

Alm. Brand Bank A/S – Interim report Q1 2014

Highlights

- **The bank's forward-looking activities posted a pre-tax profit of DKK 22 million in Q1 2014. The performance was satisfactory and better than expected, driven especially by a strong return on the bank's bond portfolio and lower costs.**
- **Impairment writedowns on the forward-looking activities amounted to an expense of DKK 7 million in Q1, which was in line with expectations.**
- **The winding-up activities posted a pre-tax loss of DKK 85 million after impairment writedowns, which amounted to DKK 63 million. The performance was in line with expectations.**
- **The bank reported a total pre-tax loss of DKK 63 million in Q1 2014, against a DKK 104 million loss in Q4 2013. The performance was better than expected, but was not satisfactory.**
- **The bank repaid the remaining DKK 226 million of its state-funded additional tier 1 capital in the first quarter. Moreover, on 1 May 2014, the Danish FSA approved the bank's request to repay tier 2 capital in the amount of DKK 200 million. The repayment will take place on 3 June 2014.**
- **The bank maintains the guidance for a full-year pre-tax profit from its forward-looking activities of around DKK 40 million after impairment writedowns, which are expected to amount to approximately DKK 35 million. The winding-up activities are expected to report a loss of DKK 375-425 million.**

Other highlights

- In line with expectations, the private customer segment reported a loss and was adversely affected by weak demand for loans. However, the number of full-service customers increased in the first quarter, and earnings per customer also improved. The results of Financial Markets and Leasing were in line with expectations.
- Costs amounted to DKK 86 million, which was below the expected level.
- Value adjustments produced a gain of DKK 10 million, against a loss of DKK 2 million in Q4 2013. The DKK 10 million gain consisted of a DKK 6 million gain on equity-related value adjustments and a DKK 4 million gain on currency-related value adjustments.
- The winding-up portfolio declined by DKK 136 million to DKK 4,573 million in Q1 2014, which was in line with expectations.
- At 31 March 2014, the bank had excess liquidity of DKK 3.2 billion, corresponding to an excess cover of 225% relative to the statutory requirement.

- At 31 March 2014, the bank's total capital was DKK 1.8 billion, and the solvency ratio was 20.2. The bank's adequate total capital was calculated at 14.1, and the bank thus had an excess cover of 6.1 percentage points.

Contact

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