



# **vestjyskBANK**

## **Half-Year Report**

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The vestjyskBANK Half-Year Report 2014 is a translation of the original report in Danish (vestjyskBANK Halvårsrapport 2014)

# Summary

## Summary of vestjyskBANK's Results

### Half-year 2014

- Result before tax at DKK 70 million (HY 2013: DKK -65 million);
- Core income of DKK 564 million (HY 2013: DKK 641 million), of which market value adjustments represented DKK 68 million (HY 2013: DKK 90 million);
- Rate of cost at 52.1% (HY 2013: 48.8%);
- Core earnings before impairments at DKK 270 million (HY 2013: DKK 328 million);
- Impairments of loans and receivables, etc. at DKK 200 million (HY 2013: DKK 393 million);
- Deposit surplus of DKK 1.9 billion compared with a deposit deficit of DKK 2.0 billion at 30 June 2013;
- Solvency ratio under the new capital adequacy rules at 10.8%; Tier 1 capital ratio at 9.6%; and an individual solvency need of 11.1%. This corresponds to a shortfall of 0.3 percentage points or DKK 58 million at 30 June 2014;
- Liquidity surplus at 124.2 per cent at 30 June 2014; and
- Reduction of government credit facility by DKK 1.5 billion, after which it stood at DKK 2.2 billion.

### Fiscal year 2014 outlook

- Core earnings at around DKK 450-500 million before impairment charges;
- Strengthening of the Bank's solvency in relation to its individual solvency need;
- Significantly reduced need for impairments compared with 2013 but uncertainty remains about the precise level.

### Solvency requirement/restoration plan

On 1 April 2014, the Bank issued a company announcement regarding its failure to meet the solvency need under the new CRD IV rules for determining bank solvency. These rules had just entered into force at the time. On that date, the Bank calculated its estimated solvency ratio at approx. 10.0 per cent compared with an estimated individual solvency need of 10.9 per cent. In consequence of this solvency shortfall, the Financial Supervisory Authority (FSA), cf. the same company announcement, set a solvency requirement of 10.9 per cent and ordered the Bank to implement certain transactional restrictions, such as not to pay out dividends or interest for the Bank's already-issued own funds elements and to refrain from incurring any new major risks. Additionally, the Bank was ordered to draft a so-called restoration plan. The Bank submitted this plan to the FSA on 7 April 2014 and it detailed various measures to strengthen the Bank's solvency

The negotiations of measures to realise the current solvency need of 11.1 per cent have now been finalised and approved by the relevant authorities. In extension of the publication of the half-year report, the Bank will issue a separate company announcement detailing the status of its restoration plan.

# Management's Review

## Key Figures and Financial Ratios

| <b>Key figures</b>   | HY<br>2014 | HY<br>2013 | Q2<br>2014 | Q1<br>2014 | Q4.<br>2013 | Q3<br>2013 | Q2<br>2013  | FY<br>2013   |
|--|------------|------------|------------|------------|-------------|------------|-------------|--------------|
| <b>Statement of Income (in MDKK)</b>   |            |            |            |            |             |            |             |              |
| Net interest income  | 355        | 401        | 184        | 171        | 219         | 193        | 201         | 813          |
| Net fee income   | 132        | 126        | 68         | 64         | 75          | 61         | 67          | 262          |
| Dividends on equity securities etc.  | 6          | 8          | 4          | 2          | 3           | 2          | 8           | 13           |
| Market value adjustments   | 68         | 90         | 39         | 29         | 21          | 16         | 20          | 126          |
| Other operating income   | 3          | 16         | 1          | 2          | 1           | 3          | 9           | 20           |
| <b>Core income</b>   | <b>564</b> | <b>641</b> | <b>296</b> | <b>268</b> | <b>319</b>  | <b>275</b> | <b>305</b>  | <b>1.234</b> |
| Personnel and administrative expenses  | -266       | -280       | -127       | -139       | -136        | -123       | -138        | -539         |
| Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets | -28        | -33        | -14        | -13        | -17         | -15        | -15         | -64          |
| Operating expenses and operating depreciations and amortisations   | -294       | -313       | -141       | -152       | -153        | -138       | -153        | -603         |
| <b>Core earnings before impairments</b>  | <b>270</b> | <b>328</b> | <b>155</b> | <b>116</b> | <b>166</b>  | <b>137</b> | <b>152</b>  | <b>631</b>   |
| Impairments of loans and receivables etc.  | -200       | -393       | -114       | -87        | -482        | -199       | -253        | -1.073       |
| <b>Profit/loss before tax</b>  | <b>70</b>  | <b>-65</b> | <b>41</b>  | <b>29</b>  | <b>-316</b> | <b>-62</b> | <b>-101</b> | <b>-442</b>  |
| Tax  | 3          | 0          | 0          | 3          | 0           | 0          | -3          | 0            |
| <b>Profit/loss</b>   | <b>67</b>  | <b>-65</b> | <b>41</b>  | <b>26</b>  | <b>-316</b> | <b>-62</b> | <b>-98</b>  | <b>-442</b>  |
| <b>Statement of Financial Position (in MDKK)</b>   |            |            |            |            |             |            |             |              |
| Assets, total  | 23,161     | 27,396     | 23,161     | 23,957     | 26,112      | 26,839     | 27,396      | 26,112       |
| Loans  | 16,070     | 19,418     | 16,070     | 16,696     | 17,360      | 18,451     | 19,418      | 17,360       |
| Deposits, including pooled funds   | 18,002     | 17,446     | 18,002     | 17,713     | 17,877      | 17,347     | 17,446      | 17,877       |
| Contingent liabilities   | 2,809      | 3,307      | 2,809      | 2,865      | 2,958       | 3,161      | 3,307       | 2,958        |
| Business volume  | 36,881     | 40,171     | 36,881     | 37,274     | 38,195      | 38,959     | 40,171      | 38,195       |
| Equity   | 1,541      | 927        | 1,541      | 1,500      | 887         | 864        | 926         | 887          |

| <b>Financial ratios</b>   | HY<br>2014 | HY<br>2013 | Q2<br>2014 | Q1<br>2014 | Q4.<br>2013 | Q3<br>2013 | Q2<br>2013 | FY<br>2013 |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|
| <b>Solvency</b>   |            |            |            |            |             |            |            |            |
| Solvency ratio <sup>1</sup>   | 10.8%      | 11.5%      | 10.8%      | 10.2%      | 11.3%       | 11.2%      | 11.5%      | 11.3%      |
| Tier 1 capital ratio <sup>1</sup>   | 9.6%       | 5.7%       | 9.6%       | 9.1%       | 5.9%        | 5.6%       | 5.7%       | 5.9%       |
| <b>Earnings</b>   |            |            |            |            |             |            |            |            |
| Return on equity before tax, annually <sup>2</sup>                        | 11.5%      | -13.6%     | 10.7%      | 9.8%       | -143.0%     | -27.4%     | -41.3%     | -46.9%     |
| Return on equity after tax, annually <sup>2</sup>                         | 11.1%      | -13.6%     | 10.8%      | 8.9%       | -143.0%     | -27.4%     | -40.1%     | -46.9%     |
| Income-cost ratio <sup>3</sup>  | 1.14       | 0.91       | 1.16       | 1.12       | 0.50        | 0.82       | 0.75       | 0.74       |
| Rate of cost <sup>4</sup>   | 52.1%      | 48.8%      | 47.8%      | 56.8%      | 48.0%       | 50.1%      | 50.1%      | 48.9%      |
| Return on capital employed <sup>5</sup>                                   | 0.3%       | -0.2%      | 0.2%       | 0.1%       | -1.2%       | -0.2%      | -0.3%      | -1.5%      |
| Employees converted to full-time (average)                                | 530.8      | 572.5      | 526.3      | 535.3      | 547.9       | 559.0      | 567.1      | 562.9      |
| <b>Market risk</b>  |            |            |            |            |             |            |            |            |
| Interest rate risk <sup>6</sup>   | -3.0%      | -6.1%      | -3.0%      | -3.7%      | -4.9%       | -4.7%      | -6.1%      | -4.9%      |
| Foreign currency position <sup>7</sup>                                    | 2.1%       | 4.7%       | 2.1%       | 1.4%       | 1.6%        | 2.9%       | 4.9%       | 1.6%       |
| Foreign currency risk   | 0.0%       | 0.0%       | 0.0%       | 0.0%       | 0.0%        | 0.0%       | 0.0%       | 0.0%       |
| Excess cover in relation to statutory liquidity requirements <sup>8</sup> | 124.2%     | 111.6%     | 124.2%     | 175.4%     | 162.2%      | 146.1%     | 111.6%     | 162.2%     |
| <b>Credit risk</b>  |            |            |            |            |             |            |            |            |
| Loans plus impairments on loans in relation to deposits                   | 110.6%     | 132.3%     | 110.6%     | 115.8%     | 117.9%      | 128.0%     | 132.3%     | 117.9%     |
| Loans in relation to equity   | 10.4       | 21.0       | 10.4       | 11.1       | 19.6        | 21.4       | 21.0       | 19.6       |
| Growth in loans for the period <sup>9</sup>                               | -7.4%      | -6.2%      | -3.7%      | -3.8%      | -5.9%       | -5.0%      | -3.6%      | -16.1%     |
| Total of large exposures <sup>10</sup>                                    | 36.6%      | 35.4%      | 36.6%      | 38.0%      | 33.5%       | 34.4%      | 35.4%      | 33.5%      |
| Accumulated impairment ratio  | 16.9%      | 14.0%      | 16.9%      | 16.4%      | 15.5%       | 15.0%      | 14.0%      | 15.5%      |
| Impairment ratio for the period   | 0.9%       | 1.5%       | 0.5%       | 0.4%       | 2.0%        | 0.8%       | 1.0%       | 4.5%       |
| <b>vestjyskBANK share</b>   |            |            |            |            |             |            |            |            |
| Profit/loss for the period per share                                      | 0.6        | -1.1       | 0.3        | 0.2        | -4.3        | -1.0       | -1.6       | -6.0       |
| Equity value per share <sup>11</sup>                                      | 10.2       | 15.2       | 10.2       | 10.0       | 10.3        | 14.1       | 15.2       | 10.3       |
| Price of vestjyskBANK shares, end of reporting period                     | 13.0       | 9.3        | 13.0       | 9.2        | 9.0         | 13.5       | 9.3        | 9.0        |
| Price/book value per share  | 1.3        | 0.6        | 1.3        | 0.9        | 0.9         | 1.0        | 0.6        | 0.9        |

1 Effective 31 March 2014, the solvency and Tier 1 capital ratios were determined under the CRR/CRD IV rules.

2 Based on average equity.

3 Income from ordinary activities in relation to costs of ordinary activities. Income from ordinary activities = net interest and fee income + value adjustments + other operating income. Costs from ordinary activities = operating costs and operating depreciations and impairments + impairment of goodwill + impairment of loans and amounts receivable, etc.

4 Operating costs and depreciations and impairments/core income

5 Results/average assets, total

6 Interest rate risk in relation to Tier 1 capital, less deductions

7 Foreign Currency Indicator 1 in relation to Tier 1 capital, less deductions.

8 Surplus liquidity in relation to the 10% requirement set out in sec 152 of the Danish Finance Act.

9 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period

10 Exposures greater than 10% of the eligible capital

11 The Bank changed the individual denomination of its share from DKK 10 to DKK 1 per share, cf. Company Announcement of 25 April 2013

# Management's Review

## Financial Review

### Statement of Income

#### Results

For the first half-year 2014, the Bank's results before tax stood at DKK 70 million compared with DKK -65 million for the same period last year. This result is in line with Management's outlook expressed at the beginning of the year.

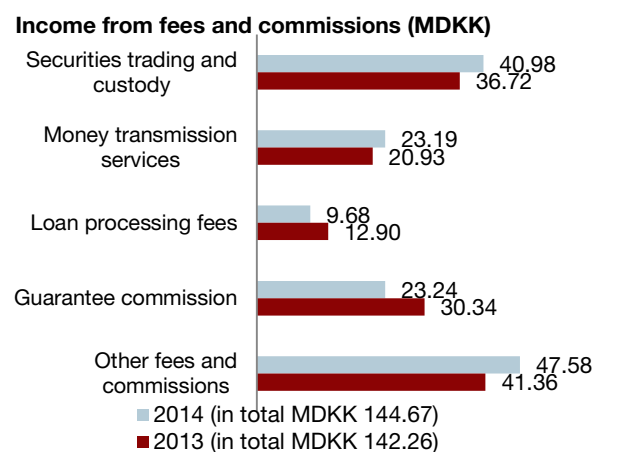
Impairments of loans and receivables, etc. totalled DKK 200 million for the reporting period. The impairment ratio for the reporting period stood at 0.9 per cent and in spite of the declining trend levels, remains high both in absolute terms and relative to the sector.

#### Core income

For the first half-year 2014, vestjyskBANK realised core income of DKK 564 million, which represented a DKK 77 million decline compared with the same period last year.

Positive market value adjustments represented DKK 68 million, of which DKK 30 million was attributable to the sale of shares in sector enterprises. Market value adjustments stood at DKK 90 million during the first six months of 2013 of which DKK 64 million was attributable to the Bank's early repayment of subordinated debt of a total of NOK 165 million at a discount.

Simultaneously, fee income was realised at DKK 144.7 million in the first half of 2014, which is a DKK 2.5 million increase compared with the same period last year. The distribution is illustrated in the figure below.



In spite of the desire for the Bank to reduce its business volume, it has nonetheless managed to maintain its level of fee income in relation to last year. This is considered satisfactory and reflects the generally higher levels of activity especially within client trading in securities instruments.

Other operating income stood at DKK 3 million in first half of 2014, compared with DKK 16 million for the same period last year.

#### Operating expenses and operating depreciations and amortisations

Operating expenses and operating depreciations and amortisations totalled DKK 294 million during first half of 2014, compared with DKK 313 million for the same period last year. In other words, the Bank is continuing its targeted effort to reduce costs.

vestjyskBANK's contribution to the Danish Deposit Guarantee Fund was recognised as an expense at DKK 20.1 million for the first half of 2014, compared with DKK 24.3 million in first half of 2013.

#### Core earnings before impairments

For the first six months of 2014, the Bank's core results before impairments stood at DKK 270 million, compared with DKK 328 million for the first half of 2013. Thus, core results before impairments declined DKK 58 million which was primarily attributable to the continued decline in Bank's loan portfolio and therefore also in income on interest. A similar contributing factor has been the decline in value adjustments.

#### Impairment of loans and receivables, etc.

Fiscal years 2011, 2012 and 2013 were characterised by extraordinarily heavy impairment charges on loans and receivables, etc.

For the first half of 2014, the Bank has charged impairment losses on loans and receivables, etc. of net DKK 200 million, which is DKK 193 million less than for the first half of 2013.

The lower impairment levels in relation to 2013 should be viewed in the context of the general improvement in agriculture's earnings ratio. For milk producers, 2014

remains positive even as milk prices are currently declining as a result of price pressures on the world market caused by China's filled inventories of milk powder. The crisis in the Ukraine and Russia's import stop have and will increasingly affect agriculture's settlement prices negatively. So far, this has primarily affected prices on pigmeat but the impact may create major economic challenges for a wide variety of export goods in addition to agricultural products. The Bank is carefully tracking the imbalances that have arisen in certain major export markets as it might quickly be affected if parts of the business community are experiencing unexpected economic slowdown.

On 2 July 2014, the Financial Supervisory Authority issued corrections to the valuation of agricultural land; these went into effect on 30 June 2014. The Bank has incorporated these revaluations for the Bank's agricultural customers by increasing the theoretically calculated assets for this industry segment. The net impact on the Bank's impairments has been relative modest. Among other things, this is owing to the Bank's taking into account customers' liquidity and earnings when assessing whether or not to perform customer impairments. Keeping in mind this earnings outlook for the industry segment, these are nonetheless major impairments for the agriculture industry.

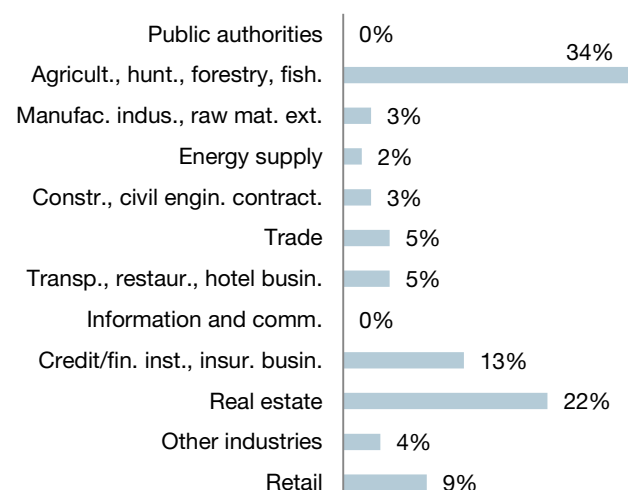
So far in 2014, the real estate market has shown signs of slow improvement in the form of slight increases in revenue and prices. The Bank expects that this trend will continue for the rest of 2014, not least in the Bank's eastern market area.

The impact from other businesses and retail customers has not manifested itself in unexpected or special trends and there are modest signs of improvements owing to the improved general economic climate.

Impairments charged during the first six months of 2014 had no significant impact on the industry segment distribution of accumulated impairment losses and provisions.

The Bank's cumulative impairment ratio stood at 16.9 in first half-year 2014 compared with 15.5 at 31 December 2013.

#### Accumulated impairments and provisions by industry segment 30 June 2014



The need for impairments as well as identified losses from lending remain significant, since the impairments on loans and receivables, etc. for the first half of 2014 remained at a relatively high level. With the outlook for, among other segments, agriculture, the relatively high need for impairments during the first half-year 2014 is expected to continue for the rest of the year.

# Management's Review

## Financial Review

### Statement of Financial Position

At 30 June 2014, vestjyskBANK's balance sheet stood at DKK 23.2 billion compared with DKK 27.4 billion at 30 June 2013. The decrease of the balance sheet of DKK 4.2 billion was primarily attributable to the Bank's focused effort on reducing its total risk exposure primarily by reducing the Bank's loan portfolio.

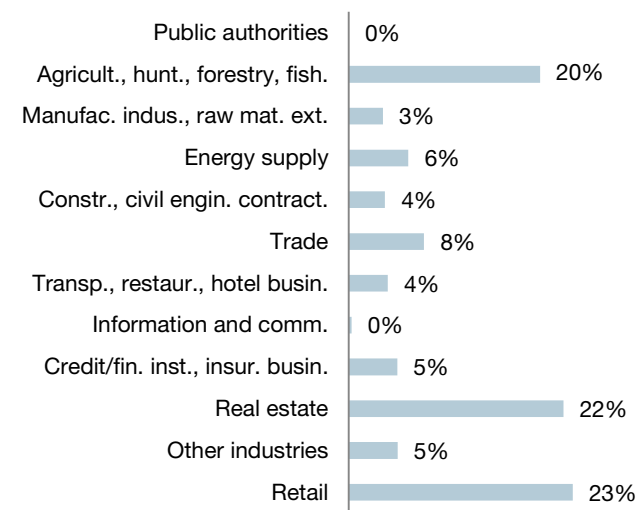
The Bank continues to follow its planned balance sheet adjustment, which is designed to ensure that the Bank will have the requisite funding and liquidity and to reduce the Bank's total risk exposure.

### Loans

The ongoing balance sheet adjustment has meant that the Bank's lending at 30 June 2014 stood at DKK 16.1 billion compared with DKK 19.4 billion at 30 June 2013—a decline of DKK 3.3 billion. During the first half of 2014, the Bank reduced its lending by DKK 1.3 billion in relation to 31 December 2013.

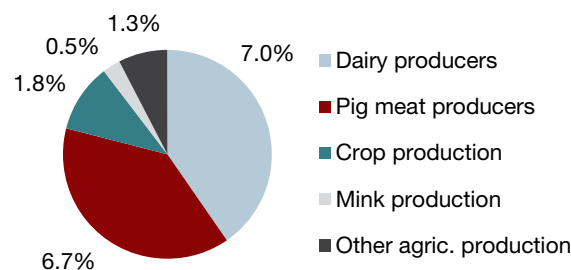
The distribution of vestjyskBANK's loans and guarantees by industry segment is illustrated below.

### Loans and guarantees by industry segment as at 30 June 2014



Agriculture remains an important business area; one in which the Bank has great experience. The Bank's exposure to agriculture in isolation stood at 17.3 per cent of its total loans and guarantees at 30 June 2014 and was distributed across the various production branches as shown in the figure below.

### Agricultural commitments' share of loans and guarantees by production branches at 30 June 2014



### Large exposures

The sum of large exposures (i.e. exposures of 10 per cent or more of the Bank's eligible capital) stood at 36,6 per cent of the eligible capital and consisted of two commitments.

### Deposits, including pooled funds

vestjyskBANK's deposits, including pooled funds, stood at DKK 18.0 billion at 30 June 2014, which is DKK 0.6 billion higher than at 30 June 2013, where deposits including pooled funds stood at DKK 17.4 billion.

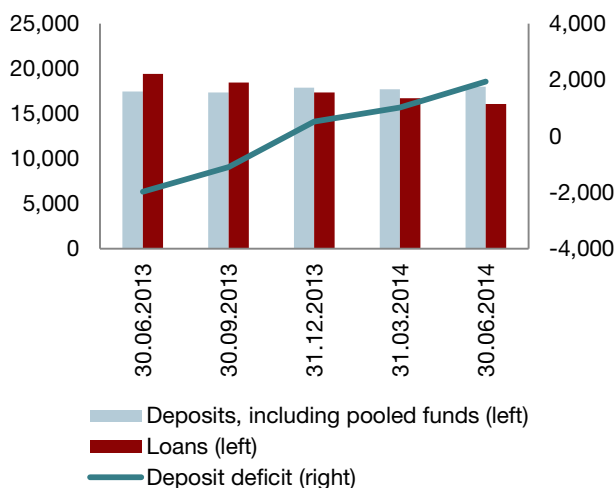
### Gap between deposits and loans

The positive deposit-lending development means that the Bank's deposit surplus stands at DKK 1.9 billion at 30 June 2014 compared with a deposit deficit of DKK 2.0 billion at 30 June 2013.

The figure on the next page illustrates the trend in vestjyskBANK's deposits and loans over the past five quarters.



### Development in deposits, including pooled funds, loans and deposit deficit (in MDKK)



vestjyskBANK's objective is to increase its deposit surplus.

#### Business volume

vestjyskBANK's business volume—that is, its total deposits, loans and contingent liabilities—stood at DKK 36.9 billion at 30 June 2014 compared with DKK 40.2 billion at 30 June 2013.

### Capital and Liquidity Conditions

#### Equity

vestjyskBANK's equity totalled DKK 1,541 million at 30 June 2014. The development in equity since 1 January 2014 is detailed in the Statement of Changes in Equity.

#### Subordinated debt

The Bank's subordinated debt stood at DKK 1,247 million at 30 June 2014 of which government-issued additional Tier 1 capital under Bank Package II totalled DKK 287.6 million which accrue interest at 9.943 per cent.

Special rules apply to additional Tier 1 capital under Bank Package II as set out by law. Thus, no dilution of the capital may occur, and buyback programmes aimed at reducing the Bank's share capital are therefore not permitted. Additionally, executive board salaries are only eligible for a 50 percent tax deduction.

In order to improve the common equity Tier 1 capital, on 20 January 2014 DKK 575 million in additional Tier 1 capital as well as accrued unpaid coupon interest of DKK 12.6 million was converted to share capital.

#### Solvency

The solvency-related own funds totalled DKK 2,053 million in first half-year 2014, which—in the context of the Bank's total risk exposure of DKK 19,026 million—produced a solvency ratio of 10.8 per cent. At 31 December 2013, the Bank's solvency ratio stood at 11.3 per cent. Please note that the solvency ratio was determined applying the rules set out in CRD IV, which entered into force at 31 March 2014 whereas the solvency ratio at 31 December 2013 was calculated under the rules as they applied then, which means that the two solvency ratios are not directly comparable.

Concurrently, the Bank's Tier 1 capital ratio was computed at 9.6 per cent at 30 June 2014 compared with 5.9 per cent at 31 December 2013.

#### Solvency need

The individual solvency need for vestjyskBANK was calculated at 11.1 per cent at 30 June 2014.

The adequate own funds has been calculated at DKK 2,111 million compared to own funds of DKK 2,053 million. The difference between the own funds and the adequate own funds represents the solvency shortfall, which has been calculated at 0.3 percentage point, or DKK 58 million, at 30 June 2014.

For a detailed explanation of the Bank's solvency need as at 30 June 2014, please refer to the Bank's website

#### Solvency requirement/restoration plan

The Bank issued a company announcement on 1 April 2014 regarding its failure to meet the solvency need under the new CRD IV rules for determining bank solvency. These rules had just entered into force at the time. On that date, the Bank calculated its estimated solvency ratio at approx. 10.0 per cent compared with an estimated individual solvency need of 10.9 per cent. In consequence of this solvency shortfall, the Financial Supervisory Authority (FSA), cf. the same company announcement, set a solvency requirement of 10.9 per cent and ordered the

# Management's Review

## Financial Review

Bank to implement certain transactional restrictions, such as not to pay out dividends or interest for the Bank's already-issued own funds elements and to refrain from incurring any new major risks. Additionally, the Bank has been ordered to draft a so-called restoration plan. The Bank submitted this plan to the FSA on 7 April 2014 and it detailed various measures to strengthen the Bank's solvency

The negotiations of measures to realise the current solvency need of 11.1 per cent have now been finalised and approved by the relevant authorities. In extension of the publication of the half-year report, the Bank will issue a separate company announcement detailing the status of its restoration plan.

### Liquidity

vestjyskBANK's loans have traditionally exceeded the Bank's deposits. In recent years, the Bank has therefore raised loans and issued debt securities through both Danish and non-Danish credit institutions. At 30 June 2014, the Bank's external funding totalled DKK 3.1 billion, incl. subordinated capital of DKK 1.3 billion.

vestjyskBANK's liquidity situation has improved, especially as a result of an improved balance between the Bank's deposits and loans.

### External funding, incl. subordinated capital (MDKK)

|                                    | 30 June<br>2014 | 30 June<br>2013 |
|------------------------------------|-----------------|-----------------|
| Debts to credit institutions       | 386             | 588             |
| Debts to central banks             | 1,500           | 5,391           |
| Issued bonds at amortised cost     | 9               | 275             |
| Total, before subordinated capital | 1,895           | 6,254           |
| Subordinated capital               | 1,247           | 2,207           |
| Total                              | 3,142           | 8,461           |

The table above shows the development in vestjyskBANK's external funding, incl. subordinated capital. Debts to credit institutions and central banks as well as issued bonds at amortised cost were reduced by DKK 5.4 billion from DKK

8.5 billion at 30 June 2013 to DKK 3.1 billion at 30 June 2014.

As a result of the Bank's good liquidity-related situation, the government credit facility has been reduced by DKK 1.5 billion in 2014 and totalled DKK 2.2 billion at 30 June 2014. The Bank has drawn DKK 1.5 billion on the credit facility.

Recognition of sector shares in the liquidity resources as well as Danmarks Nationalbank's loan scheme will lapse on 1 July 2014. The consequence of this has been incorporated into the account as at 30 June 2014.

### Share Capital

vestjyskBANK's share capital stood at MDKK 151 at 30 June 2014. The share capital was distributed across 151,008,121 shares with a par value of DKK 1 per share.

vestjyskBANK has approx. 42,200 registered shareholders. The Danish State holds 121,736,671 shares, corresponding to an ownership interest of 80.62 per cent. Additionally, the Financial Stability Company, which is wholly owned by the Danish State, holds 1,291,222 shares in vestjyskBANK, which corresponds to a rate of interest of 0.86 per cent. In total, including this ownership interest, the Danish State holds 81.48 per cent of the share capital and the voting rights of vestjyskBANK.

Second only to the Danish State, the ten biggest shareholders hold 3.35 per cent of the share capital in vestjyskBANK.

### The Financial Supervisory Authority's Supervisory Diamond

vestjyskBANK's goal is to remain within the limit values for the five parameters established by the Danish Financial Supervisory Authority's "Supervisory Diamond" and with which, in principle, all banks should comply. vestjyskBANK is meeting this goal.

vestjyskBANK's values in relation to the relevant limits are listed on the next page.

## Realised values at 30 June 2014

| Supervisory Diamond Benchmarks          | Realised values |
|---|-----------------|
| The sum of large exposures (< 125 pct.) | 36.6 pct.       |
| Growth in loans (< 20%)                 | -17.2 pct.      |
| Property exposure (< 25%)               | 22.4 pct.       |
| Funding ratio (< 1)                     | 0.73            |
| Liquidity surplus (> 50%)               | 124.2 pct.      |

## Miscellaneous Accounting Information

### Related parties

vestjyskBANK's related parties comprise the members of the Supervisory Board as well as these persons' relatives. Over the course of the period, the Bank has conducted normal trade on arm's-length terms with Kaj Bech A/S, an enterprise controlled by Anders Bech, the company's CEO and member of the Bank's Supervisory Board.

Related parties furthermore comprise the Danish State, which holds a controlling ownership interest by virtue of its ownership of 80.62 per cent of the Bank's share capital and voting rights.

### 2014 Outlook

vestjyskBANK's operations in the first quarter of 2014 progressed largely as expected. The Bank maintains its outlook for total core earnings in 2014 at around DKK 450–500 million before impairments.

The need for impairment charges is still expected to be significantly less in 2014 than in 2013 based on the Bank's continued focused efforts on reducing its lending. The impairments performed in first half-year 2014 are deemed to match the actual risks but additional impairments will be necessary also for the remainder of 2014.

Management's outlook remains—assuming an unchanged economic climate—that good opportunities exist to be able to absorb the impairments in the Bank's core results and thus have the capacity to generate limited consolidation capability. Currently, the market conditions are being challenged by various trade restrictions, etc.

The Bank's Management is continuing its initiatives to implement the action plan detailed in the 2013 financial statements and, in extension of the execution of the Bank's restoration plan, is also working in a targeted manner on efforts to further strengthen the Bank's solvency.

The initiatives primarily focus on the restoration and maintenance of positive operating results as well as a reduction in the portfolio of so-called sector shares which, under the rules for determining the Bank's solvency, entails a deduction in the capital structure.

## European Commission

When in the spring of 2012 the European Commission issued its preliminary approval for the government subsidy for parts of the merged bank's capital plan, it was made contingent upon the Commission's approval of the Bank's restructuring plan. Those negotiations have not yet been finalised. As detailed in the Bank's 2013 Annual Report, that process has been temporarily suspended as the Bank investigates its options for potential structural measures. However, the dialogue related to the conditions for final approval are expected to be resumed in the near future.

### 2014 Financial Calendar

■ 27 November      Quarterly Report, Q1-Q3 2014

# Management's Statement

The Bank's Supervisory and Executive Boards have considered and approved the half-year report, representing the period 1 January–30 June 2014 for Vestjysk Bank A/S.

The present half-year Financial Statements are presented in accordance with the Danish Financial Business Act and in accordance with the applicable supplementary Danish disclosure requirements relating to interim financial reporting for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate and the half-year report provide a true and fair view of the Company's assets and liabilities and financial position as at 30 June 2014, as well as the results of the Bank's activities for the reporting period 1 January–30 June 2014.

Lemvig, Denmark 21 August 2014

In our opinion, the present Management's Review provides a true and fair view of the developments in the Company's activities and financial situation, as well as a true and fair description of the most significant risks and uncertainties that may affect the Bank.

The Management's Review section of the 2013 Annual Report detailed matters related to "Risks Related to Going Concern" and "2014 Outlook." It is our assessment that these matters still apply and we refer to the Management's Statement as well as Note 2 "Uncertainty, Capital Structure and Going Concern" in the annual report.

The present half-year report has neither been audited nor reviewed.

## Executive Board

.....  
Michael Nelander Petersen  
*Acting Chief Executive Officer*

## Supervisory Board

.....  
Vagn Thorsager  
*Chairman of the Supervisory Board*

.....  
Lars Holst  
*Deputy Chairman of the Supervisory Board*

.....  
Bent Simonsen

.....  
Kirsten Lundgaard-Karlshøj

.....  
Poul Hjulmand

.....  
Anders Bech

.....  
Jacob Møllgaard

.....  
Malene Rønø

.....  
Palle Hoffmann

# Half-Year Financial Statements

## Statement of Income and Statement of Comprehensive Income

| Note   | HY 2014<br>TDKK | HY 2013<br>TDKK | Q2 2014<br>TDKK | Q2 2013<br>TDKK | FY 2013<br>TDKK |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Statement of Income</b>   |                 |                 |                 |                 |                 |
| 2 Interest income  | 546,680         | 691,926         | 269,359         | 339,133         | 1,333,568       |
| 3 Interest expenses  | 191,685         | 290,941         | 85,031          | 137,959         | 520,318         |
| Net interest income  | 354,995         | 400,985         | 184,328         | 201,174         | 813,250         |
| Dividends on equity securities etc.  | 5,873           | 8,431           | 4,180           | 8,363           | 13,003          |
| 4 Income from fees and commissions   | 144,667         | 142,196         | 74,654          | 76,568          | 292,863         |
| Fees and commissions paid  | 12,654          | 15,632          | 6,901           | 8,914           | 31,112          |
| Net interest and fee income  | 492,881         | 535,980         | 256,261         | 277,191         | 1,088,004       |
| 5 Market value adjustments   | 67,508          | 89,558          | 38,606          | 19,774          | 126,421         |
| 6 Other operating income   | 2,956           | 16,370          | 1,239           | 9,117           | 19,883          |
| 7 Personnel and administrative expenses  | 265,706         | 280,458         | 127,009         | 138,110         | 538,675         |
| Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets | 6,758           | 7,906           | 3,376           | 4,048           | 15,956          |
| 8 Other operating expenses   | 20,895          | 25,003          | 11,247          | 11,145          | 48,689          |
| 9 Impairment of loans and receivables etc.   | 200,485         | 393,461         | 113,737         | 253,176         | 1,073,345       |
| Income from investments in group enterprises   | 0               | -16             | 0               | -11             | -16             |
| Profit/loss before tax   | 69,501          | -64,936         | 40,737          | -100,408        | -442,373        |
| Tax  | 2,481           | 0               | -138            | -2,796          | 0               |
| Profit/loss  | 67,020          | -64,936         | 40,875          | -97,612         | -442,373        |
| <b>Statement of Comprehensive Income</b>   |                 |                 |                 |                 |                 |
| Profit/loss  | 67,020          | -64,936         | 40,875          | -97,612         | -442,373        |
| Other comprehensive income:  |                 |                 |                 |                 |                 |
| Changes in the value of pension liabilities  | 0               | 0               | 0               | 0               | 275             |
| Hedge accounting   | 0               | -6,016          | 0               | -4,930          | -5,999          |
| Of which transferred to interest in the Statement of Income  | 0               | -288            | 0               | 2,366           | -322            |
| Other comprehensive income after tax   | 0               | -6,304          | 0               | -2,564          | -6,046          |
| Total comprehensive income   | 67,020          | -71,240         | 40,875          | -100,176        | -448,419        |

# Half-Year Financial Statements

## Statement of Financial Position

| Note                                | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|-------------------------------------|----------------------|----------------------|---------------------|
| <b>Assets</b>                       |                      |                      |                     |
|                                     | 844,845              | 638,048              | 1,198,891           |
|                                     | 130,622              | 180,553              | 189,367             |
|                                     | 16,069,962           | 19,417,659           | 17,360,430          |
|                                     | 3,100,226            | 4,389,068            | 4,470,961           |
|                                     | 482,171              | 507,594              | 479,211             |
|                                     | 0                    | 701                  | 0                   |
|                                     | 1,702,276            | 1,356,627            | 1,586,325           |
| 10 Intangible assets                | 6,734                | 8,230                | 7,482               |
| Land and buildings, total           | 365,313              | 386,011              | 371,671             |
| Investment property                 | 2,500                | 7,407                | 5,695               |
| 11 Owner-occupied property          | 362,813              | 378,604              | 365,976             |
| Other property, plant and equipment | 7,411                | 10,309               | 7,384               |
| Current tax assets                  | 3,195                | 1,941                | 2,195               |
| Temporary assets                    | 456                  | 5,865                | 4,644               |
| 12 Other assets                     | 432,646              | 477,147              | 421,000             |
| Deferred Revenue                    | 15,056               | 16,424               | 12,676              |
| Assets, total                       | 23,160,913           | 27,396,177           | 26,112,237          |

| Note   | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|--|----------------------|----------------------|---------------------|
| <b>Liabilities</b>   |                      |                      |                     |
| <b>Debts</b>   |                      |                      |                     |
|  | 1,886,043            | 5,978,812            | 5,101,855           |
|  | 16,299,963           | 16,088,880           | 16,290,590          |
|  | 1,702,276            | 1,356,627            | 1,586,325           |
|  | 8,761                | 274,561              | 18,013              |
|  | 2,481                | 0                    | 0                   |
| 13 Other liabilities   | 439,816              | 503,455              | 344,824             |
| Prepayments  | 12                   | 40                   | 28                  |
| Liabilities, total   | 20,339,352           | 24,202,375           | 23,341,635          |
| <b>Provisions</b>  |                      |                      |                     |
|  | 21,049               | 22,760               | 21,455              |
|  | 7,517                | 36,002               | 10,573              |
|  | 5,109                | 907                  | 3,074               |
| Provisions, total  | 33,675               | 59,669               | 35,102              |
| 14 <b>Subordinated debt</b>  | 1,246,538            | 2,207,459            | 1,848,481           |
| <b>Equity</b>  |                      |                      |                     |
| 15 Share capital   | 151,008              | 61,289               | 85,982              |
| Revaluation reserves   | 55,433               | 55,433               | 55,433              |
| Other reserves, total  | 551,600              | 551,617              | 551,600             |
| Reserves provided for by the Bank's Articles of Association        | 551,600              | 551,600              | 551,600             |
| Reserve for cash flow hedges                                       | 0                    | 17                   | 0                   |
| Retained profit or loss  | 783,307              | 258,335              | 194,004             |
| Equity, total  | 1,541,348            | 926,674              | 887,019             |
| Liabilities, total   | 23,160,913           | 27,396,177           | 26,112,237          |
| <b>Items not recognised in the Statement of Financial Position</b> |                      |                      |                     |
| 16 Contingent liabilities  | 2,809,329            | 3,306,665            | 2,957,747           |
| 17 Other binding agreements  | 28,798               | 5,577                | 30,262              |
| Items not recognised in the Statement of Financial Position, total | 2,838,127            | 3,312,242            | 2,988,009           |

# Half-Year Financial Statements

## Statement of Changes in Equity

|  | Share capital | Share premium | Revaluation reserves | Accumulated value adjustments of hedging instruments in hedging cash flows | Statutory reserves | Retained profit/loss | Equity, total |
|--|---------------|---------------|----------------------|--|--------------------|----------------------|---------------|
|  | TDKK          | TDKK          | TDKK                 | TDKK   | TDKK               | TDKK                 | TDKK          |
| <b>Equity, 1 January 2014</b>                              | 85,982        | 0             | 55,433               | 0  | 551,600            | 194,004              | 887,019       |
| Comprehensive income for the period                        |               |               |                      |  |                    | 67,020               | 67,020        |
| Additions relating to sale of own equity securities        |               |               |                      |  |                    | 26,418               | 26,418        |
| Disposals relating to purchase of own equity securities    |               |               |                      |  |                    | -26,388              | -26,388       |
| Shares issued upon conversion of additional Tier 1 capital | 65,026        | 522,813       |                      |  |                    |                      | 587,839       |
| Costs related to capital increase                          |               | -560          |                      |  |                    |                      | -560          |
| Transferred to retained profit/loss                        |               | -522,253      |                      |  |                    | 522,253              | 0             |
| <b>Equity, 30 June 2014</b>                                | 151,008       | 0             | 55,433               | 0  | 551,600            | 783,307              | 1,541,348     |

|   | Share capital | Share premium | Revaluation reserves | Accumulated value adjustments of hedging instruments in hedging cash flows | Statutory reserves | Retained profit/loss | Equity, total |
|---|---------------|---------------|----------------------|--|--------------------|----------------------|---------------|
|   | TDKK          | TDKK          | TDKK                 | TDKK   | TDKK               | TDKK                 | TDKK          |
| <b>Equity, 1 January 2013</b>                           | 612,889       | 0             | 55,433               | 6,321  | 0                  | 323,369              | 998,012       |
| Comprehensive income for the period                     |               |               |                      | -6,304   |                    | -64,936              | -71,240       |
| Additions relating to sale of own equity securities     |               |               |                      |  |                    | 19,095               | 19,095        |
| Disposals relating to purchase of own equity securities |               |               |                      |  |                    | -19,193              | -19,193       |
| Capital reduction                                       | -551,600      |               |                      |  | 551,600            |                      |               |
| <b>Equity, 30 June 2013</b>                             | 61,289        | 0             | 55,433               | 17   | 551,600            | 258,335              | 926,674       |



|  | Share capital | Share premium | Revaluation reserves | Accumulated value adjustments of hedging instruments in hedging cash flows | Statutory reserves | Retained profit/loss | Equity, total |
|--|---------------|---------------|----------------------|--|--------------------|----------------------|---------------|
|  | TDKK          | TDKK          | TDKK                 | TDKK   | TDKK               | TDKK                 | TDKK          |
| <b>Equity, 1 January 2013</b>                              | 612,889       | 0             | 55,433               | 6,321  | 0                  | 323,369              | 998,012       |
| Comprehensive income for the period                        |               |               |                      | -6,321   |                    | -442,098             | -448,419      |
| Additions relating to sale of own equity securities        |               |               |                      |  |                    | 45,505               | 45,505        |
| Disposals relating to purchase of own equity securities    |               |               |                      |  |                    | -45,534              | -45,534       |
| Capital reduction  | -551,600      |               |                      |  | 551,600            |                      | 0             |
| Shares issued upon conversion of additional Tier 1 capital | 24,693        | 313,846       |                      |  |                    |                      | 338,539       |
| Costs related to capital increase                          |               | -1,084        |                      |  |                    |                      | -1,084        |
| Transferred to retained profit/loss                        |               | -312,762      |                      |  |                    | 312,762              | 0             |
| <b>Equity, 31 December 2013</b>                            | 85,982        | 0             | 55,433               | 0  | 551,600            | 194,004              | 887,019       |

# Half-Year Financial Statements

## Notes

### List of Notes for the Half-Year Financial Statements

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Note

**1 Accounting policies**

vestjyskBANK's Half-Year report for 1 January–30 June 2014 is presented in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's executive order on financial reporting for credit institutions and investment companies, et al. as well as the disclosure requirements for listed enterprises issued by NASDAQ OMX Copenhagen A/S.

The accounting policies applied in this report remain unchanged from the 2013 Annual Report, which contains a full description of those policies.

Measuring certain assets and liabilities require Management to make an estimate of how future events will affect the value of such assets and liabilities. Estimates considered material in presenting the accounts are, among other things, made by stating depreciations of impaired loans, the fair values of unlisted financial instruments as well as provisions, cf. the more detailed discussion in the 2013 Annual Report. The applied estimates are based on assumptions deemed sound by Management but which by their nature are uncertain.

The Bank's significant risks and external conditions that may affect the Bank are described in greater detail in the 2013 Annual Report.

| Note  | HY 2014<br>TDKK | HY 2013<br>TDKK | FY 2013<br>TDKK  |
|---|-----------------|-----------------|------------------|
| <b>2 Interest income</b>  |                 |                 |                  |
| Amounts receivable from credit institutions and central banks   | 1,774           | 1,854           | 3,647            |
| Loans and other receivables   | 523,433         | 646,284         | 1,257,611        |
| Debt securities   | 9,888           | 19,812          | 36,036           |
| Other interest income   | 11,503          | 159             | 434              |
| Derivative financial instruments  | 82              | 23,817          | 35,840           |
| <b>Total</b>  | <b>546,680</b>  | <b>691,926</b>  | <b>1,333,568</b> |
| There was no interest income from actual purchase and resale transactions.                            |                 |                 |                  |
| <b>3 Interest expenses</b>  |                 |                 |                  |
| Credit institutions and central banks   | 35,256          | 11,601          | 59,113           |
| Deposits and other debt   | 132,192         | 144,059         | 280,507          |
| Debt securities in issue  | 152             | 49,924          | 50,526           |
| Subordinated debt   | 24,030          | 85,339          | 130,157          |
| Other interest expenses   | 55              | 18              | 15               |
| <b>Total</b>  | <b>191,685</b>  | <b>290,941</b>  | <b>520,318</b>   |
| This amount includes interest expenses from actual sales and repurchase transactions recognised under |                 |                 |                  |
| - Credit institutions and central banks   | 0               | 0               | 30               |

# Half-Year Financial Statements

## Notes

| Note   | HY 2014<br>TDKK | HY 2013<br>TDKK | FY 2013<br>TDKK |
|--|-----------------|-----------------|-----------------|
| <b>4 Income from fees and commissions</b>  |                 |                 |                 |
| Securities trading and custody   | 40,977          | 36,724          | 83,510          |
| Money transmission services  | 23,188          | 20,934          | 45,279          |
| Loan processing fees   | 9,679           | 12,839          | 24,548          |
| Guarantee commission   | 23,239          | 30,342          | 55,330          |
| Other fees and commissions   | 47,584          | 41,357          | 84,196          |
| <b>Total</b>   | <b>144,667</b>  | <b>142,196</b>  | <b>292,863</b>  |
| <b>5 Market value adjustments</b>  |                 |                 |                 |
| Debt securities  | -1,235          | 17,589          | 29,162          |
| Equity securities etc.   | 54,046          | 1,532           | 20,998          |
| Investment property  | -1,994          | 0               | -1,712          |
| Exchange rate adjustment   | 7,894           | 6,795           | 14,387          |
| Foreign exchange, interest rate, equity, commodities and other contracts as well as derivative financial instruments | 10,486          | -8,198          | -3,317          |
| Assets related to pooled fund schemes  | 134,705         | 39,140          | 166,640         |
| Deposits with pooled fund schemes  | -134,705        | -39,140         | -166,640        |
| Other assets   | 9,663           | -5,767          | -9,690          |
| Other liabilities  | -11,352         | 13,956          | 12,942          |
| Gain from repayment of liabilities measured at amortised cost  | 0               | 63,651          | 63,651          |
| <b>Total</b>   | <b>67,508</b>   | <b>89,558</b>   | <b>126,421</b>  |
| <b>6 Other operating income</b>  |                 |                 |                 |
| Gains on disposal of operating equipment   | 454             | 3,186           | 4,691           |
| Other income   | 2,593           | 13,203          | 15,390          |
| Operation of investment property   | -91             | -19             | -198            |
| <b>Total</b>   | <b>2,956</b>    | <b>16,370</b>   | <b>19,883</b>   |

|  | HY 2014        | HY 2013        | FY 2013        |
|--|----------------|----------------|----------------|
| Note   | TDKK           | TDKK           | TDKK           |
| <b>7 Personnel and administrative expenses</b>   |                |                |                |
| Salaries and remuneration to the Supervisory and Executive Boards  | 4,160          | 4,089          | 8,013          |
| Personnel expenses   | 166,685        | 174,220        | 325,694        |
| Other management expenses  | 94,861         | 102,149        | 204,968        |
| <b>Total</b>   | <b>265,706</b> | <b>280,458</b> | <b>538,675</b> |
| <b>Salaries and remuneration to the Supervisory and Executive Boards</b>   |                |                |                |
| <b>Supervisory Board</b>   |                |                |                |
| Fixed remuneration   | 750            | 821            | 1,621          |
| <b>Total</b>   | <b>750</b>     | <b>821</b>     | <b>1,621</b>   |
| <b>Executive Board</b>   |                |                |                |
| Contractual remuneration   | 2,270          | 3,143          | 6,143          |
| Pension  | 140            | 125            | 249            |
| Termination benefits   | 1,000          | 0              | 0              |
| <b>Total</b>   | <b>3,410</b>   | <b>3,268</b>   | <b>6,392</b>   |
| Value of perquisites   | 125            | 163            | 243            |
| With reference to the terms and conditions for participation as set out in the Act on State-Funded Capital Injections into Credit Institutions (Bankpakke II), please note that the calculation of taxable income payments to the Executive Board deducted for tax purposes totalled | 1,768          | 1,716          | 3,318          |
| No agreements have been executed concerning bonus plans, incentive programmes or similar compensation plans.   |                |                |                |
| The Bank is exempt from any and all defined benefit obligations in respect of the departure of members of the Executive Board, whether as a result of age, illness, disability or any other reason.  |                |                |                |
| <b>Personnel expenses</b>  |                |                |                |
| Wages and salaries   | 133,086        | 138,890        | 255,957        |
| Pensions   | 15,792         | 18,218         | 35,042         |
| Expenses relating to social security contributions, payroll tax etc.   | 17,807         | 17,112         | 34,695         |
| <b>Total</b>   | <b>166,685</b> | <b>174,220</b> | <b>325,694</b> |
| <b>8 Other operating expenses</b>  |                |                |                |
| Contributions to the Guarantee Fund for Depositors and Investors   | 20,128         | 24,277         | 46,174         |
| Other expenses   | 767            | 726            | 2,515          |
| <b>Total</b>   | <b>20,895</b>  | <b>25,003</b>  | <b>48,689</b>  |

# Half-Year Financial Statements

## Notes

|  | HY 2014   | HY 2013   | FY 2013   |
|--|-----------|-----------|-----------|
| Note   | TDKK      | TDKK      | TDKK      |
| <b>9 Impairments of loans and provisions against guarantees etc.</b>           |           |           |           |
| <b>Individual impairments of loans</b>   |           |           |           |
| Individual impairments of loans and other receivables, beginning of the period | 3,651,119 | 3,319,190 | 3,319,190 |
| Impairments over the course of the period                                      | 433,491   | 572,078   | 1,212,575 |
| Reversal of impairments performed in prior financial years                     | -232,002  | -153,850  | -205,937  |
| Other movements  | 71,496    | 47,709    | 47,709    |
| Previously individually impaired, now definitely lost                          | -142,930  | -153,025  | -722,418  |
| Individual impairments of loans and other receivables, end of the period       | 3,781,174 | 3,632,102 | 3,651,119 |
| Impact on operations   | 201,489   | 418,228   | 1,006,638 |
| <b>Impairments of loans in groups</b>  |           |           |           |
| Impairments of loans and other receivables in groups, beginning of the period  | 58,363    | 36,089    | 36,089    |
| Impairments over the course of the period                                      | 12,399    | 9,198     | 32,308    |
| Reversal of impairments performed in prior financial years                     | -13,771   | -8,320    | -11,591   |
| Other movements  | 1,864     | 1,557     | 1,557     |
| Impairments of loans and other receivables in groups, end of the period        | 58,855    | 38,524    | 58,363    |
| Impact on operations   | -1,372    | 878       | 20,717    |
| <b>Impairments of loans, total</b>   |           |           |           |
| Impairments of loans and other receivables, beginning of the period            | 3,709,482 | 3,355,279 | 3,355,279 |
| Impairments over the course of period  | 445,890   | 581,276   | 1,244,883 |
| Reversal of impairments performed in prior financial years                     | -245,773  | -162,170  | -217,528  |
| Other movements  | 73,360    | 49,266    | 49,266    |
| Previously individually impaired, now definitely lost                          | -142,930  | -153,025  | -722,418  |
| Impairments of loans and other receivables, end of the period                  | 3,840,029 | 3,670,626 | 3,709,482 |
| Impact on operations   | 200,117   | 419,106   | 1,027,355 |

|   | HY 2014   | HY 2013   | FY 2013   |
|---|-----------|-----------|-----------|
| Note  | TDKK      | TDKK      | TDKK      |
| <b>9 Impairments of loans and provisions against guarantees etc. (continued)</b>                              |           |           |           |
| <b>Provisions against losses on guarantees and unused credit commitments</b>                                  |           |           |           |
| Provisions against losses on guarantees and unused credit commitments, beginning of the period                | 11,332    | 49,839    | 49,839    |
| Impairments over the course of the period   | 8,531     | 10,432    | 4,744     |
| Reversal of provisions performed in prior financial years   | -7,356    | -23,602   | -43,251   |
| Provisions against losses on guarantees and unused credit commitments, end of the period                      | 12,507    | 36,669    | 11,332    |
| Impact on operations  | 1,175     | -13,170   | -38,507   |
| Accumulated impairment ratio  | 16.9%     | 14.0%     | 15.5%     |
| Amounts receivable for which calculation of interest has stopped, end of the period                           | 2,164,887 | 2,473,117 | 2,208,438 |
| Of which impaired, total  | 1,692,954 | 1,743,738 | 1,587,757 |
| Amounts receivable for which calculation of interest has stopped, as a percentage of loans before impairments | 10.9%     | 10.7%     | 10.5%     |
| <b>Impairments of/provisions for amounts receivable from credit institutions</b>                              |           |           |           |
| Impairments of/provisions for amounts receivable from credit institutions, beginning of the period            | 0         | 1,043     | 1,043     |
| Impairments/provisions over the course of the period  | 0         | 0         | 0         |
| Reversal of impairments performed in prior financial years  | 0         | -1,043    | -1,043    |
| Impairments of/provisions for amounts receivable from credit institutions, end of the period                  | 0         | 0         | 0         |
| Impact on operations  | 0         | -1,043    | -1,043    |
| Impact on operations, total   | 201,292   | 404,893   | 987,805   |
| Lost, where individual impairments/provisions have not been made  | 5,710     | 5,954     | 105,320   |
| Included in previously written-off debts  | -6,517    | -17,386   | -19,780   |
| Impairment of loans and guarantee debtors, etc., total  | 200,485   | 393,461   | 1,073,345 |
| Interest income on written-down loans is offset in impairments by   | 46,685    | 42,266    | 73,360    |

# Half-Year Financial Statements

## Notes

|   | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|---|--------------|--------------|-------------|
| Note  | TDKK         | TDKK         | TDKK        |
| <b>10 Intangible assets</b>   |              |              |             |
| <b>Customer relations</b>   |              |              |             |
| Total acquisition price, beginning of the period  | 14,964       | 14,964       | 14,964      |
| Total acquisition price, end of the period  | 14,964       | 14,964       | 14,964      |
| Amortisations and impairments, beginning of the period                                      | 7,482        | 5,986        | 5,986       |
| Amortisations and impairments for the period  | 748          | 748          | 1,496       |
| Amortisations and impairments, end of the period  | 8,230        | 6,734        | 7,482       |
| Recognised holding, end of the period   | 6,734        | 8,230        | 7,482       |
| <b>11 Owner-occupied property</b>   |              |              |             |
| Revalued amount, beginning of the period  | 365,976      | 389,258      | 389,258     |
| Additions   | 174          | 0            | 0           |
| Disposals   | 0            | 6,895        | 15,276      |
| Depreciations   | 3,337        | 3,759        | 7,506       |
| Changes in value recognised in the Statement of Income                                      | 0            | 0            | -500        |
| Changes in value, end of the period   | 362,813      | 378,604      | 365,976     |
| External experts were involved in measuring the most significant owner-occupied properties. |              |              |             |
| <b>12 Other assets</b>  |              |              |             |
| Positive market value of derivative financial instruments                                   | 183,366      | 215,445      | 178,742     |
| Interest and commission receivable  | 38,368       | 44,665       | 46,902      |
| Other assets  | 210,912      | 217,037      | 195,356     |
| Total   | 432,646      | 477,147      | 421,000     |
| <b>13 Other liabilities</b>   |              |              |             |
| Negative market value of derivative financial instruments                                   | 79,345       | 117,747      | 76,025      |
| Various creditors   | 210,499      | 146,360      | 130,313     |
| Interest and commission payable   | 135,441      | 214,361      | 119,790     |
| Other liabilities   | 14,531       | 24,987       | 18,696      |
| Total   | 439,816      | 503,455      | 344,824     |



|   | 30 June 2014   | 30 June 2013   | 31 Dec 2013    |
|---|----------------|----------------|----------------|
| Note  | TDKK           | TDKK           | TDKK           |
| <b>14 Subordinated debt</b>   |                |                |                |
| <b>Tier 2 capital</b>   | 711,635        | 753,269        | 743,822        |
| A nominal DKK 398 million will fall due from 1 November 2014 to 22 May 2016 with an option for early settlement subject to the Financial Supervisory Authority's approval. The capital accrues interest at 2.803–3.625%.  |                |                |                |
| A nominal NOK 120 million will fall due on 1 September 2014. The capital accrues interest at 4.150%.  |                |                |                |
| A nominal DKK 200 million will fall due on 28 June 2020 with an option for early settlement from 28 June 2017 subject to the Financial Supervisory Authority's approval. The capital accrues interest at 9.500 %with no step-up clause.   |                |                |                |
| <b>Total</b>  | <b>711,635</b> | <b>753,269</b> | <b>743,822</b> |
| <b>Additional Tier 1 capital</b>  |                |                |                |
| <b>Additional Tier 1 capital of DKK 100 million</b>   | 103,841        | 105,643        | 104,936        |
| The capital accrues interest at a fixed 4.765%. There is no due date.   |                |                |                |
| There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, from 15 November 2015.   |                |                |                |
| <b>Additional Tier 1 capital of DKK 75 million</b>  | 75,000         | 75,000         | 75,000         |
| The capital accrues interest at a fixed 5.000%. There is no due date.   |                |                |                |
| There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, from 30 June 2016.   |                |                |                |
| <b>Additional Tier 1 capital of DKK 50 million</b>  | 50,000         | 50,000         | 50,000         |
| The capital accrues interest at a fixed 5.440%. There is no due date.   |                |                |                |
| There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, from 1 May 2016.   |                |                |                |
| <b>Additional Tier 1 capital of DKK 287.6 million</b>   | 306,062        | 1,187,877      | 874,723        |
| The capital accrues interest at a fixed 9.943%. There is no due date.   |                |                |                |
| The Bank retains the option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, from 25 August 2012 to 24 August 2014 at a price of DKK 100, from 25 August 2014 to 24 August 2015 at a price of 105 and on and after 25 August 2015 at a price of DKK 110. |                |                |                |
| Premiums are recognised and amortised according to their expected repayment date.   |                |                |                |
| On 20 January 2014, additional Tier 1 capital of DKK 575.2 million was converted to share capital.  |                |                |                |

# Half-Year Financial Statements

## Notes

| Note   | 30 June 2014<br>TDKK      | 30 June 2013<br>TDKK     | 31 Dec 2013<br>TDKK      |
|--|---------------------------|--------------------------|--------------------------|
| <b>14 Subordinated debt (continued)</b>  |                           |                          |                          |
| <b>Additional Tier 1 capital of DKK 35.6 million</b>   | 0                         | 35,670                   | 0                        |
| Total  | 534,903                   | 1,454,190                | 1,104,659                |
| Subordinated debt, total   | 1,246,538                 | 2,207,459                | 1,848,481                |
| Charged as an expense under interest expenses Subordinated debt  |                           |                          |                          |
| Interest expenses  | 26,222                    | 85,331                   | 162,579                  |
| Costs related to payment and incurrence  | 160                       | 371                      | 2,950                    |
| Market value adjustments, etc.   | -2,352                    | -363                     | -35,372                  |
| Total  | 24,030                    | 85,339                   | 130,157                  |
| Subordinated debt that can be included in own funds  | 742,251                   | 1,844,597                | 1,557,543                |
| <b>15 Share capital</b>  |                           |                          |                          |
| Share capital, beginning of the period   | 85,982                    | 612,889                  | 612,889                  |
| Shares issued upon conversion of additional Tier 1 capital   | 65,026                    | 0                        | 24,693                   |
| Capital reduction  | 0                         | -551,600                 | -551,600                 |
| Total  | 151,008                   | 61,289                   | 85,982                   |
| Number of equity shares  | 151,008,121<br>DKK 1 each | 61,288,878<br>DKK 1 each | 85,981,689<br>DKK 1 each |
| <b>Number of own equity securities, beginning of the period</b>  |                           |                          |                          |
| Number of own equity securities in 1,000 unit lots   | 176                       | 174                      | 174                      |
| Nominal value in DKK 1,000   | 176                       | 1,747                    | 1,747                    |
| Percentage of the share capital  | 0.2%                      | 0.3%                     | 0.3%                     |
| <b>Additions</b>   |                           |                          |                          |
| Purchased own equity securities in 1,000 unit lots   | 2,502                     | 2,032                    | 4,211                    |
| Nominal value in DKK 1,000   | 2,502                     | 2,032                    | 4,211                    |
| Percentage of the share capital  | 1.7%                      | 3.3%                     | 4.9%                     |
| Total purchase price in DKK 1,000  | 26,388                    | 19,193                   | 45,534                   |
| <b>Disposals</b>   |                           |                          |                          |
| Disposal of own equity securities in 1,000 unit lots   | 2,505                     | 2,026                    | 4,209                    |
| Nominal value in DKK 1,000   | 2,505                     | 2,026                    | 4,209                    |
| Percentage of the share capital  | 1.7%                      | 3.3%                     | 4.9%                     |
| Total selling price in DKK 1,000   | 26,418                    | 19,095                   | 45,505                   |
| <b>Number of own equity securities, end of the period</b>  |                           |                          |                          |
| Number of own equity securities in 1,000 unit lots   | 173                       | 180                      | 176                      |
| Nominal value in DKK 1,000   | 173                       | 180                      | 176                      |
| Percentage of the share capital  | 0.1%                      | 0.3%                     | 0.2%                     |
| The Bank is receiving additional Tier 1 capital and issuing bonds under the individual government guarantee and is therefore not allowed to pay out dividends. |                           |                          |                          |

|  | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|--|--------------|--------------|-------------|
| Note   | TDKK         | TDKK         | TDKK        |
| <b>16 Contingent liabilities</b>   |              |              |             |
| Financial guarantee contracts  | 340,055      | 553,894      | 405,861     |
| Loss guarantees for mortgage loans   | 1,558,159    | 1,635,409    | 1,622,291   |
| Registration and conversion guarantees   | 1,018        | 24,922       | 1,429       |
| Other contingent liabilities   | 910,097      | 1,092,440    | 928,166     |
| Total  | 2,809,329    | 3,306,665    | 2,957,747   |
| Other contingent liabilities include, among other things, performance bonds, delivery guarantees as well as provisions of indemnities in relation to the Guarantee Fund for Depositors and Investors (Indskydergarantifonden) etc.   |              |              |             |
| <b>17 Other binding agreements</b>   |              |              |             |
| Other liabilities  | 28,798       | 5,577        | 30,262      |
| Total  | 28,798       | 5,577        | 30,262      |
| <b>18 Capital requirements</b>   |              |              |             |
| Equity   | 1,541,348    | 926,674      | 887,019     |
| Revaluation reserves   | -            | -55,433      | -55,433     |
| Intangible assets  | -6,734       | -8,230       | -7,482      |
| Holdings in financial sector entities in which the Bank does not have significant investments  | -44,755      | 0            | -           |
| Common equity Tier 1 capital   | 1,489,859    | 863,011      | 824,104     |
| Additional Tier 1 capital  | 432,121      | 518,517      | 443,748     |
| Holdings in financial sector entities in which the Bank does not have significant investments  | -89,510      | -65,259      | -72,980     |
| Tier 1 capital   | 1,832,470    | 1,316,269    | 1,194,872   |
| Tier 2 capital   | 310,130      | 1,326,080    | 1,113,795   |
| Revaluation reserves   | -            | 55,433       | 55,433      |
| Holdings in financial sector entities in which the Bank does not have significant investments  | -89,510      | -65,259      | -72,980     |
| Own funds  | 2,053,090    | 2,632,523    | 2,291,120   |
| Total risk exposure  | 19,025,870   | 22,916,730   | 20,334,717  |
| Common equity Tier 1 capital ratio   | 7.8%         | 3.8%         | 4.1%        |
| Tier 1 capital ratio   | 9.6%         | 5.7%         | 5.9%        |
| Solvency ratio   | 10.8%        | 11.5%        | 11.3%       |
| Solvency requirement according to sec 124(2) of the Danish Financial Business Act  | 10.9%        | -            | -           |
| As of 2014, the Tier 1 capital and solvency ratios are determined as set out in the CRR/CRD IV rules. The new rules mean that the Bank has changed the manner in which it determines its own funds and total risk exposure. The comparative figures for 2013 have not been adapted to take this change into account. |              |              |             |

# Half-Year Financial Statements

## Notes

|  | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|--|--------------|--------------|-------------|
| Note   | TDKK         | TDKK         | TDKK        |
| <b>19 Security pledged</b>   |              |              |             |
| Credit institutions:   |              |              |             |
| Margin accounts pledged as security in relation to financial instruments | 29,478       | 72,746       | 42,991      |
| Loans:   |              |              |             |
| Pledged as security for credit facility with Danmarks Nationalbank       |              |              |             |
| Collateral basis   | 0            | 2,572,689    | 2,037,408   |
| Collateral value   | 0            | 1,672,248    | 1,324,315   |
| Of which pledged   | 0            | 1,672,248    | 1,324,315   |
| Debt securities:   |              |              |             |
| Pledged as security for credit facility with Danmarks Nationalbank       |              |              |             |
| Total nominal value  | 965,956      | 1,670,425    | 1,559,384   |
| Total market value   | 970,143      | 1,676,874    | 1,567,832   |
| Of which pledged   | 0            | 0            | 0           |

Note

**20 Fair value of financial assets and liabilities**

Financial instruments are measured in the Statement of Financial Position at their fair value or amortised cost.

Fair value is the amount for which a financial asset can be traded or a financial liability settled between parties in an arm's-length transaction. For financial assets and liabilities priced in active markets, fair value is determined on the basis of observed market prices on the reporting date. For financial instruments not priced in active markets, the fair value is computed—to the greatest extent possible—based on generally accepted valuation methods based on observable market data. The valuation is based on non-observable market data only in exceptional cases.

Equity securities etc. and derivative financial instruments have been measured at their fair value in the financial statements so that the recognised values correspond to the fair values.

Impairments of loans and advances are determined to correspond to changes in credit quality. The differential in respect of fair values is calculated as received fees and commissions, interest receivables, which does not fall due until after the end of the financial reporting period, and, for fixed-rate loans, also value adjustments linked to the interest rate level. If the loan portfolio is transferred in full or in part, the fair value will be lower.

The fair value for amounts receivable from credit institutions and central banks is determined by applying the same method as for loans.

Debt securities in issue and subordinated debt are measured at amortised cost. The difference between the carrying amount and the fair value is determined to be interest payable that does not fall due until after the end of the financial reporting period as well as costs and premiums amortised over the life of the loan and, for fixed-rate debt securities in issue, also market value adjustments linked to the interest rate level.

For floating-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, the differential in respect of fair values is estimated to be interest payable that does not fall due until after the end of the financial reporting period.

For fixed-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, the differential in respect of fair values is estimated to be interest payable that does not fall due until after the end of the financial reporting period and the market value adjustments linked to the interest rate level.

For financial instruments measured at fair value, the basis for establishing the fair value is stated as:

Level 1: Observable prices in an active market for identical assets and liabilities

Level 2: Valuation model based primarily on observable market data

Level 3: Valuation model that, to a significant degree, is based on non-observable market data. Financial instruments valued on the basis of non-observable market data primarily comprise shares in enterprises in the financial sector, cf.

Note 34

|   | 30 June<br>2014            | 30 June<br>2014    | 30 June<br>2013            | 30 June<br>2013    | 31 Dec<br>2013             | 31 Dec<br>2013     |
|---|----------------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------|
|   | TDKK<br>Carrying<br>amount | TDKK<br>Fair value | TDKK<br>Carrying<br>amount | TDKK<br>Fair value | TDKK<br>Carrying<br>amount | TDKK<br>Fair value |
| <b>Financial assets</b>                                       |                            |                    |                            |                    |                            |                    |
| Cash in hand and demand deposits with central banks           | 844,845                    | 844,845            | 638,048                    | 638,048            | 1,198,891                  | 1,198,891          |
| Amounts receivable from credit institutions and central banks | 130,622                    | 130,622            | 180,553                    | 180,553            | 189,367                    | 189,375            |
| Loans   | 16,069,962                 | 16,086,854         | 19,417,659                 | 19,437,005         | 17,360,430                 | 17,376,865         |
| Debt securities at fair value <sup>(Level 1)</sup>            | 3,100,226                  | 3,100,226          | 4,389,068                  | 4,389,068          | 4,470,961                  | 4,470,961          |
| Listed equity securities <sup>(Level 1)</sup>                 | 18,326                     | 18,326             | 25,912                     | 25,912             | 18,875                     | 18,875             |
| Unlisted equity securities etc. <sup>(Level 3)</sup>          | 462,645                    | 462,645            | 450,283                    | 450,283            | 459,276                    | 459,276            |
| Assets related to pooled fund schemes                         | 1,702,276                  | 1,702,276          | 1,356,627                  | 1,356,627          | 1,586,325                  | 1,586,325          |
| Derivative financial instruments <sup>(Level 2)</sup>         | 183,366                    | 183,366            | 215,445                    | 215,445            | 178,742                    | 178,742            |
| <b>Total</b>  | <b>22,512,268</b>          | <b>22,529,160</b>  | <b>26,673,595</b>          | <b>26,692,941</b>  | <b>25,462,867</b>          | <b>25,479,310</b>  |

# Half-Year Financial Statements

## Notes

| Note   |  |                    |                            |                    |                            |                    |
|--|--|--------------------|----------------------------|--------------------|----------------------------|--------------------|
| 20   | <b>Fair value of financial assets and liabilities (continued)</b>  |                    |                            |                    |                            |                    |
|  | 30 June<br>2014  | 30 June<br>2014    | 30 June<br>2013            | 30 June<br>2013    | 31 Dec<br>2013             | 31 Dec<br>2013     |
|  | TDKK<br>Carrying<br>amount   | TDKK<br>Fair value | TDKK<br>Carrying<br>amount | TDKK<br>Fair value | TDKK<br>Carrying<br>amount | TDKK<br>Fair value |
| <b>Financial liabilities</b>   |  |                    |                            |                    |                            |                    |
| Amounts owed to credit institutions and central banks  | 1,886,043  | 1,886,076          | 5,978,812                  | 5,978,845          | 5,101,855                  | 5,101,959          |
| Deposits   | 16,299,963   | 16,411,642         | 16,088,880                 | 16,208,720         | 16,290,590                 | 16,289,760         |
| Deposits with pooled fund schemes  | 1,702,276  | 1,702,276          | 1,356,627                  | 1,356,627          | 1,586,325                  | 1,586,325          |
| Debt securities in issue   | 8,761  | 8,919              | 274,561                    | 275,496            | 18,013                     | 18,719             |
| Subordinated debt  | 1,246,538  | 1,230,734          | 2,207,459                  | 2,203,501          | 1,848,481                  | 1,858,938          |
| Derivative financial instruments <sup>(Level 2)</sup>  | 79,345   | 79,345             | 117,747                    | 117,747            | 76,025                     | 76,025             |
| <b>Total</b>   | <b>21,222,926</b>  | <b>21,318,992</b>  | <b>26,024,086</b>          | <b>26,140,936</b>  | <b>24,921,289</b>          | <b>24,931,726</b>  |
| Changes in financial assets belonging to Level 3:  |  |                    |                            |                    |                            |                    |
| Beginning of the year  | 459,276  |                    | 444,858                    |                    | 444,858                    |                    |
| Additions  | 1,888  |                    | 35,302                     |                    | 44,528                     |                    |
| Disposals  | 51,764   |                    | 31,048                     |                    | 34,743                     |                    |
| Fair value adjustment included in market value adjustments   | 53,245   |                    | 1,171                      |                    | 4,633                      |                    |
| <b>End of the period</b>   | <b>462,645</b>   |                    | <b>450,283</b>             |                    | <b>459,276</b>             |                    |
| Value adjustment during the course of the period of financial assets in the portfolio totals   | 41,149   |                    | 2,704                      |                    | 19,001                     |                    |
| <b>21 Risk conditions and risk management</b>  | vestjyskBANK is exposed to various types of risk. These risks as well as the Bank's policies and goals for managing such risks are described in the Annual Report 2013 |                    |                            |                    |                            |                    |
| <b>22 Credit exposure</b>  |  |                    | 30 June 2014               | 30 June 2013       | 31 Dec 2013                |                    |
|  |  |                    | TDKK                       | TDKK               | TDKK                       |                    |
| <b>The Bank's credit exposure is composed of the following assets and items not recognised in the Statement of Financial Position:</b> |  |                    |                            |                    |                            |                    |
| Amounts receivable from central banks  |  |                    | 758,290                    | 530,765            | 1,098,903                  |                    |
| Amounts receivable from credit institutions  |  |                    | 130,622                    | 180,553            | 189,367                    |                    |
| Debt securities  |  |                    | 3,100,226                  | 4,389,068          | 4,470,961                  |                    |
| Loans  |  |                    | 19,909,991                 | 23,088,285         | 21,069,912                 |                    |
| Items not recognised in the Statement of Financial Position:   |  |                    |                            |                    |                            |                    |
| Financial guarantees   |  |                    | 1,903,489                  | 2,194,014          | 2,031,944                  |                    |
| Credit commitments   |  |                    | 5,025,733                  | 5,187,405          | 5,591,138                  |                    |
| <b>Total</b>   |  |                    | <b>30,828,351</b>          | <b>35,570,090</b>  | <b>34,452,225</b>          |                    |
| Of which recognised in the Statement of Financial Position   |  |                    | 23,899,129                 | 28,188,671         | 26,829,143                 |                    |

| Note  | 30 June 2014      | 30 June 2013      | 31 Dec 2013       |
|---|-------------------|-------------------|-------------------|
|   | TDKK              | TDKK              | TDKK              |
| <b>22 Credit exposure (continued)</b>   |                   |                   |                   |
| <b>Credit institutions</b>  |                   |                   |                   |
| The item 'Amounts receivable from central banks' solely pertains to Danmarks Nationalbank.  |                   |                   |                   |
| Amounts receivable from credit institutions' pertain to receivables from a number of credit institutions located in Denmark and abroad. |                   |                   |                   |
| Amounts receivable from credit institutions abroad represent a very limited portion.  |                   |                   |                   |
| <b>Amounts receivable from individual institutions in excess of DKK 5 million</b>   |                   |                   |                   |
| Credit institutions or their subsidiaries rated, at a minimum, A+   | 42,915            | 63,998            | 60,872            |
| Credit institutions or their subsidiaries rated A and lower   | 32,031            | 57,349            | 69,124            |
| Unrated credit institutions or their subsidiaries   | 42,000            | 42,000            | 46,326            |
| <b>Total</b>  | <b>116,946</b>    | <b>163,347</b>    | <b>176,322</b>    |
| <b>Debt securities by rating categories</b>   |                   |                   |                   |
| AAA   | 2,956,142         | 3,585,336         | 3,895,937         |
| A+ to A-  | 0                 | 167,374           | 81,064            |
| BBB+ to BBB-  | 120,717           | 604,841           | 370,525           |
| BB+ and lower   | 9,772             | 7,757             | 9,516             |
| No rating   | 13,595            | 23,760            | 113,919           |
| <b>Total</b>  | <b>3,100,226</b>  | <b>4,389,068</b>  | <b>4,470,961</b>  |
| <b>Debt securities by issuers</b>   |                   |                   |                   |
| Mortgage-credit bonds   | 3,096,747         | 4,013,935         | 4,416,624         |
| Other debt securities   | 3,479             | 375,133           | 54,337            |
| <b>Total</b>  | <b>3,100,226</b>  | <b>4,389,068</b>  | <b>4,470,961</b>  |
| <b>Loans, Financial Guarantees and Credit Commitments by Industry Segments</b>  |                   |                   |                   |
| Public authorities  | 0                 | 50,732            | 50,050            |
| Business:   |                   |                   |                   |
| Agriculture, hunting, forestry and fishery  | 5,720,796         | 6,235,733         | 5,765,523         |
| Manufacturing industry and raw material extraction  | 1,017,009         | 1,259,034         | 1,248,828         |
| Energy supply   | 1,431,607         | 2,130,238         | 1,640,372         |
| Construction and civil engineering contractors  | 966,761           | 999,234           | 1,029,619         |
| Trade   | 1,910,325         | 2,185,230         | 2,148,084         |
| Transportation, hotels and restaurant businesses  | 1,141,354         | 1,188,103         | 1,136,595         |
| Information and communication   | 122,716           | 132,012           | 130,919           |
| Credit and financing institutes and insurance businesses  | 1,374,612         | 1,694,418         | 1,546,342         |
| Real estate   | 5,347,608         | 6,229,230         | 5,690,332         |
| Other business  | 1,425,185         | 1,605,629         | 1,521,879         |
| <b>Business, total</b>  | <b>20,457,973</b> | <b>23,658,861</b> | <b>21,858,493</b> |
| Retail  | 6,381,240         | 6,760,111         | 6,784,451         |
| <b>Total</b>  | <b>26,839,213</b> | <b>30,469,704</b> | <b>28,692,994</b> |

# Half-Year Financial Statements

## Notes

Note

### 23 Collaterals

The Bank holds a charge on financed assets for most of its business commitments, which is the reason the most common collaterals are mortgages secured in real property, ships, wind turbines, motor vehicles, movable property, securities and floating charges. Owner's sureties and personal insurance also constitute a large share of the collateral held by the Bank.

The Bank holds charges in financed assets for most of its retail customer commitments which is the reason the most common collaterals are mortgages secured in real property and in motor vehicles.

The Bank continuously performs assessments of pledged collateral. Valuations are performed on the basis of the fair value of the asset, less the margin for covering costs related to realisation, selling period costs as well as rebates. Some collaterals are assessed for precautionary and practical reasons not to have any value; thus, the figures listed below may not necessarily be taken to represent the collaterals' actual value. The Bank made changes to its assessment of collaterals in 2013 as a result of an improved data baseline.

#### Collaterals distributed by type

30 June 2014 TDKK

|  | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities | Bank accounts | Other   | Total      |
|--|--|---|---|------------|---------------|---------|------------|
| Business:  |  |   |   |            |               |         |            |
| Agriculture, hunting, forestry and fishery               | 2,706,615                                    | 74,446  | 464,496   | 76,926     | 34,356        | 157,622 | 3,514,461  |
| Manufacturing industry and raw material extraction       | 70,347                                       | 30,065  | 250,307   | 29,770     | 1,273         | 37,927  | 419,689    |
| Energy supply  | 778,048                                      | 106,942   | 73,210  | 99,182     | 23,826        | 10,225  | 1,091,433  |
| Construction and civil engineering contractors           | 247,119                                      | 52,911  | 114,976   | 8,460      | 5,145         | 8,790   | 437,401    |
| Trade  | 177,768                                      | 95,335  | 497,498   | 31,690     | 14,479        | 51,245  | 868,015    |
| Transportation, hotels and restaurant businesses         | 242,704                                      | 242,835   | 172,747   | 8,306      | 2,577         | 18,305  | 687,474    |
| Information and communication                            | 22,644                                       | 2,639   | 8,172   | 52,456     | 3,183         | 0       | 89,094     |
| Credit and financing institutes and insurance businesses | 202,008                                      | 23,967  | 3,585   | 174,073    | 46,909        | 31,396  | 481,938    |
| Real estate  | 2,834,429                                    | 553,439   | 14,077  | 187,859    | 97,103        | 119,956 | 3,806,863  |
| Other business   | 205,002                                      | 81,173  | 128,409   | 31,248     | 50,059        | 8,337   | 504,228    |
| Business, total  | 7,486,684                                    | 1,263,752   | 1,727,477   | 699,970    | 278,910       | 443,803 | 11,900,596 |
| Retail   | 2,187,762                                    | 284,418   | 185,411   | 278,627    | 98,472        | 52,092  | 3,086,782  |
| Total  | 9,674,446                                    | 1,548,170   | 1,912,888   | 978,597    | 377,382       | 495,895 | 14,987,378 |



Note

23 **Collaterals (continued)**

**Collaterals distributed by type (continued)**  
**30 June 2013 TDKK**

|  | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities | Bank accounts | Other   | Total     |
|--|--|---|---|------------|---------------|---------|-----------|
| Business:  |  |   |   |            |               |         |           |
| Agriculture, hunting, forestry and fishery               | 1,202,598                                    | 40,502  | 424,670   | 77,217     | 24,032        | 38,021  | 1,807,040 |
| Manufacturing industry and raw material extraction       | 59,828                                       | 20,690  | 39,795  | 1,509      | 2,666         | 16,564  | 141,052   |
| Energy supply  | 415,491                                      | 16,758  | 64,705  | 147,519    | 7,089         | 809     | 652,371   |
| Construction and civil engineering contractors           | 199,444                                      | 52,383  | 43,299  | 4,716      | 13,494        | 0       | 313,336   |
| Trade  | 115,945                                      | 60,802  | 66,804  | 17,620     | 20,197        | 5,613   | 286,981   |
| Transportation, hotels and restaurant businesses         | 114,530                                      | 184,500   | 109,616   | 7,398      | 4,435         | 0       | 420,479   |
| Information and communication                            | 14,538                                       | 1,926   | 3,209   | 17,806     | 56            | 409     | 37,944    |
| Credit and financing institutes and insurance businesses | 197,722                                      | 29,414  | 5,670   | 162,149    | 12,182        | 47,486  | 454,623   |
| Real estate  | 2,146,671                                    | 262,742   | 12,480  | 59,194     | 66,818        | 54,338  | 2,602,243 |
| Other business   | 153,978                                      | 67,601  | 47,729  | 46,236     | 46,882        | 7,261   | 369,687   |
| Business, total  | 4,620,745                                    | 737,318   | 817,977   | 541,364    | 197,851       | 170,501 | 7,085,756 |
| Retail   | 1,169,398                                    | 253,082   | 209,903   | 262,704    | 108,627       | 44,944  | 2,048,658 |
| Total  | 5,790,143                                    | 990,400   | 1,027,880   | 804,068    | 306,478       | 215,445 | 9,134,414 |

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## Notes

Note

### 23 Collaterals (continued)

#### Collaterals distributed by type (continued)

| 31 Dec 2013 TDKK   | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities | Bank accounts | Other   | Total      |
|--|--|---|---|------------|---------------|---------|------------|
| Business:  |  |   |   |            |               |         |            |
| Agriculture, hunting, forestry and fishery               | 2,949,333                                    | 85,579  | 548,980   | 94,502     | 51,520        | 128,499 | 3,858,413  |
| Manufacturing industry and raw material extraction       | 74,949                                       | 32,484  | 279,561   | 1,945      | 6,371         | 39,166  | 434,476    |
| Energy supply  | 870,357                                      | 119,694   | 78,801  | 129,710    | 11,953        | 10,214  | 1,220,729  |
| Construction and civil engineering contractors           | 276,113                                      | 56,578  | 117,562   | 5,739      | 7,466         | 6,266   | 469,724    |
| Trade  | 177,864                                      | 103,134   | 509,653   | 30,497     | 25,307        | 19,027  | 865,482    |
| Transportation, hotels and restaurant businesses         | 251,558                                      | 239,277   | 154,394   | 11,125     | 2,545         | 17,204  | 676,103    |
| Information and communication                            | 22,299                                       | 2,660   | 7,117   | 15,930     | 409           | 0       | 48,415     |
| Credit and financing institutes and insurance businesses | 243,589                                      | 26,042  | 2,505   | 216,734    | 17,579        | 81,020  | 587,469    |
| Real estate  | 3,142,145                                    | 569,751   | 13,939  | 197,594    | 97,440        | 90,628  | 4,111,497  |
| Other business   | 202,308                                      | 86,218  | 113,850   | 36,248     | 37,160        | 6,751   | 482,535    |
| Business, total  | 8,210,515                                    | 1,321,417   | 1,826,362   | 740,024    | 257,750       | 398,775 | 12,754,843 |
| Retail   | 2,280,878                                    | 290,778   | 198,144   | 296,752    | 126,632       | 60,264  | 3,253,448  |
| Total  | 10,491,393                                   | 1,612,195   | 2,024,506   | 1,036,776  | 384,382       | 459,039 | 16,008,291 |

### 24 Loans and guarantees by industry segments

|  | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|--|--------------|--------------|-------------|
| Business:  |              |              |             |
| Agriculture, hunting, forestry and fishery               | 20%          | 19%          | 19%         |
| Manufacturing industry and raw material extraction       | 3%           | 4%           | 4%          |
| Energy supply  | 6%           | 8%           | 7%          |
| Construction and civil engineering contractors           | 4%           | 4%           | 4%          |
| Trade  | 8%           | 8%           | 8%          |
| Transportation, hotels and restaurant businesses         | 4%           | 4%           | 4%          |
| Information and communication                            | 0%           | 0%           | 0%          |
| Credit and financing institutes and insurance businesses | 5%           | 5%           | 5%          |
| Real estate  | 22%          | 22%          | 22%         |
| Other business   | 5%           | 5%           | 5%          |
| Business, total  | 77%          | 79%          | 78%         |
| Retail   | 23%          | 21%          | 22%         |
| Total  | 100%         | 100%         | 100%        |

Note

25 **Credit quality of loans and guarantee debtors that are neither in arrears nor for which impairments/provisions have been made**

Loan and guarantee debtors with signs of weakness refers to loans and guarantee debtors for which individual impairments have not been performed but which display signs of weakness. Signs of weakness refers to conditions that affect the credit risk assessment of the loan negatively. These are loan and guarantee debtors whose credit rating is impaired and therefore closer to being written down.

| <b>30 June 2014 TDKK</b>                                 | Loan + guarantee debtors with material weaknesses, but without impairments/provisions | Loan + guarantee debtors with slightly impaired credit rating, certain signs of weakness | Loan+ guarantee debtors with normal credit rating | Amortised cost, total |
|--|---|--|---|-----------------------|
| Public authorities                                       | 0   | 0  | 0   | 0                     |
| Business:  |   |  |   |                       |
| Agriculture, hunting, forestry and fishery               | 498,544   | 443,673  | 1,173,601   | 2,115,818             |
| Manufacturing industry and raw material extraction       | 102,410   | 139,891  | 242,931   | 485,232               |
| Energy supply  | 36,357  | 288,879  | 600,916   | 926,152               |
| Construction and civil engineering contractors           | 132,330   | 96,961   | 247,592   | 476,883               |
| Trade  | 291,335   | 178,042  | 674,988   | 1,144,365             |
| Transportation, hotels and restaurant businesses         | 100,237   | 125,908  | 293,347   | 519,492               |
| Information and communication                            | 7,599   | 7,021  | 28,186  | 42,806                |
| Credit and financing institutes and insurance businesses | 121,947   | 93,544   | 377,308   | 592,799               |
| Real estate  | 947,272   | 576,617  | 745,548   | 2,269,437             |
| Other business   | 122,294   | 210,621  | 446,459   | 779,374               |
| Business, total  | 2,360,325   | 2,161,157  | 4,830,876   | 9,352,358             |
| Retail   | 998,977   | 560,985  | 2,383,813   | 3,943,775             |
| Total  | 3,359,302   | 2,722,142  | 7,214,689   | 13,296,133            |

# Half-Year Financial Statements

## Notes

Note

25 **Credit quality of loans and guarantee debtors that are neither in arrears nor for which impairments/provisions have been made (continued)**

| <b>30 June 2013 TDKK</b>                                 | Loan + guarantee debtors with material weaknesses, but without impairments/provisions | Loan + guarantee debtors with slightly impaired credit rating, certain signs of weakness | Loan+ guarantee debtors with normal credit rating | Amortised cost, total |
|--|---|--|---|-----------------------|
| Public authorities                                       | 0   | 0  | 4,617   | 4,617                 |
| Business:  |   |  |   |                       |
| Agriculture, hunting, forestry and fishery               | 499,463   | 591,491  | 1,646,183   | 2,737,137             |
| Manufacturing industry and raw material extraction       | 56,429  | 185,734  | 515,879   | 758,042               |
| Energy supply  | 162,524   | 211,624  | 1,407,280   | 1,781,428             |
| Construction and civil engineering contractors           | 159,139   | 118,799  | 326,047   | 603,985               |
| Trade  | 214,115   | 351,851  | 794,557   | 1,360,523             |
| Transportation, hotels and restaurant businesses         | 84,674  | 155,411  | 352,171   | 592,256               |
| Information and communication                            | 13,817  | 10,934   | 39,220  | 63,971                |
| Credit and financing institutes and insurance businesses | 197,049   | 154,085  | 522,525   | 873,659               |
| Real estate  | 1,148,488   | 1,141,760  | 1,063,592   | 3,353,840             |
| Other business   | 163,019   | 271,161  | 535,440   | 969,620               |
| Business, total  | 2,698,717   | 3,192,850  | 7,202,894   | 13,094,461            |
| Retail   | 959,983   | 866,754  | 2,660,125   | 4,486,862             |
| <b>Total</b>   | <b>3,658,700</b>  | <b>4,059,604</b>   | <b>9,867,636</b>                                  | <b>17,585,940</b>     |

Note

25 **Credit quality of loans and guarantee debtors that are neither in arrears nor for which impairments/provisions have been made (continued)**

| <b>31 Dec 2013 TDKK</b>                                  | Loan + guarantee debtors with material weaknesses, but without impairments/provisions | Loan + guarantee debtors with slightly impaired credit rating, certain signs of weakness | Loan+ guarantee debtors with normal credit rating | Amortised cost, total |
|--|---|--|---|-----------------------|
| Public authorities                                       | 0   | 0  | 2   | 2                     |
| Business:  |   |  |   |                       |
| Agriculture, hunting, forestry and fishery               | 432,847   | 551,476  | 1,280,771   | 2,265,094             |
| Manufacturing industry and raw material extraction       | 101,784   | 148,267  | 414,906   | 664,957               |
| Energy supply  | 22,899  | 488,798  | 594,268   | 1,105,965             |
| Construction and civil engineering contractors           | 133,926   | 113,400  | 248,480   | 495,806               |
| Trade  | 310,323   | 214,340  | 762,198   | 1,286,861             |
| Transportation, hotels and restaurant businesses         | 120,240   | 151,436  | 310,064   | 581,740               |
| Information and communication                            | 12,329  | 7,178  | 32,274  | 51,781                |
| Credit and financing institutes and insurance businesses | 193,634   | 104,819  | 435,975   | 734,428               |
| Real estate  | 864,163   | 751,999  | 818,250   | 2,434,412             |
| Other business   | 133,027   | 225,821  | 505,462   | 864,310               |
| Business, total  | 2,325,172   | 2,757,534  | 5,402,648   | 10,485,354            |
| Retail   | 971,036   | 656,971  | 2,524,576   | 4,152,583             |
| Total  | 3,296,208   | 3,414,505  | 7,927,226   | 14,637,939            |

# Half-Year Financial Statements

## Notes

Note

**26 Distribution by industry segment of overdue receivables for loans that have not been written down**

| <b>30 June 2014</b>                                      | 0-30 days<br>TDKK | 31-60 days<br>TDKK | 61-90 days<br>TDKK | > 90 days<br>TDKK | Total<br>TDKK    |
|--|-------------------|--------------------|--------------------|-------------------|------------------|
| Business:  |                   |                    |                    |                   |                  |
| Agriculture, hunting, forestry and fishery               | 28,264            | 7,468              | 3,288              | 1,420             | 40,440           |
| Manufacturing industry and raw material extraction       | 2,460             | 36,965             | 350                | 533               | 40,308           |
| Energy supply  | 2,669             | 313                | 1,449              | 1,092             | 5,523            |
| Construction and civil engineering contractors           | 7,292             | 2,297              | 8                  | 1,094             | 10,691           |
| Trade  | 7,661             | 5,079              | 205                | 2,737             | 15,682           |
| Transportation, hotels and restaurant businesses         | 4,856             | 346                | 134                | 773               | 6,109            |
| Information and communication                            | 822               | 99                 | 147                | 5                 | 1,073            |
| Credit and financing institutes and insurance businesses | 6,665             | 21                 | 8                  | 4,153             | 10,847           |
| Real estate  | 22,586            | 2,079              | 3,749              | 10,127            | 38,541           |
| Other business   | 5,279             | 1,330              | 335                | 1,241             | 8,185            |
| <b>Business, total</b>                                   | <b>88,554</b>     | <b>55,997</b>      | <b>9,673</b>       | <b>23,175</b>     | <b>177,399</b>   |
| Retail   | 24,398            | 2,479              | 883                | 3,111             | 30,871           |
| <b>Overdue receivables, total</b>                        | <b>112,952</b>    | <b>58,476</b>      | <b>10,556</b>      | <b>26,286</b>     | <b>208,270</b>   |
| <b>Loans in arrears, total</b>                           | <b>1.554.719</b>  | <b>151.804</b>     | <b>51.291</b>      | <b>175.721</b>    | <b>1.933.535</b> |
| <b>30 June 2013</b>                                      | 0-30 days<br>TDKK | 31-60 days<br>TDKK | 61-90 days<br>TDKK | > 90 days<br>TDKK | Total<br>TDKK    |
| Business:  |                   |                    |                    |                   |                  |
| Agriculture, hunting, forestry and fishery               | 16,149            | 12,067             | 1,449              | 906               | 30,571           |
| Manufacturing industry and raw material extraction       | 4,595             | 1,193              | 687                | 4,599             | 11,074           |
| Energy supply  | 1,634             | 0                  | 0                  | 0                 | 1,634            |
| Construction and civil engineering contractors           | 4,008             | 495                | 165                | 44                | 4,712            |
| Trade  | 5,901             | 709                | 1,678              | 696               | 8,984            |
| Transportation, hotels and restaurant businesses         | 7,491             | 937                | 561                | 9                 | 8,998            |
| Information and communication                            | 1,759             | 45                 | 28                 | 1                 | 1,833            |
| Credit and financing institutes and insurance businesses | 802               | 1,136              | 406                | 0                 | 2,344            |
| Real estate  | 13,298            | 1,429              | 4,935              | 334               | 19,996           |
| Other business   | 3,463             | 3,878              | 452                | 135               | 7,928            |
| <b>Business, total</b>                                   | <b>59,100</b>     | <b>21,889</b>      | <b>10,361</b>      | <b>6,724</b>      | <b>98,074</b>    |
| Retail   | 14,279            | 2,423              | 1,326              | 1,112             | 19,140           |
| <b>Overdue receivables, total</b>                        | <b>73,379</b>     | <b>24,312</b>      | <b>11,687</b>      | <b>7,836</b>      | <b>117,214</b>   |
| <b>Loans in arrears, total</b>                           | <b>734,540</b>    | <b>117,676</b>     | <b>225,235</b>     | <b>51,728</b>     | <b>1,129,179</b> |

Note

26 **Distribution by industry segment of overdue receivables for loans that have not been written down (continued)**

| <b>31 Dec 2013</b>   | 0-30 days<br>TDKK | 31-60 days<br>TDKK | 61-90 days<br>TDKK   | > 90 days<br>TDKK    | Total<br>TDKK       |
|--|-------------------|--------------------|----------------------|----------------------|---------------------|
| Business:  |                   |                    |                      |                      |                     |
| Agriculture, hunting, forestry and fishery   | 31,623            | 3,787              | 88                   | 131                  | 35,629              |
| Manufacturing industry and raw material extraction   | 987               | 1,201              | 0                    | 204                  | 2,392               |
| Energy supply  | 2,396             | 102                | 918                  | 0                    | 3,416               |
| Construction and civil engineering contractors   | 6,426             | 539                | 657                  | 0                    | 7,622               |
| Trade  | 10,513            | 1,529              | 1,575                | 882                  | 14,499              |
| Transportation, hotels and restaurant businesses   | 3,064             | 2,199              | 182                  | 48                   | 5,493               |
| Information and communication  | 471               | 77                 | 25                   | 0                    | 573                 |
| Credit and financing institutes and insurance businesses                                     | 2,512             | 282                | 0                    | 57                   | 2,851               |
| Real estate  | 22,451            | 910                | 13,714               | 115                  | 37,190              |
| Other business   | 10,613            | 1,460              | 747                  | 143                  | 12,963              |
| Business, total  | 91,056            | 12,086             | 17,906               | 1,580                | 122,628             |
| Retail   | 25,375            | 5,157              | 1,285                | 1,005                | 32,822              |
| Overdue receivables, total   | 116,431           | 17,243             | 19,191               | 2,585                | 155,450             |
| Loans in arrears, total  | 1,764,420         | 106,357            | 38,831               | 33,776               | 1,943,384           |
| <b>27 Distribution of gross loans and guarantee debtors, individually impaired, by cause</b> |                   |                    | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
| Reorganisation/bankruptcy  |                   |                    | 583,621              | 601,932              | 612,205             |
| Rescheduling of debts  |                   |                    | 8,908                | 9,107                | 13,299              |
| Collection   |                   |                    | 819,601              | 494,950              | 782,683             |
| Customer deceased  |                   |                    | 9,661                | 11,230               | 9,648               |
| Relief in terms  |                   |                    | 2,223,372            | 2,240,132            | 2,030,963           |
| Other causes   |                   |                    | 3,851,887            | 4,358,242            | 4,007,871           |
| Total  |                   |                    | 7,497,050            | 7,715,593            | 7,456,669           |

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## Notes

Note

**28 Distribution by industry segment of loan and guarantee debtors, individually impaired**

| 30 June 2014 TDKK  | Gross            | Loan value of collaterals | Unsecured part before impairment | Impairments/provisions | Unsecured part after impairment |
|--|------------------|---------------------------|----------------------------------|------------------------|---------------------------------|
|  | Business:        |                           |                                  |                        |                                 |
| Agriculture, hunting, forestry and fishery               | 2,502,633        | 587,838                   | 1,914,795                        | 1,306,557              | 608,238                         |
| Manufacturing industry and raw material extraction       | 208,492          | 79,232                    | 129,260                          | 114,634                | 14,626                          |
| Energy supply  | 182,002          | 60,808                    | 121,194                          | 63,345                 | 57,849                          |
| Construction and civil engineering contractors           | 239,432          | 108,766                   | 130,666                          | 112,422                | 18,244                          |
| Trade  | 334,421          | 88,818                    | 245,603                          | 193,016                | 52,587                          |
| Transportation, hotels and restaurant businesses         | 438,728          | 177,809                   | 260,919                          | 180,209                | 80,710                          |
| Information and communication                            | 10,024           | 105                       | 9,919                            | 5,216                  | 4,703                           |
| Credit and financing institutes and insurance businesses | 759,213          | 177,981                   | 581,232                          | 501,853                | 79,379                          |
| Real estate  | 2,099,826        | 1,134,969                 | 964,857                          | 838,109                | 126,748                         |
| Other business   | 221,841          | 36,399                    | 185,442                          | 153,444                | 31,998                          |
| <b>Business, total</b>                                   | <b>6,996,612</b> | <b>2,452,725</b>          | <b>4,543,887</b>                 | <b>3,468,805</b>       | <b>1,075,082</b>                |
| Retail   | 500,438          | 83,999                    | 416,439                          | 324,876                | 91,563                          |
| <b>Total</b>   | <b>7,497,050</b> | <b>2,536,724</b>          | <b>4,960,326</b>                 | <b>3,793,681</b>       | <b>1,166,645</b>                |

| 30 June 2013 TDKK  | Gross            | Loan value of collaterals | Unsecured part before impairment | Impairments/provisions | Unsecured part after impairment |
|--|------------------|---------------------------|----------------------------------|------------------------|---------------------------------|
|  | Business:        |                           |                                  |                        |                                 |
| Agriculture, hunting, forestry and fishery               | 2,600,849        | 463,090                   | 2,137,759                        | 1,225,770              | 911,989                         |
| Manufacturing industry and raw material extraction       | 200,908          | 28,773                    | 172,135                          | 114,147                | 57,988                          |
| Energy supply  | 68,957           | 15,960                    | 52,997                           | 18,566                 | 34,431                          |
| Construction and civil engineering contractors           | 266,760          | 93,821                    | 172,939                          | 116,404                | 56,535                          |
| Trade  | 331,651          | 56,616                    | 275,035                          | 145,466                | 129,569                         |
| Transportation, hotels and restaurant businesses         | 442,928          | 161,151                   | 281,777                          | 168,177                | 113,600                         |
| Information and communication                            | 22,039           | 1,092                     | 20,947                           | 7,612                  | 13,335                          |
| Credit and financing institutes and insurance businesses | 864,496          | 167,466                   | 697,030                          | 586,528                | 110,502                         |
| Real estate  | 2,165,387        | 953,954                   | 1,211,433                        | 814,103                | 397,330                         |
| Other business   | 240,711          | 25,642                    | 215,069                          | 166,663                | 48,406                          |
| <b>Business, total</b>                                   | <b>7,204,686</b> | <b>1,967,565</b>          | <b>5,237,121</b>                 | <b>3,363,436</b>       | <b>1,873,685</b>                |
| Retail   | 510,907          | 46,033                    | 464,874                          | 305,335                | 159,539                         |
| <b>Total</b>   | <b>7,715,593</b> | <b>2,013,598</b>          | <b>5,701,995</b>                 | <b>3,668,771</b>       | <b>2,033,224</b>                |



Note

28 **Distribution by industry segment of loan and guarantee debtors, individually impaired (continued)**

| <b>31 Dec 2013 TDKK</b>                                     | Gross     | Loan value<br>of<br>collaterals | Unsecured<br>part before<br>impairment | Impair-<br>ments/<br>provisions | Unsecured<br>part after<br>impairment |
|---|-----------|---------------------------------|--|---------------------------------|---------------------------------------|
| Business:   |           |                                 |  |                                 |                                       |
| Agriculture, hunting, forestry and fishery                  | 2,354,772 | 660,912                         | 1,693,860                              | 1,132,641                       | 561,219                               |
| Manufacturing industry and raw material extraction          | 202,374   | 62,213                          | 140,161                                | 112,324                         | 27,837                                |
| Energy supply   | 161,787   | 61,109                          | 100,678                                | 53,302                          | 47,376                                |
| Construction and civil engineering contractors              | 272,301   | 120,844                         | 151,457                                | 119,164                         | 32,293                                |
| Trade   | 327,688   | 86,069                          | 241,619                                | 209,679                         | 31,940                                |
| Transportation, hotels and restaurant businesses            | 420,532   | 164,544                         | 255,988                                | 166,486                         | 89,502                                |
| Information and communication                               | 18,991    | 3,946                           | 15,045                                 | 5,777                           | 9,268                                 |
| Credit and financing institutes and insurance<br>businesses | 779,535   | 148,968                         | 630,567                                | 541,050                         | 89,517                                |
| Real estate   | 2,206,514 | 1,355,389                       | 851,125                                | 855,219                         | 0                                     |
| Other business  | 225,426   | 32,492                          | 192,934                                | 156,810                         | 36,124                                |
| Business, total   | 6,969,920 | 2,696,486                       | 4,273,434                              | 3,352,452                       | 925,076                               |
| Retail  | 486,749   | 74,033                          | 412,716                                | 309,999                         | 102,717                               |
| Total   | 7,456,669 | 2,770,519                       | 4,686,150                              | 3,662,451                       | 1,027,793                             |

# Half-Year Financial Statements

## Notes

Note

**29 Collaterals for loans and guarantees that have been individually impaired, distributed by type of collateral**

| <b>30 June 2014 TDKK</b>                                 | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities    | Bank accounts | Others         | Total            |
|--|--|---|---|---------------|---------------|----------------|------------------|
| Business:  |  |   |   |               |               |                |                  |
| Agriculture, hunting, forestry and fishery               | 497,836                                      | 20,659  | 20,537  | 7,603         | 2,544         | 38,659         | 587,838          |
| Manufacturing industry and raw material extraction       | 9,871  | 4,309   | 57,763  | 17            | 291           | 6,981          | 79,232           |
| Energy supply  | 41,426                                       | 0   | 0   | 5,174         | 14,208        | 0              | 60,808           |
| Construction and civil engineering contractors           | 90,710                                       | 2,290   | 8,956   | 661           | 149           | 6,000          | 108,766          |
| Trade  | 11,261                                       | 3,698   | 72,185  | 193           | 171           | 1,310          | 88,818           |
| Transportation, hotels and restaurant businesses         | 75,454                                       | 62,634  | 36,743  | 2,092         | 86            | 800            | 177,809          |
| Information and communication                            | 0  | 0   | 0   | 103           | 2             | 0              | 105              |
| Credit and financing institutes and insurance businesses | 102,890                                      | 2,327   | 1,822   | 61,981        | 40            | 8,921          | 177,981          |
| Real estate  | 964,018                                      | 108,713   | 3,747   | 7,702         | 11,171        | 39,618         | 1,134,969        |
| Other business   | 21,477                                       | 1,260   | 8,983   | 1,948         | 136           | 2,595          | 36,399           |
| <b>Business, total</b>                                   | <b>1,814,943</b>                             | <b>205,890</b>  | <b>210,736</b>  | <b>87,474</b> | <b>28,798</b> | <b>104,884</b> | <b>2,452,725</b> |
| Retail   | 58,500                                       | 11,685  | 5,943   | 2,500         | 389           | 4,982          | 83,999           |
| <b>Total</b>   | <b>1,873,443</b>                             | <b>217,575</b>  | <b>216,679</b>  | <b>89,974</b> | <b>29,187</b> | <b>109,866</b> | <b>2,536,724</b> |

Note

29 **Collaterals for loans and guarantees that have been individually impaired, distributed by type of collateral (continued)**

| <b>30 June 2013 TDKK</b>                                 | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities    | Bank accounts | Others        | Total            |
|--|--|---|---|---------------|---------------|---------------|------------------|
| Business:  |  |   |   |               |               |               |                  |
| Agriculture, hunting, forestry and fishery               | 355,748                                      | 11,108  | 65,833  | 9,095         | 3,641         | 17,665        | 463,090          |
| Manufacturing industry and raw material extraction       | 1,170  | 1,740   | 22,301  | 50            | 262           | 3,250         | 28,773           |
| Energy supply  | 15,866                                       | 0   | 0   | 0             | 94            | 0             | 15,960           |
| Construction and civil engineering contractors           | 76,254                                       | 5,067   | 11,825  | 364           | 311           | 0             | 93,821           |
| Trade  | 4,008  | 5,897   | 45,186  | 1,175         | 350           | 0             | 56,616           |
| Transportation, hotels and restaurant businesses         | 53,161                                       | 57,431  | 44,175  | 6,323         | 61            | 0             | 161,151          |
| Information and communication                            | 779  | 0   | 107   | 1             | 0             | 205           | 1,092            |
| Credit and financing institutes and insurance businesses | 74,677                                       | 2,109   | 822   | 57,810        | 548           | 31,500        | 167,466          |
| Real estate  | 861,786                                      | 63,039  | 5,946   | 18,041        | 2,131         | 3,011         | 953,954          |
| Other business   | 9,551  | 0   | 11,440  | 1,931         | 0             | 2,720         | 25,642           |
| <b>Business, total</b>                                   | <b>1,453,000</b>                             | <b>146,391</b>  | <b>207,635</b>  | <b>94,790</b> | <b>7,398</b>  | <b>58,351</b> | <b>1,967,565</b> |
| Retail   | 27,058                                       | 5,027   | 12,051  | 1,064         | 255           | 578           | 46,033           |
| <b>Total</b>   | <b>1,480,058</b>                             | <b>151,418</b>  | <b>219,686</b>  | <b>95,854</b> | <b>7,653</b>  | <b>58,929</b> | <b>2,013,598</b> |

# Half-Year Financial Statements

## Notes

Note

29 **Collaterals for loans and guarantees that have been individually impaired, distributed by type of collateral (continued)**

| 31 Dec 2013 TDKK   | Charges held in properties and wind turbines | Right of substitution for security provided on property | Charges held in movable property, motor vehicles, operating equipment, ships etc. | Securities | Bank accounts | Others | Total     |
|--|--|---|---|------------|---------------|--------|-----------|
| Public authorities                                       |  |   |   |            |               |        |           |
| Business:  | 531,645                                      | 17,411  | 68,010  | 7,248      | 12,317        | 24,281 | 660,912   |
| Agriculture, hunting, forestry and fishery               | 6,425  | 4,316   | 46,140  | 10         | 0             | 5,322  | 62,213    |
| Manufacturing industry and raw material extraction       | 53,443                                       | 0   | 0   | 7,513      | 153           | 0      | 61,109    |
| Energy supply  | 96,066                                       | 3,147   | 17,142  | 205        | 159           | 4,125  | 120,844   |
| Construction and civil engineering contractors           | 10,007                                       | 4,445   | 69,932  | 5          | 347           | 1,333  | 86,069    |
| Trade  | 72,378                                       | 51,563  | 38,252  | 2,281      | 70            | 0      | 164,544   |
| Transportation, hotels and restaurant businesses         | 0  | 0   | 0   | 3,938      | 8             | 0      | 3,946     |
| Information and communication                            | 78,161                                       | 2,377   | 761   | 57,193     | 33            | 10,443 | 148,968   |
| Credit and financing institutes and insurance businesses | 1,182,604                                    | 109,154   | 3,384   | 10,906     | 34,513        | 14,828 | 1,355,389 |
| Real estate  | 18,476                                       | 279   | 9,127   | 1,947      | 68            | 2,595  | 32,492    |
| Other business   | 2,049,205                                    | 192,692   | 252,748   | 91,246     | 47,668        | 62,927 | 2,696,486 |
| Business, total  | 48,624                                       | 12,944  | 6,962   | 1,920      | 90            | 3,493  | 74,033    |
| Retail   | 2,097,829                                    | 205,636   | 259,710   | 93,166     | 47,758        | 66,420 | 2,770,519 |

| Note   | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|--|----------------------|----------------------|---------------------|
| <b>30 Hedge accounting</b>   |                      |                      |                     |
| <b>For hedging interest rate risk, the following are hedged (fair value hedge):</b>                          |                      |                      |                     |
| Debt securities  | 0                    | 113,300              | 0                   |
| Hedged with interest rate swaps:   |                      |                      |                     |
| Synthetic principal  | 0                    | 110,000              | 0                   |
| Fair value   | 0                    | -1,195               | 0                   |
| Loans at amortised cost  | 177,973              | 236,181              | 201,154             |
| Hedged with interest rate swaps, maturity 2014-2032  |                      |                      |                     |
| Synthetic principal  | 153,498              | 207,873              | 178,340             |
| Fair value   | -17,515              | -17,775              | -15,655             |
| Hedged with interest rate caps, maturity 2024:   |                      |                      |                     |
| Synthetic principal  | 7,004                | 10,506               | 7,258               |
| Fair value   | 44                   | -27                  | 100                 |
| Deposits   | 3,906,126            | 2,558,673            | 3,756,964           |
| Hedged with interest rate swaps, maturity 2014-2016:   |                      |                      |                     |
| Synthetic principal  | 3,900,000            | 2,550,000            | 3,750,000           |
| Fair value   | 6,126                | 8,673                | 6,964               |
| Subordinated debt  | 604,983              | 802,434              | 606,620             |
| Hedged with interest rate swaps, maturity 2015-2020:   |                      |                      |                     |
| Synthetic principal  | 587,600              | 800,000              | 600,000             |
| Fair value   | 17,383               | 2,434                | 6,620               |
| Total fair value adjustment of hedging instruments   | 9,892                | -4,223               | -3,055              |
| Total fair value adjustment of the hedged items  | -9,892               | 5,246                | 3,055               |
| Ineffectiveness recognised in the Statement of Income  | 0                    | 1,023                | 0                   |
| <b>For hedging foreign currency risk, the following are hedged (fair value hedge):</b>                       |                      |                      |                     |
| Issued debt securities   | 0                    | 256,504              | 0                   |
| Hedged with interest rate swaps:   |                      |                      |                     |
| Synthetic principal  | 0                    | 265,374              | 0                   |
| Fair value   | 0                    | -8,728               | 0                   |
| Value adjustments of these transactions are classified as hedging instruments related to hedging cash flows. |                      |                      |                     |
| Recognised under other comprehensive income  | 0                    | -6,304               | -6,321              |
| Recognised under equity  | 0                    | -6,304               | -6,321              |

# Half-Year Financial Statements

## Notes

| Note  | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|---|----------------------|----------------------|---------------------|
| <b>31 Derivative financial instruments</b>  |                      |                      |                     |
| Derivative financial instruments are utilised by both the Bank's customers and the Bank to hedge and manage financial risks and positions.  |                      |                      |                     |
| <b>32 Interest rate risk</b>  |                      |                      |                     |
| Interest rate risk is defined as the loss incurred by the Bank in the event of an increase in general interest rate levels of 1 percentage point. Interest rate risk is calculated applying the Financial Supervisory Authority's guidelines. |                      |                      |                     |
| Interest rate risk relating to the trading book:  |                      |                      |                     |
| Securities  | 14,184               | 19,468               | 10,354              |
| Futures/forward contracts/forward rate agreements   | 113                  | 89                   | -126                |
| Options   | 0                    | 0                    | 0                   |
| Swaps   | 78                   | -3,947               | 90                  |
| <b>Total</b>  | <b>14,375</b>        | <b>15,610</b>        | <b>10,318</b>       |
| Interest rate risk in the non-trading book:   |                      |                      |                     |
| Amounts receivable from credit institutions   | 0                    | 0                    | 0                   |
| Loans   | 16,601               | 22,295               | 18,507              |
| Debt securities   | 0                    | 1                    | 0                   |
| Amounts owed to credit institutions   | 0                    | -6,436               | 0                   |
| Deposits  | -82,421              | -73,577              | -82,161             |
| Debt securities in issue  | -44                  | -168                 | -89                 |
| Subordinated debt   | -3,605               | -37,763              | -5,090              |
| <b>Total</b>  | <b>-69,469</b>       | <b>-95,648</b>       | <b>-68,833</b>      |
| <b>Total interest rate risk</b>   | <b>-55,094</b>       | <b>-80,038</b>       | <b>-58,515</b>      |
| Measured in relation to the Tier 1 capital, this corresponds to   | -3.0%                | -6.1%                | -4.9%               |
| An increase in the interest rate of 1 percentage point will result in an income and equity exposure before tax of   | 55,094               | 80,038               | 58,515              |
| A decline in the interest rate of 1 percentage point will result in an income and equity exposure before tax of   | -55,094              | -80,038              | -58,515             |
| Interest rate risk by modified duration   |                      |                      |                     |
| Up to and including 1 year  | 7,117                | -5,442               | -5,408              |
| Over 1 year up to and including 2 years   | -4,081               | 525                  | 4,754               |
| Over 2 years up to and including 3.6 years  | -19,268              | -11,898              | -14,810             |
| More than 3.6 years   | -38,862              | -63,223              | -43,051             |
| <b>Total</b>  | <b>-55,094</b>       | <b>-80,038</b>       | <b>-58,515</b>      |

Note

**33 Foreign currency risk**

Foreign currency risk is the risk of losses on foreign currency positions as a result of changes in foreign exchange rates. Exchange Rate Indicator 1 expresses a simplified target for the scope of the institution's positions in foreign currency and is calculated - according to the guidelines of the Danish Financial Supervisory Authority - as whichever is the greater of the sum of the foreign currency positions where the Bank has net payables (short currency positions) and the sum of all the currencies where the Bank has a net receivable (long currency positions).

|   | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|---|----------------------|----------------------|---------------------|
| Assets in foreign currency, total   | 2,321,546            | 2,776,575            | 2,610,849           |
| Liabilities in foreign currency, total  | 184,422              | 703,601              | 261,106             |
| Exchange Rate Indicator 1   | 38,087               | 64,128               | 19,119              |
| Exchange Rate Indicator 1 as a percentage of Tier 1 capital   | 2.1%                 | 4.9%                 | 1.6%                |
| The foreign currency position primarily consists of CHF, EUR, GBP, SEK, NOK, USD and TRY.   |                      |                      |                     |
| A change unfavourable to the Bank in EUR of 2% and other foreign currencies of 10% will result in an income and equity effect before tax of | -2,382               | -2,826               | -1,774              |

**34 Equity risk**

The Bank's equity risk is derived from shares and derivatives in the Bank's investment and trading portfolios.

|   | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|---|----------------------|----------------------|---------------------|
| <b>Equity securities etc.</b>   |                      |                      |                     |
| Shares/unit-denominated certificates listed on NASDAQ OMX Copenhagen A/S  | 9,017                | 14,362               | 9,035               |
| Shares/unit-denominated certificates listed on other exchanges  | 9,309                | 11,550               | 9,839               |
| Unlisted shares recognised at their fair value  | 462,645              | 450,283              | 459,277             |
| Unlisted shares etc. recognised at cost   | 1,200                | 31,399               | 1,060               |
| Equity securities etc., total   | 482,171              | 507,594              | 479,211             |
| Of which sector shares  | 459,403              | 456,826              | 455,977             |
| <b>Sensitivity</b>  |                      |                      |                     |
| An increase in the share value of 10 percentage points will result in an income and equity exposure before tax of | 48,217               | 50,759               | 47,921              |
| of which sector shares  | 45,940               | 45,683               | 45,598              |
| of which other shares   | 2,277                | 5,077                | 2,323               |
| A decrease in the share value of 10 percentage points will result in an income and equity exposure before tax of  | -48,217              | -50,759              | -47,921             |
| of which sector shares  | -45,940              | -45,683              | -45,598             |
| of which other shares   | -2,277               | -5,077               | -2,323              |

# Half-Year Financial Statements

## Notes

Note

### 35 Liquidity risk

Cash resources are established based on ongoing compliance with the Supervisory Diamond subject to a specific long-term stress scenario. The stress scenario is based on stress factors, etc. formulated by the Financial Supervisory Authority. Cash resources consist of cash equivalents, deposits in and credit facilities with Danmarks Nationalbank.

|   | 30 June 2014<br>TDKK | 30 June 2013<br>TDKK | 31 Dec 2013<br>TDKK |
|---|----------------------|----------------------|---------------------|
| <b>Liquidity resources</b>  |                      |                      |                     |
| Demand deposits and uncollateralised certificates of deposit with Danmarks Nationalbank as well as demand deposits and undrawn committed credits with other credit institutions | 898,154              | 692,044              | 1,297,595           |
| Cash equivalents  | 3,736,493            | 4,924,554            | 5,038,278           |
| Other secure, readily negotiable and uncollateralised securities and credit instruments   | 675,000              | 305,468              | 645,891             |
| <b>Total</b>  | <b>5,309,647</b>     | <b>5,922,066</b>     | <b>6,981,764</b>    |
| Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act  | 124.2%               | 111.6%               | 162.2%              |

### 36 Other risks

#### Operating risks

The general responsibility for operational risks is based in the The Finance and Risk Management Department.

vestjyskBANK considers its reliance on key employees to be a focus area. There are ongoing efforts to minimise the Bank's reliance on key employees, among other things in the form of written business procedures, centralisation of tasks, and the outsourcing of areas that are not significant to the Bank's competitiveness.

vestjyskBANK is continuously working on policies and contingency plans for physical catastrophes and IT-related disaster recovery. The Bank is a member of Bankernes EDB Central (BEC), which handles the day-to-day operations of its IT systems. The Bank follows the directions and recommendations issued by BEC, and it does not perform any independent IT system development.

The Bank's contingency plans for the IT area cover service interruptions at headquarters and parts of the department network. For interruptions in one or more departments, operations can still take place from the other departments, and in the event of prolonged interruptions at headquarters, vital functions can be carried out from one of the branches. The Bank's contingency plan is reviewed by the Supervisory Board at least once a year.

The operational risk is minimised by ensuring, among other things, that the execution of activities is organisationally separated from the control of such activities.

#### Risk on own funds

Own funds are monitored on an ongoing basis, and the Supervisory Board receives monthly reports based on established guidelines.

#### Compliance

vestjyskBANK has a compliance function, whose area of responsibility is to monitor compliance with financial legislation. Instructions and an annual plan for this area, approved by the Supervisory Board, have been drawn up.

### 37 Pending litigation

vestjyskBANK is party to various litigation. The proceedings are evaluated on an ongoing basis, and requisite provisions are made on the basis of a risk assessment of losses.

The pending proceedings are not expected to have significant influence on the Bank's financial position.



| Note   |              |              |             |
|--|--------------|--------------|-------------|
| 38 Key figures and financial ratios  | HY 2014      | HY 2013      | FY 2013     |
| <b>Key figures</b>   |              |              |             |
| <b>Statement of Income (in MDKK)</b>   |              |              |             |
| Net interest income  | 355          | 401          | 813         |
| Net fee income   | 132          | 126          | 262         |
| Dividends on equity securities etc.  | 6            | 8            | 13          |
| Market value adjustments   | 68           | 90           | 126         |
| Other operating income   | 3            | 16           | 20          |
| <b>Core income</b>   | 564          | 641          | 1,234       |
| Personnel and administrative expenses  | -266         | -280         | -539        |
| Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets | -28          | -33          | -64         |
| Operating expenses and operating depreciations and amortisations   | -294         | -313         | -603        |
| <b>Core earnings before impairments</b>  | 270          | 328          | 631         |
| Impairments of loans and receivables etc.  | -200         | -393         | -1,073      |
| <b>Profit/loss before tax</b>  | 70           | -65          | -442        |
| Tax  | 3            | 0            | 0           |
| <b>Profit/loss</b>   | 67           | -65          | -442        |
|  | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
| <b>Statement of Financial Position (in MDKK)</b>   |              |              |             |
| Assets, total  | 23,161       | 27,396       | 26,112      |
| Loans  | 16,070       | 19,418       | 17,360      |
| Deposits, including pooled funds   | 18,002       | 17,446       | 17,877      |
| Contingent liabilities   | 2,809        | 3,307        | 2,958       |
| Business volume  | 36,881       | 40,171       | 38,195      |
| Equity   | 1,541        | 927          | 887         |

# Half-Year Financial Statements

## Notes

| Note |   |         |         |         |
|------|---|---------|---------|---------|
| 38   | <b>Key figures and financial ratios (continued)</b>                       |         |         |         |
|      |   | HY 2014 | HY 2013 | FY 2013 |
|      | <b>Financial ratios</b>   |         |         |         |
|      | <b>Solvency</b>   |         |         |         |
|      | Solvency ratio <sup>1</sup>   | 10.8%   | 11.5%   | 11.3%   |
|      | Tier 1 capital ratio <sup>1</sup>   | 9.6%    | 5.7%    | 5.9%    |
|      | <b>Earnings</b>   |         |         |         |
|      | Return on equity before tax, annually <sup>2</sup>                        | 11.5%   | -13.6%  | -46.9%  |
|      | Return on equity after tax, annually <sup>2</sup>                         | 11.1%   | -13.6%  | -46.9%  |
|      | Income-cost ratio <sup>3</sup>  | 1.14    | 0.91    | 0.74    |
|      | Rate of cost <sup>4</sup>   | 52.1%   | 48.8%   | 48.9%   |
|      | Return on capital employed <sup>5</sup>                                   | 0.3%    | -0.2%   | -1.5%   |
|      | Employees converted to full-time (average)                                | 530.8   | 572.5   | 562.9   |
|      | <b>Market risk</b>  |         |         |         |
|      | Interest rate risk <sup>6</sup>   | -3.0%   | -6.1%   | -4.9%   |
|      | Foreign currency position <sup>7</sup>                                    | 2.1%    | 4.9%    | 1.6%    |
|      | Foreign currency risk   | 0.0%    | 0.0%    | 0.0%    |
|      | Excess cover in relation to statutory liquidity requirements <sup>8</sup> | 124.2%  | 111.6%  | 162.2%  |
|      | <b>Credit risk</b>  |         |         |         |
|      | Loans plus impairments on loans in relation to deposits                   | 110.6%  | 132.3%  | 117.9%  |
|      | Loans in relation to equity   | 10.4    | 21.0    | 19.6    |
|      | Growth in loans for the period <sup>9</sup>                               | -7.4%   | -6.2%   | -16.1%  |
|      | Total of large exposures <sup>10</sup>                                    | 36.6%   | 35.4%   | 33.5%   |
|      | Accumulated impairment ratio  | 16.9%   | 14.0%   | 15.5%   |
|      | Impairment ratio for the period   | 0.9%    | 1.5%    | 4.5%    |
|      | <b>vestjyskBANK share</b>   |         |         |         |
|      | Profit/loss for the year per share  | 0.6     | -1.1    | -6.0    |
|      | Equity value per share <sup>11</sup>                                      | 10.2    | 15.2    | 10.3    |
|      | Price of vestjyskBANK shares, end of the period                           | 13.0    | 9.3     | 9.0     |
|      | Price/book value per share  | 1.3     | 0.6     | 0.9     |

1 Effective on 31 March 2014, the solvency and Tier 1 capital ratios were determined under the CRR/CRD IV rules

2 Based on average equity

3 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net Interest and fee income + value adjustments + other operating income. Costs from ordinary activities = operating costs and operating depreciations and impairments + impairment of goodwill + impairment of loans and amounts receivable, etc.

4 Operating costs and depreciations and impairments/core income

5 Results/average assets, total

6 Interest rate risk in relation to Tier 1 capital

7 Foreign Currency Indicator 1 in relation to Tier 1 capital

8 Surplus funding in relation to the 10% requirement set out in sec 152 of the Danish Finance Act.

9 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period

10 Exposures greater than 10% of the eligible capital

11 The Bank changed the individual denomination of its share from DKK 10 to DKK 1 per share, cf. Company Announcement of 25 April 2013



■ [vestjyskbank.dk](http://vestjyskbank.dk)

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