

Alm. Brand A/S

Q1 2011 – Roadshow



Alm. Brand's strategic agenda



- Non-life insurance group complemented by life insurance, pension and banking operations

Banking

Focus on low risk and profitability

- Focus on the private customer segment
- Asset Management
- Markets
- Winding-up of non-strategic business areas

Non-life insurance

Consolidation followed by profitable growth

- Reduction of the expense ratio
- Reduction of risk and amendment of terms
- Premium increases relative to risk

Life insurance and pension

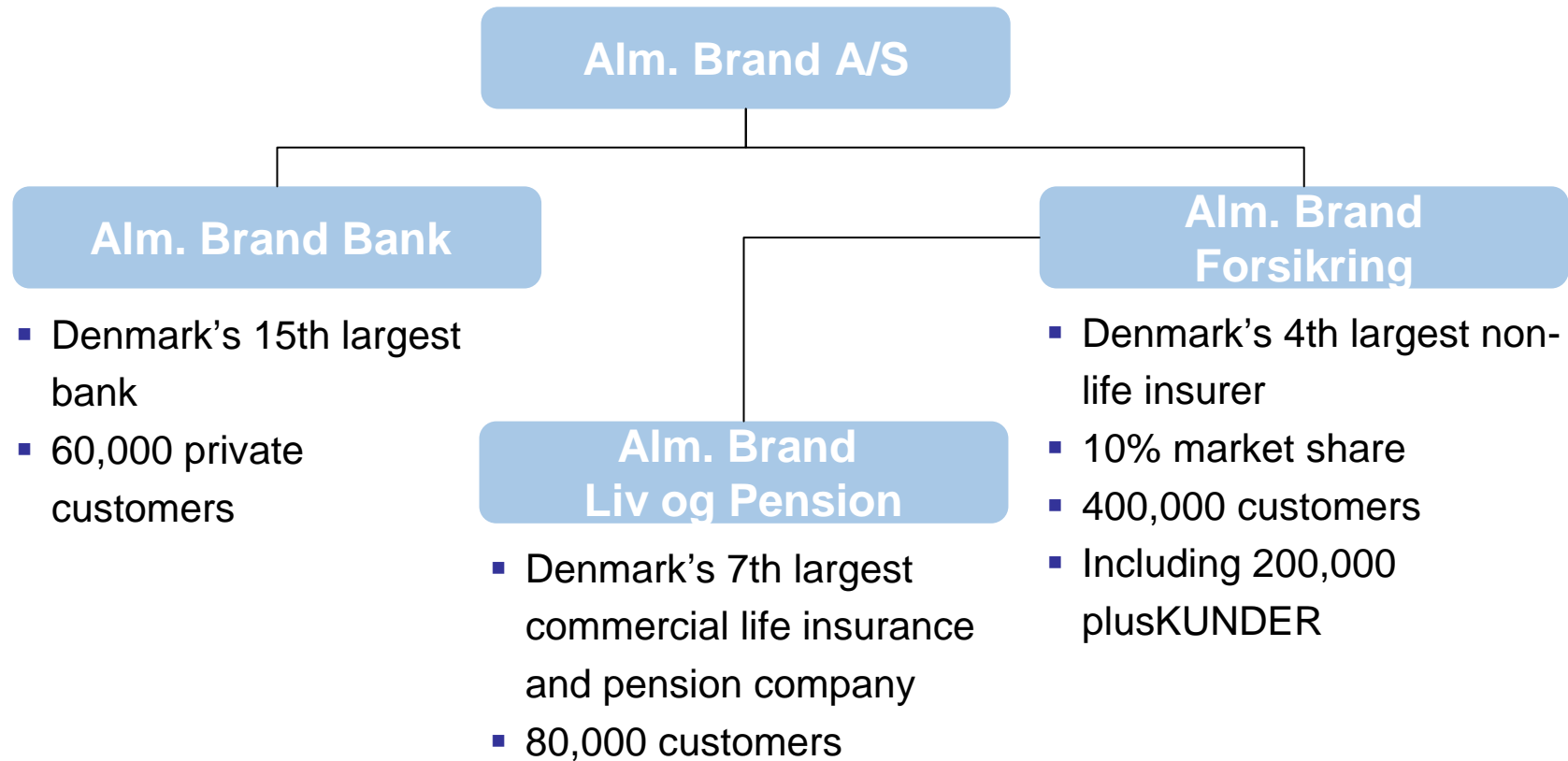
Business as usual

- Low-risk investment policy
- Focus on costs and risk
- Complements non-life insurance



Alm. Brand

Three business areas



Note: Number of customers based on number of households



Alm. Brand

Highlights of Q1 2011

- **Results and writedowns developed in line with expectations**
 - **Profit of DKK 20 million before losses and writedowns**
 - **Loss of DKK 109 million after losses and writedowns**
 - **Positive development in non-life insurance operations**
 - Favourable trend in underlying business
 - Very low costs
 - **Value adjustments affected results adversely**
 - **Guidance for 2011 of a profit of DKK 375 million before losses and writedowns is retained**
 - A small profit - also after losses and writedowns

Alm. Brand Non-life insurance

Key figures and ratios

- **Results**

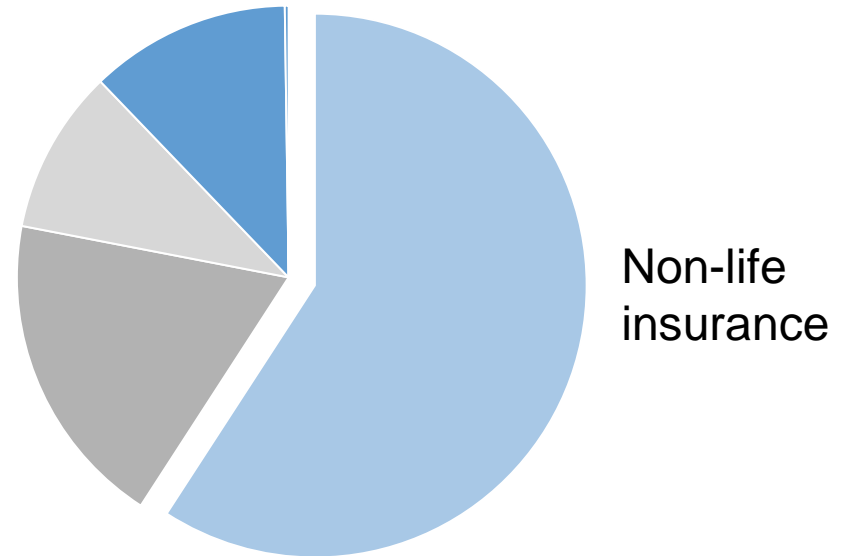
- Q1: DKK 37 million profit

- **Combined ratio**

- Q1: 97.4

- **Expense ratio**

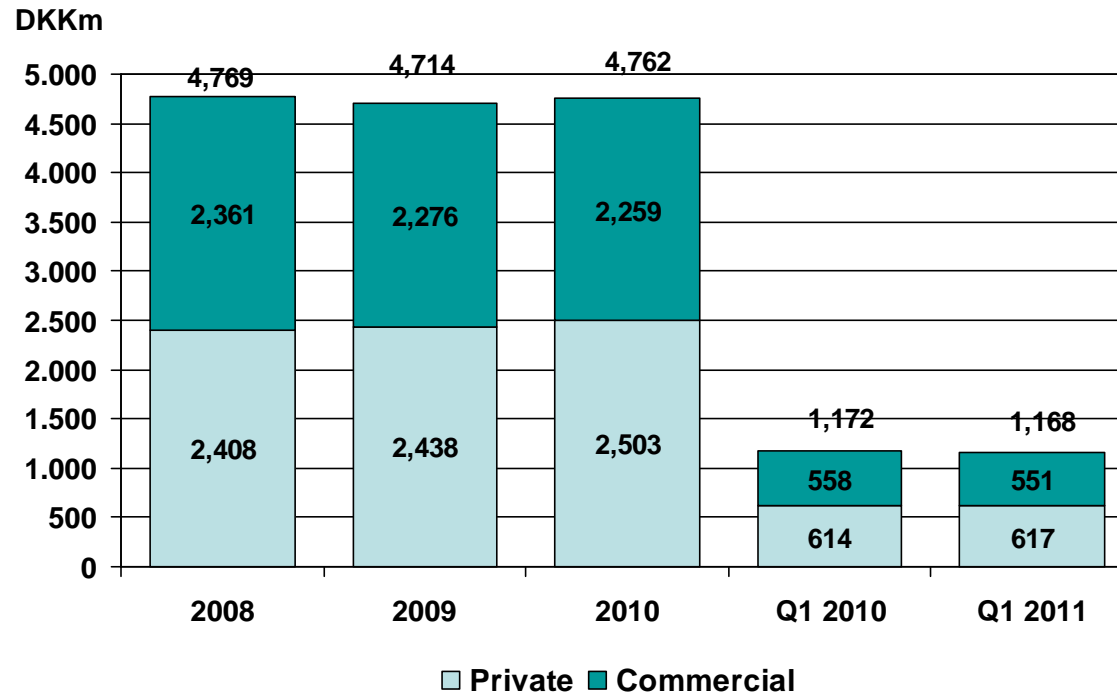
- Q1: 15.6



Alm. Brand Non-life insurance Highlights

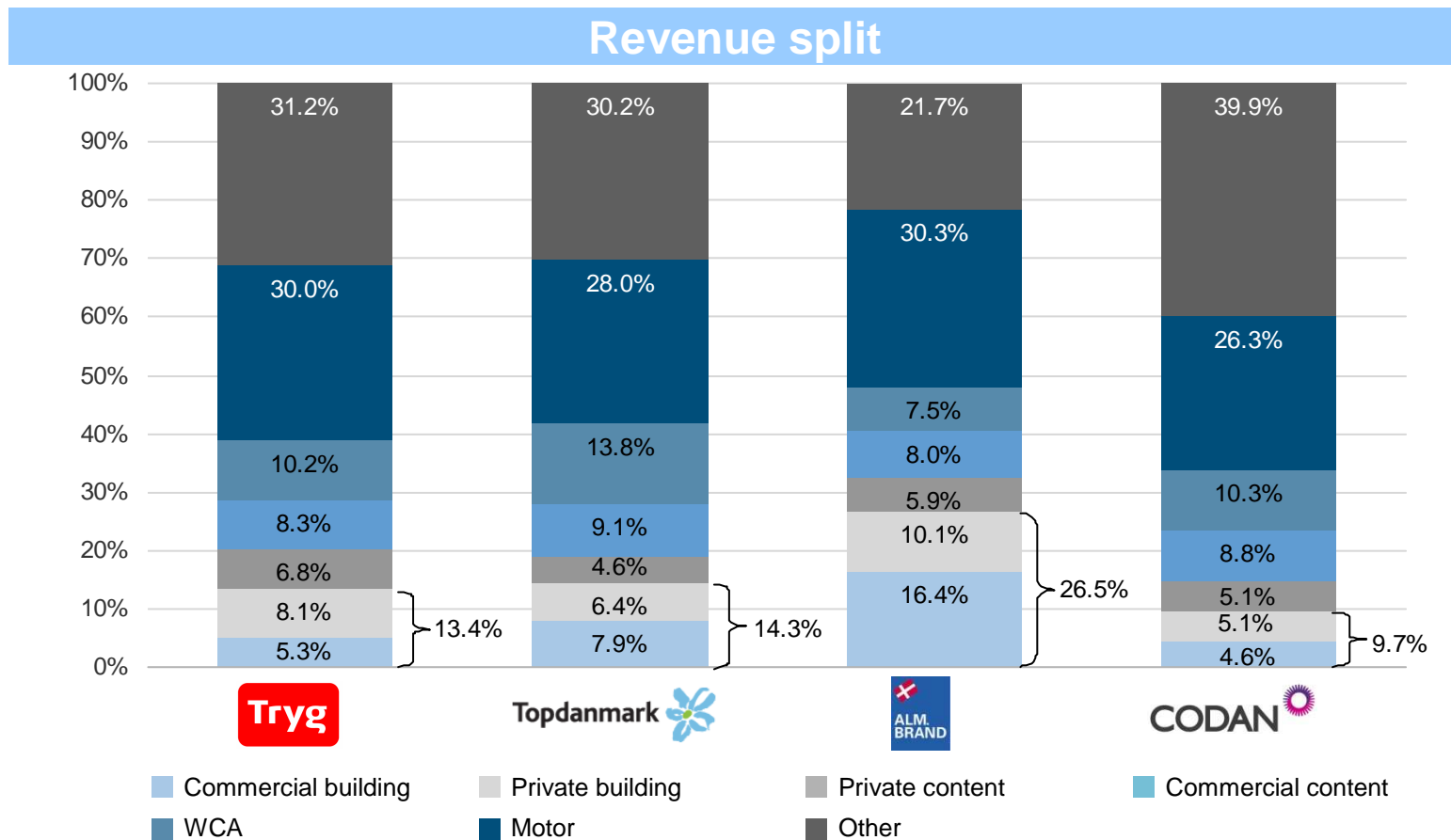
- **Improvement of underlying business**
- **Many weather-related claims**
- **Low costs**
 - **General cost savings**
 - **Q1: Low marketing expenses and bonus payments**
- **Negative value adjustments on interest-bearing investments**
- **Outlook for 2011: DKK 300 million profit**
 - **CR: 95**

Alm. Brand Non-life insurance Gross premiums

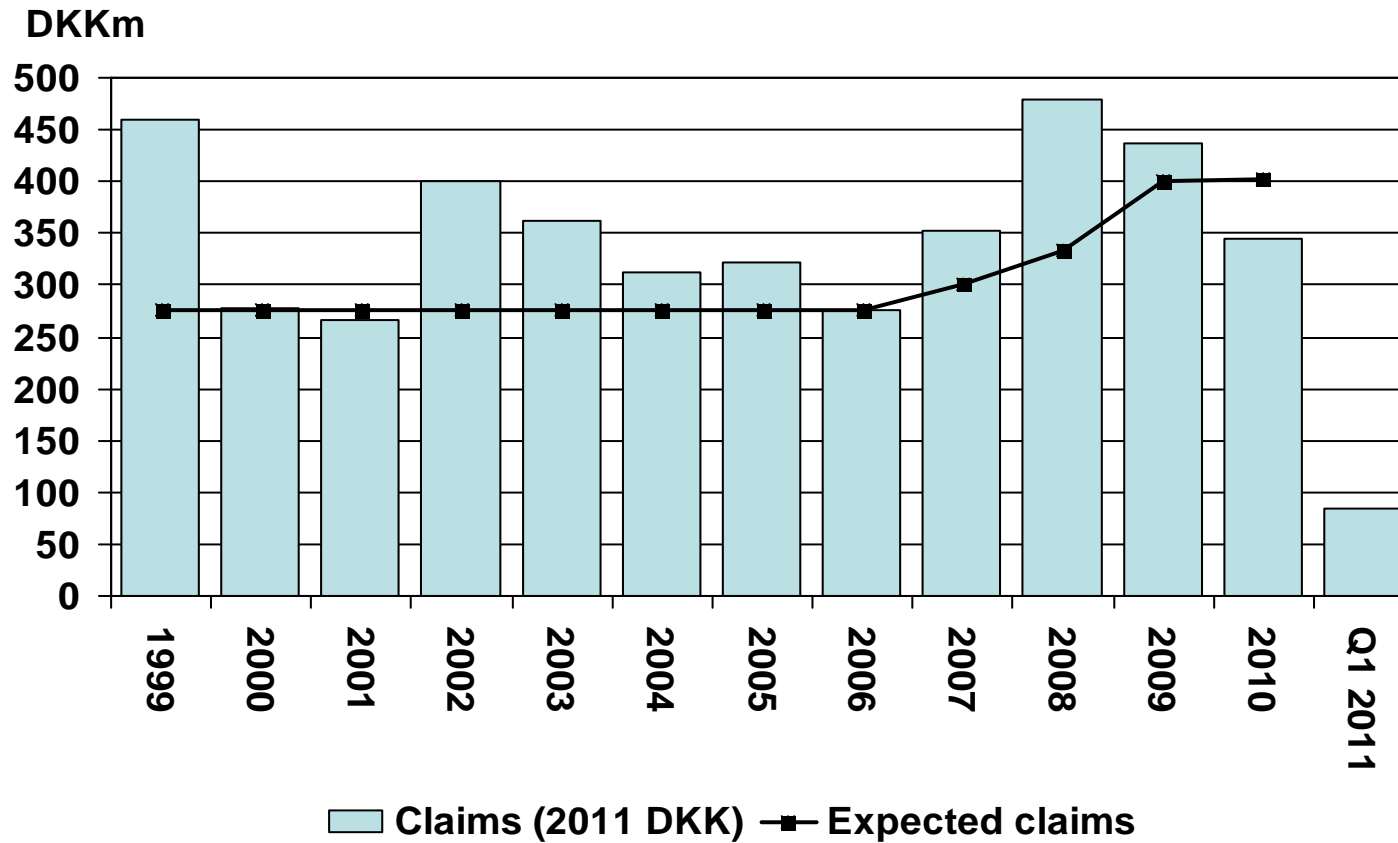


- Lack of growth due to slowdown in commercial segment
- Market share retained

Alm. Brand Non-life insurance Revenue split



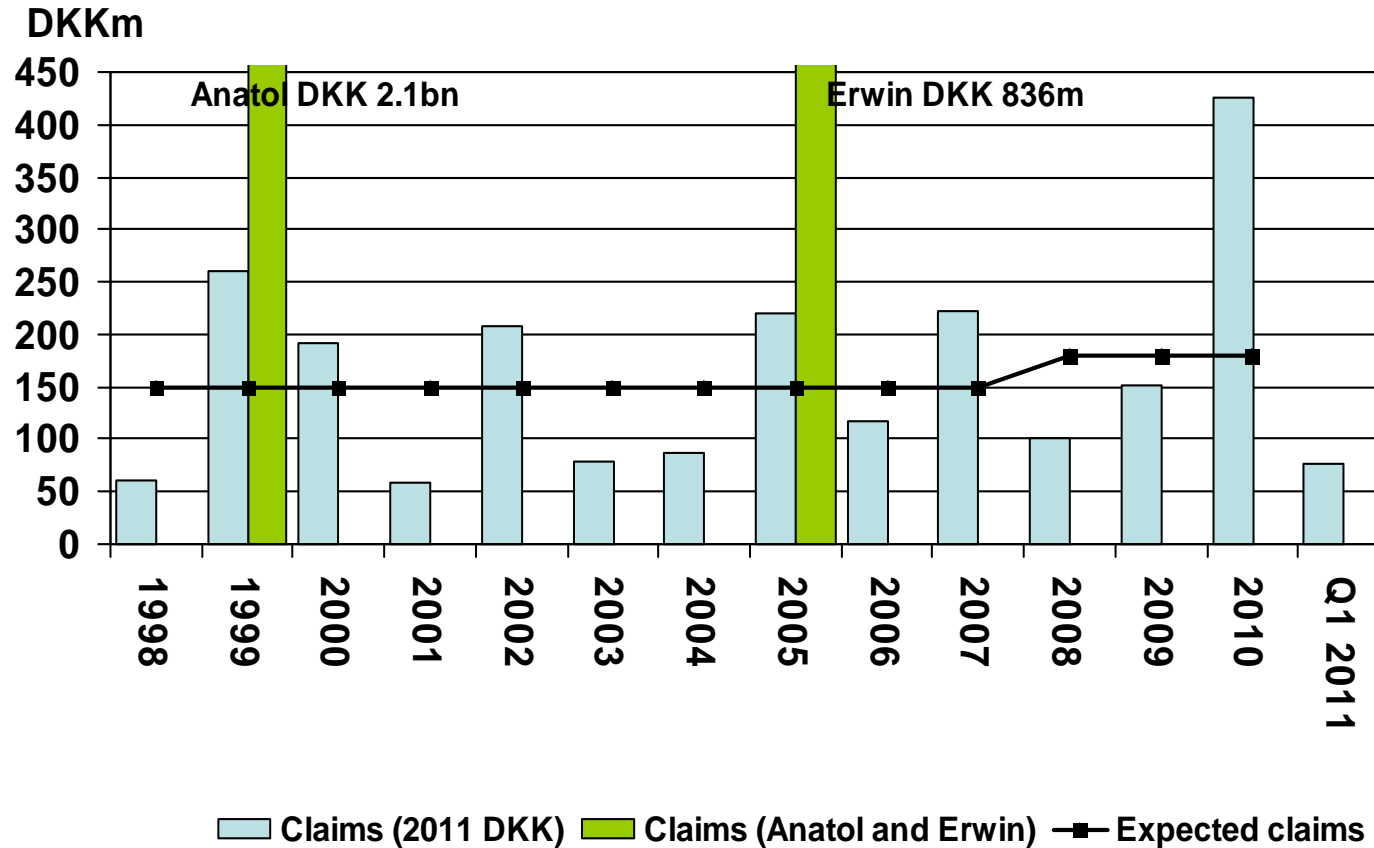
Alm. Brand Non-life insurance Expenses for major claims*



- Decent development in major claims
- Preventive measures

Note: Claims above DKK 1 million

Alm. Brand Non-life insurance Weather-related claims

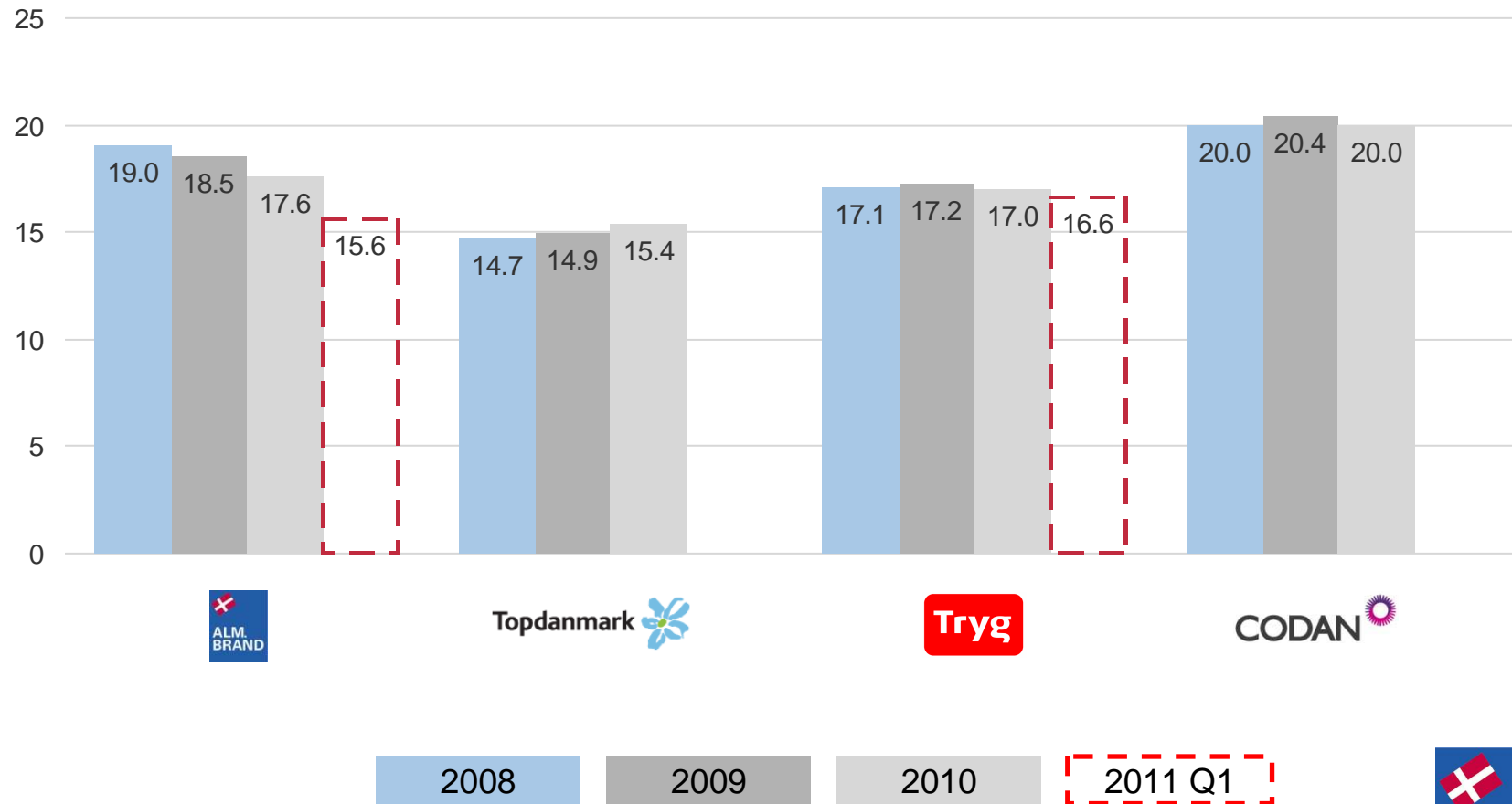


- Winter claims
- Cloudburst claims
- Increased reinsurance cover
- Preventive measures



Alm. Brand Non-life insurance

Cost ratio - major Danish non-life companies

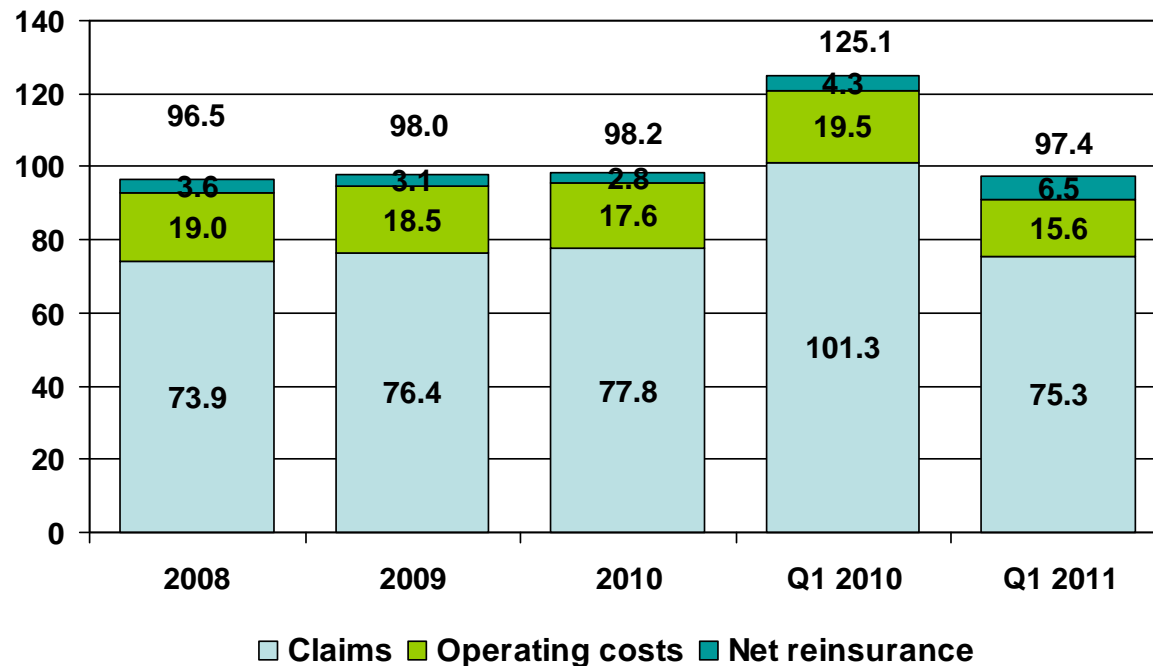


Note: Cost ratio is on group level. Cost ratio for Codan is for Codan Forsikring

Alm. Brand Non-life insurance Impact on results

Combined ratio

Per cent



- + Low costs
- + Low no. of major claims
- + Lower normal claims
- + Premium increases

- High number of weather-related claims

Alm. Brand Non-life insurance Combined ratio

	2008	2009	2010	Q1 2010	Q1 2011
Combined ratio ex weather-related and major claims	84.8	88.8	85.5	87.8	84.4
Major claims	9.1	7.8	7.1	6.4	7.2
Weather-related claims	1.9	3.1	8.5	29.9	6.6
Run-off result*	0.7	-1.7	-2.9	0.9	-0.8
Combined ratio	96.5	98.0	98.2	125.1	97.4

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

Alm. Brand Banking Highlights

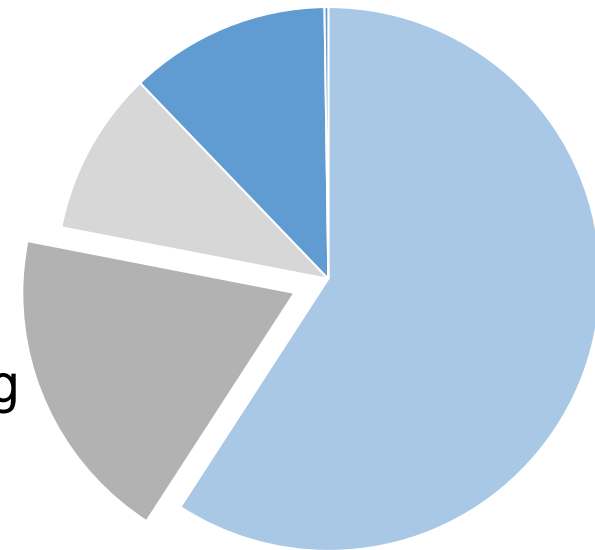
- **Results Q1: DKK 20 million loss**

- Adversely affected by value adjustments
 - Bonds and fixed-income instruments due to rising interest rates
 - Illiquid shares
- After losses and writedowns: DKK 149 million loss

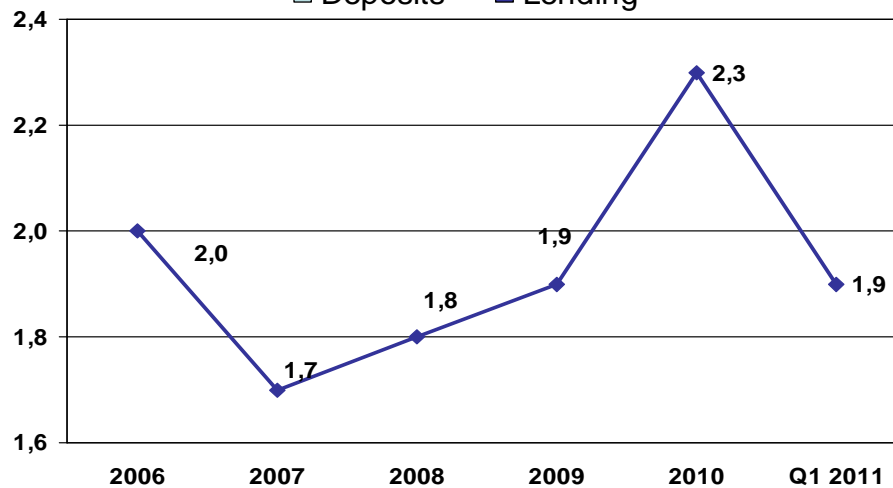
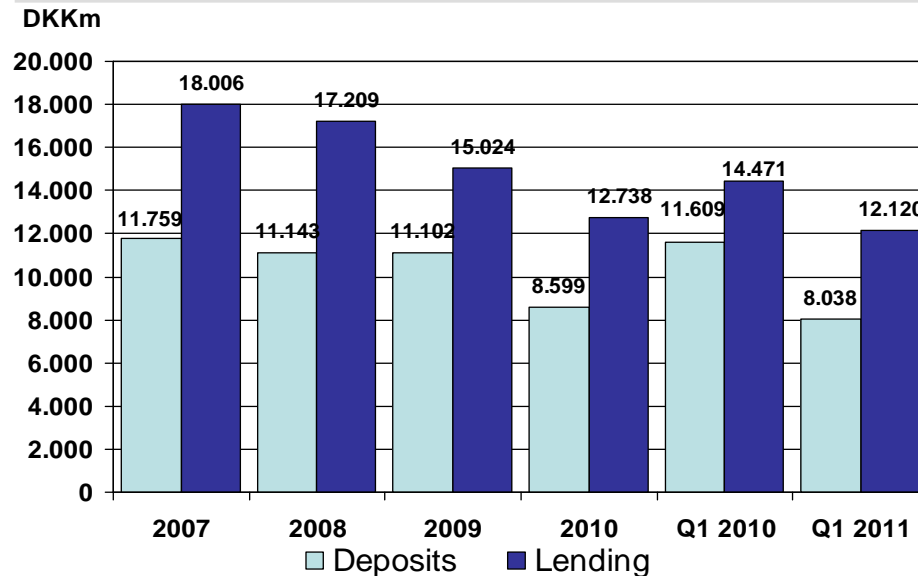
- **Losses and writedowns**

- In line with expectations
- Q1: DKK 129 million

Banking



Alm. Brand Banking Deposits and lending

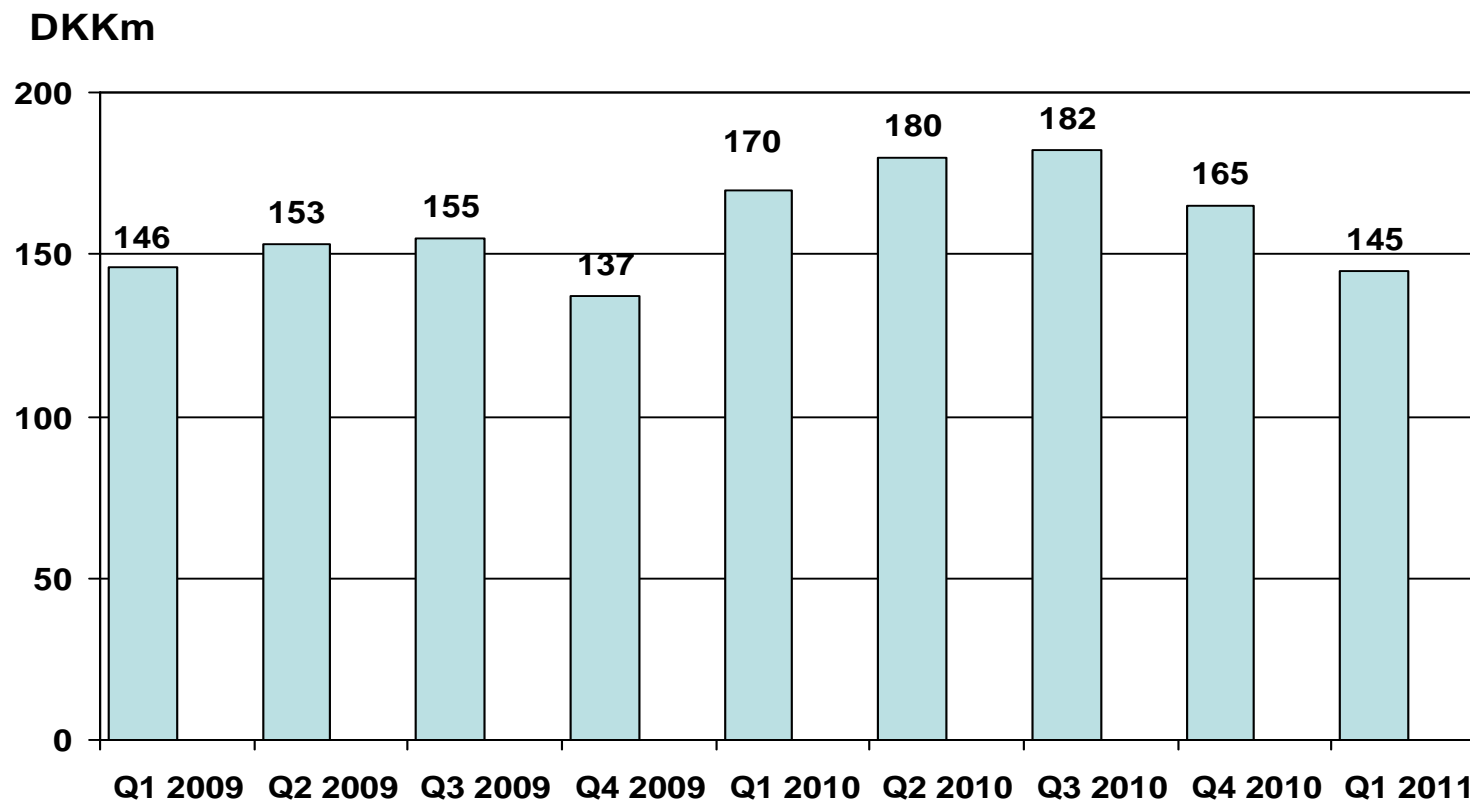


- Lending portfolio reduced by approx. DKK 0.5 billion before losses and writedowns relative to 31 December 2010

- Interest margin
 - Smaller lending portfolio
 - Fewer high-yielding bonds

Alm. Brand Banking

Net interest and fee income



Alm. Brand Banking

Lending portfolio and credit losses

DKKm	Loans		Share of portfolio (%)	Total loss and writedowns		Loss ratio *)
	31.12.2010	31.03.2011		2010	Q1 2010	
<u>Continuing portfolio</u>						
Lending to private customers	3.318	3.204	26,5%	29	25	0,8%
Other lending **)	176	154	1,3%	0	0	0,0%
<u>Winding-up portfolio</u>						
Agriculture	1.199	1.185	9,8%	74	35	2,9%
Car finance	736	636	5,2%	13	2	0,3%
Commercial lending	2.230	2.036	16,8%	57	14	0,6%
Property development projects	492	417	3,4%	61	0	0,0%
Mortgage deed financing	1.936	1.545	12,8%	380	36	2,1%
Mortgage deeds	2.190	2.465	20,3%	264	16	0,7%
Bank packages etc.	-	-	-	46	1	-
Total - excl. Reverse Transactions	12.277	11.642	96,1%	924	129	1,1%
Reverse Transactions including intercompany transactions	207	157	1,3%	-	-	-
Total group lending	12.484	11.799	97,4%	924	129	1,1%
Minority interests	254	321	2,6%	-16	-	-
Total prorata	12.738	12.120	100,0%	908	129	1,0%

*) Losses and writedowns as a percentage of the average portfolio in Q1 2011. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

***) Fleet management (operating leases) is not included, as it is recognised as other property, plant and equipment and not as loans and advances.

Alm. Brand Banking

New bank & winding-up bank

Current lending portfolio: DKK 12.1bn

Continuing portfolio: DKK 3.3bn

Private lending: DKK 3.2bn

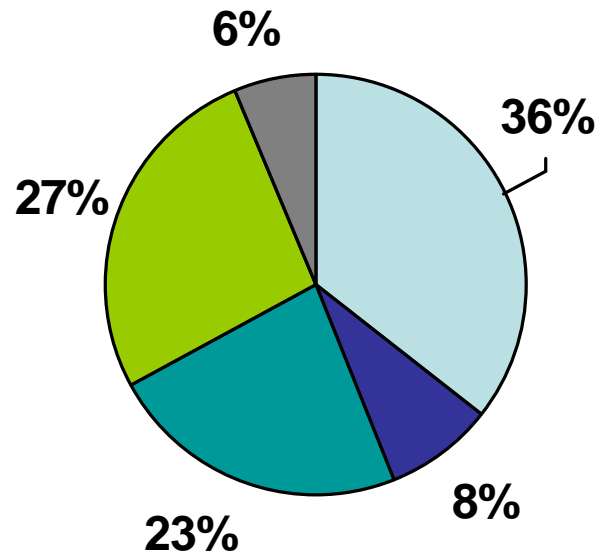
Other lending: DKK 0.1bn

Winding-up portfolio: DKK 8.8bn

New strategy for the bank

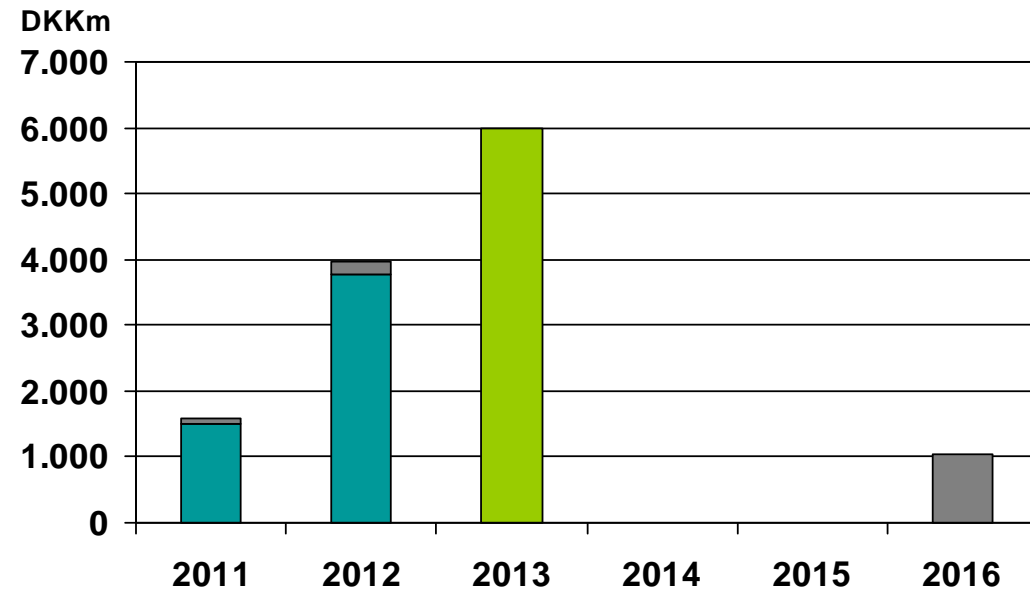
- Complementing non-life insurance and life insurance and pension
- Private
- Leasing
- Markets
- Asset Management

Alm. Brand Banking Funding



- Deposits
- Other debt
- Interbank funding
- Issued bonds
- Subordinated debt

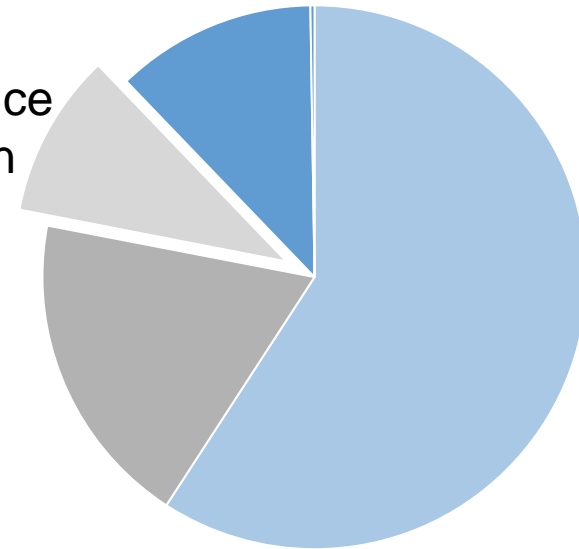
Repayment structure for interbank funding, issued bonds and subordinated debt



Alm. Brand Life insurance and pension Highlights

- **Results Q1: DKK 18 million profit**
- **Collective bonus potential: DKK 417 million**
 - Bonus rate: 4.1%
- **Growth**
 - Guaranteed and market rate products: 6.3%
- **Adversely affected by value adjustments**
- **Forecast for 2011: DKK 70 million profit**

Life insurance
and pension



Alm. Brand Life insurance and pension Results

DKKm	2008	2019	2010	Q1 2010	Q1 2011
Return on investment allocated to equity	43	58	30	13	-3
Result of portfolios without bonus entitlement	0	-24	13	4	2
Risk premium	53	54	54	15	3
Share of expense and risk results	28	22	27	1	19
Calculated return on equity	124	120	124	33	20
Reversed from/transferred to shadow account	-81	29	57	36	-1
Profit before tax	43	139	181	69	18
Shadow account balance	81	56	0	20	1

Alm. Brand Life insurance and pension

Investment return

Policyholders' returns before tax on pension returns Q1 2011:

Bonds etc.	-1.9%
Equities	3.1%
Properties	2.0%
Total return on policyholders' funds before tax on pension returns and after expenses	-1.1%

Breakdown of investments based on exposure:

Bonds etc.	73%
Equities	13%
Properties	14%

Rate on policyholders' savings:

Interest rate group 0 (from 1 April 2011)	3.65%
Interest rate group 1	3.65%
Interest rate group 2	4.20%
Interest rate group 3	5.30%



Alm. Brand Life insurance and pension

Breakdown of guarantees

	Average guarantee	Term (years)	Share of portfolio
Low guarantees	1.83%	31.07	34.7%
Medium guarantees	3.01%	9.96	18.8%
High guarantees	4.04%	10.87	46.5%

- Short term on high guarantees

Alm. Brand A/S

Capital model

DKKm	Capital base at 31 March 2011
Consolidated capital and reserves	4,672
Intangible assets	-74
Tax assets	-688
Supplementary capital	1,803
Total consolidated capital base	5,713
Statutory capital requirement for the group at 31 March 2011	3,696
Excess relative to statutory capital requirement	2,017
Excess relative to internal capital target	95



Alm. Brand Outlook 2011

- Alm. Brand A/S: DKK 375 million profit
 - Non-life insurance: DKK 300 million profit (combined ratio: 95)
 - Life insurance and pension: DKK 70 million profit
 - Banking: DKK 45 million profit (before losses and writedowns)
 - Other business activities: DKK 40 million loss
 - Small profit for the group – also after losses and writedowns

Alm. Brand Highlights

- In line with expectations – and positive development
- Favourable trend in underlying non-life insurance business
- Low costs
- Operations and writedowns in the bank developed as anticipated
- Negative value adjustments on investment assets affected results

Disclaimer

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