

Alm. Brand Bank
interim report - the first to third quarter

2012



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COMPANY INFORMATION

MANAGEMENT BOARD

Kim Bai Wadstrøm, Chief Executive

INTERNAL AUDITOR

Poul-Erik Winther, Group Chief Auditor

BOARD OF DIRECTORS

Jørgen H. Mikkelsen, Chairman

Boris N. Kjeldsen, Deputy Chairman

Arne Nielsen

Jan Skytte Pedersen

Søren Boe Mortensen

Christian Bundgaard, elected by the employees

Jesper Christiansen, elected by the employees

REGISTRATION

Alm. Brand Bank A/S

Company registration (CVR) no. 81 75 35 12

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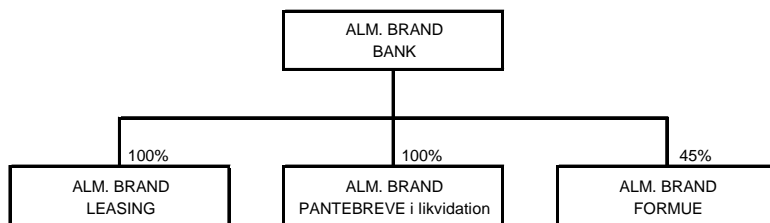
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AUDITORS

Deloitte

Statsautoriseret Revisionspartnerselskab

GROUP STRUCTURE



The bank has three subsidiaries:

- Alm. Brand Leasing A/S
- Alm. Brand Pantebreve A/S in liquidation
- Alm. Brand Formue A/S

The group also comprises four wholly-owned subsidiaries, which have been established or acquired in connection with properties taken over temporarily.

In addition, the bank acts as depositary bank for:

- Investeringsforeningen Alm. Brand Invest

OWNERSHIP

The bank is wholly owned by the listed company Alm. Brand A/S.

The consolidated financial statements of Alm. Brand Bank A/S are a component of the consolidated financial statements of Alm. Brand A/S and Alm. Brand af 1792 fmba.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	PRORATA					GROUP				
	Q3 2012	Q3 2011	Q1-3 2012	Q1-3 2011	Year 2011	Q3 2012	Q3 2011	Q1-3 2012	Q1-3 2011	Year 2011
INCOME STATEMENT										
Interest receivable	177	222	556	669	867	180	224	562	676	877
Interest payable	102	131	348	376	506	104	133	352	381	513
Net interest income	75	91	208	293	361	76	91	210	295	364
Fees and commissions receivable (net) and dividend etc.	30	28	93	102	132	30	28	94	103	131
Net interest and fee income	105	119	301	395	493	106	119	304	398	495
Value adjustments	-42	-62	-71	-233	-399	-23	-88	-38	-275	-431
Other operating income	13	7	35	25	36	13	6	35	24	36
Profit before expenses	76	64	265	187	130	96	37	301	147	100
Staff costs and administrative expenses	100	114	348	350	458	100	115	349	352	459
Depreciation, amortisation and impairment of property, plant and equipment	8	4	22	12	18	8	4	22	12	18
Other operating expenses	8	-4	29	40	40	9	-4	30	40	40
Impairment of loans, advances and receivables, etc.	135	107	238	288	768	135	107	238	288	768
Profit from investments in associates and group enterprises	-1	1	-1	-1	0	-1	1	-1	-1	0
Profit before tax	-176	-156	-373	-504	-1,154	-157	-184	-339	-546	-1,185
Tax	-43	-36	-92	-125	-236	-43	-37	-92	-125	-235
Profit for the period	-133	-120	-281	-379	-918	-114	-147	-247	-421	-950
Share attributable to minority interests	-	-	-	-	-	19	-27	34	-42	-32
Profit after tax excluding minority interests	-	-	-	-	-	-133	-120	-281	-379	-918
<i>Profit before tax excluding minority interests</i>	-	-	-	-	-	-176	-156	-373	-504	-1,154
BALANCE SHEET										
Loans and advances	9,169	11,240	9,169	11,240	10,393	8,960	11,061	8,960	11,061	10,217
Deposits	10,647	7,723	10,647	7,723	7,995	10,647	7,723	10,647	7,723	7,995
Shareholders' equity	1,107	1,633	1,107	1,633	1,093	1,277	1,766	1,277	1,766	1,234
Share attributable to minority interests	-	-	-	-	-	170	133	170	133	141
Total assets	19,154	23,034	19,154	23,034	21,053	19,510	23,420	19,510	23,420	21,393
KEY RATIOS ETC.										
Average number of employees, full-time equivalents	277	282	278	287	286	277	282	278	287	286
Interest margin (%)	-	-	-	-	-	1.6	1.7	1.4	1.7	1.6
Income/cost ratio	0.30	0.30	0.41	0.27	0.10	0.38	0.17	0.47	0.21	0.08
Impairment ratio	1.1	0.8	2.0	2.1	5.9	1.2	0.8	2.1	2.2	6.0
Solvency ratio	-	-	-	-	-	18.2	20.6	18.2	20.6	16.8

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

REPORT

In order to increase the transparency of Alm. Brand Bank A/S' financial statements, the bank publishes pro rata consolidated figures. The figures are set out in the financial highlights and key ratios above and, unless otherwise indicated, the comments provided in the review below concern pro rata figures. Banking group figures are commented on only when found relevant. To the extent it is deemed relevant, Q1-Q3 2011 and Q2 2012, respectively, are used as benchmarks.

Financial results

The bank reported a loss of DKK 176 million before tax in Q3 2012. Excluding losses and write-downs, the bank posted a loss of DKK 10 million.

The performance was not satisfactory but it was in line with the guidance provided in the half-year financial statements.

The bank recognised aggregate impairment write-downs on loans, including credit-related value adjustments, of DKK 166 million in Q3 2012. Losses and writedowns thus remain at a high level.

The bank posted a loss of DKK 373 million before tax for the nine months ended 30 September 2012. Excluding losses and writedowns, the bank posted a loss of DKK 41 million.

For the year to date, the bank recognised impairment writedowns on loans, including credit-related value adjustments, of DKK 332 million in aggregate.

The bank implemented the Danish FSA's new method for calculating impairment charges on property and agricultural exposures already at the end of 2011. The FSA's change of methodology therefore did not have any transitional effect on the bank's writedowns in 2012 to date.

Net interest and fee income

In Q3 2012, net interest and fee income totalled DKK 105 million, against DKK 92 million in Q2 2012.

Interest income and expenses

Net interest income amounted to DKK 75 million in Q3 2012, against DKK 61 million in Q2 2012. The improvement in net interest income was driven by lower interest expenses due to repayment of funding. Although the bank saw a steady trend in interest income, interest income from loans declined as a result of the bank's ongoing process of winding up parts of the lending portfolio. However, this decline was offset by higher interest income from the bond portfolio.

For the year to date, net interest income was DKK 208 million, against DKK 293 million for the same period of 2011. The downward trend was due to a combination of lower interest income from lending and generally higher funding costs, among other

things due to the fixed rate campaign run at the beginning of the year. The smaller bond portfolio held in the first nine months of 2012 compared with last year also contributed to lower interest income.

For the parent company and the banking group, the interest margin was 1.6% in Q3 2012, against 1.3% in Q2 2012. The increase was partly attributable to the bank's repayment of funding.

The interest margin for the parent company and the banking group was 1.4% for the year to date. The interest margin level is too low and the bank's future strategy aims to ensure a higher interest margin, including through the work to generate more full-service customers in the private customer area.

Fee income and expenses

Net fee income was DKK 30 million in Q3 2012, which was in line with Q2 2012 (DKK 31 million).

The bank's costs amounted to DKK 93 million for the nine months ended 30 September 2012, against DKK 102 million for the same period of last year. The decline was primarily attributable to Financial Markets, which saw a general slowdown in investment activity among its customers due to market uncertainty.

Value adjustments

Value adjustments amounted to a DKK 42 million loss in the third quarter. Excluding credit-related value adjustments of DKK 31 million, value adjustments amounted to a loss of DKK 11 million.

For the year to date, value adjustments produced a loss of DKK 71 million. Value adjustments included credit-related value adjustments of the mortgage deed portfolio and equities of DKK 78 million and DKK 16 million, respectively.

Excluding credit-related value adjustments, the bank reported a capital gain of DKK 23 million for the nine months ended 30 September 2012.

The DKK 23 million gain mainly consisted of a DKK 32 million gain on equity-related value adjustments and a DKK 7 million loss on interest-related value adjustments. Foreign exchange adjustments and foreign exchange contracts produced a loss of DKK 2 million for the year to date.

REPORT

The bank's equity portfolio is mainly composed of sector equities, while the trading portfolio of equities makes up only a limited amount. In connection with the winding up of distressed investment exposures, the bank took over a number of illiquid shares in both 2010 and 2011, the pricing of which could have a positive or negative impact on the bank's future financial results. The market value of these illiquid shares was DKK 113 million at 30 September 2012.

Other operating income

Other operating income amounted to DKK 13 million in Q3 2012, against DKK 12 million in Q2 2012.

For the year to date, other operating income was DKK 35 million, against DKK 25 million in the same period of last year.

Other operating income is primarily attributable to Alm. Brand Leasing A/S, which has expanded its operating lease activities.

Costs

The bank's costs amounted to DKK 100 million in Q3 2012, against DKK 114 million in Q3 2011. Accordingly, the bank's cost savings from the organisational restructuring implemented at the end of May 2012 fed through fully in Q3 2012.

The bank's payroll costs and administrative expenses amounted to DKK 348 million for the year to date, against DKK 350 million in the year-earlier period.

Total depreciation and amortisation charges amounted to DKK 8 million in Q3 2012 and DKK 22 million for the year to date, against DKK 12 million in the same period of last year. The increase in depreciation and amortisation charges was attributable to the higher level of activity in Alm. Brand Leasing.

Other operating expenses

Other operating expenses amounted to DKK 8 million in Q3 2012, of which DKK 4 million related to the bank's expenses payable to the Guarantee Fund for Depositors and Investors and DKK 4 million related to properties taken over temporarily.

For the year to date, other operating expenses amounted to DKK 29 million, of which DKK 14 million related to the bank's expenses payable to the Guarantee Fund for Depositors and Investors and DKK 15 million related to properties taken over temporarily.

Impairment of loans, etc.

The bank's impairment writedowns on loans amounted to DKK 135 million in Q3 2012. Losses and writedowns in the third quarter were particularly affected by a single large commercial exposure and by the deteriorated economic conditions faced by dairy farmers.

In addition, the bank recognised negative credit-related value adjustments of DKK 31 million in Q3 2012, against DKK 43 million in Q2 2012.

These losses and writedowns are recognised under value adjustments but have been included in the table set out in the section "Lending portfolio", which further describes the lending portfolio and losses and writedowns.

In the nine months ended 30 September 2012, impairment writedowns on loans, including credit-related value adjustments, totalled DKK 332 million, against DKK 357 million in 2011.

Balance sheet

Loans and advances, etc.

The bank's loans and advances amounted to DKK 9.2 billion at 30 September 2012, against DKK 10.4 billion at 31 December 2011. Excluding developments in reverse transactions, intra-group transactions and writedowns, this marked a decline in loans and advances of DKK 0.9 billion.

Consistent with its strategy, the bank expects to continue to reduce its total loans and advances going forward.

Debt to credit institutions

The bank's debt to credit institutions amounted to DKK 3.2 billion at 30 September 2012, against DKK 4.0 billion at 31 December 2011. The decline was attributable to the repayment of funding.

Deposits

The bank's deposits amounted to DKK 10.6 billion at 30 September 2012, against DKK 10.5 billion at 30 June 2012 and DKK 8.0 billion at 31 December 2011. The increase since the turn of the year was mainly attributable to the fixed rate campaign run in the winter of 2011-2012, which secured new deposits for the bank of approximately DKK 2.5 billion.

The combination of an increase in deposits and a reduction of loans and advances has eliminated the bank's deposit deficit, which amounted to DKK 2.4 billion at 31 December 2011, and turned it into a deposit surplus of DKK 1.4 billion at 30 September 2012.

REPORT

Liquidity

At 30 September 2012, the bank had cash funds of DKK 5.4 billion and excess liquidity of DKK 3.6 billion, corresponding to an excess cover of 207% relative to the statutory requirement. This marked a decline relative to the excess cover of 327% reported at 31 December 2011. The decline was primarily attributable to the bank's repayment of funding in the amount of DKK 6.6 billion in the nine months ended 30 September 2012.

On 28 September 2012, the bank utilised the three-year lending facility made available by Danmarks Nationalbank. The bank borrowed DKK 1 billion and provided security in the form of bonds. The intention is to replace the bonds by loans over time.

Capitalisation

The bank's equity stood at DKK 1.1 billion at 30 September 2012. The capital base totalled DKK 2.0 billion, and the risk-weighted items amounted to DKK 10.6 billion at 30 September 2012.

Accordingly, the solvency ratio was 18.9, and the tier 1 capital ratio was 13.6. The bank's individual solvency need was calculated at 15.3, and the bank's solvency ratio thus exceeded the individual solvency need by 3.6 percentage points.

The banking group's equity stood at DKK 1.3 billion at 30 September 2012, and the capital base totalled DKK 2.0 billion. Risk-weighted items in the banking group amounted to DKK 11.2 billion at 30 September 2012. This made for a solvency ratio of 18.2 and a tier 1 capital ratio of 13.6.

Major events

Prepayment of state-guaranteed bonds

On 21 March 2012, the bank announced that state-guaranteed bonds in the amount of DKK 4 billion would be prepaid. DKK 2 billion was paid on 23 March 2012 and DKK 2 billion was paid on 2 July 2012.

Alm. Brand Leasing A/S enters into collaboration agreement

In the third quarter, the bank's wholly-owned subsidiary Alm. Brand Leasing A/S entered into a collaboration agreement with Fiat Group Automobiles Denmark A/S on private leases of Fiat and Alfa Romeo cars through authorised Fiat and Alfa Romeo dealers.

Outlook

The bank maintains the most recent full-year 2012 guidance of a loss of DKK 50 million excluding losses and writedowns.

The expected reduction of the banking group's total loans and advances excluding reverse transactions, losses and writedowns is increased from DKK 1 billion to around DKK 1.2 billion in 2012.

The amount of impairment writedowns on loans and credit-related value adjustments is subject to considerable uncertainty and will depend on, among other factors, general economic developments. Due to the considerable uncertainty, no guidance is provided with respect to the bank's losses and writedowns for 2012.

Disclaimer

The forecast is based on the interest rate and price levels that prevailed at mid-November 2012. All other forward-looking statements are based exclusively on the information available when this interim report was released.

The actual performance may be affected by major changes in a number of factors. Such impacts include changes in conditions in the financial market, legislative changes, changes in the competitive environment, loans and advances, etc. and guarantees, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This interim report has been translated from Danish into English. In the event of any discrepancy between the Danish text and the English-language translation, the Danish text shall prevail.

LENDING PORTFOLIO

The bank's total writedowns and identified losses amounted to an expense of DKK 166 million in Q3 2012. Of this amount, identified losses amounted to DKK 25 million.

For the year to date, total writedowns and identified losses amounted to an expense of DKK 332 million. Of this amount, identified losses amounted to DKK 47 million.

The banking group's accumulated writedowns totalled DKK 1,640 million at 30 September 2012, against DKK 1,620 million at 31 December 2011. As a result of the reduction of loans, advances and guarantees, the accumulated impairment ratio increased from 12.6% at 31 December 2011 to 14.2% at 30 September 2012.

The table below shows a consolidated segment-by-segment breakdown of the bank's lending portfolio. The table also shows pro rata consolidated loans and advances which are reviewed in the banking section of this interim report.

The table reflects the bank's strategy by breaking down loans and advances into a continuing portfolio and a winding-up portfolio.

In the nine months ended 30 September 2012, total losses and writedowns charged to the income statement represented 3.5% of the average lending portfolio for the banking group excluding reverse transactions.

The overall lending portfolio, excluding reverse transactions, amounted to DKK 8.8 billion, which, including losses and writedowns, was a decline of DKK 1.2 billion relative to 31 December 2011. Adjusted for losses and writedowns, the lending portfolio declined by DKK 0.9 billion.

At 30 September 2012, DKK 6.1 billion was being wound up, equivalent to approximately 67% of the overall lending portfolio.

The performance of the individual lending segments in the nine months ended 30 September 2012 is reviewed in the following sections. The loss and impairment ratio is calculated relative to average lending during the period.

LOSSES AND WRITEDOWNS DKKmn	Loans			Total loss and writedowns				Loss ratio *)
	31.12.2011	30.09.2012	Share of portfolio (%)	2011	Q1 2012	Q2 2012	Q1-3 2012	
Continuing portfolio	2,983	2,694	29.4%	105	10	7	37	1.3%
Lending to private customers	2,848	2,493	27.2%	104	10	7	36	1.3%
Other loans and advances **)	135	201	2.2%	1	-	-	1	0.6%
Winding-up portfolio	7,059	6,114	66.6%	888	75	74	295	4.5%
Agriculture	1,038	1,012	11.0%	227	29	30	137	13.4%
Car finance	418	270	2.9%	2	-1	-	-1	-0.3%
Commercial lending	1,613	1,366	14.9%	308	19	-5	41	2.8%
Property development projects	431	249	2.7%	13	-	1	-1	-0.3%
Mortgage deed financing	405	226	2.5%	112	8	5	25	7.9%
Mortgage deeds ***)	3,154	2,991	32.6%	226	20	27	78	2.5%
Shares *****)	-	-	-	-	-	16	16	-
Bank packages etc.	-	-	-	1	-	-	-	-
Total group lending - excl. reverse Transactions	10,042	8,808	96.0%	994	85	81	332	3.5%
Reverse Transactions including intercompany transactions	175	154	1.7%	-	-	-	-	-
Total group lending	10,217	8,962	97.7%	994	85	81	332	3.5%
Minority interests	176	207	2.3%	-	-	-	-	-
Total pro rata	10,393	9,169	100.0%	994	85	81	332	3.4%

*) Losses and writedowns as a percentage of the average portfolio in Q1-3 2012. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.

**) Fleet Management (operating leases) is not included, as it is recognised as other property, plant and equipment and not as loans and advances.

***) Credit losses and writedowns on mortgage deeds are recognised in value adjustments.

*****) Shareholding taken over in connection with the winding up of a former credit exposure. Value adjustment of the shareholding is recognised under value adjustments.

LENDING PORTFOLIO

Continuing portfolio

Lending to private customers

This portfolio consists of loans and advances to private customers and is geographically diversified across Denmark. The portfolio includes car loans to private customers and represents the majority of the bank's continuing loans and advances.

Total loans and advances to private customers declined by DKK 355 million from 31 December 2011 to 30 September 2012. A significant part of the decline was attributable to the conversion of home loans to mortgage loans through the bank's business partner Totalkredit. The limited borrowing appetite among private customers also contributed to the portfolio decline. In future, efforts to attract new private customers to the bank will be stepped up.

In the first nine months of 2012, losses and write-downs amounted to DKK 36 million, equivalent to 1.3% of the average portfolio.

Other loans and advances

This segment covers loans combined with an investment mandate to Alm. Brand Markets. These loans form part of the bank's continuing business area.

Other loans and advances increased by DKK 66 million relative to 31 December 2011. For the year to date, losses and writedowns amounted to DKK 1 million, equivalent to 0.6% of the average portfolio.

Winding-up portfolio

Consistent with the bank's strategy, new customers are not accepted in these segments, and the business volume with existing customers is expected to be wound up over a number of years.

As part of the implementation of a controlled winding up of the individual exposures, the bank intends to grant additional loans as part of its credit defence efforts in relation to its collateral. This means that lending may increase in individual segments, even if a lending segment is being wound up.

Agriculture

The portfolio declined by DKK 26 million from 31 December 2011 to 30 September 2012. Adjusted for losses and writedowns, the portfolio increased by DKK 111 million because the bank has granted loans to necessary investments and to secure continuing operations, thereby protecting the underlying value to the bank.

For the year to date, losses and writedowns amounted to DKK 137 million, equivalent to 13.4% of the average portfolio.

Writedowns in the third quarter were affected by the deteriorated economic conditions faced by dairy farmers, which is a consequence of a lower ratio of milk prices to feed prices.

Moreover, the level of losses and writedowns reflects the difficult conditions agricultural customers continue to face.

Car finance

Car finance loans typically have a maximum term of five years, and the portfolio is expected to be settled in all material respects by the end of 2013. The overall portfolio declined by DKK 148 million during the period from 31 December 2011 to 30 September 2012 to stand at DKK 270 million. For the year to date, net writedowns of DKK 1 million were reversed.

Commercial customer segment

The portfolio consists of financing of investment properties, loans to small businesses and syndicated loans to medium-sized Danish businesses.

The overall portfolio declined by DKK 247 million from 31 December 2011 to 30 September 2012. In connection with the completion of a property development project in the second quarter, the exposure was reclassified to the commercial customer segment. Adjusted for this reclassification, the commercial customer portfolio declined by DKK 359 million relative to 31 December 2011.

Losses and writedowns amounted to DKK 27 million in Q3 2012. Writedowns were adversely impacted by a single exposure but several exposures were closed at a gain.

In the first nine months of 2012, losses and write-downs amounted to DKK 41 million, equivalent to 2.8% of the average portfolio.

Property development projects

The portfolio consists of a limited number of property development projects. The bank will only finance the completion of ongoing projects pursuant to existing agreements.

From 31 December 2011 to 30 September 2012, the portfolio declined by DKK 182 million, of which DKK 112 million was attributable to reclassification to the commercial customer segment because of a project completion. For the year to date, net writedowns of DKK 1 million were reversed.

LENDING PORTFOLIO

Mortgage deed exposure

The bank's overall mortgage deed exposure, comprising mortgage deed financing and mortgage deeds, declined by DKK 342 million to DKK 3,217 million in the nine months ended 30 September 2012.

Mortgage deeds run off naturally as a result of regular payments and redemptions. In the nine months ended 30 September 2012, natural run-off on the aggregate mortgage deed exposure was around 9% p.a. when excluding credit-related writedowns and interest rate effects.

Mortgage deed financing

This portfolio consists of investment exposures secured against mortgage deeds. The portfolio declined by DKK 179 million from 31 December 2011 to 30 September 2012. The decline was primarily attributable to the winding up of a number of investment exposures. In that connection, the bank took over the mortgage deeds provided as security.

For the year to date, losses and writedowns amounted to DKK 25 million, equivalent to 7.9% of the average portfolio.

The writedowns were due to mortgage debtors defaulting on their loans and to a declining excess cover on the exposures as a result of price falls on mortgage deeds provided as security.

Mortgage deeds

This segment comprises the bank's own portfolio of private mortgage deeds and commercial mortgage deeds.

Private mortgage deeds amounted to DKK 2,266 million, comprising the bank's portfolio of mortgage deeds secured primarily against single-

family houses, commonhold flats and summer houses. The properties are located throughout Denmark.

Commercial mortgage deeds amounted to DKK 725 million and comprise mortgage deeds secured against residential rental property, commercial property for office, trade and industrial use as well as land and mixed residential/commercial property.

The portfolio is marked to market on a current basis using a cash flow-based pricing model, which considers factors such as estimated prepayments and credit losses. Individual writedowns are taken on all mortgages in arrears or known to be showing signs of weakness.

This portfolio is being wound up, but new mortgage deeds may be added when the bank winds up an investment facility whose collateral security consists wholly or partly of mortgage deeds.

The portfolio declined by DKK 163 million from 31 December 2011 to 30 September 2012. For the year to date, losses and writedowns amounted to DKK 78 million, equivalent to 2.5% of the average portfolio.

Shares

In connection with the winding up of a credit exposure, the bank has previously taken over a shareholding. The bank made a negative, credit-related value adjustment of DKK 16 million on this shareholding in the second quarter of 2012.

LENDING PORTFOLIO

Capital reservation

The banking group's total capital reservation amounted to DKK 3,581 million at 30 September 2012, against DKK 3,916 million at 31 December 2011.

The capital reservation equalled 32% of gross loans and advances and residual debt on mortgage deeds at 30 September 2012, which was 1 percentage point higher than at 31 December 2011.

As regards the continuing portfolio, the capital reservation equalled 17% of gross loans and advances, which was an increase of 3 percentage points relative to 31 December 2011. As regards the winding-up portfolio, the capital reservation corresponded to 37% of gross loans and advances and residual debt on mortgage deeds, which was unchanged compared with 31 December 2011.

CAPITAL RESERVATION DKKm	Gross lending/ outstanding debt	30.09.2012					31.12.2011	
		Balance	Difference *)	Required capital	Total reservation	Reservation relative to gross lending	Total reservation	Reservation relative to gross lending
Continuing portfolio	2,885	2,694	191	310	501	17%	426	14%
Winding-up portfolio	8,267	6,114	2,153	896	3,049	37%	3,439	37%
Bank packages etc. **)	-	-	9	9	18	-	23	-
Total - excl. reverse Transactions	11,152	8,808	2,353	1,215	3,568	32%	3,888	31%
Reverse Transactions and intra-group transactions	154	154	-	13	13	8%	28	16%
Total group	11,306	8,962	2,353	1,228	3,581	32%	3,916	31%

*) Accumulated writedowns and value adjustments of mortgage deeds.

***) No loans or advances in this segment. Reservation is related to guarantees.

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today considered and adopted the interim report for the nine months ended 30 September 2012 of Alm. Brand Bank A/S.

The consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and the interim financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the consolidated and parent company interim financial statements have been presented in accordance with additional Danish disclosure requirements for the interim financial statements of listed financial companies.

In our opinion, the consolidated and parent company interim financial statements give a true and fair view of the group's and the parent company's assets and liabilities and financial position at 30 September 2012 and of the results of the group's and the parent company's operations and the cash flows of the group for the nine months ended 30 September 2012.

Moreover, in our opinion, the management's review includes a fair review of developments in the activities and financial position of the group and the parent company and fairly describes significant risk and uncertainty factors that may affect the group and the bank.

MANAGEMENT BOARD

Copenhagen, 22 November 2012

Kim Bai Wadstrøm
Chief Executive

BOARD OF DIRECTORS

Copenhagen, 22 November 2012

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Arne Nielsen

Jan Skytte Pedersen

Søren Boe Mortensen

Christian Bundgaard

Jesper Christiansen

INCOME STATEMENT AND COMPREHENSIVE INCOME

Parent company

DKK '000	Note	Q3 2012	Q3 2011	Q1-3 2012	Q1-3 2011	Year 2011
Interest receivable	1	173,388	216,770	542,906	649,785	842,701
Interest payable	2	101,977	129,900	345,022	371,670	499,611
Net interest income		71,411	86,870	197,884	278,115	343,090
Dividend on participating interests		-	1	694	6,857	5,358
Fees and commissions receivable		35,963	39,227	110,984	124,662	163,172
Fees and commissions payable		6,025	11,500	22,729	33,228	42,423
Net interest and fee income		101,349	114,598	286,833	376,406	469,197
Value adjustments	3	-58,176	-40,246	-98,887	-198,171	-374,181
Other operating income		2,325	718	4,371	3,956	8,385
Profit before expenses		45,498	75,070	192,317	182,191	103,401
Staff costs and administrative expenses	4	92,376	106,726	325,688	328,406	426,952
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		80	183	277	651	802
Other ordinary expenses		8,460	-4,325	29,686	39,098	38,954
Impairment of loans, advances and receivables, etc.	5	134,495	107,024	238,328	284,256	766,625
Profit from participating interests in associated and group undertakings		14,343	-21,496	27,909	-34,295	-24,548
Profit before tax		-175,570	-156,034	-373,753	-504,515	-1,154,480
Tax		-43,027	-37,015	-92,722	-126,228	-236,261
Profit for the period		-132,543	-119,019	-281,031	-378,287	-918,219

INCOME STATEMENT AND COMPREHENSIVE INCOME

Group

DKK '000	Note	Q3 2012	Q3 2011	Q1-3 2012	Q1-3 2011	Year 2011
Interest receivable	1	179,572	224,455	561,712	676,663	876,906
Interest payable	2	104,205	133,446	352,375	381,770	512,721
Net interest income		75,367	91,009	209,337	294,893	364,185
Dividend on participating interests		357	121	5,776	11,573	10,570
Fees and commissions receivable		35,682	39,195	110,966	124,591	163,079
Fees and commissions payable		6,048	11,501	22,791	33,296	42,536
Net interest and fee income		105,358	118,824	303,288	397,761	495,298
Value adjustments	3	-23,372	-88,367	-37,742	-274,835	-430,684
Other operating income		13,555	6,743	35,377	24,601	35,877
Profit before expenses		95,541	37,200	300,923	147,527	100,491
Staff costs and administrative expenses	4	100,335	114,898	349,242	352,490	459,569
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		7,764	4,477	21,824	12,408	17,792
Other ordinary expenses		8,488	-4,192	29,765	40,094	40,405
Impairment of loans, advances and receivables, etc.	5	134,729	107,025	237,885	287,889	768,450
Profit from participating interests in associated and group undertakings		-1,034	1,277	-1,089	-472	385
Profit before tax		-156,809	-183,731	-338,882	-545,826	-1,185,340
Tax		-43,066	-36,990	-91,656	-125,318	-235,136
Profit for the period		-113,743	-146,741	-247,226	-420,508	-950,204
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-113,743	-146,741	-247,226	-420,508	-950,204
PROFIT/LOSS ALLOCATION						
Share attributable to Alm. Brand Bank		-132,543	-119,019	-281,031	-378,287	-918,219
Share attributable to minority interests		18,800	-27,722	33,805	-42,221	-31,985
Transferred to Total shareholders' equity		-113,743	-146,741	-247,226	-420,508	-950,204

BALANCE SHEET

DKK '000	Note	Parent company			Group		
		30.09.2012	30.09.2011	31.12.2011	30.09.2012	30.09.2011	31.12.2011
ASSETS							
Cash in hand and receivables at call from central banks		495,896	36,904	128,919	495,896	36,904	128,919
Receivables from credit institutions and central banks		582,804	5,620,259	887,798	582,804	5,620,259	887,798
Loans, advances and other receivables at fair value		2,991,047	3,154,260	3,154,339	2,991,047	3,154,260	3,154,339
Loans, advances and other receivables at amortised cost	6	6,348,304	8,175,534	7,366,863	5,968,469	7,906,474	7,062,216
Bonds at fair value		6,616,063	4,043,162	7,417,198	7,305,333	4,722,928	8,049,699
Shares etc.		260,892	283,562	275,517	548,713	552,538	549,014
Participating interests in associated undertakings		43,748	35,004	51,469	43,748	35,004	51,469
Participating interests in group undertakings		372,347	339,334	350,917	147	-	1,273
Other property, plant and equipment		1,399	3,253	2,466	137,883	77,964	98,230
Current tax assets		346,574	260,806	169,095	323,330	235,432	155,685
Deferred tax assets		374,502	391,886	459,259	503,929	508,637	579,203
Assets held temporarily		137,965	107,179	135,863	158,632	148,590	155,675
Other assets		430,847	403,506	488,869	443,475	414,023	512,717
Prepayments		6,874	7,037	6,621	6,885	7,052	6,632
Total assets		19,009,262	22,861,686	20,895,193	19,510,291	23,420,065	21,392,869

BALANCE SHEET

DKK '000	Note	Parent company			Group		
		30.09.2012	30.09.2011	31.12.2011	30.09.2012	30.09.2011	31.12.2011
LIABILITIES AND EQUITY							
Payables							
Payables to credit institutions and central banks		3,107,980	5,381,592	3,832,105	3,399,605	5,755,317	4,158,730
Deposits and other payables		10,647,216	7,737,836	7,994,746	10,647,213	7,723,236	7,994,698
Issued bonds		2,000,000	6,000,000	6,000,000	2,000,000	6,000,000	6,000,000
Liabilities temporarily acquired		21,169	37,209	31,409	39,968	69,338	50,209
Other liabilities		685,265	629,723	503,549	705,654	663,695	515,009
Deferred income		1,364	2,010	1,851	1,364	2,010	1,851
Total payables		16,462,994	19,788,370	18,363,660	16,793,804	20,213,596	18,720,497
Provisions							
Provisions for pensions and similar liabilities		1,796	2,617	2,072	1,796	2,617	2,072
Provisions for losses on guarantees		7,476	7,956	7,009	7,476	7,956	7,009
Total provisions		9,272	10,573	9,081	9,272	10,573	9,081
Subordinated debt							
Supplementary capital	7	400,000	400,000	400,000	400,000	400,000	400,000
Hybrid tier 1 capital	7	1,029,978	1,029,462	1,029,591	1,029,978	1,029,462	1,029,591
Total subordinated debt		1,429,978	1,429,462	1,429,591	1,429,978	1,429,462	1,429,591
Shareholders' equity							
Share capital	8	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000
Other reserves		1,456	12,710	1,456	-	-	-
Retained earnings		84,562	599,571	70,405	86,018	612,281	71,861
Minority interests		-	-	-	170,219	133,153	140,839
Total shareholders' equity		1,107,018	1,633,281	1,092,861	1,277,237	1,766,434	1,233,700
Total liabilities and equity		19,009,262	22,861,686	20,895,193	19,510,291	23,420,065	21,392,869

STATEMENT OF CHANGES IN EQUITY

DKK '000	Parent company				Group	
	Share capital	Other reserves	Retained earnings	Total	Minority interests	Total
Shareholders' equity at 1 January 2011	1,021,000	23,158	519,752	1,563,910	195,374	1,759,284
Equity movements in Q1-3 2011						
Dividend subsidiaries		-8,106	8,106	-		-
Other change in respect of subsidiaries				-	-20,000	-20,000
Profit/loss for the period		-	-378,287	-378,287	-42,221	-420,508
Comprehensive income in Q1-3 2011	-	-8,106	-370,181	-378,287	-62,221	-440,508
Capital increases			450,000	450,000		450,000
Other change in respect of subsidiaries		-3,195		-3,195		-3,195
Tax of equity entries		853		853		853
Dividend paid			-	-		-
Total equity movements in Q1-3 2011	-	-10,448	79,819	69,371	-62,221	7,150
Shareholders' equity at 30 September 2011	1,021,000	12,710	599,571	1,633,281	133,153	1,766,434
Shareholders' equity at 1 January 2011	1,021,000	23,158	519,752	1,563,910	195,374	1,759,284
Equity movements in 2011						
Other change in respect of subsidiaries				-	-13,566	-13,566
Profit/loss for the year		-22,571	-895,648	-918,219	-31,985	-950,204
Comprehensive income 2011	-	-22,571	-895,648	-918,219	-45,551	-963,770
Capital increases			450,000	450,000		450,000
Other change in respect of subsidiaries		7,960	-11,806	-3,846	-8,984	-12,830
Tax of equity entries		1,016		1,016		1,016
Dividend paid		-8,107	8,107	-		-
Total changes in equity in 2011	-	-21,702	-449,347	-471,049	-54,535	-525,584
Shareholders' equity at 31 December 2011	1,021,000	1,456	70,405	1,092,861	140,839	1,233,700
Shareholders' equity at 1 January 2012	1,021,000	1,456	70,405	1,092,861	140,839	1,233,700
Equity movements in Q1-3 2012						
Other change in respect of subsidiaries				-	-4,425	-4,425
Profit for the period			-281,031	-281,031	33,805	-247,226
Comprehensive income in Q1-3 2012	-	-	-281,031	-281,031	29,380	-251,651
Capital increases			300,000	300,000		300,000
Other change in respect of subsidiaries			-5,185	-5,185		-5,185
Tax of equity entries			373	373		373
Dividend paid			-	-		-
Total equity movements in Q1-3 2012	-	-	14,157	14,157	29,380	43,537
Shareholders' equity at 30 September 2012	1,021,000	1,456	84,562	1,107,018	170,219	1,277,237

CASH FLOW STATEMENT

DKK '000	Group		
	Q1-3 2012	Q1-3 2011	Year 2011
Operating activities			
Profit for the period before tax	-338,882	-545,826	-1,185,340
Tax paid during the period	-714	-949	118,213
Adjustment for amounts with no cash flow impact:			
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	21,824	12,408	17,792
Impairment of loans, advances and receivables, etc.	225,578	232,409	539,490
Other adjustments to cash flows from operating activities	-69,859	-76,074	120,938
Total, operating activities	-162,053	-378,032	-388,907
Working capital			
Loans and advances	1,066,355	1,182,984	1,585,154
Deposits	2,652,515	-875,208	-603,746
Bonds	972,441	4,530,510	947,417
Shares	51,309	91,831	13,192
Total, working capital	4,742,620	4,930,117	1,942,017
Investing activities			
Investments in associates	4,200	-	-16,794
Investments in group enterprises	-1,341	-	-1,226
Property, plant and equipment	-61,011	-43,577	-69,674
Total, investing activities	-58,152	-43,577	-87,694
Financing activities			
Net proceeds from capital increase	300,000	450,000	450,000
Payables to credit institutions	-760,432	-788,839	-2,386,193
Bonds issued	-4,000,000	-	-
Total, financing activities	-4,460,432	-338,839	-1,936,193
Change in cash and cash equivalents	61,983	4,169,669	-470,777
Cash and cash equivalents, beginning of year	1,016,717	1,487,494	1,487,494
Change in cash and cash equivalents	61,983	4,169,669	-470,777
Cash and cash equivalents, end of period	1,078,700	5,657,163	1,016,717
Cash and cash equivalents, end of period			
Cash in hand and balances at call with central banks	495,896	36,904	128,919
Balances due from credit institutions less than 3 months	582,804	5,620,259	887,798
Cash and cash equivalents, end of period	1,078,700	5,657,163	1,016,717

NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Parent company			Group		
	Q1-3 2012	Q1-3 2011	Year 2011	Q1-3 2012	Q1-3 2011	Year 2011
NOTE 1 Interest receivable						
Balances due from credit institutions and central banks	3,687	9,440	18,574	3,687	9,440	18,574
Loans, advances and other receivables	417,121	481,728	633,667	418,071	482,239	634,807
Bonds	143,095	193,132	230,822	160,843	219,408	263,637
Total derivatives	-21,049	-34,515	-41,014	-20,947	-34,424	-40,850
Of which:						
Foreign exchange contracts	-2,620	-1,033	-2,050	-2,518	-942	-1,886
Interest rate contracts	-18,429	-33,482	-38,964	-18,429	-33,482	-38,964
Other interest income	52	-	652	58	-	738
Total interest receivable	542,906	649,785	842,701	561,712	676,663	876,906
Interest receivable from genuine purchase and resale transactions:						
Balances due from credit institutions and central banks	33	1,166	3,723	33	1,166	3,723
Loans, advances and other receivables	135	14	42	135	14	42
NOTE 2 Interest payable						
Credit institutions and central banks	25,017	70,361	93,323	32,365	80,325	106,311
Deposits and other payables	166,117	92,935	124,970	166,117	92,921	124,935
Bonds issued	66,169	119,875	162,842	66,169	119,875	162,842
Total subordinated debt	86,657	87,453	117,082	86,657	87,453	117,082
Other interest expenses	1,062	1,046	1,394	1,067	1,196	1,551
Total interest payable	345,022	371,670	499,611	352,375	381,770	512,721
Interest payable on genuine sale and repurchase transactions:						
Payables to credit institutions and central banks	1,023	6,316	6,343	1,023	6,316	6,343
Deposits and other payables	15	0	20	15	0	20
NOTE 3 Value adjustments						
Loans, advances and other receivables at fair value	-16,484	3,701	-98,695	-16,484	3,701	-98,695
Bonds	-33,299	-21,577	-24,852	-27,893	-15,957	-17,452
Shares, etc.	1,706	-43,772	-50,214	58,110	-121,789	-110,794
Foreign currency	-10,326	-7,472	-11,966	-7,852	-8,399	-11,186
Total derivatives	-40,760	-128,758	-188,706	-43,899	-132,098	-192,809
Other liabilities	276	-293	252	276	-293	252
Total value adjustments	-98,887	-198,171	-374,181	-37,742	-274,835	-430,684

NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Parent company			Group		
	Q1-3 2012	Q1-3 2011	Year 2011	Q1-3 2012	Q1-3 2011	Year 2011
NOTE 4 Staff costs and administrative expenses						
Remuneration to the Management Board and Board of Directors:						
Remuneration to the Management Board:						
Salaries and wages	1,971	2,537	3,189	1,971	2,537	3,189
Pensions	248	485	546	248	485	546
Total remuneration to the Management Board	2,219	3,022	3,735	2,219	3,022	3,735
Remuneration to the Board of Directors:						
Fees	225	225	300	225	225	300
Total remuneration to the Management Board and Board of Directors	2,444	3,247	4,035	2,444	3,247	4,035
Staff costs:						
Salaries and wages	138,812	129,777	180,039	139,198	130,176	180,572
Pensions	13,624	13,925	18,872	13,647	13,948	18,903
Social security costs	13,817	14,006	18,562	13,843	14,032	18,596
Total staff costs	166,253	157,708	217,473	166,688	158,156	218,071
Other administrative expenses	156,991	167,451	205,444	180,110	191,087	237,463
Total staff costs and administrative expenses	325,688	328,406	426,952	349,242	352,490	459,569
Number of employees						
Average number of employees during the financial year, full-time equivalents						
	278	287	286	278	287	286
NOTE 5 Impairment of loans, advances and receivables, etc.						
Individual assessment:						
Impairment and value adjustments, respectively, during the year	316,090	313,421	772,786	317,970	316,679	776,787
Reversal of impairment in previous years	175,243	86,880	84,763	178,593	90,447	88,394
Total individual assessment	140,847	226,541	688,023	139,377	226,232	688,393
Group assessment:						
Impairment and value adjustments, respectively, during the year	107,711	48,493	20,893	108,088	51,912	23,466
Reversal of impairment in previous years	17,810	42,316	57,547	19,949	45,735	64,680
Total group assessment	89,901	6,177	-36,654	88,139	6,177	-41,214
Losses not previously provided for	18,840	69,070	143,352	22,496	74,872	151,716
Bad debts recovered	11,260	17,532	28,096	12,127	19,392	30,445
Total impairment of loans, advances and receivables, etc., end of period	238,328	284,256	766,625	237,885	287,889	768,450

NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Parent company			Group		
	30.09.2012	30.09.2011	Year 2011	30.09.2012	30.09.2011	Year 2011
NOTE 6 Loans, advances and other receivables at amortised cost						
Loans and advances	7,974,696	9,416,364	8,968,641	7,515,599	9,042,469	8,558,696
Leases	-	-	-	85,069	119,572	115,946
Total before impairment, etc.	7,974,696	9,416,364	8,968,641	7,600,668	9,162,041	8,674,642
Impairment, etc.	1,626,392	1,240,830	1,601,778	1,632,199	1,255,567	1,612,426
Loans, advances and other receivables at amortised cost, end of period	6,348,304	8,175,534	7,366,863	5,968,469	7,906,474	7,062,216
NOTE 7 Subordinated debts						
Supplementary capital:						
Floating rate bullet loans in DKK maturing 9 May 2013	100,000	100,000	100,000	100,000	100,000	100,000
Floating rate bullet loans in DKK maturing 9 May 2014	100,000	100,000	100,000	100,000	100,000	100,000
Floating rate bullet loans in DKK maturing 3 December 2015	200,000	200,000	200,000	200,000	200,000	200,000
Supplementary capital, end of period	400,000	400,000	400,000	400,000	400,000	400,000
Hybrid Tier 1 capital:						
Fixed rate bullet loans in DKK with indefinite terms	175,000	175,000	175,000	175,000	175,000	175,000
State-funded capital injection, bullet loan in DKK with an indefinite term	854,978	854,462	854,591	854,978	854,462	854,591
Hybrid Tier 1 capital, end of period	1,029,978	1,029,462	1,029,591	1,029,978	1,029,462	1,029,591
Subordinated debt, end of period	1,429,978	1,429,462	1,429,591	1,429,978	1,429,462	1,429,591
Interest on subordinated debt	86,657	87,453	117,082	86,657	87,453	117,082
Of this, amortisation of costs incurred on raising the debt	387	402	532	387	402	532
Extraordinary instalments	-	-	-	-	-	-
Costs incurred in raising subordinated debt	-	-	-	-	-	-

Persuant to section 136 of the Danish Financial Business Act, the full amount of subordinated debt may be included in the statement of the capital base.

NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Parent company			Group		
	30.09.2012	30.09.2011	Year 2011	30.09.2012	30.09.2011	Year 2011
NOTE 8 Share capital						
Unlisted share capital:						
Nominal value at 1 January 2008	351,000	351,000	351,000	351,000	351,000	351,000
Capital increase April 2009	300,000	300,000	300,000	300,000	300,000	300,000
Capital increase September 2009	90,000	90,000	90,000	90,000	90,000	90,000
Capital increase November 2009	280,000	280,000	280,000	280,000	280,000	280,000
Nominal value, end of period	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000	1,021,000
The share capital consists of 1,021,000 shares of DKK 1,000 nominal value and is paid up in full.						
NOTE 9 Capital Base						
Shareholders' equity	1,107,018	1,633,281	1,092,861	1,277,237	1,766,434	1,233,700
Proposed dividends	-	-	-	-	-	-
Deferred tax assets	-374,502	-391,886	-459,259	-503,929	-508,637	-579,203
Tier 1 capital after deductions	732,516	1,241,395	633,602	773,308	1,257,797	654,497
Hybrid Tier 1 capital	1,029,978	1,029,462	1,029,591	1,029,978	1,029,462	1,029,591
Transferred to Supplementary capital	-297,462	-	-395,989	-256,670	-	-375,094
Deduction of ownership interest in financial institution	-15,740	-	-14,893	-15,740	-	-14,893
Tier 1 capital including Hybrid Tier 1 capital after deduction	1,449,292	2,270,857	1,252,311	1,530,876	2,287,259	1,294,101
Supplementary capital	400,000	400,000	400,000	400,000	400,000	400,000
Transferred from Hybrid Tier 1 capital	297,462	-	395,989	256,670	-	375,094
Deduction of ownership interest in financial institution	-15,740	-	-14,893	-15,740	-	-14,893
25% reduction	-125,000	-75,000	-75,000	-125,000	-75,000	-75,000
Capital base	2,006,014	2,595,857	1,958,407	2,046,806	2,612,259	1,979,302
Risk-weighted items:						
Weighted items involving credit risk	8,849,442	10,539,810	9,624,399	8,645,777	10,287,122	9,375,634
Weighted items involving market risk	1,247,837	1,495,121	1,521,346	2,039,042	1,856,056	1,851,044
Weighted items involving operational risk	522,931	756,380	522,931	533,897	558,163	533,897
Risk-weighted items, end of period	10,620,210	12,791,311	11,668,676	11,218,716	12,701,341	11,760,575
The solvency requirement represents 8% of the risk-weighted items	849,617	1,023,305	933,494	897,497	1,016,107	940,846
Core capital including Hybrid Tier 1 capital and capital base is calculated in accordance with the Executive Order on Calculation of Capital Base.						

NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Parent company			Group		
	30.09.2012	30.09.2011	Year 2011	30.09.2012	30.09.2011	Year 2011
NOTE 10 Off-balance sheet items						
Contingent liabilities:						
Financial guarantees	578,627	650,985	607,995	578,627	650,985	607,995
Loss guarantees for mortgage loans	154,514	173,932	170,206	154,514	173,932	170,206
Tinglysnings- og konverteringsgarantier	17,796	0	2,341	17,796	0	2,341
Other contingent liabilities	218,434	243,623	246,870	218,434	243,623	246,870
Contingent liabilities, end of period	969,371	1,068,540	1,027,412	969,371	1,068,540	1,027,412
Other commitments:						
Irrevocable loan commitments	-	-	-	-	-	-
Other miscellaneous commitments	-	-	-	-	-	-
Other commitments, end of period	-	-	-	-	-	-
Off-balance sheet items, end of period	969,371	1,068,540	1,027,412	969,371	1,068,540	1,027,412

Other contingent liabilities

Alm. Brand Bank A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability of these companies for income years up till 2004. As from 2005, Alm. Brand Bank A/S is only jointly and severally liable for the indirect tax liability.

Alm. Brand Bank A/S has entered into operating leases with Alm. Brand Leasing A/S. The residual value of future lease payments under these operating leases totalled DKK 5 million at 31 December 2011.

Alm. Brand Bank A/S is a member of Bankdata, which operates the bank's key banking systems. Termination of this membership would cause the bank to incur a significant liability which would have to be calculated in accordance with Bankdata's by-laws.

Being an active financial services group, the group is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the group.

Collateral security

Monetary-policy counterparties with Danmarks Nationalbank can obtain credit only against security through the pledging of approved securities.

As part of the ongoing business, at end Q3 2012 the bank provided bonds as security vis-à-vis Danmarks Nationalbank at a market value of DKK 1,677 million (Q3 2011: DKK 623 million).

As collateral for positive and negative fair values of derivative financial instruments, respectively, cash in the amount of DKK 2 million was received and cash in the amount of DKK 433 million was paid at Q3 2012 (Q3 2011: DKK 4 million and DKK 502 million).

NOTES TO THE FINANCIAL STATEMENTS

DKK '000							Group
	Banking activities	Markets & Asset Ma- nagement	Alm. Brand Leasing	Alm. Brand Pantebreve	Alm. Brand Formue	Other/ Elimina- tions	Alm. Brand Bank Group
NOTE 11 Segment information							
Interest receivable	613,463	53,401	16,399	-	17,850	-139,401	561,712
Interest payable	505,627	4,345	7,766	3	15,028	-180,394	352,375
Net interest income	107,836	49,056	8,633	-3	2,822	40,993	209,337
Net fee and commission income, etc.	28,765	62,653	4,069	-	933	-2,469	93,951
Value adjustments	-54,065	1,427	-	-	61,145	-46,249	-37,742
Other operating income	2,587	877	31,006	-	-	907	35,377
Profit/loss on ordinary activities before expenses (Net income)	85,123	114,013	43,708	-3	64,900	-6,818	300,923
Operating expenses	203,843	40,311	42,711	-3	2,392	81,812	371,066
Other operating expenses	15,623	-	80	-	-	14,062	29,765
Impairment of loans, advances and receivables, etc.	237,478	396	-443	-	-	454	237,885
Profit/loss on participating interests	3,931	1,648	-	-	-	-6,668	-1,089
Profit/loss on activities before tax	-367,890	74,954	1,360	0	62,508	-109,814	-338,882

DKK '000							Group
	Banking activities	Markets & Asset Ma- nagement	Alm. Brand Leasing	Alm. Brand Pantebreve	Alm. Brand Formue	Other/ Elimina- tions	Alm. Brand Bank Group
NOTE 11 Segment information							
Interest receivable	641,390	74,914	26,946	1	26,367	-92,955	676,663
Interest payable	389,531	19,292	13,965	399	22,172	-63,589	381,770
Net interest income	251,859	55,622	12,981	-398	4,195	-29,366	294,893
Net fee and commission income, etc.	29,630	73,185	4,486	-23	115	-4,524	102,868
Value adjustments	3,965	-60,227	-	-	-76,664	-141,909	-274,835
Other operating income	257	1,071	18,769	1,875	-	2,628	24,601
Profit/loss on ordinary activities before expenses (Net income)	285,711	69,651	36,236	1,454	-72,354	-173,171	147,527
Operating expenses	195,956	46,171	32,469	694	2,679	86,930	364,898
Other operating expenses	-	-	295	701	-	39,098	40,094
Impairment of loans, advances and receivables, etc.	284,203	-	3,633	-	-	53	287,889
Profit/loss on participating interests	-	-612	-	-	-	140	-472
Profit/loss on activities before tax	-194,448	22,868	-161	59	-75,033	-299,112	-545,826

NOTES TO THE FINANCIAL STATEMENTS

Group

DKK '000	Q1-3 2012	Q1-3 2011	Q1-3 2010	Q1-3 2009	Q1-3 2008
NOTE 12 Financial highlights and key ratios					
Net interest and fee income	303,288	397,761	545,071	470,587	496,646
Value adjustments	-37,742	-274,835	-220,388	-119,460	-400,467
Staff costs and administrative expenses	349,242	352,490	396,398	394,420	400,624
Impairment of loans, advances and receivables, etc.	237,885	287,889	548,891	1,235,605	38,574
Profit/loss from investments in associates group enterprises	-1,089	-472	18,862	782	13,924
Profit for the year	-247,226	-420,508	-474,232	-1,001,022	-274,817
Loans and advances	8,959,516	11,060,734	14,010,159	15,476,058	17,549,344
Shareholders' equity	1,277,237	1,766,434	1,076,287	1,434,253	1,607,727
Total assets	19,510,291	23,420,065	27,339,149	25,185,702	24,146,148
Solvency ratio	18.2	20.6	12.6	16.5	11.7
Tier 1 ratio	13.6	18.0	7.3	11.0	8.9
Return on equity before tax (%)	-28.5	-37.9	-49.4	-206.0	-18.3
Return on equity after tax (%)	-20.8	-29.2	-35.6	-154.5	-24.4
Income/cost ratio	0.47	0.21	0.35	0.22	0.27
Interest rate risk (%)	0.5	-2.2	9.1	8.4	4.5
Foreign exchange position (%)	8.0	5.0	11.6	10.3	9.5
Foreign exchange risk (%)	0.1	0.1	0.2	0.3	0.3
Loans and advances as a percentage of deposits (%)	99.5	159.5	162.2	148.5	159.8
Gearing of loans and advances	7.0	6.3	13.0	10.8	10.9
Annual growth in lending (%)	-12.3	-11.4	-5.5	-10.5	2.5
Excess cover relative to statutory liquidity requirement (%)	201.5	336.8	225.0	98.8	98.8
Total amount of large exposures (%)	46.7	44.2	69.1	63.1	92.0
Impairment ratio for the year	2.1	2.2	3.2	6.4	0.2

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

NOTES TO THE FINANCIAL STATEMENTS

Parent company

DKK '000	Q1-3 2012	Q1-3 2011	Q1-3 2010	Q1-3 2009	Q1-3 2008
NOTE 12 Financial highlights and key ratios - continued					
Net interest and fee income	286,833	376,406	495,248	414,810	439,656
Value adjustments	-98,887	-198,171	-185,339	-101,529	-88,391
Staff costs and administrative expenses	325,688	328,406	364,058	353,708	358,807
Impairment of loans, advances and receivables, etc.	238,328	284,256	538,472	1,199,541	53,465
Profit/loss from investments in associates group enterprises	27,909	-34,295	-10,624	-7,498	-83,011
Profit for the year	-281,031	-378,287	-475,926	-978,323	-118,174
Loans and advances	9,339,351	11,329,794	14,391,235	15,490,074	17,536,849
Shareholders' equity	1,107,018	1,633,281	886,277	1,158,403	1,246,483
Total assets	19,009,262	22,861,686	26,920,698	24,622,340	23,461,303
Solvency ratio	18.9	20.3	11.9	14.9	10.2
Tier 1 ratio	13.6	17.8	6.1	9.0	7.4
Return on equity before tax (%)	-36.1	-39.6	-58.7	-226.9	-10.8
Return on equity after tax (%)	-27.1	-29.7	-42.3	-170.5	-9.1
Income/cost ratio	0.37	0.23	0.32	0.19	0.66
Interest rate risk (%)	-2.0	-3.0	3.8	5.0	1.2
Foreign exchange position (%)	2.4	1.9	5.5	6.2	11.6
Foreign exchange risk (%)	0.1	0.1	0.2	0.1	0.1
Loans and advances as a percentage of deposits (%)	103.0	162.5	165.8	148.9	159.5
Gearing of loans and advances	8.4	6.9	16.2	13.4	14.1
Annual growth in lending (%)	-11.2	-11.8	-4.5	-8.9	-4.6
Excess cover relative to statutory liquidity requirement (%)	207.2	345.6	227.8	101.2	79.0
Total amount of large exposures (%)	47.6	48.1	160.0	78.1	127.2
Impairment ratio for the year	2.0	2.1	3.1	6.3	0.3

Financial highlights and key ratios have been prepared in accordance with the Danish Financial Business Act.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 Accounting policies group

The consolidated interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The parent company interim financial statements are prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on financial reports presented by credit institutions and investment companies.

In addition, the interim consolidated financial statements are presented in accordance with additional Danish disclosure requirements for interim financial statements of listed financial companies.

The accounting policies are unchanged from the policies applied in the financial statements for 2011.

The interim financial statements for Q1-3 of 2012 are unaudited.