


Interim Report 2011



AKTIESELSKABET

 **Arbejdernes Landsbank**

CVR-no. 31 46 70 12, Copenhagen



Gert R. Jonassen
Chief Executive



Ebbe Castella
Executive Bank Director



Jan Walther Andersen
Executive Bank Director

Interim report 2011

- 1 Sound bank with sound values
- 2 Financial and operating data for the Group
- 3 Financial ratios for the Group

Management's review

- 4 First half year of 2011
for the Arbejdernes Landsbank Group
- 5 Outlook for 2011
- 6 Risk and uncertainty
- 6 Related parties
- 6 Benchmarks from the Danish Financial
Supervisory Authority

Interim financial statements

- 9 Statement by management
- 10 Income statement and comprehensive income
- 11 Balance sheet
- 12 Statement of changes in equity for the Group
- 13 Statement of changes in equity for the Bank
- 14 Cash flow statement
- 15 Overview of notes
- 16 Notes

Sound bank with sound values



The first half of 2011 saw significant public concern about the health of the financial sector. Several banks had to relinquish their status as independent banks and accept take-over by the government Financial Stability Company.

During the first half year, Arbejdernes Landsbank received hybrid core capital of DKK 400 million, which has only been offered to the Bank's shareholders and to selected large institutional investors with links to the owner group. The fact that the issue was fully subscribed without using state guarantees is witness to the great support enjoyed by the Bank from our shareholders, who have confidence that Arbejdernes Landsbank is running a sound business. With this new capital on-board, in the future we will continue to be able to convince current and potential customers that Arbejdernes Landsbank remains an exceptionally safe place to keep their money. The group solvency ratio at the end of June was 13.6, while the core capital ratio was 12.7.

Arbejdernes Landsbank is in a favourable position, with stronger solidity and extremely good liquidity.

However, there should be no doubt that, in common with other healthy banks, supporting banks in distress through the guarantee scheme for depositors is eating into Arbejdernes Landsbank's resources.

The Group's profit for the half year of DKK 20.3 million before tax does not live up to our previous expectations, which were at about DKK 60 million before tax. We have been too optimistic with regard to write-downs and we have had too much confidence in our

belief that write-downs had peaked. The Bank has also felt the effects of the recent market falls on our relatively large holdings in securities. Expectations for the result for the year have been adjusted downwards to around DKK 50 million before tax.

Private customers from the previous Roskilde Bank who were stranded in the Financial Stability Company are being absorbed by the Bank according to plan, and we are working industriously to put together durable financial solutions that benefit customers and the Bank.

We are pleased to see that during the first half year the Bank has grown by 5,000 customers to a total of 210,000.

In January we launched our new concept for private customers which centres on us talking with our customers about values, with focus on how the Bank can help our customers fulfil their needs and wishes. Many customers have now had a values interview and they have been very pleased with the 'bird's eye view' of their situation, which usually encourages them to reflect on what values and factors are important in their lives.

Independent customer surveys in 2010 have again confirmed that customers at Arbejdernes Landsbank are the most satisfied - and we have no intentions of changing this!

We on the Board believe there is a good and solid foundation for continued development of the Bank to the benefit of owners, employees and customers.

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

	30.06.2011	30.06.2010	31.12.2010
	DKK '000	DKK '000	DKK '000
Income statement according to the core earnings model			
Net interest income	487,113	457,549	932,373
Net fees and commission income, etc.	158,696	144,602	303,778
Core earnings, excl. trade earnings	645,809	602,151	1,236,151
Trade earnings	38,763	45,424	97,721
Total core earnings	684,572	647,575	1,333,872
Staff costs	-334,250	-304,442	-627,108
Administration expenses and depreciation/amortisation	-247,196	-221,716	-491,074
Core results before write-downs	103,126	121,417	215,690
Write-downs on loans, etc.	-94,264	-74,525	-174,897
Core results	8,862	46,892	40,793
Investment portfolio earnings, excl. investment securities	16,965	-8,548	80,981
Investment securities	48,839	66,941	114,174
Profit before sector solutions	74,666	105,285	235,948
Contributions for sector solutions	-54,406	-59,441	-107,162
Profit before tax	20,260	45,844	128,786
Taxes	7,957	10,418	5,109
Profit	28,217	56,262	133,895
Other financial and operating data			
Net interest and fee income	691,031	675,478	1,349,935
Value adjustments	-8,581	-43,751	27,143
Staff and administrative expenses	-549,840	-497,958	-1,064,412
Profit from equity investments in associates and group enterprises	39,107	48,408	101,433
Loans and other receivables at amortised cost	17,089,487	16,816,095	16,933,065
Bonds at fair value	11,649,217	10,557,199	10,464,216
Deposits, incl. pools	22,425,424	21,394,238	20,946,291
Issued bonds at amortised cost	3,088,856	814,231	3,614,444
Subordinated debt	718,525	328,000	328,000
Equity	3,122,440	2,995,973	3,118,224
Total assets	33,326,287	31,891,459	32,385,274
Total contingent liabilities	4,032,198	4,969,045	4,180,600

A/S Arbejdernes Landsbank – Group

Financial ratios

		30.06.2011	30.06.2010	31.12.2010
Solvency				
Solvency ratio	%	13.6	12.2	13.1
Core capital ratio	%	12.7	11.3	12.0
Solvency need	%	9.0	8.2	9.0
Earnings				
Return on equity before tax	%	0.6	1.5	4.3
Return on equity after tax	%	0.9	1.9	4.4
Ratio of operating income to operating expenses	DKK	1.03	1.07	1.09
Earnings per share (DKK 1,000)	DKK	94.1	187.5	446.2
Earnings per diluted share (DKK 1,000)	DKK	94.1	187.5	446.2
Market risk				
Interest-rate risk	%	3.0	2.3	3.3
Currency position	%	4.5	7.6	8.0
Exchange-rate risk	%	0.1	0.2	0.1
Liquidity				
Loans and write-downs in relation to deposits	%	79.7	81.5	84.2
Excess liquidity in relation to statutory requirements for liquidity	%	217.5	233.7	232.2
Credit				
Sum of large exposures *)	%	56.2	56.1	65.5
Write-down ratio for the period	%	0.5	0.5	1.1
Growth in loans for the period	%	0.9	-0.8	-0.1
Loans in relation to equity		5.5	5.6	5.4
Equity				
Equity value	DKK	1,040.8	998.7	1,039.4
Proposed dividend per share (DKK 1,000)	DKK	0.0	0.0	80.0
Employees				
Average number of employees converted to full-time employees		1,048	1,039	1,040

*) The definition of financial ratios was changed in 2010. Comparative figures have been adjusted.



First half year of 2011 for the Arbejdernes Landsbank Group

Income statement

Core earnings for the first half year 2011 amounted to DKK 684.6 mill. against DKK 647.6 mill. for the corresponding period last year. The increase is the result of greater activity resulting from a better inflow of customers and improvement in the interest-rate differential.

Net fees and commission income increased by DKK 14.1 mill. to DKK 158.7 mill. and this is very much due to the increase in customers. The prevailing unrest in the financial markets, however, means that many customers are less willing to invest and this is apparent in that **trading earnings** have fallen by DKK 6.6 mill. to DKK 38.8 mill.

Staff costs amounted to DKK 334.3 mill., corresponding to an increase of 9.8 per cent which is attributable to collective agreements, increases in the rate of payroll taxes and an increase in the number of employees. Compared with the first half of 2010, the number of employees has risen by an average of nine and this is partly due to employees from the Financial Stability Company, who decided to move to the Bank when the portfolio of private customers from the previous Roskilde Bank was transferred to the Bank.

Administration expenses and depreciation totalled DKK 247.2 mill. compared with DKK 221.7 mill. for the first half year of 2010, corresponding to an increase of 11.5 per cent. Increasing IT and marketing costs, and a general upgrading of the Bank's branches, as well as the subsidiary AL Finans are significant reasons behind this.

Core results before write-downs amounted to DKK 103.1 mill. and this is better than expected. Amongst other things, this is because of higher core earnings than expected. However, this is still a decrease of DKK 18.3 mill. compared with the first half year of 2010. The decrease is due to higher costs, and this should be considered in the context of an expected increased growth in customer-oriented activities.

Write-downs on loans, etc. totalled DKK 94.3 mill., which is more than expected. This is primarily due to the impact of a number of one-off cases, and the position of ordinary loan customers is still deemed to be no worse than forecast. However, customers' opportunities for consolidation have turned out to have longer perspectives than previously assumed. The Group still has sharp focus on this area. The original objective of a loss rate of 0.5 per cent will be difficult to realise

in 2011. The new expected loss rate is about 1 per cent, i.e. at the same level as 2010.

Accumulated write-downs and provisions on loans and guarantees were DKK 798 mill., corresponding to 4 per cent of total loans and guarantees.

Over the first half year, there was much turbulence for **investment portfolio earnings, excluding investment securities**. Volatile market prices pushed the Bank's relatively large holdings of securities in ever-changing directions. The result of DKK 17 mill., against a loss of DKK 8.5 mill. in the first half year of 2010 is considered satisfactory, taking into account the market situation.

Investment securities, which include a number of sectoral shares and shareholdings in a number of important cooperation partners showed a positive result of DKK 48.8 mill., compared with DKK 66.9 mill. in the first half of 2010. ALKA Forsikring and LR Realkredit have contributed in particular to the positive results for both periods.

The result before contribution to sector solutions of DKK 74.7 mill. is not considered satisfactory as the need for further write-downs still overshadows the many positive signs pervading the development of the Bank. In contrast there is reason for optimism in that the majority of the Bank's business areas can display positive results and we are looking ahead to the future with confidence.

Contributions to sector solutions amounted to costs of DKK 54.4 mill., compared with DKK 59.4 mill. for the same period last year. The costs of Bank Package 1 for the first half of 2010 have been replaced by payments to the Guarantee Fund for Depositors and Investors in 2011 as a result of several banks have given up to continue as independent banks and have been taken over by the Financial Stability Company.

Profit before tax amounted to DKK 20.3 mill. Tax of DKK 7.9 mill. was credited to the income statement and the **profit after tax**, which is equal to **comprehensive income**, totalled DKK 28.2 mill., against DKK 56.3 mill. for the corresponding period last year. The tax credit is primarily attributable to the special tax conditions relating to the result on investment securities.

Balance sheet

The Group balance sheet total amounted to DKK 33.3 bn. at the end of the first half year 2011, against DKK 32.4 bn. at the end of 2010. The increase is partly attributable to the issue of hybrid core capital of DKK 400 mill., of which DKK 9.5 mill. is included in the own portfolio.

Since the financial year 2010, total lending has increased by DKK 0.2 bn. to 17.1 bn. and this is partly due to taking over a loan portfolio originating from private customers of Roskilde Bank, who had been left in the Financial Stability Company.

Behind these figures are also some high repayments and other debt reductions. Focus is still on sustainable growth and our priority is that both customers and the Bank have faith in the economic framework; not least in periods of low economic growth and unrest on the financial markets such as has prevailed in recent years.

The sum of large exposures amounting to 10 per cent or more of the capital base accumulated to 56.2 per cent of the capital base and continued to comprise four exposures as at the end of 2010.

Deposits including pools were DKK 22.4 bn., demonstrating a good growth of DKK 1.5 bn. compared to the end of 2010. The growth was spread over all Customer groups, and this bears witness to a greater 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 13.6 per cent, with a solvency need of 9 per cent. There is more detail on the composition of the solvency need on the Bank's website. The core capital ratio was calculated at 12.7 per cent.

The capital base totalled DKK 3.3 bn. at the end of the first half year, and correspondingly weighted items totalled DKK 23.9 bn.

During the first half year the Bank issued hybrid core capital of DKK 400 mill., of which DKK 390.5 mill. has been subscribed and included in the capital base. The hybrid core capital has only been subscribed to by the Bank's shareholders and individual large institutional investors with links to the groups of owners. The large injection of capital demonstrates great confidence in the Bank and is a signal to current and potential customers that Arbejdernes Landsbank remains an exceptionally safe place to keep their money.

At the end of the first half year of 2011, and after adding the profit after tax for the period, equity amounted to DKK 3.1 bn.

Liquidity

At the end of first half year of 2011, the Group had liquid funds of DKK 10.6 bn.; an excess liquidity in relation to the statutory requirement of 217.5 per

cent. The long-term liquidity target of the Bank is excess liquidity compared to the statutory requirement of at least 100 per cent. Thus, the liquidity target has been met in full and the considerable excess liquidity should be seen in the context of the state-guaranteed funding of DKK 4.8 bn. taken up last year and which expires in 2013. Excluding this funding, excess liquidity was 104.7 per cent.

With the coming legislation from Basel III, the Bank sees an increasing need to work on funding with a longer duration. In the second half year bond loans of DKK 250 mill. will be issued with a term of 5 years. These have already been sold.

Outlook for 2011

The Bank's expectations for the financial year 2011 have been influenced by the general economic uncertainty as well as current instability in the financial markets.

We can see that our customers are reluctant to take out debt and this makes it difficult to maintain the current level of lending. At the same time we can see a stable increase in deposits, confirming that there is confidence in Arbejdernes Landsbank.

Therefore 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 instruments.

The Bank still considers that there will be uncertainty regarding the level of write-downs as well as the need for any further contributions to sector solutions in 2011.

In the annual financial statements for 2010 we stated that the Bank expected a profit before tax of around DKK 110-140 mill.

We now expect that the general economic uncertainty and the difficult situation on the financial markets, which has deteriorated over the summer of 2011, could affect the rest of the year and therefore also the total financial results of the Group for 2011. Therefore we are adjusting our expectations downwards for the annual results of the Group and we now expect a profit before tax of about DKK 50 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 2010 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 2011 which have been significantly detrimental to the Group risk profile. On the contrary, subscription for DKK 400 mill. hybrid core capital in the first half of 2011 has strengthened the Bank's capital base.

Uncertainty with regard to realisation of the expectations for the remaining part of 2011 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 dramatic changes in market prices, but clearly the Bank will be affected by continued violent fluctuations in prices on the financial markets.

The pace at which our customers can increase consolidation and thereby reduce the risk for losses on loans etc. also has an impact on realisation of the expectations for 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 scheme 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.

The United Federation of Danish Workers - 3F is considered related due to its shareholding of more than 20 per cent of the share capital of the Bank. They merged with the Danish Timber Trade Federation with effect from 1 January 2011. Both trade unions are shareholders in the Bank, and the continuing union is the United Federation of Danish Workers - 3F.

In the first half year, Arbejdernes Landsbank paid a member's injection of DKK 124.1 mill. to Bankernes EDB Central, BEC, after which the ownership interest now amounts to 21.3 per cent.

Benchmarks from the Danish Financial Supervisory Authority

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

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

These benchmarks will be fully implemented in credit institutions before the end of 2012, and it is expected that after this date the Board of Directors will lay down and execute a strategy to counter any transgressions in order for the Bank to avoid any supervision reactions.

The benchmarks are reviewed in the following, and it should be noted that the Bank and Group live up to all the Danish FSA benchmarks.

Growth in loans must be no more than 20 per cent per annum. Growth in the first half year amounted to 1.6 per cent, so the Group is far from the critical value.

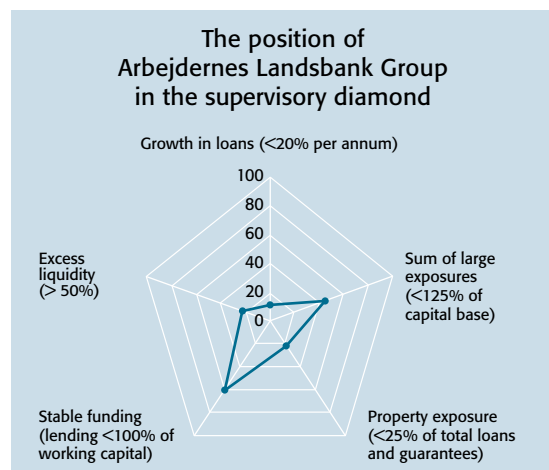
Large exposures, which total 10 per cent or more of the capital base and calculated on the basis of authorised exposures, amounted to 56.2 per cent of the capital base, based on the regulations for large exposures, calculated after deduction. Although the underlying exposures are in practice more or less

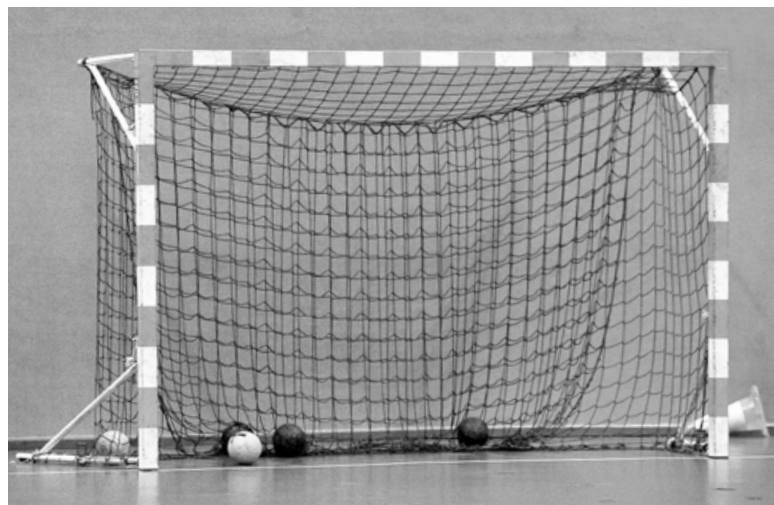
unchanged, the strengthened capital base from the new subscription of hybrid core capital has reduced the key ratios for the Group. The benchmark is based exclusively on positions with other credit institutions and the Group has a long way to go to reach the critical value of a maximum of 125 per cent stipulated by the Danish FSA.

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 7.5 per cent of loans and guarantees. The Danish FSA has set the critical value at a maximum of 25 per cent.

A fourth of the benchmarks from the Danish FSA measures the degree of stable funding, defined as that lending may not exceed working capital. Working capital is defined as the sum of deposits, issued bonds with a remaining term of more than one year, subordinated debt and equity. With a key ratio of 60.7 per cent, the Group had a good margin to the critical value of 100 per cent.

The Danish FSA has also selected excess liquidity as a benchmark, and with a key ratio of 217.5 per cent, the Group was nowhere near the critical value of 50 per cent above the statutory requirement.





The value of good judgement

Over the past two years, Arbejdernes Landsbank has sponsored referees for the Danish Handball Association. This is because we want to pay tribute to the tireless efforts by referees to ensure players, coaches and spectators have a good and fair match. For no matter what the level being played, the insight, judgement and sense of fair play of the referee is crucial for the outcome of the match. Therefore we can see great value in training a new generation of dedicated handball referees.



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 2011.

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 selected accounting policies is appropriate and the interim report provides a fair presentation of the assets, liabilities and financial position of the Group and Parent Company as at 30 June 2011, 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 2011.

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, 16 August 2011

Executive Management:

Gert R. Jonassen
Chief Executive

Ebbe Castella

Jan Walther Andersen

Board of Directors:

Poul Erik Skov Christensen
Chairman

Mette Kindberg

Jette Kronborg

Lars Andersen

Johnny Skovengaard

John Markussen

Harald Børsting

Ole Wehlast

Ulla Strøm Nordenhof

Thorkild E. Jensen

Henrik Thagaard



Income statement and comprehensive income

Note	The Group		The Bank		
	30.06.2011 DKK '000	30.06.2010 DKK '000	30.06.2011 DKK '000	30.06.2010 DKK '000	
Income statement					
6	Interest income	683,421	623,934	642,859	591,135
7	Interest expenses	-160,069	-150,608	-159,657	-150,369
	Net interest income	523,352	473,326	483,202	440,766
	Dividends from shares, etc.	32,166	49,572	32,166	49,572
8	Fees and commission income	173,707	162,944	154,695	150,639
	Fees and commission paid	-38,194	-10,364	-25,966	-3,286
	Net interest and fee income	691,031	675,478	644,097	637,691
9	Value adjustments	-8,581	-43,751	-8,478	-43,949
	Other operating income	35,060	31,869	15,732	15,728
10	Staff and administrative expenses	-549,840	-497,958	-516,915	-472,964
	Amortisation/depreciation as well as write-downs for impairment on intangible and tangible assets	-23,230	-21,458	-7,983	-8,560
11	Other operating costs	-68,525	-53,828	-68,525	-53,781
12	Write-downs on loans and receivables, etc.	-94,762	-92,916	-89,999	-85,377
13	Profit from equity investments in associates and group enterprises	39,107	48,408	47,522	55,263
	Profit before tax	20,260	45,844	15,451	44,051
14	Tax	7,957	10,418	12,766	12,211
	Net profit for the period	28,217	56,262	28,217	56,262
Comprehensive income					
	Net profit for the period	28,217	56,262	28,217	56,262
	Other comprehensive income	0	0	0	0
	Total comprehensive income for the period	28,217	56,262	28,217	56,262

Balance sheet

Note	The Group		The Bank		
	30.06.2011	31.12.2010	30.06.2011	31.12.2010	
	DKK '000	DKK '000	DKK '000	DKK '000	
Assets					
	Cash in hand and demand deposits with central banks	347,022	400,728	346,978	400,712
	Receivables from credit institutions and central banks	1,163,075	1,803,359	1,160,936	1,800,651
	Loans and other receivables at amortised cost	17,089,487	16,933,065	17,072,079	16,917,430
	Bonds at fair value	11,649,217	10,464,216	11,649,217	10,464,216
	Shares, etc.	858,330	867,193	858,330	867,193
	Equity investments in associates	731,165	410,437	731,165	410,437
	Equity investments in group enterprises	0	0	87,389	78,974
	Assets linked to pooled schemes	356,233	352,955	356,233	352,955
	Intangible assets	10,062	9,291	2,091	1,640
	Total land and buildings	523,621	524,995	523,621	524,995
	Owner-occupied properties	523,621	524,995	523,621	524,995
	Other tangible assets	147,180	147,818	38,905	39,354
	Current tax assets	2,384	1,361	2,384	1,361
	Deferred tax assets	32,790	24,833	72,999	60,233
	Other assets	381,230	417,711	347,765	398,571
	Accruals and deferred income	34,491	27,312	32,265	25,446
	Total assets	33,326,287	32,385,274	33,282,357	32,344,168
Liabilities					
	Payables				
	Payables to credit institutions and central banks	3,002,116	2,877,014	3,002,116	2,877,014
	Deposits and other payables	22,069,191	20,593,336	22,057,056	20,589,494
	Loans in pooled schemes	356,233	352,955	356,233	352,955
16	Issued bonds at amortised cost	3,088,856	3,614,444	3,087,862	3,613,450
	Other liabilities	884,948	1,287,661	860,571	1,257,531
	Accruals and deferred income	19,433	30,075	13,009	23,935
	Total payables	29,420,777	28,755,485	29,376,847	28,714,379
	Provisions				
	Provisions for pensions and similar obligations	10,273	10,300	10,273	10,300
	Provisions for losses on guarantees	10,422	119,870	10,422	119,870
	Other provisions	43,850	53,395	43,850	53,395
	Total provisions	64,545	183,565	64,545	183,565
	Subordinated debt				
17	Subordinated debt	718,525	328,000	718,525	328,000
	Total subordinated debt	718,525	328,000	718,525	328,000
	Equity				
	Share capital	300,000	300,000	300,000	300,000
	Revaluation reserves	161,276	161,276	161,276	161,276
	Other reserves	259,925	259,925	326,068	326,068
	Statutory reserves	259,925	259,925	326,068	326,068
	Retained earnings	2,401,239	2,373,023	2,335,096	2,306,880
	Proposed dividend	0	24,000	0	24,000
	Total equity	3,122,440	3,118,224	3,122,440	3,118,224
	Total liabilities	33,326,287	32,385,274	33,282,357	32,344,168



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 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 2010	300,000	117,266	166,749	2,355,695	0	2,939,710
Net profit for the period		0	0	56,262	0	56,262
Other comprehensive income		-656	0	656		0
Total comprehensive income		-656	0	56,918	0	56,262
Dividend paid for 2009					0	0
Total changes in equity		-656	0	56,918	0	56,262
Equity as at 30 June 2010	300,000	116,610	166,749	2,412,614	0	2,995,973
Equity brought forward for 2010	300,000	117,266	166,749	2,355,695	0	2,939,710
Net profit for the year		0	93,176	16,719	24,000	133,895
Other comprehensive income		44,010	0	608		44,618
Total comprehensive income		44,010	93,176	17,327	24,000	178,513
Dividend paid for 2009					0	0
Total changes in equity		44,010	93,176	17,327	24,000	178,513
Equity carried forward for 2010	300,000	161,276	259,925	2,373,023	24,000	3,118,224

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 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 2010	300,000	116,610	217,770	2,305,330	0	2,939,710
Net profit for the period		0	0	56,262	0	56,262
Other comprehensive income		0	0	0		0
Total comprehensive income		0	0	56,262	0	56,262
Dividend paid for 2009					0	0
Total changes in equity		0	0	56,262	0	56,262
Equity as at 30 June 2010	300,000	116,610	217,770	2,361,593	0	2,995,973
Equity brought forward for 2010	300,000	116,610	217,770	2,305,330	0	2,939,710
Net profit for the year		0	108,298	1,549	24,000	133,847
Other comprehensive income		44,666	0	0		44,666
Total comprehensive income		44,666	108,298	1,549	24,000	178,513
Dividend paid for 2009					0	0
Total changes in equity		44,666	108,298	1,549	24,000	178,513
Equity carried forward for 2010	300,000	161,276	326,068	2,306,880	24,000	3,118,224



Cash flow statement *)

Note	The Group		The Bank	
	30.06.2011 DKK '000	30.06.2010 DKK '000	30.06.2011 DKK '000	30.06.2010 DKK '000
Profit before tax for the period	20,260	45,844	15,451	44,051
Adjustment for non-cash operating items				
Depreciation/amortisation as well as write-downs for impairment of intangible assets	1,220	3,318	35	2,625
Depreciation/amortisation as well as revaluation of tangible assets	22,010	18,140	7,948	5,935
Write-downs on loans, etc.	94,762	92,916	89,999	85,377
Net profit for the year adjusted for non-cash operating items	138,252	160,218	113,433	137,988
Loans and receivables from credit institutions, etc.	-163,519	64,168	-172,141	248,181
Bonds and shares	-1,176,138	-1,829,508	-1,176,138	-1,829,508
Deposits and payables to credit institutions, etc.	1,602,983	-1,136,277	1,594,690	-1,140,045
Other working capital	-720,908	-56,803	-694,522	-235,182
Corporation tax paid	0	0	0	0
Change in working capital	-457,582	-2,958,420	-448,111	-2,956,554
Cash flows from operating activities	-319,330	-2,798,202	-334,678	-2,818,566
Purchase of intangible assets	-1,991	-5,091	-486	0
Sale of intangible assets	0	0	0	0
Purchase of tangible assets	-33,791	-39,217	-6,352	-11,104
Sale of tangible assets	13,794	12,790	227	180
Purchase and sale of equity investments in associates and group enterprises	-124,058	0	-124,058	0
Cash flows from investment activities	-146,046	-31,518	-130,669	-10,924
Loans raised with state-guarantee	1,252	2,166,870	1,252	2,166,870
Issued bonds	-525,588	568	-525,588	569
Hybrid core capital	390,525	0	390,525	0
Dividends paid	-24,000	0	-24,000	0
Cash flows from financing activities	-157,811	2,167,438	-157,811	2,167,439
Change in cash and cash equivalents	-623,187	-662,282	-623,158	-662,051
Cash and cash equivalents, brought forward	1,986,709	2,288,035	1,986,422	2,287,404
Cash and cash equivalents, carried forward	1,363,522	1,625,753	1,363,264	1,625,353

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

Overview of notes

Note		Page
1	Accounting policies	16
2	Significant changes in accounting estimates	16
3	Events occurring after expiry of the accounting period	17
4	Capital and solvency	18
5	Segment information for the Group	18
6	Interest income	19
7	Interest expenses	19
8	Fees and commission income	19
9	Value adjustments	19
10	Staff and administrative expenses	20
11	Other operating costs	20
12	Write-downs on loans and provisions for guarantees, etc.	21
13	Profit from equity investments in associates and group enterprises	22
14	Tax	22
15	Dividend	22
16	Issued bonds at amortised cost	23
17	Subordinated debt	23
18	Lodging securities	23
19	Contingent liabilities	24
20	Group overview	25
21	Financial and operating data for the Bank	26
22	Financial ratios for the Bank	27
23	Definition of financial ratios	28



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 is presented in accordance with the Danish Financial Business Act, including the executive order on financial reports for credit institutions and investment companies, etc. The interim financial statements for the Group and the Parent Company is also presented in accordance with additional Danish disclosure requirements for interim reports for financial undertakings which have issued listed bonds.

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 2010. The annual report for 2010 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 2010 for further descriptions of the accounting policies.

Change in accounting policies

As of 1 January 2011, Arbejdernes Landsbank has implemented the following new and changed standards and interpretation contributions:

- IAS 24, Related Party Disclosures (November 2009)
- IAS 32, Financial Instruments: Presentation (Classification and Rights Issues) (October 2009)
- IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (change as of November 2009)
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments (November 2009)
- Minor changes to various standards following the IASB's annual improvement measures (May 2010)

The implementation of the new and changed standards and interpretation contributions has not led to changes in accounting policies in relation to recognition and measurement.

The core earnings model has been modified so that expenses for sector solutions are now specified in a new separate item.

The new item: Contributions for sector solutions may be distributed according to how the expenses would be placed under the format used so far.

	30.06.2011 DKK '000	30.06.2010 DKK '000
Contributions for sector solutions		
Administrative expenses	-53,909	-41,050
Write-downs, etc.	-497	-18,391
Total	-54,406	-59,441

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

Note 2 Significant changes in accounting estimates

Measurement of certain assets and liabilities requires managerial estimates. The most significant estimates made by the management in connection with recognition and measurement of these assets and liabilities, and the most significant estimated uncertainty in connection with preparing the interim report for 2011, are the same as for preparing the annual report for 2010. Please refer hereto.

Furthermore, provisions for losses to the Guarantee Fund for Depositors and Investors as a consequence of collapse in Amagerbanken and Fjordbank Mors, are assessed to include a significant accounting estimate.

Unusual circumstances

The interim report for the first half year of 2011 is affected by the following unusual circumstances:

Change in accounting estimates

A provision for loss to the Guarantee Fund for Depositors and Investors based on an expected dividend percentage of 58.8 from Amagerbanken was recognised in the expectations for profit or loss for 2011. Subsequently, the expected dividend percentage has changed, and a renewed assessment now indicates that additionally about DKK 6.7 bn. has been distributed, of which the Guarantee Fund for Depositors and Investors has appealed an amount of DKK 4.5 bn.

There is still uncertainty as to this provision, but as at 30 June 2011, the Group has chosen to adjust the expected dividend percentage with the share of the institute of DKK 2.2 bn., corresponding to the share of DKK 6.7 bn. which has not been appealed so far. Overall, the interim report thus includes the Group's share of expected losses from Amagerbanken, corresponding to net DKK 30.5 mill., and the expected losses from Fjordbank Mors, corresponding to DKK 20.4 mill. as well as the expected losses from Capinordic, corresponding to DKK 3.0 mill.

Note 3 Events occurring after expiry of the accounting period

After 30 June 2011 no events have been assessed to have taken place other than the circumstances mentioned in the expectations for the rest of 2011 which significantly affect the financial position of the Group and the Bank.



Notes

Note	The Group		The Bank	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	DKK '000	DKK '000	DKK '000	DKK '000
4 Capital and solvency				
Transformation from equity to capital base				
Equity	3,122,440	3,118,224	3,122,440	3,118,224
Interim results recognised	-28,217	0	-28,217	0
Proposed dividend	0	-24,000	0	-24,000
Intangible assets	-10,062	-9,291	-2,091	-1,640
Deferred tax assets	-32,790	-24,833	-72,999	-60,233
Revaluation reserves	-161,276	-161,276	-161,276	-161,276
Deductions, cf. section 131(2), no. 2 of the Danish Financial Business Act	-256,870	-248,828	-258,482	-250,216
Hybrid core capital	390,525	0	390,525	0
Core capital after deduction	3,023,750	2,649,996	2,989,900	2,620,859
Subordinate investments	328,000	328,000	328,000	328,000
Revaluation reserves	161,276	161,276	161,276	161,276
Capital base before deduction	3,513,026	3,139,272	3,479,176	3,110,135
Deductions, cf. section 139(1), nos. 1-3 of the Danish Financial Business Act	-256,871	-248,829	-258,483	-250,216
Capital base after deduction	3,256,155	2,890,443	3,220,693	2,859,919
Solvency requirement (8 per cent)	1,911,034	1,759,435	1,914,916	1,761,510
Weighted items				
Items with credit risk	16,865,639	16,489,372	17,103,060	16,704,206
Items with market risk	4,534,219	3,015,497	4,534,219	3,015,497
Items with operational risk	2,488,068	2,488,066	2,299,176	2,299,176
Total weighted items	23,887,926	21,992,935	23,936,455	22,018,879
	%	%	%	%
Solvency need				
Credit risk	4.7	5.3	4.7	5.3
Market risk	2.9	2.2	2.9	2.2
Operational risk	0.8	0.9	0.8	0.9
Other risks	0.5	0.6	0.5	0.6
Total solvency need	9.0	9.0	9.0	9.0

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 in the entire branch network as well as in the affiliated enterprise of the Bank, AL Finans, across customer types. The return on these activities is expressed in the core results, cf. the model on page 2 in the interim report.

Activities under core results depend, however, on the Bank's holdings 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 aggregation level seen in the model. This is assessed based on the Group only having one operating segment which includes core results and investment portfolio earnings under one.

Note	The Group		The Bank	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	DKK '000	DKK '000	DKK '000	DKK '000
6 Interest income				
Receivables from credit institutions and central banks	13,368	12,193	13,310	12,115
Loans at amortised cost	559,008	525,943	518,504	493,222
Interest on written-down exposures	-12,160	-11,322	-12,160	-11,322
Bonds	135,688	105,083	135,688	105,083
Derivative financial instruments				
Currency contracts	-4,845	548	-4,845	548
Interest-rate contracts	-7,684	-8,550	-7,684	-8,550
Share contracts	0	0	0	0
Total derivative financial instruments	-12,529	-8,002	-12,529	-8,002
Other interest income	46	39	46	39
Total interest income	683,421	623,934	642,859	591,135
Of which, genuine purchase and resale transactions recognised under				
Receivables from credit institutions and central banks	954	0	954	0
7 Interest expenses				
Payables to credit institutions and central banks	-14,411	-10,554	-14,411	-10,479
Deposits and other payables	-116,280	-124,255	-116,018	-124,166
Issued bonds	-18,794	-8,837	-18,794	-8,837
Subordinated debt	-10,413	-6,887	-10,413	-6,887
Other interest expenses	-171	-75	-21	0
Total interest expenses	-160,069	-150,608	-159,657	-150,369
Of which, genuine purchase and resale transactions recognised under				
Payables to credit institutions and central banks	-2,909	-978	-2,909	-978
8 Fees and commission income				
Securities trading and custody accounts	29,679	33,097	29,679	33,097
Money transmission services	38,441	35,652	38,441	35,652
Loan fees	62,899	57,056	56,188	51,787
Guarantee commission	10,337	11,098	10,467	11,123
Other fees and commissions	32,351	26,041	19,920	18,980
Total fees and commission income	173,707	162,944	154,695	150,639
9 Value adjustments				
Bonds	-18,564	73,682	-18,564	73,682
Shares, etc.	-8,191	-7,800	-8,191	-7,800
Currency	14,356	-16,509	14,459	-16,707
Derivative financial instruments				
Currency contracts	9,627	8,266	9,627	8,266
Interest-rate contracts	-1,221	-110,869	-1,221	-110,869
Share contracts	-49	-793	-49	-793
Total derivative financial instruments	8,357	-103,396	8,357	-103,396
Assets linked to pooled schemes	-5,176	14,027	-5,176	14,027
Loans in pooled schemes	5,176	-14,027	5,176	-14,027
Other assets	-4,539	5,116	-4,539	5,116
Other liabilities	0	5,156	0	5,156
Total value adjustments	-8,581	-43,751	-8,478	-43,949



Notes

Note	The Group		The Bank	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	DKK '000	DKK '000	DKK '000	DKK '000
10 Staff and administrative expenses				
Salaries and remuneration to the Board of Directors, Executive Management and the Board of Representatives				
Executive Management	-4,203	-2,846	-4,198	-2,846
Board of Directors	-650	-725	-650	-725
Board of Representatives	-295	-264	-295	-264
Total	-5,148	-3,835	-5,143	-3,835
Staff costs				
Wages	-274,002	-252,127	-253,865	-237,296
Pension schemes	-30,125	-28,424	-28,215	-27,098
Social security expenses	-2,650	-2,221	-2,582	-2,176
Payroll tax	-27,260	-22,320	-25,400	-21,151
Total	-334,037	-305,092	-310,062	-287,721
Other administrative expenses	-210,655	-189,031	-201,710	-181,408
Total staff and administrative expenses	-549,840	-497,958	-516,915	-472,964
11 Other operating costs				
Expenses to the Private Contingency Association	0	-41,050	0	-41,050
Expenses to the Guarantee Fund for Depositors and Investors	-53,909	0	-53,909	0
Expenses for operating the Bank's properties	-12,824	-11,101	-12,824	-11,101
Other operating costs	-1,792	-1,677	-1,792	-1,630
Total other operating costs	-68,525	-53,828	-68,525	-53,781

Note	The Group		The Bank	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	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	847,117	648,288	824,272	619,813
Write-downs and provisions for the period *)	197,466	171,122	193,264	163,816
Reversal of write-downs and provisions for the period	-106,412	-78,925	-104,485	-76,067
Actual loss (written off) previously written down	-134,749	-19,496	-122,591	-15,197
Interest adjustment	12,160	11,322	12,160	11,322
Total write-downs and provisions, carried forward	815,582	732,311	802,620	703,687
*) of which provided under Bank Package 1	0	18,391	0	18,391
Write-downs on loans etc., carried forward	787,914	619,816	774,952	591,192
Provisions on guarantees, etc., carried forward *)	10,422	95,222	10,422	95,222
Write-downs/provisions on other items, carried forward	17,246	17,273	17,246	17,273
Total write-downs and provisions, carried forward	815,582	732,311	802,620	703,687
*) of which provided under Bank Package 1	0	82,103	0	82,103
Net effect recognised in the income statement				
Net write-downs and provisions for the period	-91,054	-92,197	-88,779	-87,749
Losses, not previously written down *)	-6,351	-4,469	-3,589	-1,065
Recognised in claims previously written-down	2,643	3,750	2,369	3,437
Total net effect recognised in the income statement	-94,762	-92,916	-89,999	-85,377
*) of which losses, not previously written down under Bank Package 1	-497	0	-497	0
Individual write-downs on loans				
Individual write-downs on loans, brought forward	648,117	489,995	626,823	462,781
Write-downs during the period	187,901	141,525	183,699	134,454
Reversal of write-downs during the period	-89,906	-62,392	-88,199	-59,562
Actual loss (written off) previously written down	-25,279	-19,496	-13,121	-15,197
Interest adjustment	10,503	9,181	10,503	9,181
Total individual write-downs on loans, carried forward	731,336	558,813	719,705	531,657
Group write-downs on loans				
Group write-downs on loans, brought forward	61,897	64,068	60,346	62,807
Write-downs during the period	8,586	10,869	8,586	10,634
Reversal of write-downs during the period	-15,562	-15,795	-15,342	-15,767
Interest adjustment	1,657	1,861	1,657	1,861
Total group write-downs on loans, carried forward	56,578	61,003	55,247	59,535
Individual provisions on guarantees, etc.				
Individual provisions on guarantees, brought forward	115,278	71,455	115,278	71,455
Provisions during the period	179	18,556	179	18,556
Reversal of provisions during the period	-792	-318	-792	-318
Actual loss (written off) previously provided	-109,470	0	-109,470	0
Total individual provisions on guarantees, etc., carried forward	5,195	89,693	5,195	89,693
Group provisions on guarantees, etc.				
Group provisions on guarantees, brought forward	4,592	5,506	4,592	5,506
Provisions during the period	787	172	787	172
Reversal of provisions during the period	-152	-149	-152	-149
Total group provisions on guarantees, etc., carried forward	5,227	5,529	5,227	5,529
Write-downs/provisions on other items				
Written down/provided for the period, brought forward	17,233	17,264	17,233	17,264
Write-downs/provisions during the period	13	0	13	0
Reversal of write-downs/provisions during the period	0	-271	0	-271
Interest adjustment	0	280	0	280
Total write-downs/provisions on other items, carried forward	17,246	17,273	17,246	17,273



Notes

Note	The Group		The Bank	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	DKK '000	DKK '000	DKK '000	DKK '000
13 Profit from equity investments in associates and group enterprises				
Profit from equity investments in associates	39,107	48,408	39,107	48,408
Profit from equity investments in group enterprises	0	0	8,415	6,855
Total profit from equity investments in associates and group enterprises	39,107	48,408	47,522	55,263
14 Tax				
Calculated tax of income for the period	0	0	0	0
Change in deferred tax concerning the income period	8,041	10,501	12,850	12,294
Adjustments concerning previous year	-84	-83	-84	-83
Total tax	7,957	10,418	12,766	12,211
Effective tax rate				
Corporation tax rate in Denmark	25.0	25.0	25.0	25.0
Adjustments concerning previous year	3.2	-2.4	0.5	0.2
Non-taxable income and expenses	-67.5	-45.3	-108.2	-52.9
Total effective tax rate	-39.3	-22.7	-82.7	-27.7
15 Dividend				

On 8 March 2011, an ordinary dividend of DKK 24 mill., corresponding to DKK 80 per share of nominally DKK 1,000 (2010: DKK 0 per share), was paid to the shareholders.

Note	The Group		The Bank	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	DKK '000	DKK '000	DKK '000	DKK '000
16 Issued bonds at amortised cost				
Bonds with guarantee from the Danish state	2,580,350	2,806,650	2,580,350	2,806,650
Other bonds	508,506	807,794	507,512	806,800
Total bonds issued at amortised cost	3,088,856	3,614,444	3,087,862	3,613,450
Bonds issued during the period	0	2,949,800	0	2,949,800
Bonds redeemed during the period	300,000	0	300,000	0
17 Subordinated debt				
Subordinated debt in the form of supplementary capital				
Value at Risk (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 *)				
Value at Risk (VaR) per cent nominally; DKK 390,5 mill., infinite duration may be redeemed before maturity on 23 May 2018	390,525	0	390,525	0
Total subordinated debt	718,525	328,000	718,525	328,000
Subordinated debt recognised when calculating capital base	718,525	328,000	718,525	328,000
*) Costs for raising loans during the period	2,000	0	2,000	0
18 Lodging securities				
For collateral deposited with Danmarks Nationalbank				
Market value of bonds	3,489,912	3,737,839	3,489,912	3,737,839
Of which, surplus collateral	3,489,912	3,737,839	3,489,912	3,737,839



Notes

Note	The Group		The Bank	
	30.06.2011 DKK '000	31.12.2010 DKK '000	30.06.2011 DKK '000	31.12.2010 DKK '000
19 Contingent liabilities				
Guarantees				
Financial guarantees	500,614	645,707	500,614	645,707
Guarantees for losses on mortgage loans	146,737	140,781	146,737	140,781
Land registration and conversion guarantees	9,257	15,078	9,257	15,078
Collateral for group enterprises	0	0	35,200	9,200
Other guarantees	1,381,858	1,333,671	1,346,658	1,324,471
Total guarantees	2,038,466	2,135,237	2,038,466	2,135,237
Other liabilities				
Irrevocable credit commitments less than 1 year	1,969,239	1,926,258	1,485,000	1,459,544
Irrevocable credit commitments more than 1 year	0	95,284	0	95,284
Unutilised pension commitments	19,000	19,000	19,000	19,000
Other liabilities	5,493	4,821	5,493	4,821
Total other liabilities	1,993,732	2,045,363	1,509,493	1,578,649
Total contingent liabilities	4,032,198	4,180,600	3,547,959	3,713,886

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.

Loans from 2007 related to Totalkredit, provided by the Bank, are covered by an agreement on a right of set-off in future ongoing provisions which Totalkredit may submit in case of ascertaining losses on 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 withdrawal compensation in the event of withdrawal.

Note	The Bank	
	30.06.2011	31.12.2010
	DKK '000	DKK '000
20 Group overview		
Aktieselskabet Arbejdernes Landsbank Copenhagen		
AL Finans A/S, Glostrup		
Share capital	6,000	6,000
Equity	74,331	65,947
Profit	8,384	14,935
<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 2011, the company employed 66 employees on average, converted to full-time.</p>		
Handels ApS Panoptikon, Copenhagen		
Share capital	500	500
Equity	13,058	13,027
Profit	31	304
<p>Handels ApS Panoptikon has previously supplied holidays for employees in the Group. Currently, there is no activity in the company. In the first half year of 2011, the company has not employed any staff.</p>		
<p>All subsidiaries are fully owned by the Parent Company.</p>		



Notes

Note	30.06.2011 DKK '000	30.06.2010 DKK '000	31.12.2010 DKK '000
21 Financial and operating data for the Bank			
Income statement according to the core earnings model			
Net interest income	447,854	424,989	862,104
Net fees and commission income, etc.	131,821	123,134	256,377
Core earnings, excl. trade earnings	579,675	548,123	1,118,481
Trade earnings	38,763	45,424	97,721
Total core earnings	618,438	593,547	1,216,202
Staff costs	-310,270	-287,072	-587,552
Administration expenses and depreciation/amortisation	-222,137	-201,245	-444,897
Core results before write-downs	86,031	105,230	183,753
Write-downs on loans etc.	-89,501	-66,986	-163,226
Core results	-3,470	38,244	20,527
Investment portfolio earnings, excl. investment securities	16,965	-8,548	80,981
Investment securities	56,362	73,796	128,075
Profit before sector solutions	69,857	103,492	229,583
Contributions for sector solutions	-54,406	-59,441	-107,162
Profit before tax	15,451	44,051	122,421
Taxes	12,766	12,211	11,426
Profit	28,217	56,262	133,847
Other financial and operating data			
Net interest and fee income	644,097	637,691	1,264,843
Value adjustments	-8,478	-43,949	26,968
Staff and administrative expenses	516,915	-472,964	-1,005,347
Profit from equity investments in associates and group enterprises	47,522	55,263	116,672
Loans and other receivables at amortised cost	17,072,079	16,643,499	16,917,430
Bonds at fair value	11,649,217	10,557,199	10,464,216
Deposits, incl. pools	22,413,289	21,397,750	20,942,449
Issued bonds at amortised cost	3,087,862	813,238	3,613,450
Subordinated debt	718,525	328,000	328,000
Equity	3,122,440	2,995,973	3,118,224
Total assets	33,282,357	31,686,680	32,344,168
Total contingent liabilities	3,547,959	4,369,530	3,713,886

Note		30.06.2011	30.06.2010	31.12.2010	
22 Financial ratios for the Bank					
Solvency					
	Solvency ratio	%	13.5	12.2	13.0
	Core capital ratio	%	12.5	11.3	11.9
	Solvency need	%	9.0	8.2	9.0
Earnings					
	Return on equity before tax	%	0.5	1.5	4.0
	Return on equity after tax	%	0.9	1.9	4.4
	Ratio of operating income to operating expenses	DKK	1.02	1.07	1.09
	Earnings per share (DKK 1,000)	DKK	94.1	187.5	446.2
	Earnings per diluted share (DKK 1,000)	DKK	94.1	187.5	446.2
Market risk					
	Interest-rate risk	%	2.7	2.0	3.0
	Currency position	%	4.6	7.7	8.1
	Exchange-rate risk	%	0.1	0.2	0.1
Liquidity					
	Loans and write-downs in relation to deposits	%	79.6	80.5	84.1
	Excess liquidity in relation to statutory requirements for liquidity	%	222.6	241.9	237.4
Credit					
	Sum of large exposures *)	%	56.8	56.6	66.2
	Write-down ratio for the period	%	0.5	0.4	1.1
	Growth in loans for the period	%	0.9	-1.8	-0.2
	Loans in relation to equity		5.5	5.6	5.4
Equity					
	Equity value	DKK	1,040.8	998.7	1,039.4
	Proposed dividend per share (DKK 1,000)	DKK	0.0	0.0	80.0
Employees					
	Average number of employees converted to full-time employees		983	991	987

*) The definition of financial ratios was changed in 2010. Comparative figures have been adjusted.



Notes

Note

23 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, cf. 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 =	$\frac{\text{Profit or loss before tax} \times 100}{\text{Equity (average)}}$
4. Return on equity after tax =	$\frac{\text{Profit or loss after tax} \times 100}{\text{Equity (average)}}$
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 *) =	$\frac{\text{Surplus liquidity pursuant to section 152, no. 2}}{\text{The 10 per cent statutory requirement}}$
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 supervisory diamond of the Danish FSA.

Note

23 Definition of financial ratios, continued

Supplementary financial ratios

15. Earnings per share (DKK 1,000) =	$\frac{\text{Earnings}}{\text{Number of shares (DKK 1,000)}}$
16. Diluted earnings per share (DKK 1,000) =	$\frac{\text{Earnings}}{\text{Number of diluted shares (DKK 1,000)}}$
17. Equity value =	$\frac{\text{Equity} \times 100}{\text{Share capital}}$
18. Proposed dividend per share (DKK 1,000) =	$\frac{\text{Dividend rate} \times \text{nominal share value}}{100}$
19. Growth in loans *) =	$\frac{(\text{Loans carried forward} - \text{loans carried forward 1 year before}) \times 100}{\text{Loans carried forward 1 year before}}$
20. Property exposure *) =	$\frac{(\text{Gross loans and guarantees in the sector 'Implementation/ of building projects' + the sector 'Real property'}) \times 100}{\text{Gross loans + guarantees}}$
21. 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.



AKTIESELSKABET

 **Arbejdernes Landsbank**

CVR-no. 31 46 70 12, Copenhagen

Vesterbrogade 5 · DK-1502 Copenhagen V
Phone +45 38 48 48 48 · www.al-bank.dk