

ALM. BRAND BANK A/S

■ INTERIM REPORT - THE THIRD QUARTER OF 2010



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COMPANY INFORMATION

BOARD OF DIRECTORS

Jørgen Hesselbjerg Mikkelsen, Chairman
Boris N. Kjeldsen, Deputy Chairman
Arne Nielsen
Søren Boe Mortensen
Christian Bundgaard, elected by the employees
Jesper Christiansen, elected by the employees

AUDITORS

Deloitte
Statsautoriseret Revisionsaktieselskab

INTERNAL AUDITOR

Poul-Erik Winther, Group Chief Auditor

MANAGEMENT BOARD

Ole Joachim Jensen, Chief Executive Officer
Bo Chr. Alberg, Managing Director
Ulla Heurlin, Managing Director

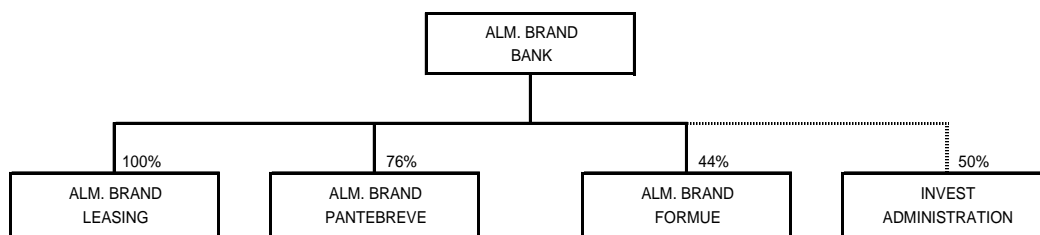
ADDRESS

Midtermolen 7
DK-2100 Copenhagen Ø
Phone: + 45 35 47 48 49
Fax: + 45 35 47 47 35
Internet: www.almbrand.dk
E-mail: bank@almbrand.dk

REGISTRATION

Alm. Brand Bank A/S
Company registration (CVR) no. 81 75 35 12

GROUP STRUCTURE



The bank has three subsidiaries:

- Alm. Brand Leasing A/S
- Alm. Brand Pantebreve A/S
- Alm. Brand Formue A/S

The bank also has investments in a joint venture:

- Invest Administration A/S

In addition, the bank acts as depositary bank for:

- Investeringsforeningen Alm. Brand Invest
- Independent Invest

OWNERSHIP

The bank is wholly owned by the listed company Alm. Brand 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

	PRORATA					GROUP				
	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	Year 2009	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	Year 2009
INCOME STATEMENT										
Interest receivable	250	249	703	845	1,082	254	257	720	870	1,114
Interest payable	104	130	297	507	634	105	131	301	514	643
Net interest income	146	119	406	338	448	149	126	419	356	471
Fees and commissions receivable (net) and dividend etc.	36	36	126	116	143	35	37	126	115	140
Net interest and fee income	182	155	532	454	591	184	163	545	471	611
Value adjustments	-138	-87	-217	-89	-177	-137	-118	-221	-120	-257
Other operating income	7	5	16	15	17	7	4	17	15	17
Profit before expenses	51	73	331	380	431	54	49	341	366	371
Staff costs and administrative expenses	138	129	390	387	547	141	131	397	394	558
Depreciation, amortisation and impairment of property, plant and equipment	2	3	7	8	111	2	2	7	8	111
Other operating expenses	23	21	65	59	81	22	22	66	60	81
Impairment of loans, advances and receivables, etc.	375	233	548	1,236	1,451	375	233	548	1,236	1,451
Profit from investments in associates and group enterprises	-1	1	19	1	1	-1	1	19	1	1
Profit before tax	-488	-312	-660	-1,309	-1,758	-487	-338	-658	-1,331	-1,829
Tax	-119	-84	-184	-331	-434	-119	-83	-184	-330	-433
Profit for the period	-369	-228	-476	-978	-1,324	-368	-255	-474	-1,001	-1,396
Share attributable to minority interests	-	-	-	-	-	1	-27	2	-23	-72
Profit after tax excluding minority interests	-	-	-	-	-	-369	-228	-476	-978	-1,324
<i>Profit before tax excluding minority interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-488</i>	<i>-312</i>	<i>-660</i>	<i>-1,309</i>	<i>-1,758</i>
BALANCE SHEET										
Loans and advances	14,286	15,526	14,286	15,526	15,024	14,010	15,476	14,010	15,476	14,823
Deposits	9,620	11,386	9,620	11,386	11,102	9,618	11,386	9,618	11,386	11,096
Shareholders' equity	886	1,158	886	1,158	1,362	1,076	1,434	1,076	1,434	1,590
Share attributable to minority interests	-	-	-	-	-	190	276	190	276	227
Total assets	27,031	24,749	27,031	24,749	26,162	27,339	25,186	27,339	25,186	26,539
KEY RATIOS ETC.										
Average number of employees, full-time equivalents	336	366	349	366	365	336	366	349	366	366
Interest margin (%)	-	-	-	-	-	2.4	2.1	2.4	1.9	1.9
Income/cost ratio	0.10	0.19	0.35	0.23	0.20	0.10	0.13	0.35	0.22	0.17
Impairment ratio	2.1	1.2	3.1	6.5	7.8	2.2	1.2	3.2	6.4	7.9
Solvency ratio	-	-	-	-	-	12.6	16.5	12.6	16.5	16.0

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by 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. The figures are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the review below concern pro rata figures. Banking group figures are commented on only when found relevant. To the extent it is deemed relevant, Q1–Q3 2009 and Q3 2009, respectively, are used as benchmarks for Q1–Q3 2010 and Q3 2010, respectively.

Performance

The bank posted a loss before writedowns and losses of DKK 23 million in Q3 2010. Year to date, the bank posted a profit of DKK 91 million.

The loss for Q3 2010 was partly attributable to provisions for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures and partly to a substantial unrealised capital loss on mortgage deeds.

This capital loss was attributable to an update of the security ranking of the mortgage deeds in the respective properties, which forms part of the basis for estimating the value of the mortgage deed portfolio in the bank and the bank's partly owned subsidiary Alm. Brand Pantebreve A/S.

The year-to-date profit of DKK 91 million before losses and writedowns was mainly attributable to declining interest rates in 2010 to date. The decline in interest rates entailed, among other things, unrealised capital gains on mortgage deeds, which, at 30 September 2010, were greater than the previously mentioned unrealised capital gains on mortgage deeds in Q3 2010. Moreover, the performance for the year to date was favourably affected by the development in net interest income, primarily as a result of a lower level of interest rates on fixed-rate deposits and investments in high-yielding bonds. On the other hand, provisions for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures had an adverse effect.

Including losses and writedowns, the bank incurred a loss of DKK 660 million for the year to date. In the same period of last year, the bank posted a loss of DKK 1,309 million including losses and writedowns.

The unsatisfactory performance including losses and writedowns was primarily attributable to substantial credit-related losses and writedowns on mortgage deeds. Total losses and writedowns amounted to DKK 751 million for the year to date, of which DKK 465 million was written down in the third quarter.

Net interest and fee income

Net interest and fee income for the first nine months of 2010 amounted to DKK 532 million,

against DKK 454 million in the same period of last year.

In Q3 2010, net interest and fee income totalled DKK 182 million, against DKK 180 million in Q2 2010. In Q3 2009, the net income amounted to DKK 155 million.

Interest income

The bank's net interest income was DKK 406 million for the year to date, an increase of DKK 68 million relative to the year-earlier period.

In Q3 2010, net interest income amounted to DKK 146 million, which was an increase of DKK 10 million relative to Q2 2010 and DKK 27 million relative to Q3 2009.

The positive trend in net interest income was partly due to the lower level of interest rates on fixed-rate deposits prevailing from the beginning of the year, and partly to investments in high-yielding bonds.

The banking group's interest margin was 2.4% in Q3 2010, equivalent to the interest margin for the first six months of 2010.

Year to date, the interest margin for the banking group was 2.4%, against 1.9% for the nine months ended 30 September 2009.

Fee income

Year to date, net fee income amounted to DKK 126 million, which was an increase of DKK 10 million relative to the year-earlier period. Net fees for Q3 2010 amounted to DKK 36 million, which was on a par with Q3 2009.

Value adjustments

Value adjustments for the year to date amounted to a capital loss of DKK 217 million, against a DKK 89 million loss in the same period of last year. Value adjustments amounted to a capital loss of DKK 138 million in Q3.

Value adjustments for the year to date were affected by credit-related value adjustments of mortgage deeds in the amount of DKK 203 million. In Q3 2010, credit-related impairment writedowns on the mortgage deed portfolio amounted to DKK 90 million.

REPORT

In Q3 2010, value adjustments were also adversely impacted by an unrealised capital loss of DKK 41 million on the mortgage deed portfolio. The loss was attributable to an update of the security ranking of the mortgage deeds in the respective properties, which forms part of the basis for estimating the value of the mortgage deed portfolio.

The security ranking of the Danish mortgage deeds was updated on the basis of the most recent selling price statistics and the most recent public property value assessment. The latter is used if no selling price statistics are available.

Excluding credit-related impairment writedowns on mortgage deeds and value adjustments related to security ranking, the bank posted a capital loss of DKK 7 million in Q3 2010 and a capital gain of DKK 27 million for the year to date.

Interest-related value adjustments, excluding the mortgage deed adjustments described above, amounted to a gain of DKK 3 million in Q3 2010 and DKK 77 million for the year to date.

Equity-related value adjustments amounted to a capital loss of DKK 7 million in Q3 2010 and a DKK 46 million loss for the year to date.

The bank's equity portfolio is mainly composed of sector equities, while the trading portfolio of equities makes up only a limited amount. In connection with the winding up of distressed investment exposures, the bank has acquired a number of non-marketable equities in 2010 on which it recorded a substantial unrealised capital loss.

Foreign exchange adjustments amounted to a capital loss of DKK 3 million in Q3 2010 and of DKK 4 million for the year to date.

Costs

The bank's costs amounted to DKK 138 million in Q3 2010, against DKK 129 million in the same period of last year. The increase in expenses was due to provisions in the amount of DKK 18 million for salary, pension, etc. for employees made redundant as a result of restructurings and branch office closures.

The year-to-date expenses were in line with the same period of last year.

Other operating expenses

Other operating expenses totalled DKK 65 million for the year to date, against DKK 59 million for the first nine months of 2009. This item primarily

related to the bank's expenses in respect of Bank Package I.

The bank's overall expenses in respect of Bank Package I and the Private Contingency Association totalled DKK 41 million in Q3 2010 and DKK 84 million for the year to date. Total expenses for the year to date in the amount of DKK 61 million were recognised under other operating expenses and DKK 23 million under impairment of loans, advances and receivables, etc.

Impairment of loans, etc.

The bank's losses and writedowns on loans amounted to DKK 548 million in the nine months ended 30 September 2010. In Q3 2010, losses and writedowns amounted to DKK 375 million.

In addition, the bank incurred credit losses and writedowns on its mortgage deed portfolio of DKK 203 million in the nine months ended 30 September 2010, of which DKK 90 million was attributable to Q3 2010. These losses and writedowns were recognised under value adjustments.

Total losses and writedowns on loans and advances, including credit-related losses and writedowns on mortgage deeds, thus amounted to DKK 751 million for the nine months ended 30 September 2010. Of this amount, identified losses amounted to DKK 113 million.

In addition, losses in the amount of DKK 694 million were identified for the year to date, but since provisions have previously been made to cover these losses, they will have no impact on operations in 2010. The identified losses for which provisions have previously been made were attributable to lending exposures on which the bank is close to realising or has already realised a loss. As a result, the bank's accumulated writedowns declined from 10.0% of the bank's loans and guarantees at 31 December 2009 to 9.5% at 30 September 2010.

The bank's lending portfolio and losses and writedowns are described in detail under "Lending portfolio".

Balance sheet

Lending

The bank's loans and advances, excluding reverse transactions totalling DKK 1.1 billion, amounted to DKK 13.2 billion at 30 September 2010. This corresponds to a decline in loans and advances of DKK 1.8 billion relative to 31 December 2009.

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Going forward, the bank expects to continue to reduce its total loans and advances in light of its strategy.

Debt to credit institutions

The bank's debt to credit institutions amounted to DKK 8.1 billion at 30 September 2010, which was DKK 3.1 billion lower than at 31 December 2009.

Issued bonds

At 30 September 2010, issued bonds amounted to DKK 6.0 billion. The bonds were issued at 30 June 2010.

Deposits

The bank's deposits totalled DKK 9.6 billion at 30 September 2010, against DKK 11.1 billion at 31 December 2009. This decline was primarily attributable to fewer fixed-rate deposits, as the bank has refrained from conducting any major fixed-rate deposit campaigns in 2010. Moreover, the bank has experienced a decline in large deposits from wholesale customers.

Capital

The banking group's equity stood at DKK 1.1 billion at 30 September 2010, whereas the capital base totalled DKK 2.0 billion.

Risk-weighted items in the banking group totalled DKK 15.6 billion at 30 September 2010. Accordingly, the solvency ratio was 12.6, and the tier 1 capital ratio was 7.3.

Major events

Delineation of the bank's strategy

Going forward, the Bank will focus exclusively on private customers, leasing and Asset Management and Markets. All other activities are being wound up, including loans to commercial and agricultural customers, mortgage deed trading, loans for property development projects and investment commitments for the financing of investments in illiquid assets, including mortgage deeds, etc.

The goal is for Alm. Brand Bank to become a bank with a significantly reduced exposure to losses and writedowns. The bank will offer attractive products to the core private customers of non-life insurance and will offer services in the financial markets, while maintaining a profitable business.

Restructuring

On 31 August 2010, the bank completed a comprehensive restructuring of its branch network, closing nine out of 20 bank branches.

The restructuring was implemented with a view to saving costs and adapting to the bank's new strategy.

The employees of the 11 continuing bank branches will serve new and existing private customers, and their current focus is on proactively following up on the bank's mortgage deed debtors.

Loss mitigation activities

Proactively following up on the bank's mortgage deed debtors is an important element in the bank's loss mitigation activities.

Alm. Brand Bank offers to advise its mortgage deed debtors on their financial situation and alternative sources of finance. Alm. Brand Bank believes that such advice in many cases improves the debtors' ability to repay their debts and thus minimises the risk of future losses to the bank. If the bank is able to offer a home loan based on the debtor's financial situation, the mortgage deeds will be redeemed with a view to converting all of the debtor's mortgage credit debt and home loan debt with the bank. Otherwise, the mortgage deed will continue unchanged.

Like the bank branches, most of the bank's employees in the central administration are focused on loss mitigation activities in relation to both the bank's mortgage deed portfolio and the remaining winding-up portfolio.

Events after the balance sheet date

Review of the bank's lending portfolio

The Danish FSA conducted an ordinary inspection of Alm. Brand Bank in October and November 2010. In that connection, the Danish FSA assessed the bank's impairment writedowns on loans and the individual solvency need.

The review caused management to increase impairment writedowns on a few large exposures and in the mortgage deed area, including mortgage deed investment exposures, in Q3 2010. This in all material respects represents an advancement of impairment writedowns. Moreover, management's forecast for future losses and writedowns was raised from around DKK 1.3 billion to around DKK 1.4 billion from 1 January 2010 to 31 December 2012. The increase was caused by a more conservative valuation of mortgage deeds and not by a rising delinquency rate. After the impairment writedowns made in Q3 2010, management estimates that losses and writedowns for the period 1 October 2010 to 31 December 2012 will amount to almost DKK 700 million.

REPORT

As a result of the Danish FSA's inspection of Alm. Brand Bank's lending portfolio, management has resolved to increase the individual solvency need of the bank to 14.1% going forward, corresponding to a strengthening of Alm. Brand Bank's capital requirement by approximately DKK 0.5 billion. The assessment of the individual solvency need thus reflects the substantial uncertainty associated with the estimate of expected future losses and writedowns.

At 17 November 2010, Alm. Brand A/S contributed DKK 600 million in equity to Alm. Brand Bank.

Alm. Brand's management has requested Deloitte, KPMG and an external credit specialist to review management's estimate for impairment writedowns and credit losses on mortgage deeds for the period 1 October 2010 to 31 December 2012. Based on the individual reports on the work performed, management has not identified a further need to change the above-mentioned increased level of expected impairment writedowns on loans and credit losses on mortgage deeds for the period 1 October 2010 to 31 December 2012 of almost DKK 700 million.

Tender offer to other shareholders of Alm. Brand Pantebreve A/S

In light of the financial situation in Alm. Brand Pantebreve A/S, the bank, as the principal shareholder, owning 76% of the company's shares at 30 September 2010, has submitted a voluntary public tender offer for the remaining shares of Alm. Brand Pantebreve A/S.

The tender offer was submitted on 12 October 2010, and the offer period expired on 10 November 2010. On expiry of the offer period, the bank's ownership interest had increased to 94% of the company's share capital, and the bank has requested the company to convene an extraordinary general meeting, among other things, with a view to considering a resolution to delist Alm. Brand Pantebreve A/S from NASDAQ OMX Copenhagen.

Outlook

Outlook for 2010

The bank downgrades its full-year guidance by DKK 50 million to a profit of around DKK 90 million before tax and before losses and writedowns.

The downgrade is primarily effected as a result of an adjustment of the valuation of the mortgage deed portfolio in the bank and in the bank's partly owned subsidiary Alm. Brand Pantebreve A/S in the third quarter of 2010. The adjustment of the valuation was attributable to an update of the security ranking of Danish mortgage deeds in the respective properties on the basis of the most recent selling price statistics and the most recent public property value assessment.

Outlook for 2011

The bank expects to generate a profit of around DKK 70 million before tax and before losses and writedowns in 2011.

This forecast is based on management's expectations of reducing the bank's risk-weighted assets on an ongoing basis, including continuing the winding up of a number of business areas. Moreover, the restructurings and cost savings implemented will have a favourable impact on the financial results.

Expected losses and writedowns until end-2012

After the impairment writedowns made in Q3 2010, management estimates impairment writedowns on loans and credit losses on mortgage deeds will amount to almost DKK 700 million for the period 1 October 2010 to 31 December 2012.

The amount of impairment writedowns on loans and credit losses on mortgage deeds is subject to considerable uncertainty and depends on general economic developments. The estimates are based on economic trend assumptions of limited positive GDP growth continuing in the coming years, a stable interest rate level, unchanged property prices and unchanged unemployment figures.

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Disclaimer

The forecasts are based on the level of interest rates prevailing at medio-November 2010. All forward-looking statements are based exclusively on the information available when this interim report was released.

The actual performance may be affected by major changes in a number of factors. Such impacts include changes in conditions in the financial market, 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.

LENDING PORTFOLIO

The bank's total writedowns and losses on the lending and guarantee portfolio amounted to an expense of DKK 465 million in Q3 2010, of which DKK 53 million was attributable to identified losses.

Year to date, total writedowns and identified losses amounted to an expense of DKK 751 million. Of this amount, identified losses amounted to DK 113 million. The total losses and writedowns of DKK 751 million equalled 5.1% of the average lending portfolio in 2010.

DKKm	Loans		Share of portfolio (%)	Total loss and writedowns		Prorata
	31.12.2009	30.09.2010		Q3 2010	Q1-Q3 2010	Loss ratio *)
Segments						
Retail lending	3,356	3,327	23.3%	3	3	0.1%
Car finance	994	706	5.0%	3	8	1.0%
Agriculture	1,125	1,213	8.5%	14	29	2.5%
Other commercial lending	1,008	613	4.3%	-2	25	3.0%
Lending to subsidiaries **)	1,345	577	4.0%	0	0	0.0%
Security financing	3,756	2,616	18.3%	182	375	11.8%
Investment properties	1,791	1,604	11.2%	112	27	1.6%
Residential mortgage deeds	856	1,390	9.7%	-27	40	3.5%
Commercial mortgage deeds	263	562	3.9%	117	163	39.6%
Property developments projects	515	547	3.9%	42	57	10.9%
The Private Contingency Committee	-	-	-	21	24	-
Total - excl. Reverse transactions	15,009	13,155	92.1%	465	751	5.3%
Reverse transactions	15	1,131	7.9%	-	-	-
Total	15,024	14,286	100.0%	465	751	5.1%

*) Losses and writedowns as a percentage of the average portfolio in Q1-Q3 2010. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

***) Alm. Brand Formue A/S and Alm. Brand Pantebreve A/S.

The table shows a pro rata consolidated segment-by-segment breakdown of the bank's lending portfolio. The loss and impairment ratio is calculated relative to average lending during the period. The performance of the individual lending segments for the nine months ended 30 September 2010 is reviewed in the following sections.

As a result of the bank's strategy, most lending segments are being wound up. As part of the implementation of a controlled winding up of the individual exposures, the bank has granted, and will continue to grant, loans as part of its credit defence efforts in relation to the bank's collateral. This means that lending may increase in the individual segments, although the lending segment is being wound up.

The bank's pro rata consolidated lending portfolio totalled DKK 13.2 billion at 30 September 2010 (excluding guarantees and reverse transactions).

The continuing part of the portfolio accounted for around DKK 3.6 billion, including loans to private customers of around DKK 3.3 billion, loans for investment credits in liquid securities against collateral from customers of around DKK 0.2 billion, and loans for continuing leasing activities of around DKK 0.1 billion. The rest of the portfolio, which is being wound up, amounted to around DKK 9.6 billion. Of this amount, private mortgage deeds accounted for around DKK 3.2 billion, including mortgage deeds in Alm. Brand Pantebreve A/S and in the investment commitments. It is expected that, over the coming years, parts of the portfolio of private mortgage deeds which is being wound up will be redeemed and replaced by home loans provided by the bank.

Historically as well as in Q3 2010, the bank's losses and provisions were primarily related to the areas which are being wound up.

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Lending to private customers

The portfolio is geographically diversified across Denmark. Total loans and advances to private customers at 30 September 2010 were on a par with 31 December 2009.

Impairment writedowns amounted to DKK 3 million for the nine months ended 30 September 2010, equivalent to 0.1% of the average portfolio.

Car finance

The car finance portfolio is mainly anchored in the subsidiary Alm. Brand Leasing A/S. The bank offers car loans through the bank's own branches.

As a result of the cessation of financing through car dealers, the portfolio has declined.

Impairment writedowns amounted to DKK 8 million for the nine months ended 30 September 2010, equivalent to 1.0% of the average portfolio. The impairment writedowns were primarily attributable to the winding up of defaulting agreements.

Agriculture

No new agricultural customer relationships have been established since year-end 2008. As a result of the bank's new strategy, no new agricultural customers are accepted, and the business volume with existing customers is expected to be wound up over a number of years.

Impairment writedowns amounted to DKK 29 million for the nine months ended 30 September 2010, equivalent to 2.5% of the average agricultural portfolio.

Other commercial lending

As a result of the bank's new strategy, no new commercial customers are accepted, and the business volume with existing customers will be wound up over a number of years.

The portfolio under other commercial lending consists partly of loans to small businesses and partly of syndicated loans to medium-sized Danish businesses. In addition, the portfolio consists of corporate car and equipment leases established with Alm. Brand Finans A/S.

Impairment writedowns amounted to DKK 25 million for the nine months ended 30 September 2010, equivalent to 3.0% of the average portfolio.

Loans to subsidiaries

Alm. Brand Bank has granted loans to its two partly-owned, listed subsidiaries. The above table is based on pro rata consolidated figures. This means that loans corresponding to Alm. Brand

Bank's ownership interest appear from the segment-by-segment breakdown of own lending, while loans to subsidiaries in the overview correspond to the ownership interest held by minority interests.

At 30 September 2010, minority interests had 57% ownership of Alm. Brand Formue A/S, which was unchanged compared with 31 December 2009, while minority interests' ownership of Alm. Brand Pantebreve A/S declined from 78% at 31 December 2009 to 24% at 30 September 2010. The change in the share attributable to minority interests was the key explanation for the decline in loans to subsidiaries from DKK 1,345 million at 31 December 2009 to DKK 577 million at 30 September 2010. The change in the share attributable to minority interests resulted in a similar increase in the bank's portfolio of mortgage deeds.

Alm. Brand Formue A/S generated a satisfactory performance for the nine months ended 30 September 2010.

Alm. Brand Pantebreve A/S was affected by the adverse developments in the property market and incurred substantial losses and credit-related value adjustments in the nine months ended 30 September 2010. Alm. Brand Bank has secured the necessary operating credits until end-February 2011.

No losses were incurred or impairment writedowns made on loans to subsidiaries. For further information, see the respective companies' financial statements, which are posted at www.pantebreve.almbrand.dk and www.formue.almbrand.dk.

Security financing

This portfolio consists of investment commitments secured against mortgage deeds as well as equities and bonds.

Mortgage deed exposures represent approximately 70% of this portfolio. Measured in terms of market value, commercial mortgage deeds represent approximately 30% of the mortgage deed portfolio. All mortgage deeds in arrears are measured individually, and mortgaged shares listed on recognised stock exchanges are measured at their fair value.

At 30 September 2010, the bank recognised writedowns on commitments that were showing indications of impairment. This resulted in impairment writedowns of DKK 375 million for the

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year to date, corresponding to 11.8% of the average portfolio. The writedowns were attributable to mortgage deed debtors defaulting on their loans and to a declining excess cover on the exposures as a result of price falls on securities.

An amount of DKK 765 million was wound up on the portfolio in the nine months ended 30 September 2010. These commitments were mainly transferred to the residential and commercial mortgage deed segments. No new loans will be granted for mortgage deed investments.

Investment properties

The portfolio comprises lending for investment properties, primarily within retail trade and rentals. Danish properties make up some 70% of the portfolio, while the remaining 30% is made up of German properties with Danish debtors. The future strategy does not include investment property funding.

The bank recognised impairment writedowns in the amount of DKK 27 million for the nine months ended 30 September 2010, equivalent to 1.6% of the average portfolio.

Residential mortgage deeds

This segment represents the bank's portfolio of mortgage deeds secured primarily against single-family houses, commonhold flats and summer houses. The properties are located all over Denmark. The bank does not buy new mortgage deeds. Accordingly, this portfolio is being wound up, but new mortgage deeds may be added when the bank increases its ownership interest in Alm. Brand Pantebreve A/S, or if the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

The bank has updated the method of calculating residential and commercial mortgage deeds. Previously, residential mortgage deeds also comprised mortgage deeds in which the debtor was a private customer but the mortgaged property was a commercial property. These arrangements were not expedient, and such mortgage deeds will henceforth be categorised as commercial mortgage deeds. The change was implemented in the third quarter of 2010, resulting in a transfer of residential mortgage deeds worth approximately DKK 190 million to commercial mortgage deeds. Moreover, impairment writedowns in the amount of almost DKK 40 million were transferred for the year to date.

The portfolio is marked to market on a current basis using a cash flow-based pricing model, which considers factors such as estimated early redemptions and credit losses. Individual writedowns are taken on all mortgages in arrears or showing characteristic indications of impairment.

Impairment writedowns amounted to DKK 40 million for the nine months ended 30 September 2010, equivalent to 3.5% of the average portfolio.

Commercial mortgage deeds

This segment comprises the bank's portfolio of commercial mortgage deeds secured against three types of property: residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property. Land and mixed residential/commercial property covers around 25% of the overall portfolio, while residential rental property and commercial property account for equal shares of the remaining portfolio.

The bank is no longer active in the market for commercial mortgage deeds. Accordingly, this portfolio is being wound up, but new mortgage deeds may be added when the bank increases its ownership interest in Alm. Brand Pantebreve A/S, or if the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

During the nine months ended 30 September 2010, the portfolio of commercial mortgage deeds grew by DKK 299 million relative to 31 December 2009. Approximately DKK 190 million of this amount was transferred from residential mortgage deeds as a result of a change in the method of calculating residential and commercial mortgage deeds. The remainder of the increase recorded in 2010 to date was attributable to the fact that the bank has increased its ownership interest in Alm. Brand Pantebreve A/S and that the bank has wound up investment exposures that were wholly or partly secured against mortgage deeds.

Impairment writedowns amounted to DKK 163 million for the nine months ended 30 September 2010, equivalent to 39.6% of the average portfolio.

Property development projects

The portfolio consists of a limited number of property development projects. Financing of property projects is not a part of the bank's future strategy, and the bank therefore does not participate in the financing of new property projects. However, the bank will finance the

LENDING PORTFOLIO

completion of ongoing projects pursuant to agreements already made.

The increase in lending from 31 December 2009 to 30 September 2010 was due to existing exposures, which were largely in line with the previously accepted, agreed and expected budgets.

Impairment writedowns amounted to DKK 57 million for the nine months ended 30 September 2010, equivalent to 10.9% of the average portfolio.

The bank's loans and advances to this segment are expected to increase for the full year 2010.

When the projects have been completed, the loans and advances are expected to decline significantly.

The Private Contingency Association / Finansielt Stabilitet A/S

At 30 September 2010, provisions in the amount of DKK 24 million had been made for losses on the guarantee provided vis-à-vis Finansielt Stabilitet A/S.

Reverse transactions

At 30 September 2010, reverse transactions had grown by DKK 1.1 billion relative to 31 December 2009.

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today considered and adopted the interim report for the nine months ended 30 September 2010 of Alm. Brand Bank A/S.

The consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, and the interim 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 interim report gives a true and fair view of the group's and the parent company's assets and liabilities and financial position at 30 September 2010 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 2010.

The management's review also gives a true and fair view of developments in the activities and financial position of the group.

MANAGEMENT BOARD

Copenhagen, 17 November 2010

Ole Joachim Jensen
Chief Executive Officer

Bo Chr. Alberg
Managing Director

Ulla Heurlin
Managing Director

BOARD OF DIRECTORS

Copenhagen, 17 November 2010

Jørgen Hesselbjerg Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Arne Nielsen

Søren Boe Mortensen

Christian Bundgaard

Jesper Christiansen

INCOME STATEMENT

Parent company

DKK '000	Note	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	Year 2009
Interest receivable	1	239,175	235,010	669,399	805,622	1,031,767
Interest payable	2	103,153	127,830	294,197	501,445	627,717
Net interest income		136,022	107,180	375,202	304,177	404,050
Dividend on participating interests		0	1,041	7,176	4,382	4,383
Fees and commissions receivable		44,943	43,111	141,766	133,597	175,174
Fees and commissions payable		9,729	9,561	28,896	27,346	43,564
Net interest and fee income		171,236	141,771	495,248	414,810	540,043
Value adjustments	3	-120,238	-88,926	-185,339	-101,529	-176,103
Other operating income		3,509	1,707	7,820	6,067	7,436
Profit before expenses		54,507	54,552	317,729	319,348	371,376
Staff costs and administrative expenses	4	130,053	118,449	364,058	353,708	498,838
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		369	470	1,268	1,463	103,568
Other ordinary expenses		22,045	22,084	63,364	59,219	80,006
Impairment of loans, advances and receivables, etc.	5	374,249	221,670	538,472	1,199,541	1,409,980
Profit from participating interests in associated and group undertakings		-16,493	-2,262	-10,624	-7,498	-27,719
Profit before tax		-488,702	-310,383	-660,057	-1,302,081	-1,748,735
Tax		-119,715	-82,118	-184,131	-323,758	-424,212
Profit for the period		-368,987	-228,265	-475,926	-978,323	-1,324,523

INCOME STATEMENT

Group

DKK '000	Note	Q3 2010	Q3 2009	Q1-3 2010	Q1-3 2009	Year 2009
Interest receivable	1	254,558	257,434	720,284	870,301	1,114,286
Interest payable	2	105,240	131,306	300,722	514,104	643,151
Net interest income		149,318	126,128	419,562	356,197	471,135
Dividend on participating interests		648	3,491	13,391	9,776	10,020
Fees and commissions receivable		44,058	48,622	141,094	139,456	174,851
Fees and commissions payable		9,735	15,842	28,976	34,842	45,136
Net interest and fee income		184,289	162,399	545,071	470,587	610,870
Value adjustments	3	-136,826	-117,694	-220,388	-119,460	-256,954
Other operating income		6,795	4,381	16,693	14,749	17,067
Profit before expenses		54,258	49,086	341,376	365,876	370,983
Staff costs and administrative expenses	4	139,946	131,135	396,398	394,420	557,826
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		2,539	2,557	7,245	7,727	111,210
Other ordinary expenses		22,726	22,418	66,022	60,378	81,484
Impairment of loans, advances and receivables, etc.	5	375,489	232,990	548,891	1,235,605	1,451,210
Profit from participating interests in associated and group undertakings		-799	1,077	18,862	782	1,153
Profit before tax		-487,241	-338,937	-658,318	-1,331,472	-1,829,594
Tax		-119,506	-84,196	-184,086	-330,450	-433,318
Profit for the period		-367,735	-254,741	-474,232	-1,001,022	-1,396,276
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-367,735	-254,741	-474,232	-1,001,022	-1,396,276
PROFIT/LOSS ALLOCATION						
Share attributable to Alm. Brand Bank		-368,987	-228,265	-475,926	-978,323	-1,324,523
Share attributable to minority interests		1,252	-26,476	1,694	-22,699	-71,753
Transferred to Total shareholders' equity		-367,735	-254,741	-474,232	-1,001,022	-1,396,276

BALANCE SHEET

DKK '000	Note	Parent company			Group		
		30.09.2010	30.09.2009	31.12.2009	30.09.2010	30.09.2009	31.12.2009
ASSETS							
Cash in hand and receivables at call from central banks		100,970	22,971	33,842	100,970	22,971	33,842
Receivables from credit institutions and central banks		796,731	962,440	845,706	796,731	962,444	845,706
Loans, advances and other receivables at fair value		982,976	859,037	789,766	2,253,237	2,443,678	2,262,267
Loans, advances and other receivables at amortised cost	6	13,408,259	14,631,037	14,279,523	11,756,922	13,032,380	12,560,655
Bonds at fair value		9,575,753	5,882,114	8,094,558	10,274,615	6,349,789	8,744,262
Shares etc.		371,211	238,587	246,337	688,682	512,137	523,906
Participating interests in associated undertakings		34,544	29,040	29,413	34,544	29,040	29,413
Participating interests in group undertakings		381,210	392,896	371,688	-	87	-
Intangible assets		-	100,746	-	-	100,746	-
Other property, plant and equipment		6,699	10,295	9,910	44,025	50,178	48,141
Current tax assets		203,909	188,213	107,728	176,988	212,590	91,953
Deferred tax assets		404,494	235,498	316,544	506,678	321,858	406,839
Assets held temporarily		83,446	132,858	45,281	117,898	175,068	85,833
Other assets		562,174	921,815	858,791	579,530	957,922	897,348
Prepayments		8,322	14,793	9,115	8,329	14,814	9,130
Total assets		26,920,698	24,622,340	26,038,202	27,339,149	25,185,702	26,539,295

BALANCE SHEET

DKK '000	Note	Parent company			Group		
		30.09.2010	30.09.2009	31.12.2009	30.09.2010	30.09.2009	31.12.2009
LIABILITIES AND EQUITY							
Payables							
Payables to credit institutions and central banks		8,002,282	8,955,354	11,069,496	8,203,707	9,216,079	11,305,721
Deposits and other payables		9,625,143	11,385,601	11,103,201	9,618,121	11,385,509	11,095,923
Issued bonds		6,000,000	-	-	6,000,000	-	-
Liabilities temporarily acquired		41,227	123,631	28,727	51,920	132,736	37,471
Other liabilities		845,316	1,049,776	968,352	868,661	1,067,550	1,004,430
Deferred income		2,653	3,329	3,184	2,653	3,329	3,184
Total payables		24,516,621	21,517,691	23,172,960	24,745,062	21,805,203	23,446,729
Provisions							
Provisions for pensions and similar liabilities		2,671	4,836	2,671	2,671	4,836	2,671
Provisions for losses on guarantees		86,212	152,695	64,681	86,212	152,695	64,681
Total provisions		88,883	157,531	67,352	88,883	157,531	67,352
Subordinated debt							
Supplementary capital	7	399,971	750,000	399,915	399,971	750,000	399,915
Hybrid tier 1 capital	7	1,028,946	1,038,715	1,035,772	1,028,946	1,038,715	1,035,772
Total subordinated debt		1,428,917	1,788,715	1,435,687	1,428,917	1,788,715	1,435,687
Shareholders' equity							
Share capital	8	1,021,000	741,000	1,021,000	1,021,000	741,000	1,021,000
Other reserves		74,449	103,321	74,449	-	-	-
Retained earnings		-209,172	314,082	266,754	-134,723	417,403	341,203
Minority interests		-	-	-	190,010	275,850	227,324
Total shareholders' equity		886,277	1,158,403	1,362,203	1,076,287	1,434,253	1,589,527
Total liabilities and equity		26,920,698	24,622,340	26,038,202	27,339,149	25,185,702	26,539,295

STATEMENT OF CHANGES IN EQUITY

	Parent company				Group	
	Share capital	Other reserves	Retained earnings	Total	Minority interests	Total
Shareholders' equity at 1 January 2009	351,000	153,321	432,405	936,726	299,842	1,236,568
Equity movements in Q1-3 2009						
Dividend subsidiaries		-50,000	50,000	-		-
Other change in respect of subsidiaries				-	-1,293	-1,293
Profit/loss for the period		-	-978,323	-978,323	-22,699	-1,001,022
Comprehensive income in Q1-3 2009	-	-50,000	-928,323	-978,323	-23,992	-1,002,315
Capital increases	390,000		810,000	1,200,000		1,200,000
Dividend paid			-	-		-
Total equity movements in Q1-3 2009	390,000	-50,000	-118,323	221,677	-23,992	197,685
Shareholders' equity at 30 September 2009	741,000	103,321	314,082	1,158,403	275,850	1,434,253
Shareholders' equity at 1 January 2009	351,000	153,321	432,405	936,726	299,842	1,236,568
Equity movements in 2009						
Dividend subsidiaries		-50,000	50,000	-		-
Other change in respect of subsidiaries				-	-765	-765
Profit/loss for the year		-28,872	-1,295,651	-1,324,523	-71,753	-1,396,276
Comprehensive income 2009	-	-78,872	-1,245,651	-1,324,523	-72,518	-1,397,041
Capital increases	670,000		1,080,000	1,750,000		1,750,000
Dividend paid			-	-		-
Total changes in equity in 2009	670,000	-78,872	-165,651	425,477	-72,518	352,959
Shareholders' equity at 31 December 2009	1,021,000	74,449	266,754	1,362,203	227,324	1,589,527
Shareholders' equity at 1 January 2010	1,021,000	74,449	266,754	1,362,203	227,324	1,589,527
Equity movements in Q1-3 2010						
Other change in respect of subsidiaries				-	-39,008	-39,008
Profit for the period		-	-475,926	-475,926	1,694	-474,232
Comprehensive income in Q1-3 2010	-	-	-475,926	-475,926	-37,314	-513,240
Dividend paid			-	-		-
Total equity movements in Q1-3 2010	-	-	-475,926	-475,926	-37,314	-513,240
Total equity movements in Q1-3 2010	1,021,000	74,449	-209,172	886,277	190,010	1,076,287

CASH FLOW STATEMENT**Group**

DKK '000	Q1-3 2010	Q1-3 2009	Year 2009
Operating activities			
Profit for the period before tax	-658,318	-1,331,472	-1,829,594
Tax paid during the period	-788	-808	137,782
Adjustment for amounts with no cash flow impact:			
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	7,245	7,727	115,614
Impairment of loans, advances and receivables, etc.	333,483	1,212,315	1,411,454
Other adjustments to cash flows from operating activities	458,696	-557,152	366,953
Total, operating activities	140,318	-669,390	202,209
Working capital			
Loans and advances	93,524	627,911	812,192
Deposits	-1,477,802	244,177	-45,409
Bonds	-1,452,372	-2,230,837	-5,498,118
Shares	-162,437	57,515	52,490
Total, working capital	-2,999,087	-1,301,234	-4,678,845
Investing activities			
Investments in associates	-	-95	-
Investments in group enterprises	-	-67,734	73
Intangible assets	-	-12,604	-13,512
Property, plant and equipment	-3,128	-45,712	-2,202
Total, investing activities	-3,128	-126,145	-15,641
Financing activities			
Net proceeds from capital increase	-	900,000	1,200,000
Payables to credit institutions	-3,119,950	629,977	2,719,618
Bonds issued	6,000,000	-1,367,432	-1,367,432
Supplementary capital	-	853,423	753,423
Total, financing activities	2,880,050	1,015,968	3,305,609
Change in cash and cash equivalents	18,153	-1,080,801	-1,186,668
Cash and cash equivalents, beginning of year	879,548	2,066,216	2,066,216
Change in cash and cash equivalents	18,153	-1,080,801	-1,186,668
Cash and cash equivalents, end of period	897,701	985,415	879,548
Cash and cash equivalents, end of period			
Cash in hand and balances at call with central banks	100,970	22,971	33,842
Balances due from credit institutions less than 3 months	796,731	962,444	845,706
Cash and cash equivalents, end of period	897,701	985,415	879,548

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	Q1-3 2010	Q1-3 2009	Year 2009	Q1-3 2010	Q1-3 2009	Year 2009
NOTE 1 Interest receivable						
Balances due from credit institutions and central banks	4,563	30,535	32,694	4,563	30,535	32,694
Loans, advances and other receivables	518,317	683,845	864,351	544,961	726,089	917,726
Bonds	193,462	143,670	205,885	217,480	162,382	231,016
Total derivatives	-46,943	-56,602	-75,337	-46,721	-53,236	-71,852
Of which:						
Foreign exchange contracts	7,603	30,256	34,962	7,825	33,622	38,447
Interest rate contracts	-54,546	-86,858	-110,299	-54,546	-86,858	-110,299
Other interest income	-	4,174	4,174	1	4,531	4,702
Total interest receivable	669,399	805,622	1,031,767	720,284	870,301	1,114,286
Interest receivable from genuine purchase and resale transactions:						
Balances due from credit institutions and central banks	368	756	1,032	368	756	1,032
Loans, advances and other receivables	1,699	4,326	4,418	1,699	4,326	4,418
NOTE 2 Interest payable						
Credit institutions and central banks	61,134	125,743	151,038	67,339	138,353	165,965
Deposits and other payables	121,899	297,759	364,753	121,892	297,732	364,680
Bonds issued	23,300	29,882	29,882	23,300	29,881	29,882
Total subordinated debt	86,840	47,378	80,994	86,840	47,378	80,994
Other interest expenses	1,024	683	1,050	1,351	760	1,630
Total interest payable	294,197	501,445	627,717	300,722	514,104	643,151
Interest payable on genuine sale and repurchase transactions:						
Payables to credit institutions and central banks	10,207	5,536	8,768	10,207	5,536	8,768
Deposits and other payables	111	14	14	111	14	14
NOTE 3 Value adjustments						
Loans, advances and other receivables at fair value	-149,217	-146,826	-211,442	-229,099	-248,267	-384,158
Bonds	4,268	65,556	43,194	14,478	64,312	47,126
Shares, etc.	-30,368	19,469	23,205	263	97,377	104,946
Foreign currency	-5,683	-9,406	-12,468	-2,517	1,861	-6,071
Total derivatives	-4,339	-29,597	-20,032	-3,513	-34,018	-20,237
Other liabilities	-	-725	1,440	-	-725	1,440
Total value adjustments	-185,339	-101,529	-176,103	-220,388	-119,460	-256,954

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	Q1-3 2010	Q1-3 2009	Year 2009	Q1-3 2010	Q1-3 2009	Year 2009
NOTE 4 Staff costs and administrative expenses						
Remuneration to the Management Board and Board of Directors:						
Remuneration to the Management Board:						
Salaries and wages	3,787	12,464	12,479	3,787	12,464	12,479
Pensions	697	825	1,660	697	825	1,660
Total remuneration to the Management Board	4,484	13,289	14,139	4,484	13,289	14,139
Remuneration to the Board of Directors:						
Fees	225	288	363	225	288	363
Total remuneration to the Management Board and Board of Directors	4,709	13,577	14,502	4,709	13,577	14,502
Staff costs:						
Salaries and wages	154,843	153,379	219,829	155,564	154,310	221,076
Pensions	15,513	15,841	22,073	15,554	15,897	22,148
Social security costs	14,179	15,215	21,889	14,220	15,270	21,962
Total staff costs	184,535	184,435	263,791	185,338	185,477	265,186
Other administrative expenses	174,814	155,696	220,545	206,351	195,366	278,138
Total staff costs and administrative expenses	364,058	353,708	498,838	396,398	394,420	557,826
Number of employees						
Average number of employees during the financial year, full-time equivalents	349	366	365	349	366	366

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	30.09.2010	30.09.2009	Year 2009	30.09.2010	30.09.2009	Year 2009
NOTE 5 Impairment of loans, advances and receivables, etc.						
Individual assessment:						
Impairment and value adjustments, respectively, during the year	754,190	1,268,403	1,382,269	764,448	1,310,532	1,408,021
Reversal of impairment in previous years	247,376	87,677	15,511	256,504	103,266	19,979
Total individual assessment	506,814	1,180,726	1,366,758	507,944	1,207,266	1,388,042
Group assessment:						
Impairment and value adjustments, respectively, during the year	28,118	30,354	46,004	33,349	39,564	51,171
Reversal of impairment in previous years	27,118	8,874	4,524	32,849	20,705	12,312
Total group assessment	1,000	21,480	41,480	500	18,859	38,859
Losses not previously provided for	49,285	16,935	29,967	59,288	32,597	53,743
Bad debts recovered	18,627	19,600	28,225	18,841	23,117	29,434
Total impairment of loans, advances and receivables, etc., end of period	538,472	1,199,541	1,409,980	548,891	1,235,605	1,451,210
NOTE 6 Loans, advances and other receivables at amortised cost						
Loans and advances	14,972,107	16,090,713	16,032,815	13,123,215	14,174,234	14,049,353
Leases	-	-	-	220,886	356,424	308,042
Total before impairment, etc.	14,972,107	16,090,713	16,032,815	13,344,101	14,530,658	14,357,395
Impairment, etc.	1,563,848	1,459,676	1,753,292	1,587,179	1,498,278	1,796,740
Loans, advances and other receivables at amortised cost, end of period	13,408,259	14,631,037	14,279,523	11,756,922	13,032,380	12,560,655

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	30.09.2010	30.09.2009	Year 2009	30.09.2010	30.09.2009	Year 2009
NOTE 7 Subordinated debts						
Supplementary capital:						
Floating rate bullet loans in DKK maturing 9 May 2012	-	100,000	-	-	100,000	-
Floating rate bullet loans in DKK maturing 9 May 2013	100,000	100,000	99,979	100,000	100,000	99,979
Floating rate bullet loans in DKK maturing 9 May 2014	99,971	100,000	99,936	99,971	100,000	99,936
Floating rate bullet loans in DKK maturing 3 December 2015	200,000	200,000	200,000	200,000	200,000	200,000
Floating rate bullet loans in DKK maturing 19 December 2016	-	250,000	-	-	250,000	-
Supplementary capital, end of period	399,971	750,000	399,915	399,971	750,000	399,915
Hybrid Tier 1 capital:						
Fixed rate bullet loans in DKK with indefinite terms	175,000	175,000	175,000	175,000	175,000	175,000
State-funded capital injection, bullet loan in DKK with an indefinite term	853,946	856,000	853,561	853,946	856,000	853,561
Hedging of interest rate risk at fair value	-	7,715	7,211	-	7,715	7,211
Hybrid Tier 1 capital, end of period	1,028,946	1,038,715	1,035,772	1,028,946	1,038,715	1,035,772
Subordinated debt, end of period	1,428,917	1,788,715	1,435,687	1,428,917	1,788,715	1,435,687
Interest on subordinated debt	86,840	47,378	80,994	86,840	47,378	80,994
Of this, amortisation of costs incurred on raising the debt	442	780	1,358	442	780	1,358
Extraordinary instalments	-	300,000	550,000	-	300,000	550,000
Costs incurred in raising subordinated debt	-	2,577	2,577	-	2,577	2,577
Persuant to section 136 of the Danish Financial Business Act, the full amount of subordinated debt may be included in the statement of the capital base.						
NOTE 8 Share capital						
Unlisted share capital						
Nominal value at 1 January 2008	351,000	351,000	351,000	351,000	351,000	351,000
Capital increase April 2009	300,000	300,000	300,000	300,000	300,000	300,000
Capital increase September 2009	90,000	90,000	90,000	90,000	90,000	90,000
Capital increase November 2009	280,000	-	280,000	280,000	-	280,000
Nominal value, end of period	1,021,000	741,000	1,021,000	1,021,000	741,000	1,021,000

The share capital consists of 1.021,000 shares of DKK 1,000 nominal value and is paid up in full.

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	30.09.2010	30.09.2009	Year 2009	30.09.2010	30.09.2009	Year 2009
NOTE 9 Capital Base						
Shareholders' equity	886,277	1,158,403	1,362,203	1,076,287	1,434,253	1,589,527
Proposed dividends	-	-	-	-	-	-
Intangible assets	-	-100,746	-	-	-100,746	-
Deferred tax assets	-404,494	-235,498	-316,544	-506,678	-321,858	-406,839
Tier 1 capital after deductions	481,783	822,159	1,045,659	569,609	1,011,649	1,182,688
Hybrid Tier 1 capital	1,028,946	1,031,000	1,035,772	1,028,946	1,031,000	1,035,772
Transferred to Supplementary capital (section 129 of the Danish Financial Business Act)	-547,164	-292,971	-178,238	-459,338	-190,938	-104,453
Tier 1 capital including hybrid Tier 1 capital after deduction	963,565	1,560,188	1,903,193	1,139,217	1,851,711	2,114,007
Supplementary capital	399,971	750,000	399,915	399,971	750,000	399,915
Transferred from Hybrid Tier 1 capital (section 129 of the Danish Financial Business Act)	547,164	292,971	178,238	459,338	190,938	104,453
25%-Reduction (section 136 of the Danish Financial Business Act)	-25,000	-25,000	-	-25,000	-25,000	-
Capital base	1,885,700	2,578,159	2,481,346	1,973,526	2,767,649	2,618,375
Risk-weighted items:						
Weighted items involving credit risk	12,989,318	15,327,321	14,571,685	12,274,283	14,143,911	13,402,891
Weighted items involving market risk	1,940,087	1,032,228	1,441,006	2,644,234	1,815,965	2,242,983
Weighted items involving operational risk	896,646	970,700	896,646	714,584	852,120	714,584
Risk-weighted items, end of period	15,826,051	17,330,249	16,909,337	15,633,101	16,811,996	16,360,458
The solvency requirement represents 8% of the risk-weighted items	1,266,084	1,386,420	1,352,747	1,250,648	1,344,960	1,308,837

Core capital including hybrid Tier 1 capital and capital base is calculated in accordance with part 10 of the Danish Financial Business Act.

NOTES TO THE FINANCIAL STATEMENTS

	Parent company			Group		
	30.09.2010	30.09.2009	Year 2009	30.09.2010	30.09.2009	Year 2009
NOTE 10 Off-balance sheet items						
Contingent liabilities:						
Financial guarantees	915,009	1,281,374	942,172	915,009	1,281,374	942,172
Loss guarantees for mortgage loans	324,960	321,663	315,561	324,960	321,663	315,561
Other contingent liabilities	360,636	443,396	476,723	360,636	443,396	476,723
Contingent liabilities, end of period	1,600,605	2,046,433	1,734,456	1,600,605	2,046,433	1,734,456
Other commitments:						
Irrevocable loan commitments	-	135,000	135,000	-	135,000	135,000
Other miscellaneous commitments	-	10,710	18,695	-	10,710	18,695
Other commitments, end of period	-	145,710	153,695	-	145,710	153,695
Off-balance sheet items, end of period	1,600,605	2,192,143	1,888,151	1,600,605	2,192,143	1,888,151

Other contingent liabilities

Alm. Brand Bank A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability of these companies for income years up till 2004. As from 2005, Alm. Brand Bank A/S is only jointly and severally liable for the indirect tax liability.

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 Danmarks Nationalbank can obtain credit only against security through the pledging of approved securities.

As part of the ongoing business, at end Q3 2010 the bank provided bonds as security vis-à-vis Danmarks Nationalbank at a market value of DKK 1,307 million (Q3 2009: DKK 2,182 million).

As collateral for positive and negative fair values of derivative financial instruments, respectively, cash in the amount of DKK 0 million was received and cash in the amount of DKK 315 million was paid at Q3 2010 (Q3 2009: DKK 1 million and DKK 347 million).

NOTES TO THE FINANCIAL STATEMENTS

	Group							
	Q1-3 2010							
	Private, Com- mercial & Agriculture	Markets & Asset Ma- nagement	Staff functions	Alm. Brand Leasing	Alm. Brand Pantebreve	Alm. Brand Formue	Other/ Elimina- tions	Alm. Brand Bank Group
NOTE 11 Segment information								
Interest receivable	541,193	28,356	99,850	42,879	73,175	24,241	-89,410	720,284
Interest payable	308,273	6,867	20,942	23,924	55,570	16,441	-131,295	300,722
Net interest income	232,920	21,489	78,908	18,955	17,605	7,800	41,885	419,562
Net fee and commission income, etc.	36,998	68,364	14,684	6,825	-3,368	2,006	-	125,509
Value adjustments	-148,700	41,591	-78,230	-	-84,735	49,686	-	-220,388
Other operating income	230	2,938	4,652	7,927	946	-	-	16,693
Profit/loss on ordinary activities before expenses (Net income)	121,448	134,382	20,014	33,707	-69,552	59,492	41,885	341,376
Operating expenses	145,290	64,056	82,058	26,266	8,406	3,645	73,922	403,643
Other operating expenses	-	-	63,364	-	2,658	-	-	66,022
Impairment of loans, advances and receivables, etc.	365,233	-	173,239	10,419	-	-	-	548,891
Profit/loss on participating interests	-	111	-10,735	-	-	-	29,486	18,862
Profit/loss on activities before tax	-389,075	70,437	-309,382	-2,978	-80,616	55,847	-2,551	-658,318

The group's business segments are the business areas according to which the organisation, in-house financial management and reporting are based. As a result of the bank's new strategy, the business segments were changed with effect from 31 December 2009, and the Q3 2010 reporting reflects the new organisation.

NOTES TO THE FINANCIAL STATEMENTS

							Group
							Q1-3 2009
	Retail banking	Wholesale banking	Alm. Brand Finans	Alm. Brand Pantebreve	Alm. Brand Formue	Other/ Elimina- tions	Alm. Brand Bank Group
NOTE 11 Segment information - continued							
Interest receivable	538,975	596,756	68,558	91,297	18,393	-443,678	870,301
Interest payable	368,165	397,795	39,685	67,049	19,493	-378,083	514,104
Net interest income	170,810	198,961	28,873	24,248	-1,100	-65,595	356,197
Net fee and commission income, etc.	24,147	84,466	5,293	-3,880	2,344	2,020	114,390
Value adjustments	522	-66,859	-	-101,633	83,703	-35,193	-119,460
Other operating income	0	5,902	8,435	245	-	167	14,749
Profit/loss on ordinary activities before expenses (Net income)	195,479	222,470	42,601	-81,020	84,947	-98,601	365,876
Operating expenses	111,466	94,259	36,545	8,440	3,151	148,286	402,147
Other operating expenses	-	-	-	-	-	60,378	60,378
Impairment of loans, advances and receivables, etc.	102,578	1,096,964	36,063	-	-	-	1,235,605
Profit/loss on participating interests	-	104	-	-	-	678	782
Profit/loss on activities before tax	-18,565	-968,649	-30,007	-89,460	81,796	-306,587	-1,331,472

NOTES TO THE FINANCIAL STATEMENTS

Group

	Q1-3 2010	Q1-3 2009	Q1-3 2008	Q1-3 2007	Q1-3 2006
NOTE 12 Financial highlights and key ratios					
Net interest and fee income	545,071	470,587	496,646	449,781	386,744
Value adjustments	-220,388	-119,460	-400,467	76,622	23,047
Staff costs and administrative expenses	396,398	394,420	400,624	376,933	315,148
Impairment of loans, advances and receivables, etc.	548,891	1,235,605	38,574	-41,975	-24,565
Profit/loss from investments in associates group enterprises	18,862	782	13,924	(379)	10,315
Profit for the year	-474,232	-1,001,022	-274,817	169,763	101,381
Loans and advances	14,010,159	15,476,058	17,549,344	16,151,776	12,290,312
Shareholders' equity	1,076,287	1,434,253	1,607,727	1,988,165	1,664,725
Total assets	27,339,149	25,185,702	24,146,148	23,910,762	20,447,290
Solvency ratio*	12.6	16.5	11.7	12.2	10.6
Tier 1 ratio*	7.3	11.0	8.9	9.6	8.7
Return on equity before tax (%)	-49.4	-206.0	-18.3	13.9	12.0
Return on equity after tax (%)	-35.6	-154.5	-24.4	10.5	8.7
Income/cost ratio	0.35	0.22	0.27	1.59	1.47
Interest rate risk (%)	9.1	8.4	4.5	14.4	18.5
Foreign exchange position (%)	11.6	10.3	9.5	10.6	9.9
Foreign exchange risk (%)	0.2	0.3	0.3	0.7	0.5
Loans and advances as a percentage of deposits (%)	162.2	148.5	159.8	154.6	123.7
Gearing of loans and advances	13.0	10.8	10.9	8.1	7.4
Annual growth in lending (%)	-5.5	-10.5	2.5	50.3	14.6
Excess cover relative to statutory liquidity requirement (%)	225.0	98.8	98.8	74.3	97.5
Total amount of large exposures (%)	157.5	63.1	92.0	173.0	263.5
Impairment ratio for the year	3.2	6.4	0.2	-0.2	-0.2

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

NOTES TO THE FINANCIAL STATEMENTS

Parent company

	Q1-3 2010	Q1-3 2009	Q1-3 2008	Q1-3 2007	Q1-3 2006
NOTE 12 Financial highlights and key ratios - continued					
Net interest and fee income	495,248	414,810	439,656	391,602	320,940
Value adjustments	-185,339	-101,529	-88,391	60,310	46,263
Staff costs and administrative expenses	364,058	353,708	358,807	341,908	281,878
Impairment of loans, advances and receivables, etc.	538,472	1,199,541	53,465	-18,201	-15,789
Profit/loss from investments in associates group enterprises	-10,624	-7,498	-83,011	48,440	34,444
Profit for the year	-475,926	-978,323	-118,174	134,605	99,138
Loans and advances	14,391,235	15,490,074	17,536,849	17,113,571	13,169,564
Shareholders' equity	886,277	1,158,403	1,246,483	1,351,265	1,188,276
Total assets	26,920,698	24,622,340	23,461,303	22,981,450	19,495,313
Solvency ratio*	11.9	14.9	10.2	10.4	8.8
Tier 1 ratio*	6.1	9.0	7.4	7.5	6.8
Return on equity before tax (%)	-58.7	-226.9	-10.8	13.9	12.0
Return on equity after tax (%)	-42.3	-170.5	-9.1	10.5	8.7
Income/cost ratio	0.32	0.19	0.66	1.55	1.53
Interest rate risk (%)	3.8	5.0	1.2	6.8	9.8
Foreign exchange position (%)	5.5	6.2	11.6	14.8	12.8
Foreign exchange risk (%)	0.2	0.1	0.1	0.1	-
Loans and advances as a percentage of deposits (%)	165.8	148.9	159.5	163.4	132.1
Gearing of loans and advances	16.2	13.4	14.1	12.7	11.1
Annual growth in lending (%)	-4.5	-8.9	-4.6	20.9	15.9
Excess cover relative to statutory liquidity requirement (%)	227.8	101.2	79.0	102.1	100.7
Total amount of large exposures (%)	160.0	78.1	127.2	313.2	328.5
Impairment ratio for the year	3.1	6.3	0.3	-0.1	-0.1

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

NOTE 13 Accounting policies group

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting 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 applied for the consolidated financial statements are unchanged from the policies applied for the Annual Report 2009.