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26 October 2007

Stock Exchange Notice no. 9/2007

### **Quarterly statement from bankTrelleborg a/s group.**

The Board of bankTrelleborg a/s has reviewed and approved the bank's accounts for 1<sup>st</sup> – 3<sup>rd</sup> quarter 2007.

In the first three quarters of 2007, bankTrelleborg group has achieved a result before tax of DKK 54.7m. The result as of 30 September 2007 is less than expected, and management views the result as less satisfactory. The management of bankTrelleborg has scaled down the expected annual result before tax to DKK 55 -65m. The scaling down of the expected annual result follows a thorough examination of all the banks lending engagements which has been done by the new CEO and new Credit Manager.

Main points of third quarter accounts:

- Before tax result of DKK 54.7m
- Net interest and fee revenue has risen 26% in comparison to the same period last year
- Strong liquidity reserves and maintenance of liquidity coverage with room for continued growth
- Rising interest costs due to rising funding costs
- Continuing growth in scope of business, with a rise of 20%
- Lending has increased by 28%
- Write-downs have increased by DKK 8.6m in comparison to the same period last year. However, write-downs remain at a comparatively low level, with a write-down percentage for the first three quarters of 2007 of only 0.2% of lending and guarantees, and an accumulated write-down percentage of 1.4%.

The scaling down of the expected annual results is due to:

- A less than expected third quarter 2007 result
- Rising interest costs due to rising funding costs
- A lower than expected rise in lending over the year's first three quarters
- Expected write-downs of a few large commitments in the fourth quarter

The first to third quarter accounts for 2007 are impacted by expenses in connection with the establishment of branches. During the first half of 2007, bankTrelleborg opened branches in Køge and Aarhus, and the bank expects to open yet another branch in Odense during the fourth quarter of 2007.

Compared with the same period last year, bankTrelleborg has experienced a rise in personnel costs of 36%, which includes staffing of the new branches. Furthermore, there have been extraordinary expenses in connection with the bank's stock exchange listing, as well as use of extra resources to administer the many new regulations for the sector and for listed public limited companies.

### **Solvency**

bankTrelleborg has satisfactory solvency, but it is necessary to note that the calculation of the bank's solvency has not been correct in the 2006 annual report or in the 2007 first half report. The bank has not been aware that the capital share in credit and financing institutions (including investment funds) must be deducted from base capital, which is used when calculating the solvency percentage. In 2006, the bank elected to invest in investment funds to distribute its risk, but was not aware that this specific form of investment, as opposed to investing in standard stocks and bonds, had a negative impact on the calculation of base capital.



**bankTrelleborg**

*Råd til livet*

	End 2006	First half 2007	bankTrelleborg a/s
The stated solvency percentage for the parent company was	13.3 %	11.8 %	Direktion Nytov 11A 4200 Slagelse
The correct solvency percentage is	12.9 %	11.2 %	Tlf. 58 56 01 48 Fax 58 56 01 99

From January 2006, the regulations were revised such that holdings of investment fund certificates must be deducted by 50% from the base capital and by 50% from the core capital. Therefore, the core capital for the 2007 first half has also been calculated incorrectly.

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	First half 2007
The stated core capital percentage was	8.4 %
The correct core capital is	8.9 %

As a result of the regulations, bankTrelleborg has sold off approximately 90% of its holdings of investment fund certificates, which will in future increase the bank's solvency to the level of previously reported key figures.

#### **Future expectations**

Despite the reduced third quarter result and the revised year end expectations for 2007, the bank's management does not expect these developments to continue in the new year. A strengthening of the organisation via an expansion of the Management Board, an increased focus on cost management, continued ventures in attractive business areas and segments, as well as the operation of new branches are still expected to contribute positively to results in 2008.

Furthermore, as of the fourth quarter, bankTrelleborg is expanding consultation services for wealthy customer groups in the existing branches. The expansion of the consultation concept is intended to contribute to strengthening competences in the bank's branches and creating increased revenue generating opportunities.

However, it is expected that bankTrelleborg's future growth in results and revenue will be affected by subdued growth in the market and sector.

The account figures and comments for the first three quarters of 2007 are found on the attached pages.

Best regards  
bankTrelleborg a/s

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**bankTrelleborg Ltd.**

**3rd Quater Report 2007**

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**Group's Main and Key Figures**

DKK 1,000	1st-3rd quarter 2007	1st-3rd quarter 2006	Change 2006/2007	Year End 2006
<b>Income statement</b>				
Net interest and fee revenue	238,698	189,798	48,900	258,875
Value adjustment	3,339	6,545	-3,206	24,876
Write-downs on lending and credits, etc.	-21,462	-12,829	-8,633	-16,641
Result before tax	54,741	65,506	-10,765	96,710
Tax	-12,987	-16,798	3,811	-22,577
<b>Period result</b>	<b>41,754</b>	<b>48,708</b>	<b>-6,954</b>	<b>74,133</b>
Minority interest share hereof	-739	-2,006	1,267	-2,010
<b>Balance</b>				
Lending	5,264,806	4,119,534		4,491,982
Equity	687,615	651,845		711,554
Total assets	7,964,257	5,461,893		7,065,231
<b>Key figures</b>				
Solvency percentage	10.7	10.8		12.9
Core capital percentage	7.8	8.9		9.4
Business equity before tax	10.4	14.3		14.8
Business equity after tax	7.8	10.2		10.8
Earnings per Danish krone spent	1.28	1.48		1.5
Interest risk	2.2	-		1.4
Currency position	83.6	42.4		12.9
Currency risk	0.1	0.1		0.0
Lending in relation to deposits	159.8	138.1		138.8
Lending in relation to equity	7.7	6.3		6.4
Period's growth in lending	17.2	45.6		58.8
Coverage in relation to legal requirements on liquidity	52.5	41.3		129.7
Sum of large-scale commitments	356.8	385.0		187.9
Period's write-down percentage	0.2	0.2		0.2
Result per share	8.9	-		-
Yield per share	-	-		-
Stock exchange quotation/result per share	34.0	-		-
Stock exchange quotation/internal value per share	2.0	-		-
Stock exchange quotation, end	303.0	-		-
Average number of full time employees	222.3	194.4		191.3

## Management report

### Development of assets and financial standing

- Third quarter result of DKK 54.7 for the group
- Rise in scope of business by 20%
- Net interest and fee revenue has risen by 26%
- Lending has risen by 28%
- Liquidity reserves with room for growth
- Expected annual results scaled down

At the end of the 3<sup>rd</sup> quarter of 2007, bankTrelleborg group achieved a result of DKK 54.7m before tax. This is the equivalent of rate of return on equity of 10.4% before tax.

The result as of 30 September 2007 is less than the result that was expected at the beginning of the year. Based on this, the management in bankTrelleborg are scaling down the expected annual results to DKK 55 – 65m.

A general saturation has taken place on the market and the interest margin has been falling, which has resulted in larger interest costs. The growth in lending has been less than expected at the beginning of the year and bankTrelleborg has experienced extraordinary costs in connection with the bank's expansion.

This past spring, bankTrelleborg opened branches in Køge and Aarhus, which has affected the results. Yet another branch is under construction in Odense.

In August, fmsTrelleborg Fund Broker Company received permission to operate as a fund broker and in October was separated from bankTrelleborg a/s as an independent daughter company. fmsTrelleborg provides consultation services to wealthy customers regarding assets optimisation and has already experienced large customer growth. At the current time, the fund broker company administers DKK 2b.

The scope of business, in the form of lending, deposits and guarantees has grown in 2007 by 9% and since 30 September 2006, the scope of business has grown by 20% in comparison to the same period last year.

Lending has contributed the greatest growth in scope of business, and has risen by 28% in comparison to the same period last year.

### Earnings

Net interest and fee revenue has risen by 26% in comparison to the same period last year.

Net interest revenue has risen from DKK 132.6m to DKK 161.4m, which is a rise of 22% in comparison to the same period last year.

Fee and commission revenue has risen by DKK 19.2m in comparison to the same period last year.

### Value adjustments

There have been positive value adjustments on the holdings in strategically acquired stocks, including DLR-credit, PRAS, etc.

There have been neutral value adjustments in the bonds holdings and swap contracts.

### Operational expenses including write-downs

Expenses in the first 3 quarters of 2007 have been abnormally affected by expenses in connection with the opening of 2 new branches in Aarhus and Køge, as well as the transfer of staff functions to larger facilities.

In connection with the stock listing and name change to bankTrelleborg a/s, there have also been abnormal marketing expenses and other related expenses.

The increases in expenses are connected to the bank's expansion strategy. In 2007, bankTrelleborg experienced a rise in personnel expenses due to a 27% rise in the number of employees since 1 January. However, this large growth has tailed off in the third quarter, during which time bankTrelleborg experienced 7% growth.

In addition to personnel primarily staffed at the new branches, the expansion has resulted in an increased need for extra resources in internal support functions. The introduction of new regulations in the sector, including MIFID, Basell II and IFRS has also resulted in the need for extra resources in administrative functions. The requirements in connection with being a listed public limited company have also created new tasks.

### Write-downs

Write-downs have risen by DKK 8.6m in relation to the same period last year. However, the write-downs remain at a relatively low level.

The write-down percentage for the first 3 quarters of 2007 amounts to 0.2% of total lending and guarantees, and the accumulated write-down percentage amounts to 1.4%.

### **Special conditions**

In the spring of 2007, bankTrelleborg a/s was transformed to a public limited company and on 7 June 2007, it was listed on the Copenhagen Stock Exchange, OMX. The introduction was successful and the conversion of guarantee capital to stocks was also a success. 95% of the guarantors in bankTrelleborg converted their guarantee contributions to shares.

On 22 August, bankTrelleborg took a senior loan of EUR 10m. The loan period is 3 years. At the same time, a senior loan of EUR 65m was taken with a loan period of 5 years. The two loans were taken with favourable conditions and with them, bankTrelleborg has achieved a strengthening of the bank's liquidity reserves over the next five years.

On 17 August 2007, bankTrelleborg's CEO Carlo Chow resigned from his position and Deputy Chief Executive Tonny Rasmussen was appointed as the ad interim CEO of the bank. Recruiting of a new CEO has begun and it is expected that bankTrelleborg will present a new CEO at the beginning of 2008.

### **Future expectations**

A strengthening of the organisation, with the hiring of a new CEO and CFO, increased focus on cost management, continued ventures in attractive business areas and segments, further development and implementation of customer concepts, as well as the operation of new branches is expected to contribute positively to results in the course of 2008.

Furthermore, as of the 4<sup>th</sup> quarter, bankTrelleborg is expanding its consultation services for wealthy customers at the existing branches. The expansion of the consultation concept is intended to strengthen competences in the bank's branches and create more opportunities for generating revenue.

However, it is expected that bankTrelleborg's future growth in results and revenue will be affected by subdued growth in the market and sector.

Based on the results as of 30 September 2007, the expected annual result is DKK 60 – 75 before tax.

The expectations for year end 2007 are connected with certain risks and uncertainties, such as general market developments in Denmark. A significant stagnation in the Danish economy can lead to larger write-downs than expected, and a significant drop in the value of holdings in bonds and stocks can result in negative value adjustments.

### **Applied accounting method**

The quarterly report is composed in accordance with IFRS in regard to accounting and measuring. Accounting and measuring has been conducted without changes in relation to the 2007 half year report.

Past accounts can be found on bankTrelleborg a/s' website at [www.banktrelleborg.dk](http://www.banktrelleborg.dk).

### **Solvency**

bankTrelleborg has discovered that the calculation of the bank's solvency has not been correct in the 2006 annual report or in the 2007 first half report. The bank has not been aware that the capital share in credit and financing institutions (including investment funds) must be deducted from base capital, which is used when calculating the solvency percentage. In 2006, the bank elected to invest in investment funds to distribute its risk, but was not aware that this specific form of investment, as opposed to investing in standard stocks and bonds, had a negative impact on the calculation of base capital.

The stated solvency percentage for the parent company at year end 2006 was 13.3%. The correct percentage is 12.9%. The stated solvency percentage for the parent company for first half 2007 was 11.8%. The correct solvency percentage is 11.2%.

From January 2006, the regulations were revised such that holdings of investment fund certificates must be deducted by 50% from the base capital and by 50% from the core capital. Therefore, the core capital for the 2007 first half has also been calculated incorrectly.

The stated core capital for first half 2007 was 8.4%. The correct core capital is 8.9%.

As a result of the regulations, bankTrelleborg has sold off approximately 90% of its holdings of investment fund certificates, which will in future increase the bank's solvency to the level of previously reported key figures.

### **Costs regarding equity transactions**

Costs related to the transformation to a public limited company, issuance of fund shares and capital increase have been deducted from equity after the deduction of tax-related benefits.

The quarterly report is calculated in Danish kroner, DKK, which is the parent company's functional currency.

**Accounting estimates**

The preparation of the quarterly report requires that the management makes some accounting estimates, which influence the applied accounting method and accounting and measurement of assets, obligations, revenue and expenses. Actual results may deviate from these estimates.

According to the accounting provisions which were introduced in 2005, group write-downs are calculated on the basis of a model which is in part based on historical data. The model is expanded on a continual basis, based on increased data and experience, which means that a degree of uncertainty must be considered in the calculation of the value of group write-downs. The management is of the view that this uncertainty is of insignificant importance to the quarterly accounts.



### Income statement for the period 1<sup>st</sup> – 3<sup>rd</sup> quarter 2007 – Group

DKK 1,000	Note	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2007	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2007	Year end 2006
Interest revenue	1	325,659	190,546	281,854
Interest fees	2	-164,295	-57,901	-95,128
<b>Net interest revenue</b>		<b>161,364</b>	<b>132,645</b>	<b>186,726</b>
Yield on stocks, etc.		5,057	1,732	1,948
Fee and commission revenue		77,958	58,783	77,876
Relinquished fee and commission revenue		-5,681	-3,362	-7,675
<b>Net interest and fee revenue</b>	7	<b>238,698</b>	<b>189,798</b>	<b>258,875</b>
Value adjustments	3	3,339	6,545	24,876
Other operational revenue		5,357	6,060	6,432
Personnel and administration costs	4	-159,544	-115,330	-165,516
Write-offs and write-downs on immaterial and material assets		-11,014	-6,944	-10,287
Other operational costs		-633	-1,794	-1,029
Write-downs on lending and credits, etc.	5	-21,462	-12,829	-16,641
<b>Result before tax</b>	7	<b>54,741</b>	<b>65,506</b>	<b>96,710</b>
Tax	6	-12,987	-16,798	-22,577
<b>Period result</b>		<b>41,754</b>	<b>48,708</b>	<b>74,133</b>
Minority interest share of result		-739	-2,006	-2,010
<b>Period result</b>		<b>41,015</b>	<b>46,702</b>	<b>72,123</b>
Result per share at DKK 20		9.0	-	-

## Balance as of 30 September 2007 – Group

DKK 1,000		30.09.2007	30.09.2006	31.12.2006
<b>Assets</b>				
Cash balance and credits at central banks		817,783	613,549	1,040,274
Credits at credit institutions and central banks		991,563	66,386	802,629
Lending and other credits at current value	6	37,834	39,147	41,599
Lending and other credits at amortised cost price	6	5,226,972	4,080,387	4,450,383
Bonds at current value		415,018	348,067	378,483
Stocks, etc.		258,937	177,612	200,403
Assets connected to pool schemes		109,921	65,266	78,405
Immaterial fixed assets		7,545	848	7,446
Real estate and properties, total		14,955	15,116	15,075
Investment properties		5,434	5,434	5,434
Residential properties		9,521	9,682	9,641
Other material assets		22,221	14,085	13,050
Current tax assets		0	0	0
Postponed tax assets		9,909	9,779	10,799
Temporary assumed assets		1,163	0	1,116
Other assets		43,594	27,255	21,321
Accrued income and deferred expenses		6,842	4,396	4,248
<b>Total assets</b>		<b>7,964,257</b>	<b>5,461,893</b>	<b>7,065,231</b>
<b>Liabilities</b>				
<b>Debt</b>				
Debt to credit institutions and central banks		3,389,425	1,536,592	2,529,635
Loans and other debt		3,259,689	3,004,660	3,347,216
Loans in pool schemes		110,351	65,719	79,843
Current tax obligations		10,058	4,612	1,927
Temporary assumed obligations		0	0	971
Other liabilities		112,727	89,047	84,328
Accrued expenses and deferred income		1,205	1,275	1,283
<b>Total debt</b>		<b>6,883,455</b>	<b>4,701,905</b>	<b>6,045,203</b>
<b>Deferred obligations</b>				
Deferred for pension schemes and similar obligations		2,411	2,211	2,554
<b>Subordinated capital contributions</b>				
Subordinated capital contributions		390,776	105,932	305,920
<b>Equity</b>		<b>675,394</b>	<b>647,369</b>	<b>700,072</b>

<b>Minority interest</b>		<b>12,221</b>	<b>4,476</b>	<b>11,482</b>
<b>Total equity</b>		<b>687,615</b>	<b>651,845</b>	<b>711,554</b>
<b>Total equity and liabilities</b>		<b>7,964,257</b>	<b>5,461,893</b>	<b>7,065,231</b>

### Summarised cash flow statement as of 30 September 2007 – Group

DKK 1,000	30.09.2007	30.09.2006	31.12.2006
Contribution to liquidity – operations	79,246	68,573	72,123
Cash flow from operational activities	-312,490	233,808	436,189
Cash flow from investment activities	-9,150	-4,422	-15,895
Cash flow from financing activities	19,903	34,599	266,866
Change in liquidity	-222,491	332,558	759,283
Liquidity start	1,040,274	280,991	280,991
<b>Liquidity end</b>	<b>817,783</b>	<b>613,549</b>	<b>1,040,274</b>

### Notes – Group

DKK 1,000	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2007	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2006	Year end 2006
<b>1 Interest revenue</b>			
Credits at credit institutions and central banks	35,582	5,600	11,065
Lending and other credits	284,334	178,679	261,663
Bonds	9,374	8,229	11,373
Deferred financial instruments, total	-631	-1,962	-2,311
Other	0	0	64
<b>Total interest revenue</b>	<b>325,659</b>	<b>190,546</b>	<b>281,854</b>
Distribution of interest and deferred financial instruments:			
Interest contracts	-631	-1,962	-2,311
<b>2 Interest expenses</b>			
Credit institutions and central banks	-73,817	-13,408	-25,405
Loans and other debt	-71,234	-35,586	-55,710
Subordinated capital contributions	-14,237	-3,244	-5,775
Guarantee capital	-4,998	-5,654	-8,214
Other interest expenses	-9	-9	-24
<b>Total interest expenses</b>	<b>-164,295</b>	<b>-57,901</b>	<b>-95,128</b>

<b>3 Value adjustments</b>			
Other lending and credits at current value	-750	47	-51
Bonds	-3,437	-5,161	-4,558
Stocks, etc.	5,556	6,213	22,133
Currency	-1,021	-150	304
Deferred financial instruments, total	2,983	5,527	6,978
Assets related to pool schemes	6,087	8,937	9,493
Loans in pool schemes	-6,087	-8,937	-9,493
Other assets	8	69	70
<b>Total value adjustments</b>	<b>3,339</b>	<b>6,545</b>	<b>24,876</b>
<b>4 Personnel and administrative expenses</b>			
Salary and compensation to board and management board:			
Management board, salary and pension, etc.	-2,400	-2,038	-3,638
Management board, bonus	-1,000		
Board	-1,193	-852	-1,466
<b>Salary and compensation to board and management board</b>	<b>-4,593</b>	<b>-2,890</b>	<b>-5,104</b>
Personnel expenses:			
Salaries	-75,793	-55,708	-76,990
Pension	-7,585	-5,757	-7,945
Social insurance expenses	-8,533	-5,994	-8,193
<b>Total</b>	<b>-91,911</b>	<b>-67,459</b>	<b>-93,128</b>
<b>Other administrative expenses</b>	<b>-63,040</b>	<b>-44,981</b>	<b>-67,284</b>
<b>Total personnel and administrative expenses</b>	<b>-159,544</b>	<b>-115,330</b>	<b>-165,516</b>
<b>Total employees</b>			
Average total full time employees	222.3	194.4	191.3

## Notes – Group

DKK 1,000	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2007	1 <sup>st</sup> -3 <sup>rd</sup> quarter 2006	Year end 2006
<b>5 Write-downs on lending and credits</b>			
Individual write-downs during the year	-21,711	-12,011	-24,561
Return of individual write-downs conducted in previous accounting years	1,043	5,555	9,092
Group write-downs during the year	0	-5,937	0
Return of group write-downs conducted in previous accounting years	0	923	1,076
Actual loss, not previously written-down	-922	-1672	-2,638
Entered into previously written-down entries	128	313	390
<b>Total write-downs on lending and credits, etc.</b>	<b>-21,462</b>	<b>-12,829</b>	<b>-16,641</b>

## 6 Tax on the period's result

The tax expense calculated in this income statement is calculated on the basis of the accounting result before tax and an estimated applicable tax rate for all of 2007. The total applicable tax rate for all of 2007 is expected to be 25%.

The company tax percent, as of 1 January 2007 has been changed from 28% to 25%, which has led to a change of DKK 1,189 thousand in deferred tax assets as of 1 January 2007. The change is calculated for the entire year.

In addition to the stated tax result, the accounting period includes a calculation of a tax expense of DKK 1,133 thousand directly into the equity in relation to the period's equity entries.

## 7 Segment information

bankTrelleborg group can be divided into three business-related segments, which are seen as the bank's primary segmentation.

The activities in the three business areas are as follows:

	Branch network	Fund and foreign areas	Staff functions and other	Total
Net interest and fee revenue	198,164	19,355	21,179	238,698
Result before tax	113,959	7,190	-66,408	54,741