

5 December 2014

Announcement no. 10/2014

Alm. Brand Bank – Sale of mortgage deeds to Alm. Brand Forsikring A/S

As announced in connection with the release of the financial statements for the nine months ended 30 September 2014, Alm. Brand Bank A/S has entered into an agreement to sell non-delinquent mortgage deeds to Alm. Brand Forsikring A/S for an amount of DKK 1.9 billion. Alm. Brand Bank today received approval from the Danish FSA, and the transaction will be completed on 11 December 2014.

The transaction will reduce the bank's funding requirements by approximately DKK 2.3 billion.

The transaction contains an option agreement to protect Alm. Brand Forsikring against future credit losses. The agreement implies that Alm. Brand Forsikring can return mortgage deeds to the bank if a debtor defaults on his payment obligations. This means that the bank retains the credit risk, whereas Alm. Brand Forsikring only assumes the market risk associated with investing in the mortgage deeds.

This announcement will not affect the company's full-year profit forecast for 2014 or 2015.

Contact

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