

Amagerbanken



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Record core earnings and modest impairments

Solvency ratio and liquidity still satisfactory

At an investor seminar in Copenhagen, arranged by FIH Capital Markets, Managing Director and Chief Executive of Amagerbanken, Mr. Knud Christensen will present the Bank's strategy, interim results, credit policies, etc.

At the same time Amagerbanken wishes to comply with the customers', the shareholders' and other's interest of the bank's present situation on the basis of the difficult market conditions in the banking sector.

Therefore, the Bank has chosen to publish updated information on the Bank's financial development and standing as well as the management's expectations for the Bank's performance and solvency.

- **Core earnings** for the first nine months of this year are expected to get higher than in the same period last year. Last year earnings were higher than ever before, i.e. DKK 423m before impairments.
- In spite of the fine development in core earnings for the time being the Bank will not upward-adjust its **expectations** for core earnings for all year, as the banking sector is experiencing exceptional difficult market conditions. The Bank maintains the previous published expectation of core earnings in the level DKK 480 – 520m before impairments (2007: DKK 581m).
- On the basis of the fundamental economic outlook higher but still fairly modest **impairments** on loans and advances and guarantees are expected. As at 30 September 2008 impairments (net) in the level of DKK 25m is awaited – equal to approx. 0.1% of the Bank's loans and advances and guarantees of a total of DKK 27.5bn. Thus the Bank's accumulated depreciation and provisions ratio will be in the order of 1.2%
- Impairments are spread on minor commitments in a number of sectors. They concern only to a very limited extent the much discussed **property sector**. Amagerbanken has decades of long experience as bank for property projects and property businesses. Due to this the

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Bank has avoided commitments with speculative persons and companies in the sector. According to the press these have applied for and achieved funding in other banks.

- Furthermore, Amagerbanken has not experienced appreciable loss on **investment credits**. The Bank has not financed customers' investments in the Bank's own shares.
- After impairments **core earnings** are presently expected to be at the same level as in the first nine months of the year as in the same period last year.
- On the assumption of unchanged bond and share prices for the rest of the current quarter, the Bank's **capital base** is expected to amount to approx. DKK 3.8bn at the end of the quarter consisting of shareholder's equity capital of DKK 2.5bn and subordinated capital of DKK 1.3bn.
- At the end of the third quarter 2008 the Bank's **solvency ratio** is expected in the range of 12.3%, of which core capital amounts to approx. 8.4%
- The Bank's **liquidity** is stable and still satisfactory. The terms of the Bank's funding are characterized by the same difficult global market conditions which are also valid for other banks. However, in the present situation Amagerbanken benefits from a long-standing and mutual cooperation with a very broad number of banks worldwide.

Amagerbanken's business franchise is unchanged to be a strong local, independent and efficient bank, serving 120,000 retail customers and corporates in the area of Denmark's three largest cities, i.e. Copenhagen, Aarhus and Odense.

For further information please be referred to the Bank's detailed interim report of first half of 2008 which was published on 11 August 2008.

The Bank may direct your attention to the fact that expectations for the future involve a higher level of uncertainty than normally due to the current market conditions.

Amagerbanken's report for the first nine months of 2008 is planned to be published on 12 November 2008.

Yours faithfully,

AMAGERBANKEN

A handwritten signature in black ink, appearing to read 'Knud Christensen', written in a cursive style.

Knud Christensen
Managing Director
and
Chief Executive