

# Annual Report 2001



Alm. Brand Bank

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# Management

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## Board of Directors

Christian N.B. Ulrich, *Chairman*, Christian G. Kjøller, *Deputy Chairman*, Søren Boe Mortensen, Ole Joachim Jensen, Christian Hjorth-Andersen, Per Hansen, Ole Bach

## President and CEO



Henrik Nordam

## Auditors

KPMG C.Jespersen  
Deloitte & Touche Statsautoriseret Revisionsaktieselskab

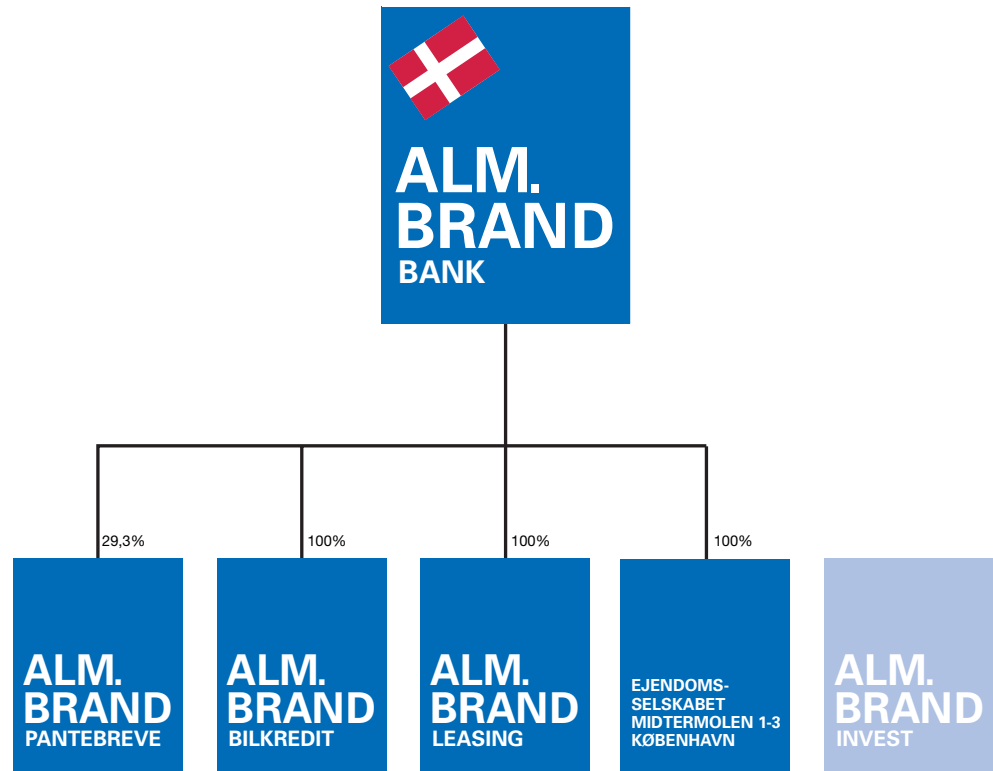
## Registration

Bankaktieselskabet Alm. Brand Bank  
CVR-no 81753512

## Address

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E-mail: [almbrand-bank@almbrand-bank.dk](mailto:almbrand-bank@almbrand-bank.dk)

# Group Structure



The bank has four subsidiaries: Alm. Brand Pantebreve A/S; Alm. Brand Bilkredit A/S; Alm. Brand Leasing A/S; and Ejendomsselskabet Midtermolen 1-3, København A/S. In addition, the bank acts as depositary bank for the Alm. Brand Invest unit trust.

## Ownership

The bank is wholly owned by the listed company Alm. Brand A/S, Copenhagen. The accounts of Alm. Brand A/S are included in the consolidated accounts of Alm. Brand af 1792 G/S, Kgs. Lyngby.

# Group Highlights and Key Ratios

## Profit and loss account

DKK million	2001	2000	1999	1998	1997
Interest receivable	688	564	444	480	369
Interest payable	414	350	264	321	229
<b>Net interest income</b>	<b>274</b>	<b>214</b>	<b>180</b>	<b>159</b>	<b>140</b>
Net fee and commission income, dividends etc.	132	123	109	99	79
<b>Net interest and fee income</b>	<b>406</b>	<b>337</b>	<b>289</b>	<b>258</b>	<b>219</b>
Market value adjustment of securities and exchange-rate adjustment of foreign currency	-16	8	9	10	14
Other operating income	29	54	30	15	8
<b>Profit on financial operations</b>	<b>419</b>	<b>399</b>	<b>328</b>	<b>283</b>	<b>241</b>
Total costs	289	318	256	226	192
Net provisions for bad and doubtful debts	18	21	10	6	5
Value adjustment for participating interests	2	1	- 1	- 4	1
<b>Profit on ordinary activities before taxation</b>	<b>114</b>	<b>61</b>	<b>61</b>	<b>47</b>	<b>45</b>
Tax	51	20	19	7	9
<b>Profit for the year</b>	<b>63</b>	<b>41</b>	<b>42</b>	<b>40</b>	<b>36</b>
Profit attributable to minority interests	4	3	2	0	0
Loans and advances	6,848	5,789	5,261	4,947	3,901
Deposits	8,244	8,639	7,852	7,680	6,721
Minority interests	57	40	28	11	0
Shareholders' equity	749	690	651	561	444
<b>Total assets</b>	<b>12,835</b>	<b>10,703</b>	<b>9,277</b>	<b>10,927</b>	<b>9,565</b>
Average number of employees, full-time equivalents	354	342	320	295	267
Number of branches at year-end	42	43	43	43	39
Net interest margin	3.3%	2.5%	2.6%	2.4%	2.5%
Return on equity before tax	15.0%	8.6%	9.7%	9.1%	10.3%
Return on equity after tax	8.3%	5.7%	6.7%	7.8%	8.4%
Return in excess of money market rate	10.2%	4.1%	6.6%	5.0%	6.8%

## Balance sheet

## Key ratios and other financial data

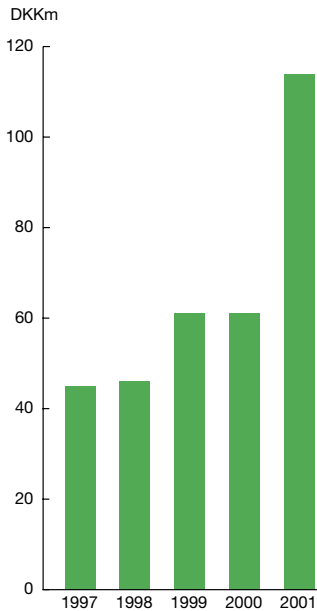
Key ratios have been calculated in accordance with the Executive Order on the preparation of accounts by banks etc.

Operating income is defined as profit on financial operations.

Expenses are defined as staff costs and administrative expenses, depreciation, amortisation and write-downs of intangible and tangible assets and other operating expenses.

# Directors' Report

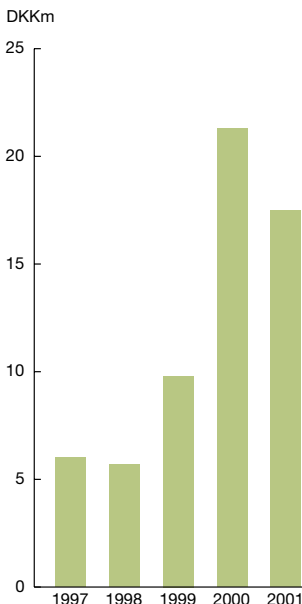
Profit before tax



The bank's decision to focus on earnings rather than on growth contributed to the bank posting its best results ever in 2001.

- The Alm. Brand Bank Group posted a pre-tax profit of DKK 113.6 million in 2001, which was 85% higher than in 2000 and more than 60% higher than the profit forecast announced in the annual report for 2000.
- Net interest income rose by DKK 60 million over 2000 and amounted to DKK 274 million against DKK 214 million the year before.
- Net interest and fee income at DKK 406 million represented a DKK 69 million increase over the year before.
- The group's loans and advances increased to DKK 6,848 million in 2001 which was DKK 1,059 million higher than the year before. DKK 849 million of the increase is attributable to loans relating to leasing activities, which were not included in 2000.
- The group's deposits fell from DKK 8,639 million to DKK 8,244 million in 2001.

Provisions for bad and doubtful debts



The bank's higher interest margin in 2001 contributed to higher interest income.

The greater volume of business in the investment area caused fee income to grow by more than 7% over 2000.

Despite its focus on earnings rather than on growth, the bank succeeded in maintaining a volume of deposits and loans and advances in 2001 which was almost unchanged from 2000.

The bank considers the profit for the year to be satisfactory.

## Restructuring of the Alm. Brand Group

An extraordinary meeting of the Committee of Representatives of the mutual insurance company Alm. Brand af 1792 G/S is scheduled for 21 March 2002. At this meeting, the Supervisory Committee of Alm. Brand af 1792 G/S intends to recommend to the Committee of Representatives that all activities of Alm. Brand af 1792 G/S and its wholly owned subsidiaries be transferred to the listed company Alm. Brand A/S.

The annual general meeting of Alm. Brand A/S is scheduled to be held on the same date. At the

annual general meeting, the Board of Directors of Alm. Brand A/S intends to recommend to the company's shareholders that the acquisition by Alm. Brand A/S of the above portfolio be approved.

As consideration for transferring the portfolio, Alm. Brand af 1792 G/S will receive shares in Alm. Brand A/S. The value of the portfolio will be determined by independent valuation experts.

## New initiatives in Alm. Brand Bank

In November 2001, the bank decided to close its pension pools and introduce a more flexible and modern concept inviting customers to place their savings with Alm. Brand Invest's funds targeting pension savings.

Alm. Brand Bank enhanced its service offering to customers in 2001 by including advice on home finance and mortgage credit products.

A new concept, unsecured credit, was launched in 2001. Unsecured credit is distributed through the Group's branches and business partners and was introduced to enable the bank to offer products to a wider range of the insurance group's customers.

Alm. Brand's new financial house on the internet is called [www.1792.dk](http://www.1792.dk), 1792 being the year in which Alm. Brand was founded. [www.1792.dk](http://www.1792.dk) targets the 18-30 year olds and offers products that are tailored specifically to the financial requirements of young people.

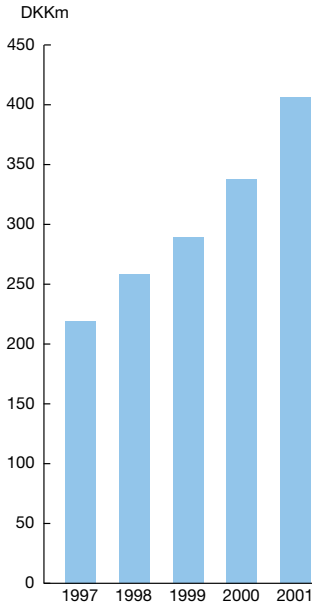
Alm. Brand Bank set up an agricultural department in the autumn of 2001. Agricultural finance is a new business area for the bank, which proposes to capitalise on the Alm. Brand Group's strong market position within agricultural insurance.

The bank offers a complete product range for large productive full-time farms comprising operating credits, loans for capital investments, leasing and structuring of mortgage loans.

In 2001, Alm. Brand Bank finalised the preparations for setting up Alm. Brand Private Equity, which will manage a new environmental technology investment fund. Such investment companies have proved to be very attractive to institutional investors, and combined with Alm. Brand's previous experience, the bank expects to be a successful concept.

# Group Financial Review

Net interest and fee income



## Results of operations

Net interest and fee income etc. increased from DKK 337.6 million in 2000 to DKK 405.9 million in 2001. The continued increase reflected such factors as the higher interest margin for the year and the sustained high volume of business in fee and commission based areas such as securities and mortgage deed trading.

Other ordinary income amounted to DKK 28.5 million in 2001 (DKK 54.0 million in 2000), comprising profits on property operations and management fees from other companies in the Alm. Brand Group. Management fees from other companies in the Alm. Brand Group included fees from Alm. Brand Leasing A/S in 2000. This company was consolidated into the Alm. Brand Bank Group in 2001. Alm. Brand Leasing A/S posted a pre-tax profit of DKK 4.8 million.

The loan portfolio of Alm. Brand Bilkredit A/S, the car finance subsidiary, declined due to a continued drop in total car sales. The pre-tax profit was DKK 18.9 million as compared with DKK 12.7 million in 2000. The total loan portfolio for Alm. Brand Bilkredit was DKK 1,915 million as at 31 December 2001.

Alm. Brand Pantebreve A/S posted a pre-tax profit of DKK 8.5 million in 2001, equivalent to a satisfactory 11.5% pre-tax return to the company's shareholders. A capital increase of DKK 35 million nominal value in early 2002 will further strengthen the company's position.

The property company Ejendomsselskabet Midtermolen 1-3, København A/S posted a pre-tax profit of DKK 10.5 million in 2001. For 2000, the company posted a pre-tax loss of DKK 25.5 million.

The banking group's profit from financial operations increased by DKK 18.5 million to DKK 417.9 million in 2001.

The banking group's costs, including depreciation of machinery and equipment, fell to DKK 288.6 million from DKK 317.7 million in 2000. Costs were affected in property writedowns of DKK 30 million in 2000, of which DKK 13.4 million was

written back in 2001. Costs exclusive of property writedowns thus increased by DKK 14.3 million in 2001 to DKK 302.0 million.

Provisions for bad and doubtful debts charged to the profit and loss account fell from DKK 21.3 million in 2000 to DKK 17.5 million in 2001 as the bank was able to write back a total of DKK 13.9 million which had previously been provided to meet bad and doubtful debts.

Provisions for bad and doubtful debts charged to the profit and loss account in 2001 accounted for only 0.26% of total loans and advances. This was 0.11% less than in 2000 and partly a result of the bank's low risk profile, partly a result of the stable Danish economy. The breakdown of provisions into A and B provisions is consistent with the Danish Financial Supervisory Authority guidelines.

A provisions are defined as provisions to meet a likely loss, whereas B provisions are made when a loss is deemed to be unavoidable, but the amount of the loss cannot yet be estimated in full. Of the total provisions, A provisions accounted for 78.3% with the balance being B provisions.

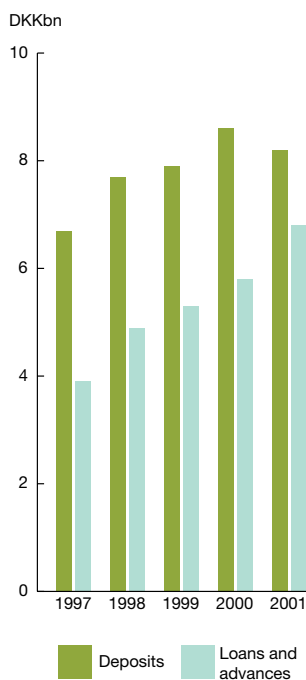
Pre-tax profit was a satisfactory DKK 113.6 million as compared with DKK 61.4 million in 2000. The profit for 2000 was affected by an amount of DKK 24 million relating to property transactions. Net of property transactions, the profit would have been DKK 85.4 million in 2000.

Tax for the year totalled DKK 50.1 million. Profit after tax consequently amounted to DKK 63.5 million. Profit after tax was DKK 40.9 million in 2000.

## Group balance sheet

As at 31 December 2001, the group's deposits totalled DKK 8,244 million, and loans and advances totalled DKK 6,848 million. The volume of deposits fell by DKK 395 million in 2001, while loans and advances increased by DKK 1,059 million. DKK 849 million of the increase was attributable to the inclusion of leasing activities, which

Deposits, loans and advances



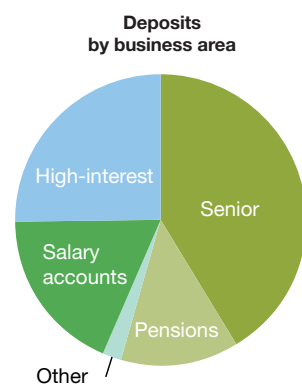
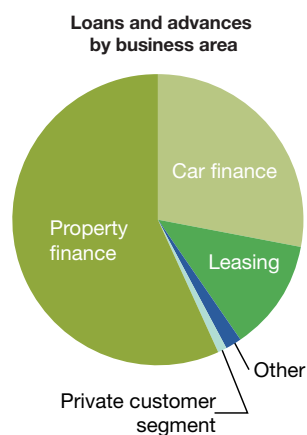
were operated in a sister company to the bank in 2000. Net of the leasing activities, the increase in loans and advances in 2001 was DKK 210 million.

The drop in the volume of deposits should be viewed against the backdrop of the bank's advice that customers manage their assets actively, which has induced customers to switch from deposits to securities investments.

The increase in loans and advances included a DKK 255 million drop in car loans granted through Alm. Brand Bilkredit. The group's lending through mortgage deeds fell by DKK 66.2 million in 2001 to DKK 971.2 million at 31 December 2001.

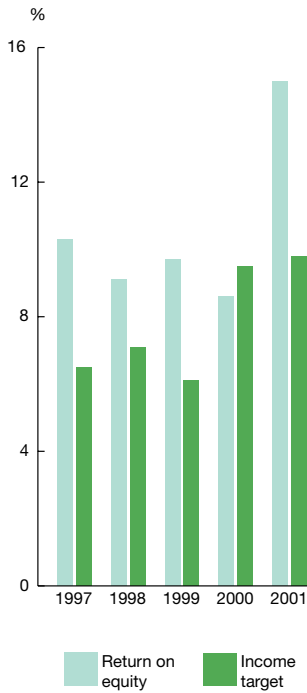
The bank will not pay a dividend for 2001.

The banking group's lending by asset type		
DKKm	31 Dec. 2001	31 Dec. 2000
Cars	2,509	2,306
Home loans	329	256
Investment properties	1,238	885
Securities, including financing of mortgage deeds	1,277	941
Money market loans etc.	50	300
Mortgage deeds in own portfolio	971	1,037
Other loans and advances	474	64
Total loans and advances	6,848	5,789
Guarantees	271	96
Balances with credit institutions etc.	1,233	2,618



# Targets, Objectives and Strategies

Return on equity before tax



Alm. Brand Bank is positioned as Denmark's savings and investment bank, and the bank generally aims to differentiate itself from its peers by providing a better and different service to its customers.

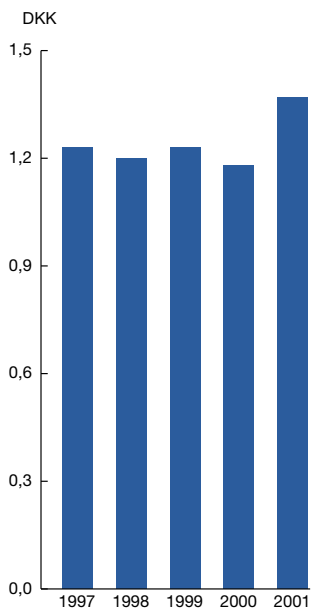
Alm. Brand Bank's vision is to be the best business partner in Denmark for financial solutions to private customers, characterised by "ordinary common sense".

The customers can always expect more from Alm. Brand Bank – at a reasonable price compared to its competitors.

Alm. Brand Bank will continue to be known as a sound, reliable and conservative bank.

- The bank's earnings target is a return on equity before tax of at least the money market rate plus 5 percentage points.
- The bank will utilise the cross-selling opportunities between Alm. Brand's insurance products and the bank's products.
- The bank will remain competitive by increasing its income/cost ratio by 2.5% each year.

Income/cost ratio



The bank's business philosophy is to attract deposits from customers by offering special savings and investment products. Based on the deposits, the bank offers loans and advances in the form of consumer loans, car loans and home loans through its branches and business partners. The bank's consultancy, investment and securities concept ensures that it is able to offer customers a broad range of options.

Public awareness of Alm. Brand Bank is measured on a regular basis. The most recent survey concluded that 80% of the interviewees knew the bank by name. The bank's target is to maintain this awareness ratio.

In future, Alm. Brand Bank will offer its customers the full range of banking products and consultancy services. The bank will make appropriate con-

sultancy services available and focus on the quality of service. The bank's offering will thus include consultancy within investment, pensions, senior products, insurance, mortgage credit, car and home as well as various deposit and lending products.

Alm. Brand Bank's vision is to offer branded products. Financial products are easy to copy, whereas consultancy services depend upon having the right people. The bank therefore devotes many resources to staff training to ensure that customers get professional advice, the best possible service and an optimum experience.

The business of granting credit to private customers is fiercely competitive. The bank is therefore in the process of developing a credit score system to help it offer the right products at the right prices. The bank's strategy is that credit solutions are offered only in areas where the bank can rely on its expertise and efficient administration to be among the best in the sector. The bank will endeavour to ensure that credit losses remain among the lowest in the sector.

In future, the bank will make use of a diverse distribution of services, enabling customers to be serviced for an increased number of hours and through more channels than is the case today. Customers will be able to use both the branch network, the call centre and the internet depending on their requirements for advice.

The diverse distribution channels are, each in their own way, an important element of the bank's product and market strategy. In this connection, the bank has designed a range of internet activities to support the continued development of existing and new financial products and consultancy services and create a basis for entering into new partnerships.

# Outlook



The Alm. Brand Bank Group expects to post a pre-tax profit for 2002 in the region of DKK 100 million.

## The market

Bank customers have become more critical over the past decades and are therefore showing less loyalty due to the generally advanced level of education in our welfare society and to technological developments. The future will see more and more customers browse the internet for information on what the individual banks can offer.

A key factor in this competition will be the ability of each bank to differentiate its service offering to match individual customer requirements while ensuring that the use of resources is at a reasonable level relative to earnings. The trend is already towards a more differentiated product offering comprising standardised discount products and a low service level at one end and quality products with a high content of know-how and consultancy at the other.

In the Nordic countries, the sector is in a process of strong consolidation. This is not expected to affect Alm. Brand Bank's position in the market as such as the bank focuses exclusively on the Danish market.

Another dimension of tomorrow's bank is distribution with buzz words such as accessibility and visibility. The bank expects increased pressure on accessibility and thus on opening hours for consultants, branches, the call centre and netbanking. Alm. Brand Bank therefore intends to distribute its consultancy services and financial products through several different channels.

## The bank

The bank intends to increase sales to its existing customers, partly by means of a broader product range, partly by means of continuously enhancing the quality of the bank's consultancy services. The bank's overall objective is to create full-service customers, that is, banking customers who also place their insurance and/or life and pension contracts with the Alm. Brand Group.

Despite its broader product range, Alm. Brand Bank will continue to enhance its profile as Denmark's savings and investment bank. The

bank intends to continue to be known as a consultancy bank offering its customers consultancy and products within all financial areas.

The bank expects that the economic environment in 2002 will require the bank to focus more on profitability and less on growth. Accordingly, the bank expects to generate a return on equity before tax that exceeds its long-term business target.

In 2003 and subsequent years, the bank will refocus on growth and expects to stabilise its results at a level equivalent to a return on shareholders' equity before tax of at least the money market rate plus 5 percentage points.

After 2002, the volume of the bank's deposits and loans and advances is expected to outgrow the general growth in household savings and borrowing. Most of the new deposits will be placed in high interest accounts, whereas most loans and advances will continue to be based on collateral in real property and cars. Accordingly, the bank's operations would initially be affected only to a limited extent if its customers were to see their financial situation deteriorate.

Trading and service activities are also expected to grow. Such growth has no impact on total assets, but does create earnings and customer loyalty. Plans are to generate growth in all existing business areas.

The bank's earnings margin is expected to remain unchanged. Expenses attributable to the higher service level are to be covered by the greater volume of management and consultancy activities and by the new types of products offered by the bank.

The bank's interest rate sensitivity, which is primarily based on the trading portfolio of mortgage deeds, was at an unchanged level during the past year, and the bank will endeavour to maintain this level.

As the need for new staff arises as a result of natural wastage, the bank will continue to focus on attracting qualified employees with commitment, skills and the ability to get results. The bank will seek to keep the number of employees at the current level, and continued staff training will take place at all levels.

# The Group's Business Activities



Jens-Peter Pedersen  
Senior Vice President  
Private customer segment

Alm. Brand Bank's business activities are distributed on the following areas:

- The private customer segment
- Property finance
- Stockbroking
- Car finance (Alm. Brand Bilkredit A/S)
- Leasing (Alm. Brand Leasing A/S)

The group's business activities are divided into function-specific head office units, securing the customer a range of quality services from all areas.

## The private customer segment

Alm. Brand Bank's private customer segment offers more than just conventional banking services. The bank aims to maximise its customers' financial security and freedom by offering high-quality financial services tailored to individual customer requirements at reasonable prices.

The private customer segment posted a pre-tax loss of DKK 11.4 million in 2000.

The bank offers consultancy within savings and investment, pensions, senior products and insurance. The bank also engages in consultancy and finance in the areas of car and home financing, payment transfer and securities trading.

## Philosophy

Alm. Brand Bank wishes to offer its customers a product range of selected types of financial services. The bank must be able to visualise the customer's behaviour and requirements at a glance and offer a customer-specific service on that basis. The bank believes that the ability to offer the right insight to customers having to make complicated financial decisions gives a clear competitive edge.

The business area targets private customers who are able to manage their day-to-day financial situation themselves. In practice this means customers who only need advice from their bank in connection with large-scale financial decisions.

The customers expect and are entitled to expertise, and Alm. Brand Bank possesses this expertise.

It is a basic principle for the bank that all customers must pay for the services they receive to the widest possible extent, and they can be certain that they do not finance the services other customers draw on. This principle induces customers to adapt their use of services, thereby minimising costs to the customers themselves as well as to the bank.

## Production and distribution

The bank provides consultancy services and sells its products through the group's 42 branches, its call centre and via e-banking. The bank has a nationwide network of branches at all the Alm. Brand Group's offices. This has reduced the cost of operating bank branches. The branch network offers customers consultancy on simple as well as complex issues involving decisions of some consequence.

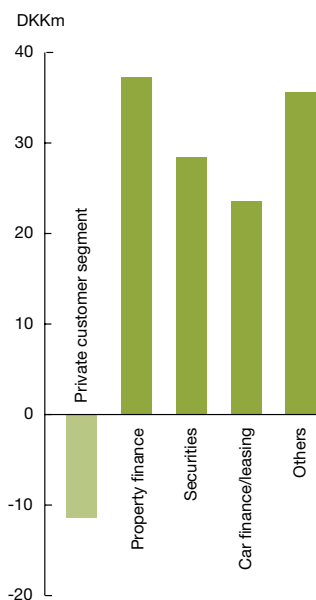
The call centre is the link between the branch and the netbanking service, offering customers quick and easy access to service. This offering comprises relatively simple bank and consultancy services.

The group's financial house on the internet, [www.1792.dk](http://www.1792.dk), is where the bank offers financial products tailored specifically to the requirements of young people between the ages of 18 and 30. The netbanking service is also the group's forum for testing new ideas and solutions to the group's other customers.

Alm. Brand Netbank allows customers to make all forms of banking transactions over the internet. This will be followed by an offer of Alm. Brand Mobiltelefonbank, which allows customers to make the same transactions, with a few exceptions, over their mobile phones.

Administrative functions and all special functions are located at the bank's head office. This set-up allows for production economies while enabling the bank's consultant to dedicate themselves to selling and providing consultancy services to customers.

The business areas  
pre-tax results





### Products

Alm. Brand Bank is a consultancy bank whose core business is consultancy within savings, investments and pensions. The bank also offers payment transfer services, securities trading and insurance.

Unsecured credit is a new area for the bank, which developed a concept for unsecured credit in 2001 and today the bank offers advances, loans and salary account credits without requiring collateral. The bank distributes its unsecured credits through the group's branches and business partners.

The bank also offers car finance. Consultancy and financing is partly done in collaboration with car importers as an element of the bank's strategy to use third-party distribution channels when this is favourable to both parties.

### Mortgage credit

To strengthen Alm. Brand Bank's service to customers, the bank enhanced its offering of home finance consultancy and products in 2001 and now offers ordinary home loans as well as supplementary home loans which the customer may use for both mortgages and the down-payment.

### Pensions

Business processes and the basic IT systems in the pensions area were reorganised and improved in a number of important respects during the year in collaboration with the bank's data

centre. This effort simplified and speeded up the administrative processes and shortened customer handling times.

The pension pools will be closed in 2002 to make the product offering more transparent. They will be replaced by more flexible and modern products/concepts, including an option for customers to place their savings with special funds targeting pension savings in collaboration with Alm. Brand Invest.

The development of the pension area, including Alm. Brand Link, will continue to comprise combinatory products between the bank and the pension insurance company.

### Investment advice

Alm. Brand Bank offers investment advice at different levels to meet all customer requirements. Basically, customers can select the exact solution they require.

Alm. Brand Bank collaborated closely with Alm. Brand Invest unit trust in 2001. Alm. Brand Invest offers a broad range of investment opportunities with different return and risk profiles to meet individual customer needs and requirements and to enable customers to spread their risk on several funds to ensure more stable returns.

Despite the general fall in share prices, Alm. Brand Invest performed satisfactorily in 2001, increasing the volume of assets managed by 19% to DKK 1,053 million at 31 December 2001.



Peter Reedtz  
Senior Vice President  
Property finance

### Property finance

This business area specialises in property finance and related services. The activities include home loans, investment property finance, trading and investment in mortgage deeds and financing and management of mortgage deed portfolios. The bank has a leading position in this business area.

Property finance posted a pre-tax profit of DKK 37.3 million.

Lending in this business area increased by a steep 11% in 2001, and the loan portfolio stood at DKK 3,889 million at 31 December 2001.

### Home finance

The bank's home finance covers supplementary home loans which the customer may use for both mortgages and the down-payment, and top-up loans in owner-occupied homes. Loans are granted directly to customers in the Alm. Brand Group or in co-operation with EDC Mæglerne, a chain of estate agents, as an element of the bank's strategy to use third-party distribution channels.

The housing market saw lower turnover and unchanged property prices in 2001. Debtors' ability to pay was generally good despite an expectation of increased arrears, but payment problems are beginning to emerge.

The group still holds an estimated 20% share of the market for new mortgages in owner-occupied homes secured to the vendor. Sales of home credits developed satisfactorily in 2001, and the bank believes that sales will continue to increase in 2002.

### Mortgage deeds

The bank's mortgage deed department offers a service concept to large, professional mortgage deed investors, comprising portfolio trading, finance, management and a collection service through the debtor department of the parent company, Alm. Brand A/S.

The market for mortgage deeds was characterised by a relatively flat yield curve in 2001 and a reduced interest margin on geared mortgage deed investments, but this did not dampen investor demand.

The bank is a market leader in the mortgage deed market. The volume of business increased significantly in 2001 and the department managed mortgage deeds worth approximately DKK 2,700 million at 31 December 2001.

The bank's listed subsidiary, Alm. Brand Pantebreve A/S, invites private investors to invest in mortgage deeds on terms and conditions that match the market's requirements for risk spread and cost efficiency. The company performed satisfactorily in 2001 and generated a return on equity of 11.5% before tax. There was great investor interest in the company's shares. In February 2002, the company expects to increase its share capital in order to continue the growth in business volume seen in recent years.

### Investment property

One of the bank's core competence areas is financing of prime-location, fully let investment properties, mainly used for retail or residential rental purposes.

Demand in the market for investment property finance increased strongly in 2001, and the bank experienced significant growth in this area.

The bank continues its tight credit policy, with which it has had good experience. One of the main rules is that property projects must generate sufficient cash flows to cover operations from day one.

### Agriculture

The bank set up an agricultural department in the autumn of 2001. Agricultural finance is a new business area for Alm. Brand Bank. The concept is to capitalise on the Alm. Brand Group's strong position in the market for agricultural insurance as a platform for creating a new business area for the bank.

The bank offers a complete product range for large productive full-time farms comprising operating credits, loans for capital investments, leasing and structuring of mortgage loans. Customers will be served in close collaboration with the Group's agricultural insurance agents.



Brian Kudsk  
Senior Vice President  
Alm. Brand Børs

### Securities

Alm. Brand Børs is responsible for the banking group's wholesale activities within bond, share and currency trading, asset management and bond and equity analysis.

Alm. Brand Børs' mission is to be the best stock-broking company both for its customers and its employees by providing a better and different management and service offering.

The business area has worked towards four objectives for a number of years. The objectives are defined in the areas of customer satisfaction, market share, operating profit and employee satisfaction, and all four objectives have been met.

The securities area recorded a pre-tax profit of DKK 28.5 million against DKK 26.3 million in 2000.

The year 2001 was very turbulent with great cyclical fluctuations. The volumes of shares and bonds traded on the Copenhagen Stock Exchange were lower than the previous year. This climate affected stockbrokers, and many market participants adjusted their operations.

Alm. Brand Børs not only increased the volume of assets under management, but also improved its results by generating growth in share, bond and currency trading.

Alm. Brand Børs chose at an early stage not to fill a number of vacant positions and adapted its organisation to the new market situation on an ongoing basis. However, Alm. Brand Børs is still poised for expansion as and when market conditions improve.

The primary business area for Alm. Brand Børs is advisory services to professional investors, who are offered a broad range of products to manage their financial assets actively and tightly.

Alm. Brand Børs' policy is that it has no own positions and thus nothing that could remove the focus from customer requirements.

An important part of the business area is to offer customers a number of other services in addition to the core service. Additional services offered include performance reports, preparation of work routines, developing job descriptions and tools to manage risks, and providing inspiration for sales efforts and customer servicing.

Alm. Brand Bank worked on setting up Alm. Brand Private Equity in 2001. This new activity is designed to enhance Alm. Brand Bank's position and contacts to institutional investors and will also strengthen the Environmental Technology Fund of Alm. Brand Invest, which will be able to capitalise on the know-how generated in Alm. Brand Private Equity.

The research department increased its focus on providing asset mix consultancy services in 2001. This priority was proved right as customers turned out to take a strong interest in macroeconomic advice. Specific results of the initiative were presentations at customer events and new monthly publications. Much attention was also given to developing stock pricing models.

The Minbors.dk Web portal was further developed. This portal enables customers to view data such as their portfolio, risk, return and benchmark, maximising transparency for the customer and generating customer security and confidence. Customers may also access equity research from the securities department.

Alm. Brand Børs has confirmed its certification to the Global Investment Performance Standard (GIPS). Only about 15 Nordic banks have been accredited to this certification, including four in Denmark. Alm. Brand Børs has chosen to comply with this standard in its efforts to provide international-standard reporting services to customers and meet the ever-higher performance measurement requirements in the sector.



Direktør Torsten Aa. Juel  
Senior Vice President  
Alm. Brand Bilkredit A/S  
Alm. Brand Leasing A/S

### Alm. Brand Bilkredit A/S

Alm. Brand Bilkredit A/S is a car finance company. Its products are sold through car dealers and are also marketed under the names of car importers via partnership agreements with several major car importers.

The company aims to develop and strengthen its successful collaboration with VW, Audi, SEAT and Skoda.

Alm. Brand Bilkredit aims to continue to develop its position as an important player in the Danish market for car finance, emphasising low risk based on a selective credit policy.

Despite declining car sales, the car finance business increased its pre-tax profit to DKK 18.9 million. The increase relative to 2000 is attributable to the organisational adjustments made by the company.

Car sales in Denmark continued to decline in 2001, and about 12% fewer cars were sold than in 2000. Consequently, the company's volume of new business declined, and the total loan portfolio was DKK 1,915 million at 31 December 2001. Including the bank's portfolio, the company's manages assets worth DKK 2,030 million.

In the autumn of 2001, Alm. Brand Bilkredit A/S signed an agreement with Roskilde Bank to purchase a sub-portfolio from DanFinans A/S. The agreement covers a portfolio of sales contracts, primarily with private customers, with a total outstanding debt of almost DKK 200 million.

Car sales are expected to increase slightly in 2002, and Alm. Brand Bilkredit expects an increased volume of new business. This will enable the company to maintain its market position and continue to offer competitive products in a partnership with the selected car importers in 2002. The company will also continue to focus on efficiency improvements and cost reductions in the year ahead.

### Alm. Brand Leasing A/S

The principal activity of Alm. Brand Leasing A/S is leasing of passenger cars and commercial vehicles. The company's products are sold through car dealers and selected importers, while operating lease and car fleet management products are sold directly to the users.

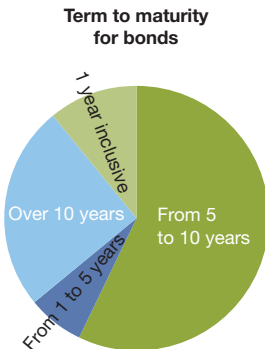
Alm. Brand Leasing A/S aims to cover the financing requirements of financially sound companies through car lease services, and to be an active leasing partner for professional leasing intermediaries.

The leasing business posted a pre-tax profit of DKK 4.8 million.

In 2000, the company opted not to engage in leasing of office equipment. The company estimates that most of the leases in this area will have expired in two years' time. In connection with the liquidation of a supplier, the company was involved in a number of disputes with this suppliers' customers. A ruling has yet to be made in the first of these cases, but Alm. Brand Leasing A/S does not expect to incur any losses as a result of these disputes. The portfolio was reduced by DKK 168 million in 2001.

In 2002, financing and management of corporate car fleets in Denmark is expected to continue to grow. The company intends to develop this activity in the coming period and to investigate the possibility of entering new markets, thereby improving the potential of Alm. Brand Leasing A/S for achieving increased synergies and cross-sales with the rest of the Alm. Brand Group. The strategy of offering customers a one-stop financing and insurance solution will be maintained and enhanced in 2002.

# The Group's Risk Management



The Alm. Brand Bank Group's granting of credit and risk exposure takes place in accordance with the bank's objectives of low risk and competitive products.

The bank's Board of Directors have defined the maximum limits of the bank's credit risk, market risk and the use of financial instruments, and follow-up takes place on an ongoing basis.

## Credit risk

Credit risk is the risk that a customer is unable or unwilling to meet his payment obligations to the bank, thereby inflicting a loss on the bank.

The banking group's total provisions for loans and guarantees amount to 3.07% of total loans and guarantees. The bank aims to maintain this ratio at around 3%, given the present economic conditions.

In the Alm. Brand Bank Group, the Credit Secretariat is responsible for monitoring of and reporting on the bank's credit exposure to the Board of Directors and the Management Board. The banking group seeks to limit its credit exposure through great diversification and by primarily providing loans against assets in respect of which the bank possesses expertise in determining the price and in realising the assets.

The group is generally adverse to risk in all business areas. Accordingly, loans are as a general rule only provided against full security. The only exceptions are loans to large institutional investors and to corporate customers with a prime credit rating, and charge cards.

Financing of securities and mortgage deed portfolios is based on investors providing capital at least corresponding to the difference between the loan and a loan value of the securities as determined by the group.

In property finance, the banking group focuses strongly on the quality of the property and the letting potential, and that the investor typically

has an equity interest. The investments must have positive cash flows, to the effect that the cash flows in the facilities provided are sufficient to ensure that payment obligations to the group can be met.

## Market risk

The group's exposure to customers in the securities and foreign exchange markets and its investment of surplus liquidity involve an exposure to various kinds of market risk arising as a result of fluctuations in interest rates, share prices and exchange rates. The group has defined detailed limits as to which market risks the bank is allowed to assume. The Risk Management Department's tasks involve the continuous monitoring of and reporting on the banking group's market exposure. In order to stay at the forefront of developments and trends in the field, the department continuously develops and refines calculation methods and principles in connection with the group's financial activities.

## Interest rate risk

The interest rate risk reflects the group's risk in the event of a general increase in interest rates of 1 percentage point.

The Alm. Brand Bank Group's interest rate risk, made up according to Danish Financial Supervisory Authority guidelines, amounted to DKK 45.8 million as at 31 December 2001, corresponding to 6.1% of the group's Tier 1 capital. The group's interest rate risk amounted to DKK 56.4 million or 7.9% as at 31 December 2000.

According to the banking group's in-house calculation method, the interest rate risk was DKK 24.3 million as at 31 December 2001. In the in-house calculation of the group's overall interest rate risk, the anticipated scheduled payments on the group's mortgage deed portfolio are adjusted for anticipated prepayments. This is because the actual risk is lower than that calculated according to the Danish Financial Supervisory Authority's method. The limits for the bank's overall interest

rate risk as a result of a general 1 percentage point reduction in interest rates are a maximum of 5% of the bank's shareholders' equity, corresponding to DKK 37.4 million.

The bank monitors prepayments on the mortgage deed portfolio closely and makes continuous adjustments to assess the interest rate risk. Prepayments of mortgage deeds with the same coupon and maturity are relatively constant.

The adjustment of the bank's product mix is used as an active element in the long-term management of interest rate risk. The bank's surplus liquidity is primarily invested in Danish listed debt instruments, money market placements in large listed Danish companies and in Danish and international financial institutions.

#### Equity risk

The bank only takes own positions for minor amounts in connection with price making, for transaction purposes and as a market maker for Alm. Brand A/S and Alm. Brand Pantebreve A/S. The bank's own portfolio of listed shares and shares in unit trusts totalled DKK 161 million as at 31 December 2001, of which pension pools accounted for DKK 133 million.

#### Currency risk

As part of its policy, Alm. Brand Bank does not have any appreciable own positions in foreign currency.

At 31 December 2001		Impact on shareholders' equity		
Market value	Exposure DKK million	Parameter change	DKK million	Per cent of shareholders' equity
Interest rate exposure on assets and liabilities	12.835	1% effective rate of interest	24	3%
Shares including pooled funds <sup>1)</sup>	161	10% market price level	3	0%
Real property	314	0,5% target return	22	3%
Foreign exchange within blocks	5	2% exchange rate level in block	0	0%
Foreign exchange between blocks	1	5% exchange rate level between blocks	0	0%
Expenses	292	5% increase	15	2%
Loans and advances	6.848	1% provisions for bad and doubtful debts	68	9%

1) Of which pooled funds account for DKK 133 million.

# Employees



Alm. Brand Bank is a financial business, and high-quality personal service is key to our success. Accordingly, satisfied and loyal employees are important if the bank is to achieve its targets.

The customer service provided by the individual employees enables Alm. Brand Bank to stand out from the competition, and the bank therefore focuses on being an attractive place to work for the most qualified employees in the market.

At the end of 2001, there were 324 employees in the bank and 376 in the banking group. The corresponding figures for 2000 were 317 and 386, respectively.

Alm. Brand Bank has an informal corporate culture with a flat, unbureaucratic organisation and a short distance between management and employees.

It is an important goal that the bank's senior and middle management focus on the management

role which, in addition to managing and distributing work, is very much about defining professional and personal targets for employees and contributing to developing employees.

Training and individual working conditions are natural elements in enabling the bank's employees to fill the specialist jobs that are more and more necessary in the sector. The bank ensures this by offering its employees responsibility and competence, a say in their own situation, challenges and personal development opportunities.

	2001	2000
Number of employees	394	386
– full-time equivalents	340	336
Average age	37	35
Average seniority (years)	5,0	4,5

# Information Technology



In the years ahead, the bank's IT activities will focus greatly on upgrading and simplifying its infrastructure, replacing a number of existing systems and enhancing IT support of existing and new distribution channels. Alm. Brand A/S, the bank's parent company, handles most of the bank's IT tasks.

Alm. Brand bases its system development on standard systems, and the corporate IT department's future primary focus will be on integration, both across the underlying business systems and of existing and new distribution channels.

An example is the development of a common customer overview system, the implementation of which is planned for the spring of 2002. The system will provide a customer overview across business areas and thus support the strategy of creating full-service customer relationships.

In 2001, Alm. Brand began using its internet services more aggressively. Alm. Brand's internet set-up has been developed significantly in terms of both design and content. A core element of the overall strategy is the netbanking service, which is being developed on an ongoing basis.

Consequently, a range of commercial and technological innovations were launched in 2001 in connection with the introduction of [www.1792.dk](http://www.1792.dk), which exclusively targets young people between the ages of 18 and 30.

The bank's account systems are developed and operated by the Bankdata data centre. The bank participates in the current system development of new services, including self-service elements of the netbanking service.

The existing leasing system will be replaced by a new standard system in 2002, which will support the collaboration with business partners and make case administration more efficient.

In the past few years, the Alm. Brand Group has focused on capturing and using data from the business systems in a common Data Warehouse. This is an ongoing process in which new areas are included in the Data Warehouse and new user tools are added for improved support.

# Accounting Policies

## **Basis of preparation**

The annual accounts and consolidated accounts for 2001 are presented in accordance with the provisions of the Danish Banks and Savings Banks Act (Lov om banker og sparekasser m.v.) and the executive orders and guidelines issued by the Danish Financial Supervisory Authority (Finanstilsynet) on the preparation of accounts and consolidated accounts by banks.

The accounting policies have remained unchanged on last year.

## **Basis of consolidation**

The consolidated accounts comprise the parent company, Bankaktieselskabet Alm. Brand Bank, and subsidiary undertakings in which Bankaktieselskabet Alm. Brand Bank controls more than 50% of the votes.

The consolidated accounts are prepared on the basis of the accounts of Bankaktieselskabet Alm. Brand Bank and its subsidiary undertakings by consolidating items of a similar nature. The accounts used for the consolidation are prepared in accordance with the accounting policies of the group.

In the consolidation, intercompany income and expenses, intercompany accounts and gains and losses on transactions between the consolidated companies are eliminated.

The parent company's participating interests in subsidiary undertakings are offset by the proportional share of the net assets of the subsidiary undertakings (the past-equity method).

Newly acquired undertakings are included from the date of acquisition. Undertakings which have been divested or wound up are included in the consolidated accounts until the date of divestment/winding-up. The comparative figures are not restated to reflect companies divested or added by way of acquisitions or mergers.

## **Currency translation**

Assets and liabilities denominated in foreign currencies are translated into Danish kroner at the exchange rates ruling at the balance sheet date. Income and expenses denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. Exchange gains and losses are included in the profit and loss account.

## **Intercompany transactions**

Services provided to customers outside the group as well as inside the group as part of normal operating activities are settled on normal market terms.

Trading in assets and other financial investment assets is transacted at market prices.

Other intercompany services are charged on a cost-covering basis.

## **Profit and loss account**

### **Interest, fees, commission etc.**

Interest and commission income etc. is taken to the profit and loss account at the time of being added to the accounts. Interest receivable and interest payable relating to swap contracts and forward premiums is made up on a net basis and included in "Interest receivable from derivatives". Interest and commission is fully accrued in the accounts under "Other assets"/"Other liabilities".

### **Dividends on shares etc.**

Dividends are recognised when they are paid.

### **Profit from participating interests in group undertakings**

Market value adjustments of participating interests in group undertakings comprise the pre-tax profits of subsidiary undertakings after deduction of profits on intercompany transactions.

Tax in subsidiary undertakings is included in "Tax on the year's income".



### **Corporation tax**

Estimated tax is charged to the profit and loss account at 30% of the taxable income for the year.

The company is jointly taxed with Alm. Brand A/S. The corporation tax liability is allocated among the companies of the Danish tax pool in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Deferred tax liabilities and deferred tax assets are included in the balance sheet at 30% of all timing differences between the value of assets and liabilities for accounting and for tax purposes.

Deferred tax assets are included at the book value at which they are expected to be realisable, after assessment, either by being offset against deferred tax liabilities or by being offset against tax on future income.

### **Balance sheet**

#### **Loans and advances**

Provisions for bad and doubtful debts etc. are made on the basis of an individual assessment of the bank's commitments. Debts which are regarded as bad debts are written off completely against the profit and loss account. When a facility is considered to be non-performing, the continuous charge of interest on the facility is stopped.

The bank's investment portfolio of mortgage deeds is written down so that the return on it corresponds at least to the market return on similar claims. The write-down and reversal thereof is stated in the profit and loss account under "Fixed-interest loans".

#### **Bonds and shares**

Listed bonds and shares are stated at the officially quoted prices on the date of the balance sheet. Unlisted securities are stated at historic cost or a conservatively estimated lower market value. Unlisted units in unit trusts are stated at their net asset value.

### **Participating interests in group undertakings**

Participating interests in subsidiary undertakings are stated using the equity method at the proportionate share held of the equity of the undertakings less unrealised intercompany profits. Participating interests in other listed group undertakings are stated at market price at the balance sheet date.

### **Tangible assets**

Machinery and equipment etc. is stated at historic cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets. Assets with a historic cost/production cost below DKK 9,800 per unit are charged to the profit and loss account in the year of acquisition.

Real property is stated at historic cost plus any improvements and less depreciation and write-downs, or at an estimated lower market value.

The purchase price of properties, reduced by an estimated scrap value, is allocated systematically over the expected useful economic lives of the buildings. Land is not depreciated.

Properties taken over in forced sales in connection with the reduction or settlement of facilities provided to customers, and which the bank seeks to sell, are stated at estimated market values. The properties are, consequently, not depreciated.

### **Other assets and liabilities**

Unsettled forward transactions, spot transactions, futures, options and swaps are marked to market at the date of the balance sheet, and positive market values are included in "Other assets", while negative market values are included in "Other liabilities". Unrealised gains and losses are taken to the profit and loss account.

Swaps entered into to hedge the interest rate exposure on fixed-interest assets are not marked to market.



#### **Genuine sales and repurchase transactions**

Securities which have been sold and, at the time of the sale, repurchased for an agreed future date remain on the balance sheet. Amounts received are stated as liabilities payable to the purchasers and are subject to interest at the agreed rate. The securities are marked to market, and the return is recognised as income as if the securities were still held as assets.

Securities which have been bought and, at the time of the purchase, sold back for an agreed future date, are not stated in the balance sheet, and the return is not included in the profit and loss account. Amounts paid on the purchase are stated as receivables and are subject to interest at the agreed rate.

#### **Off-balance-sheet items**

Off-balance-sheet items comprise guarantees. Provisions for losses on contingent liabilities are charged to the profit and loss account and included in the balance sheet under "Provisions for liabilities and charges".

#### **Cash flow statement**

The cash flow statement shows the group's cash flows for the year divided into cash flow from operating activities, working capital, cash flow from investing activities and cash flow from financing activities.

Cash and cash equivalents comprise cash at bank and in hand and balances with credit institutions and central banks.

#### *Cash flow from operating activities*

Cash flow from operating activities includes the items of the profit and loss account adjusted for operating items of a non-cash nature. Realised gains and losses on the sale of assets are included in "Cash flow from investing activities".

#### *Cash flow from working capital*

Cash flow from working capital includes assets and liabilities related to operating activities, including loans, deposits etc.

#### *Cash flow from investing activities*

Cash flow from investing activities includes acquisitions and divestments of subsidiary undertakings, changes in intercompany accounts and net investments in assets, including realised gains and losses on the sale of the assets.

#### *Cash flow from financing activities*

Cash flow from financing activities includes financing from shareholders as well as by raising of short-term and long-term loans.

#### **Solvency ratio**

The solvency ratio is computed in compliance with the Danish Banks and Savings Banks Act and the Executive Order on Solvency Rules for Banks and Certain Institutions of 22 December 1999.

# Signatures



## Management

Copenhagen, 7 February 2002

**Henrik Nordam**

## Board of Directors

Copenhagen, 7 February 2002

**Christian N.B. Ulrich**  
Chairman

**Christian G. Kjøller**  
Deputy Chairman

**Søren Boe Mortensen**

**Ole Joachim Jensen**

**Christian Hjorth-Andersen**

**Per Hansen**

**Ole Bach**

# Auditors' Report

## Internal Audit

We have audited the consolidated accounts and annual accounts of Bankaktieselskabet Alm. Brand Bank for 2001 as presented by management.

### Basis of opinion

Our audit was planned and conducted on the basis of the executive order on audits in banks issued by the Danish Financial Supervisory Authority and in accordance with generally accepted auditing standards. Based on an evaluation of materiality and risk we reviewed, during the audit, the business procedures and tested the basis of amounts and other disclosures in the financial statements.

Our audit did not result in any qualifications.

### Opinion

In our opinion, the financial statements of the group and the company have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the group's and the parent company's assets and liabilities, financial position and the profit/loss for the year.

Copenhagen, 7 February 2002

*Ole Sørensen*  
Group Chief Auditor

*Hanne Rousing*  
Chief Auditor

## Auditors Appointed by the General Meeting

We have audited the consolidated accounts and annual accounts of Bankaktieselskabet Alm. Brand Bank for 2001 as presented by management.

### Basis of opinion

We planned and conducted our audit in accordance with generally accepted Danish auditing principles to obtain reasonable assurance that the financial statements are free from material misstatement. Based on an evaluation of materiality and risk, during the audit we tested the basis and documentation for the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting policies applied and the accounting estimates made. In addition, we evaluated the overall adequacy of the presentation in the financial statements.

Our audit did not result in any qualifications.

### Opinion

In our opinion, the consolidated financial statements and the financial statements of the parent company have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the group's and the parent company's assets and liabilities, financial position and the profit/loss for the year.

Copenhagen, 7 February 2002

Deloitte & Touche  
Statsautoriseret Revisionsaktieselskab

*Jørgen Jørgensen*      *Henrik Priskorn*  
State-Authorised Public Accountants

KPMG C.Jespersen

*Arne Nielsen*      *Henrik Kofoed*  
State-Authorised Public Accountants

# Profit and Loss Account and Profit Allocation

DKK '000	Note	Group		Parent Company	
		2001	2000	2001	2000
<b>Profit and Loss Account</b>					
Interest receivable	1	687,861	564,091	609,084	506,411
Interest payable	2	414,124	349,958	411,629	354,154
<b>Net interest income</b>		<b>273,737</b>	<b>214,133</b>	<b>197,455</b>	<b>152,257</b>
Dividend on participating interests	3	4,947	3,893	4,947	3,893
Fees and commissions receivable		165,469	150,437	133,918	114,695
Fees and commissions payable		38,266	30,885	20,060	12,509
<b>Net interest and fee income</b>		<b>405,887</b>	<b>337,578</b>	<b>316,260</b>	<b>258,336</b>
Value adjustments	4	- 16,497	7,854	- 16,339	8,382
Other ordinary income		28,511	54,006	23,083	32,991
Staff costs and administrative expenses	5	291,975	276,922	249,840	228,978
Depreciation and write-downs of tangible assets	12	- 3,574	40,500	7,594	8,040
Other ordinary expenses		174	283	174	283
Provisions for bad and doubtful debts		17,521	21,272	- 3,778	- 4,209
Profit from participating interests in group undertakings	6	1,810	916	38,427	- 9,203
<b>Ordinary profit before tax</b>		<b>113,615</b>	<b>61,377</b>	<b>107,601</b>	<b>57,414</b>
Profit attributable to minority interests		6,014	3,963		
Tax	7	50,145	20,501	48,265	19,233
<b>Profit for the financial year</b>		<b>63,470</b>	<b>40,876</b>	<b>59,336</b>	<b>38,181</b>
Profit attributable to minority interests		4,134	2,695		
<b>Profit Allocation</b>					
<b>Profit for the year</b>				<b>59,336</b>	<b>38,181</b>
Transfer from retained profit				0	0
<b>Available for distribution</b>				<b>59,336</b>	<b>38,181</b>
Dividends				0	0
Other purposes				0	0
Transfer to retained profit				59,336	38,181
<b>Total allocation</b>				<b>59,336</b>	<b>38,181</b>

# Balance Sheet

DKK '000	Note	Group		Parent Company	
		2001	2000	2001	2000
<b>Assets</b>					
Cash in hand and balances at call with central banks		16,008	13,297	16,008	13,297
Balances due from credit institutions and central banks	8, 20	1,233,036	2,617,653	1,231,012	2,616,959
Loans and advances	20	6,848,350	5,789,343	6,768,441	5,762,387
Bonds	9	3,574,662	1,380,238	3,574,662	1,380,238
Shares etc.	10	160,600	166,104	160,546	166,050
Participating interests in group undertakings	11	1,342	5,350	295,882	288,365
Tangible assets	12	320,787	315,057	6,182	11,367
Other assets	13	680,495	415,464	594,334	393,378
<b>Total assets</b>		<b>12,835,280</b>	<b>10,702,506</b>	<b>12,647,067</b>	<b>10,632,041</b>
<b>Liabilities</b>					
Payables to credit institutions and central banks	14, 20	2,674,163	446,836	2,670,201	444,476
Deposits	15, 20	8,244,102	8,639,292	8,241,437	8,640,017
Other liabilities	16	1,111,621	887,302	986,577	858,032
Provisions for liabilities and charges	17	0	33	0	0
Minority interests		56,542	39,527		
<b>Shareholders' equity</b>	18				
Share capital		351,000	351,000	351,000	351,000
Share premium account		74,149	74,149	74,149	74,149
Reserves		0	0	170,130	162,298
Retained profit		264,367	226,186	102,069	63,888
Retained from profit for the year		59,336	38,181	51,504	38,181
<b>Total shareholders' equity</b>		<b>748,852</b>	<b>689,516</b>	<b>748,852</b>	<b>689,516</b>
<b>Total liabilities</b>		<b>12,835,280</b>	<b>10,702,506</b>	<b>12,647,067</b>	<b>10,632,041</b>
<b>Off-balance-sheet items</b>	19				
Guarantees etc.		271,308	95,832	280,271	101,505
Other commitments		324,974	381,780	307,712	354,721
<b>Total off-balance-sheet items</b>		<b>596,282</b>	<b>477,612</b>	<b>587,983</b>	<b>456,226</b>

# Notes

DKK '000	Group		Parent Company	
	2001	2000	2001	2000
<b>NOTE 1 Interest receivable/forward premiums on:</b>				
Balances due from credit institutions and central banks	149,544	121,218	149,347	121,184
Loans and advances	468,763	375,629	390,110	317,996
Bonds	51,103	64,321	51,104	64,321
Total derivatives	18,366	5,480	18,438	5,480
Of which:				
Foreign-exchange contracts	17,811	7,175	17,884	7,175
Interest-rate contracts	555	- 1,695	554	- 1,695
Other	85	- 2,557	85	- 2,570
Total interest receivable	687,861	564,091	609,084	506,411
Of which income from genuine purchase and resale transactions included in:				
Balances due from credit institutions and central banks	72,321	39,826	72,321	39,826
Loans and advances	403	241	403	241
<b>NOTE 2 Interest payable to:</b>				
Credit institutions and central banks	46,586	28,198	46,586	28,198
Deposits	364,626	320,518	364,986	324,725
Other	2,912	1,242	57	1,231
Total interest payable	414,124	349,958	411,629	354,154
Of which interest payable on genuine sale and repurchase transactions included in:				
Credit institutions and central banks	42,571	25,334	42,571	25,334
Deposits	0	4,642	0	4,642
<b>NOTE 3 Dividends on:</b>				
Shares	4,720	3,893	4,720	3,893
Participating interests in group undertakings	227	0	227	0
Total dividends on shares and other participating interests	4,947	3,893	4,947	3,893
<b>NOTE 4 Value adjustments <sup>1)</sup> of:</b>				
Bonds	80,849	9064	80,849	9,064
Shares	- 30,552	25,801	- 30,552	25,801
Fixed-interest loans	- 10,737	- 5,769	- 9,855	- 4,983
Foreign currency	4,403	6,478	3,679	6,220
Total derivatives	- 84,084	- 9,329	- 84,084	- 9,329
Of which:				
Foreign-exchange contracts	- 676	1,359	- 676	1,359
Interest-rate contracts	- 83,914	- 10,692	- 83,914	- 10,692
Share contracts	506	4	506	4
Total value adjustments	- 40,121	26,245	- 39,963	26,773
Of which pension pools	- 23,624	18,391	- 23,624	18,391

<sup>1)</sup> The items also include value adjustments of securities in pension pools. An adjustment is made for these value adjustments under the item pension pools in the bottom lines.



DKK '000	Group		Parent Company	
	2001	2000	2001	2000
<b>NOTE 5 Staff costs and administrative expenses</b>				
Staff costs:				
Salaries and wages	141,471	131,403	115,939	101,046
Pensions	11,174	10,273	9,527	8,251
Social security costs	12,744	12,046	11,455	10,122
Total	165,389	153,722	136,921	119,419
Other administrative expenses	126,586	123,200	112,919	109,559
Total staff costs and administrative expenses	291,975	276,922	249,840	228,978

#### Audit fees

Total fees for statutory audit to auditors appointed by the

Annual General Meeting	2,149	1,163	1,958	867
Of which non-audit fees	919	106	898	99

#### Number of employees

Average number of employees during the financial year, converted into full-time employees

	2001		2000	
	354	342	304	272

#### DKK '000

	2001		2000	
	Loans etc.	Collateral	Loans etc.	Collateral

#### Board of Directors, Management and Board of Representatives

Amount of loans granted, mortgages received from and guarantees issued with related security for the below mentioned officers

Management	195	–	295	–
Board of Directors	370	–	535	185

DKK '000	Group		Parent Company	
	2001	2000	2001	2000
<b>NOTE 6 Profit from participating interests in group undertakings</b>				
Total profit from participating interests in group undertakings	1,810	916	38,427	– 9,203



DKK '000	Group		Parent Company	
	2001	2000	2001	2000
<b>NOTE 7 Tax</b>				
Estimated tax on the year's income	91,052	25,251	89,245	23,983
Deferred tax	- 44,445	- 4,695	- 44,445	- 4,695
Adjustments of previous years' calculated tax	2,395	- 55	2,322	- 55
Tax on provisions	1,143	-	1,143	-
Total tax	50,145	20,501	48,265	19,233
<b>Effective tax rate</b>				
Current tax rate		30.0%	32.0%	
Previous years' tax losses		0.0%	0.0%	
Non-taxable income and non-deductible expenses adjusted for non-tax items and joint taxation	50.1%	9.1%		
Gap between current and deferred tax rate		0.0%	- 1.4%	
Adjustment of previous years' deferred tax rate	- 39.1%	- 6.2%		
Adjustment of tax estimated in previous years		2.1%	- 0.1%	
Tax on provisions	1.0%	-		
Effective tax rate	44.1%	33.4%		
<b>NOTE 8 Balances due from credit institutions and central banks</b>				
Balances at notice with central banks	0	1,303,606	0	1,303,606
Balances due from credit institutions	1,233,036	1,314,047	1,231,012	1,313,353
Total balances due from credit institutions and central banks	1,233,036	2,617,653	1,231,012	2,616,959
<b>NOTE 9 Bonds</b>				
Listed bond	3,574,662	1,380,238	3,574,662	1,380,238
Total bonds	3,574,662	1,380,238	3,574,662	1,380,238
<b>NOTE 10 Shares etc.</b>				
Listed shares	158,070	154,158	158,071	154,158
Other shares	2,530	11,946	2,475	11,892
Total shares etc.	160,600	166,104	160,546	166,050
<b>Financial current assets</b>				
Financial current assets marked to market	3,732,733	1,534,396	3,732,733	1,534,396
Difference between the purchase price of financial current assets (marked to market) and higher market value at balance sheet date	- 27,825	- 26,224	- 27,825	- 26,224
Financial current assets not marked to market	1,646	10,234	1,646	10,234
Difference between the purchase price of financial current assets (not marked to market) and higher market value at balance sheet date	- 1,080	30	- 1,080	30



DKK '000	Group		Parent Company	
	Group undertakings	Other investments	Group undertakings	Other investments
<b>NOTE 11 Financial fixed assets</b>				
<b>Total purchase price, opening</b>		<b>840</b>	<b>118,142</b>	<b>786</b>
Additions		34	32,639	34
Disposals		–	28,242	–
<b>Total price, year-end</b>		<b>874</b>	<b>122,539</b>	<b>820</b>
<b>Revaluation and write-downs, opening</b>		<b>10</b>	<b>164,873</b>	<b>10</b>
Profit			17,831	
Dividends			– 10,000	
Difference in value on acquisition			– 946	
Other movements in capital			243	
Reversed revaluation and write-downs			–	
<b>Revaluation and write-downs, year-end</b>		<b>10</b>	<b>172,001</b>	<b>10</b>
Participating interests in parent companies		1,342	1,342	
<b>Book value of portfolio, year-end</b>		<b>1,342</b>	<b>295,882</b>	<b>830</b>
Of which credit institutions		–	–	34
Book value, opening		5,350	288,365	796

DKK '000	Group			Parent Company		
	Land and buildings	Operating equipment	Total	Land and buildings	Operating equipment	Total
<b>NOTE 12 Tangible assets</b>						
<b>Total purchase price, opening</b>	<b>333,385</b>	<b>55,147</b>	<b>388,532</b>	<b>100</b>	<b>54,044</b>	<b>54,144</b>
Additions	–	6,823	6,823	–	4,278	4,278
Disposals	–	4,620	4,620	–	3,397	3,397
<b>Total purchase price, year-end</b>	<b>333,385</b>	<b>57,350</b>	<b>390,735</b>	<b>100</b>	<b>54,925</b>	<b>55,025</b>
<b>Depreciation and write-downs, opening</b>	<b>31,420</b>	<b>43,830</b>	<b>75,250</b>		<b>42,777</b>	<b>42,777</b>
Depreciation for the year	1,413	8,461	9,874		7,594	7,594
Write-downs for the year	– 13,448	–	– 13,448		0	0
Reversed depreciation and write-downs	–	– 1,728	– 1,728		– 1,528	– 1,528
<b>Depreciation and write-downs, year-end</b>	<b>19,385</b>	<b>50,563</b>	<b>69,948</b>		<b>48,843</b>	<b>48,843</b>
<b>Book value, year-end</b>	<b>314,000</b>	<b>6,787</b>	<b>320,787</b>	<b>100</b>	<b>6,082</b>	<b>6,182</b>
Book value, opening	301,965	11,317	315,057	100	11,267	11,367
Latest rateable value	304,962			962		



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 13 Other assets</b>				
Positive market value of derivatives	465,675	297,677	465,675	297,677
Miscellaneous debtors	26,368	27,043	24,172	23,026
Tax assets	57,205	12,760	0	3,298
Interest and commissions receivable	97,073	73,695	93,031	62,680
Other assets	34,174	4,289	11,456	6,697
Total assets	680,495	415,464	594,334	393,378
<b>NOTE 14 Payables to credit institutions and central banks</b>				
Payable to central banks	933,000	0	933,000	0
Payable to credit institutions	1,741,163	446,836	1,737,201	444,476
Total payables to credit institutions and central banks	2,674,163	446,836	2,670,201	444,476
<b>NOTE 15 Deposits</b>				
Deposits at call	7,147,486	7,520,167	7,147,544	7,520,892
Time deposits	119,455	108,972	116,732	108,972
Special categories of deposits	977,161	1,010,153	977,161	1,010,153
Total deposits	8,244,102	8,639,292	8,241,437	8,640,017
<b>NOTE 16 Other liabilities</b>				
Miscellaneous creditors	119,492	107,922	98,927	95,537
Tax payable on income for the year	88,523	22,900	22,740	16,532
Dividend on share capital	0	747	0	0
Negative value of derivatives	806,962	683,076	806,963	683,076
Interest and commission payable	23,832	26,802	25,399	26,832
Other liabilities	72,812	45,855	32,548	36,055
Total other liabilities	1,111,621	887,302	986,577	858,032
<b>NOTE 17 Provisions for liabilities and charges</b>				
Provisions for deferred tax	0	33	0	0
Total provisions for liabilities and charges	0	33	0	0



DKK' 000	Parent Company		
	Opening	Other increase	Year-end
<b>NOTE 18 Shareholders' equity</b>			
<b>Movements in capital</b>			
Share capital	351,000		351,000
Share premium account	74,149		74,149
Reserve for net revaluation according to the equity method	162,298	7,832	170,130
Other reserves	102,069	51,504	153,573
Total shareholders' equity	689,516	59,336	748,852
The bank's share capital consists of 351,000 shares of a total nominal value of DKK 351,000,000			

DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>Solvency</b>				
Tier 1 capital after deductions	748,189	716,283	748,852	686,218
Capital base and short-term supplementary capital after deductions	748,189	716,283	748,852	686,218
Weighted assets outside trading portfolio	7,323,665	6,110,138	7,141,551	6,045,352
Weighted assets subject to market risks etc.	658,743	344,888	658,730	305,769
Total weighted assets	7,982,408	6,455,026	7,800,281	6,351,121
Tier 1 capital after deductions as a percentage of total weighted assets	9.373%	11.097%	9.600%	10.805%
Solvency ratio according to section 21(1) of the Danish Banks and Savings Bank Act	9.4%	11.1%	9.6%	10.8%
The solvency ratio is made up according to the Executive Order on Solvency Rules for Banks and Certain Credit Institutions issued by the Danish Financial Supervisory Authority				

#### NOTE 19 Off-balance-sheet items

##### Guarantees etc.

Financial guarantees	107,864	3,463	107,864	3,463
Other guarantees	163,444	92,369	172,407	98,042
Total guarantees etc.	271,308	95,832	280,271	101,505

##### Other commitments

Irrevocable standby letters of credit	162,758	227,613	162,758	222,782
Other commitments	162,216	154,167	144,954	131,939
Total other commitments	324,974	381,780	307,712	354,721

##### Contingent liabilities

The company and the other jointly-taxed companies are jointly and severally liable for the total tax liability of these companies.

##### Collateral security

At year-end 2001 bonds used as collateral vis-à-vis central banks represent a market value of DKK 1,240 million.



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 20 By term to maturity</b>				
<b>Balances due from credit institutions and central banks</b>				
Balances at call	88,060	55,770	86,036	55,076
Up to and including 3 months	869,670	2,096,962	869,670	2,096,962
Over 3 months and up to and including 1 year	215,306	424,921	215,306	424,921
Over 1 year and up to and including 5 years	60,000	0	60,000	0
Over 5 years	0	40,000	0	40,000
Total	1,233,036	2,617,653	1,231,012	2,616,959
<b>Loans and advances</b>				
Loans and advances at call	99,489	308,741	3,004,277	2,674,026
Up to and including 3 months	556,623	331,282	368,014	203,359
Over 3 months and up to and including 1 year	584,339	768,278	130,925	433,583
Over 1 year and up to and including 5 years	2,650,758	2,022,244	860,939	601,783
Over 5 years	2,957,141	2,358,798	2,404,286	1,849,636
Total	6,848,350	5,789,343	6,768,441	5,762,387
<b>Payables to credit institutions and central banks</b>				
Payables at call	109,676	96,868	105,714	94,508
Up to and including 3 months	2,132,312	349,968	2,132,312	349,968
Over 3 months and up to and including 1 year	432,175	0	432,175	0
Total	2,674,163	446,836	2,670,201	444,476
<b>Deposits</b>				
Deposits at call	7,476,041	7,851,569	7,476,099	7,852,294
Deposits at notice:				
Up to and including 3 months	133,438	118,245	133,326	118,245
Over 3 months and up to and including 1 year	61,048	85,284	60,343	85,284
Over 1 year and up to and including 5 years	232,300	210,231	230,394	210,231
Over 5 years	341,275	373,963	341,275	373,963
Total	8,244,102	8,639,292	8,241,437	8,640,017



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 21 Credit risks</b>				
<b>Loans and advances and guarantee debtors by sector and industry:</b>				
<b>Public authorities</b>	1.8%	0.0%	0.0%	0.0%
<b>Corporate sector:</b>				
Agriculture, hunting and forestry	1.0%	0.7%	0.3%	0.1%
Fisheries	0.1%	0.0%	0.0%	0.0%
Production, raw materials extraction, electricity, gas, water and heating utilities	1.0%	0.6%	0.1%	0.1%
Building and construction	2.6%	1.1%	0.5%	0.1%
Retail trade, restaurants and hotels	5.2%	3.6%	1.9%	2.0%
Transport, post and telephone	0.7%	0.4%	0.0%	0.1%
Credit, finance and insurance	8.3%	13.3%	52.2%	55.7%
Property administration and trading, business service	14.4%	11.1%	12.8%	9.6%
Other industries	18.4%	8.5%	11.5%	5.4%
<b>Total corporate customers</b>	<b>51.7%</b>	<b>39.3%</b>	<b>79.3%</b>	<b>73.1%</b>
<b>Personal customers</b>	<b>46.5%</b>	<b>60.7%</b>	<b>20.7%</b>	<b>26.9%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Credit risk on derivatives</b>				
Positive market value (after counterparty risk)				
Positive market value after netting:				
Counterparty risk 0 per cent	1	13	0	13
Counterparty risk 20 per cent	516,252	180,541	516,252	180,541
Counterparty risk 100 per cent	30,512	3,821	30,512	3,821
<b>Accumulated provisions</b>				
Provisions at year-end for loans and guarantee debtors	225,254	180,139	139,132	134,468
Provisions at year-end for balances due from credit institutions and other items involving a credit risk	0	0	0	0
<b>Total accumulated provisions</b>	<b>225,254</b>	<b>180,139</b>	<b>139,132</b>	<b>134,468</b>
Accumulated provisions on loans and guarantee debtors as a percentage of loans and guarantees at year-end	3,1%	3,0%	1,9%	2,2%
Receivables on which interest is not accrued, year-end	53,205	17,991	17,824	4,670



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 22 Market risk</b>				
<b>Foreign-exchange exposure</b>				
Total assets denominated in foreign currency	581,002	994,303	581,002	994,303
Total liabilities denominated in foreign currency	27,015	136,881	27,015	136,881
Exchange-rate indicator 1	34,317	58,433	34,317	16,619
Exchange-rate indicator 1 as a percentage of tier 1 capital after deductions	4,6%	8,2%	4,6%	2,4%
Exchange-rate indicator 2	152	722	152	727
Exchange-rate indicator 2 as a percentage of tier 1 capital after deductions	0,0%	0,1%	0,0%	0,1%
<b>Interest-rate exposure</b> (the Danish Financial Supervisory Authority's method)				
Total interest-rate exposure on debt instruments etc.	45,775	56,377	13,307	44,822
Interest-rate exposure by currency subject to the greatest risk				
Currency:				
DKK	45,770	56,392	13,302	44,837
CHF	10	9	10	9
JPY	5	13	5	13
USD	0	2	0	2
SEK	1	0	1	0
EUR	- 11	- 39	- 11	- 39
Other	0	0	0	0
<b>Interest-rate exposure</b> (the bank's method*)	24,300	24,400		

\*) In the in-house calculation of the bank's overall interest rate risk, the anticipated scheduled payments on the bank's mortgage deed portfolio are adjusted for anticipated prepayments.



DKK '000	Group and Parent Company					
	3 months incl.		3 months through 1 year		1 year through 5 years	
	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value
<b>NOTE 23 Derivatives</b>						
By term to maturity						
<b>Foreign-exchange contracts</b>						
Forward transactions/futures, bought	4,885,282	11,549	52,671	- 126		
Forward transactions/futures, sold	5,228,769	- 6,330	266,768	7,601		
Options, bought						
Options, written						
<b>Interest-rate contracts</b>						
Forward transactions/futures, bought	1,433,105	258,464				
Forward transactions/futures, sold	2,370,105	- 253,857				
Swaps			145,000	- 3,234	417,602	- 4,940
Options, bought	670,000	5,629	5,853,766	86,174		
Options, written	720,000	- 7,044	5,988,766	- 88,199		
<b>Share contracts</b>						
Forward transactions/futures, bought	20,253	22,199				
Forward transactions/futures, sold	20,253	- 20,699				
Options, bought	34	86	1	10		
Options, written	34	- 86	1	- 10		

DKK '000	Group and Parent Company				
	Over 5 years		Total 2001	Total 2000	Total 2000
	Nominal value	Net market value	Nominal value	Net market value	Net market value
<b>Foreign-exchange contracts</b>					
Forward transactions/futures, bought			4,937,953	11,423	- 23,343
Forward transactions/futures, sold			5,495,537	1,271	58,806
Options, bought					1,126
Options, written					- 1,126
<b>Interest-rate contracts</b>					
Forward transactions/futures, bought			1,433,105	258,464	- 1,509
Forward transactions/futures, sold			2,370,105	- 253,857	- 3,423
Swaps	533,000	- 6,488	1,095,602	- 14,662	3,619
Options, bought			6,523,766	91,803	129,058
Options, written			6,708,766	- 95,243	- 125,496
<b>Share contracts</b>					
Forward transactions/futures, bought			20,253	22,199	- 1,070
Forward transactions/futures, sold			20,253	- 20,699	- 168
Options, bought			35	96	
Options, written			35	- 96	
<b>Total net market value</b>				<b>699</b>	<b>36,474</b>



**Group and Parent Company**

DKK '000	Market value		Average market value		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative
<b>Foreign-exchange contracts</b>						
Forward transactions/futures, bought	37,963	26,540	40,540	43,549	37,963	26,540
Forward transactions/futures, sold	39,173	37,901	62,711	43,933	39,173	37,901
Options, bought			239			
Options, written				239		
<b>Interest-rate contracts</b>						
Forward transactions/futures, bought	262,433	3,969	56,116	228,739	262,433	3,969
Forward transactions/futures, sold	6,306	260,163	141,018	52,691	6,306	260,163
Swaps	2,513	17,175	7,853	16,416	2,513	17,175
Options, bought	91,803		277,792		91,803	
Options, written	95,243		268,865		95,243	
<b>Share contracts</b>						
Forward transactions/futures, bought	22,199		5,374	854	22,199	
Forward transactions/futures, sold		20,699	700	4,445		20,699
Options, bought	96		8		96	
Options, written	96		9		96	
<b>Total net market value</b>	<b>462,486</b>	<b>461,786</b>	<b>592,351</b>	<b>659,740</b>	<b>462,486</b>	<b>461,786</b>
Total after netting					462,486	

**Group and Parent Company**

DKK '000	Market value				
	Nominal value	Positive	Negative	Net 2001	Net 2000
<b>Unsettled spot transactions</b>					
Foreign-exchange contracts, bought	6,735	2	1	1	- 10
Foreign-exchange contracts, sold	19		19	- 19	
Interest-rate contracts, bought	731,772	227	3,453	- 3,226	799
Interest-rate contracts, sold	1,064,873	2,331	612	1,719	- 480
Share contracts, bought	111,937	2,772	206	2,566	- 381
Share contracts, sold	112,923	370	2,615	- 2,245	649
<b>Total</b>	<b>2,028,259</b>	<b>5,702</b>	<b>6,906</b>	<b>- 1,204</b>	<b>577</b>



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 24 Genuine sale and repurchase transactions and genuine purchase and resale transactions</b>				
Out of the below assets, genuine purchase and resale transactions amount to:				
Balances due from credit institutions and central banks	1,018,546	733,908	1,018,546	733,908
Loans and advances	0	5,499	0	5,499
Out of the below liabilities, genuine sale and repurchase transactions amount to:				
Payables to credit institutions and central banks	1,405,944	299,762	1,405,944	299,762
Assets sold in genuine sale and repurchase transactions:				
Assets				
Bonds	1,357,853	298,951	1,357,853	298,951
Unsettled genuine purchase and resale transactions, nominal value	261,200	103,000	261,200	103,000
Unsettled genuine sale and repurchase transactions, nominal value	210,000	113,000	210,000	113,000
<b>NOTE 25 Fixed-interest assets with related financial instruments</b>				
According to the accounting regulations for banks and savings banks, fixed-interest assets cannot be revalued to a higher value than historic cost. In accordance with the regulations of the Danish Financial Supervisory Authority, financial instruments entered to hedge the interest-rate exposure on fixed-interest assets are not marked to market in order to achieve symmetrical treatment in the accounts.				
<b>Hedged fixed-interest loans and advances (excluding mortgage deeds):</b>				
Purchase price	375,408	408,123	375,408	408,123
Book value	375,408	408,123	375,408	408,123
Market value	383,312	408,760	383,312	408,760
Nominal value	375,408	408,123	375,408	408,123
<b>Hedged fixed- interest loans and advances:</b>				
Purchase price	363,834	190,192	363,834	190,192
Book value	363,834	190,192	363,834	190,192
Market value	379,962	190,948	379,962	190,948
Nominal value	366,414	191,427	366,414	191,427
<b>Total hedged fixed- interest loans and advances:</b>				
Purchase price	739,242	598,315	739,242	598,315
Book value	739,242	598,315	739,242	598,315
Market value	763,274	599,708	763,274	599,708
Nominal value	741,822	599,550	741,822	599,550
Interest- rate risk	38,195	25,907	38,195	25,907
<b>Related financial instruments:</b>				
Nominal value of interest-rate swaps	1,095,602	821,612	1,095,602	821,612
Market value of interest-rate swaps (net)	- 14,662	3,465	- 14,662	3,465
Interest- rate risk	- 38,707	- 25,484	- 38,707	- 25,484



DKK '000	Group		Parent Company	
	2000	1999	2000	1999
<b>NOTE 26 Accounts with group undertakings etc.</b>				
<b>Assets</b>				
Loans and advances	0	10	3,079,107	2,483,427
Total assets	0	10	3,079,107	2,483,427
<b>Liabilities</b>				
Deposits	512,604	378,434	512,662	379,113
Total liabilities	512,604	378,434	512,662	379,113

DKK '000	Group			
	Share capital year-end	Share holders' equity year-end	Ownership interest in %	Profit
<b>NOTE 27 Consolidated subsidiary undertakings</b>				
Alm. Brand Bilkredit A/S	1,000	167,509	100,00	12,938
Alm. Brand Leasing A/S	1,000	21,977	100,00	4,771
Alm. Brand Pantebreve A/S	70,000	79,931	29,26	5,843
Ejendomsselskabet Midtermolen 1-3, København A/S	68,000	81,664	100,00	- 1,625

#### Directorships

Name and municipality of registered office of related companies in which employees of the institution hold offices, their names and functions.

#### Company (Registered office)

Alm. Brand Bilkredit A/S, Copenhagen

#### Employees in Alm. Brand Bank, who are Board members

President and CEO Henrik Nordam  
Senior Vice President Jens-Peter Pedersen  
Senior Vice President Christian Heick Sørensen

Alm. Brand Leasing A/S, Copenhagen

President and CEO Henrik Nordam  
Senior Vice President Jens-Peter Pedersen  
Senior Vice President Christian Heick Sørensen

Alm. Brand Pantebreve A/S, Copenhagen

President and CEO Henrik Nordam  
Senior Vice President Peter Reedtz

Ejendomsselskabet Midtermolen 1-3,  
København A/S, Copenhagen

President and CEO Henrik Nordam



# Cash Flow Statement

DKK '000	2001	2000
<b>Operating activities:</b>		
Profit for the year after tax	63,470	40,876
Adjustment for non-cash items:		
Depreciation of tangible assets	– 3,574	40,499
Provisions for bad and doubtful debts	17,521	21,272
Net company tax	44,078	18,124
Other non-cash operating items	– 12,310	– 37,471
<b>Total from operating activities</b>	<b>109,185</b>	<b>83,300</b>
<b>Working capital:</b>		
Loans	– 41,093	– 549,311
Deposits	– 398,338	786,820
Other assets	– 69,407	154,475
Other liabilities	– 30,301	– 142,770
<b>Net cash inflow/outflow from operating activities</b>	<b>– 539,139</b>	<b>249,214</b>
<b>Investing activities:</b>		
Bonds	– 2,176,685	400,422
Shares	– 1,682	16,617
Participating interests in group undertakings	5,819	– 723
Sale of leasing company	– 4,325	– 891
Tangible fixed assets	– 1,508	– 270,611
<b>Net cash inflow/outflow from investing activities</b>	<b>– 2,178,381</b>	<b>144,814</b>
<b>Financing activities:</b>		
Net proceeds from capital contribution	0	10,670
Dividends paid	– 747	– 551
Balances due from credit institutions	1,222,028	282,274
<b>Net cash inflow/outflow from financing activities</b>	<b>1,221,281</b>	<b>292,393</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>– 1,387,054</b>	<b>769,721</b>
<b>Cash and cash equivalents, opening</b>	<b>2,630,950</b>	<b>1,861,229</b>
Addition from acquisition of subsidiary	5,148	–
Increase/decrease in cash and cash equivalents	– 1,387,054	769,721
<b>Cash and cash equivalents, year-end</b>	<b>1,249,044</b>	<b>2,630,950</b>
<b>Cash and cash equivalents, year-end</b>		
Cash in hand and balances with central banks	16,008	13,297
Balances due from credit institutions	1,233,036	2,617,653
<b>Cash and cash equivalents, year-end</b>	<b>1,249,044</b>	<b>2,630,950</b>

# Profit and Loss Account excluding Pension Pools

DKK '000	2000	1999
Interest receivable	600,562	496,735
Interest payable	401,165	342,569
<b>Net interest income</b>	<b>199,397</b>	<b>154,166</b>
Dividend on shares etc. and other participating interests	3,005	1,984
Fees and commissions receivable	133,918	114,695
Fees and commissions payable	20,060	1,509
<b>Net interest and fee income</b>	<b>316,260</b>	<b>258,336</b>
Market value adjustment of securities etc. and exchange-rate adjustment of foreign currency	- 16,339	8,382
Other ordinary income	23,083	32,991
Staff costs etc. and administrative expenses	249,840	228,978
Depreciation and write-downs of intangible and tangible assets	7,594	8,040
Other ordinary expenses	174	283
Provisions for bad and doubtful debts (net)	- 3,778	- 4,209
Value adjustment of participating interests	38,427	- 9,203
<b>Profit on ordinary activities before tax</b>	<b>107,601</b>	<b>57,414</b>
Tax	48,265	19,233
<b>Profit for the financial year</b>	<b>59,336</b>	<b>38,181</b>
<b>Notes to the profit and loss account:</b>		
Interest receivable/forward premiums on:		
Balances due from credit institutions	149,347	121,184
Loans and advances	390,110	317,996
Bonds	42,582	54,645
Total derivatives	18,438	5,480
Other	85	- 2,570
Interest payable to:		
Deposits	354,522	313,140
Market value adjustment of:		
Bonds	80,926	9,783
Shares	- 7,186	5,875
Fixed-interest loans	- 9,856	- 4,983
Foreign currency	3,679	6,154
Derivatives	- 83,902	- 8,447

# Balance Sheet excluding Pension Pools

DKK '000	2000	1999
<b>Assets</b>		
Cash in hand and receivables at call from central banks etc.	16,008	13,297
Balances due from credit institutions etc.	1,231,012	2,616,959
Loans and advances	6,768,441	5,762,387
Bonds	3,437,290	1,216,439
Shares etc.	27,537	38,471
Participating interests in group undertakings	295,882	288,365
Tangible assets	6,182	11,367
Other assets	579,118	389,526
<b>Total assets</b>	<b>12,361,470</b>	<b>10,336,811</b>
<b>Liabilities</b>		
Payables to credit institutions	2,670,201	444,476
Deposits (of which cash deposits from pension pools DKK 19,257)	7,955,840	8,372,683
Other liabilities	986,577	830,136
Shareholders' equity	748,852	689,516
<b>Total liabilities</b>	<b>12,361,470</b>	<b>10,336,811</b>
<b>Off-balance-sheet items</b>		
Guarantees, etc.	280,271	101,505
Other commitments	307,712	354,721
<b>Total</b>	<b>587,983</b>	<b>456,226</b>

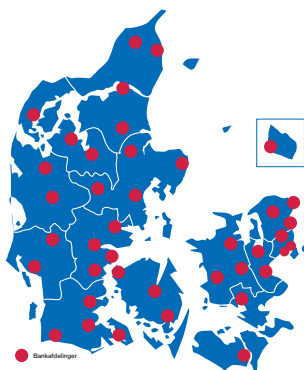
# Pension Pool Schemes

DKK '000	2000	1999
<b>Profit and Loss Account</b>		
<b>Interest receivable/forward premiums from:</b>		
Cash deposits	391	292
Index-linked bonds	2,269	2,536
Other bonds	6,253	7,141
<b>Total interest receivable</b>	<b>8,913</b>	<b>9,969</b>
<b>Dividends on:</b>		
Shares	1,942	1,909
Units in unit trusts	0	0
<b>Total dividends</b>	<b>1,942</b>	<b>1,909</b>
<b>Market value adjustments</b>		
Index-linked bonds	38	- 1,260
Other bonds, etc.	- 115	542
Shares, etc.	- 23,365	19,296
Units in units trusts	0	630
Foreign currency	0	65
Financial instruments	- 182	- 882
<b>Total market value adjustments</b>	<b>- 23,624</b>	<b>18,391</b>
Fees and commissions payable	1,593	1,426
<b>Profit/loss on pension pools</b>	<b>- 14,362</b>	<b>28,843</b>
<b>Assets</b>		
Cash deposits	9,625	19,257
Index-linked bonds	42,413	45,256
Other bonds, etc.	94,959	118,543
Shares, etc.	133,009	127,580
Units in unit trusts	0	0
Other assets	15,216	3,852
<b>Total assets</b>	<b>295,222</b>	<b>314,488</b>
<b>Liabilities</b>		
Total deposits	295,222	286,592
Other liabilities	0	27,896
<b>Total liabilities</b>	<b>295,222</b>	<b>314,488</b>
<b>Notes</b>		
Average deposits	286,873	276,855

# Addresses

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## Bank branches



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**Alm. Brand Fredericia**  
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**Alm. Brand Frederikshavn**  
43 Danmarksgade,  
DK-9900 Frederikshavn  
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**Alm. Brand Grenaa**  
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**Alm. Brand Hellerup**  
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Phone +45 39 45 64 70

**Alm. Brand Helsingør**  
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**Alm. Brand Herning**  
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**Alm. Brand Hillerød**  
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**Alm. Brand Hjørring**  
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**Alm. Brand Hobro**  
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Phone +45 96 57 13 70

**Alm. Brand Holbæk**  
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**Alm. Brand Næstved**  
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