

## Alm. Brand – Interim report Q1 2014

**Alm. Brand generated a pre-tax profit of DKK 76 million in Q1 2014. The group's forward-looking activities reported a satisfactory pre-tax profit of DKK 161 million. The full-year profit guidance is upgraded by DKK 50 million.**

*“The performance of Non-life Insurance was supported by an unusually mild winter and a continued strong performance of the underlying business. Premium growth was in line with our expectations and reflects the current very competitive market conditions. Overall, we are particularly pleased to report that our combined ratio came in below our long-term target in Q1 and that has made us upgrade our guidance for 2014,” said Søren Boe Mortensen, CEO of Alm. Brand. He continued:*

*“We are also seeing strong premium income growth in Life and Pension, and the bank's forward-looking activities produced a satisfactory profit. We are getting more full-service customers in the bank, but the weak demand for loans remains a challenge. Our winding-up activities are still loss-making, but the performance was in line with our expectations,” Søren Boe Mortensen concluded.*

### Other Q1 results:

- Non-life Insurance reported a profit of DKK 132 million before tax and a combined ratio of 89.2, which was better than expected and highly satisfactory.

The Q1 performance was characterised by unusually mild weather conditions and few major claims. The underlying business also continued to deliver a strong performance. On the other hand, lower interest rates impacted the investment result adversely.

Premium income was up by 1.1% year on year. As expected, premiums were impacted by the mounting competition.

- Life and Pension reported a satisfactory profit of DKK 23 million before tax. Total pension contributions increased by 41%. However, regular premiums remained adversely affected by the recent tax reform which abolished the tax deductibility of payments into capital pension schemes.

The investment result remained satisfactory, and in spite of the high rate on policyholders' savings, Life and Pension was again able to increase the bonus rate to stand at 10.2% at the end of the first quarter.

- The bank posted a pre-tax loss of DKK 63 million.

The forward-looking activities produced a satisfactory and better than expected result with a profit of DKK 22 million. The performance was affected by positive value adjustments on the bond portfolio and by lower costs. The number of full-service customers continued to increase in the first quarter. However, lending to private customers remained affected by weak demand.

The winding-up activities reported a loss of DKK 85 million after writedowns. Writedowns amounted to DKK 63 million. During the quarter, the portfolio was reduced by DKK 136 million adjusted for losses and writedowns. Both the financial performance and the reduction in lending were in line with expectations.

### Outlook for 2014

- The guidance for consolidated profit before tax is lifted by DKK 50 million to DKK 150-250 million, of which winding-up activities are still expected to produce a loss of DKK 375-425 million.

**Webcast and conference call**

Alm. Brand will host a webcast and conference call on 21 May 2014, at 11.00 a.m.

<http://presenter.qbrick.com/?pguid=4ad9cfe5-b8fb-41f9-bfb4-b92238574d55>

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**Contact**

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The report is attached in pdf-format.