

NASDAQ OMX Copenhagen A/S  
Nikolaj Plads 6  
DK-1007 Copenhagen K

Ref SLB/hdg

Announcement no. 1/2012

Date 28 February 2012  
Page 1 of 3**Alm. Brand A/S – Annual Report 2011**

*“Alm. Brand's non-life insurance activities reported a highly satisfactory full-year performance, and I believe our combined ratio of 92.3 and expense ratio of 15.9 will rank among the best in the industry. Our pension activities also performed strongly in a difficult market, recording a significant increase in pension contributions. We are extremely pleased with this performance,” underlines Chief Executive Søren Boe Mortensen and continues:*

*“However, we made substantial impairment writedowns on the bank's lending in the fourth quarter, most of which were due to a change of methodology. In addition, the deteriorating economic conditions also triggered writedowns.”*

- **Alm. Brand A/S generated a profit before losses and writedowns of DKK 393 million, against an expected profit of DKK 325 million. After losses and writedowns in the bank, the company incurred a loss of DKK 601 million.**

**More than half of the loss for the year was due to a change in the methodology used to calculate Alm. Brand Bank's impairment writedowns.**

- **The group's non-life insurance activities delivered a very strong performance, posting a higher-than-expected profit of DKK 460 million.**

**The combined ratio was 92.3, of which the expense ratio accounted for 15.9.**

- **The pension activities produced a highly satisfactory and better than expected profit of DKK 137 million.**

**In spite of the very difficult conditions in the financial markets, the life insurance company generated a return of 9.0% on policyholders' funds and a bonus rate of 4.5%. Accordingly, there was no need to introduce a transfer and surrender charge.**

**Total payments into pension schemes managed by the group grew by 19.5%.**

- **The banking activities were hit by the deteriorating economic conditions and turbulent financial markets, which led to substantial capital losses and writedowns.**

**Approximately DKK 400 million of the impairment writedowns made in the fourth quarter were, however, attributable to a changed methodology. The bank had already reserved capital in its solvency need with a view to countering this development and, as a result, this had a limited effect on the bank's overall capital. The method used is expected to comply with the Danish Financial Supervisory Authority's future method of calculation.**

**The bank posted a highly unsatisfactory loss of DKK 160 million before losses and writedowns. Including losses and writedowns, the bank incurred a loss of DKK 1,154 million.**

- **The Alm. Brand Group expects to generate a profit before losses and writedowns of DKK 450 million in 2012.**

#### **Other highlights**

- The underlying combined ratio of the non-life insurance company again developed very favourably, ending 2011 at 80.2, against 85.5 a year earlier.

Premiums rose by 0.2%, which was in line with expectations in a declining market.

- The performance of Alm. Brand Liv og Pension was lifted by positive expense and risk results as well as by a strong investment return.

Due to the positive results, the rate of interest paid on policyholders' savings ranged between 3.65% and 5.30%, which is one of the best in the industry.

The bonus rate of the interest rate group in which new agreements are written was 6.9% at 1 January 2012.

- In addition to the impact from losses and writedowns, the bank's performance was affected by high funding costs and capital losses as a result of the turmoil in the financial markets.

On a more positive note, the bank's costs continued to track a downward trend, declining by around 10% relative to 2010.

Please direct any questions regarding this announcement to Søren Boe Mortensen, Chief Executive, on tel. +45 35 47 79 07 or Susanne Biltoft, Head of Information and Investor Relations, on tel. +45 35 47 76 61.

Alm. Brand A/S will host a webcast and teleconference on Tuesday, 28 February 2012 at 10.00 a.m.

<http://storm.zoomvisionmamato.com/player/almbrand/objects/2k0fs9xp/>

Dial-in instructions for financial analysts: Danish analysts: +45 327 147 67, US analysts: +1 718 354 1226 and other international analysts: +44 (0) 207 509 5139.

**Yours sincerely,**

Alm. Brand A/S

*Søren Boe Mortensen*  
Chief Executive

The annual report is attached in pdf-format.