

OMX Nordic Exchange Copenhagen A/S
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Ref SLB/hdg

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Alm. Brand A/S – Interim report for the first half year of 2011

Highlights

- In Q2 2011, Alm. Brand A/S generated a profit of DKK 44 million after losses and writedowns in the bank. Before losses and writedowns in the bank, the company posted a profit of DKK 141 million.
- The H1 performance was a loss of DKK 65 million including losses and writedowns in the bank, against a loss of DKK 134 million in the same period of last year. The performance was thus better than expected, although still not satisfactory.
- The non-life insurance combined ratio improved to 85.8 in Q2 and to 91.6 in H1 on the back of strong trends in the underlying business and declining costs.
- Losses and writedowns in the bank continue to decline, although not at the rate anticipated, and developments in the financial markets and in the global economy are having an adverse impact on the profit outlook.
- The company expects to generate a full-year profit of around DKK 275 million before losses and writedowns, against the previous guidance of a profit of DKK 375 million. The revised guidance covers an upgrade of the forecast for the company's insurance and pension activities of DKK 100 million but a downgrade of the forecast for its banking activities of DKK 200 million.

"It is encouraging to see once again an overall quarterly positive performance – also after impairment writedowns in the bank. The strong overall performance was mainly driven by a significant improvement of our non-life insurance performance and a low level of costs. Another contributing factor was the sustained decline in impairment writedowns in the bank. On the other hand, developments in the financial markets and in the global economy have unfortunately caused us to lower our guidance for the performance of the group as a whole," said Søren Boe Mortensen, Chief Executive.

Other highlights

- Non-life insurance activities generated a profit of DKK 244 million. The underlying non-life insurance business produced a very positive performance. Moreover, costs declined significantly, resulting in an expense ratio of 16.3, against 18.2 in the same period of 2010.
- The bank posted a loss of DKK 122 million before losses and writedowns in H1 2011, which was highly unsatisfactory.

The bank recorded losses and writedowns of DKK 226 million, of which DKK 97 million was written down in the second quarter. Although declining, the level of writedowns was still too high. Writedowns were concentrated on the agricultural and mortgage deed segments. As a result of developments in the financial markets and in the global economy, the forecast for the bank's impairment writedowns remains unchanged.

- Life insurance activities reported a positive performance supported by good expense and risk results. Total payments into pension schemes developed very favourably, increasing by 11.7%.

The collective bonus potential was DKK 469 million, corresponding to a bonus rate of 4.6%.

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

Alm. Brand A/S will host a webcast and conference call on 25 August 2011 at 10.00 a.m.

http://webcast.zoomvision.se/denmark/clients/almbrand/11_845/

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Yours sincerely,

Alm. Brand A/S

Søren Boe Mortensen
Chief Executive