

## Alm. Brand – Interim report Q1 2015

**Alm. Brand generated a highly satisfactory pre-tax profit of DKK 202 million in Q1 2015. The guidance for the full-year profit is raised by DKK 50 million to DKK 350-450 million.**

*“We are very pleased to be able to present a strong Q1 performance and to announce yet another upgrade of our guidance for 2015,” said CEO Søren Boe Mortensen. He continued:*

*“The performance of Non-life Insurance was supported by a non-recurring run-off gain in the first quarter of the year. We also benefited from a good claims performance both in major claims and in the underlying business. Against this background, we have raised the profit guidance for our non-life insurance activities by an additional DKK 50 million relative to the upgrade announced in April. Premium growth was in line with our expectations and reflects the competitive market conditions,” explained CEO Søren Boe Mortensen.*

*“We are also experiencing continued growth in pension contributions in Life and Pension, and we were once again able to increase the pension customer bonus potential despite the fact that our rate on policyholders’ savings to private customers is the highest in Denmark.”*

*“The bank’s performance was adversely affected by the very low or even negative interest rates. However, I am pleased that we are seeing customer growth in all of the bank’s forward-looking business segments. The winding-up activities are still loss-making and are affected in particular by impairment writedowns on agriculture, but the performance was in line with our expectations,” concluded Søren Boe Mortensen.*

### Other Q1 results:

- Non-life Insurance reported a profit of DKK 257 million before tax and a combined ratio of 90.2 before run-off gains and 80.1 after run-off gains, which was better than expected and highly satisfactory.

In particular, the profit was lifted by run-off gains and fewer-than-expected expenses for major claims. In spite of the two storms that hit Denmark in January, weather-related claims were in line with expectations. The underlying non-life insurance business continues to improve. The performance reflects the mild winter, which resulted in few motor insurance claims, and the lower number of burglaries reported in the first quarter.

Premium income was on a par with last year, which given the more competitive market was in line with expectations.

- Life and Pension reported a satisfactory profit of DKK 26 million before tax. Life and Pension continues to offer Denmark’s highest rate on policyholders’ savings to private customers, and this contributed to the strong growth seen in single payments. Investment schemes in the bank also generated strong growth, and pension contributions increased by a total of 14%.

The investment return remained satisfactory. Concurrently with Life and Pension’s high rate on policyholders’ savings, the bonus rate was once again raised so that it now amounts to 11.5%.

- The bank posted a pre-tax loss of DKK 68 million.

The forward-looking activities produced a profit of DKK 6 million. The performance was adversely affected by a combination of the historically low level of interest rates and substantial excess liquidity.

The bank’s forward-looking activities generally experienced an increase in the level of activity in the first quarter of the year. The number of full-service customers increased by 4% in Q1, and lending to the

bank's private customers grew. Moreover, Financial Markets and Leasing both saw an increase in customer numbers.

The bank lost DKK 74 million on its winding-up activities, against a loss of DKK 99 million in Q4 2014. The performance was supported by a stronger operating profit and fewer impairment writedowns.

### **Outlook for 2015**

- The guidance for the full-year consolidated profit is raised by DKK 50 million to DKK 350-450 million.

### **Webcast and conference call**

Alm. Brand will host a webcast and conference call on Tuesday, 12 May 2015 at 10.00 a.m.

<http://presenter.qbrick.com/?pguid=032c7870-eee7-4a78-a5e3-ac37c474dcb3>

Financial analysts may participate by phone: Danish analysts: +45 70 22 35 00, US analysts: +1 646 722 4972, other international analysts: +44 (207) 572 1187. Audience Passcode: 10111353#

### **Contact**

Please direct any questions regarding this announcement to:

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

The report is attached in pdf-format.