

Copenhagen, 13 May 2014
Press release

FIH: Positive financial results from continuing as well as discontinuing operations

“It is positive that our continuing operations have recorded a profit for the fifth consecutive quarter,” Bjarne Graven Larsen says.

In the past few years, FIH has downsized its business activities and costs significantly.

“However, our income and expenses do not have the right balance and in consequence, we will continue our efforts to simplify and adjust FIH,” Bjarne Graven Larsen goes on.

On 6 March 2014, FIH released an announcement stating that a process had been initiated to explore the possibilities of a sale of part of the bank's activities.

This process has not yet been completed. The market will be informed in accordance with the bank's duty of disclosure as soon as there is any news to report.

Highlights from Q1 2014

- Profit before tax from continuing operations amounted to DKK 10.2 million (Q1 2013: DKK 16.2 million).
- Profit from discontinuing operations was DKK 90.8 million (Q1 2013: DKK 62.8 million).
- Total net profit from continuing and discontinuing operations came to DKK 76.2 million (Q1 2013: DKK 71.0 million).
- Equity amounted to DKK 5,753 million (year-end 2013: DKK 5,677 million). The tier 1 capital ratio and the solvency ratio are identical at 26.4 per cent (year-end 2013: 25.9 per cent). The capital buffer is 12.2 percentage points (year-end 2013: 11.5 percentage points).
- At end-Q1 2014, liquidity totalled DKK 7.0 billion, equivalent to a liquidity buffer of 210 per cent relative to the regulatory requirements (year-end 2013: 221 per cent). The liquidity buffer is larger than required at FIH's current level of activity.

Compared to the year-earlier period, the results from the continuing operations are affected by lower earnings, declining costs and a positive impact from impairment charges. The drop in earnings mainly reflects that FIH has downsized its business activities and simplified the business over the past few years, most recently by way of a reduction of Markets' risk mandate.

The lower costs are chiefly attributable to a decline in the number of employees.

Profit before tax from discontinuing operations amounted to DKK 90.8 million (Q1 2013: DKK 62.8 million). The performance was positively affected by the share portfolio.

Deposits as a source of funding

FIH's main source of funding is deposits from retail customers and small business customers. Therefore, FIH focuses on ensuring that deposits provide a stable source of funding and is now in a situation where the deposits exceed the requirement. The aim is to adjust total deposits to the volume of lending, which is the reason for FIH's recent reduction of interest rates on deposits.

Contacts

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Conference call

FIH Erhvervsbank will host a conference call regarding the interim report on Tuesday, 13 May 2014 at 14:00 where it will be possible to ask questions. The presentation will be given in English. Please call shortly before 14:00 to register your name and organisation. The presentation will be available at www.fih.com after the release of the interim report.

Conference dial-in details:

Danish local dial-in number:	+45 3544 5579
Swedish participants will dial:	+46 851999364
UK participants will dial:	+44 2033645373
US participants will dial:	+1 8557532237

Interim report, press photos and logo

The consolidated key figures are included as an appendix. The interim report, press photos and logo are available at www.fih.com.

Financial highlights – FIH group

(DKK million)	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full year 2013
Continuing operations:						
Net interest income from lending activities	58.7	61.4	61.6	75.9	72.1	271.0
Net fee income etc.	31.8	83.2	62.6	36.3	36.9	219.0
Net trading income	-2.1	-0.4	20.4	6.7	4.8	31.4
Income from the liquidity portfolio	21.4	16.0	10.8	25.2	34.3	86.3
Other operating income	-0.8	-68.8	18.8	26.1	18.7	300.8
Total income	109.0	91.4	174.1	170.2	166.8	908.5
Ordinary expenses	103.8	133.1	125.9	107.1	116.0	482.2
Ordinary profit/loss	5.2	-41.7	48.2	63.1	50.8	426.3
Profit from buy back of subordinated debt	-	306.1	-	-	-	-
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0
Net profit/loss for the year before loan impairment charges etc. and tax	5.2	264.4	48.2	63.1	50.8	426.3
Loan impairment charges etc.	-5.0	15.5	25.0	30.7	34.6	105.6
Net profit before tax	10.2	248.9	23.2	32.4	16.2	320.7
Discontinuing operations:						
Net profit before tax	90.8	-47.1	-61.7	21.8	62.8	-24.2
Net profit before tax, total	101.0	201.8	-38.5	54.2	79.0	296.5
Tax	24.8	79.3	-18.4	-0.3	8.0	68.6
Net profit after tax, total	76.2	122.5	-20.1	54.5	71.0	227.9
						Full year 2013**
RATIOS*	Q1 2014**	Q4 2013**	Q3 2013**	Q2 2013**	Q1 2013**	
Total capital, per cent	26.4	25.9	24.1	22.7	22.5	25.9
Tier 1 capital ratio, per cent	26.4	25.9	21.8	20.7	20.2	25.9
Individual solvency requirement, per cent	14.3	14.3	15.8	13.9	14.5	14.3
Return on equity before tax p.a.	7.1	5.3	2.3	4.8	5.7	5.3
Return on equity after tax p.a.	5.3	4.1	2.5	4.5	5.1	4.1
Total amount of large exposures	51.3	64.3	61.7	66.4	104.5	64.3
Gearing of loans	1.8	2.0	2.2	2.5	2.8	2.0