

## **Announcement no. 7/2015**

11 November 2015

# **Alm. Brand Bank A/S – Interim report Q3 2015**

## **Highlights**

- **The bank posted a pre-tax loss of DKK 79 million in Q3 2015, against a loss of DKK 86 million in Q2 2015. The performance was not satisfactory.**
- **The forward-looking activities reported a profit of DKK 3 million. The profit was below expectations and reflected the turbulence in the fixed income markets, which resulted in a negative return on the bank's own portfolio of investment assets.**
- **Impairment writedowns on private customers amounted to DKK 5 million in Q3 2015, compared with DKK 0 million in Q2 2015.**
- **The bank's underlying activities are generally developing favourably with an increase in the level of activity. Year on year, the number of full-service customers increased by 13%, and the portfolio of Totalkredit loans for which the bank acted as intermediary grew by 26%.**
- **The bank incurred a loss on its winding-up activities of DKK 82 million, against a loss of DKK 78 million in Q2 2015, which was in line with expectations.**
- **Impairment writedowns on the winding-up portfolio amounted to DKK 74 million, most of which reflected the extremely difficult conditions for the Danish agricultural sector**
- **The bank maintains the full-year guidance for its forward-looking activities of a pre-tax profit of about DKK 20 million after impairment writedowns, which are expected to total DKK 20 million. The winding-up activities are expected to post a pre-tax loss of DKK 350 million.**

## **Other highlights**

- **Income from the forward-looking activities increased by 7% to DKK 144 million in Q3, against DKK 135 million in Q2 2015. The improvement was attributable to higher fee income and lower deposit rates.**
- **Costs amounted to DKK 87 million in Q3 2015, which was DKK 5 million less than in Q2 2015, among other things driven by lower payroll costs.**
- **Value adjustments produced a loss of DKK 18 million in Q3, against a loss of DKK 22 million in Q2 2015, being strongly impacted by a negative return on the own portfolio due to the wider credit spread between mortgage bonds and government bonds.**

- In Q3 2015, the bank reduced the credit exposure of the winding-up portfolio by DKK 177 million adjusted for losses and writedowns, which was better than expected.
- At 30 September 2015, the bank had excess liquidity of DKK 3.0 billion, corresponding to an excess cover of 252% relative to the statutory requirement. The excess cover was reduced by DKK 0.7 billion in Q3 2015 and will be reduced further in 2015.
- At 30 September 2015, the bank's total capital stood at DKK 1.5 billion, and the total capital ratio was 19.5. The bank's individual solvency need was calculated at 13.0%, and the bank thus had an excess cover of 6.5 percentage points. The banking group had a total capital ratio of 18.3, and the individual solvency need was calculated at 12.7%. The banking group thus had an excess cover of 5.6 percentage points.

## **Contact**

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