

## **Alm. Brand A/S: Expected profit for 2017, dividend and buyback programme**

**Alm. Brand A/S expects to report a full-year profit of about DKK 1,020 million, which is at the high end of the guided range announced in November 2017 and highly satisfactory. In addition, the Board of Directors is expected to recommend a total distribution to the shareholders of about DKK 700 million.**

- *The Alm. Brand Group's expected full-year profit of just over one billion Danish kroner in 2017 is highly satisfactory. I am also pleased to note that our banking, insurance and pension activities are all generating better results than expected, said Søren Boe Mortensen, CEO of Alm. Brand A/S. He continued:*
- *It is extremely positive that, together with our strategically important acquisition of the activities of Saxo Privatbank A/S, we expect to be able to distribute about DKK 700 million to our shareholders.*

### **Expected full-year profit of Alm. Brand A/S**

The Alm. Brand Group is expected to report a profit of about DKK 1,020 million, which is at the high end of the guided range and highly satisfactory. The group's individual subsidiaries are expected to slightly exceed the profit guidance.

The insurance activities are expected to report a profit of about DKK 915 million, which is slightly better than expected. The combined ratio for the year is expected to be approximately 84.4 including run-off gains and 89.7 excluding run-off gains. The run-off gains for the fourth quarter are expected to be lower than in the same period of 2016.

The pension and banking activities including winding-up activities are expected to report profits of about DKK 90 million and DKK 65 million, respectively, which is also slightly better than expected.

The Alm. Brand Group's profit for 2018, including the activities acquired from Saxo Privatbank, is expected to be unchanged relative to 2017.

### **Adjustment of the internal capital target for the group**

As a result of the high bonus potential in Alm. Brand Pension, the desired capital target is expected to be adjusted from 8% to 7% of life insurance provisions. Moreover, as a result of the sustained satisfactory performance of Alm. Brand Bank, the capital target is expected to be reduced from 19% to 18% of the total risk exposure amount. Overall, these adjustments will reduce the group's desired capital target by approximately DKK 200 million.

In addition, at least half of the upcoming MREL add-on for the bank is expected to be financed by Tier 3 capital, as a result of which only half of the upcoming MREL add-on will be included in the capital target in future. This entails a reduction of the capital target by DKK 200 million.

### **Distribution to the shareholders of DKK 700 million**

Following the transaction in connection with the acquisition of the activities of Saxo Privatbank, the excess capital relative to the capital target of Alm. Brand A/S is expected to be approximately DKK 700 million.

The Board of Directors is expected to recommend a total distribution to the shareholders of about DKK 700 million, composed of a dividend of DKK 3 per share, equivalent to a total payout of close to DKK 500 million,

and a share buyback of up to DKK 200 million in 2018. The expected share buyback will be subject to approval by the Danish Financial Supervisory Authority.

**Contact**

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