

Interim report 2012



AKTIESELSKABET

 Arbejdernes Landsbank

CVR-no. 31 46 70 12, Copenhagen



Gert R. Jonassen
Chief Executive



Jan W. Andersen
Executive Bank Director

Interim report 2012

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The challenges of tomorrow



Arbejdernes Landsbank has seen solid progress in earnings and with a 6 per cent return on equity before tax for the half year, the Bank is ready to face the challenges of tomorrow.

The financial sector is under pressure, and ever tighter regulation with extensive media attention means there is more focus on trimming business, with only limited initiatives towards expansion. As in previous periods, in the first half year of 2012 some credit institutions have had to give up their independence. This is characteristic of low economic growth, of which the financial crisis is part, and from which we must all strive to emerge unscathed. Towards 2019 this will result in stricter solvency and liquidity requirements.

Arbejdernes Landsbank is focusing on adapting to the large number of new demands being placed on the financial sector, while at the same time ensuring that we move towards developing our business so that our loyal customers experience the least possible inconvenience. We are also concentrating on sustainable growth through both strategic acquisitions and organic growth. Arbejdernes Landsbank took part in the bidding for Sparekassen Østjylland, but with a clearly defined mandate for the conditions to be met. Therefore we fully understand the choice of an alternative solution.

Although today the Bank is nationwide, we still have good opportunities to optimise our presence. Branches in Vojens and Haderslev have merged, with Haderslev as the continuing branch. The Bank will open a new branch in Jyllinge in early September and we are looking at other attractive locations.

Above all, it is our dedicated and loyal employees who make it possible for Arbejdernes Landsbank to navigate the storm so successfully. Amongst other things, they have demonstrated a sensible attitude to pay increases during the spring collective bargaining, and customer advisors are undergoing a comprehensive skills upgrade in the green, amber, red certification scheme which will greatly benefit our customers.

At the same time we have been fortunate in holding our course towards establishing a sound business with constant customer growth and maintaining customer confidence so that deposits have grown by 3.5 per cent since the start of the year. Our cooperative housing concept is very strong and is attracting many new customers. We have also commenced the first stage of a new business concept in which competences and prices are tuned to match corporate customers' needs.

The group solvency ratio at the end of June was 13.2, while the core capital ratio was 12.2. The solvency need amounted to 9.2 per cent and in June 2012 it was assessed as adequate by the Danish Financial Supervisory Authority. Arbejdernes Landsbank is considered to be in a favourable position, with a robust financial position and good liquidity. We are confidently looking forward to redeeming the state funding of DKK 5 bn. at the end of 2013. The funding has acted as a safety net in the wake of the cancellation of the unlimited depositor guarantee under 'Bank Package I', and it has now served its purpose.

The Group profit for the half year of DKK 193.3 mill. before tax fully meets our expectations of around DKK 150 mill. and this is very satisfactory. The Danish Financial Supervisory Authority has clarified and tightened the regulations for write-downs, and this is estimated to have increased write-downs by about DKK 80 mill., although this is more than outweighed by an increase in core earnings and better returns on securities holdings. Expected profit for the year before tax has therefore been adjusted upwards to DKK 300-350 mill., corresponding to a return on equity of about 10 per cent p.a.

On behalf of the Board of Directors
Poul Erik Skov Christensen
Chairman of the Board of Directors

A/S Arbejdernes Landsbank – Group Financial and operating data

	30.06.2012	30.06.2011	31.12.2011
	DKK '000	DKK '000	DKK '000
Income statement			
- according to the core earnings model			
Net interest income	546,150	487,113	1,076,055
Net fees and commission income etc.	181,491	158,696	329,848
Core earnings, excl. trading earnings	727,641	645,809	1,405,903
Trading earnings	42,611	38,763	87,436
Total core earnings	770,252	684,572	1,493,339
Staff costs	-340,035	-334,250	-631,096
Administration costs and depreciation/amortisation	-245,214	-247,196	-505,792
Core results before write-downs	185,003	103,126	356,451
Write-downs on loans, etc.	-157,770	-94,264	-209,896
Core results	27,233	8,862	146,555
Investment portfolio earnings, excl. investment securities	149,672	16,965	-195,251
Investment securities	28,842	48,839	87,876
Profit before sector solutions	205,747	74,666	39,180
Contributions to sector solutions	-12,432	-54,406	-34,756
Profit before tax	193,315	20,260	4,424
Tax	-34,557	7,957	33,647
Profit	158,758	28,217	38,071
Other financial and operating data			
Net interest and fee income	736,537	691,031	1,439,446
Value adjustments	124,694	-8,581	-226,729
Staff and administration expenses	-544,090	-549,840	-1,074,817
Profit from equity investments in associates and group enterprises	52,440	39,107	110,755
Loans and other receivables at amortised cost	16,970,224	17,089,487	17,001,600
Bonds at fair value	13,302,721	11,649,217	13,034,557
Deposits incl. pools	23,764,545	22,425,424	22,943,120
Issued bonds at amortised cost	3,212,117	3,088,856	3,631,912
Subordinated debt	720,950	718,525	718,620
Equity	3,292,018	3,122,440	3,157,260
Total assets	35,834,166	33,326,287	34,633,710
Total contingent liabilities	3,714,862	4,032,198	4,076,221

A/S Arbejdernes Landsbank – Group Financial ratios

		30.06.2012	30.06.2011	31.12.2011
Solvency				
Solvency ratio	%	13.2	13.6	13.5
Core capital ratio	%	12.2	12.7	12.4
Earnings				
Return on equity before tax	%	6.0	0.6	0.1
Return on equity after tax	%	4.9	0.9	1.2
Ratio of operating income to operating expenses	DKK	1.25	1.03	1.00
Earnings per share (DKK 1,000 nominal)	DKK	529.2	94.1	126.9
Market risk				
Interest-rate risk	%	-0.1	3.0	0.3
Currency position	%	7.1	4.5	7.0
Exchange-rate risk	%	0.1	0.1	0.2
Liquidity				
Loans plus write-downs in relation to deposits	%	75.6	79.7	77.9
Excess liquidity in relation to statutory requirements for liquidity	%	224.0	217.5	242.4
Credit				
Sum of large exposures	%	59.1	56.2	53.7
Write-down ratio for the period	%	0.8	0.5	1.1
Growth in loans for the period	%	-0.2	0.9	0.4
Loans in relation to equity		5.2	5.5	5.4
Equity				
Equity value	DKK	1,097.3	1,040.8	1,052.4
Proposed dividend per share (DKK 1,000 nominal)	DKK	0.0	0.0	80.0
Employees				
Average number of employees converted to full-time employees		1,054	1,048	1,053

First half year of 2012 for the Arbejdernes Landsbank Group

Income statement

Core earnings for the first half year 2012 bear testament to increasing activity at DKK 770.3 mill. against DKK 684.6 mill. for the corresponding period last year. There has also been a small improvement in the interest-rate differential to cover the continued high costs facing the sector, the general high level of write-downs as well as to assist in a necessary consolidation following the stricter capital requirements for credit institutions.

Net fees and commission income increased by DKK 22.8 mill. to DKK 181.5 mill. and this is very much due to the increase in customers and extensive conversion activity for our customers with mortgage-credit loans. The prevailing unrest in the financial markets, however, means that many customers are still reluctant to invest. **Trading earnings** demonstrated growth of DKK 3.8 mill. to DKK 42.6 mill.

Staff costs amounted to DKK 340.0 mill., corresponding to an increase of 1.7 per cent, which is attributable to collective agreements and an increase in the rate of payroll taxes. The number of employees compared with the end of 2011 has increased by 1 (average), and now totals 1,054 (average) in terms of full-time equivalents.

Administration expenses totalled DKK 245.2 mill. compared with DKK 247.2 mill. in the first half year of 2011, testifying to tight cost management as well as less need to renovate branches.

Core results before write-downs amounted to DKK 185.0 mill. and this is better than expected. There was an improvement of DKK 81.9 mill. compared with the first half of 2011, and this is attributable to the higher level of activity mentioned above, improved interest rate differentials as well as stable costs.

Write-downs on loans, etc. totalled DKK 157.8 mill., which is much more than expected. This is primarily due to the impact of a number of one-off cases, as well as clarification and tightening of the write-down regulations by the Danish Financial Supervisory Authority. The latter added about DKK 80 mill. to the increase. The new expected loss rate is 1.2 per cent for all of 2012, compared with 1.1 per cent for 2011.

Accumulated write-downs and provisions on loans and guarantees were DKK 1,012.6 mill., corresponding to 5 per cent of total loans and guarantees.

In the first half of 2012, **investment portfolio earnings, excluding investment securities** benefited from

a narrower credit spread, which allowed the Bank to recover many of the negative price adjustments in the second half of 2011, when the credit spread was widened. The result of DKK 149.7 mill., against DKK 17.0 mill. in the first half of 2011 is considered very satisfactory.

Investment securities, which include a number of sectoral shares and shareholdings in a number of important cooperation partners showed a positive result of DKK 28.8 mill., compared with DKK 48.8 mill. in the first half year of 2011.

Result before contribution to sector solutions of DKK 205.7 mill. is considered very satisfactory, even though the need for further write-downs still weighs heavily. This gives rise to confidence that, in the majority of its business areas, the Group can demonstrate positive results and we are optimistic moving forward to future periods.

Contributions to sector solutions amounted to costs of DKK 12.4 mill. In contrast to previous years, there will be fixed payments to the Guarantee Fund for Depositors and Investors, in order to avoid the sharp fluctuations in costs.

Profit before tax amounted to DKK 193.3 mill. Tax of DKK 34.6 mill. was charged to the income statement and the **Profit after tax**, which is equal to **Comprehensive income**, totalled DKK 158.8 mill., against DKK 28.2 mill. for the corresponding period last year. This is very satisfactory.

Balance sheet

The Group balance sheet total amounted to DKK 35.8 bn. at the end of the first half of 2012, against DKK 34.6 bn. at the end of 2011.

Total lending is unchanged since the end of 2011 at DKK 17.0 bn. New customers and the resulting growth in lending have helped counter repayments in the loan portfolio. The Danish Financial Supervisory Authority has clarified and tightened the regulations for write-downs on loans, for when there is objective evidence of impairment losses and for how write-downs are to be calculated and how collateral is to be valued. Although the principles for write-downs are unchanged, the tighter regulations have a negative effect on the Group write-downs. Arbejdernes Landsbank monitors the relevant exposures closely in order to achieve sustainability such that the level of actual losses remains as low as possible.

Economic developments have only confirmed our strategy in which growth must be sustainable and in which both customers and the Bank must be

confident that the financial framework can prevail; not least in periods of low economic activity and unrest in the financial markets such as we have seen in recent years.

The Sum of large exposures amounting to 10 per cent or more of the capital base accumulated to 59.1 per cent of the Capital base and continued to comprise four exposures.

Deposits including pools were DKK 23.8 bn., demonstrating growth of DKK 0.8 bn. compared to the end of 2011. The growth comes from private customers and this bears witness to the general desire to save and consolidate. We also see this as a sign that our customers feel secure with Arbejdernes Landsbank.

Solvency and equity

At the end of the first half year the Group's solvency was 13.2 per cent, with a solvency need of 9.2 per cent. There is more detail on the composition of the solvency need on the Bank's website at www.al-bank.dk. The core capital ratio was calculated at 12.2 per cent. The capital base totalled DKK 3.3 bn. at the end of the half year, and weighted items totalled DKK 25.0 bn.

At the end of the first half of 2012, and after adding the profit after tax for the period, equity amounted to DKK 3.3 bn.

Liquidity

At the end of the first half year of 2012, the Group had a net deposits surplus of DKK 6.8 bn. and liquidity buffers of 224.0 per cent of the statutory requirement. The considerable liquidity buffers should be considered in the context of the forthcoming redemption by the Bank of state-guaranteed funding of about DKK 5 bn., which matures in 2013. If this funding is ignored, liquidity buffers amount to 110 per cent of the statutory requirement.

Outlook for 2012

The Bank's expectations for the second half of 2012 have been influenced by the continued general economic uncertainty as well as instability in the financial markets. Therefore no great changes in the balance sheet are expected in the second half year.

We can see that our customers are still reluctant to take out debt and the current level of lending is solely being maintained through activities to promote customer growth. There is great confidence in Arbejdernes Landsbank, and with attractive prices it is expected that deposits will remain intact and

possibly rise. The Bank has relatively large liquidity reserves, and these have primarily been invested in Danish and foreign mortgage and corporate bonds. The interest-rate risk on these is hedged regularly by selling interest derivatives.

The Bank still considers that there will be uncertainty regarding the level of write-downs and earnings from investment portfolios. In the annual financial statements for 2011 we stated that the Bank expected a profit before tax of around DKK 275-325 mill. On the basis of the interim results, this figure has been adjusted upwards to DKK 300-350 mill.

Risk and uncertainty

It is the responsibility of the board of directors to ensure effective risk management, including:

- that significant risks are identified,
- that risk-management systems are at built up, and
- that risk policies and risk frameworks are established.

Reporting on significant risks is part of the regular reporting to the Board of Directors. In this context, see note 4 in the annual report for 2011 in which the most important risk factors are described. The Executive Management are responsible for day-to-day risk management, including identification and assessment of individual risks linked to the business activities of the Group.

Every year, the Group issues a risk report, which is available in English on the Bank's website at www.al-bank.dk.

There have been no events during the first half year of 2012 which have been significantly detrimental to the Group risk profile.

Uncertainty with regard to realisation of the expectations for the remaining part of 2012 is linked in particular to developments in the market situation regarding interest rates and liquidity, as well as calculation of the need for write-downs on loans and receivables. To a large extent the Bank applies hedging of financial instruments to protect itself against changes in interest rates, but the Bank will be affected by continued fluctuations in credit spread on the financial markets.

Changes in the economic climate have an impact on realising expectations regarding the level of write-downs. Uncertainty regarding the extent to which the housing market will deteriorate in the coming period could also have a negative impact on the Bank's result.

Uncertainty is also linked to the number of credit institutions transferred to winding-up via the Financial Stability Company, which burdens the healthy credit institutions through requirements to replenish the capital in the Guarantee Fund for Depositors and Investors.

Related parties

Arbejdernes Landsbank's related parties with significant influence include the Bank's Board of Directors and Executive Board, including parties related to these as well as associated companies. Related parties also include shareholders who own more than 20 per cent of the Bank's shares or possess more than 20 per cent of the voting rights.

Members of the Executive Management and Board of Directors of the Bank have been remunerated during the period as described in the following table:

	01.01- 30.06.2012 DKK '000	01.01- 30.06.2011 DKK '000	01.01- 31.12.2011 DKK '000
Remuneration for the Board of Directors	822	650	1,350
Salaries for the Executive Management	2,536	3,187	6,541
Pensions for the Executive Management	799	1,016	1,198

There have been no significant transactions with other related parties in the first half year of 2012, except for a deposit by a member in the Bankernes EDB Central, BEC, of DKK 3.8 mill., after which the ownership interest amounts to 22.7 per cent compared with 21.3 per cent at the start of 2012.

Benchmarks from the Danish Financial Supervisory Authority

As part of its monitoring of the financial markets, the Danish Financial Supervisory Authority has developed a tool of five benchmarks:

- Growth in loans
- Large exposures
- Property exposure
- Stable funding
- Excess liquidity

These benchmarks are an integrated part of the reporting by the Board of Directors and they are considered and acted upon to counter any deviations.

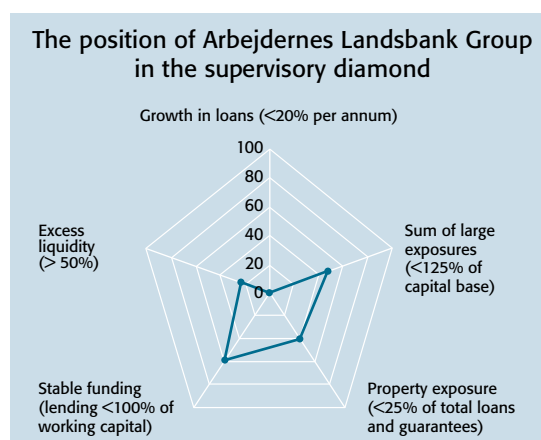
The benchmarks are reviewed in the following, and it should be noted that the Bank and Group live up to all the Danish Financial Supervisory Authority's benchmarks.

Growth in lending must be no more than 20 per cent per annum. Growth amounted to -0.7 per cent, so the Group is far from the critical value. Large exposures, which total 10 per cent or more of the capital base and calculated on the basis of authorised exposures, amounted to 59.1 per cent of the capital base, based on the regulations for large exposures, calculated after deductions. The benchmark has been calculated excluding positions with other credit institutions and the Group has a long way to go to reach the critical value of a maximum of 125 per cent stipulated by the Danish Financial Supervisory Authority.

The Group's property-related exposures (defined as loans and guarantees to sectors in relation to real property and completion of building projects, see Statistics Denmark DB07) before write-downs totalled 10.1 per cent of loans and guarantees. The Danish Financial Supervisory Authority has set the critical value at a maximum of 25 per cent.

The fourth of the benchmarks from the Danish Financial Supervisory Authority measures the degree of stable funding, which stipulates that lending must not exceed working capital. Working capital is defined as the sum of deposits, debt to Danmarks Nationalbank with a remaining term of more than one year, issued bonds with a remaining term of more than one year, subordinated debt and equity. With a key ratio of 58 per cent, the Group had a good margin to the critical value of 100 per cent. If the state-guaranteed funding to be redeemed in 2013 is ignored, the Group's key ratio would be 69.5 per cent, so there is still a good margin to the critical 100 per cent level.

The Danish Financial Supervisory Authority has also selected excess liquidity as a benchmark, and with a key ratio of 224.0 per cent, the Group was nowhere near the critical value of 50 per cent above the statutory requirement.



Statement by management

The Board of Directors and Executive Management have today discussed and approved the interim report of Aktieselskabet Arbejdernes Landsbank and the Group for the accounting period 1 January to 30 June 2012.

The interim report is presented in accordance with IAS 34; Interim Financial Reporting, as adopted by the EU, with regard to the interim financial statements for the Group and in accordance with the Danish Financial Business Act with regard to the interim financial statements for the Parent Company. The interim report is also presented in accordance with Danish disclosure requirements for interim financial reports for financial undertakings which have issued listed securities.

In our opinion, the consolidated financial statements and the interim financial statements for the Parent Company provide a fair presentation of the assets, liabilities and financial position of the Group and Parent Company as at 30 June 2012, as well as of the results of the activities and cash flows of the Group and Parent Company for the period from 1 January to 30 June 2012.

We also believe that the management's review provides a fair review of the development of the activities, financial situation, result for the period as well as the financial position of the Group and Parent Company as a whole for the undertakings covered by the consolidated financial statements, as well as a description of the most significant risks and uncertainty factors that may influence the Group and the Parent Company.

The interim report has not been audited nor has it been reviewed by external auditors.

Copenhagen, 14 August 2012

Executive Management:

Gert R. Jonassen
Chief Executive

Jan W. Andersen

Board of Directors:

Poul Erik Skov Christensen
Chairman

Mette Kindberg

Jette Kronborg
Employee representative

Lars Andersen

Johnny Skovengaard

John Markussen
Employee representative

Harald Børsting

Niels Sørensen

Ulla Strøm Nordenhof
Employee representative

Thorkild E. Jensen

Henrik Thagaard
Employee representative

Income statement and comprehensive income

Note	The Group		The Bank		
	30.06.2012	30.06.2011	30.06.2012	30.06.2011	
	DKK '000	DKK '000	DKK '000	DKK '000	
Income statement					
6	Interest income	758,897	683,421	717,465	642,859
7	Interest expenses	-188,224	-160,069	-187,751	-159,657
	Net interest income	570,673	523,352	529,714	483,202
	Dividends from shares, etc.	13,110	32,166	13,110	32,166
8	Fees and commission income	190,675	173,707	169,462	154,695
	Fees and commission paid	-37,921	-38,194	-26,956	-25,966
	Net interest and fee income	736,537	691,031	685,330	644,097
9	Value adjustments	124,694	-8,581	125,427	-8,478
	Other operating income	42,447	35,060	21,215	15,732
10	Staff and administration expenses	-544,090	-549,840	-508,445	-516,915
	Amortisation/depreciation as well as write-downs for impairment on intangible and tangible assets	-26,684	-23,230	-6,974	-7,983
11	Other operating expenses	-34,259	-68,525	-34,259	-68,525
12	Write-downs on loans and receivables, etc.	-157,770	-94,762	-153,956	-89,999
13	Profit from equity investments in associates and group enterprises	52,440	39,107	60,906	47,522
	Net profit before tax	193,315	20,260	189,244	15,451
14	Tax	-34,557	7,957	-30,486	12,766
	Profit for the period	158,758	28,217	158,758	28,217
Comprehensive income					
	Net profit for the period	158,758	28,217	158,758	28,217
	Other comprehensive income	0	0	0	0
	Total comprehensive income for the period	158,758	28,217	158,758	28,217

Balance sheet

Note	The Group		The Bank		
	30.06.2012	31.12.2011	30.06.2012	31.12.2011	
	DKK '000	DKK '000	DKK '000	DKK '000	
Assets					
	Cash in hand and demand deposits with central banks	362,502	383,352	362,492	383,340
	Receivables from credit institutions and central banks	1,698,569	975,524	1,695,483	973,169
	Loans and other receivables at amortised cost	16,970,224	17,001,600	16,923,806	16,948,118
	Bonds at fair value	13,302,721	13,034,557	13,302,721	13,034,557
	Shares, etc.	887,164	866,677	887,164	866,677
	Equity investments in associates	846,306	802,813	846,306	802,813
	Equity investments in group enterprises	0	0	103,702	95,236
	Assets linked to pooled schemes	393,118	366,499	393,118	366,499
	Intangible assets	11,114	10,992	1,665	1,878
	Total land and buildings	607,705	608,654	607,705	608,654
	Investment properties	55,331	55,000	55,331	55,000
	Owner-occupied properties	552,374	553,654	552,374	553,654
	Other tangible assets	184,628	176,020	56,082	47,529
	Current tax assets	2,840	1,376	2,840	1,376
	Deferred tax assets	23,925	58,482	69,451	100,653
	Other assets	511,968	323,195	490,960	317,392
	Accruals and deferred income	31,382	23,969	29,092	22,313
	Total assets	35,834,166	34,633,710	35,772,587	34,570,204
Liabilities					
	Debt				
	Debt to credit institutions and central banks	3,992,277	3,448,197	3,992,277	3,448,197
	Deposits and other debt	23,371,427	22,576,621	23,353,020	22,566,132
	Deposits in pooled schemes	393,118	366,499	393,118	366,499
16	Issued bonds at amortised cost	3,212,117	3,631,912	3,211,123	3,630,918
	Other liabilities	764,267	641,825	731,007	596,649
	Accruals and deferred income	20,588	31,597	13,020	24,750
	Total debt	31,753,794	30,696,651	31,693,565	30,633,145
	Provisions				
	Provisions for pensions and similar liabilities	8,673	8,673	8,673	8,673
	Provisions for losses on guarantees	8,658	9,825	8,658	9,825
	Other provisions	50,073	42,681	48,723	42,681
	Total provisions	67,404	61,179	66,054	61,179
	Subordinated debt				
17	Subordinated debt	720,950	718,620	720,950	718,620
	Total subordinated debt	720,950	718,620	720,950	718,620
	Equity				
	Share capital	300,000	300,000	300,000	300,000
	Revaluation reserves	186,241	186,241	186,241	186,241
	Other reserves	360,865	360,865	443,270	443,270
	Statutory reserves	360,865	360,865	443,270	443,270
	Retained earnings	2,444,912	2,286,154	2,362,507	2,203,749
	Proposed dividend	0	24,000	0	24,000
	Total equity	3,292,018	3,157,260	3,292,018	3,157,260
	Total liabilities	35,834,166	34,633,710	35,772,587	34,570,204

Statement of changes in equity – The Group

	Share capital DKK '000	Revaluation reserves DKK '000	Reserves DKK '000	Retained earnings DKK '000	Dividends DKK '000	Total DKK '000
Equity brought forward for 2012	300,000	186,241	360,865	2,286,154	24,000	3,157,260
Net profit for the period		0	0	158,758	0	158,758
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	158,758	0	158,758
Dividend paid for 2011					-24,000	-24,000
Total changes in equity		0	0	158,758	-24,000	134,758
Equity as at 30 June 2012	300,000	186,241	360,865	2,444,912	0	3,292,018
Equity brought forward for 2011	300,000	161,276	259,925	2,373,023	24,000	3,118,224
Net profit for the period		0	0	28,217	0	28,217
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	28,217	0	28,217
Dividend paid for 2010					-24,000	-24,000
Total changes in equity		0	0	28,217	-24,000	4,217
Equity as at 30 June 2011	300,000	161,276	259,925	2,401,239	0	3,122,440
Equity brought forward for 2011	300,000	161,276	259,925	2,373,023	24,000	3,118,224
Net profit for the year		0	100,940	-86,869	24,000	38,071
Other comprehensive income		24,965	0	0		24,965
Total comprehensive income		24,965	100,940	-86,869	24,000	63,036
Dividend paid for 2010					-24,000	-24,000
Total changes in equity		24,965	100,940	-86,869	0	39,036
Equity carried forward for 2011	300,000	186,241	360,865	2,286,154	24,000	3,157,260

Statement of changes in equity – The Bank

	Share capital DKK '000	Revaluation reserves DKK '000	Reserves DKK '000	Retained earnings DKK '000	Dividends DKK '000	Total DKK '000
Equity brought forward for 2012	300,000	186,241	443,270	2,203,749	24,000	3,157,260
Net profit for the period		0	0	158,758	0	158,758
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	158,758	0	158,758
Dividend paid for 2011					-24,000	-24,000
Total changes in equity		0	0	158,758	-24,000	134,758
Equity as at 30 June 2012	300,000	186,241	443,270	2,362,507	0	3,292,018
Equity brought forward for 2011	300,000	161,276	326,068	2,306,880	24,000	3,118,224
Net profit for the period		0	0	28,217	0	28,217
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	28,217	0	28,217
Dividend paid for 2010					-24,000	-24,000
Total changes in equity		0	0	28,217	-24,000	4,217
Equity as at 30 June 2011	300,000	161,276	326,068	2,335,096	0	3,122,440
Equity brought forward for 2011	300,000	161,276	326,068	2,306,880	24,000	3,118,224
Net profit for the year		0	117,202	-103,131	24,000	38,071
Other comprehensive income		24,965	0	0		24,965
Total comprehensive income		24,965	117,202	-103,131	24,000	63,036
Dividend paid for 2010					-24,000	-24,000
Total changes in equity		24,965	117,202	-103,131	0	39,036
Equity carried forward for 2011	300,000	186,241	443,270	2,203,749	24,000	3,157,260

Cash flow statement *)

Note	The Group		The Bank	
	30.06.2012 DKK '000	30.06.2011 DKK '000	30.06.2012 DKK '000	30.06.2011 DKK '000
Profit before tax for the period	193,315	20,260	189,244	15,451
Adjustment for non-cash operating items				
Depreciation, amortisation and write-downs of intangible assets	1,927	1,220	213	35
Depreciation, amortisation and revaluations of property, plant and equipment	24,757	22,010	6,761	7,948
Write-downs on loans, etc.	157,770	94,762	153,956	89,999
Net profit for the year adjusted for non-cash operating items	377,769	138,252	350,174	113,433
Loans and receivables from credit institutions, etc.	187,468	-163,519	178,809	-172,141
Bonds and shares	-288,651	-1,176,138	-288,651	-1,176,138
Deposits and debt to credit institutions, etc.	1,365,505	1,602,983	1,357,587	1,594,690
Other working capital	-166,657	-719,656	-142,612	-693,270
Change in working capital	1,097,665	-456,330	1,105,133	-446,859
Cash flows from operating activities	1,475,434	-318,078	1,455,307	-333,426
Purchases of intangible assets	-2,050	-1,991	0	-486
Sales of intangible assets	0	0	0	0
Purchases of tangible non-current assets	-47,536	-33,791	-15,216	-6,352
Sales of tangible non-current assets	15,120	13,794	851	227
Purchases and sales of equity investments in associates and group enterprises	-3,792	-124,058	-3,792	-124,058
Cash flows from investment activities	-38,258	-146,046	-18,157	-130,669
Issued bonds	-419,795	-525,588	-419,795	-525,588
Hybrid core capital	2,330	390,525	2,330	390,525
Dividend paid	-24,000	-24,000	-24,000	-24,000
Cash flows from financing activities	-441,465	-159,063	-441,465	-159,063
Change in cash and cash equivalents	995,711	-623,187	995,685	-623,158
Cash and cash equivalents brought forward	932,995	1,986,709	932,724	1,986,422
Cash and cash equivalents carried forward	1,928,706	1,363,522	1,928,409	1,363,264

*) Includes value adjustments of security and currency forward transactions.

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Wealth Through Running

As a bank that is built on healthy values, we naturally support running and exercise because of the happiness and unity it encourages in everyday life. Through many years of sponsorship, we are helping to motivate Danes to be more active and create a healthier lifestyle.

In 2012, Arbejdernes Landsbank will be the main sponsor of the BT Half Marathon and the Danske Mil. Additionally, we will sponsor the Femina Kvindeløb as well as a variety of local races across Denmark.



Notes

Note 1 Accounting policies

The interim report for the Group is presented in accordance with IAS 34; Interim Financial Reporting, as adopted by the EU, as well as the IFRS executive order on financial undertakings. The interim financial statements for the Parent Company are presented in accordance with the Danish Financial Business Act, including the executive order on financial reports for credit institutions and investment firms, etc. The interim financial statements for the Group and the Parent Company are also presented in accordance with additional Danish disclosure requirements for interim reports for financial undertakings which have issued listed securities.

Apart from the information provided below, the accounting policies in this half-year interim report are unchanged in relation to the accounting policies in the consolidated financial statements and the Parent's financial statements for 2011. The annual report for 2011 was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further Danish disclosure requirements for annual reports of listed financial undertakings.

We refer to the annual report for 2011 for further descriptions of the accounting policies.

Changes in accounting policies

As of 1 January 2012, Arbejdernes Landsbank has implemented the following new and changed standards and interpretations:

- IAS 12, Income taxes: recovery of underlying assets (December 2010)
- IFRS 7, Financial instruments: disclosures

Implementation of the new IFRS 7 has not led to changes in accounting policies with regard to recognition and measurement.

The change to IAS 12 relates to the basis for calculating deferred tax on investment properties which are measured at fair value, see IAS 40 and it is assumed that in the future these properties will only be recovered on sale. This means that calculation of the tax base for investment properties at fair value must be in a statement of property revenues in accordance with the Tax on Property Revenues Act (*ejendomsavancebeskatningsloven*) at the close of every financial period.

There is currently no deferred tax on the Bank's investment properties.

The interim financial report is presented in Danish kroner (DKK) which is the currency of the Parent.

Note 2 Significant changes in accounting estimates

Measurement of certain assets and liabilities requires management estimates. The most significant estimates made by the management in connection with recognition and measurement of these assets and liabilities, and the most significant estimation uncertainties in connection with preparing the half-year interim report for 2012, are the same as for preparing the annual report for 2011. Please refer to this annual report.

Unusual circumstances

The interim report for the first half year of 2012 has been affected by the following unusual circumstances:

Change in accounting estimates

Following clarification of the regulations in the Danish Executive Order on the Presentation of Financial Statements, the interim financial report for 2012 includes changes in the accounting estimates regarding loans and other receivables at amortised cost and investment and owner-occupied properties. The increase in write-downs on loans etc. and provisions for guarantees resulting from the clarification of the regulations is estimated at about DKK 80 mill. but it is considered that there is no reason to change the value of investment and owner-occupied properties.

Note 3 Events occurring after expiry of the accounting period

After 30 June 2012 no events have been assessed to have taken place, other than the circumstances mentioned in the expectations for the rest of 2012, which significantly affect the financial position of the Group and the Bank.

Notes

Note	The Group		The Bank	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	DKK '000	DKK '000	DKK '000	DKK '000
4 Capital and solvency				
Transformation from equity to capital base				
Equity	3,292,018	3,157,260	3,292,018	3,157,260
Interim results recognised	-158,758	0	-158,758	0
Proposed dividend	0	-24,000	0	-24,000
Intangible assets	-11,113	-10,992	-1,665	-1,878
Deferred tax assets	-23,925	-58,482	-69,451	-100,653
Revaluation reserves	-186,241	-186,241	-186,241	-186,241
Core capital after primary deductions	2,911,981	2,877,545	2,875,903	2,844,488
Hybrid core capital	392,950	390,620	392,950	390,620
Deductions *)	-252,647	-255,413	-252,647	-255,413
Core capital after deductions	3,052,284	3,012,752	3,016,206	2,979,695
Subordinated debt	328,000	328,000	328,000	328,000
Revaluation reserves	186,241	186,241	186,241	186,241
Capital base before deductions	3,566,525	3,526,993	3,530,447	3,493,936
Deductions *)	-252,647	-255,413	-252,647	-255,413
Capital base	3,313,878	3,271,580	3,277,800	3,238,523
*) Deductions pursuant to section 28(1), nos. 10, 12 and 13 of the Danish Executive Order on Calculation of Capital Base				
Capital requirement from column I (8%)	2,003,538	1,942,261	2,011,846	1,947,046
Weighted items				
Items with credit risk	16,992,426	16,551,013	17,256,768	16,752,191
Items with market risk	5,346,800	5,022,248	5,411,431	5,102,232
Items with operational risk	2,705,003	2,705,003	2,479,879	2,479,879
Total weighted items	25,044,229	24,278,264	25,148,078	24,334,302
Solvency ratio	13.2	13.5	13.0	13.3

5 Segment information for the Group

Group activities are concentrated in Denmark with focus on banking services for private customers, small and medium-sized enterprises as well as associations, etc. Banking services are offered across customer types in the entire branch network as well as in the affiliated enterprise of the Bank; AL Finans. The return on these activities is expressed in the core results, see the model on page 2 in the interim report. Activities under core results depend, however, on the Bank's investment portfolio activities where the Bank's liquidity is secured, but also under which the Bank's strategic sector shares belong. Regular operating reporting to the Executive Management includes the information and the aggregation level appearing in the model. On the basis of this, the Group is considered to have one operating segment, which includes core results and investment portfolio earnings as one item.

Notes

Note	The Group		The Bank	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	DKK '000	DKK '000	DKK '000	DKK '000
6 Interest income				
Receivables from credit institutions and central banks	11,920	13,368	11,866	13,310
Loans at amortised cost	603,365	559,008	560,565	518,504
Interest on written-down exposures	-14,049	-12,160	-14,049	-12,160
Bonds	167,992	135,688	167,992	135,688
Derivative financial instruments				
Currency contracts	-3,725	-4,845	-3,725	-4,845
Interest-rate contracts	-6,998	-7,684	-5,576	-7,684
Share contracts	0	0	0	0
Total derivative financial instruments	-10,723	-12,529	-9,301	-12,529
Other interest income	392	46	392	46
Total interest income	758,897	683,421	717,465	642,859
Of which genuine purchase and resale transactions recognised under				
Receivables from credit institutions and central banks	1,031	954	1,031	954
7 Interest expenses				
Debt to credit institutions and central banks	-20,829	-14,411	-20,829	-14,411
Deposits and other debt	-115,651	-116,280	-115,371	-116,018
Issued bonds	-28,684	-18,794	-28,684	-18,794
Subordinated debt	-22,862	-10,413	-22,862	-10,413
Other interest paid	-198	-171	-5	-21
Total interest expenses	-188,224	-160,069	-187,751	-159,657
Of which genuine sale and repurchase transactions recognised under				
Debt to credit institutions and central banks	-1,127	-2,909	-1,127	-2,909
8 Fees and commission income				
Securities trading and custody accounts	31,626	29,679	31,626	29,679
Money transmission services	41,711	38,441	41,711	38,441
Loan fees	70,686	62,899	62,208	56,188
Guarantee commission	11,195	10,337	11,329	10,467
Other fees and commissions	35,457	32,351	22,588	19,920
Total fees and commission income	190,675	173,707	169,462	154,695
9 Value adjustments				
Bonds	153,814	-18,564	153,814	-18,564
Shares, etc.	15,415	-8,191	15,415	-8,191
Currency	8,430	14,356	8,040	14,459
Derivative financial instruments				
Currency contracts	20,551	9,627	20,551	9,627
Interest-rate contracts	-75,887	-1,221	-74,764	-1,221
Share contracts	2,104	-49	2,104	-49
Total derivative financial instruments	-53,232	8,357	-52,109	8,357
Assets linked to pooled schemes	18,959	-5,176	18,959	-5,176
Deposits in pooled schemes	-18,959	5,176	-18,959	5,176
Other assets	267	-4,539	267	-4,539
Other liabilities	0	0	0	0
Total value adjustments	124,694	-8,581	125,427	-8,478

Notes

Note	The Group		The Bank	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	DKK '000	DKK '000	DKK '000	DKK '000
10 Staff and administration expenses				
Emoluments to the Board of Directors, Executive Management and the Board of Representatives				
Executive Management	-3,335	-4,203	-3,325	-4,198
Board of Directors	-822	-650	-822	-650
Board of Representatives	-262	-295	-262	-295
Total	-4,419	-5,148	-4,409	-5,143
Staff costs				
Salaries	-282,695	-274,002	-261,414	-253,865
Pensions	-30,014	-30,125	-27,959	-28,215
Social security expenses	-2,974	-2,650	-2,818	-2,582
Payroll tax	-24,952	-27,260	-23,056	-25,400
Total	-340,635	-334,037	-315,247	-310,062
Other administration expenses	-199,036	-210,655	-188,789	-201,710
Total staff and administration expenses	-544,090	-549,840	-508,445	-516,915
11 Other operating expenses				
Expenses for the Guarantee Fund for Depositors and Investors	-12,432	-53,909	-12,432	-53,909
Expenses for operating the Bank's properties	-17,371	-12,824	-17,371	-12,824
Other operating costs	-4,456	-1,792	-4,456	-1,792
Total other operating expenses	-34,259	-68,525	-34,259	-68,525

Notes

Note	The Group		The Bank	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	DKK '000	DKK '000	DKK '000	DKK '000
12 Write-downs on loans and provisions for guarantees, etc.				
Write-downs and provisions				
Write-downs and provisions, brought forward	893,576	847,117	879,568	824,272
Write-downs and provisions for the period	251,190	197,466	246,010	193,264
Reversal of write-downs and provisions for the period	-98,443	-106,412	-94,864	-104,485
Actual loss (written off) previously written down	-30,571	-134,749	-26,672	-122,591
Interest adjustment	14,049	12,160	14,049	12,160
Total write-downs and provisions, carried forward	1,029,801	815,582	1,018,091	802,620
Write-downs on loans etc., carried forward	1,003,974	787,914	992,264	774,952
Provisions on guarantees, etc., carried forward	8,658	10,422	8,658	10,422
Write-downs/provisions on other items, carried forward	17,169	17,246	17,169	17,246
Total write-downs and provisions, carried forward	1,029,801	815,582	1,018,091	802,620
Net effect recognised in the income statement				
Net write-downs and provisions for the period	-152,747	-91,054	-151,146	-88,779
Losses, not previously written down	-9,540	-6,351	-7,063	-3,589
Recognised in claims previously written-down	4,517	2,643	4,253	2,369
Total net effect recognised in the income statement	-157,770	-94,762	-153,956	-89,999
Individual write-downs on loans				
Individual write-downs on loans, brought forward	812,321	648,117	799,650	626,823
Write-downs for the period	235,907	187,901	230,908	183,699
Reversal of write-downs during the period	-79,474	-89,906	-76,732	-88,199
Actual loss (written off) previously written down	-30,571	-25,279	-26,672	-13,121
Interest adjustment	12,581	10,503	12,581	10,503
Total individual write-downs on loans, carried forward	950,764	731,336	939,735	719,705
Group write-downs on loans				
Group write-downs on loans, brought forward	54,229	61,897	52,892	60,346
Write-downs for the period	13,647	8,586	13,466	8,586
Reversal of write-downs during the period	-16,134	-15,562	-15,297	-15,342
Interest adjustment	1,468	1,657	1,468	1,657
Total group write-downs on loans, carried forward	53,210	56,578	52,529	55,247
Individual provisions on guarantees, etc.				
Individual provisions on guarantees, brought forward	5,566	115,278	5,566	115,278
Provisions during the period	883	179	883	179
Reversal of provisions during the period	-2,589	-792	-2,589	-792
Actual loss (written off) previously provided	0	-109,470	0	-109,470
Total individual provisions on guarantees, etc., carried forward	3,860	5,195	3,860	5,195
Group provisions on guarantees, etc.				
Group provisions on guarantees, brought forward	4,259	4,592	4,259	4,592
Provisions during the period	753	787	753	787
Reversal of provisions during the period	-214	-152	-214	-152
Total group provisions on guarantees, etc., carried forward	4,798	5,227	4,798	5,227
Write-downs/provisions on other items				
Written down/provided, brought forward	17,201	17,233	17,201	17,233
Write-downs/provisions for the period	0	13	0	13
Reversal of write-downs/provisions during the period	-32	0	-32	0
Interest adjustment	0	0	0	0
Total write-downs/provisions on other items, carried forward	17,169	17,246	17,169	17,246

Notes

Note	The Group		The Bank	
	30.06.2012 DKK '000	30.06.2011 DKK '000	30.06.2012 DKK '000	30.06.2011 DKK '000
13 Profit from equity investments in associates and group enterprises				
Profit from equity investments in associates	52,440	39,107	52,440	39,107
Profit from equity investments in group enterprises	0	0	8,466	8,415
Total profit from equity investments in associates and group companies	52,440	39,107	60,906	47,522
14 Tax				
Calculated tax of income for the period	0	0	0	0
Change in deferred tax concerning the income period	-34,639	8,041	-30,568	12,850
Adjustments concerning previous year	82	-84	82	-84
Total tax	-34,557	7,957	-30,486	12,766
Tax for the half year by type				
Calculated tax on the profit for the year before tax at 25%	-48,329	-5,065	-47,311	-3,863
Tax value of non-deductible expenses	-2,381	-4,428	-1,398	-2,904
Tax value of profit in associates	13,110	9,777	13,110	9,777
Tax value of non-taxable gains	2,961	7,757	5,031	9,840
Adjustment regarding previous years	82	-84	82	-84
Total tax	-34,557	7,957	-30,486	12,766
15 Dividends				
On 13 March 2012, an ordinary dividend of DKK 24 mill., corresponding to DKK 80 per share of nominally DKK 1,000, was paid to the shareholders (2011: DKK 80 per share).				

Notes

Note	The Group		The Bank	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	DKK '000	DKK '000	DKK '000	DKK '000
16 Issued bonds at amortised cost				
Bonds listed on the London Stock Exchange *)	2,952,100	2,872,800	2,952,100	2,872,800
Bonds listed on the Irish Stock Exchange	250,000	250,000	250,000	250,000
Other bonds	10,017	509,112	9,023	508,118
Total issued bonds at amortised cost	3,212,117	3,631,912	3,211,123	3,630,918
Bonds issued during the period	0	250,000	0	250,000
Bonds redeemed during the period	500,000	300,000	500,000	300,000
*) The bonds are guaranteed by the Danish state				
17 Subordinated debt				
Subordinated debt in the form of supplementary capital Variable per cent nominally; DKK 328 mill., expiry on 3 December 2018 may be redeemed before maturity on 1 December 2015	328,000	328,000	328,000	328,000
Subordinated debt in the form of hybrid core capital *) Variable per cent nominally; DKK 393.0 mill. / DKK 390.6 mill. Infinite duration may be redeemed before maturity on 23 May 2018	392,950	390,620	392,950	390,620
Total subordinated debt	720,950	718,620	720,950	718,620
Subordinated debt recognised when calculating capital base	720,950	718,620	720,950	718,620
*) Costs for raising loans during the period	0	2,000	0	2,000
18 Lodging securities				
For collateral deposited with Danmarks Nationalbank				
Market value of bonds	3,599,332	4,015,463	3,599,332	4,015,463
Of which surplus collateral	3,599,332	4,015,463	3,599,332	4,015,463

Notes

Note	The Group		The Bank	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	DKK '000	DKK '000	DKK '000	DKK '000
19 Loans and guarantees before write-downs analysed by sector				
Public authorities	98,062	100,805	97,879	100,805
Corporate				
Agriculture, hunting, forestry and fisheries	76,428	52,947	72,619	37,777
Industry and minerals	505,269	405,482	244,266	255,475
Energy supply	3,777	1,137	2,531	121
Building and construction	643,320	619,523	578,881	547,344
Trade	887,301	918,601	606,558	660,837
Transport, hotels and restaurants	653,612	687,154	582,570	591,323
Information and communication	200,472	213,421	154,994	158,554
Financing and insurance	1,363,919	1,397,736	3,422,439	3,200,006
Real property	1,730,382	1,518,733	1,724,874	1,508,803
Other corporate	2,154,939	2,306,447	2,011,785	2,107,065
Total corporate	8,219,419	8,121,181	9,401,517	9,067,305
Private	12,085,004	11,662,517	10,844,960	10,648,903
Total	20,402,485	19,884,503	20,344,356	19,817,013
20 Contingent liabilities				
Guarantees				
Financial guarantees	830,558	451,934	830,558	451,934
Guarantees for losses on mortgage loans	157,564	151,161	157,564	151,161
Land registration and conversion guarantees	33,860	13,688	33,860	13,688
Collateral for group enterprises	0	0	35,200	35,200
Other guarantees	1,397,647	1,389,745	1,362,447	1,354,545
Total guarantees	2,419,629	2,006,528	2,419,629	2,006,528
Other liabilities				
Irrevocable credit commitments less than 1 year	1,273,058	2,047,800	740,000	1,545,000
Irrevocable credit commitments more than 1 year	0	0	0	0
Unutilised pension commitments	16,400	16,400	16,400	16,400
Other liabilities	5,775	5,493	5,775	5,493
Total other liabilities	1,295,233	2,069,693	762,175	1,566,893
Total contingent liabilities	3,714,862	4,076,221	3,181,804	3,573,421

The Bank is a party to various judicial proceedings and disputes. The cases are regularly assessed and the necessary provisions are made in accordance with an assessment of the risk of losses. Pending judicial proceedings are not expected to influence the Group's financial position.

Loan to Totalkredit provided by the Bank in 2007 is covered by an agreement on a right of set-off against future commissions, which Totalkredit may invoke if losses are ascertained on the loans provided. The Bank does not expect this right of set-off to significantly influence the Bank's financial position.

The Bank's membership of Bankernes EDB Central means that the Bank is obligated to pay compensation in the event of withdrawal.

Notes

Note	The Bank	
	30.06.2012	31.12.2011
	DKK '000	DKK '000
21 Group overview		
Aktieselskabet Arbejdernes Landsbank Copenhagen		
AL Finans A/S, Glostrup		
Share capital	6,000	6,000
Equity	90,908	82,446
Profit	8,462	16,499
<p>The financing company, AL Finans A/S offers car financing, leasing and factoring. Activities of the company are financed with capital and raising loans from the Parent Company. In the first half year of 2012, the company employed 70 employees on average, converted to full-time equivalents.</p>		
Handels ApS Panoptikon, Copenhagen		
Share capital	500	500
Equity	12,793	12,790
Profit	3	67
<p>The company is not currently active. In the first half year of 2012, the company has not employed any staff.</p>		
<p>All subsidiaries are fully owned by the Parent Company.</p>		

Notes

Note	30.06.2012 DKK '000	30.06.2011 DKK '000	31.12.2011 DKK '000
22 Financial and operating data for the Bank			
Income statement according to the core earnings model			
Net interest income	506,328	447,854	999,649
Net fees and commission income etc.	150,746	131,821	272,706
Core earnings, excl. trading earnings	657,074	579,675	1,272,355
Trading earnings	42,611	38,763	87,436
Total core earnings	699,685	618,438	1,359,791
Staff costs	-314,637	-310,270	-583,143
Administration expenses and depreciation/amortisation	-215,258	-222,137	-452,808
Core results before write-downs	169,790	86,031	323,840
Write-downs on loans, etc.	-153,956	-89,501	-199,012
Core results	15,834	-3,470	124,828
Investment portfolio earnings, excl. investment securities	149,672	16,965	-195,251
Investment securities	36,170	56,362	102,831
Profit before sector solutions	201,676	69,857	32,408
Contributions for sector solutions	-12,432	-54,406	-34,756
Profit before tax	189,244	15,451	-2,348
Taxes	-30,486	12,766	40,419
Profit	158,758	28,217	38,071
Other financial and operating data			
Net interest and fee income	685,330	644,097	1,342,172
Value adjustments	125,427	-8,478	-220,870
Staff and administration expenses	-508,445	-516,915	-1,008,150
Profit from equity investments in associates and group enterprises	60,906	47,522	127,321
Loans	16,923,806	17,072,079	16,948,118
Bonds at fair value	13,302,721	11,649,217	13,034,557
Deposits incl. pools	23,746,138	22,413,289	22,932,631
Issued bonds at amortised cost	3,211,123	3,087,862	3,630,918
Subordinated debt	720,950	718,525	718,620
Equity	3,292,018	3,122,440	3,157,260
Total assets	35,772,587	33,282,357	34,570,204
Total contingent liabilities	3,181,804	3,547,959	3,573,421

Notes

Note		30.06.2012	30.06.2011	31.12.2011	
23	Financial ratios for the Bank				
	Solvency				
	Solvency ratio	%	13.0	13.5	13.3
	Core capital ratio	%	12.0	12.5	12.2
	Earnings				
	Return on equity before tax	%	5.9	0.5	-0.1
	Return on equity after tax	%	4.9	0.9	1.2
	Ratio of operating income to operating expenses	DKK	1.27	1.02	1.00
	Earnings per share (DKK 1,000 nominal)	DKK	529.2	94.1	126.9
	Market risk				
	Interest-rate risk	%	-0.5	2.7	0.2
	Currency position	%	7.2	4.6	7.1
	Exchange-rate risk	%	0.1	0.1	0.2
	Liquidity				
	Loans plus write-downs in relation to deposits	%	75.4	79.6	77.6
	Excess liquidity in relation to statutory requirements for liquidity	%	229.5	222.6	248.0
	Credit				
	Sum of large exposures	%	59.7	56.8	54.3
	Write-down ratio for the period	%	0.8	0.5	1.0
	Growth in loans for the period	%	-0.1	0.9	0.2
	Loans in relation to equity		5.1	5.5	5.4
	Equity				
	Equity value	DKK	1,097.3	1,040.8	1,052.4
	Proposed dividend per share (DKK 1,000 nominal)	DKK	0.0	0.0	80.0
	Employees				
	Average number of employees converted to full-time equivalents		984	983	988

Notes

Note

24 Definition of financial ratios

Financial ratios are listed in accordance with the requirements laid down in the Danish Executive Order on the Presentation of Financial Statements. Earnings per share (EPS) and diluted earnings per share (DEPS) are calculated in accordance with IAS 33, however, the Bank's shares are not in circulation. Other financial ratios are prepared in accordance with the recommendations and financial ratios 2010 of the Danish Society of Financial Analysts.

Financial ratios are calculated in accordance with the guide of the Danish FSA, see the Danish Executive Order on the Presentation of Financial Statements

1. Solvency ratio =	$\frac{\text{Capital base after deductions} \times 100}{\text{Risk-weighted assets}}$
2. Core capital ratio =	$\frac{\text{Core capital after deductions} \times 100}{\text{Risk weighted assets}}$
3. Return on equity before tax =	$\frac{\text{Profit before tax} \times 100}{\text{Equity (average)}}$
4. Return on equity after tax =	$\frac{\text{Profit after tax} \times 100}{\text{Equity (average)}}$
5. Ratio of operating income to operating expenses =	$\frac{\text{Income}}{\text{Expenses (excl. tax)}}$
6. Interest-rate risk =	$\frac{\text{Interest-rate risk} \times 100}{\text{Core capital after deductions}}$
7. Currency position =	$\frac{\text{Currency exchange-rate indicator 1} \times 100}{\text{Core capital after deductions}}$
8. Exchange-rate risk =	$\frac{\text{Currency exchange-rate indicator 2} \times 100}{\text{Core capital after deductions}}$
9. Loans and write-downs in relation to deposits =	$\frac{\text{Loans} + \text{write-downs on loans}}{\text{Deposits}}$
10. Loans in relation to equity =	$\frac{\text{Loans}}{\text{Equity}}$
11. Growth in loans for the period *) =	$\frac{(\text{Loans carried forward} - \text{loans brought forward}) \times 100}{\text{Loans brought forward}}$
12. Surplus in relation to statutory requirements for liquidity *) =	$\frac{\text{Surplus liquidity pursuant to section 152, no. 2 of the Danish Financial Business Act}}{\text{The 10 per cent statutory requirement}}$
13. Sum of large exposures *) =	$\frac{\text{Sum of large exposures after deductions, excl. credit institutions}}{\text{Capital base after deductions}}$
14. Write-down ratio for the period =	$\frac{\text{Write-downs on loans and guarantees for the period} \times 100}{\text{Loans} + \text{write-downs} + \text{guarantees}}$

*) The financial ratio is used in the Danish FSA supervisory diamond.

Notes

Note

24 Definition of financial ratios, continued

Supplementary financial ratios

15. Earnings per share (DKK 1,000 nominal) =	$\frac{\text{Earnings}}{\text{Number of shares (DKK 1,000 nominal)}}$
16. Equity value =	$\frac{\text{Equity} \times 100}{\text{Share capital}}$
17. Proposed dividend per share (DKK 1,000 nominal) =	$\frac{\text{Dividend rate} \times \text{nominal share value}}{100}$
18. Growth in loans *) =	$\frac{(\text{Loans carried forward} - \text{loans carried forward 1 year before}) \times 100}{\text{Loans carried forward 1 year before}}$
19. Property exposure *) =	$\frac{(\text{Gross loans and guarantees in the sector 'Completion of building projects' + the sector 'Real property'}) \times 100}{\text{Gross loans + guarantees}}$
20. Stable funding *) =	$\frac{\text{Loans}}{\text{Sum of deposits, including pools + issued bonds with remaining term of more than 1 year + subordinated debt + equity}}$

*) The financial ratio is used in the supervisory diamond of the Danish FSA.

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