

A close-up photograph of green grass blades with several water droplets resting on them. The background is a soft, out-of-focus light green. A white rectangular box is overlaid on the upper left portion of the image.

Interim Report 2013

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Gert R. Jonassen
Chief Executive

Jan W. Andersen
Executive Bank Director

Continued growth for Arbejdernes Landsbank



Arbejdernes Landsbank continues its positive earnings growth, and with interim results of DKK 274 mill. before tax and a return on equity before tax of 7.5% for the half year, the Bank is well on track to meeting expectations.

The financial sector is preparing to meet the new legislative regulations which are to be implemented towards 2019 with ever stricter requirements for equity. In addition to focusing on solvency, a number of initiatives aimed at the cash resources of credit institutions will also see the light of day. The requirement for ensuring capital resources is predicted to result in continued adjustments in the sector. For active players in the Danish world of finance, this development emphasises the need to have well consolidated businesses.

In Arbejdernes Landsbank, we will persistently continue to adapt to these challenges. The takeover of three branches from Østjydsk Bank in June fits perfectly into our strategy; we want to create sustainable growth and we want to do our very best to ensure that customers as well as employees feel welcome in Arbejdernes Landsbank.

In the 1st half year, the Bank welcomed 17,000 new customers (net) of which 7,000 can be attributed to the three new branches taken over. In the 2nd half year, we

will open new branches at Østerfælled Torv on Østerbro in Copenhagen and on Randersvej in Aarhus.

In January we outsourced money supply and nine employees to the co-owned Bankernes Kontantservice A/S. We recognise that, over time, security-related aspects will require other solutions, and that with this new solution we can ensure continued jobs for colleagues who are affected by the change.

Arbejdernes Landsbank is a busy place, and we recognise that we are only able to cope with the current influx of customers because of our skilled and committed employees. This is the fruit of the concept we have chosen; that providing service and offering advice is a matter of course. In addition, these developments are rubbing off on the Bank's business and the sum of loans, guarantees and deposits has risen by 6.8% or DKK 3.1 bn. since the turn of the year. Taking over the three branches from Østjydsk Bank has contributed with DKK 1.7 bn. and this is a significant reason for the high level of business activity.

As planned, Arbejdernes Landsbank has redeemed state-guaranteed funding of around DKK 2 bn. in the first half year of 2013. Group deposits for the first half year increased by DKK 2.7 bn. despite this redemption of funding.

The Group maintains considerable excess liquidity of DKK 10.9 bn. against DKK 9.3 bn. at the start of the year. About DKK 3 bn. of this excess liquidity was used to redeem the remaining state-guaranteed funding in July 2013. The group solvency ratio at the end of June was 13.3, while the core capital ratio was 12.5. The solvency need represents 9.2% and Arbejdernes Landsbank is considered to be in a favourable position, with a robust financial position and good liquidity. The Group interim results of DKK 274 mill. before tax fully meet our expectations for the half year of around DKK 160 mill. before tax. Mainly the return on our securities portfolio developed more favourably than anticipated. Expected profit before tax for the year has therefore been adjusted upwards to a level of DKK 400-450 mill. before tax, corresponding to a return on equity of about 11-12% per annum.

On behalf of the Board of Directors

Poul Erik Skov Christensen
Chairman of the Board of Directors



A/S Arbejdernes Landsbank Financial and operating data for the Group

	30.06.2013 DKK '000	30.06.2012 DKK '000	31.12.2012 DKK '000
Income statement			
- according to the core earnings model			
Net interest income	576,262	546,150	1,125,548
Net fees and commission income etc.	182,324	181,491	355,347
Core earnings, excl. trading earnings	758,586	727,641	1,480,895
Trading earnings	42,274	42,611	95,700
Total core earnings	800,860	770,252	1,576,595
Staff costs	-348,483	-340,035	-673,004
Administrative costs and depreciation/amortisation	-268,347	-245,214	-503,449
Core profit before write-downs	184,030	185,003	400,142
Write-downs on loans, etc.	-88,924	-157,770	-277,193
Core profit	95,106	27,233	122,949
Investment portfolio earnings, excl. investment securities	138,491	149,672	378,919
Investment securities	62,304	28,842	84,022
Profit before sector solutions	295,901	205,747	585,890
Contributions to sector solutions	-21,422	-12,432	-26,015
Profit before tax	274,479	193,315	559,875
Tax	-44,612	-34,557	-103,274
Profit for the period	229,867	158,758	456,601
Other financial and operating data			
Net interest and fee income	770,222	736,537	1,496,559
Value adjustments	131,408	124,694	344,709
Staff and administrative expenses	-572,752	-544,090	-1,093,067
Profit from equity investments in associates and group companies	66,396	52,440	128,035
Loans and other receivables at amortised cost	18,459,557	16,970,224	17,751,986
Bonds at fair value	12,410,705	13,302,721	13,843,097
Deposits incl. pools	26,955,653	23,764,545	24,106,931
Issued bonds at amortised cost	3,113,675	3,212,117	3,090,796
Subordinated debt	720,950	720,950	720,951
Equity	3,732,080	3,292,018	3,607,213
Total assets	38,191,458	35,834,166	36,839,247
Total contingent liabilities	3,942,585	3,714,862	3,130,635



A/S Arbejdernes Landsbank Financial ratios for the Group

		30.06.2013	30.06.2012	31.12.2012
Solvency				
Solvency ratio	%	13.3	13.2	14.6
Core capital ratio	%	12.5	12.2	13.6
Earnings				
Return on equity before tax	%	7.5	6.0	16.6
Return on equity after tax	%	6.3	4.9	13.5
Ratio of operating income to operating expenses per DKK	DKK	1.37	1.25	1.37
Earnings per share (DKK 1.000 nominal)	DKK	766.2	529.2	1,522.0
Market risk				
Interest-rate risk	%	-1.3	-0.1	-1.0
Currency position	%	3.0	7.1	3.3
Currency risk	%	0.1	0.1	0.0
Liquidity				
Loans plus write-downs in relation to deposits	%	72.8	75.6	78.1
Excess liquidity in relation to statutory requirements for liquidity	%	290.0	224.0	261.2
Credit				
Sum of large exposures	%	72.0	59.1	35.4
Write-down ratio for the period	%	0.4	0.8	1.3
Growth in loans for the period *)	%	4.0	-0.2	3.6
Loans in relation to equity		4.9	5.2	4.9
Equity				
Equity value	DKK	1,244.0	1,097.3	1,202.4
Proposed dividend per share (DKK 1,000 nominal)	DKK	0.0	0.0	350.0
Employees				
Average number of employees during the year converted to full-time employees		1,068	1,054	1,061

*) The definition of growth in loans for the period was changed in the 2nd half year of 2012. Comparative figures have been adjusted.



First half year of 2013 for the Arbejdernes Landsbank Group

In the first half year of 2013, Arbejdernes Landsbank continued its growth of recent years in respect of number of customers as well as business activity. In June 2013, the Bank took over the portfolio of customers from Østjydsk Bank; this included three branches in Skanderborg, Horsens and Vejle. The portfolio comprises about 7,000 customers with business amounting to around DKK 1.7 bn. in terms of deposits, loans and guarantees. The takeover is well attuned to the Bank's 2015 vision and the Bank has great expectations that these branches will add to the Bank's presence in East Jutland. The branch in Vejle will be merged with our existing branch in the town, whereas so far the other branches will be continuing their activities independently.

The remainder of our business is also growing, and in 2013 the Bank welcomed more than 10,000 new customers (net) through our existing branch network.

In January 2013, the Bank outsourced its money supply to Bankernes Kontantservice A/S. Nine employees as well as machinery and fixtures and equipment in the amount of DKK 4 mill. were included in the agreement.

Income statement

Core earnings for the first half year 2013 bear testament to increasing activity at DKK 800.9 mill. against DKK 770.3 mill. for the corresponding period last year.

Net fees and commission income increased by DKK 0.8 mill. to DKK 182.3 mill. and this is due to moderate loans activity, excluding loans following from customer growth.

Trading earnings are at par with the corresponding period last year showing a minor decrease of DKK 0.3 mill. to DKK 42.3 mill.

Staff costs amounted to DKK 348.5 mill., corresponding to an increase of 2.5%, which is attributable to collective agreements and an increase in the rate of payroll taxes. The number of employees compared with the end of 2012 has increased by seven (average), and now totals 1,068 (average) in terms of full-time equivalents. In connection with the takeover of the portfolio from Østjydsk Bank as of 26 June 2013, the Bank also welcomed 22 new colleagues.

Administrative expenses amounted to DKK 268.3 mill. against DKK 245.2 mill. in the first half year of 2012, and this increase of DKK 23.1 mill. reflects the financial consequences of a number of growth-related projects.

Core profit before write-downs amounted to DKK 184.0 mill., which is above expectations. This is the same level as the first half year of 2012 and it results from higher levels of activity which led to increasing costs in order to deal with the growth in customers and business activities.

Write-downs on loans and receivables, etc. amounted to DKK 88.9 mill., which is a significant improvement compared with the corresponding period last year. This meets expectations for 2013 and confirms our confidence that 2013 will be the turning point in relation to the level of write-downs. The write-down ratio for 2013 is expected to end at a level of 0.8-0.9%.

Accumulated write-downs and provisions on loans and guarantees amounted to DKK 1,159.3 mill., corresponding to 5.2% of total loans and guarantees.

In the first half year of 2013, **investment portfolio earnings excl. investment securities** were positively affected by tightened credit spreads on the financial markets and the Group achieved a return of DKK 138.5 mill. against DKK 149.7 mill. for the first half year of 2012. This result is extremely 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 62.3 mill. against DKK 28.8 mill. in the first half year of 2012 and this is primarily attributable to good results in ALKA Forsikring and LR Realkredit.

Result before contributions to sector solutions of DKK 295.9 mill. are considered very satisfactory and were achieved through additional investments in our production resources in order to deal with the continued growth. This gives rise to optimism with regard to continued consolidation in the coming years to underpin the sustainable growth strategy.

Contributions to sector solutions showed expenses of DKK 21.4 mill. In addition to ordinary contributions to the new depositor's guarantee scheme adopted in March 2012, this item includes the Bank's share of expenses incurred by the Winding Up and Restructuring Department.



Profit before tax amounted to DKK 274.5 mill. Tax was calculated at DKK 44.6 mill., and **profit after tax** which is equal to **comprehensive income** totalled DKK 229.9 mill. against DKK 158.8 mill. for the corresponding period last year.

Balance sheet

The Group **balance sheet** total amounted to DKK 38.2 bn. at the end of the first half of 2013, against DKK 36.8 bn. at the end of 2012.

Total **loans** amounted to DKK 18.5 bn. against DKK 17.8 bn. at the end of 2012. Customer influx, including the takeover of the customer portfolio from Østjydsk Bank, was the main reason for increasing loan levels.

The sum of large exposures amounting to 10% or more of capital base accumulated to 72% of capital base and comprised five exposures.

Deposits amounted to DKK 26.4 bn., demonstrating growth of DKK 2.7 bn. compared with the end of 2012. In the first half year of 2013, the Bank reduced deposits by about DKK 2 bn. when it redeemed deposits with state-guarantee taken up through "Bank Package II". Real growth of 4.7 bn. was generated from private as well as corporate customers, of which approx. DKK 1 bn. is attributable to customers from Østjydsk Bank, which was taken over in June 2013. We also see this as confirmation that we offer competitive terms and that our customers feel secure with Arbejdernes Landsbank.

The **securities portfolio** in the form of bonds, shares, etc. and investments in associates was reduced to DKK 14.4 bn. against DKK 15.7 bn. at the beginning of the year. As part of the agreement with Østjydsk Bank, the Bank acquired shares in DLR-Kredit in the amount of DKK 75 mill. but still only has a moderate ownership interest of less than 2% in the company.

Solvency and equity

At the end of the first half year, Group **solvency** was 13.3% with a **solvency need** of 9.2%. More information about the solvency need calculated quarterly is available on the Bank's website under [Solvency need](#), where the composition of solvency need is also described in more detail.

The **core capital ratio** was calculated at 12.5%. The capital base totalled DKK 3.6 bn. at the end of the half year, and weighted items totalled DKK 26.7 bn.

At the end of the first half of 2013, and after adding the profit after tax for the period, **equity** amounted to DKK 3.7 bn.

Liquidity

At the end of the first half year of 2013, the Group had a net deposits surplus of DKK 7.9 bn. and **liquidity ratio** buffers of 290% 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 3 bn., which matures in July 2013. If this funding is ignored, liquidity buffers amount to excess coverage of DKK 8.1 bn, corresponding to 240%.

The "supervisory diamond"

The supervisory diamond of the Danish FSA stipulates a number of special risk areas, stating limit values which, as a point of departure, banks should meet.

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

Arbejdernes Landsbank A/S complies with all the benchmarks of the supervisory diamond, as presented below.

Arbejdernes Landsbank position in the supervisory diamond

The supervisory diamond*)	Limit values	The Bank
Stable funding	< 1	0.6
Excess liquidity	> 50	297.3
Large exposures	< 125	72.3
Growth in loans	< 20	7.8
Property exposure	< 25	10.5

*) The definition of the financial ratios is explained on page 29.

Outlook for 2013

Group expectations for the 2nd half year of 2013 were characterised by moderate optimism with indications of emerging growth. No great changes in the balance sheet

are expected in the 2nd half year other than those arising from the continued influx of new customers.

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 growth. Arbejdernes Landsbank has a good reputation and, combined with attractive prices, this is helping maintain and develop deposits. In July 2013, the remaining part of the funding programme based on state-guarantees was redeemed, and the Bank has now redeemed about DKK 5 bn. The Bank still holds a comfortably large liquidity reserve, mainly invested in Danish and foreign mortgage-credit bonds and corporate bonds. The interest-rate risk 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 2012 we stated that the Bank expected a profit before tax of around DKK 325-350 mill. On the basis of the interim results, this figure has been adjusted upwards to DKK 400-450 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 systems are developed for risk management, and
- that a risk management policy and a risk framework are laid down.

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 2012 in which the most important risk factors are described. The Executive Management are responsible for ongoing risk management, including identifying and assessing individual risks associated with the Group's business activities.

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 2013 which have been significantly detrimental to the Group risk profile.

Changes in the economic climate have an impact on realising expectations regarding the level of write-downs. Uncertainty with regard to realisation of the expectations for the remaining part of 2013 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. In addition, there is a specific uncertainty in relation to the portfolio of loans and guarantees of around DKK 850 mill. taken over from Østjysk Bank at the end of June 2013 and which is not expected to be transferred to the Bank's IT platform until Q4 2013.

To a large extent, the Bank applies derivative financial instruments to hedge general changes in interest rates, but the Bank will be affected by fluctuations in credit spreads on the financial markets.

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 Management, including parties related to these as well as associates. Related parties also include shareholders who own more than 20% of the Bank's shares or has more than 20% of the voting rights.

Transactions with related parties are defined as ordinary financial business activities and operational services. Transactions with related parties are made at arm's length or calculated on the basis of actual costs. Please refer to the 2012 Annual Report for a more detailed description of transactions with related parties.

There have been no significant transactions with related parties in the first half year of 2013, except for a capital contribution to the Bankernes EDB Central, BEC of DKK 20.6 mill., after which the ownership interest amounts to 22.9% compared with 22.7% at the start of 2013.

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 period 1 January to 30 June 2013.

The consolidated financial statements are presented in accordance with IAS 34, Interim Financial Reporting, which have been approved by the EU, and the parent's financial statements and the management's review are presented in accordance with the Danish Financial Business Act. In addition, the interim report has been prepared in accordance with Danish disclosure requirements for interim financial reports of financial companies with 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 2013, 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 2013.

We also believe that the management's review provides a true and fair report 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, 13 August 2013

Executive Management:

Gert R. Jonassen
Chief Executive

Jan W. Andersen

The 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

Claus Jensen

Torben Möger Pedersen

Henrik Thagaard
Employee representative



Income statement and comprehensive income

Note		The Group		The Bank	
		30.06.2013 DKK '000	30.06.2012 DKK '000	30.06.2013 DKK '000	30.06.2012 DKK '000
Income statement					
6	Interest income	717,015	758,897	669,753	717,465
7	Interest expenses	-156,199	-188,224	-156,065	-187,751
	Net interest income	560,816	570,673	513,688	529,714
	Dividends from shares, etc.	48,938	13,110	48,938	13,110
8	Fees and commission income	196,093	190,675	170,719	169,462
	Fees and commission paid	-35,625	-37,921	-21,200	-26,956
	Net interest and fee income	770,222	736,537	712,145	685,330
9	Value adjustments	131,408	124,694	127,495	125,427
	Other operating income	42,065	42,447	18,722	21,215
10	Staff and administrative expenses	-572,752	-544,090	-527,587	-508,445
	Amortisation/depreciation as well as write-downs for impairment on intangible and tangible assets	-28,429	-26,684	-5,749	-6,974
11	Other operating expenses	-45,507	-34,259	-45,507	-34,259
12	Write-downs on loans and receivables, etc.	-88,924	-157,770	-84,225	-153,956
13	Profit from equity investments in associates and group companies	66,396	52,440	74,761	60,906
	Profit before tax	274,479	193,315	270,055	189,244
14	Tax	-44,612	-34,557	-40,188	-30,486
	Profit for the period	229,867	158,758	229,867	158,758
Comprehensive income					
	Profit for the period	229,867	158,758	229,867	158,758
	Other comprehensive income for the period	0	0	0	0
	Total comprehensive income for the period	229,867	158,758	229,867	158,758



Balance sheet

Note	The Group		The Bank		
	30.06.2013 DKK '000	31.12.2012 DKK '000	30.06.2013 DKK '000	31.12.2012 DKK '000	
Assets					
	Cash in hand and demand deposits with central banks	1,891,482	723,817	1,891,403	723,812
	Receivables from credit institutions and central banks	1,751,723	1,091,572	1,751,232	1,087,323
	Loans and other receivables at amortised cost	18,459,557	17,751,986	18,382,060	17,687,171
	Bonds at fair value	12,410,705	13,843,097	12,410,705	13,843,097
	Shares, etc.	978,247	916,114	978,247	916,114
	Equity investments in associates	989,468	921,900	989,468	921,900
	Equity investments in group companies	0	0	124,246	115,881
	Assets linked to pooled schemes	571,107	442,632	571,107	442,632
	Intangible assets	9,975	11,897	1,240	1,453
	Total land and buildings	626,921	628,508	626,921	628,508
	Investment properties	55,331	55,332	55,331	55,332
	Owner-occupied properties	571,590	573,176	571,590	573,176
	Other property, plant and equipment	172,906	180,772	55,524	59,055
	Current tax assets	0	0	8,808	13,842
	Deferred tax assets	9,504	10,887	33,732	32,573
	Other assets	268,844	289,438	253,792	277,200
	Accruals and deferred income	51,019	26,627	40,398	22,613
	Total assets	38,191,458	36,839,247	38,118,883	36,773,174
Liabilities					
Debt					
	Debt to credit institutions and central banks	2,306,536	4,081,768	2,306,536	4,081,768
	Deposits and other debt	26,384,546	23,664,299	26,375,518	23,657,937
	Deposits in pooled schemes	571,107	442,632	571,107	442,632
16	Issued bonds at amortised cost	3,113,675	3,090,796	3,112,681	3,089,802
	Current tax liabilities	22,355	15,439	0	0
	Other liabilities	1,255,850	1,088,357	1,225,310	1,054,608
	Accruals and deferred income	21,101	30,502	12,748	22,483
	Total debt	33,675,170	32,413,793	33,603,900	32,349,230
Provisions					
	Provisions for pensions and similar liabilities	10,200	10,200	10,200	10,200
	Provisions for losses on guarantees	8,496	9,229	8,496	9,229
	Other provisions	44,562	77,861	43,257	76,351
	Total provisions	63,258	97,290	61,953	95,780
Subordinated debt					
17	Subordinated debt	720,950	720,951	720,950	720,951
	Total subordinated debt	720,950	720,951	720,950	720,951
Equity					
	Share capital	300,000	300,000	300,000	300,000
	Revaluation reserves	203,593	203,593	203,593	203,593
	Other reserves	476,160	476,160	579,210	579,210
	Statutory reserves	476,160	476,160	579,210	579,210
	Retained earnings or losses	2,752,327	2,522,460	2,649,277	2,419,410
	Proposed dividend	0	105,000	0	105,000
	Total equity	3,732,080	3,607,213	3,732,080	3,607,213
	Total liabilities	38,191,458	36,839,247	38,118,883	36,773,174



Statement of changes in equity for 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 2013	300,000	203,593	476,160	2,522,460	105,000	3,607,213
Profit for the period		0	0	229,867	0	229,867
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	229,867	0	229,867
Dividend paid for 2012					-105,000	-105,000
Total changes in equity		0	0	229,867	-105,000	124,867
Equity as at 30 June 2013	300,000	203,593	476,160	2,752,327	0	3,732,080
Equity brought forward for 2012	300,000	186,241	360,865	2,286,154	24,000	3,157,260
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 2012	300,000	186,241	360,865	2,286,154	24,000	3,157,260
Profit for the period		0	115,295	236,306	105,000	456,601
Other comprehensive income		17,352		0		17,352
Total comprehensive income		17,352	115,295	236,306	105,000	473,953
Dividend paid for 2011					-24,000	-24,000
Total changes in equity		17,352	115,295	236,306	81,000	449,953
Equity at the end of 2012	300,000	203,593	476,160	2,522,460	105,000	3,607,213



Statement of changes in equity for 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 2013	300,000	203,593	579,210	2,419,410	105,000	3,607,213
Profit for the period		0	0	229,867	0	229,867
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	229,867	0	229,867
Dividend paid for 2012					-105,000	-105,000
Total changes in equity		0	0	229,867	-105,000	124,867
Equity as at 30 June 2013	300,000	203,593	579,210	2,649,277	0	3,732,080
Equity brought forward for 2012	300,000	186,241	443,270	2,203,749	24,000	3,157,260
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 2012	300,000	186,241	443,270	2,203,749	24,000	3,157,260
Profit for the period		0	135,940	215,661	105,000	456,601
Other comprehensive income		17,352	0	0		17,352
Total comprehensive income		17,352	135,940	215,661	105,000	473,953
Dividend paid for 2011					-24,000	-24,000
Total changes in equity		17,352	135,940	215,661	81,000	449,953
Equity at the end of 2012	300,000	203,593	579,210	2,419,410	105,000	3,607,213



Cash flow statement *

Note	The Group		The Bank	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	DKK '000	DKK '000	DKK '000	DKK '000
Profit before tax for the period	274,479	193,315	270,055	189,244
Adjustment for non-cash operating items				
Depreciation, amortisation and write-downs of intangible assets	2,648	1,927	213	213
Depreciation, amortisation and revaluations of property, plant and equipment	25,781	24,757	5,536	6,761
Write-downs on loans etc.	88,924	157,770	84,225	153,956
Net profit for the year adjusted for non-cash operating items	391,832	377,769	360,029	350,174
Loans and receivables from credit institutions, etc.	-305,776	187,468	-294,026	178,809
Bonds and shares	1,370,259	-288,651	1,370,259	-288,651
Deposits and debt to credit institutions, etc.	1,073,490	1,365,505	1,070,824	1,357,587
Other working capital	-114,796	-164,327	-108,016	-140,282
Change in working capital	2,023,177	1,099,995	2,039,041	1,107,463
Cash flows from operating activities	2,415,009	1,477,764	2,399,070	1,457,637
Purchases of intangible assets	-726	-2,050	0	0
Acquisition of property, plant and equipment	-37,842	-47,536	-4,783	-15,216
Sales of property, plant and equipment	21,513	15,120	4,364	851
Purchases and sales of equity investments in associates and group companies	-20,572	-3,792	-20,572	-3,792
Cash flows from investment activities	-37,627	-38,258	-20,991	-18,157
Issued bonds	22,879	-419,795	22,879	-419,795
Dividend paid	-105,000	-24,000	-105,000	-24,000
Cash flows from financing activities	-82,121	-443,795	-82,121	-443,795
Change in cash and cash equivalents	2,295,261	995,711	2,295,958	995,685
Cash and cash equivalents brought forward	1,318,406	932,995	1,317,430	932,724
Cash and cash equivalents carried forward	3,613,667	1,928,706	3,613,388	1,928,409

* Includes value adjustments of security and currency forward transactions.



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Note 1. Accounting policies

The Group interim financial statements is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the IFRS Executive Order for 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 companies, etc. Interim financial statements for the Group and the Parent Company are also presented in accordance with further Danish disclosure requirements for interim financial reports for financial undertakings which have issued listed securities.

Apart from the information provided below, the accounting policies in this interim report are unchanged in relation to the accounting policies in the consolidated financial statements and the parent's financial statements for 2012. The annual report for 2012 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 2012 for further descriptions of the accounting policies.

Changes in accounting policies

As of 1 January 2013, Arbejdernes Landsbank has implemented the following new and changed standards and interpretations:

- IAS 1, Presentation of Financial Statements Presentation of other comprehensive income (June 2011)
- IAS 19, Employee Benefits: Recognition, presentation and information on pension schemes based on benefits (June 2011)
- IFRS 7, Financial instruments: Disclosures
- IFRS 13, Fair Value Measurement

The implementation of the changed IAS 1 means that the items in other comprehensive income is broken down by items which may be reclassified to the result at a later stage in relation to other standards and items, respectively, which cannot be reclassified to the result at a later stage. This implementation will not affect total amounts for other

comprehensive income, and the Group has no amounts in the interim financial statements for recognition under other comprehensive income.

The implementation of the changed IAS 19 means that all changes in the expected pension liabilities and assets of the pension scheme must be recognised immediately.

Furthermore, presentation concerning pension schemes based on benefits is changed in the statement of comprehensive income such that annual pension costs and the calculated interest on net liability/asset at the beginning of the period are recognised in the result, whereas actuarial gains and losses (due to remeasurement) are recognised in other comprehensive income. There is no changed effect hereof in the financial statements.

The change in IFRS 13 and section 38a of the Danish Executive Order on the Presentation of Financial Statements specify that the fair value of an asset or liability is the listed price of an asset (market) of the asset or liability concerned. If there is no active market, fair value is measured by means of an appropriate valuation method encompassing all data available which market participants are assumed to want to take into account when setting prices, as the use of relevant observable data is maximised and the use of non-observable data is minimised. There is no changed effect hereof in the financial statements.

In addition, the implementation of IFRS 13 and the consequential corrections in IAS 34 means that further information is provided in the interim financial report concerning fair values of financial instruments, which is seen in note 21.

The implementation of the change to IFRS 7 has not affected the interim financial report as the Group has not made set-offs in financial instruments.

The interim report is presented in Danish kroner (DKK) which is the functional currency of the Parent and rounded off to the nearest DKK 1,000.



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 2013, are the same as for preparing the annual report for 2012. Please refer to this annual report.

Unusual circumstances

The interim report for the first half year of 2013 has been affected by the following unusual circumstances:

Business activities managed by other credit institutions

On account of the takeover of the Østjydsk Bank portfolio as of 26 June 2013 with business activities within deposits, loans and guarantees totalling DKK 1.7 bn., the 2013 interim report reflects uncertainty about correct recognition and distribution as the business activities have not been converted into the Bank and the Bank's IT platform.

Note 3. Events occurring after expiry of the accounting period

No events have been assessed to have taken place, other than the circumstances mentioned in the expectations for the rest of 2013, which significantly affect the financial position of the Group and the Bank.



Note	The Group		The Bank	
	30.06.2013 DKK '000	31.12.2012 DKK '000	30.06.2013 DKK '000	31.12.2012 DKK '000
4 Capital and solvency				
Transformation from equity to capital base				
Equity	3,732,080	3,607,213	3,732,080	3,607,213
Interim results recognised	-229,867	0	-229,867	0
Proposed dividend	0	-105,000	0	-105,000
Intangible assets	-9,975	-11,897	-1,240	-1,453
Deferred tax assets	-9,504	-10,887	-33,732	-32,573
Revaluation reserves	-203,593	-203,593	-203,593	-203,593
Core capital after primary deductions	3,279,141	3,275,836	3,263,648	3,264,594
Hybrid core capital	392,950	392,951	392,950	392,951
Deductions *)	-321,425	-267,058	-322,200	-267,058
Core capital after deductions	3,350,666	3,401,729	3,334,398	3,390,487
Subordinated debt	328,000	328,000	328,000	328,000
Revaluation reserves	203,593	203,593	203,593	203,593
Capital base before deductions	3,882,259	3,933,322	3,865,991	3,922,080
Deductions *)	-321,426	-267,058	-322,200	-267,058
Capital base	3,560,833	3,666,264	3,543,791	3,655,022
*) Deductions pursuant to section 31(1), nos. 10, 12 and 13 of the Danish Executive Order on Calculation of Capital Base				
Capital requirement from pillar I (8%)	2,137,709	2,005,477	2,151,343	2,007,262
Weighted items				
Items with credit risk	18,437,384	17,325,567	18,774,948	17,629,755
Items with market risk	5,374,506	4,833,423	5,459,342	4,803,523
Items with operational risk	2,909,470	2,909,470	2,657,494	2,657,494
Total weighted items	26,721,360	25,068,460	26,891,784	25,090,772
Solvency ratio	13.3	14.6	13.2	14.6

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 Bank's group company; AL Finans. The return on these activities is expressed in the core profit, see the core earnings model on page 4 in the interim report. Activities under core profit 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 profit and investment portfolio earnings as one item.



Note	The Group		The Bank	
	30.06.2013 DKK '000	30.06.2012 DKK '000	30.06.2013 DKK '000	30.06.2012 DKK '000
6 Interest income				
Receivables from credit institutions and central banks	285	11,920	264	11,866
Loans at amortised cost	620,959	603,365	571,012	560,565
Interest on written-down exposures	-12,879	-14,049	-12,879	-14,049
Bonds	118,411	167,992	118,411	167,992
Derivative financial instruments				
Currency contracts	2,360	-3,725	2,360	-3,725
Interest-rate contracts	-12,122	-6,998	-9,416	-5,576
Share contracts	0	0	0	0
Total derivative financial instruments	-9,762	-10,723	-7,056	-9,301
Other interest income	1	392	1	392
Total interest income	717,015	758,897	669,753	717,465
Of which genuine purchase and resale transactions recognised under				
Receivables from credit institutions and central banks	-679	1,031	-679	1,031
7 Interest expenses				
Debt to credit institutions and central banks	-3,363	-20,829	-3,363	-20,829
Deposits and other debt	-116,398	-115,651	-116,262	-115,371
Issued bonds	-16,905	-28,684	-16,905	-28,684
Subordinated debt	-19,522	-22,862	-19,522	-22,862
Other interest expenses	-11	-198	-13	-5
Total interest expenses	-156,199	-188,224	-156,065	-187,751
Of which genuine sale and repurchase transactions recognised under				
Debt to credit institutions and central banks	-743	-1,127	-743	-1,127
8 Fees and commission income				
Securities trading and custody accounts	34,518	31,626	34,518	31,626
Money transmission services	42,665	41,711	42,665	41,711
Loan fees	66,172	70,686	57,398	62,208
Guarantee commission	11,568	11,195	11,737	11,329
Other fees and commissions	41,170	35,457	24,401	22,588
Total fees and commission income	196,093	190,675	170,719	169,462
9 Value adjustments				
Bonds	25,267	153,814	25,267	153,814
Shares, etc.	8,318	15,415	8,318	15,415
Currency	11,105	8,430	10,951	8,040
Derivative financial instruments				
Currency contracts	-1,254	20,551	-1,254	20,551
Interest-rate contracts	90,338	-75,887	86,579	-74,764
Share contracts	706	2,104	706	2,104
Total derivative financial instruments	89,790	-53,232	86,031	-52,109
Assets linked to pooled schemes	10,953	18,959	10,953	18,959
Deposits in pooled schemes	-10,953	-18,959	-10,953	-18,959
Other assets	-3,072	267	-3,072	267
Other liabilities	0	0	0	0
Total value adjustments	131,408	124,694	127,495	125,427



Note	The Group		The Bank	
	30.06.2013 DKK '000	30.06.2012 DKK '000	30.06.2013 DKK '000	30.06.2012 DKK '000
10 Staff and administrative expenses				
Emoluments to the Board of Directors, Executive Management and the Board of Representatives				
Executive Management	-3,035	-3,335	-3,025	-3,325
Board of Directors	-861	-822	-861	-822
Board of Representatives	-270	-262	-270	-262
Total	-4,166	-4,419	-4,156	-4,409
Staff costs				
Salaries	-288,185	-282,695	-260,643	-261,414
Pensions	-30,919	-30,014	-28,540	-27,959
Social security expenses	-3,136	-2,974	-3,062	-2,818
Payroll tax	-28,024	-24,952	-25,720	-23,056
Total	-350,264	-340,635	-317,965	-315,247
Other administrative expenses	-218,322	-199,036	-205,466	-188,789
Total staff and administrative expenses	-572,752	-544,090	-527,587	-508,445
11 Other operating expenses				
Expenses for the Guarantee Fund for Depositors and Investors	-21,422	-12,432	-21,422	-12,432
Expenses for operating the Bank's properties	-21,803	-17,371	-21,803	-17,371
Other operating expenses	-2,282	-4,456	-2,282	-4,456
Total other operating expenses	-45,507	-34,259	-45,507	-34,259



Note	The Group		The Bank	
	30.06.2013 DKK '000	30.06.2012 DKK '000	30.06.2013 DKK '000	30.06.2012 DKK '000
12 Write-downs on loans and provisions for guarantees, etc.				
Write-downs and provisions				
Write-downs and provisions, brought forward	1,120,713	893,576	1,112,677	879,568
Write-downs and provisions for the period	357,204	251,190	351,034	246,010
Reversal of write-downs and provisions for the period	-271,783	-98,443	-269,757	-94,864
Actual loss (written off) previously written down	-41,742	-30,571	-39,654	-26,672
Interest adjustment	12,879	14,049	12,879	14,049
Total write-downs and provisions, carried forward	1,177,271	1,029,801	1,167,179	1,018,091
Write-downs on loans, etc., carried forward	1,150,829	1,003,974	1,140,737	992,264
Provisions on guarantees, etc., carried forward	8,495	8,658	8,495	8,658
Write-downs/provisions on other items, carried forward	17,947	17,169	17,947	17,169
Total write-downs and provisions, carried forward	1,177,271	1,029,801	1,167,179	1,018,091
Net impact recognised in the income statement				
Net write-downs and provisions for the period	-85,421	-152,747	-81,277	-151,146
Losses, not previously written down	-8,577	-9,540	-7,106	-7,063
Recognised in claims previously written-down	5,074	4,517	4,158	4,253
Total net impact recognised in the income statement	-88,924	-157,770	-84,225	-153,956
Individual write-downs on loans				
Individual write-downs on loans, brought forward	1,036,597	812,321	1,029,135	799,650
Write-downs for the period	332,125	235,907	327,634	230,908
Reversal of write-downs during the period	-246,006	-79,474	-244,554	-76,732
Actual loss (written off) previously written down	-41,742	-30,571	-39,654	-26,672
Interest adjustment	11,527	12,581	11,527	12,581
Total individual write-downs on loans, carried forward	1,092,501	950,764	1,084,088	939,735
Individual provisions on guarantees, etc.				
Individual provisions on guarantees, brought forward	4,550	5,566	4,550	5,566
Provisions during the period	55	883	55	883
Reversal of provisions during the period	-856	-2,589	-856	-2,589
Actual loss (written off) previously provided	0	0	0	0
Total individual write-downs on loans, carried forward	3,749	3,860	3,749	3,860
Individual write-downs on credit institutions				
Written down/provided, brought forward	17,252	17,201	17,252	17,201
Write-downs/provisions for the period	0	0	0	0
Reversal of write-downs/provisions during the period	-5	-32	-5	-32
Total write-downs/provisions on other items, carried forward	17,247	17,169	17,247	17,169
Individual provisions for other items				
Written down/provided, brought forward	9,054	0	9,054	0
Write-downs/provisions for the period	700	0	700	0
Reversal of write-downs/provisions during the period	-9,054	0	-9,054	0
Total write-downs/provisions on other items, carried forward	700	0	700	0
Group write-downs on loans				
Group write-downs on loans, brought forward	48,581	54,229	48,007	52,892
Write-downs for the period	23,782	13,647	22,103	13,466
Reversal of write-downs during the period	-15,387	-16,134	-14,813	-15,297
Interest adjustment	1,352	1,468	1,352	1,468
Total group write-downs on loans, carried forward	58,328	53,210	56,649	52,529
Group provisions on guarantees, etc.				
Group provisions on guarantees brought forward	4,679	4,259	4,679	4,259
Provisions during the period	542	753	542	753
Reversal of provisions during the period	-475	-214	-475	-214
Total group provisions on guarantees, etc., carried forward	4,746	4,798	4,746	4,798



Note	The Group		The Bank	
	30.06.2013 DKK '000	30.06.2012 DKK '000	30.06.2013 DKK '000	30.06.2012 DKK '000
13 Profit from equity investments in associates and group companies				
Profit from equity investments in associates	66,396	52,440	66,396	52,440
Profit from equity investments in group companies	0	0	8,365	8,466
Total profit from equity investments in associates and group companies	66,396	52,440	74,761	60,906
14 Tax				
Calculated tax of income for the period	-49,549	0	-39,367	0
Change in deferred tax concerning the income period	3,546	-34,639	-2,212	-30,568
Change of corporation tax rate (from 25% to 22%)	-2,153	0	-2,153	0
Adjustments concerning previous year	3,544	82	3,544	82
Total tax	-44,612	-34,557	-40,188	-30,486
Tax for the half year by type				
Calculated tax on profit before tax for the year at 25%	-68,620	-48,329	-67,514	-47,311
Tax base of non-deductible expenses	-6,635	-2,381	-5,346	-1,398
Tax base of profit in associates	16,599	13,110	16,599	13,110
Tax base of non-taxable gains	12,653	2,961	14,682	5,031
Change of corporation tax rate (from 25% to 22%)	-2,153	0	-2,153	0
Adjustment regarding previous years	3,544	82	3,544	82
Total tax	-44,612	-34,557	-40,188	-30,486
15 Dividends				

On 12 March 2013, an ordinary dividend of DKK 105 mill., corresponding to DKK 350 per share of nominally DKK 1,000, was paid to the shareholders. (2012: DKK 80 per share).



Note	The Group		The Bank	
	30.06.2013 DKK '000	31.12.2012 DKK '000	30.06.2013 DKK '000	31.12.2012 DKK '000
16 Issued bonds at amortised cost				
Bonds listed on the London Stock Exchange *)	2,851,200	2,829,550	2,851,200	2,829,550
Bonds listed on the Irish Stock Exchange	250,000	250,000	250,000	250,000
Other bonds	12,475	11,246	11,481	10,252
Total issued bonds at amortised cost	3,113,675	3,090,796	3,112,681	3,089,802
Bonds issued during the period	0	0	0	0
Bonds redeemed during the period	0	500,000	0	500,000
*) The bonds are guaranteed by the Danish state				
17 Subordinated debt				
Subordinated debt in the form of supplementary capital				
VaR 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				
VaR per cent nominally; DKK 393.0 mill. Infinite duration may be redeemed before maturity on 23 May 2018	392,950	392,951	392,950	392,951
Total subordinated debt	720,950	720,951	720,950	720,951
Subordinated debt recognised when calculating capital base	720,950	720,951	720,950	720,951
18 Collateral				
For collateral deposited with Danmarks Nationalbank				
Market value of bonds	3,332,527	3,568,172	3,332,527	3,568,172
Of which surplus collateral	3,332,527	3,568,172	3,332,527	3,568,172
19 Loans and guarantees before write-downs analysed by sector				
Public authorities	49,981	107,311	49,846	107,065
Corporate customers				
Agriculture, hunting, forestry and fisheries	82,427	64,335	76,446	59,983
Industry and minerals	570,087	484,035	309,832	225,863
Energy supply	4,681	1,814	2,819	864
Building and construction	718,400	636,713	641,257	567,016
Trade	1,022,486	915,196	613,324	618,826
Transport, hotels and restaurants	625,937	613,102	567,136	546,549
Information and communication	187,196	183,213	145,571	142,736
Financing and insurance	1,356,483	1,349,130	3,794,713	3,593,943
Real property	2,214,281	1,766,827	2,205,835	1,760,782
Other corporate	2,313,666	2,371,627	2,145,650	2,151,548
Total corporate customers	9,095,644	8,385,992	10,502,583	9,668,110
Private customers	13,263,464	12,400,598	11,769,071	11,045,874
Total	22,409,089	20,893,901	22,321,500	20,821,049



Note	The Group		The Bank		
	30.06.2013 DKK '000	31.12.2012 DKK '000	30.06.2013 DKK '000	31.12.2012 DKK '000	
20	Contingent liabilities				
	Guarantees				
	Financial guarantees	978,507	525,712	978,507	525,712
	Guarantees for losses on mortgage loans	248,937	162,970	248,937	162,970
	Private Contingency Association	0	1,464	0	1,464
	Land registration and conversion guarantees	11,400	8,226	11,400	8,226
	Collateral for group companies	0	0	35,200	35,200
	Other guarantees	1,551,364	1,349,135	1,516,164	1,313,935
	Total guarantees	2,790,208	2,047,507	2,790,208	2,047,507
	Other contingent liabilities				
	Irrevocable credit commitments less than 1 year	1,130,127	1,061,453	518,000	475,000
	Unutilised pension commitments	15,900	15,900	15,900	15,900
	Other liabilities	6,350	5,775	6,350	5,775
	Total other contingent liabilities	1,152,377	1,083,128	540,250	496,675
	Total contingent liabilities	3,942,585	3,130,635	3,330,458	2,544,182

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.

Note
21 Financial assets and liabilities admitted at fair value
Methods to measure fair value

Fair value is the price which can be obtained by selling an asset, or which must be paid in order to transfer a liability through a regular transaction between independent market participants at the time of measure.

All active markets use officially listed closing prices as fair value. For financial assets and liabilities, where closing price is not available or is not assessed to reflect the fair value, assessment techniques and other observable market information are used to establish the fair value.

In cases where observable prices based on market information are not available or not deemed to be useful in establishing fair value, recognised techniques and own assumptions are used to establish fair value. Assumptions may be recent transactions in comparable assets or liabilities, interest rates, exchange rates, volatility, credit spread etc.

	Listed prices DKK '000	Observable input DKK '000	Non-observ- able input DKK '000	Total DKK '000
Group 30 June 2013				
Financial assets				
Bonds at fair value	10,770,103	1,640,602	0	12,410,705
Shares, etc.	243,282	0	734,965	978,247
Derivative financial instruments	0	57,854	0	57,854
Total financial assets	11,013,385	1,698,456	734,965	13,446,806
Financial liabilities				
Derivative financial instruments	0	122,518	0	122,518
Total financial liabilities	0	122,518	0	122,518
Group 31 December 2012				
Financial assets				
Bonds at fair value	12,126,421	1,716,676	0	13,843,097
Shares, etc.	250,674	0	665,440	916,114
Derivative financial instruments	0	39,552	0	39,552
Total financial assets	12,377,095	1,756,228	665,440	14,798,763
Financial liabilities				
Derivative financial instruments	0	204,145	0	204,145
Total financial liabilities	0	204,145	0	204,145
30.06.2013				
DKK '000				
31.12.2012				
DKK '000				
The Group				
Non-observable input				
Fair value brought forward			665,440	643,163
Capital gain/loss for the year in the income statement			-14,009	22,918
Net purchase for the year *)			83,534	-641
Total fair value carried forward			734,965	665,440

*) Of this DKK 75.0 mill. in 2013 is attributable to purchase of shares in DLR Kredit in connection with the Bank's acquisition of three branches from Østjysk Bank.



Note	30.06.2013 DKK '000	31.12.2012 DKK '000
22 Group Overview		
Aktieselskabet Arbejdernes Landsbank Copenhagen		
AL Finans A/S Glostrup		
Share capital	6,000	6,000
Equity	111,515	103,152
Ownership interest (%)	100	100
Profit for the period	8,363	20,707
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 2013, the company employed 77.5 employees on average, converted to full-time employees.		
Handels ApS Panoptikon Copenhagen		
Share capital	500	500
Equity	12,731	12,729
Ownership interest (%)	100	100
Profit for the period	2	5
The company is not currently active. In the first half year of 2013, the company has not employed any staff. All subsidiaries are fully owned by the Parent Company.		



Note	30.06.2013 DKK '000	30.06.2012 DKK '000	31.12.2012 DKK '000
23 Financial and operating data for the Bank			
Income statement – according to the core earnings model			
Net interest income	529,997	506,328	1,040,163
Net fees and commission income etc.	148,031	150,746	291,426
Core earnings, excl. trading earnings	678,028	657,074	1,331,589
Trading earnings	42,274	42,611	95,700
Total core earnings	720,302	699,685	1,427,289
Staff costs	-316,174	-314,637	-621,562
Administrative costs and depreciation/amortisation	-232,811	-215,258	-440,579
Core profit before write-downs	171,317	169,790	365,148
Write-downs on loans, etc.	-84,225	-153,956	-270,887
Core profit	87,092	15,834	94,261
Investment portfolio earnings, excl. investment securities	134,578	149,672	378,919
Investment securities	69,807	36,170	103,200
Profit before sector solutions	291,477	201,676	576,380
Contributions to sector solutions	-21,422	-12,432	-26,015
Profit before tax	270,055	189,244	550,365
Tax	-40,188	-30,486	-93,764
Profit	229,867	158,758	456,601
Other financial and operating data			
Net interest and fee income	712,145	685,330	1,390,745
Value adjustments	127,495	125,427	346,363
Staff and administrative expenses	-527,587	-508,445	-1,020,373
Profit from equity investments in associates and group companies	74,761	60,906	148,747
Loans	18,382,060	16,923,806	17,687,171
Bonds at fair value	12,410,705	13,302,721	13,843,097
Deposits incl. pools	26,946,625	23,746,138	24,100,569
Issued bonds at amortised cost	3,112,681	3,211,123	3,089,082
Subordinated debt	720,950	720,950	720,951
Equity	3,732,080	3,292,018	3,607,213
Total assets	38,118,883	35,772,587	36,773,174
Total contingent liabilities	3,330,458	3,181,804	2,544,182



Note		30.06.2013	30.06.2012	31.12.2012
24	Financial ratios for the Bank			
	Solvency			
	Solvency ratio	% 13.2	13.0	14.6
	Core capital ratio	% 12.4	12.0	13.5
	Earnings			
	Return on equity before tax	% 7.4	5.9	16.3
	Return on equity after tax	% 6.3	4.9	13.5
	Ratio of operating income to operating expenses per DKK	DKK 1.41	1.27	1.40
	Earnings per share (DKK 1,000 nominal)	DKK 766.2	529.2	1,522.0
	Market risk			
	Interest-rate risk	% -1.6	-0.5	-1.4
	Currency position	% 3.0	7.2	3.3
	Currency risk	% 0.1	0.1	0.0
	Liquidity			
	Loans plus write-downs in relation to deposits	% 72.4	75.4	77.9
	Excess liquidity in relation to statutory requirements for liquidity	% 297.2	229.5	268.0
	Credit			
	Sum of large exposures	% 72.3	59.7	35.5
	Write-down ratio for the period	% 0.4	0.8	1.3
	Growth in loans for the period	% 4.0	-0.1	3.5
	Loans in relation to equity	4.9	5.1	4.9
	Equity			
	Equity value	DKK 1,244.0	1,097.3	1,202.4
	Proposed dividend per share (DKK 1,000 nominal)	DKK 0.0	0.0	350.0
	Employees			
	Average number of employees during the financial year converted to full-time employees	991	984	987

*) The definition of growth in loans for the period was changed in the 2nd half year of 2012. Comparative figures have been adjusted.

Note
25 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 (EPS) 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 per DKK =	$\frac{\text{Income}}{\text{Costs (excl. tax)}}$
6. Interest-rate risk =	$\frac{\text{Interest-rate risk} \times 100}{\text{Core capital after deductions}}$
7. Currency position =	$\frac{\text{Currency indicator 1} \times 100}{\text{Core capital after deductions}}$
8. Currency risk =	$\frac{\text{Currency indicator 2} \times 100}{\text{Core capital after deductions}}$
9. Loans plus 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 =	$\frac{(\text{Loans, excl. repo transactions carried forward} - \text{loans, excl. repo transactions brought forward}) \times 100}{\text{Loans, excl. repo transactions brought forward}}$
12. Excess liquidity in relation to statutory requirements for liquidity *) =	$\frac{\text{Surplus liquidity after compliance with section 152, no. 2 of the Danish Financial Business Act}}{\text{The 10\% statutory requirement}}$
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 =	$\frac{\text{Write-downs on loans and guarantees for the period} \times 100}{\text{Loans} + \text{write-downs} + \text{guarantees}}$

Supplementary financial ratios

15. Earnings per DKK 1,000 nominal share =	$\frac{\text{Profit}}{\text{No. DKK 1,000 shares}}$
16. Equity value =	$\frac{\text{Equity} \times 100}{\text{Share capital}}$
17. Proposed dividend per DKK 1,000 nominal share =	$\frac{\text{Dividend yield} \times \text{nominal value of the share}}{100}$
18. Growth in loans *) =	$\frac{(\text{Loans, excl. repo transactions carried forward} - \text{loans, excl. repo transactions carried forward}) \times 100}{\text{Loans carried forward 1 year previously}}$
19. Property exposure *) =	$\frac{(\text{Gross loans and guarantees within the sector "Completion of building projects"} + \text{the sector "Real property"}) \times 100}{\text{Gross loans} + \text{guarantees}}$
20. Stable funding *) =	$\frac{\text{Loans}}{\text{Sum of deposits incl. pools} + \text{issued bonds with remaining term} > 1 \text{ year} + \text{subordinated debt} + \text{equity}}$

*) Financial ratio used in the Danish FSA supervisory diamond

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