

# Announcement of annual financial statements for 2006 – Fionia Bank A/S Group

Stock Exchange announcement No. 03/2007



Vestre Stationsvej 7  
5100 Odense C  
Phone 65 20 40 60  
CVR. no. 14 66 90 00  
www.fioniabank.dk

*Odense, 27th of february 2007*

## Profit of DKK 420 million the best in the bank's history

- Return on average equity of 25 percent
- Proposed dividend of DKK 40 per share
- Return on Fionia Bank shares of 24 percent in 2006
- 29 percent growth in lendings, 17 percent for deposits
  
- Total core result of DKK 401 million, an 45 percent increase. This is broken down as follows:
  - core income excluding trading income: DKK 568 million – an 7 percent increase
  - trading income of DKK 246 million – an 14 percent increase
  - profit on sale of Totalkredit of DKK 57 million
  - costs of DKK 510 million – an 12 percent increase
  - DKK 39 million of provisions on lendings posted to income (net)
  
- Result on holdings of DKK 19 million, down from DKK 45 million in 2005
- Marked improvement in customer and employee satisfaction

The business volume and earnings trend for 2006 as a whole has been most satisfactory.

Fionia Bank's total core result was DKK 401 million, as compared with DKK 276 million in 2005. This is an increase of 45 percent. The increase without the advance from the sale of Totalkredit is 26 percent.

The improvement in Fionia Bank's core income continues the positive trend against previous years. This growth refers particularly to trading income, but the result was also enhanced by strong growth in deposits and lendings and generally higher business volumes. Performance in the 2006 year was also impacted by the advance on the sale of Totalkredit and loan provisions posted back to income.

Our increased capacity in the area of customer advisory services has created new opportunities for private and commercial customers, and also institutional investors. The bank recruited a large number of new employees and strengthened its overall skill base. The total net increase in staff numbers was 53, bringing the total bank workforce to 598 at year end (in full-time equivalents).

Specialist skills have been reinforced by the appointment of senior advisors in investment, pensions and financial risk management. One of our priorities was to take our business skills closer to the customer, and the structure at all major branches was strengthened with managers responsible for commercial and private customers.

The continued growth in the securities sector was addressed by progressively building up our trading activities, now brought together under the 'Markets' section. Measures implemented in this area included modernising the systems and advisory services platform, and strengthening the analysis area.

The foundation for the bank's future success will be the satisfaction and loyalty of our customers and employees. Our customer satisfaction surveys for 2006 showed a significant rise in both satisfaction and loyalty.

The year also saw the introduction of new legal and industry requirements. Considerable resources went into the work done on improved models for portfolio provisions, preparations for the Basel II EU directive on risk and capital adequacy and MiFid, etc. Fionia Banks newly established compliance function will see to fulfill this requirement.

Favourable growth prospects, with high consumption and employment levels, are expected to continue in 2007, along with slightly higher interest rates and stability on financial markets. Our organisational initiatives and professional development programmes are expected to result in continuing growth for the bank in 2007.

This will be achieved on the basis of the following business initiatives:

- expansion of Markets
- stronger emphasis on business customers in areas such as financial risk management
- business growth focused on the Triangle region and Odense
- increased wealth planning capacity, with extended services in Copenhagen and Aarhus
- continued implementation of the private customers concept plan throughout the bank

The bank expects a before-tax result of around DKK 330 million.

<b>Summary of core and holdings results</b>					
<b>(DKK million)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Core income excluding trading income	568.4	529.1	510.1	491.1	464.3
Trading income	245.5	215.7	169.4	145.9	119.7
Advance on sale of Totalkredit	57.3	3.8	14.8	25.9	0.0
<b>Total core income</b>	<b>871.2</b>	<b>748.6</b>	<b>694.3</b>	<b>662.9</b>	<b>584.0</b>
Expenses and depreciation	509.6	453.5	435.6	415.1	383.5
<b>Core result before provisions</b>	<b>361.6</b>	<b>295.1</b>	<b>258.7</b>	<b>247.8</b>	<b>200.5</b>
Provisions on lendings, etc.	-39.0	19.3	81.5	86.7	82.7
<b>Core result</b>	<b>400.5</b>	<b>275.8</b>	<b>177.2</b>	<b>161.1</b>	<b>117.8</b>
<b>Result on holdings</b>	<b>19.2</b>	<b>44.9</b>	<b>27.2</b>	<b>26.4</b>	<b>4.9</b>
Before-tax profit	419.8	320.7	204.4	187.5	122.7
Tax	96.0	89.4	55.7	47.8	35.3
<b>After-tax profit</b>	<b>323.7</b>	<b>231.3</b>	<b>148.7</b>	<b>139.7</b>	<b>87.4</b>

Any questions should be referred to the CEO, Finn B. Sørensen, on phone number + 45 65 20 40 60.

<b>Contents:</b>	
Report .....	page 1
Summary of core and holdings results .....	page 2
Group highlights and key indicators over 5 years .....	page 3
Income statement.....	page 9
Balance sheet.....	page 10
Changes in equity.....	page 11
Segment information .....	page 12
Cash flow statement.....	page 13
 <i>All amounts in DKK</i>	

## Fionia Bank group highlights and key indicators

### Income statement summary

(DKK million)	2006	2005	2004	2003	2002
Net interest income	501.2	487.1	509.2	485.4	469.7
Dividends on shares	13.2	10.1	15.8	15.4	11.2
Fees and commissions income (net)	193.9	187.3	142.6	133.8	105.6
<b>Net interest and fees income</b>	<b>708.3</b>	<b>684.4</b>	<b>667.6</b>	<b>634.6</b>	<b>586.5</b>
Value adjustments	167.8	99.7	30.4	38.0	-16.8
Other operating income	17.0	15.9	22.9	16.7	18.8
<b>Result before costs</b>	<b>893.1</b>	<b>800.0</b>	<b>720.9</b>	<b>689.3</b>	<b>588.5</b>
Staff and administration expenses and depreciation	515.4	460.7	435.6	415.1	383.5
Provisions on lendings and receivables, etc.	-39.0	19.3	81.5	86.7	82.7
Value adjustments for affiliated undertakings	0.0	-0.1	-0.3	0.0	0.4
Result from activities being wound up	3.0	0.8	0.8	0.0	0.0
<b>Before-tax profit on ordinary activities</b>	<b>419.8</b>	<b>320.7</b>	<b>204.3</b>	<b>187.5</b>	<b>122.7</b>
Tax	96.0	89.4	55.7	47.8	35.3
<b>After-tax profit</b>	<b>323.7</b>	<b>231.3</b>	<b>148.6</b>	<b>139.7</b>	<b>87.4</b>

### Balance sheet highlights (DKK million)

Total assets	29,276	24,224	19,471	17,925	17,455
Deposits	10,879	9,302	7,817	7,738	7,383
Deposits in investment pool schemes	1,565	1,100	663		
Lendings	16,471	12,744	10,289	8,984	8,551
Subordinated debt	810	681	390	283	232
Equity	1,845	1,538	1,375	1,177	1,101

*Balance sheet figures at end of 2004 are adjusted for changes at beginning of 2005*

### Key indicators share (DKK per share of DKK 100)

Profit for the year	189.4	128.1	82.3	77.0	48.2
Dividend	40	35	35	35	25
Share price at end of year	1,600	1,320	1,031	714	503
NAV per share	1,022	852	762	649	607
Share price/NAV per share	1.57	1.55	1.35	1.10	0.82

<b>Fionia Bank group highlights and key indicators</b>					
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Other key indicators</b>					
Total capital adequacy ratio	11.4	11.2	11.2	10.1	11.1
Tier 1 capital adequacy ratio	9.2	8.8	8.5	8.4	9.3
Before-tax return on equity before tax, percent p.a. *)	24.8	22.0	15.7	16.5	11.4
After-tax return on equity, percent p.a. *)	19.1	15.9	11.4	12.3	8.1
Earnings per DKK of expenses	1.87	1.67	1.39	1.37	1.26
Interest rate risk	2.9	3.3	5.3	5.7	8.0
Foreign currency position	7.1	3.8	6.4	8.5	7.4
Foreign currency risk	0.1	0.0	0.2	0.2	0.2
Surplus cover above statutory liquidity requirement	90.2	143.9	182.9	193.6	152.0
Total major exposures	12.0	90.9	61.2	149.1	109.3
Provision percentage for the year	-0.2	0.1	0.6	0.7	0.7
Lendings growth for the year	29.2	23.9	14.5	5.1	8.0
Lendings as a ratio of equity	8.9	8.3	7.5	7.6	7.8
Lendings as a ratio of deposits	134.6	126.0	125.8	122.1	121.9
Av. number of full-time employees	574	530	515	519	520
*) Calculated on average equity					
<i>Comparison figures for 2002–2003 have not been adjusted for the new accounting policies. The 2004 figures are adjusted in part, cf. the transitional provisions.</i>					
<b>Customer and employee satisfaction</b>					
Satisfaction index – private customers	80	-	76	74	76
Loyalty index – private customers	85	-	76	76	80
Satisfaction index – commercial customers	77	-	72	75	77
Loyalty index – commercial customers	82	-	76	79	81
Satisfaction index – employees	79	-	77	78	77
Loyalty index – employees	87	-	85	87	89

<b>Core and holdings results</b>		
<b>(DKK million)</b>	<b>2006</b>	<b>2005</b>
Core income excluding trading income	568.4	529.1
Trading income	245.5	215.7
Advance on sale of Totalkredit	57.3	3.8
<b>Total core income</b>	<b>871.2</b>	<b>748.6</b>
Expenses and depreciation	509.6	453.5
<b>Core result before provisions</b>	<b>361.6</b>	<b>295.1</b>
Provisions on lendings etc.	-39.0	19.3
<b>Core result</b>	<b>400.5</b>	<b>275.8</b>
<b>Result on holdings</b>	<b>19.2</b>	<b>44.9</b>
Before-tax profit	419.8	320.7
Tax	96.0	89.4
<b>After-tax profit</b>	<b>323.7</b>	<b>231.3</b>

Trading income comprises primary transactions in securities, foreign exchange and the money market, including returns from associated holdings, after funding costs.

The holdings result comprises the return on the bank's own holdings, including associated holdings, after fundings and operating costs.

### Core result

Core income excluding trading income was DKK 568.4 million, up from DKK 529.1 million in the prior year.

<b>(DKK million)</b>	<b>2006</b>	<b>2005</b>
Interest income, net	450.2	411.9
Fees and commissions, net	98.2	100.5
Other income	20.0	16.7
<b>Total</b>	<b>568.4</b>	<b>529.1</b>

Growth in volumes resulted in higher interest income, in spite of a declining interest rate margin. Total lendings increased by 29.2 percent to DKK 16.5 billion. Total guarantees were DKK 4.7 billion, as compared with DKK 5.0 billion in the prior year. The overall increase in deposits was 19.6 percent. Deposits excluding pool investment schemes increased by 17.0 percent to DKK 10.9 billion, and investment pool schemes rose by 42.3

percent to DKK 1.6 billion.

Fees and commission income was on a par with the prior year. There was a slight decrease in income due to lower activity volumes, with home loan conversions. There was also a slight fall-off as a result of the abolition of transaction fees.

Trading income excluding the advance on the sale of Totalkredit was DKK 245.5 million, up from DKK 215.7 million in 2005. This is an increase of 13.8 percent.

<b>(DKK million)</b>	<b>2006</b>	<b>2005</b>
Trading	191.6	174.3
Portfolio management	53.9	41.4
<b>Total</b>	<b>245.5</b>	<b>215.7</b>

The increase of approx. 13.8 percent was based on significant growth in volumes for the various customer categories, comprising institutional customers, financial institutions, and private and commercial customers in Fionia Bank's primary market areas.

The advance on the sale of Totalkredit was DKK 57.3 million. This amount relates to the sale of shares in Totalkredit to Nykredit, after Fionia Bank sold its remaining shares in 2006.

Core costs and writedowns on tangible assets were DKK 509.6 million, as compared with DKK 453.3 million in the prior year. This is an increase of 12.4 percent.

<b>(DKK million)</b>	<b>2006</b>	<b>2005</b>
Personnel expenses	305.1	260.1
Other administration and operating expenses	197.8	182.6
Writedowns on tangible assets	6.7	10.8
<b>Total</b>	<b>509.6</b>	<b>453.5</b>

The increase in personnel expenses was due to the increased staff establishment, with a net recruitment of 53 employees in 2006. Fionia Bank does not have any individual incentive schemes for management and employees, but there is a profit share scheme for employees, paid out in the form of shares. The maximum payout value is currently DKK 15,000 per employee.

The increase in other administration and operating expenses is mainly due to the higher staff numbers.

Provisions on lendings. Reversals of provisions on lendings resulted in a posting to income of (net) DKK 39.0 million. There was a marked decrease in the need for

portfolio provisions for both private and commercial customers in 2006. This can be attributed to favourable cyclical conditions and a general improvement in our customers' credit standing.

Total portfolio provisions fell by 56.4 percent, from DKK 249.5 million in 2005 to DKK 108.8 million in 2006. These calculations are based on loss data which are not yet complete. This causes some uncertainty which will diminish over the coming years.

Higher individual provisions were however required for some major exposures. Individual provisions rose by 51.5 percent, from DKK 112.1 million to DKK 169.8 million.

**The total core result was DKK 400.5 million, up from DKK 275.8 million in 2005. This is an increase of 45.2 percent. The increase without the advance from the sale of Totalkredit is 26.2 percent.**

## Holdings result

The result on holdings was DKK 19.2 million, as compared with DKK 44.9 million in 2005. The holdings result is the total return from the bank's own holdings of securities, less funding and operating costs.

(DKK million)	2006	2005
Income on holdings	25.0	52.1
Costs	5.8	7.2
<b>Total</b>	<b>19.2</b>	<b>44.9</b>

This was a very satisfactory return after a year of increasing bond interest rates. Equities investments and an active holdings management approach contributed towards the result achieved.

## After-tax profit

The after-tax profit was DKK 323.7 million, resulting in a net asset value per share of DKK 1,022.

An amount of DKK 96.0 million was allocated for tax for the period, corresponding to an effective tax rate of 22.9 percent. This includes DKK 94.2 million of tax payable on the income for the year, and DKK 4.0 million for deferred tax adjustments.

Tax are influenced by tax-free profit from shares.

## Pension investment pools

Customer pension investment pools produced a net yield of DKK 100.4 million, or 7.8 percent. This is a very pleasing result for our pension investment pools, which have benefited from another year of high returns on equity markets, even if the yields were slightly down on the extraordinarily high rate of 19.0 percent achieved in 2005.

The overall investment profile for the investment pools remained unchanged, but the share of Danish securities was reduced in favour of foreign instruments, to provide a wider risk spread and therefore more robust portfolios.

For bonds, the return before fees totalled DKK 19.3 million, corresponding to a return of 2.7 percent on average holdings of just over DKK 709.0 million. The corresponding yield in 2005 was DKK 20.5 million, or 4.7 percent.

Our equities holdings, averaging around DKK 515.8 million, produced a profit of DKK 91.9 million, corresponding to a return before fees of approx. 17.8 percent. The corresponding yield in 2005 was DKK 142.4 million, or 53.8 percent.

## Customer and employee satisfaction

The bank commissioned customer and employee satisfaction surveys in November. These surveys showed very high satisfaction and loyalty levels in comparison with the sector in general.

## Subsidiaries

Fionia Bank comprises the parent entity Fionia Bank A/S, Ejendomsselskabet Vestre Stationsvej 7 and Odense A/S as wholly-owned subsidiaries, and Cura Management A/S, in which the bank has a 50 percent stake.

### *Ejendomsselskabet Vestre Stationsvej 7, Odense A/S*

The company's purpose is to own the bank's domiciliary property. No staff are employed. The result for the year was a surplus of DKK 8.2 million. Value adjustments to domiciliary property posted directly to equity were DKK 18.2 million and with DKK 7.5 million in income statement. Total equity was DKK 103.0 million.

### *Cura Management A/S*

(50 percent stake with controlling influence)

The company's purpose is to provide advice on the purchase and sale of real property, company administration and other related activities. Three staff are employed. The result for the year was a surplus of DKK 0.2 million, with equity of DKK 0.2 million.

## Capital and solvency

During 2006 Fionia Bank A/S received subordinated debt funding as follows:

Tier II capital, nominal DKK 150 million

Hybrid tier I capital, nominal DKK 100 million

and in May the bank repaid DKK 110 million of tier II capital.

At year end 2006 the total capital adequacy ratio was 11.4, and the tier I ratio was 9.2.

Subordinated debt at 31 December 2006 was DKK 810.2 million. The capital base after deductions was DKK 2,440.8 million.

Fionia Bank's equity at 31 December 2006 was DKK 1,844.9 million.

### **Dividend for the year**

The Board's recommendation to the General Meeting for 2006 is for an dividend of 40 DKK per share, corresponding to DKK 72.6 million.

### **Accounting policies**

The accounting policies followed were the same as in the 2005 annual report.

### **Financial calendar for 2007**

Publication of annual report	27 February
Quarterly report for 1st quarter of 2007	1 May
Half-year report for 2007	14 August
Quarterly report for quarters 1-3 of 2007	23 October

The Bank's annual general meeting will be held on 13 March 2007.



<b>Income statement</b>		
<b>(DKK thousand)</b>	<b>2006</b>	<b>2005</b>
Interest income	1,058,423	805,673
Interest expenses	557,216	318,610
<b>Net interest income</b>	<b>501,207</b>	<b>487,063</b>
Share dividends etc.	13,236	10,102
Fees and commissions income	212,628	201,039
Fees and commissions expenses	18,731	13,766
<b>Net interest and fees income</b>	<b>708,340</b>	<b>684,438</b>
Value adjustments	167,807	99,673
Other operating income	16,965	15,868
Staff and administration expenses	508,353	449,809
Amortisation, depreciation and write-downs on intangible and tangible assets	6,683	10,838
Other operating expenses	335	64
Provisions on lendings and receivables etc.	-38,982	19,314
Value adjustments for affiliated undertakings	0	-98
Result from activities being wound up	3,030	843
<b>Before-tax profit</b>	<b>419,753</b>	<b>320,699</b>
Tax	96,039	89,385
<b>Profit for the year</b>	<b>323,714</b>	<b>231,314</b>
Thereof minority interests	108	0
Earnings per share (DKK) *	189.4	128.1
Earnings per share (diluted) (DKK) *	189.4	128.1
Proposed dividend per share (DKK)	40	35
*The calculation is based on the average number of shares adjusted for own shares	1,804.8	1,805.3
<b>Proposed distribution of profit:</b>		
Dividend for the year	72,562	64,892
Transferred to equity	251,152	166,422
<b>Total appropriation</b>	<b>323,714</b>	<b>231,314</b>

<b>Balance sheet</b>		
<b>(DKK thousand)</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
<b>Assets</b>		
Cash in hand and demand credit balances at central banks	513,623	412,630
Credit balances at credit institutions and central banks	4,382,820	3,071,678
Lendings and other receivables at fair value	121,290	78,507
Lendings and other receivables at amortised historical cost	16,349,958	12,665,831
Bonds at fair value	5,192,840	5,794,500
Shares etc.	571,964	560,250
Assets in pool arrangements	1,440,042	977,840
Land and buildings, total	233,493	178,700
Investment property	246	4,441
Domiciliary property	233,247	174,259
Other tangible assets	19,534	17,867
Deferred tax assets	15,660	19,525
Temporarily acquired assets	0	3,175
Other assets	420,204	433,739
Prepayments	14,505	9,908
<b>Total assets</b>	<b>29,275,933</b>	<b>24,224,150</b>
<b>Liabilities and shareholders' funds</b>		
<b>Liabilities</b>		
Debts to credit institutions and central banks	9,855,836	9,175,462
Deposits and other liabilities	10,879,322	9,301,826
Deposits in investment pool schemes	1,565,151	1,100,237
Bonds issued at amortised historical cost	632,151	0
Current tax liabilities	22,326	27,998
Other liabilities	3,599,602	2,347,681
Deferred income	10,149	11,142
<b>Total liabilities</b>	<b>26,564,536</b>	<b>21,964,346</b>
<b>Allocations for liabilities</b>		
Allocations for pensions and similar liabilities	20,185	19,378
Allocations for losses on guarantees	7,411	6,795
Allocations for other liabilities	28,612	14,541
<b>Total allocations for liabilities</b>	<b>56,208</b>	<b>40,714</b>
<b>Subordinated debt</b>		
	810,225	680,731
<b>Equity</b>		
Share capital	181,405	181,405
Accumulated changes in value	84,257	36,650
Revaluation reserves	84,257	36,650
Other reserves	704,842	696,505
Statutory reserves	50,703	42,366
Other reserves	654,139	654,139
Profits or losses brought forward *	874,352	623,799
Minority interests	108	0
<b>Total equity</b>	<b>1,844,964</b>	<b>1,538,359</b>
<b>Total liabilities and shareholders' equity</b>	<b>29,275,933</b>	<b>24,224,150</b>
* Thereof proposed dividend	72,562	63,491

<b>Capital structure – Fionia Bank A/S group</b>							
<b>Changes in capital</b>	<b>Share- capital</b>	<b>Proposed dividend</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total</b>
Equity at the start of 2005	181,405	63,492	654,139	476,149	1,375,185	0	1,375,185
Value adjustment for domiciliary property				-5,700	-5,700	0	-5,700
Income posted directly to equity				-5,700	-5,700	0	-5,700
Profit for the year				231,314	231,314	0	231,314
Total income				225,614	225,614	0	225,614
Dividends paid		-63,492		412	-63,080	0	-63,080
Proposed dividend		63,492		-63,492	0	0	0
Purchase of own shares				-159,423	-159,423	0	-159,423
Sale of own shares				160,062	160,062	0	160,062
<b>Equity at the end of 2005</b>	<b>181,405</b>	<b>63,492</b>	<b>654,139</b>	<b>639,322</b>	<b>1,538,358</b>	<b>0</b>	<b>1,538,358</b>
Value adjustment for domiciliary property				47,607	47,607	0	47,607
Income posted directly to equity				47,607	47,607	0	47,607
Profit for the year				323,606	323,606	108	323,714
Total income				371,213	371,213	108	371,321
Dividends paid		-63,492		281	-63,211	0	-63,211
Proposed dividend		72,562		-72,562	0	0	0
Purchase of own shares				-242,183	-242,183	0	-242,183
Sale of own shares				240,679	240,679	0	240,679
<b>Equity at the end of 2006</b>	<b>181,405</b>	<b>72,562</b>	<b>654,139</b>	<b>936,750</b>	<b>1,844,856</b>	<b>108</b>	<b>1,844,964</b>
<i>The AGM on 13 March 2007 will be asked to approve a dividend for 2006 of DKK 40 per share</i>							
The share capital comprises 1,814,052 shares of DKK 100. The shares are issued in one series.							
<b>Fionia Bank A/S holdings of own shares</b>				Number	Face value	Total purchase sale price	Percent
Holding of own shares at the start of 2005				8,593	859,300		0.5
Shares acquired during the year				133,681	13,368,100	159,422	7.4
Shares disposed of during the year				133,321	13,332,100	160,062	7.3
<b>Holding of own shares at the end of 2005</b>				<b>8,953</b>	<b>895,300</b>		<b>0.5</b>
Shares acquired during the year				160,226	16,022,600	242,183	8.8
Shares disposed of during the year				159,746	15,974,600	240,679	8.8
<b>Holding of own shares at the end of 2006</b>				<b>9,433</b>	<b>943,300</b>		<b>0.5</b>
<i>Acquisitions and disposals of own shares are carried out as part of the bank's general trading operations with securities and its customers.</i>							

<b>Income by business segments</b>						
<b>(DKK million)</b>						
<b>Income statement</b>	<b>2006</b>			<b>2005</b>		
	<b>Core, including trading holdings</b>	<b>Income from holdings</b>	<b>Total*</b>	<b>Core, including trading holdings</b>	<b>Income from holdings</b>	<b>Total*</b>
Net interest income	500.3	0.9	501.2	467.0	20.1	487.1
Dividends on shares	7.1	6.1	13.2	5.1	5.0	10.1
Fees and commissions income (net)	195.5	-1.6	193.9	188.1	-0.9	187.2
Net interest and fees income	702.9	5.4	708.3	660.2	24.2	684.4
Value adjustments	148.3	19.5	167.8	71.8	27.9	99.7
Other operating income	17.0		17.0	15.9		15.9
Operating expenses and depreciation	509.6	5.7	515.3	453.5	7.2	460.7
Provisions on lendings etc.	-39.0		-39.0	19.3		19.3
Value adjustments for affiliated undertakings	0.0		0.0	-0.1		-0.1
Result from activities being wound up	3.0		3.0	0.8		0.8
<b>Before-tax profit on ordinary activities</b>	<b>400.5</b>	<b>19.2</b>	<b>419.7</b>	<b>275.8</b>	<b>44.9</b>	<b>320.7</b>

\*Danish financial supervisory authority official summary format

<b>Balance sheet by business segments</b>						
<b>(DKK million)</b>						
<b>Balance sheet at 31.12.2006</b>	<b>2006</b>			<b>2005</b>		
	<b>Core, including trading</b>	<b>Hold- ings</b>	<b>Total</b>	<b>Core, including trading</b>	<b>Hold- ings</b>	<b>Total</b>
<b>Assets:</b>						
Cash in hand, lendings and credit balances at credit institutions and central banks	21,367.5		21,367.5	16,228.6		16,228.6
Bonds at fair value	3,339.6	1,853.2	5,192.8	3,216.5	2,578.0	5,794.5
Shares and investments in affiliated undertakings, etc.	351.8	220.2	572.0	341.6	218.6	560.2
Other assets	368.6	51.6	420.2	378.6	55.1	433.7
Other assets, total	1,723.4		1,723.4	1,207.1		1,207.1
<b>Total</b>	<b>27,150.9</b>	<b>2,125.0</b>	<b>29,275.9</b>	<b>21,372.4</b>	<b>2,851.7</b>	<b>24,224.1</b>
<b>Liabilities and shareholders' funds:</b>						
Debts to credit institutions, central banks and deposits, total *	22,300.3		22,300.3	19,577.5		19,577.5
Other liabilities	3,182.4	417.3	3,599.7	2,328.6	19.1	2,347.7
Other liabilities, total	1,531.0		1,531.0	760.6		760.6
Minority interests	0.1		0.1	0.0		0.0
Equity	1,844.8		1,844.8	1,538.3		1,538.3
<b>Total</b>	<b>28,858.6</b>	<b>417.3</b>	<b>29,275.9</b>	<b>24,205.0</b>	<b>19.1</b>	<b>24,224.1</b>

\* Including both core and holdings

<b>Cash flow statement</b>		
<b>(DKK thousand)</b>	<b>2006</b>	<b>2005</b>
<b>Operating activities</b>		
Profit for the year	323,714	231,315
Adjustments for non-cash items:		
Provisions on lendings etc., net	-38,982	19,314
Amortisation and depreciation on intangible and tangible assets	6,071	4,012
Prepayments and deferred income items, net	-5,590	1,495
Allocations for expenses	15,494	4,004
Tax	96,039	89,384
Adjustments for cash items:		
Tax paid	-97,846	-67,410
	<b>298,900</b>	<b>282,114</b>
<b>Changes in working capital</b>		
Credit institutions, net	-630,768	592,132
Lendings adjusted for provisions during the period	-3,687,928	-2,474,863
Securities	-1,225,818	-805,203
Reverse repurchase agreement	1,528,414	-101,698
Temporarily acquired assets	3,175	7,420
Other assets and other liabilities, net	1,265,457	386,706
Deposits	1,577,496	1,484,382
Deposits in investment pools, net	2,711	72,103
<b>Cash flows from operating activities</b>	<b>-868,361</b>	<b>556,907</b>
<b>Investing activities</b>		
Purchase/sale of tangible fixed assets	-14,923	-14,551
<b>Cash flows from investing activities</b>	<b>-14,923</b>	<b>-14,551</b>
<b>Financing activities</b>		
Subordinated debt, inflow	250,000	424,355
Subordinated debt, outflow	-120,506	-133,778
Bonds issued	632,150	-127,921
Purchase/sale of own shares	-1,504	639
Dividends paid	-63,212	-63,080
<b>Cash flows from financing activities</b>	<b>696,928</b>	<b>100,215</b>
<b>Change in cash and cash equivalents</b>	<b>-186,356</b>	<b>-471,243</b>
Cash and cash equivalents at start of period	4,615,339	5,086,582
<b>* Cash and cash equivalents at end of period</b>	<b>4,428,983</b>	<b>4,615,339</b>
<i>Changes in holdings items other than shares include unrealised capital gains.</i>		
* Cash and cash equivalents comprise:		
Cash in hand and demand credit balances at central banks	513,624	412,630
Bonds at fair value	3,915,359	4,202,709