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Alm. Brand A/S - Interim report for the first quarter of 2008

The quarter at a glance

- **4% growth in non-life premiums. Full-year growth forecast of 5%**
- **Sustained satisfactory growth in the bank's deposits and lending**
- **Acceptable pre-tax profit of DKK 160m**
- **Growing claims expenses and turmoil in the financial markets affect the full-year profit forecast**

Highlights of the Alm. Brand Group's interim report for the first quarter of 2008 (before tax and minority interests):

- The consolidated profit was DKK 160 million.

  The performance fell slightly short of expectations due to the performance of the group's banking operations.

  The consolidated profit equalled an annualised return on equity of 13%.

- Non-life operations reported a satisfactory profit of DKK 125 million.

  The performance was favourably affected by sustained growth in premium income and a good commercial portfolio claims experience. The performance was adversely affected by storm claims, a higher frequency of and more expensive house contents and motor claims and many large claims from agricultural policyholders.

  Non-life premium growth was just over 4%, which was satisfactory. Premium growth was in line with the group's growth strategy, but during the first three months of the year it was affected by unusually strong premium growth in Q1 2007 and by the growing competition. We maintain our full-year growth forecast of 5%.

- The bank posted a less than satisfactory profit of DKK 20 million.

  The performance was favourably impacted by growth in banking operations and by sustained moderate losses on loans and guarantees.

The performance was adversely affected by falling net interest and fee income, among other things as a result of higher funding costs and a lower level of activity in the retail segment. Moreover, the performance was influenced by capital losses mainly attributable to the bank's share of Alm. Brand Formue, which was hit by currency market turmoil, falling share prices and losses on interest rate contracts.

In the second quarter, the bank raised its lending rate and thus the interest margin, which will increase earnings during the rest of the year. In addition, the bank increased hedging of its exposure to Alm. Brand Formue.

- The group's life insurance operations reported a profit of DKK 17 million, while DKK 14 million was transferred to the shadow account. The amount of DKK 14 million is expected to be recognised some time during 2008.

  Pension scheme contributions in the group rose by 6%.

  The investment return on customer funds equalled 3.4% p.a., which was satisfactory considering the difficult market conditions that characterised the first quarter of the year.

- Neither the bank not the rest of the group is in any way exposed to the sub-prime market. The group's investment policy also contributed to limiting the capital losses from investments made in the group's business areas.

- The consolidated revenue totalled DKK 2.0 billion.

- As a result of a higher claims frequency and higher average claims in non-life operations as well as lower net interest and fee income and capital losses in the bank, the forecast for the consolidated full-year performance is downgraded by just under 14% to DKK 750 million.

  The downgrade will not affect the group's expected share buyback programme of DKK 600 million.

Please direct any questions regarding this announcement to Søren Boe Mortensen, Chief Executive, on tel. +45 35 47 47 47.

Yours sincerely,

Alm. Brand A/S

Søren Boe Mortensen
Chief Executive

The interim report is attached in pdf-format.