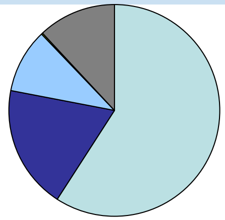
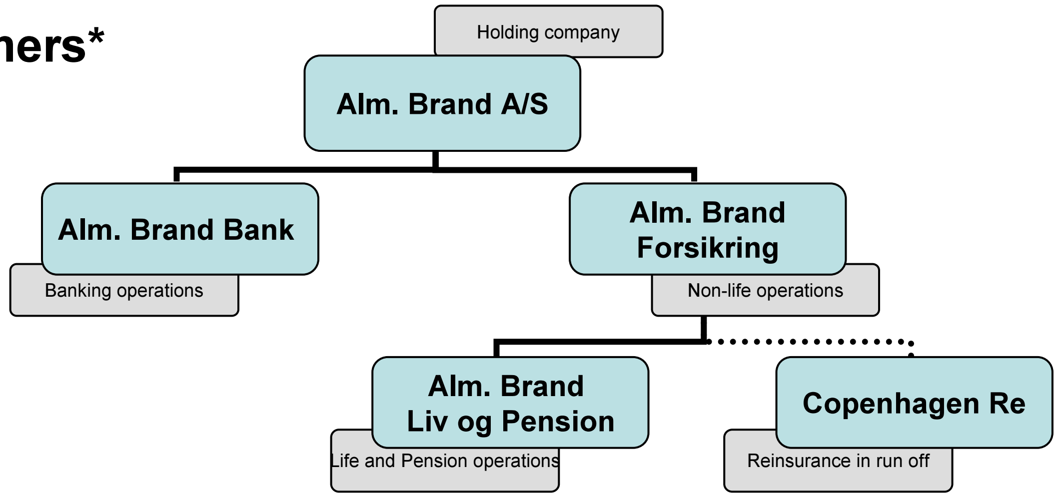
Alm. Brand A/S
SEB Nordic Seminar 2010

ALM. BRAND

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"**
  - **25,000***
  - **Growth: 19%**



"We take care of our customers"

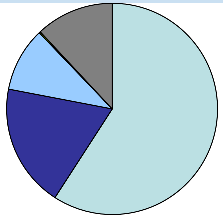
* Number of households/units

Alm. Brand

Distribution

- Five regional offices
- Five customer service centers (insurance)
- One central customer service centre (bank)
- 35 branches spread over Denmark
- 300 insurance agents (private, commercial, agriculture)
- Sales and service via internet
- Partnerships
- Brokers

Alm. Brand
Highlights Q1-Q3 2009

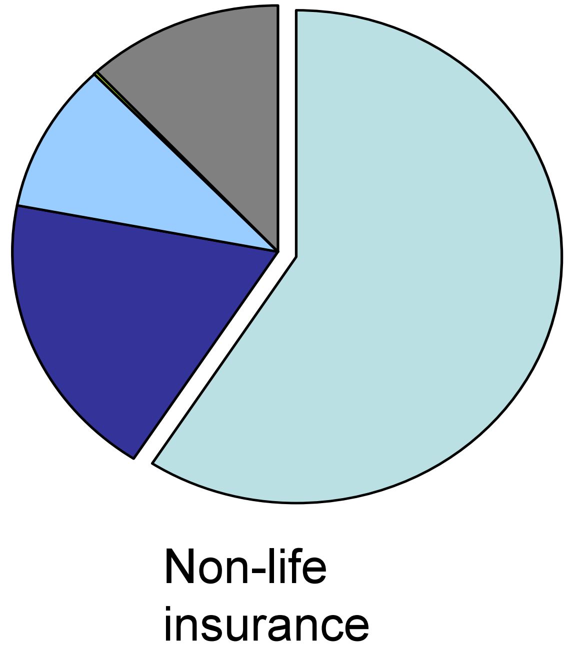


- Highly unsatisfactory loss of DKK 967m
- Writedowns of DKK 1,4bn in bank
- Very satisfactory investment performance

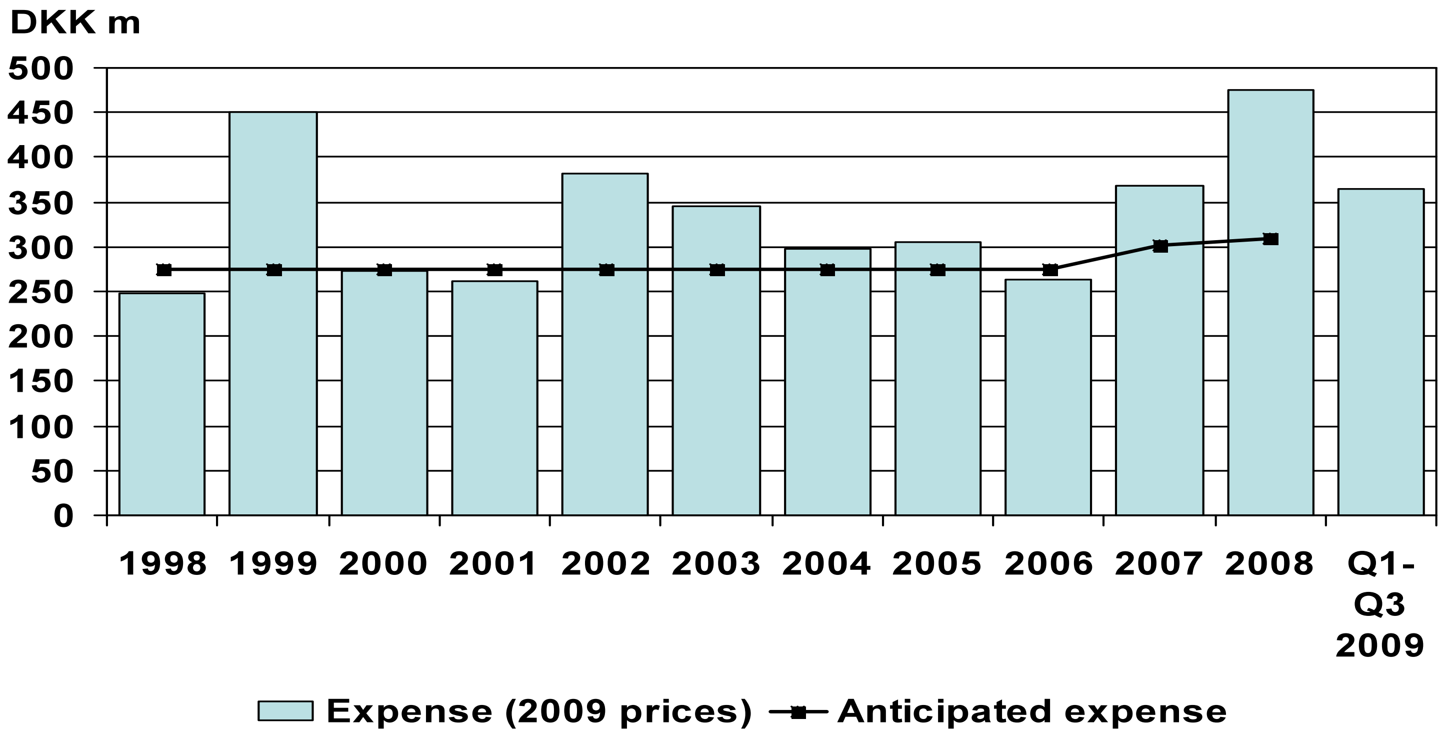
- Premium increases initiated
- Reorganized and refocused bank
- New strategy in Group

Alm. Brand – Non-life
Highlights Q1- Q3 2009

- Result: DKK 231m profit
- Total premiums: DKK 3.5bn
- CR: 98.4 (goal 93)
- Expense ratio: 19.2%
- 500,000 customers

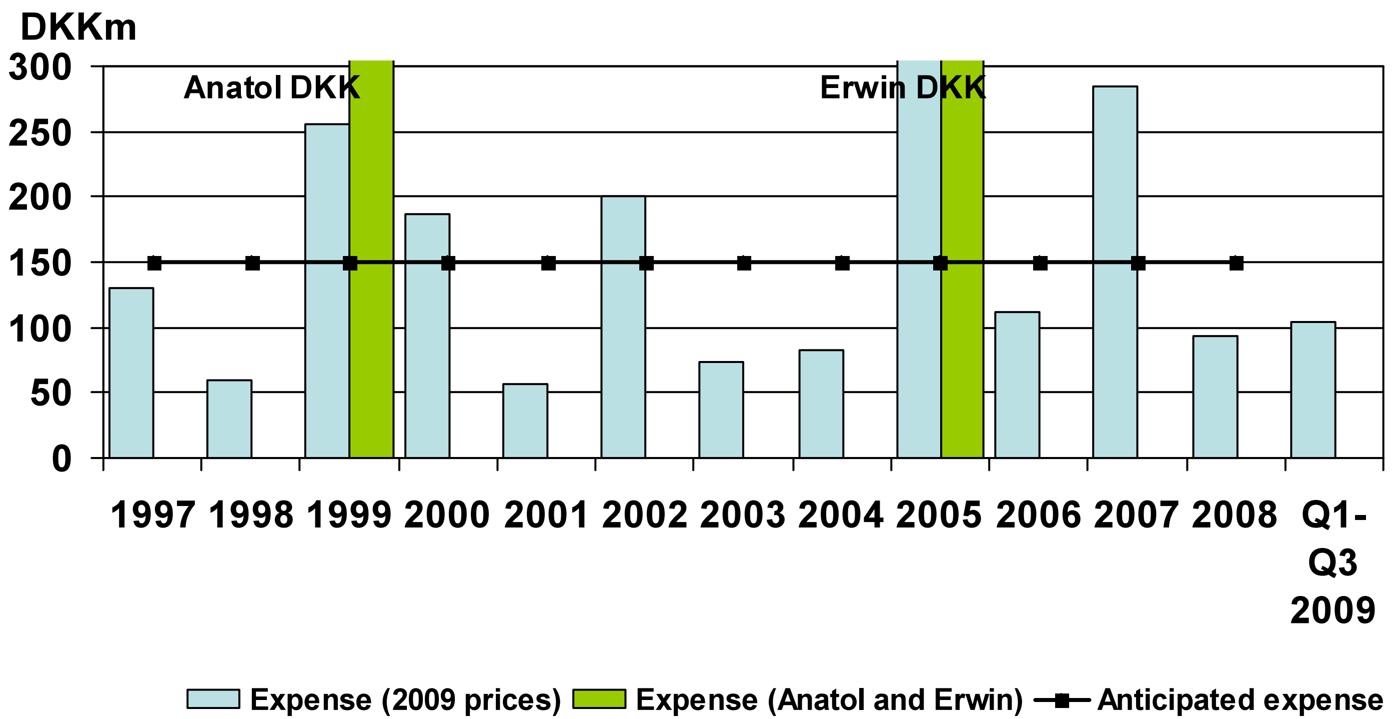


Alm. Brand – Non-life
Expenses for major claims



- Increasing expences to major claims
- => New tariffs and terms
- => Claims-limiting activities

Alm. Brand – Non-life
Weather claims



- Several lighting claims in 2009
- Tendency towards heavier weather – especially rain

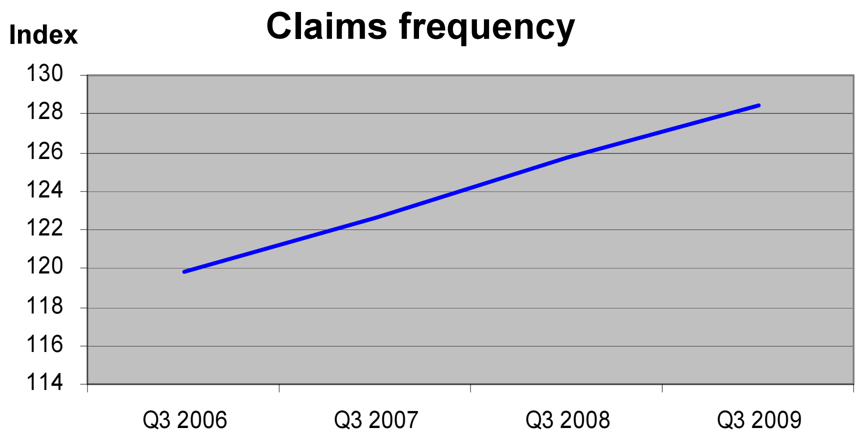
Alm. Brand – Non-life
Impact on performance

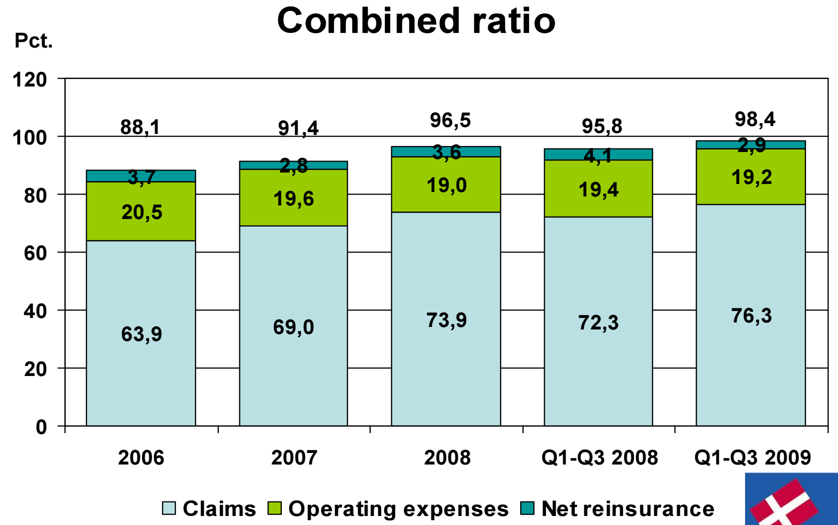
- Excellent investment performance
- Lower costs
- Higher claims ratio
  - Expensive major claims
  - Expensive burglaries

⇒ Increase in premiums

⇒ New claims-limiting activities

- Discounting effect on claims ratio: 1.5% up
- Weaker growth because of economic recession





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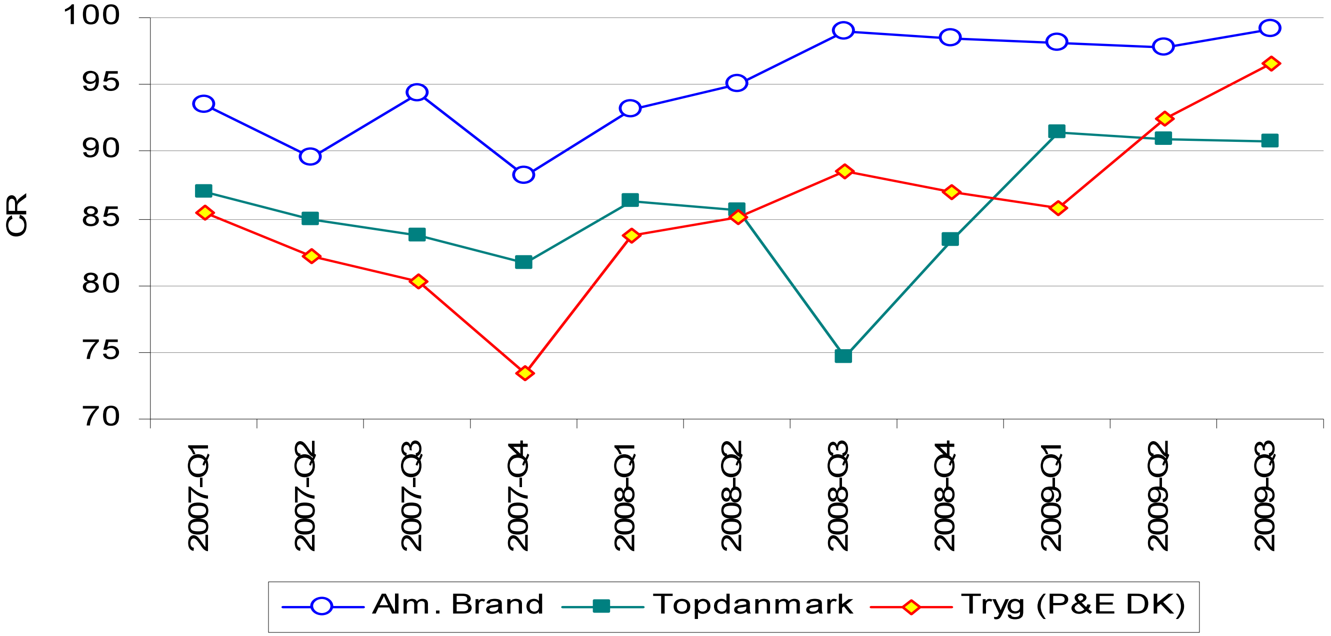
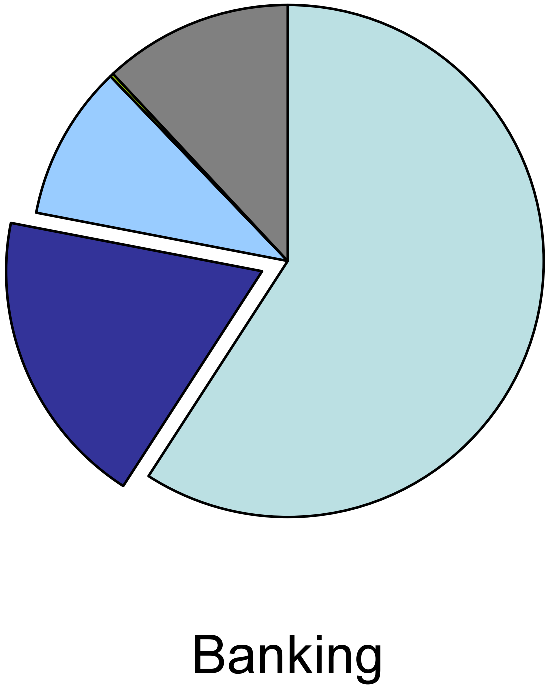
Alm. Brand – Non-life
CR – a sector challenge



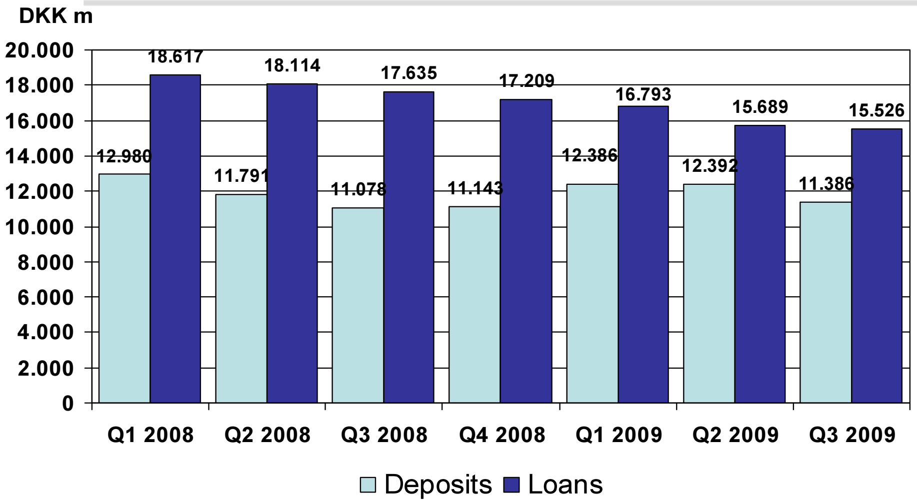
- CR down by 4 %-points in 2011 (all other equal)
  - Premium increases of DKK 200m ie. 4 %-points
  - Costs reductions
  - Claims limiting activities (not estimated)
  - Discounting effect (not estimated)

Alm. Brand – Banking
Highlights Q1 - Q3 2009

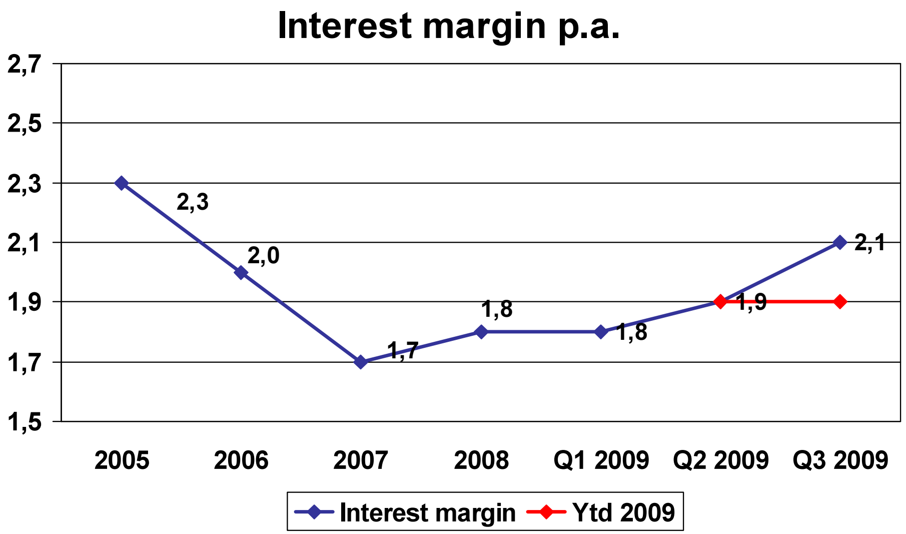
- **Result : DKK 1,309m loss**
  - **Before writedowns DKK 91m profit**
- **Interest margin: 1.9%**
- **Net interest up by 10%**
- **65,000 customers**
- **25,000 “Double-customers”**
- **Solvency: 16.5%**
- **Tier 1 Capital: 11.0%**
- **OE: >6%**



Alm. Brand – Banking
Deposits and loans



- Reduced loans and advances
- New strategy and organization



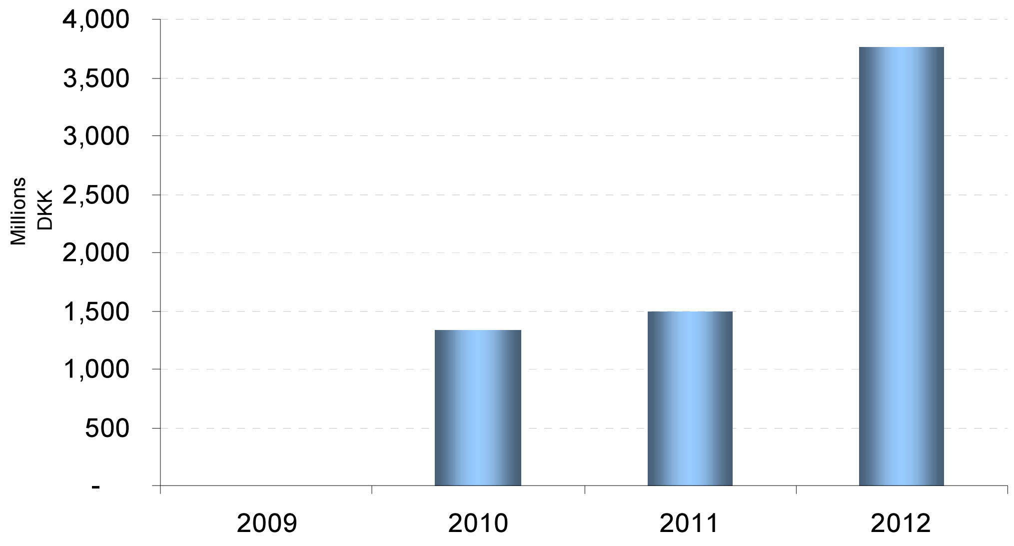
- Margins are increased, but:
  - Fixed interest deposits
  - Certain loans track Danmarks Nationalbank
  - Deposits in Nationalbanken at low interest

Alm. Brand – Banking
Funding situation

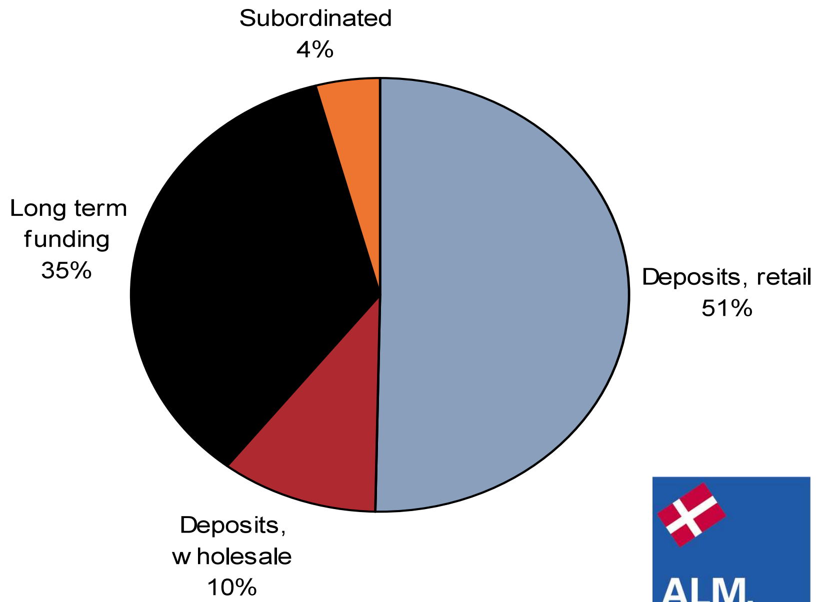
- Long cheap funding
- DKK 1,3bn paid back in September 2009
- Relative growth in deposits
- Capital from Alm. Brand A/S of DKK 300m
- Alm. Brand converts DKK 250m of liable capital into share capital
- Received DKK 856m ie the Second Bank Package
- Reduced loans portfolio from 2010 and forward

- Bank Package I expires end-September 2010
- Possibility of
  - Loan Campains towards private funds
  - Bond Issues under BP II (state guarantee)
  - Lower loan portfolio

Repayment structure for loans issued by Alm. Brand Bank



Procurement of capital



Alm. Brand - Banking
Loan portfolio and credit

	Lending 30 September 2009 DKKm	Losses and writedowns DKKm YTD	Loss rate % YTD
Retail lending	3,310	14	0.4%
Car finance	1,078	22	1.9%
Agriculture	1,156	63	5.6%
Other commercial lending	1,364	37	2.8%
Lending to subsidiaries	1,281	0	0.0%
Security financing	4,033	314	7.3%
Investment properties	1,738	382	19.0%
Residential mortgage deeds	920	54	5.5%
Commercial mortgage deeds	293	110	36.5%
Property development projects	353	367	76.3%
Private Contingency Association	-	37	-
Total	**15,526**	**1,400**	**8.6%**

Alm. Brand – Banking
New strategy (1)

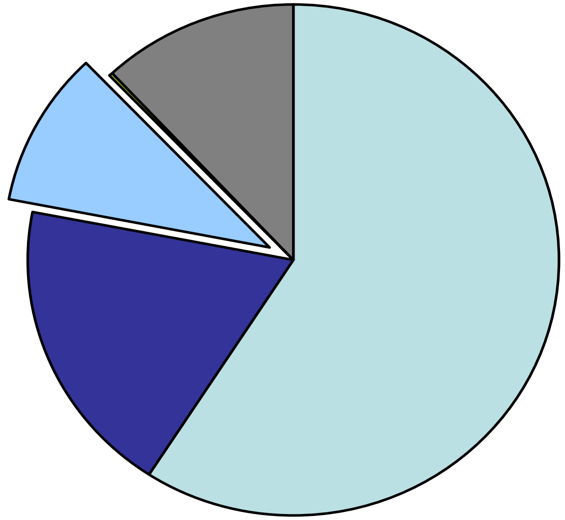
- **Discontinued activities**
  - **Investment properties**
  - **Mortgage deeds**
    - **Trading and investments**
  - **Loans to property development projects**
  - **Corporate finance**
  - **Leasing and loans through car dealers**

Alm. Brand – Banking
New strategy (2)

- Continued activities
  - Private, SME and agriculture
    - Deposits/loans
      - Private mortgage deeds customers converted into full customers (potential: DKK 3-4bn)
    - Investments
    - Leasing and Fleet
    - ”Double Customers”
  - Alm. Brand Markets
    - Analysis
    - Portfolio Management

Alm. Brand – Life and Pension Highlights Q1 - Q3 2009

- **Result: DKK 107m profit**
- **Collective bonus potential: DKK 120m**
- **Shadow account balance: DKK 80**
- **Gross premiums: DKK 466m**
- **Provisions: DKK 11.2bn**
- **80,000 customers**



Life & Pension

Alm. Brand – Life and Pension Investments Q1-Q3 2009

- **Very satisfactory performance**
- **Very strong investment return**
  - **7.2%**
- **Low costs**
- **=> Collective bonus potential: DKK 120m**

- **Among the best performing in sector**

Return on investments (OE)
4.4%

Return on investments (customers): 7.2%

Bonds etc.	6.1%
Equities	26.4%
Properties	3.7%

Total equity exposure about 10%

Rate of interest (customers) p.a. 3.0%

Copenhagen Re

- **Sold on 29 May 2009**
- **Approved by financial supervisory authorities on 15 October 2009**
- **=> Actual sale completed**
- **Not affecting the expectations for the group as a whole**
- **Total gain from run off 2001 to 2009**
  - **DKK 600m plus tax advantages for Group**

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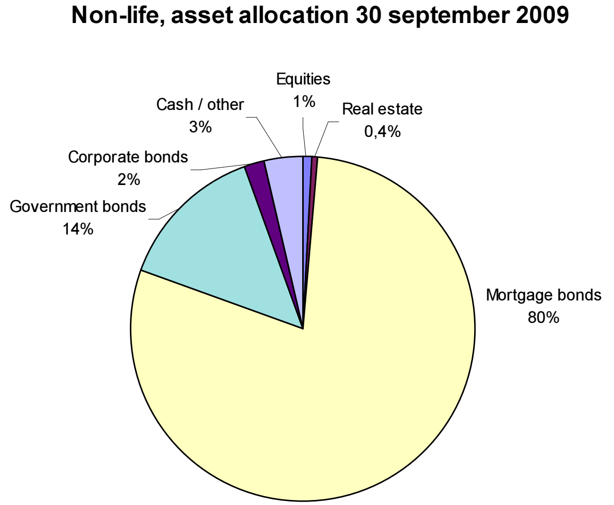
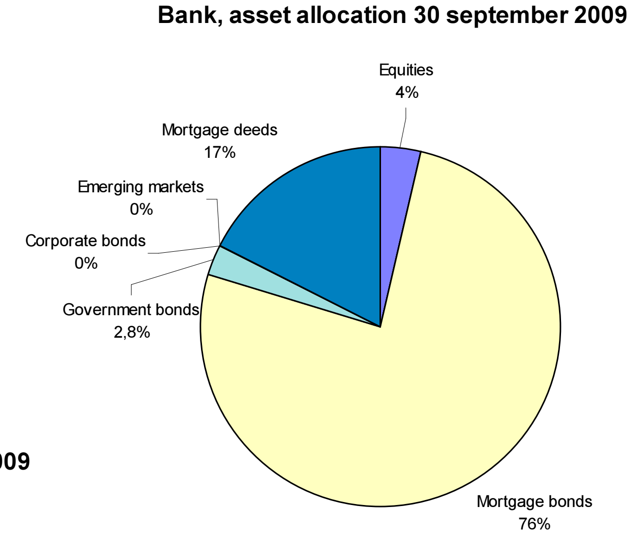
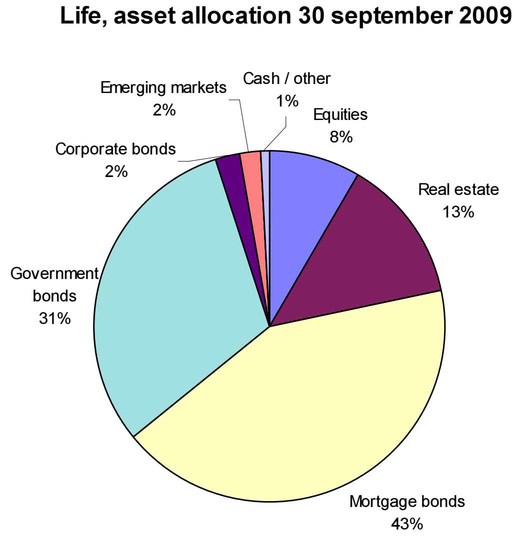
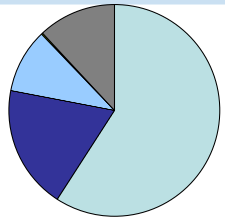
Alm. Brand
Investment assets





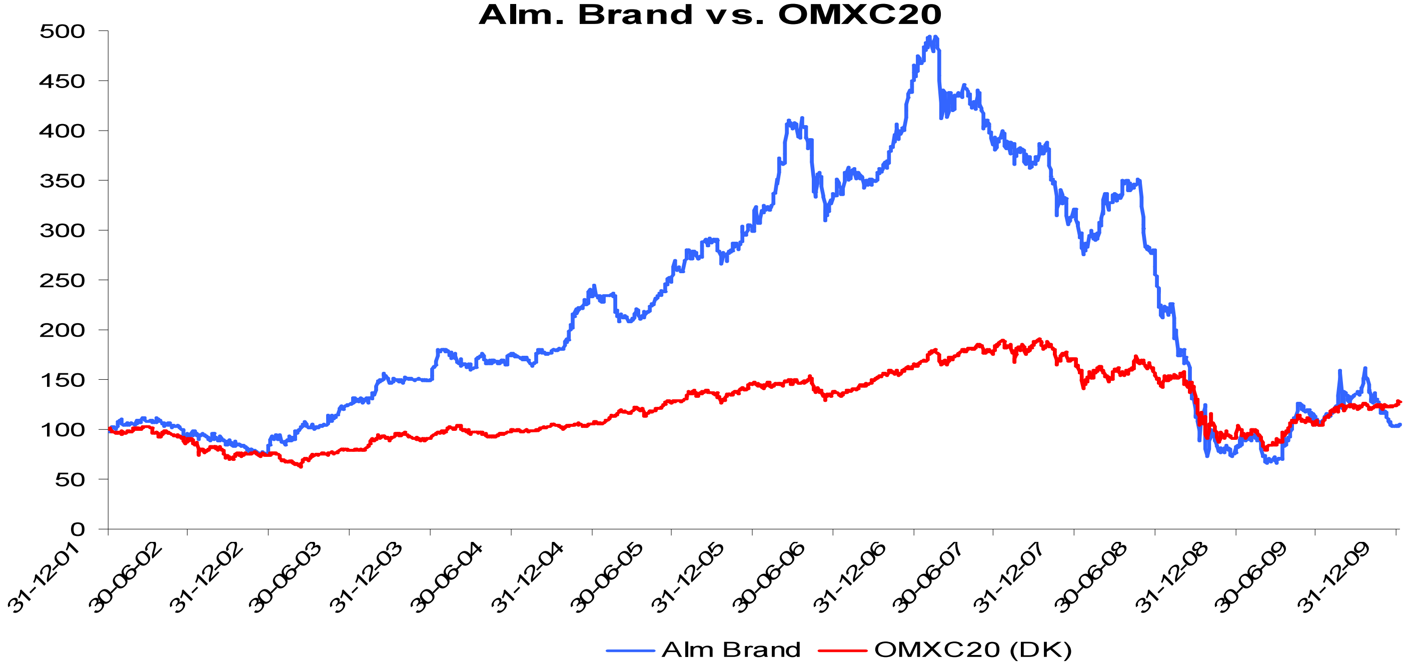


Alm. Brand A/S
Capital requirements



- Insurance (non-life and life)
  - Historically well capitalized
    - Non-life: Above 240% of regulatory requirements
    - Life : Above 200% 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
  - Historically well capitalized
  - Above 150% of regulatory requirements
  - Still a lot of uncertainty about the new Basel II rules

Alm. Brand A/S
Results for the year



	2009
Price per share	DKK 91*
Price / NAV	0,40**

*As per 31 December 2009 **NAV as per 30 September 2009

Alm. Brand A/S
Initiatives and a new strategy

- Increasing premium level
- Important cost reductions
- A new focus and a reorganized bank
- A new Group strategy in a new world
  - Fit for Fight 2010 to 2012

•Return on Equity : MM + 10%

• Increased earnings per customer

• Customer loyalty

• Employee engagement

• Effectivity : Up by 5% pa.

Disclaimer

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Alm. Brand A/S
Questions?