

NASDAQ OMX Copenhagen A/S  
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DK-1007 Copenhagen K

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Announcement no. **12/2010**  
Alm. Brand Bank A/S

## **Alm. Brand Bank A/S – Interim report for the third quarter of 2010**

### **Highlights**

- **Alm. Brand Bank A/S posted a profit of DKK 91 million before tax and before losses and writedowns for the nine months ended 30 September 2010.**
- **The Q3 performance was a loss of DKK 23 million before tax and before losses and writedowns. The loss was attributable to provisions for restructurings and branch office closures as well as to an unrealised capital loss on mortgage deeds.**
- **As a result of the unrealised capital loss on mortgage deeds, 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.**
- **Total impairment writedowns on loans, including credit-related losses and writedowns on mortgage deeds, amounted to DKK 465 million in Q3 2010.**

### **Other highlights**

- 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. The favourable performance was driven partly by lower interest expenses on fixed-rate deposits and partly by investments in high-yielding bonds.
- Year to date, impairment writedowns on loans amounted to DKK 548 million, while credit losses and writedowns on the bank's mortgage deed portfolio totalled DKK 203 million. Accordingly, total losses and writedowns amounted to DKK 751 million for the nine months ended 30 September 2010.
- The bank's costs amounted to DKK 138 million in Q3 2010, against DKK 129 million in the same period of last year. The higher cost level was caused by provisions in the amount of DKK 18 million for restructurings and branch office closures in Q3. The year-to-date expenses were in line with the same period of last year.

- The full-year guidance before tax and before losses and writedowns is downgraded, primarily 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 Q3 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, respectively.
- Management has increased the individual solvency need to 14.1% going forward and, due to a more conservative assessment of mortgage deed-related lending, adjusted the expected impairment writedowns for the period until 31 December 2012 to almost DKK 700 million.
- At 17 November 2010, Alm. Brand A/S contributed DKK 600 million in equity to Alm. Brand Bank.

Please direct any questions regarding this announcement to Ole Joachim Jensen, Chief Executive, on tel. +45 35 47 48 49 or Susanne Biltoft, Head of Information and Investor Relations, on tel. +45 35 47 76 61.

Alm. Brand Bank A/S

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