

## Alm. Brand Bank A/S – Interim report H1 2014

### Highlights

- **The bank incurred a pre-tax loss of DKK 53 million in Q2 2014, against a loss of DKK 63 million in Q1 2014. The performance was better than expected, but not satisfactory.**
- **Of the Q2 loss, the forward-looking activities accounted for a profit of DKK 22 million, which was in line with Q1. The performance was satisfactory and better than expected, being lifted by non-recurring income that was driven, among other things, by a higher level of activity in the Financial Markets division. In addition, the bank continues to record an inflow of new full-service customers, although borrowing appetite remains weak.**
- **The winding-up activities reported a loss after impairment writedowns of DKK 75 million in Q2 2014, against a loss of DKK 85 million in Q1 2014. Impairment writedowns amounted to DKK 60 million in Q2, against DKK 63 million in Q1. The performance was better than expected.**
- **The bank reported a pre-tax loss of DKK 116 million in H1, of which impairment writedowns accounted for DKK 137 million. The forward-looking activities reported a profit of DKK 44 million in H1, while a loss of DKK 160 million was incurred on the winding-up activities.**
- **The full-year guidance for the forward-looking activities is upgraded by DKK 10 million to a profit of about DKK 50 million. The guidance for the winding-up activities is improved by DKK 50 million to a pre-tax loss of DKK 325-375 million.**

### Other highlights

- The bank's income amounted to DKK 138 million in Q2 2014, an increase of DKK 12 million relative to Q1 2014. However, some of the increase in income was attributable to activities of a non-recurring nature.
- Value adjustments amounted to a loss of DKK 2 million, against a gain of DKK 10 million in Q1 2014. The DKK 2 million loss consisted of a DKK 8 million loss on interest-related value adjustments, a DKK 2 million gain on equity-related value adjustments and a DKK 4 million gain on currency-related value adjustments.
- Expenses amounted to DKK 86 million in Q2, which was unchanged from the Q1 level and less than expected.
- Excluding impairment writedowns, the winding-up portfolio declined by DKK 99 million to DKK 4,414 million in Q2, compared with a decline of DKK 136 million in Q1. The decline was in line with expectations.
- At 30 June 2014, the bank had excess liquidity of DKK 2.7 billion, corresponding to an excess liquidity coverage of 180% relative to the statutory requirement.

- At 30 June 2014, the bank's total capital stood at DKK 1.8 billion, and the solvency ratio was 20.2. The bank's adequate total capital was calculated at 14.2, and the bank thus had an excess cover of 6.0 percentage points.
- In May 2014, the Danish FSA initiated an inspection of the bank. The FSA inspection report is not expected to affect the bank's full-year profit guidance or the calculated solvency need.

### **Contact**

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