

Interim report - the first half

Alm Brand BANK

2015

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Company information

MANAGEMENT BOARD

Kim Bai Wadstrom, Chief Executive

BOARD OF DIRECTORS

Jorgen H. Mikkelsen, Chairman

Boris N. Kjeldsen, Deputy Chairman

Anette Eberhard

Jan Skytte Pedersen

Ebbe Castella

Søren Boe Mortensen

Christian Bundgaard, Elected by the employees

Torben Jensen, Elected by the employees

Pia Støjfer, Elected by the employees

AUDITORS

Deloitte

Statsautoriseret Revisionspartnerselskab

INTERNAL AUDIT

Poul-Erik Winther, Group Chief Auditor

REGISTRATION

Alm. Brand Bank A/S

Company reg. CVR no. 81 75 35 12

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Group structure

GROUP STRUCTURE

The banking group consists of Alm. Brand Bank A/S and Alm. Brand Leasing A/S. The banking group also comprises two property companies, which have been established or acquired in connection with properties taken over temporarily.

In addition, the bank acts as depositary bank for Investingsforeningen Alm. Brand Invest.

OWNERSHIP

The bank is wholly-owned by the listed company Alm. Brand A/S.

The consolidated financial statements of Alm. Brand Bank A/S are a component of the consolidated financial statements of Alm. Brand A/S and Alm. Brand af 1792 fmba.

Financial highlights and key ratios

CONSOLIDATED FIGURES

	CONSOLIDATED FIGURES							Year
DKK m	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	H1 2015	H1 2014	2014
FORWARD-LOOKING ACTIVITIES:								
<i>Income statement</i>								
Net interest and fee income, Private	52	57	46	45	48	109	91	182
Trading income (excl. value adjustments)	42	40	52	47	59	82	113	212
Other income	41	41	42	35	31	82	60	137
Total income	135	138	140	127	138	273	264	531
Expenses	-92	-92	-86	-86	-86	-184	-172	-344
Depreciation and amortisation	-29	-28	-30	-24	-20	-57	-37	-91
Core earnings	14	18	24	17	32	32	55	96
Value adjustments	-22	-6	-38	-1	-2	-28	8	-31
Profit/loss from investments	-	0	0	17	0	0	0	17
Alm. Brand Formue (the bank's ownership interest)	-	-	0	1	-1	0	-5	-4
Profit/loss before impairment writedowns	-8	12	-14	34	29	4	58	78
Impairment writedowns	0	-6	0	-3	-7	-6	-14	-17
Profit/loss before tax, forward-looking activities	-8	6	-14	31	22	-2	44	61
<i>Off which discontinued activities (see note 6)</i>	-	0	0	18	0	0	-1	17
WINDING-UP ACTIVITIES:								
Profit/loss before impairment writedowns	-16	-11	-18	-21	-15	-27	-37	-76
Impairment writedowns	-62	-63	-81	-56	-60	-125	-123	-260
Profit/loss before tax, winding-up activities	-78	-74	-99	-77	-75	-152	-160	-336
Total profit/loss before tax and minority interests	-86	-68	-113	-46	-53	-154	-116	-275
Tax	20	16	71	15	13	36	30	116
Profit/loss for the year before minority interests	-66	-52	-42	-31	-40	-118	-86	-159
Minority interests	-	-	0	0	0	0	11	11
Consolidated profit/loss for the year	-66	-52	-42	-31	-40	-118	-75	-148
<i>Balance sheet</i>								
Loans and advances, forward-looking activities	2,693	2,588	2,585	2,563	2,482	2,693	2,482	2,585
Loans and advances, winding-up activities	1,762	1,888	2,069	4,196	4,368	1,762	4,368	2,069
Deposits	9,026	9,274	11,076	10,594	10,387	9,026	10,387	11,076
Shareholders' equity	1,626	1,692	1,744	1,786	2,021	1,626	2,021	1,744
Share attributable to minority interests	-	-	-	-	204	-	204	-
Total assets	11,703	12,289	14,411	14,355	14,462	11,703	14,462	14,411
<i>Key ratios</i>								
Average no. of employees (full-time equivalents)	260	256	258	255	252	258	252	258
Interest margin (%)	1.9	1.8	1.7	1.7	1.6	1.8	1.6	1.7
Income/cost ratio	0.57	0.64	0.56	0.61	0.66	0.60	0.64	0.56
Impairment ratio	0.8	0.8	2.1	0.3	0.3	1.6	0.7	2.1
Total capital ratio	18.4	18.3	17.8	18.6	21.5	18.4	21.5	17.8

In the management's review, the items of the income statement and loans and advances have been broken down by forward-looking activities and winding-up activities. In 2014, a resolution was made to liquidate Alm. Brand Formue. In accordance with IFRS 5, Alm. Brand Formue and the related income statement items are consequently recognised in a separate line item and in the notes, whereas in the above highlights and in the forward-looking activities they are included in "Of which discontinued activities".

Financial ratios are based on the definitions and guidelines of the Danish FSA and on "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts and include both forward-looking activities, discontinued activities and winding-up activities.

Report

FINANCIAL RESULTS, Q2

The bank incurred a pre-tax loss of DKK 86 million in Q2, against a loss of DKK 68 million in Q1 2015. The performance was not satisfactory.

The loss was composed of a DKK 8 million loss on forward-looking activities, mainly due to a capital loss on the bank's bond portfolio and a lower level of investment activity in Financial Markets as a result of turbulence in the fixed income markets, and a DKK 78 million loss on winding-up activities due to unrelenting difficult conditions in the agricultural sector.

The bank's total impairment writedowns amounted to DKK 62 million in Q2 2015, the full amount of which was attributable to the winding-up portfolio.

The interest margin for the banking group was 1.9% in Q2, against 1.8% in Q1 2015.

FORWARD-LOOKING ACTIVITIES

The forward-looking activities posted a pre-tax loss of DKK 8 million in Q2, against a profit of DKK 6 million in Q1 2015.

This was less than expected and was the result of substantial volatility in the fixed income markets, among other things causing a plunge in trading activity. The performance was also adversely affected by capital losses on the bank's bond portfolio.

In addition, the performance was impacted by the fact that a part of the bank's liquidity is to be used to repay fixed-term deposits expiring in 2015 and is therefore placed in short-term money market products at very low or negative interest rates.

Core earnings amounted to DKK 14 million in Q2, against DKK 18 million in Q1 2015. The lower result under net interest and fee income was due, among other things, to lower fee income from the sale of investment products.

The bank's forward-looking activities generally experienced an increase in the level of activity in the second quarter of the year. The number of full-service customers increased by 2% in the first quarter, and there was an increase in lending to the bank's private customers. In addition, both Financial Markets and Leasing expe-

rienced an inflow of new customers, but trading activity was severely curbed by the interest rate volatility, including by the situation in Greece.

Income

The bank's income from forward-looking activities amounted to DKK 135 million in Q2, against DKK 138 million in Q1 2015.

Net interest and fee income from the bank's private customers was DKK 52 million in Q2, which was DKK 5 million less than in Q1 2015. Among other things, the decline was attributable to lower fee income from the sale of investment products.

Trading income excluding value adjustments was DKK 42 million in Q2, against DKK 40 million in Q1 2015.

Other income, which primarily covers leasing activities, amounted to DKK 41 million, which was on a par with Q1 2015.

Costs

Costs were in line with expectations and amounted to DKK 92 million in Q2, which was unchanged from Q1 2015.

Value adjustments

Value adjustments produced a capital loss of DKK 22 million in Q2, against a loss of DKK 6 million in Q1 2015.

Interest-related value adjustments produced a loss of DKK 29 million in Q2, against a loss of DKK 5 million in Q1 2015. The loss was mainly attributable to the bond portfolio, which is predominantly composed of Danish mortgage bonds. The bank's bond portfolio thus yielded a negative return of 1.5% p.a. in Q2, compared with a positive return of 1.9% p.a. in Q1 2015. The bond return was not satisfactory relative to the benchmark performance.

The fixed income markets were highly volatile in the reporting period, partly due to the monetary policy measures taken in the first half of the year, including Denmark's Nationalbank's temporary stop to issuing government bonds, which also hit the mortgage credit market, and partly to the general interest rate volati-

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lity, including the turmoil in Greece. The turbulence triggered major fluctuations in the credit spread between mortgage bonds and government bonds, which impacted the return.

Equity-related value adjustments produced a gain of DKK 3 million in Q2, which was on a par with Q1 2015.

Currency-related value adjustments produced a gain of DKK 4 million in Q2, against a loss of DKK 4 million in Q1 2015.

Impairment writedowns

Impairment writedowns in the bank's forward-looking activities amounted to DKK 0 million in Q2, against DKK 6 million in Q1 2015. The impairment writedowns were favourably affected by income from debt previously written down.

BUSINESS ACTIVITIES

Private

The bank incurred a pre-tax loss of DKK 1 million in Q2, compared with a loss of DKK 2 million in Q1 2015. The improvement on the first quarter was due to lower impairment writedowns.

Private

DKKm	Q2 2015	Q1 2015
Income	52	57
Expenses	-53	-53
Profit/loss before impairment writedowns	-1	4
Impairment writedowns	0	-6
Profit/loss before tax	-1	-2

The drop in income from the first to the second quarter was, among other things, due to lower fee income in the second quarter than in the first quarter when the level of remortgaging activity was high.

In the second quarter, the bank experienced an inflow of new customers and an increase in the number of full-service customers, continuing the positive trend from the first quarter. Lending to private customers grew by DKK 36 million in the second quarter.

The positive trend from the first quarter of 2015 also continued in the portfolio of Totalkredit loans for

which the bank acted as intermediary. The portfolio grew by more than DKK 280 million in Q2 2015 to DKK 5.8 billion.

Impairment writedowns were favourably affected by income from debt previously written down and amounted to DKK 0 million in Q2 2015, which was better than expected

Financial Markets

The Financial Markets division generated pre-tax profit of DKK 1 million in Q2, against DKK 18 million in Q1 2015. The decline was due to interest rate developments and to a lower level of investment activity among institutional clients.

Financial Markets

DKKm	Q2 2015	Q1 2015
Income	36	40
Expenses	-25	-26
Core earnings	11	14
Value adjustments	-10	4
Profit/loss before impairment	1	18
Impairment writedowns	0	0
Profit/loss before tax	1	18

Despite a good start to the year, volatility in the fixed income markets impacted earnings in Financial Markets in the second quarter. In addition to the lower level of investment activity among customers, earnings were impacted by a negative return on the investment portfolio.

In the second quarter of 2015, Financial Markets experienced an increase in the number of customers and in assets under management.

Leasing

The pre-tax profit was DKK 2 million in Q2, which was DKK 1 million less than in Q1 2015.

Leasing

DKKm	Q2 2015	Q1 2015
Income	42	40
Expenses	-11	-9
Depreciation and amortisation	-29	-28
Profit/loss before tax	2	3

Due to mounting competition within both corporate and private leasing, growth in the leasing portfolio tailed off. The portfolio grew by DKK 32 million in Q2 2015. The higher income was driven by the larger leasing portfolio, while the higher level of expenses was related to investments in process automation.

The leasing portfolio continued to develop favourably, with total assets amounting to DKK 591 million, against DKK 363 million in the same period of 2014.

Other

Other activities, consisting primarily of Treasury, reported a pre-tax loss of DKK 10 million in Q2, compared with a loss of DKK 13 million in Q1 2015.

Other

DKKm	Q2 2015	Q1 2015
Income	5	1
Expenses	-3	-4
Core earnings	2	-3
Value adjustments	-12	-10
Profit/loss from investments	0	0
Profit/loss before tax	-10	-13

The Q2 performance was impacted by a combination of a negative return on bonds and related hedging arrangements and substantial excess liquidity.

A part of the liquidity is placed in short-term money market products at very low or negative interest rates, as it is to be used to repay fixed-term deposits expiring in 2015.

The rest is placed in bonds, predominantly Danish mortgage bonds, and yielded a negative return due to the turbulent fixed income markets.

WINDING-UP ACTIVITIES

The bank's winding-up activities are composed of agricultural, commercial and mortgage deed exposures.

The winding-up activities posted a loss of DKK 78 million in Q2, against a loss of DKK 74 million in Q1 2015. Impairment writedowns amounted to DKK 62 million in Q2, compared with DKK 63 million in Q1 2015.

The total credit exposure of the winding-up portfolio declined by DKK 230 million to DKK 3,502 million in Q2 2015. Adjusted for losses and writedowns, lending declined by DKK 75 million.

The bank's winding-up activities are generally developing in line with expectations, but they are adversely affected by agriculture and favourably affected by the property and housing markets, including mortgage deeds.

Agriculture

The agricultural portfolio amounted to DKK 543 million at 30 June 2015. Excluding impairment writedowns, the portfolio grew by DKK 2 million in Q2 2015. The increase was mainly related to ordinary seasonal fluctuations in drawings on operating credits.

The current trade crisis with Russia and a drop in dairy exports to China are the main reasons for the sustained pressure on the agricultural sector. The low level of dairy prices was unchanged from the first quarter of 2015, whereas pork prices saw a slight further drop.

Impairment writedowns were DKK 60 million in the second quarter, reflecting the extremely difficult conditions in the agricultural sector.

Commercial

The portfolio consists mainly of lending to fund investment properties, lending to businesses and property development projects.

Impairment writedowns of DKK 4 million were reversed in the second quarter. The reversal was attributable to several underlying changes, but mainly to better-than-expected agreements with debtors.

The total portfolio amounted to DKK 940 million at 30 June 2015. Excluding impairment writedowns, the portfolio was reduced by DKK 66 million in Q2 2015. The reduction was primarily related to a few large exposures.

Mortgage deeds

The segment comprises the bank's own portfolio of private and commercial mortgage deeds and a mortgage deed exposure through an option agreement with Alm. Brand Forsikring. The own portfolio consists primarily of delinquent mortgage deeds.

Report

The own portfolio amounted to DKK 279 million and was reduced in Q2 2015 by DKK 11 million adjusted for losses and writedowns. Impairment writedowns of DKK 4 million relating to delinquent mortgage deeds were reversed in the second quarter.

The credit exposure through the option agreement on mortgage deeds amounted to DKK 1,740 million at 30 June 2015. Credit-related capital losses on the option agreement amounted to DKK 10 million in the second quarter.

FINANCIAL RESULTS, H1

The bank incurred a pre-tax loss of DKK 154 million in H1, against a loss of DKK 116 million in H1 2014.

The loss was composed of a loss of DKK 2 million on forward-looking activities and a loss of DKK 152 million on winding-up activities. Compared with the same period of last year, the forward-looking activities declined by DKK 46 million, whereas the winding-up activities improved by DKK 8 million.

Value adjustments in H1 2015 amounted to a loss of DKK 28 million, against a gain of DKK 8 million in the year-earlier period.

Core earnings amounted to a profit of DKK 32 million in H1, against DKK 55 million in H1 2014, when a substantial part of the income was attributable to activities of a non-recurring nature.

In H1 2015, costs amounted to DKK 184 million, against DKK 172 million in the same period of last year. The increase was primarily attributable to the employment

of additional staff to accommodate the greater demand.

The bank's total impairment writedowns amounted to DKK 131 million, against DKK 137 million in the same period of last year. Of the impairment writedowns taken in 2015, DKK 6 million was related to forward-looking activities and DKK 125 million to winding-up activities.

The interest margin for the banking group was 1.8% in H1 2015, compared with 1.6% in H1 2014.

BALANCE SHEET

Loans and advances

The bank's loans and advances totalled DKK 4.5 billion at 30 June 2015, against DKK 4.7 billion at 31 December 2014, corresponding to a decline of DKK 0.2 billion.

Excluding intra-group lending, loans and advances in Q2 2015 increased by DKK 32 million for the forward-looking activities, while loans and advances in the winding-up portfolio declined by DKK 127 million.

Deposits

The bank had deposits of DKK 9.0 billion at 30 June 2015, against DKK 11.1 billion at 31 December 2014. The decline was due to the expiry of a substantial part of the bank's fixed-rate deposits in the first half of 2015.

At 30 June 2015, floating-rate deposits represented 68% of total deposits, against 46% at 31 December 2014. The bank's strategy is to reduce fixed-rate deposits further in 2015.

Winding-up activities

DKK m	Credit exposure after writedowns			Total losses and writedowns				Loss ratio % ^{a)}
	Year 2014	30.06.2015	Share of portfolio (%)	Year 2014	Q1 2015	Q2 2015	H1 2015	
Agriculture	668	543	31%	115	57	60	117	19%
Commercial	1,094	940	53%	8	-12	-4	-16	-2%
Mortgage deeds	307	279	16%	136	6	-4	2	1%
Loans	2,069	1,762	100%	259	51	52	103	5%
Option agreement on mortgage deeds ^{b)}	1,874	1,740		1	12	10	22	1%
Winding-up activities	3,943	3,502		260	63	62	125	3%

a) Losses and writedowns as a percentage of the average portfolio in H1 2015. The percentage is not comparable with the impairment in the bank's financial highlights and key ratios.

b) Writedowns includes credit related value adjustments of the mortgage deeds.

Liquidity

At 30 June 2015, the bank had cash funds of DKK 5.0 billion and excess liquidity of DKK 3.7 billion, equivalent to an excess of 296% relative to the statutory requirement. The excess cover was reduced by DKK 0.2 billion in Q2 2015.

The bank expects to reduce the excess cover by approximately DKK 1.0 billion in the rest of 2015.

Capitalisation

The bank's equity stood at DKK 1.6 billion at 30 June 2015. Total capital amounted to DKK 1.5 billion, and the total risk exposure was DKK 7.8 billion at 30 June 2015.

Accordingly, the total capital ratio was 19.8, and the tier 1 capital ratio was 19.8. The bank's individual solvency need was calculated at 13.3%, which means that the total capital ratio exceeded the individual solvency need by 6.5 percentage points.

At 30 June 2015, total capital of the banking group amounted to DKK 1.5 billion, and the total risk exposure was DKK 7.9 billion.

Accordingly, the banking group had a total capital ratio of 18.4, and a tier 1 capital ratio of 18.4. The banking group's individual solvency need was calculated at 13.2%, which means that the total capital ratio exceeded the individual solvency need by 5.2 percentage points.

Capital reservation for credit risk

The banking group's total capital reservation for credit risk amounted to DKK 3,008 million at 30 June 2015, against DKK 3,239 million at 31 December 2014. The capital reservation equalled 36% of the credit exposure, which was on a par with the level at 31 December 2014.

The capital reservation for the forward-looking portfolio represented 21% of gross loans and advances, and the capital reservation for the winding-up portfolio represented 45% of the credit exposure.

At 30 June 2015, accumulated writedowns amounted to DKK 1,429 million, against DKK 1,458 million at 31 December 2014. Accumulated writedowns broke down as follows at 30 June 2015: DKK 280 million on the forward-looking portfolio and DKK 1,149 million on the winding-up portfolio. To this should be added credit-related value adjustments of mortgage deeds of DKK 693 million.

Capital reservation for credit risk

DKKm	30.06.2015						31.12.2014	
	Balance	Credit exposure a)	Accumulated writedowns b)	Required capital	Total reservation	Reservation / credit exposure	Total reservation	Reservation / credit exposure
Forward-looking portfolio	2,587	2,871	280	334	614	21%	583	21%
Winding-up portfolio	1,762	5,343	1,842	539	2,381	45%	2,648	45%
Total - excl. reverse transactions	4,349	8,214	2,122	873	2,995	36%	3,231	37%
Reverse transactions including								
intercompany transactions	106	106	-	13	13	12%	8	18%
Total group	4,455	8,320	2,122	886	3,008	36%	3,239	37%

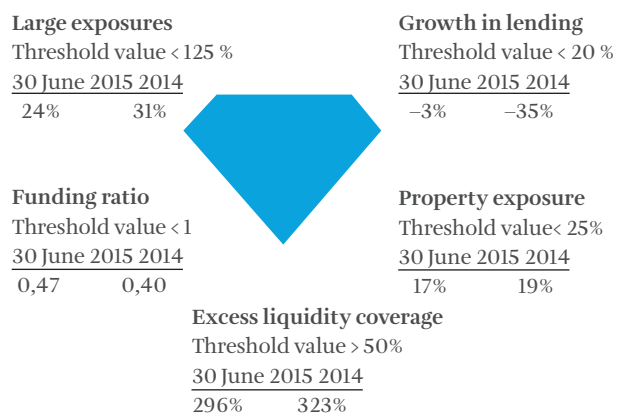
a) Loans, remaining debts of mortgage deeds and credit exposure through the option contract with Alm. Brand Forsikring/Insurance.

b) Inclusive value adjustments of the mortgage deeds.

Report

SUPERVISORY DIAMOND

At 30 June 2015, the bank was in compliance with all five threshold values of the Danish FSA's supervisory diamond as shown in the figure below:



Developments in the bank's supervisory diamond values were in line with expectations.

MAJOR EVENTS

Termination of partnership with Fiat

The partnership between Alm. Brand Leasing A/S and Fiat terminated effective 7 April 2015.

OUTLOOK

The full-year guidance for the forward-looking activities is lowered by DKK 20 million to a pre-tax profit of about DKK 20 million after impairment writedowns, which are still expected to be at the level of DKK 20 million.

The bank maintains its guidance for a pre-tax loss of DKK 300-350 million from its winding-up activities.

The guidance for the reduction of the bank's winding-up portfolio excluding losses and writedowns is lifted from DKK 200 million to about DKK 300 million in 2015.

Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and adopted the interim report for the six months ended 30 June 2015 of Alm. Brand Bank A/S.

The consolidated interim financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and the interim financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the consolidated and parent company interim financial statements have been presented in accordance with additional Danish disclosure requirements for the interim financial statements of listed financial companies.

In our opinion, the consolidated and parent company interim financial statements give a true and fair view of the group’s and the parent company’s assets and liabilities and financial position and of the results of the group’s and the parent company’s operations and the cash flows of the group for the six months ended 30 June 2015.

Moreover, in our opinion, the management’s review includes a fair review of developments in the activities and financial position of the group and the parent company and fairly describes significant risk and uncertainty factors that may affect the group and the bank.

MANAGEMENT BOARD

Copenhagen, 20 August 2015

Kim Bai Wadstrøm

Chief Executive

BOARD OF DIRECTORS

Copenhagen, 20 August 2015

Jørgen H. Mikkelsen

Chairman

Boris N. Kjeldsen

Deputy Chairman

Anette Eberhard

Jan Skytte Pedersen

Ebbe Castella

Søren Boe Mortensen

Christian Bundgaard

Torben Jensen

Pia Støjfer

Income statement and comprehensive income

DKK '000	Note	Parent company				
		Q2 2015	Q2 2014	H1 2015	H1 2014	Year 2014
Interest receivable	1	75,297	113,974	164,504	233,049	452,386
Interest payable	2	23,219	52,878	59,079	113,998	217,520
Net interest income		52,078	61,096	105,425	119,051	234,866
Dividend on shares, etc.		1,501	1,093	2,353	1,117	1,117
Fees and commissions receivable		48,165	51,120	94,812	87,552	168,758
Fees and commissions payable		6,097	6,616	11,547	12,465	25,601
Net interest and fee income		95,647	106,693	191,043	195,255	379,140
Value adjustments	3	-25,029	-39,697	-40,191	-60,773	-165,133
Other operating income		769	1,317	2,088	3,568	6,003
Profit before expenses		71,387	68,313	152,940	138,050	220,010
Staff costs and administrative expenses	4	95,586	91,186	191,889	181,504	355,962
Depreciation, amortisation and impairment of property, plant and equipment		-	12	-	24	36
Other operating expenses		6,780	8,824	14,204	19,164	35,142
Impairment of loans, advances and receivables, etc.	5	55,935	24,093	107,016	66,498	141,432
Profit/loss from investments in associates and group enterprises		912	1,608	6,090	10,839	24,265
Profit/loss before tax, continuing activities		-86,002	-54,194	-154,079	-118,301	-288,297
Tax on continuing activities		-19,788	-15,016	-36,038	-32,717	-112,208
Profit/loss for the period, continuing activities		-66,214	-39,178	-118,041	-85,584	-176,089
Profit/loss for the period, discontinued activities	6	-	-594	-	-580	16,917
Total profit/loss for the period		-66,214	-39,772	-118,041	-86,164	-159,172
Items that may be recycled to profit or loss		-	-	-	-	-
Items that not may be recycled to profit or loss		-	-	-	-	-
Total comprehensive income for the period		-66,214	-39,772	-118,041	-86,164	-159,172
PROFIT/LOSS ALLOCATION						
Share attributable to Alm. Brand Bank		-66,214	-39,772	-118,041	-86,164	-159,172
Transferred to Total shareholders' equity		-66,214	-39,772	-118,041	-86,164	-159,172

Income statement and comprehensive income

DKK '000	Note	Group				
		Q2 2015	Q2 2014	H1 2015	H1 2014	Year 2014
Interest receivable	1	72,060	113,299	158,572	232,316	450,453
Interest payable	2	23,224	52,878	59,092	113,998	216,063
Net interest income		48,836	60,421	99,480	118,318	234,390
Dividend on shares, etc.		1,501	1,092	2,353	1,117	1,117
Fees and commissions receivable		49,755	52,955	98,225	91,131	174,224
Fees and commissions payable		6,098	6,617	11,548	12,467	23,579
Net interest and fee income		93,994	107,851	188,510	198,099	386,152
Value adjustments	3	-25,029	-39,697	-40,191	-60,773	-162,333
Other operating income		42,829	31,664	86,630	65,662	143,865
Profit before expenses		111,794	99,818	234,949	202,988	367,684
Staff costs and administrative expenses	4	104,973	99,563	210,340	198,397	395,720
Depreciation, amortisation and impairment of property, plant and equipment		29,199	19,800	57,093	37,233	91,342
Other operating expenses		7,349	9,143	15,332	19,752	36,168
Impairment of loans, advances and receivables, etc.	5	55,925	24,466	106,587	66,650	140,742
Profit/loss from investments in associates and group enterprises		132	605	480	3,008	4,017
Profit/loss before tax, continuing activities		-85,520	-52,549	-153,923	-116,036	-292,271
Tax on continuing activities		-19,306	-13,371	-35,882	-30,451	-116,182
Profit/loss for the period, continuing activities		-66,214	-39,178	-118,041	-85,585	-176,089
Profit/loss for the period, discontinued activities	6	-	-1,229	-	10,336	28,028
Total profit/loss for the period		-66,214	-40,407	-118,041	-75,249	-148,061
Items that may be recycled to profit or loss		-	-	-	-	-
Items that not may be recycled to profit or loss		-	-	-	-	-
Total comprehensive income for the period		-66,214	-40,407	-118,041	-75,249	-148,061
PROFIT/LOSS ALLOCATION						
Share attributable to Alm. Brand Bank		-66,214	-39,772	-118,041	-86,164	-159,172
Share attributable to minority interests		-	-635	-	10,915	11,111
Transferred to Total shareholders' equity		-66,214	-40,407	-118,041	-75,249	-148,061

Balance sheet

DKK '000	Note	Parent company			Group		
		30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014
ASSETS							
Cash in hand and balances at call with central banks		526,769	216,225	198,496	526,769	216,225	198,496
Balances due from credit institutions and central banks		671,301	663,684	756,639	671,301	819,735	756,639
Loans, advances and other receivables at fair value		278,539	2,366,254	306,640	278,539	2,366,254	306,640
Loans, advances and other receivables at amortised cost	7	4,821,885	4,942,838	4,938,918	4,176,546	4,483,412	4,347,422
Bonds at fair value		4,361,560	4,810,537	7,200,622	4,361,560	4,810,537	7,200,622
Shares etc.		206,624	230,611	236,294	206,624	230,611	236,294
Investments in associates		11,982	43,227	44,224	11,982	43,227	44,224
Investments in group enterprises		90,550	72,553	85,941	-	-	1,000
Investment properties		35,437	33,399	22,581	170,937	168,099	160,081
Other property, plant and equipment		-	195	-	591,109	363,137	508,946
Current tax assets		150,802	260,577	98,508	218,028	230,855	150,069
Deferred tax assets		198,165	158,792	214,419	267,637	301,475	299,712
Assets held temporarily		-	36,911	20,874	50	41,224	30,165
Other assets		200,499	133,731	160,444	202,412	164,229	163,103
Prepayments		19,307	19,354	7,232	19,307	19,354	7,232
Discontinued activities		-	160,322	-	-	203,949	-
Total assets		11,573,420	14,149,210	14,291,832	11,702,801	14,462,323	14,410,645

Balance sheet

DKK '000	Note	Parent company			Group		
		30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014
LIABILITIES AND EQUITY							
Payables							
Payables to credit institutions and central banks		377,101	1,251,919	1,106,677	468,813	1,345,350	1,199,258
Deposits and other payables		9,026,216	10,392,078	11,076,443	9,026,216	10,386,954	11,076,443
Liabilities temporarily acquired		607	13,898	624	610	13,898	624
Other liabilities		358,222	487,653	176,571	395,888	508,510	202,803
Prepayments		2	306	1	2	306	1
Total payables		9,762,148	12,145,854	12,360,316	9,891,529	12,255,018	12,479,129
Provisions							
Provisions for pensions and similar liabilities		1,740	1,656	1,760	1,740	1,656	1,760
Provisions for losses on guarantees		8,833	9,952	11,016	8,833	9,952	11,016
Total provisions		10,573	11,608	12,776	10,573	11,608	12,776
Subordinated debt							
Additional tier 1 capital	8	175,000	175,000	175,000	175,000	175,000	175,000
Total subordinated debt		175,000	175,000	175,000	175,000	175,000	175,000
Shareholders' equity							
Share capital	9	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000
Other reserves		87,550	63,358	81,941	-	-	-
Retained earnings		517,149	732,390	640,799	604,699	795,748	722,740
Minority interests		-	-	-	-	203,949	-
Total shareholders' equity		1,625,699	1,816,748	1,743,740	1,625,699	2,020,697	1,743,740
Total liabilities and equity		11,573,420	14,149,210	14,291,832	11,702,801	14,462,323	14,410,645

See note 11 for a specification of off-balance sheet items.

Statement of changes in equity

DKK '000	Parent company				Group	
	Share capital	Other reserves	Retained earnings	Total	Minority interests	Total
Shareholders' equity at 1 January 2014	1,021,000	61,641	420,271	1,502,912	193,034	1,695,946
Changes in equity in H1 2014						
Profit/loss for the period		1,717	-87,881	-86,164	10,915	-75,249
Comprehensive income in H1 2014	-	1,717	-87,881	-86,164	10,915	-75,249
Capital injection from Alm. Brand A/S			400,000	400,000		400,000
Other capital movements		-	-	-		-
Total changes in equity in H1 2014	-	1,717	312,119	313,836	10,915	324,751
Shareholders' equity at 30 June 2014	1,021,000	63,358	732,390	1,816,748	203,949	2,020,697
Shareholders' equity at 1 January 2014	1,021,000	61,641	420,271	1,502,912	193,034	1,695,946
Changes in equity in 2014						
Profit/loss for the year		16,520	-175,692	-159,172	11,111	-148,061
Comprehensive income 2014	-	16,520	-175,692	-159,172	11,111	-148,061
Capital injection from Alm. Brand A/S			400,000	400,000		400,000
Other capital movements		3,780	-3,780	-	-204,145	-204,145
Total changes in equity in 2014	-	20,300	220,528	240,828	-193,034	47,794
Shareholders' equity at 31 December 2014	1,021,000	81,941	640,799	1,743,740	-	1,743,740
Shareholders' equity at 1 January 2015	1,021,000	81,941	640,799	1,743,740	-	1,743,740
Changes in equity in H1 2015						
Profit/loss for the period		5,609	-123,650	-118,041	-	-118,041
Comprehensive income in H1 2015	-	5,609	-123,650	-118,041	-	-118,041
Other capital movements		-	-	-		-
Total equity movements in H1 2015	-	5,609	-123,650	-118,041	-	-118,041
Shareholders' equity at 30 June 2015	1,021,000	87,550	517,149	1,625,699	-	1,625,699

Cash flow statement

	Group		
DKK '000	H1 2015	H1 2014	Year 2014
Operating activities			
Profit for the period before tax	-153,923	-105,700	-264,243
Tax paid during the period	-2	-	168,280
Adjustment for amounts with no cash flow impact:			
Depreciation, amortisation and impairment of property, plant and equipment	57,093	37,233	91,342
Impairment of loans, advances and receivables, etc.	111,014	62,136	128,116
Other adjustments to cash flows from operating activities	59,241	-20,888	-75,500
Total, operating activities	73,423	-27,219	47,995
Working capital			
Loans and advances	89,167	456,640	2,605,119
Deposits	-2,050,227	-549,489	140,000
Bonds	2,935,737	914,394	-1,731,589
Shares	31,141	380,931	383,426
Total, working capital	1,005,818	1,202,476	1,396,956
Investing activities			
Investments in associates	32,242	-	-
Investments in group enterprises	1,000	-	-1,000
Property, plant and equipment	-139,725	-91,807	-299,750
Total, investing activities	-106,483	-91,807	-300,750
Financing activities			
Net proceeds from capital increase	-	400,000	400,000
Distribution of dividends	-	-526,447	-525,949
Payables to credit institutions	-729,823	-855,164	-997,238
Total, financing activities	-729,823	-981,611	-1,123,187
Change in cash and cash equivalents	242,935	101,839	21,014
Cash and cash equivalents, beginning of year	955,135	934,121	934,121
Change in cash and cash equivalents	242,935	101,839	21,014
Cash and cash equivalents, end of period	1,198,070	1,035,960	955,135
Cash and cash equivalents, end of period			
Cash in hand and balances at call with central banks	526,769	216,225	198,496
Balances due from credit institutions less than 3 months	671,301	819,735	756,639
Cash and cash equivalents, end of period	1,198,070	1,035,960	955,135

See note 6 for influence on discontinued activities.

Segment information

Group

DKK '000	H1 2015								
	Private	Leasing	Financial Markets	Other	Total continuing activities before winding up	Winding-up activities	Total continuing activities	Dis-continued activities	Total
Net interest and fee income	109,055	-	-	-	109,055	27	109,082	-	109,082
Trading income (excl. value adjustments)	-	-	75,683	6,277	81,960	-	81,960	-	81,960
Other income	-	81,376	501	3	81,880	1,584	83,464	-	83,464
Total income	109,055	81,376	76,184	6,280	272,895	1,611	274,506	-	274,506
Expenses	105,847	19,579	51,051	7,079	183,556	42,116	225,672	-	225,672
Depreciation	0	57,093	-	-	57,093	-	57,093	-	57,093
Core earnings	3,208	4,704	25,133	-799	32,246	-40,505	-8,259	-	-8,259
Value adjustments	360	-	-6,436	-21,782	-27,858	12,376	-15,482	-	-15,482
Profit/loss from investments	-	-	-22	-	-22	1,135	1,113	-	1,113
Profit/loss before impairment writedowns	3,568	4,704	18,675	-22,581	4,366	-26,994	-22,628	-	-22,628
Writedowns and credit-related value adjustments	6,635	-429	-176	5	6,035	125,260	131,295	-	131,295
Profit/loss before tax	-3,067	5,133	18,851	-22,586	-1,669	-152,254	-153,923	-	-153,923
Tax							-35,882	-	-35,882
Profit/loss for the period							-118,041	-	-118,041
Of which share attributable to minority interests									-
Loans and advances	2,450,606	47,457	89,097	106,303	2,693,463	1,761,622	4,455,085	-	4,455,085
Bonds	-	-	1,249,117	3,112,443	4,361,560	-	4,361,560	-	4,361,560
Lease assets	-	591,109	-	-	591,109	-	591,109	-	591,109
Other assets	4,370	138,858	91,501	1,889,554	2,124,283	170,764	2,295,047	-	2,295,047
Total assets	2,454,976	777,424	1,429,715	5,108,300	9,770,415	1,932,386	11,702,801	-	11,702,801

GENERAL

The segment financial statements are segmented according to the group's primary business areas. All activities are located in Denmark. Assets are placed in the business areas to which they are related in terms of operations. All funding is channelled to the bank's treasury function, which is included in the segment Other. Treasury is responsible for the bank's funding and liquidity. Transactions between the segments are settled on market terms. The segment financial statements are in accordance with the bank's internal reporting.

Criteria for recognition and measurement are in accordance with the group's accounting policies. The line items used are consistent with the financial highlights presented at the beginning of the interim report.

BUSINESS AREAS

The segment financial statements are segmented according to the group's business areas and have generally been divided into continuing activities and winding-up activities. Continuing activities comprise areas in which the bank wishes to expand its business volume. Winding-up activities and discontinued activities comprise exposures which the bank wishes to reduce in a responsible and financially appropriate manner.

The individual business areas are described below.

Private: Provides advisory services and sells financial products to the bank's private customers, both through branch offices in 11 major Danish towns and cities and online. Drawing on the full range of the group's capabilities, Private offers optimum solutions, including in connection with wealth management and investment.

Segment information

									Group
DKK '000									H1 2014
	Private	Leasing	Financial Markets	Other	Total continuing activities before winding up	Winding-up activities	Total continuing activities	Discontinued activities	Total
Net interest and fee income	90,793	-	-	-	90,793	-4,807	85,986	-	85,986
Trading income (excl. value adjustments)	-	-	75,546	33,723	109,269	-	109,269	198	109,467
Other income	62	58,825	493	-	59,380	2,962	62,342	-	62,342
Total income	90,855	58,825	76,039	33,723	259,442	-1,845	257,597	198	257,795
Expenses	103,836	17,481	47,688	2,576	171,581	46,568	218,149	2,868	221,017
Depreciation	24	37,209	-	-	37,233	-	37,233	-	37,233
Core earnings	-13,005	4,135	28,351	31,147	50,628	-48,413	2,215	-2,670	-455
Value adjustments	265	-	3,633	3,581	7,479	1,556	9,035	13,004	22,039
Profit/loss from investments	-	-	463	-411	52	9,121	9,173	-	9,173
Profit/loss before impairment writedowns	-12,740	4,135	32,447	34,317	58,159	-37,736	20,423	10,334	30,757
Writedowns and credit-related value adjustments	13,769	152	-581	-	13,340	123,126	136,466	-	136,466
Profit/loss before tax	-26,509	3,983	33,028	34,317	44,819	-160,862	-116,043	10,334	-105,709
Tax							-30,451	-9	-30,460
Profit/loss for the period							-85,592	10,343	-75,249
Of which share attributable to minority interests									10,915
Loans and advances	2,299,739	46,192	103,525	32,263	2,481,719	4,367,947	6,849,666	-	6,849,666
Bonds	-	-	1,856,723	2,953,814	4,810,537	-	4,810,537	-	4,810,537
Lease assets	-	362,941	-	-	362,941	-	362,941	-	362,941
Other assets	4,294	176,805	59,044	1,835,258	2,075,401	203,456	2,278,857	160,322	2,439,179
Total assets	2,304,033	585,938	2,019,292	4,821,335	9,730,598	4,571,403	14,302,001	160,322	14,462,323

Leasing: Offers operating leases of passenger and commercial vehicles with related car fleet management for businesses. The segment also offers operating leases of passenger cars to private individuals. The business area is anchored in Alm. Brand Leasing, which is a subsidiary of the bank.

Financial Markets: Comprises Markets and Asset Management. The Markets department handles all of the bank's financial market activities, providing advisory services on and performs securities and currency transactions. In addition, Markets prepares research reports on developments in fixed income, equity and foreign exchange markets. Asset Management has assets under management for both institutional and private investors.

Other: Comprises the bank's Treasury function, which is responsible for the bank's composition of funding and liquidity management, including the bank's own

portfolio. All funding procured by the bank's other business areas is channelled to Treasury, which is responsible for allocation and settlement to the individual business areas. Funding is allocated at a price equivalent to the actual cost of procuring the funding plus a spread to cover administrative expenses and any risks.

Winding-up: Comprises exposures to small and medium-sized commercial customers, agricultural customers, property development projects, mortgage deeds and a portfolio of car finance contracts. Efforts are made to gradually reduce these exposures, a process which is expected to extend over a number of years.

Discontinued activities: Comprises the former listed company Alm. Brand Formue A/S, which was liquidated in September 2014 and which had made investments in shares and bonds. See note 6 for additional information.

Notes to the financial statements

DKK '000	Parent company			Group		
	H1 2015	H1 2014	Year 2014	H1 2015	H1 2014	Year 2014
NOTE 1 Interest receivable						
Balances due from credit institutions and central banks	-815	424	776	-815	424	773
Loans, advances and other receivables	124,370	196,726	380,694	118,438	195,993	378,764
Bonds	48,837	51,228	101,850	48,837	51,228	101,850
Total derivatives	-7,866	-15,616	-31,221	-7,866	-15,616	-31,221
Of which:						
Foreign exchange contracts	-5,995	611	-	-5,996	611	-
Interest rate contracts	-1,870	-16,227	-31,221	-1,870	-16,227	-31,221
Other interest income	-22	287	287	-22	287	287
Total interest receivable	164,504	233,049	452,386	158,572	232,316	450,453
Interest receivable from genuine purchase and resale transactions:						
Balances due from credit institutions and central banks	-615	-113	-153	-615	-113	-153
Loans, advances and other receivables	-72	-	-2	-72	-	-2
NOTE 2 Interest payable						
Credit institutions and central banks	299	1,423	2,723	299	1,423	1,153
Deposits and other payables	53,618	98,370	195,118	53,618	98,370	195,115
Bonds issued	-	-	-	-	-	-
Total subordinated debt	5,081	13,908	19,074	5,081	13,908	19,074
Other interest expenses	81	297	605	94	297	721
Total interest payable	59,079	113,998	217,520	59,092	113,998	216,063
Interest payable on genuine sale and repurchase transactions:						
Payables to credit institutions and central banks	165	141	147	165	141	147
Deposits and other payables	46	-	3	46	-	3
NOTE 3 Value adjustments						
Loans, advances and other receivables at fair value	-2,971	-29,352	-60,948	-2,971	-29,352	-60,948
Bonds	-84,827	1,356	-39,769	-84,827	1,356	-39,769
Shares, etc.	2,124	11,508	20,573	2,124	11,508	20,573
Investment properties	-	-2,218	-8,906	-	-2,218	-6,106
Foreign currency	-703	6,893	9,837	-703	6,893	9,837
Total derivatives	46,166	-48,716	-85,572	46,166	-48,716	-85,572
Other liabilities	20	-244	-348	20	-244	-348
Total value adjustments	-40,191	-60,773	-165,133	-40,191	-60,773	-162,333

Notes to the financial statements

DKK '000	Parent company			Group		
	H1 2015	H1 2014	Year 2014	H1 2015	H1 2014	Year 2014
NOTE 4 Staff costs and administrative expenses						
Board and Board of Directors:						
Remuneration to the Management Board:						
Salaries and wages	1,398	1,488	2,773	1,398	1,488	2,773
Share-based payment	172	-	229	172	-	229
Pensions	149	158	306	149	158	306
Total remuneration to the Management Board	1,719	1,646	3,308	1,719	1,646	3,308
Remuneration to the Board of Directors:						
Fees	640	640	1,280	640	651	1,280
Total remuneration to the Management Board and Board of Directors	2,359	2,286	4,588	2,359	2,297	4,588
Staff costs:						
Salaries and wages	84,375	81,378	155,733	84,375	81,366	155,733
Share-based payment	-	-	499	-	-	499
Pensions	8,924	8,506	17,488	8,924	8,506	17,488
Social security costs	10,133	9,589	17,690	10,133	9,589	17,690
Total staff costs	103,432	99,473	191,410	103,432	99,461	191,410
Other administrative expenses	86,098	79,745	159,964	104,549	96,639	199,722
Total staff costs and administrative expenses	191,889	181,504	355,962	210,340	198,397	395,720
Number of employees						
Average number of employees during the financial year, full-time equivalents						
	258	252	258	258	252	258
NOTE 5 Impairment of loans, advances and receivables, etc.						
Individual assessment:						
Impairment and value adjustments, respectively, during the year						
	188,621	145,627	330,752	188,920	146,436	331,383
Reversal of impairment in previous years	73,491	71,307	204,657	73,956	71,833	205,212
Total individual assessment	115,130	74,320	126,095	114,964	74,603	126,171
Group assessment:						
Impairment and value adjustments, respectively, during the year						
	18,755	40,124	117,565	18,871	40,236	118,064
Reversal of impairment in previous years	9,481	37,931	81,938	10,163	38,327	82,694
Total group assessment	9,274	2,193	35,627	8,708	1,909	35,370
Losses not previously provided for	3,672	12,828	24,498	3,885	13,574	25,573
Bad debts recovered	21,061	22,843	44,788	21,280	23,436	46,062
Total impairment of loans, advances and receivables, etc., end of period	107,016	66,498	141,432	106,587	66,650	140,742

Notes to the financial statements

DKK '000	Parent company			Group		
	H1 2015	H1 2014	Year 2014	H1 2015	H1 2014	Year 2014
NOTE 6 Discontinued activities						
Discontinued activities comprise the subsidiary Alm. Brand Formue A/S, which entered into liquidation in March 2014. The liquidation was finalised in September 2014. The income statement comprises the results of Alm. Brand Formue, the results of equity risk hedging in the company, the bank's trading income relating to Alm. Brand Formue A/S and interest on loans provided to Alm. Brand Formue A/S. No funding costs have been allocated to the discontinued activities. Alm. Brand Formue A/S is no longer included in the balance sheet of the bank.						
Income statement						
Net interest and fee income	-	3,594	3,594	-	3,594	3,594
Value adjustment	-	-14,564	2,747	-	-14,564	2,747
Profit/loss of Alm. Brand Formue A/S	-	10,390	10,576	-	21,305	21,687
Profit/loss on discontinued activities	-	-580	16,917	-	10,335	28,028
Cash flows						
Cash flows from operating activities				-	27,554	27,554
Cash flows from investing activities				-	1,054,636	1,054,636
Cash flows from financing activities				-	-321,627	-507,627
Total cash flows				-	760,563	574,563

NOTE 7 Loans, advances and other receivables at amortised cost

Loans and advances	6,240,648	6,417,127	6,383,736	5,548,983	5,913,661	5,745,702
Leases	-	-	-	47,515	46,192	48,240
Total before impairment, etc.	6,240,648	6,417,127	6,383,736	5,596,498	5,959,853	5,793,942
Impairment, etc.	1,418,763	1,474,289	1,444,818	1,419,952	1,476,441	1,446,520
Loans, advances and other receivables at amortised cost, end of period	4,821,885	4,942,838	4,938,918	4,176,546	4,483,412	4,347,422

NOTE 8 Subordinated debts

Additional tier 1 capital:						
Fixed rate bullet loans in DKK with indefinite terms	175,000	175,000	175,000	175,000	175,000	175,000
Additional tier 1 capital, end of period	175,000	175,000	175,000	175,000	175,000	175,000
Subordinated debt, end of period	175,000	175,000	175,000	175,000	175,000	175,000
Interest on subordinated debt	5,081	13,908	19,074	5,081	13,908	19,074
Of this, amortisation of costs incurred on raising the debt	-	51	51	-	51	51
Extraordinary instalments	-	426,000	425,949	-	426,000	425,949

NOTE 9 Share capital

Unlisted share capital:						
Nominal value at 1 January 2008	351,000	351,000	351,000	351,000	351,000	351,000
Capital increase April 2009	300,000	300,000	300,000	300,000	300,000	300,000
Capital increase September 2009	90,000	90,000	90,000	90,000	90,000	90,000
Capital increase November 2009	280,000	280,000	280,000	280,000	280,000	280,000
Nominal value, end of period	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000

The share capital consists of 1,021,000 shares of DKK 1,000 nominal value and is paid up in full.

Notes to the financial statements

DKK '000	Parent company			Group		
	H1 2015	H1 2014	Year 2014	H1 2015	H1 2014	Year 2014
NOTE 10 Total capital						
Shareholders' equity	1,625,699	1,816,748	1,743,740	1,625,699	2,020,697	1,743,740
Deduction of ownership interest in financial institution	-	-	-1,400	-2,140	-	-3,106
Deferred tax assets	-198,165	-158,792	-214,419	-267,637	-301,475	-299,712
Prudent valuation	-4,974	-	-7,854	-4,974	-	-7,854
Common equity tier 1 capital	1,422,560	1,657,956	1,520,067	1,350,948	1,719,222	1,433,068
Additional tier 1 capital	175,000	175,000	175,000	175,000	175,000	175,000
Reduction additional tier 1 capital	-61,250	-43,750	-52,500	-61,250	-43,750	-52,500
Deduction of ownership interest in financial institution	-	-	-5,601	-3,306	-	-12,425
Tier 1 capital	1,536,310	1,789,206	1,636,966	1,461,392	1,850,472	1,543,143
Total capital	1,536,310	1,789,206	1,636,966	1,461,392	1,850,472	1,543,143
Total risk exposure amount:						
Weighted items involving credit risk	6,582,805	7,049,954	6,733,157	6,473,024	6,926,936	6,645,806
Weighted items involving market risk	833,676	1,517,861	1,412,861	833,676	1,245,451	1,412,861
Weighted items involving operational risk	356,382	283,088	356,382	618,699	451,291	618,699
Total risk exposure amount, end of period	7,772,863	8,850,903	8,502,400	7,925,399	8,623,678	8,677,366
The solvency requirement represents 8% of the total risk exposure amount						
	621,829	708,072	680,192	634,032	689,894	694,189
The calculation of the total capital and the total risk exposure amount was made in accordance with the new capital adequacy rules (CRR and CRD IV).						
NOTE 11 Off-balance sheet items						
Contingent liabilities:						
Financial guarantees	58,472	73,306	73,266	58,472	73,306	73,266
Loss guarantees for mortgage loans	286,298	231,696	226,291	286,298	231,696	226,291
Registration and conversion guarantees	91,535	17,712	53,039	91,535	17,712	53,039
Other contingent liabilities	409,748	401,253	376,054	409,748	401,253	376,054
Contingent liabilities, end of period	846,053	723,967	728,650	846,053	723,967	728,650
Other commitments:						
Irrevocable loan commitments	8,000	-	8,000	8,000	-	8,000
Other commitments, end of period	8,000	-	8,000	8,000	-	8,000
Off-balance sheet items, end of period	854,053	723,967	736,650	854,053	723,967	736,650

Notes to the financial statements

DKK '000	Parent company			Group		
	H1 2015	H1 2014	Year 2014	H1 2015	H1 2014	Year 2014

NOTE 11 Off-balance sheet items - continued

Other contingent liabilities

Alm. Brand Bank A/S is taxed jointly with Alm. Brand A/S as administration company. As from 1 July 2012, the bank is therefore jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends on behalf of the jointly taxed companies.

Alm. Brand Bank has entered into operating leases with Alm. Brand Leasing A/S. The residual value of future lease payments under these operating leases totalled DKK 7 million at 30 June 2015 (30 June 2014: DKK 6 million).

Alm. Brand Bank is a member of Bankdata, which operates the bank's key IT-systems. Termination of this membership would cause the bank to incur a significant liability which would have to be calculated in accordance with Bankdata's by-laws.

Being an active financial services group, the group is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the group.

Collateral security

Monetary-policy counterparties with Danmarks Nationalbank can obtain credit only against security through the pledging of approved securities.

As part of its current operations, the bank provided collateral security to Danmarks Nationalbank at 30 June 2015 in the form of bonds representing a nominal value of DKK 485 million (H1 2014: DKK 1,833 million).

As collateral for positive and negative fair values of derivative financial instruments, respectively, cash in the amount of DKK 39 million was received and cash in the amount of DKK 188 million was paid at H1 2015 (H1 2014: DKK 2 million and DKK 166 million).

In repo transactions (sale of securities which the group agrees to repurchase at a later date), the securities remain in the balance sheet, and the consideration received is recognised under payables. Securities in repo transactions are treated as assets placed as collateral for obligations. The counterparty is entitled to sell or remortgage the securities received.

In reverse transactions (purchase of securities that the group agrees to resell at a later date), the group is entitled to sell or remortgage the securities. The securities are not recognised in the balance sheet, and the consideration paid is recognised under receivables.

Assets received as collateral in connection with reverse transactions may be resold to third parties. If this is the case, a negative portfolio may arise due to the accounting rules. This is recognised under "Other liabilities".

Assets sold in connection with repo agreements:

Bonds at fair value	111,110	102,220	-	111,110	102,220	-
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Liabilities sold in connection with reverse agreements:

Bonds at fair value	300,883	153,369	-	300,883	153,369	-
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Notes to the financial statements

DKK '000	Group				
	H1 2015	H1 2014	H1 2013	H1 2012	H1 2011
NOTE 12 Financial highlights and key ratios					
Net interest and fee income	188,510	198,099	179,209	186,757	261,948
Value adjustments	-40,191	-60,773	-126,624	-27,314	-158,950
Staff costs and administrative expenses	-210,340	-198,397	-208,062	-247,203	-235,699
Impairment of loans, advances and receivables, etc.	-106,587	-66,650	-85,143	-103,156	-180,864
Profit/loss from investments in associates	480	3,008	-528	-55	-1,749
Profit for the year	-118,041	-85,585	-233,726	-155,209	-260,665
Profit/loss for the period, discontinued activities	-	10,336	-4,091	21,726	-13,102
Total profit/loss for the period	-118,041	-75,249	-237,817	-133,483	-273,767
Loans and advances	4,455,085	6,849,666	7,838,468	9,377,201	11,358,282
Shareholders' equity	1,625,699	2,020,697	1,623,873	1,393,036	1,716,565
Total assets	11,702,801	14,462,323	18,261,385	22,461,228	23,920,311
Solvency ratio	18.4	21.5	18.5	17.0	18.6
Tier 1 ratio	18.4	21.5	17.1	13.6	16.3
Return on equity before tax (%)	-9.1	-5.9	-22.4	-15.0	-23.4
Return on equity after tax (%)	-7.0	-4.2	-20.2	-11.0	-17.7
Income/cost ratio	0.60	0.64	0.24	0.53	0.23
Interest rate risk (%)	-1.2	5.1	0.9	0.3	-1.2
Foreign exchange position (%)	5.9	3.9	14.1	30.2	6.8
Foreign exchange risk (%)	0.0	0.0	0.3	0.1	0.2
Loans and advances as a percentage of deposits (%)	65.1	80.2	83.9	105.7	158.8
Gearing of loans and advances	2.7	3.4	4.8	6.7	6.6
Annual growth in lending (%)	-4.9	-6.7	-6.6	-8.2	-9.0
Excess cover relative to statutory liquidity requirement (%)	294.7	191.0	182.6	230.7	310.6
Total amount of large exposures (%)	41.2	26.8	80.2	52.0	56.2
Impairment ratio for the year	1.6	0.7	0.8	0.9	1.3
Return on capital employed (%)	-1.0	-0.5	-1.3	-0.6	-1.1

Financial ratios are calculated on the basis of the total profit/loss, which includes both continuing and discontinued activities.

Financial highlights and key ratios are based on the definitions and guidelines of the Danish FSA and on "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

Notes to the financial statements

	Parent company				
DKK '000	H1 2015	H1 2014	H1 2013	H1 2012	H1 2011
NOTE 12 Financial highlights and key ratios - continued					
Net interest and fee income	191,043	195,255	173,172	177,775	249,942
Value adjustments	-40,191	-60,773	-126,625	-27,314	-158,950
Staff costs and administrative expenses	-191,889	-181,504	-191,964	-233,312	-221,680
Impairment of loans, advances and receivables, etc.	-107,016	-66,498	-85,629	-103,833	-177,232
Profit/loss from investments in associates	6,090	10,839	-11,023	1,158	-1,262
Profit for the year	-118,041	-85,584	-233,733	-155,208	-260,622
Profit/loss for the period, discontinued activities	-	-580	-2,603	6,720	1,354
Total profit/loss for the period	-118,041	-86,164	-236,336	-148,488	-259,268
Loans and advances	5,100,424	7,309,092	8,824,619	9,728,988	11,721,782
Shareholders' equity	1,625,699	1,816,748	1,458,044	1,241,256	1,552,984
Total assets	11,573,420	14,149,210	17,607,535	21,952,898	23,330,037
Solvency ratio	19.8	20.2	19.0	17.4	18.0
Tier 1 ratio	19.8	20.2	17.5	13.7	15.7
Return on equity before tax (%)	-9.1	-7.4	-26.9	-18.5	-25.5
Return on equity after tax (%)	-7.0	-5.4	-23.5	-13.9	-19.0
Income/cost ratio	0.51	0.56	0.12	0.45	0.21
Interest rate risk (%)	-0.4	5.4	-1.5	-1.3	-2.8
Foreign exchange position (%)	5.6	4.1	14.5	33.2	5.5
Foreign exchange risk (%)	0.0	0.0	0.2	0.1	0.2
Loans and advances as a percentage of deposits (%)	72.2	84.5	92.7	109.0	162.8
Gearing of loans and advances	3.1	4.0	6.1	7.8	7.5
Annual growth in lending (%)	-3.3	-9.8	-3.5	-7.5	-8.8
Excess cover relative to statutory liquidity requirement (%)	296.4	180.4	190.5	236.4	318.7
Total amount of large exposures (%)	39.1	27.7	82.1	62.3	55.3
Impairment ratio for the year	1.5	0.7	0.8	0.8	1.3
Return on capital employed (%)	-1.0	-0.6	-1.3	-0.7	-1.1

Financial ratios are calculated on the basis of the total profit/loss, which includes both continuing and discontinued activities.

Financial highlights and key ratios are based on the definitions and guidelines of the Danish FSA and on "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

Notes to the financial statements

	30 June 2015				31 December 2014			
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NOTE 13 Fair value measurement of financial instruments

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
at fair value:								
Loans, advances and other								
receivables at fair value	-	-	278,539	278,539	-	-	306,640	306,640
Bonds at fair value	4,361,560	-	-	4,361,560	7,200,622	-	-	7,200,622
Shares, etc.	74,664	119,135	12,824	206,624	83,449	138,592	14,253	236,294
Investment properties	-	-	170,937	170,937	-	-	160,081	160,081
Assets temporarily								
acquired	-	-	50	50	-	-	30,165	30,165
Other assets	-	159,421	-	159,421	-	110,538	-	110,538
Financial assets								
at fair value, year-end:	4,436,224	278,556	462,350	5,177,131	7,284,071	249,130	511,139	8,044,340
Financial liabilities								
at fair value:								
Liabilities temporarily								
acquired	-	610	-	610	-	624	-	624
Other liabilities	-	104,851	10,549	115,401	-	71,608	1,430	73,038
Financial liabilities								
at fair value, year-end:	-	105,461	10,549	116,011	-	72,232	1,430	73,662

The table above shows the fair value hierarchy for financial assets and liabilities recognised at fair value.

Level 1 includes assets and liabilities measured on the basis of quoted prices in an active market, including the bond portfolio, which is mainly composed of mortgage bonds, and shares listed on recognised stock exchanges.

Level 2 includes assets and liabilities for which observable prices exist other than prices quoted on recognised stock exchanges. Sector equities subject to redistribution are included within level 2. Level 2 also includes derivative financial instruments measured on the basis of quoted prices in an active market and on the basis of generally accepted valuation models.

Level 3 includes assets and liabilities for which no quoted price or other public price is available, or for which the price is not assessed to reflect the fair value. The bank's mortgage deed portfolio and the loss option on mortgage deeds provided to Alm. Brand Forsikring are included within level 3. The mortgage deed portfolio is measured on the basis of a valuation model which uses both observable market data (interest rates) and non-observable market data in the form of expected future redemption and loss rates. Also included are the bank's unlisted shares and investment properties, comprising single-family houses and rental properties which are not expected to be sold within 12 months.

There have been no transfers between categories in the fair value hierarchy in 2015.

Notes to the financial statements

	30 June					Group				
	2015					December				
Niveau 3:	Shares	Loans and other receivables at fair value	Investment properties	Assets temporarily acquired	Total	Shares	Loans and other receivables at fair value	Investment properties	Assets temporarily acquired	Total

NOTE 13 Fair value measurement of financial instruments - continued

Carrying amount, beginning of year	14,253	306,640	160,081	30,165	511,139	14,171	2,497,207	36,960	204,971	2,753,309
Additions during the year	-	-	20,874	-	20,874	-	-	134,700	2,840	137,540
Disposals during the year	-	-25,130	-10,018	-30,115	-65,263	-379	-2,129,619	-5,473	-174,197	-2,309,668
Value adjustment through profit or loss total	-1,429	-2,971	-	-	-4,400	462	-60,948	-6,106	-3,449	-70,041
Carrying amount, year-end	12,824	278,539	170,937	50	462,350	14,253	306,640	160,081	30,165	511,139

Value adjustments for the year are composed as follows:

Realised value adjustments	-	-12,835	-	-	-12,835	359	-135,238	-1,142	-645	-136,666
Unrealised value adjustments	-1,429	9,864	-	-	8,435	102	74,290	-4,964	-2,804	66,624
Value adjustment through profit or loss total	-1,429	-2,971	-	-	-4,400	462	-60,948	-6,106	-3,449	-70,041

NOTE 14 Accounting policies group

The consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The parent company interim financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on financial reports presented by credit institutions and investment companies.

In addition, the consolidated interim financial statements have been prepared in accordance with additional Danish disclosure requirements for interim financial statements of listed financial companies.

The accounting policies are consistent with the policies applied in the financial statements for 2014.

The interim financial statements are unaudited.

Notes to the financial statements

DISCLAIMER

The forecast is based on the interest rate and price levels that prevailed at mid-August 2014. All other forward-looking statements are based exclusively on the information available when this interim report was released.

The actual performance may be affected by major changes in a number of factors. Such impacts include changes in conditions in the financial market, legislative changes, changes in the competitive environment, loans and advances, etc. and guarantees, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This interim report has been translated from Danish into English. In the event of any discrepancy between the Danish text and the English-language translation, the Danish text shall prevail.

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