

Copenhagen, 5 February 2014
Press release

FIH: 2013 was a successful year of restructuring

2013 was a good year for FIH. Many of the uncertainties that previously affected FIH were resolved in 2013. Most importantly, FIH resolved the funding challenge and no longer has any debt to or debt guaranteed by the Danish State.

2013 also marked the first year ever when FIH's loans were fully financed by deposits.

Finally, the uncertainty about the European Commission's approval of the transaction with the Financial Stability Company was eliminated.

FIH exited 2013 with a net profit of DKK 228 million, strong liquidity and high solvency.

"We are delighted that we were able to generate a profit of DKK 228 million in a year when we were impacted by substantial costs relating to the approval of the transaction with the Financial Stability Company and a reduction of the administrative fee charged for the administration of FS Property Finance. With our strong liquidity and solvency ratio of more than 25 per cent, we have now put the crisis behind us," says Bjarne Graven Larsen, co-CEO.

Highlights from the financial statements for 2013

- The profit before impairment charges etc. and tax from continuing operations was DKK 516 million before the impact of the European Commission's approval (DKK 426.3 million after the impact of the European Commission's approval) and is thus in line with the most recently announced outlook.
- The profit before tax from continuing operations was DKK 320.7 million (2012: DKK -1,030.0 million) after impairment charges of DKK 105.6 million (2012: DKK 1,337.2 million).
- The loss before tax from discontinuing operations came to DKK 24.2 million. The loss was affected by costs of DKK 368.8 million relating to the European Commission's final approval of the transaction with the Financial Stability Company.
- The net profit for the year amounted to DKK 227.9 million, which is satisfactory.
- Equity amounted to DKK 5,677 million (year-end 2012: DKK 5,477 million). The solvency ratio and tier 1 capital ratio are identical at DKK 25.9 per cent as FIH no longer has any subordinated debt (2012: 21.2 per cent and 18.2 per cent, respectively).

- At the end of 2013, liquidity totalled DKK 7.8 billion, equivalent to excess liquidity of 221 per cent relative to the regulatory requirements (year-end 2012: 107 per cent).
- The ratio of deposits relative to loans has increased to 126 per cent.

The financial statements for 2013 are characterised by three major one-off impacts, the gain from the repurchase of the subordinated debt, the positive development in Pandora's share price and the costs relating to the European Commission's final approval of the transaction with the Financial Stability Company. All in all, the results are deemed to be satisfactory.

The results for continuing operations relative to the prior-year period were positively affected by cost reductions and significantly lower impairment charges and negatively affected by lower-than-expected trading income due to a low level of customer-oriented activity, among other things.

Contacts

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Conference call

FIH Erhvervsbank will host a conference call regarding the annual report on Wednesday, 5 February 2014 at 15:00 where it will be possible to ask questions. The presentation will be given in English. Please call shortly before to register name and organisation. The presentation will be available at www.fih.com after the release of the interim report.

Conference dial-in details:

DK: +45 3544 5579

SE: +46 851 999 364

US: +1 8557 532 237

UK: +44 2033 645 373

Annual report, press photos and logo

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

KEY FIGURES – FIH GROUP

FIH Group						
(DKK million)	2013	2012	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Continuing operations:						
Net interest income from lending activities	271.0	374.9	61.4	61.6	75.9	72.1
Net fee income etc.	219.0	203.8	83.2	62.6	36.3	36.9
Trading income	31.4	312.0	-0.4	20.4	6.7	4.8
Income from liquidity portfolio	86.3	111.6	15.9	10.8	25.2	34.3
Other income	-5.3	-139.0	-68.8	18.7	26.1	18.7
Total income	602.4	863.3	91.3	174.1	170.2	166.8
Ordinary expenses	482.2	500.3	133.2	125.9	107.1	116.0
Profit/loss from ordinary activities	120.2	363.0	-41.9	48.2	63.1	50.8
Gain from the repurchase of subordinated debt	306.1	-	306.1	-	-	-
Other expenses	0.0	55.8	0.0	0.0	0.0	0.0
Profit for the year before impairment charges etc. and tax	426.3	307.2	264.2	48.2	63.1	50.8
Impairment charges etc.	105.6	1,337.2	15.3	25.0	30.7	34.6
Profit/loss for the year before tax, continuing operations	320.7	-1,030.0	248.9	23.2	32.4	16.2
Discontinuing operations:						
Profit/loss for the year before tax, discontinuing operations	-24.2	-530.5	-47.1	-61.7	21.8	62.8
Tax	68.6	-23.1	79.3	-18.4	-0.3	8.0
Total:						
Total net profit/loss for the year	227.9	-1,537.4	122.5	-20.1	54.5	71.0
FINANCIAL RATIOS*	2013	2012	*Q4 2013	*Q3 2013	*Q2 2013	*Q1 2013
Solvency ratio	25.9	21.2	25.9	24.1	22.7	22.5
Tier 1 capital ratio	25.9	18.2	25.9	21.8	20.7	20.2
Individual solvency requirement (%)	14.3	14.0	14.3	15.8	13.9	14.5
Return on equity before tax	5.3	-24.7	4.6	2.3	4.8	5.7
Return on equity after tax	4.1	-24.3	4.1	2.5	4.5	5.1
Sum of large commitments	64.3	74.2	64.3	61.7	66.4	104.5

* Financial ratios are calculated in accordance with the definitions of the Danish Financial Supervisory Authority and are based on total results, i.e. both continuing and discontinuing operations. Financial ratios are calculated per year, year to date.