

Copenhagen, 5 November 2014

Press release

FIH: Profit before tax of DKK 203.9 million for the first nine months of 2014 after yet another profitable quarter

In the first three quarters of the year, FIH has generated a profit before tax of DKK 203.9 million with a subsequent equity of DKK 5,830 million.

In the third quarter of 2014, FIH has completed the transactions with Spar Nord and Nykredit regarding the sale of the lending business.

After the transactions with Spar Nord and Nykredit, the balance sheet total has decreased to DKK 21,034 million, solvency has increased to 42.0 per cent and the liquidity surplus is now 467 per cent.

In addition, FIH has converted the banking platform to BEC's IT platform in the quarter, and it is expected that FIH will make the transition to BEC's market platform in the first six months of 2015.

"We have successfully completed several important elements towards the goal of simplifying FIH. The transactions with Spar Nord and Nykredit are naturally an important milestone, but the administrative adaptations in the form of conversion to BEC's platform are also of great importance" says Henrik Sjøgreen.

Highlights from the financial statements for Q1-Q3 2014

- Profit before tax in the FIH group was DKK 203.9 million (Q1-Q3 2013: DKK 94.7 million).
- Impairment charges were DKK 143.8 million (Q1-Q3 2013: DKK 90.1 million).
- Goodwill from the transactions with Spar Nord and Nykredit is included in the third quarter.
- Equity was DKK 5,830 million (year-end 2013: DKK 5,677 million). The tier 1 capital ratio and the solvency ratio were identical at 42.0 per cent (year-end 2013: 25.9 per cent), and the capital buffer was 24.2 percentage points (year-end 2013: 11.5 percentage points).
- At the end of Q3 2014, liquidity totalled DKK 9.1 billion, equivalent to a liquidity surplus of 467 per cent relative to the regulatory requirements (year-end 2013: 221 per cent).

The performance in Q3 was positively affected by goodwill in connection with the transactions with Spar Nord and Nykredit and a positive value adjustment of the deficit-

absorbing loan related to the previous business area Property Finance. The subsidiary FIH Partners has had a good quarter and has made a positive contribution to the financial results.

However, loan impairment charges and lower interest and fee income in Banking due to the reduced loan balance pull in the opposite direction.

Contacts

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Interim report, press photos and logo

The consolidated key figures are included as an appendix. The interim report, press photos and logo are available at fih.com.

KEY FIGURES – FIH GROUP

(DKK million)	Q1-Q3 2014	Q1-Q3 2013	Q3 2014	Q2 2014	Q1 2014	Full year 2013
Net interest income from lending activities	152.7	209.6	39.0	55.0	58.7	271.0
Net fee income etc.	136.1	135.8	40.0	64.3	31.8	219.0
Net trading income and income from the liquidity portfolio	39.6	102.1	10.1	10.2	19.3	117.7
Other operating income	138.9	63.5	32.0	107.7	-0.8	-5.3
Total income	467.3	511.0	121.1	237.2	109.0	602.4
Ordinary expenses	306.1	349.1	86.2	116.1	103.8	482.2
Ordinary profit/loss	161.2	161.9	34.9	121.1	5.2	120.2
Gain from the repurchase of subordinated debt	-	-	-	-	-	306.1
Net gain from equity portfolio	149.1	367.6	7.9	29.0	112.2	534.6
Profit/loss from matters concerning the Property Finance portfolio	53.2	-344.7	81.9	-7.3	-21.4	-558.8
Other expenses	15.8	0.0	0.0	15.8	0.0	0.0
Profit/loss before impairment charges etc. and tax	347.6	184.8	124.7	127.0	96.0	402.1
Loan impairment charges etc.	143.8	90.1	38.1	110.7	-5.0	105.6
Profit/loss before tax	203.9	94.7	86.6	16.3	101.0	296.5
Tax	51.2	-10.7	22.7	3.7	24.8	68.6
Net profit/loss for the year	152.7	105.4	63.9	12.6	76.2	227.9

Ratios*	Q1-Q3 2014	Q1-Q3 2013	Q3 2014	Q2 2014	Q1 2014	Full year 2013
Solvency ratio	42.0	24.1	42.0	30.3	26.4	25.9
Tier 1 capital ratio	42.0	21.8	42.0	30.3	26.4	25.9
Individual solvency requirement, per cent	17.8	15.8	17.8	14.5	14.3	14.3
Return on equity before tax p.a.	4.7	2.3	4.7	4.1	7.1	5.3
Return on equity after tax p.a.	3.5	2.5	3.5	3.1	5.3	4.1
Sum of large commitments	41.9	61.7	41.9	40.3	51.3	64.3
Loan as a performance of equity	1.1	2.2	1.1	1.1	1.8	2.0

*Financial ratios are calculated in accordance with the definitions of the Danish Financial Supervisory Authority.

**Financial ratios are calculated per year, year to date.