ALM. BRAND A/S · MIDTERMOLEN 7 · DK-2100 COPENHAGEN Ø · REGISTRATION NUMBER CVR 77333517

ALM. BRAND A/S

ANNUAL REPORT 2007

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Christian N.B. Ulrich*
Chairman
Born 1939
Member of the Board since 1991

Jørgen H. Mikkelsen*
Deputy Chairman
Born 1954
Member of the Board since 1994

Boris N. Kjeldsen*
Born 1959
Member of the Board since 2003

Niels Kofoed*
Born 1962
Member of the Board since 2000

Jørgen S. Larsen*
Born 1949
Member of the Board since 1996

Henrik Stenbjerre
Born 1940
Member of the Board since 2006

Lone Clausen
Employee representative
Born 1955
Member of the Board since 1998

Susanne Larsen
Employee representative
Born 1964
Member of the Board since 2006

Henning Kaffka
Employee representative
Born 1965
Member of the Board since 2006

* Elected by the principal shareholder

MANAGEMENT BOARD

Chief Executive
Søren Boe Mortensen
Joined Alm. Brand in 1987
Appointed to the Management Board in 1998
Chief Executive since December 2001
Born 1955

Deputy Chief Executive
Henrik Nordam
Joined Alm. Brand in 1986
Appointed to the Management Board
on 1 January 2000
Deputy Chief Executive since December 2001
(Chief Executive of Alm. Brand Bank)
Born 1951

AUDITORS

Deloitte, Statsautoriseret Revisionsaktieselskab

REGISTRATION

Alm. Brand A/S
Company reg. (CVR) no. 77333517

ADDRESS

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Internet: www.almbrand.dk
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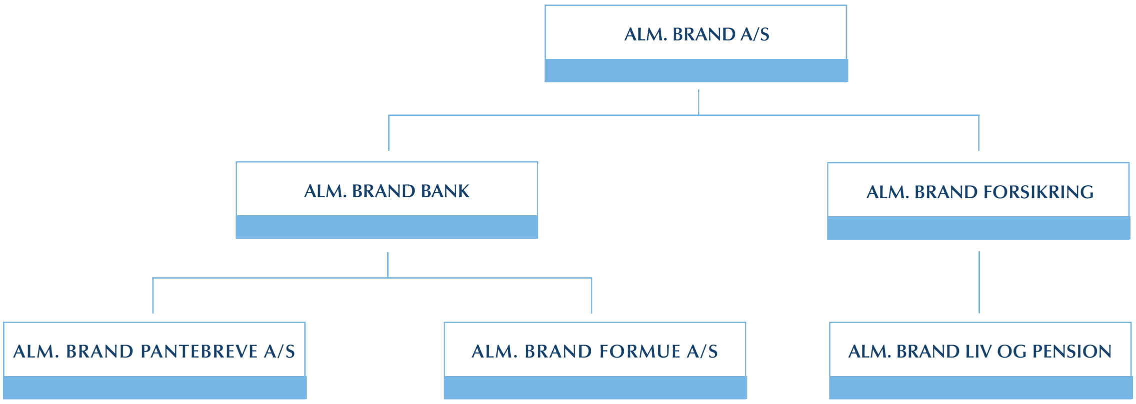
GROUP STRUCTURE



GROUP STRUCTURE

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

FINANCIAL HIGHLIGHTS AND KEY RATIOS

	DKKm	2007	2006	2005	2004	2003
GROUP	**Income**					
	Non-life insurance	4,578	4,279	4,079	4,143	3,927
	Banking	1,444	980	786	689	719
	Life insurance	750	736	747	723	714
	Copenhagen Re	17	11	37	29	136
	Investments etc.	932	849	840	855	969
	Total income	**7,721**	**6,855**	**6,489**	**6,439**	**6,465**
	Profit/loss excluding minority interests					
	Non-life insurance	647	724	375	354	219
	Banking	196	167	222	126	105
	Life insurance	104	81	144	71	98
	Copenhagen Re	71	60	38	3	– 1
	Other activities	– 32	– 26	– 32	– 62	– 34
	Profit before tax	**986**	**1,006**	**747**	**492**	**387**
	Tax	– 281	– 195	– 56	– 95	– 15
	Profit after tax	**705**	**811**	**688**	**397**	**372**
	Consolidated profit					
	Consolidated profit before tax	**980**	**1,037**	**852**	**540**	**394**
	Tax	– 266	– 190	– 56	– 99	– 19
	Consolidated profit after tax	**714**	**847**	**796**	**441**	**375**
	Total provisions for insurance contracts	18,331	18,718	19,193	17,932	17,458
	Consolidated shareholders' equity	5,446	5,432	4,935	4,074	3,467
	Share attributable to minority interests	504	520	474	323	277
	Total assets	47,886	42,992	42,550	36,262	33,993
	Average no. of employees	1,862	1,718	1,625	1,567	1,602
	Return on equity before tax	18.0%	20.0%	18.9%	14.0%	12.4%
	Return on equity after tax	13.1%	16.3%	17.7%	11.5%	11.8%
PARENT COMPANY	**Profit before tax**	**694**	**783**	**660**	**472**	**131**
	Tax	12	24	29	– 73	241
	Profit for the year	**706**	**807**	**689**	**399**	**372**
	Total assets	5,065	5,531	5,001	4,404	3,785
	Total investment assets	4,991	5,459	4,923	3,797	3,318
	Share capital	1,668	1,788	1,788	1,788	1,788
	Shareholders' equity	4,932	4,901	4,454	3,743	3,190
	Payables	87	579	496	579	569
	Return on equity before tax*	20.1%	21.5%	18.3%	14.1%	13.0%
	Return on equity after tax*	14.3%	17.3%	16.8%	11.2%	12.5%
	Earnings per share of DKK 80	35	37	31	18	17
	Diluted earnings per share of DKK 80	35	37	31	18	-
	Net asset value per share of DKK 80	260	234	199	168	143
	Share price at 31 December	286	400	267	208	133
	Price/NAV	1.10	1.71	1.34	1.24	0.93
	No. of shares at year-end (in thousands)	18,966	20,929	22,030	21,911	21,852
	Average no. of shares (in thousands)	20,182	21,644	21,987	21,882	21,709
	No. of shares bought back (in thousands)**	1,981	1,452			
	Average price of shares bought back, DKK**	328	344			
	Total pay-out ratio*	14%	6%			

** Return on equity in the parent company is calculated before tax in subsidiaries.*

*** Measured at the expiry date of the share buyback programme at 31 January 2008.*

The accounting policies were changed in 2005. Financial highlights and key ratios for 2003 have not been restated to reflect the change in accounting policies.

OVERVIEW

The Alm. Brand A/S Group posted a pre-tax profit excluding minority interests of DKK 986 million which was highly satisfactory and outperformed the guidance of DKK 800 million provided at the beginning of the year. Compared with the most recent guidance of DKK 930 million, the results were also highly satisfactory. The good results were achieved on the back of strong growth and high earnings in all of the group's three business areas and despite unusually harsh weather conditions and an above-average number of major claims and also despite the financial crisis that hit Denmark – and the rest of the world – in the autumn of 2007. The profit after tax was DKK 705 million.

Because of Alm. Brand's excellent performance in recent years, the group has been buying back shares since March 2006. Continuing this trend, the group adopted a share buyback programme for 2007 as well, which was gradually increased over the year to total DKK 700 million. A similar programme for up to DKK 600 million will be implemented in 2008 and it is expected to be completed by the end of January 2009. A total of DKK 50 million outstanding under the previous programme will be bought back together with the new programme for 2008.

The satisfactory non-life performance of DKK 647 million before tax was attributable to a generally good performance by the underlying portfolio, run-off gains and a strong investment result. However, the company was hit by a substantially higher number of weather-related claims and major claims relative to 2006 and as compared with an average year. Nevertheless, non-life operations reported a satisfactory profit and a combined ratio of 91.4. Premium income rose by a highly satisfactory 7%, which means that the company is winning market share. In addition, the performance of the underlying claims ratio shows that the quality of the customer portfolio has not been impaired by the substantial growth.

Banking operations posted a satisfactory pre-tax profit of DKK 196 million. The bank generated substantial growth in 2007, while keeping its credit policy unchanged. The bank raised a major syndicated loan in the early summer of 2007, thereby securing long-term financing at favourable prices. Accordingly, the bank has a strong platform for continued growth. Like the rest of the group, the bank is not exposed to the sub-prime market.

Life insurance operations also posted a satisfactory pre-tax profit of DKK 104 million. In 2007, shareholders' equity included the full risk premium. Total premium growth on guaranteed and non-guaranteed schemes amounted to 8%. The investment return on guaranteed customer funds was lower than expected due to rising interest rates and the resulting decline in share prices and falling equity markets. The lower return on interest-bearing assets was, however, largely offset by a reduced provisioning need, as the discounting rate on provisions also rose.

The profit from the group's other activities, including corporate expenses and reinsurance activities in run-off, amounted to DKK 39 million before tax.

Return on equity was 20%. Earnings per share were DKK 35, and the share price was DKK 286 at 31 December 2007, corresponding to 110% of the net asset value of 260.

The group's total income amounted to DKK 7.7 billion.

The group expects a total profit of DKK 870 million before tax and DKK 650 million after tax in 2008.

The profit from non-life operations is expected to total DKK 550 million before tax. The combined ratio is expected to be 92. Premium income growth is expected to aggregate 5%.

The profit from banking operations is expected to total DKK 200 million before tax. Growth is expected to continue, although the economic slowdown will result in weaker growth in lending as compared with 2007.

The life insurance operations are expected to generate a profit of DKK 100 million before tax with growth expected to remain unchanged.

Other activities are expected to generate a profit of DKK 20 million.

Consolidated income is expected to be in the region of DKK 8 billion.

No material events have occurred during the period from 1 January 2008 until the date the financial statements were signed which would be of material importance for the financial statements.

SOLID BUSINESS WITH GOOD MOMENTUM

BY SØREN BOE MORTENSEN, CHIEF EXECUTIVE

In 2007, we continued on the course we charted in 2005. Again in 2007, living our strategy produced strong growth and earnings, positioning us even stronger in the minds of our customers and employees. This positive trend is particularly satisfactory considering the pressure exerted on our market conditions by the competitive environment and the trends in the financial markets, not least in the latter part of 2007.

It is also worth noting that our 2007 performance was in line with our 2006 performance despite the fact that 2006 was an unusually good year, whereas we were hit by extraordinarily harsh weather conditions and a large number of major claims in 2007. In addition, the group's low risk profile limited the adverse effects of last autumn's turmoil in the financial markets.

In other words, we emerged from 2007 with a business that was larger in size and stronger based and every bit as healthy and profitable, as the business we started the year with.

One ratio reflecting this is our return on equity which, according to our strategic targets, should correspond at least to the money market rate plus 10 percentage points. In 2007, we recorded a return on equity of 20%, once again significantly exceeding our target.

The many strategic growth initiatives that we focused on in 2007 were pivotal in sustaining Alm. Brand's strong momentum. When we compare our performance with the general growth rate in the banking and insurance markets and, not least, when we make a peer group comparison, we have every reason to be satisfied. Our non-life operations grew by 7%, the bank's loans and advances rose by 28% and pension contributions were up by almost 8%.

STRONG GROWTH AND EFFICIENT OPERATIONS

Growth in non-life operations exceeded our expectations. The performance reflected a good inflow of new customers and positive trends in commitments with existing customers.

And, I would note, the performance was achieved while we retained the quality of our customer portfolio. The combined ratio was 91.4%, falling slightly short of last year's very low level. But our analyses show that the underlying combined ratio is retained at the same level as in 2006. Accordingly, the increase in the claims ratio was due to weather conditions and random fluctuations in the number of major claims. It was good to see that we were able to retain the low claims ratio on our core business despite the 10% auto tariff reduction in 2007 and the more competitive pricing of certain other insurance products. We thus maintained a sound and profitable insurance portfolio characterised by strong growth.

Recent years' investments in growth accelerated the bank's performance in 2007. Accordingly, the bank had achieved its growth target for 2010 at 30 June 2007. Based on the bank's performance and sustained positive outlook, the Board of Directors chose to double the bank's growth target. In 2007, loans and advances rose by 28%. In spite of the strong growth, the bank succeeded in only increasing its business in areas with acceptable risk and decent returns. The group's markets and asset management activities, Alm. Brand Markets, also increased the level of activity and earnings.

Our pension activities also performed strongly, recording growth in pension contributions of almost 8% relative to 2006. The pension activities were also ahead of the planned growth curve set out by the strategy. Shareholders' equity included the

full risk premium, corresponding to a return on equity of 12%, against 7% the year before.

The winding up of our reinsurance operations is progressing according to plan and contributed a profit of DKK 71 million in 2007.

SUSTAINED INCREASE IN SATISFACTION RATE

Concurrently with our efforts to realise our growth and earnings targets, we focused on achieving Alm. Brand's three other important targets: customer and employee satisfaction and image. Our efforts are paying off in this area as well.

The share of customers who are satisfied with Alm. Brand rose from 76% in 2003 to 82% in 2007. The share of very satisfied customers, who are by far the most loyal and those most prone to renew their business, increased from 27% to 49%. Our ambition is to have 90% satisfied and 50% very satisfied customers by 2010.

Our strong performance does not mean that we will be less focused on improvement. It remains a major challenge for us to improve customer satisfaction among the remaining group of less satisfied customers. In this connection, it is encouraging to see that satisfaction is so closely linked to customer contact. Frequent contact increases customer satisfaction, while rare contact has the opposite effect. This means that we can make a difference through regular and direct customer contact. The continued focus on our *dobbelt*-KUNDE concept, which is intended to increase loyalty and business with the individual customer, may therefore also contribute to achieving our customer satisfaction targets.

Employee satisfaction also increased in 2007. Since 2006, the share of employees who say that they are satisfied with working at Alm. Brand rose from 95% to 97%. This is of course a very positive signal and all-important in achieving our "We take care of our customers" vision. But the overall satisfaction index was largely unchanged at 88%. However, we remain ambitious and we are confident that we can continue to improve.

Finally, we turn to our image targets. We aim for Alm. Brand's image to rank in the top two in our industry. However, we have to acknowledge that we have failed to achieve the desired results, at least in terms of official rankings. We are at a total standstill in this respect. We can see a dramatic increase in satisfaction among the people who know us – our customers and our employees. However, we have yet to succeed in getting the positive message across to everybody else. We therefore launched a new and more attitude-based marketing strategy at the beginning of 2008 in an effort to promote Alm. Brand's values and approach to people, service and the way we do business. In addition, we are making a dedicated effort to improve our communication and press activities to make our attitudes, activities and results more visible.

CONSERVATIVE RISK PROFILE

As regards interest in Alm. Brand's shares, we faced a number of very special challenges in 2007. Investor interest in Alm. Brand shares was affected to a large extent by matters that were in fact totally unrelated to Alm. Brand or our business. In March 2007, we received initial reports of a sub-prime crisis in the US market. In the autumn, the US crisis developed into a global crisis, hitting the US and European financial markets particularly hard. The turmoil also affected interest in Danish financial equities, including Alm. Brand. Concern about the ability of financial undertakings to handle risk was widespread and unrelated to whether a company actually had an exposure to the sub-prime lending market or to the company's overall risk profile. It is not our job to comment on share price performance determined by equity market dynamics, but in this case there may be a reason to comment on Alm. Brand's risk profile.

First and foremost, it is worth mentioning that Alm. Brand has no direct or indirect exposure to the sub-prime lending market. Alm. Brand maintains a prudent, conservative risk profile – for

SOLID BUSINESS WITH GOOD MOMENTUM

better or for worse. Worse in the sense that during good years in the equity markets we achieve a lower return than our more risk-tolerant peers. However, we are reaping the benefits at times like these when the equity markets are under pressure. Alm. Brand's investment portfolio is rooted in Denmark and Europe, and the vast majority of our investments are placed in AAA-rated Danish government and mortgage bonds. This means that we have taken very limited capital losses.

Our cautious risk policy also benefited the group in respect of the exposure to the property market due to our a very limited exposure to actual developer projects. Alm. Brand has always pursued a proactive credit policy and today we therefore have a sound and balanced portfolio which has not given rise to any noteworthy problems.

Alm. Brand is a key player in the Danish mortgage deed market. The group's many years of experience in this area is a major advantage. Our focus is on the traditional mortgage deed market and financially prudent and transparent arrangements. This policy ensures decent returns. This has been Alm. Brand's recipe for its many years of success in this market, and we will continue along this path.

The bank's liquidity is also strong. Around 50% of our funding is based in deposits, whereas the rest is raised in the interbank market. In the early summer of 2007, the bank raised external funding on favourable terms and with long maturities. As a result, half of the bank's external funding has maturities up to 2012. We are in the fortunate situation that the turmoil in the financial markets has not threatened our liquidity.

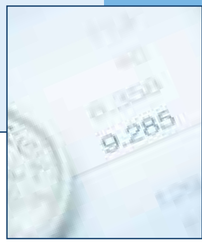
It is obvious that the present financial uncertainty may come to affect Alm. Brand. But due to the group's comfortable situation with solid key figures and a prudent risk profile, we are in a perfect position to maintain a relatively strong momentum. Actually, the credit crisis means that risk will be priced reasonably again, thereby enhancing earnings margins on moderate risk as well – that's our core business. We expect to see less solid players exit the market, thereby leaving more room for Alm. Brand's continued growth aspirations. We will encounter major challenges, and we need to work hard to achieve our goals, but our expectations for the future are positive.

SHARE BUYBACK

A share buyback programme of DKK 700 million was implemented in 2007 as part of Alm. Brand's dividend policy. We failed to complete the entire programme before the end of 2007, but we continue the buyback in tandem with the group's new share buyback programme, which is expected to amount to DKK 600 million in 2008. The share buyback represents a pay-out ratio of 12. Share buybacks is an excellent way to repay the value created to our shareholders, while ensuring liquidity in the share. We will also return excess liquidity in the company to the shareholders going forward.

EMPLOYEE SHARES AND BONDS

A key prerequisite for sustaining the group's strong momentum and good results is the continued strong commitment and competent skills of our management and employees. In line with previous years, we chose to offer employee shares, and as a new feature also employee bonds, to all permanent employees of the group.



OUTLOOK

We are on the brink of a new year with new challenges, stricter market terms and continued fierce competition. But we know the road forward, and we have an underlying business fully equipped to achieve new targets in 2008. We will continue on the growth track, but we only aim for profitable growth. We will continue to focus on increasing the share of satisfied customers and employees. We are confident that satisfied employees create satisfied customers and that satisfied customers source more products from the group and stay longer onboard.

Our growth is naturally based on our customers. Therefore, we plan to continue our vision of taking care of our customers. We will accelerate our *dobbelt*KUNDE concept and take further steps to market the concept to existing as well as new customers. In addition, we will continue our efforts to strengthen customer loyalty, ensuring that we will be able to maintain the strong foundation which is the core of our business in the future as well.

Søren Boe Mortensen
Chief Executive

FEATURE :

FOLLOW-UP ON OUR GOALS

GOAL: RETURN ON EQUITY

Generating an attractive return on equity is an important criterion of success for Alm. Brand. It creates a strong foundation for the ambitious growth targets we have defined for the group. Return on equity for 2007 was 20%, corresponding to the money market rate plus 15 percentage points. Over the past five years, the group has generated returns well above the target despite substantial investments in growth and in developing the business.

The group thus outperformed its target by a substantial margin.

GOAL: GROWTH

An attractive and dynamic company is a company generating growth. In 2005, the Alm. Brand Group defined a target of growing by 50% by 2010, without compromising on profitability. Growth rates in 2007 were in line with or exceeded the targets.

At 30 June 2007, the bank had already passed the 50% growth target. The bank therefore doubled its target for loans and advances to DKK 21.5 billion by 31 December 2010. Non-life operations recorded premium growth of 7% in 2007, indicating that the company is winning rather significant market share. Recording growth of almost 8%, the life insurance operations were also ahead of target. The group intends to stay focused on growth, always without jeopardising profitability.

GOAL: IMAGE

A company's corporate image is an essential means of attracting new customers and employees. Surveys indicate that existing customers and employees also become more loyal and satisfied when the company has a good image.

However, the group failed to get closer to its target in this field. This is one of the reasons why a new image campaign was launched in early 2008. It spotlights the group's corporate values, attitudes and employees rather than profiling products and prices. Moreover, we intend to strengthen our external communications and press relations efforts. Our aim is to make people who are not currently in direct contact with the group aware of Alm. Brand's attractive results and performance.

GOAL: CUSTOMER SATISFACTION

Customer satisfaction is the ultimate criterion of success for a service provider such as Alm. Brand. Satisfied customers are loyal customers, who source more products and are the best ambassadors for our business. Since 2005, Alm. Brand has made targeted efforts to ensure customer satisfaction. These efforts have been successful; satisfaction rates have risen year by year and are approaching the 2010 target.

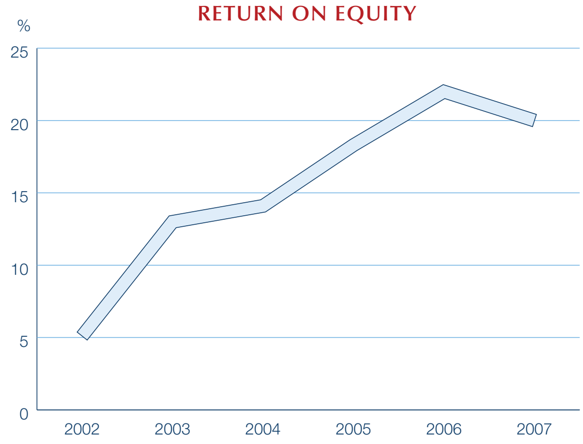
GOAL: EMPLOYEE SATISFACTION

Satisfied employees are a prerequisite for satisfied customers. Satisfied employees provide better service and advice. At the same time, satisfaction has a spill-over effect; it rubs off on colleagues, customers and the employees' relations outside their workplace. We therefore give a high priority to employee satisfaction.

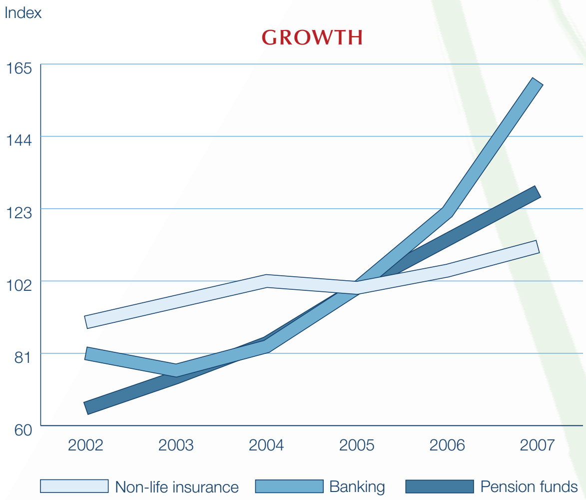
Our efforts have been successful: In 2007, 97% of our employees were satisfied or very satisfied with working at Alm. Brand, the highest rate ever. This was a very satisfactory survey result. In order to retain this high rate, the group intends to continue its intensive efforts to secure high customer satisfaction, including by refocusing on management development and coaching.

WE TAKE CARE OF OUR CUSTOMERS

Strategic focus area:	Goals for 2010:
Return on equity	Money market rate + 10% p.a.
Growth	50% portfolio growth • 100% in the bank
Image	Being among the top two in the industry
Customer satisfaction	90% satisfied and 50% very satisfied
Employee satisfaction	90% satisfied and 50% very satisfied



Return on equity before tax



Growth in the group

Image

Customer satisfaction

Employee satisfaction

NON-LIFE INSURANCE

Alm. Brand Forsikring A/S is the fourth largest non-life insurer in Denmark with an estimated market share of 10%. The non-life activities, which are nationwide, comprise the private, commercial and agricultural segments. The company offers just about every type of insurance policy within the selected segments and we are focused on customers with "ordinary common sense".

MARKET

Private customers

Substantial investments in distribution produced an increase in the sale of insurance policies, both through the group's own distribution channels and through business partners. Alm. Brand is currently experiencing a rise in premium income so strong that the group overall is winning market share.

In mid-2007, motor insurance prices were adjusted and, as expected, this led to a significant increase in the number of motor insurance policies at lower average prices. The motor insurance market is seeing a growing trend towards people buying insurance as an add-on product when they buy a new car. By combining financing and insurance in new products, Alm. Brand is positioning itself strongly in the Danish market.

In 2007, the travel insurance rules were amended, as the cover offered through the public travel health insurance scheme was limited with effect from 1 January 2008. This has created a need for the insurance industry to take over part of the cover.

Generally, the mounting competition in 2007 caused several insurance companies to reduce their prices within certain industries and customer segments, thereby tightening the requirements on regular efficiency improvements to maintain satisfactory profitability.

Commercial customers

Alm. Brand is focused on small and medium-sized companies. Our extensive knowledge of local markets makes it possible for us to gain market share among attractive customers in a competitive market.

As a result of the municipal reform, the Danish public sector invited tenders for a larger part of its insurance portfolio than previously in 2007. Alm. Brand participated actively in the part of the tenders relating to buildings and contents insurance, professional liability insurance and motor insurance and won a satisfactory share of these tenders. In the second half of the year, the group won fewer tenders, however, as the prices were lower than we deemed profitable.

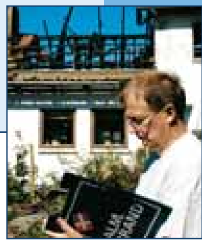
Generally, commercial insurance became much more competitive in 2007 and there are segments in which, in our opinion, the prices and conditions offered do not correspond to the risk exposure.

We estimate that our market share was further increased in 2007.

Agriculture

Alm. Brand is one of the leading providers of insurance for Danish agriculture, holding an estimated market share of around 30%. The target group includes the entire market segment from hobby farmers and full-time commercial farmers to specialist farmers and large estates and manors.

In 2006, the agricultural market was characterised by sustained, significant structural change towards fewer and larger farms. This trend continued in 2007.



In 2007, Alm. Brand tightened the rules for writing insurance for certain pig farmers to the effect that writing new business and renewing the existing portfolio should now be effected on the basis of a fire hazard assessment carried out by Alm. Brand's claims assessors. Overall, the agricultural segment performed satisfactorily.

We estimate that our market share was further increased in 2007.

Reinsurance
Alm. Brand's reinsurance programme is intended to protect the technical result and the company's capital. Alm. Brand's reinsurance programme for 2007 was entirely based on non-proportional business with relatively high retention.

The reinsurance programme for 2007 was placed at somewhat lower prices than in 2006.

Continuing the trend from 2006, the international reinsurance market experienced a relatively quiet year in 2007 without any major catastrophe events. This resulted in a continued decline in prices, causing Alm. Brand to encounter slightly falling overall prices in the individual lines when the programme was renewed for 2008.

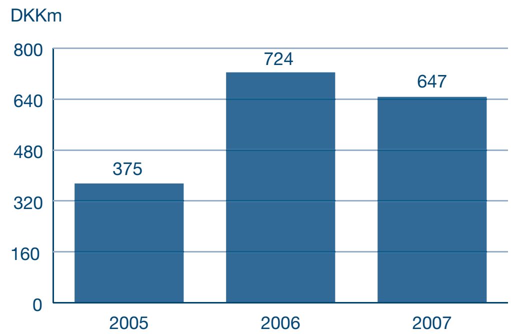
The group reviews the risk exposure for all lines on a regular basis. The principal risk is still a nationwide hurricane event. As a result, Alm. Brand has acquired reinsurance windstorm cover for up to DKK 4.4 billion which we believe is sufficient.

GOALS

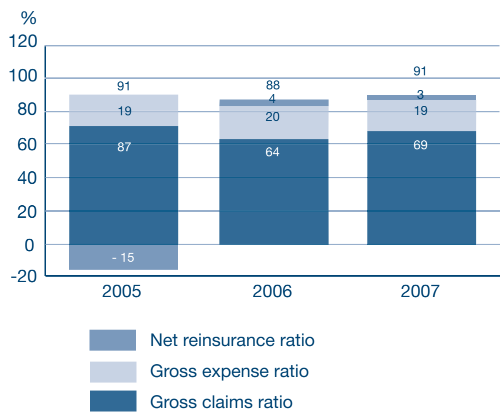
We aim to have satisfied and loyal customers with whom we can develop long-term business relationships. Our vision is to take care of our customers, provide quality in our advice and services and to offer fast and fair claims handling.

We have made targeted efforts in recent years to build profitability in all segments. In 2005, we defined a new strategy for the period to 2010, which aims, among other things, to lift gross premium income from our non-life operations by 50% to DKK 5.8 billion by the end of 2010.

PROFIT BEFORE TAX



COMBINED RATIO



NON-LIFE INSURANCE

Alm. Brand aims to achieve profitable growth. Therefore, we base our growth ambition on the assumption that our non-life operations generate a return on equity before tax of the money market rate plus 18 percentage points.

Like for the group as a whole, our goal is to have 90% satisfied and 50% very satisfied customers. Non-life customer satisfaction again improved in 2007, with 87% of customers being satisfied and 54% being very satisfied. Although the target for very satisfied customers has already been achieved, we will direct even more attention to customer service and customer satisfaction going forward.

STRATEGY

Alm. Brand's strategy for the period to 2010 is based on the "We take care of our customers" vision.

The group regularly conducts quality tests of customer-oriented processes, including policy issuance, claims handling and other points of contact with customers. Combined with regular customer surveys, these tests contribute to bringing quality and how customers perceive our claims handling into focus. Each individual measuring result entails adjustments to our service concept and processes to ensure continuous improvement and efficiency enhancement of these elements.

The result of recent years' growth strategy, including the recruitment of more specialised sales staff, truly fed through in 2007, resulting in growth noticeably outperforming market growth. There is strong focus on generating profitable growth. This is obtained by closely monitoring profitability in each individual customer segment.

Taking care of our customers also means that our customers pay the right price and that they regularly receive information about new products or opportunities for saving money by switching to a different product. In 2007, Alm. Brand developed a new motor insurance product offering many of our existing customers an opportunity to reduce their premiums by switching to the new product.

Alm. Brand carries on non-life insurance, banking and life insurance activities under one roof. We intend to leverage on this by increasing our offering of combinatory products that stand out from the products offered by our peers by combining products from our three business units. In 2007, the group launched the Kvikbil concept, a result of successful collaboration between our banking and insurance arms.

In 2007, we continued our work to develop the group's strategically important Project New Commercial and Agricultural, which is intended to generate efficiency improvements on our sales and administrative processes and to simplify products in order to obtain an even higher customer satisfaction rate within our commercial and agricultural segments.

Financial results

The non-life insurance operations reported a profit of DKK 647 million before tax, against a forecast of DKK 540 million at the beginning of the year. The profit was DKK 724 million in 2006, which was an extraordinarily good year for our non-life activities due to an unusually low number of weather-related claims and major claims.

The profit before tax corresponds to a return on equity of 30%.

The performance was satisfactory.

The profit was achieved despite the fact that 2007 was affected by a much greater number of weather-related claims and major claims as compared with an average year. Accordingly, the profit was adversely affected by extraordinary expenses for weather-related claims and major claims corresponding to DKK 115 million relative to an average year. The extraordinarily large costs of weather-related claims and major claims had a negative impact on the combined ratio of 2.5 percentage points. Conversely, the underlying business performed well in 2007 and we recorded run-off gains on prior-year provisions of DKK 85 million. Moreover, the profit was favourably affected by a strong investment return.

Premiums

Gross premiums rose by DKK 299 million to DKK 4,578 million, against DKK 4,279 million in 2006, corresponding to a growth rate of 7.0% in line with the strategy defined.

Growth was highly satisfactory, which means that the company is winning market share, and was achieved without impairing the quality of the customer portfolio.

Growth was distributed on all customer segments with our agricultural and commercial segments experiencing the strongest growth rates.

In a move to secure competitive strength and customer loyalty, Alm. Brand reduced its prices on motor insurance in 2007.

FIVE-YEAR HIGHLIGHTS OF NON-LIFE INSURANCE

DKKm	2007	2006	2005	2004	2003
Gross premiums	4,578	4,279	4,079	4,143	3,927
Technical interest	112	88	45	63	118
Claims incurred	– 3,156	– 2,735	– 3,536	– 2,859	– 2,729
Change in other technical provisions	–	–	–	–	– 4
Bonus payments and premium discounts	–	–	–	– 1	– 2
Underwriting management expenses	– 898	– 877	– 779	– 791	– 968
Profit/loss on reinsurance	– 129	– 157	590	– 133	– 135
Change in equalisation provisions	–	–	–	–	– 43
Underwriting result	**507**	**598**	**399**	**422**	**164**
Interest and dividends, etc	338	267	269	231	220
Capital gains and losses	98	93	– 129	– 130	7
Management expenses relating to investment business	– 15	– 14	– 16	– 13	– 15
Return on technical provisions	– 268	– 209	– 136	– 136	– 128
Return on investment after technical interest	**153**	**137**	**– 12**	**– 48**	**84**
Other ordinary items	– 13	– 11	– 12	– 20	– 29
Profit before tax	**647**	**724**	**375**	**354**	**219**
Tax	– 185	– 186	– 152	– 20	– 255
Profit after tax	**462**	**538**	**223**	**334**	**– 36**
Run-off gains/losses	85	45	27	5	– 64
Total provisions for insurance contracts	5,930	5,719	5,612	5,071	4,635
Insurance assets	104	142	269	78	78
Total shareholders' equity	2,338	2,169	1,801	1,288	1,067
Total assets	8,786	8,224	7,821	6,666	6,044
Gross claims ratio	69.0%	63.9%	86.7%	69.0%	69.6%
Gross expense ratio	19.6%	20.5%	19.1%	19.1%	24.7%
Net reinsurance ratio	2.8%	3.7%	–14.5%	3.2%	3.4%
Combined ratio	91.4%	88.1%	91.3%	91.3%	97.7%
Operating ratio	89.2%	86.3%	90.3%	89.9%	94.8%
Relative run-off result	2.2%	1.0%	0.8%	0.2%	-
Return on equity before tax	30.3%	37.2%	22.2%	31.6%	20.6%
Return on equity after tax	21.6%	27.6%	13.2%	29.8%	– 3.4%
Solvency ratio*	3.0	3.0	2.7	2.8	2.6

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by insurance companies and profession-specific pension funds. The accounting policies were changed in 2005. Financial highlights and key ratios for 2003 have not been restated to reflect the change in accounting policies.

** The solvency ratio is for Alm. Brand Forsikring A/S.*

NON-LIFE INSURANCE

When the price reductions have taken full effect, they will have an adverse impact on annual premium income of DKK 80 million to DKK 90 million. The effect was approximately DKK 40 million in 2007. The net increase in motor insurance policies from private lines rose significantly since the launch of the new motor insurance product in May.

As a result of the introduction of a new act on workers' compensation insurance with effect from 1 July 2007, which entails increased claims expenses in this area, the group raised its premiums by 12.5%. This move impacted the year's premium growth positively by approximately 0.4%.

Claims experience
In 2007, the claims ratio was 69.0 against 63.9 in 2006.

The year-to-date claims expenses for weather-related claims were DKK 198 million, against DKK 94 million in 2006. In addition, claims expenses for major claims were DKK 337 million, as compared with DKK 242 million the year before. Relative to 2006, a higher number of weather-related claims and major claims had a negative impact on the claims ratio of 3.9 percentage points.

Irrespective of the rate of growth achieved, the quality of the portfolio was maintained. The trend in expenses for major claims is closely monitored, including ongoing monitoring of underwriting years and claims experience. If the trend shows that new underwriting years have a higher claims ratio than anticipated, we will implement corrective measures. In 2007, major claims were distributed as expected across all underwriting years included in the analysis, and there is nothing to indicate that the most recent underwriting years have a higher exposure to major claims than the portfolio as a whole.

In addition to considerable weather-related claims, the claims experience in building insurance and household comprehensive insurance was negatively impacted by an increase in average claims, particularly related to change-of-ownership insurance and piping damage insurance as well as theft and burglary insurance.

The claims ratio in motor insurance was 64.9, against 60.9 a year earlier. Alm. Brand's decision to reduce motor insurance premiums resulted in an increase in the claims ratio for motor insurance in 2007, which was in line with expectations. Moreover, auto damage expenses were affected by increased traffic density, resulting in a greater number of accidents.

The workers' compensation claims ratio was 66.4 excluding run-off, against 93.0 in 2006. The workers' compensation claims ratio was highly satisfactory, showing that the adjustments to the level of premiums and to acceptance policies, which have been implemented on an ongoing basis, are now having the desired effect.

Run-off gains net of reinsurance totalled DKK 85 million in 2007, against DKK 45 million in 2006. In 2007, a settlement was reached in arbitration proceedings with a reinsurer, which produced a gain of DKK 35 million.

Expenses
The expense ratio was 19.6 in 2007, compared with 20.5 in 2006.

Expenses are expected to be around 20% in 2008. The implementation of Project New Commercial and Agricultural is expected, among other things, to result in more efficient processes in the second half of 2008 and, consequently, cost reductions.

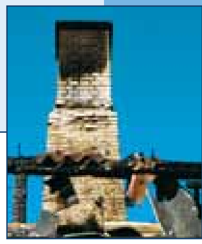
Net reinsurance ratio
The net reinsurance ratio for the year was 2.8, against 3.7 in 2006.

The settlement reached in the arbitration proceedings referred to above resulted in a reduction of the reinsurance ratio of 0.8 percentage point.

Expenses related to reinsurance premiums were slightly lower in 2007 than in 2006.

Combined ratio
The combined ratio was 91.4 in 2007, against 88.1 in 2006. The table below breaks down the combined ratio into underlying result, major claims, weather-related claims and run-off.

	2004	2005	2006	2007
Combined ratio excluding weather-related claims and major claims	83.5	80.3	81.4	81.6
Major claims	6.2	6.7	5.6	7.4
Weather-related claims	1.7	5.0	2.2	4.3
Run-off result	– 0.1	– 0.7	– 1.1	– 1.9
Combined ratio	91.3	91.3	88.1	91.4



Due to its large market share of the agricultural, single-family house and small and medium-sized business segments, Alm. Brand is relatively heavily exposed to weather-related claims. A year such as 2007 with a substantial number of weather-related claims will naturally have a significant impact on Alm. Brand's performance.

The number of major claims is statistically unstable as only a few additional major claims in a single year may have a large impact on the group's performance.

By deducting all claims expenses related to weather-related claims and major claims we arrived at the combined ratio on the underlying business. In 2007, this ratio was 81.6, in line with the 2006 level.

The main reason why we were able to maintain the combined ratio on the underlying business at 81.6 in 2007 in spite of lower premiums on auto and higher claims expenses on both auto and buildings was the offsetting effects of a lower expense ratio and a higher discount rate.

Investment return

Our non-life investment assets are primarily placed in interest-bearing assets with an overweight of government and mortgage credit bonds. Throughout 2007, the interest-bearing assets had an average duration of almost three years. The non-life equity exposure totalled approximately 1% of the investment assets in 2007.

The investment return after value adjustment of provisions, but before transfer to insurance activities, amounted to DKK 421 million in 2007. The investment return was supported by the fact that, during the first half of the year, assets used to cover reserves for workers' compensation were placed at a shorter duration than the reserves were. Due to the rising level of interest rates during the first half of 2007, this lifted the investment return by approximately DKK 40 million. The duration of the assets was increased during the third quarter, and from August to December 2007, duration was virtually the same for assets and liabilities.

In addition, the investment return was favourably affected by the fact that the short-term discount rate used to discount provisions rose more than the yield on short-term government bonds in which a substantial part of the assets are placed. This resulted in a net gain on value adjustments of around DKK 35 million.

BALANCE SHEET

At 31 December 2007, the equity allocated to the non-life division was DKK 2.3 billion. Alm. Brand Forsikring A/S had a solvency ratio of 3.0 at 31 December 2007.

Total technical provisions amounted to DKK 5.9 billion at 31 December 2007, against DKK 5.7 billion a year earlier.

The Danish Financial Supervisory Authority's stress scenarios for non-life insurers – the red, yellow and green scenarios – were reported on an ongoing basis. Alm. Brand Forsikring A/S was in the green scenario throughout 2007 by a fair margin.

MAJOR EVENTS

Storm in January

The year 2007 began with a number of minor storms. The northern and western parts of Jutland down to Ringkøbing were the areas hardest hit. A total of 60% of the claims were reported by private policyholders, while the rest was evenly distributed between agricultural and commercial policyholders. Claims expenses for these windstorm events amounted to just over DKK 45 million.

Weather-related claims in June, July and August

The months of June, July and August were affected by a large number of violent rainstorms, many of which qualified as cloudbursts. Moreover, several areas were hit by violent hailstorms. During this period, Alm. Brand received approximately 8,400 weather-related claims, which is a substantially higher number than we normally receive during this period. These weather-related claims totalled an expense of almost DKK 125 million.

NON-LIFE INSURANCE

Amendments to the Danish Act on Industrial Injuries
In May 2007, the Danish Parliament passed a bill to amend the Danish Act on Industrial Injuries. The amendment took effect on 1 July 2007 and applies to work-related accidents occurring after 1 July 2007. The amendment basically improves a claimant's position, resulting in higher claims expenses on workers' compensation. According to Alm. Brand's calculations, the total claims expenses for workers' compensation would increase by around 12.5%. As a result, the group decided to implement a corresponding increase in premiums.

Project New Commercial and Agriculture
Project New Commercial and Agriculture implements the group's new process and product strategy for the commercial and agricultural segments. The project aims to modernise and enhance the efficiency of all processes, increase customer satisfaction and service, reduce costs and accelerate growth. The project puts the customer even more into focus and improves data quality.

The project has entailed significant investments and is developing very positively. We expect to complete the project in the second half of 2008, but the first phases will be introduced during the summer of 2008. As is the case for the group's other business areas, we focus on small and medium-sized businesses, the entire agricultural segment and selected parts of the public sector.

Settlement in arbitration proceedings
In the autumn of 2007, Alm. Brand reached a settlement in arbitration proceedings with one of the company's reinsurers. The settlement affected the run-off result positively by approximately DKK 35 million.

Centralisation of claims handling
In the autumn of 2006, Alm. Brand decided to combine the five decentralised claims centres into larger units to improve customer service. As a result, all agricultural claims are now gathered in Århus, whereas private and commercial claims are gathered in Roskilde.

The larger, centralised units have provided more efficient and faster claims handling as well as better utilisation of segment-specific skills. Following a number of challenges in ensuring adequate local resources and handling the substantially greater number of weather-related claims in connection with last summer's cloudbursts, the divisions are now fully staffed.

Business partnership with Mobilglas
In the autumn of 2007, Alm. Brand improved customer service further by ensuring fast and direct access to getting damaged vehicle glass repaired. Alm. Brand has teamed up with Mobilglas to offer its policyholders direct contact to Mobilglas in case they report a vehicle glass claim. Mobilglas will quickly dispatch a repairman to replace or repair vehicle glass at the site designated by the policyholder – at home or at work.

New motor tariff
At the end of April 2007, the group launched a new motor tariff. In addition to producing lower premiums for part of the private customer segment, the tariff also offers better terms to customers, such as no penalty in the event of new claims, no deductible for motor liability etc. As a new feature, premiums also depend on the annual mileage. Customers are informed about the benefits of the new tariff through letters and other means of communication inviting them to contact the company for a calculation of the benefits available to them.

The new tariff has been a success: More than half of the motor insurance policyholders in the private customer segment have already switched to the new tariff and, in addition, Alm. Brand is experiencing strong growth in new motor and other private insurance business written.

New travel insurance
The cover offered through the public travel health insurance scheme was changed from 1 January 2007 to the effect that repatriation outside Scandinavia is not covered in future. At the same time, the geographic cover of e.g. medical expenses was changed to the effect that in future the public travel health insurance scheme will only cover such expenses within the geographic area of Europe.

Alm. Brand has decided, at no extra charge, to offer existing customers cover corresponding to the cover no longer provided by the public travel health insurance scheme.

Through our communications with many customers about their motor insurance we have also informed them about the new travel insurance rules.

Throughout 2007, Alm. Brand experienced a surge in travel insurance written. This trend is expected to continue in 2008.

Customer satisfaction survey on new business written
Our efforts to measure how Alm. Brand takes care of its customers include measuring how customers perceive their contact with Alm. Brand when they want to take out new insurance.

The survey showed that 91% of those who are first-time customers with Alm. Brand are satisfied with the experience. 37% would definitely recommend Alm. Brand to others and just as many would probably do so. These figures indicate that customers feel that Alm. Brand takes care of them.

However, the survey also showed that there is still room for improvement in relation to communications with customers. Alm. Brand will therefore make a dedicated effort in these areas to increase customer satisfaction and loyalty.

Subordinate loan capital raised
Alm. Brand Forsikring A/S raised subordinate loan capital totalling EUR 20 million during the first quarter of 2007. In addition, Alm. Brand Forsikring contributed DKK 120 million in subordinate loan capital to Alm. Brand Liv og Pension A/S.

OUTLOOK

Overall, non-life operations are expected to generate profit before tax at the level of DKK 550 million in 2008, corresponding to a combined ratio at the level of 92.

The difference in the outlook for 2008 relative to the profit for 2007 is attributable to the fact that the extraordinary revenues from investment gains and run-off are not expected to be repeated and that the transition to the new motor tariff is expected to feed through completely in 2008. Conversely, the extraordinarily large expenses for major claims and weather-related claims in 2007 are not expected to be repeated in 2008.

The outlook takes the more competitive pricing e.g. on workers' compensation into account. Also, several indicators suggest more frequent and more violent cloudbursts. Therefore, Alm. Brand expects expenses for weather-related claims in the order of DKK 150 million in 2008, against a previous forecast of DKK 120 million. We expect major claims in the order of DKK 310 million. This is reflected in the outlook for 2008.

Expenses are expected to be around 20% in 2008.

No run-off gains or losses are expected in 2008.

The group expects continued premium growth at the rate of 5% in 2008. At the same time, we aim to maintain the quality of our customer portfolio at the current level.

BANKING

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

Alm. Brand Bank A/S ranks among the largest banks in Denmark. The bank offers products covering a typical Danish family's requirements for banking services and well as services to agricultural customers and small and medium-sized enterprises. The bank also provides savings, consultancy and financing solutions to selected segments. As part of this, the bank offers a wide range of services in car and property finance as well as finance solutions for agricultural customers and small and medium-sized enterprises. Moreover, the bank has activities within bond, equity, mortgage deed and currency trading and research and asset management.

MARKET

The year 2007 was a turbulent ride for the financial sector in Denmark. Mid-2007 saw several years of strong growth being succeeded by uncertainty and jitters in both the international and domestic financial markets.

For Alm. Brand Bank, the year was characterised by stable and profitable growth in most business areas, and the bank was only slightly impacted by the uncertainty spreading from US sub-prime loans and the resulting financial crisis. There are a several reasons for this. Firstly, shortly before the financial crisis spread to Europe, the bank had secured long-term strategic funding, and secondly, the bank is not exposed to the sub-prime market.

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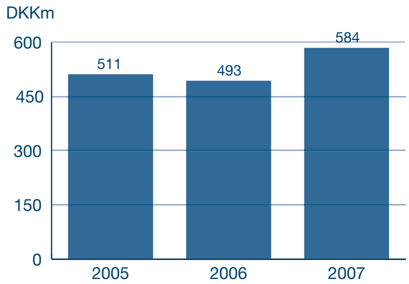
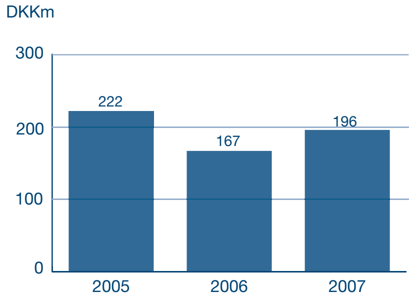
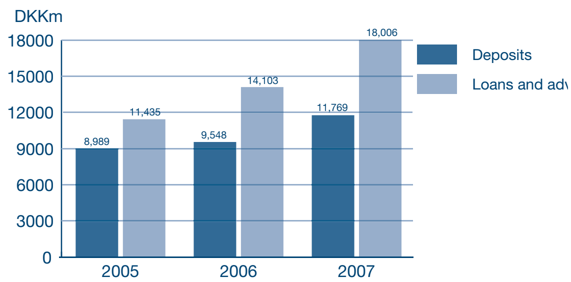
NET INTEREST AND FEE INCOME



PROFIT BEFORE TAX



DEPOSITS, LOANS AND ADVANCES



		PRO RATA		CONSOLIDATED FIGURES				
	DKKm	2007	2006	**2007**	**2006**	**2005**	**2004**	**2003**
INCOME STATEMENT	Interest receivable	1,206	787	1,237	823	617	552	575
	Interest payable	– 832	– 449	– 842	– 464	– 275	– 224	– 246
	Net interest income	**374**	**338**	**395**	**359**	**342**	**328**	**329**
	Net fees and commissions receivable and dividends, etc.	210	155	207	157	169	137	144
	Net interest and fee income	**584**	**493**	**602**	**516**	**511**	**465**	**473**
	Value adjustments	70	60	52	75	183	85	22
	Other operating income	12	10	12	10	9	14	15
	Profit before expenses	**666**	**563**	**666**	**601**	**703**	**564**	**510**
	Expenses and depreciation/amortisation	– 515	– 434	– 521	– 439	– 369	– 362	– 356
	Write-downs of loans, advances and receivables, etc.	50	27	50	27	– 5	– 30	– 64
	Profit from equity investments	– 5	11	– 5	11	-	3	22
	Profit before tax	**196**	**167**	**190**	**200**	**329**	**174**	**112**
	Tax	– 48	– 40	– 33	– 34	– 63	– 6	– 5
	Profit after tax	**148**	**127**	**157**	**166**	**266**	**168**	**107**
	Share attributable to minority interests	-	-	– 9	– 39	– 110	– 44	– 3
	Profit after tax excluding minority interests	**-**	**-**	**148**	**127**	**156**	**124**	**104**
	Profit before tax excluding minority interests	-	-	*196*	*167*	*222*	*126*	*105*
BALANCE SHEET	Loans and advances	18,006	14,103	17,116	13,128	10,745	8,914	8,205
	Deposits	11,769	9,548	11,758	9,548	8,989	9,185	8,734
	Shareholders' equity	1,365	1,217	1,917	1,785	1,609	1,166	735
	Share attributable to minority interests	-	-	552	569	520	323	277
	Total assets	25,048	19,354	25,785	20,165	19,425	14,737	11,936
KEY RATIOS ETC.	Average no. of employees (full-time equivalents)	374	338	374	338	276	278	286
	Interest margin *	-	-	1.7%	2.0%	2.3%	2.6%	2.5%
	Income/cost ratio	1.42	1.41	1.40	1.49	1.88	1.44	1.27
	Impairment ratio	– 0.3%	– 0.2%	– 0.3%	– 0.2%	0.0%	0.3%	0.7%
	Solvency ratio *	-	-	11.7%	12.1%	11.5%	12.4%	14.7%
	Return on equity before tax	15.2%	14.5%	15.2%	14.5%	23.0%	15.7%	14.9%
	Return on equity after tax	11.5%	11.1%	11.5%	11.1%	16.1%	15.4%	14.7%
	Return in excess of the money market rate	10.7%	11.3%	10.7%	11.3%	20.8%	13.5%	12.5%

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by credit institutions and investment companies etc. The accounting policies were changed in 2005. Financial highlights and key ratios for 2003 have not been restated to reflect the change in accounting policies.
** Comparative figures for 2004 in respect of these key ratios have not been restated.*

BANKING

GOALS

In 2005, the group defined a general growth target of 50% by 2010 for all three business areas. The bank has performed ahead of schedule, and we therefore redefined the bank's target for lending growth in 2007 to 100% growth in lending during the period from 2005 to 2010.

Parallel with growth in lending, we aim for substantial growth in deposits and expansion in all other operations in the bank's business segments. Among other things, the means of achieving these goals is to become the principal banker for many more of the group's 500,000 customers. Greater volumes are expected to increase the scale economies and further strengthen the bank's competitive strength.

We do not aim to grow without also increasing earnings. Hence, we sharpened our return objectives in 2005 and we now aim at a return on equity for the bank's activities of the money market rate plus 13 percentage points by 2010.

Customer satisfaction is a crucial part of the bank's goals and strategy and as for the remaining group the bank's aim is to have 90% satisfied and 50% very satisfied customers. The banking group has been recording strongly improving customer satisfaction rates in the last few years, and the latest survey showed 84% of customers to be satisfied and 50% to be very satisfied.

STRATEGY

Alm. Brand Bank A/S provides the group with the opportunity to offer customers full-service advice on all matters relating to financing, risk and investment. The activities of the bank are organised in the retail bank, the wholesale bank and Alm. Brand Finans. The bank also holds stakes in Alm. Brand Pantebreve A/S and Alm. Brand Formue A/S.

In its efforts to generate sustained growth in lending, the bank intends to stay focused on the underlying credit quality to ensure an attractive relationship between risk and earnings.

The bank intends to extend its business relations to include small and medium-sized enterprises and corporate finance activities in collaboration with an external business partner. There are several reasons for this strategic decision. The activities are intended to help achieve the bank's growth and return targets, and also to spread exposure across industries and geographies to reduce the bank's exposure to the property market.

The bank intends to intensify its focus on providing advisory services in areas that generate fees. In recent years, the bank has therefore strengthened its competences in the areas in which customers require advice, thereby generating increased fee income. Our ambition is for this trend to comprise all the bank's business areas as qualified advisory services are not only a condition for generating earnings to the bank, they are also a prerequisite for taking care of our customers.

FINANCIAL RESULTS

The bank generated a pre-tax profit of DKK 196 million in 2007, compared with DKK 167 million in 2005. This corresponds to a return on equity of 15%.

The profit was lifted by stronger growth in the bank's lending and a higher level of activity in the bank's markets and asset management operations. In addition, the bank recorded very low losses on loans and guarantees in 2007.

Net interest and fee income

Net interest and fee income amounted to DKK 584 million against DKK 493 million in 2006. Interest income was favourably impacted by stronger growth in the bank and adversely affected by the narrowing interest margin.

Fee income was lifted by a higher level of activity in the group's markets and asset management operations, Alm. Brand Markets, and higher loan fees generated by the growing volumes.

Value adjustments

Value adjustments in Alm. Brand Bank amounted to DKK 70 million in 2007, against DKK 60 million in 2006. A major part of the value adjustments for 2007 was attributable to realised gains on sales of thinly traded shares.

Total value adjustments for the banking group stood at DKK 52 million in 2007, including minorities. Of this amount, capital gains on equities accounted for DKK 136 million, of which DKK 82 million stemmed from Alm. Brand Formue A/S.

Expenses

Total costs amounted to DKK 515 million in 2007, against DKK 434 million in 2006.

The higher costs were attributable to investments in the strengthening of our markets and asset management operations and to the appointment of more bank advisers as part of our strategy to strengthen growth in retail banking. The bank also invested heavily in developing the IT setup further. Finally, the increase should be seen in relation to the 28% rise in the level of business activity measured as growth in lending.

The bank's income/cost ratio was 1.42 in 2007, which was on a level with the ratio of 1.41 recorded in 2006.

Impairment charges and provisions
Impairment of loans and guarantees charged to the income statement amounted to an income of DKK 50 million in 2007 against an income of DKK 27 million in 2006. Accordingly, the bank benefited from fewer losses on the back of the favourable economic conditions in Denmark and the group's strategy of maintaining known and moderate risk in the bank's exposures.

The bank's accumulated impairment charges/provisions on loans and guarantees totalled DKK 130 million at 31 December 2007, corresponding to an accumulated impairment ratio of 0.7, against 1.2 at 31 December 2006.

BALANCE SHEET

The bank's balance sheet was positively impacted by continued growth in the loan portfolio, attributable, among other things, to continued success in providing home loans and project funding, including to investment customers. In addition, the bank continued to record a general increase in business resulting from the Alm. Brand Group's *dobbelt*KUNDE concept.

The banking group's lending amounted to DKK 18 billion at 31 December 2007, an increase of DKK 3.9 billion, or 28%, on 31 December 2006. Loans and advances in the banking group amounted to DKK 11.8 billion at 31 December 2007, which was 23% higher than the DKK 9.5 billion recorded at 31 December 2006. Guarantees and other commitments of the group totalled DKK 1.7 billion at 31 December 2007, which was unchanged from the year-earlier date.

Alm. Brand Bank raised liquidity in the wholesale loan markets twice in 2007. The first time was in January 2007 when the bank raised an existing bond issue by NOK 355 million. The second time was in April when the bank raised a syndicated loan of EUR 455 million. Around EUR 124 million of the proceeds from the syndicated loan was used to repay an existing loan.

In addition, the bank strengthened its capital base at 30 June 2007 by raising subordinated loan capital of DKK 200 million. The bank's equity excluding minorities stood at DKK 1.4 billion at 31 December 2007.

The capital base of the banking group totalled DKK 2.5 billion while the banking group had a solvency ratio of 11.7% and a tier 1 ratio of 9.4%.

In a move to exploit potentials in the market, the bank made a number of transactions around the turn of the year.
However, this move had a negative effect on the solvency ratio at 31 December 2007. The transactions have now been settled, resulting in a fair gain.

RETAIL BANKING

The retail bank offers a comprehensive advisory services concept with respect to deposits and lending as well as with respect to investments and pensions to private customers in the Danish market. Private customers in good financial standing are also offered financial solutions on very attractive terms. In addition, the retail bank provides targeted financial solutions to agricultural customers and small and medium-sized enterprises in the Danish market.

Major events
Sustained favourable economic conditions in 2007
The year saw favourable economic trends and very few losses on private customers. Demand for the bank's lending products was strong, particularly during the first half of the year. As the deposit rate – both on floating-rate and fixed-term deposits – increased over the year, it was once again possible to attract new deposit funds by offering attractive prices. However, margins remain under competitive pressure in the private market.

New product offers to the Alm. Brand Group's small and medium-sized corporate customers in 2007
Alm. Brand Bank introduced a new concept targeting small and medium-sized enterprises. The new corporate concept offers all the traditional account types, payment cards and guarantees. Customers can also have the bank take care of their payroll management and payment handling. The concept is offered through the group's branch office network.

BANKING

The launch is consistent with the overall strategy for the Alm. Brand Group, which provides for the bank's activities to support and protect the group's customer base by offering competitive financial solutions to the group's customers.

Consolidation in the agricultural sector
The bank expects the structural changes in the agricultural sector to continue and that this will reduce the number of farms. Alm. Brand has for many years held a strong market position within insurances to the agricultural segment and has substantial know-how in this segment. The bank began providing agricultural loans in 2002 and has since then built a market position based on the group's existing customer relations.

The bank experienced more competitive pricing in the agricultural segment in 2007, which was countered by the bank's local specialists who have in-depth professional know-how. The bank targets this segment in particular, since it comprises growth-oriented farmers with resulting large funding requirements.

WHOLESALE BANKING
The wholesale bank covers the bank's operations in the markets and asset management area, as well as other business with the bank's major customers. The wholesale bank consists of the following business segments: Project funding, Mortgage deeds and Alm. Brand Markets, in which the bank has special competences and therefore is able to offer unique solutions to customers. The goal is to provide the best solutions and advisory services within the selected business areas.

Major events
Agricultural risk management concept
Alm. Brand Market has developed a new risk management concept targeting large agricultural customers and aiming to reduce agricultural customers' funding costs by way of a controlled risk profile. The new product was well received, and contracts for a substantial volume were signed in 2007. The growth indicates that the product covers customers' requirements for targeted financial solutions.

New strategic partnership
In 2007, the bank signed a strategic partnership agreement with Dansk Merchant Capital A/S, a newly-established independent corporate finance house focusing on small and medium-sized Danish businesses. Under the agreement, the bank will provide funding for acquisitions and other types of structured finance solutions.

ALM. BRAND FINANS A/S
Alm. Brand Finans A/S is wholly owned by Alm. Brand Bank A/S. Its activity is entering into leasing and funding agreements, mainly for cars, with private and corporate customers. Alm. Brand Finans A/S collaborates with a large number of the Danish chain and authorised car dealers to offer leases and fleet management to businesses of all types and sizes.

Pre-tax profits for 2007 stood at DKK 38 million against DKK 31 million in 2006.

ALM. BRAND PANTEBREVE A/S
Alm. Brand Pantebreve is a listed investment company with a wide circle of owners. The company, which was established in 1998, invests in mortgage deeds and Alm. Brand Bank owns 18.0% of the share capital and has 60.8% of the votes.

Alm. Brand Pantebreve recorded a satisfactory year in 2007 with pre-tax profit of DKK 22 million against DKK 15 million in 2006. The performance equals a return on equity of 12% before tax. The bank's share of the profit amounted to DKK 4 million before tax.

ALM. BRAND FORMUE A/S

Alm. Brand Formue A/S is a listed company investing in the equity and bond markets. The company was established in 2003 at the initiative of Alm. Brand Bank in collaboration with a number of other banks. The bank holds 37.6% of the share capital and has 66.3% of the votes.

Alm. Brand Formue recorded a pre-tax loss of DKK 38 million in 2007 against a profit of DKK 26 million in 2006. The performance was below expectations as most recently announced in November 2007 due to adverse developments in equity markets in the latter half of 2007. The bank's share of the loss amounted to DKK 14 million before tax.

OUTLOOK

The bank expects a pre-tax profit excluding minorities in the region of DKK 200 million for 2008. The expectations for 2008 do not fully meet the earnings target.

In 2008, the bank intends to continue the developments it initiated in 2005. This means continued growth in deposits and lending, albeit at a lower level than that recorded in 2007. Focus will be on improving customer profitability and optimising the use of capital.

Moderate losses and provisions are still expected for 2008, but the bank does not expect to reverse provisions in 2008 as was the case in 2007.

The efforts to make even more Alm. Brand Group customers have a business relationship with the bank will continue in 2008. The bank will take the initiative to expanding customer relations with customers in the group's other business legs, and intensify efforts to make additional sales to existing customers. This will enable the bank to provide enhanced advisory and other services to customers and also offer them the group's attractive loyalty concept, the *dobbelt*KUNDE concept. The bank expects to achieve this scenario without significantly increasing the number of employees.

BASEL II

In 2005, the bank implemented a number of development activities intended to ensure the bank's compliance with the requirements of the new capital adequacy rules (Basel II). The development activities touch on all the bank's business areas and are implemented in close collaboration with the bank's data centre, Bankdata.

In the credit area, Alm. Brand Bank has decided to apply the extended standard method (the IRB-F method) and expects to receive approval from the Danish Financial Supervisory Authority in 2010. Until such time, the bank will apply the standard method.

As part of the efforts to be approved as an IRB-F institution, the bank implemented rating models for most of its portfolio in 2007. Risk assessment models for the remaining portfolio areas in the bank will be implemented in 2008. In the market risk area, the bank has decided to follow the standard method for now.

The bank expects to achieve a number of capital and risk management benefits by using the IRB-F method. Benefits are expected to include a relaxation of capital adequacy requirements in relation to the bank's lending. These benefits are expected to be achieved from 2010.

The bank achieved great benefits already in 2007 from handling credits through the rating models implemented. At the same time, the bank established a data framework that significantly strengthens credit management at portfolio level.

PROPERTY INVESTMENTS IN ALM. BRAND BANK - EXPOSURE, QUALITY AND RISKS

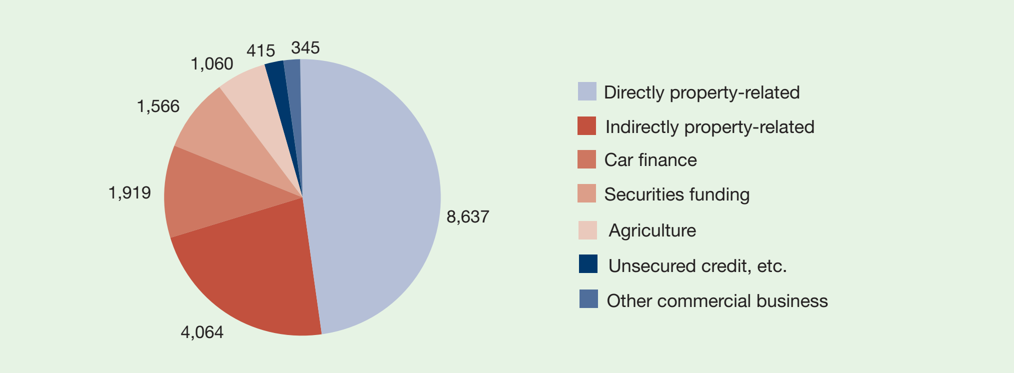
ALM. BRAND BANK

Property finance traditionally accounts for a large part of a bank's lending exposure. This also applies to Alm. Brand Bank, for over 20 years a very active player in the mortgage deed and investment property finance markets. In addition, the close business partnership with the EDC chain of estate agents entails substantial home loan volumes.

The bank's lending is highly exposed to funding secured by mortgage deeds, including property funding. Accordingly, the bank only has a very small volume of unsecured credit and other unsecured commitments with private customers and businesses.

Of Alm. Brand Bank A/S' total loans of DKK 18.0 billion, DKK 8.6 billion, or 48%, were directly property-related loans. In addition, indirectly property-related loans amounted to DKK 4.1 billion. The figure below shows a breakdown of the bank's total lending (DKKm).

Breakdown of the bank's loans and advances (DKKm)



DISTRIBUTION OF PROPERTY-RELATED LOANS

Property-related loans cover a number of different activities.

Home loans and home credits

At 31 December 2007, home loans and home credits totalled DKK 2.5 billion, equivalent to 13.7% of the bank's total lending. The loans are provided through business partners and the bank's own branches in accordance with a defined concept comprising behaviour scoring and credit rating.

In 2007, the risk related to these loans was very limited, as the recognised losses on the bank's home loans and home credits amounted to DKK 1.7 million, or 0.07% of the average portfolio.

Investment properties

Loans for investment properties accounted for DKK 2.8 billion, corresponding to 15.8% of the bank's total lending. Just over one third of investment property loans relate to commitments in the German property market. Focus is on prime-location retail and rental properties. The bank's credit policy is relatively selective in this area as well and the quality of the properties is carefully considered. The bank has not incurred credit losses on investment properties since commencing operations in this area in 1992.

Property development projects

Loans for property development projects were relatively moderate at DKK 408 million. The bank has provided funding for a few projects related to construction of residential property, retail property and parcelling out of sites for leisure homes. An upper limit for the total exposure to property development projects has been defined. It is a condition that when developed, the property must be of a nature that allows the bank to offer subsequent funding within the credit guidelines applicable. For most projects, a certain proportion of the properties must have been sold prior to the bank providing funding.

The bank has never recorded credit losses on property development funding. Trends in the property market are deemed to have reduced the financial potential, causing the bank to recognise total impairment write-downs of DKK 14.6 million.

Mortgage deed portfolio

The bank's portfolio of mortgage deeds accounted for DKK 1.1 billion, corresponding to 6.1% of the bank's total lending.

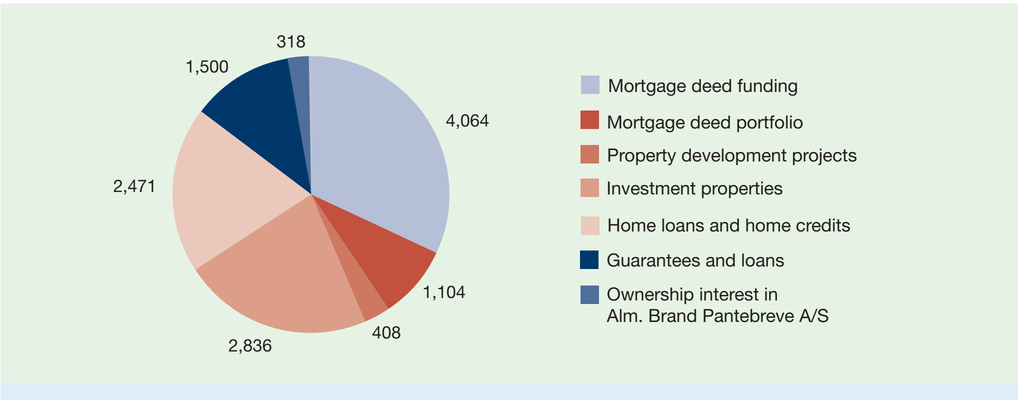
Alm. Brand Bank A/S has been an active player in the mortgage deed market since its foundation in 1988 and today the bank holds a strong market position with considerable competencies in this area.

The bank acquires mortgage deeds in pool trades with well-defined requirements for yield, ranking, type of property, etc., and also in individual trades through a number of business partners, including EDC, Denmark's largest chain of estate agents. The mortgage deeds are classified by type and risk based on debtor creditworthiness and property quality.

The bank's portfolio mainly comprises senior-ranking mortgage deeds secured against ordinary private homes, leisure homes, rental property and commercial property. Thus, about 60% of the total mortgage deed portfolio is secured within 80% of a property's estimated trading value, and less than 2% of the portfolio consists of mortgage deeds secured in excess of the trading value of the properties. The latter typically consists of loans secured on mortgage deeds provided in the form of top-up loans for private customers whose repayment abilities are assessed to be good.

Losses recorded on the bank's portfolio of mortgage deeds in 2007 amounted to DKK 1.1 million, or 0.2% of the average portfolio.

Breakdown of property-related loans



Mortgage deed finance
The bank's mortgage deed funding to investors amounted to DKK 4.1 billion at 31 December 2007, corresponding to 22.6% of the bank's total lending. The loans were provided under a concept requiring overcollateralisation relative to the estimated portfolio volatility and investor creditworthiness. Portfolio diversification also serves to minimise sensitivity to any single commitment.

Credit risk describes a scenario in which the value of the mortgage deeds falls by a greater margin than the investor's contribution or in which the financing rate has an adverse impact on liquidity in the commitment. Compliance with overcollateralisation requirements is monitored on an ongoing basis. The bank has never recorded credit losses in this business area. The bank attributes this to its overcollateralisation policy and selective customer selection.

Ownership interest in Alm. Brand Pantebreve A/S
At 31 December 2007, the bank's ownership interest in Alm. Brand Pantebreve A/S resulted in lending exposures of DKK 318 million, corresponding to 1.8% of the bank's total lending.

Alm. Brand Pantebreve A/S has increased its portfolio of mortgage deeds in recent years. At the same time, the company has adjusted its investment strategy to the effect that higher-yield and thus higher-risk mortgage deeds make up a greater proportion of the total portfolio. However, the portfolio is still deemed to be more averse to risk than the mortgage deed market in general.

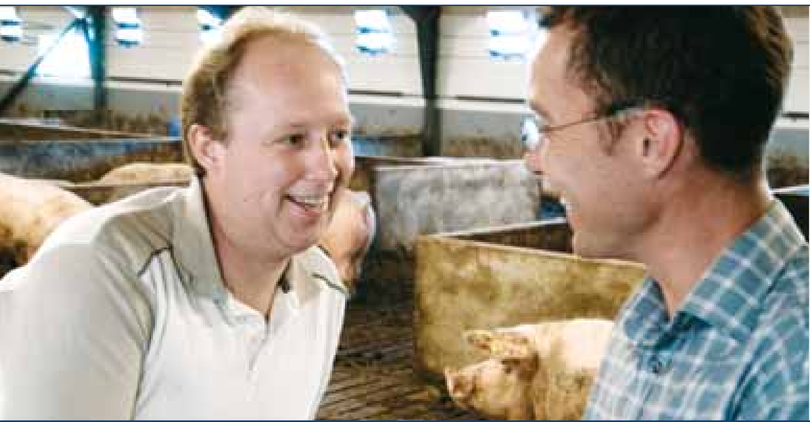
Losses recorded via the bank's ownership interest in Alm. Brand Pantebreve A/S in 2007 amounted to DKK 0.4 million, or 0.2% of the average portfolio.

Additional information about Alm. Brand Pantebreve A/S is available at www.pantebreve.almbrand.dk.

Guarantees and loans
Guarantees and loans amounted to DKK 1.5 billion, corresponding to 8.3% of the bank's total lending. Guarantees are provided in connection with the raising of mortgage loans in respect of property transactions, refinancing and, to a lesser extent, new construction and extensions as well as for the payment of the balance of the purchase price in property transactions. Top-up guarantees are provided in connection with the raising of mortgage loans covering the last proportion of a mortgage loan up to the statutory lending limit.

The bank did not record losses on guarantees and loans in 2007. However, in a few cases the facilities could not be fully repaid. The bank therefore recognised total impairment write-downs of DKK 1.8 million on such commitments, corresponding to 0.1% of the average portfolio.

LIFE INSURANCE



The life insurance operations in Forsikringsselskabet Alm. Brand Liv og Pension A/S consist of life insurance, pension savings, pension insurance and health and personal accident insurance. Together with Alm. Brand Bank's pension savings activities, the life insurance business makes up the Life & Pension business unit. However, the financial results from the banking activities are included in the bank's financial statements.

MARKET

The pension market consists of three types of schemes:

- Individual schemes without restrictions that may be paid by companies or by private individuals
- Mandatory or voluntary company schemes under which employees are covered by a pension agreement between the company and a pension provider and
- Labour market-related schemes for which membership of a particular pension company or pension fund is mandatory.

The product range comprises insurance cover and various types of savings. The most important types of insurance are death cover, disability cover, critical illness cover and hospital insurance, whereas savings comprise capital pension plans, instalment pensions and annuity schemes.

Pension savings schemes may be established with life insurance companies, pension funds or banks (capital pension plans and instalment pension plans) and may be based on one of two main principles: The average rate principle or the market principle.

The average rate principle implies that customers form part of a closed investment community in which all customers in the group receive the same return and the return is distributed and equalised over time by fixing a rate on policyholders' savings. The market rate principle implies that each individual customer receives the current market return on his savings.

Conventional pension savings schemes in life insurance companies and pension funds are based on the average rate principle and customers typically have a guaranteed minimum payment, so-called guaranteed benefits. The companies are subject to rules stipulating how large a share of profits may accrue to the company, the so-called contribution principle. Profits in excess of this amount accrue to the customers in the form of bonus allotments.

Savings with banks and the so-called Unit Link schemes with insurance companies and pension funds, however, are based on the market rate principle. In Unit Link schemes, customers do not own the securities themselves, they receive individual shares, or units, of the funds the company invests in.

Market share

Alm. Brand Liv og Pension has 111,000 insurance contracts, of which 77,000 pay regular premiums. A contract may comprise both life insurance and health and personal accident insurance.

In terms of regular payments made to tax-deductible insurance schemes distributed on private schemes and employer schemes, the life group has the following approximate market shares:

Private capital pension schemes	8%
Private instalment pension schemes	3%
Employer schemes	<1%

GOALS

The goal is for the life insurance group's total pension assets (savings), excluding index-linked contracts and private pension funds, plus the total assets of the life insurance company, excluding insurance policies with 4.5% shares, to grow by 50% in the period 2005–2010. The goal corresponds to an increase from DKK 4.3 billion at 31 December 2005 to DKK 6.5 billion at 31 December 2010.

Like for the group as a whole, the goal is to have 90% satisfied and 50% very satisfied customers and employees.

The life company's target for return on equity before tax is the money market rate plus 7 percentage points.

In addition, the aim is at least to balance the expense result, while keeping the company's expense loading competitive. Moreover, we have a goal of achieving a positive insurance risk result. We therefore maintain an acceptance policy requiring disclosure of personal health information, while limiting the risk at the personal customer level.

STRATEGY

Alm. Brand is working to expand its position as an attractive pension provider focusing on providing personal advice to customers, giving them an understanding of and the freedom to choose across the traditional lines separating the banking and insurance industries.

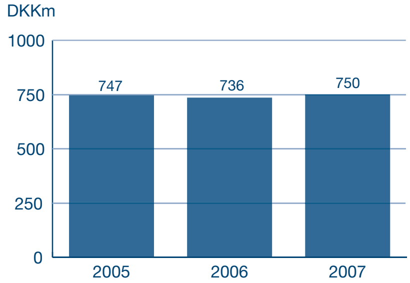
The life group is focused on individual schemes and on small and medium-sized corporate schemes. Our target groups are private individuals, owners and employees of small businesses and farmers who are all offered a pension concept tailored to their specific needs. The life group has opted not to offer labour market pensions per se.

Pension savings can be tailored completely to individual customer needs and requirements and may be placed with the life insurance company or with Alm. Brand Bank.

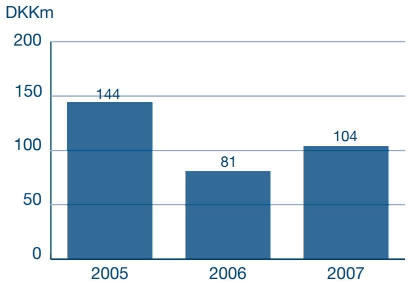
The life insurance company offers all essential types of insurance cover and savings types, and we review the product offering on a regular basis. We also offer an average rate principle with guaranteed benefits. The guarantee for new schemes is based on a rate of 1.5%.

More and more customers of the Alm. Brand Group prefer to place their pension savings in unguaranteed or market rate products, including in the Alm. Brand Investment Scheme, which allows them to adapt the investments to their own personal circumstances and preferred risk profile.

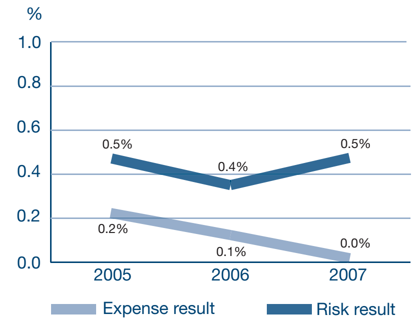
GROSS PREMIUMS



PROFIT BEFORE TAX



KEY FIGURES



LIFE INSURANCE

The bank offers securities custody accounts in which the individual customer holds the securities directly. The most important part of the savings is conducted through the Alm. Brand Investment Scheme in which the customer may choose to let Alm. Brand manage investments, etc. The customer may also choose to make the investments himself in whole or in part.

Products are distributed through the Alm. Brand Group's insurance agents and through advisers and business partners. We have opted not to conduct sales through brokers, primarily because the life group's target group lies outside the customer segment typically represented by the brokers.

Investment of customer pension funds takes account of the nature of the products and the guaranteed benefits provided. The average rate product is directed at customers with relatively low risk tolerance. Funds are invested mainly in bonds, shares and real property. The proportion of shares is expected to be 12-18% of overall investments.

Regardless of fluctuations in the market return, the aim is to fix a rate on policyholders' savings that does not change substantially from one year to the next. The rate of policyholders' savings is fixed before the beginning of each year. The rate on policyholders' savings for Alm. Brand Liv og Pension for 2008 is unchanged at 4.5% after tax on pension investment returns. If necessary, Alm. Brand Liv og Pension may, however, change the announced rate on policyholders' savings during the period.

In a few areas, the life group has chosen, based on competitive or financial considerations, to use business partners instead of offering the product/service in-house. Hospital insurance, for instance, is offered through International Health Insurance.

RETURN ON EQUITY PRINCIPLES

The Executive Order on the Contribution Principle issued by the Danish Financial Supervisory Authority lays down the return on equity guidelines, i.e. the return Alm. Brand may generate on the capital invested.

The return on equity principle for Alm. Brand Liv og Pension has been changed from the 2007 financial year to the effect that we aim to achieve a return on equity corresponding to the investment return on the assets included in the company's shareholders' equity plus a risk premium of 0.5% of the average life insurance provisions inclusive of the collective bonus potential plus the full expense result net of reinsurance and 25% of the risk result net of reinsurance.

The profit principle is unchanged in 2008.

Based on this profit principle, Alm. Brand will charge any losses against the expense result and, similarly, include any profits. That serves to separate costs from investment return. In other words, the new principle provides better transparency for customers and it forms part of the company's other efforts to create greater openness and transparency.

The Danish Financial Supervisory Authority lays down guidelines on when the risk premium may be included in the profit for a specific financial year. In simplified terms, the allocation of the risk premium requires the investment return and the release of additional provisions to be higher than the average rate of interest which the guaranteed benefits provided to customers are based on. At 31 December 2007, this rate of interest was 3.22%.

If the investment return does not permit allocation of a risk premium, the shortfall in return on equity may be taken to a "shadow account". The shadow account may be regarded as an investment return receivable, which may be transferred to shareholders' equity as and when permitted by the financial results of subsequent years.

Rules for transfers from the shadow account to shareholders' equity applying to Alm. Brand Liv og Pension:

- 20% of the maximum allowable amount is reversed in accordance with the Executive Order on the Contribution Principle when a collective bonus potential constitutes at least 3% of the provisions with bonus entitlement.
- 100% of the maximum allowable amount is reversed when a collective bonus potential equals at least 5% of provisions with bonus entitlement.

The shadow account balance has stood at zero since 2006.

FINANCIAL RESULTS

The overall pre-tax profit for 2007 was DKK 104 million against DKK 81 million in 2006. In 2007, shareholders' equity included the full return requirement.

The profit for the year equals a return on equity of 12%, compared with 7% in 2006.

Premiums

Gross premium income amounted to DKK 750 million compared with DKK 736 million in 2006. The life insurance company's premium performance was in line with expectations and reflects the group's growth strategy with more and

FIVE-YEAR HIGHLIGHTS OF LIFE INSURANCE

DKKm	2007	2006	2005	2004	2003
Premiums	750	736	747	723	714
Investment return after allocation of interest	57	91	1.031	857	376
Insurance benefits	– 918	– 806	– 752	– 830	– 790
Change in life insurance provisions	188	256	– 614	– 638	– 77
Change in collective bonus potential	61	– 160	– 220	– 15	– 79
Underwriting management expenses	– 82	– 77	– 67	– 70	– 77
Profit/loss on reinsurance	17	17	– 4	9	– 13
Underwriting result	**73**	**57**	**121**	**36**	**54**
Return on investment allocated to equity	31	24	23	35	44
Profit before tax	**104**	**81**	**144**	**71**	**98**
Tax	– 35	– 15	139	0	0
Profit after tax	**69**	**66**	**283**	**71**	**98**
Total provisions for insurance contracts	11,049	11,294	11,416	10,545	9,894
Total shareholders' equity	**903**	**1,114**	**1,278**	**995**	**924**
Total assets	12,168	12,482	12,796	11,839	11,176
Key ratios for the life insurance company:					
Return before tax on pension returns	0.8%	1.0%	10.6%	9.6%	4.6%
Return on customer funds before tax on pension returns	0.6%	0.9%	11.4%	10.1%	4.6%
Return on equity funds before tax on pension returns	3.3%	2.2%	2.3%	3.9%	-
Return after tax on pension returns	0.7%	0.9%	9.1%	8.3%	4.0%
Expense ratio on premiums	10.9%	10.3%	8.9%	9.6%	10.8%
Expense ratio on provisions	0.8%	0.8%	0.7%	0.7%	0.8%
Expenses per individual insured (rounded to nearest DKK)	824	708	577	585	626
Expense result	0.0%	0.1%	0.2%	0.2%	0.2%
Insurance risk result	0.5%	0.4%	0.5%	0.4%	0.7%
Bonus rate	4.0%	4.7%	3.1%	1.0%	0.8%
Equity reserves	10.2%	11.2%	12.8%	10.5%	10.3%
Capital base reserves*	4.2%	3.3%	5.2%	7.1%	7.3%
Solvency ratio*	193%	165%	198%	236%	244%
Return on equity before tax	11.6%	7.0%	12.7%	7.4%	11.2%
Return on equity after tax	7.7%	5.8%	24.9%	7.4%	11.2%
Return on customer funds after deduction of expenses before tax	– 0.6%	0.3%	9.3%	9.3%	-
Return on subordinated loan capital before tax	– 4.6%				

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by insurance companies and profession-specific pension funds. The accounting policies were changed in 2005. Financial highlights and key ratios for 2003 have not been restated to reflect the change in accounting policies.

**The capital base is reduced by the amount of proposed dividends.*

LIFE INSURANCE

more of the pension savings being placed in Alm. Brand's investment schemes with the bank.

The total amount of pension contributions, including investment schemes with the bank and the full amount of premium income in the company, was DKK 961 million against DKK 892 million in 2006, an increase of 7.7%.

Insurance benefits
Benefits paid in the year amounted to DKK 920 million against DKK 834 million the year before. The increase in benefits paid was attributable to a greater volume of policy surrenders. The increase was slightly higher than anticipated and attributable to generally enhanced mobility in the pension market and growing interest in market rate products offering equity exposure holdings during periods of positive equity markets. Conversely, equity market turmoil is expected to reduce the volume of policies surrendered.

Life insurance provisions are calculated using a market value principle that applies an expected cash flow discounted by the yield curve published by the Danish Financial Supervisory Authority for discounting provisions. In prior years, the discount rate used was the 10-year mark on the yield curve.

Life insurance provisions fell by DKK 188 million, of which DKK 39 million was attributable to the implementation of the yield curve. In addition, the provision was affected by the volume of policies surrendered and the rising level of interest rates.

Investment return
The investment strategy is defined separately for equity funds and customer funds. Shareholders' equity investment assets are generally placed in relatively short-term interest-bearing instruments.

The investment strategy for customer funds is to optimise returns with due regard for the duration and nature of the liabilities. Assets are allocated so as to place 70%-80% in interest-bearing instruments with long maturities, 12%-18% in equities and 10%-15% in real property.

The rate of interest paid to customers' pension savings in 2007 was 4.5% after tax on pension investment returns.

The overall return on equity and policyholder investment assets before tax on pension returns was DKK 97 million against DKK 129 million in 2006. The return for the year corresponds to a rate of return before tax on pension returns of 0.8% against 1.0% in 2006.

The return was strongly affected by rising interest rates in 2007. The lower return was largely offset by a reduced provisioning need, as the discounting rate on provisions also rose in 2007. The group's policy is to minimise risk to a significant extent by balancing assets and liabilities.

The return on investment assets before tax on pension investment returns attributable to policyholders was DKK 66 million against DKK 105 million in 2006. The rate of return before tax on pension returns was 0.6% in 2007 against 0.9% in 2006. The return for the year and the year-end distribution of investments attributable to policyholders are set out below:

	Share	Return
Bonds etc.	80%	- 0.9%
Equities	7%	2.8%
Properties	13%	8.3%
Total	100%	0.6%

The company's equity exposure of customer funds including stock options was about 15% at year-end 2007.

The return on investment assets attributable to shareholders' equity was DKK 31 million against a return of DKK 24 million in 2006, equivalent to a return ratio of 3.3% in 2007 as compared with 2.2% a year earlier.

Expenses
Total expenses amounted to DKK 78 million net of reinsurance, against DKK 72 million in 2006. The 2007 costs were slightly lower than anticipated.

Reinsurance
The reinsurance result amounted to a DKK 17 million profit. Reinsurance received in relation to permanent disability claims influenced the profit for the year.

EXPENSE AND RISK RESULTS
The expense result, which expresses the difference between expense loading and expenses incurred, amounted to minus DKK 2 million as compared with a gain of DKK 11 million in 2006. The expense ratio (expenses as a percentage of gross premium income) was 10.9%, against 10.3% the year before. The expense per individual insured was DKK 824, against DKK 708 in 2006. The expense result net of reinsurance was DKK 2 million.

The risk result, the difference between risk premiums and claims expenses, amounted to DKK 46 million as compared with DKK 36 million in 2006. The figure consists of the DKK 56 million surplus on death cover and the DKK 10 million loss on disability cover. The loss was due to a greater-than-expected number of permanent disability claims. The risk result net of reinsurance was DKK 63 million. The overall risk result was highly satisfactory.

BALANCE SHEET

The collective bonus potential stood at DKK 413 million at 31 December 2007 as compared with DKK 474 million at 31 December 2006. The decline was attributable to the rising level of interest rates and the moderate return on equities in 2007. The bonus reserve amounted to 4.0% at 31 December 2007, against 4.7% the year before.

As at 31 December 2007, the life group's shareholders' equity was DKK 903 million.

Capital base reserves amounted to 4.2% at 31 December 2007 with a solvency ratio of 193%.

The Danish Financial Supervisory Authority's stress scenarios for life and pension companies – the red, yellow and green scenarios – were reported on an ongoing basis. The life group was in the green scenario throughout 2007 by a fair margin.

MAJOR EVENTS

New sales and advisory tool

In the autumn of 2006, the first version of a new sales tool was implemented. In November 2007, the next generation of the tool was put into operation. The new system gives customers an overview and understanding based on a natural flow of advice and information. The system is focused on customer needs and requirements, and we aim to translate this into a financial need and a solution. The financial analysis approach is innovative. Everything is based on value in use and solutions ensuring that our customers have the highest degree of flexibility in their financial transactions. As a new feature, we can provide our advisory services to spouses or co-habitants together, which may provide a unique overview including savings, state pension, early retirement benefits, incapacity pension, home equity, etc.

EC judgment

In 2007, the EC Court of Justice passed judgment on the Danish tax deduction rules regarding payments to pension schemes. Denmark lost the case, as the judgment established that schemes with banks in other EU countries should be tax deductible.

In December, the Danish Parliament passed a bill to amend the Danish Act on Pension Investment Return Taxation and the Danish Act on Taxation of Pension Schemes. The amended legislation, resulting, among other things, in individualised pension investment return taxation effective from 2010, will require substantial investments in order to reposition IT systems, etc. We do not expect this to have any major effect on the competition.

The previous tax exemption for certain properties and index-linked bonds will lapse with effect from 2008. Danish law will provide compensation for this. The compensation must be transferred/disbursed to the customers. Since Alm. Brand Liv og Pension does not hold any investments in index-linked bonds, there will only be a minor compensation for real property of relevance to Alm. Brand Liv og Pension's customers.

Customer satisfaction/Cases before the Complaints Board

Our goal of having 90% satisfied customers puts focus on the indicators reflecting customer satisfaction. In 2007, six customers filed complaints against Alm. Brand Liv og Pension with the Danish Insurance Complaints Board. This is a 50% reduction relative to the year before and well below the average for the industry. This trend is highly satisfactory.

Subordinate loan capital raised

In Q1 of 2007, Alm. Brand Forsikring A/S contributed DKK 120 million in subordinate loan capital to Alm. Brand Liv og Pension. Alm. Brand Liv og Pension aims for the sum of its shareholders' equity and subordinate capital to be about twice the statutory capital requirement.

OUTLOOK FOR 2008

We expect a pre-tax profit, excluding health and personal accident insurance but including a full risk premium, of DKK 100 million in 2008.

Based on the increased focus on pension savings in Alm. Brand Bank, particularly through the investment scheme, we expect the total premium volume in Alm. Brand Liv og Pension to grow by only a small margin in 2008.

However, we anticipate continued growth in risk insurance policies with disability cover and actual life insurance policies which, accordingly, will make up a gradually increasing share of revenue from the life insurance company.

OTHER ACTIVITIES

REINSURANCE

The profit for the year was DKK 71 million, making 2007 the third consecutive year of positive results for Copenhagen Re. This further strengthened the company's equity. This strengthening happened concurrently with a continued reduction of the company's liabilities, and at the end of 2007 the solvency ratio stood at twice the statutory requirement.

In 2007, Copenhagen Re met the statutory requirement on capital adequacy for the first time since the decision was made to wind up the company. This was primarily owing to a strengthening of shareholders' equity and hence a relative strengthening of the liquidity.

Goals

Copenhagen Re seeks to solvently settle its liabilities.

Copenhagen Re prefers to settle existing liabilities by way of commutation, which is a binding contract stipulating that insurance liabilities are reversed to the original insurance carrier in exchange for cash settlement by the reinsurer. Accordingly, any future developments, positive or negative, affecting these liabilities rest with the original insurance carrier.

Financial results

The profit for the year was DKK 71 million, against a profit of DKK 60 million in 2006. The improved results were attributable to the successful settlement of insurance liabilities for the benefit of the company.

The shareholders' equity of Copenhagen Re was up from DKK 212 million at year-end of 2006 to DKK 261 million at year-end 2007. Total provisions net of reinsurance amounted to DKK 1.0 billion at the end of 2007, against DKK 1.2 billion at the end of 2006. Shareholders' equity thus equalled 26% of total provisions at 31 December 2007.

The shareholders' equity meets the solvency requirements of the Danish Insurance Business Act. The company's solvency ratio at the end of 2007 was 2.1, which is an improvement from 1.2 at year-end 2006.

Special risks

Copenhagen Re's risk of being hit by new claims events was very limited at 31 December 2007. However, the final outcome of events that have already occurred is still subject to great uncertainty as is the outcome of contracts in the company's portfolio.

Copenhagen Re is recognised in the financial statements of Alm. Brand with an equity of DKK 261 million. If an increase in the liabilities of Copenhagen Re should lead to losses for the company, the effect on the financial statements of Alm. Brand would be limited to the loss of Copenhagen Re's shareholders' equity.

As a result of its strategy to settle its insurance liabilities, Copenhagen Re is party to various lawsuits as to the validity and size of claims as well as outstanding issues regarding unsettled accounts. The company has closely observed these issues in the calculation of the necessary provisions for 2007.

World Trade Center (WTC) claims

The final calculation of the World Trade Center insurance losses is still subject to substantial uncertainty. A number of claims are still pending in the US legal system and their outcomes will determine the final amount of damages. Of particular interest to Copenhagen Re is the lawsuit brought in 2005 by a number of companies, including Copenhagen Re, in London concerning the insurance policy for Port Authority of New York and New Jersey (PONY). The lawsuit was brought following PONY's indication that, in its opinion, the insurance policy taken out

covered any shortfall of the properties' leaseholder's insurance policies that might potentially mean that the leaseholder was unable to re-erect the properties. PONY furthermore indicated that the policy in their opinion entitled it to more than one full cover. The lawsuit was brought to counter these claims and protect the insurance companies' interests. No decisive developments occurred in 2007 which change the company's assessment of the need for provisions to cover this claim.

Liquidity

Substantial capital resources are tied up in different countries to meet the requirements of local supervisory authorities. The tied up capital is not a problem in the short term, but in the long term it needs to be released in order to secure the company's continued sufficient cash resources. Copenhagen Re is in dialogue with the various local supervisory authorities to investigate the possibilities of doing so.

The cash position developed satisfactorily in 2007, and in 2008, the company is also expected to have sufficient cash resources to continue the planned activities in relation to commutations. After several years' reduction in the Australian insurance provisions, the authorities have allowed the branch capital to be reduced. Following this, the largest amount of capital tied up is in the UK company.

Outlook

Premiums are expected to be insignificant in 2008 and onwards. The company expects a positive technical result and an investment return exceeding administrative expenses.

This leads to an anticipation of a profit before tax in the order of DKK 50 million in Copenhagen Re for 2008.

MISCELLANEOUS OTHER ACTIVITIES ETC.

Miscellaneous other activities in the group contributed a loss of DKK 32 million before tax, as compared with a loss of DKK 26 million in 2006. These activities consist of corporate expenses and a number of dormant companies.

OUTLOOK

We expect to incur a loss of DKK 30 million on miscellaneous other activities etc. in 2008.

Outlook

Overall, we expect the group's reinsurance activities and miscellaneous other activities to generate a pre-tax profit of DKK 20 million.

INVESTMENTS

GOALS AND STRATEGY

The investment policy aims to optimise returns with due regard to the chosen risk level. The majority of the Alm. Brand Group's financial assets are placed in Danish government bonds and mortgage bonds. In the life group and Alm. Brand Forsikring A/S, approximately similar durations are sought for assets and liabilities, and this contributes to reducing the overall interest rate exposure. The portfolios of other Alm. Brand Group companies have relatively short durations, also in order to limit interest rate exposure.

The investment policy is reviewed on a monthly basis by an investment committee. The committee is in charge of the group's investment activities, which it bases on guidelines and policies adopted by the individual boards of directors of the group companies. The investment committee is responsible for monitoring the Alm. Brand Group's strategic asset allocation. If the committee considers it necessary to make strategic changes to the asset allocation, such recommendations will be submitted to the respective boards of directors.

The bulk of the group's financial assets are comprised by an asset management agreement with Alm. Brand Bank A/S.

MARKET DEVELOPMENTS IN 2007

Denmark

The Danish economy continued on a high note in 2007 based on strong growth in consumer spending, which reflects a continued increase in household income and low unemployment. Low unemployment and a mounting shortage of labour in specific sectors have resulted in growing wage inflation throughout 2007.

In 2007, the Danish bond market was characterised by a general rise in short-term interest rates. The trend to a large extent reflected interest rate developments in Europe which was also marked by inflationary pressure as a result of falling unemployment and rising energy and food prices. Price appreciation in the Danish equity market was more subdued in 2007, and in the second half of the year the equity market was affected by mounting financial turmoil spurred by the credit and sub-prime crises.

International markets

In 2007, the world economy was characterised by sustained strong economic growth. However, growth was increasingly driven by emerging markets. The Western economies are showing signs of economic slowdown, and the US economy in particular is suffering from a weakened housing market which increases uncertainty about economic trends.

On a global basis, economic trends were also challenged by inflationary pressure generated by rising energy and food prices, making it more difficult for central banks to lower key short-term lending rates to parry off an economic downturn.

The currency markets witnessed a depreciation of the US dollar against the euro in 2007. The drop in the USD rate should be seen in light of the gradual narrowing of the US-euroland yield spread during the year. In addition, the central banks of Asian and oil producing countries, which have absorbed a large part of US financial assets, have increasingly begun investing in currencies other than USD.

Though rising slightly in 2007, the international equity markets were adversely affected by the US slowdown and growing financial turmoil spurred by the credit and sub-prime crisis in the second half of the year.

RETURN AND PERFORMANCE

Life and Pension

The investment assets of the life group are divided into policyholders' investment assets and shareholders' equity investment assets. Policyholders' investment assets consist primarily of bonds, properties and shares. Shareholders' equity investment assets were placed in a separate account and invested in short-duration bonds.

Shares

Shares accounted for 15% of the life group's total investment assets at 31 December 2007. This includes the portfolio of unlisted shares, which makes up 2% of investment assets. The share portfolio consists of shares and share-based options and futures. The calculation of the proportion of shares includes recognition of derivative financial instruments at their market exposure to shares which differs from the market value of the instruments.

Listed shares yielded a negative return of 9%, while the return on unlisted shares was 35%. The return on listed shares was adversely affected by losses on unit trusts comprising listed European property companies. The return on other listed shares was in line with the benchmark return, which at year-end 2007 was comprised of 30% OMX Copenhagen Capped index and 70% MSCI World (local currency). The return on listed shares was not satisfactory, while the return on unlisted shares was satisfactory.

Bonds
The bond portfolio of the life group comprises mostly Danish government bonds and mortgage bonds. We aim for the duration of the bond portfolio to largely correspond with the duration of the liabilities. Over the course of the year, the group held a significant proportion of mortgage bonds, using options to hedge part of the prepayment risk on mortgage bonds in connection with falling interest rates. The life group furthermore adapted the interest rate exposure of its assets by using other financial instruments to achieve a satisfactory asset/liability match.

The return on interest-bearing assets, including financial instruments, in the life group was 0% in 2007. The weak return was due to the rise in interest rates during the year, which resulted in negative value adjustments on the bond portfolio. The return fell just short of the benchmark return and, accordingly, was not entirely satisfactory. The negative value adjustments were largely offset by adjustments of the life insurance provisions, as the interest rate risk on assets and liabilities was more or less identical.

Properties
Property investments accounted for 12% of the life group's overall investment assets at 31 December 2007. The return on properties amounted to 8% in 2007. The return was positively affected by a strong commercial letting market, driving up rental income, and was satisfactory.

The overall return on the life group's investment assets was 0.8% in 2007. The return excluded discounting of life insurance provisions.

Alm. Brand Pantebreve A/S
The objects of Alm. Brand Pantebreve are to invest in mortgage deeds secured against real property in Denmark with a view to generating attractive returns for shareholders. In 2007, the company completed a private placement to facilitate a substantial increase in business volume. At year-end 2007, Alm. Brand Pantebreve had an equity gearing of 5.8.

The company's performance was favourably impacted by a proactive funding strategy involving the raising of loans in foreign currency through the forward currency markets. As part of the efforts to optimise its financing structure, the company sold CHF currency options on an ongoing basis. The performance was negatively affected by growing funding costs as a result of the interest rate increases in the financial markets and was satisfactory.

Alm. Brand Formue A/S
Alm. Brand Formue mainly invests in bonds and shares. Since the company's inception in 2003, the philosophy has been to place funds in mortgage credit bonds with long maturities. On average, the company expects to place 75% of its funds in bonds and 25% of its funds in shares. At year-end 2007, Alm. Brand Formue had an equity gearing of 3.8.

The company's performance was adversely affected by rising interest rates and bond market trends. Conversely, the company's performance was favourably impacted by the financing strategy involving the raising of loans in foreign currency through the forward currency markets. Seen in isolation, the performance was not satisfactory.

The rest of the Alm. Brand Group
A vast majority of investments by other parts of the group are placed in interest-bearing assets, mostly AAArated. The duration on the assets is relatively short and balanced against liabilities in order to limit the risk of value fluctuations.

Non-life assets and liabilities were not, however, fully covered in the first half of 2007, as the assets had a shorter duration than the liabilities. Due to the rising level of interest rates during the first half of 2007, this lifted the investment return. The duration of the assets was increased during the third quarter, and from August to December 2007, duration was virtually the same for non-life assets and liabilities.

In addition, the investment return was favourably affected by the fact that the short-term discount rate used to discount provisions rose more than the interest rate on short-term government bonds in which a substantial part of the assets are placed.

The majority of Alm. Brand Bank's funds are placed in bonds with low interest rate risk. In addition, Alm. Brand Bank has a portfolio of mortgage deeds and a minor portfolio of shares. Shares in the subsidiary Alm. Brand Formue A/S are to a significant extent hedged.

SALES, SERVICE AND MARKETING

SALES AND SERVICE

Organisation

The sales and service organisation is structured in five regional units each focusing on in-depth knowledge of local markets and extensive decision-making powers. We have established insurance customer service centres at each of our regional offices which serve private customers by telephone. In addition, the bank operates a separate customer service centre at the group's head office. The regional offices coordinate sales through our 360 or so insurance agents and a number of customer advisers. Also supporting the regions is a network of 37 branches, 25 of which are combined bank and insurance branches while the remaining 12 are specialised insurance centres.

The head office in Copenhagen handles sales and service of special solutions, sales via insurance brokers to large commercial businesses and sales management conducted through partnerships.

Alm. Brand has signed a distribution agreement with the EDC Mæglerne chain of estate agents which comprises both insurance and banking products.

GOALS

Sales

Having an efficient and professional sales and service organisation is essential for Alm. Brand to reach its overall growth, expense and customer satisfaction targets. The group's growth strategy for the periooood until 2010 creates a special need for continuous improvement of the sales and service organisation.

In order to meet the growth targets, a number of operational milestones have been defined. One such milestone is for the group to have at least 75,000 multi-product customers (*dobbelt*KUNDER) by 2010.

Strategy

Alm. Brand's distribution is made up of product concepts, efficient marketing, advice-oriented employees possessing strong professional skills, efficient and motivating sales bonus systems and up-to-date sales tools that combine to ensure efficient distribution.

The targets towards 2010 should be reached by focusing on three key areas:

- Increased customer loyalty – through increased customer satisfaction and other measures.
- Increased cross sales and additional sales to existing customers.
- Increased sales to new customers.

Alm. Brand's distribution channels support the three focus areas and the five regions and each individual channel will be measured against each other regularly in order to make distribution even more efficient.

Highlights and achievements in 2007

Previous years' efforts in the distribution area are still paying off. The results achieved in 2007 may be divided into service and sales achievements, respectively.

Service achievements

- The target of a response rate of 90 in the customer centres was retained in 2007 despite a higher activity level.
- Customer satisfaction continued at a high level.
- The quality of insurance and banking services provided to the group's largest business partner, the EDC chain of estate agents, was maintained in 2007, and the satisfaction rate with these services is still above 90%.

Sales achievements

- Sales increased yet again in 2007.
- The number of multi-product customers is growing. At year-end 2007, some 40,000 people had become multi-product customers.
- The regular customer surveys reveal very high customer satisfaction and loyalty among multi-product customers.
- Sales through the group's largest business partner, the EDC chain of estate agents, improved in non-life insurance. Sales in banking declined slightly, among other things, due to a general decline in the market for top-up loans.

Greater distribution power

The Alm. Brand Group further strengthened its decentralised distribution power in 2007, partly by completing the refurbishment of the remainder of the group's branches, leaving them modern and customer-friendly, and partly by increasing the number of sales staff.

Moreover, we experienced substantial activity in the 12 sales centres established at year-end 2006. The sales centres are focused exclusively on insurance sales, and the idea is to create small, efficient sales units of four to six people to supplement the other distribution channels. Our experience so far has been very positive.

In addition to increasing the number of sales staff, the group launched a sales training programme for all senior and other sales staff in 2007. The aim is to enhance employee performance in order to achieve better customer service and "to take care of our customers". This is not just an isolated training programme but a forward-looking process of ensuring that all sales staff receive further training on a regular basis and that they are measured against their sales and service competencies.

In 2007, Alm. Brand's new sales application was finally implemented with respect to sales of all private line insurance and pension products. Going forward, the new tool offers a number of opportunities to achieve efficiency improvements and further enhance the sales and service process.

Outlook
Distribution will be a priority in 2008 as well, and the goal is to continue to increase sales in tandem with a decline in cessation.

As compared with previous years, the focus on cross sales between the three business areas and on extending the customer life cycle will be intensified in 2008. As a result, a number of initiatives under the heading "Customer loyalty" will be launched in 2008. One such initiative is to implement a standardised unit of measure and a number of measuring tools intended to document the quality of the services provided in all primary customer contact areas.

In addition, a new sales and service tool for commercial and agricultural products will be launched in the insurance area in 2008.

MARKETING

Goals
Also in 2007, the marketing strategy was aimed at profiling Alm. Brand as a serious provider of financial solutions targeting customers with "ordinary common sense". At the same time, marketing was to contribute to supporting distribution by attracting a large number of specific customer prospects.

Strategy
The marketing strategy is intended to create a strong brand and a good image for the group.

The marketing of the group's three business areas has been consolidated, thereby becoming more visible in the market and maximising the benefits of the group's unique structure with non-life insurance, banking and pension under one roof.

Existing customers should be confirmed in the choices they make and be positively encouraged to source additional products from Alm. Brand. They should experience a feeling of being well taken care of when they do business with Alm. Brand.

Highlights and achievements
The number of measurable customer prospects resulting from the external marketing was maintained at a high level and, according to independent analyses, Alm. Brand was in 2007 once again among the best-known providers of insurance and banking products.

OUTLOOK

New marketing strategy
There will be a shift in the group's marketing strategy in 2008. In future, marketing efforts will be directed at improving the group's image rather than at individual products. In addition, we will be focusing increasingly on existing customers in order to boost customer loyalty.

Specifically, the external marketing will be changed from focusing exclusively on the product and *dobbelt*KUNDE concepts to primarily expressing attitudes and promoting an image of Alm. Brand as a financial undertaking that sincerely wants to take care of its customers.

The new strategy is intended to support the ongoing work in the group to create an organisation and a staff whose top priority is to take care of customers.

Concurrently with the changed marketing strategy, we intend to step up direct communications with existing customers. Analyses carried out in 2007 showed that relevant and comprehensible communication is a very important parameter in ensuring a high degree of customer loyalty and satisfaction. Experience from 2007 also showed that increased customer communication increases the pressure on the organisation through an increasing number of customer enquiries. As a result, the group will increase its focus on further improving our customer service, while providing good opportunities for self service via the Internet.

Sponsorship strategy
The overall sponsorship strategy will be changed in 2008 in a move to release funds to support the "We take care of our customers" strategy.

FEATURE:

IMAGE

TOP RANKING IN IMAGE – A CHALLENGE ACCEPTED

WHY IMAGE?

A company's corporate image is an essential means of attracting new customers and employees. Surveys indicate that existing customers and employees also become more loyal when the company has a good image.

That is why we defined a goal in Strategy 2010 for Alm. Brand's corporate image to be among the top two in the insurance industry.

While satisfaction among Alm. Brand's customers and employees has increased significantly, our image level has not changed. This shows a need for communicating the positive development and strong performance achieved by Alm. Brand to the external community.

ALM. BRAND'S VISION:

"We want to take care of our customers"

In the autumn of 2005, the group teamed up with an independent research institute to conduct a large-scale survey of existing and prospective customers' demands and requirements for their financial partner and of their perception of Alm. Brand.

ACCORDING TO THE SURVEY, THE MOST IMPORTANT CUSTOMER DEMANDS AND REQUIREMENTS ARE:

1. The customer adviser must be:
   Honest, accessible, trustful and personal
2. The company must be:
   Trustworthy
3. Communication must be:
   Simple, to the point and easy to understand
4. Case processing must be:
   Quick and efficient
5. Service and products must be:
   Individualised and customised

According to the respondents, "taking care of" means "attending to customer needs". This typically means that each customer has a personal adviser who is accessible and understanding and proactive.

The survey also showed that existing and prospective customers share a generally positive perception of Alm. Brand, personifying the company as experienced, skilled, upright, friendly and forthcoming: A safe and secure choice. In addition, Alm. Brand is perceived as solid, trustworthy and all-embracing and as a company that offers special advantages (for example the *dobbelt*KUNDE concept).

VALUES THAT CREATE A CORPORATE CULTURE:

Based on the survey result, we redefined our requirements for customer service, customer contact and our attitude towards customers. These requirements are consistent with the group's four core values:

- Ordinary common sense
- Mutual respect
- Holism and proximity
- Will to succeed

Consistency between the group's values, our corporate culture, and the actions of our employees is vital in ensuring that the external community and the group's customers and employees perceive Alm. Brand as a trustworthy company. Moreover, we intend to make image and corporate culture key competitive parameters that cannot readily be copied by the competition. According to our annual surveys of employee satisfaction, employees see a consistency between the values and attitudes of Alm. Brand.

Some of the requirements defined by the group form the basis of the commercials launched at the beginning of 2008. In the commercials, the group's own employees, aided by Danish actor Søren Østergaard, tell about the way they work at Alm. Brand and about the attitudes reflected by their work. We want to show that Alm. Brand is not a cool money bin, but a service provider aiming, in collaboration with our customers, to find the best possible solution to making our customers satisfied. The attitudes are set out in the box below.

The commercials are airing on Danish TV2 and will also be shown in cinemas across the country in future. The campaign covers a total of 12 commercials which will be airing throughout 2008.

Together with increased public relations efforts, we expect this opinion-making marketing campaign to have a positive effect on the group's image.

Attitude no. 1 *At Alm. Brand, we take good care of our customers. We listen to our customers and learn. Already from day one of your customer relationship with Alm. Brand, we will be asking you if you are satisfied with our work. That is something that helps both you and us.*

Attitude no. 2 *At Alm. Brand, we take good care of our customers. This also feeds through to our prices. Although prices can never stand alone, ours can absolutely bear comparison with our peers. Compare, if you will, the deposit rate offered by Alm. Brand Bank with that of other banks…*

Attitude no. 3 *At Alm. Brand, we take good care of our customers. Our multi-product customers (dobbeltKUNDER) know that: They are our most satisfied customers. And with good reason. We split on the sly and they get a fat cheque.*

Attitude no. 4 *At Alm. Brand, we take good care of our customers. When you buy a car, Alm. Brand makes things easier for you. Alm. Brand's kvikBIL concept combines financing and insurance fees in a single monthly payment. You can calculate your price at www.kvikbil.dk. It's quick, simple and easy to understand.*

Attitude no. 5 *At Alm. Brand, we take good care of our customers. That's why we always get a second opinion in a case if there is any doubt whatsoever. This is probably one of the reasons why more than 90% of our claim-filing customers are satisfied with us.*

Attitude no. 6 *At Alm. Brand, we take good care of our customers. You'll surely agree after the people at Alm. Brand Pension have discussed every possible angle in life and death with you in 90 minutes. We get straight down to business and right to the point immediately. This is a shake-up to make you take a look at how you lead your life. It may seem harsh, but it leaves you with a clear overview that means you've got everything covered.*

Attitude no. 7 *At Alm. Brand, we take good care of our customers. You'll see that if you need to raise a loan with Alm. Brand Bank. We don't need a housekeeping budget from you to grant you a loan against your house. Your daily budget and the way you manage it is entirely up to you. We don't meddle in that. So although Alm. Brand Bank is a completely ordinary bank, our way of conducting banking business may not be very ordinary after all.*

EMPLOYEES AND DEVELOPMENT

SATISFIED EMPLOYEES MAKE A DIFFERENCE

Satisfied employees – not to mention very satisfied employees – make a difference. Satisfied employees make for satisfied customers, and satisfied customers are more loyal and buy additional products and services within the group. Consequently, satisfied employees are essential for the group to reach its overall goals for 2010, as well as being a separate goal for the group in itself.

The group's size and many different activities enable our employees to develop professionally within the group.

STRATEGY AND GOALS

Alm. Brand aims to offer its employees responsibility and allow them to have a say in the planning and performance of their own job, challenges and personal development opportunities. Developing the employees will enable Alm. Brand to stand out from the competition.

One of the Alm. Brand Group's five strategic goals are for 90% of the employees to be satisfied and 50% to be very satisfied with Alm. Brand as a workplace.

We aim to achieve these objectives through a focused effort in the following areas:

- by ensuring that the Alm. Brand Group is renowned for being a popular workplace,
- by ensuring that the Alm. Brand Group's managers are aware of corporate governance requirements and are interested in and able to achieve results through others,
- by keeping the group's four values in focus and ensuring that they are used proactively on an everyday basis,
- by maintaining that continuous professional development is a natural opportunity for the group to offer the employees and for the employees to accept,
- by getting the individual employee to understand the importance of good customer service.

EMPLOYEE SATISFACTION

Employee satisfaction is measured annually among all the group's employee and is stated as a weighted average of responses to a number of selected questions. In 2007, the satisfaction rate was unchanged relative to 2005 at 88%, which is still very satisfactory. The response rate rose to 95%. The substantial support reflects a considerable commitment among our employees and makes it possible to draw conclusions from the results with a high degree of certainty.

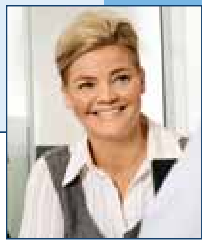
Satisfied customers are a prerequisite for good customer service and a pleasant working environment. But the very satisfied customers are the most loyal and the best ambassadors for Alm. Brand. Therefore, the group has set a goal of achieving a rate of 50% very satisfied customers in 2010. In 2007, 47% of the employees were very satisfied with working at Alm. Brand, against 48% in 2006, which is still highly satisfactory.

The survey also showed that 93% of the employees are proud to be employed by Alm. Brand, and that 97% state that, on the whole, they are satisfied with working for the group. Both figures represent an increase relative to 2006.

These achievements give the group good prospects of continuously attracting qualified employees in a market characterised by demand exceeding supply.

MANAGEMENT QUALITY

The group's managers and employees attach great importance to competent management as a means of achieving the group's objectives. We therefore consider management an important factor, on a par with image, service and customer satisfaction.



At Alm. Brand, a manager's role includes creating results through the employees. To this end, it is vital for managers and employees to maintain trust, dialogue and close working relations. Coaching, attention from one's own manager and focus on management development support the individual manager in his/her continuous professional development.

The annual measuring of management quality, where each individual employee rates his/her own manager, showed that 96% of the employees were either satisfied or very satisfied with their manager, representing a two percentage point increase on 2006. Once again, we recorded progress in all areas, and the many survey comments would indicate that our managers have made dedicated efforts to improve their performance during the year.

Satisfaction with one's own manager creates loyalty and is important in achieving satisfied employees. The results were therefore highly satisfactory.

WORKING TO DEVELOP THE GROUP'S VALUES

The employee survey also showed that employees consider the group's values to be very important in relation to customer service, expanding collaboration across the group and generally achieving the group's objectives. Therefore, it is only natural that the values are a core component of our efforts to achieving the 2010 strategy.

VALUES AND CONDUCT WATCHWORDS

ORDINARY COMMON SENSE
WE IDENTIFY WITH THE CUSTOMER
WE KEEP OUR PROMISES
WE MANAGE RULES WITH COMMON SENSE

MUTUAL RESPECT
WE LISTEN TO EACH OTHER
WE RESPECT EACH OTHER'S OPINIONS
WE DRAW ON EACH OTHER'S KNOWLEDGE AND EXPERIENCE

HOLISM AND PROXIMITY
WE TAKE A HOLISTIC APPROACH
WE CARE FOR EACH OTHER
WE ARE ACCESSIBLE

WILL TO SUCCEED
WE SET AMBITIOUS AND REALISTIC GOALS
WE STRIVE FOR PROFESSIONAL AND PERSONAL DEVELOPMENT
WE CREATE RESULTS TOGETHER

ALM. BRAND ACADEMY – DEVELOPING THE SKILLS OF OUR EMPLOYEES

The range and complexity of financial products has grown significantly in recent years and the legislative basis is constantly changing. This puts pressure on the group's employees to keep developing their skills to be able to provide customers with the best possible service and advice.

In response to this, the group has established the Alm. Brand Academy as an element of the development of the employee skill.

Alm. Brand intends to invest considerable resources in in-house training of new and existing employees. In order to build a visible platform for the group's training initiatives, the Alm. Brand Academy is intended to consolidate the opportunities for training in the group and to act as a showcase for principles of and opportunities for developing the professional and personal skills of each individual employee. An important element in this will be to build an understanding of the importance of providing good customer service.

REMUNERATION POLICY

The members of the Management Board receive a fixed basic salary that is intended to be competitive with the remuneration of other, comparable positions in the financial sector. In addition to this salary, the company provides a pension contribution, a company car, among other things. The remuneration of Management Board members is adjusted every two years.

EMPLOYEES AND DEVELOPMENT

The group's Management Board and senior management employees also have a bonus scheme which is based on the return on equity generated for each financial year. The potential bonus earned in any one year represents up to a maximum of eleven months' salary and is essentially placed in a bonus account. One-third is paid out, while payment of the remaining bonus account balance is subject to a good performance in the following years.

Accordingly, the bonus scheme aims to promote long-term behaviour and achieving maximum bonus requires an uninterrupted string of very good results over a number of years. The bonus scheme will have no material effect on the group's cost level. The scheme covers a total of 16 persons and does not comprise stock options.

For a number of years, we have had a bonus scheme with both common and individual benchmarks for the group's other managers and specialists. The scheme covers up to 200 persons and forms an integral part of the general salary adjustment for this group of employees.

In Copenhagen Re, which is in the process of being wound up, a bonus scheme has been set up, giving managers an opportunity to obtain a bonus calculated on the basis af the increase in the company's shareholders'equity.

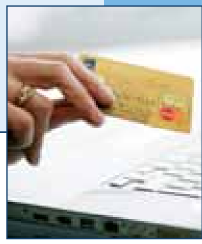
Similarly, the bank's markets and asset management division has set up performance-based bonus schemes.

In addition, a bonus scheme exists for the customer service centres engaged in sales and service to private customers. In 2007, this scheme was extended to include the employees of the company's branches.

In 2006, the company complied with the remuneration policy described in the Annual Report 2006, and in 2007 it complied with the remuneration policy described above. There are no plans to change this policy in 2008.

In 2006 and 2007, we offered our employees to buy shares in the company. The shares were offered at a discount to the market price and deducted from the employee's gross salary. These schemes are offered with a view to promoting employee commitment to the company and ensuring that employees and other shareholders share common goals. Many employees joined the schemes both in 2006 and in 2007. Employees will be offered to buy shares with payment deducted from their gross salary in 2008 as well. As a new feature, we will also be offering employee bonds in the group.

INFORMATION TECHNOLOGY



IT STRATEGY AND OVERALL TARGETS

The IT strategy has been defined with a view to enhancing the group's competitive strength by creating a flexible and innovative platform from which to develop individual business areas as well as the group in general. In addition, the IT strategy aims at minimising the level of costs, among other things by exploiting economies of scale in the group. The group's IT platform is based on innovative systems and a robust and flexible underlying infrastructure.

Core elements of the IT strategy:

- The fundamental business systems are based on open-interface standard systems
- In-house standard components are developed as add-ons to standard systems for the purposes of integration between business areas and in relation to Alm. Brand's distribution channels
- Systems are highly automated, simple and accessible, and have high reliability and security levels
- Data is made available for analysis, reporting and marketing purposes across the group.

In the years up to 2010, Alm. Brand aims to become among the best players in the industry in terms of using information technology efficiently. The goal is to identify fast, flexible and cost effective opportunities to develop new high-quality products, processes and distribution channels.

The remaining major elements of the programme to renew the core IT systems, which have been underway in recent years, will materialise in 2008, including the implementation of a new IT system for our commercial and agricultural portfolio. Upon completion, it will be considerably faster and cheaper to implement product and process changes.

During 2007, the group's new sales system was further expanded to include a solution for individualised pension product sales. The expansion will continue in 2008 to include support of the group's commercial and agricultural segments.

There is continuing focus on the group's IT costs with this objective: "Same input, more output". The intention is for Alm. Brand's IT costs to be on a par with its peers.

COMPETENCE AND COLLABORATION

IT skills are provided by our in-house IT department in close cooperation with Bankdata and IBM. As part of implementing a new non-life insurance system, we have forged a business partnership with Accenture for the remaining part of the project, which focuses on the commercial and agricultural lines.

Bankdata is responsible for developing and operating the banking systems, whereas IBM is responsible for most of the group's infrastructure, which is operated jointly by IBM and Alm. Brand's IT department.

The collaboration with Bankdata was further intensified in 2007, placing the bank's general infrastructure entirely with Bankdata.

In 2007, the group explored the possibility of making use of IT skills located outside Denmark. This work continues in 2008 with a view to having the question finally resolved during the year.

DATA WAREHOUSING

Alm. Brand's group data warehousing is based on a standard model comprising both banking and insurance. The data warehousing elements are provided by Bankdata and the group's own data warehousing department, respectively.

During 2007, we received an increasing number of new data and solutions from this area for analysis and reporting purposes.

Much of the work carried out in 2007 was focused on non-life insurance and general infrastructural improvements. The bank also continued its collaboration with Bankdata on Basel II, however.

INFRASTRUCTURE

Alm. Brand's infrastructure is strengthened on an ongoing basis to provide increased robustness and greater flexibility. The core elements are centralisation and virtualisation. To improve the operational reliability and data security, additional efforts were made during 2007 to prepare the systems for dual-location operation. The final activities related to dual-location operation are expected to commence some time in 2008.

RISK MANAGEMENT

Managing the Alm. Brand Group's risk exposure is a key executive focal area, because uncontrolled development of the various risks may have a substantial impact on consolidated financial performance and solvency and, by extension, future business opportunities.

The Board of Directors defines and approves the group's overall policy for assuming risk and sets up the overall risk guidelines as well as the reporting requirements. The managements of the individual subsidiaries use this platform to structure operational risk management.

The Alm. Brand Group assumes a number of different risks. These include the large variation of business risks related to operating the different business areas and the more consistent and uniform financial risks related to handling the group's substantial cash flows and comprehensive investment strategy.

Alm. Brand has set up an intra-group risk committee to ensure coordination and uniformity in the group companies with respect to assuming, calculating and reporting risk across the individual business areas. The risk committee reviews the group's overall risk statements and the resulting individual solvency requirement before submitting them to the boards of directors of the individual group companies for approval.

Different types of business risk and financial risk are all managed by the individual business areas. Accordingly, the managements of the respective business areas are responsible for both business and financial risk management as well as for ongoing risk monitoring. Also, each business area is responsible for identifying, quantifying and monitoring risk relevant to their own business areas and for setting up and implementing relevant risk-management controls and strategies.

Independently of management-implemented controls, the internal auditors conduct regular independent reviews of the group's control procedures and verify compliance with management's guidelines.

INDIVIDUAL SOLVENCY REQUIREMENT

Since 2005, the board of directors of a bank has had to assess how much capital would be required to carry on its banking business. If the capital requirement was stated by the board to be higher than the statutory requirement of a capital adequacy ratio of at least 8, such higher capital requirement would prevail.

The introduction of the new Basel II rules spurred a significant tightening of the requirements and led to the implementation of a similar set of rules for non-life and life insurance companies in 2007.

The boards of directors of Alm. Brand Forsikring A/S, Alm. Brand Liv og Pension A/S, Copenhagen Re, Alm. Brand Bank A/S and Alm. Brand A/S therefore assessed their individual solvency requirements in 2007.

The bank used a relatively simple stress test to calculate the solvency requirements of the individual companies. The non-life and life insurance companies and Copenhagen Re also used a relatively simple stress test based on trial calculations made in connection with the Solvency II regime.

GOALS AND STRATEGY

We take various types of calculated risk in support of the group's long-term business objectives. The risks encountered in the various business areas differ considerably, but generally risk parameters can be divided into three types of risk:

- Business risk
- Financial risk
- Operational risk

BUSINESS RISK

Alm. Brand focuses on identifying, measuring and managing business risk and defines precise guidelines for the risks each business area is authorised to assume.

NON-LIFE INSURANCE

Acceptance and assumption of risk

Alm. Brand writes insurance for private customers, agriculture as well as for small and medium-sized businesses. The acceptance policy provides rules for the types and the size of risk that can be written in individual contracts. For risks written, we calculate and estimate the potential accumulation of policies that may be impacted by the same claim.

Reinsurance

In order to reduce the risk of loss from insurance events, we cede risks that exceed defined maximum amounts. Our reinsurance programme is designed to prevent a single event or an incidental accumulation of major claims from causing unacceptable loss of capital and to limit fluctuations of the technical result.

Approved annually by the Board of Directors and the Management Board, the reinsurance programme also defines the group's retention on different insurance events. We review the need for reinsurance on an ongoing basis, using previous experience regarding the programme's efficiency, market experience, the company's capital resources and prices on reinsurance.

The reinsurance programme for 2008 is based on largely the same guidelines as in 2007. For 2008, Alm. Brand has bought catastrophe reinsurance for up to DKK 4.4 billion with retention of DKK 150 million. Coverage is DKK 400 million for property damage with retention of DKK 30 million. Coverage is up to DKK 700 million for personal injury on personal accident and workers' compensation with retention of DKK 20 million. Risks assumed beyond these limits are covered through reinsurance.

The largest single risk in the non-life business is for hurricane losses. In order to cover the risk from a windstorm, we model a number of windstorm scenarios based on our portfolio exposure and on probability calculations. We estimate the total cost to Alm. Brand of a "100-year windstorm event" to be DKK 250 million consisting of the retention and the reinstatement premiums of the windstorm reinsurance programme.

The risk to Alm. Brand from a terrorist attack is considered to be covered by the reinsurance programme or excepted in the ceded coverage.

COPENHAGEN RE

Copenhagen Re no longer writes new business, but still has business written in insurance years prior to 2002 in run-off. The risk to the group of loss resulting from unexpected developments in Copenhagen Re is, however, limited to the shareholders' equity in Copenhagen Re.

LIFE INSURANCE

Group policy in the life insurance business is to not write business without the customer disclosing personal health information. This requirement means that the company has deliberately opted not to write typical labour market pensions, as such pensions may be set up without personal health information.

The principal insurance risks are related to insurance with a guaranteed average benefit. Until 1994, the life group wrote policies with average guaranteed benefits of 4.5% after tax on pension investment returns. From 1994 to 1999, the benefit was 2.5%, and since 1999 it has been 1.5%. We focus on hedging the guaranteed benefits provided, applying derivative instruments to ensure that interest rate exposure on assets and liabilities is at a similar level.

Changes in the value of life group investment assets resulting from changes in interest rates are partly offset by corresponding changes in the value of the technical provisions and the collective bonus potential. As a result, shareholders' equity may, however, be affected if the average return generated over the life of the policies fails to cover guaranteed benefits.

Other material risks relating to the life group mainly involve financial risks, which we seek to balance with the insurance liabilities as much as possible.

The investment assets that match the life group's shareholders' equity are held in a separate account. At 31 December 2007, this account had a relatively short duration, limiting the risk of price falls triggered by interest rate fluctuations.

RISK MANAGEMENT

BANKING

Alm. Brand Bank makes it a priority to identify, measure and manage the business risks that specifically attach to banking, especially credit risks. For this purpose, we prepare a set of lending guidelines that have been consolidated in a credit policy.

Credit policy

The guidelines for providing credit aim to ensure that the banking group is perceived as a bona fide bank by all customers, business partners, public authorities and competitors.

The credit policy has been worked out on the basis of the bank's individual products and the customer segments buying the bank's lending products. The bank strives to ensure that the return on individual products and customer segments is satisfactory relative to the risk involved.

The bank grants loans to both private and corporate customers and in selected product segments in which the banking group possesses specialist expertise. The bank's loans to private customers are to a wide extent based on the use of credit scoring models which have been developed over a number of years and which are constantly being developed and improved on the basis of empirical data and cyclical changes. Credit scoring models are used on secured as well as unsecured loans.

Loans granted to corporate customers concentrate on specific asset classes and specific industries. The main criterion for accepting commitments is a satisfactory credit rating of the company combined with an assessment of the value of the assets provided as collateral and any supplementary collateral provided.

The bank has set up business procedures to ensure an ongoing assessment of the performance of individual commitments and lending portfolios and the risk inherent therein. If the changes in individual commitments and objective indicators warrant an impairment write-down of the value of the commitments, the necessary impairment charges will be effected in accordance with the rules in force and based on an assessment of the realisable value of any collateral provided and the expected date of realisation.

BASEL II

In 2005, the bank implemented a number of development activities to comply with the requirements of the new capital adequacy rules (Basel II). The activities touch on all the bank's business areas and are implemented in close collaboration with the bank's data centre, Bankdata.

In the credit area, Alm. Brand Bank has decided to apply the IRB-F method and expects to receive approval from the Danish Financial Supervisory Authority effective 1 January 2010. Until then, the bank will apply the standard method.

As part of the efforts to be approved as an IRB-F institution, the bank used rating models for most of its portfolio in 2007. Risk assessment models for the remaining portfolio areas in the bank will be implemented some time in 2008.

In the market risk area, the bank has decided to follow the standard method for now.

The bank expects to achieve a number of capital and risk management benefits by using the IRB-F method. The expected capital benefits are in the form of a relaxation of capital requirements in relation to the bank's lending. These benefits will be realised from 2010.

The bank achieved significant benefits already in 2007 from handling credits through the rating models used. At the same time, the bank has established a data framework that significantly strengthens credit management at portfolio level.

FINANCIAL RISK

Financial risk is handled by each individual business area and monitored by the corporate function.

Market risk

The Alm. Brand Group's investment assets are measured at fair value on an ongoing basis. This means that developments in the financial markets influence the group's shareholders' equity and investment performance. The group is exposed to various kinds of market risk in connection with trading and investing, and as part of its ongoing cash management. The group uses derivative financial instruments to manage and reduce market risk on an ongoing basis.

The purpose of financial risk management is to offset the overall financial risk exposure against both assets and liabilities in order to achieve a satisfactory balance between risk and return. We achieve our risk management objectives by way of risk management policies that define the guidelines for exposure to different types of financial risk. Each individual company's investment and risk management policies reflect the market conditions it operates under.

The investment asset portfolio is subject to market risk in the form of interest rate risk, currency risk and price risk, resulting from, for example, changes in share prices or real property prices.

Fair value interest rate risk

Fair value interest rate risk is the risk of fluctuations in the value of interest-bearing financial instruments as a result of changes in interest rates. This type of risk arises on fixed-rate financial instruments, while floating-rate instruments are subject to cash flow interest rate risk.

Management of the group's fair value interest rate risk seeks to appropriately match interest rate risk on assets and liabilities.

In Alm. Brand, it is primarily the group's life insurance company and the Alm. Brand Bank Group that are exposed to fair value interest rate risk. The life group limits its fair value interest rate risk by approximately matching the risk of assets and liabilities, which have opposite exposures to fair value interest rate risk. The Alm. Brand Bank Group seeks to limit its interest rate risk primarily by accepting and providing deposits and loans at floating rates. The banking group hedges the fair value of certain fixed-rate loans through the use of derivative financial instruments.

The banking group calculates interest rate risk on fixed rate claims and liabilities using a duration model. For the purpose of day-to-day risk management, interest rate risk is calculated according to guidelines issued by the Danish Financial Supervisory Authority and according to an in-house method.

The group regularly uses financial instruments in managing interest rate risk to reduce its exposure to fixed income assets. This is done by seeking a strong correlation between derivative financial instruments and fixed income assets. The group's overall policy aims for such instruments to be used primarily for hedging purposes.

Cash flow interest rate risk

The group's cash flow interest rate risk arises from floating rate deposits and lending for which the future cash flows are subject to interest rate developments. Floating rate deposits and lending are provided by Alm. Brand Bank. We hedge cash flow interest rate risk by attempting to match floating rate deposits and lending. In managing cash flow interest rates we also apply interest swaps in order to restructure deposits and lending from floating to fixed rates of interest and vice versa.

Currency risk

We limit the group's currency risk by widely placing the financial assets in alignment with the currency composition of the liabilities.

In addition, we hedge currency risk using forward currency contracts and currency swaps. The group's investment strategy is to have only limited net positions in foreign currency.

Currency exposure is therefore mainly restricted to the activities carried on by the listed subsidiaries, Alm. Brand Pantebreve A/S and Alm. Brand Formue A/S.

Price risk

The group accepts a calculated exposure to equities which is determined on the basis of the investment strategy and the capital base. The equity exposure is composed of listed and unlisted equity investments and derivative financial instruments (futures and options). The exposure to equity risk is mainly restricted to equity holdings in the group's life insurance company and the Alm. Brand Bank Group.

Alm. Brand Bank's equity risk is sometimes reduced by way of derivative financial instruments.

The group is also exposed to changes in prices of real property, mainly through property investments held by the group's life insurance company. Most of the property investments are owner-occupied properties. We also make direct property investments, mainly in office property, and invest in property stocks. The defined risk profile on the purchase and sale of property calls for a high degree of security and stable returns on a long-term horizon. For property investment, risk management is founded in a framework governing the overall property investments and guidelines for exposure to individual properties.

Inflation risk

In Alm. Brand Forsikring, future workers' compensation claims payments depend on wage developments. This is taken into account in the calculation of workers' compensation provisions by applying the expected future wage index developments. This creates exposure to inflation risk, as stronger-than-expected wage developments would result in greater compensation levels. To limit this risk, Alm. Brand Forsikring has entered into inflation swaps, which partially hedge the inflation risk on workers compensation provisions, assuming a stable development in real wages.

Other types of credit risk

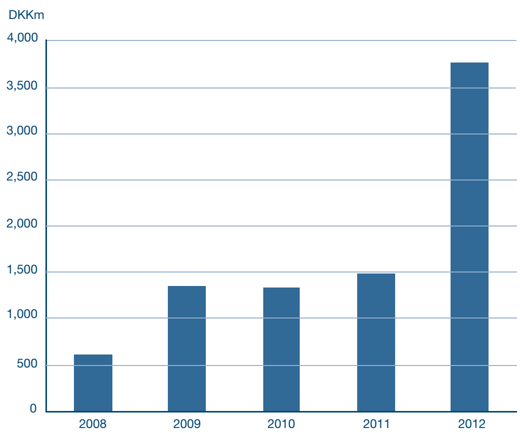
We seek to limit credit risk by restricting the exposure to individual counterparties and to groups of counterparties with an identical profile.

The Alm. Brand Group has substantial amounts due from policyholders and reinsurers on an ongoing basis. Receivables from policyholders are secured through diversification on a very large group of policyholders, whereas receivables from reinsurers are secured through a minimum rating requirement (currently A-) from recognised rating agencies. Receivables deemed to be unrecoverable are written down or written off.

The Alm. Brand Group makes very limited investments in corporate bonds, the majority of which are investment grade (AAA to BBB). This ensures a limited credit risk exposure to the investment assets.

Liquidity risk

The bank determines its liquidity management on the basis of a prudent risk profile. But in light of the turmoil prevailing in the financial markets in the latter part of 2007, the prudence was enhanced with due consideration to the bank's continued ability to serve existing and potential customers in a satisfactory manner.



Repayment structure of the bank´s external long-term interbank funding and bond issue.

The liquidity required for the bank's increased business volume in 2007 was procured through an increase in deposits by the bank's customers and raising of loans in the international financial markets.

Alm. Brand Bank raised liquidity in the loan markets twice in 2007. The first time was in January 2007 when the bank raised an existing bond issue by NOK 350 million. The second time was in April when the bank raised a loan of EUR 455 million.

In addition, the bank strengthened its capital base at 30 June 2007 by raising subordinated loan capital of DKK 200 million.

OPERATIONAL RISK

The Alm. Brand Group's operational risks are monitored on an ongoing basis in order to ensure that the necessary security measures, controls and resources are in place. The scope of these measures is weighed up against the expenses they involve. Security measures are assessed relative to threats to the group and their assessed likelihood as well as the potential business consequences, should the threats materialise. The ongoing risk assessment helps to reduce the group's operational risks to an acceptable level that meets the requirements and expectations of internal and external stakeholders.

The Alm. Brand Group has a number of control procedures in the form of work routines, business procedures and reconciliation processes, performed locally and centrally throughout the organisation. Combined with the segregation of controlling and operational functions within the organisation and the training of staff, these procedures help minimise operational risk.

In case of a prolonged physical or IT breakdown, Alm. Brand must be able to re-establish and continue its most essential operational functions. To address this, the Board of Directors has approved a set of contingency targets for the group. The targets have been implemented as a central contingency organisation, evacuation plans, contingency manuals applicable to each business area, a robust fundamental technical IT setup and focus on standardising processes and IT.

The group continuously seeks to improve its IT security, which in Alm. Brand is based on an IT security policy adopted by the Board of Directors. The policy defines general IT security requirements to ensure that the Alm. Brand Group's overall use of IT is secure and controlled. The IT policy is implemented in security guidelines, user guidance as well as a number of measures and business procedures.

The central banking systems are operated by Bankdata, and the group's other central IT equipment and systems are outsourced to the group's external IT provider, IBM SDC DK A/S, which further enhances physical IT security and operational reliability in the group. These measures have significantly reduced operational risk in this area.

The internal audit carries out regular in-depth, independent reviews to verify that work routines and business procedures are adequate, and that the employees comply with them. As a supplement to the internal audit, an external IT audit af the group's own IT systems is carried out, whereas auditors' statements are obtained from Bankdata, IBM and others.

The group's risk policies and risks are described in detail under Investor Relations at www.almbrand.dk.

SHAREHOLDER INFORMATION

GOALS
The purpose of our investor relations activities is to ensure precise communication concerning the group, thereby providing as correct a basis for pricing the group's share as possible. Moreover, activities and information flows should ensure that the market has access to adequate information to attract investments from a sufficient number of investors.

ACTIVITIES
Alm. Brand conducted substantial investor relations activities in Denmark and abroad in 2007 as part of the efforts to keep the market informed about the company and its financial results.

The number of analysts covering the Alm. Brand share on a regular basis grew to seven in 2007 as two finance houses began following the share. In addition, the share is analysed on an ad hoc basis by a number of other equity analysts.

The intensified analyst coverage and substantial interest in the share in general results in a busy meeting schedule. These events included road show presentations of Alm. Brand in Denmark, the USA, Canada, the UK, the Nordic region and continental Europe. In addition, we addressed the professional market in Denmark and internationally by holding a number of one-on-one meetings and presentations to large and small audiences. Moreover, as has become a regular part of the group's investor relations work, we arranged press meetings when announcing our full-year and interim reports.

In order to reach as broad an audience as possible, the announcement of the annual report for 2006 was also webcast on the company's and OMX Nordic Exchange Copenhagen's websites. The interim report for the six months ended 30 June 2007 was announced in an audiocast.

The company observes a silent period starting three weeks before the announcement of full-year and interim reports.

SHARE PERFORMANCE
We have experienced growing demand for information activities in recent years, not least in the first half of 2007. Conversely, the second half of the year was characterised by substantial caution from investors due to the credit crisis and the sour equity market which hit financial shares particularly hard. At year-end 2007 and especially going into 2008, interest in the share is rebuilding.

In 2007, the average daily turnover was DKK 17.6 million, against DKK 18.7 million in 2006.

The share price performance was on a rough ride in 2007 in line with the rest of the market. After rising from DKK 400 at 1 January 2007 to DKK 440 at 1 February 2007, the share price dropped during the rest of the year. The share price decline accelerated in the second half of the year, closing at DKK 286 at 31 December 2007, equal to 110% of the net asset value per share. The market capitalisation was DKK 5,4 billion at 31 December 2007. The table below shows how a number of indicators developed from 2006 to 2007:

	2006	2007
Return on equity	21.5%	20.1%
Earnings per share	DKK 37	DKK 35
P/E	10.8	8.2
Price/NAV	1.71	1.10
Share price	DKK 400	DKK 286

According to the new Nordic rules of OMX Nordic Exchange Copenhagen, a company is a component of the Mid-Cap list if its market capitalisation is below EUR 1 billion. Consequently, the share buybacks and the falling market price of the group's shares moved the Alm. Brand share from the Large Cap list to the Mid-Cap list from 1 January 2008.

DIVIDENDS

Alm. Brand has defined a dividend policy based on a capital model that meets the regulatory capital requirements and provides financial latitude to cope with unforeseen events. The capital calculation model reflects management's defined capital requirements:

	Times the statutory solvency requirement	2007
Non-life insurance	2.4	1,637
Banking excluding partly-owned listed subsidiaries	1.3	1,822
Banking, investments in partly-owned listed subsidiaries	1.0	801
Life insurance	2.0	936
Reinsurance, shareholders' equity	1.0	261
Capital target, year-end 2007		**5,457**
Consolidated shareholders' equity		**5,446**
Net tax asset		– 234
Intangible assets		– 227
Adjusted consolidated shareholders' equity excluding supplementary capital		**4,985**
Dividend distribution excluding supplementary capital		**– 472**
Supplementary capital		817
Dividend distribution including supplementary capital		**345**

As a result of the highly satisfactory results seen in recent years, at the beginning of 2007 the group had excess cover according to the capital model. Therefore, a DKK 600 million share buyback programme was launched in connection with the annual report for 2006. The programme was increased to DKK 700 million in connection with the release of the interim report for the six months ended 30 June 2007.

The shares were bought on an ongoing basis throughout the year until mid-January 2008 when shares worth a total of DKK 650 million had been bought back, bringing Alm. Brand A/S' portfolio of treasury shares to 9.97%. The share buyback programme was therefore temporarily closed, as the company's portfolio of treasury shares is not allowed to exceed 10% pursuant to the rules of the Danish Public Companies Act.

A resolution was adopted at the company's annual general meeting to cancel 1.5 million shares. This was completed after expiry of the statutory notice period on 8 August 2007.

Due to the share price decline in the autumn of 2007, the company was able to buy back a significantly larger number of shares under the share buyback programme than anticipated. To avoid reaching the 10% ownership limit, the company held an extraordinary general meeting on 20 November 2007 to adopt a resolution to cancel 1.2 million shares, thereby reducing the company's share capital by DKK 96 million. The resolution was adopted, and the shares will be cancelled on expiry of the statutory notice period on 27 February 2008. The outstanding part of the programme will be completed as soon as possible thereafter, corresponding to an additional share buyback of DKK 50 million.

The company's share buyback programme complies with the rules stated on the group's website.

The average purchase price was DKK 328 per share. Overall, this corresponded to a pay-out ratio of 14.

The share purchases were effected so as to keep the principal shareholder's ownership interest unchanged. This meant that the number of shares purchased in the market only equalled 40% of the amount of DKK 650 million bought back so far. Alm. Brand A/S will purchase the remainder at the same price from Alm. Brand af 1792 fmba.

The group plans to cancel shares bought back in 2008. The decision must be made by the company's shareholders. In the event that further capital reductions prove necessary, extraordinary general meetings will be held as and when required.

For the financial year 2007, the Board of Directors proposes that no dividend be distributed, and that the profit for the year be transferred to retained earnings.

Assuming a pre-tax profit of DKK 870 million for 2008, the group expects to effect a share buyback programme of DKK 600 million from March 2008 to the end of January 2009,

SHAREHOLDER INFORMATION

corresponding to an expected pay-out ratio of 12 based on the share price at mid-February 2008.

ANALYSTS

Alm. Brand shares are covered by the analysts listed below:

Carnegie Bank A/S, Anders Hornbak, tel: +45 32 88 03 35, email: anders.hornbak@carnegie.dk

Danske Bank A/S, Gianandrea Roberti, tel: +45 45 12 80 41, email: GIAN@danskebank.dk

Enskilda Securities A/S, Simon Christensen, tel: +45 36 97 75 26, email: simon.christensen@enskilda.dk

FIH Capital Markets, Jesper Brydensholt, +45 72 22 54 17, jesper.brydensholt@kaupthing.com

Handelsbanken, Jacob Brink, tel: +45 33 41 85 15, email: jabr09@handelsbanken.se

LD Markets, Torsten Bech, tel: +45 33 38 73 21, email: tbe@ldmarkets.dk

Standard&Poors (for Nordea), Joakim Ström, tel: +46 854 50 6957, email: joakim_strom@standardandpoors.com

Sydbank, Rune Majlund Dahl, tel: +45 74 36 44 69, email: rune.dahl@sydbank.dk

REMUNERATION

Board members of Alm. Brand A/S receive fixed annual remuneration reflecting the scope of the board work and the responsibility related to serving on the Board. The Board members' total emoluments are approved by the company in general meeting in connection with the approval of the annual report.

Board members are not remunerated by way of incentive plans.

MANAGEMENT'S SHAREHOLDINGS

Members of the Board of Directors and the Management Board had reported the following shareholdings in Alm. Brand A/S at 31 December 2007:

	No. of shares	Market value (DKK) at 31 Dec 2007
Board of Directors of Alm. Brand A/S	7,556	2,161,016
Management Board of Alm. Brand A/S	2,769	791,934

No share programmes are available or have been available to the company's management.

THE ALM. BRAND SHARE

The company's share capital is DKK 1,668 million nominal value divided into 20,850,000 shares of DKK 80 each. Each share carries one vote. Excluding Alm. Brand A/S' treasury shares, the number of shares is 18,944,491.

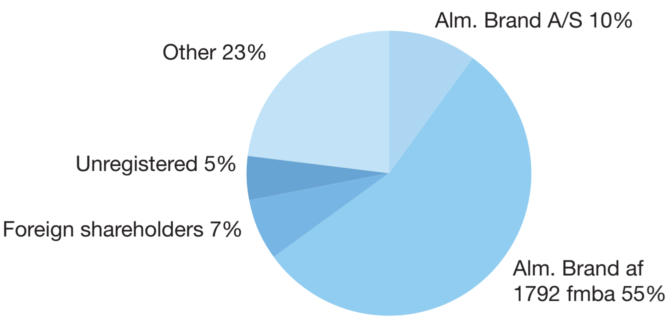
The securities identification code of Alm. Brand shares is DK001525034-4.

OWNERSHIP

At 31 December 2007, 19,788,588 of the company's shares were held by shareholders who represented 94.9% of the share capital. Foreign investors held 7% of the shares at 31 December 2007.

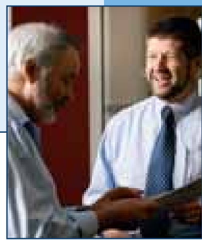
Only one shareholder – other than the company itself – has notified Alm. Brand that it holds in excess of 5% of the company's share capital: Alm. Brand af 1792 fmba held 55% at 31 December 2007. In connection with Alm. Brand's cancellation of the shares bought back, the principal shareholder's ownership interest is expected to go back up to approximately 60%.

When the share buyback programme was temporarily closed in mid-January 2008, Alm. Brand A/S held 9.97% of the company's share capital. This percentage will be reduced significantly in connection with the cancellation of treasury shares adopted at an extraordinary general meeting held in November 2007



ANNUAL GENERAL MEETING

The annual general meeting of Alm. Brand A/S will be held at 11:00 a.m. on 24 April 2008 at Radisson SAS Scandinavia Hotel, Amager Boulevard 70, DK-2300 Copenhagen S.



FINANCIAL CALENDAR

- Annual Report 2007 to be released on 28 February 2008
- Annual general meeting to be held on 24 April 2008
- Q1 report to be released on 29 May 2008
- Interim report for the first half-year to be released on 27 August 2008
- Q3 report to be released on 19 November 2008

Dates	Event
27 February 2007:	Annual Report 2006
5 March 2007:	Report on transactions
5 March 2007:	Report on transactions
6 March 2007:	Report on transactions
15 March 2007:	Report on transactions
21 March 2007:	Report on transactions
2 April 2007:	Notice of annual general meeting
16 April 2007:	Annual general meeting - Agenda and complete proposals
26 April 2007:	Result of the annual general meeting
24 May 2007:	Quarterly report, Q1 2007
1 June 2007:	Report on voting rights and capital
27 June 2007:	Holding of treasury shares increased
9 August 2007:	Completion of capital reduction
10 August 2007:	Holding of treasury shares decreased
28 August 2007:	Interim report for the six months ended 30 June 2007
10 October 2007:	Holding of treasury shares increased
31 October 2007:	Notice of extraordinary general meeting
12 November 2007:	Extraordinary general meeting - Agenda and complete proposals
20 November 2007:	Quarterly report, Q3 2007
20 November 2007:	Result of extraordinary general meeting
22 November 2007:	Report on transactions
10 December 2007:	Report on transactions
17 December 2007:	Report on transactions
18 December 2007:	Report on transactions
20 December 2007:	Financial calendar for 2008

INVESTOR RELATIONS POLICY

Alm. Brand intends to provide strong information flows regarding the ongoing development of the group and its business activities, while endeavouring to continuously develop and improve the information provided to the company's stakeholders, including the company's shareholders.

We provide regular updates on developments in the company in full-year and interim financial reports and through Alm. Brand Bladet, which is published in Danish four times a year. Additional information is available at the company's web site, www.almbrand.dk, including all announcements to OMX Nordic Exchange Copenhagen, full-year and interim financial reports, company presentations and webcasts. The website also contains a detailed presentation of the group's goals and strategy, corporate structure, corporate governance and more.

INVESTOR RELATIONS CONTACT

Please direct any questions concerning Alm. Brand investor relations to Susanne Biltoft, Head of Information and Investor Relations, on tel. +45 35 47 76 61 or by e-mail to abrslb@almbrand.dk.

Full-year and interim financial statements may be obtained from our Information Department (tel. +45 35 47 79 09) or downloaded from the group's website at www.almbrand.dk.

CORPORATE GOVERNANCE

In 2005, Alm. Brand A/S' Board of Directors first considered all recommendations for good corporate governance applying the "comply or explain" principle.

The Board of Directors believes that corporate governance should be based on a holistic approach that considers relations and the interaction with all stakeholders. Alm. Brand strives to obtain maximum transparency and openness and thus agrees with the basic principles of the corporate governance recommendations. This is reflected in the company's management approach, which generally complies with the recommendations on corporate governance. A detailed review of Alm. Brand's position on each recommendation is provided on the company's website.

SHAREHOLDER INFORMATION

The few areas where Alm. Brand does not comply with the recommendations are discussed below:

BOARD OF DIRECTORS

As regards recruitment and election of Board members, it is recommended that at least half of the Board members should be independent.

Five of the six Board members of Alm. Brand are recommended by the company's principal shareholder, Alm. Brand af 1792 fmba. These five Board members are also members of the Supervisory Committee of Alm. Brand af 1792 (equal to its board of directors) and have thus been elected from among the members of Alm. Brand af 1792 fmba's Committee of Representatives in pursuance of that association's by-laws. The company does not provide information about the recommended candidates' background, qualifications and the criteria for recruitment ahead of the annual general meeting, nor does it provide a list of Board members' qualifications annually. However, information about the Board members' other executive positions and directorships etc. is included in the annual report. As regards new candidates, such information is also provided in the complete proposals sent out prior to the annual general meeting.

Alm. Brand af 1792 fmba holds approximately 60% of the voting rights in Alm. Brand A/S and five Board members are elected by the principal shareholder. Management believes that the principal shareholder and the remaining shareholders have identical interests in the company.

The sixth Board member elected by the shareholders in general meeting has no affiliation with the principal shareholder.

Alm. Brand A/S provides information about each individual Board member's directorships, while Board member shareholdings are provided only in aggregate.

The Board of Directors held 11 meetings in 2007.

NUMBER OF DIRECTORSHIPS HELD

Alm. Brand has not defined a maximum number of directorships its Board members may hold. The Board of Directors believes that the factor determining whether Board members are able to perform the duties involved in their office is their work load, not the number of directorships held. Accordingly, the Board of Directors will ensure in an ongoing and dynamic process that each individual member has sufficient time to perform his or her duties on the Board.

REMUNERATION TO THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

It is recommended that information about the remuneration of each Board member and each member of the Management Board be provided individually in the annual report. The Board of Directors monitors developments in this area, but does not at this time find that information on an individual basis is required. The company announces guidelines and the aggregate remuneration of the Board of Directors and the Management Board, respectively.

It is further recommended that the company's remuneration policy is mentioned in the chairman's report at the company's general meeting and that the remuneration of the Board of Directors for the present financial year is presented for adoption at the general meeting. The company believes that shareholder interests are sufficiently safeguarded by disclosing the remuneration policy and the remuneration of the Board of Directors for the past financial year in the annual report. The issue may also be taken up at the request of a shareholder.

Overall, the Board of Directors believes that Alm. Brand complies with the corporate governance criteria and that these few exceptions do not constitute a disadvantage or are contrary to the interests of the shareholders or other stakeholders.

STATEMENT BY THE MANAGEMENT BOARD AND THE BOARD OF DIRECTORS

The Board of Directors and the Management Board have today reviewed and adopted the annual report for 2007 of Alm. Brand A/S.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the annual report of the parent company has been prepared in accordance with the Danish Financial Business Act. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises. In our opinion, the accounting policies applied are appropriate, and the annual report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2007 and of the results of the group's and the parent company's operations and the cash flow of the group for the financial year ended 31 December 2007. 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.

We recommend that the annual report be submitted to the annual general meeting for approval.

MANAGEMENT BOARD

Copenhagen, 28 February 2008

Søren Boe Mortensen	*Henrik Nordam*
Chief Executive	Deputy Chief Executive

BOARD OF DIRECTORS

Copenhagen, 28 February 2008

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

AUDITORS' REPORTS

INTERNAL AUDIT

We have audited the annual report of Alm. Brand A/S for the financial year ended 31 December 2007, comprising a statement by the Board of Directors and the Management Board, management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the annual report of the parent company has been prepared in accordance with the Danish Financial Business Act. In addition, the annual report has been prepared in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Basis of opinion

We conducted our audit on the basis of the Executive Order of the Danish Financial Supervisory Authority on auditing financial enterprises and financial groups and in accordance with Danish auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the annual report is free of material misstatement.

The internal audit department participated in auditing the most significant areas and risk areas. In our audit, we reviewed business procedures and internal control procedures, including the risk management implemented by the Board of Directors and the Management Board, aimed at reporting processes and major business risks. Based on an evaluation of materiality and risk, we tested the basis for the amounts and other disclosures in the annual report, including evidence supporting the amounts and disclosures in the annual report. Our audit also included assessing the accounting policies used and estimates made by the Board of Directors and the Management Board, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the group's assets, liabilities and financial position at 31 December 2007 and of the results of the group's operations and cash flows for the financial year ended 31 December 2007 in accordance with the International Financial Reporting Standards as adopted by the EU and the additional Danish disclosure requirements for the annual reports of listed financial enterprises.

In addition, in our opinion, the annual report gives a true and fair view of the parent company's assets, liabilities and financial position at 31 December 2007 and of the results of its operations for the financial year ended 31 December 2007 in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Copenhagen, 28 February 2008

Poul-Erik Winther Nielsen
Chief Auditor

INDEPENDENT AUDITORS' REPORT

To the shareholders of Alm. Brand A/S

We have audited the annual report of Alm. Brand A/S for the financial year ended 31 December 2007, comprising a statement by the Board of Directors and the Management Board, management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the annual report of the parent company has been prepared in accordance with the Danish Financial Business Act. In addition, the annual report has been prepared in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Management's responsibility for the annual report

The Board of Directors and the Management Board are responsible for preparing and presenting an annual report that gives a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the annual report of the parent company and in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of an annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the group's assets, liabilities and financial position at 31 December 2007 and of the results of the group's operations and cash flows for the financial year ended 31 December 2007 in accordance with the International Financial Reporting Standards as adopted by the EU and the additional Danish disclosure requirements for the annual reports of listed financial enterprises.

In addition, in our opinion, the annual report gives a true and fair view of the parent company's assets, liabilities and financial position at 31 December 2007 and of the results of its operations for the financial year ended 31 December 2007 in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Copenhagen, 28 February 2008

Deloitte
Statsautoriseret Revisionsaktieselskab

Henrik Priskorn	*Jens Ringbæk*
State-Authorised Public Accountant	State-Authorised Public Accountant

FINANCIAL STATEMENTS GROUP

ACCOUNTING POLICIES

GENERAL

The annual report has been prepared in accordance with the International Financial Reporting Standards as approved by the EU. 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. In addition, the annual report has been prepared in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

Additional Danish disclosure requirements in the annual report are for the group set out in the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Business Act and by OMX Nordic Exchange Copenhagen. For the parent company, the disclosure requirements are set out in the Danish Financial Business Act and by OMX Nordic Exchange Copenhagen.

The annual report is presented in Danish kroner (DKK), which is considered the primary currency of the group's activities and the functional currency of the parent company.

The accounting policies applied in the consolidated financial statements are described in the following. The accounting policies of the parent company are described in connection with the parent company's financial statements, as detailed in a separate section of this report.

IMPLEMENTATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The annual report for 2007 is presented in accordance with the new and revised standards (IFRS/IAS) and interpretations (IFRIC) which apply for financial years starting on or after 1 January 2007. These standards and interpretations are:

- IFRS 7, Financial Instruments: Disclosures
- IAS 1, Presentation of financial statements (updated 2005)
- IAS 32, Financial Instruments: Disclosure and presentation (updated 2005)
- IFRIC 7, Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies
- IFRIC 8, Scope of IFRS 2
- IFRIC 9, Reassessment of embedded derivatives
- IFRIC 10, Interim financial reporting and impairment

In the annual report for 2006, Alm. Brand opted for early adoption of IFRS 7 and the updated IAS 32 in the consolidated financial statements.

The implementation of the other new and revised standards and interpretations in the annual report for 2007 has not resulted in changes to accounting policies but exclusively affected the scope and nature of note disclosures in the annual report.

STANDARDS AND INTERPRETATIONS NOT YET IN FORCE

At the date of the publication of this annual report, the following new or amended standards and interpretations have not yet entered into force, and are therefore not included in this annual report:

- IFRS 8, Operating segments. The standard comes into force for financial years starting on or after 1 January 2009.
- IAS 1, Presentation of financial statements (updated 2007). The standard comes into force for financial years starting on or after 1 January 2009. The standard has not yet been adopted for use in the EU.
- IAS 23, Borrowing costs (updated 2007). The standard comes into force for financial years starting on or after 1 January 2009. The standard has not yet been adopted for use in the EU.
- IFRIC 11, Group and treasury share transactions. The interpretation comes into force for financial years starting on or after 1 March 2007.
- IFRIC 12, Service concession arrangements. The interpretation comes into force for financial years starting on or after 1 January 2008. The interpretation has not yet been adopted for use in the EU.
- IFRIC 13, Customer loyalty programmes. The interpretation comes into force for financial years starting on or after 1 August 2008. The interpretation has not yet been adopted for use in the EU.
- IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction. The interpretation comes into force for financial years starting on or after 1 January 2008. The interpretation has not yet been adopted for use in the EU.

Management believes that the application of these other new and revised standards and interpretations will not have any material impact on the annual report for the coming financial years, except for the additional disclosure requirements for operating segments that follow from the implementation of IFRS 8.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the parent company and subsidiaries in which the parent company holds the majority of the voting rights or otherwise holds a controlling interest. Companies in which the group holds between 20% and 50% of the voting rights or otherwise exercises a significant but not a controlling influence are considered associates.

The consolidated financial statements have been prepared by consolidating items of a uniform nature in the income statements and balance sheets of each company. Intercompany income, expenses, intra-group accounts, shareholdings and gains and losses on transactions between the consolidated enterprises are eliminated.

The financial statements of subsidiary undertakings that present annual reports under other jurisdictions have been restated to the accounting policies applied by the group.

In the preparation of the consolidated financial statements, accounting items of subsidiaries are fully recognised, regardless of the percentage of ownership. The proportionate shares of the results and equity of subsidiary undertakings attributable to minority interests are recognised as separate items in the income statement and the balance sheet.

The consolidated financial statements of Alm. Brand A/S are included in the consolidated financial statements of Alm. Brand af 1792 fmba, Copenhagen.

ACCOUNTING POLICIES

Acquisitions
Subsidiary undertakings newly acquired or disposed of are recognised in the consolidated financial statements from the date of acquisition and until the date of disposal respectively. Comparatives are not adjusted.

Acquisitions are accounted for using the purchase method, according to which the acquired enterprise's identifiable assets, liabilities and contingent liabilities are recognised in the balance sheet at fair value at the time of acquisition.

Where the cost exceeds the fair value of the acquired net assets, the excess amount is capitalised as goodwill under intangible assets. Goodwill is tested for impairment annually.

If the measurement of acquired identifiable assets, liabilities or contingent liabilities is subject to uncertainty at the time of acquisition, initial recognition will be made on the basis of a preliminary calculation of fair values. If it later turns out that the identifiable assets, liabilities or contingent liabilities had another fair value at the time of acquisition than that originally assumed, goodwill be adjusted until 12 months after the acquisition. The effect of the adjustment will be recognised in the opening shareholders' equity, and comparative figures will be restated accordingly.

INTRA-GROUP TRANSACTIONS

Intra-group services are settled on market terms or on a cost recovery basis. Intra-group financial statements carry interest on market terms. Intra-group transactions in securities and other assets are settled at market prices.

FOREIGN CURRENCY

Assets and liabilities denominated in foreign currency are recognised at the rate of exchange published by Danmarks Nationalbank at the balance sheet date. Income and expenses denominated in foreign currency are recognised at the rates of exchange ruling at the transaction date. Exchange gains and losses are recognised in the income statement.

On consolidation, the income statements of foreign subsidiaries are translated at average exchange rates for each month and balance sheet items are translated at the exchange rates prevailing at the balance sheet date.

Exchange differences arising on the translation of the equity of foreign subsidiaries at the beginning of the year using the exchange rates ruling on the balance sheet date are recognised in shareholders' equity. Differences arising on the translation of the income statements of foreign subsidiaries at average exchange rates and balance sheet items at the rates ruling on the balance sheet date are also taken directly to shareholders' equity.

GENERAL RECOGNITION AND MEASUREMENT POLICIES

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group and the value of the liability can be reliably measured.

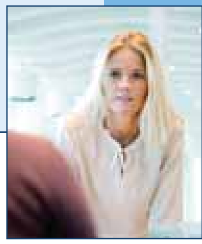
On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below in respect of each individual item.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to the financial year. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described in the accounting policies.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

In connection with the acquisition or sale of financial assets and liabilities, the settlement date is used as the recognition date. Changes to the value of the asset acquired or sold during the period from the transaction date to the settlement date are recognised as a financial asset or a financial liability. If the acquired item is measured at cost or amortised cost after initial recognition, any value changes during the period from the transaction date to the settlement date are not recognised.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount. This method allocates capital gains and losses over the term to maturity.



ACCOUNTING ESTIMATES

The items most materially affected by accounting estimates are insurance obligations, loans and advances and receivables.

In respect of impairment of loans, advances and receivables, significant estimates have been applied in quantifying the risk that not all future payments may be received. As for the fair value of unlisted financial instruments, significant estimates have been applied in measuring the fair value. In addition, the banking group is subject to risks and uncertainties that may cause actual results to deviate from the estimates.

However, Management does not believe that the uncertainties have any material impact on the annual report.

BALANCE SHEET

Intangible assets

Goodwill

On initial recognition, goodwill is recognised at fair value, determined as the difference between acquisition cost and fair value of the acquired net assets. An impairment test is conducted annually, and any impairment losses are recognised in the income statement.

Software

Software is measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount. Software is amortised on a straight-line basis over an expected useful life not exceeding five years.

In determining cost, all costs directly attributable to the development of the software and that will probably generate economic benefits for the group are recognised. All other costs are expensed as incurred. Amortisation and impairment are recognised as administrative expenses.

Land and buildings

Land and buildings owned by the group are classified as either investment properties or owner-occupied properties. Owner-occupied properties comprise properties which Alm. Brand generally uses for administrative purposes. Other properties are classified as investment properties.

The group has not used external valuers to determine the fair values of the properties. The fair value of land and buildings is assessed annually.

Investment properties

Investment properties are measured at a fair value calculated in accordance with the guidelines issued by the Danish Financial Supervisory Authority. The fair value is calculated on the basis of the yield method, which involves a valuation of each individual property on the basis of an expected normal operating budget and a rate of return. The calculated value is adjusted for short-term circumstances which change the earnings of the property. The adjusted calculated value corresponds to the fair value.

Adjustments of the value of investment properties are recognised in the income statement in the financial year when the change occurred.

Owner-occupied properties

Owner-occupied properties are measured at a revalued amount corresponding to the fair value at the revaluation date less accumulated depreciation and value adjustments. The fair value is calculated on the basis of the Danish Financial Supervisory Authority's guidelines on the yield method, which involves the measurement of each individual property on the basis of an expected normal operating budget and a rate of return. The calculated value is adjusted for short-term circumstances which change the earnings of the property. The adjusted calculated value corresponds to the fair value.

Owner-occupied properties are depreciated on a straight-line basis over the expected useful lives of the properties, which are estimated to be 60 years. Depreciation is calculated with due consideration to the expected residual value and is recognised in the income statement under administrative expenses.

Revaluations with the addition or deduction of the tax effect, including properties classified as owner-occupied properties, are made in shareholders' equity as revaluation reserves. If a revaluation can no longer be maintained, it is reversed. Write-downs that do not offset previous revaluations are made in the income statement.

The part of the revaluations that can be attributed to insurance contracts with bonus entitlement is subsequently transferred to collective bonus potential in accordance with the contribution rules filed.

The yield method
The operating budget recognises rental income from full letting, as any rent for vacant premises or other lack of rental income is offset against the estimated value. Accordingly, the operating budget recognises normal maintenance of the property. Any major anticipated renovation work, restoration work or repair is offset against the estimated value.

The rate of return is determined based on current market conditions for the type of property taking into account the state of repair, location, use, leases etc.

Investments in associates
Investments in associates are recognised and measured in the consolidated financial statements according to the equity method, which means that the investments are measured at the parent company's proportionate share of the company's net asset value at the balance sheet date, calculated according to the group's accounting policies.

Reinsurers' share from insurance contracts
The reinsurers' share of the technical provisions is calculated as the amounts expected to be received from reinsurance companies under the applicable reinsurance contracts.

The group regularly assesses its reinsurance assets for impairment. If there is a clear indication of impairment, the carrying amount of the asset is written down.

Operating equipment
Operating equipment is measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets taking into account the expected residual value. The expected useful lives are assessed to be:

- Cars 5 years
- Furniture and equipment 3-5 years
- Computers 3-5 years

Cost comprises acquisition cost and directly attributable costs.

Leasehold improvements are capitalised and amortised over their estimated useful lives, up to five years, taking into account the expected residual value.

Investment assets, loans, advances, etc.
Investment assets comprise financial assets measured at fair value. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

The measurement of financial instruments depends on whether the instruments are part of the group's trading portfolio. Generally, the group's financial instruments form part of the trading portfolio, not including unlisted shares and part of the portfolio of mortgage deeds.

Financial instruments included in the trading portfolio are measured at fair value, and value adjustments are taken to the income statement. For financial instruments not included in the trading portfolio it is assessed whether the fair value can be determined reliably.

For the majority of the unlisted shares and the portfolio of mortgage deeds, it is assessed that the fair values can be measured sufficiently reliably using recognised valuation methods. These assets are on this basis measured at fair value and value adjustments are taken to the income statement. The unlisted shares for which it is assessed that the fair value cannot be determined sufficiently reliably are measured at cost less any impairment.

The measurement of financial instruments at fair value is consistent with the group’s internal risk management, which is based on market exposure of assets and liabilities subject to risk.

Financial assets are recognised or derecognised at the settlement date.

Listed financial assets are measured at fair value based on the closing price at the balance sheet date, or, in the absence of a closing price, another public price deemed to be most similar thereto.

Unlisted financial assets are measured at fair value using recognised valuation methods. For unlisted assets that are managed by external fund managers, these calculate an estimated market value based on the estimated present value of expected future cash flows.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through income are included in the income statement in the period in which they arise.

Securities sold under agreements to repurchase at a later date (repo transactions) remain in the balance sheet. Amounts received are included as amounts owed to the purchaser and are subject to interest at the agreed rate. The securities are measured as if they were still included in the balance sheet, and market value adjustments and interest etc. are recognised in the income statement.
Securities purchased under agreements to resell at a later date (reverse transactions) are not recognised in the balance sheet. Amounts paid are recognised as a receivable and are subject to interest at the agreed rate.

Derivatives
As part of the risk management efforts, the fair value of certain fixed-interest assets and liabilities is hedged through the use of derivatives.

Derivatives are measured at cost on initial recognition. Subsequently, derivatives are measured at fair value at the balance sheet date.

Changes in the fair value of derivatives designated as and qualifying for recognition as fair value hedges of a recognised asset or a liability are recognised in the income statement together with changes in the fair value of the hedged asset or hedged liability that can be attributed to the hedged risk.

Changes in the fair value of derivatives designated as and qualifying for recognition as effective hedges of future cash flows are recognised directly in equity. When the hedged cash flows are realised, cumulative changes are recognised as part of the cost of the transactions in question.

For derivatives that do not qualify for hedge accounting, changes in fair value are recognised as financial items in the income statement as they occur.

Loans, advances and receivables
Loans, advances and receivables for which the price is fixed in active markets are measured at fair value. The loans, advances and other receivables involved must be measured at fair value on initial and subsequent recognition. The fair value is calculated using a valuation technique which is in accordance with generally recognised methods of pricing financial instruments.

Other loans and advances and other receivables are measured at amortised cost. On initial recognition, the portfolio is measured at fair value plus transaction costs less fees and commissions received that are directly related to the acquisition or issue of the financial instrument. On subsequent recognition, such loans, advances and other receivables will be adjusted to amortised cost on a current basis.

An ongoing evaluation takes place to detect any objective indication of impairment of the company's loans, advances and other receivables determined at amortised cost. If there is any objective indication of impairment, the need to write down the loan, advance or receivable is assessed. Any impairment losses are calculated based on the difference between the carrying amount before the impairment and the present value of expected future payments from the loan, advance or receivable.

ACCOUNTING POLICIES

Balances due from credit institutions
Balances due from credit institutions are measured at fair value on initial and subsequent recognition and comprise all receivables from credit institutions and central banks, including receivables in connection with genuine purchase and resale transactions.

Cash in hand and balances at call
Cash in hand and balances at call are measured at fair value on initial and subsequent recognition.

Contingency funds
The contingency funds can only be used for the benefit of policyholders. Contingency fund 2 is moreover subject to the restriction that it can only be used when permission has been obtained from the Danish Financial Supervisory Authority.

Deferred tax has been provided on the group's contingency funds.

Dividend
Dividends are recognised as a liability in the financial statements at the time of adoption by the shareholders at the annual general meeting. Proposed dividends in respect of the financial year are stated as a separate line item under shareholders' equity.

Treasury shares
Purchases and sales of treasury shares are recognised directly in shareholders' equity under other reserves.

Subordinated debt
Subordinated debt comprises liabilities which, in the case of liquidation or bankruptcy and pursuant to the loan conditions, cannot be settled until any other creditor claims have been honoured.

Subordinated debt is recognised at fair value, equalling the payment received less directly attributable costs incurred. Subsequently, subordinated debt is measured at amortised cost using the effective interest method with the addition of the fair value of the hedged interest rate risk.

Issued bonds at amortised cost
Issued bonds at amortised cost are recognised at fair value, equalling the payment received less directly attributable costs incurred. Subsequently, issued bonds are measured at amortised cost using the effective interest method.

Provisions for insurance contracts
Unearned premium provisions and outstanding claims provisions are measured at their discounted value if such discounting materially affects the size of the provisions. The discount rate applied is the maturity-dependent discount rate published by the Danish Financial Supervisory Authority for the duration in question.

Unearned premium provisions
Unearned premium provisions are measured as the best estimate of future claims for the part of the insurance period not yet run off, including all direct and indirect administrative and claims-handling expenses. Unearned premium provisions will, however, as a minimum correspond to an accrual of the premiums collected. Unearned premium provisions on change-of-ownership policies are discounted.

Unearned premium provisions relating to health and personal accident insurance are made up according to market value principles. They are calculated as the difference between the present value of the company's liabilities in respect of health and personal accident policies and the present value of the premiums to be paid by policyholders in the future using a best estimate of insurance risk, costs incurred in managing insurance and claims handling and the rate of return obtainable in the market. The provisions are calculated based on an assumption of a lower mortality and disability than in the company's calculation basis for new contracts. The reduction is estimated based on the company's historical claims ratios on mortality and disability, respectively, and costs relative to the assumptions in the calculation basis for new contracts. The actuary regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

Life insurance provisions
Provisions in Alm. Brand Liv og Pension A/S are stated at market value based on an expected cash flow discounted using the yield curve published by the Danish Financial Supervisory Authority. A risk premium is deducted in the discount rate applied. The risk premium covers the inherent uncertainty of the risk and cost parameters in the market value calculations. The actuary regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

The expected future insurance benefits are estimated based on projections of mortality and disability. These are estimated based on the company's historical claims ratios on mortality and disability, respectively, and actual costs relative to the assumptions in the calculation basis for new contracts.

Life insurance provisions are divided into provisions for guaranteed benefits, bonus potential on future premiums and bonus potential on paid-up policy benefits.

Life insurance provisions are calculated at market value, based on individual calculations for each policy. Also, bonuses earned but not yet added to the individual policies are added to the provisions. For amounts exempt from tax on pension returns, a discount rate without deduction of tax on pension returns is used.

The provisions are generally calculated based on an assumption of a lower mortality and disability than in the company's calculation basis for new contracts. The reduction is estimated on the basis of an empirical analysis of the company's insurance portfolio.

Provisions for the guaranteed benefits comprise obligations to pay benefits guaranteed to the policyholder. Provisions for guaranteed benefits are calculated as the difference between the present value of the benefits guaranteed by the insurance policy and the present value of the expected future insurance administration costs less the present value of the agreed future premiums. The provision includes an estimated amount in cover of future benefits resulting from already incurred claims and an estimated amount for claims incurred but not reported. The guaranteed benefits are calculated with the addition of a premium, ensuring that as a minimum a value corresponding to the guaranteed surrender value is provided.

The bonus potential on future premiums comprises obligations to pay a bonus concerning premiums agreed but not yet due. For the portfolio of insurance with bonus entitlement, the bonus potential on future premiums is calculated as the difference between the value of the guaranteed paid-up policy benefits and the value of guaranteed benefits. Guaranteed paid-up policy benefits are benefits guaranteed under the insurance if the policy is converted into a paid-up policy. The value of the guaranteed paid-up policy benefits is calculated as the present value of the guaranteed paid-up policy benefits plus the present value of the expected future administrative costs associated with the paid-up policies. Whether the bonus potential on future premiums is to be strengthened is determined individually for each calculation basis.

The bonus potential on paid-up policy benefits includes obligations to pay a bonus concerning premiums etc. already due. The bonus potential on paid-up policy benefits is calculated as the value of the policyholders' savings less provisions for the guaranteed benefits, the bonus potential on future premiums and the present value of the future administrative results. The administrative result is calculated as the future expense loading according to bonus regulations less the expected actual future administrative expenses reduced by the probability of surrender/paid-up policy. Whether the bonus potential on future premiums is to be strengthened is determined individually for each policy.

Outstanding claims provisions
Outstanding claims provisions comprise the amounts provided at the end of the year against claims reported but not settled as well as amounts for claims incurred but not reported. They are generally estimated using statistical methods based on the payment history. For workers' compensation, a separate model has been introduced which is mainly based on rulings and case officer assessments of individual claims. Furthermore, the company makes a provision for future revisions of settled and unsettled claims and a provision for reopened and future

delayed claims. Other factors affecting the necessary level of outstanding claims provisions include changes in legal practice, internal processes, inflation and singular, extreme claims.

The outstanding claims provisions also include amounts to cover direct and indirect costs considered necessary in connection with settling the claims obligations. The estimate of the provision is based on the direct and indirect costs incurred during a normal claims year on the establishment of new claims and the processing and settlement of old claims. Included in the calculations is the ratio of claims paid and the outstanding claims provisions at year end, including claims incurred but not reported.

For those claims on which at least 15% of the payments are made at least one year after the claim was made, the provisions are discounted. The outstanding claims provisions are divided into homogenous groups for which the average duration is calculated, and the provisions are discounted based on these.

For all lines except children's dental damage and workers' compensation, the future inflation rate is estimated and recognised implicitly in the provision models. For children's dental damage, a summary private sector salary index without safety margin is used. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation consists of an inflation element and a real wage element.

Several assumptions and estimates underlying the calculation of the provisions for claims are mutually dependent. However, the most important interdependence is that between the assumption of inflation and interest rates, although the effect of changes in the inflation rate assumption will not affect the calculation of the outstanding claims provisions as effectively as changes to the discount rate.

Provisions for claims relating to health and personal accident insurance are calculated at the present value of expected future payments. The outstanding claims provisions relating to health and personal accident insurance also include amounts to cover direct and indirect costs considered necessary in connection with settling the claims obligations. For reported claims, an individual assessment is made of the date of payment. The costs are estimated on the basis of the average duration of established claims payments and an assessment of the annual costs incurred in handling claims.

The provisions for current disablement benefits are determined individually, and an assessment of the duration of the benefits is made for each policy. To the determined provision is added a premium reflecting the risk of an extension of the expected duration, for example as a result of new health information. The premium is assessed regularly based on empirical experience.

Collective bonus potential
Collective bonus potential comprises obligations to pay a bonus in addition to the bonus amounts added to the life insurance provisions. The amount is not allocated to individual policyholders.

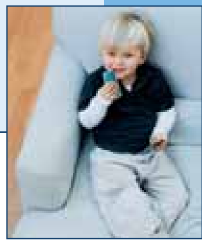
Liability adequacy test
The outstanding claims provisions are calculated according to actuarial methods and with a view to avoiding run-off losses as well as run-off gains. At the calculation date, the provisions thus represent the best estimate of future claims for the current and previous claims years. The outstanding claims provisions are calculated on a monthly basis, and the level is therefore assessed to be adequate at all times.

Other provisions
Obligations which are uncertain in respect of size or time of settlement are recognised as provisions when it is likely that the obligation will require an outflow of the company's financial resources, and the liability can be measured reliably. Provisions are measured at the best estimate of the costs necessary to meet the relevant obligation at the balance sheet date.

The provision will be discounted if such discounting has a material impact on the size of the liability.

Long-term employee obligations
Provisions for pensions and similar obligations comprise jubilee benefits, etc. to employees, notwithstanding that the future benefit is subject to the individual being employed by the company at the time of the benefit. The value of the future benefits is recognised as the present value of the benefits expected to be paid based on a best estimate.

Current costs in respect pensions etc. for the group's employees are treated as defined contribution plans. For defined contribution plans, the group pays fixed contributions and has no obligation to pay any further contributions. The obligations are fully funded.



Other financial liabilities
Other financial liabilities are measured at fair value on initial recognition. The liabilities are subsequently measured at amortized cost.

Deposits with ceding companies comprise amounts received which are kept to cover the insurance liabilities of other insurance companies towards the group's reinsurance companies.

Deposits for financial reinsurance comprise premiums received less deductions for claims paid equivalent to the company's liabilities pursuant to contracts made.

Deposits
Deposits are recognised at amortised cost and comprise all deposits, including obligations in connection with genuine sale and repurchase transactions and customers' receivable margins in connection with futures and option transactions.

Payables to credit institutions
Payables to credit institutions are measured at amortised cost and comprise obligations in connection with genuine sale and repurchase transactions and receivable margins in connection with futures and option transactions.

INCOME STATEMENT

Premium income
Gross premiums comprise premiums due relating to insurance and contracts where the risk period commenced before the end of the financial year.

Premium income, net of reinsurance, is the gross premiums for the year adjusted for movements in unearned premium provisions and less reinsurers' share.

The part of the change in unearned premium provisions which can be ascribed to discounting is transferred to interest expenses, etc. The part of the change in unearned premium provisions which can be ascribed to a change in the discount rate applied after inflation is transferred to market value adjustments.

Premiums relating to life insurance comprise premiums due during the year and single premiums less labour market contribution.

Interest income, etc.
Interest, dividends, etc. includes dividends received and interest earned during the financial year.

The item also includes interest-like fees and commissions that are an integral part of the effective rate of interest on financial assets measured at amortised cost. Finally, the item recognises the part of the change in unearned premium provisions and outstanding claims provisions that can be ascribed to discounting.

Fee income, etc.
Fees, etc. are accrued over the lifetime of the transactions and recognised in the income statement at the amounts relating to the accounting period.

Other income from investment activities
The item includes the operating profit on investment property after deduction of related administrative expenses.

Other income
Income derived from activities that cannot be ascribed to the company's principal activities is recognised under other income.

Claims incurred
Claims incurred include claims paid during the insurance year adjusted for movements in claims provisions corresponding to known and anticipated claims relating to the year.

Amounts to cover expenses for surveying and assessment and other direct or indirect staff administration costs, etc. associated with claims handling are included in the item. In addition, the item includes run-off results regarding previous years.

The group's indirect costs relating to the handling of claims are distributed between claims expenses and administrative expenses using allocation keys based on estimated resource application.

The part of the change in outstanding claims provisions which can be ascribed to discounting is transferred to interest expenses, etc. The part of the change in outstanding claims provisions which can be ascribed to a change in the discount rate applied after inflation is transferred to market value adjustments.

Alm. Brand has entered into swap agreements to partially hedge provisions for workers' compensation against changes in the future wage index, assuming a continued stable growth in the real value of claims paid. The value adjustment of these swaps is included in claims incurred.

Claims and benefits relating to life insurance comprise benefits due during the year, amounts paid for repurchases and bonus amounts paid in cash.

Other expenses associated with investment activities
The item includes amounts associated with the management of investment assets. Brokerage and commission relating to the purchase and sale of securities is recognised under market value adjustments.

Write-down on loans, advances and receivables etc.
Write-down on loans, advances and receivables comprises write-downs on loans, advances and receivables on which there is an objective indication of impairment and provisions for guarantees. The item also includes value adjustment of assets temporarily acquired in connection with closing commitments.

Acquisition costs and administrative expenses
The part of the insurance operation expenses that can be ascribed to acquisition and renewal of the insurance portfolio is recognised under acquisition costs. Acquisition costs are generally charged to the income statement when the insurance takes effect.

Administrative expenses comprise expenses related to managing the company's activities. Administrative expenses are accrued to match the financial year.

Operating expenses relating to owner-occupied properties are recognised in the consolidated income statement under administrative expenses. Rent concerning the company's owner-occupied properties is not recognised in the consolidated income statement, but the expense is included in the individual segment financial statements.

Other expenses
Expenses associated with activities that cannot be ascribed to the company's principal activities are recognised under other expenses.

Result of ceded business
For reinsurance contracts containing a combination of financial terms and traditional terms with transfer of risk, the risk premium is recognised on an accruals basis under premium income. The accrual is based on the value of the contracts at the end of the year. Realised losses relating to these contracts are included in claims after adjustment for movements in financial deposits.

Reinsurance premiums ceded and reinsurers' share received are accrued and recognised in the income statement according to the same principles as those applied for the corresponding items under the gross business.

Changes in ceded business attributable to discounting are transferred to interest expense etc. while changes attributable to changes in the discount rate applied are transferred to value adjustments.

Value adjustments
Value adjustments include all realised and unrealised gains and losses on investment assets, except for value adjustment of subsidiary and associated undertakings and revaluations of owner-occupied properties.

Tax on pension returns
Tax on pension returns includes the tax levied on returns relating to the group's life insurance activities, notwithstanding whether the tax is payable now or at a later date.

TAX
All companies in the group are jointly taxed.

Tax includes tax for the year, comprising income tax payable for the year, movements in deferred tax and prior-year adjustments. Changes in deferred tax resulting from changes in tax rates are also recognised in this item.

Current tax assets and liabilities are recognised in the balance sheet at the amount that can be calculated on the basis of the expected taxable income for the year adjusted for prior years' tax losses carried forward.

Deferred tax is recognised according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to become current tax.

Deferred tax assets, including the tax base of tax losses carried forward, are measured at the amount at which they are expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. At each balance sheet date, it is reassessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

SEGMENT INFORMATION
Business segments are the group's primary segment, while the geographical segment is the secondary segment because the group primarily covers the Danish market.

The segment information follows the group's internal reporting structure, reflecting a risk allocation on relevant business areas. More detailed segment information is provided in the management's report.

CASH FLOW STATEMENT
The cash flow statement is presented using the direct method and shows cash flows from operating, investing and financing activities as well as the group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities include the items of the income statement adjusted for operating items of a non-cash nature. Realised gains and losses on the sale of tangible assets or investment assets are included in cash flow from investing activities.

Cash flows from investing activities include changes in intra group accounts and net additions of investment assets, including realised gains and losses on the sale of such assets.

Cash flows from financing activities include financing from shareholders as well as by raising of short-term and long-term loans.

Cash and cash equivalents comprise cash and demand deposits.

Disclaimer
Forecasts are based on the level of interest rates prevailing at mid-February 2008. All forward-looking statements are based exclusively on the information available when this Annual Report was released.

The actual performance of the group overall and of the individual business areas may be affected by major changes in a number of areas. Such impacts include changes in economic conditions, changes in the financial markets, legislative changes, changes in the competitive environment, changes in loans, advances and gaarantees, 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. A more detailed review of the group's risks is provided in the section on risk management elsewhere in this Annual Report.

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

BALANCE SHEET

DKKm	Note	Group 2007	Group 2006
Assets			
Intangible assets	1	227	187
Owner-occupied properties	2	670	632
Deferred tax assets	3	234	449
Investments in associates	4	45	23
Reinsurers' share of insurance contracts	5	518	636
Current tax assets	6	30	41
Other assets	7	1,488	1,540
Loans and advances	8	17,117	13,128
Investment properties	9	811	756
Investment assets	10	23,396	23,604
Balances due from credit institutions and central banks	11	2,560	1,631
Cash in hand and balances at call		790	365
Total assets		**47,886**	**42,992**
Liabilities and equity			
Share capital		1,668	1,788
Reserves, retained earnings, etc.		3,274	3,124
Minority interests		504	520
Consolidated shareholders' equity	12	**5,446**	**5,432**
Subordinated debt	13	817	474
Provisions for insurance contracts	14	18,331	18,718
Other provisions	15	118	246
Deferred tax liabilities	16	46	51
Issued bonds	17	1,402	1,040
Other liabilities	18	1,887	1,213
Deposits	19	10,987	9,109
Payables to credit institutions and central banks	20	8,852	6,709
Total liabilities and equity		**47,886**	**42,992**

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INCOME STATEMENT

DKKm	Note	Group 2007	Group 2006
Income			
Premium income	21	5,345	5,026
Interest income, etc.	22	2,111	1,621
Fee income, etc.	23	185	136
Other income from investment activities	24	40	35
Profit from investments in associates	25	0	0
Other income	26	40	37
Total income		**7,721**	**6,855**
Costs			
Claims incurred	27	-4,081	-3,552
Interest expenses	28	-973	-572
Other expenses from investment activities		-68	-51
Impairment of loans, advances and receivables, etc.	29	50	27
Acquisition costs and administrative expenses	30	-1,501	-1,414
Other costs	31	-41	-39
Total costs		**-6,614**	**-5,601**
Profit/loss from business ceded	32	-85	-111
Change in life insurance provisions	33	188	256
Change in collective bonus potential		69	-153
Value adjustments	34	-288	-194
Tax on pension investment returns	35	-11	-15
Profit before tax		**980**	**1,037**
Tax	36	-266	-190
Profit after tax		**714**	**847**
The profit before tax is allocated as follows:			
Share attributable to Alm. Brand		986	1,006
Share attributable to minority shareholders	37	-6	31
		980	**1,037**
The profit after tax is allocated as follows:			
Share attributable to Alm. Brand		705	811
Share attributable to minority shareholders	37	9	36
		714	**847**
Earnings per share, DKK		35	37
Diluted earnings per share, DKK		35	37
Underwriting result, non-life insurance	38		
Actual result, life insurance	39		

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Contin- gency funds	Revalua- tion re- serves	Retained earnings	Share- holders' equity	Minority interests	Consoli- dated share- holders' equity
Shareholders' equity at 1 January 2006	**1,788**	**182**	**2,488**	**3**	**4,461**	**474**	**4,935**
Profit for the year			811	0	811	36	847
Revaluation of owner-occupied properties			0	7	7	0	7
Transferred to collective bonus potential			0	-7	-7	0	-7
Sale of treasury shares			44	0	44	0	44
Intra-group ownership			-404	0	-404	0	-404
Change in share attributable to minority interests			0	0	0	10	10
Shareholders' equity at 1 January 2007	**1,788**	**182**	**2,939**	**3**	**4,912**	**520**	**5,432**
Profit for the year	0		705	0	705	9	714
Cancellation of treasury shares	-120		120	0	0	0	0
Revaluation of owner-occupied properties	0		0	11	11	0	11
Transferred to collective bonus potential	0		0	-8	-8	0	-8
Tax on changes recognised in equity	0		-1	0	-1	0	-1
Sale of treasury shares	0		14	0	14	0	14
Repurchased shares	0		-691	0	-691	0	-691
Change in share attributable to minority interests	0		0	0	0	-25	-25
Shareholders' equity at 31 December 2007	**1,668**	**182**	**3,086**	**6**	**4,942**	**504**	**5,446**

The contingency funds are allocated from untaxed funds and are required, according to the articles of association, to be used for the benefit of policyholders.
A deferred tax provision has been made for the contingency funds.

Shareholders' equity at 31 December 2007 exclusive monority interests	4,942
Consolidtation of Pensionskassen under Alm. Brand A/S	-10
Shareholders' equity under the rules of the Danish Financial Supervisory Authority exclusive monority interests	**4,932**

In the consolidated financial statement of the Alm. Brand Group, Pensionskassen under Alm. Brand A/S is consolidated, which leads to a difference relative to the shareholders' equity in the parent company Alm. Brand A/S.

CASH FLOW STATEMENT

DKKm	Group 2007	Group 2006
Cash flows from operating activities		
Premiums received	5,223	5,063
Claims paid	-4,154	-3,908
Interest receivable, dividends, etc.	2,237	1,756
Interest payable	-789	-440
Payments concerning reinsurance	39	117
Fee income received	210	151
Fee income paid	-49	-32
Expenses paid	-1,640	-1,569
Tax on pension investment returns paid	-10	-62
Acquisition of intangible assets, furniture, equipment, etc.	-89	-117
Other ordinary income received	12	10
Taxes paid/received	-44	-127
Cash flows from operating activities	**946**	**842**
Change in investment placement (net)		
Properties acquired or converted	-59	-19
Sale of property	0	18
Sale/acquisition of equity investments	249	312
Sale/repayment of mortgage deeds and loans	-3,890	-2,452
Sale/repayment of bonds	246	-465
Dividend received from joint ventures	0	1
Change in receivables from credit institutions over 3 months	63	-253
Change in investment placement (net)	**-3,391**	**-2,858**
Change in financing (net)		
Other provisions	-128	-12
Sale/purchase of treasury shares	-677	-360
Sale/acquisition of subsidiaries (change in minority interests)	-25	10
Subordinated debt	343	174
Change in issued bonds	362	1,040
Change in deposits	1,878	559
Change in payables to credit institutions	2,143	-709
Change in financing (net)	**3,896**	**702**
Gross change in cash and cash equivalents	**1,451**	**-1,314**
Exchange rate adjustment of cash and cash equivalents, beginning of year	-34	-40
Net change in cash and cash equivalents	**1,417**	**-1,354**
Cash and cash equivalents, beginning of year	1,702	3,056
Cash and cash equivalents, year end	**3,119**	**1,702**
Cash and cash equivalents comprise the following items:		
Cash at bank and in hand	790	365
Amounts due from credit institutions and central bank, cf. Note 11	212	261
Amounts due from credit institutions and central bank, cf. Note 11	2,117	1,076
	3,119	**1,702**

SEGMENT REPORTING - BALANCE SHEET

DKKm	Note	Non-life	Bank	Life	Other	Elimi-nation	Total
							2007
Assets							
Intangible assets	1	164	63	0	0		227
Owner-occupied properties	2	9	0	0	0	661	670
Deferred tax assets	3	99	74	28	33	0	234
Investments in associates	4	0	25	0	20		45
Reinsurers' share of insurance contracts	5	104	0	29	385		518
Current tax assets	6	0	39	4	11	-24	30
Other assets	7	696	596	264	173	-241	1,488
Loans and advances	8	0	17,117	0	0		17,117
Investment properties	9	24	0	1,448	0	-661	811
Investment assets	10	6,970	5,717	10,193	564	-48	23,396
Balances due from credit institutions and central banks	11	250	1,712	0	598	0	2,560
Cash in hand and balances at call		470	442	202	447	-771	790
Total assets		**8,786**	**25,785**	**12,168**	**2,231**	**-1,084**	**47,886**
Liabilities and equity							
Share capital		0	0	0	1,668		1,668
Reserves, retained earnings, etc.		2,338	1,365	903	-1,326	-6	3,274
Minority interests		0	552	0	0	-48	504
Consolidated shareholders' equity	12	**2,338**	**1,917**	**903**	**342**	**-54**	**5,446**
Subordinated debt	13	149	668	120	0	-120	817
Provisions for insurance contracts	14	5,930	0	11,049	1,352		18,331
Other provisions	15	36	6	0	76		118
Deferred tax liabilities	16	0	0	0	46	0	46
Issued bonds	17	0	1,402	0	0		1,402
Other liabilities	18	309	1,182	96	415	-115	1,887
Deposits	19	0	11,758	0	0	-771	10,987
Payables to credit institutions and central banks	20	0	8,852	0	0		8,852
Total liabilities and equity		**8,762**	**25,785**	**12,168**	**2,231**	**-1,060**	**47,886**
							2006
Assets							
Intangible assets	1	135	52	0	0		187
Owner-occupied properties	2	6	0	0	0	626	632
Deferred tax assets	3	209	126	67	47		449
Investments in associates	4	0	3	0	20		23
Reinsurers' share of insurance contracts	5	142	0	31	463		636
Current tax assets	6	-65	49	9	48		41
Other assets	7	590	546	345	150	-91	1,540
Loans and advances	8	0	13,128	0	0		13,128
Investment properties	9	21	0	1,361	0	-626	756
Investment assets	10	7,041	5,194	10,619	799	-49	23,604
Balances due from credit institutions and central banks	11	1	1,030	0	725	-125	1,631
Cash in hand and balances at call		144	37	50	448	-314	365
Total assets		**8,224**	**20,165**	**12,482**	**2,700**	**-579**	**42,992**
Liabilities and equity							
Share capital		0	0	0	1,788		1,788
Reserves, retained earnings, etc.		2,169	1,216	1,114	-1,375		3,124
Minority interests		0	569	0	0	-49	520
Consolidated shareholders' equity	12	**2,169**	**1,785**	**1,114**	**413**	**-49**	**5,432**
Subordinated debt	13	0	474	0	0		474
Provisions for insurance contracts	14	5,719	0	11,294	1,705		18,718
Other provisions	15	94	9	0	143		246
Deferred tax liabilities	16	0	0	0	51		51
Issued bonds	17	0	1,040	0	0		1,040
Other liabilities	18	242	600	74	388	-91	1,213
Deposits	19	0	9,548	0	0	-439	9,109
Payables to credit institutions and central banks	20	0	6,709	0	0		6,709
Total liabilities and equity		**8,224**	**20,165**	**12,482**	**2,700**	**-579**	**42,992**

SEGMENT REPORTING - INCOME STATEMENT

DKKm	Note	Non-life	Bank	Life	Other	Elimi-nation	Total
							2007
Income							
Premiums	21	4,578	0	750	17		5,345
Interest income, etc.	22	346	1,237	471	102	-45	2,111
Fee income, etc.	23	0	207	0	0	-22	185
Other income from investment activities	24	1	0	77	0	-38	40
Profit from investments in associates	25	0	0	0	0		0
Other income	26	28	12	0	0		40
Total income		**4,953**	**1,456**	**1,298**	**119**	**-105**	**7,721**
Costs							
Claims incurred	27	-3,156	0	-918	-7		-4,081
Interest expenses	28	-164	-842	-6	-4	43	-973
Other expenses from investment activities		-16	0	-22	-52	22	-68
Impairment of loans, advances and receivables, etc.	29	0	50	0	0		50
Acquisition costs and administrative expenses	30	-898	-521	-82	-40	40	-1,501
Other costs	31	-41	0	0	0		-41
Total costs		**-4,275**	**-1,313**	**-1,028**	**-103**	**105**	**-6,614**
Profit/loss from business ceded	32	-129	0	17	27		-85
Change in life insurance provisions	33	0	0	188	0		188
Change in collective bonus potential		0	0	61	0	8	69
Value adjustments	34	98	47	-421	-4	-8	-288
Tax on pension investment returns	35	0	0	-11	0		-11
Profit before tax		**647**	**190**	**104**	**39**	**0**	**980**
Tax	36	-185	-33	-35	-13		-266
Profit after tax		**462**	**157**	**69**	**26**	**0**	**714**
							2006
Income							
Premiums	21	4,279	0	736	11		5,026
Interest income, etc.	22	267	823	451	100	-20	1,621
Fee income, etc.	23	0	157	0	0	-21	136
Other income from investment activities	24	1	0	77	0	-43	35
Profit from investments in joint ventures	25	0	0	0	0		0
Other income	26	27	10	0	0		37
Total income		**4,574**	**990**	**1,264**	**111**	**-84**	**6,855**
Costs							
Claims incurred	27	-2,735	0	-806	-11		-3,552
Interest expenses	28	-121	-464	-1	-6	20	-572
Other expenses from investment activities		-14	0	-18	-40	21	-51
Impairment of loans, advances and receivables, etc.	29	0	27	0	0		27
Acquisition costs and administrative expenses	30	-877	-439	-77	-64	43	-1,414
Other costs	31	-39	0	0	0		-39
Total costs		**-3,786**	**-876**	**-902**	**-121**	**84**	**-5,601**
Profit/loss from business ceded	32	-157	0	17	29		-111
Change in life insurance provisions	33	0	0	256	0		256
Change in collective bonus potential		0	0	-160	0	7	-153
Value adjustments	34	93	86	-379	16	-10	-194
Tax on pension investment returns	35	0	0	-15	0		-15
Profit before tax		**724**	**200**	**81**	**35**	**-3**	**1,037**
Tax	36	-186	-34	-15	45		-190
Profit after tax		**538**	**166**	**66**	**80**	**-3**	**847**

OVERVIEW OF NOTES

NOTES WITH REFERENCE

NOTES WITHOUT REFERENCE

NOTES

					2007					2006
DKKm	**Non-life**	**Bank**	**Life**	**Other**	**Total**	**Non-life**	**Bank**	**Life**	**Other**	**Total**
Note 1 Intangible assets										
Software	164	14			178	135	3			138
Goodwill	0	49			49	0	49			49
Carrying amount, year end	**164**	**63**			**227**	**135**	**52**			**187**
Software										
Cost, beginning of year	252	3			255	164	0			164
Additions during the year	54	11			65	88	3			91
Disposals during the year	0	0			0	0	0			0
Cost, year end	306	14			320	252	3			255
Accumulated amortisation and impairment, beginning of year	-117	0			-117	-83	0			-83
Amortisation	-25	0			-25	-34	0			-34
Reversal of prior years' amortisation and impairment	0	0			0	0	0			0
Accumulated amortisation and impairment, year end	-142				-142	-117				-117
Carrying amount, year end	164	14			178	135	3			138
Goodwill										
Cost, beginning of year		49			49		49			49
Additions during the year		0			0		0			0
Disposals during the year		0			0		0			0
Cost, year end		49			49		49			49
Accumulated amortisation and impairment, beginning of year		0			0		0			0
Amortisation		0			0		0			0
Reversal of prior years' amortisation and impairment		0			0		0			0
Accumulated amortisation and impairment, year end		0			0		0			0
Carrying amount, year end		49			49		49			49

The recognised goodwill is attributable to the acquisition of Henton Børsmæglerselskab A/S at 30 December 2005. At 1 January 2006, the company merged with Alm. Brand Bank A/S.

Impairment tests are conducted annually to determine whether there is a need to write down capitalised goodwill. In the impairment test, the discounted future cash flows of the cash-generating unit (value in use) are compared with the carrying amount of the capitalised goodwill. If the carrying amount exceeds the value of the discounted future cash flows, an impairment loss is recognised. Future cash flows are based on the group's expectations for future earnings.
Future cash flows have been discounted using a discount rate corresponding to the return requirement of the bank.

The impairment test carried out in 2007 did not indicate any need for write-down of the capitalised goodwill.

	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 2 Owner-occupied properties										
Cost, beginning of year	3				698	37				726
Additions during the year	0				27	0				6
Disposals during the year	0				0	-34				-34
Cost, year end	3				725	3				698
Accumulated revaluations, beginning of year	3				26	4				20
Revaluations during the year	3				11	0				7
Reversal of prior year revaluation through shareholders' equity	0				0	-1				-1
Accumulated revaluations, year end	6				37	3				26
Accumulated depreciation and impairment, beginning of year	0				-92	-17				-114
Impairment for the year	0				0	0				0
Reversal of prior year impairment through the income statement	0				0	0				5
Accumulated depreciation and impairment, year end					-92	-17				-109
Carrying amount, year end	**9**				**670**	**6**				**632**

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Restated value, beginning of year	6				632	24				632
Additions during the year	0				26	0				9
Disposals during the year	0				0	-18				-18
Value adjustment recognised through the income statement	0				1	0				2
Value adjustment recognised through shareholders' equity	3				11	0				7
Restated value, year end	9				670	6				632
Average return, office property					6.03%	5.37%				6.06%

The group's owner-occopied properties are classified as investment properties in the life group, so the reclassification has only been made in the consolidated balance sheet.

Note 3 Deferred tax assets

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Deferred tax, beginning of year	209	126	67	47	449	244	179	89	41	553
Adjustment of deferred tax (28% to 25%)	-21	-13	-7	-5	-46	0	0	0	0	0
Prior-year adjustment	-7	-1	-2	3	-7	15	0	0	0	15
Tax through equity	-1	0	0	0	-1	0	0	0	0	0
Change for the year	-81	-38	-30	-12	-161	-50	-53	-22	6	-119
	99	**74**	**28**	**33**	**234**	**209**	**126**	**67**	**47**	**449**
Deferred tax on net fees	0	-1	0	0	-1	0	1	0	0	1
Deferred tax on equipment	9	1	0	9	19	50	2	0	10	62
Deferred tax on shares and bonds	0	0	34	0	34	2	0	72	0	74
Deferred tax on real estate	0	0	-6	0	-6	0	0	-5	0	-5
Deferred tax on other intangibles	78	0	0	0	78	117	0	0	0	117
Deferred tax on goodwill	0	-1	0	0	-1	0	0	0	0	0
Deferred tax on lease assets	0	64	0	0	64	0	109	0	0	109
Deferred tax on provisions	12	11	0	24	47	40	14	0	37	91
	99	**74**	**28**	**33**	**234**	**209**	**126**	**67**	**47**	**449**

Deferred tax has been capitalised taking into account future earnings and the potential for utilisation. The group had total tax assets of some DKK 240 million at 31 December 2007, of which DKK 234 million has been capitalised.

Note 4 Investments in associates

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Investments in associates										
Cost, beginning of year		3			3		3			3
Additions during the year		22			22		0			0
Cost, year end		25			25		3			3
Revaluations and impairment, beginning of year		0			0		0			0
Profit for the year		0			0		0			0
Revaluations and impairment, year end		0			0		0			0
Carrying amount, year end		25			25		3			3
Investments in joint ventures										
Cost				60	60				60	60
Revaluations and impairment, beginning of year				-40	-40				-39	-39
Profit for the year				0	0				0	0
Dividend				0	0				-1	-1
Revaluations and impairment, year end				-40	-40				-40	-40
Carrying amount, year end				20	20				20	20
Carrying amount, year end		**25**		**20**	**45**		**3**		**20**	**23**

Investments in associates comprise Invest Administration A/S, Henton AktieInvest A/S and Investeringsselskabet af 6/10 1998 A/S.
Alm. Brand' ownership interest is 50% in Invest Administration A/S, 42% in Henton AktieInvest A/S and 20% in Investeringsselskabet af 6/10 1998 A/S.

Investments in joint ventures comprise Alm. Brand's investment in EDC-udvikling a/s. Alm. Brand' ownership interest is 50%.

DKKm			2007				2006
Key figures associates	Net income	Total assets	Total liabilities		Net income	Total assets	Total liabilities
Invest Administration A/S	7	6	2		5	7	2
Henton AktieInvest A/S	5	53	0		0	0	0
Investeringsselskabet af 6/10 1998 A/S	2	4	0		2	4	0
EDC-udvikling a/s	0	41	0		0	41	0

DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 5 Reinsurers' share of insurance contracts										
Reinsurers' share of life insurance provisions	0		27	0	27	0		30	0	30
Reinsurers' share of outstanding claims provisions	104		2	385	491	142		1	463	606
	104		**29**	**385**	**518**	**142**		**31**	**463**	**636**
Reinsurers' share of life insurance provisions										
Beginning of year			30		30			26		26
Change for the year			-3		-3			4		4
			27		27			30		30
Reinsurers' share of outstanding claims provisions										
Beginning of year	142		1	463	606	269		0	554	823
Value adjustment	0		0	-46	-46	0		0	68	68
Claims ceded	76		48	26	150	47		23	9	79
Payments received from reinsurers	-115		-47	-58	-220	-175		-23	-67	-265
Discounting	1		0	0	1	1		0	0	1
	104		2	385	491	142		0	564	706

Alm. Brand is automatically notified about any changes to the security rating of reinsurance companies and their financial figures. This provides an overview of the reinsurance market and allows the group to identify potential financial difficulties (run-off) in any of the companies with which it collaborates.

If the security rating of a reinsurer is downgraded to below the level prevailing at the signing of the contract, Alm. Brand has a contractual right to terminate the contract.

Any commutation proposals/agreements at less than 100% of the claims provisions are registered, and any disputes that the group might have with its reinsurers are taken into consideration.

Based on the above, at the balance sheet date, the group assesses whether there are any doubtful receivables from reinsurers. If that is the case, an impairment loss is recognised.

Alm. Brand has no significant concentrations of credit risks on reinsurers.

Reinsurance is calculated on the basis of gross claims incurred based on the given retention rates. See the section on risk for a more detailed description of retention rates. The sensitivity of reinsurance to changes in assumptions is similar to that for gross claims incurred.

There is a direct correlation between reinsurance and gross provisions, so the level of the reinsurance provisions is considered to be adequate at all times.

					2007					2006
DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 6 Current tax assets										
Tax payable, beginning of year	-65	49	9	48	41	-86	-49	50	85	0
Prior-year tax adjustment	7	0	0	-3	4	0	0	0	0	0
Tax received in respect of prior years	58	-49	-9	-45	-45	86	49	-50	-85	0
Tax paid during the year	57	20	0	12	89	86	30	2	9	127
Tax on profit for the year	-81	19	4	-1	-59	-151	19	7	39	-86
	-24	**39**	**4**	**11**	**30**	**-65**	**49**	**9**	**48**	**41**

	2007					2006				
DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 7 Other assets										
Reinsurance deposits	0	0	0	12	12	0	0	0	17	17
Receivables from policyholders	260	0	49	0	309	191	0	35	0	226
Receivables from insurance brokers	2	0	0	0	2	3	0	0	0	3
Receivables from insurance companies	0	0	15	82	97	52	0	14	88	154
Receivables from subsidiaries	197	0	8	7	0	70	0	0	0	0
Other receivables	19	0	31	39	66	17	0	175	23	194
Positive market value of derivatives	0	328	0	0	328	0	339	0	0	339
Furniture and equipment, computers, cars, etc.	55	9	0	0	64	51	10	0	0	61
Other assets	0	233	0	0	227	0	179	0	0	179
Pensionskassen under Alm. Brand A/S	0	0	0	10	10	0	0	0	11	11
Assets temporarily acquired	0	14	0	0	14	0	11	0	0	11
Interest receivable	134	0	152	21	307	187	0	108	9	304
Prepayments and accrued income	29	12	9	2	52	19	7	13	2	41
	696	**596**	**264**	**173**	**1,488**	**590**	**546**	**345**	**150**	**1,540**
Furnitures and equipmet, computers, cars, etc.										
Cost, beginning of year	202	16		5	223	189	10		7	206
Additions during the year	27	2		0	29	19	7		0	26
Disposals during the year	-9	-2		-1	-12	-6	-1		-2	-9
Cost, year end	220	16	0	4	240	202	16	0	5	223
Accumulated depreciation and impairment, beginning of year	-151	-6		-5	-162	-139	-4		-7	-150
Depreciation for the year	-18	-2		0	-20	-15	-2		0	-17
Depreciation on disposals	4	1		1	6	3	0		2	5
Accumulated depreciation and impairment, year end	-165	-7	0	-4	-176	-151	-6	0	-5	-162
Carrying amount, year end	55	9	0	0	64	51	10	0	0	61

Alm. Brand has hedged its pension commitments in Pensionskassen under Alm. Brand A/S

	2007	2006
Discount rate, beginning of year	2.57%	2.50%
Expected return on plan assets, beginning of year	3.50%	3.50%
Present value of commitment, beginning of year	-136	-155
Interest expenses	-3	-3
Benefits paid	14	14
Actuarial gains/losses on commitment	3	8
Present value of commitment, year end	-122	-136
Fair value of plan assets, beginning of year	146	162
Expected return on plan assets	5	5
Benefits disbursed	-14	-14
Actuarial gains/losses on plan assets	-5	-7
Fair value of plan assets, year end	132	146
Present value of commitment	-122	-136
Fair value of plan assets	132	146
Net asset recognised in the balance sheet, beginning of year	10	10
Interest expenses	-3	-3
Expected return on plan assets	5	5
Actuarial gains/losses recognised	-2	1
Costs recognised in the income statement	0	3
Net asset, beginning of year	10	7
Costs recognised in the income statement	0	3
Net asset recognised in the balance sheet, year end	10	10
Expected return on plan assets	5	5
Actuarial gains/losses on plan assets	-5	-7
Actual return on plan assets	0	-2

	2007					2006				
DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 8 Loans and advances										
Loans and advances at fair value		2,876			2,876		1,893			**1,893**
Loans and advances at amortised cost		14,241			14,241		11,235			**11,235**
		17,117			**17,117**		**13,128**			**13,128**
Loans and advances at fair value										
Mortgage deeds		2,876			2,876		1,893			1,893
		2,876			2,876		1,893			1,893

Mortgage deeds are measured at fair value, using a valuation method estimating the present value of expected future cash flows. The valuation is based on observable market data (interest rates) in combination with expectations as to future prepayment and loss rates. Loans and advances at fair value have been reclassified from investment assets to loans and advances.

DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Loans and advances at amortised cost										
Loans		13,746			13,746		10,770			10,770
Leases		625			625		647			647
		14,371			14,371		11,417			11,417
Impairment etc.		-130			-130		-182			-182
		14,241			14,241		11,235			11,235
Gross investment in finance leases										
Term of less than one year		104			104		80			80
Term of between one and five years		580			580		594			594
Term of more than five years		5			5		7			7
		689			689		681			681
Unearned financial income		-75			-75		-78			-78
Net investment in finance leases		614			614		603			603
Net investment in finance leases										
Term of less than one year		101			101		76			76
Term of between one and five years		509			509		521			521
Term of more than five years		4			4		6			6
Total		614			614		603			603
Of this, any unguaranteed residual value		40			40		47			47
Depreciation on finance leases		12			12		27			27
Value of loans and advances for which there is an objective indication of impairment										
Individual assessment										
Loans and advances before impairment		555			555		451			451
Impairment, etc.		-103			-103		-137			-137
Loans and advances after impairment		452			452		314			314
Group assessment										
Loans and advances before impairment		2,916			2,916		3,373			3,373
Impairment, etc.		-27			-27		-45			-45
Loans and advances after impairment		2,889			2,889		3,328			3,328
Total loans and advances after impairment		3,341			3,341		3,642			3,642

As part of the risk management efforts, the fair value of fixed-rate loans is periodically hedged through the use of derivative financial instruments, see note 48.

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 9 Investment properties										
Carrying amount, beginning of year	21		1,361		756	20		1,311		723
Additions during the year	4		57		34	0		30		24
Disposals during the year	-2		0		-2	0		-6		-6
Value adjustments	1		30		23	1		26		15
Carrying amount, year end	**24**		**1,448**		**811**	**21**		**1,361**		**756**
Average return, office property	6.97%		6.14%		6.23%	7.23%		6.17%		6.28%
Average return, residential property			4.50%		4.50%			5.00%		5.00%
Total average return	6.97%		6.08%		6.12%	7.23%		6.14%		6.21%

Some of the life group's investment properties are used by the group as owner-occupied properties, so the properties are classified as owner-occupied properties in the consolidated balance sheet. See note 2.

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 10 Investment assets										
Government bonds	1,415	1	2,663	338	4,417	696	153	5,442	397	6,688
Mortgage bonds	5,163	4,683	6,215	10	16,071	6,175	4,078	4,040	0	14,293
Other fixed-rate instruments	189	191	346	186	912	64	146	182	29	421
Other floating-rate instruments	182	0	47	11	240	83	0	22	353	458
Listed shares	0	733	571	10	1,266	0	700	700	10	1,361
Unlisted shares	21	109	247	7	384	23	117	230	8	378
Other	0	0	104	2	106	0	0	3	2	5
	6,970	**5,717**	**10,193**	**564**	**23,396**	**7,041**	**5,194**	**10,619**	**799**	**23,604**

The group's holding of listed and unlisted shares had a market value of DKK 1,650 milion at 31 December 2007. A significant part of the group's equity exposure is achieved through the use of derivatives such as options and futures. The aggregate equity exposure, including derivatives, was DKK 2,342 million at 31 December 2007.

The bank's portfolio of financial instruments is recognised under other assets and other liabilities. Please refer to the bank's annual report for further details on the positions.

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 11 Balances due from credit institutions and central banks										
Balances at notice with central banks	0	420		0	420	0	180		0	180
Balances due from credit institutions	250	1,292		598	2,140	1	850		725	1,451
	250	**1,712**		**598**	**2,560**	**1**	**1,030**		**725**	**1,631**
By term to maturity:										
Balances at call	0	212		0	212	0	261		0	261
Up to and including 3 months	250	1,500		367	2,117	1	769		431	1,076
Over 3 months and up to and including 1 year	0	0		231	231	0	0		294	294
	250	1,712		598	2,560	1	1,030		725	1,631
Receivables in connection with genuine purchase and resale transactions:										
Due from credit institutions and central banks		584			584		98			98

DKKm	Total 2007	Total 2006
Note 12 Consolidated shareholders' equity		
Share capital	1,788	1,788
Cancellation of treasury shares	-120	
Share capital, year end	1,668	1,788

The share capital consists of 20,850,000 shares of DKK 80 each and has been fully paid up.

The following shareholder has announced that it holds more than 5% of the share capital:
Alm. Brand af 1792 fmba
Midtermolen 7
DK-2100 Copenhagen
Denmark

DKKm	2007	2006	2005	2004	2003
Share capital, beginning of year	1,788	1,788	1,788	1,788	1,788
Cancellation of treasury shares	-120	0	0	0	0
Share capital, year end	1,668	1,788	1,788	1,788	1,788

Reference is made to the statement of changes in equity.

DKKm	2007	2006
Solvency		
Tier 1 capital after deductions	4,818	5,388
Capital base after deductions	4,681	4,378
Weighted items subject to credit risks	20,654	
Weighted assets subject to market risks	2,071	
Weighted items subject to operational risks	982	
Total weighted assets	23,707	19,764
Tier 1 capital after deductions as a percentage of total weighted assets	20.3%	27.3%
Solvency ratio	19.7%	22.1%

The risk-weighted items have been prepared in accordance with the Danish Financial Business Act. The Danish Financial Supervisory Authority issued a new executive order on capital adequacy effective 1 January 2007. The comparative figure for 2006 is calculated in accordance with the previous executive order on capital adequacy.

	2007	2006
No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	22,350	22,350
Treasury shares, beginning of year	-1,421	-320
No. of shares, beginning of year	20,929	22,030
Share bought back	-2,017	-1,222
Employee shares issued	54	112
Shares acquired/sold during the year	-22	9
Cancellation of treasury shares	1,500	0
Issued shares, year-end	20,850	22,350
Treasury shares, year-end	-1,906	-1,421
No. of shares at year-end	18,944	20,929
Treasury shares		
Carrying amount, beginning of year	0	0
Value adjustment	-557	-359
Acquired during the year	1,442	707
Sold during the year	-765	-348
Cancellation of treasury shares	-120	0
Carrying amount, year end	0	0
Nominal value, beginning of year	114	26
Acquired during the year	337	177
Sold during the year	-179	-89
Cancellation of treasury shares	-120	0
Nominal value, year end	152	114
Holding (number of shares), beginning of year	1,421	320
Acquired during the year	4,219	2,214
Sold during the year	-2,234	-1,113
Cancellation of treasury shares	-1,500	0
Holding (number of shares), year end	1,906	1,421
Percentage of share capital	9.1%	6.4%

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 13 Subordinated debt										
Subordinated loan capital (DKK)										
Variable rate bullet loans maturing 2012.05.09	0	100	0		100		100			100
Variable rate bullet loans maturing 2013.05.09	0	100	0		100		100			100
Variable rate bullet loans maturing 2014.05.09	0	100	0		100		100			100
Variable rate bullet loans maturing 2015.12.03	0	200	0		200		0			0
Variable rate bullet loans maturing 2020.03.15	0	0	120		120		0			0
Variable rate bullet loans maturing 2020.03.15	149	0	0		149		0			0
	149	500	120		649		300			300
Hybrid loan capital										
Fixed rate bullet loans in DKK with indefinite terms		175			175		175			175
		175			175		175			175
Hedging of interest rate risk at fair value		-7			-7		-1			-1
	149	**668**	**120**		**817**		**474**			**474**
Interest on subordinated debt	8	33	6		47		17			17
Extraordinary instalments	0	0	0		0		100			100
Costs incurred in connection with the raising of the subordinated debt	3	0	2		5		1			1

The subordinated loan capital in the non-life insurance segment carries interest at a floating rate of three-month EURIBOR plus 180 basis points.
The subordinated loan capital in the bank segment carries interest at a floating rate of three-month CIBOR plus 1.05-1.50 percentage points or six-month CIBOR plus 1.00 percentage point.
The subordinated loan capital in the life insurance segment carries interest at a floating rate of three-month EURIBOR plus 180 basis points.

The hybrid loan capital was issued on 12 October 2006 at a rate of 5.855% for the first ten years. Subsequently, the capital certificates carry interest at three-month plus 2.70 percentage point. As part of the risk management, the fair value of the hybrid Tier 1 capital is hedged by means of derivative financial instruments, see note 48.

The entire subordinated debt may be included in the statement of the capital base.

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 14 Provisions for insurance contracts										
Unearned premium provisions	1,746		0	12	1,758	1,662		0	13	1,675
Life insurance provisions	0		10,590	0	10,590	0		10,772	0	10,772
Outstanding claims provisions	4,184		46	1,340	5,570	4,057		48	1,692	6,272
Collective bonus potential	0		413	0	413	0		474	0	314
	5,930		**11,049**	**1,352**	**18,331**	**5,719**		**11,294**	**1,705**	**19,033**
Unearned premium provisions										
Beginning of year	1,662			13	1,675	1,567			13	1,580
Exchange rate adjustment	0			-1	-1	0			-1	-1
Premiums received	4,677			17	4,694	4,390			12	4,402
Premuims recognised as income	-4,577			-17	-4,594	-4,279			-11	-4,290
Discounting	10			0	10	9			0	9
Value adjustment, all years	-26			0	-26	-25			0	-25
	1,746			12	1,758	1,662			13	1,675
Life insurance provisions										
Life insurance provisions, beginning of year					10,772					11,027
Accumulated value adjustments, beginning of year					-591					-1,045
Retrospective provisions, beginning of year					10,181					9,982
Change in share of provisions in Forenede Gruppeliv					5					1
Gross premiums					750					736
Interest					450					433
Claims and benefits					-919					-806
Expense supplement after addition of expense bonus					-80					-87
Risk gain after addition of risk bonus					-46					-36
Change as a result of changes in the level of interest rates and mortality rates (annuities)					-10					-13
Other changes					3					-29
Retrospective provisions, year end					10,334					10,181
Accumulated value adjustments, year end					256					591
Life insurance provisions, year end					10,590					10,772

DKKm	2007	2006
Guaranteed benefits	7,846	8,736
Bonus potential on future premiums	1,655	1,336
Bonus potential on paid-up policy benefits	1,089	700
	10,590	10,772

DKKm	Garanteed benefits	Bonus potential on future premiums	Bonus potential on paid-up policy benefits	Total	Garanteed benefits	Bonus potential on future premiums	Bonus potential on paid-up policy benefits	Total
Life insurance provisions per basis								
G82 2%	492	1,168	662	2,322	571	940	470	1,981
G82 3%	984	232	237	1,453	1,140	188	164	1,492
G82 3,49%	2,102	125	232	2,459	2,111	113	147	2,371
G82 5%	3,855	130	-42	3,943	4,482	95	-81	4,496
G82 8%-16%	12	0	0	12	13	0	0	13
L66 4,5%	1	0	0	1	1	0	0	1
Non-guaranteed	211	0	0	211	203	0	0	203
Portfolios without bonus entitlement, year end	7,657	1,655	1,089	10,401	8,521	1,336	700	10,557
L66 13,6%	2	0	0	2	2	0	0	2
U74 12%-20%	187	0	0	187	213	0	0	213
Portfolios without bonus entitlement, year end	189	0	0	189	215	0	0	215
	7,846	1,655	1,089	10,590	8,736	1,336	700	10,772

Provisions in Alm. Brand Liv og Pension A/S are stated at market value based on an expected cash flow discounted using the yield curve published by the Danish Financial Supervisory Authority. In previous years, 10-year duration was applied.

DKKm	2007	2006
Guaranteed benefits include a supplement pursuant to section 66(5) of the executive order on the presentation of financial reports by insurance companies, to the effect that the minimum value provided being equal to the guaranteed surrender value.		
The supplement has been calculated taking into account the probability of surrender and totals	76	56
Without taking into account the probability of surrender, the supplement amounts to	76	56
When calculating life insurance provisions at market value, a risk premium has been included, which amounts to	5.00%	5.00%

	2007					2006				
DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Outstanding claims provisions										
Beginning of year	4,057		48	1,692	5,797	4,045		75	2,152	6,272
Exchange rate adjustments	0		0	-131	-131	0		0	-132	-132
Claims paid regarding current year	-1,753		-920	0	-2,673	-1,463		-834	0	-2,297
Claims paid regarding previous years	-1,290		0	-228	-1,518	-1,256		0	-339	-1,595
Change in claims regarding current year	3,177		918	0	4,095	2,765		807	0	3,572
Change in claims regarding previous years	-21		0	7	-14	-29		0	11	-18
Discounting	146		0	0	146	113		0	0	113
Value adjustment, all years	-143		0	0	-143	-114		0	0	-114
Hedging of inflation risk	11		0	0	11	-4		0	0	-4
	4,184		46	1,340	5,570	4,057		48	1,692	5,797

The determination of expected future inflation is explained in the accounting policies. For provisions for workers' compensation the inflation factor applied for 2007 is 3.36%, and for children's dental damage the inflation factor is 3.10%.

DKKm	2002	2003	2004	2005	2006	2007	Total
Run-off triangle, gross							
Estimated accumulated claims							
Year end	3,117	2,667	2,914	3,560	2,824	3,241	
1 year later	3,050	2,680	2,955	3,533	3,021		
2 years later	3,094	2,696	2,900	3,552			
3 years later	3,126	2,726	2,844				
4 years later	3,179	2,694					
5 years later	3,138						
	3,138	2,694	2,844	3,552	3,021	3,241	18,490
Paid to date	-2,958	-2,390	-2,433	-2,975	-2,196	-1,753	-14,705
Provisions before discounting effect, year end	180	304	411	577	825	1,488	3,785
Discounting effect	-3	-5	-11	-20	-35	-55	-129
Accumulated value change, health and personal accident insurance	0	1	1	1	1	1	5
	177	300	401	558	791	1,434	3,661
Provisions from 2001 and prior years							523
Gross outstanding claims provisions, year end							4,184
Run-off triangle, net of reinsurance							
Estimated accumulated claims							
Year end	3,069	2,647	2,878	2,768	2,802	3,234	
1 year later	2,977	2,663	2,873	2,739	3,004		
2 years later	3,022	2,683	2,800	2,754			
3 years later	3,043	2,710	2,747				
4 years later	3,105	2,676					
5 years later	3,065						
	3,065	2,676	2,747	2,754	3,004	3,234	17,480
Paid to date	-2,892	-2,382	-2,351	-2,249	-2,191	-1,752	-13,817
Provisions before discounting effet, year end	173	294	396	505	813	1,482	3,663
Discounting effect	-3	-5	-10	-20	-35	-55	-128
Accumulated value change, health and personal accident insurance	2	3	5	3	3	7	23
	172	292	391	488	781	1,434	3,558
Provisions from 2001 and prior years							522
Outstanding claims provisions, year end, net of reinsurance							4,080

The table indicates the historical development of the assessed final liability (the sum of payments and provisions) for each claim year from 2002 to 2007. The stated liabilities were calculated excluding discounting, thus eliminating fluctuations due to changes in disount rates and discounting methods. Worker's compensation and and health and personal accident insurance are, however, calculated including discounting. The development is presented gross as well as net of reinsurance.

	2007					2006				
DKKm	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Collective bonus potential										
Beginning of year			474		474			314		314
Provisions during the year through the income statement			-61		-69			160		153
Transferred from revaluation reserves										
from shareholders' equity			0		8			0		7
			413		413			474		474

Calculation of outstanding claims provisions

For all lines, with the exception of children's dental damage and workers' compensation, the future inflation is estimated and recognised implicit in the provision models. For outstanding claims provisions on children's dental damage, a summary private sector salary index without safety margin is used. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation consists of an inflation element and a real wage element.

For the part of the claims in which 15% or more of the disbursements are made after one year from the date of the claim, the provisions are discounted. The outstanding claims provisions are divided into homogenous groups for which the average duration has been calculated, and the provisions are discounted on the basis thereof. The discount rate applied is the maturity-dependent discount rate stipulated by the Danish Financial Supervisory Authority for the given duration.

Sensitivity of provisions

Social inflation may have a great impact on our results and the size of outstanding claims provisions. Social inflation can be a tendency for the courts to increase claims payments, changed case handling procedures with the public authorities which lead to higher claims and legislative changes that affect benefit levels, also with retro-active effect.

Social inflaion has a particular impact on claims levels within workers' compensation, vehicle and liability insurance.

When discounted provisions are made, expectations to the future inflation and discount rates on long-tail business are sensitive to changes.

Adequacy of provisions

The outstanding claims provisions are calculated using actuarial methods and with due consideration to avoiding run-off losses and run-off gains. At the time they are calculated, the provisions represent the best estimate of future claims expenses in respect of the current and earlier claims years. The outstanding claims provisions are recalculated every month, which means that the level is considered adequate at all times.

					2007					2006
DKKm	**Non-life**	**Bank**	**Life**	**Other**	**Total**	Non-life	Bank	Life	Other	Total
Note 15 Other provisions										
Provisions for jubilees, severance payments, etc.	36	6		30	72	38	9		35	82
Provisions for losses on guarantees	0	0		0	0	0	0		0	0
Other provisions	0	0		46	46	56	0		108	164
	36	**6**		**76**	**118**	**94**	**9**		**143**	**246**
Provisions for jubilees, severance payment, etc., beginning of year	38	9		35	82	39	10		45	94
Net provisions recognised during the year	15	-2		-5	8	3	0		-10	-7
Discounting effect	-17	-1		0	-18	-4	-1		0	-5
Other provisions, year end	36	6		30	72	38	9		35	82
Provisions for losses on guarantees, beginning of year							2			2
Provisions for the year							0			0
Reversed provisions for the year							-1			-1
Provisions used during the year							-1			-1
Provisions for losses on guarantees, year end							0			0
Other provisions, beginning of year	56			108	164	56			181	237
Reversed provisions for the year	-56			-62	-118	0			-50	-50
Provisions used during the year	0			0	0	0			-23	-23
Other provisions, year end	0			46	46	56			108	164

Other provisions cover provisions for:

Rent commitments for Copenhagen Re's London offices.

Provisions for anniversaries, severance of service, etc. have been calculated using an estimated likelihood of disbursement.

Note 16 Deferred tax liabilities										
Deferred tax liabilities				46	46				51	51
				46	**46**				**51**	**51**

The company is liable to pay a possible tax amount in Denmark in respect of recaptured losses in foreign entitles. The liability amounts to a maximum of DKK 316 million.

The amount will fall due for payment on taxation of future losses, divestment of the activities at a value that exceeds the carrying amount or if the foreign operations in question exit from the joint taxation group within ten years.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 17 Issued bonds										
Floating-rate loan in NOK with expiry on 2009.09.29		1,402			1,402		1,040			1,040
		1,402			**1,402**		**1,040**			**1,040**

In September 2006, the bank issued the listed bond Alm. Brand Bank A/S Open Bond Issue. The bond is listed on the Oslo Stock Exchange and carries interest at NIBOR plus 0.15 percentage point. At 1 January 2007, the bank increased the outstanding amount by NOK 350 million.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 18 Other liabilities										
Reinsurance deposits	0	0	0	113	113	0	0	0	118	118
Payables to policyholders	16	0	0	0	16	14	0	0	0	14
Payables related to direct insurance	0	0	13	0	13	0	0	14	0	14
Payables related to reinsurance	7	0	1	171	179	3	0	0	169	172
Payables to subsidiaries	11	78	0	7	2	0	61	5	10	6
Negative market value of derivatives	0	206	0	0	206	0	294	0	0	294
Other payables	275	875	81	121	1,331	225	223	54	89	570
Accruals and deferred income	0	23	1	3	27	0	22	1	2	25
	309	**1,182**	**96**	**415**	**1,887**	**242**	**600**	**74**	**388**	**1,213**

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 19 Deposits										
Deposits at call		5,781			5,042		5,613			5,327
At notice		2,662			2,662		2,088			2,088
Time deposits		2,645			2,613		1,273			1,120
Special categories of deposits		670			670		574			574
		11,758			**10,987**		**9,548**			**9,109**

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 20 Payables to credit institutions and central banks										
Credit institutions		8,852			8,852		6,709			6,709
		8,852			**8,852**		**6,709**			**6,709**
Of which falling due after more than five years		0			0		1,420			1,420
Debt arising from genuine purchase and resale transactions:										
Debt to credit institutions and central banks		132			132		77			77

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 21 Premium income										
Gross premium	4,678		750	17	5,445	4,390		736	12	5,138
Change in unearned premium provisions	-100		0	0	-100	-111		0	-1	-112
	4,578		**750**	**17**	**5,345**	**4,279**		**736**	**11**	**5,026**

Direct insurance is exclusively written in Denmark

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Premium income, life insurance										
Regular premiums			678		678			679		679
Single premiums			72		72			57		57
			750		750			736		736
Individually written insurance			383		383			388		388
Insurance written in employment relationship			231		231			221		221
Group life schemes			136		136			127		127
			750		750			736		736
Number of policies ('000)										
Individually written insurance			83		83			85		85
Insurance written in employment relationship			8		8			8		8
Group life schemes			71		71			67		67

All policies written include a bonus arrangement.
The life insurance company only writes direct Danish insurance.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 22 Interest income, etc.										
Equity investments	0	0	16	0	16	0	0	11	0	11
Bonds	317	190	436	35	978	252	162	430	35	879
Loans secured by mortgages	0	173	0	0	173	0	110	0	0	110
Other loans	0	771	0	0	771	0	499	0	0	499
Deposits in credit institutions	15	66	14	46	104	10	42	6	48	86
Other investment assets	14	37	5	21	69	5	10	4	17	36
	346	**1,237**	**471**	**102**	**2,111**	**267**	**823**	**451**	**100**	**1,621**
Interest receivable from genuine purchase and resale transactions:										
Balance due from credit institutions and central banks		18			18		6			6
Loans, advances and other receivables		10			10		2			2

Note 23 Fee income, etc.										
Securities trading and deposits		168			146		119			98
Payment transfers		6			6		6			6
Loan fees		21			21		11			11
Commission fees		5			5		8			8
Other fees and commissions		31			31		27			27
Dividends		15			15		17			17
Fee income paid		-39			-39		-31			-31
		207			**185**		**157**			**136**

Note 24 Other income from investment activities										
Rental income	3		114		60	2		112		56
Operation and maintenance - occupied leases	-2		-36		-19	-1		-33		-20
Operation and maintenance - vacant leases	0		-1		-1	0		-2		-1
	1		**77**		**40**	**1**		**77**		**35**

Note 25 Profit from investments in associates										
Investments in associates		0		0	0		0		0	0

Profit from investments in associates comprises the group's share of financial results in EDC-udvikling a/s,Invest Administration A/S, Henton AktieInvest A/S and Investeringsselskabet af 6/10 1998 A/S. The group's share of financial results from each company is zero.

Note 26 Other income										
Income related to building surveyors	28	0			28	27	0			27
Other	0	12			12	0	10			10
	28	**12**			**40**	**27**	**10**			**37**

Note 27 Claims incurred										
Claims paid	-3,043		-920	-228	-4,191	-2,718		-834	-339	-3,891
Change in outstanding claims provisions	-113		2	221	110	-17		28	328	339
	-3,156		**-918**	**-7**	**-4,081**	**-2,735**		**-806**	**-11**	**-3,552**
Run-off result, gross	31			9	40	29			-3	26
Run-off result, ceded business	54			27	81	16			29	45
	85			36	121	45			26	71

The run-off result includes value adjustment of inflation swaps used to hedge inflation risk related to workers' compensation.

Claims and benefits paid, life insurance										
Insurance sums on death			-79		-79			-80		-80
Insurance sums on critical illness			-13		-13			-11		-11
Insurance sums on disability			-6		-6			-8		-8
Insurance sums on expiry			-182		-182			-159		-159
Pension and annuity benefits			-280		-280			-268		-268
Surrenders			-286		-286			-241		-241
Cash bonus payments			-74		-74			-67		-67
			-920		-920			-834		-834

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006
Note 28 Interest expenses										
Credit institutions and central banks	0	-360	0	-4	-364	0	-198	0	-6	-204
Deposits and other payables	0	-380	0	0	-343	0	-239	0	0	-219
Issued bonds	0	-68	0	0	-68	0	-10	0	0	-10
Subordinated debt	-8	-33	-6	0	-41	0	-16	0	0	-16
Other interest expenses	0	-1	0	0	-1	0	-1	-1	0	-2
Discounting insurance contracts	-156	0	0	0	-156	-121	0	0	0	-121
	-164	**-842**	**-6**	**-4**	**-973**	**-121**	**-464**	**-1**	**-6**	**-572**
Interest payable on genuine sale and repurchase transactions:										
Payables to credit institutions and central banks		22			22		21			21
Deposits and other payables		0			0		0			0
Note 29 Impairment of loans, advances and receivables, etc.										
Individual assessment:										
Impairment and value adjustments, respectively, during the year		-66			-66		-69			-69
Reversal of impairment in previous years		92			92		80			80
		26			26		11			11
Group assessment:										
Impairment and value adjustments, respectively, during the year		-2			-2		-7			-7
Reversal of impairment in previous years		19			19		17			17
		17			17		10			10
Losses not previously provided for		-11			-11		-12			-12
Bad debts recovered		18			18		18			18
Other losses and provisions		0			0		0			0
		50			**50**		**27**			**27**
Note 30 Acquisition costs and administrative expenses										
Acquisition commission, etc.	-181	0	-3	-1	-185	-213	0	-4	-4	-221
Other acquisition costs	-128	0	-33	0	-161	-117	0	-26	0	-143
Administrative expenses	-589	-521	-46	-39	-1,155	-547	-439	-47	-60	-1,050
	-898	**-521**	**-82**	**-40**	**-1,501**	**-877**	**-439**	**-77**	**-64**	**-1,414**
Salaries and wages					-1,018					-948
Pension					-129					-115
Payroll tax, etc.					-94					-78
					-1,241					-1,141

Part of the payroll expenses for the year have been allocated as claims handling costs and are therefore included under claims incurred.

	2007	2006
Average number of employees	1,862	1,718
From this:		
Remuneration to the Management Board (DKK '000)		
Salaries	11,701	10,782
Pension plans	1,761	1,671
	13,462	12,453
Remuneration to the Board of Directors (DKK '000)		
Directors' fees	1,568	1,635
	1,568	1,635

Salaries to members of the Management Board include the bonus earned in 2007, which will be paid in 2008. Remuneration to the Management Board comprises Søren Boe Mortensen, Chief Executive Officer, and Henrik Nordam, Deputy Chief Executive Officer.

Alm. Brand has decided to provide all employees of the group, including the Management Board, with defined contribution pension plans. The group's expenses in relation to the Management Board's pension plans are shown in the above note.

The notice of termination between Alm. Brand and the Management Board is 12 months for either party. If a member of the Management Board is given notice by Alm. Brand, he is entitled to a severance payment equalling 36 months' salary.

A bonus scheme has been established for the Alm. Brand Group's senior management, including the Management Board. The bonus scheme for the Management Board and senior management employees is, along with Alm. Brand's bonus scheme for other managers and specialists, detailed further in the section Employees and Development. The bonus scheme has no material effect on the cost level and does not comprise stock options.

					2007					2006
DKKm	**Non-life**	**Bank**	**Life**	**Other**	**Total**	Non-life	Bank	Life	Other	Total
Audit fees (DKK '000)										
Deloitte - Audit	1,837	968	507	1,318	4,630	1,456	1,419	459	1,223	4,557
Deloitte - Non-audit services	255	1,198	68	1,378	2,899	243	650	33	273	1,199
	2,092	2,166	575	2,696	7,529	1,699	2,069	492	1,496	5,756
Note 31 Other costs										
Expenses relating to building surveyors	-41				-41	-39				-39
	-41				**-41**	**-39**				**-39**
Note 32 Profit/loss from business ceded										
Reinsurance premiums ceded	-208		-33	1	-240	-206		-33	-1	-240
Reinsurers' share received	115		48	57	220	175		41	95	311
Change in reinsurers' share of insurance contracts	-39		-2	-31	-72	-129		5	-66	-190
Commissions and profit commissions from reinsurance companies	3		4	0	7	3		4	1	8
	-129		**17**	**27**	**-85**	**-157**		**17**	**29**	**-111**
Note 33 Change in life insurance provisions										
Guaranteed benefits			891		891			721		721
Bonus potential on future premiums			-319		-319			-180		-180
Bonus potential on paid-up policy premiums			-389		-389			-285		-285
Change in share of provisions in Forenede Gruppeliv			5		5			0		0
			188		**188**			**256**		**256**
Note 34 Value adjustments										
Investment assets										
Equity investments	0	74	37	1	114	4	128	111	2	242
Unit trust units	0	57	-10	0	47	0	10	18	0	28
Bonds	-71	-98	-487	6	-650	-50	-58	-555	5	-658
Shares in collective investments	0	0	0	0	0	0	0	0	0	0
Loans secured by mortgages	0	27	0	0	27	0	2	0	0	2
Other investment assets	0	-28	6	0	-22	-1	-15	15	0	5
Exchange rate adjustments	-1	15	0	-11	3	0	19	0	9	28
	-72	47	-454	-4	-481	-47	86	-411	16	-353
Land and buildings										
Investment properties	1	0	33	0	24	1	0	32	0	15
Owner-occupied properties	0	0	0	0	0	0	0	0	0	5
	-71	47	-421	-4	-457	-46	86	-379	16	-333
Discounting insurance contracts	169	0	0	0	169	139	0	0	0	139
	98	**47**	**-421**	**-4**	**-288**	**93**	**86**	**-379**	**16**	**-194**

	2007					2006				
DKKm	**Non-life**	**Bank**	**Life**	**Other**	**Total**	**Non-life**	**Bank**	**Life**	**Other**	**Total**
Change in fair values based on valuation models and recognised in the income statement										
Mortgage deeds	0	13	0	0	13	0	-1	0	0	-1
Unlisted shares	0	0	52	1	53	2	24	32	2	60
Investment properties	1	0	33	0	24	1	0	32	0	15
Owner-occupied properties	0	0	0	0	0	0	0	0	0	5
	1	13	85	1	90	3	23	64	2	79

	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 35 Tax on pension investment returns										
Tax on pension investment returns regarding prior years			0		0			0		0
Tax on pension investment returns regarding current year			-11		-11			-15		-15
Change in deferred tax on pension investment returns			0		0			0		0
			-11		**-11**			**-15**		**-15**
Exemption rate			4.8%		4.8%			4.9%		4.9%

	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 36 Tax										
Estimated tax on operating profit for the year	-81	19	4	-1	-59	-151	19	7	39	-86
Prior-year adjustment	-1	-1	-2	1	-3	0	0	0	0	0
Adjustment of deferred tax (28% to 25%)	-21	-13	-7	-1	-42	0	0	0	0	0
Adjustment of deferred tax	-82	-38	-30	-12	-162	-35	-53	-22	6	-104
	-185	**-33**	**-35**	**-13**	**-266**	**-186**	**-34**	**-15**	**45**	**-190**
Effective tax rate:										
Current tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Adjustment of deferred tax (28% to 25%)	3.3%	7.1%	6.6%	-0.2%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Prior-year adjustment of deferred tax	1.1%	0.3%	2.5%	-7.5%	0.7%	-2.1%	0.0%	0.0%	0.0%	-1.5%
Change in valuation of tax assets	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.0%	-148.6%	-4.9%
Prior-year adjustment	-0.9%	0.0%	0.1%	7.5%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax-related adjustment on non-capitalised deferred tax	0.0%	-14.6%	-0.1%	6.2%	-2.6%	0.1%	-11.0%	-9.5%	-8.0%	-3.3%
Charge on provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	28.5%	17.8%	34.1%	31.0%	27.1%	25.7%	17.0%	18.5%	-128.6%	18.3%

	Non-life	Bank	Life	Other	Total	Non-life	Bank	Life	Other	Total
Note 37 Share attributable to minority shareholders										
Share of profit before tax attributable to minority interests										
Alm. Brand Formue A/S		-24			-24		21			19
Alm. Brand Pantebreve A/S		18			18		12			12
		-6			**-6**		**33**			**31**
Share of profit after tax attributable to minority interests										
Alm. Brand Formue A/S		-5			-5		30			27
Alm. Brand Pantebreve A/S		14			14		9			9
		9			**9**		**39**			**36**

Note 38 Underwriting result, non-life insurance

DKKm	Health and accident insurance	Workers' compen-sation insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, com-mercial	Change-of-owner-ship-insurance	Liability insurance	Other direct insurance	2007 Total
Gross premiums	433	352	566	903	992	1,100	70	101	161	4,678
Gross premium income	431	333	573	902	954	1,071	61	98	155	4,578
Gross claims incurred	-176	-203	-475	-447	-796	-838	-67	-31	-123	-3,156
Gross operating expenses	-86	-60	-59	-237	-200	-194	-13	-18	-31	-898
Profit/loss from business ceded	2	42	-2	0	-44	-125	-1	-1	0	-129
Investment return on insurance business	7	3	11	16	32	29	10	1	3	112
Total underwriting result	**178**	**115**	**48**	**234**	**-54**	**-57**	**-10**	**49**	**4**	**507**
Numbers of claims	7,642	2,636	15,396	45,609	80,264	27,618	2,352	1,698	15,249	198,464
Frequency of claims	0.023	0.083	0.039	0.115	0.181	0.175	0.066	0.039	0.126	0.101
Average damages paid for claims incurred, DKK '000	32	86	33	11	10	28	23	17	7	16

DKKm	Health and accident insurance	Workers' compen-sation insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, com-mercial	Change-of-owner-ship-insurance	Liability insurance	Other direct insurance	2006 Total
Gross premiums	403	281	522	937	931	1,012	62	95	147	4,390
Gross premium income	382	284	490	920	903	1,016	53	90	141	4,279
Gross claims incurred	-233	-276	-487	-369	-636	-574	-42	-27	-91	-2,735
Gross operating expenses	-81	-59	-59	-234	-188	-198	-11	-19	-28	-877
Profit/loss from business ceded	0	-6	-2	0	-26	-123	5	-5	0	-157
Investment return on insurance business	8	7	12	14	22	18	2	1	4	88
Total underwriting result	**76**	**-50**	**-46**	**331**	**75**	**139**	**7**	**40**	**26**	**598**
Numbers of claims	8,687	3,132	15,575	46,139	70,955	22,260	1,976	2,228	14,285	185,237
Frequency of claims	0.026	0.100	0.041	0.122	0.164	0.144	0.060	0.055	0.126	0.099
Average damages paid for claims incurred, DKK '000	25	83	30	9	9	27	20	17	6	15

Direct insurance is written only in Denmark

The technical result from fire and property insurance in private and commercial lines was heavily affected by the year's expenses for weather-related claims and major claims.

DKKm	2007	2006
Note 39 Actual result, life insurance		
Technical result of life insurance activities	74	57
Transfer of investment return	29	22
Tax on pension investment return	11	16
Change in collective bonus potential	-62	160
Result of portfolios without bonus entitlement	-1	-2
Addition of bonus	133	119
Return equity deposit	-31	-24
Health and accident insurance deposits	2	2
Actual result	155	350

DKKm	2007	2006
Return requirement for shareholders' equity		
Unconditional shares:		
Actual investment return before tax on pension investment return	30	24
Result of portfolios without bonus entitlement	1	2
Result of health and accident insurance	16	26
	47	52
Conditional shares:		
Risk premium 4% / 2%	0	44
Risk premium of 0.5% of the average life insurance provisions	55	0
20% of cost and risk result	0	11
Expense result, net of reinsurance	2	0
25% of risk result, net of reinsurance	16	0
	73	55
Profit for the year before tax including health and accident insurance	120	107
Profit for the year before tax excl. health and accident insurance	104	81

Note 40 Contingent liabilities, guarantees and leasing

	2007	2006
Guarantee commitments	2,223	2,220

In specific cases, Alm. Brand A/S has provided guarantees to third parties for subsidiaries' obligations deriving from their operating activities and has declared its intention to make cash funds available to cover ordinary operations in a number of subsidiaries.

The group's companies have made lease and rental agreements for computer equipment and premises with total annual payments of DKK 69 million allocated over a six-year period.

The Alm. Brand Group has made forward currency contracts to hedge foreign exchange and interest rate risk.

As a professional and international reinsurer, the group is constantly involved in a number of disputes and/or legal proceedings relating to insurance. The expected outcomes of these disputes/legal proceedings are reflected in the annual report. Naturally, the final outcome is subject to uncertainty. The outcome of these legal proceedings is not expected to materially affect the group's financial position. Copenhagen Re is included in the financial statements of Alm. Brand A/S with shareholders' equity of DKK 261 million. If an increase in the liabilities of Copenhagen Re should lead to losses for the company, the effect on the financial statements of Alm. Brand A/S would be limited to the loss of Copenhagen Re's shareholders' equity, since Alm. Brand A/S has resolved not to contribute any further capital to the company

Alm. Brand Bank A/S has not recognised guarantee commitments consisting of financial guarantees, loss guarantees for mortgage loans, etc. totalling DKK 1,6 billion.

Alm. Brand Ejendomsinvest A/S, Copenhagen, has incurred a VAT adjustment liability of DKK 12 million relating to property.

Forsikringsselskabet Alm. Brand Liv og Pension A/S, Copenhagen, has a VAT adjustment obligation in respect of properties totalling DKK 3 million.

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of The Copenhagen Reinsurance Company (U.K.) Ltd. (Cop Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) written through ILU in the period from 3 April 1989 to 1 July 1997. The guarantee commitments are believed to materialise only in case of insolvency or any other situation preventing payment, including as a result of insufficient reserves, on the part of Cop Re UK Ltd.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (pensionsafviklingskasse). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has provided a guarantee to Alm. Brand A/S in respect of these obligations.

Alm. Brand A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability of these companies for income years up till 2004. As from 2005, Alm. Brand A/S is only jointly and severally liable for the indirect tax liability.

DKKm	Non-life	Bank	Life	Other	Total 2007	Non-life	Bank	Life	Other	Total 2006

Note 41 Collateral security

Carrying amounts of assets provided as collateral security for technical provisions

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Cash	0		247	33	280	34		30	33	97
Bonds	5,671		9,426	66	15,163	5,454		9,884	100	15,438
Equity investments and units in unit trusts	0		855	9	864	0		397	9	406
Shares in collective investments	0		0	0	0	0		127	0	127
Interest receivable	119		143	0	262	145		109	0	254
Properties, mortgage deeds	0		96	0	96	0		0	0	0
Loans guaranteed by insurance companies	0		164	0	164	0		146	0	146
Loans to group enterprises	0		116	0	0	0		116	0	0
Investments in subsidiaries	0		497	0	0	0		1,020	0	0
Other assets	0		0	0	0	0		0	0	0
	5,790		11,544	108	16,829	5,633		11,829	142	16,468

Monetary-policy counterparties with the Danish Central Bank can obtain credit only against security through the mortgaging of approved securities. As part of the ongoing business, in 2007 the bank provided bonds as security vis-à-vis the Danish Central Bank at a market value of DKK 954 million (2006: DKK 402 million).

Note 42 Related parties

The Alm. Brand A/S Group considers the following to be related parties:

- Alm. Brand af 1792 fmba (parent company)
- EDC-Udvikling a/s (joint venture)
- Alm. Brand Formue A/S (subsidiary, not wholly owned)
- Alm. Brand Pantebreve A/S (subsidiary, not wholly owned)
- Invest Administration A/S (associate)
- Henton AktieInvest A/S (associate)
- Investeringsselskabet af 6/10 1998 A/S (associate)
- The Management Board and Board of Directors of Alm. Brand A/S

Related parties also include related family members of the Management Board and Board of Directors as well as companies in which these persons have significant interests.

The Alm. Brand Group handles administrative tasks for Alm. Brand af 1792 fmba.

An agreement has been made on interest accruing on accounts between Alm. Brand af 1792 fmba and the Alm. Brand A/S Group on an arm's length basis. Furthermore, Alm. Brand af 1792 fmba has acquired hybrid capital issued by Alm. Brand A/S.

An overview of subsidiaries and associates, etc. is provided in the corporate overview.

The Alm. Brand Group maintains cross-cutting functions that solve joint administrative tasks for the group's companies. The consideration paid for this administrative function is fixed on an arm's length basis or, where there is no specific market, on a cost-recovery basis.

Alm. Brand Bank is the Alm. Brand Group's primary banker. This involves the conclusion of a number of agreements between the bank and the group's other enterprises, and a number of transactions are regularly made between the company and the rest of the group. All agreements and transactions between the group and the bank are made on an arm's length or cost-recovery basis in accordance with applicable legislation for intra-group transactions.

In addition, the Alm. Brand Group has made an asset management agreement with Alm. Brand Bank, according to which a substantial proportion of the group's assets are under management with the bank.

Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis, excl. Copenhagen Re.

Reference is made to the note concerning acquisition costs and administrative expenses, which sets out further details on remuneration paid to the group's Board of Directors, Management Board and other senior executives.

In addition to the remuneration paid to members of the Board of Directors, Management Board, etc. In the financial year, the following transactions took place between the Alm. Brand Group and the related parties:

In addition to the remuneration paid to members of the Board of Directors, Management Board, etc. In the financial year, the following transactions took place between the Alm. Brand Group and the related parties:

DKKm	Alm. Brand af 1792 fmba	Alm. Brand subsidiaries (not wholly owned)	Management Board and Board og Directors of A/S	2007 Companies controlled by members of the Board of Directors
Sale of services	506	35,450	3	0
Purchase of services	0	34,989	0	0
Interest and fee income	0	143	1	0
Interest and fee expenses	15	11	1	0
Receivables	359	3,273	17	6
Debt	0	11	31	1
Collateral	0	0	7	3
Interest rates			4,50-6,50%	3,39-6,18%
				2006
Sale of services	0	18,937	4	0
Purchase of services	0	18,348	0	0
Interest and fee income	0	90	1	0
Interest and fee expenses	8	0	1	0
Receivables	430	2,170	4	0
Debt	0	0	42	13
Collateral	0	0	0	0
Interest rates				

Other than the above, no material intra-group transactions have taken place.

The buying and selling of services, which comprise insurance services and the supply of banking products such as loans, guarantees, credits and the buying and selling of mortgage deeds, etc., is conducted on an arm's length basis. Debt comprises deposits in the bank, pension deposits in the bank and life, etc. No losses were recognised or impairment charged to balances with related parties in this or earlier financial years.

DKKm	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Note 43 Classification of financial instruments						
Financial assets						
Government bonds	4,417	0	4,417	6,688	0	6,688
Mortgage bonds	16,071	0	16,071	14,293	0	14,293
Other fixed-rate instruments	912	0	912	421	0	421
Other floating-rate instruments	240	0	240	458	0	458
Listed shares	1,266	0	1,266	1,361	0	1,361
Unlisted shares	384	0	384	378	0	378
Other investment assets	106	0	106	5	0	5
Reinsurance deposits	0	12	12	0	17	17
Receivables from policyholders	0	309	309	0	226	226
Receivables from insurance brokers	0	2	2	0	3	3
Receivables from insurance companies	0	97	97	0	154	154
Other receivables	0	66	66	0	194	194
Positive market value of derivative financial instruments	328	0	328	339	0	339
Other assets	0	227	227	0	179	179
Pensionskassen under Alm. Brand A/S	0	10	10	0	11	11
Assets temporarily acquired	0	14	14	0	11	11
Interest receivable	0	307	307	0	304	304
Prepayments	0	52	52	0	41	41
Balances due from credit institutions and central banks	0	2,560	2,560	0	1,631	1,631
Cash in hand and demand deposits	0	790	790	0	365	365
Loans and advances	2,876	14,241	17,117	1,893	11,235	13,128
	26,600	18,687	45,287	25,836	14,371	40,207

DKKm	2007 Fair value	2007 Amortised cost	2007 Total	2006 Fair value	2006 Amortised cost	2006 Total
Financial liabilities						
Subordinated debt	0	817	817	0	474	474
Issued bonds	0	1,402	1,402	0	1,040	1,040
Reinsurance deposits	0	113	113	0	118	118
Payables to policyholders	0	16	16	0	14	14
Payables related to direct insurance	0	13	13	0	14	14
Payables related to reinsurance	0	179	179	0	172	172
Payables to subsidiaries	0	2	2	0	6	6
Negative market value of derivative financial instruments	206	0	206	294	0	294
Other payables	0	1,331	1,331	0	570	570
Deferred income	0	27	27	0	25	25
Deposits	0	10,987	10,987	0	9,109	9,109
Payables to credit institutions and central banks	0	8,852	8,852	0	6,709	6,709
	206	23,739	23,945	294	18,251	18,545

DKKm	Fair value	Amortised cost	Total	Fair value	Amortised cost	Total
Note 44 Return on financial instruments						
Interest income, etc.	1,274	837	2,111	1,080	541	1,621
Fee income, etc.	156	29	185	113	23	136
Other income	32	8	40	30	7	37
Total income	1,462	874	2,336	1,223	571	1,794
Interest expenses	-131	-842	-973	-108	-464	-572
Value adjustments	-290	2	-288	-189	-5	-194
Profit before tax	1,041	34	1,075	926	102	1,028

DKKm	Fair value	Recog-nised amount	Fair value	Recog-nised amount
Note 45 Fair value on financial instruments				
Financial assets at fair value through profit or loss				
Government bonds	4,417	4,417	6,688	6,688
Mortgage bonds	16,071	16,071	14,293	14,293
Other fixed-rate instruments	912	912	421	421
Other floating-rate instruments	240	240	458	458
Listed shares	1,266	1,266	1,361	1,361
Unlisted shares	384	384	378	378
Other investment assets	106	106	5	5
Reinsurance deposits	12	12	17	17
Receivables from policyholders	309	309	226	226
Receivables from insurance brokers	2	2	3	3
Receivables from insurance companies	97	97	154	154
Other receivables	66	66	194	194
Positive market value of derivative financial instruments	328	328	339	339
Other assets	227	227	179	179
Pensionskassen under Alm. Brand A/S	10	10	11	11
Assets temporarily acquired	14	14	11	11
Interest receivable	307	307	304	304
Prepayments	52	52	41	41
Balances due from credit institutions and central banks	2,560	2,560	1,631	1,631
Cash in hand and demand deposits	790	790	365	365
Loans and advances	17,124	17,117	13,133	13,128
	45,294	45,287	40,212	40,207

DKKm	2007 Fair value	2007 Recog-nised amount	2006 Fair value	2006 Recog-nised amount
Financial liabilities at fair value through profit or loss				
Subordinated debt	817	817	475	474
Issued bonds	1,402	1,402	1,040	1,040
Reinsurance deposits	113	113	118	118
Payables to policyholders	16	16	14	14
Payables related to direct insurance	13	13	14	14
Payables related to reinsurance	179	179	172	172
Payables to subsidiaries	2	2	6	6
Negative market value of derivative financial instruments	206	206	294	294
Other payables	1,331	1,331	570	570
Deferred income	27	27	25	25
Deposits	10,993	10,987	9,109	9,109
Payables to credit institutions and central banks	8,852	8,852	6,709	6,709
	23,951	23,945	18,546	18,545

Cash in hand and balances at call with central banks are relatively short term, and recognised amounts at amortised cost are assumed to equal fair values.

Balances with credit institutions are recognised at amortised cost. The difference between the recognised value and fair value is assumed to be the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the balances were established. Changes in the credit quality of receivables from credit institutions are not taken into account as these are assumed to be included in impairment on loans, advances and receivables. Changes in the fair value of debt to credit institutions due to changes in the bank's own credit rating are not taken into account.

Loans, advances and receivables at fair value, bonds at fair value, shares etc. and derivatives are measured at fair value in the financial statements so that recognised values equal fair values.

The difference between the fair value and the recognised value of Loans, advances and receivables at amortised cost is assumed to equal the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the loans were established. Changes in the credit quality are not taken into account as these are assumed to be included in impairment on loans for recognised values as well as fair values.

The fair value of deposits and other payables is assumed to equal the interest rate level-independent value adjustment calculated by comparing current market rates with the market rates prevailing when the deposits were established.

Issued bonds and subordinated debt are measured at amortised cost. The difference between this and fair value is assumed to be the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the issues were made. Changes in fair values due to changes in the bank's own credit rating are not taken into account.

Fair value adjustments of financial assets and liabilities represent a total unrecognised gain of DKK 1.2 million at the end of 2007, against DKK 3.8 million at the end of 2006.

In the accounting policies, the calculation of fair values is described further for items recognised at fair value.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 46 Financial instruments by term to maturity										
Loans, advances and receivables										
Expiry within 1 year	496	6,398	64	680	7,638	213	4,852	49	813	5,802
Expiry between 1 year and 5 years	16	6,073	0	0	6,089	34	4,540	0	0	4,574
Expiry after more than 5 years	0	6,358	0	0	6,358	0	4,766	0	0	4,766
	512	18,829	64	680	20,085	247	14,158	49	813	15,142
Deposits and payables to credit institutions and central banks										
Expiry within 1 year	23	13,484	14	171	12,953	17	11,012	14	169	10,801
Expiry between 1 year and 5 years	0	6,737	0	0	6,705	0	3,512	0	0	3,484
Expiry after more than 5 years	0	389	0	0	389	0	1,733	0	0	1,733
	23	20,610	14	171	20,047	17	16,257	14	169	16,018
Issued bonds										
Expiry between 1 year and 5 years		1,402			1,402		1,040			1,040
		1,402			1,402		1,040			1,040

The actual expiry dates may deviate from the contractual expiry dates as the issuers of the specific instruments may be entitled to repurchase the instrument before it expires.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Note 47 Credit risk										
Credit risk by type of financial asset										
Government bonds	1,415	1	2,663	338	4,417	696	153	5,442	397	6,688
Mortgage bonds	5,163	4,683	6,215	10	16,071	6,175	4,078	4,040	0	14,293
Other fixed-rate instruments	189	191	346	186	912	64	146	182	29	421
Other floating-rate instruments	182	0	47	11	240	83	0	22	353	458
Other investment assets	0	0	256	2	106	0	0	3	2	5
Reinsurance deposits	104	0	29	385	518	142	0	31	463	636
Receivables from policyholders	260	0	49	0	309	191	0	35	0	226
Receivables from insurance brokers	2	0	0	0	2	3	0	0	0	3
Receivables from insurance companies	0	0	15	82	97	52	0	14	88	154
Other receivables	19	0	31	39	66	17	0	175	23	194
Positive market value of derivative financial instruments	0	328	0	0	328	0	339	0	0	339
Other assets	0	233	0	0	227	0	179	0	0	179
Interest receivable	134	0	152	21	307	187	0	108	9	304
Balances due from credit institutions and central banks	250	1,712	0	598	2,560	1	1,030	0	725	1,631
Cash in hand and demand deposits	470	442	202	447	790	144	37	50	448	365
Loans and advances	0	17,117	0	0	17,117	0	13,128	0	0	13,128
Maximum credit risk	8,188	24,707	10,005	2,119	44,067	7,755	19,090	10,102	2,537	39,024

The group's exposure to credit risk primarily involves financial receivables such as mortgage deeds and other loans and advances as well as credit risk on the portfolio of credit bonds. The life group's portfolio of credit bonds forms part of the investment assets attributable to insurance customers. Of the credit bond portfolio, 93% are rated Investment Grade (BBB or higher).

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Loans and guarantees distributed by sector and industry										
Public authorities		0.0%			0.0%		0.4%			0.4%
Business sectors:										
Agriculture, hunting and forestry		2.8%			2.8%		4.9%			4.9%
Fishery		0.0%			0.0%		0.0%			0.0%
Manufacturing, raw materials extraction, utilities		0.2%			0.2%		0.2%			0.2%
Construction		0.6%			0.6%		1.1%			1.1%
Trade, restaurant and hotel industry		2.5%			2.5%		1.3%			1.3%
Transport, post and telecommunications		0.4%			0.4%		0.1%			0.1%
Credit and financing and insurance		21.1%			0.0%		16.7%			16.7%
Property administration and trading, business services		20.5%			20.5%		23.4%			23.4%
Other business		4.1%			4.1%		4.8%			4.8%
Business total		52.2%			52.2%		52.5%			52.5%
Private customers		47.8%			47.8%		47.1%			47.1%
Total		100.0%			100.0%		100.0%			100.0%
Impairment (provision)										
Individual assessment										
Impairment, beginning of year		137			137		158			158
Impairment during the year		66			66		68			68
Reversal of impairment		-92			-92		-79			-79
Loss (written off)		-8			-8		-10			-10
Impairment, year end		103			103		137			137
Group assessment										
Impairment, beginning of year		45			45		54			54
Impairment during the year		1			1		7			7
Reversal of impairment		-19			-19		-16			-16
Impairment, year end		27			27		45			45
Total impairment		130			130		182			182
Value of security for loans found to be impaired based on individual assessments		8			8		8			8
The carrying amount of loans and advances which would have been overdue or impaired if the loan had not been renegotiated.		0			0		0			0

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Reasons for individual impairment write-downs										
Loans, advances and other receivables before impairment										
Bankruptcy		16			16		33			33
Suspension of payments		75			75		67			67
Other reasons		464			464		351			351
		555			555		451			451
Impairment, etc.										
Negotiations for composition started/granted		6			6		22			22
Account terminated		37			37		32			32
Other reasons		60			60		83			83
		103			103		137			137
Loans, advances and other receivables after impairment		452			452		314			314
Value of security for loans which in an individual assesment have been found to be impaired		364			364		270			270
Description of security										
Value of security										
Real property, private		32			32		4			4
Real property, commercial		273			273		205			205
Cash, deposits and highly liquid securities		7			7		8			8
Cars		40			40		28			28
Other security		12			12		25			25
		364			364		270			270

Collateral security is valued on the following basis:
Private residential property; 80-95%, depending on type, location, state of repair and transferability.
Commercial property; 60-85%, depending on use, location, state of repair, business, income basis and assessed transferability.
Cash and marketable securities; 80-95% of official market price when available and, if not, of assessed market price.
Personal property, cars; depending on type, model and age.
Personal property, other collateral; based on individual assessments.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Realised security, including conditions										
Value of realised security										
Real property, private		1			1		1			1
Real property, commercial		0			0		27			27
Cars		15			15		15			15
		16			16		43			43

Forced realisation of collateral is required if the bank is unable to get a voluntarily agreement with debtor or mortgagor for voluntary realisation. Before forced realisation is initiated, the debtor and/or mortgagor are given notice, typically eight days, but shorter if there is an imminent risk of the value of the collateral becoming impaired. Particularly in relation to loans and credit secured on securities-based investments, so-called stop-loss clauses are established, giving the bank the right to immediate forced realisation unless additional collateral is provided. Such clauses typically take effect if the value of the collateral falls below a minimum proportion of the loan, typically 105-110%.

DKKm	2007 Non-life	2007 Bank	2007 Life	2007 Other	2007 Total	2006 Non-life	2006 Bank	2006 Life	2006 Other	2006 Total
Loans, advances and other receivables, etc. in arrears										
How much in arrears										
Up to three months		40			40		35			35
Three to six months		8			8		29			29
Six to twelve months		9			9		9			9
More than twelve months		16			16		1			1
Arrears, year end		73			73		74			74
Value of collateral security for loans in arrears		1,264			1,264		756			756

DKKm	Non-life	Bank	Life	Other	2007 Total	Non-life	Bank	Life	Other	2006 Total

Note 48 Hedge accounting

As part of the risk management efforts, the fair value of certain financial assets and liabilities is hedged through the use of derivative financial instruments.

DKKm	Non-life	Bank	Life	Other	2007 Total	Non-life	Bank	Life	Other	2006 Total
Nature of the hedged item										
Fixed-rate loans in DKK										
At amortised cost		0			0		144			144
At adjusted amortised cost (carrying amount)		0			0		148			148
Hybrid Tier 1 capital in DKK										
At amortised cost		175			175		175			175
At adjusted amortised cost (carrying amount)		168			168		174			174
Nature of hedging instruments										
For fixed-rate loans in DKK										
Interest rate swaps in DKK										
Fair value		0			0		-4			-4
Synthetic principal		0			0		152			152
For hybrid Tier 1 capital in DKK										
Interest rate swaps in DKK										
Fair value		-7			-7		-1			-1
Synthetic principal		175			175		175			175
Recognised through profit and loss										
Value adjustment of hedged assets and liabilities		6			6		-6			-6
Value adjustment of hedging instruments		-6			-6		6			6

Fair value hedging has been highly effective throughout the year and throughout the term. "Highly effective" means that the value adjustments of the hedging instruments correspond to the value adjustments of the hedged items within a range of 80-125%.

Note 49 Sensitivity information

Sensitivity information, group

DKKm	Non-life	Bank	Life Shareholders' equity	Other	Total	% of Shareholders' equity
Risk on shareholders' equity in case of specific events:						
Interest rate increase of 0.7 pct. point	-17	-36	-8	-3	-64	-1.2%
Interest rate fall of 0.7 pct. point	4	36	8	3	51	0.9%
Equity price fall of 12%	-7	-13	0	-2	-22	-0.4%
Fall in property prices of 8%	-3	0	0	0	-3	-0.1%
Maximum exchange rate loss of 99.5% probability of 10 days	-1	-1	0	-3	-5	-0.1%
Loss on counterparties of 8%	-40	-141	-6	-16	-203	-3.7%
Caststrophic events:						
- one "100-year event"	250	0	0	0	250	4.6%
- two "100-year events"	400	0	0	0	400	7.3%

The risk described above represent the most significant risks in the Alm. Brand Group. The order of the risk factors is not an indication of the size or importance of each risk factor. The risk factors relating to the life group's shareholders' equity do not include risks related to securities used to hedge technical provisions in the life group.

Sensitivity information, life company

DKK '000	Minimum effect on capital base	Maximum effect on collective bonus potential	Maximum effect on bonus potential on paid-up policy benefits before change in applied bonus potential on paid-up policy benefits	Maximum effect on applied bonus potential on paid-up policy benefits
Event:				
Interest rate increase of 0.7 pct. point	8,769	-356,288	395,282	0
Interest rate fall of 0.7 pct. point	8,769	221,074	-310,286	0
Equity price fall of 12%	0	-171,906	0	0
Fall in property prices of 8%	0	-98,458	0	0
Exchange rate risk (VaR 99.5%)	0	-1,872	0	0
Loss on counterparties of 8%	-2,338	-80,995	0	0
Fall in mortality intensity of 10%	-6,990	-20,969	3,728	0
Increase in mortality intensity of 10%	6,374	19,121	-3,341	0
Increase in disability intensity of 10%	-1,326	-3,977	-9,126	0

	2007	2006	2005	2004	2003
Note 50 Key ratios for the banking group					
Solvency ratio *	11.7%	12.1%	11.5%	12.4%	14.7%
Tier 1 ratio *	9.4%	10.4%	9.5%	9.7%	11.3%
Return on equity before tax	15.2%	14.5%	23.0%	15.7%	14.9%
Return on equity after tax	11.5%	11.1%	16.1%	15.4%	14.7%
Income/cost ratio	1.4	1.5	1.9	1.4	1.3
Interest rate risk *	8.7%	13.3%	15.2%	10.1%	12.9%
Foreign exchange position *	72.7%	41.1%	19.1%	9.5%	3.0%
Foreign exchange risk *	0.6%	0.7%	0.2%	0.2%	0.1%
Loans and advances as a percentage of deposits	146.7%	139.4%	121.9%	99.4%	97.0%
Gearing of loans and advances	8.9	7.4	6.7	7.6	11.2
Annual growth in lending	30.4%	22.2%	20.5%	8.2%	-5.2%
Excess cover relative to statutory liquidity requirement *	36.7%	71.5%	82.0%	71.2%	90.7%
Total amount of large exposures *	177.6%	225.1%	275.3%	218.4%	101.8%
Impairment ratio for the year	-0.3%	-0.2%	0.0%	0.3%	0.7%

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by credit institutions and investment companies etc. The accounting policies were changed in 2005. Financial highlights and key ratios for 2003 have not been restated to reflect the change in accounting policies.

* Comparative figures for 2004 in respect to these key ratios have not been restated.

FINANCIAL STATEMENTS

PARENT COMPANY

ACCOUNTING POLICIES

GENERAL

The annual 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 annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

The consolidated financial statements of Alm. Brand A/S are prepared in accordance with the International Financial Reporting Standards as approved by the EU. With respect to recognition and measurement, the accounting policies of the parent company Alm. Brand A/S are identical to those described for the group, with the exception that:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value on the balance sheet date.

The value of Pensionskassen under Alm. Brand A/S is not recognised in the balance sheet but is exclusively disclosed in the notes as a contingent liability.

The Danish Financial Supervisory Authority's executive order on financial reporting was updated effective from 2007, resulting in a few adjustments to the layout of the income statement and the balance sheet. The principal change involves the parent company's presentation of income from subsidiaries, which effective from 2007 is recognised as an after-tax figure. Previously, shares of the profit from these units were recognised before tax and shares of tax in subsidiaries were recognised under tax. Comparatives have been restated accordingly.

Apart from this, the accounting policies are unchanged from the policies applied in the Annual Report 2006.

BALANCE SHEET

DKKm	Note	Parent company 2007	2006
Assets			
Investment in group enterprises	1	4,880	5,222
Investment in associates	2	20	20
Total investments in group enterprises and associates		**4,900**	**5,242**
Equity investments		1	1
Other loans and advances		2	2
Deposits with credit institutions	3	0	125
Cash in hand and balances at call	4	88	89
Total other financial investment assets		**91**	**217**
Total investment assets		**4,991**	**5,459**
Receiveables from group enterprises		9	2
Other receivables		33	22
Total receivables		**42**	**24**
Current tax assets		12	25
Deferred tax assets	5	20	23
Total other assets		**32**	**48**
Total assets		**5,065**	**5,531**
Liabilities and equity			
Share capital		1,668	1,788
Retained earnings		3,264	3,113
Total shareholders' equity	6	**4,932**	**4,901**
Deferred tax liabilities	7	46	51
Total provisions		**46**	**51**
Payables to group enterprises		21	502
Other payables		66	77
Total Payables		**87**	**579**
Total liabilities and equity		**5,065**	**5,531**

Contingent liabilities, guarantees and leases	8
Staff costs	9
Auditors' fees	10
Related parties	11

INCOME STATEMENT

DKKm	Note	Parent company 2007	2006
Income from group enterprises	12	736	872
Income from associates	13	0	0
Interest income and dividends, etc.	14	22	15
Interest expenses	15	-14	-17
Administrative expenses related to investment activities	16	-50	-87
Total return on investments		**694**	**783**
Profit before tax		**694**	**783**
Tax	17	12	24
Profit for the year		**706**	**807**
Proposed allocation of profit:			
Retained earnings		706	807

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Retained earnings	Share-holders' equity
Shareholders' equity at 1 January 2006	**1,788**	**2,666**	**4,454**
Profit for the year		807	807
Sale of treasury shares		44	44
Shareholders' equity at 1 January 2007	**1,788**	**3,113**	**4,901**
Profit for the year	0	706	706
Cancellation of treasury shares	-120	120	0
Revaluation of owner-occupied properties	0	3	3
Tax on changes recognised in equity	0	-1	-1
Sale of treasury shares	0	14	14
Share buyback programme	0	-691	-691
Shareholders' equity at 31 December 2007	**1,668**	**3,264**	**4,932**

DKKm	2007	2006
Note 1 Investment in group enterprises		
Cost, beginning of year	6,042	6,042
Disposals	-1,798	0
Cost, year end	4,244	6,042
Revaluation and impairment, beginning of year	-1,134	-1,609
Dividend received	-699	-400
Disposals	1,423	0
Profit for the year	736	872
Revaluation of owner-occupied properties associates	3	0
Tax on changes recognised in equity associates	-1	0
Revaluation and impairment of treasury shares in subsidiaries	-6	3
Revaluation and impairment, year end	322	-1,134
Set off against receivables and capital base	314	314
Carrying amount, year end	**4,880**	**5,222**
Specification of carrying amount:		
Alm. Brand Bank A/S	1,359	1,216
Alm. Brand Forsikring A/S	3,502	3,495
Asgaard Finans A/S	0	0
Finansieringsselskabet Balder A/S	7	435
Finansieringsselskabet af 9/10 1992 A/S	12	76
	4,880	**5,222**
Note 2 Investment in associates		
Cost, beginning of year	60	60
Cost, year end	60	60
Revaluation and impairment, beginning of year	-40	-39
Dividend received	0	-1
Profit for the year	0	0
Revaluation and impairment, year end	-40	-40
Carrying amount, year end	**20**	**20**
Specification of carrying amount:		
EDC-udvikling a/s, ownership interest 50%	20	20
	20	**20**
Note 3 Deposits with credit institutions		
Term deposits, Alm. Brand Bank	0	125
	0	**125**
Note 4 Cash in hand and balances at call		
Deposits held at call, Alm. Brand Bank	86	87
Escrow account, Alm. Brand Bank	2	2
	88	**89**
Note 5 Deferred tax assets		
Deferred tax on provisions	20	23
	20	**23**

DKKm	2007	2006
Note 6 Shareholders' equity		
Share capital, beginning of year	1,788	1,788
Cancellation of treasury shares	-120	0
Share capital, year end	**1,668**	**1,788**

The share capital consists of 22,350,000 shares of DKK 80 each and has been fully paid up.

DKKm	2007	2006	2005	2004	2003
Share capital, beginning of year	1,788	1,788	1,788	1,788	1,788
Cancellation of treasury shares	-120	0	0	0	0
Share capital, year end	1,668	1,788	1,788	1,788	1,788

The share capital represents the original financial figures for Alm. Brand A/S without adjustments for business combinations and mergers.

Reference is made to the statement of changes in equity.

DKKm	2007	2006
Solvency		
Tier 1 capital after deductions	4,912	4,878
Capital base after decuctions	3,652	3,568
Weighted assets subject to market risks, etc.	4,235	4,553
Total weighted assets	4,235	4,553
Tier 1 capital after deductions as a percentage of total weighted items	101.7%	107.1%
Solvency ratio	86.2%	78.4%

The risk-weighted items have been prepared in accordance with the Danish Financial Business Act. The Danish Financial Supervisory Authority issued a new executive order on capital adequacy effective 1 January 2007. The comparative figure for 2006 is calculated in accordance with the previous executive order on capital adequacy.

No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares, beginning of year	22,350	22,350
Treasury shares, beginning of year	-1,421	-311
No. of shares, beginning of year	20,929	22,039
Share bought back	-2,017	-1,222
Employee shares issued	54	112
Shares acquired/sold during the year	0	0
Cancellation of treasury shares	1,500	0
Issued shares, year-end	20,850	22,350
Treasury shares, year-end	-1,884	-1,421
No. of shares at year-end	18,966	20,929
Treasury shares		
Carrying amount, beginning of year	0	0
Value adjustment	-551	-363
Acquired during the year	691	404
Sold during the year	-20	-41
Cancellation of treasury shares	-120	0
Carrying amount, year end	0	0

DKKm	2007	2006
Nominal value, beginning of year	114	25
Acquired during the year	161	98
Sold during the year	-4	-9
Cancellation of treasury shares	-120	0
Nominal value, year end	151	114
Holding (number of shares), beginning of year	1,421	311
Acquired during the year	2,017	1,222
Sold during the year	-54	-121
Cancellation of treasury shares	-1,500	0
Holding (number of shares), year end	1,884	1,412
Percentage of share capital	9.0%	6.4%

Note 7 Deferred tax liabilities

Deferred tax on contingency funds in group enterprises	46	51
	46	**51**

The company is liable to pay a possible tax amount in Denmark in respect of recaptured losses in foreign entitles. The liability amounts to a maximum of DKK 316 million.

The amount will fall due for payment on taxation of future losses, divestment of the activities at a value that exceeds the carrying amount or if the foreign operations in question exit from the joint taxation group within ten years.

Note 8 Contingent liabilities, guarantees and leases

Guarantee commitments	532	551

In specific cases, Alm. Brand A/S has provided guarantees to third parties for subsidiaries' obligations deriving from their operating activities and has declared its intention to make cash funds available to cover ordinary operations in a number of subsidiaries.

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of The Copenhagen Reinsurance Company (U.K.) Ltd. (Cop Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) written through ILU in the period from 3 April 1989 to 1 July 1997. The guarantee commitments are believed to materialise only in case of insolvency or any other situation preventing payment, including as a result of insufficient reserves, on the part of Cop Re UK Ltd.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (pensionsafviklingskasse). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. In connection with the transfer, Alm. Brand af 1792 G/S provided a guarantee to Alm. Brand A/S in respect of these obligations.

Alm. Brand A/S has made rental agreements for premises with total annual payments of DKK 105 million allocated over a five-year period.

Alm. Brand A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability of these companies for income years up till 2004. As from 2005, Alm. Brand A/S is only jointly and severally liable for the indirect tax liability.

Note 9 Staff costs

Salaries and wages	17	16
Pension	2	2
Payroll tax, etc.	1	1
	20	19
Average number of employees	6	6
Remuneration to the Board of Directors (DKK '000)	1,568	1,635
Remuneration to the Management Board (DKK '000)	13,462	12,453
	15,030	14,088

Remuneration includes the bonus earned in 2007, which will be paid in 2008.

DKKm		
Note 10 Audit fees (DKK '000)		
Deloitte:		
Audit	602	432
Non-audit services	1,011	1,996
	1,613	2,428

Note 11 Related parties

Related parties comprise:

- Members of the company's Management Board and Board of Directors and their related family members
- Companies controlled by members of the Management Board of Board of Directors
- Other companies in the Alm. Brand Group
- Alm. Brand af 1792 fmba, which exercises a controlling influence on the company

Related party transactions:

The Alm. Brand Group maintains cross-cutting functions that solve joint administrative tasks for the group's companies. The consideration paid for this administrative function is fixed on an arm's length basis or, where there is no specific market, on a cost-recovery basis.

Alm. Brand Bank is the Alm. Brand Group's primary banker. This involves the conclusion of a number of agreements between the company and the group's other enterprises, and a number of transactions are regularly made between the company and the rest of the group. All agreements and transactions between the company and the bank are made on an arm's length or cost-recovery basis in accordance with applicable legislation for intra-group transactions.

An agreement has been made on interest accruing on accounts between the bank and the other group companies on an arm's length basis.

Other than the above, no material intra-group transactions have taken place.

DKKm	2007	2006
Note 12 Income from group enterprises		
Alm. Brand Bank A/S	149	126
Alm. Brand Forsikring A/S	580	676
Asgaard Finans A/S	0	2
Finansieringsselskabet Balder A/S	6	67
Finansieringsselskabet af 9/10 1992 A/S	1	1
	736	**872**
The profit/loss is recognised in the following items:		
Income from group enterprises	736	872
	736	**872**
Note 13 Income from associates		
EDC-Udvikling a/s	0	0
	0	**0**
Note 14 Interest income and dividends, etc.		
Interest, Alm. Brand Bank	11	5
Other interest	11	10
	22	**15**
Note 15 Interest expenses		
Interest expenses, group enterprises	-10	-11
Other interest expenses	-4	-6
	-14	**-17**

DKKm	2007	2006
Note 16 Administrative expenses related to investment activities		
Cost, group enterprises	-13	-14
Other costs	-37	-73
	-50	**-87**

DKKm	2007	2006
Note 17 Tax		
Estimated tax on operating profit for the year	12	24
Prior-year adjustment	1	1
Adjustment of deferred tax (28% to 25%)	3	0
Adjustment of deferred tax	-4	-1
	12	**24**
Effective tax rate		
Current tax rate	25.0%	28.0%
Adjustment of deferred tax (28% to 25%)	6.3%	0.0%
Adjustment of deferred tax	7.0%	-5.1%
Prior-year adjustment	-6.4%	-1.6%
Tax adjustments	-2.5%	-1.6%
	29.4%	**19.7%**

FINANCIAL RATIOS

Return on equity before tax = $\frac{\text{Profit before tax x 100}}{\text{Average shareholders' equity}}$

Return on equity after tax = $\frac{\text{Profit for the year x 100}}{\text{Average shareholders' equity}}$

In the calculation of return on equity, consideration is made for capital increases in the year and any other equity entries to the effect that such changes are included on a pro-rata basis

FINANCIAL RATIOS, ALM. BRAND A/S, PARENT COMPANY

Net asset value per share = $\frac{\text{Shareholders' equity x 100}}{\text{No. of shares at year-end}}$

Earnings per share = $\frac{\text{Profit for the year after tax x 100}}{\text{Average no. of shares}}$

Diluted earnings per share = $\frac{\text{Profit for the year after tax x 100}}{\text{Average no. of shares}}$

In the determination of the average number of shares, any stock options and warrants are taken into consideration.

Price/NAV = $\frac{\text{Share price}}{\text{Net asset value per share}}$

FINANCIAL RATIOS, NON-LIFE INSURANCE

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by insurance companies and profession-specific pension funds:

Gross claims ratio = $\frac{\text{Gross claims incurred x 100}}{\text{Gross premium income}}$

Gross expense ratio = $\frac{\text{Underwriting management expenses x 100}}{\text{Gross premium income}}$

Net reinsurance ratio = $\frac{\text{Profit/loss on reinsurance x 100}}{\text{Gross premium income}}$

Combined ratio = $\frac{\text{(Gross claims expenses + Underwriting management expenses + Profit/loss on reinsurance) x 100}}{\text{Gross premium income}}$

Operating ratio = $\frac{\text{(Gross claims expenses + Underwriting management expenses + Profit/loss on reinsurance) x 100}}{\text{Gross premium income + Technical interest}}$

Gross premiums are adjusted to reflect bonus payments and premium discounts.

FINANCIAL RATIOS, BANKING

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by credit institutions and investment companies, etc.:

$$\text{Interest margin} = \frac{\text{Net interest income}}{\text{Average interest-bearing assets – average interest-bearing liabilities}}$$

$$\text{Impairment ratio for the year} = \frac{\text{Impairment for the year x 100}}{\text{Loans and advances + guarantees + impairment}}$$

$$\text{Income/cost ratio} = \frac{\text{Income}}{\text{Costs}}$$

FINANCIAL RATIOS, LIFE INSURANCE

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by insurance companies and profession-specific pension funds.

DIRECTORSHIPS

BOARD OF DIRECTORS

Christian N.B. Ulrich
Chairman
Born 1939
Member of the Board of Directors since 1991

Chairman of the boards of directors of:
Alm. Brand A/S
Alm. Brand Bank A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Directorships outside the Alm. Brand Group

Member of the board of directors of:
Agroinvest A/S

Jørgen H. Mikkelsen
Deputy Chairman
Born 1954
Member of the Board of Directors since 1994

Deputy chairman of the boards of directors of:
Alm. Brand A/S
Alm. Brand Bank A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Directorships outside the Alm. Brand Group

Chairman of the boards of directors of:
Køge Holding A/S
Tømrermester Søren Gliese-Mikkelsen A/S
DPL Invest A/S (Investeringsselskabet for Dansk Primær Landbrug)
Danish Agro Byggecenter A/S
Danish Agro Agro Trading A/S
ØA Fyn A/S
Sydjysk Korn- og foderstofkompagni A/S
Merløse Landbutik A/S
Chr. Petersen A/S

Member of the boards of directors of:
Hesselbjerg Agro A/S
KRAM Madservice A/S

Boris N. Kjeldsen
Born 1959
Member of the Board of Directors since 2003

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Directorships outside the Alm. Brand Group

Chief executive of:
DADES A/S

General manager of:
DAVISTA Komplementarselskab A/S

Chairman of the boards of directors of:
Sigvald Madsen Holding A/S
Breinholt Consulting A/S
Breinholt Invest A/S
DATEA A/S
Sigvald Madsen Aktieselskab, håndværkerfirma
Kemp & Lauritzen A/S

Member of the boards of directors of:
DAVISTA Komplementarselskab A/S
Benny Johansen & Sønner A/S

Niels Kofoed
Born 1962
Member of the Board of Directors since 2000

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Directorships outside the Alm. Brand Group

General manager of:
EDC-Niels Kofoed A/S
Ahead Property Innovation A/S

Member of the boards of directors of:
EDC-Niels Kofoed A/S
Ahead Property Innovation A/S

DIRECTORSHIPS

Jørgen S. Larsen
Born 1949
Member of the Board of Directors since 1996

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Directorships outside the Alm. Brand Group

Chairman of the board of directors of:
NETSAM A/S

Member of the board of directors of:
TRE-FOR Entreprise A/S

Henrik Stenbjerre
Born 1940
Member of the Board of Directors since 2006

Member of the board of directors of:
Alm. Brand A/S

Directorships outside the Alm. Brand Group

Chairman of the board of directors of:
Camfil A/S

Deputy chairman of the boards of directors of:
Averhoff & Co. A/S
Stena Metall A/S
FIH Kapitalbank A/S

Member of the boards of directors of:
RM Rich. Müller A/S
Terma A/S
Brüel & Kjær Sound & Vibration Measurement A/S

Lone Clausen
Employee representative
Born 1955
Member of the Board of Directors since 1998

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Susanne Larsen
Employee representative
Born 1964
Member of the Board of Directors since 2006

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Henning Kaffka
Employee representative
Born 1965
Member of the Board of Directors since 2006

Member of the boards of directors of:
Alm. Brand A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

DIRECTORSHIPS

MANAGEMENT BOARD

Chief Executive
Søren Boe Mortensen
Joined Alm. Brand in 1987
Member of the Management Board since 1998
Chief Executive since December 2001
Born 1955

Chief Executive of:
Alm. Brand A/S
Alm. Brand af 1792 fmba

General manager of:
Alm. Brand Invest II A/S

Chairman of the boards of directors of:
Alm. Brand Forsikring A/S
A/S Det Kjøbenhavnske Reassurance-Compagni
Asgaard Finans A/S
Finansieringsselskabet af 9/10 1992 A/S
Alm. Brand Service ApS

Deputy chairman of the boards of directors of:
Alm. Brand Pantebreve A/S
Alm. Brand Formue A/S

Member of the boards of directors of:
Alm. Brand Invest II A/S
Alm. Brand Præmieservice A/S
Alm. Brand Ejendomsinvest A/S
Alm. Brand Bank A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S

Chairman appointed by the Management Board of:
Pensionskassen under Alm. Brand A/S

Directorships outside the Alm. Brand Group

Deputy chairman of the board of directors of:
Forsikringsakademiet A/S

Member of the board of directors of:
Forsikring og Pension

Deputy Chief Executive
Henrik Nordam
Joined Alm. Brand in 1986
Member of the Management Board since 1 January 2000
Deputy Chief Executive since December 2001
(Chief Executive of Alm. Brand Bank)
Born 1951

Chief Executive of:
Alm. Brand Bank A/S

Deputy Chief Executive of:
Alm. Brand A/S

General manager of:
Asgaard Finans A/S

Chairman of the boards of directors of:
Alm. Brand Finans A/S
Alm. Brand Ejendomsinvest A/S
Alm. Brand Formue A/S
Alm. Brand Invest II A/S
Alm. Brand Pantebreve A/S
Alm. Brand Præmieservice A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S

Member of the boards of directors of:
Alm. Brand Forsikring A/S
A/S Det Kjøbenhavnske Reassurance-Compagni
Alm. Brand Service ApS
Asgaard Finans A/S
Finansieringsselskabet af 9/10 1992 A/S

SENIOR EXECUTIVES

Frank Abel	Executive Vice President, Region Syd
Anne Mette Barfod	Chief Executive, Copenhagen Re
Henrik Gundorph	Executive Vice President, Human Resources
Kaj Jensen	Executive Vice President, Region Jylland Øst
Lars Lysdal Jensen	IT Manager
Ole Joachim Jensen	Chief Financial Officer
Claus Th. Jespersen	Senior Vice President, Company Secretary
Jens-Peter Pedersen	Executive Vice President, Region Sjælland
Peter Reedtz	Managing Director, Alm. Brand Bank
Birger Schønfeld	Executive Vice President, Region København
Bjarne Schønfeld	Executive Vice President, Region Jylland Nord
Mikael Sundby	Chief Executive, Alm. Brand Liv og Pension
Christian Heick Sørensen	Executive Vice President, Marketing
Jesper Mørch Sørensen	Chief Executive, Alm. Brand Forsikring
Torsten Aa. Juel	Chief Executive, Alm. Brand Finans

GROUP COMPANIES

DKKm	Activity	Profit/loss for the year	Shareholders' equity at year-end	Share of ownership
PARENT COMPANY				
Alm. Brand A/S, Copenhagen	Holding	706	4,932	
NON-LIFE INSURANCE				
Alm. Brand Forsikring A/S, Copenhagen	Insurance	580	3,502	100%
Alm. Brand Service ApS, Copenhagen	IT operation and development	2	44	100%
LIFE INSURANCE				
Forsikringsselskabet Alm. Brand Liv og Pension A/S, Copenhagen	Insurance	80	936	100%
Alm. Brand Ejendomsinvest A/S, Copenhagen	Real property	77	1,044	100%
REINSURANCE				
A/S Det Kjøbenhavnske Reassurance-Compagni, Copenhagen	Insurance	71	261	100%
The Copenhagen Reinsurance Company, (U.K.) Ltd., London	Insurance	36	494	100%
The Copenhagen Reinsurance Services, (U.K.) Ltd., London	Administration	1	13	100%
BANKING AND FINANCE				
Alm. Brand Bank A/S, Copenhagen	Banking	148	1,365	100%
Alm. Brand Finans A/S, Kgs, Lyngby	Car finance and leasing	16	320	100%
Alm. Brand Pantebreve A/S, Copenhagen	Investment	17	267	18%
Alm. Brand Formue A/S, Copenhagen	Investment	– 8	534	38%
OTHER COMPANIES				
Alm. Brand Holding II A/S, Copenhagen	Investment	1	0	100%
Alm. Brand Invest II A/S, Copenhagen	Investment	0	1	100%
Alm. Brand Præmieservice A/S, Copenhagen	Financing	0	1	100%
Finansieringsselskabet Balder A/S, Copenhagen	Financing	7	7	100%
Finansieringsselskabet af 9/10 1992 A/S, Copenhagen	Financing	0	12	100%
Asgaard Finans A/S, Copenhagen	Holding	0	– 314	100%
Europort Ltd. (Gibraltar), Copenhagen	Currently dormant	0	– 95	100%
ASSOCIATED COMPANIES				
EDC-udvikling a/s	Sales co-operation	0	41	50%
Invest Administration A/S	Administration	– 1	4	50%
Henton aktieInvest A/S	Investment	0	53	42%

"Share of ownership" indicates Alm. Brand A/S' direct or indirect ownership interests.

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