

Upgrade of guidance for the 2020 results

As a result of a very satisfactory second quarter the full-year guidance is upgraded to a consolidated pre-tax profit of DKK 750-850 million against the previous guidance of DKK 550-700 million.

The positive development in the financial markets means that the Group has currently recovered the unrealized losses on investment assets. In addition, in the second quarter the non-life business has seen a better than expected development in the weather-related and the major claims as well as a positive development in the underlying insurance operation, herein included a modest effect as a result of Covid-19 and the consequent fewer claims.

The result for both the pension and banking activities has developed satisfactorily and as expected.

The total impact of Covid-19 on the Group's activities in the first half of the year is now neutral, herein included the write-down on loans in the bank made in the first quarter.

The updated guidance is excluding any run-off results for the remainder of the year.

Alm. Brand's key figures for the first half of 2020 are attached to this announcement. The interim report for the second quarter of 2020 will be published as planned on August 20, 2020.

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Alm. Brand – Key Numbers

DKKm	Q2 2020	Q2 2019	H1 2020	H1 2019
Income				
Non-life insurance	1,358	1,337	2,719	2,650
Life insurance	361	392	785	984
Banking	218	205	433	405
Investment etc.	76	102	181	196
Total income	2,013	2,036	4,118	4,235
Profit/loss				
Non-life insurance	309	122	334	317
Life insurance	30	21	62	50
Banking	43	15	35	31
Investment etc.	-11	-13	-27	-28
Profit before tax	371	145	404	370
Write-downs on loans in Banking (reversal)	15	20	13	40
Run-off result, claims	37	45	63	83
Run-off result, risk margin	15	20	29	35
Gross claims ratio	60.8	66.9	64.5	64.3
Net reinsurance ratio	4.3	4.6	4.5	4.7
Claims experience	65.1	71.5	69.0	69.0
Gross expense ratio	17.4	18.4	17.5	18.2
Combined Ratio	82.5	89.9	86.5	87.2
Underlying Combined Ratio	81.7	84.1	82.6	83.3
Covid-19 effect, estimated	-2.5	0.0	-1.1	0.0
Underlying Combined Ratio incl. Covid-19 effect	79.2	84.1	81.5	83.3
Weather-related claims, net of reinsurance	0.3	2.7	2.2	2.4
Major claims, net of reinsurance	5.9	6.8	4.8	4.6
Reinstatement premium	0.0	0.0	0.0	0.0
Run-off result, claims	-2.8	-3.4	-2.3	-3.1
Change in risk margin, run-off result and current year	-0.1	-0.3	0.3	0.0
Combined Ratio	82.5	89.9	86.5	87.2