

## Alm. Brand A/S – Interim report for Q1 2018

**Correction: On page 5 of the Danish language version of the interim report for Q1 2018, it is erroneously stated that the performance of Life Insurance was not satisfactory. This has been corrected to saying that the performance was highly satisfactory and better than expected. Moreover, a minor correction has been made to the balance sheet on page 26 of both the Danish and the English language version.**

**Alm. Brand generated a highly satisfactory pre-tax profit of DKK 223 million in Q1 2018. The full-year guidance for 2018 is lifted by DKK 50 million to a pre-tax profit of DKK 500-600 million.**

*Our consolidated Q1 performance was better than expected despite the headwinds we experienced from the financial market turmoil. On this basis, we are upgrading our full-year guidance for 2018, explained CEO of Alm. Brand A/S, Søren Boe Mortensen. He continued:*

*It is particularly satisfactory that we have generated such strong results while at the same time on-boarding more customers in all of the group's business areas and recording a higher spend per customer, he emphasised.*

*The bank is developing favourably, but we still have some work ahead of us to improve the financial performance. The integration of Saxo Privatbank's activities is progressing as planned, and we expect the acquisition to lift the bank's results considerably already from next year, Søren Boe Mortensen concluded.*

- Non-life Insurance delivered a highly satisfactory pre-tax profit of DKK 199 million, which was better than expected.

The combined ratio was 83.4 and was favourably affected by a lower level of weather-related and major claims expenses, a better-than-expected claims experience and positive run-off gains.

Premiums increased by 2.0% relative to Q1 2017 and were overall in line with expectations. The commercial customer segment grew by 4.1%, while gross premiums in the private customer segment were in line with Q1 2017. Customer loyalty remained at a high level with an upward trend.

- Pension activities generated a highly satisfactory pre-tax profit of DKK 26 million, which was better than expected.

Pension contributions increased by 42% year on year. Regular premiums were up by 13%, while single payments increased by 71%. The favourable growth trend was driven in particular by a major influx of company pension schemes. The development was satisfactory and was a reflection of the group's growth ambitions.

The bonus rate was 22.4 in Q1 2018, which is a very satisfactory level. The high bonus rate enables Alm. Brand Pension to continue to offer high and competitive rates on policyholders' savings.

- The bank's activities produced a pre-tax profit of DKK 13 million. The performance was adversely impacted by the turbulent investment market, which, however, was more than offset by a DKK 20 million reversal of impairment writedowns. The performance was not satisfactory.

The bank experienced an increase in the level of activity in the first quarter. The number of

Pluskunder increased by 7% year on year. Loans and advances amounted to DKK 2.8 billion. Compared with the same time last year, loans and advances declined, among other things due to customers with a borrowing requirement going into mortgage loans. The portfolio of mortgage loans arranged for Totalkredit increased by 17% to DKK 9.0 billion. Leasing also reported growth of 11% year on year, and the number of customers in Financial Markets grew as well.

Effective from 1 April 2018, the group took over the majority of Saxo Privatbank's activities.

### **Outlook**

- The full-year guidance is lifted by a total of DKK 50 million to a pre-tax profit of DKK 500-600 million. The overall guidance for the group takes into account a DKK 70 million negative effect from a potential reduction of the VA premium.
- The guidance for Non-life Insurance is lifted by DKK 100 million to a profit of DKK 540 million, while the guidance for Life Insurance is lifted by DKK 10 million to a profit of DKK 80 million. The guidance for the bank and the group's other activities is unchanged.

### **Webcast and conference call**

Alm. Brand will host a webcast and conference call on 17 May 2018 at 9.30 a.m.

<https://almbrand.eventcdn.net/20180517>

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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