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Alm. Brand A/S – Interim report for the first half year of 2012

- **The Alm. Brand Group posted profit of DKK 373 million before losses and write-downs for H1 2012. After losses and writedowns, the profit was DKK 207 million. The group hence kept the positive momentum, although the overall profit was still not satisfactory.**
- **The full-year guidance is lifted by DKK 50 million to a profit of DKK 575 million before losses and writedowns for the group as a whole.**
- **The group's non-life insurance activities developed very favourably, posting a profit of DKK 378 million, which was better than expected.**

The combined ratio was 85.5. In the second quarter, the combined ratio was at a record low of 82.3.

Growth in premiums was 2.7% in H1 2012, which was better than expected.

- **The bank posted a loss of DKK 31 million before losses and writedowns. After losses and writedowns, the performance was a loss of DKK 197 million. The bank's losses, writedowns and credit-related value adjustments amounted to DKK 166 million for the six months ended 30 June 2012.**

Core earnings declined due to lower interest income on the portfolio of loans and advances and higher funding costs. The bank's performance was also adversely impacted by expenses related to reorganising the bank and expenses related to properties taken over, etc.

"This was the best six-month period for Alm. Brand since the onset of the financial crisis, and I'm very pleased that we were able to keep the positive momentum from the first quarter. Our non-life insurance business reported an excellent performance, partly reflecting the efficiency improvements we have achieved and partly because we have become better at assessing risk. We were also fortunate as the reporting period only saw very few weather-related and major claims," explained Chief Executive of Alm. Brand, Søren Boe Mortensen, and he continued: "Overall, we're very pleased that we've managed to lift our full-year consolidated profit guidance – this time by DKK 50 million to DKK 575 million."

"We were also pleased to note that losses and writedowns in the bank were maintained at the Q1 level. Writedowns remain high and may still fluctuate significantly, but apart from that the main challenge for the bank going forward will be to achieve operations that generate a reasonable profit. In this respect, we still have quite a lot of work ahead of us," Søren Boe Mortensen emphasised.

The bank repaid external loans in the amount of around DKK 6.6 billion in H1 2012 of which loans worth DKK 2 billion did not have value date until 2 July 2012. Moreover, customer deposits increased substantially and, as a result, the bank reported a deposit surplus.

- The group's life insurance activities reported a satisfactory profit of DKK 46 million. Growth in premiums was highly satisfactory at 32.3%. The strong growth in life insurance operations was supported by a large number of customers transferring their business to Alm. Brand Liv og Pension.

As a result of a strong investment return, the bonus rate was maintained at a high level of 5.3%

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 Thursday, 23 August 2012 at 11.00 a.m.

<http://storm.zoomvisionmamato.com/player/almbrand/objects/r8gy6png/>

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Yours sincerely,

Alm. Brand A/S

Søren Boe Mortensen
Chief Executive