

NASDAQ OMX Copenhagen A/S  
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DK-1007 Copenhagen K

Ref SLB/hdg

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## Alm. Brand A/S – Annual Report 2010

### Highlights

- **The company generated a profit of DKK 372 million before losses and writedowns. After losses and writedowns, the performance was a loss of DKK 536 million.**
- **The performance was DKK 72 million better than expected.**
- **Non-life insurance operations developed favourably with respect to the underlying business, and the performance was DKK 107 million ahead of expectations.**
- **Pension activities generated a profit of DKK 181 million, which was also better than expected.**
- **Losses and writedowns in the bank developed in line with expectations. However, capital losses on the bond portfolio due to rising interest rates resulted in lower-than-expected financial results.**
- **For 2011, the group expects to generate a profit of around DKK 375 million before losses and writedowns. After losses and writedowns in the bank, the group expects to generate a small profit.**

*“Our non-life insurance operations are developing favourably. As a result of recent years’ initiatives to adjust price and risk and reduce our costs, the underlying business is developing nicely, and our costs are declining significantly,” said Søren Boe Mortensen, Chief Executive of Alm. Brand, and he continued: “Our pension activities also performed strongly in 2010. The writedowns in the bank are developing in line with our expectations but unfortunately they still taint our overall financial performance. Nonetheless, we expect to generate a small profit in 2011 – even after losses and writedowns in the bank.”*

### Other highlights

- Non-life insurance activities generated a profit of DKK 207 million despite severe winter-related and rainfall claims. The Q4 combined ratio was 91.3 and thus better than expected.

The expense ratio continued on a declining trend and amounted to 15.5 for Q4 and 17.6 for the year as a whole.

- The bank generated a profit of DKK 39 million before losses and writedowns. After impairment writedowns, the performance was a loss of DKK 869 million.

The financial results were thus severely impacted by impairment writedowns, particularly on commercial mortgage deeds, but otherwise impairment writedowns developed in line with expectations. The performance fell short of the guidance due to value adjustments on bonds and illiquid shares.

- Life insurance activities posted a highly satisfactory profit, primarily driven by a strong investment return. Accordingly, the full amount of the shadow account could be taken to income. Moreover, the collective bonus potential rose to DKK 517 million, corresponding to a bonus rate of 5.1%.

The return on policyholders' investment assets was 8.1%.

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 conference call on Thursday, 24 February 2011 at 10.00 a.m.

[http://webcast.zoomvision.se/denmark/clients/almbrand/11\\_843/](http://webcast.zoomvision.se/denmark/clients/almbrand/11_843/)

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.