

Alm. Brand – Interim report Q1 2013

Alm. Brand posted a profit of DKK 29 million before tax. Before losses and writedowns, the profit was DKK 121 million. The performance was better than expected while still not satisfactory. The full-year guidance is increased by DKK 110 million to a profit of DKK 550 million before losses and writedowns.

"We retained the strong performance of our non-life insurance activities, while also growing the business: more customers prefer Alm. Brand and our customers stay longer with us. That is an extremely satisfactory development, and we are particularly pleased that we achieved it in an increasingly competitive market."

"Although the bank is still affected by the challenged property market and failed to generate the results we were aiming for, we are pleased to note that the number of full-service customers is growing. Nevertheless, the bank's losses and writedowns on agricultural and mortgage deed exposures remain high," CEO Søren Boe Mortensen said.

- Non-life Insurance reported a profit of DKK 143 million before tax, which was better than expected and highly satisfactory.

The combined ratio was 89.4. The underlying combined ratio of Non-life Insurance was 82.0, against 81.8 the year before, hence remaining at a highly satisfactory level.

The Q1 performance was characterised by fewer claims in the underlying business than expected and was also lifted, in particular, by favourable weather conditions. On the other hand, the number of major claims reported was above normal.

Premium income rose by 2.5%, which was better than anticipated. Customer cessation continued to decline in the first quarter of 2013.

- The bank posted a loss of DKK 35 million before losses and writedowns. Including losses and writedowns, the loss was DKK 127 million. The performance was not satisfactory.

Losses and writedowns were adversely affected by mortgage deeds and agricultural exposures in particular, but the bank's writedowns on private customers also increased. The performance was also affected by falling interest income as well as by lower funding costs and lower costs in general.

In the first quarter, the bank repaid DKK 430 million of the state-funded hybrid core capital and government guaranteed bonds in the amount of approximately DKK 1 billion. However, this only had a marginally positive effect in Q1.

- Life and Pension reported a satisfactory profit of DKK 27 million before tax. Premium growth was highly satisfactory at 19.4% and was mainly attributable to more existing and new customers transferring their existing pension savings to Alm. Brand.

The return on policyholders' funds was 1.4% (5.4% p.a.). The collective bonus potential increased by DKK 106 million in Q1 2013, and the bonus rate rose to 7.2%. The bonus rate of the interest rate group in which new agreements are written was 10.6% at 31 March 2013.

Around half of the customers have accepted to pay a tax on their capital pension. Alm. Brand paid more than DKK 500 million to the Danish state on behalf of its customers in the first quarter.

Webcast and teleconference

Alm. Brand will host a webcast and conference call on Wednesday, 22 May 2013, at 11.00 a.m.

<http://presenter.gbrick.com/?pguid=4e6d4ce6-e4ff-4189-baf4-8d73d78843a9>

Financial analysts may participate by phone: Danish analysts: +45 70 26 50 40, US analysts: +1 718 354 1226, other international analysts: +44 208 817 9301.

Contact

Please direct any questions regarding this announcement to:

Søren Boe Mortensen, CEO, tel. +45 35 47 79 07, or Susanne Bilstoft, Head of Information and Investor Relations, tel. +45 35 47 76 61.

The report is attached in pdf-format.