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Ref SLB/hdg

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## Alm. Brand A/S – Third quarter of 2011

### Highlights

- **The group's non-life insurance activities delivered a very strong performance, posting a profit of DKK 283 million and a combined ratio of 93.0 for the nine months ended 30 September 2011.**
- **Pension activities generated a highly satisfactory profit of DKK 100 million. Moreover, a prudent investment strategy produced a return on customers' funds of 5.6% for the reporting period and a bonus rate of 3.1%. Accordingly, there was no need to introduce a transfer and surrender charge.**
- **Banking activities performed in line with expectations, but the financial results were nevertheless highly unsatisfactory.**
- **The guidance for the full-year profit is upgraded by DKK 50 million to a profit of DKK 325 million before losses and writedowns. The combined ratio is expected to improve to 93 from the previous forecast of 94.**
- **In Q3 2011, Alm. Brand A/S generated a profit of DKK 36 million before losses and writedowns in the bank. After losses and writedowns in the bank, the company incurred a loss of DKK 95 million.**
- **The year-to-date performance was a loss of DKK 160 million including losses and writedowns in the bank, against a loss of DKK 496 million in the same period of last year.**

*“The positive effects of many years' work to lower our claims and expense ratios are becoming increasingly evident. It is very encouraging that we were able to continue our strong non-life track record in spite of many and expensive cloudburst claims and that we still recorded the lowest-ever costs at 14.7%,” Chief Executive Søren Boe Mortensen explains and he continues:*

*“This allows us to upgrade the guidance for our full-year consolidated profit. On the other hand, although writedowns in the bank developed in line with expectations, they remain high, and it will take time to get our banking operations back on track.”*

### Other highlights

- Non-life insurance activities generated a profit of DKK 283 million for the nine months ended 30 September 2011, which was highly satisfactory.

The underlying non-life insurance business developed favourably. Moreover, costs declined significantly, resulting in an expense ratio of 15.7, against 18.3 in the same period of 2010. In Q3 2011, costs fell to 14.7%.

- For the year to date, the bank posted a loss of DKK 147 million before losses and writedowns, which was highly unsatisfactory, but in line with expectations.

The bank recorded losses and writedowns of DKK 357 million for the nine months ended 30 September 2011. Writedowns developed in line with expectations, but they remain high.

As a result of developments in the global economy and the Danish economy, the bank resolved to raise the solvency need, primarily for the agricultural segment but also slightly for the private customer segment.

- Life insurance activities reported a positive performance. The highly satisfactory DKK 100 million profit for the nine months ended 30 September 2011 was supported by good expense and risk results. Total payments into pension schemes developed favourably, increasing by 13%.

The collective bonus potential was DKK 307 million, corresponding to a bonus rate of 3.1%.

- As a result, there was no need to introduce a transfer and surrender charge.

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 16 November 2011 at 11.00 a.m.

[http://webcast.zoomvision.se/denmark/clients/almbrand/11\\_846/](http://webcast.zoomvision.se/denmark/clients/almbrand/11_846/)

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*Yours sincerely,*

Alm. Brand A/S

*Søren Boe Mortensen*  
Chief Executive

The interim report is attached in pdf-format.