

NASDAQ OMX Copenhagen A/S
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Announcement no. 10/2011

Alm. Brand Bank A/S – Interim report for the first half of 2011

Highlights

- **Alm. Brand Bank posted a pre-tax loss of DKK 122 million before losses and writedowns, which was highly unsatisfactory.**
- **The performance was impacted by negative value adjustments and by the estimated expenses to be paid to the Danish Guarantee Fund for Depositors and Investors as a result of the bankruptcies of Amagerbanken and Fjordbank Mors.**
- **The negative value adjustments were primarily attributable to developments in the fixed income markets and to a capital loss on illiquid shares acquired in connection with the winding up of a number of exposures.**
- **Total impairment writedowns amounted to DKK 226 million in H1 2011, of which DKK 97 million was written down in the second quarter.**
- **In H1 2011, the bank posted a pre-tax loss of DKK 348 million after losses and writedowns.**
- **Loans and advances fell by DKK 1.0 billion in the first half of 2011.**
- **At 30 June 2011, the bank had excess liquidity of almost DKK 7 billion, equivalent to an excess cover of 319%.**
- **Based primarily on the negative value adjustments of the first half of 2011 and the sustained turmoil in the financial markets, resulting in additional capital losses at the beginning of the third quarter, the guidance for 2011 is lowered from a profit of DKK 45 million before losses and writedowns to a loss of around DKK 155 million.**

Other highlights

- In H1 2011, net interest income amounted to DKK 202 million, of which DKK 96 million was related to Q2 2011, as compared with DKK 106 million in Q1 2011. The decline was attributable to a combination of lower interest income from lending caused by a decline in total loans and advances and higher funding costs.
- Impairment writedowns on loans amounted to DKK 181 million, while credit losses and writedowns on the bank's mortgage deed portfolio amounted to DKK 45 million for total losses and writedowns of DKK 226 million.
- Interest-related value adjustments, excluding credit-related writedowns of mortgage deeds, amounted to a loss of DKK 85 million in H1 2011, of which DKK 60 million was related to the second quarter of 2011. The capital loss of the first half of the year was, among other things, due to the fact that the bank's substantial excess liquidity of almost DKK 7 billion was placed in bonds. Moreover, the bank had taken positions in expectation of rising interest rates in the second quarter.
- Equity-related value adjustments amounted to a loss of DKK 33 million in H1 2011. Included in this amount was a DKK 30 million loss on illiquid shares acquired in connection with the winding up of a number of exposures. The market value of the illiquid shares was just over DKK 100 million at 30 June 2011.
- At 30 June 2011, the bank's total capital base stood at DKK 2.5 billion, and the solvency ratio was 18.0.
- On 1 August 2011, Kim Bai Wadstrøm took up the position as Chief Executive of Alm. Brand Bank. He joined the bank from a position as chief executive officer of Basisbank.

Please direct any questions regarding this announcement to Kim Bai Wadstrøm, Chief Executive, on tel. +45 35 47 70 14 or Susanne Biltoft, Head of Information and Investor Relations, on tel. +45 35 47 76 61.

Alm. Brand Bank A/S

Kim Bai Wadstrøm
Chief Executive