

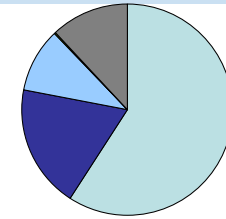
Alm. Brand A/S

Annual Report 2009 – Conference Call

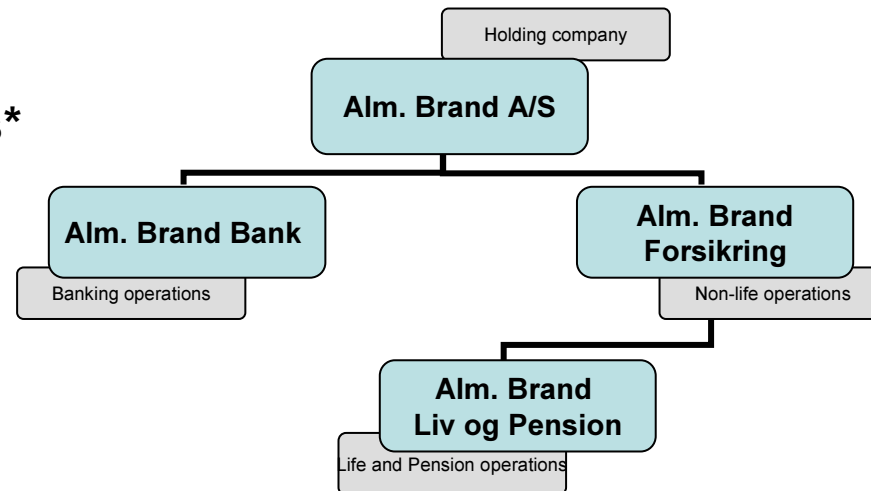


Alm. Brand

Three business areas



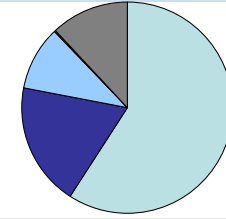
- **Non-life**
 - 4th largest in DK
 - 500,000 customers*
 - 200,000 Plus customers*
- **Banking**
 - 65,000 customers*
 - Supports non-life
- **Life and pension**
 - 80,000 customers*
 - Supports non-life
- **“Double-customers”**
 - 27,000*
 - Growth: 8%



“We take care of our customers”

* Number of households/units

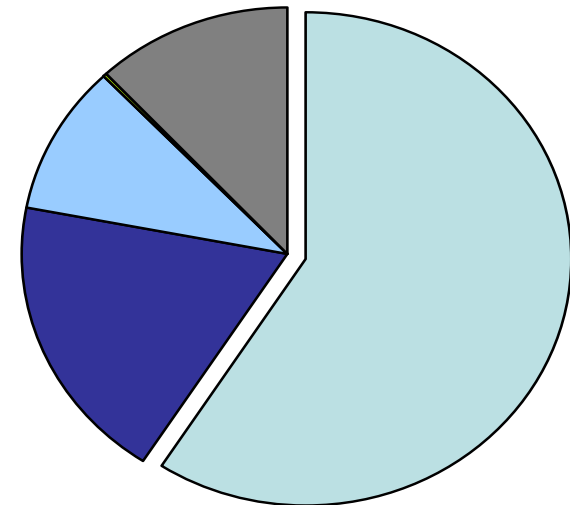
Alm. Brand Highlights 2009



- Highly unsatisfactory loss of DKK 1.3bn
 - Before write-downs a profit of DKK 331m
- Write-downs of DKK 1.7bn in bank
- New management and strategy in bank
- Still high claims ratio in non-life
 - Premium increases
- Very satisfactory result in life
- Lower costs

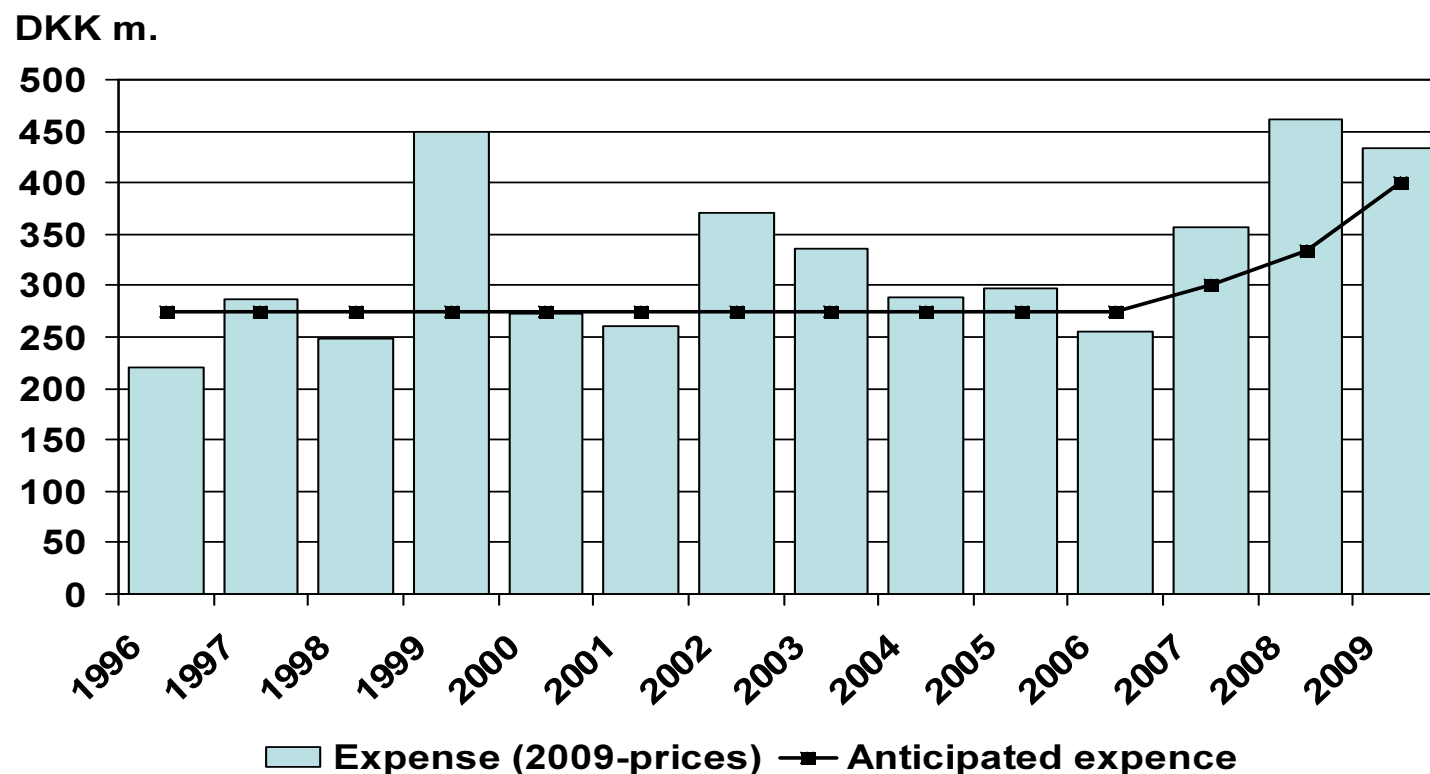
Alm. Brand – Non-life Highlights 2009

- **Result: Profit of DKK 287m**
- **Total premiums: DKK 4.7bn**
- **CR: 98.0 (goal 93)**
 - Q4: 96.9
- **Expense ratio: 18.5%**
 - Q4: 16.6%
- **Claims development stabilised toward the end of the year**
- **500,000 customers**



Non-life
insurance

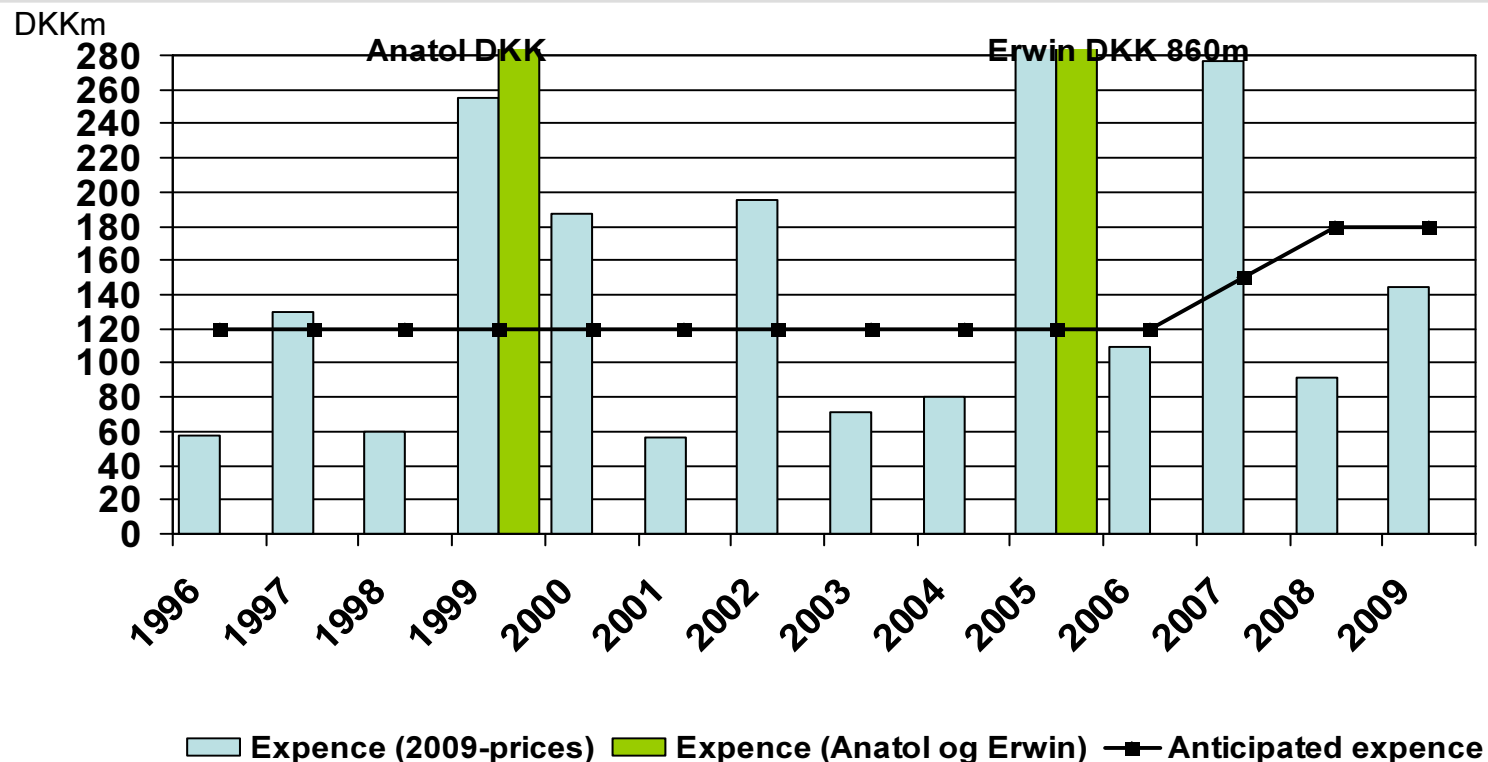
Alm. Brand – Non-life Expenses for major claims*



* Claims of more than DKK 1m

- New tariffs and terms
- Claims-limiting activities

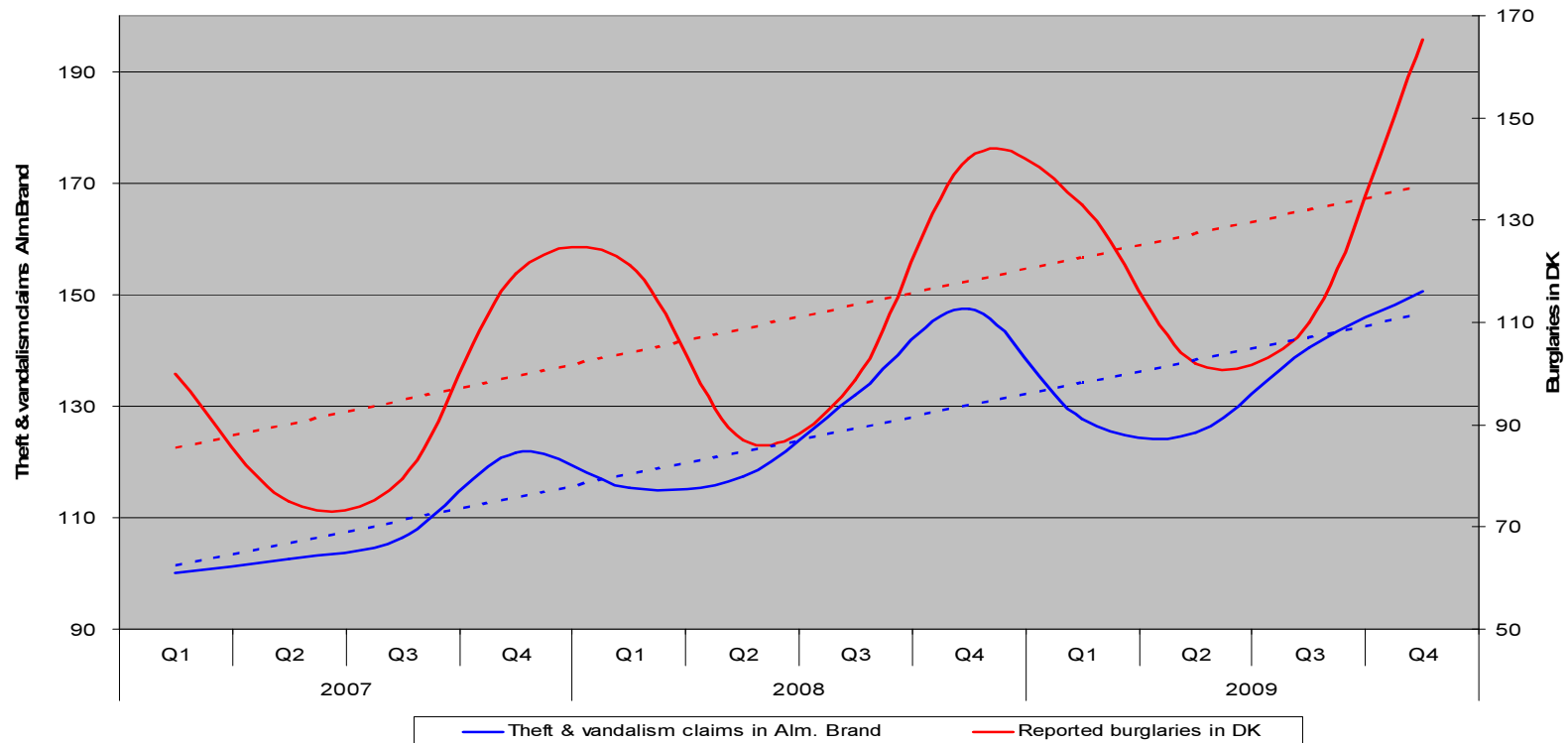
Alm. Brand – Non-life Weather claims



- More lighting claims
- Heavy rain
- Storm in November

Alm. Brand – Non-life Burglaries

Correlation between reported burglaries in DK and theft & vandalism claims in Alm.Brand



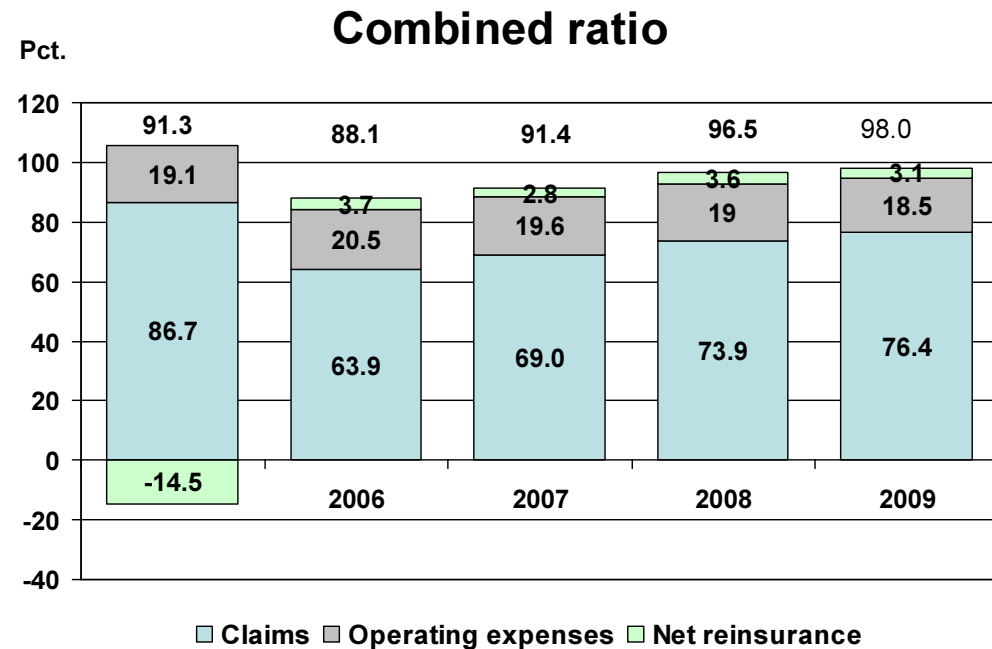
- Significant increase
- Christmas holidays particularly impacted
- Urgent need for police efforts



Alm. Brand – Non-life

Impact on performance

- Lower costs
- High claims ratio
- Expensive major claims
- Burglaries are very expensive
- ⇒ Increase in premiums
- ⇒ Claims-limiting activities
- Discounting effect: 1.3% higher claims ratio
 - Q4: 1.5%
- Weaker growth because of economic recession



Alm. Brand – Non-life Combined ratio

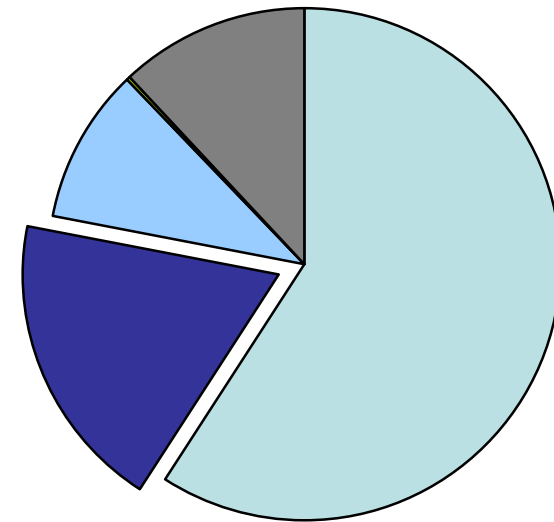
	2006	2007	2008	2009
Combined Ratio ex weather claims and major claims	81.4	81.6	84.2	87.4
Major claims	5.6	7.4	9.7	9.2
Weather claims	2.2	4.3	1.9	3.1
Run-off result*	-1.1	-1.9	0.7	-1.7
Combined ratio	88.1	91.4	96.5	98.0

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



Alm. Brand – Banking Highlights 2009

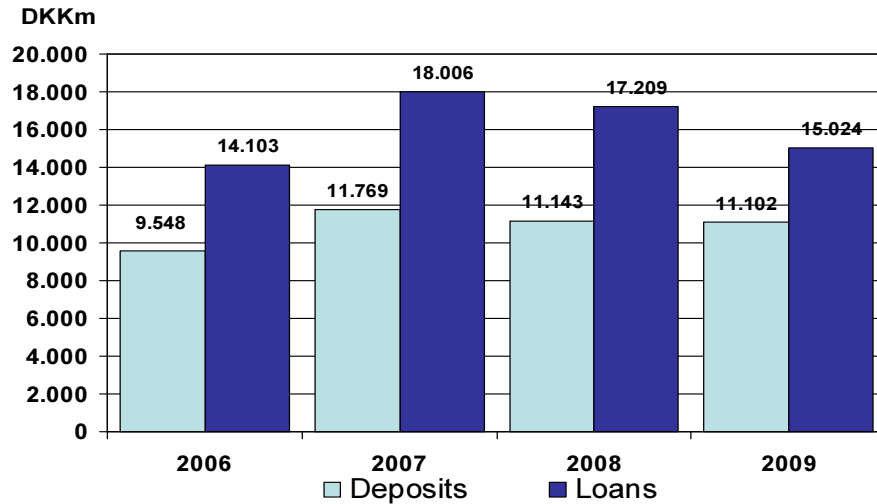
- **Result: Loss of DKK 1.7bn**
- **Interest margin: 1.9%**
- **65,000 customers**
- **27,000 “Double-customers”**
- **Solvency: 16%**
- **Core Capital: 12.9%**
- **Restructuring costs: DKK 139m**
- **Costs of bank packages: DKK 147m**



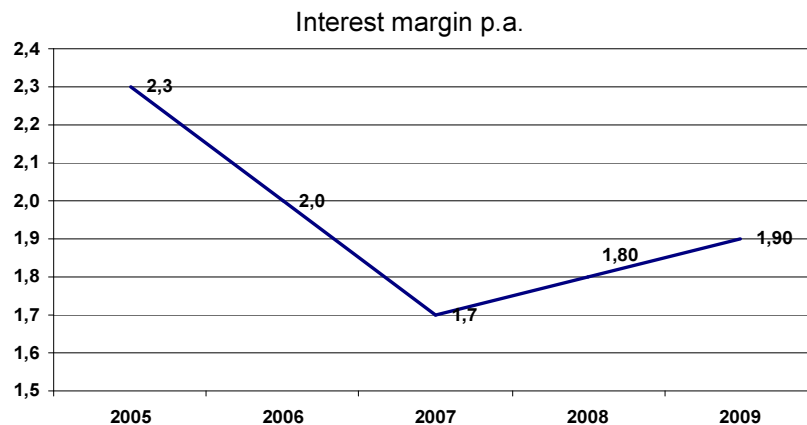
Banking

Alm. Brand – Banking

Deposits and loans



- Loan portefolio reduced by DKK 2.2bn
 - Of which accumulated writedowns DKK 1.4bn
- Deposit deficit reduced to 26%



- Interest margin
- + increased customer margin
- - hybrid capital
- - substantial excess liquidity

Alm. Brand - Banking

Loan portfolio and credit losses

DKKm	Lending			Losses and writedowns					Loss rate	
	2008	2009	%	Q1	Q2	Q3	Q4	Total	Q4	2009
Retail lending	3,524	3,356	22.3%	-7	21	0	43	57	1.3%	1.7%
Car finance	1,276	994	6.6%	6	11	5	3	25	0.3%	2.2%
Agriculture	1,081	1,125	7.5%	-2	65	0	16	79	1.4%	7.2%
Other commercial lending	1,234	1,023	6.8%	6	17	14	1	38	0.1%	3.4%
Lending to subsidiaries	1,287	1,345	9.0%	0	0	0	0	0	0.0%	0.0%
Security financing	4,570	3,756	25.0%	37	167	110	109	423	2.8%	10.2%
Investment properties	2,291	1,791	11.9%	4	378	0	19	401	1.1%	19.6%
Residential mortgage deeds	1,028	856	5.7%	4	20	30	23	77	2.6%	8.2%
Commercial mortgage deeds	309	263	1.8%	10	26	74	29	139	10.4%	48.6%
Property development projects	609	515	3.4%	23	273	71	11	378	2.5%	67.3%
Private Contingency Association	-	-	-	-2	6	33	13	50	-	-
Total	17,209	15,024	100.0%	79	984	337	267	1,667	1.7%	10.3%



Alm. Brand - Banking

Loan portfolio and credit losses

DKKm	Lending			Losses and writedowns					Loss rate	
	2008	2009	%	Q1	Q2	Q3	Q4	Total	Q4	2009
Retail lending	3,524	3,356	22.3%	-7	21	0	43	57	1.3%	1.7%
Car finance	1,276	994	6.6%	6	11	5	3	25	0.3%	2.2%
Agriculture	1,081	1,125	7.5%	-2	65	0	16	79	1.4%	7.2%
Other commercial lending	1,234	1,023	6.8%	6	17	14	1	38	0.1%	3.4%
Lending to subsidiaries	1,287	1,345	9.0%	0	0	0	0	0	0.0%	0.0%
Security financing	4,570	3,756	25.0%	37	167	110	109	423	2.8%	10.2%
Investment properties	2,291	1,791	11.9%	4	378	0	19	401	1.1%	19.6%
Residential mortgage deeds	1,028	856	5.7%	4	20	30	23	77	2.6%	8.2%
Commercial mortgage deeds	309	263	1.8%	10	26	74	29	139	10.4%	48.6%
Property development projects	609	515	3.4%	23	273	71	11	378	2.5%	67.3%
Private Contingency Association	-	-	-	-2	6	33	13	50	-	-
Total	17,209	15,024	100.0%	79	984	337	267	1,667	1.7%	10.3%



Alm. Brand - Banking

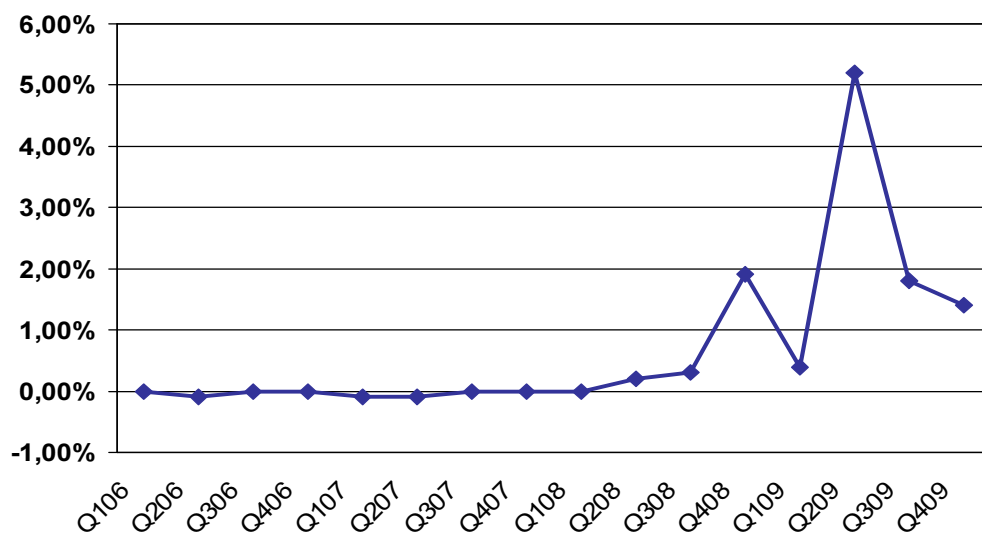
Loan portfolio and credit losses

DKKm	Lending			Losses and writedowns					Loss rate	
	2008	2009	%	Q1	Q2	Q3	Q4	Total	Q4	2009
Retail lending	3,524	3,356	22.3%	-7	21	0	43	57	1.3%	1.7%
Car finance	1,276	994	6.6%	6	11	5	3	25	0.3%	2.2%
Agriculture	1,081	1,125	7.5%	-2	65	0	16	79	1.4%	7.2%
Other commercial lending	1,234	1,023	6.8%	6	17	14	1	38	0.1%	3.4%
Lending to subsidiaries	1,287	1,345	9.0%	0	0	0	0	0	0.0%	0.0%
Security financing	4,570	3,756	25.0%	37	167	110	109	423	2.8%	10.2%
Investment properties	2,291	1,791	11.9%	4	378	0	19	401	1.1%	19.6%
Residential mortgage deeds	1,028	856	5.7%	4	20	30	23	77	2.6%	8.2%
Commercial mortgage deeds	309	263	1.8%	10	26	74	29	139	10.4%	48.6%
Property development projects	609	515	3.4%	23	273	71	11	378	2.5%	67.3%
Private Contingency Association	-	-	-	-2	6	33	13	50	-	-
Total	17,209	15,024	100.0%	79	984	337	267	1,667	1.7%	10.3%

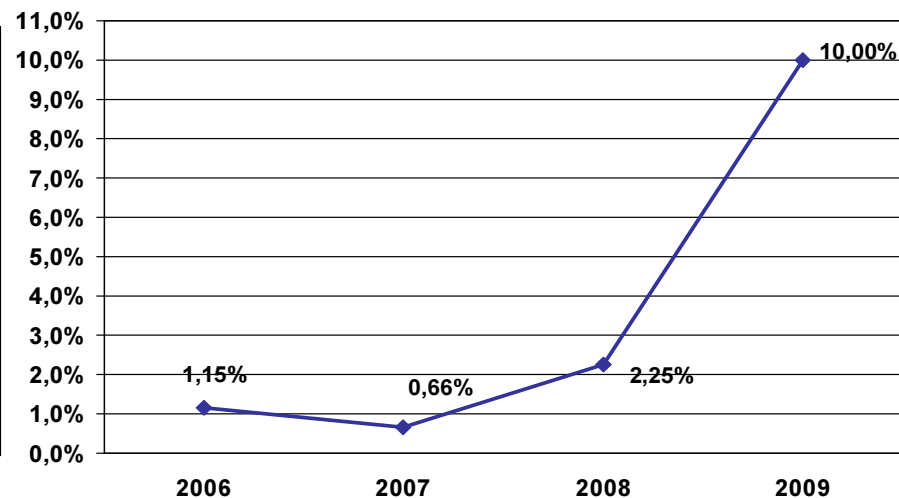
Alm. Brand – Banking Writedowns

- Especially on corporate mortgage deeds, property investment projects and one single property development project
- Falling trend since June 2009

Writedowns



Accumulated writedown ratio*



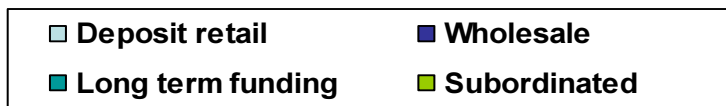
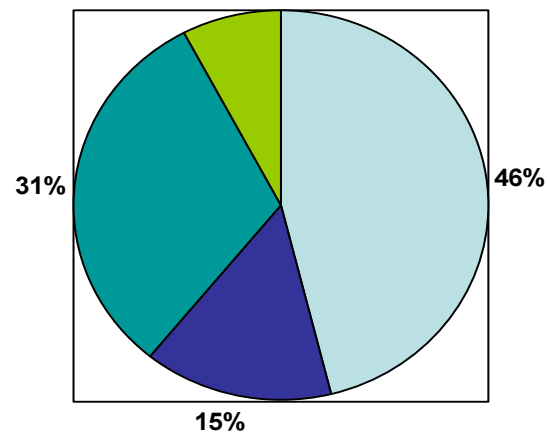
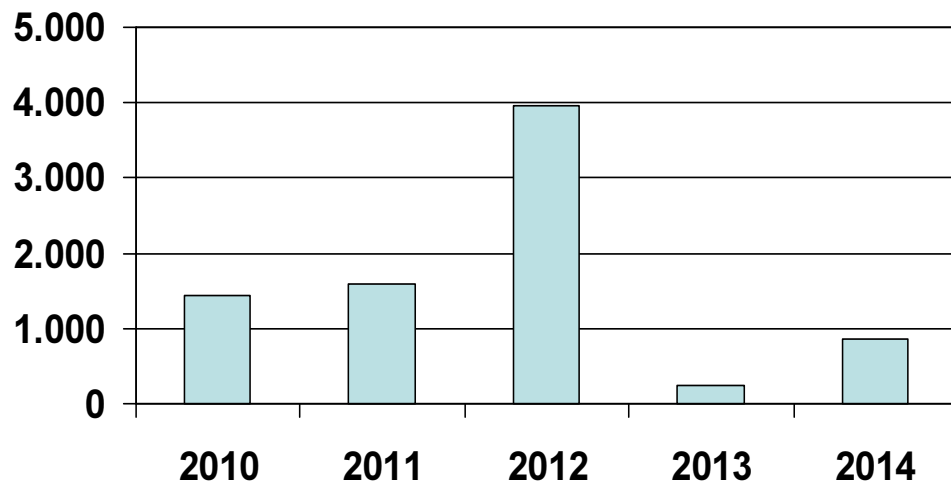
* Excluding credit-related value adjustments on mortgage



Alm. Brand – Banking Funding situation

- Long cheap funding
- Applied for state guaranteed bond issues (under BP II)
- DKK 2.1bn new capital injected in 2009

Repayment structure for loans issued by
Alm. Brand Bank

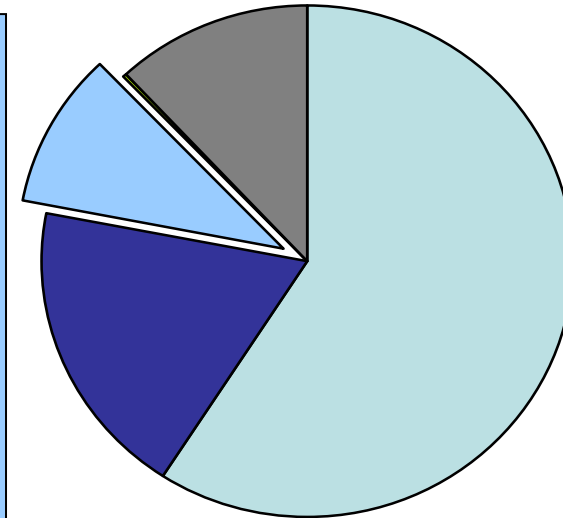


Alm. Brand – Banking Future

- **New management**
- **New strategy**
 - **Supporting non-life segment customers**
 - **Private, SME and agriculture**
 - **Asset Management and Markets activities**
 - **Focus on reducing writedowns**
 - **Transfer af mortgage customers to bank**

Alm. Brand – Life and Pension Highlights 2009

- **Result: Profit of DKK 139m**
- **Collective bonus potential: DKK 225m**
- **Shadow account balance: DKK 56m**
- **Gross premiums: DKK 710m**
 - Growth: -5%
- **Provisions: DKK 11.3bn**
- **80,000 customers**



Life &
Pension

Alm. Brand – Life and Pension Investments 2009

- **Very satisfactory performance**
- **Very strong investment return**
 - **8.5%**
- **Low costs**
- **=> Collective bonus potential: DKK 225m**

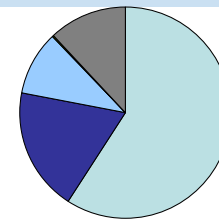
Return on investments (OE)	6.3%
Return on investments (customers)	<u>8.5%</u>
Bonds etc.	6.7%
Equities	33.2%
Properties	4.8%
Total equity exposure about 10%	
Rate of interest (customers) p.a.	3.0%

Alm. Brand A/S

Capital requirements

- Insurance (non-life and life)
 - Well capitalized
 - Non-life: 190% of regulatory requirements
 - Life : 230% of regulatory requirements
 - Have estimated capital requirements under QIS V
 - Still above regulatory demands
 - Do not expect these very strict requirements to be final
- Bank
 - Well capitalized
 - 200% of regulatory requirements
 - Still a lot of uncertainty about the new Basel II rules

Alm. Brand Highlights



- Very unsatisfactory performance
- Writedowns has slowed down
- Many claims – but stabilized at the end of the year

- Premium increases
- New management and strategy in bank will change focus and costs

Disclaimer

“The statements made in this presentation are based on current expectations, estimates and projections made by management. All statements about future financial performance are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the statements. All statements about future financial performance made in this presentation are solely based on information known at the time of the preparation of the last published financial report, and the company assumes no obligation to update these statements, whether as a result of new information, future events, or otherwise.”

Alm. Brand A/S

Annual Report 2009 – Conference Call

