

## Alm. Brand A/S – Interim report for Q1 2016

**Alm. Brand generated a highly satisfactory pre-tax profit of DKK 234 million in Q1 2016. The guidance for FY2016 is raised by DKK 100 million to DKK 600-700 million.**

*“Our results for the first quarter of 2016 once again exceeded our expectations. Also, we are very pleased to announce an overall profit for the bank,” said Alm. Brand CEO Søren Boe Mortensen. He continued:*

*“We delivered yet another strong technical result, which was lifted by a strong underlying performance as well as by few weather-related claims and run-off gains. Moreover, we generally saw a high level of activity in all of our business areas in spite of the very competitive markets,” Søren Boe Mortensen explained.*

*“Volatile financial markets and the continued trend of historically low and negative interest rates impacted the performance of the bank’s forward-looking activities. On the other hand, we were pleased with the substantial improvement seen in the bank’s winding-up activities, which generated a profit for the first time,” Søren Boe Mortensen concluded.*

- Non-life Insurance delivered a highly satisfactory pre-tax profit of DKK 205 million, which was significantly better than expected.

The combined ratio of 81.9 was favourably affected by few weather-related claims as well as by run-off gains. The underlying combined ratio was 78.4, marking an improvement year on year, reflecting the fact that average claims were lower. However, this was partly offset by a higher claims frequency.

Premiums were unchanged from Q1 2015. The stable premium income was achieved against the backdrop of a very competitive market.

- Our life and pension activities generated a highly satisfactory pre-tax profit of DKK 29 million, which was better than expected. Earnings were lifted in particular by a good risk result.

Payments into pension schemes declined year on year. The decline was seen in single payments due to a tightening of the conditions for making such payments. Regular premiums, on the other hand, grew by 3.6%.

The bonus rate dropped to 16.3 in Q1 2016, but was still at a highly satisfactory level. As a result of the high bonus rate, Alm. Brand Liv og Pension may continue to offer its customers high and competitive rates on policyholders’ savings.

- The bank’s forward-looking activities reported a profit of DKK 8 million. The performance was adversely affected by financial market volatility, and negative short-term interest rates were a challenge given the bank’s excess liquidity.

Over the past year, the bank has grown the number of full-service customers by 8% and increased lending by 7%. At the same time, the portfolio of Totalkredit loans for which the bank acted as intermediary grew by DKK 1.1 billion to DKK 6.6 billion. In addition, Financial Markets and Leasing both reported customer inflows.

- The bank’s winding-up activities posted a profit of DKK 6 million, which was better than expected and marked an improvement of DKK 80 million year on year. The improvement was driven by an improved funding situation. Reversals of impairment writedowns on commercial lending and the bank’s own

portfolio of mortgage deeds and a lower level of impairment on agricultural customers also lifted the performance.

**Outlook**

- The full-year guidance is lifted by DKK 100 million to a pre-tax profit of DKK 600-700 million. The guidance for Non-life Insurance is lifted by DKK 75 million to a profit of DKK 600 million, while the guidance for the group's other activities is unchanged.

**Webcast and conference call**

Alm. Brand will host a webcast and conference call at 11.00 a.m. on 11 May 2016.

<https://player.eventcdn.net/15b7kn>

Financial analysts are invited to participate by phone: Danish analysts: +45 70 3544 5583, US analysts: +1 855 269 2604, other international analysts: +44 (0) 203 194 0544.

**Contact**

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