



ALM. BRAND BANK A/S

INTERIM REPORT FOR THE FIRST
NINE MONTHS OF 2007

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COMPANY INFORMATION

BOARD OF DIRECTORS

Christian N.B. Ulrich, Chairman
Jørgen Hesselbjerg Mikkelsen, Deputy Chairman
Christian Hjorth-Andersen
Søren Boe Mortensen
Ole Bach, Elected by the employees
Mark Oswald, Elected by the employees

AUDITOR

Deloitte, Statsautoriseret Revisionsaktieselskab

INTERNAL AUDIT

Poul-Erik Winther Nielsen, Chief Auditor

EXECUTIVE BOARD

Henrik Nordam, Chief Executive
Peter Reedtz, Managing Director

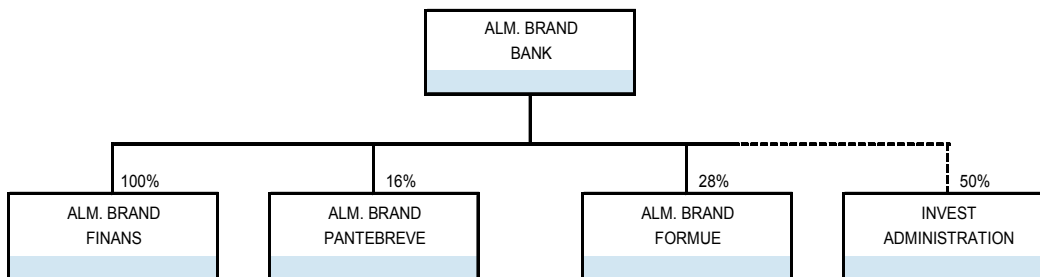
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REGISTRATION

Alm. Brand Bank A/S
Registration Number CVR 81 75 35 12

GROUP STRUCTURE



The bank has three subsidiaries:
Alm. Brand Finans A/S
Alm. Brand Pantebreve A/S
Alm. Brand Formue A/S

In addition, the bank acts as depositary bank for:
Investeringsforeningen Alm. Brand Invest

The bank also has investments in following associated undertakings:
Invest Administration A/S
Henton Aktieinvest A/S

The consolidated financial statements of Alm. Brand Bank A/S are a component of the consolidated financial statements of Alm. Brand A/S and Alm. Brand af 1792 fmba.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

| | PRO RATA | | | | | GROUP | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q3 2007 | Q3 2006 | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 | Q3 2007 | Q3 2006 | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| DKK million | | | | | | | | | | |
| INCOME STATEMENT | | | | | | | | | | |
| Interest receivable | 307 | 196 | 868 | 551 | 787 | 317 | 209 | 891 | 577 | 823 |
| Interest payable | 214 | 118 | 587 | 303 | 449 | 216 | 121 | 596 | 312 | 464 |
| Net interest income | 93 | 78 | 281 | 248 | 338 | 101 | 88 | 295 | 265 | 359 |
| Net fee and commission income and dividends etc. | 46 | 36 | 155 | 119 | 155 | 44 | 33 | 155 | 122 | 157 |
| Net interest and fee income | 139 | 114 | 436 | 367 | 493 | 145 | 121 | 450 | 387 | 516 |
| Value adjustments | 40 | 43 | 65 | 40 | 60 | 53 | 92 | 76 | 23 | 75 |
| Other operating income | 3 | 1 | 9 | 8 | 10 | 3 | 1 | 9 | 7 | 10 |
| Profit on ordinary activities before expenses | 182 | 158 | 510 | 415 | 563 | 201 | 214 | 535 | 417 | 601 |
| Operating expenses and depreciation | 116 | 111 | 374 | 313 | 434 | 118 | 112 | 379 | 316 | 439 |
| Write-downs of loans, advances and receivables etc. | 0 | -6 | -42 | -25 | -27 | 0 | -6 | -42 | -25 | -27 |
| Profit/loss on participating interests | 2 | 3 | 0 | 10 | 11 | 2 | 3 | 0 | 10 | 11 |
| Profit on activities before tax | 68 | 56 | 178 | 137 | 167 | 85 | 111 | 198 | 136 | 200 |
| Tax | 9 | 13 | 43 | 38 | 40 | 6 | 18 | 28 | 35 | 34 |
| Profit for the period | 59 | 43 | 135 | 99 | 127 | 79 | 93 | 170 | 101 | 166 |
| Profit attributable to minority interests | - | - | - | - | - | 20 | 50 | 35 | 2 | 39 |
| Profit after tax exclusive minorities | - | - | - | - | - | 59 | 43 | 135 | 99 | 127 |
| Profit before tax exclusive minorities | - | - | - | - | - | 68 | 56 | 178 | 137 | 167 |
| BALANCE SHEET | | | | | | | | | | |
| Loans and advances | 16,975 | 13,008 | 16,975 | 13,008 | 14,103 | 16,152 | 12,290 | 16,152 | 12,290 | 13,128 |
| Deposits | 10,532 | 10,085 | 10,532 | 10,085 | 9,548 | 10,532 | 10,085 | 10,532 | 10,085 | 9,548 |
| Shareholders' equity | 1,351 | 1,188 | 1,351 | 1,188 | 1,217 | 1,988 | 1,665 | 1,988 | 1,665 | 1,785 |
| Of which attributable to minority interests | - | - | - | - | - | 637 | 477 | 637 | 477 | 569 |
| Total assets | 23,059 | 19,674 | 23,059 | 19,674 | 19,354 | 23,911 | 20,447 | 23,911 | 20,447 | 20,165 |
| KEY RATIOS ETC. | | | | | | | | | | |
| Average number of employees, full-time equivalents | 382 | 359 | 372 | 324 | 338 | 383 | 359 | 373 | 324 | 338 |
| Net interest margin p.a. | - | - | - | - | - | 1.7% | 2.0% | 1.8% | 2.0% | 2.0% |
| Income/cost ratio | 1.59 | 1.53 | 1.53 | 1.47 | 1.41 | 1.73 | 2.04 | 1.59 | 1.46 | 1.49 |
| Impairment ratio | 0.0% | 0.0% | -0.1% | -0.1% | -0.1% | 0.0% | 0.0% | -0.2% | -0.2% | -0.2% |
| Solvency ratio | - | - | - | - | - | 12.2% | 10.6% | 12.2% | 10.6% | 12.1% |
| Return on equity before tax p.a. | 20.6% | 19.0% | 18.5% | 16.0% | 14.5% | 20.6% | 19.0% | 18.5% | 16.0% | 14.5% |
| Return on equity after tax p.a. | 17.8% | 14.9% | 14.0% | 11.6% | 11.1% | 17.8% | 14.9% | 14.0% | 11.6% | 11.1% |
| Return in excess of the interest rate p.a. on certificates of deposit | 16.4% | 15.8% | 14.5% | 13.2% | 11.5% | 16.4% | 15.8% | 14.5% | 13.2% | 11.5% |

Financial highlights and key ratios have been calculated in accordance with the executive order on the presentation of financial reports by credit institutions and investment companies etc., the guidelines issued by the Danish Financial Supervisory Authority and recommendations from the Danish Society of Financial Analysts.

REPORT

In order to increase the transparency of Alm. Brand Bank's financial statements, the bank publishes pro rata consolidated figures (i.e. excluding income from group enterprises, which are not fully owned by Alm. Brand). The numbers are set out in the table on page 3 and, unless otherwise indicated, the comments provided in the text below are for pro-rata numbers. Banking group numbers (i.e. not pro rata) are commented on only when found relevant.

Financial results

The bank's profit for Q3 2007 was DKK 68 million before tax, against DKK 56 million in the same quarter of last year.

Profit before tax for the year to date was DKK 178 million, compared with DKK 137 million a year earlier. The year-to-date performance equalled to an annualised return on equity of 19% before tax, compared with 16% in the same period of last year.

The performance was satisfactory.

Net interest and fee income

Net interest and fee income was DKK 139 million, against DKK 114 million in Q3 2006.

Interest income increased significantly as a result of the accelerated lending activities and a largely unchanged interest margin.

Growth in fee income was also strong at a rate of 30%, mainly due to a significant increase in the level of business activity in the group's markets and asset management operations, which more than offset the reduced activity in the private housing market.

The year-to-date net interest and fee income was DKK 436 million, against DKK 367 million in the first nine months of 2006.

Value adjustments

The bank's value adjustments totalled a gain of DKK 40 million in Q3 2007, against a DKK 43 million gain in Q3 2006. Realised capital gains on a number of thinly traded shares amounted to DKK 25 million of the total gain. Value adjustments for the year to date totalled a gain of DKK 65 million, against a DKK 40 million gain in the same period of last year.

The banking group's value adjustments totalled a gain of DKK 53 million in Q3 2007, against a DKK 92 million gain in Q3 2006.

The bank's portfolio of shares in Alm. Brand Formue is hedged to the widest possible extent on

the basis of Alm. Brand Formue's portfolio of shares and bonds. Hedging consists of OMX futures, which do not completely correspond to the value of the assets in Alm. Brand Formue and, accordingly, both gains and losses may result from the hedging activities.

Costs

The bank's total costs amounted to DKK 116 million in Q3 2007, against DKK 111 million in Q3 2006, while the year-to-date costs totalled DKK 374 million, against DKK 313 million in the year-earlier period.

The rising costs were attributable to mounting activity in all of the bank's business areas and should be seen against the background of a 30% increase in lending.

While growth in the volume of business continued, growth in costs weakened. Accordingly, the income/cost ratio for the year to date rose from 1.47 in 2006 to 1.53 in the same period of this year. The Q3 income/cost ratio was 1.59.

Impairment of loans etc.

For the year to date, impairment of loans and guarantees charged to the income statement amounted to an income of DKK 42 million, against an income of DKK 25 million in the same period of 2006.

The bank posted lower-than-expected loan losses in the first nine months of the year. In particular, the first six months of the year comprised large, non-recurring reversals of write-downs, while the Q3 performance was in line with expectations.

Alm. Brand Bank has no direct or indirect exposure to sub-prime market.

The bank's accumulated write-downs of/provisions for loans, advances and guarantees amounted to DKK 133 million at 30 September 2007, corresponding to an accumulated impairment ratio of 0.5 against 0.8 at 30 September 2006.

REPORT

Balance sheet

Loans and advances, deposits and guarantees

The loan portfolio saw sustained growth, which was attributable, among other things, to continued success in providing loans for project funding, investment customers and agricultural customers.

In 2007, the bank introduced operating and long-term funding of small and medium-sized businesses and attracted a number of new customer agreements for this segment.

Loans and advances totalled DKK 17.0 billion at 30 September 2007, an increase of DKK 4.0 billion or 30% relative to 30 September 2006. Growth in loans and advances was satisfactory and should be seen in the light of the bank's strategy of focusing on selected segments while maintaining risk at a known and moderate level.

Deposits totalled DKK 10.5 billion at 30 September 2007, an increase of DKK 0.4 billion relative to 30 September 2006.

The banking group's loans and advances, that is including minority interests, totalled DKK 16.2 billion at 30 September 2007, an increase of DKK 3.9 billion relative to 30 September 2006.

Payables to credit institutions

Due to the increased lending activity, payables to credit institutions rose from DKK 6.4 billion at 30 September 2006 to DKK 7.9 billion at 30 September 2007.

Capital

The bank's equity stood at DKK 1.4 billion at 30 September 2007. The capital base totalled DKK 1.8 billion, whereas the bank had a solvency ratio of 10.4 and a tier 1 ratio of 7.5.

Similarly, the banking group's equity stood at DKK 2.0 billion at 30 September 2007, whereas the capital base totalled DKK 2.3 billion. The solvency ratio was 12.2 and the tier 1 ratio was 9.6.

Major events

Liquidity

The reporting period was characterised by considerable turmoil in the financial markets, which caused some central banks to provide additional liquidity to the markets. This was not done in Denmark, however.

In planning its liquidity and finance facilities, Alm. Brand Bank makes allowance for the risk of financial turmoil. Therefore, the bank maintains a buffer of liquid and ultra liquid assets and spreads

out repayment of its own loans. This way, refinancing risks are significantly reduced.

The bank exploited the low level of interest rates in the spring to refinance an existing facility and to consolidate its liquidity and capital positions. In the first six months of the year, Alm. Brand Bank increased an existing bond loan, issued a new subordinated loan and raised a major loan through international syndication.

Less than 10% of the bank's existing loans fall due for repayment within the next 12 months and only just under 25% of the loans require re-financing within the next 24 months.

As a result of the increase in interbank rates, interest expenses are expected to grow in Q4 because all of the bank's loan facilities have 3M CIBOR as their base rate, either directly or through swaps. As a number of loans and advances are based on the rate of interest on certificates of deposit, the anticipated increase in interest expenses cannot readily be passed on to customers. The increased interest expenses in Q4 are therefore the reason why Q4 earnings are expected to be relatively moderate.

In Q3, the bank marketed an attractive deposit rate, which contributed to growth in the bank's deposits and which proved that it is still possible to attract liquidity in the private deposit market.

Mortgage deeds

Alm. Brand Bank is one of the major players in the mortgage deed market with more than 20 years' experience. The bank's activities comprise both own-account trading and investing in mortgage deeds. At the end of Q3 the bank's holding of mortgage deeds totalled DKK 1.0 billion. In addition, the bank has an exposure of DKK 0.3 billion through its 16% ownership interest in Alm. Brand Pantebreve A/S. Accordingly, the bank's total mortgage deed exposure is DKK 1.3 billion, corresponding to just over 7% of the bank's total loan portfolio.

The bank's mortgage deed department carries out a thorough credit assessment of mortgage deeds sold or acquired by the bank, and the bank's portfolio primarily consists of senior-ranking mortgage deeds secured against ordinary private residential property. Accordingly, just over 60% of the portfolio is secured within 80% of property values and less than 1% of the portfolio consists of mortgage deeds that are not secured within the market value of the property. The latter typically consists of loans secured on mortgage deeds

REPORT

provided in the form of top-up loans for private customers whose repayment abilities are assessed to be good. The bank does not hold corporate mortgage deeds that are not secured within the market value of the mortgage.

Like the rest of the group, the bank has no direct or indirect exposure to the US sub-prime market.

Growth in Alm. Brand Henton

The Alm. Brand Group' markets and asset management activities - carried on by Alm. Brand Henton - saw strong growth in trading activities during the reporting period, which contributed positively to the increase in the bank's fee income. The earnings growth was attributable partly to a generally high level of business activity in the market and partly to the fact that the bank's markets and asset management activities were again fully operational following the rebuilding initiated in 2006.

Basel II

In an effort to manage risk and optimise capital, the bank is investing heavily with a view to being approved as an IRB Foundation institute by 2010. The project is progressing satisfactorily. From the end of 2007, Alm. Brand Bank expects to apply the new credit risk models in the processing of around 65% of the loan portfolio. More than 95% of the loan portfolio is expected to be processed on the basis of the models during 2008. The bank believes that the project will generate significant long-term benefits – also in addition to capital savings.

Compliance

The bank has established an independent compliance function intended to contribute to strengthening the bank's control of methods and procedures. The decision to establish an actual compliance function should be seen in the light of the implementation of MiFID and a general wish to increase the level of security and control in the bank.

Growth in lease activities

The bank's subsidiary Alm. Brand Finans A/S experienced strong growth in lease activities during the reporting period. The increased lease activity generates a higher return than the company's pure financing solutions and thereby contributes to supporting its earnings despite a decline in the volume of new business.

The company's write-downs on loans, advances and receivables for the year to date amounted to an income of DKK 24 million, against an income of DKK 9 million in the year-earlier period. This increase was due to an improvement in the quality of the company's loan portfolio.

Outlook

The bank retains its forecast of a pre-tax profit of around DKK 190 million for 2007. The higher interest expenses in Q4 are included in the bank's full-year profit guidance.

The bank's growth target has been upgraded from DKK 16.5 billion to DKK 21.5 billion by 2010. This largely corresponds to a growth rate of 100% from the launch of the strategy in 2005.

Disclaimer

Forecasts are based on the level of interest rates prevailing at mid-November 2007. All forward-looking statements are based exclusively on the information available when this interim report was released.

The performance may be affected by major changes in a number of areas. Such impacts include changes in economic conditions, changes in the financial markets, legislative changes, changes in the competitive environment, loans and advances, etc. and guarantees, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This interim report has been translated from Danish into English. In the event of any discrepancy between the Danish text and the English-language translation, the Danish text shall prevail.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today reviewed and adopted the interim report for the nine months ended 30 September 2007 of Alm. Brand Bank A/S.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as approved by the EU, and the financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act and Danish accounting standards. In addition, the interim

report has been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 30 September 2007 and of the results of the group's and the parent company's operations and the cash flow of the group for the financial period ended 30 September 2007.

Executive Board

Copenhagen, 20 November 2007

Henrik Nordam
Chief Executive

Peter Reedtz
Managing Director

Board of Directors

Copenhagen, 20 November 2007

Christian N.B. Ulrich
Chairman

Jørgen H. Mikkelsen
Deputy Chairman

Christian Hjorth-Andersen

Søren Boe Mortensen

Ole Bach

Mark Oswald

ACCOUNTING POLICIES GROUP

The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the executive order on financial reports presented by credit institutions and investment companies and Danish accounting standards.

In addition, the interim report has been prepared in accordance with additional Danish disclosure requirements for listed financial companies.

The accounting policies are unchanged as compared with the annual report for 2006.

The interim report for the first nine months of 2007 is unaudited.

INCOME STATEMENT

| DKK '000 | Note | Group | | |
|--|------|----------------|----------------|----------------|
| | | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| Interest receivable | 1 | 890,994 | 576,860 | 822,542 |
| Interest payable | 2 | 596,191 | 312,358 | 463,880 |
| Net interest income | | 294,803 | 264,502 | 358,662 |
| Dividend on participating interests | | 14,052 | 15,795 | 16,569 |
| Fees and commissions receivable | | 164,477 | 126,527 | 171,322 |
| Fees and commissions payable | | 23,551 | 20,080 | 30,842 |
| Net interest and fee income | | 449,781 | 386,744 | 515,711 |
| Value adjustments | 3 | 76,622 | 23,047 | 75,427 |
| Other operating income | | 9,009 | 7,427 | 10,449 |
| Profit before expenses | | 535,412 | 417,218 | 601,587 |
| Staff costs and administrative expenses | 4 | 376,933 | 315,148 | 437,116 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | 1,793 | 1,336 | 1,941 |
| Impairment of loans, advances and receivables, etc. | 5 | -41,975 | -24,565 | -26,665 |
| Profit from participating interests in associated and group undertakings | | -379 | 10,315 | 11,133 |
| Profit before tax | | 198,282 | 135,614 | 200,328 |
| Tax | | 28,519 | 34,233 | 33,825 |
| Profit for the period | | 169,763 | 101,381 | 166,503 |
| The profit for the period will be allocated as follows: | | | | |
| Share attributable to Alm. Brand Bank | | 134,605 | 99,138 | 127,522 |
| Share attributable to minority interests | | 35,158 | 2,243 | 38,981 |
| Total | | 169,763 | 101,381 | 166,503 |

BALANCE SHEET

Group

| DKK '000 | Note | 30.09.2007 | 30.09.2006 | 31.12.2006 |
|---|------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Cash in hand and receivables at call from central banks | | 287,444 | 22,027 | 36,531 |
| Receivables from credit institutions and central banks | | 1,957,709 | 1,926,641 | 1,029,961 |
| Loans, advances and other receivables at fair value | | 2,744,903 | 1,693,010 | 1,893,491 |
| Loans, advances and other receivables at amortised cost | | 13,406,873 | 10,597,302 | 11,234,653 |
| Bonds at fair value | | 3,786,574 | 4,694,519 | 4,376,562 |
| Shares etc. | | 899,409 | 746,520 | 816,773 |
| Participating interests in associated undertakings | | 21,577 | 385 | 2,799 |
| Participating interests in group undertakings | | 2,728 | 2,810 | 173 |
| Intangible assets | | 62,300 | 48,600 | 51,726 |
| Other property, plant and equipment | | 9,295 | 8,841 | 10,248 |
| Current tax assets | | 54,706 | 15,397 | 48,822 |
| Deferred tax assets | | 93,711 | 179,021 | 126,059 |
| Assets acquired temporarily | | 9,159 | 9,137 | 11,186 |
| Other assets | | 567,163 | 494,278 | 518,876 |
| Prepayments | | 7,211 | 8,802 | 7,154 |
| Total assets | | 23,910,762 | 20,447,290 | 20,165,014 |

BALANCE SHEET

Group

| DKK '000 | Note | 30.09.2007 | 30.09.2006 | 31.12.2006 |
|---|------|-------------------|-------------------|-------------------|
| LIABILITIES AND EQUITY | | | | |
| Payables | | | | |
| Payables to credit institutions and central banks | | 8,151,565 | 6,658,123 | 6,708,918 |
| Deposits and other payables | | 10,531,618 | 10,085,251 | 9,548,293 |
| Issued bonds | | 1,447,710 | 1,040,399 | 1,039,913 |
| Current tax liabilities | | - | 97,862 | - |
| Other liabilities | | 1,096,242 | 588,804 | 578,035 |
| Deferred income | | 19,703 | 1,931 | 21,545 |
| Total payables | | 21,246,838 | 18,472,370 | 17,896,704 |
| Provisions | | | | |
| Provisions for pensions and similar liabilities | | 7,805 | 10,165 | 8,880 |
| Other provisions | | - | 30 | - |
| Total provisions | | 7,805 | 10,195 | 8,880 |
| Subordinated debt | | | | |
| | 6 | | | |
| Supplementary capital | | 500,000 | 300,000 | 300,000 |
| Hybrid Tier 1 capital | | 167,954 | - | 174,098 |
| Total subordinated debt | | 667,954 | 300,000 | 474,098 |
| Shareholders' equity | | | | |
| Share capital | | 351,000 | 351,000 | 351,000 |
| Retained earnings | | 1,000,265 | 837,276 | 865,660 |
| Minority interests | | 636,900 | 476,449 | 568,672 |
| Total shareholders' equity | | 1,988,165 | 1,664,725 | 1,785,332 |
| <i>Of which proposed dividend</i> | | <i>0</i> | <i>0</i> | <i>0</i> |
| Total liabilities and equity | | 23,910,762 | 20,447,290 | 20,165,014 |

STATEMENT OF CHANGES IN EQUITY

| DKK '000 | Parent company | | | | Group | |
|--|----------------|----------------|-------------------|-----------|--------------------|-----------|
| | Share capital | Other reserves | Retained earnings | Total | Minority interests | Total |
| Shareholders' equity at 1 January 2006 | 351,000 | 290,042 | 448,096 | 1,089,138 | 519,990 | 1,609,128 |
| Equity movements in 2006 | | | | | | |
| Other change in respect of subsidiaries | | | | - | 9,701 | 9,701 |
| Profit for the year | | 30,921 | 96,601 | 127,522 | 38,981 | 166,503 |
| Comprehensive income in 2006 | - | 30,921 | 96,601 | 127,522 | 48,682 | 176,204 |
| Dividend paid | | | | - | | - |
| Total equity movements in 2006 | - | 30,921 | 96,601 | 127,522 | 48,682 | 176,204 |
| Shareholders' equity at 31 December 2006 | 351,000 | 320,963 | 544,697 | 1,216,660 | 568,672 | 1,785,332 |
| <i>Of which proposed dividends</i> | | | 0 | 0 | | 0 |
| Shareholders' equity at 1 January 2007 | 351,000 | 320,963 | 544,697 | 1,216,660 | 568,672 | 1,785,332 |
| Equity movements in 2007 | | | | | | |
| Other change in respect of subsidiaries | | | | - | 33,070 | 33,070 |
| Profit for the period | | | 134,605 | 134,605 | 35,158 | 169,763 |
| Comprehensive income in 2007 | - | - | 134,605 | 134,605 | 68,228 | 202,833 |
| Dividend paid | | | | - | | - |
| Total equity movements in 2007 | - | - | 134,605 | 134,605 | 68,228 | 202,833 |
| Shareholders' equity at 30 September 2007 | 351,000 | 320,963 | 679,302 | 1,351,265 | 636,900 | 1,988,165 |
| <i>Of which proposed dividends</i> | | | 0 | 0 | | 0 |

CASH FLOW STATEMENT

| DKK '000 | Group | | |
|---|---------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| Operating activities | | | |
| Profit for the period before tax | 198,282 | 135,614 | 200,328 |
| Tax paid during the period | - | - | -79,034 |
| Adjustment for amounts with no cash flow impact: | | | |
| Other adjustments to cash flows from operating activities | -203,676 | -76,209 | -159,068 |
| Total, operating activities | -5,394 | 59,405 | -37,774 |
| Working capital | | | |
| Balances due from credit institutions over 3 months | - | 40,666 | 40,666 |
| Loans and advances, etc. | -2,978,189 | -1,537,364 | -2,371,205 |
| Deposits | 983,325 | 1,095,757 | 558,800 |
| Bonds | 1,166,713 | 84,746 | 442,223 |
| Shares | 86,130 | 33,277 | 52,213 |
| Total, working capital | -742,021 | -282,918 | -1,277,303 |
| Investing activities | | | |
| Investments in associates | -11,384 | 9,751 | -2,524 |
| Investments in group enterprises | -2,555 | - | 2,073 |
| Intangible assets | -10,574 | - | -2,579 |
| Property, plant and equipment | -841 | -4,458 | -6,470 |
| Total, investing activities | -25,354 | 5,293 | -9,500 |
| Financing activities | | | |
| Payables to credit institutions | 1,435,659 | -760,254 | -709,355 |
| Bonds issued | 315,771 | 1,040,399 | 1,039,913 |
| Hybrid Tier 1 capital | 200,000 | - | 173,769 |
| Total, financing activities | 1,951,430 | 280,145 | 504,327 |
| Change in cash and cash equivalents | 1,178,661 | -244,265 | -820,250 |
| Cash and cash equivalents, beginning of period | 1,066,492 | 1,886,743 | 1,886,742 |
| Change in cash and cash equivalents | 1,178,661 | 61,925 | -820,250 |
| Cash and cash equivalents, end of period | 2,245,153 | 1,948,668 | 1,066,492 |
| Cash and cash equivalents, end of period | | | |
| Cash and balances due from central banks | 287,444 | 22,027 | 36,531 |
| Balances due from credit institutions less than 3 months | 1,957,709 | 1,926,641 | 1,029,961 |
| Cash and cash equivalents, end of period | 2,245,153 | 1,948,668 | 1,066,492 |

NOTES TO THE FINANCIAL STATEMENTS

Group

| DKK '000 | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
|----------|---------------|---------------|--------------|
|----------|---------------|---------------|--------------|

NOTE 1 Interest receivable

| | | | |
|--|----------------|----------------|----------------|
| Receivables from credit institutions and central banks | 47,512 | 27,626 | 41,559 |
| Loans, advances and other receivables | 676,468 | 428,327 | 609,428 |
| Bonds | 142,282 | 117,041 | 162,285 |
| Total derivatives | 24,386 | 3,642 | 7,667 |
| Of which: | | | |
| Currency contracts | 29,940 | 13,759 | 19,422 |
| Interest rate contracts | -5,554 | -10,117 | -11,755 |
| Other interest receivable | 346 | 224 | 1,603 |
| Total interest receivable | 890,994 | 576,860 | 822,542 |

Interest receivable from genuine purchase and resale transactions:

| | | | |
|---|--------|-------|-------|
| Balances due from credit institutions and central banks | 15,108 | 3,803 | 5,753 |
| Loans, advances and other receivables | 7,857 | 164 | 2,213 |

NOTE 2 Interest payable

| | | | |
|---------------------------------------|----------------|----------------|----------------|
| Credit institutions and central banks | 253,542 | 134,833 | 197,584 |
| Deposits and other payables | 269,750 | 166,383 | 238,665 |
| Issued bonds | 48,501 | 103 | 9,751 |
| Subordinated debt | 22,708 | 10,596 | 16,562 |
| Other interest payable | 1,690 | 443 | 1,318 |
| Total interest payable | 596,191 | 312,358 | 463,880 |

Interest payable from genuine sale and repurchase transactions:

| | | | |
|---|--------|--------|--------|
| Payables to credit institutions and central banks | 20,079 | 11,826 | 20,573 |
| Deposits and other payables | 10 | - | 36 |

NOTE 3 Value adjustments

| | | | |
|---|---------------|---------------|---------------|
| Loans, advances and other receivables at fair value | 19,612 | 7,225 | 1,365 |
| Bonds | -105,977 | -50,267 | -57,998 |
| Shares etc. | 171,207 | 51,968 | 127,053 |
| Foreign exchange | 16,720 | 13,895 | 18,822 |
| Derivatives | -26,015 | 226 | -15,100 |
| Other commitments | 1,075 | - | 1,285 |
| Total value adjustments | 76,622 | 23,047 | 75,427 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Group | | |
|---|---------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| NOTE 4 Staff costs and administrative expenses | | | |
| Remuneration to the Executive Board and Board of Directors: | | | |
| Remuneration to the Executive Board | | | |
| Salaries and wages | 4,243 | 3,694 | 4,490 |
| Pensions | 586 | 548 | 758 |
| Total | 4,829 | 4,242 | 5,248 |
| Remuneration to the Board of Directors | | | |
| Fees | 338 | 338 | 477 |
| Total remuneration to the Executive Board and Board of Directors | 5,167 | 4,580 | 5,725 |
| Staff costs: | | | |
| Salaries and wages | 143,650 | 120,328 | 170,274 |
| Pensions | 14,197 | 12,210 | 16,570 |
| Social security costs | 13,755 | 11,972 | 16,885 |
| Total | 171,602 | 144,510 | 203,729 |
| Other administrative expenses | 200,164 | 166,058 | 227,662 |
| Total staff costs and administrative expenses | 376,933 | 315,148 | 437,116 |
| Number of employees | | | |
| Average number of employees during the period, full-time equivalents | 373 | 324 | 338 |
| NOTE 5 Impairment of loans, advances and receivables, etc. | | | |
| Individual assessment: | | | |
| Impairment and value adjustments, respectively, during the year | 20,878 | 32,261 | 68,762 |
| Reversal of impairment in previous years | 50,058 | 51,355 | 79,982 |
| Total individual assessment | -29,180 | -19,094 | -11,220 |
| Group assessment: | | | |
| Impairment and value adjustments, respectively, during the year | 10,808 | 12,181 | 6,714 |
| Reversal of impairment in previous years | 23,866 | 11,764 | 16,475 |
| Total group assessment | -13,058 | 417 | -9,761 |
| Losses not previously provided for | 8,593 | 8,296 | 12,726 |
| Bad debts recovered | 8,330 | 14,184 | 18,410 |
| Total impairment of loans, advances and receivables, etc. | -41,975 | -24,565 | -26,665 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Group | | |
|---|---------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| NOTE 6 Subordinated debt | | | |
| Supplementary capital | | | |
| Variable rate bullet loans in DKK maturing 9 May 2012 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 9 May 2013 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 9 May 2014 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 29 November 2015 | 200,000 | - | - |
| Total supplementary capital | 500,000 | 300,000 | 300,000 |
| Hybrid Tier 1 capital | | | |
| Fixed rate bullet loans in DKK with indefinite terms | 175,000 | - | 175,000 |
| Total hybrid Tier 1 capital | 175,000 | - | 175,000 |
| Hedging of interest rate risk at fair value | -7,046 | - | -902 |
| Total subordinated debt | 667,954 | 300,000 | 474,098 |
| Interest on subordinated debt | 22,708 | 10,596 | 16,562 |
| Of this, amortisation of costs incurred on raising the debt | 63 | 44 | 62 |
| Extraordinary instalments | - | 100,000 | 100,000 |
| Costs incurred in raising subordinated debt | - | 200 | 1,231 |
| As part of the risk management, the fair value of the hybrid Tier 1 capital is hedged by means of derivative financial instruments. | | | |
| The entire subordinated debt may be included in the statement of the capital base. | | | |
| NOTE 7 Off-balance sheet items | | | |
| Guarantees etc. | | | |
| Financial guarantees | 867,751 | 960,437 | 819,142 |
| Mortgage finance guarantees | 238,116 | 232,639 | 239,846 |
| Other guarantees | 411,964 | 729,165 | 418,196 |
| Total guarantees etc. | 1,517,831 | 1,922,241 | 1,477,184 |
| Other commitments | | | |
| Other commitments | 301,854 | 130,779 | 216,806 |
| Total other commitments | 301,854 | 130,779 | 216,806 |
| Total off-balance sheet items | 1,819,685 | 2,053,020 | 1,693,990 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 Off-balance sheet items - continued

Contingent liabilities

The bank has entered into a property lease with Henton Group A/S in respect of the headquarters at Silkeborg. The lease is non-terminable for seven years and three months from 1 January 2007. In addition to rent, the lease also covers joint expenses and canteen. The capitalised value of the lease has been calculated at DKK 6 million.

Being an active financial services group, the group is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the group.

Collateral security

Monetary-policy counterparties with the Danish Central Bank can obtain credit only against security through the mortgaging of approved securities.

As part of the ongoing business, at end September 2007 the bank provided bonds as security vis-à-vis the Danish Central Bank at a market value of DKK 625 million (Q3 2006: DKK 408 million).

| DKK '000 | Share capital | | Ownership interest in % | | Voting share in % | |
|----------|---------------|------------|-------------------------|------------|-------------------|------------|
| | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 | 30.09.2007 | 31.12.2006 |

NOTE 8 Group overview

Consolidated subsidiaries:

| | | | | | | |
|---------------------------|---------|---------|-------|-------|-------|-------|
| Alm. Brand Finans A/S | 3,000 | 3,000 | 100.0 | 100.0 | 100.0 | 100.0 |
| Alm. Brand Pantebreve A/S | 165,000 | 105,000 | 16.1 | 20.6 | 59.9 | 70.7 |
| Alm. Brand Formue A/S | 310,000 | 310,000 | 27.8 | 18.0 | 61.1 | 55.8 |

Associates (not consolidated):

| | | | | | | |
|---------------------------------------|-------|-------|------|------|------|------|
| Invest Administration A/S | 1,020 | 1,020 | 50.0 | 50.0 | 50.0 | 50.0 |
| Henton Aktieinvest A/S | 4,411 | 4,411 | 35.0 | 17.9 | 35.0 | 17.9 |
| Investeringselskabet af 6/10 1998 A/S | 750 | 750 | 20.0 | 20.0 | 20.0 | 20.0 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Group | | | | | | |
|---|-------------------|---------------------------|----------------------|-------------------------------|----------------------|-----------------------------|-----------------------------|
| | Q1-Q3 2007 | | | | | | |
| | Retail banking | Whole- sale banking | Alm. Brand Finans | Alm. Brand Pante- breve | Alm. Brand Formue | Other/ Elimina- tions | Alm. Brand Bank Group |
| NOTE 9 Segment information | | | | | | | |
| Interest receivable | 374,176 | 619,797 | 89,250 | 64,115 | 50,199 | -306,543 | 890,994 |
| Interest payable | 269,691 | 476,599 | 54,497 | 39,622 | 59,660 | -303,878 | 596,191 |
| Net interest income | 104,485 | 143,198 | 34,753 | 24,493 | -9,461 | -2,665 | 294,803 |
| Net fee and commission income, etc. | 26,961 | 120,033 | 8,221 | -3,468 | 3,640 | -409 | 154,978 |
| Value adjustments | 367 | 63,181 | - | -1,241 | 17,553 | -3,238 | 76,622 |
| Other operating income | - | 2,908 | 6,025 | - | - | 76 | 9,009 |
| Profit on ordinary activities before expenses (Net income) | 131,813 | 329,320 | 48,999 | 19,784 | 11,732 | -6,236 | 535,412 |
| Operating expenses | 43,757 | 100,142 | 29,222 | 3,737 | 2,065 | 199,803 | 378,726 |
| Write-downs of loans, advances and receivables, etc. | 6,944 | - | -23,774 | - | - | -25,145 | -41,975 |
| Profit/loss on participating interests | - | 652 | 272 | - | - | -1,303 | -379 |
| Profit on activities before tax | 81,112 | 229,830 | 43,823 | 16,047 | 9,667 | -182,197 | 198,282 |

| DKK '000 | Q1-Q3 2006 | | | | | | |
|---|-------------------|---------------------------|----------------------|-------------------------------|----------------------|-----------------------------|-----------------------------|
| | Retail banking | Whole- sale banking | Alm. Brand Finans | Alm. Brand Pante- breve | Alm. Brand Formue | Other/ Elimina- tions | Alm. Brand Bank Group |
| Interest receivable | 235,210 | 344,618 | 80,320 | 42,842 | 44,086 | -170,216 | 576,860 |
| Interest payable | 148,416 | 228,093 | 47,851 | 19,269 | 47,266 | -178,537 | 312,358 |
| Net interest income | 86,794 | 116,525 | 32,469 | 23,573 | -3,180 | 8,321 | 264,502 |
| Net fee and commission income, etc. | 31,560 | 90,242 | 8,322 | -2,056 | 6,676 | -12,502 | 122,242 |
| Value adjustments | 257 | 34,303 | - | -6,349 | -16,867 | 11,703 | 23,047 |
| Other operating income | - | 2,152 | 5,030 | - | - | 245 | 7,427 |
| Profit on ordinary activities before expenses (Net income) | 118,611 | 243,222 | 45,821 | 15,168 | -13,371 | 7,767 | 417,218 |
| Operating expenses | 36,672 | 81,159 | 28,670 | 2,543 | 2,056 | 165,384 | 316,484 |
| Write-downs of loans, advances and receivables, etc. | 6,408 | - | -8,777 | - | - | -22,196 | -24,565 |
| Profit/loss on participating interests | - | - | - | - | - | 10,315 | 10,315 |
| Profit on activities before tax | 75,531 | 162,063 | 25,928 | 12,625 | -15,427 | -125,106 | 135,614 |

INCOME STATEMENT

| DKK '000 | Note | Parent company | | |
|--|------|----------------|----------------|----------------|
| | | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| Interest receivable | 1 | 828,728 | 510,743 | 734,887 |
| Interest payable | 2 | 583,711 | 299,103 | 446,168 |
| Net interest income | | 245,017 | 211,640 | 288,719 |
| Dividend on participating interests | | 2,510 | 2,436 | 2,444 |
| Fees and commissions receivable | | 163,844 | 125,739 | 170,756 |
| Fees and commissions payable | | 19,769 | 18,875 | 28,235 |
| Net interest and fee income | | 391,602 | 320,940 | 433,684 |
| Value adjustments | 3 | 60,310 | 46,263 | 56,274 |
| Other operating income | | 2,984 | 2,396 | 3,746 |
| Profit before expenses | | 454,896 | 369,599 | 493,704 |
| Staff costs and administrative expenses | 4 | 341,908 | 281,878 | 390,689 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | 1,793 | 1,336 | 1,941 |
| Impairment of loans, advances and receivables, etc. | 5 | -18,201 | -15,789 | -16,239 |
| Profit from participating interests in associated and group undertakings | | 48,440 | 34,444 | 49,851 |
| Profit before tax | | 177,836 | 136,618 | 167,164 |
| Tax | | 43,231 | 37,480 | 39,642 |
| Profit for the period | | 134,605 | 99,138 | 127,522 |

BALANCE SHEET

Parent company

| DKK '000 | Note | 30.09.2007 | 30.09.2006 | 31.12.2006 |
|---|-------------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Cash in hand and receivables at call from central banks | | 287,444 | 22,024 | 36,531 |
| Receivables from credit institutions and central banks | | 1,957,709 | 1,878,574 | 1,025,810 |
| Loans, advances and other receivables at fair value | | 1,068,324 | 850,304 | 914,038 |
| Loans, advances and other receivables at amortised cost | | 16,045,247 | 12,319,260 | 13,246,612 |
| Bonds at fair value | | 2,239,267 | 3,235,813 | 2,879,428 |
| Shares etc. | | 183,632 | 138,916 | 157,935 |
| Participating interests in associated undertakings | | 20,756 | - | 2,250 |
| Participating interests in group undertakings | | 559,877 | 535,511 | 464,492 |
| Intangible assets | | 62,300 | 48,600 | 51,726 |
| Other property, plant and equipment | | 9,295 | 6,760 | 10,248 |
| Deferred tax assets | | 5,361 | 8,794 | 7,246 |
| Other assets | | 535,068 | 444,861 | 469,753 |
| Prepayments | | 7,170 | 5,896 | 6,611 |
| Total assets | | 22,981,450 | 19,495,313 | 19,272,680 |

BALANCE SHEET

Parent company

| DKK '000 | Note | 30.09.2007 | 30.09.2006 | 31.12.2006 |
|---|------|-------------------|-------------------|-------------------|
| LIABILITIES AND EQUITY | | | | |
| Payables | | | | |
| Payables to credit institutions and central banks | | 7,850,165 | 6,252,315 | 6,407,518 |
| Deposits and other payables | | 10,531,712 | 10,060,302 | 9,548,381 |
| Issued bonds | | 1,447,710 | 1,040,398 | 1,039,913 |
| Current tax liabilities | | 30,236 | 72,454 | 6,318 |
| Other liabilities | | 1,090,210 | 571,382 | 566,012 |
| Deferred income | | 4,393 | 21 | 4,900 |
| Total payables | | 20,954,426 | 17,996,872 | 17,573,042 |
| Provisions | | | | |
| Provisions for pensions and similar liabilities | | 7,805 | 10,165 | 8,880 |
| Total provisions | | 7,805 | 10,165 | 8,880 |
| Subordinated debt | | | | |
| | 6 | | | |
| Supplementary capital | | 500,000 | 300,000 | 300,000 |
| Hybrid Tier 1 capital | | 167,954 | - | 174,098 |
| Total subordinated debt | | 667,954 | 300,000 | 474,098 |
| Shareholders' equity | | | | |
| Share capital | | 351,000 | 351,000 | 351,000 |
| Other reserves | | 320,963 | 290,042 | 320,963 |
| Retained earnings | | 679,302 | 547,234 | 544,697 |
| Total shareholders' equity | | 1,351,265 | 1,188,276 | 1,216,660 |
| <i>Of which proposed dividend</i> | | <i>0</i> | <i>0</i> | <i>0</i> |
| Total liabilities and equity | | 22,981,450 | 19,495,313 | 19,272,680 |

STATEMENT OF CHANGES IN EQUITY

Parent company

| DKK '000 | Share capital | Other reserves | Retained earnings | Total |
|--|------------------|-------------------|----------------------|-----------|
| Shareholders' equity at 1 January 2006 | 351,000 | 290,042 | 448,096 | 1,089,138 |
| Equity movements in 2006 | | | | |
| Profit for the year | | 30,921 | 96,601 | 127,522 |
| Comprehensive income in 2006 | - | 30,921 | 96,601 | 127,522 |
| Dividend paid | | | | - |
| Total equity movements in 2006 | - | 30,921 | 96,601 | 127,522 |
| Shareholders' equity at 31 December 2006 | 351,000 | 320,963 | 544,697 | 1,216,660 |
| <i>Of which proposed dividends</i> | | | 0 | 0 |
| Shareholders' equity at 1 January 2007 | 351,000 | 320,963 | 544,697 | 1,216,660 |
| Equity movements in 2007 | | | | |
| Profit for the period | | | 134,605 | 134,605 |
| Comprehensive income in 2007 | - | - | 134,605 | 134,605 |
| Dividend paid | | | | - |
| Total equity movements in 2007 | - | - | 134,605 | 134,605 |
| Shareholders' equity at 30 September 2007 | 351,000 | 320,963 | 679,302 | 1,351,265 |
| <i>Of which proposed dividends</i> | | | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Parent company | | |
|--|----------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| NOTE 1 Interest receivable | | | |
| Receivables from credit institutions and central banks | 47,399 | 27,585 | 41,557 |
| Loans, advances and other receivables | 667,366 | 408,235 | 582,633 |
| Bonds | 94,910 | 72,486 | 104,253 |
| Total derivatives | 18,737 | 2,247 | 6,197 |
| Of which: | | | |
| Currency contracts | 24,291 | 12,364 | 18,686 |
| Interest rate contracts | -5,554 | -10,117 | -12,489 |
| Other interest receivable | 316 | 190 | 247 |
| Total interest receivable | 828,728 | 510,743 | 734,887 |
| Interest receivable from genuine purchase and resale transactions: | | | |
| Balances due from credit institutions and central banks | 15,108 | 3,803 | 5,753 |
| Loans, advances and other receivables | 11,283 | 164 | 2,213 |
| NOTE 2 Interest payable | | | |
| Credit institutions and central banks | 241,154 | 121,576 | 179,826 |
| Deposits and other payables | 269,800 | 166,385 | 238,712 |
| Issued bonds | 48,501 | 103 | 9,751 |
| Subordinated debt | 22,708 | 10,596 | 16,562 |
| Other interest payable | 1,548 | 443 | 1,317 |
| Total interest payable | 583,711 | 299,103 | 446,168 |
| Interest payable from genuine sale and repurchase transactions: | | | |
| Payables to credit institutions and central banks | 20,079 | 11,826 | 20,573 |
| Deposits and other payables | 10 | - | 36 |
| NOTE 3 Value adjustments | | | |
| Loans, advances and other receivables at fair value | 28,829 | 17,820 | 17,130 |
| Bonds | -22,305 | -10,676 | -2,945 |
| Shares etc. | 61,110 | 28,407 | 44,087 |
| Foreign exchange | 5,796 | 9,658 | 12,130 |
| Derivatives | -14,195 | 1,054 | -15,413 |
| Other commitments | 1,075 | - | 1,285 |
| Total value adjustments | 60,310 | 46,263 | 56,274 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Parent company | | |
|--|----------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| NOTE 4 Staff costs and administrative expenses | | | |
| Remuneration to the Executive Board and Board of Directors: | | | |
| Remuneration to the Executive Board | | | |
| Salaries and wages | 4,243 | 3,694 | 4,490 |
| Pensions | 586 | 548 | 758 |
| Total | 4,829 | 4,242 | 5,248 |
| Remuneration to the Board of Directors | | | |
| Fees | 338 | 338 | 477 |
| Total remuneration to the Executive Board and Board of Directors | 5,167 | 4,580 | 5,725 |
| Staff costs: | | | |
| Salaries and wages | 142,865 | 108,813 | 155,038 |
| Pensions | 14,147 | 11,077 | 15,059 |
| Social security costs | 13,703 | 11,430 | 15,469 |
| Total | 170,715 | 131,320 | 185,566 |
| Other administrative expenses | 166,026 | 145,978 | 199,398 |
| Total staff costs and administrative expenses | 341,908 | 281,878 | 390,689 |
| Number of employees | | | |
| Average number of employees during the period, full-time equivalents | 372 | 296 | 310 |
| NOTE 5 Impairment of loans, advances and receivables, etc. | | | |
| Individual assessment: | | | |
| Impairment and value adjustments, respectively, during the year | 8,578 | 25,832 | 45,973 |
| Reversal of impairment in previous years | 36,425 | 49,399 | 67,224 |
| Total individual assessment | -27,847 | -23,567 | -21,251 |
| Group assessment: | | | |
| Impairment and value adjustments, respectively, during the year | 10,808 | 8,224 | 6,714 |
| Reversal of impairment in previous years | 835 | 2,179 | 2,401 |
| Total group assessment | 9,973 | 6,045 | 4,313 |
| Losses not previously provided for | 5,948 | 5,279 | 7,726 |
| Bad debts recovered | 6,275 | 3,546 | 7,027 |
| Total impairment of loans, advances and receivables, etc. | -18,201 | -15,789 | -16,239 |

NOTES TO THE FINANCIAL STATEMENTS

| DKK '000 | Parent company | | |
|---|----------------|---------------|--------------|
| | Q1-Q3 2007 | Q1-Q3 2006 | Year 2006 |
| NOTE 6 Subordinated debt | | | |
| Supplementary capital | | | |
| Variable rate bullet loans in DKK maturing 9 May 2012 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 9 May 2013 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 9 May 2014 | 100,000 | 100,000 | 100,000 |
| Variable rate bullet loans in DKK maturing 29 November 2015 | 200,000 | - | - |
| Total supplementary capital | 500,000 | 300,000 | 300,000 |
| Hybrid Tier 1 capital | | | |
| Fixed rate bullet loans in DKK with indefinite terms | 175,000 | - | 175,000 |
| Total hybrid Tier 1 capital | 175,000 | - | 175,000 |
| Hedging of interest rate risk at fair value | | | |
| Total subordinated debt | 667,954 | 300,000 | 474,098 |
| Interest on subordinated debt | | | |
| Of this, amortisation of costs incurred on raising the debt | 22,708 | 10,596 | 16,562 |
| Extraordinary instalments | 63 | 44 | 62 |
| Costs incurred in raising subordinated debt | - | 100,000 | 100,000 |
| | - | 200 | 1,231 |
| As part of the risk management, the fair value of the hybrid Tier 1 capital is hedged by means of derivative financial instruments. | | | |
| The entire subordinated debt may be included in the statement of the capital base. | | | |
| NOTE 7 Off-balance sheet items | | | |
| Guarantees etc. | | | |
| Financial guarantees | 867,751 | 960,437 | 819,142 |
| Mortgage finance guarantees | 238,116 | 232,639 | 239,846 |
| Other guarantees | 411,964 | 729,165 | 418,196 |
| Total guarantees etc. | 1,517,831 | 1,922,241 | 1,477,184 |
| Other commitments | | | |
| Other commitments | 301,854 | 128,506 | 216,806 |
| Total other commitments | 301,854 | 128,506 | 216,806 |
| Total off-balance sheet items | 1,819,685 | 2,050,747 | 1,693,990 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 Off-balance sheet items - continued

Contingent liabilities

The bank has entered into a property lease with Henton Group A/S in respect of the headquarters at Silkeborg. The lease is non-terminable for seven years and three months from 1 January 2007. In addition to rent, the lease also covers joint expenses and canteen. The capitalised value of the lease has been calculated at DKK 6 million.

Being an active part of a financial services group, the company is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the group.

Collateral security

Monetary-policy counterparties with the Danish Central Bank can obtain credit only against security through the mortgaging of approved securities.

As part of the ongoing business, at end September 2007 the bank provided bonds as security vis-à-vis the Danish Central Bank at a market value of DKK 625 million (Q3 2006: DKK 408 million).

Parent company

DKK '000 **30.09.2007** **30.09.2006** **30.09.2005** **30.09.2004** **30.09.2003**

NOTE 8 Financial highlights and key ratios

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Net interest and fee income | 391,602 | 320,940 | 325,860 | 272,912 | 253,886 |
| Value adjustments | 60,310 | 46,263 | 48,338 | 35,744 | 13,931 |
| Staff costs and administrative expenses | 341,908 | 281,878 | 237,807 | 223,793 | 215,851 |
| Impairment of loans, advances and receivables, etc. | -18,201 | -15,789 | 6,305 | 9,995 | 17,397 |
| Profit from investments in associates and group enterprises | 48,440 | 34,444 | 39,064 | 33,568 | 53,387 |
| Profit for the financial year | 177,836 | 136,618 | 168,957 | 106,014 | 87,124 |
| Loans and advances | 17,113,571 | 13,169,564 | 10,445,240 | 8,390,919 | 7,595,604 |
| Shareholders' equity | 1,351,265 | 1,188,276 | 1,051,015 | 840,560 | 767,880 |
| Total assets | 22,981,450 | 19,495,313 | 16,717,233 | 13,156,408 | 12,557,980 |
| Solvency ratio * | 10.4% | 8.8% | 9.7% | 10.6% | 11.6% |
| Tier 1 ratio * | 7.5% | 6.8% | 7.4% | 7.5% | 8.1% |
| Return on equity for the period before tax | 13.9% | 12.0% | 18.0% | 13.7% | 11.8% |
| Return on equity for the period after tax | 10.5% | 8.7% | 12.3% | 13.5% | 11.6% |
| Income/cost ratio | 1.55 | 1.53 | 1.69 | 1.46 | 1.38 |
| Interest rate risk * | 6.8% | 9.8% | 7.0% | 7.5% | 7.1% |
| Foreign exchange position * | 14.8% | 12.8% | 7.7% | 3.3% | 7.5% |
| Foreign exchange risk * | 0.1% | 0.0% | 0.1% | 0.0% | 0.1% |
| Loans and advances as a percentage of deposits | 163.4% | 132.1% | 110.2% | 92.1% | 83.3% |
| Gearing of loans and advances | 12.7 | 11.1 | 10.0 | 10.0 | 9.9 |
| Growth in lending for the period | 20.9% | 15.9% | 16.3% | 2.1% | -0.6% |
| Excess cover relative to statutory liquidity requirement * | 102.1% | 100.7% | 52.4% | 113.4% | 186.3% |
| Total amount of large exposures * | 313.2% | 328.5% | 270.4% | 232.9% | 155.9% |
| Impairment ratio for the period | -0.1% | -0.1% | 0.1% | 1.6% | 1.8% |

Financial highlights and key ratios for 2004-2007 have been prepared in accordance with IFRS. For 2003, they were prepared in accordance with the previously applicable rules.

* Comparative figures for 2004 have not been restated in respect of these ratios.