Alm. Brand

interim report - the first quarter

2013

ALM. BRAND

Alm. Brand A/S · Midtermolen 7 · DK-2100 Copenhagen Ø · (CVR) no. 77 33 35 17

CONTENTS

Company information

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

EXECUTIVE BOARD
Søren Boe Mortensen, Chief Executive Officer

AUDITORS
Deloitte, Statsautoriseret Revisionspartnerselskab

INTERNAL AUDITOR
Poul-Erik Winther, Chief auditor

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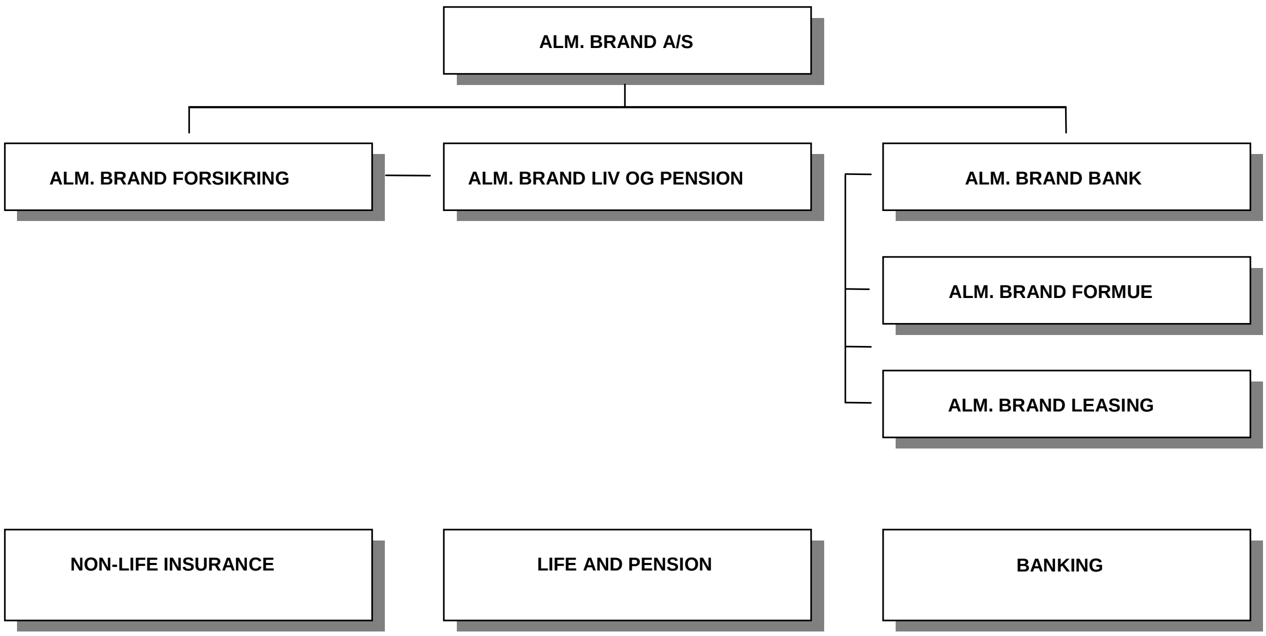
GROUP STRUCTURE



Companies with negligible or discontinued activities are not included

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

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

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

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

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

Financial highlights and key ratios

DKKm	Q1 2013	Q1 2012	Year 2012
Income			
Non-life Insurance	1,225	1,195	4,866
Banking	187	233	852
Life and Pension	274	229	903
Investments	174	195	726
Total income	**1,860**	**1,852**	**7,347**
Profit excluding minorities			
Non-life Insurance	143	164	853
Banking	-127	-90	-519
Life and Pension	27	19	90
Other activities	-14	-11	-44
Profit before tax	**29**	**82**	**380**
Tax	-9	-19	-94
Profit after tax	**20**	**63**	**286**
Profit Group			
Profit before tax, Group	**42**	**101**	**411**
Tax	-9	-19	-94
Profit after tax, Group	**33**	**82**	**317**
Provisions for insurance contracts	19,966	20,102	19,678
Shareholders´ equity	4,538	4,287	4,506
Of which minority interests	155	131	137
Total assets	41,870	46,582	42,559
Return on equity before tax excluding minorities p.a.	3%	8%	9%
Return on equity after tax excluding minorities p.a.	2%	6%	7%
Earnings per Share	0.1	0.4	1.7
Diluted Earnings per Share	0.1	0.4	1.7
Net assets value per Share	25	24	25
Share price end of period	20.2	11.5	14.0
Share price/Net asset value	0.79	0.48	0.55
Number of shares end of period ('000)	172,463	173,382	172,790
Average number of shares ('000)	172,619	173,292	173,123

The Alm. Brand Group

Results for Q1 2013

The Alm. Brand Group posted a pre-tax profit excluding minorities of DKK 29 million in Q1 2013, compared with a profit of DKK 82 million in Q1 2012.

The operational performance continued to be driven by strong non-life insurance results and a sustained strong performance of the underlying business. Life and Pension also delivered a strong performance, which was driven in particular by an excellent risk result.

The bank's core earnings were affected by negative bond portfolio value adjustments and falling interest income. Losses and writedowns were in line with expectations.

The overall performance was better than expected while still not satisfactory.

Non-life Insurance
The group's non-life insurance activities performed significantly better than expected in the first quarter.

Premiums rose by 2.5% year on year. Growth was particularly pronounced in the commercial segment. Moreover, growth for the year to date remained impacted by falling cessation rates in all segments.

The Q1 claims experience was characterised by mild weather conditions with no storms and only very little snowfall. On the other hand, the number of fires was above average in the first quarter, especially hitting agricultural customers and private households. Overall, weather-related and major claims were at a slightly lower level than anticipated.

Claims expenses on the underlying business were favourably affected by the generally lower level of claims compared with last year. As expected, the expense ratio was slightly higher than in 2012, among other things due to higher acquisition costs and investments to digitalise customer-facing processes. The performance was also favourably affected by run-off gains, primarily from personal insurance lines.

The investment result was lower than in the same period of 2012, which was due to the current low level of interest rates. However, the overall investment result was better than expected.

Banking
The bank's core earnings were largely in line with expectations but were impacted by negative bond portfolio value adjustments.

On the other hand, falling expenses had a favourable effect on performance. The repayment of state-funded hybrid core capital and government guaranteed bonds only had a marginal influence on net interest income in the first quarter but will take full effect as from the second quarter.

The combination of ample liquidity and the resulting high funding costs and continued fall in interest income due to the planned reduction of the lending portfolio continues to put pressure on net interest income.

In the first quarter, the bank recorded an increase in the number of full-service customers, which is an essential part of the bank's strategy to improve its earnings.

The bank's writedowns remain high but within the expected interval. Agricultural and mortgage deed exposures are having a particularly adverse effect on writedowns, but the bank also increased its writedowns on private customers in the first quarter.

Life and Pension
Life and Pension reported a satisfactory performance.

The expense and risk results achieved were highly satisfactory. In the first quarter, DKK 1 million was transferred to the shadow account, bringing the balance to DKK 11 million.

In the first quarter, pension contributions in Life and Pension continued to increase by as much as 19.4%. Including investment schemes in the bank, growth was 8%. The increase was mainly attributable to single payments from both new and existing customers choosing to transfer their existing pension savings to Alm. Brand from other pension providers. Regular pension contributions also increased relative to the first quarter of 2012.

Accordingly, the company succeeded in increasing pension contributions although capital pension schemes no longer qualify for tax relief. This was highly satisfactory.

The investment result remained satisfactory, and the bonus rate increased to 7.2% in the first quarter.

Other business activities
Other business activities, consisting primarily of corporate expenses, performed in line with expectations. The Q1 performance was a pre-tax loss of DKK 14 million, against a loss of DKK 11 million for the same period of 2012.

Group
In Q1 2013, the group had an average of 1,575 employees, compared with 1,580 in the same period of 2012.

Consolidated revenue totalled DKK 1.9 billion in Q1 2013.

Earnings per share amounted to DKK 0.1, and the net asset value per share was DKK 25 at 31 March 2013.

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

Capitalisation

The group's capital base was DKK 5,106 million at 31 March 2013, corresponding to an excess of DKK 2,017 million relative to the statutory capital requirement for the group.

The group's internal capital target was DKK 4,517 million. The capital target has been adapted to the stricter requirements under Solvency II and Basel III and provides scope for absorbing a number of unforeseen external events.

DKKm	
Capital base of the group	5,106
Statutory capital requirement for the group	3,089
Excess relative to statutory capital requirement	**2,017**
Internal capital target of the group	4,517
Excess relative to internal capital target	589

Major events

Capital injection
As announced in connection with the release of the annual report at end-February 2013, Alm. Brand A/S on 26 February 2013 injected DKK 700 million into Alm. Brand Bank A/S by way of equity.

Partial repayment of state-funded hybrid core capital
On 19 March 2013, Alm. Brand Bank repaid DKK 430 million of the state-funded hybrid core capital. After the repayment, DKK 425 million of the original loan remains outstanding.

Prepayment of government guaranteed bonds
On 22 March 2013, Alm. Brand Bank repaid government guaranteed bonds in the amount of just over DKK 1 billion. After the repayment, DKK 950 million remains outstanding for repayment on 30 June 2013.

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

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

Outlook

The guidance for full-year consolidated profit before losses and writedowns is increased by DKK 110 million to DKK 550 million.

The guidance for Non-life Insurance is raised by DKK 160 million, while the guidance for Banking excluding losses and writedowns is lowered by DKK 50 million.

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

DKKm	**February 2013 *)**	**May 2013 *)**
Non-life	400	560
Banking	5	-45
Life and Pension	75	75
Other	-40	-40
Profit before tax and minorities	**440**	**550**

*) Before writedowns in the bank

The full-year combined ratio for Non-life Insurance is upgraded to around 89 from 92, and the expense ratio is maintained at around 16.5. Our growth forecast is raised to around 3% from 2%.

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

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

Disclaimer
The forecast is based on the interest rate and price levels that prevailed at mid-May 2013. All other forward-looking statements are based exclusively on the information available when this report was released. This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts. Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control. Actual and future results and developments may differ materially from those contained or assumed in such statements. Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

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

Report – Non-life Insurance

DKKm	Q1 2013	Q1 2012	Year 2012
Gross premiums	1,225	1,195	4,866
Investment income on insurance business	3	5	13
Claims incurred	-831	-971	-3,180
Underwriting management expenses	-206	-187	-790
Profit from business ceded	-58	97	-86
Underwriting profit	**133**	**139**	**823**
Interest and dividends etc.	62	61	245
Capital gains/losses	-29	-4	-106
Management expenses relating to investment business	-6	-5	-23
Interest on technical provisions	-17	-27	-86
Profit on investments business after allocation of technical interest	**10**	**25**	**30**
Profit before tax	**143**	**164**	**853**
Tax	-36	-41	-214
Profit for the year	**107**	**123**	**639**
Run-off gains/losses	51	45	235
Technical provisions	8,144	8,194	7,215
Insurance assets	175	372	143
Shareholders' equity	2,049	1,925	2,441
Total assets	10,961	10,774	10,579
Gross claims ratio	67.9%	81.3%	65.4%
Gross expense ratio	16.8%	15.7%	16.2%
Net reinsurance ratio	4.7%	-8.1%	1.7%
Combined ratio	89.4%	88.9%	83.3%
Operating ratio	89.2%	88.4%	83.1%
Return on equity before tax p.a.	25%	31%	39%
Return on equity after tax p.a.	19%	23%	29%

Results for Q1 2013

The group's non-life insurance activities generated pre-tax profit of DKK 143 million in Q1 2013, as compared with DKK 164 million in Q1 2012.

The performance was highly satisfactory and better than expected. The performance equalled a return on equity of 25% p.a. before tax, against a return of 31% p.a. for the year-earlier period.

The technical result was a profit of DKK 133 million, against DKK 139 million in Q1 2012. The combined ratio was 89.4, which was better than anticipated and in line with the Q1 2012 level of 88.9.

The improvement relative to expectations was mainly driven by fewer claims on the underlying business, run-off gains and higher premium income.

On the other hand, the performance was adversely affected by higher costs due to higher acquisition costs and investments to digitalise customer-facing processes.

The combined ratio of the underlying business was 82.0, against 81.8 in the same period of 2012.

	Q1 2013	Q1 2012	Year 2012	Year 2011
Combined Ratio, underlying business	82.0	81.8	79.7	80.2
Major claims	10.3	7.1	6.2	6.8
Weather-related claims	1.3	2.9	2.1	6.9
Run-off result	-4.2	-3.8	-4.9	-3.2
Reinstatement premiums	-	0.9	0.2	1.6
Combined Ratio	89.4	88.9	83.3	92.3

The investment return after transfer to insurance activities was DKK 10 million, against DKK 25 million in Q1 2012.

Premiums

Gross premiums amounted to DKK 1,225 million in Q1 2013, against DKK 1,195 million in Q1 2012. This represents an increase of 2.5% over the year-earlier period.

The premium growth was based on the collaboration with the insurance company AIG on the writing of workers' compensation insurance as well as the writing of a large commercial property portfolio at 1 January 2013. Moreover, the cessation rate continues to decline.

Claims experience

The claims ratio was DKK 67.9 in Q1 2013. The claims ratio was 81.3 in Q1 2012, being adversely affected by run-off losses of DKK 155 million from the cloudburst on 2 July 2011, which was covered by the group's reinsurance programme and therefore did not have an effect on the ultimate performance. Net of run-off losses, the claims ratio was 71.2 in Q1 2013 and 71.1 in the year-earlier period.

Compared with the first quarter of 2012, the number of reported claims, excluding windstorm claims, fell by just over 6%.

Underlying business

The claims experience is developing favourably in most lines, driven by a decline in the number of reported claims due to a combination of Alm. Brand's efforts in connection with tariffs and the writing of new business as well as a general trend towards fewer traffic accidents and burglaries in society in general.

However, the performance of building insurances for commercial and agricultural customers, respectively, are still not up to the company's profitability requirements. As a result, a number of customers will be transferred to new terms and higher deductibles and/or higher premiums will be introduced in 2013.

Major claims and weather-related claims

Weather-related claims came to DKK 15 million in Q1 2013. During the same period of 2012, weather-related claims amounted to DKK 35 million. The lower-than-expected level of weather-related claims was due to a mild winter without any storms, resulting in a weather-related claims ratio of 1.3.

Major claims totalled DKK 126 million in Q1 2013, against DKK 84 million in Q1 2012. In particular, claims were reported in the agricultural and private customer segments, and the major claims ratio was 10.3, which was higher than anticipated.

Overall, expenses for major and weather-related claims were DKK 141 million, which was slightly below the expected level.

Discounting effect

Interest rates were significantly lower in Q1 2013 than they were in the year-earlier period. As a result, the discounting effect increased the claims ratio by 0.6 of a percentage point relative to Q1 2012.

The effect of developments in the workers' compensation index on provisions is hedged by way of inflation swaps.

Run-off result

The Q1 2013 run-off result amounted to a gain of DKK 41 million, against a loss of DKK 122 million in Q1 2012. The net run-off result, i.e. the result net of reinsurance, was a gain of DKK 51 million, against a gain of DKK 45 million in Q1 2012. The positive run-off performance was mainly attributable to personal insurance lines.

Costs

The Q1 expense ratio was 16.8, against 15.7 in the year-earlier period.

As expected, the expense ratio was higher than in 2012, among other things due to investments to digitalise customer-facing processes.

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

Net reinsurance ratio

In the first quarter of the year, the net reinsurance ratio was 4.7, corresponding to an expense for the group, whereas in 2012 it was negative at 8.1, corresponding to an income.

The price of Alm. Brand's overall reinsurance programme for 2013 has increased by around DKK 10 million relative to last year. The increase covers an expansion of the scope of coverage and a price increase on the catastrophe programme mainly due to the cloudburst on 2 July 2011.

Investment return

The investment return before transfer to insurance activities, i.e. before interest on technical provisions, was DKK 27 million in Q1 2013, against DKK 53 million for the same period of last year. The return after interest on technical provisions was DKK 10 million, against DKK 25 million in Q1 2012, which was better than anticipated.

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

The equity exposure of the non-life insurance operations was less than 1% of the investment assets in Q1 2013.

The overall investment strategy was unchanged relative to 31 December 2012. This means that, in the first quarter, the interest-bearing assets had a weighted duration of just over two years.

Most of the interest rate exposure on assets is aligned with the interest rate exposure on provisions by way of interest rate swaps.

However, over the past few years, Non-life Insurance has opted not to fully align its investment portfolio with the low level of interest rates. At 31 March 2013, the net interest rate risk in the event of a 1 percentage point decline in the level of interest rates was DKK 67 million. The net interest rate risk was attributable to the overall interest rate risk being lower on the assets than on the liabilities.

Capitalisation

The capital base of Alm. Brand Forsikring A/S totalled DKK 2,434 million at 31 March 2013, of which DKK 149 million was supplementary capital.

The company's Solvency I requirement was DKK 831 million. Accordingly, excess liquidity was DKK 1,603 million for a solvency ratio of 2.9.

Since 31 December 2012, Alm. Brand has been using its own partially internal capital model to calculate the individual solvency need. In Q1 2013, the individual solvency need was calculated at DKK 1,020 million, against DKK 1,009 million at 31 December 2012.

At 31 March 2013, shareholders' equity allocated to the non-life insurance operations was DKK 2.0 billion.

Major events

New building insurance product for commercial and agricultural customers

In late January 2013, Alm. Brand introduced a new building insurance product for the company's commercial and agricultural customers. The new product contains a number of improvements as well as some tightening of the scope of cover.

As a new feature, customers with residential buildings are offered extended water damage cover. The extended water damage cover was made available to Alm. Brand's private insurance customers in 2012 and covers penetrating water. The new building insurance product will be used for new business written, but in future it will also be offered to Alm. Brand's existing commercial and agricultural customers.

Outlook

The full-year guidance for Non-life Insurance is lifted by DKK 160 million to a profit of DKK 560 million. The combined ratio is expected to improve to around 89 from the previously expected level of 92. The expense ratio is expected to be 16.5.

Our growth forecast is raised to around 3%.

Report – Banking

	PRO RATA			CONSOLIDATED FIGURES		
	Q1	Q1	Year	Q1	Q1	Year
DKKm	**2013**	**2012**	**2012**	**2013**	**2012**	**2012**
Interest receivable	152	200	720	155	201	728
Interest payable	-98	-128	-452	-99	-128	-457
Net interest income	**54**	**72**	**268**	**56**	**73**	**271**
Net fees and commissions receivable and dividends, etc.	32	32	125	32	32	124
Net interest and fee income	**86**	**104**	**393**	**88**	**105**	**395**
Value adjustments	-59	-10	-134	-45	14	-96
Other operating income	16	10	50	16	9	51
Profit before expenses	**43**	**104**	**309**	**59**	**128**	**350**
Expenses and depreciation/amortisatic	-113	-120	-474	-113	-120	-476
Other operation costs	-12	-10	-43	-12	-10	-43
Write-downs of loans, advances and receivables, etc.	-42	-65	-309	-42	-65	-309
Profit from equity investments	-3	1	-2	-3	1	-2
Profit/loss before tax	**-127**	**-90**	**-519**	**-111**	**-66**	**-480**
Tax	31	22	128	**31**	**22**	**128**
Profit after tax	**-96**	**-68**	**-391**	**-80**	**-44**	**-352**
Share attributable to minority interests	**-**	**-**	**-**	-16	-24	-39
Profit after tax excluding minority interests	-	-	-	**-96**	**-68**	**-391**
Profit before tax excluding minority interests	-	-	-	*-127*	*-90*	*-519*
Loans and advances	8,508	10,197	8,698	8,132	10,029	8,396
Deposits	11,359	10,098	11,325	11,358	10,098	11,325
Shareholders' equity	1,599	1,324	996	1,792	1,487	1,169
Share attributable to minority interests	-	-	-	193	163	173
Total assets	17,344	21,790	17,550	17,722	22,155	17,903
Average no. of employees (full-time equivalents)	259	278	275	259	278	275
Interest margin	-	-	-	1.3%	1.4%	1.4%
Income/cost ratio	0.24	0.54	0.37	0.34	0.66	0.42
Impairment ratio	0.4%	0.5%	2.8%	0.4%	0.5%	2.8%
Solvency ratio	-	-	-	19.9%	18.6%	18.5%
Return on equity before tax p.a.	-47%	-30%	-52%	-30%	-19%	-42%
Return on equity after tax p.a.	-36%	-22%	-39%	-22%	-13%	-31%

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

Results for Q1 2013

The bank posted a loss of DKK 127 million before tax in Q1 2013. Excluding losses and writedowns, the bank's loss amounted to DKK 35 million.

The performance was not satisfactory and almost DKK 20 million below the expected level. This was due to falling interest income on the winding-up portfolio and capital losses on the bank's bond portfolio caused by interest rate developments in the first quarter of 2013.

The bank recognised aggregate impairment write-downs on loans, including credit-related value adjustments, of DKK 92 million in Q1 2013. Losses and writedowns were within the projected interval but remain high.

Net interest and fee income
In Q1 2013, net interest and fee income totalled DKK 86 million, against DKK 92 million in Q4 2012.

Interest income and expenses
Net interest income amounted to DKK 54 million in Q1 2013, compared with DKK 60 million in Q4 2012. The decline was due to a combination of falling interest income as a result of the bank's winding-up portfolio and falling interest expenses.

The bank has seen a fair inflow of full-service customers since the turn of the year, but due to the generally low borrowing requirement among private customers, it only had limited effect on first quarter earnings.

Moreover, the DKK 430 million repayment of hybrid core capital on 19 March 2013 and the prepayment of government guaranteed bonds in the amount of just over DKK 1 billion on 22 March 2013 only had a small effect on the bank's overall Q1 interest expenses. The full effect will feed through in the second quarter.

The interest margin for the parent company and the banking group was 1.2% and 1.3%, respectively, in the first quarter, against 1.4% in the fourth quarter of 2012. The decline was mainly due to reduced interest income on the winding-up portfolio.

The interest margin level is too low and the bank's strategy aims to ensure a higher interest margin, including through efforts to attract more full-service customers and reduce funding costs.

Fee income and expenses
Net fee income was DKK 32 million in Q1 2013, which was unchanged from Q4 2012.

Value adjustments
Value adjustments amounted to a loss of DKK 59 million in the first quarter. Excluding credit-related value adjustments of DKK 50 million, value adjustments amounted to a loss of DKK 9 million.

The DKK 9 million loss was composed of positive equity-related value adjustments of DKK 9 million, negative interest-related value adjustments of DKK 13 million, mainly on bonds, and negative currency-related value adjustments of DKK 5 million.

The negative value adjustments of bonds were partly offset by higher interest income.

The bank's equity portfolio is mainly composed of sector equities and illiquid shares taken over, while the volume of the trading portfolio is moderate.

Other operating income
Other operating income was DKK 16 million in Q1 2013, against DKK 15 million and DKK 10 million in the fourth and first quarters of 2012, respectively.

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

Costs
The bank's total payroll costs and administrative expenses amounted to DKK 102 million in Q1 2013, against DKK 113 million for the same period of 2012.

Total depreciation, amortisation and impairment charges amounted to DKK 11 million in Q1 2013, against DKK 7 million in Q1 2012. The increase was attributable to the higher level of leasing activities.

Other operating expenses
Other operating expenses amounted to DKK 12 million in Q1 2013, of which DKK 8 million related to the bank's expenses to the Guarantee Fund for Depositors and Investors and DKK 4 million related to costs and value adjustment of properties taken over temporarily.

Of the DKK 8 million expense to the Guarantee Fund for Depositors and Investors, DKK 1.6 million was attributable to an additional payment required in respect of the bankruptcy of Fjordbank Mors in 2012.

Impairment of loans, etc.
The bank's impairment writedowns on loans amounted to DKK 42 million in Q1 2013. Losses and writedowns remain affected in particular by the tough economic conditions faced by dairy farmers as well as by private customers impacted by the generally weak housing market.

In addition, the bank recognised credit-related value adjustments of DKK 50 million in Q1 2013, against DKK 77 million in Q4 2012.

These losses and writedowns are recognised under value adjustments but have been included in the table set out in the section "Lending portfolio", which further describes the lending portfolio and losses and writedowns.

Total impairment writedowns on loans, including credit-related value adjustments, amounted to DKK 92 million in Q1 2013, against DKK 148 million in Q4 2012.

Balance sheet

Loans and advances
The bank's loans and advances amounted to DKK 8.5 billion at 31 March 2013, against DKK 8.7 billion at 31 December 2012. Excluding developments in reverse transactions, intra-group transactions and writedowns, this marked a decline in loans and advances of DKK 148 million, of which the winding-up portfolio made up DKK 107 million.

Consistent with its strategy, the bank expects to continue to reduce its total loans and advances in the winding-up portfolio.

Debt to credit institutions
The bank's debt to credit institutions amounted to DKK 1.8 billion at 31 March 2013, against DKK 1.2 billion at 31 December 2012. The increase was attributable to repo contracts entered into.

Deposits
The bank had deposits of DKK 11.4 billion at 31 March 2013, which was unchanged from 31 December 2012.

As a result of developments in deposits and lending in the first quarter of 2013, the DKK 2.6 billion deposit surplus reported at 31 December 2012 grew to DKK 2.9 billion at 31 March 2013.

Liquidity
At 31 March 2013, the bank had cash funds of DKK 5.1 billion and excess liquidity of DKK 3.6 billion, equivalent to an excess cover of 227% relative to the statutory requirement. This marked a decline relative to the excess cover of 256% reported at 31 December 2012.

Capitalisation
Since 1 January 2013, the bank has been calculating the individual solvency need according to the 8+ model. The transition to the 8+ model produced a marginal decline in the individual solvency need equivalent to 0.1 of a percentage point.

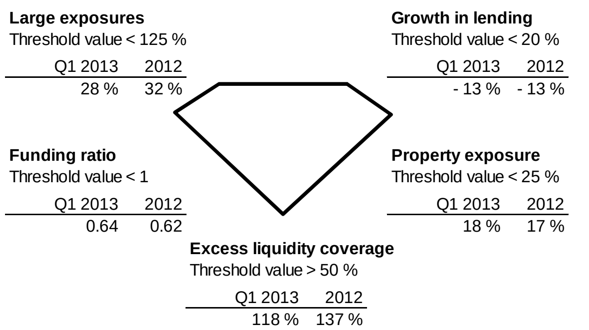
The bank's equity stood at DKK 1.6 billion at 31 March 2013. The capital base totalled DKK 2.1 billion, and the risk-weighted items amounted to DKK 9.9 billion at 31 March 2013.

Accordingly, the solvency ratio was 21.2, and the core capital ratio was 19.1. The bank's individual solvency need was calculated at 14.8%, which means that the bank's solvency ratio exceeded the individual solvency need by 6.4 percentage points.

The banking group's equity stood at DKK 1.8 billion at 31 March 2013, and the capital base totalled DKK 2.2 billion. Risk-weighted items in the banking group came to DKK 10.9 billion at 31 March 2013. Accordingly, the solvency ratio was 19.9, and the core capital ratio was 18.0.

Supervisory diamond

At 31 March 2013, the bank was in compliance with all five threshold values of the Danish FSA's supervisory diamond as shown in the figure below:



The changes in the bank's supervisory diamond indicators reflect that the winding-up portfolio is developing according to plan. Growth in lending remains negative, which had been expected considering the bank's lending strategy of focusing exclusively on private customers. The fall in the bank's excess liquidity coverage was due to the bank's repayment in March of loans raised through bonds issued under Bank Package II.

Major events

Capital injection
On 26 February 2013, Alm. Brand A/S injected DKK 700 million as equity into Alm. Brand Bank A/S. The capital injection was used to make a DKK 430 million partial repayment of the state-funded hybrid core capital on 19 March 2013 and to ensure that the bank has adequate capital excess coverage.

Prepayment of government guaranteed bonds
On 22 March 2013, the bank repaid government guaranteed bonds in the amount of just over DKK 1 billion. After the repayment, DKK 950 million of the government guaranteed bond issue remains outstanding. The DKK 950 million will fall due for repayment on 30 June 2013.

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

Inspection by the Danish FSA
In the period from November 2012 to February 2013, the Danish FSA carried out an inspection of Alm. Brand Bank. The bank agrees with the Danish FSA in its assessment of the impairment writedown and capital requirements. The FSA also issued a few orders against the bank, which are not assessed to be of a critical nature.

Outlook

The full-year guidance excluding losses and writedowns is lowered by DKK 50 million to a loss of DKK 45 million.

The downgrade is based on the results achieved in the first quarter of 2013 and on falling interest income on the winding-up portfolio as a result of exposures written down for impairment.

The expected reduction of the bank's winding-up portfolio excluding losses and writedowns is maintained at around DKK 0.6 billion in 2013.

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

Lending portfolio

The banking group's total loans and advances excluding reverse transactions came to DKK 8 billion at 31 March 2013. The bank's loans and advances were reduced by DKK 240 million in Q1 2013, of which DKK 92 million was attributable to losses and writedowns. Adjusted for losses and writedowns, the lending portfolio was reduced by DKK 148 million.

The banking group's accumulated writedowns amounted to DKK 1,535 million at 31 March 2013, against DKK 1,557 million at 31 December 2012. The reduction in loans, advances and guarantees lifted the accumulated impairment ratio from 14.3 at 31 December 2012 to 14.4 at 31 March 2013.

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

Based on the bank's intention to focus its lending activities on private customers, the lending portfolio has been divided into a continuing portfolio and a winding-up portfolio. The winding-up portfolio amounted to DKK 5.5 billion, equivalent to just over 64% of total loans and advances.

Losses and writedowns in a total amount of DKK 92 million were charged to the income statement in Q1 2013, equivalent to 1.1% of the average lending portfolio for the banking group excluding reverse transactions.

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

	Loans			Total loss and writedowns		
DKKm	**31.12.2012**	**31.03.2013**	**Share of portfolio (%)**	**2012**	**Q1 2013**	**Loss ratio [a]**
Continuing portfolio	**2,647**	**2,577**	**30.3%**	**57**	**29**	**1.1%**
Lending to private customers	2,442	2,379	28.0%	57	28	1.2%
Other loans and advances [b]	205	198	2.3%	-	1	0.5%
Winding-up portfolio	**5,642**	**5,472**	**64.3%**	**407**	**63**	**1.1%**
Agriculture	955	957	11.2%	156	26	2.7%
Car finance	230	200	2.4%	-1	-	0.0%
Commercial lending	1,158	1,120	13.2%	73	-18	-1.6%
Property development projects	254	262	3.1%	1	2	0.8%
Mortgage deed financing	115	106	1.2%	23	3	2.7%
Mortgage deeds [c]	2,930	2,827	33.2%	155	50	1.7%
Shares [d]	-	-	-	16	-	-
Total group lending - excl. Reverse Transactions	**8,289**	**8,049**	**94.6%**	**480**	**92**	**1.1%**
Reverse Transactions including intercompany transactions	107	83	1.0%	-	-	-
Total group lending	**8,396**	**8,132**	**95.6%**	**480**	**92**	**1.1%**
Minority interests	302	376	4.4%	-	-	-
Total prorata	**8,698**	**8,508**	**100.0%**	**480**	**92**	**1.1%**

a) Losses and writedowns as a percentage of the average portfolio in Q1 2013. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.
b) Operating leases (continuing portfolio) is not included, as it is recognised as other property, plant and equipment and not as loans and advances
c) Credit losses and writedowns on mortgage deeds are recognised in value adjustments.
d) Shareholding taken over in connection with the winding up of a former credit exposure. Value adjustment of the shareholding is recognised under value adjustments.

Continuing portfolio

Lending to private customers
This portfolio consists of loans and advances to private customers and is geographically diversified across Denmark. The portfolio includes 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 63 million from 31 December 2012 to 31 March 2013. Adjusted for losses and writedowns, the decline was DKK 35 million. Among other things, the decline was attributable to conversion of home loans to mortgage loans through the bank's business partner Totalkredit.

Although the bank saw a fair inflow of full-service customers in the first quarter of 2013, this was not enough to offset the continued weak borrowing appetite among private customers and the loan conversions to Totalkredit.

In the first quarter of 2013, losses and writedowns amounted to DKK 28 million, equivalent to 1.2% of the average portfolio. Writedowns on the bank's private customers remain high, reflecting a weak housing market, which has only shown signs of improvement in the major cities.

Other loans and advances
This segment covers loans where an investment mandate is placed with Alm. Brand Markets. These loans form part of the bank's continuing business area.

Other loans and advances declined by DKK 7 million relative to 31 December 2012. In Q1 2013, losses and writedowns amounted to DKK 1 million, equivalent to 0.5% of the average portfolio.

Winding-up portfolio
The bank's strategy is not to accept new customers in the winding-up portfolie, and the business volume with existing customers is expected to be wound up over a number of years.

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

Total loans and advances in the winding-up portfolio declined by DKK 170 million in Q1 2013 to stand at DKK 5,472 million at 31 March 2013. Adjusted for losses and writedowns, the decline was DKK 107 million.

Agriculture
The portfolio increased by DKK 2 million from 31 December 2012 to 31 March 2013. Adjusted for losses and writedowns, the portfolio increased by DKK 28 million because the bank has granted loans for necessary investments and to secure continuing operations, thereby protecting the underlying value to the bank.

In Q1 2013, losses and writedowns amounted to DKK 26 million, equivalent to 2.7% of the average portfolio.

The level of losses and writedowns reflects the difficult conditions agricultural customers, particularly dairy farmers, continue to face.

Car finance
Car finance loans typically have a maximum term of five years, and the portfolio is expected to be settled in all material respects by the end of 2013. The overall portfolio declined by DKK 30 million during the period from 31 December 2012 to 31 March 2013 to stand at DKK 200 million. No losses or writedowns were recognised on this segment in the first quarter of 2013.

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

The overall portfolio declined by DKK 38 million from 31 December 2012 to 31 March 2013. Adjusted for losses and writedowns, the portfolio declined by DKK 56 million.

In Q1 2013, losses and writedowns amounted to an income of DKK 18 million, which was due to reversed writedowns in connection with the partial closing down of an exposure and to the underlying operations of certain commercial customers.

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

The portfolio increased by DKK 8 million from 31 December 2012 to 31 March 2013. Losses and writedowns amounted to DKK 2 million in Q1 2013, corresponding to 0.8% of the average portfolio.

Mortgage deed exposure
The bank's overall mortgage deed exposure, comprising mortgage deed financing and mortgage deeds, declined by DKK 112 million to DKK 2,933 million in Q1 2013.

Mortgage deeds run off naturally as a result of regular payments and redemptions. In the first quarter of 2013, natural run-off on the aggregate mortgage deed exposure was around 6% p.a. when excluding credit-related writedowns and interest rate effects.

Mortgage deed financing
The DKK 106 million portfolio consists of investment exposures secured against mortgage deeds. The portfolio declined by DKK 9 million from 31 December 2012 to 31 March 2013. The decline was primarily attributable to the bank closing out a number of investment exposures and in that connection taking over the mortgage deeds provided as security.

Losses and writedowns amounted to DKK 3 million in Q1 2013, corresponding to 2.7% 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 mortgage deeds and commercial mortgage deeds.

Private mortgage deeds amounted to DKK 2,127 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 700 million and comprise mortgage deeds secured against residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property.

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

The portfolio is a winding-up portfolio, 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 declined by DKK 103 million from 31 December 2012 to 31 March 2013. For the year to date, credit-related value adjustments amounted to DKK 50 million, equivalent to 1.7% of the average portfolio. Of this amount, DKK 26 million was private mortgage deeds and DKK 24 million was commercial mortgage deeds.

The private mortgage deed portfolio was adversely affected by the economic conditions. The number of private mortgage deeds in arrears remains high.

The bank continues to feel the effects of a weak commercial property letting market. Higher vacancy rates have resulted in revaluations, causing impairment writedowns to increase.

Capital reservation

The banking group's total capital reservation amounted to DKK 3,435 million at 31 March 2013, against DKK 3,478 million at 31 December 2012.

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

The capital reservation on the continuing portfolio corresponds to 18% of gross loans and advances, and the capital reservation on the winding-up portfolio represents 39% of gross loans and advances and residual debt on mortgage deeds.

CAPITAL RESERVATION	**31.03.2013**						**31.12.2012**	
DKKm	**Gross lending/ outstanding debt**	**Balance**	**Difference [a)]**	**Required capital**	**Total reservation**	**Reservation relative to gross lending**	**Total reservation**	**Reservation relative to gross lending**
Continuing portfolio	2,791	2,577	214	288	502	18%	515	18%
Winding-up portfolio	7,525	5,472	2,053	864	2,917	39%	2,952	38%
Total, excl. reverse transactions	**10,316**	**8,049**	**2,267**	**1,152**	**3,419**	**33%**	**3,467**	**33%**
Reverse transactions and intra-group transactions	83	83	-	16	16	19%	11	10%
Total, group	**10,399**	**8,132**	**2,267**	**1,168**	**3,435**	**33%**	**3,478**	**33%**

a) Accumulated writedowns and value adjustments of mortgage deeds.

Report – Life and Pension

DKKm	Q1 2013	Q1 2012	Year 2012
Premiums	274	229	903
Claims incurred	-914	-327	-973
Investment return after allocation of interest	138	209	856
Total underwriting management expenses	-21	-19	-79
Profit on business ceded	1	9	3
Change in life insurance provisions	742	63	-495
Change in collective bonus potential	-106	-147	-137
Government Tax on unallocated funds	-88	0	0
Underwriting profit/loss	**26**	**17**	**78**
Return on investments allocated to equity	1	2	12
Profit before tax	**27**	**19**	**90**
Tax	-7	-3	-19
Profit after tax	**20**	**16**	**71**
Return requirement for shareholders' equity			
Return on investments allocated to equity	1	2	12
Result of portfolios without bonus entitlement	1	-1	-9
Interest result	3	3	11
Expense result	1	1	3
Risk result	22	18	78
Transferred to/from the shadow account	-1	-4	-5
Profit before tax	**27**	**19**	**90**
Tax	-7	-3	-19
Profit after tax	**20**	**16**	**71**
Total technical provisions	11,822	11,909	12,463
Shareholders' equity	966	891	946
Total assets	13,653	13,688	14,366
Return on equity before tax p.a.	11%	7%	10%
Return on equity after tax p.a.	8%	6%	8%
Bonus rate	7.2%	6.0%	5.8%

Investment return on policyholders funds in Life and Pension Q1 2013	Return ratio
Interest-bearing assets	0.4%
Shares	8.1%
Property	1.6%
Total	**1.4%**

Results for Q1 2013

The pre-tax profit for Q1 2013 was DKK 27 million, against DKK 19 million for the same period of last year. The performance was satisfactory and equalled a return on equity of 11% p.a. before tax.

The technical result was a profit of DKK 26 million, against a profit of DKK 17 million in Q1 2012. The technical result was composed of an expense and risk result of DKK 22 million, an interest result of DKK 3 million and a result on annuities without bonus entitlement of DKK 1 million.

In the first quarter, DKK 1 million was transferred to the shadow account, bringing the total balance to DKK 11 million.

The return on investment assets attributable to shareholders' equity was DKK 1 million in Q1 2013, equivalent to a return of 0.08% (0.3% p.a.), against a return of DKK 2 million in Q1 2012. The assets were placed in short-term bonds, which, due to the very low level of interest rates, produced a satisfactory return on equity.

Premiums
Gross premiums rose by 19.4% to DKK 274 million in Q1 2013 from DKK 229 million in the same period of last year. The increase was primarily attributable to single payments from a growing number of new customers who have transferred their existing pension savings to Alm. Brand Liv og Pension from other banks.

Regular premium payments increased by 4.5% to DKK 184 million in Q1 2013 from DKK 176 million in the year-earlier period. As a result of the tax reform in 2012, capital pension schemes are no longer eligible for tax relief effective from 2013.

Customers paying into a capital pension were therefore contacted in 2012 with a view to deciding on their future payments. Around half of these customers have considered their options, and the vast majority of them have opted to transfer their payments to a new type of retirement pension called *Alderspension*. Most of the undecided customers have left their payments unchanged. For that reason, the tax reform has so far only had a limited adverse effect on premium payments but the ultimate impact remains subject to uncertainty.

In addition to payments in Liv and Pension, the customers have the option of paying into market-based investment schemes with Alm. Brand Bank. Payments into these schemes amounted to DKK 56 million in Q1 2013, against DKK 75 million in the same period of last year. The decline in payments should be seen in the context of the fact that a number of customers have continued to make payments into their capital pension, but until a decision has been made as to the tax treatment of future payments, these payments are not recognised as pension payments. These payments were estimated at approximately DKK 11 million in Q1 2013.

The total amount of pension contributions, including investment schemes with the bank, rose by 8.4% to DKK 330 million in Q1 2013 from DKK 304 million in Q1 2012.

Benefits paid
Benefits paid amounted to DKK 914 million in Q1 2013, against DKK 327 million in 2012. The increase was due to the prepayment of government taxes.

In connection with the tax reform in 2012, capital pension customers were given the option of paying taxes on their schemes at a rate of 37.3%, compared to the normal rate of 40%. Around half of the customers have currently chosen to accept this scheme. Government taxes in a total amount of DKK 509 million were paid on behalf of customers in the first quarter of 2013.

In addition, a DKK 88 million provision was made for taxes on unallocated provisions. As this tax is to be paid out of the customers' unallocated provisions, the amount was expensed under changes in collective bonus potential.

Risk result
Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 23 million in Q1 2013. Of this amount, DKK 1 million of the risk result concerning disability was transferred to shadow accounts. The overall risk result was highly satisfactory.

Costs
Acquisition and administrative expenses totalled DKK 21 million in Q1 2013, against DKK 19 million for the same period of 2012. Administrative expenses were unchanged, whereas acquisition costs rose due to an increase in new business written.

Total expenses for Q1 2013 were slightly lower than expected.

Expense result
Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK

1 million in Q1 2013. The expense result was satisfactory.

Investment return on policyholders' funds
The return on investment assets belonging to policyholders was DKK 168 million in Q1 2013, corresponding to a return of 1.4% (5.4% p.a.), against a return of DKK 252 million in Q1 2012. The return was made up before tax on pension returns but after investment costs.
Relative to the benchmark performance, the return on policyholders' investment assets was satisfactory.

Total investment assets amounted to DKK 12.2 billion at 31 March 2013. The investment assets are placed in bonds, equities and property.

During the quarter, around 2% of the investment assets were restructured from credit bonds to equities. Payment of government taxes due to the tax reform was effected by selling mortgage bonds, causing the proportion of mortgage bonds relative to total investment assets to decline during the quarter.

With a view to ensuring an optimum correlation of investments to liabilities, the investment composition between the different customer interest rate groups was adjusted during the quarter.

Bonds
Bonds make up a total of 71% of the overall portfolio of policyholders' funds. The return on the portfolio was 0.4% in Q1 2013 (1.8% p.a.). Mortgage bonds and emerging market bonds made a favourable contribution to the Q1 performance, whereas government bonds, index bonds and credit bonds produced a small loss. The company has no investments in government bonds issued by southern European economies such as Greece, Italy, Spain or Portugal.

Equities
Equities make up a total of 15% of the overall portfolio of policyholders' funds. The return was 8.1% (32.5% p.a.) in Q1 2013. Equity markets were generally upward trending in the first quarter, and the return on the equity portfolio reflected this positive trend.

Properties
Properties make up a total of 14% of the portfolio of policyholders' funds. The return on the property portfolio was in line with the budget. The return is related to the operation of the properties. Accordingly, no significant value adjustments were made to the property portfolio in Q1 2013.

Financial instruments
Financial instruments used for partial hedging of insurance liabilities made a negative contribution to the return. Hedging activities were reduced by around 10% of the overall interest rate risk during the quarter due to the extraordinary payment of government taxes, which reduced total assets and the interest rate risk on liabilities.

Life insurance provisions
Total life insurance provisions declined by DKK 742 million to DKK 11.1 billion in Q1 2013. The decline was mainly attributable to extraordinary payments of government taxes in connection with the tax reform.

Collective bonus potential
In Q1 2013, the collective bonus potential increased by DKK 106 million excluding provisions for government taxes to stand at DKK 692 million, corresponding to an average bonus rate of 7.2%.

New policyholders are placed in interest rate group 0, which had a bonus rate of 10.6% at 31 March 2013.

	Bonus rate
Interest rate group 0	10.6
Interest rate group 1	12.5
Interest rate group 2	7.0
Interest rate group 3	1.4

The bonus rates were highly satisfactory.

Capitalisation

The capital base of Alm. Brand Liv og Pension A/S totalled DKK 1,099 million at 31 March 2013, of which DKK 120 million was supplementary capital.

The company's Solvency I requirement was DKK 480 million. Accordingly, excess liquidity was DKK 619 million, corresponding to an excess coverage of 229% relative to the statutory solvency requirement. The individual solvency need was calculated at DKK 252 million, against DKK 286 million at 31 December 2012.

Equity allocated to Life and Pension was DKK 966 million at 31 March 2013.

The Danish FSA's stress scenarios were computed on an ongoing basis. Alm. Brand Liv og Pension A/S was in the green scenario by a fair margin throughout the reporting period.

Major events

Tax reform
Alm. Brand Liv og Pension was the first company in the market to implement the tax reform. New

customers were thus able to transfer to the new retirement pension scheme (*Alderspension*) already from January.

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

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

Outlook

The company retains its guidance for a full-year profit of DKK 75 million before tax.

The company expects to book a risk allowance for all contribution groups in 2013.

However, the results of the interest rate groups will depend entirely on developments in the financial markets.

Developments in premium income and provisions will depend on what customers who have not yet decided on their capital pension will want to do with their capital pension. The company does not expect to have a clear picture of this until late in the year.

Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and adopted the interim report of Alm. Brand A/S for the three months ended 31 March 2013.

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

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 March 2013 and of the results of the group's and the parent company's operations and the group's cash flows for the three months ended 31 March 2013.

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

MANAGEMENT BOARD

Copenhagen, 22 May 2013

Søren Boe Mortensen
Chief Executive Officer

BOARD OF DIRECTORS

Copenhagen, 22 May 2013

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

Balance sheet

	Group		
DKKm	31 March 2013	31 March 2012	31 December 2012
Assets			
Intangible assets	0	0	0
Owner-occupied properties	1,059	1,084	1,059
Deferred tax assets	657	739	665
Participating interests in joint ventures	44	47	44
Reinsurers' share of insurance contracts	195	398	164
Current tax assets	4	6	4
Other assets	1,386	1,531	1,299
Loans	8,132	10,029	8,396
Investment properties	398	430	393
Investment assets	28,780	30,447	29,350
Amounts due from credit institutions and central banks	691	1,834	879
Cash in hand and demand deposits	524	37	306
Total assets	**41,870**	**46,582**	**42,559**

Liabilities and equity			
Share capital	1,735	1,735	1,735
Reserves, retained profit etc.	2,648	2,421	2,634
Minority interests	155	131	137
Consolidated shareholders' equity	**4,538**	**4,287**	**4,506**
Subordinated debt	1,400	1,829	1,829
Provisions for insurance contracts	19,966	20,102	19,678
Other provisions	27	30	28
Deferred tax liabilities	46	46	46
Issued bonds	982	4,032	2,032
Other liabilities	1,115	1,051	1,018
Deposits	11,178	10,025	11,240
Payables to credit institutions and central banks	2,618	5,180	2,182
Total liabilities and equity	**41,870**	**46,582**	**42,559**

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

Income statement

	Group		
	Q1	Q1	Year
DKKm	**2013**	**2012**	**2012**
Income			
Premium income	1,499	1,424	5,769
Interest income etc.	319	375	1,414
Fee income etc.	23	25	86
Other income from investment activities	3	17	25
Income associates	0	1	2
Other income	16	10	51
Total income	**1,860**	**1,852**	**7,347**
Costs			
Claims incurred	-1,745	-1,298	-4,153
Interest expenses	-117	-157	-550
Other cost from investment activities	-16	-13	-50
Impairment of loans, advances and receivables, etc.	-42	-65	-309
Acquisition and administrative costs	-334	-332	-1,326
Total costs	**-2,254**	**-1,865**	**-6,388**
Profit from business ceded	-57	106	-83
Change in life insurance provisions	742	63	-495
Change in collective bonus potential	-194	-147	-116
Exchange rate adjustments	-27	131	297
Tax on pension investment returns	-28	-39	-151
Profit before tax	**42**	**101**	**411**
Tax	-9	-19	-94
Profit after tax	**33**	**82**	**317**
The profit before tax is allocated as follows:			
Share attributable to Alm. Brand	29	82	380
Share attributable to minority shareholders	13	19	31
	42	**101**	**411**
The profit after tax is allocated as follows:			
Share attributable to Alm. Brand	20	63	286
Share attributable to minority shareholders	13	19	31
	33	**82**	**317**
Earnings per share, DKK	0.1	0.4	1.7
Diluted earnings per share, DKK	0.1	0.4	1.7

Comprehensive income

Profit for the year	33	82	317
Revaluation of owner-occupied properties	0	0	21
Transferred to collective bonus potential	0	0	-21
Comprehensive income	**33**	**82**	**317**
Proposed allocation of profit/loss:			
Share attributable to Alm. Brand	20	63	286
Share attributable to minority shareholders	13	19	31
Comprehensive income	**33**	**82**	**317**

Statement of changes in equity

DKKm	Share capital	Contingency funds	Other provi-sions	Retained profit	Share-holders' equity	Minority interests	Consoli-dated equity
Shareholders equity, 1 January 2012	**1,735**	**182**	**1,215**	**961**	**4,093**	**113**	**4,206**
Changes in equity Q1 2012:							
Profit/loss for the period				63	63	19	82
Total income	0	0		63	63	19	82
Repurchased shares				1	1		1
Purchase and sale of treasury shares in subsidiaries				-1	-1	0	-1
Tax on changes recognised in equity				0	0		0
Change in share attributable to minority interest				0	0	-1	-1
Changes in equity	**0**	**0**	**0**	**63**	**63**	**18**	**81**
Shareholders equity, 31 March 2012	**1,735**	**182**	**1,215**	**1,024**	**4,156**	**131**	**4,287**
Shareholders equity, 1 January 2012	**1,735**	**182**	**1,215**	**961**	**4,093**	**113**	**4,206**
Changes in equity 2012:							
Profit/loss for the year				286	286	31	317
Revaluation of owner-occupied properties				21	21		21
Transferred to collective bonus potential				-21	-21		-21
Tax on changes recognised in equity				0	0		0
Total income	0	0	0	286	286	31	317
Share option scheme				3	3		3
Purchase and sale of treasury shares				-6	-6		-6
Purchase and sale of treasury shares in subsidiaries				-7	-7	-7	-14
Tax on changes recognised in equity				0	0		0
Change in share attributable to minority interest				0	0	0	0
Changes in equity	**0**	**0**	**0**	**276**	**276**	**24**	**300**
Shareholders equity, 31 December 2012	**1,735**	**182**	**1,215**	**1,237**	**4,369**	**137**	**4,506**
Shareholders equity, 1 January 2013	**1,735**	**182**	**1,215**	**1,237**	**4,369**	**137**	**4,506**
Changes in equity Q1 2013:							
Profit/loss for the period				20	20	13	33
Total income	0	0	0	20	20	13	33
Purchase and sale of treasury shares				-6	-6		-6
Purchase and sale of treasury shares in subsidiaries				-1	-1		-1
Share option scheme				1	1		1
Change in share attributable to minority interest				0	0	5	5
Changes in equity	**0**	**0**	**0**	**14**	**14**	**18**	**32**
Shareholders equity, 31 March 2013	**1,735**	**182**	**1,215**	**1,251**	**4,383**	**155**	**4,538**

	31 March 2013	31 December 2012
Shareholders' equity exclusive minority interests	4,383	4,369
Consolidation of Pensionskassen under Alm. Brand A/S	-4	-6
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive minority interests	**4,379**	**4,363**
Share of profit attributable to Alm. Brand A/S	20	286
Consolidation of Pensionskassen under Alm. Brand A/S	2	-2
Share of profit attributable to Alm. Brand A/S under the rules of the Danish Financial Supervisory Authority	**22**	**284**

Capital target

DKKm	Capital base at 31 March 2013
Consolidated equity	4,538
Tax asset	-657
Supplementary capital	1,225
Consolidated capital base	**5,106**

DKKm	Capital target 31 March 2013
Non-life insurance (40% of gross premium income)	2,015
Life and Pension (8.75% of life insurance provisions)	970
Alm. Brand Bank (17.8% of risk weighted assets) *)	1,763
Capital tied Minority interests	69
Diversification effects	-300
Consolidated capital target	**4,517**

**) Calculated as the individual solvency need at 31 March 2013 plus 3 percentage points*

Statutory capital requirement for the group at 31 March 2013	**3,089**
Excess relative to statutory capital requirement	**2,017**
Excess relative to internal capital target	**589**

Cash flow statement

			Group
	Q1	Q1	Year
DKKm	**2013**	**2012**	**2012**
Cash flows from operating activities			
Premiums received	2,285	2,314	5,978
Claims paid	-1,813	-1,368	-4,551
Interest receivable, dividends, etc.	369	459	1,435
Interest payable	-98	-129	-455
Payments concerning reinsurance	-63	82	117
Fee income received	30	32	116
Fee income paid	-7	-7	-31
Expences paid	-272	-374	-1,319
Tax on pension investment returns paid	-149	-147	-151
Acquisition of intangible assets, furniture, equipments etc.	-24	-29	-66
Other ordinary income received	16	10	39
Taxes paid/received	0	0	6
Cash flows from operating activities	**274**	**843**	**1,118**
Change in investment placement (net)			
Properties acquired or converted	-5	4	-48
Sale of property	0	83	41
Sale/aquisition of equity investments	26	107	181
Sale/repayment of mortgage deeds and loans	155	0	1,416
Sale/aquisition of bonds	686	-1,010	432
Change in investment placement (net)	**862**	**-816**	**2,022**
Change in financing (net)			
Other provisions	1	0	0
Sale/purchase of treasury shares	-6	1	-3
Sale/acquisition of subsidiaries (change in minority interests)	4	-2	-14
Subordinated debt	-430	0	0
Change in issued bonds	-1,050	-2,000	-4,000
Change in deposits	-62	2,070	3,284
Change in payables to credit institutions	437	568	-2,429
Change in financing (net)	**-1,106**	**637**	**-3,162**
Net change in cash and cash equivalents	**30**	**664**	**-22**
Cash and cash equivalents, beginning of period	1,185	1,207	1,207
Cash and cash equivalents, end of period	**1,215**	**1,871**	**1,185**

Segment reporting

DKKm	Non-life	Bank	Life	Other	Elimi-nation	Group
Q1 2013						
Premium income	1,225	0	274	0		1,499
Interest income etc.	63	155	102	0	-1	319
Fee income etc.	0	31	0	0	-8	23
Other investment income	0	0	21	0	-18	3
Income associates	0	0	3	0	-3	0
Other income	0	16	0	0		16
Total income	**1,288**	**202**	**400**	**0**	**-30**	**1,860**
Claims incurred	-831	0	-914	0		-1,745
Interest expenses	-15	-99	-1	-3	1	-117
Other investment expenses	-6	0	-7	-11	8	-16
Provisions for bad and doubtful debts	0	-42	0	0		-42
Acquisition and administrative expenses	-206	-125	-21	0	18	-334
Total expenses	**-1,058**	**-266**	**-943**	**-14**	**27**	**-2,254**
Result of business ceded	-58	0	1	0		-57
Change in life insurance provisions	0	0	742	0		742
Change in collective bonus potential	0	0	-194	0		-194
Exchange rate adjustments	-29	-47	49	0		-27
Tax on pension investment returns	0	0	-28	0		-28
Profit before tax	**143**	**-111**	**27**	**-14**	**-3**	**42**
Tax	-36	31	-7	3		-9
Profit after tax	**107**	**-80**	**20**	**-11**	**-3**	**33**

						Q1 2012
Premium income	1,195	0	229	0		1,424
Interest income etc.	63	202	110	0	0	375
Fee income etc.	0	33	0	0	-8	25
Other investment income	0	0	22	0	-5	17
Income associates	0	1	5	0	-5	1
Other income	0	10	0	0		10
Total income	**1,258**	**246**	**366**	**0**	**-18**	**1,852**
Claims incurred	-971	0	-327	0		-1,298
Interest expenses	-24	-129	-1	-3	0	-157
Other investment expenses	-5	0	-8	-8	8	-13
Provisions for bad and doubtful debts	0	-65	0	0		-65
Acquisition and administrative expenses	-187	-131	-19	0	5	-332
Total expenses	**-1,187**	**-325**	**-355**	**-11**	**13**	**-1,865**
Result of business ceded	97	0	9	0		106
Change in life insurance provisions	0	0	63	0		63
Change in collective bonus potential	0	0	-147	0		-147
Exchange rate adjustments	-4	13	122	0		131
Tax on pension investment returns	0	0	-39	0		-39
Profit before tax	**164**	**-66**	**19**	**-11**	**-5**	**101**
Tax	-41	22	-3	3		-19
Profit after tax	**123**	**-44**	**16**	**-8**	**-5**	**82**

Notes

DKKm	Group Q1 2013	Group Q1 2012	Group Year 2012
Note 1 Own Shares - Group			
Carrying amount, beginning of year	0	0	0
Value adjustments	-6	1	-7
Acquired during the period	6	4	12
Sold during the period	0	-5	-5
Carrying amount, end of period	**0**	**0**	**0**
Nominal value, beginning of year	7	3	3
Acquired during the period	3	3	9
Sold during the period	0	-5	-5
Nominal value, end of period	**10**	**1**	**7**
Holding (number of shares), beginning of year	710	298	298
Additions, number of shares	327	300	893
Disposals, number of shares	0	-480	-481
Holding (number of shares), end of period	**1,037**	**118**	**710**
Percentage of share capital, end of period	**0.6%**	**0.1%**	**0.4%**
Note 2 Contingent liabilities, guaranties and leasing			
Guarantee commitments	**1,479**	**1,549**	**1,473**

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 2012.

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

The interim report for the three months ended 31 March 2013 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management’s report.

Balance sheet

DKKm	Note	Parent company 31 March 2013	31 March 2012	31 December 2012
Assets				
Investment in group enterprises	1	4,614	4,141	4,384
Total investments in group enterprises and associates		**4,614**	**4,141**	**4,384**
Equity investments		1	1	1
Other loans and advances		2	2	2
Deposits with credit institutions		20	265	225
Cash in hand and balances at call		11	9	11
Total other financial investment assets		**34**	**277**	**239**
Total investment assets		**4,648**	**4,418**	**4,623**
Receiveables from group enterprises		0	9	11
Other receivables		36	39	37
Total receivables		**36**	**48**	**48**
Current tax assets		20	11	17
Deferred tax assets		17	21	17
Total other assets		**37**	**32**	**34**
Total assets		**4,721**	**4,498**	**4,705**
Liabilities and equity				
Share capital		1,735	1,735	1,735
Other provisions		1,215	1,215	1,215
Retained earnings		1,429	1,202	1,413
Total shareholders' equity		**4,379**	**4,152**	**4,363**
Subordinated loan capital		250	250	250
Total subordinated loan capital		**250**	**250**	**250**
Deferred tax liabilities		46	46	46
Total provisions		**46**	**46**	**46**
Payables to subsidiaries		1	2	2
Issued bonds		32	32	32
Other payables		13	13	12
Total payables		**46**	**47**	**46**
Deferred income		0	3	0
Total liabilities and equity		**4,721**	**4,498**	**4,705**

Income statement

DKKm	Note	Parent company Q1 2013	Q1 2012	Year 2012
Income from group enterprises	2	31	71	319
Interest income and dividends, etc.		0	0	1
Interest expenses		-3	-3	-13
Administrative expenses related to investment activities		-9	-8	-34
Profit before tax		**19**	**60**	**273**
Tax		3	3	11
Profit for the Year		**22**	**63**	**284**

Comprehensive income

Profit for the period	22	63	284
Comprehensive income	**22**	**63**	**284**
Proposed allocation of profit/loss:			
Retained earnings	22	63	284

Note 3 Accounting policies parent company

Statement of changes in equity

DKKm	Share-Capital	Other provisions	Retained earnings	Shareholders' equity
				Parent company
Shareholders equity, 1 January 2012	**1,735**	**1,215**	**1,139**	**4,089**
Changes in equity Q1 2012:				
Profit/loss for the period			63	63
Total income			63	63
Purchase and sale of treasury shares			1	1
Repurchased shares			-1	-1
Tax on changes recognised in equity			0	0
Changes in equity	**0**		**63**	**63**
Shareholders equity, 31 March 2012	**1,735**	**1,215**	**1,202**	**4,152**
Shareholders equity, 1 January 2012	**1,735**	**1,215**	**1,139**	**4,089**
Changes in equity 2012:				
Profit/loss for the year			284	284
Total income			284	284
Cost relating to share issue			-6	-6
Purchase and sale of treasury shares in subsidiaries			-7	-7
Share option scheme			3	3
Tax on changes recognised in equity			0	0
Changes in equity	**0**	**0**	**274**	**274**
Shareholders equity, 31 December 2012	**1,735**	**1,215**	**1,413**	**4,363**
Shareholders equity, 1 January 2013	**1,735**	**1,215**	**1,413**	**4,363**
Changes in equity Q1 2013:				
Profit/loss for the period			22	22
Total income			22	22
Purchase and sale of treasury shares			-6	-6
Purchase and sale of treasury shares in subsidiaries			-1	-1
Share option scheme			1	1
Changes in equity	**0**	**0**	**16**	**16**
Shareholders equity, 31 March 2013	**1,735**	**1,215**	**1,429**	**4,379**

Notes

Note 1 Investment in group enterprises

	Parent company		
DKKm	31 March 2013	31 March 2012	31 December 2012
Cost, beginning of year	7,591	7,291	7,291
Additions during the period	700	300	300
Cost, end of period	8,291	7,591	7,591
Revaluation and impairment, beginning of year	-3,201	-3,020	-3,020
Dividend received	-500	-500	-500
Profit for the period	31	71	319
Revaluation and impairment of treasury shares in subsidiaries	-7	-1	-6
Revaluation and impairment, end of period	-3,677	-3,450	-3,207
Carrying amount, end of period	**4,614**	**4,141**	**4,384**
Specification of carrying amount:			
Alm. Brand Bank A/S	1,599	1,324	996
Alm. Brand Forsikring A/S	3,014	2,816	3,387
Asgaard Finans A/S	1	1	1
Carrying amount, end of period	4,614	4,141	4,384

Note 2 Income from group enterprises

	Parent company		
DKKm	Q1 2013	Q1 2012	Year 2012
Alm. Brand Bank A/S	-96	-67	-391
Alm. Brand Forsikring A/S	127	138	710
Asgaard Finans A/S	0	0	0
Total income from group enterprises	**31**	**71**	**319**

Note 3 Accounting policies parent company

The interim report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and profession-specific pension funds.

In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for the interim reports of listed financial enterprises.

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

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

The accounting policies are unchanged from the policies applied in the Annual Report 2012.

The interim report for the three months ended 31 March 2013 is unaudited.