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Alm. Brand Bank A/S

Alm. Brand Bank A/S - Interim report for the first quarter of 2008

The quarter at a glance

- **Sustained satisfactory growth in the bank's deposits and lending**
- **The number of multi-product customers in the bank rose by more than 20% as compared with 31 March 2007**
- **Less satisfactory pre-tax profit of DKK 20m**
- **The bank forecasts pre-tax profit for 2008 of DKK 130m, downgrading expectations by DKK 70m**

Highlights of the performance in the first quarter of 2008

- The bank reported pre-tax profit of DKK 20 million.

The performance fell short of expectations, partly due to decreased net interest and fee income, among other things as a result of increased funding costs and a lower level of activity in the retail segment, and partly to the bank's share of Alm. Brand Formue.

In the second quarter, the bank raised its lending rate and thus the interest margin, which will increase earnings during the rest of the year. In addition, the bank increased hedging of its exposure to Alm. Brand Formue.

Overall, the first quarter 2008 performance was less satisfactory.

- Stable growth in business volumes.

The bank experienced a stable inflow of new customers in Q1 2008, corresponding to a net inflow of 12%, bringing the total number of private customers in the bank to more than 85,000.

The Alm. Brand Group's multi-product customer concept, the *dobbeltKUNDE* concept, also recorded favourable growth rates. Accordingly, the number of multi-product customers rose by more than 20% as compared with 31 March 2007.

- Cost level maintained.

Total costs for Q1 2008 amounted to DKK 132 million, against DKK 133 million for the same period of last year.

- Sustained moderate losses on loans and guarantees.

The bank continued to record lower-than-expected losses. For Q1 2008, impairment of loans and guarantees charged to the income statement amounted to an income of DKK 9 million, against an income of DKK 18 million in the same period of 2007.

- The bank expects a full-year pre-tax profit of DKK 130 million against the previous forecast of DKK 200 million.

Out of the total downgrade of DKK 70 million, DKK 30 million is attributable to capital losses that are to a significant extent due to the bank's exposure to Alm. Brand Formue and the hedging efforts made in that connection.

In addition, the forecast for full-year net interest and fee income has been lowered by DKK 40 million. The lower net interest and fee income is largely attributable to increased funding costs, which cannot be fully offset by the lending rate increases implemented in the second quarter of 2008. At the same time, fee income is adversely affected by the slightly lower level of activity in the retail area.

Please direct any questions regarding this announcement to Henrik Nordam, Chief Executive, on tel. +45 35 47 48 49.

Alm. Brand Bank A/S

Henrik Nordam
Chief Executive