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The Luxembourg Stock Exchange
The Frankfurt Stock Exchange
The Düsseldorf Stock Exchange
Euronext N.V.
Oslo Børs ASA
The Press

16 July 2008
Ref. LJO

Stock Exchange Announcement 7-2008 - Correction to announcement of FIH Erhvervsbank's exposure to the property sector.

- **FIH's exposure to the property sector is 23.5%, of which half in Denmark and the other half in Germany and Sweden**
- **FIH's property portfolio is sound and properly secured**

Recently, the banks exposure towards the property sector has been highly emphasised. The daily press has claimed that FIH Erhvervsbank has a 47% exposure towards the property sector. This information is incorrect, as the figure contains exposures towards the service sector and other sectors.

As at 30 June 2008, FIH Erhvervsbank's exposures towards companies with an industry code related to the property sector came to 36% of the total loans and guarantees. FIH divides the exposures into the following categories:

- 12.5% is related to medium size Danish companies within all sectors (not incl. the property sector). The majority is secured by first priority pledge on company property and operating equipment, the property being an integrated part of the daily operations, but due to technicalities, these properties are placed in independent property companies.
- 11% constitutes exposures towards residential lease properties. The majority is secured by first priority pledge with loan to value of up to 80% and in some cases 90% depending on the credit quality of the debtor and additional securities. The majority of the properties are located in Hamburg and Berlin.
- 10% of the exposures is towards actual investment properties, mainly loans secured by first priority pledge with loan to value of up to 75% and in certain cases 85% depending on the re-lease possibil-

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ity and value stability, the credit quality of the lessee and the duration of the lease contract along with the credit quality of the debtor and additional security.

- 2.5% constitutes exposures towards the Danish market, where the agreements are typically prepared with disregard to sale and/or subsequent lease. The exposures are limited to a small group of customers of high credit quality, as FIH Erhvervsbank grants exposures to this segment on a limited basis only.

The actual exposures towards the property sector thus comes to 23.5% of the loans and guarantees, of which half is related to exposures in Denmark and the other half to Germany and Sweden.

The credit procedures and policies of FIH Erhvervsbank are considered sound. As a standard procedure in the evaluation process of the individual applications, the credit quality and sector ability of the debtor in relation to the individual property and/or portfolio are carefully assessed along with liquidity level, profitability, re-lease potential and the value stability of the properties.

At the regular portfolio assessments – the most recent on 30 June 2008 – FIH Erhvervsbank has obtained reassurance that the current portfolio is sound, while writedowns of DKK 20 million has been made for the first half of 2008.

FIH will publish its half year results on 31 July 2008 as previously announced.

Copenhagen, 16 July 2008 at 13:45

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