. Losses and writedowns on the bank's other commitments totalled DKK 8 million.

Year-to-date writedowns totalled DKK 102 million at 30 September 2008. Credit writedowns of commercial and home mortgages amounted to DKK 51 million and DKK 12 million, respectively, whereas writedowns of security financing accounted for DKK 28 million of this amount. Property development projects and other commercial property amounted to DKK 19 million and DKK 10 million, respectively.

The scope of writedowns has proven to be significantly worse than expected. The bank's portfolio is characterised by largely all loans and advances being backed by significant collateral, typically in the form of real property or securities. The unexpected performance was triggered by the unforeseen and severe financial crisis, which

brought about interest rate increases and illiquidity in the market at the same time. Within a short period of time, the high interest rates undermined the operating results of the underlying collateral and, combined with market illiquidity, this significantly reduced the collateral value.

As a result of the very difficult market conditions, the bank has decided to withdraw from the market for mortgage deeds secured against large investment properties. The portfolio will be phased out over the next couple of years. The anticipated losses and writedowns in this segment have been included in the profit guidance for the full year.

Appendix A includes a detailed breakdown of the bank's lending portfolio indicating lending volumes and credit loss per segment.

The banking group's accumulated writedowns on loans, advances and guarantees totalled DKK 158 million at 30 September 2008, which corresponds to an accumulated impairment ratio of 0.8 against 0.7 at 30 September 2007 and 0.7 at 31 December 2007.

Balance sheet

Loans, advances and deposits
Loans and advances totalled DKK 17.6 billion at 30 September 2008, an increase of DKK 0.6 million relative to the same period of 2007.

Compared with 30 June 2008, total loans and advances declined by DKK 0.5 billion. In recent months, the bank thus reduced its loans and advances due to the financial crisis and to a wish to reduce the bank's property market exposure. Also, a number of major loans were repaid.

The bank expects to continue reducing its total lending during the remainder of 2008. It also expects to increase the diversification of its portfolio of loans and advances as a result of the anticipated sustained growth in loans and advances to the Alm. Brand Group's private customers.

Deposits totalled DKK 11.1 billion at 30 September 2008, against DKK 11.8 billion at 30 June 2008.

Capital
The bank's equity stood at DKK 1.2 billion at 30 September 2008. The capital base was DKK 1.8 billion.

Similarly, the banking group's equity stood at DKK 1.6 billion at 30 September 2008, whereas the capital base totalled DKK 2.1 billion. The banking group had a solvency ratio of 11.7 and a tier 1 ratio of 8.9.

Major events

Continued growth in private lines
In Q3 2008, the bank experienced a net inflow of 7% in the private customer segment relative to 30 September 2007, bringing the total number of private customers in the bank to more than 86,000. The Alm. Brand Group's multiproduct customer concept, the *dobbeltKUNDE* concept, also recorded growth. Accordingly, the number of multiproduct customers rose by more than 20% as compared with 30 September 2007.

Cash flow
At the beginning of the year, the bank launched a deposit campaign targeting the retail segment which attracted new deposit funds of just over DKK 1.8 billion. The new deposits primarily came from individual private customers and thus further diversified the deposit portfolio.

The bank maintains a strong cash position. Cash made up in accordance with section 152 of the Danish Financial Business Act stood at DKK 4.2 billion at 30 September 2008, representing an overcollateralisation of DKK 1.8 billion or 179% of the statutory requirement.

The bank has a stable long-term interbank funding of DKK 8.5 billion, of which the only amounts falling due for payment within the next 12 months are DKK 560 million in December 2008 and DKK 1,350 million in September 2009. According to the bank's cash budget, Alm. Brand Bank will not be required to take up new long-term loans in the international money markets during the remainder of 2008 or during 2009.

Events after the balance sheet date
State-backed guarantee scheme
The bank has retained its membership of the Private Contingency Association and is therefore comprised by the state-backed guarantee scheme, which runs for the next two years.

Alm. Brand Bank A/S' estimated share totals a guarantee commission of DKK 150 million, an additional loss guarantee of up to DKK 100 million and an increased guarantee commission of DKK 100 million.

The scheme is expected to reduce the bank's financial performance by approximately DKK 20 million during the remainder of 2008 and by around DKK 75 million in 2009.

Subordinate loan capital raised
Alm. Brand Bank A/S raised subordinate loan capital of DKK 300 million from Alm. Brand A/S on 13 October 2008 in order to strengthen its capital base to counter the adverse impact of the very volatile financial markets.

All other things being equal, the subordinate loan capital raised will increase the bank's solvency by 1.6 percentage point.

Capital reduction in Alm. Brand Formue A/S
At the extraordinary general meeting of Alm. Brand Formue A/S held on 9 July 2008, the shareholders resolved to reduce the company's share capital by a nominal amount of DKK 110,000,000 in a directed share buyback at a price of DKK 118.70.

However, as a result of recent developments in the global equity and fixed income markets, the company does not meet the conditions of the Danish Public Companies Act, since at the current price level the company's shareholders' equity would not be able to fully cover its share capital after a capital reduction.

A capital reduction will be implemented as and when the company meets the conditions of the Danish Public Companies Act. If a capital reduction cannot be implemented by 10 July 2009, the resolution to go through with the capital reduction will lapse.

Outlook

As announced on 22 October 2008, the bank expects a full-year loss of DKK 250 million.

The unsatisfactory profit forecast is based partly on the adverse equity market developments and rising interest rates, which could result in capital losses on the securities portfolio, and partly on the deteriorating economic conditions in Denmark, which entail writedowns of the bank's portfolio of loans and advances.

Total writedowns, including credit writedowns of mortgage deeds, are expected to amount to DKK 200 million for the full year. As indicated above, the year-to-date writedowns totalled DKK 102 million, and the bank's forecast thus includes additional writedowns of loans and advances in the amount of almost DKK 100 million in the fourth quarter.

Finally, the profit guidance for the bank is reduced by a guarantee commission payment of approximately DKK 20 million to the state-backed scheme to safeguard depositors and simple creditors.

REPORT – LIFE INSURANCE

DKKm	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007	Year 2007
Premiums	146	149	492	489	750
Claims incurred	-211	-202	-703	-661	-918
Investment return after allocation of interest	64	150	-200	-5	57
Total underwriting management expenses	-18	-18	-59	-60	-82
Profit/loss on business ceder	3	-1	13	15	17
Change in life insurance provisions	-11	-54	40	229	188
Change in collective bonus potential	28	5	413	44	61
Underwriting profit/loss	**1**	**29**	**-4**	**51**	**73**
Return on investments allocated to equity	13	10	22	22	31
Profit before tax	**14**	**39**	**18**	**73**	**104**
Tax	-4	-9	-5	-28	-35
Profit after tax	**10**	**30**	**13**	**45**	**69**
Result in life insurance					
Administrative result	0	0	-3	-1	-2
Investment result	-60	42	-538	-321	-366
Change in provision for guaranteed pension benefits	20	-16	91	298	347
Change in collective bonus potential	28	5	413	44	62
Risk result	23	9	42	38	46
Profit/loss on business Ceder	3	-1	13	15	17
Profit before tax	**14**	**39**	**18**	**73**	**104**
Tax	-3	-9	-4	-28	-35
Profit/loss after tax	**11**	**30**	**14**	**45**	**69**
Total technical provisions	10,613	11,029	10,613	11,029	11,049
Shareholders' equity	766	879	766	879	903
Total assets	11,954	12,478	11,954	12,478	12,168
Return on equity before tax p.a.	7%	18%	3%	11%	12%
Return on equity after tax p.a.	6%	14%	2%	7%	8%
Bonus rate	0.0%	4.2%	0.0%	4.2%	4.0%

Investment return in life insurance in 1H 2008 DKKm	Return of the period	Return ratio
Interest-bearing assets	61	0.7%
Shares	-327	-35.1%
Property	64	4.3%
Management expenses relating to investments activities	-16	0.0%
Total	**-218**	**-1.9%**

Financial results

The group's life and pension operations reported a pre-tax profit for Q3 2008 of DKK 14 million, against DKK 39 million for the same period of last year. The profit for the first nine months of the year amounted to DKK 18 million before tax, against DKK 73 million in 2007.

No risk premium could be recognised for the first nine months of 2008. Therefore, DKK 51 million was transferred to the shadow account, which had a balance of DKK 51 million at 30 September 2008.

The performance implies an annualised return on equity of 3% before tax, as compared with an annualised return of 11% in the year-earlier period.

As a result of the investment return performance and accruing interest on policyholders' savings at the rate of 4.5% p.a. after tax on pension return, the collective bonus potential was used up and DKK 72 million of the bonus potential on paid-up policies was applied.

Premiums
Gross premiums fell by 2% to DKK 146 million in Q3 2008 from DKK 149 million in the year-earlier period. Year-to-date gross premiums rose 1% to DKK 492 million, against DKK 489 million a year earlier. Part of the increase was attributable to single premiums, which totalled DKK 69 million in the first nine months of the year, against DKK 52 million in the same period of 2007.

The moderate premium performance of the group's life insurance company was in line with expectations, reflecting the group's strategy that an increasing proportion of pension savings should be placed in the Alm. Brand Investment Scheme, which is set up with Alm. Brand Bank.

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company rose by 1% to DKK 202 million in Q3 2008 from DKK 201 million in Q3 2007. Year-to-date contributions rose 6% to DKK 666 million, against DKK 629 million a year earlier.

Investment return
The year-to-date investment return on assets belonging to policyholders, before tax on pension returns but after management costs, was a loss of DKK 218 million, equal to a negative return of 1.9% (2.5% p.a.).

The return was adversely impacted by equity market performances. However, the equity return was satisfactory relative to the benchmark.

The return on the bond portfolio was adversely affected by the performance of Danish mortgage bonds. The return on fixed income investments was not satisfactory relative to the benchmark of government bonds.

The company still expects that Danish mortgage bonds will continue to make up a significant proportion of its portfolio and the capital losses are therefore expected to be offset to a large extent by higher future returns.

The 9M return on investment assets attributable to shareholders' equity was DKK 22 million, equivalent to a return of 2.4% (3.2% p.a.).

Benefits paid
Benefits paid in Q3 2008 amounted to DKK 211 million, against DKK 202 million in 2007. Benefits paid for the year to date amounted to DKK 703 million at 30 September 2008, against DKK 661 million in the year-earlier period. This increase was mainly attributable to an increase in pension benefits.

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

Total provisions for the year to date declined by DKK 40 million.

At 30 September 2008, provisions were reduced by DKK 72 million by applying part of the bonus potential on paid-up policies.

Collective bonus potential
The year-to-date collective bonus potential was reduced by DKK 413 million to DKK 0 million.

Expenses
Acquisition and administrative expenses totalled DKK 18 million in Q3 2008, which was unchanged from the same period of 2007. Expenses for the year to date amounted to DKK 59 million, against DKK 60 million in the year-earlier period.

Total expenses for 2008 to date were lower than expected. The overall fall relative to 2007 was attributable to lower administrative expenses.

Expense and risk results
The expense result, which expresses the difference between expense loading and expenses incurred, amounted to a DKK 3 million loss in the first nine months of 2008. We aim for the expense result to be neutral.

The risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 42 million in 9M 2008. The risk result net of reinsurance was DKK 53 million. The overall risk result was highly satisfactory.

Balance sheet

The life group's shareholders' equity was DKK 766 million at 30 September 2008. The solvency rate was 196 at 30 September 2008.

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

Major events

Charge implemented to protect against adverse effects of changes in interest rates
If the bonus potential on paid-up policies has been wholly or partly applied and/or if shareholders' equity does not qualify for recognition of risk premium, the company may activate a charge to protect against adverse effects of changes in interest rates. This charge means that customers leaving the company prematurely by buying back or transferring their scheme to another pension provider will be required to pay their share of any capital losses. The charge thus acts as a form of protection but otherwise has no significance for customers continuing their commitments until the agreed time of expiry. With effect from 14 October 2008, the company has introduced a charge to protect against adverse effects of changes in interest rates of 3.8% of the savings amount. The charge will be updated on an ongoing basis, normally once a month.

Events after the balance sheet date

Capital contribution
On 28 October 2008, the parent company, Alm. Brand Forsikring A/S, contributed capital to the company. The capital contribution had a nominal value of DKK 10 million at a price of DKK 3,000 per share with a nominal value of DKK 100, amounting to a total contribution of DKK 300 million to Alm. Brand Liv og Pension A/S. The capital contribution was based on a wish to safeguard the continued capital strength and financial versatility of Alm. Brand Liv og Pension A/S.

Agreement on financial stability in the pension area
On 31 October 2008, the Danish Ministry of Economic and Business Affairs and the Danish Insurance Association signed an agreement on financial stability in the pension area. The agreement provides that the yield curve used in the determination of provisions will be adjusted until the end of 2009. The adjustment means that the development of mortgage bond yields is taken into account to a certain extent. This increases the bonus potential on paid-up policies and provides for a certain easing of the total provisions. The agreement also introduces an upper limit on bonus allotment to ensure that the companies generally do not incur liabilities beyond the agreed pension guarantees. Finally, the agreement entails a temporary easing of solvency requirements and stress scenarios. The agreement is not expected to affect the 2008 financial performance.

Outlook

Due to the negative trends in the financial markets, a risk premium is not expected to be available for 2008. The full-year profit is expected to be DKK 25 million consisting solely of the direct return on equity and the result of portfolios without bonus entitlement.

The outstanding risk premium will be transferred to the shadow account and the amount will be recognised as income as soon as warranted by investment returns.

The performance will rely strongly on how interest rates, the property market and, particularly, the equity markets develop.

Bonus potential on paid-up policies
The company's investments are marked to market on a current basis. If yields go up (or if share prices drop), the company incurs a capital loss. In return, the anticipated future return will increase. If the company does not have sufficient collective bonus provisions to cover the losses, the company may apply the bonus potential on paid-up policies. Applying the bonus potential on paid-up policies implies a temporary reduction of the life insurance provisions for accounting purposes. As and when permitted by future returns, the bonus potential on paid-up policies is reduced again. By applying the bonus potential on paid-up policies, the company is able to pursue a prudent long-term investment policy for the benefit of its customers.

REPORT – OTHER ACTIVITIES

Copenhagen Re

The Q3 2008 pre-tax profit was DKK 20 million, compared with DKK 14 million in Q3 2007.

This brought the profit before tax to DKK 70 million for the first nine months of the year, against DKK 54 million in the year-earlier period.

The Q3 profit was favourably affected by the better-than-expected performance in commutations.

The 9M performance was better than had been expected, lifted by favourable developments in the lawsuit a number of London-based insurers, including Copenhagen Re, had brought against the Port Authority of New York and New Jersey (PONY) in relation to claims arising from the attack on the World Trade Center.

The results were negatively affected by lower-than-expected investment returns resulting from capital losses.

Technical provisions net of reinsurance totalled DKK 0.7 billion at 30 September 2008, which is DKK 0.4 billion less than at 31 December 2007. Much of this reduction is attributable to the settlement with PONY.

Copenhagen Re's shareholders' equity amounted to DKK 313 million at 30 September 2008, equal to Alm. Brand A/S' carrying value on the investment. The amount represents an increase of DKK 52 million achieved in the first nine months of 2008, and equity now amounts to 43% of technical provisions net of reinsurance, against 27% at 31 December 2007. In addition, the company's solvency ratio has improved from 2.1 at 31 December 2007 to 3.4 at 30 September 2008.

Overall, developments during the first nine months have significantly strengthened Copenhagen Re's equity and provisioning certainty. In light of the positive developments and the full-year expectations, the company intends to initiate discussions with the relevant authorities for the purpose of releasing a part of the tied-up capital.

The pre-tax profit forecast for the full year is DKK 100 million, reflecting the favourable developments with respect to PONY and a positive commutation performance.

Other miscellaneous activities

"Other miscellaneous activities" comprises corporate expenses and a number of dormant companies.

Other miscellaneous activities of the group contributed a pre-tax profit of DKK 1 million, against a DKK 16 million loss in Q3 2007. This brought the loss to DKK 20 million for the first nine months of the year, against a loss of DKK 25 million in the year-earlier period.

The company forecasts a full-year pre-tax loss of DKK 25 million on other miscellaneous activities.

Outlook

The profit forecast for other miscellaneous activities is upgraded to DKK 75 million compared with the previous guidance of DKK 40 million.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today considered and adopted the interim report of Alm. Brand A/S for the nine months ended 30 September 2008.

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 2008 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 2008.

The management's review also gives a true and fair view of developments in the activities and financial position of the group.

EXECUTIVE BOARD

Copenhagen, 19 November 2008

Søren Boe Mortensen
Chief Executive

Henrik Nordam
Deputy Chief Executive

BOARD OF DIRECTORS

Copenhagen, 19 November 2008

Christian N.B. Ulrich
Chairman

Jørgen H. Mikkelsen
Deputy Chairman

Boris N. Kjeldsen

Niels Kofoed

Jørgen S. Larsen

Henrik Stenbjerre

Susanne Larsen

Lone Clausen

Henning Kaffka

ACCOUNTING POLICIES, GROUP

The consolidated interim report for the nine months ended 30 September 2008 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 2007. The accounting policies of the parent company are described in connection with the parent company’s interim report, as detailed in a separate section of this report.

The interim report for the nine months ended 30 September 2008 is unaudited.

BALANCE SHEET

	Group		
	30 September	30 September	31 December
DKKm	2008	2007	2007
Assets			
Intangible assets	228	203	227
Owner-occupied properties	678	656	670
Deferred tax assets	246	297	234
Participating interests in joint ventures	29	42	45
Current tax assets	432	801	518
Reinsurers' share of insurance contracts	40	0	30
Other assets	1,707	1,820	1,488
Loans	17,550	16,152	17,117
Investment properties	824	787	811
Investment assets	21,188	23,053	23,396
Amounts due from credit institutions and central banks	2,725	2,736	2,560
Cash in hand and demand deposits	181	517	790
Total assets	**45,828**	**47,064**	**47,886**
Liabilities and equity			
Share capital	1,476	1,668	1,668
Reserves, retained profit etc.	3,178	3,395	3,274
Minority interests	335	585	504
Consolidated shareholders' equity	4,989	5,648	5,446
Subordinated debt	817	817	817
Provisions for insurance contracts	18,113	19,010	18,331
Other provisions	104	177	118
Deferred tax liabilities	46	46	46
Issued bonds	1,343	1,448	1,402
Other liabilities	1,228	1,918	1,887
Deposits	10,362	9,834	10,987
Payables to credit institutions and central banks	8,826	8,166	8,852
Total liabilities and equity	**45,828**	**47,064**	**47,886**

Note 1 Own shares

Note 2 Contingent liabilities, guaranties and leasing

INCOME STATEMENT

					Group
	Q3	Q3	Q1-Q3	Q1-Q3	Året
DKKm	**2008**	**2007**	**2008**	**2007**	**2007**
Income					
Premium income	1,358	1,312	4,060	3,908	5,345
Interest income etc.	598	529	1,822	1,553	2,111
Fee income etc.	46	39	145	138	185
Other income from investment activities	4	1	4	4	40
Income associates	11	0	14	0	0
Other income	3	11	21	30	40
Total income	**2,020**	**1,892**	**6,066**	**5,633**	**7,721**
Costs					
Claims incurred	-1,125	-1,069	-3,186	-3,054	-4,081
Interest expenses	-313	-250	-933	-693	-973
Other cost from investment activities	-11	-25	-42	-50	-68
Impairment of loans, advances and receivables, etc.	-35	0	-39	42	50
Acquisition and administrative costs	-348	-365	-1,141	-1,125	-1,501
Other costs	-7	-11	-26	-32	-41
Total costs	**-1,839**	**-1,720**	**-5,367**	**-4,912**	**-6,614**
Profit from business ceded	-46	10	-153	-22	-85
Change in life insurance provisions	-11	-54	40	229	188
Change in collective bonus potential	28	5	413	44	69
Exchange rate adjustments	-167	136	-1,061	-221	-288
Tax on pension investment returns	-16	-29	27	-1	-11
Profit before tax	**-31**	**240**	**-35**	**750**	**980**
Tax	-1	-45	-20	-199	-266
Profit after tax	**-32**	**195**	**-55**	**551**	**714**
The profit before tax is allocated as follows:					
Share attributable to Alm. Brand	19	224	124	732	986
Share attributable to minority shareholders	-50	16	-159	18	-6
	-31	**240**	**-35**	**750**	**980**
The profit after tax is allocated as follows:					
Share attributable to Alm. Brand	15	176	80	518	705
Share attributable to minority shareholders	-47	19	-135	33	9
	-32	**195**	**-55**	**551**	**714**
Earnings per share, DKK	1	9	4	25	35
Diluted earnings per share, DKK	1	9	4	25	35

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Contingency funds	Retained profit	Revaluation reserve	Shareholders' equity	Minority interests	Consolidated equity
Shareholders equity, 01.01.2007	**1,788**	**182**	**2,939**	**3**	**4,912**	**520**	**5,432**
Profit/loss for the period	0	0	705	0	705	9	714
Cancellation of shares	-120	0	120	0	0	0	0
Revaluation of owner-occupied propertie	0	0	0	11	11	0	11
Transferred to collective bonus potential	0	0	0	-8	-8	0	-8
Tax on changes recognised in equity	0	0	-1	0	-1	0	-1
Sale of treasury shares	0	0	14	0	14	0	14
Repurchased shares	0	0	-691	0	-691	0	-691
Change in share attributable to minority interest						-25	-25
Shareholders equity, 01.01.2008	**1,668**	**182**	**3,086**	**6**	**4,942**	**504**	**5,446**
Profit/loss for the period	0	0	80	0	80	-135	-55
Sale of treasury shares	-192	0	192	0	0	0	0
Repurchased shares	0	0	22	0	22	0	22
Cancellation of shares	0	0	-390	0	-390	0	-390
Change in share attributable to minority interest						-34	-34
Shareholders equity, 30.09.2008	**1,476**	**182**	**2,990**	**6**	**4,654**	**335**	**4,989**

	30 September 2008	31 December 2007
Shareholders' equity exclusive minority interests	4,654	4,942
Consolidation of Pensionskassen under Alm. Brand A/S	-5	-10
Authority exclusive minority interests	**4,649**	**4,932**
Share of profit attributable to Alm. Brand A/S	80	705
Consolidation of Pensionskassen under Alm. Brand A/S	5	1
Supervisory Authority	**85**	**706**

CAPITAL CALCULATION MODEL

DKKm	Times the statutory solvency margin	30 September 2008	31 December 2007
Non-life insurance	2.4	1,793	1,637
Banking excluding partly owned listed subsidiaries	1.3	1,681	1,822
Banking, investments in partly-owned listed subsidiaries		538	801
Life insurance	2.0	944	936
Reinsurance		313	261
Capital target		**5,269**	**5,457**
Consolidated shareholders' equity		4,989	5,446
Net tax asset		-246	-234
Intangible assets		-228	-227
Adjusted consolidated shareholders' equity excluding capital base		**4,515**	**4,985**
Dividend distribution excluding capital base		**-754**	**-472**
Capital base		824	817
Dividend distribution including capital base		**70**	**345**

CASH FLOW STATEMENT

	Group		
	Q1-Q3	Q1-Q3	Year
DKKm	2008	2007	2007
Cash flows from operating activities			
Premiums received	4,240	4,284	5,223
Claims paid	-3,579	-2,920	-4,154
Interest receivable, dividends, etc.	1,823	1,533	2,237
Interest payable	-772	-558	-789
Payments concerning reinsurance	69	-15	39
Fee income received	168	148	210
Fee income paid	-31	-24	-49
Expences paid	-1,270	-1,223	-1,640
Tax on pension investment returns paid	0	23	-10
Acquisition of intangible assets, furniture, equipments etc.	-40	-38	-89
Other ordinary income received	11	9	12
Taxes paid/received	-6	-6	-44
Cash flows from operating activities	**613**	**1,213**	**946**
Change in investment placement (net)			
Properties acquired or converted	-18	-36	-59
Sale/aquisition of equity investments	-432	302	249
Sale/repayment of mortgage deeds and loans	230	-2,785	-3,890
Sale/aquisition of bonds	1,052	389	246
Change in receivables from credit institutions over 3 months	69	-154	63
Change in investment placement (net)	**901**	**-2,284**	**-3,391**
Change in financing (net)			
Other provisions	-14	-67	-128
Sale/purchase of treasury shares	-368	-367	-677
Sale/acquisition of subsidiaries (change in minority interests)	-34	-12	-25
Subordinated debt	0	349	343
Issued bonds	0	316	362
Change in deposits	-1,284	983	1,878
Change in payables to credit institutions	-26	1,450	2,143
Change in financing (net)	**-1,726**	**2,652**	**3,896**
Gross change in cash and cash equivalents	**-212**	**1,581**	**1,451**
Exchange rate adjustments of cash equivalents, beginning of period	-1	-30	-34
Net change in cash and cash equivalents	**-213**	**1,551**	**1,417**
Cash and cash equivalents, beginning of period	3,119	1,702	1,702
Cash and cash equivalents, end of period	**2,906**	**3,253**	**3,119**

SEGMENT REPORTING

DKKm	Non-life	Bank	Life	Other	Elimi-nation	Group
						Q1-Q3 2008
Premium income	3,565	0	492	3	0	4,060
Interest income etc.	291	1,144	353	60	-26	1,822
Fee income etc.	0	162	0	0	-17	145
Other investment income	1	0	61	0	-58	4
Income associates	0	14	0	0	0	14
Other income	11	10	0	0	0	21
Total income	**3,868**	**1,330**	**906**	**63**	**-101**	**6,066**
Claims incurred	-2,577	0	-703	94	0	-3,186
Interest expenses	-140	-809	-10	0	26	-933
Other investment expenses	-11	0	-15	-33	17	-42
Provisions for bad and doubtful debts	0	-39	0	0	0	-39
Acquisition and administrative expenses	-693	-404	-59	-43	58	-1,141
Other expenses	-26	0	0	0	0	-26
Total expenses	**-3,447**	**-1,252**	**-787**	**18**	**101**	**-5,367**
Result of business ceded	-145	0	13	-21	0	-153
Change in life insurance provisions	0	0	40	0	0	40
Change in collective bonus potential	0	0	413	0	0	413
Exchange rate adjustments	-80	-400	-594	-9	22	-1,061
Tax on pension investment returns	0	0	27	0	0	27
Profit before tax	**196**	**-322**	**18**	**51**	**22**	**-35**
Tax	-49	47	-5	-13	0	-20
Profit after tax	**147**	**-275**	**13**	**38**	**22**	**-55**

						Q1-Q3 2007
Premium income	3,401	0	489	18	0	3,908
Interest income etc.	259	891	357	77	-31	1,553
Fee income etc.	0	155	0	0	-17	138
Other investment income	1	0	57	0	-54	4
Other income	20	9	0	1	0	30
Total income	**3,681**	**1,055**	**903**	**96**	**-102**	**5,633**
Claims incurred	-2,367	0	-661	-26	0	-3,054
Interest expenses	-121	-596	-4	-3	31	-693
Other investment expenses	-11	0	-17	-39	17	-50
Provisions for bad and doubtful debts	0	42	0	0	0	42
Acquisition and administrative expenses	-700	-379	-60	-40	54	-1,125
Other expenses	-32	0	0	0	0	-32
Total expenses	**-3,231**	**-933**	**-742**	**-108**	**102**	**-4,912**
Result of business ceded	-79	0	15	42	0	-22
Change in life insurance provisions	0	0	229	0	0	229
Change in collective bonus potential	0	0	44	0	0	44
Exchange rate adjustments	81	76	-375	0	-3	-221
Tax on pension investment returns	0	0	-1	0	0	-1
Profit before tax	**452**	**198**	**73**	**30**	**-3**	**750**
Tax	-135	-28	-28	-8	0	-199
Profit after tax	**317**	**170**	**45**	**22**	**-3**	**551**

NOTES

DKKm	Group Q1-Q3 2008	Group Q1-Q3 2007	Group Year 2007
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	-176	-247	-557
Buying during the period	874	815	1,442
Sold during the period	-506	-448	-765
Cancellation of shares	-192	-120	-120
Carrying amount, end of period	**0**	**0**	**0**
Nominal value, beginning of year	152	114	114
Buying during the period	284	176	337
Sold during the period	-162	-97	-179
Cancellation of shares	-192	-120	-120
Nominal value, end of period	**82**	**73**	**152**
Holding (number of shares), beginning of year	1,906	1,421	1,421
Additions, number of shares	3,545	2,203	4,219
Disposals, number of shares	-2,028	-1,214	-2,234
Cancellation of shares	-2,400	-1,500	-1,500
Holding (number of shares), end of period	**1,023**	**910**	**1,906**
Percentage of share capital, end of period	**5.5%**	**4.4%**	**9.1%**
Note 2 Contingent liabilities, guaranties and leasing			
Guarantee commitments	**2,347**	**2,363**	**2,223**

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 2007.

The interim report for the nine months ended 30 September 2008 is unaudited.

BALANCE SHEET

DKKm	Note	Parent company 30 September 2008	30 September 2007	31 December 2007
Assets				
Investment in group enterprises	1	4,199	4,687	4,880
Investment in associates		21	20	20
Total investments in group enterprises and associates		**4,220**	**4,707**	**4,900**
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		235	351	0
Cash in hand and balances at call		37	16	88
Total other financial investment assets		**275**	**370**	**91**
Total investment assets		**4,495**	**5,077**	**4,991**
Receiveables from group enterprises		1	0	9
Other receivables		243	48	33
Total receivables		**244**	**48**	**42**
Current tax assets		24	30	12
Deferred tax assets		20	23	20
Total other assets		**44**	**53**	**32**
Accrued interest		2	1	0
Accruals and deferred income		**2**	**2**	**0**
Total assets		**4,785**	**5,180**	**5,065**
Liabilities and equity				
Share capital		1,476	1,668	1,668
Retained earnings		3,173	3,386	3,264
Total shareholders' equity		**4,649**	**5,054**	**4,932**
Deferred tax liabilities		46	46	46
Total provisions		**46**	**46**	**46**
Payables to group enterprises		23	3	21
Other payables		67	77	66
Total Payables		**90**	**80**	**87**
Total liabilities and equity		**4,785**	**5,180**	**5,065**

INCOME STATEMENT

		Parent company		
		Q1-Q3	Q1-Q3	Year
DKKm	**Note**	**2008**	**2007**	**2007**
Income from group enterprises	2	95	541	736
Interest income and dividends, etc.		16	17	22
Interest expenses		0	-12	-14
Administrative expenses related to investment activities		-30	-37	-50
Profit before tax		**80**	**509**	**694**
Tax		5	11	12
Profit for the Period		**85**	**520**	**706**

STATEMENT OF CHANGES IN EQUITY

	Parent company		
DKKm	**Share-Capital**	**Retained earnings**	**Shareholders' equity**
Shareholders equity, 01.01.2007	**1,788**	**3,113**	**4,901**
Profit/loss for the period	0	706	706
Cancellation of shares	-120	120	0
Revaluation of owner-occupied properties	0	3	3
Tax on changes recognised in equity	0	-1	-1
Sale of treasury shares	0	14	14
Repurchased shares	0	-691	-691
Shareholders equity, 01.01.2008	**1,668**	**3,264**	**4,932**
Profit/loss for the period	0	85	85
Sale of treasury shares	-192	192	0
Repurchased shares	0	22	22
Cancellation of shares	0	-390	-390
Shareholders equity, 30.09.2008	**1,476**	**3,173**	**4,649**

NOTES

Note 1 Investment in group enterprises

	Parent company		
DKKm	30 September 2008	30 September 2007	31 December 2007
Cost, beginning of year	4,244	6,042	6,042
Disposals	-2	-1,798	-1,798
Cost, at period-end	**4,242**	**4,244**	**4,244**
Revaluation and impairment, beginning of year	322	-1,134	-1,134
Dividend received	-775	-699	-699
Disposals	-5	1,423	1,423
Profit for the year	95	541	736
Revaluation of owner-occupied associates	0	0	3
Tax on changes recognised in equity associates	0	0	-1
Revaluation and impairment of treasury shares in subsidiaries	6	-2	-6
Revaluation and impairment, at period-end	**-357**	**129**	**322**
Set off against receivables and capital base	314	314	314
Carrying amount, at period-end	**4,199**	**4,687**	**4,880**
Specification of carrying amount:			
Alm. Brand Bank A/S	1,247	1,349	1,359
Alm. Brand Forsikring A/S	2,940	3,320	3,502
Finansieringsselskabet Balder A/S	0	7	7
Finansieringsselskabet af 9/10 1992 A/S	12	11	12
	4,199	**4,687**	**4,880**

Note 2 Income from group enterprises

	Parent company		
DKKm	Q1-Q3 2008	Q1-Q3 2007	Year 2007
Alm. Brand Bank A/S	-118	135	149
Alm. Brand Forsikring A/S	213	400	580
Asgaard Finans A/S	0	0	0
Finansieringsselskabet Balder A/S i likvidation	0	6	6
Finansieringsselskabet af 9/10 1992 A/S	0	0	1
	95	**541**	**736**

APPENDIX A – Lending portfolio and credit losses

DKKm	Loans at 30 September 2008	Share of portfolio (%)	Average loan	Total loss and write-down	Loss ratio
					Prorata Q1-Q3 2008
Segments					
Retail lending	3,331	19%	1	7	0.2%
Car finance	1,331	8%	-3	-12	-0.9%
Agriculture	1,153	6%	-3	-11	-1.0%
Other commercial lending	1,142	6%	6	10	0.9%
Security financing	5,004	28%	27	28	0.6%
Lending to Alm. Brand Formue and Alm. Brand Pantebreve	1,461	8%	0	0	0.0%
Investment property	2,391	14%	0	-2	-0.1%
Residential mortgage deeds	992	6%	6	12	1.2%
Commercial mortgage deeds	359	2%	25	51	14.2%
Property developments projects	471	3%	7	19	4.0%
Total	17,635	100%	66	102	0.6%

*) Total losses and writedowns are included in the items “Value adjustments” and “Losses on loans, advances and receivables, etc.” A negative figure implies an income.

The table above sets out a detailed breakdown on a prorata consolidated basis of the bank’s lending portfolio at 30 September 2008.

Relevant comments on the individual segments:

Retail customers
Includes lending to the bank’s private customers. The portfolio is well diversified geographically through the bank’s 25 branches located across Denmark. Just over 80% of the portfolio is secured against a mortgage on real property. In the home loan portfolio, 82% of loans have a loan-to-value ratio of less than 80%. For a number of years, the bank has applied credit-scoring models for this lending segment.

Car finance
The car finance portfolio is operated by Alm. Brand Finans A/S, which offers car financing through car dealers. The portfolio consists mainly of marketable standard cars, typically with a 20% down payment. Alm. Brand Finans has extensive knowledge of the car market and the portfolio is characterised by being well diversified and its borrowers have documented stable repayment ability.

Agriculture
The bank has built up its agricultural portfolio over the last seven years using the substantial market position and industry know-how available to the Alm. Brand Group in the agricultural sector. The target group is large, productive farms in the traditional lines of cattle and pig breeding and plant growing. The distribution among the three lines is about 40%, 40% and 20%, respectively. The bank pursues a selective credit policy and only approves loans to farms with good efficiency ratios.

Other commercial lending
The bank is currently building its commercial lending portfolio, having been an active player in this market for only the last two or three years. The portfolio consists in part of loans to small businesses typically anchored in Alm. Brand Bank’s branches (the SME market) and in part of large syndicated loans to medium-sized Danish businesses. In most cases, the latter type of loans has been established as part of the bank’s strategic cooperation with DMC A/S, a provider of corporate finance services.

In addition, the portfolio consists of car and equipment leases established with Alm. Brand Finans. The typical debtor is a small or medium-sized enterprise.

Security financing
This portfolio consists of investment commitments secured against bonds, equities or mortgage deeds. The bank requires overcollateralisation by an amount that varies with the quality of the securities involved and their expected volatility. The bank’s risk management function monitors all commitments on an ongoing basis. In the event that overcollateralisation falls to an insufficient level, debtors are required to post supplementary security or to sell securities.

As a result of the adverse developments in the securities markets resulting in significant capital losses over a very short period of time combined with low marketability in many types of securities, this lending segment was written down by DKK 27 million in the third quarter.

Lending to Alm. Brand Formue and Alm. Brand Pantebreve
These loans are granted to the bank's two partly-owned listed subsidiaries. The loans indicated reflect the share of the bank's lending attributable to minority shareholders. At 30 September 2008, minority interests had 58% ownership of Alm. Brand Formue and 78% ownership of Alm. Brand Pantebreve. Both companies have an investment strategy based on relatively low gearing, and the bank controls the credit risk of these commitments through portfolio management agreements and its management influence on the two companies.

Investment properties
This portfolio consists of loans for prime-location investment properties. The bank's business model for this business area is based on in-depth market knowledge built up over many years. Key factors are location and reliable tenants, mainly in the retail trade and rental housing. Debtors are professional property investors and limited partnerships (K/S) provided by recognised market players. Danish properties make up some 75% of the portfolio, while 25% is made up by German properties with Danish debtors.

This portfolio is characterised by a certain amount of interest rate sensitivity.

Residential mortgage deeds
This category represents the bank's trading portfolio of marketable mortgage deeds secured against single-family houses, freehold flats and summer houses. The portfolio is well diversified geographically as well as in terms of property types and debtors. Generally, the mortgage deeds are acquired in collaboration with estate agents throughout Denmark.

The portfolio of mortgage deeds is marked to market on a current basis using a cash flow-based pricing model. The model considers factors such as estimated prepayments and credit losses. Currently, the model assumes average credit losses of about 1% per annum. This is believed to be a conservative assumption, as actual historical credit losses through a full business cycle have amounted to about 0.5% per annum.

The current level of losses on residential mortgage deeds is above average as a result of the significant economic slowdown and its derived impacts on the housing market.

Commercial mortgage deeds
This portfolio consists largely of mortgage deeds secured mainly against residential rental property and to a minor extent actual commercial properties (offices, trade and industry). This is a trading portfolio generally acquired through other players in the mortgage deed market. This portfolio has a lower turnover rate than the portfolio of residential mortgage deeds. Market terms deteriorated substantially during 2008. A large part of the debtors in this market have been affected by a combination of rising market rates, falling property prices and impaired financing opportunities.

The sustained adverse market developments resulted in losses and writedowns of DKK 25 million in Q3 2008.

Property development projects
This portfolio consists of a limited number of projects established within the last couple of years. It consists exclusively of prime-location freehold flat projects with small proportions of commercial property. Projects are only started up when a substantial proportion of the flats has been sold.

The portfolio is gradually increasing in step with the completion of construction projects, but it will continue to account for a moderate part of the bank's portfolio of loans and advances. The portfolio was written down by DKK 7 million in the third quarter.