

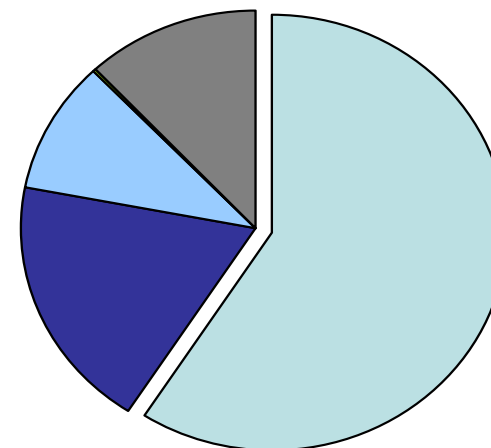
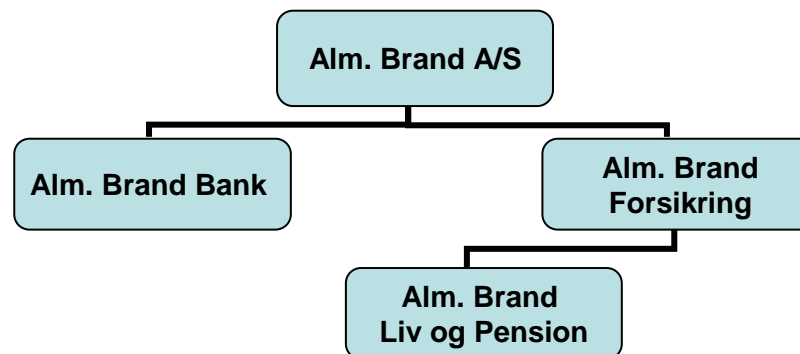
Alm. Brand A/S Carnegie – London September 2010



Alm. Brand

Non-life insurance – The market

- 109 insurance companies in Denmark
 - Many small, local insurers
- Almost 65% covered by four large, listed insurers
- Alm. Brand is Denmark's 4th largest non-life insurer
 - 400,000 customers
 - 200,000 full-service customers
 - 10% market share
 - Corporate insurance and Marine deselected



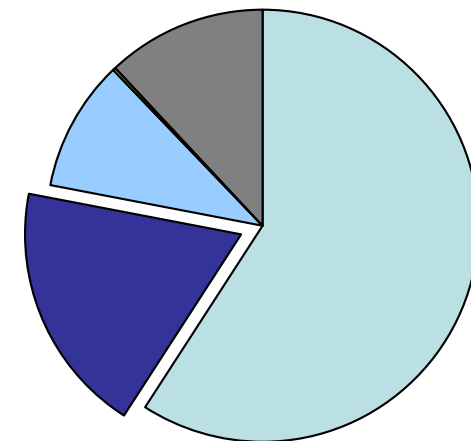
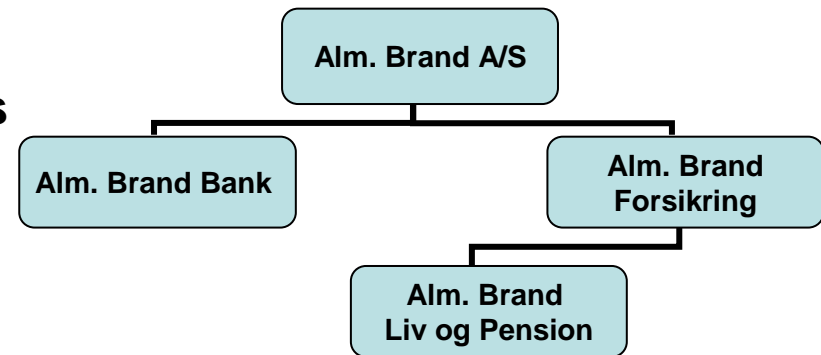
Non-life
insurance



Alm. Brand

Banking – The market

- 150 banks in Denmark
 - Many small and medium-sized banks
- Five largest banks cover most of the market
- Bank packages
 - Financed by the banking sector
 - Hybrid Tier 1 capital
 - Government-guaranteed bonds
 - Finansiell Stabilitet A/S
 - Sector covers ≤ DKK 35bn
 - Danish state covers > DKK 35bn
 - Alm. Brand Bank A/S
 - 65,000 customers
 - 7,000 full-service customers
 - Supports insurance
 - Retail customers and Asset Management



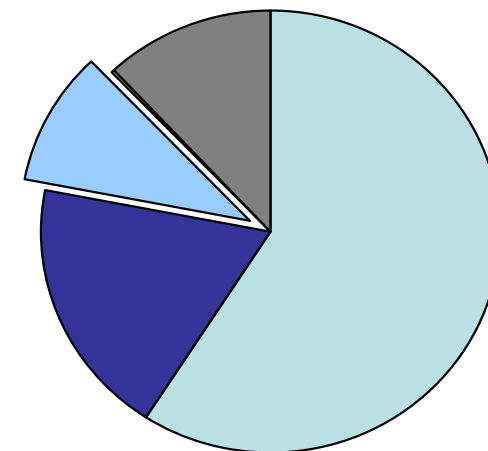
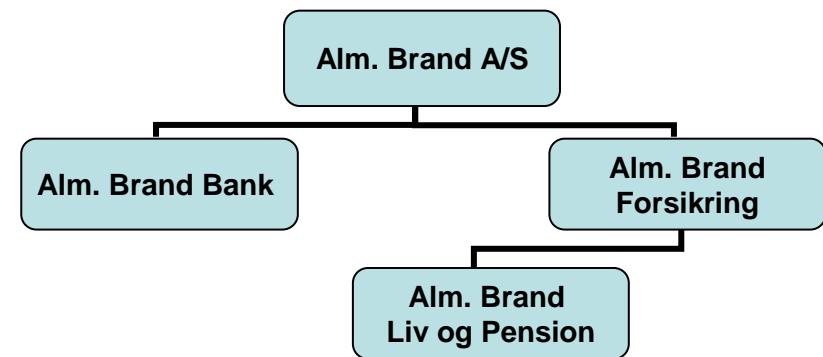
Banking



Alm. Brand

Life insurance and pension – The market

- **Labour market insurers**
 - Cover large part of the market
- **Commercial insurers**
 - Few, large
- **Alm. Brand Liv og Pension A/S**
 - 1% share of commercial market
 - 5% market share of target group



Life insurance
and pension



Alm. Brand – Strategy

Three business areas

- **Non-life insurance is our main business – banking and life insurance support**
- **Danish business**
 - **Foreign business deselected**
- **Corporate, Marine, etc. deselected**
- **Cross-selling**
- **Loyalty**
 - **“DobbeltKUNDE”-concept**
- **Economies of scale**
- **“High level of quality and service at the right price”**

“We take care of our customers”



Alm. Brand Distribution



- 5 regional centres – insurance and pension
- 270 agents
- 15 sales centres – insurance
- 11 branches – banking and pension
- www.almbrand.dk

Alm. Brand – Strategy 2010

From growth to Fit for Fight

- **From 2005 → 2008**
 - **Growth strategy**
 - **Strong growth in the bank**
 - **Economic upturn in Denmark**
- **From 2009 → 2012**
 - **Fit for Fight**
 - **Financial and economic crisis in Denmark**
 - **Substantial losses in our banking business**
 - **New management and strategy**
 - **Costs down**
 - **Lower claims expenses**
 - **Lower risk in the bank and higher earnings**

Alm. Brand – Strategy 2010

Fit for Fight goals

- **Return to shareholders**
- **Enhancing earnings per customer**
- **Loyalty**
- **Commitment**
- **Efficiency**

Alm. Brand

Highlights Q2 2010

- **Profit of DKK 275m before losses and writedowns**
- **Profit of DKK 108m after losses and writedowns**
- **Positive operating performance in all three business areas**
 - **Non-recurring income and positive run-off**
- **Combined ratio: 84.6**
- **Expense ratio: 18.1**
- **Losses and writedowns in the bank in line with expectations**
 - **DKK 167m**



Alm. Brand

Highlights H1 2010

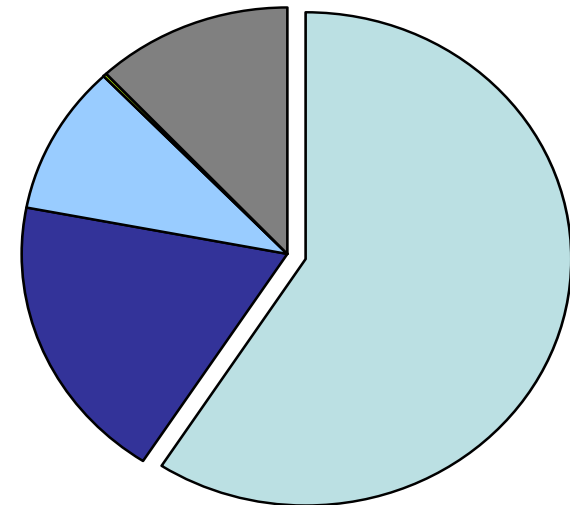
- **Profit of DKK 152m before losses and writedowns**
- **Loss of DKK 134m after losses and writedowns**
 - **Extraordinary winter-related claims of DKK 300m**
 - **Writedowns of DKK 286m in the bank**
 - **Unsatisfactory but better than expected**
- **Sustained improvement of operating performance in banking and pension activities**
- **Continued decline in expenses**
- **Satisfactory return on investment activities**
- **Profit guidance for FY 2010 upgraded by DKK 180m**



Alm. Brand – Non-life insurance

Financial highlights H1 2010

- **Performance**
 - Q2: DKK 186m profit
 - H1: DKK 64m loss
- **Combined ratio**
 - Q2: 84.6
 - H1: 104.9
- **Expense ratio**
 - Q2: 18.1%
 - H1: 18.9%
- **Premium increase**
 - Q2: 1.5%
 - H1: 1%



Non-life
insurance

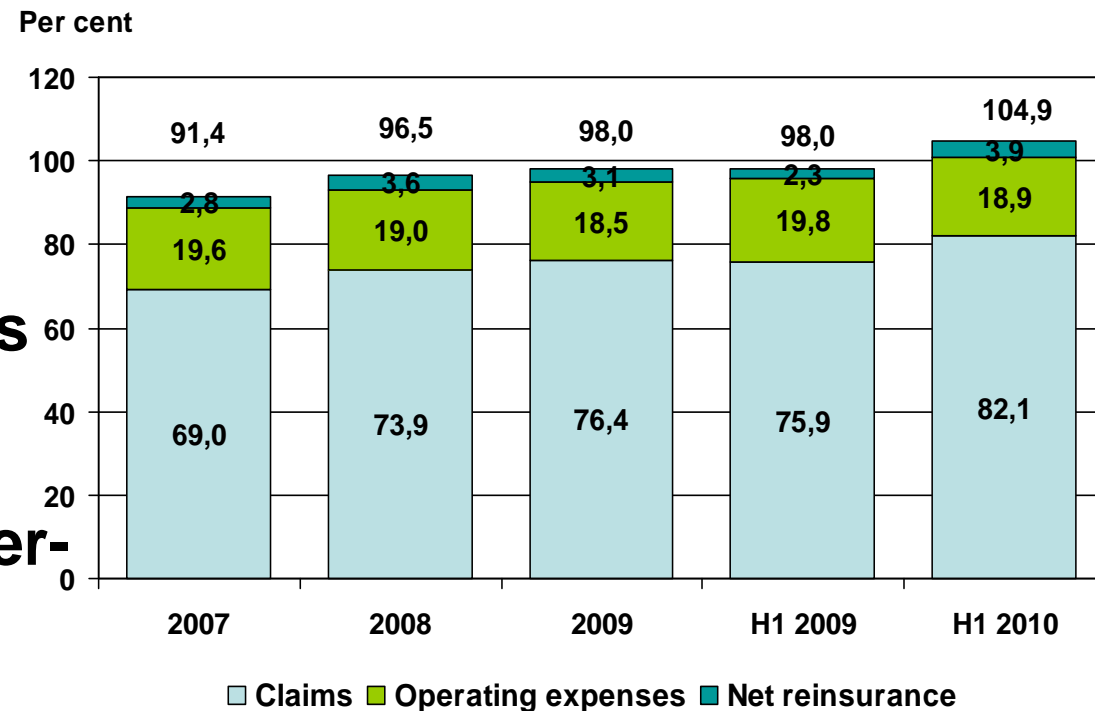
Alm. Brand – Non-life insurance Highlights H1 2010

- **Severe weather conditions in Q1**
- **Slowdown in other claims**
- **Premium increases**
- **Cost reduction**

Alm. Brand – Non-life insurance

Impact on performance

- + Lower costs
- + Lower amount of major claims
- + Stabilisation of normal claims
- + Premium increases
- + Positive run-off
- - Extraordinary winter-related claims
- - Interest rate: 0.7% higher claims ratio



Alm. Brand – Non-life insurance

Combined ratio

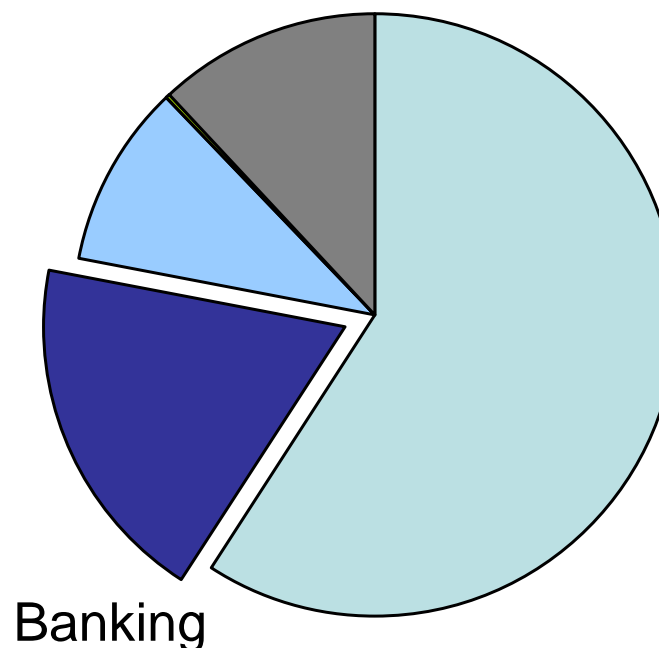
	2008	2009	H1 2009	H2 2009	H1 2010
Combined ratio ex weather-related and major claims	84.3	87.4	85.1	90.1	87.6
Major claims	9.6	9.2	11.3	6.8	7.7
Weather-related claims	1.9	3.1	1.3	4.8	13.7
Run-off result*	0.7	-1.7	0.3	-3.7	-4.1
Combined ratio	96.5	98.0	98.0	98.0	104.9

* A negative run-off result equals a run-off gain

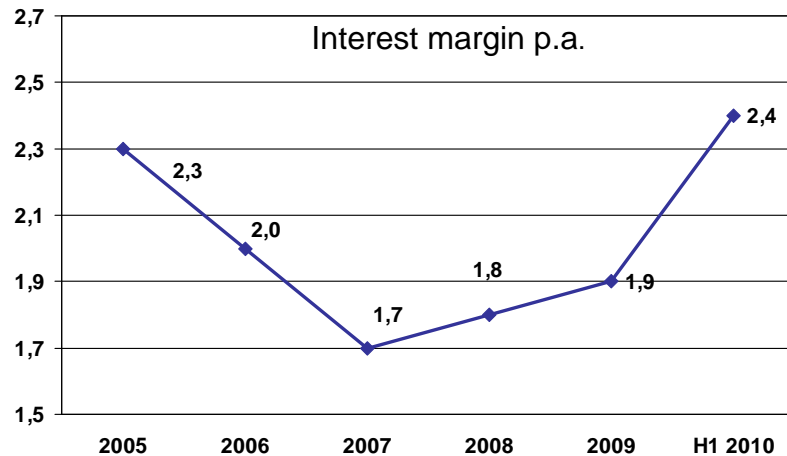
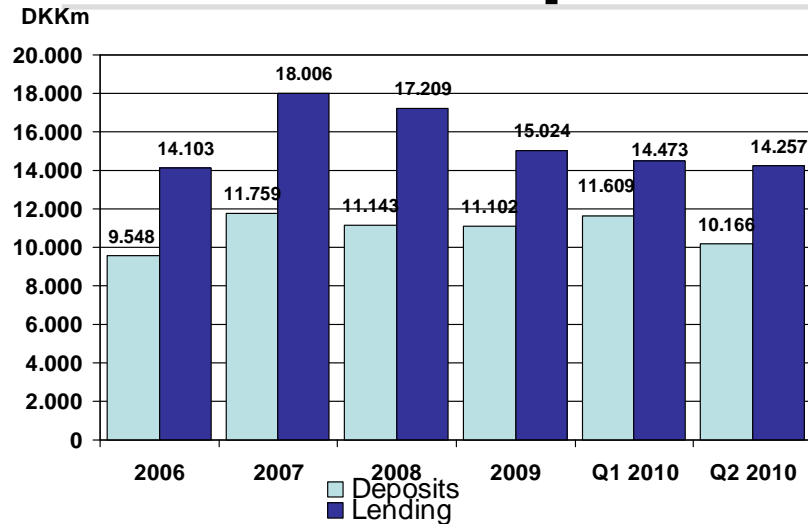
Alm. Brand – Banking

Highlights and key ratios H1 2010

- **Performance: DKK 172m loss**
- **Losses and writedowns of DKK 286m**
 - Profit of DKK 114m before losses and writedowns
- **Interest margin rose to 2.4%**
- **Improved operating performance**
- **Continued decline in expenses**
- **Better than expected**
 - Still unsatisfactory
- **Solvency: 14.9%**
- **Tier 1 ratio: 12.3%**



Alm. Brand – Banking Deposits and lending

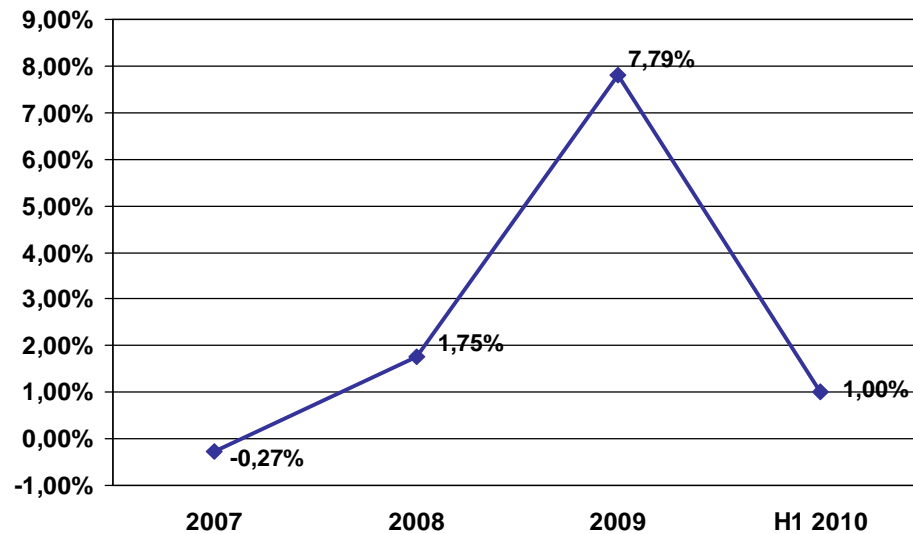


- Loan portfolio reduced by around DKK 1.0bn before writedowns and excluding reverse transactions
 - Accumulated writedowns up by DKK 0.1bn

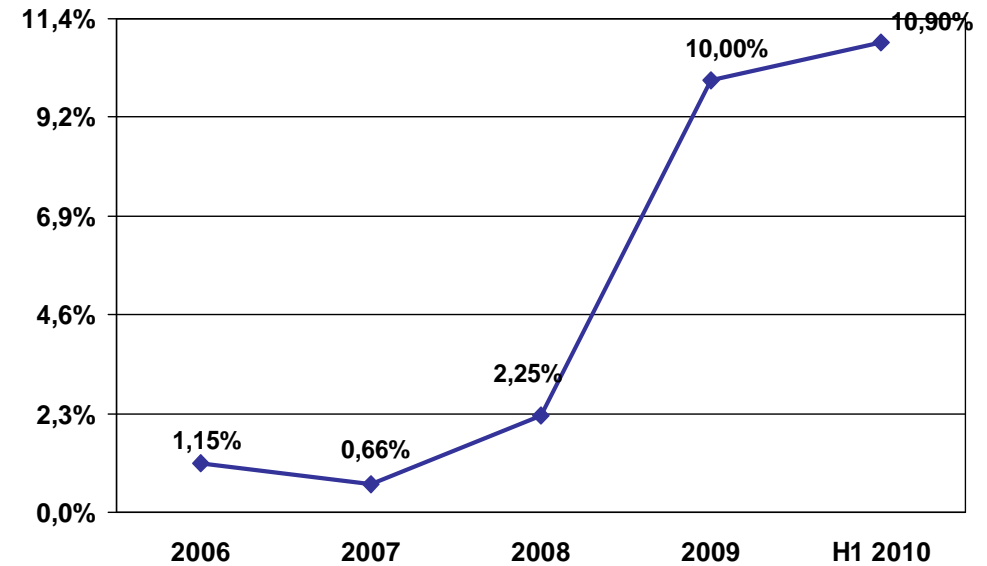
- Interest margin
- + Customer margin increased
- + High-yielding bonds
- + Lower interest paid on fixed-rate deposits
- + Lower interest on funding
- - Hybrid capital

Alm. Brand – Banking Writedowns

Writedowns p.a.



Accumulated writedown ratio



- **Substantial losses in 2009**
 - **New strategy and management**
- **Risk-intensive business areas discontinued**
- **Focus on Asset Management, retail customers and savings products**

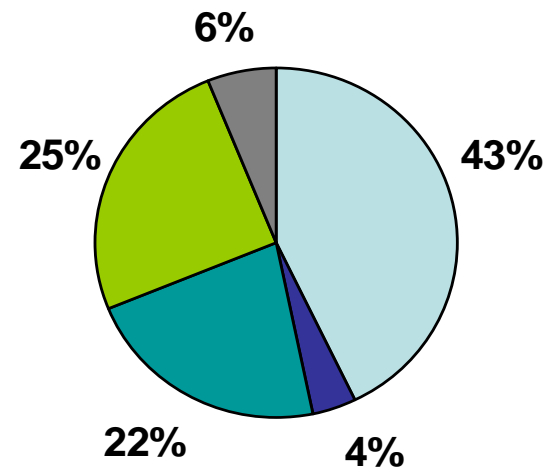
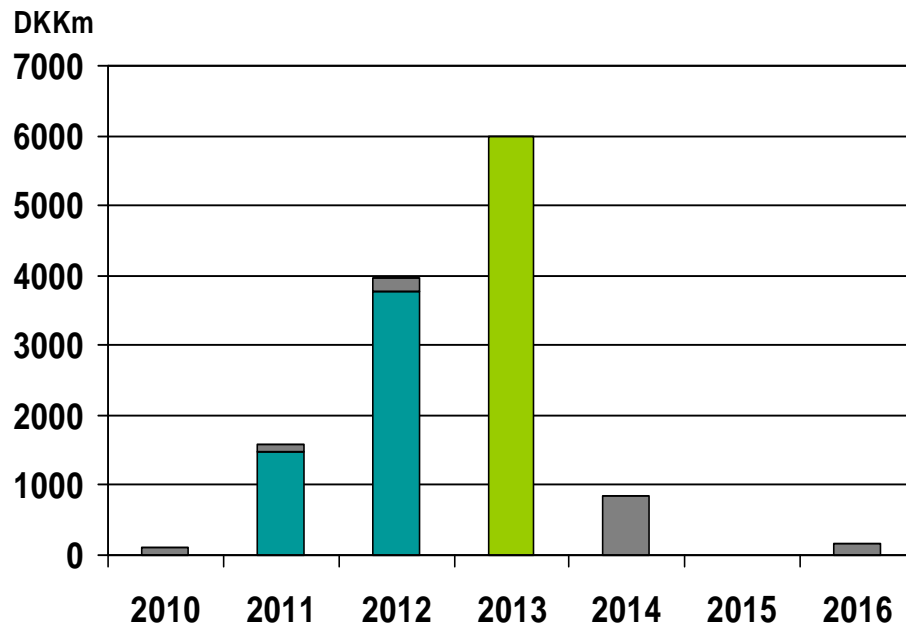
Alm. Brand – Banking

Lending portfolio and credit losses

DKKm	Lending			Losses and writedowns				Impairment ratio
	31 Dec 2009	30 June 2010	Share of portfolio in %	H1 2009	Q1 2010	Q2 2010	H1 2010	H1 2010
Retail lending	3,356	3,298	22.8%	14	18	-18	0	0.0%
Car finance	994	798	6.2%	17	5	0	5	0.6%
Agriculture	1,125	1,202	7.8%	63	6	9	15	1.3%
Other commercial lending	1,023	1,102	6.4%	23	6	21	27	2.5%
Loans to subsidiaries	1,345	770	6.1%	0	0	0	0	0.0%
Securities financing	3,756	2,896	22.7%	204	73	120	193	5.8%
Investment properties	1,791	1,685	12.5%	382	-42	-43	-85	-4.9%
Residential mortgage deeds	856	1,489	8.2%	24	32	35	67	5.7%
Commercial mortgage deeds	263	451	3.5%	36	17	29	46	12.9%
Property development projects	515	565	3.9%	296	4	11	15	2.8%
The Private Contingency Association	-	-	-	4	0	3	3	-
Total	15,024	14,256	100.0%	1,063	119	167	286	2.0%

Alm. Brand – Banking Funding

Repayment structure for interbank funding, issued bonds and subordinated debt

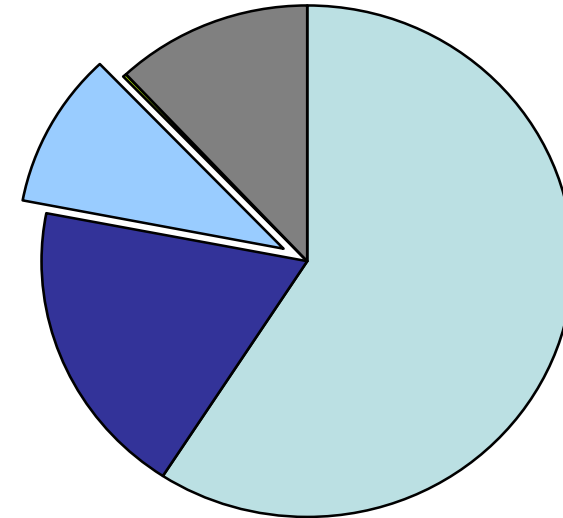


- Issuance of government-guaranteed bonds in June 2010



Alm. Brand – Life insurance and pension Highlights and key ratios H1 2010

- **Performance: DKK 129m profit**
- **Collective bonus potential**
 - DKK 343m
 - Increase of DKK 118m
- **Premiums**
 - Growth incl. banking: 8.4%
- **Strong investment return**
 - 6.5% (p.a. 13%)
 - On customer funds
- **Provisions: DKK 11.6bn**



Life
insurance
and
pension

Alm. Brand – Life insurance and pension

Return on equity before tax

DKKm	2008	2009	Q2 2009	Q2 2010	H1 2009	H1 2010
Return on investment allocated to equity	43	58	12	11	39	24
Result of portfolio without bonus entitlement	0	-24	-2	6	-2	10
Risk premium	53	54	14	13	27	27
Share of expense and risk results	28	22	4	11	12	12
Calculated return on equity	124	110	28	41	76	73
Reversed from/transferred to shadow account	-81	29	-18	20	-39	56
Profit before tax	43	139	10	61	37	129
Shadow account balance	81	56	63	-20	39	0



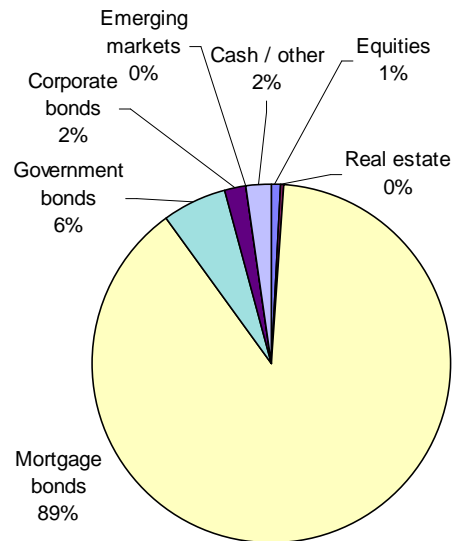
Alm. Brand – Life insurance and pension Investments H1 2010

Return on investments (OE)		2.0%
Return on investments (customers)		<u>6.5%</u>
	<u>Share</u>	<u>Return</u>
Bonds, etc.	75%	8.8%
Equities	10%	-1.7%
Properties	15%	2.4%
Interest (customers) p.a.		3.0%

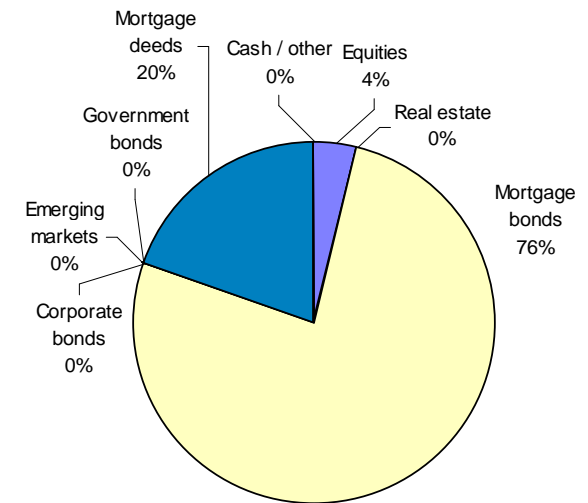
Alm. Brand

Investment assets

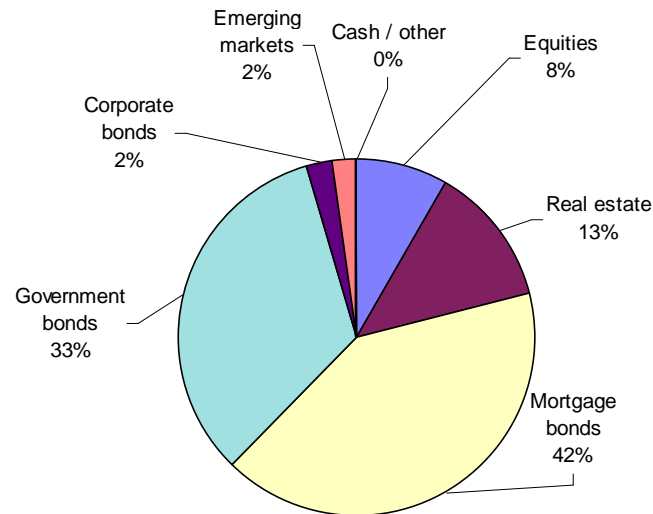
Non-life, asset allocation 30 june 2010



Bank, asset allocation 30 june 2010



Life, asset allocation 30 june 2010



Alm. Brand Outlook 2010

- **Alm. Brand A/S profit of DKK 200m (before losses and writedowns)**
 - **Upgrade of DKK 180m**
 - **Including cloudbursts in weeks 32-33**

Alm. Brand

Outlook until 2012

- **Losses and writedowns in the bank**
 - DKK 1bn (distributed over 2.5 years)
- **Consolidated performance after losses and writedowns**
 - **2010: Substantial loss**
 - **2011: Small profit**
 - **2012: Significantly greater profit**
 - **Reasons**
 - Normalisation of writedowns
 - Limitation of claims
 - Premium increases
 - Higher interest income
 - Lower expenses

Alm. Brand

Capital until 2012

- + Earnings
- + Reduction of total lending in the bank
- + Capital injection
 - Commitment of DKK 900m from fmba
 - Rights issue under consideration
- Solvency II
- Basel III
- Losses and writedowns in the bank

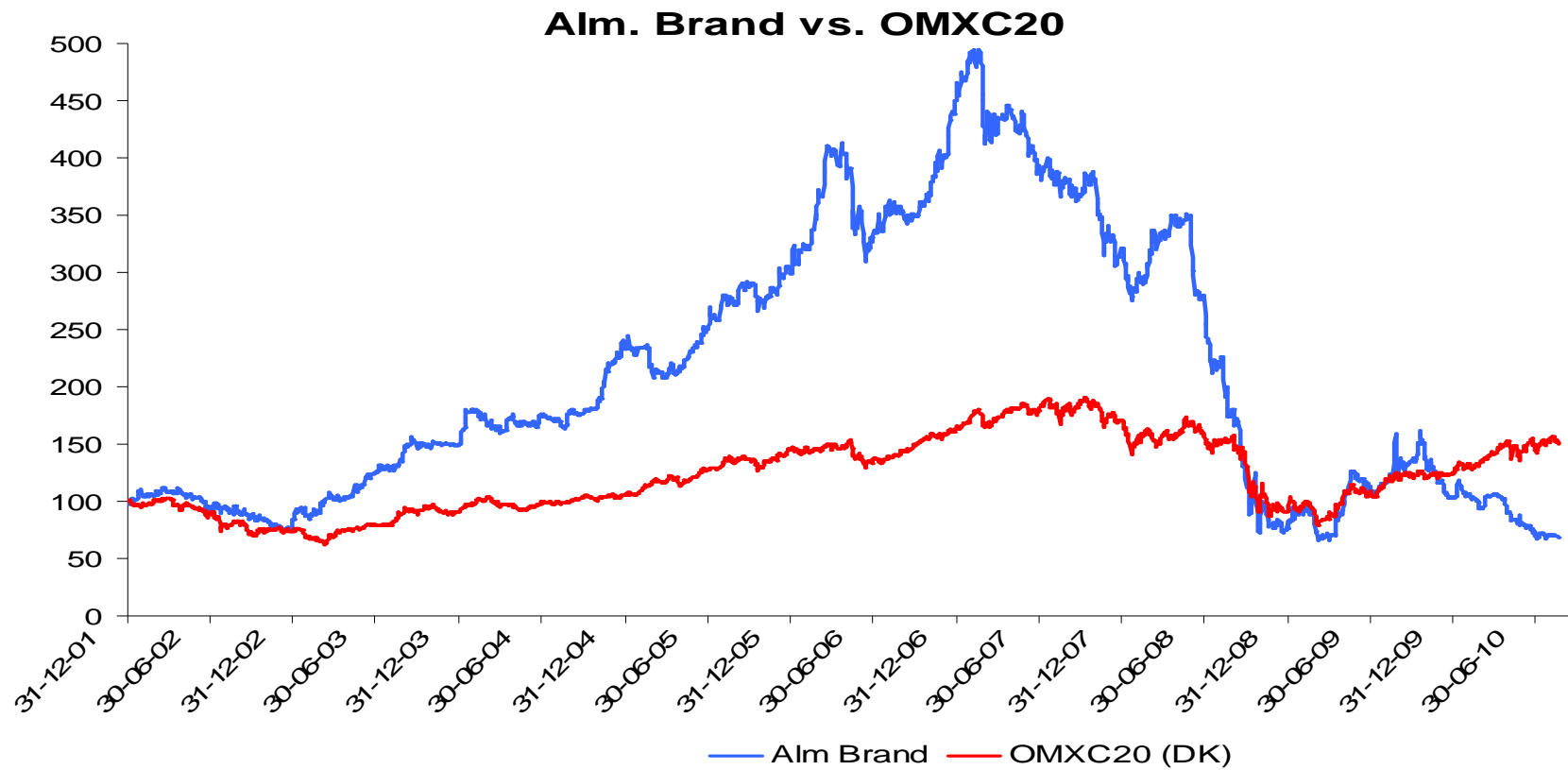
Alm. Brand

Focus 2010

- **Premium increases within commercial and agricultural customer segments**
- **Expenses**
- **Limitation of claims**

- **Minimising losses and writedowns**
 - **Private mortgage deeds**
 - **From writedown customer to profit customer**

Alm. Brand shares vs. OMXC20



Price / NAV 0.28

Alm. Brand A/S Carnegie – London September 2010

