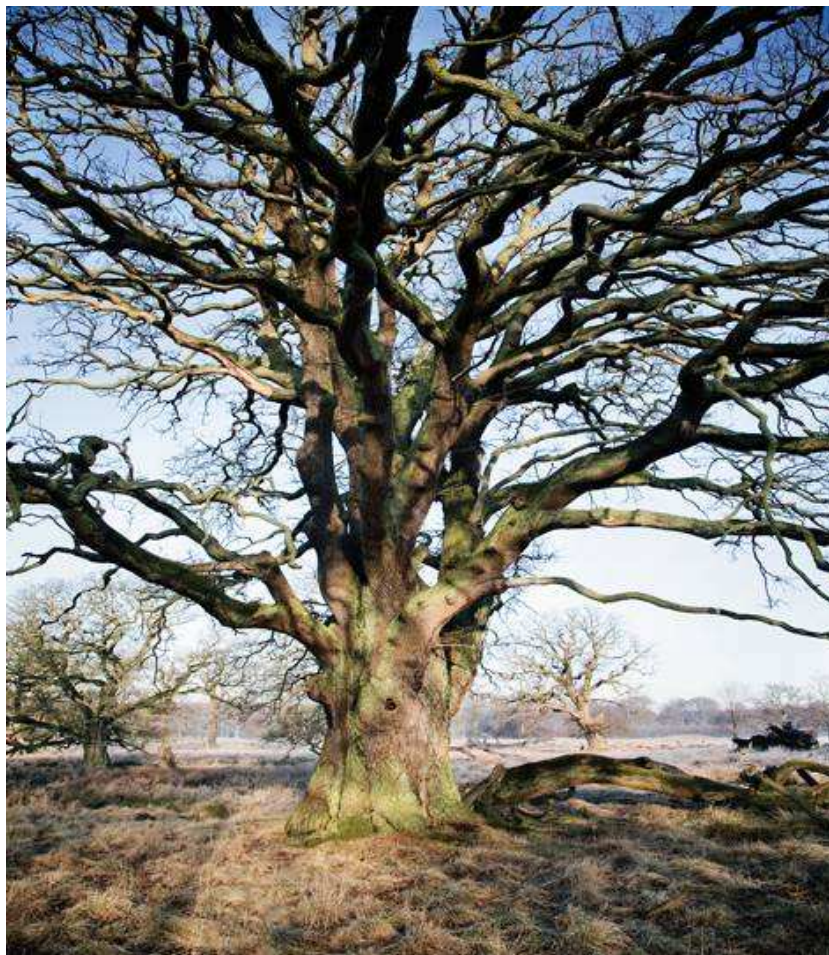


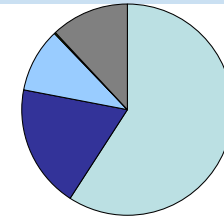
Alm. Brand A/S

Annual Report 2008 – Handelsbanken

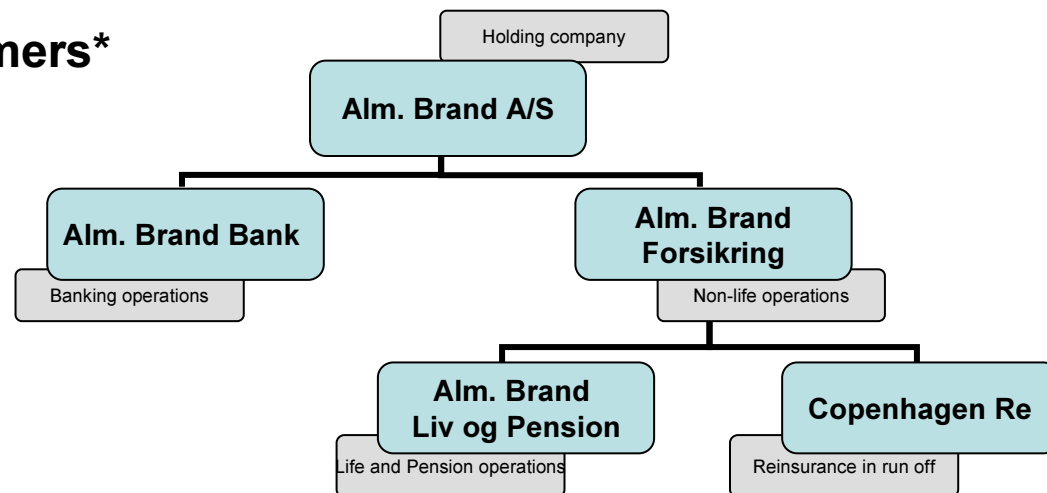


Alm. Brand

Three business areas



- **Non-life**
 - 4th biggest in DK
 - 500,000 customers*
 - 200,000 Plus customers*
- **Banking**
 - 65,000 customers*
 - Supports non-life
- **Life & pension**
 - 80,000 customers*
 - Supports non-life
- **”Dobbelt kunde”-customers**
 - 25,000*
 - Growth: 19%

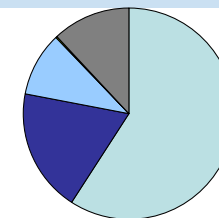


“We take care of our customers”

* Number of households

Alm. Brand

Forecast and results for the year



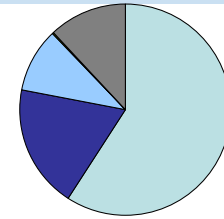
DKKm	Feb. 2008*	H1 2008*	Oct. 2008*	2008	2009**
Non-life	550	350	200	262	300
Banking	200	-15	-250	-532	50
Life & Pension	100	25	25	43	50
Other	20	40	75	271	0
Total	870	400	50	44	400

* Forecast

** Forecast - before losses and writedowns

Alm. Brand A/S

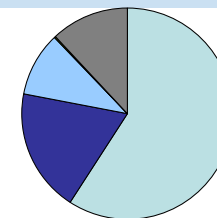
Negatives 2008



- Financial crisis
 - =>Loss on investment portfolio
- Rising margins and shortage of cash
 - =>Pressure on highly geared investments (commercial mortgage deeds)
 - =>Bankruptcy => market breakdown
 - =>Writedowns on safety-deposit and own book
- Rising claim expenses
 - Major claims in agriculture
 - High building prices (private/houses)
 - Burglaries
 - Frequency
 - Value

Alm. Brand A/S

Positives 2008



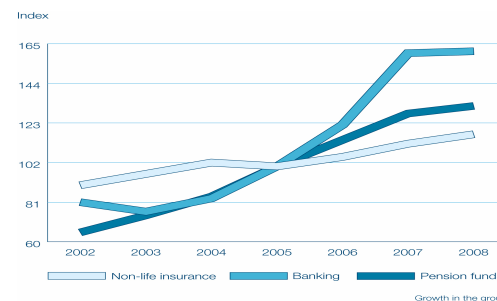
- Declining costs
- Decent growth
- Relatively strong investment result
 - Low risk in non-life and life
- Margins up
- Change of strategy in bank
 - Slimming of loan portefolio – especially real estate investments
 - Focus on private and Dobbeltkunde-customers
 - Suspension of commercial mortgage deeds
- Premiums up
 - Building 11%, Households 6%
- Strong financial position
 - Excess capital of DKK 2bn

Alm. Brand

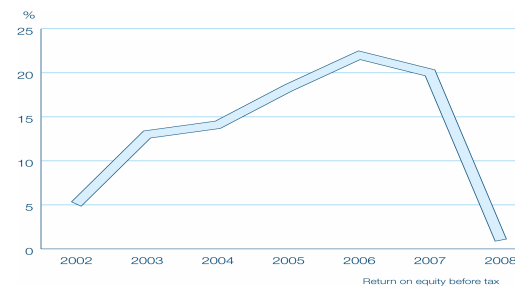
Modified growth targets

- **Growth: 50%**
 - Profitability superior to growth
 - Restricted by market conditions
 - Negative growth in bank
- **ROE: 10% + Cibor (3)**
- **Satisfaction: 90% (50% VS)**
 - Customers
 - Employees
- **Image: Among the top-two**

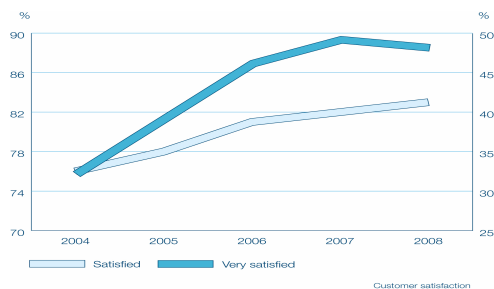
Growth 2002 - 2008



Return on equity before tax p.a.



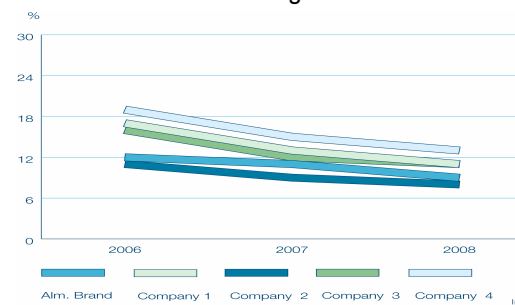
Customer satisfaction



Employee satisfaction



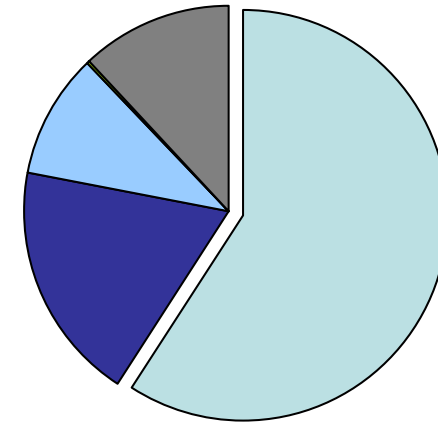
Image



Alm. Brand - Non-life insurance

Key figures 2008

- **Performance: DKK 262**
- **Total premiums: DKK 4,8bn**
- **Growth: 4.2%**
- **CR: 96.5 (goal 92)**
- **Cost ratio: 19%**
- **500,000 customers**
 - **200,000 Plus Customers**
 - **25,000 Dobbeltkunde-customers**



Non-life
insurance

Alm. Brand - Non-life insurance 2008-situation

+ Strong customer portfolio

- No development in risk on customers

+ Growth (4,2 %)

+ Low weather-related claims

- Relative to 2007

+ Lower costs

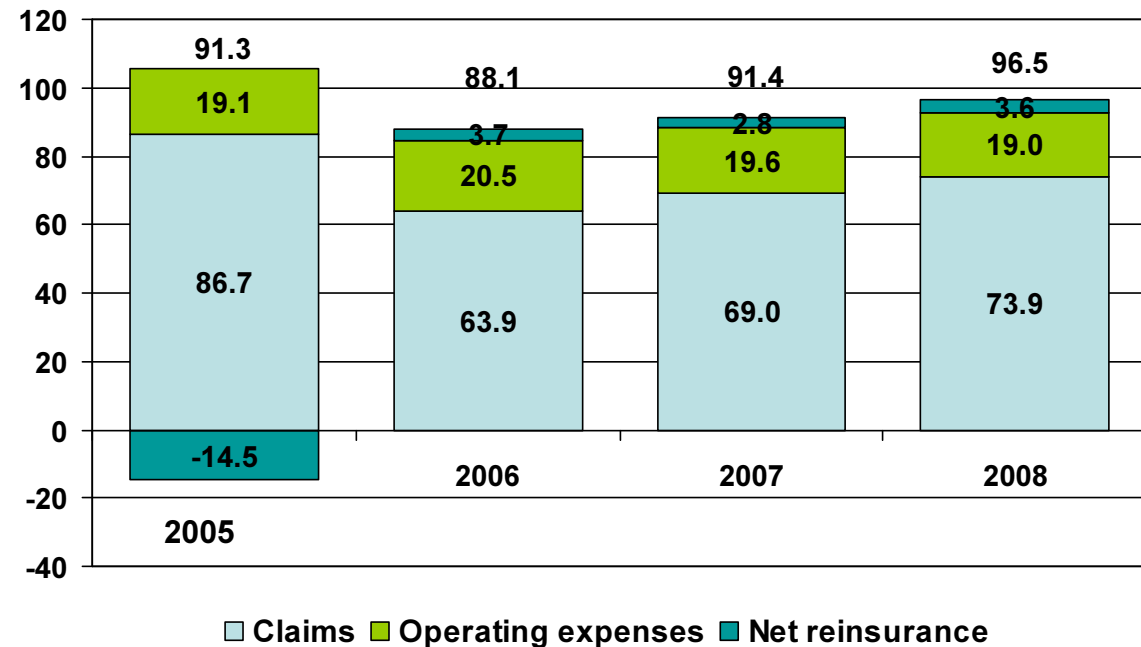
- Loss on investment portfolio

- Major claims in agriculture

- Higher claims in private segment (burglaries, expensive furniture, construction costs)

- Premium reductions on cars

Per cent



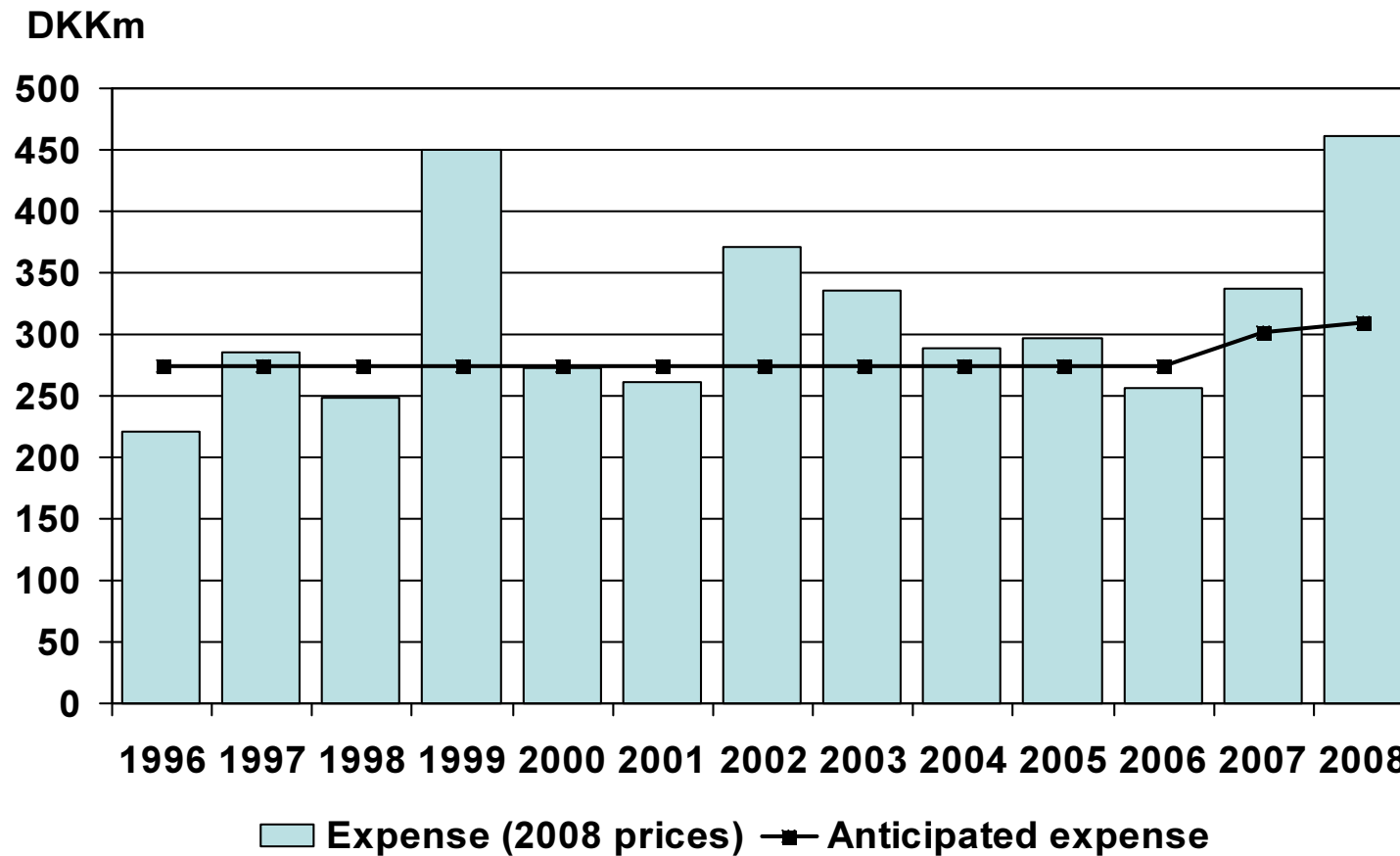
Alm. Brand – Non-life insurance

Combined ratio

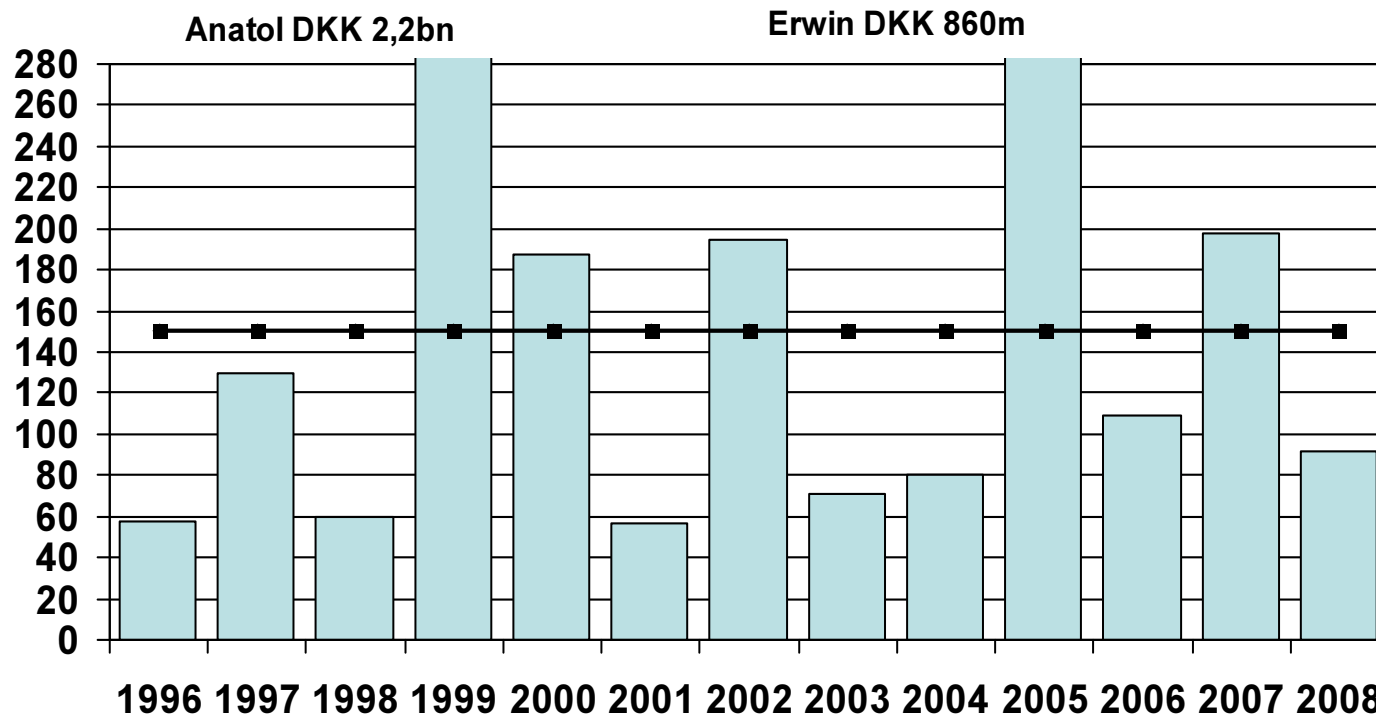
	2005	2006	2007	2008
Combined ratio ex weather claims and major claims	80.3	81.4	81.6	84.2
Major claims	6.7	5.6	7.4	9.7
Weather claims	5.0	2.2	4.3	1.9
Run-off result*	-0.7	-1.1	-1.9	0.7
Combined ratio	91.3	88.1	91.4	96.5

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

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



Alm. Brand – Non-life insurance Expenses for weather-related claims



Expense (2008 prices) — Anticipated expense



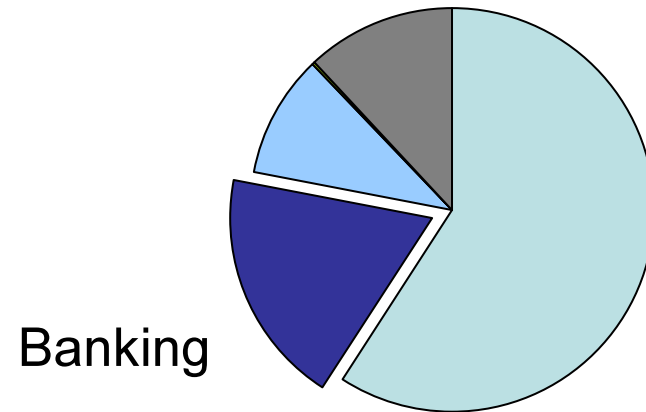
Alm. Brand - Non-life insurance Strategy for 2009

- **Premiums up**
- **Risk management**
 - Agriculture
 - Bad risks
- **Costs of claims reduced**
 - Building sector
 - AB Byg
 - ScalePoint
- **Continous focus on administrative expences**

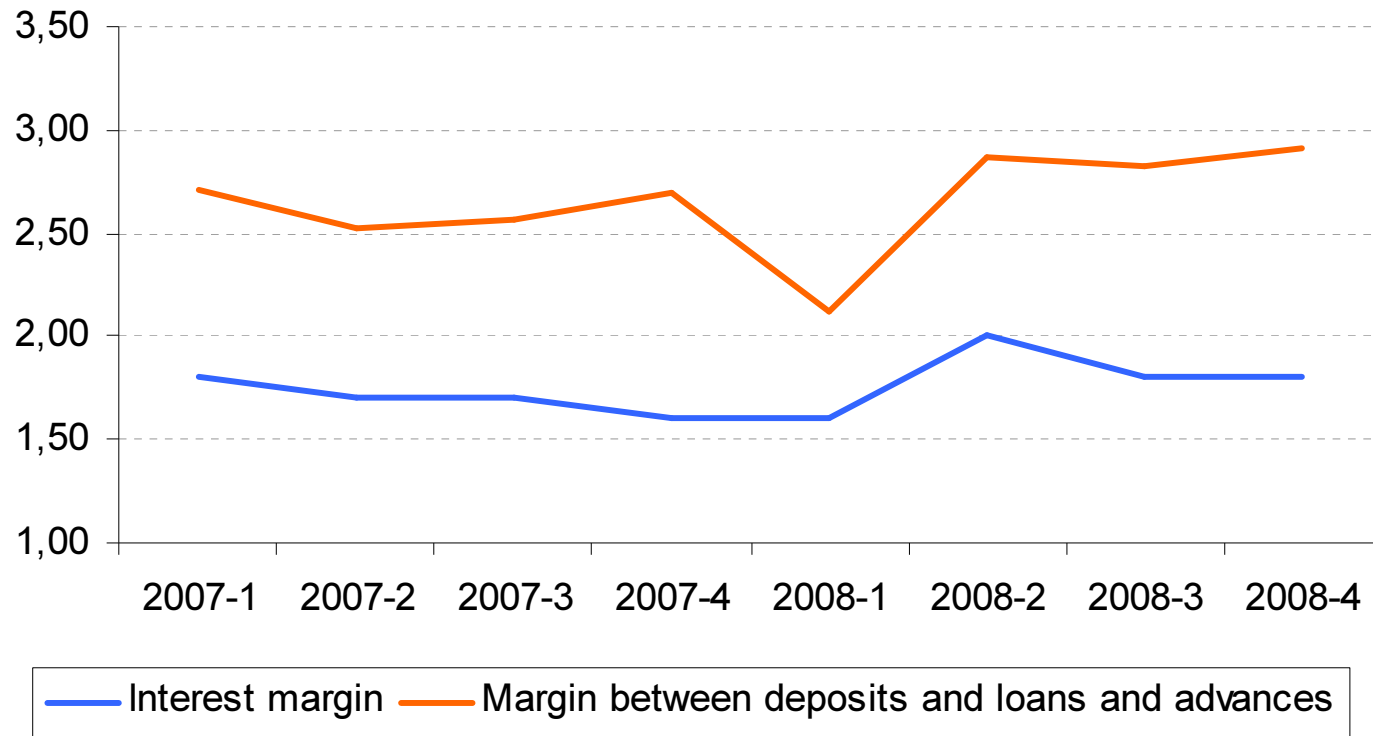
Alm. Brand – Banking

Key figures 2008

- **Result: Loss of DKK 532m**
- **Loans: DKK 17.2bn**
- **Deposits: DKK 11.1bn**
- **Interest margin: 1.8%**
- **Net interest and fee income up by 8%**
- **65,000 customers**
- **25,000 Dobbeltkunde-customers**
 - **Up by 19%**



Alm. Brand – Banking Interest margin

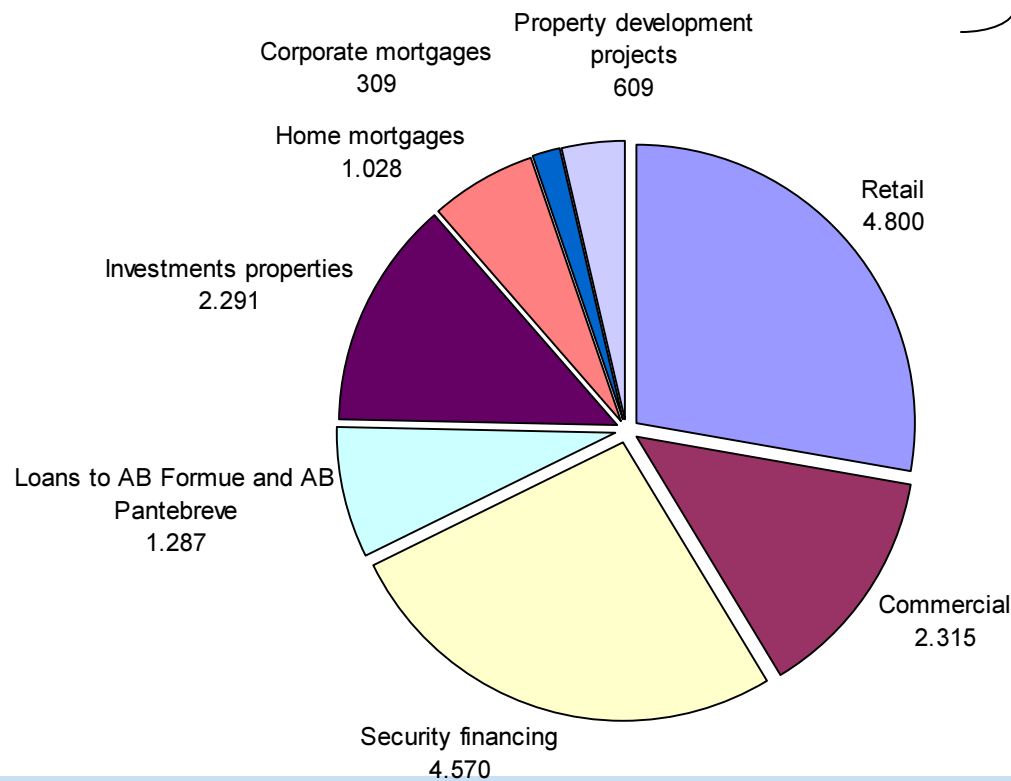


Alm. Brand – Banking

Banking crisis and economic recession

- => Losses on commercial mortgage deeds
- => Losses on security funding
- => Losses on property financing

Write downs for
2008 : DKK 464m



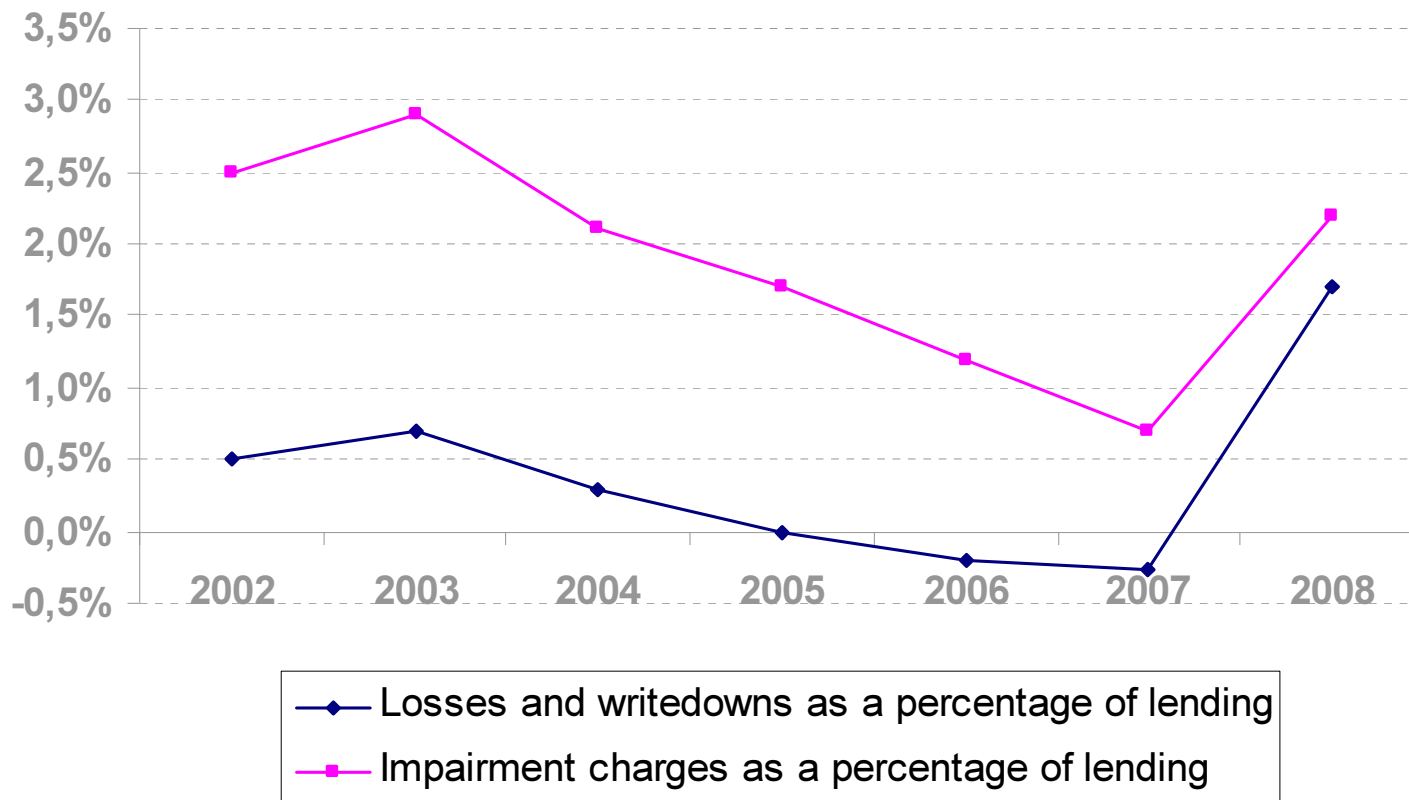
Alm. Brand – Banking

Loan portfolio and credit losses

DKKm	Loans and advances		Percentage of portfolio	Credit losses				rate
	30.06.2008	31.12.2008		1H	Q3	Q4	YTD	
Retail lending	3.216	3.524	21%	6	1	4	11	0,3%
Car finance	1.378	1.276	7%	-9	-3	3	-9	-0,7%
Agriculture	1.057	1.081	6%	-8	-3	16	5	0,5%
Other commercial	1.092	1.234	7%	4	6	31	41	3,8%
Security funding	5.097	4.570	27%	1	27	159	187	3,7%
Lending to AB Formue and AB Pantebreve	1.926	1.287	8%	0	0	0	0	0,0%
Investment properties	2.460	2.291	13%	-2	0	58	56	2,3%
Home mortgages	1.078	1.028	6%	6	11	3	20	1,9%
Commercial mortgages	377	309	2%	26	20	58	104	27,6%
Property development projects	433	609	4%	12	7	11	30	6,9%
Det Private Beredskab	-	-	-	0	0	19	19	-
Total	18.114	17.209	100%	36	66	362	464	2,6%



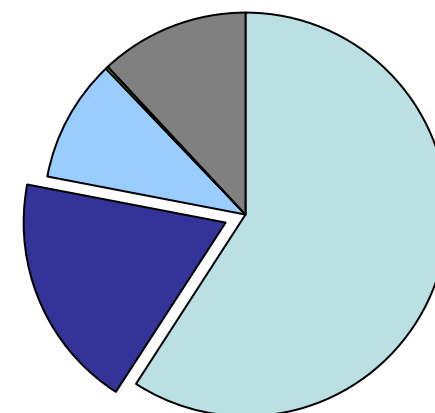
Alm. Brand – Banking



Alm. Brand – Banking

Consequences for Alm. Brand Bank

- Reduction of loan portfolio
- Focus on future core customers (retail, SME and multi-product customers)
- Close down of commercial mortgage deeds
- Down scaling security financing and property investments

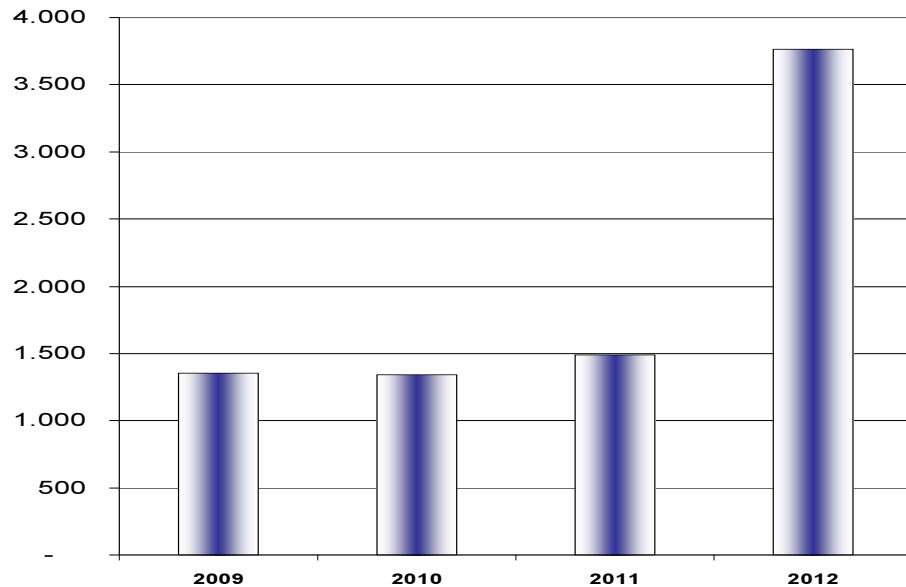


Banking

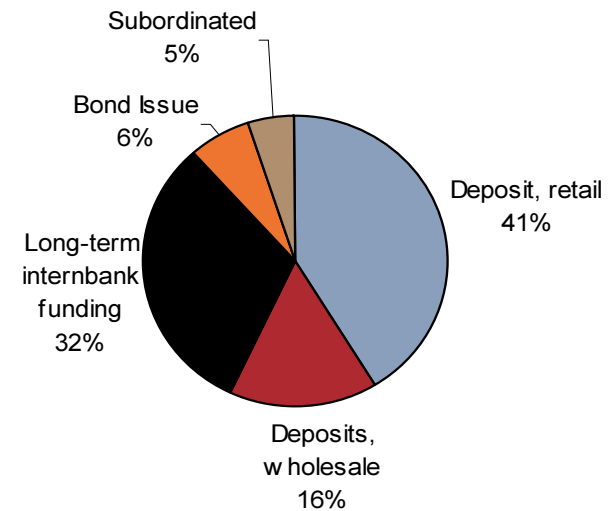
Alm. Brand – Banking Funding situation

- Long cheap funding
- Growth in deposits
- Slimming of loan portfolio
- Subordinated Loan of DKK 300m to be converted to Owners Capital
- Applying for capital under the second bank package

Repayment structure for loans issued by
Alm. Brand Bank



Procurement of capital (DKKm)

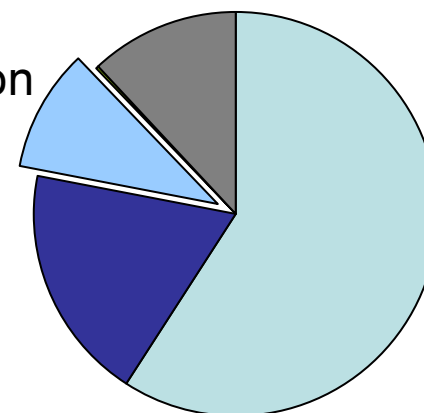


Alm. Brand - Life and Pension

Key figures 2008

- **Performance: DKK 43m**
 - DKK 81m transferred to shadow account
- **Gross premiums: DKK 984m**
 - Bank investment schemes: DKK 237m
- **Provisions: DKK 10.8bn**
- **80,000 customers**

Life &
Pension



Alm. Brand - Life and Pension Investments

- **Low risk profile**
 - ⇒ relatively strong investment result
 - 0.8%
- **Unchanged investment profile**
- **Lower interest rate to customers for 2009**
- **Consolidation of portfolio**
- **Capital of DKK 300m from parent company**

Rate of interest (Customers)	4.5%
Return on investments (OE)	6.2%
Return on investments(Customers)	<u>0.8%</u>

Bonds etc.	8.3%
Equities	-36.4%
Properties	1.0%

Total equity exposure about 9%

Alm. Brand

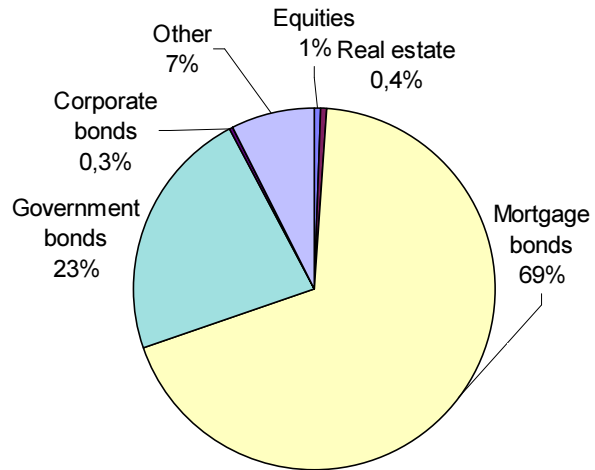
Other business areas

- Copenhagen Re, performance: DKK 286m profit
 - Substantially better than expected
 - Significant reduction in risk
 - All major risks commuted
- Other miscellaneous activities, performance: DKK 15m loss
 - Shared group costs and a number of dormant companies

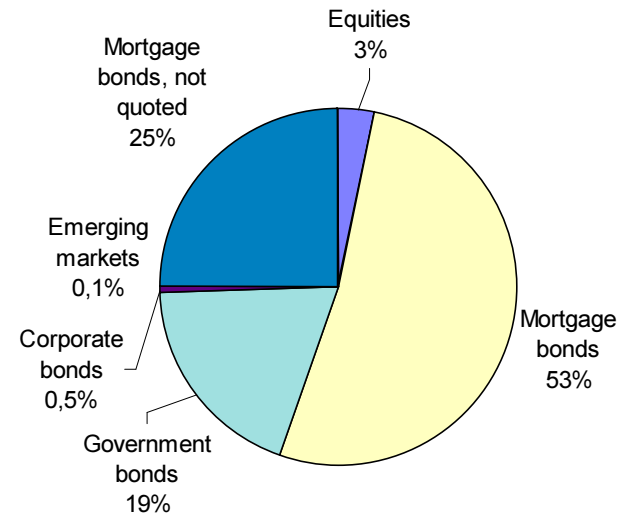
Alm. Brand

Investment assets

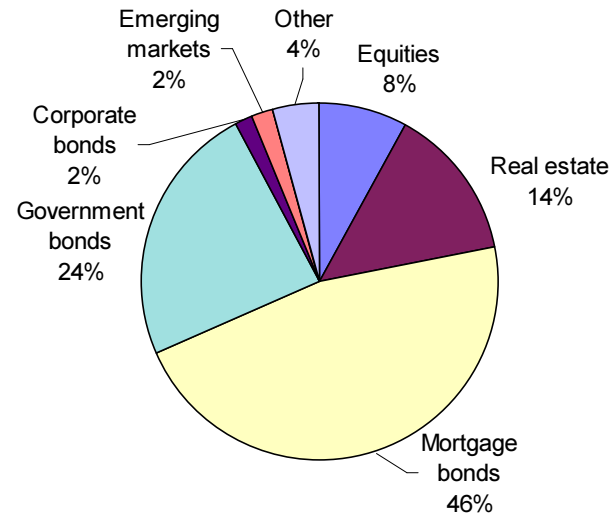
Non-life, asset allocation 31 December 2008



Bank, asset allocation 31 December 2008



Life, asset allocation 31 December 2008



Alm. Brand

Share buyback

- Share buyback programme for 2008 DKK 400m
- DKK 396m bought back
- Pay out ratio = 30
- No buy back programme for 2009

DKKm	Times the solvency requirement	2008
Non-life insurance	2.4	1.793
Banking ex partly-owned listed subsidiaries	1.3	2.009
Banking, equity in partly-owned listed subsidiaries	1.0	435
Life insurance	2.0	986
Reinsurance, equity	1.0	442
Capital targets		5.665
Consolidated equity		4.800
Net tax asset		-195
Intangible assets		-243
Adjusted equity ex supplementary capital		4.362
Excess of capital target excluding supplementary capital		-1.303
Supplementary capital		828
Excess of capital target including supplementary capital		-475



Alm. Brand A/S

2009 Summary

- **Another year with severe challenges**
- **Business and strategy adopted to a new world**
- **Capital base of Alm. Brand robust**



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