

## **Stable underlying earnings development – return on investments hit by development on financial markets**

### **Financial forecast for 2020 earnings affected by Covid-19**

Due to an increased uncertainty about the macroeconomic outlook following the effects of Covid-19, which has negatively affected the financial markets, Alm. Brand changes the expectations for profit before tax for the year.

At the time of the announcement of the full year report for 2019, Alm. Brand guided for pre-tax profit of DKK 650-700 million for 2020.

The underlying development in earnings as measured by the technical result in both Non-Life Insurance and Life Insurance as well as core earnings excluding results of investments and trading income in Banking is currently in total as expected.

Non-Life Insurance has assisted numerous customers in connection with their travel insurance as a result of the Covid-19 situation and will maintain additional manning to handle this going forward. Following the guidance from the Ministry of Foreign Affairs to avoid unnecessary travel Alm. Brand's claims expenses related to this event are reinsured for any total amount in excess of DKK 20 million.

However, Alm. Brand's total earnings are affected by the return on the Group's portfolio of investment assets, primarily the exposure to global equities within Non-Life Insurance. In total, the Group currently has an unrealised loss on investment assets of around DKK 100 million, which fluctuate in line with the development in the financial markets.

In order to reflect this Alm. Brand updates the guidance for pre-tax profit in 2020 to DKK 550-700 million against the previous guidance of DKK 650-700 million.

The group's capital and liquidity positions remain strong with significant buffers well above the regulatory requirements.

The Group's financial targets for 2022 are not affected by the current development.

Alm. Brand will announce its preliminary financial statement for the first quarter of 2020 on May 14, 2020.

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