

Alm. Brand – Interim report 9M 2019

Alm. Brand generated a satisfactory pre-tax profit of DKK 532 million in 9M 2019. The consolidated profit for FY 2019 is expected to be in the DKK 625-725 million range.

- *“Alm. Brand reported yet another good financial performance in spite of the growth and bottom-line challenges posed by the combination of extremely low interest rates and fierce competition for customers across the group’s business areas,” said CEO Rasmus Werner Nielsen.*
- *He continued: “That being said, we firmly believe that we, as a group and with our strategy, have the potential to do better than our financial results for the first nine months of 2019 reflect. We will therefore intensify our focus on delivering on the potential offered by the **Alm. Brand for the Customer** strategy – for the benefit of our customers, employees and shareholders,” he explained.*
- *“Together with the rest of the management team, I will work to find solutions to increase growth in Non-life Insurance, realign the structure to improve the results of our retail bank and generally try to find ways to limit the group’s costs. We expect to provide a briefing on our plans at the latest on release of the Q4 financial report,” Rasmus Werner Nielsen concluded.*

Q3 PERFORMANCE

- Non-life Insurance generated a satisfactory pre-tax profit of DKK 139 million in line with expectations.

The combined ratio was 90.2 and was favourably affected by a general improvement of the underlying business and by run-off gains, whereas a lower discount rate detracted from performance.

Gross premiums totalled DKK 1,357 million, corresponding to an increase of 1.6% relative to Q3 2018. The private customer segment and the commercial customer segment improved, reporting growth of 1.3% and 1.8%, respectively.

- Life Insurance generated a satisfactory pre-tax profit of DKK 21 million in line with expectations.

Pension contributions totalled DKK 413 million, corresponding to 6.9% growth in regular payments driven in particular by the corporate customer segment, while single payments came out below the exceptionally high level of Q3 2018.

The bonus rate was 11.4% at 30 September 2019, remaining at a satisfactory level given the low interest rate setting. Accordingly, Alm. Brand Pension is able to continue to offer competitive rates on policyholders’ savings.

- Banking generated a pre-tax profit of DKK 14 million in line with expectations, but the profit composition was not satisfactory.

A high level of activity in the bank driven by customer remortgaging and reversed impairment writedowns lifted the bank’s performance, while the sustained low level of interest rates had an adverse impact on investment portfolio earnings.

The bank’s total business volume grew to DKK 22.5 billion at 30 September 2019, an increase of close to 8% as compared with 30 September 2018. The bank also reported an increase in the number of customers.

Outlook

- The guidance for the full-year profit is maintained at DKK 625-725 million before tax.

Expectations for the individual business areas are also maintained at a profit of approximately DKK 600 million for Non-life Insurance, a profit of approximately DKK 90 million for Life Insurance and a profit of DKK 50-70 million for Banking. Other activities are expected report a pre-tax loss of DKK 65 million. The outlook is exclusive of run-off gains or losses for the rest of the year.

Webcast and conference call

Alm. Brand will host a webcast and conference call on 5 November 2019 at 10.00 a.m.

<https://almbrand.eventcdn.net/2019q3/>

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

Contact

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