

ALM. BRAND A/S

interim report - first half of year 2011



CONTENTS

COMPANY INFORMATION

3	Company information
3	Group structure

MANAGEMENT'S REVIEW

4	Financial highlights and key ratios
5	The Alm. Brand A/S Group
8	Non-life insurance
12	Banking
16	Lending portfolio
19	Report - Life insurance

SIGNATURES

23	Statement by the Board of Directors and the Management Board
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FINANCIAL STATEMENTS

Group

24	Balance sheet
25	Income statement
26	Statement of changes in equity
27	Capital target
28	Cash flow statement
29	Segment reporting
30	Notes

Parent company

31	Balance sheet
32	Income statement
33	Statement of changes in equity
34	Notes

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

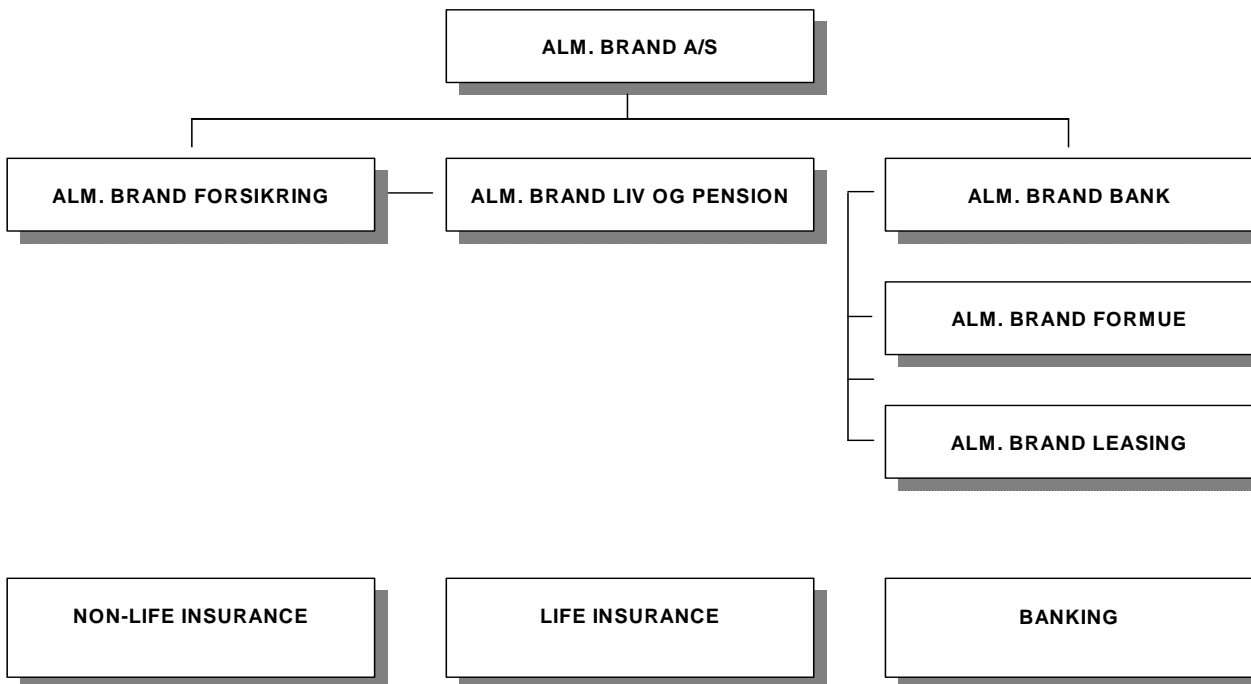
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GROUP STRUCTURE



Dormant or discontinuing activities are not included.

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

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

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

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

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	Q2 2011	Q2 2010	H1 2011	H1 2010	Year 2010
Income					
Non-Life Insurance	1,170	1,186	2,338	2,358	4,762
Banking	259	276	527	557	1,132
Life Insurance	150	158	329	348	719
Investments	182	188	359	360	728
Total income	1,761	1,808	3,553	3,623	7,341
Profit excluding minorities					
Non-Life Insurance	207	186	244	-64	207
Banking	-199	-125	-348	-172	-869
Life Insurance	44	60	62	129	181
Other activities	-8	-13	-23	-27	-55
Profit before tax	44	108	-65	-134	-536
Tax	-11	-5	17	56	135
Profit after tax	33	103	-48	-78	-401
Profit Group					
Profit before tax, Group	36	97	-77	-137	-539
Tax	-11	-5	17	56	135
Profit after tax, Group	25	92	-60	-81	-404
Provisions for insurance contracts	18,759	19,234	18,759	19,234	18,413
Shareholders' equity	4,683	3,588	4,683	3,588	4,758
Of which minority interests	132	163	132	163	160
Total assets	46,523	49,203	46,523	49,203	48,149
Return on equity before tax excluding minorities p.a.	4%	12%	-3%	-8%	-16%
Return on equity after tax excluding minorities p.a.	3%	12%	-2%	-5%	-12%
Earnings per Share	0.2	6	-0.3	-5	-24
Diluted Earnings per Share	0.2	6	-0.3	-5	-24
Net assets value per Share	26	202	26	202	27
Share price end of period	11.3	63	11.3	63.0	14.2
Share price/Net asset value	0.43	0.31	0.43	0.31	0.53
Number of shares end of period ('000)	173,358	16,929	173,358	16,929	173,079
Average number of shares ('000)	173,358	16,882	173,358	16,882	16,882

The Alm. Brand A/S Group

Financial results

The Alm. Brand A/S Group posted a profit before tax and after losses and writedowns in the bank of DKK 44 million in Q2 2011. Although this marked a continued improvement of the group's financial results, the performance was not satisfactory.

In H1 2011, the performance was a pre-tax loss excluding minorities of DKK 65 million, against a loss of DKK 134 million in H1 2010.

The performance was favourably impacted by a significant improvement of the underlying claims experience, a sustained positive development in life insurance activities and declining costs. The performance was adversely affected by value adjustments in the bank due, among other things, to the rising level of interest rates and impairment writedowns on the lending portfolio.

The group's acquisition and administrative expenses totalled DKK 668 million in H1 2011, a fall of 10% relative to the same period of last year.

The bank's costs were affected by an expense of DKK 41 million to the Danish Guarantee Fund for Depositors and Investors in connection with the bankruptcies of Amagerbanken and Fjordbank Mors. In 2010, costs were affected by expenses in a similar amount related to Bank Package I.

Non-life insurance

The group's non-life insurance activities recorded a very positive performance. Accordingly, the combined ratio was 85.8 for the second quarter of 2011 and 91.6 for the first half of the year.

Claims expenses on the underlying business declined significantly and costs were again reduced. This brought the H1 expense ratio to 16.3.

Banking

As compared with H2 2010, the bank's operating performance was adversely affected by lower net interest income attributable to a reduced lending portfolio and higher funding costs, negative value adjustments due, among other things, to rising interest rates and by expenses related to the Danish Depositors' Guarantee Scheme in connection with the bankruptcies of Amagerbanken and Fjordbank Mors.

On the other hand, the bank's impairment writedowns on loans declined, although they were still at too high a level.

Life insurance and pension

Life insurance and pension activities performed better than expected and were favourably affected by good expense and risk results and by changes in life expectancy rates.

For the group as a whole, payments into pension schemes rose by 11.7%.

Other business activities

Other business activities, consisting primarily of corporate expenses, performed in line with expectations at a pre-tax loss of DKK 23 million for the first half year of 2011, against a loss of DKK 27 million for the same period of 2010.

Group

In the first half year of 2011, the group had an average of 1,569 employees against 1,723 in the same period of 2010.

The Alm. Brand A/S Group generated total revenue of DKK 3.6 billion in H1 2011.

Earnings per share were negative at DKK 0.30 for the first six months of the year. At 30 June 2011, the net asset value per share was DKK 26.

The group's equity stood at DKK 4.7 billion at 30 June 2011, which was DKK 0.1 billion lower than at 31 December 2010.

Capitalisation

The group's capital base stood at DKK 5,693 million at 30 June 2011, corresponding to an excess of DKK 2,121 million relative to the statutory capital requirement for the group.

The group's internal capital target, which has been adapted to the future stricter requirements under Solvency II and Basel III and provides scope for absorbing a number of unforeseen external events, was DKK 5,592 million.

Capital base for the group	5,693
Statutory capital requirement for the group	3,572
Excess relative to the statutory capital requirement	2,121
Capital target for the group	5,592
Excess relative to the capital target	101

Major events

Capital injection

As described in the prospectus published in December 2010, and as announced in connection with the interim report for the first quarter of 2011 on 18 May, the bank has received an additional capital injection from Alm. Brand A/S in the amount of DKK 250 million into Alm. Brand Bank.

Events after the balance sheet date

Cloudburst in July

In the weekend of 2–3 July, parts of Copenhagen were hit by a violent cloudburst. Claims expenses net of reinsurance for Alm. Brand are expected to reach DKK 140 million.

New Chief Executive of Alm. Brand Bank

On 1 August 2011, Kim Bai Wadstrøm took up the position as Chief Executive of Alm. Brand Bank.

Changes to the board of directors

At a meeting held on 18 August 2011, the bank's board of directors resolved to recommend to the shareholders in general meeting that Chief Executive of Alm. Brand A/S Søren Boe Mortensen be elected to the board of directors of the bank. During the period from 2 May 2011 to 31 July 2011, Søren Boe Mortensen was acting chief executive of the bank and he therefore resigned from the bank's board of directors on 2 May 2011. The extraordinary general meeting is expected to be held on 7 September 2011.

Outlook

We expect a full-year consolidated profit of DKK 275 million before tax and before losses and writedowns in the bank.

The revised guidance is due to an upgrade of the forecast for non-life and life insurance operations by a total of DKK 100 million as a result of a highly positive performance of our insurance activities.

On the other hand, the profit guidance for the bank is lowered by DKK 200 million. This downgrade is based on the negative value adjustments of the first half of 2011 and the sustained turmoil in the financial markets, resulting in additional capital losses at the beginning of the third quarter.

Total loans and advances are expected to drop by around DKK 1.5 billion in 2011.

Following recent months' developments in the financial markets and the resulting effects on the Danish economy, the bank expects impairment writedowns on its lending portfolio in the upcoming quarters to be on a par with the two last quarters.

As a result of the downgraded forecast for the bank's performance for the year as a whole, an injection of additional capital equivalent to the downgrade is expected.

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

	May 2011 *)	August 2011 *)
Non-Life	300	380
Banking	45	-155
Life	70	90
Other	-40	-40
Profit before tax and minorities	375	275

*) Before writedowns in the bank

The guidance for the non-life combined ratio for 2011 is improved to around 94.

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

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

Disclaimer

This announcement contains forward-looking statements regarding the company's expectations for the 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 results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such as extreme weather conditions or terrorist 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-language version and the English-language version, the Danish-language version shall prevail.

REPORT – NON-LIFE INSURANCE

DKKm	Q2	Q2	H1	H1	Year
	2011	2010	2011	2010	2010
Gross premiums	1,170	1,186	2,338	2,358	4,762
Investment income on insurance business	13	9	27	19	33
Claims incurred	-731	-748	-1,611	-1,935	-3,702
Underwriting management expenses	-199	-215	-381	-445	-839
Profit from business ceded	-74	-40	-150	-91	-136
Underwriting profit	179	192	223	-94	118
Interest and dividends etc.	70	72	132	142	283
Capital gains/losses	12	-33	-6	-19	-22
Management expenses relating to investment business	-5	-5	-10	-10	-19
Interest on technical provisions	-49	-41	-95	-84	-155
Profit on investments business after allocation of technical interest	28	-7	21	29	87
Other ordinary items	0	1	0	1	2
Profit before tax	207	186	244	-64	207
Tax	-52	-47	-60	16	-51
Profit for the year	155	139	184	-48	156
Run-off gains/losses	68	108	77	97	139
Technical provisions	7,495	7,657	7,495	7,657	6,920
Insurance assets	117	106	117	106	163
Shareholders' equity	1,992	1,605	1,992	1,605	1,808
Total assets	9,901	9,708	9,901	9,708	9,383
Gross claims ratio	62.6%	63.1%	68.9%	82.1%	77.8%
Gross expense ratio	16.9%	18.1%	16.3%	18.9%	17.6%
Net reinsurance ratio	6.3%	3.4%	6.4%	3.9%	2.8%
Combined ratio	85.8%	84.6%	91.6%	104.9%	98.2%
Operating ratio	84.9%	83.9%	90.6%	104.0%	97.6%
Return on equity before tax p.a.	43%	45%	26%	-8%	12%
Return on equity after tax p.a.	32%	34%	19%	-6%	9%

Financial results

The group's non-life operations generated a profit before tax of DKK 244 million in H1 2011, which was highly satisfactory and significantly better than expected.

In H1 2010, the group's non-life operations posted a loss of DKK 64 million due in particular to the effects of the many snow load claims and other winter-related claims in the first quarter of 2010.

The technical result was a profit of DKK 223 million in H1 2011, against a loss of DKK 94 million in 2010.

The investment return after transfer to insurance activities was positive at DKK 21 million, against DKK 29 million in H1 2010.

The H1 performance equalled an annualised return on equity before tax of 26%, against a negative annualised return of 8% in the year-earlier period.

In the second quarter, non-life operations generated a profit of DKK 207 million before tax, equivalent to a combined ratio of 85.8. In the same period of 2010, non-life operations generated a profit of DKK 186 million, supported by a

reduction of estimated snow load claims and by run-off gains.

The technical result was DKK 179 million in Q2 2011, against DKK 192 million in the year-earlier period.

The 2011 results were favourably affected by a better performance of the underlying business, lower costs and fewer major claims.

The investment return after transfer to insurance operations was DKK 28 million, against an investment loss of DKK 7 million in Q2 2010.

Premiums

Gross premium income for the year to date amounted to DKK 2,338 million, a decline of 0.8% relative to H1 2010. Premium income was slightly lower than anticipated.

The lack of growth was primarily attributable to the commercial customer segment, which recorded a decline in premiums on workers' compensation, liability and motor insurance. Despite the decline in premiums in the commercial customer segment, the company expects to retain its market share, as, according to the most recent statement from the Danish Insurance Association for the first quarter of 2011, the Danish market for commercial insurance continues to be downward trending. Excluding motor insurance, the commercial customer segment fell by 2.4% from the first quarter of 2010 to the first quarter of 2011.

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

Premium income in Q2 2011 amounted to DKK 1,170 million, a decline of 1.4% on Q2 2010.

Claims experience

Total gross claims amounted to DKK 1,611 million, compared with DKK 1,935 million in H1 2010. The claims ratio was thus 68.9 in H1 2011, as compared with 82.1 in the same period of last year.

In Q2 2011, the claims ratio was 62.6, against 63.1 in Q2 2010.

The number of reported claims rose by 0.7% in H1 2011 as compared with the year-earlier period.

Adjusted for the storm in February 2011 and the snow load claims in the first quarter of 2010, the number of other claims declined by 3.8% in H1, which was slightly better than expected.

The performance of the underlying business (total claims expenses excluding major claims and weather-related claims) generally improved.

The improvement was the result of a number of performance-enhancing activities Alm. Brand has implemented since 2009 in the commercial customer segment on building and house contents policies and in the private customer segment on building and household comprehensive policies. The activities included premium adjustments, changed terms, greater deductibles and stricter acceptance rules in connection with new business written.

The decline in the number of burglary claims observed by Alm. Brand in recent years did not continue in the first six months of the year. In the second quarter of 2011, the claims frequency was thus on a par with the second quarter of 2010.

Major claims amounted to DKK 163 million in H1 2011, against DKK 181 million in the same period of last year. Expenses for major claims were DKK 25 million lower than originally budgeted and DKK 14 million lower than most recently forecast.

In Q2 2011, major claims totalled DKK 79 million, against DKK 106 million in Q2 2010.

Expenses for weather-related claims amounted to DKK 105 million in H1 2011, against a forecast of DKK 92 million and against DKK 222 million in H1 2010.

In the second quarter of 2011, weather-related claims totalled DKK 28 million, which was in line with expectations.

Interest rates were higher at 30 June 2011 than they were at the year-earlier date. This meant that the discounting effect impacted the claims ratio positively by 0.1 of a percentage point relative to the first half year of 2010.

Run-off result

The run-off result net of reinsurance amounted to a gain of DKK 77 million in H1 2011, against DKK 97 million in the same period of last year.

In Q2 2011, run-off gains totalled DKK 68 million, against DKK 108 million in Q2 2010.

Run-off gains in the first half year of 2011 were attributable to a DKK 20 million downgrade of the

February 2010 snow load claims and to fewer-than-expected delayed claims, primarily with respect to motor insurance.

Costs

Costs totalled DKK 381 million, against DKK 445 million in H1 2010, equivalent to an expense ratio of 16.3 (18.9 in the year-earlier period).

In Q2 2011, the expense ratio was 16.9, against 18.2 in the same period of last year.

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

Net reinsurance ratio

The net reinsurance ratio was 6.4 in H1 2011, as compared with 3.9 in the same period of last year.

The net reinsurance ratio for Q2 2011 was 6.3, against 3.4 in Q2 2010. The increase was primarily due to a reversal of reinsurance received as a result of a DKK 25 million downgrade of the cloudburst claims from August 2010.

Combined ratio

The combined ratio was 91.6 in the first half year of 2011, as compared with 104.9 in the same period of 2010.

The combined ratio was 85.8 in the second quarter of 2011.

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

	2009	2010	H1 2010	H1 2011
Combined Ratio excl. weather- related claims and major claims	88.8	85.5	88.3	83.4
Major claims	7.8	7.1	7.7	7
Weather-related claims	3.1	8.5	13	4.5
Run-off result	-1.7	-2.9	-4.1	-3.3
Combined Ratio	98.0	98.2	104.9	91.6

The combined ratio of the underlying business thus dropped from 88.3 in H1 2010 to 83.4 in H1 2011.

Investment return

The investment return totalled DKK 64 million in H1 2011, and value adjustments of provisions amounted to DKK 52 million. The return before transfer to insurance activities was thus DKK 116 million in H1 2011, against DKK 113 million for the same period of last year.

The return after interest on technical provisions was DKK 21 million, against DKK 29 million in H1 2010.

The non-life investment assets are predominantly placed in interest-bearing assets with an overweight of mortgage bonds. Throughout Q2 2011, the interest-bearing assets had a weighted duration of approximately two years. The interest rate exposure on assets is adjusted to the interest rate exposure on provisions by way of interest rate swaps.

The non-life equity exposure was less than 1% of the investment assets in Q2 2011.

The declining interest rates of the second quarter of 2011 resulted in positive value adjustments of assets, which were partly offset by negative value adjustments of non-life provisions. Value adjustments of assets and provisions contributed a net gain of DKK 13 million in Q2 2011.

Interest rates generally increased during the first half year of 2011, causing an overall loss in value adjustments of assets and provisions of DKK 5 million in H1 2011.

Balance sheet

At 30 June 2011, the equity allocated to the non-life division was DKK 2.0 billion.

Alm. Brand Forsikring A/S had a solvency ratio of 2.9 at 30 June 2011, compared with 2.6 at 31 December 2010.

Significant events after the end of the reporting period

Cloudburst in July

In the weekend of 2–3 July, parts of Copenhagen were again hit by a violent cloudburst. This cloudburst was of a severity not seen before in that area.

Overall, Alm. Brand has received some 7,500 claims. Approximately 60% of these claims involve damage to residential dwellings and house contents.

Since the affected area is characterised by a large concentration of properties, heavy asphaltting and a shortage of green areas suited for natural water drainage, the individual claims were greater than previously experienced.

As a result, many of the group's customers, particularly in the residential, office and retail property segments, experienced flooded basements and shop areas, triggering substantial expenses in connection with clearing, re-establishment and damaged buildings and storage facilities.

Claims expenses net of reinsurance for Alm. Brand are expected to reach DKK 140 million.

Outlook

We have upgraded the guidance for our non-life operations from a profit of DKK 300 million to a profit of DKK 380 million before tax. The upgrade is based on run-off gains, lower costs and a significantly better performance of the underlying business than anticipated. In addition, the combined ratio is lowered from 95 to around 94.

The upgraded forecast includes expenses for the cloudburst claims in July.

Our growth forecast is lowered to around minus 1% for the year as a whole.

The guidance is based on unchanged financial and economic conditions.

REPORT – BANKING

DKKm	PRO RATA					CONSOLIDATED FIGURES				
	Q2 2011	Q2 2010	H1 2011	H1 2010	Year 2010	Q2 2011	Q2 2010	H1 2011	H1 2010	Year 2010
Interest receivable	221	228	447	453	954	223	233	452	466	974
Interest payable	-125	-92	-245	-193	-416	-126	-93	-248	-196	-421
Net interest income	96	136	202	260	538	97	140	204	270	553
Net fees and commissions receivable and dividends, etc.	35	44	74	90	159	36	43	75	91	158
Net interest and fee income	131	180	276	350	697	133	183	279	361	711
Value adjustments	-127	-60	-171	-79	-350	-138	-71	-187	-84	-351
Other operating income	7	4	18	9	23	7	5	18	10	23
Profit before expenses	11	124	123	280	370	2	117	110	287	383
Expenses and depreciation/amortisation	-124	-135	-244	-257	-516	-124	-136	-245	-261	-523
Other operation costs	-18	-21	-44	-42	-67	-18	-23	-44	-44	-76
Write-downs of loans, advances and receivables, etc.	-68	-103	-181	-173	-668	-68	-103	-181	-173	-660
Profit from equity investments	0	10	-2	20	12	0	10	-2	20	11
Profit/loss before tax	-199	-125	-348	-172	-869	-208	-135	-362	-171	-865
Tax	52	54	89	65	222	51	54	88	65	222
Profit after tax	-147	-71	-259	-107	-647	-157	-81	-274	-106	-643
Share attributable to minority interests	-	-	-	-	-	10	10	15	-1	-4
Profit after tax excluding minority interests	-	-	-	-	-	-147	-71	-259	-107	-647
<i>Profit before tax excluding minority interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-199</i>	<i>-125</i>	<i>-348</i>	<i>-172</i>	<i>-869</i>
Loans and advances	11,600	14,257	11,600	14,257	12,738	11,358	14,049	11,358	14,049	12,485
Deposits	7,920	10,166	7,920	10,166	8,599	7,920	10,163	7,920	10,163	8,598
Shareholders' equity	1,553	1,255	1,553	1,255	1,564	1,717	1,450	1,717	1,450	1,759
Share attributable to minority interests	-	-	-	-	-	164	195	164	195	195
Total assets	23,512	26,057	23,512	26,057	24,782	23,920	26,394	23,920	26,394	25,597
Average no. of employees (full-time equivalents)	289	347	290	355	327	289	348	290	356	327
Interest margin	-	-	-	-	-	1.7%	2.5%	1.8%	2.4%	2.3%
Income/cost ratio	0.06	0.52	0.26	0.64	0.31	0.02	0.49	0.23	0.64	0.31
Impairment ratio	0.5%	0.6%	1.3%	1.0%	4.3%	0.5%	0.6%	1.3%	1.0%	4.3%
Solvency ratio	-	-	-	-	-	18.6%	14.9%	18.6%	14.9%	18.8%
Return on equity before tax	-57%	-38%	-48%	-26%	-81%	-57%	-38%	-48%	-26%	-81%
Return on equity after tax	-42%	-22%	-36%	-16%	-60%	-42%	-22%	-36%	-16%	-60%

In order to increase the transparency of Alm. Brand Bank A/S' financial statements, the bank publishes pro rata consolidated figures. The figures are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the review below concern pro-rata figures. Banking group figures are commented on only when found relevant. To the extent it is deemed relevant, the first half year of 2010 and the first quarter of 2011, respectively, are used as benchmarks for the first half year of 2011 and the second quarter of 2011, respectively.

Financial results

The bank posted a loss of DKK 122 million before losses and writedowns in H1 2011, which was highly unsatisfactory.

The performance was impacted by negative value adjustments and by the expected expenses paid to the Danish Guarantee Fund for Depositors and Investors as a result of the bankruptcies of Amagerbanken and Fjordbank Mors.

The negative value adjustments were primarily attributable to developments in the fixed income markets and to a capital loss on illiquid shares acquired in connection with the winding up of a number of exposures.

After losses and writedowns, the bank incurred a loss of DKK 348 million in H1 2011. The bank's total impairment writedowns on loans, including credit-related losses and writedowns on mortgage deeds, amounted to DKK 226 million in H1 2011, of which DKK 129 million was written down in Q1 and DKK 97 million in Q2. Although declining, the level of writedowns was still too high.

Net interest and fee income

Net interest and fee income for H1 2011 amounted to DKK 276 million, against DKK 350 million for the year-earlier period.

In Q2 2011, net interest and fee income totalled DKK 131 million, against DKK 145 million in Q1 2011.

Interest income

Net interest income amounted to DKK 202 million in H1 2011, against DKK 260 million in the year-earlier period. Net interest income for the second quarter of 2011 amounted to DKK 96 million, against DKK 106 million in Q1 2011.

The decline in net interest income was attributable to a combination of lower interest income from lending caused by a decline in total loans and advances and higher funding costs due, among other things, to a bond issue secured against a government guarantee which was completed at the end of June 2010.

In H1 2011, the interest margin for the parent company and the banking group totalled 1.7% and

1.8%, respectively, against an interest margin of 2.1% and 2.3%, respectively, in 2010.

Fee income

Net fee income was DKK 74 million in H1 2011, against DKK 69 million in H2 2010. The difference was attributable to dividends received.

Value adjustments

Value adjustments in H1 2011 amounted to a loss of DKK 171 million, against a loss of DKK 79 million in the year-earlier period.

Value adjustments in H1 2011 were adversely affected by credit-related value adjustments of mortgage deeds in the amount of DKK 45 million. Excluding credit-related writedowns on mortgage deeds, the bank incurred a capital loss of DKK 126 million in H1 2011, against a DKK 34 million gain in H1 2010.

Interest-related value adjustments, excluding credit-related writedowns of mortgage deeds, amounted to a loss of DKK 85 million in H1 2011, of which DKK 60 million was related to the second quarter of 2011.

The capital loss of the first half of the year was, among other things, due to the fact that the bank's substantial excess liquidity of almost DKK 7 billion was placed in bonds. Moreover, the bank had taken positions in expectation of rising interest rates in the second quarter.

Equity-related value adjustments amounted to a loss of DKK 33 million in H1 2011. Included in this amount was a DKK 30 million loss on illiquid shares acquired in connection with the winding up of a number of exposures.

The bank's equity portfolio is mainly composed of sector equities, while the trading portfolio of equities makes up only a limited amount. In connection with the winding up of distressed investment exposures, the bank acquired a number of illiquid shares in 2010 and 2011 on which it incurred capital losses in H1 2011. The market value of the illiquid shares was just over DKK 100 million at 30 June 2011.

Foreign exchange adjustments amounted to a loss of almost DKK 8 million in H1 2011.

Costs

Costs for H1 2011 amounted to DKK 244 million, against DKK 257 million for the same period of last year.

Other operating expenses

This item mainly comprises the bank's expenses of DKK 41 million paid to the Danish Guarantee Fund for Depositors and Investors due to the bankruptcies of Amagerbanken and Fjordbank Mors. In H1 2010, the item primarily comprised the bank's expenses in connection with Bank Package I.

Impairment of loans, etc.

The bank's impairment writedowns on loans amounted to DKK 181 million in H1 2011. In H2 2010, impairment writedowns on loans etc. amounted to DKK 495 million.

In addition, the bank incurred credit-related losses and writedowns on its mortgage deed portfolio of DKK 45 million in H1 2011, against DKK 102 million in H2 2010. These losses and writedowns are recognised under value adjustments but have been included in the table in the section "Lending portfolio" below, in which the lending portfolio and the development in losses and writedowns are described in further detail.

Total impairment writedowns on loans, including credit-related losses and writedowns on mortgage deeds, amounted to DKK 226 million in H1 2011, against DKK 597 million in H2 2010.

Balance sheet

Loans and advances, etc.

The bank's loans and advances amounted to DKK 11.6 billion at 30 June 2011. Excluding losses and writedowns, this corresponded to a decline in the bank's lending of DKK 1.0 billion relative to 31 December 2010.

In accordance with its strategy, the bank expects to continue to reduce its total loans and advances going forward.

Debt to credit institutions

The bank's debt to credit institutions amounted to DKK 5.9 billion at 30 June 2011, which was DKK 0.4 billion lower than at 31 December 2010.

Deposits

The bank's deposits amounted to DKK 7.9 billion at 30 June 2011, against DKK 8.0 billion at 31 March 2011 and DKK 8.6 billion at 31 December 2010.

Liquidity

At 30 June 2011, the bank had excess liquidity cover of 319% relative to the statutory requirement. This marked an increase relative to 264% at

31 March 2011 and 266% at 31 December 2010, respectively. The increase was attributable to the bank's significant reduction of its lending portfolio and served to compensate for the decline in deposits.

From December 2010 to February 2011, the bank ran a fixed-rate campaign offering attractive deposit rates. Because of the bank's substantial excess liquidity cover, no new fixed-rate campaigns have been run since then.

Capitalisation

The bank's equity stood at DKK 1.6 billion at 30 June 2011. The capital base totalled DKK 2.5 billion, and the risk-weighted items amounted to DKK 13.9 billion at 30 June 2011. Accordingly, the solvency ratio was 18.0, and the tier 1 capital ratio was 15.7.

As announced on 18 May 2011, Alm. Brand A/S has injected capital in the amount of DKK 250 million into Alm. Brand Bank A/S.

The banking group's equity stood at DKK 1.7 billion at 30 June 2011, and the capital base totalled DKK 2.6 billion. Risk-weighted items in the banking group totalled DKK 13.7 billion at 30 June 2011. Accordingly, the solvency ratio was 18.6, and the tier 1 capital ratio was 16.3.

Major events

Full ownership of Alm. Brand Pantebreve A/S

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

Events after the balance sheet date

New Chief Executive of Alm. Brand Bank

On 1 August 2011, Kim Bai Wadstrøm took up the position as Chief Executive of Alm. Brand Bank.

Changes to the board of directors

At a meeting held on 18 August 2011, the bank's board of directors resolved to recommend to the shareholders in general meeting that Chief Executive of Alm. Brand A/S Søren Boe Mortensen be elected to the board of directors of the bank. During the period from 2 May 2011 to 31 July 2011, Søren Boe Mortensen was acting chief executive of the bank and he therefore resigned from the bank's board of directors on 2 May 2011. The extraordinary general meeting is expected to be held on 7 September 2011.

Outlook

Based primarily on the negative value adjustments of the first half of 2011 and the sustained turmoil in the financial markets, resulting in additional capital losses at the beginning of the third quarter, the bank lowers its guidance for 2011 from a profit of DKK 45 million before losses and writedowns to a loss of around DKK 155 million.

Total loans and advances are expected to drop by more than DKK 1.5 billion in 2011.

Following recent months' developments in the financial markets and the resulting effects on the Danish economy, along with developments in the bank's lending portfolio, the bank expects losses and writedowns in the upcoming quarters to be on a par with the two last quarters.

As a result of the downgraded forecast for the bank's performance for 2011, an injection of additional capital equivalent to the downgrade is expected.

The guidance is based on unchanged financial and economic conditions.

LENDING PORTFOLIO

The bank's total writedowns and losses on the lending and guarantee portfolio amounted to an expense of DKK 226 million in H1 2011. Of this amount, identified losses amounted to DKK 47 million.

In addition, losses in the amount of DKK 341 million were realised, but since provisions have previously been made to cover these losses, they will have no impact on operations in 2011. Identified losses, for which provisions have previously been made, were attributable to lending commitments on which the bank is close to incurring or has already incurred a loan loss as well as to the guarantee provided in connection with Bank Package II. As a result, the banking group's accumulated impairment ratio dropped from 9.2 at 31 December 2010 to 8.9 at 30 June 2011.

The table below shows a consolidated segment-by-segment breakdown of the bank's lending portfolio. The individual segments have been calculated for the banking group.

The table also shows pro rata consolidated loans and advances which are reviewed in the report on the bank.

The table reflects the bank's strategy by breaking down loans and advances on a continuing portfolio and a winding-up portfolio.

Total losses and writedowns charged to the income statement represented 1.9% of the average lending portfolio for the banking group excluding reverse transactions in H1 2011.

The overall lending portfolio of DKK 11.6 billion declined by DKK 1.1 billion relative to 31 December 2010. DKK 750 million of this decline was attributable to the winding-up portfolio. At 30 June 2011, DKK 8.0 billion was being wound up, equivalent to approximately 70% of the overall lending portfolio.

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

DKKm	Loans			Total loss and writedowns				Loss ratio *)
	31.12.2010	30.06.2011	Share of portfolio (%)	2010	Q1 2011	Q2 2011	H1 2011	
<u>Continuing portfolio</u>								
Lending to private customers	3,318	3,085	26.6%	29	25	11	36	1.1%
Other lending **)	176	159	1.4%	0	0	0	0	0.0%
<u>Winding-up portfolio</u>								
Agriculture	1,199	1,231	10.6%	74	35	11	46	3.8%
Car finance	736	543	4.7%	13	2	2	4	0.6%
Commercial lending	2,230	1,988	17.1%	57	14	-4	10	0.5%
Property development projects	492	408	3.5%	61	0	8	8	1.8%
Mortgage deed financing	1,936	961	8.3%	380	36	40	76	5.2%
Mortgage deeds	2,190	2,904	25.0%	264	16	29	45	1.8%
Bank packages etc.	-	-	-	46	1	0	1	-
Total - excl. Reverse Transactions	12,277	11,279	97.2%	924	129	97	226	1.9%
Reverse Transactions including intercompany transactions	207	79	0.7%	-	-	-	-	-
Total group lending	12,484	11,358	97.9%	924	129	97	226	1.9%
Minority interests	254	242	2.1%	-16	-	-	-	-
Total prorata	12,738	11,600	100.0%	908	129	97	226	1.9%

*) Losses and writedowns as a percentage of the average portfolio in H1 2011. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

**) Fleet management (operating leases) is not included, as it is recognised as other property, plant and equipment and not as loans and advances.

Continuing portfolio

Lending to private customers

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

Total loans and advances to private customers declined by DKK 233 million from 31 December 2010 to 30 June 2011. In H1 2011, losses and writedowns amounted to DKK 36 million, equivalent to 1.1% of the average portfolio.

Other lending

This segment covers loans to investment credit facilities for which the investment mandate is placed with Alm. Brand Markets. These investment credit facilities form part of the bank's continuing loans and advances, whereas other investment credit facilities are being wound up.

Other loans and advances declined by DKK 17 million relative to 31 December 2010. No losses or writedowns were identified on this segment in the first half year of 2011.

Winding-up portfolio

Consistent with the bank's strategy, new customers are not accepted in these segments, and the business volume with existing customers is expected to be wound up over an extended period of time.

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

Agriculture

At 30 June 2011, the portfolio was on a par with 31 December 2010. In H1 2011, losses and writedowns amounted to DKK 46 million, equivalent to 3.8% of the average portfolio. The level of losses and writedowns reflects the continuing difficult conditions affecting agricultural customers.

Car finance

This portfolio has declined as a result of the cessation of financing through car dealers etc. These loans typically have a term to maturity of no more than five years.

The overall portfolio declined by DKK 193 million during the period from 31 December 2010 to 30 June 2011 to stand at DKK 543 million. In H1 2011, losses and writedowns amounted to DKK 4 million, equivalent to 0.6% of the average portfolio.

Commercial customer segment

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

The overall portfolio declined by DKK 242 million during the period from 31 December 2010 to 30 June 2011. In H1 2011, losses and writedowns amounted to DKK 10 million, equivalent to 0.5% of the average portfolio.

Property development projects

The portfolio consists of a limited number of property development projects. The bank will only finance the completion of ongoing projects pursuant to existing agreements.

The portfolio declined by DKK 84 million during the period from 31 December 2010 to 30 June 2011. In H1 2011, losses and writedowns amounted to DKK 8 million, equivalent to 1.8% of the average portfolio.

Mortgage deed financing

This portfolio consists of investment exposures secured against mortgage deeds.

The portfolio declined by DKK 975 million during the period from 31 December 2010 to 30 June 2011. The decline was primarily attributable to the bank winding up a number of investment exposures. In that connection, the bank has taken over the mortgage deeds provided as security.

In H1 2011, losses and writedowns amounted to DKK 76 million, equivalent to 5.2% of the average portfolio.

The writedowns were attributable to mortgage deed debtors defaulting on their loans and to a declining excess cover on the exposures as a result of price falls on mortgage deeds provided as security.

Mortgage deeds

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

Private mortgage deeds amounted to DKK 2,130 million, comprising the bank's portfolio of mortgage deeds secured primarily against single-family houses, commonhold flats and summer houses. The properties are located throughout Denmark.

Commercial mortgage deeds amounted to DKK 774 million, comprising the bank's portfolio of commercial mortgage deeds secured against residential rental property, commercial property for

office, trade and industrial use as well as land and mixed residential/commercial property.

This portfolio is being wound up, but new mortgage deeds may be added when the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

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

The portfolio increased by DKK 714 million during the period from 31 December 2010 to 30 June 2011. In H1 2011, losses and writedowns amounted to DKK 45 million, equivalent to 1.8% of the average portfolio.

Bank packages etc.

The guarantee of DKK 107 million provided to Finansiel Stabilitet A/S was settled in the first half year of 2011.

REPORT – LIFE INSURANCE

	Q2	Q2	H1	H1	Year
DKKm	2011	2010	2011	2010	2010
Premiums	150	158	329	348	719
Claims incurred	-288	-292	-560	-552	-1,056
Investment return after allocation of interest	183	306	83	639	786
Total underwriting management expenses	-16	-17	-35	-36	-73
Profit on business ceded	4	0	9	8	2
Change in life insurance provisions	56	-72	184	-184	65
Change in collective bonus potential	-52	-34	48	-118	-292
Underwriting profit/loss	37	49	58	105	151
Return on investments allocated to equity	7	11	4	24	30
Profit before tax	44	60	62	129	181
Tax	-12	-15	-16	-32	-50
Profit after tax	32	45	46	97	131
Result in life insurance					
Administrative result	8	8	11	7	11
Investment result	120	247	-83	507	521
Change in provision for guaranteed pension benefits	-66	-176	36	-291	-109
Change in collective bonus potential	-52	-34	48	-118	-292
Risk result	30	8	41	16	48
Profit on business ceded	4	7	9	8	2
Profit before tax	44	60	62	129	181
Tax	-12	-15	-16	-32	-50
Profit after tax	32	45	46	97	131
Total technical provisions	11,264	11,577	11,264	11,577	11,493
Shareholders' equity	969	1,089	969	1,089	1,122
Total assets	12,701	13,486	12,701	13,486	13,131
Return on equity before tax p.a.	16%	23%	12%	24%	17%
Return on equity after tax p.a.	12%	17%	9%	18%	12%
Bonus rate	4.6%	3.4%	4.6%	3.4%	5.1%

Financial results

The pre-tax profit for H1 2011 was DKK 62 million, against DKK 129 million for the same period of last year. The performance was satisfactory.

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

As from 1 January 2011, customers are divided into a number of contribution groups based on rate of interest, insurance risk and expenses. The risk premium on shareholders' equity is calculated separately for each group. Similarly, any shadow account, collective bonus potential, transfer and surrender charge, etc. will be determined separately for each contribution group.

The risk premium for 2011 has been determined as follows:

- Interest rate groups: 0.1% of the average life insurance provisions net of reinsurance exclusive of collective bonus potential and any use of the bonus potential on paid-up policies;
- Insurance risk groups: 100% of the risk result net of reinsurance after bonuses;
- Expense groups: 100% of the expense result net of reinsurance after bonuses.

In H1 2011, shareholders' equity received the full risk premium for one particular interest rate group and for all risk and expense groups. The outstanding risk premium for the three remaining in-

terest rate groups of DKK 3 million was transferred to the shadow account, which brought the shadow account to DKK 3 million at 30 June 2011.

The difference in the results reported for H1 2011 and H1 2010 was primarily due to a DKK 56 million reversal from the shadow account.

The performance equalled a return on equity of 12% p.a. before tax, as compared with a return of 24% p.a. in the year-earlier period.

Premiums

Gross premiums fell by 5.5% to DKK 329 million in H1 2011 from DKK 348 million in the year-earlier period.

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company rose by 11.7% overall to DKK 493 million in H1 2011 from DKK 442 million in H1 2010.

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

This strategy has produced a highly satisfactory 76% increase in payments to investment schemes in the bank. On the other hand, the development in premium income in the life insurance company's guaranteed schemes was not satisfactory.

New agreements in the life insurance company are placed in an interest rate group in which the composition of investments is roughly as follows: 20% equities, 15% properties and 65% bonds. This composition and the low level of investment costs involved are considered to be attractive for a large part of the customer base. This is expected to make a positive contribution to growth in the life insurance company going forward.

Investment return

The return on investment assets belonging to policyholders was DKK 90 million for H1 2011, corresponding to a return of 0.8% (1.5% p.a.), against a return of DKK 759 million in H1 2010. The return was made up before tax on pension returns but after investment costs.

The return on the bond portfolio was favourably affected by falling interest rates and, consequently, rising prices on the bond portfolio in the second quarter. The return was satisfactory rela-

tive to the benchmark, which is composed of government bonds, mortgage bonds as well as minor positions in credit bonds and emerging market bonds.

The return on the equity portfolio was favourably affected by developments in the US equity market in the first half of the year, but adversely affected by developments in the Danish equity market in the second quarter. The total return on equities for H1 2011 was positive at DKK 18 million, composed of a negative return on Danish and other Nordic equities of DKK 20 million and a positive return on international equities of DKK 38 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 the portfolio of properties was in line expectations.

The H1 return on investment assets attributable to shareholders' equity was DKK 4 million, equivalent to a return of 0.4% (0.8% p.a.), against a return of DKK 24 million in the same period of last year. The assets were placed in short-term bonds. The not insignificant increase in short-term interest rates particularly in the first quarter of 2011 resulted in a capital loss. However, this loss is largely expected to be recovered over the rest of the year due to higher interest rates going forward. The return was satisfactory relative to the benchmark.

Benefits paid

Benefits paid amounted to DKK 560 million in H1 2011, compared with DKK 552 million in the same period of 2010.

The age of the insurance portfolio means that benefits paid on normal retirement are increasing. Benefits paid as a result of surrenders/transfers to other banks remained at a slightly higher-than-expected level.

Life insurance provisions

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

The Danish FSA has prepared and published a benchmark for life expectancy rates. In the second quarter, the calculation of life expectancy in connection with the calculation of life insurance provisions was therefore adjusted to the level of the new benchmark. This change implied an easing of provisions for old age groups and a

slight tightening of provisions for young age groups.

For the portfolio of insurances without bonus entitlement, so-called high-yielding annuities, this implied an improvement of the financial results of approximately DKK 18 million, which was allocated to equity.

Provisions for the portfolio of insurances with bonus entitlement were only marginally affected by the change.

Collective bonus potential

The collective bonus potential fell by DKK 48 million in H1 2011 to a total of DKK 469 million, corresponding to a bonus rate of 4.6%.

Costs

Acquisition and administrative expenses totalled DKK 35 million in H1 2011, against DKK 36 million in the same period of 2010.

Total expenses for 2011 to date were slightly lower than anticipated, due to a lower-than-expected level of new business written within traditional guaranteed products and thus lower-than-expected acquisition costs.

Expense and risk results

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 7 million in H1 2011. The overall expense result was satisfactory. The aim is for the overall expense result to be positive.

Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 30 million in H1 2011. The overall risk result was highly satisfactory.

Balance sheet

The life group's shareholders' equity was DKK 969 million at 30 June 2011. The solvency ratio was 246 at 30 June 2011.

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

Major events

New basis for writing business

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

The computation interest corresponds to the maximum interest on new business written as determined by the Danish FSA. The change is therefore not expected to have any impact on competition.

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

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

Openness and transparency

The company has invested considerable resources in creating openness and transparency for its customers.

In 2010, the company's customers were given access to a state-of-the-art internet portal on which customers can monitor their individual schemes and find important key figures.

The solution will be improved on an ongoing basis and, most recently, a so-called "cost meter" was implemented in June 2011 to provide customers with easy access to information on the costs charged to policyholders of Alm. Brand Liv og Pension.

The Danish Insurance Association has drawn up common guidelines for openness and transparency which aim to ensure comparability across insurance providers.

Alm. Brand Liv og Pension has already implemented these guidelines in full.

Optimisation of maturity process

With an ageing insurance portfolio, the number of agreements in which the maturity date, typically the pensionable age, is reached increases. The company has significantly improved the process and customer communication in connection with retirement/maturity. In addition to providing a better customer experience, the optimisation also makes for administrative savings.

2020 Plan

The public welfare system, tax rules, legislative rules, etc. have a great impact on the company's opportunities for attracting new and retaining existing customers.

The Danish Government, the Danish People's Party and the Danish Social-Liberal Party have signed a political agreement on a retirement re-

form, the so-called 2020 Plan. However, the reform will not be implemented until after general elections have been held. The plan includes a change of the rules for early retirement and a change of the retirement age.

A reduction of early retirement benefits and a postponement of the pensionable age will have far-reaching economic consequences for many people and, depending on the final rules, this may have a significant impact on policyholders' motivation for saving. In particular, the announced tightening with respect to set-off against early retirement benefits may have an adverse effect.

Outlook

Alm. Brand Liv og Pension expects a full-year profit of DKK 90 million before tax, equivalent to an upgrade of DKK 20 million.

The guidance for 2011 does not include recognition of the full risk premium for all interest rate groups. However, this will have no significant impact on the profit for the year.

The guidance is based on unchanged financial and economic conditions.

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 six months ended 30 June 2011.

The consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, and the interim financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30 June 2011 and of the results of the group's and the parent company's operations and the group's cash flows for the six months ended 30 June 2011.

The Management's review also gives a true and fair view of developments in the activities and financial position of the group and a true and fair description of significant risk and uncertainty factors that may affect the group.

MANAGEMENT BOARD

Copenhagen, 25 August 2011

Søren Boe Mortensen
Chief Executive

BOARD OF DIRECTORS

Copenhagen, 25 August 2011

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Tage Benjaminsen

Henrik Christensen

Per Dahlbom

Per V. H. Frandsen

Arne Nielsen

Jan S. Pedersen

Helle L. Frederiksen

Henning Kaffka

Susanne Larsen

BALANCE SHEET

DKKkm	Group		
	30 June 2011	30 June 2010	31 December 2010
Assets			
Intangible assets	65	100	82
Owner-occupied properties	1,016	1,033	1,030
Deferred tax assets	704	578	660
Participating interests in joint ventures	34	53	35
Reinsurers' share of insurance contracts	148	143	190
Current tax assets	4	14	2
Other assets	1,413	1,545	2,006
Loans	11,358	14,049	12,485
Investment properties	421	440	451
Investment assets	29,972	28,426	29,292
Amounts due from credit institutions and central banks	1,339	2,794	1,537
Cash in hand and demand deposits	49	28	379
Total assets	46,523	49,203	48,149
Liabilities and equity			
Share capital	1,735	1,388	1,735
Reserves, retained profit etc.	2,816	2,037	2,863
Minority interests	132	163	160
Consolidated shareholders' equity	4,683	3,588	4,758
Subordinated debt	1,828	1,837	1,828
Provisions for insurance contracts	18,759	19,234	18,413
Other provisions	41	134	131
Deferred tax liabilities	46	46	46
Issued bonds	6,032	6,032	6,032
Other liabilities	1,156	1,442	1,751
Deposits	7,793	9,998	8,602
Payables to credit institutions and central banks	6,185	6,892	6,588
Total liabilities and equity	46,523	49,203	48,149

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

INCOME STATEMENT

DKKm	Group				
	Q2 2011	Q2 2010	H1 2011	H1 2010	Year 2010
Income					
Premium income	1,320	1,344	2,667	2,706	5,481
Interest income etc.	404	417	806	825	1,699
Fee income etc.	25	34	56	74	123
Other income from investment activities	6	2	7	2	7
Income associates	-1	6	-1	6	6
Other income	7	5	18	10	25
Total income	1,761	1,808	3,553	3,623	7,341
Costs					
Claims incurred	-1,019	-1,040	-2,171	-2,487	-4,758
Interest expenses	-167	-132	-327	-277	-580
Other cost from investment activities	-9	-8	-25	-19	-35
Impairment of loans, advances and receivables, etc.	-68	-103	-181	-173	-660
Acquisition and administrative costs	-341	-371	-668	-744	-1,432
Total costs	-1,604	-1,653	-3,372	-3,699	-7,465
Profit from business ceded	-70	-40	-141	-83	-134
Change in life insurance provisions	56	-72	184	-184	65
Change in collective bonus potential	-52	-34	48	-118	-279
Exchange rate adjustments	-28	138	-343	419	47
Tax on pension investment returns	-27	-50	-6	-95	-114
Profit before tax	36	97	-77	-137	-539
Tax	-11	-5	17	56	135
Profit after tax	25	92	-60	-81	-404
The profit before tax is allocated as follows:					
Share attributable to Alm. Brand	44	108	-65	-134	-536
Share attributable to minority shareholders	-8	-11	-12	-3	-3
	36	97	-77	-137	-539
The profit after tax is allocated as follows:					
Share attributable to Alm. Brand	33	103	-48	-78	-401
Share attributable to minority shareholders	-8	-11	-12	-3	-3
	25	92	-60	-81	-404
Earnings per share, DKK	0.2	6	-0.3	-5	-24
Diluted earnings per share, DKK	0.2	6	-0.3	-5	-24
Comprehensive income					
Profit for the year	25	92	-60	-81	-404
Revaluation of owner-occupied properties	0	0	0	0	11
Comprehensive income	25	92	-60	-81	-406
Proposed allocation of profit/loss:					
Share attributable to Alm. Brand	33	103	-48	-78	-403
Share attributable to minority shareholders	-8	-11	-12	-3	-3
Comprehensive income	25	92	-60	-81	-406

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Contingency funds	Revaluation reserve	Other provisions	Retained profit	Shareholders' equity	Minority interests	Consolidated equity
Shareholders equity, 01.01.2010	1,388	182	2	0	1,923	3,495	199	3,694
Changes in equity H1 2010								
Profit/loss for the period					-78	-78	-3	-81
Total income	0	0	0	0	-78	-78	-3	-81
Repurchased shares					8	8		8
Change in share attributable to minority interest							-33	-33
Changes in equity	0	0	0	0	-70	-70	-36	-106
Shareholders equity, 30.06.2010	1,388	182	2	0	1,853	3,425	163	3,588
Shareholders equity, 01.01.2010	1,388	182	2	0	1,923	3,495	199	3,694
Changes in equity 2010								
Profit/loss for the year					-401	-401	-3	-404
Revaluation of owner-occupied properties			-2		13	11		11
Transferred to collective bonus potential					-13	-13		-13
Total income	0	0	-2	0	-401	-403	-3	-406
Reduction of capital on 11 November 2010	-1,215			1,215		0		0
Share issue on 30 December 2010	1,562					1,562		1,562
Cost relating to share issue					-63	-63		-63
Purchase and sale of treasury shares					9	9		9
Purchase and sale of treasury shares in subsidiaries					-2	-2	-2	-4
Change in share attributable to minority interest					0	0	-34	-34
Changes in equity	347	0	-2	1,215	-457	1,103	-39	1,064
Shareholders equity, 31.12.2010	1,735	182	0	1,215	1,466	4,598	160	4,758
Shareholders equity, 01.01.2011	1,735	182	0	1,215	1,466	4,598	160	4,758
Changes in equity H1 2011								
Profit/loss for the period					-48	-48	-12	-60
Total income	0	0	0	0	-48	-48	-12	-60
Purchase and sale of treasury shares					3	3		3
Purchase and sale of treasury shares in subsidiaries					-3	-3	-7	-10
Tax on changes recognised in equity					1	1		1
Change in share attributable to minority interest					0	0	-9	-9
Changes in equity	0	0	0	0	-47	-47	-28	-75
Shareholders equity, 30.06.2011	1,735	182	0	1,215	1,419	4,551	132	4,683
						30 June 2011	31 December 2010	
Shareholders' equity exclusive minority interests						4,551	4,598	
Consolidation of Pensionskassen under Alm. Brand A/S						-4	-8	
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests						4,547	4,590	
Share of profit attributable to Alm. Brand A/S						-48	-401	
Consolidation of Pensionskassen under Alm. Brand A/S						4	-1	
Share of profit attributable to Alm. Brand A/S under the rules of the Danish Financial Supervisory						-44	-402	

CAPITAL TARGET

DKKm	Capital base at 30 june 2011
Consolidated equity	4,683
Intangible assets	-65
Tax asset	-678
Supplementary capital	1,753
Consolidated capital base	5,693

DKKm	Capital target 30 june 2011
Non-life insurance (45% of gross premium income)	2,140
Life insurance (9% of life insurance provisions)	967
Alm. Brand Bank (17,9% of risk weighted assets) *)	2,493
Alm. Brand Bank subsidiaries	292
Diversification effects	-300
Consolidated capital target	5,592

**) calculated as the individual solvency need at 30 june 2011 plus 3 percentage points*

Statutory capital requirement for the group at 30 june 2011	3,572
Excess relative to statutory capital requirement	2,121
Excess relative to internal capital target	101

CASH FLOW STATEMENT

DKKm	Group		
	H1 2011	H1 2010	Year 2010
Cash flows from operating activities			
Premiums received	3,249	3,120	5,284
Claims paid	-2,204	-1,902	-4,512
Interest receivable, dividends, etc.	812	785	1,652
Interest payable	-247	-193	-395
Payments concerning reinsurance	-105	-100	-193
Fee income received	106	82	161
Fee income paid	-22	-19	-43
Expences paid	-830	-822	-1,270
Tax on pension investment returns paid	-112	0	8
Acquisition of intangible assets, furniture, equipments etc.	-20	-4	7
Other ordinary income received	18	10	23
Taxes paid/received	0	0	9
Cash flows from operating activities	645	957	731
Change in investment placement (net)			
Properties acquired or converted	48	1	-5
Sale/aquisition of equity investments	331	-111	20
Sale/repayment of mortgage deeds and loans	897	735	1,328
Sale/aquisition of bonds	-1,234	-447	-1,697
Change in investment placement (net)	42	178	-354
Change in financing (net)			
Other provisions	0	0	1
Sale/purchase of treasury shares	3	8	-54
Sale/acquisition of subsidiaries (change in minority interests)	-19	-33	-38
Share issue	0	0	1,562
Change in issued bonds	0	6,000	6,006
Change in deposits	-809	-933	-2,271
Change in payables to credit institutions	-390	-4,735	-4,744
Change in other payables	0	0	-303
Change in financing (net)	-1,215	307	159
Net change in cash and cash equivalents	-528	1,442	536
Cash and cash equivalents, beginning of period	1,916	1,380	1,380
Cash and cash equivalents, end of period	1,388	2,822	1,916

SEGMENT REPORTING

H1 2011

DKKm						H1 2011	
	Non-life	Bank	Life	Other	Elimi- nation	Group	
Premium income	2,338	0	329	0		2,667	
Interest income etc.	134	452	219	2	-1	806	
Fee income etc.	0	75	0	0	-19	56	
Other investment income	1	0	44	0	-38	7	
Income associates	0	-1	-3	0	3	-1	
Other income	0	18	0	0		18	
Total income	2,473	544	589	2	-55	3,553	
Claims incurred	-1,611	0	-560	0		-2,171	
Interest expenses	-71	-248	-2	-7	1	-327	
Other investment expenses	-10	0	-15	-19	19	-25	
Provisions for bad and doubtful debts	0	-181	0	0		-181	
Acquisition and administrative expenses	-381	-290	-35	0	38	-668	
Total expenses	-2,073	-719	-612	-26	58	-3,372	
Result of business ceded	-150	0	9	0		-141	
Change in life insurance provisions	0	0	184	0		184	
Change in collective bonus potential	0	0	48	0		48	
Exchange rate adjustments	-6	-187	-150	0		-343	
Tax on pension investment returns	0	0	-6	0		-6	
Profit before tax	244	-362	62	-24	3	-77	
Tax	-60	88	-16	5		17	
Profit after tax	184	-274	46	-19	3	-60	

H1 2010

Premium income	2,358	0	348	0		2,706
Interest income etc.	142	466	219	0	-2	825
Fee income etc.	0	91	0	0	-17	74
Other investment income	1	0	43	0	-42	2
Income associates	0	6	4	0		6
Other income	0	10	0	0		10
Total income	2,501	573	614	0	-61	3,623
Claims incurred	-1,935	0	-552	0	0	-2,487
Interest expenses	-66	-196	-2	-15	2	-277
Other investment expenses	-10	0	-14	-12	17	-19
Provisions for bad and doubtful debts	0	-173	0	0	0	-173
Acquisition and administrative expenses	-445	-305	-36	0	42	-744
Total expenses	-2,455	-674	-604	-27	61	-3,699
Result of business ceded	-91	0	8	0	0	-83
Change in life insurance provisions	0	0	-184	0	0	-184
Exchange rate adjustments	-19	-70	508	0	0	419
Tax on pension investment returns	0	0	-95	0	0	-95
Profit before tax	-64	-171	129	-27	0	-137
Tax	16	65	-32	7	0	56
Profit after tax	-48	-106	97	-20	0	-81

NOTES

DKKkM	Group		
	H1 2011	H1 2010	Year 2010
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	3	8	9
Acquired during the period	3	0	0
Sold during the period	-6	-8	-9
Cancellation of shares	0	0	0
Carrying amount, end of period	0	0	0
Nominal value, beginning of year	4	41	41
Acquired during the period	3	0	0
Sold during the period	-6	-7	-7
Cancellation of shares	0	0	-29
Nominal value, end of period	1	34	5
Holding (number of shares), beginning of year	421	514	515
Additions, number of shares	300	0	0
Disposals, number of shares	-579	-93	-94
Sale of Pre-emptive Rights	0	0	-3,793
Allocation of Pre-emptive Rights	0	0	3,793
Cancellation of shares	0	0	0
Holding (number of shares), end of period	142	421	421
Percentage of share capital, end of period	0.1%	2.4%	0.2%

Note 2 Contingent liabilities, guaranties and leasing

Guarantee commitments	1,717	2,405	1,888
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Note 3 Accounting policies - Group

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

The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance

companies and profession-specific pension funds.

The accounting policies applied for the consolidated financial statements are unchanged from the policies applied for the Annual Report 2010.

The accounting policies of the parent company are described in connection with the parent company's interim report, as detailed in a separate section of this report.

The interim report for the six months ended 30 June 2011 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management's report.

BALANCE SHEET

DKKm	Note	Parent company		
		30 June 2011	30 June 2010	31 December 2010
Assets				
Investment in group enterprises	1	4,514	3,950	4,495
Investment in associates		0	17	0
Total investments in group enterprises and associates		4,514	3,967	4,495
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		350	50	50
Cash in hand and balances at call		13	55	371
Total other financial investment assets		366	108	424
Total investment assets		4,880	4,075	4,919
Receiveables from group enterprises		0	6	0
Other receivables		34	32	38
Total receivables		34	38	38
Current tax assets		14	13	8
Deferred tax assets		18	20	19
Total other assets		32	33	27
Total assets		4,947	4,146	4,984
Liabilities and equity				
Share capital		1,735	1,388	1,735
Other provisions		1,215	0	1,215
Retained earnings		1,597	2,027	1,640
Total shareholders' equity		4,547	3,415	4,590
Subordinated loan capital		250	250	250
Total subordinated loan capital		250	250	250
Deferred tax liabilities		46	46	46
Total provisions		46	46	46
Payables to subsidiaries		3	303	13
Issued bonds		32	32	32
Other payables		66	100	53
Total payables		101	435	98
Deferred income		3	0	0
Total liabilities and equity		4,947	4,146	4,984

INCOME STATEMENT

DKKm	Note	Parent company				
		Q2 2011	Q2 2010	H1 2011	H1 2010	Year 2010
Income from group enterprises	2	40	113	-29	-58	-360
Interest income and dividends, etc.		1	0	2	0	1
Interest expenses		-3	-7	7	15	-34
Administrative expenses related to investment activities		-5	-6	-15	-13	-21
Profit before tax		33	100	-35	-56	-414
Tax		2	3	5	7	14
Profit for the Year		35	103	-30	-49	-400

Comprehensive income

Profit for the period		35	103	-44	-79	-400
Revaluation of owner-occupied properties		0	0	0	0	-2
Comprehensive income		35	103	-44	-79	-402
Proposed allocation of profit/loss:						
Retained earnings		33	103	0	0	-402

Note 3 **Accounting policies parent company**

STATEMENT OF CHANGES IN EQUITY

DKKm	Parent company			
	Share-Capital	Other provisions	Retained earnings	Shareholders' equity
Shareholders equity, 01.01.2010	1,388	0	2,098	3,486
Changes in equity H1 2010				
Profit/loss for the period			-79	-79
Total income	0		-79	-79
Purchase and sale of treasury shares			8	8
Changes in equity	0		-71	-71
Shareholders equity, 30.06.2010	1,388		2,027	3,415
Shareholders equity, 01.01.2010	1,388	0	2,098	3,486
Changes in equity 2010				
Profit/loss for the year			-400	-400
Revaluation of owner-occupied properties			-2	-2
Total income	0		-402	-402
Reduction of capital on 11 November 2010	-1,215	1,215	0	0
Share issue on 30 December 2010	1,562			1,562
Cost relating to share issue			-63	-63
Purchase and sale of treasury shares			9	9
Purchase and sale of treasury shares in subsidiaries			-2	-2
Changes in equity	347	1,215	-458	1,104
Shareholders equity, 31.12.2010	1,735	1,215	1,640	4,590
Shareholders equity, 01.01.2011	1,735	1,215	1,640	4,590
Changes in equity H1 2011				
Profit/loss for the period			-44	-44
Total income	0		-44	-44
Purchase and sale of treasury shares			3	3
Purchase and sale of treasury shares in subsidiaries			-3	-3
Tax on changes recognised in equity			1	1
Changes in equity	0	0	-43	-43
Shareholders equity, 30.06.2011	1,735	1,215	1,597	4,547

NOTES

Note 1 Investment in group enterprises

DKKm	Parent company		
	30 June 2011	30 June 2010	31 December 2010
Cost, beginning of year	6,841	5,991	5,991
Additions during the period	250	0	850
Cost, end of period	7,091	5,991	6,841
Revaluation and impairment, beginning of year	-2,346	-1,683	-1,683
Dividend received	-200	-300	-300
Profit for the period	-29	-58	-360
Revaluation of owner-occupied associates	0	0	-2
Revaluation and impairment of treasury shares in subsidiaries	-2	0	-1
Revaluation and impairment, end of period	-2,577	-2,041	-2,346
Carrying amount, end of period	4,514	3,950	4,495
Specification of carrying amount:			
Alm. Brand Bank A/S	1,553	1,255	1,564
Alm. Brand Forsikring A/S	2,960	2,694	2,930
Asgaard Finans A/S	1	1	1
Carrying amount, end of period	4,514	3,950	4,495

Note 2 Income from group enterprises

DKKm	Parent company		
	H1 2011	H1 2010	Year 2010
Alm. Brand Bank A/S	-259	-107	-647
Alm. Brand Forsikring A/S	230	49	287
Asgaard Finans A/S	0	0	0
Total income from group enterprises	-29	-58	-360

Note 3 Accounting policies parent company

The interim report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and profession-specific pension funds. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for the interim reports of listed financial enterprises.

The accounting policies of the parent company on the recognition and measurement are in accordance with the accounting policies of the group, except for the following point:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value at the balance sheet date. The value of Pensionskassen under Alm. Brand A/S is not recognised in the balance sheet but is exclusively disclosed as a contingent liability.

The accounting policies are unchanged from the policies applied in the Annual Report 2010.

The interim report for the three months ended 30 June 2011 is unaudited.